

Reference Materials of Financial Results  
for the Fiscal Year Ended March 31, 2023

May 11, 2023

TAIHEIYO CEMENT CORPORATION

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# 1. Highlights of Consolidated Financial Results



(Million yen)

	FY2022	FY2023	Change
Net sales	708,201	809,542	101,340
Operating profit	46,701	4,456	(42,245)
Ordinary profit	50,193	1,015	(49,177)
Profit attributable to owners of parent	28,971	(33,206)	(62,178)

< Indexes >	FY2022	FY2023	Change
Capital adequacy ratio (%)	46.3	39.0	(7.3)
Capital adequacy ratio based on market value (%)	21.4	22.9	1.5
Net assets per share (Yen)	4,362.2	4,228.5	(133.8)
Basic earnings per share (Yen)	245.8	(283.7)	(529.5)
Ordinary profit to total assets ratio (%)	4.7	0.1	(4.6)
Rate of return on equity (%)	5.9	(6.6)	(12.5)
Operating profit to net sales ratio (%)	6.6	0.6	(6.0)

## 2. Financial Results for the Fiscal 2023

### (1) Consolidated Segment Information

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

(Million yen)

		Net Sales			Operating Profit		
		FY2022	FY2023	Change	FY2022	FY2023	Change
Cement Business	Domestic	237,490	255,740	18,249	(1,851)	(36,918)	(35,066)
	Overseas Subsidiaries, etc.	225,723	297,301	71,577	26,040	22,019	(4,020)
	Total	463,214	553,041	89,827	24,188	(14,898)	(39,087)
Mineral Resources Business		77,182	82,706	5,523	6,034	5,556	(478)
Environmental Business		72,315	77,911	5,595	6,647	5,871	(776)
Construction Materials Business		65,096	68,270	3,173	3,493	2,351	(1,141)
Other		89,025	86,926	(2,099)	6,920	5,108	(1,811)
Total		766,835	868,855	102,020	47,285	3,989	(43,295)
Elimination		(58,633)	(59,313)	(679)	(583)	466	1,050
Consolidated Total		708,201	809,542	101,340	46,701	4,456	(42,245)

## 2. Financial Results for the Fiscal 2023

### (1) Consolidated Segment Information

#### Cement Business

	Sales Volume of Cement (Thousand tons)			Average exchange rate applied by overseas subsidiaries (Yen/US\$)		
	FY2022	FY2023	Change	FY2022	FY2023	Change
Domestic	13,363	13,129	(233)	109.9	131.6	21.7
Export	4,147	2,438	(1,709)			

(Million yen)

		FY2022	FY2023	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	237,490	255,740	18,249	Decrease in sales volume of domestic cement and soil stabilizers -3.3 billion yen Decrease in export cement volume -9.1 billion yen Price difference in domestic cement and soil stabilizers +21.0 billion yen Price difference in export cement +5.7 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +4.0 billion yen
	Overseas Subsidiaries, etc.	225,723	297,301	71,577	U.S.A +US\$264 million China -US\$68 million, Asia and other +US\$28 million Effect of foreign exchange, etc. +47.0 billion yen
	Total	463,214	553,041	89,827	
Operating Profit	Domestic	(1,851)	(36,918)	(35,066)	Decrease in sales volume of domestic cement and soil stabilizers -1.2 billion yen Decrease in export cement volume -3.1 billion yen Price difference in domestic cement and soil stabilizers +19.9 billion yen Increase in net export cement revenue +4.5 billion yen Increase in variable cost -52.5 billion yen Increase in fixed cost -1.2 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -1.5 billion yen
	Overseas Subsidiaries, etc.	26,040	22,019	(4,020)	U.S.A -US\$14 million China -US\$32 million, Asia and other -US\$27 million Effect of foreign exchange, etc. +4.0 billion yen
	Total	24,188	(14,898)	(39,087)	

## 2. Financial Results for the Fiscal 2023

### (1) Consolidated Segment Information

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

(Million yen)

