

Consolidated Financial Results for the Nine Months Ended October 31, 2018



[Japanese GAAP]

November 30, 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: December 14, 2018
 Scheduled date of commencing dividend payments: —
 Availability of supplementary briefing material on quarterly financial results: Not available
 Schedule of quarterly financial 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, 2018 (February 1, 2018 to October 31, 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	%
Nine months ended October 31, 2018	5,778	-	1,586	-	2,079	-	1,558	-
October 31, 2017	-	-	-	-	-	-	-	-

(Note) Comprehensive income: Nine months ended October 31, 2018: ¥1,532 million (- %)
 Nine months ended October 31, 2017: ¥ - million (- %)

	Basic earnings per share	Diluted earnings per share
Nine months ended October 31, 2018	Yen 199.54	Yen -
October 31, 2017	-	-

(Note) Since the Company began preparing quarterly consolidated financial statements from the three months ended April 30, 2018, figures for the nine months ended October 31, 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 October 31, 2018	10,476	6,385	61.0
As of January 31, 2018	-	-	-

(Reference) Equity: As of October 31, 2018: ¥6,385 million
 As of January 31, 2019: ¥ - 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	-	0.00	-		
Fiscal year ending January 31, 2019 (Forecast)				45.00	45.00

(Note) Revision of dividend forecasts from recently announced figures: Yes

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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	7,770	-	2,140	-	2,990	-	2,280	-	291.86

(Notes) Revision of financial results forecast from recently announced figures: Yes

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.

*** 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, 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 October 31, 2018: 275 shares

As of January 31, 2018: 200 shares

3) Average number of shares during the period:

Nine months ended October 31, 2018: 7,811,949 shares

Nine months ended October 31, 2017: 7,812,030 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 October 31, 2018

Assets	
Current assets	
Cash and deposits	1,351,195
Notes and accounts receivable - trade	1,774,032
Electronically recorded monetary claims - operating	971,956
Merchandise and finished goods	56,614
Work in process	417,419
Raw materials and supplies	503,279
Other	121,862
Total current assets	5,196,360
Non-current assets	
Property, plant and equipment	
Buildings and structures	2,574,759
Accumulated depreciation	(888,680)
Buildings and structures, net	1,686,078
Machinery, equipment and vehicles	1,852,186
Accumulated depreciation	(988,759)
Machinery, equipment and vehicles, net	863,426
Tools, furniture and fixtures	1,702,494
Accumulated depreciation	(1,187,107)
Tools, furniture and fixtures, net	515,387
Land	608,641
Other	234,877
Accumulated depreciation	(6,880)
Other, net	227,996
Total property, plant and equipment	3,901,531
Intangible assets	69,631
Investments and other assets	
Investment securities	1,302,953
Other	5,562
Total investments and other assets	1,308,515
Total non-current assets	5,279,678
Total assets	10,476,039
Liabilities	
Current liabilities	
Accounts payable - trade	354,712
Short-term loans payable	580,000
Current portion of long-term loans payable	709,161
Income taxes payable	300,201
Provision for bonuses	177,103
Other	402,474
Total current liabilities	2,523,652
Non-current liabilities	
Long-term loans payable	1,463,082
Net defined benefit liability	70,267
Other	33,551
Total non-current liabilities	1,566,900
Total liabilities	4,090,553

(Thousand yen)

As of October 31, 2018

Net assets	
Shareholders' equity	
Capital stock	808,912
Capital surplus	709,912
Retained earnings	4,841,874
Treasury shares	(763)
Total shareholders' equity	6,359,936
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	(2,435)
Foreign currency translation adjustments	41,929
Remeasurements of defined benefit plans	(13,944)
Total accumulated other comprehensive income	25,550
Total net assets	6,385,486
Total liabilities and net assets	10,476,039

(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
Net sales	5,778,613
Cost of sales	3,159,765
Gross profit	2,618,848
Selling, general and administrative expenses	1,031,894
Operating profit	1,586,953
Non-operating income	
Interest income	32
Dividend income	140
Share of profit of entities accounted for using equity method	492,517
Other	14,387
Total non-operating income	507,077
Non-operating expenses	
Interest expenses	8,934
Foreign exchange losses	4,725
Other	803
Total non-operating expenses	14,462
Ordinary profit	2,079,568
Profit before income taxes	2,079,568
Income taxes - current	528,119
Income taxes - deferred	(7,366)
Total income taxes	520,753
Profit	1,558,815
Profit attributable to owners of parent	1,558,815

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended October 31

(Thousand yen)

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

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the nine months ended October 31, 2018
Cash flows from operating activities	
Profit before income taxes	2,079,568
Depreciation	356,375
Increase (decrease) in provision for bonuses	115,678
Interest and dividend income	(172)
Interest expenses	8,934
Share of loss (profit) of entities accounted for using equity method	(492,517)
Decrease (increase) in notes and accounts receivable - trade	(381,015)
Decrease (increase) in inventories	(141,455)
Increase (decrease) in notes and accounts payable - trade	(30,148)
Decrease/increase in consumption taxes receivable/payable	2,828
Increase (decrease) in accounts payable - other	(30,050)
Decrease (increase) in other current assets	40,574
Increase (decrease) in other current liabilities	(4,287)
Increase (decrease) in other non-current liabilities	180
Other, net	(9,012)
Subtotal	1,515,479
Interest and dividend income received	172
Interest expenses paid	(8,941)
Income taxes paid	(574,410)
Net cash provided by (used in) operating activities	932,300
Cash flows from investing activities	
Purchase of investment securities	(899)
Purchase of property, plant and equipment	(1,076,632)
Purchase of intangible assets	(21,319)
Net cash provided by (used in) investing activities	(1,098,852)
Cash flows from financing activities	
Proceeds from long-term loans payable	1,020,000
Repayments of long-term loans payable	(500,414)
Repayments of lease obligations	(2,144)
Purchase of treasury shares	(342)
Cash dividends paid	(164,019)
Net cash provided by (used in) financing activities	353,079
Effect of exchange rate change on cash and cash equivalents	(6,925)
Net increase (decrease) in cash and cash equivalents	179,602
Cash and cash equivalents at beginning of period	1,171,593
Cash and cash equivalents at end of period	1,351,195