

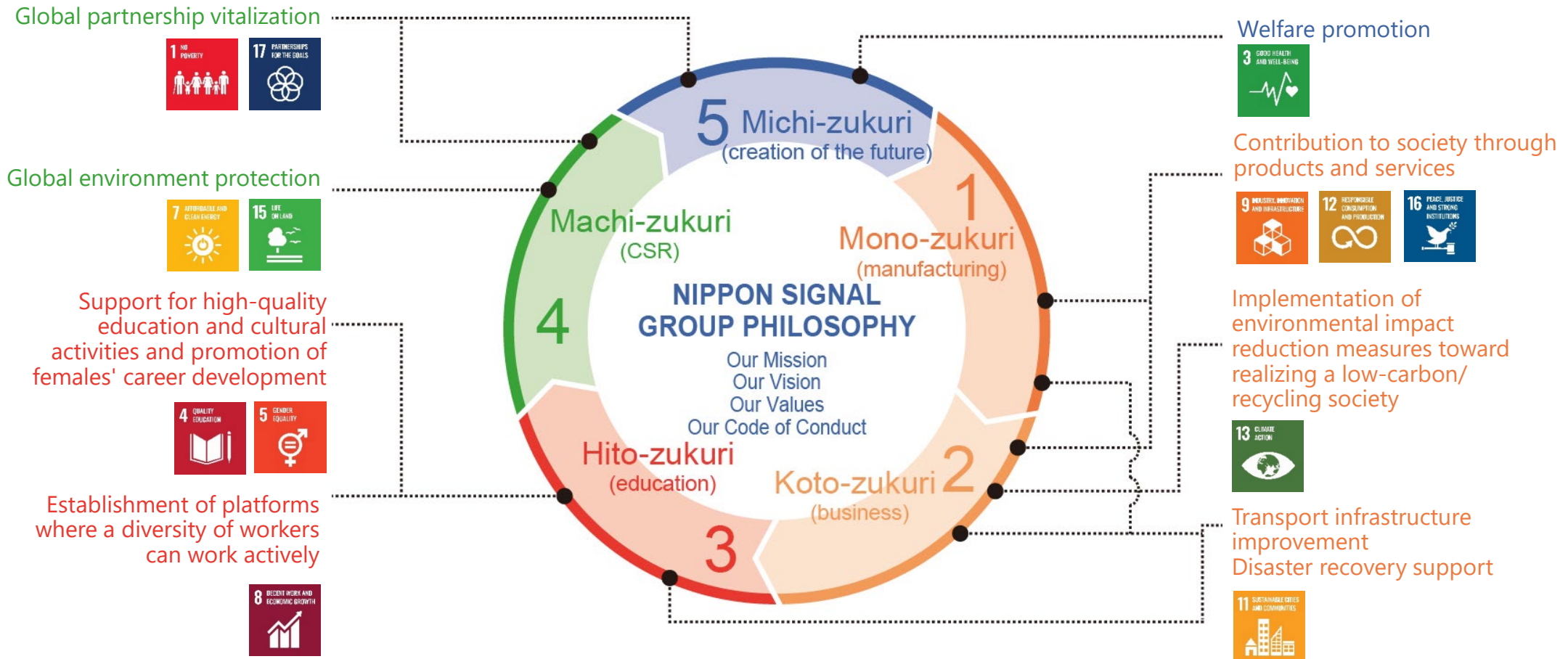
Supplementary Briefing Material on
Financial Result for Year to March 2023

Approach to Corporate Value Enhancement

May 19, 2023



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



4 QUALITY
EDUCATION



Our Values in the Group Philosophy include *Hito-zukuri* (education), and we are committed to develop human resources who take on challenges for their own growth.

8 DECENT WORK AND
ECONOMIC GROWTH



Human resource development matrix to support business growth : Prioritized for FY2023

		Level-specific training	Professional education			Leadership	Global diversity	Legal compliance/ development of character and integrity
			Business skill	Technical skill	inter-industry exchange forums and			
Management and professional function	Officer					Officer training		
	General Manager		DX talent development			Training for candidates for officers	Project manager training course	Internal and external education course
	Manager	Assessor training		Department-specific education support	Technical training	External training	Training for candidates for promotion to management positions	Global skill training
Intermediate leadership function		Career design training		Manufacturing training	Development of female leaders	Next leader training	Cross-cultural communication	Health management course
		New employee training Second year training Third year training	Tetsuatsu Program	Acquiring qualifications		Five and ten - year employee training		<ul style="list-style-type: none"> • Domestic study abroad • Overseas study aboard • Overseas internship
General function								
Common								
		Learning about company philosophy, compliance, and internal common rules						
Self-study		Utilization of distance learning and outside seminars						

Employee status

Name of company	FY2021	FY2022
Nippon Signal	1,261	1,230
Nisshin Electronics Service	596	586

Percentage of women in managerial positions

Name of company	FY2021	FY2022	Remarks
Nippon Signal	3.6%	3.7%	Average of electrical machinery manufacturing industry: 3.2%
Nisshin Electronics Service	2.4%	2.8%	

Percentage of men taking childcare leave

Name of company	FY2021	FY2022
Nippon Signal	56.4%	80.6%
Nisshin Electronics Service	60.0%	71.4%

*Including leave for childcare purposes.

