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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

November 11, 2025

Company name: Nippon Signal Co., Ltd.

Stock exchange listing: Tokyo

Code number: 6741

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

Representative: Hidehiko Tsukamoto

President and CEO and COO

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Scheduled date of filing semi-annual securities report: November 12, 2025

Scheduled date of commencing dividend payments: December 1, 2025

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (April 1, 2025 to September 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	%
Six months ended September 30, 2025	44,125	9.3	1,760	(1.9)	2,513	1.1	1,394	(14.5)
September 30, 2024	40,380	18.1	1,794	401.8	2,487	125.1	1,631	214.1

(Note) Comprehensive income: Six months ended September 30, 2025: ¥ 2,986 million [544.4%]

Six months ended September 30, 2024: ¥ 463 million [(76.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	22.36	-
September 30, 2024	26.16	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2025	155,101	104,576	67.4
March 31, 2025	166,240	102,623	61.7

(Reference) Equity: As of September 30, 2025: ¥ 104,576 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	10.00	-	33.00	43.00
Fiscal year ending March 31, 2026	-	13.00			
Fiscal year ending March 31, 2026 (Forecast)			-	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. Semi-annual Consolidated Financial Statements and Principal Notes, (4) Notes to Semi-annual 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 semi-annual 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 September 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 September 30, 2025: 5,968,757 shares

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

3) Average number of shares outstanding during the period:

Six months ended September 30, 2025: 62,371,125 shares

Six months ended September 30, 2024: 62,371,295 shares

- * Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.
- * 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 Semi-annual 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 Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025), the global economy continued to face challenges that required close monitoring, such as growing 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 the situation of each country in response to US tariff policies.

The Japanese economy has experienced restrained personal consumption due to rising prices, and concerns over political and economic instability—such as the ruling party's loss of its majority in both houses of the Diet—also emerged. However, it continued to show signs of recovery, with growing expectations following the formation of a coalition government.

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 six months ended September 30, 2025 were 56,577 million yen in orders received (up 15.4% year-on-year) and 44,125 million yen in net sales (up 9.3% year-on-year). Operating profit was 1,760 million yen (down 1.9% year-on-year), ordinary profit was 2,513 million yen (up 1.1% year-on-year), and profit attributable to owners of parent was 1,394 million yen (down 14.5% year-on-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, signal safe products including interlocking devices, wireless coordination systems, and other products from railroad operators in the Japanese market. Furthermore, 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 India, 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 products such as MVNO (network provision service business), traffic control systems, 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 continued to receive orders for and record sales of traffic signals in Uganda, which is in need of solutions to chronic traffic congestion. In addition, we exhibited booth at the Ninth Tokyo International Conference on African Development (TICAD 9), held in Yokohama in August, where we introduced our Railway

Signal Systems and Traffic Signal Systems. We will continue contributing to addressing infrastructure issues in the African region.

As a result of the above, orders received were 27,983 million yen (up 5.8% year-on-year) and net sales were 22,731 million yen (up 18.0% year-on-year). Segment profit was 1,297 million yen (up 61.7% year-on-year).

[ICT Solutions]

In AFC, particularly Station Service Network Systems, we received orders for and maintained steady sales of platform screen doors, passenger gates, ticket vending machines, and other products in the Japanese market, despite measures to accommodate the new banknotes was mostly finished. We are also actively working on a new cashless boarding service using contactless payments with credit and debit cards as well as binary code authentication, which is expected to be introduced nationwide. Our systems has been installed at station including Yumeshima Station, the gateway to Expo 2025 Osaka, Kansai, Japan held this year.

In the overseas markets, especially in India, Egypt, and Bangladesh, 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, security robots, 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 continue to promote efforts to realize a future society in which humans and robots work together.

As a result of the above, orders received were 28,594 million yen (up 26.7% year-on-year) and net sales were 21,394 million yen (up 1.3% year-on-year). Segment profit was 2,521 million yen (down 10.6% year-on-year).

(2) Explanation of Financial Position

(i) Assets, Liabilities and Net Assets

Total assets as of September 30, 2025 were 155,101 million yen, a decrease of 11,138 million yen from the end of the previous fiscal year, mainly due to a 20,854 million yen decrease in notes and accounts receivable - trade, and contract assets, despite a 6,421 million yen increase in inventories and a 1,491 million yen increase in investment securities largely stemming from rising market prices.

