

The background of the cover features a series of concentric, wavy lines in blue and orange, creating a sense of movement and depth. The lines are thin and closely spaced, forming a pattern that resembles a stylized wave or a series of overlapping curves.

CHINO Report 2025

CHINO CORPORATION

Corporate Philosophy

The CHINO Group pushes the limits of measurement, control, and monitoring technologies and contributes to the advance of industry and the realization of tomorrow's society

Our corporate philosophy embodies our commitment to realizing a sustainable society through the provision of distinctive products and services. We believe it is the mission of the CHINO Group to achieve sustainable growth and enhance corporate value by addressing to solve various social issues.



Editorial Policy

This report is intended to provide all of our stakeholders—including customers, shareholders and investors, business partners, local communities, and employees—with a deeper understanding of the CHINO Group's business activities and initiatives.

Since 2006 we have reported in the form of an "Environmental Report," and from 2017 as a "CSR Report." In 2022, we expanded the content and relaunched it as the "CHINO Report." From 2023, we further enhanced it by adding broader sustainability information as well as highlights of our business overview and financial data, thereby providing more integrated information.

Going forward, as we expand our business activities, we will continue to enhance the content of this report so that it becomes an even more effective communication tool for our diverse stakeholders.

Reporting period:	This report mainly presents results of activities in fiscal 2024 (from April 1, 2024 to March 31, 2025).
Publication date:	October 2025
Publication frequency:	Annually
Scope of report:	The report covers CHINO Corporation and the CHINO Group companies. Some items relate only to CHINO Corporation.
Contact:	Sustainability Planning Office, Corporate Management Division, CHINO Corporation

Corporate Vision Toward Our 90th Anniversary in 2026



Co-Creation

We capture changes in the environment and create new value together with our stakeholders.

Strengths

With outstanding technologies, we deliver Loop Solutions that inspire our customers.

Reliability

We strengthen bonds of trust and continue to grow toward the future with passion and teamwork.



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At a Glance

CHINO in Numbers

112 years since foundation, 89 years since establishment

Measurable from -269°C to $3,500^{\circ}\text{C}$

Contributing to temperature standards in 29 countries around the world



Fiscal 2024

Consolidated net sales

¥29.329 billion

Consolidated operating
profit

¥2.879 billion

Dividend payout ratio
(consolidated)

34.1 %

Number of consolidated
employees

1,093 employees

Number of group companies

6 companies in Japan /
6 companies overseas

Percentage of women in man-
agement and titled positions

Management **5.2** %
Titled positions **26.7** %
(non-consolidated basis)

Annual number of holidays

126 days

Greenhouse gas emissions
(Scope 1 and 2)

313t-CO₂
(non-consolidated basis)

Renewable energy ratio at head-
quarters and key domestic sites

100 %
(purchased electricity;
non-consolidated basis)



Our History

Since its establishment in 1936, the CHINO Group has developed its business in the fields of measurement, control, and monitoring, engaging with a wide range of industrial sectors and contributing to their development. As we approach our 90th anniversary in 2026, we will continue striving to enhance corporate value and contribute to building a better society for the future.

1963

Completion of the Fujioka Factory



1986

Launch of Advanced Recorder AR

1986

50th anniversary; change of company name to CHINO CORPORATION



1978

Completion of Kuki Sensor Factory (present Kuki Factory)



1992

Establishment of Yamagata Chino Co., Ltd. (present Yamagata Factory)



1990

Completion of the new head office and laboratory buildings



1913

Founding of Chino Seisakusho Co., Ltd. in Shitaya, Tokyo (present Okachimachi, Taito-ku)



1955

Launch of Optical Pyrometer 770



1962

Launch of Oscillating Automatic Control Thermometer E500

1936

Establishment of Chino Seisakusho Co., Ltd. (present CHINO CORPORATION)

1923

Construction of new factory in Nakamaru, Itabashi-ku (present Kumano-cho)

1945

Head office and factory burned in air raid

1957

Completion of No. 1 Factory on the site of the former head office

1962

Listing of shares on the Second Section of the Tokyo Stock Exchange

1977

Establishment of Senko Denki Co., Ltd. (present CHINO Softex Corporation)

1979

Relisting of shares on the First Section of the Tokyo Stock Exchange

1980

Start of calorie instrumentation business

1983

Establishment of CHINO Works America Inc. in the United States

1985

Start of Fuel Cell instrumentation business

1989

Establishment of Korea CHINO Corporation in South Korea

2011

- Expansion of instrumentation plant at Fujioka Factory
- Completion of CHINO Biotope Forest



2007

Launch of Digital Indicating Controller DB1000/2000

2014

Completion of Fujioka Equipment Products Development Center, Fujioka Factory
Conversion of ADVANCE RIKO, Inc. to a subsidiary



2015

Launch of Infrared Radiation Thermometer IR-CZQ

2020

Conversion of MEIYO ELECTRIC Co., Ltd. to a subsidiary



2022

Launch of Real-Time Wireless Logger MZ Series



2026
Toward the
90th
anniversary of
establishment

2025

CHINO Biotope Forest received the Prime Minister's Award for Distinguished Service in the Greenery Promotion

2023

Yamagata Factory Customer Satisfaction Department JCSS registration and accreditation for thermometer and hygrometer calibration

2022

- Transition to Tokyo Stock Exchange Prime Market
- Completion of conversion of purchased electric power at the head office and domestic production sites to 100% renewable energy

2021

Start of Medium-Term Management Plan 2026

2013

Completion of installation of solar power generation system at the Yamagata Factory

2012

- Merger of Yamagata Chino Co., Ltd.
- Establishment of CHINO Corporation (Thailand) Limited in Thailand

2010

Conversion of AR'S CO., Ltd. to a subsidiary

2006

Conversion of Tokyo Seiko Co., Ltd. and Asakawa Lens Works Co., Ltd. to subsidiaries

2005

JCSS registration and accreditation for hygrometer calibration, Calibration Engineering Department, Kuki Factory

2003

Establishment of CHINO Instrumentation (Kunshan) Co., Ltd. in China

2002

ISO14001 environmental management system certification

1999

ISO9001 quality management system certification

1998

Conversion of SANKI KEISO CO., LTD. to a subsidiary

1996

- Establishment of CHINO LAXSONS (India) Private Limited (present CHINO Corporation India Private Limited) in India
- Launch of loop instrumentation business

1994

JCSS national accreditation as a thermometer calibration business operator in accordance with the establishment of the Measurement Law traceability system, Calibration Engineering Department, Kuki Factory

1993

Establishment of Shanghai Dahua-CHINO Instrument Co., Ltd. in China

Our Value Creation Process

To contribute to the development of a sustainable society, the CHINO Group makes maximum use of its capital and creates new value through the provision of unique solutions, thereby achieving sustainable growth.

Corporate Philosophy

The CHINO Group pushes the limits of measurement, control, and mon-

Social Issues

Politics & Economy

- Geopolitical risks and destabilization of supply chains
- Economic security and transformation of industrial structures
- Strengthening of international standards and regulations

Social

- Labor shortages and effective utilization of diverse human resources
- Ensuring trust in safety and quality
- Respect for human rights and sustainable procurement

Technology

- Advances in digital and sensing technologies
- Acceleration of automation and labor-saving at production sites
- Development of next-generation batteries and semiconductors

Environment

- Acceleration toward decarbonization and carbon neutrality
- Climate change and expansion of renewable energy adoption
- Calls for resource circulation and reduced environmental impact

Inputs



Human capital

Number of employees **1,093**

Promotion of diversity and transfer of technical skills

Development of highly specialized human resources



Financial capital

Total assets **¥37.76** billion

Equity ratio **58.2%**

Investments for growth **¥0.94** billion



Intellectual capital

Number of patents held **143**

R&D expenses **¥1.31** billion

Temperature control know-how



Manufactured capital

Five production sites in Japan and three in overseas

High-reliability production system



Social and relationship capital

Number of customers **5,260** companies

Distributor network **28** companies

Membership of the Cooperative Association **21** companies



Natural capital

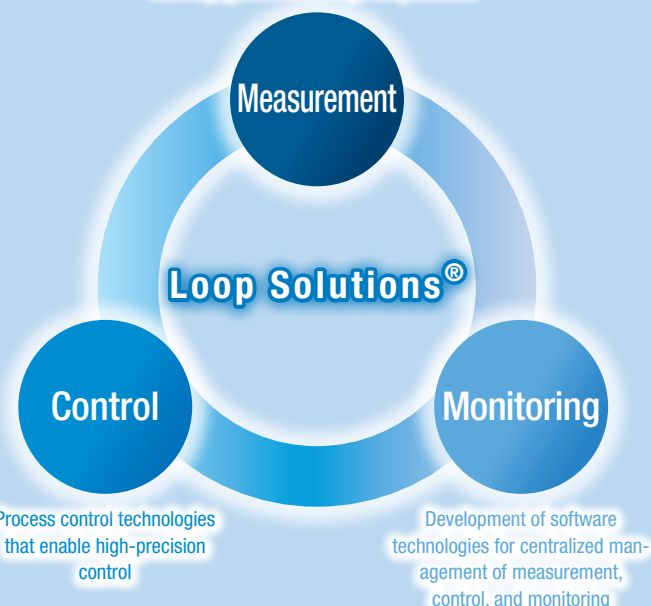
CO₂ emissions (Scope 1+2, non-consolidated) **313t**

Energy use **51,190GJ**

Business Model

Loop Solutions[®] provides optimal, one-stop solutions covering the entire process of measurement → control → monitoring, with a focus on temperature, while closely addressing customer-site challenges.

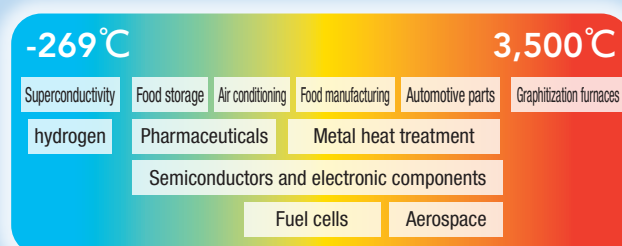
Temperature sensing technologies capable of measuring from cryogenic to ultra-high temperatures



* "Loop Solutions" is a registered trademark of CHINO Corporation.

Temperature-based solutions.

from cryogenic to ultra-high temperatures, that contribute to a wide range of industries



Circulation of Value Creation and Reinvestment for the Future

itoring technologies, contributing to industrial development and the realization of a better tomorrow for society.

Outputs

Outcomes

Products and services centered on temperature measurement

Measurement and control instruments

- Recorders
- Controllers
- Power regulators
- Loggers

Instrumentation systems

- Evaluation testing
- Performance and durability testing
- Data acquisition and monitoring
- Package systems

Sensors

- Temperature
- Humidity
- Measurement of composition, moisture, and thickness



Calibration and services

- Temperature calibration
- Repairs
- Services

Addressing material sustainability issues



Human capital

- Continuous development of specialist talent
- Encouraging diversity and building a fulfilling workplace



Financial capital

- Stable financial foundation coupled with growth-oriented strategic investments
- Investment in equipment renewal



Intellectual capital

- Technological advancements in high-precision sensing, temperature control, and other areas
- Expanded application to decarbonization and smart factory fields



Manufactured capital

- Provision of products and systems that address issues at customer sites
- High-reliability manufacturing and quality assurance



Social and relationship capital

- Customer-focused proposals and fostering stronger relationships built on trust
- Strengthened competitiveness through co-creation with partners



Natural capital

- Expansion of environmentally conscious products
- Reduction of greenhouse gas emissions (target of net zero Scope 1 and 2 emissions by 2040)

Enhancement of shareholder value

KGI of Medium-Term Management Plan 2026

ROE: 10.0%

ROA: 8.0%

Dividend payout ratio: 40%

Enhancement of social value

— Contribution to a sustainable society —



Decarbonization and energy shift (hydrogen)



Advancement of monitoring through IoT and DX (Digital Transformation)



Support for the manufacturing of semiconductors, next-generation batteries, and new materials



Strengthening reliability across healthcare, food, and logistics industries



Technological advancement and environmental responsiveness



Facility management of power, energy, and environmental performance

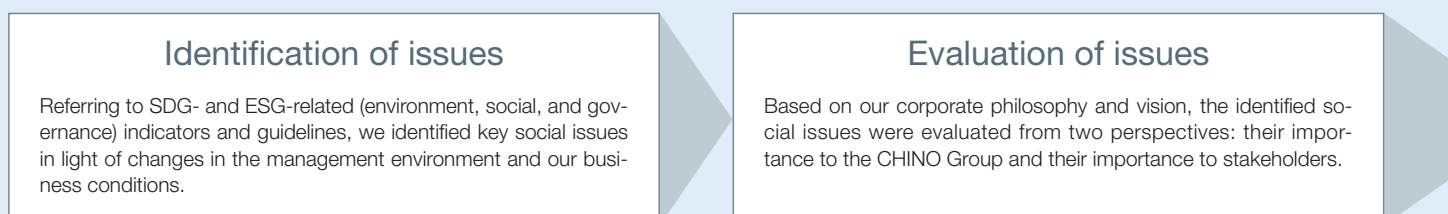
Toward a sustainable future together with all stakeholders

The earnings we generate are reinvested to fuel our next stage of growth. By continuously investing in R&D, capital expenditures, and human resource development, we are transforming our business structure to enhance resilience and expand our social value.

Material Sustainability Issues (Materialities)

To advance sustainability management, the Group has identified the material issues on which we should focus by leveraging our strengths, as listed below. We will update these material issues as appropriate in light of changes in social conditions and the business environment.

Process for Identifying Material Sustainability Issues (Materialities)



Material sustainability issues (materialities) and related SDG targets

Material sustainability issues (materialities)			KPIs and outcomes
E Environment	1 Contribution to the realization of a decarbonized society	<ul style="list-style-type: none"> Provision of products and solutions that solve environmental problems 	<ul style="list-style-type: none"> Increase in the sales ratio of decarbonization-related products and systems
		<ul style="list-style-type: none"> Environmental consideration in business activities 	<ul style="list-style-type: none"> Reduction of GHG emissions (Scope 1 and 2) compared with FY2020 Zero-emission activities (promotion of waste recycling)
S Society	2 Systematic initiatives aimed at respect for human rights		<ul style="list-style-type: none"> Ongoing implementation of human rights/compliance training
	3 Development of appealing workplace environments	<ul style="list-style-type: none"> Diversity and inclusion/Human resources development 	<ul style="list-style-type: none"> Ratio of women in titled positions (section chief, assistant manager class, and management) Ratio of mid-career hires in management positions Rate of employment of persons with disabilities Rate of utilization of childcare leave by men
		<ul style="list-style-type: none"> Work style reform/Health and productivity management 	<ul style="list-style-type: none"> Enhancement of employee training - Average training attendance hours Rate of utilization of annual paid leave Rate of periodic health checkups and re-examinations Number of cases of work improvement utilizing IT Continuation of engagement surveys
	4 Strengthening of supply chain management		<ul style="list-style-type: none"> Rate of management response to chemical substances contained in products Rate of requests to major business partners to comply with the Green Procurement Guidelines
G Governance	5 Advancement of governance	<ul style="list-style-type: none"> Strengthening of corporate governance structure 	<ul style="list-style-type: none"> Maintenance and enhancement of effectiveness evaluations of the Board of Directors Accommodation of the Corporate Governance Code
		<ul style="list-style-type: none"> Enforcement of risk management and compliance 	<ul style="list-style-type: none"> Number of serious compliance violations
B Business	7 Creation of products and solutions that enhance UX (user experience)	<ul style="list-style-type: none"> Further development of distinctive proprietary technologies 	<ul style="list-style-type: none"> Number of intellectual property creations (patents, know-how, etc.) Number of new products and systems launched Customer satisfaction
		<ul style="list-style-type: none"> Ensuring quality and safety and stable supply 	<ul style="list-style-type: none"> Number of production line improvement cases Audit implementation rate for designated cooperative companies
		<ul style="list-style-type: none"> Appropriate provision of information on products and services 	<ul style="list-style-type: none"> Ongoing expansion of website content



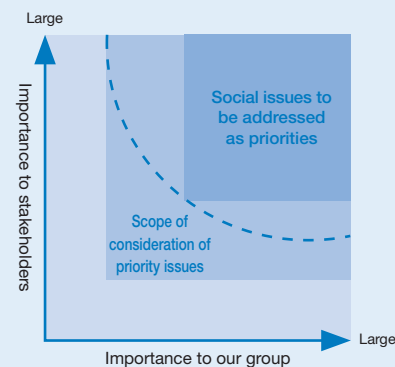
Through our business activities, the Group is advancing initiatives to help achieve the Sustainable Development Goals (SDGs).

Prioritization of issues

From the perspective of the opportunities and risks for the Group, we prioritized the issues to be addressed and examined the corresponding activity themes.

Determination of material issues

The identified issues and activity themes were submitted to the Sustainability Promotion Meeting for review, and finalized the material issues after assessing their appropriateness.



	Actual results		Targets			Related SDG goals (as indicated by the SDG icons in the right-hand column)
	FY2023	FY2024	FY2025	FY2026	Other specific targets	
	36%	Sales ratio: 20%; number of inquiries: 112*	Sales ratio: 20%; number of inquiries: 120	Sales ratio: 20%; number of inquiries: 120		
	89.3% reduction (emissions: 291 t-CO ₂)	88.5% reduction (emissions: 313 t-CO ₂)	89% reduction	90% reduction	100% reduction by FY2040	
	Company-wide final disposal rate 1.8%	Company-wide final disposal rate 1.8%	Company-wide final disposal rate below 1.3%	Company-wide final disposal rate below 1.2%	Company-wide final disposal rate below 1% in FY2030 (zero emissions)	
	Once	Once	At least once a year	At least once a year		
	Women in management 3.7% Women in titled positions 27.3%	Women in management 5.2% Women in titled positions 26.7%	Women in management 6% Women in titled positions 29%	Women in management 7% Women in titled positions 30%		
	26.6%	28.4%	Proactive recruitment of mid-career hires	Proactive recruitment of mid-career hires		
	2.02%	2.39%	2.5%	2.7%		
	92.3%	72.7% (87 days)*	70% (30 days or more)	70% (30 days or more)		
	11.6 hours per year	11.8 hours per year	12 hours per year	13 hours per year	Enhanced training programs	
	69.9%	64.3%	73%	75%		
	42.1%	52.5%	75%	100%		
	50 cases	47 cases	Continued implementation	Continued implementation		
	Continued implementation	Continued implementation	Continued implementation	Improved employee engagement		
	Registration ratio of 100% in the product chemical substances management database for new products	Registration ratio of 100% in the product chemical substances management database for new products	Registration ratio of 100% in the product chemical substances management database for new products	Registration ratio of 100% in the product chemical substances management database for new products		
	100%	100%	100%	100%		
	Ongoing	Ongoing	Continued implementation	Continued implementation		
	Compliance with each principle	Compliance with each principle	Maintain and further enhance initiatives	Maintain and further enhance initiatives		
	0 cases	1 cases	0 cases	0 cases		
	28 meetings	26 meetings	Further enhancement of the quantity and quality of meetings	Further enhancement of the quantity and quality of meetings		
	22 cases	21 cases	20 or more cases	20 or more cases		
	14 items	14 items	16 items	16 or more items		
	77.8	78.4	78	80		
	—	115 cases*	Continued implementation	Continued implementation		
	130% (actual: 39 companies)	140% (actual: 42 companies)	100% (30 companies targeted per year)	100%		
	Completed renewal of the product, service, and member registration site	Renewal of the top page, on-site search, site map, and domain integration	Ongoing maintenance of each content area; expansion of the global site; renewal of distributors' websites	Establish a framework to reach all website visitors		

*KPIs and outcomes have been added starting in FY2024.

CHINO Report 2025

**Providing filed-based, customer-centric solutions
that contribute to industrial development and
the realization of a sustainable society**



Mikio Toyoda

President and Chief
Executive Officer

Steadily identifying growth opportunities in a rapidly changing world

Japan's industrial sector, including CHINO, is currently in the midst of intense change. Elevated energy costs and material prices, combined with unstable international conditions, are making it difficult to forecast the future. In addition to the slowdown in the Chinese economy, tariff measures implemented by the Trump administration in the United States are expected to affect many companies. Global environmental changes, including climate change, are also becoming more serious. In an environment where uncertainty continues to rise, what perspective is most important for CHINO's management? I believe it is the ability to capture genuine social needs.

One of the factors that significantly influences our management is capital investment by our customers. Although domestic business accounts for roughly 80% of our net sales, capital investment by Japanese companies has remained generally firm even amid rapid changes in the business environment, and our order intake is also growing. Behind this trend are efforts toward carbon neutrality. The hydrogen field, where we are focusing our efforts, is a growth area in which R&D is accelerating across industries. Because CHINO has earned a strong reputation for equipment such as fuel cell evaluation test systems and water electrolysis evaluation systems, we have been able to link demand centered on decarbonization to business growth. This is a prime example of how contributing to society can be directly connected to corporate value. Even in today's so-called "super-VUCA era," I strongly feel that it is becoming ever more important to steadily identify opportunities.

Strong performance in fiscal 2024 and our market positioning

Reflecting these trends, our consolidated results for fiscal 2024 surpassed the previous year—which itself marked record highs—with net sales up 6.9%, operating profit up 32.4%, ordinary profit up 25.7%, and net income up 13.4%, all reaching new record levels. Under our current Medium-Term Management Plan, we have set KGIs for the final year (fiscal 2026) of net sales of ¥30.0 billion and operating profit of ¥2.7 billion; we have already achieved the operating profit target two years ahead of schedule. By contrast, the growth rate of net income is lower than that of operating profit and ordinary profit because the previous year benefited from gains on the sale of strategic shareholdings.

I believe the primary reason for our improved performance is that our customers have recognized the value that CHINO provides. We have consistently taken customer feedback seriously and advanced internal reforms. Even amid rising costs, including raw material prices, we have continued to offer our products at prices our customers

accept, which I see as evidence of the strong relationships of trust we have built with them.

For fiscal 2025, assuming increased demand in the hydrogen, semiconductor, and electronic component fields, we forecast modest growth, with net sales of ¥30.0 billion and operating profit of ¥2.9 billion. These figures may appear conservative, but they reflect our consideration of highly uncertain factors. To maintain growth even amid unexpected changes, we need a well-balanced business portfolio. We will formulate our plans based on moderate growth in each segment and work to stabilize earnings.

Building a co-creation-driven organization to accelerate growth

CHINO will celebrate the 90th anniversary of its establishment in 2026, and our current Medium-Term Management Plan is being promoted with that milestone as its final year. After the first three years (fiscal 2021–2023; Phase 1), which we positioned as a period for "laying the foundation for growth," Phase 2 (fiscal 2024–2026) aims to "accelerate growth." We have set out four basic strategies: (1) further development and expansion of growth fields, (2) advancement of core businesses and value creation, (3) strengthening and expanding the foundation of overseas businesses, and (4) reinforcing the management base. I feel confident that the initiatives under each of these strategies are steadily bearing fruit in the form of tangible results.

For strategies (1) and (2), generating group synergies and building partnerships with our customers are essential. With regard to "co-creation," which we also emphasized in last year's report, we have focused on creating mechanisms that foster cooperation among departments so that this concept is firmly embedded in the mindset of every employee. Going forward, we will further reinforce our framework through the enhancement of our IT infrastructure and human resource development.

In promoting co-creation, we are also strengthening what we call the "engineering supply chain." This is an initiative to synchronize the "engineering chain," which creates products, with the "supply chain," which delivers them. For example, if information held by the Sales Division is quickly shared with the R&D Division, we can respond more rapidly to social needs. We are currently building our own information-sharing system, and its rollout is progressing in the Sales Division and other areas. We expect these data-driven initiatives to advance the sophistication of our core businesses.

On the other hand, it is difficult to say that we have achieved notable results in strategy (3), strengthening and expanding the foundation of our overseas businesses. Our overseas business is heavily weighted toward China and South Korea, and stagnation has been partly caused by the impact of the Chinese economy on our customers

//// PRESIDENT & CEO MESSAGE

in South Korea. Even in our overseas operations, co-creation-based manufacturing that responds to customer needs is crucial. By analyzing trends in growth markets and each region, we intend to promote more strategic business development.

At the same time, we must also look beyond our 90th anniversary to the future that lies ahead. We plan to begin formulating our next Medium-Term Management Plan within the current fiscal year. In setting long-term policies, it is essential first to carefully analyze the causal relationships between past strategies and their outcomes. While analyzing risks and opportunities from multiple perspectives, we will continue preparing for our 100th anniversary by nurturing the seeds of future growth.

Supporting customers' business growth through a field-based, customer-centric approach

Our business rests on three pillars: "measurement and control instruments," "instrumentation systems," and "sensors." Since the company's establishment in 1936, we have built our value creation on "measurement, control, and monitoring" centered on temperature, thereby securing a competitive edge in the market. Today, our ability to measure a wide range of temperatures—from cryogenic temperatures of -269°C to ultra-high temperatures of $3,500^{\circ}\text{C}$ —enables us to respond to diverse social needs in areas such as hydrogen, fuel cells, semiconductors, and synthetic diamonds. Our ability to flexibly provide products and services tailored to customer requirements is a clear strength of CHINO.

Our solutions are used on our customers' manufacturing sites and in their testing and research settings. We uphold a field-based and customer-centric approach as our motto, and we have made relationships of trust backed by solid technological capabilities a driving force for co-creation. Combining our technologies for measurement, control, and monitoring to help resolve on-site challenges is our strength,

and our "Loop Solutions," built on outstanding technologies, form the foundation of our value creation.

However, if we focus too much on highlighting our own strengths and lose sight of broader trends, we risk falling into an "innovator's dilemma." To continue providing innovative solutions, we must anticipate the policies and strategies of our customers, who are directly engaged with society. Here again, our field-based and customer-centric approach is crucial. By listening carefully to customers' voices and incorporating a wide range of data on markets and technologies, we aggregate information and insights within the company. I believe this cycle is essential to maintaining our competitive advantage.

The key players in putting our field-based and customer-centric approach into practice are the frontline Sales Division. Our sales staff include many individuals with deep technical knowledge in fields such as hydrogen and fuel cells, and their strong understanding of customer issues is one of our distinguishing features. By strengthening our engineering supply chain, we will link information-sharing between the Sales and R&D divisions to the creation of customer value and to the further sophistication of our solutions.

Emphasizing improved capital efficiency to reinforce our management base

Regarding basic strategy (4) of our Medium-Term Management Plan, "reinforcing the management base," we are working to build a framework that enables us to boldly execute management strategies based on CSV (creating shared value). In finance, under a strategy that emphasizes capital efficiency, we have set KGIs for management indicators such as net sales, operating profit, and ROE, premised on growth investment and improved capital profitability. To achieve these targets by fiscal 2026, we must further advance both our supply chain and engineering chain and rigorously manage our cost of sales and manufacturing costs as a manufacturer. We are currently striving to strengthen ROIC-oriented management and sharing know-how so that each frontline division can manage its business with a clear awareness of investment effectiveness.

Returning profits to shareholders is one of our most important management policies. Toward our target consolidated dividend payout ratio of 40% in fiscal 2026, we plan to raise the ratio to 36.1% in fiscal 2025. While maintaining a balance with business investment, we will continue aiming to increase dividends.

Internal mindset reform is essential for sustainability management

Our basic policy for sustainability management is to contribute to the "realization of a sustainable society" through our business activities while at the same time pursuing our own "sustainable growth" and "enhancement of corporate value." In 2023, we established the Sustainability Planning Office, and in 2024 we launched the Sustainability



Promotion Working Team, thereby putting in place a framework that links management with frontline operations.

