

Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2011 Ended March 31, 2011

May 11, 2011

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

Fiscal 2010: April 1, 2009-March 31, 2010
Fiscal 2011: April 1, 2010-March 31, 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 Fiscal 2011 (April 1, 2010 through March 31, 2011)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/11	726,475	(0.3)	16,433	360.0	8,124	—	5,162	—
FY3/10	728,581	(16.4)	3,572	(68.0)	148	—	(37,041)	—

*comprehensive income Fiscal 2011(13,096) Fiscal 2010(29,912)

	EPS	Diluted EPS	ROE	ROA	Operating income to net sales
	Yen	Yen	%	%	%
FY3/11	5.49	5.46	3.5	0.8	2.3
FY3/10	(39.50)	—	(22.0)	0.0	0.5

*equity in earnings of unconsolidated subsidiaries and affiliates Fiscal 2011 1,929 Fiscal 2010 4,068

(2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/11	997,460	165,538	14.0	147.91
FY3/10	1,155,256	188,817	13.3	162.86

(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
FY3/11	36,995	14,177	(100,480)	61,265
FY3/10	48,822	(24,011)	32,334	113,480

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	%	%
FY3/10	—	0.00	—	0.00	0.00	—	—	—
FY3/11	—	0.00	—	2.50	0.00	2,372	45.6	1.6
FY3/12(forecast)	—	—	—	—	—	—	—	—

*2Q and 4Q dividends forecast of Fiscal 2012 have not yet been decided.

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

Consolidated Results Forecast for the Fiscal 2012 have not yet been decided because it is hard to calculate rationally at the present moment.

Consolidated Balance Sheets

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

(Millions of Yen)

Item	FY3/10 (As of 3/31/10)	FY3/11 (As of 3/31/11)
Assets		
Current assets		
Cash and time deposits	119,437	67,290
Notes and accounts receivable-trade, net	153,699	150,064
Merchandise and finished goods	31,367	27,168
Work in process	8,084	6,166
Raw materials and supplies	36,806	35,260
Deferred tax assets	22,806	16,773
Short-term loans receivable, net	13,963	12,539
Other	16,057	9,483
Allowance for doubtful accounts	(1,868)	(1,810)
Total current assets	400,353	322,936
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	160,864	475,183
Machinery, equipment, and vehicles, net	128,958	117,902
Land	169,027	153,479
Construction in progress	37,777	15,366
Other, net	33,634	36,078
Total property, plant and equipment	530,261	480,977
B. Intangible assets		
Goodwill	17,998	15,607
Other	35,993	31,095
Total intangible assets	53,991	46,702
C. Investments and other assets		
Investment securities	102,955	86,185
Other	76,641	66,419
Allowance for doubtful accounts	(8,947)	(5,762)
Total investments and other assets	170,650	146,843
Total noncurrent assets	754,903	674,524
Total assets	1,155,256	997,460

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

Item	FY3/10 (As of 3/31/10)	FY3/11 (As of 3/31/11)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	82,958	78,757
Short-term loans payable	291,523	282,336
Commercial papers	46,000	12,000
Current portion of bonds	20,610	20,326
Current portion of bonds with subscription rights to shares	21,982	-
Income taxes payable	2,848	3,323
Provision for bonuses	5,242	4,152
Provision for directors' bonuses	7	7
Provision for loss on disaster	-	6,542
Provision for loss on assignment of business	5,588	5,953
Provision for business structure reform costs	17,262	-
Other provisions	886	878
Other	58,556	58,599
Total current liabilities	553,466	472,877
Noncurrent liabilities		
Bonds payable	63,050	51,954
Bonds with subscription rights to shares	40	-
Long-term loans payable	235,870	199,554
Provision for retirement benefits	35,412	23,945
Provision for directors' retirement benefits	792	626
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for removal of assets	-	2,427
Provision for special repairs	400	319
Asset retirement obligation	-	6,251
Other	77,895	73,826
Total noncurrent liabilities	413,602	359,044
Total liabilities	967,069	831,922
Net assets		
Shareholders' equity		
Capital stock	69,499	69,499
Capital surplus	60,384	33,962
Retained earnings	52,753	81,598
Treasury stock	(960)	(918)
Total shareholders' equity	181,676	184,141
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,586	2,319
Deferred gains or losses on hedges	6	54
Revaluation reserve for land	4,503	4,447
Foreign currency translation adjustment	(37,115)	(49,356)
Accumulated other comprehensive losses	(2,468)	(2,446)
Total valuation and translation adjustments	(28,488)	(44,981)
Minority interests in consolidated subsidiaries	34,999	26,378
Total net assets	188,187	165,538
Total liabilities and net assets	1,155,256	997,460

Consolidated Statements of Income

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

Item	FY3/10 (4/1/09– 3/31/10)	FY3/11 (4/1/10– 3/31/11)
Net sales	728,581	726,475
Cost of sales	599,518	590,082
Gross profit	129,062	136,393
Selling, general and administrative expenses	125,489	119,960
Operating income	3,572	16,433
Non-operating income		
Interest income	555	467
Dividends income	1,367	1,212
Equity in earnings of unconsolidated subsidiaries and affiliates	4,068	1,929
Other	4,251	3,695
Total non-operating income	10,243	7,303
Non-operating expenses		
Interest expenses	9,786	9,540
Equity in losses of unconsolidated subsidiaries and affiliates	–	–
Other	3,881	6,072
Total non-operating expenses	13,668	15,612
Ordinary income(loss)	148	8,124
Extraordinary income		
Gain on disposal of property, plant, and equipment	2,579	22,697
Gain on sales of investment securities	427	4,552
Other	1,066	6,677
Total extraordinary income	4,073	33,927
Extraordinary loss		
Loss on disposal of property, plant, and equipment	3,625	2,268
Provision of allowance for doubtful accounts	829	-
Loss on liquidation of subsidiaries and affiliates	26	858
Loss on sale of investment securities	166	2,633
Loss on valuation of investment securities	837	1,842
Impairment loss	4,782	1,875
Loss on changes of ownership interests in affiliates	157	-
Loss on business withdrawal	906	1,358
Loss on disaster	–	9,206
Cumulative effect of accounting application of asset retirement obligation	–	4,056
Loss on assignment of business	150	364
Business structure reform costs	32,226	-
Other	2,668	1,870
Total extraordinary losses (–)	46,376	26,335
Income or Loss before income taxes and minority interests (–)	(42,155)	15,716
Income taxes-current	422	5,251
Income taxes-deferred	(6,187)	5,244
Income before income taxes and minority interests	-	5,220
Minority interests in income	651	58
Net loss (–)	(37,041)	5,162

