

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Second Quarter of Fiscal 2012 ended March 31, 2012

November 11, 2011

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

Fiscal 2011 2Q: April 1, 2010- September 30, 2010
Fiscal 2011: April 1, 2010-March 31, 2011
Fiscal 2012 2Q: April 1, 2011- September 30, 2011
Fiscal 2012: April 1, 2011-March 31, 2012

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 Second Quarter of Fiscal 2012 (April 1, 2011 through September 30, 2011)

(1) Operating Results

	Net Sales		Operating income(loss)		Ordinary income(loss)		Net loss	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2Q FY3/12	347,203	1.2	5,763	-	1,113	-	(3,383)	-
2Q FY3/11	343,014	(4.2)	(1,801)	-	(7,726)	-	(13,148)	-

*comprehensive income : Fiscal 2012 2Q (2,583) Fiscal 2011 2Q (23,314)

	EPS	Diluted EPS
	Yen	Yen
2Q FY3/12	(3.45)	-
2Q FY3/11	(13.98)	-

(2) Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
2Q FY3/12	998,354	194,759	16.9
FY3/11	998,741	166,819	14.1

*Equity : Fiscal 2012 2Q 168,715 Fiscal 2011 2Q 140,441

2. Dividends

	Dividend per share				
	1H	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/11	—	0.00	—	2.50	2.50
FY3/12	—	2.00	—	—	—
FY3/12(forecast)	—	—	—	2.00	4.00

3. Consolidated Results Forecast for the Fiscal 2012(April 1, 2011 through March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY3/12	718,000	(1.2)	27,000	64.3	18,200	145.5	11,300	153.9	10.31

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)

	2Q FY3/11 (As of 9/30/10)	2Q FY3/12 (As of 9/30/11)
Cash and deposits	67,290	77,628
Notes and accounts receivable- trade	150,064	144,247
Merchandise and finished goods	27,168	27,190
Work in process	6,166	7,270
Raw materials and supplies	35,260	36,414
Other	38,796	41,214
Allowance for doubtful accounts	(1,810)	(2,186)
Total current assets	322,936	331,778
Property, plant and equipment		
Buildings and structures	158,150	154,244
Machinery, equipment and vehicles	117,902	110,158
Land	153,479	152,936
Other	51,444	55,932
Property, plant and equipment	480,977	473,272
Intangible assets		
Goodwill	15,607	14,360
Other	31,095	30,427
Intangible assets	46,702	44,787
Investments and other assets		
Investment securities	87,466	86,880
Other	66,420	67,117
Allowance for doubtful accounts	(5,762)	(5,482)
Investments and other assets	148,125	148,515
Total noncurrent assets	675,805	666,575
Total assets	998,741	998,354

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(Millions of Yen)

	2Q FY3/11 (As of 9/30/10)	2Q FY3/12 (As of 9/30/11)
Notes and accounts payable-trade	78,757	73,301
Short-term loans payable	282,336	273,969
Commercial papers	12,000	-
Current portion of bonds	20,326	20,353
Income taxes payable	3,323	3,707
Provision for bonuses	4,152	4,070
Provision for directors' bonuses	7	7
Provision for loss on assignment	5,953	5,953
Provision for loss on disaster	6,542	2,596
Other provision	878	885
Other	58,599	63,476
Total current liabilities	472,877	448,321
Bonds payable	51,954	42,349
Long-term loans payable	199,554	206,068
Provision for retirement benefits	23,945	23,590
Provision for directors' retirement benefits	626	492
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	319	353
Provision for asset removal	2,427	2,402
Asset retirement obligations	6,251	6,123
Other	73,827	73,755
Total non-current liabilities	359,044	355,273
Total liabilities	831,922	803,594
Capital stock	69,499	86,174
Capital surplus	33,962	50,636
Retained earnings	82,952	77,275
Treasury stock	(918)	(922)
Total shareholders' equity	185,495	213,163
Valuation difference on available-for-sale securities	2,393	1,406
Deferred gains or losses on hedges	54	(4)
Revaluation reserve for land	4,447	4,429
Foreign currency translation adjustments	(49,503)	(47,979)
Adjustment for employee retirement benefit of overseas subsidiary	(2,446)	(2,301)
Total accumulated other comprehensive income	(45,053)	(44,448)
Minority interests	26,378	26,044
Total net assets	166,819	194,759
Total liabilities and net assets	998,741	998,354

