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## Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 10, 2023

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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General Manager, General Affairs Dept.

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Scheduled date of Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of commencing dividend payments: June 2, 2023

Scheduled date of filing annual securities report: June 23, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

#### (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	%
Fiscal year ended								
March 31, 2023	85,456	0.5	5,112	(5.1)	5,915	(9.5)	4,075	(9.5)
March 31, 2022	85,047	(8.3)	5,390	(5.7)	6,538	1.2	4,503	(8.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 4,294 million [ 16.6 %]

Fiscal year ended March 31, 2022: ¥ 3,682 million [ (44.8)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	65.34	-	4.6	4.2	6.0
March 31, 2022	72.21	-	5.3	4.7	6.3

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2023	146,019	89,351	61.2	1,432.57
March 31, 2022	134,086	86,740	64.7	1,390.71

(Reference) Equity: As of March 31, 2023: ¥ 89,351 million

As of March 31, 2022: ¥ 86,740 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	1,715	(3,597)	3,911	8,365
March 31, 2022	2,099	(2,344)	(6,750)	6,344

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	-	7.00	-	20.00	27.00	1,684	37.4	2.0
March 31, 2023	-	7.00	-	20.00	27.00	1,684	41.3	1.9
Fiscal year ending								
March 31, 2024 (Forecast)	-	7.00	-	20.00	27.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% 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	95,000	11.2	6,000	17.4	6,800	14.9	4,700	15.3	75.36

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

March 31, 2023: 68,339,704 shares

March 31, 2022: 68,339,704 shares

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

March 31, 2023: 5,968,270 shares

March 31, 2022: 5,968,067 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2023: 62,371,522 shares

Fiscal year ended March 31, 2022: 62,371,664 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* 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 forecasts, please refer to “1. Overview of Operating Results, etc.

(4) Future Outlook” on page 4 of this report.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

In the fiscal year under review (April 1, 2022 to March 31, 2023), while the global economy saw signs that economic activities were returning to normal as the restrictions on movement of people due to COVID-19 were relaxed. However, the economic outlook remains uncertain due to, for example, soaring resource and energy prices associated with Russia's prolonged invasion of Ukraine, the rise of the policy interest rate to cope with inflation risks, and rapid foreign exchange rate fluctuations.

The Japanese economy is showing a pickup trend mainly in the domestic demand on the back of the normalization of economic activities. However, the outlook remains uncertain, with a surge in raw material and energy prices as well as commodity prices, and concerns over the weaker yen, among other factors.

Under these circumstances, the Group continues to solve social issues in Japan and overseas by supporting the evolution of infrastructure with safe and comfortable solutions and promote adaptation to changes in the business environment in the COVID-19 era, based on the second medium-term management plan "Next Stage 24" that began in FY2022.

In addition, as part of initiatives under the plan, we established a new company in Dhaka, the capital city of Bangladesh, in November 2022, as the fourth overseas site of the Group. We will engage in long-term business development in the country, where aggressive infrastructure investment is expected to continue, aiming to further expand business.

The Company's business results in the fiscal year under review were 99,063 million yen in orders received (up 24.3% year-on-year) and 85,456 million yen in net sales (up 0.5% year-on-year). Operating profit was 5,112 million yen (down 5.1% year-on-year), ordinary profit was 5,915 million yen (down 9.5% year-on-year), and profit attributable to owners of parent was 4,075 million yen (down 9.5% year-on-year).

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

#### [Transportation Infrastructure]

In Railway Signal Systems, we received orders and recorded sales of various types of signal safety products, such as Automatic Train Control (ATC) systems and Centralized Traffic Control (CTC) systems, in the Japanese market.

We are also accelerating our business activities toward social implementation of Traio, a system to monitor the status of railway facilities, as solutions to support customers' structural reforms in the COVID-19 era.

In addition, we are receiving more and more inquiries for Simple-structure and high-Performance ATC by Radio Communication System (SPARCS) that contributes to efficient operation of trains, streamlining of facilities, and labor-saving. We have received an order for system design toward demonstration experiment to be conducted for Tamagawa Line of SEIBU RAILWAY Co., Ltd.

In overseas markets, we received orders and recorded sales in the Philippines, India, and China. We will contribute to the creation of comfortable and safe communities through traffic infrastructure by increasing sales of Simple-structure and high-Performance ATC by Radio Communication System (SPARCS) and meeting infrastructure demand of Asian countries based on our installation track record in these markets.

