

# Consolidated Financial Results for the Nine Months Ended October 31, 2019



## [Japanese GAAP]

November 29, 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: December 13, 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 Nine Months Ended October 31, 2019 (February 1, 2019 to October 31, 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	%
Nine months ended								
October 31, 2019	6,115	5.8	1,673	5.4	2,651	27.5	2,063	32.4
October 31, 2018	5,778	-	1,586	-	2,079	-	1,558	-

(Note) Comprehensive income: Nine months ended October 31, 2019: ¥1,902 million (24.1 %)  
 Nine months ended October 31, 2018: ¥1,532 million (- %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
October 31, 2019	264.18	-
October 31, 2018	199.54	-

(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 October 31, 2019	14,093	8,576	60.9
As of January 31, 2019	11,094	7,025	63.3

(Reference) Equity: As of October 31, 2019: ¥8,576 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	-	0.00	-		
Fiscal year ending January 31, 2020 (Forecast)				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
Full year	8,830	13.3	2,290	6.4	3,260	11.2	2,470	8.9	316.19

(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 October 31, 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 October 31, 2019: 353 shares

As of January 31, 2019: 306 shares

3) Average number of shares during the period:

Nine months ended October 31, 2019: 7,811,836 shares

Nine months ended October 31, 2018: 7,811,949 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 January 31, 2019	As of October 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	1,595,747	2,014,703
Notes and accounts receivable - trade	1,808,824	1,986,994
Electronically recorded monetary claims - operating	1,042,313	964,297
Merchandise and finished goods	53,020	39,326
Work in process	395,790	481,594
Raw materials and supplies	484,061	636,309
Other	57,599	116,417
Total current assets	5,437,356	6,239,644
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,569,990	2,588,182
Accumulated depreciation	(916,646)	(1,009,289)
Buildings and structures, net	1,653,343	1,578,892
Machinery, equipment and vehicles	1,876,986	2,008,353
Accumulated depreciation	(1,018,965)	(1,156,926)
Machinery, equipment and vehicles, net	858,020	851,427
Tools, furniture and fixtures	1,738,753	1,935,404
Accumulated depreciation	(1,186,029)	(1,336,141)
Tools, furniture and fixtures, net	552,724	599,263
Land	608,641	714,933
Other	279,630	1,575,272
Accumulated depreciation	(8,336)	(62,140)
Other, net	271,293	1,513,131
Total property, plant and equipment	3,944,024	5,257,648
Intangible assets	70,211	200,362
Investments and other assets		
Investment securities	1,595,054	2,363,839
Other	48,287	32,317
Total investments and other assets	1,643,341	2,396,157
Total non-current assets	5,657,577	7,854,168
Total assets	11,094,934	14,093,813

(Thousand yen)

	As of January 31, 2019	As of October 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	353,684	387,147
Short-term loans payable	580,000	780,000
Current portion of long-term loans payable	712,880	593,542
Income taxes payable	401,650	282,159
Provision for bonuses	63,857	192,835
Other	456,628	857,933
<b>Total current liabilities</b>	<b>2,568,700</b>	<b>3,093,617</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,377,839	1,667,454
Net defined benefit liability	94,188	100,585
Other	28,421	655,380
<b>Total non-current liabilities</b>	<b>1,500,448</b>	<b>2,423,419</b>
<b>Total liabilities</b>	<b>4,069,149</b>	<b>5,517,036</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	808,912	808,912
Capital surplus	709,912	709,912
Retained earnings	5,550,282	7,262,481
Treasury shares	(897)	(1,150)
<b>Total shareholders' equity</b>	<b>7,068,210</b>	<b>8,780,156</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(4,399)	(7,050)
Foreign currency translation adjustments	(9,382)	(171,502)
Remeasurements of defined benefit plans	(28,642)	(24,827)
<b>Total accumulated other comprehensive income</b>	<b>(42,424)</b>	<b>(203,380)</b>
<b>Total net assets</b>	<b>7,025,785</b>	<b>8,576,776</b>
<b>Total liabilities and net assets</b>	<b>11,094,934</b>	<b>14,093,813</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2018	For the nine months ended October 31, 2019
Net sales	5,778,613	6,115,973
Cost of sales	3,159,765	3,217,018
Gross profit	2,618,848	2,898,955
Selling, general and administrative expenses	1,031,894	1,225,843
Operating profit	1,586,953	1,673,111
Non-operating income		
Interest income	32	115
Dividend income	140	152
Share of profit of entities accounted for using equity method	492,517	945,967
Other	14,387	57,729
Total non-operating income	507,077	1,003,964
Non-operating expenses		
Interest expenses	8,934	24,383
Foreign exchange losses	4,725	-
Other	803	1,188
Total non-operating expenses	14,462	25,571
Ordinary profit	2,079,568	2,651,504
Profit before income taxes	2,079,568	2,651,504
Income taxes - current	528,119	573,626
Income taxes - deferred	(7,366)	14,144
Total income taxes	520,753	587,771
Profit	1,558,815	2,063,733
Profit attributable to owners of parent	1,558,815	2,063,733

