

# Consolidated Financial Results for the Three Months Ended April 30, 2021



## [Japanese GAAP]

May 31, 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 filing quarterly securities report: June 14, 2021  
 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, 2021 (February 1, 2021 to April 30, 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	%
Three months ended								
April 30, 2021	2,594	13.4	723	1.4	1,234	12.3	944	9.2
April 30, 2020	2,287	10.3	713	21.8	1,099	20.8	864	21.9

(Note) Comprehensive income: Three Months ended April 30, 2021: ¥1,119 million (61.4%)  
 Three Months ended April 30, 2020: ¥693 million (-4.0%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
April 30, 2021	29.36	-
April 30, 2020	27.66	-

(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 are not presented as there were no dilutive shares.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2021	25,014	18,129	72.5
As of January 31, 2021	19,867	12,601	63.4

(Reference) Equity: As of April 30, 2021: ¥18,129 million  
 As of January 31, 2021: ¥12,601 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended January 31, 2021	Yen -	Yen 0.00	Yen -	Yen 68.00	Yen 68.00
Fiscal year ending January 31, 2022	-				
Fiscal year ending January 31, 2022 (Forecast)		0.00	-	17.00	17.00

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

(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 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) 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: No

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, 2021: 32,498,640 shares

As of January 31, 2021: 31,248,640 shares

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

As of April 30, 2021: 1,580 shares

As of January 31, 2021: 1,580 shares

3) Average number of shares during the period:

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

Three months ended April 30, 2020: 31,247,228 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.

\* 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, 2021	As of April 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	1,698,612	7,487,888
Notes and accounts receivable - trade	2,783,207	2,598,566
Electronically recorded monetary claims - operating	1,119,212	721,130
Merchandise and finished goods	13,422	80,176
Work in process	713,613	793,918
Raw materials and supplies	881,878	1,048,457
Other	374,759	140,430
Total current assets	7,584,706	12,870,568
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,020,683	5,091,230
Accumulated depreciation	(1,233,191)	(1,299,760)
Buildings and structures, net	3,787,491	3,791,469
Machinery, equipment and vehicles	2,669,674	2,701,236
Accumulated depreciation	(1,429,693)	(1,491,133)
Machinery, equipment and vehicles, net	1,239,980	1,210,102
Tools, furniture and fixtures	2,195,213	2,302,697
Accumulated depreciation	(1,452,432)	(1,512,379)
Tools, furniture and fixtures, net	742,780	790,318
Land	714,933	714,933
Other	1,556,937	1,564,377
Accumulated depreciation	(162,616)	(185,142)
Other, net	1,394,320	1,379,234
Total property, plant and equipment	7,879,507	7,886,058
Intangible assets	208,508	200,571
Investments and other assets		
Investment securities	4,147,328	3,993,743
Other	47,708	63,519
Total investments and other assets	4,195,036	4,057,262
Total non-current assets	12,283,053	12,143,892
Total assets	19,867,759	25,014,460

(Thousand yen)

As of January 31, 2021 As of April 30, 2021

Liabilities		
Current liabilities		
Accounts payable - trade	525,821	698,127
Short-term loans payable	580,000	580,000
Current portion of long-term loans payable	615,547	634,453
Income taxes payable	593,172	339,533
Provision for bonuses	76,084	214,513
Other	899,835	718,214
Total current liabilities	3,290,460	3,184,841
Non-current liabilities		
Long-term loans payable	3,160,646	2,944,604
Net defined benefit liability	102,327	104,402
Other	712,935	650,820
Total non-current liabilities	3,975,908	3,699,826
Total liabilities	7,266,369	6,884,667
Net assets		
Shareholders' equity		
Capital stock	808,912	3,278,912
Capital surplus	709,912	3,179,912
Retained earnings	11,062,738	11,475,660
Treasury shares	(1,720)	(1,720)
Total shareholders' equity	12,579,843	17,932,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(168)	191
Foreign currency translation adjustments	38,500	212,791
Remeasurements of defined benefit plans	(16,785)	(15,956)
Total accumulated other comprehensive income	21,545	197,026
Total net assets	12,601,389	18,129,792
Total liabilities and net assets	19,867,759	25,014,460

