

# News Releases

March 28, 2006

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## New Engineering Ceramics Company Opens for Business

TAIHEIYO CEMENT CORPORATION today announced that together with Nihon Ceratec Co., Ltd., a group company within the Ceramics & Electronics Business Company, it established Sanyo Ceratec Corporation on March 9, 2006. Taiheiyo Cement will transfer engineering ceramics operations from group company Yakushima Denko Co., Ltd. to the new joint venture, which will open for business on April 1. These actions are intended to expand and increase the profitability of the ceramics and electronics business, which is positioned as a growth business within the Taiheiyo Cement Group.

Sanyo Ceratec seeks to respond to the needs of its customers by providing even higher density and more reliable ceramic materials and products in a timely manner based on support from the manufacturing technology and expertise of Taiheiyo Cement and Nihon Ceratec.

### Profile of new company

1. Company name      Sanyo Ceratec Corporation
2. Addresses:            6326-3 Oaza Onoda, Sanyo Onoda City, Yamaguchi Prefecture  
    Head office and      7-12-8 Ginza, Chuo-ku, Tokyo  
    plant  
    Sales division
3. Representative      Akio Yamamoto, president  
                                  (General manager of Administration Department, Ceramics & Electronics  
                                  Business Company, TAIHEIYO CEMENT CORPORATION)
4. Capital                ¥100 million
5. Shareholders        TAIHEIYO CEMENT CORPORATION (85.1%)  
                                  Nihon Ceratec Co., Ltd. (14.9%)
6. Employees            16
7. Established           March 9, 2006
8. Commence            April 1, 2006  
    business

9. Business objective            Develop, manufacture, and sell engineering ceramic products and materials

10. Fiscal year                    Ends in March

Note: Engineering ceramics refers to ceramics used in industrial machinery. These ceramics have superior abrasion resistance, heat resistance, and chemical resistance and feature high-level toughness and stiffness.