Quarterly Consolidated Statements of Comprehensive Income  
 Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2018	For the nine months ended October 31, 2019
Profit	1,558,815	2,063,733
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,758)	(2,650)
Foreign currency translation adjustments	(6,322)	3,203
Remeasurements of defined benefit plans, net of tax	2,646	3,814
Share of other comprehensive income of entities accounted for using equity method	(16,646)	(165,322)
Total other comprehensive income	(26,081)	(160,955)
Comprehensive income	1,532,733	1,902,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,532,733	1,902,777
Comprehensive income attributable to non-controlling interests	-	-

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the nine months ended October 31, 2018	For the nine months ended October 31, 2019
Cash flows from operating activities		
Profit before income taxes	2,079,568	2,651,504
Depreciation	356,375	476,217
Increase (decrease) in provision for bonuses	115,678	128,835
Interest and dividend income	(172)	(267)
Interest expenses	8,934	24,383
Share of loss (profit) of entities accounted for using equity method	(492,517)	(945,967)
Decrease (increase) in notes and accounts receivable - trade	(381,015)	(100,054)
Decrease (increase) in inventories	(141,455)	(223,173)
Increase (decrease) in notes and accounts payable - trade	(30,148)	33,422
Decrease/increase in consumption taxes receivable/payable	2,828	16,414
Increase (decrease) in accounts payable - other	(30,050)	6,616
Decrease (increase) in other current assets	40,574	(31,706)
Increase (decrease) in other current liabilities	(4,287)	(3,588)
Increase (decrease) in other non-current liabilities	180	6,396
Other, net	(9,012)	(479)
Subtotal	1,515,479	2,038,553
Interest and dividend income received	172	267
Interest expenses paid	(8,941)	(24,397)
Income taxes paid	(574,410)	(686,134)
Income taxes refund	-	180
Net cash provided by (used in) operating activities	932,300	1,328,469
Cash flows from investing activities		
Purchase of investment securities	(899)	(899)
Purchase of property, plant and equipment	(1,076,632)	(743,767)
Purchase of intangible assets	(21,319)	(138,440)
Net cash provided by (used in) investing activities	(1,098,852)	(883,107)
Cash flows from financing activities		
Net increase (decrease) of short-term loans payable	-	200,000
Proceeds from long-term loans payable	1,020,000	730,000
Repayments of long-term loans payable	(500,414)	(559,723)
Repayments of lease obligations	(2,144)	(53,719)
Purchase of treasury shares	(342)	(253)
Cash dividends paid	(164,019)	(349,814)
Net cash provided by (used in) financing activities	353,079	(33,511)
Effect of exchange rate change on cash and cash equivalents	(6,925)	7,106
Net increase (decrease) in cash and cash equivalents	179,602	418,956
Cash and cash equivalents at beginning of period	1,171,593	1,595,747
Cash and cash equivalents at end of period	1,351,195	2,014,703