		FY2022	FY2023	Change	Main Factors of Changes in Net Sales and Operating Profit
Mineral Resources Business	Net Sales	77,182	82,706	5,523	Aggregates business remained strong mainly in Kanto region and Chubu region Some of the various cost increases passed on to selling prices
	Operating Profit	6,034	5,556	(478)	Decreased due to various cost increases
Environmental Business	Net Sales	72,315	77,911	5,595	Sales of calcium carbonate used for flue gas desulfurization, gypsum, and fuel remained strong
	Operating Profit	6,647	5,871	(776)	Foreign exchange impact deteriorated profitability in biomass fuel business
Construction Materials Business	Net Sales	65,096	68,270	3,173	Sales of ALC (Autoclaved Lightweight Concrete) and construction materials remained strong despite sales of ground improvement projects remained sluggish
	Operating Profit	3,493	2,351	(1,141)	Rapid rise in raw material prices Decrease in sales of ground improvement projects
Other	Net Sales	89,025	86,926	(2,099)	
	Operating Profit	6,920	5,108	(1,811)	

## 2. Financial Results for the Fiscal 2023

### (2) Consolidated Statements of Income (Items below Operating Profit)

(Million yen)

	FY2022	FY2023	Change
Operating profit	46,701	4,456	(42,245)
Non-operating income and expenses	3,491	(3,440)	(6,932)
Ordinary profit	50,193	1,015	(49,177)
Extraordinary income and losses	(7,372)	(17,382)	(10,009)
Profit before income taxes	42,820	(16,366)	(59,187)
Income taxes	11,769	17,872	6,102
Profit attributable to non-controlling interests	2,079	(1,032)	(3,111)
Profit attributable to owners of parent	28,971	(33,206)	(62,178)

## 2. Financial Results for the Fiscal 2023

### (3) Consolidated Balance Sheets

(Million yen)

		As of Mar. 31, 2022	As of Mar. 31, 2023	Change			As of Mar. 31, 2022	As of Mar. 31, 2023	Change	
Current assets	Cash and deposits	60,271	79,842	19,570	Liabilities	Current liabilities	309,768	385,784	76,016	
	Trade receivables	166,533	182,963	16,429		Non-current liabilities	248,440	354,221	105,780	
	Inventories	94,189	138,373	44,183		Total liabilities	558,208	740,005	181,796	
	Other	19,555	29,228	9,673	Net assets	Shareholders' equity	Share capital	86,174	86,174	-
	Total current assets	340,550	430,408	89,857			Capital surplus	49,729	49,729	0
Non-current assets	Total property, plant and equipment	557,829	620,083	62,254			Retained earnings	384,154	342,880	(41,273)
	Total intangible assets	27,566	39,766	12,200			Treasury shares	(13,766)	(13,738)	27
	Total investments and other assets	177,061	178,604	1,543			Total shareholders' equity	506,291	465,045	(41,245)
	Total non-current assets	762,457	838,454	75,997	Accumulated other comprehensive income	4,325	29,911	25,585		
					Non-controlling interests	34,181	33,899	(281)		
					Total net assets	544,799	528,857	(15,941)		
Total assets	1,103,007	1,268,862	165,854	Total liabilities and net assets	1,103,007	1,268,862	165,854			
		As of Dec. 31, 2021	As of Dec. 31, 2022	Change			As of Mar. 31, 2022	As of Mar. 31, 2023	Change	
Exchange rate at end of period (Yen/US\$)		115.02	132.70	17.68	Interest-bearing debt (Million yen)		270,587	403,485	132,898	



## 2. Financial Results for the Fiscal 2023

### (4) Consolidated Statements of Cash Flows

(Million yen)

	FY2022	FY2023	Change
Cash flows from operating activities	71,191	(268)	(71,460)
Cash flows from investing activities	(83,919)	(93,344)	(9,424)
Cash flows from financing activities	(3,742)	112,080	115,822
Effect of exchange rate change on cash and cash equivalents	2,864	2,048	(816)
Net increase (decrease) in cash and cash equivalents	(13,606)	20,515	34,121
Other	—	99	99
Cash and cash equivalents at beginning of period	63,819	50,213	(13,606)
Cash and cash equivalents at end of period	50,213	70,828	20,614

< Indexes >	FY2022	FY2023	Change
Current ratio (%)	109.9	111.6	1.6
Cash flow to interest-bearing debt ratio (Year)	3.8	—	—
Interest coverage ratio (Times)	32.4	—	—
Net debt/equity ratio (Times)	0.41	0.65	0.24

\* In FY2023, "Cash flow to interest-bearing debt ratio" and "Interest coverage ratio" are not shown because "Cash flows from operating activities" is negative.

