(Translation)

DISCLOSURE ON THE INTERNET ACCOMPANYING THE NOTICE OF THE 24th ORDINARY GENERAL MEETING OF STOCKHOLDERS

Consolidated Statements of Changes in Net Assets

Notes to Consolidated Financial Statements

Non-consolidated Statements of Changes in Net Assets

Notes to Non-consolidated Financial Statements

(from April 1, 2021 to March 31, 2022)

Taiheiyo Cement Corporation

The content of this document is posted on the website of Taiheiyo Cement Corporation ("the Company") (https://www.taiheiyo-cement.co.jp), pursuant to laws and regulations and Article 16 of the Articles of Incorporation of the Company.

(Translation)

Consolidated Statements of Changes in Net Assets

(April 1, 2021 - March 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	**86,174**	**60,292**	**365,593**	**(26,113)**	**485,946**
Cumulative effects of changes in accounting policies			(493)		(493)
Restated balance	**86,174**	**60,292**	**365,100**	**(26,113)**	**485,453**
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		350			350
Dividends of surplus			(7,648)		(7,648)
Profit attributable to owners of parent			28,971		28,971
Purchase of treasury shares				(5,016)	(5,016)
Disposal of treasury shares		(12)		87	75
Cancellation of treasury shares		(16,030)		16,030	-
Increase (decrease) by share exchanges		2,859		1,246	4,105
Transfer from retained earnings to capital surplus		2,269	(2,269)		-
Net changes in items other than shareholders' equity					
Total changes during period	**-**	**(10,563)**	**19,053**	**12,347**	**20,837**
Balance at end of period	**86,174**	**49,729**	**384,154**	**(13,766)**	**506,291**

(Translation)

(Unit: Millions of yen)

	Accumulated other comprehensive income							
	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	Non-controlling interests	Total net assets
Balance at beginning of period	**12,429**	**1**	**4,898**	**(29,917)**	**(2,438)**	**(15,025)**	**35,899**	**506,821**
Cumulative effects of changes in accounting policies							7	(485)
Restated balance	**12,429**	**1**	**4,898**	**(29,917)**	**(2,438)**	**(15,025)**	**35,907**	**506,335**
Changes during period								
Change in ownership interest of parent due to transactions with non-controlling interests								350
Dividends of surplus								(7,648)
Profit attributable to owners of parent								28,971
Purchase of treasury shares								(5,016)
Disposal of treasury shares								75
Cancellation of treasury shares								-
Increase (decrease) by share exchanges								4,105
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	(692)	4	(1)	18,595	1,445	19,351	(1,726)	17,625
Total changes during period	**(692)**	**4**	**(1)**	**18,595**	**1,445**	**19,351**	**(1,726)**	**38,463**
Balance at end of period	**11,737**	**6**	**4,897**	**(11,322)**	**(992)**	**4,325**	**34,181**	**544,799**

(Translation)

Notes to the Consolidated Financial Statements

1. Notes, etc. on Significant Matters serving as the Basis for Preparation of Consolidated Financial Statements

(1) Matters concerning Scope of Consolidation

(i) Number of consolidated subsidiaries and name of major consolidated subsidiaries

Number of consolidated subsidiaries: 112

Name of major consolidated subsidiaries:

Major consolidated subsidiaries are DC Co., Ltd., Clion Co., Ltd., Myojyo Cement Co., Ltd., Taiheiyo Materials Corporation, CalPortland Company, Jiangnan-Onoda Cement Co., Ltd., Dalian Onoda Cement Co., Ltd., Nghi Son Cement Corporation and Taiheiyo Cement Philippines, Inc.

Of note, Shanghai Sanhang Onoda Cement Co., Ltd., completed the liquidation process, and sales of shares of Matsue Remicon Co., Ltd. by Yasugi Onoda Remicon Co., Ltd. were completed, so these subsidiaries were excluded from the scope of consolidation.

(ii) Name, etc. of major unconsolidated subsidiaries

Name of major unconsolidated subsidiaries:

Major unconsolidated subsidiaries are Taiheiyo Singapore Pte., Ltd., and Taiheiyo Services Co., Ltd.

Reason for excluding from the scope of consolidation:

All unconsolidated subsidiaries are small companies, and none of them have a material impact on the consolidated financial statements in terms of the amount of equity interest including total assets, net sales, net income and retained earnings as a whole; accordingly, they were excluded from the scope of consolidation.

(2) Matters concerning Application of Equity Method

(i) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method and name of major companies, etc.

Number of unconsolidated subsidiaries accounted for by the equity method: 5

Name of major companies, etc.:

Major unconsolidated subsidiary accounted for by the equity method is Taiheiyo Singapore Pte., Ltd.

Number of affiliates accounted for by the equity method: 38

Name of major companies, etc.:

Major equity-method affiliates are Okutama Kogyo Co., Ltd., A&A Material Corporation, Fuji P.S Corporation, Yakushima Denko Co., Ltd., Chichibu Railway Co., Ltd., Azuma Shipping Co., Ltd. and PT Solusi Bangun Indonesia Tbk.

Of note, Saigon-RDC Company Limited completed transfer of equity and was excluded from the scope of the equity method, while PT Solusi Bangun Indonesia Tbk was included in the scope of the equity method as acquisition of its shares was completed.

(ii) Name, etc. of unconsolidated subsidiaries and affiliates not accounted for by the equity method

Name of major companies, etc.:

(Unconsolidated subsidiaries)

Unconsolidated subsidiaries not accounted for by the equity method are Taiheiyo Services Co., Ltd. and 58 other companies.

(Affiliates)

Affiliates not accounted for by the equity method are Cement Terminal Corporation and 62 other companies.

Reason for not applying the equity method:

Unconsolidated subsidiaries and affiliates not accounted for by the equity method were excluded from the scope of the equity method because the amount of equity interest including their respective net income and retained earnings all have minimal impact on the consolidated financial statements.

(iii) Particularly noteworthy matters concerning procedures for application of the equity method

For companies accounted for by the equity method whose fiscal year-end is different from the consolidated fiscal year-end, their respective non-consolidated financial statements for the most recent fiscal year have been used.

