

Consolidated Financial Results for the Fiscal Year Ended January 31, 2022



[Japanese GAAP]

March 15, 2022

Company name: Tri Chemical Laboratories Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4369
 URL: <http://www.trichemical.com>
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 Scheduled date of Annual General Meeting of Shareholders: April 27, 2022
 Scheduled date of filing annual securities report: April 28, 2022
 Scheduled date of commencing dividend payments: April 28, 2022
 Availability of supplementary briefing material on annual financial results: Not available
 Scheduled date of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended January 31, 2022 (February 1, 2021 to January 31, 2022)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
January 31, 2022	11,574	18.1	2,976	10.6	5,294	22.5	4,095	21.3
January 31, 2021	9,801	18.6	2,691	15.7	4,323	15.5	3,377	14.9

(Note) Comprehensive income: Fiscal year ended January 31, 2022: ¥4,310 million (24.1%)
 Fiscal year ended January 31, 2021: ¥3,473 million (19.4%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
January 31, 2022	126.33	–	24.1	22.0	25.7
January 31, 2021	108.08	–	30.4	24.7	27.5

(Reference) Equity in earnings of affiliated companies: Fiscal year ended January 31, 2022: ¥1,936 million
 Fiscal year ended January 31, 2021: ¥1,540 million

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. Accordingly, the figures for basic earnings per share have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended January 31, 2021. Diluted earnings per share for the fiscal year ended January 31, 2022, are not presented as there were no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2022	28,288	21,320	75.4	656.07
As of January 31, 2021	19,867	12,601	63.4	403.28

(Reference) Equity: As of January 31, 2022: ¥21,320 million
 As of January 31, 2021: ¥12,601 million

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. Accordingly, the figures for net assets per share have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended January 31, 2021.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
January 31, 2022	3,638	(932)	3,594	8,034
January 31, 2021	2,090	(2,963)	948	1,698

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
January 31, 2021	–	0.00	–	68.00	68.00	531	15.7	4.8
January 31, 2022	–	0.00	–	20.00	20.00	649	15.8	3.8
Fiscal year ending January 31, 2023 (Forecast)	–	0.00	–	22.00	22.00		15.9	

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. For the fiscal year ended January 31, 2021, the figures for dividends are presented in amounts of the actual dividends paid, and the figures for dividends for the fiscal year ended January 31, 2022 and the fiscal year ending January 31, 2023 (forecast) are presented in amounts after the said stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2023 (February 1, 2022 to January 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	6,590	22.8	1,690	15.9	2,590	5.8	2,010	6.8	61.85
Full year	13,600	17.5	3,400	14.2	5,730	8.2	4,500	9.9	138.47

* Notes:

(1) Changes in significant subsidiaries during the period under review: No

(Changes in specific subsidiaries due to changes in the scope of consolidation)

New: – companies (company name) , excluded: – companies (company name)

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

January 31, 2022: 32,498,640 shares

January 31, 2021: 31,248,640 shares

2) Total number of treasury shares at the end of the period:

January 31, 2022: 1,580 shares

January 31, 2021: 1,580 shares

3) Average number of shares during the period:

Fiscal year ended January 31, 2022: 32,414,868 shares

Fiscal year ended January 31, 2021: 31,247,189 shares

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. Accordingly, the total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares during the period have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended January 31, 2021.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2022 (February 1, 2021 to January 31, 2022)

(1) Non-consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2022	11,542	16.7	3,272	16.5	4,369	35.6	3,186	36.7
January 31, 2021	9,887	19.3	2,809	20.5	3,223	32.4	2,331	36.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
January 31, 2022	98.31	—
January 31, 2021	74.61	—

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. Accordingly, the figures for basic earnings per share have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended January 31, 2021. Diluted earnings per share for the fiscal year ended January 31, 2022, are not presented as there were no dilutive shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2022	23,692	17,229	72.7	530.20
As of January 31, 2021	16,396	9,632	58.7	308.28

(Reference) Equity: As of January 31, 2022: ¥17,229 million

As of January 31, 2021: ¥9,632 million

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. Accordingly, the figures for net assets per share have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended January 31, 2021.

* These financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and do not represent a commitment by the Company that they will be achieved. Actual results may differ significantly from these forecasts due to a wide range of factors.

