



Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 5, 2025

Company name: Nippon Signal Co., Ltd.

Stock exchange listing: Tokyo

Code number: 6741

URL: <https://www.signal.co.jp>

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President and CEO and COO

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Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on financial results: Not available

Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	18,062	8.5	(490)	-	236	(61.8)	(400)	-
June 30, 2024	16,654	17.6	(202)	-	618	-	2	-

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 155 million [-%]
Three months ended June 30, 2024: ¥ (67) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(6.42)	-
June 30, 2024	0.03	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2025	147,147	101,746	69.1
March 31, 2025	166,240	102,623	61.7

(Reference) Equity: As of June 30, 2025: ¥ 101,746 million
As of March 31, 2025: ¥ 102,623 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 10.00	Yen -	Yen 33.00	Yen 43.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		13.00	-	30.00	43.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	108,000	1.1	10,000	0.9	10,800	0.1	7,500	(11.8)	120.25

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 6 companies (Company name) Nisshin Enterprise Co., Ltd. and other 5 companies

Excluded: - companies (Company name)

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes, (4) Notes to Quarterly Consolidated Financial Statements, (Significant changes in the scope of consolidation)” on page 10 of the Attachments.

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of June 30, 2025: 68,339,704 shares

As of March 31, 2025: 68,339,704 shares

2) Total number of treasury shares at the end of the period:

As of June 30, 2025: 5,968,536 shares

As of March 31, 2025: 5,968,536 shares

3) Average number of shares during the period:

Three months ended June 30, 2025: 62,371,168 shares

Three months ended June 30, 2024: 62,371,322 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Proper use of earnings forecasts, and other special matters

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

For the forecast of financial results, please refer to “1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the Attachments.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025), the global economy continued to face challenges that required close monitoring, such as geopolitical risks due to Russia's prolonged invasion of Ukraine and the intensifying situation in the Middle East, on top of the deceleration of the Chinese economy and reactions of various countries to US tariff policies, etc.

The Japanese economy remained on track for recovery, driven by increased personal consumption due to wage increases, as well as inbound consumption and other factors. On the other hand, there are concerns about future economic uncertainty caused by, for example, the ruling party's failure to secure a majority of seats in the House of Councillors election held in July 2025.

Under these circumstances, the Group has been working toward realization of its medium-term management plan, "Realize-EV100," with FY2028 as the final goal. In FY2025, the second year of the plan, the Group will continue to expand sales of new products utilizing DX technology, establish new business models, and develop the operation and maintenance business, while striving for sustainable growth primarily through Group-wide efforts to further improve manufacturing productivity and to promote human capital management. Moreover, we will proactively continue to work on IR and SR activities to broadly promote our initiatives to investors.

As part of these initiatives, the Group has also been working on reorganization. Nisshin IT Connect Co., Ltd. commenced business activities as a subsidiary of the Company in April 2025. Nisshin IT Connect is responsible for establishing IT infrastructure necessary for the Company's DX products, and centrally operating and managing the infrastructure.

The Company's business results for the three months ended June 30, 2025 were 29,128 million yen in orders received (up 9.6% year-on-year) and 18,062 million yen in net sales (up 8.5% year-on-year). Operating loss was 490 million yen (compared to operating loss of 202 million yen in the same period of the previous fiscal year), ordinary profit was 236 million yen (down 61.8% year-on-year) and loss attributable to owners of parent was 400 million yen (compared to profit attributable to owners of parent of 2 million yen in the same period of the previous fiscal year).

An overview of the Company's business by segment is as follows.

[Transportation Infrastructure]

In Railway Signal Systems, we received orders for and recorded sales of Automatic Train Control systems, Train Automatic Stopping Controller, signal safe products including interlocking devices, and other products from railroad operators in the Japanese market. We will continue to contribute to the realization of safe and comfortable travel by developing products that help reduce maintenance labor and improve inspection efficiency, and deploying these products throughout Japan. Such products include Communication-Based Train Control systems for local railways that reduce the size of ground equipment, and "Traio," which collects, accumulates, and analyzes information on the status of railway equipment through cloud networks.

In overseas markets, including Taiwan, Egypt, and Indonesia, we received orders for and recorded sales of Railway Signal Systems. We remain committed to supporting the development of safe and comfortable communities by meeting the infrastructure development demand of Asian countries, leveraging our established track record in these markets.

