

Tri Chemical Laboratories Inc.

Financial Results for the First Half of the 44th Fiscal Year (Fiscal Year Ending January 31, 2022)

Tokyo Stock Exchange

Stock Exchange Code: 4369

1. Financial Results for the Six Months Ended July 31, 2021

Overview of Consolidated Financial Results for the Six Months Ended July 31, 2021 (Summary)

Million yen

	FY2021 1H Results	FY2021 1H Plan	vs. Plan	(Ref.) FY2020 1H Results	(Ref.) YoY Change	
					Amount	Percentage
Net sales	5,367	5,100	105.2%	4,812	554	11.5%
Operating profit	1,457	1,220	119.5%	1,547	(89)	(5.8)%
Ordinary profit	2,448	1,880	130.2%	2,296	152	6.6%
Net profit	1,881	1,470	128.0%	1,796	85	4.7%

! Half-year results have exceeded the plan in each category and we have also revised the full-year plan.

! Recorded 799 million yen as shared profits of entities accounted for equity method, such as South Korean affiliate, SK Tri Chem Co., Ltd., and others.

Consolidated Balance Sheets

Million yen

	(Ref.) As of Jan. 31, 2021	As of Jul. 31, 2021	Changes in amount
Current assets	7,584	12,966	5,381
Non-current assets	12,283	12,494	211
Total assets	19,867	25,460	5,592
Current liabilities	3,290	2,890	(399)
Non-current liabilities	3,975	3,494	(480)
Total liabilities	7,266	6,385	(880)
Shareholders' equity	12,579	18,870	6,290
Accumulated other comprehensive income	21	204	182
Total net assets	12,601	19,074	6,473
Total liabilities and net assets	19,867	25,460	5,592

Main reasons for the changes

Current assets

Increase in cash and deposits	5,116
Increase in inventories	456

Non-current assets

Increase in investment securities due to incorporating share of profit of entities accounted for using equity method	260
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Current liabilities

Decrease in short-term loans payable	(580)
Increase in current portion of long-term loans payable	122

Non-current liabilities

Decrease in long-term loans payable	(434)
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Net assets

Increase in capital stock and capital surplus due to capital increase	4,940
Increase in retained earnings due to recording profit, etc.	1,350

Consolidated Cash Flows

Million yen

	(Ref.) FY2020 1H	FY2021 1H
Cash flows from operating activities	1,354	2,118
Cash flows from investing activities	(1,286)	(460)
Cash flows from financing activities	196	3,442
Net increase (decrease) in cash and cash equivalents	264	5,116
Cash and cash equivalents at end of period	1,882	6,815

Status of cash flows

Cash flows from operating activities

Profit before income taxes	2,448
Depreciation	487
Interest and dividend income received	678
Share of loss (profit) of entities accounted for using equity method	(799)
Income taxes paid	(597)

Cash flows from investing activities

Purchase of property, plant and equipment (417)

