

Summary of Financial Result for 2Q Year to March 2023

November 18, 2022



Contents

• Financial Report for 2Q/Year to March 2023	p2 to p7
• Plan for Year to March 2023	p8 to p15
• Profit Distribution	p16
• Approach to SDGs	p17
• Approach to Corporate Value Enhancement	p18 to p29
• Approach to Overseas Business	p30 to p36
• Approach to Decarbonization	p37 to p40
• Approach to Human Resource Development	p41 to p42
• Approach to health management	p43
• Social Contribution Activities	p44 to p46
• Introduction of SIGNAL MOVIES	p47

Highlight of the financial result

- Both operating profit and ordinary profit increased although sales decreased year on year as a result of an impact of the procurement difficulty of semiconductor parts.

(Unit: Hundred million yen)	March 2021 2Q	March 2022 2Q	March 2023 2Q	
	Result	Result	Result	YoY
Sales	351	352	350	-1
Operating profit	12	8	9	+1
Ordinary profit	17	16	16	+0
Quarterly net income attributable to owners of parent company	13	9	7	-2

By segment (1) Sales/Segment profit

- Decline of income and profit year on year with a decrease of large quantity transactions
- ICT solution business : Increase of income and profit year on year due to increased sales of station equipment

(Unit: Hundred million yen)	March 2021 2Q		March 2022 2Q		March 2023 2Q		YoY	
	Sales	Segment profit	Sales	Segment profit	Sales	Segment profit	Sales	Segment profit
Transport infrastructure business	183	18	197	17	191	14	-6	-2
ICT solution business	168	8	154	7	158	12	+4	+5
Whole company expenses	-	- 14	-	- 16	-	- 17	-	-1
Total	351	12	352	8	350	9	-1	+1

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

(Unit: Hundred million yen)	March 2022 2Q			March 2023 2Q			YoY		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Railway signals	173	185	438	390	174	612	+216	-11	+174
Smart mobility	23	12	14	32	17	23	+8	+4	+9
Transport Infrastructure business	197	197	452	422	191	635	+225	-6	+183
AFC	134	118	182	174	127	207	+39	+9	+24
Smart city	39	35	13	35	31	14	-3	-4	+0
ICT solution business	174	154	196	210	158	222	+36	+4	+25
Total	371	352	648	633	350	858	+261	-1	+209

Railway signal

Decline of income in domestic business with a fewer large-quantity transactions. Increase of orders received in overseas business.

Smart mobility

Increase in sales of traffic signal systems in domestic and overseas business. Increase in orders received for domestic control systems.

AFC

Increase in sales of station equipment, etc. Increase of orders received in overseas business.

Smart city

Decrease in orders received and sales of security systems, etc.

By segment (3) Overseas business results

(Unit: Hundred million yen)	March 2022 2Q			March 2023 2Q			YoY		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Railway signals	173	185	438	390	174	612	+216	-11	+174
Overseas portion of railway signals	19	26	180	232	28	361	+212	+1	+181
AFC	134	118	182	174	127	207	+39	+9	+24
Overseas portion of AFC	0	4	24	40	5	54	+40	+0	+30
Overseas total	19	31	204	273	33	416	+253	+1	+211

Whole overseas

Orders received and order backlog both highest ever in 2Q due to orders received overseas for large-quantity projects.

Overseas railway signals

Orders received mainly related to Manila Subway in the Philippines and sales mainly related to Ahmedabad Metro in India.

Overseas AFC

Orders received mainly related to Cairo Metro Line No.4 in Egypt and sales mainly related to Dhaka Metro MRT Line-6 in Bangladesh.

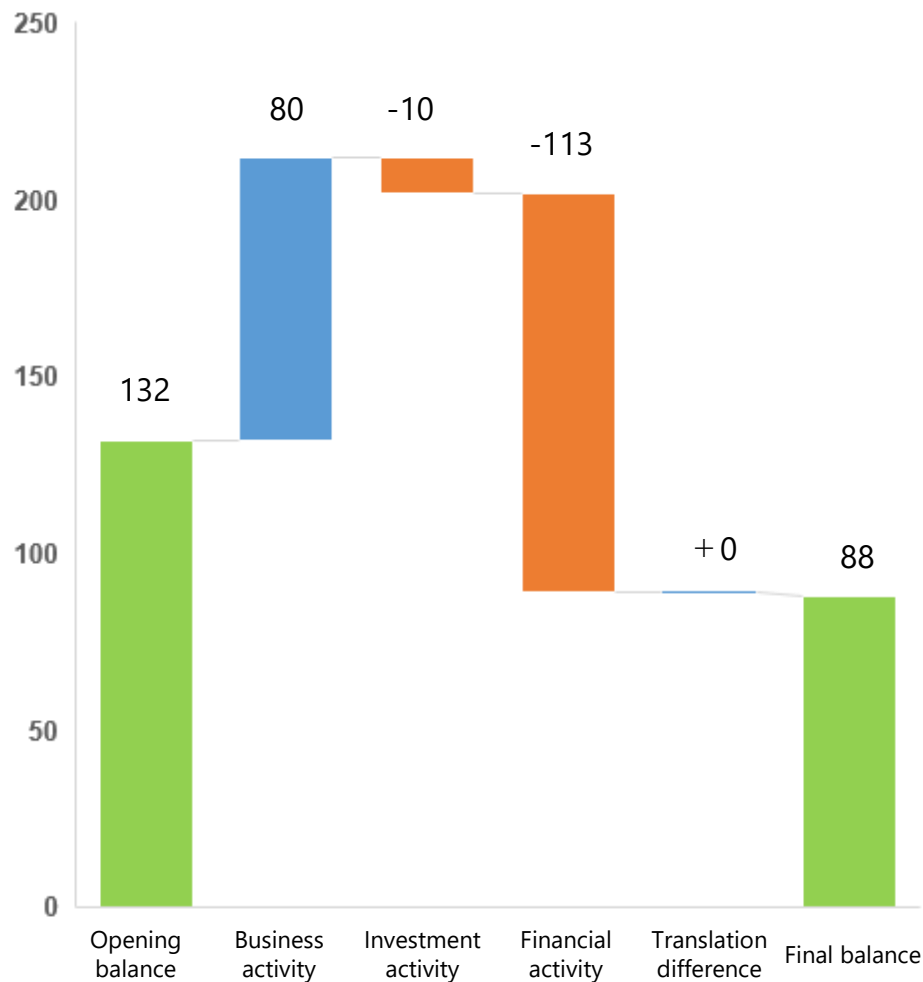
Financial Status

(Unit: Hundred million yen)	March 2022 2Q March 2022		March 2023 2Q	
			Result	Change from previous period end
Total assets	1,224	1,340	1,323	-17
Trade receivables/ inventory total	638	782	738	-43
Interest bearing liabilities	66	117	126	+8
Equity capital	838	867	863	-4
Trade receivables/ inventory ratio	52.2%	58.3%	55.8%	-2.5pt
Interest bearing liability ratio	5.4%	8.8%	9.6%	+0.8pt
Equity capital ratio	68.5%	64.7%	65.2%	+0.5pt

