

**Summary of Consolidated Financial Results of Sumitomo Osaka Cement Co., Ltd.**  
**for the Fiscal 2008, Ending March 31, 2008**

May 14, 2008

Company: Sumitomo Osaka Cement Co., Ltd.	Fiscal 2007 1H: April 1, 2006–September 30, 2006
Stock code: 5232	Fiscal 2007: April 1, 2006–March 31, 2007
URL: <a href="http://www.soc.co.jp/">http://www.soc.co.jp/</a>	Fiscal 2008 1H: April 1, 2007–September 30, 2007
	Fiscal 2008: April 1, 2007–March 31, 2008
	Fiscal 2009 1H: April 1, 2008–September 30, 2008
	Fiscal 2009: April 1, 2008–March 31, 2009

The accompanying consolidated financial results of the Company are prepared on the basis of accounting principals generally accepted in Japan and are not intended to conform with accounting principles and practices generally accepted in other countries and jurisdictions.

\*Figures are rounded down to the nearest million.

**1. Consolidated Results for the Fiscal 2008, Ending March 31, 2008 (April 1, 2007 – March 31, 2008)**

\* Percent figures for net sales, operating income, ordinary income and net income express percentage change from the same period of the previous fiscal year.

**(1) Consolidated Results**

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2008	197,358	(0.5)	11,928	(24.4)	10,313	(25.7)	5,073	(15.4)
Fiscal 2007	198,362	3.3	15,783	6.5	13,884	7.8	6,000	123.5
	EPS		Diluted EPS		Net Income to Total Equity	Ordinary Income to Total Assets	Operating Income to Net Sales	
	Yen		Yen		%	%	%	
Fiscal 2008	12.14		–		3.7	3.2	6.0	
Fiscal 2007	14.35		–		4.3	4.3	8.0	

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Total Equity to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2008	316,835	135,523	42.3	320.83
Fiscal 2007	328,280	145,473	43.9	344.48

**(3) Consolidated Cash Flows**

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal 2008	23,202	(18,329)	5,158	22,825
Fiscal 2007	20,687	(14,444)	(12,430)	12,813

## 2. Dividends

(Date of Record)	Dividends per share			Total (annual)	Dividends ratio (Consolidated)	Dividends per net assets(Consolidated)
	Interim	Year-End	Annual			
	Yen	Yen	Yen	Million of yen	%	%
FY2007	2.50	2.50	5.00	2,090	34.8	1.5
FY2008	2.50	3.50	6.00	2,506	49.4	1.8
FY2009 (Planned)	2.50	2.50	5.00	-	41.8	-

## 3. Forecast of Consolidated Financial Results for Fiscal 2009 (April 1, 2008—March 31, 2009)

\*Percent figures for net sales, operating income, ordinary income and net income express percentage change from the same period of the previous fiscal year.

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY20091H	101,000	6.5	3,500	(37.1)	3,100	(41.8)	1,300	(42.3)	3.11
FY2009	212,000	7.4	11,500	(3.6)	10,300	(0.1)	5,000	(1.4)	11.97

Note: Explanation regarding the appropriate use of the forecast of financial results and other special considerations

The above forecast figures are based on assumptions and beliefs in light of information available to management at the time of document preparation. Readers are advised that actual results may differ materially from the forecast due to a variety of factors.

