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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

Company name: TAIHEIYO CEMENT CORPORATION
Stock exchange listing: Tokyo, Fukuoka
Code number: 5233
URL: <https://www.taiheiyo-cement.co.jp/english/index.html>

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 28, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes (For Analysts and Institutional Investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	886,275	9.5	56,470	1,167.2	59,472	5,754.5	43,272	-
March 31, 2023	809,542	14.3	4,456	(90.5)	1,015	(98.0)	(33,206)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2024: 80,517 million yen [-%]
Fiscal year ended March 31, 2023: (5,248) million yen [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	371.09	-	8.2	4.6	6.4
March 31, 2023	(283.68)	-	(6.6)	0.1	0.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: 861 million yen
Fiscal year ended March 31, 2023: (2,771) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	1,338,251	596,384	42.1	4,872.94
March 31, 2023	1,268,862	528,857	39.0	4,228.48

(Reference) Equity: As of March 31, 2024: 563,210 million yen
As of March 31, 2023: 494,957 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	140,543	(82,138)	(59,476)	71,146
March 31, 2023	(268)	(93,344)	112,080	70,828

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	-	35.00	-	35.00	70.00	8,217	-	1.6
March 31, 2024	-	35.00	-	35.00	70.00	8,173	18.9	1.5
Fiscal year ending March 31, 2025 (Forecast)	-	40.00	-	40.00	80.00		14.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2024	464,000	10.9	34,500	94.3	34,500	71.5	26,500	94.6	229.28
Full year	960,000	8.3	84,000	48.8	83,500	40.4	62,000	43.3	536.43

(Note) The Group has changed its depreciation method for property, plant and equipment to the straight-line method from the beginning of the fiscal year ending March 31, 2025 and the above financial results forecast has been prepared after reflecting this change. For details, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the attached materials.

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 121,985,078 Shares

March 31, 2023: 121,985,078 Shares

2) Total number of treasury shares at the end of the period:

March 31, 2024: 6,405,914 Shares

March 31, 2023: 4,931,863 Shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 116,610,560 Shares

Fiscal Year ended March 31, 2023: 117,055,316 Shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	335,889	8.5	1,271	-	32,104	-	33,443	-
March 31, 2023	309,486	7.6	(33,643)	-	(16,733)	-	(32,882)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	286.08	-
March 31, 2023	(280.12)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	732,483	279,864	38.2	2,415.63
March 31, 2023	718,159	256,871	35.8	2,188.12

(Reference) Equity: As of March 31, 2024: 279,864 million yen

As of March 31, 2023: 256,871 million yen

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	360,000	7.2	40,000	24.6	34,000	1.7	293.47

(Note) The Group has changed its depreciation method for property, plant and equipment to the straight-line method from the beginning of the fiscal year ending March 31, 2025 and the above financial results forecast has been prepared after reflecting this change. For details, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the attached materials.

* These financial results are not subject to audit by certified public accountants or auditing firms.

* The forecasts herein are based on the information available at the date of publication of this material and assumptions at the same date with respect to the various factors which might have impact on the future financial results. Actual results may differ materially from this forecast due to various factors.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year ended March 31, 2024, the Japanese economy showed signs of moderate recovery, supported by the normalization of social and economic activities after the status of COVID-19 was moved to Class 5, as well as the improvement in the employment and income situation and corporate capital investment. However, the economic outlook remained uncertain due to factors such as the growing tension over the Middle East region, the protracted situation in Ukraine, and rising prices of commodities caused by the yen's depreciation and other factors.

As for the global economy, while the U.S. economy grew driven by consumer spending and capital investment, the Chinese economy slowed down due to sluggish consumption and stagnation in the real estate market.

Under such circumstances, net sales for the fiscal year under review was ¥886,275 million (up ¥76,733 million year-on-year), operating profit was ¥56,470 million (up ¥52,013 million year-on-year), ordinary profit was ¥59,472 million (up ¥58,457 million year-on-year), and profit attributable to owners of parent was ¥43,272 million (loss attributable to owners of parent of ¥33,206 million in the same period of the previous fiscal year).

