

FY24

Financial Results

NIPPON SIGNAL CO., Ltd. (Securities Code: 6741)

May 14, 2025

日本信号株式会社
NIPPON SIGNAL CO., LTD.

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Key points of financial results

(Unit: 100 million yen)	2024/3	2025/3	Change from previous period		2026/3 (plan)	Change from previous period	
Sales	985	**1,068**	+83	+8.4%	**1,080**	+11	+1.1%
Operating profit	68	**99**	+30	+45.2%	**100**	+0	+0.9%
Ordinary profit	78	**107**	+28	+36.7%	**108**	+0	+0.1%
Profit attributable to owners of parent	53	**85**	+31	+59.1%	**75**	▲10	▲11.8%

■ Consolidated financial results for the fiscal year ending in March 2025

Increased sales for the third consecutive year and profit for the second consecutive year due to increased sales of ticket vending machines compatible with new banknotes and overseas projects.

■ Shareholder returns (dividends per share)

2025/3：Annual 43 yen (interim dividend 10 yen, year-end dividend 33 yen, dividend increase 12 yen)

Dividend payout ratio 31.5%

■ Forecast for the fiscal year ending in March 2026

- Sales: 108 billion yen, Operating profit: 10 billion yen, Ordinary profit: 10.8 billion yen, Net profit: 7.5 billion yen
  Sales, Operating profit, and Ordinary profit are expected to be similar to those for the fiscal year ending in March 2025, but Net profit is expected to decline in the fiscal year ending in March 2025 due to decrease in extraordinary income.
- Dividend: 43 yen per year (interim dividend 13 yen, year-end dividend 30 yen)　* Dividend maintained

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Sales and Profit Change

Sales increased, and profits at all stages also increased.
Sales increased due to the contribution of new banknote projects and large-scale overseas orders received in the previous fiscal year.
Operating income, ordinary profits, and profit attributable to owners of parent reached record highs.

(Unit: 100 million yen)	2021/3	22/3	23/3	24/3	25/3	Change from previous period
Sales	927	850	854	985	**1,068**	+83
Operating income	57	53	51	68	**99**	+30
Ordinary profits	64	65	59	78	**107**	+28
Profit attributable to owners of parent	49	45	40	53	**85**	+31

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By segment (1) Sales/Segment profit

■ **Transportation infrastructure business:**
Although sales of overseas railway signaling business increased, sales increased and profits decreased year-on-year due to an increase in the burden of development costs and other expenses.

■ **ICT solution business:**
Increased sales and profits mainly due to an increase in domestic AFC projects.

(Unit: 100 million yen)	2023/3		2024/3		2025/3		Change from previous period	
	Sales	Segment profit	Sales	Segment profit	Sales	Segment profit	Sales	Segment profit
Transport infrastructure business	470	51	539	62	**565**	**45**	+26	▲16
ICT solution business	384	33	446	39	**502**	**89**	+56	+49
Whole company expenses	–	▲33	–	▲33	–	**▲35**	–	▲2
Total	854	51	985	68	**1,068**	**99**	+83	+30

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By segment (2) Orders received/ outstanding orders

(Unit: 100 million yen)	2024/3			2025/3			Change from previous period		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Railway signal	748	466	825	**416**	**478**	**762**	▲331	+12	▲62
Smart mobility	81	73	16	**93**	**86**	**23**	+11	+13	+6
Transportation infrastructure business	830	539	841	**510**	**565**	**786**	▲319	+26	▲55
AFC	428	346	225	**373**	**388**	**210**	▲55	+41	▲14
R&S	126	99	45	**120**	**114**	**51**	▲6	+15	+5
ICT solution business	555	446	270	**494**	**502**	**262**	▲61	+56	▲8
Total	1,385	985	1,112	**1,004**	**1,068**	**1,048**	▲381	+83	▲64

Railway signal Orders declined due to a decrease in large-scale orders for international business. Sales increased due to the progress of the orders received in the last fiscal year.

Smart mobility Orders and sales increased due to increased sales of parking meters, tickets, and MVNO (Mobile Virtual Network Operator）.

AFC Due to the renewal of station service equipment and parking lot equipment to accommodate new banknotes, orders remained at a high level and sales increased, although orders decreased.

R&S The fields of robotics and sensing, remained strong and orders decreased, sales increased.

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By segment (3) Sales of overseas business

(Unit: 100 million yen)	2024/3			2025/3			Change from previous period		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Overseas Transportation infrastructure business	353	108	584	87	137	534	▲265	+28	▲49
Overseas ICT solution business	0	6	42	0	3	38	▲0	▲3	▲3
Overseas total	354	115	626	87	141	572	▲266	+25	▲53

Overseas Transportation infrastructure business
Orders decreased compared to the last fiscal year, but this was due to a large project (Hua-Tung Line) in Taiwan in the last fiscal year. Sales increased as projects progressed.

Overseas ICT solution business
Sales include AFC system in Vietnam, Ho Chi Minh Metro, etc.

Whole overseas
The backlog of orders remained at a high level, and sales were at an all-time high.

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Financial Performance

(Unit: 100 million yen)	2024/3	2025/3	
		Result	Change from previous period
Total assets	1,652	**1,662**	+9
Interest bearing debts	187	**192**	+5
Equity capital	968	**1,026**	+58
Capital adequacy ratio	58.6%	**61.7%**	+3.1pt
ROE	5.7%	**8.5%**	+2.8pt
ROIC	4.6%	**6.9%**	+2.3pt
PBR	0.67	**0.54**	▲0.13pt
(Reference) Year-end stock price	1,038yen	**895yen**	▲143yen

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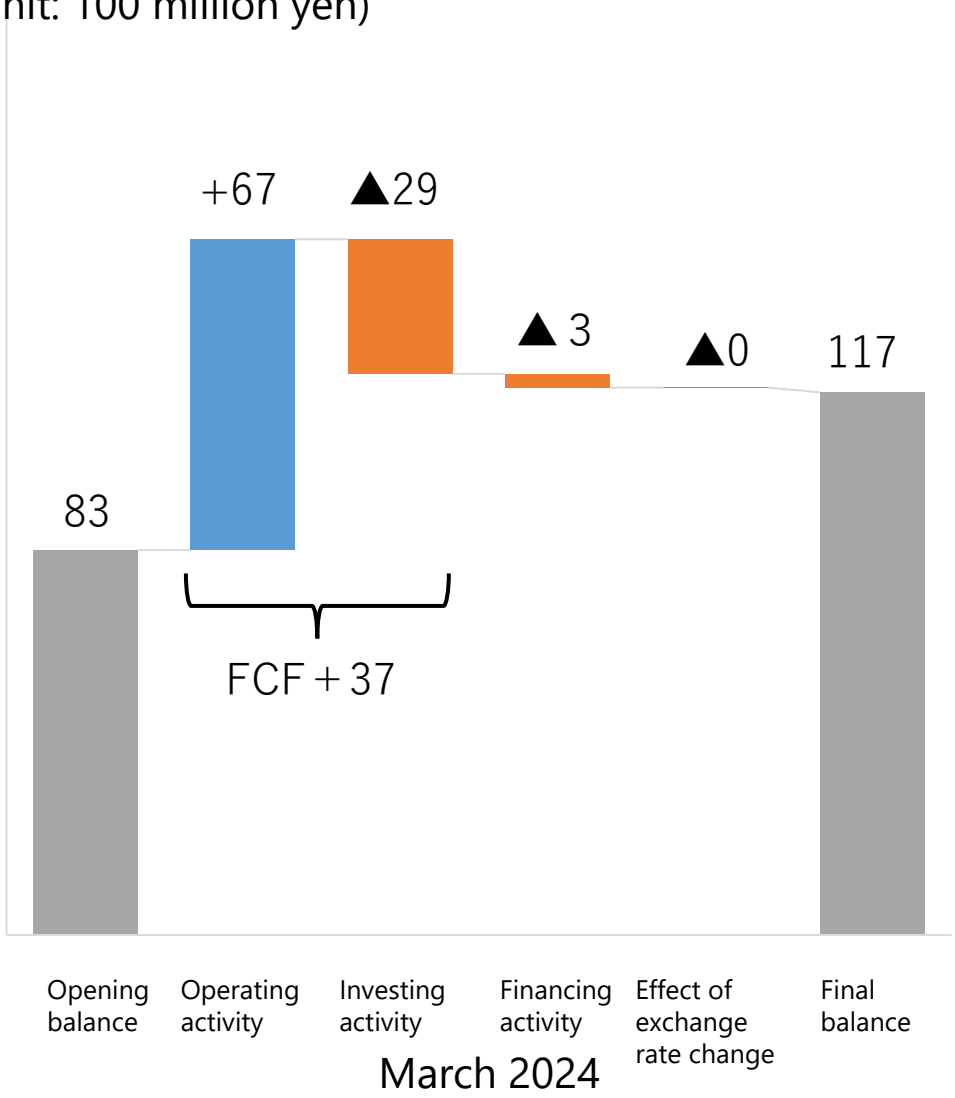
Cashflow statements

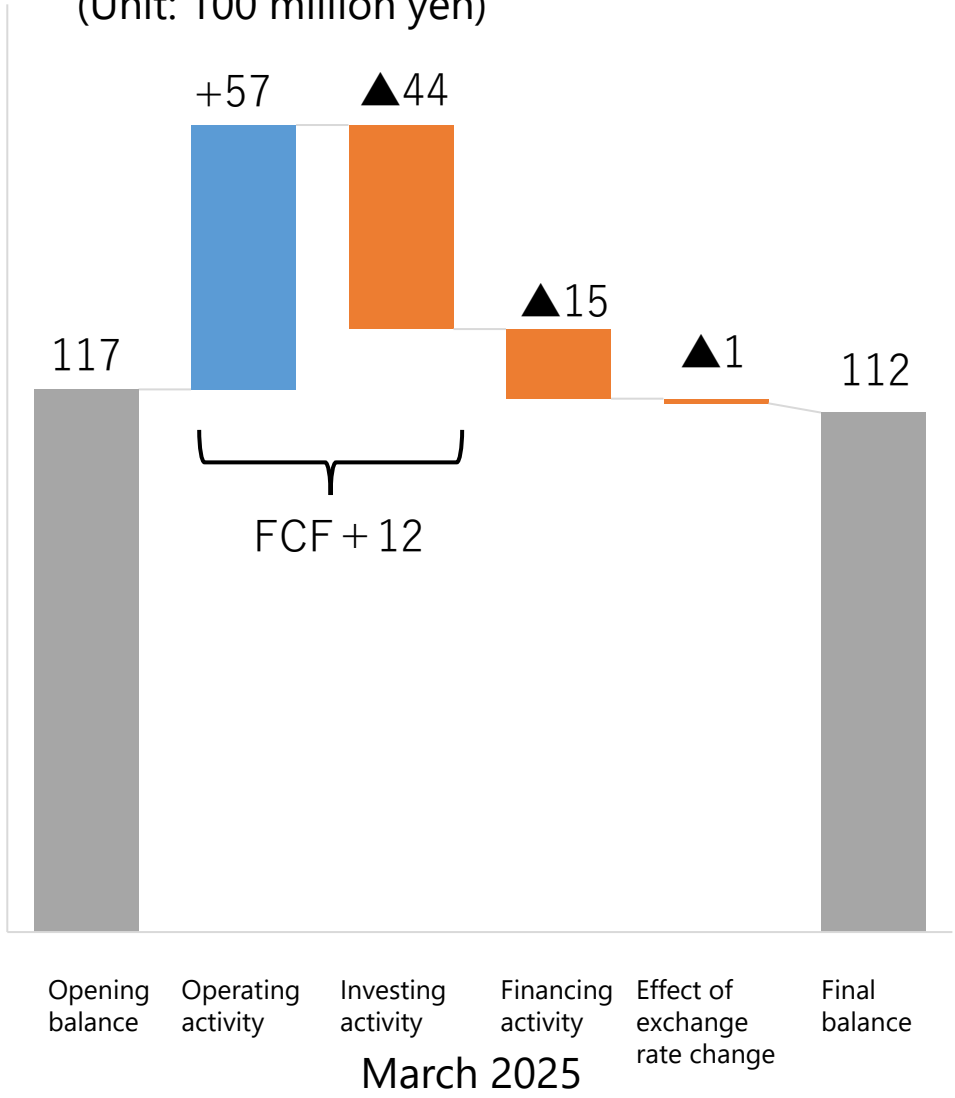
Cashouts from investment activities (e.g., MVNO) increased, but free cash flow remained in the black.