Gender wage differences

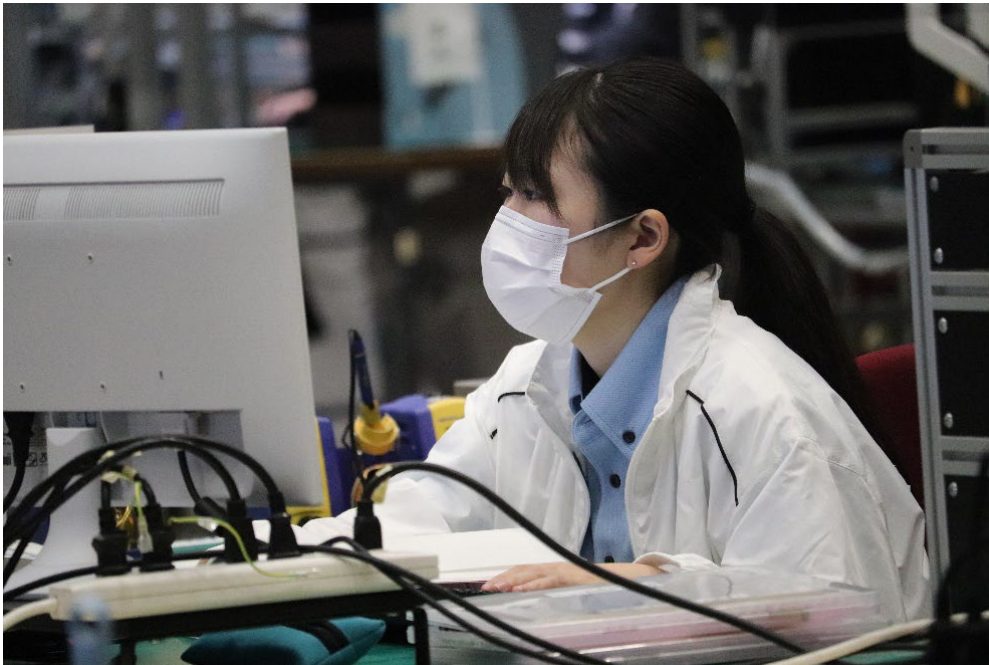
Name of company		FY2021	FY2022	Remarks
Nippon Signal	Regular workers	76.5%	75.8%	National average 75.7%
	Non-regular workers	77.3%	73.4%	
	All workers	71.6%	71.1%	
Nisshin Electronics Service	Regular workers	72.9%	68.8%	
	Non-regular workers	39.7%	53.7%	
	All workers	48.1%	50.8%	

There is no gender disparity in the Group's wage system.

Participated in the 60th Skills Competition



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.



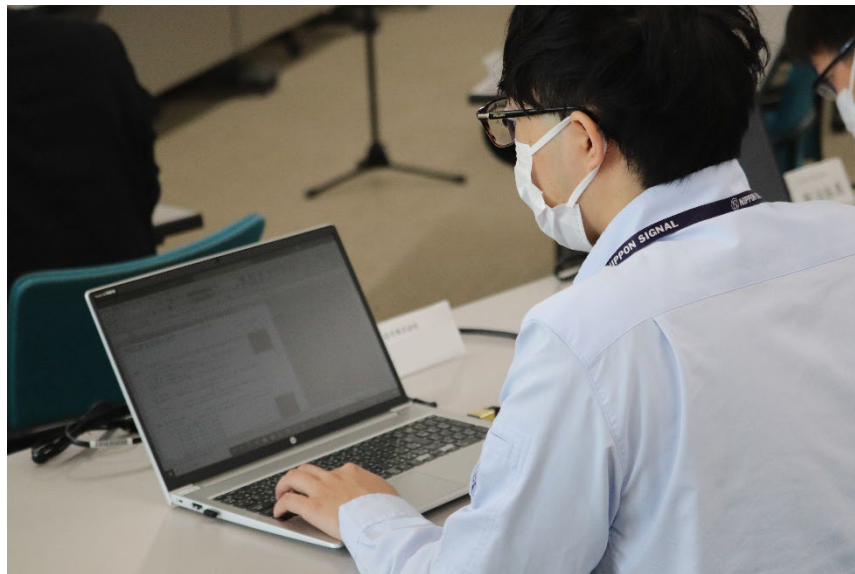
Holding Group's Software Competition

4 QUALITY EDUCATION



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

8 DECENT WORK AND ECONOMIC GROWTH



Certified as a 2023 Health & Productivity Management Outstanding Organization (large enterprise category)



Nippon Signal was certified as a 2023 Health & Productivity Management Outstanding Organization (large enterprise category) under the recognition program promoted by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi. As part of the program, a sports festival was held for the first time in three years.