Operating results by segment are as follows. The presented amounts are figures before elimination of inter-segment transactions.

① Cement Business

Domestic cement demand was generally weak due to a rise in various costs, process delays, and prolonged construction periods caused by the shortage of skilled workers at construction sites, despite a certain level of demand for urban redevelopment projects and the construction of new logistics facilities. Due to this, as a whole, domestic cement demand decreased 7.3% year-on-year to 34.57 million tons, of which, imported cement decreased 5.1% year-on-year to 0.01 million tons. Total exports decreased 15.8% year-on-year to 6.85 million tons.

Under these circumstances, the Group's domestic cement sales by volume, including consignment sales, decreased 1.4% year-on-year to 12.95 million tons, although sales by volume increased since April 2023 following the acquisition of the cement sales business from Denka Company Limited. Exports increased 4.7% year-on-year to 2.55 million tons.

At West Coast U.S. cement businesses, sales volumes increased year-on-year mainly due to the full-year effect of the acquisition of the Redding Plant and other assets, etc. In the cement business in Vietnam, sales by volume increased year-on-year mainly due to an increase in exports, although the recovery of demand in the private sector remained slow even after monetary easing. In the cement business in the Philippines, sales by volume increased year-on-year as the production capacity recovered as a result of repairs to facilities.

As a result of the above, net sales increased ¥76,828 million year-on-year to ¥629,870 million, and operating profit was ¥32,783 million (operating loss of ¥14,898 million in the same period of the previous fiscal year).

② Mineral Resources Business

In the aggregates business, sales remained strong especially in the Hokkaido region and the Kansai region, while sales by volume declined in the Tohoku region. Sales by volume of limestone for overseas steel corporations decreased in the mineral products business. In the geo-solutions business, sales by volume of products for immobilizing heavy metal contaminants in soil decreased year-on-year. In addition, efforts to pass on various cost increases to selling prices progressed in the entire business.

As a result, net sales increased ¥4,968 million year-on-year to ¥87,674 million, and operating profit increased ¥2,899 million year-on-year to ¥8,455 million.

③ Environmental Business

Sales in calcium carbonate used for flue gas desulfurization and gypsum remained solid, but sales in waste disposal, including sales in coal processing, fuel, and incineration ash processing were weak.

As a result, net sales decreased ¥9,656 million year-on-year to ¥68,254 million, and operating profit increased ¥266 million year-on-year to ¥6,138 million.

④ Construction Materials Business

Ground improvement projects and shield tunnel construction-related businesses were strong, and the business worked to adjust selling prices for ALC (Autoclaved Lightweight aerated Concrete) and construction and civil engineering materials.

As a result, net sales increased ¥5,185 million year-on-year to ¥73,456 million, and operating profit increased ¥1,856 million year-on-year to ¥4,208 million.

⑤ Other Business

Net sales increased ¥2,471 million year-on-year to ¥89,397 million, and operating profit decreased ¥417 million year-on-year to ¥4,691 million.

(2) Overview of financial position for the fiscal year under review

Total assets increased ¥69,388 million from the end of the previous fiscal year to ¥1,338,251 million. Current assets decreased ¥118 million from the end of the previous fiscal year to ¥430,289 million, and non-current assets increased ¥69,507 million to ¥907,961 million. The decrease in current assets was mainly due to a decrease in raw materials and supplies. The increase in non-current assets was mainly due to an increase in construction in progress.

Liabilities increased ¥1,861 million from the end of the previous fiscal year to ¥741,866 million. Current liabilities decreased ¥17,680 million from the end of the previous fiscal year to ¥368,103 million, and non-current liabilities increased ¥19,541 million to ¥373,762 million. The decrease in current liabilities was mainly due to a decrease in commercial papers. The increase in non-current liabilities was mainly due to an increase in bonds payable. Interest-bearing debt (total amount of short-term borrowings, commercial papers, current portion of bonds payable, bonds payable, and long-term borrowings) decreased ¥33,016 million from the end of the previous fiscal year to ¥370,469 million.

