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## Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]

February 08, 2022

Company name: TAIHEIYO CEMENT CORPORATION

Stock exchange listing: Tokyo, Fukuoka

Code number: 5233

URL: <https://www.taiheiyo-cement.co.jp/english/index.html>

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President and Representative Director

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Scheduled date of filing quarterly securities report: February 09, 2022

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 01, 2021 to December 31, 2021)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2021	527,890	(19.1)	39,641	(17.7)	41,701	(15.5)	29,585	(20.4)
December 31, 2020	652,714	(1.6)	48,195	14.3	49,348	16.4	37,163	21.7

(Note) Comprehensive income: Nine months ended December 31, 2021: 46,158 Million yen [ 23.9%]  
 Nine months ended December 31, 2020: 37,269 Million yen [ 23.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	250.30	-
December 31, 2020	307.11	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2021	1,129,191	538,281	44.3
March 31, 2021	1,044,227	506,821	45.1

(Reference) Equity: As of December 31, 2021: 500,597 Million yen  
 As of March 31, 2021: 470,921 Million yen

(Note) The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the three months ended June 30, 2021. Figures for the nine months ended December 31, 2021 are stated after the application of the said accounting standard, etc.

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	30.00	-	30.00	60.00
Fiscal year ending March 31, 2022	-	35.00	-		
Fiscal year ending March 31, 2022 (Forecast)				35.00	70.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	710,000	(17.8)	52,000	(18.3)	55,000	(16.3)	34,000	(27.4)	288.54

(Note) Revision to the financial results forecast announced most recently: Yes

(Note) 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.

### \* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New -

Exclusion: -

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2021: 121,985,078 shares

March 31, 2021: 127,140,278 shares

2) Total number of treasury shares at the end of the period:

December 31, 2021: 5,362,199 shares

March 31, 2021: 8,560,212 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 118,197,229 shares

Nine months ended December 31, 2020: 121,011,039 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of December 31,2021
<b>Assets</b>		
Current assets		
Cash and deposits	73,074	80,101
Notes and accounts receivable - trade	142,515	-
Notes and accounts receivable - trade, and contract assets	-	159,052
Electronically recorded monetary claims - operating	19,234	31,373
Merchandise and finished goods	29,421	33,325
Work in process	2,079	2,287
Raw materials and supplies	43,873	53,584
Other	17,930	18,749
Allowance for doubtful accounts	(795)	(326)
Total current assets	327,333	378,148
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,410	149,578
Machinery, equipment and vehicles, net	154,207	162,049
Land	164,193	157,209
Other, net	83,531	78,021
Total property, plant and equipment	540,342	546,858
Intangible assets		
Goodwill	159	94
Other	28,033	27,433
Total intangible assets	28,192	27,527
Investments and other assets		
Investment securities	91,926	118,522
Retirement benefit asset	23,099	23,191
Other	39,470	40,861
Allowance for doubtful accounts	(6,137)	(5,919)
Total investments and other assets	148,358	176,656
Total non-current assets	716,893	751,042
Total assets	1,044,227	1,129,191

(Million yen)

	As of March 31,2021	As of December 31,2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	73,596	88,692
Electronically recorded obligations - operating	7,744	11,138
Short-term borrowings	103,538	102,865
Commercial papers	-	46,000
Current portion of bonds payable	10,000	-
Income taxes payable	4,590	4,007
Provision for bonuses	6,265	3,234
Other provisions	404	428
Other	98,691	95,456
Total current liabilities	304,831	351,823
Non-current liabilities		
Bonds payable	50,000	60,000
Long-term borrowings	84,563	79,211
Retirement benefit liability	24,703	25,532
Provision for retirement benefits for directors (and other officers)	503	484
Provision for special repairs	180	229
Other provisions	511	492
Asset retirement obligations	7,821	8,342
Other	64,290	64,793
Total non-current liabilities	232,574	239,086
Total liabilities	537,405	590,909
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	60,292	46,533
Retained earnings	365,593	385,058
Treasury shares	(26,113)	(15,008)
Total shareholders' equity	485,946	502,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,429	12,514
Deferred gains or losses on hedges	1	2
Revaluation reserve for land	4,898	4,902
Foreign currency translation adjustment	(29,917)	(16,552)
Remeasurements of defined benefit plans	(2,438)	(3,026)
Total accumulated other comprehensive income	(15,025)	(2,159)
Non-controlling interests	35,899	37,684
Total net assets	506,821	538,281
Total liabilities and net assets	1,044,227	1,129,191

