Corporate Profile

The Taiheiyo Cement Group is Japan’s largest cement manufacturer and aims to become a leading Pacific Rim company by conducting global operations in its core cement business and related mineral resource and environmental businesses.

To fulfill our social responsibilities as a member of the cement industry we seek to protect the environment and recycle resources by leveraging our extensive portfolio of recycling technologies and the ability of our cement plants to process and reuse large volumes of waste and byproducts.

Financial Highlights

<table>
<thead>
<tr>
<th>CONSOLIDATED</th>
<th>2010 $(Millions of yen)$</th>
<th>2009 $(Millions of yen)$</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>¥ 728,582</td>
<td>¥ 871,834</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3,572</td>
<td>11,176</td>
</tr>
<tr>
<td>Loss before Income Taxes and Minority Interests</td>
<td>(42,155)</td>
<td>(32,909)</td>
</tr>
<tr>
<td>Net Loss</td>
<td>(37,042)</td>
<td>(35,371)</td>
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<tr>
<td>At year-end:</td>
<td></td>
<td></td>
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<tr>
<td>Net Assets</td>
<td>188,187</td>
<td>220,038</td>
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<tr>
<td>Total Assets</td>
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<td>1,158,086</td>
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<tr>
<td>Net Loss per Share</td>
<td>(39.50)</td>
<td>(37.69)</td>
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</table>

<table>
<thead>
<tr>
<th>UNCONSOLIDATED</th>
<th>2010 $(Millions of yen)$</th>
<th>2009 $(Millions of yen)$</th>
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<tbody>
<tr>
<td>For the year:</td>
<td></td>
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<tr>
<td>Net Sales</td>
<td>¥ 278,843</td>
<td>¥ 316,948</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3,381</td>
<td>(6,902)</td>
</tr>
<tr>
<td>Loss before Income Taxes and Minority Interests</td>
<td>(39,341)</td>
<td>(42,984)</td>
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<tr>
<td>Net Loss</td>
<td>(39,559)</td>
<td>(55,144)</td>
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<tr>
<td>At year-end:</td>
<td></td>
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</tr>
<tr>
<td>Net Assets</td>
<td>106,306</td>
<td>144,943</td>
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<tr>
<td>Total Assets</td>
<td>628,462</td>
<td>614,819</td>
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<tr>
<td>Net Loss per Share</td>
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<td>(58.22)</td>
</tr>
<tr>
<td>Dividends per Share</td>
<td>—</td>
<td>2.00</td>
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</tbody>
</table>
TO OUR STOCKHOLDERS

Continuing Tough Climate in the Japanese and U.S. Markets in FY2010
(Fiscal 2010, ended on March 31, 2010)

While the successive stimulus packages implemented to address domestic recession in the wake of the global economic downturn have had some positive impacts on consumer spending and exports, public sector spending, private sector capital expenditure and investment in housing remain weak, creating a difficult business climate for our group.

Some indicators point to improvement in the U.S. economy but, where jobs, income levels and the housing market are concerned, the situation in the U.S. continues to be challenging. China’s economy continues to recover, fueled by brisk investment in fixed assets and stronger exports. In other parts of Asia too, economies are showing signs of recovery, with aggressive stimulus packages taking effect and boosting domestic demand while exports to China and other countries remain strong.

In this environment our sales totaled ¥728,581 million, down ¥143,252 million from FY2009; income from operations was ¥3,572 million, down ¥7,603 million, and ordinary income was ¥148 million, up ¥5,028 million. Extraordinary losses, including business structure reform costs, totaled ¥46,376 million, as a result of which we posted a net loss of ¥37,041 million in FY2010, down ¥1,670 million from FY2009.

In view of earnings in FY2010 and the business structure reform costs posted as extraordinary losses, we have decided against paying a year-end dividend.

Business Structure Reforms Underway

Although a recovery of demand in Asian and other countries is spurring a continued rise in exports and production, Japan’s economy continues to suffer from weak capital expenditure and declining public sector spending, creating a situation that does not allow for optimism.

We anticipate that in our mainstay domestic cement business, both public and private sector demand will remain weak. In the U.S. too, while the economy is showing signs of recovery, it may well not pick up fully and the difficult climate looks likely to continue.

As announced in the Medium-Term Management Plan Revisions and Business Restructuring released on March 30, 2010, the Taiheiyo Cement Group has responded to this tough business climate by positioning FY2011 as a period for laying the groundwork for sustainable growth from FY2012 onward, and it is reorganizing its business accordingly (see p.4). We are working on the swift and decisive implementation of the three main policies to be carried out under this reorganization; namely, the reorganization of our domestic production structure, organization and personnel reform, and domestic cement sales reorganization and streamlining of logistics.

We expect consolidated sales to decline to ¥710 billion in FY2011 but, as a result of boosting plant utilization rates and reducing fixed costs, we forecast income from operations of ¥13 billion, income before taxes and minority interests of ¥6 billion, and net income of ¥4 billion.

We are placing priority on bolstering our business foundation, particularly our financial footing, and seek to maintain a stable dividend in the future. Making the issue of a stable dividend our basic policy, we will seek to distribute income appropriately in line with the business climate and consolidated performance for the period concerned. Our dividend for FY2011 is still undecided but we will promptly disclose a dividend forecast when a decision has been made.

We will do our utmost to respond to your faith in us by driving the further growth of the Taiheiyo Cement Group and we look forward to your continued support and cooperation.

Keiji Tokuue
President
# Business Structure Reforms

## 1. Reorganization of Domestic Production Structure

### (1) Reduction of production capacity

- We plan to close a production facility with a cement production capacity of about 40 million tons per year (including imports of about 100,000 tons) for the foreseeable future from FY2011 onward. We will plan to reduce production capacity as detailed below and boost our plant utilization rate to 85% (as opposed to 80% if no action is taken).

- Taiheiyo Cement Plants: Halt cement production at the Tsuda plant and the Sakai factory at Oita plant.
- Affiliated company: Halt cement production by subsidiary Chichibu Taiheiyo Cement Corporation.

### (2) Activities to be continued

- We plan to continue the mining, crushing and sale of limestone, and manufacture of special-purpose cements at the plants where cement production is to be halted. We will also continue to investigate the conversion and use of existing equipment for new applications and businesses.

### (3) Exports and overseas markets

- We will continue to use our full modernization and expansion of export cement as our surplus production capacity allows, but because exports are less profitable than domestic cement sales, we will gradually reduce them. We are building an optimum structure to supply overseas markets by combining exports from both domestic and overseas plants with tripartite trade.

## 2. Organization and Personnel Reforms

In light of the steep downturn in domestic cement demand, we will reform our organization and personnel structure commensurate with the scale of our business.

### (1) Organization

- We will need to make our corporate system introduced in FY2005 and implement fundamental changes to streamline our organization in October 2010.

### (2) Personnel

- We will seek to reduce personnel by encouraging employee transfer and early retirement, and will seek to achieve the following reduction in employees by the end of September 2010.

- Estimated improvement in earnings:
  - ¥2 billion/year
  - Costs related to personnel reform: ¥7.7 billion

## 3. Domestic Cement Sales Reorganization and Streamlining of Logistics

The costs and earnings improvement (unconsolidated) of business structure reform, including the foregoing three items, are as follows:

- Estimated improvement in earnings: ¥22 billion/year
- Estimated improvement in earnings (annual)
  - Domestic cement production reduction: 17.5
  - Organization and personnel reforms: 8.7
  - Logistics streamlining: 2.6
  - Other: 2
  - Total: 33.7

Note: We plan to book ¥31.3 billion of the above costs as an extraordinary loss in FY2010.

We also plan to include gains and raise funds by disposing of assets in FY2011.

## Major Financial Data

<table>
<thead>
<tr>
<th>Major Financial Data</th>
<th>FY2010</th>
<th>FY2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (Loss)</td>
<td>29,082</td>
<td>(32,205)</td>
</tr>
<tr>
<td>Operating Income/ Operating Income to Net Sales</td>
<td>24,283</td>
<td>(28,909)</td>
</tr>
<tr>
<td>Return on Equity (ROE)</td>
<td>7.0%</td>
<td>(4.2%)</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1,729,664</td>
<td>1,739,054</td>
</tr>
</tbody>
</table>
Enhancing International Business and Other New Growth Areas

To shift to a future-focused business portfolio amid a decline in domestic cement demand, we will seek to strategically enhance International and Other businesses as new growth areas as detailed below, and establish a presence through priority investment of resources in those areas from FY2012 onward.

