Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Second Quarter of Fiscal 2021 ending March 31, 2021

November 10, 2020

Company:	Taiheiyo Cement Corporation	Fiscal 2020 2Q	: April 1, 2019 through September 30, 2019
Stock code:	5233	Fiscal 2020	: April 1, 2019 through March 31, 2020
URL:	https://www.taiheiyo-cement.co.jp/english/index.html	Fiscal 2021 2Q	: April 1, 2020 through September 30, 2020
		Fiscal 2021	: April 1, 2020 through March 31, 2021

The accompanying consolidated financial results are not intended to present the financial results in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(All yen figures are rounded down to the nearest one million yen.)

Consolidated Financial Results for the Second Quarter of Fiscal 2021 (April 1, 2020 through September 30, 2020)
(1) Operating Results (% of change from previous year)

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	Net Sales		Sales Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	
Fiscal 2021 2Q	420,627	(2.5)	26,126	16.3	26,640	18.6	18,461	13.9
Fiscal 2020 2Q	431,389	(1.7)	22,463	(18.0)	22,470	(17.1)	16,202	(6.6)
* Comprehensive	* Comprehensive income : Fiscal 2021 2Q 19,496 (+58.7%) Fiscal 2020 2Q 12,283(-19.7%)							

	Earnings per share	Diluted earnings per share					
	Yen	Yen					
Fiscal 2021 2Q	152.23	-					
Fiscal 2020 2Q	132.38	-					

(2) Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
Fiscal 2021 2Q	1,055,503	483,338	42.3
Fiscal 2020	1,032,923	473,241	42.3

* Equity : Fiscal 2021 2Q 446,281 Fiscal 2020 436,678

2. Dividends

	Dividend per share							
	1Q 2Q 3Q 4Q Total							
	Yen	Yen	Yen	Yen	Yen			
Fiscal 2020	-	30.00	-	30.00	60.00			
Fiscal 2021	-	30.00						
Fiscal 2021(forecast)			-	30.00	60.00			

3. Consolidated Financial Results Forecast for the Fiscal 2021 (April 1, 2020 through March 31, 2021)

(% of change from the corresponding period of the previous year)

		Net sales		Operating income		Ordinary income		Profit attributable to		Earnings
		INCE SAIC	5	Operating in	Operating income Ordinary income		owners of parent		per share	
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	Full year	867,000	(2.0)	63,000	3.3	63,000	4.1	41,000	4.7	339.20

* This forecast is 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.

Consolidated Balance Sheets

	Fiscal 2020	Fiscal 2021 2Q
	(As of March 31, 2020)	(As of September 30, 2020)
Assets		
Current assets		
Cash and deposits	51,641	82,443
Notes and accounts receivable - trade	159,048	151,032
Electronically recorded monetary claims - operating	13,507	15,111
Merchandise and finished goods	30,897	28,644
Work in process	2,310	2,891
Raw materials and supplies	45,075	45,830
Other	17,324	16,366
Allowance for doubtful accounts	(1,302)	(833)
Total current assets	318,502	341,487
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,947	137,806
Machinery, equipment and vehicles, net	162,944	159,411
Land	164,869	165,421
Other, net	77,792	80,951
Total property, plant and equipment	544,553	543,590
Intangible assets		
Goodwill	179	215
Other	29,634	29,070
Total intangible assets	29,814	29,285
Investments and other assets		
Investment securities	82,931	86,317
Retirement benefit asset	11,090	11,475
Other	52,358	49,617
Allowance for doubtful accounts	(6,327)	(6,269)
Total investments and other assets	140,053	141,140
Total non-current assets	714,420	714,016
Total assets	1,032,923	1,055,503

