



TAIHEIYO CEMENT

**Reference Materials of Financial Results
for the First Half of Fiscal 2021
ending March 31, 2021**

**November 10, 2020
Taiheiyo Cement Corporation**

Contents

1. Highlights of Consolidated Financial Results	Page 2	5. Forecast for the Fiscal 2021	Page 12
		(1) Consolidated Statements of Income	
2. Trend in Construction Investments and Domestic Demand for Cement	Page 3	(2) Consolidated Segment Information	
3. Volume of Sales and Shipment Results by Region	Page 4	6. Reference Information	Page 15
(1) Volume of Sales of Cement by Region (Excluding Imports)		(1) Change in Interest-bearing Debt	
(2) Volume of Shipment of Ready-mixed Concrete by Region		(2) Change in Capital Investment	
4. Financial Results for the First Half of Fiscal 2021	Page 6	(3) Change in Depreciation Expenses	
(1) Consolidated Statements of Income		(4) Change in Experiment and Research Expenses	
(2) Consolidated Segment Information		(5) Sales Volume of Cement in Overseas Subsidiaries	
(3) Consolidated Balance Sheets		(6) Overview of Businesses in the U.S.A.	
(4) Consolidated Statements of Cash Flows			

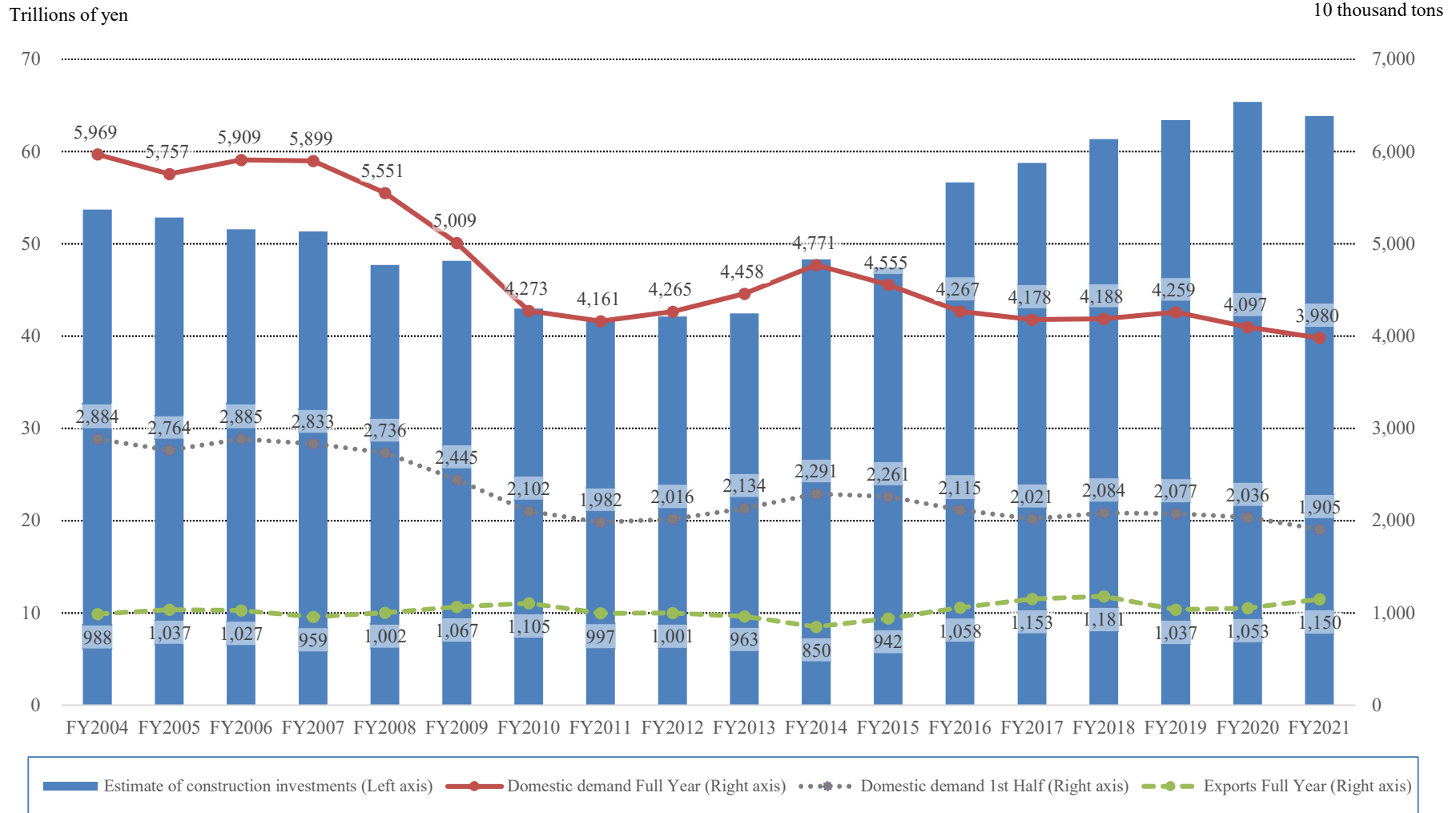
1. Highlights of Consolidated Financial Results

