

# Consolidated Financial Results for the Three Months Ended April 30, 2019



## [Japanese GAAP]

May 31, 2019

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, 2019  
 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, 2019 (February 1, 2019 to April 30, 2019)

(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, 2019	2,073	7.7	585	9.5	910	69.9	709	90.3
April 30, 2018	1,924	-	535	-	536	-	372	-

(Note) Comprehensive income: Three Months ended April 30, 2019: ¥722 million (118.5 %)  
 Three Months ended April 30, 2018: ¥330 million (- %)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
April 30, 2019	90.80		-	
April 30, 2018	47.72		-	

(Note) Since the Company began preparing quarterly consolidated financial statements from the three months ended April 30, 2018, 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, 2019	12,900	7,396	57.3
As of January 31, 2019	11,094	7,025	63.3

(Reference) Equity: As of April 30, 2019: ¥7,396 million  
 As of January 31, 2019: ¥7,025 million

(Note) Since the beginning of the first quarter of this fiscal year, the Company has been applying the Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28 issued on February.16, 2018). Major business indicators, etc. for the fiscal year ended January 31, 2019 have been retrospectively restated based on the amended standard.

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended January 31, 2019	Yen -	Yen 0.00	Yen -	Yen 45.00	Yen 45.00
Fiscal year ending January 31, 2020	-				
Fiscal year ending January 31, 2020 (Forecast)		0.00	-	48.00	48.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2020 (February 1, 2019 to January 31, 2020)

(% 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	4,220	11.0	1,020	(2.2)	1,390	20.3	1,040	24.3	133.13
Full year	8,830	13.3	2,290	6.4	3,260	11.2	2,470	8.9	316.19

(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, 2019: 7,812,160 shares

As of January 31, 2019: 7,812,160 shares

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

As of April 30, 2019: 311 shares

As of January 31, 2019: 306 shares

3) Average number of shares during the period:

Three months ended April 30, 2019: 7,811,850 shares

Three months ended April 30, 2018: 7,811,960 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, 2019	As of April 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	1,595,747	1,654,937
Notes and accounts receivable - trade	1,808,824	2,078,390
Electronically recorded monetary claims - operating	1,042,313	1,238,075
Merchandise and finished goods	53,020	50,875
Work in process	395,790	400,501
Raw materials and supplies	484,061	545,623
Other	57,599	70,538
Total current assets	5,437,356	6,038,942
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,569,990	2,570,288
Accumulated depreciation	(916,646)	(947,451)
Buildings and structures, net	1,653,343	1,622,837
Machinery, equipment and vehicles	1,876,986	1,922,050
Accumulated depreciation	(1,018,965)	(1,063,650)
Machinery, equipment and vehicles, net	858,020	858,400
Tools, furniture and fixtures	1,738,753	1,813,194
Accumulated depreciation	(1,186,029)	(1,238,429)
Tools, furniture and fixtures, net	552,724	574,765
Land	608,641	714,933
Other	279,630	964,390
Accumulated depreciation	(8,336)	(23,835)
Other, net	271,293	940,554
Total property, plant and equipment	3,944,024	4,711,491
Intangible assets	70,211	193,112
Investments and other assets		
Investment securities	1,595,054	1,905,240
Other	48,287	52,079
Total investments and other assets	1,643,341	1,957,320
Total non-current assets	5,657,577	6,861,924
Total assets	11,094,934	12,900,867

(Thousand yen)

As of January 31, 2019 As of April 30, 2019

Liabilities		
Current liabilities		
Accounts payable - trade	353,684	454,626
Short-term loans payable	580,000	1,180,000
Current portion of long-term loans payable	712,880	747,284
Income taxes payable	401,650	222,681
Provision for bonuses	63,857	157,957
Other	456,628	645,946
Total current liabilities	2,568,700	3,408,495
Non-current liabilities		
Long-term loans payable	1,377,839	1,302,421
Net defined benefit liability	94,188	96,320
Other	28,421	696,665
Total non-current liabilities	1,500,448	2,095,407
Total liabilities	4,069,149	5,503,903
Net assets		
Shareholders' equity		
Capital stock	808,912	808,912
Capital surplus	709,912	709,912
Retained earnings	5,550,282	5,908,074
Treasury shares	(897)	(920)
Total shareholders' equity	7,068,210	7,425,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(4,399)	(5,144)
Foreign currency translation adjustments	(9,382)	3,500
Remeasurements of defined benefit plans	(28,642)	(27,371)
Total accumulated other comprehensive income	(42,424)	(29,015)
Total net assets	7,025,785	7,396,963
Total liabilities and net assets	11,094,934	12,900,867

