

FY24

Financial Results

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

May 14, 2024



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日本信号株式会社
NIPPON SIGNAL CO., LTD.

Sales and Profit Change

Sales and profit increased for a period from the year to March 2019 to the year to March 2020.

Although business results had been affected by the coronavirus pandemic and short supply of semiconductors since the year to March 2021, business showed recovery in this period turning into increase in both sales and profit.

(Unit: 100 million yen)	2018/3	19/3	20/3	21/3	22/3	23/3	24/3	Change from previous period
Sales	837	998	1,116	927	850	854	985	+130
Operating income	20	70	89	57	53	51	68	+17
Ordinary profits	29	79	96	64	65	59	78	+19
Profit attributable to owners of parent	20	53	65	49	45	40	53	+12

By segment (1) Sales/Segment profit

- **Transport infrastructure business:** Increase of sales and income from those of the previous period due to increases in overseas business and sales for JR
- **ICT solution business:** Increase of sales and income from that of the previous period due to recovery of demand for both domestic AFC equipment renewal and parking space equipment

(Unit: 100 million yen)	2022/3		2023/3		2024/3		Change from previous period	
	Sales	Segment profit	Sales	Segment profit	Sales	Segment profit	Sales	Segment profit
Transport infrastructure business	488	52	470	51	539	62	+68	+10
ICT solution business	362	33	384	33	446	39	+61	+6
Whole company expenses	-	-31	-	-33	-	-33	-	-0
Total	850	53	854	51	985	68	+130	+17

By segment: (2) Orders received/Sales/ outstanding orders

(Unit: 100 million yen)	2023/3			2024/3			Change from previous period		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Railway signal	541	394	543	748	466	825	+206	+71	+282
Smart mobility	75	75	7	81	73	16	+6	-2	+8
Transport infrastructure business	616	470	550	830	539	841	+213	+68	+290
AFC	293	311	142	428	346	225	+134	+34	+82
R&S	79	72	18	126	99	45	+46	+27	+27
ICT solution business	373	384	161	555	446	270	+181	+61	+109
Total	990	854	711	1,385	985	1,112	+395	+130	+400

Railway signal

Orders received and outstanding orders recorded the highest ever due to significant increase in orders received in overseas business.

Smart mobility

Orders received increased as boosted by MVNO sales expansion, etc.
*MVNO(Mobile Virtual Network Operator) ... Network provision service business

AFC

Both orders received and sales increased due to recovery of demand for renewal of automatic ticket gates, ticket vending machines and automatic fare adjustment machines as well as demand for parking space equipment.

R&S

Both orders received and sales increased since sensing and Group companies' medical equipment business were robust.

By segment (3) Sales of overseas business

(Unit: 100 million yen)	2023/3			2024/3			Change from previous period		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Overseas railway signal	242	62	339	353	108	584	+110	+46	+244
Overseas AFC	41	11	48	0	6	42	-40	-4	-6
Overseas total	283	73	387	354	115	626	+70	+42	+238

Overseas Railway signal

Orders received for large projects including Taitung line in Taiwan and Ahmadabad Metro in India.

Overseas AFC

Sales were mainly from Ho Chi Min in Vietnam and Ahmadabad in India.

Whole overseas

Orders received were the highest ever and outstanding orders reached a new high for the second year in a row due to orders received for large projects.

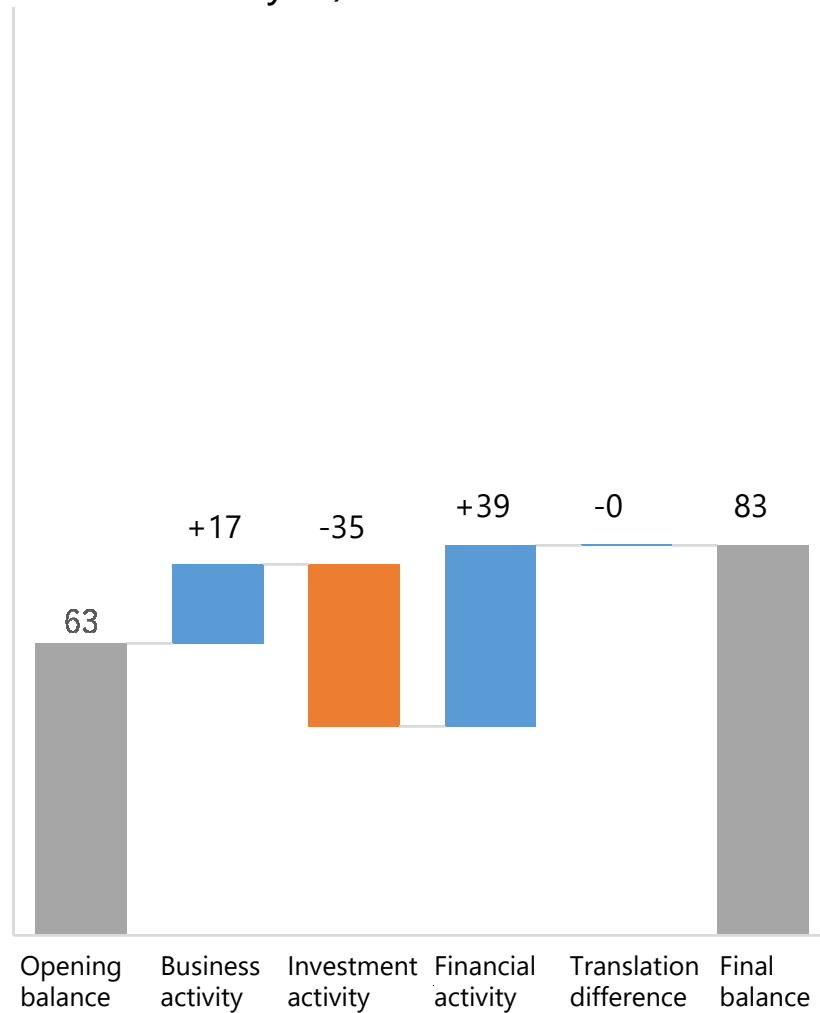
Financial Performance

(Unit: 100 million yen)	2023/3	2024/3	
		Result	Change from previous period
Total assets	1,460	1,652	+192
Trade receivables/inventory total	856	958	+102
Interest bearing liabilities	175	187	+11
Equity capital	893	968	+74
Trade receivables/ inventory ratio	58.6%	58.0%	-0.6pt
Interest bearing liability ratio	12.0%	11.3%	-0.7pt
Equity capital ratio	61.2%	58.6%	-2.6pt

Cashflow statements

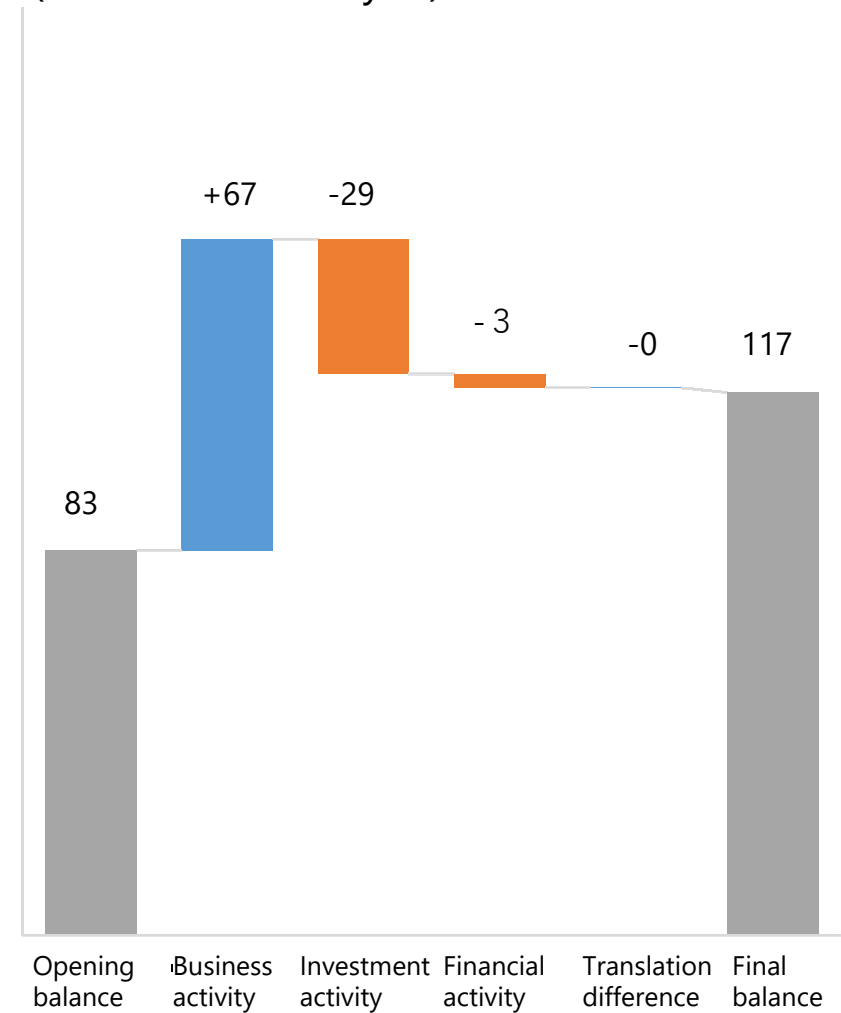
Cash and cash equivalents at end of year was 11.7 billion yen due to an increase in contract liabilities, etc.

