

Tri Chemical Laboratories Inc.

Financial Results for the 44th Fiscal Year (Fiscal Year Ended January 31, 2022)

Tokyo Stock Exchange
Stock Exchange Code: 4369

1. Financial Results for the Fiscal Year Ended January 31, 2022

Million yen

	(Ref.) FY2020	FY2021	Changes in amount	Changes in percentage
Net sales	9,801	11,574	1,772	18.1%
Operating profit	2,691	2,976	284	10.6%
Ordinary profit	4,323	5,294	971	22.5%
Net profit	3,377	4,095	717	21.3%

Net sales hit a record high for eight consecutive fiscal years.
 (Respective profits hit a record high for seven consecutive fiscal years.)
 Ordinary profit includes 1,936 million yen as share of profit of entities
 accounted for using equity method.

	As of Jan. 31, 2022	(Ref.) As of Jan. 31, 2021	Changes in amount
Current assets	14,386	7,584	6,801
Non-current assets	13,902	12,283	1,619
Total assets	28,288	19,867	8,421
Current liabilities	3,465	3,290	174
Non-current liabilities	3,503	3,975	(472)
Total liabilities	6,968	7,266	(297)
Shareholders' equity	21,083	12,579	8,503
Accumulated other comprehensive income	236	21	215
Total net assets	21,320	12,601	8,719
Total liabilities and net assets	28,288	19,867	8,421

Main reasons for the changes

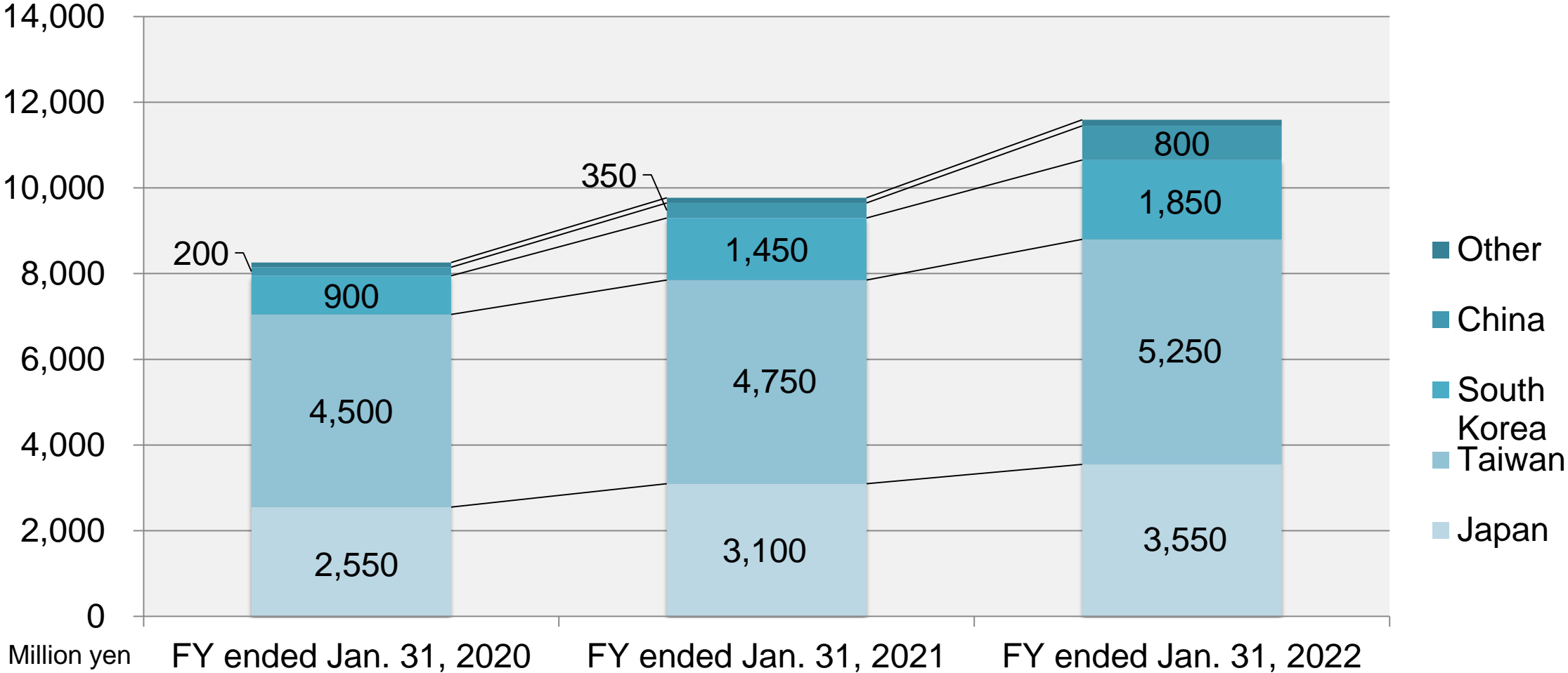
	Million yen
Current assets	
Increase in cash and deposits	+6,335
Increase in inventories	+541
Non-current assets	
Increase in investment securities due to incorporating share of profit of entities accounted for using equity method	+1,388
Increase in property, plant and equipment due to capital investment	+134
Current liabilities	
Increase in current portion of long-term loans payable	+345
Increase in income taxes payable	+207
Increase in accounts payable - trade	+87
Decrease in short-term loans payable	(580)
Non-current liabilities	
Decrease in long-term loans payable	(461)
Net assets	
Increase in capital stock and capital surplus due to capital increase	+4,940
Increase in retained earnings due to recording profit	+3,563

Million yen

	FY2021
Cash flows from operating activities	3,638
Cash flows from investing activities	(932)
Cash flows from financing activities	3,594
Net increase (decrease) in cash and cash equivalents	6,335
Cash and cash equivalents at end of term	8,034

