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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 7, 2025

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 Scheduled date of commencing dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

President and Representative Director
 General Manager of General Affairs Department

(Yen amounts are rounded to the nearest million.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	211,191	1.1	10,061	(8.9)	9,994	(15.0)	6,822	(49.6)
June 30, 2024	208,852	7.9	11,048	493.2	11,761	295.2	13,528	-

(Note) Comprehensive income: Three months ended June 30, 2025: (12,352) million yen [-%]
 Three months ended June 30, 2024: 35,476 million yen [520.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	61.21	-
June 30, 2024	117.05	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2025	1,413,967	659,235	44.3
March 31, 2025	1,423,695	676,124	45.1

(Reference) Equity: As of June 30, 2025: 625,693 million yen
 As of March 31, 2025: 641,670 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		50.00	-	50.00	100.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	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, 2025	455,000	2.6	29,000	(20.3)	28,000	(20.8)	21,500	(28.8)	192.96
Full year	950,000	6.0	85,000	9.3	83,000	10.1	60,000	4.5	538.49

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please see “2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to quarterly consolidated financial statements, (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 8 of the Attached Materials of these Quarterly Financial Results.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025:	118,191,578 shares
March 31, 2025:	118,191,578 shares

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

June 30, 2025:	6,727,100 shares
March 31, 2025:	6,768,508 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025:	111,443,821 shares
Three months ended June 30, 2024:	115,578,252 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (Voluntary)

* Proper use of earnings forecasts, and other special matters

<Cautionary Note Regarding Forward-looking Statements>

Forward-looking statements such as performance forecasts included in this document are based on information currently available to the Company and on certain assumptions deemed reasonable. However, actual results may differ materially due to various factors, including economic conditions, market demand, raw material prices, exchange rates, etc. For matters concerning earnings forecasts, please see “1. Overview of Operating Results, etc., (3) Explanation of consolidated financial results forecast and other forward-looking information” on page 3 of the Attached Materials of these Quarterly Financial Results.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the quarter under review

During the three months ended June 30, 2025, the Japanese economy continued a gradual recovery on the back of an improving employment and income situation and effects of various governmental policies.

As for the global economy, the U.S. economy gradually expanded, supported by increases in capital and inventory investment due to rush demand related to the hikes in tariff rates. Meanwhile, the Chinese economy remained at a standstill as the real estate market remains stagnant, despite seeing the effects of various government policies. As for the economic outlook, the impact of U.S. trade policies and continued price increases on consumer spending through declining consumer sentiment must be monitored closely.

Under such circumstances, net sales for the three months ended June 30, 2025 were ¥211,191 million (up ¥2,339 million year-on-year), operating profit was ¥10,061 million (down ¥987 million year-on-year), ordinary profit was ¥9,994 million (down ¥1,767 million year-on-year), and profit attributable to owners of parent was ¥6,822 million (down ¥6,706 million year-on-year).

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

In line with organizational changes as of April 1, 2025, we have changed reportable segments of some subsidiaries in the first quarter of the fiscal year under review and accordingly, the following year-on-year comparisons are based on figures after such changes have been reflected.

① Cement Business

Domestic cement demand faced soaring construction costs, a chronic labor shortage, and a significant decrease of shipment on Saturdays due to the spread of a five-day week at construction sites, despite a certain level of demand mainly for the Hokkaido Shinkansen extension project, large-scale urban redevelopment projects, and construction related to the Linear Chuo Shinkansen. As a result, domestic cement demand decreased 6.4% year-on-year to 7.64 million tons, of which, imported cement decreased 2.2% year-on-year to 6 thousand tons. Total exports increased 7.3% year-on-year to 2.17 million tons.

Under these circumstances, the Group's domestic cement sales by volume, including consignment sales, decreased 8.5% year-on-year to 2.80 million tons. Exports increased 14.4% year-on-year to 0.89 million tons.

At West Coast U.S. cement businesses, sales by volume remained flat year-on-year and selling prices were higher year-on-year due to price increases. In the cement business in Vietnam, although exports decreased year-on-year, sales by volume increased year-on-year due to a recovery in domestic demand. In the cement business in the Philippines, sales by volume remained flat year-on-year.

As a result of the above, net sales were ¥156,237 million (up ¥792 million year-on-year), and operating profit was ¥4,446 million (down ¥2,404 million year-on-year).

② Mineral Resources Business

In the aggregates business, domestic sales by volume declined. In the mineral products business, despite an increase in sales by volume of limestone for the overseas market, sales by volume of limestone for the domestic market decreased. In the geo-solutions business, sales by volume of products for immobilizing heavy metal contaminants in soil increased due to steady progress of construction work. In addition, efforts to pass on various cost increases to selling prices progressed in the entire business.

