

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Third Quarter of Fiscal 2017 ended March 31, 2017

February 10, 2017

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

Fiscal 2016 3Q: April 1,2015- December 31,2015
Fiscal 2016: April 1,2015- March 31,2016
Fiscal 2017 3Q: April 1 2016- December 31,2016
Fiscal 2017: April 1,2016- March 31,2017

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 2017 (April 1, 2016 through December 31, 2016)

(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 FY3/17	592,207	△5.5	44,234	2.2	44,060	3.7	57,117	114.9
3Q FY3/16	626,562	0.7	43,264	△10.0	42,471	△15.9	26,575	△21.7

*comprehensive income : Fiscal 2017 3Q 34,979 Fiscal 2016 3Q 21,944

	EPS		Diluted EPS	
	Yen		Yen	
3Q FY3/17	46.01		—	
3Q FY3/16	21.63		—	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q FY3/17	1,036,707		386,353			33.7
FY3/16	1,014,075		357,073			31.4

*Equity : Fiscal 2017 3Q 349,030 Fiscal 2016 318,285

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/16	—	3.00	—	3.00	6.00
FY3/17	—	3.00	—	—	—
FY3/17(forecast)	—	—	—	3.00	6.00

3. Consolidated Results Forecast for the Fiscal 2017 (April 1, 2016 through March 31, 2017)

	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
FY3/17	805,000	△3.6	62,000	2.6	57,000	△5.4	52,000	42.8	41.68

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	FY3/16 (As of 3/31/16)	3Q FY3/17 (As of 12/31/16)
Assets		
Current assets		
Cash and deposits	53,539	65,851
Notes and accounts receivable-trade	161,392	187,898
Merchandise and finished goods	31,187	28,399
Work in process	1,485	2,689
Raw materials and supplies	42,624	39,554
Other	19,627	27,113
Allowance for doubtful accounts	(938)	(1,064)
Total current assets	308,918	350,442
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	132,708	134,710
Machinery, equipment, and vehicles, net	147,151	134,625
Land	140,726	158,498
Other, net	67,024	63,023
Total property, plant and equipment	487,611	490,858
B. Intangible assets		
Goodwill	6,432	3,570
Other	37,487	34,331
Total intangible assets	43,919	37,901
C. Investments and other assets		
Investment securities	115,443	83,027
Assets for retirement benefits	8,968	9,865
Other	55,870	72,195
Allowance for doubtful accounts	(6,655)	(7,583)
Total investments and other assets	173,626	157,504
Total noncurrent assets	705,156	686,264
Total assets	1,014,075	1,036,707

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

Item	FY3/16 (As of 3/31/16)	3Q FY3/17 (As of 12/31/16)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	73,893	84,320
Short-term loans payable	160,421	142,389
Current portion of bonds	450	10,170
Income taxes payable	8,351	20,132
Provision for bonuses	5,723	3,200
Other provision	751	520
Other	71,637	75,497
Total current liabilities	321,229	336,231
Noncurrent liabilities		
Bonds payable	46,155	36,045
Long-term loans payable	187,471	168,470
Liability for retirement benefits	22,814	22,300
Provision for directors' retirement benefits	433	435
Provision for special repairs	245	107
Other provision	747	983
Asset retirement obligations	7,990	7,908
Other	69,915	77,873
Total noncurrent liabilities	335,772	314,123
Total liabilities	657,002	650,354
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,925	59,351
Retained earnings	188,731	238,545
Treasury stock	(979)	(8,795)
Total shareholders' equity	324,851	375,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,755	7,589
Deferred gains or losses on hedges	16	219
Revaluation reserve for land	4,665	5,065
Foreign currency translation adjustment	(4,174)	(30,361)
Retirement benefits liability adjustments	(11,829)	(8,757)
Total accumulated other comprehensive income	(6,566)	(26,244)
Non-controlling interests	38,787	37,322
Total net assets	357,073	386,353
Total liabilities and net assets	1,014,075	1,036,707

Consolidated Statements of Income

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

Item	3Q FY3/16 (4/1/15- 12/31/15)	3Q FY3/17 (4/1/16- 12/31/16)
Net sales	626,562	592,207
Cost of sales	483,410	447,152
Gross profit	143,152	145,054
Selling, general and administrative expenses	99,887	100,820
Operating income	43,264	44,234
Non-operating income		
Interest income	422	412
Dividends income	573	618
Equity in earnings of unconsolidated subsidiaries and affiliates	3,476	3,201
Other	3,270	1,820
Total non-operating income	7,742	6,052
Non-operating expenses		
Interest expenses	4,886	3,789
Other	3,649	2,436
Total non-operating expenses	8,535	6,226
Ordinary income	42,471	44,060
Extraordinary income		
Gain on disposal of property, plant, and equipment	448	426
Gain on sales of investment securities	755	3,971
Gain on bargain purchase	-	16,874
Other	76	33
Total extraordinary income	1,281	21,305
Extraordinary loss		
Loss on disposal of property, plant, and equipment	1,595	1,495
Loss on step acquisitions	-	3,034
Other	618	304
Total extraordinary losses	2,213	4,835
Income before income taxes and non-controlling interests	41,538	60,531
Income taxes-current	13,471	1,533
Profit	28,066	58,997
Profit attributable to non-controlling interests	1,491	1,879
Profit attributable to owners of parent	26,575	57,117

Consolidated Statements of Comprehensive Income

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

	3Q FY3/16 (4/1/15- 12/31/15)	3Q FY3/17 (4/1/16- 12/31/16)
Profit	28,066	58,997
Other comprehensive income		
Valuation difference on available-for-sale securities	403	2,985
Deferred gains or losses on hedges	(32)	189
Foreign currency translation adjustment	(3,407)	(28,781)
Remeasurements of defined benefit retirement plans	700	3,052
Share of other comprehensive income of associates accounted for using equity method	(3,785)	(1,463)
Total other comprehensive income	(6,121)	(24,018)
Comprehensive income	21,944	34,979
Comprehensive income attributable to :		
Owners of parent	21,493	37,439
Non-controlling interests	451	(2,460)

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)

	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 income	25,619	5,483	5,308	4,083	40,494	3,001	43,496	(231)	43,264

	3Q FY3/17 (4/1/16 – 12/31/16)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	410,242	43,785	51,451	49,122	554,601	37,605	592,207	-	592,207
Inter-segment sales	7,969	16,107	5,229	3,079	32,384	15,649	48,034	(48,034)	-
Total	418,211	59,892	56,680	52,201	586,986	53,255	640,241	(48,034)	592,207
Segment income	27,371	6,036	5,494	3,420	42,323	2,041	44,364	(129)	44,234