For Smart Mobility Systems, particularly Road Traffic Safety Systems, we received orders and recorded sales for MVNO (network provision service business) that are being rolled out across Japan and the renewal of traffic control systems.

In addition, in order to support people with traffic constraints such as those who are visually impaired in crossing intersections, we have commercialized advanced Pedestrian Information and Communication Systems (PICS), which is a system to provide signal information of pedestrian lights to smartphones through devices that are installed at intersections. We will continue developing solutions with an eye on realizing barrier-free access for people with traffic constraints.

As a result of the above, orders received were 61,672 million yen (up 40.1% year-on-year) and net sales were 47,037 million yen (down 3.7% year-on-year). Segment profit was 5,119 million yen (down 2.8% year-on-year).

#### [ICT Solutions]

In AFC, particularly Station Service Network Systems, in the domestic market, we received orders for and recorded sales of various types of platform doors, passenger gates, and ticket vending machines.

Various railroad operators are considering their “platform door installation plans” utilizing the fare system to promote barrier-free facilities at train stations led by the Ministry of Land, Infrastructure, Transport and Tourism. We are expanding our business activities by leveraging our strengths in areas such as platform doors and platform monitoring equipment, which offer a diverse lineup to meet the needs of each installation location.

In addition, as initiatives for the future, we are working to develop new platform monitoring systems that reduce costs for capital investment and make use of wide-angle sensors and low-cost platform doors, among other things.

In overseas markets, we received orders and recorded sales for AFC systems and others in Bangladesh and Egypt.

Moreover, in Smart City Systems, particularly Security System Solutions, we received orders for and recorded sales of various types of security products and robot products, mainly 3D sensors to be installed in platform doors, construction machinery, and farm equipment.

Furthermore, we have promoted sales of security gates, which provide a one-stop solution for managing the entry and exit of people and vehicles, mainly in amusement facilities and museums where an indefinite large number of people go in and out.

As a result of the above, orders received were 37,391 million yen (up 4.8% year-on-year) and net sales were 38,418 million yen (up 6.1% year-on-year). Segment profit was 3,320 million yen (up 0.6% year-on-year).

## (2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review were 146,019 million yen, an increase of 11,932 million yen compared with the end of the previous fiscal year. This was mainly due to increases of 4,220 million yen in contract assets, 3,791 million yen in inventories, 2,009 million yen in cash and deposits, and 1,135 million yen in acquisition of investment securities.

Liabilities increased by 9,322 million yen compared with the end of the previous fiscal year to 56,668 million yen, due mainly to increases of 5,732 million yen in short-term borrowings, 2,852 million yen in contract liabilities, and 720 million yen in notes and accounts payable - trade.

Net assets were 89,351 million yen, an increase of 2,610 million yen compared with the end of the previous fiscal year. This was due mainly to the recording of 4,075 million yen in profit attributable to owners of parent and an increase of 294 million yen in valuation difference on available-for-sale securities, despite a 1,684 million yen decrease in retained earnings from dividends, and other factors.

## (3) Overview of Cash Flows for the Fiscal Year under Review

The balance of cash and cash equivalents at the end of the fiscal year under review was 8,365 million yen, an increase of 2,020 million yen compared with the end of the previous fiscal year.

Cash flows in each area of activity are as follows.

### (Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year ended March 31, 2023 was 1,715 million yen, compared with a cash inflow of 2,099 million yen in the previous fiscal year. The principal cash inflow factors were the recording of 6,027 million yen in profit before income taxes and an increase of 2,852 million yen in contract liabilities, despite cash outflow factors of an increase of 3,791 million yen in inventories and an increase of 3,613 million yen in trade receivables.

### (Cash flows from investing activities)

Net cash used in investing activities for the fiscal year ended March 31, 2023 was 3,597 million yen, compared with a cash outflow of 2,344 million yen in the previous fiscal year. The principal cash outflow factors were 2,619 million yen in acquisition of property, plant and equipment and intangible assets and 758 million yen in acquisition of investment securities.

### (Cash flow from financing activities)

Net cash provided by financing activities for the fiscal year ended March 31, 2023 was 3,911 million yen, compared with a cash outflow of 6,750 million yen in the previous fiscal year. The principal cash inflow factor was an increase of 5,700 million yen in cash from short-term borrowings despite the cash outflow factor of 1,680 million yen in expenditure due to payment of dividends.

