



**TAIHEIYO CEMENT**

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Reference Materials of Financial Results  
for the Three Months Ended June 30, 2022

August 9, 2022

**TAIHEIYO CEMENT CORPORATION**

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# 1. Highlights of Consolidated Financial Results TAIHEIYO CEMENT

(Million yen)

	1st Quarter of FY2022	1st Quarter of FY2023	Change
Net sales	159,612	176,516	16,904
Operating profit	9,919	1,208	(8,710)
Ordinary profit	10,479	2,185	(8,293)
Profit attributable to owners of parent	6,577	(220)	(6,798)

< Indexes >	As of Mar. 31, 2022	As of Jun. 30, 2022	Change
Capital adequacy ratio (%)	46.3	42.7	(3.6)
Capital adequacy ratio based on market value (%)	21.4	19.5	(1.9)
Net assets per share (Yen)	4,362.2	4,427.7	65.5
	1st Quarter of FY2022	1st Quarter of FY2023	Change
Basic earnings per share (Yen)	54.9	(1.9)	(56.8)

## 2. Financial Results for the Three Months Ended June 30, 2022

### (1) Consolidated Segment Information

#### Net Sales and Operating Profit by Reportable Segments

(Million yen)

		Net Sales			Operating Profit		
		1st Quarter of FY2022	1st Quarter of FY2023	Change	1st Quarter of FY2022	1st Quarter of FY2023	Change
Cement Business	Domestic	56,252	60,607	4,354	859	(6,475)	(7,334)
	Overseas Subsidiaries, etc.	49,237	58,362	9,124	5,332	4,513	(818)
Total		105,489	118,969	13,479	6,191	(1,961)	(8,153)
Mineral Resources Business		18,370	19,930	1,559	1,344	1,449	105
Environmental Business		15,178	17,618	2,440	1,333	1,352	19
Construction Materials Business		13,457	13,576	119	125	(412)	(537)
Other		20,307	20,256	(51)	1,008	558	(450)
Total		172,804	190,351	17,547	10,002	986	(9,016)
Elimination		(13,191)	(13,835)	(643)	(83)	222	305
Consolidated Total		159,612	176,516	16,904	9,919	1,208	(8,710)

## 2. Financial Results for the Three Months Ended June 30, 2022

### (1) Consolidated Segment Information

#### Cement Business

Sales Volume of Cement (Thousand tons)

	1st Quarter of FY2022	1st Quarter of FY2023	Change
Domestic	3,274	3,227	(47)
Export	994	804	(190)

(Million yen)

		1st Quarter of FY2022	1st Quarter of FY2023	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	56,252	60,607	4,354	Decrease in sales volume of domestic cement and soil stabilizers -0.7 billion yen Decrease in export cement volume -0.9 billion yen Price difference in domestic cement and soil stabilizers +2.6 billion yen Price difference in export cement +2.3 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +1.0 billion yen
	Overseas Subsidiaries, etc.	49,237	58,362	9,124	U.S.A. +US\$32 million, China -US\$0 million, Asia and other +US\$9 million Effect of foreign exchange, etc. +4.8 billion yen
	Total	105,489	118,969	13,479	
Operating Profit	Domestic	859	(6,475)	(7,334)	Decrease in sales volume of domestic cement and soil stabilizers -0.1 billion yen Decrease in export cement volume -0.3 billion yen Price difference in domestic cement and soil stabilizers +2.3 billion yen Increase in net export cement revenue +1.3 billion yen Increase in variable cost -9.1 billion yen Increase in fixed cost -0.3 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -1.1 billion yen
	Overseas Subsidiaries, etc.	5,332	4,513	(818)	U.S.A. -US\$4 million, China -US\$4 million, Asia and other -US\$4 million Effect of foreign exchange, etc. +0.4 billion yen
	Total	6,191	(1,961)	(8,153)	

## 2. Financial Results for the Three Months Ended June 30, 2022

### (1) Consolidated Segment Information

#### Reportable Segments (Excluding Cement Business) and Other

(Million yen)

