

Consolidated Financial Results for the Six Months Ended July 31, 2024



[Japanese GAAP]

August 30, 2024

Company name: Tri Chemical Laboratories Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4369
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 Scheduled date to filing semi-annual securities report: September 13, 2024
 Scheduled date of commencing dividend payments: –
 Availability of supplementary briefing material on financial results: Not available
 Scheduled date of 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 Six Months Ended July 31, 2024 (February 1, 2024 to July 31, 2024)

(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	%
Six months ended								
July 31, 2024	7,974	41.8	1,939	76.2	2,680	40.6	2,031	39.8
July 31, 2023	5,622	(14.1)	1,100	(42.4)	1,906	(45.7)	1,453	(46.2)

(Note) Comprehensive income: Six months ended July 31, 2024: ¥2,177 million (39.1%)
 Six months ended July 31, 2023: ¥1,565 million (down 49.6%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
July 31, 2024	62.51	–
July 31, 2023	44.72	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2024	33,529	28,772	85.8
As of January 31, 2024	31,864	27,570	86.5

(Reference) Equity: As of July 31, 2024: ¥28,772 million
 As of January 31, 2024: ¥27,570 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, 2024	–	0.00	–	30.00	30.00
Fiscal year ending January 31, 2025	–	0.00			
Fiscal year ending January 31, 2025 (Forecast)			–	30.00	30.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2025 (February 1, 2024 to January 31, 2025)

(% 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
Full year	17,000	51.2	3,900	100.2	5,590	70.6	4,260	72.4	131.09

(Note) Revision of financial results forecast from recently announced figures: Yes

* Notes:

- (1) Significant changes in the scope of consolidation during the period: No
New: – companies (company name) , excluded: – companies (company name)
- (2) Adoption of accounting treatment specific to the preparation of semi-annual 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 July 31, 2024: 32,498,640 shares
As of January 31, 2024: 32,498,640 shares
 - 2) Total number of treasury shares at the end of the period:
As of July 31, 2024: 1,810 shares
As of January 31, 2024: 1,702 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
Six months ended July 31, 2024: 32,496,897 shares
Six months ended July 31, 2023: 32,496,938 shares

*Semi-annual financial results reports are exempt from review conducted 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 September 2, 2024. Financial results materials to be used at the briefing will be available on the Company's website immediately after the session.

(1) Semi-annual Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2024	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	10,497,345	9,530,627
Notes and accounts receivable - trade	2,687,345	3,860,505
Electronically recorded monetary claims - operating	1,347,961	1,409,772
Merchandise and finished goods	122,623	459,394
Work in process	2,116,390	1,710,208
Raw materials and supplies	1,783,894	2,268,919
Other	453,056	426,762
Total current assets	19,008,618	19,666,189
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,238,838	6,222,148
Accumulated depreciation	(2,095,368)	(2,242,392)
Buildings and structures, net	4,143,470	3,979,756
Machinery, equipment and vehicles	4,437,297	4,499,409
Accumulated depreciation	(2,491,042)	(2,705,904)
Machinery, equipment and vehicles, net	1,946,255	1,793,505
Tools, furniture and fixtures	3,327,939	3,576,904
Accumulated depreciation	(2,182,909)	(2,377,742)
Tools, furniture and fixtures, net	1,145,030	1,199,161
Land	714,933	714,933
Other	1,741,748	2,573,195
Accumulated depreciation	(422,206)	(465,799)
Other, net	1,319,542	2,107,395
Total property, plant and equipment	9,269,231	9,794,753
Intangible assets	105,421	85,016
Investments and other assets		
Investment securities	2,977,516	3,422,197
Other	504,144	561,649
Total investments and other assets	3,481,661	3,983,846
Total non-current assets	12,856,314	13,863,615
Total assets	31,864,933	33,529,805

(Thousand yen)