(Unit: 100 million yen)



March 2023

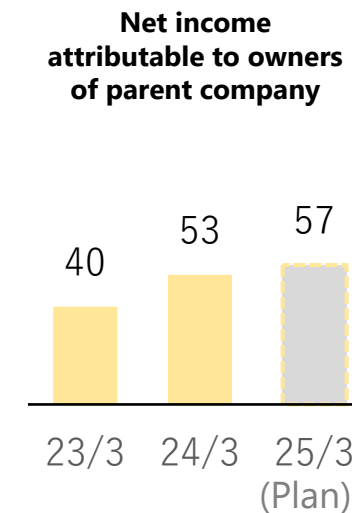
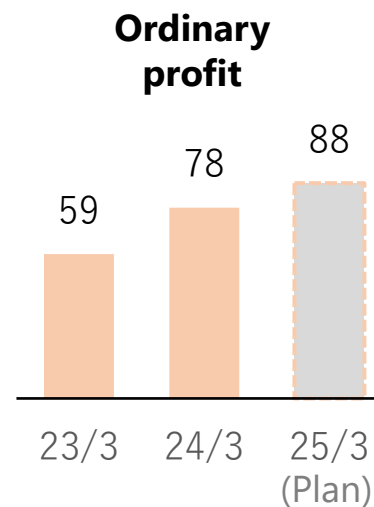
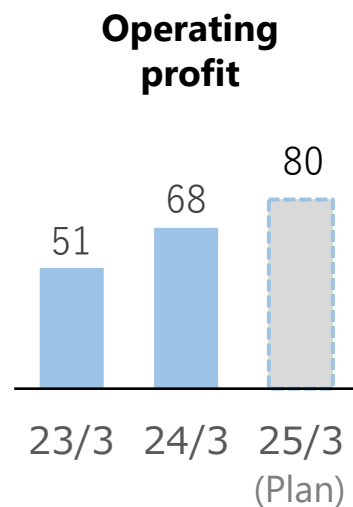
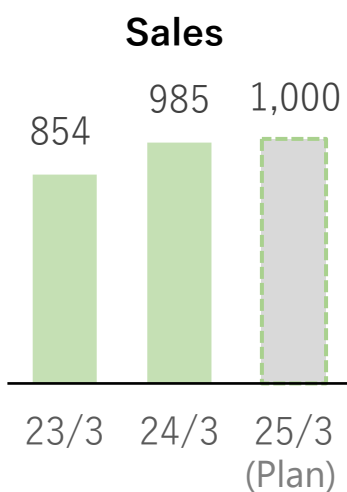
(Unit: 100 million yen)



March 2024

Plan for Year to March 2025 Plan

(Unit: 100 million yen)	2023/3	2024/3	2025/3	
			Plan	Change from previous period
Sales	854	985	1,000	+14
Operating profit	51	68	80	+11
Ordinary profit	59	78	88	+9
Net income attributable to owners of parent company	40	53	57	+3



Orders Received and Sales Trend (Railway Signal)

Plan

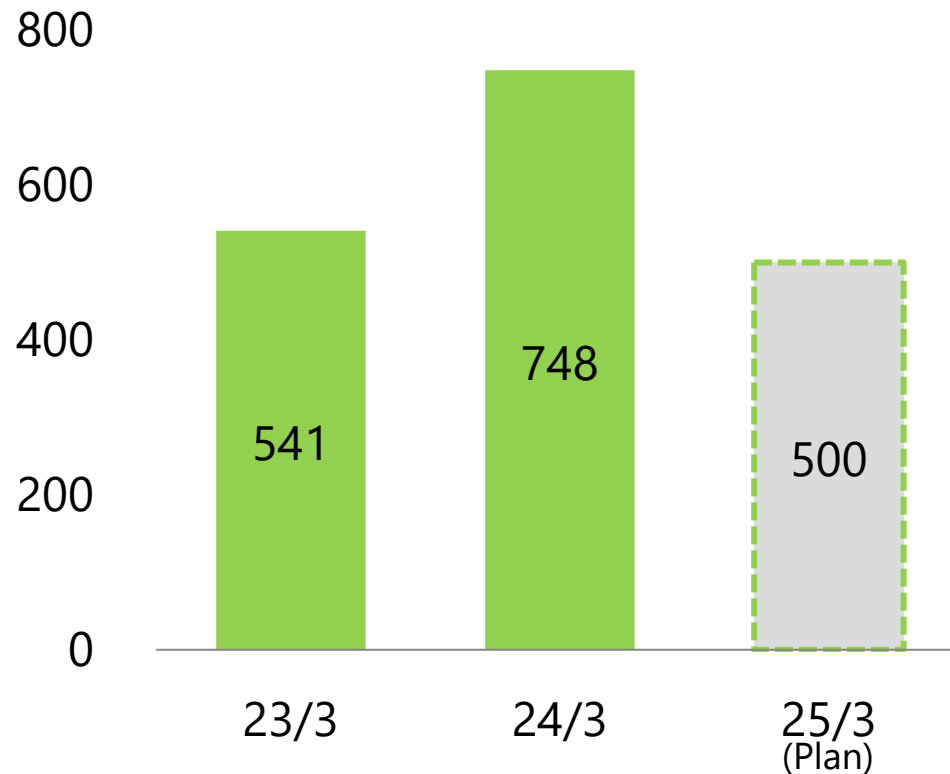
Railway signal business

Strive to develop a self-driving system using the existing signal safety equipment and to realize laborsaving in service and maintenance. Additionally, meet the needs for infrastructure in Asian countries to contribute to building of comfortable and safe cities supported by transport infrastructure.

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

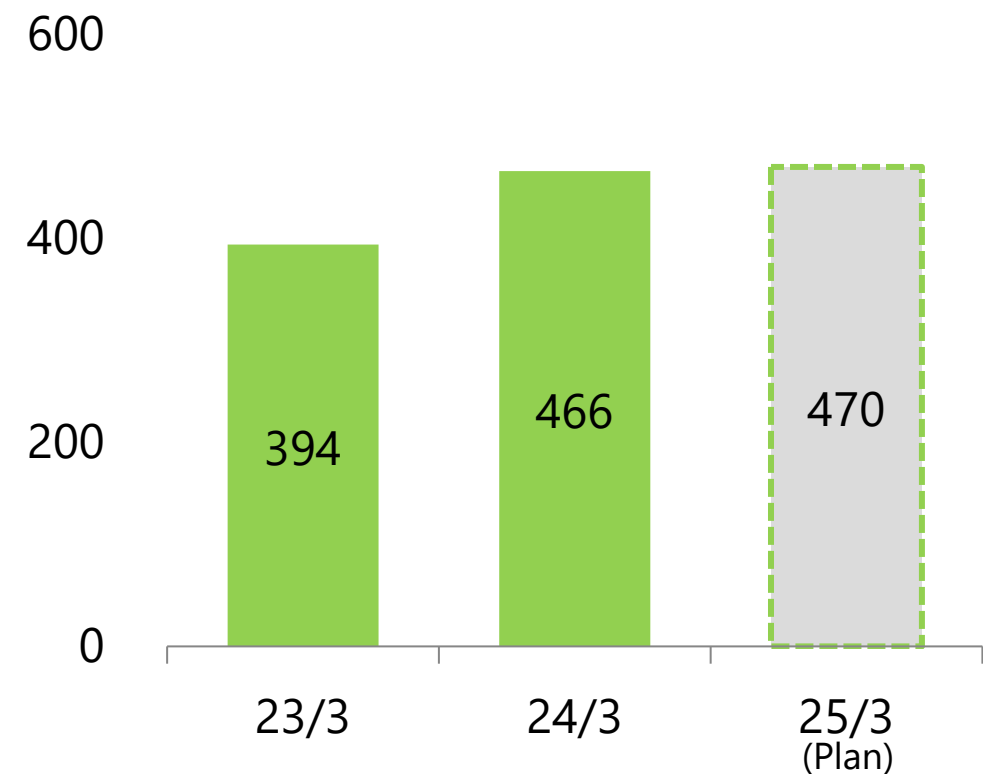
Orders received

(100 million yen)



Sales

(100 million yen)



Orders Received/Sales Trend (Smart mobility) Plan

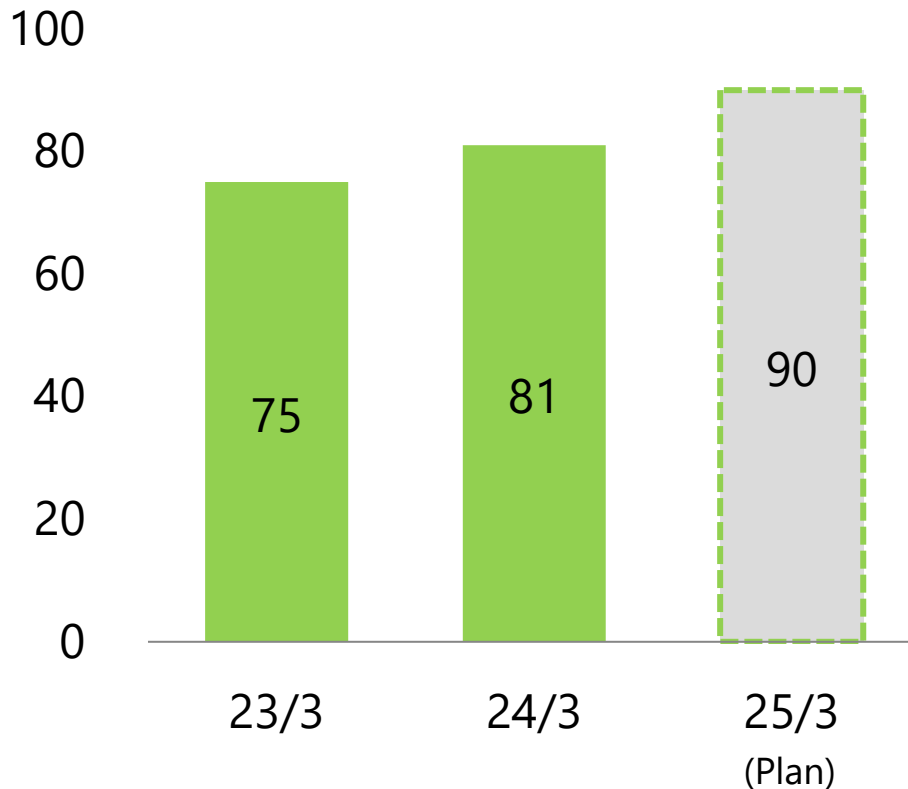
Smart mobility business

Tackle tasks towards the implementation of automatic driving services and launch a new solution business including wireless equipment using MVNO (network provision service business).