Across the domains of “ESG (environment, social, governance)” plus “B (business),” we have defined seven materiality themes and 25 KPIs in total and are steadily advancing initiatives for each. Since the initial drafts were prepared in 2021 by what was then the “CSR Promotion Project,” we have operated these initiatives by linking monitoring and efforts to achieve the targets with the business plans of each department and employee, thereby building a foundation for the entire company to approach sustainability with a sense of commitment and personal ownership. Our initiatives span a wide range of areas—including the reduction of greenhouse gas emissions toward decarbonization, waste reduction, management of chemical substances contained in products, respect for human rights, and strengthening supply chain management—but what is most important is that every employee keeps sight of “the issues we should be focusing on right now.” To this end, we regularly hold company-wide sustainability briefings and continuously disseminate information and foster communication through our internal portal site and in-house publications as forums for sharing policies and the latest trends related to sustainability. I believe that the steady accumulation of such efforts is what leads to company-wide shifts in awareness and behavior.

Strengthening human capital management with a focus on developing next-generation leaders

In strengthening human capital management, we place particular emphasis on developing the next generation of leaders. To cultivate core personnel who will support CHINO as we head toward our 90th and 100th anniversaries, we have formulated succession plans for next-generation executives and are already conducting training programs for eligible employees. For leaders in each department, we have introduced external training programs that emphasize the “Three Realities” principle—genba (the actual workplace), genbutsu (the actual objects), and genjitsu (the actual facts). Through acquiring management knowledge and thinking skills as well as the ability to build relationships, we are developing future executive candidates with a deep understanding of customer needs. In addition, by improving our learning environment through e-learning, recruiting highly specialized personnel mid-career, and fostering digital talent, we are raising the overall skill level across the company.

To create a better workplace environment, we conduct engagement surveys covering all employees and ensure that issues identified on the front lines are reflected in various initiatives. We are also actively investing in measures related to health and productivity management, workstyle reform, and DE&I (diversity, equity and inclusion). In indirect divisions, improving productivity is an urgent task, and to prevent know-how from becoming a “black box,” we are promoting the visualization and standardization of operations through DX. With



respect to our various HR systems, we are working to redesign them so that they fairly recognize employees who embody our corporate philosophy and contribute to higher productivity.

In Japan, where the working-age population continues to decline, establishing a framework for human capital management is essential for companies pursuing sustainable growth. Furthermore, as technological advances accelerate and environmental and geopolitical risks become increasingly pronounced, I believe that, over the long term, those who can respond flexibly to change will lead society. To enable the people who will carry CHINO into the next generation to thrive, we will continue to maximize our human capital.

Contributing to society under “Co-Creation, Strengths, and Reliability”

In an environment of rapidly changing business conditions, it is essential to return to our core corporate philosophy. As articulated in our corporate vision of ‘Co-Creation, Strengths, and Reliability,’ we believe that stakeholder partnerships, exceptional technological capabilities, and organizational passion and teamwork are paramount.

To fulfill our corporate philosophy—“The CHINO Group pushes the limits of measurement, control, and monitoring technologies, contributing to industrial development and the realization of a better tomorrow for society”—we ourselves must continue making steady progress. To contribute to society, we must first develop solutions that delight our customers, and to do so we need to provide field-based technologies closely aligned with their operations. When we break down our goals to the field level in this way, each individual can naturally see what they need to work on. As top management, I am determined to do my utmost to ensure that the activities of each employee contribute to industrial development and the realization of a sustainable society.

Our business activities rely on the support of a wide range of stakeholders. To honor the trust placed in us by all who have supported us to date, we will continue working to enhance our corporate value.

Business and Product Overview

Leveraging our measurement, control, and monitoring technologies, we have supported industrial operations by making invisible information such as temperature “visible”.

By providing reliable products and services that address a wide range of industrial challenges from cryogenic to ultra-high temperatures, we contribute to the realization of a sustainable society in diverse fields, with temperature-centric “Loop Solutions” at the core.



Calibration and services

Calibration business and standard temperature sensors

(adopted in 29 countries worldwide)

Temperature sensors used in research, production, inspection, logistics, and other sites across many industries are required to have traceability from the perspectives of quality control, ISO, HACCP, safety, and maintenance of accuracy.

To help customers establish their own traceability systems, we supply calibration equipment, measuring instruments, and standard sensors—including for temperature sensors, radiation thermometers, and glass thermometers—to various industries as well as testing research institutions, universities and other educational institutions.



Standard temperature sensors

We offer five types of standard platinum resistance thermometers, ranging from models for cryogenic temperatures to those for high temperatures.

Standard radiation thermometer IR-RST

This high-precision standard thermometer is used for comparative calibration of radiation thermometers.

Comparative calibration: A method in which a standard thermometer is compared with the thermometer to be calibrated. Unlike fixed-point calibration, the temperature can be set arbitrarily.

Business Areas and Main Products

Measurement and control instruments

We provide recorders, controllers, and thyristor regulators, which are essential for recording and control and form the foundation of various manufacturing sites, as well as wireless loggers that monitor temperature and humidity data over wide areas Wirelessly.

Recorders (High-performance graphic recorder KR3-H Series; Data logger FE Series)

These instruments record measurement data on chart paper or as digital data. Depending on the application, you can choose from analog, graphic, or hybrid recording methods.

Controllers (Digital indicating controller DB Series)

These devices control process variables such as temperature, pressure, and flow based on measurement data, and matches the measured values to the target values.

Wireless loggers (Real-time wireless logger MZ Series)

Measurement data from transmitters are sent wirelessly and collected and monitored via a receiver.

Thyristor regulators (Power regulators)

These devices receive signals from controllers and regulate electrical energy accordingly. They are used to control the temperature of electric furnaces.

Instrumentation systems

Leveraging our measurement, control, and monitoring technologies, we provide instrumentation systems that coordinate measurement, control, and monitoring equipment—together with application software—in line with customers' objectives.

Fuel cell evaluation tests and water electrolysis evaluation system

These systems measure performance in terms of how much power is generated from hydrogen used and how much hydrogen is obtained through the electrolysis of water. They are indispensable technologies for realizing a hydrogen-based society.

Compressor performance and durability test systems

These systems measure the cooling and heating capacity of air conditioners and evaluate their performance and durability.

Data acquisition and monitoring package software (Data acquisition and monitoring package system CISAS 5)

This package software transmits information from our measurement and control instruments to a PC, where the data can be collected and monitored.

Sensors

We provide contact-type temperature sensors such as thermocouples and resistance temperature detectors (RTDs), radiation thermometers using infrared technology, thermal imaging measurement systems (thermography), and humidity sensors and moisture/thickness meter, and possess temperature measurement technologies covering a range from -269°C to $3,500^{\circ}\text{C}$.

Temperature sensors (Intrinsically safe explosion-proof type platinum-cobalt sheathed resistance thermometers NR800-6, NR800-7)

These thermometers directly contact the object being measured and determine its temperature through thermal conduction from the object.

Radiation thermometers (Radiation thermometer IR-CZ Series)

These thermometers measure temperature by non-contact detection of thermal radiation (infrared) emitted from the object being measured.

Thermal imaging measurement systems (Compact thermal imaging system "ThermoPix" CPA-L4 Series)*

These measurement systems visually display temperature distributions as images. They capture movement of the object being measured and record temperatures over a given time period (process).

Infrared moisture and thickness meter (Infrared moisture and thickness meter IM Series)

It uses the infrared absorption of the object to measure the composition and thickness of the object on the order of micrometer without contact.

We provide calibration services to determine temperature measurement errors for customers' sensors and sensors manufactured in-house. As a company registered under JCSS (Japan Calibration Service System) in accordance with the Measurement Act, we are authorized to issue certificates that serve as proof of international traceability.

We also supply standard temperature sensors to national metrology institutes in 29 countries worldwide.



Field engineering

Our service engineers or contracted service personnel visit customer sites to perform inspection and calibration services mainly for measuring instruments such as temperature and humidity devices, controllers, and recorders.

Flow of on-site calibration services

On-site survey

Repair and replacement of parts

Operational check

Maintenance



Toward the realization of a sustainable society

To help realize a safe, secure, and sustainable society, the Group offers products and systems that contribute to solving issues faced by society and by a wide range of industries, including through decarbonization, DX, and the use of advanced technologies in fields such as healthcare, food, and logistics.

Decarbonization and energy shift (hydrogen) — Contributing to carbon neutrality —

Social issues and needs Utilization of hydrogen energy and promotion of renewable energy adoption

Key products and services

- “Transporting” hydrogen: High-precision temperature control for hydrogen in maritime transport
 ...cryogenic-temperature sensors for liquid hydrogen [MEIYO ELECTRIC Co., Ltd.]
- “Producing and using” hydrogen: Performance evaluation of water electrolysis cells and fuel cells
 ...Fuel cell evaluation test systems / water electrolysis evaluation systems
- Safe storage and facility monitoring for biomass fuels
 — Temperature monitoring systems for biomass power generation facilities
 ...Fixed-type thermal imaging measurement systems CPA-L
 ...Wireless monitoring systems (MZ / CISAS)

Producing hydrogen:
Water electrolysis

Evolving monitoring through IoT and DX (Digital Transformation)

Social issues and needs Advanced remote monitoring, centralized management of on-site data, and technical support for IoT deployment

Key products and services

- Supporting remote monitoring and data sharing via the cloud
 ...Cloud-compatible graphic recorders KR-H Series
 ...Web recorders SC5000 Series
 ...Data logger FE Series
 ...Real-time wireless logger MZ Series
 ...CHINO Cloud
- Supporting optimal IoT implementation for product design and environment construction
 ...Wireless network design support and technical consulting [AR'S CO., Ltd.]

Supporting manufacturing of semiconductors, next-generation batteries, and new materials

Social issues and needs Higher performance and yield for batteries used in EVs and renewable energy, precision processing of electronic components, and development and mass production of new materials

Key products and services

- Supporting semiconductor manufacturing processes through temperature measurement
 - Temperature control of piping required for evacuation in etching equipment
 ...Temperature controller for piping LH Series
 - Supporting temperature control in crystal growth processes
 ...Radiation thermometer IR-CZS
- Detection of defects in lithium-ion batteries and evaluation of material quality
 - Measurement of solid content concentration in lithium-ion battery slurry (jointly developed with AIST)
 ...Infrared moisture and thickness meter IR-MA
- Actual temperature measurement in reliability testing of automotive electronic components
 - Extra-fine sheathed thermocouples (fast response, low heat capacity)
 - High accuracy temperature converter KT-M
- Supporting the manufacture of synthetic diamonds, a sustainable material that can replace natural diamonds and is also used in semiconductors (as a material and abrasive)
 - Achieving high-quality synthetic diamond crystal growth through stable temperature control
 ...Radiation thermometer IR-CZ Series

Radiation thermometer
IR-CZS

Semiconductor material
(crystal)

Molten silicon
Crucible

Simultaneous display of images, temperature values, and trend graphs
 High-temperature measurement above 2,000°C

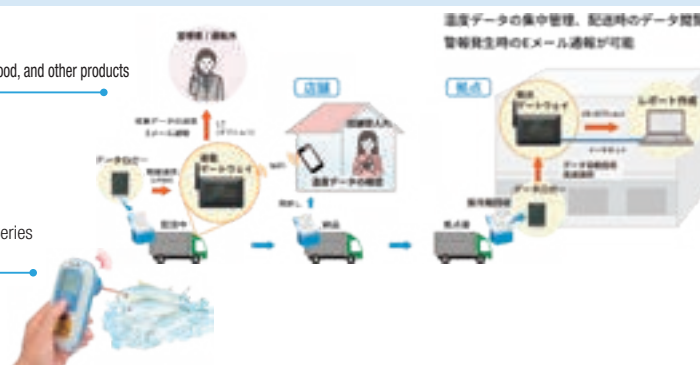


Enhancing reliability in healthcare, food, and logistics

Social issues and needs Ensuring the safety of pharmaceuticals and food, managing cold chains, and optimizing transport environments

Key products and services

- Managing and monitoring transport and storage temperatures for pharmaceuticals, food, and other products
 - ...Real-time wireless logger MZ
 - ...Data acquisition and monitoring package system CISAS 5
- Supporting compliance with standards governing pharmaceutical manufacturing, quality, and distribution (GMP/GDP)
 - ...MZ / calibration services / validation support
 - ...Graphic recorder with measurement data protection functions KRP Series
- Surface and core temperature measurement for food safety and quality control
 - ...Waterproof handheld infrared radiation thermometer IR-TB
 - ...Waterproof central thermometer MF500B



Technological advancement and environmental initiatives

Social issues and needs Responding to the shift to natural refrigerants and effective use of waste heat

Key products and services

- Supporting the shift to natural refrigerants with lower environmental impact (less impact on global warming)
 - ...Performance test systems for compressors using natural refrigerants
- Evaluation systems for thermoelectric conversion materials—which convert waste heat into electricity and are attracting attention for decarbonization
 - ...Thermoelectric property evaluation systems [ADVANCE RIKO, Inc.]
- Measurement of bioethanol concentration and moisture content
 - ...Pressure-resistant, explosion-proof infrared moisture and thickness meter IRMD



Management of power, energy, and environmental performance at facilities

Social issues and needs Visualization of energy use, energy saving and cost reduction, and CO₂ emission reduction

Key products and services

- Environmental management support systems (for power monitoring, heat index monitoring, temperature and humidity monitoring, etc.)
 - ...Real-time wireless logger MZ Series
 - ...Data acquisition and monitoring package system CISAS 5
 - ...CHINO Cloud
- Supporting optimal environmental control in agricultural facilities and cleanrooms, contributing to stable quality and improved energy efficiency
 - ...Agricultural temperature and humidity control / clean environment systems [SANKI KEISO CO., LTD.]



Progress of Medium-Term Management Plan 2026

The CHINO Group has formulated its Medium-Term Management Plan (FY2021–FY2026) to realize its vision for the 90th anniversary of its establishment in 2026. With the entire Group working together, we aim to establish a sustainable growth path and enhance corporate value over the medium to long term.

Overall our strategy

Building a path of sustainable growth + enhancing corporate value over the medium to long term

Four basic strategies

1 Solution	Further development and expansion of growth fields Create group synergies for new growth fields and accelerate the development and provision of distinctive solutions.
2 Integration	Advancement of core businesses and value creation Enhance core businesses by integrating proprietary technologies and services, and create new value together with customers.
3 Relationship	Strengthening and expanding the foundation of overseas businesses Strengthen collaboration between domestic and overseas operations while implementing region-specific strategies to improve the Group's profitability.
4 Innovation & Speed	Reinforcing the management foundation Reinforce human resources, organizations, ICT, governance, and financial strength to support value creation, innovation, and agile management.

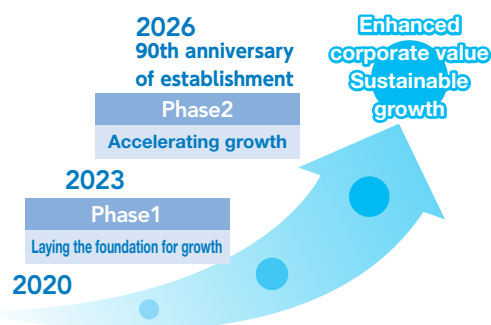
Promoting sustainability management

Addressing ESG issues

Contributing to the SDGs

Progress of the Medium-Term Management Plan in the current fiscal year

	FY2021 result	FY2022 result	FY2023 result	FY2024 result	FY2026 KGI
Net sales (100 million of yen)	219.08	237.93	274.25	293.29	300.00
Operating profit (100 million of yen)	14.99	20.18	21.73	28.79	27.00
Operating margin (%)	6.8	8.5	7.9	9.8	9.0
Overseas net sales (100 million of yen)	40.77	48.52	57.65	61.88	70.00
ROE (%)	6.1	8.5	9.0	9.4	10.0
ROA (%) (numerator: operating profit)	4.8	6.0	6.0	7.8	8.0



In addition to strong capital investment in our core fields of automotive, electronic components, and semiconductor manufacturing equipment, growth in demand for decarbonization-related equipment, the impact of product price revisions, and ongoing cost-reduction initiatives all contributed to steady increases in both sales and profits. In fiscal 2024, we achieved higher sales for the fifth consecutive year and record-high profits for the third consecutive year, with all major KGIs now approaching their FY2026 targets.

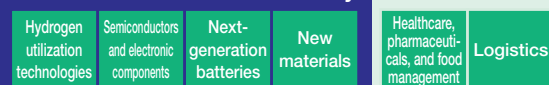
Four basic strategies and activity status

1 Solution

Further development and expansion of growth fields

Toward the realization of a sustainable society

Toward a decarbonized society



Toward a safe and secure society

- We continued to strengthen sales of temperature measurement, control, and recording equipment for semiconductor and electronic component manufacturing equipment and for heat treatment equipment used in automotive and aircraft parts.
- In the area of decarbonization, demand increased for water electrolysis systems, fuel cell test systems, and compressor performance evaluation systems for air conditioners that use natural refrigerants, and we stepped up our sales efforts.

2 Integration

Advancement of core businesses and value creation

Taking “measurement, control, and monitoring” to the next stage through Co-creation, Strengths and Reliability



- To address growing demand for “high-precision management of temperature and humidity” driven by stricter regulations, we introduced a calibration reservation system and strengthened our service framework.
- Aiming to launch services in fiscal 2025, we advanced development of our dedicated cloud service. Through remote monitoring and management of measurement data, we are working to provide new value in data utilization.

3 Relationship

Strengthening and expanding the foundation of overseas businesses

Promoting development of global niche markets through collaboration among domestic and overseas operations and among sales, production, and development

- By building a global framework that integrates domestic and overseas sales and service functions, we captured demand from overseas subsidiaries of Japanese companies.
- Overseas subsidiaries and domestic sales organizations shared market information and launched products tailored to specific markets that share common needs across multiple countries.
- To expand Group earnings, we are increasing intra-Group transactions, particularly in ASEAN countries and India.

4 Innovation & Speed

Reinforcing the management foundation

Boldly executing management strategies based on CSV (creating shared value) while responding swiftly and flexibly to changes in the super-VUCA era

- In restructuring our HR systems, we formulated a basic concept and advanced the design of our performance evaluation and senior employee systems, while focusing on updates to management training for managers in order to strengthen our human capital.
- In the first year of Phase 2 of the Medium-Term Management Plan, we made progress in reinforcing our management foundation as planned by enhancing our ICT infrastructure, appointing female directors, strengthening internal controls, enriching shareholder returns and IR activities, and disclosing TCFD scenario analyses, among other initiatives.

Progress of Medium-Term Management Plan 2026

Segment strategies and business performance

Measurement and control instruments

Key initiatives

- Promote product development that can respond quickly to changes in the business environment.
- Expand service operations through proposal-based activities for regular calibration and inspection.
- Optimize the manufacturing framework through global expansion.

Status

- Domestic demand remained strong, particularly for semiconductor and electronic component manufacturing equipment and heat treatment equipment.
- Profits increased as the effects of product price revisions (implemented in April 2024) became evident.

Instrumentation systems

Key initiatives

- Develop growth markets by advancing control system design technologies, IoT technologies, and software.
- Create new added value and provide enhanced services by consolidating system integration technologies.
- Promote the establishment of local production and service frameworks for instrumentation systems overseas.
- Strengthen organizational capabilities in instrumentation through transformation of business operations.

Status

- In decarbonization-related areas, demand continued for fuel cell evaluation test systems for automotive applications and water electrolysis evaluation systems used in R&D on hydrogen energy utilization.
- For compressor performance evaluation systems for air conditioners, demand increased for equipment compatible with natural refrigerants.
- With regard to profits, margins on large projects declined in the previous fiscal year, but improved in the current fiscal year, leading to higher earnings.

Sensors

Key initiatives

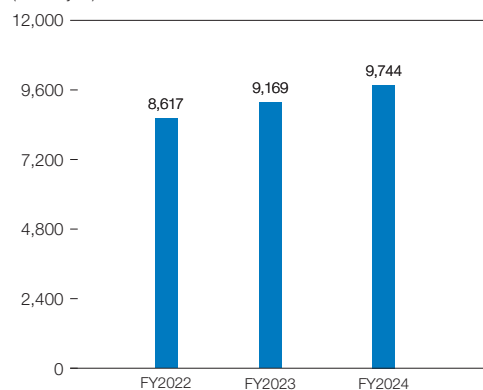
- Expand our share in non-contact sensing and evolve into a global brand through the creation of new measurement technologies.
- Create new demand by taking on the challenge of developing high value-added temperature sensors and pursue maximization of synergies with Group companies and partner companies.
- Create new services and expand earnings by advancing calibration services (standards technology) and calibration equipment.
- Develop products that address market needs in growth fields and in the realization of a decarbonized society.

Status

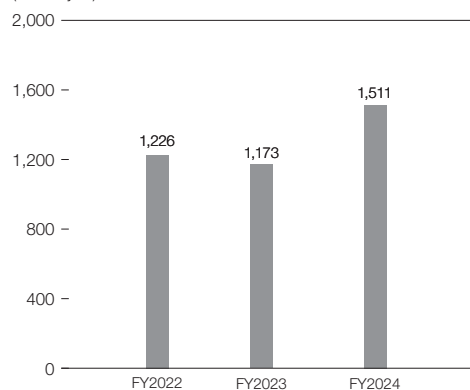
- Demand remained strong, particularly for electronic component manufacturing equipment and heat treatment processes.
- Higher sales at Group company MEIYO ELECTRIC Co., Ltd., which manufactures and sells temperature sensors for maritime applications, also contributed.
- Profits increased due to higher sales and other factors.

Profit and loss status

(million yen)



(million yen)



Net sales

9,744 million yen

Year-on-year

6.3% ↗

Segment profit

1,511 million yen

Year-on-year

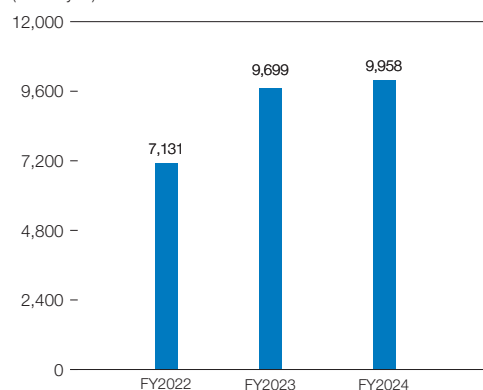
28.8% ↗

Net sales

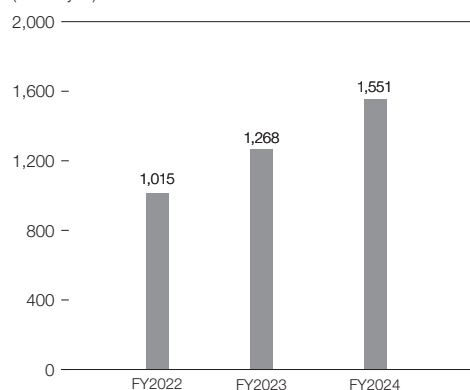
Segment profit

Profit and loss status

(million yen)



(million yen)



Net sales

9,958 million yen

Year-on-year

2.7% ↗

Segment profit

1,551 million yen

Year-on-year

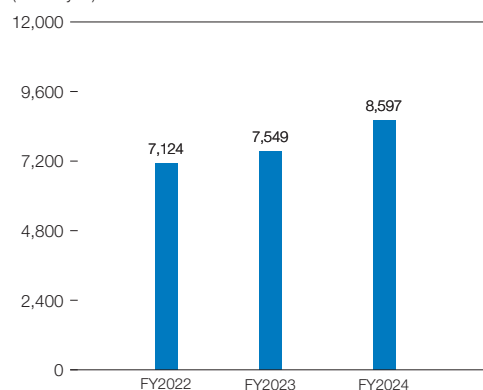
22.4% ↗

Net sales

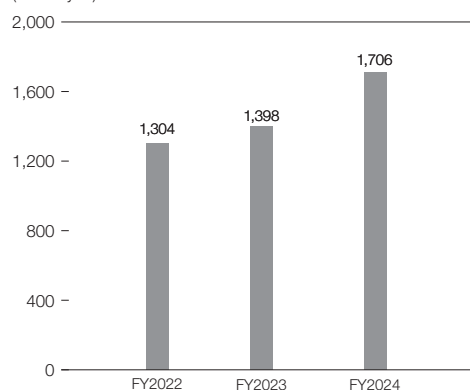
Segment profit

Profit and loss status

(million yen)



(million yen)



Net sales

8,597 million yen

Year-on-year

13.9% ↗

Segment profit

1,706 million yen

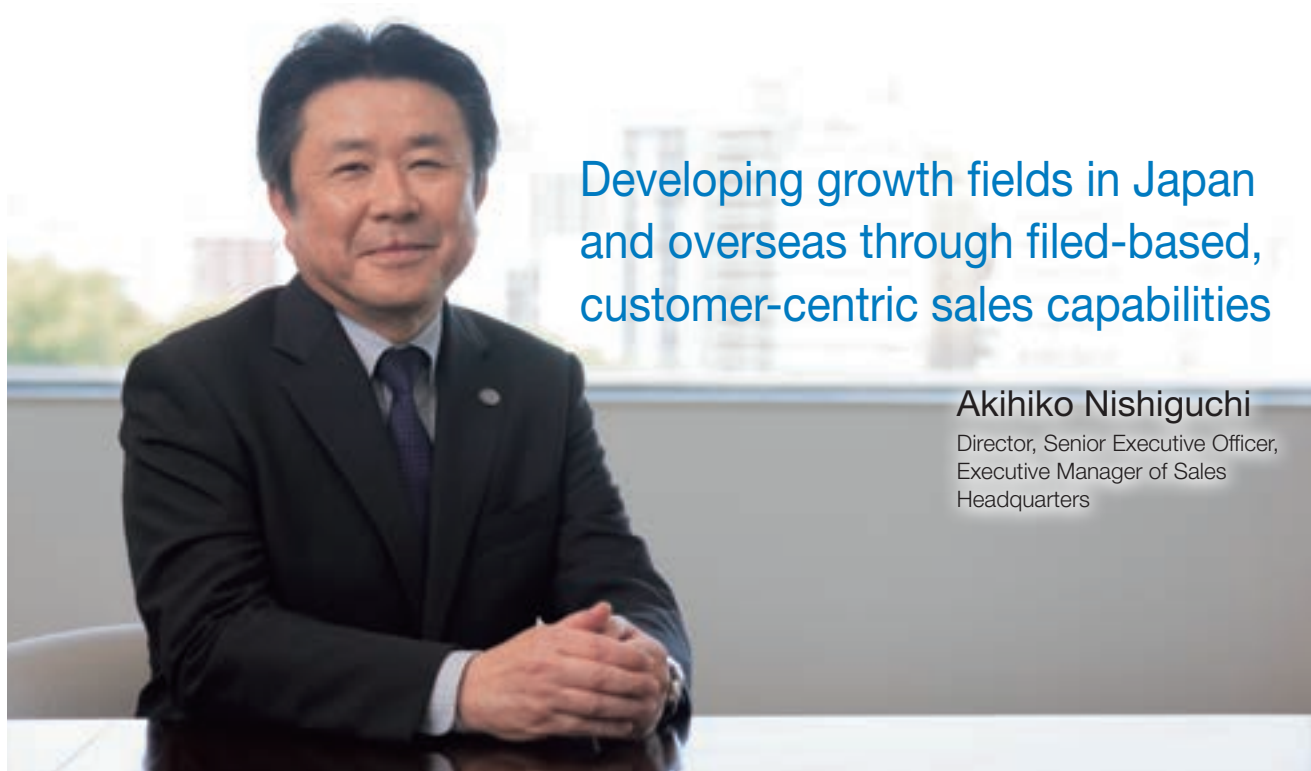
Year-on-year

22.0% ↗

Net sales

Segment profit

//// Message from the Executive in Charge of Sales



Developing growth fields in Japan and overseas through field-based, customer-centric sales capabilities

Akihiko Nishiguchi

Director, Senior Executive Officer,
Executive Manager of Sales
Headquarters

Four initiatives of the Sales Division to achieve the targets of the Medium-Term Management Plan

The Sales Headquarters is mainly implementing four initiatives to achieve the KGIs set out in Phase 2 of the Medium-Term Management Plan.