(Millions of yen)

	First Half of FY2020	First Half of FY2021	Change
Net sales	431,389	420,627	(10,762)
Operating income	22,463	26,126	3,663
Ordinary income	22,470	26,640	4,170
Profit attributable to owners of parent	16,202	18,461	2,259

< Indexes >	As of Mar 31, 2020	As of Sep 30, 2020	Change
Equity ratio (%)	42.3	42.3	0.0
Equity ratio based on market value (%)	21.9	30.5	8.6
Equity per share (yen)	3,567.6	3,706.5	138.9
	First Half of FY2020	First Half of FY2021	Change
Earnings per share (yen)	132.4	152.2	19.8

2. Trend in Construction Investments and Domestic Demand for Cement



Estimate of construction investments : for Fiscal 2004 to Fiscal 2020, Ministry of Land, Infrastructure, Transport and Tourism
 : for Fiscal 2021, Research Institute of Construction and Economy (RICE)

Domestic demand : for Fiscal 2004 to Fiscal 2020, Japan Cement Association
 : for Fiscal 2021, Our estimates

Exports : Japan Cement Association

3. Volume of Sales and Shipment Results by Region

(1) Volume of Sales of Cement by Region (Excluding Imports)

	First Half of FY2019		First Half of FY2020		First Half of FY2021	
	Volume of sales (Thousand tons)	Year-on-year change (%)	Volume of sales (Thousand tons)	Year-on-year change (%)	Volume of sales (Thousand tons)	Year-on-year change (%)
Hokkaido	1,048	(7.7)	1,048	0.0	1,068	2.0
Tohoku	2,037	(5.8)	1,936	(5.0)	1,743	(10.0)
Kanto 1	4,899	3.2	4,730	(3.5)	4,351	(8.0)
Kanto 2	1,815	(4.9)	1,707	(6.0)	1,705	(0.1)
Hokuriku	1,131	19.9	1,156	2.2	1,020	(11.8)
Tokai	2,414	8.3	2,270	(6.0)	2,105	(7.3)
Kinki	2,606	(4.9)	2,703	3.7	2,610	(3.4)
Shikoku	712	(5.4)	732	2.8	693	(5.3)
Chugoku	1,148	(7.2)	1,210	5.4	1,163	(3.9)
Kyushu	2,410	1.7	2,362	(2.0)	2,135	(9.6)
Okinawa	484	(0.5)	499	3.2	451	(9.6)
Domestic Total	20,703	(0.1)	20,352	(1.7)	19,045	(6.4)
Exports	5,262	(14.6)	5,017	(4.6)	5,259	4.8
Total	25,965	(3.4)	25,369	(2.3)	24,304	(4.2)