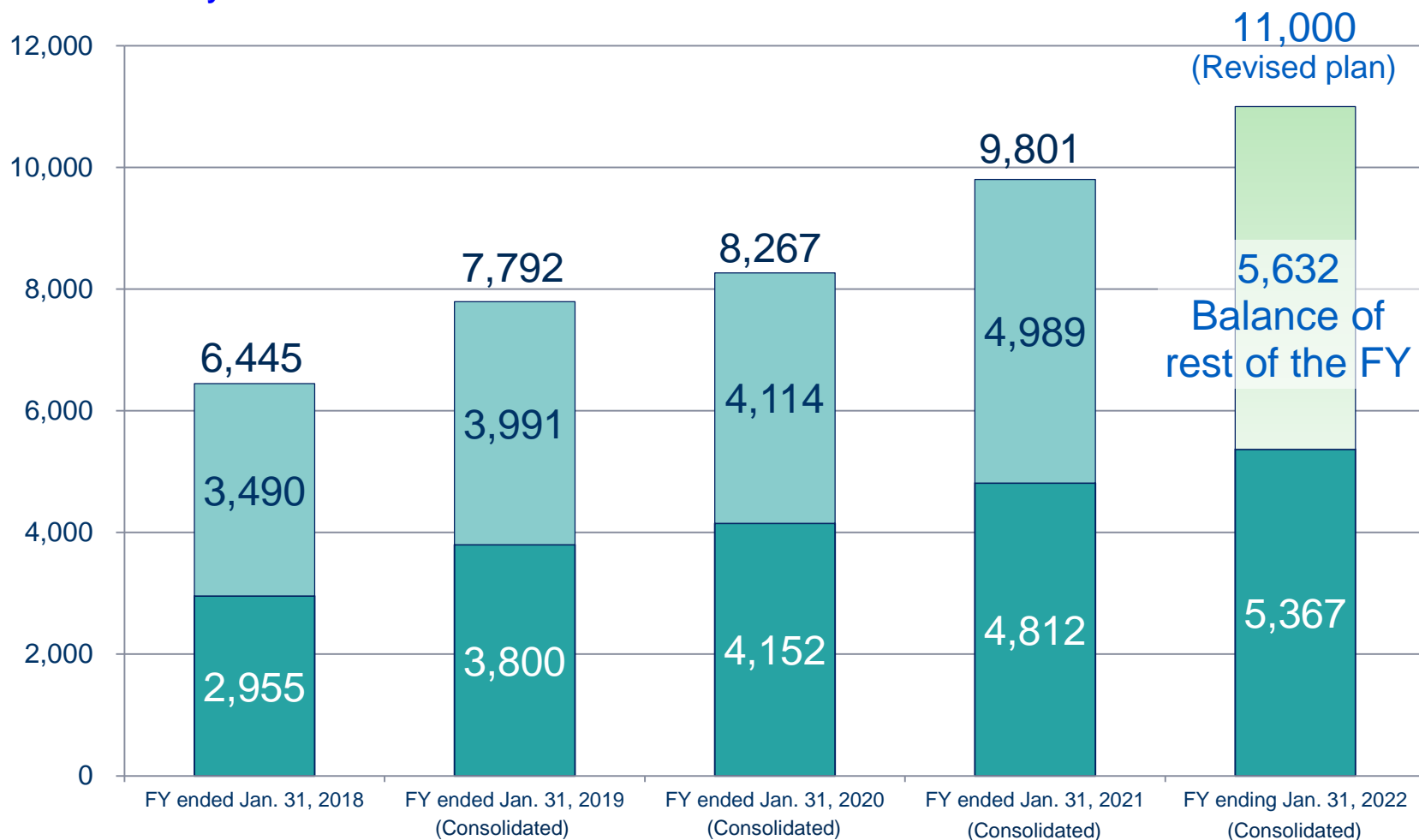
Cash flows from financing activities

Proceeds from issuance of shares	4,909
Repayments of loans payable	(892)
Cash dividends paid	(530)

Sales Results

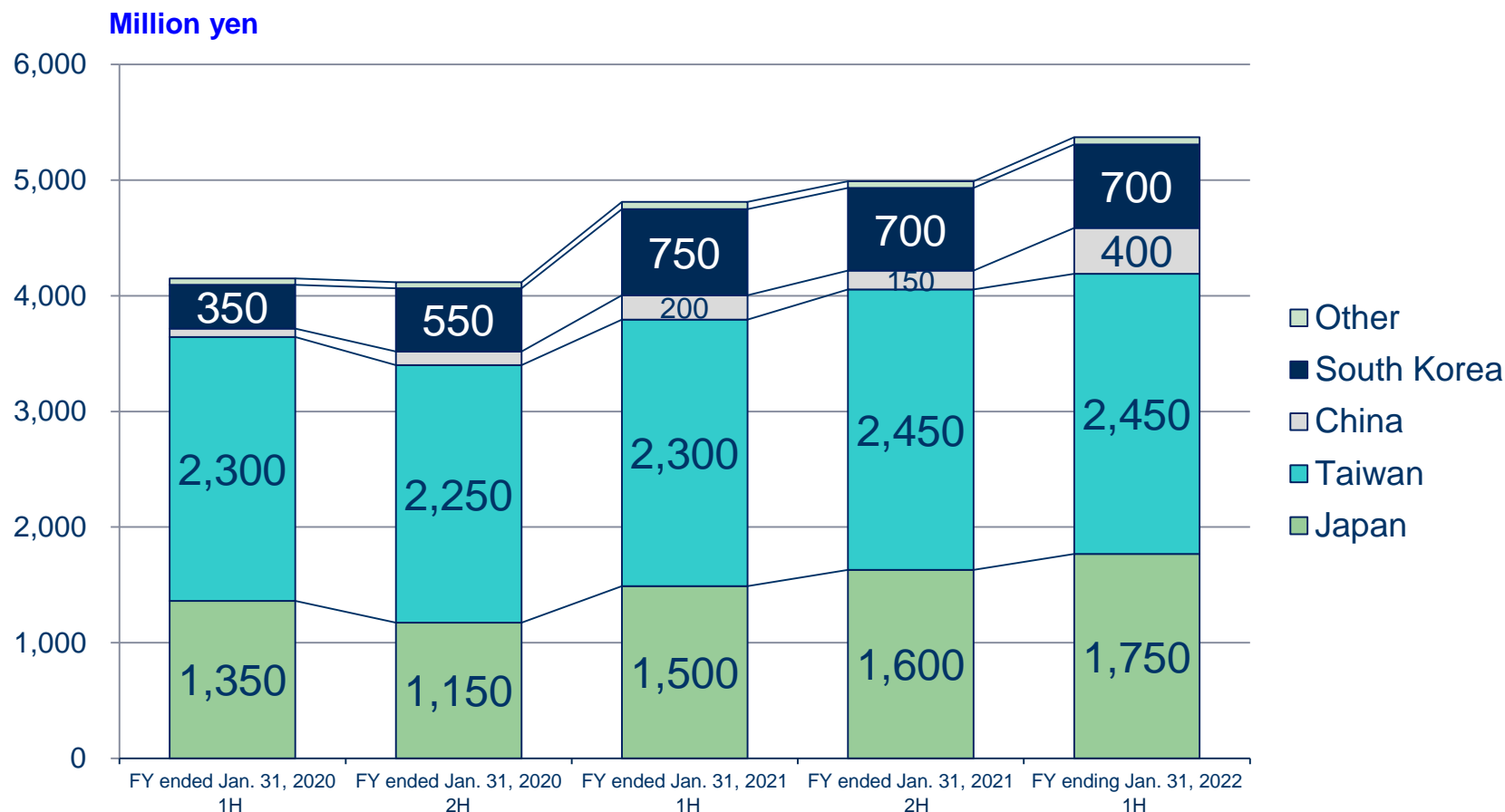
Million yen

(Bottom represents actual results for 1H)



