

# Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2012 Ended March 31, 2012

May 15, 2012

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

Fiscal 2011: April 1, 2010-March 31, 2011  
Fiscal 2012: April 1, 2011-March 31, 2012  
Fiscal 2013: April 1, 2012-March 31, 2013

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 Fiscal 2012 (April 1, 2011 through March 31, 2012)

### (1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/12	727,849	0.2	29,185	77.6	18,496	149.5	7,845	76.3
FY3/11	726,475	(0.3)	16,433	360.0	7,412	-	4,450	-

\*comprehensive income Fiscal 2012 2,111 Fiscal 2011 (13,925)

	EPS	Diluted EPS	ROE	ROA	Operating income to net sales
	Yen	Yen	%	%	%
FY3/12	7.16	-	5.1	1.9	4.0
FY3/11	4.73	4.71	3.0	0.7	2.3

\*equity in earnings of unconsolidated subsidiaries and affiliates Fiscal 2012 (3,011) Fiscal 2011 1,217

### (2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/12	982,231	196,144	17.3	138.09
FY3/11	998,741	166,819	14.1	149.28

\*Equity : Fiscal 2012 169,614 Fiscal 2011 140,441

### (3) Consolidated Cash Flows

	Net cash provided(used in) operating activities	Net cash provided(used in) investing activities	Net cash provided(used in) financing activities	Cash and cash equivalents at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY3/12	36,625	(17,252)	(19,228)	59,785
FY3/11	36,995	14,177	(100,480)	61,265

## 2. Dividends

	Dividend per share					Total amount of cash dividends(annual)	Net cash provided(used in) financing activities	Ratio of total amount of dividends to shareholder's equity(consolidated)
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY3/11	—	0.00	—	2.50	2.50	2,372	45.6	1.6
FY3/12	—	2.00	—	2.00	4.00	4,945	55.9	2.8
FY3/13(forecast)	—	2.00	—	2.00	4.00		49.1	

## 3. Consolidated Results Forecast for the Fiscal 2012(April 1, 2012 through March 31, 2013)

	Net sales		Operating income		Ordinary income		Net income(loss)		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1HFY3/13	352,000	1.4	6,500	12.8	1,200	7.8	(3,200)	(5.4)	(2.61)
FY3/13	728,000	0.0	36,000	23.3	28,000	51.4	10,000	27.5	8.14

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	FY3/11 (As of 3/31/11)	FY3/12 (As of 3/31/12)
Assets		
Current assets		
Cash and deposits	67,290	64,505
Notes and accounts receivable-trade	150,064	167,638
Merchandise and finished goods	27,168	26,155
Work in process	6,166	4,773
Raw materials and supplies	35,260	37,145
Deferred tax assets	16,773	12,756
Short-term loans receivable	12,539	12,361
Other	9,483	10,928
Allowance for doubtful accounts	(1,810)	(1,766)
Total current assets	322,936	334,496
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	158,150	150,556
Machinery, equipment, and vehicles, net	117,902	106,117
Land	153,479	151,935
Construction in progress	15,366	10,679
Other, net	36,078	42,501
Total property, plant and equipment	480,977	461,789
B. Intangible assets		
Goodwill	15,607	12,343
Other	31,095	29,617
Total intangible assets	46,702	41,960
C. Investments and other assets		
Investment securities	87,466	78,574
Other	64,421	71,140
Allowance for doubtful accounts	(5,762)	(5,730)
Total investments and other assets	148,125	143,984
Total noncurrent assets	675,805	647,735
Total assets	998,741	982,231

