

**SUMMARY OF CONSOLIDATED FINANCIAL RESULTS OF TAIHEIYO CEMENT CORPORATION
FOR THE FISCAL 2005 ENDED MARCH 31, 2005**

May 17, 2005

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

Fiscal 2004 : April 1, 2003 - March 31, 2004
Fiscal 2005 : April 1, 2004 - March 31, 2005
Fiscal 2006 1H: April 1, 2005 - September 30, 2005
Fiscal 2006 : April 1, 2005 - March 31, 2006

The accompanying consolidated financial results are not intended to present the financial results in accordance with accounting principles and practices generally in countries and jurisdictions other than Japan.

1. FY3/05 consolidated results (April 1, 2004 - March 31, 2005)

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

	Net Sales		Operating income		Ordinary income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/05	872,686	-0.8	48,185	7.4	38,264	8.9
FY3/04	879,484	-5.2	44,847	-2.6	35,142	50.3

	Net income		EPS	Diluted EPS
	Millions of Yen	%	Yen	Yen
FY3/05	14,412	-12.7	15.33	14.80
FY3/04	16,518	163.8	17.71	17.46

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/05	1,247,532	236,734	19.0	253.26
FY3/04	1,303,997	222,178	17.0	238.73

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY3/05	54,299	3,010	-69,843	67,473
FY3/04	55,675	31,585	-96,003	80,534

2. FY3/06 consolidated earnings forecast (April 1, 2005 - March 31, 2006)

	Net Sales	Ordinary income	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
1H FY3/06	420,000	12,000	-15,000
FY3/06	870,000	41,000	-1,000

Reference: FY3/06 EPS forecast -1.06Yen

This forecast is based on the information available at the date of publication of this material and assumptions at same date with respect to the various factors which might have impact on the future financial results. Actual results may differ materially from forecast due to various factors.

Consolidated Balance Sheets

(Unit: Millions of Yen)

Item	FY3/05 (As of 3/31/05)	FY3/04 (As of 3/31/04)	Change
Assets			
Current assets	366,243	364,067	2,175
Cash and time deposits	73,364	85,851	-12,486
Notes and accounts receivable	190,071	188,360	1,710
Inventories	67,811	66,218	1,593
Deffered income taxes	3,592	2,903	689
Short-term loans	16,898	15,192	1,706
Other current assets	17,094	8,185	8,908
Allowance for doubtful accounts	-2,589	-2,643	53
Fixed assets	881,289	939,929	-58,640
A. Tangible fixed assets	608,111	654,826	-46,714
Buildings and structures	201,052	210,830	-9,778
Machinery, equipment	165,920	175,314	-9,394
Land	202,639	222,279	-19,640
Construction in progress	13,207	20,814	-7,607
Other tangible fixed assets	25,292	25,586	-294
B. Intangible fixed assets	47,060	50,964	-3,904
Trade rights	13,016	13,843	-827
Consolidation adjustments	6,955	8,067	-1,111
Other intangible fixed assets	27,088	29,053	-1,965
C. Investments and other assets	226,117	234,138	-8,020
Investment securities	158,715	159,375	-659
Long-term loans	8,728	9,581	-852
Deffered income taxes	15,424	15,732	-308
Other investments and assets	59,795	65,304	-5,508
Allowance for doubtful accounts	-16,547	-15,855	-691
Total Assets	1,247,532	1,303,997	-56,464
Liabilities			
Current liabilities	547,404	566,375	-18,970
Notes and accounts payable	117,476	116,286	1,189
Short-term borrowings	332,310	350,727	-18,416
Bonds (due within one year)	20,890	30,570	-9,680
Income taxes payable	3,948	7,207	-3,259
Deffered income taxes	69	161	-91
Bonus reserve	5,871	5,483	387
Other reserves	628	614	13
Other current liabilities	66,210	55,323	10,886
Fixed liabilities	433,525	486,335	-52,810
Bonds	63,490	83,310	-19,820
Convertible bonds	34,000	12,000	22,000
Long-term borrowings	215,266	261,913	-46,647
Deffered income taxes	28,182	25,211	2,971
Deffered income taxes from revaluation excess	5,937	5,948	-10
Accrued for retirement benefits	33,622	35,689	-2,067
Accrued for retirement benefits to directors and corporate auditors	2,304	3,070	-766
Special repair reserve	141	104	36
Other fixed liabilities	50,580	59,086	-8,506
Total liabilities	980,929	1,052,711	-71,781
Minority interests	29,867	29,107	760
Shareholders' equity			
Capital stock	69,499	69,499	-
Additional paid in capital	58,605	58,489	115
Retained earnings	101,337	88,769	12,568
Revaluation excess	4,855	5,373	-517
Unrealized gain on other securities	19,885	16,403	3,482
Foreign currency translation adjustments	-14,725	-13,312	-1,413
Treasury stock	-2,723	-3,043	320
Total shareholders' equity	236,734	222,178	14,555
Total liabilities, minority interests and shareholders' equity	1,247,532	1,303,997	-56,464

