

Reference Materials of Financial Results
for the Fiscal 2021 ended March 31, 2021

May 13, 2021
Taiheiyo Cement Corporation

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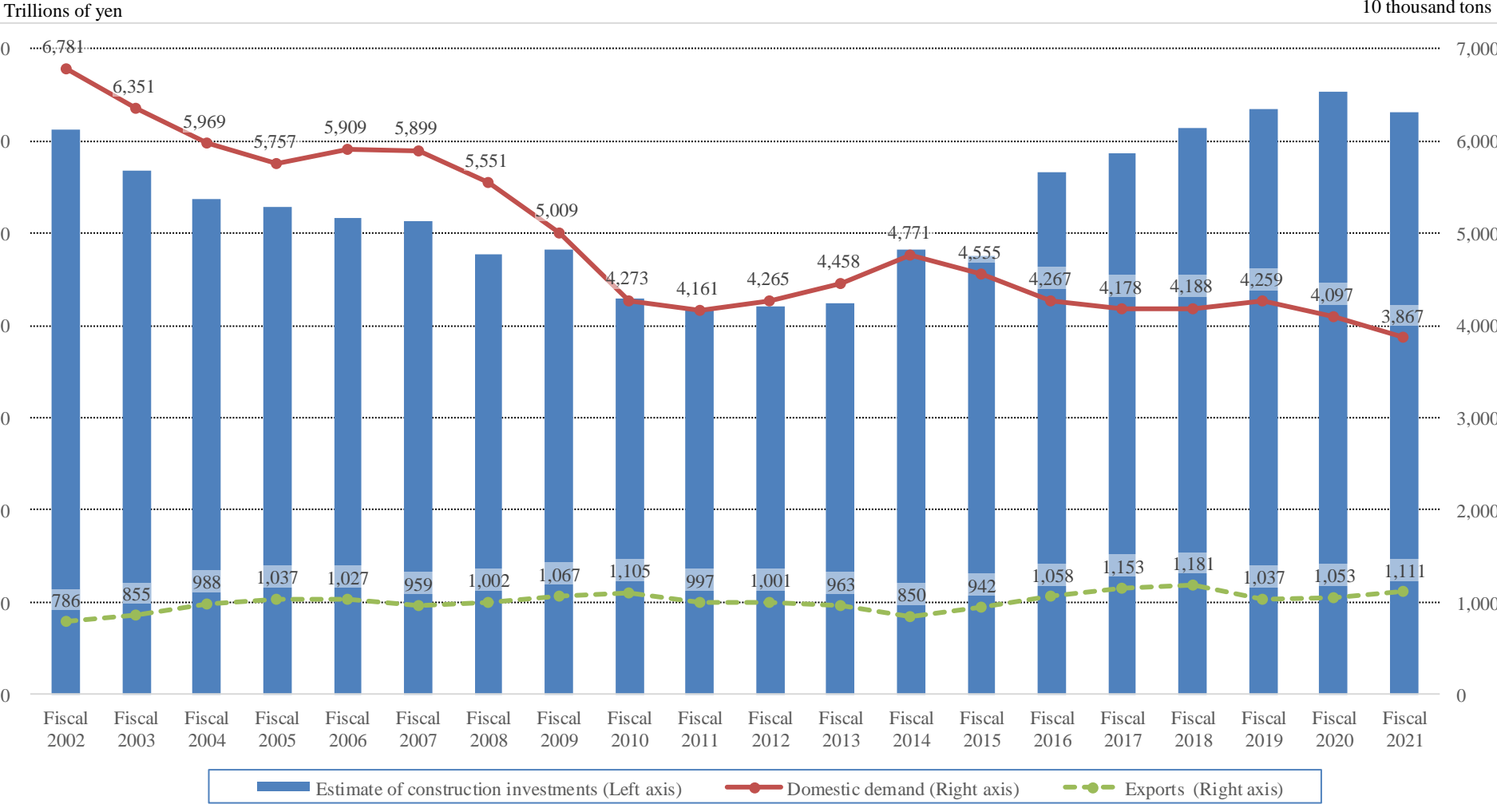
1. Highlights of Consolidated Financial Results

(Millions of yen)

	FY 2020	FY 2021	Change
Net sales	884,350	863,903	(20,446)
Operating income	61,008	63,610	2,602
Ordinary income	60,541	65,744	5,202
Profit attributable to owners of parent	39,151	46,800	7,649