For Smart Mobility Systems, particularly Road Traffic Safety Systems, we received orders for and recorded sales of product such as MVNO (network provision service business), traffic signal lights, and other products. We have also actively participated in various autonomous driving demonstration projects. We aim to be a provider of products and technologies that support the "Vehicle-Infrastructure Cooperative System," linking autonomous vehicles with traffic signals and roadside sensors.

In overseas markets, we received orders for and recorded sales of traffic signals in Uganda, which is in need of solutions to chronic traffic congestion caused by the rapid influx of people into urban areas.

As a result of the above, orders received were 14,040 million yen (down 12.4% year-on-year) and net sales were 9,106 million yen (up 23.2% year-on-year). Segment loss was 21 million yen (compared to segment loss of 45 million yen in the same period of the previous fiscal year).

[ICT Solutions]

In AFC, particularly Station Service Network Systems, we received orders for and recorded sales of platform screen doors, passenger gates, ticket vending machines, parking lot equipment, and other products in the Japanese market.

We have also been proactively conducting demonstration trials of a new fare service, which is expected to be introduced throughout Japan in the near future, using cashless payments such as contactless payment for credit or debit cards and QR code authentication. The service has been launched at Yumeshima Station, which was newly built for Expo 2025 Osaka, Kansai, Japan, held starting from April 2025, and other stations.

In the overseas markets, especially in Bangladesh and Vietnam, we received orders for and recorded sales of AFC systems and other products.

In R&S, which focuses on robotics and sensing, we received orders for and recorded sales of 3D laser ranging image sensors for platform screen doors, X-ray baggage checking equipment, and other products. Based on the basic concept of fail-safe, we integrate the latest robotics technologies with our core technologies, such as sensors and image analysis that we have cultivated, and thus promote efforts to realize a future society in which humans and robots work together.

As a result of the above, orders received were 15,087 million yen (up 43.0% year-on-year) and net sales were 8,955 million yen (down 3.3% year-on-year). Segment profit was 678 million yen (down 13.4% year-on-year).

(2) Explanation of Financial Position

(i) Assets, Liabilities and Net Assets

Total assets as of June 30, 2025 were 147,147 million yen, a decrease of 19,093 million yen from the end of the previous fiscal year, mainly due to a 27,666 million yen decrease in notes and accounts receivable - trade, and contract assets, despite a 6,044 million yen increase in inventories, a 1,077 million yen increase in electronically recorded monetary claims - operating, and a 726 million yen increase in cash and deposits.

Liabilities decreased by 18,215 million yen from the end of the previous fiscal year to 45,401 million yen, mainly due to a 13,700 million yen decrease in short-term borrowings, a 2,032 million yen decrease in income taxes payable, a 1,276 million yen decrease in provision for bonuses, and a 1,080 million yen decrease in electronically recorded obligations - operating.

Net assets were 101,746 million yen, a decrease of 877 million yen compared with the end of the previous fiscal year, mainly due to a 2,058 million yen decrease in retained earnings from dividends, etc., despite an increase in retained earnings due to a change in scope of consolidation of 810 million yen and an increase of 614 million yen in valuation difference on available-for-sale securities, etc.

(ii) Cash Flows

The balance of cash and cash equivalents ("cash") as of June 30, 2025 totaled 11,948 million yen, an increase of 699 million yen from the end of the previous fiscal year.

Cash flows in each area of activity during the three months ended June 30, 2025 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 16,726 million yen, compared with a cash inflow of 10,032 million yen in the same period of the previous fiscal year. The principal cash inflow factor was a decrease in trade receivables, while the principal cash outflow factors were an increase in inventories and a decrease in trade payables.

(Cash flows from investing activities)

Net cash used in investing activities was 1,304 million yen, compared with a cash outflow of 866 million yen in the same period of the previous fiscal year. The principal cash outflow factor was the purchase of property, plant and equipment and intangible assets.

(Cash flow from financing activities)

Net cash provided by financing activities was 15,761 million yen, compared with a cash outflow of 8,953 million yen in the same period of the previous fiscal year. The principal cash outflow factors were repayment of short-term borrowings and dividend payments.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There are no revisions to the full-year consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026) announced on May 13, 2025.

