

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Third Quarter of Fiscal 2020 ended March 31, 2020

February 7, 2020

Company: Taiheiyo Cement Corporation

Stock code: 5233

URL: <https://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

Fiscal 2020 3Q: April 1, 2019 - December 31, 2019

Fiscal 2020: April 1, 2019 - March 31, 2020

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 2020 (April 1, 2019 through December 31, 2019)

(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 FY3/20	662,992	(4.3)	42,156	(15.2)	42,405	(13.7)	30,541	(10.4)
3Q FY3/19	692,554	6.0	49,724	2.1	49,111	(1.1)	34,077	4.8

* Comprehensive income : Fiscal 2020 3Q 30,089 (-4.5%) Fiscal 2019 3Q 31,505 (-6.0%)

	EPS	Diluted EPS
	Yen	Yen
3Q FY3/20	249.55	—
3Q FY3/19	275.39	—

(2) Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
3Q FY3/20	1,053,774	472,762	41.4
FY3/19	1,034,428	450,645	40.1

* Equity : Fiscal 2020 3Q 436,471 Fiscal 2019 414,709

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/19	—	50.00	—	30.00	80.00
FY3/20	—	30.00	—		
FY3/20(forecast)				30.00	60.00

* 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 2020 (April 1, 2019 through March 31, 2020)

(% 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
FY3/20	892,000	(2.6)	60,000	(9.1)	59,000	(8.3)	40,000	(7.9)	326.82

* 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	FY3/19 (As of 3/31/19)	3Q FY3/20 (As of 12/31/19)
Assets		
Current assets		
Cash and deposits	56,561	54,172
Notes and accounts receivable - trade	180,535	174,858
Electronically recorded monetary claims - operating	12,998	15,661
Merchandise and finished goods	31,138	30,033
Work in process	2,268	3,450
Raw materials and supplies	43,314	47,117
Other	15,135	16,929
Allowance for doubtful accounts	(646)	(615)
Total current assets	341,307	341,608
Non-current assets		
A. Property, plant and equipment		
Buildings and structures, net	135,653	137,363
Machinery, equipment and vehicles, net	134,649	153,105
Land	157,638	157,866
Other, net	92,998	87,795
Total property, plant and equipment	520,939	536,129
B. Intangible assets		
Goodwill	321	212
Other	30,553	29,398
Total intangible assets	30,875	29,610
C. Investments and other assets		
Investment securities	83,692	89,317
Retirement benefit asset	17,807	18,556
Other	47,238	45,918
Allowance for doubtful accounts	(7,432)	(7,367)
Total investments and other assets	141,306	146,425
Total non-current assets	693,120	712,166
Total assets	1,034,428	1,053,774

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

(Millions of Yen)

Item	FY3/19 (As of 3/31/19)	3Q FY3/20 (As of 12/31/19)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	96,275	91,419
Electronically recorded obligations - operating	8,716	6,717
Short-term borrowings	135,381	136,540
Commercial papers	4,000	27,000
Current portion of bonds	10,000	-
Income taxes payable	8,376	4,440
Provision for bonuses	6,046	3,254
Other provisions	220	185
Other	80,373	84,800
Total current liabilities	349,390	354,358
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	100,233	90,889
Retirement benefit Liability	24,206	23,656
Provision for retirement benefits for directors	535	482
Provision for special repairs	75	114
Other provisions	757	768
Asset retirement obligations	7,619	7,365
Other	70,964	73,376
Total non-current liabilities	234,392	226,653
Total liabilities	583,783	581,012
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	60,408	60,424
Retained earnings	294,265	317,416
Treasury shares	(16,081)	(16,098)
Total shareholders' equity	424,767	447,916
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,688	10,996
Deferred gains or losses on hedges	(3)	(0)
Revaluation reserve for land	5,019	5,003
Foreign currency translation adjustment	(20,128)	(24,101)
Accumulated remeasurements of defined benefit plans	(3,632)	(3,342)
Total accumulated other comprehensive income	(10,057)	(11,444)
Non-controlling interests	35,935	36,290
Total net assets	450,645	472,762
Total liabilities and net assets	1,034,428	1,053,774

Consolidated Statements of Income

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

(Millions of Yen)

Item	3Q FY3/19 (4/1/18-12/31/18)	3Q FY3/20 (4/1/19-12/31/19)
Net sales	692,554	662,992
Cost of sales	537,810	520,094
Gross profit	154,743	142,897
Selling, general and administrative expenses	105,018	100,741
Operating income	49,724	42,156
Non-operating income		
Interest income	407	357
Dividend income	988	1,032
Share of profit of entities accounted for using equity method	2,503	2,690
Other	2,234	2,323
Total non-operating income	6,132	6,404
Non-operating expenses		
Interest expenses	2,989	2,968
Other	3,755	3,186
Total non-operating expenses	6,745	6,155
Ordinary income	49,111	42,405
Extraordinary income		
Gain on disposal of non-current assets	510	647
Gain on sales of investment securities	469	169
Compensation income	-	2,730
Other	154	47
Total extraordinary income	1,135	3,595
Extraordinary losses		
Loss on disposal of non-current assets	1,598	2,794
Other	678	402
Total extraordinary losses	2,276	3,196
Income before income taxes and non-controlling interests	47,969	42,804
Income taxes	12,307	10,972
Profit	35,662	31,832
Profit attributable to non-controlling interests	1,585	1,290
Profit attributable to owners of parent	34,077	30,541

Consolidated Statements of Comprehensive Income

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

(Millions of Yen)

Item	3Q FY3/19 (4/1/18-12/31/18)	3Q FY3/20 (4/1/19-12/31/19)
Profit	35,662	31,832
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,420)	2,514
Deferred gains or losses on hedges	(22)	3
Foreign currency translation adjustment	(1,574)	(4,214)
Remeasurements of defined benefit plans	16	281
Share of other comprehensive income of entities accounted for using equity method	(155)	(328)
Total other comprehensive income	(4,157)	(1,743)
Comprehensive income	31,505	30,089
Comprehensive income attributable to :		
Owners of parent	30,367	29,170
Non-controlling interests	1,137	918

Consolidated Segment Information

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

(Millions of Yen)

	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

	3Q FY3/20 (4/1/19 – 12/31/19)								
	Reportable Segments					Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	467,542	42,019	57,756	56,916	624,234	38,757	662,992	-	662,992
Inter-segment sales	8,192	18,658	5,657	3,138	35,647	16,757	52,404	(52,404)	-
Total	475,734	60,678	63,413	60,055	659,881	55,515	715,397	(52,404)	662,992
Segment income	25,303	5,526	5,712	3,363	39,907	2,105	42,013	142	42,156