Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2021 ended March 31, 2021

May 13, 2021

Company: Taiheiyo Cement Corporation Fiscal 2020 : April 1, 2019 through March 31, 2020 Stock code: 5233 Fiscal 2021 : April 1, 2020 through March 31, 2021 URL: https://www.taiheiyo-cement.co.jp/english/index.html Fiscal 2022 : April 1, 2021 through March 31, 2022

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.)

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

(1) Operating Results

(% of change from previous year)

	Net 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	863,903	(2.3)	63,610	4.3	65,744	8.6	46,800	19.5
Fiscal 2020	884,350	(3.5)	61,008	(7.6)	60,541	(5.9)	39,151	(9.9)

* Comprehensive income: Fiscal 2021 53,487 (71.7%) Fiscal 2020 31,145 (-11.1%)

	EPS	Diluted EPS	ROE	ROA	Operating income
	LIS	Diluted Li 5	KOL	KOA	to net sales
	Yen	Yen	%	%	%
Fiscal 2021	387.79	-	10.3	6.3	7.4
Fiscal 2020	319.89	-	9.2	5.9	6.9

^{*} Equity in earnings of unconsolidated subsidiaries and affiliates: Fiscal 2021 1,879 Fiscal 2020 2,427

(2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share	
	Millions of yen	Millions of yen	%	Yen	
Fiscal 2021	1,044,227	506,821	45.1	3,971.34	
Fiscal 2020	1,032,923	473,241	42.3	3,567.63	

^{*} Equity: Fiscal 2021 470,921 Fiscal 2020 436,678

(3) Consolidated Cash Flows

	Cash flows from	Cash flows from	Cash flows from	Cash and cash equivalents
	operating activities	investing activities	financing activities	at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2021	110,403	(47,809)	(43,952)	63,819
Fiscal 2020	90,902	(65,534)	(29,436)	45,748

2. Dividends

		Divi	dand nar	horo		Total amount		Ratio of total amount
	Dividend per share					of cash	Dividend ratio	of dividends to
	1Q	2Q	3Q 4Q		Total	dividends	(consolidated)	shareholder's
	10	2Q	3Q	40	Total	(annual)		equity(consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2020	-	30.00	-	30.00	60.00	7,362	18.8	1.7
Fiscal 2021	-	30.00	-	30.00	60.00	7,188	15.5	1.6
Fiscal 2022(forecast)	-	35.00	-	35.00	70.00		20.8	

3. Consolidated Financial Results Forecast for the Fiscal 2022 (April 1, 2021 through March 31, 2022)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	346,000	(17.7)	25,100	(3.9)	24,800	(6.9)	20,000	8.3	168.66
Full year	720,000	(16.7)	64,000	0.6	63,500	(3.4)	40,000	(14.5)	337.32

^{*} Since the Company will apply "Accounting Standard for Revenue Recognition (ASBJ Statement No.29)," etc., from the beginning of the fiscal year ending March 31, 2022, the amounts of net sales listed in the consolidated financial results forecast above show the amounts after application of the mentioned accounting standard.

^{*} 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

		(Millions of yen)	
	Fiscal 2020	Fiscal 2021	
	(As of March 31, 2020)	(As of March 31, 2021)	
Assets			
Current assets			
Cash and deposits	51,641	73,074	
Notes and accounts receivable - trade	159,048	142,515	
Electronically recorded monetary claims - operating	13,507	19,234	
Merchandise and finished goods	30,897	29,421	
Work in process	2,310	2,079	
Raw materials and supplies	45,075	43,873	
Short-term loans receivable	3,289	2,557	
Other	14,035	15,373	
Allowance for doubtful accounts	(1,302)	(795)	
Total current assets	318,502	327,333	
Non-current assets			
Property, plant and equipment			
Buildings and structures	490,824	491,247	
Accumulated depreciation	(351,877)	(352,836)	
Buildings and structures, net	138,947	138,410	
Machinery, equipment and vehicles	919,556	913,284	
Accumulated depreciation	(756,611)	(759,076)	
Machinery, equipment and vehicles, net	162,944	154,207	
Land	164,869	164,193	
Leased assets	53,175	51,601	
Accumulated depreciation	(31,234)	(31,201)	
Leased assets, net	21,941	20,400	
Construction in progress	30,665	37,186	
Other	66,706	68,239	
Accumulated depreciation	(41,521)	(42,294)	
Other, net	25,184	25,944	
Total property, plant and equipment	544,553	540,342	
Intangible assets			
Goodwill	179	159	
Other	29,634	28,033	
Total intangible assets	29,814	28,192	
Investments and other assets			
Investment securities	82,931	91,926	
Long-term loans receivable	1,880	1,538	
Retirement benefit asset	11,090	23,099	
Deferred tax assets	21,118	9,635	
Other	29,359	28,296	
Allowance for doubtful accounts	(6,327)	(6,137)	
Total investments and other assets	140,053	148,358	
Total non-current assets	714,420		
Total assets	1,032,923	1,044,227	

