

Notice on the Determination of the Number of Shares to be Issued  
in the Scheduled Allocation of New Shares to a Third Party

In respect of the allocation of new shares to a third party as decided by the resolution at the Board of Directors meeting of Taiheiyo Cement Corporation (“the Company”) held on August 30, 2011, simultaneously with the new share issue offered to the public (public offering) and the secondary offering of the shares of the Company (secondary offering by over allotment), the allocatee informed the Company of intention to subscribe for the [whole/part] of the shares scheduled to be issued, as summarized below.

(1) Number of new shares to be issued	37,500,000 shares
	(Number of shares scheduled to be issued 37,500,000 shares)
(2) Total amount to be paid	4,350,000,000 yen
	(116 yen per share)
(3) Increase in capital	2,175,000,000 yen
	(58 yen per share)
(4) Increase in capital reserve	2,175,000,000 yen
	(58 yen per share)
(5) Subscription period	September 27, 2011 (Tuesday)
(6) Date of payment	September 28, 2011 (Wednesday)

<Reference>

- The above allocation of new shares to a third party was decided by the resolution at the meeting of Board of Directors held on August 30, 2011, simultaneously with the new share issue offered to the public (public offering) and the secondary offering of the shares of the Company (secondary offering by over allotment). As for the details of this allocation of new shares to a third party, please refer to “Announcement of New Share Issue and Secondary Offering”, released on August 30, 2011 and “Notice on the Determination of the Issue Price and the Secondary Offering Price”, released on September 7, 2011.
- Scheduled changes in the total number of outstanding shares in the allocation of new shares to a third party

Total number of outstanding shares at present	1,200,300,586 shares
Increase in the number of shares through this allocation	37,500,000 shares
Total number of outstanding shares after this allocation	1,237,800,586 shares

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.

3. Use of the funds raised by the allocation of new shares to a third party

The aforementioned allocation of new shares to a third party raising approximately ¥4,323,000,000 is combined with the public offering, which was decided by the simultaneous resolutions, raising approximately ¥28,827,000,000. Of the combined proceeds amounting approximately to ¥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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