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

Item	FY3/11 (As of 3/31/11)	FY3/12 (As of 3/31/12)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	78,757	84,300
Short-term loans payable	282,336	251,710
Commercial papers	12,000	—
Current portion of bonds	20,326	30,366
Deferred tax liabilities	439	471
Income taxes payable	3,323	3,251
Provision for bonuses	4,152	4,395
Provision for directors' bonuses	7	7
Provision for loss on disaster	6,542	—
Provision for loss on assignment of business	5,953	4,191
Other provision	878	1,468
Other	58,160	68,017
<b>Total current liabilities</b>	<b>472,877</b>	<b>448,180</b>
<b>Noncurrent liabilities</b>		
Bonds payable	51,954	22,143
Long-term loans payable	199,554	205,965
Deferred tax liabilities	16,261	12,887
Deferred tax liabilities for land revaluation	6,042	5,285
Provision for retirement benefits	23,945	24,802
Provision for directors' retirement benefits	626	550
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for asset removal	2,427	2,002
Provision for special repairs	319	286
Other provision	330	330
Lease obligations	9,169	16,792
Asset retirement obligation	6,251	7,103
Other	42,023	39,619
<b>Total noncurrent liabilities</b>	<b>359,044</b>	<b>337,907</b>
<b>Total liabilities</b>	<b>831,922</b>	<b>786,087</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	69,499	86,174
Capital surplus	33,962	50,636
Retained earnings	82,952	85,041
Treasury stock	(918)	(916)
<b>Total shareholders' equity</b>	<b>185,495</b>	<b>220,935</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,393	985
Deferred gains or losses on hedges	54	20
Revaluation reserve for land	4,447	4,710
Foreign currency translation adjustment	(49,503)	(53,678)
Adjustments for employee retirement benefit of overseas subsidiary	(2,446)	(3,358)
<b>Total accumulated other comprehensive income</b>	<b>(45,053)</b>	<b>(51,321)</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>26,378</b>	<b>26,529</b>
<b>Total net assets</b>	<b>166,819</b>	<b>196,144</b>
<b>Total liabilities and net assets</b>	<b>998,741</b>	<b>982,231</b>

## Consolidated Statements of Income

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

Item	FY3/11 (As of 3/31/11)	FY3/12 (As of 3/31/12)
Net sales	726,475	727,849
Cost of sales	590,082	581,814
Gross profit	136,393	146,034
Selling, general and administrative expenses	119,960	116,849
Operating income	16,433	29,185
Non-operating income		
Interest income	467	508
Dividends income	1,212	1,864
Equity in earnings of unconsolidated subsidiaries and affiliates	1,217	—
Other	3,695	5,136
Total non-operating income	6,592	7,510
Non-operating expenses		
Interest expenses	9,540	9,490
Equity in losses of unconsolidated subsidiaries and affiliates	—	3,011
Other	6,072	5,696
Total non-operating expenses	15,612	18,199
Ordinary income	7,412	18,496
Extraordinary income		
Gain on disposal of property, plant, and equipment	22,697	2,589
Gain on sales of investment securities	4,552	137
Cumulative effect of accounting application of asset retirement obligation	2,669	4,216
Other	4,008	631
Total extraordinary income	33,927	7,575
Extraordinary loss		
Loss on disposal of property, plant, and equipment	2,268	2,467
Loss on liquidation of subsidiaries and affiliates	858	750
Loss on sale of investment securities	2,633	15
Loss on valuation of investment securities	1,842	586
Impairment loss	1,875	1,141
Loss on business withdrawal	1,358	789
Loss on disaster	9,206	2,637
Cumulative effect of accounting application of asset retirement obligation	4,056	—
Loss on transfer of business	364	—
Other	1,870	1,906
Total extraordinary losses	26,335	10,294
Income before income taxes and minority interests	15,005	15,777
Income taxes-current	5,251	5,032
Income taxes-deferred	5,244	2,162
Income before income taxes and minority interests	4,509	8,582
Minority interests in income	58	736
Net income	4,450	7,845

## Consolidated Statement of Comprehensive Income

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

(Millions of Yen)

Item	FY3/11 (As of 3/31/11)	FY3/12 (As of 3/31/12)
Income before minority interests	4,509	8,582
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,174)	(581)
Deferred gains or losses on hedges	24	(22)
Foreign currency translation adjustment	(11,771)	(3,157)
Revaluation reserve for land	-	605
Adjustments for employee retirement benefit of overseas subsidiary	21	(912)
Share of other comprehensive income of associates accounted for using equity method	(2,535)	(2,403)
Total other comprehensive income	(18,434)	(6,471)
Comprehensive income	(13,925)	2,111
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	(12,139)	1,622
Minority interests	(1,785)	488