Opening of the Fukuoka City Subway Nanakuma Line extension

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



The extension of Fukuoka City Subway Nanakuma Line (between Tenjin Minami and Hakata) went into operation on Monday, March 27, 2023.

Nippon Signal provided ATC/TD devices, ATO devices, relay interlocking devices, signal monitoring devices, ticket gate machines, ticket vending machines, fare-adjustment machines, window processing machines, and platform doors.



Developed and started running test for automatic train operation support system on Kagoshima Main Line



Developed an automatic train operation support system and commenced the running tests on JR Kyushu Kagoshima Main Line based on the high-performance automatic train operation (FS-ATO) system for JR Kyushu Kashii Line currently under demonstration since December 2020.



Received an order of system design for verification test of CBTC system for Seibu Railway Tamagawa Line



Received an order of the system design for verification test of communications-based train control (CBTC) system for Seibu Railway Tamagawa Line spanning 8.0 km.



Image of the system implemented

Guidance display in operation at Odori Station on Sapporo City Subway Namboku Line and Tozai Line

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AND INFRASTRUCTURE



Nippon Signal installed the passenger guidance display for Sapporo City Transportation Bureau at Odori Station on Sapporo City Subway Namboku and Tozai Lines. The renewal work is planned in sequence at other stations on these lines.



Commencement of EXPO TRAIN 2025 Osaka Monorail operation



EXPO TRAIN 2025 Osaka Monorail commenced operation to promote the theme of the Osaka-Kansai Expo. Currently, many of our products are in operation on Osaka Monorail, including ATC/TD devices, interlocking devices, movable platform railings, and ticket gates.



Kesennuma Line BRT self-driving bus operation started



As a technology to support Kesennuma Line BRT self-driving bus, Nippon Signal provided an alternate passage system to manage operation using wireless communication. The self-driving bus started practical operation between Yanaizu station and Rikuzen-yokoyama station of Kesennuma Line.



Self-driving bus of East Japan Railway Company

Participated in a demonstration test of self-driving buses for the Osaka-Kansai Expo

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Osaka Metro and several other companies, including our company, conducted a demonstration test of self-driving buses for Level 4 of automated operation to transport passengers in and around the Osaka-Kansai Expo site. Nippon Signal provided signal information for self-driving vehicles to safely and reliably pass through and stop at intersections.



Participation in the demonstration experiment under the Tochigi Prefecture ABC Project in Utsunomiya City



In conjunction with the opening of 2022 Ichigo Ichie and Tochigi National Polity, the Government of Tochigi Prefecture implemented the demonstration experiment of a driverless bus within the section between Nishikawada Station and the venue of the Tochigi National Polity. Nippon Signal provided the infrastructure support technology using the signal information linkage, cameras, and LiDAR.



Implementation of demonstration experiments of the Kuru Link Service in the Urawamisono area



Implemented the demonstration experiment towards social implementation of the last one mile automatic driving service (Kuru Link Service*) within the Urawamisono area, where a medical and welfare facility to be opened, "Saitama Stadium 2002", and large commercial facilities are scattered.



*Kuru Link...Name of the last one mile travelling service provided by Nippon Signal mainly around stations; it connects a starting point to a transport hub such as railway station, and the transport hub to the destination with an automatic drive vehicle for public transport.

Commencement of advanced PICS operation in Hokkaido



Commenced advanced PICS operation for the first time in Hokkaido at seven intersections between Sapporo Station and the Hokkaido Prefectural Police Headquarters.



