

FY2022 2Q Financial Results
(Six Months Ended September 30, 2022)
(Under Japanese GAAP)

Chino Corporation

(6850 : Prime Market of Tokyo Stock Exchange)


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1. FY2022 2Q Financial Results

(1) Financial Highlights

Consolidated Financial Results for the Six Months Ended September 30, 2022

Orders received >> 14,182 million yen 21.1% yoy 

Net sales >> 10,273 million yen 5.8% yoy 

Orders received increased significantly due to increased demand for decarbonization-related products (fuel cell testing systems and water electrolysis testing systems for the research and development of technology for the utilization of hydrogen energy).

Net sales increased due to steady capital investment by our customers (manufacturing industry) and increased capital investment related to decarbonization.

<Profitability>

Operating profit >> 538 million yen 38.9% yoy 

Ordinary profit >> 770 million yen 47.3% yoy 

Profit attributable to owners of parent >> 446 million yen 78.9% yoy 

Profit increased in each item, mainly due to higher sales and lower cost ratio of Instrumentation Systems.

(2) Performance Summary (1)

◇ Consolidated Results

(Millions of yen)

	FY2021 2Q Results	FY2022 2Q Results	change	
Orders received	11,712	14,182	2,470	21.1%

	FY2021 2Q Results	FY2022 2Q Results	change	
Net sales	9,711	10,273	562	5.8%
Gross profit	3,057	3,338	280	9.2%
<% of Net sales>	<31.5>	<32.5>	<1.0p>	
Operating profit	387	538	150	38.9%
<% of Net sales>	<4.0>	<5.2>	<1.2p>	
Ordinary profit	522	770	247	47.3%
<% of Net sales>	<5.4>	<7.5>	<2.1p>	
Profit attributable to owners of parent	249	446	197	78.9%
<% of Net sales>	<2.6>	<4.3>	<1.7p>	

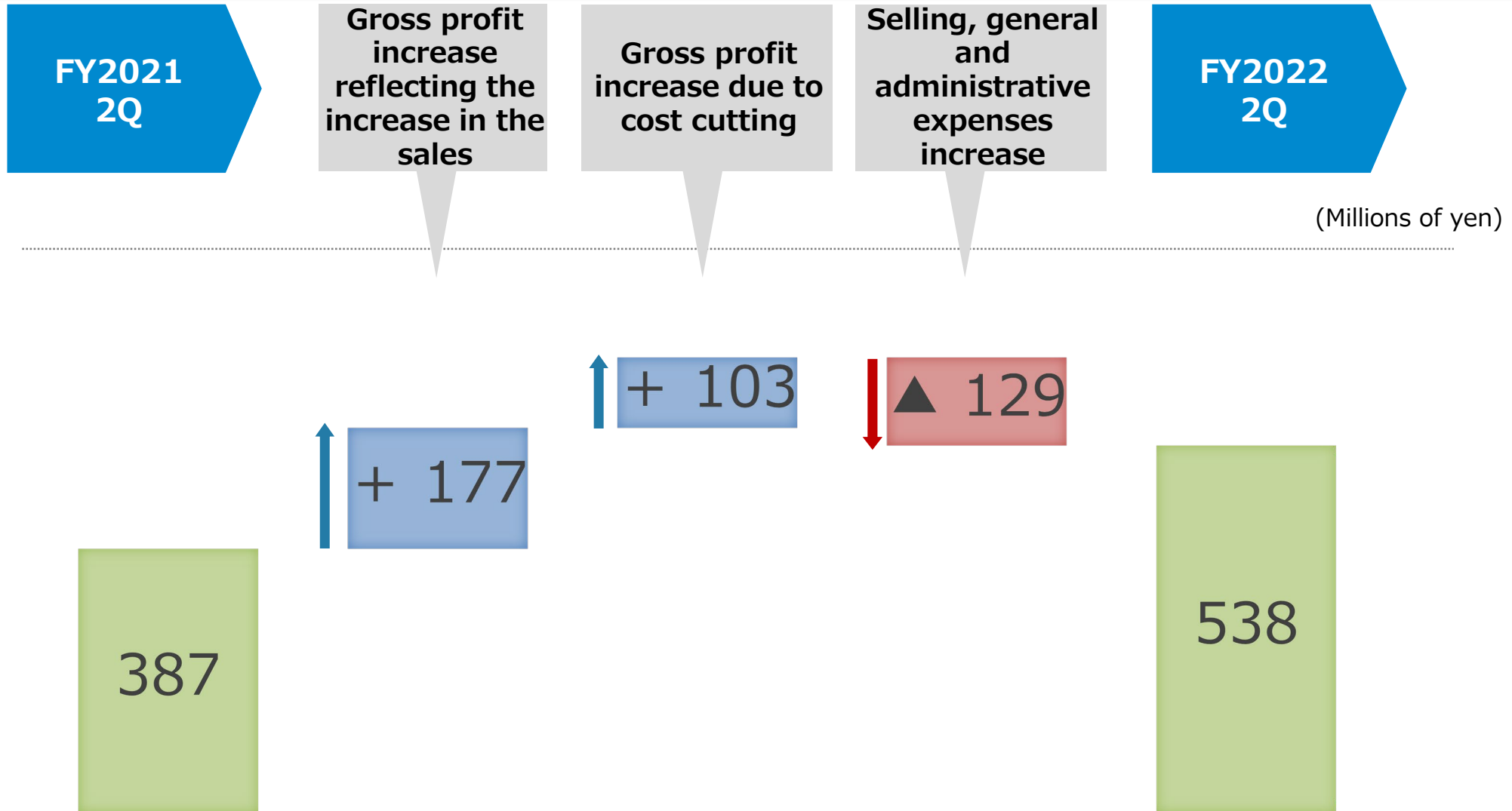
(2) Performance Summary (2)

