

Consolidated Financial Results for the Three Months Ended April 30, 2022



[Japanese GAAP]

May 31, 2022

Company name: Tri Chemical Laboratories Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4369
 URL: <http://www.trichemical.com>
 Representative: Kiyoshi Tazuke, Representative Director & CEO
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 Scheduled date of filing quarterly securities report: June 14, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary briefing material on quarterly financial results: Not available
 Scheduled date of quarterly results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended April 30, 2022 (February 1, 2022 to April 30, 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	%
Three months ended April 30, 2022	3,119	20.2	986	36.5	1,718	39.2	1,293	37.0
April 30, 2021	2,594	13.4	723	1.4	1,234	12.3	944	9.2

(Note) Comprehensive income: Three Months ended April 30, 2022: ¥1,594 million (42.4%)
 Three Months ended April 30, 2021: ¥1,119 million (61.4%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended April 30, 2022	39.80	–
April 30, 2021	29.36	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2022	29,204	22,265	76.2
As of January 31, 2022	28,288	21,320	75.4

(Reference) Equity: As of April 30, 2022: ¥22,265 million
 As of January 31, 2022: ¥21,320 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2022	–	0.00	–	20.00	20.00
Fiscal year ending January 31, 2023	–				
Fiscal year ending January 31, 2023 (Forecast)		0.00	–	22.00	22.00

(Note) Revision of dividend forecasts from recently announced figures: None

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

(Note) Revision of financial results forecast from recently announced figures: None

* 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) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

As of April 30, 2022: 32,498,640 shares

As of January 31, 2022: 32,498,640 shares

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

As of April 30, 2022: 1,580 shares

As of January 31, 2022: 1,580 shares

3) Average number of shares during the period:

Three months ended April 30, 2022: 32,497,060 shares

Three months ended April 30, 2021: 32,159,981 shares

* These quarterly financial results are outside the scope of quarterly review 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

As of January 31, 2022 As of April 30, 2022

Assets		
Current assets		
Cash and deposits	8,034,494	10,612,396
Notes and accounts receivable - trade	3,058,124	3,578,959
Electronically recorded monetary claims - operating	838,248	955,493
Merchandise and finished goods	79,197	103,293
Work in process	749,403	1,011,274
Raw materials and supplies	1,321,772	1,374,576
Other	305,191	211,058
Total current assets	14,386,432	17,847,053
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,319,866	5,440,525
Accumulated depreciation	(1,500,630)	(1,579,353)
Buildings and structures, net	3,819,235	3,861,172
Machinery, equipment and vehicles	3,119,985	3,827,471
Accumulated depreciation	(1,708,130)	(1,798,420)
Machinery, equipment and vehicles, net	1,411,854	2,029,051
Tools, furniture and fixtures	2,616,297	2,698,628
Accumulated depreciation	(1,630,985)	(1,715,065)
Tools, furniture and fixtures, net	985,312	983,562
Land	714,933	714,933
Other	1,329,486	1,252,424
Accumulated depreciation	(246,748)	(269,910)
Other, net	1,082,737	982,514
Total property, plant and equipment	8,014,073	8,571,234
Intangible assets	181,431	166,631
Investments and other assets		
Investment securities	5,535,422	2,336,514
Other	171,576	283,470
Total investments and other assets	5,706,999	2,619,985
Total non-current assets	13,902,504	11,357,852
Total assets	28,288,937	29,204,905

(Thousand yen)

As of January 31, 2022 As of April 30, 2022

Liabilities		
Current liabilities		
Accounts payable - trade	613,784	692,644
Current portion of long-term loans payable	961,417	917,223
Income taxes payable	800,361	504,675
Provision for bonuses	113,242	242,896
Other	976,639	1,434,153
Total current liabilities	3,465,445	3,791,593
Non-current liabilities		
Long-term loans payable	2,699,229	2,502,381
Net defined benefit liability	118,662	121,331
Other	685,200	524,406
Total non-current liabilities	3,503,092	3,148,118
Total liabilities	6,968,537	6,939,712
Net assets		
Shareholders' equity		
Capital stock	3,278,912	3,278,912
Capital surplus	3,179,912	3,179,912
Retained earnings	14,626,625	15,270,172
Treasury shares	(1,720)	(1,720)
Total shareholders' equity	21,083,730	21,727,277
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,473	2,153
Foreign currency translation adjustments	254,279	553,944
Remeasurements of defined benefit plans	(19,083)	(18,182)
Total accumulated other comprehensive income	236,669	537,915
Total net assets	21,320,399	22,265,193
Total liabilities and net assets	28,288,937	29,204,905

