



TAIHEIYO CEMENT

Reference Materials of Financial Results
for the Six Months Ended September 30, 2022

November 10, 2022

TAIHEIYO CEMENT CORPORATION

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1. Highlights of Consolidated Financial Results TAIHEIYO CEMENT

(Million yen)

	FY2022 Six months	FY2023 Six months	Change
Net sales	339,798	375,982	36,184
Operating profit	25,812	(313)	(26,126)
Ordinary profit	26,578	(84)	(26,663)
Profit attributable to owners of parent	19,485	(16,455)	(35,940)

< Indexes >	As of Mar. 31, 2022	As of Sep. 30, 2022	Change
Capital adequacy ratio (%)	46.3	41.3	(5.0)
Capital adequacy ratio based on market value (%)	21.4	18.7	(2.7)
Net assets per share (Yen)	4,362.2	4,492.3	130.1
	FY2022 Six months	FY2023 Six months	Change
Basic earnings per share (Yen)	163.9	(140.6)	(304.5)

2. Financial Results for the Six Months Ended September 30, 2022



(1) Consolidated Segment Information

Net Sales and Operating Profit by Reportable Segments

(Million yen)

		Net sales			Operating profit		
		FY2022 Six months	FY2023 Six months	Change	FY2022 Six months	FY2023 Six months	Change
Cement Business	Domestic	114,368	123,839	9,470	1,582	(17,559)	(19,142)
	Overseas Subsidiaries, etc.	110,982	129,006	18,024	14,826	10,149	(4,677)
	Total	225,351	252,846	27,494	16,409	(7,410)	(23,820)
Mineral Resources Business		37,214	39,763	2,548	2,633	2,710	77
Environmental Business		33,837	39,504	5,667	3,066	2,848	(218)
Construction Materials Business		29,261	30,723	1,462	1,146	60	(1,086)
Other		42,001	41,699	(301)	2,462	1,199	(1,262)
Total		367,665	404,537	36,872	25,718	(591)	(26,309)
Elimination		(27,866)	(28,554)	(688)	94	278	183
Consolidated Total		339,798	375,982	36,184	25,812	(313)	(26,126)

2. Financial Results for the Six Months Ended September 30, 2022



(1) Consolidated Segment Information

	Sales Volume of Cement (Thousand tons)			Average exchange rate applied by overseas subsidiaries (Yen/US\$)		
	FY2022 Six months	FY2023 Six months	Change	FY2022 Six months	FY2023 Six months	Change
Domestic	6,605	6,566	(40)	107.8	123.1	15.3
Export	1,937	1,419	(518)			

Cement Business

(Million yen)

		FY2022	FY2023	Change	Main Factors of Changes in Net Sales and Operating Profit
		Six months	Six months		
Net Sales	Domestic	114,368	123,839	9,470	Decrease in sales volume of domestic cement and soil stabilizers -0.5 billion yen Decrease in export cement volume -2.4 billion yen Price difference in domestic cement and soil stabilizers +6.5 billion yen Price difference in export cement +4.4 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +1.5 billion yen
	Overseas Subsidiaries, etc.	110,982	129,006	18,024	U.S.A. +US\$37 million, China -US\$19 million, Asia and other +US\$7 million Effect of foreign exchange, etc. +15.4 billion yen
	Total	225,351	252,846	27,494	
Operating Profit	Domestic	1,582	(17,559)	(19,142)	Decrease in sales volume of domestic cement and soil stabilizers -0.1 billion yen Decrease in export cement volume -0.9 billion yen Price difference in domestic cement and soil stabilizers +5.9 billion yen Increase in net export cement revenue +2.6 billion yen Increase in variable cost -23.3 billion yen Increase in fixed cost -2.2 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -1.1 billion yen
	Overseas Subsidiaries, etc.	14,826	10,149	(4,677)	U.S.A. -US\$34 million, China -US\$10 million, Asia and other -US\$13 million Effect of foreign exchange, etc. +1.4 billion yen
	Total	16,409	(7,410)	(23,820)	

2. Financial Results for the Six Months Ended September 30, 2022



(1) Consolidated Segment Information

Reportable Segments (Excluding Cement Business) and Other

(Million yen)