Source : Japan Cement Association

3. Volume of Sales and Shipment Results by Region

(2) Volume of Shipment of Ready-mixed Concrete by Region

	First Half of FY2019		First Half of FY2020		First Half of FY2021	
	Volume of shipment (Thousand cubic meters)	Year-on-year change (%)	Volume of shipment (Thousand cubic meters)	Year-on-year change (%)	Volume of shipment (Thousand cubic meters)	Year-on-year change (%)
Hokkaido	1,826	(7.4)	1,920	5.1	1,862	(3.0)
Tohoku	3,951	(7.4)	3,682	(6.8)	3,292	(10.6)
Kanto 1	10,684	6.2	10,119	(5.3)	9,456	(6.6)
Kanto 2	2,952	(3.1)	2,835	(4.0)	2,962	4.5
Hokuriku	2,375	20.1	2,383	0.4	2,133	(10.5)
Tokai	4,755	2.3	4,665	(1.9)	4,407	(5.5)
Kinki	5,340	(9.9)	5,457	2.2	5,330	(2.3)
Chugoku	2,164	(9.1)	2,340	8.1	2,260	(3.4)
Shikoku	1,482	(10.5)	1,559	5.2	1,534	(1.6)
Kyushu	5,877	1.6	5,783	(1.6)	5,173	(10.6)
Total	41,405	(0.8)	40,744	(1.6)	38,409	(5.7)

Source : National Federation of Ready-mixed Concrete Industrial Associations

4. Financial Results for the First Half of Fiscal 2021

(1) Consolidated Statements of Income

(Millions of yen)

	First Half of FY2020	First Half of FY2021	Change
Net Sales	431,389	420,627	(10,762)
Cost of sales	342,745	331,929	(10,816)
Selling, general and administrative expenses	66,179	62,570	(3,608)
Operating income	22,463	26,126	3,663
Non-operating income and expenses	6	513	506
Ordinary income	22,470	26,640	4,170
Extraordinary income and losses	1,263	(132)	(1,395)
Profit before income taxes	23,733	26,507	2,774
Profit attributable to owners of parent	16,202	18,461	2,259
< Reference Information >			
Foreign exchange rate (yen/US\$)	110.06	108.23	(1.83)

4. Financial Results for the First Half of Fiscal 2021

(2) Consolidated Segment Information

Net Sales and Operating Income by Reportable Segments

(Millions of yen)

		Net Sales			Operating Income		
		First Half of FY2020	First Half of FY2021	Change	First Half of FY2020	First Half of FY2021	Change
Cement Business	Domestic	207,051	199,112	(7,939)	3,703	3,641	(61)
	Overseas Subsidiaries	101,544	106,264	4,719	8,584	13,257	4,672
Total		308,596	305,376	(3,219)	12,288	16,898	4,610
Mineral Resources Business		39,461	36,882	(2,578)	3,230	2,611	(618)
Environmental Business		41,537	37,723	(3,814)	3,546	2,826	(720)
Construction Materials Business		39,039	34,518	(4,520)	1,951	867	(1,083)
Other		36,626	40,662	4,035	1,337	2,917	1,580
Total		465,261	455,163	(10,097)	22,354	26,122	3,767
Elimination		(33,871)	(34,536)	(664)	109	4	(104)
Consolidated Total		431,389	420,627	(10,762)	22,463	26,126	3,663

4. Financial Results for the First Half of Fiscal 2021

(2) Consolidated Segment Information

Cement Business

Sales Volume of Cement (Thousand tons)			
	First Half of FY2020	First Half of FY2021	Change
Domestic	7,202	6,792	(412)
Export	1,851	1,803	(48)

(Millions of yen)