		1st Quarter of FY2022	1st Quarter of FY2023	Change	Main Factors of Changes in Net Sales and Operating Profit
Mineral Resources Business	Net Sales	18,370	19,930	1,559	Increase in sales volume of aggregates Increase in various type of costs partly passed on to sales prices
	Operating Profit	1,344	1,449	105	Increase in various type of costs partly passed on to sales prices
Environmental Business	Net Sales	15,178	17,618	2,440	Waste recycling operations and sales volume of fuel remained strong
	Operating Profit	1,333	1,352	19	Waste recycling operations and sales volume of fuel remained strong
Construction Materials Business	Net Sales	13,457	13,576	119	Sales of ALC (Autoclaved Lightweight Concrete) and construction materials remained strong despite decrease in sales of ground improvement projects
	Operating Profit	125	(412)	(537)	Rapid rise in raw material prices Decrease in sales of ground improvement projects
Other	Net Sales	20,307	20,256	(51)	
	Operating Profit	1,008	558	(450)	

## 2. Financial Results for the Three Months Ended June 30, 2022

### (2) Consolidated Balance Sheets

					(Million yen)				
		As of Mar. 31, 2022	As of Jun. 30, 2022	Change			As of Mar. 31, 2022	As of Jun. 30, 2022	Change
Current assets	Cash and deposits	60,271	103,798	43,526	Liabilities	Current liabilities	309,768	397,184	87,416
	Notes and accounts receivable - trade, and contract assets	143,178	149,545	6,366		Non-current liabilities	248,440	262,146	13,705
	Inventories	94,189	120,635	26,446		Total liabilities	558,208	659,331	101,122
	Other	42,910	48,018	5,107	Net assets	Share capital	86,174	86,174	-
	Total current assets	340,550	421,997	81,446		Shareholders' equity	49,729	49,724	(4)
Non-current assets	Total property, plant and equipment	557,829	586,482	28,653		Retained earnings	384,154	379,865	(4,288)
	Total intangible assets	27,566	27,324	(241)		Treasury shares	(13,766)	(13,767)	(1)
	Total investments and other assets	177,061	177,146	84		Total shareholders' equity	506,291	501,996	(4,294)
	Total non-current assets	762,457	790,954	28,497	Accumulated other comprehensive income	4,325	16,282	11,956	
					Non-controlling interests	34,181	35,341	1,160	
					Total net assets	544,799	553,620	8,821	
Total assets	1,103,007	1,212,951	109,943	Total liabilities and net assets	1,103,007	1,212,951	109,943		
		As of Dec. 31, 2021	As of Mar. 31, 2022	Change		As of Mar. 31, 2022	As of Jun. 30, 2022	Change	
Exchange rate at end of period (Yen/US\$)		115.02	122.39	7.37	Interest-bearing debt (Million yen)	270,587	340,983	70,396	

### 3. Forecast for the Fiscal 2023

#### (1) Consolidated Statements of Income

(Hundred million yen)

	FY2022 (Actual)	FY2023 (Forecast)	Change
Net sales	7,082	8,540	1,458
Operating profit	467	320	(147)
Ordinary profit	501	315	(186)
Extraordinary income and losses	(73)	(50)	23
Profit before income taxes	428	265	(163)
Profit attributable to owners of parent	289	185	(104)
<b>&lt; Preconditions &gt;</b>			
Domestic demand of cement (Ten thousand tons)	3,788	3,800	12
Average exchange rate applied by overseas subsidiaries (Yen/US\$)	109.9	130.0	20.1



### 3. Forecast for the Fiscal 2023

#### (2) Consolidated Segment Information

##### Net Sales and Operating Profit by Reportable Segments

(Hundred million yen)