***The non-consolidated figures for the FY ended Jan. 31, 2018 are for reference purposes only.**

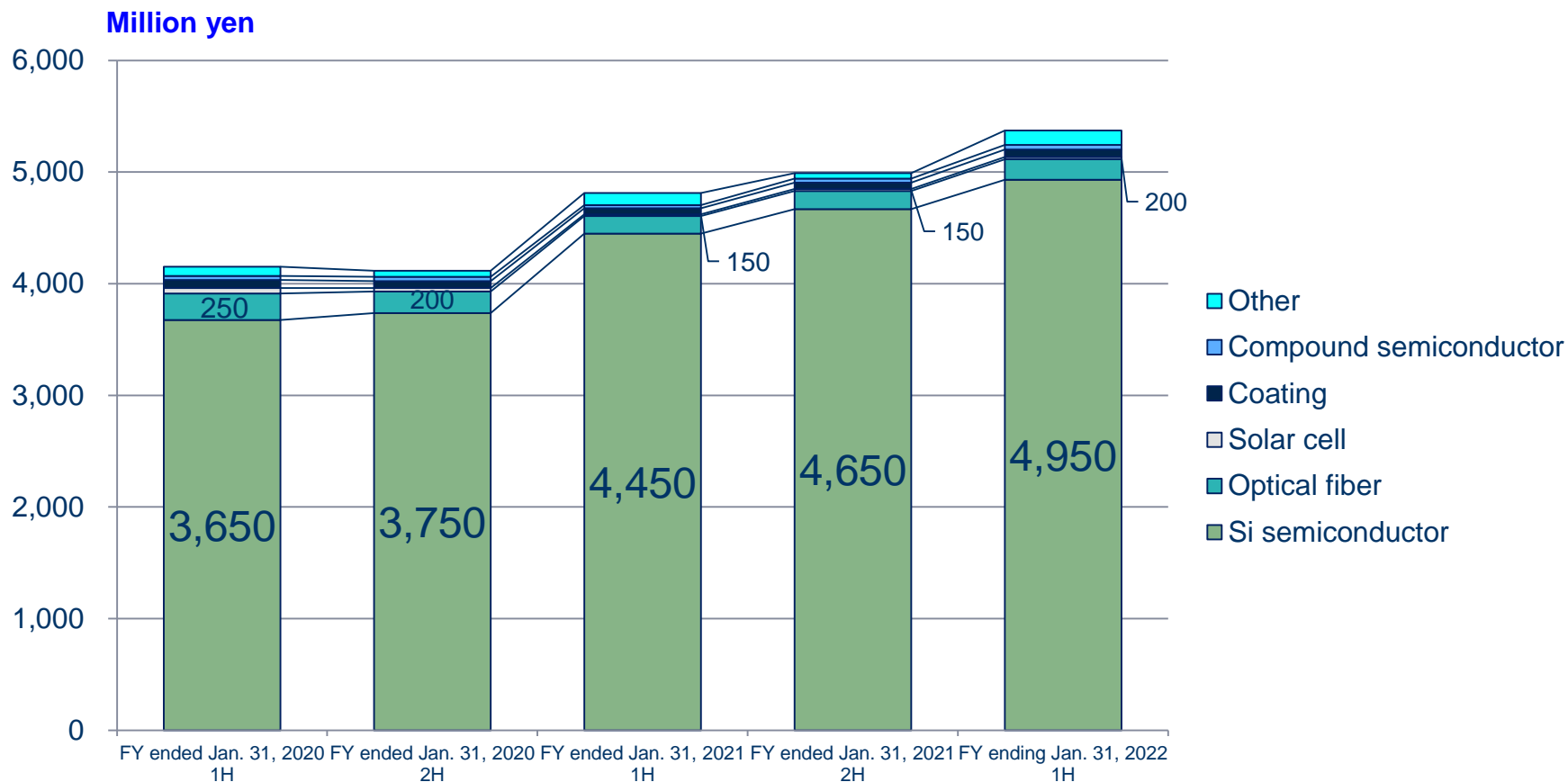
Sales Analysis (by User Region)



***Approximate figures based on estimates by the Company**

! Sales volumes have steadily increased in Japan and China, while keeping at high levels in other countries as well

