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May 13, 2024

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Name of the Listed Company: CHINO CORPORATION      Listed Stock Exchanges: Tokyo Stock Exchange  
 Securities Code: 6850      URL: <https://www.chino.co.jp/>  
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Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Scheduled date to file Securities Report: June 28, 2024  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	27,425	15.3	2,173	7.7	2,413	5.2	1,756	14.3
March 31, 2023	23,793	8.6	2,018	34.6	2,294	31.5	1,536	46.2

Note: Comprehensive income      Fiscal year ended March 31, 2024: 2,312 million yen (23.0%)  
 Fiscal year ended March 31, 2023: 1,880 million yen (44.4%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	206.87	—	9.0	6.6	7.9
March 31, 2023	181.22	—	8.5	6.8	8.5

Reference: Share of profit (loss) of entities accounting for using equity method

Fiscal year ended March 31, 2024: — million yen  
 Fiscal year ended March 31, 2023: — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	36,530	23,191	55.5	2,385.55
March 31, 2023	36,289	21,574	51.8	2,214.16

Reference: Equity      As of March 31, 2024: 20,260 million yen  
 As of March 31, 2023: 18,784 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	101	81	Δ1,104	6,742
March 31, 2023	1,619	Δ564	655	7,603

2. Cash dividends

	Dividend per share					Total dividend payments (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
Fiscal year ended March 31, 2023	—	0.00	—	52.00	52.00	441	28.7	2.4
March 31, 2024	—	20.00	—	40.00	60.00	509	29.0	2.6
Fiscal year ending March 31, 2025 (Forecast)	—	25.00	—	45.00	70.00		36.9	

Note: Revisions to the most recently announced forecast of the dividend: None

3. Consolidated financial forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending September 30, 2024	12,700	5.8	980	7.2	1,070	0.5	650	5.1	76.53
March 31, 2025	28,500	3.9	2,450	12.7	2,650	9.8	1,610	Δ8.3	189.57

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: None

Excluded: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than 1: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares issued (common shares)

(i) Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2024 9,260,116 shares As of March 31, 2023 9,260,116 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2024 767,133 shares As of March 31, 2023 776,534 shares

(iii) Average number of shares during the period

Fiscal year ended March 31, 2024 8,489,376 shares Fiscal year ended March 31, 2023 8,478,014 shares

Reference: Summary of non-consolidated results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	19,010	15.5	1,146	2.1	1,484	Δ0.9	1,343	12.4
March 31, 2023	16,456	6.9	1,123	37.4	1,497	31.4	1,194	44.7

Fiscal year ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
March 31, 2024	158.23		-	
March 31, 2023	140.91		-	

(2) Non-consolidated financial position

As of	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
March 31, 2024	26,958		16,393		60.8		1,930.24	
March 31, 2023	27,744		15,543		56.0		1,832.18	

Reference: Equity As of March 31, 2024: 16,393 million yen  
As of March 31, 2023: 15,543 million yen

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Note regarding forward-looking statements)

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ substantially from the forecasts due to various factors. Please refer to “(4) Outlook” under “1. Overview of Operating Results and Financial Position” on page 7 of the attached materials for the assumptions used in the forecasts and notes regarding the use of the forecasts.

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## 1. Overview of Operating Results and Financial Position

### (1) Overview of operating results for the fiscal year ended March 31, 2024

During the fiscal year under review, social and economic activity progressed towards normalization after the reclassification of COVID-19 as a class 5 infectious disease. However, the situation remained uncertain. Geopolitical risks such as the prolonged situation in Ukraine and the rising tension in the Middle East continue. Energy prices are surging. There are also concerns about the slowdown of the Chinese economy and concerns about an economic downturn due to tight monetary policies in individual countries.

In the manufacturing industry, which affects the Chino Group's business in general, capital spending was solid overall due to the normalization of economic activity. Moreover, against the backdrop of the continued global trend toward decarbonization, companies continued to increase R&D and capital investments leveraging the support of their governments.

