

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2018 ended March 31, 2018

August 9, 2017

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

Fiscal 2017 1Q: April 1, 2016- June 30, 2016
Fiscal 2017: April 1, 2016- March 31, 2017
Fiscal 2018 1Q: April 1, 2017- June 30, 2017
Fiscal 2018: April 1, 2017- March 31, 2018

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 2018 (April 1, 2017 through June 30, 2017)

(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 FY3/18	199,613	13.8	8,848	68.7	8,752	60.5	4,630	△69.7
1Q FY3/17	175,427	△16.4	5,243	△54.4	5,454	△51.7	15,276	133.1

*Comprehensive income : Fiscal 2018 1Q △962 Fiscal 2017 1Q 2,629

	EPS		Diluted EPS	
	Yen		Yen	
1Q FY3/18	3.75		—	
1Q FY3/17	12.44		—	

(2) Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
1Q FY3/18	1,001,986	396,047	35.8
FY3/17	1,015,415	400,034	35.6

*Equity : Fiscal 2018 1Q 358,756 Fiscal 2017 361,819

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/17	—	3.00	—	3.00	6.00
FY3/18	—				
FY3/18(forecast)		3.00	—	30.00	—

The Company intends to conduct 1-for-10 consolidation of shares whose effective date will be October 1, 2017. Therefore, the forecast amount of year-end dividends per share for FY2018 presented above reflects the impact of the consolidation of shares and the amount of dividends for the full year is not presented (indicated by “—”). The forecast amount of year-end dividends per share for FY2018 without reflecting the impact of the consolidation of shares is ¥3 and the amount of dividends per share for the full year of FY2018 is ¥6.

3. Consolidated Results Forecast for the Fiscal 2018(April 1, 2017 through March 31, 2018)

	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
1HFY3/18	406,000	7.7	23,000	7.2	22,000	5.8	13,000	△69.2	10.53
FY3/18	853,000	6.8	65,000	2.8	61,000	2.0	35,000	△26.5	283.44

The forecast amount of EPS for the full year of FY2018 reflects the impact of consolidation of shares.

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	FY3/17 (As of 3/31/17)	1Q FY3/18 (As of 6/30/17)
Assets		
Current assets		
Cash and deposits	60,516	56,340
Notes and accounts receivable-trade	171,946	168,660
Merchandise and finished goods	31,835	31,262
Work in process	1,708	2,192
Raw materials and supplies	42,422	41,950
Other	25,591	24,125
Allowance for doubtful accounts	△1,125	△1,085
Total current assets	332,895	323,445
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	136,454	134,048
Machinery, equipment, and vehicles, net	135,380	130,294
Land	160,571	159,196
Other, net	64,744	70,718
Total property, plant and equipment	497,151	494,257
B. Intangible assets		
Goodwill	3,409	2,624
Other	34,250	33,744
Total intangible assets	37,660	36,368
C. Investments and other assets		
Investment securities	84,781	85,117
Assets for retirement benefits	17,352	16,888
Other	53,908	54,245
Allowance for doubtful accounts	△8,333	△8,337
Total investments and other assets	147,708	147,914
Total noncurrent assets	682,520	678,540
Total assets	1,015,415	1,001,986

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

Item	FY3/17 (As of 3/31/17)	1Q FY3/18 (As of 6/30/17)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	79,676	76,509
Short-term loans payable	134,428	134,265
Current portion of bonds	11,120	11,120
Income taxes payable	5,914	3,587
Provision for bonuses	5,742	4,488
Other provision	410	454
Other	71,618	81,189
Total current liabilities	308,910	311,616
Noncurrent liabilities		
Bonds payable	35,035	35,010
Long-term loans payable	160,346	153,221
Liability for retirement benefits	24,217	23,909
Provision for directors' retirement benefits	568	502
Provision for special repairs	121	133
Other provision	981	827
Asset retirement obligations	7,520	7,476
Other	77,677	73,241
Total noncurrent liabilities	306,469	294,322
Total liabilities	615,380	605,938
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	59,548	60,272
Retained earnings	228,914	229,837
Treasury stock	△10,911	△10,854
Total shareholders' equity	363,725	365,429
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,830	10,051
Deferred gains or losses on hedges	48	△12
Revaluation reserve for land	5,065	5,065
Foreign currency translation adjustment	△12,862	△17,888
Retirement benefits liability adjustments	△3,987	△3,889
Total accumulated other comprehensive income	△1,906	△6,673
Non-controlling interests	38,215	37,291
Total net assets	400,034	396,047
Total liabilities and net assets	1,015,415	1,001,986

Consolidated Statements of Income

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

Item	1Q FY3/17 (4/1/16- 6/30/16)	1Q FY3/18 (4/1/17- 6/30/17)
Net sales	175,427	199,613
Cost of sales	137,872	155,864
Gross profit	37,555	43,749
Selling, general and administrative expenses	32,312	34,900
Operating income	5,243	8,848
Non-operating income		
Interest income	127	110
Dividends income	367	386
Equity in earnings of unconsolidated subsidiaries and affiliates	1,004	869
Other	774	526
Total non-operating income	2,274	1,893
Non-operating expenses		
Interest expenses	1,308	1,212
Other	754	776
Total non-operating expenses	2,063	1,988
Ordinary income	5,454	8,752
Extraordinary income		
Gain on disposal of property, plant, and equipment	284	273
Gain on sales of investment securities	1	-
Other	0	14
Total extraordinary income	285	288
Extraordinary loss		
Loss on disposal of property, plant, and equipment	232	717
Other	97	72
Total extraordinary losses	330	789
Income before income taxes and non-controlling interests	5,410	8,251
Income taxes-current	△10,128	3,329
Profit	15,538	4,921
Profit attributable to non-controlling interests	262	291
Profit attributable to owners of parent	15,276	4,630

Consolidated Statements of Comprehensive Income

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

	1Q FY3/17 (4/1/16- 6/30/16)	1Q FY3/18 (4/1/17- 6/30/17)
Profit	15,538	4,921
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,141	312
Deferred gains or losses on hedges	39	△18
Foreign currency translation adjustment	△11,090	△6,151
Remeasurements of defined benefit retirement plans	1,089	221
Share of other comprehensive income of associates accounted for using equity method	△1,806	△247
Total other comprehensive income	△12,909	△5,883
Comprehensive income	2,629	△962
Comprehensive income attributable to :		
Owners of parent	4,103	△136
Non-controlling interests	△1,474	△825

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 FY3/17 (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

	1Q FY3/18 (4/1/17 – 6/30/17)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	138,714	14,712	17,191	16,710	187,329	12,284	199,613	-	199,613
Inter-segment sales	3,598	5,433	2,416	973	12,421	4,753	17,174	△17,174	-
Total	142,312	20,146	19,607	17,684	199,750	17,037	216,788	△17,174	199,613
Segment income	4,770	1,668	1,469	683	8,591	110	8,702	145	8,848