

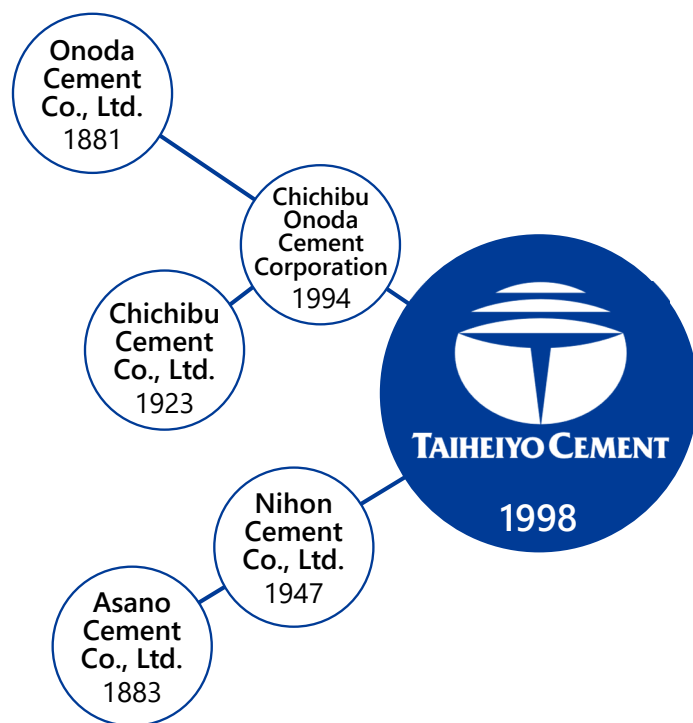


# Reference Materials of Financial Results for the Fiscal Year Ended March 31, 2024

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May 14, 2024

TAIHEIYO CEMENT CORPORATION



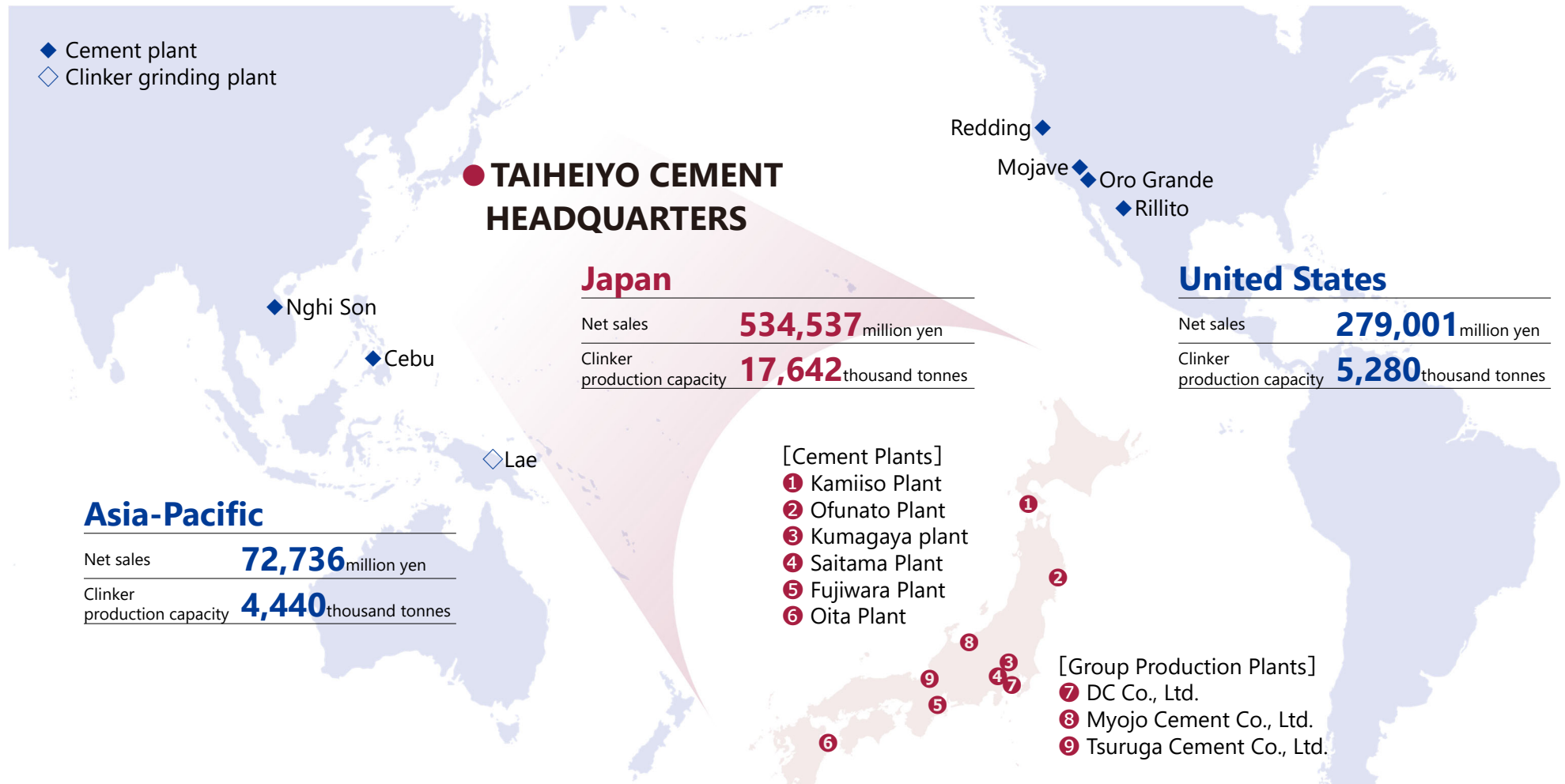
## Mission of the Taiheiyō Cement Group

Our mission is to contribute to social infrastructure development by providing solutions that are environmentally efficient, enhance our competitive position and bring value to our stakeholders.