(3) Fiscal periods of consolidated subsidiaries

Of the consolidated subsidiaries, Taiheiyo Cement U.S.A., Inc., Jiangnan-Onoda Cement Co., Ltd., Nghi Son Cement Corporation, Dalian Onoda Cement Co., Ltd., GLACIER NORTHWEST, INC., Taiheiyo Cement (China) Investment Co., Ltd., CalPortland Company, Taiheiyo Cement Philippines, Inc., Coronet Industries Co., Ltd. and nine other companies use December 31 as their closing date. In preparing the consolidated financial statements, the Company used financial statements prepared as of that closing date and made necessary consolidation adjustments for important transactions that occurred in the period through the consolidated closing date.

(4) Matters concerning Accounting Policies

(i) Standards and methods for valuation of significant assets

a. Available-for-sale securities

a) Securities other than shares, etc. without market price:

Such securities are stated at market value.

(Valuation differences are all charged/credited directly to net assets, and the cost of selling the securities is determined by the moving-average method.)

b) Shares, etc. without market price:

Such securities are stated at cost, based on the moving-average method.

b. Derivatives

Derivatives are stated at market value.

c. Inventories

Inventories are mainly stated at cost, which is determined by the moving average method (subject to write-down due to diminished profitability.)

However, the cost for contract work in process is determined by the specific identification cost method.

Of note, inventories at the consolidated subsidiary in the U.S. are stated at lower of cost or market, based on the gross average method.

(ii) Depreciation method for significant depreciable assets

a. Property, plant and equipment (excluding leased assets)

The declining balance method is adopted by the Company and its domestic consolidated subsidiaries, and the straight-line method by its consolidated overseas subsidiaries.

However, the depreciation of buildings (excluding accompanying facilities) purchased on and after April 1, 1998 and accompanying facilities and structures purchased on and after April 1, 2016 is computed based on the straight-line method by the Company and its domestic consolidated subsidiaries.

The range of useful lives of main property, plant and equipment is as follows:

Buildings and structures:	10 - 75 years
Machinery, equipment and vehicles:	4 - 15 years

b. Intangible assets (excluding leased assets)

Intangible assets are amortized by the straight-line method.

However, mining rights are mainly amortized by the unit of production method and software is amortized by the straight-line method over its useful life assuming in-house use (5 years).

c. Leased assets

Leased assets are depreciated by the straight-line method that assumes their lease periods are useful lives and residual values are zero (or if there is a residual value guarantee, the guaranteed residual value).

(iii) Accounting standards for significant provisions

a. Allowance for doubtful accounts

Allowance for doubtful accounts is provided for by the Company and its domestic consolidated subsidiaries at the estimated uncollectible amount, which is calculated based on the historical credit loss ratio with respect to ordinary receivables, and in consideration of collectibility on a case-by-case basis with respect to specified receivables such as doubtful accounts. Consolidated overseas subsidiaries mainly provide for such allowance at the estimated uncollectible amount with respect to specified receivables.

b. Provision for bonuses

To prepare for the payment of bonuses payable to employees, the Company and its domestic consolidated subsidiaries record the estimated payable amount to be borne in the consolidated fiscal year under review.

c. Provision for retirement benefits for directors (and other officers)

Certain consolidated subsidiaries provide for retirement allowances for directors and corporate auditors at the necessary payment amount in full at the year-end based on their internal regulations.

d. Provision for special repairs

To prepare for the payment of expenses for special repairs of business-purpose facilities, certain consolidated subsidiaries record the estimated amount for repairs in the future.

e. Provision for product compensation

To prepare for the payment of expenses for measures against product malfunctions, certain consolidated subsidiaries record the estimated amount for payments in the future.

(iv) Accounting standards for revenue and expenses recognition

The Group recognizes revenue based on the following five-step approach.

Step 1: Identify the contract with a customer.

Step 2: Identify separate performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate transaction price to performance obligations in the contract.

Step 5: Recognize revenue when each performance obligation is satisfied.

The Group's main businesses are "Cement Business," "Mineral Resources Business," "Environmental Business," and "Construction Materials Business." The Group sells goods and provides services is these businesses.

For sales of goods, as goods are transferred to customers at the time of inspection of such goods, it is deemed that performance obligations are satisfied, and revenue is recognized at the time of inspection of such goods. In addition, applying the transitional treatment provided for in Paragraph 98 of "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30), for some domestic transactions, revenue is recognized at the time of shipment when the period between shipment of the goods to said goods being transferred to the customer is standard.

For provision of services, performance obligations are deemed satisfied in accordance with contents of the contract, and revenue is recognized when service is provided or when service is completed.

In the cases where the Group act as a principal in a direct transaction, revenue is presented in the total amount of consideration received from the customer. In the cases where the Group act as an agent for a third party to conduct the transaction, revenue is presented in the amount of the fee calculated by deducting the amount collected for the benefit of the third party from the consideration received from the customer.

Moreover, revenue is recognized in the amount of the consideration, etc. paid by the customer, which is calculated by deducting discounts, kickbacks, sales incentives, rebates, etc. from the amount of consideration expected to be entitled to by the corporation as goods or services is transferred to or exchanged with the customer.

(v) Standards for translating significant foreign currency assets and liabilities into Japanese yen

Monetary claims and obligations denominated in foreign currencies are translated into Japanese yen based on the spot exchange rate as at the consolidated closing date, and translation gains (losses) are recognized in profit (loss). Of note, consolidated overseas subsidiaries' assets and liabilities are translated into Japanese yen based on the spot exchange rate as at the consolidated closing date, revenue and expenses are translated into Japanese yen based on the average exchange rate for the fiscal year, and translation gains (losses) are included in "Foreign currency translation adjustment" and "Non-controlling interests" under Net Assets.

(vi) Significant hedge accounting methods

a. Method of hedge accounting

Gains/losses on hedges are deferred. Allocation treatment is applied when the currency swaps meet the conditions for application of such allocation treatment. Exceptional treatment is applied when the interest rate swaps meet the conditions for application of such exceptional treatment.

b. Hedging instruments and hedged items

Hedging instruments:

Interest rate swaps, currency swaps, raw materials and fuel swaps, interest-rate options, currency options, raw materials and fuel options and forward exchange contracts are employed as hedging instruments.

