

# Taiheiyo Cement Corporation

## Reference Materials of Financial Results for the Second Quarter of Fiscal 2011 (From April 1, 2010 through September 30, 2010)

### Contents

Trend in Construction Investments and Domestic Demand of Cement	Page 1
Volume of Sales and Shipment Results by Region	Page 2
Financial Results for the Second Quarter of Fiscal 2011	Pages 3-4
Consolidated Balance Sheets	Page 5
Consolidated Statements of Cash Flows	Page 6
Forecast of Fiscal 2011	Page 7-8
[Reference Information]	
1. Status of the Consolidated Group	Page 9
2. Change in Interest-bearing Debt	Page 9
3. Change in Number of Personnel	Page 9
4. Change in Capital Investment	Page 9
5. Change in Depreciation Expenses	Page 9
6. Change in Experiment and Research Expenses	Page 10
7. Cement Sales in Overseas Subsidiaries	Page 10
8. Financial Results of Ssangyong Cement	Page 10
9. Overview of Businesses in the U.S.	Page 10

November 9, 2010

## 1. Trend in Construction Investments and Domestic Demand of Cement

	Estimate of construction investments (in nominal terms) (100 million yen)	Year-on year change (%)	Domestic Demand (including imports) (Thousand tons)	Year-on year change (%)	Exports (Thousand tons)	Year-on year change (%)
Fiscal 1995	787,523	(3.6)	79,743	1.4	14,995	1.4
Fiscal 1996	790,169	0.3	80,377	0.8	13,389	(10.7)
Fiscal 1997	828,077	4.8	82,417	2.5	12,427	(7.2)
Fiscal 1998	751,906	(9.2)	76,573	(7.1)	11,219	(9.7)
Fiscal 1999	714,269	(5.0)	70,719	(7.6)	7,558	(32.6)
Fiscal 2000	685,039	(4.1)	71,515	1.1	7,564	0.1
Fiscal 2001	661,948	(3.4)	71,435	(0.1)	7,477	(1.2)
Fiscal 2002	612,875	(7.4)	67,811	(5.1)	7,863	5.2
Fiscal 2003	568,401	(7.3)	63,514	(6.3)	8,554	8.8
Fiscal 2004	536,880	(5.5)	59,687	(6.0)	9,879	15.5
Fiscal 2005	528,246	(1.6)	57,569	(3.5)	10,373	5.0
Fiscal 2006	515,676	(2.4)	59,089	2.6	10,273	(1.0)
Fiscal 2007	513,281	(0.5)	58,985	(0.2)	9,592	(6.6)
Fiscal 2008	476,961	(7.1)	55,506	(5.9)	10,017	4.4
Fiscal 2009	(estimated value) 476,500	(0.1)	50,087	(9.8)	10,672	6.5
Fiscal 2010	(estimated value) 421,700	(11.5)	42,732	(14.7)	11,054	3.6
Fiscal 2011	(forecasted value) 392,500	(6.9)	40,450	(5.3)	9,700	(12.2)
(For reference)						
Second Quarter of Fiscal 2009			24,446	(10.6)		
Second Quarter of Fiscal 2010			21,017	(14.0)		
Second Quarter of Fiscal 2011			19,820	(5.7)		

[Sources]

Estimate of construction investments:

for Fiscal 1995 to Fiscal 2008, Ministry of Land, Infrastructure, Transport and Tourism

for Fiscal 2009 and Fiscal 2011, Research Institute of Construction and Economy (RICE)