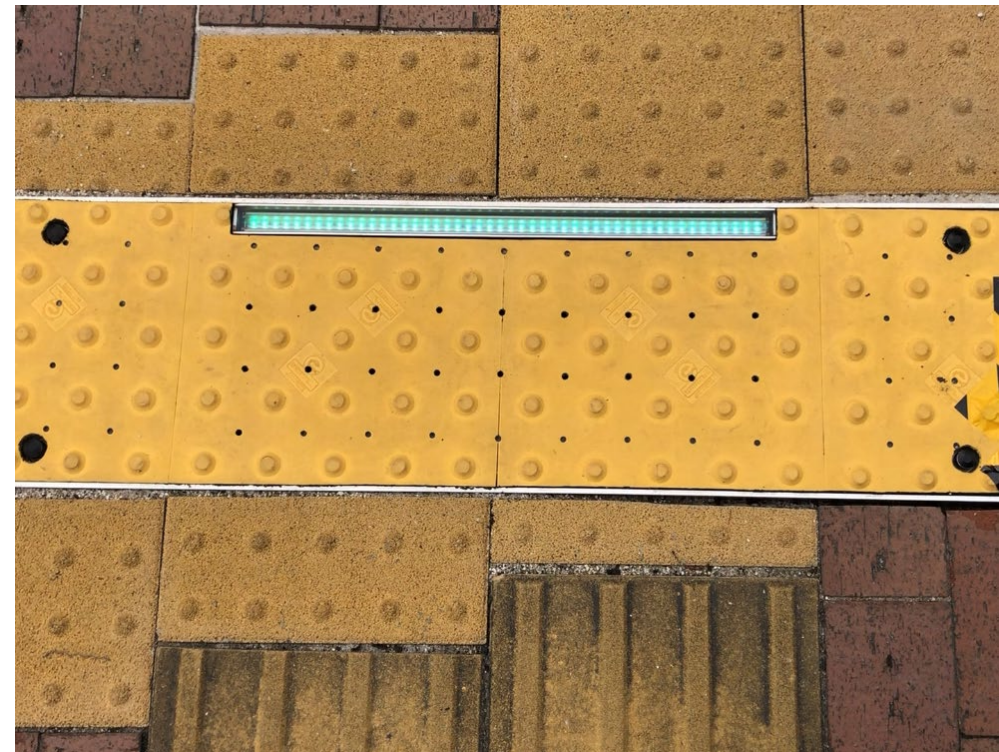
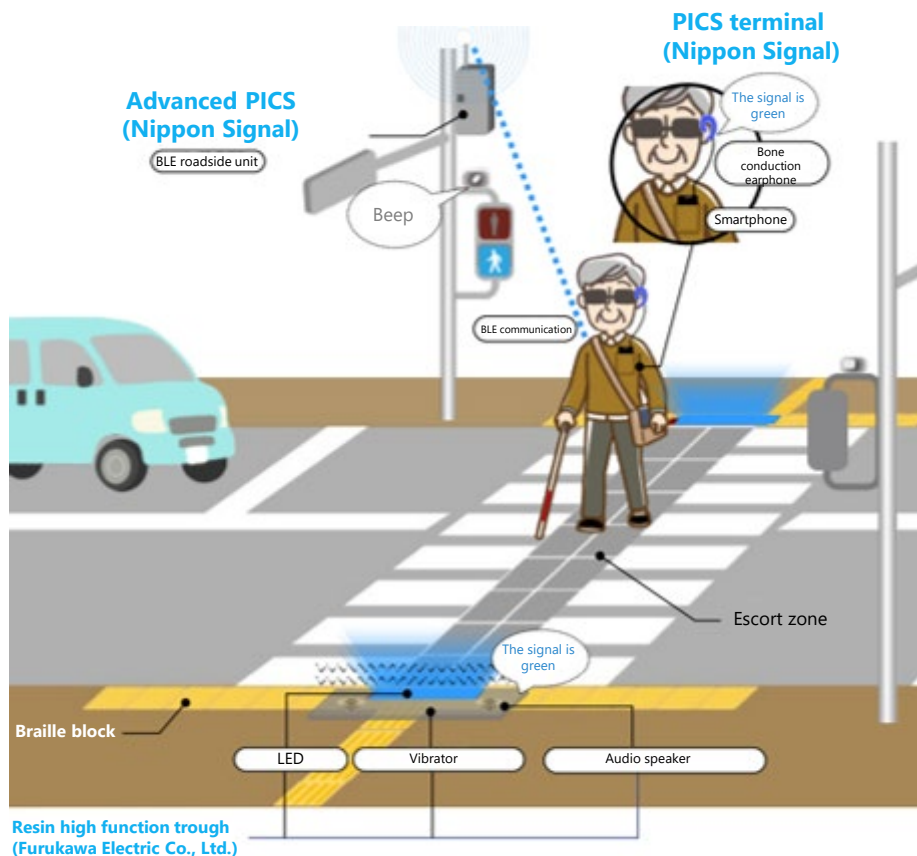
Advanced PICS trial session

Demonstration experiment for pedestrian crossing support for visually-impaired persons

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By using "advanced PICS", pedestrian signal information that is sent from the BLE roadside unit is transmitted to the resin high-function trough that is installed in the underground section of footpaths and the smartphone. The objective is social implementation of the equipment that assists mainly visually-impaired persons to cross pedestrian crossings more confidently and safely.



Opening of Nishi Kyushu Shinkansen



Nippon Signal delivered platform doors for Nishi Kyushu Shinkansen that was opened on September 23, 2022, covering 144 openings over 12 platforms of five stations in total.



Commencement of the service for allowing passengers to board with touch payment at all the stations of Enoshima Railway



For the first time in the metropolitan area, passengers are able to board trains with touch payment support cards (credit cards, debit cards, and prepaid cards) and smart phones at all the stations of Enoshima Railway from April, 2023.



Development of “Yoka Tabi Signal.com”

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Developed a service that enables passengers to purchase a digital ticket with QR code by selecting a boarding station and an alighting station with a smartphone. This service is implemented as one of the approaches for the UI enhancement through the QR code checking of digital tickets and collection of utilization data.



Commencement of delivery of new-type parking equipment for Meitetsu Kyosho Co., Ltd.

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AND INFRASTRUCTURE



Commenced delivery of integrated payment equipment with high-visibility large screen, "parking terminal". This equipment supports the construction of cashless & network parking linked terminals.