Consolidated Statements of Income

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

		Item	2Q FY3/11 (As of 9/30/10)	2Q FY3/12 (As of 9/30/11)	
Ordinary income and loss	Operating income/loss	Net sales	343,014	347,203	
		Cost of sales	285,801	284,106	
		Gross profit	57,213	63,097	
		Selling, general and administrative expenses	59,014	57,333	
		Operating income	(1,801)	5,763	
	Non-operating income and expenses	Income	Interest income	265	231
			Dividends income	772	462
			Other	2,110	2,199
		Total		3,148	2,893
		Expenses	Interest expenses	4,919	4,749
			Equity in losses of unconsolidated subsidiaries and affiliates	629	273
			Other	3,524	2,520
			Total		9,073
	Ordinary income or loss		(7,726)	1,113	
Extraordinary income and losses	Income	Gain on disposal of non-current assets	8,101	586	
		Gain on sales of investment securities	1,084	16	
		Other	806	272	
		Total		9,991	876
	Losses	Loss on disposal of non-current assets	729	631	
		Loss on sale of investment securities	2,543	12	
		Loss on valuation of investment securities	2,243	165	
		Loss on disaster	-	1,465	
		Loss on adjustment for changes of accounting standard for asset retirement obligations	4,056	-	
		Other	2,057	1,399	
		Total		11,630	3,674
	Income before income tax and minority interests		(9,366)	(1,684)	
	Income taxes-current		4,460	3,680	
	Income taxes-deferred		(729)	(2,301)	
Income taxes total		3,730	1,379		
Net income before minority interests		(13,096)	(3,063)		
Minority interests		51	319		
Net income		(13,148)	(3,383)		

Consolidated Statement of Comprehensive Income

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

(Millions of Yen)

	2Q FY3/11 (As of 9/30/10)	2Q FY3/12 (As of 9/30/11)
Loss before minority interests	(13,096)	(3,063)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,657)	(865)
Deferred gains or losses on hedges	1	(14)
Foreign currency translation adjustment	(4,340)	(388)
Adjustments for employee retirement benefit of overseas subsidiary	214	145
Share of other comprehensive income of associates accounted for using equity method	(3,434)	1,603
Total other comprehensive income	(10,217)	479
Comprehensive income	(23,314)	(2,583)
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	(22,619)	(2,760)
Minority interests	(694)	177

Consolidated Statements of Cash Flows

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

(Millions of Yen)