◇ Business Results by Segment

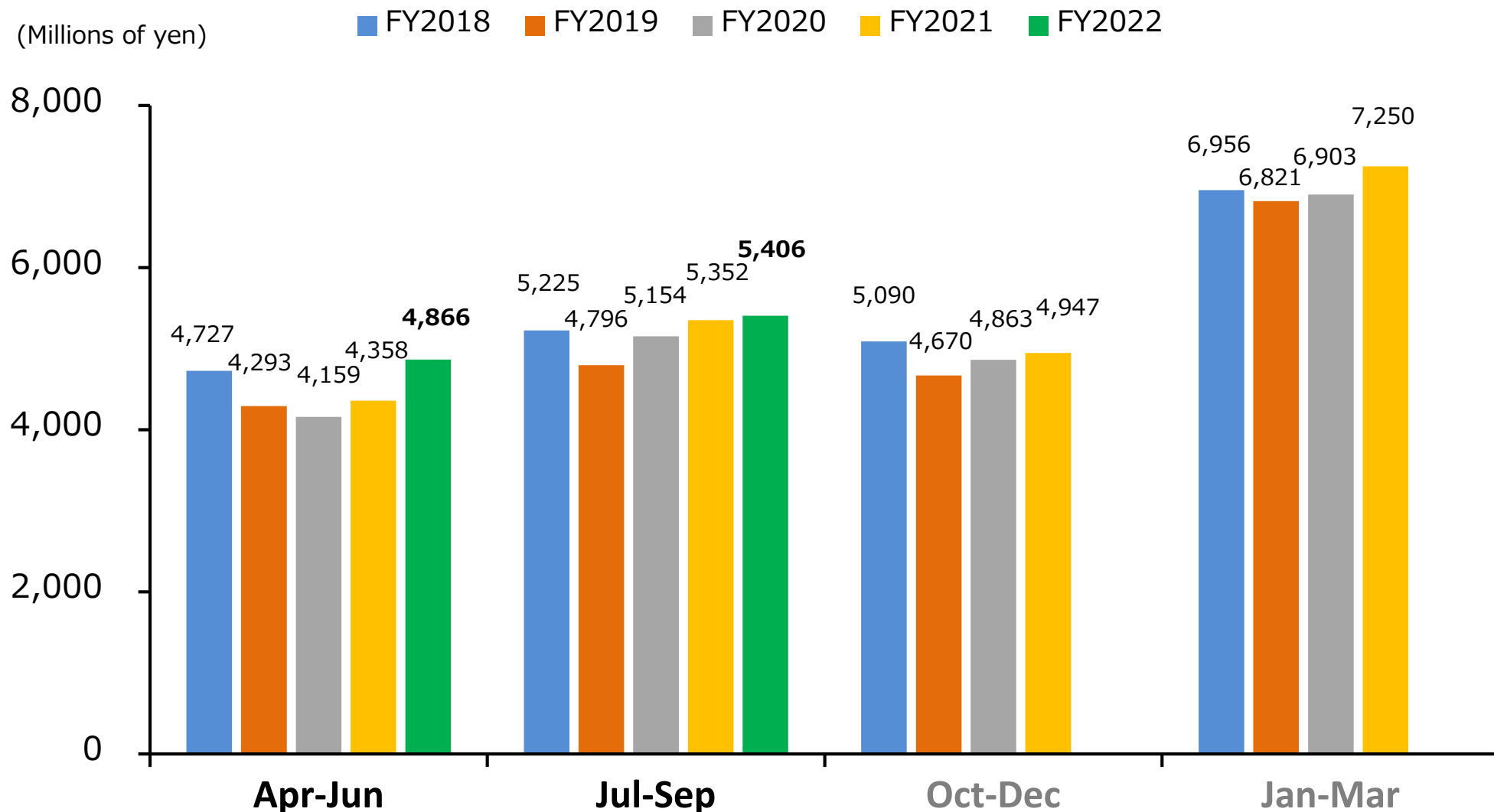
(Millions of yen)

	Orders received				Net sales				Segment profit(Operating profit)			
	FY2021 2Q Results	FY2022 2Q Results	Change		FY2021 2Q Results	FY2022 2Q Results	Change		FY2021 2Q Results	FY2022 2Q Results	Change	
Measurement & Control Instruments	3,814	4,307	493	12.9%	3,725	3,781	55	1.5%	411	425	13	3.4%
Instrumentation Systems	4,273	5,926	1,653	38.7%	2,499	2,849	350	14.0%	149	363	213	142.7%
Sensor	3,312	3,570	258	7.8%	3,107	3,208	100	3.2%	572	481	▲ 91	▲16.0%
Other	312	377	65	21.1%	377	433	55	14.8%	62	95	32	52.6%
Corporate expenses									▲ 808	▲ 825	▲ 17	—
Total	11,712	14,182	2,470	21.1%	9,711	10,273	562	5.8%	387	538	150	38.9%

(3) Analysis of Increase/Decrease in Operating Profit



(4) Net sales



(5) Performance Trends by Segment

<Measurement & Control Instruments>

Profit and Loss

Net sales

3,781 million yen

1.5% yoy



Segment Profit

425 million yen

3.4% yoy

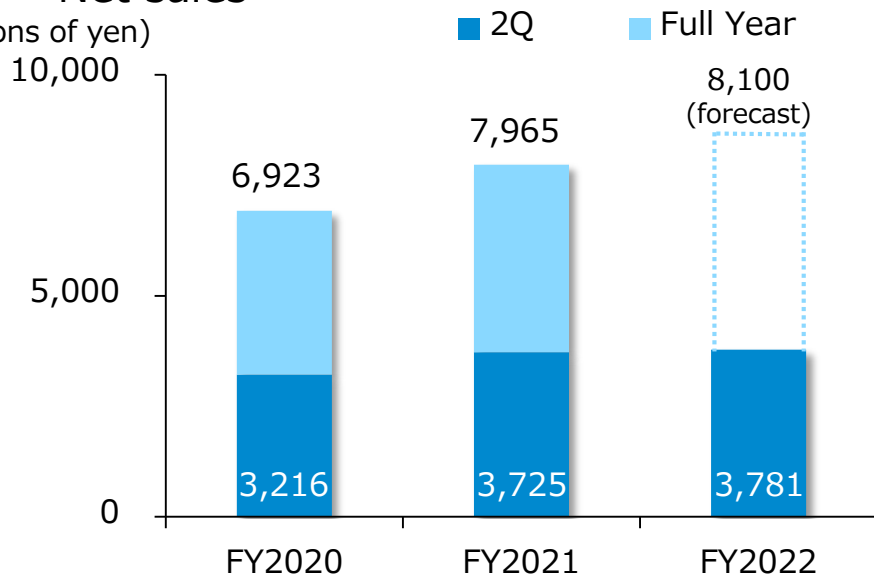


Status by Product

- 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, South Korea and India.
- On the other hand, the supply shortages of semiconductors and other components persisted, resulting in only a slight increase in net sales and segment profit over a year ago.