In this environment, the Group sought to provide not only high-precision temperature measuring, control and monitoring products and systems that are essential at manufacturing and development sites but also solutions to issues in electronic components, new materials and other growth areas.

The Japanese government revised its basic hydrogen strategy on June 6, 2023, and set a new target of increasing the annual hydrogen supply to around 12 million tons by 2040. Under this strategy, the government announced that it aims to attract a total of 15 trillion yen in investments from the private and public sectors over the next 15 years. The Group worked aggressively to win orders in the field of hydrogen supply chain creation, including temperature control, where demand is expanding rapidly.

Supply shortages of components, especially semiconductors, were resolved except for certain components, and sales increased primarily in Japan and other Asian countries. However, orders decreased year on year on a full-year basis, impacted by a year-on-year plunge in the first quarter, although the Group received more orders in the second and subsequent quarters than in the same period of the previous year. According to the Group's analysis, the major factors for the decrease include a large number of orders received in the previous fiscal year in the Instrumentation Systems segment and orders placed by customers ahead of schedule in the preceding fiscal year in response to the supply shortage of components, mainly in the Measurement & Control Instruments segment.

Although the Group's sustained efforts to reduce costs and revise selling prices in the previous fiscal year began to produce positive effects on profits at the beginning of the fiscal year, the hikes in component prices and energy prices and a smaller profitability than initially expected from the new development project, sales associated with which were posted in the second half of the fiscal year, affected overall profitability.

As a result, orders received in the fiscal year under review amounted to 27,458 million yen (down 1.3% year on year), and net sales were 27,425 million yen (up 15.3% year on year). Operating profit stood at 2,173 million yen (up 7.7% year on year) and ordinary profit at 2,413 million yen (up 5.2% year on year). Profit attributable to owners of parent reached 1,756 million yen (up 14.3% year on year), reflecting a gain on sale of investment securities of 323 million yen posted as an extraordinary income following sale of part of the cross-shareholdings. While net sales and profit attributable to owners of parent surpassed their respective forecast figures after the upward revision in November 10, 2023, operating profit and ordinary profit failed to reach their forecasted levels due to the above-mentioned factors. Net sales and all the profit figures each marked a new high.

Results by segment are as follows.

#### 1) Measurement & Control Instruments

Net sales reached 9,169 million yen (up 6.4% year on year), and segment profit totaled 1,173 million yen (down 4.3% year on year). Demand for graphic recorders, thyristor regulators and other products remained high, primarily for semiconductor and electronic components manufacturing systems and heat processing equipment. However, new orders for items for overseas markets were weak in the second half of the fiscal year.

Profitability was down. The impact of the increase in component prices was greater than the effects of the cost-reduction efforts and the revision of selling prices conducted in the previous fiscal year.

#### 2) Instrumentation Systems

Net sales reached 9,699 million yen (up 36.0% year on year), and segment profit totaled 1,268 million yen (up 24.9% year on year). Looking at the decarbonization field, orders increased for automotive fuel cell testing systems and water electrolysis testing systems for the research and development of technology for the utilization of hydrogen energy.

Orders for air conditioning compressor performance testing systems increased, reflecting rising demand for natural refrigerant-compatible equipment with a low greenhouse effect.

#### 3) Sensor

Net sales reached 7,549 million yen (up 6.0% year on year), and segment profit totaled 1,398 million yen (up 7.2% year on year). Demand for infrared radiation thermometers, particularly for semiconductor-related manufacturing systems, was strong. Demand for temperature sensors especially for those meeting AMS (specifications for special process in the aerospace industry) also remained robust.

#### 4) Other

Net sales reached 1,006 million yen (up 9.4% year on year), and segment profit totaled 302 million yen (up 30.0% year on year).