International Business

Achieve further growth of the Taiheiyo Cement brand overseas.

(i) Enhance earnings potential and expand business in current regions
(ii) Move into cement, construction materials, and mineral resources areas in new locations
(iii) Expand trading business (cement, slag, mineral products, etc.)
(iv) Enhance earnings potential by licensing environmental technologies, including fly ash washing and chlorine bypass systems.

Environmental Business

Maximize existing business and establish business models not reliant on cement plants.

(i) Maximize waste consumption per ton of cement by building a wide-area logistics network and boost efforts to use waste that is difficult to recycle.
(ii) Expand efforts to utilize recycled fuel and household waste.
(iii) Develop new environmental businesses.

Mineral Resources Business

Make a strategic shift from quantity to quality.

(i) Enhance earnings potential by restructuring domestic business (tailor production and sales structure to cement production structure).
(ii) Expand high-value-added products (quicklime business, launch of new products based on the chemical resources strategy).

R&D Structure

Enhance our R&D structure by pursuing research and development to continue expanding existing businesses and develop new ones.

(i) Cement differentiation strategy
   - Pursue advanced waste recycling technology to enhance cost competitiveness.
   - Differentiate by developing high-performance and other Taiheiyo Cement—original concretes.
(ii) Move into growth areas (environment, energy, resource recovery, etc.).

Move Towards a New Phase of Growth

We plan to set targets for a new phase of growth by the end of FY2011 after completing restructuring, including:

(i) Specific measures to bolster growth businesses and segments other than cement; and
(ii) Strategic efforts to identify and focus on key operations to leverage synergies among group companies.

Business Structure Reforms

Aiming for sustainable growth in overseas and domestic businesses

Ordinary Income/
Return on Assets (ROA)

Net Assets/ Equity Ratio

Net Assets per Share

Interest-Bearing Debt

Interest-Bearing Debt/Cash Flow

Capital Expenditure

Depreciation

R&D Expense

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### Environmental Business

While revenue from coal ash and waste plastic processing rose year-on-year, that from reclaimed waste, sludge and municipal waste incinerator ash declined as a result of the economic downturn and decreased cement production.

**Sales** ¥60,916 million
(Down ¥351 million year-on-year)

**Operating Income** ¥4,157 million
(Up ¥316 million year-on-year)

### Construction Materials Business

Sales of autoclaved lightweight concrete (ALC) and other construction materials fell sharply year-on-year as a result of declining construction spending.

**Sales** ¥20,430 million
(Down ¥6,866 million year-on-year)

**Operating Loss** ¥3,627 million
(Down ¥1,307 million year-on-year)

### Ceramics & Electronics Business

In the ceramics business the market is showing signs of recovery, but sales of products used in semiconductor and LCD manufacturing equipment decreased as a result of customers’ scaling back capital investment in the first half.

**Sales** ¥20,430 million
(Down ¥6,866 million year-on-year)

**Operating Loss** ¥3,627 million
(Down ¥1,307 million year-on-year)

### Other Businesses

Our other businesses include real estate, engineering, data processing, transportation and warehousing, and sports facilities. A decrease in transportation and warehousing volumes led to an overall decrease in sales year-on-year in this segment.

**Sales** ¥101,121 million
(Down ¥13,001 million year-on-year)

**Operating Income** ¥3,098 million
(Down ¥728 million year-on-year)

---

### Review of Operations Fiscal 2010

Overall domestic cement demand fell by 14.7% year-on-year to 42.73 million tons in FY2010 due to a decline in public sector demand as well as a sharp decline in private sector demand caused by sluggish spending on plant, equipment and housing. Imports fell by 18.2% to 750,000 tons whereas exports rose by 3.5% to 11.05 million tons.

At the Taiheiyo Cement Group domestic cement sales volume including consignment sales fell by 14.1% year-on-year to 14.82 million tons. Export volume rose by 17.6% to 5 million tons. Domestic cement prices increased as a result of continued efforts to raise selling prices. Cement export prices were also increased to compensate for the FY2009 increase in fuel prices.

As a result, domestic cement sales declined by ¥45,337 million year-on-year to ¥351,076 million, while operating income rose by ¥10,033 million year-on-year to ¥2,634 million.

### Cement Business

Within the overseas cement business, cement and ready-mixed concrete operations in the West Coast region of the U.S. were affected by the continuing slump in the construction market. Cement operations in China achieved earnings growth as a result of declining fuel prices, stimulus measures and other factors. Cement operations in the Philippines and Vietnam also continued to perform favorably, underpinned by robust domestic demand.

Overseas cement sales declined by ¥44,856 million year-on-year to ¥100,420 million, and operating income fell by ¥13,632 million to a ¥3,477 million loss.

**Sales** ¥451,497 million
(Down ¥90,194 million year-on-year)

**Operating Loss** ¥843 million
(Down ¥3,598 million year-on-year)

---

### Mineral Resources Business

Aggregate shipments decreased year-on-year on weak demand for ready-mixed concrete. Mineral product shipments were also down in conjunction with the steel industry’s falling limestone demand, but limestone shipments for steel began to pick up again in the second half.

In the surplus construction soil recycling business, intake volume decreased as a result of lower cement production. Land reclamation material shipments also decreased owing to the completion of shipments for Kansai International Airport. Shipments for the Haneda Airport expansion works also wound down in February 2010.

**Sales** ¥86,478 million
(Down ¥17,549 million year-on-year)

**Operating Income** ¥826 million
(Down ¥869 million year-on-year)

---

### Environmental Business

While revenue from coal ash and waste plastic processing rose year-on-year, that from reclaimed waste, sludge and municipal waste incinerator ash declined as a result of the economic downturn and decreased cement production.

**Sales** ¥60,916 million
(Down ¥351 million year-on-year)

**Operating Income** ¥4,157 million
(Up ¥316 million year-on-year)

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### Construction Materials Business

Sales of autoclaved lightweight concrete (ALC) and other construction materials fell sharply year-on-year as a result of declining construction spending.

**Sales** ¥20,430 million
(Down ¥6,866 million year-on-year)

**Operating Loss** ¥3,627 million
(Down ¥1,307 million year-on-year)

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### Ceramics & Electronics Business

In the ceramics business the market is showing signs of recovery, but sales of products used in semiconductor and LCD manufacturing equipment decreased as a result of customers’ scaling back capital investment in the first half.

**Sales** ¥20,430 million
(Down ¥6,866 million year-on-year)

**Operating Loss** ¥3,627 million
(Down ¥1,307 million year-on-year)

---

### Other Businesses

Our other businesses include real estate, engineering, data processing, transportation and warehousing, and sports facilities. A decrease in transportation and warehousing volumes led to an overall decrease in sales year-on-year in this segment.

**Sales** ¥101,121 million
(Down ¥13,001 million year-on-year)

**Operating Income** ¥3,098 million
(Down ¥728 million year-on-year)
Based on our forecast of domestic cement demand stabilizing at around 40 million tons, we need to urgently build a production and logistics structure commensurate with this scale of demand. To this end, we will streamline our organization and implement a range of structural reforms to create a solid foundation for a new, leaner Taiheiyo Cement. We will also consolidate production, refine our technologies and take various other measures to reduce costs, establish ourselves as one of the industry’s most cost-competitive players, and boost profits across the whole group.

Where production is concerned, we will seek to establish the optimal production structure, including forming alliances with other companies, and strengthen our cost competitiveness through expanding the use of recycled resources and other measures.

In sales, we will aim to ensure appropriate prices. Despite our best endeavors to cut our costs, stable supply of raw materials, investment and so we will continue our utmost to establish selling prices that can support such investments.

Since April 2010 we have reduced the number of our branch offices from ten to eight in response to the steep decline in domestic cement demand. To ensure that such reorganization does not reduce our sales capabilities, we will eliminate overlapping dealership functions and strengthen the capabilities of our main dealerships. We will also implement structural reforms and quality management aimed at maintaining and stabilizing the ready-mixed concrete industry and bolster our sales capabilities in the direct-order market. To this end we will strengthen relationships between related organizations, both inside and outside the company, to boost the sales of our own and group products.

Nurturing talent will be more important than ever to implementing these measures and ensuring their success, so we will promote personnel exchanges between group companies and endeavor to develop multi-talented people capable of coming up with good ideas and presenting them persuasively.

