

## Taiheiyo Cement Announces Disparities Between Forecast and Results for 2Q FY3/11 and Revises Full-Year Forecasts

Taiheiyo Cement Corporation announced the disparities outlined below between its financial results for the second quarter of fiscal 2011 (April 1, 2010–September 30, 2010), announced today, and its earnings forecasts for the period released on May 11, 2010.

Taiheiyo Cement also announced the revisions, outline below, to its earnings forecasts for the full year to March 2011 in light of recent earnings trends.

### 1. Forecast–results disparities for the second quarter of fiscal 2011 (April 1, 2010–September 30, 2010)

#### Consolidated

	Net sales	Operating loss	Ordinary loss	Net loss	Net loss per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	335,000	(4,000)	(7,500)	(11,500)	(12.30)
Results (B)	343,014	(1,801)	(7,679)	(13,101)	(13.93)
Difference (B) – (A)	8,014	2,198	(179)	(1,601)	—
Percent difference (%)	2.4	—	—	—	—
Ref: 2Q FY3/10 results	357,938	(1,732)	(4,316)	(7,988)	(8.53)

#### Non-consolidated

	Net sales	Operating income(loss)	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	128,000	(1,000)	600	1,000	1.10
Results (B)	128,951	1,422	5,771	6,807	7.17
Difference (B) – (A)	951	2,422	5,171	5,807	—
Percent difference (%)	0.7	—	861.9	580.7	—
Ref: 2Q FY3/10 results	138,485	(1,925)	1,477	524	0.56

### 2. Revised forecasts for the full year (April 1, 2010–March 31, 2011)

#### Consolidated

	Net sales	Operating income	Ordinary income	Net income(loss)	Net income(loss) per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	710,000	13,000	6,000	4,000	4.30
Revised forecasts (B)	691,400	10,500	2,000	4,000	4.30
Change (B) – (A)	(18,600)	(2,500)	(4,000)	0	—
Percent change (%)	(2.6)	(19.2)	(66.7)	0	—
Ref: FY 2010 results	728,581	3,572	148	(37,041)	(39.50)

**Non-consolidated**

	<b>Net sales</b>	<b>Operating income</b>	<b>Ordinary income</b>	<b>Net income(loss)</b>	<b>Net income(loss) per share</b>
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	260,000	7,000	7,200	16,500	17.40
Revised forecasts (B)	263,000	10,000	13,000	25,000	26.30
Change (B) – (A)	3,000	3,000	5,800	8,500	—
Percent change (%)	1.2	42.9	80.6	51.5	—
Ref: FY 2010 results	278,843	3,381	6,643	(39,559)	(41.81)

**3. Reasons for forecast–results disparities and full-year earnings forecast revisions****(1) Forecast–results disparities**

Consolidated ordinary income and net income were lower than our previously announced forecasts because the company recorded losses in equity of unconsolidated subsidiaries and affiliates and a loss on valuation of investment securities.

Non-consolidated operating income, ordinary income, and net income were higher than our previously announced forecasts as a result of reducing fixed costs.

**(2) Forecast revisions**

We expect consolidated operating income and ordinary income to be lower than our previously announced forecasts as a result of weakness in our US business caused by a slow recovery of the US economy.

We expect non-consolidated operating income, ordinary income, and net income to be higher than our previously announced forecasts as a result of reductions in fixed costs.

Our new earnings forecasts account for the information included in our “Taiheiyo Cement Announces Loss on Valuation of Investment Securities in the Second Quarter of Fiscal 2011” release of November 9, 2010.

Note: Forecasts in this document are based on information currently available and certain assumptions deemed reasonable. Actual results may differ significantly for a variety of reasons, including economic conditions, market demand, input and fuel prices, and foreign exchange rates.