

## Summary of Consolidated Financial Results of Taiheiyo Cement Corporation for the Fiscal 2009 Ended March 31, 2009

May 15, 2009

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

Fiscal 2008 : April 1, 2007-March 31, 2008  
Fiscal 2009 : April 1, 2008-March 31, 2009  
Fiscal 2010 1H: April 1, 2009-September 30, 2009  
Fiscal 2010 : April 1, 2009-March 31, 2010

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 Financial Results for the Fiscal 2009 (April 1, 2008 through March 31, 2009)

#### (1) Operating Results

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

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY3/09	871,833	-6.0	11,176	-78.3	-4,880	—	-35,371	—
FY3/08	927,576	-1.4	51,551	-32.8	41,645	-38.7	20,485	-16.1

	EPS	Diluted EPS	ROE	ROA	Operating income to net sales
	Yen	Yen	%	%	%
FY3/09	-37.69	—	-14.9	-0.4	1.3
FY3/08	21.84	20.23	7.0	3.4	5.6

#### (2) Financial Position

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

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY3/09	1,158,086	220,038	15.9	195.80
FY3/08	1,218,033	327,589	23.8	308.82

#### (3) Consolidated Cash Flows

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

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY3/09	28,223	-92,576	65,538	56,299
FY3/08	71,359	-56,674	-20,150	60,051

### 2. Dividends

	Dividend per share					Total amount of cash dividends (annual)	Dividends payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity (consolidated)
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY3/08	—	2.00	—	3.00	5.00	4,736	22.9	1.6
FY3/09	—	2.00	—	0.00	2.00	1,894	—	0.8
FY3/10(forecast)	—	—	—	—	—	—	—	—

\*The company is foregoing a decision on FY 2009 year-end dividend.

### 3. Consolidated Results Forecast for the Fiscal 2010 (April 1, 2009 through March 31, 2010)

	Net Sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1H FY3/10	390,000	-9.1	2,000	-55.6	-3,000	—	-2,500	—	-2.66
FY3/10	820,000	-5.9	24,000	114.7	16,000	—	8,500	—	9.06

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.  
(Unit: Millions of Yen)

Item	FY3/08 (As of 3/31/08)	FY3/09 (As of 3/31/09)
Assets		
Current assets		
Cash and time deposits	64,465	61,052
Notes and accounts receivable-trade	189,559	172,621
Inventories	86,020	—
Merchandise and finished goods	—	36,758
Work in process	—	12,361
Raw materials and supplies	—	46,538
Deferred tax assets	10,011	11,068
Short-term loans receivable	13,886	14,087
Other	15,330	13,131
Allowance for doubtful accounts	-1,425	-1,961
Current assets	377,848	365,659
Non-current assets		
A. Property, plant and equipment		
Buildings and structures	188,411	173,584
Machinery, equipment, and vehicles	172,317	151,198
Land	166,092	173,566
Construction in progress	17,050	26,473
Other	27,178	31,516
Property, plant and equipment	571,049	556,339
B. Intangible assets		
Goodwill	22,679	21,343
Other	27,820	37,049
Intangible assets	50,499	58,392
C. Investments and other assets		
Investments securities	152,647	103,153
Long-term loans receivable	3,398	3,531
Deferred tax assets	21,284	29,863
Other	52,425	50,677
Allowance for doubtful accounts	-11,120	-9,530
Investments and other assets	218,635	177,695
Non-current assets	840,184	792,426
Total assets	1,218,033	1,158,086