Hedged items:

Borrowings, accounts payable-trade, raw materials and fuel, etc.

c. Hedging policy

Hedging is limited to those aimed at hedging against the risk of interest rate, exchange rate, and raw materials and fuel price fluctuations of the hedged items and those aimed at eliminating hedging.

d. Method of evaluating hedge effectiveness

Hedge effectiveness is verified on a transaction-by-transaction basis at the end of each accounting period with respect to hedging instruments and hedged items; however, if the principal, interest rate, period, and other such significant terms of the hedging instruments and hedged items are the same, such verification is omitted.

(vii) Method and period of amortization of goodwill

Goodwill is amortized over the estimated number of years in cases that the number of years can be estimated based on practical judgment starting from the fiscal year of acquisition while the entire amount of goodwill is amortized in the fiscal year of acquisition without analyzing the causes in cases that the amount of goodwill is insignificant.

(viii) Accounting procedures for retirement benefit liability

To prepare for the payment of retirement benefits to employees, retirement benefit liability is recorded in the amount of retirement benefit obligation less plan assets based on the projected amount at the end of the consolidated financial year under review.

Actuarial gains and losses and prior service cost are amortized in equal amounts as expenses by the straight-line method over a certain number of years (primarily 10 years) within the average remaining years of service of employees at the time of accrual, commencing in the consolidated fiscal year following the year of accrual for actuarial gains and losses and in the consolidated fiscal year of accrual for prior service cost.

Unrecognized actuarial gains and losses and unrecognized prior service cost are recorded as “Remeasurements of defined benefit plans” in “Accumulated other comprehensive income” under Net Assets, after making tax effect adjustments. When the value of plan assets exceeds the amount of the retirement benefit obligation, the amount of such excess is recorded in “Retirement benefit asset”.

(ix) Amounts shown in these consolidated financial statements are rounded down to the nearest million yen.

2. Changes in Accounting Policy

Application of Accounting Standard for Revenue Recognition, etc.

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the consolidated fiscal year under review that the Company recognizes revenue when promised goods or services are transferred to a customer, in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services.

The main changes risen from application of Accounting Standard for Revenue Recognition, etc. are as follows.

(1) Revenue recognition for agent transactions

Revenue related to domestic purchase and sales transactions mainly for products such as cement and ready-mixed concrete products were generally recognized as revenue in the total amount of the consideration received from customers in previous years. For said transactions where the Group act as an agent that provides merchandise to customers, revenue in such transactions will be recognized in the net amount by deducting the amount paid to suppliers from the amount received from customers.

(2) Revenue recognition for considerations paid by customers

Considerations paid by customers such as sales charge that were generally recognized as selling, general and administrative expenses in previous years, will be recognized by deducting such amounts from the transaction price.

The Company applies Accounting Standard for Revenue Recognition, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of Accounting Standard for Revenue Recognition. The cumulative effects of retrospectively applying the new accounting policies to prior periods is adjusted to retained earnings at the beginning of the consolidated fiscal year under review, with the new accounting policies applied to the balance at the beginning of the consolidated fiscal year under review.

As a result, net sales decreased by ¥191,479 million, cost of sales decreased by ¥183,217 million, selling, general and administrative expenses decreased by ¥8,285 million, operating profit increased by ¥23 million, ordinary profit and profit before income taxes each increased by ¥26 million for the consolidated fiscal year under review. In addition, balance at the beginning of the consolidated fiscal year under review for retained earnings decreased by ¥493 million.

Owing to the application of Accounting Standard for Revenue Recognition, etc., for consolidated balance sheet of the previous consolidated fiscal year, "notes and accounts receivable-trade" that was presented in "current assets" will be presented under "notes and accounts receivable-trade, and contract assets" from the consolidated fiscal year under review.

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement, etc.

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. has been applied from the beginning of the consolidated fiscal year under review, and the new accounting policies stipulated by Implementation Guidance on Accounting Standard for Fair Value Measurement, etc. will be prospectively applied in accordance with the transitional treatment provided for in Paragraph 19 of Implementation Guidance on Accounting Standard for Fair Value Measurement and Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The impact of this change on the consolidated financial statements is immaterial. In addition, the Company will include notes on market value information by level within the market value hierarchy in "8. Notes on Financial Instruments."

3. Changes in Presentation

Not applicable.

4. Notes on Accounting Estimates

Among the items recorded in the consolidated financial statements for the consolidated fiscal year under review based on accounting estimates, the items that may have a significant impact on the consolidated financial statements for the next consolidated fiscal year are as follows.

Recoverability of deferred tax assets

(i) Amount recorded in the consolidated financial statements for the consolidated fiscal year under review

Deferred tax assets ¥11,081 million

(ii) Information contributing to the understanding of the contents of accounting estimates

Deferred tax assets are recorded in accordance with "Implementation Guidance on Recoverability of Deferred Tax Assets" (Guidance No. 26) that deductible temporary difference at the end of the consolidated fiscal year under review shall be recorded at the amount within the scope that is expected to reduce the amount of tax payable. Recoverability of deferred tax assets is determined by considering estimated taxable income, etc. based on future business plans. Future business plans are drafted with domestic cement demand, unit sales prices, and price of coal, etc. as the major assumptions, anticipating that while increasing price of coal due to the situation between Russia and Ukraine may continue for a certain amount of time, it will gradually come to an end. In addition, changes in economic condition due to future uncertainties may have impact on taxable income, etc.

5. Notes to the Consolidated Balance Sheets

(1) Assets pledged as collateral and secured liabilities

(i) Assets pledged as collateral

Cash and deposits	¥653 million
Property, plant and equipment	¥36,882 million
Intangible assets	¥28 million
Investment securities	¥70 million
Investments and other assets-other	¥2,109 million
Total	¥39,743 million

(ii) Secured liabilities

Notes and accounts payable-trade	¥4,490 million

Short-term borrowings	¥5,432 million
Long-term borrowings	¥1,323 million
Total	¥11,246 million

(2) Accumulated depreciation of property, plant and equipment ¥ 1,219,922 million

(3) Guarantee obligations

Guarantees for loans payable from banks, etc.	¥5,106 million
Guarantees for account payables to Ready-mixed Cooperative Association, etc.	¥1,198 million

(4) Discounted trade notes receivable and Trade notes receivable transferred by endorsement

Discounted trade notes receivable	¥2,250 million
Trade notes receivable transferred by endorsement	¥1,024 million
Discounts on electronically recorded monetary claims-operating	¥5 million
Electronically recorded monetary claims transferred by endorsement	¥370 million

(5) Revaluation of Land

A&A Material Corporation and Chichibu Railway Co., Ltd., the Company's affiliates accounted for by the equity method, revalued their business-purpose land in accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998) and the Act on Partial Revision of the Act on Revaluation of Land (revised on March 31, 1999). With respect to the valuation difference, the amount of the Company's share in the valuation difference is recorded in Net Assets as "Revaluation reserve for land."