< Indexes >	FY 2020	FY 2021	Change
Equity ratio (%)	42.3	45.1	2.8
Equity ratio based on market value (%)	21.9	33.1	11.1
Equity per share (yen)	3,567.6	3,971.3	403.7
Earnings per share (yen)	319.9	387.8	67.9
Ratio of ordinary income to total assets (%)	5.9	6.3	0.5
Return on equity (%)	9.2	10.3	1.1
Operating income to net sales (%)	6.9	7.4	0.5

2. Trend in Construction Investments and Domestic Demand for Cement



Estimate of construction investments : from Fiscal 2002 to Fiscal 2020, Ministry of Land, Infrastructure, Transport and Tourism
 : for Fiscal 2021, Research Institute of Construction and Economy (RICE)
 Domestic demand : Japan Cement Association
 Exports : Japan Cement Association

3. Volume of Sales and Shipment Results by Region

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

	Fiscal 2019		Fiscal 2020		Fiscal 2021	
	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	1,917	(4.8)	1,885	(1.7)	1,912	1.4
Tohoku	4,129	(0.8)	3,753	(9.1)	3,388	(9.7)
Kanto 1	10,091	4.0	9,409	(6.8)	8,904	(5.4)
Kanto 2	3,659	(5.6)	3,464	(5.3)	3,529	1.9
Hokuriku	2,261	22.7	2,217	(1.9)	1,880	(15.2)
Tokai	4,896	6.8	4,642	(5.2)	4,424	(4.7)
Kinki	5,507	1.6	5,574	1.2	5,412	(2.9)
Shikoku	1,506	(1.9)	1,571	4.3	1,445	(8.0)
Chugoku	2,443	(2.8)	2,548	4.3	2,403	(5.7)
Kyushu	5,094	2.0	4,874	(4.3)	4,468	(8.3)
Okinawa	996	(5.1)	1,010	1.5	886	(12.3)
Domestic Total	42,499	1.9	40,948	(3.7)	38,650	(5.6)
Exports	10,371	(12.2)	10,532	1.6	11,113	5.5
Total	52,870	(1.2)	51,480	(2.6)	49,763	(3.3)

Source : Japan Cement Association

3. Volume of Sales and Shipment Results by Region

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

	Fiscal 2019		Fiscal 2020		Fiscal 2021	
	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	3,441	(3.6)	3,472	0.9	3,417	(1.6)
Tohoku	7,856	(4.5)	7,112	(9.5)	6,474	(9.0)
Kanto 1	21,898	7.3	19,877	(9.2)	19,257	(3.1)
Kanto 2	5,968	(3.9)	5,750	(3.6)	6,090	5.9
Hokuriku	4,783	23.3	4,586	(4.1)	3,870	(15.6)
Tokai	10,046	6.6	9,626	(4.2)	9,202	(4.4)
Kinki	11,190	(1.6)	11,182	(0.1)	11,124	(0.5)
Chugoku	4,600	(5.4)	4,928	7.1	4,675	(5.1)
Shikoku	3,249	(4.8)	3,392	4.4	3,302	(2.7)
Kyushu	12,450	1.0	12,033	(3.4)	10,767	(10.5)
Total	85,481	2.1	81,959	(4.1)	78,180	(4.6)

Source : National Federation of Ready-mixed Concrete Industrial Associations

4. Financial Results for the Fiscal 2021

(1) Consolidated Statements of Income

(Millions of yen)

	FY 2020	FY 2021	Change
Net Sales	884,350	863,903	(20,446)
Cost of sales	689,321	672,631	(16,689)
Selling, general and administrative expenses	134,020	127,661	(6,359)
Operating income	61,008	63,610	2,602
Non-operating income and expenses	(466)	2,133	2,600
Ordinary income	60,541	65,744	5,202
Extraordinary income and losses	(8,763)	(638)	8,124
Profit before income taxes	51,777	65,105	13,327
Profit attributable to owners of parent	39,151	46,800	7,649
< Reference Information >			
Foreign exchange rate (yen/US\$)	109.03	106.76	(2.27)

4. Financial Results for the Fiscal 2021

(2) Consolidated Segment Information

Net Sales and Operating Income by Reportable Segments

(Millions of yen)

		Net Sales			Operating Income		
		FY 2020	FY 2021	Change	FY 2020	FY 2021	Change
Cement Business	Domestic	415,130	406,203	(8,926)	16,656	16,201	(454)
	Overseas Subsidiaries, etc	213,286	214,841	1,554	19,870	25,125	5,254
(※)	Total	628,416	621,045	(7,371)	36,526	41,326	4,800
Mineral Resources Business		80,147	75,777	(4,369)	7,179	6,071	(1,107)
Environmental Business		84,422	78,042	(6,379)	7,707	6,447	(1,259)
Construction Materials Business		81,303	73,003	(8,300)	4,537	3,564	(972)
Other		83,031	91,404	8,373	5,327	6,135	808
Total		957,321	939,273	(18,047)	61,279	63,546	2,267
Elimination		(72,971)	(75,370)	(2,398)	(270)	64	334
Consolidated Total		884,350	863,903	(20,446)	61,008	63,610	2,602

(※)The Company reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.

