



TAIHEIYO CEMENT

Reference Materials of Financial Results
for the First Half of Fiscal 2022
ending March 31, 2022

November 11, 2021

TAIHEIYO CEMENT CORPORATION

Contents

1. Highlights of Consolidated Financial Results	Page 2	5. Forecast for the Fiscal 2022	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 2022	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

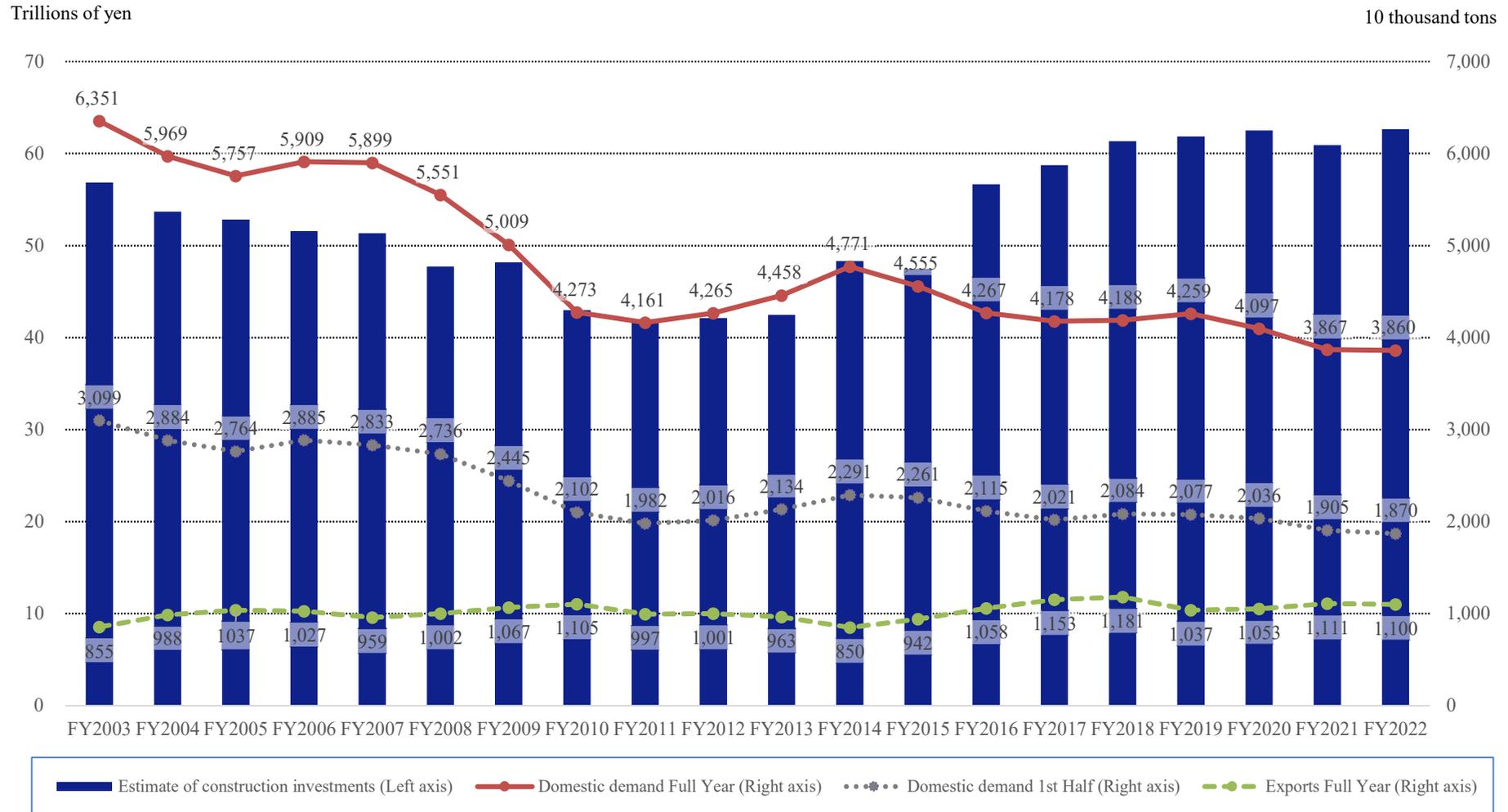


(Millions of yen)