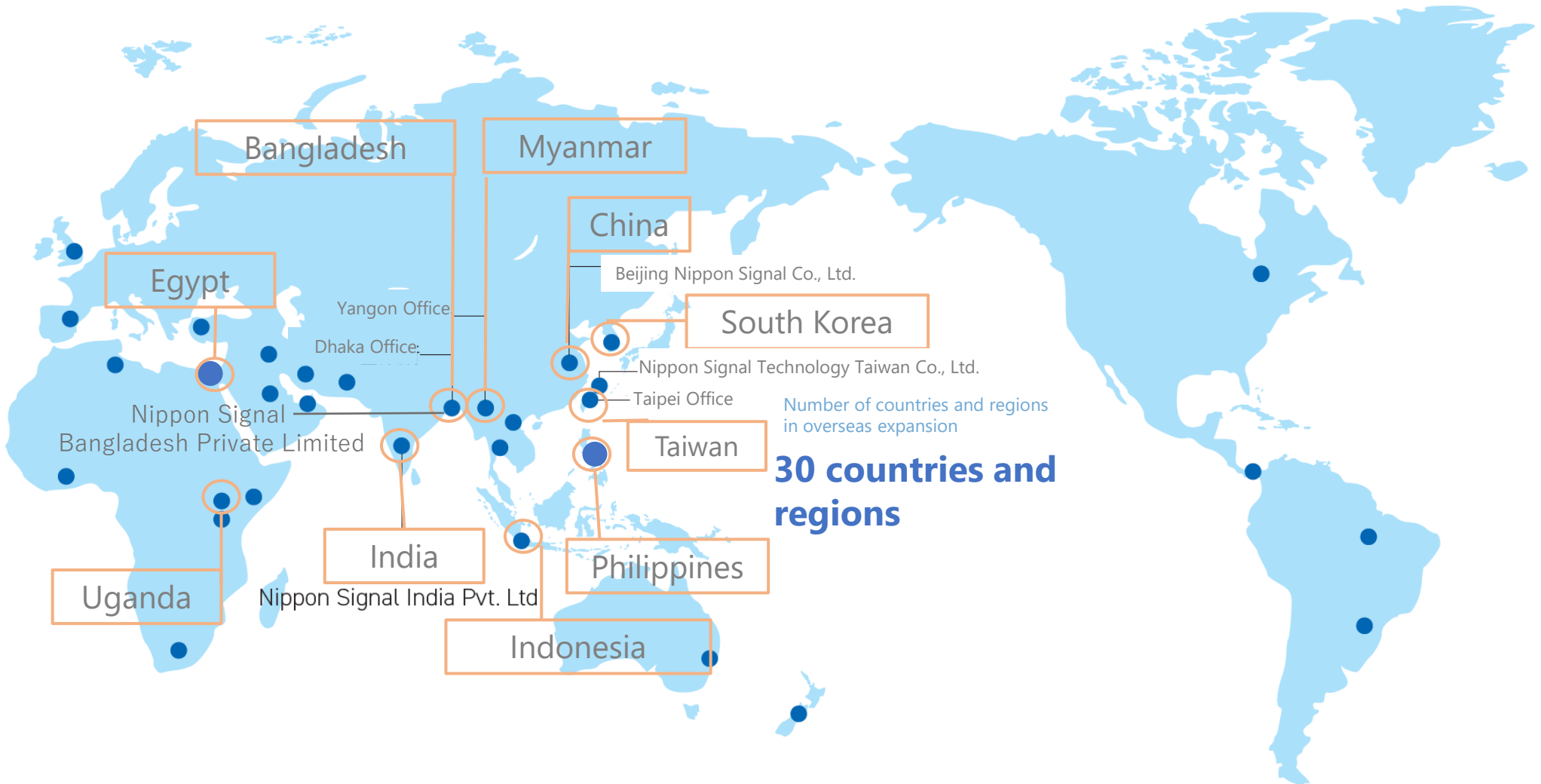
Implementation of a field test for the prototype model of the multi-functional railway heavy machinery



Implemented a field test of the multi-functional railway heavy machinery, which has been jointly developed with West Japan Railway Company and Man-Machine Synergy Effectors, Inc. Full-scale development for a product version is being carried out for the commercialization of the product by Spring of the 2024.



