

# Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2014 Ended March 31, 2014

May 13, 2014

Company: Taiheiyo Cement Corporation  
Stock code: 5233  
URL: <http://www.taiheiyo-cement.co.jp/>

Fiscal 2013: April 1, 2012-March 31, 2013  
Fiscal 2014: April 1, 2013-March 31, 2014  
Fiscal 2015: April 1, 2014-March 31, 2015

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 2014 (April 1, 2013 through March 31, 2014)

### (1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/14	840,288	12.4	70,434	73.2	69,590	113.0	35,223	210.9
FY3/13	747,616	2.7	40,659	39.3	32,667	76.6	11,329	44.4

\*comprehensive income Fiscal 2014 65,509 Fiscal 2013 29,615

	EPS	Diluted EPS	ROE	ROA	Operating income to net sales
	Yen	Yen	%	%	%
FY3/14	28.67	—	16.3	7.0	8.4
FY3/13	9.22	—	6.3	3.3	5.4

\*equity in earnings (losses) of unconsolidated subsidiaries and affiliates Fiscal 2014 2,575 Fiscal 2013 (1,097)

### (2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/14	1,015,564	273,312	23.7	195.57
FY3/13	982,473	219,826	19.5	155.85

\*Equity : Fiscal 2014 240,256 Fiscal 2013 191,427

### (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
FY3/14	88,558	(27,926)	(62,269)	55,604
FY3/13	61,505	(16,441)	(51,792)	54,408

## 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	%	%
FY3/13	—	2.00	—	2.00	4.00	4,945	43.4	2.7
FY3/14	—	2.00	—	3.00	5.00	6,180	17.4	2.8
FY3/15(forecast)	—	2.00	—	3.00	5.00		17.6	

## 3. Consolidated Results Forecast for the Fiscal 2015 (April 1, 2014 through March 31, 2015)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1HFY3/15	411,000	3.2	26,400	(3.8)	25,000	(2.5)	15,300	50.4	12.46
FY3/15	858,000	2.1	70,000	(0.6)	65,000	(6.6)	35,000	(0.6)	28.49

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	FY3/13 (As of 3/31/13)	FY3/14 (As of 3/31/14)
Assets		
Current assets		
Cash and deposits	59,379	59,369
Notes and accounts receivable-trade	174,336	176,245
Merchandise and finished goods	25,920	26,113
Work in process	4,788	4,120
Raw materials and supplies	36,455	39,323
Deferred tax assets	10,444	14,147
Short-term loans receivable	11,431	9,487
Other	9,537	11,064
Allowance for doubtful accounts	(1,587)	(1,568)
Total current assets	330,706	338,304
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	146,664	142,417
Machinery, equipment, and vehicles, net	108,314	112,379
Land	152,625	155,301
Construction in progress	9,104	14,616
Other, net	40,780	45,600
Total property, plant and equipment	457,489	470,316
B. Intangible assets		
Goodwill	11,303	10,890
Other	30,275	31,338
Total intangible assets	41,578	42,228
C. Investments and other assets		
Investment securities	85,128	98,890
Long-term loans receivable	1,086	1,183
Net defined benefit retirement asset	-	12,134
Deferred tax assets	23,522	25,818
Other	49,674	32,990
Allowance for doubtful accounts	(6,713)	(6,302)
Total investments and other assets	152,698	164,714
Total noncurrent assets	651,766	677,259
Total assets	982,473	1,015,564

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

Item	FY3/13 (As of 3/31/13)	FY3/14 (As of 3/31/14)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	85,010	83,691
Short-term loans payable	274,760	228,127
Current portion of bonds	11,478	610
Income taxes payable	11,000	18,040
Deferred tax liabilities	402	372
Provision for bonuses	4,711	5,538
Provision for directors' bonuses	7	—
Other provision	4,893	2,683
Other	70,327	69,784
<b>Total current liabilities</b>	<b>462,591</b>	<b>408,848</b>
<b>Noncurrent liabilities</b>		
Bonds payable	32,385	47,090
Long-term loans payable	155,336	159,291
Deferred tax liabilities	14,004	15,624
Deferred tax liabilities for land revaluation	5,285	5,282
Provision for retirement benefits	25,448	—
Net defined benefit retirement liability	—	25,359
Provision for directors' retirement benefits	505	509
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	343	357
Provision for asset removal	1,866	574
Other provision	669	482
Lease obligations	17,404	22,948
Asset retirement obligations	8,032	7,230
Other	38,634	48,514
<b>Total noncurrent liabilities</b>	<b>300,054</b>	<b>333,404</b>
<b>Total liabilities</b>	<b>762,646</b>	<b>742,252</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	86,174	86,174
Capital surplus	50,636	50,690
Retained earnings	91,174	121,212
Treasury stock	(934)	(936)
<b>Total shareholders' equity</b>	<b>227,051</b>	<b>257,141</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,168	5,084
Deferred gains or losses on hedges	78	50
Revaluation reserve for land	4,563	4,252
Foreign currency translation adjustment	(39,640)	(16,799)
Adjustments for employee retirement benefit of overseas subsidiary	(3,793)	—
Remeasurements of defined benefit retirement plans	—	(9,472)
<b>Total accumulated other comprehensive income</b>	<b>(35,624)</b>	<b>(16,884)</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>28,399</b>	<b>33,055</b>
<b>Total net assets</b>	<b>219,826</b>	<b>273,312</b>
<b>Total liabilities and net assets</b>	<b>982,473</b>	<b>1,015,564</b>