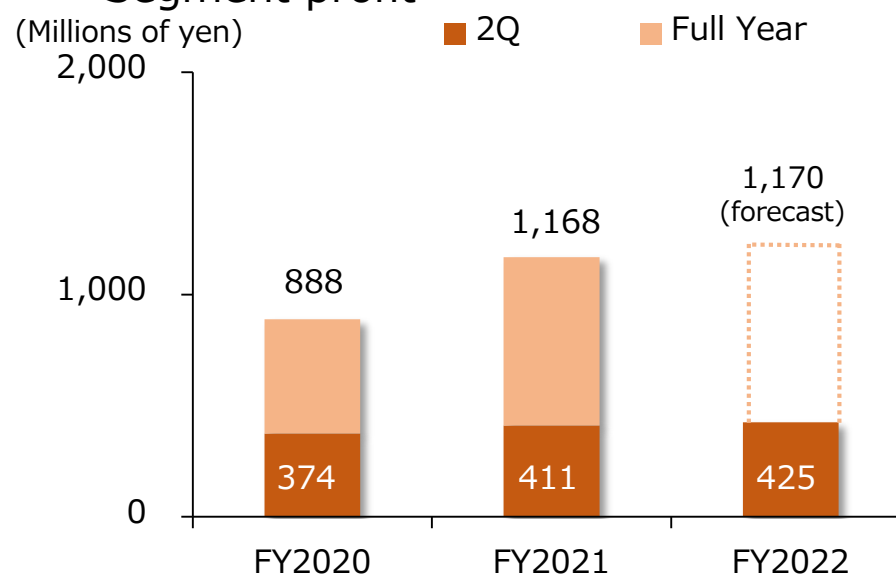
<Net sales>

(Millions of yen)



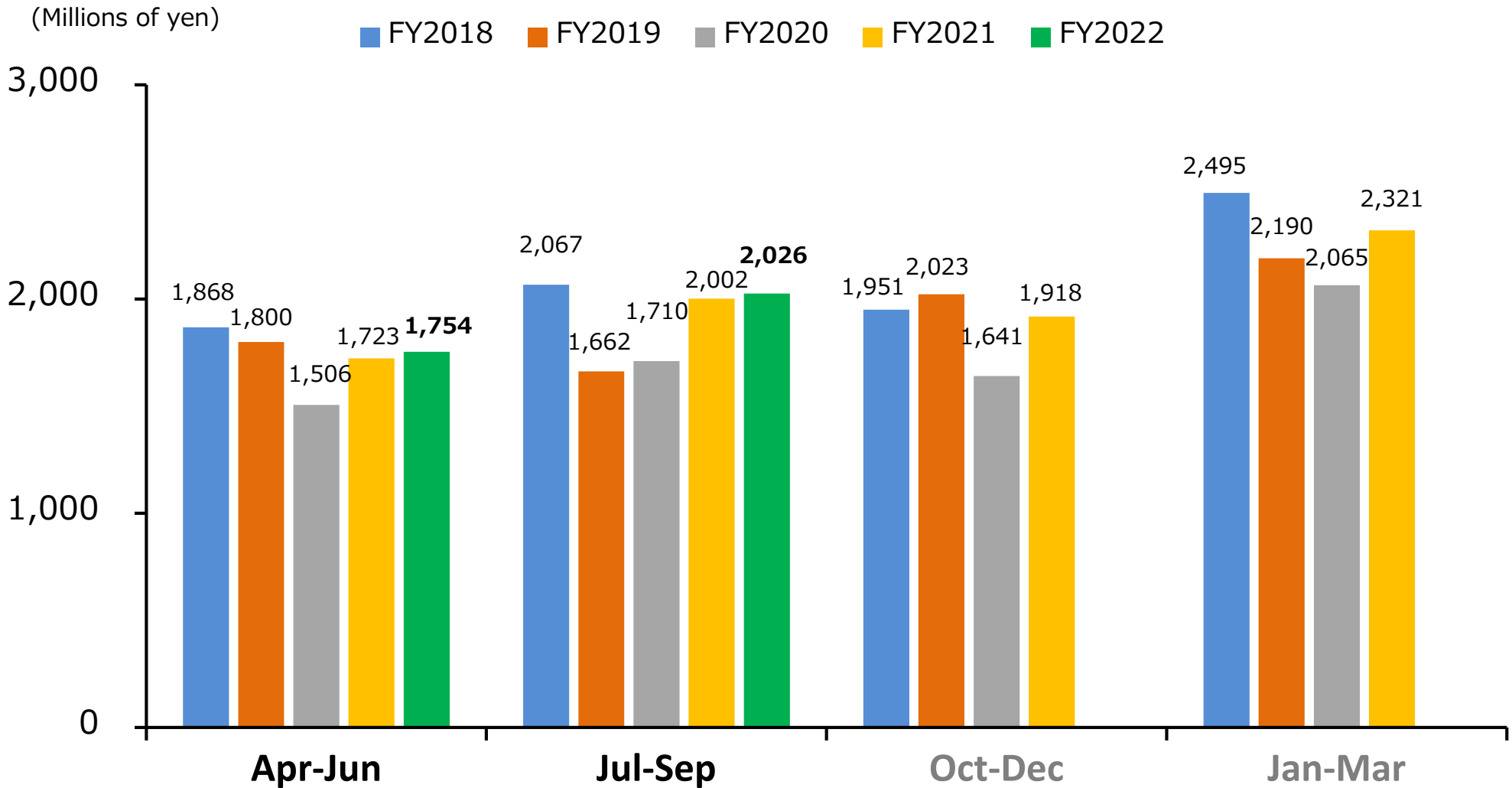
<Segment profit>

(Millions of yen)