Addressing the Global Business

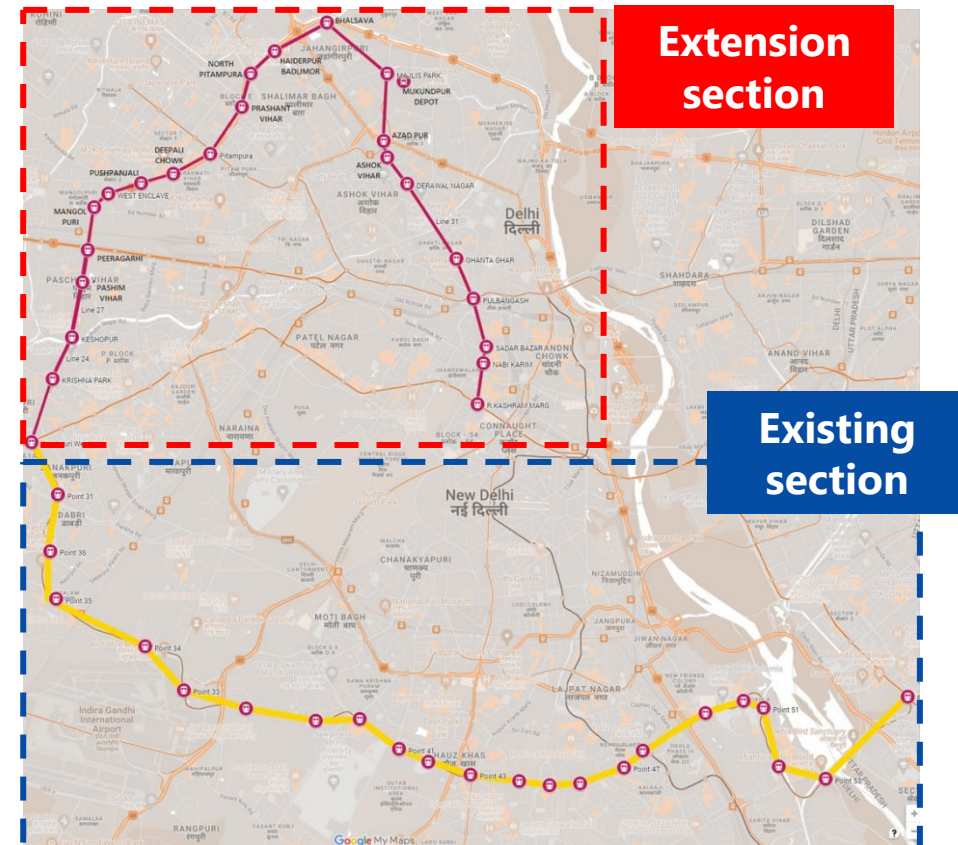


- ...Track record
- ...Planning for continuous expansion

Order received for the signal system for the extension section of Delhi Metro Line 8



By installing the signal system of Nippon Signal, Delhi Metro has achieved the opening of all the lines through manned operation in May 2018. In December 2020, fully unmanned operation was realized for the first time in India. Based on the evaluation of the performance results of safe operation in the existing sections, Nippon Signal received the order for the signal system for the extension section covering 28.92 km over 22 stations.



Opening of all the lines of Ahmedabad Metro

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Through AFC, the system of Nippon Signal, Ahmedabad Metro commenced its operation for all the two lines, the East-West line covering 18 stations over 20.7 km and the North-South line covering 15 stations 18.5 km. This is the first metro service for the citizens of Ahmedabad, which is expected to alleviate traffic congestions within the metro area.



Order received for the PSD system, a signal system, to be installed in Cairo Metro Line 4



This line covers 18.8 km in total over 16 stations. This order is the first order from Egypt for Nippon Signal.



Cairo Metro Line 3 train



Opening of Dhaka Metro Line (MRT) 6

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AND INFRASTRUCTURE



Dhaka Metro MRT Line 6 is the first metro in Dhaka and covers 20 km in total. A section of this Line, which connects from Uttara North Station to Agargaon Station covering 9 stations over 11.7 km, has been opened. Nippon signal delivered 3 systems, signal system, AFC, and PSD.



Order received for the traffic signal system of the Uganda traffic control improvement project

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The objectives of this project are the securement of smooth and stable traffic of Uganda as well as environment improvements that contribute to the growth of Uganda's economy. Nippon Signal is to deliver signal lights, signal controllers, and vehicle sensors that are to be installed in 25 intersections.



Support for TCFD

15 LIFE ON LAND



Nippon Signal contributes to effort for the achievement of the sustainable society through the propagation and maintenance of railways, which is a transport method of a low environmental impact. Nippon Signal endorses TCFD, provides products and services of low greenhouse gas emissions during the implementation as well as addressing decarbonization.

