FY25 2Q

Financial Results

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

Nov 17, 2025

日本信号株式会社
NIPPON SIGNAL CO., LTD.

Key points of financial results

■ Consolidated financial results for the second quarter of the fiscal year ending March 2026

Sales: 44.1 billion yen (+3.7 billion yen year-on-year), Operating Profit: 1.7 billion yen (- 0 billion yen year-on-year)

Ordinary Profit: 2.5 billion yen (+0 billion yen year-on-year), Interim Net Profit: 1.3 billion yen (- 0.2 billion yen year-on-year)

- ✓ Both the Transportation Infrastructure business and ICT Solutions business performed strongly, resulting in a second consecutive year of revenue growth.
- ✓ Despite the revenue increase, operating profit and ordinary profit remained roughly flat compared to the previous fiscal year due to increased R&D investments and personnel expenses.
- ✓ Interim net profit decreased due to a decrease in one-time extraordinary gains, such as stock sales.

■ Full-Year Forecast for Fiscal Year Ending March 2026

Sales: 108 billion yen, Operating Profit: 10 billion yen, Ordinary Profit: 10.8 billion yen, Net Profit: 7.5 billion yen

- ✓ Given that domestic orders and backlogs are at record highs, the full-year forecast remains unchanged from the previous forecast.

■ Shareholder Returns (Dividend per Share, Forecast)

The interim dividend is expected to be 13 yen, as forecast in May (an increase of 3 yen from the previous fiscal year's interim dividend).

The year-end dividend is expected to be 30 yen, bringing the annual dividend to 43 yen (unchanged from the May forecast).

Dividend payout ratio: 35.8% (forecast).

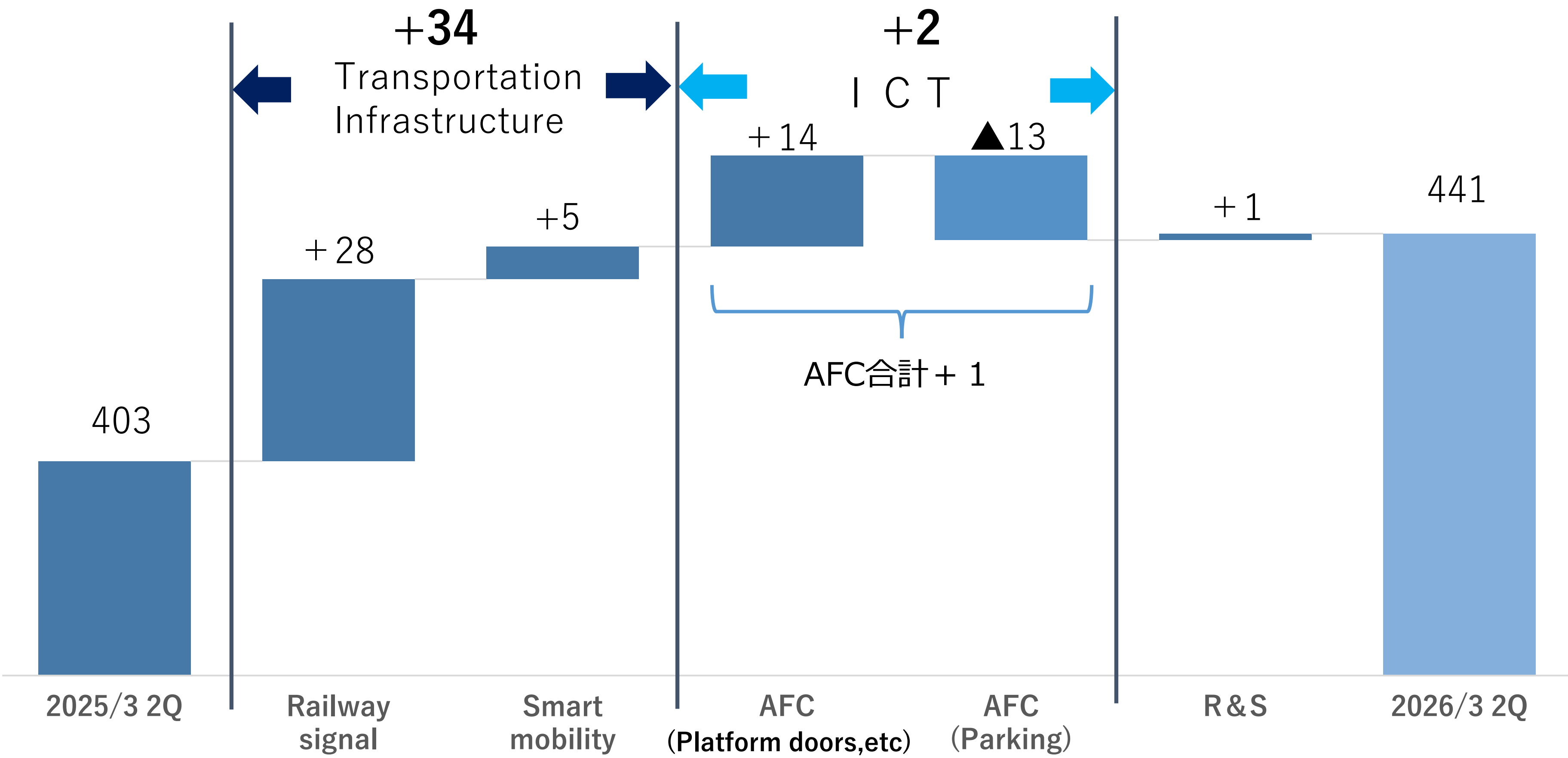
Sales and Profit Change

(Unit: 100 million yen)	2024/3 2Q	2025/3 2Q	2026/3 2Q	Change from previous period	
Sales	341	403	**441**	+37	(+9%)
(Progress rate against full year)	(35%)	(37%)	**(41%)**		
Operating income	3	17	**17**	▲0	(▲2%)
(Progress rate against full year)	(5%)	(18%)	**(18%)**		
Ordinary profits	11	24	**25**	+0	(+1%)
(Progress rate against full year)	(14%)	(23%)	**(23%)**		
Profit attributable to owners of parent	5	16	**13**	▲2	(▲15%)
(Progress rate against full year)	(10%)	(19%)	**(19%)**		

By segment (1) Sales

- Transportation Infrastructure business and ICT Solutions business both saw revenue growth.
  - ✓ Transportation Infrastructure business saw an increase in domestic railway signaling projects.
  - ✓ In ICT Solutions business, an increase in platform door systems offset a decrease in parking systems responding to new banknotes.