6. Notes to the Consolidated Statements of Income

Loss on temporary suspension of operations

Fixed costs recognized during the period when operations of plants and commercial facilities were suspended in response to requests from central and local governments for the purpose of preventing the spread of COVID-19 were recorded as extraordinary loss at the Group's consolidated subsidiaries.

Product compensation expenses

Due to malfunction in some products, expenses for countermeasures were recorded.

(Translation)

7. Notes to the Consolidated Statements of Changes in Net Assets

(1) Class and total number of outstanding shares as at the end of the consolidated fiscal year under review:

Common stock 121,985,078 shares

(2) Matters concerning dividends

(i) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Amount of dividend per share	Record date	Effective date
Ordinary General Meeting of Stockholders held on June 29, 2021	Common stock	3,566 (Note 1)	¥30.00	March 31, 2021	June 30, 2021
Meeting of Board of Directors held on November 11, 2021	Common stock	4,092 (Note 2)	¥35.00	September 30, 2021	December 2, 2021

(Notes) 1. Includes dividends of ¥5 million associated with treasury shares held by consolidated subsidiaries.
2. Includes dividends of ¥5 million associated with treasury shares held by consolidated subsidiaries.

(ii) Dividends whose record date is at the end of the consolidated fiscal year under review whereas its effective date falls in the next consolidated fiscal year

The following matters concerning dividends for common stock are scheduled to be proposed at the Ordinary General Meeting of Stockholders.

Total amount of dividends: ¥4,107 million
Amount of dividend per share: ¥35.00
Record date: March 31, 2022
Effective date: June 30, 2022

Of note, the source of funding dividend payments is scheduled to be retained earnings.

Total amount of dividends includes dividends of ¥5 million associated with treasury shares held by consolidated subsidiaries.

(iii) Class and number of shares to be issued upon exercise of share options at the end of the consolidated fiscal year under review (excluding those for which the first day of the exercise period has not yet arrived)

Not applicable

(Translation)

8. Notes on Financial Instruments

(1) Matters concerning Status of Financial Instruments

The Taiheiyo Cement Group limits its fund management activities to short-term deposits, etc., and raises funds principally by bank borrowings and corporate bonds. It performs derivative transactions for the purpose of averting risks due to future exchange-rate, interest-rate, and raw materials and fuel price fluctuations and does not perform speculative transactions.

While notes and accounts receivable-trade and electronically recorded monetary claims-operating, which are operating receivables, are exposed to credit risk in relation to customers, each responsible department periodically identifies the financial position, etc. of the counterparties and manages the due date and outstanding balance with respect to each counterparty, in an effort to identify and reduce collectibility concerns in the early stages. In addition, operating receivables denominated in foreign currencies related to export transactions are exposed to exchange rate fluctuation risks. Investment securities are primarily shares of companies with which the Company has a business relationship, and are exposed to the risk of market price fluctuations.

Notes and accounts payable-trade and electronically recorded obligations-operating, which are operating payables, have payment due dates within one year. For a portion of raw materials and fuel procurement, derivative transactions (foreign exchange contracts and raw fuel swap transactions) are used as hedging methods to limit risk of exchange and price fluctuations of raw materials and fuel. Among borrowings, short-term borrowings are mainly funds raised in connection with business transactions, and long-term borrowings and bonds payable are principally funds raised for the purpose of making capital investments. Some long-term borrowings have financial covenants and may influence liquidity risks regarding fund raising activities. Borrowings with variable interest rates are exposed to interest rate fluctuation risk; however, to avert the risk of fluctuations of interest payable and fix interest expenses for some long-term borrowings, derivatives (interest rate swap transactions) are used as hedging instruments on a contract-by-contract basis. Additionally, borrowings in foreign currencies are exposed to foreign exchange risk, but of these, for a portion of long-term borrowings, derivative transactions (currency swap transactions) are used as a hedging method to avoid foreign currency fluctuation risk.

(Translation)

(2) Matters concerning Market Value, etc. of Financial Instruments and Market Value Information by Level within the Market Value Hierarchy

The consolidated balance sheet amount and market value of financial instruments and the difference between the two at March 31, 2022 (i.e., end of the consolidated fiscal year under review) are shown in the following table. Shares, etc. without market price (consolidated balance sheet amount: ¥46,355 million) are not included in investment securities. In addition, cash and deposits, notes and accounts receivable-trade, electronically recorded monetary claims-operating, notes and accounts payable-trade, electronically recorded obligations-operating, short-term borrowings, and commercial papers are settled in a short period of time and their market value is more or less the same as carrying value market value of financial instruments, therefore the notes thereof are omitted.

Market value of financial instruments are categorized into the following three levels according to the observability and materiality of the input used for calculation of market value.

Level 1 market value: Market value calculated based on quoted market price (unadjusted) of the same asset or liability in active markets

Level 2 market value: Market value calculated using directly or indirectly observable inputs other than inputs of Level 1

Level 3 market value: Market value calculated using material unobservable inputs

In the case where multiple inputs that have material impact on the calculation of market value are used, among the levels of each input, the financial instrument is categorized into the level that is least prioritized when calculating market value.

(i) Financial assets and financial liabilities recorded in market value in the consolidated balance sheet

(Unit: Millions of yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Shares of affiliates	-	-	-	-
Available-for-sale securities	29,345	402	-	29,747
Total assets	29,345	402	-	29,747
Derivative transactions*	-	2,044	-	2,044

* Net receivables and payables arising from derivative transactions are shown in net amount, and net payables are presented in parentheses.