Therefore, comparative numerical data of the fiscal year 2020 is adjusted based on the new method.

4. Financial Results for the Fiscal 2021

(2) Consolidated Segment Information

Cement Business

Sales Volume of Cement (Thousand tons)

	FY2020	FY2021	Change
Domestic	14,477	13,782	(695)
Export	3,864	3,778	(86)

(Millions of yen)

		FY 2020	FY 2021	Change	Main Factors of Changes in Net Sales and Operating Income
Net Sales	Domestic	415,130	406,203	(8,926)	Decrease in sales of domestic cement and solidifying materials -5.8 billion yen Decrease in export cement volume -0.4 billion yen Price difference in domestic cement and solidifying materials +0.0 billion yen Price difference in export cement -0.9 billion yen Decrease in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. -1.8 billion yen
	Overseas Subsidiaries, etc.	213,286	214,841	1,554	U.S.A +US\$90 million China -US\$31 million, Asia and other -US\$33 million Effect of foreign exchange, etc. -1.3 billion yen
	Total	628,416	621,045	(7,371)	
Operating Income (※)	Domestic	16,656	16,201	(454)	Decrease in sales of domestic cement and solidifying materials -3.5 billion yen Decrease in export cement volume -0.1 billion yen Price difference in domestic cement and solidifying materials +0.0 billion yen Increase in net export cement revenue +0.1 billion yen Decrease in variable cost +4.1 billion yen Increase in fixed cost -1.5 billion yen Increase in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. +0.5 billion yen
	Overseas Subsidiaries, etc.	19,870	25,125	5,254	U.S.A +US\$64 million China -US\$9 million, Asia and other -US\$1 million Effect of foreign exchange, etc. -0.1 billion yen
	Total	36,526	41,326	4,800	

(※) The Company reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.

Therefore, comparative numerical data of the fiscal year 2020 is adjusted based on the new method.

4. Financial Results for the Fiscal 2021

(2) Consolidated Segment Information

Reportable Segments (Excluding Cement Business) and Other

(Millions of yen)

		FY 2020	FY 2021	Change	Main Factors of Changes in Net Sales and Operating Income
Mineral Resources business	Net Sales	80,147	75,777	(4,369)	Decrease in sales of aggregates and limestone for steel
	Operating Income	7,179	6,071	(1,107)	Decrease in sales of aggregates and limestone for steel
Environmental Business	Net Sales	84,422	78,042	(6,379)	Decrease in sales of coal ash processing, gypsum, fuel and calcium carbonate used for flue gas desulfurization
	Operating Income	7,707	6,447	(1,259)	Decrease in sales of coal ash processing and calcium carbonate used for flue gas desulfurization
Construction Materials Business	Net Sales	81,303	73,003	(8,300)	Decrease in sales of ground improvement projects and ALC (Autoclaved Lightweight aerated Concrete), etc.
	Operating Income	4,537	3,564	(972)	Decrease in sales of ground improvement projects and ALC (Autoclaved Lightweight aerated Concrete), etc.
Other	Net Sales	83,031	91,404	8,373	
	Operating Income	5,327	6,135	808	

4. Financial Results for the Fiscal 2021

(3) Consolidated Balance Sheets

(Millions of yen)

