

FY2024 2Q Financial Results
(Six Months Ended September 30, 2024)
(Under Japanese GAAP)

Chino Corporation

(6850 : Tokyo Stock Exchange Prime Market)


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1. FY2024 2Q Financial Results


(1) Financial Highlights


Consolidated Financial Results for the Six Months Ended September 30, 2024

Orders received >> 12,926 million yen ▲0.6% yoy 

Net sales >> 13,166 million yen 9.7% yoy 

- Orders decreased YoY due to the timing of orders in the instrumentation systems segment, but demand for decarbonization-related products (fuel cell testing systems and water electrolysis testing systems) continued.
- Net sales increased due to steady capital investment by our customers.

Operating profit >> 1,066 million yen 16.7% yoy 

Ordinary profit >> 1,143 million yen 7.4% yoy 

Profit attributable to owners of parent >> 633 million yen 2.5% yoy 

- Profit increased due to the effect of increased sales, ongoing cost reduction efforts, and product price revisions (implemented in April of this year).

(2) Performance Summary (1)

◇ Consolidated Results

(Millions of yen)

	FY2023 2Q	FY2024 2Q	change	
Orders received	13,009	12,926	▲ 83	▲0.6%

	FY2023 2Q	FY2024 2Q	change	
Net sales	12,000	13,166	1,166	9.7%
Gross profit	3,813	4,204	390	10.2%
<% of Net sales>	<31.8%>	<31.9%>	<0.1p>	
Operating profit	914	1,066	152	16.7%
<% of Net sales>	<7.6%>	<8.1%>	<0.5p>	
Ordinary profit	1,064	1,143	78	7.4%
<% of Net sales>	<8.9%>	<8.7%>	<▲0.2p>	
Profit attributable to owners of parent	618	633	15	2.5%
<% of Net sales>	<5.2%>	<4.8%>	<▲0.4p>	

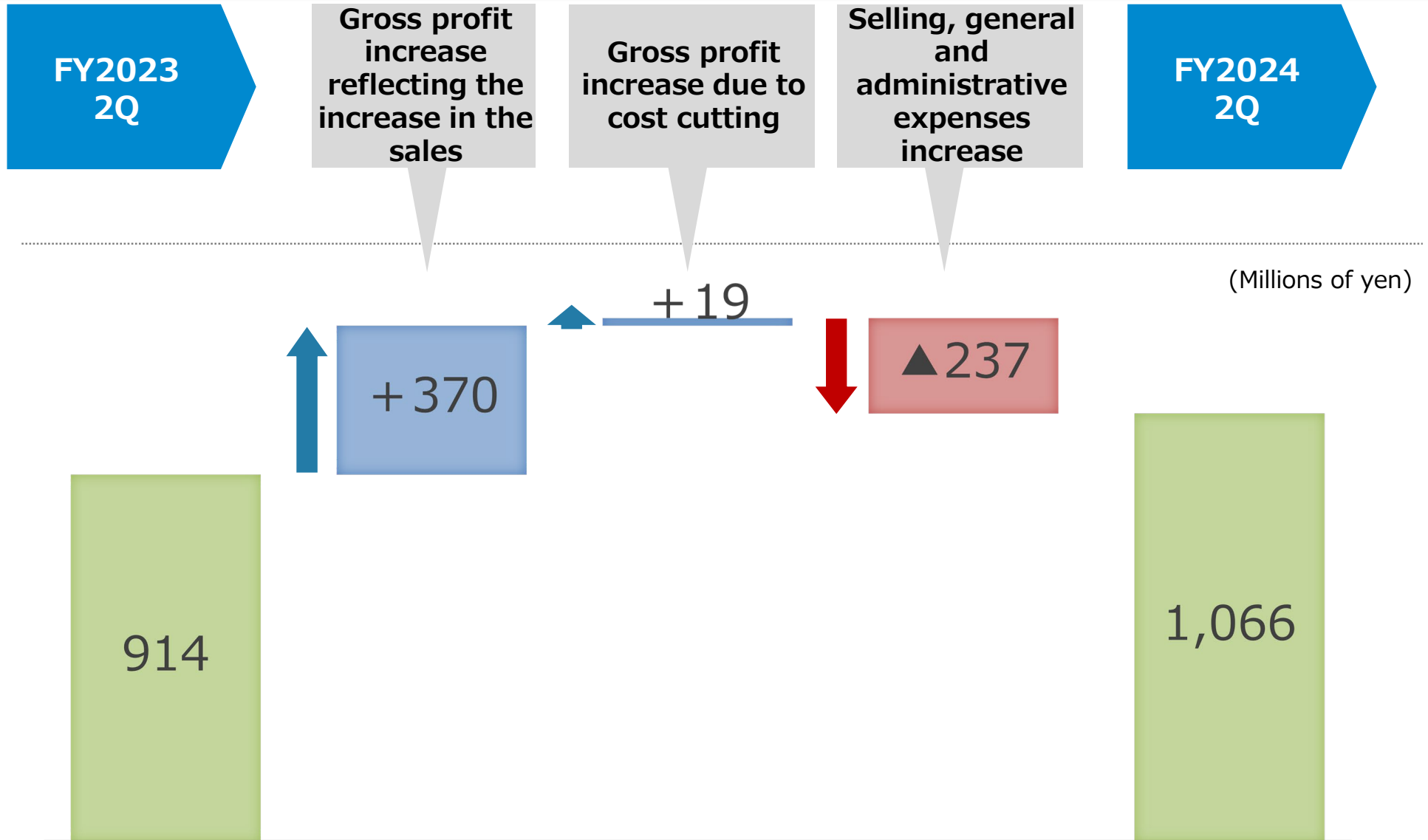
(2) Performance Summary (2)