(Translation)

(ii) Financial assets and financial liabilities not recorded in market value in the consolidated balance sheet

(Unit: Millions of yen)

Category	Market value				Consolidated balance sheet amount	Difference
	Level 1	Level 2	Level 3	Total		
Investment securities						
Shares of affiliates	29,530	-	-	29,530	42,256	(12,725)
Available-for-sale securities	-	-	-	-	-	-
Total assets	29,530	-	-	29,530	42,256	(12,725)
Bonds payable	-	60,738	-	60,738	60,000	738
Long-term borrowings	-	124,016	-	124,016	123,821	194
Total liabilities	-	184,754	-	184,754	183,821	933

(Note) Details of valuation method used in calculation of market value and inputs used in calculation of market value

Investment securities

For listed stocks, the market value shall be marked at the closing price or the closing quote at the main stock exchange, and it is categorized as Level 1. For other investment securities, when only observable inputs are used in the calculation, or when no material impact occurred from using unobservable inputs in the calculation, it will be categorized as Level 2.

Bonds payable

The calculation method involves discounting the sum of the principal and interest by an interest rate that takes into account the credit risk and is categorized as Level 2. The presentation of market value of bonds payable includes the current portion of bonds payable.

Long-term borrowings

The calculation method involves discounting the sum of the principal and interest by the interest rate that is expected to be applied if a similar new loan is taken out. A portion of long-term borrowings are subject to appropriated treatment for currency swaps and exceptional treatment for interest rate swaps, and the calculation method involves discounting the sum of the principal, which is an aggregate of the currency swap and interest rate swap, with a reasonably-estimated interest rate that would be applied if a similar loan is taken out, with all long-term borrowings categorized as Level 2. The presentation of market value of long-term borrowings includes the current portion of long-term borrowings that is presented as short-term borrowings.

Derivative transactions

Interest rate swaps and forward exchange, etc. are included in derivatives, of which their market value is calculated by an appropriate valuation method based on estimated price acquired from financial institutions and observable inputs. Therefore, they are categorized as Level 2.

(Translation)

9. Notes on Real Estate for Rent, etc.

(1) Matters concerning status of real estate for rent, etc.

The Company and some of its consolidated subsidiaries have plants, warehouses (including land), etc. for lease purposes in Tokyo and other regions.

(2) Matters concerning market value of real estate for rent, etc.

(Unit: Millions of yen)

Consolidated balance sheet amount	Market value
50,803	111,053

(Notes) 1. Consolidated balance sheet amount equals the acquisition cost minus accumulated depreciation and accumulated impairment loss.

2. The market value of major properties as at the end of the consolidated fiscal year under review is the amount based on a real estate appraisal conducted by an outside real estate appraiser, whereas the market value of other properties is a certain appraisal value or the amount calculated in-house based on indicators deemed to properly reflect the market price. However, if there are no significant changes in a certain level of valuation amounts or indices which are believed to accurately reflect market values from the most recent evaluation, amounts utilizing these valuations and indices are applied.

10. Notes on Per Share Information

Net assets per share: ¥4,362.23

Profit per share: ¥245.80

11. Notes on Significant Subsequent Events

(1) Purchase of cement and related business assets in western United States from Martin Marietta Materials, Inc.

The Company's consolidated subsidiary, CalPortland Company (Head office: California, USA, hereinafter, "CPC") has reached an agreement with Martin Marietta Materials, Inc. (Head office: North Carolina, USA, hereinafter, "MM") to purchase certain cement and ready mixed concrete business in western United States from MM and made such announcement on March 31, 2022.

(i) Overview of the asset acquisition

Acquisition of the Redding Plant (California) and related cement distribution terminals, and 14 ready mixed concrete plants located in California

Purchase price: US$250 million.

The parties have also agreed to the preferred arrangements regarding the potential sale of the Tehachapi cement facility (California) and related cement distribution terminals.

(ii) Purpose of the asset acquisition

The acquisition will enable CPC to build a supply system that can meet the growing demand for cement in northern California, Oregon and Nevada. It will also strengthen CPC's ready mixed concrete business in California, the second largest market in the U.S., and secure reliable sales channels for CPC's cement business.

At the same time, the Redding Plant is an important plant in northern California, which the Company expect can improve customer satisfaction through an investment to develop more efficient systems, including CPC's cement import terminals in northern California.

As a result, the Company expect steady growth in net sales and profits for the Group's U.S. cement and ready mixed concrete businesses, which in turn will contribute to the achievement of the 23 Medium-Term Management Plan.

(iii) Overview of CPC

Name:	CalPortland Company
Location:	1490 Rubidoux Boulevard, Jurupa Valley, CA U.S.A.
Title and name of representative:	Allen Hamblen, President & CEO
Business description:	Manufacture and sale of cement, ready mixed concrete, aggregates, and asphalt
Investment structure:	100% of holding share by subsidiary of the Company
Cement production base:	California: Mojave Plant, Oro Grande Plant Arizona: Rillito Plant

(iv) Overview of MM

Name:	Martin Marietta Materials, Inc.
Location:	4123 Parklake Avenue, Raleigh, NC U.S.A.
Title and name of representative:	C. Howard Nye, Chairman, President and CEO
Business description:	Manufacture and sale of aggregates, cement, ready mixed concrete, and asphalt

(v) Estimated schedule

Date of conclusion of the asset acquisition agreement:	March 1, 2022
Date of execution of assets acquisition:	During the Company's second quarter of FY2022

(Note:) The closing of this acquisition is subject to the expiration of the waiting periods for review by the relevant authorities.

12. Notes on Revenue Recognition

(1) Breakdown of revenue

The Group runs Cement Business, Mineral Resources Business, Environmental Business, Construction Materials Business, and Other Business, and net sales to each of the businesses were ¥455,975 million, ¥58,640 million, ¥68,875 million, ¥63,570 million, and ¥61,139 million. These amounts are net sales against external customers.

Within net sales, revenue generated from contracts with customers were ¥702,264 million.

(2) Outstanding contract amount

The balance of receivables from contracts with customers, contract assets, and contract liabilities at the end of the consolidated fiscal year under review are as follows.

(Translation)

	(Unit: Millions of yen)
Receivables from contracts with customers	¥164,650
Notes receivable–trade	¥24,824
Accounts receivable-trade	¥116,471
Electronically recorded monetary claims-operating	¥23,354
Contract assets	¥1,791
Contract liabilities	¥5,092

(3) Transaction price allocated to remaining performance obligations

The transaction price allocated to performance obligations not yet satisfied (or, partially not yet satisfied) at the end of the consolidated fiscal year under review were ¥7,129 million. Such performance obligations consist of mainly construction contracts and system development contracts that take more than one year to complete such long-term performance obligations.

