

Consolidated Financial Results for the Fiscal Year Ended January 31, 2024



[Japanese GAAP]

March 15, 2024

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 Annual General Meeting of Shareholders: April 25, 2024
 Scheduled date of filing annual securities report: April 26, 2024
 Scheduled date of commencing dividend payments: April 26, 2024
 Availability of supplementary briefing material on annual financial results: Not available
 Scheduled date of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

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

(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	%
Fiscal year ended January 31, 2024	11,246	(18.5)	1,947	(44.4)	3,276	(47.0)	2,470	(48.9)
January 31, 2023	13,803	19.3	3,504	17.8	6,186	16.8	4,832	18.0

(Note) Comprehensive income: Fiscal year ended January 31, 2024: ¥2,669 million (down 48.7%)
 Fiscal year ended January 31, 2023: ¥5,205 million (20.8%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
January 31, 2024	76.03	—	9.2	10.2	17.3
January 31, 2023	148.70	—	20.5	20.5	25.4

(Reference) Equity in earnings of affiliated companies: Fiscal year ended January 31, 2024: ¥1,036 million
 Fiscal year ended January 31, 2023: ¥2,409 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2024	31,864	27,570	86.5	848.40
As of January 31, 2023	32,115	25,876	80.6	796.26

(Reference) Equity: As of January 31, 2024: ¥27,570 million
 As of January 31, 2023: ¥25,876 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
January 31, 2024	2,972	(1,781)	(1,858)	10,497
January 31, 2023	6,392	(1,557)	(1,703)	11,137

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
January 31, 2023	–	0.00	–	30.00	30.00	974	20.2	4.1
January 31, 2024	–	0.00	–	30.00	30.00	974	39.5	3.6
Fiscal year ending January 31, 2025 (Forecast)	–	0.00	–	30.00	30.00		26.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2025 (February 1, 2024 to January 31, 2025)

(% 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
First half	7,080	25.9	1,640	49.0	2,190	14.9	1,650	13.5	50.77
Full year	14,890	32.4	3,380	73.5	4,880	48.9	3,730	51.0	114.78

* 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) 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

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

January 31, 2024: 32,498,640 shares

January 31, 2023: 32,498,640 shares

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

January 31, 2024: 1,702 shares

January 31, 2023: 1,702 shares

3) Average number of shares during the period:

Fiscal year ended January 31, 2024: 32,496,938 shares

Fiscal year ended January 31, 2023: 32,497,014 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2024 (February 1, 2023 to January 31, 2024)

(1) Non-consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2024	10,983	(19.3)	2,360	(39.1)	5,244	(35.0)	4,250	(35.2)
January 31, 2023	13,613	17.9	3,879	18.5	8,070	84.7	6,557	105.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2024	130.79	—
January 31, 2023	201.78	—

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
January 31, 2024	30,392	26,423	86.9	813.12
January 31, 2023	29,014	23,140	79.8	712.09

(Reference) Equity: As of January 31, 2024: ¥26,423 million

As of January 31, 2023: ¥23,140 million

* These financial results are outside the scope of audit 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.

The Company plans to hold a financial results briefing for institutional investors and analysts on March 18, 2024. Financial results materials to be used at the briefing will be available on the Company's website immediately after the session.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	11,137,800	10,497,345
Notes and accounts receivable - trade	3,504,831	2,687,345
Electronically recorded monetary claims - operating	1,056,741	1,347,961
Merchandise and finished goods	132,660	122,623
Work in process	1,181,653	2,116,390
Raw materials and supplies	1,425,699	1,783,894
Other	483,179	453,056
Total current assets	18,922,566	19,008,618
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,466,764	6,238,838
Accumulated depreciation	(1,783,974)	(2,095,368)
Buildings and structures, net	3,682,789	4,143,470
Machinery, equipment and vehicles	3,948,405	4,437,297
Accumulated depreciation	(2,106,975)	(2,491,042)
Machinery, equipment and vehicles, net	1,841,429	1,946,255
Tools, furniture and fixtures	2,941,502	3,327,939
Accumulated depreciation	(1,886,835)	(2,182,909)
Tools, furniture and fixtures, net	1,054,667	1,145,030
Land	714,933	714,933
Leased assets	548,961	544,604
Accumulated depreciation	(271,771)	(336,657)
Leased assets, net	277,190	207,946
Construction in progress	587,120	884,068
Other	278,968	313,075
Accumulated depreciation	(64,382)	(85,548)
Other, net	214,586	227,526
Total property, plant and equipment	8,372,717	9,269,231
Intangible assets	134,789	105,421
Investments and other assets		
Investment securities	4,400,387	2,977,516
Deferred tax assets	158,989	295,970
Other	126,107	208,173
Total investments and other assets	4,685,485	3,481,661
Total non-current assets	13,192,992	12,856,314
Total assets	32,115,559	31,864,933

(Thousand yen)

As of January 31, 2023 As of January 31, 2024

Liabilities		
Current liabilities		
Accounts payable - trade	1,142,053	354,413
Current portion of long-term loans payable	785,442	700,867
Lease obligations	91,997	102,558
Income taxes payable	787,378	235,903
Provision for bonuses	124,321	115,182
Other	744,477	1,044,768
Total current liabilities	3,675,670	2,553,693
Non-current liabilities		
Long-term loans payable	1,913,787	1,212,920
Lease obligations	453,767	384,128
Deferred tax liabilities	62,586	—
Net defined benefit liability	133,686	143,775
Total non-current liabilities	2,563,828	1,740,824
Total liabilities	6,239,498	4,294,517
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	20,304,819
Treasury shares	(2,025)	(2,025)
Total shareholders' equity	25,265,902	26,761,619
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,229	13,113
Foreign currency translation adjustments	623,445	812,767
Remeasurements of defined benefit plans	(18,516)	(17,084)
Total accumulated other comprehensive income	610,158	808,796
Total net assets	25,876,060	27,570,415
Total liabilities and net assets	32,115,559	31,864,933