Where logistics are concerned we will streamline our assets to bring them in line with our production structure. In conjunction with our plans to reduce the number of service stations and cement transport ships, we will rethink the distribution of our service stations and restructure our fleet of ships.

Through these policies we will endeavor to establish the foundation for a new, leaner Taiheiyo Cement that is able to generate profits even in Japan’s steeply declining cement market.

Hideo Fukushima, President

Building a Structure Commensurate to Domestic Demand

Cement Business

Based on our business goal of boosting profitability by shifting to a strategy that gives priority to quality rather than quantity, i.e., value-added products, we will pursue the initiatives described below in our mineral resources business in FY2011.

Our top priority will be to enhance group management and accelerate efforts to identify and focus on the most promising areas. We plan to strategically consolidate our 88 affiliated companies, looking closely at those that are not performing well to decide whether to rebuff or liquidate them.

In our landfill supply business we completed the Hanaeda Airport project in February 2010. Since there are no other major landfill projects on the horizon we will focus on three businesses - aggregates, mineral products and soil recycling. Of these, the outlook for mineral products looks brighter with the recovery of the steel industry, but aggregates face a tough climate with the decline in domestic concrete demand. In the soil recycling business, soil treatment requirements have expanded in conjunction with the revision of the Soil Contamination Countermeasures Law. But we anticipate a decline in the amount we can handle owing to decreased cement production. This makes it all the more important for us to examine how we can meet the demand for soil treatment.

Given these circumstances, we will rethink our sales strategies and structure for existing mineral resources business, including organization and personnel.

We will also reformulate our production-related mineral resources strategy. We will establish a network of mining rights enabling minerals belonging to plants where cement production will be hatted to support themselves solely through the mineral resources business.

As a growth strategy for our mineral resources business we need to urgently develop markets for new materials and value-added products. As a first stop we will place top priority on putting Sanjo Taiheiyo Lime’s quicklime business, launched in FY2010, on a steady footing. We will also endeavor to expand sales of artificial lightweight fill material and develop new applications for profitable products such as heavy aggregates and A-Spheres (hollow ceramic spheres). In the chemical resources business, rather than just selling ores we will seek to develop and commercialize original valuable products such as high-quality calcium and silica.

We are already investigating the possibilities for overseas expansion to drive business growth with focus on the fast-growing Asian region and will be pinpointing specific locations and drafting concrete business plans moving forward.

Hideo Fukushima, President

Rethinking Mineral Resources Strategy to Establish a New Growth Footing

Mineral Resources Business

Maximizing Existing Business and Establishing New Business Models

Environmental Business

In our environmental business we have formulated both short-term and medium- to long-term strategies.

Our short-term strategy is premised on our domestic cement demand forecast of 40 million tons. We will seek to first generate the same level of earnings as last year, and then further boost them. To this end we need to maintain existing business and develop new business.

Specfically, we plan to shift to the recycling of high-added-value waste, a particularly profitable segment within the waste recycling industry. Each year more and more companies are launching waste recycling businesses and competition is heating up. Accordingly, we aim to improve the profitability of our waste recycling efforts by leveraging our many technologies to actively focus on recycling waste that has up to now been difficult to process.

We will also bolster our fuel waste-product recycling business. We have relatively greater capacity for fuel waste products than raw material waste and are therefore increasing our fuel waste product intake. We also hope to increase our intake of highway waste-defined products. Compared with industrial waste-defined materials, the volume of which declines during recessions and otherwise tends to fluctuate markedly, volumes of household waste products such as municipal waste incinerator ash are not highly affected by economic fluctuations and we can therefore count on a constant supply.

We currently use 388 kg of waste and by-products per ton of cement but aim to achieve 400 kg before the end of FY2011 through the initiatives mentioned above.

Our medium- to long-term strategy is to focus more resources on the development of new business models that are not reliant on our cement plants. Because domestic cement demand is unlikely to grow, our environmental business also needs to develop business models that are independent of cement. We will investigate possibilities for moving into new fields through M&A as well as seek to bolster our overseas strategies and sales of waste recycling systems.

We will also focus on the building of a wide-area waste processing structure. Waste products are available in high volumes in and around large population centers, but this is not the case in regions like Hokkaido and Kyushu where our plants are located. As a result, disparities are arising in the amounts of waste products and products available to different plants. The wide-area processing of waste products is currently held back by various laws but we hope to overcome such hurdles to establish the kind of wide-area waste product processing structure that we envisage and to maximize waste consumption per ton of cement produced.

Our environmental business sales have increased steadily but are now facing the adverse impacts resulting from the sharp decline in cement demand. We will therefore seek to combine short-term and medium- to long-term strategies to put these businesses on a sustainable footing for growth and pursue further expansion.

Environmental Business

Nobuyuki Yamaura, President

Ryulichi HiraI, President

Building the Foundations for Expanding International Business

International Business

Based on our business goal of achieving further growth of the Taiheiyo Cement brand overseas, we are positioning FY2011 as a year in which we will build the foundations for expanding international business by focusing on (1) enhancing earnings potential and expanding business at existing overseas sites; (2) moving into the cement, construction materials and mineral resources segments in new regions; (3) expanding the trading business (cement, slag, mineral products, etc.); and (4) enhancing earnings potential by licensing environmental technologies.

With regard to enhancing earnings potential and expanding business at existing overseas sites is concerned, we are considering historical and vertical expansions in the U.S. and Vietnam as well as growing earnings in the U.S., China, Vietnam and the Philippines. In the U.S., we are considering expanding our Filipo plant or boosting cement production capacity through M&A. We will also seek to increase earnings potential through ready-mixed concrete and aggregate acquisitions, and both up- and downstream vertical integration.

In Vietnam a second production line has been completed and we are endeavoring to ramp up the utilization rate up to design capacity as early as possible while also developing downstream business.

Regarding moving into cement, construction materials and mineral resources in new regions, we are targeting locations in Southeast Asia, South Asia and Africa, and are already investigating cement plants and exchanging technical support agreements. In Korea, for example, we have been providing quality-management technical support for five years now, and this is helping to win recognition for our brand. We are also researching locations that are rich in limestone and seeking to develop partnerships with local cement companies in emerging economies with growing cement consumption.

In the trading business we aim to further expand our activities as a pioneer of new markets. We currently trade in cement, clinker, slag, fly ash and other materials, and we are considering, for example, expanding this business by procuring fly ash from newly built thermal power stations overseas to combine with our recycling business.

In environmental technology licensing we will push ahead with the two cooperation agreements reached in November 2009 under the Japan-China Energy Conservation and Environmental Business Promotion Model. One involves chlorine bypass systems that are vital to increasing waste utilization in cement manufacture; and the other, the processing of incineration ash from urban waste incineration plants into cement material. Interest in the recycling of urban waste incinerator ash is growing in China as urbanization advances, and we aim to promote model technology for urban cement plants that can be applied throughout China.
Board of Directors

President and Representative Director

Kiyoshi Kamimura

Vice President and Representative Director

Keiji Tokuue

Directors, Senior Executive Officers

Ryuichi Hirai

Hiroto Murata

Hideo Fukushima

Corporate Auditors

Rokurou Tomita

Setsuo Nakamura

Corporate Auditors (Standing)

Haruhisa Kawasaki

Atsushi Takano

Ichiro Hiraki

Executive Officers

Tsutomu Matsuoka

Takashi Kato

Yuji Shichida

Kenji Ishii

Kenji Ogawa

Hiroshi Obana

Yasushi Kita

Shou Kurasaki

Takaki Minato

Hidetaka Kasamura

Sei Takahashi

FINANCIAL SECTION

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16 Consolidated Statements of Operations
17 Consolidated Statements of Changes in Net Assets
18 Consolidated Statements of Cash Flows
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31 Report of Independent Auditors
### Consolidated Balance Sheets

Taiheiyo Cement Corporation and Subsidiaries for the years ended 31st March, 2009 and 2010

The accompanying notes are an integral part of these statements.

