

**Non-consolidated Financial Results  
for the Fiscal Year Ended January 31, 2018  
[Japanese GAAP]**



March 15, 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 Annual General Meeting of Shareholders: April 26, 2018

Scheduled date of filing annual securities report: April 27, 2018

Scheduled date of commencing dividend payments: April 27, 2018

Availability of supplementary briefing material on annual financial results: Not available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2018 (February 1, 2017 to January 31, 2018)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2018	6,445	17.8	1,598	63.6	1,622	66.4	1,145	49.3
January 31, 2017	5,469	10.4	976	35.4	975	40.7	767	62.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
January 31, 2018	146.65	-	25.0	20.2	24.8
January 31, 2017	98.30	-	20.6	15.0	17.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2018: ¥(108) million  
Fiscal year ended January 31, 2017: ¥- million

(Note) Diluted earnings per share are not shown above because there were no diluted shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2018	9,032	5,089	56.3	651.47
As of January 31, 2017	7,055	4,071	57.7	521.14

(Reference) Equity: As of January 31, 2018: ¥5,089 million

As of January 31, 2017: ¥4,071 million

(3) Non-consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
January 31, 2018	1,135	(1,536)	38	1,134
January 31, 2017	1,483	(1,009)	190	1,495

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (non-consolidated)	Dividends to net assets (non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
January 31, 2017	-	0.00	-	16.00	16.00	124	16.3	3.4
January 31, 2018	-	0.00	-	21.00	21.00	164	14.3	3.6
Fiscal year ending January 31, 2019 (Forecast)	-	0.00	-	26.00	26.00		15.3	

(Note) Since the Company began financial reporting on a consolidated basis from February 1, 2018, dividends forecast for the fiscal year ending January 31, 2019 is calculated based on consolidated financial results forecast.

## 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) 1. Since the Company began financial reporting on a consolidated basis from February 1, 2018, financial results forecast has been changed to consolidated financial results forecast.

2. Since the Company will prepare quarterly consolidated financial statements from the first quarter of the fiscal year ending January 31, 2019, changes from the previous corresponding period are not shown above.

### \* Notes:

(1) 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

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

January 31, 2018: 7,812,160 shares

January 31, 2017: 7,812,160 shares

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

January 31, 2018: 200 shares

January 31, 2017: 73 shares

3) Average number of shares during the period:

Fiscal year ended January 31, 2018: 7,812,012 shares

Fiscal year ended January 31, 2017: 7,805,770 shares

\* These financial results are outside the scope of audit

\* 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 March 20, 2018. Financial results materials to be used at the briefing will be available on the Company's website immediately after the session.

## Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2017	As of January 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	1,495,821	1,134,240
Notes receivable - trade	126,291	126,425
Electronically recorded monetary claims - operating	494,306	845,253
Accounts receivable - trade	1,183,912	1,393,276
Merchandise and finished goods	12,174	27,637
Work in process	260,869	334,404
Raw materials and supplies	394,054	473,813
Prepaid expenses	19,492	17,269
Deferred tax assets	33,061	43,128
Other	21,242	91,008
Total current assets	4,041,226	4,486,457
Non-current assets		
Property, plant and equipment		
Buildings	1,379,746	1,705,437
Accumulated depreciation	(642,774)	(703,847)
Buildings, net	736,972	1,001,590
Structures	158,075	162,547
Accumulated depreciation	(88,740)	(98,755)
Structures, net	69,334	63,792
Machinery and equipment	1,557,921	1,601,478
Accumulated depreciation	(742,522)	(866,875)
Machinery and equipment, net	815,398	734,603
Vehicles	5,806	5,806
Accumulated depreciation	(4,489)	(5,097)
Vehicles, net	1,316	708
Tools, furniture and fixtures	1,289,798	1,525,159
Accumulated depreciation	(951,578)	(1,058,650)
Tools, furniture and fixtures, net	338,219	466,509
Land	608,641	608,641
Leased assets	12,298	7,890
Accumulated depreciation	(7,527)	(4,843)
Leased assets, net	4,771	3,046
Construction in progress	60,883	680,475
Total property, plant and equipment	2,635,537	3,559,367
Intangible assets		
Software	1,106	10,521
Other	2,908	35,108
Total intangible assets	4,015	45,630
Investments and other assets		
Investment securities	19,875	18,391
Shares of subsidiaries and associates	340,299	905,945
Deferred tax assets	11,727	13,959
Other	2,498	2,524
Total investments and other assets	374,400	940,820
Total non-current assets	3,013,953	4,545,817
Total assets	7,055,179	9,032,275

(Thousand yen)

	As of January 31, 2017	As of January 31, 2018
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	292,309	384,858
Short-term loans payable	580,000	580,000
Current portion of long-term loans payable	450,178	531,752
Lease obligations	1,858	1,704
Accounts payable - other	236,017	747,095
Accrued expenses	42,662	49,591
Income taxes payable	204,559	357,567
Advances received	10,864	5,075
Deposits received	16,864	30,758
Provision for bonuses	45,932	61,419
Other	21,909	24,301
Total current liabilities	1,903,155	2,774,122
Non-current liabilities		
Long-term loans payable	1,036,834	1,120,905
Lease obligations	3,352	1,648
Provision for retirement benefits	40,682	46,344
Total non-current liabilities	1,080,869	1,168,897
Total liabilities	2,984,024	3,943,020
<b>Net assets</b>		
Shareholders' equity		
Capital stock	808,912	808,912
Capital surplus		
Legal capital surplus	709,912	709,912
Total capital surpluses	709,912	709,912
Retained earnings		
Legal retained earnings	5,194	5,194
Other retained earnings		
Retained earnings brought forward	2,541,667	3,562,332
Total retained earnings	2,546,861	3,567,526
Treasury shares	(18)	(421)
Total shareholders' equity	4,065,668	5,085,930
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,486	3,323
Total valuation and translation adjustments	5,486	3,323
Total net assets	4,071,154	5,089,254
Total liabilities and net assets	7,055,179	9,032,275

