

# News Releases

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## Announcement of Revised Interim Earnings Forecast

Taiheiyo Cement hereby announces a revision of its interim earnings forecast for the first half of FY 2006 (1H FY2006). The previous forecast was issued at the time of the announcement of financial results for FY 2005 on May 17, 2005.

### 1. Revision of the interim earnings forecast (non-consolidated basis) for FY 2006 (April 1 - September 30, 2005)

(Units: Millions of yen, %)

	Net sales	Ordinary profit	Net profit(loss)
Previous forecast (A)	143,000	4,000	(6,100)
Revised forecast (B)	153,000	9,500	(6,600)
Increase/decrease amount (B) - (A)	10,000	5,500	-500
Increase/decrease ratio	7.0	137.5	-
(Reference) Actual result (1H FY2005)	139,794	2,722	4,499

### 2. The main reasons for the revision are as follows:

#### Increased sales

We are expecting an increase in net sales because of higher domestic sales volume of cement and mineral materials, and growth of the industrial waste processing business.

#### Increased ordinary profit

We are expecting an increase in ordinary profit because of an improvement in the financial balance from increased dividends received from subsidiaries and other factors.

#### Increased net loss for the current term

We expect a reduction in net profit for the current term because of extraordinary loss arising from disposal of fixed assets, and revision of deferred tax assets associated with impairment of some fixed assets to a more conservative figure.

### 3. Revision of the interim earnings forecast (consolidated basis) for FY 2006 (April 1 - September 30, 2005)

(Units: Millions of yen, %)

	Net sales	Ordinary profit	Net profit(loss)
Previous forecast (A)	420,000	12,000	(15,000)
Revised forecast (B)	435,000	18,000	(14,000)
Increase/decrease amount (B) -(A)	15,000	6,000	1,000
Increase/decrease ratio	3.6	50.0	-
(Reference) Actual result (1H FY2005)	413,090	11,238	6,255

### 4. The main reasons for the revision are as follows:

#### Increased sales

We are expecting an increase in net sales because of higher parent sales and increased sales at overseas cement subsidiaries in the U.S. and elsewhere.

#### Increased ordinary profit

We are expecting an increase in ordinary profit because of higher parent profit and increase in profit at overseas cement subsidiaries in the U.S. and elsewhere.

#### Decreased net loss for the current term

We expect the overall profit improvement to be small compared with ordinary profit improvement, because of factors contributing to an increased parent net loss.

Both the non-consolidated and consolidated earnings forecasts for the full term are currently being totalized. We will announce the forecasts together with the interim financial results scheduled for November 15.