Among the Group's main businesses, Railway Signal Systems and Smart Mobility Systems in the Transportation Infrastructure segment and AFC in the ICT Solutions segment tend to have a higher proportion of the Group's sales at the end of each fiscal year, as capital investment by domestic railroad operators, which are our major customers, and public investment by police and other entities are the main drivers.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	11,291	12,017
Notes and accounts receivable - trade, and contract assets	73,552	45,885
Electronically recorded monetary claims - operating	1,284	2,361
Merchandise and finished goods	6,732	8,929
Work in process	8,517	11,431
Raw materials and supplies	5,714	6,649
Other	3,105	3,458
Allowance for doubtful accounts	(0)	(0)
Total current assets	110,198	90,732
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,085	6,243
Machinery, equipment and vehicles, net	2,331	2,285
Tools, furniture and fixtures, net	2,147	2,337
Land	5,486	5,603
Leased assets, net	61	61
Construction in progress	2,621	2,532
Total property, plant and equipment	18,734	19,064
Intangible assets	3,059	3,084
Investments and other assets		
Investment securities	28,282	28,202
Long-term loans receivable	0	3
Retirement benefit asset	3,248	3,280
Deferred tax assets	768	842
Other	1,967	1,955
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	34,248	34,266
Total non-current assets	56,041	56,414
Total assets	166,240	147,147

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,743	10,849
Electronically recorded obligations - operating	5,431	4,351
Short-term borrowings	19,200	5,500
Lease liabilities	3	4
Income taxes payable	2,848	815
Provision for bonuses	2,953	1,676
Provision for loss on orders received	218	216
Other	11,620	12,089
Total current liabilities	54,019	35,503
Non-current liabilities		
Long-term deposits received	99	99
Long-term accounts payable - other	26	23
Lease liabilities	4	5
Deferred tax liabilities	725	992
Retirement benefit liability	8,741	8,777
Total non-current liabilities	9,597	9,897
Total liabilities	63,616	45,401
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,585	7,585
Retained earnings	78,243	76,809
Treasury shares	(6,571)	(6,571)
Total shareholders' equity	89,257	87,823
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,943	13,558
Remeasurements of defined benefit plans	422	364
Total accumulated other comprehensive income	13,366	13,922
Total net assets	102,623	101,746
Total liabilities and net assets	166,240	147,147

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	16,654	18,062
Cost of sales	13,211	14,606
Gross profit	3,442	3,456
Selling, general and administrative expenses	3,645	3,946
Operating loss	(202)	(490)
Non-operating income		
Interest income	0	0
Dividend income	411	214
Dividend income of life insurance	157	152
Foreign exchange gains	193	301
Rental income from real estate	78	75
Nursing services income	0	1
Other	16	34
Total non-operating income	858	779
Non-operating expenses		
Interest expenses	12	26
Rental expenses on real estate	13	13
Nursing services expense	8	8
Other	2	4
Total non-operating expenses	37	52
Ordinary profit	618	236
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	-	11
Gain on sale of golf club membership	-	0
Total extraordinary income	0	11
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	9
Total extraordinary losses	0	9
Profit before income taxes	618	237
Income taxes	616	638
Profit (loss)	2	(400)
(Details)		
Profit (loss) attributable to owners of parent	2	(400)

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	614
Remeasurements of defined benefit plans, net of tax	(43)	(58)
Total other comprehensive income	(69)	556
Comprehensive income	(67)	155
(Details)		
Comprehensive income attributable to owners of parent	(67)	155

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	618	237
Depreciation	552	820
Loss (gain) on sale and retirement of non-current assets	0	9
Loss (gain) on sale of investment securities	-	(11)
Increase (decrease) in provision for contingent loss	70	-
Interest and dividend income	(412)	(214)
Interest expenses	12	26
Decrease (increase) in trade receivables	20,688	27,335
Decrease (increase) in inventories	(4,837)	(5,944)
Increase (decrease) in trade payables	(3,406)	(2,147)
Increase (decrease) in contract liabilities	413	676
Increase (decrease) in retirement benefit liability	(70)	(87)
Other, net	(2,300)	(1,544)
Subtotal	11,328	19,156
Interest and dividends received	362	214
Interest paid	(12)	(26)
Income taxes paid	(2,206)	(2,617)
Income taxes refund	560	-
Net cash provided by (used in) operating activities	10,032	16,726
Cash flows from investing activities		
Payments into time deposits	(37)	(63)
Proceeds from withdrawal of time deposits	37	63
Purchase of property, plant and equipment	(653)	(1,054)
Purchase of intangible assets	(286)	(319)
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	-	17
Other, net	76	54
Net cash provided by (used in) investing activities	(866)	(1,304)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7,400)	(13,700)
Proceeds from deposits received from an affiliated company	40	-
Proceeds from deposits received from an unaffiliated entity	(93)	-
Repayments of lease liabilities	(2)	(1)
Dividends paid	(1,498)	(2,059)
Net cash provided by (used in) financing activities	(8,953)	(15,761)
Effect of exchange rate change on cash and cash equivalents	22	12
Net increase (decrease) in cash and cash equivalents	235	(326)
Cash and cash equivalents at beginning of period	11,760	11,248
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	721
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	305
Cash and cash equivalents at end of period	11,996	11,948

