

Consolidated Financial Results for the Nine Months Ended October 31, 2023



[Japanese GAAP]

November 30, 2023

Company name: Tri Chemical Laboratories Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4369
 URL: <https://www.trichemical.com>
 Representative: Kiyoshi Tazuke, Representative Director & CEO
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 Scheduled date of filing quarterly securities report: December 15, 2023
 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, 2023 (February 1, 2023 to October 31, 2023)

(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, 2023	8,215	(19.0)	1,366	(51.6)	2,439	(56.5)	1,848	(57.7)
October 31, 2022	10,139	18.9	2,821	20.0	5,613	37.8	4,374	38.5

(Note) Comprehensive income: Nine months ended October 31, 2023: ¥2,035 million (down 56.5%)
 Nine months ended October 31, 2022: ¥4,679 million (45.0%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
October 31, 2023	56.88	–
October 31, 2022	134.62	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of October 31, 2023	31,603	26,936	85.2
As of January 31, 2023	32,115	25,876	80.6

(Reference) Equity: As of October 31, 2023: ¥26,936 million
 As of January 31, 2023: ¥25,876 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, 2023	—	0.00	—	30.00	30.00
Fiscal year ending January 31, 2024	—	0.00	—		
Fiscal year ending January 31, 2024 (Forecast)				30.00	30.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2024 (February 1, 2023 to January 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	11,300	(18.1)	1,700	(51.5)	3,370	(45.5)	2,680	(44.5)	82.47

(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: 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 October 31, 2023: 32,498,640 shares

As of January 31, 2023: 32,498,640 shares

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

As of October 31, 2023: 1,702 shares

As of January 31, 2023: 1,702 shares

3) Average number of shares during the period:

Nine months ended October 31, 2023: 32,496,938 shares

Nine months ended October 31, 2022: 32,497,036 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, 2023	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	11,137,800	11,387,576
Notes and accounts receivable - trade	3,504,831	2,149,371
Electronically recorded monetary claims - operating	1,056,741	1,059,033
Merchandise and finished goods	132,660	80,184
Work in process	1,181,653	2,065,948
Raw materials and supplies	1,425,699	1,922,419
Other	483,179	487,324
Total current assets	18,922,566	19,151,858
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,466,764	5,705,857
Accumulated depreciation	(1,783,974)	(2,010,027)
Buildings and structures, net	3,682,789	3,695,829
Machinery, equipment and vehicles	3,948,405	4,239,294
Accumulated depreciation	(2,106,975)	(2,377,640)
Machinery, equipment and vehicles, net	1,841,429	1,861,653
Tools, furniture and fixtures	2,941,502	3,271,675
Accumulated depreciation	(1,886,835)	(2,160,658)
Tools, furniture and fixtures, net	1,054,667	1,111,017
Land	714,933	714,933
Other	1,415,049	2,105,227
Accumulated depreciation	(336,153)	(396,069)
Other, net	1,078,896	1,709,158
Total property, plant and equipment	8,372,717	9,092,592
Intangible assets	134,789	112,826
Investments and other assets		
Investment securities	4,400,387	2,772,337
Other	285,097	474,006
Total investments and other assets	4,685,485	3,246,344
Total non-current assets	13,192,992	12,451,762
Total assets	32,115,559	31,603,621

(Thousand yen)

	As of January 31, 2023	As of October 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,142,053	908,995
Current portion of long-term loans payable	785,442	730,888
Income taxes payable	787,378	4,113
Provision for bonuses	124,321	198,072
Other	836,475	913,428
Total current liabilities	3,675,670	2,755,497
Non-current liabilities		
Long-term loans payable	1,913,787	1,369,040
Net defined benefit liability	133,686	137,594
Other	516,354	404,704
Total non-current liabilities	2,563,828	1,911,338
Total liabilities	6,239,498	4,666,836
Net assets		
Shareholders' equity		
Capital stock	3,278,912	3,278,912
Capital surplus	3,179,912	3,179,912
Retained earnings	18,809,102	19,682,518
Treasury shares	(2,025)	(2,025)
Total shareholders' equity	25,265,902	26,139,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,229	14,323
Foreign currency translation adjustments	623,445	799,035
Remeasurements of defined benefit plans	(18,516)	(15,892)
Total accumulated other comprehensive income	610,158	797,466
Total net assets	25,876,060	26,936,785
Total liabilities and net assets	32,115,559	31,603,621