The Company plans to hold a financial results briefing for institutional investors and analysts on March 17, 2022. Financial results materials to be used at the briefing will be available on the Company's website immediately after the session.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2021	As of January 31, 2022
Assets		
Current assets		
Cash and deposits	1,698,612	8,034,494
Notes and accounts receivable - trade	2,783,207	3,058,124
Electronically recorded monetary claims - operating	1,119,212	838,248
Merchandise and finished goods	13,422	79,197
Work in process	713,613	749,403
Raw materials and supplies	881,878	1,321,772
Other	374,759	305,191
Total current assets	7,584,706	14,386,432
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,020,683	5,319,866
Accumulated depreciation	(1,233,191)	(1,500,630)
Buildings and structures, net	3,787,491	3,819,235
Machinery, equipment and vehicles	2,669,674	3,119,985
Accumulated depreciation	(1,429,693)	(1,708,130)
Machinery, equipment and vehicles, net	1,239,980	1,411,854
Tools, furniture and fixtures	2,195,213	2,616,297
Accumulated depreciation	(1,452,432)	(1,630,985)
Tools, furniture and fixtures, net	742,780	985,312
Land	714,933	714,933
Leased assets	548,961	548,961
Accumulated depreciation	(132,268)	(202,019)
Leased assets, net	416,692	346,941
Construction in progress	759,476	515,516
Other	248,499	265,008
Accumulated depreciation	(30,348)	(44,729)
Other, net	218,151	220,279
Total property, plant and equipment	7,879,507	8,014,073
Intangible assets	208,508	181,431
Investments and other assets		
Investment securities	4,147,328	5,535,422
Deferred tax assets	22,189	82,908
Other	25,518	88,668
Total investments and other assets	4,195,036	5,706,999
Total non-current assets	12,283,053	13,902,504
Total assets	19,867,759	28,288,937

(Thousand yen)

As of January 31, 2021 As of January 31, 2022

Liabilities		
Current liabilities		
Accounts payable - trade	525,821	613,784
Short-term loans payable	580,000	–
Current portion of long-term loans payable	615,547	961,417
Lease obligations	88,307	90,428
Income taxes payable	593,172	800,361
Provision for bonuses	76,084	113,242
Other	811,527	886,210
Total current liabilities	3,290,460	3,465,445
Non-current liabilities		
Long-term loans payable	3,160,646	2,699,229
Lease obligations	601,566	532,436
Deferred tax liabilities	111,368	152,763
Net defined benefit liability	102,327	118,662
Total non-current liabilities	3,975,908	3,503,092
Total liabilities	7,266,369	6,968,537
Net assets		
Shareholders' equity		
Capital stock	808,912	3,278,912
Capital surplus	709,912	3,179,912
Retained earnings	11,062,738	14,626,625
Treasury shares	(1,720)	(1,720)
Total shareholders' equity	12,579,843	21,083,730
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(168)	1,473
Foreign currency translation adjustments	38,500	254,279
Remeasurements of defined benefit plans	(16,785)	(19,083)
Total accumulated other comprehensive income	21,545	236,669
Total net assets	12,601,389	21,320,399
Total liabilities and net assets	19,867,759	28,288,937

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended January 31, 2021	For the fiscal year ended January 31, 2022
Net sales	9,801,982	11,574,455
Cost of sales	5,420,934	6,739,426
Gross profit	4,381,047	4,835,029
Selling, general and administrative expenses	1,689,666	1,858,955
Operating profit	2,691,380	2,976,074
Non-operating income		
Interest income	158	201
Dividend income	355	406
Foreign exchange gains	9,996	300,482
Share of profit of entities accounted for using equity method	1,540,068	1,936,039
Other	137,240	162,800
Total non-operating income	1,687,821	2,399,929
Non-operating expenses		
Interest expenses	34,448	31,966
Share issuance costs	–	30,545
Loss on retirement of non-current assets	9,725	16,603
Loss on valuation of investment securities	9,772	–
Other	1,924	2,025
Total non-operating expenses	55,871	81,141
Ordinary profit	4,323,329	5,294,861
Profit before income taxes	4,323,329	5,294,861
Income taxes - current	902,154	1,213,149
Income taxes - deferred	43,893	(13,374)
Total income taxes	946,048	1,199,774
Profit	3,377,281	4,095,086
Profit attributable to owners of parent	3,377,281	4,095,086

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended January 31, 2021	For the fiscal year ended January 31, 2022
Profit	3,377,281	4,095,086
Other comprehensive income		
Valuation difference on available-for-sale securities	7,698	1,642
Foreign currency translation adjustments	16,135	74,523
Remeasurements of defined benefit plans, net of tax	7,333	(2,298)
Share of other comprehensive income of entities accounted for using equity method	64,664	141,255
Total other comprehensive income	95,831	215,123
Comprehensive income	3,473,113	4,310,209
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,473,113	4,310,209
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended January 31, 2021

