

# Consolidated Financial Results for the Six Months Ended July 31, 2022



## [Japanese GAAP]

August 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  
 Contact: Yoshihide Suzuki, Executive Officer  
 Phone: +81-554-63-6600  
 Scheduled date of filing quarterly securities report: September 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: 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, 2022 (February 1, 2022 to July 31, 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	%
Six months ended								
July 31, 2022	6,548	22.0	1,911	31.1	3,508	43.3	2,703	43.7
July 31, 2021	5,367	11.5	1,457	(5.8)	2,448	6.6	1,881	4.7

(Note) Comprehensive income: Six months ended July 31, 2022: ¥3,107 million (50.5%)  
 Six months ended July 31, 2021: ¥2,064 million (24.5%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
July 31, 2022	83.20	–
July 31, 2021	58.20	–

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2022	30,301	23,777	78.5
As of January 31, 2022	28,288	21,320	75.4

(Reference) Equity: As of July 31, 2022: ¥23,777 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
Fiscal year ended January 31, 2022	Yen –	Yen 0.00	Yen –	Yen 20.00	Yen 20.00
Fiscal year ending January 31, 2023	–	0.00			
Fiscal year ending January 31, 2023 (Forecast)			–	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
Full year	13,600	17.5	3,621	21.7	6,648	25.6	5,193	26.8	159.82

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

### \* 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 July 31, 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 July 31, 2022: 1,610 shares

As of January 31, 2022: 1,580 shares

3) Average number of shares during the period:

Six months ended July 31, 2022: 32,497,052 shares

Six months ended July 31, 2021: 32,331,314 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.

The Company plans to hold a financial results briefing for institutional investors and analysts on September 2, 2022. Financial results materials to be used at the briefing will be available on the Company's website immediately after the session.

## Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2022	As of July 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	8,034,494	10,306,661
Notes and accounts receivable - trade	3,058,124	4,071,943
Electronically recorded monetary claims - operating	838,248	960,587
Merchandise and finished goods	79,197	110,686
Work in process	749,403	1,127,076
Raw materials and supplies	1,321,772	1,350,090
Other	305,191	302,413
Total current assets	14,386,432	18,229,459
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,319,866	5,491,911
Accumulated depreciation	(1,500,630)	(1,652,539)
Buildings and structures, net	3,819,235	3,839,372
Machinery, equipment and vehicles	3,119,985	3,876,910
Accumulated depreciation	(1,708,130)	(1,903,368)
Machinery, equipment and vehicles, net	1,411,854	1,973,541
Tools, furniture and fixtures	2,616,297	2,796,924
Accumulated depreciation	(1,630,985)	(1,805,646)
Tools, furniture and fixtures, net	985,312	991,278
Land	714,933	714,933
Other	1,329,486	1,272,004
Accumulated depreciation	(246,748)	(293,260)
Other, net	1,082,737	978,743
Total property, plant and equipment	8,014,073	8,497,869
Intangible assets	181,431	155,184
Investments and other assets		
Investment securities	5,535,422	3,166,394
Other	171,576	252,593
Total investments and other assets	5,706,999	3,418,988
Total non-current assets	13,902,504	12,072,042
<b>Total assets</b>	<b>28,288,937</b>	<b>30,301,501</b>

(Thousand yen)

	As of January 31, 2022	As of July 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	613,784	860,303
Current portion of long-term loans payable	961,417	889,764
Income taxes payable	800,361	864,920
Provision for bonuses	113,242	135,783
Other	976,639	857,818
Total current liabilities	3,465,445	3,608,589
Non-current liabilities		
Long-term loans payable	2,699,229	2,286,069
Net defined benefit liability	118,662	124,000
Other	685,200	505,255
Total non-current liabilities	3,503,092	2,915,325
Total liabilities	6,968,537	6,523,915
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,278,912	3,278,912
Capital surplus	3,179,912	3,179,912
Retained earnings	14,626,625	16,680,353
Treasury shares	(1,720)	(1,800)
Total shareholders' equity	21,083,730	23,137,379
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,473	4,137
Foreign currency translation adjustments	254,279	653,350
Remeasurements of defined benefit plans	(19,083)	(17,281)
Total accumulated other comprehensive income	236,669	640,206
Total net assets	21,320,399	23,777,585
Total liabilities and net assets	28,288,937	30,301,501

