### Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2007 Ended March 31, 2007

May 15, 2007

Company:	Taiheiyo Cement Corporation	Fiscal 2006 : April 1, 2005-March 31,2006
Stock code:	5233	Fiscal 2007 : April 1, 2006-March 31, 2007
URL:	http://www.taiheiyo-cement.co.jp/	Fiscal 2008 1H: April 1, 2007-September 30, 2007
		Fiscal 2008 : April 1, 2007-March 31, 2008

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.	FY3/07 consolida	ted results (April 1,	, 2006 – March 31, 2007)
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(1) Consolidate	ed results of operati	ons	All yen figur	es are ro	unded down to the nea	arest one	million yen.	
	Net Sales			Operating income Ordina		ne	Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/07	940,630	3.7	76,692	23.7	67,907	36.4	24,408	168.2
FY3/06	906,657	3.9	62,011	28.7	49,792	30.1	9,101	-36.9

	EPS	Diluted EPS	ROE	ROA	Operating income to net sales
	Yen	Yen	%	%	%
FY3/07	26.08	25.20	8.7	5.4	8.2
FY3/06	9.63	9.29	3.6	3.9	6.8

#### (2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/07	1,256,980	329,637	23.3	312.98
FY3/06	1,278,245	269,387	21.1	287.91

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at term-end
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY3/07	62,613	-37,702	-53,272	65,657
FY3/06	61,460	-22,627	-14,649	93,489

#### 2. Dividends

	Div	vidends per sh	are	Total amount of	Dividends	Ratio of total
	1H	Year-end	Annual	cash dividends (annual)	payout ratio (consolidated)	amount of dividends to shareholders' equity (consolidated)
	Yen	Yen	Yen	Millions of Yen	%	%
FY3/06	—	2.50	2.50	2,370	26.0	0.9
FY3/07	2.00	2.00	4.00	3,791	15.3	1.3
FY3/08(forecast)	2.00	3.00	5.00	_	14.6	_

#### 3. FY3/08 consolidated earnings forecast (April 1, 2007 - March 31, 2008)

e. 1 10/00 C	· 1 15/00 consonautou cumings forecast (ripin 1, 2007 - March 51, 2000)								
	Sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1H FY3/08	468,000	2.9	26,000	-14.6	19,000	-25.2	6,700	-15.4	7.16
FY3/08	973,000	3.4	73,000	-4.8	63,000	-7.2	32,000	31.1	34.18

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.

## Consolidated Balance Sheets

(Unit: Millions of Yen)

(Unit: Million					
Item	FY3/07	FY3/06	Change		
Item	(As of 3/31/07)	(As of 3/31/06)	Change		
Assets					
Current assets					
Cash and time deposits	70,142	98,891	-28,748		
Notes and accounts receivable	206,927	197,455	9,472		
Inventories	80,412	73,995	6,417		
Deferred income taxes	5,385	4,245	1,139		
Short-term loans	13,732	16,353	-2,620		
Other current assets	16,773	14,827	1,945		
Allowance for doubtful accounts	-1,848	-3,546	1,698		
Current assets	391,526	402,222	-10,695		
Fixed assets					
A. Tangible fixed assets					
Buildings and structures	191,675	194,305	-2,630		
Machinery, equipment	173,575	171,228	2,346		
Land	174,927	179,662	-4,734		
Construction in progress	14,783	13,662	1,120		
Other tangible fixed assets	25,324	24,529	795		
Tangible fixed assets	580,285	583,388	-3,102		
B. Intangible fixed assets					
Trade rights	-	14,262	-14,262		
Consolidation adjustments	-	5,843	-5,843		
Goodwill	19,725	-	19,725		
Other intangible fixed assets	25,339	27,487	-2,148		
Intangible fixed assets	45,064	47,592	-2,528		
C. Investments and other assets		, , , , , , , , , , , , , , , , , , ,	· · · · ·		
Investment securities	183,365	180,110	3,255		
Long-term loans	4,931	6,205	-1,273		
Deferred income taxes	16,945	15,714	1,230		
Other investments and assets	51,658	58,488	-6,830		
Allowance for doubtful accounts	-16,799	-15,478	-1,320		
Investments and other assets	240,102	245,041	-4,938		
Fixed assets	865,453	876,022	-10,569		
Total assets	1,256,980	1,278,245	-21,265		

