

Tri Chemical Laboratories Inc.
Financial Results for the 45th Fiscal Year
(Fiscal Year Ended January 31, 2023)

Tokyo Stock Exchange
Stock Exchange Code: 4369

1. Financial Results for the Fiscal Year Ended January 31, 2023

Million yen

	(Ref.) FY2021	FY2022	Changes in amount	Changes in percentage
Net sales	11,574	13,803	2,228	19.3%
Operating profit	2,976	3,504	528	17.8%
Ordinary profit	5,294	6,186	891	16.8%
Net profit	4,095	4,832	737	18.0%

Net sales hit a record high for nine consecutive fiscal years.
 (Respective profits hit a record high for eight consecutive fiscal years.)
 Ordinary profit includes 2,409 million yen as share of profit of entities
 accounted for using equity method.

	As of Jan. 31, 2023	(Ref.) As of Jan. 31, 2022	Changes in amount
Current assets	18,922	14,386	4,536
Non-current assets	13,192	13,902	(709)
Total assets	32,115	28,288	3,826
Current liabilities	3,675	3,465	210
Non-current liabilities	2,563	3,503	(939)
Total liabilities	6,239	6,968	(729)
Shareholders' equity	25,265	21,083	4,182
Accumulated other comprehensive income	610	236	373
Total net assets	25,876	21,320	4,555
Total liabilities and net assets	32,115	28,288	3,826

Main reasons for the changes

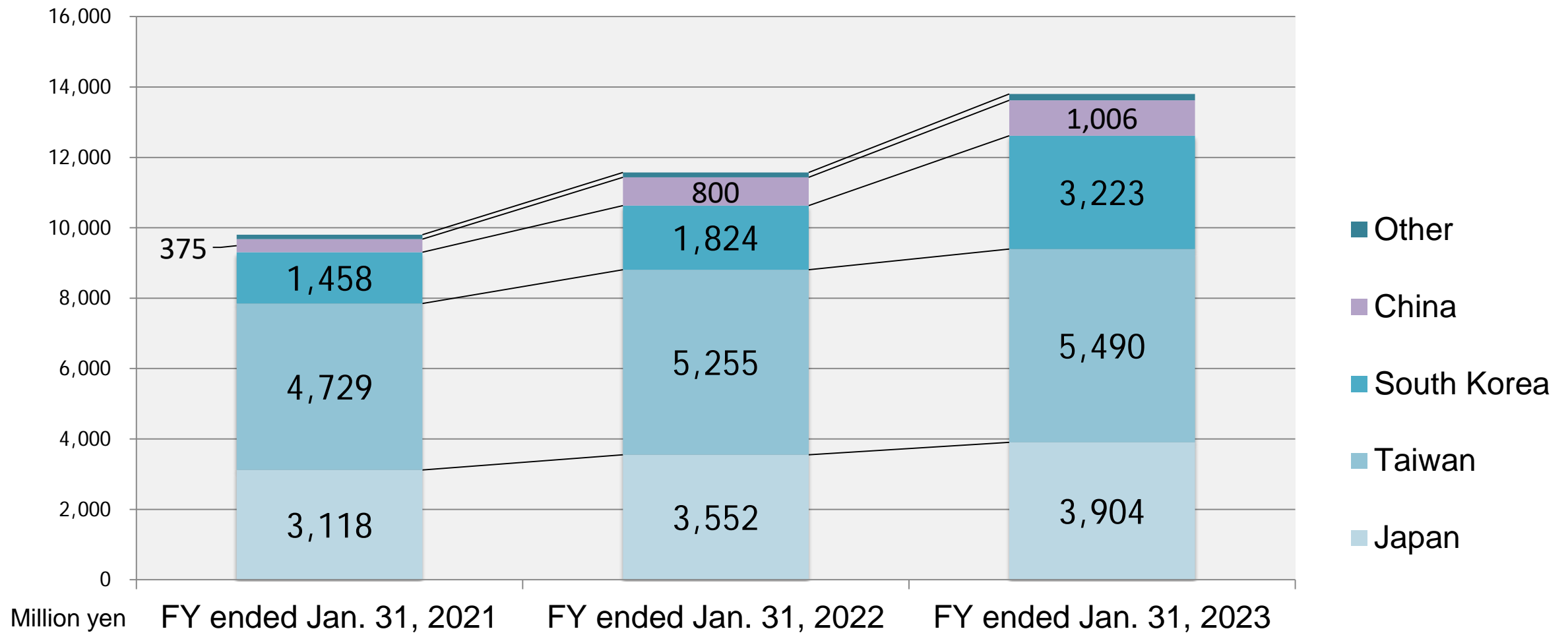
		Million yen
Current assets	Increase in cash and deposits	+3,103
	Increase in accounts receivable	+665
	Increase in inventories	+589
Non-current assets	Decrease in investment securities due to dividends from entities accounted for using equity method	(1,135)
	Increase in property, plant and equipment due to capital investment	+358
Current liabilities	Increase in accounts payable – trade	+528
	Decrease in current portion of long-term loans payable	(175)
	Decrease in accounts payable – other	(133)
Non-current liabilities	Decrease in long-term loans payable	(785)
Net assets	Increase in retained earnings due to recording profit	+4,182

Million yen

	FY2022
Cash flows from operating activities	6,392
Cash flows from investing activities	(1,557)
Cash flows from financing activities	(1,703)
Net increase (decrease) in cash and cash equivalents	3,103
Cash and cash equivalents at end of term	11,137