		FY2022	FY2023	Change	Main Factors of Changes in Net Sales and Operating Profit
		Six months	Six months		
Mineral Resources Business	Net Sales	37,214	39,763	2,548	Aggregate business remained strong mainly in the Kanto and Chubu region Increase in various type of costs partly passed on to sales prices
	Operating Profit	2,633	2,710	77	Increase in various type of costs partly passed on to sales prices
Environmental Business	Net Sales	33,837	39,504	5,667	Sales of calcium carbonate used for flue gas desulfurization and sales of fuel remained strong
	Operating Profit	3,066	2,848	(218)	Processing operations in coal ash remained sluggish
Construction Materials Business	Net Sales	29,261	30,723	1,462	Sales of ALC (Autoclaved Lightweight Concrete) and construction materials remained strong despite sales of ground improvement projects remained sluggish
	Operating Profit	1,146	60	(1,086)	Rapid rise in raw material prices Decrease in sales of ground improvement projects
Other	Net Sales	42,001	41,699	(301)	
	Operating Profit	2,462	1,199	(1,262)	

2. Financial Results for the Six Months Ended September 30, 2022



(2) Consolidated Statements of Income (Items below Operating Profit)

(Million yen)

	FY2022 Six months	FY2023 Six months	Change
Operating profit	25,812	(313)	(26,126)
Non-operating income and expenses	766	229	(536)
Ordinary profit	26,578	(84)	(26,663)
Extraordinary income and losses	2,600	(1,298)	(3,898)
Profit before income taxes	29,179	(1,382)	(30,562)
Income taxes	8,469	14,505	6,035
Profit attributable to non-controlling interest	1,224	567	(657)
Profit attributable to owners of parent	19,485	(16,455)	(35,940)

2. Financial Results for the Six Months Ended September 30, 2022



(3) Consolidated Balance Sheets

(Million yen)

		As of Mar. 31, 2022	As of Sep. 30, 2022	Change			As of Mar. 31, 2022	As of Sep. 30, 2022	Change
Current assets	Cash and deposits	60,271	80,850	20,578	Liabilities	Current liabilities	309,768	392,116	82,348
	Notes and accounts receivable - trade, and contract assets	143,178	158,336	15,158		Non-current liabilities	248,440	317,083	68,642
	Inventories	94,189	132,713	38,523		Total liabilities	558,208	709,200	150,991
	Other	42,910	53,224	10,313	Net assets	Shareholders' equity			
	Total current assets	340,550	425,125	84,574		Share capital	86,174	86,174	-
Non-current assets	Total property, plant and equipment	557,829	627,059	69,230		Capital surplus	49,729	49,724	(4)
	Total intangible assets	27,566	40,459	12,892		Retained earnings	384,154	363,601	(20,552)
	Total investments and other assets	177,061	179,832	2,771		Treasury shares	(13,766)	(13,731)	34
	Total non-current assets				Total shareholders' equity	506,291	485,769	(20,522)	
					Accumulated other comprehensive income	4,325	40,090	35,764	
				Non-controlling interests	34,181	37,416	3,235		
Total assets	1,103,007	1,272,477	169,469	Total net assets	544,799	563,277	18,478		
		As of Dec. 31, 2021	As of Jun. 30, 2022	Change			As of Mar. 31, 2022	As of Sep. 30, 2022	Change
Exchange rate at end of period (Yen/US\$)		115.02	136.68	21.66	Interest-bearing debt (Million yen)		270,587	373,656	103,069

2. Financial Results for the Six Months Ended September 30, 2022



(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2022 Six months	FY2023 Six months	Change
Cash flows from operating activities	43,093	(15,013)	(58,106)
Cash flows from investing activities	(53,144)	(57,583)	(4,439)
Cash flows from financing activities	6,590	91,628	85,038
Effect of exchange rate change on cash and cash equivalents	1,876	1,558	(317)
Net increase (decrease) in cash and cash equivalents	(1,584)	20,590	22,175
Other	0	24	24
Cash and cash equivalents at beginning of period	63,819	50,213	(13,606)
Cash and cash equivalents at end of period	62,235	70,828	8,593
< Indexes >	As of Mar. 31, 2022	As of Sep. 30, 2022	Change
Current ratio (%)	109.9	108.4	(1.5)
Net debt/equity ratio (Times)	0.41	0.56	0.14

