

## Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2015 Ended March 31, 2015

May 12, 2015

Company: Taiheiyo Cement Corporation      Fiscal 2014: April 1, 2013-March 31, 2014  
 Stock code: 5233      Fiscal 2015: April 1, 2014-March 31, 2015  
 URL: <http://www.taiheiyo-cement.co.jp/>      Fiscal 2016: April 1, 2015-March 31, 2016

The accompanying consolidated financial results are not intended to present the financial results in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(All yen figures are rounded down to the nearest one million yen.)

### 1. Consolidated Financial Results for the Fiscal 2015(April 1, 2014 through March 3, 2015)

#### (1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/15	842,848	0.3	65,406	(7.1)	67,890	(2.4)	44,114	25.2
FY3/14	840,288	12.4	70,434	73.2	69,590	113.0	35,223	210.9

\*comprehensive income : Fiscal 2015 79,736      Fiscal 2014 65,509

	EPS	Diluted EPS	ROE	ROA	Operating income to net sales
	Yen	Yen	%	%	%
FY3/15	35.91	—	16.3	6.6	7.8
FY3/14	28.67	—	16.3	7.0	8.4

\*equity in earnings (losses) of unconsolidated subsidiaries and affiliates Fiscal 2015 5,293      Fiscal 2013 2,575

#### (2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/15	1,040,602	347,490	29.1	246.31
FY3/14	1,015,564	273,312	23.7	195.57

\*Equity : Fiscal 2015 302,645      Fiscal 2014 240,256

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY3/15	77,000	(31,377)	(52,713)	50,645
FY3/14	88,558	(27,926)	(62,269)	55,604

### 2. Dividends

	Dividend per share					Total amount of cash dividends(annual)	Dividend ratio (consolidated)	Ratio of total amount of dividends to shareholder's equity(consolidated)
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY3/14	—	2.00	—	3.00	5.00	6,180	17.4	2.8
FY3/15	—	2.00	—	3.00	5.00	6,180	13.9	2.3
FY3/16(forecast)	—	3.00	—	3.00	6.00		19.9	

### 3. Consolidated Results Forecast for the Fiscal 2016 (April 1, 2015 through March 31, 2016)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1HFY3/16	416,000	2.9	23,500	(15.4)	22,500	(20.9)	12,000	(33.9)	9.77
FY3/16	892,000	5.8	66,000	0.9	65,000	(4.3)	37,000	(16.1)	30.11

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

## Consolidated Balance Sheets

All yen figures are rounded down to the nearest one million yen.  
(Millions of Yen)

Item	FY3/14 (As of 3/31/14)	FY3/15 (As of 3/31/15)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	59,369	53,859
Notes and accounts receivable-trade	176,245	178,350
Merchandise and finished goods	26,113	28,587
Work in process	4,120	2,183
Raw materials and supplies	39,323	43,252
Deferred tax assets	14,147	10,705
Short-term loans receivable	9,487	5,552
Other	11,064	9,821
Allowance for doubtful accounts	(1,568)	(2,329)
<b>Total current assets</b>	<b>338,304</b>	<b>329,981</b>
<b>Noncurrent assets</b>		
<b>A. Property, plant and equipment</b>		
Buildings and structures, net	142,417	144,291
Machinery, equipment, and vehicles, net	112,379	120,804
Land	155,301	164,647
Construction in progress	14,616	13,819
Other, net	45,600	47,001
<b>Total property, plant and equipment</b>	<b>470,316</b>	<b>490,565</b>
<b>B. Intangible assets</b>		
Goodwill	10,890	9,297
Other	31,338	32,538
<b>Total intangible assets</b>	<b>42,228</b>	<b>41,836</b>
<b>C. Investments and other assets</b>		
Investment securities	98,890	113,747
Long-term loans receivable	1,183	1,249
Net defined benefit retirement asset	12,134	20,338
Deferred tax assets	25,818	16,848
Other	32,990	31,997
Allowance for doubtful accounts	(6,302)	(5,961)
<b>Total investments and other assets</b>	<b>164,714</b>	<b>178,219</b>
<b>Total noncurrent assets</b>	<b>677,259</b>	<b>710,621</b>
<b>Total assets</b>	<b>1,015,564</b>	<b>1,040,602</b>