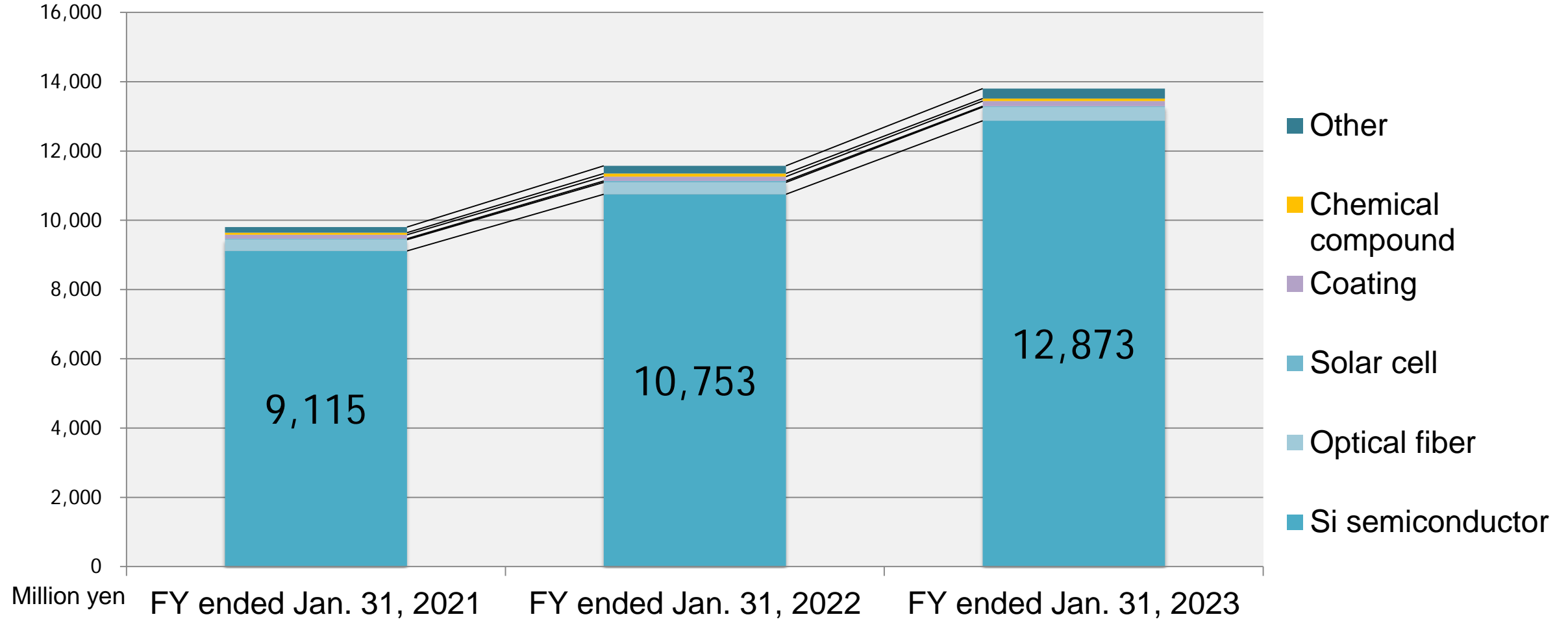
Status of cash flows

Cash flows from operating activities	Profit before income taxes	+6,186
	Interest and dividend income received	+3,892
	Share of loss (profit) of entities accounted for using equity method	(2,409)
	Income taxes paid	(1,519)
Cash flows from investing activities	Purchase of property, plant and equipment	(1,529)
Cash flows from financing activities	Repayments of loans payable	(961)
	Cash dividends paid	(649)



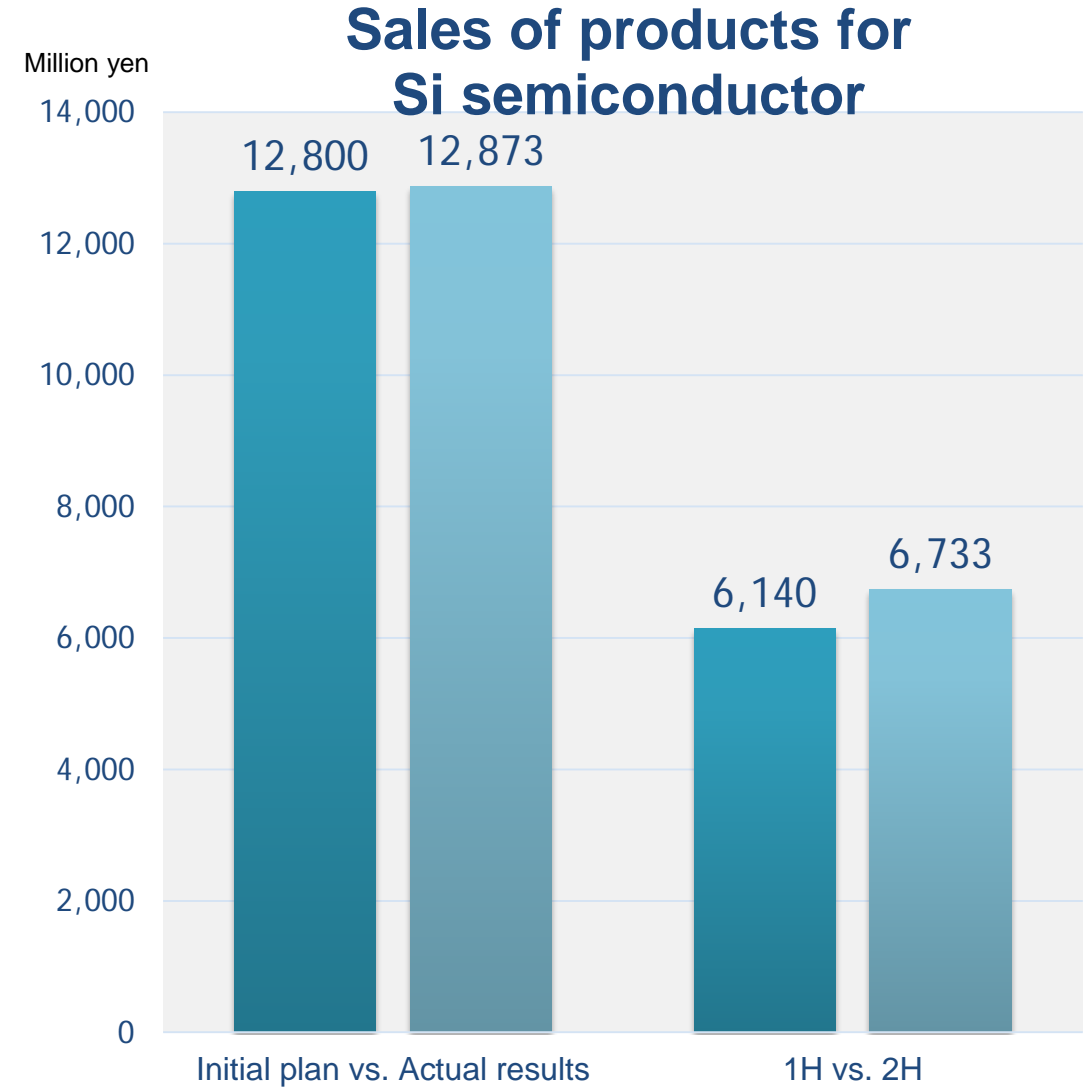
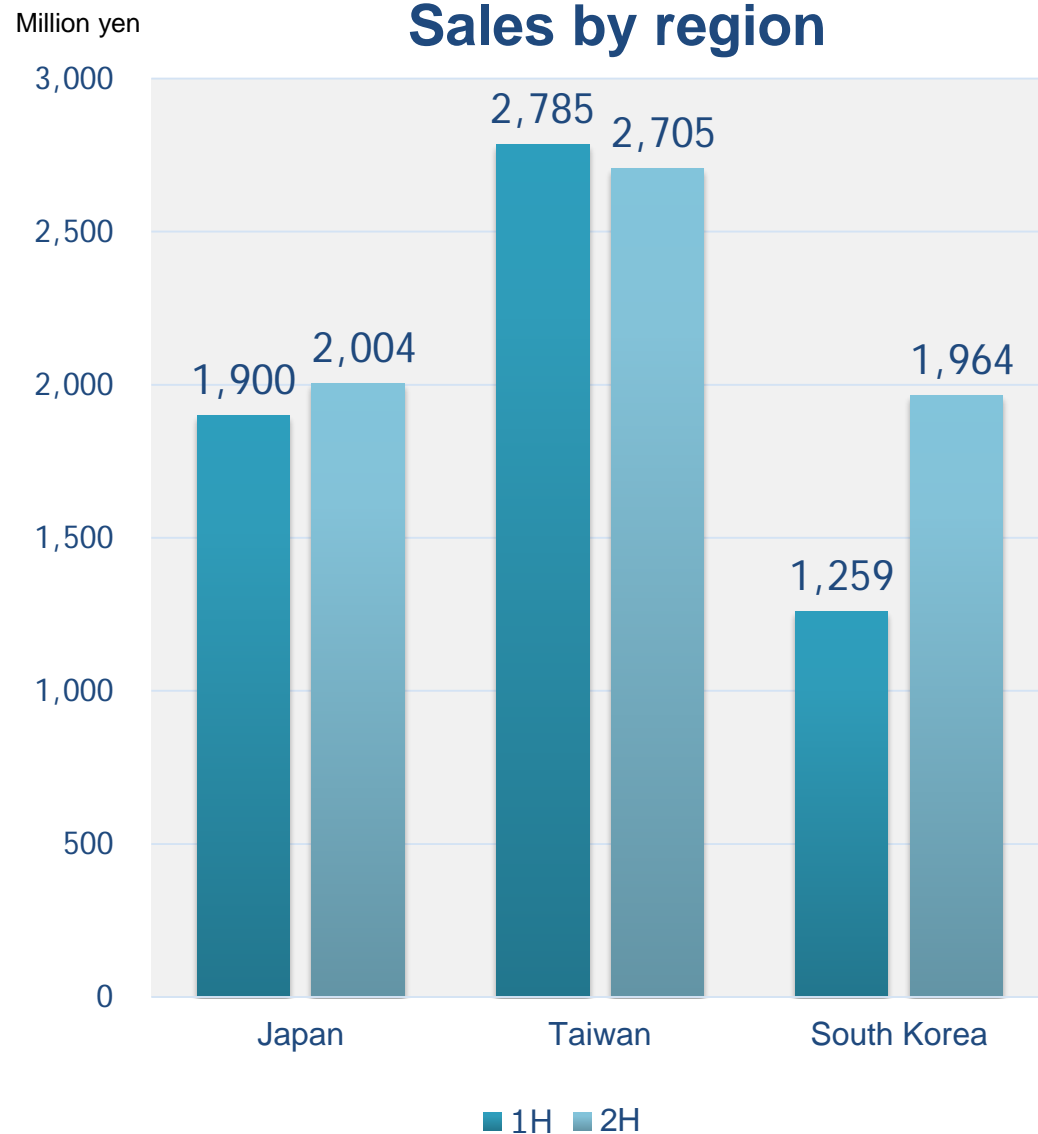
* Approximate figures based on estimates by the Company