	First Half of FY2021	First Half of FY2022	Change	Components of change	
				Revenue standard impact	Net change
Net sales	420,627	339,798	(80,828)	(95,219)	14,391
Operating income	26,126	25,812	(314)		
Ordinary income	26,640	26,578	(61)		
Profit attributable to owners of parent	18,461	19,485	1,023		

< Indexes >	As of Mar 31, 2021	As of Sep 30, 2021	Change
Equity ratio (%)	45.1	45.5	0.4
Equity ratio based on market value (%)	33.1	25.0	(8.1)
Equity per share (yen)	3,971.3	4,235.0	263.7
	First Half of FY2021	First Half of FY2022	Change
Earnings per share (yen)	152.2	163.9	11.7

2. Trend in Construction Investments and Domestic Demand for Cement



Estimate of construction investments : for Fiscal 2003 to Fiscal 2021, Ministry of Land, Infrastructure, Transport and Tourism
: for Fiscal 2022 (forecast), Ministry of Land, Infrastructure, Transport and Tourism
Domestic demand : for Fiscal 2003 to Fiscal 2021, Japan Cement Association
: for Fiscal 2022, 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 FY2020		First Half of FY2021		First Half of FY2022	
	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	0.0	1,068	2.0	1,025	(4.1)
Tohoku	1,936	(5.0)	1,743	(10.0)	1,634	(6.2)
Kanto 1	4,730	(3.5)	4,351	(8.0)	4,484	3.1
Kanto 2	1,707	(6.0)	1,705	(0.1)	1,636	(4.1)
Hokuriku	1,156	2.2	1,020	(11.8)	878	(13.9)
Tokai	2,270	(6.0)	2,105	(7.3)	2,168	3.0
Kinki	2,703	3.7	2,610	(3.4)	2,599	(0.4)
Shikoku	732	2.8	693	(5.3)	633	(8.6)
Chugoku	1,210	5.4	1,163	(3.9)	1,114	(4.2)
Kyushu	2,362	(2.0)	2,135	(9.6)	2,160	1.2
Okinawa	499	3.2	451	(9.6)	358	(20.6)
Domestic Total	20,352	(1.7)	19,045	(6.4)	18,690	(1.9)
Exports	5,017	(4.6)	5,259	4.8	5,705	8.5
Total	25,369	(2.3)	24,304	(4.2)	24,395	0.4

Source : Japan Cement Association

3. Volume of Sales and Shipment Results by Region TAIHEIYO CEMENT

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

	First Half of FY2020		First Half of FY2021		First Half of FY2022	
	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	1,920	5.1	1,862	(3.0)	1,912	2.7
Tohoku	3,682	(6.8)	3,292	(10.6)	2,963	(10.0)
Kanto 1	10,119	(5.3)	9,456	(6.6)	9,729	2.9
Kanto 2	2,835	(4.0)	2,962	4.5	2,793	(5.7)
Hokuriku	2,383	0.4	2,133	(10.5)	1,781	(16.5)
Tokai	4,665	(1.9)	4,407	(5.5)	4,610	4.6
Kinki	5,457	2.2	5,330	(2.3)	5,334	0.1
Chugoku	2,340	8.1	2,260	(3.4)	2,067	(8.5)
Shikoku	1,559	5.2	1,534	(1.6)	1,475	(3.8)
Kyushu	5,783	(1.6)	5,173	(10.6)	4,943	(4.4)
Total	40,744	(1.6)	38,409	(5.7)	37,608	(2.1)

Source : National Federation of Ready-mixed Concrete Industrial Associations

4. Financial Results for the First Half of Fiscal 2022 TAIHEIYO CEMENT

(1) Consolidated Statements of Income

(Millions of yen)