(3) Overview of cash flows for the fiscal year under review

The status of each cash flow for the fiscal year under review and their factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥140,543 million (net cash used during the same period of the previous fiscal year was ¥268 million). This was mainly due to depreciation of ¥66,304 million, profit before income taxes of ¥58,034 million, and a decrease in inventories of ¥18,111 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥82,138 million (down ¥11,206 million year-on-year). This was mainly due to purchase of non-current assets of ¥87,159 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥59,476 million (net cash provided during the same period of the previous fiscal year was ¥112,080 million). This was mainly due to repayments of long-term borrowings of ¥60,795 million and a decrease in commercial papers of ¥27,000 million, despite proceeds from long-term borrowings of ¥51,830 million.

(Reference) Trend in cash flow indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Capital adequacy ratio (%)	42.3	45.1	46.3	39.0	42.1
Capital adequacy ratio at market value (%)	21.9	33.1	21.4	22.9	30.4
Ratio of interest-bearing debt to cash flow (years)	2.9	2.2	3.8	-	2.6
Interest coverage ratio (times)	23.4	31.4	32.4	-	39.1

(Notes) Capital adequacy ratio: equity / total assets

Capital adequacy ratio at market value: market capitalization / total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt / cash flows from operating activities

Interest coverage ratio: cash flows from operating activities / interest expenses

* All figures are calculated on a consolidated basis.

* Market capitalization is calculated by multiplying closing share price at fiscal year-end by total number of issued shares less treasury shares at the end of the period.

* Interest-bearing debt represents the sum of all liabilities on the consolidated balance sheets subject to interest payment.

* “Cash flows from operating activities” and “Interest paid” on the consolidated statements of cash flows are used as cash flows from operating activities and interest expenses.

* Ratio of interest-bearing debt to cash flow and interest coverage ratio are not stated for the fiscal year ended March 31, 2023 as cash flows from operating activities were negative.

(4) Future outlook

Looking ahead, the Japanese economy is expected to continue recovering at a moderate pace with a pickup in corporate capital investment, supported by the improving employment and income situation. However, the economic outlook have remained uncertain due to factors such the impact of global monetary tightening and rising prices on consumption.

Under these circumstances, turning our attention to the Group's business environment, in our core domestic cement business, it is expected that a certain amount of demand will continue owing to redevelopment investment in urban areas, construction related to the Linear Chuo Shinkansen, countermeasure construction for national resilience, disaster prevention and mitigation measures, and renewal of aging social infrastructure, etc. On the other hand, delays in construction progress and prolonged construction periods caused by the shortage of skilled workers at construction sites can pose risks of putting downward pressure on demand in the future. The Group will continue to adjust its selling prices to address the risk of rising prices of raw materials and fuels such as coal, carbon neutrality, and various issues in the logistics industry.

In the U.S., the economy is expected to grow mainly due to the implementation of public Investments in earnest based on an infrastructure investment bill and investments related to the Los Angeles Olympics and Paralympics scheduled to be held in 2028, in addition to strong consumer spending. However, the impact of monetary tightening due to prolonged inflation and movements toward the presidential election this fall must be monitored closely.

As for the business results for the next fiscal year, the Group forecasts net sales of ¥960.0 billion, operating profit of ¥84.0 billion, ordinary profit of ¥83.5 billion, and profit attributable to owners of parent of ¥62.0 billion.

In addition, to reflect the actual use of property, plant and equipment more appropriately, the Group has changed its depreciation method from the declining balance method to the straight-line method from the beginning of the fiscal year ending March 31, 2025. With this change, Depreciation is expected to be ¥7.8 billion lower than under the previous method, and operating profit, ordinary profit, and profit attributable to owners of parent included the effect of this change to profit and loss.

2. Basic Policy on Selection of Accounting Standards

The Group intends to prepare consolidated financial statements in accordance with Japanese GAAP for the time being.

