

## Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2011 ended March 31, 2011

August 10, 2010

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

Fiscal 2010 1Q: April 1, 2009- June 30,2009  
Fiscal 2010: April 1, 2009-March 31, 2010  
Fiscal 2011 1Q: April 1, 2010-June 30, 2010  
Fiscal 2011: April 1, 2010-March 31, 2011

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 2011 (April 1, 2010 through June 30, 2010)

#### (1) Operating Results

	Net Sales		Operating income		Ordinary income(loss)		Net loss	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q FY3/11	162,959	(6.1)	(3,868)	—	(8,247)	—	(11,009)	—
1Q FY3/10	173,622	(14.2)	(3,878)	—	(8,245)	—	(8,798)	—

	EPS	Diluted EPS
	Yen	Yen
1Q FY3/11	(11.70)	—
1Q FY3/10	(9.38)	—

#### (2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
1Q FY3/11	1,093,762	176,637	13.0	151.25
FY3/10	1,155,256	188,187	13.3	162.86

#### 2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/10	—	0.00	—	0.00	2.00
FY3/11	—	—	—	—	—
FY3/11(forecast)	—	0.00	—	—	—

#### 3. Consolidated Results Forecast for the Fiscal 2011(April 1, 2010 through March 31, 2011)

	Net sales		Operating income(loss)		Ordinary income(loss)		Net income(loss)		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1HFY3/11	335,000	(6.4)	(4,000)	—	(7,500)	—	(11,500)	—	(12.30)
FY3/11	710,000	(2.6)	13,000	263.9	6,000	3,951.6	4,000	—	4.30

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	1Q FY3/11 (As of 06/30/10)	FY3/10 (As of 3/31/10)
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	65,731	119,437
Notes and accounts receivable-trade	144,436	153,699
Merchandise and finished goods	33,220	31,367
Work in process	8,723	8,084
Raw materials and supplies	39,646	36,806
Other	51,602	52,827
Allowance for doubtful accounts	(1,864)	(1,868)
<b>Total current assets</b>	<b>341,497</b>	<b>400,353</b>
<b>Non-current assets</b>		
<b>A. Property, plant and equipment</b>		
Buildings and structures, net	162,565	160,864
Machinery, equipment, and vehicles, net	128,826	128,958
Land	169,031	169,027
Other, net	73,835	71,411
<b>Total property, plant and equipment</b>	<b>534,258</b>	<b>530,261</b>
<b>B. Intangible assets</b>		
Goodwill	17,509	17,998
Other	35,176	35,993
<b>Total intangible assets</b>	<b>52,685</b>	<b>53,991</b>
<b>C. Investments and other assets</b>		
Investment securities	99,131	102,955
Other	75,079	76,642
Allowance for doubtful accounts	(8,890)	(8,947)
<b>Total investments and other assets</b>	<b>165,320</b>	<b>170,650</b>
<b>Total noncurrent assets</b>	<b>752,265</b>	<b>754,903</b>
<b>Total assets</b>	<b>1,093,762</b>	<b>1,155,256</b>

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

Item	1Q FY3/11 (As of 06/30/10)	FY3/10 (As of 3/31/10)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	74,395	82,958
Short-term bank loans payable	325,244	291,523
Commercial papers	56,000	46,000
Current portion of bonds	525	20,610
Current portion of bonds with subscription rights to shares	40	21,982
Income taxes payable	1,420	2,848
Provision for bonuses	3,771	5,242
Provision for directors' bonuses	7	7
Provision for loss on transfer of business	5,588	5,588
Provision for business structure reform costs	16,497	17,262
Other provision	874	886
Asset retirement obligations	151	-
Other	60,447	58,556
Total current liabilities	544,965	553,466
<b>Noncurrent liabilities</b>		
Bonds payable	63,015	63,050
Bonds with subscription rights to shares	-	40
Long-term bank loans payable	191,554	235,870
Provision for retirement benefits	33,327	35,412
Provision for directors' retirement benefits	669	792
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	412	400
Asset retirement obligations	6,168	-
Other	76,871	77,896
Total noncurrent liabilities	372,158	413,602
<b>Total liabilities</b>	<b>917,124</b>	<b>967,069</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	69,499	69,499
Capital surplus	33,962	60,384
Retained earnings	67,383	52,753
Treasury stock	(953)	(960)
Total shareholders' equity	169,892	181,676
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	5,117	6,586
Deferred gains or losses on hedges	(20)	6
Revaluation reserve for land	4,503	4,503
Foreign currency translation adjustment	(34,784)	(37,115)
Accumulated other comprehensive losses	(2,431)	(2,468)
Valuation and translation adjustments	(27,615)	(28,488)
<b>Minority interests in consolidated subsidiaries</b>	<b>34,361</b>	<b>34,999</b>
<b>Total net assets</b>	<b>176,637</b>	<b>188,187</b>
<b>Total liabilities and net assets</b>	<b>1,093,762</b>	<b>1,155,256</b>

