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Consolidated Financial Results for the Nine Months Ended December 31, 2025 [Japanese GAAP]

February 3, 2026

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

Contact: Hiromasa Fujimoto

General Manager, General Affairs Department

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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 Nine Months Ended December 31, 2025 (April 1, 2025 to December 31, 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	%
Nine months ended December 31, 2025	70,808	11.0	4,979	113.9	6,170	80.0	4,013	56.8
December 31, 2024	63,778	11.7	2,328	66.9	3,427	59.3	2,558	283.5

(Note) Comprehensive income: Nine months ended December 31, 2025: ¥ 6,465 million [166.9%]

Nine months ended December 31, 2024: ¥ 2,422 million [(2.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	64.34	-
December 31, 2024	41.03	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2025	165,089	107,244	65.0
March 31, 2025	166,240	102,623	61.7

(Reference) Equity: As of December 31, 2025: ¥ 107,244 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	-	13.00	-		
Fiscal year ending March 31, 2026 (Forecast)				37.00	50.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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	9,500	11.7	152.31

(Note) Revision to the financial results forecast announced most recently: Yes

* 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 December 31, 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 December 31, 2025: 5,968,757 shares

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

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2025: 62,371,065 shares

Nine months ended December 31, 2024: 62,371,278 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 nine months ended December 31, 2025 (April 1, 2025 to December 31, 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, the intensifying situation in the Middle East, and US interference with neighboring countries based on its national security strategy, on top of the deceleration of the Chinese economy, among other situations.

In Japan, there are concerns over the outlook for political and economic conditions, including deteriorating relations with China. At the same time, expectations for Japan's economic recovery have been growing, with the Nikkei Stock Average hitting record highs amid ongoing yen depreciation and the new administration's announcement of a comprehensive economic package.

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. We are also proactively working on IR and SR activities to broadly promote these initiatives to investors.

At the 9th Mass-Trans Innovation Japan 2025, an international trade fair for railways technology held in November 2025, the Company exhibited and proposed new products using digital technology to enhance safety and reduce labor for railroad operators, under the theme of "Realize Sustainable Mobility: Realizing a Sustainable Railway System."

The Company's business results for the nine months ended December 31, 2025 were 85,986 million yen in orders received (up 16.4% year-on-year) and 70,808 million yen in net sales (up 11.0% year-on-year). Operating profit was 4,979 million yen (up 113.9% year-on-year), ordinary profit was 6,170 million yen (up 80.0% year-on-year), and profit attributable to owners of parent was 4,013 million yen (up 56.8% 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 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 simplify ground equipment, and "Traio," which collects, accumulates, and analyzes information on the status of railway equipment through cloud networks.

In overseas markets, including Taiwan, India, and Egypt, 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 and Africa, 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 traffic control systems, 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 continued to receive orders for and record sales of traffic signals in Uganda, which is in need of solutions to chronic traffic congestion. We will continue contributing to addressing infrastructure issues in the African region.

As a result of the above, orders received were 43,562 million yen (up 11.0% year-on-year) and net sales were 35,869 million yen (up 18.4% year-on-year). Segment profit was 3,111 million yen (up 637.2% 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.

We are also actively working on a new cashless boarding service using cashless payments such as tap-to-pay payment with credit or debit cards and QR code authentication, which is expected to be introduced nationwide. As a result of these efforts, automatic passenger gates supporting contactless payments will be fully introduced on certain sections of Kyushu Railway Company starting in April 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, multifunctional heavy machinery robots, 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 42,423 million yen (up 22.5% year-on-year) and net sales were 34,938 million yen (up 4.3% year-on-year). Segment profit was 4,877 million yen (up 4.8% year-on-year).

(2) Explanation of Financial Position

(i) Assets, Liabilities and Net Assets

Total assets as of December 31, 2025 were 165,089 million yen, a decrease of 1,150 million yen from the end of the previous fiscal year, mainly due to a 13,987 million yen decrease in notes and accounts receivable - trade, and contract assets, despite a 7,947 million yen increase in inventories and a 2,800 million yen increase in investment securities largely stemming from rising market prices.