## 4 Consolidated Financial Statements for the First Half of Fiscal 2008

### (1) Consolidated Balance Sheets

	Fiscal 2007 (as of March 31, 2007)		Fiscal 2008 (as of March 31, 2008)		YoY Increase (Decrease)
	Million of yen	(%)	Million of yen	(%)	(%)
<b>ASSETS</b>					
<b>Current assets:</b>					
1. Cash and cash equivalents	13,009		23,050		10,040
2. Trade receivables	43,432		40,955		(2,476)
3. Securities	0		0		0
4. Inventories	15,710		17,274		1,564
5. Deferred tax assets	1,499		1,354		(145)
6. Short-term loans to unconsolidated subsidiaries and affiliates	241		502		260
7. Other	1,977		2,065		88
Less: Allowance for doubtful receivables	(374)		(217)		157
Total current assets	75,496	23.0	84,985	26.8	9488
<b>Fixed assets:</b>					
1. Property, plant and equipment:					
(1) Buildings and structures	139,826		141,049		
Total of depreciation and amortization	87,373	52,452	89,307	51,741	(710)
(2) Machinery, equipment and tools	331,584		339,296		
Total of depreciation and amortization	270,510	61,074	278,918	60,377	(696)
(3) Land		39,524		39,166	(358)
(4) Construction in progress		5,008		7,311	2,303
(5) Other	27,722		27,155		
Total of depreciation and amortization	15,161	12,560	14,920	12,234	(325)
Total of Property, plant and equipment:		170,619		170,832	53.9
2. Intangible fixed assets					
(1) Goodwill		526		388	(137)
(2) Other		5,681		5,612	(69)
Total of intangible fixed assets		6,208		6,000	1.9
3. Investments and other assets:					
(1) Investment securities		68,921		46,184	(22,737)
(2) Long-term loans receivable		167		1,272	1,105
(3) Deferred tax assets		667		723	55
(4) Other		8,708		7,387	(1,320)
Less: Allowance for doubtful receivables		(2,508)		(550)	1,957
Total of investments and other assets		75,955		55,016	17.4
Total fixed assets		252,783		231,849	73.2
<b>Total assets</b>		328,280		316,835	100.0

	Fiscal 2007 (as of March 31, 2007)		Fiscal 2008 (as of March 31, 2008)		YoY Increase (Decrease)
	Million of yen	(%)	Million of yen	(%)	(%)
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
1. Trade payables	24,479		25,800		1,320
2. Short-term bank loans	31,277		30,899		(377)
3. Current portion of long-term debt	20,866		5,196		(15,669)
4. Current portion of corporate bonds	-		5,000		5,000
5. Accrued income taxes	3,736		1,049		(2,686)
6. Deferred tax liabilities	-		15		15
7. Accrued expenses	2,007		2,057		49
8. Other	11,555		12,125		569
Total current liabilities	93,922	28.6	82,143	25.9	(11,778)
<b>Long-term liabilities:</b>					
1. Corporate bonds	20,000		32,000		12,000
2. Long-term debt	36,681		43,072		6,391
3. Deferred tax liabilities	21,885		13,661		(8,223)
4. Accrued severance benefits for employees	865		813		(51)
5. Accrued severance benefits for directors and statutory auditors	318		342		24
6. Allowance for loss on land improvements	396		-		(396)
7. Other	8,738		9,276		538
Total long-term liabilities	88,884	27.1	99,167	31.3	10,282
Total liabilities	182,806	55.7	181,311	57.2	(1,495)
<b>NET ASSETS</b>					
<b>Shareholders' equity:</b>					
1. Common stock	41,654	12.7	41,654	13.1	-
2. Capital surplus	31,082	9.4	31,086	9.8	3
3. Retained earnings	44,286	13.5	47,271	14.9	2,984
4. Treasury stock	(1,634)	(0.5)	(1,725)	(0.5)	(90)
Total shareholders' equity	115,389	35.1	118,286	37.3	2,897
<b>Valuation and translation adjustments:</b>					
1. Unrealized gain on available-for-sale securities	28,623	8.7	15,762	5.0	(12,861)
2. Foreign currency translation adjustments	(39)	(0.0)	(52)	(0.0)	(12)
Total valuation and conversions	28,583	8.7	15,709	5.0	(12,873)
<b>Minority interests</b>	1,500	0.5	1,527	0.5	27
Total net assets	145,473	44.3	135,523	42.8	(9,949)
<b>Total liabilities and net assets</b>	328,280	100.0	316,835	100.0	(11,444)

