



# Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Revised July 2024)

**July 31,2024**  
**CHINO CORPORATION**

# Changes in Results

			FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Consolidated Results</b>	Net Sales	Millions of yen	18,569	20,745	21,999	20,582	21,080	21,908	23,793	27,425
	Operating Profit	Millions of yen	566	1,303	1,718	1,026	1,136	1,499	2,018	2,173
	Operating Profit ratio	%	3.0	6.3	7.8	5.0	5.4	6.8	8.5	7.9
	Profit	Millions of yen	373	832	1,113	1,218	1,289	1,050	1,536	1,756

<b>Return-on-Investment Ratio · Capital Cost</b>	ROE (a)	%	2.8	5.9	7.6	8.0	8.1	6.1	8.5	9.0
	<b>Cost of Equity(b)</b>	%	4.4	4.4	6.3	7.9	7.0	6.4	5.7	6.5
	Equity Spread (a) – (b)		▲1.6	+ 1.5	+ 1.3	+ 0.1	+ 1.1	▲ 0.3	+ 2.8	+2.5
	ROIC (c)	%	2.4	5.5	7.1	4.0	4.2	5.4	6.8	6.8
	<b>WACC (d)</b>	%	3.6	3.8	5.2	6.3	5.9	5.6	4.9	5.8
	Enterprise Spread (c) – (d)		▲1.2	+ 1.7	+ 1.9	▲ 2.3	▲ 1.7	▲ 0.2	+ 1.9	+1.0

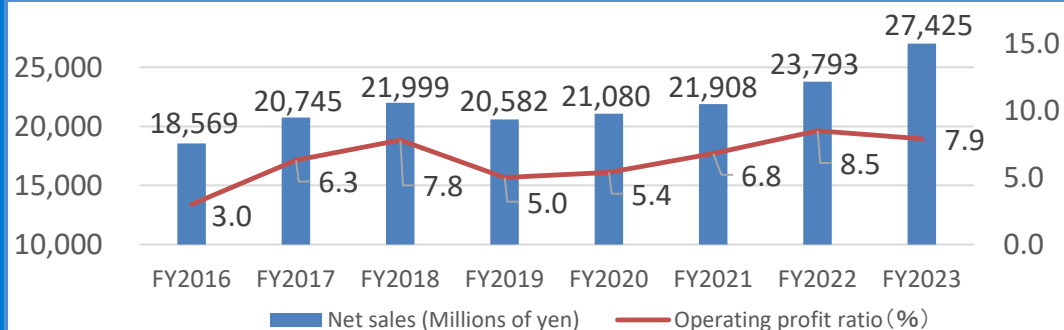
<b>Market Valuation</b>	Share price at end of term	Yen	1,235	1,477	1,282	1,226	1,455	1,619	2,152	2,618
	Market Capitalization at end of period	hundred millions of yen	114.4	136.8	118.7	113.5	134.7	149.9	199.3	242.4
	PER	times	28.12	15.03	9.75	8.53	9.56	13.05	11.88	12.66
	<b>PBR</b>	times	0.77	0.87	0.72	0.68	0.74	0.78	0.97	1.10

# Analysis and Initiatives/Goals

## Analysis

## Initiatives/Goals

Net Sales  
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Profit Ratio



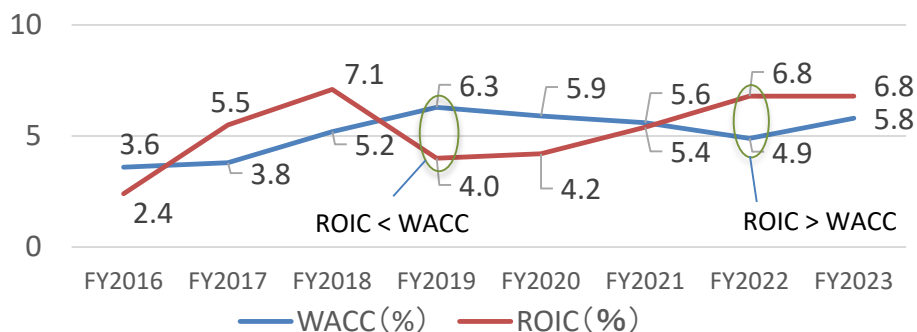
### Initiatives

- Steady execution of the medium-term management plan

### Goals (Medium-Term Management Plan, FY2026)

- Net sales : 30 billion yen
- Operating profit : 2.7 billion yen
- Operating profit ratio : 9.0%

Return-on-Investment Ratio  
·  
Capital Cost



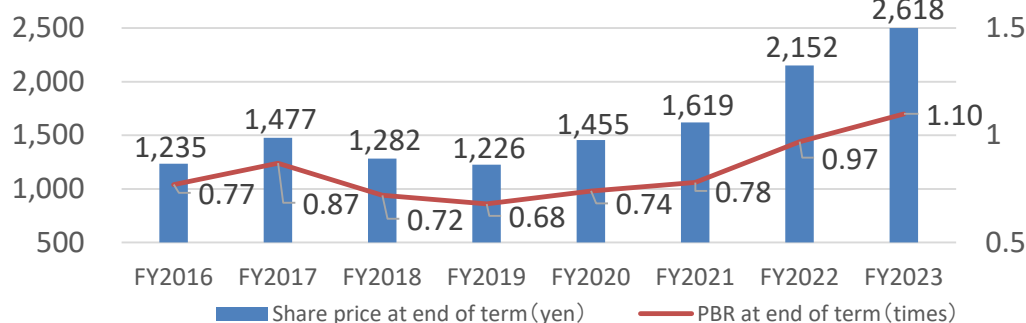
### Initiatives

- Expand investment in growth businesses
- Efficient use of management resources

### Goals (Medium-Term Management Plan, FY2026)

- ROE 10%
- Maintain ROIC > WACC on an ongoing basis

Market Valuation



### Initiatives

- Dividend payout ratio 40% (Target for FY2026)
- Strengthen IR activities / Enhance dialogue with shareholders
- Enhanced disclosure of non-financial information

### Goals

- Recovery of PBR of 1.0x or more, and continuous maintenance and improvement of PBR