

## Taiheiyo Cement Announces Loss on Valuation of Investment Securities in the Second Quarter of Fiscal 2011

Taiheiyo Cement Corporation announced that it needs to record a loss on valuation of investment securities in the second quarter of fiscal 2011, the year to March 2011, after writing down available-for-sale securities whose market value has fallen significantly and shows no sign of recovering.

### 1. Loss on valuation of investment securities in the second quarter of fiscal 2011

	Consolidated	Non-consolidated
(A) Total loss on valuation of investment securities in 2Q FY3/11 (July 1, 2010–September 30, 2010) (i – ii)	¥2,207 million	¥2,178 million
(i) Total loss on valuation of investment securities in the 1H FY3/11 (April 1, 2010–September 30, 2010)	¥2,243 million	¥2,188 million
(ii) Total loss on valuation of investment securities in the 1Q FY3/11 (April 1, 2010 to June 30, 2010)	¥36 million	¥9 million

*Notes:* 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, 2010	¥188,187 million	¥106,306 million
(A / B × 100)	1.2%	2.0%
(i / B × 100)	1.2%	2.1%
(C) Ordinary income in FY3/10 (non-consolidated) Average ordinary income during the previous five fiscal years (consolidated) (Note)	¥31,898 million	¥6,643 million
(A / C × 100)	6.9%	32.8%
(i / C × 100)	7.0%	32.9%
(D) Average net income during the previous five fiscal years (Note)	¥10,798 million	¥1,568 million
(A / D × 100)	20.4%	138.9%
(i / D × 100)	20.8%	139.6%

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

### 2. Outlook

This loss on the valuation of investment securities will be reflected as an extraordinary loss in our “Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Second Quarter of Fiscal 2011 ended March 31, 2011” to be released on November 9, 2010.

Our earnings forecasts for fiscal 2011 are presented in “Taiheiyo Cement Announces Disparities Between Forecast and Results for 2Q FY3/11 and Revises Full-Year Forecasts” to be released on November 9, 2010.