

# Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the First Quarter of Fiscal 2010 ended March 31, 2010

August 11, 2009

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

Fiscal 2009 1Q: April 1, 2008-June 30, 2008  
Fiscal 2009: April 1, 2008-March 31, 2009  
Fiscal 2010 1Q: April 1, 2009-June 30, 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.

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

## 1. Consolidated Financial Results for the First Quarter of Fiscal 2010 (April 1, 2009 through June 30, 2009)

### (1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q FY3/10	173,622	-14.2	-3,878	-	-8,245	-	-8,798	-
1Q FY3/09	202,372	-	-1,356	-	-6,410	-	-8,636	-

	EPS		Diluted EPS	
	Yen		Yen	
1Q FY3/10	-9.38		-	
1Q FY3/09	-9.20		-	

### (2) Financial Position

	Total assets		Total net assets		Equity ratio		Equity per share	
	Millions of Yen		Millions of Yen			%	Yen	
1Q FY3/10	1,160,177		222,242		16.0		197.59	
FY3/09	1,158,086		220,038		15.9		195.80	

### 2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/09	—	2.00	—	0.00	2.00
FY3/10	—	—	—	—	—
FY3/10(forecast)	—	—	—	—	—

### 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.  
(Millions of Yen)

Item	1Q FY3/10 (As of 6/30/09)	FY3/09 (As of 3/31/09)
Assets		
Current assets		
Cash and deposits	74,214	61,052
Notes and accounts receivable-trade	157,385	172,621
Merchandise and finished goods	41,530	36,758
Work in process	10,571	12,361
Raw materials and supplies	44,212	46,538
Other	37,538	38,287
Allowance for doubtful accounts	-2,038	-1,961
Current assets	363,413	365,659
Non-current assets		
A. Property, plant and equipment		
Buildings and structures, net	172,582	173,584
Machinery, equipment, and vehicles, net	152,063	151,198
Land	174,756	173,566
Other, net	64,252	57,990
Property, plant and equipment	563,656	556,339
B. Intangible assets		
Goodwill	21,950	21,343
Other	38,196	37,049
Intangible assets	60,146	58,392
C. Investments and other assets		
Investment securities	100,518	103,153
Other	81,957	84,072
Allowance for doubtful accounts	-9,515	-9,530
Investments and other assets	172,960	177,693
Non-current assets	796,763	792,426
Assets	1,160,177	1,158,086

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

Item	1Q FY3/10 (As of 6/30/09)	FY3/09 (As of 3/31/09)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	84,723	100,877
Short-term loans payable	287,746	280,702
Commercial papers	37,000	22,000
Current portion of bonds	20,775	785
Income taxes payable	1,710	2,292
Provision for bonuses	4,004	5,740
Provision for directors' bonuses	13	26
Provision for head office transfer cost	113	428
Provision for loss on transfer of business	5,438	5,438
Other provision	830	818
Other	61,311	65,156
<b>Current liabilities</b>	<b>503,666</b>	<b>484,266</b>
<b>Non-current liabilities</b>		
Bonds payable	53,311	73,181
Bonds with subscription rights to shares	34,130	34,137
Long-term loans payable	230,357	232,559
Provision for retirement benefits	35,421	34,215
Provision for directors' retirement benefits	918	1,083
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	374	361
Other	79,614	78,104
<b>Non-current liabilities</b>	<b>434,267</b>	<b>453,780</b>
<b>Liabilities</b>	<b>937,934</b>	<b>938,047</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	69,499	69,499
Capital surplus	60,744	60,745
Retained earnings	80,945	89,743
Treasury stock	-1,709	-1,702
<b>Shareholders' equity</b>	<b>209,479</b>	<b>218,286</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	8,691	4,952
Deferred gains or losses on hedges	-58	-97
Revaluation reserve for land	4,559	4,559
Foreign currency translation adjustment	-34,477	-41,379
Accumulated other comprehensive losses	-2,769	-2,567
<b>Valuation and translation adjustments</b>	<b>-24,054</b>	<b>-34,531</b>
<b>Minority interests</b>	<b>36,817</b>	<b>36,284</b>
<b>Net assets</b>	<b>222,242</b>	<b>220,038</b>
<b>Liabilities and net assets</b>	<b>1,160,177</b>	<b>1,158,086</b>

## 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)	1Q FY3/10 (4/1/09– 6/30/09)
Net sales	202,372	173,622
Cost of sales	167,411	145,783
Gross profit	34,960	27,838
Selling, general and administrative expenses	36,317	31,717
Operating loss (–)	–1,356	–3,878
Non-operating income		
Interest and income	286	169
Dividends income	229	734
Other	1,020	1,132
Non-operating income	1,537	2,037
Non-operating expenses		
Interest expenses	2,659	2,517
Equity in losses of affiliates	3,252	2,934
Other	679	952
Non-operating expenses	6,591	6,404
Ordinary loss (–)	–6,410	–8,245
Extraordinary income		
Gain on disposal of non-current assets	387	289
Gain on sales of investment securities	379	5
Other	169	148
Extraordinary income	935	443
Extraordinary loss		
Loss on disposal of non-current assets	656	140
Other	626	352
Extraordinary loss	1,282	493
Loss before income taxes and minority interests (–)	–6,757	–8,294
Income taxes-current	1,690	1,404
Income taxes-deferred	81	–393
Income taxes	1,772	1,010
Minority interests in income and loss (–)	107	–507
Net loss (–)	–8,636	–8,798

