

# Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2019 ended March 31, 2019

August 9, 2018

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

Fiscal 2018 1Q: April 1, 2017- June 30, 2017  
Fiscal 2018: April 1, 2017- March 31, 2018  
Fiscal 2019 1Q: April 1, 2018- June 30, 2018  
Fiscal 2019: April 1, 2018- March 31, 2019

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 First Quarter of Fiscal 2019 (April 1, 2018 through June 30, 2018)

### (1) Operating Results (% of change from previous first quarter)

	Net Sales		Operating income		Ordinary income		Profit attributable to Owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q FY3/19	211,336	5.9	9,755	10.3	9,987	14.1	6,132	32.4
1Q FY3/18	199,613	13.8	8,848	68.7	8,752	60.5	4,630	(69.7)

\*Comprehensive income : Fiscal 2019 1Q (1,138)      Fiscal 2018 1Q (962)

	EPS	Diluted EPS
	Yen	Yen
1Q FY3/19	49.55	—
1Q FY3/18	37.45	—

\*The Company has implemented the share consolidation of common stocks in a rate of one share for every ten shares effective on October 1, 2017. Accordingly, EPS is calculated on the assumption that the share consolidation was implemented at the beginning of the previous fiscal year.

### (2) Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
1Q FY3/19	1,016,652	427,283	38.5
FY3/18	1,020,111	432,326	38.8

\*Equity : Fiscal 2019 1Q 391,334      Fiscal 2018 395,268

## 2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/18	—	3.00	—	30.00	—
FY3/19	—				
FY3/19(forecast)		50.00	—	30.00	80.00

\*The Company has implemented the share consolidation of common stocks in a rate of one share for every ten shares effective on October 1, 2017. The amount of dividend of the Second Quarter of Fiscal 2018 ended March 31, 2018 is presented as the amount of dividend prior to the share consolidation. The annual dividend per share converted on the basis after the consolidation of shares would be 60.00 yen for the Fiscal Year ended March 31, 2018. The dividend per share of the Second Quarter of Fiscal 2019 ended March 31, 2019 includes an ordinary dividend of 30.00 Yen and commemorative dividend of 20.00 Yen.

## 3. Consolidated Results Forecast for the Fiscal 2019(April 1, 2018 through March 31, 2019)

(% of change from the corresponding period of the previous year)

	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
1HFY3/19	429,000	1.7	27,000	(1.6)	26,000	(7.4)	16,000	(5.5)	129.28
FY3/19	888,000	1.9	68,000	4.4	66,000	2.5	42,000	9.0	339.35

\*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	FY3/18 (As of 3/31/18)	1Q FY3/19 (As of 6/30/18)
Assets		
Current assets		
Cash and deposits	53,766	58,891
Notes and accounts receivable-trade	182,272	174,656
Electronically recorded monetary claims- operating	10,989	12,118
Merchandise and finished goods	29,193	29,862
Work in process	2,383	2,843
Raw materials and supplies	41,761	42,319
Other	14,024	13,275
Allowance for doubtful accounts	(1,116)	(736)
Total current assets	333,275	333,231
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	134,456	131,923
Machinery, equipment, and vehicles, net	136,603	128,856
Land	158,057	156,416
Other, net	76,320	87,069
Total property, plant and equipment	505,438	504,265
B. Intangible assets		
Goodwill	777	335
Other	32,261	31,064
Total intangible assets	33,038	31,399
C. Investments and other assets		
Investment securities	86,834	87,889
Assets for retirement benefits	21,298	21,275
Other	48,767	47,273
Allowance for doubtful accounts	(8,539)	(8,680)
Total investments and other assets	148,360	147,756
Total noncurrent assets	686,836	683,421
Total assets	1,020,111	1,016,652