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended April 30

(Thousand yen)

	For the three months ended April 30, 2021	For the three months ended April 30, 2022
Net sales	2,594,548	3,119,911
Cost of sales	1,424,628	1,647,923
Gross profit	1,169,920	1,471,987
Selling, general and administrative expenses	446,771	485,237
Operating profit	723,149	986,750
Non-operating income		
Interest income	13	38
Share of profit of entities accounted for using equity method	381,507	449,956
Foreign exchange gains	113,946	253,662
Other	55,588	37,588
Total non-operating income	551,055	741,246
Non-operating expenses		
Interest expenses	8,730	7,485
Share issuance costs	30,545	–
Loss on retirement of non-current assets	10	2,100
Other	125	125
Total non-operating expenses	39,412	9,710
Ordinary profit	1,234,792	1,718,285
Profit before income taxes	1,234,792	1,718,285
Income taxes - current	350,484	668,930
Income taxes - deferred	(59,813)	(244,132)
Total income taxes	290,670	424,797
Profit	944,122	1,293,488
Profit attributable to owners of parent	944,122	1,293,488

Quarterly Consolidated Statements of Comprehensive Income
 Three Months Ended April 30

	(Thousand yen)	
	For the three months ended April 30, 2021	For the three months ended April 30, 2022
Profit	944,122	1,293,488
Other comprehensive income		
Valuation difference on available-for-sale securities	360	680
Foreign currency translation adjustments	25,382	58,212
Remeasurements of defined benefit plans, net of tax	829	901
Share of other comprehensive income of entities accounted for using equity method	148,909	241,452
Total other comprehensive income	175,480	301,246
Comprehensive income	1,119,603	1,594,734
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,119,603	1,594,734
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the three months ended April 30, 2021	For the three months ended April 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,234,792	1,718,285
Depreciation	235,134	288,440
Increase (decrease) in provision for bonuses	138,088	128,642
Interest and dividend income	(13)	(38)
Interest expenses	8,730	7,485
Share issuance costs	30,545	–
Share of loss (profit) of entities accounted for using equity method	(381,507)	(449,956)
Decrease (increase) in notes and accounts receivable - trade	589,009	(620,145)
Decrease (increase) in inventories	(312,741)	(332,924)
Increase (decrease) in notes and accounts payable - trade	166,825	58,683
Decrease/increase in consumption taxes receivable/payable	149,298	(27,594)
Increase (decrease) in accounts payable - other	(61,592)	45,822
Decrease (increase) in other current assets	86,946	123,790
Increase (decrease) in other current liabilities	53,130	59,945
Increase (decrease) in other non-current liabilities	2,075	2,669
Other, net	(73,095)	(160,221)
Subtotal	1,865,628	842,883
Interest and dividend income received	677,750	3,891,757
Interest expenses paid	(9,133)	(7,279)
Income taxes paid	(597,285)	(929,202)
Income taxes refund	–	1,655
Net cash provided by (used in) operating activities	1,936,960	3,799,816
Cash flows from investing activities		
Purchase of investment securities	(299)	(299)
Purchase of property, plant and equipment	(314,717)	(347,525)
Purchase of intangible assets	(33,603)	(19,472)
Net cash provided by (used in) investing activities	(348,619)	(367,297)
Cash flows from financing activities		
Repayments of long-term loans payable	(197,136)	(241,042)
Repayments of lease obligations	(22,064)	(22,582)
Proceeds from issuance of shares	4,909,454	–
Cash dividends paid	(501,915)	(608,952)
Net cash provided by (used in) financing activities	4,188,338	(872,577)
Effect of exchange rate change on cash and cash equivalents	12,597	17,960
Net increase (decrease) in cash and cash equivalents	5,789,275	2,577,902
Cash and cash equivalents at beginning of period	1,698,612	8,034,494
Cash and cash equivalents at end of period	7,487,888	10,612,396