(Unit: 100 million yen)



By segment (2) Sales/Segment profit

(Unit: 100 million yen)	2025/3 2Q		2026/3 2Q		Change from previous period	
	Sales	Segment profit (profit margin)	Sales	Segment profit (profit margin)	Sales (Rate of increase/decrease)	Segment profit (Rate of increase/decrease)
Transport infrastructure business	192	8 (4%)	**227**	**12** (6%)	+34 (+18%)	+4 (+62%)
ICT solution business	211	28 (13%)	**213**	**25** (12%)	+2 (+1%)	▲3 (▲11%)
Whole company expenses	–	▲18	–	**▲20**	–	▲2
Total	403	17 (4%)	**441**	**17** (4%)	+37 (+9%)	▲0 (▲2%)

By segment (3) Orders received/ Sales/ outstanding orders

(Unit: 100 million yen)	2025/3 2Q			2026/3 2Q			Change from previous period		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Transportation infrastructure business	264	192	913	**279**	**227**	**838**	+15	+34	▲74
Railway signal	223	170	877	**221**	**199**	**785**	▲1	+28	▲92
Smart mobility	41	22	35	**58**	**28**	**53**	+17	+5	+18
ICT solution business	225	211	285	**285**	**213**	**334**	+60	+2	+48
AFC	171	161	235	**228**	**162**	**276**	+56	+1	+ 40
R&S	54	49	49	**57**	**51**	**57**	+3	+1	+7
Total	490	403	1,198	**565**	**441**	**1,172**	+75	+37	▲25

- Domestic orders, the highest ever for an interim period, drove the overall increase in orders compared to the same period last year.

Railway signal Domestic orders increased, but international orders decreased. Sales increased both domestically and internationally.

Smart mobility Orders were received for MVNO (Mobile Virtual Network Operator) for traffic control centers and traffic control system updates, resulting in an increase in both orders and sales.

AFC Orders for station service equipment and platform doors increased. The increase in orders compensated for the decline in demand due to the new banknotes. Sales also increased due to the impact of platform doors..

R&S Sales increased due to increased orders for sensing.

By segment (4) Sales of overseas business

(Unit: 100 million yen)	2025/3 2Q			2026/3 2Q			Change from previous period		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Overseas Transportation infrastructure business	64	46	601	**31**	**52**	**512**	▲33	＋5	▲89
Overseas ICT solution business	1	3	39	**0**	**7**	**30**	▲0	+4	▲9
Overseas total	65	49	641	**31**	**60**	**543**	▲34	＋10	▲98

Overseas Transportation infrastructure business
Both orders and sales are dominated by railway signaling systems.
Major backlog orders include the Taiwan Hualien-Taitung Line and the Manila Metro.

Overseas ICT solution business
Last year saw the award of the Jakarta MRT Phase 2 contract.

Whole overseas
The main order backlog consists of platform screen doors for Cairo Line 4 in Egypt.

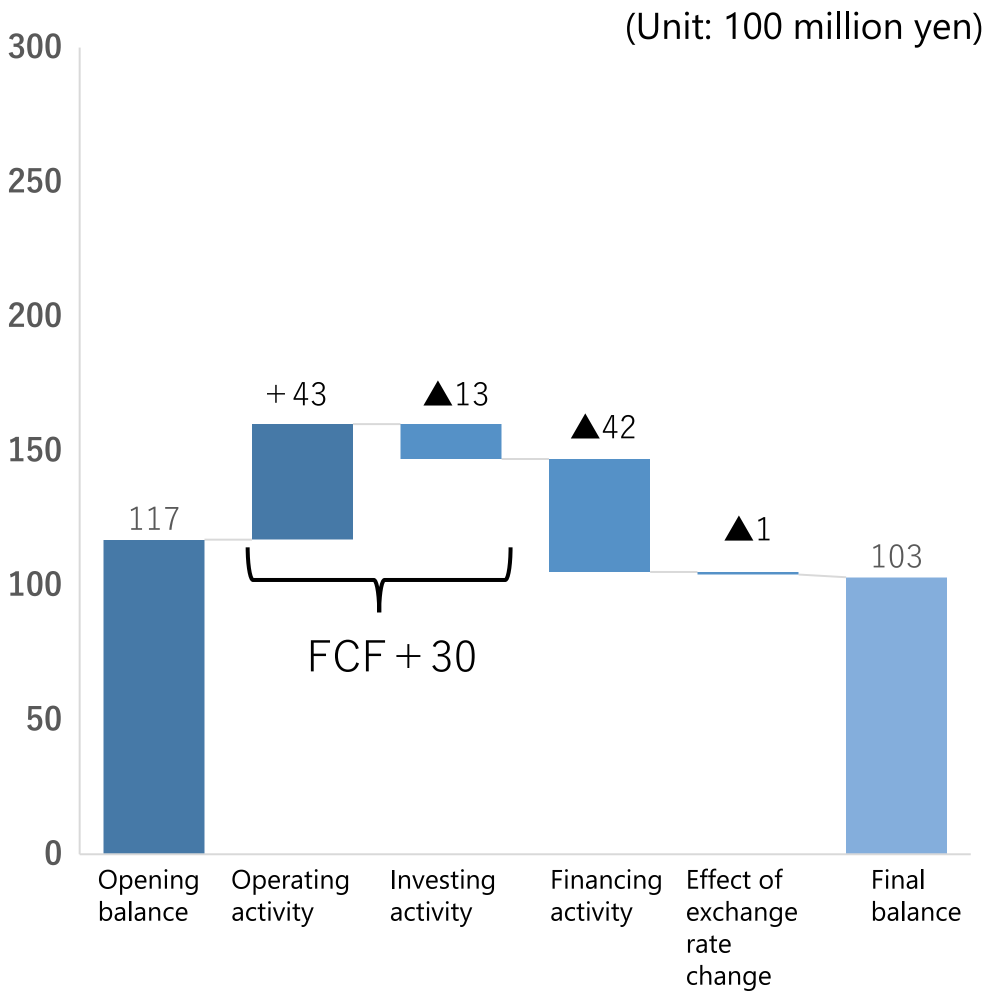
Financial Performance

- Accounts receivable, contract assets, and inventory decreased compared to the same period last year.
- Due to the repayment of borrowings, liabilities decreased and the equity ratio increased.