The first initiative is the creation of a database consolidating information held by sales representatives. To leverage insights gathered through sales activities across the company, we have developed a sales support system that centrally manages activity histories and customer information, which had previously been handled individually. By analyzing common factors and key activity items and sharing successful cases across teams, we have significantly improved the quality and speed of our sales activities. In collaboration with the DX (Digital Transformation) Strategy Department, we are now working to integrate this system with our CRM to further enhance its sophistication.

The second initiative is the optimization of resources at our sales offices nationwide. For employees who had previously handled clerical work as “assistants” at each office, we have reviewed their roles in light of operational efficiency improvements through DX (Digital Transformation), aiming to build a more robust sales structure, and renamed their positions “sales supporters.” This has strengthened their role as back-office support for sales and established a framework that enables them to proactively manage a wide range of tasks, including preparing materials and analyzing data.

The third initiative focuses on our approach to price revisions. With Japan’s long-term deflationary environment, opportunities to adjust prices have been limited, making it essential to strengthen the sales division’s pricing capabilities. In response to the recent surge in in-

flation, we are working to update not only our systems but also our mindset. This will enable all sales representatives to enhance procurement management, set appropriate prices, and communicate information to customers more quickly. We believe that providing high-quality products and reliable services at appropriate prices leads to our sustainable growth and the continuous return of value to our stakeholders. For this reason, we view price revisions not simply as a response to rising costs, but as a strategic initiative that ensures alignment between our prices and the value we provide.

The fourth initiative is strengthening our ability to identify and solve issues. Though simple, we promote practices that encourage our teams to articulate small insights and engage in repeated exchanges of ideas. By collecting issues identified across different environments—such as domestic branches, overseas bases, and the Sales Strategy Office—considering ways to address them, and accelerating the feedback loop to each leader, we can improve productivity and prevent problems.

Delivering field-based solutions through a shift toward “selling experiences” and integrated manufacturing–sales operations

A key concept in strengthening our earnings structure is the shift from “selling products” to “selling experiences (solutions).” For CHINO, which originally began with product sales, we view “selling experiences”—that is, enhancing the customer experience—as a strategic area for further expansion going forward. We recognize expanding customer touchpoints through continuous value delivery and developing recurring-revenue business models as key growth challenges. As a concrete measure, we are refocusing on our calibration ser-

vices—which support the high accuracy of our measurements and represent one of our strengths—and leveraging them to enhance customer touchpoints. In 2023, to further strengthen our customer relationships, we established the Liaison Sales Department. By organizing inspection cycles for each customer's products and engaging with them at the right time, we are enhancing this function. In 2025, we launched "CHINO Cloud," which centrally manages data such as temperature. While using it to support diagnostics of our customers' facilities, we plan to develop it into a source of subscription-based revenue.

At the same time, CHINO is focusing on building an integrated "manufacturing-sales" framework. Our goal is to share customer issues identified by sales representatives with other sales and technical teams, and thereby generate innovative solutions that address multiple issues. We have been promoting this initiative for approximately six years, and the number of implemented solution cases has steadily increased. Through a market-in sales strategy, we aim to further enhance the sophistication of our core businesses.

Optimizing our portfolio to strengthen the foundation of our overseas business

Overseas sales account for approximately 20% of the CHINO Group's net sales, and expanding this share remains a key challenge for the Sales Division. Many of our products cannot function as stand-alone units; they must be integrated into customers' existing facilities and equipment. This requirement has been a major factor contributing to the high adoption hurdles at overseas plants. To transform this structure, we are focusing on market-in solutions and have been steadily strengthening our relationships with customers in recent years. As sales channels operated by our local subsidiaries become more established, we plan to concentrate our efforts on markets with high growth potential.

Our largest overseas markets by sales—China and South Korea—are at a stage where we need to revamp our strategies in response to changing market conditions and trade policy impacts. On the other hand, opportunities are expanding in areas where the Chinese government is making targeted investments, such as diamond semiconductors, sometimes called the "ultimate semiconductor." It is critical to engage in strategic sales activities that anticipate technological trends.

In India, business opportunities are currently expanding in the PWHT (post-weld heat treatment) field. As power infrastructure and other foundational systems continue to develop, the semiconductor market is expected to grow, making India one of our most promising markets. We are steadily expanding sales channels in the ASEAN market using Thailand as our base to pursue opportunities beyond investments by Japanese companies, which have so far been our main driving force.

In North America, the market is shrinking as Japanese companies shift their expansion toward Asia. In contrast, opportunities are growing in South America. The number of bioethanol-related plants being built by automakers is increasing in the region, and we are actively working to develop this market. In Europe, the market features many

local competitors, requiring higher value-added offerings. Clear differentiation will be essential to secure contracts based solely on product specifications listed in catalogs.

Across all regions, the common factor is that true value lies in solutions addressing customers' issues. We will continue to deepen our understanding of each market and expand our business with a market-in approach.

Enhancing frontline capabilities through strengthened human resource development and improved information sharing

Human resources are indispensable for translating these strategies into tangible results. The source of our value lies in our frontline capabilities. To understand customers' issues on the site, it is essential that our employees have site access. The same applies to our overseas business, where strong relationships of trust are required to engage with local customers on an equal footing. This requires a high level of expertise, making the importance of human resource development and information-sharing frameworks even greater going forward.

Temperature measurement, one of CHINO's specialties, is a highly specialized technological field, and its differentiation from competitors cannot be fully conveyed through brief explanations by sales staff alone. Our technological strengths truly come to life only when professionals with strong frontline capabilities work alongside customers to address their issues. To further enhance these capabilities, we will reinforce the four initiatives introduced earlier and continue to cultivate growth areas.



//// Message from the Executive in Charge of Quality

Rigorous quality management to consistently uphold the reputation of “CHINO for temperature”

Manabu Matsuoka

Director, Managing Executive Officer,
Executive Manager of Quality
Headquarters



The mission of the Quality Headquarters is to ensure product performance and safety and to support the improvement of operational quality.

CHINO's products are used in manufacturing environments where production processes are both precise and complex. Product performance and safety form the foundation of our value creation. The mission of the Quality Headquarters is to provide quality assurance that earns and sustains customer trust. Our responsibilities cover a broad range—from the design stage through post-installation support.

For nearly 100 years, we have cultivated technologies centered on temperature measurement and control. While digital technologies in the industry continue to advance, analog circuits remain essential to accurate temperature measurement, and the expertise we have built in this field over our long history is one of CHINO's core strengths. We deliver temperature solutions covering a range from -269°C to $3,500^{\circ}\text{C}$, applying different measurement methods tailored to each temperature zone. We also manage the measurement and control of other physical parameters, such as pressure, flow, and more. To ensure that each product with its own unique characteristics functions as intended, rigorous standards and evaluations are essential. From an independent standpoint, the Quality Headquarters carries

out these evaluations to maintain and further enhance product quality.

The Quality Headquarters comprises two departments. The Quality Assurance Department is responsible for evaluating and ensuring product quality, verifying product functions in accordance with established evaluation standards. It also investigates the causes of any malfunctions and handles customer inquiries, collaborating with the engineering and sales divisions to ensure a prompt and effective response. The IMS Promotion Department, on the other hand, is responsible for operational and manufacturing process quality and ensures compliance with international standards, including ISO 9001 for quality management systems and ISO 14001 for environmental management systems. These standards are regularly updated, and we must also comply with laws and regulations that vary across countries and regions. Given the vast number of standards and regulations, it would be difficult for the Quality Headquarters to handle them alone. Accordingly, we have established a framework in which each relevant department takes ownership of its responsibilities. Managing and coordinating information comes with many challenges, including those related to information-sharing processes. Nevertheless, we strive to deepen fundamental understanding of the rationale behind various standards while monitoring regulatory compliance in operational departments and enhancing know-how across the entire company.

Global standard-based quality assurance that contributes to sustainable management

Our Medium-Term Management Plan includes strategies related to quality assurance. At the Quality Headquarters, to translate management's intent into frontline practice, we develop roadmaps toward target achievement and work to improve operations while monitoring progress annually. In recent years, it has become particularly important to address sustainability management.

We promote sustainability management across four domains: ESG (environment, social, governance) and B (business). Within the business domain, "ensuring quality and safety and maintaining a stable supply" is one of the key themes. A key challenge in ensuring quality and safety is "upstream control," which refers to quality control before production begins. For example, FMEA (Failure Mode and Effects Analysis) is a method used to identify and eliminate risks at the design stage. However, if issues are overlooked during design and development, rework becomes necessary, resulting in significant time loss. Early-stage risk detection is therefore critical for ensuring smooth production processes, and we are enhancing prompt collaboration with each department.

Change point management related to modifications in manufacturing processes is also an important task. When specifications or materials are changed, careful attention is required, as thorough functional verification must be conducted. Accordingly, members of the Quality Assurance Department collaborate with design and production teams to thoroughly review areas that are prone to oversight. Because advanced skills are required, these tasks are often handled by skilled personnel. However, developing the younger generation is also an urgent issue, and we are working to strengthen the capabilities of department members.

In the environmental field, the Quality Headquarters is closely involved in "providing products and solutions that help address environmental issues," "reducing greenhouse gas and CO₂ emissions," and "promoting the efficient use of resources and energy." Our work covers a broad range of activities, from waste reduction and managing chemical substances in products to participating in procurement processes. In particular, when it comes to chemical substances contained in products, we must address social issues arising from country-specific regulations and food sanitation laws. In recent years, standards related to human rights, such as those concerning conflict minerals, have also been tightened. Going forward, it will also be necessary to address emerging needs such as carbon footprint management. We will continue to strengthen measures that reduce environmental impact across all manufacturing processes and product life cycles, and promote respect for human rights.

Enhancing quality for a new era through digitalization and collaboration with partners

To achieve both quality improvement and productivity, it is essential to actively adopt digital tools. For tasks where digitalization is expected to significantly improve efficiency, such as centralized management of defect information and automation of surveys on substances contained in products, we are advancing system development in line with our roadmap. It is essential to make effective use of data to prevent expertise from becoming dependent on individuals or turning into a "black box." We have completed building an information-sharing database and are now rolling it out company-wide while continuing to update and improve it.

To enhance quality from a global perspective, collaboration with overseas sites and partner companies is indispensable. With our production sites in China and India, the Quality Assurance Department in Japan works closely to ensure compliance with the standards and requirements of each region. As we look toward further expansion of our overseas business, we consider it necessary to reinforce these frameworks.

Given broader societal trends, standards and regulations are expected to become increasingly stringent. To maintain appropriate quality management with limited resources, it will also be indispensable to secure highly skilled personnel and implement AI and other technologies. Our products reach customers across a diverse set of industries, including metals, materials, food, healthcare, and energy, supporting their safe manufacturing operations. In order to contribute to our customers and society at large and to further strengthen the reputation of "CHINO for temperature," we will continue to pursue the most effective quality processes.

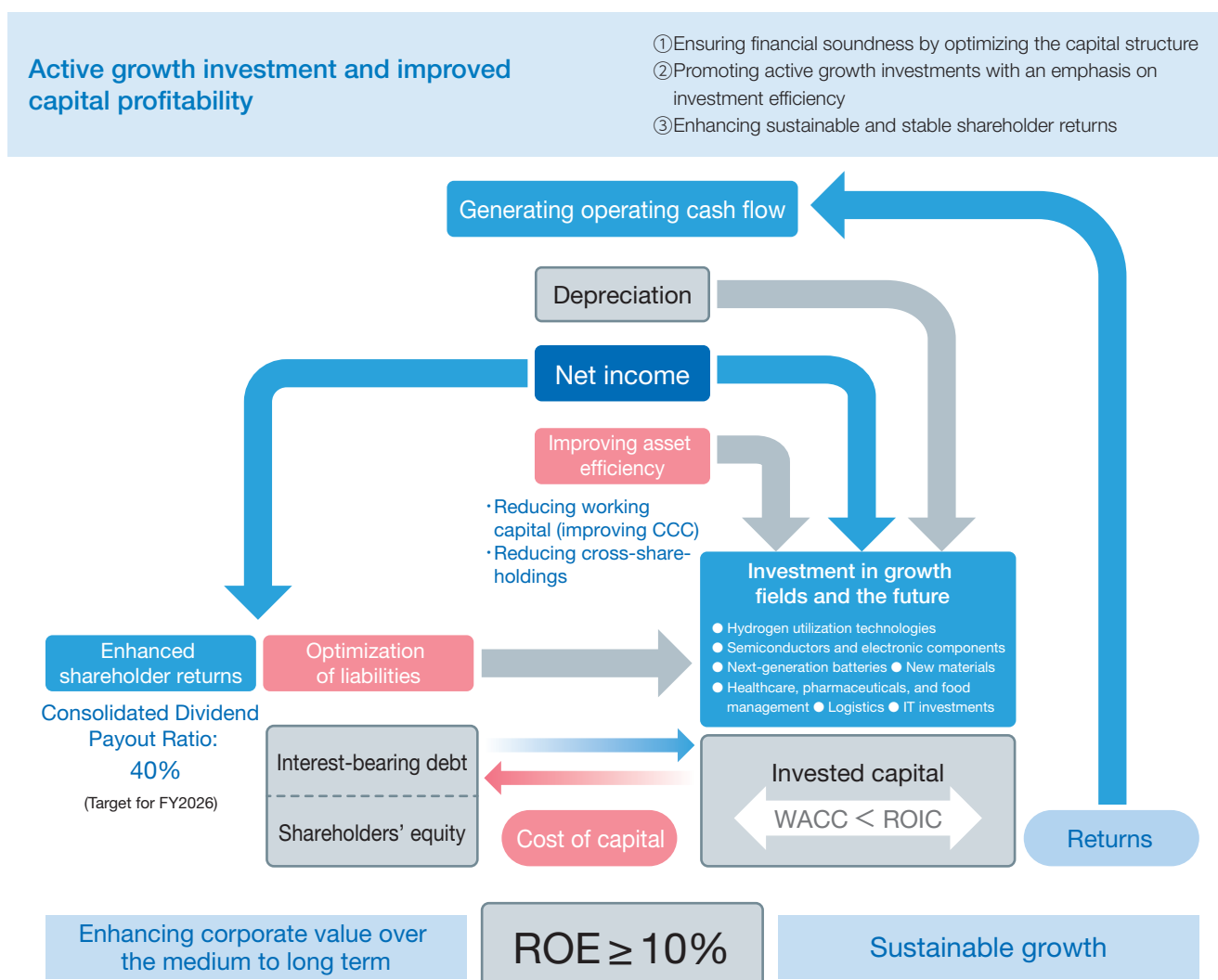


Financial Strategy

Basic Approach

The Group positions the “long-term and sustainable enhancement of shareholder value” as its highest management priority. Under the Medium-Term Management Plan, running through fiscal 2026, our financial strategy for achieving a “reinforcing the management base” is to maintain financial soundness while maximizing growth opportunities and increasing shareholder returns.

Specifically, based on three pillars: (1) ensuring financial soundness through optimized capital structure, (2) promoting active growth investments with a focus on investment efficiency, and (3) enhancing sustainable and stable shareholder returns, we aim to increase corporate value by maximizing profit growth, improving capital profitability, and optimizing our cost of capital.



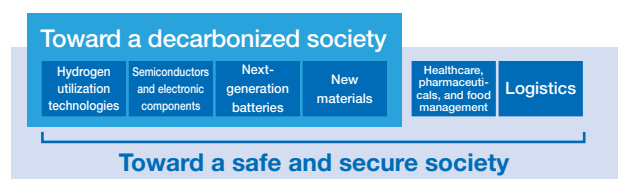
Capital Policy

We place importance on balancing shareholder returns with growth investments. In addition to operating cash flows generated from business activities, we secure funding capacity through debt financing, enabling us to undertake not only routine capital expenditures but also ongoing strategic investments aimed at future growth.

We classify cash uses into “sustainable business growth,” “maintenance of financial soundness,” and “appropriate returns to shareholders,” and practice optimal resource allocation to enhance corporate value. For growth investments in particular, we make selective investments in projects expected to generate returns exceeding our cost of capital.

Status of Capital Expenditures

Under the Medium-Term Management Plan, we have positioned “strategic expansion of growth fields” as a key theme and are focusing resources on the following areas.

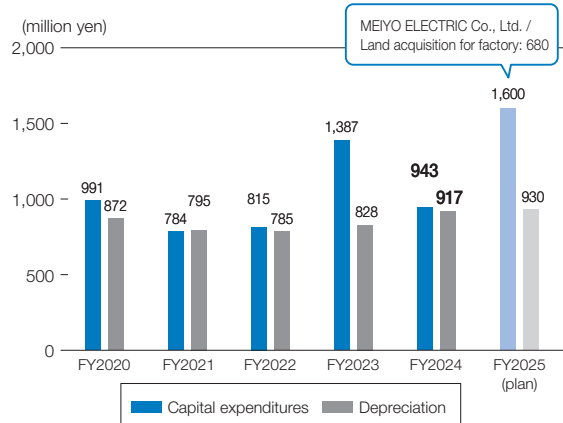


By leveraging the Group's strengths in temperature-focused measurement, control, and monitoring technologies, we are accelerating the delivery of distinctive solutions in these areas. We also regard IT investments aimed at improving operational efficiency through DX and enhancing product value as part of our growth investments.

When making investment decisions, we not only verify capital efficiency by comparing expected returns with the cost of capital but also conduct a comprehensive assessment of profitability, recoverability, and financial impact, rigorously selecting and concentrating our management resources.

Capital expenditures / Depreciation

- Capital expenditures in fiscal 2024 totaled ¥943 million (down ¥444 million year-on-year).
- Main capital investments
Production efficiency: ¥469 million / Building and equipment upgrades: ¥153 million

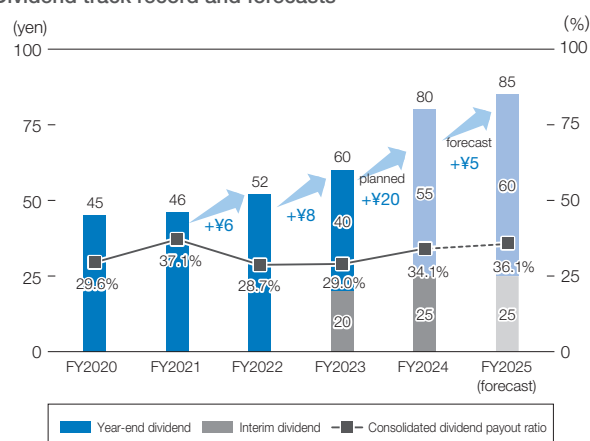


Shareholder Returns

The Group positions returning profits to shareholders as one of its most important management priorities. To enhance corporate value, our basic policy is to maintain financial soundness over the medium to long term and to allocate earnings in a balanced manner between strategic business investments and shareholder returns. We aim to raise the consolidated dividend payout ratio to 40% in fiscal 2026 and seek to increase dividends through sustainable profit growth. We also plan to repurchase our own shares in a timely and flexible manner to improve capital efficiency and enhance shareholder returns.

Based on this basic policy, in fiscal 2024 we decided on an annual dividend of ¥80 per share, an increase of ¥20 from the previous year, corresponding to a dividend payout ratio of 34.1%, taking into account consolidated results and financial conditions. For fiscal 2025, we plan to increase the annual dividend by ¥5 to ¥85 per share, representing a dividend payout ratio of 36.1%.

Dividend track record and forecasts



Reduction of Strategic Shareholdings

In recent years, there has been a marked acceleration in the stock market of companies reviewing and strategically reducing their strategic shareholdings.

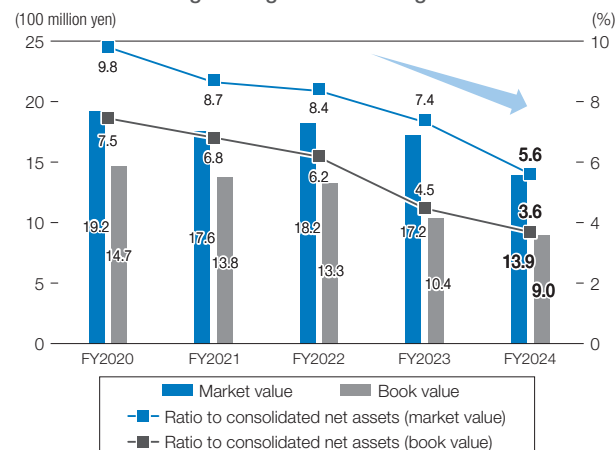
This trend reflects growing investor expectations for clear explanations of the purpose and rationale for holding such shares, along with the increasing focus on capital efficiency and cost of capital.

The Group holds shares solely to maintain and strengthen cooperative relationships with business partners and to facilitate smooth business operations, and all shares held are for purposes other than pure investment.

From a medium- to long-term perspective, we regularly review the benefits of holding these shares and the financial condition of the investee companies, and divest shares of companies for which continued ownership holds little significance, taking into account share prices and market conditions. In addition, each year the Board of Directors reviews the purpose of holding these shares along with other relevant factors and determines whether continued ownership is necessary.

As a result of this regular review and decision-making process and through the annual divestment of certain holdings since fiscal 2021, including five issues in fiscal 2024, the ratio of strategic shareholdings to consolidated net assets on a market-value basis had declined to 5.6% as of the end of March 2025.

Record of Reducing Strategic Shareholdings



Management with a Focus on Cost of Capital and Share Price

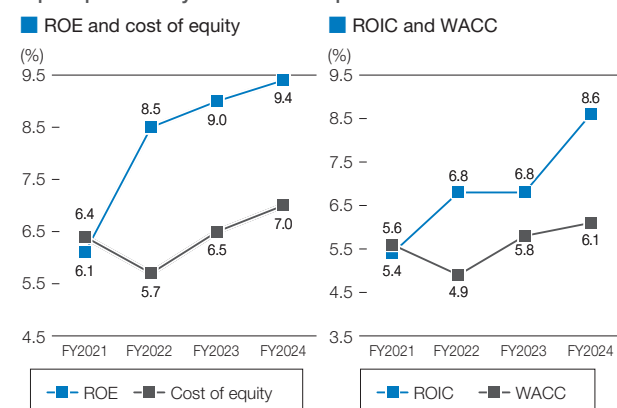
Trends in ROE/ROIC and cost of capital

ROE in fiscal 2024 was 9.4%, showing steady progress toward the Medium-Term Management Plan's fiscal 2026 target of 10%. Over the past three years, ROE has consistently exceeded the cost of equity, and ROIC has remained above WACC, indicating that capital profitability has steadily surpassed the cost of capital.

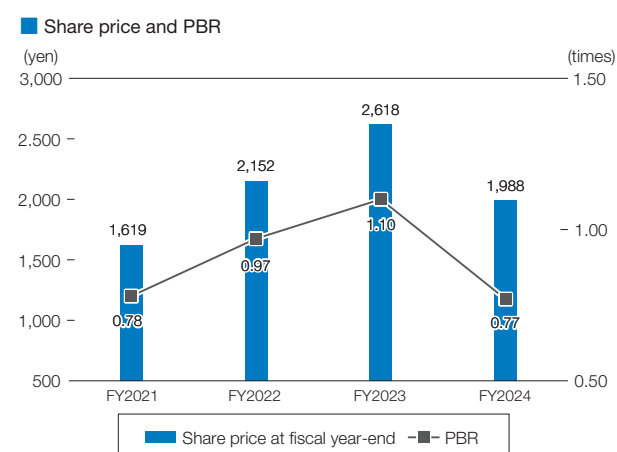
Trends in Share Price and Market Valuation

Our share price and PBR trended upward through fiscal 2023, and PBR exceeded 1.0 times for a certain period in fiscal 2024. However, as of the end of March 2025, the share price was ¥1,988 and PBR stood at 0.77 times. In light of this situation, we will further strengthen our efforts to improve capital efficiency and enhance dialogue with shareholders, with the aim of raising our market valuation.

Capital profitability and cost of capital



Market valuation



Initiatives in Management with a Focus on Cost of Capital and Share Price

1) Promotion of Growth Strategy

We aim to achieve sustainable growth by promoting the four basic strategies set out in the Medium-Term Management Plan.

KGI targets under the Medium-Term Management Plan (FY2026)

- Net sales: ¥30.0 billion
- Operating profit: ¥2.7 billion (operating margin 9%)
- ROE: 10%

In fiscal 2024, results were net sales of ¥29.329 billion, operating profit of ¥2.879 billion (operating margin 9.8%), and ROE of 9.4%; the operating profit and operating margin targets were achieved two years ahead of schedule.

2) Execution of Financial and Capital Strategies

Regarding shareholder returns, we are working to enhance stable and continuous returns through a dividend policy focused on raising the consolidated dividend payout ratio to 40% in fiscal 2026.

- Dividend in fiscal 2024: interim ¥25, year-end ¥55 (annual total ¥80).
- Interim dividends were resumed in fiscal 2023 and will continue going forward.
- Shareholder benefit program will be maintained (scheduled to continue for the record date at the end of March 2026).
- We will repurchase our own shares in a timely and flexible manner from the perspectives of improving capital efficiency and enhancing shareholder returns.

In addition, to improve capital profitability, we are working to establish a balance sheet management framework so that, from this fiscal year, we will be able to start using ROIC by business as a management KPI. By understanding the invested capital for each business and regularly reviewing and evaluating the appropriateness of strategies and initiatives in light of each business's characteristics, we aim to improve capital profitability and optimize resource allocation.

3) Strengthening IR Activities

We will continue to hold briefings for institutional and individual investors (twice a year each) and increase opportunities for one-on-one IR meetings, thereby promoting dialogue with investors and reflecting the insights gained from these constructive discussions in the review and execution of our business strategies.

On our website, in addition to conventional IR information, we will also enhance disclosures of non-financial information such as sustainability-related information.



Financial Results briefings for institutional investors

IR activity track record

IR events	FY2022 result	FY2023 result	FY2024 result
Financial Results briefings for institutional investors	2 times	2 times	2 times
Financial Results briefings for individual investors	2 times	2 times	2 times
Number of one-on-one IR meetings	18 times	28 times	26 times

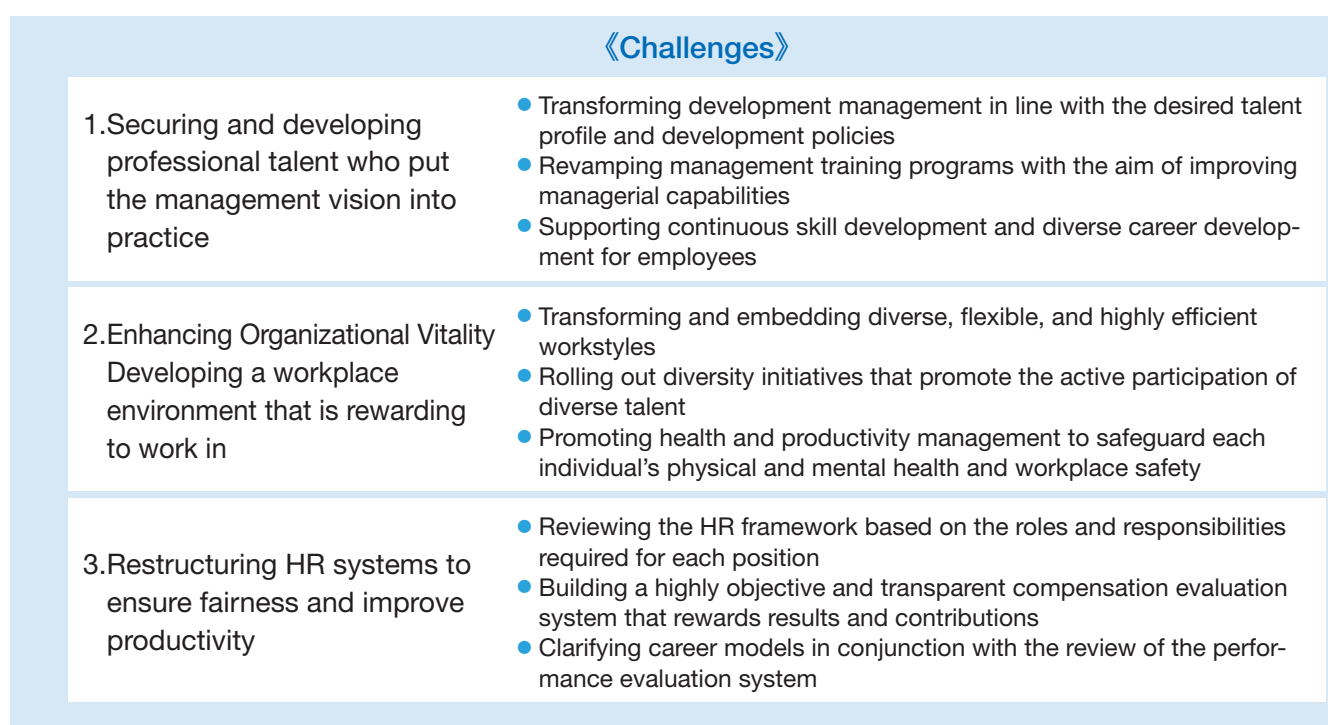
Human Capital Strategy to Realize Our Management Strategy

Basic Approach

In recent years, rapid advances in globalization, digitalization, and decarbonization have greatly transformed industrial and social structures. Our Group views these changes as opportunities for growth and aims to realize a safe and secure sustainable society while enhancing corporate value.