Established	May 3, 1881
Capital	86,174 million yen
Headquarters	BUNKYO GARDEN GATE TOWER, 1-1-1, Koishikawa, Bunkyo-ku, Tokyo 112-8503, Japan
Number of employees	Consolidated: 12,540 Non-consolidated: 1,821 (not including seconded staff)
Subsidiaries	200 (including 129 consolidated subsidiaries and 4 equity-method subsidiaries)
Affiliates	103 (including 38 equity-method affiliates)

( as of March 31, 2023 )

# Market Area



(as of March 31, 2023)

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# 1. Highlights of Consolidated Financial Results

# 1. Highlights of Consolidated Financial Results

## 《Summary of Financial Results》

- Sales and profit increased from the previous year due to penetration of sales price increases in domestic cement, strong performance of U.S.A. subsidiaries, and penetration of sales price increases in domestic businesses
- The dividend is scheduled 70 yen/share as planned

(Million yen)

	FY2023	FY2024	Change
Net sales	809,542	<b>886,275</b>	+76,733
Operating profit	4,456	<b>56,470</b>	+52,013
Ordinary profit	1,015	<b>59,472</b>	+58,457
Profit attributable to owners of parent	(33,206)	<b>43,272</b>	+76,479
Dividend per share (Yen)	70	<b>70</b>	—

# 1. Highlights of Consolidated Financial Results

## 《Main Indicators》

	FY2023	FY2024	Change
Operating profit to net sales ratio (%)	0.6	<b>6.4</b>	+5.8
Basic earnings per share (Yen)	(283.7)	<b>371.1</b>	+654.8
Net assets per share (Yen)	4,228.5	<b>4,872.9</b>	+644.5
Return on equity (ROE)(%)	(6.6)	<b>8.2</b>	+14.8
Capital adequacy ratio (%)	39.0	<b>42.1</b>	+3.1
Net debt/equity ratio (Times)	0.65	<b>0.52</b>	(0.14)

## 《Environmental Factors》

	FY2023	FY2024	Change
Average exchange rate (Yen/US\$)	131.6	<b>140.7</b>	+9.0
Average procurement price of imported coal, etc. for domestic (C&F \$/t)	340	<b>210</b>	(130)

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## 2. Financial Results for the Fiscal 2024



## 2. Financial Results for the Fiscal 2024

### (1) Consolidated Segment Information

(Million yen)

		Net sales			Operating profit		
		FY2023	FY2024	Change	FY2023	FY2024	Change
Cement Business	Domestic	255,740	<b>295,169</b>	+39,429	(36,918)	<b>(1,408)</b>	+35,509
	Overseas Subsidiaries, etc.	297,301	<b>334,700</b>	+37,399	22,019	<b>34,191</b>	+12,172
	Total	553,041	<b>629,870</b>	+76,828	(14,898)	<b>32,783</b>	+47,682
Mineral Resources Business		82,706	<b>87,674</b>	+4,968	5,556	<b>8,455</b>	+2,899
Environmental Business		77,911	<b>68,254</b>	(9,656)	5,871	<b>6,138</b>	+266
Construction Materials Business		68,270	<b>73,456</b>	+5,185	2,351	<b>4,208</b>	+1,856
Other		86,926	<b>89,397</b>	+2,471	5,108	<b>4,691</b>	(417)
Total		868,855	<b>948,653</b>	+79,797	3,989	<b>56,276</b>	+52,286
Elimination		(59,313)	<b>(62,378)</b>	(3,064)	466	<b>193</b>	(273)
Consolidated Total		809,542	<b>886,275</b>	+76,733	4,456	<b>56,470</b>	+52,013

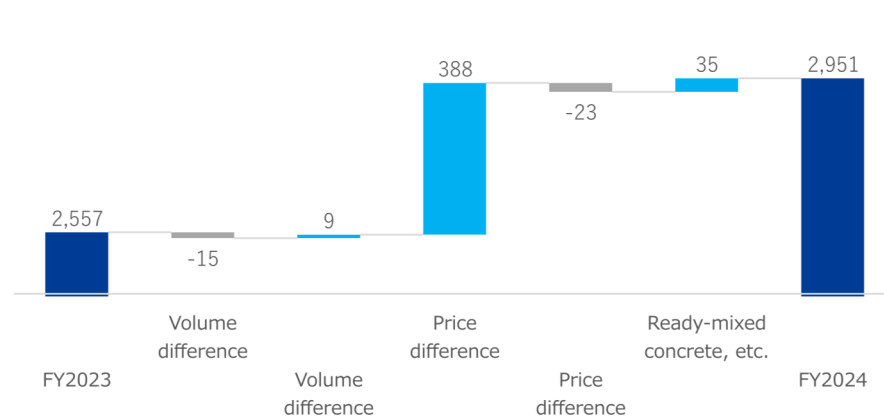
## 2. Financial Results for the Fiscal 2024

### ① The Domestic Cement Business

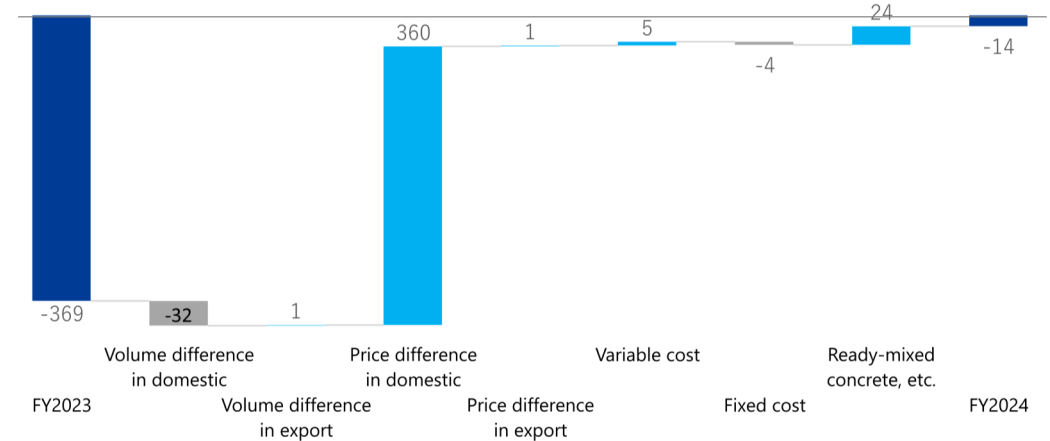
	FY2023	FY2024	Change
Sales volume (Thousand t)			
Domestic	13,129	<b>12,950</b>	(179)
Export	2,438	<b>2,552</b>	+114
Net sales (Million yen)	255,740	<b>295,169</b>	+39,429
Operating profit (Million yen)	(36,918)	<b>(1,408)</b>	+35,509

- Decrease in sales volume of cement and soil stabilizers due to decrease in domestic demand
- On the other hand, operating losses improved due to penetration of cement and soil stabilizers sales prices increases

Net Sales (Hundred million yen)