## Consolidated Statements of Income

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

Item	FY3/13 (4/1/12- 3/31/13)	FY3/14 (4/1/13- 3/31/14)
Net sales	747,616	840,288
Cost of sales	587,498	641,469
Gross profit	160,118	198,819
Selling, general and administrative expenses	119,459	128,384
Operating income	40,659	70,434
Non-operating income		
Interest income	439	470
Dividends income	683	699
Real estate rent	625	343
Equity in earnings of unconsolidated subsidiaries and affiliates	-	2,575
Other	5,606	8,670
Total non-operating income	7,355	12,760
Non-operating expenses		
Interest expenses	9,052	8,362
Equity in losses of unconsolidated subsidiaries and affiliates	1,097	-
Other	5,197	5,242
Total non-operating expenses	15,347	13,604
Ordinary income	32,667	69,590
Extraordinary income		
Gain on disposal of property, plant, and equipment	3,575	1,687
Gain on sales of investment securities	82	598
Other	1,260	485
Total extraordinary income	4,918	2,770
Extraordinary loss		
Loss on disposal of property, plant, and equipment	4,613	5,156
Loss on sale of investment securities	90	37
Loss on valuation of investment securities	878	203
Impairment loss	3,003	6,450
Other	2,005	1,369
Total extraordinary losses	10,590	13,217
Income before income taxes and minority interests	26,995	59,143
Income taxes-current	13,018	23,597
Income taxes-deferred	1,653	(1,000)
Net Income before minority interests	12,323	36,546
Minority interests in income	994	1,322
Net income	11,329	35,223

## Consolidated Statements of Comprehensive Income

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

(Millions of Yen)

Item	FY3/13 (4/1/12- 3/31/13)	FY3/14 (4/1/13- 3/31/14)
Income before minority interests	12,323	36,546
Other comprehensive income		
Valuation difference on available-for-sale securities	1,854	2,205
Deferred gains or losses on hedges	35	(27)
Foreign currency translation adjustment	9,934	18,665
Adjustments for employee retirement benefit of overseas subsidiary	(434)	—
Remeasurements of defined benefit retirement plans, net of tax	—	1,055
Share of other comprehensive income of associates accounted for using equity method	5,901	7,064
Total other comprehensive income	17,291	28,963
Comprehensive income	29,615	65,509
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	27,174	61,008
Minority interests	2,440	4,501

## Consolidated Statements of Changes in Net Assets

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

FY3/13 (4/31/12-3/31/13)

(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	85,041	(916)	220,935
Issuance of new stock					
Dividends of surplus fund			(4,914)		(4,914)
Net profit of this item			11,329		11,329
Reversal of revaluation reserve for land			3		3
Purchase of treasury stock				(19)	(19)
Disposal of treasury stock		(0)		1	1
Change in scope of consolidation			—		—
Decrease of affiliates accounted for by equity method			(284)		(284)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(0)	6,133	(17)	6,116
Balance at end of this term	86,174	50,636	91,174	(934)	227,051

	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	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance at pre end of term	985	20	4,710	(53,678)	(3,358)	—	(51,321)	26,529	196,144
Issuance of new stock									
Dividends of surplus fund									(4,914)
Net profit of this item									11,329
Reversal of revaluation reserve for land									3
Purchase of treasury stock									(19)
Disposal of treasury stock									1
Change in scope of consolidation									—
Decrease of affiliates accounted for by equity method									(284)
Net changes of items other than shareholders' equity	2,182	58	(147)	14,038	(434)	—	15,696	1,869	17,565
Total changes of items during the period	2,182	58	(147)	14,038	(434)	—	15,696	1,869	23,682
Balance at end of this term	3,168	78	4,563	(39,640)	(3,793)	—	(35,624)	28,399	219,826

