Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Half of Fiscal 2005 Ended September 30, 2004

November 16, 2004

Company:	Taiheiyo Cement Corporation	Fiscal 2004 1H:	April 1, 2003-September 30,2003
Stock code:	5233	Fiscal 2004:	April 1, 2003-March 31, 2004
URL:	http://www.taiheiyo-cement.co.jp/	Fiscal 2005 1H:	April 1, 2004-September 30, 2004
		Fiscal 2005:	April 1, 2004-March 31, 2005

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.

1. FY3/05 consolidated interim results (April 1, 2004 – September 30, 2004)

(1) Consolidated results of operations All yen figures are rounded down to the nearest one million yen.

	1		
	Net Sales	Operating income	Ordinary income
	Millions of Yen %	Millions of Yen %	Millions of Yen %
1H FY3/05	413,090 -3.9	16,714 0.0	11,238 11.2
1H FY3/04	429,915 -6.6	16,707 5.8	10,103 149.4
FY3/04	879,484	44,847	35,142
	Net income	EPS	Diluted EPS
	Millions of Yen %	Yen	Yen
1H FY3/05	6,255 -2.4	6.72	6.49
1H FY3/04	6,412 -	6.92	
FY3/04	16,518	17.71	17.46

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
1H FY3/05	1,283,054	225,209	17.6	242.00
1H FY3/04	1,373,412	219,790	16.0	237.19
FY3/04	1,303,997	222,178	17.0	238.73

(3) Consolidated cash flows

	Cash flows from	Cash flows from	Cash flows from	Cash and cash
	operating activities	investing activities	financing activities	equivalents at term-end
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
1H FY3/05	17,440	1,070	-17,116	82,064
1H FY3/04	23,228	3,618	-45,143	72,913
FY3/04	55,675	31,585	-96,003	80,534

2. FY3/05 consolidated earnings forecast (April 1, 2004 – March 31, 2005)

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	Sales	Ordinary income	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
FY3/05	865,000	36,000	16,000
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Reference: FY3/05 EPS forecast: ¥17.19

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.

(Unit: Millions of Yer						
Itom	1H FY3/05	FY3/04	Change	1H FY3/04		
Item	(As of 9/30/04)	(As of 3/31/04)	Change	(As of 9/30/03)		
Assets						
Current assets	360,978	364,067	-3,089	362,907		
Cash and time deposits	87,847	85,851	1,996	78,535		
Notes and accounts receivable	171,848	188,360	-16,511	178,532		
Inventories	74,572	66,218	8,354	75,714		
Deferred income taxes	3,975	2,903	1,071	1,896		
Short-term loans	13,375	15,192	-1,816	17,360		
Other current assets	11,851	8,185	3,665	13,857		
Allowance for doubtful accounts	-2,491	-2,643	151	-2,988		
Fixed assets	922,075	939,929	-17,854	1,010,505		
A. Tangible fixed assets	645,941	654,826	-8,884	723,859		
Buildings and structures	206,137	210,830	-4,692	250,775		
Machinery, equipment	169,398	175,314	-5,916	194,080		
Land	218,063	222,279	-4,216	226,421		
Construction in progress	26,728	20,814	5,913	25,756		
Other tangible fixed assets	25,614	25,586	28	26,824		
B. Intangible fixed assets	50,254	50,964	-710	53,185		
Trade rights	14,425	13,843	582	15,572		
Consolidation adjustments	7,498	8,067	-569	7,640		
Other intangible fixed assets	28,329	29,053	-723	29,972		
C. Investments and other assets	225,880	234,138	-8,258	233,459		
Investment securities	152,923	159,375	-6,452	156,153		
Long-term loans	9,129	9,581	-452	8,571		
Deferred income taxes	15,512	15,732	-220	19,203		
Other investments and assets	62,690	65,304	-2,614	67,571		
Allowance for doubtful accounts	-14,374	-15,855	1,481	-18,039		
Total assets	1,283,054	1,303,997	-20,943	1,373,412		