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2009 (Millions of yen)</th>
<th>2010 (Millions of yen)</th>
<th>2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits (Notes 6, 7 and 10)</td>
<td>¥ 61,053</td>
<td>¥ 119,437</td>
<td>$ 1,283,719</td>
</tr>
<tr>
<td>Notes and accounts receivable-trade (Notes 6 and 10)</td>
<td>172,620</td>
<td>153,699</td>
<td>1,651,967</td>
</tr>
<tr>
<td>Less: allowance for doubtful accounts</td>
<td>(1,961)</td>
<td>(1,868)</td>
<td>(20,080)</td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>36,759</td>
<td>31,368</td>
<td>337,143</td>
</tr>
<tr>
<td>Work in process</td>
<td>12,362</td>
<td>8,084</td>
<td>86,891</td>
</tr>
<tr>
<td>Raw materials and supplies</td>
<td>46,538</td>
<td>36,806</td>
<td>395,595</td>
</tr>
<tr>
<td>Deferred tax assets (Note 17)</td>
<td>11,068</td>
<td>22,807</td>
<td>245,128</td>
</tr>
<tr>
<td>Other</td>
<td>27,220</td>
<td>30,020</td>
<td>322,666</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>¥ 365,659</td>
<td>¥ 400,353</td>
<td>$ 4,303,029</td>
</tr>
</tbody>
</table>

**Investments, and other assets:**

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<thead>
<tr>
<th></th>
<th>2009 (Millions of yen)</th>
<th>2010 (Millions of yen)</th>
<th>2010 (Thousands of U.S. dollars)</th>
</tr>
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<tbody>
<tr>
<td>Investment securities (Notes 6, 8 and 10)</td>
<td>103,154</td>
<td>102,956</td>
<td>1,106,577</td>
</tr>
<tr>
<td>Long-term loans receivable</td>
<td>3,531</td>
<td>3,511</td>
<td>37,838</td>
</tr>
<tr>
<td>Other (Note 10)</td>
<td>50,677</td>
<td>50,060</td>
<td>538,054</td>
</tr>
<tr>
<td>Less: allowance for doubtful accounts</td>
<td>(9,531)</td>
<td>(8,948)</td>
<td>(96,172)</td>
</tr>
<tr>
<td><strong>Total investments and other assets</strong></td>
<td>¥ 147,831</td>
<td>¥ 147,579</td>
<td>$ 1,586,197</td>
</tr>
</tbody>
</table>

**Property, plant and equipment (Notes 10 and 19):**

<table>
<thead>
<tr>
<th></th>
<th>2009 (Millions of yen)</th>
<th>2010 (Millions of yen)</th>
<th>2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and structures</td>
<td>490,475</td>
<td>487,937</td>
<td>5,238,577</td>
</tr>
<tr>
<td>Machinery, equipment, and vehicles</td>
<td>807,022</td>
<td>808,394</td>
<td>8,688,673</td>
</tr>
<tr>
<td>Other</td>
<td>60,625</td>
<td>65,979</td>
<td>709,146</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>1,385,802</td>
<td>1,361,770</td>
<td>14,636,396</td>
</tr>
<tr>
<td>(1,002,502)</td>
<td>(1,038,313)</td>
<td>(11,159,858)</td>
<td></td>
</tr>
<tr>
<td>Land (Notes 10 and 14)</td>
<td>356,300</td>
<td>323,457</td>
<td>3,476,538</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>173,566</td>
<td>169,027</td>
<td>1,816,715</td>
</tr>
<tr>
<td>Goodwill and other intangible assets</td>
<td>58,392</td>
<td>53,991</td>
<td>580,302</td>
</tr>
<tr>
<td>Deferred tax assets (Note 17)</td>
<td>29,864</td>
<td>23,070</td>
<td>247,963</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>¥ 1,158,086</td>
<td>¥ 1,155,257</td>
<td>$ 12,416,777</td>
</tr>
</tbody>
</table>

#### Liabilities and net assets

<table>
<thead>
<tr>
<th></th>
<th>2009 (Millions of yen)</th>
<th>2010 (Millions of yen)</th>
<th>2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term loans payable (Notes 6, 7, 9 and 10)</td>
<td>¥ 224,601</td>
<td>¥ 233,100</td>
<td>$ 2,400,042</td>
</tr>
<tr>
<td>Current portion of long-term loans payable (Notes 7, 9 and 10)</td>
<td>57,773</td>
<td>122,149</td>
<td>1,205,385</td>
</tr>
<tr>
<td>Commercial papers (Note 6)</td>
<td>22,000</td>
<td>46,000</td>
<td>494,411</td>
</tr>
<tr>
<td>Notes and accounts payable-trade (Notes 6, 7 and 10)</td>
<td>100,878</td>
<td>82,958</td>
<td>891,638</td>
</tr>
<tr>
<td>Income taxes payable (Note 17)</td>
<td>2,292</td>
<td>2,848</td>
<td>30,610</td>
</tr>
<tr>
<td>Deferred tax liabilities (Note 17)</td>
<td>400</td>
<td>535</td>
<td>5,750</td>
</tr>
<tr>
<td>Other (Note 10)</td>
<td>76,323</td>
<td>85,677</td>
<td>920,855</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>¥ 484,267</td>
<td>¥ 553,467</td>
<td>$ 1,948,699</td>
</tr>
</tbody>
</table>

**Noncurrent liabilities:**

<table>
<thead>
<tr>
<th></th>
<th>2009 (Millions of yen)</th>
<th>2010 (Millions of yen)</th>
<th>2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term loans payable (Notes 6, 7, 9 and 10)</td>
<td>342,490</td>
<td>303,919</td>
<td>3,266,548</td>
</tr>
<tr>
<td>Deferred tax liabilities (Note 17)</td>
<td>28,654</td>
<td>27,882</td>
<td>297,525</td>
</tr>
<tr>
<td>Provision for retirement benefits (Note 11)</td>
<td>34,215</td>
<td>35,413</td>
<td>380,621</td>
</tr>
<tr>
<td>Provision for directors’ retirement benefits</td>
<td></td>
<td></td>
<td>8,519</td>
</tr>
<tr>
<td>Other provision</td>
<td>404</td>
<td>363</td>
<td>3,900</td>
</tr>
<tr>
<td>Other (Note 10)</td>
<td>46,935</td>
<td>45,433</td>
<td>488,319</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>¥ 453,781</td>
<td>¥ 453,603</td>
<td>$ 4,445,432</td>
</tr>
</tbody>
</table>

**Contingent liabilities (Note 12):**

**Net assets (Note 13):**

<table>
<thead>
<tr>
<th></th>
<th>2009 (Millions of yen)</th>
<th>2010 (Millions of yen)</th>
<th>2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized:</td>
<td>1,977,308,000 shares</td>
<td></td>
<td>748,982</td>
</tr>
<tr>
<td>Issued:</td>
<td>950,300,586 shares in 2009 and 2010</td>
<td></td>
<td>649,015</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>60,745</td>
<td>60,384</td>
<td>649,015</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>89,743</td>
<td>52,764</td>
<td>567,000</td>
</tr>
<tr>
<td>Treasury stock (11,807,411 shares in 2009 and 9,673,928 shares in 2010)</td>
<td>(1,702)</td>
<td>(961)</td>
<td>(10,326)</td>
</tr>
<tr>
<td>Valuation and translation adjustments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation reserve for land (Note 14)</td>
<td>4,560</td>
<td>4,504</td>
<td>48,399</td>
</tr>
<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>4,352</td>
<td>6,586</td>
<td>70,791</td>
</tr>
<tr>
<td>Deferred gains or losses on hedges</td>
<td>67</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive losses</td>
<td>(2,567)</td>
<td>(2,486)</td>
<td>(26,526)</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(41,379)</td>
<td>(37,116)</td>
<td>(398,925)</td>
</tr>
<tr>
<td>Minority interests</td>
<td>36,284</td>
<td>34,999</td>
<td>376,172</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>¥ 220,038</td>
<td>¥ 188,187</td>
<td>$ 2,022,649</td>
</tr>
</tbody>
</table>

**Total liabilities and net assets**

<table>
<thead>
<tr>
<th></th>
<th>2009 (Millions of yen)</th>
<th>2010 (Millions of yen)</th>
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<tr>
<td>¥ 1,158,086</td>
<td>¥ 1,155,257</td>
<td>$ 12,416,777</td>
<td></td>
</tr>
</tbody>
</table>
### CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Taiheiyo Cement Corporation and Subsidiaries for the years ended 31st March, 2009 and 2010