	(Millions of			
	Fiscal 2020	Fiscal 2021		
	(As of March 31, 2020)	(As of March 31, 2021)		
Liabilities				
Current liabilities				
Notes and accounts payable - trade	83,430	73,59		
Electronically recorded obligations - operating	5,330	7,74		
Short-term borrowings	120,783	103,53		
Commercial papers	12,000			
Current portion of bonds	-	10,00		
Income taxes payable	6,024	4,59		
Provision for bonuses	6,158	6,26		
Other provisions	139	40		
Other	79,906	98,69		
Total current liabilities	313,771	304,83		
Non-current liabilities				
Bonds payable	30,000	50,00		
Long-term borrowings	103,332	84,56		
Deferred tax liabilities	7,491	8,13		
Retirement benefit liability	24,999	24,70		
Provision for retirement benefits for directors	521	50		
Provision for special repairs	128	18		
Other provisions	828	51		
Lease obligations	17,996	14,35		
Asset retirement obligations	7,341	7,82		
Other	53,270	41,80		
Total non-current liabilities	245,910	232,57		
Total liabilities	559,682	537,40		
Net assets				
Shareholders' equity				
Share capital	86,174	86,17		
Capital surplus	60,233	60,29		
Retained earnings	326,086	365,59		
Treasury shares	(16,098)	(26,113		
Total shareholders' equity	456,395	485,94		
Accumulated other comprehensive income		<u> </u>		
Valuation difference on available-for-sale securities	6,723	12,42		
Deferred gains or losses on hedges	(0)	,		
Revaluation reserve for land	4,968	4,89		
Foreign currency translation adjustment	(21,413)	(29,917		
Remeasurements of defined benefit plans	(9,995)	(2,438		
Total accumulated other comprehensive income	(19,716)	(15,025		
Non-controlling interests	36,563	35,89		
Total net assets	473,241	506,82		
Total liabilities and net assets	1,032,923	1,044,22		

Consolidated Statements of Income

	(Millions			
	Fiscal 2020	Fiscal 2021		
	(April 1, 2019 through March 31, 2020)	(April 1, 2020 through March 31, 2021)		
Net sales	884,350	863,903		
Cost of sales	689,321	672,631		
Gross profit	195,029	191,272		
Selling, general and administrative expenses				
Amortization of goodwill	89	53		
Other	133,930	127,608		
Total selling, general and administrative expenses	134,020	127,661		
Operating income	61,008	63,610		
Non-operating income				
Interest income	540	601		
Dividend income	1,267	1,273		
Rental income from real estate	141	107		
Share of profit of entities accounted for using equity method	2,427	1,879		
Foreign exchange gains	1,035	1,042		
Other	2,661	3,524		
Total non-operating income	8,075	8,428		
Non-operating expenses				
Interest expenses	3,876	3,498		
Other	4,665	2,797		
Total non-operating expenses	8,541	6,295		
Ordinary income	60,541	65,744		
Extraordinary income				
Gain on disposal of non-current assets	754	3,247		
Gain on sales of investment securities	205	3,567		
Compensation income	2,730	<u> </u>		
Other	147	411		
Total extraordinary income	3,838	7,226		
Extraordinary losses		, 		
Loss on disposal of non-current assets	5,580	5,494		
Loss on sales of investment securities	36	61		
Loss on valuation of investment securities	222	47		
Impairment loss	5,451	969		
Loss on temporary suspension of operations	_	547		
Other	1,311	744		
Total extraordinary losses	12,602	7,865		
Profit before income taxes	51,777	65,105		
Income taxes - current	11,223	9,170		
Income taxes - deferred	(300)	6,285		
Total income taxes	10,923	15,455		
Profit Profit	40,854	49,649		
Profit attributable to non-controlling interests	1,703	2,848		
Profit attributable to owners of parent	39,151	46,800		
1 1011t attitoutable to owners of parent	39,131	40,800		

