

Taiheiyo Cement Announces Disparities Between Forecast and Results for 2Q FY3/13 and Revises Full-Year Forecasts

Taiheiyo Cement Corporation announced the disparities outlined below between its financial results for the second quarter of fiscal 2013 (April 1, 2012–September 30, 2012), announced today, and its earnings forecasts for the period released on May 15, 2012.

Taiheiyo Cement also announced the revisions, outline below, to its earnings forecasts for the full year to March 2013 in light of recent earnings trends.

1. Forecast–results disparities for the second quarter of fiscal 2013 (April 1, 2012–September 30, 2012)

Consolidated

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|------------------------|-----------------|------------------|-----------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous forecasts (A) | 352,000 | 6,500 | 1,200 | (3,200) | (2.61) |
| Results (B) | 353,519 | 10,625 | 4,567 | 539 | 0.44 |
| Difference (B) – (A) | 1,519 | 4,125 | 3,367 | 3,739 | — |
| Percent difference (%) | 0.4 | 63.5 | 280.6 | — | — |
| Ref: 2Q FY3/12 results | 347,203 | 5,763 | 1,113 | (3,383) | (3.45) |

Non-consolidated

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|------------------------|-----------------|------------------|-----------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous forecasts (A) | 140,000 | 6,500 | 6,000 | 3,000 | 2.43 |
| Results (B) | 140,578 | 10,001 | 10,325 | 7,449 | 6.03 |
| Difference (B) – (A) | 578 | 3,501 | 4,325 | 4,449 | — |
| Percent difference (%) | 0.4 | 53.9 | 72.1 | 148.3 | — |
| Ref: 2Q FY3/12 results | 128,750 | 6,811 | 7,314 | 4,244 | 4.29 |

2. Revised forecasts for the full year (April 1, 2012–March 31, 2013)

Consolidated

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|------------------------|-----------------|------------------|-----------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous forecasts (A) | 728,000 | 36,000 | 28,000 | 10,000 | 8.14 |
| Revised forecasts (B) | 735,000 | 40,000 | 30,500 | 10,000 | 8.14 |
| Change (B) – (A) | 7,000 | 4,000 | 2,500 | — | — |
| Percent change (%) | 1.0 | 11.1 | 8.9 | — | — |
| Ref: FY 2012 results | 727,849 | 29,185 | 18,496 | 7,845 | 7.16 |

Non-consolidated

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|------------------------|-----------------|------------------|-----------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous forecasts (A) | 293,000 | 27,500 | 24,500 | 11,500 | 9.30 |
| Revised forecasts (B) | 298,000 | 33,000 | 30,000 | 14,000 | 11.32 |
| Change (B) – (A) | 5,000 | 5,500 | 5,500 | 2,500 | — |
| Percent change (%) | 1.7 | 20.0 | 22.4 | 21.7 | — |
| Ref: FY 2012 results | 273,184 | 23,584 | 22,908 | 17,029 | 15.43 |

3. Reasons for forecast–results disparities and full-year earnings forecast revisions

(1) Forecast–results disparities

Consolidated ordinary income and net income, also non-consolidated ordinary income and net income were higher than our previously announced forecasts thanks to increase domestic cement sales by volume etc. Net income was also higher than forecast due to ordinary income growth and previously progress in disposal of fixed assets.

(2) Forecast revisions

We revise our previously announced forecasts, because of expecting increased domestic cement sales volume and further production cost reduction efforts of raw materials and fuel etc.

Note: Forecasts in this document are based on information currently available and certain assumptions deemed reasonable. Actual results may differ significantly for a variety of reasons, including economic conditions, market demand, input and fuel prices, and foreign exchange rates.