

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2017 ended March 31, 2017

August 9, 2016

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

Fiscal 2016 1Q: April 1, 2015- June 30, 2015
Fiscal 2016: April 1, 2015- March 31, 2016
Fiscal 2017 1Q: April 1, 2016- June 30, 2016
Fiscal 2017: April 1, 2016- March 31, 2017

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 2017 (April 1, 2016 through June 30, 2016)

(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 FY3/17	175,427	△16.4	5,243	△54.4	5,454	△51.7	15,276	133.1
1Q FY3/16	209,843	7.7	11,506	1.1	11,296	△2.6	6,553	△24.9

*comprehensive income : Fiscal 2017 1Q 2,629 Fiscal 2016 1Q 6,339

	EPS		Diluted EPS	
	Yen		Yen	
1Q FY3/17	12.44		-	
1Q FY3/16	5.33		-	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen	%	Millions of Yen	%	%	
1Q FY3/17	996,291		355,911		32.0	
FY3/16	1,014,075		357,073		31.4	

*Equity : Fiscal 2017 1Q 318,759 Fiscal 2016 318,285

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/16	—	3.00	—	3.00	6.00
FY3/17	—				
FY3/17(forecast)		3.00	—	3.00	6.00

3. Consolidated Results Forecast for the Fiscal 2017 (April 1, 2016 through March 31, 2017)

	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
1HFY3/17	387,000	△6.8	18,500	△26.7	18,500	△29.9	11,000	△30.4	8.95
FY3/17	824,000	△1.4	62,000	2.6	62,000	2.9	38,000	4.4	30.93

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	FY3/16 (As of 3/31/16)	1Q FY3/17 (As of 6/30/16)
Assets		
Current assets		
Cash and deposits	53,539	52,438
Notes and accounts receivable-trade	161,392	147,512
Merchandise and finished goods	31,187	32,155
Work in process	1,485	1,807
Raw materials and supplies	42,624	42,345
Other	19,627	20,011
Allowance for doubtful accounts	(938)	(947)
Total current assets	308,918	295,322
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	132,708	132,418
Machinery, equipment, and vehicles, net	147,151	140,237
Land	140,726	138,997
Other, net	67,024	64,027
Total property, plant and equipment	487,611	475,681
B. Intangible assets		
Goodwill	6,432	5,334
Other	37,487	35,725
Total intangible assets	43,919	41,060
C. Investments and other assets		
Investment securities	115,443	112,816
Assets for retirement benefits	8,968	9,228
Other	55,870	69,011
Allowance for doubtful accounts	(6,655)	(6,829)
Total investments and other assets	173,626	184,226
Total noncurrent assets	705,156	700,968
Total assets	1,014,075	996,291

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

Item	FY3/16 (As of 3/31/16)	1Q FY3/17 (As of 6/30/16)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	73,893	70,136
Short-term loans payable	160,421	156,696
Commercial Papers	-	3,000
Current portion of bonds	450	200
Income taxes payable	8,351	3,367
Provision for bonuses	5,723	4,429
Other provision	751	482
Other	71,637	73,397
Total current liabilities	321,229	311,710
Noncurrent liabilities		
Bonds payable	46,155	46,130
Long-term loans payable	187,471	183,038
Liability for retirement benefits	22,814	21,815
Provision for directors' retirement benefits	433	403
Provision for special repairs	245	107
Other provision	747	721
Asset retirement obligations	7,990	7,828
Other	69,915	68,624
Total noncurrent liabilities	335,772	328,669
Total liabilities	657,002	640,380
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,925	50,925
Retained earnings	188,731	200,382
Treasury stock	(979)	(982)
Total shareholders' equity	324,851	336,499
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,755	3,425
Deferred gains or losses on hedges	16	54
Revaluation reserve for land	4,665	4,665
Foreign currency translation adjustment	(4,174)	(15,148)
Retirement benefits liability adjustments	(11,829)	(10,736)
Total accumulated other comprehensive income	(6,566)	(17,739)
Non-controlling interests	38,787	37,151
Total net assets	357,073	355,911
Total liabilities and net assets	1,014,075	996,291

Consolidated Statements of Income

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

(Millions of Yen)

Item	1Q FY3/16 (4/1/15- 6/30/15)	1Q FY3/17 (4/1/16- 6/30/16)
Net sales	209,843	175,427
Cost of sales	163,743	137,872
Gross profit	46,099	37,555
Selling, general and administrative expenses	34,593	32,312
Operating income	11,506	5,243
Non-operating income		
Interest income	127	127
Dividends income	331	367
Equity in earnings of unconsolidated subsidiaries and affiliates	1,274	1,004
Other	1,220	774
Total non-operating income	2,954	2,274
Non-operating expenses		
Interest expenses	1,522	1,308
Other	1,641	754
Total non-operating expenses	3,164	2,063
Ordinary income	11,296	5,454
Extraordinary income		
Gain on disposal of property, plant, and equipment	99	284
Gain on sales of investment securities	588	1
Other	24	0
Total extraordinary income	713	285
Extraordinary loss		
Loss on disposal of property, plant, and equipment	616	232
Other	133	97
Total extraordinary losses	749	330
Income before income taxes and non-controlling interests	11,260	5,410
Income taxes-current	4,535	(10,128)
Profit	6,724	15,538
Profit attributable to non-controlling interests	171	262
Profit attributable to owners of parent	6,553	15,276

Consolidated Statements of Comprehensive Income

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

	1Q FY3/16 (4/1/15- 6/30/15)	1Q FY3/17 (4/1/16- 6/30/16)
Profit	6,724	15,538
Other comprehensive income		
Valuation difference on available-for-sale securities	656	(1,141)
Deferred gains or losses on hedges	5	39
Foreign currency translation adjustment	(457)	(11,090)
Remeasurements of defined benefit retirement plans	30	1,089
Share of other comprehensive income of associates accounted for using equity method	(621)	(1,806)
Total other comprehensive income	(385)	(12,909)
Comprehensive income	6,339	2,629
Comprehensive income attributable to :		
Owners of parent	6,253	4,103
Non-controlling interests	85	(1,474)

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 FY3/16 (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

	1Q FY3/17 (4/1/16 – 6/30/16)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	121,697	14,495	14,581	14,014	164,789	10,638	175,427	-	175,427
Inter-segment sales	2,078	4,435	1,063	999	8,576	4,914	13,491	(13,491)	-
Total	123,775	18,931	15,645	15,014	173,365	15,553	188,919	(13,491)	175,427
Segment income	1,948	1,405	1,405	358	5,117	127	5,245	(1)	5,243