

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2009 ended March 31, 2009

August 11, 2008

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

Fiscal 2008 1Q: April 1, 2007-June 30, 2007
Fiscal 2008: April 1, 2007-March 31, 2008
Fiscal 2009 1Q: April 1, 2008-June 30, 2008
Fiscal 2009: April 1, 2008-March 31, 2009

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.

(All yen figures are rounded down to the nearest one million yen.)

1. Consolidated Financial Results for the First Quarter Ended June 30, 2008

(1) Operating Results

	Net Sales		Income from operations		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q FY3/09	202,372	-	-1,356	-	-6,410	-	-8,636	-
1Q FY3/08	223,931	3.1	10,997	-4.7	7,401	-9.8	2,729	343.0

	EPS		Diluted EPS	
	Yen		Yen	
1Q FY3/09	-9.20		-	
1Q FY3/08	2.91		2.69	

(2) Financial Position

	Total assets		Total net assets		Equity ratio		Equity per share	
	Millions of Yen		Millions of Yen			%	Yen	
1Q FY3/09	1,230,394		282,111		20.1		262.83	
FY3/08	1,218,033		327,589		23.8		308.82	

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/08	—	2.00	—	3.00	5.00
FY3/09	—	—	—	—	—
FY3/09(forecast)	—	2.00	—	2.00	4.00

3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2009

	Net sales		Income from operations		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
2Q FY3/09	440,000	-4.2	10,000	-61.2	3,500	-83.4	-2,500	-	-2.66
FY3/09	935,000	0.8	40,000	-22.4	30,000	-28.0	10,000	-51.2	10.65

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

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	1Q FY3/09 (As of 6/30/08)	FY3/08 (As of 3/31/08)
Assets		
Current assets		
Cash and time deposits	86,359	64,465
Notes and accounts receivable-trade	189,184	189,559
Merchandise and finished goods	39,727	35,744
Work in process	12,771	8,688
Raw materials and supplies	44,267	41,586
Other	40,090	39,228
Allowance for doubtful accounts	-1,457	-1,425
Total current assets	410,943	377,848
Non-current assets		
A. Property, plant and equipment		
Buildings and structures, net	176,368	188,411
Machinery, equipment, net	161,987	172,317
Land	173,101	166,092
Other, net	51,142	44,228
	562,599	571,049
B. Intangible assets		
Goodwill	21,691	22,679
Other	26,987	27,820
	48,679	50,499
C. Investments and other assets		
Investments in securities	145,923	152,647
Other	73,242	77,109
Allowance for doubtful accounts	-10,993	-11,120
	208,172	218,635
Total non-current assets	819,450	840,184
Total assets	1,230,394	1,218,033

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(Millions of Yen)

Item	1Q FY3/09 (As of 6/30/08)	FY3/08 (As of 3/31/08)
Liabilities		
Current liabilities		
Notes and accounts payable	103,753	109,114
Short-term loans payable	298,751	284,104
Commercial papers	59,000	19,000
Current portion of bonds	1,252	1,227
Accrued income taxes	2,288	4,036
Reserve for bonuses	4,831	7,046
Reserve for directors' bonuses	12	53
Other reserves	787	787
Other	65,726	63,338
Total current liabilities	536,404	488,710
Non-current liabilities		
Bonds payable	72,877	72,997
Bonds with subscription rights to shares	34,160	34,167
Long-term loans payable	191,747	178,740
Reserve for retirement benefits	33,555	35,319
Reserve for directors' retirement benefits	1,005	1,453
Reserve for loss on business of subsidiaries and affiliates	138	138
Reserve for special repairs	324	315
Other	78,069	78,600
Total non-current liabilities	411,878	401,733
Total liabilities	948,282	890,443
Net assets		
Shareholders' equity		
Capital stock	69,499	69,499
Additional paid-in capital	60,759	60,756
Retained earnings	118,407	142,923
Treasury stock, at cost	-1,695	-1,689
Total shareholders' equity	246,971	271,489
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,461	10,352
Deferred gains or losses on hedges	18	-45
Revaluation reserve for land	4,723	4,594
Foreign currency translation adjustment	-17,762	5,469
Accumulated other comprehensive losses	-1,730	-1,971
Total valuation and translation adjustments	-287	18,399
Minority interests	35,428	37,701
Net assets	282,111	327,589
Liabilities and net assets	1,230,394	1,218,033

Consolidated Statements of Income

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	1Q FY3/09 (4/1/08– 6/30/08)
Net sales	202,372
Cost of sales	167,411
Gross profit	34,960
Selling, general and administrative expenses	36,317
Operating loss	–1,356
Non-operating income	
Interest income	286
Dividends income	229
Other	1,020
Total non-operating income	1,537
Non-operating expenses	
Interest expenses	2,659
Equity in losses of affiliates	3,252
Other	679
Total non-operating expenses	6,591
Ordinary loss	–6,410
Extraordinary income	
Gain on disposal of non-current assets	387
Gain on sales of investment securities	379
Other	169
Total extraordinary income	935
Extraordinary loss	
Loss on disposal of non-current assets	656
Other	626
Total extraordinary loss	1,282
Loss before income taxes	–6,757
Income taxes-current	1,690
Income taxes-differed	81
Total income taxes	1,772
Minority interests in income	107
Net loss	–8,636

Consolidated Statements of Cash Flows

All yen figures are rounded down to the nearest one million yen.