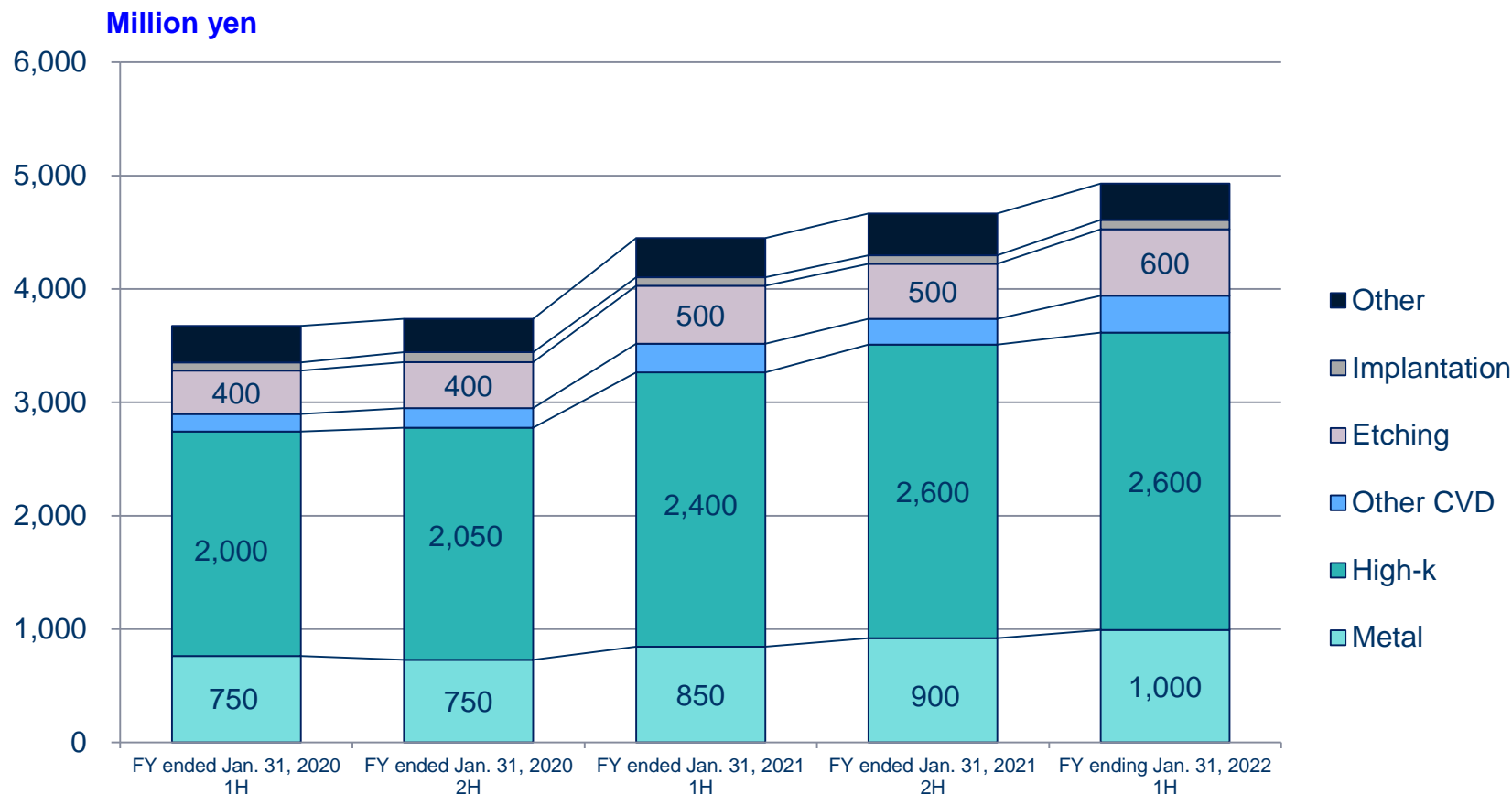
Sales Analysis (by Product Application)



***Approximate figures based on estimates by the Company**

! Key products for semiconductors have sold well despite the difficulties of COVID-19 pandemic

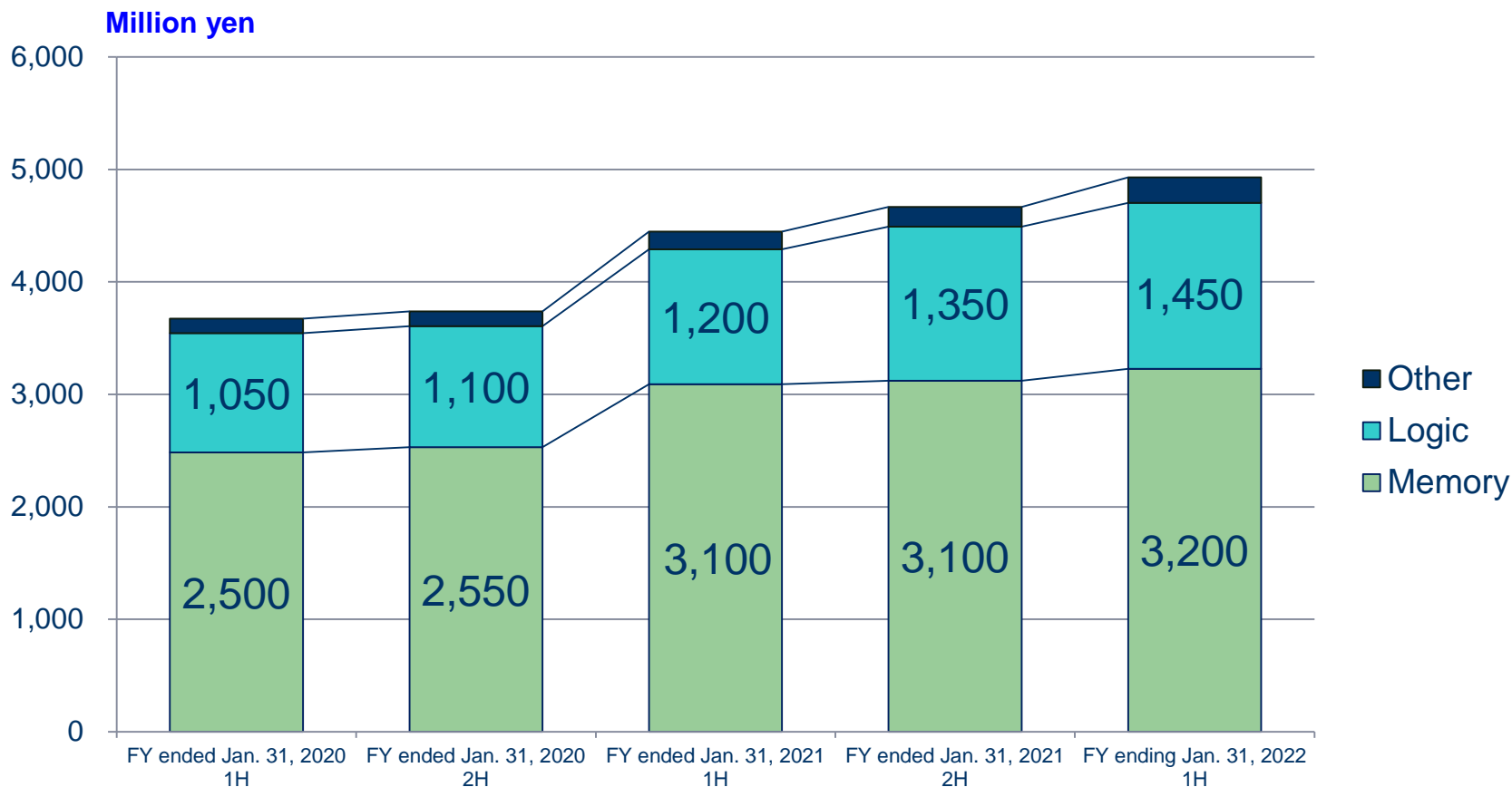
Sales Analysis (Si Semiconductors)