#### FINANCIAL SECTION

<table>
<thead>
<tr>
<th>Period</th>
<th>2009</th>
<th>2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions of yen)</td>
<td>(Thousands of U.S. dollars) (Note 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>￥871,834</td>
<td>¥728,582</td>
<td>$7,830,842</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>717,724</td>
<td>599,519</td>
<td>6,443,667</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>154,110</td>
<td>129,063</td>
<td>1,387,178</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses (Notes 15 and 16)</strong></td>
<td>142,933</td>
<td>125,490</td>
<td>1,348,774</td>
</tr>
</tbody>
</table>

#### Operating income

- Interest and dividends income: ￥2,718
- Interest expenses: (10,713)
- Loss on sales/disposal of property, plant and equipment: (3,466)
- Gain/(loss) on sales of investment securities: (1,265)
- Loss on liquidation of subsidiaries and affiliates: (251)
- Loss on valuation of stocks of subsidiaries and affiliates: (7,091)
- Provision of allowance for doubtful accounts: (1,101)
- Equity in earnings (losses) of unconsolidated subsidiaries and affiliates: (7,536)
- Loss on change in equity of subsidiaries and affiliates: (54)
- Impairment loss: (3,161)
- Loss on business withdrawal: (377)
- Amortization of goodwill in equity: (4,452)
- Loss on movement of head office: (428)
- Loss on transfer of business: (5,439)
- Business structure reform costs (Note 21): —
- Other, net: (1,430)

#### Loss before income taxes and minority interests

- Income taxes (Note 17): ￥728,582
- Shareholders' equity: (56) 1,634
- Change by share exchanges: (362)
- Change of scope of consolidation: (6)
- Disposal of treasury stock: (1)
- Change of scope of consolidation: (6)
- Net changes in items other than shareholders' equity: (34)

#### Net loss

- Dividends from surplus: (4,697)
- Reversal of revaluation reserve for land: (152)
- Purchase of treasury stock: (76)
- Disposal of treasury stock: (32)
- Change of scope of equity method: (52)
- Net changes in items other than shareholders' equity: (34)
- Dividends from surplus: (4,697)
- Reversal of revaluation reserve for land: (152)
- Purchase of treasury stock: (76)
- Disposal of treasury stock: (32)
- Change of scope of consolidation: (6)
- Net changes in items other than shareholders' equity: (34)

#### Balance at 31st March, 2010

- Income taxes for prior periods: 1,817
- Minority interests: —
- Total net assets: ¥37,701
- Shareholders' equity: ¥4,263
- Cash dividends: 2.00

#### Balance at 31st March, 2009

- Income taxes for prior periods: (652)
- Minority interests: —
- Total net assets: ¥327,580
- Shareholders' equity: ¥220,038
- Cash dividends: 2.00

### CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Taiheiyo Cement Corporation and Subsidiaries for the years ended 31st March, 2009 and 2010
### 2. Scope of Consolidation and Investments in Unconsolidated Subsidiaries and Affiliates

Under Japanese accounting standards, a subsidiary and an affiliate are defined as follows:

- **Subsidiary:** A company in which the reporting entity directly or indirectly holds more than 50% of the voting rights there of or which is deemed to be controlled directly or indirectly by the reporting entity;

- **Affiliate:** A company in which the reporting entity directly or indirectly holds 20% or more of the voting rights of the reporting entity.

#### (1) Scope of Consolidation

The numbers of subsidiaries the company had for the years ended 31st March, 2010, were 135 and 308, respectively, of which 177 and 167, respectively, were consolidated in the year.

The significant subsidiaries that have been consolidated in the accompanying consolidated financial statements are as follows:

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Year Ended March 31, 2010</th>
<th>Year Ended March 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taiheiyo Cement Corporation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>177</td>
<td>167</td>
</tr>
</tbody>
</table>

#### (2) Investments in Unconsolidated Subsidiaries and Affiliates

For the year ended 31st March, 2010, the company had 135 affiliates (138 for the year ended 31st March, 2009), of which 48 affiliates (51 for the year ended 31st March, 2009) were accounted for by the equity method, as are 16 unconsolidated subsidiaries (14 for the year ended 31st March, 2009).

Investments in the remaining 117 unconsolidated subsidiaries and 87 affiliates (125 and 87, respectively, for the year ended 31st March, 2010) were carried at cost due to the immateriality of these entities in relation to the company.

The unconsolidated subsidiaries and significant affiliates, to which the equity method was applied, include:

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<tbody>
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<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
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</tbody>
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### Notes to the Consolidated Financial Statements

**1. Basis of Presentation of the Consolidated Financial Statements**

The accompanying consolidated financial statements of Taiheiyo Cement Corporation (the “Company”) and consolidated subsidiaries (collectively, the “Companies”) are prepared on the basis of principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In preparing the accompanying consolidated financial statements, certain items presented in the consolidated financial statements filed with the Directors of Kanto Finance Bureau in Japan have been reclassified and/or restated in these accounts and certain notes have been added for the convenience of readers outside Japan and to conform to the current year presentation.

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<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>135</td>
</tr>
</tbody>
</table>
The range of useful lives is summarized as follows:

(1) Inventories

Generally, inventories are stated at cost, which is determined by the moving average method. Appropriate write-downs are recorded for inventories, which are deemed impaired in value. However, the cost for contract work in progress is determined by the specific identification cost method. Inventories held by the consolidated subsidiaries in the U.S. are valued at the lower of cost or market, cost being determined by the average method.

(Charges in Accounting Policy)

Previously, the cost method mainly based on the moving-average method was adopted for measuring inventories held for sale in the ordinary course of business. However, the Accounting Standard for Measurement of Inventories Accounting Standards Board of Japan (“ASB”) has been applied from the year ended 31st March, 2009 and these inventories are measured by the cost method mainly based on the moving-average method, which writes them down based on the decrease in their profitability.

(2) Property, Plant and Equipment (Excluding Lease Assets)

Property, plant and equipment are stated at cost.

Depreciation is computed generally based on the declining balance method by the Company and its domestic consolidated subsidiaries at rates based on the estimated useful lives of assets. The depreciation of buildings, excluding leasehold improvements, purchased on and after 1st April, 1998 is computed based on the straight-line method.

Depreciation of property and equipment held by the subsidiaries in foreign countries is calculated by the straight-line method in accordance with accounting standards generally accepted in the respective countries.

The range of useful lives is summarized as follows:

- Buildings and structures: 10 – 75 years
- Machinery and equipment: 5 – 15 years

Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(Additional Information)

In conjunction with the revision of the Corporation Tax Law, as a result of a review for the range of useful lives of tangible fixed assets, from the year ended 31st March, 2009, the Company and its domestic consolidated subsidiaries have applied the range of useful lives based on the Law after revision.

(3) Intangible Fixed Assets (Excluding Lease Assets)

Intangible fixed assets are amortized by the straight-line method.

Capitalized software is amortized by the straight-line method over the estimated useful lives (basically 5 years).

(4) Lease Assets

Lease assets are depreciated down to a residual value of either zero or the amount calculated as their residual guarantee value, over their lease.

The method of accounting for finance lease transactions that do not transfer ownership has changed from as rental transactions to sales/purchase transactions, recognizing them as lease assets. The lease transaction or before 31st March, 2008 is treated as rental transactions.

(5) Financial Instruments

(a) Derivatives

All derivatives, except for derivatives that are designated as “hedging instruments” (see (c) Hedge Accounting below), are stated at fair value, and changes in fair value are included in the determination of net profit or loss for the period in which they arise.

(b) Securities

Securities are classified in accordance with Japanese accounting standards into four categories, namely, trading securities, held-to-maturity debt securities, shares in equity of subsidiaries and affiliates, and other securities.

Trading securities and certain financial instruments that meet strict conditions are categorized as current assets, and all other securities other than investments in consolidated subsidiaries are shown as “Investments in securities” in the accompanying consolidated balance sheets, as the case may be.

The valuation of securities is as follows:

Trading securities are valued at fair market value at the year-end and the resulting valuation gain/loss is charged to income;

Held-to-maturity debt securities are valued by applying amortization/accrual unless impairments in value are to be recognized; and

With respect to other securities, such securities with market values are valued at fair market value and those without market values are valued at cost unless impairments in the value of those investments are to be recognized.

The unrealization resulting from the valuation of other securities at year-end is shown as “valuation difference on available-for-sale securities” of net deferred income taxes therein, in the accompanying consolidated balance sheets.

Cost of securities sold is determined by the moving-average method.

When market values of other securities are 50% of the cost or lower at the end of the fiscal year, such securities are written down to such market value. With respect to other securities of which market values have declined between 30% and 50% of the respective costs, amounts to be written-off are determined by considering the revaluability of the respective securities.