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

Item	FY3/08 (As of 3/31/08)	FY3/09 (As of 3/31/09)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	109,114	100,877
Short-term loans payable	284,104	280,702
Commercial papers	19,000	22,000
Current portion of bonds	1,227	785
Income taxes payable	4,036	2,292
Deferred tax liabilities	23	400
Provision for bonuses	7,046	5,740
Provision for directors' bonuses	53	26
Provision for the head office transfer cost	—	428
Provision for loss on transfer of business	—	5,438
Other provision	787	818
Other	63,315	64,756
<b>Current liabilities</b>	<b>488,710</b>	<b>484,266</b>
<b>Non-current liabilities</b>		
Bonds payable	72,997	73,181
Bonds with subscription rights to shares	34,167	34,137
Long-term loans payable	178,740	232,559
Deferred tax liabilities	22,951	22,557
Deferred tax liabilities for land revaluation	6,095	6,095
Provision for retirement benefits	35,319	34,215
Provision for directors' retirement benefits	1,453	1,083
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	315	361
Other provision	—	404
Other	49,553	49,046
<b>Non-current liabilities</b>	<b>401,733</b>	<b>453,780</b>
<b>Liabilities</b>	<b>890,443</b>	<b>938,047</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	69,499	69,499
Capital surplus	60,756	60,756
Retained earnings	142,923	89,743
Treasury stock	-1,689	-1,702
<b>Shareholders' equity</b>	<b>271,489</b>	<b>218,286</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	10,352	4,952
Deferred gains or losses on hedges	-45	-97
Revaluation reserve for land	4,594	4,559
Foreign currency translation adjustments	5,469	-41,379
Accumulated other comprehensive losses	-1,971	-2,567
<b>Valuation and translation adjustments</b>	<b>18,399</b>	<b>-34,531</b>
<b>Minority interests</b>	<b>37,701</b>	<b>36,284</b>
<b>Net assets</b>	<b>327,589</b>	<b>220,038</b>
<b>Liabilities and net assets</b>	<b>1,218,033</b>	<b>1,158,086</b>

## Consolidated Statements of Income

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

Item		FY3/08 (4/1/07-3/31/08)	FY3/09 (4/1/08-3/31/09)	
Operating income/loss	Net sales	927,576	871,833	
	Cost of sales	735,231	717,724	
	Gross profit	192,344	154,109	
	Selling, general and administrative expenses	140,793	142,933	
	Operating income	51,551	11,176	
Non-operating income and expenses	Income	Interest and dividends income	3,201	2,717
		Other	4,838	4,238
		Non-operating income	8,040	6,956
	Expenses	Interest expenses	10,840	10,713
		Equity in losses of affiliates	3,830	7,536
		Other	3,275	4,764
		Non-operating expenses	17,946	23,014
Ordinary income or loss		41,645	-4,880	
Extraordinary income and losses	Income	Gain on disposal of non-current assets	5,773	1,911
		Gain on sales of investment securities	835	937
		Other	1,369	1,316
		Extraordinary income	7,979	4,165
	Losses	Loss on disposal of non-current assets	6,042	5,376
		Provision of allowance for doubtful accounts	233	1,100
		Loss on liquidation of subsidiaries and affiliates	117	250
		Loss on sale of investment securities	214	2,202
		Loss on valuation of investment securities	333	7,090
		Impairment loss	2,738	3,161
		Losses on changes of ownership interests in affiliates	442	53
		Business withdrawal loss	3,826	377
		Loss of compensation on business withdrawal	1,010	-
		Amortization of goodwill in equity	-	4,491
		Head office transfer loss	-	428
		Business transfer loss	-	5,438
		Other	950	2,220
		Extraordinary loss	15,910	32,194
		Income before income tax and minority interests		33,714
Income taxes-current		15,932	7,164	
Income taxes for prior periods		-2,231	1,816	
Income taxes-deferred		-1,257	-7,673	
Minority interests in income		784	1,154	
Net income		20,485	-35,371	

## Consolidated Statements of Changes in Shareholders' Equity

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

(Unit: Millions of Yen)

Item	FY3/09 (As of 3/31/09)	FY3/08 (As of 3/31/08)
Shareholders' equity		
Capital stock		
Capital stock	69,499	69,499
Changes of items during the period		
Total changes of items during the period	-	-
Capital stock	69,499	69,499
Capital surplus		
Capital surplus	59,868	60,756
Changes of items during the period		
Disposal of treasury stock	887	-10
Total changes of items during the period	887	-10
Capital surplus	60,756	60,745
Retained earnings		
Retained earnings	126,127	142,923
Effect of changes in accounting policies applied to foreign subsidiaries	-	-12,908
Changes of items during the period		
Dividends from surplus	-3,753	-4,697
Net income	20,485	-35,371
Reversal of revaluation reserve for land	64	-151
Change of scope of equity method	-	-50
Changes of items during the period	16,796	-40,271
Retained earnings	142,923	89,743
Treasury stock		
Treasury stock	-1,669	-1,689
Changes of items during the period		
Purchase of treasury stock	-191	-75
Disposal of treasury stock	171	62
Total changes of items during the period	-20	-12
Treasury stock	-1,689	-1,702
Total shareholders' equity		
Shareholders' equity	253,826	271,489
Effect of changes in accounting policies applied to foreign subsidiaries	-	-12,908
Changes of items during the period		
Dividends from surplus	-3,753	-4,697
Net income	20,485	-35,371
Reversal of revaluation reserve for land	64	-151
Purchase of treasury stock	-191	-75
Disposal of treasury stock	1,058	51
Change of scope of equity method	-	-50
Total changes of items during the period	17,663	-40,294
Shareholders' equity	271,489	218,286
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Valuation difference on available-for-sale securities	25,485	10,352
Changes of items during the period		
Net changes of items other than shareholders' equity	-15,133	-5,399
Total changes of items during the period	-15,133	-5,399
Valuation difference on available-for-sale securities	10,352	4,952