		Net Sales			Operating Profit		
		FY2022 (Actual)	FY2023 (Forecast)	Change	FY2022 (Actual)	FY2023 (Forecast)	Change
Cement Business	Domestic	2,374	2,860	486	(18)	(160)	(142)
	Overseas Subsidiaries, etc.	2,257	3,120	863	260	308	48
	Total	4,632	5,980	1,348	241	148	(93)
Mineral Resources Business		771	850	79	60	52	(8)
Environmental Business		723	830	107	66	56	(10)
Construction Materials Business		650	720	70	34	15	(19)
Other		890	870	(20)	69	48	(21)
Total		7,668	9,250	1,582	472	319	(153)
Elimination		(586)	(710)	(124)	(5)	1	6
Consolidated Total		7,082	8,540	1,458	467	320	(147)

### 3. Forecast for the Fiscal 2023

#### (2) Consolidated Segment Information

##### Cement Business

Sales Volume of Cement (Thousand tons)

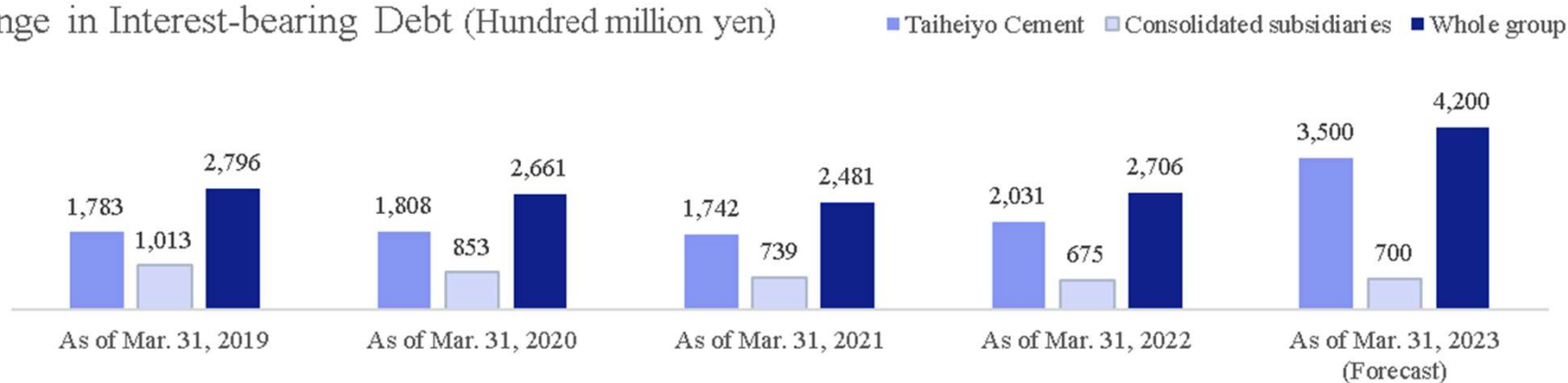
	FY2022 (Actual)	FY2023 (Forecast)	Change
Domestic	13,363	13,206	(156)
Export	4,147	3,015	(1,132)

(Million yen)

