

# Consolidated Financial Results for the Three Months Ended April 30, 2020



## [Japanese GAAP]

May 29, 2020

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 12, 2020  
 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, 2020 (February 1, 2020 to April 30, 2020)

(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, 2020	2,287	10.3	713	21.8	1,099	20.8	864	21.9
Three months ended April 30, 2019	2,073	7.7	585	9.5	910	69.9	709	90.3

(Note) Comprehensive income: Three Months ended April 30, 2020: ¥693 million (-4.0%)  
 Three Months ended April 30, 2019: ¥722 million (118.5%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended April 30, 2020	110.65	-
Three months ended April 30, 2019	90.80	-

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2020	16,159	9,822	60.8
As of January 31, 2020	15,144	9,581	63.3

(Reference) Equity: As of April 30, 2020: ¥9,822 million  
 As of January 31, 2020: ¥9,581 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, 2020	-	0.00	-	58.00	58.00
Fiscal year ending January 31, 2021	-				
Fiscal year ending January 31, 2021 (Forecast)		0.00	-	58.00	58.00

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

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2021 (February 1, 2020 to January 31, 2021)

(% 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	4,460	7.4	1,210	4.9	1,750	(1.6)	1,340	(2.8)	171.54
Full year	9,150	10.7	2,370	1.9	3,770	0.7	2,940	0.0	376.35

(Note) Revision of dividend forecasts 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, 2020: 7,812,160 shares

As of January 31, 2020: 7,812,160 shares

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

As of April 30, 2020: 353 shares

As of January 31, 2020: 353 shares

3) Average number of shares during the period:

Three months ended April 30, 2020: 7,811,807 shares

Three months ended April 30, 2019: 7,811,850 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, 2020	As of April 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	1,618,491	2,067,105
Notes and accounts receivable - trade	2,171,236	2,202,751
Electronically recorded monetary claims - operating	884,517	972,921
Merchandise and finished goods	32,836	32,722
Work in process	525,926	584,160
Raw materials and supplies	666,977	781,194
Other	247,186	157,391
<b>Total current assets</b>	<b>6,147,171</b>	<b>6,798,248</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,638,742	2,650,751
Accumulated depreciation	(1,040,904)	(1,072,542)
<b>Buildings and structures, net</b>	<b>1,597,838</b>	<b>1,578,209</b>
Machinery, equipment and vehicles	2,026,251	2,348,456
Accumulated depreciation	(1,204,553)	(1,256,027)
<b>Machinery, equipment and vehicles, net</b>	<b>821,698</b>	<b>1,092,429</b>
Tools, furniture and fixtures	1,919,127	1,989,325
Accumulated depreciation	(1,319,677)	(1,373,326)
<b>Tools, furniture and fixtures, net</b>	<b>599,449</b>	<b>615,998</b>
Land	714,933	714,933
Construction in progress	1,516,300	1,695,892
Other	749,063	762,724
Accumulated depreciation	(83,161)	(104,196)
<b>Other, net</b>	<b>665,902</b>	<b>658,528</b>
<b>Total property, plant and equipment</b>	<b>5,916,123</b>	<b>6,355,991</b>
Intangible assets	192,982	203,720
Investments and other assets		
Investment securities	2,862,052	2,763,833
Other	26,016	37,329
<b>Total investments and other assets</b>	<b>2,888,069</b>	<b>2,801,163</b>
<b>Total non-current assets</b>	<b>8,997,175</b>	<b>9,360,875</b>
<b>Total assets</b>	<b>15,144,347</b>	<b>16,159,123</b>

(Thousand yen)

As of January 31, 2020 As of April 30, 2020

Liabilities		
Current liabilities		
Accounts payable - trade	402,082	525,910
Short-term loans payable	580,000	1,080,000
Current portion of long-term loans payable	566,629	573,324
Income taxes payable	454,563	251,407
Provision for bonuses	69,387	152,968
Other	977,480	1,125,522
Total current liabilities	3,050,141	3,709,133
Non-current liabilities		
Long-term loans payable	1,722,873	1,859,097
Net defined benefit liability	103,523	105,816
Other	685,878	662,710
Total non-current liabilities	2,512,274	2,627,624
Total liabilities	5,562,416	6,336,757
Net assets		
Shareholders' equity		
Capital stock	808,912	808,912
Capital surplus	709,912	709,912
Retained earnings	8,138,541	8,549,843
Treasury shares	(1,150)	(1,150)
Total shareholders' equity	9,656,216	10,067,517
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,867)	-
Foreign currency translation adjustments	(42,299)	(221,999)
Remeasurements of defined benefit plans	(24,119)	(23,151)
Total accumulated other comprehensive income	(74,285)	(245,151)
Total net assets	9,581,930	9,822,366
Total liabilities and net assets	15,144,347	16,159,123