Consolidated Balance Sheets

Notes and accounts payable 102,593 116,286 -13,692 117,046 Short-term borrowings 333,602 350,727 -17,124 366,903 Bonds (due within one year) 31,105 30,570 535 75,677 Income taxes payable 5,431 7,207 -1,776 3,413 Deferred income taxes 5,69 161 -104 4,426 Bonus reserve 5,999 5,483 515 6,060 Other reserves 567 614 -46 626 Other current liabilities 61,155 55,323 5,832 63,407 Fixed liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 249,293 261,913 -12,619 266,977 Deferred income taxes from revaluation excess 26,332 25,211 1,121 23,282 Deferred income taxes from revaluation excess 2,948 -657 35,419 Accrued for retirement benefits <td< th=""><th colspan="7">(Unit: Millions)</th></td<>	(Unit: Millions)						
Liabilities (A8 81 9/3004) (A8 81 9/3004) (A8 81 9/3004) (A8 81 9/3004) Current liabilities 540,511 566,375 -25,863 637,560 Notes and accounts payable 102,593 116,286 -13,692 117,046 Short-term borrowings 333,602 350,727 -17,124 366,093 Deferred income taxes payable 5,431 7,207 -1,776 3,413 Deferred income taxes 5,56 161 -104 4,426 Bonus reserve 5,999 5,483 515 6,060 Other reserves 5,677 614 -44 626 Other current liabilities 61,155 55,323 5,832 63,407 Fixed liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 34,000 12,000 22,000 - Long-term borrowings 249,293 261,913 -12,619 266,977 Deferred income taxes 5,9	Itam	1H FY3/05	FY3/04	Changa	1H FY3/04		
Current liabilities 540,511 566,375 -25,863 637,560 Notes and accounts payable 102,593 116,286 -13,692 117,046 Short-term borrowings 333,602 350,727 -17,124 366,033 Bonds (due within one year) 31,105 30,570 535 75,677 Income taxes payable 5,431 7,207 -1,776 3,413 Deferred income taxes 5,567 6161 -104 4,426 Bonus reserve 5,999 5,483 515 6,060 Other reserves 5,677 614 -46 626 Other current liabilities 61,155 53,323 5,832 63,407 Fixed liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 34,000 12,000 22,000 - Long-term borrowings 249,293 261,913 -12,619 266,977 Deferred income taxes from revaluation excess 5,948	Itelli	(As of 9/30/04)	(As of 3/31/04)	Change	(As of 9/30/03)		
Notes and accounts payable 102,593 116,286 -13,692 117,046 Short-term borrowings 333,602 350,727 -17,124 366,903 Bonds (due within one year) 31,105 30,570 535 75,677 Income taxes payable 5,431 7,207 -1,776 3,413 Deferred income taxes 5,69 161 -104 4,425 Bonus reserve 5,999 5,483 515 6,060 Other reserves 567 614 -46 626 Other current liabilities 61,155 55,323 5,832 63,407 Fixed liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 249,293 261,913 -12,619 266,977 Deferred income taxes from revaluation excess 26,332 25,211 1,121 23,282 Deferred income taxes from revaluation exces 2,081 3,070 -988 2,751 directors and corporate aud	Liabilities						
Short-term borrowings 333,602 350,727 -17,124 366,903 Bonds (due within one year) 31,105 30,570 535 75,677 Income taxes payable 5,431 7,207 -1,776 3,413 Deferred income taxes 56 161 -104 4,426 Bonus reserve 5,999 5,483 515 6,000 Other reserves 567 614 -46 626 Other current liabilities 61,155 55,323 5,832 63,407 Fixed liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 34,000 12,000 22,000 - Long-term borrowings 249,293 261,913 -12,619 266,977 Deferred income taxes from revaluation excess 2,6,332 25,211 1,121 23,282 Deferred incorne taxes from revaluation excess 2,081 3,070 -988 2,751 Accrued for retirement benefits	Current liabilities	540,511	566,375	-25,863	637,560		
Bonds (due within one year) 31,105 30,570 535 75,677 Income taxes payable 5,431 7,207 -1,776 3,413 Deferred income taxes 56 161 -104 4,425 Bonus reserve 5,999 5,483 515 6,060 Other reserves 567 614 -46 626 Other current liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 34,000 12,000 -2,000 - Long-term borrowings 249,293 261,913 -12,619 266,977 Deferred income taxes 5,948 - 5,949 - 5,949 Accrued for retirement benefits 35,032 35,689 -657 35,419 Accrued for retirement benefits to 2,081 3,070 -988 2,751 directors and corporate auditors 20,812 30,070 -988 63,636 Total liabilities 1,026,912 <td>Notes and accounts payable</td> <td>102,593</td> <td>116,286</td> <td>-13,692</td> <td>117,046</td>	Notes and accounts payable	102,593	116,286	-13,692	117,046		
Income taxes payable $5,431$ $7,207$ $-1,776$ $3,413$ Deferred income taxes 566 161 -104 $4,426$ Bonus reserve $5,999$ $5,483$ 515 $6,060$ Other reserves 567 614 -46 626 Other current liabilities $61,155$ $55,323$ $5,832$ $63,407$ Fixed liabilities $486,400$ $486,335$ 65 $487,880$ Bonds $73,490$ $83,310$ $-9,820$ $89,756$ Convertible bonds $34,000$ $12,000$ $22,000$ -7 Long-term borrowings $249,293$ $261,913$ $-12,619$ $266,977$ Deferred income taxes $26,332$ $25,211$ $1,121$ $23,282$ Deferred income taxes from revaluation $5,948$ $5,948$ $ 5,949$ Accrued for retirement benefits $35,032$ $35,689$ -657 $35,419$ Accrued for retirement benefits to $2,081$ $3,070$ -988 $2,751$ Special repair reserve 175 104 71 107 Other fixed liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity $25,209$ $28,769$ $3,933$ $78,663$ Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Retained earnings $5,2121$ $5,373$ <t< td=""><td>Short-term borrowings</td><td>333,602</td><td>350,727</td><td>-17,124</td><td>366,903</td></t<>	Short-term borrowings	333,602	350,727	-17,124	366,903		