3. Forecast for the Fiscal 2023



(1) Consolidated Statements of Income

(Hundred million yen)

	FY2022 (Actual)	FY2023 (Forecast)	Change
Net sales	7,082	8,440	1,358
Operating profit	467	130	(337)
Ordinary profit	501	130	(371)
Extraordinary income and losses	(73)	(60)	13
Profit before income taxes	428	70	(358)
Profit attributable to owners of parent	289	(160)	(449)
< Preconditions >			
Domestic demand of cement (Ten thousand tons)	3,788	3,800	12

3. Forecast for the Fiscal 2023



(2) Consolidated Segment Information

Net Sales and Operating Profit by Reportable Segments

(Hundred million yen)

		Net sales			Operating profit		
		FY2022 (Actual)	FY2023 (Forecast)	Change	FY2022 (Actual)	FY2023 (Forecast)	Change
Cement Business	Domestic	2,374	2,720	346	(18)	(327)	(309)
	Overseas Subsidiaries, etc.	2,257	3,120	863	260	270	10
	Total	4,632	5,840	1,208	241	(57)	(298)
Mineral Resources Business		771	850	79	60	60	0
Environmental Business		723	830	107	66	56	(10)
Construction Materials Business		650	710	60	34	18	(16)
Other		890	880	(10)	69	53	(16)
Total		7,668	9,110	1,442	472	130	(342)
Elimination		(586)	(670)	(84)	(5)	0	5
Consolidated Total		7,082	8,440	1,358	467	130	(337)

3. Forecast for the Fiscal 2023



(2) Consolidated Segment Information

Sales Volume of Cement				Average exchange rate applied by overseas subsidiaries		
(Thousand tons)				(Yen/US\$)		
	FY2022 (Actual)	FY2023 (Forecast)	Change	FY2022 (Actual)	FY2023 (Forecast)	Change
Domestic	13,363	13,300	(63)	109.9	133.0	23.1
Export	4,147	2,800	(1,347)			

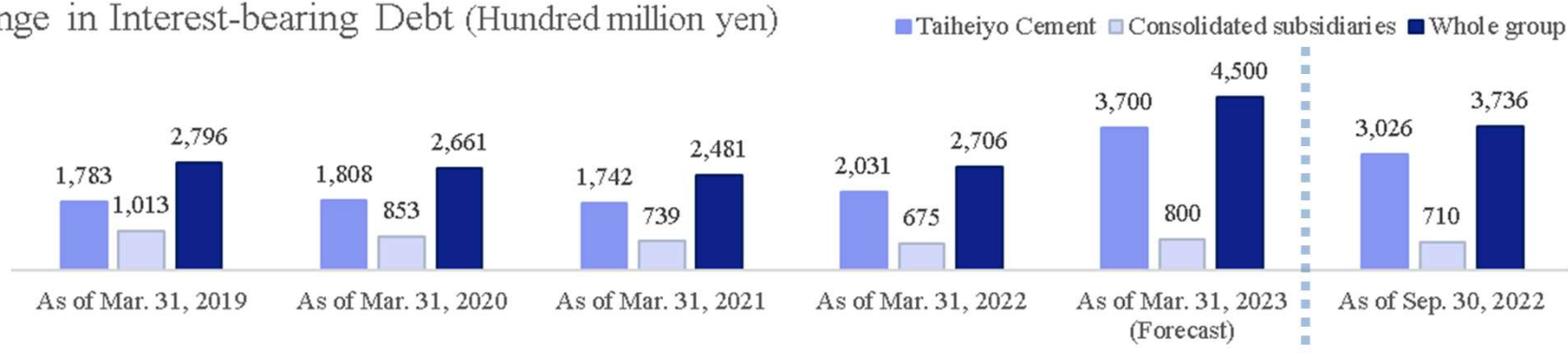
Cement Business

(Hundred million yen)