◇ Business Results by Segment

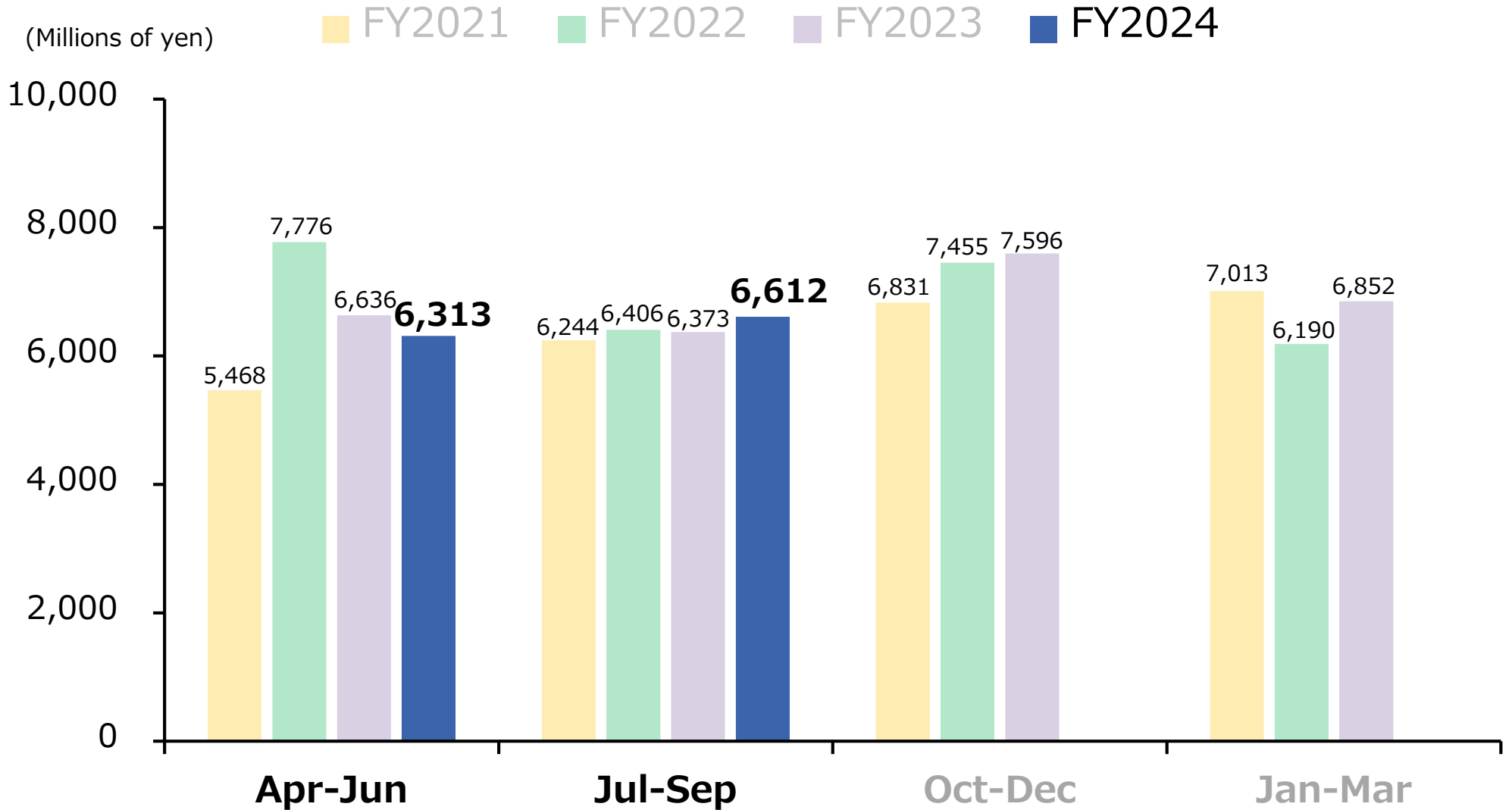
(Millions of yen)

	Orders received				Net sales				Segment profit(Operating profit)			
	FY2023 2Q	FY2024 2Q	Change		FY2023 2Q	FY2024 2Q	Change		FY2023 2Q	FY2024 2Q	Change	
Measurement & Control Instruments	4,166	4,390	223	5.4%	4,524	4,884	360	8.0%	598	714	116	19.5%
Instrumentation Systems	4,774	4,391	▲ 383	▲ 8.0%	3,486	3,980	493	14.2%	532	574	42	7.9%
Sensor	3,656	3,712	56	1.5%	3,537	3,803	266	7.5%	622	658	35	5.7%
Other	412	431	19	4.7%	452	497	45	10.0%	97	100	2	2.6%
Corporate expenses									▲ 936	▲ 980	▲ 44	—
Total	13,009	12,926	▲ 83	▲ 0.6%	12,000	13,166	1,166	9.7%	914	1,066	152	16.7%

