

Consolidated Financial Results for the Nine Months Ended October 31, 2022



[Japanese GAAP]

November 30, 2022

Company name: Tri Chemical Laboratories Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4369
 URL: <http://www.trichemical.com>
 Representative: Kiyoshi Tazuke, Representative Director & CEO
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 Scheduled date of filing quarterly securities report: December 15, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary briefing material on quarterly financial results: Not available
 Scheduled date of quarterly 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, 2022 (February 1, 2022 to October 31, 2022)

(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, 2022	10,139	18.9	2,821	20.0	5,613	37.8	4,374	38.5
October 31, 2021	8,527	16.2	2,350	6.7	4,074	19.0	3,159	18.1

(Note) Comprehensive income: Nine months ended October 31, 2022: ¥4,679 million (45.0%)
 Nine months ended October 31, 2021: ¥3,228 million (25.4%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
October 31, 2022	134.62	–
October 31, 2021	97.54	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of October 31, 2022	31,733	25,349	79.9
As of January 31, 2022	28,288	21,320	75.4

(Reference) Equity: As of October 31, 2022: ¥25,349 million
 As of January 31, 2022: ¥21,320 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, 2022	–	0.00	–	20.00	20.00
Fiscal year ending January 31, 2023	–	0.00	–		
Fiscal year ending January 31, 2023 (Forecast)				22.00	22.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2023 (February 1, 2022 to January 31, 2023)

(% 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	13,600	17.5	3,621	21.7	6,648	25.6	5,193	26.8	159.82

(Note) Revision of financial results forecast from recently announced figures: None

* 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: Yes

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, 2022: 32,498,640 shares

As of January 31, 2022: 32,498,640 shares

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

As of October 31, 2022: 1,646 shares

As of January 31, 2022: 1,580 shares

3) Average number of shares during the period:

Nine months ended October 31, 2022: 32,497,036 shares

Nine months ended October 31, 2021: 32,387,169 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2022	As of October 31, 2022
Assets		
Current assets		
Cash and deposits	8,034,494	10,925,920
Notes and accounts receivable - trade	3,058,124	3,942,579
Electronically recorded monetary claims - operating	838,248	860,180
Merchandise and finished goods	79,197	169,021
Work in process	749,403	1,127,133
Raw materials and supplies	1,321,772	1,484,393
Other	305,191	386,466
Total current assets	14,386,432	18,895,695
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,319,866	5,544,167
Accumulated depreciation	(1,500,630)	(1,727,743)
Buildings and structures, net	3,819,235	3,816,423
Machinery, equipment and vehicles	3,119,985	3,910,864
Accumulated depreciation	(1,708,130)	(2,010,909)
Machinery, equipment and vehicles, net	1,411,854	1,899,955
Tools, furniture and fixtures	2,616,297	2,870,776
Accumulated depreciation	(1,630,985)	(1,887,199)
Tools, furniture and fixtures, net	985,312	983,577
Land	714,933	714,933
Other	1,329,486	1,409,553
Accumulated depreciation	(246,748)	(317,442)
Other, net	1,082,737	1,092,111
Total property, plant and equipment	8,014,073	8,507,001
Intangible assets	181,431	138,331
Investments and other assets		
Investment securities	5,535,422	3,919,763
Other	171,576	272,674
Total investments and other assets	5,706,999	4,192,438
Total non-current assets	13,902,504	12,837,771
Total assets	28,288,937	31,733,466

(Thousand yen)

	As of January 31, 2022	As of October 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	613,784	995,581
Current portion of long-term loans payable	961,417	827,711
Income taxes payable	800,361	692,257
Provision for bonuses	113,242	268,366
Other	976,639	877,246
Total current liabilities	3,465,445	3,661,162
Non-current liabilities		
Long-term loans payable	2,699,229	2,099,928
Net defined benefit liability	118,662	126,669
Other	685,200	495,976
Total non-current liabilities	3,503,092	2,722,574
Total liabilities	6,968,537	6,383,736
Net assets		
Shareholders' equity		
Capital stock	3,278,912	3,278,912
Capital surplus	3,179,912	3,179,912
Retained earnings	14,626,625	18,351,412
Treasury shares	(1,720)	(1,888)
Total shareholders' equity	21,083,730	24,808,350
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,473	2,540
Foreign currency translation adjustments	254,279	555,219
Remeasurements of defined benefit plans	(19,083)	(16,379)
Total accumulated other comprehensive income	236,669	541,380
Total net assets	21,320,399	25,349,730
Total liabilities and net assets	28,288,937	31,733,466

