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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 10, 2022

Company name: TAIHEIYO CEMENT CORPORATION

Stock exchange listing: Tokyo, Fukuoka

Code number: 5233

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

Representative: Masafumi Fushihara

President and Representative Director

Contact: Yorimasa Kuga

General Manager of General Affairs Department

Phone: +81-3-5801-0334

Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: December 02, 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 Six Months Ended September 30, 2022 (April 01, 2022 to September 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	%
Six months ended September 30, 2022	375,982	10.6	(313)	-	(84)	-	(16,455)	-
September 30, 2021	339,798	(19.2)	25,812	(1.2)	26,578	(0.2)	19,485	5.5

(Note) Comprehensive income: Six months ended September 30, 2022: 23,266 million yen [ (32.0)%]  
Six months ended September 30, 2021: 34,220 million yen [ 75.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2022	Yen (140.58)	Yen -
September 30, 2021	163.92	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2022	Million yen 1,272,477	Million yen 563,277	% 41.3
March 31, 2022	1,103,007	544,799	46.3

(Reference) Equity: As of September 30, 2022: 525,860 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
Fiscal year ended March 31, 2022	Yen -	Yen 35.00	Yen -	Yen 35.00	Yen 70.00
Fiscal year ending March 31, 2023	-	35.00	-	-	-
Fiscal year ending March 31, 2023 (Forecast)	-	-	-	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
Full year	844,000	19.2	13,000	(72.2)	13,000	(74.1)	(16,000)	-	(136.69)

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

\* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 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:

September 30, 2022: 4,928,007 shares

March 31, 2022: 4,930,945 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 117,053,346 shares

Six months ended September 30, 2021: 118,871,663 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 September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	60,271	80,850
Notes and accounts receivable - trade, and contract assets	143,178	158,336
Electronically recorded monetary claims - operating	23,354	24,658
Merchandise and finished goods	34,409	40,519
Work in process	1,277	1,983
Raw materials and supplies	58,502	90,210
Other	19,863	28,929
Allowance for doubtful accounts	(307)	(363)
<b>Total current assets</b>	<b>340,550</b>	<b>425,125</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	153,705	157,086
Machinery, equipment and vehicles, net	170,433	190,275
Land	156,031	168,325
Other, net	77,658	111,372
<b>Total property, plant and equipment</b>	<b>557,829</b>	<b>627,059</b>
Intangible assets		
Goodwill	80	69
Other	27,485	40,389
<b>Total intangible assets</b>	<b>27,566</b>	<b>40,459</b>
Investments and other assets		
Investment securities	118,359	122,210
Retirement benefit asset	22,680	22,654
Other	37,905	36,869
Allowance for doubtful accounts	(1,883)	(1,901)
<b>Total investments and other assets</b>	<b>177,061</b>	<b>179,832</b>
<b>Total non-current assets</b>	<b>762,457</b>	<b>847,351</b>
<b>Total assets</b>	<b>1,103,007</b>	<b>1,272,477</b>

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	79,685	89,923
Electronically recorded obligations - operating	8,751	10,445
Short-term borrowings	102,986	150,729
Commercial papers	21,000	39,000
Income taxes payable	4,198	4,475
Provision for bonuses	6,246	6,103
Other provisions	213	182
Other	86,685	91,257
Total current liabilities	309,768	392,116
Non-current liabilities		
Bonds payable	60,000	60,000
Long-term borrowings	86,600	123,926
Retirement benefit liability	22,701	24,247
Provision for retirement benefits for directors (and other officers)	512	505
Provision for special repairs	258	297
Provision for product compensation	3,330	3,330
Other provisions	478	461
Asset retirement obligations	8,703	9,414
Other	65,855	94,899
Total non-current liabilities	248,440	317,083
Total liabilities	558,208	709,200
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	49,729	49,724
Retained earnings	384,154	363,601
Treasury shares	(13,766)	(13,731)
Total shareholders' equity	506,291	485,769
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,737	12,340
Deferred gains or losses on hedges	6	5
Revaluation reserve for land	4,897	4,897
Foreign currency translation adjustment	(11,322)	24,926
Remeasurements of defined benefit plans	(992)	(2,078)
Total accumulated other comprehensive income	4,325	40,090
Non-controlling interests	34,181	37,416
Total net assets	544,799	563,277
Total liabilities and net assets	1,103,007	1,272,477