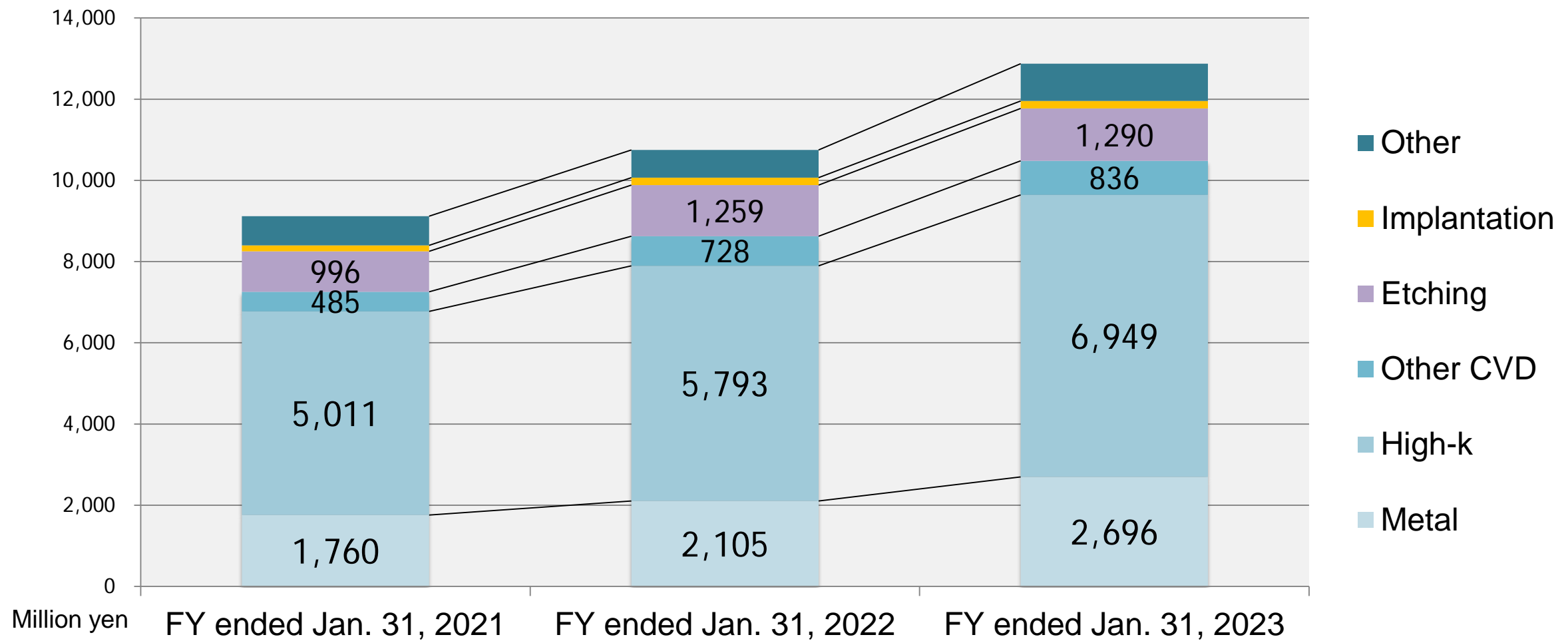
Sales of products for South Korea have increased significantly.



* Approximate figures based on estimates by the Company

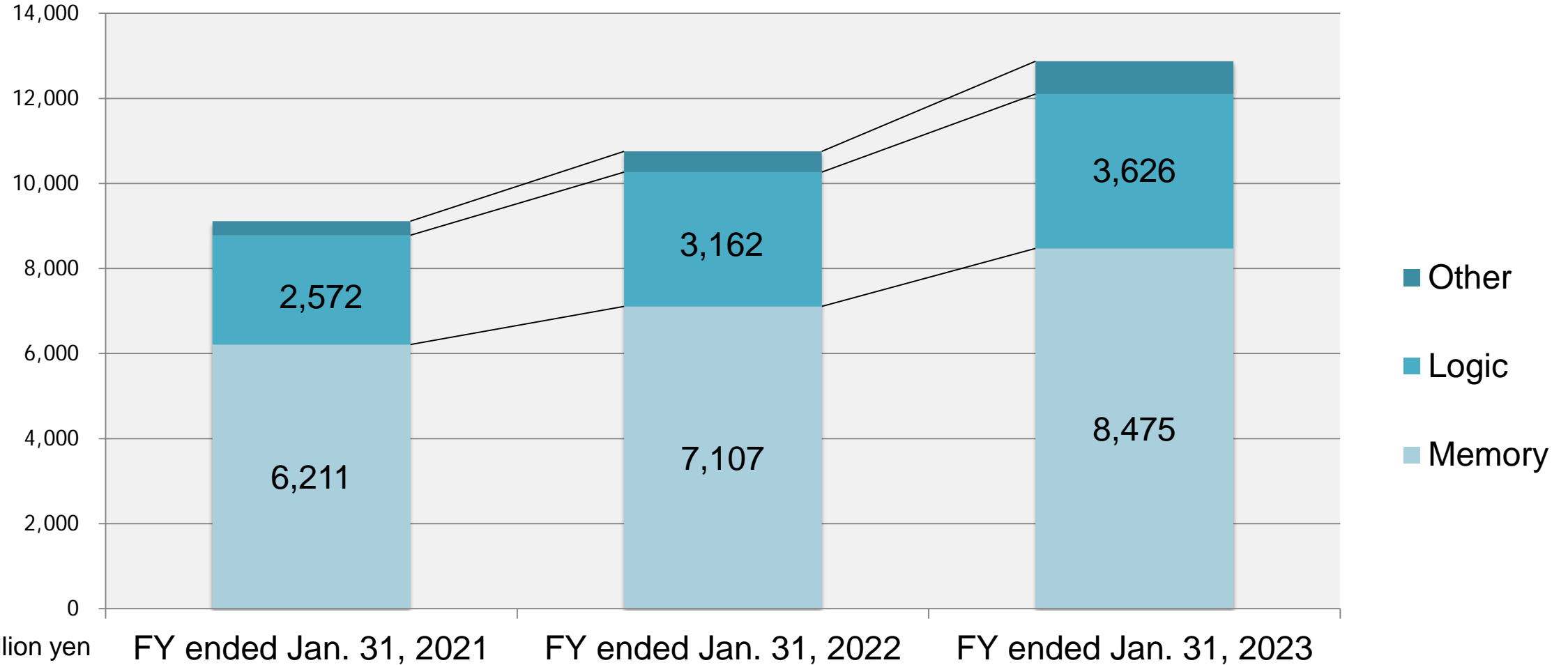
Sales of products for semiconductors have steadily grown.