## (Reference) Orders received, net sales and segment profit (operating profit) by segment

## Orders received (by segment)

(Millions of yen)

Name of segment	Previous fiscal year	Fiscal year under review	Change	% change
Measurement & Control Instruments	8,497	8,307	△ 189	△ 2.2
Instrumentation Systems	11,126	10,656	△ 469	△ 4.2
Sensor	7,481	7,672	190	2.6
Other	724	821	96	13.4
Total	27,829	27,458	△ 371	△ 1.3

## Net sales (by segment)

(Millions of yen)

Name of segment	Previous fiscal year	Fiscal year under review	Change	% change
Measurement & Control Instruments	8,617	9,169	551	6.4
Instrumentation Systems	7,131	9,699	2,568	36.0
Sensor	7,124	7,549	424	6.0
Other	919	1,006	86	9.4
Total	23,793	27,425	3,631	15.3

## Net sales (by geographical segment)

(Millions of yen)

Name of segment	Previous fiscal year	Fiscal year under review	Change	% change
Japan	18,941	21,659	2,717	14.3
Asia	4,441	5,255	813	18.3
North America	212	312	100	47.2
Europe	128	155	26	20.3
Other	68	41	△ 27	△ 39.4
Total	23,793	27,425	3,631	15.3

## Segment profit (Operating profit)

(Millions of yen)

Name of segment	Previous fiscal year	Fiscal year under review	Change	% change
Measurement & Control Instruments	1,226	1,173	△ 52	△ 4.3
Instrumentation Systems	1,015	1,268	252	24.9
Sensor	1,304	1,398	94	7.2
Other	232	302	69	30.0
Corporate expenses (Note)	△ 1,760	△ 1,968	△ 207	—
Total	2,018	2,173	155	7.7

Note: Corporate expenses are primarily general and administrative expenses that cannot be allocated to specific segments.

(2) Overview of financial position for the fiscal year ended March 31, 2024

1) Assets

Total assets at the end of the fiscal year under review stood at 36,530 million yen, an increase of 240 million yen from the end of the previous fiscal year.

Current assets stood at 26,050 million yen, a decrease of 272 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 1,871 million yen in cash and deposits, an increase of 1,130 million yen in inventories and 457 million yen in trade receivables.

Non-current assets stood at 10,480 million yen, an increase of 513 million yen from the end of the previous fiscal year. This was mainly due to an increase of 580 million yen in property, plant and equipment and 181 million yen in assets related to retirement benefits, a decrease of 139 million yen in intangible assets and 100 million yen in investment securities.

2) Liabilities

Total liabilities at the end of the fiscal year under review stood at 13,338 million yen, a decrease of 1,376 million yen from the end of the previous fiscal year.

Current liabilities stood at 9,317 million yen, a decrease of 1,172 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 699 million yen in trade payable and 542 million yen in advances received.

Non-current liabilities stood at 4,021 million yen, a decrease of 204 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 216 million yen in long-term borrowings.

3) Net assets

Total net assets at the end of the fiscal year under review stood at 23,191 million yen, an increase of 1,617 million yen from the end of the previous fiscal year.

(3) Overview of cash flows for the fiscal year ended March 31, 2024

1) Cash flows from operating activities

Net cash provided by operating activities in the current fiscal year was increase 101 million yen (decrease 1,518 million yen year on year), as the increase in funds from profit before income taxes of 2,733 million yen and depreciation of 828 million yen exceeded the decrease in funds from a 1,059 million yen increase in inventories, 775 million yen in income taxes paid, 745 million yen decrease in trade payables, 547 million yen decrease in advances received and a 401 million yen increase in trade receivables.

2) Cash flows from investing activities

Net cash provided by investing activities in the current fiscal year was increase 81 million yen (increase 646 million yen year on year), as the increase in funds from proceeds from withdrawal of time of 1,532 million yen and proceeds from sale of investment securities of 635 million yen exceeded the decrease in funds from a 1,447 million yen increase in purchase of property, plant and equipment and intangible assets, 502 million yen in payments into time deposits.

3) Cash flows from financing activities

Net cash provided by financing activities in the current fiscal year was decrease down 1,104 million yen (decrease 1,760 million yen year on year), as the decrease in funds from dividends paid of 609 million yen and repayments of long-term borrowings of 459 million yen exceeded the increase in funds from a 200 million yen increase in proceeds from long-term borrowing.