Consolidated Statements of Income

(Unit: Millions of Yen)

Item		FY3/05 (4/1/04-3/31/05)	FY3/04 (4/1/03-3/31/04)	Change		
Operating income/loss	Sales		872,686	879,484	-6,797	
	Cost of sales		682,891	688,442	-5,551	
	Selling, general and administrative expenses		141,610	146,194	-4,584	
	Income from operation		48,185	44,847	3,338	
Non-operating income and expenses	Income	Interest and dividends received	5,346	5,827	-481	
		Equity in earnings of unconsolidated subsidiaries and affiliates	847	504	342	
		Other non-operating income	4,141	6,119	-1,978	
	Total		10,334	12,451	-2,116	
	Expenses	Interest expenses	12,627	15,011	-2,384	
		Other non-operating expenses	7,627	7,144	483	
Total		20,254	22,155	-1,900		
Ordinary income		38,264	35,142	3,122		
Extraordinary gains and losses	Gains	Gain on disposal of fixed assets	22,800	17,374	5,426	
		Gain on sale of investment securities	7,545	3,497	4,048	
		Gain on dilution of ownership in affiliated companies	1,373	2,874	-1,501	
		Other extraordinary gains	470	259	211	
		Total		32,190	24,005	8,185
	Losses	Loss on disposal of fixed assets	27,071	14,613	12,458	
		Provision for allowance for doubtful accounts	4,299	1,304	2,995	
		Liquidation of unconsolidated subsidiaries and affiliates	2,477	2,006	471	
		Loss on sale of stock of affiliates	-	551	-551	
		Loss on sale of investment securities	666	-	666	
		Stock valuation loss	2,029	182	1,846	
		Special allowance to employees retired under early retirement scheme	739	2,152	-1,413	
		Loss on closure of a cement plant	518	5,603	-5,085	
		Business discontinuation costs	6,898	-	6,898	
		Other extraordinary losses	926	4,786	-3,860	
		Total		45,626	31,202	14,424
		Net income before income taxes		24,828	27,945	-3,117
		Income taxes		9,316	12,190	-2,874
		Income tax adjustments		891	-3,165	4,056
Minority interest income		207	2,401	-2,193		
Net income		14,412	16,518	-2,106		

Consolidated Statements of Retained Earnings

(Unit: Millions of Yen)

Item	FY3/05		FY3/04		Change	
	(4/1/04-3/31/05)		(4/1/03-3/31/04)			
Additional paid in capital						
I Additional paid capital at beginning of term		58,489		58,229		260
II Increase in additional paid in capital		115		260		-144
Gain on disposal of treasury stock	115		260		-144	
III Additional paid in capital at end of term		58,605		58,489		115
Retained earnings						
I Retained earnings at beginning of term		88,769		74,610		14,158
II Increase in retained earnings		14,932		16,520		-1,587
Net income	14,412		16,518		-2,106	
Increase resulting from merger of consolidated subsidiaries	2		-		2	
Reversal of land revaluation difference	517		1		516	
III Decrease in retained earnings		2,364		2,361		2
Dividends	2,314		2,298		15	
Bonuses to directors and corporate auditors	50		63		-12	
IV Retains earnings at end of term		101,337		88,769		12,568