To achieve this, it is essential to secure and develop human resources who have a high sense of ethics and a spirit of challenge, and who can act autonomously. Our Group regards employees' abilities, experience, health, motivation, and other "human capital" as the source of new value creation. We provide all employees with fair growth opportunities and a comfortable working environment, and support their development as professionals. Under our Medium-Term Management Plan, which runs through 2026, we are promoting a human capital strategy based on our management vision of "Co-Creation, Strengths, and Reliability," built around three core pillars.

Overall Picture of the Human Capital Strategy



Phase 1 (2021-23)

Developing and strengthening the foundation of human resource management and promoting mindset reform

Establishing the foundation of human resource management

- Formulated the Human Rights Policy and Diversity & Inclusion Declaration (2021)
- Established the Human Resources and Organizational Development Committee (2022)
- Introduced engagement surveys (2022)

Self-Development Support

- Expanded "My-Challenge" activities (autonomous initiatives that challenge employees to demonstrate leadership and solve organizational issues)
- Introduced an e-learning system (2022)
- Established a Career Counseling Office (2023)

Enhancing Work-Life Management

- Formulated a Health and Productivity Management Declaration (2021)
- Introduced intervals between work shifts (2022)
- Launched health consultations and guidance by occupational health nurses (2023)
- Introduced hourly paid leave (2023), etc.

Human Resources and Organizational Development Committee

- To promote human capital management linked to our management strategy, the committee is chaired by the President and composed of executive officers.
- Examines and decides on policies for human resource development, system design, and measures to enhance engagement.
- Oversees human resource management as a whole and promotes strategies that contribute to enhancing corporate value.

Engagement Survey

- Visualizes employees' sense of fulfillment at work and supports their growth and active contribution.
- Promotes organizational improvement by using survey results to facilitate dialogue and action planning.
- Aims to create a well-being-oriented workplace through continuous PDCA-based initiatives.

Human Capital-Related KPIs

★ Indicates sustainability materiality

Item	Target for FY2026	FY2022	FY2023	FY2024
Training hours per employee ★	13 hours	8.5 hours	11.6 hours	11.8 hours
Training expenses per employee	Increase	¥14 thousand	¥36 thousand	¥27 thousand
Ratio of mid-career hires	Increase	12.5%	37.0%	33.3%
Ratio of managers hired mid-career ★	Increase	22.8%	26.6%	28.4%
Ratio of female managers ★	7%	4.4%	3.7%	5.2%
Ratio of female position holders (managers + section chiefs) ★	30%	26.4%	27.3%	26.7%
Employment rate of people with disabilities ★	2.70%	2.09%	2.02%	2.39%
Childcare leave utilization rate (female)	100%	100.0%	100.0%	100.0%
Childcare leave utilization rate (male) ★	70%	64.7%	92.3%	72.7%
Paid leave utilization rate ★	75%	62.6%	69.9%	64.3%
Rate of follow-up examinations after regular health checkups ★	100%	37.0%	42.1%	52.5%

《Ideal Talent》

Value-Creators

People who think for themselves, act quickly, and persevere to the end, thereby creating value

Mission - Owners

People who have a strong will to take on change and approach the fulfillment of their mission with passion and a sense of responsibility

Basic Policy on Human Resource Development

The CHINO Group believes that people are its greatest asset and that improving the motivation and abilities of its “human resources” and enabling them to fulfill their roles are the sources that support the Group’s sustainable growth. Based on the basic policies of “respecting each individual’s uniqueness and leveraging their strengths,” “supporting employees who strive and work hard for their own growth,” and “rewarding results appropriately,” we work to develop our human resources.

Workplace Environment Development Policy

The CHINO Group believes that enabling diverse individuals to work with confidence and vitality while fully utilizing their abilities is a driving force for new value creation. We are committed to ensuring workplace safety and safeguarding the physical and mental well-being of every employee, while respecting diverse values and lifestyles. Through flexible workstyle options tailored to job characteristics and individual circumstances, we promote the development of an environment that enhances productivity.

Phase2(2024~26)

Enhancing organizational capabilities through the establishment and effective implementation of new systems

Human Resource System Reform

- Introduction of a new senior employee system (2025)
- Restructuring of the grade system (scheduled for 2026)
- Revision of evaluation and compensation systems (scheduled for 2027)

Updating Management Practices

- Further promotion of 1-on-1 meetings (regular one-on-one discussions between managers and employees)
- Introduction of a talent management system (2025)
- Achieving 30 or more days of male paternity leave (2025)
- Further promotion of women’s participation and advancement
- Promotion of employment opportunities for persons with disabilities

Key Points of the HR System Reform

Grading System: Transitioning from the conventional job-skill-based grade system to a new grade structure based on roles and demonstrated capabilities

Evaluation System: Revising the system to appropriately assess not only achievements but also the capabilities that generate those achievements

Compensation System: Ensuring fair and accurate reflection of evaluation results while shifting toward a more differentiated compensation structure

Human Capital Management

Securing and developing professional talent who put the management vision into practice

Recruitment and development

While passing on our corporate philosophy and culture and driving ongoing change into the next generation, we seek people who have the spirit to take on challenges and are willing to take risks, can think from others' perspectives, and continuously seek self-improvement. Using internship and recruitment programs, we actively hire new graduates.

After joining the company, employees participate in action-learning development programs designed to strengthen leadership and management capabilities. Starting with training for young leaders and programs to enhance managers' capabilities in developing subordinates and managing organizations, we implement an integrated succession plan to develop prospective managers, core executive candidates, next-generation executive candidates, and future officer candidates, aiming to ensure business continuity and further enhance corporate value. We have also launched research projects in which younger members investigate AI and XR technologies, fostering talent that will drive new business development and operational reform using the latest digital technologies.

Career (mid-career) recruitment

We aim to build an organization in which career hires with excellent expertise, skills, and extensive experience can play active roles in various departments, and we are actively recruiting such talent and appointing them to managerial positions (department general manager and section manager levels). We will continue these efforts as part of our organizational revitalization initiatives.

Support for self-development

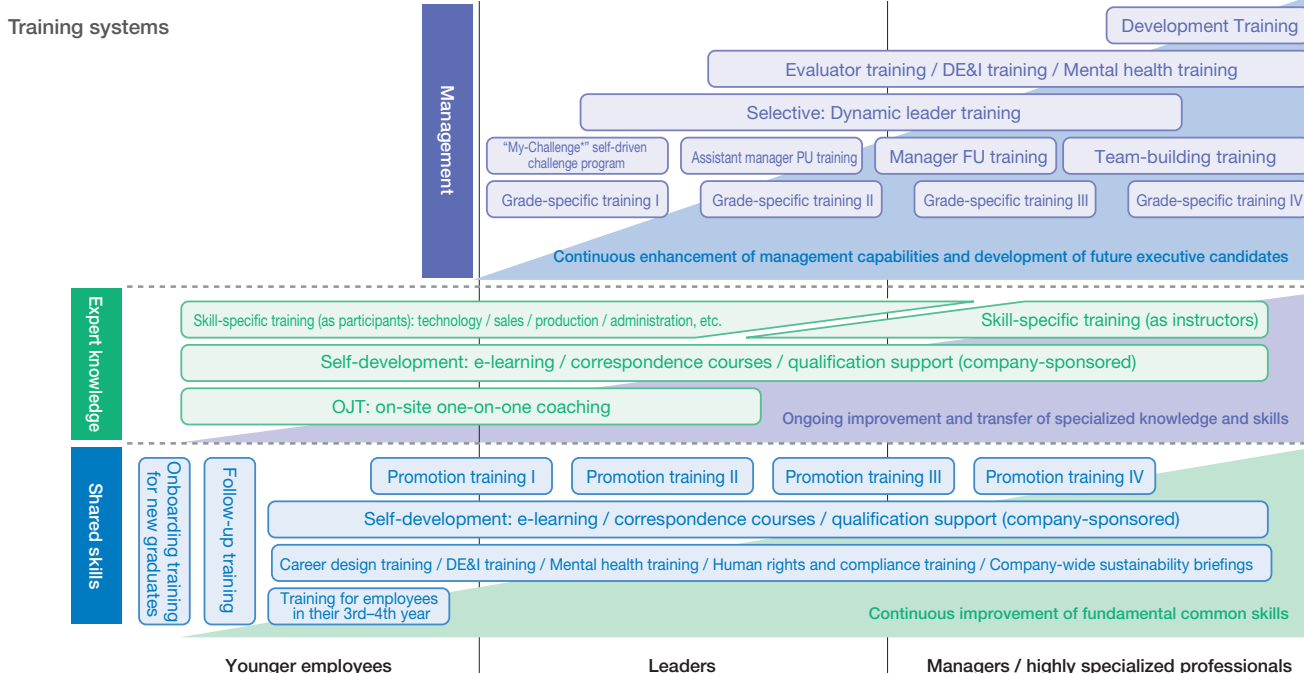
We provide learning opportunities that help each employee progress toward their "ideal self" and support self-development that fosters a tangible sense of growth. We offer an e-learning system to all employees, enabling them to learn at any time. In addition, we provide a qualification support program to encourage acquisition of specialized knowledge and skills, and opportunities to participate—on a self-nomination basis—in internal projects such as sustainability initiatives and DX promotion. By applying what they learn to their work, employees can further advance their self-development, and we aim to increase the use and uptake of these programs.

Career development

We value a relationship in which the company and employees grow together. To make this a reality, we provide opportunities for employees to reflect on their careers through "Self Career Dock" initiatives and age-specific career design training.

We also place importance on providing opportunities for dialogue by continuously conducting one-on-one meetings across the company, in which supervisors and subordinates share their future direction and aspirations.

Furthermore, from fiscal 2025 we are introducing a talent management system and using it to visualize careers and improve the quality of one-on-one meetings, thereby accelerating these initiatives. Through these measures, we are creating an environment where employees can work in ways that suit them and linking this to sustainable growth for the organization as a whole. In addition to training that supports each employee's autonomous career development, we have established a dedicated Career Counseling Office as a consultation desk and conduct individual interviews for employees across all age groups.



"My-Challenge" refers to autonomous efforts to demonstrate leadership and solve organizational problems.

Developing an engaging workplace environment that enhances organizational vitality

Ongoing engagement surveys and organizational improvement activities

While valuing our principles of “Co-Creation,” “Strengths,” and “Reliability,” we are accelerating efforts to create an environment where employees, organizations, and the company can grow together as one. To achieve this, we position engagement enhancement as an important theme and conduct engagement surveys. Based on survey results, management and frontline departments work together to implement improvements and create an environment where employees can work comfortably and feel encouraged to take on challenges. We view these initiatives as laying the foundation for the future, leveraging not only our technological strengths but also the capabilities of our people and organization, and serving as a driving force for creating new value.

DE&I (women's empowerment, employment of people with disabilities, men's childcare leave, etc.)

We work to develop the workplace environment, implement internal awareness-raising activities, and conduct in-house training so that each person can fully demonstrate their abilities, fostering a mindset that respects diversity.

Promoting the empowerment of women is essential for further enhancing corporate value. As an initial goal, we aim to achieve 7% female managers and 30% female position holders by the end of fiscal 2026. To this end, we are fostering a culture that supports women's empowerment and motivation by providing managers with training on unconscious bias and one-on-one coaching, as well as offering programs for female employees focused on career vision development and leadership skills.

We are also continuously working on the employment of people with disabilities, seeking to enhance team capabilities so that individuals can complement each other's personalities and abilities regardless of disability. For men's childcare leave, we are working toward a target of a 70% utilization rate and 30 or more days of leave taken. We are promoting “Ikuboss” managers—supervisors who support the work-life balance and career development of their team members while improving organizational performance, and who also enjoy both their own work and private lives. We are working to create a workplace environment where taking childcare leave and paid leave is easy. Through these efforts, we aim to achieve genuine workstyle reform and strengthen work-life management.

Health and productivity management

We have issued a top-management “Health and Productivity Management Declaration,” aiming to become a company where all employees are mentally and physically healthy, full of vitality, and able to demonstrate their abilities, thereby realizing individual well-being, corporate growth, and contributions to society. By promoting participation in health checkups (including follow-up examinations), improv-

ing the workplace environment, and conducting awareness activities on daily health promotion such as diet and exercise, we obtained the “Gold Certification” from the Tokyo Health Promotion Corporation Council for the second consecutive year.

We are also enhancing work-life management by promoting workstyles that incorporate telework and intervals between work shifts, and by maintaining communication with employees taking childcare or nursing care leave, thereby building a foundation that allows employees to work energetically.

Restructuring HR systems to ensure fairness and improve productivity

Grading system

We are currently overhauling our conventional grading system and shifting to a new framework based on roles and demonstrated capabilities. This will clarify the expectations and roles required within the organization and serve as a foundation for encouraging autonomous and proactive growth.

In addition to management positions, we will present career paths for expert roles that make use of advanced expertise, thereby building a framework in which diverse talent can envision their own growth.

Evaluation system

We are revising our evaluation system to ensure that, in addition to outcomes, the capabilities that produce those outcomes are appropriately assessed. Our aim is to pursue human resource development and organizational growth from a medium- to long-term perspective, not just short-term results.

Compensation system

For the compensation system, we will both reflect evaluation results fairly and accurately and shift toward more differentiated treatment, thereby increasing employees' sense of fairness and motivation to take on challenges. In parallel, by revising the evaluation and compensation systems to make them more transparent, we aim to raise employee motivation and maximize the productivity of the organization as a whole.

Senior employee system

To leverage the experience and expertise that senior employees have built up for developing next-generation talent and achieving sustainable organizational growth, we are clarifying the roles and contributions expected of senior employees and revising the system so that each person's value can be maximized. At the same time, by supporting diverse and flexible workstyles tailored to life stages and work motivation, we are promoting the creation of an environment in which people can demonstrate their abilities regardless of age.

A “Culture of Challenge” that Underpins Corporate Value



A company's value and sustainable strength are fostered by steady efforts in day-to-day operations and the accumulation of small improvements. In this roundtable, six recipients of the 2024 “Effort Award” gathered to talk about the background to their initiatives, insights from the front line, and challenges for the future.

Finding “seeds of challenge” in everyday work

— Award-winning initiatives and their background and triggers

Miyazaki (moderator): The Effort Award recognizes employees who, though they may not always stand out, consistently devote themselves to their work every day. It shines a light on the strengths that form the foundation of our corporate value. This time, recipients from a range of departments have gathered. Please tell us about what you were recognized for and the background and triggers behind your initiatives.

Yamada: I received the award for “advancing the recruitment promotion project and laying the foundation for calibration equipment development and production.” CHINO will celebrate its 90th anniversary

in 2026, but if we are to continue contributing to customers over the next 100, 120 years, recruitment activities that bring in talented colleagues are essential. My starting point was the recognition that we also needed to build our framework for product development and production from a long-term perspective. On the recruitment side, I was broadly involved, from establishing internal frameworks to preparing to welcome new hires. On the development and production side, I led the creation of roadmaps for new products. I feel that these future-oriented groundwork efforts were what earned recognition.

Kondo: I was recognized for “implementing advertising as a PR strategy through the use of new media.” Until now, our main approach had been to email press releases to the newspapers and reporters we already worked with. Wanting to disseminate information more widely, I began looking into introducing a distribution service. Exchanges with

PR staff at other companies gave me hints, and by referring to their cases I proposed and implemented a new mechanism for distributing press releases. As a result, we can now reach a larger number of media outlets, and the response has been significant. I feel this has helped move our PR activities forward.

Ito: My award was for “increasing sales by boosting production of radiation thermometers and meeting delivery deadlines.” As production volume increased, the challenge was to meet customers’ requested delivery dates within limited time and resources. In my work, I focused on how to plan operations efficiently and how to involve people around me to build a cooperative framework. By continually adjusting task allocation flexibly while monitoring the production line, I believe I contributed to improving the team’s efficiency, and that this contribution was recognized.

Katahira: My award was for “reducing costs and improving quality by modularizing and standardizing evaluation equipment.” I was responsible for developing the electrolyte supply tank used in water electrolysis test equipment. Businesses related to water electrolysis are key fields for realizing a future decarbonized society. With the ultimate goal of working together with such customers to contribute to decarbonization, our team examined the processes from design through assembly and testing, aiming to achieve efficient and stable quality.

Nakajima: I was recognized for “actively contributing to global instrumentation projects.” I mainly handled a project to deliver compressor performance evaluation systems to a new plant in India operated by a Japanese company. Many situations called for coordination skills—working with the local subsidiary, negotiating delivery schedules, coordinating with customers, and linking up with our internal production sites—and I had to respond with a strong sense of speed. By carefully building up each individual response, I believe we earned the customer’s trust, which led to this recognition.

Miyazaki: Thank you. Although each initiative is an extension of your everyday work, I can see that you approached them with an eye on overall optimization beyond departmental lines. It once again reminds me that such efforts are what collectively strengthen the company.

How we overcame obstacles

— Daily struggles and what we learned through involvement with others

Miyazaki: From here, I’d like to hear about the particular challenges you faced in your initiatives and the hurdles you managed to overcome.

Yamada: Both the recruitment activities and the groundwork for new products were tasks outside the main duties of many members. The first major hurdle was how to involve them without making them feel overburdened. To move forward based on empathy rather than imposing tasks, I tried to stand in each member’s shoes and repeatedly

engaged in careful interviews and discussions. By having them accumulate small successes, I felt that a positive atmosphere gradually spread.

Kondo: I really relate to what Yamada-san said. Through in-house newsletters and PR work, I often ask other employees to write articles or give interviews, which for them means additional work on top of their regular duties. I try to structure these requests so that they can approach them positively and so that they become experiences that lead to future success. I’m also careful about how we feature them and the timing of publication so that those who cooperate feel, “I’m glad I did it.”

Katahira: In my case, it was a new development theme, so I started with no knowledge or experience. Although I felt anxious at first, I actively gathered information inside and outside the company and worked while consulting with the processing technology section in another department. For the tank assembly process in particular, I went to the site and asked people there to think together with me about how best to assemble it. We also held frequent meetings within the team and moved forward by sharing knowledge and ideas, which I believe was a great help.

Nakajima: I’m the same in that I also have to move forward with the understanding and cooperation of others. The work simply cannot be done by one person, so you inevitably need to involve other departments and the site. But when you consider limited time and manpower, I often struggle with whether it is really appropriate to make a particular request at that moment. Customers routinely press for earlier delivery, and I understand the background, so I want to respond as much as possible. Yet precisely because I also understand the site’s situation, I often find myself caught in the middle. In such circumstances, what I think I can do as a salesperson is “find a reasonable compromise,” and I try to coordinate things so we can achieve the greatest results without overstraining anyone.

Miyazaki: Production exists because sales brings in orders, and because production responds, sales can confidently make proposals to customers. That virtuous cycle is what allows the company to function well. Ito-san, could you tell us about your experiences on the production site?

Ito: At my site, orders surged despite limited staff and time, and it became clear that my own efforts alone would never be enough. I therefore focused on flexibly reviewing task allocation so that workloads did not become lopsided. Especially when we were asked to achieve production volumes that would be difficult under normal work patterns, we responded by adopting flexible work arrangements and



A “Culture of Challenge” that Underpins Corporate Value

moving forward in cooperation with members and with support from other departments.

Katahira: I think it's excellent that you review task allocation based on the situation and respond flexibly. At my site as well, I try as much as possible to avoid having work concentrated on specific people, but there are inevitably times when the load tends to gather on one person. Even then, I always keep in mind that we should never “leave everything to one person.”

Miyazaki: From everyone's stories, it's clear that none of these initiatives could be completed by one person. The key was how you involved those around you and built relationships of trust. I feel that the ways you each tackled these issues embody CHINO's style of teamwork.

Workplace communication and culture

— A culture that encourages taking on challenges

Miyazaki: Next, I'd like us to think together about the internal culture and atmosphere you saw through these initiatives. Please share your thoughts on whether it is easy to make improvements and proposals, and on the kind of workplace environment that encourages people to take on challenges.

Nakajima: In our daily work, I think everyone has moments of awareness—like “this seems a bit off” or “it would be better if we did it this way.” But turning those realizations into actual “improvements” requires a different kind of ability, and that becomes one of the barriers. That's why it's important that each employee personally adopts the mindset of “if you find an issue, think about a solution.” If that mindset takes root in the company, I believe a culture of challenge will naturally grow as well.

Katahira: Another important point is not to “shoulder everything alone.” Just talking to someone can make you feel lighter, and consulting others can give you hints for improvement. I think it's important not to bottle up what you feel, but to talk to a nearby senior colleague or find people you can rely on.

Miyazaki: Exactly. Sensing something or feeling that something is off is in fact the “entry point” to an issue. Sharing those realizations with those around you, once you notice them, is part of creating a better atmosphere. In that context, what do you keep in mind when trying to gain understanding from others or turn proposals into reality?

Yamada: I think it's relatively easy to voice proposals like “wouldn't

it be better if we did this.” But actually turning them into reality takes courage and feels like a challenge in itself. Challenges naturally come with failures. That's why, if we have a culture that values “what we learned from failure,” people will be able to act more boldly. When someone has a proposal, I try to say, “OK, let's try it together,” and give them a push forward.

Ito: Since I'm on the production site, it is often difficult to turn proposals directly into improvements. My supervisors do understand, but because of how busy the site is, there are cases where we simply don't have the capacity to move quickly to improvements. Even so, because these changes are clearly necessary for our future operations, I try to move forward while gaining understanding from those around me, even if it takes some time.

Nakajima: I can relate to Ito-san's comments. At my site as well, when proposals or improvement ideas come up but are not realized, there is always some reason behind it. Improvements that require coordination with other departments feel particularly hard to implement. That's why it's all the more important to take the initiative, involve others, and communicate proactively. I strongly feel that the ability to involve people and to persuade them is an essential skill for business professionals.

Katahira: I also try to consult with others as much as possible. Things may not go well more often than they do, but simply receiving some sort of reaction or feedback allows you to move forward and leads to the next step. If there is an atmosphere where people think “let's try it first, even if we might fail,” it becomes much easier to take on challenges.

Kondo: From my own experience, when there is an atmosphere that makes it easy to consult with others and my supervisor is willing to listen and respond, proposals often end up taking shape. In that kind of environment, proposals don't go to waste. I hope that this kind of culture will spread further across the company as a whole.

Miyazaki: From your comments, I gather that while there is already an atmosphere in which people can make proposals, there are still some issues in the “systems and frameworks for turning them into reality.” If there were more success stories where proposals led to actual improvements and change, people might be even more inclined to say, “Let's try again.”

Yamada: I agree. Even if things don't go entirely as planned, just feeling that “we moved from zero to one” has real value. If people can sense even a small change, they will feel “I'm glad I made that proposal.” Once that kind of cycle starts turning naturally, I think a culture of challenge will take root.

Miyazaki: It reinforces for me that a culture that encourages taking on challenges is nurtured by each individual's awareness and actions, together with the way the organization supports them.



Growth beyond the challenge and passing it on to the next generation

— The sense of achievement and the will to connect it to the future

Miyazaki: As our final theme, I'd like to ask about the growth you felt through these initiatives and the results you achieved through cross-department collaboration. I'd also like to hear your thoughts on how you would like these activities to be passed on to the next generation.

Katahira: In developing the electrolyte supply tank I was responsible for, I was tackling a theme for the first time, starting with no knowledge or experience. By going to the production site and moving forward while consulting with people in the processing department, I realized how important collaboration within the team and with other departments is. I also feel that I strengthened my communication skills—such as summarizing information in materials that others can understand and using diagrams to explain things. Going forward, I want to share these experiences clearly with junior colleagues and help raise the level of the entire team.

Ito: What I felt most strongly through these efforts is the importance of taking initiative. When I notice something, I speak up first and take the lead in acting. By doing that, those around me naturally begin to cooperate as well. I feel that the atmosphere on the site has gradually changed, and I think that such accumulated actions will raise the capabilities of the whole team.

Yamada: Through these activities, I felt both the difficulty of producing results while involving others and my own growth that came with it. In particular, I gained a strong sense of achievement from moving production processes away from being dependent on specific individuals and standardizing tasks so that anyone can handle them. I want to keep expanding the circle of improvement, aiming for a setup where workloads are not concentrated on certain people.

Kondo: In PR, it's important to think about how to communicate the company's many initiatives outside the company. Lately, to create press releases that are more likely to catch reporters' attention, I've been refining the questions I ask and the way I interview development staff. I want to share not only the appeal of products but also



the thoughts and background behind their development, to enable storytelling-driven communications. I'd be delighted if more employees would come to us saying, "We're doing this kind of initiative," or "We've achieved these results—please feature us." I believe the accumulation of such storytelling will also help build a culture of challenge.

Nakajima: Sales stands between customers and our internal sites, helping to coordinate delivery dates and specifications. In this project, we couldn't meet every single request, but by negotiating persistently we were able to secure additional orders from the customer. I feel this was not due to my efforts alone, but thanks to the trust built up over many years by my seniors. As part of my generation, I see it as my mission to inherit that trust without diminishing it and to pass it on to the next generation as well.

Miyazaki: I can clearly see that through challenges in your daily work, you have each felt your own growth and that your attitudes are having a positive impact on those around you. I hope that the themes highlighted through the "Effort Award" will be shared more widely within the company and will grow into a source of strength for the organization as a whole. Thank you very much for your valuable comments today.



Sustainability

Basic Approach to Sustainability Management

The Group addresses issues such as climate change, human rights, diversity, and supply chains through its business activities in order to fulfill its corporate responsibility toward realizing a sustainable society.

From a medium- to long-term perspective, we position “sustainability management,” which aims to enhance corporate value and co-create social value, as a key management pillar. In putting this into practice, we promote company-wide initiatives based on our “Basic Sustainability Policy” and the identified “material issues (materialities)” (for details, see p. 9).

CHINO Group Basic Sustainability Policy

Based on its corporate philosophy—“Challenging the limits of measurement, control, and monitoring technologies to contribute to industrial development and the realization of a better society tomorrow”—the CHINO Group seeks to engage with diverse stakeholders and contribute to the realization of a sustainable society through its business activities, while also achieving its own sustainable growth and enhancement of corporate value.

Material issues

Contributing to Solutions for Global Environmental and Energy Issues

Throughout all stages of our business activities, we work to reduce CO₂ emissions, cut waste and promote reuse, and protect biodiversity. By providing products and solutions that help resolve environmental issues, we contribute to the realization of a decarbonized society.

Coexistence and Co-Prosperity with All Stakeholders

While striving for accurate and clear information disclosure, we respect dialogue with all stakeholders—including customers and business partners, employees, shareholders and investors, and local communities—strengthen bonds of mutual trust, and work together to resolve various social issues.