Also, as a policy, the Group will take appropriate measures for the application of the International Financial Reporting Standards (IFRS) in consideration of domestic circumstances and other factors.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	79,842	80,101
Notes and accounts receivable - trade, and contract assets	158,136	167,848
Electronically recorded monetary claims - operating	24,826	38,735
Merchandise and finished goods	47,460	49,340
Work in process	1,529	1,465
Raw materials and supplies	89,383	72,371
Short-term loans receivable	1,459	1,345
Other	27,920	19,278
Allowance for doubtful accounts	(150)	(198)
Total current assets	430,408	430,289
Non-current assets		
Property, plant and equipment		
Buildings and structures	531,889	550,807
Accumulated depreciation	(374,577)	(387,059)
Buildings and structures, net	157,312	163,748
Machinery, equipment and vehicles	1,038,534	1,088,014
Accumulated depreciation	(847,452)	(898,533)
Machinery, equipment and vehicles, net	191,081	189,481
Land	165,027	158,496
Leased assets	26,217	27,849
Accumulated depreciation	(12,819)	(14,011)
Leased assets, net	13,398	13,838
Construction in progress	34,286	59,614
Other	101,217	120,317
Accumulated depreciation	(42,240)	(51,585)
Other, net	58,977	68,731
Total property, plant and equipment	620,083	653,910
Intangible assets		
Goodwill	101	103
Other	39,665	38,979
Total intangible assets	39,766	39,083
Investments and other assets		
Investment securities	117,839	132,313
Long-term loans receivable	2,376	2,486
Retirement benefit asset	23,697	38,906
Deferred tax assets	8,167	8,595
Other	27,832	33,993
Allowance for doubtful accounts	(1,309)	(1,327)
Total investments and other assets	178,604	214,967
Total non-current assets	838,454	907,961
Total assets	1,268,862	1,338,251

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	84,162	94,950
Electronically recorded obligations - operating	11,613	17,502
Short-term borrowings	149,573	142,915
Commercial papers	27,000	-
Current portion of bonds payable	10,000	-
Income taxes payable	3,687	5,446
Provision for bonuses	5,677	6,502
Provision for loss on business withdrawal	2,564	96
Other provisions	108	321
Other	91,395	100,367
Total current liabilities	385,784	368,103
Non-current liabilities		
Bonds payable	50,000	70,000
Long-term borrowings	166,911	157,553
Deferred tax liabilities	18,329	22,038
Retirement benefit liability	21,380	23,005
Provision for retirement benefits for directors (and other officers)	536	548
Provision for special repairs	227	304
Provision for product compensation	4,498	3,829
Provision for loss on business withdrawal	1,924	1,769
Other provisions	472	400
Lease liabilities	26,514	24,805
Asset retirement obligations	9,379	10,930
Other	54,045	58,576
Total non-current liabilities	354,221	373,762
Total liabilities	740,005	741,866
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	49,729	50,051
Retained earnings	342,880	379,125
Treasury shares	(13,738)	(17,942)
Total shareholders' equity	465,045	497,409
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,038	17,475
Deferred gains or losses on hedges	0	(19)
Revaluation reserve for land	3,610	3,697
Foreign currency translation adjustment	13,730	32,230
Remeasurements of defined benefit plans	530	12,418
Total accumulated other comprehensive income	29,911	65,801
Non-controlling interests	33,899	33,174
Total net assets	528,857	596,384
Total liabilities and net assets	1,268,862	1,338,251

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	809,542	886,275
Cost of sales	668,324	694,062
Gross profit	141,218	192,213
Selling, general and administrative expenses	136,761	135,743
Operating profit	4,456	56,470
Non-operating income		
Interest income	738	1,859
Dividend income	1,653	2,181
Rental income from real estate	91	95
Share of profit of entities accounted for using equity method	-	861
Foreign exchange gains	-	2,651
Other	2,427	2,970
Total non-operating income	4,911	10,619
Non-operating expenses		
Interest expenses	2,746	3,589
Share of loss of entities accounted for using equity method	2,771	-
Other	2,834	4,027
Total non-operating expenses	8,352	7,616
Ordinary profit	1,015	59,472
Extraordinary income		
Gain on disposal of non-current assets	1,053	1,479
Gain on sale of investment securities	1,307	942
Compensation income	1,766	-
Insurance claim income	-	2,512
Other	221	358
Total extraordinary income	4,348	5,292
Extraordinary losses		
Loss on disposal of non-current assets	5,255	4,865
Loss on sale of investment securities	442	0
Loss on valuation of investment securities	6	4
Impairment losses	6,061	1,333
Business withdrawal loss	7,984	-
Product compensation expenses	1,277	-
Other	702	527
Total extraordinary losses	21,730	6,730
Profit (loss) before income taxes	(16,366)	58,034
Income taxes – current	7,671	15,442
Income taxes – deferred	10,200	(1,083)
Total income taxes	17,872	14,358
Profit (loss)	(34,239)	43,675
Profit (loss) attributable to non-controlling interests	(1,032)	403
Profit (loss) attributable to owners of parent	(33,206)	43,272