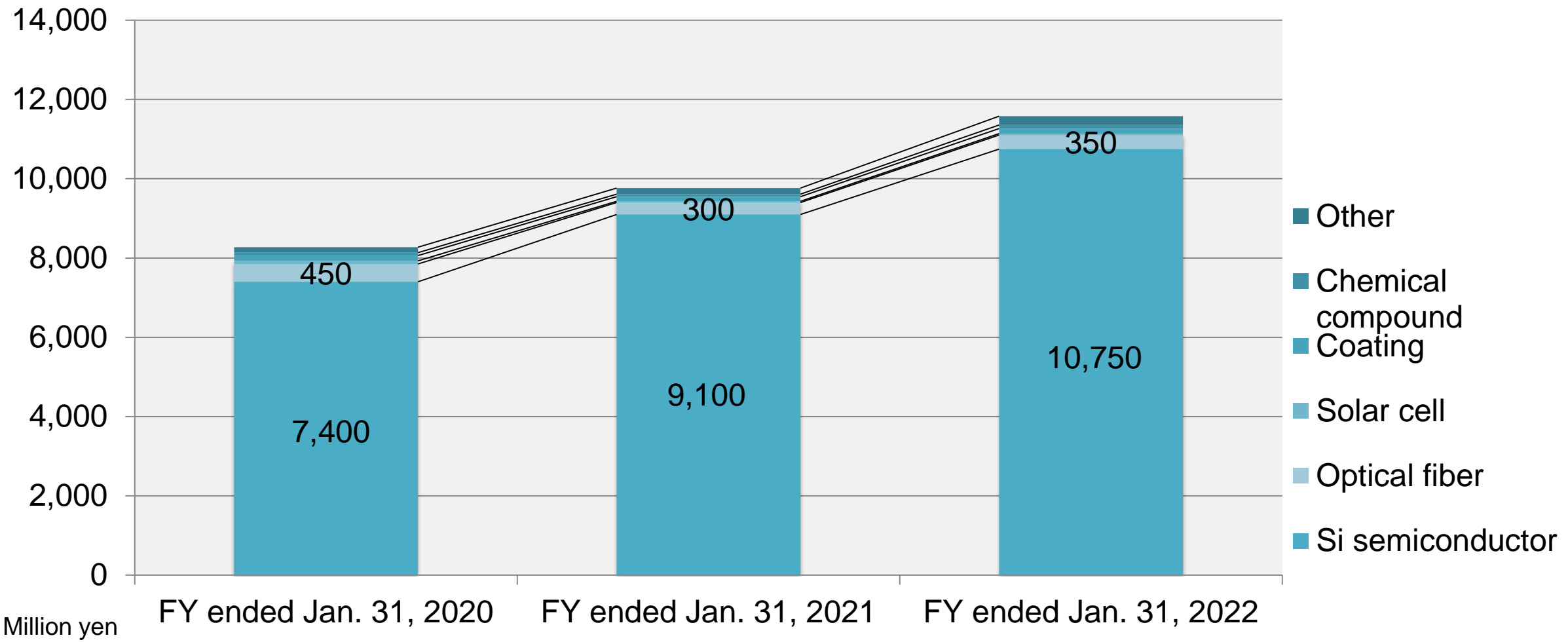
Status of cash flows

Cash flows from operating activities	Profit before income taxes	+5,294
	Depreciation	+1,019
	Share of loss (profit) of entities accounted for using equity method	(1,936)
	Income taxes paid	(1,041)
Cash flows from investing activities	Purchase of property, plant and equipment	(881)
	Purchase of intangible assets	(50)
Cash flows from financing activities	Proceeds from issuance of shares	+4,909
	Proceeds from/repayments of loans payable	(695)
	Cash dividends paid	(531)



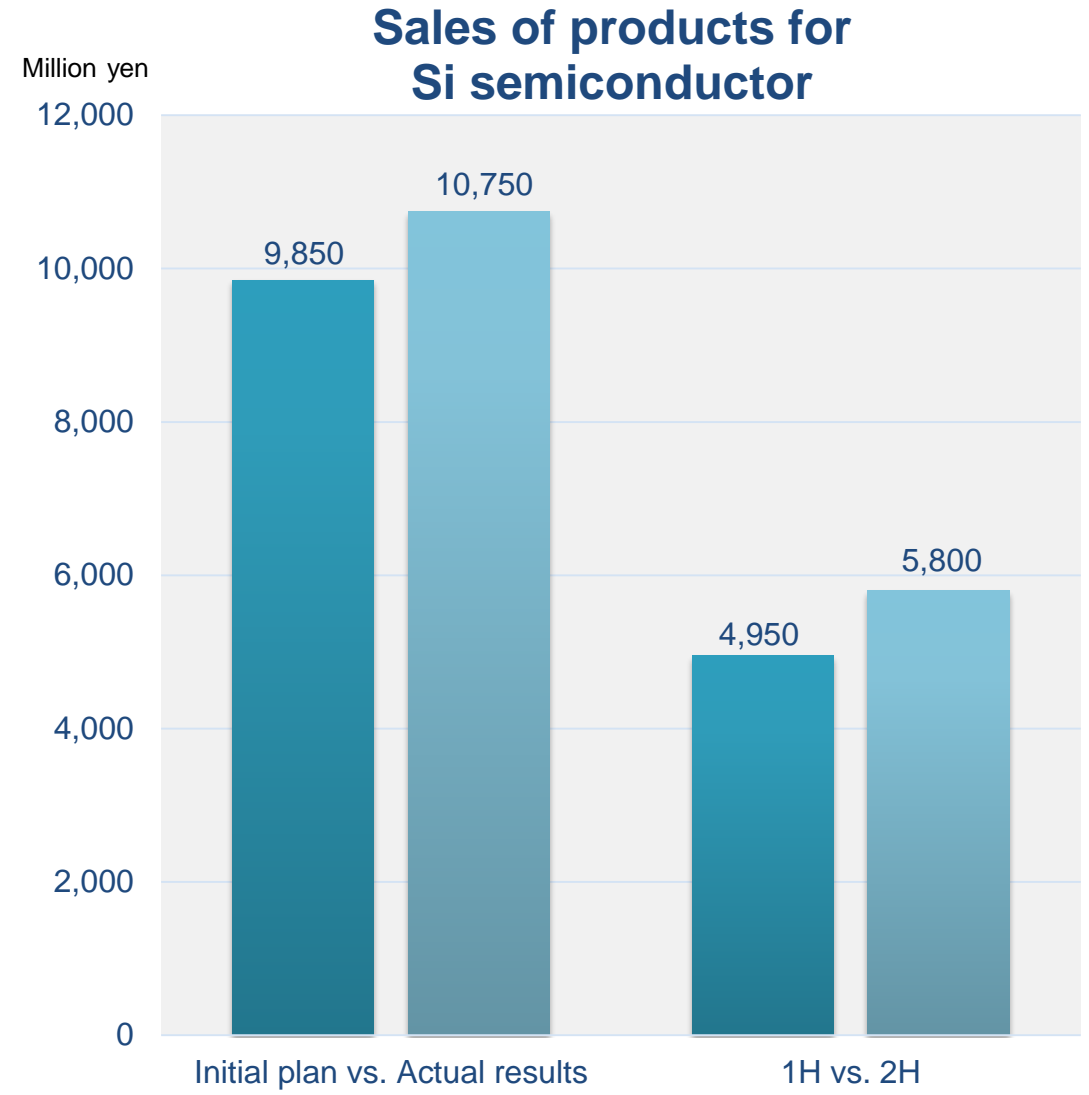
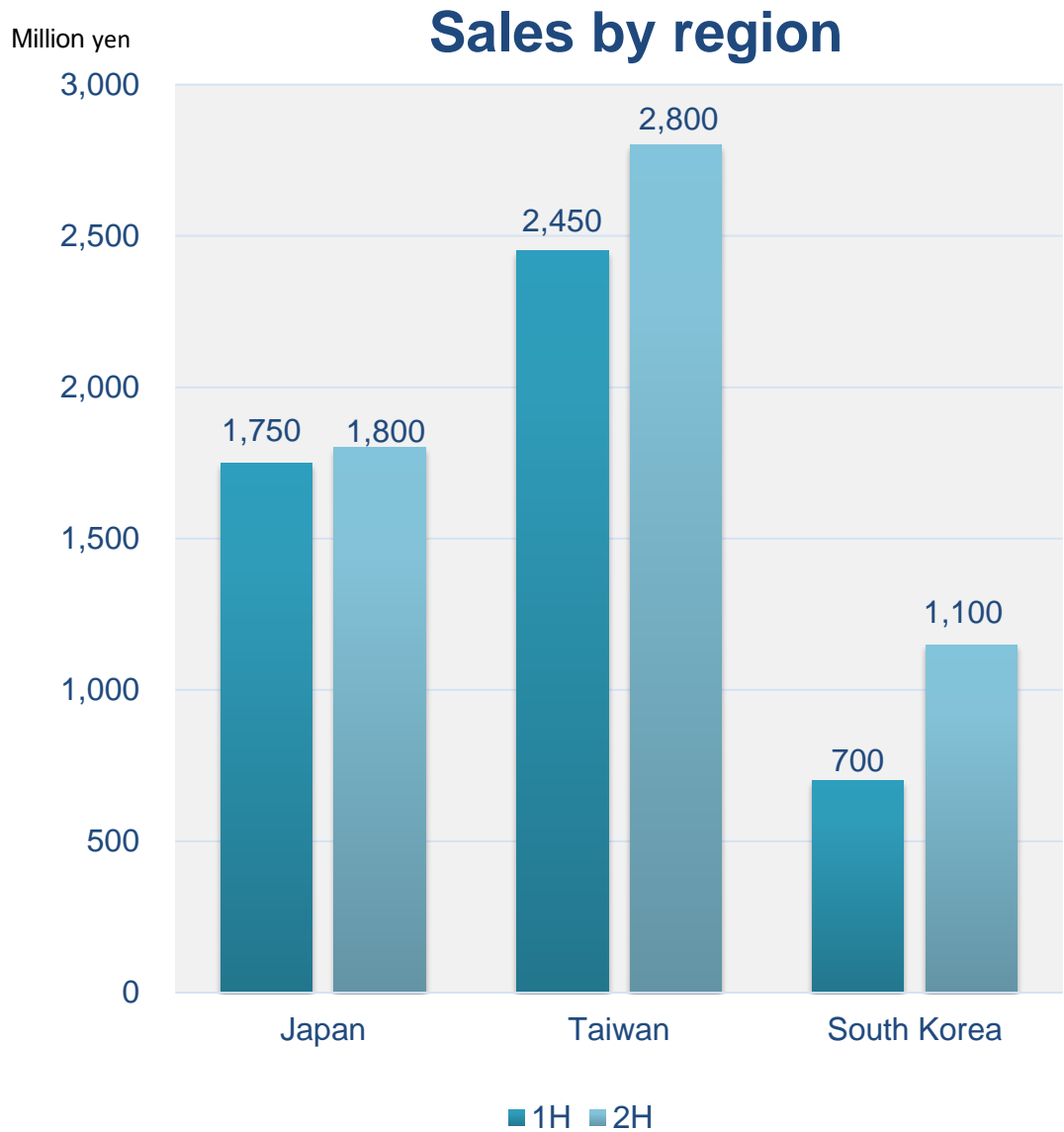
* Approximate figures based on estimates by the Company

