

Consolidated Financial Results for the Nine Months Ended October 31, 2020



[Japanese GAAP]

November 30, 2020

Company name: Tri Chemical Laboratories Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4369
 URL: <http://www.trichemical.com>
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 Scheduled date of filing quarterly securities report: December 15, 2020
 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, 2020 (February 1, 2020 to October 31, 2020)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2020	7,339	20.0	2,203	31.7	3,424	29.1	2,674	29.6
October 31, 2019	6,115	5.8	1,673	5.4	2,651	27.5	2,063	32.4

(Note) Comprehensive income: Nine months ended October 31, 2020: ¥2,574 million (35.3 %)

Nine months ended October 31, 2019: ¥1,902 million (24.1 %)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
October 31, 2020	342.31	-
October 31, 2019	264.18	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of October 31, 2020	19,263	11,703	60.8
As of January 31, 2020	15,144	9,581	63.3

(Reference) Equity: As of October 31, 2020: ¥11,703 million

As of January 31, 2020: ¥9,581 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, 2020	-	0.00	-	58.00	58.00
Fiscal year ending January 31, 2021	-	0.00	-		
Fiscal year ending January 31, 2021 (Forecast)				68.00	68.00

(Note) Revision of dividend forecasts from recently announced figures: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2021 (February 1, 2020 to January 31, 2021)

(% 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
	9,800	18.5	2,650	13.9	4,300	14.8	3,340	13.6
								427.56

(Note) Revision of financial results forecast from recently announced figures: Yes

* 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, 2020: 7,812,160 shares

As of January 31, 2020: 7,812,160 shares

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

As of October 31, 2020: 375 shares

As of January 31, 2020: 353 shares

3) Average number of shares during the period:

Nine months ended October 31, 2020: 7,811,806 shares

Nine months ended October 31, 2019: 7,811,836 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, 2020	As of October 31, 2020
Assets		
Current assets		
Cash and deposits	1,618,491	1,752,745
Notes and accounts receivable - trade	2,171,236	2,592,068
Electronically recorded monetary claims - operating	884,517	1,447,085
Merchandise and finished goods	32,836	34,337
Work in process	525,926	610,291
Raw materials and supplies	666,977	932,300
Other	247,186	328,380
Total current assets	6,147,171	7,697,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,638,742	4,974,513
Accumulated depreciation	(1,040,904)	(1,168,996)
Buildings and structures, net	1,597,838	3,805,516
Machinery, equipment and vehicles	2,026,251	2,620,834
Accumulated depreciation	(1,204,553)	(1,362,470)
Machinery, equipment and vehicles, net	821,698	1,258,364
Tools, furniture and fixtures	1,919,127	2,186,199
Accumulated depreciation	(1,319,677)	(1,475,410)
Tools, furniture and fixtures, net	599,449	710,789
Land	714,933	714,933
Other	2,265,364	1,347,883
Accumulated depreciation	(83,161)	(141,008)
Other, net	2,182,203	1,206,874
Total property, plant and equipment	5,916,123	7,696,479
Intangible assets	192,982	188,906
Investments and other assets		
Investment securities	2,862,052	3,617,740
Other	26,016	63,388
Total investments and other assets	2,888,069	3,681,128
Total non-current assets	8,997,175	11,566,513
Total assets	15,144,347	19,263,723

(Thousand yen)

	As of January 31, 2020	As of October 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	402,082	550,048
Short-term loans payable	580,000	1,080,000
Current portion of long-term loans payable	566,629	529,372
Income taxes payable	454,563	449,195
Provision for bonuses	69,387	237,783
Other	977,480	1,463,631
Total current liabilities	3,050,141	4,310,032
Non-current liabilities		
Long-term loans payable	1,722,873	2,488,082
Net defined benefit liability	103,523	104,992
Other	685,878	657,158
Total non-current liabilities	2,512,274	3,250,232
Total liabilities	5,562,416	7,560,265
Net assets		
Shareholders' equity		
Capital stock	808,912	808,912
Capital surplus	709,912	709,912
Retained earnings	8,138,541	10,359,541
Treasury shares	(1,150)	(1,446)
Total shareholders' equity	9,656,216	11,876,920
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,867)	432
Foreign currency translation adjustments	(42,299)	(152,677)
Remeasurements of defined benefit plans	(24,119)	(21,217)
Total accumulated other comprehensive income	(74,285)	(173,462)
Total net assets	9,581,930	11,703,457
Total liabilities and net assets	15,144,347	19,263,723