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Net sales	652,714	527,890
Cost of sales	508,811	393,205
Gross profit	143,903	134,685
Selling, general and administrative expenses	95,707	95,044
Operating profit	48,195	39,641
Non-operating income		
Interest income	374	344
Dividend income	1,031	1,159
Share of profit of entities accounted for using equity method	2,254	2,209
Other	2,396	2,294
Total non-operating income	6,056	6,008
Non-operating expenses		
Interest expenses	2,752	1,987
Other	2,150	1,959
Total non-operating expenses	4,903	3,947
Ordinary profit	49,348	41,701
Extraordinary income		
Gain on disposal of non-current assets	2,712	6,121
Gain on sale of investment securities	3,317	441
Other	193	191
Total extraordinary income	6,223	6,754
Extraordinary losses		
Loss on disposal of non-current assets	2,577	2,752
Impairment losses	133	2,038
Loss on temporary suspension of operations	547	273
Other	322	1,271
Total extraordinary losses	3,581	6,336
Profit before income taxes	51,990	42,120
Income taxes	12,569	10,974
Profit	39,421	31,145
Profit attributable to non-controlling interests	2,257	1,560
Profit attributable to owners of parent	37,163	29,585

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Profit	39,421	31,145
Other comprehensive income		
Valuation difference on available-for-sale securities	3,423	327
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(6,124)	13,854
Remeasurements of defined benefit plans, net of tax	710	(575)
Share of other comprehensive income of entities accounted for using equity method	(161)	1,405
Total other comprehensive income	(2,151)	15,013
Comprehensive income	37,269	46,158
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,641	42,447
Comprehensive income attributable to non-controlling interests	1,627	3,710

## Quarterly Consolidated Segment Information Industry Segments

For the Nine Months Ended December 31, 2020

(Million 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	465,926	39,603	50,099	50,813	606,442	46,272	652,714	-	652,714
Inter-segment sales	8,325	17,796	7,692	3,262	37,077	18,204	55,282	(55,282)	-
Total	474,252	57,400	57,791	54,076	643,519	64,477	707,996	(55,282)	652,714
Segment income	31,544	4,891	4,757	2,261	43,454	4,741	48,195	(0)	48,195

For the Nine Months Ended December 31, 2021

(Million 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	341,313	43,926	51,205	46,942	483,387	44,502	527,890	-	527,890
Inter-segment sales	5,497	13,910	2,349	1,136	22,894	20,121	43,016	(43,016)	-
Total	346,811	57,837	53,555	48,078	506,282	64,624	570,906	(43,016)	527,890
Segment income	23,065	4,712	4,920	2,972	35,669	4,301	39,970	(329)	39,641

(Note) The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the three months ended June 30, 2021, 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 139,422 million yen and segment income increased by 92 million yen in Cement Business, net sales decreased by 1,423 million yen and segment income decreased by 14 million yen in Mineral Resources Business, net sales decreased by 10,829 million yen and segment income increased by 51 million yen in Environmental Business, net sales decreased by 7,647 million yen and segment income decreased by 11 million yen in Construction Materials Business, and net sales decreased by 3,875 million yen and segment income decreased by 7 million yen in Other.

After elimination of inter-segment transactions, consolidated total net sales decreased by 149,277 million yen.