* Approximate figures based on estimates by the Company

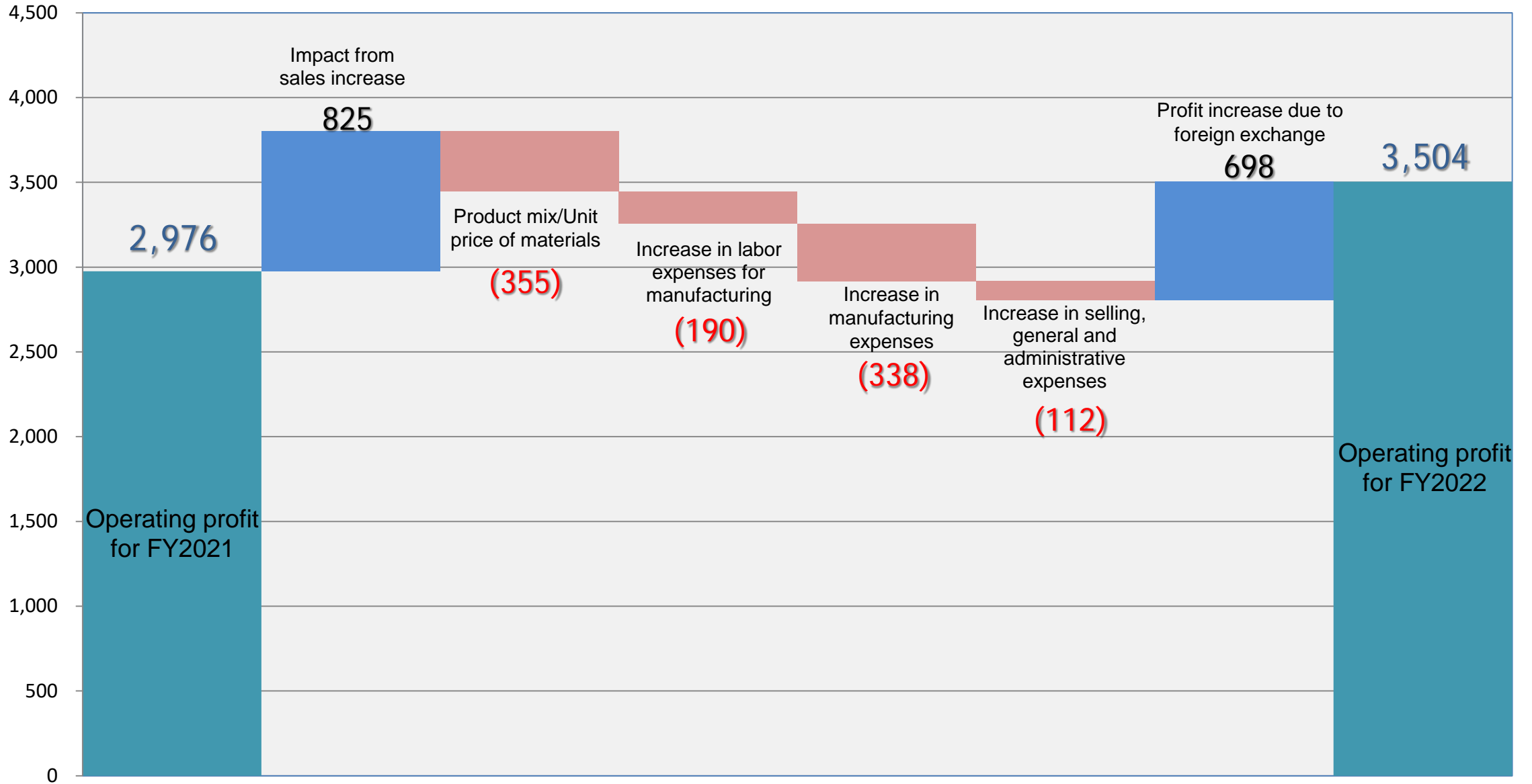
Sales of High-k and Metal have grown significantly.



* 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, 2023 (FY2022) No.11



* Before transferring research and development expenses

Million yen

2. Plan for the Fiscal Year Ending January 31, 2024

Million yen

	Results for FY2022	Plan for FY2023	(Ref.) Changes in percentage
Net sales	13,803	15,400	11.6%
Operating profit	3,504	3,500	(0.1)%
Ordinary profit	6,186	5,450	(11.9)%
Net profit	4,832	4,250	(12.1)%

Assuming exchange rate of 137 yen/US dollar (operating profit sensitivity for FY2023: 1 yen approximately equals to 20 million yen)

Share of profit of entities accounted for using equity method decreases from 2,400 million yen to 2,000 million yen.

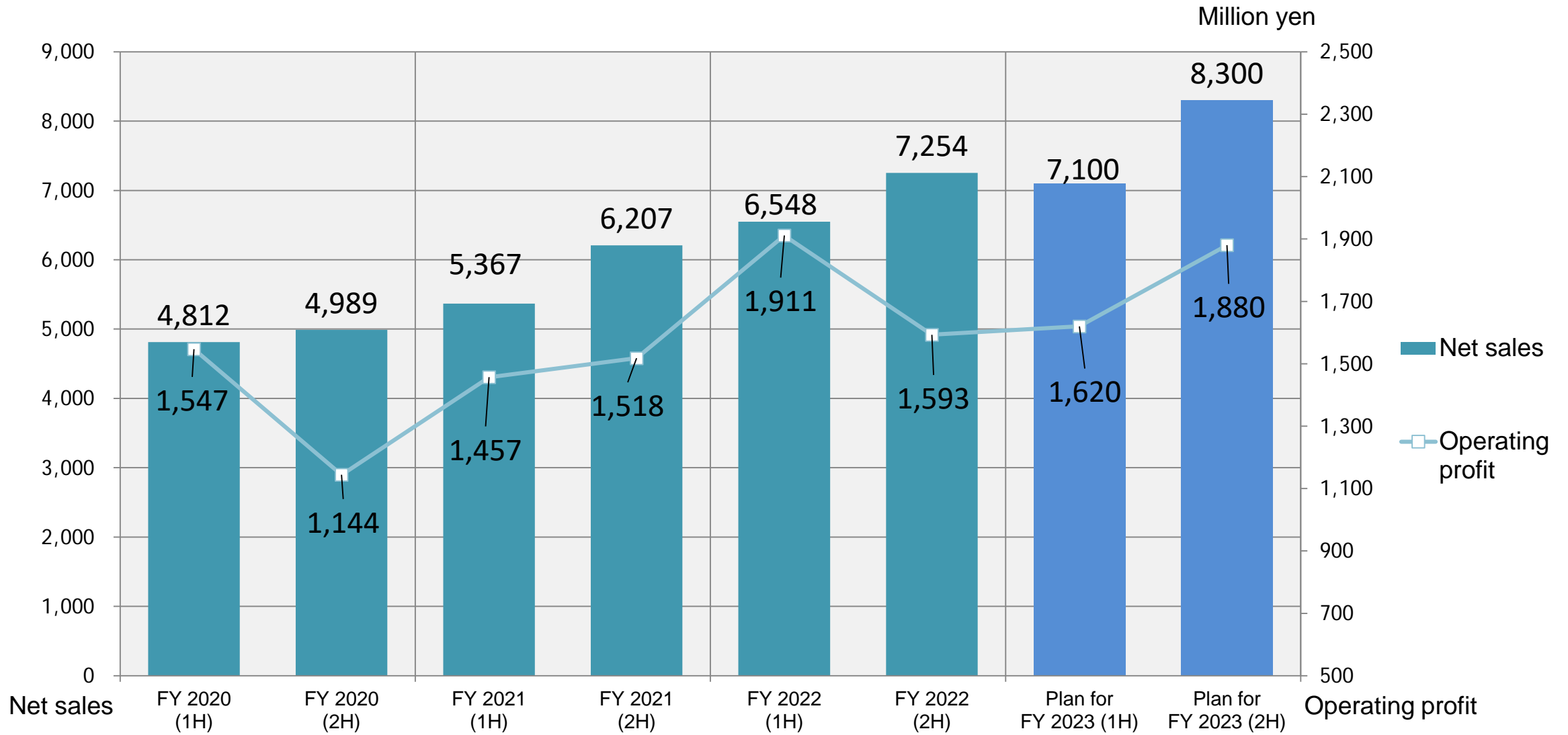
Foreign exchange gains and other gains recorded in FY2022 decreases by approximately 300 million yen.