	First Half of FY2021	First Half of FY2022	Change	Components of change	
				Revenue standard impact	Net change
Net Sales	420,627	339,798	(80,828)	(95,219)	14,391
Cost of sales	331,929	252,307	(79,621)		
Selling, general and administrative expenses	62,570	61,677	(893)		
Operating income	26,126	25,812	(314)		
Non-operating income and expenses	513	766	252		
Ordinary income	26,640	26,578	(61)		
Extraordinary income and losses	(132)	2,600	2,733		
Profit before income taxes	26,507	29,179	2,671		
Profit attributable to owners of parent	18,461	19,485	1,023		
< Reference Information >					
Foreign exchange rate (yen/US\$)	108.23	107.82	(0.41)		

4. Financial Results for the First Half of Fiscal 2022 TAIHEIYO CEMENT

(2) Consolidated Segment Information

Net Sales and Operating Income by Reportable Segments

(Millions of yen)

		Net Sales			Components of change		Operating Income		
		First Half of FY2021	First Half of FY2022	Change	Revenue standard impact	Net change	First Half of FY2021	First Half of FY2022	Change
Cement Business	Domestic	199,112	114,368	(84,743)	(89,137)	4,394	4,457	1,582	(2,875)
	Overseas Subsidiaries, etc	106,264	110,982	4,718	0	4,718	12,440	14,826	2,386
	Total	305,376	225,351	(80,024)	(89,137)	9,113	16,898	16,409	(489)
Mineral Resources Business		36,882	37,214	332	(1,240)	1,572	2,611	2,633	21
Environmental Business		37,723	33,837	(3,885)	(6,536)	2,651	2,826	3,066	240
Construction Materials Business		34,518	29,261	(5,257)	(5,031)	(226)	867	1,146	279
Other		40,662	42,001	1,338	(2,743)	4,081	2,917	2,462	(455)
Total		455,163	367,665	(87,498)	(104,687)	17,189	26,122	25,718	(404)
Elimination		(34,536)	(27,866)	6,669	9,468	(2,799)	4	94	90
Consolidated Total		420,627	339,798	(80,828)	(95,219)	14,391	26,126	25,812	(314)

※ Taiheiyo Cement reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.

4. Financial Results for the First Half of Fiscal 2022



(2) Consolidated Segment Information

Cement Business

Sales Volume of Cement (Thousand tons)			
	First Half of FY2021	First Half of FY2022	Change
Domestic	6,792	6,605	(187)
Export	1,803	1,937	134

(Millions of yen)

		First Half of FY2021	First Half of FY2022	Change	Main Factors of Changes in Net Sales and Operating Income
Net Sales	Domestic	199,112	114,368	(84,743) "4,394"	Decrease in sales volume of domestic cement and soil stabilizers -0.9 billion yen Increase in export cement volume +0.5 billion yen Price difference in domestic cement and soil stabilizers +0.0 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. +3.5 billion yen
	Overseas Subsidiaries, etc.	106,264	110,982	4,718	U.S.A +US\$40 million China -US\$8 million, Asia and other +US\$7 million Effect of foreign exchange, etc. +0.6 billion yen
	Total	305,376	225,351	(80,024) "9,113"	
Operating Income	Domestic	4,457	1,582	(2,875)	Decrease in sales volume of domestic cement and soil stabilizers -0.8 billion yen Increase in export cement volume +0.3 billion yen Price difference in domestic cement and soil stabilizers +0.0 billion yen Decrease in net export cement revenue -0.2 billion yen Increase in variable cost -2.3 billion yen Increase in fixed cost -0.2 billion yen Increase in income from subsidiaries producing or selling cement or ready-mixed concrete, etc. +0.3 billion yen
	Overseas Subsidiaries, etc.	12,440	14,826	2,386	U.S.A +US\$26 million China -US\$4 million, Asia and other -US\$0 million Effect of foreign exchange, etc. -0.0 billion yen
	Total	16,898	16,409	(489)	

※ Taiheiyō Cement reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.

※ The number inside " " shows net change excluding the impact of application of "Accounting Standard for Revenue Recognition", etc.