		(Millions of yen
	Fiscal 2020	Fiscal 2021 2Q
	(As of March 31, 2020)	(As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	83,430	76,28
Electronically recorded obligations - operating	5,330	5,64
Short-term borrowings	120,783	143,61
Commercial papers	12,000	19,00
Current portion of bonds payable	-	10,00
Income taxes payable	6,024	5,60
Provision for bonuses	6,158	6,21
Other provisions	139	10
Other	79,906	77,59
Total current liabilities	313,771	344,06
Non-current liabilities		
Bonds payable	30,000	20,00
Long-term borrowings	103,332	96,66
Retirement benefit liability	24,999	24,29
Provision for retirement benefits for directors	521	44
Provision for special repairs	128	15
Other provisions	828	53
Asset retirement obligations	7,341	7,57
Other	78,758	78,42
Total non-current liabilities	245,910	228,09
Total liabilities	559,682	572,16
Net assets		
Shareholders' equity		
Share capital	86,174	86,17
Capital surplus	60,233	60,29
Retained earnings	326,086	340,87
Treasury shares	(16,098)	(21,104
Total shareholders' equity	456,395	466,23
Accumulated other comprehensive income		<u>`</u>
Valuation difference on available-for-sale securities	6,723	8,80
Deferred gains or losses on hedges	(0)	(0
Revaluation reserve for land	4,968	4,96
Foreign currency translation adjustment	(21,413)	(24,225
Remeasurements of defined benefit plans	(9,995)	(9,502
Total accumulated other comprehensive income	(19,716)	(19,951
Non-controlling interests	36,563	37,05
Total net assets	473,241	483,33
Total liabilities and net assets	1,032,923	1,055,50

Consolidated Statements of Income

-	Fiscal 2020 2Q	(Millions of yen) Fiscal 2021 2Q
	(April 1, 2019 through September 30, 2019)	(April 1, 2020 through September 30, 2020)
Net sales	431,389	420,627
Cost of sales	342,745	331,929
Gross profit	88,643	88,697
Selling, general and administrative expenses	66,179	62,570
Operating income	22,463	26,126
Non-operating income		
Interest income	243	244
Dividend income	819	859
Share of profit of entities accounted for using equity method	1,503	1,075
Other	1,330	1,530
Total non-operating income	3,896	3,709
Non-operating expenses		
Interest expenses	2,023	1,814
Other	1,866	1,382
Total non-operating expenses	3,889	3,196
Ordinary income	22,470	26,640
Extraordinary income		
Gain on disposal of non-current assets	547	2,374
Gain on sales of investment securities	78	-
Compensation income	2,730	-
Other	33	90
Total extraordinary income	3,390	2,465
Extraordinary losses		
Loss on disposal of non-current assets	1,811	1,647
Loss on temporary suspension of operations	-	548
Other	316	401
Total extraordinary losses	2,127	2,598
Profit before income taxes	23,733	26,507
Income taxes	6,609	6,604
Profit	17,124	19,903
Profit attributable to non-controlling interests	922	1,441
Profit attributable to owners of parent	16,202	18,461

Consolidated Statements of Comprehensive Income

		(Millions of yen)
	Fiscal 2020 2Q	Fiscal 2021 2Q
	(April 1, 2019 through September 30, 2019)	(April 1, 2020 through September 30, 2020)
Profit	17,124	19,903
Other comprehensive income		
Valuation difference on available-for-sale securities	(668)	2,169
Deferred gains or losses on hedges	2	(0)
Foreign currency translation adjustment	(4,251)	(2,935)
Remeasurements of defined benefit plans, net of tax	261	478
Share of other comprehensive income of entities accounted for using equity method	(185)	(118)
Total other comprehensive income	(4,840)	(406)
Comprehensive income	12,283	19,496
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,928	18,226
Comprehensive income attributable to non-controlling interests	355	1,269