(c) Hedge Accounting

Gains or losses arising from changes in fair value of derivatives designated as hedging instruments are deferred as “Deferred gains or losses on hedges”, net of deferred income taxes, in net assets. Such gains or losses are included in net profit or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.

The derivatives designated as hedging instruments are principally interest rate and foreign exchange contracts. The related hedged items are trade accounts receivable and payable, long-term bank loans, and debt securities.

The Company has a policy to utilize the above hedging instruments in order to reduce the exposure to the risk of interest rate and foreign exchange fluctuations. Thus, the purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items. Effectiveness of hedging activities is evaluated by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedge.

(6) Foreign Currency Translation

(Translation of foreign currency financial statements of overseas subsidiaries and affiliates)

Exchange rates at the balance sheet date are applied for all assets and liabilities and the historical exchange rates are applied to shareholders’ equity whereas profit and loss items are translated at the average exchange rates prevailing during the year.

Items related to inter-company transactions with the Company and the consolidated subsidiaries are eliminated on consolidation are translated in the amounts the Company recorded.

The difference in the debits and credits in the balance sheets resulting from the translation in the above manner is shown as “Foreign currency translation adjustments” in the shareholders’ equity of the accompanying consolidated balance sheets, net of the amount attributable to minority interests in consolidated subsidiaries.

(Translation of foreign currency items)

Receivables and payables denominated in foreign currencies were translated into Japanese yen at the exchange rates at the balance sheet date. Gains or losses arising from transactions in foreign currency receivables and payables are credited or charged to income as incurred.

(7) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, bank deposits readily available, and short-term investments with a maturity of three months or less when purchased.

(8) Income Taxes

Deferred tax accounting is applied for the preparation of the accompanying consolidated financial statements. The asset and liability approach is used to recognize deferred tax assets and liabilities in respect of temporary differences between the carrying amounts and the tax base of assets and liabilities.

(9) Recognition of Certain Accrued Expenses

In general, the accrual basis of accounting for all income and expense items is followed for the preparation of the accompanying consolidated financial statements.

(i) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the estimated uncollectable amounts of doubtful receivables, in addition to a general provision computed by applying past credit loss experience. Consolidated overseas subsidiaries may provide for such allowance at the estimated amount of credit losses.

(ii) Allowance for bad debts

Provision for doubtful debts is stated at an amount calculated as their residual guarantee value, over their lease. The amount of provision is calculated as the residual guarantee value, over their lease.

(10) Appropriation of Retained Earnings

Under the Corporation Law of Japan, the appropriations of retained earnings, including year-end cash dividends, are subject to shareholders’ approval at the annual general meeting to be held within three months of the year-end. The board of directors is allowed to make interim cash distributions (“interim cash dividends”) with certain strict conditions stipulated in the Law.

The appropriation of retained earnings shown in the accompanying consolidated statements of net assets reflects the results of the application of retained earnings applicable to the immediately preceding year and approved at the shareholders’ meeting and the interim cash dividends made during the current year.

(11) Accounting for Treasury Stock

The shares of the Company held by consolidated subsidiaries are recognized as treasury stock after netting off the amounts attributable to minority interests. With respect to those shares held by affiliates to which the equity method is applied, the amounts attributable to the Company would also be recorded as treasury stock in the accompanying consolidated balance sheets, and debt/credit differences (gain/loss) incurred from transactions involving treasury stocks are charged to additional paid-in-capital.
The company enters into the syndicated loan contract, for which the arrangers are Mizuho Corporate Bank, Ltd., and Sumitomo Mitsui Banking Corporation. Although the Company was in violation of the loan covenant at 31 March, 2010, the Company has substantially improved its operational performance by complying with the requirements of the covenants in effect for the remaining period of the loan agreement. The Company monitors debt covenants and other loan covenants that are determined by the collateral agents and the Company has committed to comply with all covenants.

5. United States Dollar Amounts

The accompanying consolidated financial statements are prepared in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto represent the approximate exchange rates as of March 31, 2010, 2009, and 2008. The approximate exchange rates per U.S. dollar were 93.04, 103.34, and 110.36 as of March 31, 2010, 2009, and 2008, respectively. The approximate exchange rate in the year ended March 31, 2009, was 111.39 to the United States dollar.

For financial statement purposes, the U.S. dollar amount is presented as an approximate amount. Since the number of items is large, the U.S. dollar amount is presented for the major items of income and expenses and financial statements. The U.S. dollar amount is presented for the major items of income and expenses and financial statements.

The financial results in U.S. dollars are translated at the approximate exchange rates of the respective periods. The approximate exchange rates are determined by the Company, which are considered to be the approximate exchange rates.

The approximate exchange rates are determined by the Company, which are considered to be the approximate exchange rates.

6. Financial Instruments

(Additional Information) Effective for the year ended March 31, 2010, the "Accounting Standard for Financial Instruments" (ASBJ Statement No.10 (revised 2008)) and the "Guidance on Disclosures About Fair Value of Financial Instruments" (ASBJ Guidance No.19) have been adopted.

(1) Status of financial instruments

(1) Policy for financial instruments

In consideration of plans for capital investment, the Company has entered into a forward purchase and sale contract. The purchase and sale contract is accounted for as a single transaction, and the difference between the contract price and the fair value of the underlying contract is recognized in profit or loss in the period in which the contract is entered into.

(2) Management of market risks (the risks arising from fluctuations in foreign exchange rates)

The Company is exposed to foreign exchange risks arising from its investments in foreign currencies and its sales of foreign currency denominated assets and liabilities. The Company uses foreign exchange forward contracts and currency options to manage its foreign exchange risk.

(3) Commercial paper

The fair value of bonds is based on the payment terms and the terms and conditions of the bond. The Company also considers the credit quality of the issuer and the marketability of the bonds in determining the fair value.

(4) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in the fair value, different assumptions and factors could result in different fair value.

(5) Convertible bonds

Although the Company was in violation of the loan covenant at 31 March, 2010, it has substantially improved its operational performance by complying with the requirements of the covenants in effect for the remaining period of the loan agreement. The Company monitors debt covenants and other loan covenants that are determined by the collateral agents and the Company has committed to comply with all covenants.

The value of assets and liabilities arising from derivatives is shown at net value, and with the amount in parentheses representing net liability position.

Since these items are settled in a short period of time, their carrying value approximates fair value.

The fair value of stocks is based on quoted market prices.

(1) Notes and accounts payable trade

(2) Short-term loans payable

(3) Commercial paper

Since these items are settled in a short period of time, their carrying value approximates fair value.

The fair value of bonds is based on either the present value of the principal discounted by an interest rate determined taking into account the current credit risk. Bonds payable include the bonds that is due within one year.

The fair value of convertible bonds is based on the quoted market price. Convertible bonds include the convertible bonds that is due within one year.

The fair value of long-term loans payable is based on the present value of the principal discounted by a risk-free interest rate that is applied if similar new loans were entered into. Long term loans payable include long term loans payable that is due within one year.

Derivatives Transactions

Please refer to Note 23 "Derivative Transactions".

Notes: Financial instruments for which it is extremely difficult to determine the fair value.

Net income per share is computed based on the weighted-average number of shares of common stock outstanding during the respective periods.

The amount of cash dividends is the total of interim cash dividends paid during the respective periods and dividends declared as applicable to the respective periods.

(3) Changes in Accounting Policy

(a) Accounting Standard for Lease Transactions

Previously, finance lease transactions that do not transfer ownership of the leased property to the lessee followed methods applicable to ordinary rentals.

(b) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements Effective for the year ended March 31, 2009, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PIF No. 18) has been applied, and accordingly some revisions have been made to the consolidated accounts as necessary.

As a result, operating income decreased by ¥1,924, loss before income taxes and minority interests for the year ended 31st March, 2009 decreased by ¥12,909.

The following table does not include financial instruments for which it is reasonably estimated. Since these items are settled in a short period of time, their carrying value approximates fair value.

Financial Risks

(1) Credit risk

As a result, operating income decreased by ¥1,924, loss before income taxes and minority interests for the year ended 31st March, 2009 decreased by ¥12,909.