## (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	For the three months ended April 30, 2019
Net sales	1,924,581	2,073,390
Cost of sales	1,068,817	1,106,116
Gross profit	855,763	967,273
Selling, general and administrative expenses	320,746	381,511
Operating profit	535,016	585,761
Non-operating income		
Interest income	4	5
Share of profit of entities accounted for using equity method	12,118	309,192
Other	750	22,623
Total non-operating income	12,873	331,821
Non-operating expenses		
Interest expenses	2,675	6,562
Foreign exchange losses	8,262	-
Other	760	206
Total non-operating expenses	11,698	6,768
Ordinary profit	536,192	910,814
Profit before income taxes	536,192	910,814
Income taxes - current	174,241	205,722
Income taxes - deferred	(10,813)	(4,233)
Total income taxes	163,428	201,489
Profit	372,764	709,325
Profit attributable to owners of parent	372,764	709,325

Quarterly Consolidated Statements of Comprehensive Income  
 Three Months Ended April 30

(Thousand yen)

	For the three months ended April 30, 2018	For the three months ended April 30, 2019
Profit	372,764	709,325
Other comprehensive income		
Valuation difference on available-for-sale securities	898	(745)
Foreign currency translation adjustments	(445)	6,233
Remeasurements of defined benefit plans, net of tax	882	1,271
Share of other comprehensive income of entities accounted for using equity method	(43,282)	6,649
Total other comprehensive income	(41,947)	13,409
Comprehensive income	330,817	722,734
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	330,817	722,734
Comprehensive income attributable to non-controlling interests	-	-

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the three months ended April 30, 2018	For the three months ended April 30, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	536,192	910,814
Depreciation	111,227	152,581
Increase (decrease) in provision for bonuses	61,286	94,083
Interest and dividend income	(4)	(5)
Interest expenses	2,675	6,562
Share of loss (profit) of entities accounted for using equity method	(12,118)	(309,192)
Decrease (increase) in notes and accounts receivable - trade	(468,783)	(465,117)
Decrease (increase) in inventories	16,234	(62,982)
Increase (decrease) in notes and accounts payable - trade	38,417	100,932
Decrease/increase in consumption taxes receivable/payable	(24,342)	16,259
Increase (decrease) in accounts payable - other	(43,511)	7,171
Decrease (increase) in other current assets	49,584	15,443
Increase (decrease) in other current liabilities	8,615	18,154
Increase (decrease) in other non-current liabilities	1,625	2,132
Other, net	(16,322)	(4,773)
<b>Subtotal</b>	<b>260,776</b>	<b>482,063</b>
Interest and dividend income received	4	5
Interest expenses paid	(2,113)	(5,884)
Income taxes paid	(327,534)	(373,555)
<b>Net cash provided by (used in) operating activities</b>	<b>(68,866)</b>	<b>102,628</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(299)	(299)
Purchase of property, plant and equipment	(541,514)	(261,266)
Purchase of intangible assets	(2,990)	(3,792)
<b>Net cash provided by (used in) investing activities</b>	<b>(544,804)</b>	<b>(265,357)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) of short-term loans payable	100,000	600,000
Proceeds from long-term loans payable	400,000	100,000
Repayments of long-term loans payable	(112,786)	(141,014)
Repayments of lease obligations	(426)	(14,697)
Purchase of treasury shares	-	(23)
Cash dividends paid	(153,707)	(328,864)
<b>Net cash provided by (used in) financing activities</b>	<b>233,080</b>	<b>215,400</b>
Effect of exchange rate change on cash and cash equivalents	(865)	6,518
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(381,456)</b>	<b>59,190</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,171,593</b>	<b>1,595,747</b>
<b>Cash and cash equivalents at end of period</b>	<b>790,136</b>	<b>1,654,937</b>