4. Financial Results for the First Half of Fiscal 2022



(2) Consolidated Segment Information

Reportable Segments (Excluding Cement Business) and Other

(Millions of yen)

		First Half of FY2021	First Half of FY2022	Change	Main Factors of Changes in Net Sales and Operating Income
Mineral Resources Business	Net Sales	36,882	37,214	332 "1,572"	Increase in sales volume of limestone for the iron and steel industry Increase acceptance of construction generated soil
	Operating Income	2,611	2,633	21	
Environmental Business	Net Sales	37,723	33,837	(3,885) "2,651"	Processing operations in coal ash, sales volume of fuel and gypsum remained strong Processing operations in coal ash remained strong
	Operating Income	2,826	3,066	240	
Construction Materials Business	Net Sales	34,518	29,261	(5,257) "(226)"	Decrease in sales of materials for shield tunnel construction and ALC (Autoclaved Lightweight aerated Concrete) Ground improvement projects remained strong Ground improvement projects remained strong Decrease in sales of materials for shield tunnel construction and ALC (Autoclaved Lightweight aerated Concrete)
	Operating Income	867	1,146	279	
Other	Net Sales	40,662	42,001	1,338 "4,081"	
	Operating Income	2,917	2,462	(455)	

※ The number inside "" shows net change excluding the impact of application of "Accounting Standard for Revenue Recognition", etc.

4. Financial Results for the First Half of Fiscal 2022



(3) Consolidated Balance Sheets

(Millions of yen)

		As of Mar 31, 2021	As of Sep 30, 2021	Change			As of Mar 31, 2021	As of Sep 30, 2021	Change	
Current assets	Cash and deposits	73,074	73,263	188	Liabilities	Current liabilities	304,831	314,788	9,956	
	Trade accounts receivable and contract assets	142,515	143,017	501		Non-current liabilities	232,574	241,172	8,598	
	Inventories	75,374	83,893	8,519		Total liabilities	537,405	555,960	18,555	
	Other	36,369	37,588	1,219	Net assets	Shareholders' equity	Share capital	86,174	86,174	-
	Total current assets	327,333	337,762	10,429			Capital surplus	60,292	46,546	(13,745)
Non-current assets	Total property, plant and equipment	540,342	544,104	3,762			Retained earnings	365,593	379,376	13,782
	Total intangible assets	28,192	27,969	(223)			Treasury shares	(26,113)	(15,003)	11,110
	Total investments and other assets	148,358	176,779	28,420			Total shareholders' equity	485,946	497,093	11,146
	Total non-current assets	716,893	748,853	31,960	Accumulated other comprehensive income	(15,025)	(3,184)	11,841		
					Non-controlling interests	35,899	36,745	845		
					Total net assets	506,821	530,655	23,834		
Total assets	1,044,227	1,086,616	42,389	Total liabilities and net assets	1,044,227	1,086,616	42,389			
	As of Dec. 31, 2020	As of Jun. 30, 2021	Change		As of Mar. 31, 2021	As of Sep. 30, 2021	Change			
Foreign exchange rate (yen/US\$)	103.50	110.58	7.08	Interest-bearing liabilities(millions of yen)	248,102	269,457	21,355			

4. Financial Results for the First Half of Fiscal 2022



(4) Consolidated Statements of Cash Flows

(Millions of yen)

	First Half of FY2021	First Half of FY2022	Change
Cash flows from operating activities	48,753	43,093	(5,660)
Cash flows from investing activities	(29,740)	(53,144)	(23,403)
Cash flows from financing activities	9,372	6,590	(2,781)
Effect of exchange rate change on cash and cash equivalents	(367)	1,876	2,243
Net increase (decrease) in cash and cash equivalents	28,017	(1,584)	(29,602)
Other	0	0	0
Cash and cash equivalents at beginning of period	45,748	63,819	18,071
Cash and cash equivalents at end of period	73,765	62,235	(11,530)
< Indexes >	As of Mar 31, 2021	As of Sep 30, 2021	Change
Current ratio (%)	107.4	107.3	(0.1)
Net DE ratio (times)	0.37	0.40	0.03

5. Forecast for the Fiscal 2022



(1) Consolidated Statements of Income

(100 million yen)