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit (loss)	(34,239)	43,675
Other comprehensive income		
Valuation difference on available-for-sale securities	369	5,261
Deferred gains or losses on hedges	(5)	0
Foreign currency translation adjustment	25,042	16,590
Remeasurements of defined benefit plans, net of tax	1,389	11,901
Share of other comprehensive income of entities accounted for using equity method	2,196	3,087
Total other comprehensive income	28,990	36,841
Comprehensive income	(5,248)	80,517
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,334)	79,076
Comprehensive income attributable to non-controlling interests	1,086	1,441

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	86,174	49,729	384,154	(13,766)	506,291
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Dividends of surplus			(8,204)		(8,204)
Profit (loss) attributable to owners of parent			(33,206)		(33,206)
Reversal of revaluation reserve for land					-
Purchase of treasury shares				(69)	(69)
Disposal of treasury shares		(28)		97	69
Change in scope of consolidation			135		135
Increasing and decreasing by consolidated subsidiaries merging with unconsolidated subsidiaries			5		5
Increasing and decreasing by absorption split			24		24
Increase (decrease) by share exchanges					-
Transfer from retained earnings to capital surplus		28	(28)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	0	(41,273)	27	(41,245)
Balance at end of period	86,174	49,729	342,880	(13,738)	465,045

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,737	6	4,897	(11,322)	(992)	4,325	34,181	544,799
Changes during period								
Change in ownership interest of parent due to transactions with non-controlling interests								0
Dividends of surplus								(8,204)
Profit (loss) attributable to owners of parent								(33,206)
Reversal of revaluation reserve for land								-
Purchase of treasury shares								(69)
Disposal of treasury shares								69
Change in scope of consolidation								135
Increasing and decreasing by consolidated subsidiaries merging with unconsolidated subsidiaries								5
Increasing and decreasing by absorption split								24
Increase (decrease) by share exchanges								-
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	301	(5)	(1,286)	25,053	1,523	25,585	(281)	25,303
Total changes during period	301	(5)	(1,286)	25,053	1,523	25,585	(281)	(15,941)
Balance at end of period	12,038	0	3,610	13,730	530	29,911	33,899	528,857

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	86,174	49,729	342,880	(13,738)	465,045
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		221			221
Dividends of surplus			(8,215)		(8,215)
Profit (loss) attributable to owners of parent			43,272		43,272
Reversal of revaluation reserve for land			1,199		1,199
Purchase of treasury shares				(5,022)	(5,022)
Disposal of treasury shares		140		81	222
Change in scope of consolidation					-
Increasing and decreasing by consolidated subsidiaries merging with unconsolidated subsidiaries					-
Increasing and decreasing by absorption split					-
Increase (decrease) by share exchanges		(52)		736	684
Transfer from retained earnings to capital surplus		11	(11)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	322	36,245	(4,204)	32,363
Balance at end of period	86,174	50,051	379,125	(17,942)	497,409

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,038	0	3,610	13,730	530	29,911	33,899	528,857
Changes during period								
Change in ownership interest of parent due to transactions with non-controlling interests								221
Dividends of surplus								(8,215)
Profit (loss) attributable to owners of parent								43,272
Reversal of revaluation reserve for land								1,199
Purchase of treasury shares								(5,022)
Disposal of treasury shares								222
Change in scope of consolidation								-
Increasing and decreasing by consolidated subsidiaries merging with unconsolidated subsidiaries								-
Increasing and decreasing by absorption split								-
Increase (decrease) by share exchanges								684
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	5,436	(20)	86	18,499	11,887	35,890	(725)	35,164
Total changes during period	5,436	(20)	86	18,499	11,887	35,890	(725)	67,527
Balance at end of period	17,475	(19)	3,697	32,230	12,418	65,801	33,174	596,384