***Approximate figures based on estimates by the Company**

! Sales have remained robust in each usage category

Sales Analysis (by Intended Type of Semiconductors)

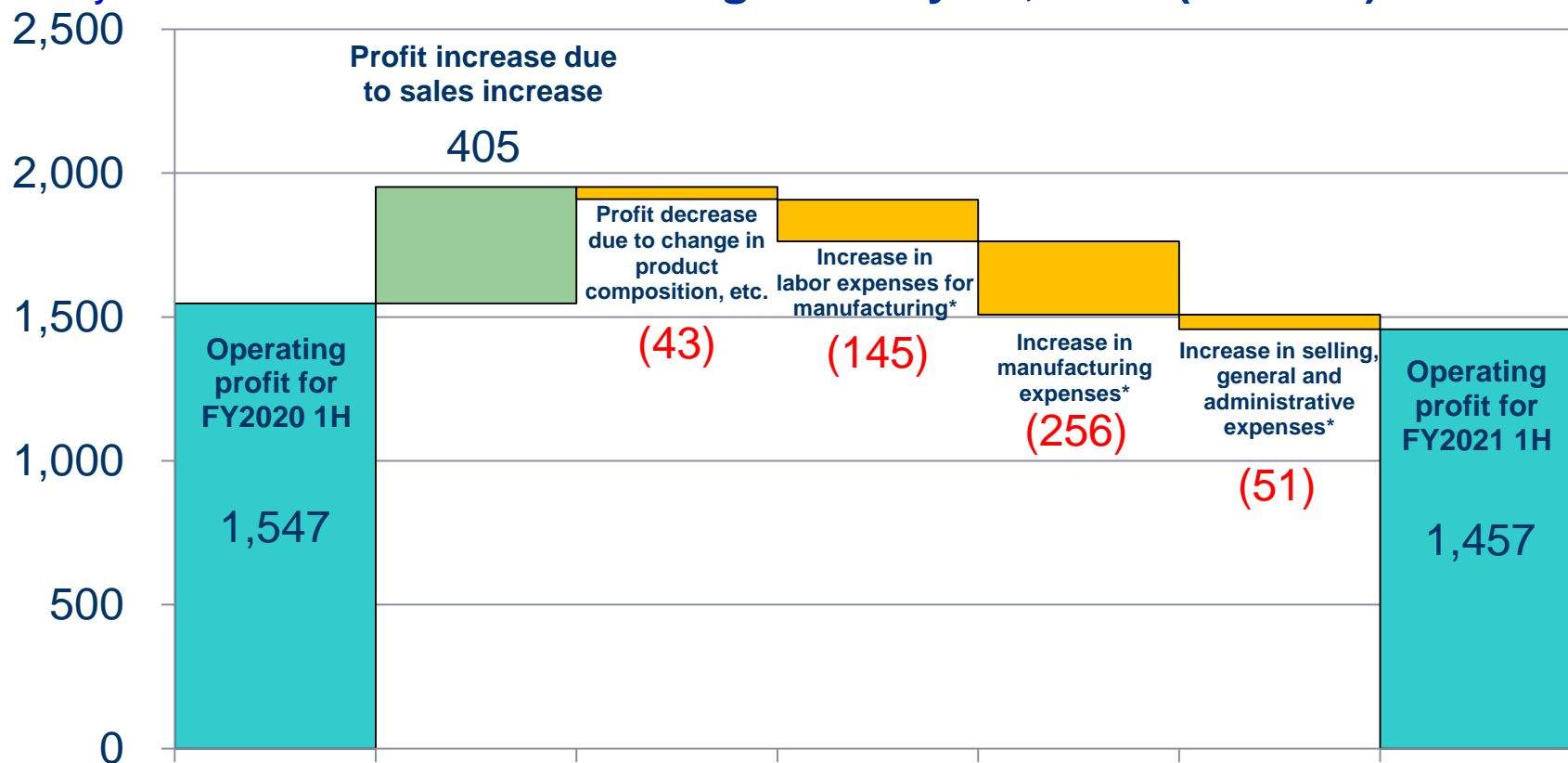


***Approximate figures based on estimates by the Company**

! Our sales for both memory and logic are growing

1H Waterfall Chart for Increases/Decreases in Operating Profit of the Fiscal Year Ending January 31, 2022 (FY2021)

Million yen



*Before transferring research and development expenses

! Though operating profit has been lower than the level of last year due to increases in labor costs and other expenses, it has exceeded the original plan by 19.5%

