

April 22, 2008

Taiheiyo Cement Anticipates Posting Extraordinary Loss

Taiheiyo Cement Corporation announced that it expects to report an extraordinary loss for fiscal 2008. Details are provided below.

1. Transfer to allowance for doubtful accounts

Taiheiyo Cement Corporation has established an allowance for doubtful accounts for loans to consolidated subsidiary Sanshin Electric International Corporation. Accordingly, Taiheiyo Cement's non-consolidated financial statements will reflect a ¥5.3 billion transfer to the allowance for doubtful accounts, which will be posted as an extraordinary loss.

Because this loss will be eliminated in consolidated financial statements, it will have no effect on consolidated performance.

2. Outlook for the future

Taking the above extraordinary loss into account, the company's non-consolidated full-year financial results forecast is being revised as of this date.