

Notice on the Determination of the Issue Price and the Secondary Offering Price

In respect of the new share issue and the secondary offering decided at the Board of Directors meeting of Taiheiyo Cement Corporation (“the Company”) held on August 30, 2011, the issue price and the secondary offering price have been determined as follows.

1. New share issue offered to the public (public offering)

(1)	Issue Price	<u>121 yen per share</u>
(2)	Total issue price	<u>30,250,000,000 yen</u>
(3)	Amount to be paid	<u>116 yen per share</u>
(4)	Total amount to be paid	<u>29,000,000,000 yen</u>
(5)	Increases in capital	<u>Increase in capital 14,500,000,000 yen</u>
	and capital reserve	<u>Increase in capital reserve 14,500,000,000 yen</u>
(6)	Subscription period	<u>From September 8, 2011 (Thursday) to September 9, 2011 (Friday)</u>
(7)	Date of payment	<u>September 14, 2011 (Wednesday)</u>

(Note) Underwriters engage in a bought deal at the paid-in amount and make offerings at the issue price (offering price).

2. Secondary offering of the shares of the Company (secondary offering by over allotment)

(1)	Number of shares for the secondary offering	<u>37,500,000 shares</u>
(2)	Offer price	<u>121 yen per share</u>
(3)	Total offer price	<u>4,537,500,000 yen</u>
(4)	Subscription period	<u>From September 8, 2011 (Thursday) to September 9, 2011 (Friday)</u>
(5)	Date of payment	<u>September 15, 2011 (Thursday)</u>

3. New share issue by means of allocation to a third party

(1)	Amount to be paid	<u>116 yen per share</u>
(2)	Total amount to be paid	<u>(up to) 4,350,000,000 yen</u>
(3)	Increases in capital	<u>Increase in capital (up to) 2,175,000,000 yen</u>
	and capital reserve	<u>Increase in capital reserve (up to) 2,175,000,000 yen</u>
(4)	Subscription period	<u>September 27, 2011 (Tuesday)</u>
(5)	Date of payment	<u>September 28, 2011 (Wednesday)</u>

<Reference>

1. Calculation of the issue price and the secondary offering price

(1)	Pricing date and price	<u>September 7, 2011 (Wednesday)</u>		<u>125 yen</u>
(2)	Discount rate			<u>3.20 %</u>

2. Syndicate Cover Transaction Period

From September 10, 2011 (Saturday) to September 20, 2011 (Tuesday)

Notice: Please note that this document is a press release to make an announcement of the new share issue and secondary offering by the Company, without any intention to solicit investment. Investors are kindly reminded that they should make sure that their investment decision is based on their own judgment after having read the prospectus and its amendment (if any) prepared and filed by the Company in connection with the new share issue and secondary offering.

3. Use of the funds raised by the proposed exercise

Of the approximate proceeds from the public offering and the allocation to a third party, not exceeding ¥33,150,000,000, ¥8,700,000,000 shall be used by the end of the fiscal year ending March 2012, as capital expenditure for restoring Ofunato plant which inflicted significant damage in the Great East Japan Earthquake, ¥3,200,000,000 shall be used by the end of the fiscal year ending March 2013 as capital expenditure for installing a waste heat power generator and waste acceptance facility at Kamiiso plant, ¥10,000,000,000 shall be used by the end of the fiscal year ending March 2013, as investments and loans for subsidiaries of the Company, while the balance shall be used by the end of the fiscal year ending March 2013, as capital expenditure at other plants and business premises.

Of the ¥10,000,000,000 earmarked for investments and loans, ¥5,000,000,000 shall be used as capital expenditure at the Company's U.S. subsidiary, CalPortland Company, while another ¥5,000,000,000 shall be used for business investments for cement and related businesses in Asia and Oceania regions.

As for the details, please refer to "Announcement of New Share Issue and Secondary Offering", released on August 30, 2011.

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