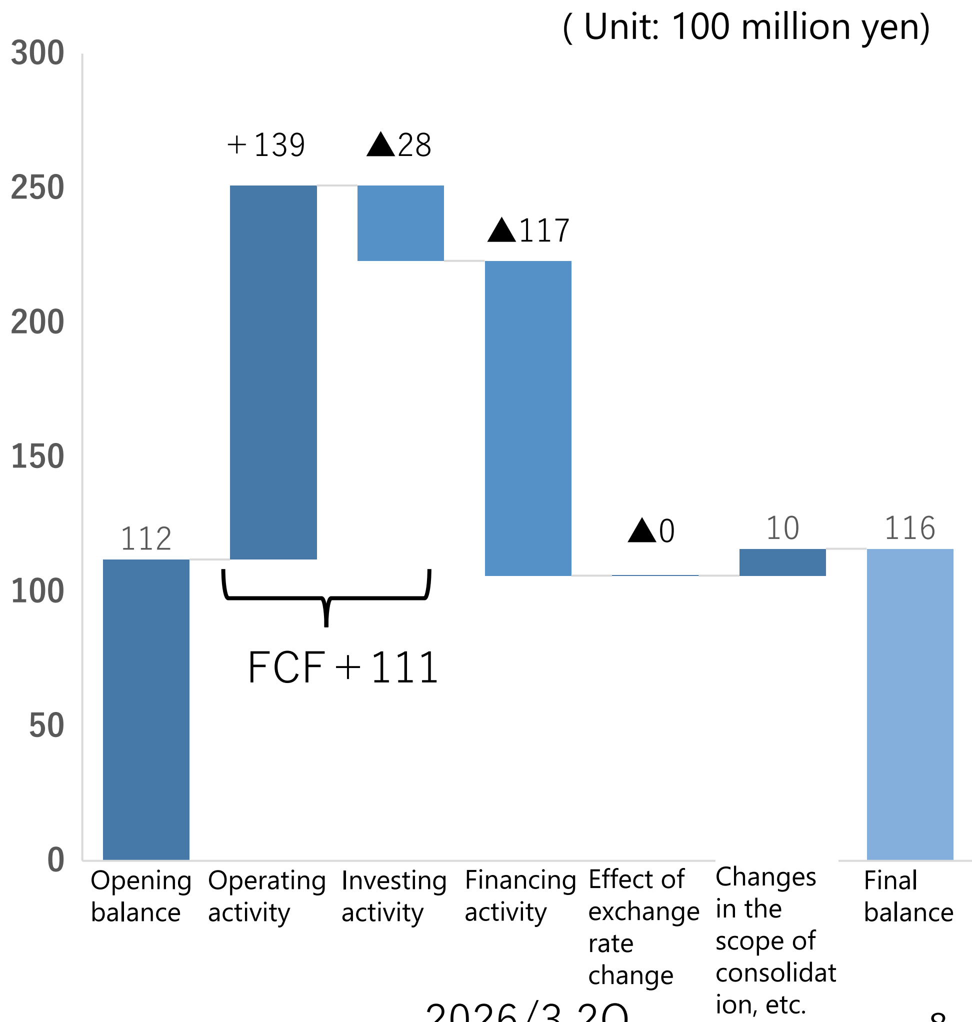
(Unit: 100 million yen)	2025/3 2Q	2025/3	2026/3 2Q	Change from previous period
Total assets	1,554	1,662	**1,551**	▲3
Cash and deposits	103	112	**117**	+13
Accounts receivable and contract assets	589	748	**533**	▲55
Inventory	292	209	**273**	▲18
Property, plant and equipment	172	187	**198**	+26
Liabilities	596	636	**505**	▲91
Short-term borrowings	159	192	**95**	▲64
Capital adequacy	957	1,026	**1,045**	+87
Capital adequacy ratio	61.6%	61.7%	**67.4%**	+5.8pt

Cashflow statements

- Operating cash flow improved by 9.6 billion yen year-on-year due to progress in collection of accounts receivable.
- Expenditures for financing activities increased by 7.4 billion yen due to an increase in dividends and repayment of borrowings.



2025/3 2Q

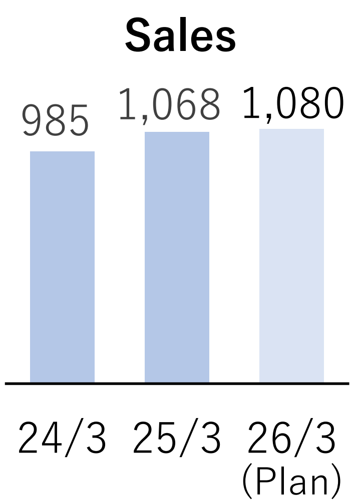


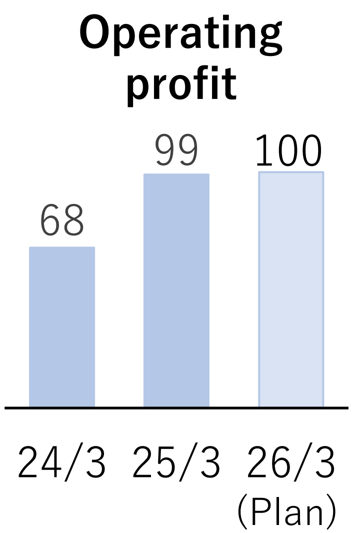
2026/3 2Q

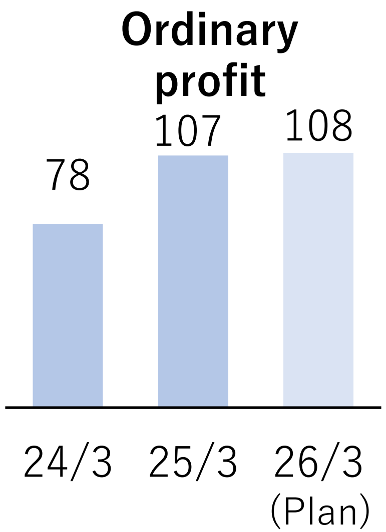
Forecast for Year to March 2026

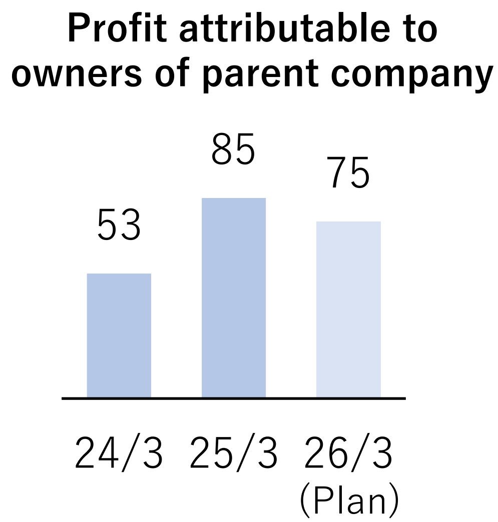
Forecast

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









Orders Received/ Sales / Outstanding Orders Trends (Full Year)