	FY2021 (actual)	FY2022 (fore cast)	Change	Components of change	
				Revenue standard impact	Net change
Net Sales	8,639	7,165	(1,474)	(1,886)	412
Operating income	636	600	(36)		
Ordinary income	657	610	(47)		
Extraordinary income and losses	(6)	(60)	(54)		
Profit before income taxes	651	550	(101)		
Profit attributable to owners of parent	468	380	(88)		
< Preconditions >					
Domestic demand (10 thousand ton)	3,867	3,860	(7)		
Foreign exchange rate (yen/US\$)	106.76	109.00	2.24		

5. Forecast for the Fiscal 2022



(2) Consolidated Segment Information

Net Sales and Operating Income by Reportable Segments

(100 million yen)

		Net Sales			Components of change		Operating Income		
		FY2021 (actual)	FY2022 (forecast)	Change	Revenue standard impact	Net change	FY2021 (actual)	FY2022 (forecast)	Change
Cement Business	Domestic	4,062	2,460	(1,602)	(1,756)	154	162	85	(77)
	Overseas Subsidiaries, etc	2,148	2,260	112	-	112	251	290	39
Total		6,210	4,720	(1,490)	(1,756)	266	413	375	(38)
Mineral Resources Business		757	760	3	(23)	26	60	61	1
Environmental Business		780	715	(65)	(141)	76	64	65	1
Construction Materials Business		730	665	(65)	(101)	36	35	32	(3)
Other		914	885	(29)	(53)	24	61	67	6
Total		9,392	7,745	(1,647)	(2,074)	427	635	600	(35)
Elimination		(753)	(580)	173	188	(15)	0	0	0
Consolidated Total		8,639	7,165	(1,474)	(1,886)	412	636	600	(36)

※ Taiheiyō Cement 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	13,772	(10)
Export	3,778	4,344	566

(100 million yen)

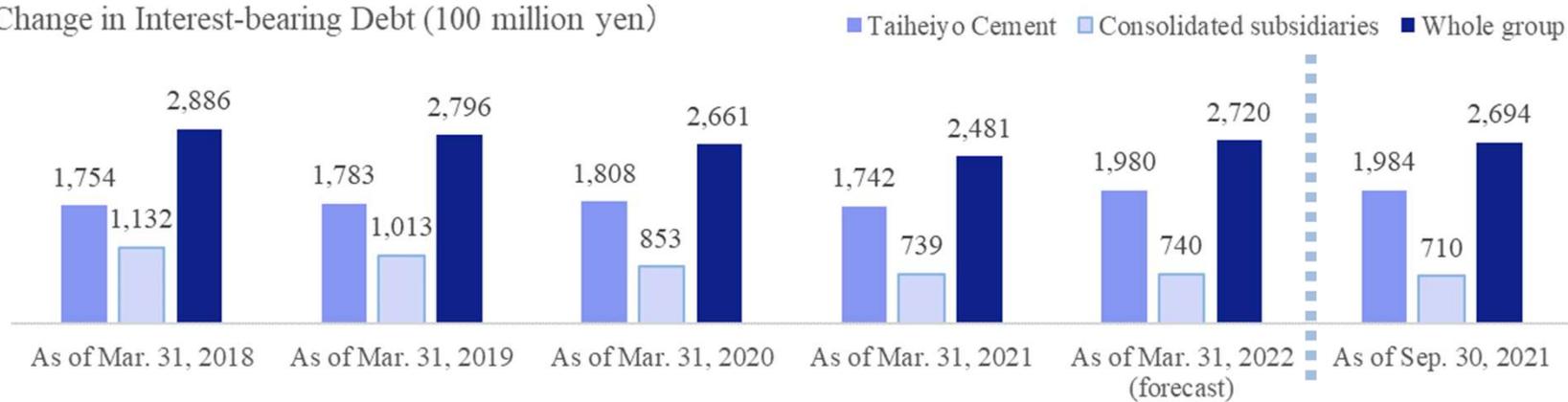
		FY 2021 (actual)	FY 2022 (forecast)	Change	Main Factors of Changes in Net Sales and Operating Income
Net Sales	Domestic	4,062	2,460	(1,602) "154"	Increase in sales volume of domestic cement and soil stabilizers +1.1 billion yen Increase in export cement volume +2.3 billion yen Price difference in domestic cement and soil stabilizers +4.1 billion yen Price difference in export cement +3.5 billion yen Increase in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. +4.4 billion yen
	Overseas Subsidiaries, etc.	2,148	2,260	112	U.S.A +US\$42 million China -US\$0 million, Asia and other +US\$9 million Effect of foreign exchange, etc. +5.5 billion yen
	Total	6,210	4,720	(1,490) "266"	
Operating Income	Domestic	162	85	(77)	Increase in sales volume of domestic cement and soil stabilizers +0.2 billion yen Increase in export cement volume +1.2 billion yen Price difference in domestic cement and soil stabilizers +3.7 billion yen Increase in net export cement revenue +0.0 billion yen Increase in variable cost -11.5 billion yen Increase in fixed cost -0.6 billion yen Decrease in sales from subsidiaries producing or selling cement or ready-mixed concrete, etc. -0.7 billion yen
	Overseas Subsidiaries, etc.	251	290	39	U.S.A +US\$29 million China -US\$2 million, Asia and other +US\$1 million Effect of foreign exchange, etc. +0.6 billion yen
	Total	413	375	(38)	

