

Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2010 Ended March 31, 2010

May 11, 2010

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

Fiscal 2009: April 1, 2008-March 31, 2009
Fiscal 2010: April 1, 2009-March 31, 2010
Fiscal 2011: April 1, 2010-March 31, 2011

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 2010 (April 1, 2009 through March 31, 2010)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/10	728,581	(16.4)	3,572	(68.0)	148	—	(37,041)	—
FY3/09	871,833	(6.0)	11,176	(78.3)	(4,880)	—	(35,371)	—

	EPS	Diluted EPS	ROE	ROA	Operating income to net sales
	Yen	Yen	%	%	%
FY3/10	(39.50)	—	(22.0)	0.0	0.5
FY3/09	(37.69)	—	(14.9)	(0.4)	1.3

(2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/10	1,155,256	188,187	13.3	162.86
FY3/09	1,158,086	220,038	15.9	195.80

(2) 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
FY3/10	48,822	(24,011)	32,334	113,480
FY3/09	28,223	(92,576)	65,538	56,299

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	%	%
FY3/09	—	2.00	—	0.00	2.00	1,894	—	0.8
FY3/10	—	0.00	—	0.00	0.00	—	—	—
FY3/10(forecast)	—	0.00	—	—	—	—	—	—

3. Consolidated Results Forecast for the Fiscal 2011(April 1, 2010 through March 31, 2011)

	Net sales		Operating income		Ordinary income(loss)		Net income(loss)		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1HFY3/11	335,000	(6.4)	(4,000)	—	(7,500)	—	(11,500)	—	(12.30)
FY3/11	710,000	(2.6)	13,000	263.9	6,000	3,951.6	4,000	—	4.30

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	FY3/09 (As of 3/31/09)	FY3/10 (As of 3/31/10)
Assets		
Current assets		
Cash and time deposits	61,052	119,437
Notes and accounts receivable-trade, net	172,621	153,699
Merchandise and finished goods	36,758	31,367
Work in process	12,361	8,084
Raw materials and supplies	46,538	36,806
Deferred tax assets	11,068	22,806
Short-term loans receivable, net	14,087	13,963
Other	13,131	16,057
Allowance for doubtful accounts	(1,961)	(1,868)
Total current assets	365,659	400,353
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	173,584	160,864
Machinery, equipment, and vehicles, net	151,198	128,958
Land	173,566	169,027
Construction in progress	26,473	37,777
Other, net	31,516	33,634
Total property, plant and equipment	556,339	530,261
B. Intangible assets		
Goodwill	21,343	17,998
Other	37,049	35,993
Total intangible assets	58,392	53,991
C. Investments and other assets		
Investment securities	103,153	102,955
Other	84,072	76,641
Allowance for doubtful accounts	(9,530)	(8,947)
Total investments and other assets	177,695	170,650
Total noncurrent assets	792,426	754,903
Total assets	1,158,086	1,155,256

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

Item	FY3/09 (As of 3/31/09)	FY3/10 (As of 3/31/10)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	100,877	82,958
Short-term loans payable	280,702	291,523
Commercial papers	22,000	46,000
Current portion of bonds	785	20,610
Current portion of bonds with subscription rights to shares	–	21,982
Income taxes payable	2,292	2,848
Provision for bonuses	5,740	5,242
Provision for directors' bonuses	26	7
Provision for loss on movement of head office	428	–
Provision for loss on assignment of business	5,438	5,588
Provision for business structure reform costs	–	17,262
Other provisions	818	886
Other	65,156	58,556
Total current liabilities	484,266	553,466
Noncurrent liabilities		
Bonds payable	73,181	63,050
Bonds with subscription rights to shares	34,137	40
Long-term loans payable	232,559	235,870
Provision for retirement benefits	34,215	35,412
Provision for directors' retirement benefits	1,083	792
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	361	400
Other	78,102	77,895
Total noncurrent liabilities	453,780	413,602
Total liabilities	938,047	967,069
Net assets		
Shareholders' equity		
Capital stock	69,499	69,499
Capital surplus	60,745	60,384
Retained earnings	89,743	52,753
Treasury stock	(1,702)	(960)
Total shareholders' equity	218,286	181,676
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,952	6,586
Deferred gains or losses on hedges	(97)	6
Revaluation reserve for land	4,559	4,503
Foreign currency translation adjustment	(41,379)	(37,115)
Accumulated other comprehensive losses	(2,567)	(2,468)
Total valuation and translation adjustments	(34,531)	(28,488)
Minority interests in consolidated subsidiaries	36,284	34,999
Total net assets	220,038	188,187
Total liabilities and net assets	1,158,086	1,155,256