		As of Mar. 31, 2020	As of Mar. 31, 2021	Change			As of Mar. 31, 2020	As of Mar. 31, 2021	Change	
Current assets	Cash and deposits	51,641	73,074	21,432	Liabilities	Current liabilities	313,771	304,831	(8,939)	
	Trade accounts receivable	172,555	161,749	(10,805)		Non-current liabilities	245,910	232,574	(13,336)	
	Inventories	78,283	75,374	(2,908)		Total liabilities	559,682	537,405	(22,276)	
	Other	16,021	17,134	1,113	Net assets	Shareholders' equity	Share capital	86,174	86,174	-
	Total current assets	318,502	327,333	8,830			Capital surplus	60,233	60,292	58
Non-current assets	Total property, plant and equipment	544,553	540,342	(4,211)			Retained earnings	326,086	365,593	39,507
	Total intangible assets	29,814	28,192	(1,621)			Treasury shares	(16,098)	(26,113)	(10,014)
	Total investments and other assets	140,053	148,358	8,305	Total shareholders' equity	456,395	485,946	29,551		
	Total non-current assets	714,420	716,893	2,472	Accumulated other comprehensive income	(19,716)	(15,025)	4,691		
					Non-controlling interests	36,563	35,899	(663)		
Total net assets				Total net assets	473,241	506,821	33,579			
Total assets	1,032,923	1,044,227	11,303	Total liabilities and net assets	1,032,923	1,044,227	11,303			
		As of Dec. 31, 2019	As of Dec. 31, 2020	Change			As of Mar. 31, 2020	As of Mar. 31, 2021	Change	
Foreign exchange rate (yen/US\$)		109.56	103.50	(6.06)	Interest-bearing liabilities(millions of yen)		266,115	248,102	(18,013)	

4. Financial Results for the Fiscal 2021

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2020	FY 2021	Change
Cash flows from operating activities	90,902	110,403	19,501
Cash flows from investing activities	(65,534)	(47,809)	17,725
Cash flows from financing activities	(29,436)	(43,952)	(14,516)
Effect of exchange rate change on cash and cash equivalents	(301)	(569)	(268)
Net increase (decrease) in cash and cash equivalents	(4,369)	18,071	22,441
Other	33	0	(33)
Cash and cash equivalents at beginning of period	50,084	45,748	(4,336)
Cash and cash equivalents at end of period	45,748	63,819	18,071
< Indexes >	FY 2020	FY 2021	Change
Current ratio (%)	101.5	107.4	5.9
Cash flow to interest-bearing debt ratio (year)	2.9	2.2	(0.7)
Interest coverage ratio (times)	23.4	31.4	8.0
Net DE ratio (times)	0.49	0.37	(0.12)

5. Forecast for the Fiscal 2022

(1) Consolidated Statements of Income

(100 million yen)

	FY2021 (actual)	FY2022 (forecast)	Change	Components of change	
				Revenue standard impact	Net change
Net Sales	8,639	(※) 7200	(1,439)	(1,883)	444
Operating income	636	640	4		
Ordinary income	657	635	(22)		
Extraordinary income and losses	(6)	(65)	(59)		
Profit before income taxes	651	570	(81)		
Profit attributable to owners of parent	468	400	(68)		
< Preconditions >					
Domestic demand (10 thousand ton)	3,867	4,000	133		
Foreign exchange rate (yen/US\$)	106.76	108.00	1.24		

(※) Since the Company will apply “Accounting Standard for Revenue Recognition (ASBJ Statement No.29),” etc., from the beginning of the fiscal year ending March 31, 2022, the amounts of net sales listed in the consolidated financial results forecast above show the amounts after application of the mentioned accounting standard.

5. Forecast for the Fiscal 2022

(2) Consolidated Segment Information

Net Sales and Operating Income by Reportable Segments

(100 million yen)

		Net Sales (※ 1)					Operating Income		
		FY 2021 (actual)	FY 2022 (forecast)	Change	Components of change		FY 2021 (actual)	FY 2022 (forecast)	Change
					Revenue standard impact	Net change			
Cement Business (※2)	Domestic	4,062	2,535	(1,527)	(1,717)	190	162	147	(15)
	Overseas Subsidiaries, etc.	2,148	2,210	62	-	62	251	253	2
	Total	6,210	4,745	(1,465)	(1,717)	252	413	400	(13)
Mineral Resources Business		757	770	13	(30)	43	60	64	4
Environmental Business		780	695	(85)	(130)	45	64	67	3
Construction Materials Business		730	700	(30)	(92)	62	35	40	5
Other		914	905	(9)	(45)	36	61	69	8
Total		9,392	7,815	(1,577)	(2,014)	437	635	640	5
Elimination		(753)	(615)	138	131	7	0	0	(0)
Consolidated Total		8,639	7,200	(1,439)	(1,883)	444	636	640	4

(※ 1) Since the Company will apply “Accounting Standard for Revenue Recognition (ASBJ Statement No.29),” etc., from the beginning of the fiscal year ending March 31, 2022, the amounts of net sales listed in the consolidated financial results forecast above show the amounts after application of the mentioned accounting standard.