### 3. Forecast for the Fiscal 2024

#### (1) Consolidated Statements of Income

(Hundred million yen)

	<b>FY2023 (Actual)</b>	<b>FY2024 (Forecast)</b>	<b>Change</b>
Net sales	8,095	9,200	1,105
Operating profit	44	580	536
Ordinary profit	10	560	550
Profit attributable to owners of parent	(332)	400	732
< Preconditions >			
Domestic demand of cement (Ten thousand tons)	3,728	3,800	72

### 3. Forecast for the Fiscal 2024

#### (2) Consolidated Segment Information

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

(Hundred million yen)

		Net Sales			Operating Profit		
		FY2023 (Actual)	FY2024 (Forecast)	Change	FY2023 (Actual)	FY2024 (Forecast)	Change
Cement Business	Domestic	2,557	3,220	663	(369)	73	442
	Overseas Subsidiaries, etc.	2,973	3,220	247	220	287	67
	Total	5,530	6,440	910	(148)	360	508
Mineral Resources Business		827	920	93	55	76	21
Environmental Business		779	810	31	58	69	11
Construction Materials Business		682	770	88	23	32	9
Other		869	950	81	51	50	(1)
Total		8,688	9,890	1,202	39	587	548
Elimination		(593)	(690)	(97)	4	(7)	(11)
Consolidated Total		8,095	9,200	1,105	44	580	536

### 3. Forecast for the Fiscal 2024

## (2) Consolidated Segment Information

### Cement Business

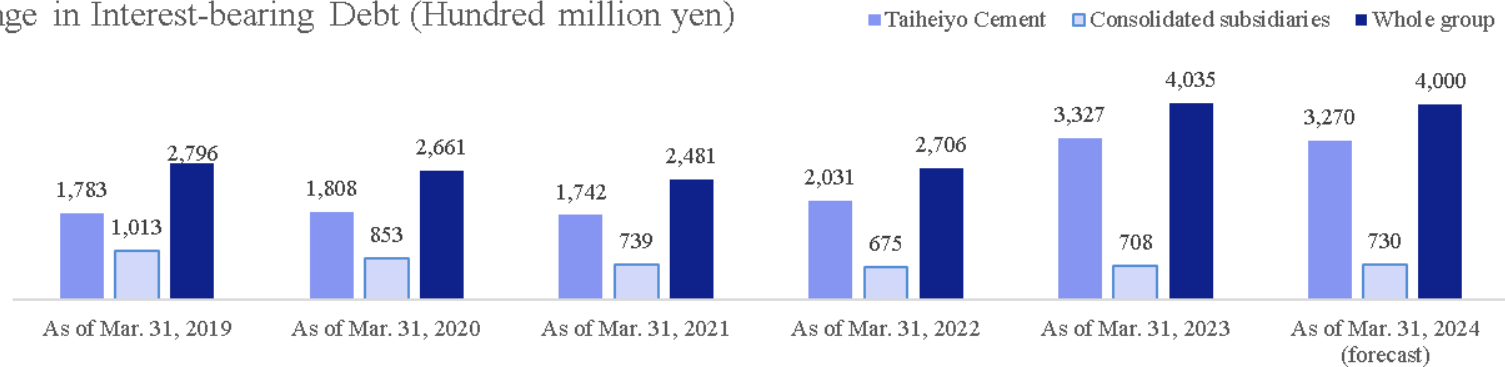
	Sales Volume of Cement (Thousand tons)			Average exchange rate applied by overseas subsidiaries (Yen/US\$)		
	FY2023 (Actual)	FY2024 (Forecast)	Change	FY2023 (Actual)	FY2024 (Forecast)	Change
Domestic	13,129	14,300	1,171	131.6	134.0	2.4
Export	2,438	2,450	12			

