

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2016 ended March 31, 2016

August 7, 2015

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

Fiscal 2015 1Q: April 1, 2014- June 30, 2014
Fiscal 2015: April 1, 2014- March 31, 2015
Fiscal 2016 1Q: April 1, 2015- June 30, 2015
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 First Quarter of Fiscal 2016 (April 1, 2015 through June 30, 2015)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q FY3/16	209,843	7.7	11,506	1.1	11,296	△2.6	6,553	△24.9
1Q FY3/15	194,785	4.0	11,384	24.1	11,602	67.1	8,721	326.9

*comprehensive income : Fiscal 2016 1Q 6,339 Fiscal 2015 1Q 5,946

	EPS		Diluted EPS	
	Yen		Yen	
1Q FY3/16	5.33		—	
1Q FY3/15	7.10		—	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q FY3/16	1,026,376		350,411		29.8	
FY3/15	1,040,602		347,490		29.1	

*Equity : Fiscal 2016 1Q 305,681 Fiscal 2015 302,645

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/15	—	2.00	—	3.00	5.00
FY3/16	—	—	—	—	—
FY3/16(forecast)	—	3.00	—	3.00	6.00

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		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	FY3/15 (As of 3/31/15)	1Q FY3/16 (As of 6/30/15)
Assets		
Current assets		
Cash and deposits	53,859	57,391
Notes and accounts receivable-trade	178,350	162,589
Merchandise and finished goods	28,587	31,065
Work in process	2,183	1,618
Raw materials and supplies	43,252	44,111
Other	26,079	24,341
Allowance for doubtful accounts	(2,329)	(2,358)
Total current assets	329,981	318,759
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	144,291	142,165
Machinery, equipment, and vehicles, net	120,804	117,297
Land	164,647	163,085
Other, net	60,821	63,575
Total property, plant and equipment	490,565	486,123
B. Intangible assets		
Goodwill	9,297	8,539
Other	32,538	31,963
Total intangible assets	41,836	40,503
C. Investments and other assets		
Investment securities	113,747	114,936
Net defined benefit retirement asset	20,338	20,804
Other	50,095	51,327
Allowance for doubtful accounts	(5,961)	(6,079)
Total investments and other assets	178,219	180,989
Total noncurrent assets	710,621	707,616
Total assets	1,040,602	1,026,376

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

(Millions of Yen)

Item	FY3/15 (As of 3/31/15)	1Q FY3/16 (As of 6/30/15)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	85,036	76,870
Short-term loans payable	178,816	188,694
Commercial Papers	5,000	10,000
Current portion of bonds	20,380	10,380
Income taxes payable	10,730	5,176
Provision for bonuses	5,642	4,043
Other provision	1,060	1,148
Other	71,149	72,355
Total current liabilities	377,817	368,668
Noncurrent liabilities		
Bonds payable	46,710	46,670
Long-term loans payable	148,232	141,454
Net defined benefit retirement liability	26,889	25,935
Provision for directors' retirement benefits	514	432
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	312	327
Provision for asset removal	41	-
Asset retirement obligations	7,673	7,697
Other	84,783	84,641
Total noncurrent liabilities	315,295	307,296
Total liabilities	693,112	675,965
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,757	50,756
Retained earnings	158,939	162,286
Treasury stock	(934)	(944)
Total shareholders' equity	294,937	298,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,908	7,707
Deferred gains or losses on hedges	2	8
Revaluation reserve for land	4,295	4,295
Foreign currency translation adjustment	649	(484)
Retirement benefits liability adjustments	(4,148)	(4,119)
Total accumulated other comprehensive income	7,707	7,408
Non-controlling interests	44,845	44,729
Total net assets	347,490	350,411
Total liabilities and net assets	1,040,602	1,026,376

Consolidated Statements of Income

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

(Millions of Yen)

Item	1Q FY3/15 (4/1/14- 6/30/14)	1Q FY3/16 (4/1/15- 6/30/15)
Net sales	194,785	209,843
Cost of sales	151,638	163,743
Gross profit	43,147	46,099
Selling, general and administrative expenses	31,762	34,593
Operating income	11,384	11,506
Non-operating income		
Interest income	115	127
Dividends income	219	331
Equity in earnings of unconsolidated subsidiaries and affiliates	2,160	1,274
Other	822	1,220
Total non-operating income	3,318	2,954
Non-operating expenses		
Interest expenses	1,786	1,522
Other	1,313	1,641
Total non-operating expenses	3,099	3,164
Ordinary income	11,602	11,296
Extraordinary income		
Gain on disposal of property, plant, and equipment	603	99
Gain on sales of investment securities	100	588
Gain on step acquisitions	916	-
Other	472	24
Total extraordinary income	2,092	713
Extraordinary loss		
Loss on disposal of property, plant, and equipment	474	616
Other	335	133
Total extraordinary losses	809	749
Income before income taxes and non-controlling interests	12,885	11,260
Income taxes-current	4,078	4,535
Profit	8,806	6,724
Profit attributable to non-controlling interests	84	171
Profit attributable to owners of parent	8,721	6,553

Consolidated Statements of Comprehensive Income

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

(Millions of Yen)

	1Q FY3/15 (4/1/14- 6/30/14)	1Q FY3/16 (4/1/15- 6/30/15)
Profit	8,806	6,724
Other comprehensive income		
Valuation difference on available-for-sale securities	147	656
Deferred gains or losses on hedges	(11)	5
Foreign currency translation adjustment	(2,310)	(457)
Retirement benefits liability adjustments	369	30
Share of other comprehensive income of associates accounted for using equity method	(1,055)	(621)
Total other comprehensive income	(2,859)	(385)
Comprehensive income	5,946	6,339
Comprehensive income attributable to :		
Owners of parent	6,103	6,253
Non-controlling interests	(157)	85

Consolidated Segment Information

(Information regarding sales and income(loss)by reportable segments)

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

(Millions of Yen)

	1Q FY3/15 (4/1/14 – 6/30/14)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	127,895	17,966	16,355	18,132	180,349	14,436	194,785	-	194,785
Inter-segment sales	2,420	5,565	1,292	921	10,200	6,292	16,492	(16,492)	-
Total	130,316	23,531	17,647	19,053	190,549	20,728	211,278	(16,492)	194,785
Segment income	6,566	1,135	1,531	291	9,525	1,733	11,258	126	11,384

	1Q FY3/16 (4/1/15 – 6/30/15)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	144,891	17,180	15,210	20,185	197,468	12,374	209,843	-	209,843
Inter-segment sales	2,377	5,751	1,234	1,725	11,088	6,071	17,159	(17,159)	-
Total	147,269	22,931	16,445	21,910	208,556	18,445	227,002	(17,159)	209,843
Segment income	6,600	1,509	1,407	945	10,462	1,051	11,513	(7)	11,506