		First Half of FY2020	First Half of FY2021	Change	Main Factors of Changes in Net Sales and Operating Income
Net Sales	Domestic	207,051	199,112	(7,939)	Decrease in sales of domestic cement and soil solidifying materials -3.2 billion yen Decrease in export cement volume -0.2 billion yen Price difference in domestic cement and soil solidifying materials +0.0 billion yen Price difference in export cement -0.7 billion yen Decrease in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. -3.8 billion yen
	Overseas Subsidiaries	101,544	106,264	4,719	U.S.A +US\$66 million, China -US\$14 million, Asia and other -US\$10 million Effect of foreign exchange -1.7 billion yen
	Total	308,596	305,376	(3,219)	
Operating Income	Domestic	3,703	3,641	(61)	Decrease in sales of domestic cement and soil solidifying materials -1.7 billion yen Decrease in export cement volume -0.1 billion yen Price difference in domestic cement and soil solidifying materials +0.0 billion yen Increase in net export cement revenue +0.1 billion yen Decrease in variable cost +2.5 billion yen Increase in fixed cost -0.8 billion yen Decrease in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. -0.1 billion yen
	Overseas Subsidiaries	8,584	13,257	4,672	U.S.A +US\$43 million, China -US\$3 million, Asia and other +US\$5 million Effect of foreign exchange -0.2 billion yen
	Total	12,288	16,898	4,610	

4. Financial Results for the First Half of Fiscal 2021

(2) Consolidated Segment Information

Reportable Segments (Excluding Cement Business) and Other

(Millions of yen)

		First Half of FY2020	First Half of FY2021	Change	Main Factors of Changes in Net Sales and Operating Income
Mineral Resources business	Net Sales	39,461	36,882	(2,578)	Decrease in sales volume of aggregates and limestone for the iron and steel industry
	Operating Income	3,230	2,611	(618)	
Environmental Business	Net Sales	41,537	37,723	(3,814)	Decrease of processing operations in coal ash and decrease in sales volume of fuel and calcium carbonate used for flue gas desulfurization
	Operating Income	3,546	2,826	(720)	Decrease of processing operations in coal ash and decrease in sales volume of calcium carbonate used for flue gas desulfurization
Construction Materials Business	Net Sales	39,039	34,518	(4,520)	Decrease in sales of ground improvement projects and ALC (Autoclaved Lightweight Concrete)
	Operating Income	1,951	867	(1,083)	
Other	Net Sales	36,626	40,662	4,035	
	Operating Income	1,337	2,917	1,580	

4. Financial Results for the First Half of Fiscal 2021

(3) Consolidated Balance Sheets

(Millions of yen)

		As of Mar 31, 2020	As of Sep 30, 2020	Change			As of Mar 31, 2020	As of Sep 30, 2020	Change	
Current assets	Cash and deposits	51,641	82,443	30,802	Liabilities	Current liabilities	313,771	344,066	30,294	
	Notes and accounts receivable - trade	159,048	151,032	(8,015)		Non-current liabilities	245,910	228,098	(17,811)	
	Inventories	78,283	77,365	(917)		Total liabilities	559,682	572,165	12,483	
	Other	29,529	30,645	1,115	Net assets	Shareholders' equity	Share capital	86,174	86,174	-
	Total current assets	318,502	341,487	22,984			Capital surplus	60,233	60,291	57
Non-current assets	Total property, plant and equipment	544,553	543,590	(963)			Retained earnings	326,086	340,871	14,785
	Total intangible assets	29,814	29,285	(528)			Treasury shares	(16,098)	(21,104)	(5,005)
	Total investments and other assets	140,053	141,140	1,087			Total shareholders' equity	456,395	466,233	9,838
	Total non-current assets	714,420	714,016	(404)	Accumulated other comprehensive income	(19,716)	(19,951)	(235)		
					Non-controlling interests	36,563	37,057	494		
					Total net assets	473,241	483,338	10,097		
Total assets	1,032,923	1,055,503	22,580	Total liabilities and net assets	1,032,923	1,055,503	22,580			
		As of Dec 31, 2019	As of Jun 30, 2020	Change			As of Mar 31, 2020	As of Sep 30, 2020	Change	
Foreign exchange rate (yen/US\$)	109.56	107.74	(1.82)	Interest-bearing Debt (Millions of yen)	266,115	289,281	23,165			