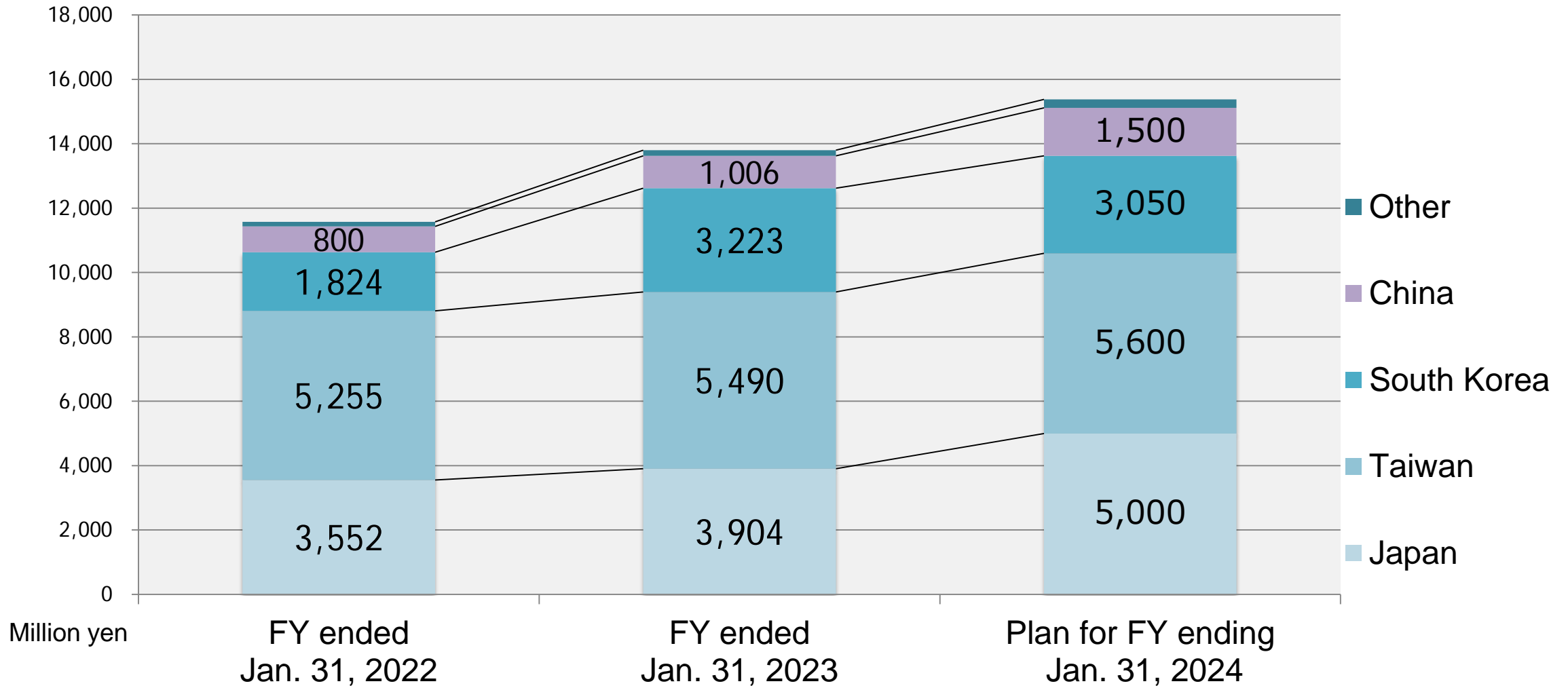
External environment

- Immediate operation of both memory and logic will be weak.
- Decline in operation of advanced semiconductors is expected to gradually recover from 2Q.
- Raw material costs and expenses will be on a continuous rise or remain high.
- Users in South Korea may be affected by geopolitical risks.

Initiatives for FY ending Jan. 31, 2024

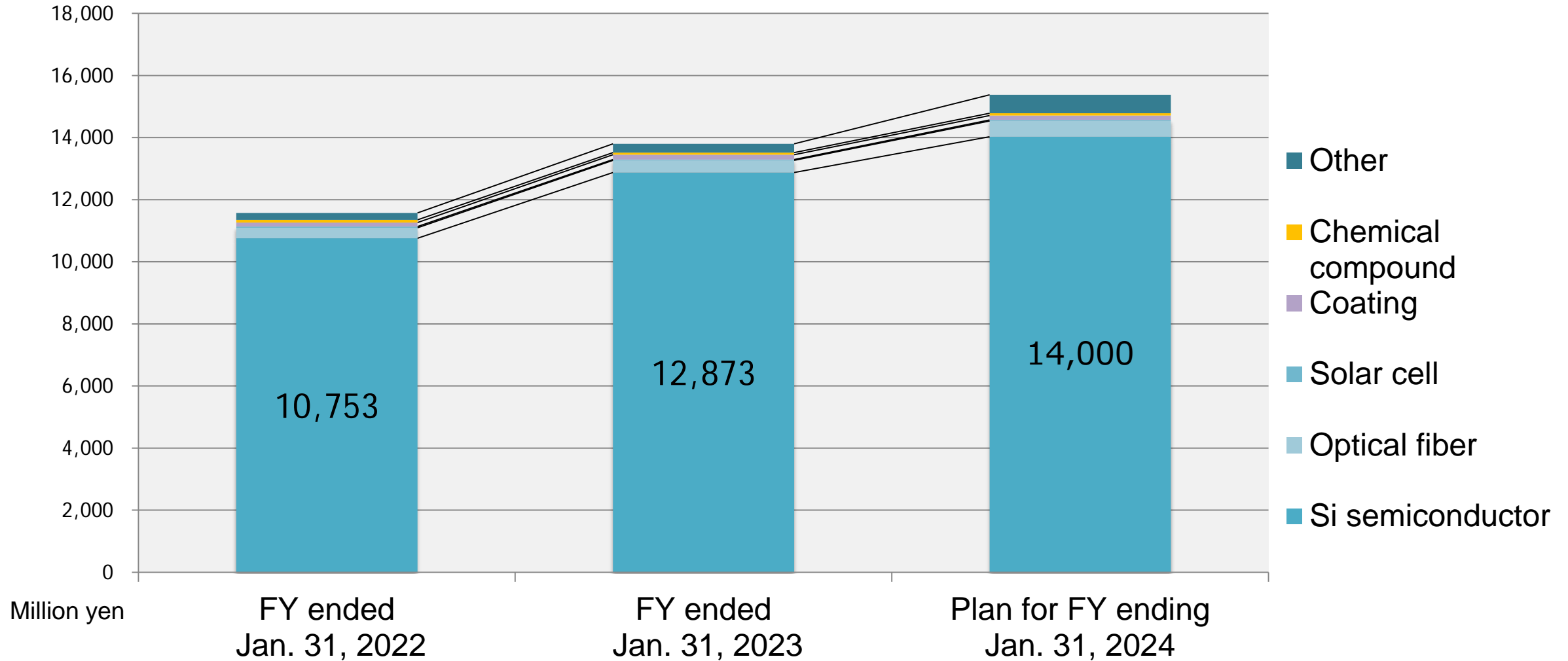
- Development of materials for next-generation semiconductors in collaboration with manufacturers of semiconductors and manufacturing equipment, etc.
- Early establishment of mass-production system for new materials
- Streamlining production and enhancing safety/quality control
- Continuing activities aimed at increasing shipments by Taiwanese subsidiary