Practicing Sincere and Fair Corporate Activities

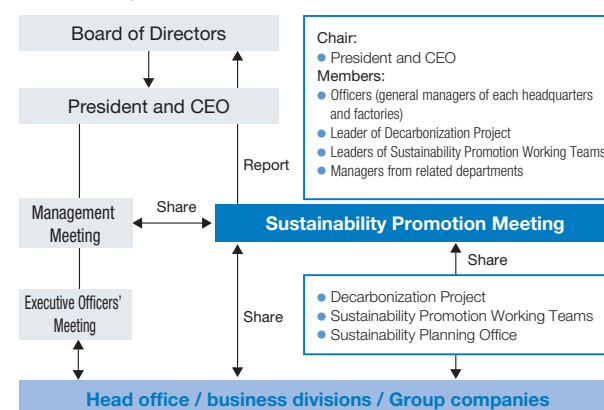
By advancing corporate governance, strictly complying with all laws and regulations, and strengthening risk management, we conduct sincere and fair corporate activities and thereby achieve management that earns a high level of trust from society.

Providing Safety and Inspiration through Distinctive Technologies

We accurately capture change and supply safe, high-quality, and distinctive products and services that meet market needs, while appropriately providing product-related information to ensure even greater customer satisfaction and delight.

Sustainability Promotion Framework

Sustainability promotion framework chart



Board of Directors

The Board of Directors receives reports on matters discussed by the Sustainability Promotion Meeting and deliberates and supervises basic policies and key initiatives. In fiscal 2024, it received two reports on KPIs and progress of activities for each materiality.

Sustainability Promotion Meeting

Established in 2022 with the President and CEO as chair, this committee formulates Group-wide policies and monitors initiatives, reporting to the Board of Directors as necessary. In fiscal 2024, it led the review of materiality KPIs and the formulation and implementation of company-wide activity policies.

Sustainability Promotion Working Teams

As a cross-functional organization of around 20 members from various departments, these teams plan and execute initiatives at the operational level. In fiscal 2024, they worked to define and promote priority themes such as GHG emissions reduction and operational efficiency, and submitted recommendations to the Sustainability Promotion Meeting.

Sustainability Planning Office

Established in 2023, this office manages progress of activities in collaboration with departments and Group companies and shares information with relevant committees. In fiscal 2024, it strengthened linkage with the Medium-Term Management Plan and submitted the company's first response to CDP.

Decarbonization Project

Launched in 2021, this project aims to contribute to a sustainable society through proposals of products and systems in the fields of hydrogen, sensors, and monitoring.

Driving Internal Adoption Sustainability and Raising Awareness

To enhance the effectiveness of sustainability management, it is essential that each employee understands its purpose and puts it into practice in their daily work.

We therefore continuously implement the internal embedding measures described below.

Promoting Personal Ownership of Sustainability and Integration with Core Operations

From fiscal 2024, we launched a company-wide initiative to link sustainability materialities to each department's and individual's business initiatives so that employees can regard sustainability more as "their own matter." By integrating daily work with the practice of sustainability in this way, we aim both to contribute to sustainability and to improve work quality through changes in awareness and behavior on the front line.

Internal Briefings and Awareness Surveys

Through initiatives such as new employee training, an annual company-wide sustainability briefing, and site-specific information exchange meetings, we work to deepen understanding regardless of role or department. From fiscal 2025, we are gradually expanding these activities to Group companies as well.

Over the three years since fiscal 2022, we have conducted post-briefing questionnaires to assess awareness of and understanding of sustainability-related terms. In fiscal 2024, more than 70% of respondents answered that they "understand the importance of sustainability." This represents an increase of approximately 19 points from fiscal 2022, when awareness initiatives began, as well as a year-on-year increase of 3.8 points, demonstrating steady progress integrating sustainability in to everyday operations and fostering a sense of personal ownership.



New employee training Branch information exchange meeting

Strengthening Internal Communications

We issue a monthly "Sustainability Newsletter" and share information in real time via the internal portal, thereby raising awareness among all employees and encouraging behavioral change.



Sustainability Newsletter

Relationships with Stakeholders

In promoting sustainability management, strong relationships of trust with the diverse stakeholders who support our business activities are indispensable. Through dialogue and collaboration with customers, shareholders and investors, employees, business partners, local communities, and government and industry bodies, we aim to create value through co-creation.

- **Customers:** Two-way sharing of issues via exhibitions, webinars, product consultation desks, etc., and product improvements based on user perspectives.
- **Shareholders and investors:** Fair and transparent information disclosure and opportunities for constructive dialogue through general meetings of shareholders, IR briefings, the integrated report, and other channels.
- **Employees:** Establishment of safety and health committees and internal contact points, provision of training opportunities to improve skills, and initiatives to foster awareness of sustainability.
- **Business partners:** Practice of fair and impartial procurement activities and stronger collaboration through materials supplier meetings and quality audits.
- **Local communities:** Promotion of next-generation development activities in collaboration with local communities, such as off-site experimental classes and hosting workplace experience programs.
- **Government and industry bodies:** Compliance with laws and regulations related to the environment, labor, and product safety; responses to external evaluations such as CDP; and participation in policy dialogue and rule-making through industry associations.

Future Initiatives

Going forward, we will continue to integrate sustainability with management and promote value creation from a long-term perspective. By further deepening initiatives linked to the Medium-Term Management Plan, we aim to help realize a sustainable society and a sustainable future for our company.

Initiatives on Climate Change and the Environment

Basic Approach

While contributing to industrial development through measurement, control, and monitoring technologies, our Group is keenly aware of its responsibility for the sustainability of the global environment. We regard climate change as both a major risk to business continuity and an opportunity to create new products and services, and position it as a core theme of our sustainability management.

Reducing environmental impact across the entire product life cycle requires ingenuity from the product planning and design stages. Going forward, we will also progressively study initiatives for GHG reduction and resource- and energy-saving in our own activities, including manufacturing and logistics. As we work to understand environmental impacts across the entire supply chain, we have also taken on Scope 3 disclosure for the first time.

Under our “Environmental Policy,” we promote environmental management integrated with our business. By voluntarily setting targets that go beyond mere legal compliance and continually making improvements, we contribute to the realization of a sustainable society.

CHINO Environmental Policy

1. Prevention of Global Warming

We work to reduce greenhouse gas emissions by promoting energy conservation and the use of renewable energy.

2. Promotion of Environmental Innovation

Through the provision of temperature solutions, we strive to promote environmentally sustainable industries.

3. Effective Use of Resources

We work to improve resource productivity through green procurement and the 3Rs (reduce, reuse, recycle).

4. Coexistence with Nature

We strive to conserve biodiversity by protecting water, soil, and air and restoring ecosystems.

5. Harmony with Local Communities

We seek to contribute to the sustainable development of society through community and social contribution activities.

6. Compliance and Improvement

By complying with environmental laws and continuously improving our environmental management system, we endeavor to reduce our environmental impact.

Key Issues and Responses

In addition to climate change measures and energy saving, we are also pursuing business-integrated initiatives for the following environmental issues.

■ Waste Reduction and Promotion of Zero Emissions

We define “zero emissions” as a final disposal rate of less than 1%. In collaboration with business partners, we are working at each site to reduce waste and promote resource circulation, for example by reusing transport packaging boxes and collecting and recycling uniforms. In fiscal 2024, the final disposal rate was 1.8%.

■ Proper Management of Chemical Substances Contained in Products

To comply with domestic and overseas regulations, we rigorously register and manage information on chemical substances at the design stage. We provide appropriate information in response to customer requests and work to ensure safety and peace of mind.

■ Promotion of Green Procurement

We explain and spread awareness of our “Green Procurement Guidelines” among major suppliers and are building a framework for procuring materials with low environmental impact.

■ Introduction of Renewable Energy

By 2023, we had converted all purchased electricity at our head office and domestic sites to renewable energy, thereby reducing GHG emissions by approximately 2,400 tons per year. In addition, we have installed solar power generation systems at the Yamagata and Fujioka factories, which contribute to a reduction of about 350 tons of GHG emissions per year.



Yamagata Factory: System installed in 2013, capacity 732 kW



Fujioka Factory: System installed in 2014, capacity 40 kW

Response to TCFD Climate-Related Financial Disclosure

Our Group recognizes climate change as one of the most important issues in sustainability management and expressed its support for the TCFD recommendations in 2022. Since then, we have been enhancing disclosure in stages. In fiscal 2023, we conducted scenario analysis based on two temperature pathways and defined financial impact assessments and response policies.

Governance

Climate change measures are treated as a core element of sustainability management. The Sustainability Promotion Meeting formulates policies, sets KPIs, and manages progress, while important matters are reported to and supervised by the Board of Directors. The Sustainability Planning Office collaborates with departments and Group companies, and has established a structure to promote and share activities.

Strategy

In November 2023, we conducted an analysis of CHINO Corporation under both a "below 2°C scenario" and a "4°C scenario." Under the below-2°C scenario, increases in costs due to carbon taxes and higher renewable energy prices were identified as major transition risks, while expanding demand in hydrogen and EV-related markets and for renewable energy monitoring was positioned as a key growth opportunity. In the 4°C scenario, we assumed that more severe extreme weather events could bring about material business interruption risks.

Risks and Opportunities

The risks and opportunities identified through scenario analysis have been organized by magnitude of financial impact and time horizon, and our responses have been systematized into four categories: GHG emissions reduction, resource utilization, environmental innovation, and business continuity framework. We have specified priority actions for the short and medium-to-long term, including introducing renewable energy, electrifying our vehicle fleet, and implementing BCP measures.

Analytical Procedure

Evaluation of risk significance	Definition of scenarios	Evaluation of business impact	Definitions of countermeasures
Identification Identify climate-related risks and opportunities and qualitatively consider their impacts.	Assessment Select scenarios, obtain future information, and concretize impacts.	Estimation Estimate financial impacts using future forecast values as reference.	Response Consider response measures and strategic direction for the assumed risks and opportunities.

List of Identified Risks

Category	Risk factor	Time horizon	Financial impact
Transition risks	Higher costs due to introduction of carbon taxes (increased burden for Scope 1 and 2)	Medium to long term	Medium (2°C scenario)
	Compliance costs due to stricter energy policies and regulations	Short to long term	Large (2°C scenario)
	Rising energy and raw material prices	Medium to long term	Medium to large (2°C scenario)
	Impact from customers and markets due to changes in reputation	Short to long term	Medium (2°C scenario)
Physical risks	Business interruption and damage caused by extreme weather (typhoons, heavy rain, storm surges, etc.)	Short to long term	Large (2°C and 4°C scenarios)
	Impact on water resources and production environments due to drought and other factors	Medium to long term	Medium (2°C and 4°C scenarios)

List of Identified Opportunities

Category	Opportunity factor	Time horizon	Financial impact
Transition opportunities	Increased demand for technologies and products that support compliance with policies and regulations	Short to long term	Large (2°C scenario)
	Development of new markets through expansion of energy-saving and renewable energy technologies	Medium to long term	Large (2°C and 4°C scenarios)
	Business opportunities created by the spread of low-carbon technologies and the progress of electrification	Medium to long term	Large (2°C scenario)
	Changes in customer needs due to rising environmental awareness	Short to long term	Large (2°C scenario)
	Improved evaluation as a company that addresses climate change	Short to long term	Medium (2°C scenario)
Physical opportunities	Increased need for temperature control due to rising average temperatures	Medium to long term	Small (2°C and 4°C scenarios)

Responses to Identified Risks and Opportunities

For the identified risks and opportunities, we are advancing company-wide initiatives in the four categories below. We promote GHG reduction and effective resource use through measures such as introducing renewable energy at domestic sites, energy-saving initiatives, and waste reduction. In addition, we are working to enhance resilience by strengthening environmental innovation, including hydrogen-related technologies, and by implementing BCP measures in preparation for disasters.

Category	Main initiatives
GHG emissions reduction	<ul style="list-style-type: none"> Expanding the introduction of renewable energy Introducing hybrid and electric vehicles Upgrading to energy-saving equipment
Effective use of resources	<ul style="list-style-type: none"> Reducing waste and promoting recycling (zero emissions) Green procurement and consideration of alternative materials
Promotion of environmental innovation	<ul style="list-style-type: none"> R&D in decarbonization fields such as hydrogen Providing solutions and expanding energy-saving products Product development tailored to customer needs
Physical resilience	<ul style="list-style-type: none"> Implementing BCP measures and drills Strengthening global procurement systems Establishing flexible work schemes

Initiatives on Climate Change and the Environment

Indicators and Targets

For Scope 1 and Scope 2 GHG emissions, we have set targets of “190 t-CO₂ in 2030” and “net zero in 2040,” and are promoting the introduction of renewable energy and energy-saving measures. As a long-term goal, we aim to achieve zero emissions by fiscal 2040 and have set an interim target of a 90% reduction versus fiscal 2020 by fiscal 2026. By fiscal 2024, we had achieved an 88.5% reduction, making steady progress.

Up to now, we have mainly identified and disclosed GHG emissions on a non-consolidated basis. Going forward, we will progressively disclose information on a Group (consolidated) basis to further enhance the effectiveness and transparency of our sustainability management.

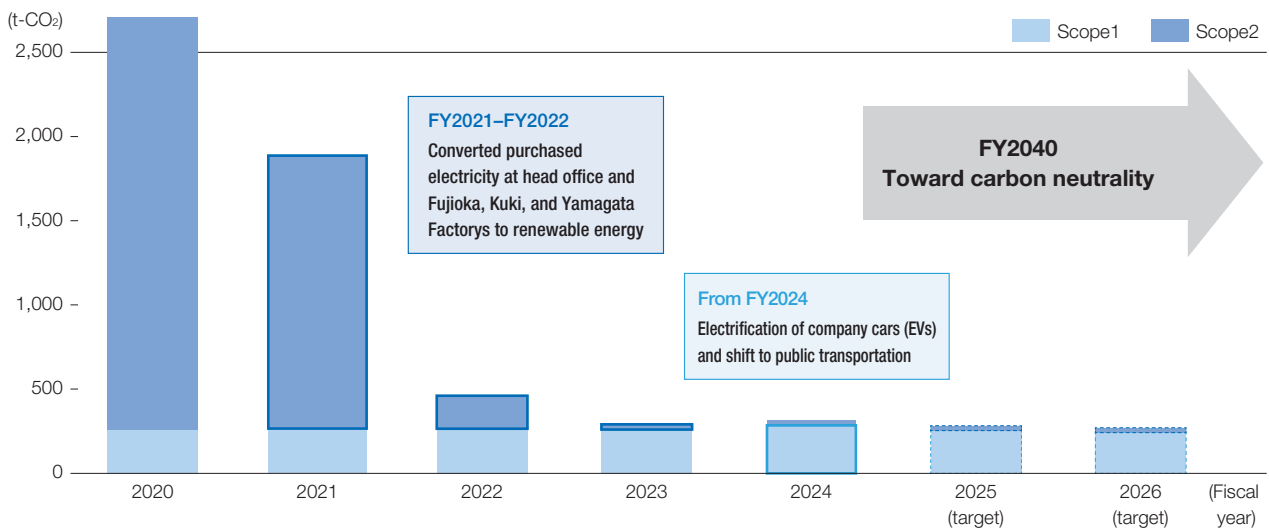
In fiscal 2024, we calculated and disclosed Scope 3 (indirect emissions including the supply chain) for the first time, thereby fully launching efforts toward decarbonization across the entire value chain. We will continue to review KPIs and conduct ongoing disclosure to promote highly transparent sustainability management.

Business Activities toward a Hydrogen Society

Through our business, we are undertaking environmental initiatives to help realize a hydrogen society (carbon neutrality by 2050).

Activity domain	Related keywords (technologies / applications)	Examples of products, technologies, and support
Production (“making” hydrogen)	Green / blue / gray hydrogen, artificial photosynthesis, ammonia synthesis, methanation	Catalyst property testing; gas component measurement; plant control and monitoring; use of cloud solutions
Transport	Liquefied hydrogen; MCH (methylcyclohexane)	Cryogenic sensors; gas component measurement; marine sensors; wireless monitoring devices
Storage	CCUS; storage batteries	Battery performance testing; thermal imaging for equipment diagnostics
Utilization	Hydrogen / ammonia combustion; electrified energy; automobiles and aircraft; ships and power plants	Fuel cell performance testing; hydrogen engine testing; process gas sensors; equipment diagnostics
Technology development	Application of sensing technologies; product development project activities	Advanced combinations of sensors with temperature, pressure, flow, gas concentration, and electrical signals; technical support

GHG Emissions (Greenhouse Gases) — Scope 1 and 2 Trends (Non-consolidated) and Main Reduction Measures



* Scope details: CHINO headquarters, branch and sales offices, and major domestic production sites (Fujioka Factory, Kuki Factory, Yamagata Factory)

GHG emissions (Scope 1 and 2) (t-CO₂)

	FY2020 (baseline year)	FY2021	FY2022	FY2023	FY2024	FY2026 (target value)
Scope 1 (mainly fuel use such as gasoline and LPG)	261	266	265	260	285	Scope 1,2 271
Scope 2 (mainly purchased electricity)	2,449	1,621	196	31	29	
Scope 1,2	2,710	1,887	461	291	313	
Reduction rate versus baseline year	—	30.4%	83.0%	89.3%	88.5%	90.0%

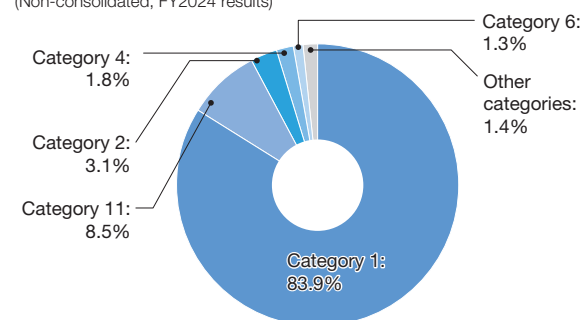
GHG (Greenhouse Gases) — Scope 1, 2, and 3 Emissions Results, FY2024

Scope1,2	Emissions (consolidated)	Emissions (non-consolidated)	Head office	Sales offices	Fujioka Factory	Kuki Factory	Yamagata Factory	Group companies
Scope 1 (direct emissions from fuel use) (t-CO₂)	459.15	284.5	0	149.35	65.62	20.27	49.26	174.65
Emissions from gasoline (t-CO ₂)	359.50	209.62	0	149.33	38.19	19.42	2.67	149.88
LPG (t-CO ₂)	62.28	48.26	—	0.02	3.64	0.27	44.34	14.02
kerosene (t-CO ₂)	3.12	2.63	—	0	0	0.59	2.04	0.49
diesel use (t-CO ₂)	34.24	23.99	—	0	23.78	0	0.21	10.25
Scope 2 (indirect emissions from electricity use) (t-CO₂)	692.56	28.86	0	28.86	0	0	0	663.70
Electricity consumption (MWh)	6,788.68	5,429.91	591.81	138.88	1,626.51	1,264.71	1,807.99	1,358.77
Of which: renewable energy (MWh)	5,362.41	5,362.41	591.81	71.38	1,626.51	1,264.71	1,807.99	—
Of which: non-renewable energy (MWh)	1,426.27	67.50	—	67.50	—	—	—	1,358.77
Renewable energy ratio	79.0%	98.8%	100%	51.4%	100%	100%	100%	0.0%
Total Scope 1+2 GHG emissions (t-CO₂)	1,151.71	313.36	0	178.21	65.62	20.27	49.26	838.34

Scope 3 (other indirect emissions)	Emissions (non-consolidated)
Category 1: Purchased goods and services (t-CO ₂)	45,809.3
Category 11: Use of sold products	4,657.6
Category 2: Capital goods (t-CO ₂)	1,710.9
Category 4: Upstream transportation and distribution (t-CO ₂)	990.2
Category 6: Business travel (t-CO ₂)	694.6
Other (t-CO ₂) Category 3: Fuel- and energy-related activities not included in Scope 1 or 2 Category 7: Employee commuting Category 5: Waste generated in operations Category 12: End-of-life treatment of sold products	767.8
Total Scope 3 (t-CO₂)	54,630.4

Scope 3 Emissions Breakdown

(Non-consolidated, FY2024 results)



Waste Reduction

Monitoring and controlling waste emissions and final disposal volumes and monitoring recycling rates.						
FY2024 results	Head office	Branches & sales offices	Fujioka	Kuki	Yamagata	
Emissions (kg)	102,903	10,825	3,338	23,330	26,503	38,907
Final disposal (kg)	1,893	461	243	0	0	1,189
Amount recycled (kg)	96,842	6,196	3,095	23,330	26,503	37,718
Valuable materials (kg)	41,483	0	0	41,335	148	0
Industrial waste recycling rate	100%	100%	100%	100%	100%	100%
General waste recycling rate	93.35%	93.1%	92.7%	100%	—	87.6%
Final disposal rate	1.80%					

*General waste at the Kuki Factory is included in the industrial waste totals in accordance with local government regulations.

Monitoring of Water Resource Use

FY2024 results	Head office	Branches & sales offices	Fujioka	Kuki	Yamagata	
Water use (m ³)	23,059	1,471	—*	19,287	2,301	2,969
Tap water (m ³)	7,223	1,471	—	3,451	2,301	2,283
Groundwater (m ³)	15,836	0	—	15,836	0	686

*Branches and sales offices are excluded from measurement because usage is minimal.

CHINO Biotope Forest

Promoting environmental conservation and community collaboration as a nature-positive corporate green space

The “CHINO Biotope Forest” has been developed to recreate the traditional satoyama (countryside woodland) environment of the local area. Fourteen years after its creation, its role as a corporate green space has expanded, and it is steadily growing as a hub for environmental conservation, education, and community interaction.



— Future Outlook and Information Dissemination —

To contribute to achieving the global biodiversity target “30 by 30,” we aim to obtain certification as a “Nature Coexistence Site” from the Ministry of the Environment, while continuously promoting initiatives toward a nature-positive society. To better communicate the appeal of the biotope, we plan to renew the biotope content on our corporate website. We intend to introduce new elements such as photos, videos, and VR experiences to provide more immersive information.

CHINO Biotope Forest received the Prime Minister’s Award for Distinguished Service in the Greenery Promotion

Our efforts to date were recognized in April 2025, when we received the “Prime Minister’s Commendation for Greenery Promotion Contributors,” an award presented to individuals and organizations that have made outstanding contributions to greening activities. This is the highest-level greenery award we have received, following previous honors such as the Minister of Economy, Trade and Industry Award and certification from Gunma Prefecture.



Scene from the award ceremony



Award certificate

Past Awards

- Apr. 2025: Received the Prime Minister’s Commendation for Greenery Promotion Contributors
- Nov. 2022: Received the “Sustainable Society Building Activities Award (Biodiversity Conservation Activities Award)” from the Environmental Life Culture Organization (public interest incorporated association)
- Oct. 2019: Received the Minister of Economy, Trade and Industry Award in the National Green Factory Award program
- Sept. 2018: Certified by Gunma Prefecture as a “site providing hands-on opportunities for environmental education, etc.”
- Oct. 2016: Received the Kanto Bureau of Economy, Trade and Industry Director-General’s Award for Excellent Green Factories, etc.
- Aug. 2014: Selected as one of the “Top 100 Water and Green Network Sites in Kanto” by the Kanto Regional Development Association and the Ecosystem Conservation Society-Japan
- Nov. 2013: Received the Japan Greenery Research and Development Center President’s Award for Excellent Green Factories, etc.

A Place for Learning and Experience

– Environmental Learning that Engages the Senses –

We continuously offer environmental learning programs using the biotope for local elementary school pupils. Four times a year—in spring, summer, autumn, and winter—children experience seasonal changes and the importance of nature through nature observation and nature games. Programs developed in collaboration with Takasaki City University of Economics are evolving year by year.

In addition, our original learning content is being expanded—for example, the “Let’s Measure Temperature ♪” activity using our own infrared radiation thermometer IR-TE2 helps children develop the perspective of thinking about living creatures’ lifestyles through temperature.

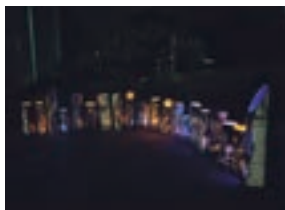


Scene from “Let’s Measure Temperature ♪”

Internal Exchange and Biotope Training

– Internal Exchange and Biotope Training –

The biotope is also a place for interaction and learning for employees. Through in-house events using natural materials—such as cultivating log-grown shiitake mushrooms with thinned wood, making bamboo lanterns, and creating “bug houses” as insect habitats—employees and their families interact with nature and deepen bonds within the company. In particular, the bamboo lanterns, each with its own distinctive patterns, illuminated the biotope at night in a magical way, creating memorable moments.



Uniquely crafted bamboo lanterns



Bug house production

At the Fujioka Factory, the biotope is also used in training for new employees, helping them deepen their understanding of the environment while experiencing local nature, with the aim of developing “people who can speak about the biotope.”

Employee-initiated activities are also expanding, and the biotope will continue to broaden possibilities for learning and interaction within the company.



Scene from the new-employee biotope training

Connection with the Local Community

In 2024, we revamped our customary “Sakura Festival” and held it as “CHINO SPRING FESTA.” Using both the interior and surrounding area of the biotope as venues, we held a wide variety of events, including nature games and a stamp rally, a local market, chorus performances by an elementary school choir, and talent shows by employees. More than 600 people—including employees, their families, and local residents—participated, making it a place of exchange where participants could experience the connection between people and nature.



Scene from “CHINO SPRING FESTA” 2025

Environmental Conservation and Nature-Positive Initiatives

– Conservation of Rare Species –

In the biotope, we focus on conserving rare species that once inhabited the local area. In particular, the spear bitterling (Yaritango), designated as an endangered species in Gunma Prefecture, is carefully protected through release activities conducted in collaboration with the Cultural Property Protection Division of Fujioka City. Elementary school pupils also take part in release experiences, which foster understanding of biodiversity and attachment to the local natural environment.

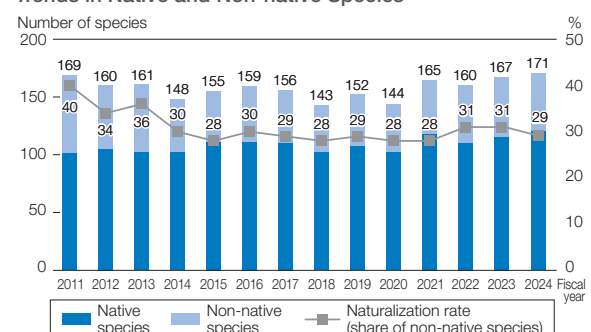
This conservation of rare species is part of our nature-positive efforts as a company seeking coexistence with nature, and through the biotope we continue activities that will carry the local natural environment into the future.

– Monitoring that “Visualizes” Environmental Change –

In collaboration with Gunma University, we regularly conduct various surveys, including monitoring of the plant community. In fiscal 2024, 121 native species and 50 non-native species (naturalization rate 29.2%) were identified, revealing that ecosystem diversity has further improved. The naturalization rate has been declining year by year, indicating that a healthy natural environment centered on native species is being restored.

We will continue management and maintenance based on scientific monitoring to conserve and restore the ecosystem.

Trends in Native and Non-native Species



Social Contribution Activities

Guided by our corporate philosophy of “challenging the limits of measurement, control, and monitoring technologies to contribute to industrial development and the realization of a better society tomorrow,” our Group actively engages in social contribution activities. Through these activities, we seek to deepen relationships of trust with our stakeholders and contribute to the achievement of the SDGs and the building of a sustainable society.

Aiming for the Future of Children and the Advancement of Science and Technology

Industrial development is essential for a sustainable society, and it is children—the next generation—who will support that development. Our Group focuses on creating opportunities for young people to experience the appeal of science and to foster interest in manufacturing and technology.