## Consolidated Statement of Changes in Net Assets

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

Item	FY3/11 (As of 3/31/11)	FY3/12 (As of 3/31/12)
Shareholders' equity		
Capital stock		
Balance at pre end of term	69,499	69,499
Issuance of new stock		16,675
Total changes of items during the period	-	16,675
Balance at end of this term	69,499	86,174
Capital surplus		
Balance at pre end of term	60,384	33,962
Disposal of treasury stock	(0)	(0)
Issuance of new stock	-	16,675
Deficit disposition	(26,421)	-
Total changes of items during the period	(26,422)	16,674
Balance at end of this term	33,962	50,636
Retained earnings		
Balance at pre end of term	52,753	82,952
Cumulative effect of adoption of IFRS by foreign affiliate	2,064	-
Retained earnings as restated	54,818	82,952
Dividends from surplus	-	(4,809)
Net profit of this term	4,450	7,845
Reversal of revaluation reserve for land	55	37
Change in scope of consolidation	(444)	35
Decrease by merger of subsidiaries	(78)	-
Decrease of affiliates accounted for by equity method	(2,271)	(1,019)
Deficit disposition	26,421	-
Total changes of items during the period	28,133	2,088
Balance at end of this term	82,952	85,041
Treasury stock		
Balance at pre end of term	(960)	(918)
Purchase of treasury stock	(14)	(18)
Disposal of treasury stock	1	14
Decrease by merger of subsidiaries	(1)	-
Decrease of affiliates accounted for by equity method	56	-
Total changes of items during the period	42	1
Balance at end of this term	(918)	(916)
Total shareholders' equity		
Balance at pre end of term	181,676	185,495
Cumulative effect of adoption of IFRS by foreign affiliate	2,064	-
Shareholders equity as restated	183,741	185,495
Issuance of new stock	-	33,350
Dividends of surplus fund	-	(4,809)
Net profit of this term	4,450	7,845
Reversal of revaluation reserve for land	55	37
Purchase of treasury stock	(14)	(12)
Disposal of treasury stock	0	14
Change in scope of consolidation	(444)	35
Decrease by merger of subsidiaries	(79)	-
Decrease of affiliates accounted for by equity method	(2,214)	(1,190)
Deficit disposition	-	-
Total changes of items during the period	1,753	35,440
Balance at end of this term	185,495	220,935
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at pre end of term	6,586	2,393
Cumulative effect of adoption of IFRS by foreign affiliate	45	-
Accumulated other comprehensive income as restated	6,631	2,393
Net changes of items other than shareholders' equity	(4,238)	(1,408)

Total changes of items during the period	(4,238)	(1,408)
Balance at end of this term	2,393	985
Deferred gains or losses on hedges		
Balance at pre end of term	6	54
Net changes in items other than shareholders' equity	48	(34)
Total changes of items during the period	48	(34)
Balance at end of this term	54	20
Revaluation reserve for land		
Balance at pre end of term	4,503	4,447
Net changes in items other than shareholders' equity	(55)	263
Total changes of items during the period	(55)	263
Balance at end of this term	4,447	4,710
Foreign currency translation adjustment		
Balance at pre end of term	(37,115)	(49,503)
Net changes in items other than shareholders' equity	(12,387)	(4,175)
Total changes of items during the period	(12,387)	(4,175)
Balance at end of this term	(49,503)	(53,678)
Adjustments for employee retirement benefit of overseas subsidiary		
Balance at pre end of term	(2,468)	(2,446)
Net changes in items other than shareholders' equity	21	(912)
Total changes of items during the period	21	(912)
Balance at end of this term	(2,446)	(3,358)
Total other comprehensive income		
Balance at pre end of term	(28,488)	(45,053)
Cumulative effect of adoption of IFRS by foreign affiliate	45	—
Total other comprehensive income as restated	(28,443)	(45,053)
Net changes in items other than shareholders' equity	(16,610)	(6,267)
Total changes of items during the period	(16,610)	(6,267)
Balance at end of this term	(45,053)	(51,321)
Minority interests		
Balance at pre end of term	34,999	26,378
Net changes in items other than shareholders' equity	(8,620)	151
Total changes of items during the period	(8,620)	151
Balance at end of this term	26,378	26,529
Total net assets		
Balance at pre end of term	188,187	166,819
Net changes in items other than shareholders' equity	2,110	—
Net assets as restated	190,297	166,819
Issuance of new stock	—	33,350
Dividends of surplus fund	—	(4,809)
Net income	4,450	7,845
Reversal of revaluation reserve for land	55	37
Purchase of treasury stock	(14)	(12)
Disposal of treasury stock	0	14
Change in scope of consolidation	(444)	35
Decrease by merger of subsidiaries	(79)	—
Decrease of affiliates accounted for by equity method	(2,214)	(1,019)
Net changes in items other than shareholders' equity	(25,231)	(6,115)
Total changes of items during the period	(23,477)	29,324
Balance at end of this term	166,819	196,144

## Consolidated Statements of Cash Flows

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

(Millions of Yen)