(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, 2019	For the three months ended April 30, 2020
Net sales	2,073,390	2,287,163
Cost of sales	1,106,116	1,161,564
Gross profit	967,273	1,125,599
Selling, general and administrative expenses	381,511	412,202
Operating profit	585,761	713,396
Non-operating income		
Interest income	5	9
Share of profit of entities accounted for using equity method	309,192	388,027
Other	22,623	51,088
Total non-operating income	331,821	439,125
Non-operating expenses		
Interest expenses	6,562	8,214
Foreign exchange losses	-	33,912
Other	206	10,437
Total non-operating expenses	6,768	52,563
Ordinary profit	910,814	1,099,958
Profit before income taxes	910,814	1,099,958
Income taxes - current	205,722	251,665
Income taxes - deferred	(4,233)	(16,093)
Total income taxes	201,489	235,572
Profit	709,325	864,386
Profit attributable to owners of parent	709,325	864,386

Quarterly Consolidated Statements of Comprehensive Income  
Three Months Ended April 30

	For the three months ended April 30, 2019	For the three months ended April 30, 2020
Profit	709,325	864,386
Other comprehensive income		
Valuation difference on available-for-sale securities	(745)	7,867
Foreign currency translation adjustments	6,233	(3,115)
Remeasurements of defined benefit plans, net of tax	1,271	967
Share of other comprehensive income of entities accounted for using equity method	6,649	(176,585)
Total other comprehensive income	13,409	(170,866)
Comprehensive income	722,734	693,520
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	722,734	693,520
Comprehensive income attributable to non-controlling interests	-	-

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the three months ended April 30, 2019	For the three months ended April 30, 2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	910,814	1,099,958
Depreciation	152,581	171,046
Increase (decrease) in provision for bonuses	94,083	83,615
Interest and dividend income	(5)	(9)
Interest expenses	6,562	8,214
Share of loss (profit) of entities accounted for using equity method	(309,192)	(388,027)
Loss (gain) on valuation of investment securities	-	9,772
Decrease (increase) in notes and accounts receivable - trade	(465,117)	(120,037)
Decrease (increase) in inventories	(62,982)	(172,359)
Increase (decrease) in notes and accounts payable - trade	100,932	123,828
Decrease/increase in consumption taxes receivable/payable	16,259	20,701
Increase (decrease) in accounts payable - other	7,171	62,464
Decrease (increase) in other current assets	15,443	71,016
Increase (decrease) in other current liabilities	18,154	38,701
Increase (decrease) in other non-current liabilities	2,132	2,293
Other, net	(4,773)	(19,194)
Subtotal	482,063	991,984
Interest and dividend income received	5	307,794
Interest expenses paid	(5,884)	(8,222)
Income taxes paid	(373,555)	(439,500)
Net cash provided by (used in) operating activities	102,628	852,055
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(299)	(299)
Purchase of property, plant and equipment	(261,266)	(588,395)
Purchase of intangible assets	(3,792)	(4,341)
Net cash provided by (used in) investing activities	(265,357)	(593,036)
<b>Cash flows from financing activities</b>		
Net increase (decrease) of short-term loans payable	600,000	500,000
Proceeds from long-term loans payable	100,000	300,000
Repayments of long-term loans payable	(141,014)	(157,081)
Repayments of lease obligations	(14,697)	(20,330)
Purchase of treasury shares	(23)	-
Cash dividends paid	(328,864)	(431,090)
Net cash provided by (used in) financing activities	215,400	191,498
Effect of exchange rate change on cash and cash equivalents	6,518	(1,903)
Net increase (decrease) in cash and cash equivalents	59,190	448,614
Cash and cash equivalents at beginning of period	1,595,747	1,618,491
Cash and cash equivalents at end of period	1,654,937	2,067,105