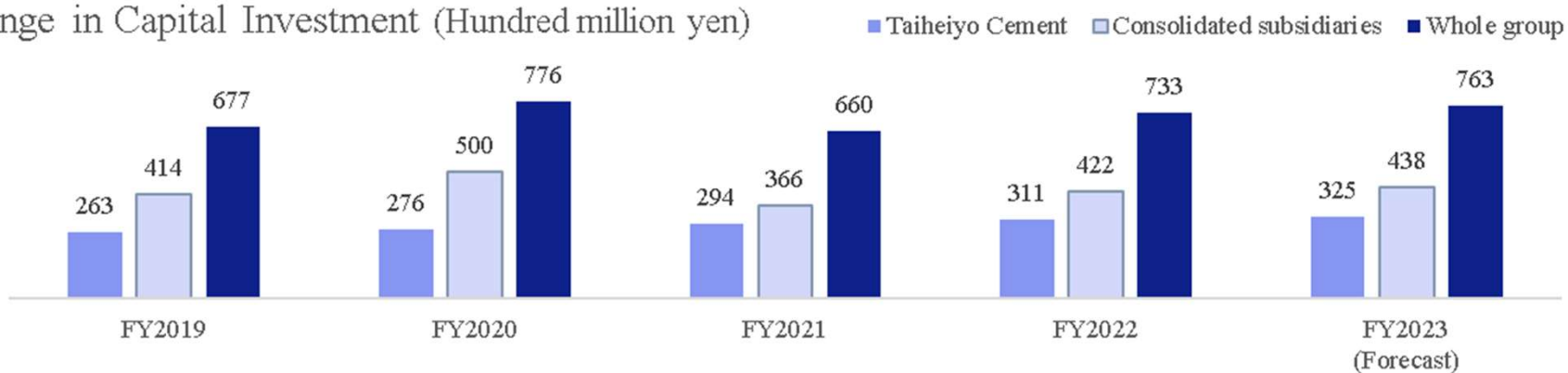
		FY2022 (Actual)	FY2023 (Forecast)	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	2,374	2,860	486	Decrease in sales volume of domestic cement and soil stabilizers -1.5 billion yen Decrease in export cement volume -6.0 billion yen Price difference in domestic cement and soil stabilizers +43.1 billion yen Price difference in export cement +9.0 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +4.0 billion yen
	Overseas Subsidiaries, etc.	2,257	3,120	863	U.S.A. +US\$282 million, China -US\$10 million, Asia and other +US\$87 million Effect of foreign exchange, etc. +47.7 billion yen
	Total	4,632	5,980	1,348	
Operating Profit	Domestic	(18)	(160)	(142)	Decrease in sales volume of domestic cement and soil stabilizers -0.8 billion yen Decrease in export cement volume -2.0 billion yen Price difference in domestic cement and soil stabilizers +39.8 billion yen Increase in net export cement revenue +6.4 billion yen Increase in variable cost -50.6 billion yen Increase in fixed cost -3.7 billion yen Decrease in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. -3.3 billion yen
	Overseas Subsidiaries, etc.	260	308	48	U.S.A. +US\$16 million, China -US\$7 million, Asia and other -US\$12 million Effect of foreign exchange, etc. +5.0 billion yen
	Total	241	148	(93)	

## 4. Reference Information

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

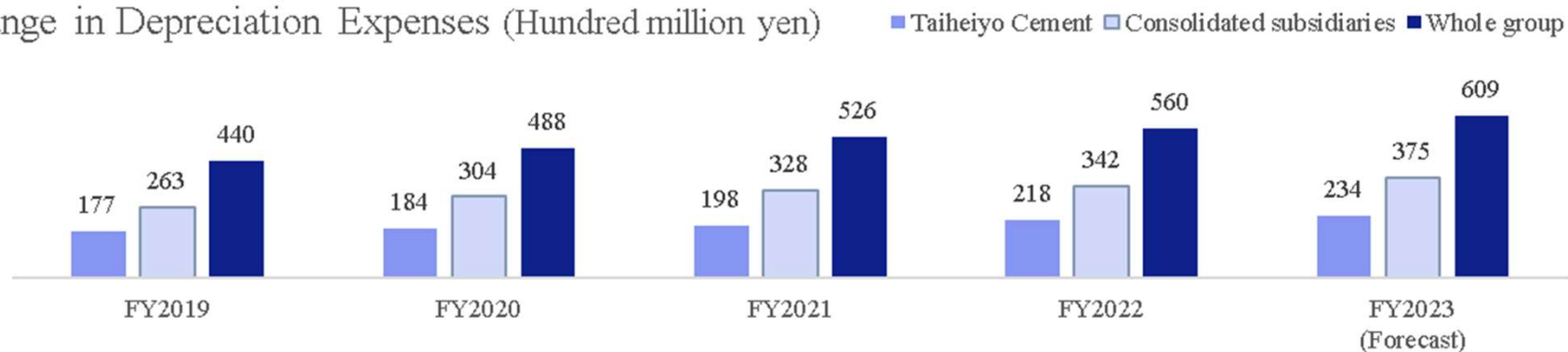


(2) Change in Capital Investment (Hundred million yen)