All yen figures are rounded down to the nearest one million yen.  
(Millions of Yen)

Item	FY3/14 (As of 3/31/14)	FY3/15 (As of 3/31/15)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	83,691	85,036
Short-term loans payable	228,127	178,816
Commercial Paper	-	5,000
Current portion of bonds	610	20,380
Income taxes payable	18,040	10,730
Deferred tax liabilities	372	0
Provision for bonuses	5,538	5,642
Other provision	2,683	1,060
Other	69,784	71,149
<b>Total current liabilities</b>	<b>408,848</b>	<b>377,817</b>
<b>Noncurrent liabilities</b>		
Bonds payable	47,090	46,710
Long-term loans payable	159,291	148,232
Deferred tax liabilities	15,624	4,314
Deferred tax liabilities for land revaluation	5,282	4,770
Liability for retirement benefits	25,359	26,889
Provision for directors' retirement benefits	509	514
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	357	312
Provision for asset removal	574	41
Other provision	482	655
Lease obligations	22,948	22,616
Asset retirement obligations	7,230	7,673
Other	48,514	52,426
<b>Total noncurrent liabilities</b>	<b>333,404</b>	<b>315,295</b>
<b>Total liabilities</b>	<b>742,252</b>	<b>693,112</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,690	50,757
Retained earnings	121,212	158,939
Treasury stock	(936)	(934)
<b>Total shareholders' equity</b>	<b>257,141</b>	<b>294,937</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,084	6,908
Deferred gains or losses on hedges	50	2
Revaluation reserve for land	4,252	4,295
Foreign currency translation adjustment	(16,799)	649
Retirement benefits liability adjustments	(9,472)	(4,148)
<b>Total accumulated other comprehensive income</b>	<b>(16,884)</b>	<b>7,707</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>33,055</b>	<b>44,845</b>
<b>Total net assets</b>	<b>273,312</b>	<b>347,490</b>
<b>Total liabilities and net assets</b>	<b>1,015,564</b>	<b>1,040,602</b>

## Consolidated Statements of Income

All yen figures are rounded down to the nearest one million yen.  
(Millions of Yen)

Item	FY3/14 (4/1/13- 3/31/14)	FY3/15 (4/1/14- 3/31/15)
Net sales	840,288	842,848
Cost of sales	641,469	642,645
Gross profit	198,819	200,203
Selling, general and administrative expenses	128,384	134,796
Operating income	70,434	65,406
Non-operating income		
Interest income	470	554
Dividends income	699	767
Real estate rent	343	361
Equity in earnings of unconsolidated subsidiaries and affiliates	2,575	5,293
Other	8,670	6,860
Total non-operating income	12,760	13,837
Non-operating expenses		
Interest expenses	8,362	6,847
Other	5,242	4,506
Total non-operating expenses	13,604	11,354
Ordinary income	69,590	67,890
Extraordinary income		
Gain on disposal of property, plant, and equipment	1,687	2,488
Gain on sales of investment securities	598	107
Gain on step acquisitions	-	916
Gain on forgiveness of debts	-	4,569
Other	485	801
Total extraordinary income	2,770	8,884
Extraordinary loss		
Loss on disposal of property, plant, and equipment	5,156	3,286
Loss on sale of investment securities	37	101
Loss on valuation of investment securities	203	1,231
Impairment loss	6,450	1,069
Business structure reform expenses	-	1,180
Other	1,369	2,518
Total extraordinary losses	13,217	9,387
Income before income taxes and minority interests	59,143	67,387
Income taxes-current	23,597	18,170
Income taxes-deferred	△1,000	△1,884
Net Income before minority interests	36,546	51,101
Minority interests in income	1,322	6,986
Net income	35,223	44,114

## Consolidated Statements of Comprehensive Income

All yen figures are rounded down to the nearest one million yen.  
(Millions of Yen)

Item	FY3/14 (4/1/13- 3/31/14)	FY3/15 (4/1/14- 3/31/15)
Income before minority interests	36,546	51,101
Other comprehensive income		
Valuation difference on available-for-sale securities	2,205	1,854
Deferred gains or losses on hedges	(27)	(14)
Revaluation reserve for land	-	494
Foreign currency translation adjustment	18,665	16,002
Remeasurements of defined benefit retirement plans, net of tax	1,055	5,226
Share of other comprehensive income of associates accounted for using equity method	7,064	5,072
Total other comprehensive income	28,963	28,635
Comprehensive income	65,509	79,736
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	61,008	68,922
Minority interests	4,501	10,813

## Consolidated Statements of Changes in Net Assets

All yen figures are rounded down to the nearest one million yen.