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended July 31

(Thousand yen)

	For the six months ended July 31, 2021	For the six months ended July 31, 2022
Net sales	5,367,109	6,548,819
Cost of sales	3,010,714	3,643,183
Gross profit	2,356,395	2,905,636
Selling, general and administrative expenses	898,659	994,162
Operating profit	1,457,735	1,911,473
Non-operating income		
Interest income	70	92
Dividend income	196	284
Share of profit of entities accounted for using equity method	799,852	1,177,698
Foreign exchange gains	131,752	364,382
Other	108,792	72,199
Total non-operating income	1,040,664	1,614,656
Non-operating expenses		
Interest expenses	17,043	14,854
Share issuance costs	30,545	–
Other	2,016	3,027
Total non-operating expenses	49,606	17,882
Ordinary profit	2,448,794	3,508,248
Profit before income taxes	2,448,794	3,508,248
Income taxes - current	606,727	1,004,169
Income taxes - deferred	(39,549)	(199,590)
Total income taxes	567,178	804,578
Profit	1,881,615	2,703,669
Profit attributable to owners of parent	1,881,615	2,703,669

Quarterly Consolidated Statements of Comprehensive Income  
Six Months Ended July 31

(Thousand yen)

	For the six months ended July 31, 2021	For the six months ended July 31, 2022
Profit	1,881,615	2,703,669
Other comprehensive income		
Valuation difference on available-for-sale securities	239	2,663
Foreign currency translation adjustments	31,955	43,270
Remeasurements of defined benefit plans, net of tax	1,658	1,802
Share of other comprehensive income of entities accounted for using equity method	149,109	355,800
Total other comprehensive income	182,962	403,537
Comprehensive income	2,064,577	3,107,206
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,064,577	3,107,206
Comprehensive income attributable to non-controlling interests	-	-

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended July 31, 2021	For the six months ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,448,794	3,508,248
Depreciation	487,154	597,148
Increase (decrease) in provision for bonuses	41,868	21,720
Interest and dividend income	(267)	(376)
Interest expenses	17,043	14,854
Share issuance costs	30,545	–
Share of loss (profit) of entities accounted for using equity method	(799,852)	(1,177,698)
Decrease (increase) in notes and accounts receivable - trade	47,607	(1,115,120)
Decrease (increase) in inventories	(455,270)	(426,357)
Increase (decrease) in notes and accounts payable - trade	26,895	220,884
Decrease/increase in consumption taxes receivable/payable	163,670	(55,130)
Increase (decrease) in accounts payable - other	34,734	11,587
Decrease (increase) in other current assets	(1,474)	61,006
Increase (decrease) in other current liabilities	82,276	35,714
Increase (decrease) in other non-current liabilities	4,150	5,338
Other, net	(73,306)	(154,655)
Subtotal	2,054,568	1,547,165
Interest and dividend income received	678,003	3,892,096
Interest expenses paid	(17,169)	(14,669)
Income taxes paid	(597,315)	(930,174)
Income taxes refund	–	1,710
Net cash provided by (used in) operating activities	2,118,087	4,496,128
Cash flows from investing activities		
Purchase of investment securities	(600)	(600)
Purchase of property, plant and equipment	(417,487)	(1,015,266)
Purchase of intangible assets	(42,754)	(21,722)
Net cash provided by (used in) investing activities	(460,841)	(1,037,589)
Cash flows from financing activities		
Net increase (decrease) of short-term loans payable	(580,000)	–
Repayments of long-term loans payable	(312,570)	(484,813)
Repayments of lease obligations	(43,981)	(45,556)
Proceeds from issuance of shares	4,909,454	–
Purchase of treasury shares	–	(79)
Cash dividends paid	(530,329)	(648,805)
Net cash provided by (used in) financing activities	3,442,572	(1,179,254)
Effect of exchange rate change on cash and cash equivalents	16,676	(7,118)
Net increase (decrease) in cash and cash equivalents	5,116,495	2,272,166
Cash and cash equivalents at beginning of period	1,698,612	8,034,494
Cash and cash equivalents at end of period	6,815,108	10,306,661