4. Financial Results for the First Half of Fiscal 2021

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	First Half of FY2020	First Half of FY2021	Change
Cash flows from operating activities	35,566	48,753	13,186
Cash flows from investing activities	(33,178)	(29,740)	3,438
Cash flows from financing activities	(9,978)	9,372	19,350
Effect of exchange rate change on cash and cash equivalents	(352)	(367)	(15)
Net increase (decrease) in cash and cash equivalents	(7,942)	28,017	35,960
Other	0	0	0
Cash and cash equivalents at beginning of period	50,084	45,748	(4,336)
Cash and cash equivalents at end of period	42,141	73,765	31,623

< Indexes >	As of Mar 31, 2020	As of Sep 30, 2020	Change
Current ratio (%)	101.5	99.3	(2.3)
Net DE ratio (times)	0.49	0.46	(0.03)

5. Forecast for the Fiscal 2021

(1) Consolidated Statements of Income

(100 million yen)

	FY2020 (actual)	FY2021 (fore cast)	Change
Net Sales	8,843	8,670	(173)
Operating income	610	630	20
Ordinary income	605	630	25
Extraordinary income or losses	(87)	(40)	47
Profit before income taxes	517	590	73
Profit attributable to owners of parent	391	410	19
< Preconditions >			
Domestic demand (10 thousand ton)	4,097	3,980	(117)
Foreign exchange rate (yen/US\$)	109.03	107.00	(2.03)

5. Forecast for the Fiscal 2021

(2) Consolidated Segment Information

Net Sales and Operating Income by Reportable Segments

(100 million yen)

		Net Sales			Operating Income		
		FY2020 (actual)	FY2021 (forecast)	Change	FY2020 (actual)	FY2021 (forecast)	Change
Cement Business	Domestic	4,151	4,070	(81)	149	170	21
	Overseas Subsidiaries	2,132	2,130	(2)	215	255	40
Total		6,284	6,200	(84)	365	425	60
Mineral Resources Business		801	740	(61)	71	55	(16)
Environmental Business		844	780	(64)	77	54	(23)
Construction Materials Business		813	760	(53)	45	35	(10)
Other		830	910	80	53	61	8
Total		9,573	9,390	(183)	612	630	18
Elimination		(729)	(720)	9	(2)	0	2
Consolidated Total		8,843	8,670	(173)	610	630	20

5. Forecast for the Fiscal 2021

(3) Consolidated Segment Information

Cement Business

Sales Volume of Cement (Thousand tons)