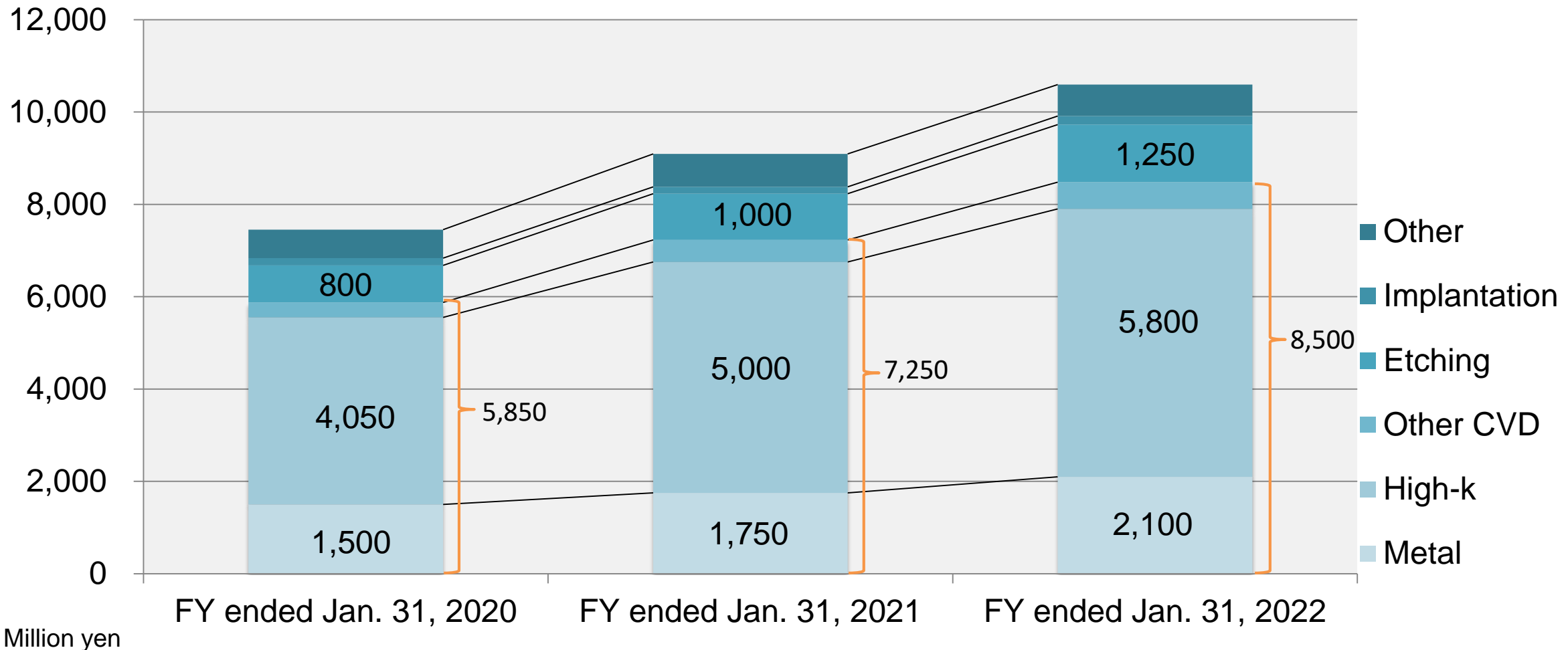
High growth has continued in all regions.



* Approximate figures based on estimates by the Company

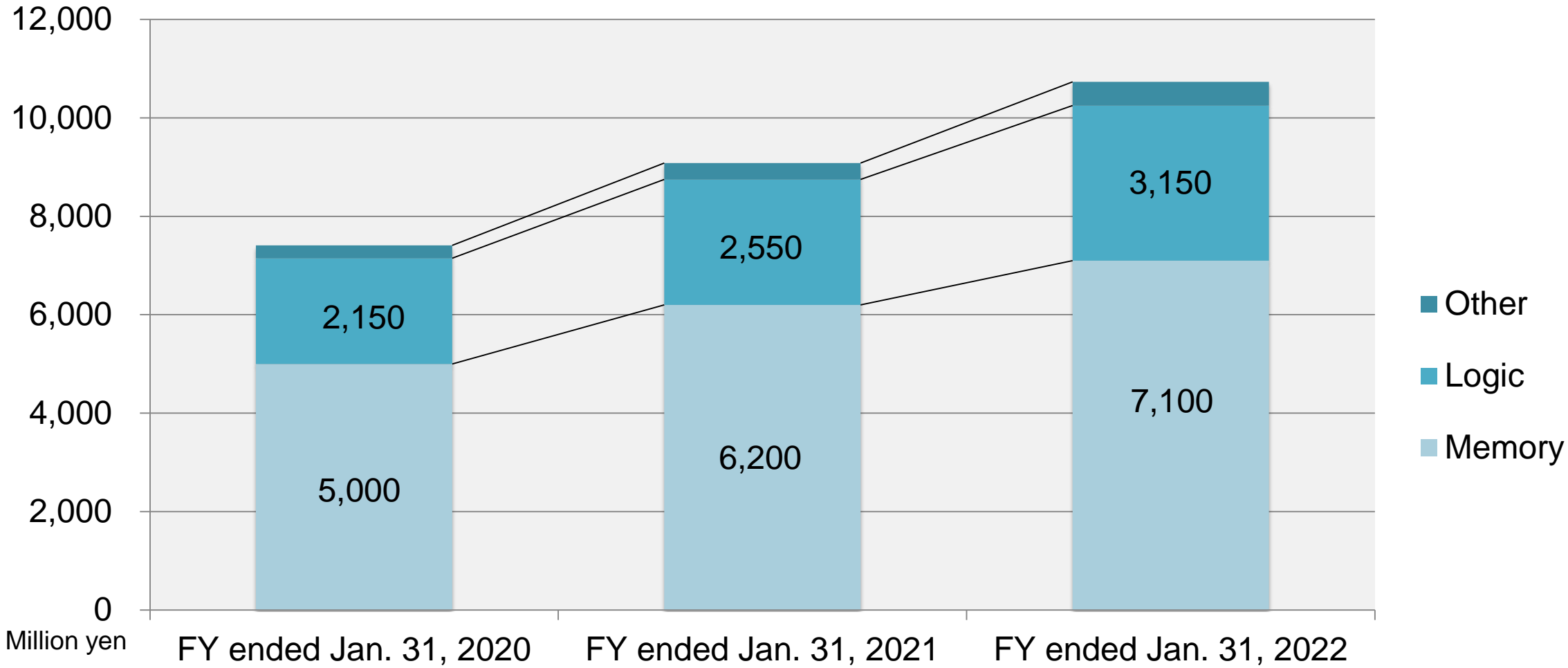
Sales of products for semiconductors have steadily grown.