[Trends in cash flow indices]

	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024
Equity ratio (%)	57.6	54.7	55.7	51.8	55.5
Equity ratio based on market value (%)	38.9	40.5	43.5	50.3	60.9
Ratio of interest-bearing debt to cash flow (years)	2.47	1.11	1.21	2.10	30.12
Interest coverage ratio	124.00	225.73	231.61	221.25	10.42

(Notes) Equity ratio: Equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows / Interest expenses paid

\* Each indicator is calculated using financial figures on a consolidated basis.

\* Market capitalization is calculated by multiplying closing price of the stock at the end of the fiscal year by number of shares issued and outstanding at the end of the fiscal year (after deduction of treasury shares).

\* Operating cash flows are derived from cash flows from operating activities on the consolidated statement of cash flows. Interest-bearing debt is all liabilities recorded on the consolidated balance sheet on which interest is paid. Interest expenses paid is derived from interest paid on the consolidated statement of cash flows.

#### (4) Outlook

The fiscal year ending March 31, 2025 (FY2024) is the fourth year of the Medium-term Management Plan (FY2021-FY2026). With an eye toward the major changes affecting society and corporations, such as a growing global emphasis on the environment and the continued acceleration of digital transformation, the Group, as advocated in its corporate philosophy, aims to push the limits of measurement, control and monitoring technologies and contribute to industrial development and the realization of a brighter tomorrow. The Medium-term Management Plan, which was formulated based on this goal, consists of four basic strategies: (i) further development and expansion of growth areas, (ii) enhancement of core businesses and create value, (iii) strengthening of foundations and expansion of businesses overseas, and (iv) establishment of resilient management bases.

The three-year period from FY2021 to FY2023 in the first half of the medium-term management plan is Phase 1: Building a Foundation for Growth. The Group made some progress in this. The fiscal year ending March 31, 2025 is the first fiscal year of the three years that are the second half of the medium-term management plan, called Phase 2: Accelerating Growth. Accordingly, the Group will press further ahead with its construction of a structure for forming alliances and collaborative creation aimed at creating customer value and increasing the number of customers, as it has been striving to do on a groupwide scale. In addition, the Group will seek to constantly advance its loop solution capabilities to incorporate temperature-based products, technologies and expertise with a view toward differentiating the Group's products and services and enhancing their superiority in the market.

The economic environment surrounding the Chino Group is becoming increasingly uncertain. Geopolitical risk is increasing, energy prices are rising and there are concerns about a downturn in China's economy and about an economic slowdown as countries adopt tight monetary policies and foreign exchange markets become unstable. Despite this, the Group expects that demand will remain firm on the whole in the automotive and electronic component sectors that it mainly serves. The Group also foresees that demand will continue to expand in the hydrogen-related sectors towards the realization of a decarbonized society.

In the second half of the fiscal year under review, FY2023, the profitability of some products and services dropped. To address this issue, the Group will continue with its efforts to improve the profitability of individual large projects and to reduce costs. In addition, it will again revise selling prices in view of the surging prices of components and personnel expenses.

In light of the situation, consolidated financial forecasts for the fiscal year ending March 31, 2025 are net sales of 28,500 million yen, operating profit of 2,450 million yen, ordinary profit of 2,650 million yen, and profit attributable to owners of parent of 1,610 million yen.

## 2. Basic Policy Regarding Selection of Accounting Standards

The Group's policy is to prepare consolidated financial statements in accordance with JGAAP to facilitate the comparison of consolidated financial statements between different reporting periods and different reporting entities.