Domestic demand of cement: Japan Cement Association

## 2. Volume of Sales and Shipment Results by Region

### Volume of sales of cement by region (excluding imports)

	Fiscal 2009		Fiscal 2010		Second Quarter of Fiscal 2011	
	Volume of sales (Thousand tons)	Year-on-year change (%)	Volume of sales (Thousand tons)	Year-on-year change (%)	Volume of sales (Thousand tons)	Year-on-year change (%)
Hokkaido	2,299	(10.6)	2,240	(2.6)	1,144	(6.4)
Tohoku	3,354	(12.9)	3,011	(10.2)	1,409	(3.5)
Kanto 1	11,241	(6.4)	9,508	(15.4)	4,506	(7.8)
Kanto 2	4,403	(10.6)	3,812	(13.4)	1,849	3.6
Hokuriku	2,578	(6.5)	2,331	(9.6)	1,191	0.0
Tokai	6,379	(6.6)	5,064	(20.6)	2,267	(8.4)
Kinki	7,026	(13.7)	5,505	(21.6)	2,593	(5.0)
Shikoku	1,824	(12.8)	1,661	(8.9)	737	(3.0)
Chugoku	3,343	(11.8)	2,924	(12.5)	1,268	(8.9)
Kyushu	5,892	(13.4)	5,137	(12.8)	2,336	(4.3)
Okinawa	825	1.1	783	(5.1)	346	(4.9)
Domestic Total	49,164	(9.9)	41,976	(14.6)	19,547	(5.1)
Exports	10,672	6.5	11,054	3.6	5,241	(5.8)
Total	59,835	(7.4)	53,030	(11.4)	24,788	(5.3)

Source: Japan Cement Association

### Shipment of ready-mixed concrete by region

	Fiscal 2009		Fiscal 2010		Second Quarter of Fiscal 2011	
	Shipment (Thousand cubic meters)	Year-on-year change (%)	Shipment (Thousand cubic meters)	Year-on-year change (%)	Shipment (Thousand cubic meters)	Year-on-year change (%)
Hokkaido	3,874	(14.2)	3,475	(10.3)	1,640	(12.5)
Tohoku	6,835	(12.7)	6,030	(11.8)	2,878	(1.9)
Kanto 1	24,155	(11.9)	20,024	(17.1)	10,044	(2.3)
Kanto 2	7,579	(13.5)	6,442	(15.0)	3,094	0.2
Hokuriku	5,602	(5.4)	5,225	(6.7)	2,663	(0.7)
Tokai	13,865	(1.3)	10,995	(20.7)	4,898	(9.8)
Kinki	13,610	(5.0)	11,466	(15.8)	5,284	(9.0)
Chugoku	6,536	(14.0)	5,823	(10.9)	2,595	(4.6)
Shikoku	4,199	(11.4)	3,938	(6.2)	1,668	(6.4)
Kyushu	14,753	(11.8)	12,612	(14.5)	5,491	(3.3)
Total	101,009	(9.7)	86,030	(14.8)	40,256	(4.8)

Source: National Federation of Ready-Mixed Concrete Industrial Associations

Financial Results for the Second Quarter of Fiscal 2011  
(From April 1, 2010 through September 30,2010)

Consolidated Statements of Income

(Millions of yen)

Item		Second Quarter of Fiscal 2010	Second Quarter of Fiscal 2011	Change		
Ordinary income and loss	Operating income/loss	Net sales	357,938	343,014	(14,924)	
		Cost of sales	296,884	285,801	(11,083)	
		Gross profit	61,053	57,213	(3,840)	
		Selling, general and administrative expenses	62,786	59,014	(3,771)	
		Operating loss	(1,732)	(1,801)	(69)	
	Non-operating income and expenses	Income	Interest income	304	265	(39)
			Dividends income	893	772	(120)
			Equity in earnings of unconsolidated subsidiaries and affiliates	503	–	(503)
			Other	2,574	2,110	(464)
		Total	4,275	3,148	(1,127)	
		Expenses	Interest expenses	5,002	4,919	(83)
			Equity in losses of unconsolidated subsidiaries and affiliates	–	582	582
			Other	1,857	3,524	1,667
			Total	6,860	9,026	2,166
Ordinary loss	(4,316)		(7,679)	(3,362)		
Extraordinary gain and loss	Gain	Gain on disposal of non-current assets	361	8,101	7,739	
		Gain on sales of investment securities	13	1,084	1,071	
		Other	269	806	536	
		Total	644	9,991	9,347	
	Losses	Loss on disposal of non-current assets	1,323	729	(593)	
		Loss on sales of investment securities	–	2,543	2,543	
		Loss on valuation of investment securities	–	2,243	2,243	
		Impairment loss	14	164	149	
		Loss on adjustment for changes of accounting standard for asset retirement obligations	–	4,056	4,056	
		Other	1,190	1,893	702	
		Total	2,528	11,630	9,101	
Loss before income taxes	(6,201)	(9,318)	(3,117)			
Income taxes-current	1,926	4,460	2,534			
Income taxes-deferred	(122)	(729)	(607)			
Total income taxes	1,803	3,730	1,927			
Loss before minority interests	–	(13,409)	(13,049)			
Minority interests in income(loss)	(16)	51	68			
Net loss	(7,988)	(13,101)	(5,112)			