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Financial Risks

(1) Credit risk

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(1) Changes in Accounting Policy

(a) Accounting Standard for Lease Transactions

Previously, finance lease transactions that do not transfer ownership of the leased property to the lessee followed methods applicable to ordinary rentals.
**8. Investment Securities**

Investments securities shown in the accompanying consolidated balance sheets as of 31 March, 2009 and 2010 comprises:

<table>
<thead>
<tr>
<th>Date</th>
<th>Equity securities</th>
<th>Government Bonds</th>
<th>Corporate bond $221,517</th>
<th>Corporate bond</th>
<th>Bonds:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6,031</td>
<td>6,485</td>
<td>20,980</td>
<td>12,607</td>
<td>1,644</td>
</tr>
<tr>
<td>2010</td>
<td>5,173</td>
<td>5,697</td>
<td>10,988</td>
<td>7,853</td>
<td>646</td>
</tr>
<tr>
<td></td>
<td>(857)</td>
<td>(788)</td>
<td>(7(88)</td>
<td>(788)</td>
<td>(788)</td>
</tr>
<tr>
<td></td>
<td>¥10,968</td>
<td>¥5,173</td>
<td>¥18,965</td>
<td>¥19,530</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥26,307</td>
<td>¥20,980</td>
<td>¥29,943</td>
<td>¥30,607</td>
<td>¥646</td>
</tr>
<tr>
<td></td>
<td>(11,339)</td>
<td>(11,339)</td>
<td>(7(88)</td>
<td>(788)</td>
<td>(788)</td>
</tr>
<tr>
<td></td>
<td>¥17,184</td>
<td>¥18,965</td>
<td>¥19,530</td>
<td>¥20,647</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥28,929</td>
<td>¥30,607</td>
<td>¥31,217</td>
<td>¥32,264</td>
<td>¥646</td>
</tr>
<tr>
<td></td>
<td>(11,042)</td>
<td>(11,042)</td>
<td>(7(88)</td>
<td>(788)</td>
<td>(788)</td>
</tr>
<tr>
<td></td>
<td>¥11,132</td>
<td>¥12,955</td>
<td>¥13,493</td>
<td>¥14,323</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥23,734</td>
<td>¥25,607</td>
<td>¥26,534</td>
<td>¥27,467</td>
<td>¥646</td>
</tr>
<tr>
<td></td>
<td>(12,322)</td>
<td>(12,322)</td>
<td>(7(88)</td>
<td>(788)</td>
<td>(788)</td>
</tr>
<tr>
<td></td>
<td>¥19,912</td>
<td>¥21,282</td>
<td>¥22,216</td>
<td>¥23,149</td>
<td>¥646</td>
</tr>
<tr>
<td></td>
<td>¥40,814</td>
<td>¥43,515</td>
<td>¥45,451</td>
<td>¥46,385</td>
<td>¥646</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>¥119,437</td>
<td>¥17,184</td>
<td>¥18,965</td>
<td>¥19,530</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>(11,339)</td>
<td>(11,339)</td>
<td>(7(88)</td>
<td>(788)</td>
<td>(788)</td>
</tr>
<tr>
<td></td>
<td>¥108,098</td>
<td>¥17,820</td>
<td>¥18,686</td>
<td>¥18,762</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥268,654</td>
<td>¥36,507</td>
<td>¥37,348</td>
<td>¥38,329</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥173,136</td>
<td>¥28,929</td>
<td>¥30,607</td>
<td>¥31,217</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥342,490</td>
<td>¥30,607</td>
<td>¥32,264</td>
<td>¥33,871</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>¥108,098</td>
<td>¥17,820</td>
<td>¥18,686</td>
<td>¥18,762</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>(11,339)</td>
<td>(11,339)</td>
<td>(7(88)</td>
<td>(788)</td>
<td>(788)</td>
</tr>
<tr>
<td></td>
<td>¥96,769</td>
<td>¥17,091</td>
<td>¥17,924</td>
<td>¥18,000</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥173,136</td>
<td>¥28,929</td>
<td>¥30,607</td>
<td>¥31,217</td>
<td>¥788</td>
</tr>
<tr>
<td></td>
<td>¥342,490</td>
<td>¥30,607</td>
<td>¥32,264</td>
<td>¥33,871</td>
<td>¥788</td>
</tr>
</tbody>
</table>

**10. Assets Pledged as Collateral and Secured Liabilities**

Assets pledged as collateral and secured liabilities as of 31 March, 2009 and 2010 were as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Notes and accounts payable</th>
<th>Lease liabilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>844,341</td>
<td>25,201</td>
<td>869,542</td>
</tr>
<tr>
<td>2010</td>
<td>341,301</td>
<td>25,801</td>
<td>367,102</td>
</tr>
</tbody>
</table>

**12. Contingent Liabilities**

(1) As of 31 March, 2010, the Companies were contingently liable for notes discounted by banks in the aggregate amount of ¥12,135,130 (¥10,620 as of 31 March, 2009), notes evidenced for payments in the aggregate amount of ¥401, (¥417) (¥226 as of 31 March, 2009), and the assignment of receivable with recourse of zero (¥1,659 as of 31 March, 2009).

(2) The Companies were also contingently liable as guarantors of bank loans and trade payables for certain companies (including guarantee forward commitments), the balances of which as of 31 March, 2009 and 2010 were as follows:
1.7. Income Taxes

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporate tax, inhabitants’ tax and enterprise tax. Enterprise tax is deductible with equal as expenses for the purpose of the calculation of other income taxes. The effective statutory tax rate for the years ended 31st March, 2009 and 2010 were approximately 39.5%. The recombination between the effective tax rates reflected in the consolidated statements of operations for the year ended 31st March, 2009 and 2010 is not presented as the Company recorded losses before income taxes and minority interests for such periods.

The significant components of deferred tax assets and liabilities as of 31st March, 2009 and 2010 were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Special tax reserve on property and equipment</td>
<td>47,949</td>
<td>54,700</td>
</tr>
<tr>
<td>- Other reserves under special taxation</td>
<td>48,822</td>
<td>48,222</td>
</tr>
<tr>
<td>- Depreciation</td>
<td>8,089</td>
<td>8,042</td>
</tr>
<tr>
<td>- Unrealized holding gain on available for sale securities</td>
<td>3,002</td>
<td>4,415</td>
</tr>
<tr>
<td>- Land revaluation</td>
<td>1,178</td>
<td>1,178</td>
</tr>
<tr>
<td>- Total deferred tax assets</td>
<td>100,213</td>
<td>107,911</td>
</tr>
</tbody>
</table>

Deferred tax liabilities:

- Special tax liability on property and equipment | (17,465)  |
- Unrealized loss on fair value of investment | (16,093)  |
- Total deferred tax liabilities | (33,558) |

18. Accounting Standard for Disclosures about Fair Value of Investment and Rental Property

(Additional information)

Effective for the year ended 31 March, 2010 “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Statement No. 20) and “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No. 23) have been applied.

Net rental income from the rental property is ¥3,161 ($34,054) for the year ended 31st March, 2010 (rental revenues are included in net sales or non-operating income, and rental expenses are included in cost of sales or non-operating expenses). Loss on sales of the rental property is ¥3,161 ($34,054) for the year ended 31st March, 2010. Carrying value and fair value of the rental property are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair value</th>
<th>Carrying value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental property</td>
<td>¥3,161</td>
<td>¥3,161</td>
</tr>
</tbody>
</table>

The impairment losses were measured as the excess of the book value over the higher of (1) the fair market value of the assets, net of disposal costs or (2) the present value of future cash flows arising from ongoing utilization of the assets and disposal after the assets’ use.

The fair market value of the assets, net of disposal costs, was estimated as the residual value for five years less disposal costs for tangible depreciable assets including buildings and structures, an appraised value for lands, and the appraised value for lands; the aggregated amount of appraised values of lands and estimated values of mimmal raw materials for mining lands for raw materials.


Business structure reform costs of ¥32,227 ($346,373) were incurred for the year ended 31st March, 2010, which were related to the execution of the measures including reforms of the system of domestic production, the system of the number of persons of the organization, and the system of domestic cement business in order to attain to achieve estate saving even if the domestic cement demand decreases. Such costs primarily consisted of impairment loss of ¥13,271 ($142,637), additional retirement benefits of ¥9,186 ($108,983) and retirement benefits expenses of ¥9,702 ($108,319.)

22. Lease

The Companies have various lease agreements wherein the Companies act both as lessors and lessees.