Main business: Traffic control systems, traffic signal controllers/lights, and so on

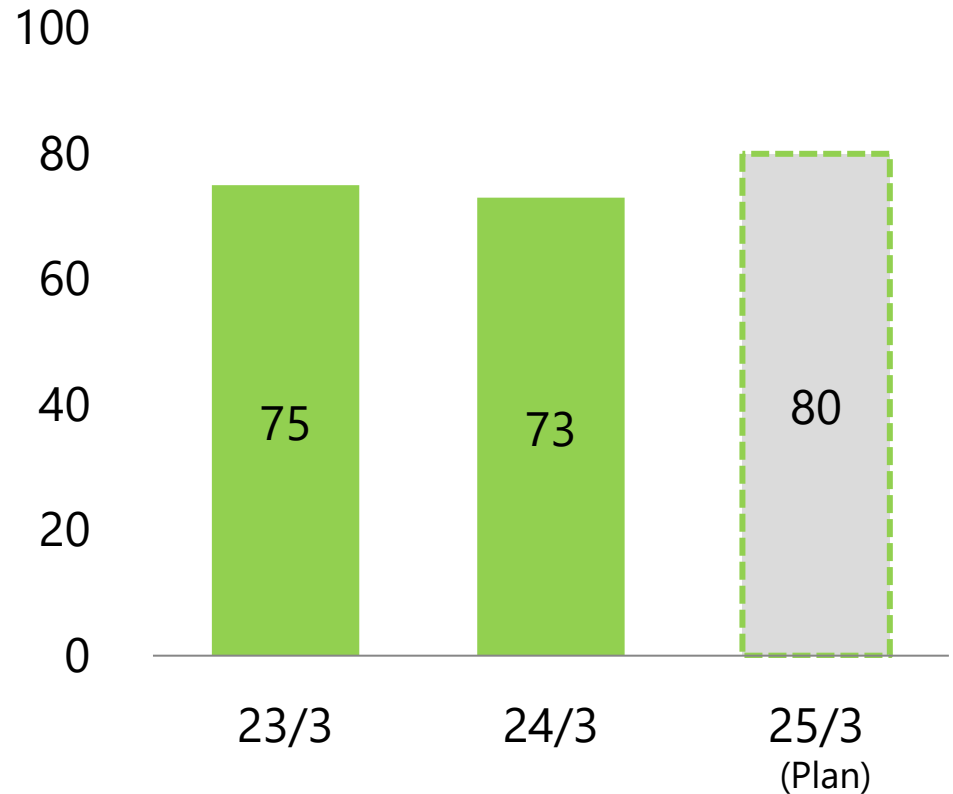
Orders received

(100 million yen)



Sales

(100 million yen)



Orders Received/Sales Trend (AFC) Plan

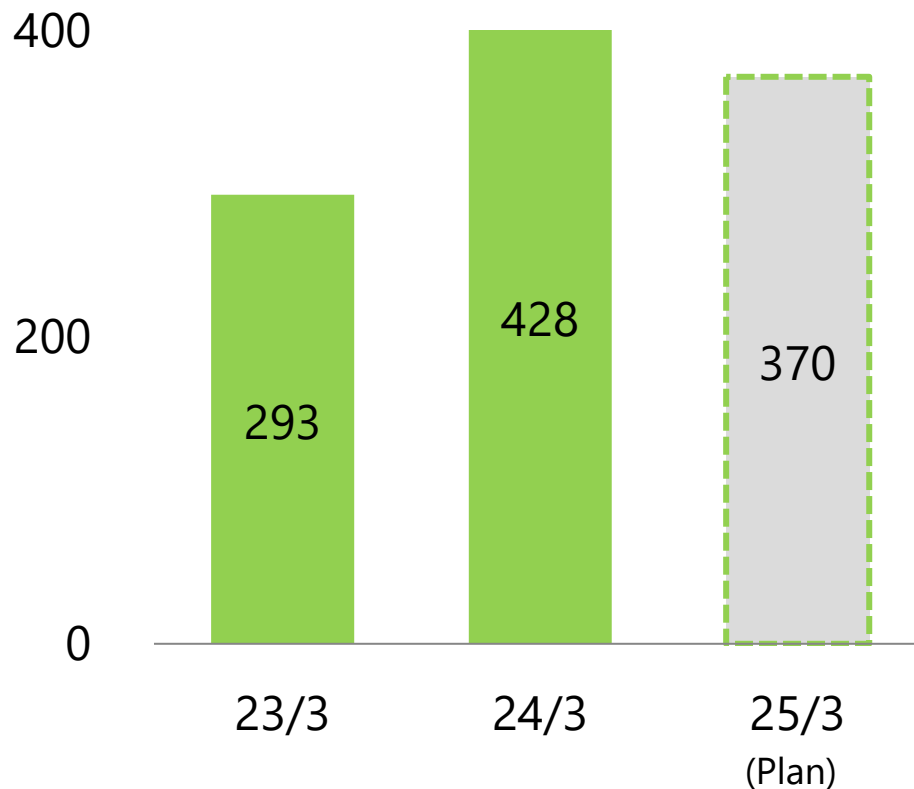
AFC Business

Provide new products that support payment systems in a smart mobility society as well as services which are connected with various terminals using a service connection platform called "iDONEO."

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

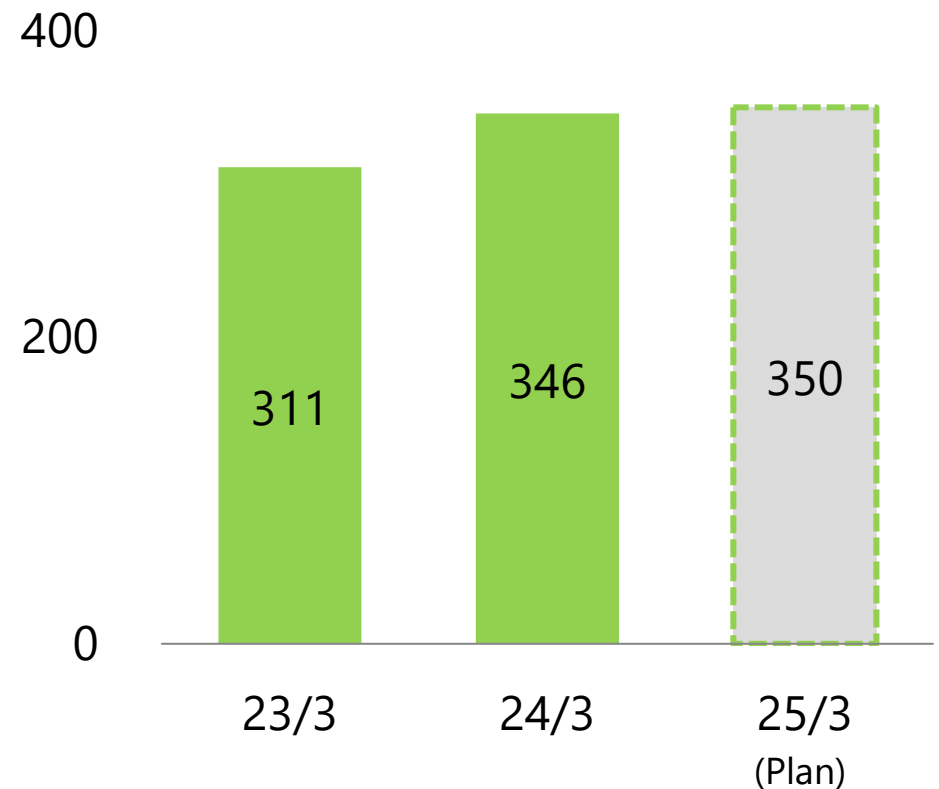
Orders received

(100 million yen)



Sales

(100 million yen)



Orders Received/Sales Trend (R&S) Plan

R&S business

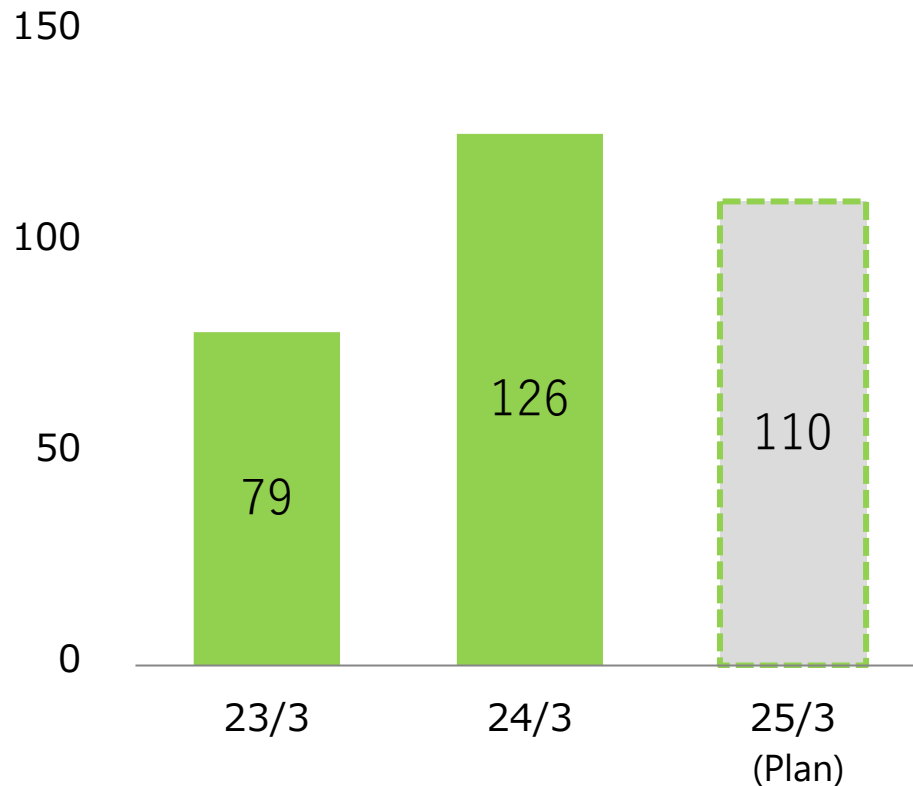
Merge our core technologies including sensors and image analysis with cutting-edge technologies of robotics to contribute to the realization of a future society where humans and robots work in collaboration.

* R&S: Robotics and Sensing

Main business: Robotics, 3D ranging image sensors, and so on.

