

## Taiheiyo Cement Corporation Announces Extraordinary Losses

Taiheiyo Cement Corporation announced today that it recorded the extraordinary losses described below in its results for FY3/11, the year to March 31, 2011.

### 1. Losses stemming from natural disasters

Taiheiyo Cement and some of its consolidated subsidiaries incurred damage to inventory, manufacturing plant, and shipping facilities in the earthquake that struck northeastern Japan on March 11, 2011. We booked a non-consolidated extraordinary loss of ¥8,269 million and consolidated extraordinary loss of ¥9,206 million to cover our estimated losses from damaged inventory and fixed assets, and the estimated costs of repairs and recovery.

### 2. Impairment losses on investment securities and shares in subsidiaries and affiliates

We recorded a impairment losses on the valuation of investment securities and shares held in subsidiaries and affiliates in FY3/11. We wrote down investment securities and shares in subsidiaries and affiliates showing little promise of recovery whose market value has fallen significantly below book value.

#### Total loss on valuation of investment securities and shares in subsidiaries & affiliates in FY3/11

	Consolidated	Non-consolidated
(A) Total loss on valuation of investment securities and shares in subsidiaries and affiliates at end Q4 FY3/11 (January 1, 2011 to March 31, 2011)	-¥361 million (reversal)	¥1,609 million
(i) Total loss on valuation of investment securities and shares in subsidiaries and affiliates in FY3/11 (April 1, 2010 to March 31, 2011)	¥1,842 million	¥4,003 million
(ii) Total loss on valuation of investment securities and shares in subsidiaries and affiliates in Q1-Q3 FY3/11 (April 1, 2010 to December 31, 2010)	¥2,203 million	¥2,393 million

Note: FY ends 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, 2010	¥188,187 million	¥106,306 million
(A/B × 100)	-0.2%	1.5%
(i/B × 100)	1.0%	3.8%
(C) Ordinary non-consolidated ordinary income in fiscal 2010 and average consolidated ordinary income during the previous five fiscal years (Note)	¥31,898 million	¥6,643 million
(A/C × 100)	-1.1%	24.2%
(i/C × 100)	5.8%	60.3%
(C) Average net income during the previous five fiscal years*	¥10,798 million	¥1,568 million
(A/D × 100)	-3.3%	102.6%
(i/D × 100)	17.1%	255.3%

\* 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 2010.

### **3. Outlook**

Our summary of FY3/11 consolidated financial results already accounts for these losses.