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Net sales	13,803,392	11,246,293
Cost of sales	8,224,218	7,160,247
Gross profit	5,579,174	4,086,045
Selling, general and administrative expenses	2,074,549	2,138,056
Operating profit	3,504,624	1,947,989
Non-operating income		
Interest income	383	710
Dividend income	548	697
Share of profit of entities accounted for using equity method	2,409,980	1,036,987
Foreign exchange gains	135,059	330,618
Other	168,026	8,954
Total non-operating income	2,713,998	1,377,968
Non-operating expenses		
Interest expenses	28,437	23,737
Loss on retirement of non-current assets	3,178	24,871
Other	500	641
Total non-operating expenses	32,115	49,250
Ordinary profit	6,186,508	3,276,706
Profit before income taxes	6,186,508	3,276,706
Income taxes - current	1,518,503	987,918
Income taxes - deferred	(164,412)	(181,837)
Total income taxes	1,354,090	806,081
Profit	4,832,417	2,470,625
Profit attributable to owners of parent	4,832,417	2,470,625

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Profit	4,832,417	2,470,625
Other comprehensive income		
Valuation difference on available-for-sale securities	3,756	7,883
Foreign currency translation adjustments	(11,498)	126,692
Remeasurements of defined benefit plans, net of tax	567	1,431
Share of other comprehensive income of entities accounted for using equity method	380,664	62,629
Total other comprehensive income	373,489	198,637
Comprehensive income	5,205,907	2,669,263
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,205,907	2,669,263
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended January 31, 2023

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,278,912	3,179,912	14,626,625	(1,720)	21,083,730
Changes of items during period					
Dividends of surplus			(649,941)		(649,941)
Profit attributable to owners of parent			4,832,417		4,832,417
Purchase of treasury shares				(305)	(305)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,182,476	(305)	4,182,171
Balance at end of current period	3,278,912	3,179,912	18,809,102	(2,025)	25,265,902

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	1,473	254,279	(19,083)	236,669	21,320,399
Changes of items during period					
Dividends of surplus					(649,941)
Profit attributable to owners of parent					4,832,417
Purchase of treasury shares					(305)
Net changes of items other than shareholders' equity	3,756	369,165	567	373,489	373,489
Total changes of items during period	3,756	369,165	567	373,489	4,555,660
Balance at end of current period	5,229	623,445	(18,516)	610,158	25,876,060

For the fiscal year ended January 31, 2024

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,278,912	3,179,912	18,809,102	(2,025)	25,265,902
Changes of items during period					
Dividends of surplus			(974,908)		(974,908)
Profit attributable to owners of parent			2,470,625		2,470,625
Purchase of treasury shares				–	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,495,717	–	1,495,717
Balance at end of current period	3,278,912	3,179,912	20,304,819	(2,025)	26,761,619

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	5,229	623,445	(18,516)	610,158	25,876,060
Changes of items during period					
Dividends of surplus					(974,908)
Profit attributable to owners of parent					2,470,625
Purchase of treasury shares					–
Net changes of items other than shareholders' equity	7,883	189,322	1,431	198,637	198,637
Total changes of items during period	7,883	189,322	1,431	198,637	1,694,355
Balance at end of current period	13,113	812,767	(17,084)	808,796	27,570,415

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,186,508	3,276,706
Depreciation	1,209,690	1,304,576
Increase (decrease) in provision for bonuses	10,877	(9,674)
Interest and dividend income	(931)	(1,407)
Interest expenses	28,437	23,737
Share of loss (profit) of entities accounted for using equity method	(2,409,980)	(1,036,987)
Gain on insurance claims	(6,811)	–
Decrease (increase) in notes and accounts receivable - trade	(656,208)	550,346
Decrease (increase) in inventories	(584,536)	(1,260,089)
Increase (decrease) in notes and accounts payable - trade	515,065	(813,011)
Decrease/increase in consumption taxes receivable/payable	(165,607)	(52,792)
Increase (decrease) in accounts payable - other	(4,704)	100,755
Decrease (increase) in other current assets	(39,024)	89,410
Increase (decrease) in other current liabilities	(8,063)	32,445
Increase (decrease) in other non-current liabilities	15,023	10,088
Other, net	(77,869)	(240,901)
Subtotal	4,011,864	1,973,202
Interest and dividend income received	3,892,650	2,542,901
Interest expenses paid	(28,450)	(23,744)
Income taxes paid	(1,519,839)	(1,520,343)
Income taxes refund	1,721	–
Proceeds from insurance income	34,111	–
Net cash provided by (used in) operating activities	6,392,057	2,972,015
Cash flows from investing activities		
Purchase of investment securities	(1,200)	(1,200)
Purchase of property, plant and equipment	(1,529,622)	(1,739,539)
Purchase of intangible assets	(26,746)	(41,093)
Net cash provided by (used in) investing activities	(1,557,570)	(1,781,833)
Cash flows from financing activities		
Repayments of long-term loans payable	(961,417)	(785,442)
Repayments of lease obligations	(92,233)	(99,500)
Purchase of treasury shares	(305)	–
Cash dividends paid	(649,628)	(973,933)
Net cash provided by (used in) financing activities	(1,703,583)	(1,858,875)
Effect of exchange rate change on cash and cash equivalents	(27,598)	28,239
Net increase (decrease) in cash and cash equivalents	3,103,305	(640,454)
Cash and cash equivalents at beginning of period	8,034,494	11,137,800
Cash and cash equivalents at end of period	11,137,800	10,497,345