

# News Releases

April 25, 2006

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## Fiscal 2006 Earnings Forecast Revisions

Taiheiyo Cement Corporation today announced the following revisions to the earnings forecasts for fiscal 2006 (April 1, 2005-March 31, 2006) announced on November 15, 2005.

### 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	307,000	17,500	500
Revised forecasts (B)	¥ million	309,000	20,800	22,700
Change (B) (A)	¥ million	2,000	3,300	23,200
Percent change	%	0.7	18.9	
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	880,000	47,000	5,000
Revised forecasts (B)	¥ million	900,000	49,000	8,000
Change (B) (A)	¥ million	20,000	2,000	3,000
Percent change	%	2.3	4.3	60.0
Ref: Fiscal 2005 results	¥ million	872,686	38,264	14,412

### 3. Main reasons for revising earnings forecasts

#### Non-consolidated

##### *Increase in net sales*

- We expect net sales to increase as a result of growth in our environmental business.

##### *Increase in ordinary income*

- We expect ordinary income to increase due to higher operating income resulting from growth in our environmental business and cost-cutting effects and to an increase in net financial income.

#### *Net loss*

- We anticipate a net loss as a result of recording a loss on the write-off of investments in securities of ¥21.2 billion and a provision to the allowance for losses on overseas investments of ¥8.7 billion. These items are discussed in a separate news release published today.

### **Consolidated**

#### *Increase in net sales*

- We expect net sales to increase as a result of higher non-consolidated sales at Taiheiyo Cement and higher sales at overseas cement subsidiaries in the United States and elsewhere.

#### *Increase in ordinary income*

- Despite the increase in non-consolidated ordinary income, we anticipate a smaller rise in consolidated ordinary income as a result of higher equity in losses of unconsolidated subsidiaries and affiliates.

#### *Increase in net income*

- We expect net income to increase as a result of higher gains on the sale of stocks and other securities