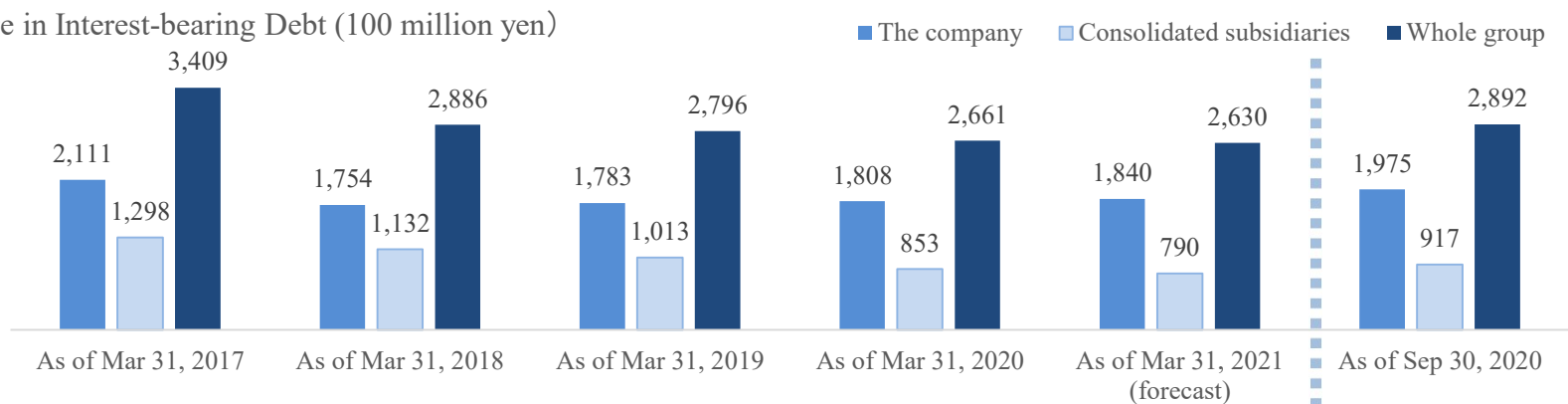
	FY2020 (actual)	FY2021 (forecast)	Change
Domestic	14,477	14,210	(267)
Export	3,864	4,045	181

(100 million yen)

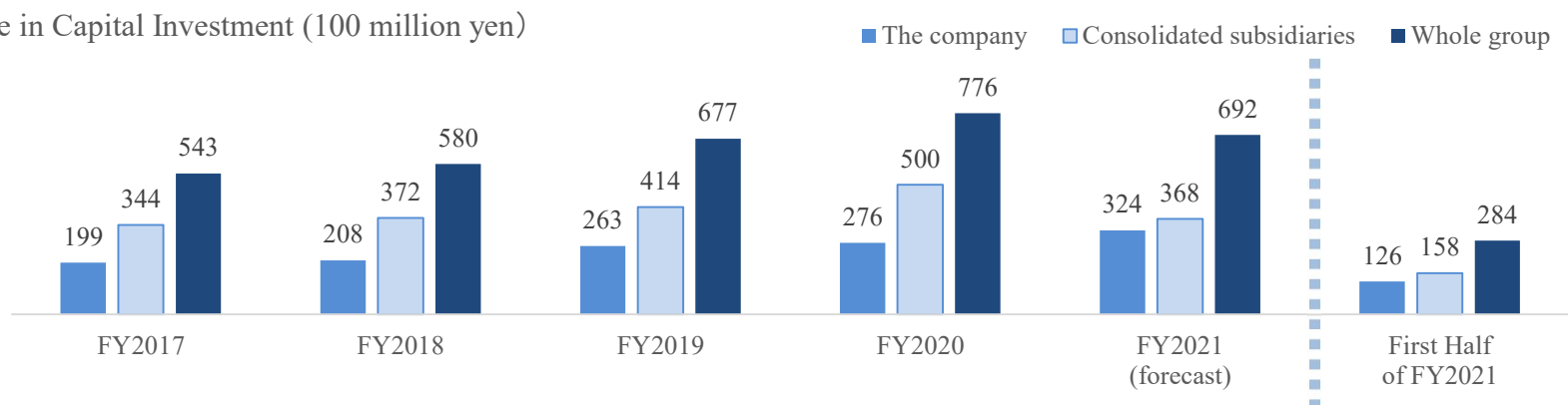
		FY2020 (actual)	FY2021 (forecast)	Change	Main Factors of Changes in Net Sales and Operating Income
Net Sales	Domestic	4,151	4,070	(81)	Decrease in sales of domestic cement and soil solidifying materials -1.7 billion yen Increase in export cement volume +0.8 billion yen Price difference in domestic cement and soil solidifying materials +0.3 billion yen Price difference in export cement -1.3 billion yen Decrease in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. -6.2 billion yen
	Overseas Subsidiaries	2,132	2,130	(2)	U.S.A +US\$70 million China -US\$43 million, Asia and other -US\$21 million Effect of foreign exchange -0.9 billion yen
	Total	6,284	6,200	(84)	
Operating Income	Domestic	149	170	21	Decrease in sales of domestic cement and soil solidifying materials -1.2 billion yen Increase in export cement volume +0.3 billion yen Price difference in domestic cement and soil solidifying materials +0.2 billion yen Decrease in net export cement revenue -0.2 billion yen Decrease in variable cost +4.8 billion yen Increase in fixed cost -2.0 billion yen Increase in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. +0.2 billion yen
	Overseas Subsidiaries	215	255	40	U.S.A +US\$59 million China -US\$18 million, Asia and other +US\$0 million Effect of foreign exchange -0.5 billion yen
	Total	365	425	60	