Liabilities decreased by 5,771 million yen from the end of the previous fiscal year to 57,845 million yen, mainly due to a 2,700 million yen decrease in short-term borrowings, a 1,366 million yen decrease in provision for bonuses, and a 1,074 million yen decrease in notes and accounts payable - trade.

Net assets were 107,244 million yen, an increase of 4,620 million yen compared with the end of the previous fiscal year, mainly due to the recording of 4,013 million yen in profit attributable to owners of parent, an increase of 2,628 million yen in valuation difference on available-for-sale securities, and an increase in retained earnings due to a change in scope of consolidation of 810 million yen, despite a 2,869 million yen decrease in retained earnings from dividends, etc.

(ii) Cash Flows

The balance of cash and cash equivalents ("cash") as of December 31, 2025 totaled 11,206 million yen, a decrease of 42 million yen from the end of the previous fiscal year.

Cash flows in each area of activity during the nine months ended December 31, 2025 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 8,927 million yen, compared with a cash inflow of 1,425 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 4,474 million yen, compared with a cash outflow of 2,772 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 5,548 million yen, compared with a cash inflow of 1,841 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

The Company has revised the full-year consolidated earnings forecast and dividend forecast for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026), announced on May 13, 2025.

For details, please refer to the “Notice of Revised Earnings and Dividends Forecasts for the Fiscal Year Ending March 31, 2026 (Dividend Increase)” announced on February 3, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	11,291	11,275
Notes and accounts receivable - trade, and contract assets	73,552	59,565
Electronically recorded monetary claims - operating	1,284	673
Merchandise and finished goods	6,732	10,752
Work in process	8,517	12,142
Raw materials and supplies	5,714	6,017
Other	3,105	4,138
Allowance for doubtful accounts	(0)	(45)
Total current assets	110,198	104,519
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,085	6,250
Machinery, equipment and vehicles, net	2,331	2,055
Tools, furniture and fixtures, net	2,147	2,813
Land	5,486	5,608
Leased assets, net	61	60
Construction in progress	2,621	3,453
Total property, plant and equipment	18,734	20,242
Intangible assets	3,059	3,038
Investments and other assets		
Investment securities	28,282	31,083
Long-term loans receivable	0	3
Retirement benefit asset	3,248	3,356
Deferred tax assets	768	902
Other	1,967	1,961
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	34,248	37,289
Total non-current assets	56,041	60,569
Total assets	166,240	165,089

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,743	10,669
Electronically recorded obligations - operating	5,431	5,299
Short-term borrowings	19,200	16,500
Lease liabilities	3	4
Income taxes payable	2,848	1,830
Provision for bonuses	2,953	1,586
Provision for loss on orders received	218	148
Other	11,620	11,099
Total current liabilities	54,019	47,137
Non-current liabilities		
Long-term deposits received	99	99
Long-term accounts payable - other	26	21
Lease liabilities	4	7
Deferred tax liabilities	725	1,870
Retirement benefit liability	8,741	8,708
Total non-current liabilities	9,597	10,707
Total liabilities	63,616	57,845
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,585	7,585
Retained earnings	78,243	80,412
Treasury shares	(6,571)	(6,571)
Total shareholders' equity	89,257	91,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,943	15,571
Remeasurements of defined benefit plans	422	246
Total accumulated other comprehensive income	13,366	15,818
Total net assets	102,623	107,244
Total liabilities and net assets	166,240	165,089