Forecast

(Unit: 100 million yen)	2025/3			2026/3 (Forecast)			Change from previous period		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Transportation infrastructure business	510	565	786	**600**	**570**	**816**	+89	+4	+30
Railway signal	416	478	762	**500**	**480**	**782**	+83	+1	+20
Smart mobility	93	86	23	**100**	**90**	**33**	+6	+3	+10
ICT solution business	494	502	262	**560**	**510**	**312**	+65	+7	+50
AFC	373	388	210	**430**	**390**	**250**	+56	+1	+40
R&S	120	114	51	**130**	**120**	**61**	+9	+5	+10
Total	1,004	1,068	1,048	**1,160**	**1,080**	**1,128**	+155	+11	+80

Profit By Segment

Forecast

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

Orders Received/Sales Trend (Railway Signal)

Forecast

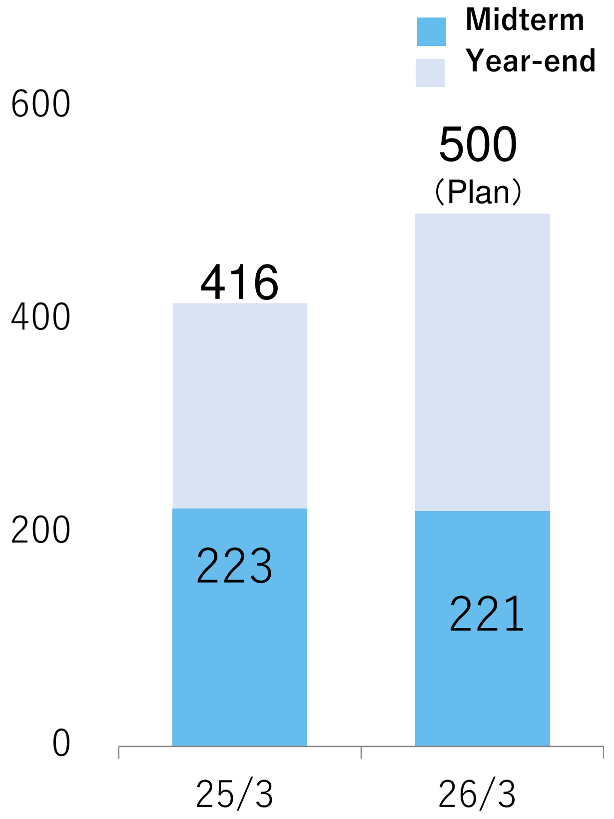
Railway signal business

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. Overseas, we respond to the demand for infrastructure development in Asian countries.

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

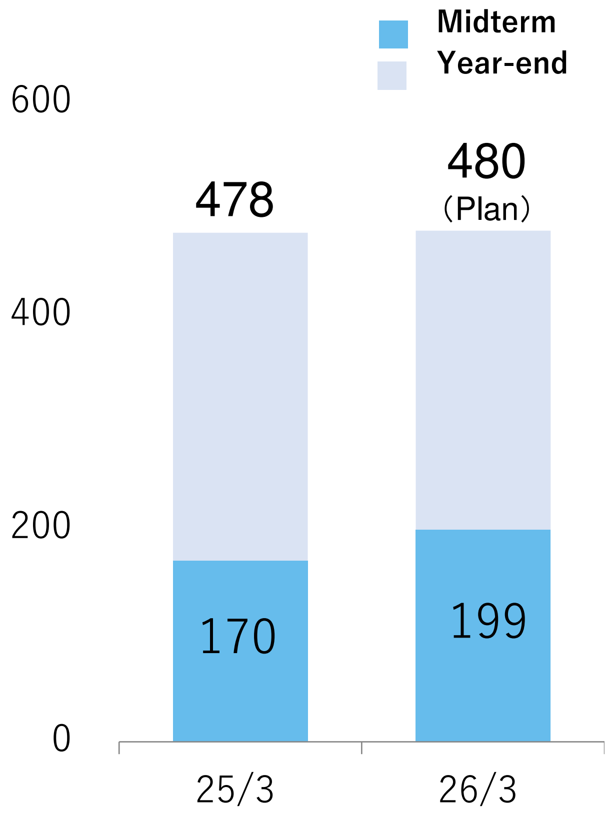
Orders received

(100 million yen)



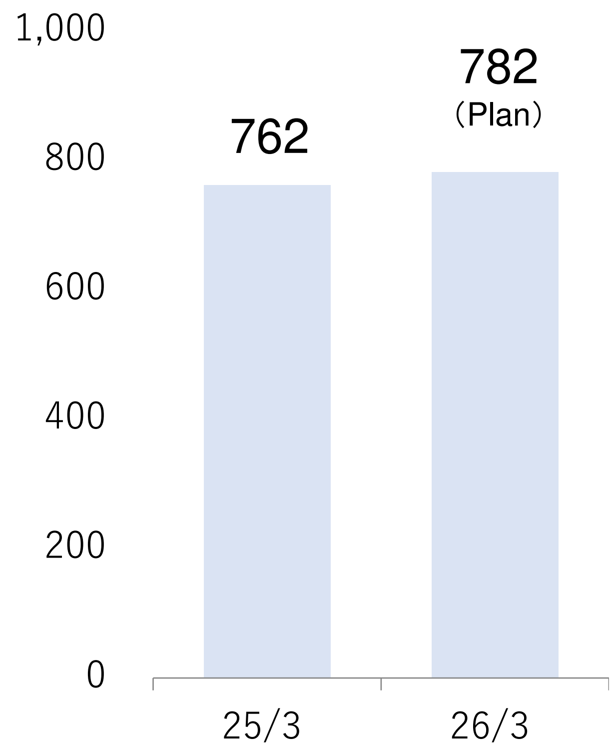
Sales

(100 million yen)



