

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Third Quarter of Fiscal 2009 ended March 31, 2009

February 12, 2009

Company: Taiheiyo Cement Corporation
Stock code: 5233
URL: <http://www.taiheiyo-cement.co.jp/>

Fiscal 2008 3Q: April 1, 2007-December 31, 2007
Fiscal 2008: April 1, 2007-March 31, 2008
Fiscal 2009 3Q: April 1, 2008-December 31, 2008
Fiscal 2009: April 1, 2008-March 31, 2009

The accompanying consolidated financial results are not intended to present the financial results in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(All yen figures are rounded down to the nearest one million yen.)

1. Consolidated Financial Results for the Third Quarter of Fiscal 2009 (April 1, 2008 through December 31, 2008)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q FY3/09	662,921	-	8,893	-	-2,472	-	-21,931	-
3Q FY3/08	697,891	-0.0	39,257	-28.8	33,372	-32.2	18,866	-7.2

	EPS	Diluted EPS
	Yen	Yen
3Q FY3/09	-23.37	-
3Q FY3/08	20.13	18.61

(2) Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
3Q FY3/09	1,268,370	258,303	17.4	235.23
FY3/08	1,218,033	327,589	23.8	308.82

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/08	—	2.00	—	3.00	5.00
FY3/09	—	2.00	—	—	—
FY3/09(forecast)	—	—	—	0.00	2.00

3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2009

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY3/09	880,000	-5.1	9,000	-82.5	-6,000	—	-28,000	—	-29.83

This forecast is based on the information available at the date of publication of this material and assumptions at the same date with respect to the various factors which might have impact on the future financial results. Actual results may differ materially from this forecast due to various factors.

Consolidated Balance Sheets

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	3Q FY3/09 (As of 12/31/08)	FY3/08 (As of 3/31/08)
Assets		
Current assets		
Cash and time deposits	81,557	64,465
Notes and accounts receivable-trade	214,769	189,559
Merchandise and finished goods	39,338	35,744
Work in process	20,648	8,688
Raw materials and supplies	50,977	41,586
Other	43,112	39,228
Allowance for doubtful accounts	-1,655	-1,425
Total current assets	448,748	377,848
Non-current assets		
A. Property, plant and equipment		
Buildings and structures, net	177,361	188,411
Machinery, equipment, net	161,072	172,317
Land	174,486	166,092
Other, net	60,891	44,228
	573,811	571,049
B. Intangible assets		
Goodwill	25,781	22,679
Other	37,914	27,820
	63,695	50,499
C. Investments and other assets		
Investments in securities	113,547	152,647
Other	79,533	77,109
Allowance for doubtful accounts	-10,965	-11,120
	182,115	218,635
Total non-current assets	819,622	840,184
Total assets	1,268,370	1,218,033

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(Millions of Yen)

Item	3Q FY3/09 (As of 12/31/08)	FY3/08 (As of 3/31/08)
Liabilities		
Current liabilities		
Notes and accounts payable	110,871	109,114
Short-term loans payable	322,445	284,104
Commercial papers	22,000	19,000
Current portion of bonds	512	1,227
Accrued income taxes	3,435	4,036
Reserve for bonuses	3,855	7,046
Reserve for directors' bonuses	18	53
Other reserves	819	787
Other	80,040	63,338
Total current liabilities	543,999	488,710
Non-current liabilities		
Bonds payable	72,625	72,997
Bonds with subscription rights to shares	34,145	34,167
Long-term loans payable	244,184	178,740
Reserve for retirement benefits	34,656	35,319
Reserve for directors' retirement benefits	996	1,453
Reserve for loss on business of subsidiaries and affiliates	138	138
Reserve for special repairs	349	315
Other	78,970	78,600
Total non-current liabilities	466,068	401,733
Total liabilities	1,010,067	890,443
Net assets		
Shareholders' equity		
Capital stock	69,499	69,499
Additional paid-in capital	60,742	60,756
Retained earnings	103,138	142,923
Treasury stock, at cost	-1,699	-1,689
Total shareholders' equity	231,681	271,489
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,688	10,352
Deferred gains or losses on hedges	-202	-45
Revaluation reserve for land	4,558	4,594
Foreign currency translation adjustment	-21,182	5,469
Accumulated other comprehensive losses	-1,790	-1,971
Total valuation and translation adjustments	-10,928	18,399
Minority interests	37,550	37,701
Net assets	258,303	327,589
Liabilities and net assets	1,268,370	1,218,033

Consolidated Statements of Income

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	3Q FY3/09 (4/1/08– 12/31/08)
Net sales	662,921
Cost of sales	545,234
Gross profit	117,687
Selling, general and administrative expenses	108,793
Operating income	8,893
Non-operating income	
Interest income	853
Dividends income	1,049
Other	2,875
Total non-operating income	4,777
Non-operating expenses	
Interest expenses	8,018
Equity in losses of affiliates	5,849
Other	2,275
Total non-operating expenses	16,143
Ordinary loss	-2,472
Extraordinary income	
Gain on disposal of non-current assets	1,678
Gain on sales of investment securities	665
Other	352
Total extraordinary income	2,695
Extraordinary loss	
Loss on disposal of non-current assets	1,637
Loss on impairment of fixed assets	893
Loss on valuation of investment securities	6,274
Amortization of goodwill in equity	4,491
Other	3,625
Total extraordinary loss	16,922
Loss before income taxes	-16,699
Income taxes-current	5,977
Income taxes-differed	-2,291
Total income taxes	3,686
Minority interests in income	1,545
Net loss	-21,931

Consolidated Statements of Cash Flows

All yen figures are rounded down to the nearest one million yen.