(Unit: 100 million yen)



March 2024

(Unit: 100 million yen)



March 2025

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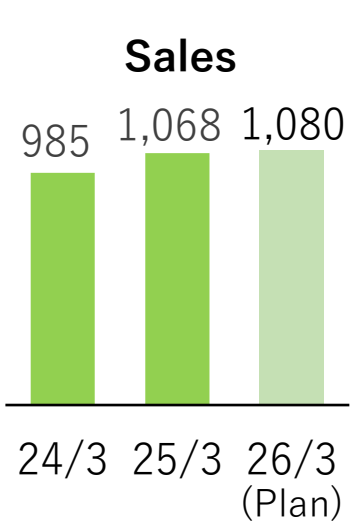
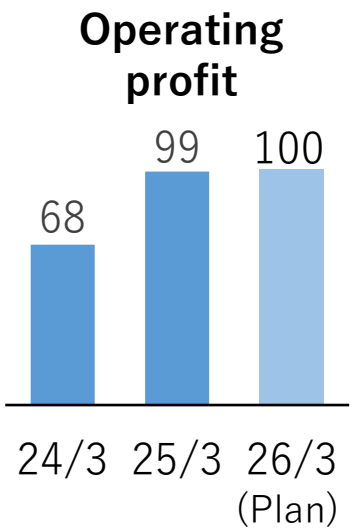
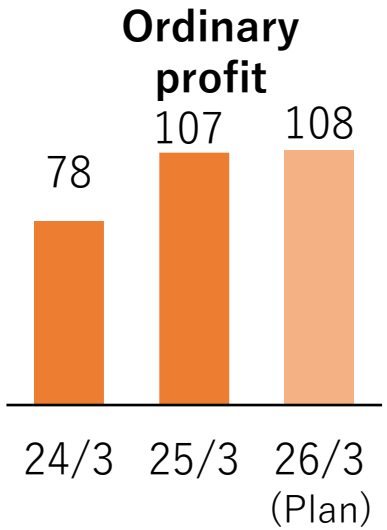
Plan for Year to March 2026

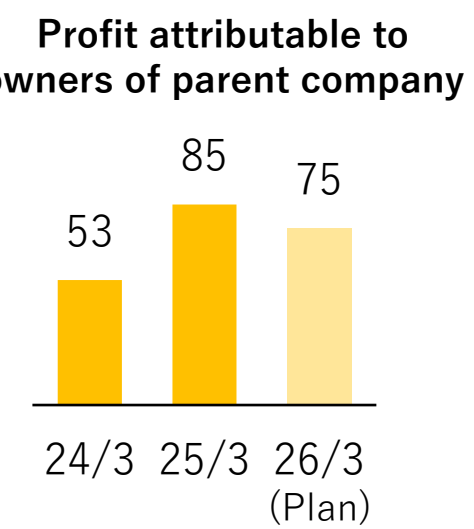
Plan

(Unit: 100 million yen)	2024/3	2025/3	2026/3 Plan	2026/3 Change from previous period
Sales	985	1,068	**1,080**	+11
Operating profit	68	99	**100**	+0
Ordinary profit	78	107	**108**	+0
Profit attributable to owners of parent company	53	85	**75**	▲10









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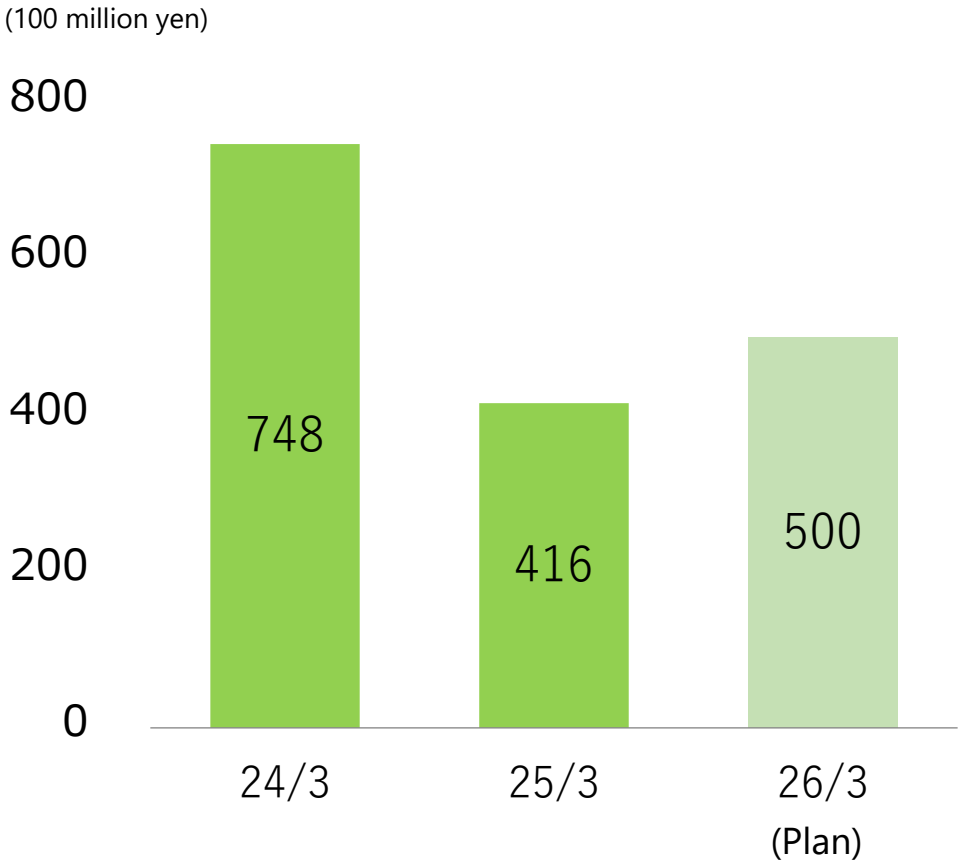
Orders Received/Sales Trend (Railway Signal) Plan

Railway signal business

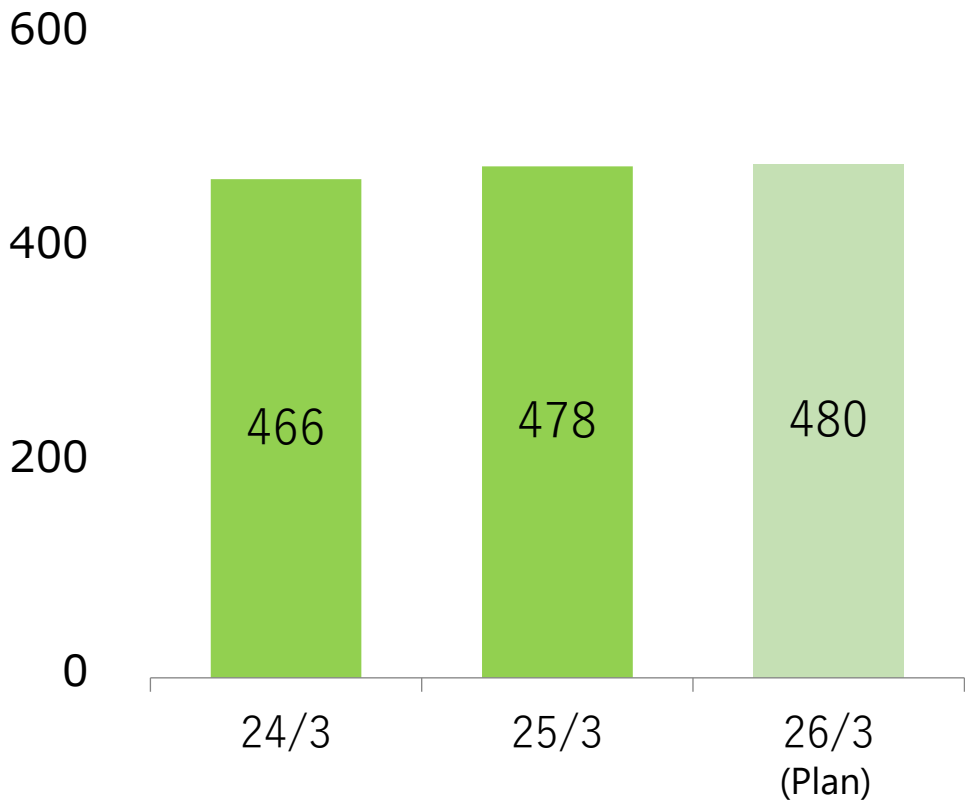
We will continue to contribute to the realization of safe and comfortable transportation through the development and nationwide deployment of products that contribute to labor-saving maintenance and improved inspection efficiency.

Major business details: Automatic Train Control devices (ATC), Simple-structure and high-Performance ATC by Radio Communication System (SPARCS), and so on.

Orders received



Sales



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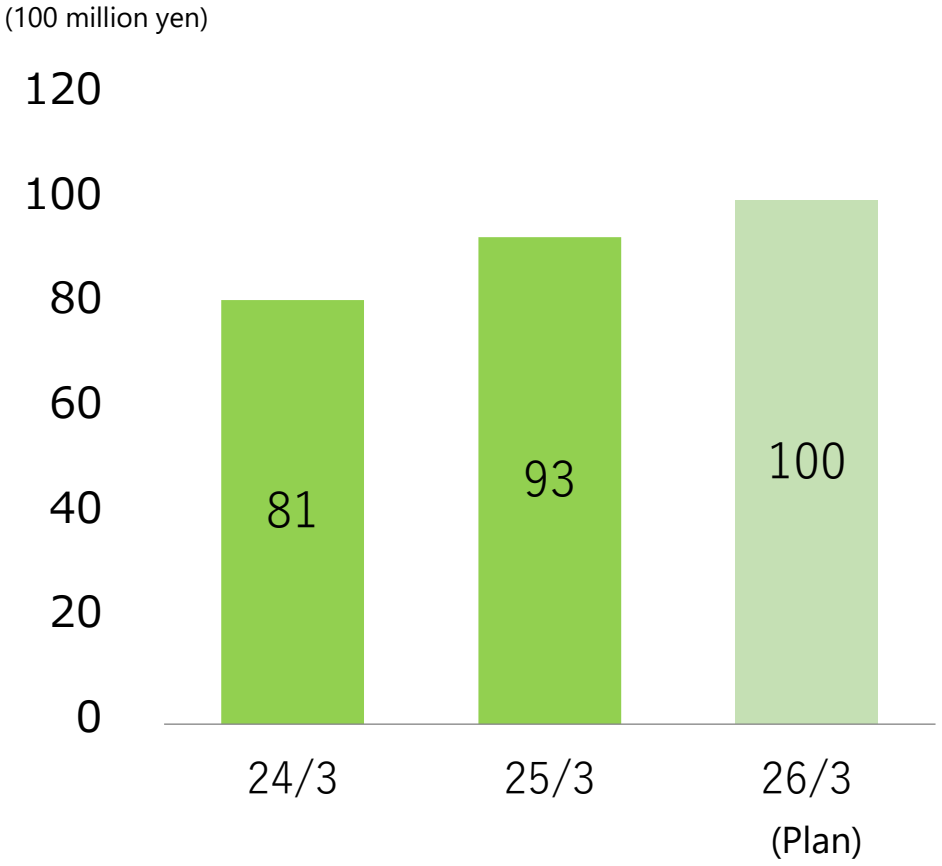
Orders Received/Sales Trend (Smart Mobility) Plan