Outstanding orders

(100 million yen)



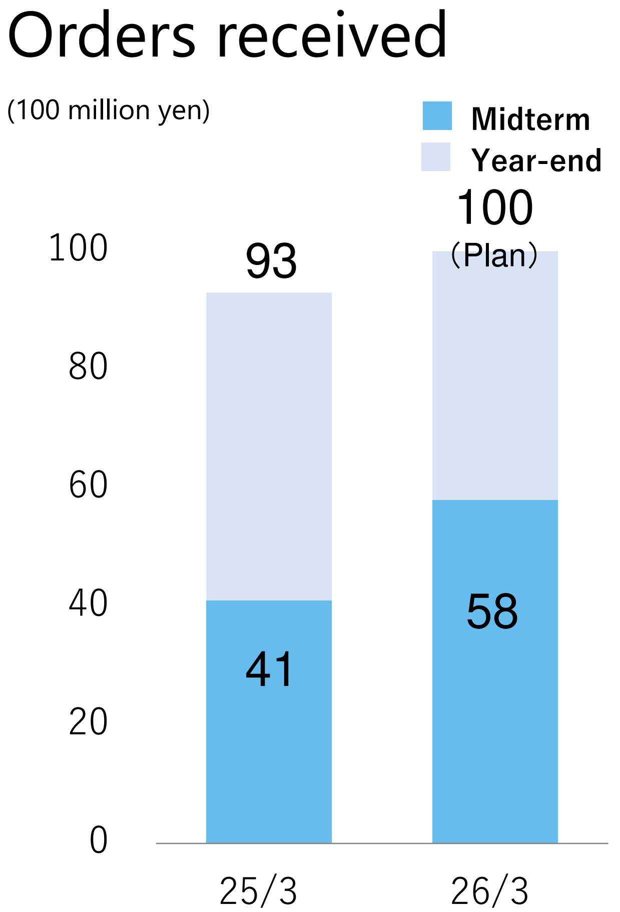
Orders Received/Sales Trend (Smart Mobility)

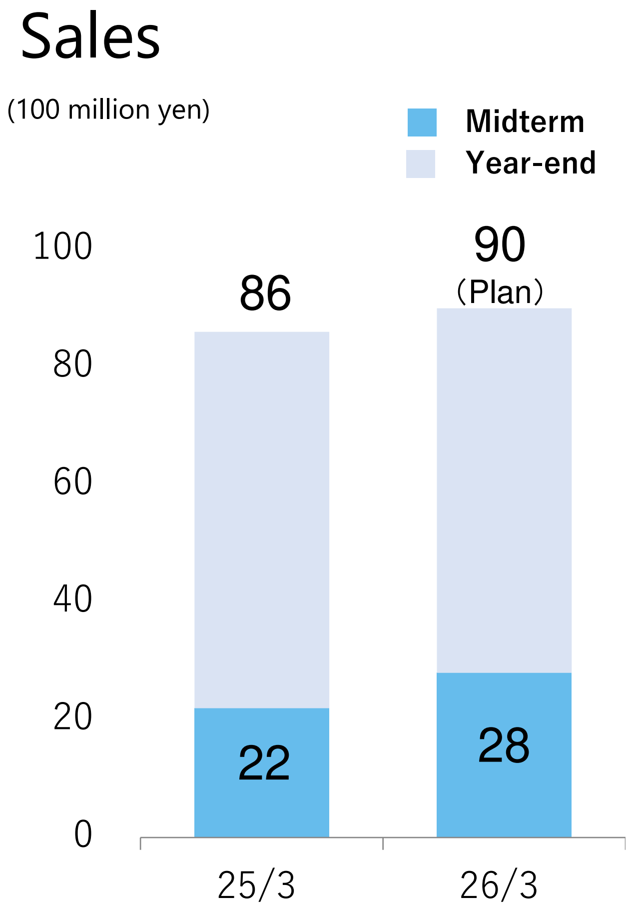
Forecast

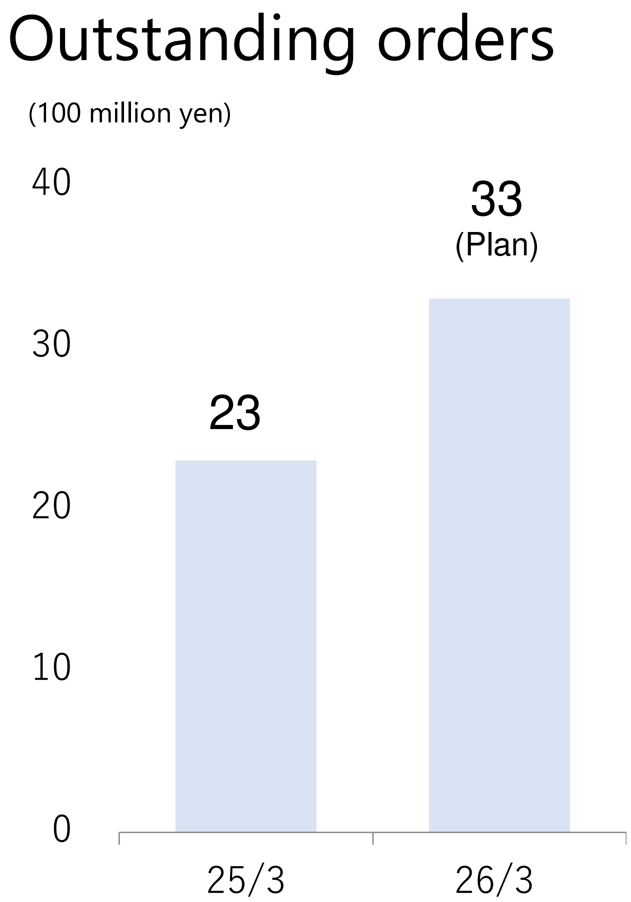
Smart mobility business

We will become a provider of products and technologies that support "infrastructure coordination"—the integration of autonomous vehicles with 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 Trend (AFC)