13. Other Notes

(Notes on Impairment Loss)

The Company's assets are grouped together based on segments by business type, except for assets for rent, important idle properties and assets scheduled for disposal, which are grouped together by treating individual property as a single unit.

In the case of consolidated subsidiaries, in principle, a business company is deemed as a single asset group, and in the case of important companies, assets are grouped together based on management accounting classifications, etc., except for important assets for rent, idle properties and assets scheduled for disposal, which are grouped together by treating individual property as a single unit.

As a result, the carrying value was reduced to the recoverable amount with respect to assets for business and assets for rent with reduced profitability due to a substantial fall in the market value of land, etc., idle properties that are not expected to be used in the future, and assets scheduled for disposal due to renovation of Taiheiyo Cement Philippines, Inc.'s production lines, etc. as follows, and such reduction in the amount of ¥2,407 million was recorded as impairment losses under extraordinary losses.

(Unit: Millions of yen)

Purpose	Location	Type	Impairment loss
Assets for business	Kitakyushu-shi, Fukuoka Prefecture, etc.	Buildings and structures, machinery, equipment and vehicles	14
Assets for rent	Yotsukaido-shi, Chiba Prefecture, etc.	Land, etc.	180
Idle properties	Noda-shi, Chiba Prefecture, etc.	Buildings and structures, machinery, equipment and vehicles, land, etc.	172
Assets scheduled for disposal	Cebu, Philippines, etc.	Buildings and structures, machinery, equipment and vehicles, etc.	2,038

(Translation)

* Breakdown of impairment loss by purpose

(Unit: Millions of yen)

Purpose	Breakdown
Assets for business	Buildings and structures: 1, Machinery, equipment and vehicles: 13, Total: 14
Assets for rent	Land: 139, Other: 40, Total: 180
Idle properties	Buildings and structures: 3, Machinery, equipment and vehicles: 0, Land: 71, Other: 96, Total: 172
Assets scheduled for disposal	Buildings and structures: 225, Machinery, equipment and vehicles: 1,791, Other: 22, Total: 2,038

Recoverable amount is measured at the higher of net selling price or value in use.

If it is measured at net selling price, it is calculated by making reasonable adjustments based on real estate appraisal standards, etc.

If it is measured at value in use, it is calculated by discounting future cash flows by 8.76%.

(Outline of share acquisition of PT Solusi Bangun Indonesia Tbk)

The Company, on January 26, 2021, concluded definitive agreements on a capital alliance with PT Semen Indonesia (Persero) Tbk (hereinafter "SI"), PT Solusi Bangun Indonesia Tbk (hereinafter "SBI", SI Group company), and PT Semen Indonesia Industri Bangunan (SI Group company and majority shareholder of SBI). In accordance with such definitive agreements on capital alliance, on July 21, 2021, the Company acquired 15.04% of SBI’s total shares issued through a rights issue process (an Indonesian legal procedure equivalent of allotment of share options without contribution in Japan) by exercising the rights issued by SBI. With such share acquisition and dispatch of Directors and Corporate Auditors, SBI has become an equity-method affiliate.

Overview of the investee, SBI, is as follows.

Corporate Name (Name of the investee)	PT Solusi Bangun Indonesia Tbk
Business Description	Cement business, ready-mixed concrete businesses, and aggregates business, etc.
Date of equity-method application	July 1, 2021
Ratio of voting rights the Company holds after share acquisition	15.04%

(1) Period of financial performance of the investee included in the consolidated statements of income for the consolidated fiscal year under review

Closing date for SBI, the investee, is December 31, three months earlier than the Company’s consolidated closing date.

As date of equity-method application for SBI is July 1, 2021, financial performance of the investee from July 1, 2021 to December 31, 2021 were included in shares of profit of entities accounted for using equity method in the consolidated statements of income for the consolidated fiscal year under review.

(Translation)

(2) Overview of accounting treatment applied

(i) Acquisition cost and details thereof of the investee

Consideration for the acquisition	Cash	¥23,508 million
Fees directly risen from the acquisition	Advisory fees, etc.	¥518 million
Acquisition cost		¥24,026 million

(ii) Amount of goodwill included in the investment securities occurred, cause of occurrence, and method and period of amortization

i) Amount of goodwill included in the investment securities occurred

¥2,114 million

ii) Cause of occurrence

Due to excess earning power to be expected with future business development

iii) Method and period of amortization

Using the straight-line method over 10 years

(iii) Amounts and types thereof allotted to intangible assets other than goodwill which are included in the investment securities occurred

Amounts and types thereof allotted to intangible assets other than goodwill can be broken down to ¥1,221 million in trademark, ¥1,444 million in technology, and ¥2,824 million in customer related.

(Losses due to malfunction products)

As expenses for countermeasures for malfunction in some products, product compensation expenses in the amount of ¥3,506 million were recorded for the consolidated fiscal year under review. Such expenses for compensation are estimated and recorded by a method deemed reasonable at the present time, if events not reflected by such estimation occur, it is possible that there may be additional losses.

(Explosion incident at the Saitama Plant of the Company)

An explosion incident occurred at a non-utility generation facility at the Saitama Plant of the Company on April 26, 2021.

For the consolidated fiscal year under review, impairment losses related to said facility in the amount of ¥696 million were recorded as “impairment losses,” and expenses responding to such incident and valuation loss on inventories, etc. in the amount of ¥616 million were recorded as “other” under extraordinary loss.