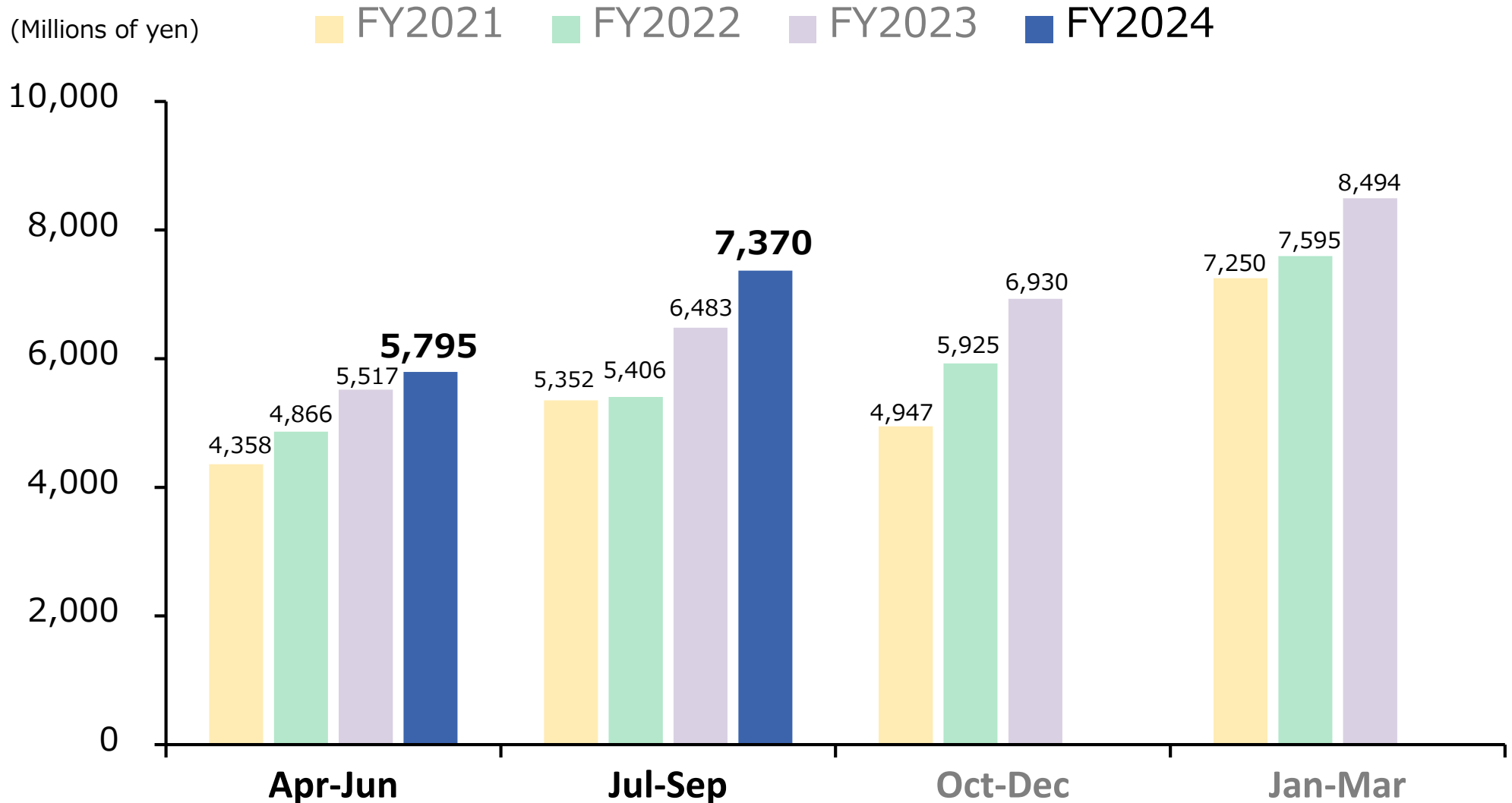
(3) Analysis of Increase/Decrease in Operating Profit



(4) Orders received



(4) Net sales



(5) Performance Trends by Segment

<Measurement & Control Instruments>

Profit and Loss

Net sales

4,884 million yen

8.0% yoy



Segment Profit

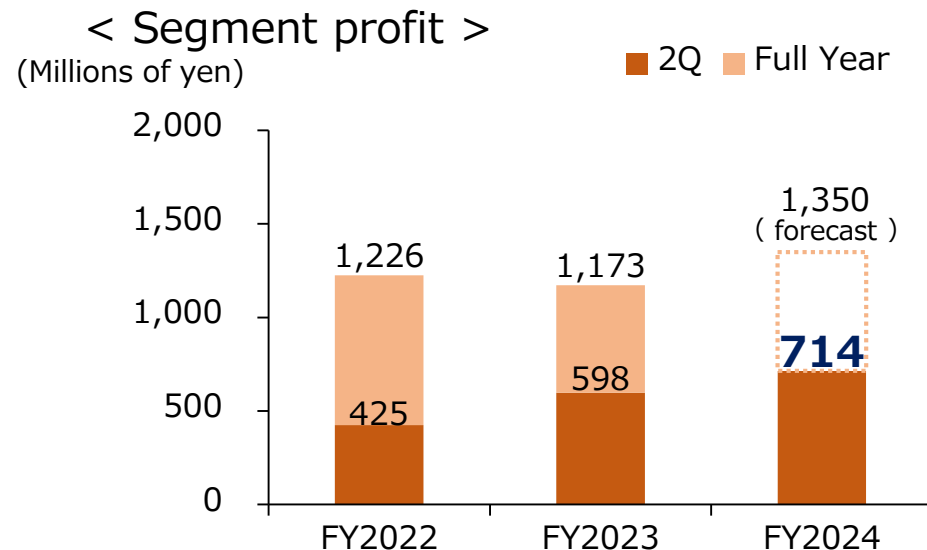
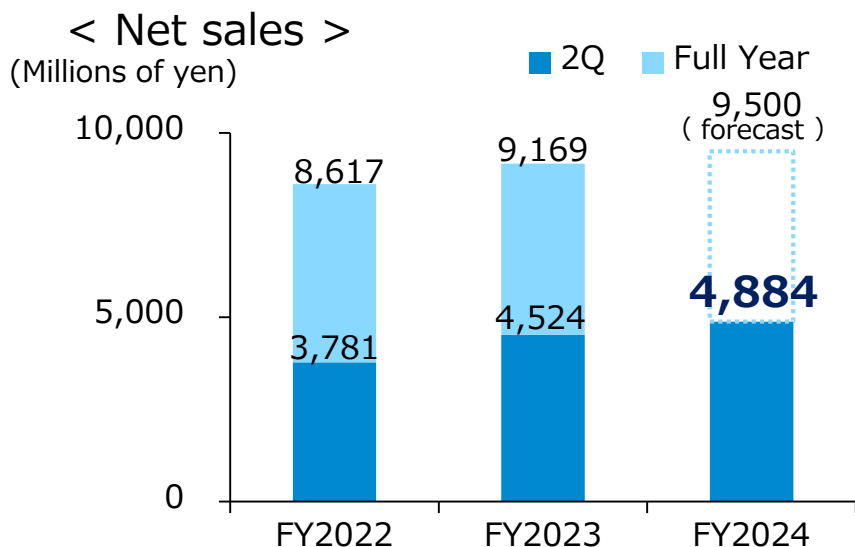
714 million yen

19.5% yoy



Status by Product

- Strong demand mainly for semiconductor and electronic component manufacturing equipment and heat treatment equipment.
- Profit increased due to the effect of product price revision (implemented in April this year).

