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## Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 09, 2023

Company name: TAIHEIYO CEMENT CORPORATION

Stock exchange listing: Tokyo, Fukuoka

Code number: 5233

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

Representative: Masafumi Fushihara

President and Representative Director

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Scheduled date of filing quarterly securities report: February 10, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

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, 2022 (April 01, 2022 to December 31, 2022)

#### (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, 2022	600,348	13.7	3,392	(91.4)	3,526	(91.5)	(17,665)	-
December 31, 2021	527,890	(19.1)	39,641	(17.7)	41,701	(15.5)	29,585	(20.4)

(Note) Comprehensive income: Nine months ended December 31, 2022: 36,169 million yen [ (21.6)%]  
 Nine months ended December 31, 2021: 46,158 million yen [ 23.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2022	Yen (150.92)	Yen -
December 31, 2021	250.30	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of December 31, 2022	Million yen 1,331,537	Million yen 572,176	40.1
March 31, 2022	1,103,007	544,799	46.3

(Reference) Equity: As of December 31, 2022: 533,657 million yen  
 As of March 31, 2022: 510,617 million yen

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2022	Yen -	Yen 35.00	Yen -	Yen 35.00	Yen 70.00
Fiscal year ending March 31, 2023	-	35.00	-	-	-
Fiscal year ending March 31, 2023 (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, 2023(April 01, 2022 to March 31, 2023)

(% 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	810,000	14.4	4,000	(91.4)	3,000	(94.0)	(26,000)	-	(222.12)

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

\* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

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

(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, 2022: 121,985,078 shares

March 31, 2022: 121,985,078 shares

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

December 31, 2022: 4,929,488 shares

March 31, 2022: 4,930,945 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 117,055,125 shares

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

\* The forecasts herein are 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.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	60,271	88,923
Notes and accounts receivable - trade, and contract assets	143,178	184,795
Electronically recorded monetary claims - operating	23,354	31,075
Merchandise and finished goods	34,409	44,016
Work in process	1,277	2,236
Raw materials and supplies	58,502	92,349
Other	19,863	27,854
Allowance for doubtful accounts	(307)	(371)
<b>Total current assets</b>	<b>340,550</b>	<b>470,881</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	153,705	160,899
Machinery, equipment and vehicles, net	170,433	193,141
Land	156,031	168,305
Other, net	77,658	116,874
<b>Total property, plant and equipment</b>	<b>557,829</b>	<b>639,220</b>
Intangible assets		
Goodwill	80	111
Other	27,485	41,891
<b>Total intangible assets</b>	<b>27,566</b>	<b>42,003</b>
Investments and other assets		
Investment securities	118,359	122,795
Retirement benefit asset	22,680	22,545
Other	37,905	35,454
Allowance for doubtful accounts	(1,883)	(1,363)
<b>Total investments and other assets</b>	<b>177,061</b>	<b>179,432</b>
<b>Total non-current assets</b>	<b>762,457</b>	<b>860,656</b>
<b>Total assets</b>	<b>1,103,007</b>	<b>1,331,537</b>

(Million yen)

	As of March 31,2022	As of December 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	79,685	105,628
Electronically recorded obligations - operating	8,751	13,977
Short-term borrowings	102,986	159,242
Commercial papers	21,000	53,000
Current portion of bonds payable	-	10,000
Income taxes payable	4,198	3,429
Provision for bonuses	6,246	2,941
Other provisions	213	319
Other	86,685	100,271
Total current liabilities	309,768	448,809
Non-current liabilities		
Bonds payable	60,000	50,000
Long-term borrowings	86,600	121,393
Retirement benefit liability	22,701	24,805
Provision for retirement benefits for directors (and other officers)	512	490
Provision for special repairs	258	247
Provision for product compensation	3,330	4,551
Other provisions	478	529
Asset retirement obligations	8,703	9,608
Other	65,855	98,924
Total non-current liabilities	248,440	310,550
Total liabilities	558,208	759,360
<b>Net assets</b>		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	49,729	49,724
Retained earnings	384,154	358,424
Treasury shares	(13,766)	(13,734)
Total shareholders' equity	506,291	480,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,737	11,590
Deferred gains or losses on hedges	6	0
Revaluation reserve for land	4,897	4,897
Foreign currency translation adjustment	(11,322)	38,946
Remeasurements of defined benefit plans	(992)	(2,365)
Total accumulated other comprehensive income	4,325	53,068
Non-controlling interests	34,181	38,518
Total net assets	544,799	572,176
Total liabilities and net assets	1,103,007	1,331,537

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 31,2021	For the nine months ended December 31,2022
Net sales	527,890	600,348
Cost of sales	393,205	494,006
Gross profit	134,685	106,342
Selling, general and administrative expenses	95,044	102,949
Operating profit	39,641	3,392
Non-operating income		
Interest income	344	361
Dividend income	1,159	1,407
Share of profit of entities accounted for using equity method	2,209	447
Other	2,294	1,925
Total non-operating income	6,008	4,141
Non-operating expenses		
Interest expenses	1,987	1,921
Other	1,959	2,085
Total non-operating expenses	3,947	4,007
Ordinary profit	41,701	3,526
Extraordinary income		
Gain on disposal of non-current assets	6,121	642
Gain on sale of investment securities	441	1,165
Other	191	188
Total extraordinary income	6,754	1,996
Extraordinary losses		
Loss on disposal of non-current assets	2,752	2,367
Product compensation expenses	-	1,230
Other	3,584	831
Total extraordinary losses	6,336	4,428
Profit before income taxes	42,120	1,094
Income taxes	10,974	17,952
Profit (loss)	31,145	(16,858)
Profit attributable to non-controlling interests	1,560	807
Profit (loss) attributable to owners of parent	29,585	(17,665)

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit (loss)	31,145	(16,858)
Other comprehensive income		
Valuation difference on available-for-sale securities	327	(36)
Deferred gains or losses on hedges	0	(6)
Foreign currency translation adjustment	13,854	48,886
Remeasurements of defined benefit plans, net of tax	(575)	(1,362)
Share of other comprehensive income of entities accounted for using equity method	1,405	5,546
Total other comprehensive income	15,013	53,027
Comprehensive income	46,158	36,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,447	31,077
Comprehensive income attributable to non-controlling interests	3,710	5,091

Quarterly Consolidated Segment Information  
Reportable Segments

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

For the Nine Months Ended December 31, 2022

(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	404,746	46,362	55,612	48,941	555,663	44,685	600,348	-	600,348
Inter-segment sales	5,269	16,040	3,562	672	25,545	18,765	44,311	(44,311)	-
Total	410,016	62,402	59,174	49,614	581,208	63,451	644,659	(44,311)	600,348
Segment income	(9,854)	4,491	4,458	1,206	302	2,737	3,039	352	3,392