Liabilities decreased by 13,092 million yen from the end of the previous fiscal year to 50,524 million yen, mainly due to a 9,700 million yen decrease in short-term borrowings, a 1,314 million yen decrease in income taxes payable, and a 954 million yen decrease in notes and accounts payable - trade.

Net assets were 104,576 million yen, an increase of 1,953 million yen compared with the end of the previous fiscal year, mainly due to an increase of 1,708 million yen in valuation difference on available-for-sale securities, the recording of 1,394 million yen in profit attributable to owners of parent, and an increase in retained earnings due to a change in scope of consolidation of 810 million yen, despite a 2,058 million yen decrease in retained earnings from dividends, etc.

(ii) Cash Flows

The balance of cash and cash equivalents ("cash") as of September 30, 2025 totaled 11,691 million yen, an increase of 442 million yen from the end of the previous fiscal year.

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

(Cash flows from operating activities)

Net cash provided by operating activities was 13,993 million yen, compared with a cash inflow of 4,389 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 factor was an increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities was 2,803 million yen, compared with a cash outflow of 1,368 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, while the principal cash inflow factor was sale of investment securities.

(Cash flow from financing activities)

Net cash used in financing activities was 11,738 million yen, compared with a cash outflow of 4,297 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. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	11,291	11,760
Notes and accounts receivable - trade, and contract assets	73,552	52,698
Electronically recorded monetary claims - operating	1,284	612
Merchandise and finished goods	6,732	9,502
Work in process	8,517	11,443
Raw materials and supplies	5,714	6,439
Other	3,105	3,861
Allowance for doubtful accounts	(0)	(45)
Total current assets	110,198	96,274
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,085	6,226
Machinery, equipment and vehicles, net	2,331	2,214
Tools, furniture and fixtures, net	2,147	2,801
Land	5,486	5,608
Leased assets, net	61	59
Construction in progress	2,621	2,960
Total property, plant and equipment	18,734	19,871
Intangible assets	3,059	3,033
Investments and other assets		
Investment securities	28,282	29,774
Long-term loans receivable	0	3
Retirement benefit asset	3,248	3,320
Deferred tax assets	768	872
Other	1,967	1,969
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	34,248	35,922
Total non-current assets	56,041	58,827
Total assets	166,240	155,101

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,743	10,789
Electronically recorded obligations - operating	5,431	5,189
Short-term borrowings	19,200	9,500
Lease liabilities	3	3
Income taxes payable	2,848	1,533
Provision for bonuses	2,953	2,890
Provision for loss on orders received	218	157
Other	11,620	10,116
Total current liabilities	54,019	40,179
Non-current liabilities		
Long-term deposits received	99	99
Long-term accounts payable - other	26	21
Lease liabilities	4	4
Deferred tax liabilities	725	1,467
Retirement benefit liability	8,741	8,751
Total non-current liabilities	9,597	10,344
Total liabilities	63,616	50,524
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,585	7,585
Retained earnings	78,243	78,604
Treasury shares	(6,571)	(6,571)
Total shareholders' equity	89,257	89,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,943	14,652
Remeasurements of defined benefit plans	422	305
Total accumulated other comprehensive income	13,366	14,957
Total net assets	102,623	104,576
Total liabilities and net assets	166,240	155,101

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	40,380	44,125
Cost of sales	31,173	34,133
Gross profit	9,206	9,992
Selling, general and administrative expenses	7,412	8,231
Operating profit	1,794	1,760
Non-operating income		
Interest income	0	0
Dividend income	431	339
Dividend income of life insurance	164	158
Rental income from real estate	156	154
Nursing services income	6	4
Other	28	198
Total non-operating income	787	856
Non-operating expenses		
Interest expenses	28	45
Rental expenses on real estate	27	28
Nursing services expense	15	15
Other	21	12
Total non-operating expenses	93	102
Ordinary profit	2,487	2,513
Extraordinary income		
Gain on sale of non-current assets	2	0
Gain on sale of investment securities	360	171
Gain on sale of golf club membership	-	0
Total extraordinary income	362	171
Extraordinary losses		
Loss on sale and retirement of non-current assets	2	10
Total extraordinary losses	2	10
Profit before income taxes	2,847	2,675
Income taxes	1,215	1,280
Profit	1,631	1,394
(Details)		
Profit attributable to owners of parent	1,631	1,394