FY3/14 (4/31/13-3/31/14)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at pre end of term	86,174	50,636	91,174	(934)	227,051
Cumulative effects of Changes in accounting policies					—
Restated balance	86,174	50,636	91,174	(934)	227,051
Issuance of new stock					
Dividends of surplus fund			(4,914)		(4,914)
Net profit of this item			35,223		35,223
Reversal of revaluation reserve for land			4		4
Purchase of treasury stock				(60)	(60)
Disposal of treasury stock		54		58	112
Change in scope of consolidation			(275)		(275)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	54	30,037	(2)	30,089
Balance at end of this term	86,174	50,690	121,212	(936)	257,141

	Accumulated other comprehensive income							Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Adjustments for employee retirement benefit of overseas subsidiary	Retirement benefits liability adjustments	Total other comprehensive income		
Balance at pre end of term	3,168	78	4,563	(39,640)	(3,793)	—	(35,624)	28,399	219,826
Cumulative effects of Changes in accounting policies							—		—
Restated balance	3,168	78	4,563	(39,640)	(3,793)	—	(35,624)	28,399	219,826
Issuance of new stock									
Dividends of surplus fund									(4,914)
Net profit of this item									35,223
Reversal of revaluation reserve for land									4
Purchase of treasury stock									(60)
Disposal of treasury stock									112
Change in scope of consolidation									(275)
Net changes of items other than shareholders' equity	1,916	(27)	(310)	22,840	3,793	(9,472)	18,739	4,656	23,396
Total changes of items during the period	1,916	(27)	(310)	22,840	3,793	(9,472)	18,739	4,656	53,485
Balance at end of this term	5,084	50	4,252	(16,799)	—	(9,472)	(16,884)	33,055	273,312

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at pre end of term	86,174	50,690	121,212	(936)	257,141
Cumulative effects of Changes in accounting policies			(87)		(87)
Restated balance	86,174	50,690	121,124	(936)	257,053
Issuance of new stock					
Dividends of surplus fund			(6,142)		(6,142)
Net profit of this item			44,114		44,114
Reversal of revaluation reserve for land			33		33
Purchase of treasury stock				(63)	(63)
Disposal of treasury stock		66		65	132
Change in scope of consolidation			(190)		(190)
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	66	37,815	2	37,884
Balance at end of this term	86,174	50,757	158,939	(934)	294,937

	Accumulated other comprehensive income							Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Adjustments for employee retirement benefit of overseas subsidiary	Retirement benefits liability adjustments	Total other comprehensive income		
Balance at pre end of term	5,084	50	4,252	(16,799)	—	(9,472)	(16,884)	33,055	273,312
Cumulative effects of Changes in accounting policies							—	(9)	(97)
Restated balance	5,084	50	4,252	(16,799)	—	(9,472)	(16,884)	33,046	273,214
Issuance of new stock									
Dividends of surplus fund									(6,142)
Net profit of this item									44,114
Reversal of revaluation reserve for land									33
Purchase of treasury stock									(63)
Disposal of treasury stock									132
Change in scope of consolidation									(190)
Net changes of items other than shareholders' equity	1,824	(48)	43	17,449		5,323	24,592	11,799	36,391
Total changes of items during the period	1,824	(48)	43	17,449	—	5,323	24,592	11,799	74,275
Balance at end of this term	6,908	2	4,295	649	—	(4,148)	7,707	44,845	347,490

## Consolidated Statements of Cash Flows

All yen figures are rounded down to the nearest one million yen.