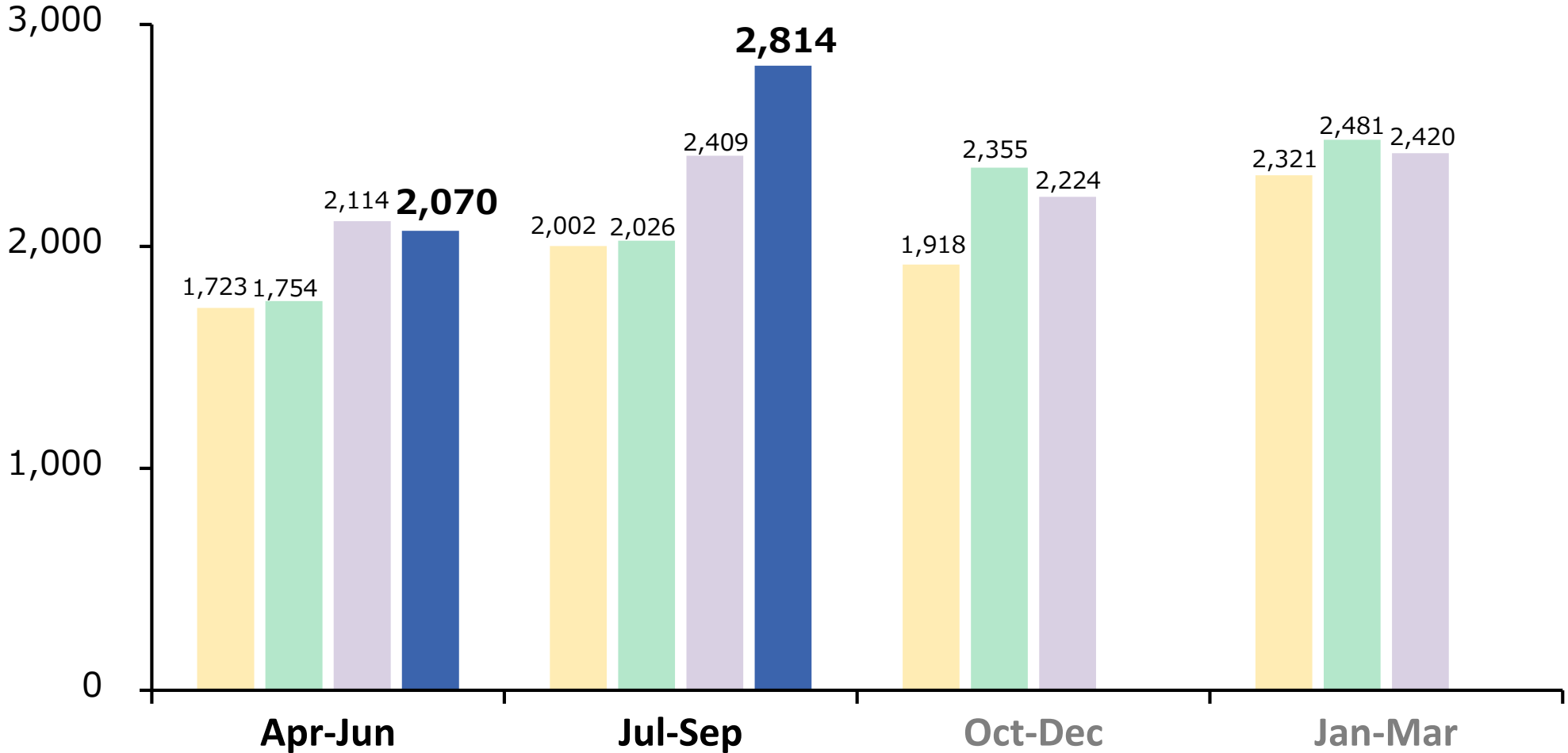


(5) Sales Trends

<Measurement & Control Instruments>

(Millions of yen)

FY2021 FY2022 FY2023 FY2024



(5) Performance Trends by Segment

<Instrumentation Systems>

Profit and Loss

Net sales

3,980 million yen

14.2% yoy



Segment Profit

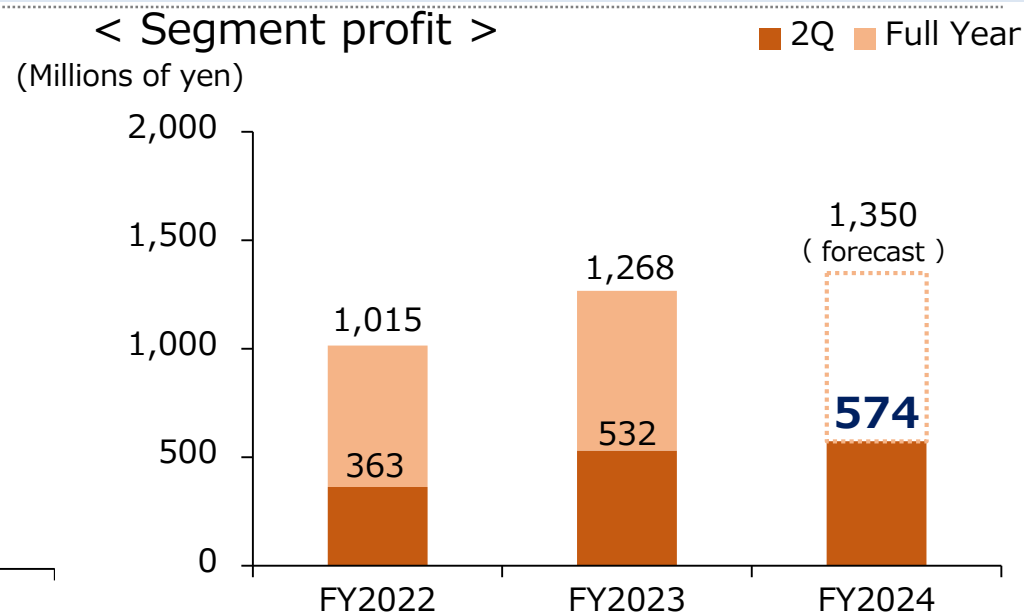
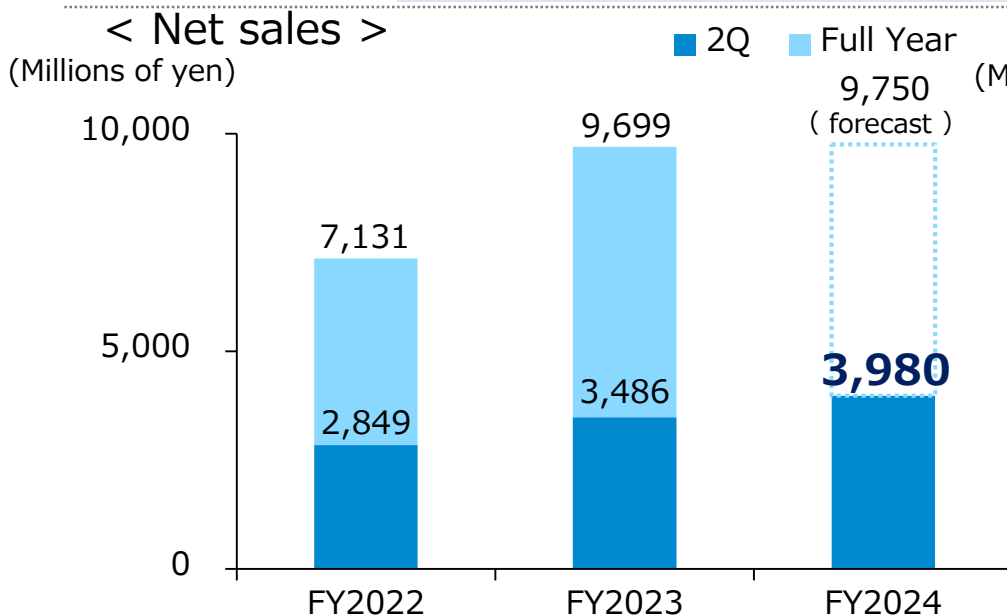
574 million yen