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes in case of significant changes in shareholders' equity)

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Dividends Paid

(Resolution)	Type of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
May 14, 2024 Board of Directors	Common shares	1,496	24.00	March 31, 2024	May 31, 2024	Retained earnings

2. Significant changes in shareholders' equity

Not applicable

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Dividends Paid

(Resolution)	Type of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
May 13, 2025 Board of Directors	Common shares	2,058	33.00	March 31, 2025	May 30, 2025	Retained earnings

2. Significant changes in shareholders' equity

Not applicable

(Significant changes in the scope of consolidation)

Nisshin Enterprise Co., Ltd., Nisshin TECHNO Engineering Co., Ltd., Nisshin Hutech Co., Ltd., Saitama Union Service Co., Ltd., Yokohama TECHNO Engineering Co., Ltd., and Nisshin Okabe Nikoh Co., Ltd., which were non-consolidated companies at the end of the previous fiscal year, have been included in the scope of consolidation beginning with the fiscal year under review due to their increased importance.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Deferral of cost variances)

Cost variances arising from seasonally fluctuating operating rates are expected to be mostly eliminated by the end of the cost accounting period (end of the fiscal year or the semi-annual period of the fiscal year); therefore, such cost variances are deferred as current liabilities (other) at the end of the first quarter of the fiscal year under review.

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, including the first quarter of the fiscal year under review, and multiplying income/loss before income taxes for the quarter by the estimated effective tax rate.

(Segment information, etc.)

[Segment information]

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on net sales and profit (loss) by reportable segment and classification of revenues

(Million yen)					
	Reportable segment			Adjustments (Note 1)	Quarterly consolidated statements of income and comprehensive income (Note 2)
	Transportation Infrastructure	ICT Solutions	Total		
Net sales					
Net sales to external customers	7,393	9,260	16,654	-	16,654
Intersegment internal sales or transfers	-	-	-	-	-
Total	7,393	9,260	16,654	-	16,654
Goods or services transferred at a point in time	2,109	3,883	5,993	-	5,993
Goods or services transferred over time	5,284	5,376	10,661	-	10,661
Total	7,393	9,260	16,654	-	16,654
Segment profit (loss)	(45)	783	738	(941)	(202)

Notes: 1. Adjustments of (941) million yen in segment profit (loss) represent corporate expenses that are not allocated to reportable segments. Corporate expenses are primarily expenses of the administration divisions of the parent company's headquarters that are not attributable to any of the reportable segments.

2. Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statements of income and comprehensive income.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information on net sales and profit (loss) by reportable segment and classification of revenues

(Million yen)					
	Reportable segment			Adjustments (Note 1)	Quarterly consolidated statements of income and comprehensive income (Note 2)
	Transportation Infrastructure	ICT Solutions	Total		
Net sales					
Net sales to external customers	9,106	8,955	18,062	-	18,062
Intersegment internal sales or transfers	-	-	-	-	-
Total	9,106	8,955	18,062	-	18,062
Goods or services transferred at a point in time	2,653	3,756	6,410	-	6,410
Goods or services transferred over time	6,452	5,199	11,651	-	11,651
Total	9,106	8,955	18,062	-	18,062
Segment profit (loss)	(21)	678	656	(1,146)	(490)

Notes: 1. Adjustments of (1,146) million yen in segment profit (loss) represent corporate expenses that are not allocated to reportable segments. Corporate expenses are primarily expenses of the administration divisions of the parent company's headquarters that are not attributable to any of the reportable segments.

2. Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statements of income and comprehensive income.

[Related information]

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information by region

Net sales

(Million yen)

Japan	Asia	Other	Total
15,494	1,072	87	16,654

Note: Net sales are classified by region based on the location of the customer.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information by region

Net sales

(Million yen)

Japan	Asia	Other	Total
16,718	1,119	224	18,062

Note: Net sales are classified by region based on the location of the customer.