(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, 2021	For the nine months ended October 31, 2022
Net sales	8,527,370	10,139,113
Cost of sales	4,840,784	5,820,618
Gross profit	3,686,585	4,318,495
Selling, general and administrative expenses	1,335,678	1,497,353
Operating profit	2,350,907	2,821,141
Non-operating income		
Interest income	101	159
Dividend income	196	284
Share of profit of entities accounted for using equity method	1,395,615	2,059,730
Foreign exchange gains	251,619	622,498
Other	141,502	135,303
Total non-operating income	1,789,036	2,817,975
Non-operating expenses		
Interest expenses	24,612	21,907
Share issuance costs	30,545	-
Other	9,941	3,407
Total non-operating expenses	65,099	25,314
Ordinary profit	4,074,844	5,613,802
Profit before income taxes	4,074,844	5,613,802
Income taxes - current	963,597	1,439,083
Income taxes - deferred	(47,789)	(200,009)
Total income taxes	915,807	1,239,073
Profit	3,159,037	4,374,728
Profit attributable to owners of parent	3,159,037	4,374,728

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2021	For the nine months ended October 31, 2022
Profit	3,159,037	4,374,728
Other comprehensive income		
Valuation difference on available-for-sale securities	274	1,066
Foreign currency translation adjustments	61,008	79,462
Remeasurements of defined benefit plans, net of tax	2,487	2,704
Share of other comprehensive income of entities accounted for using equity method	5,391	221,477
Total other comprehensive income	69,162	304,710
Comprehensive income	3,228,200	4,679,439
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,228,200	4,679,439
Comprehensive income attributable to non-controlling interests	–	–

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the nine months ended October 31, 2021	For the nine months ended October 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,074,844	5,613,802
Depreciation	748,400	903,212
Increase (decrease) in provision for bonuses	159,830	153,420
Interest and dividend income	(298)	(443)
Interest expenses	24,612	21,907
Share issuance costs	30,545	–
Share of loss (profit) of entities accounted for using equity method	(1,395,615)	(2,059,730)
Gain on insurance claims	–	(6,811)
Decrease (increase) in notes and accounts receivable - trade	(288,491)	(880,347)
Decrease (increase) in inventories	(509,827)	(615,041)
Increase (decrease) in notes and accounts payable - trade	230,385	348,782
Decrease/increase in consumption taxes receivable/payable	142,020	(99,962)
Increase (decrease) in accounts payable - other	(16,843)	(11,169)
Decrease (increase) in other current assets	(16,682)	(3,829)
Increase (decrease) in other current liabilities	39,207	(11,793)
Increase (decrease) in other non-current liabilities	6,225	8,007
Other, net	(148,807)	(233,453)
Subtotal	3,079,506	3,126,547
Interest and dividend income received	678,035	3,892,162
Interest expenses paid	(24,754)	(21,918)
Income taxes paid	(1,040,974)	(1,519,314)
Income taxes refund	–	1,738
Proceeds from insurance income	–	34,111
Net cash provided by (used in) operating activities	2,691,812	5,513,326
Cash flows from investing activities		
Purchase of investment securities	(899)	(899)
Purchase of property, plant and equipment	(624,629)	(1,156,175)
Purchase of intangible assets	(46,319)	(26,449)
Net cash provided by (used in) investing activities	(671,848)	(1,183,524)
Cash flows from financing activities		
Net increase (decrease) of short-term loans payable	(580,000)	–
Repayments of long-term loans payable	(457,799)	(733,007)
Repayments of lease obligations	(66,059)	(68,871)
Proceeds from issuance of shares	4,909,454	–
Purchase of treasury shares	–	(167)
Cash dividends paid	(530,833)	(649,190)
Net cash provided by (used in) financing activities	3,274,762	(1,451,237)
Effect of exchange rate change on cash and cash equivalents	30,397	12,859
Net increase (decrease) in cash and cash equivalents	5,325,124	2,891,425
Cash and cash equivalents at beginning of period	1,698,612	8,034,494
Cash and cash equivalents at end of period	7,023,736	10,925,920