Iem $(Y307)$ $(X307)$ <th< th=""><th></th><th></th><th></th><th>(Unit: Millions</th><th>of Yen)</th></th<>				(Unit: Millions	of Yen)
Liabilities         116,751         119,987        3,235           Short-term borrowings         282,058         328,742        46,683           Commercial Paper         11,000         -         11,000           Bonds (due within one year)         1,574         61,754        60,803           Income taxes payable         4,654         112,952        8,298           Deferred income taxes         106         5         101           Bonus reserve         6,825         6,562         463           Bonus reserve         719         629         90           Other current liabilities         74,867         63,495         11,371           Current liabilities         74,349         53,054         21,295           Convertible bonds         34,196         34,000         196           Long-term borrowings         206,677         181,904         25,069           Deferred income taxes from revaluation excess         23,843         21,009         2,833           Deferred income taxes from revaluation excess         2,384         2,313         70           Special repair reserve         250         133         116           Other fixed liabilities         2,384         2,313         70 <td>Item</td> <td></td> <td></td> <td>Change</td> <td></td>	Item			Change	
Current liabilities         Image: state of the second secon	Liphilities	(AS 01 3/31/07)	(AS 01 3/31/00)		
Notes and accounts payable         116,751         119,987         -3,235           Short-term borrowings         282,058         328,742         -46,683           Commercial Paper         11,000         -         -         10,000           Bonds (due within one year)         1,574         61,751         -<					
Short-term borrowings $282.088$ $328.742$ $-46.63$ Commercial Paper $11.000$ $ 11.000$ Bonds (due within one year) $1.574$ $61.754$ $-60.180$ Income taxes payable $4.654$ $12.952$ $-8.298$ Deferred income taxes $106$ $5$ $101$ Bonus reserve $6.825$ $6.362$ $463$ Bonus reserves $719$ $629$ $90$ Other current liabilities $74.349$ $53.054$ $21.925$ Fixed liabilities $74.349$ $53.054$ $21.925$ Convertible bonds $34.196$ $34.000$ $196$ Long-term borrowings $2206.973$ $181.904$ $25.069$ Deferred income taxes $23.343$ $21.049$ $28.33$ Deferred income taxes from revaluation excess $23.43$ $2.313$ $70$ directors and corporate auditors $23.44$ $2.313$ $70$ Accrued for retirement benefits to $2.384$ $2.313$ $70$ Oth		116.751	119.987	-3.235	
Commercial Paper         11,000         -         11,000           Bonds (due within one year)         1,574         61,754         -60,180           Income taxes payable         4,654         12,952        8,298           Deferred income taxes         106         5         101           Bonus reserve         6,825         6,362         463           Convertise anditors         65         -         65           Other current liabilities         74,867         63,495         11,371           Current liabilities         74,349         53,054         21,295           Convertible bonds         34,196         34,000         196           Long-term borrowings         20,6973         181,904         25,069           Deferred income taxes         23,843         21,009         2,833           Deferred income taxes         2,384         2,313         70           Special repair reserve         250         133         116           Other fitsed liabilities         42,718         37,314         1,604           Accrued for retirement benefits         2,384         2,313         70           Special repair reserve         250         133         116           Other f					
Bonds (due within one year) $1.574$ $61.754$ $-6.0180$ Income taxes payable $4.654$ $12.952$ $-8.298$ Deferred income taxes $106$ $5$ $101$ Bonus reserve $6.825$ $6.362$ $463$ Bonus reserve for directors and corporate auditors $6.825$ $6.362$ $11.371$ Current liabilities $498.623$ $593.929$ $-95.305$ Fixed liabilities $498.623$ $593.929$ $-95.305$ Fixed liabilities $44.349$ $53.054$ $21.295$ Convertible bonds $34.196$ $34.000$ $196$ Long-tern borrowings $206.973$ $181.904$ $25.069$ Deferred income taxes from revaluation exces $23.843$ $21.095$ $248.33$ Deferred income taxes from revaluation so $2.384$ $2.313$ $70$ Accrued for retirement benefits $34.919$ $33.314$ $1.604$ Accrued for retirement benefits $23.843$ $273.90$ $-45.747$ Total liabilitities $45.738$			-		
Income taxes payable         4.654         12.952 $-8.298$ Deferred income taxes         106         5         101           Bonus reserve for directors and corporate auditors         6.825         6.362         463           Bonus reserve auditors         719         629         90           Other current liabilities         74.867         63.495         11.371           Current liabilities         74.867         63.495         11.371           Current liabilities         74.349         53.054         21.295           Convertible bonds         34.196         34.000         196           Long-term borrowings         20.6973         181.904         25.069           Deferred income taxes from revaluation excess         23.843         21.009         2.833           Deferred income taxes from revaluation excess         2.384         2.313         70           Accrued for retirement benefits to         2.384         2.313         70           Greecal repair reserve         250         133         116           Other fixed liabilities         42.87.18         379.100         49.577           Total liabilities         927.342         973.090         -45.747           Minority interests		<i>,</i>	61.754		
Deferred income taxes         106         5         101           Bonus reserve for directors and corporate auditors $6.825$ $6.362$ $463$ Bonus reserves         719 $629$ 90           Other current liabilities $74.867$ $63.495$ $11.371$ Current liabilities $498.623$ $593.929$ $-95.305$ Fixed liabilities $74.349$ $53.054$ $21.295$ Convertible bonds $34.196$ $34.000$ $196$ Long-term borrowings $206.973$ $181.904$ $25.069$ Deferred income taxes from revaluation excess $6.061$ $6.077$ $-15$ Accrued for retirement benefits $34.919$ $33.314$ $1.604$ Accrued for retirement benefits $27.342$ $973.090$ $-45.737$ Other fixed liabilities $428.718$ $379.160$ $49.557$ Total liabilities $927.342$ $973.090$ $-5$ Shareholders' equity $ 53.768$ $-$ Capital stock $ 69.499$ $-$		· · ·			
