

## Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2007 ended March 31, 2007

August 4, 2006

Company:	Taiheiyo Cement Corporation	Fiscal 2006 1Q:	April 1, 2005- Jun 30,2005
Stock code:	5233	Fiscal 2006:	April 1, 2005-March 31, 2006
URL:	<a href="http://www.taiheiyo-cement.co.jp/">http://www.taiheiyo-cement.co.jp/</a>	Fiscal 2007 1Q:	April 1, 2006-Jun 30, 2006
		Fiscal 2007:	April 1, 2006-March 31, 2007

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. Consolidated results for the first quarter of FY3/07 (April 1, 2006 – Jun 30, 2006)

#### (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	%
1Q FY3/07	217,151	2.9	11,536	17.9	8,202	12.4
1Q FY3/06	211,057	6.0	9,788	72.9	7,298	209.5
FY3/06	906,657		62,011		49,792	

	Net income		EPS	Diluted EPS
	Millions of Yen	%	Yen	Yen
1Q FY3/07	616	-	0.66	0.64
1Q FY3/06	-19,650	-	-21.02	-
FY3/06	9,101		9.63	9.29

#### (2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
1Q FY3/07	1,248,811	300,619	21.2	282.38
1Q FY3/06	1,251,838	218,962	17.5	234.27
FY3/06	1,278,245	269,480	21.1	287.94

(Reference: FY3/07 consolidated earnings forecast (April 1, 2006 – March 31, 2007))

There is no revision proposed in the consolidated project performance for the FY3/07, which was announced on May 16, 2006.

## Consolidated Balance Sheets(Summary)

(Unit: Millions of Yen)

Item	1H FY3/07 (As of 6/30/06)	FY3/06 (As of 3/31/06)	Change
<b>Assets</b>			
Current assets	379,512	402,222	-22,710
Cash and time deposits	75,020	98,891	-23,871
Notes and accounts receivable	192,388	197,455	-5,066
Inventories	78,987	73,995	4,992
Other current assets	33,116	31,880	1,235
Fixed assets	869,299	876,022	-6,723
Tangible fixed assets	586,480	583,388	3,092
Intangible fixed assets	47,368	47,592	-224
Investments and other assets	235,449	245,041	-9,591
<b>Total assets</b>	<b>1,248,811</b>	<b>1,278,245</b>	<b>-29,433</b>
<b>Liabilities</b>			
Current liabilities	576,458	593,929	-17,470
Notes and accounts payable	121,126	119,987	1,139
Short-term borrowings and bonds(due within one year)	377,090	390,496	-13,405
Other current liabilities	78,240	83,445	-5,205
Fixed liabilities	371,733	378,988	-7,255
Long-term borrowings ,Bonds and convertible bonds	266,028	268,958	-2,929
Other fixed liabilities	105,704	110,029	-4,325
<b>Total liabilities</b>	<b>948,191</b>	<b>972,917</b>	<b>-24,726</b>
Minority interests	-	35,847	-
<b>Shareholders' equity</b>			
Capital stock	-	69,499	-
Additional paid in capital	-	59,515	-
Retained earnings	-	105,973	-
Revaluation excess	-	4,785	-
Unrealized gain on other securities	-	28,199	-
Foreign currency translation adjustments	-	3,260	-
Treasury stock	-	-1,752	-
<b>Total shareholders' equity</b>	<b>-</b>	<b>269,480</b>	<b>-</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>-</b>	<b>1,278,245</b>	<b>-</b>
<b>Net Assets</b>			
Owners' equity	231,733	-	-
Capital stock	69,499	-	-
Additional paid in capital	59,597	-	-
Retained earnings	104,391	-	-
Treasury stock	-1,754	-	-
Valuation and translation Adjustments	32,457	-	-
Unrealized gain on other securities	24,144	-	-
Deferred losses on hedges	0	-	-
Revaluation excess	4,553	-	-
Foreign currency translation adjustments	3,758	-	-
Minority interests	36,429	-	-
<b>Total net assets</b>	<b>300,619</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>1,248,811</b>	<b>-</b>	<b>-</b>

## Consolidated Statements of Income(Summary)

(Unit: Millions of Yen)

Item		1Q FY3/07 (4/1/06-6/30/06)	1Q FY3/06 (4/1/05-6/30/05)	Change
Operating income/loss	Net sales	217,151	211,057	6,093
	Cost of sales	171,671	166,813	4,858
	Selling, general and administrative expenses	33,943	34,456	-513
	Operating income	11,536	9,788	1,748
Non-operating income		3,100	3,020	80
Non-operating expenses		6,434	5,510	924
Ordinary income		8,202	7,298	904
Extraordinary gains (losses)		-1,373	-33,469	32,096
Net income before income taxes		6,829	-26,171	33,000
Income taxes		5,815	4,822	992
Income tax adjustments		48	-10,452	10,501
Minority interest income		349	-891	1,240
Net income		616	-19,650	20,266

## Segment Information

### Segment information

(Unit: Millions of Yen)

	1Q FY3/07 (4/1/06 – 6/30/06)								
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total	Eliminations or corporate assets	Consolidated total
Net Sales	134,740	25,451	15,154	20,956	18,692	26,879	241,874	(24,722)	217,151
Operating expenses	125,611	24,247	14,699	21,497	18,793	25,255	230,104	(24,489)	205,614
Operating income/loss	9,128	1,204	455	-541	-101	1,623	11,769	(233)	11,536