* Approximate figures based on estimates by the Company

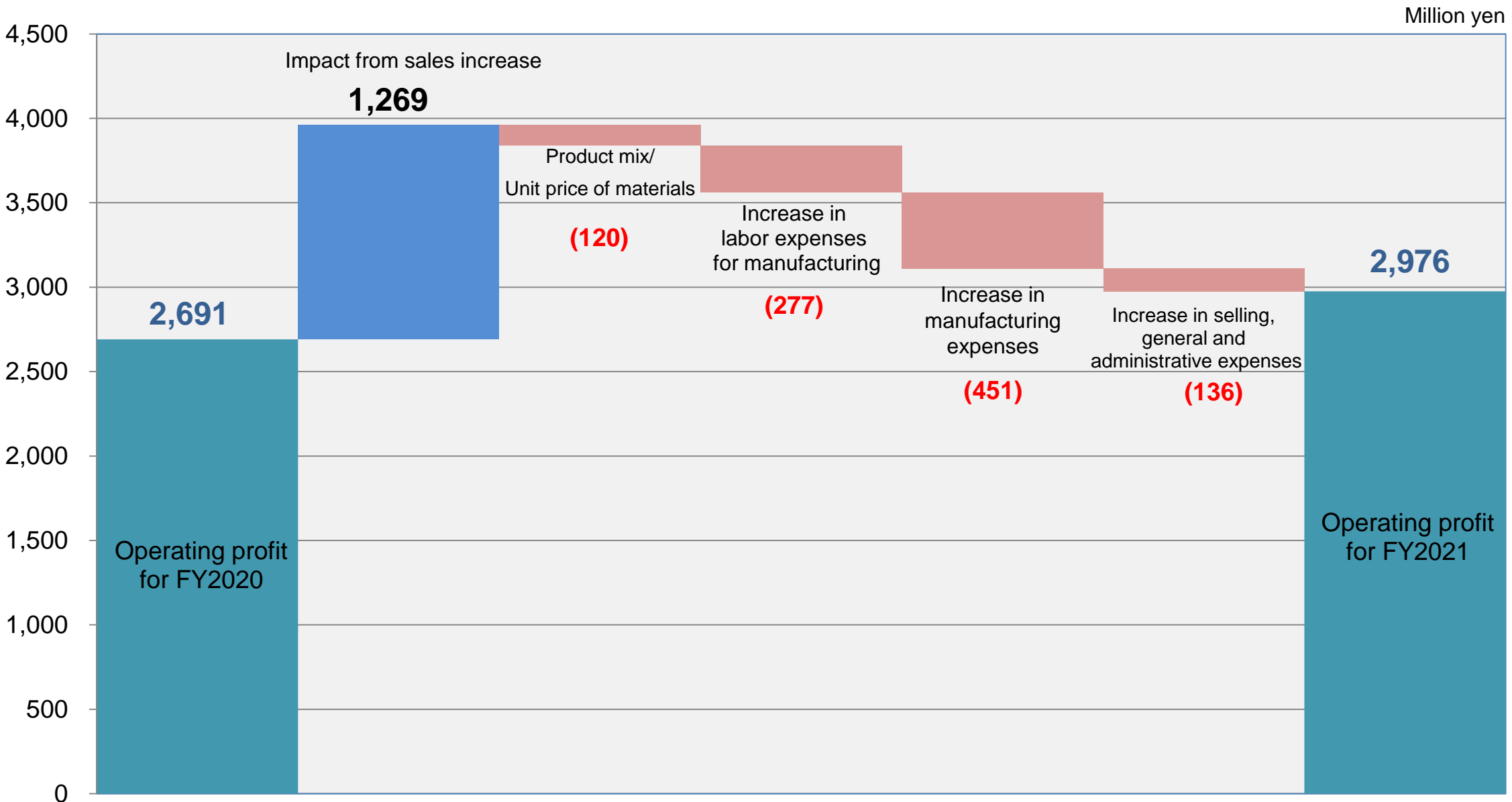
Sales of key products have grown by 15 - 20 % in general.



* Approximate figures based on estimates by the Company

Main reasons for the growth of memory and logic are generation change and increased volume, respectively.

Waterfall Chart for Increases/Decreases in Operating Profit of the Fiscal Year Ended January 31, 2022 (FY2021) No.11



* Before transferring research and development expenses

2. Plan for the Fiscal Year Ending January 31, 2023

Million yen

	Results for FY2021	Plan for FY2022	(Ref.) Changes in percentage
Net sales	11,574	13,600	17.5%
Operating profit	2,976	3,400	14.2%
Ordinary profit	5,294	5,730	8.2%
Net profit	4,095	4,500	9.9%

Assuming exchange rate of 110 yen/US dollar (operating profit sensitivity for FY2022: 1 yen approximately equals to 30 million yen)

Net sales and profits will continue to grow.

External environment

Operation of advanced semiconductors is assumed as follows.

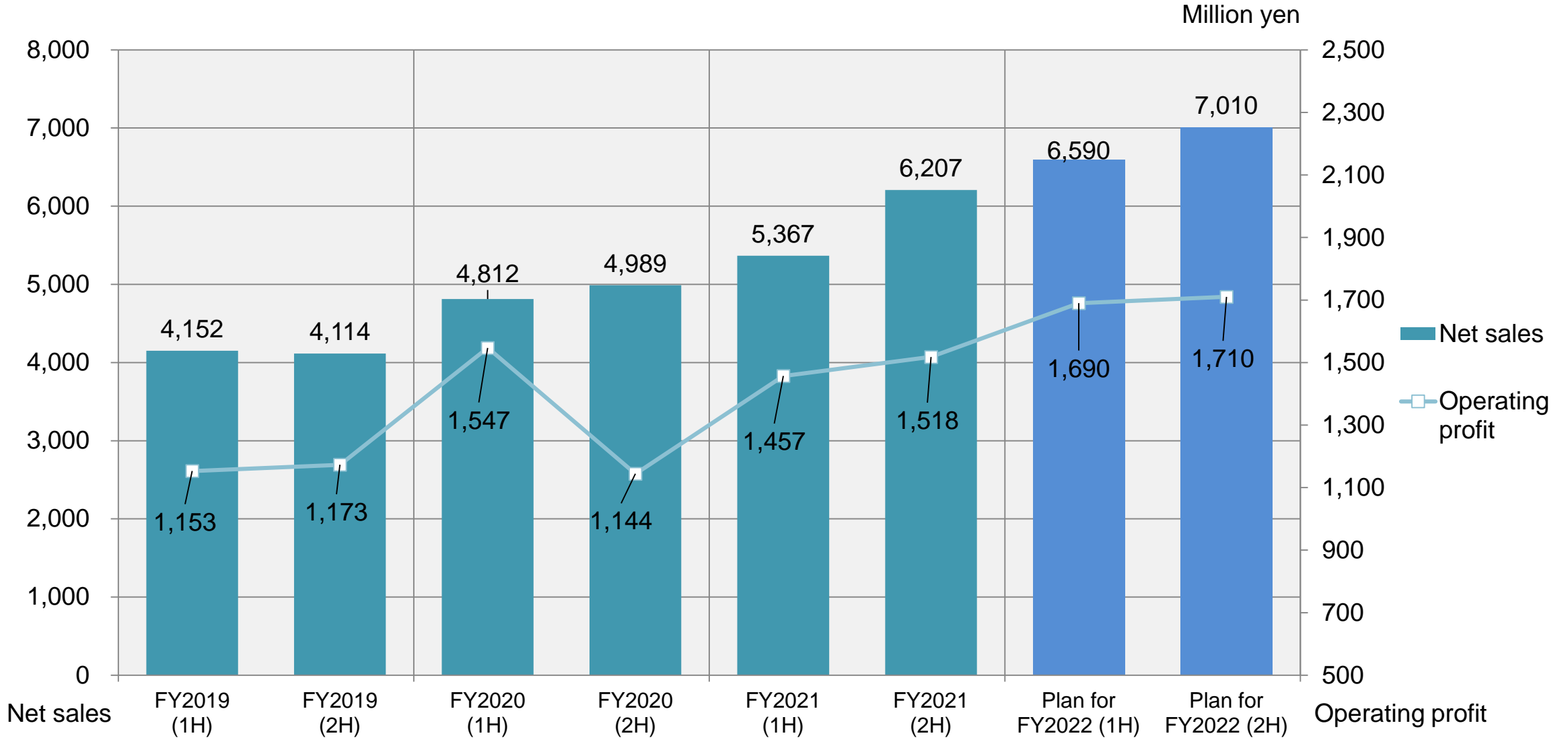
Memory: Operation will remain high.