(※ 2) The Company reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.

5. Forecast for the Fiscal 2022

(2) Consolidated Segment Information

Cement Business

Sales Volume of Cement (Thousand tons)

	FY 2021 (actual)	FY 2022 (forecast)	Change
Domestic	13,782	14,440	658
Export	3,778	3,840	62

(100 million yen)

		FY 2021 (actual)	FY 2022 (forecast)	Change	Main Factors of Changes in Net Sales and Operating Income
Net Sales (※1)	Domestic	4,062	2,535	(1,527)	Increase in sales of domestic cement and solidifying materials +6.7 billion yen Increase in export cement volume +0.3 billion yen Price difference in domestic cement and solidifying materials +1.5 billion yen Price difference in export cement +1.3 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +9.2 billion yen The impact of application of new Accounting Standard for Revenue Recognition -171.7 billion yen
	Overseas Subsidiaries, etc.	2,148	2,210	62	U.S.A +US\$6 million China -US\$17 million, Asia and other +US\$37 million Effect of foreign exchange, etc. +3.4 billion yen
	Total	6,210	4,745	(1,465)	
Operating Income (※2)	Domestic	162	147	(15)	Increase in sales of domestic cement and solidifying materials +3.8 billion yen Increase in export cement volume +0.1 billion yen Price difference in domestic cement and solidifying materials +1.4 billion yen Increase in net export cement revenue +0.2 billion yen Increase in variable cost -3.6 billion yen Increase in fixed cost -3.4 billion yen
	Overseas Subsidiaries, etc.	251	253	2	U.S.A +US\$0 million China -US\$4 million, Asia and other +US\$3 million Effect of foreign exchange, etc. +0.4 billion yen
	Total	413	400	(13)	

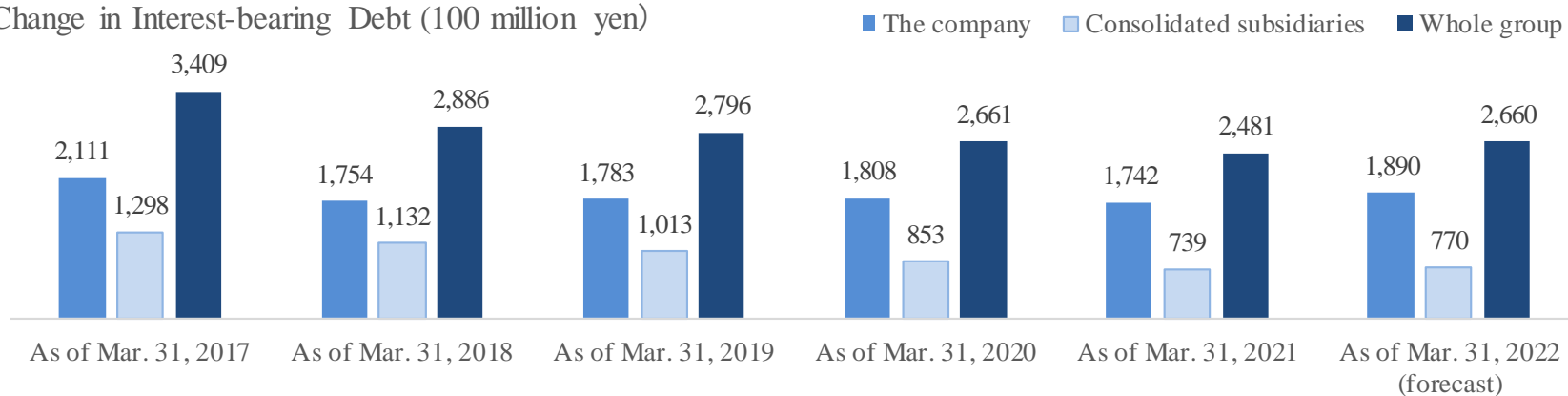
The impact of application of new Accounting Standard for Revenue Recognition (1,717)
Net increase 190

(※1) Since the Company will apply "Accounting Standard for Revenue Recognition (ASBJ Statement No.29)," etc., from the beginning of the fiscal year ending March 31, 2022, the amounts of net sales listed in the consolidated financial results forecast above show the amounts after application of the mentioned accounting standard.