	As of January 31, 2024	As of July 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	354,413	576,957
Current portion of long-term loans payable	700,867	690,060
Income taxes payable	235,903	743,132
Provision for bonuses	115,182	183,941
Other	1,147,327	1,033,206
Total current liabilities	2,553,693	3,227,298
Non-current liabilities		
Long-term loans payable	1,212,920	1,043,050
Net defined benefit liability	143,775	150,733
Other	384,128	335,829
Total non-current liabilities	1,740,824	1,529,613
Total liabilities	4,294,517	4,756,912
Net assets		
Shareholders' equity		
Capital stock	3,278,912	3,278,912
Capital surplus	3,179,912	3,179,912
Retained earnings	20,304,819	21,361,205
Treasury shares	(2,025)	(2,501)
Total shareholders' equity	26,761,619	27,817,530
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,113	16,033
Foreign currency translation adjustments	812,767	954,557
Remeasurements of defined benefit plans	(17,084)	(15,228)
Total accumulated other comprehensive income	808,796	955,362
Total net assets	27,570,415	28,772,893
Total liabilities and net assets	31,864,933	33,529,805

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Thousand yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Net sales	5,622,408	7,974,506
Cost of sales	3,466,027	4,771,081
Gross profit	2,156,380	3,203,424
Selling, general and administrative expenses	1,055,456	1,264,064
Operating profit	1,100,924	1,939,360
Non-operating income		
Interest income	245	193
Dividend income	342	449
Share of profit of entities accounted for using equity method	649,790	768,250
Foreign exchange gains	186,745	–
Other	5,448	4,068
Total non-operating income	842,573	772,962
Non-operating expenses		
Interest expenses	12,360	11,655
Foreign exchange losses	–	18,648
Other	24,563	1,534
Total non-operating expenses	36,923	31,838
Ordinary profit	1,906,574	2,680,484
Profit before income taxes	1,906,574	2,680,484
Income taxes - current	610,943	710,962
Income taxes - deferred	(157,630)	(61,772)
Total income taxes	453,312	649,190
Profit	1,453,262	2,031,294
Profit attributable to owners of parent	1,453,262	2,031,294

Semi-annual Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Profit	1,453,262	2,031,294
Other comprehensive income		
Valuation difference on available-for-sale securities	2,763	2,920
Foreign currency translation adjustments	35,836	(25,154)
Remeasurements of defined benefit plans, net of tax	1,749	1,856
Share of other comprehensive income of entities accounted for using equity method	71,616	166,944
Total other comprehensive income	111,965	146,566
Comprehensive income	1,565,227	2,177,860
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,565,227	2,177,860
Comprehensive income attributable to non-controlling interests	–	–

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,906,574	2,680,484
Depreciation	641,614	675,738
Increase (decrease) in provision for bonuses	3,903	69,362
Interest and dividend income	(588)	(643)
Interest expenses	12,360	11,655
Share of loss (profit) of entities accounted for using equity method	(649,790)	(768,250)
Decrease (increase) in notes and accounts receivable - trade	1,208,364	(1,243,793)
Decrease (increase) in inventories	(938,309)	(421,325)
Increase (decrease) in notes and accounts payable - trade	(258,618)	233,296
Decrease/increase in consumption taxes receivable/payable	92,320	33,282
Increase (decrease) in accounts payable - other	26,668	50,097
Decrease (increase) in other current assets	64,020	(7,879)
Increase (decrease) in other current liabilities	(46)	62,840
Increase (decrease) in other non-current liabilities	5,606	6,958
Other, net	(130,011)	162,568
Subtotal	1,984,066	1,544,392
Interest and dividend income received	2,542,082	391,355
Interest expenses paid	(12,363)	(11,765)
Income taxes paid	(863,857)	(223,607)
Net cash provided by (used in) operating activities	3,649,927	1,700,375
Cash flows from investing activities		
Purchase of investment securities	(599)	(599)
Purchase of property, plant and equipment	(1,086,812)	(1,438,803)
Purchase of intangible assets	(17,321)	(13,642)
Net cash provided by (used in) investing activities	(1,104,734)	(1,453,044)
Cash flows from financing activities		
Proceeds from long-term loans payable	–	200,000
Repayments of long-term loans payable	(413,160)	(380,677)
Repayments of lease obligations	(48,872)	(52,184)
Purchase of treasury shares	–	(475)
Cash dividends paid	(973,049)	(974,021)
Net cash provided by (used in) financing activities	(1,435,082)	(1,207,358)
Effect of exchange rate change on cash and cash equivalents	(2,529)	(6,690)
Net increase (decrease) in cash and cash equivalents	1,107,581	(966,718)
Cash and cash equivalents at beginning of period	11,137,800	10,497,345
Cash and cash equivalents at end of period	12,245,382	9,530,627