

Consolidated Financial Results for the Three Months Ended April 30, 2023



[Japanese GAAP]

May 31, 2023

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
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 Scheduled date of filing quarterly securities report: June 14, 2023
 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, 2023 (February 1, 2023 to April 30, 2023)

(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, 2023	3,228	3.5	874	(11.4)	1,298	(24.4)	992	(23.3)
April 30, 2022	3,119	20.2	986	36.5	1,718	39.2	1,293	37.0

(Note) Comprehensive income: Three months ended April 30, 2023: ¥914 million (down 42.6%)
 Three months ended April 30, 2022: ¥1,594 million (42.4%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
April 30, 2023	30.54	–
April 30, 2022	39.80	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2023	31,224	25,815	82.7
As of January 31, 2023	32,115	25,876	80.6

(Reference) Equity: As of April 30, 2023: ¥25,815 million
 As of January 31, 2023: ¥25,876 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended January 31, 2023	Yen —	Yen 0.00	Yen —	Yen 30.00	Yen 30.00
Fiscal year ending January 31, 2024	—				
Fiscal year ending January 31, 2024 (Forecast)		0.00	—	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, 2024 (February 1, 2023 to January 31, 2024)

(% 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	7,100	8.4	1,620	(15.2)	2,410	(31.3)	1,870	(30.8)	57.54
Full year	15,400	11.6	3,500	(0.1)	5,450	(11.9)	4,250	(12.1)	130.78

(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, 2023: 32,498,640 shares

As of January 31, 2023: 32,498,640 shares

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

As of April 30, 2023: 1,702 shares

As of January 31, 2023: 1,702 shares

3) Average number of shares during the period:

Three months ended April 30, 2023: 32,496,938 shares

Three months ended April 30, 2022: 32,497,060 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, 2023	As of April 30, 2023
Assets		
Current assets		
Cash and deposits	11,137,800	12,387,881
Notes and accounts receivable - trade	3,504,831	3,316,975
Electronically recorded monetary claims - operating	1,056,741	1,165,809
Merchandise and finished goods	132,660	117,120
Work in process	1,181,653	1,607,305
Raw materials and supplies	1,425,699	1,420,090
Other	483,179	207,763
Total current assets	18,922,566	20,222,946
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,466,764	5,471,875
Accumulated depreciation	(1,783,974)	(1,853,144)
Buildings and structures, net	3,682,789	3,618,731
Machinery, equipment and vehicles	3,948,405	4,066,829
Accumulated depreciation	(2,106,975)	(2,193,957)
Machinery, equipment and vehicles, net	1,841,429	1,872,871
Tools, furniture and fixtures	2,941,502	3,051,895
Accumulated depreciation	(1,886,835)	(1,984,062)
Tools, furniture and fixtures, net	1,054,667	1,067,832
Land	714,933	714,933
Other	1,415,049	1,395,465
Accumulated depreciation	(336,153)	(359,339)
Other, net	1,078,896	1,036,125
Total property, plant and equipment	8,372,717	8,310,495
Intangible assets	134,789	122,629
Investments and other assets		
Investment securities	4,400,387	2,180,252
Other	285,097	387,985
Total investments and other assets	4,685,485	2,568,237
Total non-current assets	13,192,992	11,001,362
Total assets	32,115,559	31,224,308s

(Thousand yen)

	As of January 31, 2023	As of April 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,142,053	732,674
Current portion of long-term loans payable	785,442	771,381
Income taxes payable	787,378	362,653
Provision for bonuses	124,321	194,431
Other	836,475	1,046,271
Total current liabilities	3,675,670	3,107,411
Non-current liabilities		
Long-term loans payable	1,913,787	1,731,000
Net defined benefit liability	133,686	136,909
Other	516,354	433,068
Total non-current liabilities	2,563,828	2,300,977
Total liabilities	6,239,498	5,408,389
Net assets		
Shareholders' equity		
Capital stock	3,278,912	3,278,912
Capital surplus	3,179,912	3,179,912
Retained earnings	18,809,102	18,826,650
Treasury shares	(2,025)	(2,025)
Total shareholders' equity	25,265,902	25,283,450
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,229	3,991
Foreign currency translation adjustments	623,445	546,120
Remeasurements of defined benefit plans	(18,516)	(17,641)
Total accumulated other comprehensive income	610,158	532,469
Total net assets	25,876,060	25,815,919
Total liabilities and net assets	32,115,559	31,224,308

