Explanatory material

(for the fiscal year ended March 31, 2020)

'May 22, 2020

SUMITOMO OSAKA CEMENT CO., LTD.

Contents

FY2019 Earnings

SUMITOMO OSAKA CEMENT

100 million yen

	2019	2018	Increase or decrease
Net Sales	2,452	2,511	▲59
Operating income	161	142	19
Ordinary profits	169	158	11
Profit (loss) attributable to owners of parent	109	78	31
Dividend per share	120yen	110yen	10yen

(comparison with 2/7 published value)

Net Sales	+2
Operating income	+6
Ordinary profits	+6
Profit (loss) attributable to owners of parent	+2

Dividend

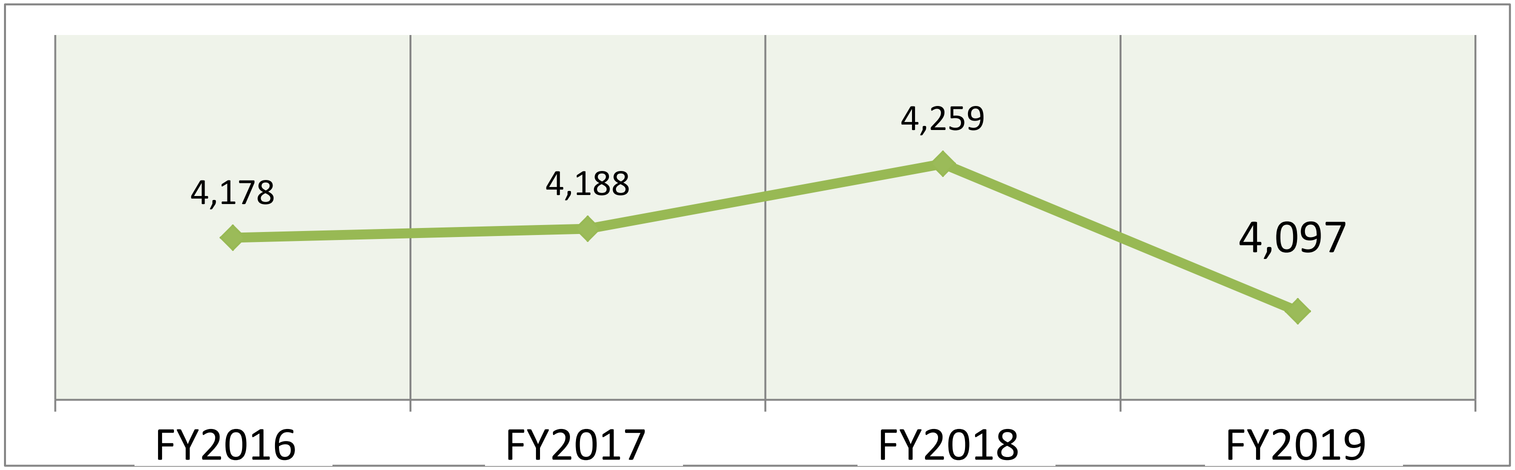
The year-end dividend is as expected It is planned to be 60 yen.

Demand for Cement
・Sumitomo Osaka Cement's Sales Volume

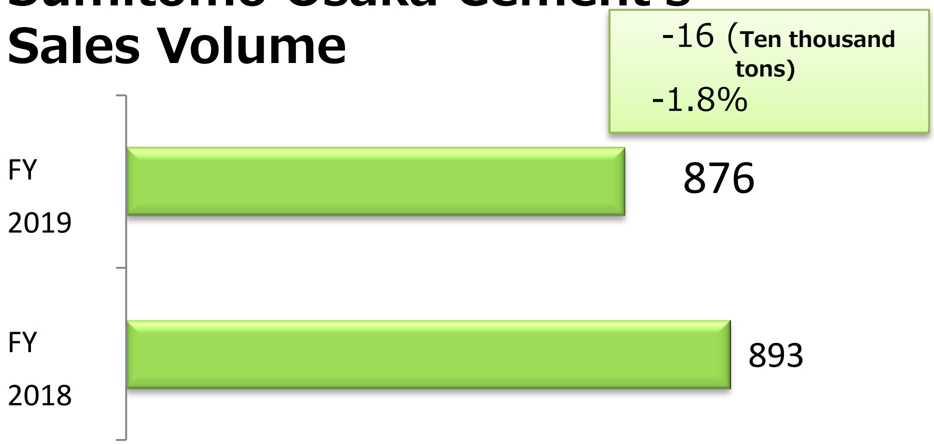
SUMITOMO OSAKA CEMENT

Demand for Cement

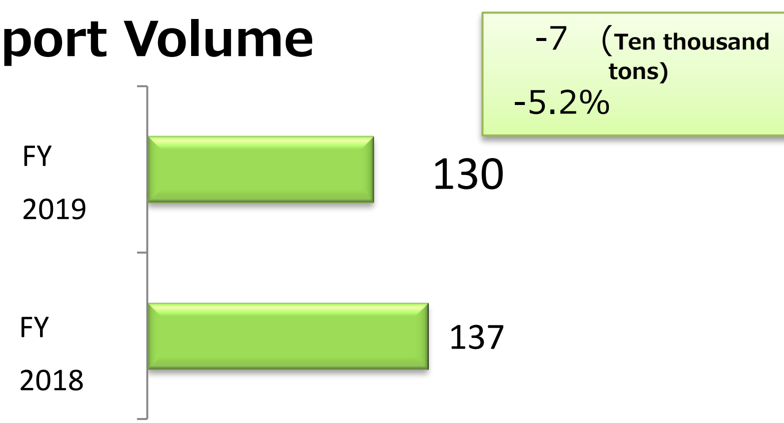
(Ten thousand tons)



