

Reference Materials of Financial Results
for the Six Months Ended September 30, 2023

November 9, 2023

TAIHEIYO CEMENT CORPORATION

Contents

1. Highlights of Consolidated Financial Results	Page 2	3. Forecast for the Fiscal 2024	Page 9
		(1) Consolidated Statements of Income	
		(2) Consolidated Segment Information	
2. Financial Results for the Six Months Ended September 30, 2023	Page 3		
(1) Consolidated Segment Information		4. Reference Information	Page 13
(2) Consolidated Statements of Income (Items below Operating Profit)		(1) Change in Interest-bearing Debt	
(3) Consolidated Balance Sheets		(2) Change in Capital Investment	
(4) Consolidated Statements of Cash Flows		(3) Change in Depreciation Expenses	
		(4) Change in Research and Development Expenses	
		(5) Sales Volume of Cement in Overseas Subsidiaries	
		(6) Overview of Businesses in the U.S.A.	

1. Highlights of Consolidated Financial Results



(Million yen)

	FY2023 Six months	FY2024 Six months	Change
Net sales	375,982	418,554	42,572
Operating profit	(313)	17,752	18,065
Ordinary profit	(84)	20,115	20,199
Profit attributable to owners of parent	(16,455)	13,617	30,072

< Indexes >	As of Mar. 31, 2023	As of Sep. 30, 2023	Change
Capital adequacy ratio (%)	39.0	40.1	1.1
Capital adequacy ratio based on market value (%)	22.9	23.3	0.4
Net assets per share (Yen)	4,228.5	4,552.0	323.5

	FY2023 Six months	FY2024 Six months	Change
Basic earnings per share (Yen)	(140.6)	116.2	256.8

2. Financial Results for the Six Months Ended September 30, 2023

(1) Consolidated Segment Information

Net Sales and Operating Profit by Reportable Segments

(Million yen)

		Net sales			Operating profit		
		FY2023 Six months	FY2024 Six months	Change	FY2023 Six months	FY2024 Six months	Change
Cement Business	Domestic	123,839	144,208	20,369	(17,559)	(6,064)	11,495
	Overseas Subsidiaries, etc.	129,006	154,167	25,160	10,149	13,940	3,791
	Total	252,846	298,375	45,528	(7,410)	7,876	15,286
Mineral Resources Business		39,763	42,904	3,140	2,710	4,088	1,378
Environmental Business		39,504	32,505	(6,998)	2,848	3,036	188
Construction Materials Business		30,723	34,189	3,465	60	1,881	1,820
Other		41,699	40,346	(1,353)	1,199	946	(253)
Total		404,537	448,321	43,783	(591)	17,829	18,421
Elimination		(28,554)	(29,766)	(1,211)	278	(77)	(355)
Consolidated Total		375,982	418,554	42,572	(313)	17,752	18,065

2. Financial Results for the Six Months Ended September 30, 2023

(1) Consolidated Segment Information

	Sales Volume of Cement			Average exchange rate applied by overseas subsidiaries		
	FY2023 Six months	FY2024 Six months	Change	FY2023 Six months	FY2024 Six months	Change
Domestic	6,566	6,486	(79)	123.1	135.0	11.9
Export	1,419	1,232	(187)			

(Thousand tons) (Yen/US\$)

Cement Business

(Million yen)

		FY2023 Six months	FY2024 Six months	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	123,839	144,208	20,369	Decrease in sales volume of domestic cement and soil stabilizers -0.9 billion yen Decrease in export cement volume -1.4 billion yen Price difference in domestic cement and soil stabilizers +22.4 billion yen Price difference in export cement -1.2 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +1.4 billion yen
	Overseas Subsidiaries, etc.	129,006	154,167	25,160	U.S.A. +US\$175 million China -US\$70 million, Asia and other -US\$4 million Effect of foreign exchange, etc. +12.6 billion yen
	Total	252,846	298,375	45,528	
Operating Profit	Domestic	(17,559)	(6,064)	11,495	Decrease in sales volume of domestic cement and soil stabilizers -1.7 billion yen Decrease in export cement volume -0.4 billion yen Price difference in domestic cement and soil stabilizers +20.7 billion yen Increase in net export cement revenue +0.3 billion yen Increase in variable cost -8.3 billion yen Decrease in fixed cost +1.3 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -0.5 billion yen
	Overseas Subsidiaries, etc.	10,149	13,940	3,791	U.S.A. +US\$32 million China +US\$0 million, Asia and other -US\$13 million Effect of foreign exchange, etc. +1.4 billion yen
	Total	(7,410)	7,876	15,286	