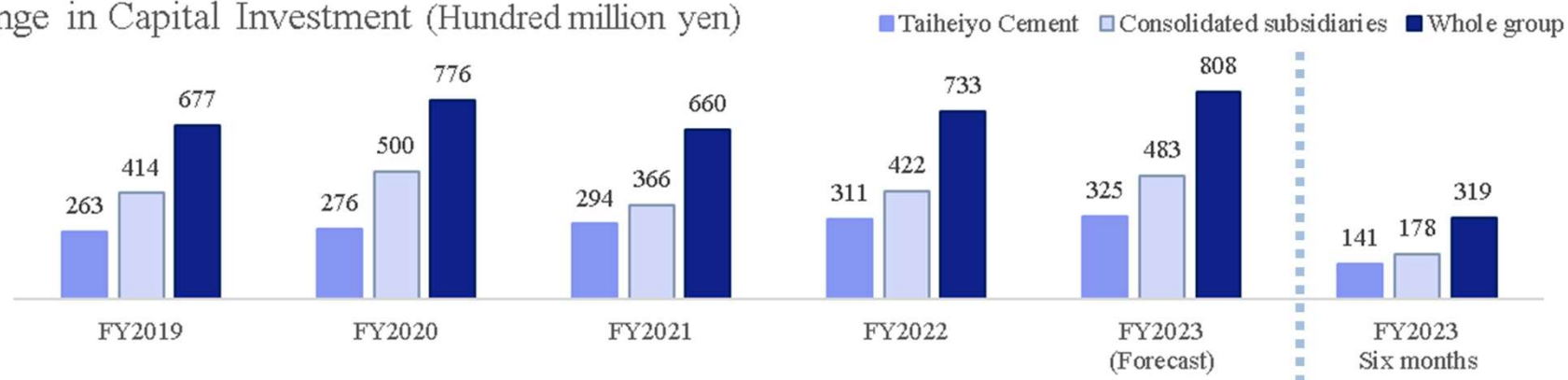
		FY2022 (Actual)	FY2023 (Forecast)	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	2,374	2,720	346	Decrease in sales volume of domestic cement and soil stabilizers -1.0 billion yen Decrease in export cement volume -7.2 billion yen Price difference in domestic cement and soil stabilizers +29.0 billion yen Price difference in export cement +8.9 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +4.9 billion yen
	Overseas Subsidiaries, etc.	2,257	3,120	863	U.S.A. +US\$246 million, China -US\$19 million, Asia and other +US\$75 million Effect of foreign exchange, etc. +53.1 billion yen
	Total	4,632	5,840	1,208	
Operating Profit	Domestic	(18)	(327)	(309)	Decrease in sales volume of domestic cement and soil stabilizers -0.5 billion yen Decrease in export cement volume -2.4 billion yen Price difference in domestic cement and soil stabilizers +26.8 billion yen Increase in net export cement revenue +6.1 billion yen Increase in variable cost -54.3 billion yen Increase in fixed cost -3.1 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -3.5 billion yen
	Overseas Subsidiaries, etc.	260	270	10	U.S.A. -US\$11 million, China -US\$9 million, Asia and other -US\$16 million Effect of foreign exchange, etc. +5.0 billion yen
	Total	241	(57)	(298)	

4. Reference Information

(1) Change in Interest-bearing Debt (Hundred million yen)