The Group will determine when or if to adopt International Financial Reporting Standards (IFRS) as appropriate based on consideration of circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,176	7,305
Notes receivable - trade	479	375
Electronically recorded monetary claims - operating	2,599	2,799
Accounts receivable - trade	5,202	5,563
Merchandise and finished goods	706	830
Work in process	3,658	3,700
Raw materials and supplies	4,212	5,176
Other	374	347
Allowance for doubtful accounts	△87	△49
Total current assets	26,322	26,050
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	8,704	9,275
Accumulated depreciation	△5,677	△5,828
Buildings and structures, net	3,027	3,447
Machinery, equipment and vehicles	4,289	4,426
Accumulated depreciation	△3,525	△3,554
Machinery, equipment and vehicles, net	763	871
Land	1,415	1,424
Construction in progress	33	10
Other	3,819	3,920
Accumulated depreciation	△3,480	△3,513
Other, net	338	406
Total property, plant and equipment	5,578	6,159
<b>Intangible assets</b>		
Software	420	281
Other	15	15
Total intangible assets	436	297
<b>Investments and other assets</b>		
Investment securities	1,817	1,716
Deferred tax assets	881	815
Retirement benefit asset	543	725
Other	766	823
Allowance for doubtful accounts	△56	△56
Total investments and other assets	3,952	4,023
Total non-current assets	9,967	10,480
<b>Total assets</b>	<b>36,289</b>	<b>36,530</b>



(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,697	2,322
Electronically recorded obligations - operating	2,619	2,296
Short-term borrowings	1,265	1,165
Current portion of long-term borrowings	459	416
Income taxes payable	470	508
Advances received	980	438
Provision for bonuses	821	797
Provision for bonuses for directors (and other officers)	46	64
Provision for shareholder benefit program	47	61
Electronically recorded obligations - facilities	137	145
Other	943	1,100
Total current liabilities	10,489	9,317
Non-current liabilities		
Long-term borrowings	1,660	1,443
Long-term accounts payable - other	188	186
Deferred tax liabilities	91	99
Provision for retirement benefits for directors (and other officers)	135	132
Retirement benefit liability	1,887	1,891
Other	263	268
Total non-current liabilities	4,225	4,021
<b>Total liabilities</b>	<b>14,715</b>	<b>13,338</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,292	4,292
Capital surplus	4,267	4,278
Retained earnings	11,050	12,209
Treasury shares	△1,138	△1,126
Total shareholders' equity	18,471	19,654
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	341	459
Foreign currency translation adjustment	158	222
Remeasurements of defined benefit plans	△187	△75
Total accumulated other comprehensive income	312	606
Non-controlling interests	2,790	2,931
<b>Total net assets</b>	<b>21,574</b>	<b>23,191</b>
<b>Total liabilities and net assets</b>	<b>36,289</b>	<b>36,530</b>

(2) Consolidated statement of income and comprehensive income  
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	23,793	27,425
Cost of sales	15,924	19,034
Gross profit	7,869	8,390
Selling, general and administrative expenses		
Salaries, allowances and bonuses	2,294	2,271
Provision for bonuses	311	277
Provision for bonuses for directors (and other officers)	44	64
Retirement benefit expenses	126	123
Provision for retirement benefits for directors (and other officers)	22	17
Depreciation	179	201
Research and development expenses	886	1,143
Provision for shareholder benefit program	47	61
Provision of allowance for doubtful accounts	△16	△38
Other	1,954	2,094
Total selling, general and administrative expenses	5,851	6,216
Operating profit	2,018	2,173
Non-operating income		
Interest income	13	26
Dividend income	58	69
Electricity sale income	35	35
Foreign exchange gains	81	108
Subsidy income	5	7
Surrender value of insurance policies	92	6
Other	36	33
Total non-operating income	323	287
Non-operating expenses		
Interest expenses	7	9
Finance related expenses	4	6
Electricity sale expenses	14	15
Other	19	16
Total non-operating expenses	46	48
Ordinary profit	2,294	2,413
Extraordinary income		
Gain on sale of investment securities	13	323
Gain on sale of non-current assets	3	1
Total extraordinary income	16	325
Extraordinary losses		
Loss on disposal of non-current assets	6	5
Total extraordinary losses	6	5
Profit before income taxes	2,305	2,733
Income taxes - current	670	808
Income taxes - deferred	△116	△30
Total income taxes	553	777
Profit	1,752	1,956
Profit attributable to non-controlling interests	215	199
Profit attributable to owners of parent	1,536	1,756