(Unit: Millions of Yen)

Item	FY3/09 (As of 3/31/09)	FY3/08 (As of 3/31/08)
Deferred gains or losses on hedges		
Deferred gains or losses on hedges	21	-45
Changes of items during the period		
Net changes of items other than shareholders' equity	-67	-51
Total changes of items during the period	-67	-51
Deferred gains or losses on hedges	-45	-97
Revaluation reserve for land		
Revaluation reserve for land	4,677	4,594
Changes of items during the period		
Net changes of items other than shareholders' equity	-83	-34
Total changes of items during the period	-83	-34
Revaluation reserve for land	4,594	4,559
Foreign currency translation adjustments		
Foreign currency translation adjustments	10,720	5,469
Changes of items during the period		
Net changes of items other than shareholders' equity	-5,251	-46,848
Total changes of items during the period	-5,251	-46,848
Foreign currency translation adjustments	5,469	-41,379
Accumulated other comprehensive losses		
Accumulated other comprehensive losses	-1,740	-1,971
Changes of items during the period		
Net changes of items other than shareholders' equity	-230	-596
Total changes of items during the period	-230	-596
Accumulated other comprehensive losses	-1,971	-2,567
Total valuation and translation adjustments		
Valuation and translation adjustments	39,165	18,399
Changes of items during the period		
Changes in items other than shareholders' equity (net)	-20,766	-52,930
Total changes of items during the period	-20,766	-52,930
Valuation and translation adjustments	18,399	-34,531
Minority interests		
Minority interests	36,646	37,701
Changes of items during the period		
Changes of items other than shareholders' equity (net)	1,054	-1,416
Total changes of items during the period	1,054	-1,416
Minority interests	37,701	36,284
Total net assets		
Net assets	329,637	327,589
Changes of items during the period		
Dividends from surplus	-3,753	-4,697
Net income	20,485	-35,371
Reversal of revaluation reserve for land	64	-151
Purchase of treasury stock	-191	-75
Disposal of treasury stock	1,058	51
Change of scope of equity method	-	-50
Net changes of items other than shareholders' equity	-19,711	-54,347
Total changes of items during the period	-2,047	-94,642
Net assets	327,589	220,038

## Consolidated Statements of Cash Flows

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

Item	Term	FY3/08	FY3/09
		( 4/1/07 – 3/31/08)	( 4/1/08 – 3/31/09)
I Net cash provided by (used in) operating activities			
Income before income taxes and minority interests		33,714	–32,909
Depreciation and amortization		43,531	51,730
Amortization of goodwill		855	3,059
Equity in losses of affiliates		3,830	7,536
Stock valuation loss		333	7,090
Increase (decrease) in provision for retirement benefits		–1,920	–908
Increase (decrease) in provision for directors' retirement benefits		300	–370
Increase (decrease) in provision for bonuses		197	–1,187
Increase (decrease) in provision for directors' bonuses		–5	–27
Increase (decrease) in allowance for doubtful accounts		–6,113	–723
Increase (decrease) in other provision		271	76
Interest and dividends income		–3,201	–2,717
Interest expenses		10,840	10,713
Gain (loss) on sale of investments in securities		–620	1,265
Loss on change in equity		442	53
Loss on liquidation of subsidiaries and affiliates		117	250
Gain (loss) on disposal of non-current assets		268	3,465
Impairment loss		2,738	3,161
Decrease (increase) in notes and accounts receivable-trade		17,611	13,912
Decrease (increase) in inventories		–6,279	–14,446
Increase (decrease) in notes and accounts payable-trade		–7,678	–7,586
Head office transfer loss		–	428
Loss (gain) on transfer of business		–	5,438
Amortization of goodwill in equity		–	4,491
Other, net		3,185	–4,630
Subtotal		92,419	47,166
Interest and dividends income received		3,179	3,187
Interest expenses paid		–10,810	–11,455
Income taxes paid		–16,313	–11,451
Income taxes refund		2,885	775
Net cash provided by (used in) operating activities		71,359	28,223