Smart mobility business

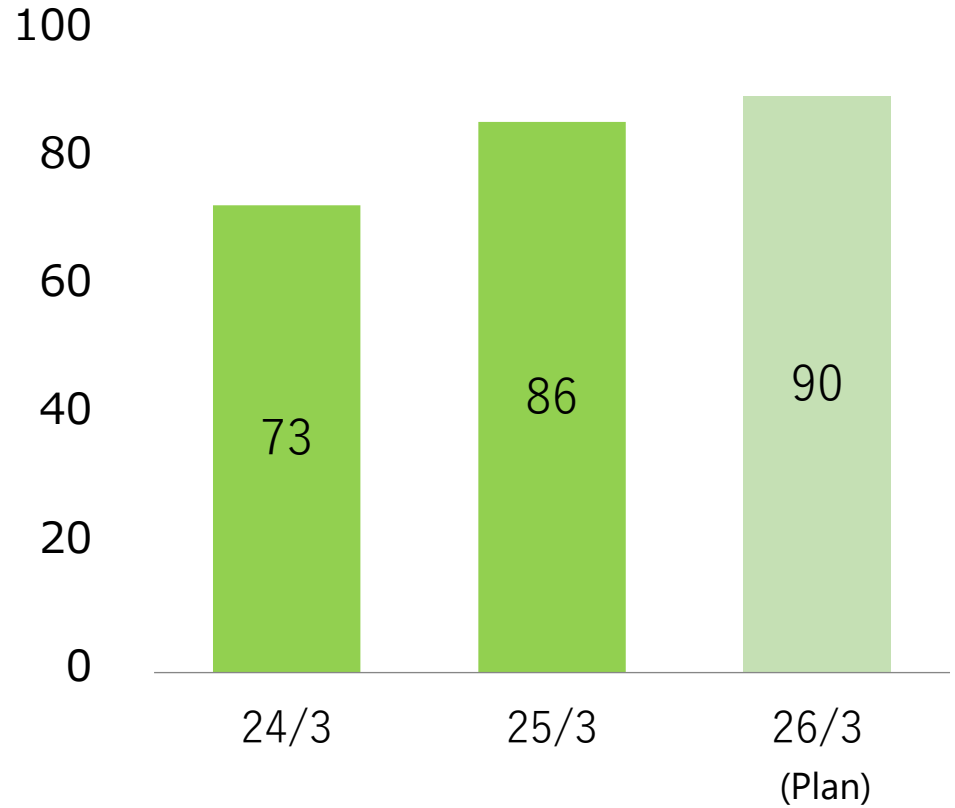
We are actively participating in various projects for autonomous driving demonstration tests. We aim to be a provider of products and technologies that support "Infrastructure coordination" between autonomous driving vehicles and road traffic signals and roadside sensors.

Major business details: Traffic control systems, traffic signal control systems, traffic signal controllers/lights, and so on.

Orders received



Sales



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Orders Received/Sales Trend (AFC)

Plan

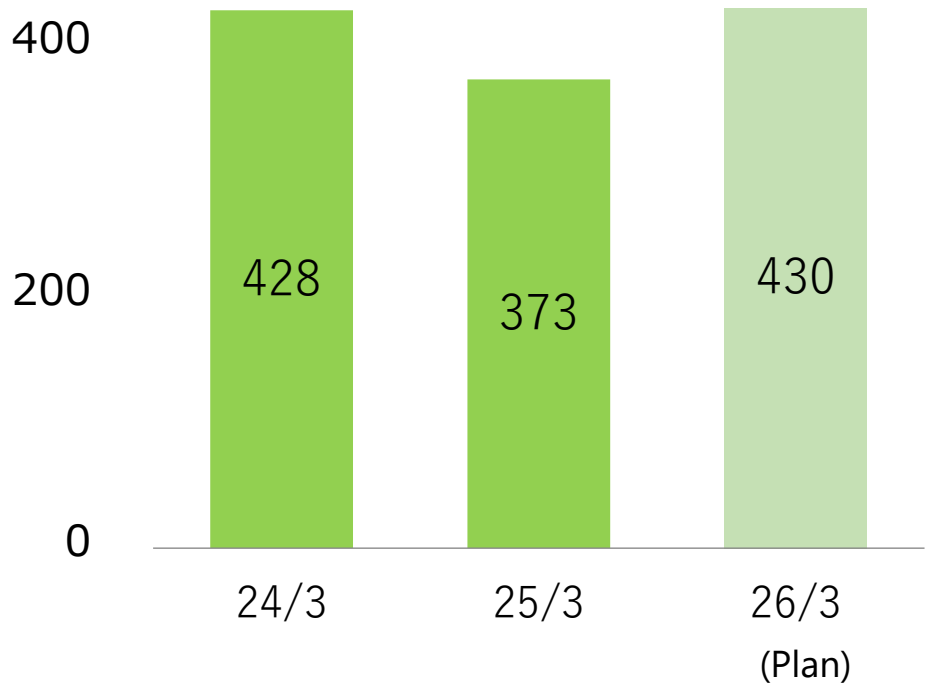
AFC business

Touch payment such as credit and debit cards and QR codes demonstration tests of a new cashless ride service using authentication actively engage.

Major business details: Automatic ticket gates, platform doors, parking control systems, and so on.

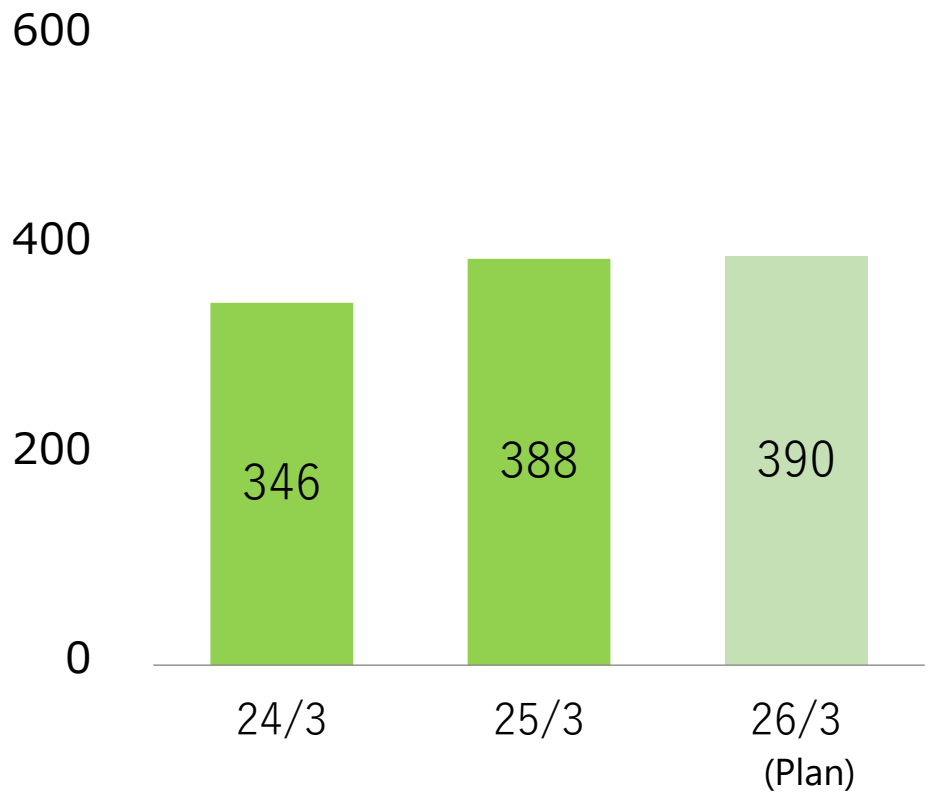
Orders received

(100 million yen)



Sales

(100 million yen)



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Orders Received/Sales Trend (R&S)

Plan

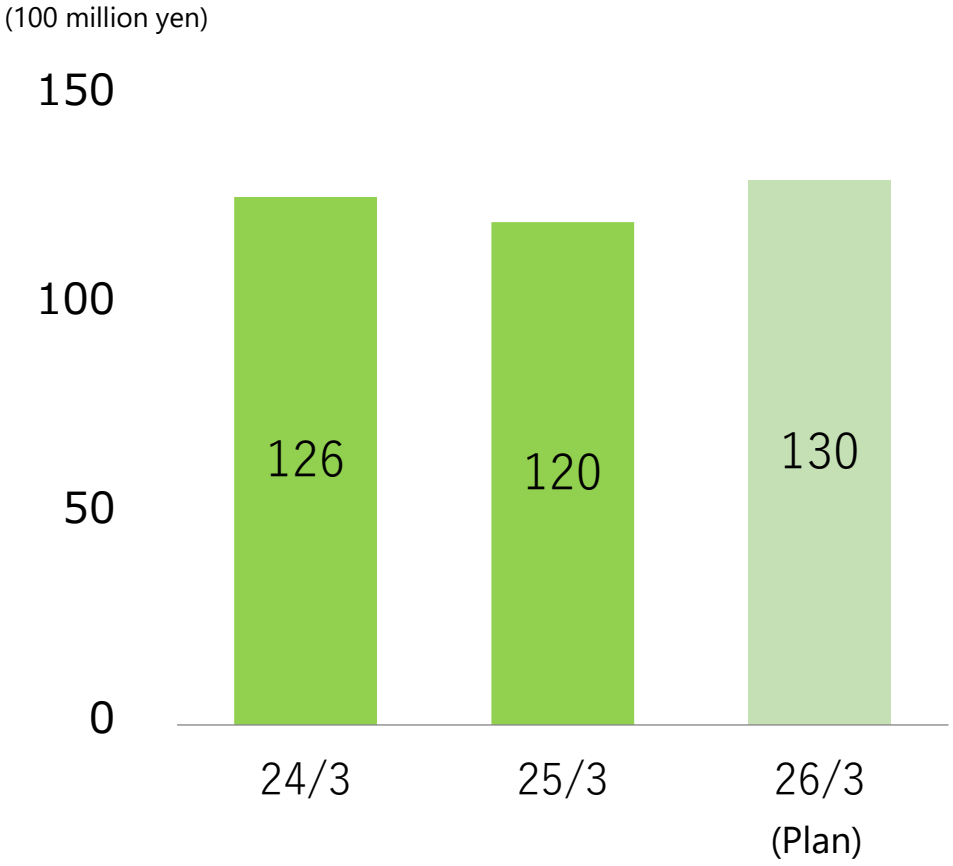
R&S business

Combining our core technologies such as sensors and image analysis with the latest robotics technology, promote the realization of a future society in which humans and robots collaborate.