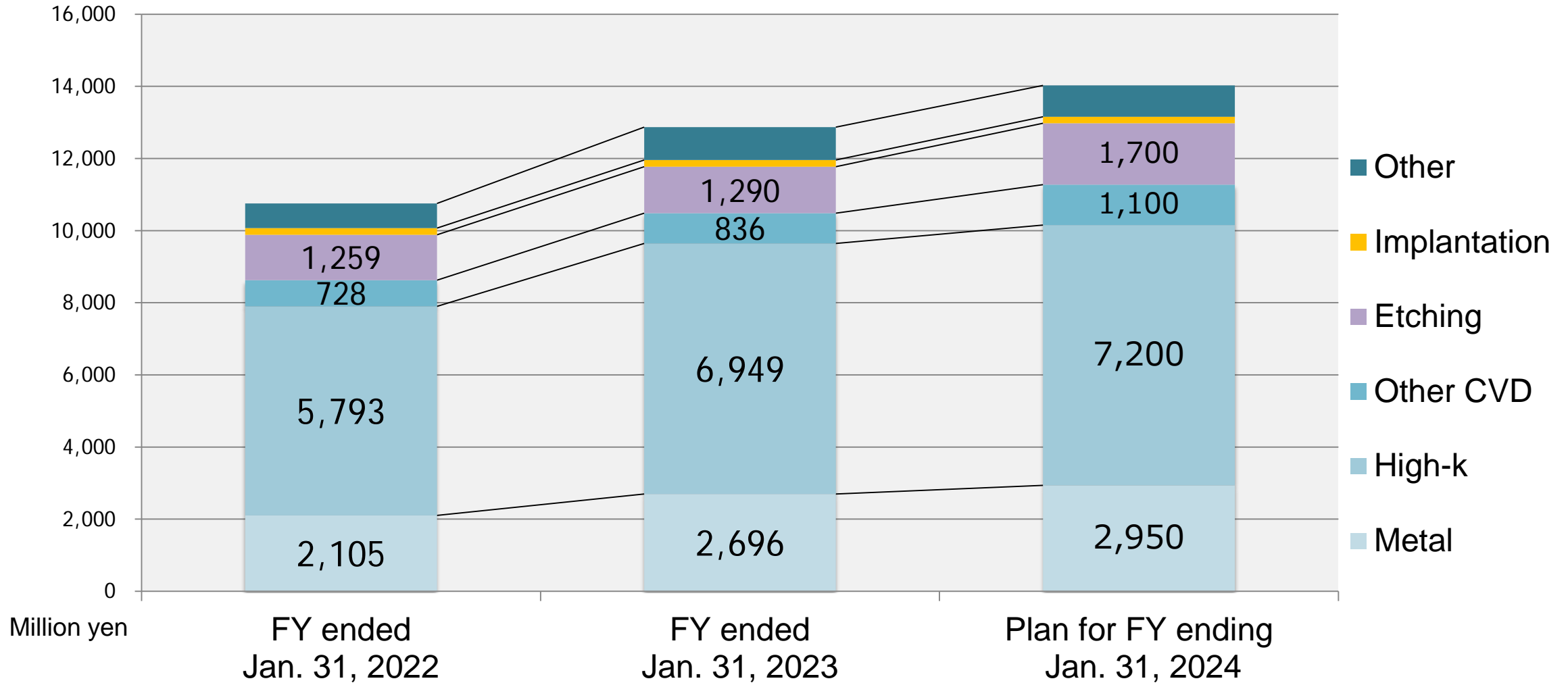
* Approximate figures based on estimates by the Company

Sales of products mainly for Japan and China will grow.



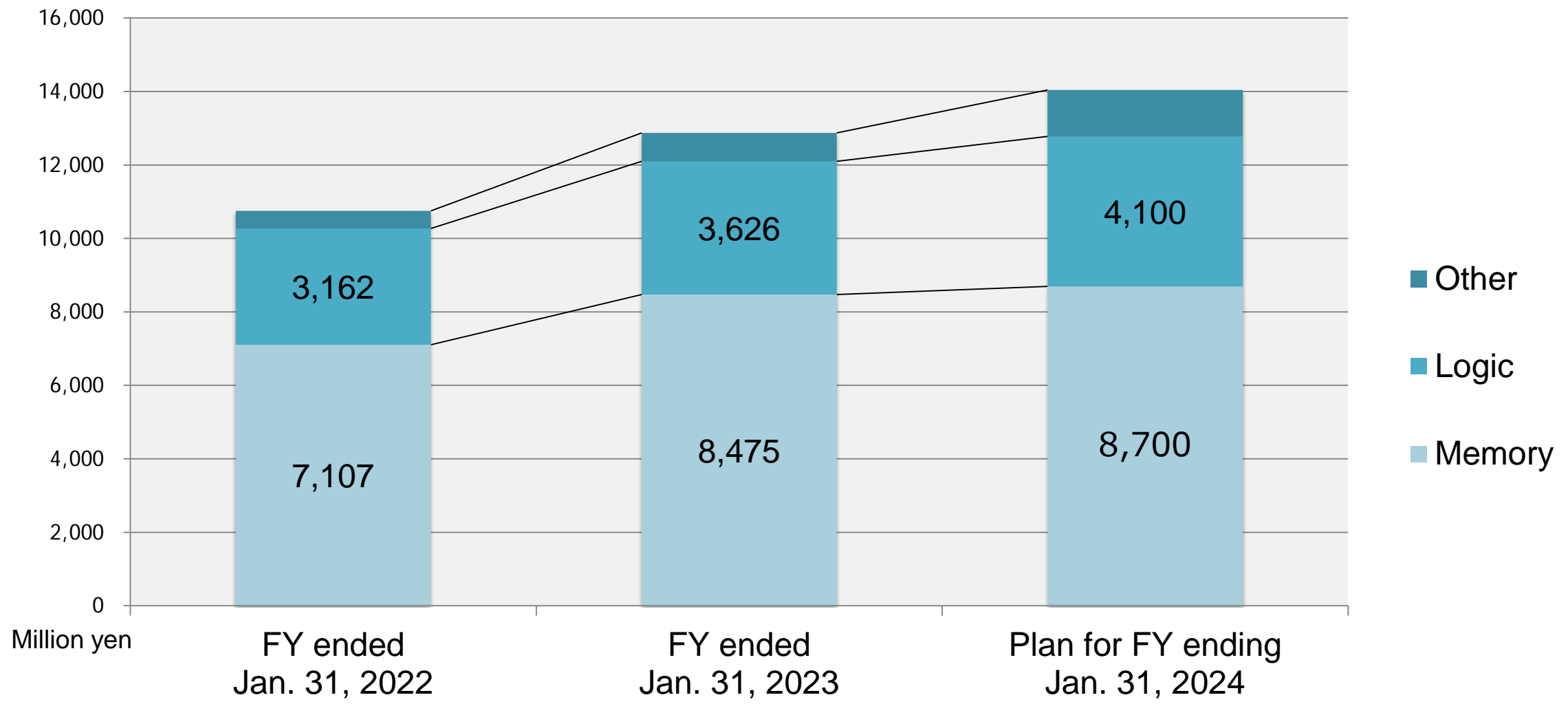
* Approximate figures based on estimates by the Company

Materials for semiconductors will pick up mainly in the second half.