## (Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,752	1,956
Other comprehensive income		
Valuation difference on available-for-sale securities	53	129
Foreign currency translation adjustment	160	114
Remeasurements of defined benefit plans, net of tax	△85	111
Total other comprehensive income	128	355
Comprehensive income	1,880	2,312
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,593	2,050
Comprehensive income attributable to non-controlling interests	287	261

## (3) Consolidated statement of changes in equity

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,292	4,264	9,911	△1,159	17,308
Changes during period					
Dividends of surplus			△389		△389
Profit attributable to owners of parent			1,536		1,536
Purchase of treasury shares				△0	△0
Disposal of treasury shares		2		22	25
Other			△7		△7
Net changes in items other than shareholders' equity					
Total changes during period	—	2	1,139	21	1,163
Balance at end of period	4,292	4,267	11,050	△1,138	18,471

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	289	67	△101	255	2,586	20,150
Changes during period						
Dividends of surplus						△389
Profit attributable to owners of parent						1,536
Purchase of treasury shares						△0
Disposal of treasury shares						25
Other						△7
Net changes in items other than shareholders' equity	51	90	△85	56	203	260
Total changes during period	51	90	△85	56	203	1,423
Balance at end of period	341	158	△187	312	2,790	21,574

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Share capital	Share capital	Share capital	Share capital
Balance at beginning of period	4,292	4,267	11,050	△1,138	18,471
Changes during period					
Dividends of surplus			△611		△611
Profit attributable to owners of parent			1,756		1,756
Purchase of treasury shares				△6	△6
Disposal of treasury shares		11		17	29
Other			14		14
Net changes in items other than shareholders' equity					
Total changes during period	—	11	1,159	11	1,182
Balance at end of period	4,292	4,278	12,209	△1,126	19,654

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	341	158	△187	312	2,790	21,574
Changes during period						
Dividends of surplus						△611
Profit attributable to owners of parent						1,756
Purchase of treasury shares						△6
Disposal of treasury shares						29
Other						14
Net changes in items other than shareholders' equity	118	64	111	294	140	434
Total changes during period	118	64	111	294	140	1,617
Balance at end of period	459	222	△75	606	2,931	23,191

## (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,305	2,733
Depreciation	785	828
Amortization of long-term prepaid expenses	33	28
Increase (decrease) in allowance for doubtful accounts	△12	△37
Increase (decrease) in provision for bonuses	195	△23
Increase (decrease) in retirement benefit liability	35	△29
Decrease (increase) in retirement benefit asset	△19	12
Increase (decrease) in provision for shareholder benefit program	4	14
Interest and dividend income	△71	△95
Interest expenses	7	9
Subsidy income	△5	△7
Loss (gain) on sale of investment securities	△13	△323
Decrease (increase) in trade receivables	△626	△401
Decrease (increase) in inventories	△1,937	△1,059
Increase (decrease) in trade payables	744	△745
Increase (decrease) in advances received	796	△547
Other, net	△148	427
Subtotal	2,073	782
Interest and dividends received	71	95
Interest paid	△7	△9
Subsidies received	5	7
Income taxes refund (paid)	△524	△775
Net cash provided by (used in) operating activities	1,619	101
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	1,543	1,532
Payments into time deposits	△1,573	△502
Purchase of property, plant and equipment	△416	△1,353
Proceeds from sale of property, plant and equipment	3	0
Purchase of intangible assets	△155	△93
Proceeds from sale of investment securities	34	635
Purchase of investment securities	—	△20
Loan advances	△5	△27
Proceeds from collection of loans receivable	4	7
Purchase of insurance funds	△71	△73
Proceeds from maturity of insurance funds	122	44
Other, net	△50	△66
Net cash provided by (used in) investing activities	△564	81

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	△100
Repayments of long-term borrowings	△375	△459
Proceeds from long-term borrowings	1,500	200
Purchase of treasury shares	△0	△6
Dividends paid	△389	△609
Dividends paid to non-controlling interests	△78	△128
Net cash provided by (used in) financing activities	655	△1,104
Effect of exchange rate change on cash and cash equivalents	71	60
Net increase (decrease) in cash and cash equivalents	1,781	△860
Cash and cash equivalents at beginning of period	5,821	7,603
Cash and cash equivalents at end of period	7,603	6,742

(5) Notes to consolidated financial statements

(Notes on going concern assumptions)

There is no items to report.

