

# Consolidated Financial Results for the Fiscal Year Ended January 31, 2021



## [Japanese GAAP]

March 15, 2021

Company name: Tri Chemical Laboratories Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 4369  
 URL: <http://www.trichemical.com>  
 Representative: Kiyoshi Tazuke, President  
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 Scheduled date of Annual General Meeting of Shareholders: April 27, 2021  
 Scheduled date of filing annual securities report: April 28, 2021  
 Scheduled date of commencing dividend payments: April 28, 2021  
 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, 2021 (February 1, 2020 to January 31, 2021)

(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, 2021	9,801	18.6	2,691	15.7	4,323	15.5	3,377	14.9
January 31, 2020	8,267	6.1	2,326	8.1	3,744	27.7	2,939	29.7

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

Fiscal year ended January 31, 2020: ¥2,907 million (33.8 %)

	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, 2021	108.08	-	30.4	24.7	27.5
January 31, 2020	94.08	-	35.4	28.5	28.1

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

Fiscal year ended January 31, 2020: ¥1,324 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, 2020. Diluted earnings per share for the fiscal year ended January 31, 2021, 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, 2021	19,867	12,601	63.4	403.28
As of January 31, 2020	15,144	9,581	63.3	306.65

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

As of January 31, 2020: ¥9,581 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, 2020.

### (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, 2021	2,090	(2,963)	948	1,698
January 31, 2020	1,809	(1,564)	(226)	1,618

### 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, 2020	-	0.00	-	58.00	58.00	453	15.4	5.5
January 31, 2021	-	0.00	-	68.00	68.00	531	15.7	4.8
Fiscal year ending January 31, 2022 (Forecast)	-	0.00	-	17.00	17.00		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, 2020 and 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 ending January 31, 2022 (forecast) are presented in amounts after the said stock split.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2022 (February 1, 2021 to January 31, 2022)

(% 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	5,100	6.0	1,220	(21.1)	1,880	(18.1)	1,470	(18.2)	45.47
Full year	10,700	9.2	2,700	0.3	4,400	1.8	3,470	2.7	107.05

(Note) Basic earnings per share of the consolidated financial results for the fiscal year ending January 31, 2022, have been calculated based on the expected average number of issued shares during the period including the number of publicly offered shares (1,250,000 shares) and have taken no account of the number of shares to be issued for capital increase through third-party allocation related to the offering by way of overallotment (up to 187,500 shares).

**\* 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, 2021: 31,248,640 shares

January 31, 2020: 31,248,640 shares

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

January 31, 2021: 1,580 shares

January 31, 2020: 1,412 shares

3) Average number of shares during the period:

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

Fiscal year ended January 31, 2020: 31,247,315 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, 2020.

(Reference) Overview of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2021 (February 1, 2020 to January 31, 2021)**

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
January 31, 2021	9,887	19.3	2,809	20.5	3,223	32.4	2,331	36.2
January 31, 2020	8,285	6.3	2,330	9.1	2,434	16.6	1,712	16.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
January 31, 2021	74.61	-
January 31, 2020	54.79	-

(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, 2020. Diluted earnings per share for the fiscal year ended January 31, 2021, 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, 2021	16,396	9,632	58.7	308.28
As of January 31, 2020	12,653	7,747	61.2	247.94

(Reference) Equity: As of January 31, 2021: ¥9,632 million

As of January 31, 2020: ¥7,747 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, 2020.

\* 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, 2021. 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, 2020	As of January 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	1,618,491	1,698,612
Notes and accounts receivable - trade	2,171,236	2,783,207
Electronically recorded monetary claims - operating	884,517	1,119,212
Merchandise and finished goods	32,836	13,422
Work in process	525,926	713,613
Raw materials and supplies	666,977	881,878
Other	247,186	374,759
Total current assets	6,147,171	7,584,706
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,638,742	5,020,683
Accumulated depreciation	(1,040,904)	(1,233,191)
Buildings and structures, net	1,597,838	3,787,491
Machinery, equipment and vehicles	2,026,251	2,669,674
Accumulated depreciation	(1,204,553)	(1,429,693)
Machinery, equipment and vehicles, net	821,698	1,239,980
Tools, furniture and fixtures	1,919,127	2,195,213
Accumulated depreciation	(1,319,677)	(1,452,432)
Tools, furniture and fixtures, net	599,449	742,780
Land	714,933	714,933
Leased assets	540,648	548,961
Accumulated depreciation	(68,137)	(132,268)
Leased assets, net	472,510	416,692
Construction in progress	1,516,300	759,476
Other	208,414	248,499
Accumulated depreciation	(15,023)	(30,348)
Other, net	193,391	218,151
Total property, plant and equipment	5,916,123	7,879,507
Intangible assets	192,982	208,508
Investments and other assets		
Investment securities	2,862,052	4,147,328
Deferred tax assets	6,357	22,189
Other	19,659	25,518
Total investments and other assets	2,888,069	4,195,036
Total non-current assets	8,997,175	12,283,053
Total assets	15,144,347	19,867,759

(Thousand yen)