As a result, net sales were ¥22,500 million (up ¥498 million year-on-year), and operating profit was ¥2,531 million (up ¥112 million year-on-year).

③ Environmental Business

While sales in gypsum were sluggish, operations of intermediary storage of soil generated from the Linear Chuo Shinkansen construction and sales in calcium carbonate remained strong. As a result, net sales were ¥19,059 million year-on-year (up ¥657 million year-on-year), and operating profit was ¥1,988 million (up ¥473 million year-on-year).

④ Construction Materials Business

In addition to steady sales of ALC (Autoclaved Lightweight aerated Concrete), we worked to optimize selling prices of construction and civil engineering materials. As a result, net sales were ¥10,431 million (up ¥90 million year-on-year), and operating profit was ¥366 million (up ¥48 million year-on-year).

⑤ Other Business

Net sales were ¥17,563 million (up ¥969 million year-on-year), and operating profit was ¥743 million (up ¥181 million year-on-year).

(2) Overview of financial position for the quarter under review

Total assets decreased ¥9,728 million from the end of the previous fiscal year to ¥1,413,967 million. Current assets increased ¥1,103 million from the end of the previous fiscal year to ¥406,833 million, and non-current assets decreased ¥10,831 million to ¥1,007,134 million. The increase in current assets was mainly due to an increase in electronically recorded monetary claims - operating. The decrease in non-current assets was mainly due to a decrease in machinery, equipment and vehicles.

Liabilities increased ¥7,161 million from the end of the previous fiscal year to ¥754,732 million. Current liabilities increased ¥7,621 million from the end of the previous fiscal year to ¥395,975 million, and non-current liabilities decreased ¥459 million to ¥358,758 million. The increase in current liabilities was mainly due to an increase in commercial papers. The decrease in non-current liabilities was mainly due to a decrease in retirement benefit liability. Interest-bearing debt (total amount of short-term borrowings, commercial papers, current portion of bonds payable, bonds payable, and long-term borrowings) increased ¥16,576 million from the end of the previous fiscal year to ¥406,265 million.

Net assets decreased ¥16,890 million from the end of the previous fiscal year to ¥659,235 million. This was mainly due to a decrease in foreign currency translation adjustment.

(3) Explanation of consolidated financial results forecast and other forward-looking information

The financial results forecast for the first half and the full year remains unchanged from the forecast announced on May 13, 2025 at this time.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	74,987	74,012
Notes and accounts receivable - trade, and contract assets	148,457	147,350
Electronically recorded monetary claims - operating	32,087	34,986
Merchandise and finished goods	54,373	55,168
Work in process	1,522	2,044
Raw materials and supplies	71,950	71,257
Other	22,469	22,176
Allowance for doubtful accounts	(115)	(159)
Total current assets	405,731	406,833
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	172,858	169,926
Machinery, equipment and vehicles, net	252,982	242,316
Land	163,531	161,728
Other, net	149,332	155,766
Total property, plant and equipment	738,702	729,735
Intangible assets		
Goodwill	64	57
Other	46,951	44,555
Total intangible assets	47,015	44,612
Investments and other assets		
Investment securities	135,374	136,562
Retirement benefit asset	49,389	49,322
Other	48,635	48,017
Allowance for doubtful accounts	(1,150)	(1,115)
Total investments and other assets	232,248	232,787
Total non-current assets	1,017,965	1,007,134
Total assets	1,423,695	1,413,967

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	73,647	73,823
Electronically recorded obligations - operating	16,284	15,987
Short-term borrowings	156,488	159,888
Commercial papers	5,000	17,000
Current portion of bonds payable	15,000	15,000
Income taxes payable	6,344	3,503
Provision for bonuses	7,302	5,482
Provision for product compensation	741	803
Other provisions	168	113
Other	107,380	104,375
Total current liabilities	388,354	395,975
Non-current liabilities		
Bonds payable	55,000	55,000
Long-term borrowings	158,200	159,376
Retirement benefit liability	23,008	22,275
Provision for retirement benefits for directors (and other officers)	536	433
Provision for special repairs	292	308
Provision for product compensation	2,728	2,637
Other provisions	360	358
Asset retirement obligations	14,453	14,127
Other	104,641	104,244
Total non-current liabilities	359,217	358,758
Total liabilities	747,571	754,732
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	50,288	50,298
Retained earnings	417,460	419,821
Treasury shares	(22,131)	(21,990)
Total shareholders' equity	531,791	534,303
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,879	21,142
Deferred gains or losses on hedges	0	1
Revaluation reserve for land	3,509	3,509
Foreign currency translation adjustment	64,316	44,025
Remeasurements of defined benefit plans	23,174	22,713
Total accumulated other comprehensive income	109,879	91,390
Non-controlling interests	34,455	33,542
Total net assets	676,124	659,235
Total liabilities and net assets	1,423,695	1,413,967