6. Reference Information

(1) Change in Interest-bearing Debt (100 million yen)

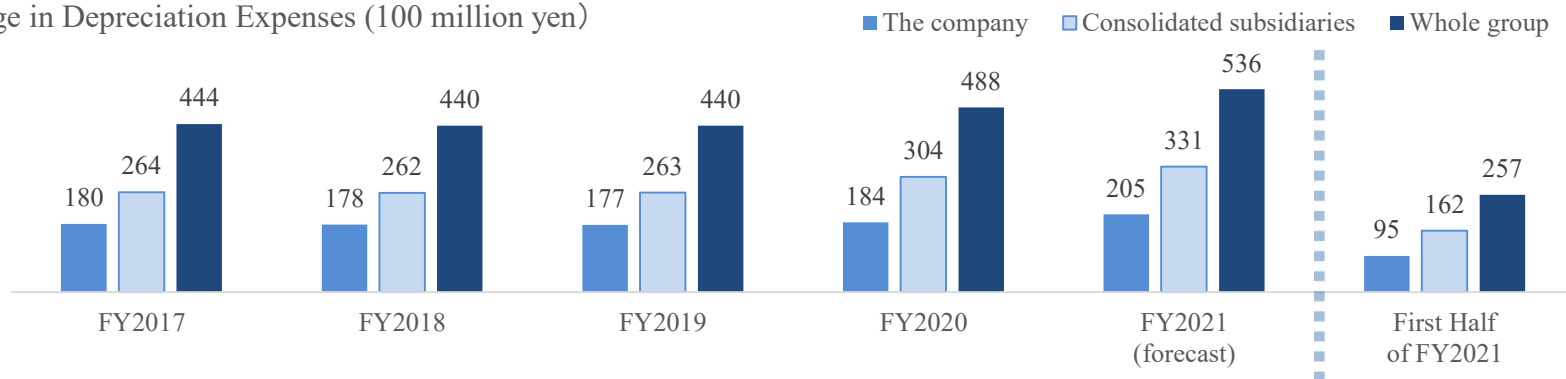


(2) Change in Capital Investment (100 million yen)

