

FY2023 2Q Financial Results
(Six Months Ended September 30, 2023)
(Under Japanese GAAP)

Chino Corporation

(6850 : Prime Market of Tokyo Stock Exchange)

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1. FY2023 2Q Financial Results

(1) Financial Highlights


Consolidated Financial Results for the Six Months Ended September 30, 2023


Orders received >> 13,009 million yen ▲8.3% yoy 

Net sales >> 12,000 million yen 16.8% yoy 

Orders decreased year on year, despite continued demand for decarbonization-related products (fuel cell testing systems and water electrolysis testing systems), due in part to the high level of results in the same period of the previous fiscal year. Net sales increased due to steady capital investment by our customers (manufacturing industry) and stabilized production as the supply shortage of parts and materials was resolved with some exceptions.

<Profitability>

Operating profit >> 914 million yen 69.7% yoy 

Ordinary profit >> 1,064 million yen 38.2% yoy 

Profit attributable to owners of parent >> 618 million yen 38.4% yoy 

Profit increased in all items due to SG&A cost containment, revision of selling prices, and the effect of increased sales.

(2) Performance Summary (1)

◇ Consolidated Results

(Millions of yen)

	FY2022 2Q	FY2023 2Q	change	
Orders received	14,182	13,009	▲ 1,173	▲8.3%

	FY2022 2Q	FY2023 2Q	change	
Net sales	10,273	12,000	1,727	16.8%
Gross profit	3,338	3,813	475	14.2%
<% of Net sales>	<32.5%>	< 31.8% >	<▲0.7p>	
Operating profit	538	914	375	69.7%
<% of Net sales>	<5.2%>	< 7.6% >	<2.4p>	
Ordinary profit	770	1,064	294	38.2%
<% of Net sales>	<7.5%>	< 8.9% >	<1.4p>	
Profit attributable to owners of parent	446	618	171	38.4%
<% of Net sales>	<4.3%>	< 5.2% >	<0.9p>	

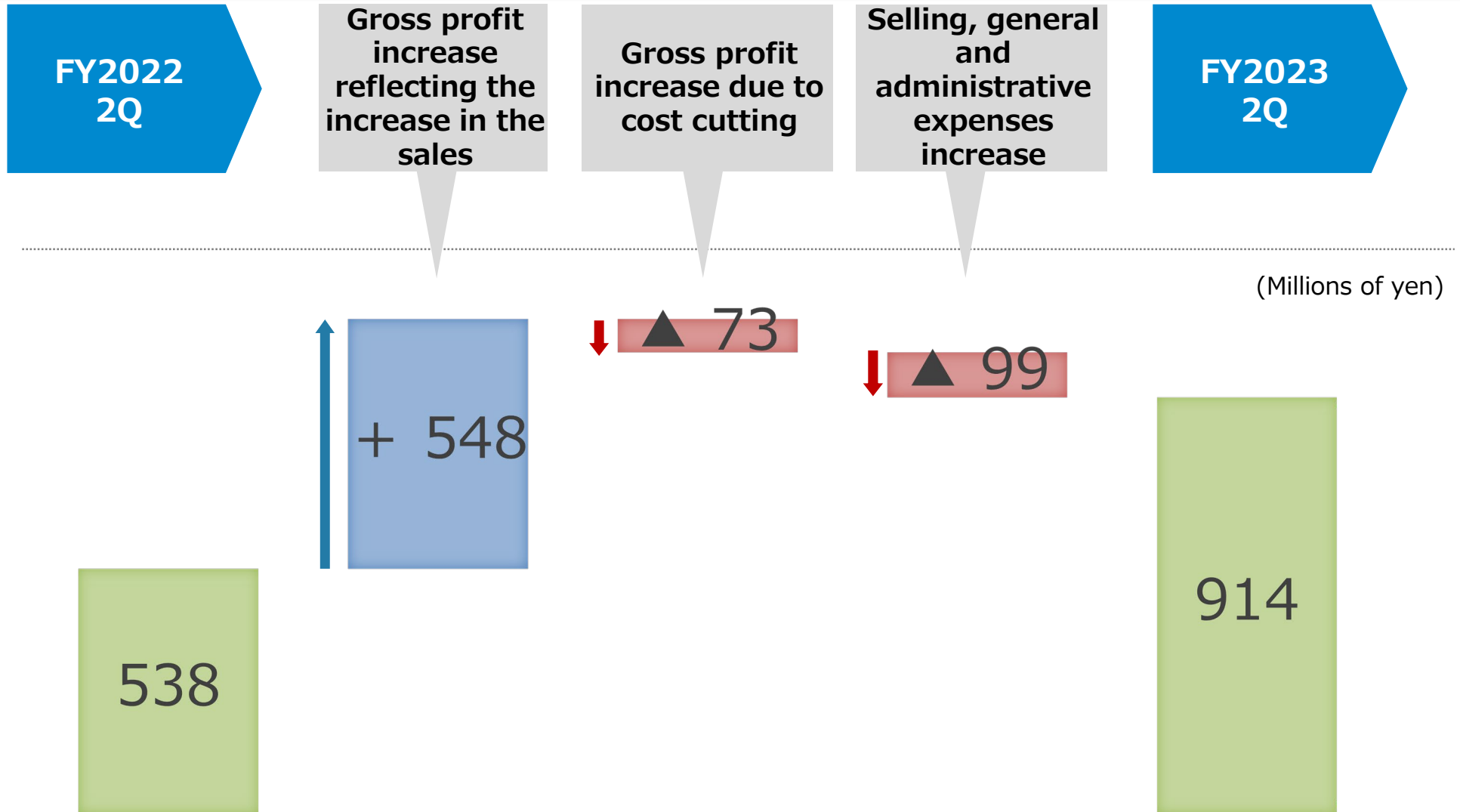
(2) Performance Summary (2)