(Translation)

Non-consolidated Statements of Changes in Net Assets

(April 1, 2021 - March 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity							Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus			Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings (Note)					
Balance at beginning of period	**86,174**	**42,215**	**14,060**	**56,275**	**162,029**	**(25,650)**	**278,829**	**8,375**	**8,375**	**287,205**
Cumulative effects of changes in accounting policies					(165)		(165)			(165)
Restated balance	**86,174**	**42,215**	**14,060**	**56,275**	**161,864**	**(25,650)**	**278,664**	**8,375**	**8,375**	**287,039**
Changes during period										
Dividends of surplus					(7,659)		(7,659)			(7,659)
Profit					22,524		22,524			22,524
Purchase of treasury shares						(5,016)	(5,016)			(5,016)
Disposal of treasury shares			(12)	(12)		87	75			75
Cancellation of treasury shares			(16,030)	(16,030)		16,030	-			-
Increase (decrease) by share exchanges			(287)	(287)		1,246	958			958
Transfer from retained earnings to capital surplus			2,269	2,269	(2,269)		-			-
Net changes in items other than shareholders' equity								(1,305)	(1,305)	(1,305)
Total changes during period	**-**	**-**	**(14,060)**	**(14,060)**	**12,594**	**12,347**	**10,881**	**(1,305)**	**(1,305)**	**9,576**
Balance at end of period	**86,174**	**42,215**	**-**	**42,215**	**174,458**	**(13,302)**	**289,546**	**7,070**	**7,070**	**296,616**

(Translation)

(Note) The breakdown of other retained earnings is as follows.

(Unit: Millions of yen)

	Other retained earnings			
	Reserve for mine prospecting	Reserve for tax basis adjustments of non-current assets	Retained earnings brought forward	Total other retained earnings
Balance at beginning of period	**405**	**15,489**	**146,133**	**162,029**
Cumulative effects of changes in accounting policies			(165)	(165)
Restated balance	**405**	**15,489**	**145,968**	**161,864**
Changes during period				
Reversal of reserve for mine prospecting	(3)		3	-
Provision of reserve for mine prospecting	121		(121)	-
Reversal of reserve for tax basis adjustments of non-current assets		(300)	300	-
Dividends of surplus			(7,659)	(7,659)
Profit			22,524	22,524
Transfer from retained earnings to capital surplus			(2,269)	(2,269)
Total changes during period	**117**	**(300)**	**12,777**	**12,594**
Balance at end of period	**523**	**15,189**	**158,745**	**174,458**

(Translation)

Notes to the Non-Consolidated Financial Statements

1. Notes on Matters concerning Significant Accounting Policies

(1) Standards and methods for valuation of assets

(i) Standards and methods for valuation of securities

a. Shares of subsidiaries and shares of affiliates

Stated at cost, based on the moving-average method.

b. Available-for-sale securities

a) Securities other than shares, etc. without market price:

Such securities are stated at market value. (Valuation differences are all charged/credited directly to net assets, and the cost of selling the securities is determined by the moving-average method.)

b) Shares, etc. without market price:

Stated at cost, based on the moving-average method.

In addition, if net asset value has significantly decreased, the Company records loss on valuation, except when substantiated by proof of sufficient recoverability.

(ii) Method for valuation of derivatives

Stated at market value.

(iii) Standards and methods for valuation of inventories

Stated at cost, based on the moving average method (subject to write-down due to diminished profitability.)

(2) Depreciation method for non-current assets

(i) Property, plant and equipment (excluding structures for mining purposes, land providing raw materials and leased assets)

Declining balance method, except for buildings (excluding accompanying facilities) purchased on and after April 1, 1998 and accompanying facilities and structures purchased on and after April 1, 2016, which are computed based on the straight-line method.

(ii) Property, plant and equipment (structures for mining purposes, raw materials land)

Unit of production method

(iii) Intangible assets (excluding mining rights and software)

Straight-line method

(iv) Intangible assets (mining rights)

Unit of production method

(v) Intangible assets (software)

Amortized by the straight-line method over its useful life assuming in-house use (5 years).

(vi) Leased assets (leased assets in finance lease transactions that do not transfer ownership)

Leased assets are depreciated by the straight-line method that assumes their lease periods are useful lives and residual values are zero (or if there is a residual value guarantee, the guaranteed residual value).

(Translation)

(3) Accounting standards for provisions

(i) Allowance for doubtful accounts

To prepare against losses from notes and accounts receivable-trade, loans receivable, etc. turning into bad debt, allowance for doubtful accounts is provided for at the estimated uncollectible amount, which is calculated based on the historical credit loss ratio with respect to ordinary receivables, and in consideration of collectibility on a case-by-case basis with respect to specified receivables such as doubtful accounts.

(ii) Provision for bonuses

To prepare for the payment of bonuses to employees, the estimated payable amount is recorded.

(iii) Provision for retirement benefits

To prepare for the payment of retirement benefits to employees, provision for retirement benefits is recorded in the amount deemed to have accrued at the end of the fiscal year under review based on the projected amount of retirement benefit obligation and plan assets at the end of the financial year under review.

Actuarial gains and losses and prior service cost are amortized in equal amounts as expenses by the straight-line method over a certain number of years (10 years) within the average remaining years of service of employees at the time of accrual in each period, commencing in the period following the period of accrual in the case of the former and in the period of accrual in the case of the latter.

As plan assets to be recognized at the end of the fiscal year under review exceeds the amount of the retirement benefit obligation minus actuarial gains and losses etc., the amount of such excess is recorded as prepaid pension costs.

Also, the Company established a retirement benefit trust by contributing some shares from its holdings.

(iv) Provision for loss on guarantees

To prepare against losses from debt guarantees to subsidiaries and affiliates, the estimated amount of losses at the end of the fiscal year under review is recorded in consideration of the financial position, etc. of those provided with such guarantees.

(v) Provision for loss on business of subsidiaries and affiliates

To prepare against losses from businesses of subsidiaries and affiliates, the estimated amount of losses is recorded in consideration of the financial position, etc. of such companies.

(4) Accounting standards for revenue and expenses recognition

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. have been applied that the Company recognizes revenue when promised goods or services are transferred to a customer, in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services.

(5) Accounting method for retirement benefits

In the non-consolidated financial statements, the treatment of unrecognized actuarial gains and losses and unrecognized prior service cost in the non-consolidated balance sheets is different from the treatment in the consolidated financial statements. In the non-consolidated balance sheets, the amount of retirement benefit obligation after making adjustments for unrecognized actuarial gains and losses and unrecognized prior service costs, less the amount of plan assets, is recorded as prepaid pension costs.

(6) Amounts shown in these non-consolidated financial statements are rounded down to the nearest million yen.

2. Changes in Accounting Policy

Application of Accounting Standard for Revenue Recognition, etc.