※ Taiheiyo Cement reassesses cost allocation method of cement segment's "domestic" and "overseas subsidiaries, etc" from the fiscal year 2021.

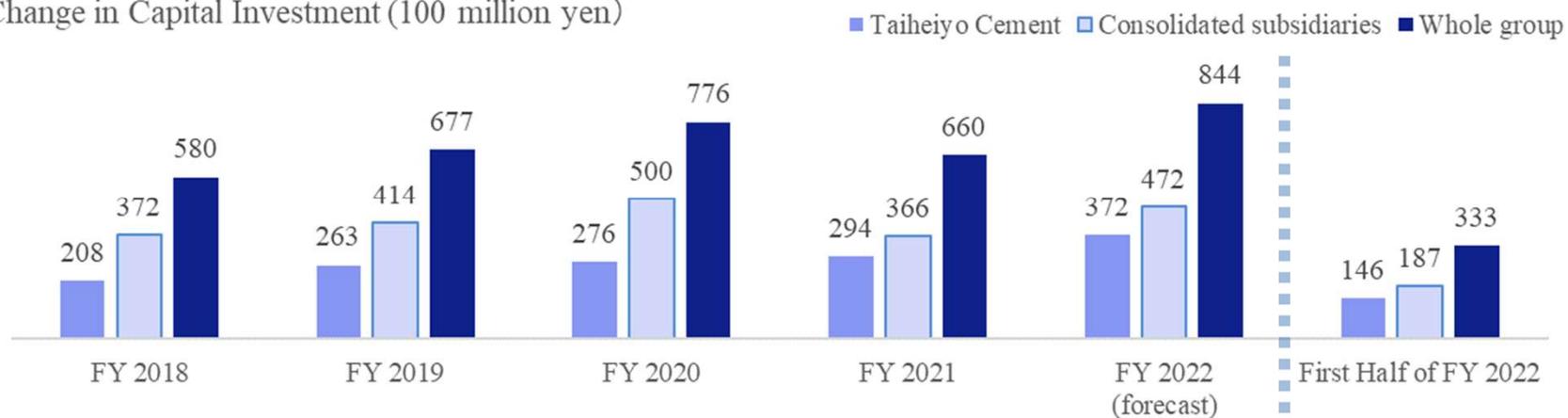
※ The number inside "" shows net change excluding the impact of application of "Accounting Standard for Revenue Recognition", etc.