Consolidated Statements of Comprehensive Income

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	Fiscal 2020	Fiscal 2021
	(April 1, 2019 through March 31, 2020)	(April 1, 2020 through March 31, 2021)
Profit	40,854	49,649
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,720)	5,516
Deferred gains or losses on hedges	3	1
Foreign currency translation adjustment	(1,494)	(9,345)
Remeasurements of defined benefit plans	(6,193)	7,463
Share of other comprehensive income of entities accounted for using equity method	(302)	201
Total other comprehensive income	(9,708)	3,837
Comprehensive income	31,145	53,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,542	51,561
Comprehensive income attributable to non-controlling interests	1,602	1,925

Consolidated Statements of Changes in Net Assets

Fiscal 2020 (April 1, 2019 through March 31, 2020)

(Millions of yen)

		S	Shareholders' equit	у	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	86,174	60,408	294,265	(16,081)	424,767
Cumulative effects of changes in accounting policies			(48)		(48)
Restated balance	86,174	60,408	294,217	(16,081)	424,718
Changes in items during period					
Change in ownership interest of parent due to transactions with non-controlling interests		(220)			(220)
Dividends of surplus			(7,350)		(7,350)
Profit attributable to owners of parent			39,151		39,151
Purchase of treasury shares				(60)	(60)
Disposal of treasury shares		35		43	78
Increase by merger of consolidated subsidiary and non-consolidated subsidiary		10	68		78
Net changes in items other than shareholders' equity					
Total changes in items during period	-	(174)	31,868	(17)	31,676
Balance at end of period	86,174	60,233	326,086	(16,098)	456,395

		Ac	cumulated other c	omprehensive inco	me			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	8,688	(3)	5,019	(20,128)	(3,632)	(10,057)	35,935	450,645
Cumulative effects of changes in accounting policies							(57)	(106)
Restated balance	8,688	(3)	5,019	(20,128)	(3,632)	(10,057)	35,878	450,539
Changes in items during period								
Change in ownership interest of parent due to transactions with non-controlling interests								(220)
Dividends of surplus								(7,350)
Profit attributable to owners of parent								39,151
Purchase of treasury shares								(60)
Disposal of treasury shares								78
Increase by merger of consolidated subsidiary and non-consolidated subsidiary								78
Net changes in items other than shareholders' equity	(1,964)	3	(50)	(1,284)	(6,362)	(9,659)	684	(8,974)
Total changes in items during period	(1,964)	3	(50)	(1,284)	(6,362)	(9,659)	684	22,702
Balance at end of period	6,723	(0)	4,968	(21,413)	(9,995)	(19,716)	36,563	473,241

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity				
Balance at beginning of period	86,174	60,233	326,086	(16,098)	456,395				
Cumulative effects of changes in accounting policies									
Restated balance	86,174	60,233	326,086	(16,098)	456,395				
Changes in items during period									
Change in ownership interest of parent due to transactions with non-controlling interests		59			59				
Dividends of surplus			(7,292)		(7,292)				
Profit attributable to owners of parent			46,800		46,800				
Purchase of treasury shares				(10,015)	(10,015)				
Disposal of treasury shares		(0)		0	0				
Increase by merger of consolidated subsidiary and non-consolidated subsidiary									
Net changes in items other than shareholders' equity									
Total changes in items during period	-	58	39,507	(10,014)	29,551				
Balance at end of period	86,174	60,292	365,593	(26,113)	485,946				

		Ac	cumulated other c	omprehensive inco	me			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	6,723	(0)	4,968	(21,413)	(9,995)	(19,716)	36,563	473,241
Cumulative effects of changes in accounting policies								
Restated balance	6,723	(0)	4,968	(21,413)	(9,995)	(19,716)	36,563	473,241
Changes in items during period								
Change in ownership interest of parent due to transactions with non-controlling interests								59
Dividends of surplus								(7,292)
Profit attributable to owners of parent								46,800
Purchase of treasury shares								(10,015)
Disposal of treasury shares								0
Increase by merger of consolidated subsidiary and non-consolidated subsidiary								-
Net changes in items other than shareholders' equity	5,705	1	(69)	(8,504)	7,556	4,691	(663)	4,028
Total changes in items during period	5,705	1	(69)	(8,504)	7,556	4,691	(663)	33,579
Balance at end of period	12,429	1	4,898	(29,917)	(2,438)	(15,025)	35,899	506,821