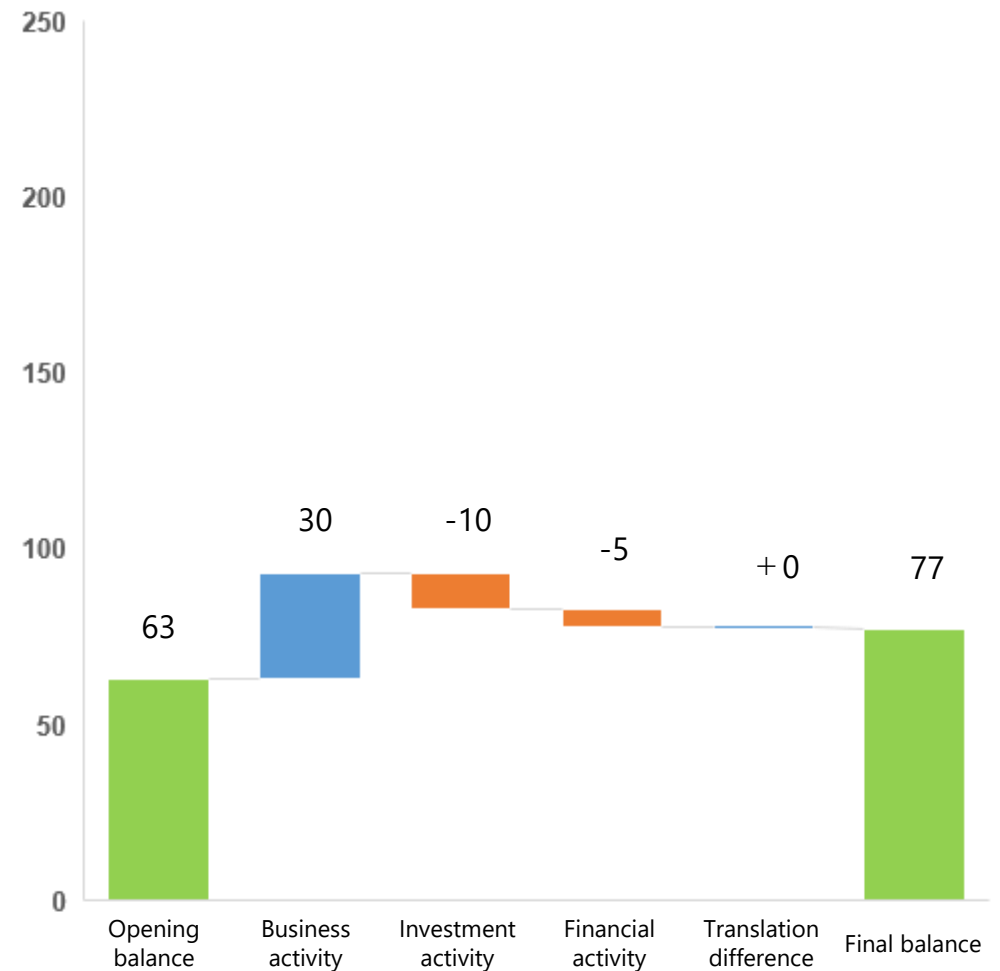
Cashflow statements

- Final balance of cashflow was 7.7 billion yen as cash decreased due to an increase of loan payable and dividend payment.

(Hundred million yen)



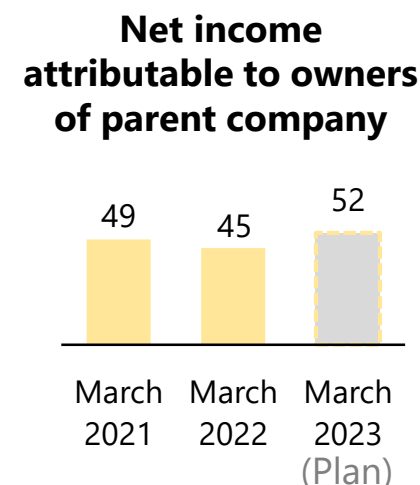
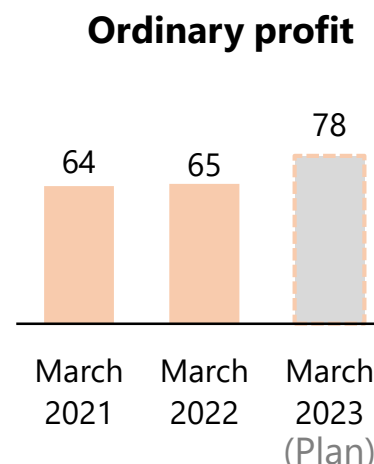
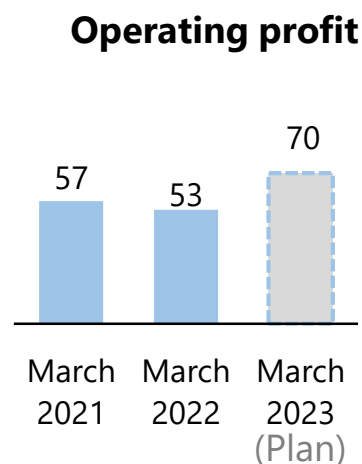
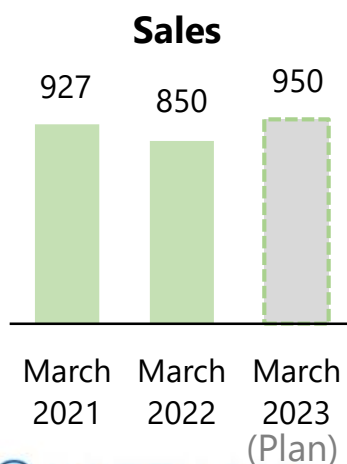
(Hundred million yen)



Plan for Year to March 2023

Plan

(Unit: Hundred million yen)	March 2021	March 2022	March 2023	
			Plan	Change from previous period
Sales	927	850	950	+99
Operating profit	57	53	70	+16
Ordinary profit	64	65	78	+12
Net income attributable to owners of parent company	49	45	52	+6



Orders received/sales/order backlog trend (Railway signal)

Plan

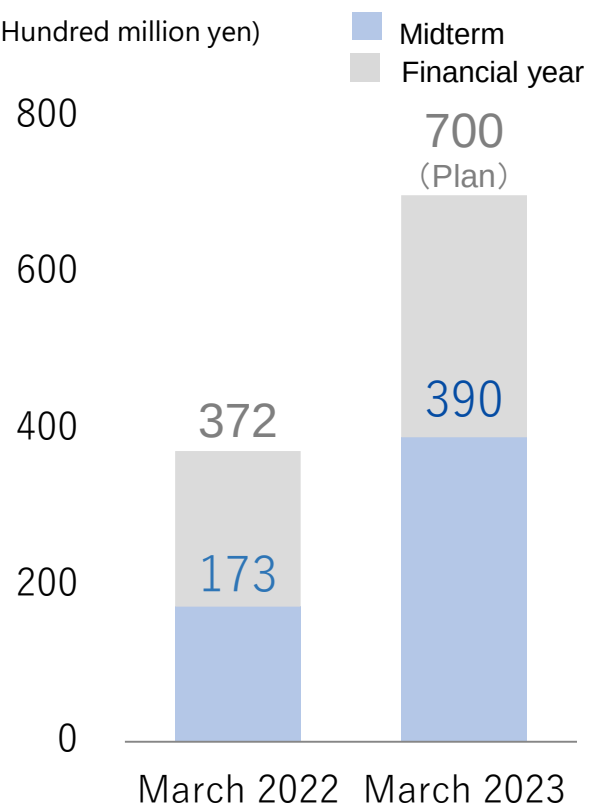
Railway signal business

Promote product development for solutions to support customer's structural reform and expand business activities mainly based on "Traio" that enables total maintenance from railway equipment to station equipment and station-related facilities.

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

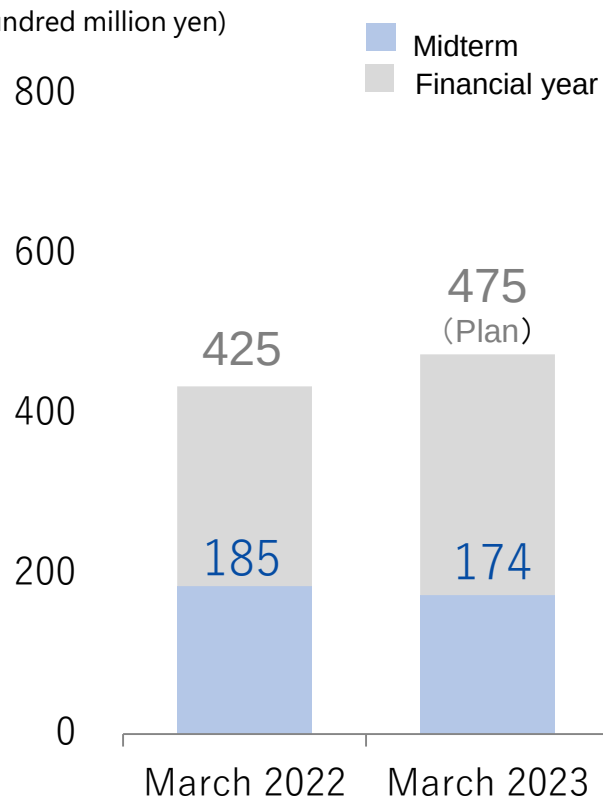
Orders received

(Hundred million yen)