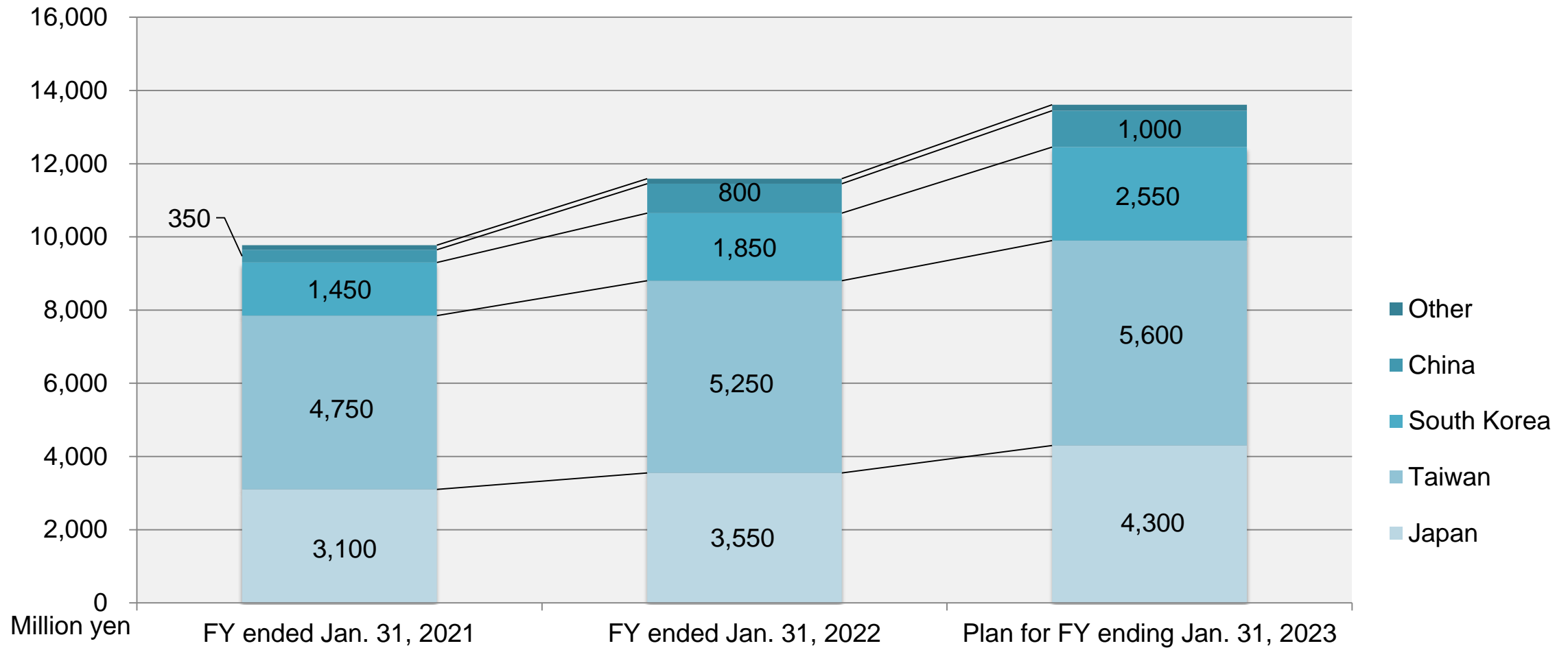
Logic: Operation corresponding to capital investment by users will gradually start.

* Impacts of the situation in Ukraine were not taken into consideration.

Initiatives for FY ending Jan. 31, 2023

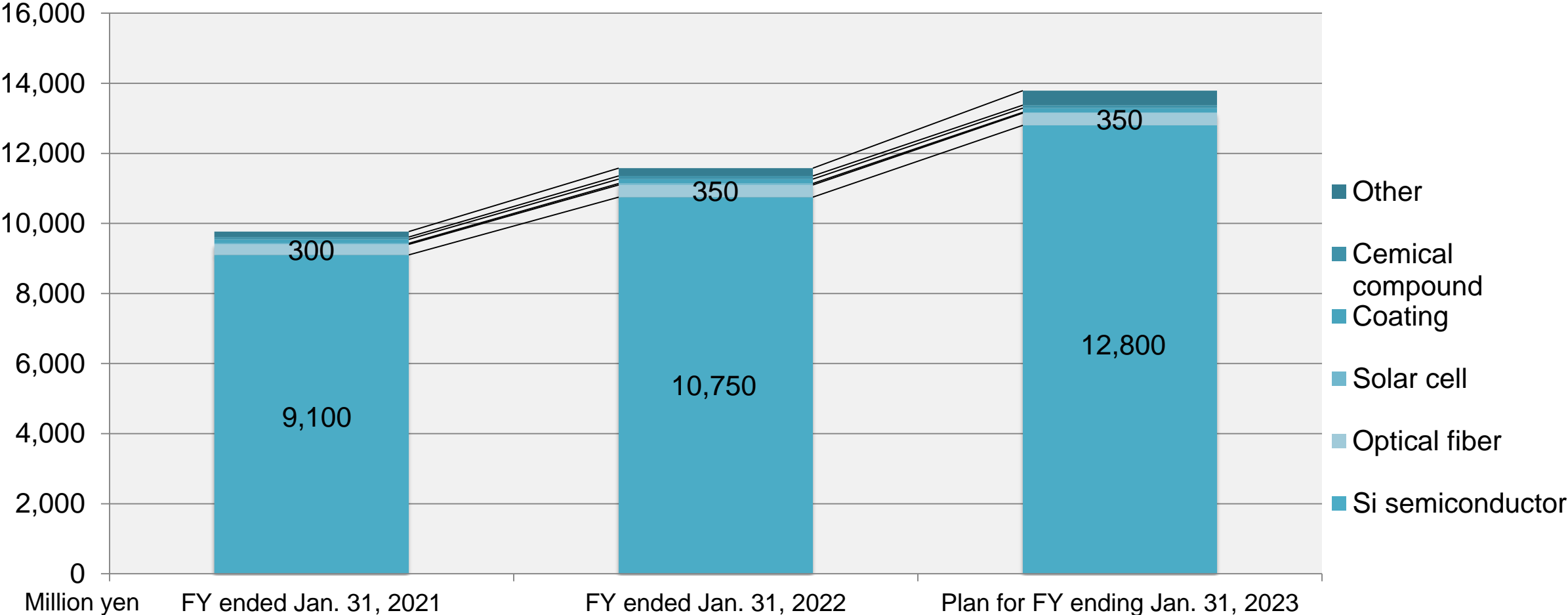
- * Streamlining production and enhancing safety/quality control
- * Development of materials for next-generation semiconductors in collaboration with manufacturers of semiconductors and manufacturing equipment, etc. and establishment of mass-production system
- * Continuing activities for early commercialization of Taiwanese subsidiary





