



TAIHEIYO CEMENT

Reference Materials of Financial Results
for the Fiscal Year Ended March 31, 2022

May 12, 2022

TAIHEIYO CEMENT CORPORATION

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1. Highlights of Consolidated Financial Results TAIHEIYO CEMENT

(Million yen)

	FY2021	FY2022	Change	Components of Change	
				Revenue Standard Impact	Net Change
Net sales	863,903	708,201	(155,702)	(191,480)	35,778
Operating profit	63,610	46,701	(16,908)		
Ordinary profit	65,744	50,193	(15,550)		
Profit attributable to owners of parent	46,800	28,971	(17,828)		

< Indexes >	FY2021	FY2022	Change
Capital adequacy ratio (%)	45.1	46.3	1.2
Capital adequacy ratio based on market value (%)	33.1	21.4	(11.6)
Net assets per share (Yen)	3,971.3	4,362.2	390.9
Basic earnings per share (Yen)	387.8	245.8	(142.0)
Ordinary profit to total assets ratio (%)	6.3	4.7	(1.7)
Rate of return on equity (%)	10.3	5.9	(4.4)
Operating profit to net sales ratio (%)	7.4	6.6	(0.8)

3. Volume of Sales and Shipment Results by Region



(1) Volume of Sales of Cement by Region (Excluding Imports)

	FY2020		FY2021		FY2022	
	Volume of Sales (Thousand tons)	Year-on-year Change (%)	Volume of Sales (Thousand tons)	Year-on-year Change (%)	Volume of Sales (Thousand tons)	Year-on-year Change (%)
Hokkaido	1,885	(1.7)	1,912	1.4	1,790	(6.4)
Tohoku	3,753	(9.1)	3,388	(9.7)	3,075	(9.3)
Kanto 1	9,409	(6.8)	8,904	(5.4)	9,023	1.3
Kanto 2	3,464	(5.3)	3,529	1.9	3,500	(0.8)
Hokuriku	2,217	(1.9)	1,880	(15.2)	1,684	(10.4)
Tokai	4,642	(5.2)	4,424	(4.7)	4,446	0.5
Kinki	5,574	1.2	5,412	(2.9)	5,354	(1.1)
Shikoku	1,571	4.3	1,445	(8.0)	1,341	(7.2)
Chugoku	2,548	4.3	2,403	(5.7)	2,313	(3.7)
Kyushu	4,874	(4.3)	4,468	(8.3)	4,577	2.4
Okinawa	1,010	1.5	886	(12.3)	768	(13.3)
Domestic Total	40,948	(3.7)	38,650	(5.6)	37,872	(2.0)
Exports	10,532	1.6	11,113	5.5	11,484	3.3
Total	51,480	(2.6)	49,763	(3.3)	49,356	(0.8)

Source : Japan Cement Association

3. Volume of Sales and Shipment Results by Region



(2) Volume of Shipment of Ready-mixed Concrete by Region

	FY2020		FY2021		FY2022	
	Volume of Shipment (Thousand cubic meters)	Year-on-year Change (%)	Volume of Shipment (Thousand cubic meters)	Year-on-year Change (%)	Volume of Shipment (Thousand cubic meters)	Year-on-year Change (%)
Hokkaido	3,472	0.9	3,417	(1.6)	3,320	(2.8)
Tohoku	7,112	(9.5)	6,474	(9.0)	5,568	(14.0)
Kanto 1	19,877	(9.2)	19,257	(3.1)	19,510	1.3
Kanto 2	5,750	(3.6)	6,090	5.9	5,894	(3.2)
Hokuriku	4,586	(4.1)	3,870	(15.6)	3,391	(12.4)
Tokai	9,626	(4.2)	9,202	(4.4)	9,488	3.1
Kinki	11,182	(0.1)	11,124	(0.5)	10,859	(2.4)
Chugoku	4,928	7.1	4,675	(5.1)	4,266	(8.7)
Shikoku	3,392	4.4	3,302	(2.7)	3,156	(4.4)
Kyushu	12,033	(3.4)	10,767	(10.5)	10,648	(1.1)
Total	81,959	(4.1)	78,180	(4.6)	76,099	(2.7)

Source : National Federation of Ready-mixed Concrete Industrial Associations

4. Financial Results for the Fiscal 2022



(1) Consolidated Statements of Income

(Million yen)