2. Financial Results for the Six Months Ended September 30, 2023

(1) Consolidated Segment Information

Reportable Segments (Excluding Cement Business) and Other

(Million yen)

		FY2023 Six months	FY2024 Six months	Change	Main Factors of Changes in Net Sales and Operating Profit
Mineral Resources Business	Net Sales	39,763	42,904	3,140	Increase in aggregate sales volume in the Hokkaido, Kansai and Chubu region Increase in various type of costs passed on to sales prices
	Operating Profit	2,710	4,088	1,378	
Environmental Business	Net Sales	39,504	32,505	(6,998)	Decrease in fuel sales
	Operating Profit	2,848	3,036	188	Sales volume of gypsum remained strong
Construction Materials Business	Net Sales	30,723	34,189	3,465	Ground improvement projects were strong Price optimization of ALC (Autoclaved Lightweight Concrete) and construction materials
	Operating Profit	60	1,881	1,820	
Other	Net Sales	41,699	40,346	(1,353)	
	Operating Profit	1,199	946	(253)	

2. Financial Results for the Six Months Ended September 30, 2023

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

(Million yen)

	FY2023 Six months	FY2024 Six months	Change
Operating profit	(313)	17,752	18,065
Non-operating income and expenses	229	2,363	2,134
Ordinary profit	(84)	20,115	20,199
Extraordinary income and losses	(1,298)	(425)	873
Profit before income taxes	(1,382)	19,690	21,072
Income taxes	14,505	5,956	(8,548)
Profit attributable to non-controlling interest	567	116	(451)
Profit attributable to owners of parent	(16,455)	13,617	30,072

2. Financial Results for the Six Months Ended September 30, 2023

(3) Consolidated Balance Sheets

(Million yen)

		As of Mar. 31, 2023	As of Sep. 30, 2023	Change			As of Mar. 31, 2023	As of Sep. 30, 2023	Change	
Current assets	Cash and deposits	79,842	82,147	2,304	Liabilities	Current liabilities	385,784	393,840	8,055	
	Trade receivables	182,963	217,280	34,316		Non-current liabilities	354,221	369,668	15,447	
	Inventories	138,373	129,824	(8,549)		Total liabilities	740,005	763,508	23,503	
	Other	29,228	25,197	(4,031)	Net assets	Shareholders' equity	Share capital	86,174	86,174	-
	Total current assets	430,408	454,448	24,040			Capital surplus	49,729	49,788	59
Non-current assets	Total property, plant and equipment	620,083	649,223	29,139			Retained earnings	342,880	352,382	9,502
	Total intangible assets	39,766	40,599	832			Treasury shares	(13,738)	(12,927)	810
	Total investments and other assets	178,604	188,347	9,743			Total shareholders' equity	465,045	475,417	10,371
	Total non-current assets	838,454	878,170	39,716	Accumulated other comprehensive income	29,911	58,969	29,057		
					Non-controlling interests	33,899	34,723	823		
					Total net assets	528,857	569,110	40,253		
Total assets	1,268,862	1,332,619	63,756	Total liabilities and net assets	1,268,862	1,332,619	63,756			

※ Trade receivables include "Notes and accounts receivable-trade, and contract assets" and "Electronically recorded monetary claims - operating".

		As of Dec. 31, 2022	As of Jun. 30, 2023	Change			As of Mar. 31, 2023	As of Sep. 30, 2023	Change
Exchange rate at end of period (Yen/US\$)	132.70	144.99	12.29	Interest-bearing debt (Million yen)	403,485	388,547	(14,938)		

2. Financial Results for the Six Months Ended September 30, 2023

(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2023 Six months	FY2024 Six months	Change
Cash flows from operating activities	(15,013)	54,330	69,344
Cash flows from investing activities	(57,583)	(30,229)	27,354
Cash flows from financing activities	91,628	(24,895)	(116,523)
Effect of exchange rate change on cash and cash equivalents	1,558	2,708	1,149
Net increase (decrease) in cash and cash equivalents	20,590	1,914	(18,675)
Other	24	39	15
Cash and cash equivalents at beginning of period	50,213	70,828	20,614
Cash and cash equivalents at end of period	70,828	72,783	1,954