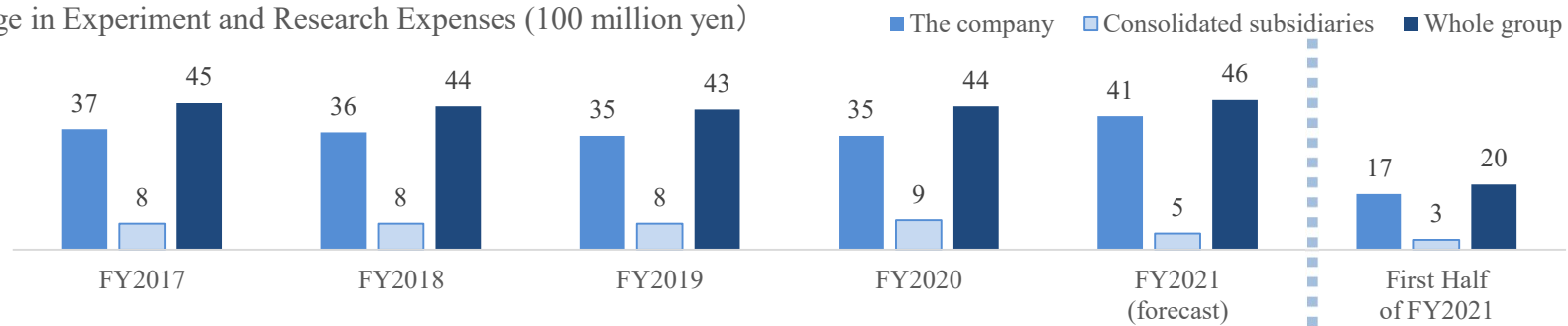


6. Reference Information

(3) Change in Depreciation Expenses (100 million yen)

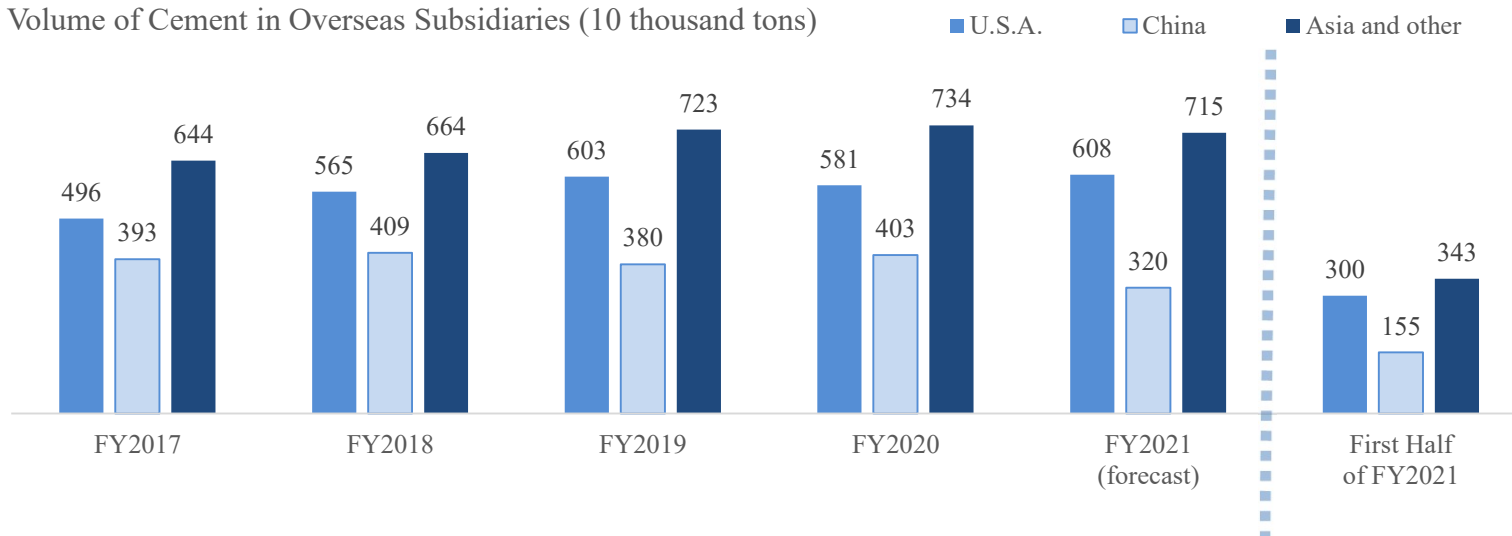


(4) Change in Experiment and Research Expenses (100 million yen)



6. Reference Information

(5) Sales Volume of Cement in Overseas Subsidiaries (10 thousand tons)



(6) Overview of Businesses in the U.S.A. (million US\$)