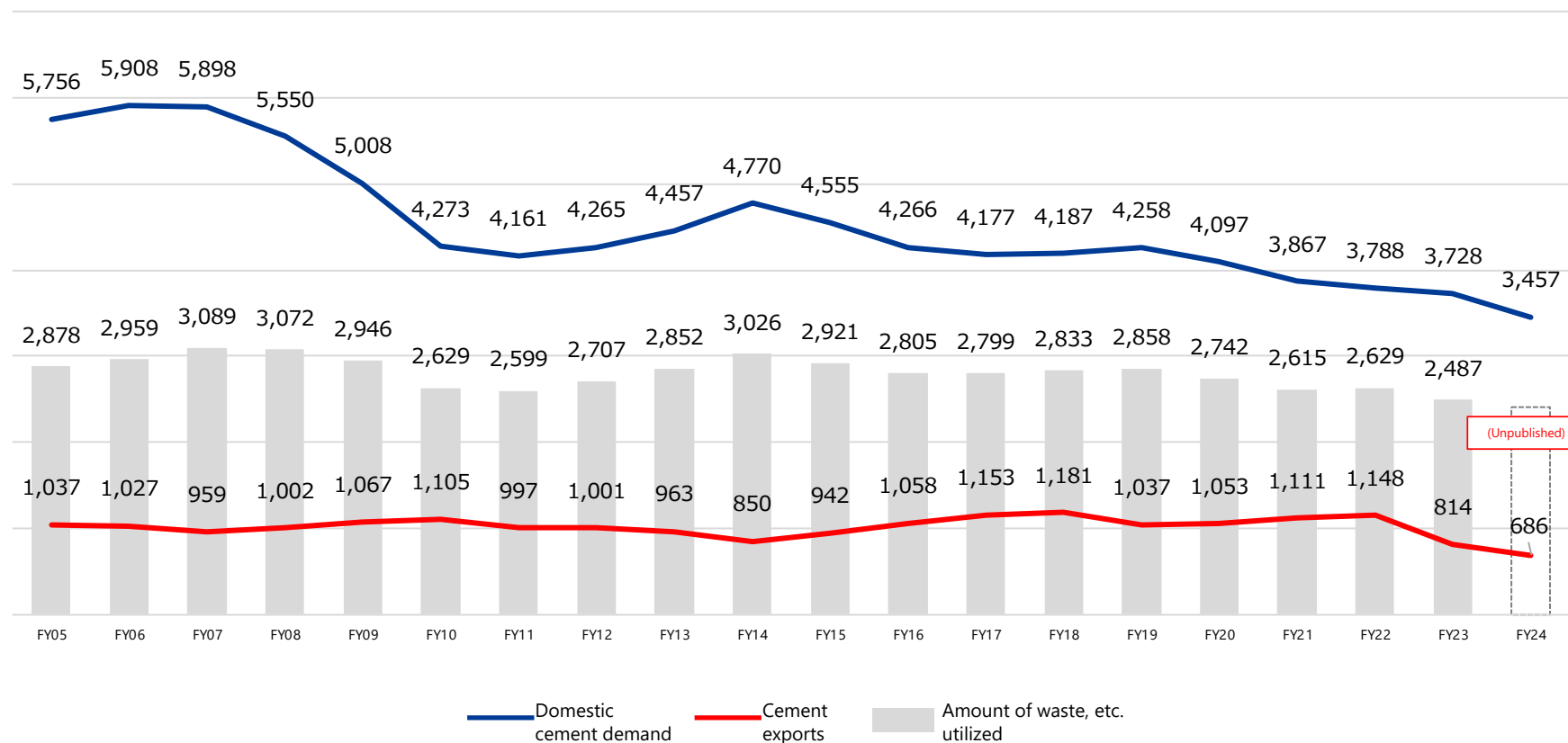


Operating Profit (Hundred million yen)



## 《Appendix》 Domestic cement demand · Cement exports · Amount of waste, etc. utilized

Domestic cement demand · Cement exports · Amount of waste, etc. utilized (Ten thousand t)



Data created from statistical data of the Japan Cement Association

## 2. Financial Results for the Fiscal 2024

### ② Overseas Subsidiaries, etc.

	FY2023	FY2024	Change
			in exchange
Net sales (Million yen)	297,301	<b>334,700</b>	+37,399 +20,685
Operating profit (Million yen)	22,019	<b>34,191</b>	+12,172 +2,333

➤ Continued strong performance in U.S.A. covered the difficult situation in Southeast Asia, and as a result, increased in sales and profit

### 《U.S.A.》

	FY2023	FY2024	Change
Cement (Thousand t)	6,693	<b>6,825</b>	+132
Ready-mixed concrete (Thousand cy)	5,596	<b>6,101</b>	+505
Net sales (Hundred million yen)	2,310	<b>2,840</b>	+530
(Million \$)	1,755	2,019	(+263)
Operating profit (Hundred million yen)	259	<b>390</b>	+130
(Million \$)	197	277	+80

➤ U.S.A. demand fell 2.5% year-on-year due to a slowdown in housing demand caused by high interest rates

➤ Sales and profit increased due to penetration of sales price increases and the effect of acquisitions (full-year effect of acquisition in July 2022) and others, despite the impact of bad weather in the first quarter

## 2. Financial Results for the Fiscal 2024

### ③ Mineral Resources, Environmental, Construction Materials and Other Business

(Million yen)

		FY2023	FY2024	Change	Main Factors of Changes in Net Sales and Operating Profit(Net Change)
<b>Mineral Resources Business</b>	Net sales	82,706	<b>87,674</b>	+4,968	Increase in aggregate sales volume in the Hokkaido, and Kansai region Increase in various type of costs passed on to sales prices
	Operating profit	5,556	<b>8,455</b>	+2,899	
<b>Environmental Business</b>	Net sales	77,911	<b>68,254</b>	(9,656)	Decrease in fuel sales
	Operating profit	5,871	<b>6,138</b>	+266	Sales of calcium carbonate used for flue gas desulfurization and gypsum remained strong
<b>Construction Materials Business</b>	Net sales	68,270	<b>73,456</b>	+5,185	Ground improvement projects and Shield tunnels construction related business were strong
	Operating profit	2,351	<b>4,208</b>	+1,856	Price optimization of ALC (Autoclaved Lightweight Concrete), construction and civil engineering materials
<b>Other</b>	Net sales	86,926	<b>89,397</b>	+2,471	
	Operating profit	5,108	<b>4,691</b>	(417)	

## 2. Financial Results for the Fiscal 2024

### (2) Consolidated Statements of Income

(Million yen)

	FY2023	FY2024	Change
Net sales	809,542	<b>886,275</b>	+76,733
Operating profit	4,456	<b>56,470</b>	+52,013
Non-operating income and expenses	(3,440)	<b>3,002</b>	+6,443
Ordinary profit	1,015	<b>59,472</b>	+58,457
Extraordinary income and losses	(17,382)	<b>(1,438)</b>	+15,944
Profit before income taxes	(16,366)	<b>58,034</b>	+74,401
Income taxes	17,872	<b>14,358</b>	(3,513)
Profit attributable to non-controlling interests	(1,032)	<b>403</b>	+1,435
Profit attributable to owners of parent	(33,206)	<b>43,272</b>	+76,479

