

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

November 10, 2009

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

Fiscal 2009 1H: April 1, 2008- September 30,2008  
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.

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

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

### (1) Operating Results

	Net Sales		Income (loss) from operations		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1H FY3/10	357,938	-16.6	-1,732	-	-4,316	-	-7,988	-
1H FY3/09	429,069	-	4,507	-	-3,379	-	-7,323	-

	EPS		Diluted EPS	
	Yen		Yen	
1H FY3/10	-8.53		-	
1H FY3/09	-7.80		-	

### (2) Financial Position

	Total assets		Total net assets		Equity ratio		Equity per share	
	Millions of Yen		Millions of Yen		%	Yen		
1H FY3/10	1,130,513		220,899		16.3	197.64		
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	—	0.00	—	—	—
FY3/10(forecast)	—	—	—	—	—

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

	Net sales		Income from operations		Ordinary income		Net income		EPS	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
FY3/10	737,000	-15.5	5,000	-55.2	500	—	-4,500	—	-4.80	

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	1H FY3/10 (As of 9/30/09)	FY3/09 (As of 3/31/09)
Assets		
Current assets		
Cash and time deposits	60,853	61,052
Notes and accounts receivable-trade	153,156	172,621
Merchandise and finished goods	38,410	36,758
Work in process	8,741	12,361
Raw materials and supplies	43,352	46,538
Other	37,198	38,287
Allowance for doubtful accounts	-1,829	-1,961
Current assets	339,883	365,659
Non-current assets		
A. Property, plant and equipment		
Buildings and structures, net	170,875	173,584
Machinery, equipment, and vehicles, net	145,546	151,198
Land	173,509	173,566
Other, net	68,751	57,990
Property, plant and equipment	558,683	556,339
B. Intangible assets		
Goodwill	20,666	21,343
Other	37,506	37,049
Intangible assets	58,173	58,392
C. Investments and other assets		
Investment securities	101,734	103,153
Other	81,181	84,072
Allowance for doubtful accounts	-9,142	-9,530
Investments and other assets	173,773	177,693
Non-current assets	790,630	792,426
Total assets	1,130,513	1,158,086

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

Item	1H FY3/10 (As of 9/30/09)	FY3/09 (As of 3/31/09)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	77,577	100,877
Short-term bank loans payable	284,223	280,702
Commercial papers	10,000	22,000
Current portion of bonds	20,785	785
Current portion of bonds with subscription rights to shares	12,087	–
Income taxes payable	2,488	2,292
Provision for bonuses	5,253	5,740
Provision for directors' bonuses	7	26
Provision for head office transfer cost	–	428
Provision for loss on transfer of business	5,438	5,438
Other provisions	846	818
Other	55,806	65,156
<b>Current liabilities</b>	<b>474,515</b>	<b>484,266</b>
<b>Non-current liabilities</b>		
Bonds payable	63,363	73,181
Bonds with subscription rights to shares	22,035	34,137
Long-term bank loans payable	235,053	232,559
Provision for retirement benefits	35,494	34,215
Provision for directors' retirement benefits	811	1,083
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for special repairs	388	361
Other	77,813	78,104
<b>Non-current liabilities</b>	<b>435,098</b>	<b>453,780</b>
<b>Liabilities</b>	<b>909,614</b>	<b>938,047</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	69,499	69,499
Capital surplus	60,743	60,745
Retained earnings	81,766	89,743
Treasury stock	–2,476	–1,702
<b>Shareholders' equity</b>	<b>209,532</b>	<b>218,286</b>
<b>Valuation and translation adjustments</b>		
Unrealized gain on other securities	7,746	4,952
Deferred gains or losses on hedges	–74	–97
Revaluation reserve for land	4,548	4,559
Foreign currency translation adjustment	–34,567	–41,379
Accumulated other comprehensive losses	–2,707	–2,567
<b>Valuation and translation adjustments</b>	<b>–25,053</b>	<b>–34,531</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>36,420</b>	<b>36,284</b>
<b>Total net assets</b>	<b>220,899</b>	<b>220,038</b>
<b>Total liabilities and net assets</b>	<b>1,130,513</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	1H FY3/09 (4/1/08– 9/30/08)	1H FY3/10 (4/1/09– 9/30/09)
Net sales	429,069	357,938
Cost of sales	352,140	296,884
Gross profit	76,929	61,053
Selling, general and administrative expenses	72,421	62,786
Income (loss) from operations	4,507	-1,732
Non-operating income		
Interest income	591	304
Dividends income	841	893
Equity in earnings of unconsolidated subsidiaries and affiliates	-	503
Other	1,935	2,574
Non-operating income	3,368	4,275
Non-operating expenses		
Interest expenses	5,436	5,002
Equity in losses of unconsolidated subsidiaries and affiliates	3,922	-
Other	1,897	1,857
Non-operating expenses	11,256	6,860
Ordinary loss (-)	-3,379	-4,316
Extraordinary gain		
Gain on disposal of non-current assets	1,584	361
Gain on sales of investments in securities	657	13
Other	127	269
Extraordinary gain	2,368	644
Extraordinary loss		
Loss on disposal of non-current assets	955	1,323
Loss on impairment of fixed assets	893	14
Other	984	1,190
Extraordinary loss	2,833	2,528
Loss before income taxes and minority interests (-)	-3,844	-6,201
Income taxes-current	3,307	1,926
Income taxes-deferred	-759	-122
Income taxes	-2,548	1,803
Minority interests in net income(loss) of consolidated subsidiaries (-)	931	-16
Net loss (-)	-7,323	-7,988