◇ Business Results by Segment

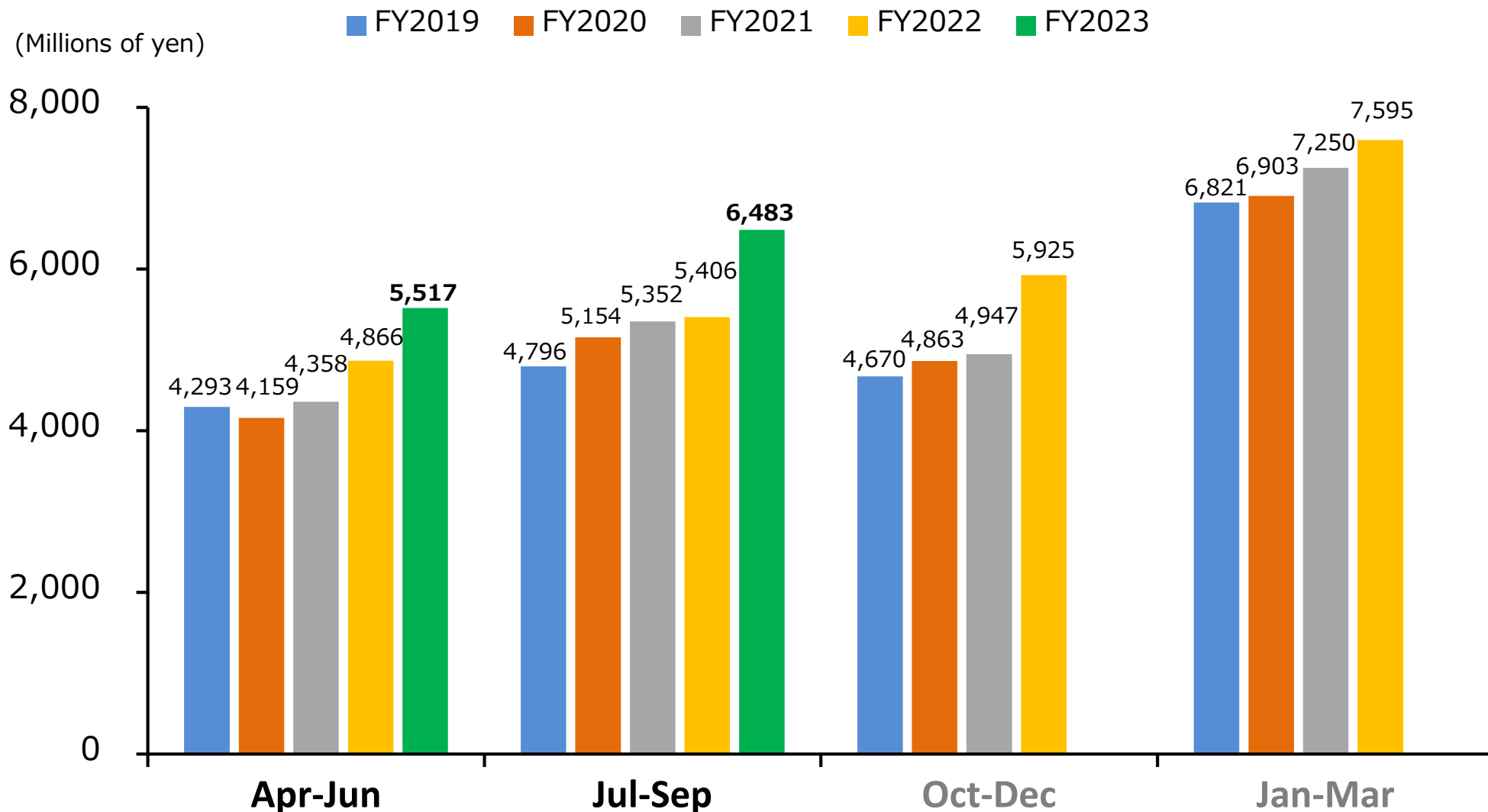
(Millions of yen)

	Orders received				Net sales				Segment profit(Operating profit)			
	FY2022 2Q	FY2023 2Q	Change		FY2022 2Q	FY2023 2Q	Change		FY2022 2Q	FY2023 2Q	Change	
Measurement & Control Instruments	4,307	4,166	▲ 141	▲ 3.3%	3,781	4,524	743	19.7%	425	598	172	40.6%
Instrumentation Systems	5,926	4,774	▲ 1,152	▲ 19.4%	2,849	3,486	636	22.3%	363	532	169	46.7%
Sensor	3,570	3,656	85	2.4%	3,208	3,537	328	10.2%	481	622	141	29.4%
Other	377	412	34	9.2%	433	452	18	4.3%	95	97	2	2.6%
Corporate expenses									▲ 825	▲ 936	▲ 110	—
Total	14,182	13,009	▲ 1,173	▲ 8.3%	10,273	12,000	1,727	16.8%	538	914	375	69.7%