	FY2021	FY2022	Change	Components of Change	
				Revenue Standard Impact	Net Change
Net sales	863,903	708,201	(155,702)	(191,480)	35,778
Cost of sales	672,631	532,818	(139,812)		
Selling, general and administrative expenses	127,661	128,681	1,019		
Operating profit	63,610	46,701	(16,908)		
Non-operating income and expenses	2,133	3,491	1,358		
Ordinary profit	65,744	50,193	(15,550)		
Extraordinary income and losses	(638)	(7,372)	(6,733)		
Profit before income taxes	65,105	42,820	(22,284)		
Profit attributable to owners of parent	46,800	28,971	(17,828)		
< Reference Information >					
Average exchange rate (Yen/US\$)	106.76	109.90	3.14		

4. Financial Results for the Fiscal 2022



(2) Consolidated Segment Information

Net Sales and Operating Profit by Reportable Segments

(Million yen)

		Net Sales			Components of Change		Operating Profit		
		FY2021	FY2022	Change	Revenue Standard Impact	Net Change	FY2021	FY2022	Change
Cement Business	Domestic	406,203	237,490	(168,712)	(175,269)	6,557	16,201	(1,851)	(18,051)
	Overseas Subsidiaries, etc.	214,841	225,723	10,881	0	10,881	25,125	26,040	914
Total		621,045	463,214	(157,831)	(175,269)	17,438	41,326	24,188	(17,138)
Mineral Resources Business		75,777	77,182	1,406	(2,080)	3,486	6,071	6,034	(36)
Environmental Business		78,042	72,315	(5,726)	(16,955)	11,229	6,447	6,647	201
Construction Materials Business		73,003	65,096	(7,907)	(10,169)	2,262	3,564	3,493	(70)
Other		91,404	89,025	(2,379)	(5,289)	2,910	6,135	6,920	785
Total		939,273	766,835	(172,437)	(209,762)	37,325	63,546	47,285	(16,261)
Elimination		(75,370)	(58,633)	16,738	18,282	(1,544)	64	(583)	(647)
Consolidated Total		863,903	708,201	(155,702)	(191,480)	35,778	63,610	46,701	(16,908)

4. Financial Results for the Fiscal 2022



(2) Consolidated Segment Information

Cement Business

Sales Volume of Cement (Thousand tons)

	FY2021	FY2022	Change
Domestic	13,782	13,363	(419)
Export	3,778	4,147	368

(Million yen)

		FY2021	FY2022	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	406,203	237,490	(168,712) “6,557”	Decrease in sales volume of domestic cement and soil stabilizers -2.5 billion yen Increase in export cement volume +1.5 billion yen Price difference in domestic cement and soil stabilizers +1.3 billion yen Price difference in export cement +4.6 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +1.6 billion yen
	Overseas Subsidiaries, etc.	214,841	225,723	10,881	U.S.A +US\$60 million China -US\$14 million, Asia and other -US\$8 million Effect of foreign exchange, etc. +6.9 billion yen
	Total	621,045	463,214	(157,831) “17,438”	
Operating Profit	Domestic	16,201	(1,851)	(18,051)	Decrease in sales volume of domestic cement and soil stabilizers -1.9 billion yen Increase in export cement volume +0.8 billion yen Price difference in domestic cement and soil stabilizers +1.2 billion yen Increase in net export cement revenue +0.2 billion yen Increase in variable cost -13.8 billion yen Increase in fixed cost -1.9 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -2.6 billion yen
	Overseas Subsidiaries, etc.	25,125	26,040	914	U.S.A +US\$17 million China -US\$11 million, Asia and other -US\$6 million Effect of foreign exchange, etc. +0.8 billion yen
	Total	41,326	24,188	(17,138)	

※ The number inside “ ” shows net change excluding the impact of application of “Accounting Standard for Revenue Recognition”, etc.

4. Financial Results for the Fiscal 2022



(2) Consolidated Segment Information

Reportable Segments (Excluding Cement Business) and Other

(Million yen)

		FY2021	FY2022	Change	Main Factors of Changes in Net Sales and Operating Profit
Mineral Resources Business	Net Sales	75,777	77,182	1,406 “3,486”	Increase in sales volume of limestone for the iron and steel industry Increase acceptance of construction generated soil
	Operating Profit	6,071	6,034	(36)	Decrease in sales volume of aggregates in Kanto and Tohoku region
Environmental Business	Net Sales	78,042	72,315	(5,726) “11,229”	Processing operations in coal ash and sales volume of fuel remained strong
	Operating Profit	6,447	6,647	201	Processing operations in coal ash remained strong
Construction Materials Business	Net Sales	73,003	65,096	(7,907) “2,262”	Ground improvement projects remained strong
	Operating Profit	3,564	3,493	(70)	Ground improvement projects remained strong Decrease in sales of materials for shield tunnel construction and ALC (Autoclaved Lightweight aerated Concrete)
Other	Net Sales	91,404	89,025	(2,379) “2,910”	
	Operating Profit	6,135	6,920	785	

※ The number inside “ ” shows net change excluding the impact of application of “Accounting Standard for Revenue Recognition”, etc.

