

Consolidated Financial Results for the Six Months Ended July 31, 2021



[Japanese GAAP]

August 31, 2021

Company name: Tri Chemical Laboratories Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4369
 URL: <http://www.trichemical.com>
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 Scheduled date of filing quarterly securities report: September 14, 2021
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Not available
 Scheduled date of quarterly results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended July 31, 2021 (February 1, 2021 to July 31, 2021)

(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	%
Six months ended July 31, 2021	5,367	11.5	1,457	(5.8)	2,448	6.6	1,881	4.7
July 31, 2020	4,812	15.9	1,547	34.1	2,296	29.2	1,796	30.3

(Note) Comprehensive income: Six months ended July 31, 2021: ¥2,064 million (24.5%)
 Six months ended July 31, 2020: ¥1,658 million (28.8%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2021	58.20	-
July 31, 2020	57.49	-

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. Accordingly, the figures for basic earnings per share have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended January 31, 2021. Diluted earnings per share are not presented as there were no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2021	25,460	19,074	74.9
As of January 31, 2021	19,867	12,601	63.4

(Reference) Equity: As of July 31, 2021: ¥19,074 million
 As of January 31, 2021: ¥12,601 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2021	-	0.00	-	68.00	68.00
Fiscal year ending January 31, 2022	-	0.00			
Fiscal year ending January 31, 2022 (Forecast)			-	17.00	17.00

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

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. For the fiscal year ended January 31, 2021, the figures for dividends are presented in amounts of the actual dividends paid, and the figures for dividends for the fiscal year ending January 31, 2022 (forecast) are presented in amounts after the said stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2022 (February 1, 2021 to January 31, 2022)

(% 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	11,000	12.2	2,950	9.6	4,980	15.2	3,880	14.9	119.70

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

* 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 July 31, 2021: 32,498,640 shares

As of January 31, 2021: 31,248,640 shares

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

As of July 31, 2021: 1,580 shares

As of January 31, 2021: 1,580 shares

3) Average number of shares during the period:

Six months ended July 31, 2021: 32,331,314 shares

Six months ended July 31, 2020: 31,247,228 shares

(Note) The Company executed a four-for-one stock split for each common share on February 1, 2021. Accordingly, the total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares during the period have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended January 31, 2021.

* 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.

The Company plans to hold a financial results briefing for institutional investors and analysts on September 3, 2021. Financial results materials to be used at the briefing will be available on the Company's website immediately after the session.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2021	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	1,698,612	6,815,108
Notes and accounts receivable - trade	2,783,207	3,011,288
Electronically recorded monetary claims - operating	1,119,212	851,328
Merchandise and finished goods	13,422	105,474
Work in process	713,613	838,072
Raw materials and supplies	881,878	1,121,749
Other	374,759	223,156
Total current assets	7,584,706	12,966,179
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,020,683	5,129,645
Accumulated depreciation	(1,233,191)	(1,364,424)
Buildings and structures, net	3,787,491	3,765,221
Machinery, equipment and vehicles	2,669,674	3,001,726
Accumulated depreciation	(1,429,693)	(1,560,979)
Machinery, equipment and vehicles, net	1,239,980	1,440,746
Tools, furniture and fixtures	2,195,213	2,469,197
Accumulated depreciation	(1,452,432)	(1,572,396)
Tools, furniture and fixtures, net	742,780	896,800
Land	714,933	714,933
Other	1,556,937	1,183,600
Accumulated depreciation	(162,616)	(201,106)
Other, net	1,394,320	982,493
Total property, plant and equipment	7,879,507	7,800,195
Intangible assets	208,508	188,366
Investments and other assets		
Investment securities	4,147,328	4,408,006
Other	47,708	97,576
Total investments and other assets	4,195,036	4,505,583
Total non-current assets	12,283,053	12,494,146
Total assets	19,867,759	25,460,325

(Thousand yen)

	As of January 31, 2021	As of July 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	525,821	560,220
Short-term loans payable	580,000	-
Current portion of long-term loans payable	615,547	737,790
Income taxes payable	593,172	618,238
Provision for bonuses	76,084	118,208
Other	899,835	856,107
Total current liabilities	3,290,460	2,890,564
Non-current liabilities		
Long-term loans payable	3,160,646	2,725,833
Net defined benefit liability	102,327	106,477
Other	712,935	662,682
Total non-current liabilities	3,975,908	3,494,993
Total liabilities	7,266,369	6,385,557
Net assets		
Shareholders' equity		
Capital stock	808,912	3,278,912
Capital surplus	709,912	3,179,912
Retained earnings	11,062,738	12,413,154
Treasury shares	(1,720)	(1,720)
Total shareholders' equity	12,579,843	18,870,259
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(168)	70
Foreign currency translation adjustments	38,500	219,564
Remeasurements of defined benefit plans	(16,785)	(15,127)
Total accumulated other comprehensive income	21,545	204,508
Total net assets	12,601,389	19,074,767
Total liabilities and net assets	19,867,759	25,460,325