Bonus reserve for directors and corporate auditors         65         -         65           Other reserves         719         629         90           Other current liabilities         74,867         63,495         11,371           Current liabilities         98,623         593,529         -95,305           Fixed liabilities         9         34,196         34,000         196           Bonds         74,847         34,196         34,000         196           Long-term borrowings         206,973         181,904         25,069           Deferred income taxes from revaluation excess         23,843         21,009         2,833           Deferred income taxes from revaluation excess         23,844         2,313         70           directors and corporate auditors         250         133         116           Other fixed liabilities         428,718         379,160         49,557           Total liabilities         927,342         973,000         -45,747           Minority interests         -         35,768         -           Capital stock         -         69,499         -           Additional paid in capital         -         32,660         -           Treasury stock         -		106	5		
corporate auditors         65         -         65           Other reserves         719         6329         90           Other current liabilities         498,623         593,929         -95,305           Fixed liabilities         498,623         593,929         -95,305           Gonvertible bonds         34,196         34,000         196           Long-term borrowings         206,973         181,904         25,069           Deferred income taxes         23,843         21,009         2,833           Deferred income taxes from revaluation excess         2,384         2,313         70           directors and corporate auditors         2,384         2,313         70           Special repair reserve         250         133         116           Other fixed liabilities         428,718         379,160         49,557           Total liabilities         927,342         973,090         -45,747           Minority interests         -         35,768         -           Shareholders' equity         -         105,973         -           Capital stock         -         106,9499         -           Total shareholders' equity         -         269,387         -	Bonus reserve	6,825	6,362	463	
corporate auditors         10         629         90           Other current liabilities         719         623         99           Other current liabilities         498,623         593,929         -95,305           Fixed liabilities         498,623         593,929         -95,305           Bonds         74,349         53,054         21,295           Convertible bonds         34,196         34,000         196           Long-term borrowings         206,973         181,904         25,069           Deferred income taxes from revaluation excess         23,843         21,009         2,833           Deferred income taxes from revaluations         5,061         6,077         -15           excess         23,843         2,313         70           Special repair reserve         250         133         116           Other fixed liabilities         428,718         379,160         49,557           Total liabilities         927,342         973,090         -45,747           Minority interests         -         35,768         -           Capital stock         -         69,499         -           Additional paid in capital         -         59,515         -           Tot	Bonus reserve for directors and	(5		(5	
Other current liabilities $74,867$ $63,495$ $11,371$ Current liabilities         498,623 $593,929$ $-95,305$ Bonds $74,349$ $53,054$ $21,295$ Convertible bonds $34,196$ $34,000$ $196$ Long-term borrowings $206,973$ $181,904$ $25,069$ Deferred income taxes from revaluation $6,061$ $6,077$ $-15$ excess $23,843$ $21,009$ $2,833$ Deferred income taxes from revaluation $6,061$ $6,077$ $-15$ excess $23,843$ $2,313$ $70$ directors and corporate auditors $2,384$ $2,313$ $70$ Special repair reserve $250$ $133$ $116$ Other fixed liabilities $428,718$ $47,352$ $-1,613$ Total liabilities $927,342$ $973,090$ $-45,747$ Minority interests $ 55,768$ $-$ Capital stock $ 94,9577$ $-$ Additional paid in capital	corporate auditors	05	_	05	
Current liabilities         498,623         593,929         -95,305           Fixed liabilities         74,349         53,054         21,295           Convertible bonds         34,196         34,000         196           Long-term borrowings         206,973         181,904         25,069           Deferred income taxes from revaluation excess         6,061         6,077         -15           Accrued for retirement benefits         34,919         33,314         1,604           Accrued for retirement benefits         2,384         2,313         70           Special repair reserve         250         133         116           Other fixed liabilities         457,384         47,352         -1,613           Fixed liabilities         927,342         973,090         -45,747           Minority interests         -         35,768         -           Shareholders' equity         -         28,919         -           Capital stock         -         69,499         -           Additional paid in capital         -         32,600         -           Treasury stock         -         105,973         -           Total shareholders' equity         -         269,387         -	Other reserves	719	629	90	