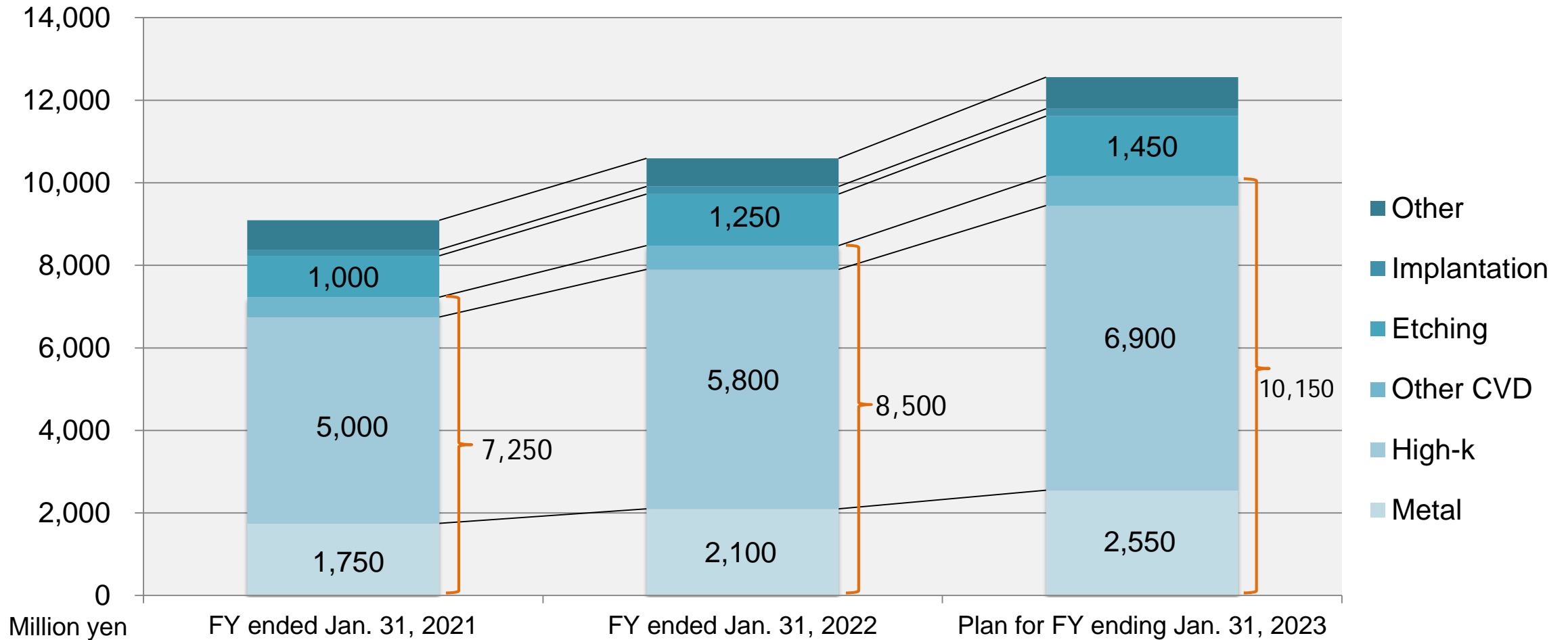
* Approximate figures based on estimates by the Company

Operation of advanced semiconductor manufacturers in each country will keep growing.



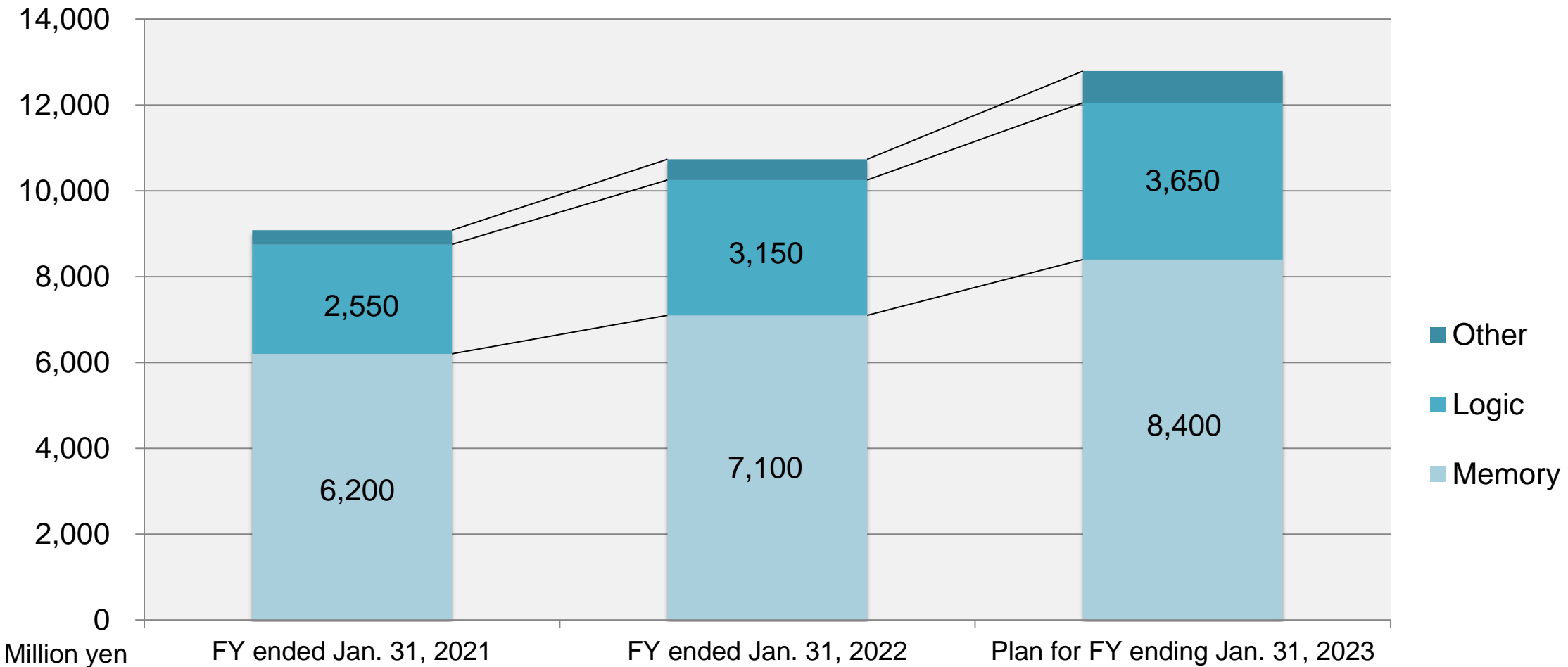
* Approximate figures based on estimates by the Company

Sales of key products, materials for semiconductors, will continue to grow.