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,080)	1,708
Remeasurements of defined benefit plans, net of tax	(87)	(117)
Total other comprehensive income	(1,168)	1,591
Comprehensive income	463	2,986
(Details)		
Comprehensive income attributable to owners of parent	463	2,986

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,847	2,675
Depreciation	1,175	1,773
Loss (gain) on sale and retirement of non-current assets	0	10
Loss (gain) on sale of investment securities	(360)	(171)
Interest and dividend income	(432)	(340)
Interest expenses	28	45
Decrease (increase) in trade receivables	14,404	22,272
Decrease (increase) in inventories	(6,722)	(6,321)
Increase (decrease) in trade payables	(3,672)	(1,430)
Increase (decrease) in contract liabilities	(31)	(214)
Increase (decrease) in retirement benefit liability	(190)	(179)
Other, net	(1,355)	(1,803)
Subtotal	5,691	16,315
Interest and dividends received	381	340
Interest paid	(28)	(45)
Income taxes paid	(2,215)	(2,617)
Income taxes refund	560	1
Net cash provided by (used in) operating activities	4,389	13,993
Cash flows from investing activities		
Payments into time deposits	(37)	(65)
Proceeds from withdrawal of time deposits	37	65
Purchase of property, plant and equipment	(1,478)	(2,481)
Purchase of intangible assets	(400)	(534)
Purchase of investment securities	(8)	(10)
Proceeds from sale of investment securities	461	200
Other, net	57	21
Net cash provided by (used in) investing activities	(1,368)	(2,803)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,800)	(9,700)
Proceeds from deposits received from an affiliated company	50	-
Proceeds from deposits received from an unaffiliated entity	(45)	23
Repayments of lease liabilities	(3)	(2)
Dividends paid	(1,498)	(2,058)
Decrease (increase) in treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(4,297)	(11,738)
Effect of exchange rate change on cash and cash equivalents	(158)	(35)
Net increase (decrease) in cash and cash equivalents	(1,435)	(583)
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	10,325	11,691

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes in case of 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 semi-annual period of the fiscal year under review due to their increased importance.

(Accounting methods adopted particularly for the preparation of semi-annual 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 assets (other) or current liabilities (other) at the ends of the first and third quarters of the fiscal year.

(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 semi-annual period of the fiscal year under review, and multiplying income/loss before income taxes for the semi-annual period by the estimated effective tax rate.

(Segment information, etc.)

[Segment information]

I For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

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

(Million yen)

	Reportable segment			Adjustments (Note 1)	Semi-annual consolidated statements of income and comprehensive income (Note 2)
	Transportation Infrastructure	ICT Solutions	Total		
Net sales					
Net sales to external customers	19,262	21,117	40,380	-	40,380
Intersegment internal sales or transfers	-	-	-	-	-
Total	19,262	21,117	40,380	-	40,380
Goods or services transferred at a point in time	5,555	9,181	14,736	-	14,736
Goods or services transferred over time	13,707	11,936	25,644	-	25,644
Total	19,262	21,117	40,380	-	40,380
Segment profit	802	2,821	3,624	(1,830)	1,794

Notes: 1. Adjustments of (1,830) million yen in segment profit 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 is adjusted with operating profit in the semi-annual consolidated statements of income and comprehensive income.

II For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

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

(Million yen)

	Reportable segment			Adjustments (Note 1)	Semi-annual consolidated statements of income and comprehensive income (Note 2)
	Transportation Infrastructure	ICT Solutions	Total		
Net sales					
Net sales to external customers	22,731	21,394	44,125	-	44,125
Intersegment internal sales or transfers	-	-	-	-	-
Total	22,731	21,394	44,125	-	44,125
Goods or services transferred at a point in time	6,252	8,305	14,557	-	14,557
Goods or services transferred over time	16,478	13,088	29,567	-	29,567
Total	22,731	21,394	44,125	-	44,125
Segment profit	1,297	2,521	3,819	(2,058)	1,760

Notes: 1. Adjustments of (2,058) million yen in segment profit 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 is adjusted with operating profit in the semi-annual consolidated statements of income and comprehensive income.

[Related information]

I For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information by region

Net sales

(Million yen)

Japan	Asia	Other	Total
35,960	4,172	247	40,380

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

II For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Information by region

Net sales

(Million yen)

Japan	Asia	Other	Total
38,533	3,912	1,679	44,125

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