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	63,778	70,808
Cost of sales	49,848	53,326
Gross profit	13,929	17,481
Selling, general and administrative expenses	11,601	12,501
Operating profit	2,328	4,979
Non-operating income		
Interest income	0	1
Dividend income	674	516
Dividend income of life insurance	164	158
Foreign exchange gains	76	314
Rental income from real estate	234	232
Nursing services income	10	7
Other	90	128
Total non-operating income	1,252	1,358
Non-operating expenses		
Interest expenses	53	72
Rental expenses on real estate	41	42
Nursing services expense	23	22
Other	34	29
Total non-operating expenses	152	167
Ordinary profit	3,427	6,170
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	405	263
Gain on sale of golf club membership	-	0
Reversal of provision for contingent loss	545	-
Total extraordinary income	955	263
Extraordinary losses		
Loss on sale and retirement of non-current assets	11	10
Total extraordinary losses	11	10
Profit before income taxes	4,371	6,424
Income taxes	1,812	2,410
Profit	2,558	4,013
(Details)		
Profit attributable to owners of parent	2,558	4,013

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	2,628
Remeasurements of defined benefit plans, net of tax	(131)	(176)
Total other comprehensive income	(136)	2,452
Comprehensive income	2,422	6,465
(Details)		
Comprehensive income attributable to owners of parent	2,422	6,465

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,371	6,424
Depreciation	1,879	2,878
Loss (gain) on sale and retirement of non-current assets	7	10
Loss (gain) on sale of investment securities	(405)	(263)
Increase (decrease) in provision for contingent loss	(545)	-
Interest and dividend income	(675)	(517)
Interest expenses	53	72
Decrease (increase) in trade receivables	12,602	15,344
Decrease (increase) in inventories	(8,448)	(7,847)
Increase (decrease) in trade payables	(3,479)	(1,383)
Increase (decrease) in contract liabilities	134	(264)
Increase (decrease) in retirement benefit liability	(250)	(287)
Other, net	(2,079)	(2,166)
Subtotal	3,164	11,998
Interest and dividends received	625	517
Interest paid	(53)	(72)
Income taxes paid	(2,871)	(3,518)
Income taxes refund	560	1
Net cash provided by (used in) operating activities	1,425	8,927
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	(2,667)	(4,020)
Purchase of intangible assets	(601)	(770)
Purchase of investment securities	(11)	(13)
Proceeds from sale of investment securities	532	320
Other, net	(25)	10
Net cash provided by (used in) investing activities	(2,772)	(4,474)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,000	(2,700)
Proceeds from deposits received from an affiliated company	10	-
Proceeds from deposits received from an unaffiliated entity	(45)	23
Repayments of lease liabilities	(4)	(4)
Dividends paid	(2,118)	(2,866)
Decrease (increase) in treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	1,841	(5,548)
Effect of exchange rate change on cash and cash equivalents	(97)	26
Net increase (decrease) in cash and cash equivalents	396	(1,068)
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	12,157	11,206

(4) Notes to Quarterly 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 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 third 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 third 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	30,288	33,489	63,778	-	63,778
Intersegment internal sales or transfers	-	-	-	-	-
Total	30,288	33,489	63,778	-	63,778
Goods or services transferred at a point in time	9,560	14,524	24,085	-	24,085
Goods or services transferred over time	20,727	18,965	39,692	-	39,692
Total	30,288	33,489	63,778	-	63,778
Segment profit	422	4,652	5,074	(2,746)	2,328

Notes: 1. Adjustments of (2,746) 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 quarterly consolidated statements of income and comprehensive income.

II For the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	35,869	34,938	70,808	-	70,808
Intersegment internal sales or transfers	-	-	-	-	-
Total	35,869	34,938	70,808	-	70,808
Goods or services transferred at a point in time	10,309	12,694	23,004	-	23,004
Goods or services transferred over time	25,559	22,244	47,804	-	47,804
Total	35,869	34,938	70,808	-	70,808
Segment profit	3,111	4,877	7,989	(3,009)	4,979

Notes: 1. Adjustments of (3,009) 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 quarterly consolidated statements of income and comprehensive income.

[Related information]

I For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Information by region

Net sales

(Million yen)

Japan	Asia	Other	Total
57,305	6,111	361	63,778

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

II For the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

Information by region

Net sales

(Million yen)

Japan	Asia	Other	Total
62,708	5,506	2,592	70,808

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