Deferred income taxes 56 161 -104 4,426 Bonus reserve 5,999 5,483 515 6,000 Other reserves 567 614 -46 626 Other current liabilities 61,155 55,323 5,832 63,407 Fixed liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 34,000 12,000 22,000 - Long-term borrowings 249,293 261,913 -12,619 266,977 Deferred income taxes 26,332 25,211 1,121 23,282 Deferred income taxes from revaluation 5,948 5,948 - 5,949 Accrued for retirement benefits 35,032 35,689 -657 35,419 Accrued for retirement benefits to 2,081 3,070 -988 2,751 Special repair reserve 175 104 71 107 Other fixed liabilities 1,026,912 1,052,71	Bonds (due within one year)	31,105	30,570	535	75,677		
Bonus reserve $5,999$ $5,483$ 515 $6,060$ Other reserves 567 614 -46 626 Other current liabilities $61,155$ $55,323$ $5,832$ $63,407$ Fixed liabilities $486,400$ $486,335$ 65 $487,880$ Bonds $73,490$ $83,310$ $-9,820$ $89,756$ Convertible bonds $34,000$ $12,000$ $22,000$ $-$ Long-term borrowings $249,293$ $261,913$ $-12,619$ $266,977$ Deferred income taxes $26,332$ $25,211$ $1,121$ $23,282$ Deferred income taxes from revaluation $5,948$ $ 5,949$ Accrued for retirement benefits $35,032$ $35,689$ -657 $35,419$ Accrued for retirement benefits to $2,081$ $3,070$ -988 $2,751$ Special repair reserve 175 104 71 107 Other fixed liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity C $87,66$ $3,933$ $78,663$ Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,304$ -906 Total shareholders' equity $22,5209$ $222,178$ $3,030$ $219,790$ Total shareholders' equity	Income taxes payable	5,431	7,207	-1,776	3,413		
Other reserves 567 614 -46 626 Other current liabilities $61,155$ $55,323$ $5,832$ $63,407$ Fixed liabilities $486,400$ $486,335$ 65 $487,880$ Bonds $73,490$ $83,310$ $-9,820$ $89,756$ Convertible bonds $249,293$ $261,913$ $-12,619$ $266,977$ Deferred income taxes $26,332$ $25,211$ $1,121$ $23,282$ Deferred income taxes from revaluation $5,948$ $5,948$ $ 5,949$ Accrued for retirement benefits $35,032$ $35,689$ -657 $35,419$ Accrued for retirement benefits to $2,081$ $3,070$ -988 $2,751$ directors and corporate auditors $2,081$ $3,070$ -988 $2,751$ Other fixed liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity $69,499$ $ 69,499$ $-$ Additional paid in capital $58,607$ $58,489$ 118 $58,229$ Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation aljustments $-11,917$ $-13,312$ $1,394$ -906 Treasury stock $-2,766$ $-3,043$ 276 $-3,473$ <tr< td=""><td>Deferred income taxes</td><td></td><td>161</td><td>-104</td><td>4,426</td></tr<>	Deferred income taxes		161	-104	4,426		
Other current liabilities $61,155$ $55,323$ $5,832$ $63,407$ Fixed liabilities $486,400$ $486,335$ 65 $487,880$ Bonds $73,490$ $83,310$ $-9,820$ $89,756$ Convertible bonds $34,000$ $12,000$ $22,000$ -1 Long-term borrowings $249,293$ $261,913$ $-12,619$ $266,977$ Deferred income taxes $263,32$ $25,211$ $1,121$ $23,282$ Deferred income taxes from revaluation $5,948$ $ 5,949$ Accrued for retirement benefits $35,032$ $35,689$ -657 Accrued for retirement benefits to $2,081$ $3,070$ -988 Querter fixed liabilities $0,045$ $59,086$ 958 Special repair reserve 175 104 71 107 Other fixed liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity $69,499$ $69,499$ $69,499$ $-69,499$ Additional paid in capital $58,607$ $58,489$ 118 $58,229$ Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,394$ -906 Foreign currency translation adjustments <td>Bonus reserve</td> <td>5,999</td> <td>5,483</td> <td>515</td> <td>6,060</td>	Bonus reserve	5,999	5,483	515	6,060		
Fixed liabilities 486,400 486,335 65 487,880 Bonds 73,490 83,310 -9,820 89,756 Convertible bonds 34,000 12,000 22,000 - Long-term borrowings 249,293 261,913 -12,619 266,977 Deferred income taxes 26,332 25,211 1,121 23,282 Deferred income taxes from revaluation excess 5,948 - 5,949 Accrued for retirement benefits 35,032 35,689 -657 35,419 Accrued for retirement benefits to 2,081 3,070 -988 2,751 Special repair reserve 175 104 71 107 Other fixed liabilities 1,026,912 1,052,711 -25,798 1,125,440 Minority interests 30,932 29,107 1,824 28,181 Shareholders' equity Capital stock 69,499 69,499 - 69,499 Additional paid in capital 58,607 58,489 118 58,229 Retained earnings	Other reserves	567	614	-46	626		
Bonds $73,490$ $83,310$ $-9,820$ $89,756$ Convertible bonds $34,000$ $12,000$ $22,000$ $-$ Long-term borrowings $249,293$ $261,913$ $-12,619$ $266,977$ Deferred income taxes from revaluation $5,948$ $5,948$ $ 5,949$ Accrued for retirement benefits $35,032$ $35,689$ -657 $35,419$ Accrued for retirement benefits $2,081$ $3,070$ -988 $2,751$ directors and corporate auditors $2,081$ $3,070$ -988 $2,751$ Special repair reserve 175 104 71 107 Other fixed liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity $69,499$ $ 69,499$ $-$ Additional paid in capital $58,607$ $58,489$ 118 $58,229$ Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,394$ -906 Treasury stock $-2,766$ $-3,043$ 276 $-3,473$ Total shareholders' equity $225,209$ $222,178$ $3,030$ $219,790$ Total liabilities, minority interests and $1,283,054$ $1,303,997$ -20	Other current liabilities			5,832	63,407		