7.9% yoy



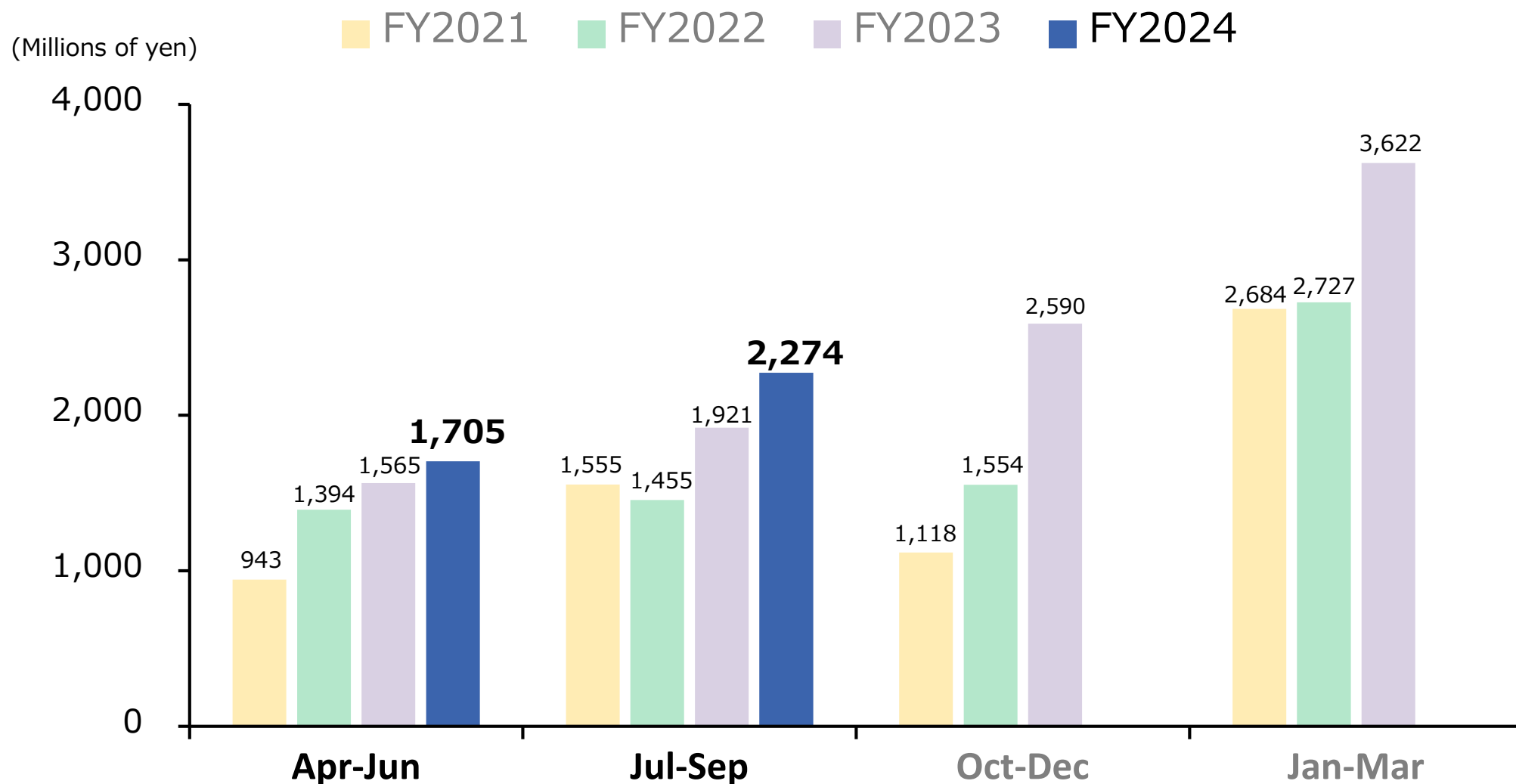
Status by Product

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



(5) Sales Trends

<Instrumentation Systems>



(5) Performance Trends by Segment

<Sensor>

Profit and Loss

Net sales

3,803 million yen

7.5% yoy



Segment Profit

658 million yen

5.7% yoy

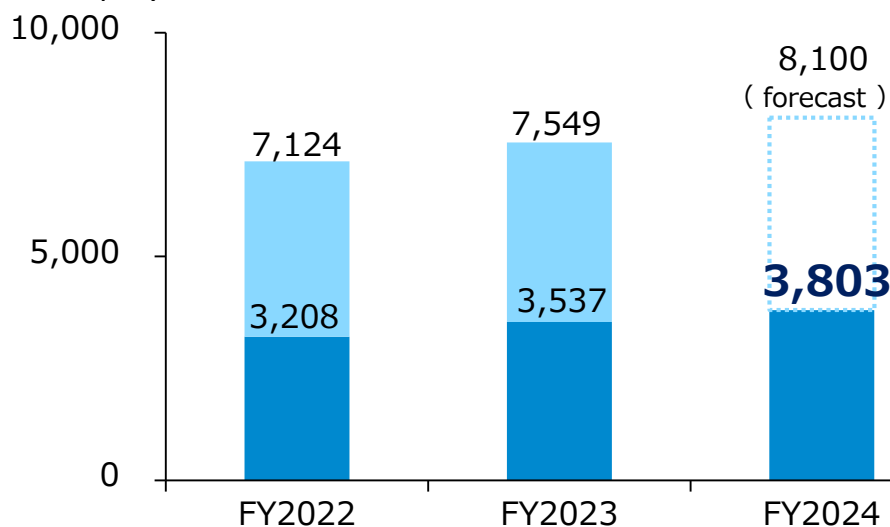


Status by Product

- Strong demand mainly for electronic component manufacturing equipment and heat treatment processing.
- Contribution from increased sales at Meiyō Electric Co., Ltd., a group company that manufactures and sells temperature sensors for marine vessels.
- Profit increased due to the effect of higher sales, etc.

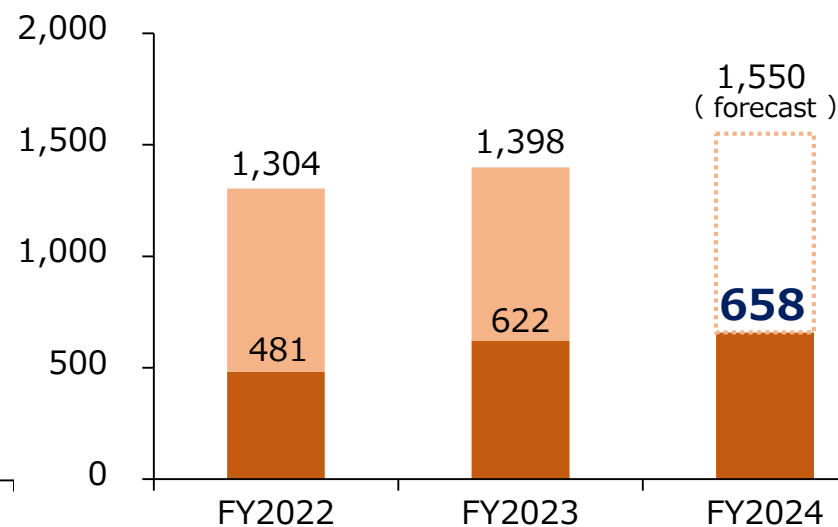
<Net sales>

(Millions of yen)