< Indexes >	As of Mar. 31, 2023	As of Sep. 30, 2023	Change
Current ratio (%)	111.6	115.4	3.8
Net debt/equity ratio (Times)	0.65	0.57	(0.08)

3. Forecast for the Fiscal 2024

(1) Consolidated Statements of Income

Revised from previous forecast (announced on May 11th, 2023)

(Hundred million yen)

	FY2023 (Actual)	FY2024 (Previous forecast)	FY2024 (Current forecast)	Change	
				Year-on-Year	Compared to previous forecast
Net sales	8,095	9,200	8,940	845	(260)
Operating profit	44	580	580	536	-
Ordinary profit	10	560	590	580	30
Extraordinary income and losses	(332)	400	400	732	-
< Preconditions >					
Domestic demand of cement (Ten thousand tons)	3,726	3,800	3,550	(176)	(250)

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 (Current forecast)	Change	FY2023 (Actual)	FY2024 (Current forecast)	Change
Cement Business	Domestic	2,557	3,050	493	(369)	5	374
	Overseas Subsidiaries, etc.	2,973	3,300	327	220	335	115
	Total	5,530	6,350	820	(148)	340	488
Mineral Resources Business		827	890	63	55	81	26
Environmental Business		779	690	(89)	58	66	8
Construction Materials Business		682	730	48	23	46	23
Other		869	930	61	51	51	0
Total		8,688	9,590	902	39	584	545
Elimination		(593)	(650)	(57)	4	(4)	(8)
Consolidated Total		8,095	8,940	845	44	580	536

3. Forecast for the Fiscal 2024

(2) Consolidated Segment Information

	Sales Volume of Cement (Thousand tons)			Average exchange rate applied by overseas subsidiaries (Yen/US\$)		
	FY2023 (Actual)	FY2024 (Current forecast)	Change	FY2023 (Actual)	FY2024 (Current forecast)	Change
Domestic	13,129	13,200	71	131.6	140.0	8.4
Export	2,438	2,750	312			

(Hundred million yen)

Cement Business

		FY2023 (Actual)	FY2024 (Current forecast)	Change	Main Factors of Changes in Net Sales and Operating Profit
Net Sales	Domestic	2,557	3,050	493	Increase in sales volume of domestic cement and soil stabilizers +2.1 billion yen Increase in export cement volume +2.4 billion yen Price difference in domestic cement and soil stabilizers +40.4 billion yen Price difference in export cement -2.4 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +6.8 billion yen
	Overseas Subsidiaries, etc.	2,973	3,300	327	U.S.A. +US\$219 million, China -US\$124 million, Asia and other +US\$10 million, Effect of foreign exchange, etc. +19.0 billion yen
	Total	5,530	6,350	820	
Operating Profit	Domestic	(369)	5	374	Decrease in sales volume of domestic cement and soil stabilizers -2.4 billion yen Increase in export cement volume +0.4 billion yen Price difference in domestic cement and soil stabilizers +37.8 billion yen Increase in net export cement revenue +0.2 billion yen Decrease in variable cost +2.3 billion yen Increase in fixed cost -2.5 billion yen Increase in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. +1.6 billion yen
	Overseas Subsidiaries, etc.	220	335	115	U.S.A +US\$69 million, China +US\$10 million, Asia and other -US\$10 million, Effect of foreign exchange, etc. +2.4 billion yen
	Total	(148)	340	488	

