

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

February 10, 2015

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

Fiscal 2014 3Q: April 1, 2013- December 31, 2013
 Fiscal 2014: April 1, 2013- March 31, 2014
 Fiscal 2015 3Q: April 1, 2014- December 31, 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 Third Quarter of Fiscal 2015 (April 1, 2014 through December 31, 2014)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q FY3/15	621,990	0.3	48,055	-5.3	50,494	-0.6	33,927	43.0
3Q FY3/14	620,425	12.5	50,765	110.8	50,806	185.3	23,725	233.0

*comprehensive income : Fiscal 2015 3Q 49,072 Fiscal 2014 3Q 43,383

	EPS		Diluted EPS	
	Yen		Yen	
3Q FY3/15	27.61		-	
3Q FY3/14	19.31		-	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen		Millions of Yen		%	
3Q FY3/15	1,067,443		317,398		25.8	
FY3/14	1,015,564		273,312		23.7	

*Equity : Fiscal 2015 3Q 275,723 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	—	2.00	—		
FY3/15(forecast)				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
FY3/15	847,000	0.8	65,000	-7.7	63,000	-9.5	39,000	10.7	31.74

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)	3Q FY3/15 (As of 12/31/14)
Assets		
Current assets		
Cash and deposits	59,369	65,976
Notes and accounts receivable-trade	176,245	195,765
Merchandise and finished goods	26,113	29,706
Work in process	4,120	4,278
Raw materials and supplies	39,323	42,425
Other	34,700	34,851
Allowance for doubtful accounts	(1,568)	(1,873)
Total current assets	338,304	371,130
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	142,417	140,108
Machinery, equipment, and vehicles, net	112,379	113,952
Land	155,301	162,398
Other, net	60,217	63,821
Total property, plant and equipment	470,316	480,280
B. Intangible assets		
Goodwill	10,890	9,199
Other	31,338	30,637
Total intangible assets	42,228	39,836
C. Investments and other assets		
Investment securities	98,890	109,541
Asset for retirement benefits	12,134	13,165
Other	59,991	60,006
Allowance for doubtful accounts	(6,302)	(6,516)
Total investments and other assets	164,714	176,195
Total noncurrent assets	677,259	696,312
Total assets	1,015,564	1,067,443

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(Millions of Yen)

Item	FY3/14 (As of 3/31/14)	3Q FY3/15 (As of 12/31/14)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	83,691	90,880
Short-term loans payable	228,127	222,738
Current portion of bonds	610	20,440
Income taxes payable	18,040	7,189
Provision for bonuses	5,538	3,722
Other provision	2,683	1,317
Other	70,156	82,326
Total current liabilities	408,848	428,614
Noncurrent liabilities		
Bonds payable	47,090	46,830
Long-term loans payable	159,291	143,855
Liability for retirement benefits	25,359	25,198
Provision for directors' retirement benefits	509	502
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	357	293
Provision for asset removal	574	572
Asset retirement obligation	7,230	7,420
Other	92,853	96,618
Total noncurrent liabilities	333,404	321,430
Total liabilities	742,252	750,044
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,690	50,769
Retained earnings	121,212	148,719
Treasury stock	(936)	(914)
Total shareholders' equity	257,141	284,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,084	6,767
Deferred gains or losses on hedges	50	△18
Revaluation reserve for land	4,252	4,058
Foreign currency translation adjustment	(16,799)	(11,158)
Retirement benefits liability adjustments	(9,472)	(8,674)
Total accumulated other comprehensive income	(16,884)	(9,025)
Minority interests in consolidated subsidiaries	33,055	41,674
Total net assets	273,312	317,398
Total liabilities and net assets	1,015,564	1,067,443

Consolidated Statements of Income

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

Item	3Q FY3/14 (4/1/13- 12/31/13)	3Q FY3/15 (4/1/14- 12/31/14)
Net sales	620,425	621,990
Cost of sales	474,752	475,607
Gross profit	145,673	146,383
Selling, general and administrative expenses	94,908	98,328
Operating income	50,765	48,055
Non-operating income		
Interest income	324	362
Dividends income	440	497
Equity in earnings of unconsolidated subsidiaries and affiliates	2,300	6,326
Other	5,660	3,105
Total non-operating income	8,725	10,290
Non-operating expenses		
Interest expenses	6,463	5,189
Other	2,221	2,661
Total non-operating expenses	8,684	7,851
Ordinary income	50,806	50,494
Extraordinary income		
Gain on disposal of property, plant, and equipment	1,347	1,004
Gain on step acquisitions	-	916
Gain on forgiveness of debts	-	4,446
Other	129	617
Total extraordinary income	1,477	6,984
Extraordinary loss		
Loss on disposal of property, plant, and equipment	1,687	1,704
Business structure reform expenses	-	1,360
Other	619	593
Total extraordinary losses	2,306	3,657
Income before income taxes and minority interests	49,976	53,822
Income taxes-current	25,158	14,089
Net Income before minority interests	24,818	39,732
Minority interests in income	1,093	5,804
Net income	23,725	33,927

Consolidated Statements of Comprehensive Income

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

	3Q FY3/14 (4/1/13- 12/31/13)	3Q FY3/15 (4/1/14- 12/31/14)
Net income before minority interests	24,818	39,732
Other comprehensive income		
Valuation difference on available-for-sale securities	2,996	1,742
Deferred gains or losses on hedges	(23)	(41)
Foreign currency translation adjustment	11,816	5,227
Adjustments for employee retirement benefit of overseas subsidiary	(207)	-
Retirement benefits liability adjustments	-	799
Share of other comprehensive income of associates accounted for using equity method	3,981	1,613
Total other comprehensive income	18,564	9,340
Comprehensive income	43,383	49,072
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	40,133	41,981
Minority interests	3,249	7,091

Consolidated Segment Information

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

	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	Total				
Net sales									
Sales to outside customers	391,479	55,433	72,169	60,149	579,231	41,194	620,425	—	620,425
Inter-segment sales	9,348	14,967	3,782	3,315	31,413	17,281	48,695	(48,695)	—
Total	400,828	70,401	75,951	63,464	610,645	58,475	669,120	(48,695)	620,425
Segment income(loss)	34,278	5,600	6,161	2,478	48,518	2,353	50,871	(106)	50,765

	3Q FY3/15 (4/1/14 – 12/31/14)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	412,604	54,906	52,834	60,731	581,076	40,913	621,990	—	621,990
Inter-segment sales	8,339	17,280	4,117	3,018	32,755	18,061	50,817	(50,817)	—
Total	420,943	72,186	56,952	63,750	613,832	58,975	672,808	(50,817)	621,990
Segment income(loss)	30,630	4,785	5,423	3,125	43,964	4,111	48,075	(20)	48,055