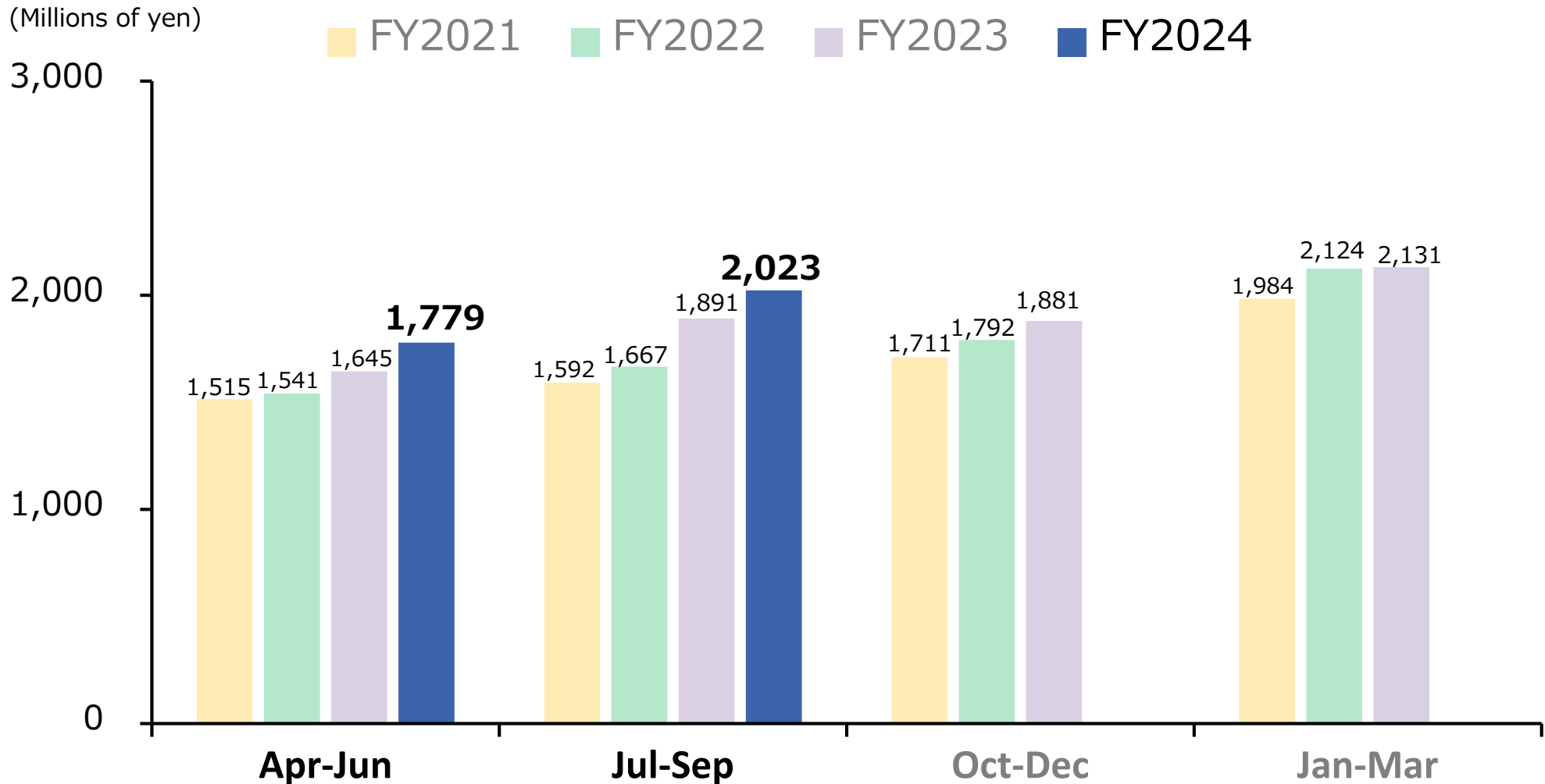
<Segment profit>

(Millions of yen)



(5) Sales Trends

<Sensor>



(6) Consolidated Balance Sheet

- Assets: Inventories increased while notes and accounts receivable-trade decreased, resulting in a decrease of 583 million yen from the end of the previous period.
- Current liabilities decreased 786 million yen due to a decrease in advances received, and non-current liabilities decreased 263 million yen due to a decrease in long-term borrowings, etc. Total liabilities decreased 1,050 million yen from the end of the previous period.