* Approximate figures based on estimates by the Company

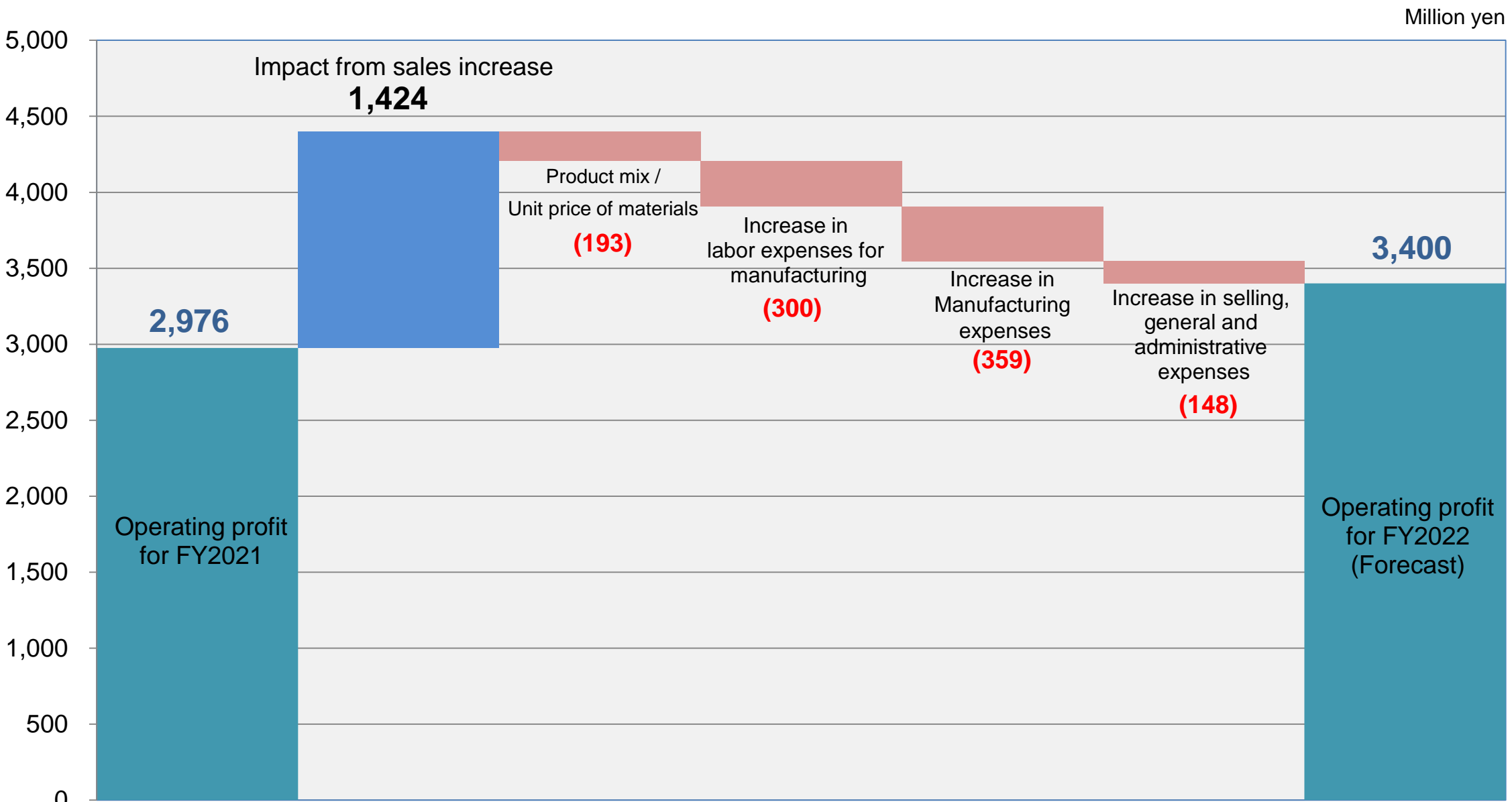
In addition to High-k and Metal materials, sales of Etching materials will grow steadily.



* Approximate figures based on estimates by the Company

Sales of products for both memory and logic will grow.

Waterfall Chart for Increases/Decreases in Operating Profit of the Fiscal Year Ending January 31, 2023 (FY2022) No.20



* Before transferring research and development expenses

3. Medium-Term Management Plan

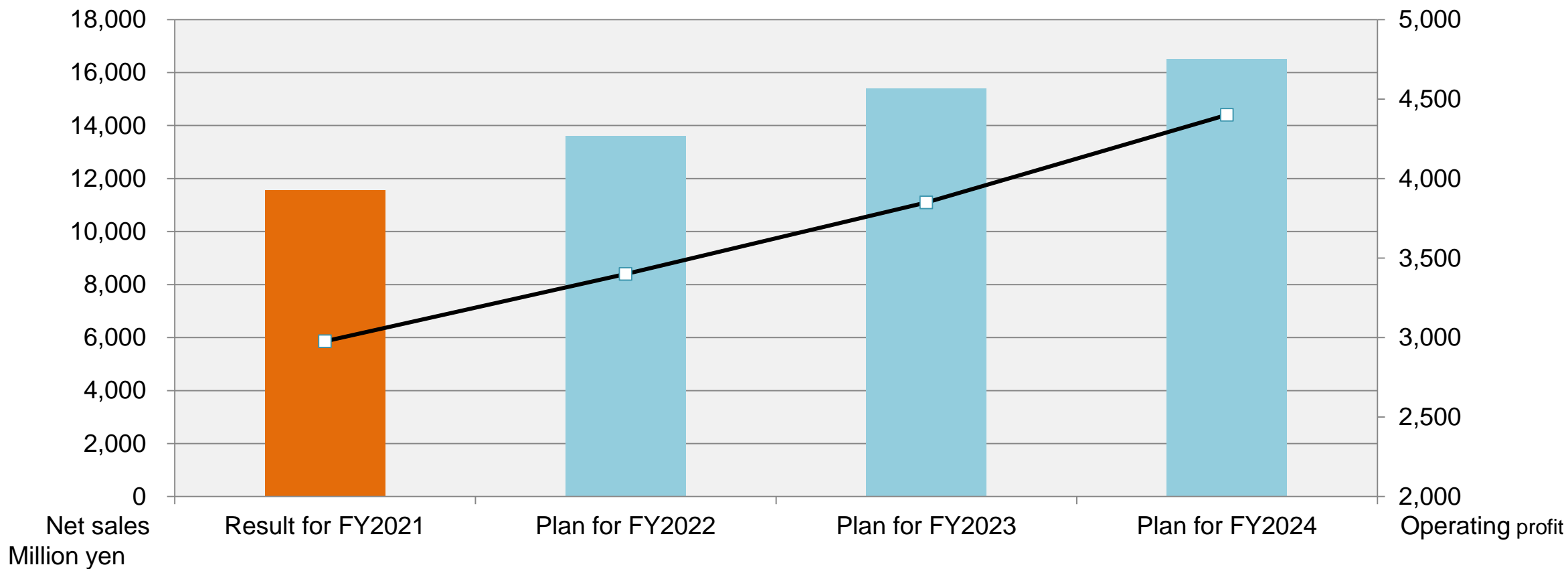
Assumptions of the Medium-Term Management Plan

1. The previous medium-term plan is achieved in terms of profits two years ahead of schedule.
2. Exchange rate is assumed to be 110 yen/US dollar.
3. Presently predictable changes in purchase and selling prices have been taken into consideration. Raw material price, etc. may be influenced by the situation in Ukraine, the delay in international distribution, and other factors.
4. In expectation of the expansion of plants and the construction of new plants at Taiwanese subsidiary, the increasing trend in labor cost and expenses continues.

5. Capital investment plan and transition of depreciation (Estimation, Million yen)

	FY2022	FY2023	FY2024	Total
Total investment	2,958	2,201	1,950	7,109
Total depreciation	1,252	1,427	1,511	—

6. Personnel increase plan: Increasing by 2 - 30 people each term
7. Share of loss (profit) of entities accounted for using equity method:
Approx. 2,200 million yen per year are expected as share of profit of entities accounted for using equity method for the three years.