(5) Sales Trends

<Measurement & Control Instruments>



(5) Performance Trends by Segment

<Instrumentation Systems>

Profit and Loss

Net sales

2,849 million yen

14.0% yoy



Segment Profit

363 million yen

142.7% yoy

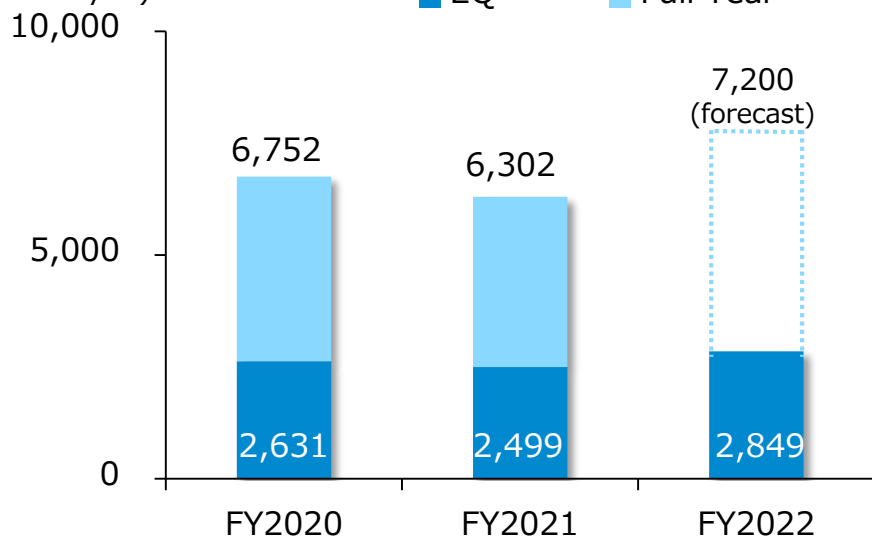


Status by Product

- Looking at decarbonization, demand increased for fuel cell testing systems and water electrolysis testing systems for the research and development of technology for the utilization of hydrogen energy.
- Demand for systems for electronic component-related manufacturing systems also remained strong. Net sales in compressor performance testing systems showed a recovery trend.
- Significant year-on-year increase mainly due to higher sales and lower cost of sales ratio.

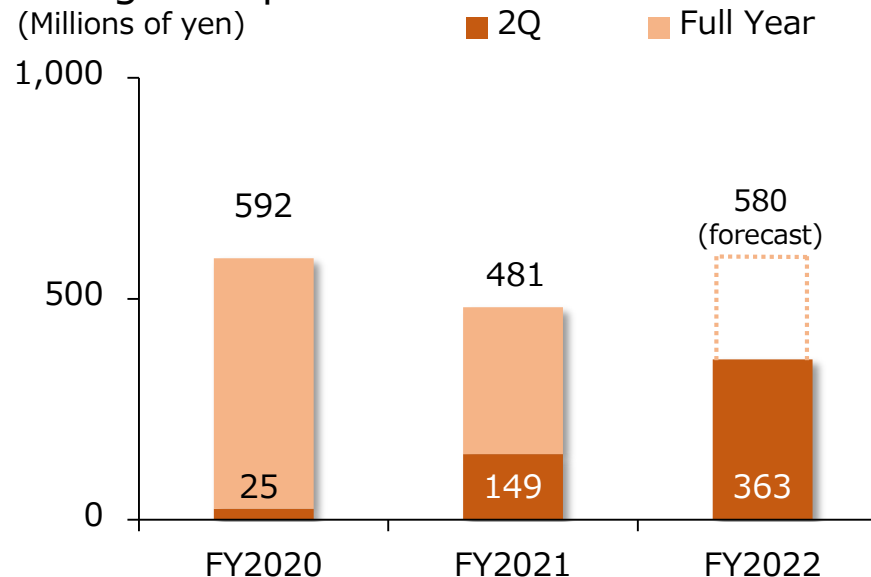
<Net sales>

(Millions of yen)