(Million yen)

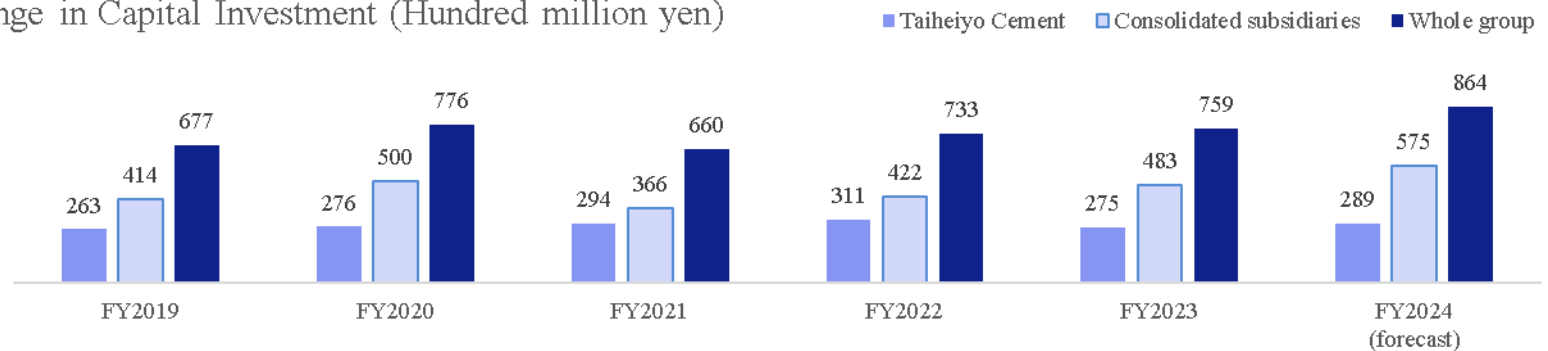
		FY2023 (Actual)	FY2024 (Forecast)	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	2,557	3,220	663	Increase in sales volume of domestic cement and soil stabilizers +17.5 billion yen Increase in export cement volume +0.1 billion yen Price difference in domestic cement and soil stabilizers +45.2 billion yen Price difference in export cement -1.1 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +4.5 billion yen
	Overseas Subsidiaries, etc.	2,973	3,220	247	U.S.A +US\$194 million China -US\$122 million, Asia and other +US\$89 million Effect of foreign exchange, etc. +3.5 billion yen
	Total	5,530	6,440	910	
Operating Profit	Domestic	(369)	73	442	Increase in sales volume of domestic cement and soil stabilizers +1.3 billion yen Increase in export cement volume +0.0 billion yen Price difference in domestic cement and soil stabilizers +42.3 billion yen Increase in net export cement revenue +0.5 billion yen Decrease in variable cost +3.9 billion yen Increase in fixed cost -2.6 billion yen Decrease in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. -1.2 billion yen
	Overseas Subsidiaries, etc.	220	287	67	U.S.A +US\$34 million China +US\$10 million, Asia and other +US\$1 million Effect of foreign exchange, etc. +0.6 billion yen
	Total	(148)	360	508	