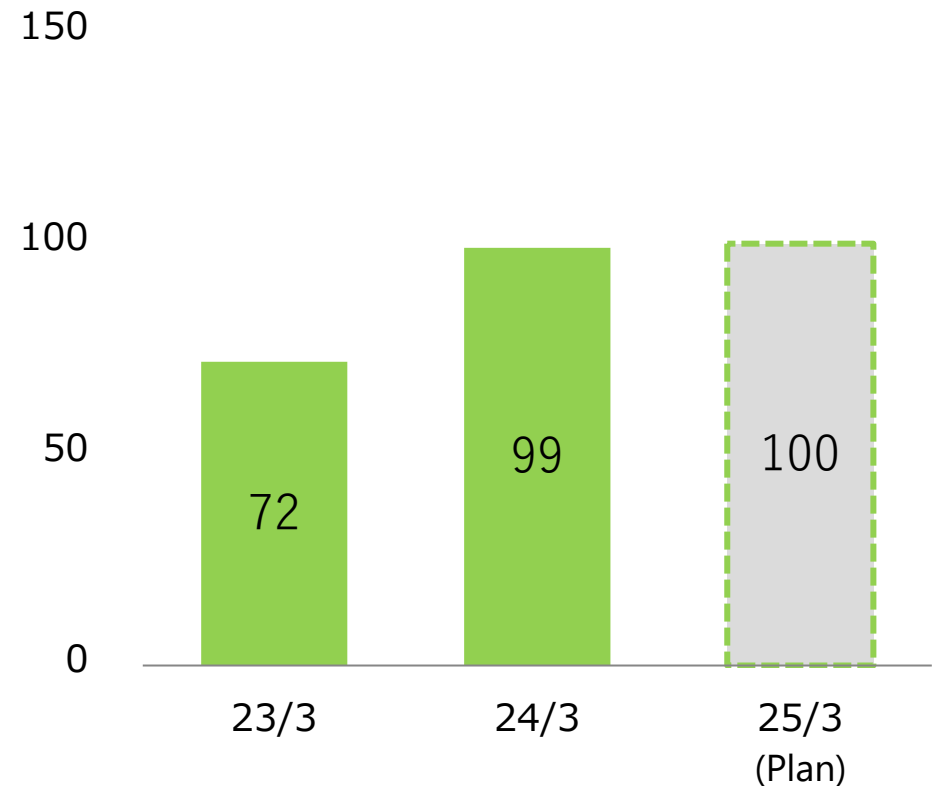
Orders received

(100 million yen)



Sales

(100 million yen)

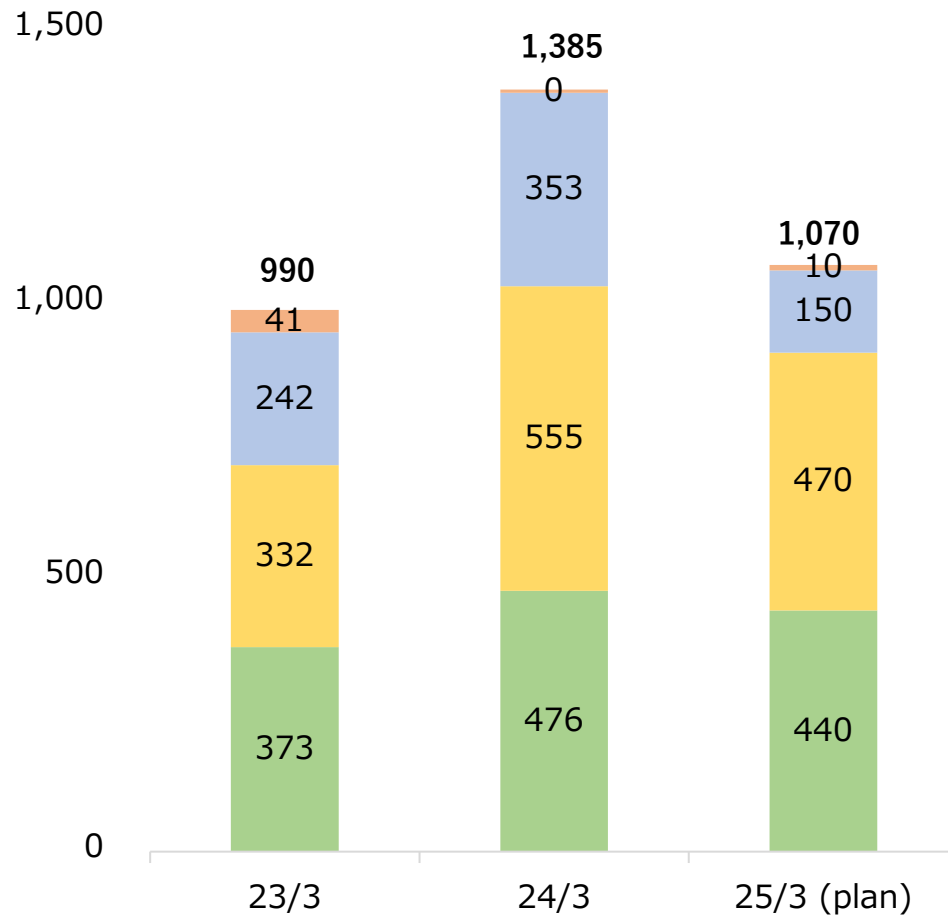


Orders Received/Sales Trend (By Domestic/Overseas Business)

Plan

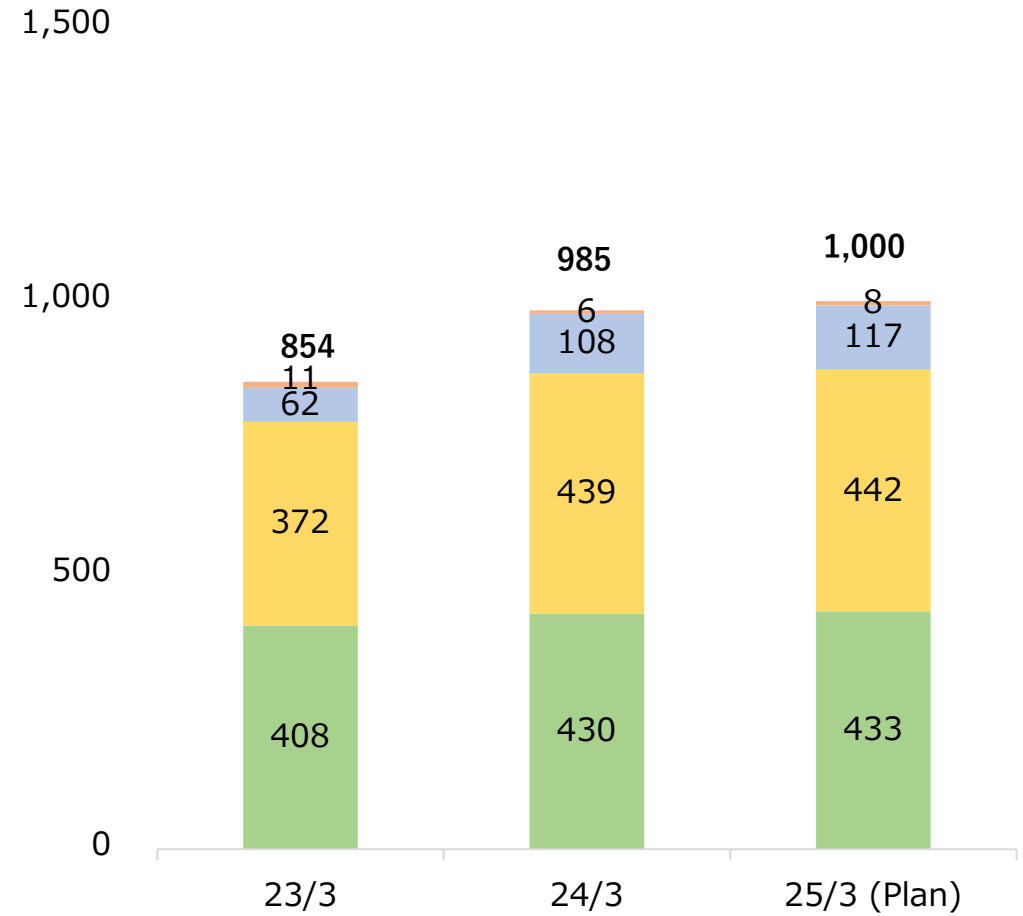
Orders received

(100 million yen)



Sales

(100 million yen)



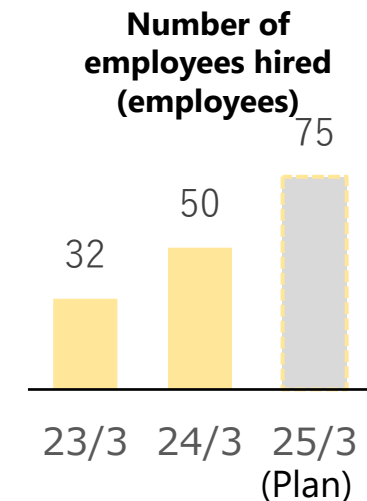
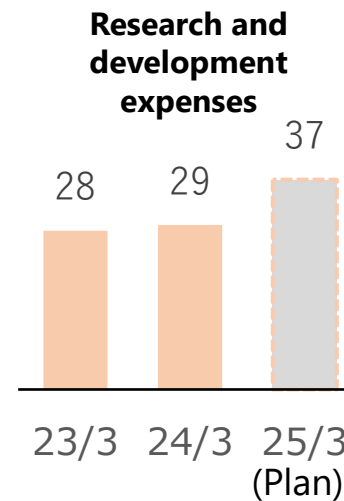
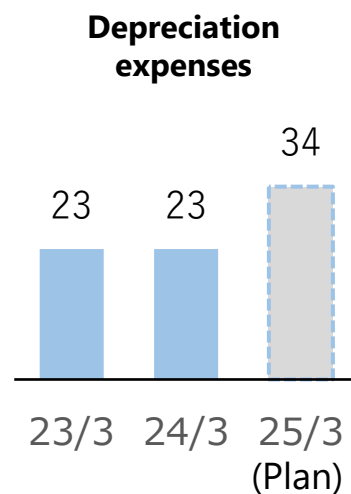
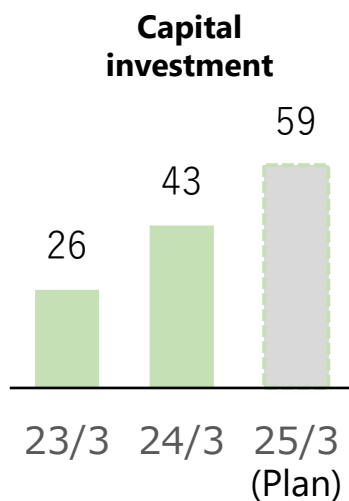
Profit by Segment Plan