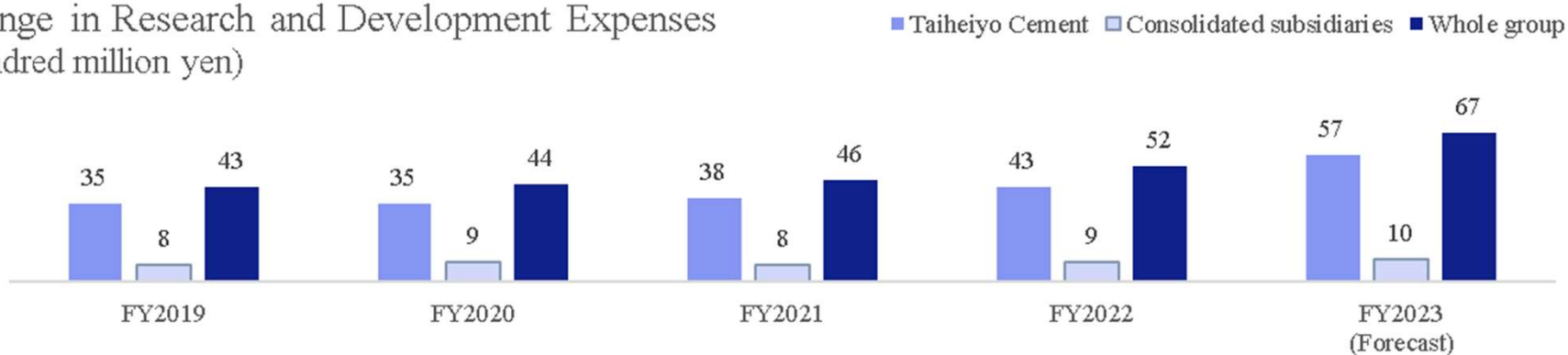


## 4. Reference Information

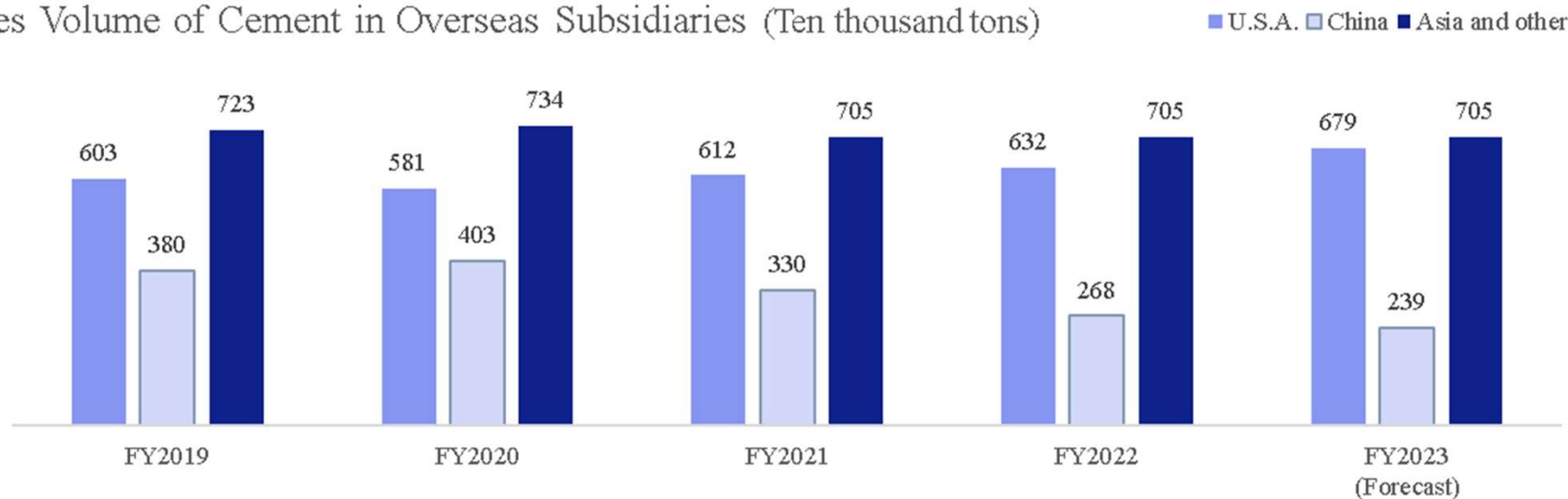
(3) Change in Depreciation Expenses (Hundred million yen)