Convertible bonds 34,000 12,000 22,000 - Long-term borrowings 249,293 261,913 12,619 266,977 Deferred income taxes 26,332 25,211 1,121 23,282 Deferred income taxes from revaluation excess 5,948 5,948 - 5,949 Accrued for retirement benefits 35,032 35,689 -657 35,419 Accrued for retirement benefits to directors and corporate auditors 2,081 3,070 -988 2,751 Special repair reserve 175 104 71 107 Other fixed liabilities 60,045 59,086 958 63,636 Total liabilities 1,026,912 1,052,711 -25,798 1,125,440 Minority interests 30,932 29,107 1,824 28,181 Shareholders' equity 69,499 69,499 - 69,499 Additional paid in capital 58,607 58,489 118 58,229 Retained earnings 92,702 88,769 3,933 78,663	Fixed liabilities	486,400	486,335	65	487,880		
Long-term borrowings 249,293 261,913 -12,619 266,977 Deferred income taxes 26,332 25,211 1,121 23,282 Deferred income taxes from revaluation excess 5,948 5,948 - 5,949 Accrued for retirement benefits 35,032 35,689 -657 35,419 Accrued for retirement benefits to directors and corporate auditors 2,081 3,070 -988 2,751 Special repair reserve 175 104 71 107 Other fixed liabilities 1,026,912 1,052,711 -25,798 1,125,440 Minority interests 30,932 29,107 1,824 28,181 Shareholders' equity 0 0 - 69,499 Additional paid in capital 58,607 58,489 118 58,229 Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225	Bonds	73,490	83,310	-9,820	89,756		
Deferred income taxes $26,332$ $25,211$ $1,121$ $23,282$ Deferred income taxes from revaluation excess $5,948$ $5,948$ $ 5,949$ Accrued for retirement benefits $35,032$ $35,689$ -657 $35,419$ Accrued for retirement benefits to directors and corporate auditors $2,081$ $3,070$ -988 $2,751$ Special repair reserve 175 104 71 107 Other fixed liabilities $60,045$ $59,086$ 958 $63,636$ Total liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity Capital stock $69,499$ $69,499$ $ 69,499$ Additional paid in capital Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,394$ -906 Treasury stock $-2,766$ $-3,043$ 276 $-3,473$ Total liabilities, minority interests and $1,283,054$ $1,303,997$ $-20,943$ $1,373,412$	Convertible bonds	34,000	12,000	22,000	-		
Deferred income taxes $26,332$ $25,211$ $1,121$ $23,282$ Deferred income taxes from revaluation excess $5,948$ $5,948$ $ 5,949$ Accrued for retirement benefits $35,032$ $35,689$ -657 $35,419$ Accrued for retirement benefits to directors and corporate auditors $2,081$ $3,070$ -988 $2,751$ Special repair reserve 175 104 71 107 Other fixed liabilities $60,045$ $59,086$ 958 $63,636$ Total liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity Capital stock $69,499$ $69,499$ $ 69,499$ Additional paid in capital Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,394$ -906 Treasury stock $-2,766$ $-3,043$ 276 $-3,473$ Total liabilities, minority interests and $1,283,054$ $1,303,997$ $-20,943$ $1,373,412$	Long-term borrowings	249,293	261,913	-12,619	266,977		
excess5,9485,948-5,949Accrued for retirement benefits $35,032$ $35,689$ -657 $35,419$ Accrued for retirement benefits to directors and corporate auditors $2,081$ $3,070$ -988 $2,751$ Special repair reserve 175 104 71 107 Other fixed liabilities $60,045$ $59,086$ 958 $63,636$ Total liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity Capital stock $69,499$ $69,499$ $ 69,499$ Additional paid in capital Retained earnings $58,607$ $58,489$ 118 $58,229$ Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,394$ -906 Treasury stock $-2,766$ $-3,043$ 276 $-3,473$ Total shareholders' equity $225,209$ $222,178$ $3,030$ $219,790$ Total liabilities, minority interests and $1,283,054$ $1,303,997$ $-20,943$ $1,373,412$		26,332	25,211	1,121	23,282		
excess 35,032 35,689 -657 35,419 Accrued for retirement benefits to directors and corporate auditors 2,081 3,070 -988 2,751 Minority interests 60,045 59,086 958 63,636 Total liabilities 1,026,912 1,052,711 -25,798 1,125,440 Minority interests 30,932 29,107 1,824 28,181 Shareholders' equity 69,499 69,499 - 69,499 Capital stock 69,499 69,499 - 69,499 Additional paid in capital 58,607 58,489 118 58,229 Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total sha	Deferred income taxes from revaluation	5 0 4 9	5.049		5.040		
Accrued for retirement benefits to directors and corporate auditors $2,081$ $3,070$ -988 $2,751$ Special repair reserve17510471107Other fixed liabilities $60,045$ $59,086$ 958 $63,636$ Total liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity $69,499$ $69,499$ $ 69,499$ Additional paid in capital $58,607$ $58,489$ 118 $58,229$ Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,394$ -906 Total shareholders' equity $225,209$ $222,178$ $3,030$ $219,790$ Total liabilities, minority interests and $1,283,054$ $1,303,997$ $-20,943$ $1,373,412$	excess	5,948	5,948	-	5,949		