As of January 31, 2020 As of January 31, 2021

Liabilities		
Current liabilities		
Accounts payable – trade	402,082	525,821
Short-term loans payable	580,000	580,000
Current portion of long-term loans payable	566,629	615,547
Lease obligations	80,420	88,307
Income taxes payable	454,563	593,172
Provision for bonuses	69,387	76,084
Other	897,059	811,527
Total current liabilities	3,050,141	3,290,460
Non-current liabilities		
Long-term loans payable	1,722,873	3,160,646
Lease obligations	636,798	601,566
Deferred tax liabilities	49,080	111,368
Net defined benefit liability	103,523	102,327
Total non-current liabilities	2,512,274	3,975,908
Total liabilities	5,562,416	7,266,369
Net assets		
Shareholders' equity		
Capital stock	808,912	808,912
Capital surplus	709,912	709,912
Retained earnings	8,138,541	11,062,738
Treasury shares	(1,150)	(1,720)
Total shareholders' equity	9,656,216	12,579,843
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,867)	(168)
Foreign currency translation adjustments	(42,299)	38,500
Remeasurements of defined benefit plans	(24,119)	(16,785)
Total accumulated other comprehensive income	(74,285)	21,545
Total net assets	9,581,930	12,601,389
Total liabilities and net assets	15,144,347	19,867,759

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

(Thousand yen)

	For the fiscal year ended January 31, 2020	For the fiscal year ended January 31, 2021
Net sales	8,267,457	9,801,982
Cost of sales	4,314,779	5,420,934
Gross profit	3,952,678	4,381,047
Selling, general and administrative expenses	1,625,752	1,689,666
Operating profit	2,326,925	2,691,380
Non-operating income		
Interest income	222	158
Dividend income	313	355
Share of profit of entities accounted for using equity method	1,324,993	1,540,068
Other	125,740	147,237
Total non-operating income	1,451,270	1,687,821
Non-operating expenses		
Interest expenses	32,529	34,448
Loss on retirement of non-current assets	143	9,725
Loss on valuation of investment securities	-	9,772
Other	1,231	1,924
Total non-operating expenses	33,905	55,871
Ordinary profit	3,744,290	4,323,329
Profit before income taxes	3,744,290	4,323,329
Income taxes - current	735,121	902,154
Income taxes - deferred	69,376	43,893
Total income taxes	804,497	946,048
Profit	2,939,792	3,377,281
Profit attributable to owners of parent	2,939,792	3,377,281

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended January 31, 2020	For the fiscal year ended January 31, 2021
Profit	2,939,792	3,377,281
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,468)	7,698
Foreign currency translation adjustments	6,229	16,135
Remeasurements of defined benefit plans, net of tax	4,523	7,333
Share of other comprehensive income of entities accounted for using equity method	(39,145)	64,664
Total other comprehensive income	(31,860)	95,831
Comprehensive income	2,907,932	3,473,113
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,907,932	3,473,113
Comprehensive income attributable to non-controlling interests	-	-



(3) Consolidated Statements of Changes in Net Assets  
For the fiscal year ended January 31, 2020

(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	5,550,282	(897)	7,068,210
Changes of items during period					
Dividends of surplus			(351,533)		(351,533)
Profit attributable to owners of parent			2,939,792		2,939,792
Purchase of treasury shares				(253)	(253)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,588,259	(253)	2,588,005
Balance at end of current period	808,912	709,912	8,138,541	(1,150)	9,656,216

	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	(4,399)	(9,382)	(28,642)	(42,424)	7,025,785
Changes of items during period					
Dividends of surplus					(351,533)
Profit attributable to owners of parent					2,939,792
Purchase of treasury shares					(253)
Net changes of items other than shareholders' equity	(3,468)	(32,916)	4,523	(31,860)	(31,860)
Total changes of items during period	(3,468)	(32,916)	4,523	(31,860)	2,556,144
Balance at end of current period	(7,867)	(42,299)	(24,119)	(74,285)	9,581,930

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					
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					
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

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31, 2020	For the fiscal year ended January 31, 2021
Cash flows from operating activities		
Profit before income taxes	3,744,290	4,323,329
Depreciation	642,186	814,438
Increase (decrease) in provision for bonuses	5,513	6,600
Interest and dividend income	(535)	(514)
Interest expenses	32,529	34,448
Share of loss (profit) of entities accounted for using equity method	(1,324,993)	(1,540,068)
Loss (gain) on valuation of investment securities	-	9,772
Decrease (increase) in notes and accounts receivable - trade	(204,384)	(843,028)
Decrease (increase) in inventories	(291,680)	(378,187)
Increase (decrease) in notes and accounts payable - trade	48,399	120,660
Decrease/increase in consumption taxes receivable/payable	(40,891)	(88,654)
Increase (decrease) in accounts payable - other	16,943	112,202
Decrease (increase) in other current assets	(103,127)	(35,707)
Increase (decrease) in other current liabilities	(21,865)	61,938
Increase (decrease) in other non-current liabilities	9,334	(1,196)
Other, net	18,032	(15,437)
Subtotal	2,529,752	2,580,596
Interest and dividend income received	535	308,298
Interest expenses paid	(32,538)	(34,049)
Income taxes paid	(688,008)	(764,461)
Income taxes refund	180	-
Net cash provided by (used in) operating activities	1,809,921	2,090,384
Cash flows from investing activities		
Purchase of investment securities	(1,199)	(1,200)
Purchase of property, plant and equipment	(1,405,010)	(2,925,335)
Purchase of intangible assets	(158,122)	(37,291)
Net cash provided by (used in) investing activities	(1,564,332)	(2,963,827)
Cash flows from financing activities		
Proceeds from long-term loans payable	930,000	2,070,000
Repayments of long-term loans payable	(731,217)	(583,309)
Repayments of lease obligations	(74,856)	(83,786)
Purchase of treasury shares	(253)	(569)
Cash dividends paid	(349,852)	(453,992)
Net cash provided by (used in) financing activities	(226,179)	948,342
Effect of exchange rate change on cash and cash equivalents	3,334	5,220
Net increase (decrease) in cash and cash equivalents	22,744	80,121
Cash and cash equivalents at beginning of period	1,595,747	1,618,491
Cash and cash equivalents at end of period	1,618,491	1,698,612