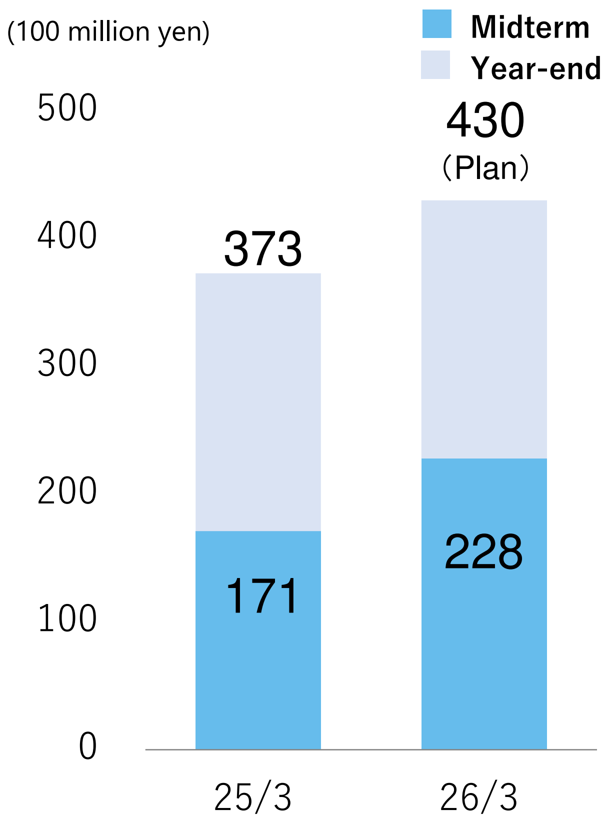
Forecast

AFC business

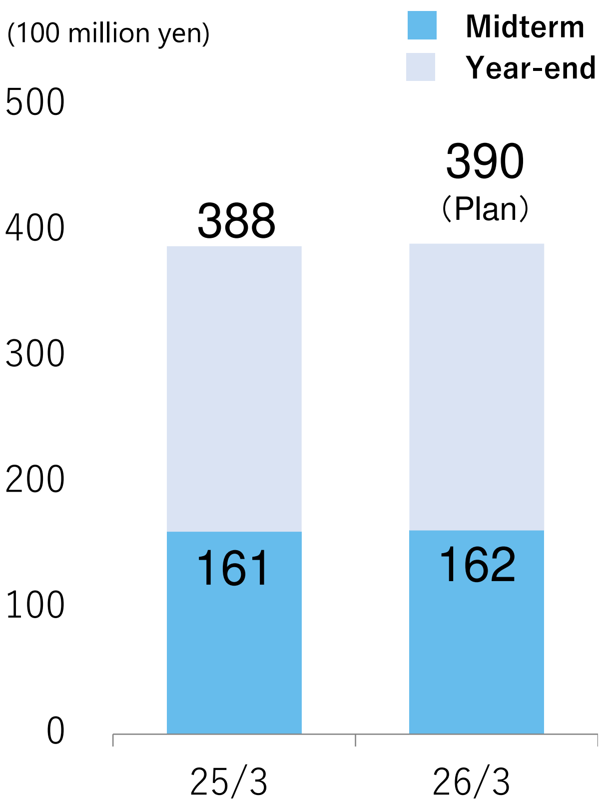
We will be conducting demonstration experiments on a new cashless ride service that uses touch payments with credit cards, debit cards, etc. and QR code authentication, which are expected to be introduced nationwide. We will also be working on a network-compatible parking lot system for parking lots.

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

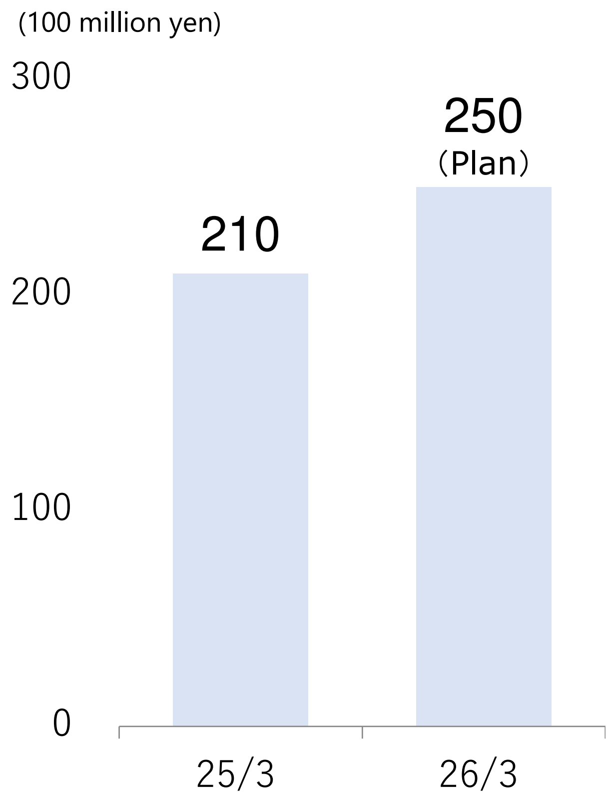
Orders received



Sales



Outstanding orders



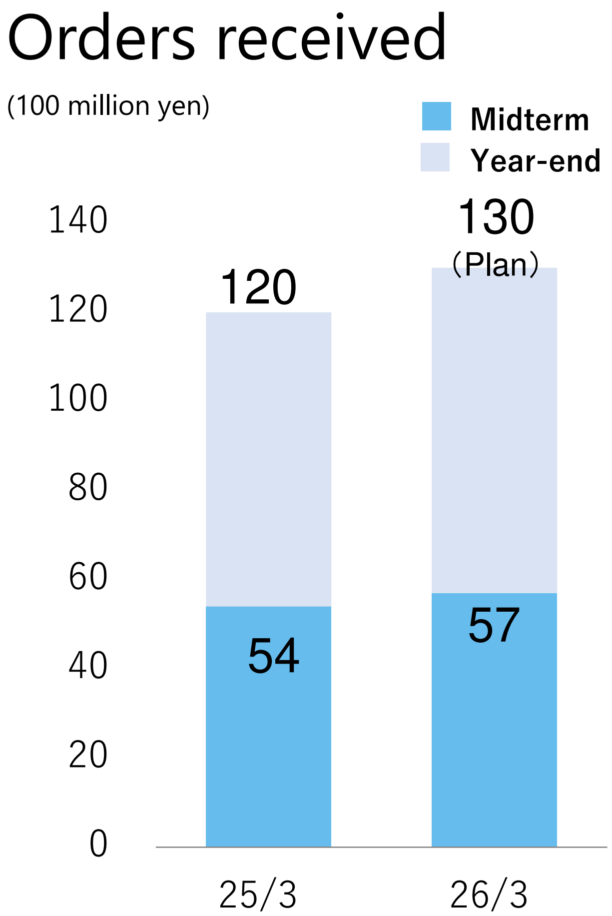
Orders Received/Sales Trend (R&S)