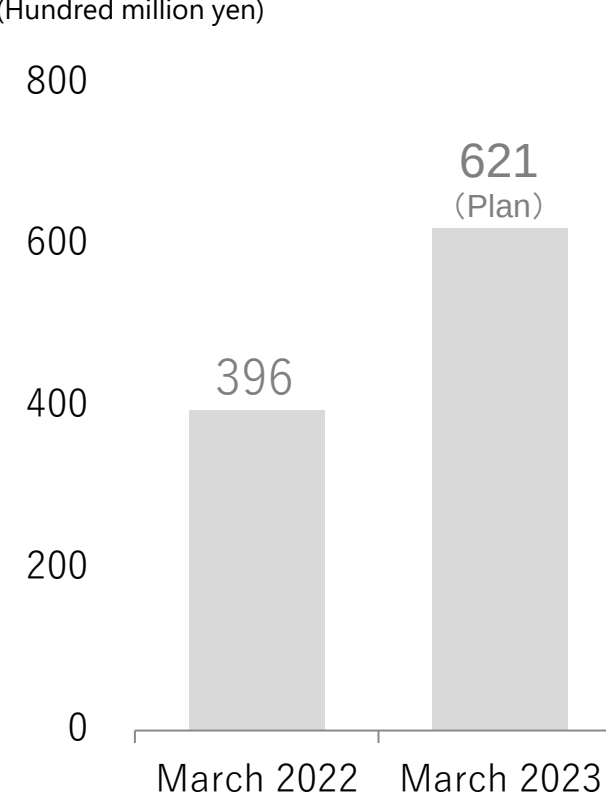
Sales

(Hundred million yen)



Order backlog

(Hundred million yen)



Orders received/sales/order backlog trend (Smart mobility)

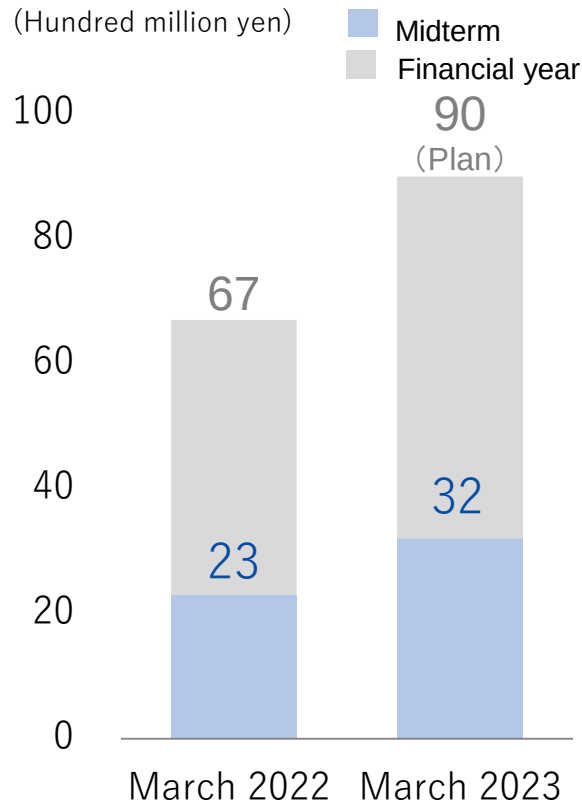
Plan

Smart mobility business

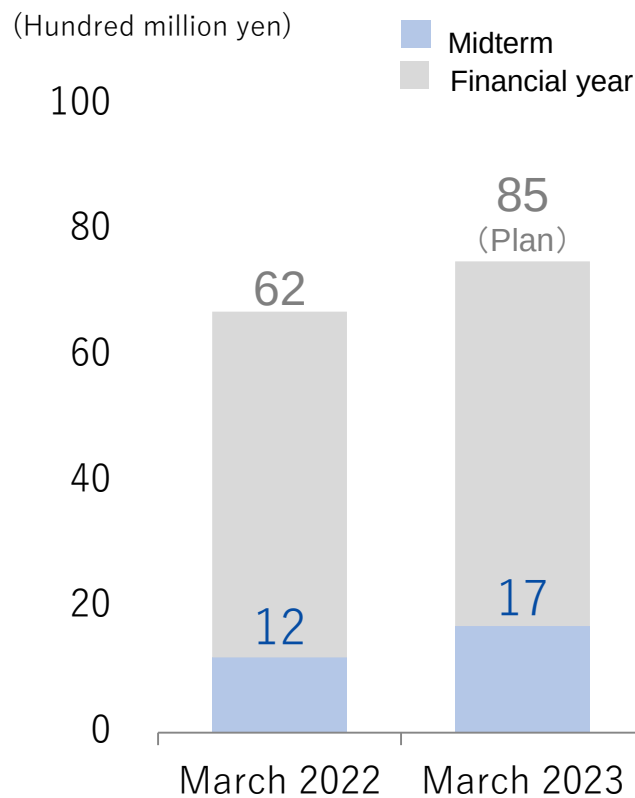
Tackle the development and commercialization of the products towards the implementation of the road-vehicle coordinated automatic driving services by linking the infrastructure such as the "Kuru Link (First Last One Mile Service)" and signals with self-drive vehicles.

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

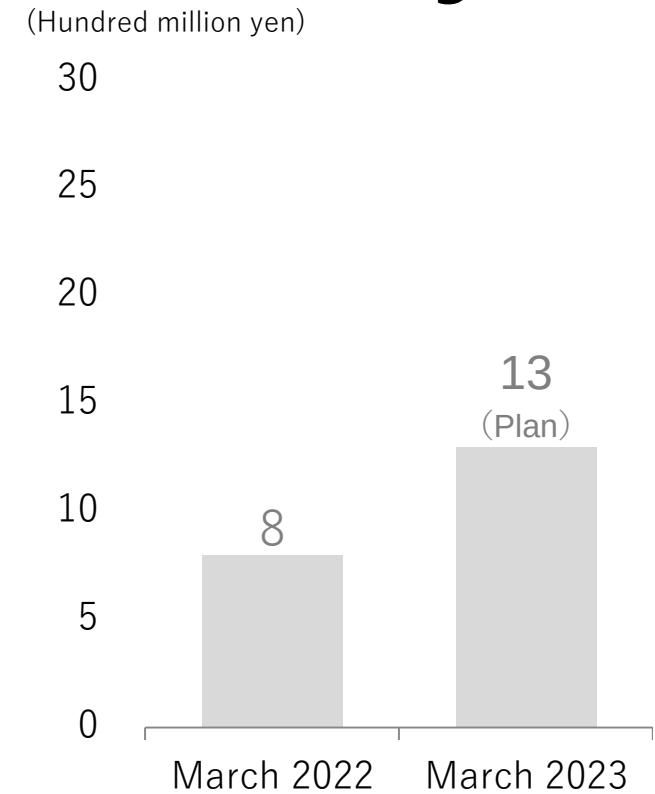
Orders received



Sales



Order backlog



Orders received/sales/order backlog trend (AFC)

Plan

AFC business

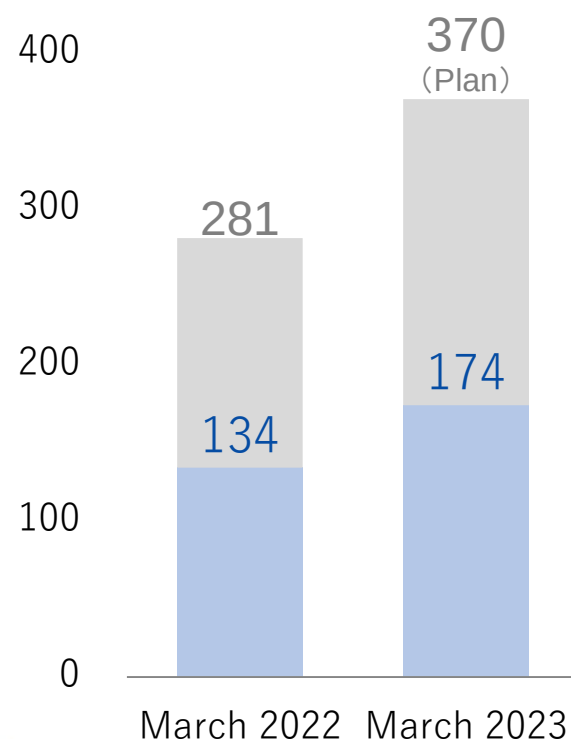
Pursue business development focusing on digitalization of tickets and electronic payment systems to contribute to seamless travel for passengers, and the installation of platform doors and platform monitoring devices to promote safety on platforms.

