

October 28, 2014

To: All concerned parties

Company Name: Taiheiyo Cement Corporation
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Notice of a Subsidiary's Filing of a Petition for Bankruptcy

Taiheiyo Cement Corporation ("the Company") hereby announces that Sanshin (Hungary) Kft. (a Hungarian overseas affiliated company; hereinafter "Sanshin (Hungary)"), a subsidiary of Sanshin Electric International Co., Ltd. (head office: Daiba, Minato-ku, Tokyo), which is a wholly owned consolidated subsidiary of the Company, filed a petition for bankruptcy in accordance with Hungarian Act XLIX of 1991 on Bankruptcy Proceedings and Liquidation on October 28, 2014 (local time), as described below.

1. Reason for filing the petition

Sanshin (Hungary), which is a consolidated subsidiary of the Company, was established in May 1999 in Nagykőrös City, the Republic of Hungary (the present Hungary), and has been engaged in the electronic business such as electronics manufacturing services (EMS) for European corporations.

As the business continuity of Sanshin (Hungary) became difficult due to severe demand trends in the EMS market, which were affected by the worsening European economy, Sanshin (Hungary) was dissolved as of January 1, 2012, and thereafter conducted adjustments of its operating receivables and debts, as well as sales of its real estate holdings.

At present, the only remaining accrued liabilities are borrowings from Sanshin Electric International Co., Ltd., the parent company of Sanshin (Hungary). However, Sanshin (Hungary) has determined to file a petition for bankruptcy with the local jurisdictional court in accordance with Hungarian Act XLIX of 1991 on Bankruptcy Proceedings and Liquidation as there is no prospect for repayment of its accrued liabilities.

2. Total debt

3,622 million HUF (¥1.63 billion)

3. Outline of the company concerned

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|------------------------------|---|
| (1) Trade name: | Sanshin (Hungary) Kft. |
| (2) Location of head office: | Hungary (Nagykőrös City) |
| (3) Establishment: | May 1999 |
| (4) Liquidator: | Eszter Oszlár |
| (5) Description of business: | Electronic business such as EMS |
| (6) Capital: | 785 million HUF |
| (7) Shareholding ratio: | 100% held by Sanshin Electric International Co., Ltd. |

(8) Financial position and operating results in the recent years:

(Millions of HUF)

	Fiscal year ended December 2011	Fiscal year ended December 2012	Fiscal year ended December 2013
Net sales	28,087	0	0
Operating income (loss)	(594)	(263)	(112)
Ordinary income (loss)	(2,254)	645	761
Net income (loss)	(4,950)	551	690
Total net assets	(4,503)	(3,952)	(3,263)
Total assets	1,071	539	115

4. Impact on the Company's performance

Sanshin Electric International Co., Ltd.'s loans receivable of ¥1.63 billion (3,622 million HUF) due from Sanshin (Hungary) have already been expensed for accounting purposes and therefore will have no impact on the Company's performance (consolidated and non-consolidated).

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