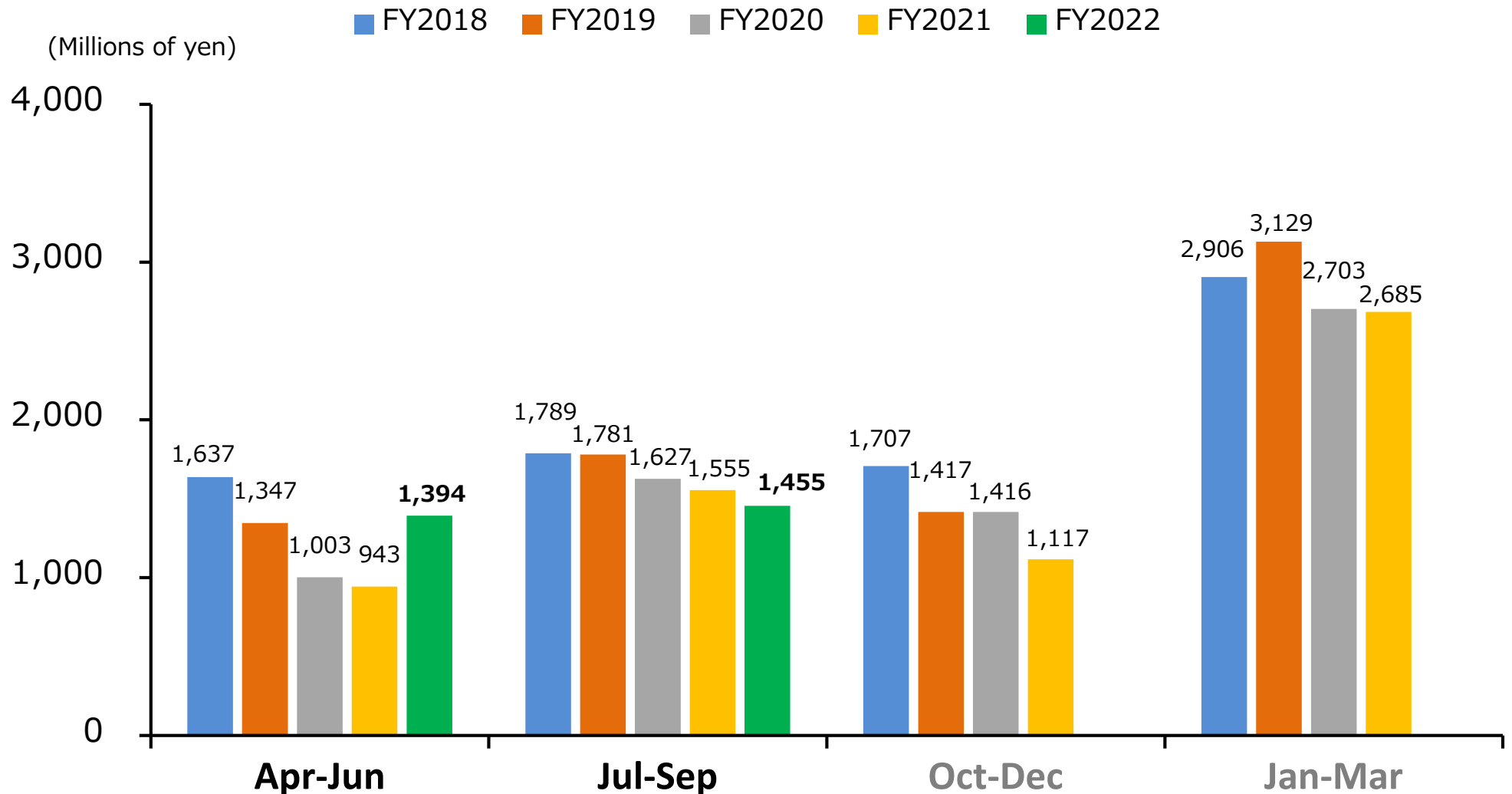
<Segment profit>

(Millions of yen)



(5) Sales Trends

<Instrumentation Systems>



(5) Performance Trends by Segment

<Sensor>

Profit and Loss

Net sales

3,208 million yen

3.2% yoy



Segment Profit

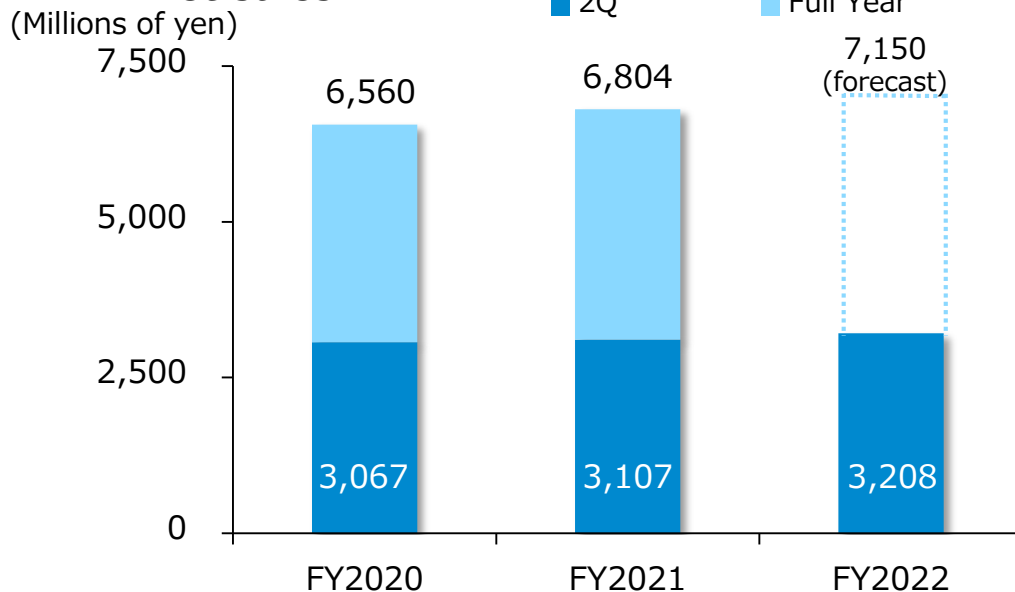
481 million yen ▲ 16.0% yoy



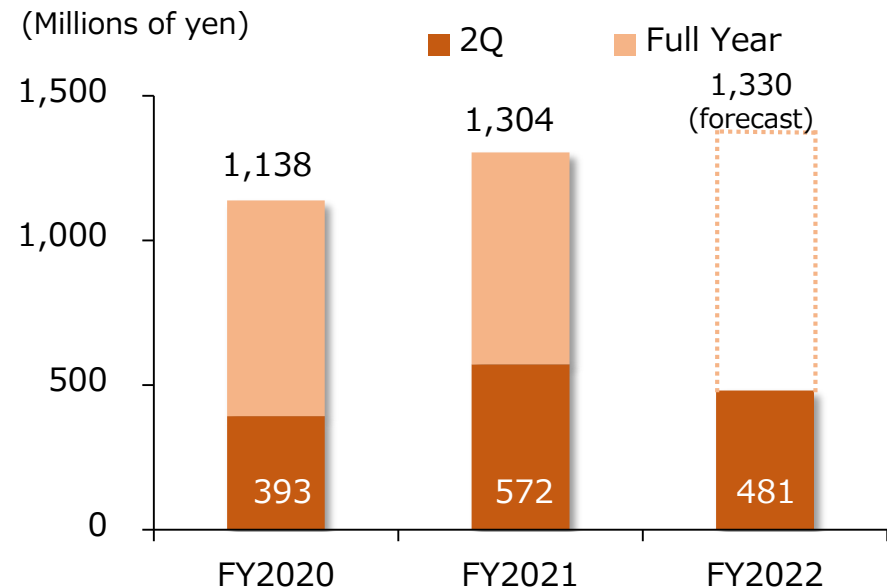
Status by Product

- 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
- Segment profits decreased, reflecting the impact of surging component prices.