(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, 2020	For the three months ended April 30, 2021
Net sales	2,287,163	2,594,548
Cost of sales	1,161,564	1,424,628
Gross profit	1,125,599	1,169,920
Selling, general and administrative expenses	412,202	446,771
Operating profit	713,396	723,149
Non-operating income		
Interest income	9	13
Share of profit of entities accounted for using equity method	388,027	381,507
Foreign exchange gains	-	113,946
Other	51,088	55,588
Total non-operating income	439,125	551,055
Non-operating expenses		
Interest expenses	8,214	8,730
Share issuance costs	-	30,545
Foreign exchange losses	33,912	-
Other	10,437	135
Total non-operating expenses	52,563	39,412
Ordinary profit	1,099,958	1,234,792
Profit before income taxes	1,099,958	1,234,792
Income taxes - current	251,665	350,484
Income taxes - deferred	(16,093)	(59,813)
Total income taxes	235,572	290,670
Profit	864,386	944,122
Profit attributable to owners of parent	864,386	944,122

Quarterly Consolidated Statements of Comprehensive Income  
Three Months Ended April 30

	(Thousand yen)	
	For the three months ended April 30, 2020	For the three months ended April 30, 2021
Profit	864,386	944,122
Other comprehensive income		
Valuation difference on available-for-sale securities	7,867	360
Foreign currency translation adjustments	(3,115)	25,382
Remeasurements of defined benefit plans, net of tax	967	829
Share of other comprehensive income of entities accounted for using equity method	(176,585)	148,909
Total other comprehensive income	(170,866)	175,480
Comprehensive income	693,520	1,119,603
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	693,520	1,119,603
Comprehensive income attributable to non-controlling interests	-	-

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the three months ended April 30, 2020	For the three months ended April 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,099,958	1,234,792
Depreciation	171,046	235,134
Increase (decrease) in provision for bonuses	83,615	138,088
Interest and dividend income	(9)	(13)
Interest expenses	8,214	8,730
Share issuance costs	-	30,545
Share of loss (profit) of entities accounted for using equity method	(388,027)	(381,507)
Loss (gain) on valuation of investment securities	9,772	-
Decrease (increase) in notes and accounts receivable - trade	(120,037)	589,009
Decrease (increase) in inventories	(172,359)	(312,741)
Increase (decrease) in notes and accounts payable - trade	123,828	166,825
Decrease/increase in consumption taxes receivable/payable	20,701	149,298
Increase (decrease) in accounts payable - other	62,464	(61,592)
Decrease (increase) in other current assets	71,016	86,946
Increase (decrease) in other current liabilities	38,701	53,130
Increase (decrease) in other non-current liabilities	2,293	2,075
Other, net	(19,194)	(73,095)
Subtotal	991,984	1,865,628
Interest and dividend income received	307,794	677,750
Interest expenses paid	(8,222)	(9,133)
Income taxes paid	(439,500)	(597,285)
Net cash provided by (used in) operating activities	852,055	1,936,960
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(299)	(299)
Purchase of property, plant and equipment	(588,395)	(314,717)
Purchase of intangible assets	(4,341)	(33,603)
Net cash provided by (used in) investing activities	(593,036)	(348,619)
<b>Cash flows from financing activities</b>		
Net increase (decrease) of short-term loans payable	500,000	-
Proceeds from long-term loans payable	300,000	-
Repayments of long-term loans payable	(157,081)	(197,136)
Repayments of lease obligations	(20,330)	(22,064)
Proceeds from issuance of shares	-	4,909,454
Cash dividends paid	(431,090)	(501,915)
Net cash provided by (used in) financing activities	191,498	4,188,338
Effect of exchange rate change on cash and cash equivalents	(1,903)	12,597
Net increase (decrease) in cash and cash equivalents	448,614	5,789,275
Cash and cash equivalents at beginning of period	1,618,491	1,698,612
Cash and cash equivalents at end of period	2,067,105	7,487,888