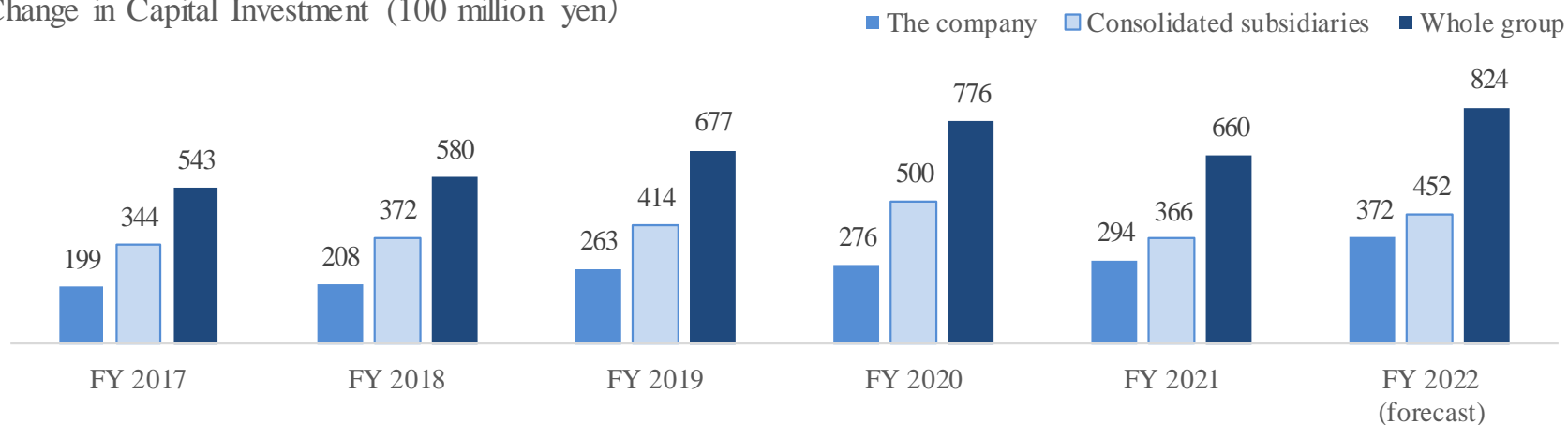
(※2) The Company reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.

6. Reference Information

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

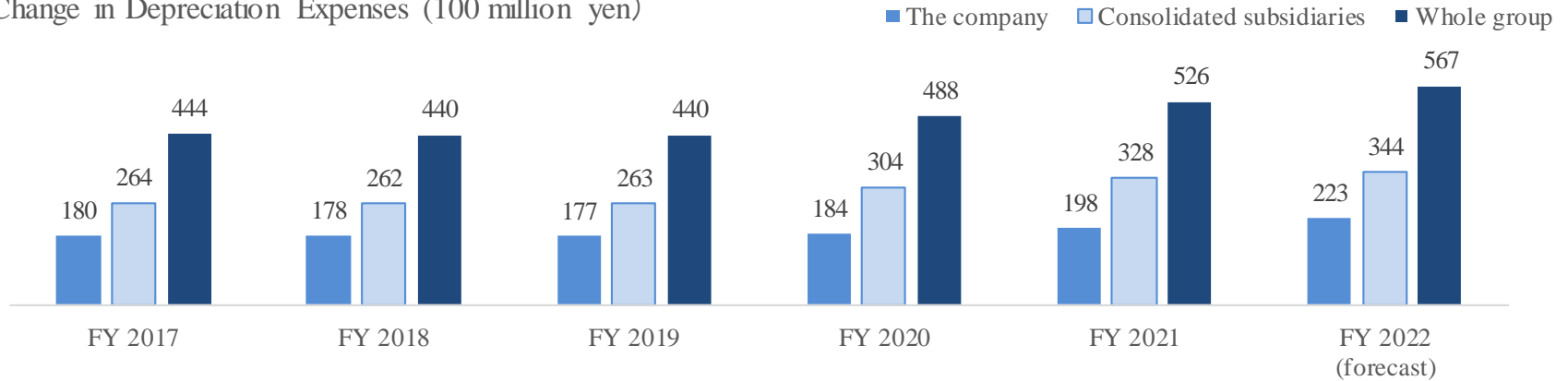


(2) Change in Capital Investment (100 million yen)