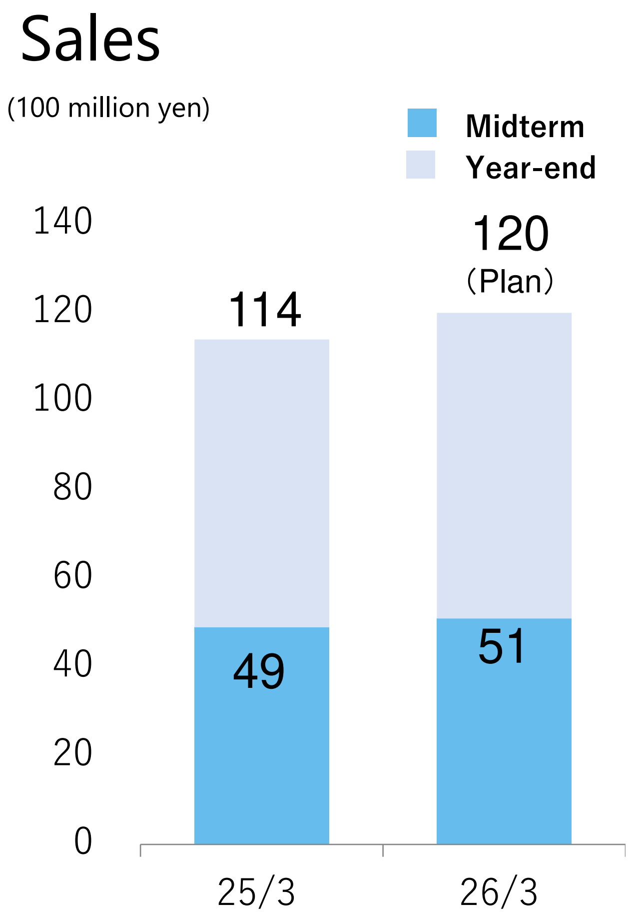
Forecast

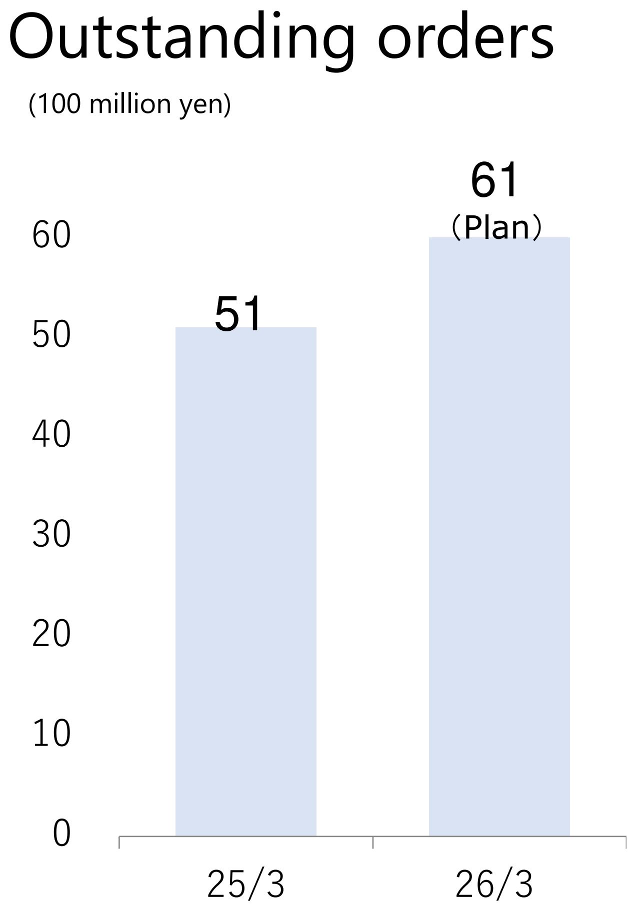
R&S business

Expanding sales of multi-functional railway heavy machinery (ZIZAI) and 3D distance image sensors. By combining core technologies such as image analysis with the latest robotics technology, we are promoting efforts to realize a future society in which humans and robots work together.

※R＆S･･･Robotics & Sensing
Major business details : Robotics, 3D distance image sensors, etc.







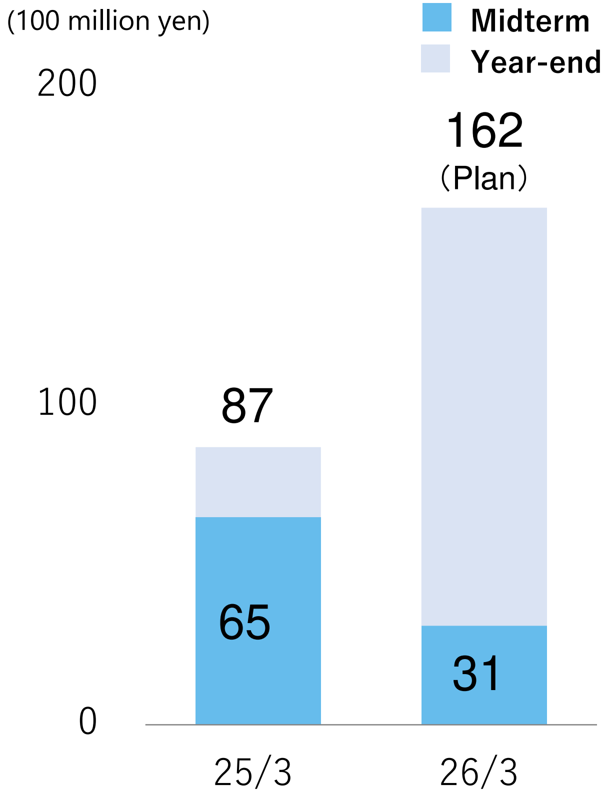
Orders Received/Sales Trend (By Domestic/Overseas Business)