Consolidated Statements of Cash Flows

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

(Millions of Yen)

Item	FY3/10 (4/1/09 – 3/31/10)	FY3/11 (4/1/10 – 3/31/11)
Net cash provided by(used in) operating activities		
Loss before income taxes and minority interests(-)	(42,155)	15,716
Depreciation and amortization	48,717	43,097
Amortization of goodwill	3,233	3,181
Equity in(losses) earnings of unconsolidated subsidiaries and affiliates	(4,068)	(1,929)
Loss on valuation of investment securities	837	1,847
Decrease in provision for retirement benefits	(189)	(2,344)
Decrease in provision for directors' retirement benefits	(290)	(137)
Decrease in provision for bonuses	(501)	(804)
Decrease in provision for directors' bonuses	(19)	-)
Decrease in allowance for doubtful accounts	(688)	(3,097)
Decrease in provision for business structure reform costs	-	(14,746)
Increase in provision for removal of assets	-	2,427
Increase(decrease) in other provision	(990)	(47)
Interest and dividends income	(1,922)	(1,679)
Interest expenses	9,786	9,540
Loss(Gain) on sales of investment securities	(260)	(1,918)
Loss on change in equity	157	-
Loss on liquidation of subsidiaries and affiliates	26	858
Loss on sales of property, plant, and equipment	1,046	(20,429)
Impairment loss	4,782	1,875
Decrease in notes and accounts receivable-trade	19,165	(3,570)
Decrease(Increase) in inventories	17,329	5,195
Decrease in notes and accounts payable-trade	(17,726)	717
Loss on disaster	-	9,206
Loss on assignment of business	150	364
Cumulative effect of accounting application of asset retirement obligation	-	4,056
Business structure reform costs	32,226	-
Other, net	(9,114)	(1,104)
Subtotal	59,530	46,271
Interest and dividends income received	2,916	2,091
Interest expenses paid	(10,026)	(9,569)
Income taxes paid	(3,598)	(1,798)
Income taxes refund	-	-
Net cash provided by(used in) operating activities	48,822	36,995
Net cash provided by(used in) investing activities		
Increase in time deposits	(1,194)	(357)
Purchase of property, plant, and equipment	(38,703)	(25,665)
Proceeds from sales of property, plant, and equipment	6,264	31,151
Purchase of other depreciated assets	(131)	(1,477)
Proceeds from sales of other depreciated assets	192	1
Purchase of investment securities	(517)	(588)
Proceeds from sales of investment securities	7,815	11,981
Proceeds of investments in subsidiaries resulting in change in scope of consolidation	50	(1,652)
Payments of loans receivable	(2,700)	(2,029)
Collection of loans receivable	2,703	3,052
Other, net	2,208	(238)
Net cash provided by(used in) investing activities	(24,011)	14,177
Net cash provided by(used in) financing activities		
Net increase(decrease) in short-term loans payable	(8,794)	(7,345)
Net increase in commercial papers	24,000	34,000
Proceeds from long-term loans payable	74,456	63,853
Repayment of long-term loans payable	(52,063)	(87,923)
Proceeds from issuance of bonds	10,490	10,800
Redemption of bonds	(795)	(21,370)
Payments for redemption of bonds with subscription rights to shares	(12,000)	(22,000)
Proceeds from sales of treasury stock	6	0
Purchase of treasury stock	(787)	(14)
Cash dividends paid to minority shareholders	(804)	(761)
Other, net	(1,373)	(1,718)
Net cash provided by(used in) financing activities	32,334	(100,480)

Effect of exchange rate changes on cash and cash equivalents	236	(2,862)
Net increase(decrease) in cash and cash equivalents	57,382	(52,169)
Cash and cash equivalents at beginning of period	56,299	113,480
Decrease in cash and cash equivalents resulting from change of scope of consolidation	(235)	(169)
Increase in cash and cash equivalents resulting from new consolidation	-	18
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	161	105
Decrease in cash and cash equivalents resulting from corporate division	(126)	-
Cash and cash equivalents at end the period	113,480	61,265

Segment Information

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

[Industry Segments]

(Millions of Yen)

	FY3/11 (4/1/10 – 3/31/11)								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	428,991	66,282	53,162	79,771	42,847	55,420	726,475	—	726,475
(2) Intersegment net sales	10,349	16,445	4,875	4,764	30	30,028	66,493	(66,493)	—
Total	439,340	82,728	58,037	84,536	42,878	85,448	792,969	(66,493)	726,475
Operating income(loss) (-)	7,951	1,689	5,209	(239)	(1,088)	3,596	17,119	(686)	16,433

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

[Geographic segments]

(Millions of Yen)

	Japan	America	Other	Total
Net sales	585,080	42,938	98,457	726,475
Noncurrent assets	359,009	56,504	65,463	480,977