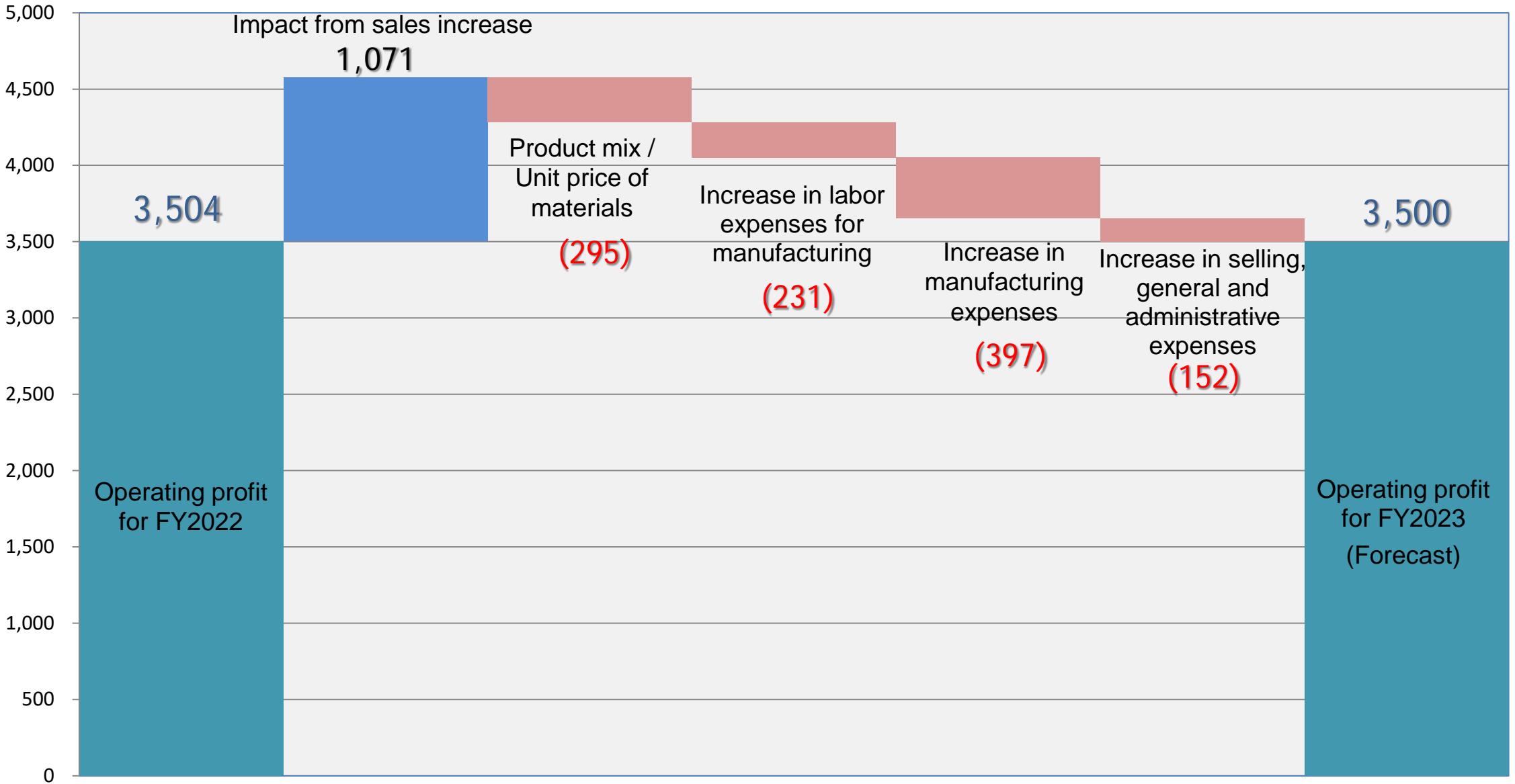
* Approximate figures based on estimates by the Company

Etching materials and CVD materials will grow steadily.



* Approximate figures based on estimates by the Company

Sales of products for both memory and logic will grow.



* Before transferring research and development expenses

Million yen

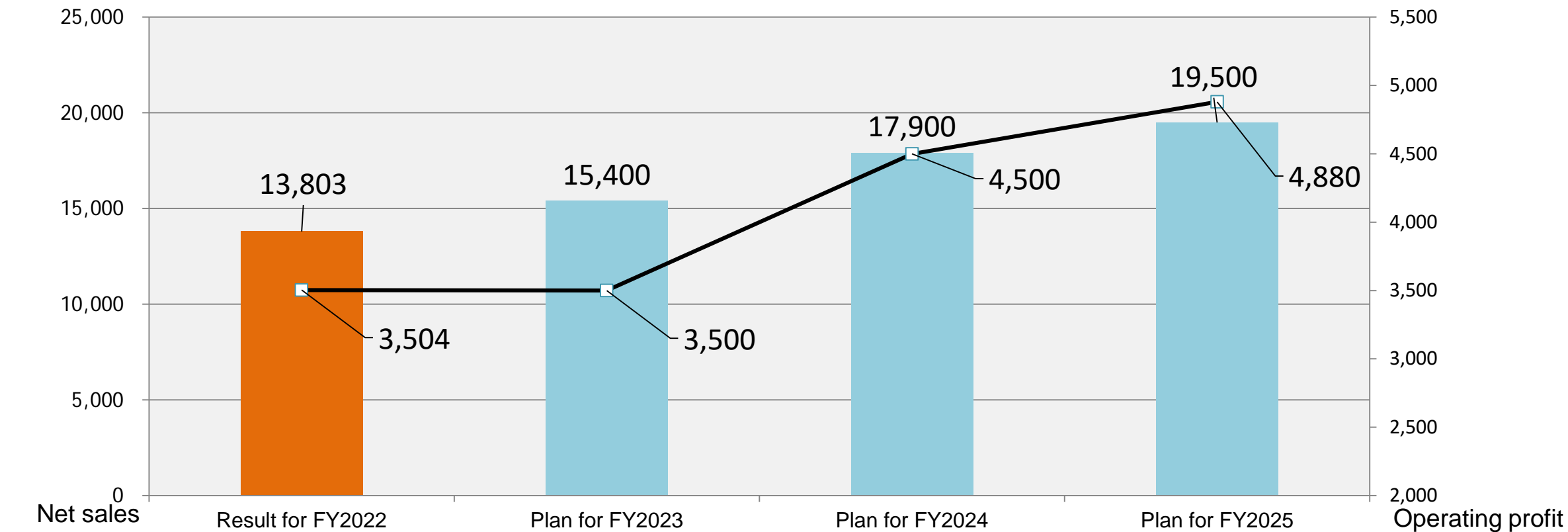
3. Medium-Term Management Plan

Assumptions of the Medium-Term Management Plan

1. Although the semiconductor industry remains weak in FY2023 1H, it gradually regains growth.
2. Exchange rate is assumed to be 137 yen/US dollar.
3. Presently predictable changes in purchase and selling prices have been taken into consideration.
4. In expectation of the construction of new plants and the business expansion of Taiwanese subsidiary, the increasing trend in labor cost and expenses continues.
5. Capital investment plan and transition of depreciation (Estimation, Million yen)

	FY2023	FY2024	FY2025	Total
Total investment	3,337	3,685	1,486	8,508
Total depreciation	1,359	1,537	1,803	—

6. Personnel increase plan: Increasing by approx. 20 people each term
7. Share of loss (profit) of entities accounted for using equity method:
Approx. 2,000 million yen per year expected as share of profit of entities accounted for using equity method for the three years