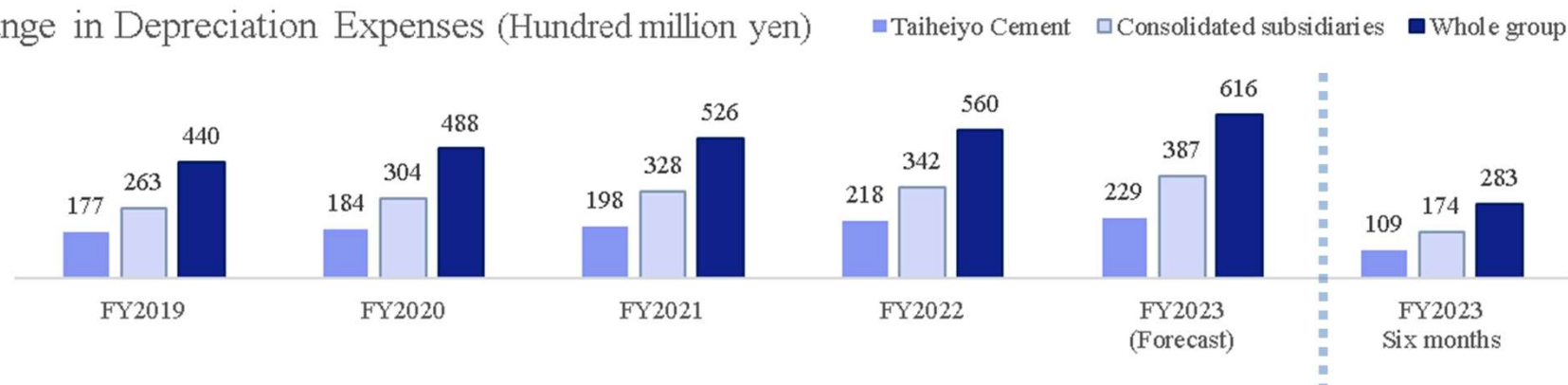


(2) Change in Capital Investment (Hundred million yen)

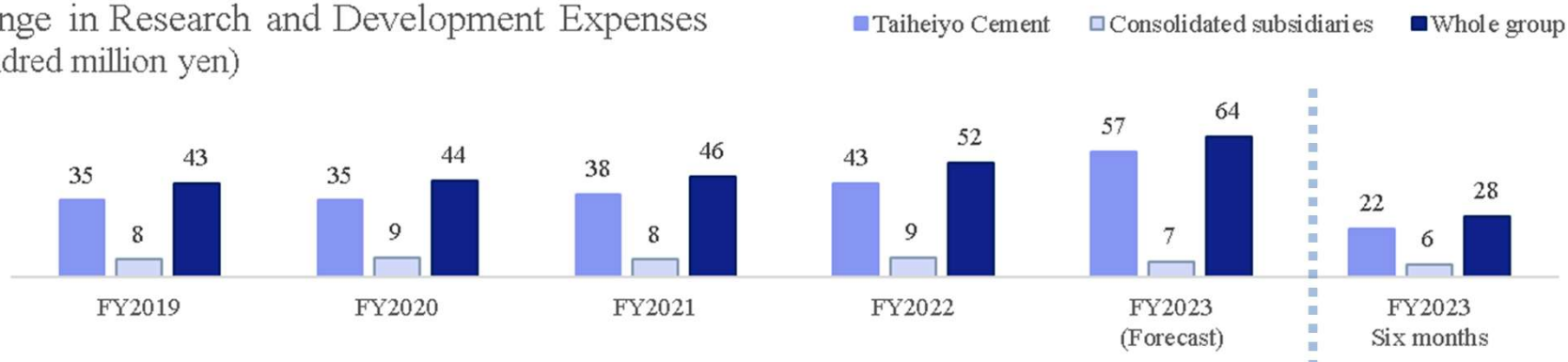


4. Reference Information

(3) Change in Depreciation Expenses (Hundred million yen)