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(16,366)	58,034
Depreciation	64,419	66,304
Amortization of goodwill	46	41
Share of loss (profit) of entities accounted for using equity method	2,771	(861)
Loss (gain) on valuation of investment securities	6	4
Increase (decrease) in net retirement benefit liability and net retirement benefit asset	(1,461)	(48)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	23	11
Increase (decrease) in provision for bonuses	(574)	821
Increase (decrease) in allowance for doubtful accounts	(532)	63
Increase (decrease) in provision for loss on business withdrawal	4,452	(2,608)
Increase (decrease) in other provisions	997	(288)
Interest and dividend income	(2,392)	(4,040)
Interest expenses	2,746	3,589
Loss (gain) on sale of investment securities	(865)	(942)
Loss (gain) on disposal of non-current assets	4,202	3,385
Impairment losses	6,061	1,333
Decrease (increase) in trade receivables	(18,217)	(21,019)
Decrease (increase) in inventories	(37,165)	18,111
Increase (decrease) in trade payables	9,376	15,152
Other, net	(10,018)	16,112
Subtotal	7,508	153,157
Interest and dividends received	3,211	4,899
Interest paid	(2,740)	(3,597)
Income taxes paid	(8,247)	(13,915)
Net cash provided by (used in) operating activities	(268)	140,543
Cash flows from investing activities		
Decrease (increase) in time deposits	1,937	318
Purchase of non-current assets	(63,401)	(87,159)
Proceeds from sale of non-current assets	1,820	2,236
Purchase of other depreciated assets	(595)	(204)
Proceeds from sale of depreciation and amortization assets	79	-
Purchase of investment securities	(1,991)	(85)
Proceeds from sale and redemption of investment securities	2,048	1,697
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	355	32
Loan advances	(1,242)	(1,472)
Proceeds from collection of loans receivable	660	1,582
Payments for acquisition of businesses	(30,930)	-
Other, net	(2,082)	916
Net cash provided by (used in) investing activities	(93,344)	(82,138)

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	23,237	(7,677)
Increase (decrease) in commercial papers	6,000	(27,000)
Proceeds from long-term borrowings	144,264	51,830
Repayments of long-term borrowings	(41,826)	(60,795)
Proceeds from issuance of bonds	-	20,000
Redemption of bonds	-	(10,000)
Purchase of treasury shares	(12)	(5,024)
Dividends paid	(8,204)	(8,215)
Dividends paid to non-controlling interests	(942)	(138)
Other, net	(10,435)	(12,455)
Net cash provided by (used in) financing activities	112,080	(59,476)
Effect of exchange rate change on cash and cash equivalents	2,048	1,350
Net increase (decrease) in cash and cash equivalents	20,515	278
Cash and cash equivalents at beginning of period	50,213	70,828
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	50	-
Increase in cash and cash equivalents resulting from merger	48	39
Cash and cash equivalents at end of period	70,828	71,146

- (5) Notes to consolidated financial statements
(Note relating to going concern assumption)
Not applicable.

(Changes in presentation)

(Consolidated Statements of Income)

“Amortization of goodwill” in “Selling, general and administrative expenses,” which was separately presented in the previous fiscal year, has been included in “Selling, general and administrative expenses” from the fiscal year under review due to a decrease in materiality. To reflect this change, the consolidated balance sheet for the previous fiscal year has been reclassified.

As a result of this, ¥46 million, which was presented as “Amortization of goodwill” in “Selling, general and administrative expenses” in the consolidated statements of income for the previous fiscal year has been reclassified as “Selling, general and administrative expenses.”

