

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

February 12, 2019

Company: Taiheiyo Cement Corporation	Fiscal 2018 3Q: April 1, 2017- December 31, 2017
Stock code: 5233	Fiscal 2018: April 1, 2017- March 31, 2018
URL: http://www.taiheiyo-cement.co.jp/english/index.html	Fiscal 2019 3Q: April 1, 2018- December 31, 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 Third Quarter of Fiscal 2019(April 1, 2018 through December 31, 2018)

(1) Operating Results

(% of change from previous third 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	%
3Q FY3/19	692,554	6.0	49,724	2.1	49,111	(1.1)	34,077	4.8
3Q FY3/18	653,058	10.3	48,683	10.1	49,635	12.7	32,531	(43.0)

*Comprehensive income : Fiscal 2019 3Q 31,505 (-6.0%) Fiscal 2018 3Q 33,498(-4.2%)

	EPS	Diluted EPS
	Yen	Yen
3Q FY3/19	275.39	—
3Q FY3/18	262.97	—

*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	%
3Q FY3/19	1,054,890	451,935	39.4
FY3/18	1,020,111	432,326	38.8

*Equity : Fiscal 2019 3Q: 415,646 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	—	50.00	—	30.00	80.00
FY3/19(forecast)	—	—	—	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 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
FY3/19	900,000	3.3	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)	3Q FY3/19 (As of 12/31/18)
Assets		
Current assets		
Cash and deposits	53,766	60,148
Notes and accounts receivable-trade	182,272	193,169
Electronically recorded monetary claims- operating	10,989	14,852
Merchandise and finished goods	29,193	30,242
Work in process	2,383	3,086
Raw materials and supplies	41,761	44,258
Other	14,024	14,659
Allowance for doubtful accounts	(1,116)	(649)
Total current assets	333,275	359,768
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	134,456	134,533
Machinery, equipment, and vehicles, net	136,603	132,974
Land	158,057	158,634
Other, net	76,320	93,803
Total property, plant and equipment	505,438	519,946
B. Intangible assets		
Goodwill	777	321
Other	32,261	30,726
Total intangible assets	33,038	31,048
C. Investments and other assets		
Investment securities	86,834	83,411
Asset for retirement benefits	21,298	21,360
Other	48,767	46,920
Allowance for doubtful accounts	(8,539)	(7,564)
Total investments and other assets	148,360	144,128
Total noncurrent assets	686,836	695,122
Total assets	1,020,111	1,054,890

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(Millions of Yen)

Item	FY3/18 (As of 3/31/18)	3Q FY3/19 (As of 12/31/18)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	91,113	101,418
Electronically recorded obligations-operating	4,670	9,012
Short-term loans payable	153,181	139,297
Commercial papers	—	24,000
Current portion of bonds	15,035	10,000
Income taxes payable	6,416	7,831
Provision for bonuses	6,021	3,230
Other provision	121	160
Other	83,986	81,391
Total current liabilities	360,546	376,342
Noncurrent liabilities		
Bonds payable	20,000	30,000
Long-term loans payable	100,390	92,420
Liability for retirement benefits	24,559	24,235
Provision for directors' retirement benefits	520	487
Provision for special repairs	128	85
Other provision	750	764
Asset retirement obligations	7,553	7,685
Other	73,335	70,934
Total noncurrent liabilities	227,238	226,613
Total liabilities	587,785	602,955
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	60,339	60,408
Retained earnings	260,016	284,184
Treasury stock	(10,947)	(11,073)
Total shareholders' equity	395,582	419,693
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,941	8,336
Deferred gains or losses on hedges	1	(20)
Revaluation reserve for land	5,057	5,033
Foreign currency translation adjustment	(16,201)	(17,307)
Retirement benefits liability adjustments	(111)	(88)
Total accumulated other comprehensive income	(313)	(4,046)
Non-controlling interests	37,058	36,288
Total net assets	432,326	451,935
Total liabilities and net assets	1,020,111	1,054,890

Consolidated Statements of Income

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

(Millions of Yen)

Item	3Q FY3/18 (4/1/17- 12/31/17)	3Q FY3/19 (4/1/18- 12/31/18)
Net sales	653,058	692,554
Cost of sales	498,415	537,810
Gross profit	154,642	154,743
Selling, general and administrative expenses	105,959	105,018
Operating income	48,683	49,724
Non-operating income		
Interest income	406	407
Dividends income	813	988
Equity in earnings of unconsolidated subsidiaries and affiliates	3,096	2,503
Other	2,191	2,234
Total non-operating income	6,508	6,132
Non-operating expenses		
Interest expenses	3,529	2,989
Other	2,026	3,755
Total non-operating expenses	5,555	6,745
Ordinary income	49,635	49,111
Extraordinary income		
Gain on disposal of non-current assets	1,176	510
Gain on sales of investment securities	92	469
Other	100	154
Total extraordinary income	1,369	1,135
Extraordinary loss		
Loss on disposal of non-current assets	1,784	1,598
Other	248	678
Total extraordinary losses	2,032	2,276
Income before income taxes and non-controlling interests	48,972	47,969
Income taxes total	14,598	12,307
Profit	34,373	35,662
Profit attributable to non-controlling interests	1,842	1,585
Profit attributable to owners of parent	32,531	34,077

Consolidated Statements of Comprehensive Income

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

(Millions of Yen)

	3Q FY3/18 (4/1/17- 12/31/17)	3Q FY3/19 (4/1/18- 12/31/18)
Profit	34,373	35,662
Other comprehensive income		
Valuation difference on available-for-sale securities	3,478	(2,420)
Deferred gains or losses on hedges	81	(22)
Foreign currency translation adjustment	(5,089)	(1,574)
Remeasurements of defined benefit plans	607	16
Share of other comprehensive income of associates accounted for using equity method	46	(155)
Total other comprehensive income	(874)	(4,157)
Comprehensive income	33,498	31,505
Comprehensive income attributable to :		
Owners of parent	32,405	30,367
Non-controlling interests	1,093	1,137

Consolidated Segment Information

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

(Millions of Yen)

	3Q FY3/18 (4/1/17 – 12/31/17)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	454,226	43,935	61,908	54,059	614,130	38,928	653,058	—	653,058
Inter-segment sales	7,930	17,828	5,182	3,012	33,955	15,898	49,853	(49,853)	—
Total	462,157	61,763	67,091	57,072	648,085	54,827	702,912	(49,853)	653,058
Segment income	31,248	6,104	5,579	3,469	46,401	2,199	48,601	81	48,683

	3Q FY3/19 (4/1/18 – 12/31/18)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	484,140	44,858	65,007	56,962	650,969	41,585	692,554	—	692,554
Inter-segment sales	7,443	18,919	5,738	3,205	35,307	19,826	55,134	(55,134)	—
Total	491,584	63,778	70,745	60,168	686,276	61,411	747,688	(55,134)	692,554
Segment income	32,522	6,248	5,002	3,047	46,819	2,862	49,682	42	49,724