## 4. Reference Information

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

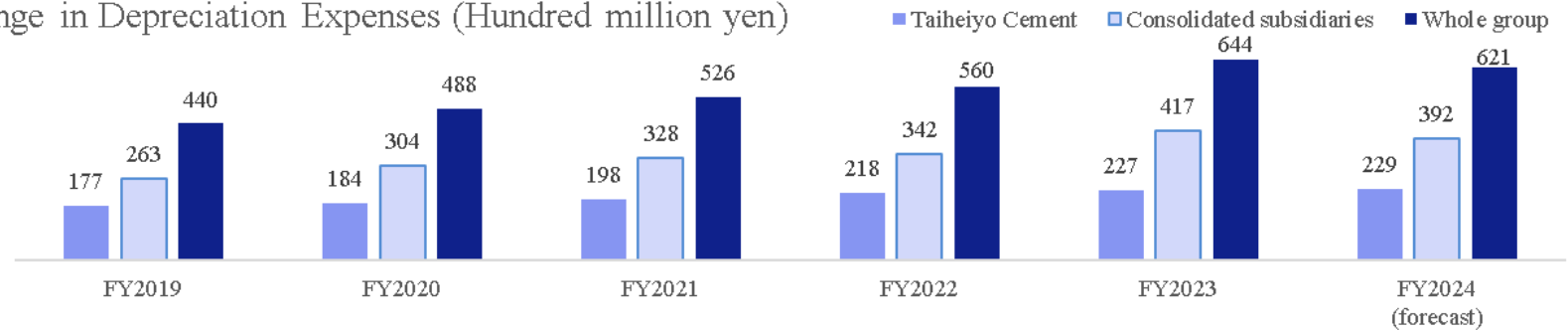


(2) Change in Capital Investment (Hundred million yen)

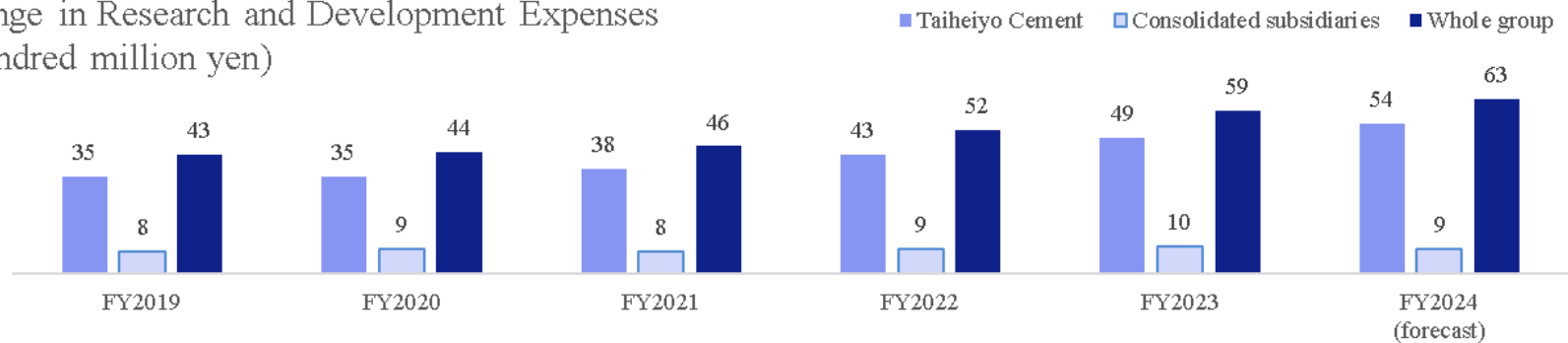


## 4. Reference Information

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



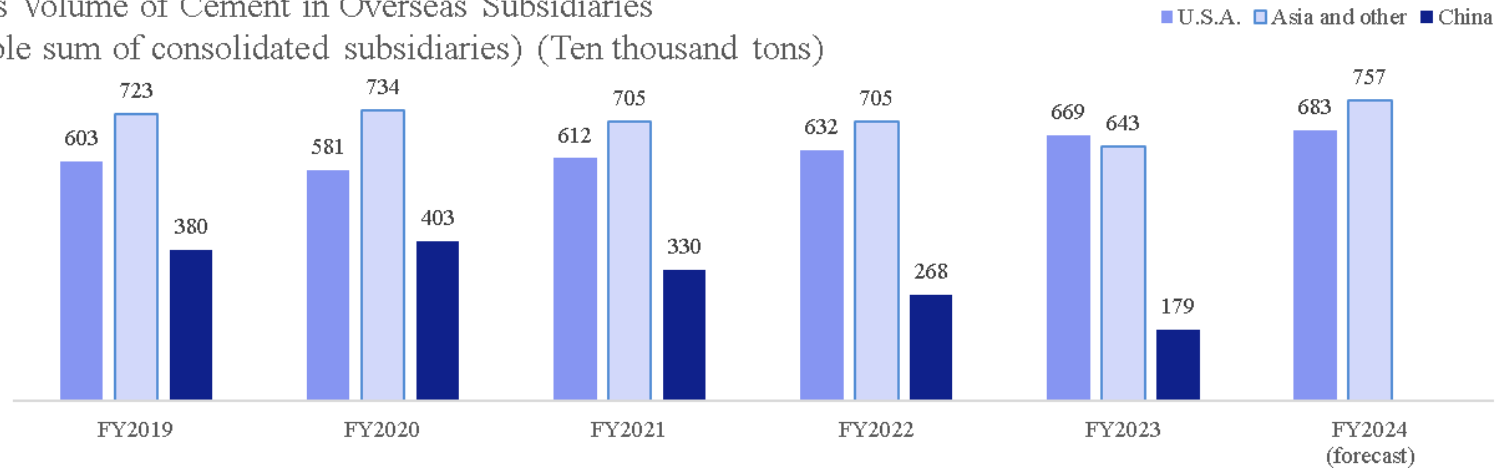
### (4) Change in Research and Development Expenses (Hundred million yen)