directors and corporate auditors 2,081 3,070 -988 2,751 Special repair reserve 175 104 71 107 Other fixed liabilities 60,045 59,086 958 63,636 Total liabilities 1,026,912 1,052,711 -25,798 1,125,440 Minority interests 30,932 29,107 1,824 28,181 Shareholders' equity 69,499 69,499 - 69,499 Additional paid in capital 58,607 58,489 118 58,229 Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412	Accrued for retirement benefits	35,032	35,689	-657	35,419		
directors and corporate auditors17510471107Special repair reserve17510471107Other fixed liabilities $60,045$ $59,086$ 958 $63,636$ Total liabilities $1,026,912$ $1,052,711$ $-25,798$ $1,125,440$ Minority interests $30,932$ $29,107$ $1,824$ $28,181$ Shareholders' equity $69,499$ $-69,499$ $-69,499$ Capital stock $69,499$ $69,499$ $-69,499$ Additional paid in capital $58,607$ $58,489$ 118 Retained earnings $92,702$ $88,769$ $3,933$ $78,663$ Revaluation excess $5,121$ $5,373$ -251 $7,552$ Unrealized gain on other securities $13,962$ $16,403$ $-2,440$ $10,225$ Foreign currency translation adjustments $-11,917$ $-13,312$ $1,394$ -906 Treasury stock $-2,766$ $-3,043$ 276 $-3,473$ Total shareholders' equity $225,209$ $222,178$ $3,030$ $219,790$ Total liabilities, minority interests and $1,283,054$ $1,303,997$ $-20,943$ $1,373,412$		2 081	3 070	088	2 751		
Other fixed liabilities 60,045 59,086 958 63,636 Total liabilities 1,026,912 1,052,711 -25,798 1,125,440 Minority interests 30,932 29,107 1,824 28,181 Shareholders' equity 0 - 69,499 - 69,499 Additional paid in capital 58,607 58,489 118 58,229 Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412		2,001	3,070	-900	2,751		
Total liabilities1,026,9121,052,711-25,7981,125,440Minority interests30,93229,1071,82428,181Shareholders' equity Capital stock69,49969,499-69,499Additional paid in capital Retained earnings58,60758,48911858,229Retained earnings92,70288,7693,93378,663Revaluation excess5,1215,373-2517,552Unrealized gain on other securities13,96216,403-2,44010,225Foreign currency translation adjustments-11,917-13,3121,394-906Total shareholders' equity225,209222,1783,030219,790Total liabilities, minority interests and1,283,0541,303,997-20,9431,373,412			-		107		
Minority interests 30,932 29,107 1,824 28,181 Shareholders' equity Capital stock 69,499 69,499 - 69,499 Additional paid in capital 58,607 58,489 118 58,229 Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412	Other fixed liabilities	60,045	59,086	958	63,636		
Shareholders' equity Capital stock 69,499 69,499 - 69,499 Additional paid in capital Retained earnings 58,607 58,489 118 58,229 Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1 283 054 1 303 997 -20 943 1 373 412	Total liabilities	1,026,912	1,052,711	-25,798	1,125,440		
Capital stock69,49969,499-69,499Additional paid in capital58,60758,48911858,229Retained earnings92,70288,7693,93378,663Revaluation excess5,1215,373-2517,552Unrealized gain on other securities13,96216,403-2,44010,225Foreign currency translation adjustments-11,917-13,3121,394-906Total shareholders' equity225,209222,1783,030219,790Total liabilities, minority interests and1 283 0541 303 997-20,9431 373 412	Minority interests	30,932	29,107	1,824	28,181		
Aditional paid in capital58,60758,48911858,229Retained earnings92,70288,7693,93378,663Revaluation excess5,1215,373-2517,552Unrealized gain on other securities13,96216,403-2,44010,225Foreign currency translation adjustments-11,917-13,3121,394-906Treasury stock-2,766-3,043276-3,473Total shareholders' equity225,209222,1783,030219,790Total liabilities, minority interests and1,283,0541,303,997-20,9431,373,412	Shareholders' equity						
Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412	Capital stock	69,499	69,499	-	69,499		
Retained earnings 92,702 88,769 3,933 78,663 Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412	Additional paid in capital	58,607	58,489	118	58,229		
Revaluation excess 5,121 5,373 -251 7,552 Unrealized gain on other securities 13,962 16,403 -2,440 10,225 Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412		92,702	88,769	3,933	78,663		
Foreign currency translation adjustments -11,917 -13,312 1,394 -906 Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1 283 054 1 303 997 -20 943 1 373 412	Revaluation excess		5,373	-251	7,552		
Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412	Unrealized gain on other securities	13,962	16,403	-2,440	10,225		
Treasury stock -2,766 -3,043 276 -3,473 Total shareholders' equity 225,209 222,178 3,030 219,790 Total liabilities, minority interests and 1,283,054 1,303,997 -20,943 1,373,412	Foreign currency translation adjustments	-11,917	-13,312	1,394	-906		
Total liabilities, minority interests and 1 283 054 1 303 997 -20 943 1 373 412		-2,766	-3,043	276	-3,473		
	Total shareholders' equity	225,209	222,178	3,030	219,790		
	Total liabilities, minority interests and shareholders' equity	1,283,054	1,303,997	-20,943	1,373,412		