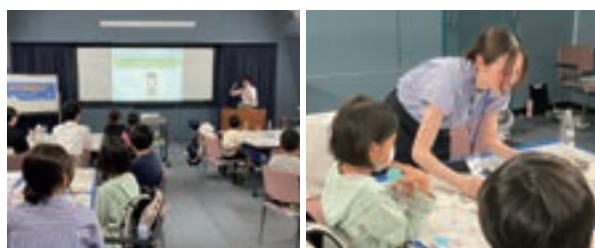
“Science Festival for Youth” in Yamagata

We continuously participate in the “Science Festival for Youth.” In September 2025, we held a hands-on workshop under the theme “Let’s Move Water with Temperature Changes.”



Science Experiment Class at Itabashi City Takashimadaira Library

At a public library in Itabashi Ward, Tokyo, where our head office is located, we ran a science experiment class for elementary school students during the summer vacation. In July 2025, under the theme “Let’s Make Clouds in a Plastic Bottle!”, we provided an opportunity to enjoy learning about the wonders of the sky using familiar materials.



Permanent Exhibit at Yamagata Industrial Science Museum

At the Yamagata Industrial Science Museum, where visitors can experience various scientific principles and learn about industries and outstanding technologies of companies in Yamagata Prefecture, we maintain a permanent exhibit that showcases our technologies. In 2024, part of the exhibit content was renewed.



Hosting Workplace Experience Programs for Junior High School Students

We run programs for local junior high school students to deepen their understanding of “working” through experiences such as manufacturing and office work, business card creation, and etiquette lessons.



Environmental Education Using the Biotope

As a site certified by Gunma Prefecture as a “place for hands-on environmental education,” we continue to provide environmental learning programs and outreach classes for elementary school students (for details, see p. 46).



Responding to “High School Students’ Interviews with Professionals” (MEIYO ELECTRIC Co., Ltd.)

We cooperate with a career support program for high school students. In the summer of 2025, three students from a high school in Shizuoka Prefecture interviewed our staff.



Together with Local Communities

Our company and Group companies deepen ties with local communities by taking part in local events, cleanup activities, and other initiatives as members of those communities.

Cleanup Activities at Miho no Matsubara (Pinery of Miho) (MEIYO ELECTRIC Co., Ltd.)

Employees conducted coastal cleanup activities at Miho no Matsubara (Pinery of Miho), a UNESCO World Cultural Heritage site. These cleanups are held annually and will continue in the future.



Cleanup Activities in Front of Tendo Station (Yamagata Factory)

Employees participated in a station-front cleanup volunteer event organized by the Tendo Chamber of Commerce and Industry.



“Tendo La France Marathon” (Yamagata Factory)

We are a special sponsor of the “Tendo La France Marathon,” a sporting event that contributes to regional revitalization. In the November 2024 race, seven runners from our company also took part.



Opening Outdoor Facilities to the Community (Fujioka Factory)

We make our baseball field and tennis courts available to local groups. The baseball field is also registered as a landing site for doctor helicopters.

Support for Local Events (Head Office)

During local festivals, we provide a rest area for children's portable shrines (mikoshi) and distribute drinks and snacks.



Senko-kai Activities

Since 1973, we have continued “Senko-kai” activities, which aim to promote fellowship among employees and serve society, through initiatives such as blood donation, cleanup and beautification activities, and cooperation with organizations that support people with disabilities.



● Blood Donation Activities

At our head office and each plant, we regularly conduct blood donation drives for employees and local residents.



Kuki Factory

Head Office

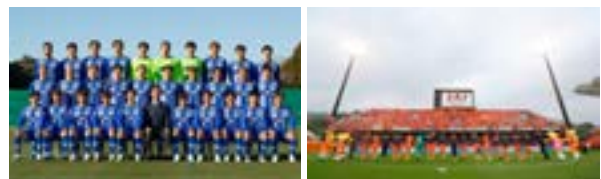
● Support for Artistic Activities

We support the Association of Mouth and Foot Painting Artists by purchasing their works and related items.

Support for Sports

As an official sponsor of the J2 League club Montedio Yamagata, we support the team and contribute to regional revitalization.

Meiyo Electric has also entered into a club partner agreement with the J.League club Shimizu S-Pulse to strengthen ties with the local community. In addition, it sponsors the club's next-generation development project “S-Pulse S-Plus,” supporting the healthy growth of local children.



©MONTEDIO YAMAGATA

Shimizu S-Pulse

Human Rights and Supply Chain Management

Basic Approach and Initiatives on Respect for Human Rights

The Group clearly expresses its commitment to respecting human rights in all business activities based on the “CHINO Group Human Rights Policy.” This policy has been formulated with reference to international standards such as the UN “Guiding Principles on Business and Human Rights (UNGPs),” the “International Bill of Human Rights,” and the ILO core conventions, and efforts are underway to communicate and integrate it across the organization.

In order to strengthen our ability to address human rights risks throughout all corporate activities, including the supply chain, we have begun building a human rights due diligence framework and conducting questionnaires and risk assessments for suppliers.

In addition, we place importance on the concept of responsible mineral sourcing (RMI) for electronic components and other materials, and are examining ways to strengthen our framework for dealing with conflict minerals. Going forward, we will continue working to establish a sustainable and responsible procurement framework through dialogue and audits with suppliers.

CHINO Group Human Rights Policy

In all Group business activities, we respect the human rights and diversity of all people, including those in our supply chain, in accordance with international human rights standards, and eliminate discrimination and any conduct that undermines individual dignity.

1. We do not engage in discrimination or actions that violate individual dignity on the basis of nationality, race, ethnicity, creed, religion, gender, age, place of origin, physical characteristics, disability, sexual orientation, gender identity, or similar attributes.
2. We eliminate all forms of harassment, whether mental or physical.
3. We prohibit child labor and forced labor and do not tolerate any form of modern slavery, including human trafficking.
4. We provide a work environment in all workplaces that enables employees to work safely and healthily.
5. We respect the rights to freedom of association and collective bargaining in accordance with the laws and regulations of the countries and regions where we operate.
6. We respect each employee's privacy, individuality, and diversity, and seek to achieve a balance between work and private life.

Established November 2021
Revised January 2025

Initiatives for Supply Chain Management

In procurement activities that underpin product quality and reliability, we always take into account environmental, social, and governance (ESG) factors and work with our business partners to realize a sustainable society.

Basic Procurement Policy

- Ensuring fair, impartial, and transparent transactions
- Selecting partners with emphasis not only on price, quality, and delivery, but also on consideration for the environment, human rights, and compliance
- Building cooperative frameworks based on long-term relationships of trust

Audit and Monitoring Framework

- Conducting regular audits of quality and delivery for materials suppliers
- Formulating an annual audit plan and continuing to achieve a 100% implementation rate
- Considering the introduction of self-assessment sheets covering ESG elements

Strengthening Partnerships with Suppliers

- Sharing policies and targets through meetings with materials suppliers
- Strengthening information gathering and awareness-raising regarding conflict mineral measures
- Considering the formulation of a “Supplier Code of Conduct”

Going forward, we will strengthen our overall supply chain management framework and work to realize management with transparency and accountability, taking into account international disclosure standards.



Working group on human rights due diligence

Quality Management

Basic Approach

Based on the principle of “Quality First,” we believe that continuously and stably providing high value-added products is the foundation that supports our corporate reliability and sustainability. Guided by this belief, we aim not only to ensure product quality but also to contribute to the realization of a sustainable society throughout the entire value chain by respecting human rights, improving working environments, and practicing responsible procurement.

Quality Policy and Continuous Improvement

Under the “CHINO Quality Policy” below, we work to enhance the quality of our products and services and to continually improve corporate value.

CHINO Quality Policy

1. Creating quality that delights customers

Through engineering activities closely aligned with customers, we strive to provide products and services that earn their trust and deliver “customer delight” that goes beyond satisfaction.

2. Enhancing corporate value and achieving sustainable growth

By actively developing products and solutions for growth fields, we contribute to society and pursue enhanced corporate value and sustainable growth.

3. Continuous improvement

We establish a management system that aims to enhance corporate value and achieve sustainable growth, and continually improve its effectiveness.

IMS Activities and Organizational Quality Management

We have introduced an Integrated Management System (IMS) based on ISO 9001 and ISO 14001 and work on continuous improvement from both quality and environmental perspectives. As an organizational foundation that supports our management plans, the IMS contributes to stabilizing operations, visualizing risks, and aligning with internal controls, thereby improving the reliability of products and services and enhancing operational quality.

Through appropriate responses to customer and societal expectations as well as to laws and regulations, we continually demonstrate our capability to provide products and services. The IMS functions as a “management and operational mechanism” that brings issues to light, analyzes root causes, and drives improvement activities, thereby helping to strengthen organizational capabilities and enhance corporate value.

Cycle of Customer Satisfaction and Quality Improvement

We use feedback gained through customer touchpoints to continually improve, from multiple perspectives, the quality and performance of our products and services, the information we provide, and our response framework.



At our Product Consultation Office (call center), we handle a wide range of inquiries—including product selection, specification checks, price inquiries, and troubleshooting—under the motto of responding “quickly, concisely, and clearly.” The content of inquiries is shared as needed with relevant departments such as Sales, Manufacturing, and Quality, and we work across the company to build a framework that meets customer needs.

In addition, the results of customer satisfaction surveys and the content of routine inquiries are reflected, via quality meetings and other forums, in revisions to product specifications, updates to manuals and catalogs, and improvements to response flows, as we aim for higher customer satisfaction.

Maintaining Reliability through Calibration Services

Accurate measurement and ensuring its reliability are essential foundations that support manufacturing and provide safety and assurance. As a measurement equipment manufacturer that provides calibration traceable to national standards, we offer various calibration and inspection services, including JCSS-accredited services.

Main services:

- Inspection and calibration of receiving instruments such as recorders, controllers, and indicators
- Loop calibration of temperature/humidity sensors and instruments, and blackbody furnace calibration of radiation thermometers
- Maintaining proper condition of measuring instruments, including temperature distribution measurements of freezers and constant-temperature chambers

Through these services, we support quality and safety at manufacturing sites and promote long-term use of products, thereby aiming to contribute to a sustainable society.

Future Actions

In addition to improving product quality and achieving customer satisfaction, we view respect for human rights and the practice of responsible procurement as key elements of sustainable corporate management. We will continue to strengthen quality management and enhance risk management and information disclosure across the entire supply chain, in line with legal requirements and international guidelines. Furthermore, by widely sharing within the company the feedback obtained through customer touchpoints and dialogue, and creating a cycle of improvement and value creation, we aim to be a company that meets even higher levels of trust and expectations.

CHINO DIALOGUE – Roundtable with Outside Officers –

Outside Officers Discuss CHINO's Strengths, Strategy, and Growth Potential



Outside Director
Yukinobu Miki

Outside Director
Chie Tomari

Outside Audit & Supervisory
Board Member
Kazuhiko
Yamashita

Outside Audit & Supervisory
Board Member
Yoshihiko
Kasuya

To enhance management transparency and fairness and to strengthen corporate governance, CHINO has appointed three outside directors and two outside Audit & Supervisory Board members. The outside Audit & Supervisory Board members attend not only meetings of the Audit & Supervisory Board but also every Board of Directors meeting, where they take part in discussions on management.

For this CHINO Report, we convened a roundtable discussion with four outside officers, including outside directors and outside Audit & Supervisory Board members, excluding newly appointed Outside Director Onozuka. How CHINO looks through outside eyes. In this first roundtable with outside officers, lively discussions unfolded on topics such as how to strengthen governance, the ideal direction of technology development, growth strategies, and the roles that management should play. The following presents the free and open discussions from the roundtable.

Understanding Our Roles and Aspirations as Outside Officers

Yamashita: When I was invited to become an outside Audit & Supervisory Board member, the president at the time told me that he wanted to make CHINO a company where many more candid opinions are expressed and lively, sometimes heated, discussions take place. Although I am not particularly knowledgeable about technolo-

gy, in terms of aiming to make CHINO a better company, I share the same goal as the executive side and the other directors. I see my role as helping to build a corporate culture and atmosphere in which people can speak freely, exchange diverse views, and ultimately synthesize them into a single conclusion.

Miki: I previously held research and management positions at the National Institute of Advanced Industrial Science and Technology, so I felt I could contribute from a technical perspective. I recognize that my key role is to advise on technology development for maintaining

our technological superiority in temperature measurement and for creating new businesses based on temperature. I also intend to actively share my opinions, drawing on my experience in governance and information security at my previous institute, as well as my knowledge of global trends in measurement technologies.

Kasuya: When I was appointed as an outside Audit & Supervisory Board member, the president told me, "Please keep a close eye on the financial audits." I certainly review the financial audits, but I personally see my role as conducting an 'operational audit' from an independent outside perspective, assessing whether the company is achieving sound and sustainable development. I believe that when diverse opinions and ways of thinking are shared and interact with each other like chemistry, the company is less likely to go in the wrong direction.

Tomari: When I was invited to become an outside director and examined the company, I felt that CHINO has strong growth potential in the current trend toward decarbonization, and I found it to be an interesting company with a clear corporate vision and promising prospects. I understand that what is expected of me is to provide neutral advice and holistic advice, grounded in my hands-on experience and business sense. I also firmly believe that diversity management, with a focus on empowering women, is essential to modern corporate strategy. From this fiscal year, Director Onozuka has also joined, and there are now two female outside directors. Although our experiences and perspectives differ, I would like to advance diversity and inclusion from multiple perspectives.

Yamashita: I feel it is highly meaningful that Mr. Miki, who is well-versed in technology, and Ms. Tomari, who is well-versed in business, serve on the Board of Directors, as their presence helps generate discussions from diverse perspectives.

Tomari: I live in the Kansai region. It is quite common for companies in the region to invite outside officers from Tokyo, but the opposite is rare. So I told the president, "You don't have to invite someone all the way from Kansai." He replied, "Even the Osaka dialect is part of our diversity." That made me truly eager to contribute to this company.



Impressions and Evaluation of CHINO

Yamashita: How would you describe your impression of CHINO as a company, Ms. Tomari?

Tomari: What struck me most was the company's "sincerity." There is a strong emphasis on governance and compliance, and when I watched the president's morning addresses, I noticed that he spoke without any affectation. I felt this is an honest and sincere company, free of pretense. Another point I find excellent is that collaboration between manufacturing and sales functions effectively. Many manufacturers struggle to align manufacturing and sales, but at CHINO, management is actively working to integrate the "soft" and "hard" aspects through strengthened collaboration, and I sense that these efforts are yielding results.

Miki: CHINO's thermometers and instruments are so outstanding that they are used as national standards in Japan and several other countries. Developing them requires a tremendous amount of time. The process is refined gradually over many years, and this would be impossible without persistence and genuine dedication. This ties back to the sincerity Ms. Tomari mentioned, and I believe it is precisely one of CHINO's core strengths.

Yamashita: During my first year as an outside Audit & Supervisory Board member, I visited most of our domestic sites and subsidiaries. Since then, I have been deeply impressed by the sincerity and dedication with which our employees approach their work.

As an Audit & Supervisory Board member, I am always considering the measures needed to prevent any management issues that could undermine the efforts of these dedicated employees.

Miki: CHINO's sincerity is one of its strengths, but I feel there is also a tendency toward conservatism and risk aversion. That said, a conservative approach is necessary in certain aspects of manufacturing. You cannot simply discard everything you have accumulated and immediately switch to a completely different business, so I do not think CHINO's approach so far has been wrong. The question is how we expand our business from here. I feel there is considerable room for growth, as many options are available, but the degree of aggressiveness and the extent to which we should take on challenges are management issues that we must all consider seriously.

Kasuya: There is no doubt that our employees are an outstanding group of engineers who value technology, are customer-oriented, and act with sincerity. By leveraging this strength and steadily accumulating profits, the company has achieved an equity ratio of 58% in the fiscal year ended March 2025, making it a financially robust company. I regard CHINO as a model case among Japan's medium-sized manufacturing companies.

Outside Officers Discuss CHINO's Strengths, Strategy, and Growth Potential

Speaking not as an Audit & Supervisory Board member but from a broader perspective, I believe CHINO has the technological capabilities, human resources, and financial strength to expand its business. Listening to Mr. Miki's comments, I understand that a company characterized by its strong technological base cannot suddenly expand its business. At the same time, precisely because it has such potential, I feel it would be good to see the company take on challenges that break out of the shell of how things have been done so far. At the same time, I hope management will clearly express our future vision and reinforce it regularly, enabling employees to fully understand and embrace where the company is headed.

Strengthening Corporate Governance

Miki: It has been three years since I became an outside director, and I believe the way Board meeting agendas are set and the quality of the discussions have improved with each passing year. Judging from the progress in revising the organizational management regulations, it is clear that the company is taking its efforts to strengthen corporate governance very seriously. However, I would like to ask everyone whether these efforts are sufficient when measured against today's societal standards.

Yamashita: Corporate governance is a very broad concept, but I believe CHINO is generally managing it well. When I talk with employees, I sense that they clearly understand the president's intentions, and communication between outside officers and management is functioning well. However, if we are satisfied simply because no issues are apparent, we may fall behind the times. Governance is, I believe, a management theme that requires continuous effort. If I were to highlight one concern, it is that there may not be enough discussion about "setting out the overall direction of corporate strat-

egy etc." I believe the Board should devote more time to discussing what the next strategy ought to be.

Kasuya: Our executive officers study diligently, and I don't think we are lagging in our systems or structures. From a stricter perspective, however, it could be said that our efforts to develop and strengthen governance are still focused largely on the formal aspects. Starting from form is fine, but I'd like us to focus more on substance by thinking about why each rule was created.

Tomari: My views are largely in line with those of the two Audit & Supervisory Board members. If we made a checklist, I suspect every item would be marked "done." However, when you look at the quality of those efforts, I feel there are still parts that are not yet well established. For example, I am somewhat concerned about the comparatively limited awareness of ethics and compliance. This is not specific to CHINO, but when it comes to issues like power harassment, even if the required actions are clearly defined, do those enforcing them still think, "This would have been acceptable in the old days"? If mishandled, harassment cases can have devastating consequences for a company, so I believe we need to further raise awareness.

Miki: I would like to ask the Audit & Supervisory Board members: How do you view governance of our overseas operations and subsidiaries?

Yamashita: About three years ago, we established a rule requiring the Internal Audit Office to visit overseas sites on a rotational basis, and I believe Audit & Supervisory Board members should also do so. We are now in an era in which the governance of the entire Group is under scrutiny. With six Group companies in Japan and six overseas, we need to stay highly attuned to how each company operates and the strategies they pursue within the CHINO Group.

Kasuya: The Medium-Term Management Plan sets a target of ¥7.0 billion in overseas sales for fiscal 2026, but I believe there is room for further growth. However, it is up to management to decide whether we should allocate resources and actively pursue higher overseas sales. I feel that sufficient consideration has not yet been given to the management policies and strategies we should adopt for our overseas operations.



Toward CHINO's Future Growth

Tomari: In considering future growth in manufacturing, I believe that "selection and concentration" and "differentiation" will be critical. While expanding markets is important, it is even more critical that we first enhance the competitiveness of our products and services. Many manufacturers now recognize that offering bundled services such as maintenance proposals enables them to sustain longer-term



customer relationships. It is important not only to sell products but also to provide the accompanying “soft” components together.

From another perspective, I believe CHINO should place greater emphasis on its role as a company that contributes to society through technology. Familiar examples include low-temperature vaccine transport during the COVID-19 pandemic and the indispensable use of temperature and humidity measurement for heatstroke prevention and monitoring. In addition, CHINO offers solutions in decarbonization and energy through evaluation test equipment and sensing technologies that enable the production, transportation, storage, and use of CO₂-free hydrogen energy. As a company contributing to society, I believe this is something that many stakeholders will resonate with.

Miki: The key is to gain an accurate understanding of what users worldwide want today and to translate that swiftly into product development. In other words, the most fundamental task is to build a business model that aligns what customers want from us with what we are capable of doing. If there is a gap between high-precision technology and the simple measuring instruments that users seek, engineers must develop software to bridge it.

Tomari: So even if our core technologies remain the same, we must redefine the value we offer.

Miki: Exactly. This is true of many Japanese companies, but there tends to be a weakness in the software aspect. Engineers must constantly consider what combination of hardware and software technologies is required—and how best to apply them—to deliver what users truly want.

Finally, as Mr. Kasuya noted earlier, I believe that looking overseas will be essential for our business expansion. No matter how much the Japanese market grows, its scale remains modest compared with global growth. It is extremely important for management to thor-

oughly communicate CHINO's growth strategy, including overseas business expansion, throughout the company.

Kasuya: In the end, the most important factor for any company is its “people”. Management must focus on people and listen closely to their voices. CHINO has about 1,100 employees across the Group. We should especially listen to the views of employees in their 30s and 40s and incorporate the keywords and ideas that emerge into management. It is management's role to draw out employees' vague ideas about the company's development and growth, then shape them into a unified form. For example, management could articulate an ambitious “picture” for the company's 100th anniversary in 2036, uniting employees around the shared sense that “this is the direction our company is heading.” Management could then say, “From here on, it is up to you,” thereby encouraging the next generation that will carry CHINO forward to fully apply themselves. If our current mid-career and younger employees are able to fully demonstrate their abilities on the large stage of the 100th anniversary, both the company and its people will have grown tremendously.

Yamashita: Listening to all of your comments, I strongly agree with many of the points you made. What I would like to say in closing is that CHINO has a strong willingness to take on challenges. It is important that employees proactively think about the company's state five years from now, the development of the next pillar of business, and future prospects, discussing these matters and coming together as teams. CHINO has the foundation to make that possible. In that process, I believe the role we outside officers should play is to give people a push to get them moving.

I hope to continue working with all of you to foster a corporate culture and atmosphere where even more challenges are embraced.



Corporate Governance

List of Officers (as of June 27, 2025)

	President & Chief Executive Officer (Representative Director) Mikio Toyoda	Apr. 1981 Jun. 2012 Oct. 2014 Jun. 2015 Jun. 2016 Jun. 2017 Jul. 2019	Joined the Company Director; General Manager, Fujioka Factory Director; General Manager, Fujioka Factory and Instrument Development Center Director & Senior Executive Officer; General Manager, Fujioka Factory and Instrument Development Center Director & Senior Executive Officer; General Manager, Corporate Strategy Headquarters and Instrument Development Center President & Chief Executive Officer; General Manager, Instrument Development Center President & Chief Executive Officer (current)
	Director & Senior Executive Officer Akihiko Nishiguchi Executive Manager, Sales Headquarters; concurrently Branch Manager, East Japan Branch	Apr. 1982 Jun. 2011 Jun. 2013 Feb. 2014 Jun. 2015 Jun. 2019 Jun. 2021 Apr. 2022 Jun. 2023	Joined the Company Director; Branch Manager, Osaka Branch Director; Branch Manager, Osaka Branch and In Charge of China Support Director; President & General Manager, Shanghai Dahua-CHINO Instrument Co., Ltd. (on assignment) Executive Officer; President & General Manager, Shanghai Dahua-CHINO Instrument Co., Ltd. (on assignment) Director & Managing Executive Officer; President & General Manager, Shanghai Dahua-CHINO Instrument Co., Ltd. (on assignment) Director & Managing Executive Officer; Executive Manager, Overseas Business Headquarters; Deputy General Manager, Sales Headquarters Director & Managing Executive Officer; Executive Manager, Sales Headquarters; concurrently Executive Manager, East Japan Branch Director & Senior Executive Officer President (current)
	Director & Managing Executive Officer Manabu Matsuoka General Manager, Quality Headquarters	Apr. 1981 Jun. 2014 Jun. 2015 Jun. 2016 Feb. 2018 Jul. 2019 Feb. 2021 Apr. 2022 Dec. 2022 Jun. 2023	Joined the Company Director; General Manager, Instrumentation Division, Fujioka Factory Executive Officer; Corporate Manager, Instrumentation Division, Fujioka Factory Managing Executive Officer; General Manager, Fujioka Factory and Instrumentation Division Managing Executive Officer; General Manager, Innovation Center Managing Executive Officer; Executive Manager, Innovation Center and Production Reform Headquarters Senior Managing Executive Officer; Executive Manager, Production Reform Headquarters and Quality Assurance Headquarters Managing Executive Officer; Executive Manager, Quality Headquarters President & Representative Director, Sanki Keisoku Co., Ltd. (current) Director & Managing Executive Officer; Executive Manager, Quality Headquarters (current)
	Outside Director Yukinobu Miki	Apr. 2010 Apr. 2012 Apr. 2017 Jun. 2022 Jun. 2024 Jul. 2024	Director, Metrology Institute of Japan, National Institute of Advanced Industrial Science and Technology (AIST) Executive Director, AIST Executive Vice President, AIST Director, CHINO (current) Chairman, Japan Accreditation Board (public interest incorporated foundation) (current) Councilor, Suga Weathering Technology Foundation (public interest incorporated foundation) (current)
	Outside Director Chie Tomari	Apr. 1984 Aug. 1999 Jan. 2014 Jan. 2016 Apr. 2017 May 2019 Apr. 2023 Jun. 2023 Jun. 2024	Joined Tokyu Hands Inc. (now Hands Inc.) Joined Senshukai Co., Ltd. Executive Officer; General Manager, General Affairs Headquarters, Senshukai Executive Officer; Deputy General Manager, Product Development Headquarters, Senshukai Seconded to Planetnetwork Co., Ltd.; Director & General Manager, Administration Department; concurrently Director, Dears Brain Co., Ltd. Joined Asahi Light Metal Industry Co., Ltd.; General Manager, Business Planning Office Outside Director, Toho Co., Ltd. (current) Outside Director, Teikoku Electric Mfg. Co., Ltd. (current) Director, CHINO (current)
	Outside Director Kuniko Onozuka	Apr. 1988 Mar. 2002 Sept. 2005 Mar. 2010 Oct. 2014 Mar. 2016 May 2022 Apr. 2023 Nov. 2023 May 2025 Jun. 2025	Joined Kirin Brewery Company, Limited Manager, Sales Planning Department, Wide-area Sales Promotion Division, Kirin Brewery Manager, Sales Planning Department, Metropolitan Area Headquarters, Kirin Brewery Senior Staff, Human Resources Recruitment, Human Resources & General Affairs Department, Kirin Brewery General Manager, Wide-area Corporate Sales Department, Kirin Brewery President & Representative Director, Kirin and Communications Co., Ltd. Lecturer, Otsuma Management Academy, Otsuma Women's University Part-time Lecturer, Faculty of Human Relations, Otsuma Women's University (current) Outside Director, Upr Corporation (current) Councilor, Keishin Gakuen Educational Corporation (current) Director, CHINO (current)



**Full-time Audit &
Supervisory Board
Member**

Noriyuki Saito

Apr. 1969 Joined the Company
Jun. 2001 Director, CHINO
Jun. 2007 Managing Executive Director
Jun. 2010 Senior Executive Director
Jun. 2014 Special Adviser
Jun. 2017 Full-time Audit & Supervisory Board Member (current)



**Outside Audit &
Supervisory Board
Member**

**Kazuhiko
Yamashita**

Apr. 1979 Joined Saitama Bank, Ltd.
Jun. 2005 Executive Officer, Resona Bank, Limited
Jun. 2007 Senior Managing Director, Resona Kessai Service Co., Ltd.
Apr. 2008 Representative Director & Executive Vice President, Resona Card Co., Ltd.
Jun. 2011 Director & Executive Vice President, NTT DATA Sofia Corporation
Jun. 2016 Outside Audit & Supervisory Board Member, Rhythm Watch Co., Ltd. (now Rhythm Co., Ltd.)
Jun. 2017 Audit & Supervisory Board Member, CHINO (current)
Feb. 2018 Outside Director & Audit and Supervisory Committee Member, Optoelectronics Co., Ltd. (current)
Jun. 2018 Outside Director & Audit and Supervisory Committee Member, Rhythm Watch Co., Ltd. (now Rhythm Co., Ltd.)