(Unit: 100 million yen)	2023/3	2024/3	2025/3	
			Plan	Change from previous period
Transport infrastructure business	51	62	65	+2
ICT solution business	33	39	50	+10
Whole company expenses	-33	-33	-35	-1
Total	51	68	80	+11

Investment

(Unit: 100 million yen)	2023/3	2024/3	2025/3	
			Plan	Change from previous period
Capital investment	26	43	59	+16
Depreciation expenses	23	23	34	+10
Research and development expenses	28	29	37	+7
Number of employees hired (employees)*	32	50	75	+25

* Non-consolidated number of employees of the company

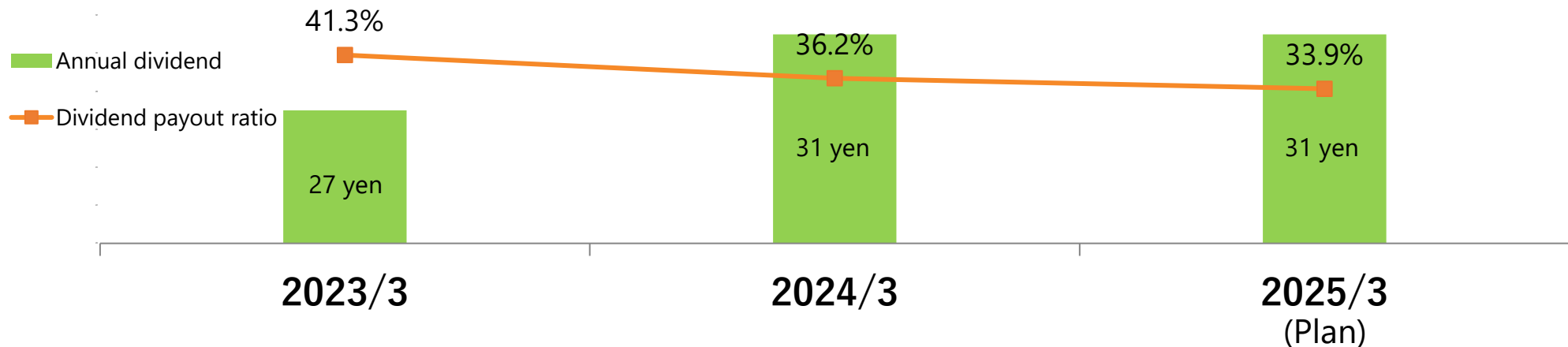


Profit distribution (Dividend)

- Regarding dividends, Nippon Signal sets the target for the meantime of the consolidated dividend payout ratio at 30% or higher and DOE at 2.0% as a lower limit index in principle according to the policy to reinforce profit distribution to our shareholders.
Based on this basic policy, the annual dividend is 31 yen for the year to March 2024 as well as for the year to March 2025.



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



Two “automatic operations” started on the Kashii Line and Kagoshima Main Line

GOA*2.5 automatic operation started on Kashii Line,
GOA2.0 automatic operation support system verification
started on Kagoshima Main Line



Number of applicable routes

GOA2.5 ... **24** routes

GOA2.0 ... **37** routes

*Including routes applicable to GOA 2.5
(in Japan)

*GOA: Grade of Automation

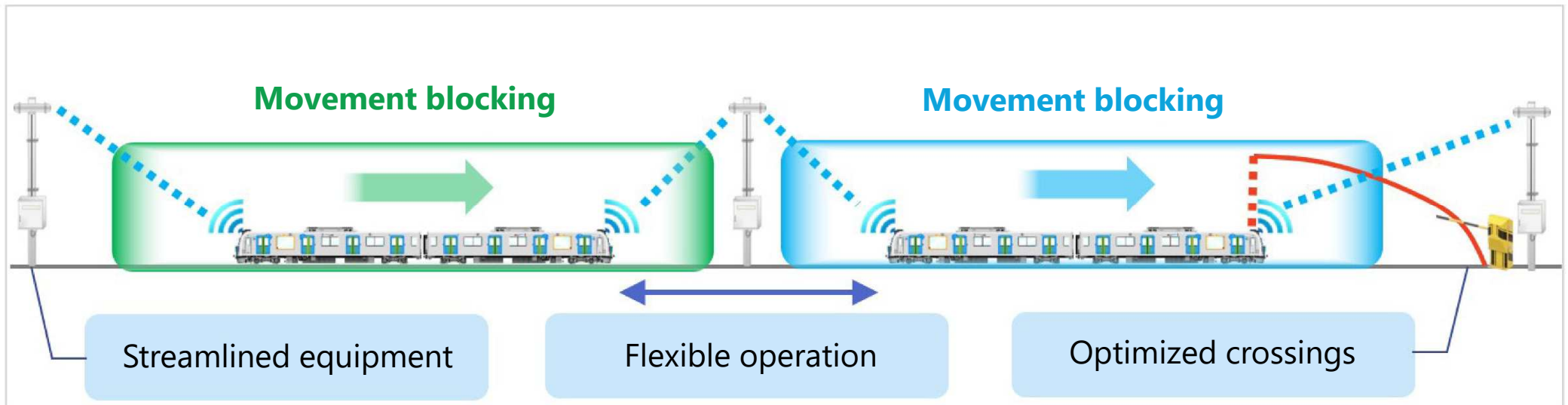
Haga-Utsunomiya LRT (Light Line) in operation

Nippon Signal supplied all railroad signal systems and implemented "train interlocking controllers" linked with LRT side equipment



Started test runs for Seibu Tamagawa Line radio train control (CBTC) system

Ensuring safe and efficient railroad operation
Optimizing blocking times at crossings

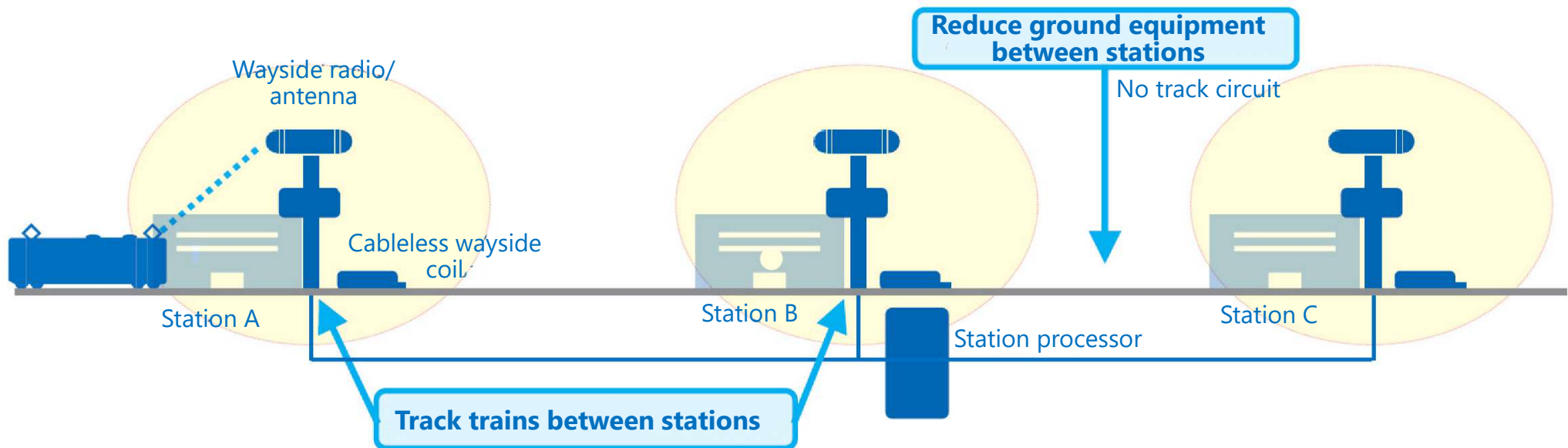


*CBTC (Communications-Based Train Control)

... System to control and protect trains by using wireless telecommunications to transmit large data between the train and track equipment on the ground without blocking track circuits

Conducted test runs for the regional railroad radio train control system

Reducing track circuits and wayside equipment to save labor for maintenance and inspections, contributing to permanent regional railroad operations



* This system is developed by Nippon Signal under the Railroad Technology Development and Promotion System by the Ministry of Land, Infrastructure, Transport and Tourism.

Hokuriku Shinkansen line extension from Kanazawa to Tsuruga in operation

Nippon Signal delivered signal devices and platform doors for the extension.



Hokuriku Shinkansen



Nishi Kyusyu Shinkansen



Hokkaido Shinkansen

Increased platform door orders for barrier-free measures



Lightweight platform door (JR Kyushu Kyudai Gakkentoshi Station)



Lightweight platform door (Seibu Kokubunji Station)



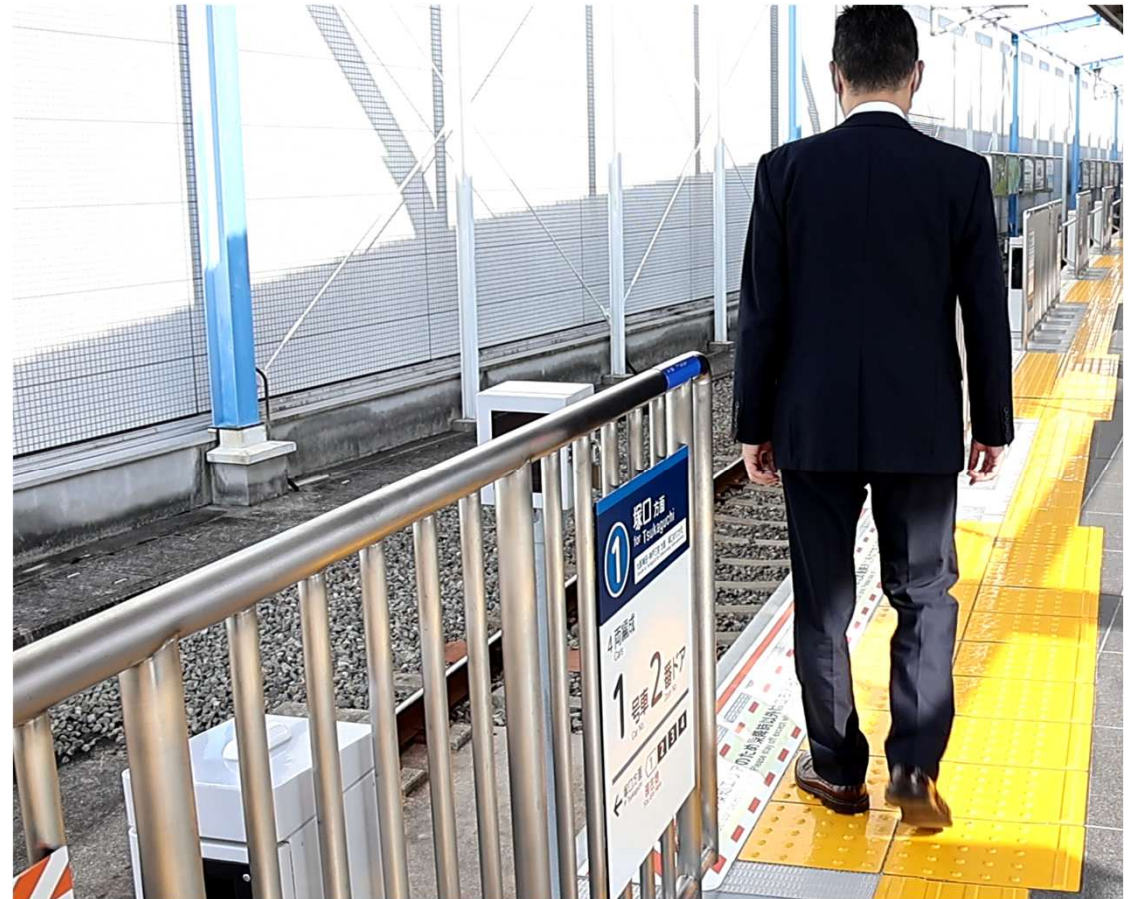
Elevating platform door (Kintetsu Tsuruhashi Station)