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

Orders received

(Hundred million yen)

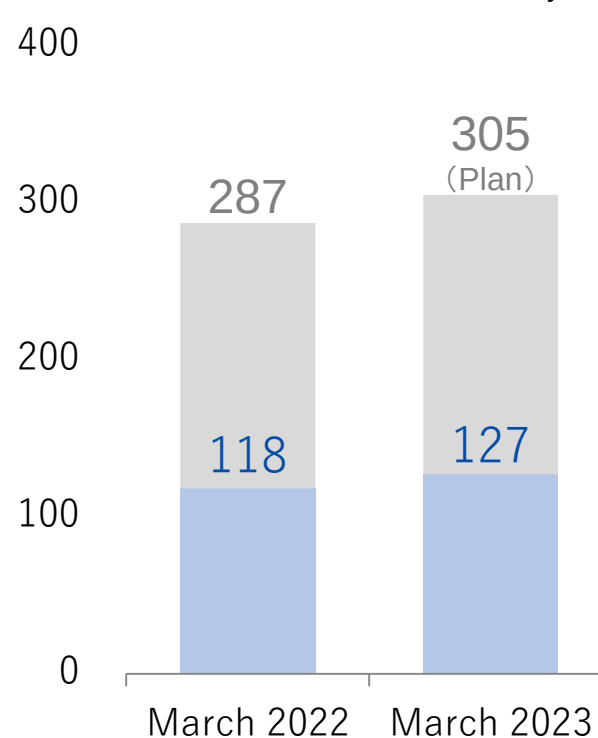
■ Midterm
■ Financial year



Sales

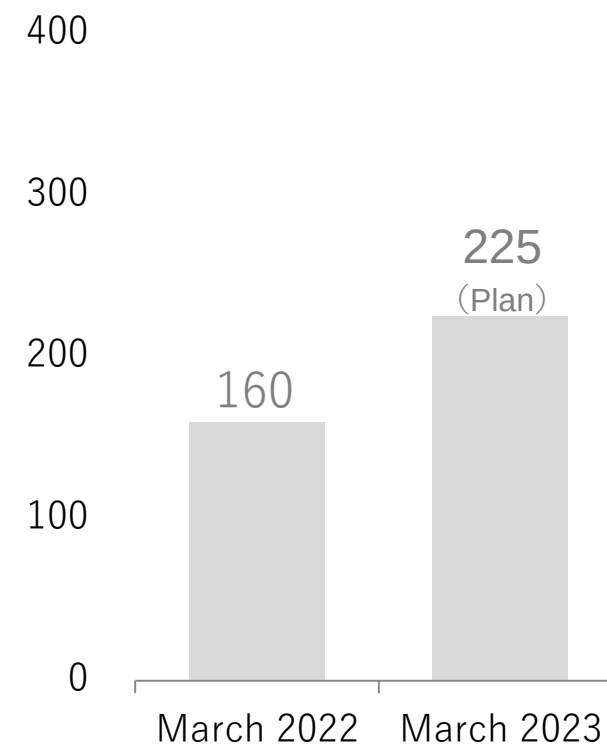
(Hundred million yen)

■ Midterm
■ Financial year



Order backlog

(Hundred million yen)



Orders received/sales/order backlog trend (Smart city)

Plan

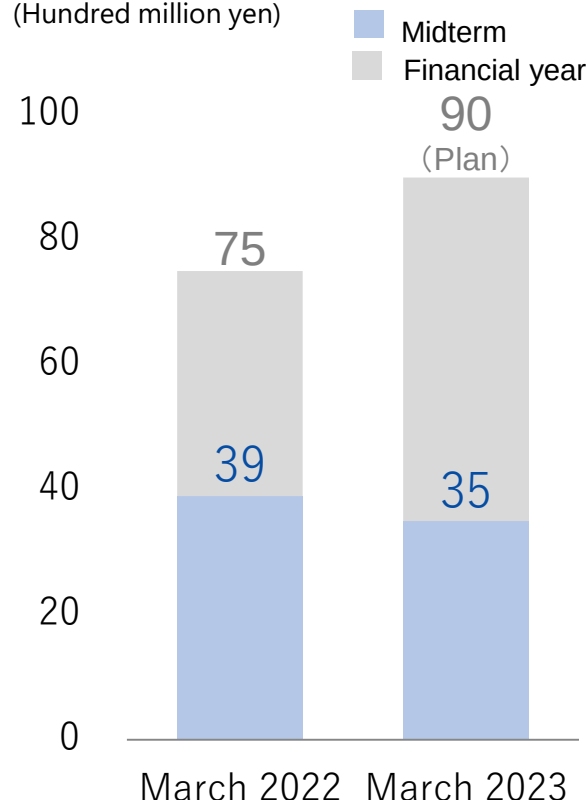
Smart city business

Promote the building security solution project including entry/exit management systems, introduce new technologies including face recognition and non-contact technologies, and tackle the development of a variety of robots based on the expertise obtained from the development of automatic cleaning robots.

Major business details: Security gates, automatic cleaning robots, 3D ranging image sensors, and so on.

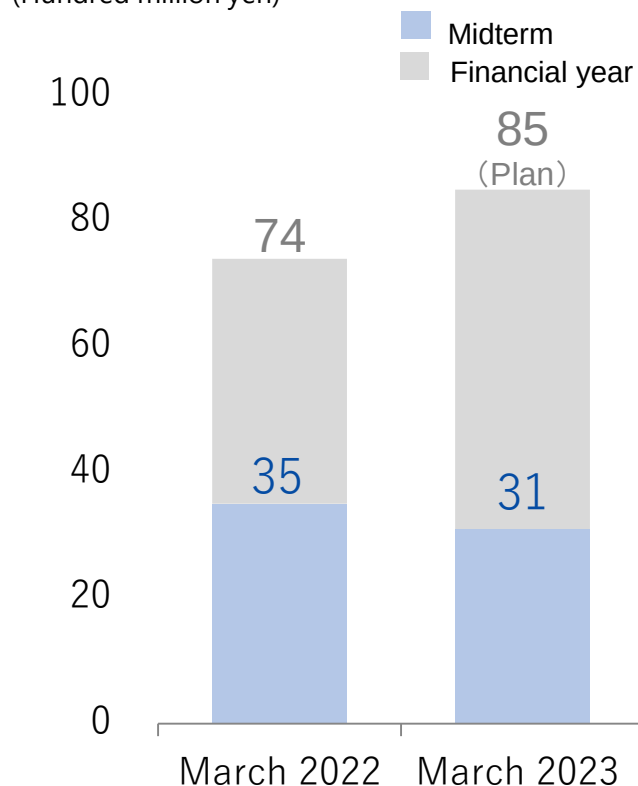
Orders received

(Hundred million yen)



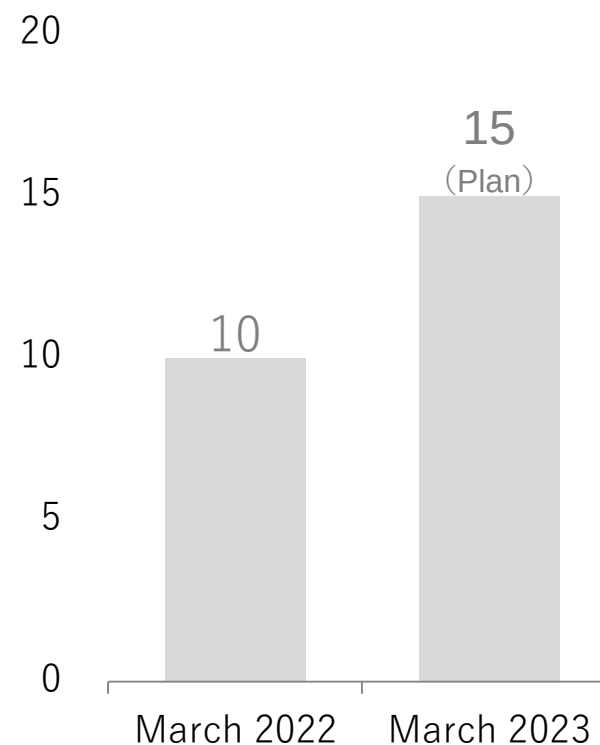
Sales

(Hundred million yen)



Order backlog

(Hundred million yen)



Orders received/sales/order backlog trend (Full year) Plan

(Unit: Hundred million yen)	March 2022			March 2023 (Plan)			YoY		
	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders	Orders received	Sales	Outstanding orders
Railway signals	372	425	396	700	475	621	+327	+49	+225
Smart mobility	67	62	8	90	85	13	+22	+22	+5
Transport Infrastructure business	440	488	404	790	560	634	+349	+71	+230
AFC	281	287	160	370	305	225	+88	+17	+65
Smart city	75	74	10	90	85	15	+14	+10	+5
ICT solution business	356	362	171	460	390	241	+103	+27	+70
Total	797	850	575	1,250	950	875	+452	-+99	+300

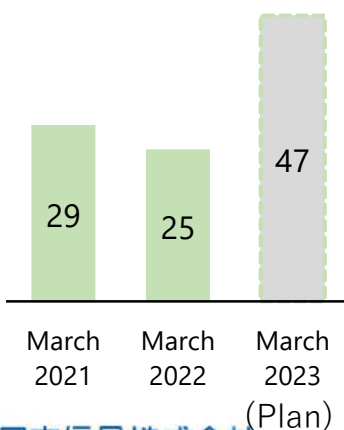
By segment (Profit by segment)