**Outside Audit &
Supervisory Board
Member**

Yoshihiko Kasuya

Apr. 1979 Joined The Mitsubishi Bank, Ltd. (now MUFG Bank, Ltd.)
May 2006 Executive Officer; General Manager, Kyoto Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (now MUFG Bank, Ltd.)
Jun. 2008 President & Director, Chitose Kosan Co., Ltd.
Jun. 2010 Director & Senior Executive Officer, Prince Hotels, Inc.
Apr. 2015 Director & Executive Vice President, Seibu Construction Co., Ltd.
Jun. 2023 Audit & Supervisory Board Member, CHINO (current)
Jun. 2023 Outside Director & Audit and Supervisory Committee Member, Nanto Bank, Ltd. (current)

Managing Executive Officer



**Kazumasa
Omori**

Executive Manager,
Corporate Management
Headquarters

Corporate Officer



**Teiji
Suzuki**

General Manager,
Osaka Branch



**Hisashi
Henmi**

General Manager,
Fujioka Factory



**Kazuhisa
Murakami**

General Manager,
Nagoya Branch



**Yusuke
Murai**

General Manager,
Yamagata Factory



**Hajime
Chino**

General Manager,
Kuki Factory



**Kazumi
Masuda**

General Manager,
Overseas Sales
Promotion Department



**Takashi
Yamashita**

General Manager,
DX Strategy Division



**Yoshinori
Onda**

General Manager,
Innovation Center



**Masaaki
Akatsuka**

General Manager,
Corporate Strategy Office

Basic Approach

As an expert in temperature, our mission is to become a “corporate group that contributes to the future of people and society” by providing products and services that benefit industry and society through our distinctive “measurement, control, and monitoring” technologies.

To this end, we strive to improve the soundness, transparency, efficiency, and speed of management, and work to strengthen and enhance corporate governance to increase our corporate value over the medium to long term, achieve sustainable growth, and build smooth relationships with all stakeholders.

Corporate Governance Structure
(as of the end of June 2025)

We have adopted a company-with-audit-and-supervisory-board structure and built a corporate governance framework based on the General Meeting of Shareholders, with the Board of Directors, Audit & Supervisory Board, and Executive Management Meeting at its core. We introduced an executive officer system to clearly separate management decision-making and supervisory functions from business execution functions and to strengthen and accelerate each function.

In addition, to ensure objectivity and transparency in the procedures for selecting, dismissing, and determining the remuneration of directors and executive officers, we have established a voluntary “Nomination and Remuneration Advisory Committee” under the Board of Directors, the majority of whose members are independent outside directors.

Board of Directors (6 members)

The Board of Directors is chaired by the President & CEO and, in principle, meets at least once a month. In addition to matters stipulated by laws and the Articles of Incorporation, the Board makes decisions on important management matters in accordance with the Board of Directors Regulations and supervises the execution of duties by each director. In fiscal 2024, the Board met 14 times and discussed medium- to long-term business strategies, human resource development policies, financing, and other matters.

Audit & Supervisory Board (3 members)

The Audit & Supervisory Board consists of one full-time member from within the company and two outside members. It formulates audit plans, and each member attends Board meetings and other important meetings, examines operations and financial conditions at the head office, major sites, and key subsidiaries, and monitors the day-to-day management activities, including those of the directors. In addition, we regularly hold liaison meetings with accounting auditors and Audit & Supervisory Board members of Group companies to coordinate efforts, gather information, and strengthen our monitoring framework.

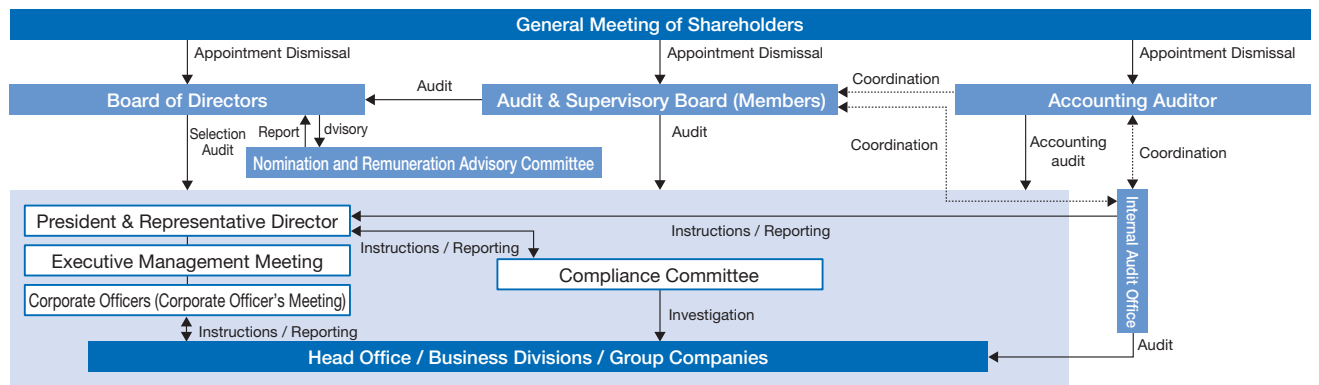
Nomination and Remuneration Advisory Committee (3 members)

The Nomination and Remuneration Advisory Committee fulfills the roles of both a nomination committee and a remuneration committee. It consists of three members: the President & CEO and two independent outside directors, with the president serving as chair. In fiscal 2024, the committee met four times to deliberate matters such as the executive officer structure, performance-linked remuneration, and succession planning, and submitted recommendations to the Board of Directors.

Executive Management Meeting (13 members)

The Executive Management Meeting is composed of directors and executive officers appointed by the President & CEO and, in principle, is held weekly. As a decision-making body for basic and important matters related to business execution, including the allocation of management resources, it strives for thorough deliberations from an overall management perspective and works to promote swift and efficient business operations.

Corporate Governance Structure Diagram



Corporate Officer Meeting (14 members)

The Corporate Officer Meeting, consisting of corporate officers and the full-time Audit & Supervisory Board member, is, in principle, held once a month. Policies from the President & CEO and the executive officers in charge of each division are communicated, and reports are given on the status of business execution. The members share issues requiring coordination and discuss how to achieve key measures planned on a half-year basis.

Internal Audit Office

The Internal Audit Office is an independent audit department that reports directly to the president. Based on an annual internal audit plan, it audits the appropriateness and efficiency of operations in each department. It improves the effectiveness of internal audits through exchanges of opinions with audited departments and by providing advice and recommendations to correct and improve identified issues. Audit results are reported to the president, the Audit & Supervisory Board, and the Board of Directors, which then take necessary actions and confirm the status of improvements.

Evaluation of Board Effectiveness

To evaluate the effectiveness of the Board of Directors, we conduct a questionnaire survey of directors and Audit & Supervisory Board members and outsource the analysis and evaluation of the responses to an external organization. The results are then reported to the Board. The evaluation concluded that, overall, Board operations are generally appropriate, but also indicated issues regarding the topics for deliberation and the way discussions are conducted. Going forward, we will review how the Board is operated by expanding the themes for deliberation and invigorating discussions between internal and outside directors.

Skills Expected of Directors

Name	Position	Corporate management	Global business	Sales & marketing	R&D & manufacturing	IT & digital	Legal & risk management	Finance & accounting
Mikio Toyoda	President & Chief Executive Officer (Representative Director)	●	●		●	●	●	
Akihiko Nishiguchi	Director & Executive Vice President	●	●	●				●
Manabu Matsuoka	Director & Senior Managing Executive Officer	●		●	●			●
Yukinobu Miki	Outside Director	●	●		●		●	
Chie Tomari	Outside Director	●		●			●	●
Kuniko Onozuka	Outside Director	●		●		●		●

Of the skills expected of each director (excluding the representative director), up to four are marked with "●".

Officer Remuneration

Our basic policy on officer remuneration is to have a system that fosters medium- to long-term growth of our business and sustainable enhancement of corporate value.

For directors and Audit & Supervisory Board members, the maximum total amount of remuneration for all directors and for all Audit & Supervisory Board members is determined by resolution at the General Meeting of Shareholders.

We review, as appropriate, the level and structure of remuneration for officers in light of changes in the business environment and social trends, while conforming to our basic policy. Matters related to directors' and executive officers' remuneration are decided by the Board of Directors after deliberation and recommendations by the Nomination and Remuneration Advisory Committee, thereby enhancing objectivity and transparency in the decision-making process.

Remuneration for directors (excluding outside directors) and corporate officers consists of three components: basic remuneration, performance-linked remuneration as a short-term incentive, and stock-based remuneration as a medium- to long-term incentive. The allocation ratio among these components is set in line with the basic policy. For outside directors, remuneration consists only of basic remuneration; they do not receive performance-linked or stock-based remuneration.

Basic remuneration

This is a fixed monthly remuneration determined according to the position of each director and corporate officer.

Performance-linked remuneration

To enhance motivation to achieve annual performance targets, this remuneration varies from the standard amount set for each position in accordance with company performance in the previous fiscal year and individual evaluations of each officer's results (such as the degree of achievement of personal targets and efforts devoted to succession development and enhancing corporate value).

The CHINO Group uses consolidated operating income, which reflects earnings from our core business, as an important numerical target in the Medium-Term Management Plan. Accordingly, consolidated operating income is used as the performance indicator for company results in our performance-linked remuneration.

Stock-based remuneration

This scheme was introduced in July 2022 to further promote value sharing with shareholders and to increase officers' motivation to contribute to the medium- to long-term enhancement of corporate value. Under this pre-grant restricted stock system, a number of shares of the Company's common stock, determined according to each officer's position, are granted at a fixed time each year, and the transfer restrictions are lifted upon the officer's retirement.

In light of their roles and responsibilities, Audit & Supervisory Board members receive only basic remuneration; they do not receive performance-linked or stock-based remuneration. The amount of basic remuneration for each Audit & Supervisory Board member is determined through consultation among the members, taking into account the nature, scope, and difficulty of each member's duties.

Basic Policy on Information Disclosure

Basic Approach

To build long-term relationships of trust with all stakeholders, including shareholders and investors, we strive to disclose important information about the Company in a timely, accurate, and fair manner.

Standards for Information Disclosure

We disclose information promptly, based on the principles of transparency, fairness, and continuity, in accordance with the Financial Instruments and Exchange Act and other laws and regulations as well as the “Timely Disclosure of Corporate Information, etc.” in the Securities Listing Regulations of the Tokyo Stock Exchange (hereinafter “Timely Disclosure Rules”).

Even if certain information is not subject to these laws, regulations, or the Timely Disclosure Rules, we proactively and fairly disclose it to the extent possible when it is judged to be important or useful for shareholders and investors.

Methods of Information Disclosure

Information subject to the Timely Disclosure Rules is disclosed via the Timely Disclosure network (TDnet) provided by the Tokyo Stock Exchange in accordance with those rules, and the disclosed information is promptly posted on our website. Even for information not subject to the Timely Disclosure Rules, we broadly disclose items that may affect investment decisions, in line with the spirit of timely disclosure, by posting them on our website and through other means.

Disclosure to Third Parties and Third-Party Earnings Forecasts

We disclose information in accordance with the fair disclosure rules introduced under the 2017 amendment to the Financial Instruments and Exchange Act. We do not endorse any comments, evaluations, or earnings forecasts about the Company made by third parties.

Forward-Looking Statements

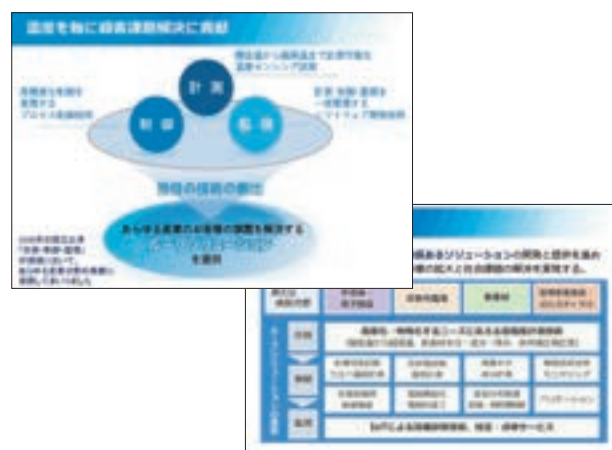
Among the information we disclose, items other than statements of past or present facts are forward-looking statements, which are based on information currently available to us and on assumptions judged to be reasonable. Accordingly, actual results may differ from our disclosed forecasts due to various uncertainties, such as economic conditions and market trends.

Silent Period

To prevent the leakage of financial results and ensure fairness, we designate a certain period as a silent period from the day after the fiscal year-end until the announcement of financial results. During this period, we refrain from answering questions or making comments related to financial results. However, if it becomes apparent during this period that our earnings forecasts will change significantly, we will disclose such information appropriately in accordance with the Timely Disclosure Rules.

Communication with Shareholders and Investors

In addition to holding financial results briefings twice a year for institutional investors and analysts (with a total of 69 participants in fiscal 2024), we conduct individual IR meetings as needed throughout the year (26 meetings in fiscal 2024). At the financial results briefing held on June 19, 2025, we explained an overview of fiscal 2024 results, progress in the fourth year of the Medium-Term Management Plan (fiscal 2021–2026), and our future management strategies. We seek to improve corporate value by helping investors understand our initiatives and technological capabilities and by engaging in constructive dialogue.



IR briefing

Compliance

Basic Approach

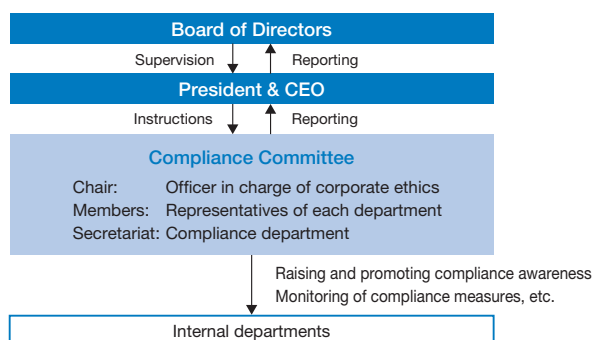
We recognize that establishing compliance is fundamental to sustainability management and essential to enhancing the trust of all stakeholders. Accordingly, we are continuously working to raise awareness among all officers and employees and to promote compliance in daily practice.

Compliance Promotion Framework

We have established a "Compliance Committee" chaired by the officer in charge of corporate ethics, who is appointed by the President & CEO. The Compliance Committee consists of members representing each department across the Company. At regular and, as necessary, extraordinary committee meetings, it deliberates, monitors, and guides activity policies and implementation plans for compliance across the entire Group.

The Sustainability Planning Office serves as the responsible department, disseminating information to officers and employees, raising awareness of consultation and whistleblowing channels, and promoting the development and implementation of our compliance framework.

Compliance promotion framework diagram



Compliance Promotion Activities

As a basic guideline for the conduct of officers and employees, we have established the "CHINO Business Code of Conduct" and compiled it into a portable "Compliance Handbook," which is distributed to all officers and employees and used in daily operations and internal training.

To ensure strict adherence to the Code of Conduct, we regularly conduct compliance training for all officers and employees and repeatedly work to raise awareness of corporate ethics through various opportunities, including new employee training and training by job level.

Response to Antisocial Forces

In light of government guidelines and local government ordinances, our "CHINO Business Code of Conduct" explicitly states that we will take a firm stance against antisocial forces and sever all ties with them.

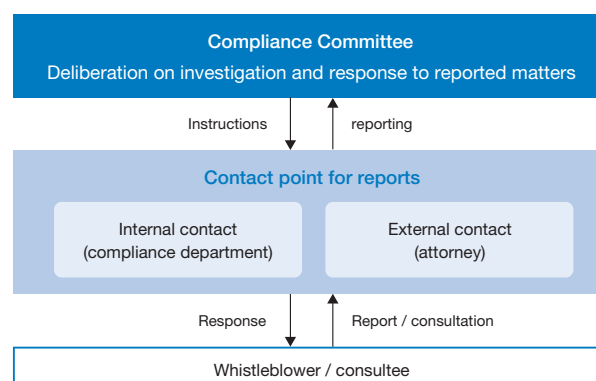
We also seek to gather information from law enforcement and related organizations on an ongoing basis and have established a framework for responding appropriately in close cooperation with the police and our legal counsel when incidents arise.

Whistleblowing System

We believe that, to prevent violations before they occur and to detect and resolve them at an early stage, it is essential to have a system—and to operate it appropriately—that allows officers and employees to raise concerns about corporate ethics and legal compliance without hesitation. Accordingly, we have established a whistleblowing system that enables them to safely provide information and seek redress through channels outside the normal chain of command.

Specifically, in addition to an internal contact point, we have set up an external hotline handled by an attorney for reporting and consultation. Based on our "Whistleblowing Regulations," we seek prompt resolution while ensuring the protection of whistleblowers and consultees. The details of reports are submitted to the Compliance Committee, which investigates cases in accordance with the regulations. The anonymity of reporters and consultees is strictly protected, and they do not suffer any disadvantage as a result of reporting or seeking consultation. When a compliance violation is confirmed, we take necessary corrective actions, such as disciplinary measures under work rules and improvements to the workplace environment. We also reflect these cases when selecting themes for compliance education and use them to strengthen preventive measures.

Whistleblowing flow



Risk Management

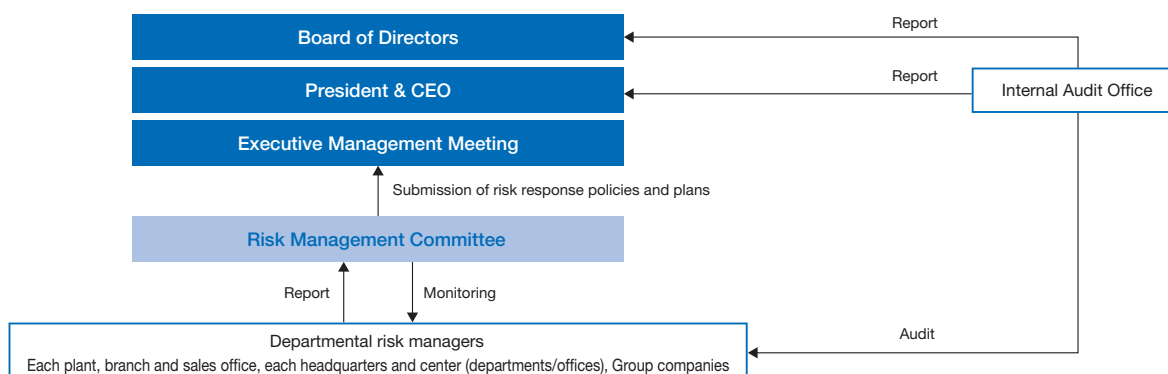
Basic Approach

Our Group regards the accurate understanding of risks surrounding us and appropriate responses to those risks as one of the most important management issues. To comprehensively identify risks that could impede normal business operations, prevent them from materializing, and minimize losses should they occur, we are working company-wide to implement highly effective risk management based on our “Basic Policy on Risk Management.”

Risk Management Framework and Initiatives

To centrally manage overall risks and promote an organized response, we have established a “Risk Management Committee” under the “Risk Control Regulations,” with the President & CEO serving as the chief officer. The committee determines the operating policies, plans, and measures for company-wide risk management, identifies and assesses various risks in our business activities, and designates those with high potential impact on management and high probability of occurrence as priority risks. At regularly held Risk Management Committee meetings, we receive reports from the heads of each department to grasp the status of risk control, examine and instruct necessary measures, and monitor progress and effectiveness, thereby implementing the PDCA cycle for risk management. In addition, the Internal Audit Office verifies that risk management is being carried out appropriately by checking the status of risk management in each department through regular audits.

Risk Management Framework Diagram



Response to Disaster Risk (BCP)

For emergencies, we have established a framework that fulfills our responsibilities to customers and society by formulating a Business Continuity Plan (BCP) and restoring operations quickly while giving top priority to human life. In preparation during normal times, we clarify action guidelines and role sharing in the event of a disaster, establish a system for confirming safety, back up data, enhance and inspect seismic resistance of buildings and facilities, conduct regular drills, improve stocks of food, drinking water, and other emergency supplies, and review flood hazard maps and volcanic ash fall maps at each site.



Scene from a BCP drill

Information Security Initiatives

To prevent incidents such as leaks of personal information, customer and business partner information, and all other information handled in the course of our operations, we have established a “Basic Policy on Information Security” and related internal rules, and exercise company-wide control and risk management for information security measures. We also focus on educating each employee to thoroughly observe information security and, with the advice of experts, update our environment as needed so that our defense and detection capabilities against cyberattacks can cope with the latest threats.

Risks Related to Our Business, etc.

We identify risks that may affect the financial position, business performance, and cash flow conditions of the Group as outlined below, and work to mitigate them by implementing various countermeasures.

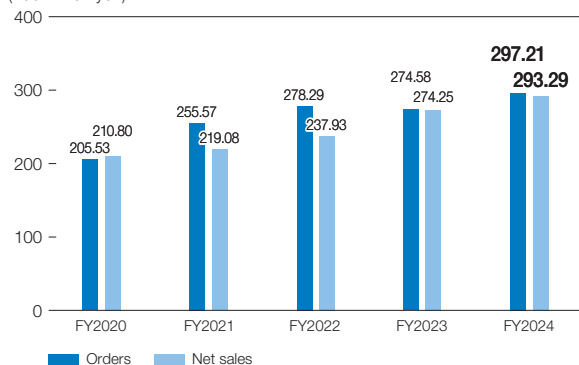
Risk item	Risk overview	Countermeasures
1. Economic downturn	Risk that capital investment by domestic manufacturers will decline sharply due to an economic downturn	We focus on developing and expanding growth fields and work to strengthen overseas operations and other measures to reduce dependence on domestic earnings.
2. Foreign exchange fluctuations	Risk that significant currency fluctuations (yen appreciation) will reduce competitiveness and affect the Group's business performance through yen conversion when preparing consolidated financial statements	For foreign currency transactions, we seek to reduce foreign exchange risk through measures such as forward exchange contracts while closely monitoring economic trends.
3. Geopolitical risk	Risk that deterioration in political or economic conditions, changes in laws, tax systems or trade policies, or the occurrence of terrorism or conflicts in countries or regions where we operate will generate response costs or restrict business activities	We maintain constant information sharing with overseas Group companies and conduct appropriate monitoring.
4. Competition with other companies	Risk that competition with rival companies in terms of quality, performance, price, etc. will put pressure on earnings	We allocate active R&D budgets particularly in growth fields and work to maintain and enhance competitiveness by securing intellectual property rights centered on core technologies.
5. Procurement of materials and components	Risk of tight supply, delays, or sharp price increases for materials and components such as semiconductors	We strive to stabilize procurement of raw materials by securing multiple suppliers, considering alternative materials, and utilizing global sourcing.
6. Product liability	Risk that serious quality issues with products will lead to costs for countermeasures and compensation for customers	When producing products, we conduct evaluation tests, design reviews (DR), pre-shipment inspections, acceptance inspections, and other checks to maintain and improve product quality.
7. Recruitment, retention, and development of human resources	Risk that, if necessary human resources cannot be sufficiently secured and developed due to changes in the business environment, business activities will be hindered	We actively conduct recruitment visits and career seminars at domestic universities and offer internships, while also expanding our pool of specialists through mid-career hiring.
8. Information security	Risk that unexpected failures of systems underpinning our business activities, unauthorized access beyond assumptions, or infection by computer viruses will damage our social credibility	We hold confidential and personal information in the course of our business and work to prevent incidents by establishing frameworks and security measures for proper management, and by providing regular training for employees.
9. Deterioration in customers' financial condition	Risk that a significant deterioration in business partners' financial condition will delay the collection of accounts receivable and affect the Group's business performance and cash flow	We thoroughly monitor business partners' management and credit conditions and implement flexible credit control in light of the situation.
10. Pandemic	Risk that the spread of infectious diseases beyond expectations will stall production and sales activities in Japan and overseas	While thoroughly implementing infection prevention measures in normal times, we also put in place response manuals for outbreaks and work schemes such as telecommuting and staggered working hours.
11. Natural disasters	Risk that large earthquakes, typhoons, or other natural disasters will damage production facilities and hinder plant operations and supply to customers	We endeavor to minimize impact and achieve early recovery by formulating a BCP, enhancing seismic resistance of buildings and facilities, conducting regular drills, and stockpiling food, drinking water, and other supplies.

FY2024 Performance Highlights

Financial Information

Orders and Net Sales

(100 million yen)

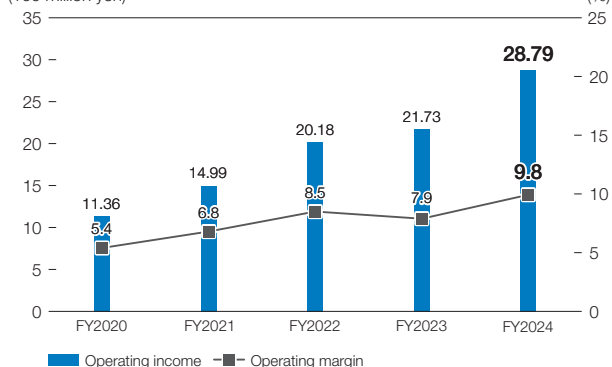


Orders increased, reflecting continued demand for decarbonization-related products (fuel cell evaluation test systems and water electrolysis evaluation systems) and the receipt of large-scale projects in instrumentation systems.

Net sales grew as capital investment by our customers remained firm, resulting in higher revenue and marking the fifth consecutive year of sales growth.

Operating Income and Operating Margin

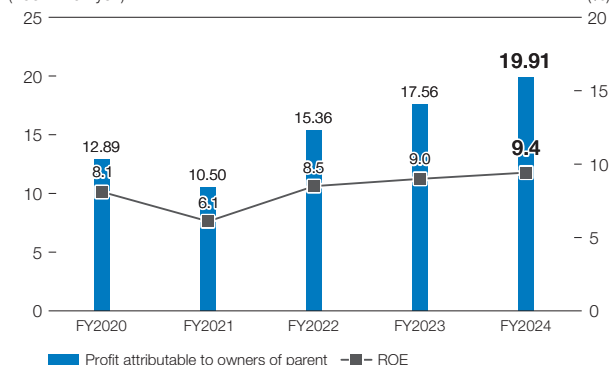
(100 million yen)



Operating income increased, reflecting higher sales, ongoing cost-reduction initiatives, and the positive impact of the product price revision implemented in April 2024. We achieved the Medium-Term Management Plan's final-year operating income target of ¥2.7 billion two years ahead of schedule.

Profit Attributable to Owners of Parent and ROE

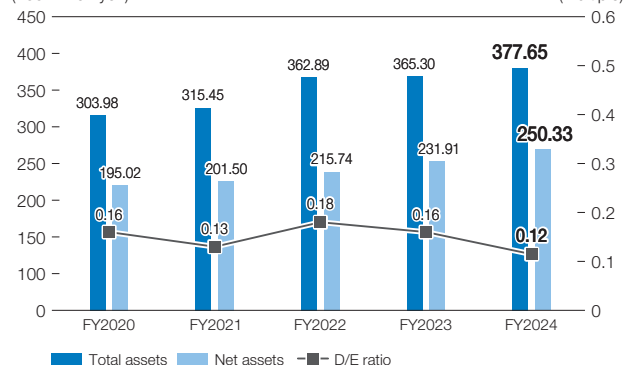
(100 million yen)



ROE was 9.4%, an improvement of 0.4 percentage points from the previous year, bringing us very close to the Medium-Term Management Plan's final-year target of 10%.

Total Assets, Net Assets, and D/E Ratio

(100 million yen)

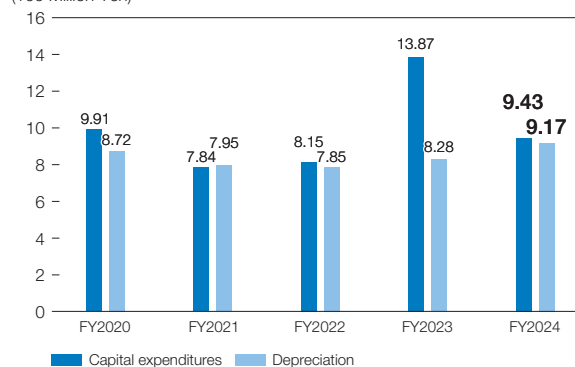


Total assets increased by ¥12.3 billion from the previous fiscal year-end, mainly due to higher cash and deposits and inventories.