## 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)	1Q FY3/10 (4/1/09 – 6/30/09)
<b>I</b> Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	-6,757	-8,294
Depreciation and amortization	11,463	11,883
Amortization of goodwill	697	810
Equity in losses of affiliates	3,252	2,934
Loss on valuation of short-term and long term investment securities	89	12
Increase(decrease) in provision for retirement benefits	-193	104
Decrease in provision for directors' retirement benefits	-447	-164
Decrease in provision for bonuses	-2,120	-1,737
Decrease in provision for directors' bonuses	-41	-13
Increase(decrease) in allowance for doubtful accounts	-86	54
Increase(decrease) in other provision	8	-88
Interest and dividends income	-516	-904
Interest expenses	2,659	2,517
Gain(loss) on sales of investment in securities	-377	1
Loss on liquidation of subsidiaries and affiliates	3	-
Gain(loss) on disposal of non-current assets	269	-149
Decrease(Increase) in notes and accounts receivable-trade	-1,617	16,544
Decrease(Increase) in inventories	-13,714	1,005
Decrease in notes and accounts payable-trade	-5,111	-16,772
Other, net	1,664	-844
Subtotal	-10,875	6,898
Interest and dividends income received	502	1,148
Interest expenses paid	-2,952	-3,164
Income taxes paid	-3,619	-2,288
Net cash provided (used in) by operating activities	-16,945	2,594
<b>II</b> Net cash provided by (used in) investing activities		
Decrease(increase) in time deposits	523	-298
Purchase of non-current assets	-12,993	-10,468
Proceeds from sale of non-current assets	609	690
Purchase of investment securities	-4,021	-74
Proceeds from sales of investment securities	1,559	5,152
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-23,263	-
Payments of loans receivable	-1,944	-315
Collection of loans receivable	597	863
Other, net	2,641	597
Net cash provided by (used in) investing activities	-36,292	-3,852
<b>III</b> Net cash provided (used in) financing activities		
Net increase(decrease) in short-term loans payable	37,165	7,117
Net Increase(decrease) in commercial paper	40,000	15,000
Proceeds from long-term loans payable	29,752	4,847
Repayment of long-term loans payable	-25,855	-13,978
Redemption of bonds	-95	-130
Proceeds from issuance of bonds	-	250
Proceeds from issuance of common stock	1,168	-
Purchase of treasury stock	-	-9
Proceeds from sales of treasury stock	22	1
Cash dividends paid	-2,824	-
Cash dividends paid to minority shareholders	-745	-277
Other, net	-	269
Net cash provided (used in) financing activities	78,587	13,090
<b>IV</b> Effect of exchange rate changes on cash and cash equivalents	-3,237	1,110
<b>V</b> Net increase(decrease) in cash and cash equivalents	22,111	12,942
<b>VI</b> Cash and cash equivalents	60,051	56,299
<b>VII</b> Increase(decrease) in cash and cash equivalents resulting from change of scope of consolidation	293	-
<b>VIII</b> Decrease in cash and cash equivalents resulting from corporate division	-	-126
<b>IX</b> Cash and cash equivalents at end of the period	82,457	69,114

## Segment Information

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

### [Industry Segments]

	1Q FY3/10 (4/1/09 – 6/30/09)								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	107,214	16,969	12,191	20,480	3,096	13,670	173,622	—	173,622	
(2) Intersegment sales and transfers	2,865	4,387	1,384	1,536	4	9,623	19,802	(19,802)	—	
Total	110,080	21,356	13,575	22,016	3,100	23,294	193,424	(19,802)	173,622	
Operating income	-3,473	-123	739	414	-1,936	631	-3,748	(130)	-3,878	

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(Millions of Yen)

### [Geographic segments]

	1Q FY3/09 (4/1/09 – 6/30/09)						Eliminations or corporate assets	Consolidated total
	Japan	North America	Asia	Other	Total			
Sales and operating income								
Sales								
(1) Sales to outside customers	150,037	13,283	9,644	656	173,622	—	173,622	
(2) Intersegment sales and transfers	1,160	—	550	—	1,710	(1,710)	—	
Total	151,198	13,283	10,194	656	175,333	(1,710)	173,622	
Operating income	-1,925	-2,012	-34	79	-3,893	14	-3,878	

### Overseas sales

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

		1Q FY3/10 (4/1/09 – 6/30/09)			
		North America	Asia	Other	Total
I	Overseas sales	13,307	11,668	3,777	28,752
II	Consolidated sales	—	—	—	173,622
III	Ratio of overseas sales to consolidated sales	7.7%	6.7%	2.2%	16.6%