

Results of Early Retirement Program

Taiheiyo Cement Corporation announced the results of its early retirement program, previously discussed in previous news releases, “Medium-Term Management Plan Revisions and Business Restructuring” (March 30, 2010), “Taiheiyo Cement Announces Change to Part of Business Restructuring Plan” (June 29, 2010), and “Taiheiyo Cement Announces Additional Change to Part of Business Restructuring Plan,” (August 10, 2010).

1. Overview of early retirement program

- (i) Number: About 500
- (ii) Eligible: All regular employees
- (iii) Offer valid: July 1–September 20, 2010
- (iv) Retirement date: September 30, 2010
- (v) Other: Retirees will receive a special bonus in addition to their prescribed retirement allowance.
Applicants will receive assistance from a reemployment assistance company.

2. Results of early retirement program

A total of 427 employees applied for early retirement.

We expect the personnel reduction to exceed our initial target due to an increase in transfers and other factors. Our initial target was listed in our “Medium-Term Management Plan Revisions and Business Restructuring” release (March 30, 2010).

Item	April 1, 2010	September 30, 2010	Personnel reduction
Employees	3,238	(Initial target) 2,500	-738
		(Anticipated) 2,395	-843

Additionally, we targeted annual earnings improvement of ¥4 billion as a result of reducing personnel through early retirement. We expect the actual impact to be near this figure.

3. Earnings impact

We are examining the potential earnings impact, but expect it to be minor in fiscal 2011 as a result of extraordinary losses, including retirement bonuses from the early retirement program and lump-sum amortization of unfunded retirement benefit obligations, under business structure reform costs, in fiscal 2010.

We will promptly announce any revisions to our consolidated or non-consolidated earnings forecasts in the event that revisions are required.