			111 51/2 (0.5			Millions of Yen)
		Item	1H FY3/05 (4/1/04–9/30/04)	1H FY3/04 (4/1/03–9/30/03)	YoY change	FY3/04 (4/1/03–3/31/04)
s	Sales	3	413,090	429,915	-16,824	879,484
ting s/los	Cost	of sales	329,365	343,900	-14,535	688,442
Operating income/loss	Selli	ng, general and administrative expenses	67,010	69,306	-2,296	146,194
o in	Inco	me from operation	16,714	16,707	7	44,847
		Interest and dividends received	2,331	1,508	822	5,827
e and	Income	Equity in earnings of unconsolidated subsidiaries and affiliates	_	_		504
come	Inc	Other non-operating income	2,086	2,398	-312	6,119
g inc nses		Total	4,417	3,907	510	12,451
atin		Interest expenses	6,182	7,700	-1,517	15,011
n-oper	Expenses	Equity in losses of unconsolidated subsidiaries and affiliates	1,068	378	689	—
No	Exp	Other non-operating expenses	2,642	2,433	209	7,144
		Total	9,893	10,512	-618	22,155
Ordir	nary in	come	11,238	10,103	1,135	35,142
		Gain on disposal of fixed assets	7,389	2,443	4,946	17,374
		Gain on sale of investment securities	7,448	1,758	5,690	3,497
	Gains	Gain on dilution of ownership in affiliated companies	1,039	2,951	-1,912	2,874
		Other extraordinary gains	96	110	-14	259
ses		Total	15,973	7,262	8,710	24,005
d los		Loss on disposal of fixed assets	8,637	2,295	6,342	14,613
ins and		Provision for allowance for doubtful accounts	175	922	-747	1,304
ary ga		Liquidation of unconsolidated subsidiaries and affiliates	747	1,143	-396	2,006
rdin	s	Loss on sale of stock of affiliates	—	471	-471	—
trao	osse	Loss on sale of investment securities	258	—	258	551
Ex	Γ	Stock valuation loss	579	471	108	182
Extraordinary gains and losses Incon Incon Minor		Special allowance to employees retired under earli retirement scheme	186	1,233	-1,047	2,152
Ordinary income Gain on disposal of fixed assets Gain on sale of investment securities Gain on dilution of ownership in affiliated companies Other extraordinary gains Total Loss on disposal of fixed assets Provision for allowance for doubtful accounts Liquidation of unconsolidated subsidiaries and affiliates Loss on sale of stock of affiliates Loss on sale of investment securities Stock valuation loss Special allowance to employees retired		-	484	—	484	5,603
		Other extraordinary losses	873	771	102	4,786
	11,943	7,309	4,633	31,202		
Net in	ncome	before income taxes	15,269	10,056	5,213	27,945
Incor	ne tax	es	6,676	3,043	3,633	12,190
		-	1,660	145	1,514	-3,165
Mino	rity in	terest income	676	455	221	2,401
Net in	ncome		6,255	6,412	-157	16,518