(Segment information)

Segment information

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to decide how resources should be allocated and to evaluate financial results.

For each business group which is comprised of the Company's sales division and production sites as well as group companies, the Group formulates comprehensive domestic and overseas strategies for the finished goods, merchandise and services handled and conducts business activities accordingly. The Group is, therefore, made up of segments based on these business groups and classified according to the finished goods, merchandise and services handled. It has three reportable segments: the Measurement & Control Instruments segment, the Instrumentation Systems segment and the Sensor segment.

The main finished goods, merchandise and services in each reportable segment are as follows.

Name of segment	Details of finished goods, merchandise and services
Measurement & Control Instruments Segment	Recorders, controllers and consumer electronics
Instrumentation Systems Segment	Performance and evaluation test equipment, package systems for control and monitoring, device and semiconductor test equipment, clean rooms, temperature calibration equipment, and various instrumentation systems
Sensor Segment	Infrared radiation equipment, thermal image measurement devices, temperature sensor, and applied sensor

Note: The "Other" segment is a business segment not included in the reportable segments and it covers business such as repair and maintenance services.

2. Calculation method for net sales, profit/loss, assets, liabilities and other items by reportable segment

The accounting methods used for reportable segments are the same as those applied for the consolidated financial statements.

Profit of reportable segments is based on operating profit. Intersegment sales and transfers are based on actual transactions.



3. Information concerning net sales, profit/loss, assets, liabilities and other items by reportable segment  
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments				Other (Note)	Total
	Measurement & Control Instruments	Instrumentation Systems	Sensor	Total		
Net sales						
External	8,617	7,131	7,124	22,873	919	23,793
Inter-segment sales and transfers	—	—	—	—	—	—
Total	8,617	7,131	7,124	22,873	919	23,793
Segment profit	1,226	1,015	1,304	3,546	232	3,778
Segment assets	8,802	6,609	9,246	24,658	616	25,274
Other items						
Depreciation and amortization	316	93	220	630	32	663
Impairment losses	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	309	66	164	540	12	552

Note: The “Other” segment is a business segment not included in the reportable segments and it covers business such as repair and maintenance services.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments				Other (Note)	Total
	Measurement & Control Instruments	Instrumentation Systems	Sensor	Total		
Net sales						
External	9,169	9,699	7,549	26,418	1,006	27,425
Inter-segment sales and transfers	—	—	—	—	—	—
Total	9,169	9,699	7,549	26,418	1,006	27,425
Segment profit	1,173	1,268	1,398	3,840	302	4,142
Segment assets	9,798	6,963	9,576	26,339	684	27,023
Other items						
Depreciation and amortization	421	112	215	749	31	781
Impairment losses	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	384	102	679	1,167	17	1,185

Note: The “Other” segment is a business segment not included in the reportable segments and it covers business such as repair and maintenance services.

4. Reconciliations of the totals of segment sales, reported segment profit or loss, segment assets, segment liabilities and other material segment items to consolidated financial statement amounts and breakdown by major item

(Millions of yen)

Net sales	Previous fiscal year	Fiscal year under review
Reportable segment total	22,873	26,418
Net sales of Other segment	919	1,006
Net sales in consolidated financial statements	23,793	27,425

(Millions of yen)

Profit	Previous fiscal year	Fiscal year under review
Reportable segment total	3,546	3,840
Profit of Other segment	232	302
Corporate expenses (Note)	△1,760	△1,968
Operating profit in consolidated financial statements	2,018	2,173

Note: Corporate expenses are primarily general and administrative expenses that cannot be allocated to specific segments.