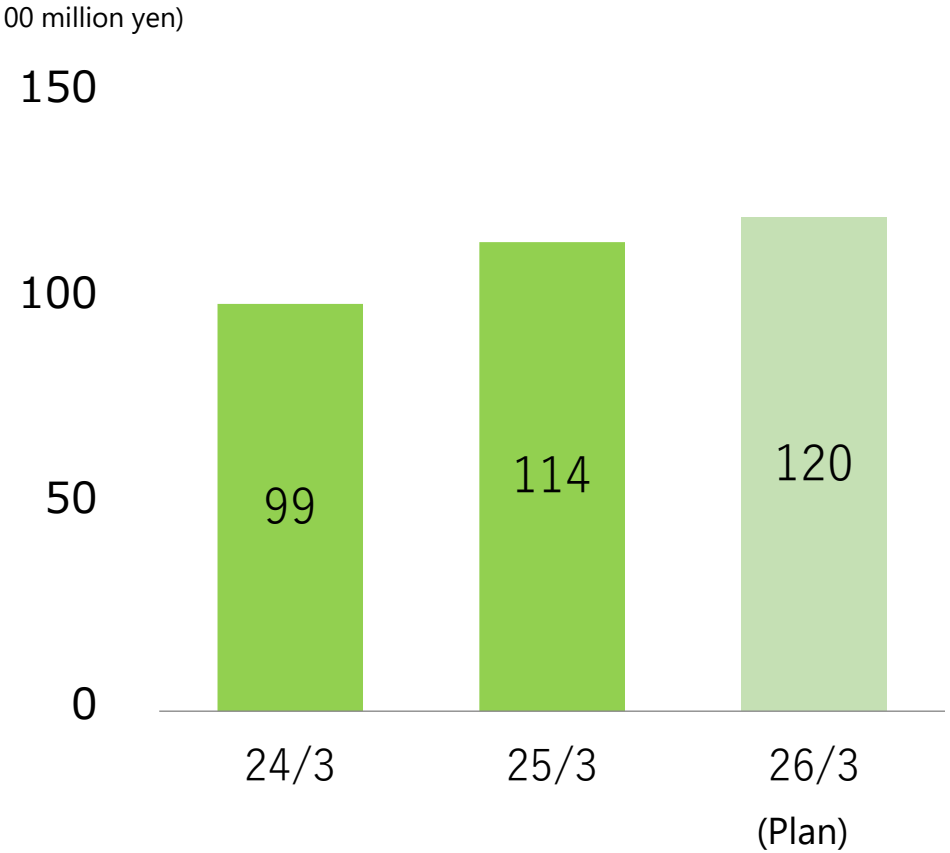
※R&S･･･Robotics & Sensing

Major business details : Robotics, 3D distance image sensors, etc.

Orders received



Sales



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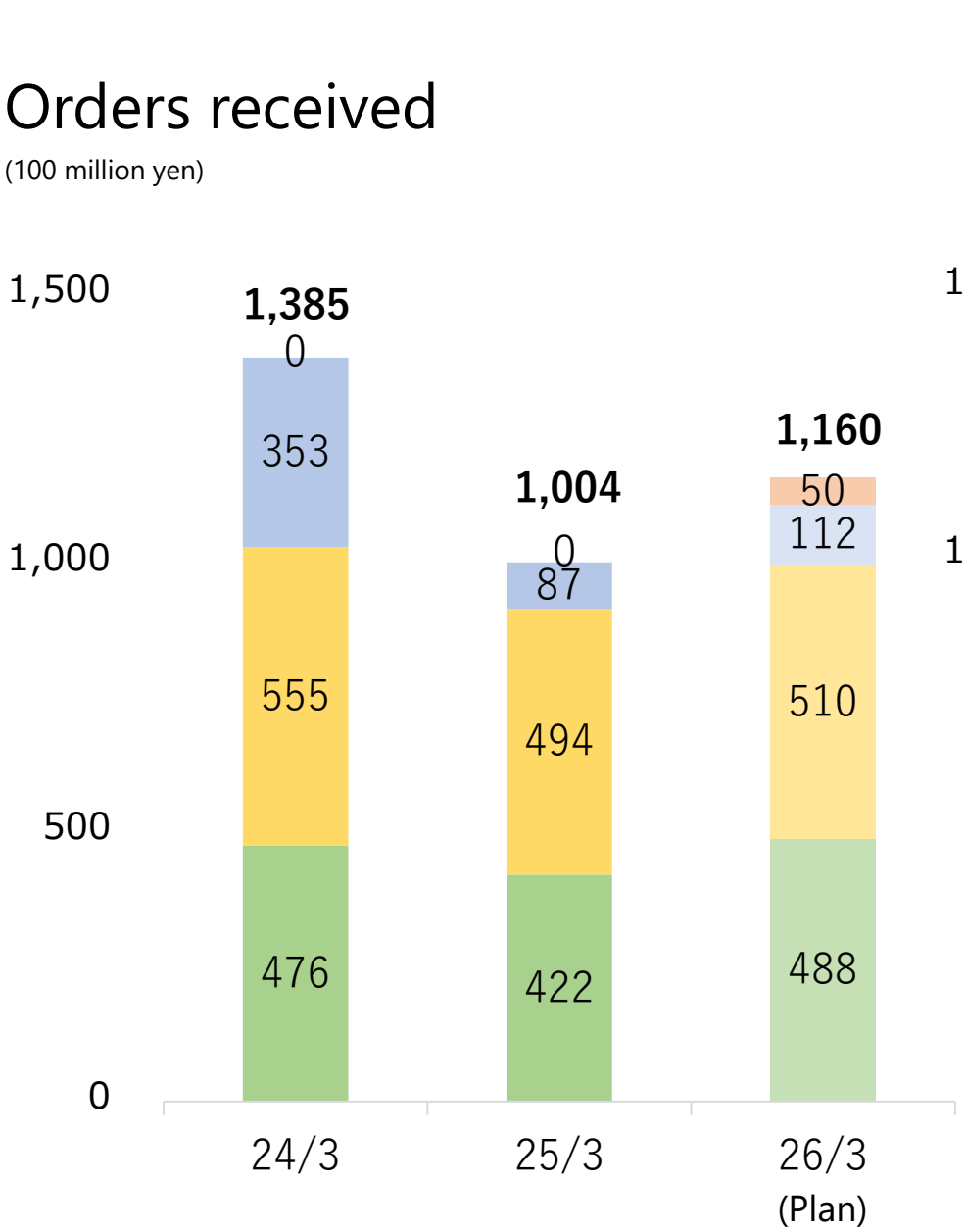
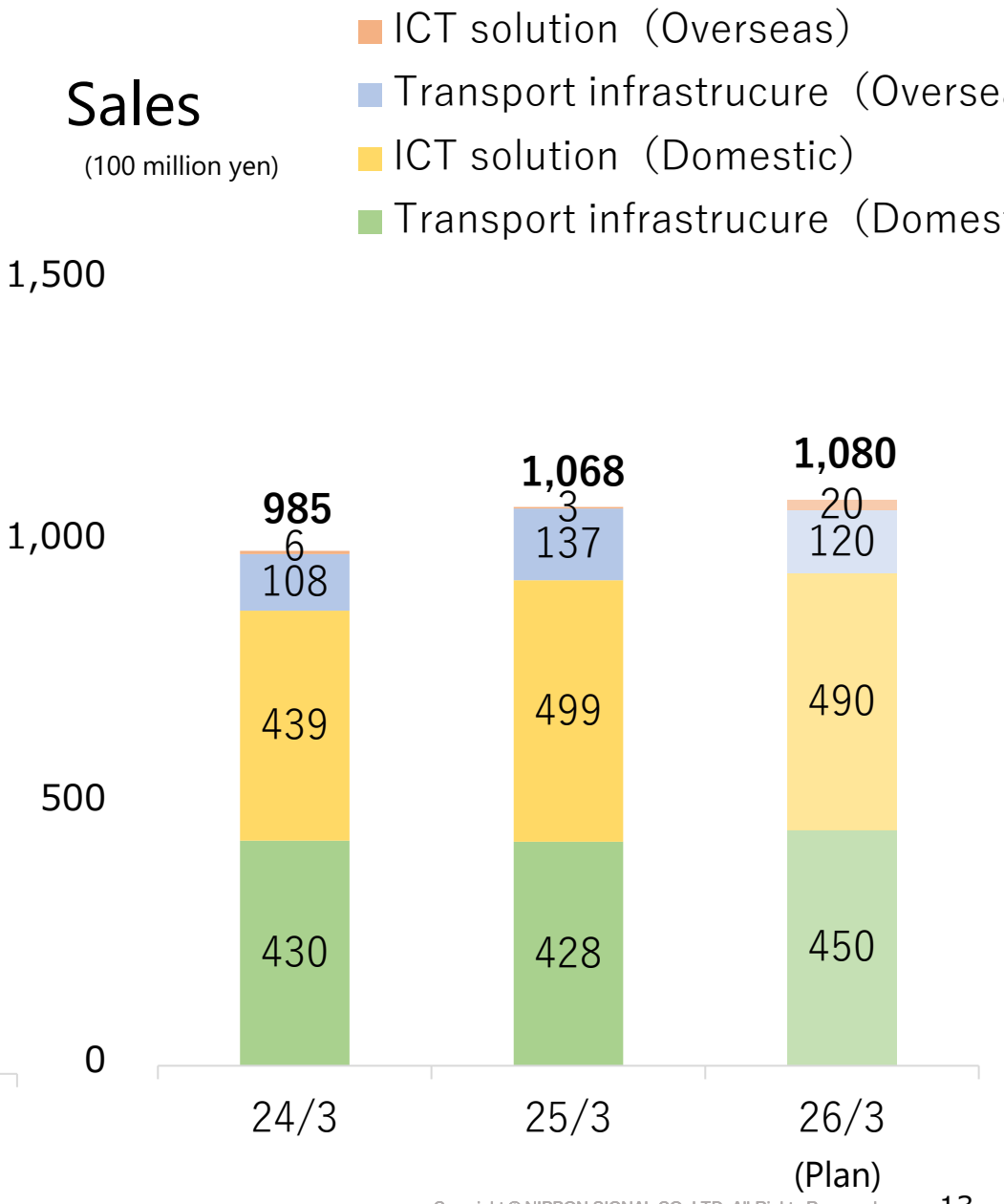
Orders Received/Sales Trend (By Domestic/Overseas Business)

Plan





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Profit By Segment Plan

(Unit: 100 million yen)	2024/3	2025/3	2026/3 Plan	2026/3 Change from previous period
Transportation Infrastructure business	62	45	**57**	+11
ICT solution business	39	89	**79**	▲10
Whole company expenses	▲33	▲35	**▲36**	▲0
Total	68	99	**100**	+0