Elevating platform door (JR West Sannomiya Station)

▶ Hankyu Railway platform monitoring system in operation

Nippon Signal delivered all detection sensors in use and implemented FX10 series - highly resistant to ambient light



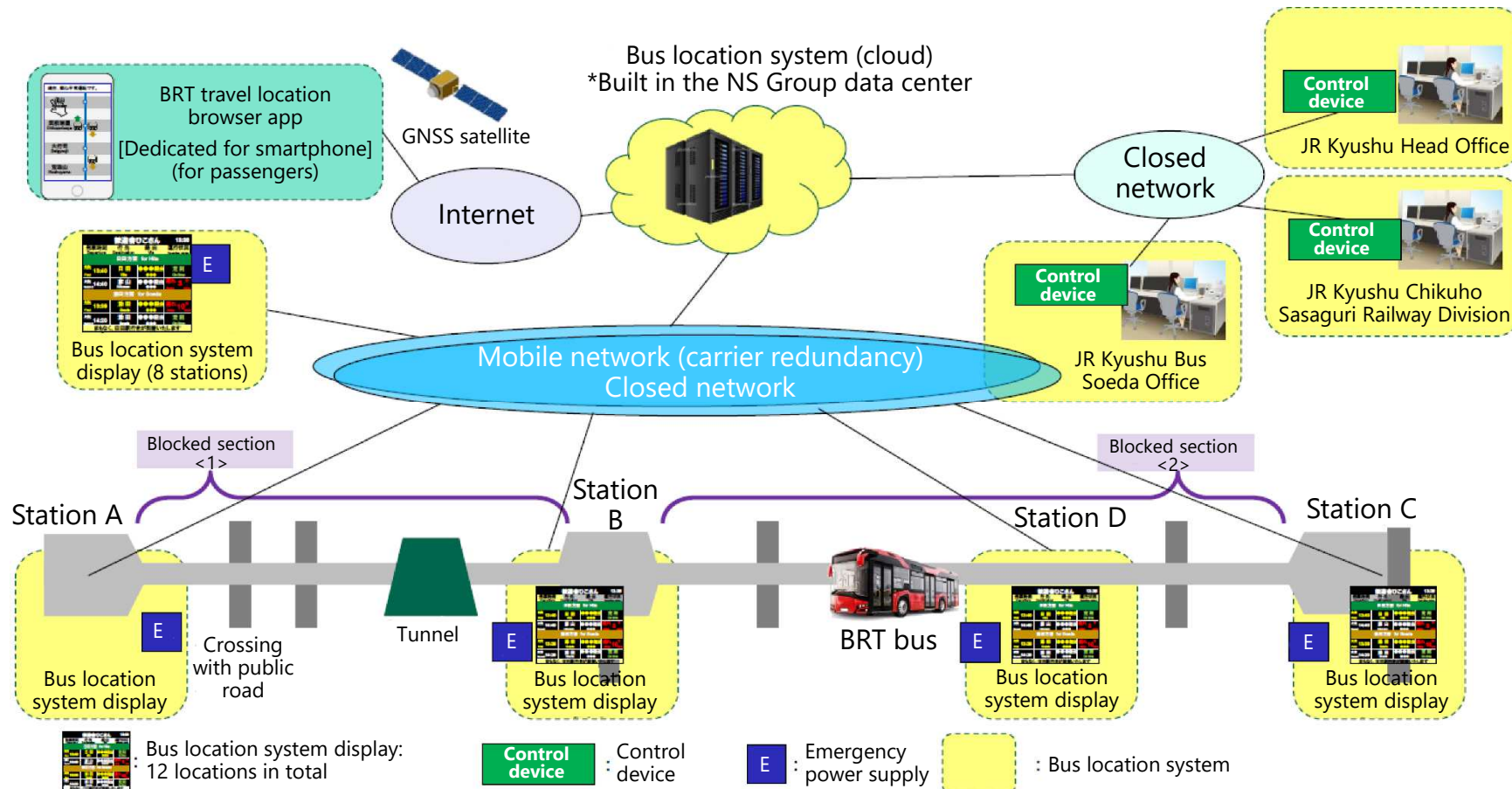
Sales expansion of EMV and QR payment compatible ticket gate machines

Touch-payment by cards and smart phones has been adopted by about 80 companies since 2020 (including those under consideration)



BRT Hikoboshi Line in operation

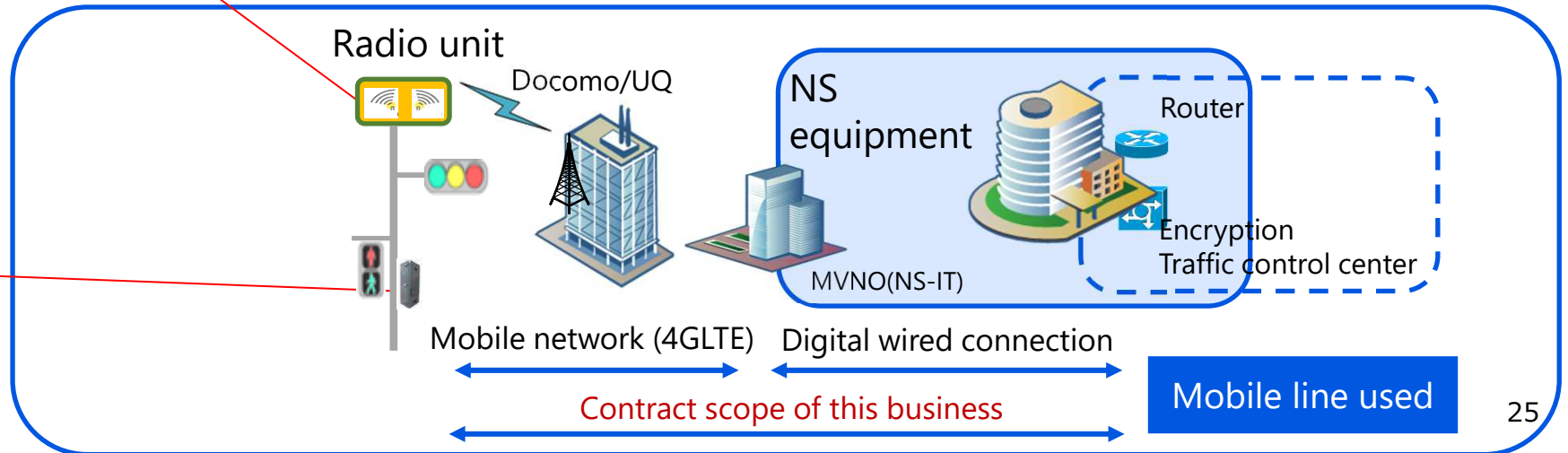
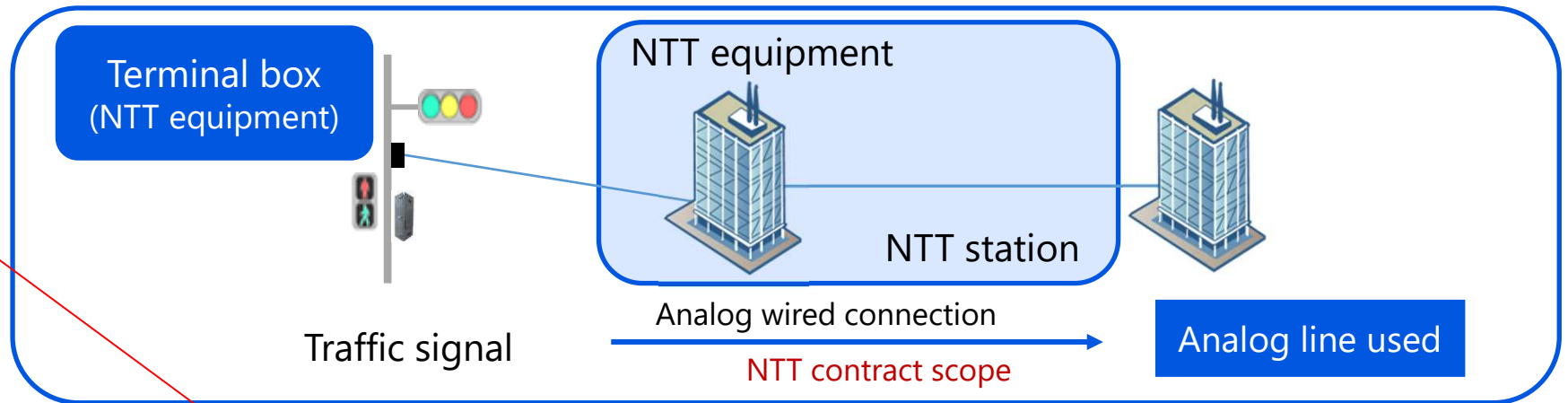
Delivered bus location systems, signage, traffic right control system for alternating traffic in bus-only road sections, and gates to prevent wrong entry at crossing roads.