(Millions of Yen)

Item	FY3/14 (4/1/13-3/31/14)	FY3/15 (4/1/14-3/31/15)
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests(-)	59,143	67,387
Depreciation and amortization	40,553	42,401
Amortization of goodwill	2,353	2,771
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(2,575)	(5,293)
Loss on valuation of investment securities	203	1,231
Changes in asset and liability for retirement benefits	(5,193)	485
(Decrease) Increase in provision for directors' retirement benefits	3	(6)
Increase in provision for bonuses	812	79
Decrease in provision for directors' bonuses	(7)	-
(Decrease) Increase in allowance for doubtful accounts	(472)	435
Decrease in provision for removal of assets	(1,291)	(533)
Decrease in other provision	(2,369)	(1,498)
Interest and dividends income	(1,169)	(1,322)
Interest expenses	8,362	6,847
Loss(Gain) on sales of investment securities	(560)	(5)
Loss on disposal of property, plant, and equipment	3,469	797
Impairment loss	6,450	1,069
(Increase) Decrease in notes and accounts receivable-trade	1,883	2,429
Decrease in inventories	842	(1,069)
Decrease in notes and accounts payable-trade	(2,863)	(872)
Business structure reform expenses	-	1,180
Gain on forgiveness of debts	-	(4,569)
Other, net	4,844	(4,064)
Subtotal	112,416	107,879
Interest and dividends income received	1,565	1,705
Interest expenses paid	(8,749)	(6,920)
Income taxes paid	(16,674)	(25,664)
<b>Cash flows from operating activities:</b>	<b>88,558</b>	<b>77,000</b>
<b>Cash flows from investing activities:</b>		
Decrease(Increase) in time deposits	1,267	848
Purchase of property, plant, and equipment	(35,432)	(38,323)
Proceeds from sales of property, plant, and equipment	2,670	5,017
Purchase of other depreciated assets	(50)	(79)
Proceeds from sales of other depreciated assets	0	0
Purchase of investment securities	(370)	(1,444)
Proceeds from sales and redemption of investment securities	2,999	370
Purchase of investments in subsidiaries resulting from change in scope of consolidation	-	(516)
Payments of loans receivable	(2,077)	(1,562)
Collection of loans receivable	3,474	3,631
Other, net	(409)	680
<b>Cash flows from investing activities:</b>	<b>(27,926)</b>	<b>(31,377)</b>
<b>Cash flows from financing activities:</b>		
Net increase(decrease) in short-term loans payable	(32,966)	(31,899)
Increase(decrease) in commercial paper	-	5,000
Proceeds from long-term loans payable	79,474	44,752
Repayment of long-term loans payable	(102,278)	(78,335)
Proceeds from issuance of bonds	15,350	20,000
Redemption of bonds	(11,513)	(610)
Proceeds from sales of treasury stock	55	67
Purchase of treasury stock	(61)	(50)
Cash dividends paid	(4,914)	(6,142)
Cash dividends paid to minority shareholders	(838)	(583)
Proceeds from issuance of stock to minority shareholders	770	-
Other, net	(5,347)	(4,911)
<b>Cash flows from financing activities:</b>	<b>(62,269)</b>	<b>(52,713)</b>



Effect of exchange rate change on cash and cash equivalents	3,127	1,712
Net increase(decrease) in cash and cash equivalents	1,488	(5,377)
Cash and cash equivalents at beginning of period	54,408	55,604
Decrease in cash and cash equivalents resulting from change of scope of consolidation	(406)	342
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	114	76
Cash and cash equivalents at end the period	55,604	50,645

### Consolidated Segment Information

All yen figures are rounded down to the nearest one million yen.

[Industry Segments]

(Millions of Yen)

	FY3/15 (4/1/14– 3/31/15)						Eliminations	Consolidated total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Other	Total		
Net sales								
(1) Net sales to outside customers	559,558	72,960	69,226	86,031	55,071	842,848	—	842,848
(2) Intersegment net sales	11,123	22,996	5,561	4,308	26,693	70,683	(70,683)	—
Total	570,681	95,957	74,787	90,340	81,764	913,531	(70,683)	842,848
Segment operating profit	40,251	6,708	7,474	5,491	5,634	65,560	(153)	65,406

All yen figures are rounded down to the nearest one million yen.

[Geographic segments]

(Millions of Yen)

	Japan	America	Other	Total
Net sales	666,145	83,095	93,607	842,848
Noncurrent assets	341,190	71,098	78,276	490,565