3. Forecast for the Fiscal 2024

(2) Consolidated Segment Information

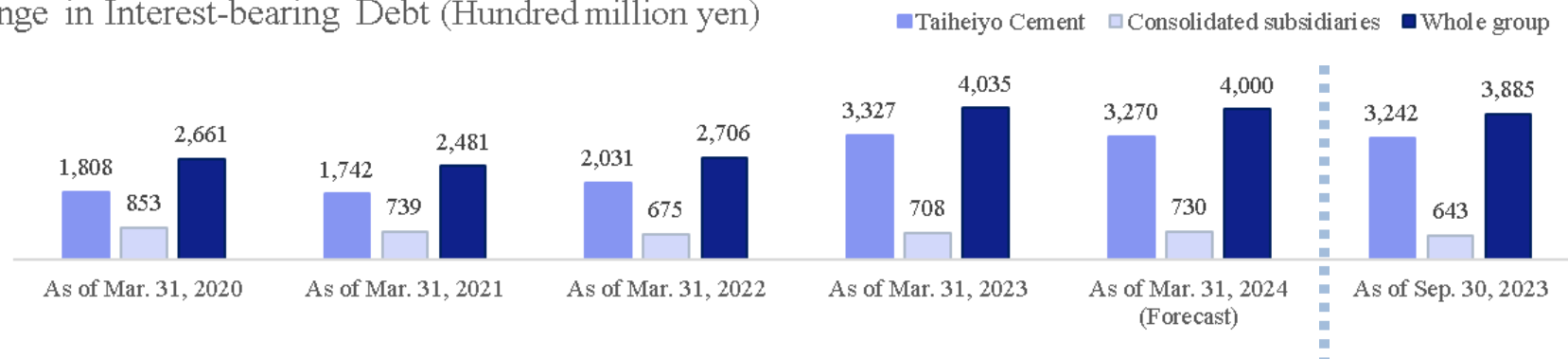
Net Sales and Operating Profit by Reportable Segments

(Hundred million yen)

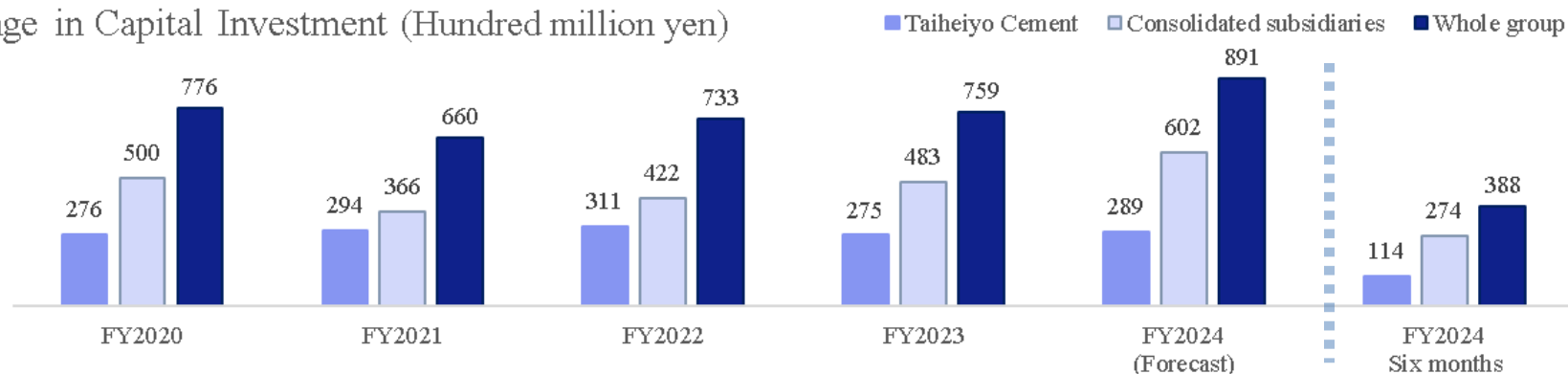
		Net sales			Operating profit		
		FY2024 (Previous forecast)	FY2024 (Current forecast)	Change	FY2024 (Previous forecast)	FY2024 (Current forecast)	Change
Cement Business	Domestic	3,220	3,050	(170)	73	5	(68)
	Overseas Subsidiaries, etc.	3,220	3,300	80	287	335	48
	Total	6,440	6,350	(90)	360	340	(20)
Mineral Resources Business		920	890	(30)	76	81	5
Environmental Business		810	690	(120)	69	66	(3)
Construction Materials Business		770	730	(40)	32	46	14
Other		950	930	(20)	50	51	1
Total		9,890	9,590	(300)	587	584	(3)
Elimination		(690)	(650)	40	(7)	(4)	3
Consolidated Total		9,200	8,940	(260)	580	580	-