4. Financial Results for the Fiscal 2022



(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2021	FY2022	Change
Cash flows from operating activities	110,403	71,191	(39,211)
Cash flows from investing activities	(47,809)	(83,919)	(36,110)
Cash flows from financing activities	(43,952)	(3,742)	40,210
Effect of exchange rate change on cash and cash equivalents	(569)	2,864	3,434
Net increase (decrease) in cash and cash equivalents	18,071	(13,606)	(31,677)
Cash and cash equivalents at beginning of period	45,748	63,819	18,071
Cash and cash equivalents at end of period	63,819	50,213	(13,606)

< Indexes >	FY2021	FY2022	Change
Current ratio (%)	107.4	109.9	2.6
Cash flow to interest-bearing debt ratio (Year)	2.2	3.8	1.6
Interest coverage ratio (Times)	31.4	32.4	1.0
Net DE ratio (Times)	0.37	0.41	0.04

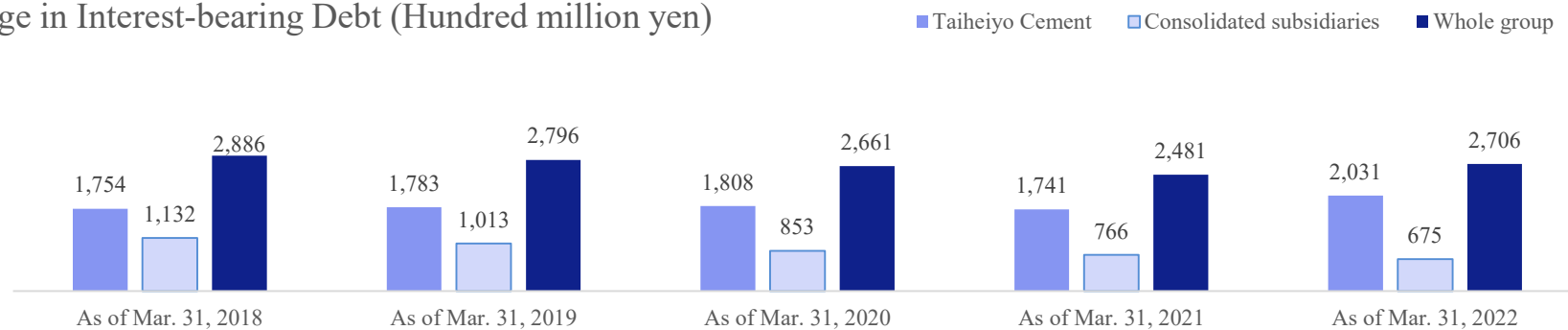
5. Regarding Forecast for the Fiscal 2023



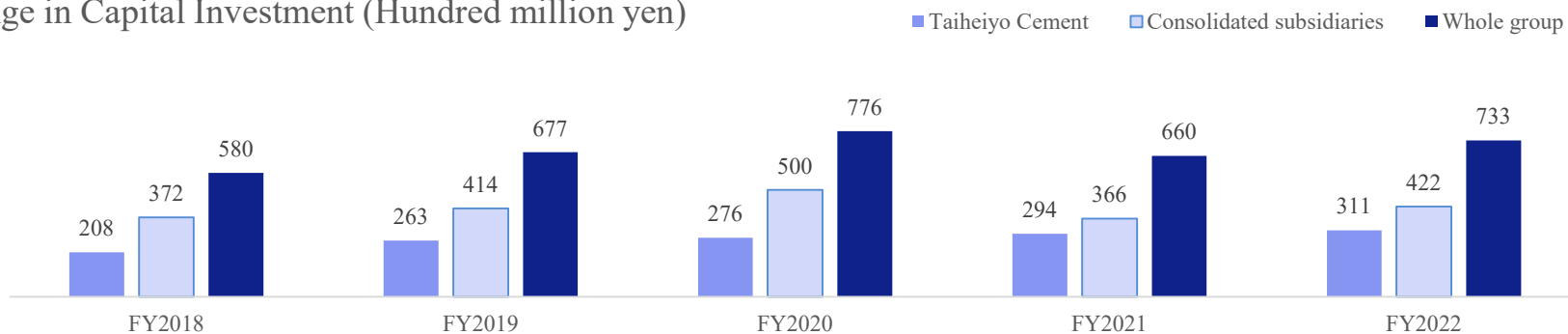
- Due to the impact of the Russian and Ukrainian situation and other factors, future trends such as coal prices, which are the assumptions for the financial results forecast, are uncertain, and it is not possible to calculate reasonable forecast at this time. Accordingly, financial results forecast for the fiscal 2023 have not been determined yet.
- Taiheiyo Cement plans to disclose the forecast as soon as it becomes possible to calculate.

