

September 18, 2009

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

Taiheiyo Cement Revises Second-Quarter Earnings and Interim Dividend Forecasts

Taiheiyo Cement Corporation announced the following revisions (consolidated and non-consolidated) to its earnings forecasts for the second quarter (2Q) of fiscal 2010 (FY 2010: April 1, 2009–March 31, 2010) and its interim dividend, initially announced on May 15, 2009, to account for recent trends in the company's performance and other factors.

1. Revised consolidated forecasts for 2Q FY 2010(April 1, 2009 – September 30, 2009)

	Net sales	Income from operations	Ordinary income	Net income	Net income per share
Previous forecasts (A)	Millions of yen 390,000	Millions of yen 2,000	Millions of yen -3,000	Millions of yen -2,500	Yen -2.66
Revised forecasts (B)	360,000	-3,500	-7,000	-9,000	-9.61
Change (B) – (A)	-30,000	-5,500	-4,000	-6,500	—
Percent change	-7.7%	—	—	—	—
Ref: 2Q FY3/09 results	429,069	4,507	-3,379	-7,323	-7.80

2. Revised non-consolidated forecasts for 2Q FY 2010(April 1, 2009-September 30, 2009)

	Net sales	Income from operations	Ordinary income	Net income	Net income per share
Previous forecasts (A)	Millions of yen 152,000	Millions of yen 1,000	Millions of yen 3,000	Millions of yen 1,000	Yen 1.06
Revised forecasts (B)	138,000	-3,000	700	100	0.11
Change (B) – (A)	-14,000	-4,000	-2,300	-900	—
Percent Change	-9.2%	—	-76.7%	-90.0%	—
Ref: 2Q FY3/09 results	157,301	-5,181	-1,381	-948	-1.01

3. Main reasons for revisions

Consolidated 2Q FY 2010 results forecast

We now expect consolidated net sales to fall short of our initial forecast. Demand for cement continues to fall in Japan and in the United States in the wake of the global recession, and a broad range of segments in our resources businesses are being hit hard by declining demand and falling orders.

We expect consolidated income from operations to be negative, pulled down by the drop in sales and despite efforts to cut fixed costs. In this context we see our consolidated ordinary income situation deteriorating, despite a reversal of losses on equity-method investments, resulting in a deeper loss at the net-income line. We also anticipate a heavier loss at the consolidated current net-income level as increased tax expenses compound the effects of lower consolidated net income.

Non-consolidated 2Q FY 2010 results forecast

We now expect non-consolidated net sales to also fall short of our initial forecast, for the same reasons as with consolidated results.

We expect non-consolidated income from operations to be negative, also for the same reasons as with consolidated results. We see non-consolidated ordinary income falling short of our previous forecast, despite an increase in dividends received. We also estimate that non-consolidated current net income will be lower than our previous forecast, despite an improvement in our extraordinary profit and loss situation, on account of deteriorated ordinary income.

We will publish revised forecasts for the full year to March 2010 when we announce final results for the second quarter.

4. Interim dividend forecast for the first half of FY 2010

Base date:	Dividend per share (¥)		
	end 2Q	end year	Full year
Initial forecast (May 15, 2009)	Yen —	Yen —	Yen —
Revised forecast	0	—	—
Previous year (March 31, 2009)	2	0	2

In our initial forecast announcement, we did not specify an interim dividend for FY 2010. Given that second quarter results have fallen far short of our original expectations, as outlined above, we regret that we will not be able to pay a dividend for the first half year of FY 2010.

At present we wish to refrain from committing to a FY 2010 year-end dividend, but will announce our stance as soon as disclosure is feasible.

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.*