

News Releases

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Consolidated and Non-Consolidated Earnings Forecast Revisions

Taiheiyo Cement Corporation announces the following revisions (consolidated and non-consolidated) to its earnings forecasts for fiscal 03/2008 (April 1, 2007-March 31, 2008), which were initially announced on May 15, 2007, to account for recent trends in the company's performance and other factors.

1.Revised consolidated forecasts for fiscal 03/2008 (April 1, 2007-March 31, 2008)

| | Net sales | Operating income | Ordinary income | Net income | Net income/ share |
|-------------------------|-----------|------------------|-----------------|------------|-------------------|
| Previous forecasts (A) | ¥973,000m | ¥73,000m | ¥63,000m | ¥32,000m | ¥34.18 |
| Revised forecasts (B) | ¥932,000m | ¥56,000m | ¥49,000m | ¥22,500m | ¥24.00 |
| Change (B) - (A) | -¥41,000m | -¥17,000m | -¥14,000m | -¥9,500m | - |
| Change(%) | -4.2% | -23.3% | -22.2% | -29.7% | - |
| Ref: FY 03/2007 results | ¥940,630m | ¥76,692m | ¥67,907m | ¥24,408m | ¥26.08 |

2.Revised non-consolidated forecasts for fiscal 03/2008 (April 1, 2007-March 31, 2008)

| | Net sales | Operating income | Ordinary income | Net income | Net income/ share |
|-------------------------|-----------|------------------|-----------------|------------|-------------------|
| Previous forecasts (A) | ¥325,000m | ¥16,000m | ¥19,000m | ¥7,000m | ¥7.39 |
| Revised forecasts (B) | ¥317,000m | ¥11,000m | ¥15,000m | ¥6,500m | ¥6.86 |
| Change (B) - (A) | -8,000m | -5,000m | -4,000m | -¥500m | - |
| Change(%) | -2.5% | -31.3% | -21.1% | -7.1% | - |
| Ref: FY 03/2007 results | ¥313,409m | ¥22,340m | ¥26,365m | ¥5,611m | ¥5.92 |

3.Main reasons for earnings forecast revisions

Decrease in sales

- We expect decreased revenues on a non-consolidate basis due to lower cement sales volume in Japan; on a consolidated basis, we anticipated lower sales due to lower cement sales volume in the U.S. to compound this.

Decrease in ordinary, net, and current-net income

- We expect these decreases in sales to result in lower ordinary, net, and current-net income than initially anticipated.

***Disclaimer:** The forecasts in this document are based on information available at the time of its release. Actual results may differ substantially due to unforeseeable factors or post-release events.*