4. Reference Information

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

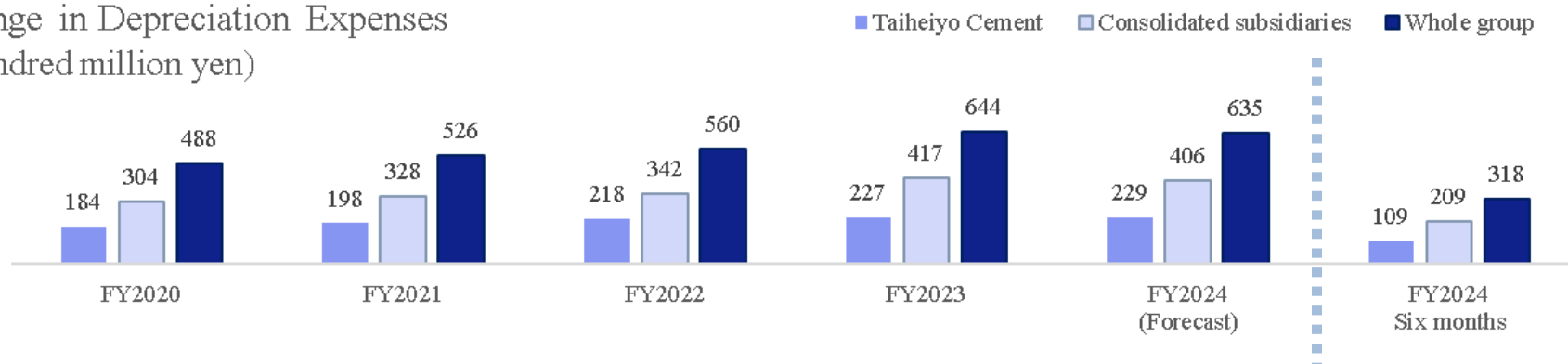


(2) Change in Capital Investment (Hundred million yen)

