

July 1, 2009

Company : Taiheiyo Cement Corporation
Stock code : 5233
URL : <http://www.taiheiyo-cement.co.jp/>

Taiheiyo Cement Corporation Cancels Business Transfer Agreement

Taiheiyo Cement Corporation announced that it has cancelled the agreement with Dept Corporation to transfer all businesses of consolidated subsidiary Sanshin Electric International Corporation to Dept. The agreement was announced on March 31, 2009 (see press release “Announcement of Transfer of Consolidated Subsidiary’s Business and Extraordinary Loss”).

Background

On March 31, 2009, Taiheiyo Cement concluded an agreement with Dept Corporation to transfer all consolidated subsidiary Sanshin Electric International Corporation businesses to Dept effective June 30, 2009. However, Dept sought a change in the terms and conditions shortly before closing the deal. Having reviewed them, Taiheiyo Cement concluded that the new terms and conditions were unacceptable and decided to cancel the agreement.

Impact on Earnings

Taiheiyo Cement will estimate the impact of the agreement’s cancellation on its earnings forecast and announce specifics once they have been finalized.