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the fiscal year under review that the Company recognizes revenue when promised goods or services are transferred to a customer, in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services.

The Company applies Accounting Standard for Revenue Recognition, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of Accounting Standard for Revenue Recognition. The cumulative effects of retrospectively applying the new accounting policies to prior periods are adjusted to retained earnings at the beginning of the fiscal year under review, with the new accounting policies applied to the balance at the beginning of the fiscal year under review.

As a result, net sales decreased by ¥ 28,263 million, cost of sales decreased by ¥ 21,449 million, selling, general and administrative expenses decreased by ¥6,845 million, operating profit, ordinary profit and profit before income taxes each increased by ¥32 million for the fiscal year under review. In addition, balance at the beginning of the fiscal year under review for retained earnings decreased by ¥165 million.

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement, etc.

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. have been applied from the beginning of the fiscal year under review, and the new accounting policies stipulated by Implementation Guidance on Accounting Standard for Fair Value Measurement, etc. will be prospectively applied in accordance with the transitional treatment provided for in Paragraph 19 of Implementation Guidance on Accounting Standard for Fair Value Measurement and Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The impact of this change on the non-consolidated financial statements is immaterial.

3. Changes in Presentation

Not applicable.

(Translation)

4. Notes on Accounting Estimates

Among the items recorded in the non-consolidated financial statements for the fiscal year under review based on accounting estimates, the items that may have a significant impact on the non-consolidated financial statements for the next fiscal year are as follows.

Recoverability of deferred tax assets

(i) Amount recorded in the non-consolidated financial statements for the fiscal year under review

Deferred tax liabilities ¥4,710 million

(Deferred tax assets before off-set against deferred tax liabilities was ¥6,444 million.)

(ii) Information contributing to the understanding of the contents of accounting estimates

Omitted as already presented "4. Notes on Accounting Estimates" in the notes to the consolidated financial statements.

5. Notes to the Non-consolidated Balance Sheets

(1) Assets pledged as collateral and secured liabilities

Not applicable

(2) Accumulated depreciation of property, plant and equipment	¥672,201 million
(3) Outstanding balance of guarantee obligations	¥12,524 million
(4) Monetary claims and obligations to subsidiaries and affiliates	
Short-term monetary claims	¥28,224 million
Long-term monetary claims	¥22,861 million
Short-term monetary obligations	¥24,856 million
Long-term monetary obligations	¥2,442 million

6. Notes to the Non-consolidated Statements of Income

Amount of transactions with subsidiaries and affiliates

Amount of business transactions	
Sales	¥91,258 million
Purchases	¥93,592 million
Amount of non-business transactions	¥29,872 million

7. Notes to the Non-consolidated Statements of Changes in Net Assets

Class and number of shares of treasury stock as at the end of the fiscal year under review:

Common stock 4,619,188 shares

(Translation)

8. Notes on Tax-effect Accounting

Breakdown of major components of deferred tax assets and deferred tax liabilities

(i) Deferred tax assets

Allowance for doubtful accounts	¥6,296 million
Provision for bonuses	¥638 million
Provision for retirement benefits	¥2,860 million
Loss on valuation of shares, etc. of subsidiaries and affiliates	¥11,159 million
Loss on valuation of golf memberships	¥140 million
Depreciation and amortization	¥177 million
Impairment loss	¥5,749 million
Business structure reform expenses	¥2,539 million
Losses carried forward	¥1,842 million
Other	¥4,433 million
Deferred tax assets - Subtotal	¥35,838 million
Valuation allowance	¥(29,393) million
Deferred tax assets - Total	¥6,444 million

(ii) Deferred tax liabilities

Reserve for mine prospecting	¥(231) million
Reserve for tax basis adjustments of non-current assets	¥(6,703) million
Exchange gains (losses), etc. in equity transactions	¥(526) million
Valuation difference on available-for-sale securities	¥(3,131) million
Other	¥(562) million
Deferred tax liabilities - Total	¥(11,154) million
Net deferred tax liabilities	¥(4,710) million

(Translation)

9. Notes on Transactions with Related Parties

(Unit: Millions of yen)

Attribute	Name of company, etc.	Percentage of voting rights, etc. of related party held by the Company (or vice versa)	Relationship with related party	Description of transaction	Transaction amount (Note 6)	Account	Closing balance (Note 6)
Subsidiary	Kiyosumi Golf Club Co., Ltd.	Directly holds 100%	Payment of deposits Dispatch of officer	Payment of deposits (Note 1)	—	“Other” in Investments and other assets (Note 2)	13,304
Subsidiary	Ichihara Ecocement Corporation	Directly holds 100%	Financial assistance Dispatch of officer	Lending of funds (Note 1)	—	“Other” in Investments and other assets (Note 2)	9,100
Subsidiary	Taiheiyo Cement Philippines, Inc.	Directly holds 100%	Dispatch of officer	Acceptance of capital increase (Note 3)	6,390	—	—
Subsidiary	Ofunato Power Inc.	Directly holds 65%	Debt guarantee Dispatch of officer	Debt guarantee (Note 4)	10,446	—	—
Subsidiary	TC Trading Co., Ltd.	Directly holds 69.3% Indirectly holds 5.8%	Sales of the Company’s products Dispatch of officer	Sales of the Company’s products (Note 5)	19,328	Accounts receivable-trade	5,133

Terms of transactions, policies for determining terms of transactions, etc.
(Note 1) No interest is charged for lending funds, etc. to these companies.
(Note 2) For loans receivable, etc. from these companies, allowance for doubtful accounts totaling ¥19,852 million is recorded.
(Note 3) Capital increase by allotment of shares to existing stockholders.
(Note 4) The Company provides a debt guarantee for borrowing from a financial institution.
(Note 5) The terms of sales of the Company’s products are determined by referring to market prices, etc.
(Note 6) Transaction amount does not include consumption tax, etc., while closing balance includes consumption tax, etc.

(Translation)

10. Notes on Per Share Information

Net assets per share:	¥2,527.28
Profit per share:	¥190.59

11. Notes on Significant Subsequent Events

Not applicable.

12. Notes on Revenue Recognition

Information that is the foundation to understand revenue generated from contracts with customers is already presented in “12. Notes on Revenue Recognition” in the notes to the consolidated financial statements, thus omitted.