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Item	Term	FY3/05 (4/1/04-3/31/05)	FY3/04 (4/1/03-3/31/04)	Change
I Cash flows from operating activities				
Net income before income taxes		24,828	27,945	-3,117
Depreciation and amortization		40,339	45,228	-4,888
Amortisation of difference between equity in net assets of consolidated subsidiaries and affiliates		1,177	943	233
Equity in gains of unconsolidated subsidiaries and affiliates		-847	-504	-342
Stock valuation loss		2,029	182	1,846
Increase/decrease in accrued for retirement benefits		-1,905	172	-2,077
Increase/decrease in accrued for retirement benefits for directors and corporate auditors		-766	356	-1,122
Increase/Decrease in bonus reserve		407	-479	887
Increase/Decrease in allowance for doubtful accounts		647	-2,104	2,751
Increase in other reserves		49	29	20
Interest and dividend received		-5,346	-5,827	481
Interest expenses		12,627	15,011	-2,384
Gain on dilution of ownership in affiliated companies		-1,373	-2,874	1,500
Gain on sale of investment securities		-7,545	-3,497	-4,048
Loss on sale of investment securities		666	551	114
Liquidation of unconsolidated subsidiaries and affiliates		2,477	2,006	471
Gain on disposal of fixed assets		-22,800	-17,374	-5,426
Loss on disposal of fixed assets		27,071	18,653	8,417
Increase in notes and accounts receivable		-2,821	-6,037	3,216
Increase/Decrease in inventories		-2,423	1,884	-4,307
Increase/Decrease in notes and accounts payable		1,691	-611	2,303
Payment of bonuses to directors and corporate auditors		-60	-79	18
Other		6,783	3,226	3,556
Sub total		74,908	76,803	-1,894
Interest and dividend received		7,083	2,648	4,435
Interest paid		-12,887	-16,483	3,595
Income taxes paid		-14,805	-7,292	-7,512
Net cash provided by operating activities		54,299	55,675	-1,376
II Cash flows from investing activities				
Payments for deposit in/proceeds from withdrawal from time deposits		-636	56	-693
Purchase of property, plant and equipment		-33,508	-32,110	-1,397
Proceeds from sale of fixed assets		26,827	46,707	-19,879
Payments for purchase of other depreciable assets		-544	-193	-350
Proceeds from sale of other depreciable assets		1	48	-47
Payments for purchase of investment securities		-934	-1,582	647
Proceeds from sale of investment securities		11,064	10,437	626
Payments from sale of subsidiaries stock resulting in change in the scope of consolidation		-	-194	194
Long-term loans made		-11,630	-22,953	11,322
Collections of long-term loans receivable		10,357	26,731	-16,374
Other		2,013	4,637	-2,623
Net cash provided by/used in investing activities		3,010	31,585	-28,574
III Cash flows from financing activities				
Net decrease in short-term borrowings		-28,213	-21,240	-6,973
Net decrease in commercial paper		-	-8,000	8,000
Proceeds from long-term borrowings		39,720	56,258	-16,538
Repayment of long-term borrowings		-72,720	-77,526	4,806
Proceeds from issuance of bonds		23,100	27,600	-4,500
Redemption of bonds		-30,600	-72,561	41,961
Issue of shares		1,542	1,096	445
Disposal of treasury stock		240	1,048	-808
Repayment of treasury stock		-193	-83	-109
Cash dividend payments by parent company		-2,314	-2,298	-16
Cash dividend payments to minority shareholders		-404	-296	-108
Net cash used in financing activities		-69,843	-96,003	26,160
IV Effect of exchange rate changes on cash and cash equivalents		96	-1,883	1,980
V Decrease in cash and cash equivalents		-12,436	-10,626	-1,810
VI Cash and cash equivalents at beginning of term		80,534	91,234	-10,700
VII Cash and cash equivalents at beginning of term resulting from change in scope of consolidation		75	-89	165
VIII Cash and cash equivalents at beginning of term resulting from merger of consolidated subsidiaries		-700	15	-715
IX Cash and cash equivalents at end of term		67,473	80,534	-13,061

Segment information

Segment information

(Unit: Millions of Yen)

	FY 2005 (April 1, 2004 – March 31, 2005)								
	Cement	Minerals and aggregates	Environmental Business	Construction and construction materials	Ceramics & Electronics	Other	Total	Eliminations and corporate	Consolidated total
I Sales and operating income									
(1) Sales to outside customers	501,590	79,901	53,980	95,926	67,960	73,326	872,686	(-)	872,686
(2) Intersegment sales and transfers	14,197	19,706	5,066	7,615	12	43,341	89,938	(89,938)	-
Total	515,787	99,607	59,047	103,541	67,973	116,667	962,625	(89,938)	872,686
Operating expenses	482,445	97,540	54,417	101,942	66,140	110,631	913,117	(88,616)	824,501
Operating income	33,342	2,066	4,629	1,599	1,832	6,036	49,507	(1,322)	48,185
II Assets, depreciation, capital expenditure									
Assets	669,229	148,377	26,022	105,651	33,644	307,802	1,290,727	(43,194)	1,247,532
Depreciation	23,225	5,198	1,015	2,636	1,029	5,767	38,872	1,466	40,339
Capital expenditure	16,187	3,686	1,071	1,354	2,830	3,222	28,353	5,905	34,259

Overseas sales

(Unit: Millions of Yen)

	FY 2005 (April 1, 2004 – March 31, 2005)			
	North America	Asia	Other	Total
I Overseas sales	79,601	88,113	10,384	178,100
II Consolidated sales	-	-	-	872,696
III Ratio of overseas sales to consolidated sales	9.1%	10.1%	1.2%	20.4%