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	208,852	211,191
Cost of sales	163,478	164,731
Gross profit	45,374	46,460
Selling, general and administrative expenses	34,326	36,400
Operating profit	11,048	10,061
Non-operating income		
Interest income	548	158
Dividend income	1,559	1,569
Foreign exchange gains	942	-
Other	774	766
Total non-operating income	3,822	2,493
Non-operating expenses		
Interest expenses	992	1,425
Share of loss of entities accounted for using equity method	1,398	9
Other	719	1,127
Total non-operating expenses	3,109	2,560
Ordinary profit	11,761	9,994
Extraordinary income		
Gain on disposal of non-current assets	1,908	264
Gain on sale of investment securities	2	1
Gain on extinguishment of debt	4,459	-
Other	29	22
Total extraordinary income	6,397	287
Extraordinary losses		
Loss on disposal of non-current assets	428	667
Other	29	22
Total extraordinary losses	457	689
Profit before income taxes	17,701	9,592
Income taxes	3,964	2,384
Profit	13,736	7,208
Profit attributable to non-controlling interests	208	387
Profit attributable to owners of parent	13,528	6,822

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	13,736	7,208
Other comprehensive income		
Valuation difference on available-for-sale securities	1,216	2,591
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	19,361	(18,966)
Remeasurements of defined benefit plans, net of tax	(351)	(482)
Share of other comprehensive income of entities accounted for using equity method	1,513	(2,702)
Total other comprehensive income	21,740	(19,560)
Comprehensive income	35,476	(12,352)
(Breakdown)		
Comprehensive income attributable to owners of parent	34,240	(11,667)
Comprehensive income attributable to non-controlling interests	1,237	(685)

(3) Notes to quarterly consolidated financial statements

(Note relating to going concern assumption)

Not applicable.

(Notes in the case of significant changes in amount of shareholders' equity)

Not applicable.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, including the first quarter of the fiscal year under review, and multiplying profit before income taxes by such estimated effective tax rate. However, in cases where the calculation of tax expenses using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the result is multiplied by the statutory income tax rate.

(Business combination)

(Finalization of provisional accounting treatment related to business combination)

For the previous fiscal year, the Company applied provisional accounting treatment for the business combination by CalPortland Company, a subsidiary of the Company, with Grimes Rock, Inc. and its affiliates which was executed on December 27, 2024, and in the first quarter of the fiscal year under review, finalized the accounting treatment. There is no change in the amounts following this finalization of the provisional accounting treatment.

(Segment information, etc.)

[Segment information]

I. For the three months ended June 30, 2024

1. Information on net sales, profit or loss by reportable segment

(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	154,281	16,340	17,403	9,953	197,977	10,875	208,852	-	208,852
Inter-segment sales	1,164	5,662	999	388	8,213	5,719	13,932	(13,932)	-
Total	155,445	22,002	18,403	10,341	206,190	16,594	222,784	(13,932)	208,852
Segment profit	6,849	2,419	1,515	319	11,102	561	11,663	(616)	11,048

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 consist of elimination of inter-segment transactions.

3. Segment profit is adjusted with the operating profit in the quarterly consolidated statements of income.

2. Information on impairment losses on non-current assets, goodwill, etc. by reportable segment

Not applicable.

II. For the three months ended June 30, 2025

1. Information on net sales, profit or loss by reportable segment

(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	154,845	16,317	18,378	10,019	199,559	11,632	211,191	-	211,191
Inter-segment sales	1,391	6,183	681	413	8,668	5,931	14,599	(14,599)	-
Total	156,237	22,500	19,059	10,431	208,227	17,563	225,790	(14,599)	211,191
Segment profit	4,446	2,531	1,988	366	9,332	743	10,074	(13)	10,061

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 consist of elimination of inter-segment transactions.
3. Segment profit is adjusted with the operating profit in the quarterly consolidated statements of income.

2. Matters concerning changes in reportable segments, etc.

The Company has changed reportable segments from the first quarter of the fiscal year under review. Part of subsidiaries which was previously classified into the “Construction Materials Business” has been classified into the “Cement Business” and part of subsidiaries which was previously classified into “Other” has been classified into the “Environmental Business.”

As a result of these changes, segment information for the three months ended June 30, 2024 is presented based on the new classification of reportable segments.

3. Information on impairment losses on non-current assets, goodwill, etc. by reportable segment

Not applicable.

(Statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 have not been prepared. Depreciation (including depreciation related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 are as follows.

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	¥14,382 million	¥16,657 million
Amortization of goodwill	¥10 million	¥7 million