

Consolidated Financial Results for the Three Months Ended April 30, 2018



[Japanese GAAP]

May 31, 2018

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, 2018
 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, 2018 (February 1, 2018 to April 30, 2018)

(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, 2018	1,924	-	535	-	536	-	372	-
April 30, 2017	-	-	-	-	-	-	-	-

(Note) Comprehensive income: Three months ended April 30, 2018: ¥330 million (- %)
 Three months ended April 30, 2017: ¥ - million (- %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended April 30, 2018	47.72	-
April 30, 2017	-	-

(Note) Since the Company began preparing quarterly consolidated financial statements from the three months ended April 30, 2018, figures for the three months ended April 30, 2017, and year-on-year changes are not shown above.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2018	9,351	5,183	55.4
As of January 31, 2018	-	-	-

(Reference) Equity: As of April 30, 2018: ¥5,183 million
 As of January 31, 2018: ¥ - million

(Note) Since the Company began preparing quarterly consolidated financial statements from the three months ended April 30, 2018, figures as of January 31, 2018 are not shown above.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended January 31, 2018	Yen -	Yen 0.00	Yen -	Yen 21.00	Yen 21.00
Fiscal year ending January 31, 2019	-				
Fiscal year ending January 31, 2019 (Forecast)		0.00	-	26.00	26.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2019 (February 1, 2018 to January 31, 2019)

(% 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	3,570	-	890	-	900	-	620	79.37
Full year	7,490	-	1,910	-	1,940	-	1,330	170.25

(Notes) Revision of financial results forecast from recently announced figures: None

Since the Company began preparing quarterly consolidated financial statements from the three months ended April 30, 2018, year-on-year changes for the full year and first half are not shown above.

*** 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, 2018: 7,812,160 shares

As of January 31, 2018: 7,812,160 shares

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

As of April 30, 2018: 200 shares

As of January 31, 2018: 200 shares

3) Average number of shares during the period:

Three months ended April 30, 2018: 7,811,960 shares

Three months ended April 30, 2017: 7,812,087 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.

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

As of April 30, 2018

Assets	
Current assets	
Cash and deposits	790,136
Notes and accounts receivable - trade	1,856,425
Electronically recorded monetary claims - operating	977,312
Merchandise and finished goods	24,800
Work in process	381,299
Raw materials and supplies	413,521
Other	115,630
Total current assets	4,559,125
Non-current assets	
Property, plant and equipment	
Buildings and structures	2,568,228
Accumulated depreciation	(826,732)
Buildings and structures, net	1,741,495
Machinery, equipment and vehicles	1,823,906
Accumulated depreciation	(911,402)
Machinery, equipment and vehicles, net	912,504
Tools, furniture and fixtures	1,602,899
Accumulated depreciation	(1,097,509)
Tools, furniture and fixtures, net	505,390
Land	608,641
Other	146,536
Accumulated depreciation	(5,238)
Other, net	141,298
Total property, plant and equipment	3,909,330
Intangible assets	54,786
Investments and other assets	828,397
Total non-current assets	4,792,514
Total assets	9,351,640
Liabilities	
Current liabilities	
Accounts payable - trade	423,275
Short-term loans payable	680,000
Current portion of long-term loans payable	646,298
Income taxes payable	187,906
Provision for bonuses	122,705
Other	741,035
Total current liabilities	2,801,221
Non-current liabilities	
Long-term loans payable	1,293,573
Net defined benefit liability	71,711
Other	1,222
Total non-current liabilities	1,366,506
Total liabilities	4,167,728

(Thousand yen)

As of April 30, 2018

Net assets	
Shareholders' equity	
Capital stock	808,912
Capital surplus	709,912
Retained earnings	3,655,823
Treasury shares	(421)
Total shareholders' equity	5,174,227
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	4,221
Foreign currency translation adjustments	21,171
Remeasurements of defined benefit plans	(15,708)
Total accumulated other comprehensive income	9,684
Total net assets	5,183,911
Total liabilities and net assets	9,351,640

(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, 2018
Net sales	1,924,581
Cost of sales	1,068,817
Gross profit	855,763
Selling, general and administrative expenses	320,746
Operating profit	535,016
Non-operating income	
Interest income	4
Share of profit of entities accounted for using equity method	12,118
Other	750
Total non-operating income	12,873
Non-operating expenses	
Interest expenses	2,675
Foreign exchange losses	8,262
Other	760
Total non-operating expenses	11,698
Ordinary profit	536,192
Profit before income taxes	536,192
Income taxes - current	174,241
Income taxes - deferred	(10,813)
Total income taxes	163,428
Profit	372,764
Profit attributable to owners of parent	372,764

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended April 30

	(Thousand yen)
	For the three months ended April 30, 2018
Profit	372,764
Other comprehensive income	
Valuation difference on available-for-sale securities	898
Foreign currency translation adjustments	(445)
Remeasurements of defined benefit plans, net of tax	882
Share of other comprehensive income of entities accounted for using equity method	(43,282)
Total other comprehensive income	(41,947)
Comprehensive income	330,817
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	330,817
Comprehensive income attributable to non-controlling interests	-

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the three months ended April 30, 2018
Cash flows from operating activities	
Profit before income taxes	536,192
Depreciation	111,227
Increase (decrease) in provision for bonuses	61,286
Interest and dividend income	(4)
Interest expenses	2,675
Share of loss (profit) of entities accounted for using equity method	(12,118)
Decrease (increase) in notes and accounts receivable - trade	(468,783)
Decrease (increase) in inventories	16,234
Increase (decrease) in notes and accounts payable - trade	38,417
Decrease/increase in consumption taxes receivable/payable	(24,342)
Increase (decrease) in accounts payable - other	(43,511)
Decrease (increase) in other current assets	49,584
Increase (decrease) in other current liabilities	8,615
Increase (decrease) in other non-current liabilities	1,625
Other, net	(16,322)
Subtotal	260,776
Interest and dividend income received	4
Interest expenses paid	(2,113)
Income taxes paid	(327,534)
Net cash provided by (used in) operating activities	(68,866)
Cash flows from investing activities	
Purchase of investment securities	(299)
Purchase of property, plant and equipment	(541,514)
Purchase of intangible assets	(2,990)
Net cash provided by (used in) investing activities	(544,804)
Cash flows from financing activities	
Net increase (decrease) of short-term loans payable	100,000
Proceeds from long-term loans payable	400,000
Repayments of long-term loans payable	(112,786)
Repayments of lease obligations	(426)
Cash dividends paid	(153,707)
Net cash provided by (used in) financing activities	233,080
Effect of exchange rate change on cash and cash equivalents	(865)
Net increase (decrease) in cash and cash equivalents	(381,456)
Cash and cash equivalents at beginning of period	1,171,593
Cash and cash equivalents at end of period	790,136