Fixed liabilities         74,349         53,054         21,295           Bonds         74,349         53,054         21,295           Convertible bonds         34,196         34,000         196           Long-term borrowings         206,973         181,904         25,069           Deferred income taxes from revaluation         6,061         6,077         -15           Accrued for retirement benefits         34,919         33,314         1,604           Accrued for retirement benefits         2,384         2,313         70           Special repair reserve         250         133         116           Other fixed liabilities         428,718         379,160         49,557           Total liabilities         927,342         973,000         -45,747           Minority interests         -         35,768         -           Shareholders' equity         -         69,499         -           Capital stock         -         973,000         -45,747           Minority interests         -         32,60         -           Revaluation excess         -         4,691         -           Total liabilities         12,27,42         -         -           Total shareholders' equ	Other current liabilities	74,867		11,371	
Bonds         74,349         53,054         21,295           Convertible bonds         34,106         34,000         196           Long-term borrowings         206,973         181,904         225,069           Deferred income taxes from revaluation excess         6,061         6,077         -15           Accrued for retirement benefits         34,919         33,314         1,604           Accrued for retirement benefits         2,384         2,313         70           Special repair reserve         250         133         116           Other fixed liabilities         428,718         379,160         49,557           Total liabilities         927,342         973,090         -45,747           Minority interests         -         35,768         -           Shareholders' equity         -         -         32,60         -           Capital stock         -         69,499         -         -           Additional paid in capital         -         32,260         -           Treasury stock         -         1,278,245         -           Total isophities, minority interests and         -         1,278,245         -           Total shareholders' equity         -         269,387		498,623	593,929	-95,305	
$\begin{array}{ c c c c c c } \hline Convertible bonds & 34,196 & 34,000 & 196 \\ Long-term borrowings & 206,973 & 181,904 & 25,069 \\ Deferred income taxes from revaluation \\ excess & 23,843 & 21,009 & 2,833 \\ Deferred income taxes from revaluation \\ excess & 34,919 & 33,314 & 1,604 \\ Accrued for retirement benefits & 34,919 & 33,314 & 1,604 \\ Accrued for retirement benefits & 2,384 & 2,313 & 70 \\ Greetors and corporate auditors & 2,384 & 2,313 & 70 \\ Special repair reserve & 250 & 133 & 116 \\ Other fixed liabilities & 425,718 & 379,160 & 49,557 \\ \hline Total liabilities & 927,342 & 973,090 & -45,747 \\ \hline Minority interests & - & 35,768 & - \\ Shareholders' equity & - & - \\ Capital stock & - & 69,499 & - \\ Additional paid in capital & - & 59,515 & - \\ Retained earnings & - & 105,573 & - \\ Total liabilities & - & 28,199 & - \\ Other fixed inabilities & - & 28,199 & - \\ \hline Total liabilities minority interests and - & 1,752 & - \\ \hline Total biabilities minority interests and - & -1,752 & - \\ \hline Total biabilities minority interests and - & -1,752 & - \\ \hline Total stareholders' equity & - & 269,387 & - \\ \hline Total liabilities minority interests and - & -1,752 & - \\ \hline Total stareholders' equity & - & - & - \\ \hline Net asset & - & - & - \\ \hline Mura shareholders' equity & - & - & - \\ \hline Net asset & - & - & - \\ \hline Treasury stock & - & - & - & - \\ \hline Unrealized gain on other securities & - & - & - \\ \hline Treasury stock & - & - & - & - \\ \hline Treasury stock & - & - & - & - \\ \hline Mut asset & - & - & - & - \\ \hline Mura solution and translation adjustment & - & - & - \\ \hline Unrealized gain on other securities & 25,485 & - & - \\ \hline Unrealized gain on other securities & 25,485 & - & - \\ \hline Mura solution and translation adjustment & 10,720 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline Total net asset & 329,637 & - & - \\ \hline $	Fixed liabilities				
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	Bonds	74,349	53,054	21,295	
Deferred income taxes from revaluation excess         23,843 $21,009$ $2,833$ Deferred income taxes from revaluation excess $6,061$ $6,077$ $-15$ Accrued for retirement benefits $34,919$ $33,314$ $1,604$ Accrued for retirement benefits to directors and corporate auditors $2,384$ $2,313$ $70$ Special repair reserve $250$ $133$ $116$ Other fixed liabilities $45,738$ $47,352$ $-1,613$ Fixed liabilities $927,342$ $973,090$ $-45,747$ Minority interests         - $35,768$ -           Capital stock         - $69,499$ -           Additional paid in capital         - $59,515$ -           Revaluation excess         - $4,691$ -           Unrealized gain on other securities         - $3,260$ -           Total liabilities, minority interests and total shareholders' equity         - $269,387$ -           Total shareholders' equity         - $269,387$ -         -           Shareholders' equity         59,868					
Deferred income taxes from revaluation excess $6.061$ $6.077$ $-15$ Accrued for retirement benefits $34.919$ $33.314$ $1.604$ Accrued for retirement benefits to directors and corporate auditors $2.384$ $2.313$ $70$ Special repair reserve $250$ $133$ $116$ Other fixed liabilities $45.738$ $47.352$ $-1.613$ Fixed liabilities $428.718$ $379.160$ $49.557$ Total liabilities $927.342$ $973.090$ $-45.747$ Minority interests $ 59.515$ $-$ Capital stock $ 69.499$ $-$ Capital stock $ 69.499$ $-$ Revaluation excess $ 4.691$ $-$ Unrealized gain on other securities $ 28.199$ $-$ Foreign currency translation adjustments $ 3.260$ $-$ Total shareholders' equity $ 269.387$ $-$ Total shareholders' equity $ 269.387$ $-$ Net asset $  -$ Nateholders' equity $  -$ Capital stock $69.499$ $ -$ Nateholders' equity $  -$ Net asset $  -$ Nateholders' equity $  -$ Nateholders' equity $  -$ Nateholders' equity $  -$ Capital stock $  -$ Nateholders' equity $252.085$ <td></td> <td></td> <td></td> <td></td> <td></td>					
