

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2020 ended March 31, 2020

August 8, 2019

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

Fiscal 2019 1Q: April 1, 2018- June 30, 2018
Fiscal 2019: April 1, 2018- March 31, 2019
Fiscal 2020 1Q: April 1, 2019- June 30, 2019
Fiscal 2020: April 1, 2019- March 31, 2020

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 2020 (April 1, 2019 through June 30, 2019)

(1) Operating Results (% of change from previous first quarter)

	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 FY3/20	206,868	(2.1)	5,996	(38.5)	6,235	(37.6)	5,614	(8.4)
1Q FY3/19	211,336	5.9	9,755	10.3	9,987	14.1	6,132	32.4

*Comprehensive income : Fiscal 2020 1Q 5,454 Fiscal 2019 1Q (1,138)

	EPS	Diluted EPS
	Yen	Yen
1Q FY3/20	45.87	—
1Q FY3/19	49.55	—

(2) Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
1Q FY3/20	1,033,029	452,074	40.3
FY3/19	1,034,428	450,645	40.1

*Equity : Fiscal 2020 1Q 416,355 Fiscal 2019 414,709

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/19	—	50.00	—	30.00	30.00
FY3/20	—				
FY3/20(forecast)		30.00	—	30.00	60.00

*The dividend per share of the Second Quarter of Fiscal 2019 ended March 31, 2019 includes an ordinary dividend of 30.00 yen and commemorative dividend of 20.00 yen.

3. Consolidated Results Forecast for the Fiscal 2020 (April 1, 2019 through March 31, 2020)

(% of change from the corresponding period of the previous year)

	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
1HFY3/20	451,000	2.8	28,000	2.2	28,000	3.3	19,000	9.6	155.24
FY3/20	936,000	2.2	71,000	7.6	69,500	8.1	45,000	3.6	367.68

*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	FY3/19 (As of 3/31/19)	1Q FY3/20 (As of 6/30/19)
Assets		
Current assets		
Cash and deposits	56,561	57,304
Notes and accounts receivable-trade	180,535	166,965
Electronically recorded monetary claims-operating	12,998	14,479
Merchandise and finished goods	31,138	33,441
Work in process	2,268	2,927
Raw materials and supplies	43,314	43,915
Other	15,135	15,657
Allowance for doubtful accounts	(646)	(642)
Total current assets	341,307	334,049
Non-current assets		
A. Property, plant and equipment		
Buildings and structures, net	135,653	134,219
Machinery, equipment, and vehicles, net	134,649	134,481
Land	157,638	157,781
Other, net	92,998	101,608
Total property, plant and equipment	520,939	528,091
B. Intangible assets		
Goodwill	321	285
Other	30,553	29,632
Total intangible assets	30,875	29,918
C. Investments and other assets		
Investment securities	83,692	83,158
Retirement benefit assets	17,807	18,022
Other	47,238	47,210
Allowance for doubtful accounts	(7,432)	(7,420)
Total investments and other assets	141,306	140,970
Total non-current assets	693,120	698,980
Total assets	1,034,428	1,033,029

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

Item	FY3/19 (As of 3/31/19)	1Q FY3/20 (As of 6/30/19)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	96,275	90,585
Electronically recorded obligations-operating	8,716	6,910
Short-term borrowings	135,381	141,340
Commercial papers	4,000	11,000
Current portion of bonds	10,000	10,000
Income taxes payable	8,376	2,975
Provision for bonuses	6,046	4,635
Other provisions	220	215
Other	80,373	84,398
Total current liabilities	349,390	352,060
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	100,233	93,281
Retirement benefit liabilities	24,206	24,004
Provision for retirement benefits for directors	535	472
Provision for special repairs	75	88
Other provisions	757	758
Asset retirement obligations	7,619	7,631
Other	70,964	72,656
Total non-current liabilities	234,392	228,894
Total liabilities	583,783	580,955
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	60,408	60,420
Retained earnings	294,265	296,164
Treasury shares	(16,081)	(16,086)
Total shareholders' equity	424,767	426,671
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,688	8,233
Deferred gains or losses on hedges	(3)	(1)
Revaluation reserve for land	5,019	5,019
Foreign currency translation adjustment	(20,128)	(20,062)
Accumulated remeasurements of defined benefit plans	(3,632)	(3,504)
Total accumulated other comprehensive income	(10,057)	(10,316)
Non-controlling interests	35,935	35,718
Total net assets	450,645	452,074
Total liabilities and net assets	1,034,428	1,033,029

Consolidated Statements of Income

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

(Millions of Yen)

Item	1Q FY3/19 (4/1/18- 6/30/18)	1Q FY3/20 (4/1/19- 6/30/19)
Net sales	211,336	206,868
Cost of sales	166,878	167,554
Gross profit	44,458	39,313
Selling, general and administrative expenses	34,702	33,317
Operating income	9,755	5,996
Non-operating income		
Interest income	86	103
Dividend income	520	559
Share of profit of entities accounted for using equity method	484	623
Other	791	587
Total non-operating income	1,882	1,874
Non-operating expenses		
Interest expenses	1,078	984
Other	571	650
Total non-operating expenses	1,650	1,634
Ordinary income	9,987	6,235
Extraordinary income		
Gain on disposal of non-current assets	30	139
Gain on sales of investment securities	46	78
Compensation income	-	2,730
Other	39	15
Total extraordinary income	116	2,963
Extraordinary losses		
Loss on disposal of non-current assets	269	638
Loss on withdrawal from business	-	185
Loss on liquidation of subsidiaries and associates	209	-
Other	95	11
Total extraordinary losses	574	836
Income before income taxes and non-controlling interests	9,529	8,363
Income taxes	3,089	2,693
Profit	6,440	5,669
Profit attributable to non-controlling interests	308	55
Profit attributable to owners of parent	6,132	5,614

Consolidated Statements of Comprehensive Income

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

	1Q FY3/19 (4/1/18- 6/30/18)	1Q FY3/20 (4/1/19- 6/30/19)
Profit	6,440	5,669
Other comprehensive income		
Valuation difference on available-for-sale securities	1,398	(341)
Deferred gains or losses on hedges	(1)	1
Foreign currency translation adjustment	(9,055)	96
Remeasurements of defined benefit plans	261	124
Share of other comprehensive income of entities accounted for using equity method	(182)	(96)
Total other comprehensive income	(7,579)	(215)
Comprehensive income	(1,138)	5,454
Comprehensive income attributable to :		
Owners of parent	(115)	5,356
Non-controlling interests	(1,023)	98

Consolidated Segment Information

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

	1Q FY3/19 (4/1/18 – 6/30/18)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	147,618	14,613	20,421	15,556	198,210	13,126	211,336	-	211,336
Inter-segment sales	2,185	5,937	1,952	1,015	11,091	5,276	16,368	(16,368)	-
Total	149,804	20,551	22,374	16,572	209,301	18,402	227,704	(16,368)	211,336
Segment income	5,612	1,830	1,679	42	9,164	501	9,666	89	9,755

	1Q FY3/20(4/1/19 – 6/30/19)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	144,183	13,757	18,703	17,949	194,593	12,275	206,868	-	206,868
Inter-segment sales	2,743	5,964	1,727	946	11,382	5,363	16,745	(16,745)	-
Total	146,927	19,721	20,431	18,895	205,975	17,638	223,614	(16,745)	206,868
Segment income	1,624	1,533	1,406	761	5,325	445	5,771	224	5,996