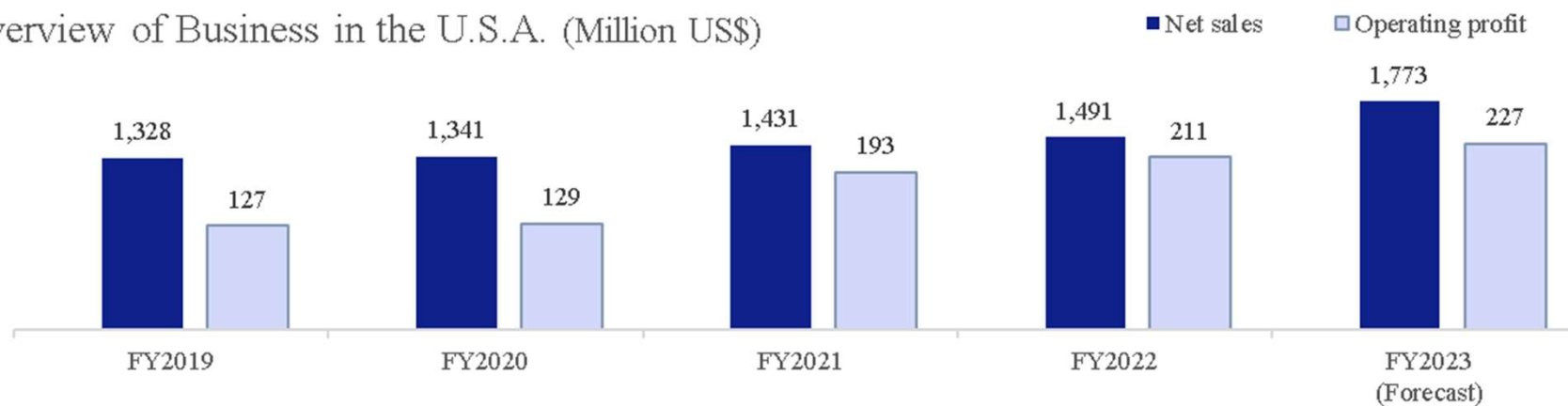
(4) Change in Research and Development Expenses (Hundred million yen)



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



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



## (7) Forecast for the First Half of Fiscal 2023

## ① Consolidated Statements of Income

(Hundred million yen)

	First Half of FY2022 (Actual)	First Half of FY2023 (Forecast)	Change
Net sales	3,397	3,800	403
Operating profit	258	(28)	(286)
Ordinary profit	265	(25)	(290)
Extraordinary income and losses	26	(20)	(46)
Profit before income taxes	291	(45)	(336)
Profit attributable to owners of parent	194	(57)	(251)

## (7) Forecast for the First Half of Fiscal 2023

## ② Net Sales and Operating Profit by Reportable Segments

(Hundred million yen)

		Net Sales			Operating Profit		
		First Half of FY2022 (Actual)	First Half of FY2023 (Forecast)	Change	First Half of FY2022 (Actual)	First Half of FY2023 (Forecast)	Change
Cement Business	Domestic	1,143	1,300	157	15	(184)	(199)
	Overseas Subsidiaries, etc.	1,109	1,290	181	148	99	(49)
	Total	2,253	2,590	337	164	(85)	(249)
Mineral Resources Business		372	400	28	26	25	(1)
Environmental Business		338	415	77	30	25	(5)
Construction Materials Business		292	320	28	11	3	(8)
Other		420	395	(25)	24	3	(21)
Total		3,676	4,120	444	257	(29)	(286)
Elimination		(278)	(320)	(42)	0	1	1
Consolidated Total		3,397	3,800	403	258	(28)	(286)

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