excess         6.061 $6.07/7$ $-15$ Accrued for retirement benefits to directors and corporate auditors $34,919$ $33,314$ $1,604$ Accrued for retirement benefits to directors and corporate auditors $2,384$ $2,313$ $70$ Special repair reserve $250$ $133$ $116$ Other fixed liabilities $428,718$ $379,160$ $49,557$ Total liabilities $927,342$ $973,090$ $-45,747$ Minority interests         - $35,768$ -           Shareholders' equity         -         -         -           Capital stock         - $69,499$ -           Additional paid in capital         - $59,515$ -           Retained earnings         - $105,973$ -           Retained earnings         - $28,199$ -           Total liabilities, minority interests and total shareholders' equity         - $269,387$ -           Total shareholders' equity         - $1,278,245$ -           Net asset         -         -         -           Shareholders' equity		23,843	21,009	2,833	
Accrued for retirement benefits to directors and corporate auditors $2,384$ $2,313$ $70$ Special repair reserve $250$ $133$ $116$ Other fixed liabilities $428,718$ $379,160$ $49,557$ Total liabilities $927,342$ $973,090$ $-45,747$ Minority interests $ 35,768$ $-$ Shareholders' equity $ 69,499$ $-$ Capital stock $ 69,499$ $-$ Additional paid in capital $ 59,515$ $-$ Revaluation excess $ 4,691$ $-$ Unrealized gain on other securities $ 28,199$ $-$ Total liabilities, minority interests and total shareholders' equity $ 1,278,245$ $-$ Total stock $69,499$ $  -$ Material stock $ 1,278,245$ $ -$ Total liabilities, minority interests and total shareholders' equity $ 1,278,245$ $-$ Net asset $    -$ Shareholders' equity $252,085$ $  -$ Valuation and translation adjustment Unrealized gain on other securities $25,485$ $ -$ Naterholders' equity $252,085$ $  -$ Naterholders' equity $252,085$ $  -$ Retained earnings $10,720$ $  -$ Retained earnings $10,720$ $  -$ Retained der comprehensive incr		6,061	6,077	-15	
directors and corporate auditors         2,384         2,313         70           Special repair reserve         250         133         116           Other fixed liabilities         45,738         47,352         -1,613           Fixed liabilities         428,718         379,160         49,557           Total liabilities         927,342         973,090         -45,747           Minority interests         -         35,768         -           Capital stock         -         69,499         -           Capital stock         -         69,499         -           Retained earnings         -         105,973         -           Revaluation excess         -         28,199         -           Total shareholders' equity         -         269,387         -           Total shareholders' equity         -         1,278,245         -           Total shareholders' equity         -         1,278,245         -           Net asset         -         -         -         -           Shareholders' equity         252,085         -         -           Capital stock         69,499         -         -           Retained earnings         126,127         - <td></td> <td>34,919</td> <td>33,314</td> <td>1,604</td> <td></td>		34,919	33,314	1,604	
Other fixed liabilities $45,738$ $47,352$ $-1,613$ Fixed liabilities $428,718$ $379,160$ $49,557$ Total liabilities $927,342$ $973,090$ $-45,747$ Minority interests $ 35,768$ $-$ Shareholders' equity $ 35,768$ $-$ Capital stock $ 69,499$ $-$ Additional paid in capital $ 69,499$ $-$ Retained earnings $ 105,973$ $-$ Revaluation excess $ 4,691$ $-$ Unrealized gain on other securities $ 28,199$ $-$ Total shareholders' equity $ 269,387$ $-$ Total shareholders' equity $ 1,278,245$ $-$ Net asset $ 59,868$ $ -$ Naterholders' equity $252,085$ $ -$ Capital stock $-1,669$ $ -$ Naterholders' equity $252,085$ $ -$	directors and corporate auditors		,		
Fixed liabilities428,718 $379,160$ $49,557$ Total liabilities927,342973,090 $-45,747$ Minority interests- $35,768$ -Shareholders' equityCapital stock- $69,499$ -Additional paid in capital- $59,515$ -Retained earnings- $105,973$ -Revaluation excess- $4,691$ -Unrealized gain on other securities- $28,199$ -Foreign currency translation adjustments- $3,260$ -Total shareholders' equity- $269,387$ -Total shareholders' equity- $1,278,245$ -Net assetShareholders' equity252,085Net assetValuation and translation adjustment $10,720$ Unrealized gain on other securities $25,485$ Net assetShareholders' equity $252,085$ Capital stock $69,499$ Retained earnings $126,127$ Net assetValuation and translation adjustment $0,720$ Noreign currency translation adjustment $10,720$ Noreign currency translation adjustments $10,720$ Nation and translation adjustment $10,720$ <td></td> <td></td> <td></td> <td></td> <td></td>					
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Minority interests- $35,768$ -Shareholders' equityCapital stock-69,499-Additional paid in capital-59,515-Retained earnings-105,973-Revaluation excess-4,691-Unrealized gain on other securities-28,199-Foreign currency translation adjustments-3,260-Treasury stock1,752Total shareholders' equity-269,387Total shareholders' equity-1,278,245Net assetShareholders' equity-1,278,245Net assetShareholders' equity-126,127Treasury stock-1,669Retained earnings126,127Treasury stock-1,669Nateholders' equity252,085Valuation and translation adjustment10,720Loss on deferred hedge21Revaluation excess4,677Natione (loss)Valuation and translation adjustments10,720 <td< td=""><td>Fixed liabilities</td><td>428,718</td><td>379,160</td><td>49,557</td><td></td></td<>	Fixed liabilities	428,718	379,160	49,557	
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Capital stock- $69,499$ -Additional paid in capital- $59,515$ -Retained earnings- $105,973$ -Revaluation excess- $4,691$ -Unrealized gain on other securities- $28,199$ -Foreign currency translation adjustments- $3,260$ -Treasury stock $-1,752$ -Total shareholders' equity- $269,387$ -Net asset-1,278,245-Net assetShareholders' equityCapital stock $69,499$ Additional paid in capital $59,868$ Retained earnings126,127Treasury stockMutation adjustmentValuation and translation adjustmentUnrealized gain on other securities25,485Nerelized gain on other securities25,485Loss on deferred hedge21Revaluation excess $4,677$ Foreign currency translation adjustments $10,720$ Loss on deferred hedgeNutation adtranslation adjustments $10,720$ Minority interests36,646Total net asset329,637		-	35,768	-	