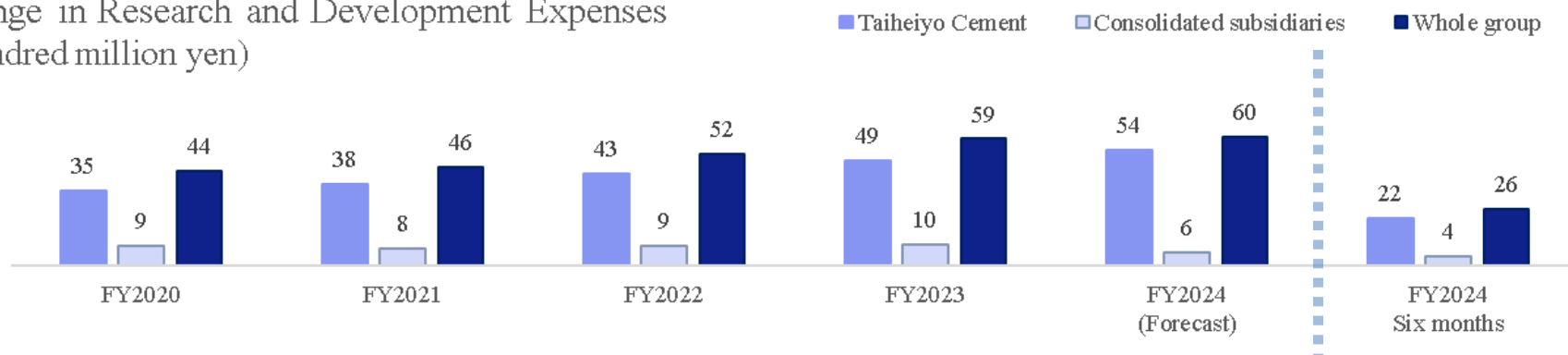


4. Reference Information

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

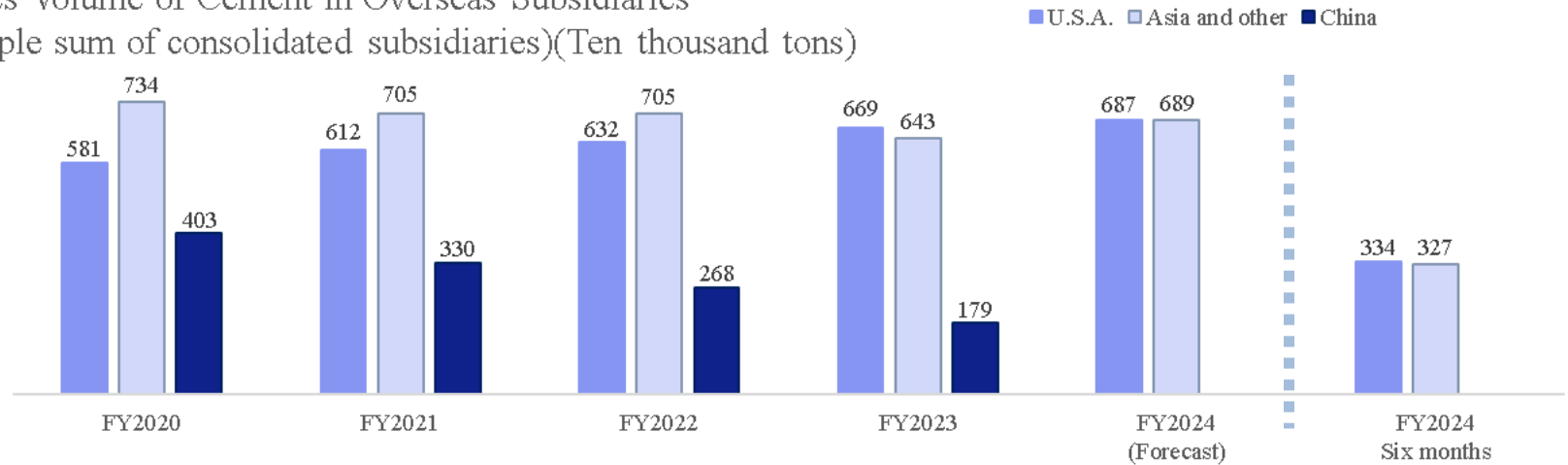


(4) Change in Research and Development Expenses
(Hundred million yen)

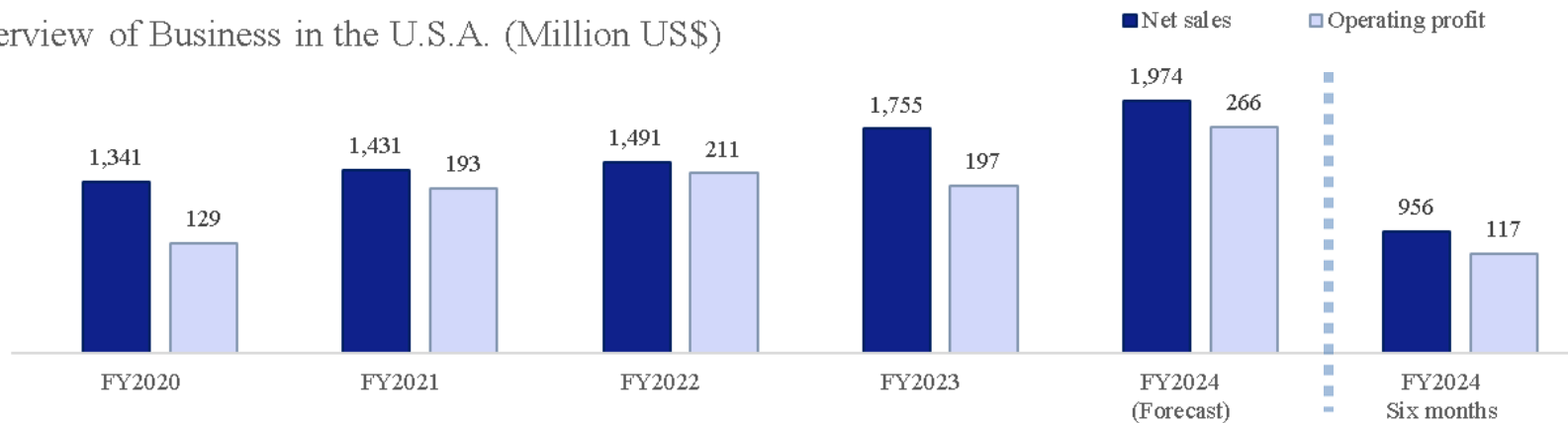


4. Reference Information

(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\$)



This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Forecasts and other forward-looking statements in this document are based on information available to Taiheiyo Cement as of the date of the release of this document and on certain assumptions Taiheiyo Cement deems reasonable, and therefore are subject to risks and uncertainties.

As such, Taiheiyo Cement does not offer any promise or guarantee that forecasts included in this document will be realized in the future. Actual results may differ significantly due to a variety of factors.