## Consolidated Statements of Cash Flows

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

(Millions of Yen)

Item	1H FY3/09 (4/1/08 – 9/30/08)	1H FY3/10 (4/1/09 – 9/30/09)
<b>I Cash flows from operating activities</b>		
Loss before income taxes and minority interests(-)	-3,844	-6,201
Depreciation and amortization	24,610	23,930
Amortization of goodwill	1,351	1,669
Equity in losses(earnings) of unconsolidated subsidiaries and affiliates	3,922	-503
Write-off of investments in securities	241	197
Increase(Decrease) in provision for retirement benefits	-1,129	55
Decrease in provision for directors' retirement benefits	-544	-271
Decrease in provision for bonuses	-1,167	-489
Decrease in provision for directors' bonuses	-36	-19
Decrease in allowance for doubtful accounts	-283	-526
Increase(Decrease) in other provision	435	-741
Interest and dividends income	-1,433	-1,197
Interest expenses	5,436	5,002
Loss(Gain) on sales of investment in securities	-594	227
Liquidation of unconsolidated subsidiaries and affiliates	44	0
Loss(Gain) on sale/disposal of property, plant, and equipment	-628	961
Loss on impairment of fixed assets	893	14
Decrease(Increase) in notes and accounts receivable-trade	365	20,570
Decrease(Increase) in inventories	-20,850	6,273
Decrease in notes and accounts payable-trade	-5,257	-23,243
Other, net	-5,832	-6,284
Subtotal	-4,301	19,423
Interest and dividends income received	1,424	2,146
Interest expenses paid	-5,771	-5,169
Income taxes paid	-3,145	-1,687
<b>Cash flows from operating activities</b>	<b>-11,794</b>	<b>14,712</b>
<b>II Cash flows from investing activities</b>		
Decrease(Increase) in time deposits	1,315	-680
Purchase of property, plant, and equipment	-23,649	-22,504
Proceeds from sale of property, plant, and equipment	3,381	1,062
Purchase of investments in securities	-4,288	-118
Proceeds from sales of investment in securities	1,720	6,349
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-48,055	-
Proceeds from sales of subsidiaries resulting in change in scope of consolidation	-	59
Payments of loans receivable	-2,600	-1,621
Collection of loans receivable	1,242	1,565
Other, net	1,902	1,336
<b>Cash flows from investing activities</b>	<b>-69,031</b>	<b>-14,552</b>
<b>III Cash flows from financing activities</b>		
Net increase(decrease) in short-term loans payable	27,723	-4,730
Net Increase(decrease) in commercial paper	27,000	-12,000
Proceeds from long-term loans payable	61,592	32,777
Repayment of long-term loans payable	-35,051	-26,252
Redemption of bonds	-766	-317
Proceeds from issuance of bonds	-	10,500
Proceeds from issuance of common stock	2,157	-
Purchase of treasury stock	-	-775
Proceeds from sales of treasury stock	22	1
Cash dividends paid	-2,822	-
Cash dividends paid to minority shareholders	-647	-632
Other, net	-103	-480
<b>Cash flows from financing activities</b>	<b>79,103</b>	<b>-1,909</b>
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	<b>-1,094</b>	<b>960</b>
<b>V Decrease in cash and cash equivalents</b>	<b>-2,816</b>	<b>-788</b>
<b>VI Cash and cash equivalents at beginning of the period</b>	<b>60,051</b>	<b>56,299</b>
<b>VII Cash and cash equivalents at beginning of the period resulting from change of scope of consolidation</b>	<b>718</b>	<b>-</b>
<b>VIII Decrease in cash and cash equivalents resulting from corporate division</b>	<b>-</b>	<b>-126</b>
<b>IX Cash and cash equivalents at end of the period</b>	<b>57,953</b>	<b>55,383</b>

## Segment Information

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

[Industry Segments]

(Millions of Yen)

	1H FY3/10 (4/1/09 – 9/30/09)								Consolidated total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total	Eliminations or corporate assets	
Net sales									
(1) Net sales to outside customers	221,639	35,218	26,099	39,981	7,016	27,983	357,938	—	357,938
(2) Intersegment net sales	5,497	8,743	2,957	3,092	23	18,390	38,705	(38,705)	—
Total	227,136	43,961	29,057	43,074	7,039	46,373	396,643	(38,705)	357,938
Income (loss) from operations(-)	-2,892	395	2,186	328	-2,422	1,061	-1,343	(388)	-1,732

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

[Geographic segments]

(Millions of Yen)

	1H FY3/10 (4/1/09 – 9/30/09)						Eliminations or corporate assets	Consolidated total
	Japan	North America	Asia	Other	Total			
Net sales								
(1) Net sales to outside customers	303,902	28,558	23,844	1,632	357,938	—	357,938	
(2) Intersegment net sales	2,991	—	1,362	—	4,354	(4,354)	—	
Total	306,893	28,558	25,207	1,632	362,292	(4,354)	357,938	
Income (loss) from operations(-)	847	-3,867	1,818	127	-1,074	(658)	-1,732	

## Overseas sales

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

(Millions of Yen)

	1H FY3/10 (4/1/09 – 9/30/09)			
	North America	Asia	Other	Total
I Overseas sales	28,630	29,179	7,152	64,962
II Consolidated sales	—	—	—	357,938
III Ratio of overseas sales to consolidated sales	8.0%	8.2%	2.0%	18.2%