(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, 2019	For the nine months ended October 31, 2020
Net sales	6,115,973	7,339,914
Cost of sales	3,217,018	3,882,507
Gross profit	2,898,955	3,457,406
Selling, general and administrative expenses	1,225,843	1,254,361
Operating profit	1,673,111	2,203,044
Non-operating income		
Interest income	115	62
Dividend income	152	171
Share of profit of entities accounted for using equity method	945,967	1,179,553
Other	57,729	116,388
Total non-operating income	1,003,964	1,296,175
Non-operating expenses		
Interest expenses	24,383	25,320
Foreign exchange losses	-	33,978
Other	1,188	15,845
Total non-operating expenses	25,571	75,144
Ordinary profit	2,651,504	3,424,076
Profit before income taxes	2,651,504	3,424,076
Income taxes - current	573,626	769,612
Income taxes - deferred	14,144	(19,621)
Total income taxes	587,771	749,991
Profit	2,063,733	2,674,085
Profit attributable to owners of parent	2,063,733	2,674,085

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended October 31

	(Thousand yen)	
	For the nine months ended October 31, 2019	For the nine months ended October 31, 2020
Profit	2,063,733	2,674,085
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,650)	8,299
Foreign currency translation adjustments	3,203	926
Remeasurements of defined benefit plans, net of tax	3,814	2,901
Share of other comprehensive income of entities accounted for using equity method	(165,322)	(111,304)
Total other comprehensive income	(160,955)	(99,177)
Comprehensive income	1,902,777	2,574,908
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,902,777	2,574,908
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the nine months ended October 31, 2019	For the nine months ended October 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,651,504	3,424,076
Depreciation	476,217	580,698
Increase (decrease) in provision for bonuses	128,835	168,229
Interest and dividend income	(267)	(233)
Interest expenses	24,383	25,320
Share of loss (profit) of entities accounted for using equity method	(945,967)	(1,179,553)
Loss (gain) on valuation of investment securities	-	9,772
Decrease (increase) in notes and accounts receivable - trade	(100,054)	(982,519)
Decrease (increase) in inventories	(223,173)	(349,764)
Increase (decrease) in notes and accounts payable - trade	33,422	147,370
Decrease/increase in consumption taxes receivable/payable	16,414	(67,087)
Increase (decrease) in accounts payable - other	6,616	178,528
Decrease (increase) in other current assets	(31,706)	(12,965)
Increase (decrease) in other current liabilities	(3,588)	33,493
Increase (decrease) in other non-current liabilities	6,396	1,468
Other, net	(479)	(32,929)
Subtotal	2,038,553	1,943,904
Interest and dividend income received	267	308,018
Interest expenses paid	(24,397)	(24,880)
Income taxes paid	(686,134)	(764,427)
Income taxes refund	180	-
Net cash provided by (used in) operating activities	1,328,469	1,462,614
Cash flows from investing activities		
Purchase of investment securities	(899)	(900)
Purchase of property, plant and equipment	(743,767)	(2,004,394)
Purchase of intangible assets	(138,440)	(33,432)
Net cash provided by (used in) investing activities	(883,107)	(2,038,727)
Cash flows from financing activities		
Net increase (decrease) of short-term loans payable	200,000	500,000
Proceeds from long-term loans payable	730,000	1,150,000
Repayments of long-term loans payable	(559,723)	(422,048)
Repayments of lease obligations	(53,719)	(61,961)
Purchase of treasury shares	(253)	(295)
Cash dividends paid	(349,814)	(453,832)
Net cash provided by (used in) financing activities	(33,511)	711,862
Effect of exchange rate change on cash and cash equivalents	7,106	(1,494)
Net increase (decrease) in cash and cash equivalents	418,956	134,254
Cash and cash equivalents at beginning of period	1,595,747	1,618,491
Cash and cash equivalents at end of period	2,014,703	1,752,745