## 2. Financial Results for the Fiscal 2024

### (3) Consolidated Balance Sheets

(Million yen)

		As of Mar. 31, 2023	As of Mar. 31, 2024	Change			As of Mar. 31, 2023	As of Mar. 31, 2024	Change	
Current assets	Cash and deposits	79,842	<b>80,101</b>	+259	Liabilities	Current liabilities	385,784	<b>368,103</b>	(17,680)	
	Trade receivables	182,963	<b>206,584</b>	+23,620		Non-current liabilities	354,221	<b>373,762</b>	+19,541	
	Inventories	138,373	<b>123,177</b>	(15,195)		<b>Total liabilities</b>	740,005	<b>741,866</b>	+1,861	
	Other	29,228	<b>20,425</b>	(8,803)	Net assets	Shareholders' equity	Share capital	86,174	<b>86,174</b>	—
<b>Total current assets</b>	430,408	<b>430,289</b>	(118)	Capital surplus			49,729	<b>50,051</b>	+322	
Non-current assets	Total property, plant and equipment	620,083	<b>653,910</b>	+33,827			Retained earnings	342,880	<b>379,125</b>	+36,245
	Total intangible assets	39,766	<b>39,083</b>	(683)			Treasury shares	(13,738)	<b>(17,942)</b>	(4,204)
	Total investments and other assets	178,604	<b>214,967</b>	+36,363		<b>Total shareholders' equity</b>	465,045	<b>497,409</b>	+32,363	
				Accumulated other comprehensive income		29,911	<b>65,801</b>	+35,890		
				Non-controlling interests	33,899	<b>33,174</b>	(725)			
	<b>Total non-current assets</b>	838,454	<b>907,961</b>	+69,507	<b>Total net assets</b>	528,857	<b>596,384</b>	+67,527		
	<b>Total assets</b>	1,268,862	<b>1,338,251</b>	+69,388	<b>Total liabilities and net assets</b>	1,268,862	<b>1,338,251</b>	+69,388		

	As of Dec. 31, 2022	As of Dec. 31, 2023	Change
Exchange rate at end of period (Yen/US\$)	132.7	<b>141.8</b>	+9.1

	As of Mar. 31, 2023	As of Mar. 31, 2024	Change
Interest-bearing debt (Million yen)	403,485	<b>370,469</b>	(33,016)

## 2. Financial Results for the Fiscal 2024

### (4) Consolidated Statements of Cash Flows

(Million yen)

	FY2023	FY2024	Change
Cash flows from operating activities	(268)	<b>140,543</b>	+140,812
Cash flows from investing activities	(93,344)	<b>(82,138)</b>	+11,206
Cash flows from financing activities	112,080	<b>(59,476)</b>	(171,556)
Effect of exchange rate change on cash and cash equivalents	2,048	<b>1,350</b>	(697)
Net increase (decrease) in cash and cash equivalents	20,515	<b>278</b>	(20,236)
Other	99	<b>39</b>	(59)
Cash and cash equivalents at beginning of period	50,213	<b>70,828</b>	+20,614
Cash and cash equivalents at end of period	70,828	<b>71,146</b>	+318



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### 3. Forecast for the Fiscal 2025

### 3. Forecast for the Fiscal 2025

#### 《Precondition》

- The precondition for the FY 2025 forecast is as follows

	FY2024(Actual)	FY2025(Forecast)	Change
Domestic cement demand (Ten thousand t)	3,457	<b>3,500</b>	+43
Average procurement price of imported coal, etc. for domestic (C&F \$/t)	210	<b>165</b>	(45)
Average exchange rate (Yen/US\$)	140.7	<b>145.0</b>	+4.3

(Sensitivity: Impact on operating profit)100 million yen negative impact by 1 yen drop in foreign exchange

#### 《Summary for the Fiscal 2025 Forecast》

- Expect to increase in sales and profits from the previous year
- Domestic cement business is expected to increase in operating profit due to an improvement of coal prices
- Overseas subsidiaries, etc. are expected to increase in sales and profit due to a strong performance in the U.S.A.
- Depreciation expense decreased by 7.8 billion yen due to change in depreciation method (declining-balance method → straight-line method)

### 3. Forecast for the Fiscal 2025

#### (1) Consolidated Statements of Income

(Hundred million yen)

	FY2024(Actual)	FY2025(Forecast)	Change
Net sales	8,862	<b>9,600</b>	+738
Operating profit	564	<b>840</b>	+276
Non-operating income and expenses	30	<b>(5)</b>	(35)
Ordinary profit	594	<b>835</b>	+241
Extraordinary income and losses	(14)	<b>(5)</b>	+9
Profit before income taxes	580	<b>830</b>	+250
Income taxes	143	<b>190</b>	+47
Profit attributable to non-controlling interests	4	<b>20</b>	+16
Profit attributable to owners of parent	432	<b>620</b>	+188

### 3. Forecast for the Fiscal 2025

#### (2) Consolidated Segment Information

(Hundred million yen)

		Net sales			Operating profit		
		FY2024 (Actual)	FY2025 (Forecast)	Change	FY2024 (Actual)	FY2025 (Forecast)	Change
Cement Business	Domestic	2,951	<b>3,140</b>	+189	(14)	<b>150</b>	+164
	Overseas Subsidiaries, etc.	3,347	<b>3,660</b>	+313	341	<b>425</b>	+84
	Total	6,298	<b>6,800</b>	+502	327	<b>575</b>	+248
Mineral Resources Business		876	<b>960</b>	+84	84	<b>100</b>	+16
Environmental Business		682	<b>750</b>	+68	61	<b>61</b>	—
Construction Materials Business		734	<b>810</b>	+76	42	<b>50</b>	+8
Other		893	<b>950</b>	+57	46	<b>55</b>	+9
Total		9,486	<b>10,270</b>	+784	562	<b>841</b>	+279
Elimination		(623)	<b>(670)</b>	(47)	1	<b>(1)</b>	(2)
Consolidated Total		8,862	<b>9,600</b>	+738	564	<b>840</b>	+276

※Decrease in depreciation expenses due to change in depreciation method (declining-balance method → straight-line method)  
 Domestic Cement: 49 hundred million yen, Mineral Resources: 11 hundred million yen, Environmental: 3 hundred million yen,  
 Construction Materials: 3 hundred million yen, Other: 10 hundred million yen