6. Reference Information

(1) Change in Interest-bearing Debt (Hundred million yen)

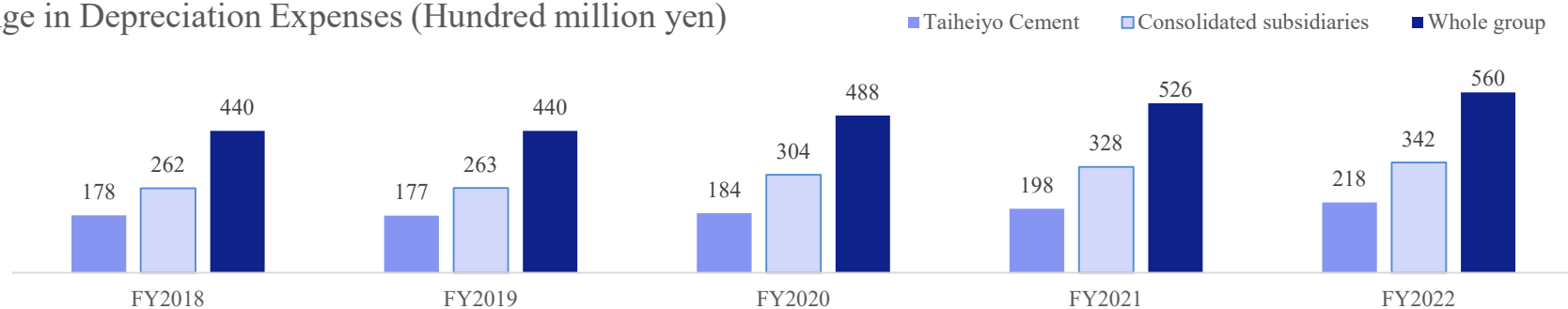


(2) Change in Capital Investment (Hundred million yen)

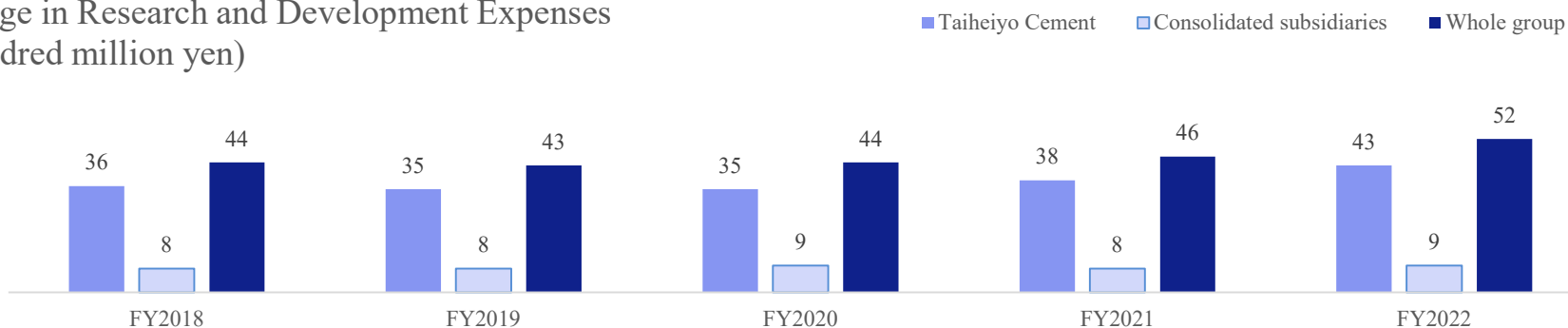


6. Reference Information

(3) Change in Depreciation Expenses (Hundred million yen)