## (2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended January 31, 2017	For the fiscal year ended January 31, 2018
Net sales	5,469,985	6,445,728
Cost of sales		
Beginning finished goods	8,840	12,174
Cost of products manufactured	3,299,943	3,574,147
Total	3,308,784	3,586,321
Ending finished goods	12,174	27,637
Total cost of sales	3,296,609	3,558,683
Gross profit	2,173,375	2,887,045
Selling, general and administrative expenses	1,196,387	1,288,842
Operating profit	976,987	1,598,202
Non-operating income		
Interest income	73	39
Dividend income	340	306
Royalty income	—	35,961
Foreign exchange gains	3,621	—
Other	7,690	7,565
Total non-operating income	11,724	43,872
Non-operating expenses		
Interest expenses	12,574	11,096
Loss on retirement of non-current assets	646	3,739
Foreign exchange losses	—	4,439
Other	—	0
Total non-operating expenses	13,220	19,276
Ordinary profit	975,492	1,622,799
Extraordinary income		
Gain on sales of investment securities	142,858	—
Subsidy income	—	38,520
Total extraordinary income	142,858	38,520
Extraordinary losses		
Loss on reduction of non-current assets	—	36,985
Total extraordinary losses	—	36,985
Profit before income taxes	1,118,350	1,624,333
Income taxes - current	319,173	490,447
Income taxes - deferred	31,871	(11,771)
Total income taxes	351,045	478,675
Profit	767,305	1,145,658

## (3) Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended January 31, 2017

(Thousand yen)

	Shareholders' equity							Valuation and translation adjustments	Total net assets
	Capital stock	Capital surplus	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
		Legal capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of current period	805,392	706,392	5,194	1,852,162	1,857,356	(18)	3,369,123	6,115	3,375,239
Changes of items during period									
Issuance of new shares	3,520	3,520					7,040		7,040
Dividends of surplus				(77,800)	(77,800)		(77,800)		(77,800)
Purchase of treasury shares						—	—		—
Profit				767,305	767,305		767,305		767,305
Net changes of items other than shareholders' equity								(629)	(629)
Total changes of items during period	3,520	3,520	—	689,504	689,504	—	696,544	(629)	695,915
Balance at end of current period	808,912	709,912	5,194	2,541,667	2,546,861	(18)	4,065,668	5,486	4,071,154

For the fiscal year ended January 31, 2018

(Thousand yen)

	Shareholders' equity							Valuation and translation adjustments	Total net assets
	Capital stock	Capital surplus	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
		Legal capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of current period	808,912	709,912	5,194	2,541,667	2,546,861	(18)	4,065,668	5,486	4,071,154
Changes of items during period									
Issuance of new shares	—	—					—		—
Dividends of surplus				(124,993)	(124,993)		(124,993)		(124,993)
Purchase of treasury shares						(402)	(402)		(402)
Profit				1,145,658	1,145,658		1,145,658		1,145,658
Net changes of items other than shareholders' equity								(2,162)	(2,162)
Total changes of items during period	—	—	—	1,020,664	1,020,664	(402)	1,020,262	(2,162)	1,018,099
Balance at end of current period	808,912	709,912	5,194	3,562,332	3,567,526	(421)	5,085,930	3,323	5,089,254

## (4) Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31, 2017	For the fiscal year ended January 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,118,350	1,624,333
Depreciation	337,654	372,972
Increase (decrease) in provision for bonuses	191	15,486
Interest and dividend income	(413)	(345)
Interest expenses	12,574	11,096
Loss (gain) on sales of investment securities	(142,858)	—
Subsidy income	—	(38,520)
Loss on reduction of non-current assets	—	36,985
Decrease (increase) in notes and accounts receivable - trade	398,508	(560,444)
Decrease (increase) in inventories	(34,438)	(168,668)
Increase (decrease) in notes and accounts payable - trade	56,818	92,549
Decrease/increase in consumption taxes receivable/payable	861	18,212
Increase (decrease) in accounts payable - other	41,965	83,221
Decrease (increase) in other current assets	13,541	(67,895)
Increase (decrease) in other current liabilities	(38,560)	17,235
Increase (decrease) in other non-current liabilities	7,873	5,661
Other, net	8,073	18,733
Subtotal	1,780,140	1,460,614
Interest and dividend income received	413	345
Interest expenses paid	(12,876)	(11,147)
Income taxes paid	(283,809)	(353,089)
Proceeds from subsidy income	—	38,520
Net cash provided by (used in) operating activities	1,483,868	1,135,242
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(1,201)	(1,204)
Proceeds from sales of investment securities	173,578	—
Purchase of property, plant and equipment	(856,054)	(929,328)
Purchase of intangible assets	—	(40,204)
Purchase of shares of subsidiaries and associates	(325,599)	(565,646)
Net cash provided by (used in) investing activities	(1,009,276)	(1,536,384)
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans payable	700,000	700,000
Repayments of long-term loans payable	(436,533)	(534,355)
Repayments of lease obligations	(2,768)	(1,858)
Proceeds from issuance of common shares	7,040	—
Purchase of treasury shares	—	(402)
Cash dividends paid	(77,512)	(124,651)
Net cash provided by (used in) financing activities	190,226	38,732
Effect of exchange rate change on cash and cash equivalents	116	827
Net increase (decrease) in cash and cash equivalents	664,934	(361,580)
Cash and cash equivalents at beginning of period	830,886	1,495,821
Cash and cash equivalents at end of period	1,495,821	1,134,240