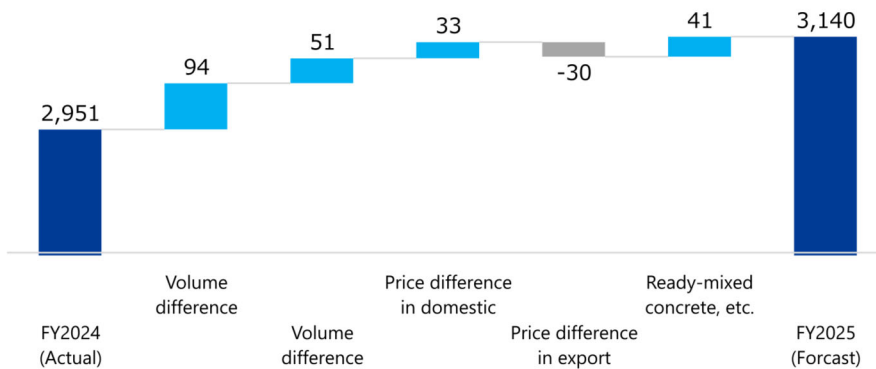
### 3. Forecast for the Fiscal 2025

#### ① The domestic Cement Business

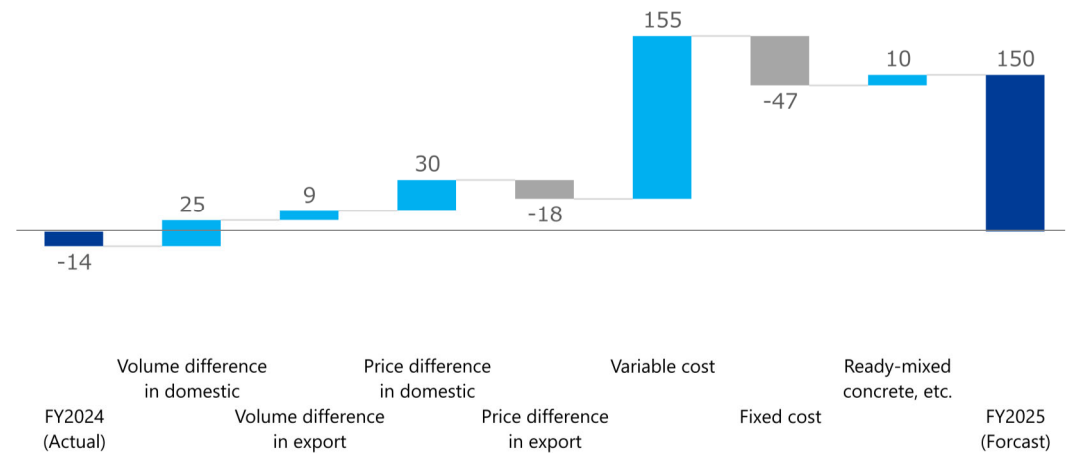
	FY2024 (Actual)	FY2025 (Forecast)	Change
Sales volume (Thousand t)			
Domestic	12,950	<b>13,300</b>	+350
Export	2,552	<b>3,300</b>	+748
Net sales (Hundred million yen)	2,951	<b>3,140</b>	+189
Operating profit (Hundred million yen)	(14)	<b>150</b>	+164

- Expect to increase in sales volume of cement and soil stabilizers due to a slight increase in domestic demand
- Expect to Increase in operating profit due to a price improvement of coal, etc.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



### 3. Forecast for the Fiscal 2025

#### ②Overseas Subsidiaries , etc.

	FY2024 (Actual)	FY2025 (Forecast)	Change in exchange
Net sales (Hundred million yen)	3,347	<b>3,660</b>	+313 +101
Operating profit (Hundred million yen)	341	<b>425</b>	+84 +13

- U.S.A. and Asia, etc. is expected to increase in sales and profit
- The new Philippine plant is scheduled to start commercial production in July 2024

#### 《U.S.A.》

	FY2024 (Actual)	FY2025 (Forecast)	Change
Cement (Thousand t)	6,825	<b>6,875</b>	+49
Ready-mixed concrete (Thousand cy)	6,101	<b>6,080</b>	(21)
Net sales (Hundred million yen)	2,840	<b>3,008</b>	+167
(Million \$)	2,019	2,074	+54
Operating profit (Hundred million yen)	390	<b>418</b>	+28
(Million \$)	277	288	+11

- U.S.A. is expected to increase in national demand by about 1.0% from the previous year, supported by infrastructure investment, etc., although a slowdown in private demand is expected
- Sales volume is expected to be similar to the previous year. However, sales and profit are expected to increase due to price increases and cost reductions

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## 4. Shareholder Returns

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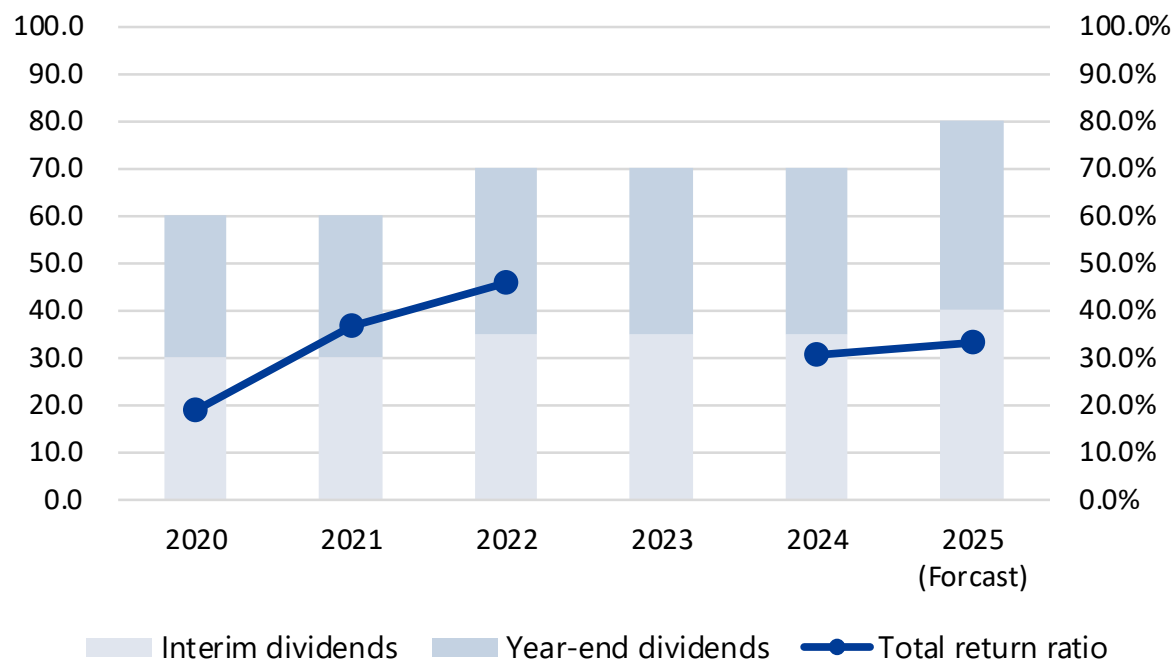
- 70 yen/share (including interim dividend of 35 yen/share) is scheduled in fiscal 2023 as planned
- 80 yen/share (including interim dividend of 40 yen/share) is planned to increase by 10 yen in fiscal 2024