(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, 2022	For the three months ended April, 2023
Net sales	3,119,911	3,228,645
Cost of sales	1,647,923	1,849,494
Gross profit	1,471,987	1,379,151
Selling, general and administrative expenses	485,237	504,429
Operating profit	986,750	874,722
Non-operating income		
Interest income	38	63
Share of profit of entities accounted for using equity method	449,956	389,517
Other	291,251	61,453
Total non-operating income	741,246	451,034
Non-operating expenses		
Interest expenses	7,485	6,222
Loss on retirement of non-current assets	2,100	20,752
Other	125	256
Total non-operating expenses	9,710	27,231
Ordinary profit	1,718,285	1,298,525
Profit before income taxes	1,718,285	1,298,525
Income taxes - current	668,930	466,959
Income taxes - deferred	(244,132)	(160,891)
Total income taxes	424,797	306,068
Profit	1,293,488	992,456
Profit attributable to owners of parent	1,293,488	992,456

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended April 30

	(Thousand yen)	
	For the three months ended April 30, 2022	For the three months ended April 30, 2023
Profit	1,293,488	992,456
Other comprehensive income		
Valuation difference on available-for-sale securities	680	(1,238)
Foreign currency translation adjustments	58,212	11,834
Remeasurements of defined benefit plans, net of tax	901	874
Share of other comprehensive income of entities accounted for using equity method	241,452	(89,159)
Total other comprehensive income	301,246	(77,689)
Comprehensive income	1,594,734	914,767
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,594,734	914,767
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the three months ended April 30, 2022	For the three months ended April 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,718,285	1,298,525
Depreciation	288,440	319,457
Increase (decrease) in provision for bonuses	128,642	70,084
Interest and dividend income	(38)	(63)
Interest expenses	7,485	6,222
Share of loss (profit) of entities accounted for using equity method	(449,956)	(389,517)
Decrease (increase) in notes and accounts receivable - trade	(620,145)	80,865
Decrease (increase) in inventories	(332,924)	(403,086)
Increase (decrease) in notes and accounts payable - trade	58,683	(412,069)
Decrease/increase in consumption taxes receivable/payable	(27,594)	172,674
Increase (decrease) in accounts payable - other	45,822	94,536
Decrease (increase) in other current assets	123,790	103,199
Increase (decrease) in other current liabilities	59,945	51,309
Increase (decrease) in other non-current liabilities	2,669	3,222
Other, net	(160,221)	(48,215)
Subtotal	842,883	947,146
Interest and dividend income received	3,891,757	2,541,557
Interest expenses paid	(7,279)	(6,104)
Income taxes paid	(929,202)	(862,697)
Income taxes refund	1,655	-
Net cash provided by (used in) operating activities	3,799,816	2,619,901
Cash flows from investing activities		
Purchase of investment securities	(299)	(299)
Purchase of property, plant and equipment	(347,525)	(225,608)
Purchase of intangible assets	(19,472)	(16,610)
Net cash provided by (used in) investing activities	(367,297)	(242,518)
Cash flows from financing activities		
Repayments of long-term loans payable	(241,042)	(196,848)
Repayments of lease obligations	(22,582)	(23,509)
Cash dividends paid	(608,952)	(910,949)
Net cash provided by (used in) financing activities	(872,577)	(1,131,306)
Effect of exchange rate change on cash and cash equivalents	17,960	4,004
Net increase (decrease) in cash and cash equivalents	2,577,902	1,250,081
Cash and cash equivalents at beginning of period	8,034,494	11,137,800
Cash and cash equivalents at end of period	10,612,396	12,387,881