Consolidated Statements of Income

(Unit: Millions of Yen)								
Item	1H F	Y3/05	1H FY3/04		YoY c	hange	FY3	3/04
Additional paid in capital								
I Additional paid in capital at beginning of term		58,489		58,229		260		58,229
II Increase in additional paid in capital		118		0		117		260
Gain on disposal of treasury stock	118		0		117		260	
IV Additional paid in capital at end of term		58,607		58,229		378		58,489
Retained earnings								
I Retained earnings at beginning of term		88,769		74,610		14,158		74,610
II Increase in retained earnings		6,298		6,412		-113		16,520
Net income	6,255		6,412		-157		16,518	
Increase resulting from merger of consolidated subsidiaries	41		—		41		—	
Reversal of land revaluation difference	1		0		1		1	
III Decrease in retained earnings		2,365		2,359		5		2,361
Dividends	2,314		2,298		15		2,298	
Bonuses to directors and corporate auditors	50		61		-10		63	
Retains earnings at end of term		92,702		78,663		14,039		88,769

Consolidated Statements of Retained Earnings

	Consolidated Statements of Cash Flo	OWS
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				(Unit: Mill	ions of Yen)
	Term	1H FY3/05	1H FY3/04	YoY	FY3/04
		(4/1/04 -)	(4/1/03 -)	change	(4/1/03 -)
Item		9/30/04	9/30/03	enange	3/31/04
I Cash flows from operating activities	5				
Net income before income taxe	28	15,269	10,056	5,213	27,945
Depreciation and amortization		19,747	23,048	-3,301	45,228
Amortization of diffarence bet	ween equity in net assets of	582	581	0	943
consolidated subsidiaries and a		562	501	0	943
Equity in gains of unconsolida	ted subsidiaries and				-504
affiliates					-504
Equity in losses of unconsolidation	ted subsidiaries and	1.068	378	689	
affiliates		1,008	578	009	
Stock valuation loss		579	471	108	182
Increase/decrease in accrued re		-745	-745	0	172
Increase/decrease in accrued re		-988	37	-1,026	356
directors and corporate auditor		-700	57	-1,020	550
Increase/decrease in bonus res		519	20	498	-479
Increase/decrease in allowance	for doubtful accounts	-1,623	414	-2,037	-2,104
Increase in other reserves		41	43	-2	29
Interest and dividends received	l	-2,331	-1,508		-5,827
Interest expesses		6,182	7,700	-1,517	15,011
Gain on sale of investment in s		-7,448	-1,758	-5,690	-3,497
Loss on sale of stock of affiliat		_	471	-471	_
Loss on sale of investment sec		258	—	258	551
Gain on dilution of ownership	in affiliated companies	-1,039	_	-1,039	-2,874
Liquidation of unconsolidated		747	1,143	-396	2,006
Gain on disposal of fixed asset		-7,389	-2,443	-4,946	-17,374
Loss on disposal of fixed asset		8,637	2,295	6,342	18,653
Increase/decrease in notes and	accounts receivable	14,024	4,887	9,137	-6,037
Increase/decrease in inventorie		-6,480	-6,994	514	1,884
Decrease in notes and accounts		-13,095	-1,634	-11,460	-611
Payment of bonuses to director	s and corporate auditors	-60	-77	16	-79
Other		1,690	-2,933	4,624	3,226
Subto	otal	28,146	33,455	-5,308	76,803
Interest and dividends received		3,725	992	2,732	2,648
Interest paid		-6,591	-8,409	1,817	-16,483
Income taxes paid		-7,839	-2,809	-5,030	-7,292
Net cash provided by operating activ	ities	17,440	23,228	-5,788	55,675