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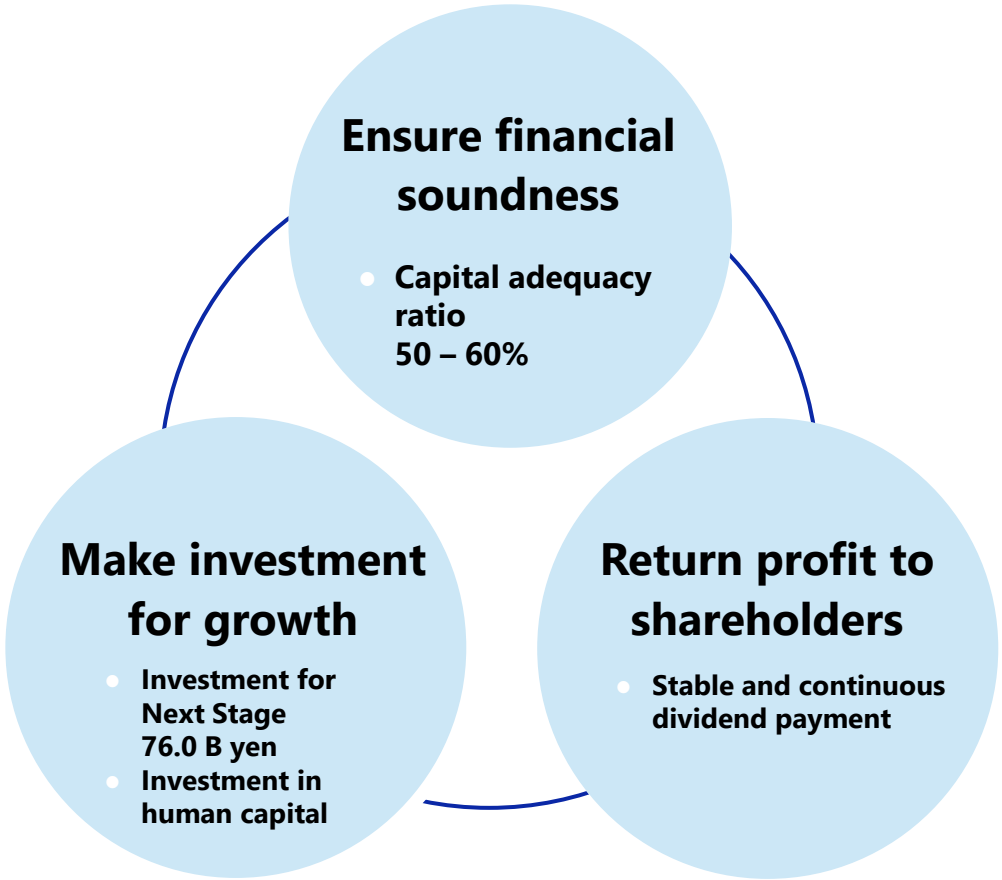
Capital/financial strategy

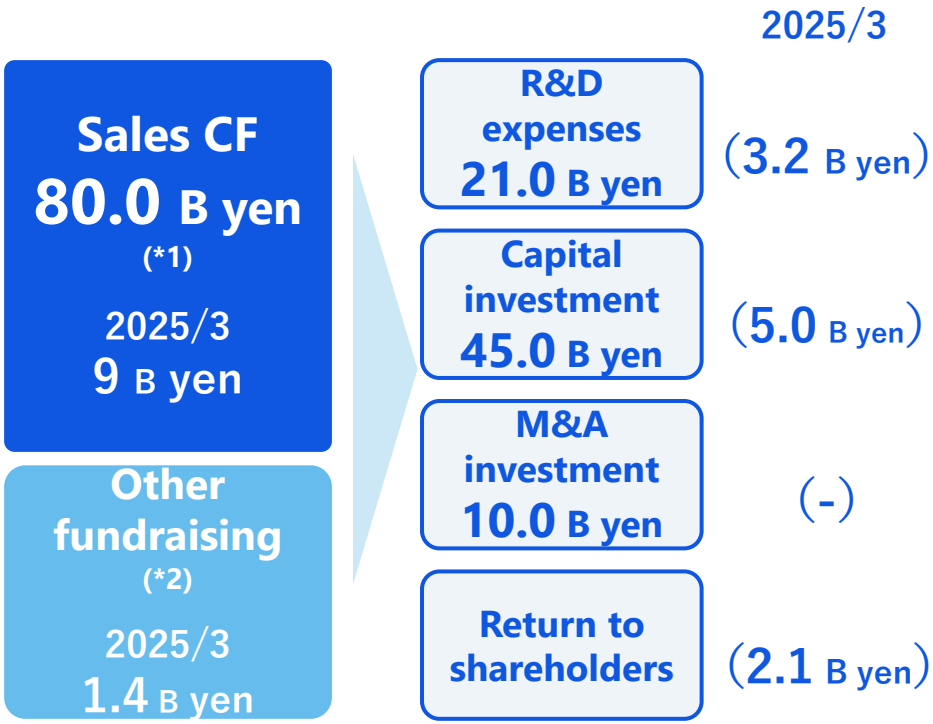
Basic policy

We perform well-balanced management between investment for growth and return of profit to shareholders while maintaining financial soundness to ensure sustainability of the company.



Cash allocation plan
(accumulation during the Mid-term Management Plan period)

We actively make investment in growth areas on a capital of cashflow from operating activities during the Mid-term Management Plan period.



*1: Before deduction of R&D cost
*2: Borrowing and sale of cross-held shares

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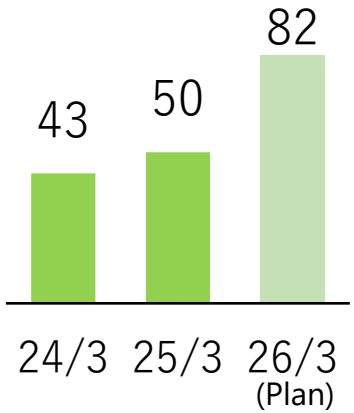
Investment Plan

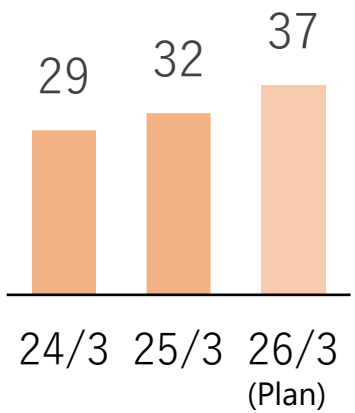
(Unit: 100 million yen)	2024/3	2025/3	2026/3 plan	2026/3 Change from previous period
Capital investment	43	50	**82**	+31
Research and development expenses	29	32	**37**	+4
Number of employees hired (employees) *	50	60	**90**	+30

* Number of employees hired relates to Nippon Signal only.

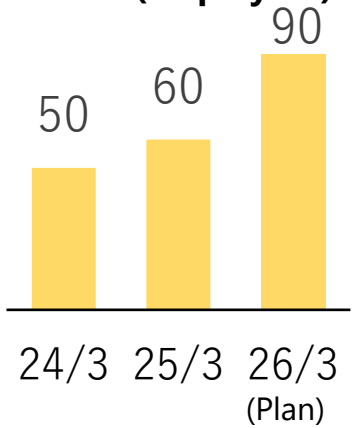
Capital investment



Research and development expenses



Number of employees hired (employees)



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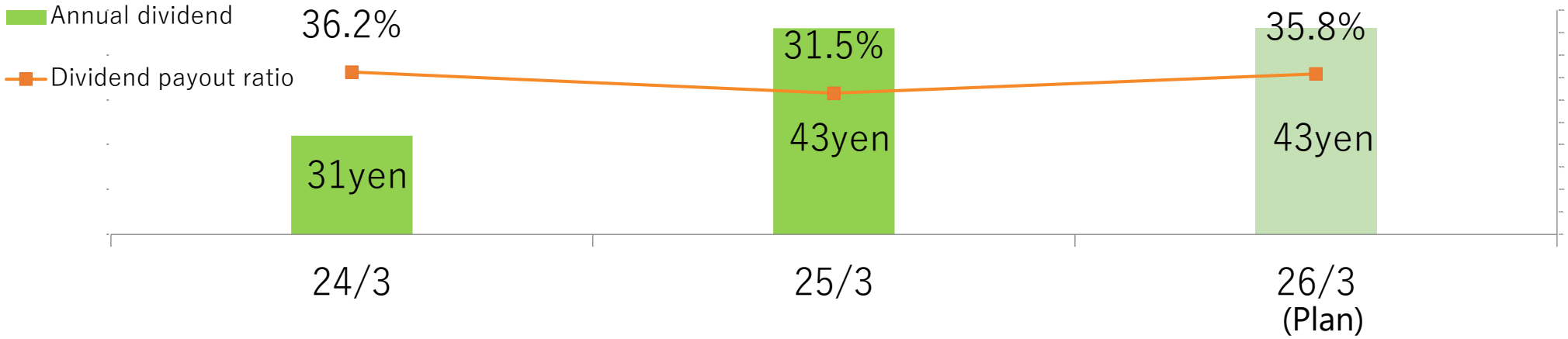
Profit distribution (Dividend) Plan

With regard to dividends, in principle, the consolidated dividend payout ratio, the immediate target is 30% or more, with a lower limit of DOE of 2.0%. Based on the above basic policy, the annual dividend for the fiscal year ending March 2025 will be 43 yen, and the annual dividend for the fiscal year ending March 2026 will be 43 yen.

Year to March 2024	Year to March 2025	Year to March 2026 (plan)
31 yen yearly	**43 yen yearly**	**43 yen yearly**
End of 2Q: 7 yen	End of 2Q: 10 yen	End of 2Q: 13 yen
Year end: 24 yen	Year end: 33 yen	Year end: 30 yen
Dividend payout ratio: 36.2%	Dividend payout ratio: 31.5%	Dividend payout ratio: 35.8%
DOE: 2.1%	DOE: 2.7%	DOE: 2.6%
Dividend yield: 2.99%	Dividend yield: 4.80%	

- Dividend yield is calculated by dividing the annual dividend by the yearend share price.



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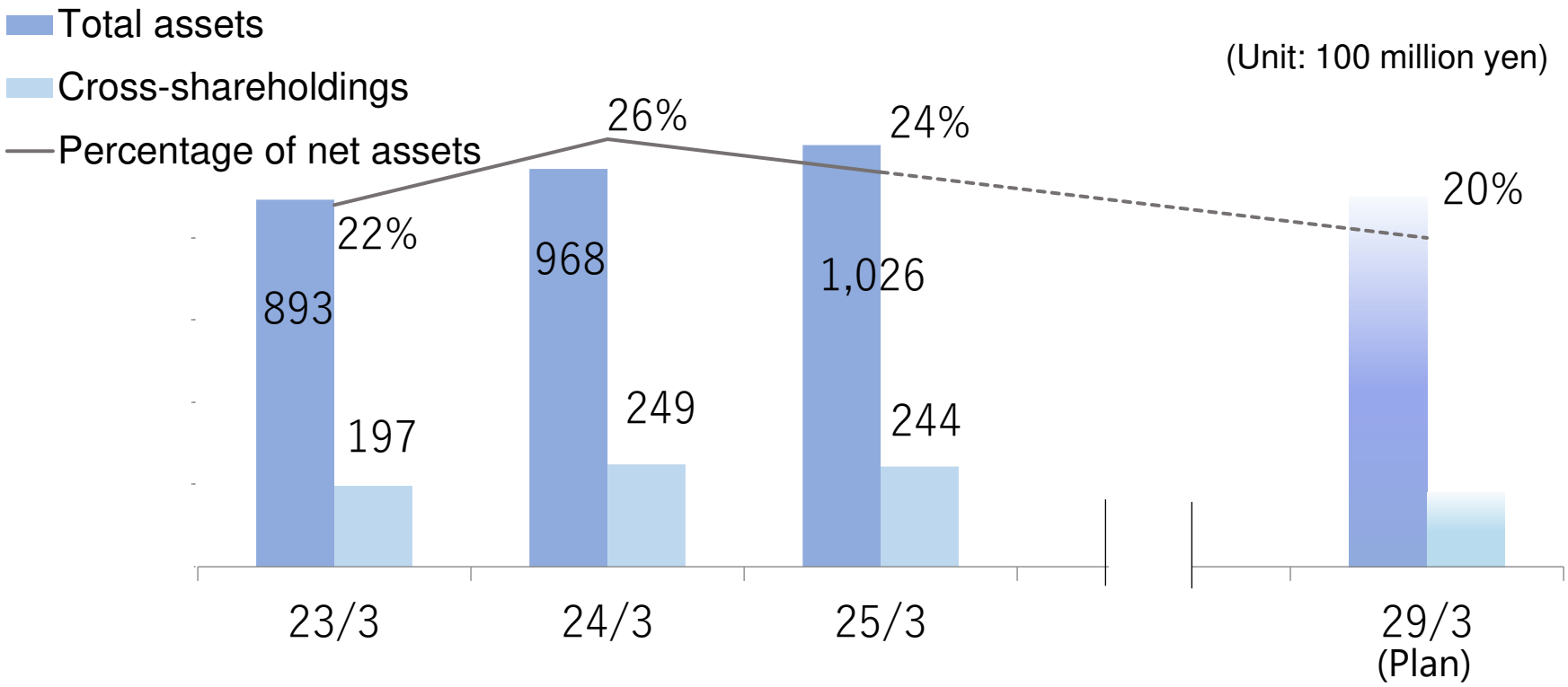
Policy for Reducing Cross-shareholdings Plan

- In order to further improve capital efficiency to increase corporate value, we aim to reduce the ratio of cross-shareholdings to total consolidated net assets to 20% or less as of the end of March 2029. The proceeds of the sale will be effectively used for investment in growth fields and capital investment.