<Net sales>

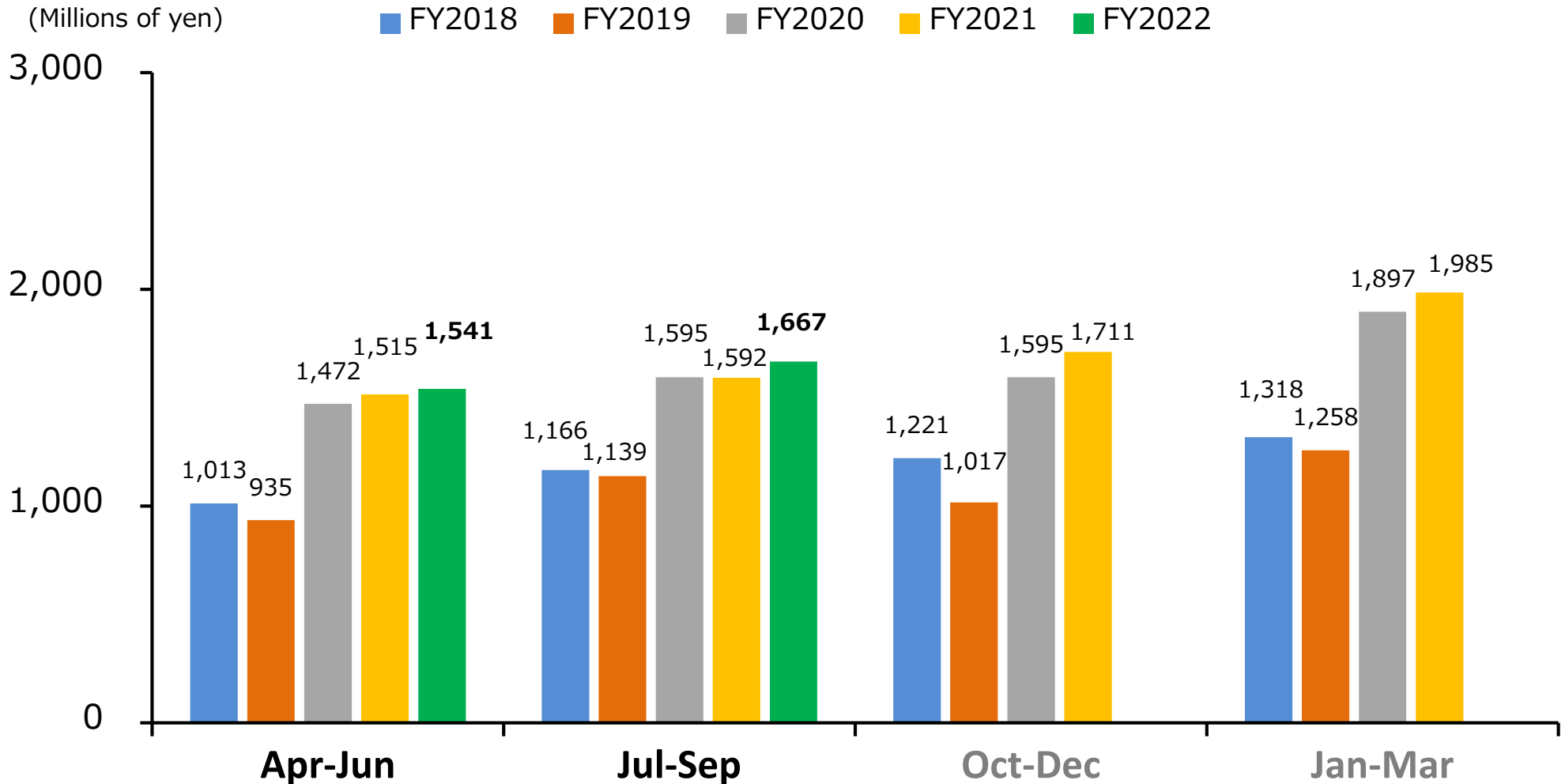


<Segment profit>



(5) Sales Trends

<Sensor>



(6) Consolidated Balance Sheet

- Assets: While accounts receivable decreased, cash and deposits and inventories increased, resulting in a 405 million yen increase from the end of the previous fiscal year.
- Liabilities: Total liabilities increased 236 million yen from the end of the previous fiscal year due to a 397 million yen increase in current liabilities, which offset a 161 million yen decrease in Non-current liabilities resulting from a decrease in long-term borrowings.
- Net assets: Shareholders' equity and non-controlling interests increased by 168 million yen from the end of the previous period.

(Millions of yen)