## (2) Consolidated Statements of Income

	Fiscal 2007 (April 1, 2006 to March 31, 2007)		Fiscal 2008 (April 1, 2007 to March 31, 2008)		YoY Increase (Decrease)		
	Millions of yen	(%)	Millions of yen	(%)			
<b>Net sales</b>		198,362	100.0	197,358	100.0	(1,003)	
<b>Cost of sales</b>		146,921	74.1	149,333	75.7	2,411	
Gross profit		51,440	25.9	48,025	24.3	(3,414)	
<b>Selling, general and administrative expenses</b>		35,657	17.9	36,097	18.3	439	
Operating income		15,783	8.0	11,928	6.0	(3,854)	
<b>Other income:</b>							
1. Interest income	70			105			
2. Dividend income	735			1,211			
3. Proceeds from investments in unconsolidated subsidiaries and affiliates	66			39			
4. Other income	612	1,484	0.7	307	1,664	0.8	179
<b>Other expenses:</b>							
1. Interest expenses	1,947			2,091			
2. Other expenses	1,435	3,383	1.7	1,187	3,279	1.6	(104)
Ordinary income		13,884	7.0	10,313	5.2	(3,570)	
<b>Extraordinary gains:</b>							
1. Gain on sales and disposal of fixed assets, net	216			418			
2. Gain on sales of securities, net	155			528			
3. Reversal of allowance for doubtful accounts	547			255			
4. Other income	50	969	0.5	175	1,378	0.7	408
<b>Extraordinary losses:</b>							
1. Loss on disposal of fixed assets	1,247			1,912			
2. Loss on sales of fixed assets	179			4			
3. Loss on write-down of stock	57			529			
4. Provision for doubtful accounts and loan losses	57			118			
5. Loss on disposal and devaluation of inventories	299			222			
6. Impairment loss on fixed assets	1,495			64			
7. Loss on land improvements	-			254			
8. Allowance for loss on land improvements	396			-			
9. Other	80	3,813	1.9	36	3,143	1.6	(670)
Income before income taxes and minority interests		11,040	5.6	8,548	4.3	(2,491)	
Income taxes    current	5,083			2,624			
Income taxes    deferred	(66)	5,017	2.6	810	3,435	1.7	(1,581)
Minority interests		22	0.0	39	0.0	16	
<b>Net income</b>		6,000	3.0	5,073	2.6	(926)	

(3) Consolidated Statements of Changes in Shareholders' Equity  
For the fiscal 2007, ending March 31, 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of March 31, 2007	41,654	31,079	41,005	(1,475)	112,263
Movements during fiscal 2008:					
Distribution of retained earnings	—	—	(2,718)	—	(2,718)
Net income	—	—	6,000	—	6,000
Acquisition of treasury stock	—	—	—	(161)	(161)
Sales of treasury stock	—	3	—	2	6
Net change in line items other than shareholders' equity	—	—	—	—	—
Total due to movements during the fiscal 2008	—	3	3,281	(159)	3,125
Balance as of March 31, 2008	41,654	31,082	44,286	(1,634)	115,389

	Valuation and Conversions			Minority Interests	Total Net Assets
	Net Unrealized Holding Gain on Other Securities	Foreign Currency Translation Adjustment	Total Valuation and Conversions		
Balance as of March 31, 2007	23,180	(49)	23,130	1,475	136,869
Movements during the fiscal 2008:					
Distribution of retained earnings	—	—	—	—	(2,718)
Net income	—	—	—	—	6,000
Acquisition of treasury stock	—	—	—	—	(161)
Sales of treasury stock	—	—	—	—	6
Net change in line items other than shareholders' equity	5,443	9	5,453	24	5,477
Total due to movements during the fiscal 2008	5,443	9	5,453	24	8,603
Balance as of March 31, 2008	28,623	(39)	28,583	1,500	145,473

(3) Consolidated Statements of Changes in Shareholders' Equity  
For the fiscal 2008, ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of March 31, 2007	41,654	31,082	44,286	(1,634)	115,389
Movements during fiscal 2008:					
Distribution of retained earnings	—	—	(2,089)	—	(2,089)
Net income	—	—	5,073	—	5,073
Acquisition of treasury stock	—	—	—	(99)	(99)
Sales of treasury stock	—	3	—	8	12
Net change in line items other than shareholders' equity	—	—	—	—	—
Total due to movements during the fiscal 2008	—	3	2,984	(90)	2,897
Balance as of March 31, 2008	41,654	31,086	47,271	(1,725)	118,286

	Valuation and Conversions			Minority Interests	Total Net Assets
	Net Unrealized Holding Gain on Other Securities	Foreign Currency Translation Adjustment	Total Valuation and Conversions		
Balance as of March 31, 2007	28,623	(39)	28,583	1,500	145,473
Movements during the fiscal 2008:					
Distribution of retained earnings	—	—	—	—	(2,089)
Net income	—	—	—	—	5,073
Acquisition of treasury stock	—	—	—	—	(99)
Sales of treasury stock	—	—	—	—	12
Net change in line items other than shareholders' equity	(12,861)	(12)	(12,873)	27	(12,846)
Total due to movements during the fiscal 2008	(12,861)	(12)	(12,873)	27	(9,949)
Balance as of March 31, 2008	15,762	(52)	15,709	1,527	135,523

