

Reference Materials of Financial Results
for the Nine Months Ended December 31, 2022

February 9, 2023

TAIHEIYO CEMENT CORPORATION

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1. Highlights of Consolidated Financial Results



(Million yen)

	FY2022 Nine months	FY2023 Nine months	Change
Net sales	527,890	600,348	72,458
Operating profit	39,641	3,392	(36,248)
Ordinary profit	41,701	3,526	(38,175)
Profit attributable to owners of parent	29,585	(17,665)	(47,251)

<Indexes>	As of Mar. 31, 2022	As of Dec. 31, 2022	Change
Capital adequacy ratio (%)	46.3	40.1	(6.2)
Capital adequacy ratio based on market value (%)	21.4	18.1	(3.3)
Net assets per share (Yen)	4,362.2	4,559.0	196.8
	FY2022 Nine months	FY2023 Nine months	Change
Basic earnings per share (Yen)	250.3	(150.9)	(401.2)

2. Financial Results for the Nine Months Ended December 31, 2022

(1) Consolidated Segment Information

Net Sales and Operating Profit by Reportable Segments

(Million yen)

		Net sales			Operating profit		
		FY2022 Nine months	FY2023 Nine months	Change	FY2022 Nine months	FY2023 Nine months	Change
Cement Business	Domestic	179,480	193,973	14,493	2,424	(26,623)	(29,047)
	Overseas Subsidiaries, etc.	167,331	216,042	48,711	20,640	16,769	(3,871)
	Total	346,811	410,016	63,205	23,065	(9,854)	(32,919)
Mineral Resources Business		57,837	62,402	4,565	4,712	4,491	(220)
Environmental Business		53,555	59,174	5,619	4,920	4,458	(461)
Construction Materials Business		48,078	49,614	1,535	2,972	1,206	(1,766)
Other		64,624	63,451	(1,172)	4,301	2,737	(1,563)
Total		570,906	644,659	73,752	39,970	3,039	(36,931)
Elimination		(43,016)	(44,311)	(1,294)	(329)	352	682
Consolidated Total		527,890	600,348	72,458	39,641	3,392	(36,248)

2. Financial Results for the Nine Months Ended December 31, 2022

(1) Consolidated Segment Information

	Sales Volume of Cement (Thousand tons)			Average Exchange Rate Applied by Overseas Subsidiaries (Yen/US\$)		
	FY2022 Nine months	FY2023 Nine months	Change	FY2022 Nine months	FY2023 Nine months	Change
Domestic	10,246	10,089	(156)	108.6	128.3	19.7
Export	3,059	2,029	(1,030)			

Cement Business

(Million yen)

		FY2022 Nine months	FY2023 Nine months	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	179,480	193,973	14,493	Decrease in sales volume of domestic cement and soil stabilizers -2.5 billion yen Decrease in export cement volume -5.1 billion yen Price difference in domestic cement and soil stabilizers +13.8 billion yen Price difference in export cement +6.0 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +2.2 billion yen
	Overseas Subsidiaries, etc.	167,331	216,042	48,711	U.S.A. +US\$173 million, China -US\$38 million, Asia and other +US\$23 million Effect of foreign exchange, etc. +31.6 billion yen
	Total	346,811	410,016	63,205	
Operating Profit	Domestic	2,424	(26,623)	(29,047)	Decrease in sales volume of domestic cement and soil stabilizers -0.8 billion yen Decrease in export cement volume -2.0 billion yen Price difference in domestic cement and soil stabilizers +13.1 billion yen Increase in net export cement revenue +4.1 billion yen Increase in variable cost -40.4 billion yen Increase in fixed cost -1.5 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -1.6 billion yen
	Overseas Subsidiaries, etc.	20,640	16,769	(3,871)	U.S.A. -US\$25 million, China -US\$17 million, Asia and other -US\$20 million Effect of foreign exchange, etc. +2.8 billion yen
	Total	23,065	(9,854)	(32,919)	

2. Financial Results for the Nine Months Ended December 31, 2022

(1) Consolidated Segment Information

Reportable Segments (Excluding Cement Business) and Other

(Million yen)

		FY2022 Nine months	FY2023 Nine months	Change	Main Factors of Changes in Net Sales and Operating Profit
Mineral Resources Business	Net Sales	57,837	62,402	4,565	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	4,712	4,491	(220)	Decrease due to various cost increase
Environmental Business	Net Sales	53,555	59,174	5,619	Sales of calcium carbonate used for flue gas desulfurization and sales of fuel remained strong
	Operating Profit	4,920	4,458	(461)	Profitability of biomass fuel business deteriorated due to foreign exchange effects
Construction Materials Business	Net Sales	48,078	49,614	1,535	Sales of ALC (Autoclaved Lightweight Concrete) and construction materials remained strong despite sales of ground improvement projects remained sluggish
	Operating Profit	2,972	1,206	(1,766)	Rapid rise in raw material prices Decrease in sales of ground improvement projects
Other	Net Sales	64,624	63,451	(1,172)	
	Operating Profit	4,301	2,737	(1,563)	

2. Financial Results for the Nine Months Ended December 31, 2022

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

(Million yen)