《Shareholder Return Policy》

**Total return ratio: 33% or more**

**Maintaining steady dividends**  
:Dividend per share of 80 yen or more

**Agile acquisition of treasury shares**





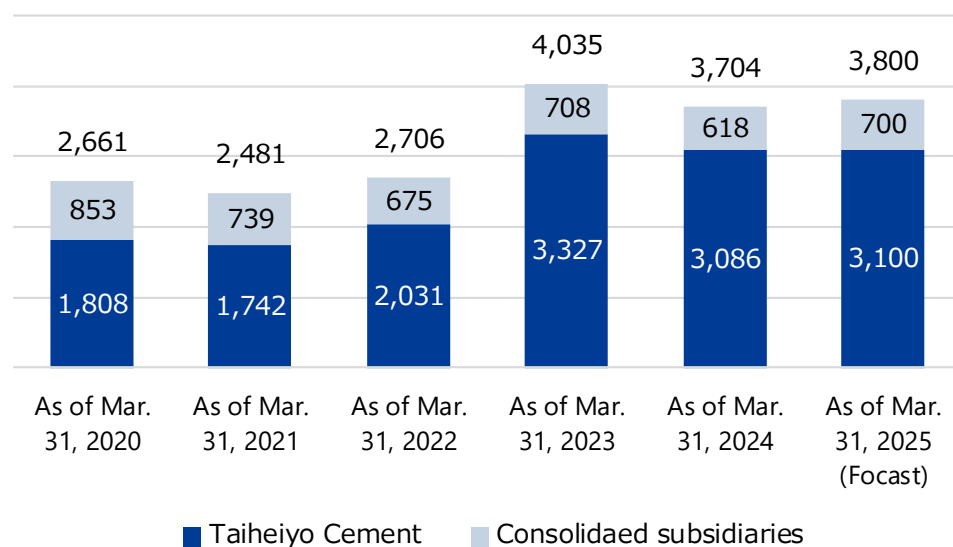
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# Appendix

# Transition Data

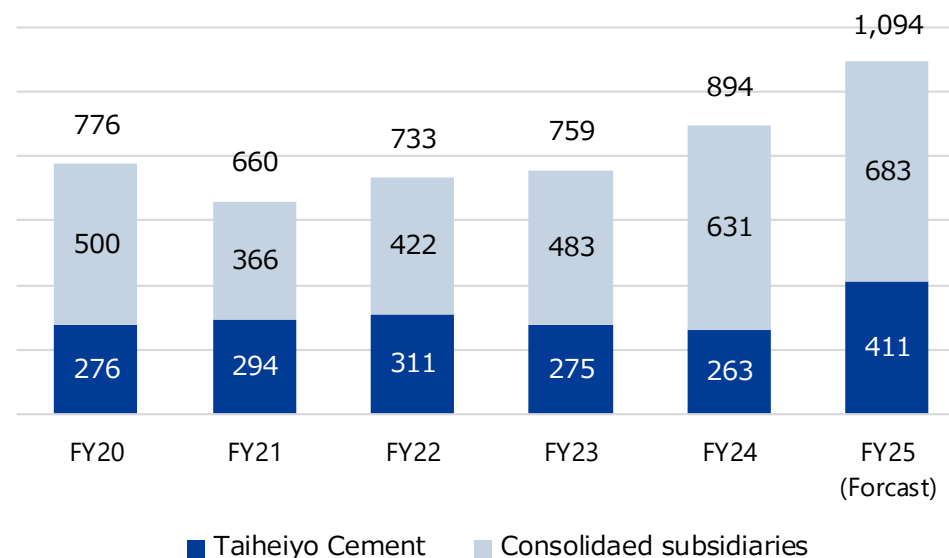
## (1) Interest-bearing Debt

(Hundred million yen)



## (2) Capital Investment

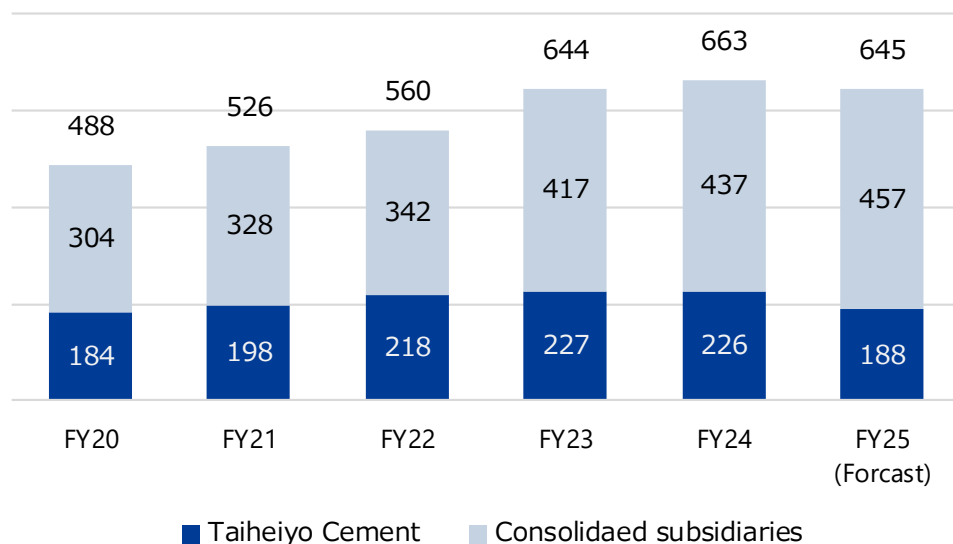
(Hundred million yen)



# Transition Data

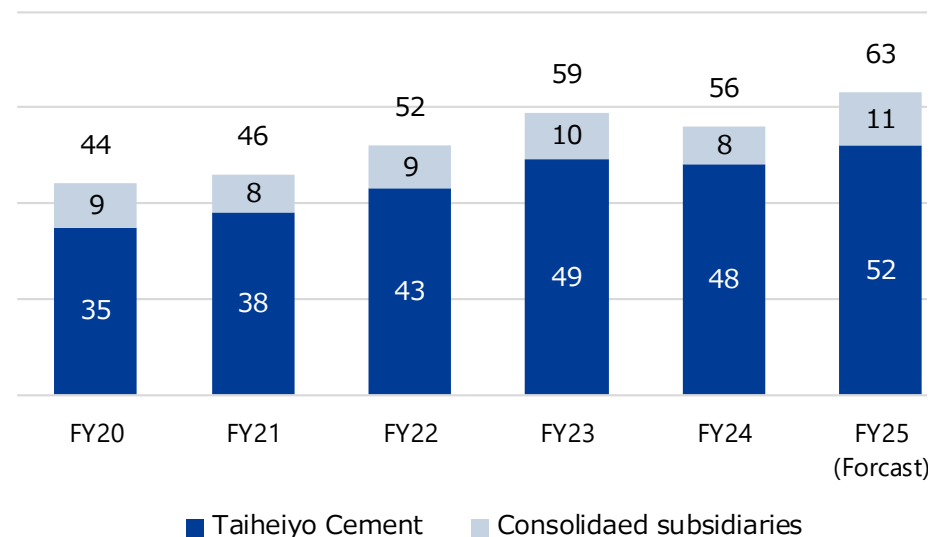
## (3) Depreciation Expenses

(Hundred million yen)