Consolidated Statements of Cash Flows

(Millions	w	VCIII

		(Millions of yen)
	Fiscal 2020	Fiscal 2021
	(April 1, 2019 through March 31, 2020)	(April 1, 2020 through March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	51,777	65,105
Depreciation	48,863	52,683
Amortization of goodwill	89	53
Share of loss (profit) of entities accounted for using equity method	(2,427)	(1,879)
Loss (gain) on valuation of investment securities	222	47
Decrease (increase) in net retirement benefit asset and liability	(1,172)	(905)
Increase (decrease) in provision for retirement benefits for directors	(14)	(17)
Increase (decrease) in provision for bonuses	109	107
Increase (decrease) in allowance for doubtful accounts	91	(74)
Increase (decrease) in other provisions	42	0
Interest and dividend income	(1,808)	(1,874)
Interest expenses	3,876	3,498
Loss (gain) on sales of investment securities	(169)	(3,505)
Loss (gain) on disposal of non-current assets	4,825	2,246
Impairment loss	5,451	969
Decrease (increase) in trade receivables	20,800	8,418
Decrease (increase) in inventories	(1,661)	(122)
Increase (decrease) in trade payables	(16,151)	(6,568)
Other, net	(6,674)	3,866
Subtotal	106,069	122,048
Interest and dividends received	2,321	2,455
Interest paid	(3,890)	(3,521)
Income taxes paid	(13,597)	(10,579)
Cash flows from operating activities	90,902	110,403
Cash flows from investing activities		·
Decrease (increase) in time deposits	515	(3,675)
Purchase of non-current assets	(66,378)	(58,656)
Proceeds from sales of non-current assets	1,367	4,187
Purchase of other depreciated assets	(240)	(167)
Proceeds from sales of other depreciated assets	0	38
Purchase of investment securities	(539)	(117)
Proceeds from sales and redemption of investment securities	393	709
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	6,318
Loan advances	(3,240)	(2,723)
Collection of loans receivable	2,782	3,302
Other, net	(193)	2,974
Cash flows from investing activities	(65,534)	(47,809)

		(Millions of yen)
	Fiscal 2020	Fiscal 2021
	(April 1, 2019 through March 31, 2020)	(April 1, 2020 through March 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200	(19,596)
Increase (decrease) in commercial papers	8,000	(12,000)
Proceeds from long-term borrowings	44,663	21,179
Repayments of long-term borrowings	(56,077)	(36,573)
Proceeds from issuance of bonds	-	30,000
Redemption of bonds	(10,000)	-
Proceeds from sales of treasury shares	94	0
Purchase of treasury shares	(22)	(10,064)
Dividends paid	(7,350)	(7,292)
Dividends paid to non-controlling interests	(681)	(873)
Other, net	(8,262)	(8,732)
Cash flows from financing activities	(29,436)	(43,952)
Effect of exchange rate change on cash and cash equivalents	(301)	(569)
Net increase (decrease) in cash and cash equivalents	(4,369)	18,071
Cash and cash equivalents at beginning of period	50,084	45,748
Increase in cash and cash equivalents resulting from merger	33	
Cash and cash equivalents at end of period	45,748	63,819

Consolidated Segment Information

Fiscal 2020 (April 1, 2019 through March 31, 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	617,838	55,965	76,281	77,035	827,121	57,228	884,350	-	884,350
Inter-segment sales	10,578	24,181	8,140	4,268	47,168	25,802	72,971	(72,971)	-
Total	628,416	80,147	84,422	81,303	874,290	83,031	957,321	(72,971)	884,350
Segment income	36,526	7,179	7,707	4,537	55,951	5,327	61,279	(270)	61,008

[Geographic Segments]

(Millions of yen)

	Japan	U.S.A.	Other	Total
Net sales	653,524	143,705	87,120	884,350
Non-current assets	388,658	110,862	45,032	544,553

Fiscal 2021 (April 1, 2020 through March 31, 2021)

[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	610,437	52,684	67,656	68,603	799,383	64,520	863,903	-	863,903
Inter-segment sales	10,607	23,092	10,385	4,399	48,485	26,884	75,370	(75,370)	-
Total	621,045	75,777	78,042	73,003	847,869	91,404	939,273	(75,370)	863,903
Segment income	41,326	6,071	6,447	3,564	57,410	6,135	63,546	64	63,610

[Geographic Segments]

(Millions of yen)

	Japan	U.S.A.	Other	Total
Net sales	630,838	150,397	82,667	863,903
Non-current assets	387,945	105,933	46,463	540,342