(a) As lessees

(1) Financial lease contracts other than those that are deemed to transfer the ownership of the leased assets to lessees, which were commenced before 1st April, 2008 are accounted for by the methods that is applicable to operating leases. Assumed data as to acquisition costs, accumulated depreciation and net balance of the leased assets would be as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Acquisition costs</th>
<th>Accumulated Depreciation</th>
<th>Impairment loss</th>
<th>Net Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and structures</td>
<td>¥183</td>
<td>¥79</td>
<td>¥129</td>
<td>¥195</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>441</td>
<td>205</td>
<td>236</td>
<td>110</td>
</tr>
<tr>
<td>Other tangible and intangible assets</td>
<td>366</td>
<td>122</td>
<td>244</td>
<td>90</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>18</td>
<td>8</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>276</td>
<td>135</td>
<td>141</td>
<td>41</td>
</tr>
<tr>
<td>Other</td>
<td>17</td>
<td>12</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>466</td>
<td>235</td>
<td>265</td>
<td>66</td>
</tr>
</tbody>
</table>

(b) Future lease payments under operating leases are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Due within one year</th>
<th>Due over one year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and structures</td>
<td>¥1,042</td>
<td>¥3,020</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>362</td>
<td>342</td>
</tr>
<tr>
<td>Other</td>
<td>9,211</td>
<td>2,462</td>
</tr>
<tr>
<td>Total</td>
<td>9,614</td>
<td>6,624</td>
</tr>
</tbody>
</table>

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TOROTAI CEMENT CORPORATION | 27

16. Research and Development Costs

Research and development costs changed to selling, general and administrative expenses and manufacturing costs for the years ended 31st March, 2009 and 2010 which were ¥5,076 and ¥4,620 ($49,654), respectively.
24. Segment Information

(1) Industry segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refractory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ceramics &amp; electronics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Geographical segments

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Consolidated Financial Statements

Taiheiyo Cement Corporation and Subsidiaries for the years ended 31st March, 2009 and 2010

(3) Export sales

Export sales by the Company and its domestic subsidiaries, plus the sales of overseas-consolidated subsidiaries, for the years ended 31st March, 2009 and 2010 are presented below:

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>¥95,667</td>
<td>¥54,486</td>
</tr>
<tr>
<td>Asia</td>
<td>68,966</td>
<td>63,092</td>
</tr>
<tr>
<td>Others</td>
<td>17,591</td>
<td>16,584</td>
</tr>
<tr>
<td>Total</td>
<td>¥182,224</td>
<td>¥134,162</td>
</tr>
</tbody>
</table>

Net sales of the Companies | ¥871,834 | ¥728,582 |

(a)/(b) 20.9% 18.4% 18.4%

Supplemental Information

As described in Notes 4 to the consolidated financial statements, in 2009, the Company applied ASBJ PITF No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended 31st March, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 5.

Ernst & Young Shin Nihon LLC

Tokyo, Japan
29th June, 2010
Taiheiyo Cement Group Network

Domestic Network
Taiheiyo Cement's facilities include our head office and Research & Development Center, 8 branch offices, 6 cement plants.

Overseas Network
Taiheiyo Cement U.S.A., Inc.
2025 East Financial Way, Glendora, CA 91741, U.S.A.
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Tel: +44-1621-784200 Fax: +44-1621-784200

Vietnam Representative Office
Tel: +84-9390912 Fax: +84-9390921

Bangkok Representative Office
5 Sittihivarak Building, 17th Fl., Soi Pipat, Slom Road, Slom, Bangkok, Bangkok 10500, Thailand
Tel: +66-2-266-8741 Fax: +66-2-266-8742

Taipei Representative Office
5F, 139, Cheng-Chou Road, Taipei 103, Taiwan
Tel: +886-2-2557-8098 Fax: +886-2-2553-9853

Hong Kong Representative Office
20F, Teem Centre, Tower 1, 237 Queen's Road Central, Hong Kong
Tel: +852-2545-9987 Fax: +852-2542-0474

Major Stockholders

<table>
<thead>
<tr>
<th>Stockholders</th>
<th>Shares held (Thousand)</th>
<th>Percentage of total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>53,227</td>
<td>5.60</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account)</td>
<td>52,034</td>
<td>5.47</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>31,618</td>
<td>3.32</td>
</tr>
<tr>
<td>Mizuho Corporate Bank, Ltd.</td>
<td>31,523</td>
<td>3.31</td>
</tr>
<tr>
<td>JUNIPER</td>
<td>16,733</td>
<td>1.76</td>
</tr>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>16,623</td>
<td>1.74</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
<td>14,987</td>
<td>1.57</td>
</tr>
<tr>
<td>Mitsui Life Insurance Company</td>
<td>12,097</td>
<td>1.27</td>
</tr>
<tr>
<td>The Chuo Mitsui Trust and Banking Company, Ltd.</td>
<td>10,368</td>
<td>1.09</td>
</tr>
<tr>
<td>The Dai-Ichi Mutual Life Insurance Company</td>
<td>9,918</td>
<td>1.04</td>
</tr>
</tbody>
</table>

*Percentage of total shares issued.

Taiheiyo Cement Corporation

Head Office · · · · · · · · · · · · Daiba Garden City Building, 2-3-5, Daiba, Minato-Ku, Tokyo 135-8578 JAPAN
Date Established · · · · · · · · May 1881
Paid-in Capital · · · · · · · · ¥69,499 million
Fiscal Year · · · · · · · · · · · · From April 1 to March 31
Annual Meeting · · · · · · · · The general meeting of stockholders is normally held in June in Tokyo, Japan
Common Stock · · · · · · · · Authorized: 1,977,308 thousand
Number of Shareholders with More Than One Unit of Shares · · · · · · 52,066

Transfer and Register Agent · · · · · · The Chuo Mitsui Trust and Banking Co., Ltd.

Major Subsidiaries and Affiliates

CEMENT AND READY MIXED CONCRETE
Chichibu Taiheiyo Cement Corporation / DC Co., Ltd.
Kokusai Kigyo Co., Ltd. / Myojyo Cement Co., Ltd.
Sanyo White Cement Co., Ltd. / Tsunaga Cement Co., Ltd.

MINERAL RESOURCES
Abekawa Kaishitsu Co., Ltd. / Boku Mining Co., Ltd.
Chichibu Mining Co., Ltd. / Ishizaki Co., Ltd.
Kansai Match Co., Ltd. / Kansai Taiheiyo Minerals Corporation
Kojyu Saisei Co., Ltd. / Ota Taiheiyo Mining Corporation
Okutama Kogyo Co., Ltd. / Ryushin Mining Co., Ltd.
Yako Mining Co., Ltd.

ENVIRONMENT
Ishihara Ecocement Corporation / NACODE Corporation
Tokyo Tama Ecocement Corporation

CONSTRUCTION AND CONSTRUCTION MATERIALS
Asahi Concrete Works Co., Ltd. / A&A Material Corporation
Chichibu Concrete Industry Co., Ltd. / Clion Co., Ltd.
Fujis P&B Corporation / Onoda Chemical Industry Co., Ltd. / Onoda Chemico Co., Ltd. / Taiheiyo Materials Corporation
Taiheiyo Precast Concrete Industry Co., Ltd.
Toyo Asano Foundation Co., Ltd.

CERAMICS AND ELECTRONICS
Nihon Ceratec Co., Ltd.

TRANSPORTATION
Azuma Shipping Co., Ltd. / Chichibu Railway Co., Ltd.

OTHERS
Pacific Systems Corporation
Taiheiyo Accounting & Financial Services Corporation
Taiheiyo Engineering Corporation / Taiheiyo Real Estate Co., Ltd.

OVERSEAS ACTIVITIES
CalPortland Company (USA)
Dalian Onoda Cement Co., Ltd. (CHINA)
Jiangnan-Onoda Cement Co., Ltd. (CHINA)
Kokubun-Dry (Thailand) Co., Ltd. (THAILAND)
Nghi San Cement Corporation (VIETNAM)
P&G-Taiheiyo Cement Limited (P&G NEW GUINEA)
Qinghuangdao Asano Cement Co., Ltd. (CHINA)
Shanghai Sannong Onoda Cement Co., Ltd. (CHINA)
Shenyang Mining Onoda Cement Co., Ltd. (CHINA)
Siang Yong Cement Industrial Co., Ltd. (SOUTH KOREA)
Taiheiyo Cement Philippines, Inc. (PHILIPPINES)
Taiheiyo International (Thailand) Co., Ltd. (THAILAND)