Item	Term	FY3/08	FY3/09
		( 4/1/07 – 3/31/08 )	( 4/1/08 – 3/31/09 )
II	Net cash provided by (used in) investing activities		
	Decrease (increase) in time deposits	44	-60
	Purchase of non-current assets	-56,869	-50,598
	Proceeds from sales of non-current assets	7,155	5,793
	Purchase of other depreciated assets	-4,725	-1,678
	Proceeds from sales of other depreciated assets	53	2,335
	Purchase of investment securities	-3,475	-6,202
	Proceeds from sales of investment securities	1,892	6,554
	Purchase of investments in subsidiaries resulting in change in scope of consolidation	-105	-47,408
	Payments of loans receivable	-1,671	-4,574
	Collection of loans receivable	2,867	3,890
	Other, net	-1,841	-627
	Net cash used by (used in) investing activities	-56,674	-92,576
III	Net cash provided by (used in) financing activities		
	Net increase (decrease) in short-term borrowings	-22,045	641
	Net increase (decrease) in commercial paper	8,000	3,000
	Proceeds from long-term loans payable	53,518	121,378
	Repayment of long-term loans payable	-56,830	-54,270
	Proceeds from issuance of bonds	575	950
	Redemption of bonds	-2,274	-1,247
	Payment for issuance of common stock	2,427	2,138
	Proceeds from sales of treasury stock	1,058	51
	Purchase of treasury stocks	-191	-74
	Cash dividend paid	-3,753	-4,668
	Cash dividend paid to minority shareholders	-634	-833
	Other, net	-	-1,527
	Net cash provided by (used in) financing activities	-20,150	65,538
IV	Effect of exchange rate changes on cash and cash equivalents	-299	-4,099
V	Net increase (decrease) in cash and cash equivalents	-5,763	-2,914
VI	Cash and cash equivalents	65,657	60,051
VII	Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	135	-838
VIII	Increase (decrease) in cash and cash equivalents at beginning of term resulting from merger of subsidiaries	22	-
IX	Cash and cash equivalents	60,051	56,299

## Segment Information

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

### Segment information

(Unit: Millions of Yen)

	FY3/08 (4/1/07 – 3/31/08)								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	557,067	83,927	62,223	98,248	55,848	70,262	927,576	—	927,576	
(2) Intersegment sales and transfers	13,589	20,626	6,376	8,688	17	46,211	95,510	(95,510)	—	
Total	570,656	104,553	68,600	106,936	55,865	116,473	1,023,086	(95,510)	927,576	
Operating expenses	531,700	101,039	64,578	105,986	55,743	111,386	970,435	(94,410)	876,025	
Operating income	38,955	3,514	4,021	949	121	5,087	52,650	(1,099)	51,551	

(Unit: Millions of Yen)

	FY3/09 (4/1/08 – 3/31/09)								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	528,511	83,274	61,004	102,339	27,243	69,460	871,833	—	871,833	
(2) Intersegment sales and transfers	13,179	20,753	6,506	8,020	53	44,663	93,177	(93,177)	—	
Total	541,691	104,027	67,511	110,359	27,297	114,123	965,011	(93,177)	871,833	
Operating expenses	538,936	102,331	63,670	107,936	29,617	110,296	952,788	(92,131)	860,657	
Operating income	2,755	1,696	3,840	2,423	-2,320	3,826	12,222	(1,045)	11,176	

### Overseas sales

(Unit: Millions of Yen)

	FY3/08 (4/1/07 – 3/31/08)			
	North America	Asia	Other	Total
I Overseas sales	120,764	87,494	20,124	228,384
II Consolidated sales	—	—	—	927,576
III Ratio of overseas sales to consolidated sales	13.0%	9.4%	2.2%	24.6%

(Unit: Millions of Yen)

	FY3/08 (4/1/08 – 3/31/09)			
	North America	Asia	Other	Total
I Overseas sales	95,667	68,176	18,339	182,183
II Consolidated sales	—	—	—	871,833
III Ratio of overseas sales to consolidated sales	10.9%	7.8%	2.1%	20.9%