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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 8, 2024

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 9, 2024
 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, 2023 (April 1, 2023 to December 31, 2023)

(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, 2023	660,174	10.0	41,862	1,134.0	43,834	1,143.0	28,796	-
December 31, 2022	600,348	13.7	3,392	(91.4)	3,526	(91.5)	(17,665)	-

(Note) Comprehensive income: Nine months ended December 31, 2023: 68,179million yen [88.5%]
 Nine months ended December 31, 2022: 36,169million yen [(21.6)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2023	Yen 246.30	Yen -
December 31, 2022	(150.92)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of December 31, 2023	Million yen 1,367,289	Million yen 583,081	% 40.1
March 31, 2023	1,268,862	528,857	39.0

(Reference) Equity: As of December 31, 2023: 548,392million yen
 As of March 31, 2023: 494,957million yen

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, 2023	-	35.00	-	35.00	70.00
Fiscal year ending March 31, 2024	-	35.00	-		
Fiscal year ending March 31, 2024 (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, 2024 (April 1, 2023 to March 31, 2024)

(% 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	894,000	10.4	58,000	1,201.5	59,000	5,707.9	40,000	-	341.48

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(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: No

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, 2023: 121,985,078 shares

March 31, 2023: 121,985,078 shares

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

December 31, 2023: 6,403,222 shares

March 31, 2023: 4,931,863 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 116,920,258 shares

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

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	79,842	98,124
Notes and accounts receivable - trade, and contract assets	158,136	183,735
Electronically recorded monetary claims - operating	24,826	42,614
Merchandise and finished goods	47,460	48,862
Work in process	1,529	2,710
Raw materials and supplies	89,383	77,297
Other	29,379	25,986
Allowance for doubtful accounts	(150)	(208)
Total current assets	430,408	479,123
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	157,312	160,238
Machinery, equipment and vehicles, net	191,081	194,796
Land	165,027	171,681
Other, net	106,662	131,039
Total property, plant and equipment	620,083	657,756
Intangible assets		
Goodwill	101	114
Other	39,665	40,676
Total intangible assets	39,766	40,791
Investments and other assets		
Investment securities	117,839	124,095
Retirement benefit asset	23,697	23,659
Other	38,376	43,195
Allowance for doubtful accounts	(1,309)	(1,331)
Total investments and other assets	178,604	189,619
Total non-current assets	838,454	888,166
Total assets	1,268,862	1,367,289

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	84,162	103,819
Electronically recorded obligations - operating	11,613	19,676
Short-term borrowings	149,573	145,807
Commercial papers	27,000	23,000
Current portion of bonds payable	10,000	-
Income taxes payable	3,687	9,163
Provision for bonuses	5,677	3,243
Provision for loss on business withdrawal	2,564	160
Other provisions	108	172
Other	91,395	105,896
Total current liabilities	385,784	410,940
Non-current liabilities		
Bonds payable	50,000	70,000
Long-term borrowings	166,911	159,450
Retirement benefit liability	21,380	22,633
Provision for retirement benefits for directors (and other officers)	536	510
Provision for special repairs	227	285
Provision for product compensation	4,498	4,140
Provision for loss on business withdrawal	1,924	2,169
Other provisions	472	472
Asset retirement obligations	9,379	10,880
Other	98,889	102,725
Total non-current liabilities	354,221	373,267
Total liabilities	740,005	784,207
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	49,729	49,795
Retained earnings	342,880	363,449
Treasury shares	(13,738)	(17,934)
Total shareholders' equity	465,045	481,483
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,038	14,544
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	3,610	3,611
Foreign currency translation adjustment	13,730	48,486
Remeasurements of defined benefit plans	530	265
Total accumulated other comprehensive income	29,911	66,908
Non-controlling interests	33,899	34,689
Total net assets	528,857	583,081
Total liabilities and net assets	1,268,862	1,367,289

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, 2022	For the nine months ended December 31, 2023
Net sales	600,348	660,174
Cost of sales	494,006	517,099
Gross profit	106,342	143,075
Selling, general and administrative expenses	102,949	101,213
Operating profit	3,392	41,862
Non-operating income		
Interest income	361	1,110
Dividend income	1,407	1,920
Share of profit of entities accounted for using equity method	447	1,146
Other	1,925	3,642
Total non-operating income	4,141	7,820
Non-operating expenses		
Interest expenses	1,921	2,701
Other	2,085	3,146
Total non-operating expenses	4,007	5,848
Ordinary profit	3,526	43,834
Extraordinary income		
Gain on disposal of non-current assets	642	1,242
Gain on sale of investment securities	1,165	632
Other	188	275
Total extraordinary income	1,996	2,151
Extraordinary losses		
Loss on disposal of non-current assets	2,367	2,507
Product compensation expenses	1,230	-
Other	831	729
Total extraordinary losses	4,428	3,236
Profit before income taxes	1,094	42,748
Income taxes	17,952	13,760
Profit (loss)	(16,858)	28,987
Profit attributable to non-controlling interests	807	190
Profit (loss) attributable to owners of parent	(17,665)	28,796

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

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit (loss)	(16,858)	28,987
Other comprehensive income		
Valuation difference on available-for-sale securities	(36)	2,442
Deferred gains or losses on hedges	(6)	(0)
Foreign currency translation adjustment	48,886	32,340
Remeasurements of defined benefit plans, net of tax	(1,362)	(240)
Share of other comprehensive income of entities accounted for using equity method	5,546	4,650
Total other comprehensive income	53,027	39,192
Comprehensive income	36,169	68,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,077	65,793
Comprehensive income attributable to non-controlling interests	5,091	2,386

Quarterly Consolidated Segment Information
Reportable Segments

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

For the Nine Months Ended December 31, 2023

(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	464,410	48,847	46,724	55,131	615,114	45,059	660,174	-	660,174
Inter-segment sales	6,529	17,696	4,847	941	30,014	17,924	47,938	(47,938)	-
Total	470,940	66,544	51,571	56,072	645,128	62,983	708,112	(47,938)	660,174
Segment income	23,581	7,326	4,790	3,935	39,633	2,260	41,894	(32)	41,862