## (4) Research and Development Expenses

(Hundred million yen)

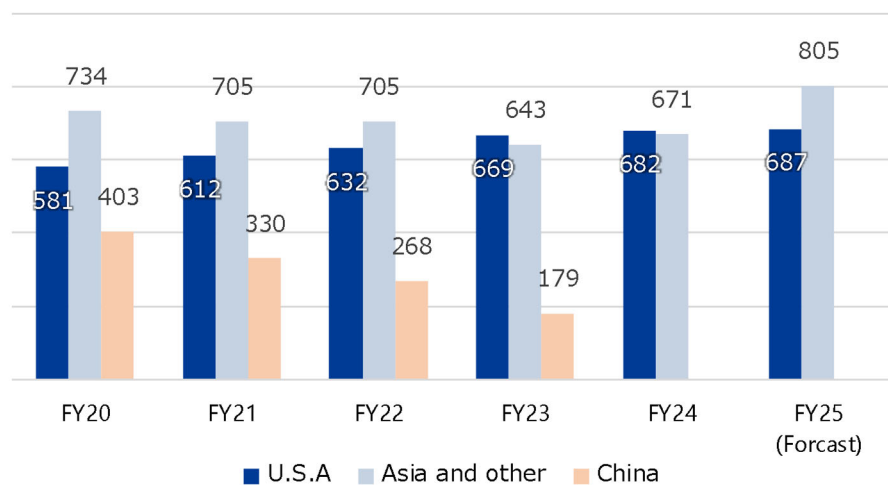


※ Change in depreciation method from FY 2025  
(declining-balance method to straight-line method)

# Transition Data

(5) Sales Volume of Cement in Overseas Subsidiaries  
(Simple sum of consolidated subsidiaries)

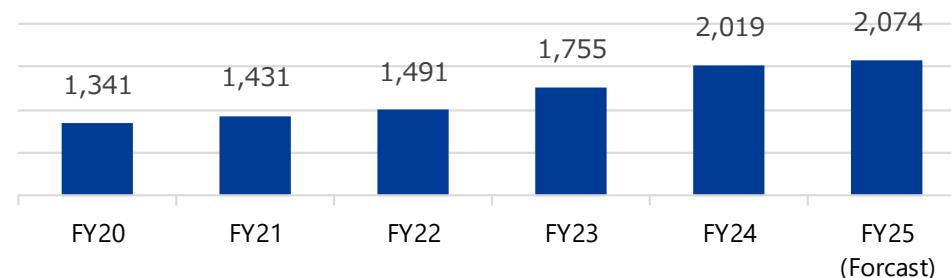
(Ten thousand t)



(6) Overview of Business in the U.S.A.

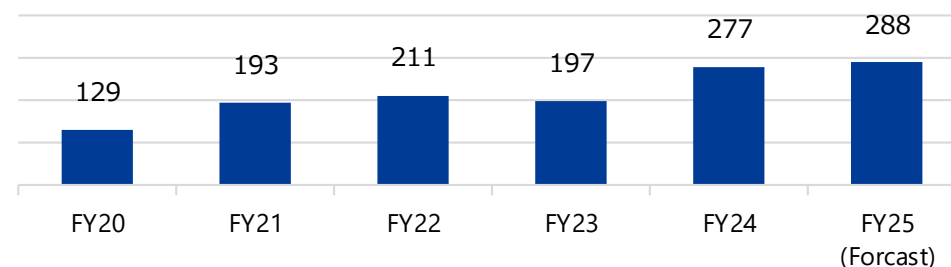
Net sales

(Million US\$)



Operating Profit

(Million US\$)



# Forecast for the First Half of Fiscal 2025

## (1) Consolidated Statements of Income

(Hundred million yen)

	FY2024 Six months (Actual)	FY2025 Six months (Forecast)	Change
Net sales	4,185	<b>4,640</b>	+455
Operating profit	177	<b>345</b>	+168
Ordinary profit	201	<b>345</b>	+144
Profit attributable to owners of parent	136	<b>265</b>	+129

※Decrease in depreciation expenses due to change in depreciation method (declining-balance method → straight-line method): 33million yen

# Forecast for the First Half of Fiscal 2025

## (2) Consolidated Segment Information

(Hundred million yen)

		Net sales			Operating profit		
		FY2024 Six months (Actual)	FY2025 Six months (Forecast)	Change	FY2024 Six months (Actual)	FY2025 Six months (Forecast)	Change
Cement Business	Domestic	1,442	<b>1,570</b>	+128	(60)	<b>42</b>	+102
	Overseas Subsidiaries, etc.	1,541	<b>1,770</b>	+229	139	<b>200</b>	+61
	Total	2,983	<b>3,340</b>	+357	78	<b>242</b>	+164
Mineral Resources Business		429	<b>470</b>	+41	40	<b>46</b>	+6
Environmental Business		325	<b>360</b>	+35	30	<b>28</b>	(2)
Construction Materials Business		341	<b>370</b>	+29	18	<b>16</b>	(2)
Other		403	<b>430</b>	+27	9	<b>13</b>	+4
Total		4,483	<b>4,970</b>	+487	178	<b>345</b>	+167
Elimination		(297)	<b>(330)</b>	(33)	(0)	<b>(0)</b>	—
Consolidated Total		4,185	<b>4,640</b>	+455	177	<b>345</b>	+168

※ Decrease in depreciation expenses due to change in depreciation method (declining-balance method → straight-line method)  
 Domestic Cement: 21 hundred million yen, Mineral Resources: 4 hundred million yen, Environmental: 1 hundred million yen,  
 Construction Materials: 1 hundred million yen, Other: 4 hundred million yen

# Key Player in the Formation of a Circular Economy

The Taiheiyo Cement Group will continue to fulfill its role as a supplier of critical materials for national resilience and as a key player in the formation of a circular economy, while progressing with the steady transition to carbon neutrality.

