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November 10, 2022

## Notice of Reversal of Deferred Tax Assets, Difference from Financial Results Forecast for the Six Months Ended September 30, 2022, and Revision of Financial Results Forecasts for the Fiscal Year Ending March 31, 2023

Taiheiyo Cement Corporation have reversed deferred tax assets of 10.2 billion yen during the six months ended September 30, 2022.

In comparison with the results forecast for the six months ended September 30, 2022, which was released on August 9, 2022, there were differences in the calculations made today as shown below.

In addition, based on the recent performance trends, we have revised our forecasts for the fiscal year ending March 31, 2023 as follows.

1. Difference from consolidated forecast for the six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 380,000	Millions of yen (2,800)	Millions of yen (2,500)	Millions of yen (5,700)	Yen (48.70)
Actual value (B)	375,982	(313)	(84)	(16,455)	(140.58)
Change (B-A)	(4,018)	2,487	2,416	(10,755)	-
Change (%)	(1.1)	-	-	-	-
(Reference) Results for the six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)	339,798	25,812	26,578	19,485	163.92

2. Revised forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)  
(Consolidated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 854,000	Millions of yen 32,000	Millions of yen 31,500	Millions of yen 18,500	Yen 158.05
Revised forecast (B)	844,000	13,000	13,000	(16,000)	(136.69)
Change (B-A)	(10,000)	(19,000)	(18,500)	(34,500)	-
Change (%)	(1.2)	(59.4)	(58.7)	-	-
(Reference) Results for the fiscal year ended March 31, 2022	708,201	46,701	50,193	28,971	245.80

(Non-consolidated)

	Net sales	Ordinary profit	Net income	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	351,000	14,000	14,000	119.29
Revised forecast (B)	334,000	(2,000)	(17,000)	(144.85)
Change (B-A)	(17,000)	(16,000)	(31,000)	-
Change (%)	(4.8)	-	-	-
(Reference) Results for the fiscal year ended March 31, 2022	287,525	30,551	22,524	190.59

3. Difference from the financial results forecast for the six months ended September 30, 2022 and reasons for revision of financial results forecasts for the fiscal year ending March 31, 2023

(1) Difference from the forecast for the six months ended September 30, 2022

Operating profit and ordinary profit exceeded the previously announced forecast due to reductions in fixed costs and improved profitability at some consolidated subsidiaries.

On the other hand, profit attributable to owners of parent was significantly lower than the previous forecast due to the reversal of deferred tax assets and other factors.

(2) Revision of financial results forecasts for the fiscal year ending March 31, 2023

(Consolidated)

Operating profit and ordinary profit are expected to be lower than the previous forecast due to delays in the progress of raising cement sales prices in the domestic market, an increase in cement manufacturing costs, and the prolongation of large-scale repairs at cement plants in the U.S.

Profit attributable to owners of parent is expected to be significantly lower than the previous forecast due to the decrease in operating profit and ordinary profit, as well as the reversal of deferred tax assets.

(Non-consolidated)

Ordinary profit is expected to be lower than the previous forecast due to delays in the progress of raising cement sales prices in the domestic market and an increase in cement manufacturing costs.

Net income is expected to be significantly lower than the previous forecast due to a decrease in ordinary profit and the reversal of deferred tax assets.

\* The above forecasts are based on information currently available to us and certain assumptions that we believe to be reasonable. Actual results may differ significantly from these forecasts due to various factors, including economic conditions, market demand, raw material and fuel prices, and exchange rates.