

January 13, 2009

Company : Taiheiyo Cement Corporation

Stock code : 5233

URL : <http://www.taiheiyo-cement.co.jp/>

Loss on Valuation of Investment Securities and Loss on Valuation of Stocks of Subsidiaries and Affiliates

Taiheiyo Cement Corporation announces that it will record loss on valuation of investment securities and loss on valuation of stocks of subsidiaries and affiliates in the third quarter of fiscal 2009 (the year ended March 31, 2009). The company will be writing down any listed investment securities and listed stocks of subsidiaries and affiliates whose market value has fallen significantly below book value.

1. Loss on valuation of investment securities and loss on valuation of stocks of subsidiaries and affiliates at the end of the third quarter of fiscal 2009

Loss on valuation of investment securities and loss on valuation of stocks of subsidiaries and affiliates totaled ¥37.8 billion at the end of the third quarter of fiscal 2009, comprising ¥5.8 billion for investment securities and ¥31.9 billion for stocks of subsidiaries and affiliates.

The ¥31.9 billion in loss on valuation of stocks of subsidiaries and affiliates is not recorded in consolidation and do not affect consolidated earnings.

We write down investment securities at the end of each quarter using reversal method. Depending on market value at the end of fiscal 2009, the amount of extraordinary loss may change or extraordinary loss may not be incurred.

2. Outlook

We are examining our earnings forecasts for fiscal 2009 and will make another announcement when the outlook becomes clear.