Consolidated Statements of Income

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

Item	FY3/09 (4/1/08– 3/31/09)	FY3/10 (4/1/09– 3/31/10)
Net sales	871,833	728,581
Cost of sales	717,724	599,518
Gross profit	154,109	129,062
Selling, general and administrative expenses	142,933	125,489
Operating income	11,176	3,572
Non-operating income		
Interest income	1,046	555
Dividends income	1,671	1,367
Equity in earnings of unconsolidated subsidiaries and affiliates	–	4,068
Other	4,238	4,251
Total non-operating income	6,956	10,243
Non-operating expenses		
Interest expenses	10,713	9,786
Equity in losses of unconsolidated subsidiaries and affiliates	7,536	–
Other	4,764	3,881
Total non-operating expenses	23,014	13,668
Ordinary income(loss)	(4,880)	148
Extraordinary income		
Gain on disposal of property, plant, and equipment	1,911	2,579
Gain on sales of investment securities	937	427
Other	1,316	1,066
Total extraordinary income	4,165	4,073
Extraordinary loss		
Loss on disposal of property, plant, and equipment	5,376	3,625
Provision of allowance for doubtful accounts	1,100	829
Loss on liquidation of subsidiaries and affiliates	250	26
Loss on sale of investment securities	2,202	166
Loss on valuation of investment securities	7,090	837
Impairment loss	3,161	4,782
Loss on changes of ownership interests in affiliates	53	157
Loss on business withdrawal	377	906
Amortization of goodwill in equity	4,491	–
Loss on movement of head office	428	–
Loss on assignment of business	5,438	150
Business structure reform costs		32,226
Other	2,220	2,668
Total extraordinary losses (–)	32,194	46,376
Loss before income taxes and minority interests (–)	(32,909)	(42,155)
Income taxes-current	7,164	422
Income taxes for prior periods	1,816	–
Income taxes-deferred	(7,673)	(6,187)
Minority interests in income	1,154	651
Net loss (–)	(35,371)	(37,041)

Consolidated Statements of Cash Flows

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

(Millions of Yen)

