

# News Releases

September 20, 2005

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## Changes to the organization effective October 1, 2005

Effective 1 October 2005, Taiheiyo Cement Corporation will implement the following changes in its organization to consolidate its in-house-company structure and improve business efficiency.

### 1. Changes to the organization of the Cement Company

- 1) Administrative work associated with affiliated companies, which is currently the responsibility of the Administration Department, sales promotion work for large projects by the Sales & Technical Support Department, and the soil improvement material business will be centralized into the Sales Department to facilitate a comprehensive sales policy.
- 2) The quality-management function for the products of the Production Department and technical-service function for Technical Support Department customers will be integrated and transferred to the newly established the Quality Assurance & Technical Support Department. This move is designed to speed up the response to user needs and achieve further improvement in quality assurance.
- 3) Facility management functions of each plant, which has been the responsibility of the Engineering & Technology Department (one of headquarters Professional Staff departments), will be transferred to the newly established the Maintenance & Engineering Department.

### 2. Changes to the organization of the Ceramics & Electronics Business (CE) Company

The CE Company's Business Development Department and Ceramics & Electronics Research Team of the Research & Development Center will be integrated into the Research & Development Department to centralize ceramics and electronics R&D and business development functions, and to shorten development-to-commercialization lead times.

### 3. Restructuring of Engineering and Technology and R&D organizations

- 1) The technical development function of the Engineering & Technology Department (one of the headquarters Professional Staff departments) and the R&D functions of the Research & Development Division (Research & Development Center and Intellectual Property Department) will be integrated to form the new Research & Technological Development Division (RTD)
- 2) A new Development Promotion Department will be established within the RTD Division to oversee cross-department research and technological development.

#### **4. Integration of Tsukumi and Saiki Plants**

The Tsukumi and Saiki Plants will be integrated into the Oita Plant to improve efficiencies in management and personnel.

A full organization chart follows.