(3) Analysis of Increase/Decrease in Operating Profit



(4) Net sales



(5) Performance Trends by Segment

<Measurement & Control Instruments>

Profit and Loss

Net sales

4,524 million yen

19.7% yoy



Segment Profit

598 million yen

40.6% yoy

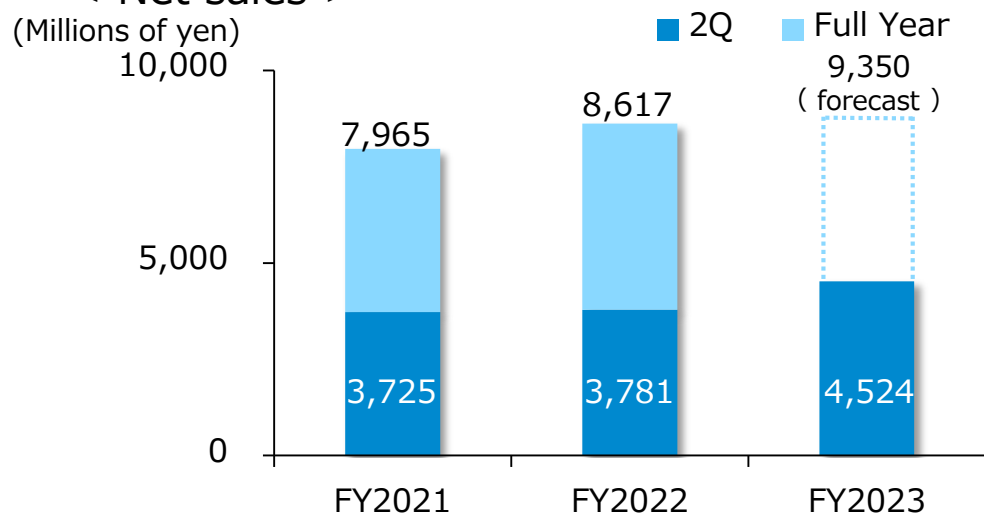


Status by Product

- Demand remained at high levels, mainly for semiconductor/electronic component-related manufacturing systems and heat processing equipment.
- Demand for the Company's products was strong also in overseas markets, particularly China and South Korea.
- Profit increased significantly year on year due to the effect of higher sales, etc. (※ 2Q of the previous fiscal year was affected by the supply chain disruption caused by the blockade of a Chinese city, which affected production sales of some products.)

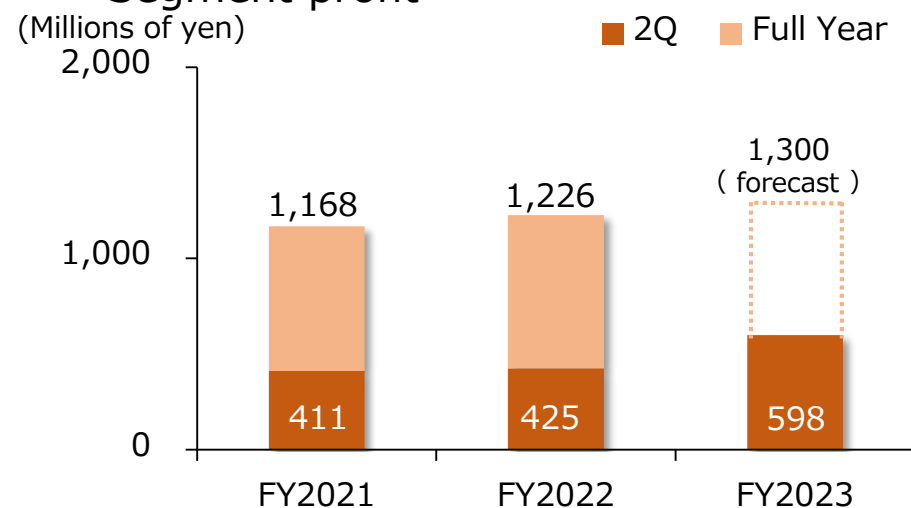
< Net sales >

(Millions of yen)