Sales volume of cement (Thousand tons)

	Second Quarter of Fiscal 2010	Second Quarter of Fiscal 2011	Change
Domestic	8,374	7,362	(1,012)
Export	2,144	2,415	271

Interest-bearing debt (Millions of yen)

	As of 3/31/10	As of 9/30/10	Change
Consolidated	679,077	622,605	(56,472)
Non-consolidated	406,416	360,554	(45,862)

## Segment Information

### (1) Net sales

(Millions of yen)

		2Q FY2010	2Q FY2011	Change	Main factors of change	
Cement business	Domestic	177,115	164,559	(12,556)	Domestic	Domestic cement sales decreased (5.1) bil. yen Decreased in cement export volume (0.9) bil.yen Decreased sales from companies producing ready-mixed concrete and merchandising firms of ready-mixed concrete etc (6.4) bil.yen
	Overseas subsidiaries	50,021	43,314	(6,706)	Overseas subsidiaries	U. S. \$(58) million cement:\$(27)million(volume\$(19) mil,price\$(8)mil) ready-mixed concrete etc.: \$(31)million China \$7 million Effect of foreign exchange (1.9) bil. yen
Total		227,136	207,874	(19,262)		
Mineral Resources business		43,961	39,161	(4,800)	Decreased sales of aggregate, sand due to reduced volume of ready-mixed concrete.	
Environmental business		29,057	28,391	(665)	Decreased sales due to reduced volume of coal ash, excavated waste, sludge, etc. Increased sales of mineral ingredients.	
Construction Materials business		43,074	37,001	(6,072)	Decreased sales due to reduced volume of construction materials.	
Ceramics & Electronics business		7,039	17,194	10,155	Increased sales in Ceramics & Electronics business as a result of the recovery of market circumstances.	
Other		46,373	47,882	1,508	Increased sales in transport and warehouse business due to rise in handling volumes.	
Total		396,643	377,506	(19,137)		
Eliminations or corporate assets		(38,705)	(34,492)	4,213		
Consolidated total		357,938	343,014	(14,924)		

### (2) Operating Income

		2Q FY2010	2Q FY2011	Change	Main factors of change	
Cement business	Domestic	(2,906)	216	3,123	Domestic	Domestic cement sales decreased (2.6) bil. yen Variable cost reduction etc. 2.8 bil. yen Fixed cost decreased 3.0 bil. yen Decreased operating income producing ready-mixed concrete and merchandising firms of ready-mixed concrete etc. (0.1) bil.yen
	Overseas subsidiaries	14	(3,190)	(3,204)	Overseas subsidiaries	U. S. \$(27) million China \$(2) million Asia \$(7) million
Total		(2,892)	(2,973)	(81)		
Mineral Resources business		395	274	(121)		
Environmental business		2,186	2,362	175		
Construction Materials business		328	(1,689)	(2,017)	Decreased profit due to reduced volume of construction materials.	
Ceramics & Electronics business		(2,422)	(860)	1,561	Increased profit in Ceramics & Electronics business as a result of the recovery of market circumstances.	
Other		1,061	1,295	234	Increased profit in transport and warehouse business due to rise in handling volumes.	
Total		(1,343)	(1,590)	(247)		
Eliminations or corporate assets		(388)	(210)	178		
Consolidated total		(1,732)	(1,801)	(69)		

