

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Third Quarter of Fiscal 2014 ended March 31, 2014

February 12, 2014

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

Fiscal 2013 3Q: April 1, 2012- December 31, 2012
Fiscal 2013: April 1, 2012- March 31, 2013
Fiscal 2014 3Q: April 1, 2013- December 31, 2013
Fiscal 2014: April 1, 2013- March 31, 2014

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 Third Quarter of Fiscal 2014 (April 1, 2013 through December 31, 2013)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q FY3/14	620,425	12.5	50,765	110.8	50,806	185.3	23,725	233.0
3Q FY3/13	551,499	2.2	24,080	28.4	17,809	71.6	7,123	549.6

*comprehensive income : Fiscal 2014 3Q 43,383 Fiscal 2013 3Q 8,989

	EPS		Diluted EPS	
	Yen		Yen	
3Q FY3/14	19.31		-	
3Q FY3/13	5.80		-	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen	%	Millions of Yen	%		
3Q FY3/14	1,037,849		258,631		21.8	
FY3/13	982,473		219,826		19.5	

*Equity : Fiscal 2014 3Q 226,482 Fiscal 2013 191,427

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/13	—	2.00	—	2.00	4.00
FY3/14	—	2.00	—		
FY3/14(forecast)				3.00	5.00

3. Consolidated Results Forecast for the Fiscal 2014(April 1, 2013 through March 31, 2014)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY3/14	824,000	10.2	64,000	57.4	57,000	74.5	21,000	85.4	17.10

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	FY3/13 (As of 03/31/13)	3Q FY3/14 (As of 12/31/13)
Assets		
Current assets		
Cash and deposits	59,379	66,296
Notes and accounts receivable-trade	174,336	187,813
Merchandise and finished goods	25,920	27,598
Work in process	4,788	8,182
Raw materials and supplies	36,455	37,827
Other	31,413	31,142
Allowance for doubtful accounts	(1,587)	(1,593)
Total current assets	330,706	357,267
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	146,664	143,407
Machinery, equipment, and vehicles, net	108,314	109,112
Land	152,625	154,650
Other, net	49,884	62,085
Total property, plant and equipment	457,489	469,255
B. Intangible assets		
Goodwill	11,303	10,818
Other	30,275	30,675
Total intangible assets	41,578	41,493
C. Investments and other assets		
Investment securities	85,128	96,935
Other	74,282	79,014
Allowance for doubtful accounts	(6,713)	(6,118)
Total investments and other assets	152,698	169,832
Total noncurrent assets	651,766	680,581
Total assets	982,473	1,037,849

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(Millions of Yen)

Item	FY3/13 (As of 03/31/13)	3Q FY3/14 (As of 12/31/13)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	85,010	89,056
Short-term loans payable	274,760	244,416
Current portion of bonds	11,478	10,450
Income taxes payable	11,000	21,287
Provision for bonuses	4,711	3,501
Provision for directors' bonuses	7	7
Other provision	4,893	2,042
Other	70,730	76,711
Total current liabilities	462,591	447,473
Noncurrent liabilities		
Bonds payable	32,385	47,450
Long-term loans payable	155,336	159,410
Provision for retirement benefits	25,448	26,421
Provision for directors' retirement benefits	505	490
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	343	355
Provision for asset removal	1,866	1,801
Asset retirement obligation	8,032	7,614
Other	75,998	88,061
Total noncurrent liabilities	300,054	331,744
Total liabilities	762,646	779,217
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,636	50,690
Retained earnings	91,174	109,990
Treasury stock	(934)	(923)
Total shareholders' equity	227,051	245,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,168	6,263
Deferred gains or losses on hedges	78	54
Revaluation reserve for land	4,563	4,330
Foreign currency translation adjustment	(39,640)	(26,096)
Adjustment for employee retirement benefit of overseas subsidiary	(3,793)	(4,000)
Total accumulated other comprehensive income	(35,624)	(19,448)
Minority interests in consolidated subsidiaries	28,399	32,148
Total net assets	219,826	258,631
Total liabilities and net assets	982,473	1,037,849

Consolidated Statements of Income

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

Item	3Q FY3/13 (4/1/12- 12/31/12)	3Q FY3/14 (4/1/13- 12/31/13)
Net sales	551,499	620,425
Cost of sales	438,811	474,752
Gross profit	112,687	145,673
Selling, general and administrative expenses	88,607	94,908
Operating income	24,080	50,765
Non-operating income		
Interest income	304	324
Dividends income	438	440
Equity in earnings of unconsolidated subsidiaries and affiliates	—	2,300
Other	3,299	5,660
Total non-operating income	4,042	8,725
Non-operating expenses		
Interest expenses	6,929	6,463
Equity in losses of unconsolidated subsidiaries and affiliates	894	—
Other	2,489	2,221
Total non-operating expenses	10,313	8,684
Ordinary income	17,809	50,806
Extraordinary income		
Gain on disposal of non-current assets	3,202	1,347
Other	585	129
Total extraordinary income	3,787	1,477
Extraordinary loss		
Loss on disposal of non-current assets	2,755	1,687
Other	2,154	619
Total extraordinary losses	4,910	2,306
Income before income taxes and minority interests	16,686	49,976
Income taxes	9,456	25,158
Net income before minority interests	7,229	24,818
Minority interests	106	1,093
Net income	7,123	23,725

Consolidated Statements of Comprehensive Income

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

	3Q FY3/13 (4/1/12- 12/31/12)	3Q FY3/14 (4/1/13- 12/31/13)
Net income before minority interests	7,229	24,818
Other comprehensive income		
Valuation difference on available-for-sale securities	(185)	2,996
Deferred gains or losses on hedges	11	(23)
Foreign currency translation adjustment	396	11,816
Adjustments for employee retirement benefit of overseas subsidiary	245	(207)
Share of other comprehensive income of associates accounted for using equity method	1,291	3,981
Total other comprehensive income	1,759	18,564
Comprehensive income	8,989	43,383
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	8,670	40,133
Minority interests	318	3,249

Consolidated Segment Information

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

	3Q FY3/13 (4/1/12 – 12/31/12)									
	Reportable Segments						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	354,917	49,665	51,157	53,725	9,366	518,832	32,666	551,499	—	551,499
Inter-segment sales	8,897	13,476	4,252	3,082	18	29,727	17,184	46,911	(46,911)	—
Total	363,814	63,142	55,410	56,807	9,385	548,560	49,850	598,410	(46,911)	551,499
Segment income(loss)	15,529	3,107	5,120	(307)	(1,103)	22,346	2,082	24,429	(349)	24,080

	3Q FY3/14 (4/1/13 – 12/31/13)									
	Reportable Segments						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	391,479	55,433	72,169	60,149	8,886	588,118	32,307	620,425	—	620,425
Inter-segment sales	9,348	14,967	3,782	3,315	7	31,421	17,331	48,753	(48,753)	—
Total	400,828	70,401	75,951	63,464	8,894	619,539	49,638	669,178	(48,753)	620,425
Segment income(loss)	34,278	5,600	6,161	2,478	245	48,763	2,122	50,886	(121)	50,765