

## Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Third Quarter of Fiscal 2016 ended March 31, 2016

February 9, 2016

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

Fiscal 2015 3Q: April 1, 2014- December 31, 2014  
Fiscal 2015: April 1, 2014- March 31, 2015  
Fiscal 2016 3Q: April 1, 2015- December 31, 2015  
Fiscal 2016: April 1, 2015- March 31, 2016

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 2016 (April 1, 2015 through December 31, 2015)

#### (1) Operating Results

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q FY3/16	626,562	0.7	43,264	-10.0	42,471	-15.9	26,575	-21.7
3Q FY3/15	621,990	0.3	48,055	-5.3	50,494	-0.6	33,927	43.0

\*comprehensive income : Fiscal 2016 3Q 21,944      Fiscal 2015 3Q 49,072

	EPS		Diluted EPS	
	Yen		Yen	
3Q FY3/16	21.63		-	
3Q FY3/15	27.61		-	

#### (2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen		Millions of Yen		%	
3Q FY3/16	1,092,694		361,803		29.0	
FY3/15	1,040,602		347,490		29.1	

\*Equity : Fiscal 2016 3Q 317,301      Fiscal 2015 302,645

#### 2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/15	—	2.00	—	3.00	5.00
FY3/16	—	3.00	—		
FY3/16(forecast)				3.00	6.00

#### 3. Consolidated Results Forecast for the Fiscal 2016(April 1, 2015 through March 31, 2016)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY3/16	845,000	0.3	60,000	-8.3	58,000	-14.6	33,000	-25.2	26.86

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	FY3/15 (As of 3/31/15)	3Q FY3/16 (As of 12/31/15)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	53,859	58,682
Notes and accounts receivable-trade	178,350	184,224
Merchandise and finished goods	28,587	31,810
Work in process	2,183	3,979
Raw materials and supplies	43,252	40,812
Other	26,079	25,985
Allowance for doubtful accounts	(2,329)	(2,262)
<b>Total current assets</b>	<b>329,981</b>	<b>343,232</b>
<b>Noncurrent assets</b>		
<b>A. Property, plant and equipment</b>		
Buildings and structures, net	144,291	139,669
Machinery, equipment, and vehicles, net	120,804	150,357
Land	164,647	163,593
Other, net	60,821	71,755
<b>Total property, plant and equipment</b>	<b>490,565</b>	<b>525,375</b>
<b>B. Intangible assets</b>		
Goodwill	9,297	7,066
Other	32,538	39,554
<b>Total intangible assets</b>	<b>41,836</b>	<b>46,621</b>
<b>C. Investments and other assets</b>		
Investment securities	113,747	113,456
Asset for retirement benefits	20,338	21,126
Other	50,095	49,355
Allowance for doubtful accounts	(5,961)	(6,472)
<b>Total investments and other assets</b>	<b>178,219</b>	<b>177,465</b>
<b>Total noncurrent assets</b>	<b>710,621</b>	<b>749,462</b>
<b>Total assets</b>	<b>1,040,602</b>	<b>1,092,694</b>

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

Item	FY3/15 (As of 3/31/15)	3Q FY3/16 (As of 12/31/15)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	85,036	88,433
Short-term loans payable	178,816	175,454
Commercial Papers	5,000	18,000
Current portion of bonds	20,380	555
Income taxes payable	10,730	8,931
Provision for bonuses	5,642	3,505
Other provision	1,060	431
Other	71,149	78,489
<b>Total current liabilities</b>	<b>377,817</b>	<b>373,802</b>
<b>Noncurrent liabilities</b>		
Bonds payable	46,710	46,275
Long-term loans payable	148,232	191,314
Liability for retirement benefits	26,889	25,684
Provision for directors' retirement benefits	514	434
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	312	345
Provision for asset removal	41	-
Asset retirement obligations	7,673	7,926
Other	84,783	84,969
<b>Total noncurrent liabilities</b>	<b>315,295</b>	<b>357,089</b>
<b>Total liabilities</b>	<b>693,112</b>	<b>730,891</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	86,174	86,174
Capital surplus	50,757	50,807
Retained earnings	158,939	178,669
Treasury stock	(934)	(976)
<b>Total shareholders' equity</b>	<b>294,937</b>	<b>314,675</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,908	7,427
Deferred gains or losses on hedges	2	(19)
Revaluation reserve for land	4,295	4,295
Foreign currency translation adjustment	649	(5,627)
Retirement benefits liability adjustments	(4,148)	(3,451)
<b>Total accumulated other comprehensive income</b>	<b>7,707</b>	<b>2,625</b>
<b>Non-controlling interests</b>	<b>44,845</b>	<b>44,501</b>
<b>Total net assets</b>	<b>347,490</b>	<b>361,803</b>
<b>Total liabilities and net assets</b>	<b>1,040,602</b>	<b>1,092,694</b>

## Consolidated Statements of Income

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

Item	3Q FY3/15 (4/1/14- 12/31/14)	3Q FY3/16 (4/1/15- 12/31/15)
Net sales	621,990	626,562
Cost of sales	475,607	483,410
Gross profit	146,383	143,152
Selling, general and administrative expenses	98,328	99,887
Operating income	48,055	43,264
Non-operating income		
Interest income	362	422
Dividends income	497	573
Equity in earnings of unconsolidated subsidiaries and affiliates	6,326	3,476
Other	3,105	3,270
Total non-operating income	10,290	7,742
Non-operating expenses		
Interest expenses	5,189	4,886
Other	2,661	3,649
Total non-operating expenses	7,851	8,535
Ordinary income	50,494	42,471
Extraordinary income		
Gain on disposal of property, plant, and equipment	1,004	448
Gain on sales of investment securities	81	755
Gain on step acquisitions	916	-
Gain on forgiveness of debts	4,446	-
Other	536	76
Total extraordinary income	6,984	1,281
Extraordinary loss		
Loss on disposal of property, plant, and equipment	1,704	1,595
Business structure reform expenses	1,360	-
Other	593	618
Total extraordinary losses	3,657	2,213
Income before income taxes and non-controlling interests	53,822	41,538
Income taxes-current	14,089	13,471
Profit	39,732	28,066
Profit attributable to non-controlling interests	5,804	1,491
Profit attributable to owners of parent	33,927	26,575

## Consolidated Statements of Comprehensive Income

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

	3Q FY3/15 (4/1/14- 12/31/14)	3Q FY3/16 (4/1/15- 12/31/15)
Profit	39,732	28,066
Other comprehensive income		
Valuation difference on available-for-sale securities	1,742	403
Deferred gains or losses on hedges	(41)	(32)
Foreign currency translation adjustment	5,227	(3,407)
Retirement benefits liability adjustments	799	700
Share of other comprehensive income of associates accounted for using equity method	1,613	(3,785)
Total other comprehensive income	9,340	(6,121)
Comprehensive income	49,072	21,944
Comprehensive income attributable to :		
Owners of parent	41,981	21,493
Non-controlling interests	7,091	451

## Consolidated Segment Information

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

	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 Profit (loss)	30,630	4,785	5,423	3,125	43,964	4,111	48,075	(20)	48,055

	3Q FY3/16 (4/1/15 – 12/31/15)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	431,515	52,488	50,508	54,631	589,143	37,418	626,562	-	626,562
Inter-segment sales	7,551	17,087	3,962	4,319	32,921	19,269	52,190	(52,190)	-
Total	439,067	69,575	54,470	58,951	622,065	56,688	678,753	(52,190)	626,562
Segment Profit (loss)	25,619	5,483	5,308	4,083	40,494	3,001	43,496	(231)	43,264