	FY2022 Nine months	FY2023 Nine months	Change
Operating profit	39,641	3,392	(36,248)
Non-operating income and expenses	2,060	133	(1,926)
Ordinary profit	41,701	3,526	(38,175)
Extraordinary income and losses	418	(2,432)	(2,850)
Profit before income taxes	42,120	1,094	(41,026)
Income taxes	10,974	17,952	6,977
Profit attributable to non-controlling interest	1,560	807	(752)
Profit attributable to owners of parent	29,585	(17,665)	(47,251)

2. Financial Results for the Nine Months Ended December 31, 2022

(3) Consolidated Balance Sheets

(Million yen)

		As of Mar. 31, 2022	As of Dec. 31, 2022	Change		As of Mar. 31, 2022	As of Dec. 31, 2022	Change		
Current assets	Cash and deposits	60,271	88,923	28,651	Liabilities	Current liabilities	309,768	448,809	139,041	
	Notes and accounts receivable - trade, and contract assets	143,178	184,795	41,617		Non-current liabilities	248,440	310,550	62,109	
	Inventories	94,189	138,602	44,412		Total liabilities	558,208	759,360	201,151	
	Other	42,910	58,559	15,648	Net assets	Shareholders' equity	Share capital	86,174	86,174	-
	Total current assets	340,550	470,881	130,330			Capital surplus	49,729	49,724	(4)
Non-current assets	Total property, plant and equipment	557,829	639,220	81,390			Retained earnings	384,154	358,424	(25,729)
	Total intangible assets	27,566	42,003	14,437			Treasury shares	(13,766)	(13,734)	31
	Total investments and other assets	177,061	179,432	2,371			Total shareholders' equity	506,291	480,589	(25,702)
	Total non-current assets	762,457	860,656	98,199	Accumulated other comprehensive income	4,325	53,068	48,743		
					Non-controlling interests	34,181	38,518	4,336		
	Total assets	1,103,007	1,331,537	228,529	Total net assets	544,799	572,176	27,377		
					Total liabilities and net assets	1,103,007	1,331,537	228,529		
		As of Dec. 31, 2021	As of Sep. 31, 2022	Change		As of Mar. 31, 2022	As of Dec. 31, 2022	Change		
	Exchange rate at end of period (Yen/US\$)	115.02	144.81	29.79	Interest-bearing debt (Million yen)	270,587	393,635	123,048		

3. Forecast for the Fiscal 2023

(1) Consolidated Statements of Income

(Hundred million yen)

	FY2022 (Actual)	FY2023 (Forecast)	Change
Net sales	7,082	8,100	1,018
Operating profit	467	40	(427)
Ordinary profit	501	30	(471)
Profit attributable to owners of parent	289	(260)	(549)
< Preconditions >			
Domestic demand of cement (Ten thousand tons)	3,788	3,740	(48)

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	2,630	256	(18)	(370)	(352)
	Overseas Subsidiaries, etc.	2,257	2,970	713	260	223	(37)
	Total	4,632	5,600	968	241	(147)	(388)
Mineral Resources Business		771	850	79	60	58	(2)
Environmental Business		723	780	57	66	57	(9)
Construction Materials Business		650	690	40	34	19	(15)
Other		890	870	(20)	69	52	(17)
Total		7,668	8,790	1,122	472	39	(433)
Elimination		(586)	(690)	(104)	(5)	1	6
Consolidated Total		7,082	8,100	1,018	467	40	(427)

3. Forecast for the Fiscal 2023

(2) Consolidated Segment Information

Sales Volume of Cement			Average Exchange Rate Applied by Overseas Subsidiaries			
	FY2022 (Actual)	FY2023 (Forecast)	Change	FY2022 (Actual)	FY2023 (Forecast)	Change
Domestic	13,363	13,200	(163)	109.9	131.6	21.7
Export	4,147	2,580	(1,567)			

(Thousand tons) (Yen/US\$)

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	2,630	256	Decrease in sales volume of domestic cement and soil stabilizers -2.3 billion yen Decrease in export cement volume -8.3 billion yen Price difference in domestic cement and soil stabilizers +25.1 billion yen Price difference in export cement +6.8 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +4.3 billion yen
	Overseas Subsidiaries, etc.	2,257	2,970	713	U.S.A. +US\$263 million, China -US\$67 million, Asia and other +US\$28 million Effect of foreign exchange, etc. +47.0 billion yen
	Total	4,632	5,600	968	
Operating Profit	Domestic	(18)	(370)	(352)	Decrease in sales volume of domestic cement and soil stabilizers -0.8 billion yen Decrease in export cement volume -2.8 billion yen Price difference in domestic cement and soil stabilizers +23.3 billion yen Increase in net export cement revenue +5.5 billion yen Increase in variable cost -53.6 billion yen Increase in fixed cost -4.1 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -2.7 billion yen
	Overseas Subsidiaries, etc.	260	223	(37)	U.S.A. -US\$14 million, China -US\$31 million, Asia and other -US\$26 million Effect of foreign exchange, etc. +4.1 billion yen
	Total	241	(147)	(388)	

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