- Shareholders' equity increased by 466 million yen from the end of the previous period, mainly due to an increase in profit for the interim period.

(Millions of yen)

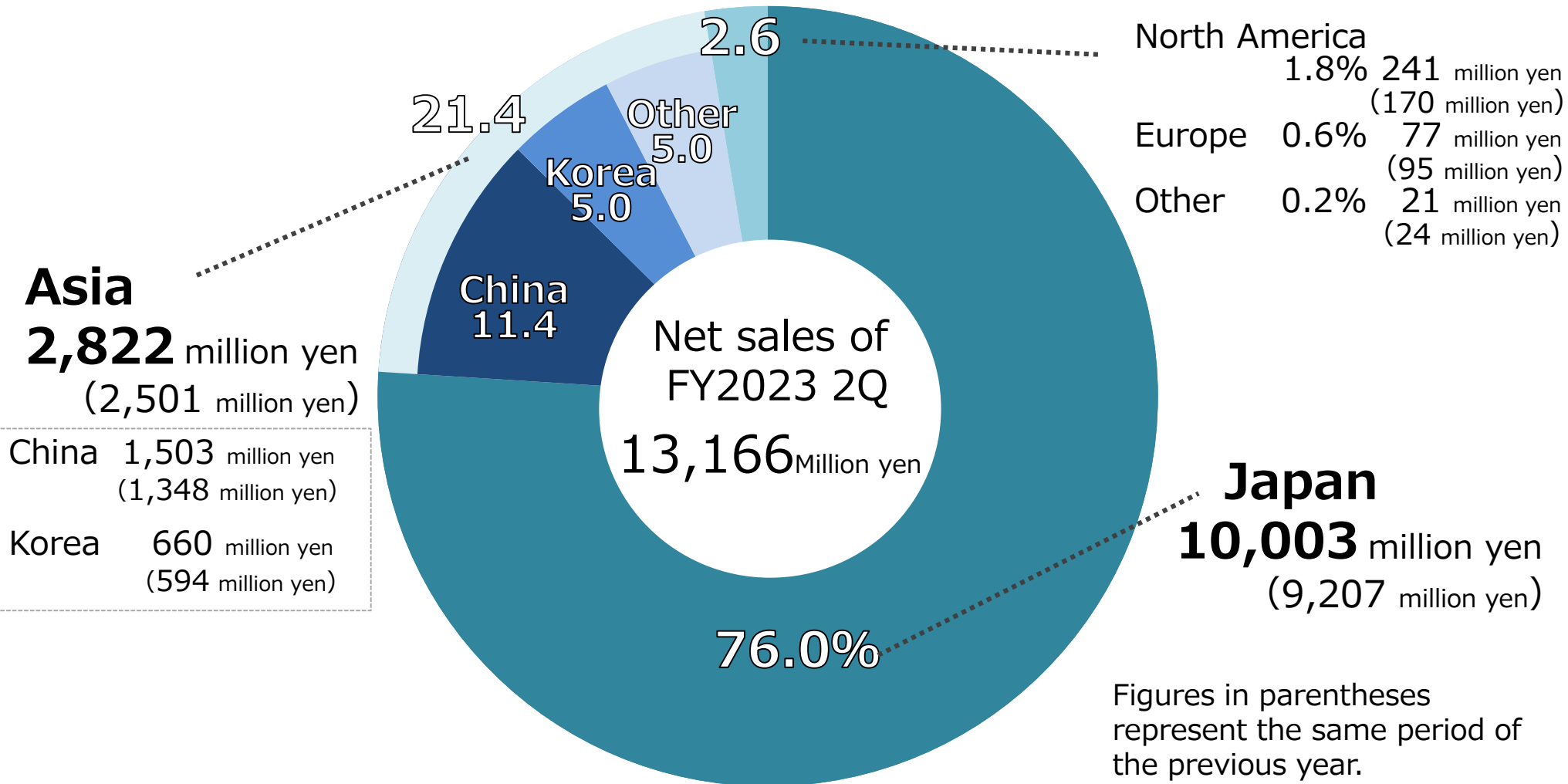
Item	End of Mar.2024	End of Sep.2024	Change
Current assets	26,050	25,692	▲ 358
Cash and deposits	7,305	7,424	118
Accounts receivable	8,738	7,187	▲ 1,551
Inventories	9,707	10,805	1,097
Other	298	275	▲ 23
Non-current assets	10,480	10,255	▲ 225
Property, plant and equipment	6,159	6,082	▲ 77
Intangible assets	297	275	▲ 21
Investments and other assets	4,023	3,897	▲ 126
Total assets	36,530	35,947	▲ 583