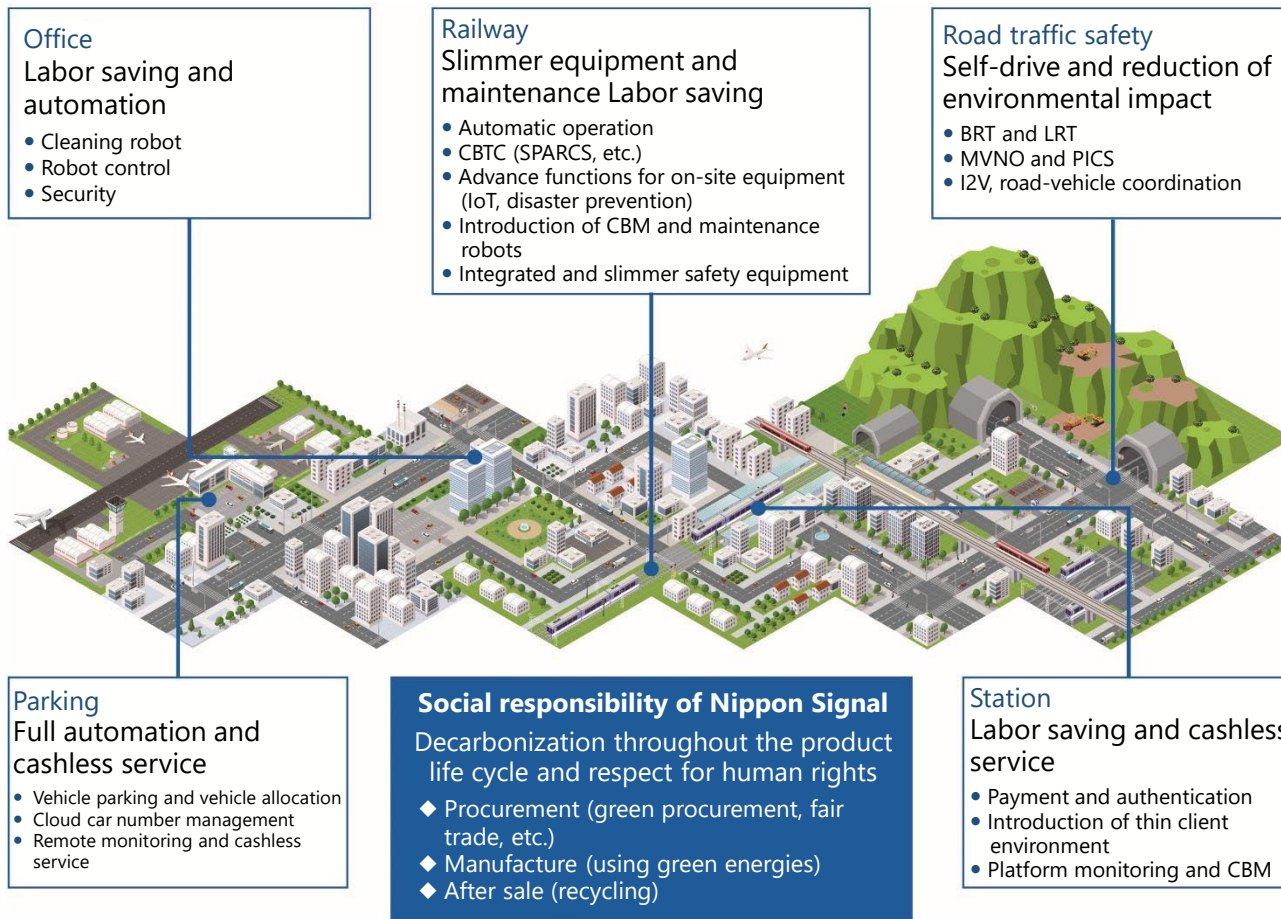


*TCFD…Task Force on Climate-related Financial Disclosures

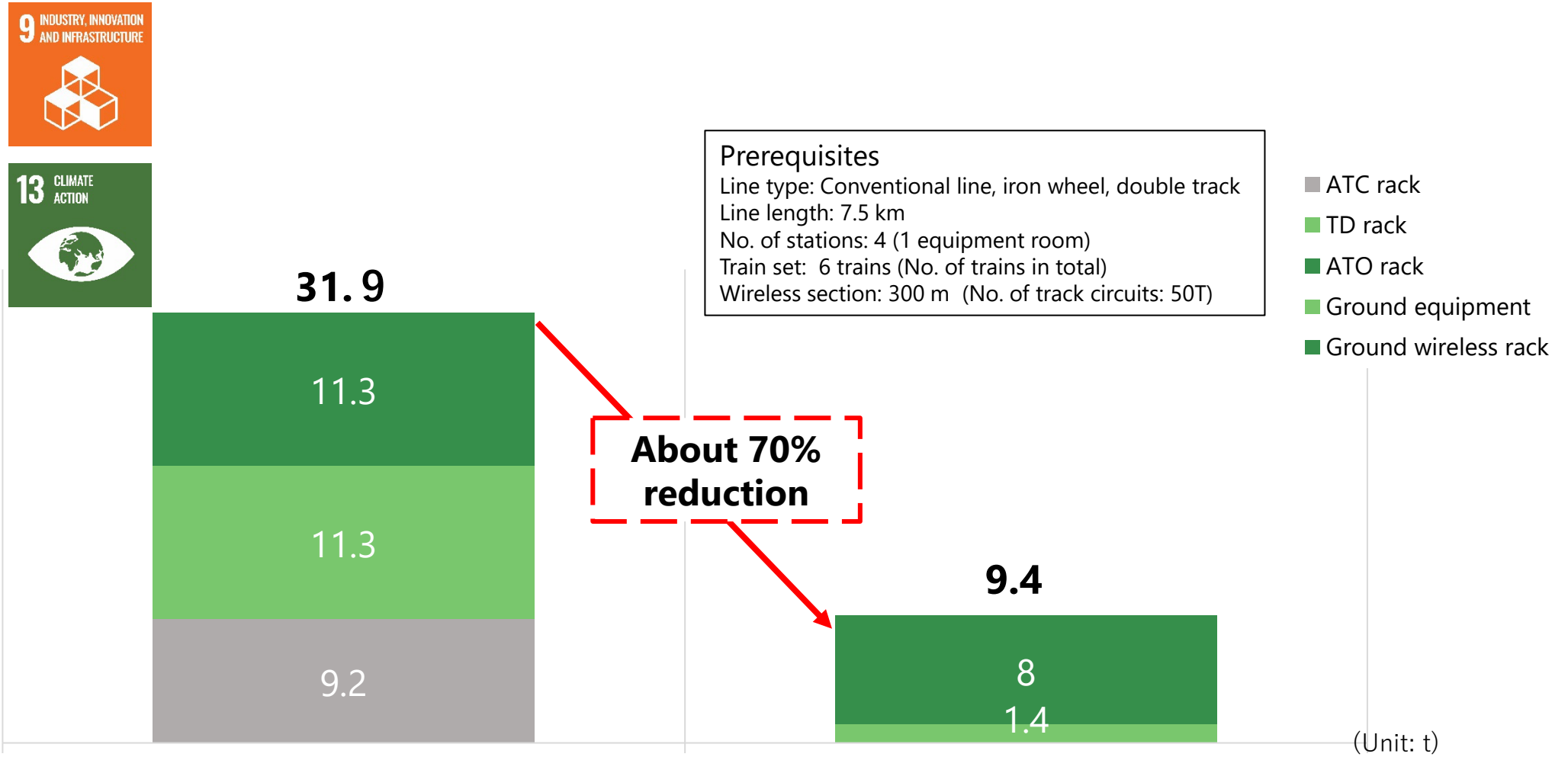
Addressing environmentally friendly products