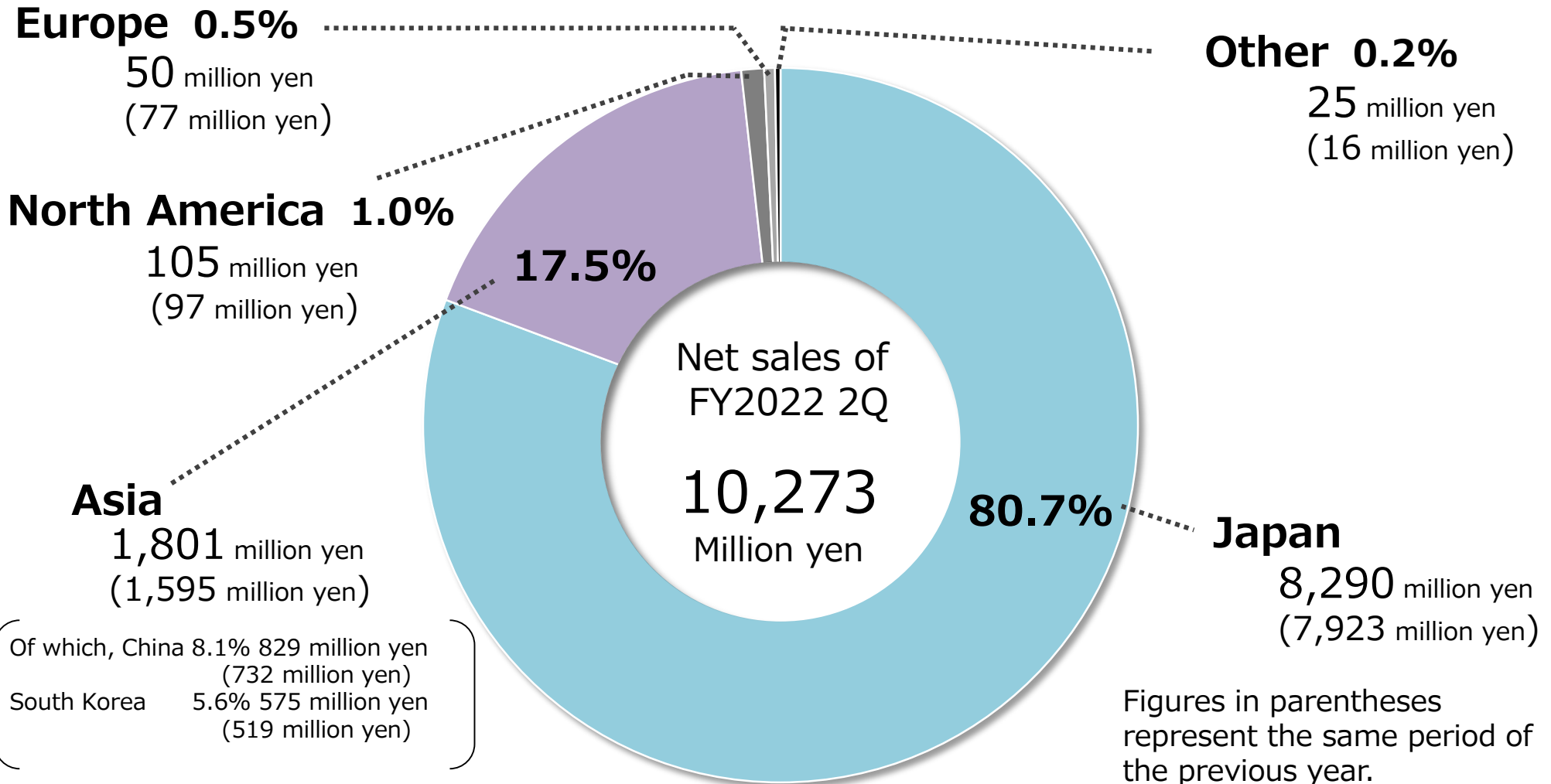
Item	End of Mar.2022	End of Sep.2022	Change
Current assets	21,681	22,379	698
Cash and deposits	7,331	7,648	316
Accounts receivable	7,595	6,544	▲ 1,051
Inventories	6,578	7,983	1,405
Other	175	203	27
Non-current assets	9,864	9,571	▲ 292
Property, plant and equipment	5,566	5,443	▲ 123
Intangible assets	408	414	5
Investments and other assets	3,889	3,713	▲ 175
Total assets	31,545	31,950	405

Item	End of Mar.2022	End of Sep.2022	Change
Current liabilities	8,216	8,614	397
Accounts payable	4,511	4,255	▲ 256
Short-term borrowings	1,640	1,639	0
Other	2,064	2,719	654
Non-current liabilities	3,177	3,016	▲ 161
Long-term borrowings	620	432	▲ 187
Other	2,557	2,584	26
Total net assets	20,150	20,319	168
Total shareholders' equity	17,308	17,382	74
Total accumulated other comprehensive income	255	257	2
Non-controlling interests	2,586	2,679	92
Total liabilities and net assets	31,545	31,950	405

Equity ratio: 55.2% end of Sep.2022 55.7% end of Mar.2022

(7) Net Sales by Region

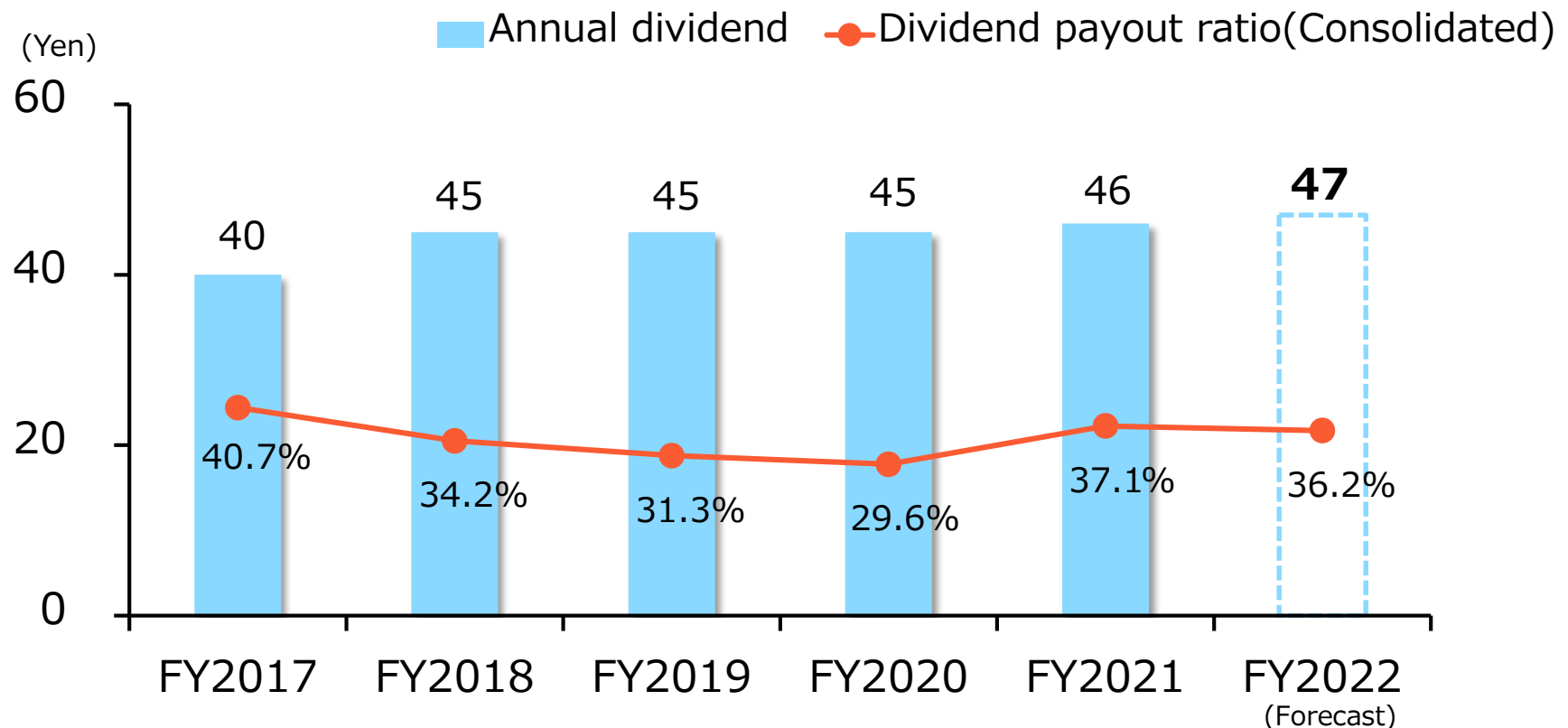
- Domestic sales increased 367 million yen yoy. Overseas sales increased 195 million yen yoy.
(Of which, 205 million yen increase in Asia (mainly China and South Korea))