Item	End of Mar.2024	End of Sep.2024	Change
Current liabilities	9,317	8,530	▲ 786
Accounts payable	4,618	4,643	25
Short-term borrowings	1,581	1,618	36
Other	3,116	2,268	▲ 848
Non-current liabilities	4,021	3,758	▲ 263
Long-term borrowings	1,443	1,206	▲ 236
Other	2,578	2,551	▲ 26
Total net assets	23,191	23,658	466
Total shareholders' equity	19,654	19,976	322
Total accumulated other comprehensive income	606	678	72
Non-controlling interests	2,931	3,003	72
Total liabilities and net assets	36,530	35,947	▲ 583

※Equity ratio increased 2.0 percentage points from 55.5% at the end of March 2024 to 57.5% at the end of September 2024

(7) Net Sales by Region

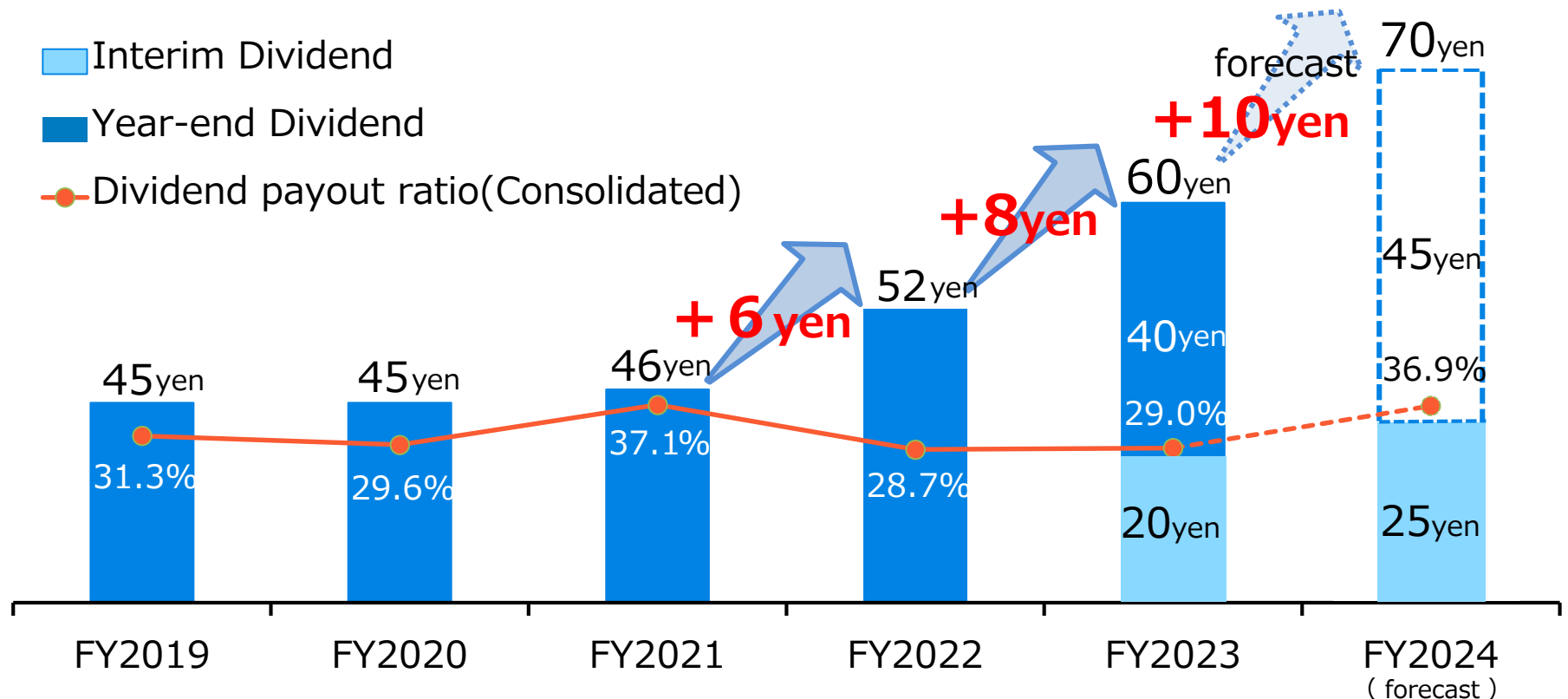
- Domestic sales increased 795 million yen yoy.
- Overseas sales increased 370 million yen yoy (320 million yen in Asia).



2. Shareholder Returns

Shareholder returns

- FY2024 interim dividend : **25 yen**
 - FY2024 year-end dividend (forecast) : **45 yen**
- } **70 yen** (forecast)
(**10 yen increase** from the previous fiscal year)



※ 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 2024 (Japanese version)”

The “Chino Report 2024 (Japanese version)” was published in October 2024. This report was prepared to provide stakeholders with a deeper understanding of the Group's business activities and medium- to long-term management initiatives. We will use this report as a communication tool to further promote dialogue with our stakeholders and continue our efforts to sustainably enhance our corporate value.

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



“Chino Report 2024 (English version)” will be published at the end of December 2024.



Top Message



Message from the Executive in Charge of Development/Sales

4. Forecast for FY2024

Forecast for FY2024

(No change from announced on May 13, 2024)

Despite increasing uncertainty about the future due to rising geopolitical risks, the sluggish Chinese economy, unstable exchange rates, and other factors, we expect demand to grow from our major customers (in the automotive, electronic components, and other fields) and in hydrogen-related fields for a decarbonized society, and our FY2024 forecasts are for higher sales and profits (operating profit and ordinary profit) compared to the previous fiscal year.

(Millions of yen)

	FY2024 Forecast (Announced on May 13, 2024)	FY2023 Results	Change	
Net sales	28,500	27,425	1,075	3.9%
Operating profit	2,450	2,173	277	12.7%
Ordinary profit	2,650	2,413	237	9.8%
Profit attributable to owners of parent	1,610	1,756	※ ▲146	▲8.3%

※Decrease due to “Extraordinary income (gain on sale of investment securities)” of 323 million yen recorded in FY2023 from the sale of a portion of strategic equity holdings.

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.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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