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

Item	FY3/18 (As of 3/31/18)	1Q FY3/19 (As of 6/30/18)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	91,113	88,073
Electronically recorded obligations-operating	4,670	5,993
Short-term loans payable	153,181	154,581
Commercial Paper	-	13,000
Current portion of bonds	15,035	15,010
Income taxes payable	6,416	3,681
Provision for bonuses	6,021	4,612
Other provision	121	68
Other	83,986	84,682
<b>Total current liabilities</b>	<b>360,546</b>	<b>369,704</b>
<b>Noncurrent liabilities</b>		
Bonds payable	20,000	20,000
Long-term loans payable	100,390	95,013
Liability for retirement benefits	24,559	23,714
Provision for directors' retirement benefits	520	491
Provision for special repairs	128	138
Other provision	750	747
Asset retirement obligations	7,553	7,398
Other	73,335	72,163
<b>Total noncurrent liabilities</b>	<b>227,238</b>	<b>219,665</b>
<b>Total liabilities</b>	<b>587,785</b>	<b>589,369</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	86,174	86,174
Capital surplus	60,339	60,339
Retained earnings	260,016	262,432
Treasury stock	(10,947)	(11,050)
<b>Total shareholders' equity</b>	<b>395,582</b>	<b>397,895</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	10,941	12,204
Deferred gains or losses on hedges	1	-
Revaluation reserve for land	5,057	5,057
Foreign currency translation adjustment	(16,201)	(23,977)
Retirement benefits liability adjustments	(111)	154
<b>Total accumulated other comprehensive income</b>	<b>(313)</b>	<b>(6,561)</b>
<b>Non-controlling interests</b>	<b>37,058</b>	<b>35,949</b>
<b>Total net assets</b>	<b>432,326</b>	<b>427,283</b>
<b>Total liabilities and net assets</b>	<b>1,020,111</b>	<b>1,016,652</b>

## Consolidated Statements of Income

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

Item	1Q FY3/18 (4/1/17- 6/30/17)	1Q FY3/19 (4/1/18- 6/30/18)
Net sales	199,613	211,336
Cost of sales	155,864	166,878
Gross profit	43,749	44,458
Selling, general and administrative expenses	34,900	34,702
Operating income	8,848	9,755
Non-operating income		
Interest income	110	86
Dividends income	386	520
Equity in earnings of unconsolidated subsidiaries and affiliates	869	484
Other	526	791
Total non-operating income	1,893	1,882
Non-operating expenses		
Interest expenses	1,212	1,078
Other	776	571
Total non-operating expenses	1,988	1,650
Ordinary income	8,752	9,987
Extraordinary income		
Gain on disposal of property, plant, and equipment	273	30
Gain on sales of investment securities	-	46
Other	14	39
Total extraordinary income	288	116
Extraordinary loss		
Loss on disposal of property, plant, and equipment	717	269
Loss on liquidation of subsidiaries and associates- general	0	209
Other	72	95
Total extraordinary losses	789	574
Income before income taxes and non-controlling interests	8,251	9,529
Income taxes-current	3,329	3,089
Profit	4,921	6,440
Profit attributable to non-controlling interests	291	308
Profit attributable to owners of parent	4,630	6,132

## Consolidated Statements of Comprehensive Income

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

	1Q FY3/18 (4/1/17- 6/30/17)	1Q FY3/19 (4/1/18- 6/30/18)
Profit	4,921	6,440
Other comprehensive income		
Valuation difference on available-for-sale securities	312	1,398
Deferred gains or losses on hedges	(18)	(1)
Foreign currency translation adjustment	(6,151)	(9,055)
Remeasurements of defined benefit retirement plans	221	261
Share of other comprehensive income of associates accounted for using equity method	(247)	(182)
Total other comprehensive income	(5,883)	(7,579)
Comprehensive income	(962)	(1,138)
Comprehensive income attributable to :		
Owners of parent	(136)	(115)
Non-controlling interests	(825)	(1,023)

## Consolidated Segment Information

Information regarding sales and income(losses) by reportable segments

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

	1Q FY3/18 (4/1/17 – 6/30/17)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	138,714	14,712	17,191	16,710	187,329	12,284	199,613	-	199,613
Inter-segment sales	3,598	5,433	2,416	973	12,421	4,753	17,174	(17,174)	-
Total	142,312	20,146	19,607	17,684	199,750	17,037	216,788	(17,174)	199,613
Segment income	4,770	1,668	1,469	683	8,591	110	8,702	145	8,848

	1Q FY3/19(4/1/18 – 6/30/18)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	147,618	14,613	20,421	15,556	198,210	13,126	211,336	-	211,336
Inter-segment sales	2,185	5,937	1,952	1,015	11,091	5,276	16,368	(16,368)	-
Total	149,804	20,551	22,374	16,572	209,301	18,402	227,704	(16,368)	211,336
Segment income	5,612	1,830	1,679	42	9,164	501	9,666	89	9,755