Sumitomo Osaka Cement's Sales Volume



Sumitomo Osaka Cement's Export Volume



Contents

Status of segment

SUMITOMO OSAKA CEMENT

100 million yen

	Net Sales FY2019	Net Sales FY2018	Net Sales Increase or decrease	Profit and Loss FY2019	Profit and Loss FY2018	Profit and Loss Increase or decrease
Cement	1,888	1,937	▲49	82.5	75.8	6.7
Mineral Resources	126	128	▲ 2	23.9	23.6	0.2
Cement-Related Products	191	185	6	18.2	12.5	5.8
Cement-related business	2,205	2,249	▲44	124.6	111.9	12.7
Optoelectronics	59	58	1	2.0	▲5.7	7.7
Advanced Materials	114	120	▲6	18.5	23.7	▲5.2
Battery Materials	13	19	▲6	▲1.5	▲4.4	2.9
High-Performance Product business	185	196	▲11	19.0	13.6	5.4
Others	61	65	▲4	18.6	17.1	1.5
Total	2,452	2,511	▲59	161.3	141.8	19.5

Cement-related business（Cement)

SUMITOMO OSAKA CEMENT

Cement

100 million yen

	FY２０１９	FY２０１８	Increase or decrease
Net Sales	1,888	1,937	▲49
Operating income	82.5	75.8	6.7

Sensitivity

Coal 1$/ｔ up
→　130 million yen/year negative impact

Crude oil 1$/bbl up
→　40 million yen/year negative impact

Foreign Exchange Rate
1yen/$　down
→　140 million yen/year negative impact

Breakdown of Operation Income in the Cement Business

100 million yen

Sales and production volume	▲１０
Sales prices (Domestic)	１１
Coal and oil costs	２４
Electricity and raw materials	▲２
Recycle	６
Rationalization	１
Others	▲２３
Total	７

Cement-related business
(Mineral Resources, Cement-Related Products)

SUMITOMO OSAKA CEMENT

Mineral Resources

100 million yen

	FY２０１９	FY２０１８	Increase or decrease
Net Sales	126	128	▲2
Operating income	23.9	23.6	0.２

Cement-Related Products

100 million yen

	FY２０１９	FY２０１８	Increase or decrease
Net Sales	191	185	6
Operating income	18.2	12.5	5.8

High-Performance Product business (Optoelectronics, Advanced Materials)

SUMITOMO OSAKA CEMENT

Optoelectronics

100 million yen

	FY2019	FY2018	Increase or decrease
Net Sales	59	58	1
Operating income	2.0	▲5.7	7.7

Advanced Materials

100 million yen

	FY2019	FY2018	Increase or decrease
Net Sales	114	120	▲6
Operating income	18.5	23.7	▲5.2

High-Performance Product business (Battery Materials), Others

SUMITOMO OSAKA CEMENT

Battery Materials

100 million yen

	FY2019	FY2018	Increase or decrease
Net Sales	13	19	▲6
Operating income	▲1.5	▲4.4	2.9

Others

100 million yen

	FY2019	FY2018	Increase or decrease
Net Sales	61	65	▲4
Operating income	18.6	17.1	1.5

Contents

Status of Assets and Liabilities

SUMITOMO OSAKA CEMENT

100 million yen

	'Mar '20	'Mar '19	Comparison
Cash and deposits	159	153	5
Property, plant and equipment	1,664	1,660	4
Investment securities	541	556	▲15
Other	847	878	▲31
Total assets	3,211	3,248	▲36
Interest-bearing liabilities	526	611	▲85
Other	698	696	2
Total liabilities	1,224	1,306	▲82
Total net assets	1,987	1,941	46
Total liabilities + Total net assets			▲36

Cash Flows

SUMITOMO OSAKA CEMENT

100 million yen

	FY2019	FY2018
Income before income taxes and minority interests	155	120
Depreciation and amortization	183	185
Income taxes paid and other	▲15	▲13
Net cash provided by operating activities	323	293
Purchases of property, plant and equipment	▲184	▲206
Proceeds from sales of property	3	8
Other	▲7	▲3
Net cash used in investing activities	▲188	▲200
Free cash flow	135	92
Net increase (decrease) in interest-bearing liabilities	▲84	▲7
Treasury stock Acquisition	―	▲106
Cash dividends paid and other	▲45	▲44
Net cash provided by financing activities	▲130	▲158
Increase (decrease) in cash and cash equivalents	5	▲68

Status of capital investment, etc.

SUMITOMO OSAKA CEMENT

100 million yen

	FY2019	FY2018
Capital investment	202	190
Depreciation and amortization	183	185
R&D expenses	31	32

Contents

FY2020(year ending March,2021) Earnings forecast

SUMITOMO OSAKA CEMENT

For FY2020 (year ending March,2021) Earnings forecast. Since it is difficult to forecast the impact of measures to prevent the spread of new coronavirus infectious diseases on business performance and the timing of convergence,
it has been determined as "undecided".
In the future, we will disclose it as soon as it is possible to calculate the earnings forecast.