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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 09, 2022

Company name: TAIHEIYO CEMENT CORPORATION

Stock exchange listing: Tokyo, Fukuoka

Code number: 5233

URL: <https://www.taiheiyo-cement.co.jp/english/index.html>

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President and Representative Director

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Scheduled date of filing quarterly securities report: August 10, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (For Analysts and Institutional Investors)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 30, 2022)

(1) Consolidated Operating Results

(% 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	%
Three months ended June 30, 2022	176,516	10.6	1,208	(87.8)	2,185	(79.1)	(220)	-
June 30, 2021	159,612	(20.4)	9,919	41.2	10,479	46.8	6,577	101.3

(Note) Comprehensive income: Three months ended June 30, 2022: 13,225 million yen [(29.7)%
Three months ended June 30, 2021: 18,817 million yen [398.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended June 30, 2022	Yen (1.88)	Yen -
June 30, 2021	54.88	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of June 30, 2022	Million yen 1,212,951	Million yen 553,620	% 42.7
March 31, 2022	1,103,007	544,799	46.3

(Reference) Equity: As of June 30, 2022: 518,278 million yen
As of March 31, 2022: 510,617 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	35.00	-	35.00	70.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		35.00	-	35.00	70.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 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
Six months ended September 30, 2022	380,000	11.8	(2,800)	-	(2,500)	-	(5,700)	-	(48.70)
Full year	854,000	20.6	32,000	(31.5)	31,500	(37.2)	18,500	(36.1)	158.05

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(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):

June 30, 2022: 121,985,078 shares

March 31, 2022: 121,985,078 shares

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

June 30, 2022: 4,931,704 shares

March 31, 2022: 4,930,945 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 117,053,809 shares

Three months ended June 30, 2021: 119,868,129 shares

* The forecasts herein are based on the information available at the date of publication of this material and assumptions at the same date with respect to the various factors which might have impact on the future financial results. Actual results may differ materially from this forecast due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
Assets		
Current assets		
Cash and deposits	60,271	103,798
Notes and accounts receivable - trade, and contract assets	143,178	149,545
Electronically recorded monetary claims - operating	23,354	24,835
Merchandise and finished goods	34,409	37,088
Work in process	1,277	1,879
Raw materials and supplies	58,502	81,667
Other	19,863	23,521
Allowance for doubtful accounts	(307)	(338)
Total current assets	340,550	421,997
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	153,705	155,173
Machinery, equipment and vehicles, net	170,433	172,275
Land	156,031	157,732
Other, net	77,658	101,300
Total property, plant and equipment	557,829	586,482
Intangible assets		
Goodwill	80	81
Other	27,485	27,243
Total intangible assets	27,566	27,324
Investments and other assets		
Investment securities	118,359	118,015
Retirement benefit asset	22,680	22,585
Other	37,905	38,437
Allowance for doubtful accounts	(1,883)	(1,891)
Total investments and other assets	177,061	177,146
Total non-current assets	762,457	790,954
Total assets	1,103,007	1,212,951

(Million yen)

	As of March 31,2022	As of June 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	79,685	88,206
Electronically recorded obligations - operating	8,751	10,261
Short-term borrowings	102,986	144,239
Commercial papers	21,000	53,000
Income taxes payable	4,198	1,954
Provision for bonuses	6,246	4,811
Other provisions	213	202
Other	86,685	94,508
Total current liabilities	309,768	397,184
Non-current liabilities		
Bonds payable	60,000	60,000
Long-term borrowings	86,600	83,743
Retirement benefit liability	22,701	23,269
Provision for retirement benefits for directors (and other officers)	512	492
Provision for special repairs	258	277
Provision for product compensation	3,330	3,330
Other provisions	478	469
Asset retirement obligations	8,703	8,967
Other	65,855	81,594
Total non-current liabilities	248,440	262,146
Total liabilities	558,208	659,331
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	49,729	49,724
Retained earnings	384,154	379,865
Treasury shares	(13,766)	(13,767)
Total shareholders' equity	506,291	501,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,737	10,493
Deferred gains or losses on hedges	6	9
Revaluation reserve for land	4,897	4,897
Foreign currency translation adjustment	(11,322)	2,087
Remeasurements of defined benefit plans	(992)	(1,204)
Total accumulated other comprehensive income	4,325	16,282
Non-controlling interests	34,181	35,341
Total net assets	544,799	553,620
Total liabilities and net assets	1,103,007	1,212,951

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	159,612	176,516
Cost of sales	119,006	141,596
Gross profit	40,605	34,919
Selling, general and administrative expenses	30,686	33,710
Operating profit	9,919	1,208
Non-operating income		
Interest income	92	56
Dividend income	695	831
Share of profit of entities accounted for using equity method	552	286
Other	602	881
Total non-operating income	1,943	2,056
Non-operating expenses		
Interest expenses	682	535
Other	701	544
Total non-operating expenses	1,383	1,079
Ordinary profit	10,479	2,185
Extraordinary income		
Gain on disposal of non-current assets	132	210
Gain on sale of investment securities	346	30
Other	13	22
Total extraordinary income	492	263
Extraordinary losses		
Loss on disposal of non-current assets	369	607
Other	78	19
Total extraordinary losses	448	627
Profit before income taxes	10,524	1,821
Income taxes	3,442	1,758
Profit	7,081	63
Profit attributable to non-controlling interests	503	283
Profit (loss) attributable to owners of parent	6,577	(220)

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	7,081	63
Other comprehensive income		
Valuation difference on available-for-sale securities	492	(1,177)
Deferred gains or losses on hedges	(0)	3
Foreign currency translation adjustment	11,410	12,900
Remeasurements of defined benefit plans, net of tax	(395)	(231)
Share of other comprehensive income of entities accounted for using equity method	229	1,666
Total other comprehensive income	11,736	13,161
Comprehensive income	18,817	13,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,013	11,736
Comprehensive income attributable to non-controlling interests	1,804	1,489

Quarterly Consolidated Segment Information
Reportable Segments

For the Three Months Ended June 30, 2021

(Million yen)

	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	103,872	14,100	14,219	13,114	145,307	14,304	159,612	-	159,612
Inter-segment sales	1,617	4,270	958	342	7,188	6,003	13,191	(13,191)	-
Total	105,489	18,370	15,178	13,457	152,496	20,307	172,804	(13,191)	159,612
Segment income	6,191	1,344	1,333	125	8,994	1,008	10,002	(83)	9,919

For the Three Months Ended June 30, 2022

(Million yen)

	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	117,450	14,984	16,428	13,238	162,101	14,414	176,516	-	176,516
Inter-segment sales	1,519	4,945	1,189	338	7,993	5,841	13,835	(13,835)	-
Total	118,969	19,930	17,618	13,576	170,095	20,256	190,351	(13,835)	176,516
Segment income	(1,961)	1,449	1,352	(412)	428	558	986	222	1,208