2. Shareholder Returns

Shareholder returns

- The dividend per share for FY2022 is expected to be 47 yen, an increase of 1yen.
- 120 million yen (100,000 shares) in share buybacks between December 2016 and May 2017. (300,000 shares of treasury stock were retired in July 2017.)



3. Topics

Issued "Chino Report 2022"

■ Overview of the Chino Report 2022 <URL> https://www.chino.co.jp/csr/csr_report/

On October 31, 2022, we issued the Chino Report 2022, which reports financial and non-financial information in an integrated manner.

This annual report is intended to provide shareholders, investors, and all other stakeholders with a deeper understanding of the Chino 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. .

TOP MESSAGE

事業環境が激しく変化の中にあっても
さまざまなステークホルダーの皆様との「共創」で
新たな価値の創出を追求し、
社会的課題の解決に貢献する
企業であり続けたい



代表取締役
社長執行役員
三ツ岡 三喜芳

事業環境の変化に対応しつつ、
中期経営計画を推進していく

2022年8月1日現在、2025年までの中期経営計画を推進しています。事業環境が激しく変化の中にあっても、さまざまなステークホルダーの皆様との「共創」で、新たな価値の創出を追求し、社会的課題の解決に貢献する企業であり続けたいと考えています。

2022年8月1日現在、2025年までの中期経営計画を推進しています。事業環境が激しく変化の中にあっても、さまざまなステークホルダーの皆様との「共創」で、新たな価値の創出を追求し、社会的課題の解決に貢献する企業であり続けたいと考えています。

CHINO Report 2022



CHINO
株式会社チノ

CHINO DIAROGUE

~社員懇話会~

これからの産業を支える計測・制御・監視技術



中村 浩一	内村 尚志	橋本 尚希	任賀 裕史	松本 正樹	計野 航久
代表取締役社長	取締役副社長	取締役副社長	取締役副社長	取締役副社長	取締役副社長

2022年8月1日現在、2025年までの中期経営計画を推進しています。

グループは、2021年度にスタートした中期経営計画の中で、課題の克服として長年培ってきた技術・製品の強みを活かして成長を遂げてまいりました。今後は、今までの強みを活かして、2022年度以降は、中期経営計画の推進に努めます。

成長6分野に対する高度管理および計測・制御・監視の可能性

成長6分野は、2021年度にスタートした中期経営計画の中で、課題の克服として長年培ってきた技術・製品の強みを活かして成長を遂げてまいりました。今後は、今までの強みを活かして、2022年度以降は、中期経営計画の推進に努めます。

(Converting 100% of purchased electricity at domestic production sites to renewable energy)

Conversion of purchased electric power to renewable energy at Fujioka Plant completed in July 2022.

As a result, 100% of the electricity purchased for the head office and all domestic production sites is now procured from renewable energy sources.

< CO₂ emissions from business activities (Scope1+2(*)) Emission Reduction >

【Estimated for FY2022】 Reduce emissions by approximately 70% compared to FY2020

【Target for FY2040】 Carbon neutrality of business activities

(completely zero greenhouse gas emissions for Scope 1 and 2 in business activities)

*Scope1 : Direct greenhouse gas emissions from in-house fuel use

Scope2 : Indirect greenhouse gas emissions from the use of electricity and heat purchased by the company

The Group will continue to promote sustainability management and contribute to the realization of a "decarbonized society" and a "safe and secure society" through its business activities.

4. Forecast for FY2022

Forecast for FY2022

(No change from the May 13, 2022 announcement)

- In the manufacturing industry, which affects the Chino Group's business in general, capital spending was solid overall, and corporate R&D and investments are expected to continue to expand toward decarbonization. However, considering the highly uncertain business environment surrounding the Group, which reflects the sustained supply shortage of semiconductors and other components, surges in energy prices, and the yen's rapid depreciation, the Company has not revised its consolidated financial forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023), which was announced on May 13, 2022.

(Millions of yen)

	FY2022 Forecast (Announced on May 13, 2022)	FY2021 Results	Change	
Net sales	23,300	21,908	1,392	6.3
Operating profit	1,550	1,499	51	3.4
Ordinary profit	1,800	1,744	56	3.2
Profit attributable to owners of parent	1,100	1,050	50	4.7

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.

CHINO