2. Full-Year Forecast and Strategy for the Fiscal Year Ending January 31, 2022

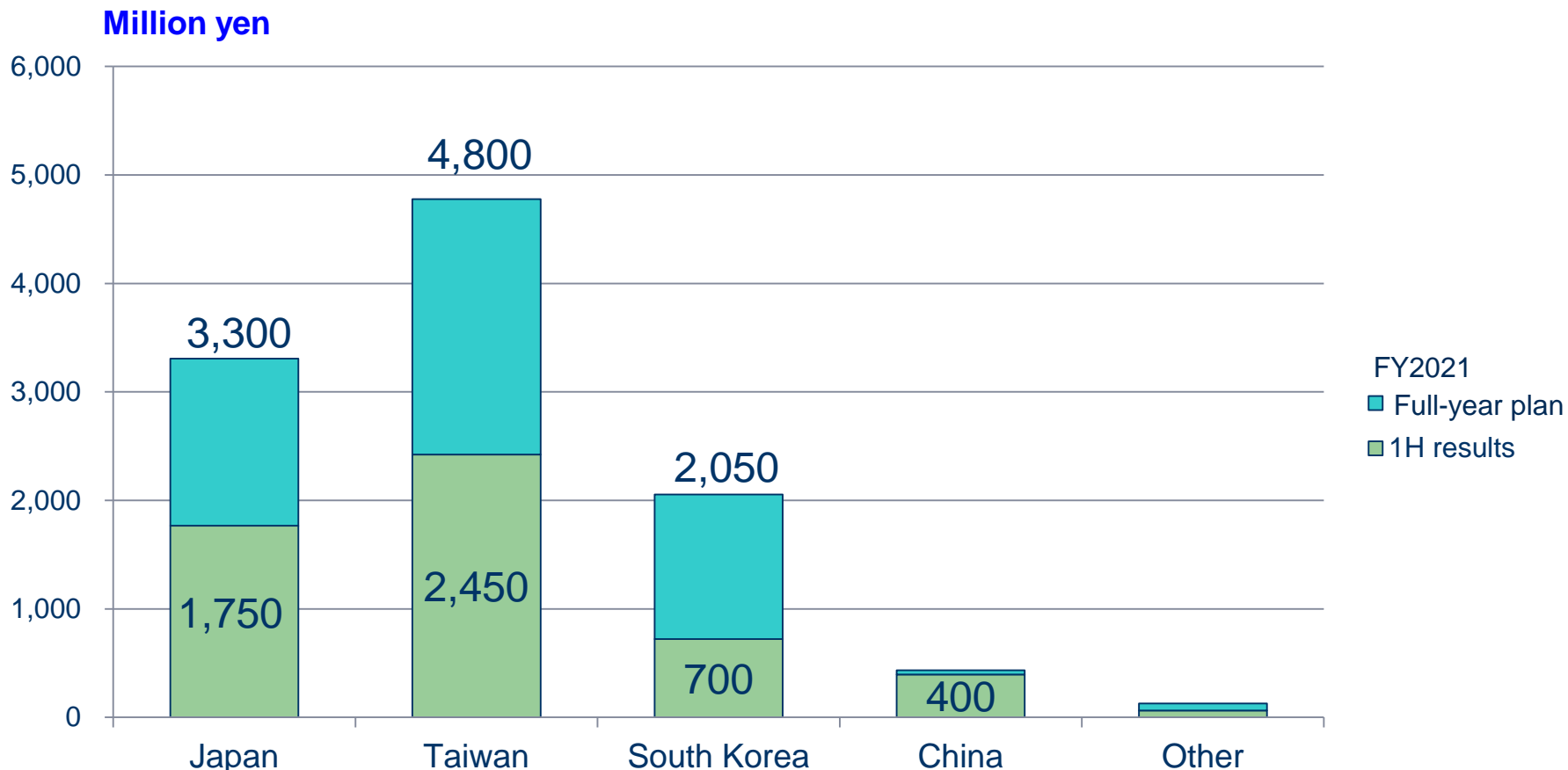
Full-Year Forecast for the Fiscal Year Ending January 31, 2022 (FY2021)

Million yen

	FY2021 1H	FY2021 full year (Revised plan)	Progress ratio (%)	(Ref.) FY2020 full year
Net sales	5,367	11,000	48.8%	9,801
Operating profit	1,457	2,950	49.4%	2,691
Ordinary profit	2,448	4,980	49.2%	4,323
Net profit	1,881	3,880	48.5%	3,377