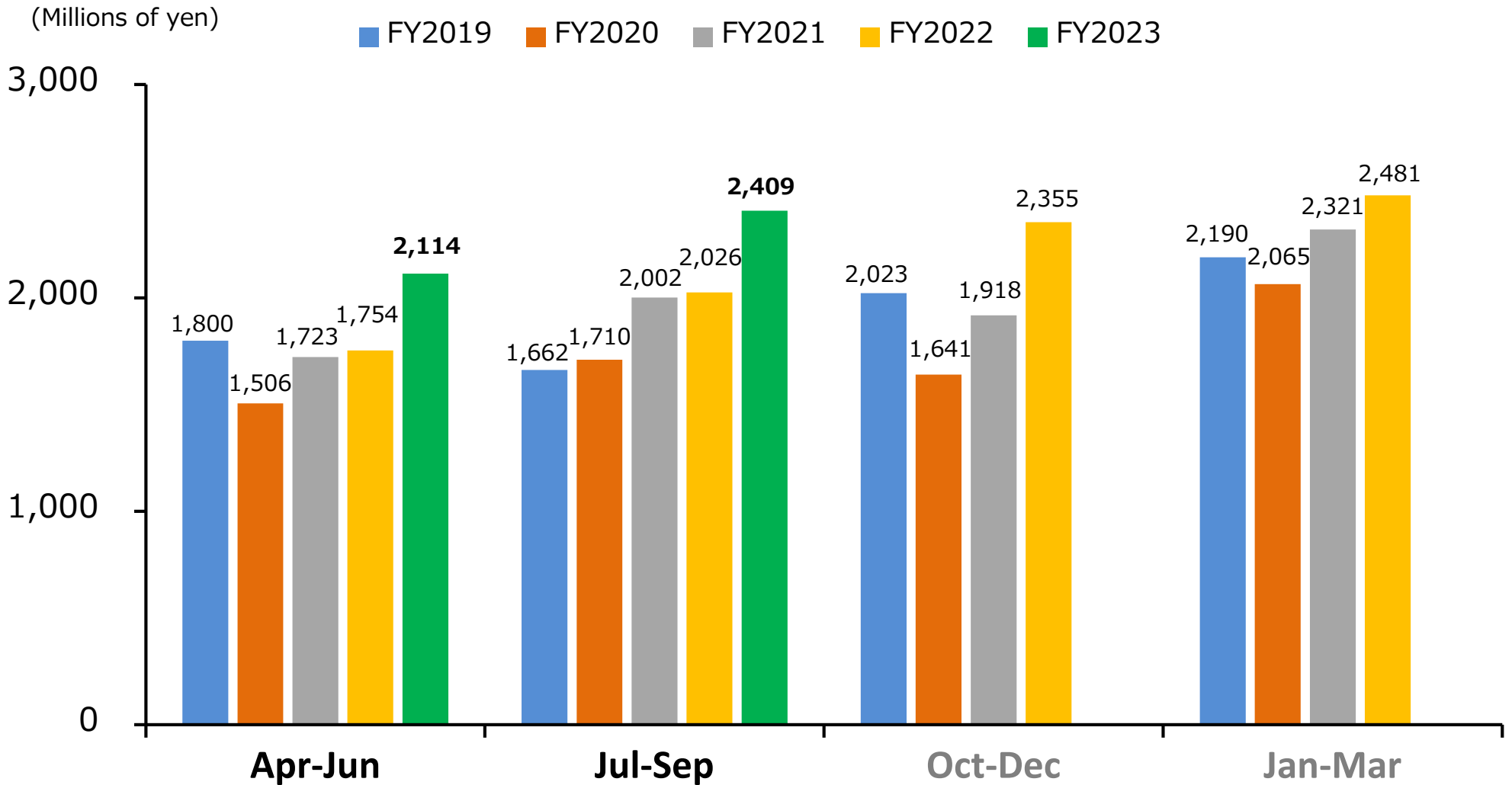
< Segment profit >

(Millions of yen)



(5) Sales Trends

<Measurement & Control Instruments>



(5) Performance Trends by Segment

<Instrumentation Systems>

Profit and Loss

Net sales



3,486 million yen

22.3% yoy



Segment Profit



532 million yen

46.7% yoy

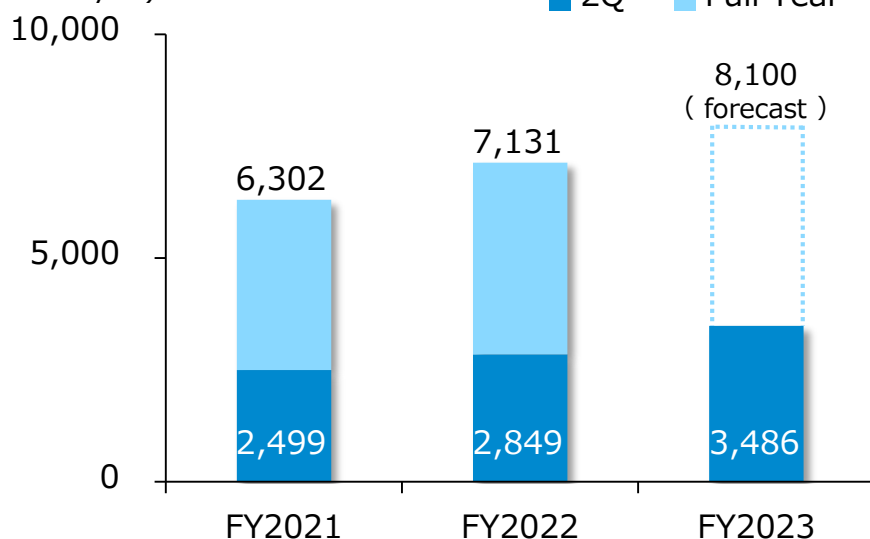


Status by Product

- Continued demand for fuel cell testing systems for automobiles and other decarbonization-related applications, as well as water electrolysis testing systems for research and development of hydrogen energy use.
- Demand for compressor performance testing systems increased for equipment compatible with natural refrigerants.
- Profit increased significantly year on year due to the effect of higher sales, etc.

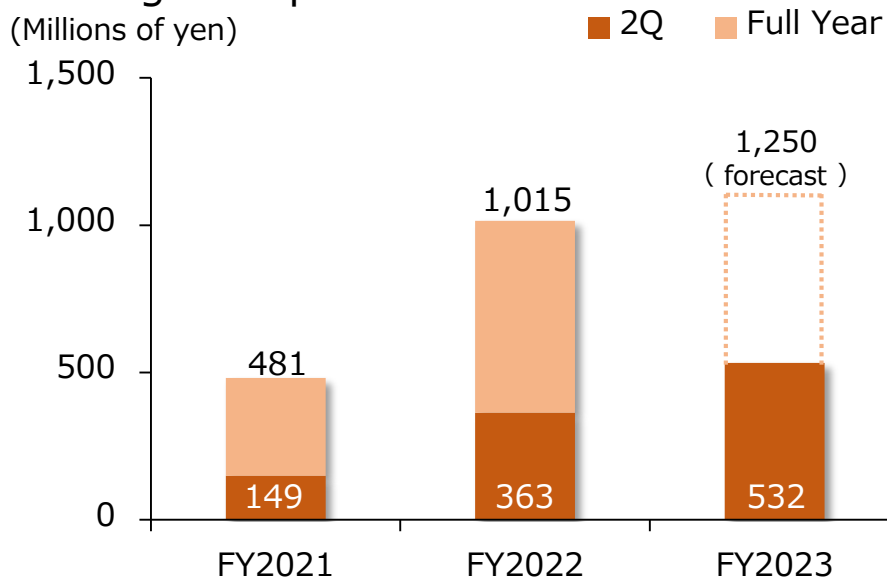
< Net sales >

(Millions of yen)



< Segment profit >

(Millions of yen)