Forecast

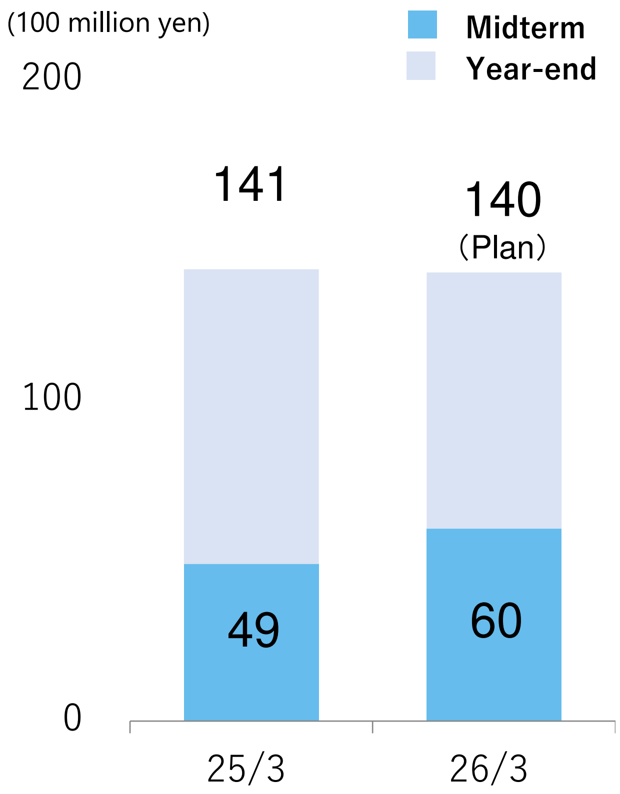
Overseas business Focus on expanding orders in countries and regions where we have bases

※Main regions: India, Bangladesh, Southeast Asia, Taiwan, Africa, etc.

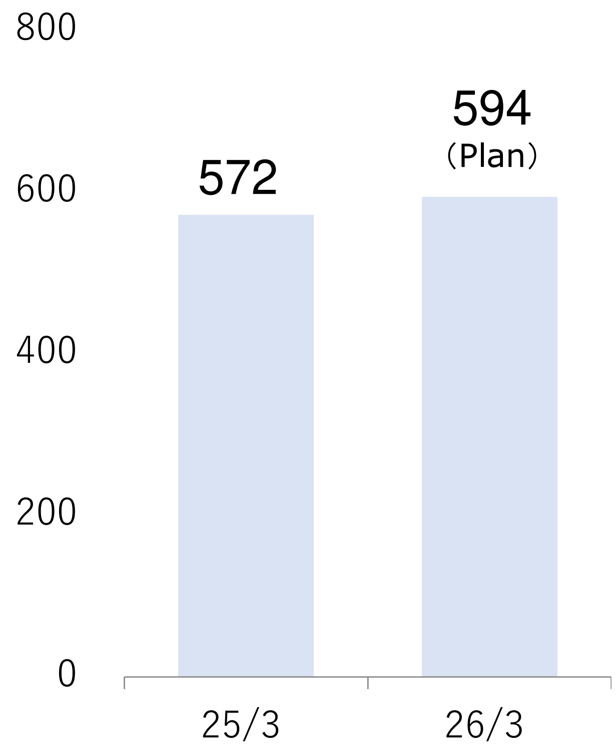
Orders received



Sales



Outstanding orders



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.

Ensure financial soundness

- Capital adequacy ratio 50 – 60%

Make investment for growth

- Investment for Next Stage 76 B yen
- Investment in human capital

Return profit to shareholders

- Stable and continuous dividend payment

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.

Source	Allocation (Mid-term plan)	2026/3 2Q (accumulation during the Mid-term Management Plan period)
Sales CF 80 B yen (*1) 2026/3 2Q (Accumulation total) 24.4 B yen	R&D expenses 21 B yen	(4.6 B yen) Progress rate: 22%
	Capital investment 45 B yen	(8 B yen) Progress rate: 18%
Other fundraising (*2)	M&A investment 10 B yen	(-)
	Return to shareholders	(3.5 B yen)

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

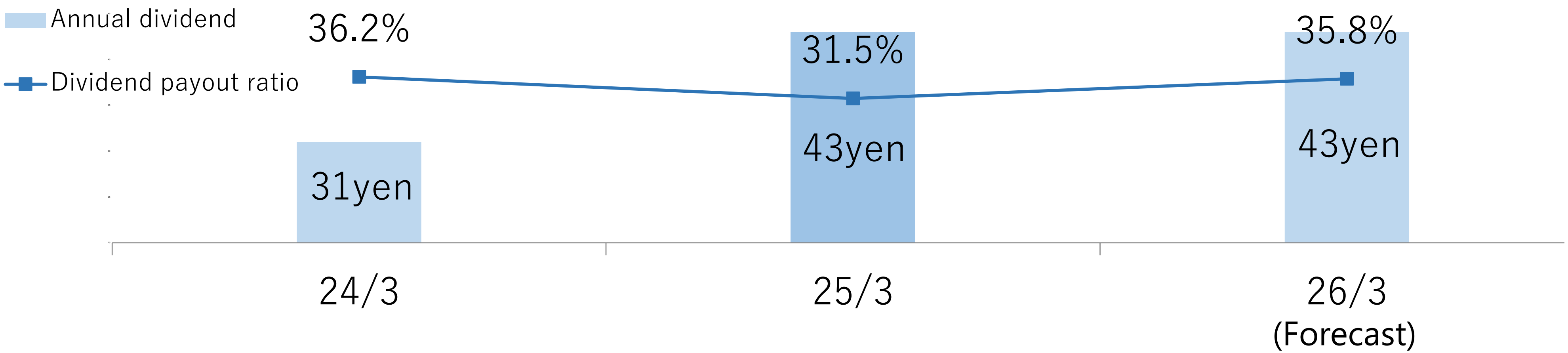
Profit distribution (Dividend)

Forecast

- 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 (Forecast)
Annual	**31 yen yearly**	**43 yen yearly**	**43 yen yearly**
End of 2Q:	7 yen	10 yen	13 yen
Year end:	24 yen	33 yen	30 yen
Dividend payout ratio:	36.2%	31.5%	35.8%
DOE:	2.1%	2.7%	2.6%
Dividend yield:	2.99%	4.80%	

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



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