Item	FY3/09	FY3/10
	(4/1/09 – 3/31/10)	(4/1/10 – 3/31/11)
I Net cash provided by(used in) operating activities		
Loss before income taxes and minority interests(-)	(32,909)	(42,155)
Depreciation and amortization	51,730	48,717
Amortization of goodwill	3,059	3,233
Equity in(losses) earnings of unconsolidated subsidiaries and affiliates	7,536	(4,068)
Loss on valuation of investment securities	7,090	837
Decrease in provision for retirement benefits	(908)	(189)
Decrease in provision for directors' retirement benefits	(370)	(290)
Decrease in provision for bonuses	(1,187)	(501)
Decrease in provision for directors' bonuses	(27)	(19)
Decrease in allowance for doubtful accounts	(723)	(688)
Increase(decrease) in other provision	76	(990)
Interest and dividends income	(2,717)	(1,922)
Interest expenses	10,713	9,786
Loss(Gain) on sales of investment securities	1,265	(260)
Loss on change in equity	53	157
Loss on liquidation of subsidiaries and affiliates	250	26
Loss on sales of property, plant, and equipment	3,465	1,046
Impairment loss	3,161	4,782
Decrease in notes and accounts receivable-trade	13,912	19,165
Decrease(Increase) in inventories	(14,446)	17,329
Decrease in notes and accounts payable-trade	(7,586)	(17,726)
Loss on movement of head office	428	–
Loss on assignment of business	5,438	150
Amortization of goodwill in equity	4,491	–
Business structure reform costs	–	32,226
Other, net	(4,630)	(9,114)
Subtotal	47,166	59,530
Interest and dividends income received	3,187	2,916
Interest expenses paid	(11,455)	(10,026)
Income taxes paid	(11,451)	(3,598)
Income taxes refund	775	–
Net cash provided by(used in) operating activities	28,223	48,822
II Net cash provided by(used in) investing activities		
Increase in time deposits	(60)	(1,194)
Purchase of property, plant, and equipment	(50,598)	(38,703)
Proceeds from sales of property, plant, and equipment	5,793	6,264
Purchase of other depreciated assets	(1,678)	(131)
Proceeds from sales of other depreciated assets	2,335	192
Purchase of investment securities	(6,202)	(517)
Proceeds from sales of investment securities	6,554	7,815
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(47,408)	–
Proceeds of investments in subsidiaries resulting in change in scope of consolidation	–	50
Payments of loans receivable	(4,574)	(2,700)
Collection of loans receivable	3,890	2,703
Other, net	(627)	2,208
Net cash provided by(used in) investing activities	(92,576)	(24,011)
III Net cash provided by(used in) financing activities		
Net increase(decrease) in short-term loans payable	641	(8,794)
Net increase in commercial papers	3,000	24,000
Proceeds from long-term loans payable	121,378	74,456
Repayment of long-term loans payable	(54,270)	(52,063)
Proceeds from issuance of bonds	950	10,490
Redemption of bonds	(1,247)	(795)
Payments for redemption of bonds with subscription rights to shares	–	(12,000)
Payments for issuance of common stock	2,138	–
Proceeds from sales of treasury stock	51	6
Purchase of treasury stock	(74)	(787)
Cash dividends paid	(4,668)	–
Cash dividends paid to minority shareholders	(833)	(804)
Other, net	(1,527)	(1,373)

	Net cash provided by(used in) financing activities	65,538	32,334
IV	Effect of exchange rate changes on cash and cash equivalents	(4,099)	236
V	Net increase(decrease) in cash and cash equivalents	(2,914)	57,382
VI	Cash and cash equivalents at beginning of period	60,051	56,299
VII	Decrease in cash and cash equivalents resulting from change of scope of consolidation	(838)	(235)
VIII	Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	161
IX	Decrease in cash and cash equivalents resulting from corporate division	–	(126)
X	Cash and cash equivalents at end the period	56,299	113,480

Segment Information

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

[Industry Segments]

(Millions of Yen)

	FY3/10 (4/1/09 – 3/31/10)								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	439,833	69,803	54,566	82,887	20,391	61,098	728,581	—	728,581
(2) Intersegment net sales	11,663	16,675	6,350	5,857	38	40,023	80,608	(80,608)	—
Total	451,497	86,478	60,916	88,744	20,430	101,121	809,189	(80,608)	728,581
Operating income(loss) (-)	(843)	826	4,157	1,065	(3,627)	3,098	4,676	(1,104)	3,572

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

[Geographic segments]

(Millions of Yen)

	FY3/10 (4/1/09 – 3/31/10)						Eliminations or corporate assets	Consolidated total
	Japan	North America	Asia	Other	Total			
Net sales								
(1) Net sales to outside customers	615,864	54,375	51,922	6,419	728,581	—	728,581	
(2) Intersegment net sales	5,850	—	3,029	1	8,881	(8,881)	—	
Total	621,715	54,375	54,952	6,421	737,463	(8,881)	728,581	
Operating income(loss) (-)	10,403	(11,590)	5,262	220	4,296	(723)	3,572	

Overseas sales

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

(Millions of Yen)

		FY3/10 (4/1/09 – 3/31/10)			
		North America	Asia	Other	Total
I	Overseas sales	54,486	63,091	16,584	134,161
II	Consolidated sales	—	—	—	728,581
III	Ratio of overseas sales to consolidated sales	7.4%	8.6%	2.2%	18.4%