(Millions of Yen)

Item	1Q FY3/09 (4/1/08 – 6/30/08)
I Cash flows from operating activities	
Loss before income taxes	-6,757
Depreciation and amortization	11,463
Amortization of goodwill	697
Equity in losses of affiliates	3,252
Loss on valuation of investment securities	89
Decrease in reserve for retirement benefits	-193
Decrease in reserve for directors' retirement benefits	-447
Decrease in reserve for bonuses	-2,120
Decrease in reserve for directors' bonuses	-41
Decrease in allowance for doubtful accounts	-86
Increase in other reserves	8
Interest and dividends income received	-516
Interest expenses paid	2,659
Gain on sales and valuation of investment securities	-377
Loss on liquidation of subsidiaries and affiliates	3
Loss on disposal of non-current assets	269
Increase in notes and accounts receivable-trade	-1,617
Increase in inventories	-13,714
Decrease in notes and accounts payable-trade	-5,111
Other	1,664
Subtotal	-10,875
Interest and dividends income received	502
Interest expenses paid	-2,952
Income taxes paid	-3,619
Net cash provided by operating activities	-16,945
II Cash flows from investing activities	
Decrease in time deposits	523
Purchase of non-current assets	-12,993
Proceeds from sale of non-current assets	609
Purchase of investment securities	-4,021
Proceeds from sales of investment securities	1,559
Payments for acquisition of newly consolidated subsidiaries	-23,263
Payments of loans receivable	-1,944
Collection of loans receivable	597
Other, net	2,641
Net cash used in investing activities	-36,292
III Cash flows from financing activities	
Increase in short-term loans payable	37,165
Increase in commercial papers	40,000
Proceeds from long-term loans payable	29,752
Repayment of long-term loans payable	-25,855
Redemption of bonds	-95
Proceeds from issuance of common stock	1,168
Proceeds from sales of treasury stock	22
Cash dividends paid	-2,824
Cash dividends paid to minority shareholders	-745
Net cash provided by financing activities	78,587
IV Effect of exchange rate changes on cash and cash equivalents	-3,237
V Increase in cash and cash equivalents	22,111
VI Cash and cash equivalents at beginning of the fiscal year	60,051
VII Increase in cash and cash equivalents resulting from change of scope of consolidation	293
VIII Cash and cash equivalents at end of the period	82,457

Segment Information

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

[Industry Segments]

	1Q FY3/09 (4/1/08 – 6/30/08)								Eliminations or corporate assets	Consolidated total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total			
Sales and operating income										
Sales										
(1) Sales to outside customers	119,439	20,402	14,799	22,206	8,504	17,019	202,372	—	202,372	
(2) Intersegment sales and transfers	3,294	5,066	2,024	1,936	12	10,458	22,793	(22,793)	—	
Total	122,734	25,468	16,823	24,143	8,516	27,478	225,166	(22,793)	202,372	
Operating income/loss	-1,714	96	658	-680	-764	928	-1,475	118	-1,356	

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(Millions of Yen)

[Geographic segments]

	1Q FY3/09 (4/1/08 – 6/30/08)						Eliminations or corporate assets	Consolidated total
	Japan	North America	Asia	Other	Total			
Sales and operating income								
Sales								
(1) Sales to outside customers	167,940	20,860	12,540	1,030	202,372	—	202,372	
(2) Intersegment sales and transfers	672	—	1,469	—	2,141	(2,141)	—	
Total	168,613	20,860	14,009	1,030	204,514	(2,141)	202,372	
Operating income/loss	-1,611	-280	657	139	-1,094	(262)	-1,356	

Overseas sales

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

		1Q FY3/09 (4/1/08 – 6/30/08)			
		North America	Asia	Other	Total
I	Overseas sales	20,940	15,441	4,236	40,617
II	Consolidated sales	—	—	—	202,372
III	Ratio of overseas sales to consolidated sales	10.3%	7.6%	2.1%	20.1%

Reference

1Q FY3/08 (4/1/2007 – 6/30/2007) Consolidated Financial Statement

(1) 1Q FY3/08 Consolidated Statement of Income

All yen figures are rounded down to the nearest one million yen.
(Unit: Millions of Yen)

Item	1Q FY3/08 (4/1/07 – 6/30/07)
I Net sales	223,931
II Cost of sales	176,479
Gross profit	47,451
III Selling, general and administrative expenses	36,453
Income from operations	10,997
IV Non-operating income	3,025
V Non-operating expenses	6,621
Ordinary income	7,401
VI Extraordinary gains and losses	146
Income before income taxes and minority interests	7,548
Current income taxes	4,550
Differed income taxes	-353
Minority interests in net income of consolidated subsidiaries	622
Net income	2,729

All yen figures are rounded down to the nearest one million yen.

(2) 1Q FY3/08 Industry segments

(Unit: Millions of Yen)

	1Q FY3/08 (4/1/07 – 6/30/07)							Eliminations or corporate assets	Consolidated total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total		
Sales	136,520	26,456	15,527	22,574	15,773	29,359	246,212	(22,280)	223,931
Operating expenses	127,979	25,290	14,878	22,941	16,421	27,525	235,037	(22,103)	212,933
Operating Income/loss	8,541	1,166	648	-366	-647	1,833	11,174	(177)	10,997