(Segment information)

[Segment information]

1. Description of reportable segments

The Company’s reportable segments are component units of the Company for which discrete financial information is available and for which the Board of Directors regularly conducts a review to determine the allocation of management resources and assess performance. The reportable segments have been divided into “Cement,” “Mineral Resources,” “Environmental,” and “Construction Materials” according to the products and services handled by each business.

The following are major products, etc. provided by each reportable segment.

Reportable segment	Major products, etc.
Cement	Various cement products, ready-mixed concrete
Mineral Resources	Aggregates, limestone products
Environmental	Waste recycling, desulfurization materials
Construction Materials	Precast concrete products, autoclaved lightweight concrete (ALC)

2. Explanation of measurements of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting method for the reportable business segments is generally the same as the method used in the preparation of the consolidated financial statements. Profit of reportable segments are based on operating profit. Inter-segment net sales and transfers are based on prevailing market prices.

(Changes in classification of reportable segments)

Certain affiliates accounted for by the equity method which were previously included in “Construction Materials” of the Group’s reportable segments have been reclassified as part of “Cement” beginning from the fiscal year under review.

Segment information for the previous consolidated fiscal year has been prepared and stated based on the classification after change.

3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment
Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment					Other (Note) 1	Total	Adjustments (Note) 2	Consolidated Total (Note) 3
	Cement Business	Mineral Resources Business	Environ- mental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	545,742	61,929	73,456	67,081	748,210	61,331	809,542	-	809,542
Inter-segment sales	7,299	20,776	4,454	1,188	33,718	25,594	59,313	(59,313)	-
Total	553,041	82,706	77,911	68,270	781,929	86,926	868,855	(59,313)	809,542
Segment profit (loss)	(14,898)	5,556	5,871	2,351	(1,119)	5,108	3,989	466	4,456
Segment assets	849,063	112,700	25,801	82,965	1,070,530	220,361	1,290,892	(22,030)	1,268,862
Other items									
Depreciation (Note) 4	43,893	7,587	900	2,427	54,809	7,906	62,715	1,703	64,419
Amortization of goodwill	46	-	-	-	46	-	46	-	46
Share of profit (loss) of entities accounted for using equity method	978	(244)	13	178	927	(3,676)	(2,749)	(22)	(2,771)
Impairment losses	5,465	153	4	60	5,685	376	6,061	-	6,061
Investment in entities accounted for using equity method	60,288	-	286	4,306	64,880	11,259	76,139	726	76,866
Increase in property, plant and equipment and intangible assets (Note) 4	87,646	11,374	435	2,157	101,613	2,816	104,429	666	105,095

- Notes:
1. The “Other” section is a business segment that is not included in the reportable segments and includes the real estate, engineering, data processing, finance, transportation and warehousing, chemical products, sports, and electric power supply businesses.
 2. Adjustments to segment profit (loss) consist of elimination of inter-segment transactions. Adjustments to segment assets mainly consist of corporate assets that are not attributable to any reportable segments of ¥61,076 million and elimination of inter-segment transactions. Corporate assets consist mainly of the Company’s surplus operating funds (deposits) and assets associated with the Administration Department.
 3. Segment profit (loss) is adjusted with the operating profit in the consolidated statements of income.
 4. Depreciation and increase in property, plant, equipment and intangible assets reported under the “Other items” section include amounts associated with long-term prepaid expenses.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment					Other (Note) 1	Total	Adjustments (Note) 2	Consolidated Total (Note) 3
	Cement Business	Mineral Resources Business	Environ- mental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	621,626	64,378	64,503	72,230	822,738	63,536	886,275	-	886,275
Inter-segment sales	8,243	23,296	3,751	1,225	36,517	25,860	62,378	(62,378)	-
Total	629,870	87,674	68,254	73,456	859,255	89,397	948,653	(62,378)	886,275
Segment profit (loss)	32,783	8,455	6,138	4,208	51,585	4,691	56,276	193	56,470
Segment assets	883,705	119,356	25,434	88,242	1,116,739	229,627	1,346,367	(8,116)	1,338,251
Other items									
Depreciation (Note) 4	46,072	7,500	760	2,441	56,774	8,166	64,940	1,363	66,304
Amortization of goodwill	41	-	-	-	41	-	41	-	41
Share of profit (loss) of entities accounted for using equity method	1,416	422	10	764	2,613	(1,685)	928	(66)	861
Impairment losses	552	268	397	109	1,327	5	1,333	-	1,333
Investment in entities accounted for using equity method	50,915	-	283	18,518	69,717	12,576	82,294	436	82,731
Increase in property, plant and equipment and intangible assets (Note) 4	67,855	13,603	1,450	2,604	85,513	3,736	89,250	158	89,408