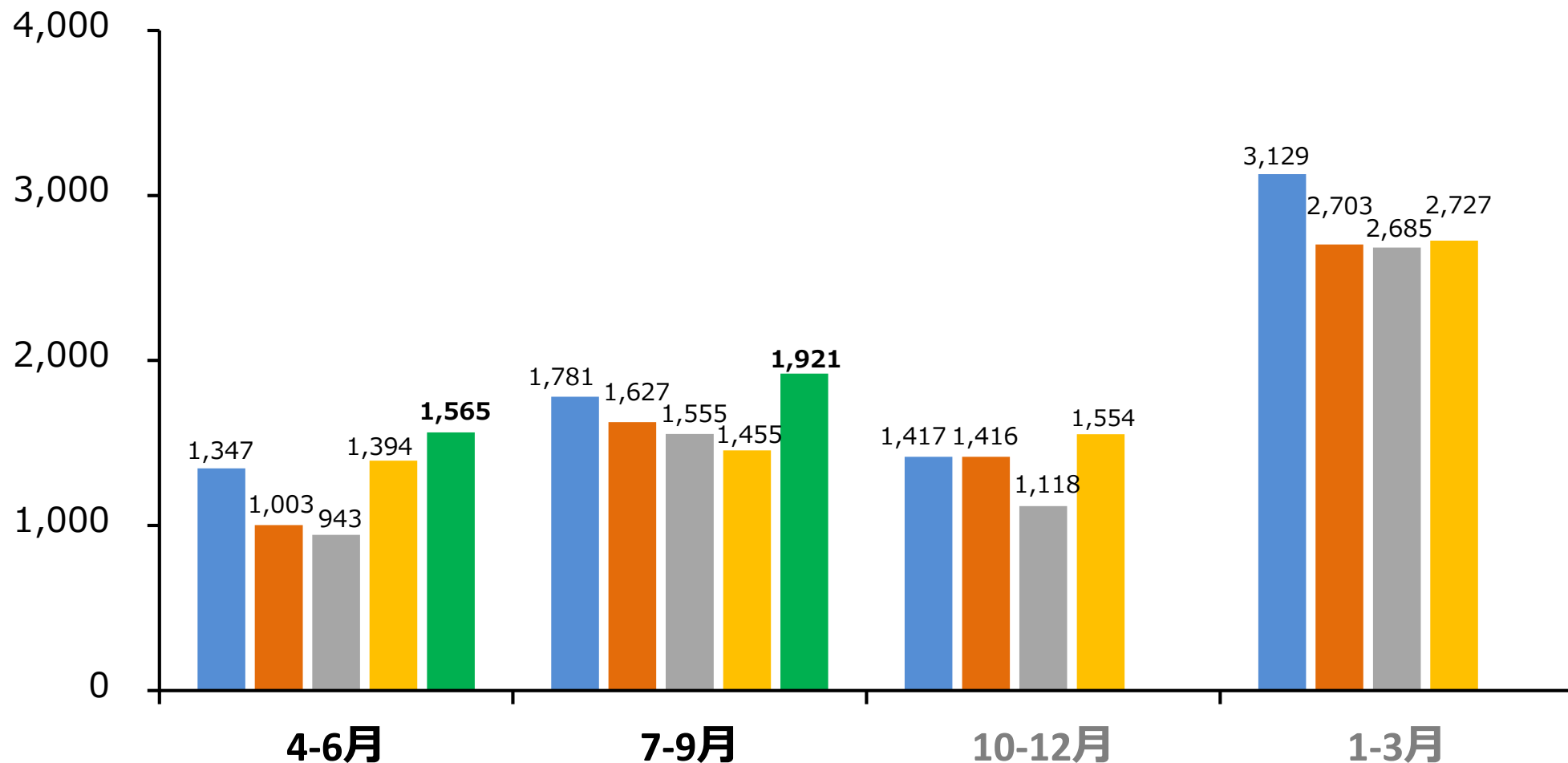


(5) Sales Trends

<Instrumentation Systems>

FY2019 FY2020 FY2021 FY2022 FY2023

(Millions of yen)



(5) Performance Trends by Segment

<Sensor>

Profit and Loss

Net sales

3,537 million yen

10.2% yoy



Segment Profit

622 million yen

29.4% yoy

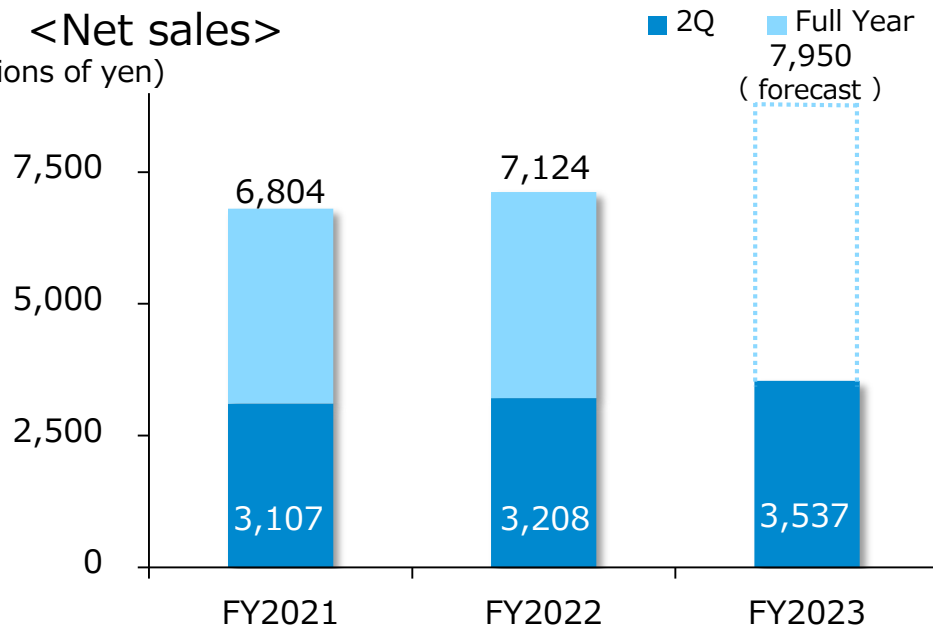


Status by Product

- There is strong demand for both infrared radiation thermometers and temperature sensors for use in semiconductor-related manufacturing systems.
- Demand for temperature sensors that meet AMS also remained robust.
*AMS: specifications for special process in the aerospace industry
- Profit increased significantly year on year due to the effect of higher sales, etc.