	2Q FY3/11 (As of 9/30/10)	2Q FY3/12 (As of 9/30/11)
I		
Net cash provided by(used in) operating activities		
Loss before income taxes and minority interests	(9,366)	(1,684)
Depreciation and amortization	21,302	20,227
Amortization of goodwill	1,577	1,038
Equity in (earnings)losses of affiliates	629	273
Loss(gain) on valuation of investment securities	2,243	165
Increase(decrease) in provision for retirement benefits	(1,508)	(1,105)
Decrease in provision for directors' retirement benefits	(178)	(133)
Decrease in provision for bonuses	(387)	(81)
Increase in allowance for doubtful accounts	55	94
Decrease in provision for business structure reform	(3,254)	-
Decrease in provision for removal of assets	-	(25)
Increase(decrease) in other provision	942	(10)
Interest and dividends income	(1,038)	(694)
Interest expenses	4,919	4,749
Loss on sales of investment securities	1,458	(4)
Loss on liquidation of subsidiaries and affiliates	131	-
Loss(gain) on disposal of property, plant, and equipment	(7,371)	45
Impairment loss	164	-
Decrease (increase) in notes and accounts receivable-trade	6,087	6,262
Decrease (increase) in inventories	(4,480)	(2,291)
Increase (decrease) in notes and accounts payable-trade	(6,932)	(6,019)
Loss on disaster	-	1,465
Loss on adjustment for changes of accounting standard for asset retirement obligations	4,056	-
Other, net	2,771	(3,794)
Subtotal	11,823	18,477
Interest and dividends income received	1,376	968
Interest expenses paid	(5,147)	(4,832)
Income taxes paid	(303)	(2,620)
Net cash provided by(used in) operating activities	7,749	11,992
II		
Net cash provided by(used in) investing activities		
Decrease(Increase) in time deposits	65	578
Purchase of property, plant, and equipment	(13,647)	(7,974)
Proceeds from sales of property, plant, and equipment	10,495	977
Purchase of investment securities	(186)	(320)
Proceeds from sales of investment securities	3,118	157
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(1,636)	-
Payments of loans receivable	(1,515)	(1,956)
Collections of loans receivable	1,703	1,173
Other, net	110	115
Net cash provided by(used in) investing activities	(1,491)	(7,248)

III	Net cash provided by(used in) financing activities		
	Increase (decrease) in short-term loans payable	11,603	(3,102)
	Increase (decrease) in commercial papers	5,000	(12,000)
	Proceeds from long-term loans payable	28,995	33,945
	Repayment of long-term loans payable	(50,221)	(32,544)
	Redemption of bonds	(20,297)	(10,178)
	Redemption of bonds with subscription rights to shares	(22,000)	—
	Proceeds from issuance of bonds	600	600
	Proceeds from issuance of common stock	—	33,350
	Purchase of treasury stock	(4)	(5)
	Proceeds from sales of treasury stock	0	1
	Cash dividend paid	—	(2,372)
	Cash dividends paid to minority shareholders	(405)	(466)
	Other, net	(776)	(1,018)
	Net cash provided by(used in) financing activities	(47,506)	6,208
IV	Effect of exchange rate changes on cash and cash equivalents	(773)	(78)
V	Net increase in cash and cash equivalents	(42,022)	10,872
VI	Cash and cash equivalents at beginning of period	113,480	61,265
VII	Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(127)	(5)
VIII	Increase in cash and cash equivalents resulting from merger of unconsolidated subsidiaries	18	—
IX	Increase in cash and cash equivalents resulting from merger	105	47
X	Cash and cash equivalents at end of the period	71,455	72,180

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)

	2Q FY3/11 (4/1/10 – 9/30/10)										
	Reportable Segments						Total	Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Total					
Net sales											
Sales to outside customers	202,769	31,397	25,905	34,439	17,174	311,686	31,328	343,014	—	343,014	
Inter-segment sales	5,105	7,763	2,485	2,562	20	17,937	16,554	34,492	(34,492)	—	
Total	207,874	39,161	28,391	37,001	17,194	329,623	47,882	377,506	(34,492)	343,014	
Segment income(loss)	(2,973)	274	2,362	(1,689)	(860)	(2,886)	1,295	(1,590)	(210)	(1,801)	

Segment Information

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

	2Q FY3/12 (4/1/11 – 9/30/11)										
	Reportable Segments						Total	Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Total					
Net sales											
Sales to outside customers	212,888	31,556	28,093	33,733	21,406	327,679	19,524	347,203	—	347,203	
Inter-segment sales	6,453	8,348	2,666	1,636	5	19,110	10,150	29,260	(29,260)	—	
Total	219,342	39,905	30,760	35,370	21,412	346,790	29,674	376,464	(29,260)	347,203	
Segment income(loss)	1,895	756	3,118	(1,110)	(147)	4,512	1,297	5,810	(46)	5,763	