#### (4) Future Outlook

In terms of future initiatives, in Railway Signal Systems, with the aim of co-creating value with customers in the COVID-19 era, we will work to develop products that address and take into account social issues of declining workforce, natural disasters, and decarbonization by further focusing on the fields such as “remote monitoring and Condition Based Maintenance (CBM)” and “labor-saving” that contribute to reduction of fixed costs as well as operation costs.

In Smart Mobility Systems, we will work on product development and commercialization to socially implement “KURU-Link,” where self-driving public transportation vehicles connect departure points and transport hubs, such as train stations, as well as transport hubs and destinations, and automatic operation services available based on coordination between infrastructure, such as traffic lights, and self-driving vehicles.

In AFC, business opportunities for cashless settlement systems and image processing are expected to expand in anticipation of full-scale development of MaaS. To respond to the new smart mobility society and settlement systems, we will bring new products into the market and create new businesses.

In Smart City Systems, we aim to commercialize multiple handling vehicle, which is a humanoid robot for railway work in high places, in spring of 2024, with the aim of eliminating heavy labor and dangerous work on site, which is a social issue. Moreover, we will enhance security gate lineups that accommodate new technologies, such as facial recognition and contactless technologies, and work on the development of various types of robots by leveraging the knowledge gained from cleaning robot development.

Forecast amounts for the next fiscal year are as follows.

(Million yen)

	Net sales		Segment profit	
	Amount	Year-on-year change (%)	Amount	Year-on-year change (%)
Transportation Infrastructure	53,000	12.7	5,500	7.4
ICT Solutions	42,000	9.3	3,900	17.5
Sub-total	95,000	11.2	9,400	11.4
Adjustments	—	—	(3,400)	—
Total	95,000	11.2	6,000	17.4

Notes: Adjustments in segment profit (loss) represent corporate expenses that are not allocated to reportable segments.

Corporate expenses are primarily expenses of the administration divisions of the parent company’s headquarters that are not attributable to any of the reportable segments.

## 2. Basic Policy on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group will maintain its policy of preparing its consolidated financial statements under Japanese GAAP for the immediate future.

With regard to the application of International Financial Reporting Standards (IFRS), the Company’s policy is to take appropriate measures after consideration of the situation in Japan and overseas.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,397	8,407
Notes receivable - trade	693	375
Accounts receivable - trade	30,109	29,487
Contract assets	29,894	34,115
Electronically recorded monetary claims - operating	1,188	1,521
Merchandise and finished goods	3,774	4,609
Work in process	9,110	9,819
Raw materials and supplies	3,436	5,684
Other	2,052	3,282
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>86,657</b>	<b>97,302</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,796	6,486
Machinery, equipment and vehicles, net	1,055	1,069
Tools, furniture and fixtures, net	1,560	1,492
Land	5,488	5,488
Leased assets, net	89	77
Construction in progress	1,621	1,696
<b>Total property, plant and equipment</b>	<b>16,611</b>	<b>16,310</b>
<b>Intangible assets</b>	<b>1,900</b>	<b>2,079</b>
Investments and other assets		
Investment securities	23,435	24,571
Long-term loans receivable	2	2
Retirement benefit asset	2,551	2,476
Deferred tax assets	1,273	1,463
Other	1,677	1,833
Allowance for doubtful accounts	(23)	(20)
<b>Total investments and other assets</b>	<b>28,916</b>	<b>30,326</b>
<b>Total non-current assets</b>	<b>47,429</b>	<b>48,716</b>
<b>Total assets</b>	<b>134,086</b>	<b>146,019</b>

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,367	11,087
Electronically recorded obligations - operating	4,231	4,110
Short-term borrowings	11,782	17,515
Lease liabilities	61	7
Income taxes payable	886	1,489
Contract liabilities	1,270	4,123
Provision for bonuses	2,603	2,554
Provision for loss on orders received	676	742
Other	5,157	4,947
Total current liabilities	37,037	46,577
Non-current liabilities		
Long-term deposits received	99	99
Long-term accounts payable - other	52	28
Lease liabilities	109	7
Deferred tax liabilities	602	551
Retirement benefit liability	9,444	9,402
Total non-current liabilities	10,307	10,090
Total liabilities	47,345	56,668
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,585	7,585
Retained earnings	65,806	68,198
Treasury shares	(6,570)	(6,571)
Total shareholders' equity	76,821	79,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,805	10,100
Remeasurements of defined benefit plans	114	38
Total accumulated other comprehensive income	9,919	10,138
Total net assets	86,740	89,351
Total liabilities and net assets	134,086	146,019