Additional paid in capital- $59,515$ -Retained earnings- $105,973$ -Revaluation excess- $4,691$ -Unrealized gain on other securities- $28,199$ -Foreign currency translation adjustments- $3,260$ -Treasury stockTotal shareholders' equity- $269,387$ -Total shareholders' equity- $1,278,245$ -Net assetShareholders' equityCapital stock $69,499$ Retained earnings $126,127$ Treasury stockShareholders' equity $252,085$ Net asset2Shareholders' equity252,085Capital stock21Nurealized gain on other securities $25,485$ Loss on deferred hedge21Revaluation excess $4,677$ Accumulated other comprehensive $-1,740$ Valuation and translation adjustment $39,165$ Minority interests $36,646$ Total net asset $329,637$			(0, 100		
Retained earnings $ 105,973$ $-$ Revaluation excess $ 4,691$ $-$ Unrealized gain on other securities $ 28,199$ $-$ Foreign currency translation adjustments $ 3,260$ $-$ Treasury stock $ -1,752$ $-$ Total shareholders' equity $ 269,387$ $-$ Total liabilities, minority interests and total shareholders' equity $ 1,278,245$ $-$ Net asset $   -$ Shareholders' equity $  -$ Capital stock $69,499$ $ -$ Additional paid in capital $59,868$ $ -$ Retained earnings $126,127$ $ -$ Treasury stock $-1,669$ $ -$ Valuation and translation adjustment $ -$ Unrealized gain on other securities $25,485$ $ -$ Loss on defered hedge $21$ $ -$ Foreign currency translation adjustments $10,720$ $ -$ Accumulated other comprehensive income (loss) $-1,740$ $ -$ Valuation and translation adjustment $39,165$ $ -$ Valuation and translation adjustment $329,637$ $ -$ Minority interests $36,646$ $  -$ Total net asset $329,637$ $  -$		-	,	-	
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Net assetImage: constraint of the systemShareholders' equity $69,499$ $-$ Capital stock $69,499$ $-$ Additional paid in capital $59,868$ $-$ Retained earnings $126,127$ $-$ Treasury stock $-1,669$ $-$ Shareholders' equity $252,085$ $-$ Valuation and translation adjustment $-$ Unrealized gain on other securities $25,485$ $-$ Loss on deferred hedge $21$ $-$ Foreign currency translation adjustments $10,720$ $-$ Accumulated other comprehensive $-1,740$ $-$ Valuation and translation adjustment $39,165$ $-$ Valuation and translation adjustment $36,646$ $-$ Total net asset $329,637$ $ -$		_	1,278,245	_	
Capital stock $69,499$ $ -$ Additional paid in capital $59,868$ $ -$ Retained earnings $126,127$ $ -$ Treasury stock $-1,669$ $ -$ Shareholders' equity $252,085$ $ -$ Valuation and translation adjustment $ -$ Unrealized gain on other securities $25,485$ $ -$ Loss on deferred hedge $21$ $ -$ Revaluation excess $4,677$ $ -$ Foreign currency translation adjustments $10,720$ $ -$ Accumulated other comprehensive income (loss) $-1,740$ $ -$ Valuation and translation adjustment $39,165$ $ -$ Minority interests $36,646$ $ -$ Total net asset $329,637$ $ -$					
Additional paid in capital $59,868$ $ -$ Retained earnings $126,127$ $ -$ Treasury stock $-1,669$ $ -$ Shareholders' equity $252,085$ $ -$ Valuation and translation adjustment $ -$ Unrealized gain on other securities $25,485$ $ -$ Loss on deferred hedge $21$ $ -$ Revaluation excess $4,677$ $ -$ Foreign currency translation adjustments $10,720$ $ -$ Accumulated other comprehensive income (loss) $-1,740$ $ -$ Minority interests $36,646$ $ -$ Total net asset $329,637$ $ -$					
Retained earnings $126,127$ $ -$ Treasury stock $-1,669$ $ -$ Shareholders' equity $252,085$ $ -$ Valuation and translation adjustment $25,485$ $ -$ Unrealized gain on other securities $25,485$ $ -$ Loss on deferred hedge $21$ $ -$ Revaluation excess $4,677$ $ -$ Foreign currency translation adjustments $10,720$ $ -$ Accumulated other comprehensive $-1,740$ $ -$ income (loss) $39,165$ $ -$ Minority interests $36,646$ $ -$ Total net asset $329,637$ $ -$		69,499	-	-	
Treasury stock $-1,669$ $-$ Shareholders' equity $252,085$ $-$ Valuation and translation adjustment $25,485$ $-$ Unrealized gain on other securities $25,485$ $-$ Loss on deferred hedge $21$ $-$ Revaluation excess $4,677$ $-$ Foreign currency translation adjustments $10,720$ $-$ Accumulated other comprehensive $-1,740$ $-$ income (loss) $39,165$ $ -$ Minority interests $36,646$ $ -$ Total net asset $329,637$ $ -$		59,868	-	-	
Shareholders' equity252,085––Valuation and translation adjustment––Unrealized gain on other securities25,485––Loss on deferred hedge21––Revaluation excess4,677––Foreign currency translation adjustments10,720––Accumulated other comprehensive income (loss)–––Valuation and translation adjustment39,165––Minority interests36,646–––Total net asset329,637–––		126,127	-	-	
Valuation and translation adjustment25,485–Unrealized gain on other securities25,485–Loss on deferred hedge21–Revaluation excess4,677–Foreign currency translation adjustments10,720–Accumulated other comprehensive–1,740–income (loss)39,165––Minority interests36,646––Total net asset329,637––	Treasury stock	-1,669	-	-	
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Revaluation excess4,677Foreign currency translation adjustments10,720Accumulated other comprehensive income (loss)-1,740Valuation and translation adjustment39,165Minority interests36,646Total net asset329,637	Unrealized gain on other securities	25,485	-	-	
Foreign currency translation adjustments10,720-Accumulated other comprehensive income (loss)-1,740-Valuation and translation adjustment39,165-Minority interests36,646Total net asset329,637			-	-	
Accumulated other comprehensive income (loss)-1,740-Valuation and translation adjustment39,165-Minority interests36,646-Total net asset329,637-			-	-	
income (loss)-1,740Valuation and translation adjustment39,165Minority interests36,646Total net asset329,637		10,720	-	-	
Income (10ss)39,165–Valuation and translation adjustment39,165–Minority interests36,646–Total net asset329,637–		_1 740			
Minority interests36,646Total net asset329,637			_	_	
Total net asset         329,637         -         -		,	_	_	
			-	-	
	Total net asset	329,637	_	_	
Total liabilities and total net asset 1,256,980 – –	Total liabilities and total net asset	1,256,980			