- Notes:
1. The "Other" section is a business segment that is not included in the reportable segments and includes the real estate, engineering, data processing, finance, transportation and warehousing, chemical products, sports, and electric power supply businesses.
 2. Adjustments to segment profit (loss) consist of elimination of inter-segment transactions. Adjustments to segment assets mainly consist of corporate assets that are not attributable to any reportable segments of ¥80,445 million and elimination of inter-segment transactions. Corporate assets consist mainly of the Company's surplus operating funds (deposits) and assets associated with the Administration Department.
 3. Segment profit (loss) is adjusted with the operating profit in the consolidated statements of income.
 4. Depreciation and increase in property, plant, equipment and intangible assets reported under the "Other items" section include amounts associated with long-term prepaid expenses.

[Related information]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

1. Information by product and service

Information is omitted as they are the same sections as the reportable segments.

2. Information by region

(1) Net sales

(Million yen)

Japan	United States	Other	Total
491,170	227,801	90,570	809,542

(Note) Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Million yen)

Japan	United States	Other	Total
405,405	169,731	44,946	620,083

3. Information by major customer

Information is omitted as there was no external customer that accounted for 10% or more of sales in the consolidated statements of income.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

1. Information by product and service

Information is omitted as they are the same sections as the reportable segments.

2. Information by region

(1) Net sales

(Million yen)

Japan	United States	Other	Total
534,537	279,001	72,736	886,275

(Note) Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Million yen)

Japan	United States	Other	Total
405,777	185,664	62,468	653,910

3. Information by major customer

Information is omitted as there was no external customer that accounted for 10% or more of sales in the consolidated statements of income.

[Information on impairment loss on non-current assets by reportable segment]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

Information is omitted as they are the same sections as the reportable segments.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

Information is omitted as they are the same sections as the reportable segments.

[Information on amortization of goodwill and balance of unamortized goodwill by reportable segment]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment					Other	Company wide/ eliminations	Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total			
Balance as of March 31, 2023	101	-	-	-	101	-	-	101

(Note) The amount of amortization of goodwill is omitted as identical information is disclosed in segment information.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment					Other	Company wide/ eliminations	Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total			
Balance as of March 31, 2024	103	-	-	-	103	-	-	103

(Note) The amount of amortization of goodwill is omitted as identical information is disclosed in segment information.

[Information on gain on negative goodwill by reportable segment]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

Information is omitted as it was immaterial.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

Information is omitted as it was immaterial.

(Per share information)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Net assets per share	4,228.48 yen	4,872.94 yen
Basic earnings (loss) per share	(283.68) yen	371.09 yen

(Notes) 1. Diluted earnings per share for the fiscal year under review are not shown as there are no dilutive potential shares. In addition, diluted earnings per share for the previous fiscal year are not shown as they refer to loss per share and there are no dilutive potential shares.

2. The basis for calculating basic earnings (loss) per share is as follows.

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Profit (loss) attributable to owners of parent (million yen)	(33,206)	43,272
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	(33,206)	43,272
Average number of common shares outstanding during the period (thousand shares)	117,055	116,610

(Significant events after reporting period)

1. Cancellation of treasury shares

At the Board of Directors meeting held on May 14, 2024, a resolution was passed to cancel treasury shares pursuant to Article 178 of the Companies Act.

- | | |
|--------------------------------------|---|
| (1) Class of shares to be cancelled | Common stock of the Company |
| (2) Number of shares to be cancelled | 3,793,500 shares (3.11% of the total issued shares before cancellation) |
| (3) Scheduled date of cancellation | May 31, 2024 |