

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2015 ended March 31, 2015

August 8, 2014

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

Fiscal 2014 1Q: April 1, 2013- June 30, 2013
Fiscal 2014: April 1, 2013- March 31, 2014
Fiscal 2015 1Q: April 1, 2014- June 30, 2014
Fiscal 2015: April 1, 2014- March 31, 2015

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 2015 (April 1, 2014 through June 30, 2014)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q FY3/15	194,785	4.0	11,384	24.1	11,602	67.1	8,721	326.9
1Q FY3/14	187,320	12.3	9,174	—	6,944	—	2,042	—

*comprehensive income : Fiscal 2015 1Q 5,946 Fiscal 2014 1Q 11,338

	EPS		Diluted EPS	
	Yen		Yen	
1Q FY3/15	7.10		—	
1Q FY3/14	1.66		—	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen		Millions of Yen		%	
1Q FY3/15	1,010,502		276,726		24.0	
FY3/14	1,015,564		273,312		23.7	

*Equity : Fiscal 2015 1Q 242,113 Fiscal 2014 240,256

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/14	—	2.00	—	3.00	5.00
FY3/15	—				
FY3/15(forecast)		2.00	—	3.00	5.00

3. Consolidated Results Forecast for the Fiscal 2015(April 1, 2014 through March 31, 2015)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1HFY3/15	411,000	3.2	26,400	-3.8	25,000	-2.5	15,300	50.4	12.46
FY3/15	858,000	2.1	70,000	-0.6	65,000	-6.6	35,000	-0.6	28.49

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	FY3/14 (As of 3/31/14)	1Q FY3/15 (As of 6/30/14)
Assets		
Current assets		
Cash and deposits	59,369	59,185
Notes and accounts receivable-trade	176,245	166,993
Merchandise and finished goods	26,113	28,471
Work in process	4,120	3,574
Raw materials and supplies	39,323	42,040
Other	34,700	32,082
Allowance for doubtful accounts	(1,568)	(1,761)
Total current assets	338,304	330,584
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	142,417	140,399
Machinery, equipment, and vehicles, net	112,379	109,089
Land	155,301	158,968
Other, net	60,217	64,275
Total property, plant and equipment	470,316	472,733
B. Intangible assets		
Goodwill	10,890	9,938
Other	31,338	30,920
Total intangible assets	42,228	40,859
C. Investments and other assets		
Investment securities	98,890	99,469
Net defined benefit retirement asset	12,134	13,087
Other	59,991	60,360
Allowance for doubtful accounts	(6,302)	(6,591)
Total investments and other assets	164,714	166,325
Total noncurrent assets	677,259	679,918
Total assets	1,015,564	1,010,502

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

Item	FY3/14 (As of 3/31/14)	1Q FY3/15 (As of 6/30/14)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	83,691	79,748
Short-term loans payable	228,127	242,616
Current portion of bonds	610	10,460
Income taxes payable	18,040	4,360
Provision for bonuses	5,538	4,202
Other provision	2,683	2,193
Other	70,156	73,157
Total current liabilities	408,848	416,739
Noncurrent liabilities		
Bonds payable	47,090	37,050
Long-term loans payable	159,291	154,320
Net defined benefit retirement liability	25,359	24,877
Provision for directors' retirement benefits	509	508
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	357	371
Provision for asset removal	574	572
Asset retirement obligations	7,230	7,207
Other	92,853	91,989
Total noncurrent liabilities	333,404	317,037
Total liabilities	742,252	733,776
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,690	50,690
Retained earnings	121,212	125,954
Treasury stock	(936)	(943)
Total shareholders' equity	257,141	261,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,084	5,339
Deferred gains or losses on hedges	50	40
Revaluation reserve for land	4,252	4,031
Foreign currency translation adjustment	(16,799)	(20,029)
Retirement benefits liability adjustments	(9,472)	(9,143)
Total accumulated other comprehensive income	(16,884)	(19,762)
Minority interests in consolidated subsidiaries	33,055	34,612
Total net assets	273,312	276,726
Total liabilities and net assets	1,015,564	1,010,502

Consolidated Statements of Income

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

Item	1Q FY3/14 (4/1/13- 6/30/13)	1Q FY3/15 (4/1/14- 6/30/14)
Net sales	187,320	194,785
Cost of sales	148,103	151,638
Gross profit	39,217	43,147
Selling, general and administrative expenses	30,042	31,762
Operating income	9,174	11,384
Non-operating income		
Interest income	84	115
Dividends income	205	219
Equity in earnings of unconsolidated subsidiaries and affiliates	-	2,160
Other	1,182	822
Total non-operating income	1,472	3,318
Non-operating expenses		
Interest expenses	2,172	1,786
Equity in losses of unconsolidated subsidiaries and affiliates	794	-
Other	735	1,313
Total non-operating expenses	3,702	3,099
Ordinary income	6,944	11,602
Extraordinary income		
Gain on disposal of property, plant, and equipment	1,080	603
Gain on step acquisitions	-	916
Other	45	572
Total extraordinary income	1,125	2,092
Extraordinary loss		
Loss on disposal of property, plant, and equipment	294	474
Other	30	335
Total extraordinary losses	325	809
Income before income taxes and minority interests	7,744	12,885
Income taxes-current	5,500	4,078
Net Income before minority interests	2,243	8,806
Minority interests in income	201	84
Net income	2,042	8,721

Consolidated Statements of Comprehensive Income

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

	1Q FY3/14 (4/1/13- 6/30/13)	1Q FY3/15 (4/1/14- 6/30/14)
Income(loss) before minority interests	2,243	8,806
Other comprehensive income		
Valuation difference on available-for-sale securities	148	147
Deferred gains or losses on hedges	(18)	(11)
Foreign currency translation adjustment	8,491	(2,310)
Adjustments for employee retirement benefit of overseas subsidiary	(236)	-
Retirement benefits liability adjustments	-	369
Share of other comprehensive income of associates accounted for using equity method	709	(1,055)
Total other comprehensive income	9,094	(2,859)
Comprehensive income	11,338	5,946
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	9,613	6,103
Minority interests	1,724	(157)

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 FY3/14 (4/1/13 – 6/30/13)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	118,026	17,630	20,447	18,278	174,383	12,936	187,320	-	187,320
Inter-segment sales	2,931	4,609	1,129	1,067	9,738	5,312	15,051	(15,051)	-
Total	120,958	22,240	21,577	19,346	184,122	18,249	202,371	(15,051)	187,320
Segment income	5,405	1,207	1,771	325	8,710	462	9,173	0	9,174

	1Q FY3/15 (4/1/14 – 6/30/14)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	127,895	17,966	16,355	18,132	180,349	14,436	194,785	-	194,785
Inter-segment sales	2,420	5,565	1,292	921	10,200	6,292	16,492	(16,492)	-
Total	130,316	23,531	17,647	19,053	190,549	20,728	211,278	(16,492)	194,785
Segment income	6,566	1,135	1,531	291	9,525	1,733	11,258	126	11,384