Sale results	1.2	7.2	4.1

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Osaka Metro Yumeshima Station opened

Delivered a total of 17 automatic ticket gates (accepts QR-code payment and tap-to-pay), 8 automatic fare adjustment machines, TASC control equipment, etc.

※ TASC（Train Automatic Stop-position Controller）







Business Overview

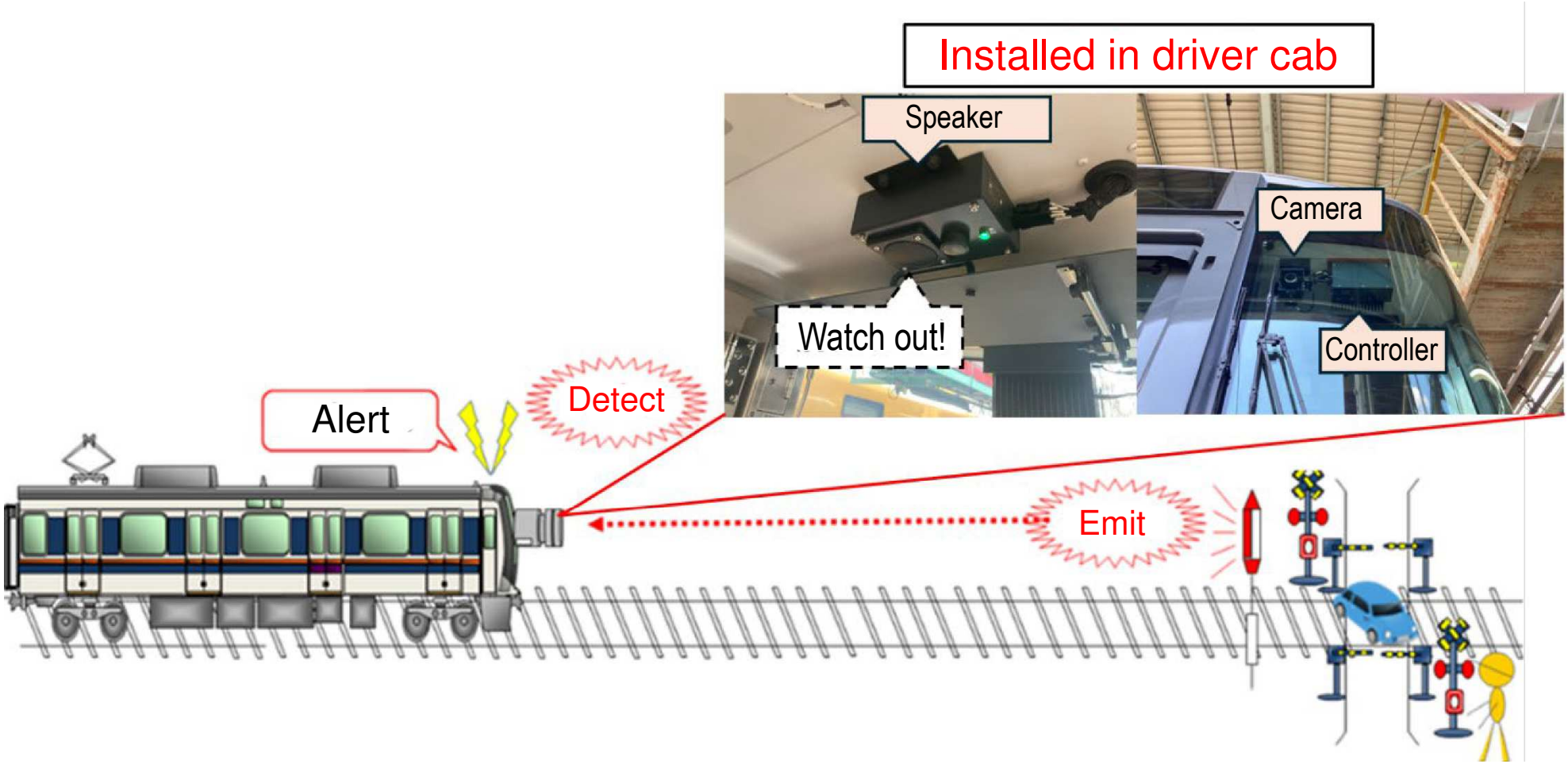
Construction of elevated railway line near JR Matsuyama Station completed

Manufactured relay interlocking devices.



Introduction of obstruction warning indicator voice assistance device for West Japan Railway Company

The device identifies and detects the red light emitted from an obstruction warning indicator based on images captured by a camera installed at the front of the train, and notifies the train crew with an audible voice.



Development of radio train control system on Izu Hakone Railway Daiyuzan Line

The system can reduce the number of wayside facilities such as track circuits, aiming to save labor for maintenance and inspections.
(To be installed in FY2031)



On-board radio antenna
(circled in red)



Wayside radio antenna
(circled in red)

Business Overview

Has started the use of Tokaido Shinkansen train information indicators

To be delivered from Tokyo to Shin-Osaka over the next five years.
Consists of two large, easy-to-view 55-inch LCDs.



Automatic driving demonstration test conducted in Shiojiri City, Nagano Prefecture

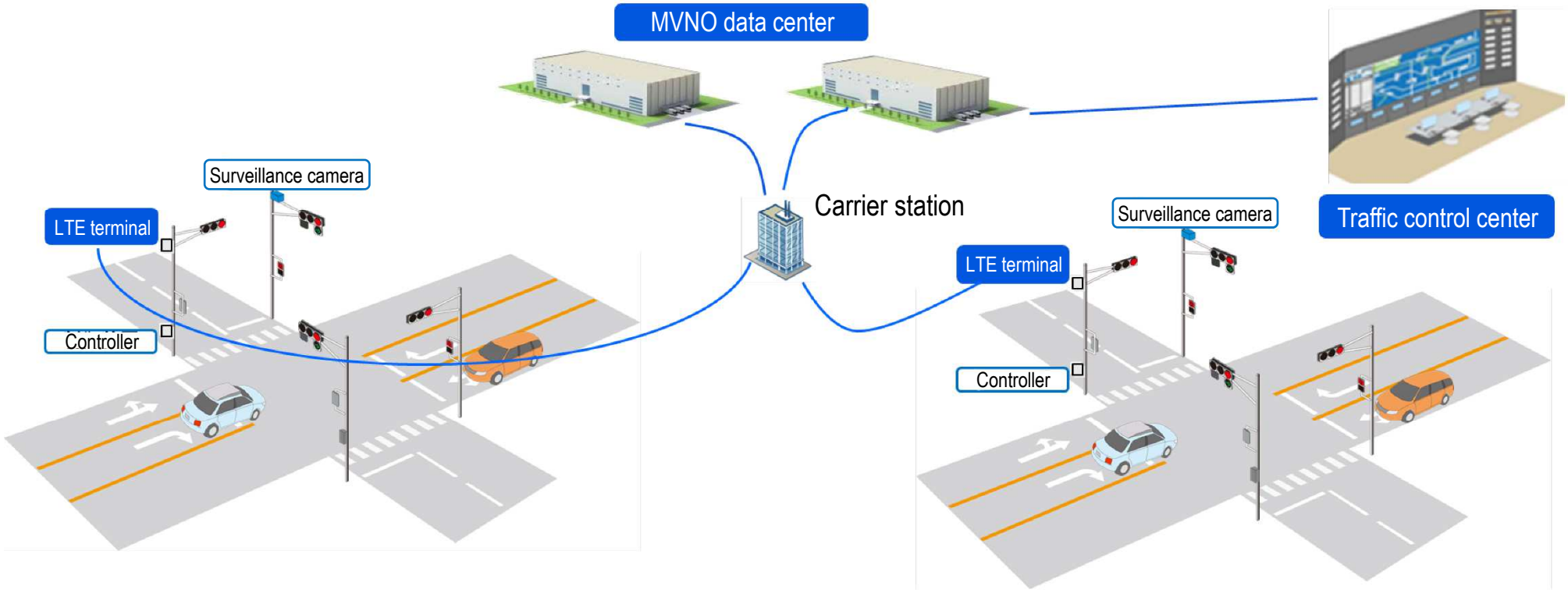
Traffic signal information, such as the color of the traffic signal and the time until that changes, is transferred from traffic signal to the automatic driving vehicle.



Business Overview

Sales expansion of MVNO service

Transmit video images at intersections to traffic control centers via the MVNO network to reduce traffic congestion and prevent traffic accidents. Installed in a total of approximately 4,700 locations.



Sales expansion of ticket gates that accept EMV payment and QR-code payment

Since 2020, about 80 companies have introduced ticketing systems that accept tap-to-pay via credit cards, smartphones, etc.

(Result of introduction to railroad operating companies, including those under consideration)