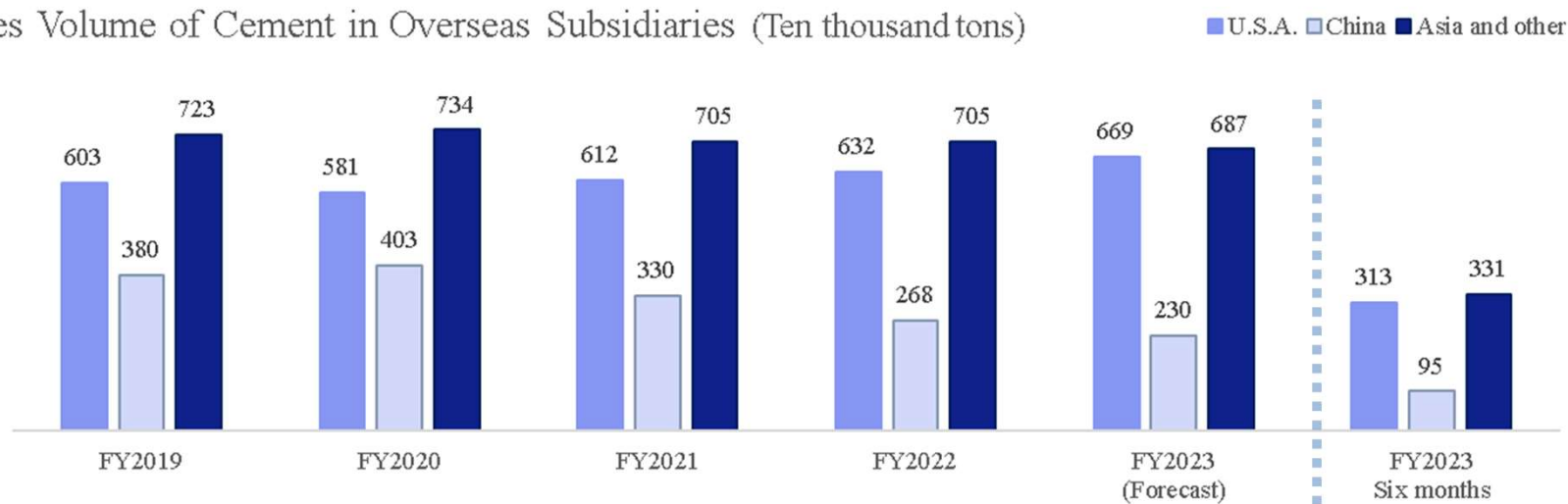


(4) Change in Research and Development Expenses (Hundred million yen)

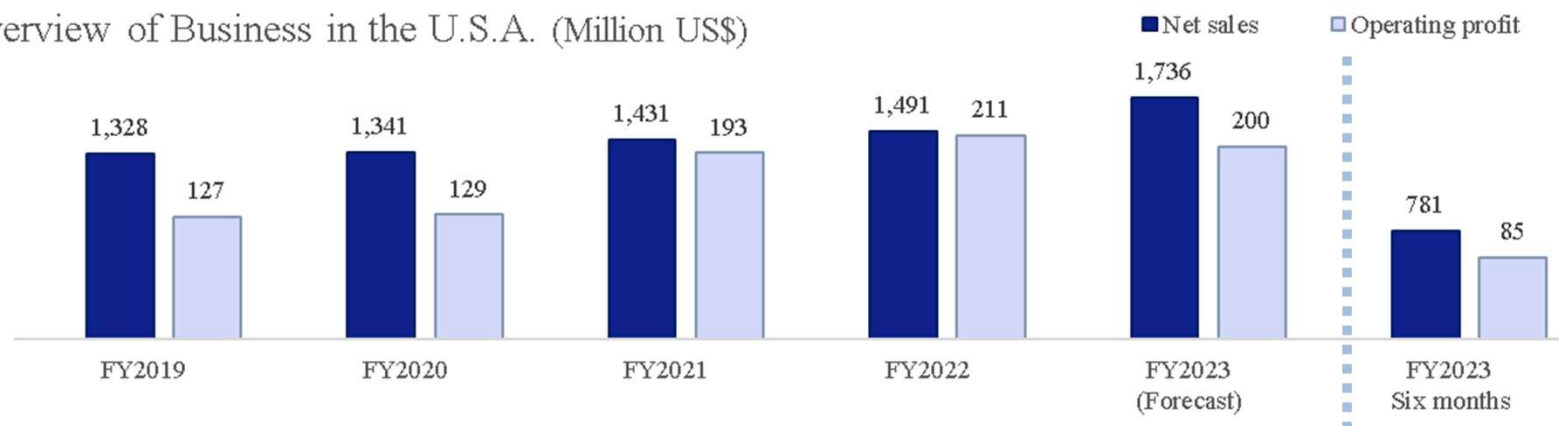


4. Reference Information

(5) Sales Volume of Cement in Overseas Subsidiaries (Ten thousand tons)



(6) Overview of Business in the U.S.A. (Million US\$)



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