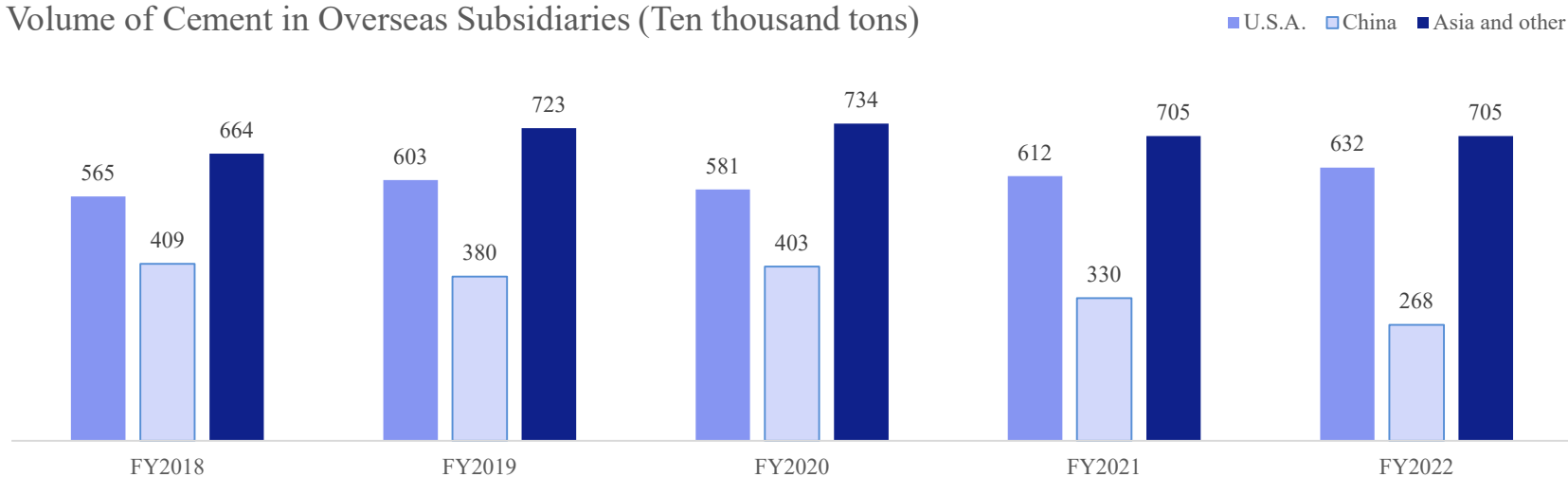


(4) Change in Research and Development Expenses (Hundred million yen)

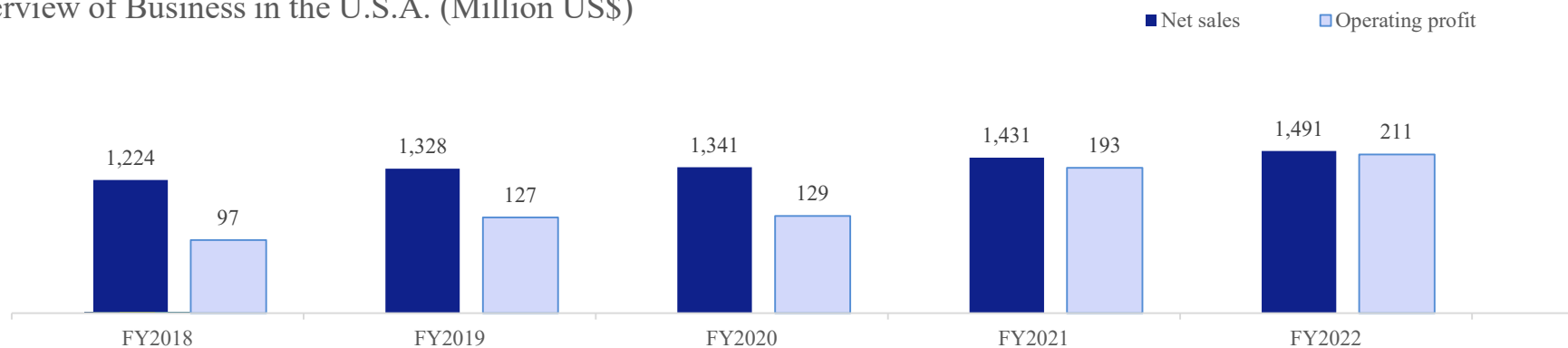


6. Reference Information

(5) Sales Volume of Cement in Overseas Subsidiaries (Ten thousand tons)



(6) Overview of Business in the U.S.A. (Million US\$)



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