	Fiscal 2020 2Q	(Millions of yen) Fiscal 2021 2Q
	(April 1, 2019 through September 30, 2019)	(April 1, 2020 through September 30, 2020)
Cash flows from operating activities		
Profit before income taxes	23,733	26,507
Depreciation	22,642	25,742
Amortization of goodwill	43	25
Share of loss (profit) of entities accounted for using equity method	(1,503)	(1,075)
Loss(gain) on valuation of short-term and long-term investment securities	23	32
Decrease (increase) in net retirement benefit asset and liability	(834)	(520)
Increase (decrease) in provision for retirement benefits for directors	(68)	(77)
Increase (decrease) in provision for bonuses	85	54
Increase (decrease) in allowance for doubtful accounts	(38)	100
Increase (decrease) in other provisions	29	(300
Interest and dividend income	(1,062)	(1,103
Interest expenses	2,023	1,814
Loss (gain) on sales of investment securities	(78)	
Loss (gain) on disposal of non-current assets	1,263	(726
Decrease (increase) in trade receivables	21,274	6,254
Decrease (increase) in inventories	(3,422)	72
Increase (decrease) in trade payables	(19,444)	(6,828
Other, net	137	5,021
Subtotal	44,804	54,999
Interest and dividends received	1,592	1,602
Interest paid	(2,121)	(1,871
Income taxes paid	(8,709)	(5,977
Net cash provided by (used in) operating activities	35,566	48,753
Cash flows from investing activities		,
Decrease (increase) in time deposits	(135)	(2,902
Purchase of non-current assets	(34,094)	(30,402
Proceeds from sales of non-current assets	874	3,97
Purchase of investment securities	(78)	(27
Proceeds from sales of investment securities	245	13
Loan advances	(1,244)	(1,608
Collection of loans receivable	1,417	1,252
Other, net		
Net cash provided by (used in) investing activities	(162) (33,178)	(38)

		(Millions of yen)
	Fiscal 2020 2Q	Fiscal 2021 2Q
	(April 1, 2019 through September 30, 2019)	(April 1, 2020 through September 30, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,151	21,757
Increase (decrease) in commercial papers	17,000	7,000
Proceeds from long-term borrowings	16,290	14,980
Repayments of long-term borrowings	(29,507)	(20,315)
Redemption of bonds	(10,000)	-
Purchase of treasury shares	(11)	(5,038)
Dividends paid	(3,681)	(3,676)
Dividends paid to non-controlling interests	(555)	(752)
Other, net	(3,663)	(4,584)
Net cash provided by (used in) financing activities	(9,978)	9,372
Effect of exchange rate change on cash and cash equivalents	(352)	(367)
Net increase (decrease) in cash and cash equivalents	(7,942)	28,017
Cash and cash equivalents at beginning of period	50,084	45,748
Cash and cash equivalents at end of period	42,141	73,765

Consolidated Segment Information

Fiscal 2020 2Q (April 1, 2019 through September 30, 2019)

[Industry Segments]

[Industry Segments] (Millions of yen)										
		Re	eportable Segme	nts						
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total	Other	Total	Adjustment	Consolidated Total	
Net sales Sales to outside customers	303,363	27,294	38,251	37,023	405,933	25,456	431,389	-	431,389	
Inter-segment sales	5,232	12,166	3,285	2,015	22,701	11,170	33,871	(33,871)	-	
Total	308,596	39,461	41,537	39,039	428,634	36,626	465,261	(33,871)	431,389	
Segment income	12,288	3,230	3,546	1,951	21,016	1,337	22,354	109	22,463	

Fiscal 2021 2Q (April 1, 2020 through September 30, 2020)

[Industry Segments] (Millions of yen)										
		Re	eportable Segme	nts						
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total	Other	Total	Adjustment	Consolidated Total	
Net sales Sales to outside customers	300,401	25,305	33,047	32,417	391,172	29,455	420,627	-	420,627	
Inter-segment sales	4,975	11,576	4,675	2,101	23,329	11,207	34,536	(34,536)	-	
Total	305,376	36,882	37,723	34,518	414,501	40,662	455,163	(34,536)	420,627	
Segment income	16,898	2,611	2,826	867	23,204	2,917	26,122	4	26,126	