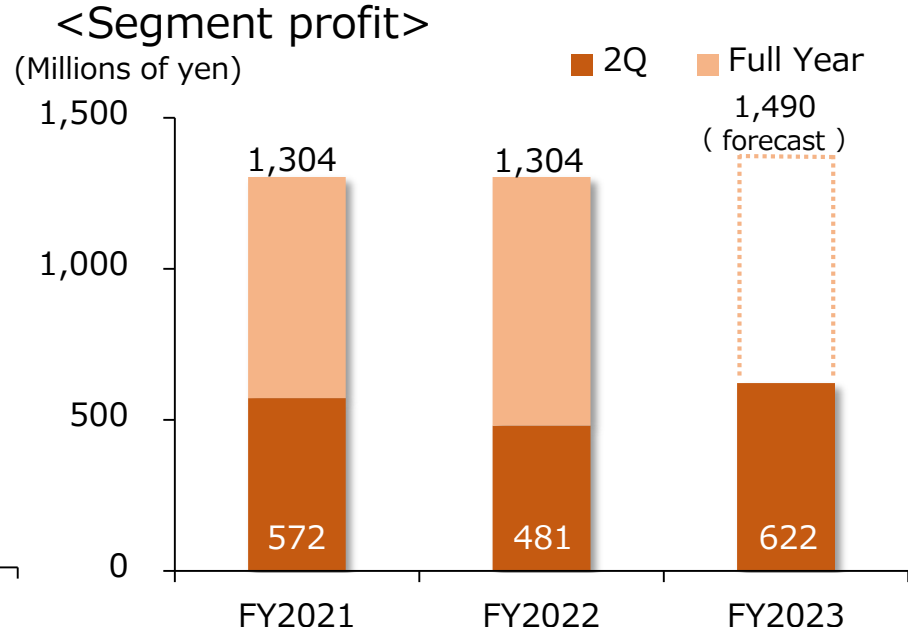
<Net sales>

(Millions of yen)



<Segment profit>

(Millions of yen)

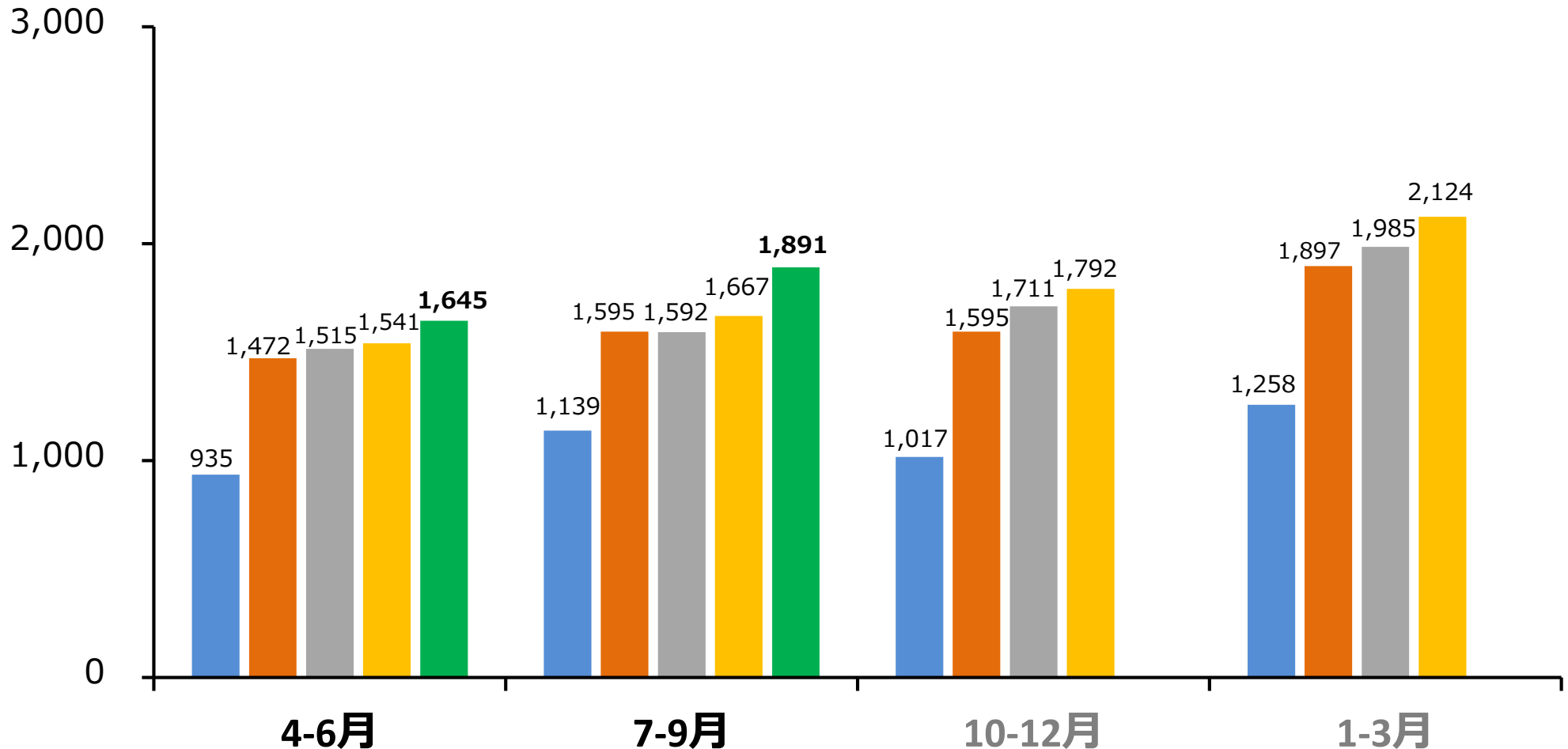


(5) Sales Trends

<Sensor>

(Millions of yen)