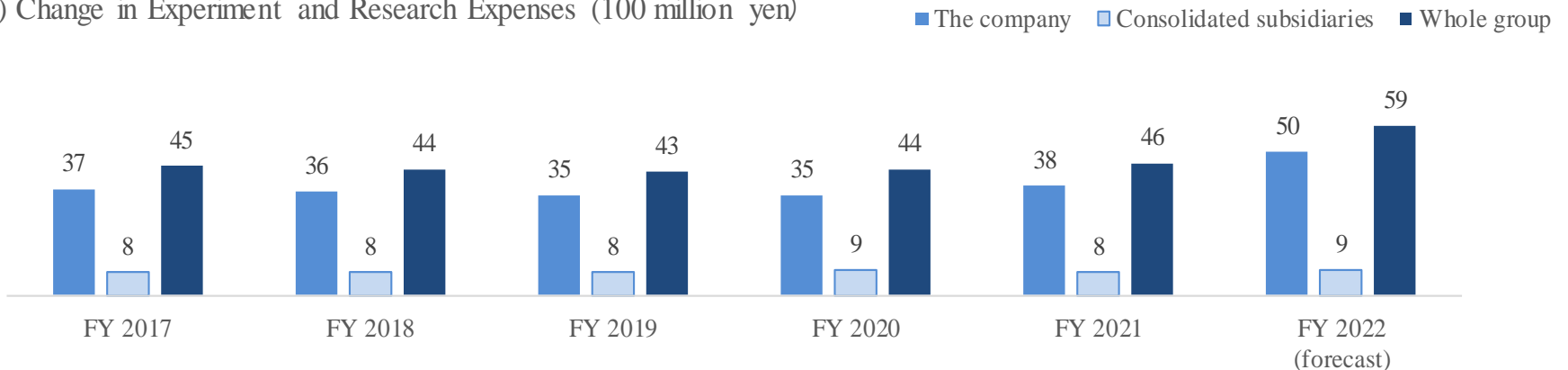


6. Reference Information

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

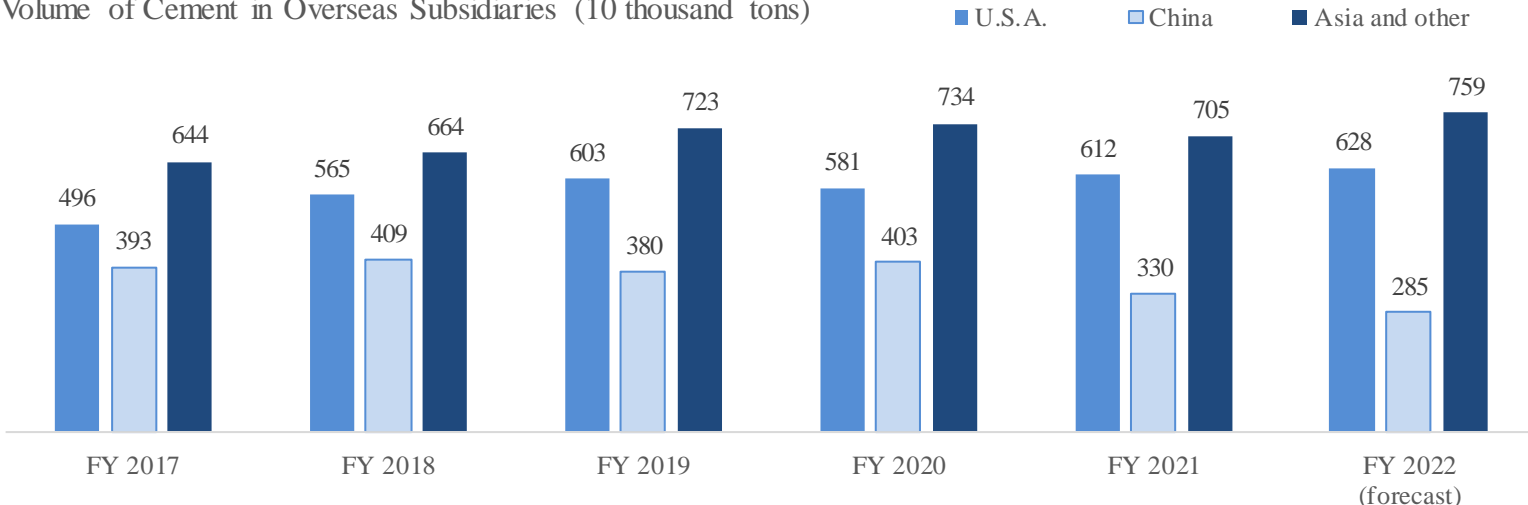


(4) Change in Experiment and Research Expenses (100 million yen)

