

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2022 ending March 31, 2022

August 10, 2021

Company: Taiheiyo Cement Corporation

Fiscal 2021 1Q : April 1, 2020 through June 30, 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 1Q : April 1, 2021 through June 30, 2021

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 First Quarter of Fiscal 2022 (April 1, 2021 through June 30, 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 2022 1Q	159,612	(20.4)	9,919	41.2	10,479	46.8	6,577	101.3
Fiscal 2021 1Q	200,560	(3.0)	7,023	17.1	7,136	14.4	3,267	(41.8)

* Comprehensive income : Fiscal 2022 1Q 18,817 (+398.2%) Fiscal 2021 1Q 3,776 (-30.8%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal 2022 1Q	54.88		-	
Fiscal 2021 1Q	26.80		-	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
Fiscal 2022 1Q	1,070,670		520,852		45.2	
Fiscal 2021	1,044,227		506,821		45.1	

* Equity : Fiscal 2022 1Q 484,210 Fiscal 2021 470,921

* The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the beginning of the first quarter of the the fiscal year ending March 31, 2022. Figures for the first quarter of the fiscal year ending March 31, 2022 are stated after the application of the said accounting standard, etc.

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen				
Fiscal 2021	-	30.00	-	30.00	60.00
Fiscal 2022	-	-	-	-	-
Fiscal 2022(forecast)	-	35.00	-	35.00	70.00

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		Earnings per share
	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

* 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 2021 (As of March 31, 2021)	Fiscal 2022 1Q (As of June 30, 2021)
Assets		
Current assets		
Cash and deposits	73,074	79,169
Notes and accounts receivable - trade	142,515	-
Notes and accounts receivable - trade, and contract assets	-	141,018
Electronically recorded monetary claims - operating	19,234	19,358
Merchandise and finished goods	29,421	30,933
Work in process	2,079	1,872
Raw materials and supplies	43,873	48,101
Other	17,930	20,387
Allowance for doubtful accounts	(795)	(801)
Total current assets	327,333	340,038
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,410	149,601
Machinery, equipment and vehicles, net	154,207	162,963
Land	164,193	166,763
Other, net	83,531	72,300
Total property, plant and equipment	540,342	551,628
Intangible assets		
Goodwill	159	133
Other	28,033	28,042
Total intangible assets	28,192	28,175
Investments and other assets		
Investment securities	91,926	92,967
Retirement benefit asset	23,099	23,370
Other	39,470	40,548
Allowance for doubtful accounts	(6,137)	(6,060)
Total investments and other assets	148,358	150,826
Total non-current assets	716,893	730,631
Total assets	1,044,227	1,070,670

(Millions of yen)

	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 1Q (As of June 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	73,596	76,215
Electronically recorded obligations - operating	7,744	7,566
Short-term borrowings	103,538	104,019
Commercial papers	-	8,000
Current portion of bonds payable	10,000	10,000
Income taxes payable	4,590	2,740
Provision for bonuses	6,265	4,752
Other provisions	404	443
Other	98,691	105,631
Total current liabilities	304,831	319,369
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	84,563	80,858
Retirement benefit liability	24,703	25,554
Provision for retirement benefits for directors	503	476
Provision for special repairs	180	194
Other provisions	511	501
Asset retirement obligations	7,821	8,281
Other	64,290	64,581
Total non-current liabilities	232,574	230,448
Total liabilities	537,405	549,818
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	60,292	46,228
Retained earnings	365,593	366,481
Treasury shares	(26,113)	(10,086)
Total shareholders' equity	485,946	488,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,429	12,842
Deferred gains or losses on hedges	1	1
Revaluation reserve for land	4,898	4,902
Foreign currency translation adjustment	(29,917)	(19,501)
Remeasurements of defined benefit plans	(2,438)	(2,831)
Total accumulated other comprehensive income	(15,025)	(4,586)
Non-controlling interests	35,899	36,641
Total net assets	506,821	520,852
Total liabilities and net assets	1,044,227	1,070,670

Consolidated Statements of Income

(Millions of yen)

	Fiscal 2021 1Q (April 1, 2020 through June 30, 2020)	Fiscal 2022 1Q (April 1, 2021 through June 30, 2021)
Net sales	200,560	159,612
Cost of sales	162,517	119,006
Gross profit	38,043	40,605
Selling, general and administrative expenses	31,019	30,686
Operating income	7,023	9,919
Non-operating income		
Interest income	97	92
Dividend income	585	695
Share of profit of entities accounted for using equity method	287	552
Other	706	602
Total non-operating income	1,677	1,943
Non-operating expenses		
Interest expenses	887	682
Other	677	701
Total non-operating expenses	1,564	1,383
Ordinary income	7,136	10,479
Extraordinary income		
Gain on disposal of non-current assets	77	132
Gain on sale of investment securities	-	346
Other	12	13
Total extraordinary income	90	492
Extraordinary losses		
Loss on disposal of non-current assets	670	369
Loss on temporary suspension of operations	358	37
Other	379	41
Total extraordinary losses	1,408	448
Profit before income taxes	5,819	10,524
Income taxes	2,221	3,442
Profit	3,597	7,081
Profit attributable to non-controlling interests	329	503
Profit attributable to owners of parent	3,267	6,577

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal 2021 1Q (April 1, 2020 through June 30, 2020)	Fiscal 2022 1Q (April 1, 2021 through June 30, 2021)
Profit	3,597	7,081
Other comprehensive income		
Valuation difference on available-for-sale securities	1,942	492
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(1,680)	11,410
Remeasurements of defined benefit plans	256	(395)
Share of other comprehensive income of entities accounted for using equity method	(339)	229
Total other comprehensive income	179	11,736
Comprehensive income	3,776	18,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,740	17,013
Comprehensive income attributable to non-controlling interests	36	1,804

Consolidated Segment Information

Fiscal 2021 1Q (April 1, 2020 through June 30, 2020)

【Industry Segments】

(Millions of 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	142,995	12,590	16,055	15,278	186,919	13,640	200,560	-	200,560
Inter-segment sales	2,421	5,617	1,761	1,055	10,856	5,039	15,895	(15,895)	-
Total	145,417	18,208	17,816	16,333	197,775	18,679	216,455	(15,895)	200,560
Segment income	3,499	1,079	1,182	305	6,067	954	7,021	2	7,023

Fiscal 2022 1Q (April 1, 2021 through June 30, 2021)

【Industry Segments】

(Millions of 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	103,872	14,100	14,219	13,114	145,307	14,304	159,612	-	159,612
Inter-segment sales	1,617	4,270	958	342	7,188	6,003	13,191	(13,191)	-
Total	105,489	18,370	15,178	13,457	152,496	20,307	172,804	(13,191)	159,612
Segment income	6,191	1,344	1,333	125	8,994	1,008	10,002	(83)	9,919

* The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the beginning of the first quarter of the the fiscal year ending March 31, 2022, and the method of calculation of profit or loss of reportable segments has similarly been changed due to the change in the accounting method for revenue recognition.

As a result of the change, compared to the previous method, net sales decreased by 44,769 million yen and segment income increased by 5 million yen in Cement business, net sales decreased by 690 million yen and segment income increased by 3 million yen in Mineral resources business, net sales decreased by 2,004 million yen and segment income increased by 50 million yen in Environmental business, net sales decreased by 2,404 million yen and segment income increased by 7 million yen in Construction materials business, and net sales decreased by 1,119 million yen and segment income increased by 16 million yen in Other. After elimination of inter-segment transactions, consolidated total net sales decreased by 46,487 million yen.