## Consolidated Statements of Income

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

Item	1Q FY3/10 (4/1/09– 06/30/09)	1Q FY3/11 (4/1/10– 06/30/10)
Net sales	173,622	162,959
Cost of sales	145,783	137,766
Gross profit	27,838	25,192
Selling, general and administrative expenses	31,717	29,060
Operating loss	(3,878)	(3,868)
Non-operating income		
Interest income	169	148
Dividends income	734	480
Other	1,132	1,308
Total non-operating income	2,037	1,937
Non-operating expenses		
Interest expenses	2,517	2,481
Equity in losses of unconsolidated subsidiaries and affiliates	2,934	1,516
Other	952	2,318
Total non-operating expenses	6,404	6,316
Ordinary loss	(8,245)	(8,247)
Extraordinary income		
Gain on disposal of non-current assets	289	1,031
Gain on sales of investments in securities	5	101
Other	148	317
Total extraordinary income	443	1,450
Extraordinary loss		
Loss on disposal of non-current assets	140	170
Influence by changing accounting policy of asset retirement obligation	–	4,056
Other	352	899
Total Extraordinary loss	493	5,126
Loss before income taxes and minority interests	(8,294)	(11,923)
Income taxes-current	1,404	(1,113)
Income taxes-deferred	(393)	437
Income taxes	1,010	(675)
loss before minority interests	–	(11,247)
Minority interests in net income	(507)	(237)
Net loss(–)	(8,798)	(11,009)

## Consolidated Statements of Cash Flows

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

(Millions of Yen)

Item	1Q FY3/10 4/1/09 – 06/30/09	1Q FY3/11 4/1/10 – 06/30/10
<b>I</b> Net cash provided by(used in) operating activities		
Loss before income taxes and minority interests	(8,294)	(11,923)
Depreciation and amortization	11,833	10,565
Amortization of goodwill	810	797
Equity in earnings of affiliates	2,934	1,516
Loss on valuation of investment securities	12	36
Increase(Decrease) in provision for retirement benefits	104	(573)
Decrease in provision for directors' retirement benefits	(164)	(123)
Decrease in provision for bonuses	(1,737)	(1,470)
Decrease in provision for directors' bonuses	(13)	–
Increase(Decrease) in allowance for doubtful accounts	54	(62)
Decrease in other provision	(88)	(686)
Interest and dividends income	(904)	(629)
Interest expenses	2,517	2,481
Gain on sales of investment securities	1	80
Loss on liquidation of subsidiaries and affiliates	–	150
Loss on disposal of property, plant, and equipment	(149)	(861)
Decrease in notes and accounts receivable-trade	16,544	10,242
Decrease(Increase) in inventories	1,005	(4,994)
Decrease in notes and accounts payable-trade	(16,772)	(9,058)
Influence by changing accounting policy of asset retirement obligation	–	4,056
Other, net	(844)	1,289
Subtotal	6,898	835
Interest and dividends income received	1,148	908
Interest expenses paid	(3,164)	(2,967)
Income taxes paid	(2,288)	(311)
Net cash provided by(used in) operating activities	2,594	(1,534)
<b>II</b> Net cash provided by(used in) investing activities		
Decrease(Increase) in time deposits	(298)	33
Purchase of property, plant, and equipment	(10,468)	(5,722)
Proceeds from sales of property, plant, and equipment	690	1,239
Purchase of investment securities	(74)	(107)
Proceeds from sales of investment securities	5,152	199
Payments of loans receivable	(315)	(1,276)
Collection of loans receivable	863	1,349
Other, net	597	147
Net cash provided by(used in) investing activities	(3,852)	(4,137)
<b>III</b> Net cash provided by(used in) financing activities		
Net increase in short-term loans payable	7,117	13,599
Net Increase in commercial papers	15,000	10,000
Proceeds from long-term loans payable	4,847	3,790
Repayment of long-term loans payable	(13,978)	(32,676)
Redemption of bonds	(130)	(20,120)
Payments for redemption of bonds with subscription rights to shares	–	(21,960)
Proceeds from issuance of bonds	250	–
Purchase of treasury stock	(9)	(2)
Proceeds from sales of treasury stock	1	0
Cash dividends paid to minority shareholders	(277)	(422)
Other, net	269	(335)
Net cash provided by(used in) financing activities	13,090	(48,128)
<b>IV</b> Effect of exchange rate changes on cash and cash equivalents	1,110	106
<b>V</b> Net increase in cash and cash equivalents	12,942	(53,694)
<b>VI</b> Cash and cash equivalents at beginning of period	56,299	113,480
<b>VII</b> Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	18
<b>VIII</b> Decrease in cash and cash equivalents resulting from corporate divestiture	(126)	–
<b>VX</b> Cash and cash equivalents at end of the period	69,114	59,804