Plan

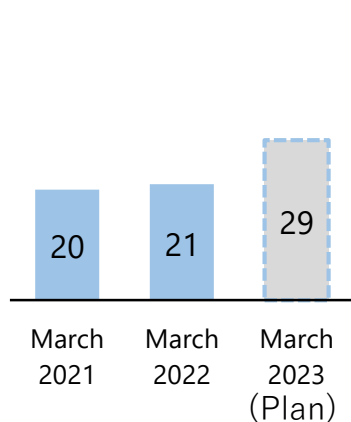
(Unit: Hundred million yen)	March 2021	March 2022	March 2023	
			Plan	Change from previous period
Transport infrastructure business	71	52	62	+9
ICT solution business	16	33	40	+7
Whole company expenses	-30	-31	-32	-0
Total	57	53	70	+16

(Unit: Hundred million yen)	March 2021	March 2022	March 2023	
			Plan	Change from previous period
Capital investment	29	25	47	+22
Depreciation expenses	20	21	29	+7
Research and development expenses	27	26	32	+6
Number of employees hired	34	35	60	+25

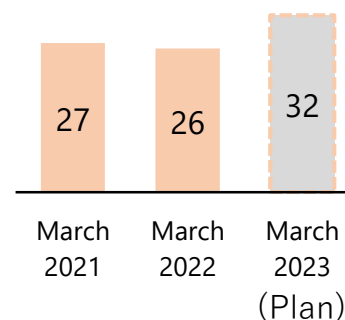
Capital investment



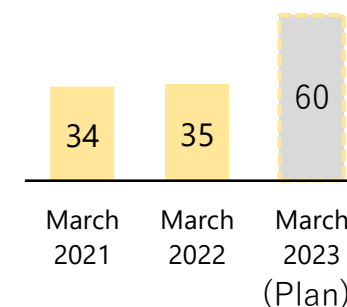
Depreciation expenses



Research and development expenses



Number of employees hired (employees)

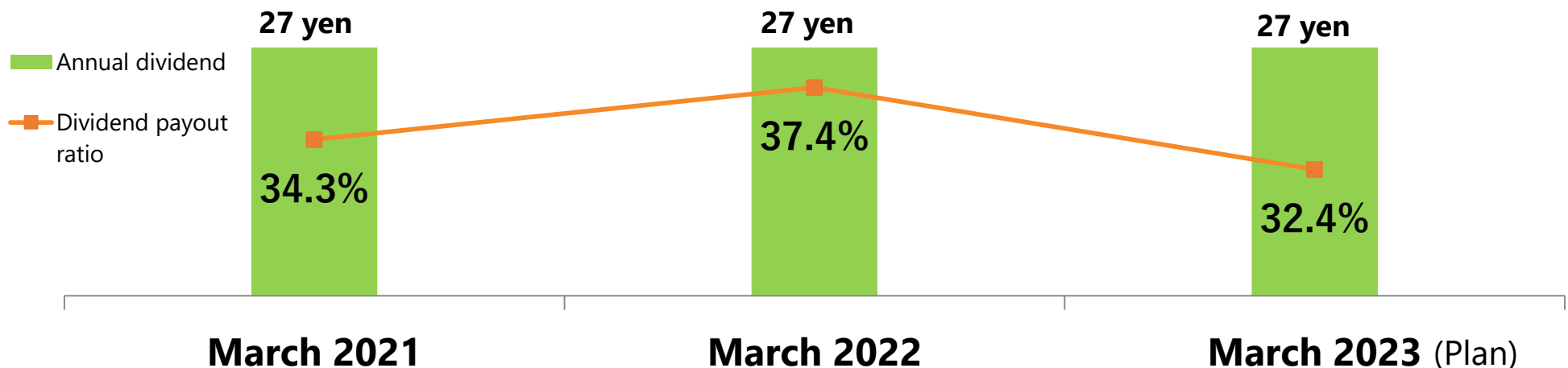


Profit distribution (Dividend)

- Regarding dividends, Nippon Signal is making the utmost effort to maintain the stability and continuity of the consolidated dividend payment ratio of around 30% while reinforcing the financial structure and giving consideration to the business results and new investments in each term.
Annual dividend of 27 yen is maintained emphasizing the dividend stability and continuity .

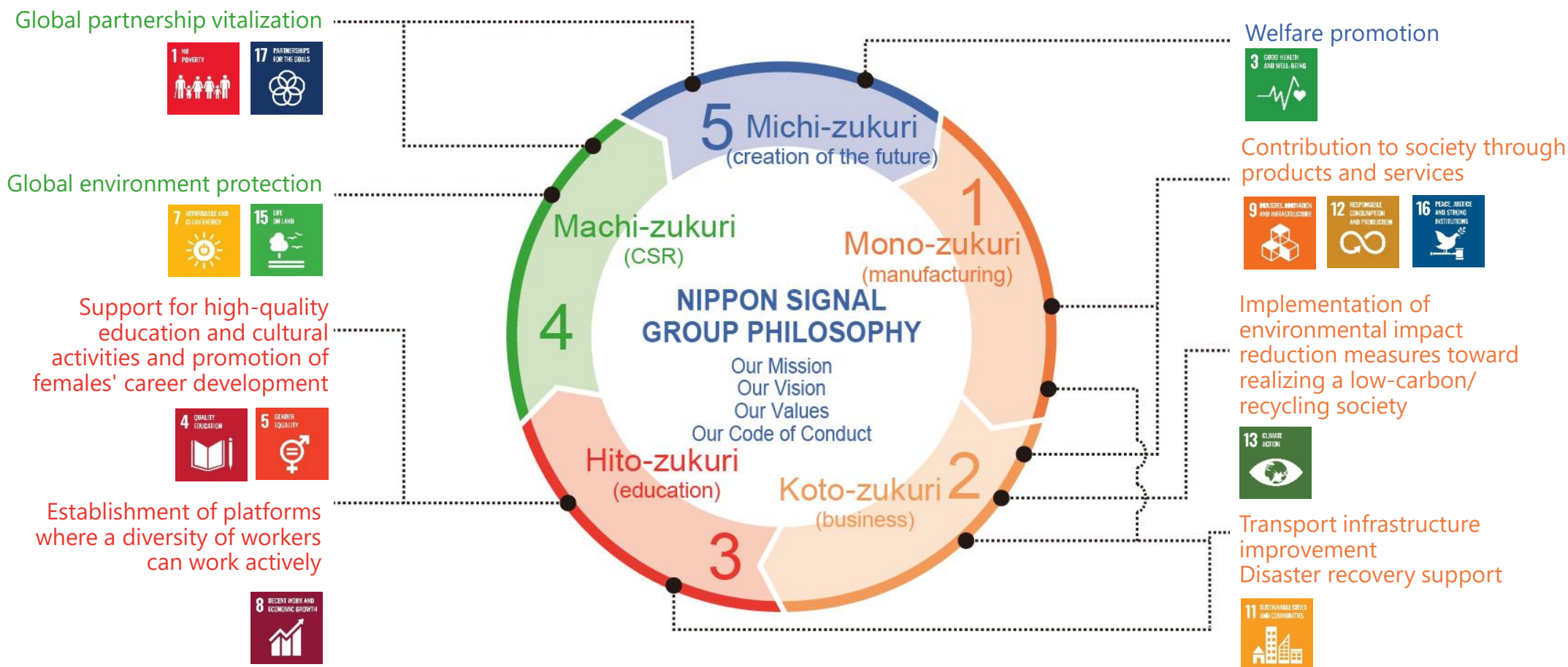
Year to March 2021	Year to March 2022	Year to March 2023 (Plan)
27 yen yearly	27 yen yearly	27 yen yearly
End of 2Q 7 yen	End of 2Q 7 yen	End of 2Q 7 yen
Year end 20 yen	Year end 20 yen	Year end 20 yen
(Regular dividend only)	(Regular dividend only)	(Regular dividend only)
Dividend payout ratio 34.3%	Dividend payout ratio 37.4%	Dividend payout ratio 32.4%
Dividend yield 2.75%	Dividend yield 3.06%	

* Dividend yield is calculated based on an annual dividend divided by yearend stock price.



Approaches to SDGs

The Nippon Signal Group conducts its business by keeping in mind the "Sustainable Development Goals (SDGs)" for continuous enhancement of enterprise values.



Opening of Nishi Kyushu Shinkansen



For Nishi Kyushu Shinkansen which opened on September 23, 2022, our company provided ATC system as a signaling device, electronic interlocking device, CTC, TCB, line unit and MTD. We also provided 144 platform doors installed on 12 platforms at all the five stations which are now in operation.



