FY2019 (for the fiscal year ended March 31, 2020)

Supplementary material

’May 22, 2020

SUMITOMO OSAKA CEMENT CO., LTD.

SUMITOMO OSAKA CEMENT

Fiscal 2017:	April 1, 2017-March 31, 2018
Fiscal 2018:	April 1, 2018-March 31, 2019
Fiscal 2019:	April 1, 2019-March 31, 2020

1. Demand for Cement and Sumitomo Osaka Cement's Sales Volume

【Demand for Cement】 (Thousand tons)

		Fiscal 2018	Fiscal 2019			YoY
			First Half	Second Half	Total	
	Domestic Manufacturers	1.9% 42,499	-1.7% 20,352	-5.5% 20,595	-3.6% **40,948**	▲ 1,551
	Import	91	11	11	**22**	▲ 68
Domestic demand		1.7% 42,589	-2.0% 20,364	-5.6% 20,606	-3.8% **40,970**	▲ 1,620

Export	10,371	5,017	5,515	**10,532**	161

【Sumitomo Osaka Cement's Sales Volume】

		Fiscal 2018	First Half	Second Half	Total	YoY
	Domestic	2.4% **8,925**	1.0% 4,391	-4.7% 4,373	-1.8% **8,764**	▲ 162
	Export	**1,366**	594	701	**1,295**	▲ 71
Total		**10,291**	4,984	5,074	**10,058**	▲ 233

2. Net Sales

(1) Consolidated

(100 million yen)

		Fiscal 2018	Fiscal 2019			YoY	
			First Half	Second Half	Total	YoY	%
	Cement	1,937	934	954	1,888	▲ 49	▲ 2.5
	Mineral Resources	128	64	62	126	▲ 2	▲ 1.4
	Cement-Related Products	185	76	115	191	6	3.4
Cement-related business		2,249	1,074	1,132	2,205	▲ 44	▲ 2.0
	Optoelectronics	58	32	27	59	1	2.0
	Advanced Materials	120	57	57	114	▲ 6	▲ 5.1
	Battery Materials	19	7	5	13	▲ 6	▲ 33.3
High-Performance Product business		196	96	89	185	▲ 11	▲ 5.7
Others		65	29	33	61	▲ 4	▲ 5.7
Total		2,511	1,198	1,253	2,452	▲ 59	▲ 2.4

(2) Non-Consolidated

Cement-related business	1,335	658	679	1,338	2	0.2
High-Performance Product business	191	93	87	181	▲ 10	▲ 5.4
Others	48	22	19	41	▲ 6	▲ 13.4
Total	1,574	774	785	1,559	▲ 14	▲ 0.9

3. Profit and Loss

(1) Consolidated

(100 million yen)

		Fiscal 2018	Fiscal 2019 First Half	Fiscal 2019 Second Half	Fiscal 2019 Total	YoY	YoY %
	Cement	75.8	28.6	53.9	82.5	6.7	8.8
	Mineral Resources	23.6	12.2	11.7	23.9	0.2	1.0
	Cement-Related Products	12.5	4.9	13.3	18.2	5.8	46.2
Cement-related business		111.9	45.7	78.9	124.6	12.7	11.3
	Optoelectronics	▲ 5.7	0.3	1.7	2.0	7.7	---
	Advanced Materials	23.7	9.5	9.0	18.5	▲ 5.2	▲ 21.9
	Battery Materials	▲ 4.4	▲ 0.2	▲ 1.3	▲ 1.5	2.9	---
High-Performance Product business		13.6	9.6	9.4	19.0	5.4	39.4
Others		17.1	8.7	9.9	18.6	1.5	8.7
Operating income		141.8	63.6	97.6	161.3	19.5	13.7

	Fiscal 2018	Fiscal 2019 First Half	Fiscal 2019 Second Half	Fiscal 2019 Total	YoY
Non-operating profit or loss	16.2	4.9	3.3	8.2	▲ 8.0

	Fiscal 2018	Fiscal 2019 First Half	Fiscal 2019 Second Half	Fiscal 2019 Total	YoY	YoY %
Ordinary profits	158.0	68.6	100.9	169.5	11.5	7.3
Profit (loss) attributable to owners of parent	78.0	45.6	63.7	109.2	31.2	40.1

(2) Non-Consolidated

	Fiscal 2018	Fiscal 2019 First Half	Fiscal 2019 Second Half	Fiscal 2019 Total	YoY	YoY %
Operating income	97.0	47.7	65.6	113.3	16.3	16.8
Ordinary profits	110.9	57.2	66.9	124.1	13.2	11.9
Profit (loss) attributable to owners of parent	46.9	38.6	43.0	81.6	34.7	73.9

(3) Breakdown of Operation Income in the Cement Business

100 million yen

		18 → 19
	Sales and production volume	▲ 10
	Sales prices (Domestic)	11
	Coal and oil costs	24
	Electricity and raw materials	▲ 2
	Recycle, Rationalization(※)	7
	Others	▲ 23
Increase (decrease) in operating income		7

(※) Recycle, Rationalization

	18→19
Recycle	6
Rationalization	1
Total	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**

4. Balance Sheets

100 million yen

		Mar '19	Mar '20
	Cash and deposits	153	159
	Property, plant and equipment	1,660	1,664
	Investment securities	556	541
	Other	878	847
Total assets		3,248	3,211

	Interest-bearing liabilities	611	526
	Other	696	698
Total liabilities		1,306	1,224
Total net assets		1,941	1,987
Total liabilities + Total net assets		3,248	3,211

5. Cash Flows

100 million yen

		Fiscal 2019
	Income before income taxes and minority interests	155
	Depreciation and amortization	183
	Income taxes paid and other	▲ 15
Net cash provided by operating activities		323
	Purchases of property, plant and equipment	▲ 184
	Proceeds from sales of property	3
	Other	▲ 7
Net cash used in investing activities		▲ 188
Free cash flow (Net cash provided by operating activities + Net cash used in investing activities)		135
	Net increase (decrease) in interest-bearing liabilities	▲ 84
	Cash dividends paid and other	▲ 45
Net cash provided by financing activities		▲ 130
Increase (decrease) in cash and cash equivalents		5

6. Actual Results

		Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Net sales	100 million yen	2,342	2,341	2,448	2,511	2,452
	Cement business	2,127	2,118	2,204	2,249	2,205
	High-Performance Product business	158	171	185	196	185
	Others	58	51	59	65	61
Operating income	100 million yen	236.1	215.3	189.9	141.8	161.3
Ordinary profits		245.6	226.3	201.5	158.0	169.5
Profit (loss) attributable to owners of parent		161.1	162.1	146.6	78.0	109.2

		Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total assets	100 million yen	3,257	3,368	3,400	3,248	3,211
Interest-bearing debt		765	642	618	611	526
Net assets		1,772	1,959	2,042	1,941	1,987

		Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
ROA	%	7.4	6.8	6.0	4.8	5.2
ROE		9.2	8.8	7.4	4.0	5.6
Debt Equity Ratio		43	33	30	31	26

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Free cash flow (Net cash provided by operating activities + Net cash used in investing activities)	169	115	17	92	135

		Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Capital investment	100 million yen	195	209	251	190	202
Depreciation and amortization		169	170	177	185	183
R&D expenses		31	30	30	32	31
Net financial income		14	12	15	10	10
Number of employees at fiscal	(people)	2,915	2,973	2,987	2,974	3,005