

March 30, 2010

## Announcement of Extraordinary Losses

Taiheiyo Cement Corporation announces that it expects to incur the following extraordinary losses in fiscal 2010, ending March 31, 2010.

### 1. Business-structure reform costs

We have decided to implement business structure reforms to prepare for sustained growth from fiscal 2012.

We plan to record resulting business structure reform costs under extraordinary losses in fiscal 2010, comprising about ¥33 billion in non-consolidated accounts and about ¥34 billion in consolidated accounts.

Business structure reform details are discussed in “Medium-Term Business Plan Revisions and Business Structure Reforms—Laying the Groundwork for Sustained Growth from Fiscal 2012 Onward,” released on March 30, 2010.

### 2. Provisions for doubtful accounts (extraordinary loss)

We have examined the financial position of our subsidiaries and affiliates, and based on a conservative assessment of the collectability of receivables, we plan to record a ¥6.5 billion provision to allow for doubtful accounts covering loans to main consolidated subsidiaries in our non-consolidated accounts.

This has a negligible impact on consolidated earnings because a majority of this loss is offset in consolidated accounts.

### 3. Loss on valuation of investment securities and loss on valuation of stocks of subsidiaries and affiliates

We expect to record a loss on valuation of investment securities and a loss on valuation of stocks of subsidiaries and affiliates in fiscal 2010 as a result of writing down any investment securities and stocks of subsidiaries and affiliates for which market value has fallen significantly below book value and a recovery is perceived to be difficult.

#### Total loss on valuation of investment securities and loss on stocks of subsidiaries and affiliates in fiscal 2010

	Consolidated	Non-consolidated
(A) Total loss on valuation of investment securities and loss on stocks of subsidiaries and affiliates in the fourth quarter of fiscal 2010 (January 1, 2010 to March 31, 2010)	¥0	¥5.6 billion
(i) Total loss on valuation of investment securities and loss on stocks of subsidiaries and affiliates in fiscal 2010 (April 1, 2009 to March 31, 2010)	¥400 million	¥5.9 billion
(ii) Total loss on valuation of investment securities and loss on stocks of subsidiaries and affiliates in the first three quarters of fiscal 2010 (April 1, 2009 to December 31, 2009)	¥300 million	¥200 million

*Note:* Taiheiyo Cement Corporation's fiscal year ends on March 31.

Quarterly valuation of securities uses the reversal method of lower of cost or market (allows for upward revaluation).

#### Percentage of net assets, ordinary income, and net income

	Consolidated	Non-consolidated
(B) Net assets as of March 31, 2009	¥220 billion	¥144.9 billion
(A / B x 100)	0.0%	4.0%
(i / B x 100)	0.2%	4.1%
(C) Average ordinary income during the previous five fiscal years (Note)	¥39.5 billion	¥13.8 billion
(A / C x 100)	0.2%	41.2%
(i / C x 100)	1.1%	43.1%
(D) Average net income during the previous five fiscal years (Note)	¥13.6 billion	¥2.3 billion
(A / D x 100)	0.7%	245.7%
(i / D x 100)	3.1%	257.6%

**Note:** Lists past five-year averages for ordinary income and net income (fiscal years with losses were averaged at 0 regardless of the size of the losses) because ordinary income and net income were below ¥1 billion in fiscal 2009.

#### 4. Outlook

We revised our consolidated and non-consolidated earnings forecasts for fiscal 2010 on March 30, 2010.