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April 27, 2023

Notice Regarding Extraordinary Losses Resulting from Business Suspension of Consolidated Subsidiaries in China and Revision of Financial Results Forecasts for the Fiscal Year Ended March 31, 2023

Taiheiyo Cement Corporation (hereinafter “Taiheiyo Cement”) hereby announces that we will record extraordinary losses for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023) as expenses related to business suspension of our consolidated subsidiaries in China.

Taiheiyo Cement also announces that based on the recent performance trends, we have revised our financial results forecasts for the fiscal year ended March 31, 2023, which was announced on February 9, 2023.

1. Recording of extraordinary losses due to business suspension of our Chinese consolidated subsidiaries

Taiheiyo Cement ceased cement manufacturing and sales operations of our consolidated subsidiaries in China, Dalian Onoda Cement Co., Ltd. and Jiangnan-Onoda Cement Co., Ltd. Accordingly, we plan to record extraordinary losses of 13.4 billion yen in our consolidated financial results for the fiscal year ending March 31, 2023, as expenses related to the business suspension. The main factors are impairment loss and valuation loss of assets held and payment of economic compensation to employees.

2. Revised consolidated financial results forecasts for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	810,000	4,000	3,000	(26,000)	(222.12)
Revised forecast (B)	810,000	4,000	1,000	(33,000)	(281.92)
Change (B-A)	-	-	(2,000)	(7,000)	-
Change (%)	-	-	(66.7)	-	-
(Reference) Results for the fiscal year ended March 31, 2022	708,201	46,701	50,193	28,971	245.80

3. Reasons for the revision of consolidated financial results forecasts for the fiscal year ended March 31, 2023

Ordinary profit is expected to be lower than the previous forecast mainly due to the recording of equity in losses of affiliated companies because of worsening profit/loss of equity-method affiliates.

Profit attributable to owners of parent is expected to fall short of the previous forecast due to the decrease in ordinary profit and the additional loss of our consolidated subsidiaries in China.

* The above forecasts are based on information available as of the date of publication of this document. Actual results may differ from these forecasts due to various factors.