[Reference information]

Foreign exchange rate 2Q of Fiscal 2010 average: ¥95.59 per dollar; 2Q of Fiscal 2011 average: ¥91.36 per dollar; difference: ¥4.23

Exchange rate at end of Dec. 2009: ¥92.10 per dollar; at end of Jun. 2010: ¥88.48 per dollar; difference: ¥3.62

## Consolidated Balance Sheets

(Unit: Millions of yen)

	As of 3/31/10	As of 9/30/10	Change	Main factors of change
Cash and time deposits	119,437	71,113	(48,324)	
Notes and accounts receivable-trade	153,699	141,781	(11,917)	
Merchandise and finished goods	31,367	31,268	(99)	
Work in process	8,084	9,430	(1,346)	
Raw materials and supplies	36,806	39,092	2,286	
Other	52,827	53,777	950	
Allowance for doubtful accounts	(1,868)	(1,869)	(1)	
<b>Current assets</b>	<b>400,353</b>	<b>344,594</b>	<b>(55,759)</b>	
Property, plant and equipment				Property, plant and equipment (Included long-term prepaid expenses) Breakout of increase-decrease Capital investment 14.8 bil. Yen Depreciation (21.3) bil. yen Loss on retirement and sales (3.1) bil. yen Exclusion (20.4) bil. yen Asset retirement obligations 1.2 bil. yen New consolidation 4.3 bil. Yen Foreign exchange effects (7.7) bil. Yen Other (1.0) bil. yen
Buildings and structures	160,864	154,730	(6,133)	
Machinery, equipment and vehicles	128,958	119,271	(9,687)	
Land	169,027	157,677	(11,349)	
Other	71,411	72,056	644	
<b>Property, plant and equipment</b>	<b>530,261</b>	<b>503,735</b>	<b>(26,525)</b>	
Intangible assets				
Goodwill	17,998	16,141	(1,856)	
Other	35,993	32,536	(3,456)	
<b>Intangible assets</b>	<b>53,991</b>	<b>48,678</b>	<b>(5,312)</b>	
Investments and other assets				
Investments in securities	102,955	87,555	(15,400)	
Other	76,642	75,530	(1,111)	
Allowance for doubtful accounts	(8,947)	(8,919)	28	
<b>Investments and other assets</b>	<b>170,650</b>	<b>154,167</b>	<b>(16,482)</b>	
<b>Non-current assets</b>	<b>754,903</b>	<b>706,581</b>	<b>(48,321)</b>	
<b>Total assets</b>	<b>1,155,256</b>	<b>1,051,175</b>	<b>(104,081)</b>	
Notes and accounts payable-trade	82,958	72,033	(10,924)	
Short-term loans payable	291,523	315,367	23,843	
Commercial papers	46,000	51,000	5,000	
Current portion of bonds	20,610	10,472	(10,138)	
Current portion of bonds with subscription rights to shares	21,982	-	(21,982)	
Income taxes payable	2,848	5,305	2,457	
Provision for bonuses	5,242	4,575	(667)	
Provision for directors' bonuses	7	7	-	
Provision for loss on assignment of business	5,588	5,588	-	
Provision for business structure reform costs	17,262	14,008	(3,254)	
Other provisions	886	866	(19)	
Asset retirement obligations(current)	-	305	305	
Other	58,556	57,450	(1,106)	
<b>Current liabilities</b>	<b>553,466</b>	<b>536,981</b>	<b>-16,485</b>	
Bonds payable	63,050	52,680	(10,370)	
Bonds with subscription rights to shares	40	-	(40)	
Long-term bank loans payable	235,870	193,084	(42,785)	
Provision for retirement benefits	35,412	30,698	(4,714)	
Provision for directors' retirement benefits	792	585	(206)	
Provision for loss on business of subsidiaries and affiliates	138	138	-	
Provision for special repairs	400	284	(116)	
Asset retirement obligations(noncurrent)	-	5,966	5,966	
Other	77,896	74,896	(3,027)	
<b>Non-current liabilities</b>	<b>413,602</b>	<b>358,307</b>	<b>(55,295)</b>	
<b>Total liabilities</b>	<b>967,069</b>	<b>895,288</b>	<b>(71,780)</b>	
Capital stock	69,499	69,499	-	
Capital surplus	60,384	60,743	(26,421)	
Retained earnings	52,753	81,766	10,532	
Treasury stock	(960)	(2,476)	50	
<b>Shareholders' equity</b>	<b>181,676</b>	<b>209,532</b>	<b>(15,838)</b>	
Unrealized gain on other securities	6,586	7,746	(2,795)	
Deferred gains or losses on hedges	6	(74)	(28)	
Revaluation reserve for land	4,503	4,548	(41)	
Foreign currency translation adjustments	(37,115)	(34,567)	(6,641)	
Accumulated other comprehensive losses	(2,468)	(2,707)	214	
<b>Valuation and translation adjustments</b>	<b>(28,488)</b>	<b>(25,053)</b>	<b>(9,293)</b>	
Minority interests in consolidated subsidiaries	34,999	36,420	(7,168)	
<b>Total net assets</b>	<b>188,187</b>	<b>155,886</b>	<b>(32,300)</b>	
<b>Total liabilities and total net assets</b>	<b>1,155,256</b>	<b>1,051,175</b>	<b>(104,081)</b>	

## Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Second Quarter of Fiscal 2010	Second Quarter of Fiscal 2011	Change	Main factors of change
<b>Cash flows from operating activities</b>	14,712	7,749	(6,963)	
Loss before income taxes	(6,201)	(9,318)	(3,117)	
Depreciation and amortization	23,930	21,302	-2,628	
Decrease(increase) in notes and accounts receivable-trade	20,570	6,087	(14,483)	
Increase (decrease) in notes and accounts payable-trade	(23,243)	(6,932)	16,311	
Other	(342)	(3,389)	(3,047)	
<b>Cash flows from investing activities</b>	(14,552)	(1,491)	13,061	
Purchase of non-current assets	(22,504)	(13,647)	8,857	
Proceeds from sale of non-current assets	1,062	10,495	9,433	
Purchase of investments in securities	(118)	(186)	(68)	
Proceeds from sales of investments in securities	6,349	3,118	(3,231)	
Other	658	(1,273)	(1,931)	
<b>Cash flows from financing activities</b>	(1,909)	(47,506)	(45,597)	
Increase (decrease) in interest-bearing debt	(23)	(46,320)	(46,297)	
Other	(1,885)	(1,185)	700	
Effect of exchange rate changes on cash and cash equivalents	960	(773)	(1,733)	
Net increase(decrease) in cash and cash equivalents	(788)	(42,022)	(41,234)	
Other	(126)	(3)	123	
Cash and cash equivalents at beginning of the period	56,299	113,480	57,181	
Cash and cash equivalents at end of the period	55,383	71,455	16,072	

Increase (decrease) in interest-bearing debt	As of 3/31/10	As of 9/30/10	Difference
Bonds payable	63,050	52,680	(10,370)
Current portion of bonds	20,610	10,472	(10,138)
Bonds with subscription rights to shares	40	-	(40)
Current portion of bonds with subscription rights to shares	21,982	-	(21,982)
Long-term loans payable	235,870	193,084	(42,785)
Short-term loans payable	291,523	315,367	23,843
Commercial papers	46,000	51,000	5,000
<b>Total interest-bearing liabilities</b>	<b>679,077</b>	<b>622,605</b>	<b>(56,472)</b>

Year-on-year change	As of 3/31/10	As of 9/30/10	Difference
Equity ratio (%)	13.3	12.2	(1.1)
Equity ratio based on market value (%)	10.9	8.8	(2.1)
Net assets per share (yen)	162.9	136.1	(26.8)
Current ratio (%)	72.3	64.2	(8.2)