Replacement of the relay interlocking device completed at Base Station or Seibu Railway



Switching of the relay interlocking device has completed at a hub station (Tokorozawa Station), which is also a cross station of Ikebukuro line and Shinjuku line of Seibu Railway Co., Ltd. It was work for renewal of the whole signaling system, including the relay interlocking device and MTD and ATS devices, as well as repair work of the train information device.



Approach to corporate value enhancement

Tokaido Shinkansen Replacement



Renewal work of the ATC has started in FY2014. The first switching of the system for the area for which our company is responsible for the delivery is scheduled in November 2023. Delivery for other areas will follow soon.



Approach to corporate value enhancement

Renewal of signaling equipment system for Karasuma Line

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Large-scale system renewal was carried out for Kyoto City Transportation Bureau covering 15 stations and central CTC equipment as well as the whole signaling system at machine room of International Conference Center, and a highly reliable system was realized which enables continual operation of trains even in the event of an occurrence of accident.



Commencement of the automatic operation system for the entire Kashii line



Demonstration of automatic operation system for Kashii line was commenced in 2020 between Kashii station and Nishitozaki station, and then the automatic operation was expanded to Umi station the timetable was revised in March 2022, commencing the operation across the entire 25.4 km Kashii line.



Introduction of IC-system supporting equipment to Chichibu Railway



Our company provided Chichibu Railway Co., Ltd., with the whole system including station equipment, a revenue system and monitoring system aimed at realization of "promotion of cashless payment" and "improvement of station work efficiency."





Kesennuma Line BRT self-drive bus operation starts

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



As a technology to support Kesennuma Line BRT self-drive bus, our company provided an alternate passage system to manage operation using wireless communication. The self-drive bus will start practical operation between Yanaizu station and Rikuzen-yokoyama station of Kesennuma Line on December 5.



Self-drive bus of East Japan Railway Company

Approach to corporate value enhancement

Demonstration experiment conducted in Maishima, Konohana-ku, Osaka



Considering the movement inside and outside the Osaka Kansai Expo 2025, Demonstration experiment of automatic train operation was conducted in cooperation of multiple participants including Osaka Metro and 10 other companies including our company We provided information on "currently lighting signal color and remaining number of seconds" and "information whether departure is permissible or not, which is generated based on the possibility of collision measured from surrounding traffic conditions detected by a sensor.



Approach to corporate value enhancement

Participated in a demonstration experiment in Utsunomiya for Tochigi Prefecture ABC Project

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Coinciding with the 2022 Ichigo Ichie Tochigi Kokutai (National Athletic Meet), demonstration operation of automatic driving bus was performed by Tochigi Prefecture on the road between Nishikawada station and the place of the athletic meet. Our company provided the technology to support infrastructure using signal information linking, cameras and LiDAR.



"Consortium for DX Promotion by Utilizing Traffic Management Infrastructure" established



The consortium was established to review the method of implementation in society and the business feasibility of the technologies and systems for utilizing traffic signals as the location of 5G base stations and realizing a centralized control of traffic signals using 5G. Our company participates in the consortium as a managing company.





Field test of multi-functional railway heavy equipment pilot model

9 産業と技術革新の
基盤をつくろう



With regard to the multi-functional railway heavy equipment under joint development with West Japan Railway company and Man-Machine Synergy Effectors, Inc., a field test of the pilot model was conducted.

Development of the release version started in full scale, aimed at its practical application in the spring of 2024.



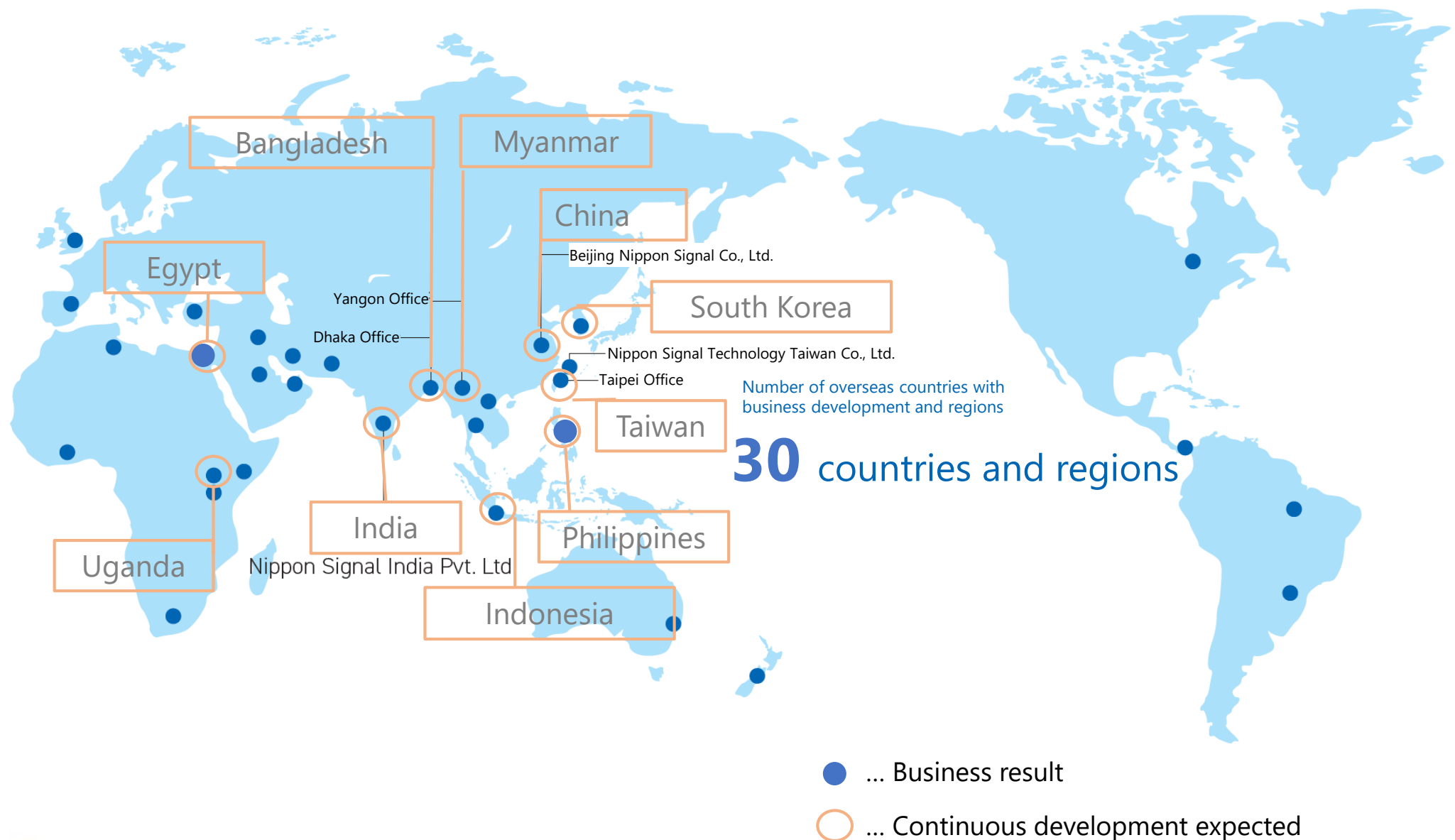
Received Award for Contributors to Standardization Activities



ANSHIN Center Safety Technology Research Department director Sadaaki Mori received the "Award for Contributors to Standardization Activities" for his contribution to the activities of international standardization organizations (ISO and IEC) and Japanese Industrial Standards (JIS) in relation to evaluations and establishment of proposed standards in railway sector.