## (2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	85,047	85,456
Cost of sales	65,474	65,405
Gross profit	19,573	20,050
Selling, general and administrative expenses	14,182	14,938
Operating profit	5,390	5,112
Non-operating income		
Interest income	0	0
Dividend income	492	459
Dividend income of life insurance	144	156
Foreign exchange gains	168	-
Rental income from real estate	312	312
Nursing services income	37	26
Other	151	81
Total non-operating income	1,308	1,036
Non-operating expenses		
Interest expenses	36	49
Rental expenses on real estate	49	51
Taxes and dues	30	41
Nursing services expense	41	34
Waste disposal expenses	-	35
Other	2	21
Total non-operating expenses	160	233
Ordinary profit	6,538	5,915
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	-	128
Total extraordinary income	0	129
Extraordinary losses		
Loss on sale and retirement of non-current assets	7	4
Loss on valuation of investment securities	0	-
Loss on valuation of golf club membership	-	13
Total extraordinary losses	7	17
Profit before income taxes	6,531	6,027
Income taxes - current	1,674	2,262
Income taxes - deferred	353	(310)
Total income taxes	2,027	1,951
Profit	4,503	4,075
(Details)		
Profit attributable to owners of parent	4,503	4,075

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Other comprehensive income		
Valuation difference on available-for-sale securities	(845)	294
Remeasurements of defined benefit plans, net of tax	24	(76)
Total other comprehensive income	(820)	218
Comprehensive income	3,682	4,294
(Details)		
Comprehensive income attributable to owners of parent	3,682	4,294

## (3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2022

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	10,000	7,585	62,939	(6,570)	73,954	10,650	90	10,740	84,694
Changes during period									
Dividends of surplus			(1,684)		(1,684)				(1,684)
Profit attributable to owners of parent			4,503		4,503				4,503
Change from merger of consolidated and unconsolidated subsidiaries			47		47				47
Purchase of treasury shares				(0)	(0)				(0)
Net changes in items other than shareholders' equity						(845)	24	(820)	(820)
Total changes during period	-	-	2,867	(0)	2,867	(845)	24	(820)	2,046
Balance at end of period	10,000	7,585	65,806	(6,570)	76,821	9,805	114	9,919	86,740

For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	10,000	7,585	65,806	(6,570)	76,821	9,805	114	9,919	86,740
Changes during period									
Dividends of surplus			(1,684)		(1,684)				(1,684)
Profit attributable to owners of parent			4,075		4,075				4,075
Change from merger of consolidated and unconsolidated subsidiaries					-				-
Purchase of treasury shares				(0)	(0)				(0)
Net changes in items other than shareholders' equity						294	(76)	218	218
Total changes during period	-	-	2,391	(0)	2,391	294	(76)	218	2,610
Balance at end of period	10,000	7,585	68,198	(6,571)	79,212	10,100	38	10,138	89,351

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,531	6,027
Depreciation	2,233	2,380
Loss (gain) on sale and retirement of non-current assets	6	3
Loss (gain) on sale of investment securities	-	(128)
Interest and dividend income	(493)	(459)
Interest expenses	36	49
Decrease (increase) in trade receivables	(4,524)	(3,613)
Decrease (increase) in inventories	3,923	(3,791)
Increase (decrease) in trade payables	(2,871)	636
Increase (decrease) in contract liabilities	(446)	2,852
Increase (decrease) in retirement benefit liability	331	74
Other, net	(1,398)	(1,717)
Subtotal	3,328	2,314
Interest and dividends received	493	459
Interest paid	(36)	(49)
Income taxes paid	(1,685)	(1,123)
Income taxes refund	-	114
Net cash provided by (used in) operating activities	2,099	1,715
<b>Cash flows from investing activities</b>		
Payments into time deposits	(54)	(43)
Proceeds from withdrawal of time deposits	54	54
Purchase of property, plant and equipment	(1,798)	(1,690)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(500)	(929)
Purchase of investment securities	(96)	(758)
Proceeds from sale of investment securities	0	0
Other, net	50	(230)
Net cash provided by (used in) investing activities	(2,344)	(3,597)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(4,923)	5,700
Proceeds from deposits received from an affiliated company	-	70
Proceeds from deposits received from an unaffiliated entity	(130)	(100)
Repayments of lease liabilities	(16)	(77)
Dividends paid	(1,680)	(1,680)
Decrease (increase) in treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(6,750)	3,911
Effect of exchange rate change on cash and cash equivalents	51	(9)
Net increase (decrease) in cash and cash equivalents	(6,943)	2,020
Cash and cash equivalents at beginning of period	13,250	6,344
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	37	-
Cash and cash equivalents at end of period	6,344	8,365