Year-on-year change	First Half of Fiscal 2010	First Half of Fiscal 2011	Difference
Net loss per share (yen)	(8.5)	(13.9)	(5.4)

Forecast of Fiscal 2011

[Preconditions]

- Domestic production: 40.45 million tons (down 5.3% year-on-year)
- Predicted foreign exchange rate for Fiscal 2011: 87.68 yen/ US dollar (5.97 yen higher than previous fiscal year)

(Unit: Millions of yen)

		Fiscal 2010	Fiscal 2011	Differences
Net sales	Cement business (domestic)	351,076	329,737	(21,339)
	Overseas subsidiaries	100,420	93,444	(6,976)
	Cement business (total)	451,497	423,181	(28,316)
	Mineral Resources business	86,478	82,175	(4,303)
	Environmental business	60,916	57,315	(3,601)
	Construction Materials business	88,744	84,394	(4,350)
	Ceramics & Electronics business	20,430	34,038	13,608
	Other	101,121	85,039	(16,082)
	Total	809,189	766,142	(43,047)
	Eliminations or corporate assets	(80,608)	(74,742)	5,866
Consolidated	728,581	691,400	(37,181)	
Operating income	Cement business (domestic)	2,634	7,660	5,026
	Overseas subsidiaries	(3,477)	(4,608)	(1,131)
	Cement business (total)	(843)	3,052	3,895
	Mineral Resources business	826	1,022	196
	Environmental business	4,157	4,959	802
	Construction Materials business	1,065	(389)	(1,454)
	Ceramics & Electronics business	(3,627)	(285)	3,342
	Other	3,098	2,855	(243)
	Total	4,676	11,214	6,538
	Eliminations or corporate assets	(1,104)	(714)	390
Consolidated	3,572	10,500	6,928	
Ordinary income		148	2,000	1,852
Extraordinary income (loss)		(42,303)	18,000	60,303
Income (loss) before income taxes		(42,155)	20,000	62,155
Net income (loss)		(37,041)	4,000	41,041

Sales volume of cement (Thousand tons)

	Fiscal 2010	Fiscal 2011	Change
Domestic	14,829	13,810	(1,019)
Export	5,009	4,387	(622)

Breakdown of increase (decrease) in net sales of Cement business

Domestic

Domestic cement sales decrease (8.7) bil. yen  
 Decrease in cement export volume (2.5) bil.yen  
 Decrease sales from companies producing ready-mixed concrete and merchandising firms of ready-mixed concrete etc. (13.8) bil.yen

Overseas subsidiaries

U. S. \$(45) million  
 cement: \$(29) million(volume\$(15) mil, price\$(14) mil)  
 ready-mixed concrete etc.: \$(16) million  
 China \$17 million  
 Asia \$23 million  
 Other \$1 million  
 Effect of foreign exchange (6.5) bil. yen

Breakdown of increase (decrease) in net sales of other segments

CE Increase sales in Ceramics & Electronics business as a result of the recovery of market circumstances.  
 Other Decrease sales due to nonconsolidation of Azuma Shipping Co.,Ltd

Breakdown of increase (decrease) in operating income of Cement business

Domestic

Domestic cement sales expected to decrease (4.8) bil. yen  
 Decrease in cement export volume (0.8) bil.yen  
 Variable cost reduction etc. 3.6 bil. yen  
 Fixed cost decreased 7.0 bil. yen

Overseas subsidiaries

U. S. \$(2) million  
 China \$(5) million  
 Asia \$(7) million  
 Other \$1 million

Breakdown of increase (decrease) in operating income of other segments

Construction Materials business  
 Decrease profit due to reduce volume of construction materials.  
 CE Increase profit in Ceramics & Electronics business as a result of the recovery of market circumstances.

