

# News Releases

November 15, 2005

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## Earnings Forecast Revisions

Taiheiyo Cement Corporation announces the following revisions to its earnings forecasts for fiscal 2006 (April 1, 2005 - March 31, 2006), which were initially announced along with fiscal 2005 results on May 17, 2005, to account for recent trends in the company's performance and other factors.

### 1. Revised non-consolidated forecasts for fiscal 2006 (April 1, 2005-March 31, 2006)

	Unit	Net sales	Ordinary income	Net income
Previous forecasts (A)	¥ million	293,000	12,000	-1,400
Revised forecasts (B)	¥ million	307,000	17,500	500
Change (B) - (A)	¥ million	14,000	5,500	1,900
Percent change	%	4.8	45.8	-
Ref: Fiscal 2005 results	¥ million	291,734	8,890	3,730

### 2. Revised consolidated forecasts for fiscal 2006 (April 1, 2005-March 31, 2006)

	Unit	Net sales	Ordinary income	Net income
Previous forecasts (A)	¥ million	870,000	41,000	-1,000
Revised forecasts (B)	¥ million	880,000	47,000	5,000
Change (B) - (A)	¥ million	10,000	6,000	6,000
Percent change	%	1.1	14.6	-
Ref: Fiscal 2005 results	¥ million	872,686	38,264	14,412

### 3. Main reasons for revising earnings forecasts

#### Non-consolidated

##### Increase in ordinary income and net income

We expect ordinary income to increase as a result of higher sales volume in the domestic cement business, higher sales volume in the mineral resources business, expansion of waste treatment operations, and improvement in net financial expenses due to an increase in dividends received from consolidated subsidiaries. We also expect to achieve net income growth due to the increase in ordinary income.

#### Consolidated

##### Increase in ordinary income and net income

We expect to achieve net income growth for the reasons cited above as well as a revision of tax expenses.