

April 24, 2007

Taiheiyo Cement Corporation  
Mitsubishi Materials Corporation

### **Groundbreaking Ceremony held for the 2nd Production Line at Nghi Son Cement Corporation of Vietnam**

Nghi Son Cement Corporation, a joint venture of Taiheiyo Cement Corporation, Mitsubishi Materials Corporation, and Vietnam National Cement Corporation (VNCC), held a groundbreaking ceremony for the 2nd Production Line of its Thanh Hoa Plant on April 23, 2007.

Nghi Son Cement Corporation decided in May 2005 to expand by building a second production line, to meet the flourishing demand for cement brought about by Vietnam's economic development. Subsequently, the concurrence of all concerned parties was sought in preparation for commencement of work, and preparations being complete, the groundbreaking ceremony has now been held.

Work on construction of the 2nd Production Line will now go into full swing, and the line is scheduled to commence commercial operations in the autumn of 2009. The 2nd Production Line's cement production capacity is 2.2 million tons per year, the same as that of the 1st Production Line. At the same time, a limestone mine will be expanded to increase output of this vital cement raw material. Also newly built will be a cement tanker, a new cement distribution terminal in central Vietnam to supplement the existing Ho Chi Minh distribution Terminal, and a marketing network to serve all areas of Vietnam. Due to the insufficiency of cement plants in the southern part of the country a shortage of cement is forecasted, and Nghi Son Cement Corporation will move forward with the expansion of sales south market such as Ho Chi Minh City in particular.

As stated on the investment license, the predicted cost of the construction of the 2nd Production Line is US\$240 million. When this is added to the cost of the 1st Production Line, it makes this business Japan's largest investment in Vietnam. When the 2nd Production Line is completed, Nghi Son Cement Corporation will be that country's largest producer of cement. The new capacity will contribute to more than double its present net sales and profit.

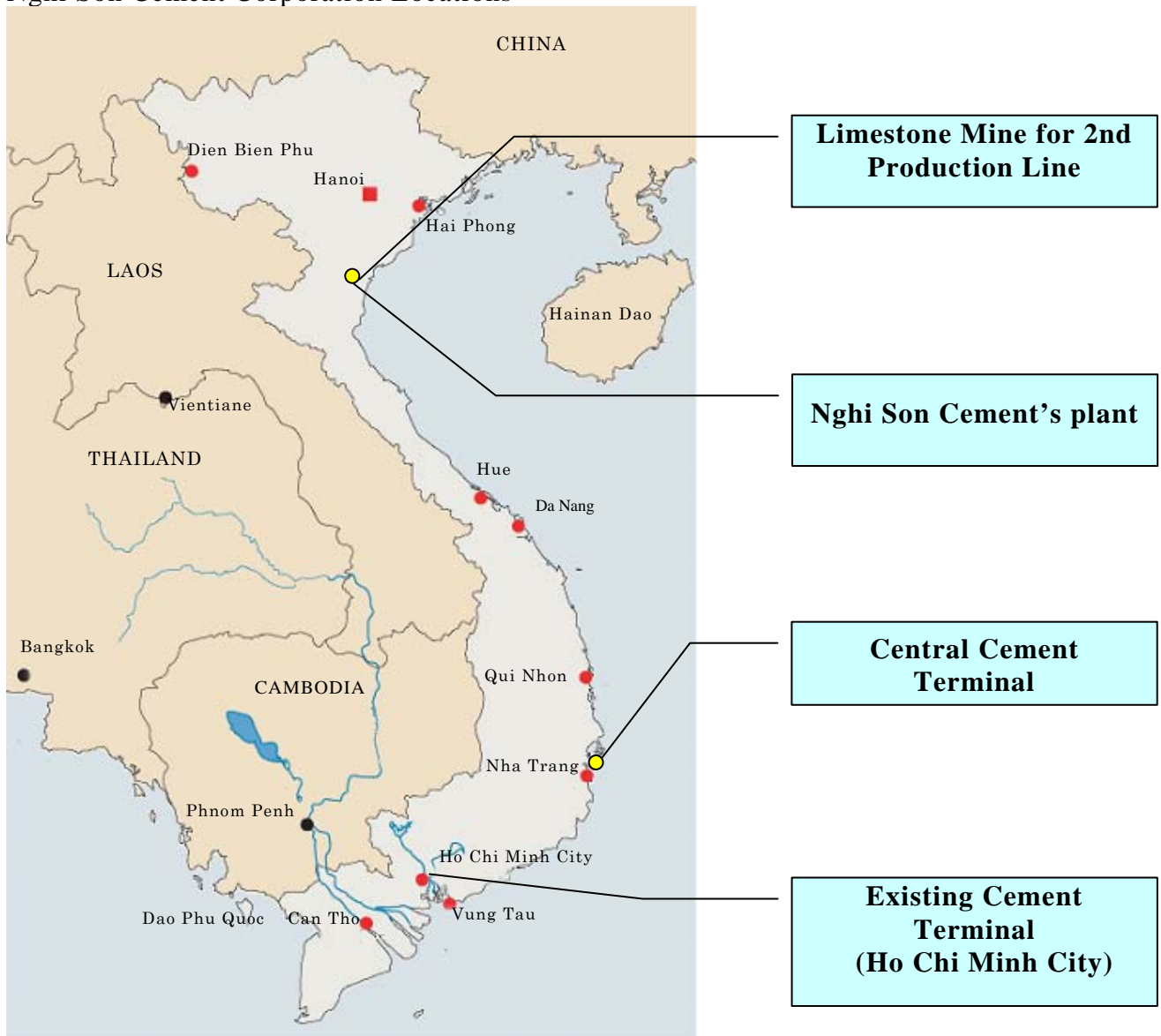
#### Overview of Nghi Son Cement Corporation

|                              |   |
|------------------------------|---|
| Company name                 | Nghi Son Cement Corporation   |
| Headquarters and plant       | Thanh Hoa province, the Socialist Republic of Vietnam (Coastline, approximately 200km south of Hanoi)   |
| Paid-in capital              | US\$108.1 million (Approx. ¥13.0 billion at US\$1=¥120)   |
| Investment ratio             | VNCC, 35%; NM Cement Co., LTD. (the Japanese investment company), 65%, of which Taiheiyo Cement Corporation is providing 70% and Mitsubishi Materials Corporation is providing 30%. |
| Representative               | Norio Mori, General Director  |
| Number of employees:         | Approx. 450   |
| Cement production capacity   | 2.15 million metric tons per year   |
| Cement distribution terminal | Ho Chi Minh City, two 17,000 ton silos  |
| Branches                     | Hanoi, Ho Chi Minh City   |

Overview of Investment in Plant and Equipment

|                             |   |
|-----------------------------|---|
| 2nd Production Line         | Cement production capacity: 2.2 million metric tons per year (Location next to the 1 <sup>st</sup> Production Line) |
| Expansion of limestone mine | New mine development  |
| Cement tanker               | Building of a new cement carrier (Total DWT 15,000 metric tons)   |
| Central Cement Terminal     | Suburbs of Nha Trang City, Khanh Hoa Province<br>15,000 metric ton silo   |

Nghi Son Cement Corporation Locations



Supplementary materials



2nd Production Line groundbreaking ceremony (April 23, 2007)



Nghi Son Cement Corporation's plant