*BRT: Bus Rapid Transit system

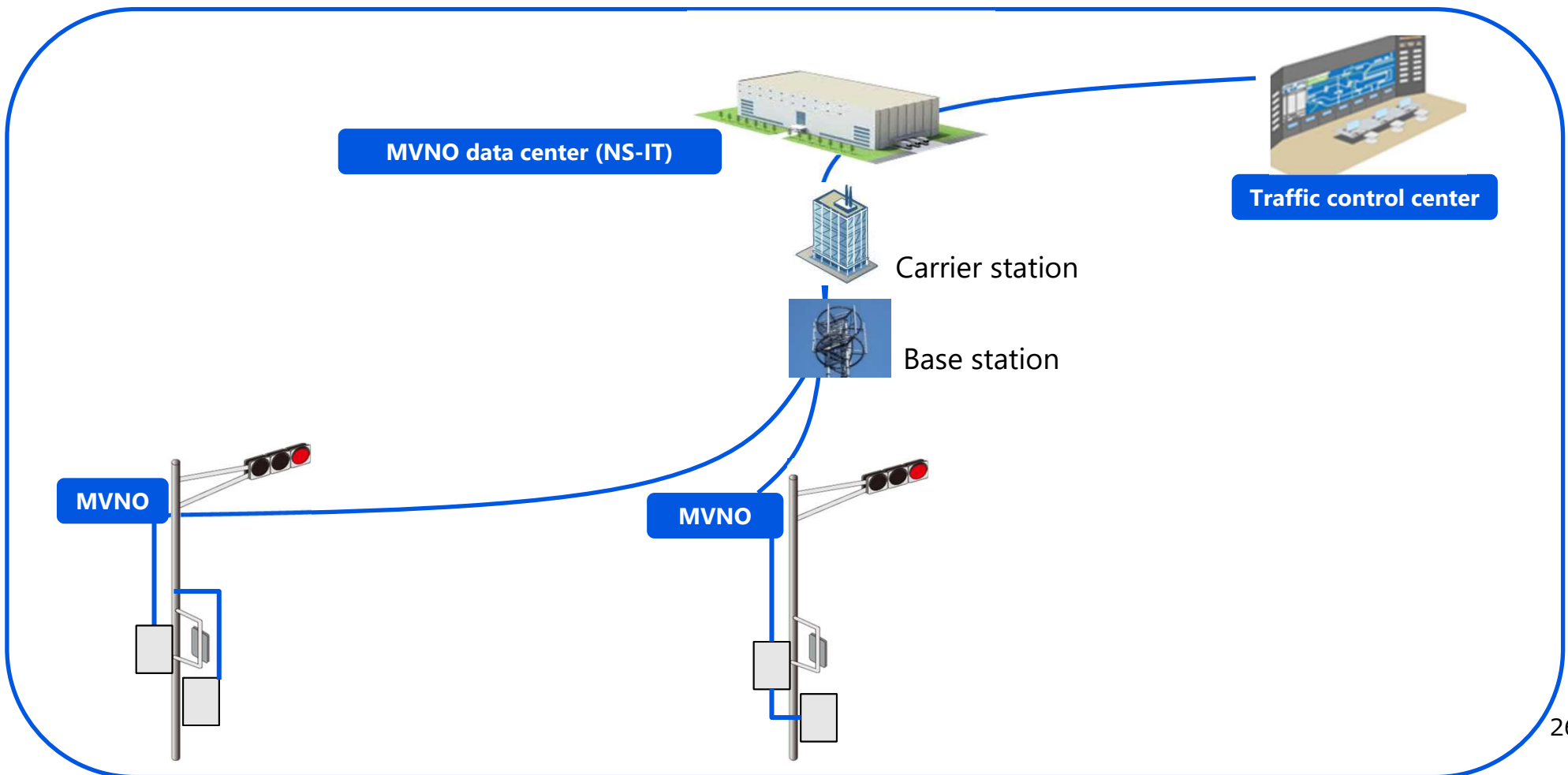
MVNO service

Building a dedicated network that converts traffic signal control agency communications from wired to wireless, and providing line service business



MVNO service

Sending images of intersections to the traffic control center via MVNO to reduce traffic congestion and prevent traffic accidents



▶ Delivered traffic display boards for Akita Prefectural Police Headquarters

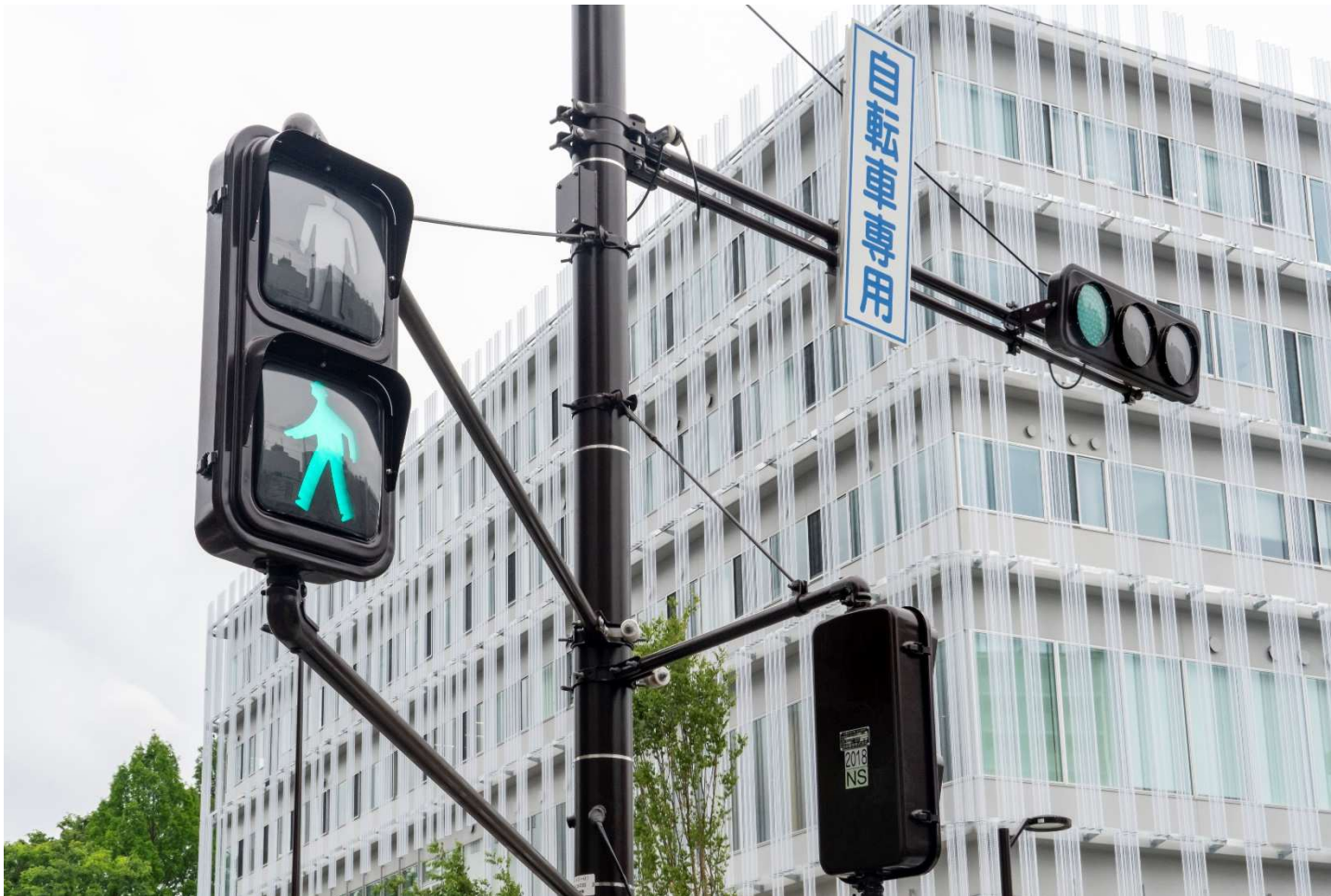
Showing camera images and maps for traffic situation in the prefecture



100% LED traffic signals by 2028

LED lights can save 750.5 Wh of electricity

***Prerequisites: Intersection with 6 general vehicle lights and 8 pedestrian lights installed**



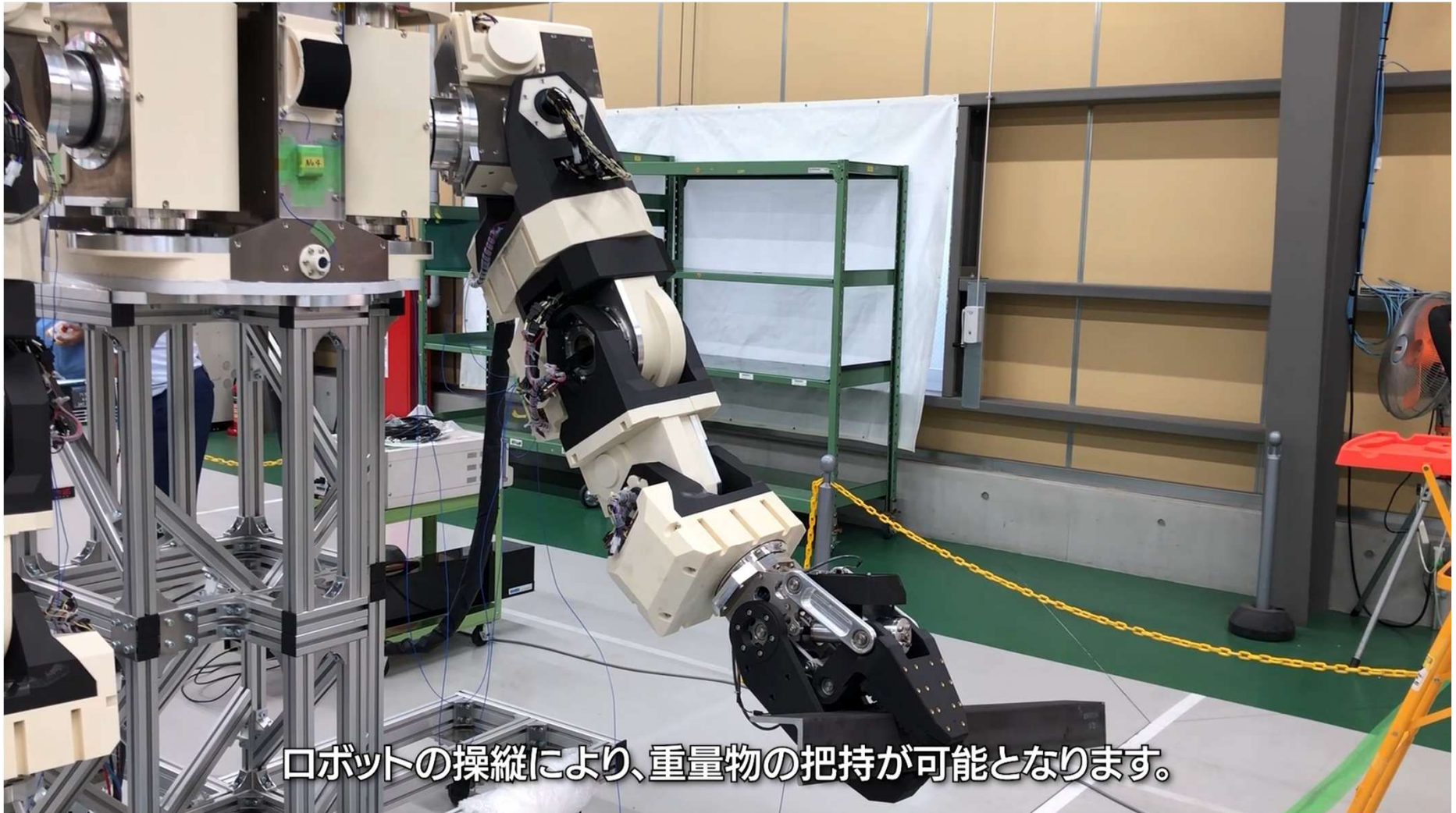
Cooperation on security devices at G7 Transport Ministers' Meeting in Ise-Shima, Mie