Nippon Signal is making further efforts towards CO2 emission reduction through the construction and spread of decarbonized infrastructures including SPARCS (wireless train control system), CBM, and automatic operation.



Comparison of CO2 emission between CBTC (SPARCS) of Nippon Signal and the conventional train control units



CONVENTIONAL TRAIN CONTROL UNITS

SPARCS

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

Greenhouse gas reduction plan

For the entire product life cycle, Nippon Signal tackles the target of a 46% reduction of greenhouse gases (compared to that of 2013) by 2030 and to be carbon neutral by 2050, which are the Government's targets.



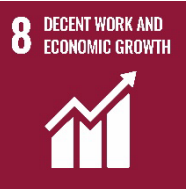
“Forest of Nippon Signal” activity



Established “Forest of Nippon Signal” in 2019 as a part of our foundation commemorative project. Nippon Signal implemented the forest conservation activity under the initiative of directors and employees of Nippon Signal.



Hosting the 9th Railway Festival



Hosted the Railway Festival at Kuki Office for the first time in 3 years. The Festival included events such as the hands-on experience of a table block instrument and operation simulator and received 3,100 visitors, which is the highest in our records.



Support for Children's Dream Plaza "Bolero"



Supported Children's Dream Plaza "Bolero", as a part of the human resource development and path development.

Ms. Michie Koyama, pianist, planned and hosted the project in Japan to provide children who have suffered from the Great East Japan Earthquake with new dreams and hopes. In 2022, Nippon Signal presented its own booth.



Support for the 19th Gold Concert



Nippon Signal has been supporting the International Performance Arts Competition for People with Disabilities since 2014 as a part of CSR activities. This year, we presented a Nippon Signal Prize to the person who is awarded the Audience Prize.



Award presentation (Photograph: Katsusuke Nishina)

Introduction of SIGNAL MOVIES

The screenshot shows the NIPPON Signal website's 'SIGNAL MOVIES' page. At the top left is the NIPPON Signal logo. To its right are language options: 'english', '中文', and 'お問い合わせ'. A search bar is located to the right of these options. Below the logo, a navigation menu includes 'EVOLUTION 100', '事業領域', '買材調達情報', '企業情報', '投資家情報', 'サステナビリティ', '研究開発', and '採用情報'. The main header area is a large blue rectangle with the text 'SIGNAL MOVIES (映像コンテンツ)'. Below this, a breadcrumb trail reads 'ホーム > SIGNAL MOVIES (映像コンテンツ)'. The section title 'SIGNAL MOVIES' is followed by a horizontal line. Underneath, the sub-section '<会社案内映像>' is displayed. Two video thumbnails are shown: the first is titled '会社案内~Next Stage~' and shows a modern building; the second is titled 'インフラの進化を支える' and shows a highway interchange with the text 'NECのSP/AGBをさらに活用' overlaid.

↓ You can access this website here.



The earnings forecasts and so on are based on the information available at the current point of time and certain preconditions that are judged to be reasonable, and the actual earnings may vary significantly from these forecasts due to various factors.