	Term	1H FY3/05	1H FY3/04		FY3/04
		$\left(\frac{4}{1}\right)^{-1}$	$\left(\frac{4}{1}\right)^{-1}$	YoY	$\left(\frac{4}{1}\right)^{-1}$
Ite	n	9/30/04	9/30/03	change	3/31/04
II	Cash flows from investing activities				
	Payments for deposit in/proceeds from withdrawal from	450	10.6	221	
	time deposits	-458	-126	-331	56
	Purchase of property, plant and equipment	-16,458	-15,888	-570	-32,110
	Proceeds from sale of fixed assets	4,991	4,367	623	46,707
	Payments for purchase of other depreciable assets	-16	-264	247	-193
	Proceeds from sale of other depreciable assets	108	1	106	48
	Payments for purchase of investment securities	-944	-1,725	780	-1,582
	Proceeds from sale of investment securities	10,072	6,835	3,236	10,437
	Proceeds from sale of subsidiaries stock resulting in				-194
	changes in the scope of consolidation				
	Long-term loans made	-2,273	-10,221	7,948	-22,953
	Collections of long-term loans receivable	3,569	15,143	-11,574	26,731
	Other	2,479	5,495	-3,015	4,637
	Net cash provided by/used in investing activities	1,070	3,618	-2,547	31,585
III	Cash flows from financing activities				
	Net decrease in short-term borrowings	-13,868	-5,214	-8,653	-21,240
	Net decrease in commercial paper	—	-8,000	8,000	-8,000
	Proceeds from long-term borrowings	17,651	10,430	7,221	56,258
	Repayment of long-term borrowings	-32,786	-34,460	1,674	-77,526
	Proceeds from issuance of bonds	22,800	15,500	7,300	27,600
	Redemption of bonds	-10,085	-20,942	10,857	-72,561
	Issue of shares	1,446	—	1,446	1,096
	Disposal of treasury stock	387	107	279	1,048
	Repayment of treasury stocks	-64	-47	-16	-83
	Cash dividend payments by parent company	-2,314	-2,298	-16	-2,298
	Cash dividend payments to minority shareholders	-284	-218	-65	-296
	Net cash used in financing activities	-17,116	-45,143	28,026	-96,003
IV	Effect of exchange rate changes on cash and cash equivalents	238	11	226	-1,883
V	Increase/decrease in cash and cash equivalents	1,633	-18,284	19,917	-10,626
	Cash and cash equivalents at beginning of term	80,534	91,234	-10,700	91,234
VII	Cash and cash equivalents at beginning of term resulting from change in scope of consolidation	-177	-36	-141	-89
VIII	Increase in cash and cash equivalents at beginning of term resulting from merger of consolidated subsidiaries	74		74	15
IX	Cash and cash equivalents at end of term	82,064	72,913	9,150	80,534

Segment Information

Segment information

Segment information (Unit: Millions of Yen)												
	1H FY3/05 (4/1/04 – 9/30/04)											
	Cement	Minerals and aggregates	Environmental Business	Construction and construction materials	Ceramics & Electronics	Other	Total	Eliminations and corporate	Consolidated total			
Sales and operating												
income												
Sales												
(1) Sales to outside customers	242,809	36,244	24,246	41,937	33,597	34,255	413,090	(_)	413,090			
(2) Intersegment sales and transfers	6,254	9,549	2,477	3,126	14	17,169	38,592	(38,592)				
Total	249,063	45,794	26,723	45,064	33,611	51,425	451,683	(38,592)	413,090			
Operating expenses	236,689	44,842	25,030	46,148	32,525	48,831	434,067	(37,691)	396,376			
Operating income	12,373	952	1,693	-1,083	1,086	2,594	17,616	(901)	16,714			

Overseas sales

(Unit: Millions of							
		1H FY3/05 (4/1/04 – 9/30/04)					
		North America	Asia	Other	Total		
Ι	Overseas sales	37,371	38,847	7,039	83,258		
II	Consolidated sales		_	_	413,090		
III	Ratio of overseas sales to consolidated sales	9.0%	9.4%	1.7%	20.2%		