[Reference Information]

1. Status of the Consolidated Group

(Number of companies)

	As of 3/31/08	As of 3/31/09	As of 3/31/10	As of 9/30/10
Consolidated subsidiaries	174	172	167	159
Equity method subsidiaries	14	14	16	15
Equity method affiliates	54	51	48	44
Total of companies within the scope of consolidation	242	237	231	218
Subsidiaries outside the scope of consolidation	129	125	117	106
Affiliates outside the scope of consolidation	96	87	87	78
Total of companies outside the scope of consolidation	225	212	204	184
Total	467	449	435	402

2. Change in Interest-bearing Debt

(Billions of yen)

	As of 3/31/08	As of 3/31/09	As of 3/31/10	As of 9/30/10	As of 3/31/11 (forecast)
The Company	342.0	365.0	406.4	360.5	317.7
Consolidated subsidiaries	248.2	278.3	272.6	262.1	249.3
Whole group	590.2	643.3	679.0	622.6	567.0

3. Change in Number of Personnel

(Number of persons)

	As of 3/31/08	As of 3/31/09	As of 3/31/10	As of 9/30/10
The Company	3,312	3,306	3,238	2,397
Consolidated subsidiaries	14,579	15,228	13,671	13,724
Whole group	17,891	18,534	16,909	16,121

4. Change in Capital Investment

(Billions of yen)

	Fiscal 2008	Fiscal 2009	Fiscal 2010	First Half of Fiscal 2011	Fiscal 2011 (forecast)
The Company	16.9	19.6	12.7	8.9	15.7
Consolidated subsidiaries	39.6	40.4	26.3	5.9	16.9
Whole group	56.5	60.0	39.0	14.8	32.6

5. Change in Depreciation Expenses

(Billions of yen)

	Fiscal 2008	Fiscal 2009	Fiscal 2010	First Half of Fiscal 2011	Fiscal 2011 (forecast)
The Company	17.6	22.8	21.7	8.7	19.4
Consolidated subsidiaries	25.9	28.9	27.0	12.6	24.5
Whole group	43.5	51.7	48.7	21.3	43.9

#### 6. Change in Experiment and Research Expenses

(Billions of yen)

	Fiscal 2008	Fiscal 2009	Fiscal 2010	First Half of Fiscal 2011	Fiscal 2011 (forecast)
The Company	4.0	4.0	3.7	1.6	3.4
Consolidated subsidiaries	1.1	1.0	0.9	0.4	1.0
Whole group	5.1	5.0	4.6	2.0	4.4

#### 7. Cement Sales in Overseas Subsidiaries (Sum of the sales of the consolidated subsidiaries)

(10 thousand tons)

	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011 (forecast)
U.S.	579	432	277	270
Asia	974	940	943	1,018
Other regions	13	16	13	13

#### 8. Financial Results of Ssangyong Cement

	Fiscal 2008 Actual	Fiscal 2009 Actual	Fiscal 2010 Actual	Second Quarter of Fiscal 2011
Sales of cement clinker	1,297	1,331	1,395	10 thousand tons 665
Net sales	1,015.5	1,172.3	1,083.6	Billions of won 504.6
Operating income (loss)	5.4	(15.4)	70.7	17.2
Ordinary income (loss)	3.9	(165.3)	76.2	(6.7)
Net income (loss)	44	(168.7)	74.2	(6.6)
Outstanding balance of loans	As of 12/31/07 986.8	As of 12/31/08 1,184.9	As of 12/31/09 758.0	As of 6/30/10 791.2

#### 9. Overview of Businesses in the U.S. (Taiheiyō Cement U.S.A., Inc., on a consolidated basis)

(\$ thousands)

	Fiscal 2008 actual	Fiscal 2009 actual	Fiscal 2010 Actual	Second Quarter of Fiscal 2011	Fiscal 2010 (forecast)
Net sales	1,010,088	910,241	574,753	238,684	529,223
Operating income (loss)	176,011	54,013	(82,558)	(47,340)	(85,020)
Net income (loss)	139,170	27,019	(53,876)	(28,210)	(1,438)