## Consolidated Statements of Income

		Consolidated State	nents of meon			
					nit: Millions	of Yen)
		Item	FY3/07 (4/1/06–3/31/07)	FY3/06 (4/1/05–3/31/06)	Change	
So SS	Sale	s	940,630	906,657	33,973	
ating e/los	Cost	of sales	728,386	708,258	20,127	
Operating income/loss	Selli	ng, general and administrative expenses	135,551	136,386	-834	
ц. С	Inco	me from operation	76,692	62,011	14,681	
pu	Je	Interest and dividends received	2,835	4,306	-1,470	
ne a	Income	Other non-operating income	6,240	4,259	1,980	
ncor es	II	Total	9,075	8,565	509	
rating inc expenses		Interest expenses	11,460	11,228	231	
Non-operating income and expenses	Expenses	Equity in losses of unconsolidated subsidiaries and affiliates	3,339	5,545	-2,206	
ou-co	ExJ	Other non-operating expenses	3,061	4,010	-948	
Ż		Total	17,860	20,784	-2,923	
Ordi	nary in	come	67,907	49,792	18,115	
		Gain on disposal of fixed assets	2,566	4,435	-1,868	
		Gain on sale of investment securities	496	13,899	-13,402	
	Gains	Gain on dilution of ownership in affiliated companies	_	1,496	-1,496	
	ũ	Gain on return of retirement benefit trust	2,101	—	2,101	
		Other extraordinary gains	835	1,961	-1,126	
ses		Total	6,001	21,792	-15,791	
llos		Loss on disposal of fixed assets	8,400	8,389	10	
Extraordinary gains and losses		Provision for allowance for doubtful accounts	1,167	3,896	-2,728	
ry gai		Liquidation of unconsolidated subsidiaries and affiliates	802	129	673	
dina		Loss on sale of investment securities	406	306	99	
raor	s	Stock valuation loss	839	1,121	-281	
Exti	Losses	Loss on Impairment of fixed assets	8,328	33,435	-25,106	
	Ĺ	Special allowance to employees retired under early retirement scheme	70	263	-193	
		One-time amortization of consolidation adjustments	_	949	-949	
		Loss on change in equity in affiliated companies	208	—	208	
		Other extraordinary losses	2,815	3,621	-805	
		Total	23,039	52,113	-29,073	
Net i	income	e before income taxes	50,869	19,471	31,397	
	me tax		19,867	23,226	-3,359	
Inco	me tax	adjustments	3,666	-14,108	17,774	
Mine	ority in	terest income	2,926	1,251	1,674	
Net i	income		24,408	9,101	15,306	]

	(Unit: Million	ns of Ye
Item	FY3/	06
Itelli	(4/1/05-3/	/31/06)
Additional paid in capital		
Additional paid in capital at beginning	of	58,605
term		, ,
II Increase in additional paid in capital		910
Gain on disposal of treasury stock	910	
III Additional paid in capital at end of terr	n	59,515
Retained earnings		
I Retained earnings at beginning of term	1	01,337
II Increase in retained earnings		9,171
Net income	9,101	
Reversal of land revaluation difference	70	
III Decrease in retained earnings		4,536
Dividends	2,330	
Bonuses to directors and corporate aud	itors 48	
Decrease due to increase in consolidate subsidiaries	ed 129	
Decrease due to decrease in companies subject to equity method	1,843	
Loss on cancellation of combined shar through merger	es 182	
IV Retains earnings at end of term	1	05,973

# Consolidated Statements of Retained Earnings

FY3/07 (April 1, 2006 - March 31, 2007)

#### (¥ million)

-								
	Shareholders' equity							
	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity			
Balance at March 31, 2006	69,499	59,515	105,973	-1,752	233,235			
Changes during the period								
Dividends *1			-2,339		-2,339			
Dividends			-1,869		-1,869			
Bonuses to directors and corporate auditors			-65		-65			
Net income			24,408		24,408			
Increase due to increase in consolidated subsidiaries			87		87			
Decrease due to increase in consolidated subsidiaries			-87		-87			
Increase due to merger of consolidated subsidiaries			32		32			
Reversal of land revaluation excess			12		12			
Reversal of accrued retirement benefits to directors and corporate auditors			-24		-24			
Acquisition of treasury stock				-271	-271			
Disposal of treasury stock		353		354	707			
Changes in items other than shareholders' equity (net)								
Total changes during the period		353	20,154	83	20,590			
Balance at March 31, 2007	69,499	59,868	126,127	-1,669	253,826			

		Val	uation and tran	slation adjustme	ents			
	Unrealized gain on other securities	Gain/loss on deferred hedge	Land revaluation excess	Foreign currency translation adjustments	Accumulated other comprehensive income (loss) *2	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2006	28,199	_	4,691	3,260	_	36,152	35,768	305,155
Changes during the period	· · · ·		,				,	,
Dividends *1								-2,339
Dividends								-1,869
Bonuses to directors and corporate auditors								-65
Net income								24,408
Increase due to increase in consolidated subsidiaries								87
Decrease due to increase in consolidated subsidiaries								-87
Increase due to merger of consolidated subsidiaries								32
Reversal of land revaluation excess								12
Reversal of accrued retirement benefits to directors and corporate auditors								-24
Acquisition of treasury stock								-271
Disposal of treasury stock								707
Changes in items other than shareholders' equity (net)	-2,713	21	-13	7,460	-1,740	3,013	878	3,891
Total changes during the period	-2,713	21	-13	7,460	-1,740	3,013	878	24,482
Balance at March 31, 2007	25,485	21	4,677	10,720	-1,740	39,165	36,646	329,637

\*1 Appropriation of profit approved at general meeting of stockholders in June, 2006

\*2 Appropriation of unfunded retirement benefit obligation due to change in accounting standards at overseas subsidiaries

## Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

			Millions of
Term		FY3/06	
	( 4/1/06 - )	( 4/1/05 – )	Change
tem	3/31/07	3/31/06	
Cash flows from operating activities			
Net income before income taxes	50,869	19,471	31,397
Depreciation and amortization	38,960	38,610	350
Amortization of difference between equity in net assets of		69	-69
consolidated subsidiaries and investment cost		09	-09
Amortization of goodwill	946		946
Equity in losses of unconsolidated subsidiaries and	3,339	5,545	-2,206
affiliates	5,557	,	-2,200
Stock valuation loss	839	1,121	-281
One-time amortization of consolidation adjustments		949	-949
Gain on return of retirement benefit trust	-2,101		-2,101
Decrease in accrued retirement benefits	-5,146	-2,613	-2,533
Increase in accrued retirement benefits to directors and	85	9	76
corporate auditors	05	,	
Increase in bonus reserve	404	371	32
Increase in bonus reserve for directors and corporate	65		65
auditors			
Decrease in allowance for doubtful accounts	-388	-90	-297
Increase/decrease in other reserves	206	-6	212
Interest and dividends received	-2,835	-4,306	1,470
Interest expenses	11,460	11,228	231
Gain on sale of investment securities	-496	-13,899	13,402
Loss on sale of investment securities	406	306	99
Gain on changes of ownership in subsidiaries and affiliates		-1,496	1,496
Loss on changes of ownership in subsidiaries and affiliates			208
Liquidation of unconsolidated subsidiaries and affiliates	802	129	673
Gain on disposal of fixed assets	-2,566	-4,435	1,868
Loss on disposal of fixed assets	8,400	8,389	10
Loss on impairment of fixed assets	8,328	33,435	-25,106
Increase in notes and accounts receivable	-9,845	-6,335	-3,510
Increase in inventories	-5,502	-1,257	-4,245
Increase/Decrease in notes and accounts payable	-6,545	3,309	-9,855
Payment of bonuses to directors and corporate auditors	-79	-58	-20
Other	10,219	-8,168	18,388
Subtotal	100,035	80,280	19,754
Interest and dividends received	2,913	4,557	-1,644
Interest paid	-11,576	-10,808	-767
Income taxes paid	-28,758	-12,569	-16,189
Net cash provided by operating activities	62,613	61,460	1,153

	Term	FY3/07	FY3/06	
		$\left(\frac{4}{1}\right)^{-1}$	$\left(\frac{4}{1}\right)^{00}$	Change
Ite	m	3/31/07	3/31/06	Change
II	Cash flows from investing activities		( 3/31/00 )	
11	Increase/decrease in time deposits	923	694	229
	Purchase of property, plant and equipment	-46,597	-41,898	-4,698
	Proceeds from sale of fixed assets	7,819	16,334	-8,515
	Payments for purchase of other depreciable assets	-341	-871	-0,515
	Proceeds from sale of other depreciable assets	-3+1	-0,1	1
	Payments for purchase of investment securities	-2,049	-14,003	11,953
	Proceeds from sale of investment securities	1,154	14,660	-13,505
	Payments for sale of stock in subsidiaries due to change	1,134	14,000	-15,505
	in the scope of consolidation	-12		-12
	Long-term loans made	-3,430	-4,640	1,209
	Collections of long-term loans receivable	4,976	5,460	-483
	Other	-147	1,636	-1,783
	Net cash provided by/used in investing activities	-37,702	-22,627	-15,074
III	Cash flows from financing activities			
	Net decrease in short-term borrowings	-37,067	-23,702	-13,364
	Net increase in commercial paper	11,000	—	11,000
	Proceeds from long-term borrowings	93,344	54,870	38,474
	Repayment of long-term borrowings	-77,586	-79,029	1,442
	Proceeds from issuance of bonds	23,270	51,350	-28,080
	Redemption of bonds	-61,989	-20,922	-41,067
	Issue of shares	157	2,544	-2,387
	Disposal of treasury stock	707	3,210	-2,502
	Repayment of treasury stocks	-271	-256	-14
	Cash dividend payments by parent company	-4,209	-2,330	-1,878
	Cash dividend payments to minority shareholders	-628	-383	-244
	Net cash used in financing activities	-53,272	-14,649	-38,623
IV	Effect of exchange rate changes on cash and cash equivalents	598	1,758	-1,159
V	Increase/decrease in cash and cash equivalents	-27,761	25,941	-53,702
	Cash and cash equivalents at beginning of term	93,489	67,473	26,016
VII	Cash and cash equivalents at beginning of term resulting from change in scope of consolidation	-90	-203	113
VII	Increase in cash and cash equivalents at beginning of term resulting from merger of consolidated subsidiaries	19	279	-259
IX	Cash and cash equivalents at end of term	65,657	93,489	27,832

## Segment Information

### Segment information

							(Omt.	within the second second	ICII)	
		FY3/07 (4/1/06 – 3/31/07)								
	Cement Business	Resources	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total	Eliminations or corporate assets	Consolidated total	
Sales and operating										
income										
Sales										
(1) Sales to										
outside	565,520	78,529	62,322	96,629	66,912	70,715	940,630	()	940,630	
customers										
(2) Intersegment										
sales and	14,464	23,002	5,381	8,584	7	45,575	97,015	(97,015)	_	
transfers										
Total	579,985	101,531	67,704	105,214	66,919	116,291	1,037,646	(97,015)	940,630	
Operating	519,791	97,013	64,952	102,466	65,903	109.694	959,821	(95,884)	863,937	
expenses	519,791	97,015	04,932	102,400	05,905	109,094	959,821	(93,884)	605,957	
Operating	60,193	4,518	2,752	2,747	1,015	6,597	77,824	(1.121)	76,692	
income	00,195	4,318	2,732	2,747	1,015	0,397	11,824	(1,131)	70,092	

### Overseas sales

(Unit: Millions of Yen)

		FY3/07 (4/1/06 – 3/31/07)							
		North America	Asia	Other	Total				
Ι	Overseas sales	127,642	89,096	16,352	233,091				
II	Consolidated sales			—	940,630				
III	Ratio of overseas sales to consolidated sales	13.6%	9.5%	1.7%	24.8%				

#### (Unit: Millions of Yen)