**! Upward revisions have been made to the full-year
plan based on 1H results**

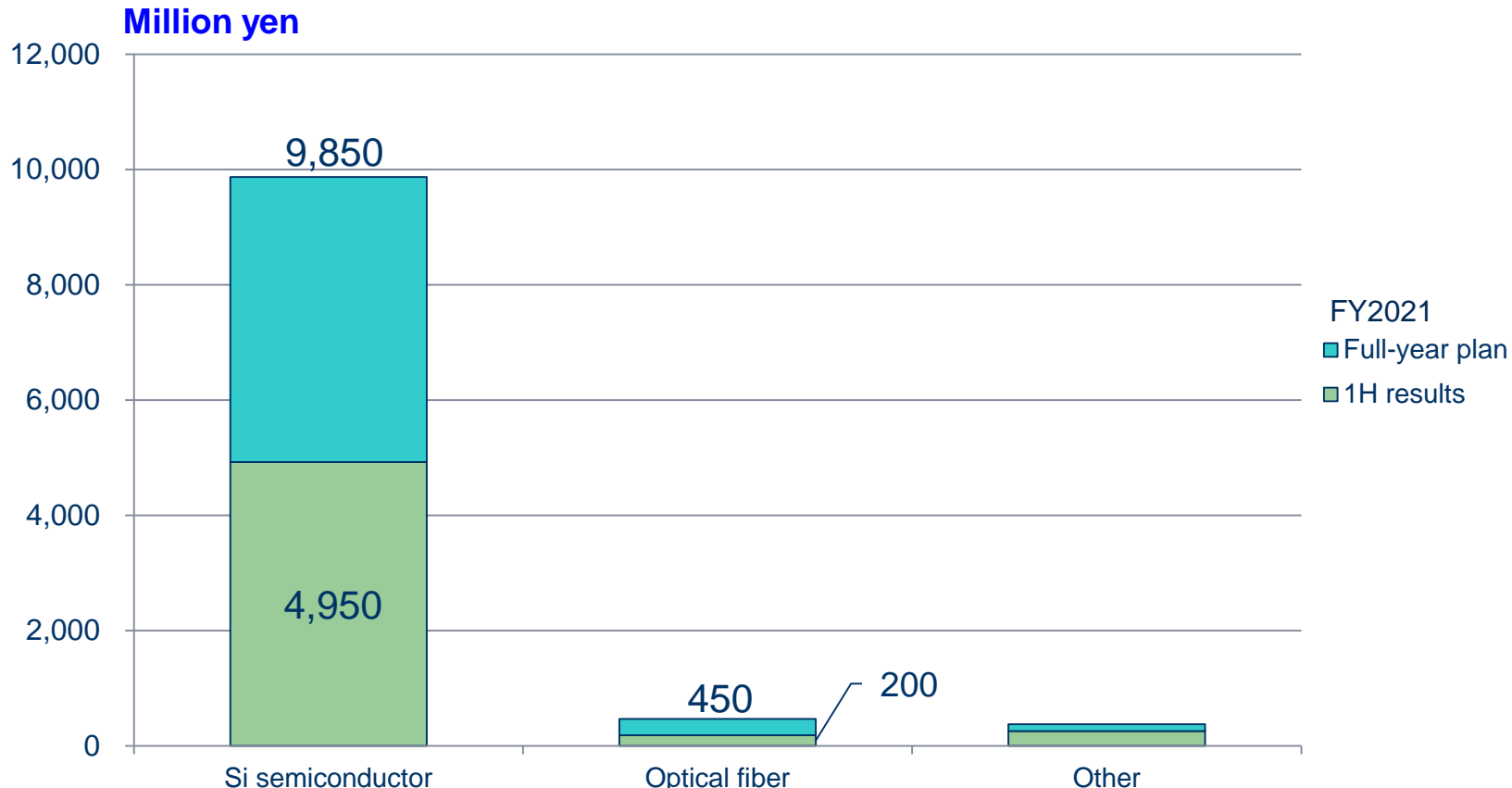
Sales Progress Analysis (by User Region) *vs. Initial Plan



***Approximate figures based on estimates by the Company**

! Expecting the strong sales growth of products for South Korea in 2H

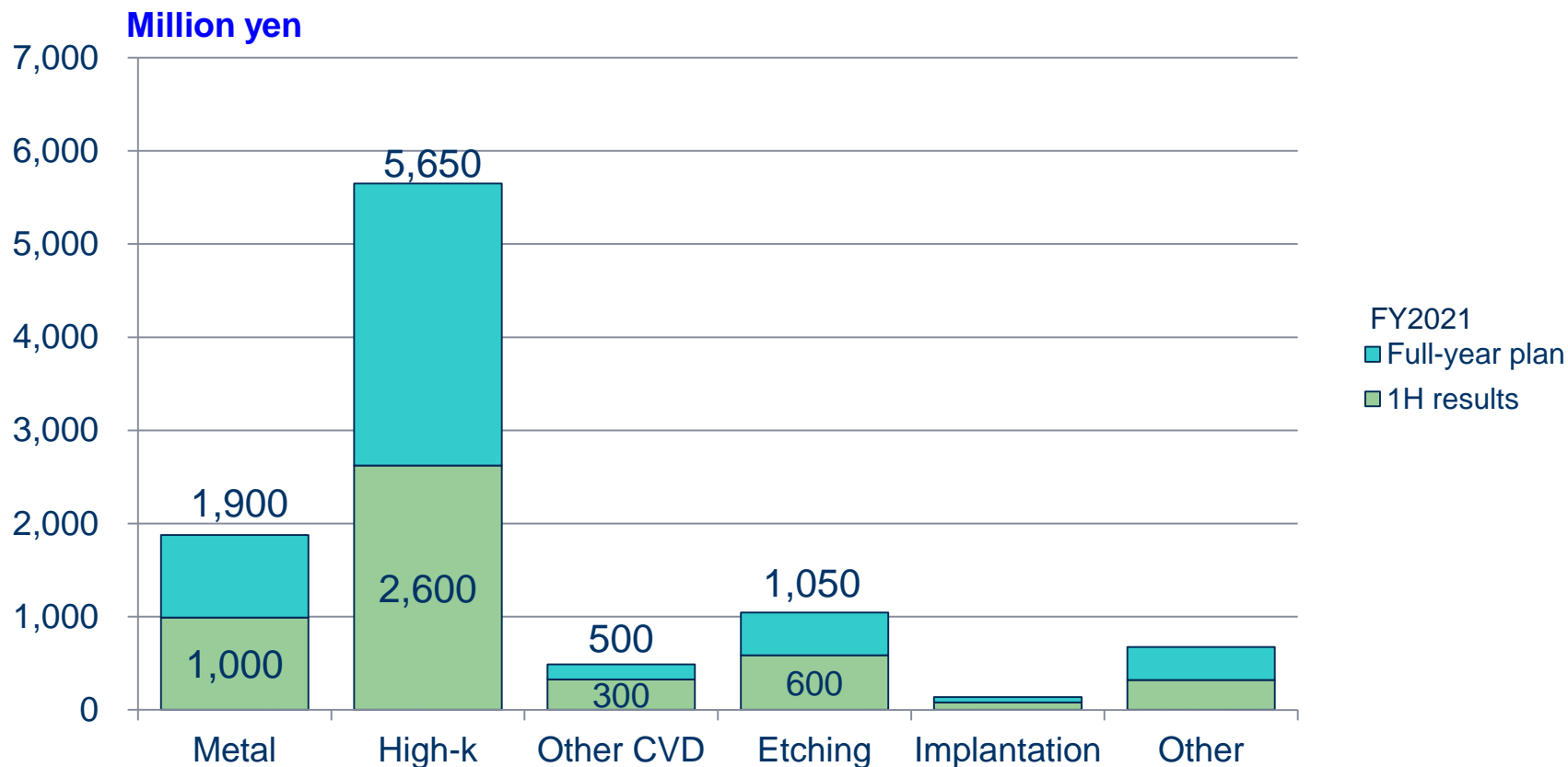
Sales Progress Analysis (by Product Application) ***vs. Initial Plan**