The D/E ratio improved from the previous year owing to a decrease in interest-bearing debt.

Capital Expenditures and Depreciation

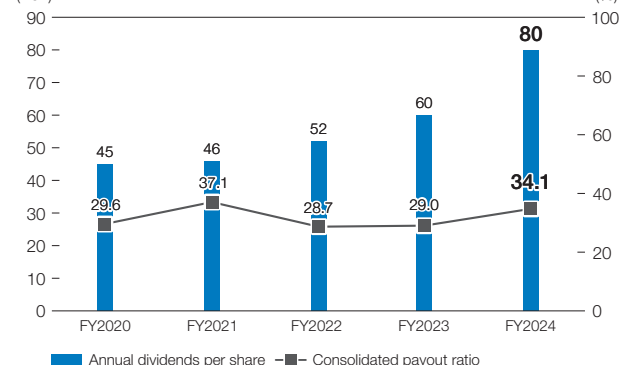
(100 Million Yen)



Capital expenditures for the year decreased by ¥4.4 billion from the previous year. Major investments included ¥4.7 billion for improving production efficiency and ¥1.5 billion for building and facility upgrades.

Dividends per Share and Dividend Payout Ratio (consolidated)

(Yen)



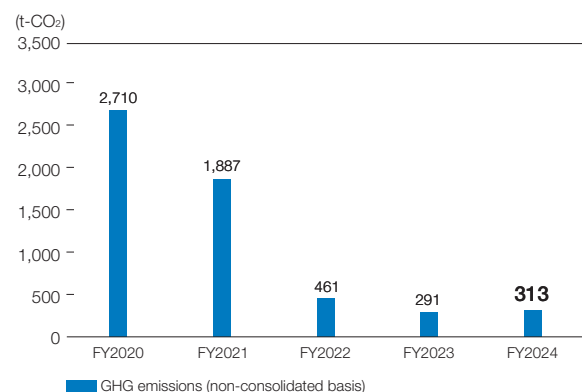
Policy: We aim for a consolidated payout ratio of 40% in FY2026 and will seek to increase dividends through sustainable profit growth.

Dividends for the year: ¥80 per share (interim dividend: ¥25; year-end dividend: ¥55).

Each FY2020 figure for profit attributable to owners of parent includes negative goodwill of ¥557 million associated with making MEIYO ELECTRIC Co., Ltd. an equity-method affiliate.

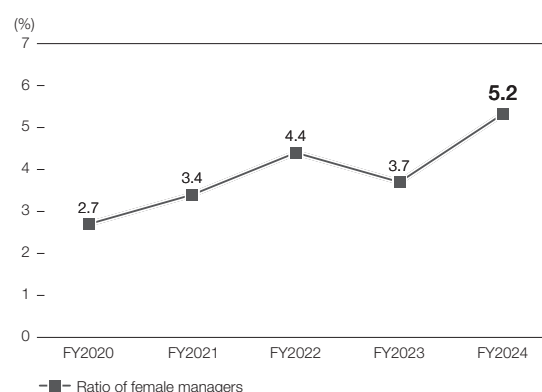
Non-Financial Information

GHG (Greenhouse Gas) Emissions (Scope 1 and 2)



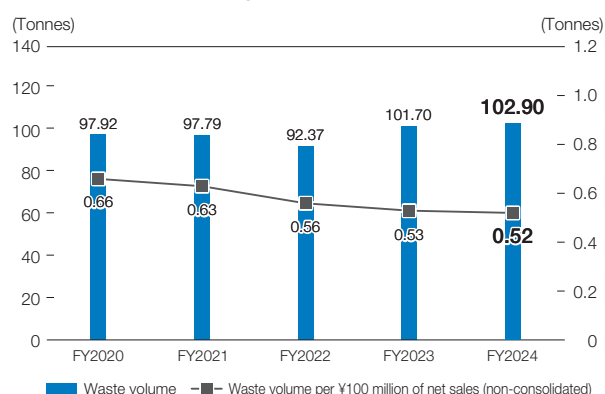
By switching purchased electricity at the head office and domestic production sites to renewable energy sources by FY2022, Scope 2 emissions declined significantly. In FY2024, emissions increased slightly due to fuel used for heating equipment during the winter.

Ratio of Female Managers



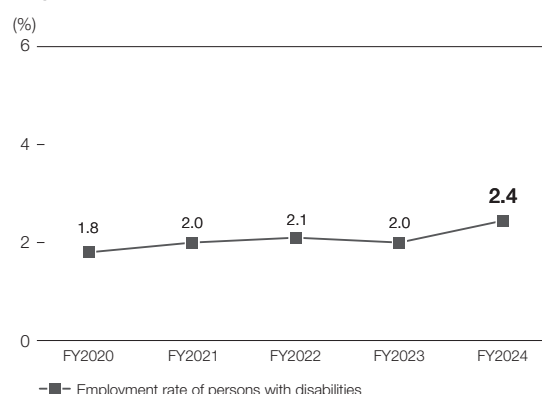
Actual result as of the end of March 2025.

Waste Volume and Intensity



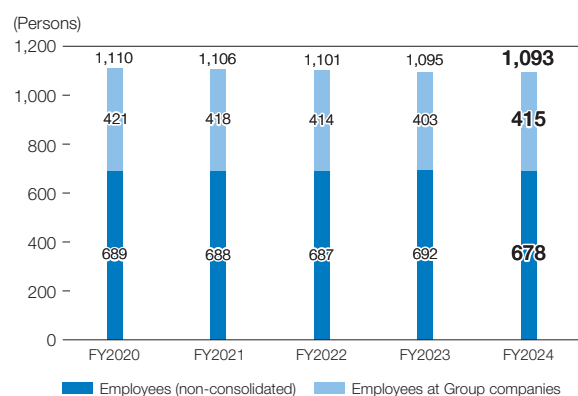
Waste volume per unit of net sales has been declining continuously.

Employment Rate of Persons with Disabilities

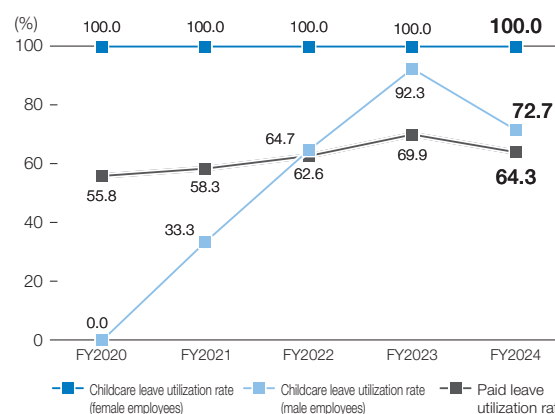


Actual result as of the end of March 2025.

Number of Employees (Non-Consolidated and Group Companies)



Childcare Leave Utilization Rate / Paid Leave Utilization Rate



Regarding childcare leave utilization, the figure for male employees in FY2020 was 0% because there were no eligible male employees.

Financial Information

Consolidated Financial Summary

	FY2015	FY2016	FY2017
Statement of Income (Fiscal Year)			
Net sales	19,496	18,569	20,745
Gross profit	5,708	5,739	6,578
Selling, general and administrative expenses	5,083	5,173	5,275
Operating income	624	566	1,303
Operating margin (ROS) (%)	3.2	3.0	6.3
Ordinary income	665	637	1,368
Profit attributable to owners of parent	303	373	832
Financial Position (Fiscal Year-End)			
Total assets	23,946	24,229	26,396
Interest-bearing debt	2,666	3,001	2,295
Net assets	14,424	14,456	15,360
Cash Flows (Fiscal Year)			
Cash flows from operating activities	1,956	840	2,814
Cash flows from investing activities	△ 693	△ 244	△ 729
Free cash flow	1,262	596	2,085
Cash flows from financing activities	△ 1,043	△ 141	△ 1,080
Per Share Data			
Earnings per share (EPS) (yen)	35.39	43.62	98.25
Net assets per share (BPS) (yen)	1,577.72	1,596.00	1,703.64
Cash dividends per share (yen)	40	35	40
Other Financial Data			
Capital expenditures	557	479	452
Depreciation	927	868	810
Ratio of overseas sales (%)	19.5	19.7	19.9
Return on equity (ROE) (%)	2.2	2.8	5.9
Return on assets (ROA) (%)	2.5	2.4	5.1
D/E ratio (times)	0.20	0.22	0.17
Equity ratio (%)	56.5	56.0	54.7
Dividend payout ratio (consolidated) (%)	113.0	80.2	40.7

(Millions of yen)

FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
21,999	20,582	21,080	21,908	23,793	27,425	29,329
7,179	6,354	6,363	7,076	7,869	8,390	9,366
5,460	5,328	5,227	5,576	5,851	6,216	6,487
1,718	1,026	1,136	1,499	2,018	2,173	2,879
7.8	5.0	5.4	6.8	8.5	7.9	9.8
1,750	1,683	1,283	1,744	2,294	2,413	3,034
1,113	1,218	1,289	1,050	1,536	1,756	1,991
27,402	26,708	30,398	31,545	36,289	36,530	37,765
2,615	2,834	2,590	2,266	3,399	3,048	2,622
15,948	16,318	19,502	20,150	21,574	23,191	25,033
1,659	1,149	2,341	1,880	1,619	101	2,543
△ 955	△ 1,523	△ 748	△ 578	△ 564	81	△ 667
704	△ 373	1,592	1,301	1,054	183	1,875
△ 81	△ 245	△ 968	△ 978	655	△ 1,104	△ 1,103
131.48	143.78	152.24	124.07	181.22	206.87	234.31
1,768.61	1,815.33	1,964.43	2,073.94	2,214.16	2,385.55	2,584.53
45	45	45	46	52	60	80
825	977	991	784	815	1,387	943
815	843	872	795	785	828	917
22.5	22.2	16.7	18.6	20.4	21.0	21.1
7.6	8.0	8.1	6.1	8.5	9.0	9.4
6.4	3.8	4.0	4.8	6.0	6.0	7.8
0.18	0.18	0.16	0.13	0.18	0.16	0.12
54.7	57.6	54.7	55.7	51.8	55.5	58.2
34.2	31.3	29.6	37.1	28.7	29.0	34.1

Financial Information

Consolidated Balance Sheet

(Millions of yen)

Assets	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Current assets		
Cash and deposits	7,305	8,127
Notes receivable - trade	375	241
Electronically recorded monetary claims - operating	2,799	1,650
Accounts receivable - trade	5,563	6,942
Merchandise and finished goods	830	740
Work in process	3,700	3,992
Raw materials and supplies	5,176	5,336
Others	347	263
Allowance for doubtful accounts	△49	△24
Total current assets	26,050	27,268
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,447	3,343
Machinery, equipment and vehicles, net	871	1,079
Land	1,424	1,421
Construction in progress	10	0
Others, net	406	324
Total property, plant and equipment	6,159	6,169
Intangible assets		
Software	281	290
Others	15	0
Total intangible assets	297	290
Investments and other assets		
Investment securities	1,716	1,390
Deferred tax assets	815	850
Retirement benefit asset	725	981
Others	823	827
Allowance for doubtful accounts	△56	△13
Total investments and other assets	4,023	4,036
Total non-current assets	10,480	10,496
Total assets	36,530	37,765

(Millions of yen)

Liabilities

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Current liabilities		
Notes and accounts payable – trade	2,322	2,069
Electronically recorded obligations - operating	2,296	1,956
Short-term borrowings	1,165	1,165
Current portion of long-term borrowings	416	473
Income taxes payable	508	621
Advances received	438	587
Provision for bonuses	797	968
Provision for bonuses for directors (and other officers)	64	81
Provision for shareholder benefit program	61	78
Electronically recorded obligations - facilities	145	134
Others	1,100	1,254
Total current liabilities	9,317	9,390
Non-current liabilities		
Long-term borrowings	1,443	969
Long-term accounts payable – other	186	155
Deferred tax liabilities	99	104
Provision for retirement benefits for directors (and other officers)	132	91
Retirement benefit liability	1,891	1,750
Others	268	270
Total non-current liabilities	4,021	3,341
Total liabilities	13,338	12,731

Net assets

Shareholders' equity		
Share capital	4,292	4,292
Capital surplus	4,278	4,290
Retained earnings	12,209	13,649
Treasury shares	△1,126	△1,111
Total shareholders' equity	19,654	21,120
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	459	345
Foreign currency translation adjustment	222	291
Remeasurements of defined benefit plans	△75	221
Total accumulated other comprehensive income	606	857
Non-controlling interests	2,931	3,055
Total net assets	23,191	25,033
Total liabilities and net assets	36,530	37,765

Financial Information

(Millions of yen)

Consolidated Statement of Income	Previous consolidated fiscal year (Apr. 1, 2023 – Mar. 31, 2024)	Current consolidated fiscal year (Apr. 1, 2024 – Mar. 31, 2025)
Net sales	27,425	29,329
Cost of sales	19,034	19,962
Gross profit	8,390	9,366
Selling, general and administrative expenses		
Salaries and bonuses	2,271	2,361
Provision for bonuses	277	347
Provision for directors' bonuses	64	81
Retirement benefit expenses	123	108
Provision for directors' retirement benefits	17	10
Depreciation	201	219
Research and development expenses	1,143	1,092
Provision for shareholder benefits	61	78
Provision for doubtful accounts	△38	△28
Others	2,094	2,216
Total selling, general and administrative expenses	6,216	6,487
Operating profit	2,173	2,879
Non-operating income		
Interest income	26	27
Dividend income	69	57
Income from sale of electricity	35	30
Foreign exchange gains	108	—
Subsidy income	7	50
Insurance surrender proceeds	6	36
Others	33	31
Total non-operating income	287	233
Non-operating expenses		
Interest expenses	9	14
Financial service fees	6	9
Expenses related to sale of electricity	15	16
Foreign exchange losses	—	4
Loss on cancellation of insurance	0	17
Others	15	15
Total non-operating expenses	48	78
Ordinary profit	2,413	3,034
Extraordinary income, Extraordinary losses		
Gain on sale of investment securities	323	102
Gain on sale of non-current assets	1	2
Total extraordinary income	325	105
Extraordinary losses		
Loss on disposal of non-current assets	5	26
Others	—	1
Total extraordinary losses	5	28
Profit before income taxes	2,733	3,111
Income taxes – current	808	985
Income taxes – deferred	△30	△109
Total income taxes	777	875
Profit	1,956	2,236
Profit attributable to non-controlling interests	199	244
Profit attributable to owners of parent	1,756	1,991

(Millions of yen)

Consolidated Statement of Comprehensive Income	Previous consolidated fiscal year (Apr. 1, 2023 – Mar. 31, 2024)	Current consolidated fiscal year (Apr. 1, 2024 – Mar. 31, 2025)
Profit	1,956	2,236
Other comprehensive income		
Valuation difference on available-for-sale securities	129	△126
Foreign currency translation adjustment	114	93
Remeasurements of defined benefit plans	111	297
Total other comprehensive income	355	264
Comprehensive income	2,312	2,500
(Breakdown)		
Comprehensive income attributable to owners of parent	2,050	2,243
Comprehensive income attributable to non-controlling interests	261	256

Consolidated Statement of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (Apr. 1, 2023 – Mar. 31, 2024)	Current consolidated fiscal year (Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	2,733	3,111
Depreciation	828	917
Amortization of long-term prepaid expenses	28	26
Increase (decrease) in allowance for doubtful accounts	△37	△68
Increase (decrease) in provision for bonuses	△23	170
Increase (decrease) in liability for retirement benefits	△29	64
Increase (decrease) in asset for retirement benefits	12	△33
Increase (decrease) in provision for shareholder benefits	14	17
Interest and dividend income	△95	△85
Interest paid	9	14
Subsidy income	△7	△50
Gain (loss) on sale of investment securities	△323	△102
Increase (decrease) in trade receivables	△401	1
Increase (decrease) in inventories	△1,059	△300
Increase (decrease) in trade payables	△745	△608
Increase (decrease) in advances received	△547	133
Others	427	82
Subtotal	782	3,293
Interest and dividends received	95	85
Interest paid	△9	△14
Subsidies received	7	50
Income taxes paid (refunded)	△775	△870
Net cash provided by (used in) operating activities	101	2,543
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,532	550
Payments into time deposits	△502	△550
Purchase of property, plant and equipment	△1,353	△705
Proceeds from sale of property, plant and equipment	0	4
Purchase of intangible assets	△93	△128
Proceeds from sale of investment securities	635	256
Purchase of investment securities	△20	△3
Loan advances	△27	△1
Proceeds from collection of loans receivable	7	29
Purchase of insurance funds	△73	△307
Proceeds from maturity of insurance funds	44	216
Others	△66	△28
Net cash provided by (used in) investing activities	81	△667
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△100	—
Repayments of long-term borrowings	△459	△416
Proceeds from long-term borrowings	200	—
Purchase of treasury shares	△6	△1
Dividends paid	△609	△551
Dividends paid to non-controlling interests	△128	△133
Net cash provided by (used in) financing activities	△1,104	△1,103
Effect of exchange rate changes on cash and cash equivalents	60	61
Net increase (decrease) in cash and cash equivalents	△860	833
Cash and cash equivalents at beginning of period	7,603	6,742
Cash and cash equivalents at end of period	6,742	7,575

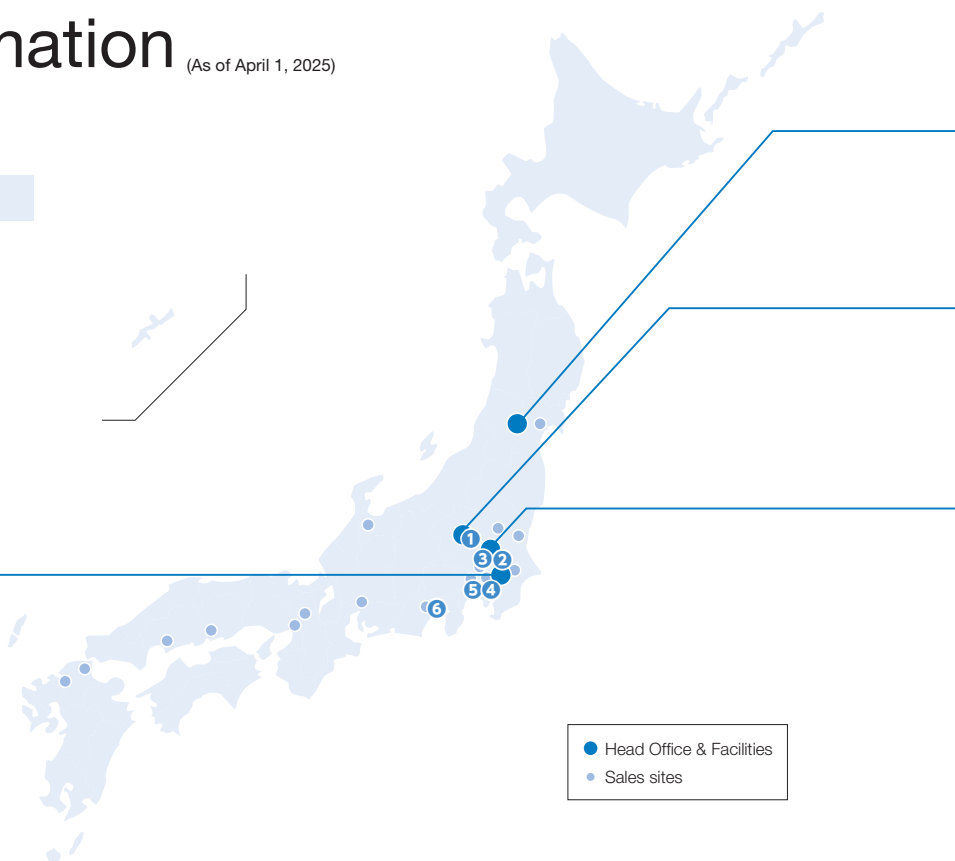
Corporate Information (As of April 1, 2025)

Head Office & Facilities



Head Office / Innovation Center

32-8 Kumano-cho, Itabashi-ku, Tokyo 173-8632
TEL 03-3956-2111



Sales Offices

East Japan Branch / Tokyo Sales Office

32-8 Kumano-cho, Itabashi-ku, Tokyo
173-8632
TEL 03-3956-2205

Sendai Sales Office

2-2-3 Honcho, Aoba-ku, Sendai, Miyagi
(Kashima Kogyo Building)
TEL 022-227-0581

Takasaki Sales Office

1 Mori, Fujioka-shi, Gunma 375-8505
TEL 0274-42-6611

Mito Sales Office

1-4-73 Sannomaru, Mito, Ibaraki
(Mito Keisei Building)
TEL 029-224-9151

Omiya Sales Office (Utsunomiya)

4-2-20 Higashishukugo, Utsunomiya, Tochigi
(KD Building)
TEL 028-612-8963

Omiya Sales Office

1-31-1 Kishikicho, Omiya-ku, Saitama
(Meiji Yasuda Life Omiya Kishikicho Building)
TEL 048-643-4641

Chiba Sales Office

42-11 Sakaecho, Chuo-ku, Chiba
(Nihon Kigyo Kaikan)
TEL 043-224-8371

Tachikawa Sales Office

3-11-4 Shibasaki-cho, Tachikawa, Tokyo
(Tokyo Logitech Chiyoda Building)
TEL 042-521-3081

Kanagawa Sales Office

3-11-18 Nakacho, Atsugi, Kanagawa (Flos Atsugi)
TEL 046-295-9100

Nagoya Branch / Nagoya Sales Office

1-47-1 Nagono, Nakamura-ku, Nagoya
(Nagoya International Center Building)
TEL 052-581-7595

Shizuoka Sales Office

2-12 Otemachi, Aoi-ku, Shizuoka
(Shizuoka Ando Hazama Building)
TEL 054-255-6136

Toyama Sales Office

2-25 Sakurabashi-dori, Toyama
(Toyama Dai-ichi Life Building)
TEL 076-441-2096

Osaka Branch / Osaka Sales Office

1-23-101 Esaka-cho, Suita, Osaka
(Dai-do Life Esaka Building)
TEL 06-6385-7031

Otsu Sales Office

3-1-8 Chuo, Otsu, Shiga (Otsu Dai-ichi Life Building)
TEL 077-526-2781

Okayama Sales Office

1-100 Kojima Ekimae, Kurashiki, Okayama
(Naikai Dai-ichi Building)
TEL 086-473-7400

Hiroshima Sales Office

4-1 Inarimachi, Minami-ku, Hiroshima
(Hiroshima Inarimachi NK Building)
TEL 082-261-4231

Fukuoka Sales Office

1-15-20 Hakata Ekimae, Hakata-ku, Fukuoka
(NMF Hakata Ekimae Building)
TEL 092-481-1951

Kitakyushu Sub Office

13-1 Konyamachi, Kokurakita-ku, Kitakyushu
(Mainichi Seibu Kaikan Building)
TEL 093-531-2081



Kuki Factory

18 Kawaraimachi, Kuki, Saitama
(Kuki Shobu Industrial Park No.4-2)
TEL 0480-23-2511



Fujioka Factory

1 Mori, Fujioka-shi, Gunma
TEL 0274-42-2111



Yamagata Factory

1515 Midaregawa, Tendo, Yamagata
TEL 023-607-2100

Group companies (domestic)



①CHINO Softex Corporation

375-8505
1 Mori, Fujioka-shi, Gunma
Prefecture
TEL 0274-42-6601

Design of measurement equipment and process-automation software



④AR'S Co., Ltd.

163-0711
2-7-1 Nishi-shinjuku, Shinjuku-ku, Tokyo
(Shinjuku Dai-ich Life Bldg.)
TEL 03-6258-1136

Development of products using high-density wireless module and packaging technologies



②SANKI KEISO CO., LTD.

345-0043
248-2 Shimotakano, Sugito-machi,
Kitakatsushika-gun, Saitama
Prefecture
TEL 0480-53-7606

Design, installation and sales of clean-air systems and horticultural control equipment



⑤ADVANCE RIKO, Inc.

224-0053
4388 Ikonobe-cho,
Tsuzuki-ku, Yokohama-shi,
Kanagawa Prefecture
TEL 045-931-2221

Manufacture and sales of thermal analysis and thermal property measurement equipment, infrared heating equipment



③Asakawa Lens Works Co., Ltd.

346-0028
18 Kawaraimachi Kuki, Saitama
(Kuki Shobu Industrial Park
No.4-2)
TEL 0480-26-1800

Design and production of optical instruments



⑥MEIYO ELECTRIC Co., Ltd.

424-0066
485 Nanatsu-shinya,
Shimizu-ku, Shizuoka-shi,
Shizuoka Prefecture
TEL 054-345-2211

Design, manufacture and sales of marine temperature sensors and shipboard equipment



Group companies (overseas)



① Shanghai Dahua-CHINO Instrument Co., Ltd.

Shanghai Free Trading Trial District of People's Republic of China 6th fl.
A-side, Bldg. T12B-1, 615 Ning Qiao Lu
TEL +86-21-50325111

Sales of recorders, controllers, radiation thermometers and instrumentation systems



④ CHINO Works America Inc.

22301 S. Western Ave. Suite 105
Torrance, CA 90501
U.S.A.
TEL +1-310-787-8899

Sales covering North and South America



② CHINO Instrumentation (Kunshan) Co., Ltd.

449-10 Xiangshi Road, Shipai, Bacheng Town, Kunshan City, Jiangsu, 215312 China
TEL +86-512-57881000

Manufacture and sales of measurement and instrumentation systems



⑤ CHINO Corporation India Private Limited

Plot No. PAP-A-235-240, South Central Road, TTC Industrial Area, MIDC Mahape, Navi Mumbai 400 710 India
TEL +91-22-4129-3000

Manufacture and sales of measurement and control equipment



③ Korea CHINO Corporation

9, Donghan-daero, 17-gil, Hwaseong-si, Gyeonggi-do, 18481 Korea
TEL +82-31-379-3700

Manufacture and sales of recorders, controllers, radiation thermometers, and instrumentation systems



⑥ CHINO Corporation (Thailand) Limited

No.65, 42 Tower, 10th Floor, Soi Sukhumvit 42 (Kluaynamthai), Sukhumvit Road, Prakanong, Klongtoey, Bangkok 10110 Thailand
TEL +66-2712-2630

Sales and engineering/maintenance services across ASEAN

Company profile (as of March 31, 2025)

Company name:	Chino Corporation
Head office:	32-8 Kumanomachi, Itabashi-ku, Tokyo 173-8632 TEL 03-3956-2111
Representative:	Mikio Toyoda, President & CEO
Business:	Manufacture and sales of measurement/control equipment; instrumentation engineering
Established:	August 1, 1936
Capital:	¥4.292 billion
Employees (consolidated):	1,093

Status of stock (as of March 31, 2025)

Authorized shares:	23,820,000 shares
Issued shares:	9,260,116 shares
Number of shareholders:	6,784

* On October 1, 2025, a 2-for-1 stock split was implemented.

As a result, authorized shares became 47,640,000 and issued shares became 18,520,232.

Major shareholders (top 10)	Number of shares held (thousands)	Stock holding ratio (%)
Chino Business Partners Shareholding Association	809	9.52
The Master Trust Bank of Japan, Ltd. (Trust Account)	737	8.68
Chino Employee Shareholding Association	318	3.75
Nikkato Corporation	209	2.47
Kyowa Electronic Instruments Co., Ltd.	207	2.44
Kitahama Seisakusho Co., Ltd.	182	2.14
Nippon Life Insurance Company	152	1.79
TOA DKK Corporation	101	1.19
Japan Custody Bank, Ltd. (Trust Account)	83	0.98
Meiyo Electric Employee Shareholding Association	78	0.92

* The shareholding ratio is calculated after deducting treasury shares.

* The number of shares held shown in the table is as of March 31, 2025. A stock split at a ratio of two shares for each share was implemented on October 1, 2025.