	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
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)
Decrease of affiliates accounted for by equity method			—		—
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	Remeasurements of defined benefit plans	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
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)
Decrease of affiliates accounted for by equity method									—
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

## Consolidated Statements of Cash Flows

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

(Millions of Yen)

Item	FY3/13 (4/1/12- 3/31/13)	FY3/14 (4/1/13- 3/31/14)
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests(-)	26,995	59,143
Depreciation and amortization	39,422	40,553
Amortization of goodwill	2,004	2,353
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	1,097	(2,575)
Loss on valuation of investment securities	878	203
Decrease in provision for retirement benefits	(3,477)	-
Decrease in net defined benefit liability	-	(5,193)
(Decrease) Increase in provision for directors' retirement benefits	(44)	3
Increase in provision for bonuses	322	812
Decrease in provision for directors' bonuses	-	(7)
(Decrease) Increase in allowance for doubtful accounts	781	(472)
Decrease in provision for removal of assets	(135)	(1,291)
Decrease in other provision	(371)	(2,369)
Interest and dividends income	(1,123)	(1,169)
Interest expenses	9,052	8,362
Loss(Gain) on sales of investment securities	7	(560)
Loss on disposal of property, plant, and equipment	1,037	3,469
Impairment loss	3,003	6,450
(Increase) Decrease in notes and accounts receivable-trade	(4,992)	1,883
Decrease in inventories	2,822	842
Decrease in notes and accounts payable-trade	(471)	(2,863)
Other, net	(2,180)	4,844
Subtotal	74,629	112,416
Interest and dividends income received	1,420	1,565
Interest expenses paid	(9,056)	(8,749)
Income taxes paid	(5,488)	(16,674)
<b>Cash flows from operating activities:</b>	<b>61,505</b>	<b>88,558</b>
<b>Cash flows from investing activities:</b>		
Decrease(Increase) in time deposits	(195)	1,267
Purchase of property, plant, and equipment	(24,937)	(35,432)
Proceeds from sales of property, plant, and equipment	7,652	2,670
Purchase of other depreciated assets	(45)	(50)
Proceeds from sales of other depreciated assets	-	0
Purchase of investment securities	(878)	(370)
Proceeds from sales and redemption of investment securities	941	2,999
Payments of loans receivable	(818)	(2,077)
Collection of loans receivable	1,776	3,474
Other, net	63	(409)
<b>Cash flows from investing activities:</b>	<b>(16,441)</b>	<b>(27,926)</b>
<b>Cash flows from financing activities:</b>		
Net increase(decrease) in short-term loans payable	(30,167)	(32,966)
Proceeds from long-term loans payable	45,934	79,474
Repayment of long-term loans payable	(50,159)	(102,278)
Proceeds from issuance of bonds	21,800	15,350
Redemption of bonds	(30,446)	(11,513)
Proceeds from sales of treasury stock	1	55
Purchase of treasury stock	(18)	(61)
Cash dividends paid	(4,914)	(4,914)
Cash dividends paid to minority shareholders	(559)	(838)
Proceeds from issuance of stock to minority shareholders	-	770
Other, net	(3,262)	(5,347)
<b>Cash flows from financing activities:</b>	<b>(51,792)</b>	<b>(62,269)</b>
Effect of exchange rate change on cash and cash equivalents	1,597	3,127
Net increase(decrease) in cash and cash equivalents	(5,129)	1,488
Cash and cash equivalents at beginning of period	59,785	54,408
Decrease in cash and cash equivalents resulting from change of scope of consolidation	(247)	(406)
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	114
Cash and cash equivalents at end the period	54,408	55,604



## Segment Information

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

[Industry Segments]

(Millions of Yen)

	FY3/14 (4/1/13– 3/31/14)								Consolidated total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total	Eliminations	
Net sales (1) Net sales to outside customers	522,324	73,828	98,049	88,177	11,477	46,429	840,288	—	840,288
(2) Intersegment net sales	12,682	20,053	5,384	4,464	92	25,878	68,554	(68,554)	—
Total	535,006	93,881	103,434	92,642	11,570	72,308	908,843	(68,554)	840,288
Segment operating profit	46,347	6,895	8,432	5,433	152	3,561	70,823	(388)	70,434

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

[Geographic segments]

(Millions of Yen)

	Japan	America	Other	Total
Net sales	683,052	64,453	92,782	840,288
Noncurrent assets	333,239	63,460	73,616	470,316