6. Reference Information

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



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

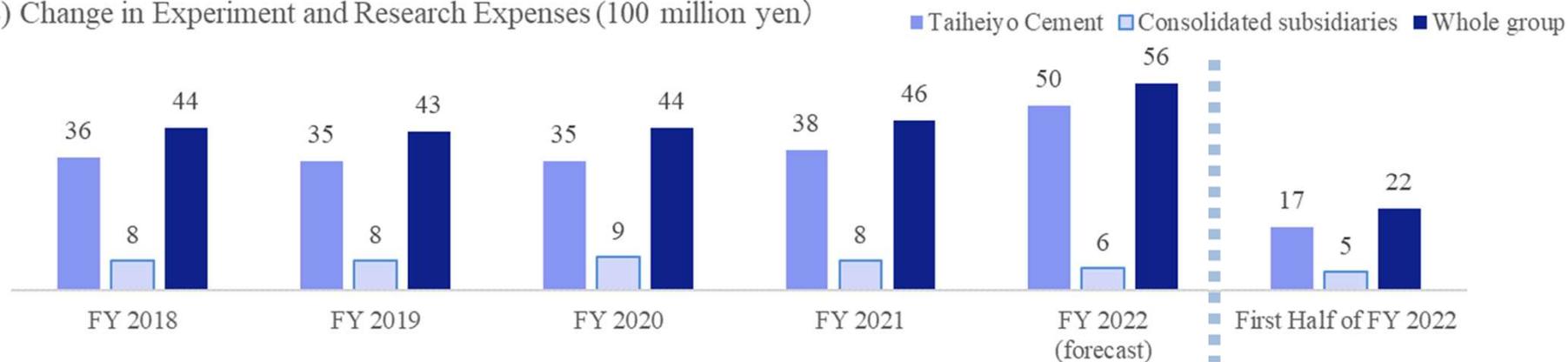


6. Reference Information

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

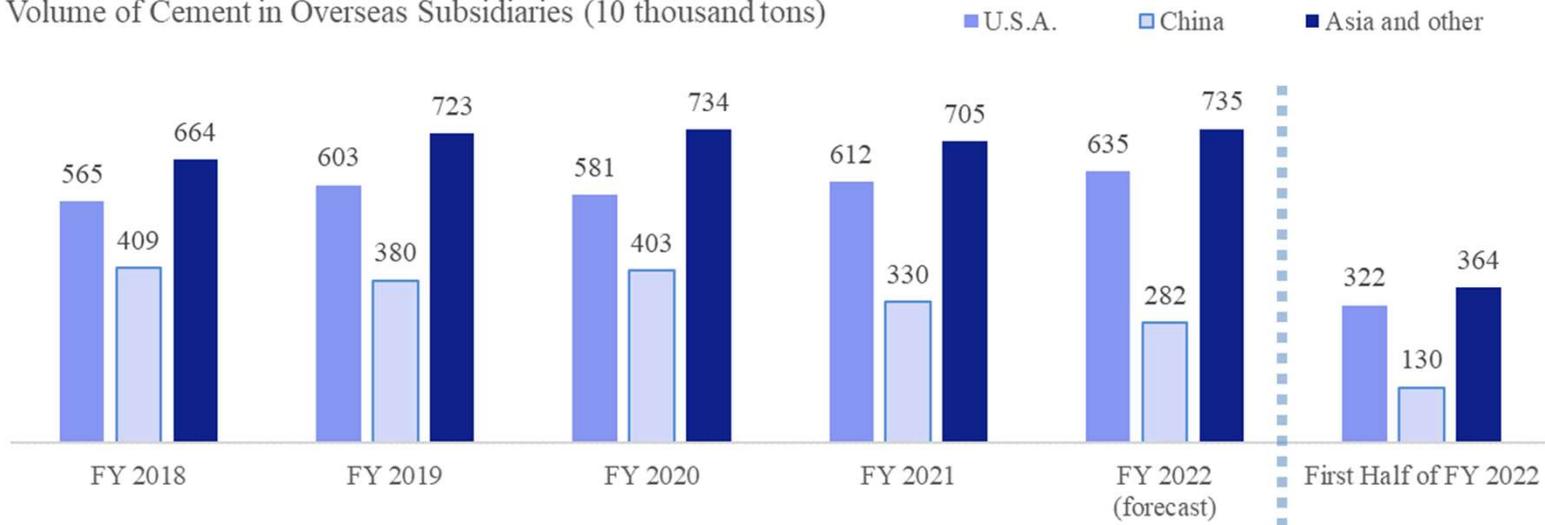


(4) Change in Experiment and Research Expenses (100 million yen)



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\$)



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.