Showcased multifunctional heavy railroad equipment at G7 Transport Ministers' Meeting in Ise-Shima, Mie

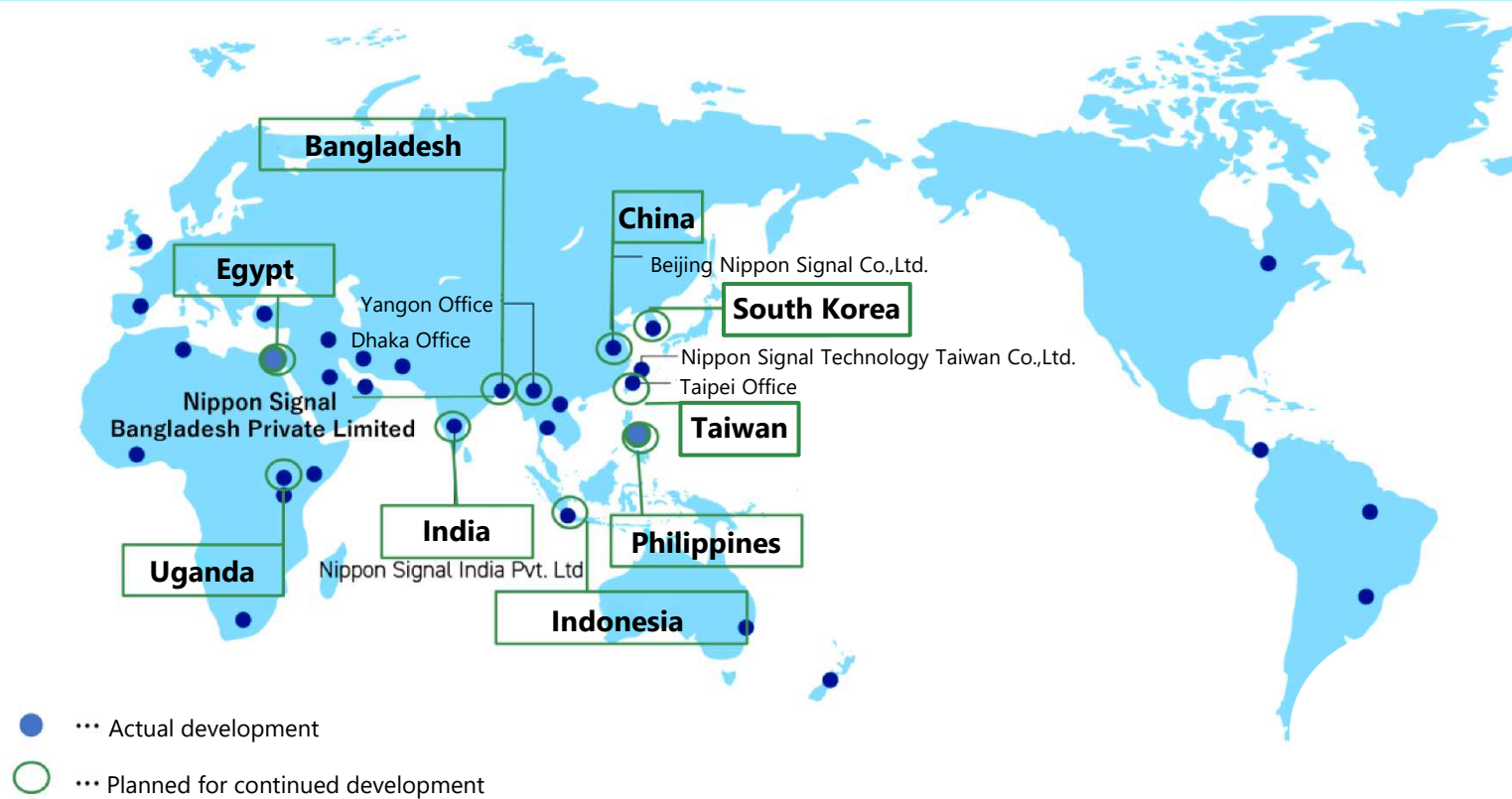


▶ Toward the practical application of multifunctional railroad heavy equipment



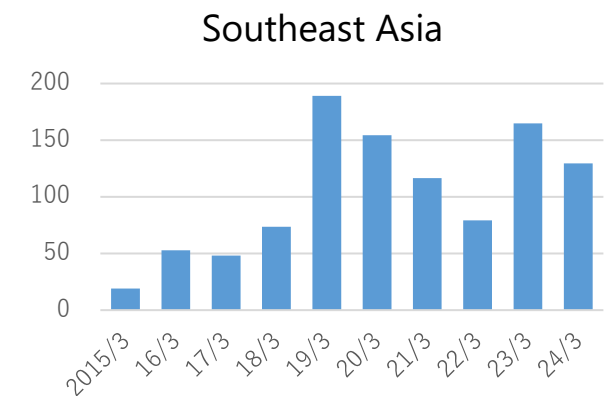
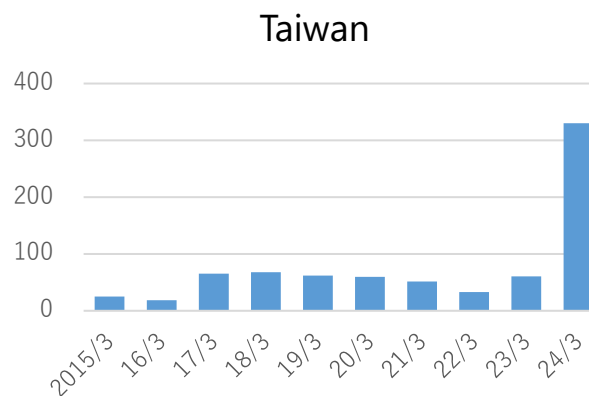
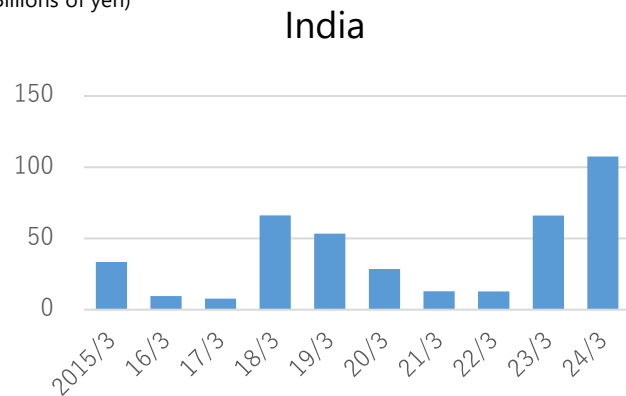
ロボットの操縦により、重量物の把持が可能となります。

Expansion of International Business



Order backlog

(Unit: Billions of yen)



Received order for double-tracking, equipment renewal and renovation of Taiwan Hua-Tung Line

Construction for double-tracking Hua-Tung Line (Hualien to Chihben) to increase transportation capacity in eastern Taiwan



Train running inland from northeastern Taiwan (Pingxi Line)

▶ Market expansion in Taiwan



Winning a contract for the signal system for the Ahmedabad Metro project (phase 2 section)

Delivered the radio train control system SPARCS, electronic interlocking devices, field devices



▶ Winning a contract for the signal system for Jakarta Mass Rapid Transit project (phase 2 section)

Delivered radio train control system SPARCS, electronic interlocking devices, PID* system, and field devices.



Winning a contract for traffic signal systems in Uganda

Installed at 25 new intersections in addition to the 13 existing ones.



Traffic signal system for Bengaluru urban area

Delivered signal lights, signal controllers, vehicle detectors to measure traffic flow, and central equipment to be installed at 29 intersections



Aiming for 100% green energy operation

Transition to green energy operation at the following manufacturing sites will be completed by May 2023.

	Started procurement of green electricity	Electricity consumption in FY23 (MWh)	Reduction of CO2 emission (t) in FY23
Kuki Office	October 2022	2,870	1,407
Ageo Factory	October 2022	783	384
Utsunomiya Office	May 2023	2,494	1,222
Nisshin Tokki Co.,Ltd.	March 2022	215	92
Asahi Denki Co.,Ltd.	January 2023	95	47
Yamagata Nisshin Denshi Co.,Ltd.	April 2023	752	344

* Electricity consumption after introducing green electricity which is multiplied by the emission factor in the plan before introduction of green electricity

Nissin Electronics Service Repair Center initiatives

Broken parts of railroad signal equipment in operation at each railroad operator are recycled at the repair center and returned to the railroad operator.



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.