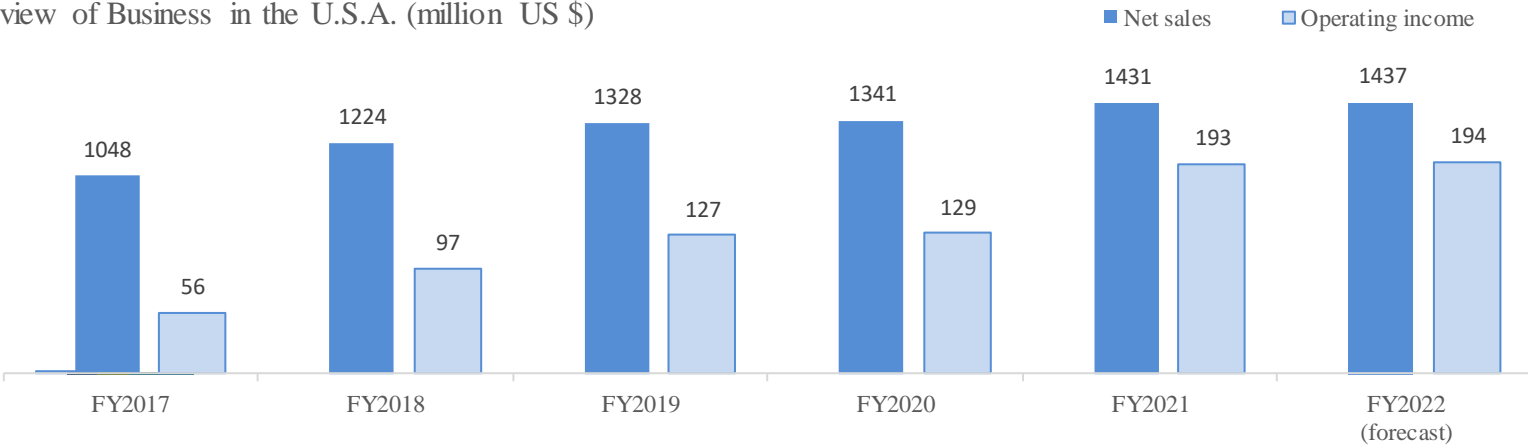


6. Reference Information

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



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



6. Reference Information

(7) Forecast for the First Half of the Fiscal 2022

① Consolidated Statements of Income

(100 million yen)

	First half of FY 2021 (actual)	First half of FY 2022 (forecast)	Change	Components of change	
				Revenue standard impact	Net change
Net Sales	4,206	(※) 3460	(746)	(940)	194
Operating income	261	251	(10)		
Ordinary income	266	248	(18)		
Extraordinary income and losses	(1)	22	23		
Profit before income taxes	265	270	5		
Profit attributable to owners of parent	184	200	16		

(※) Since the Company will apply “Accounting Standard for Revenue Recognition (ASBJ Statement No.29),” etc., from the beginning of the fiscal year ending March 31, 2022, the amounts of net sales listed in the consolidated financial results forecast above show the amounts after application of the mentioned accounting standard.

6. Reference Information

(7) Forecast for the First Half of the Fiscal 2022

② Net Sales and Operating Income by Reportable Segments

(100 million yen)

		Net Sales (※ 1)					Operating Income		
		First half of FY 2021 (actual)	First half of FY 2022 (forecast)	Change	Components of change		First half of FY 2021 (actual)	First half of FY 2022 (forecast)	Change
					Revenue standard impact	Net change			
Cement Business (※2)	Domestic	1,991	1,250	(741)	(858)	117	44	50	6
	Overseas Subsidiaries, etc.	1,062	1,060	(2)	-	(2)	124	109	(15)
	Total	3,053	2,310	(743)	(858)	115	168	159	(9)
Mineral Resources Business		368	380	12	(14)	26	26	27	1
Environmental Business		377	330	(47)	(67)	20	28	30	2
Construction Materials Business		345	305	(40)	(46)	6	8	11	3
Other		406	430	24	(19)	43	29	24	(5)
Total		4,551	3,755	(796)	(1,005)	209	261	251	(10)
Elimination		(345)	(295)	50	65	(15)	0	0	(0)
Consolidated Total		4,206	3,460	(746)	(940)	194	261	251	(10)

(※ 1) Since the Company will apply “Accounting Standard for Revenue Recognition (ASBJ Statement No.29),” etc., from the beginning of the fiscal year ending March 31, 2022, the amounts of net sales listed in the consolidated financial results forecast above show the amounts after application of the mentioned accounting standard.

(※ 2) The Company reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.