## Utilization of waste and by-products

- Coal ash
- Various industrial waste
- Construction soil
- Incineration residues
- Household water and sewage sludge etc.
- Blast furnace slag
- Municipal waste

Key player in the formation of a circular economy

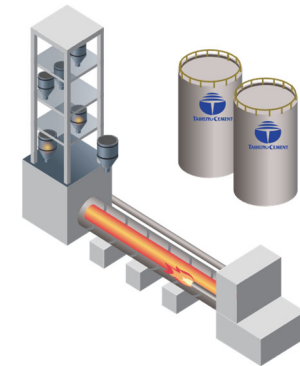
## Uses in the development of social infrastructure and the living environment

- Roads
- Ports and harbors
- Bridges
- Schools
- Commercial buildings
- Levees
- Underground facilities and more
- Railways
- Tunnels
- Hospitals
- Dams
- Housing

Supply critical materials for national resilience

Currently, the amount of waste and by-products used in the cement industry in Japan is equivalent to about 10% of the total amount of materials recycled in Japan.

Our group uses waste and by-products generated in local communities and other industries as raw materials and fuel to produce cement with a recycling rate of over 40%.



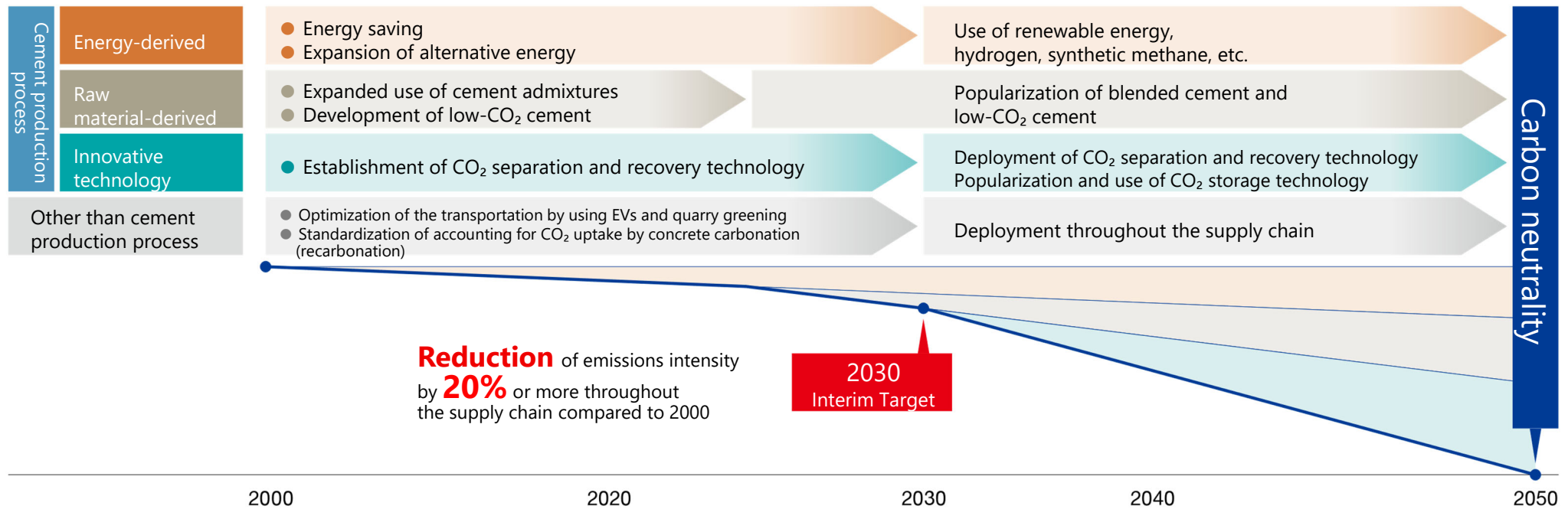
# Carbon Neutrality Transition Plan

**CO<sub>2</sub> emissions from cement manufacturing process are 60% raw material-derived and 40% energy-derived.**

**By 2030,**

- Completion of maximized use of existing technologies to reduce CO<sub>2</sub> emissions derived from energy and raw materials
- Completion of technological development of innovative technologies (CO<sub>2</sub> capture and CO<sub>2</sub> utilization)

**Toward 2050, we will sequentially deploy innovative technologies to deliver carbon neutrality throughout the entire supply chain.**





# External Evaluation

## FTSE Blossom Japan Sector Relative Index



## R&I

[Consecutive A- rating since 2018]



## Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)



## Platinum “Kurumin” certification

[Acquired in August 2023]



## MSCI Japan ESG Select Leaders Index



## Health & Productivity Management Outstanding Organization

[Acquired in 2023]



## S&P/JPX Carbon Efficient Index



## Human Capital Management Quality 2023

[Silver]



## CDP

[Selected as the “Supplier Engagement Leader”]  
[Scored A for climate change, B for water]



## DBJ Environmental Rating

[The Highest Rating for the eight consecutive year]



## JCR

[Consecutive A rating since 2020]



## List of major News Releases

Jan.22.2024	Participation in "Circular Partners", an Industry-Government-Academia Partnership for a Circular Economy
Jan.24.2024	Assistance to affected areas and victims of the 2024 Noto Peninsula Earthquake
Jan.30.2024	Breakthrough by Dynamic Approach in Sewage High Technology Project (B-DASH Project) "Research and Demonstration Project regarding Sewage Resources Utilization by using New Phosphorus Recovery System" Completion Ceremony Held for Phosphorus Recovery and Fertilizer Conversion Facility
Feb.6.2024	Taiheiyo Cement selected for CDP Climate Change "A List" (highest rating) for the second consecutive year in recognition of our advanced environmental initiatives and transparency
Feb.21.2024	Taiheiyo Cement Corporation Renames "Carbon Neutral Technology Development Project Team" to "Carbon Neutral Technology Development Department"
Feb.22.2024	Selected for "Human Capital Management Quality 2023 (Silver)" in the "Human Capital Survey 2023"
Feb.27.2024	Notice Concerning Changes in Representative Directors
Feb.29.2024	Taiheiyo Cement Obtains the Highest DBJ Environmental Rating for the eight consecutive year.
Mar.6.2024	Taiheiyo Cement has been selected as the "Supplier Engagement Leader", the highest rating in the "Supplier Engagement Rating" by CDP
Mar.11.2024	Taiheiyo Cement is Recognized as a "Certified Health and Productivity Management Organization" for Two Consecutive Years
Mar.21.2024	Installation of New Gas Engine Power Generation System at Fujiwara Plant
Apr.3.2024	Commencement of Demonstration Runs of C2SP Kiln® for CO2-capture Technology in the Cement Production Process
May.9.2024	Price revision of cement and cement-based soil stabilizers

## Disclaimer

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This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

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.