Item	FY3/11 (As of 3/31/11)	FY3/12 (As of 3/31/12)
Net cash provided by(used in) operating activities		
Income before income taxes and minority interests(-)	15,005	15,777
Depreciation and amortization	43,097	41,624
Amortization of goodwill	3,181	2,094
Equity in(losses) earnings of unconsolidated subsidiaries and affiliates	(1,217)	3,011
Loss on valuation of investment securities	1,842	586
Decrease in provision for retirement benefits	(2,344)	(1,161)
Decrease in provision for directors' retirement benefits	(137)	(76)
Decrease(Increase) in provision for bonuses	(804)	245
Decrease in allowance for doubtful accounts	(3,097)	(73)
Decrease in provision for business structure reform costs	(14,746)	—
(Decrease)Increase in provision for removal of assets	2,427	(425)
Increase(decrease) in other provision	(47)	(1,208)
Interest and dividends income	(1,679)	(2,373)
Interest expenses	9,540	9,490
Loss(Gain) on sales of investment securities	(1,918)	(121)
Loss on liquidation of subsidiaries and affiliates	858	750
Loss on sales of property, plant, and equipment	(20,429)	(122)
Impairment loss	1,875	1,141
Decrease in notes and accounts receivable-trade	(3,570)	(18,005)
(Increase)Decrease in inventories	5,195	(429)
Decrease in notes and accounts payable-trade	717	5,667
Loss on disaster	9,206	2,637
Loss on transfer of business	364	—
Gain on securities contribution to employees' retirement benefits trust	4,056	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	(2,669)	(4,216)
Other, net	1,564	(6,472)
Subtotal	46,271	48,341
Interest and dividends income received	2,091	2,722
Interest expenses paid	(9,569)	(9,397)
Income taxes paid	(1,798)	(5,040)
Net cash provided by(used in) operating activities	36,995	36,625
Net cash provided by(used in) investing activities		
Decrease(Increase) in time deposits	(357)	1,315
Purchase of property, plant, and equipment	(25,665)	(23,894)
Proceeds from sales of property, plant, and equipment	31,151	5,041
Purchase of other depreciated assets	(1,477)	(77)
Proceeds from sales of other depreciated assets	1	2
Purchase of investment securities	(588)	(1,332)
Proceeds from sales of investment securities	11,981	1,598
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	(1,652)	—
Payments of loans receivable	(2,029)	(2,558)
Collection of loans receivable	3,052	1,970
Other, net	(238)	680
Net cash provided by(used in) investing activities	14,177	(17,252)
Net cash provided by(used in) financing activities		
Net increase(decrease) in short-term loans payable	(7,345)	(23,780)
Net increase in commercial papers	(34,000)	(12,000)
Proceeds from long-term loans payable	63,853	62,388
Repayment of long-term loans payable	(87,923)	(59,474)
Proceeds from issuance of bonds	10,800	600
Redemption of bonds	(21,370)	(20,371)
Payments for redemption of bonds with subscription rights to shares	(22,000)	—
Proceeds from issuance of stock	—	33,350
Proceeds from sales of treasury stock	0	2
Purchase of treasury stock	(14)	(12)
Cash dividends paid	—	(4,810)

Cash dividends paid to minority shareholders	(761)	(466)
Other, net	(1,718)	5,347
Net cash provided by(used in) financing activities	(100,480)	(19,228)
Effect of exchange rate change on cash and cash equivalents	(2,862)	(1,666)
Net increase(decrease) in cash and cash equivalents	(52,169)	(1,521)
Cash and cash equivalents at beginning of period	113,480	61,265
Decrease in cash and cash equivalents resulting from change of scope of consolidation	(169)	(5)
Increase in cash and cash equivalents from newly consolidated subsidiary	18	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	105	47
Cash and cash equivalents at end the period	61,265	59,785

## Segment Information

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

[Industry Segments]

(Millions of Yen)

	FY3/12 (4/1/11 – 3/31/12)								Consolidated total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total	Eliminations or corporate assets	
Net sales									
(1) Net sales to outside customers	452,729	65,972	60,169	80,630	27,372	40,975	727,849	—	727,849
(2) Intersegment net sales	11,534	17,089	5,164	4,289	12	25,798	63,888	(63,888)	—
Total	464,263	83,062	65,334	84,919	27,384	66,773	791,737	(63,888)	727,849
Operating income(loss) (-)	16,558	2,697	6,537	1,540	(507)	3,122	29,949	(764)	29,185

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

[Geographic segments]

(Millions of Yen)

	Japan	America	Other	Total
Net sales	597,968	42,781	87,099	727,849
Noncurrent assets	348,830	50,880	61,513	461,224