(Millions of yen)

Assets	Previous fiscal year	Fiscal year under review
Reportable segment total	24,658	26,339
Assets of Other segment	616	684
Corporate assets (Note)	11,015	9,507
Total assets in consolidated financial statements	36,289	36,530

Note: Corporate assets are primarily head office building, etc. that cannot be allocated to specific segments.

(Millions of yen)

Other items	Reportable segment total		Other		Adjustments		Amount on consolidated financial statements	
	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review
Depreciation and amortization	630	749	32	31	122	47	785	828
Impairment losses	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	540	1,167	12	17	262	202	815	1,387

Note: The adjustments to “Increase in property, plant and equipment and intangible assets” are head office-related capital expenditures.

## Relevant information

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

### 1. Information by product and service

This information is omitted because such information is disclosed in “Segment information.”

### 2. Geographic information

#### (1) Net sales

(Millions of yen)			
Japan	Asia	Other	Total
18,941	4,441	410	23,793

Notes: 1. Country and regional segmentation are based on geographic proximity.  
2. Main countries or regions belonging to geographical segments besides Japan  
(1) Asia: Mainly China, South Korea and Taiwan  
(2) Other: Mainly the United States, Germany and Italy

#### (2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the consolidated financial statements.

### 3. Information on major customers

This information is omitted because there are no customers that account for 10% or more of net sales in the consolidated statements of income.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

### 1. Information by product and service

This information is omitted because such information is disclosed in “Segment information.”

### 2. Geographic information

#### (1) Net sales

(Millions of yen)			
Japan	Asia	Other	Total
21,659	5,255	509	27,425

Notes: 1. Country and regional segmentation are based on geographic proximity.  
2. Main countries or regions belonging to geographical segments besides Japan  
(1) Asia: Mainly China, South Korea and Taiwan  
(2) Other: Mainly the United States, Germany and Italy

#### (2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the consolidated financial statements.

### 3. Information on major customers

This information is omitted because there are no customers that account for 10% or more of net sales in the consolidated statements of income.

Information concerning impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

There is no items to report.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

There is no items to report.

Information concerning amortization of goodwill and unamortized balance by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

There is no items to report.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

There is no items to report.

Information concerning gain on bargain purchase by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

There is no items to report.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

There is no items to report.

(Per share information)

Previous fiscal year (from April 1, 2022 to March 31, 2023)		Fiscal year under review (from April 1, 2023 to March 31, 2024)	
Net assets per share	2,214.16yen	Net assets per share	2,385.55yen
Earnings per share	181.22yen	Earnings per share	206.87yen

Notes: 1. Diluted earnings per share is omitted because there are no potential shares with a dilutive effect.

2. The basis for calculating net assets per share is as follows:

	Previous fiscal year (as of March 31, 2023)	Fiscal year under review (as of March 31, 2024)
Total net assets (Millions of yen)	21,574	23,191
Amount deducted from total net assets (Millions of yen)	2,790	2,931
[Non-controlling interests (Millions of yen)]	[2,790]	[2,931]
Total net assets related to common shares at the end of the year (Millions of yen)	18,784	20,260
Number of common shares used in calculating net assets per share at the end of the year (Thousand)	8,483	8,492

3. The basis for calculating earnings per share is as follows:

	Previous fiscal year (from April 1, 2022 to March 31, 2023)	Fiscal year under review (from April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (Millions of yen)	1,536	1,756
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	1,536	1,756
Average number of shares during the period (Thousand)	8,478	8,489

(Subsequent events)

There is no items to report.

(Omission of disclosure)

The non-consolidated financial statements and significant notes thereto are omitted, as we do not see any significant need to disclose them in the financial results.

4. Other

1. Change of Director (expected effective date is June 27, 2024)

- Retiring Director

Outside Director Kazuo Ikuta

- Candidate for Director to be newly appointed

Outside Director Chie Tomari