	Result for FY2022	Plan for FY2023	Plan for FY2024	Plan for FY2025
Net sales	13,803	15,400	17,900	19,500
Operating profit	3,504	3,500	4,500	4,880
Ordinary profit	6,186	5,450	6,480	6,860
Net profit	4,832	4,250	4,970	5,240

	Result for FY2022	Plan for FY2023	Plan for FY2024	Plan for FY2025
Net sales	13,803	15,400	17,900	19,500
Operating profit	3,504	3,500	4,500	4,880
Increase in net sales	—	1,596	2,500	1,600
Operating profit to net sales	25.4%	22.7%	25.1%	25.0%

Million yen

Aiming to maintain operating profit of about 25 %

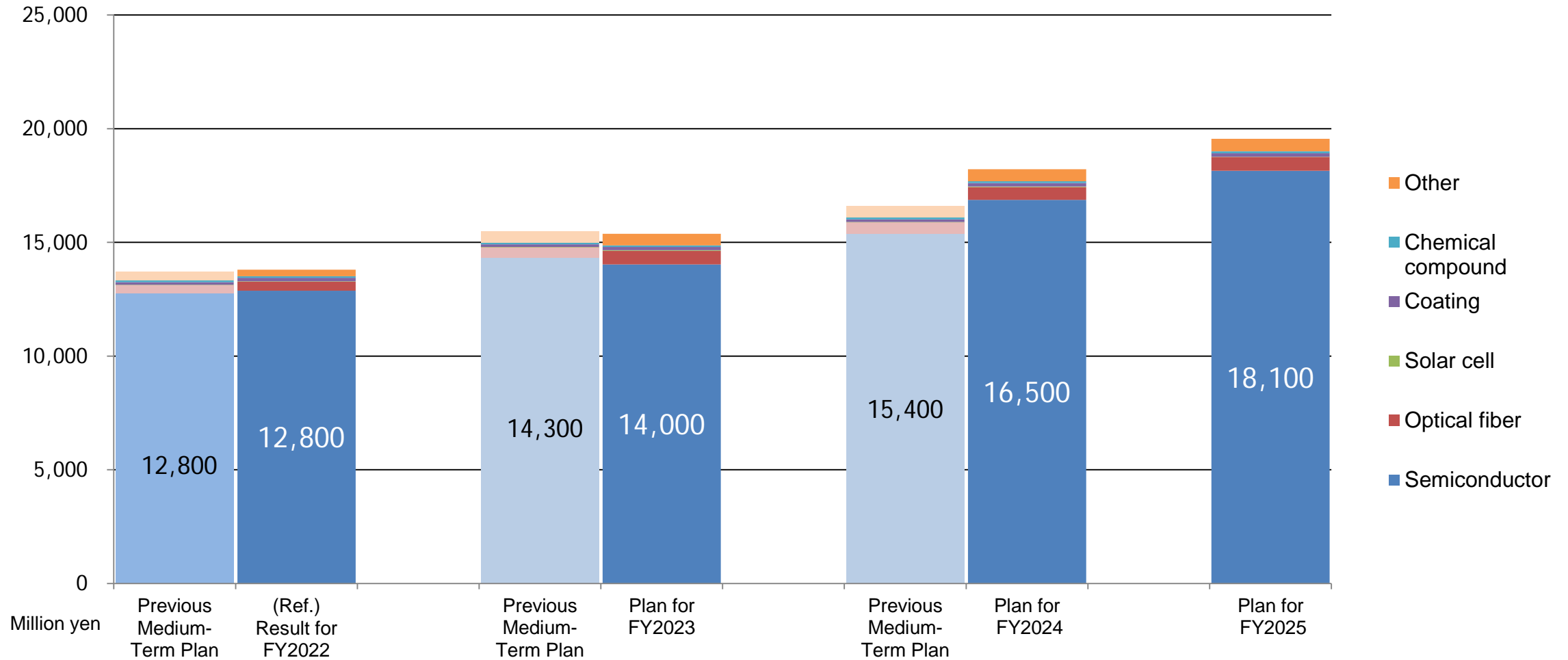
External environment

- Domestic and overseas semiconductor manufacturers will continue to construct new plants and 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

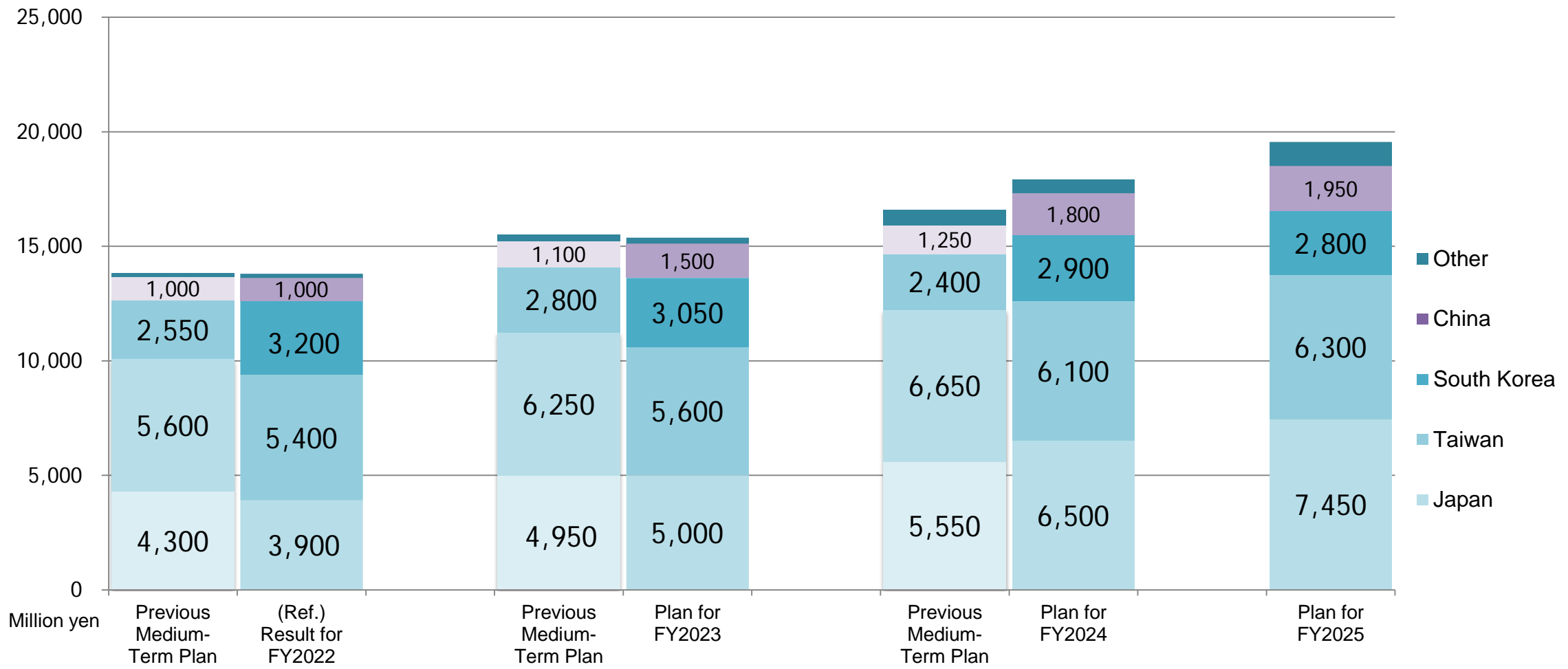
- Continuing to improve production and development abilities in the Group.
 - Establishment and automation of mass production system focusing on next-generation new materials (construction of new plants)
 - Enhancement of production capacity of Taiwanese subsidiary's plant
 - Improving management systems 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 growth in products mainly for Japan and Taiwan in 3 years

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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