FY2019 FY2020 FY2021 FY2022 FY2023



(6) Consolidated Balance Sheet

- Assets: Total assets decreased by 282 million yen from the end of the previous fiscal year due to a decrease in trade receivables, cash and deposits, etc., while inventories increased.
- Liabilities: Non-current liabilities decreased 202 million yen due to a decrease in long-term borrowings, and current liabilities decreased 572 million yen due to a decrease in trade payables, resulting in total liabilities of 774 million yen less than at the end of the previous period.
- Net assets: Net assets increased 492 million yen from the end of the previous period, mainly due to an increase in quarterly profit.

(Millions of yen)

Item	End of Mar.2022	End of Sep.2023	Change
Current assets	26,322	25,563	▲ 759
Cash and deposits	9,176	7,291	▲ 1,885
Accounts receivable	8,281	7,269	▲ 1,012
Inventories	8,576	10,711	2,134
Other	287	292	4
Non-current assets	9,967	10,443	476
Property, plant and equipment	5,578	5,832	253
Intangible assets	436	403	▲ 33
Investments and other assets	3,952	4,207	255
Total assets	36,289	36,007	▲ 282

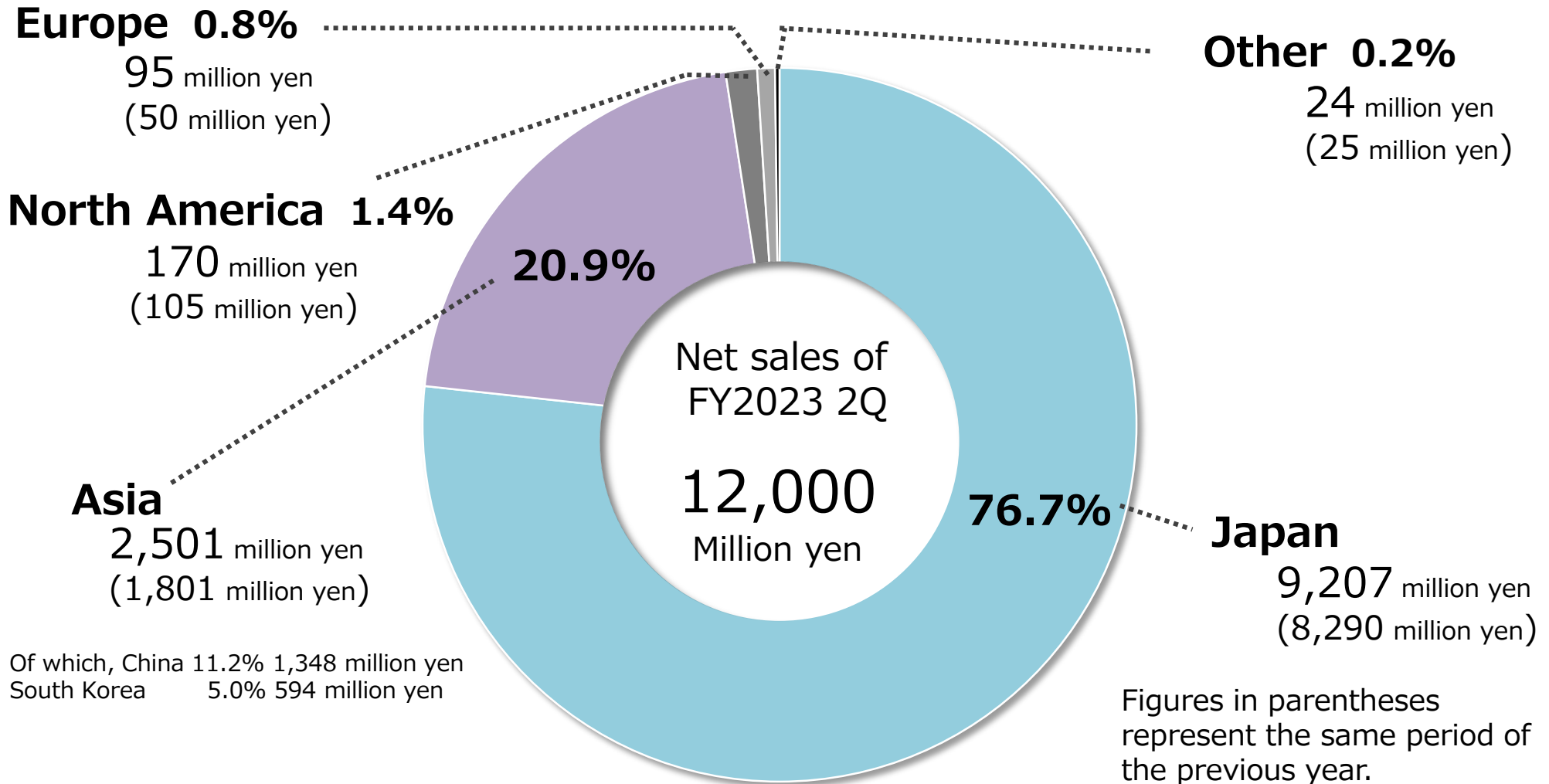
Item	End of Mar.2022	End of Sep.2023	Change
Current liabilities	10,489	9,917	▲ 572
Accounts payable	5,317	5,173	▲ 144
Short-term borrowings	1,724	1,673	▲ 51
Other	3,446	3,070	▲ 376
Non-current liabilities	4,225	4,023	▲ 202
Long-term borrowings	1,660	1,480	▲ 179
Other	2,565	2,543	▲ 22
Total net assets	21,574	22,066	492
Total shareholders' equity	18,471	18,662	190
Total accumulated other comprehensive income	312	602	290
Non-controlling interests	2,790	2,801	10
Total liabilities and net assets	36,289	36,007	▲ 282