(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, 2022	For the nine months ended October 31, 2023
Net sales	10,139,113	8,215,001
Cost of sales	5,820,618	5,262,985
Gross profit	4,318,495	2,952,016
Selling, general and administrative expenses	1,497,353	1,585,977
Operating profit	2,821,141	1,366,038
Non-operating income		
Interest income	159	309
Dividend income	284	342
Share of profit of entities accounted for using equity method	2,059,730	809,846
Foreign exchange gains	622,498	299,062
Other	135,303	6,916
Total non-operating income	2,817,975	1,116,477
Non-operating expenses		
Interest expenses	21,907	18,187
Loss on retirement of non-current assets	3,032	24,453
Other	375	510
Total non-operating expenses	25,314	43,150
Ordinary profit	5,613,802	2,439,365
Profit before income taxes	5,613,802	2,439,365
Income taxes - current	1,439,083	749,779
Income taxes - deferred	(200,009)	(158,739)
Total income taxes	1,239,073	591,040
Profit	4,374,728	1,848,324
Profit attributable to owners of parent	4,374,728	1,848,324

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2022	For the nine months ended October 31, 2023
Profit	4,374,728	1,848,324
Other comprehensive income		
Valuation difference on available-for-sale securities	1,066	9,093
Foreign currency translation adjustments	79,462	83,820
Remeasurements of defined benefit plans, net of tax	2,704	2,624
Share of other comprehensive income of entities accounted for using equity method	221,477	91,769
Total other comprehensive income	304,710	187,307
Comprehensive income	4,679,439	2,035,632
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,679,439	2,035,632
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the nine months ended October 31, 2022	For the nine months ended October 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,613,802	2,439,365
Depreciation	903,212	963,924
Increase (decrease) in provision for bonuses	153,420	72,656
Interest and dividend income	(443)	(652)
Interest expenses	21,907	18,187
Share of loss (profit) of entities accounted for using equity method	(2,059,730)	(809,846)
Gain on insurance claims	(6,811)	–
Decrease (increase) in notes and accounts receivable - trade	(880,347)	1,367,758
Decrease (increase) in inventories	(615,041)	(1,308,746)
Increase (decrease) in notes and accounts payable - trade	348,782	(250,435)
Decrease/increase in consumption taxes receivable/payable	(99,962)	10,303
Increase (decrease) in accounts payable - other	(11,169)	(21,710)
Decrease (increase) in other current assets	(3,829)	20,793
Increase (decrease) in other current liabilities	(11,793)	5,822
Increase (decrease) in other non-current liabilities	8,007	3,907
Other, net	(233,453)	(211,040)
Subtotal	3,126,547	2,300,286
Interest and dividend income received	3,892,162	2,542,146
Interest expenses paid	(21,918)	(18,192)
Income taxes paid	(1,519,314)	(1,520,289)
Income taxes refund	1,738	–
Proceeds from insurance income	34,111	–
Net cash provided by (used in) operating activities	5,513,326	3,303,951
Cash flows from investing activities		
Purchase of investment securities	(899)	(899)
Purchase of property, plant and equipment	(1,156,175)	(1,390,875)
Purchase of intangible assets	(26,449)	(29,791)
Net cash provided by (used in) investing activities	(1,183,524)	(1,421,566)
Cash flows from financing activities		
Repayments of long-term loans payable	(733,007)	(599,301)
Repayments of lease obligations	(68,871)	(74,019)
Purchase of treasury shares	(167)	–
Cash dividends paid	(649,190)	(973,562)
Net cash provided by (used in) financing activities	(1,451,237)	(1,646,883)
Effect of exchange rate change on cash and cash equivalents	12,859	14,274
Net increase (decrease) in cash and cash equivalents	2,891,425	249,776
Cash and cash equivalents at beginning of period	8,034,494	11,137,800
Cash and cash equivalents at end of period	10,925,920	11,387,576