

## Nippon Signal's business collaboration with Indian Railways Signaling System Manufacturing Company

Nippon Signal hereby announces the business and capital alliance with Indian Railways Signaling Manufacturing Company named G.G. Tronics India Private Limited (hereinafter "GGT") by acquiring 34% outstanding shares of GGT.

## 1. The Purpose for Share Acquisition

Nippon Signal formulated "Vision-2020 3E," a 12-year, long-term management plan inculcating business expansion towards global demand. To achieve this long-term management plan, in India, we have been supplying Railway Infrastructure System such as Railway Signaling System and AFC system to Chennai Metro, Delhi Metro Line 8, and, Ahmedabad Metro. In 2015, to expand Indian subcontinent oriented business, we have established our 100% Indian subsidiary, "Nippon Signal India Private Limited".

GGT possess high technical skill and it is currently focusing expansion of business by supplying railway products to Indian Railways. We have decided to invest and collaborate with GGT, considering the integration of Nippon Signal's "Safety & Reliability" related technology and GGT's relevant expertise and know-how cultivated in Indian Railway market which will ultimately accelerate the Nippon Signal Group's business operations in India including product development for high speed rail project.

## 2. GGT Company Profile

- 1) Name of Company : G. G. Tronics India Private Limited
- 2) Head Office : Bengaluru, Karnataka, Republic of India
- 3) Business Activities : Design, Manufacture, Installation, Maintenance, Research & Development of Railway Signaling System. (Above 30% Single Selection Digital Axle Counter (SSDAC) market share in India according to an investigation by us)
- 4) Founded : 1991
- 5) Revenue : INR 439 million (JPY 716 million) ( On fiscal year ending March 2017) \* INR 1 = JPY 1.63
- 6) Employees : Approximately 250

## 3. The details of Business Collaboration

Nippon Signal will continue to develop, design, manufacture, and sales of high quality Railway Signaling System in Indian Market through technical collaboration and personnel exchanges with GGT.

## 4. Future Prospects

The impact of our business performance for the fiscal year ending March 31, 2019 will be negligible. We expect this investment to contribute to the performance improvement of our business in the medium- to long-term period.

## Inquiries:

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