Approach to Overseas Business



Approach to Overseas Business

Examples of overseas railway projects



Delhi



Kimpo



Ahmadabad



Jakarta



Delhi
CTC Center

Business Result of Automatic Operation

■ Results of CBTC

Line name	Operation commencement schedule
China: Beijing Underground Line 15	2011
India: Delhi Metro Line 8	2017/Scheduled to be Extension Corridor in 2025
South Korea: Gimpo Goldline	2019
Indonesia: Jakarta MRT	2019
India: Ahmedabad Urban Railway	2020
Bangladesh: Dhaka MRT Line 6	2022 scheduled
South Korea: Guangju Metro Line 2	2025 scheduled
Tokyo Metropolitan Bureau of Transportation: Toei Oedo Line	In progress
Philippines Manila subway	2028 scheduled
Egypt Cairo Metro Line 4	2028 scheduled

■ Results of automatic train operation based on the existing system (ATS: Automatic Train Stop)

Line name	Operation commencement schedule
Kyushu Railway Company: Kashii Line	Demonstration operation in 2020

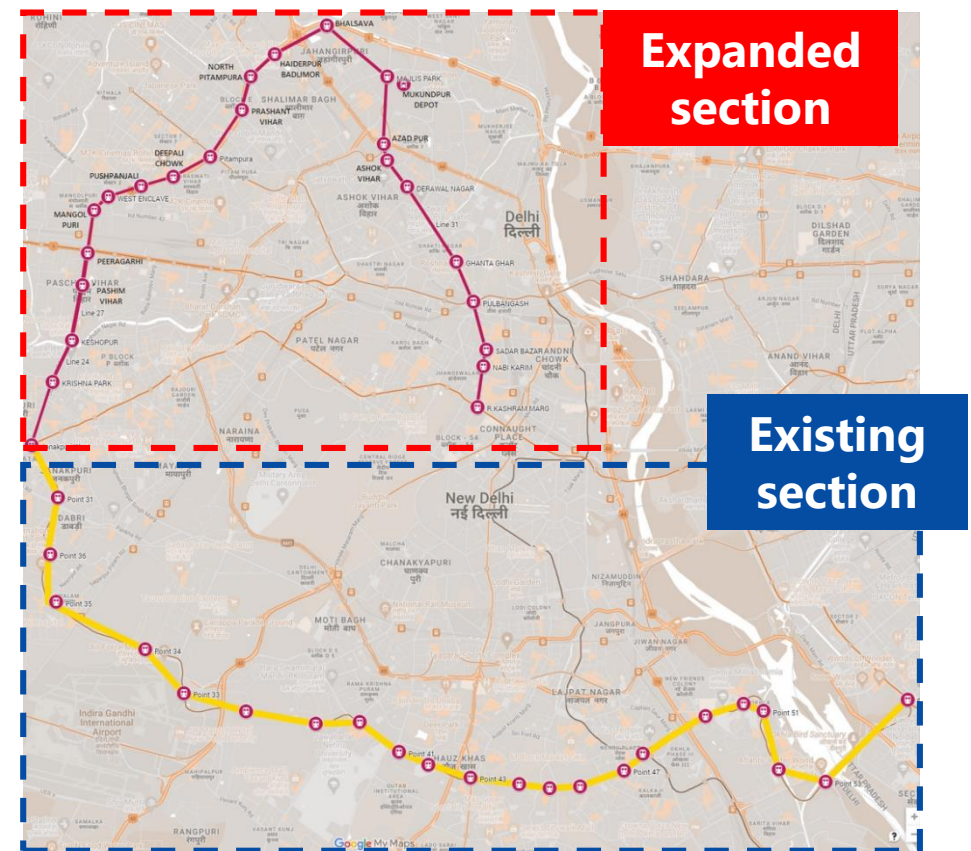
Approach to Overseas Business

Order received for signaling system for expanded section of Delhi Metro Line No.8

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



The Delhi Metro equipped with our company's signaling systems started its manned operation in May 2018 across the entire line and realized the first totally unmanned operation in India in December 2020. Achievement of the stable operation in the existing section has been appreciated, and our company received an order for the expanded section of the line that covers 28.92 km with 22 stations.

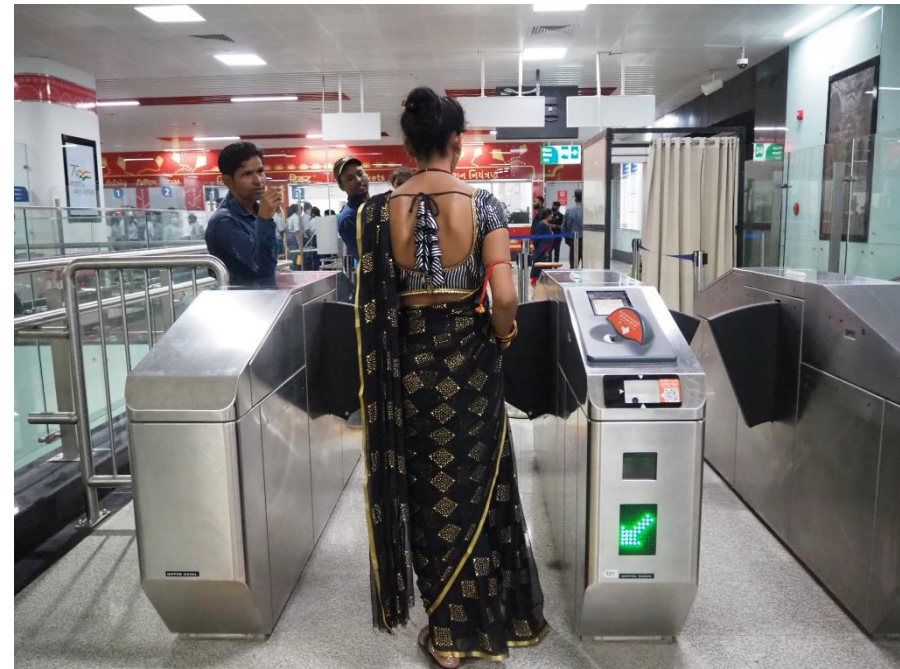


Entire Ahmedabad Metro operation starts

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Entire two lines of Ahmedabad Metro equipped with our company's signaling system and AFC started their commercial operation in October 2022, with East–West corridor of 20.7 km having 18 stations and North–South corridor of 18.5 km having 15 stations. It is the first metro available to the citizens of Ahmedabad and the mitigation of the traffic congestion in the urban area is expected.



Order received for Manila Subway signaling system

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



It is the first order our company received in the Philippines for a maintenance project of the subway with 15 stations stretching over 27 km and other separate section with 2 stations stretching over 4.5 km.



Image of SPARCS system operation
indicator panel upon completion

Order received for Cairo Metro Line No.4 signaling system and PSD system



It is the first order our company received in Egypt for the metro line consisting of 16 stations and a total distance of 18.8 km.

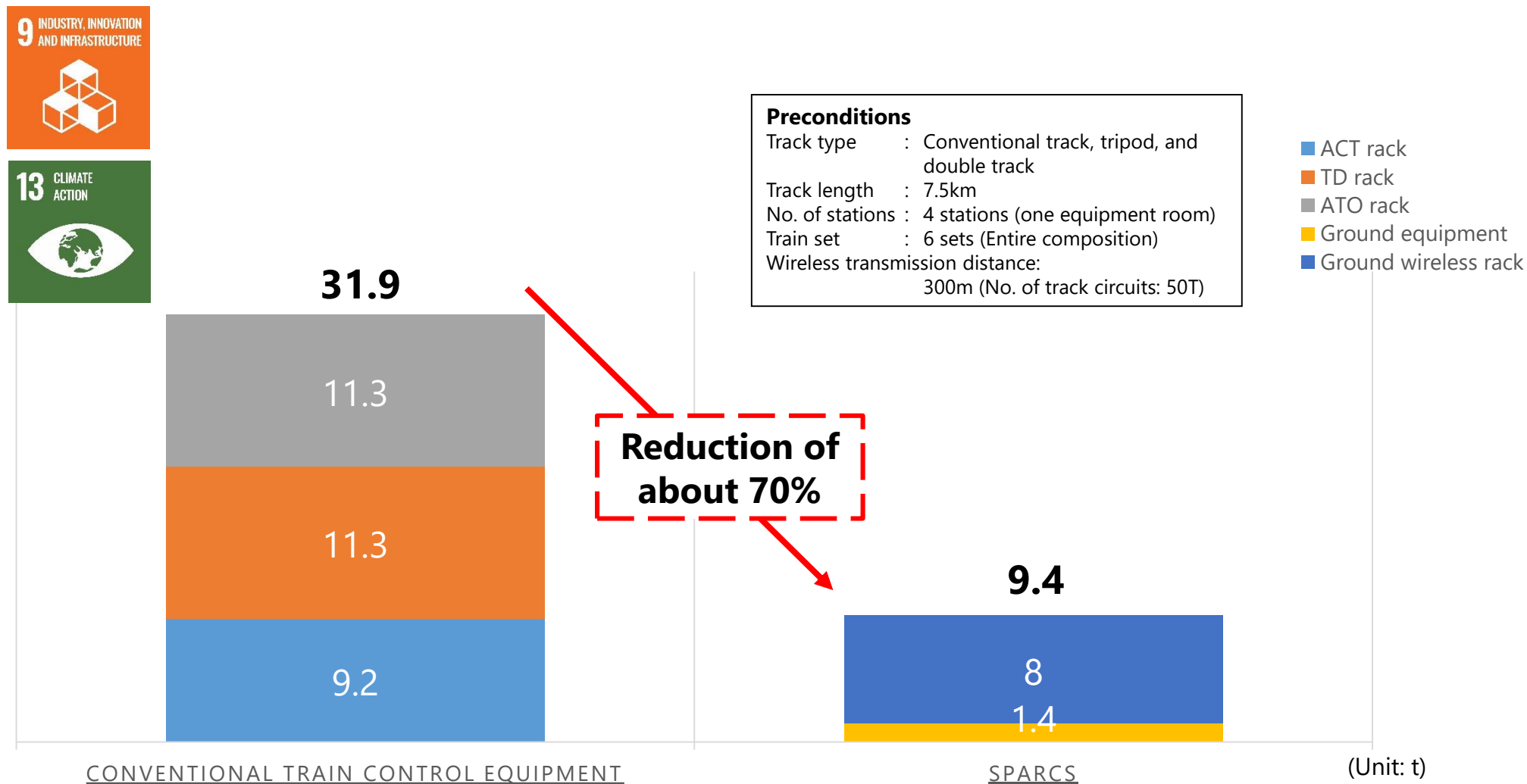


Cairo Metro Line No.3 train



Approaches to Decarbonization

Comparison of the amounts of CO2 emitted between CBTC (SPARCS) of Nippon Signal and conventional train control equipment