	Result for FY2021	Plan for FY2022	Plan for FY2023	Plan for FY2024
Net sales	11,574	13,600	15,400	16,500
Operating profit	2,976	3,400	3,850	4,400
Ordinary profit	5,294	5,730	6,170	6,740
Net profit	4,095	4,500	4,800	5,170

Million yen

	Result for FY2021	Plan for FY2022	Plan for FY2023	Plan for FY2024
Net sales	11,574	13,600	15,400	16,500
Operating profit	2,976	3,400	3,850	4,400
Increase in net sales	—	2,025	1,800	1,100
Operating profit to net sales	25.7%	25.0%	25.0%	26.7%

Aiming to maintain operating profit of about 25 %

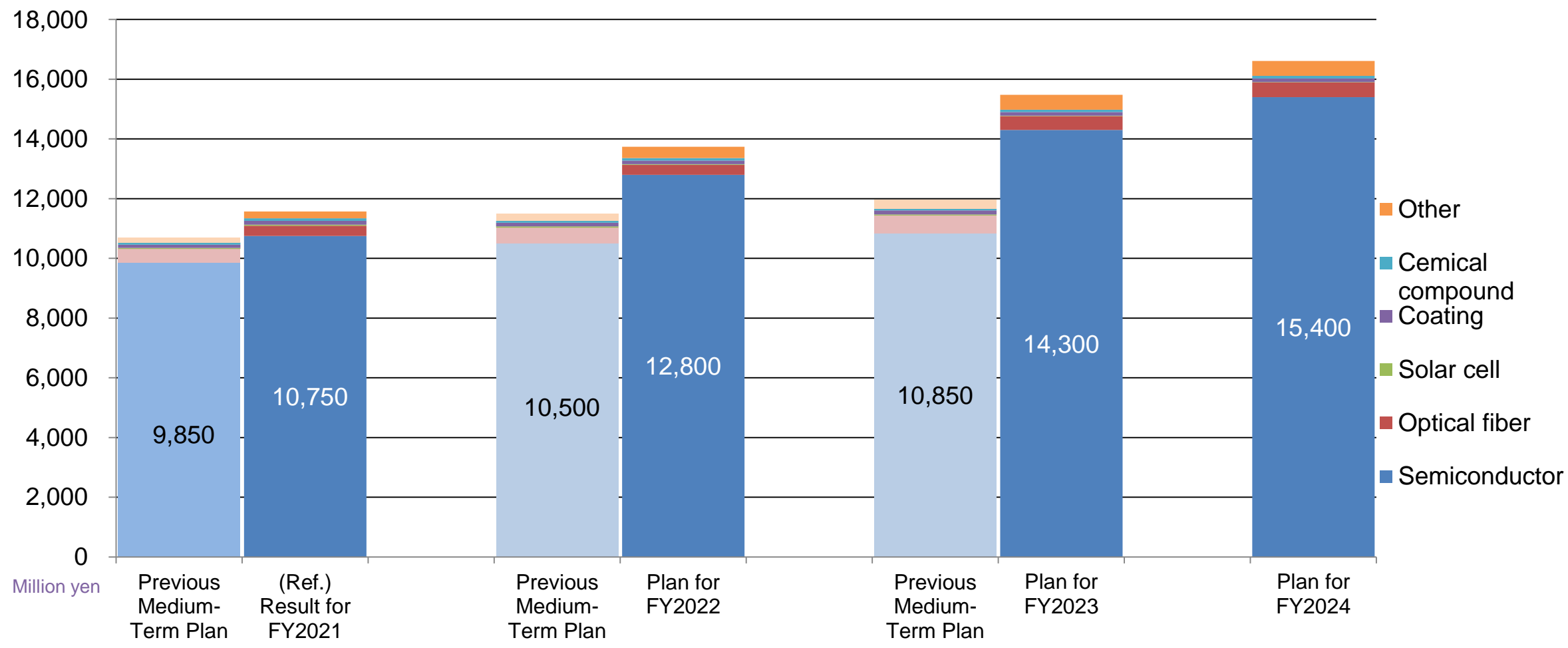
External environment

- Demand for advanced semiconductors will grow at high level.
 - Semiconductor manufacturers are expected to continue to enhance their capacity.
 - Materials and processes will be more advanced as semiconductors are becoming more microscopic and sophisticated.
- >Needs of new materials and higher performance for next-generation semiconductors will continue to be demanded.

Initiatives by the Company

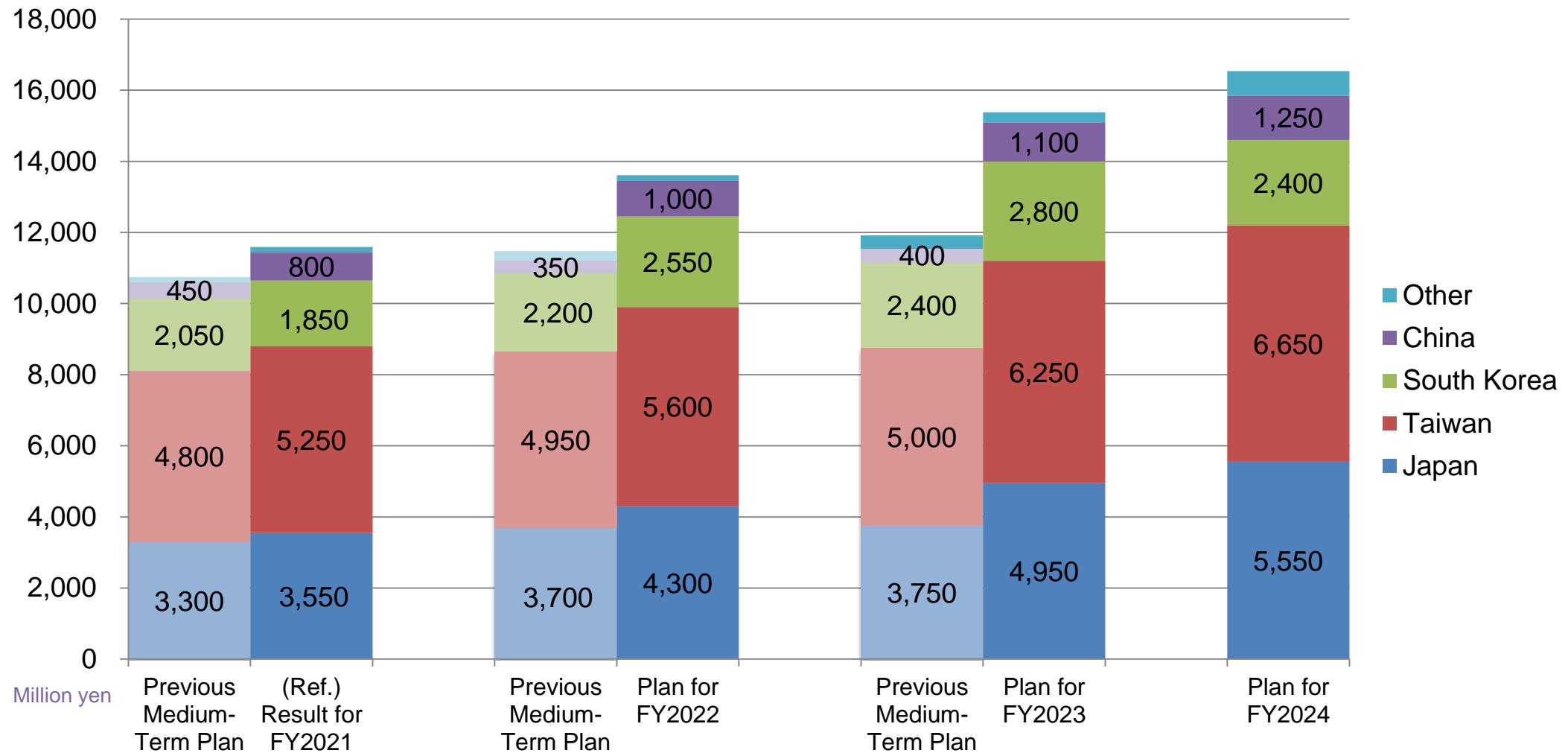
- Continuing to improve production and development abilities in the Group.
 - * Establishing a system in expectation of mass-production of next-generation new materials (considering automation and new plants).
 - * Continuing investment for early commercialization of Taiwanese subsidiary's plant and enhancement of its capacity.
 - * Improving management systems for safety, quality, and costs
 - * Improving the business continuity plan with the increase in bases, and pursuing sustainability activities.

Medium-Term Sales Plan (by Product Application) *Including comparison with the previous medium-term plan.



Products for semiconductors will grow and new materials will be demanded due to die shrink.

Medium-Term Sales Plan (by Region) *Including comparison with the previous medium-term plan.



Expecting a significant growth in products for Japan and Taiwan

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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