

**Taiheiyo Cement Announces  
Loss on Valuation of Investment Securities and Loss on Valuation of Stocks of  
Subsidiaries, Provision of Allowance for Doubtful Accounts (Extraordinary  
Loss), Income Taxes for Prior Periods, and Reversal of Deferred Tax Assets**

**Tokyo, April 21, 2009** — Taiheiyo Cement Corporation announced that it will report the one-time charges detailed below, income taxes for prior periods, and a partial reversal of its deferred tax assets in fiscal 2009 (year ended March 31, 2009).

**1. Loss on valuation of investment securities and loss on valuation of stocks of subsidiaries**

In its fiscal 2009 accounts, the Company will book loss on valuation of investment securities and loss on valuation of stocks of subsidiaries that have declined in market value to materially below book value and are deemed unlikely to fully recover in value.

**Total loss on valuation of investment securities and loss on valuation of stocks of subsidiaries booked in fiscal 2009 (approximate values)**

	Consolidated	Non-consolidated
(A) Total loss on valuation of investment securities and loss on valuation of stocks of subsidiaries booked in the fiscal fourth quarter (January 1 to March 31, 2009)	¥0.7bn	¥1.7bn
(i) Total loss on valuation of investment securities and loss on valuation of stocks of subsidiaries booked in fiscal 2009 (April 1, 2008 to March 31, 2009)	¥6.9bn	¥39.5bn
(ii) Total loss on valuation of investment securities and loss on valuation of stocks of subsidiaries booked in the fiscal first through third quarters (April 1, 2008 to December 31, 2008)	¥6.2bn	¥37.8bn

Note: The Company's fiscal year ends on March 31; in valuing investment securities, the Company reverses interim (i.e., quarterly) impairment losses if the impaired securities subsequently recover in market value by fiscal year-end.

**Loss on valuation as a percentage of net assets, ordinary income, and net income**

	Consolidated	Non-consolidated
(B) Net assets at March 31, 2008	¥327.5bn	¥207.3bn
(A/B × 100)	0.2%	0.8%
(i/B × 100)	2.1%	19.1%
(C) Fiscal 2008 ordinary income	¥41.6bn	¥12.9bn
(A/C × 100)	1.7%	13.2%
(i/C × 100)	16.6%	306.2%
(D) Fiscal 2008 net income	¥20.4bn	¥2.2bn
(A/D × 100)	3.4%	77.3%
(i/D × 100)	33.8%	1,795.45%

**2. Provision of allowance for doubtful accounts (extraordinary loss)**

The Company has reassessed the collectibility of its receivables and will book a ¥12.7 billion provision of allowance for doubtful accounts on a non-consolidated basis, mainly to reflect reductions in the estimated value of claims against consolidated subsidiaries.

This provision applies mainly to Sanshin Electric International Corporation (¥3.8bn provision), TCC Holdings Labuan, Inc. (¥3.4bn), Clear Kanzai Corporation (¥1.5bn), Doo Resource Development Corporation (¥0.7bn), and Ichihara Ecocement Corporation (¥0.7bn).

In the consolidated accounts, the provision will be mostly offset by eliminations. Its impact on consolidated results consequently will be immaterial.

### 3. Income taxes for prior periods

The Company was audited by the Tokyo Regional Taxation Bureau for the three tax years through fiscal 2007 and received a correction notice regarding its corporate income taxes.

The correction notice mainly pertained to the applicability of fixed assets' acceleratedly depreciated book value to gains on the sale of land. Although the correction notice is partly attributable to differences in interpretation, the Company acknowledges room for improvement in its accounting treatment of the items in question. The Company has decided to comply with the correction notice and will accordingly book a ¥1.5bn charge to income taxes for prior periods in its fiscal 2009 consolidated and non-consolidated accounts.

### 4. Reversal of deferred tax assets

The Company has been booking foreign tax credit carryovers as deferred tax assets under the assumption that dividends expected to be paid by overseas subsidiaries pursuant to explicit dividend policies will in fact be paid. This practice has been disallowed by the Practical Guidance on Deferred Tax Accounting in Nonconsolidated Financial Statements (JICPA Accounting System Committee Report No. 10) as amended April 14, 2009. The Company will accordingly book a ¥2.1 billion reversal of deferred tax assets derived from foreign tax credit carryovers.

### 5. Future outlook

The Company revised its fiscal 2009 non-consolidated earnings forecast today.