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	808,912	709,912	8,138,541	(1,150)	9,656,216
Changes of items during period					
Issuance of new shares	–	–			–
Dividends of surplus			(453,084)		(453,084)
Profit attributable to owners of parent			3,377,281		3,377,281
Purchase of treasury shares				(569)	(569)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	2,924,197	(569)	2,923,627
Balance at end of current period	808,912	709,912	11,062,738	(1,720)	12,579,843

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	(7,867)	(42,299)	(24,119)	(74,285)	9,581,930
Changes of items during period					
Issuance of new shares					–
Dividends of surplus					(453,084)
Profit attributable to owners of parent					3,377,281
Purchase of treasury shares					(569)
Net changes of items other than shareholders' equity	7,698	80,799	7,333	95,831	95,831
Total changes of items during period	7,698	80,799	7,333	95,831	3,019,459
Balance at end of current period	(168)	38,500	(16,785)	21,545	12,601,389

For the fiscal year ended January 31, 2022

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	808,912	709,912	11,062,738	(1,720)	12,579,843
Changes of items during period					
Issuance of new shares	2,470,000	2,470,000			4,940,000
Dividends of surplus			(531,200)		(531,200)
Profit attributable to owners of parent			4,095,086		4,095,086
Purchase of treasury shares				-	-
Net changes of items other than shareholders' equity					
Total changes of items during period	2,470,000	2,470,000	3,563,886	-	8,503,886
Balance at end of current period	3,278,912	3,179,912	14,626,625	(1,720)	21,083,730

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	(168)	38,500	(16,785)	21,545	12,601,389
Changes of items during period					
Issuance of new shares					4,940,000
Dividends of surplus					(531,200)
Profit attributable to owners of parent					4,095,086
Purchase of treasury shares					-
Net changes of items other than shareholders' equity	1,642	215,778	(2,298)	215,123	215,123
Total changes of items during period	1,642	215,778	(2,298)	215,123	8,719,009
Balance at end of current period	1,473	254,279	(19,083)	236,669	21,320,399

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31, 2021	For the fiscal year ended January 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,323,329	5,294,861
Depreciation	814,438	1,019,283
Increase (decrease) in provision for bonuses	6,600	36,738
Interest and dividend income	(514)	(607)
Interest expenses	34,448	31,966
Share issuance costs	–	30,545
Share of loss (profit) of entities accounted for using equity method	(1,540,068)	(1,936,039)
Loss (gain) on valuation of investment securities	9,772	–
Decrease (increase) in notes and accounts receivable - trade	(843,028)	23,344
Decrease (increase) in inventories	(378,187)	(533,916)
Increase (decrease) in notes and accounts payable - trade	120,660	68,019
Decrease/increase in consumption taxes receivable/payable	(88,654)	118,245
Increase (decrease) in accounts payable - other	112,202	55,124
Decrease (increase) in other current assets	(35,707)	(39,963)
Increase (decrease) in other current liabilities	61,938	19,456
Increase (decrease) in other non-current liabilities	(1,196)	16,335
Other, net	(15,437)	(169,733)
Subtotal	2,580,596	4,033,662
Interest and dividend income received	308,298	678,343
Interest expenses paid	(34,049)	(32,373)
Income taxes paid	(764,461)	(1,041,006)
Net cash provided by (used in) operating activities	2,090,384	3,638,626
Cash flows from investing activities		
Purchase of investment securities	(1,200)	(1,200)
Purchase of property, plant and equipment	(2,925,335)	(881,387)
Purchase of intangible assets	(37,291)	(50,292)
Net cash provided by (used in) investing activities	(2,963,827)	(932,880)
Cash flows from financing activities		
Net increase (decrease) of short-term loans payable	–	(580,000)
Proceeds from long-term loans payable	2,070,000	500,000
Repayments of long-term loans payable	(583,309)	(615,547)
Repayments of lease obligations	(83,786)	(88,420)
Proceeds from issuance of shares	–	4,909,454
Purchase of treasury shares	(569)	–
Cash dividends paid	(453,992)	(531,058)
Net cash provided by (used in) financing activities	948,342	3,594,427
Effect of exchange rate change on cash and cash equivalents	5,220	35,709
Net increase (decrease) in cash and cash equivalents	80,121	6,335,882
Cash and cash equivalents at beginning of period	1,618,491	1,698,612
Cash and cash equivalents at end of period	1,698,612	8,034,494