Equity ratio: 53.5% end of Sep.2023

51.8% end of Mar.2023

(7) Net Sales by Region

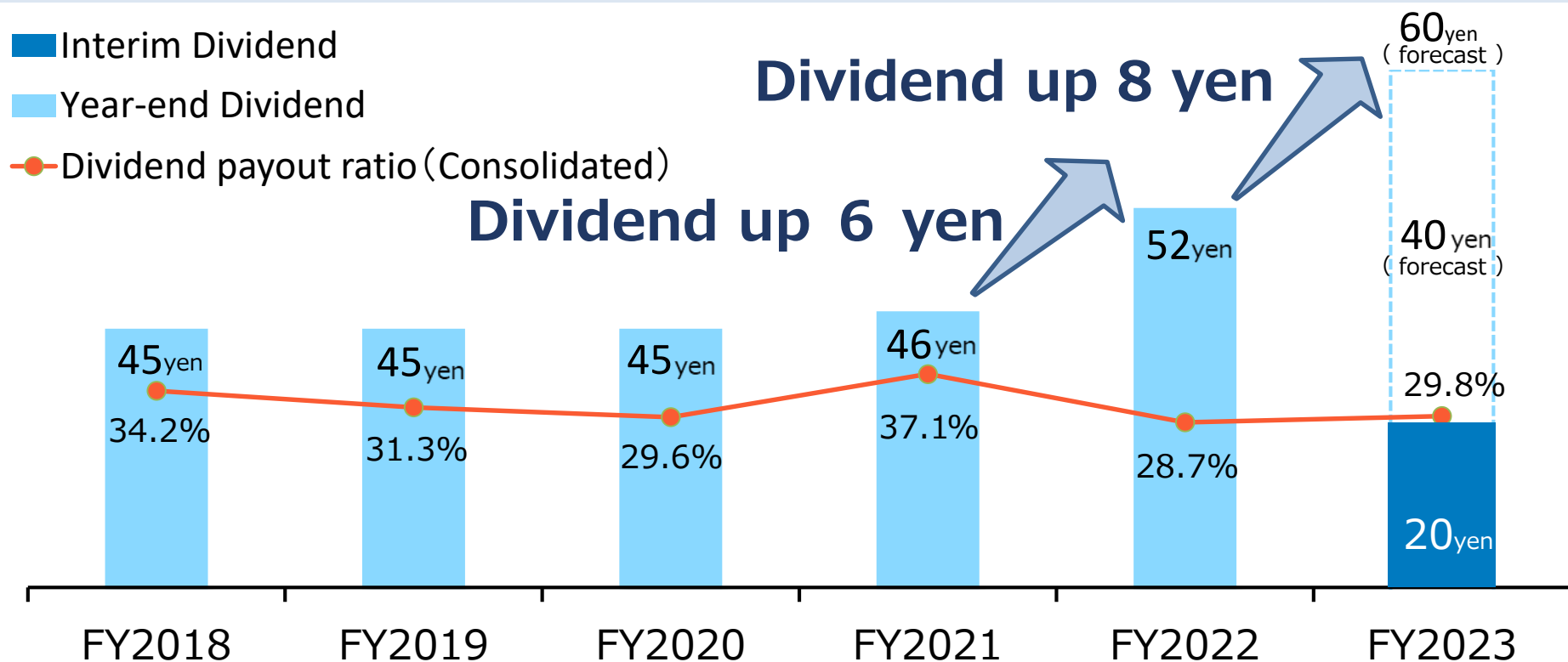
- Domestic sales increased 916 million yen year on year.
Overseas sales increased 810 million yen (700 million yen in Asia (mainly China and Korea)).



2. Shareholder Returns

Shareholder returns

- FY2023 interim dividend : **20 yen**
 - FY2023 year-end dividend (forecast) : **40 yen**
- } **60 yen** (forecast)
(Dividend up **8 yen** from FY2022)



※ Share buyback: 120 million yen (100,000 shares) from December 2016 to May 2017
Retirement of treasury stock: 300,000 shares in July 2017

3. Topics

Issued "Chino Report 2023"

In October 2023, we issued the Chino Report 2023, which integrates financial and non-financial information, and made it available on our website.

This annual report is intended to provide shareholders and investors with a better understanding of the Group's business activities and medium to long term management initiatives.

Using this report as one of our communication tools, we will further promote dialogue with our stakeholders and continue our efforts to enhance our corporate value over the medium to long term.

<URL> https://www.chino.co.jp/csr/csr_report/



4. Forecast for FY2023

Forecast for FY2023

(Revised announcement on November 10, 2023)

- We have revised our full-year forecast for FY2023, taking into account the progress of our performance in the first half of the year and the situation in the second half of the year, where we expect to see continued demand from our major customers (in the automotive and electronic components sectors, etc.) for hydrogen-related products to help them decarbonize their operations.

(Millions of yen)

	FY2023 Revised Forecast (Announced on November 10, 2023)	FY2023 Initial Forecast (Announced on May 12, 2023)	Change	
Net sales	26,400	26,000	400	1.5%
Operating profit	2,420	2,150	270	12.6%
Ordinary profit	2,620	2,350	270	11.5%
Profit attributable to owners of parent	1,710	1,550	160	10.3%

The forward-looking statements contained in this document are not guarantees of future performance. Based on information currently available to the Company and its group companies. This includes potential risk and uncertainties.

Accordingly, actual results may differ from these forecasts due to the economic environment surrounding our business, demand trends, and other factors.

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