***Approximate figures based on estimates by the Company**

! Key products for semiconductors are making steady progress

Sales Progress Analysis (Si Semiconductors) *vs. Initial Plan



***Approximate figures based on estimates by the Company**

! Expecting strong growth of High-k materials, especially products for South Korea

Sales Progress Analysis (by Intended Type of Semiconductors)

***vs. Initial Plan**



***Approximate figures based on estimates by the Company**

! Expecting the growth of materials for memory market

Forecast for 2H of the Fiscal Year Ending January 31, 2022

Assumptions of the external environments for the forecast

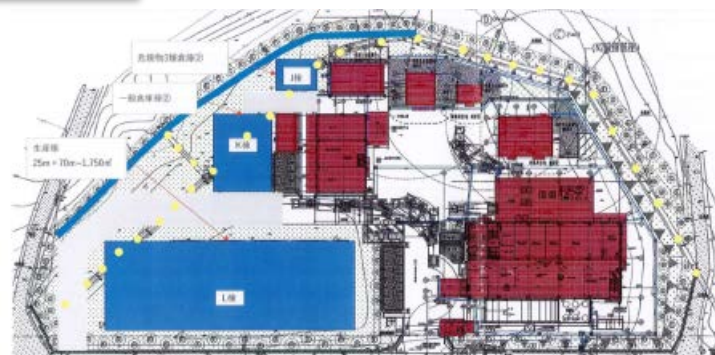
1. Generally speaking, the balance of demand and supply remains tight in semiconductor market, and thereby active capital investments by relevant companies are expected
2. Sales volumes to South Korea are expected to increase in 2H (no change from the beginning of the fiscal year)
3. Assumed exchange ratio is to be \$1 = ¥105 (no change from the beginning of this fiscal year)
4. Limited impact of COVID-19 (nearly no impact on production of our products)

Initiative actions in 2H

1. To enhance capacity of the Second Plant and the Annex
2. To improve productivity of new materials (Metal, High-k, Etching materials, etc.)
3. To keep striving to launch the Taiwanese subsidiary's plant

3. Progress of Initiatives in the Medium-Term Management Plan

1. Taiwanese Subsidiary's Plant



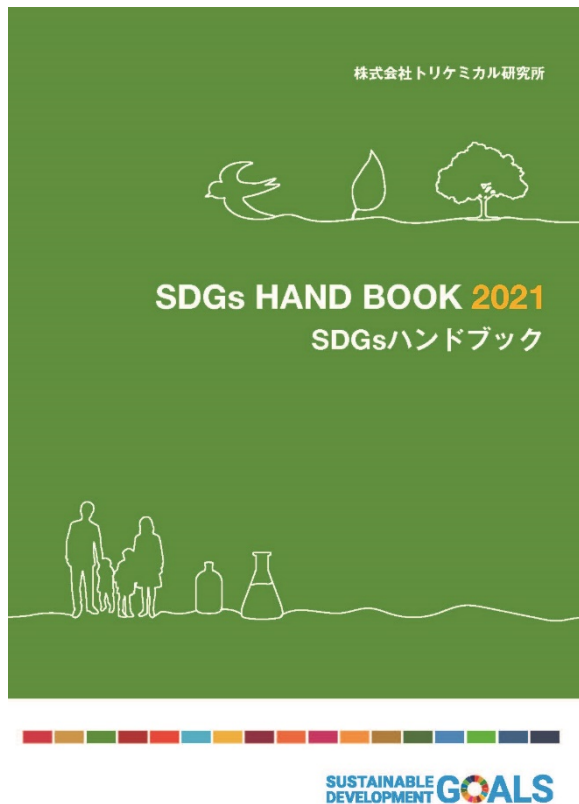
Obtained ISO certification
To continue with bringing in equipment to proceed with the preparation for the launch, and preparing for the second-stage construction

2. Enhancement of Production Plant and Quality Control Systems



To enhance domestic production capacity, mainly the Second Plant and the Annex.
To meet further increases in demand and needs for new products

Appendix: Initiatives for ESG and SDGs



SDGs Hand Book

www.trichemical.com/pdf/SDGshandbook2021.pdf

Category	Initiative
Provision of better product technology	Maintain highly profitable business structure by developing new products
	Improve customer satisfaction
	Offer high-quality products
Safety improvement, health promotion, environmental conservation	Reduce environmental impact by cleaning customers' manufacturing equipment
	Make effective use of resources by collecting and recycling product containers
	Reduce environmental impact by placing thorough control on wastewater
Soundness, growth potential	Evaluate the effectiveness of the Board of Directors to enhance governance
	Improve the workplace environment to be more employee friendly
Open corporate culture	Improve the workplace environment by promoting workstyle reform

The plans, financial results forecasts, strategies, etc. discussed herein are based on the Company's management decisions that stand on information available as of the day of the presentation.

Please note that due to a wide range of risks and uncertainties, actual results may differ significantly from those presented in these forward-looking statements.

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