(Millions of Yen)

	3Q FY3/09 (4/1/08 – 12/31/08)
I Cash flows from operating activities	
Loss before income taxes	-16,699
Depreciation and amortization	37,861
Amortization of goodwill	2,172
Equity in losses of affiliates	5,849
Loss on valuation of investment securities	6,274
Amortization of goodwill in equity	4,491
Decrease in reserve for retirement benefits	-1,343
Decrease in reserve for directors' retirement benefits	-456
Decrease in reserve for bonuses	-3,104
Decrease in reserve for directors' bonuses	-35
Increase in allowance for doubtful accounts	286
Decrease in other reserves	-72
Interest and dividends income received	-1,902
Interest expenses paid	8,018
Gain on sales and valuation of investment securities	-656
Loss on liquidation of subsidiaries and affiliates	158
Gain on disposal of non-current assets	-41
Loss on impairment of fixed assets	893
Increase in notes and accounts receivable-trade	-24,779
Increase in inventories	-26,517
Increase in notes and accounts payable-trade	712
Other	9,383
Subtotal	493
Interest and dividends income received	1,889
Interest expenses paid	-8,148
Income taxes paid	-5,740
Net cash provided by operating activities	-11,505
II Cash flows from investing activities	
Decrease in time deposits	623
Purchase of non-current assets	-36,751
Proceeds from sale of non-current assets	4,879
Purchase of investment securities	-2,816
Proceeds from sales of investment securities	1,881
Payments for acquisition of newly consolidated subsidiaries	-48,489
Payments of loans receivable	-4,795
Collection of loans receivable	3,906
Other, net	1,270
Net cash used in investing activities	-80,290
III Cash flows from financing activities	
Increase in short-term loans payable	46,138
Increase in commercial papers	3,000
Proceeds from long-term loans payable	113,096
Repayment of long-term loans payable	-46,515
Redemption of bonds	-1,126
Proceeds from issuance of common stock	2,201
Proceeds from sales of treasury stock	22
Cash dividends paid	-4,668
Cash dividends paid to minority shareholders	-833
Other, net	-177
Net cash provided by financing activities	111,136
IV Effect of exchange rate changes on cash and cash equivalents	-1,802
V Increase in cash and cash equivalents	17,538
VI Cash and cash equivalents at beginning of the fiscal year	60,051
VII Decrease in cash and cash equivalents resulting from change of scope of consolidation	-195
VIII Cash and cash equivalents at end of the period	77,394

Segment Information

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(Millions of Yen)

[Industry Segments]

	3Q FY3/09 (4/1/08 – 12/31/08)								
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total	Eliminations or corporate assets	Consolidated total
Sales and operating income									
Sales									
(1) Sales to outside customers	404,432	64,171	46,086	71,935	23,793	52,503	662,921	—	662,921
(2) Intersegment sales and transfers	10,104	15,200	5,059	5,993	79	32,089	68,525	(68,525)	—
Total	414,536	79,371	51,145	77,928	23,872	84,592	731,447	(68,525)	662,921
Operating income/loss	2,608	1,625	2,601	495	-971	2,778	9,137	(244)	8,893

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(Millions of Yen)

[Geographic segments]

	3Q FY3/09 (4/1/08 – 12/31/08)						
	Japan	North America	Asia	Other	Total	Eliminations or corporate assets	Consolidated total
Sales and operating income							
Sales							
(1) Sales to outside customers	536,172	76,173	47,282	3,293	662,921	—	662,921
(2) Intersegment sales and transfers	3,419	—	3,848	1	7,269	(7,269)	—
Total	539,592	76,173	51,130	3,294	670,191	(7,269)	662,921
Operating income	2,918	1,864	4,570	418	9,771	(878)	8,893

Overseas sales

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(Millions of Yen)

		3Q FY3/09 (4/1/08 – 12/31/08)			
		North America	Asia	Other	Total
I	Overseas sales	76,365	51,802	13,767	141,935
II	Consolidated sales	—	—	—	662,921
III	Ratio of overseas sales to consolidated sales	11.5%	7.8%	2.1%	21.4%

Reference

3Q FY3/08 (4/1/2007 – 12/31/2007) Consolidated Financial Statement

(1) 3Q FY3/08 Consolidated Statement of Income

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	3Q FY3/08 (4/1/07 – 12/31/07)
I Net sales	697,891
II Cost of sales	550,641
Gross profit	147,249
III Selling, general and administrative expenses	107,992
Operating income	39,257
IV Non-operating income	6,892
V Non-operating expenses	12,776
Ordinary income	33,372
VI Extraordinary income and loss	-107
Income before income taxes	33,264
Income taxes-current	12,492
Income taxes for prior periods	-2,252
Income taxes-differed	1,835
Minority interests in income	2,322
Net income	18,866

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(Millions of Yen)

(2) 3Q FY3/08 Industry segments

	3Q FY3/08 (4/1/07 – 12/31/07)							Eliminations or corporate assets	Consolidated total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Other	Total		
Sales	437,926	78,149	49,841	71,204	46,454	86,590	770,166	(72,274)	697,891
Operating expenses	406,723	75,365	47,140	71,764	46,735	82,412	730,141	(71,507)	658,634
Operating Income/loss	31,203	2,783	2,701	-560	-281	4,178	40,024	(767)	39,257