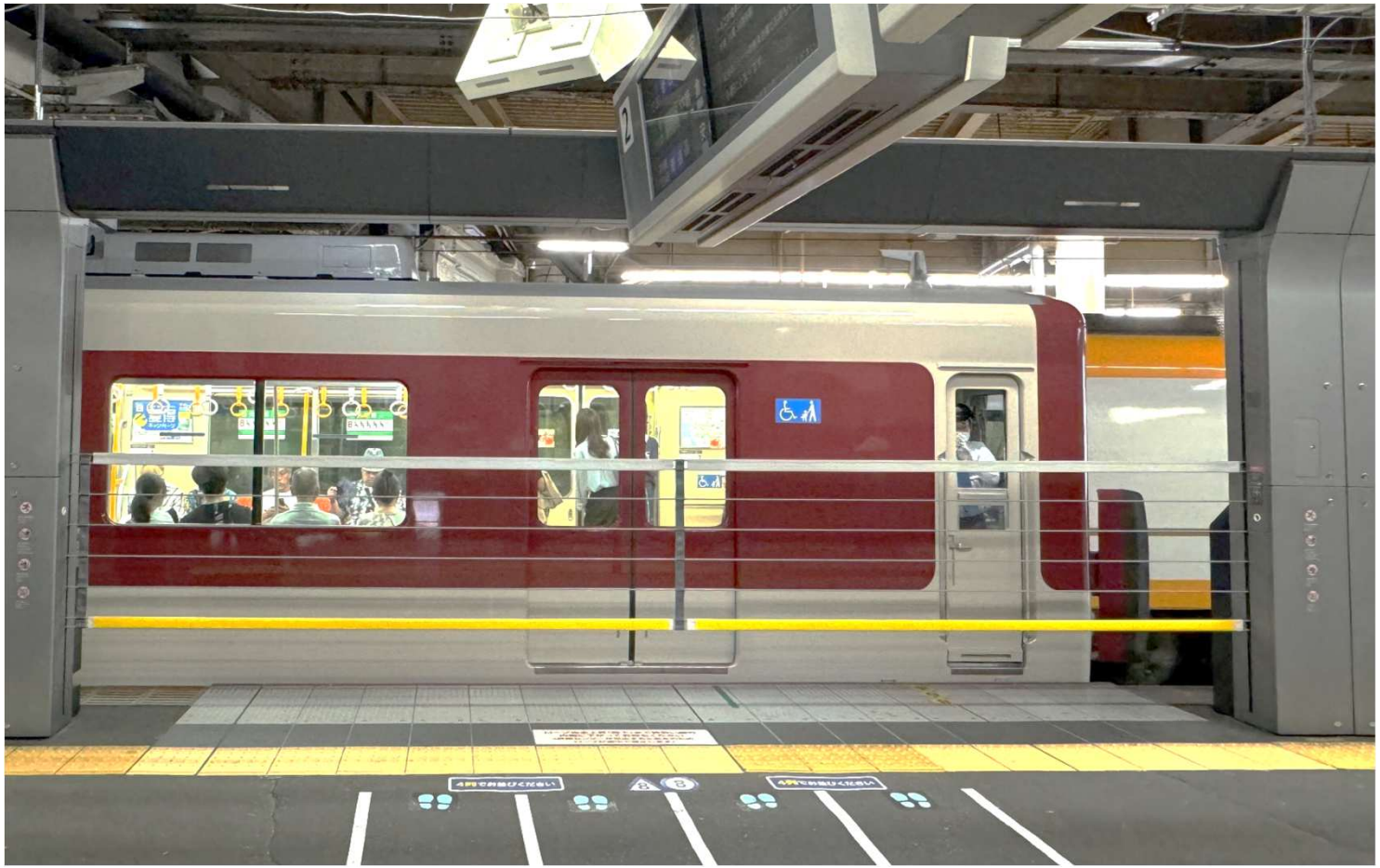






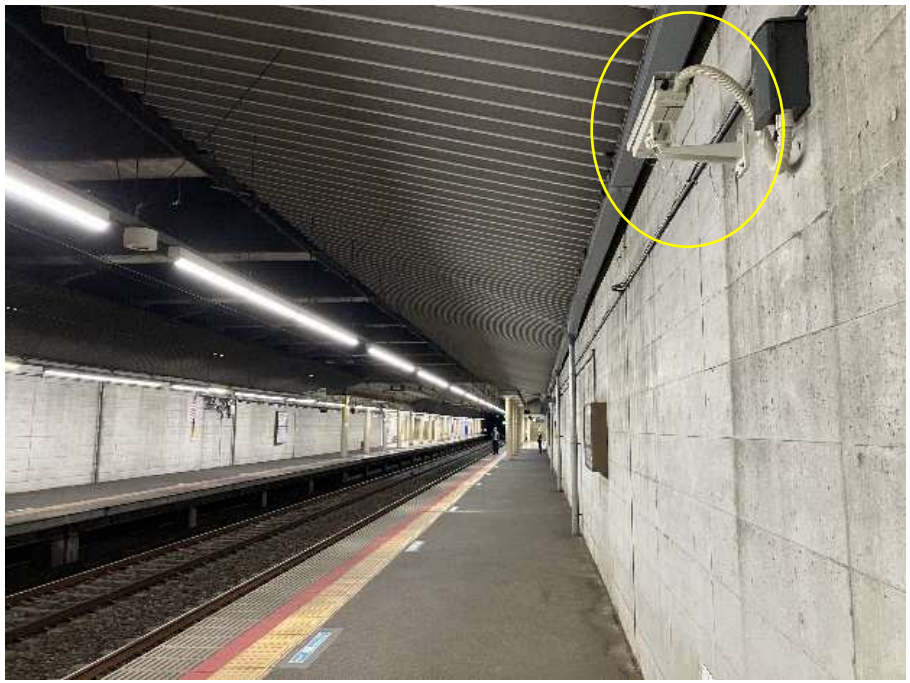
Started the operation of Kintetsu Railway Tsuruhashi Station rope-type platform safety door

Enhanced convenience and safety by installing train arrival information indicators and improving the visibility of the ropes.



Launched the demonstration test of platform monitoring to detect passenger hazards

Detect dangerous situations of passengers, such as walking on the edge of the platform or falling down, by analyzing images captured by cameras in the station to substitute for station staff.



Camera for test



Image notifying a passenger walking on the edge of the platform (sample)

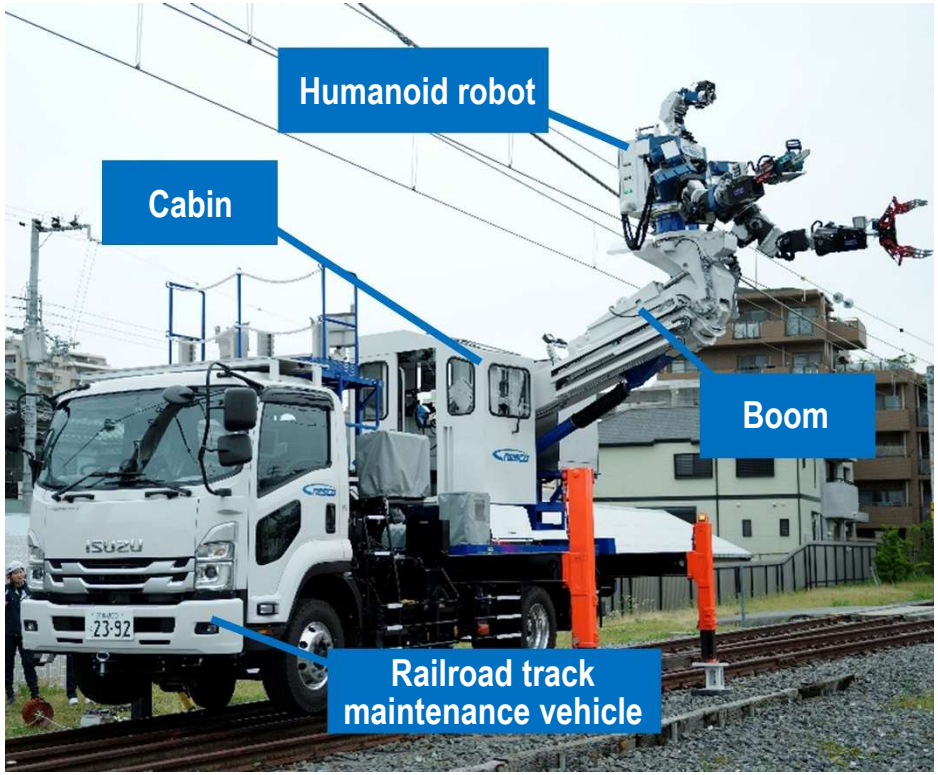
Expansion of security gates

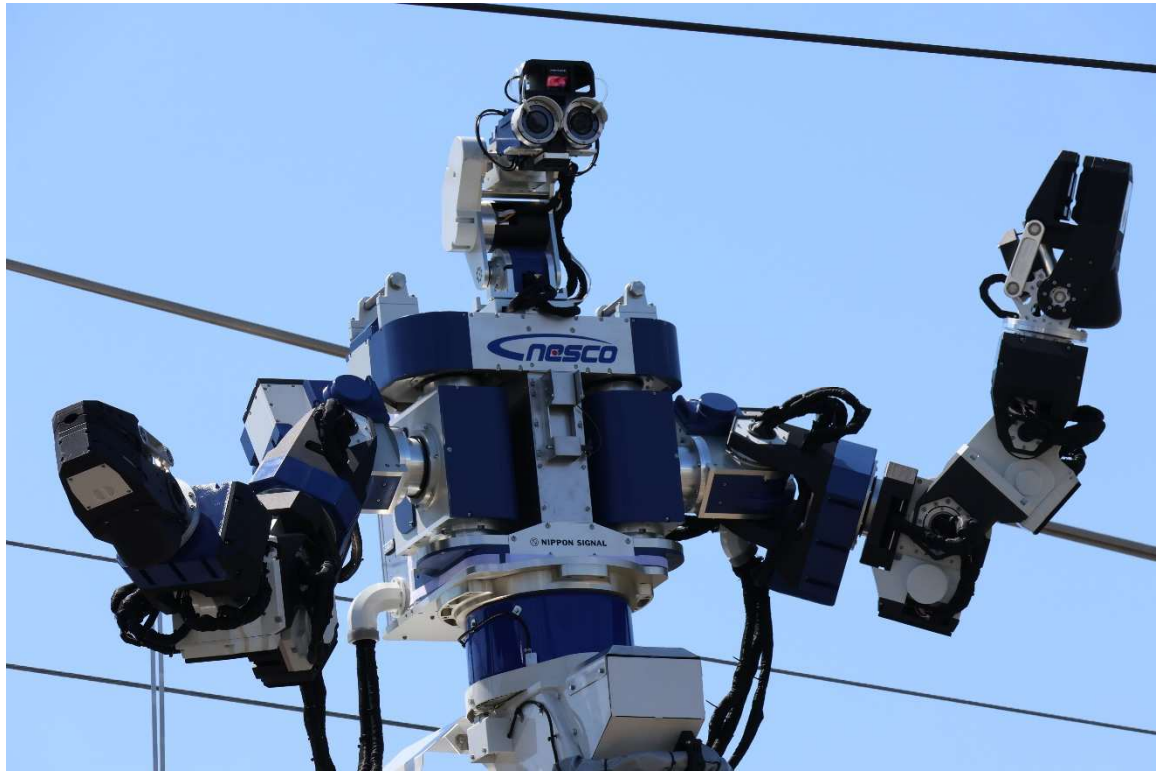
Introduced a new model PTG, which has a balanced design that achieves both presence and merger with space.



Started the utilization of multi-purpose heavy machinery for railway maintenance in actual operation

Starting in July 2024, we will begin official operations at actual work sites.





Sales expansion of ground-penetrating radar

Apply radio wave and communication technology to survey buried objects and cavities.