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Changes in accounting policies)

(Implementation Guidance on accounting standard for fair value measurement)

The Company has adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Guidance”) from the beginning of the first quarter of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. This adoption has no effect on the consolidated financial statements.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are segments for which discrete financial information is available and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business results.

The Company's business comprises segments by products and services provided. The Company classifies the two businesses of "Transportation Infrastructure" and "ICT Solutions" as reportable segments.

The Transportation Infrastructure segment mainly conducts the manufacture, sale, and maintenance services of railway signal safety equipment and facilities and road traffic safety systems.

The ICT Solutions segment mainly conducts the manufacture, sale, and maintenance services of AFC equipment and parking lot equipment.

2. Method of calculation of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The method of accounting for reported business segments is stated with the amounts based on the accounting standards adopted for the preparation of the consolidated financial statements.

Profit figures for reportable segments are based on operating profit.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment and classification of revenues

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Reportable segment			Adjustments	Consolidated Financial Statement Amount
	Transportation Infrastructure	ICT Solutions	Total		
Net sales					
Net sales to external customers	48,831	36,216	85,047	—	85,047
Intersegment internal sales or transfers	—	—	—	—	—
Total	48,831	36,216	85,047	—	85,047
Goods or services transferred at a point in time	12,497	11,626	24,123	—	24,123
Goods or services transferred over time	36,334	24,589	60,924	—	60,924
Total	48,831	36,216	85,047	—	85,047
Segment profit	5,267	3,300	8,567	(3,177)	5,390
Segment assets	67,109	44,420	111,530	22,556	134,086
Other items					
Depreciation	1,134	782	1,917	253	2,170
Increase in property, plant and equipment and intangible assets	1,521	678	2,200	316	2,516

- Notes: 1. Adjustments 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 profit after adjustment of operating profit in the consolidated financial statements.
3. Adjustments of segment assets are primarily surplus operating funds (cash and deposits), long-term investment assets (investment securities), and assets of the administration divisions of the parent company.
4. Adjustments of depreciation are insignificant.
5. Adjustments of increase in property, plant and equipment and intangible assets are insignificant.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment			Adjustments	Consolidated Financial Statement Amount
	Transportation Infrastructure	ICT Solutions	Total		
Net sales					
Net sales to external customers	47,037	38,418	85,456	—	85,456
Intersegment internal sales or transfers	—	—	—	—	—
Total	47,037	38,418	85,456	—	85,456
Goods or services transferred at a point in time	13,462	11,933	25,395	—	25,395
Goods or services transferred over time	33,575	26,485	60,061	—	60,061
Total	47,037	38,418	85,456	—	85,456
Segment profit	5,119	3,320	8,439	(3,327)	5,112
Segment assets	73,597	47,348	120,945	25,073	146,019
Other items					
Depreciation	1,311	749	2,060	319	2,380
Increase in property, plant and equipment and intangible assets	1,467	648	2,115	553	2,669

- Notes: 1. Adjustments 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 profit after adjustment of operating profit in the consolidated financial statements.
3. Adjustments of segment assets are primarily surplus operating funds (cash and deposits), long-term investment assets (investment securities), and assets of the administration divisions of the parent company.
4. Adjustments of depreciation are insignificant.
5. Adjustments of increase in property, plant and equipment and intangible assets are insignificant.

(Per share information)

	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	1,390.71 yen	1,432.57 yen
Basic earnings per share	72.21 yen	65.34 yen

Note: Data on diluted earnings per share is not presented above, as there were no potential shares with a dilutive effect.

(Significant subsequent events)

Not applicable