

May 14, 2024

To whom it may concern

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Establishment of medium-term management plan "Realize-EV100" and
"Actions to realize management with the capital cost and the stock price in mind"

This is to announce that Nippon Signal Co., Ltd. (headquartered in Chiyoda-ku, Tokyo and represented by Hidehiko Tsukamoto, President, CEO, COO) established medium-term management plan "Realize-EV100" covering the period up to the 100th anniversary of its foundation (fiscal years 2024 through 2028).

At the same time, the Company set target values regarding "actions to realize management with the capital cost and the stock price in mind."

SUMMARY

1. An overview of the medium-term management plan

Under "Realize-EV100," the Company will commit itself to realize three goals, including "the next stage of new businesses and products," "the next stage of international operations," and "the next stage of manufacturing" by 2028, which marks the 100th anniversary of its foundation, and promote ESG-oriented management for sustainable growth in light of changes in the external environment, while maintaining the group's unchanged values.

(1) The next stage of new businesses and products

DX-based new businesses, energy-saving products, and decarbonization solutions

(2) The next stage of international operations

Market expansion in India, Africa and Taiwan, profitability improvement, strengthening of local capabilities

(3) The next stage of manufacturing

Design/manufacturing efficiency improvement, software personnel enhancement, efficiency optimization for the entire group

2. Actions to realize management with the capital cost and the stock price in mind

(1) Policy regarding the determination of surplus dividends etc.

The Company recently changed its basic policy on dividends and set a consolidated dividend payout ratio of 30% or more and a DOE of at least 2.0% as its near-term targets in principle. Today, it announced a dividend increase in light of its profits.

(See the notice regarding a surplus dividend.)

(2) Capital and financial strategies

The Company will balance growth investment with profit return to shareholders while securing financial soundness.

(3) PBR and ROIC enhancement

The Company will improve both its profitability and capital to enhance PBR and ROIC.

- The Company plans an ROE of 10.0%* or more as the indicator to measure its progress toward a PBR of 1.0 or more.

- With an estimated WACC at 6.0%, the Company aims to achieve an ROIC of 9.0%* or more.

(* Target values for the final year of the medium-term management plan)

(4) Reduction of shares held for policy reasons

The Company will continue to reduce them in light of their necessity, such as business partnerships.