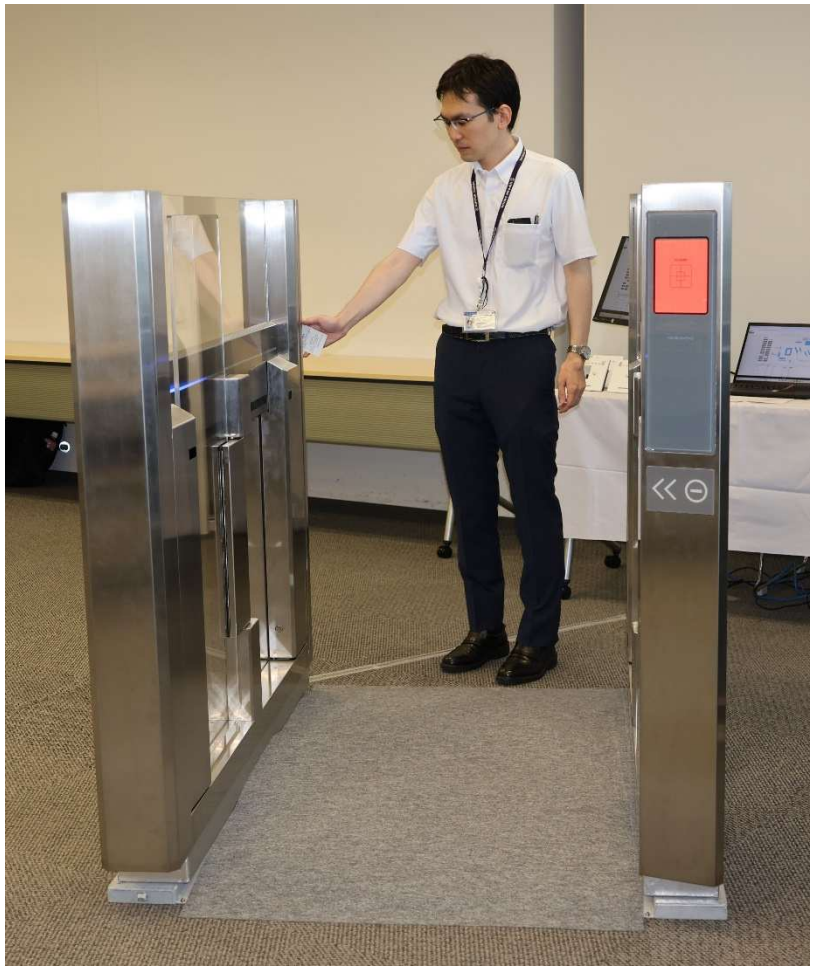




Business Overview

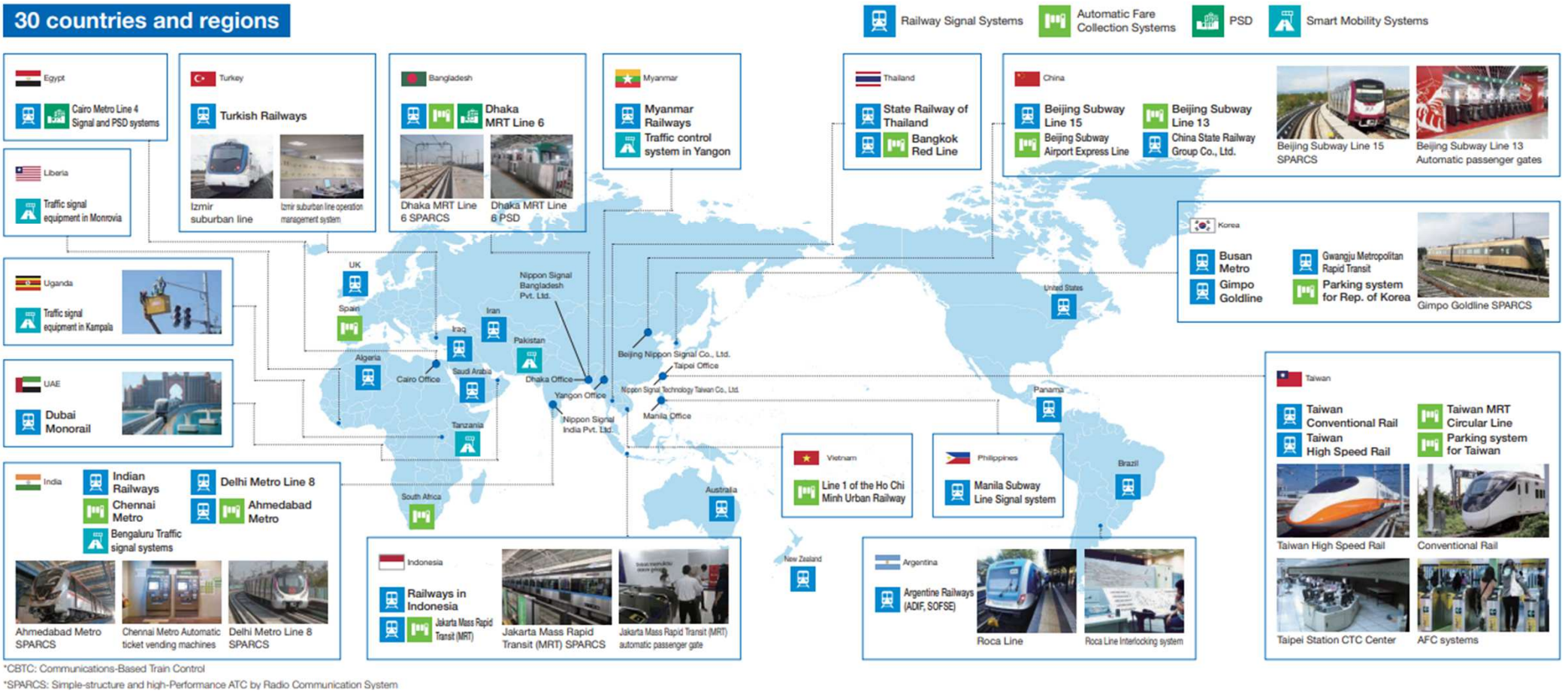
Preview event for new security product

Exhibited a body scanner that automatically detects prohibited items hidden in clothing.

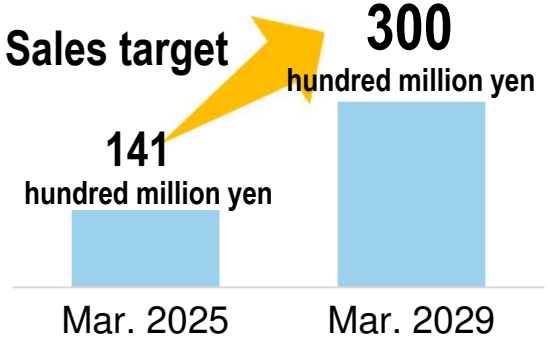




Business Overview



*CBTC: Communications-Based Train Control
*SPARCS: Simple-structure and high-Performance ATC by Radio Communication System



International business targets by area (unit: hundred million yen) *

Country/ region	Southeast Asia	India	Taiwan	Bangladesh	Africa	China	Others	Total
Sales	**300**	**230**	**200**	**130**	**100**	**80**	**80**	**Over 1,000**

* Image of our international business sales by area for period of 28 Mid-Term Management Plan (FY2024 to FY2028)

Business Overview

News Release

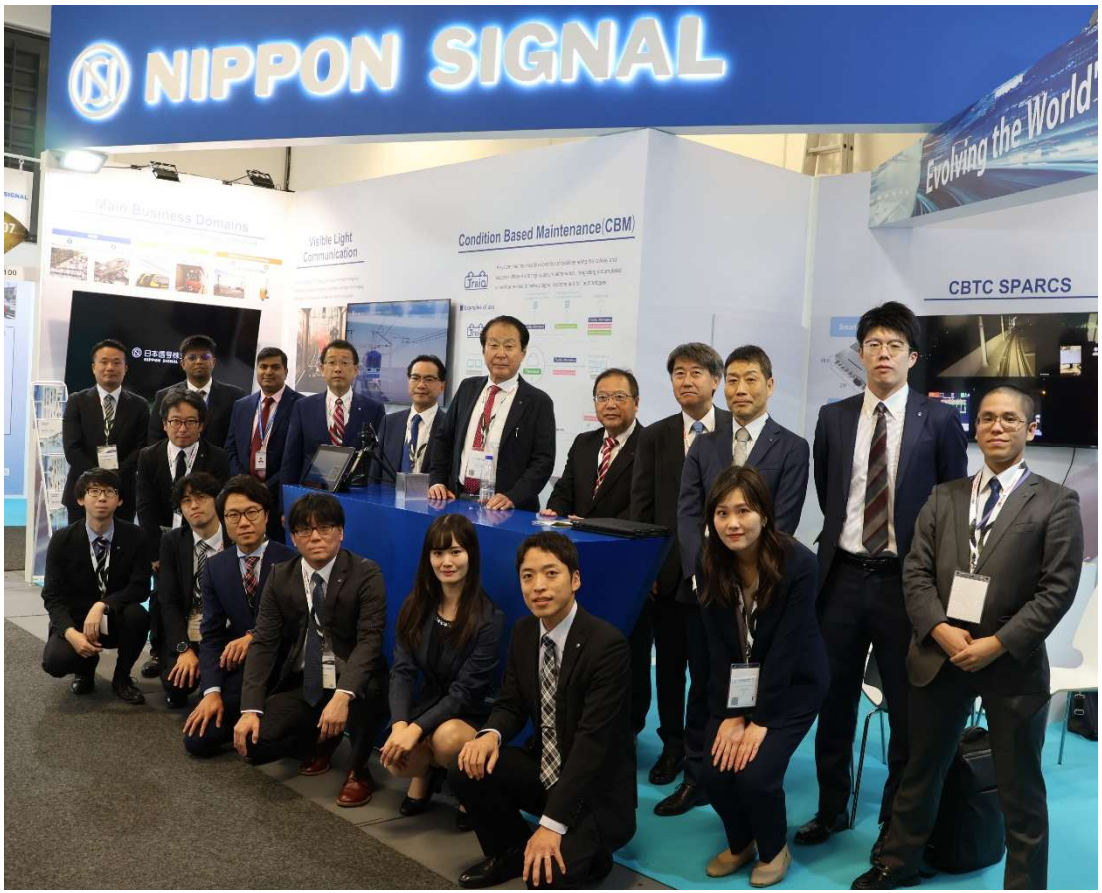
Received order for equipment renewal and repair project for double-tracking of Taiwan Railways Administration Hua-Tung Line (2023 Annual)

Project to double-track the Hua-Tung Line (between Hualien and Zhiben) with the aim of increasing transportation capacity in eastern Taiwan.



Participated in InnoTrans2024, the world's largest international railroad trade fair

This was our 7th participation since the first in 2010.





Established a sales office in the Republic of Uganda and accepted interns

- **Established the sales office to expand sales activities in the rapidly growing East African market.**
- **Accepted JICA foreign students for internship.**





Products delivered to Uganda

Received order for signalling systems for Jakarta Mass Rapid Transit Project (Phase 2 section)

Delivered a radio train control system (SPARCS), electronic interlocking devices, a PID* system, and wayside equipment.





PID (Passenger Information Display): A display system for showing train information in station concourses and on platforms

[Reference] Segment map

Disclosure report	Consolidated business	Non-consolidated		Consolidated subsidiaries	Major products and services
		Business	Breakdown		
Transportation infrastructure business	Railway signals	Railway system	Private and public railways, Japan Railways Group	Manufacturing, maintenance, construction, software design, etc.	ATC (Automatic Train Control), electronic interlocking devices, CTC (Centralized Train Control), relays, circuit breakers, point machines, SPARCS (radio train control system), indicators, maintenance, construction, software design, etc.
		International	Transportation		(Same as segment breakdown for Non-consolidated Railway system)
	Smart mobility	Smart mobility	ITS *3	Manufacturing, maintenance, construction, software design, etc.	Traffic control systems, signal lights, signal controllers, maintenance, construction, software design, etc.
			Smart mobility		I2-V control modules (wayside-to-vehicle communications from infrastructure to vehicles), KURU LINK (automated last one mile driving service), etc.
		International	Transportation		(Same as segment breakdown for Non-consolidated Smart mobility)
ICT solution business	AFC *1	AFC	AFC	Manufacturing, maintenance, construction, software design, etc.	Station equipment (ticket vending machines, ticket gates, etc.), maintenance, construction, software design, etc.
			ST		Platform safety doors, maintenance, construction, etc.
			Security solution		Security equipment (entrance/exit gates etc.), maintenance, construction, software design, etc.
			Parking		Parking lot equipment, control and management systems, maintenance, construction, software design, etc.
		International	ICT		(Same as segment breakdown for Non-consolidated AFC)
	R&S *2	R&S	ND *4	Manufacturing, maintenance, software design, etc.	Ministry of Defense-related equipment, software design, etc.
			Robotics		Various robot products, maintenance, software design, etc.
			Sensing		3D distance image sensors, software design, etc.
		-	-	Medical, OA maintenance, etc.	Sales and maintenance of medical equipment, OA maintenance, electric power selling through solar power generation, etc.

*1 Automatic Fare Collection Systems *2 Robotics & Sensing *3 Intelligent Transport System *4 National Defense

Our earnings forecasts and other statements are based on information currently available to us and certain assumptions that we consider reasonable. Actual results may differ significantly from the forecasts due to a variety of factors