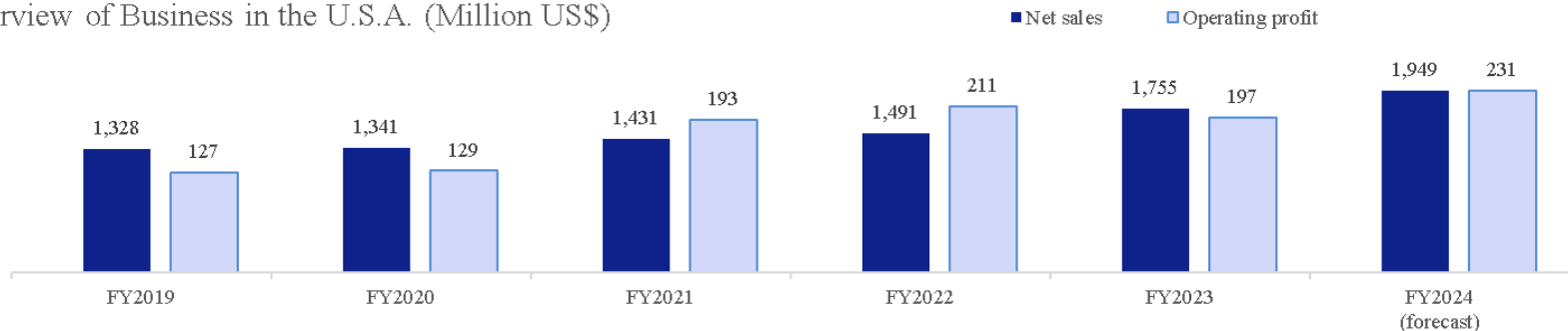
## 4. Reference Information

### (5) Sales Volume of Cement in Overseas Subsidiaries

(Simple sum of consolidated subsidiaries) (Ten thousand tons)



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



## 4. Reference Information

### (7) Forecast for the First Half of Fiscal 2024

#### ① Consolidated Statements of Income

(Hundred million yen)

	First Half of FY2023 (Actual)	First Half of FY2024 (Forecast)	Change
Net sales	3,759	4,440	681
Operating profit	(3)	190	193
Ordinary profit	(0)	170	170
Profit attributable to owners of parent	(164)	110	274



## 4. Reference Information

### (7) Forecast for the First Half of Fiscal 2024

#### ② Net Sales and Operating Profit by Reportable Segments

(Hundred million yen)

		Net Sales			Operating Profit		
		First Half of FY2023 (Actual)	First Half of FY2024 (Forecast)	Change	First Half of FY2023 (Actual)	First Half of FY2024 (Forecast)	Change
Cement Business	Domestic	1,238	1,580	342	(175)	(19)	156
	Overseas Subsidiaries, etc.	1,290	1,550	260	101	135	34
Total		2,528	3,130	602	(74)	116	190
Mineral Resources Business		397	460	63	27	36	9
Environmental Business		395	410	15	28	34	6
Construction Materials Business		307	355	48	0	7	7
Other		416	425	9	11	4	(7)
Total		4,045	4,780	735	(5)	197	202
Elimination		(285)	(340)	(55)	2	(7)	(9)
Consolidated Total		3,759	4,440	681	(3)	190	193

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