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended July 31

(Thousand yen)

	For the six months ended July 31, 2020	For the six months ended July 31, 2021
Net sales	4,812,155	5,367,109
Cost of sales	2,424,506	3,010,714
Gross profit	2,387,649	2,356,395
Selling, general and administrative expenses	840,473	898,659
Operating profit	1,547,176	1,457,735
Non-operating income		
Interest income	52	70
Dividend income	171	196
Share of profit of entities accounted for using equity method	755,448	799,852
Other	71,548	240,544
Total non-operating income	827,220	1,040,664
Non-operating expenses		
Interest expenses	16,598	17,043
Share issuance costs	-	30,545
Foreign exchange losses	48,502	-
Other	12,614	2,016
Total non-operating expenses	77,714	49,606
Ordinary profit	2,296,682	2,448,794
Profit before income taxes	2,296,682	2,448,794
Income taxes - current	496,401	606,727
Income taxes - deferred	3,859	(39,549)
Total income taxes	500,261	567,178
Profit	1,796,421	1,881,615
Profit attributable to owners of parent	1,796,421	1,881,615

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended July 31

(Thousand yen)

	For the six months ended July 31, 2020	For the six months ended July 31, 2021
Profit	1,796,421	1,881,615
Other comprehensive income		
Valuation difference on available-for-sale securities	7,614	239
Foreign currency translation adjustments	(3,031)	31,955
Remeasurements of defined benefit plans, net of tax	1,934	1,658
Share of other comprehensive income of entities accounted for using equity method	(144,780)	149,109
Total other comprehensive income	(138,263)	182,962
Comprehensive income	1,658,157	2,064,577
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,658,157	2,064,577
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended July 31, 2020	For the six months ended July 31, 2021
Cash flows from operating activities		
Profit before income taxes	2,296,682	2,448,794
Depreciation	358,535	487,154
Increase (decrease) in provision for bonuses	40,436	41,868
Interest and dividend income	(224)	(267)
Interest expenses	16,598	17,043
Share issuance costs	-	30,545
Share of loss (profit) of entities accounted for using equity method	(755,448)	(799,852)
Loss (gain) on valuation of investment securities	9,772	-
Decrease (increase) in notes and accounts receivable - trade	(468,349)	47,607
Decrease (increase) in inventories	(286,002)	(455,270)
Increase (decrease) in notes and accounts payable - trade	83,637	26,895
Decrease/increase in consumption taxes receivable/payable	(2,590)	163,670
Increase (decrease) in accounts payable - other	113,246	34,734
Decrease (increase) in other current assets	31,344	(1,474)
Increase (decrease) in other current liabilities	44,104	82,276
Increase (decrease) in other non-current liabilities	(824)	4,150
Other, net	23,160	(73,306)
Subtotal	1,504,079	2,054,568
Interest and dividend income received	308,008	678,003
Interest expenses paid	(16,597)	(17,169)
Income taxes paid	(440,510)	(597,315)
Net cash provided by (used in) operating activities	1,354,979	2,118,087
Cash flows from investing activities		
Purchase of investment securities	(600)	(600)
Purchase of property, plant and equipment	(1,258,238)	(417,487)
Purchase of intangible assets	(27,648)	(42,754)
Net cash provided by (used in) investing activities	(1,286,487)	(460,841)
Cash flows from financing activities		
Net increase (decrease) of short-term loans payable	500,000	(580,000)
Proceeds from long-term loans payable	500,000	-
Repayments of long-term loans payable	(309,162)	(312,570)
Repayments of lease obligations	(40,677)	(43,981)
Proceeds from issuance of shares	-	4,909,454
Cash dividends paid	(453,448)	(530,329)
Net cash provided by (used in) financing activities	196,711	3,442,572
Effect of exchange rate change on cash and cash equivalents	(1,087)	16,676
Net increase (decrease) in cash and cash equivalents	264,116	5,116,495
Cash and cash equivalents at beginning of period	1,618,491	1,698,612
Cash and cash equivalents at end of period	1,882,607	6,815,108