SPARCS (Simple-structure and high-Performance ATC by Radio Communication System)

Approaches to Decarbonization

Conformance to TCFD



Contribute to the sustainable society through the expansion and maintenance of railways, which are the transport means of low environmental impact.
Tackle decarbonization by endorsing TCFD and provide products and services of low greenhouse gas emission during the use.



Ahmedabad Metro

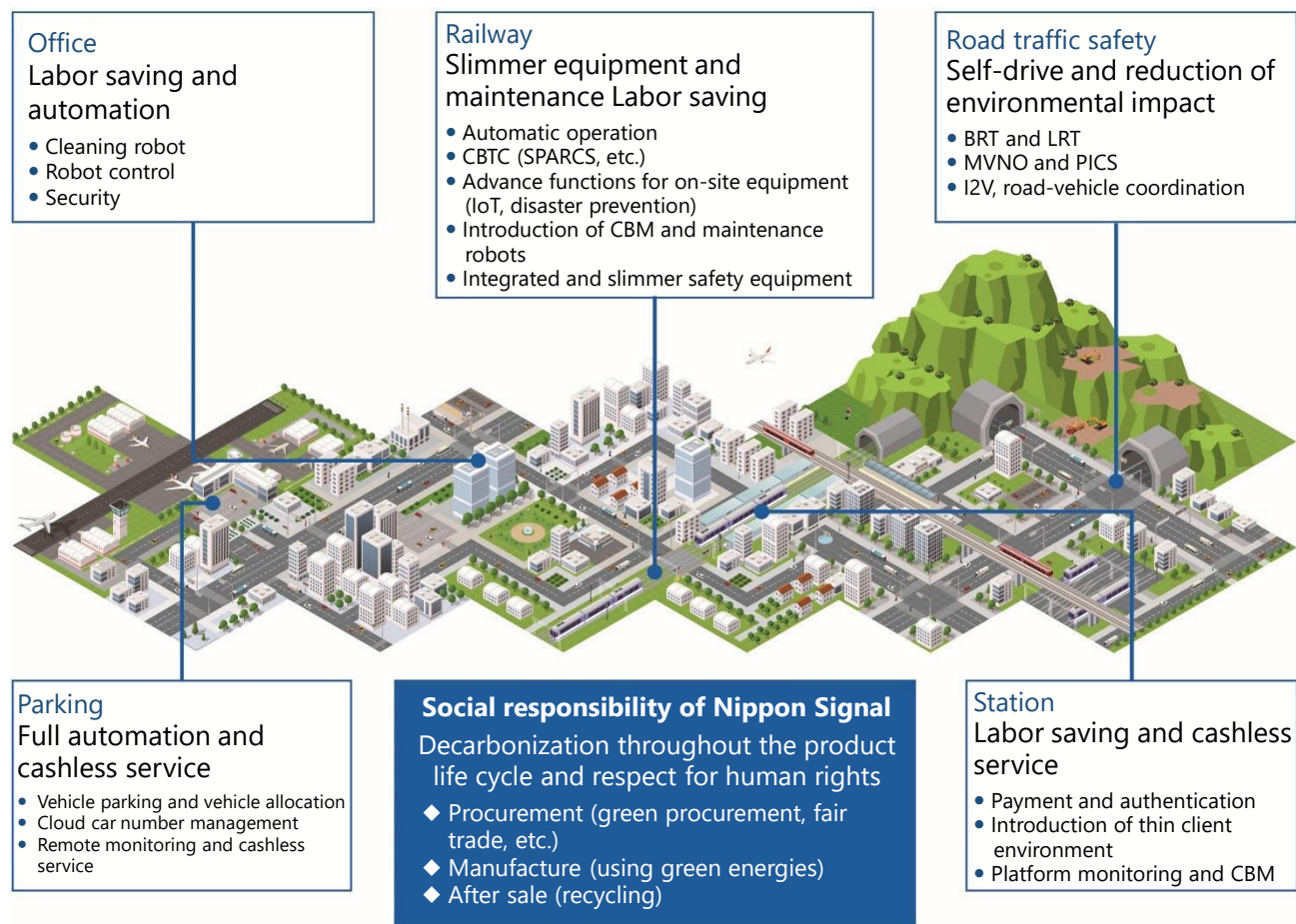
* TCFD...Task Force on Climate-related Financial Disclosures

Approaches to Decarbonization

Approach to environmentally friendly products



Tackle further CO2 emission reduction by construction and expansion of decarbonized infrastructures through wireless train control system (SPARCS), CBM, and automatic operation.





Opening of "Forest of Nippon Signal"/support for Eco Rule Mark



Established a "Forest of Nippon Signal" as a part of the commemorative events of the foundation anniversary and implemented forest preservation activities mainly by executives and employees of Nippon Signal. As a support for the Eco Rule Mark, use railway freight as the means to transport some of the product shipments (electric switch machines, and so on).



Planting trees in "Forest of Nippon Signal" in 2022



Participated in the 60th Skills Competition

4 QUALITY
EDUCATION



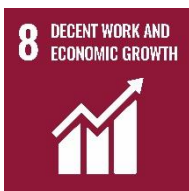
8 DECENT WORK AND
ECONOMIC GROWTH



Nippon Signal has been participating in this event consecutively since 2017 and in 2022, four employees participated in the "Electronic equipment assembling category". Nippon Signal obtained the participation qualification for 2023.



Holding Software Competition

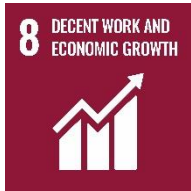


Software Competition was held at a Group company, Nisshin Software Engineering Co., Ltd. to tackle questions regarding expert knowledge about software and latest trend in software industry, reliability engineering and English reading comprehension as well as programming using “C language.”



Approach to Health and Productivity Management

Holding Sports Festival



Sports Festival was held for the first time in three years for the purpose of encouraging exchanges between employees and increasing their motivation by sharing the same objectives.



Social Contribution Activities

The 9th Tetsudo Matsuri was held



The Tetsudo Matsuri (Railway Festival) was held at Kuki Office for the first time in three years. There were various events such as opportunities to experience a tablet block instrument and a train operation simulator, and a record-breaking 3,100 visitors.



Social Contribution Activities

Co-sponsored Children's Dreamland, "Bolero"



Co-sponsored Children's Dreamland, "Bolero", as a part of human development and a future life path project.

This project was established by Ms. Michie Koyama, Pianist, in Sendai, to provide dreams and hopes to children who experienced disasters.

In 2022, Nippon Signal also set up a booth for the exhibition.



Social Contribution Activities

Co-sponsored the 19th Gold Concert



Co-sponsored the Gold Concert, an international competition of performing arts for disabled players, since 2014 as part of CSR activities. This year, Nippon Signal award was granted to the contestants who won the audience prize.



Awarding ceremony (photograph by Katsusuke Nishina)

Introduction of SIGNAL MOVIES

NIPPON
Signal

english | 中文 | お問い合わせ

EVOLUTION LOG 事業領域 買付関連情報 企業情報 投資家情報 サステナビリティ 研究開発 採用情報

SIGNAL MOVIES（映像コンテンツ）

ホーム > SIGNAL MOVIES（映像コンテンツ）

SIGNAL MOVIES

<会社案内映像>



会社案内~Next Stage~



インフラの進化を支える



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

Business forecasts are established based on the information available to us at the current point of time and certain preconditions that are decided to be rational. However, the actual business results may differ significantly from the forecasts due to various factors.