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	339,798	375,982
Cost of sales	252,307	308,612
Gross profit	87,490	67,369
Selling, general and administrative expenses	61,677	67,683
Operating profit (loss)	25,812	(313)
Non-operating income		
Interest income	221	204
Dividend income	865	1,175
Share of profit of entities accounted for using equity method	1,063	-
Other	1,426	1,461
Total non-operating income	3,577	2,841
Non-operating expenses		
Interest expenses	1,360	1,202
Share of loss of entities accounted for using equity method	-	107
Other	1,450	1,302
Total non-operating expenses	2,811	2,612
Ordinary profit (loss)	26,578	(84)
Extraordinary income		
Gain on disposal of non-current assets	5,934	457
Gain on sale of investment securities	435	276
Other	78	79
Total extraordinary income	6,448	813
Extraordinary losses		
Loss on disposal of non-current assets	1,357	1,689
Other	2,489	421
Total extraordinary losses	3,847	2,111
Profit (loss) before income taxes	29,179	(1,382)
Income taxes	8,469	14,505
Profit (loss)	20,710	(15,887)
Profit attributable to non-controlling interests	1,224	567
Profit (loss) attributable to owners of parent	19,485	(16,455)

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit (loss)	20,710	(15,887)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,544	684
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	11,731	35,329
Remeasurements of defined benefit plans, net of tax	(416)	(1,065)
Share of other comprehensive income of entities accounted for using equity method	651	4,207
Total other comprehensive income	13,510	39,154
Comprehensive income	34,220	23,266
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,323	19,309
Comprehensive income attributable to non-controlling interests	2,897	3,957

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	29,179	(1,382)
Depreciation	26,617	29,951
Amortization of goodwill	27	25
Share of loss (profit) of entities accounted for using equity method	(1,063)	107
Loss (gain) on valuation of short-term and long-term investment securities	11	3
Increase (decrease) in net retirement benefit liability and net retirement benefit asset	(679)	(583)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(35)	(6)
Increase (decrease) in provision for bonuses	(43)	(142)
Increase (decrease) in allowance for doubtful accounts	(92)	23
Increase (decrease) in other provisions	53	(10)
Interest and dividend income	(1,086)	(1,380)
Interest expenses	1,360	1,202
Loss (gain) on sale of investment securities	(400)	(153)
Loss (gain) on disposal of non-current assets	(4,576)	1,232
Impairment losses	2,015	5
Decrease (increase) in trade receivables	(1,514)	(10,283)
Decrease (increase) in inventories	(7,238)	(30,161)
Increase (decrease) in trade payables	4,147	9,303
Other, net	1,766	(8,728)
<b>Subtotal</b>	<b>48,446</b>	<b>(10,978)</b>
Interest and dividends received	1,661	2,150
Interest paid	(1,468)	(1,307)
Income taxes paid	(5,547)	(4,877)
<b>Net cash provided by (used in) operating activities</b>	<b>43,093</b>	<b>(15,013)</b>
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	(1,160)	1,273
Purchase of non-current assets	(34,570)	(31,206)
Proceeds from sale of non-current assets	5,844	817
Purchase of investment securities	(24,098)	(34)
Proceeds from sale of investment securities	615	935
Loan advances	(1,008)	(928)
Proceeds from collection of loans receivable	1,056	1,099
Payments for acquisition of businesses	-	(28,938)
Other, net	176	(600)
<b>Net cash provided by (used in) investing activities</b>	<b>(53,144)</b>	<b>(57,583)</b>

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(5,790)	36,060
Increase (decrease) in commercial papers	29,000	18,000
Proceeds from long-term borrowings	14,130	65,745
Repayments of long-term borrowings	(16,567)	(18,445)
Proceeds from issuance of bonds	10,000	-
Redemption of bonds	(10,000)	-
Purchase of treasury shares	(5,027)	(5)
Dividends paid	(3,561)	(4,101)
Dividends paid to non-controlling interests	(1,423)	(725)
Other, net	(4,169)	(4,898)
Net cash provided by (used in) financing activities	6,590	91,628
Effect of exchange rate change on cash and cash equivalents	1,876	1,558
Net increase (decrease) in cash and cash equivalents	(1,584)	20,590
Cash and cash equivalents at beginning of period	63,819	50,213
Increase in cash and cash equivalents resulting from merger	-	24
Cash and cash equivalents at end of period	62,235	70,828



Quarterly Consolidated Segment Information  
Reportable Segments

For the Six Months Ended September 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	221,943	28,608	32,157	28,502	311,212	28,585	339,798	-	339,798
Inter-segment sales	3,407	8,606	1,679	758	14,451	13,415	27,866	(27,866)	-
Total	225,351	37,214	33,837	29,261	325,664	42,001	367,665	(27,866)	339,798
Segment income	16,409	2,633	3,066	1,146	23,256	2,462	25,718	94	25,812

For the Six Months Ended September 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	249,671	29,984	37,179	30,241	347,076	28,906	375,982	-	375,982
Inter-segment sales	3,174	9,779	2,325	482	15,761	12,793	28,554	(28,554)	-
Total	252,846	39,763	39,504	30,723	362,837	41,699	404,537	(28,554)	375,982
Segment income	(7,410)	2,710	2,848	60	(1,791)	1,199	(591)	278	(313)