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2007 (April 1, 2006 to March 31, 2007)	Fiscal 2008 (April 1, 2007 to March 31, 2008)	YoY Increase (Decrease)
<b>. Cash flows from operating activities:</b>			
1. Income before income taxes	11,040	8,548	(2,491)
2. Depreciation and amortization	14,300	16,390	2,089
3. Loss on impairment of fixed assets	1,495	64	(1,430)
4. Loss on land improvements	-	254	254
5. Amortization of goodwill	137	137	-
6. Increase (decrease) in severance benefits for employees	85	(51)	(137)
7. Increase (decrease) in severance benefits for directors and statutory auditors	(417)	24	441
8. Increase (decrease) in allowance for loss on land improvement	396	(396)	(792)
9. Increase (decrease) in allowance for doubtful receivables	(69)	(2,115)	(2,046)
10. Interest and dividend income	(805)	(1,316)	(511)
11. Interest expenses	1,947	2,091	143
12. Foreign exchange (gain) loss	(9)	258	268
13. Gain on investments in unconsolidated subsidiaries and affiliates	(66)	(39)	27
14. Gain on sales of fixed assets	(216)	(418)	(201)
15. Loss on sales of fixed assets	179	4	(175)
16. Loss on disposal of fixed assets	597	552	(45)
17. Gain on sales of investment securities	(155)	(528)	(373)
18. Write-down of investments in common stock	57	529	472
19. Loss on disposal of inventories	299	222	(77)
20. Increase (decrease) in accounts receivable	(2,991)	2,476	5,467
21. Increase (decrease) in inventories	(1,679)	1,320	3,000
22. Increase (decrease) in accounts payable	1,327	(1,564)	(2,891)
23. Others	286	2,817	2,531
Subtotal	25,742	29,264	3,521
24. Interest and dividends received	802	1,310	508
25. Interest paid	(1,937)	(2,074)	(136)
26. Income taxes paid	(3,920)	(5,298)	(1,377)
<b>Net cash provided by (used in) operating activities</b>	<b>20,687</b>	<b>23,202</b>	<b>2,515</b>

(Millions of yen)

	Fiscal 2007 (April 1, 2006 to March 31, 2007)	Fiscal 2008 (April 1, 2007 to March 31, 2008)	YoY Increase (Decrease)
<b>. Cash flows from investing activities:</b>			
1. Proceeds from redemption of securities	0	-	0
2. Purchases of fixed assets	(14,421)	(18,066)	(3,644)
3. Proceeds from sales of fixed assets	1,286	914	(371)
4. Purchases of investment securities	(2,335)	(775)	1,559
5. Proceeds from sales of investment securities	937	1,229	292
6. Repayment of loans	(816)	(1,720)	(904)
7. Proceeds from collection of loans receivable	907	117	(789)
8. Other	(2)	(28)	(26)
<b>Net cash provided by (used in) investing activities</b>	<b>(14,444)</b>	<b>(18,329)</b>	<b>(3,885)</b>
<b>. Cash flows from financing activities:</b>			
1. Increase (decrease) in short-term bank loans	(2,721)	(377)	2,344
2. Proceeds from long-term loans	9,700	12,749	3,049
3. Repayment of long-term loans	(11,531)	(22,026)	(10,495)
4. Proceeds from issuance of bonds	-	17,000	17,000
5. Redemption of bonds	(5,000)	-	5,000
6. Proceeds from sales of treasury stock	6	3	(2)
7. Payments for acquisition of treasury stock	(161)	(99)	62
8. Cash dividends paid	(2,718)	(2,089)	629
9. Payments of dividends to minority shareholders	(3)	(1)	1
<b>Net cash provided by (used in) financing activities</b>	<b>(12,430)</b>	<b>5,158</b>	<b>17,589</b>
<b>. Effect of exchange rate changes on cash and cash equivalents</b>	<b>3</b>	<b>(19)</b>	<b>(23)</b>
<b>. Net increase (decrease) in cash and cash equivalents</b>	<b>(6,183)</b>	<b>10,012</b>	<b>16,196</b>
<b>. Cash and cash equivalents at beginning of year</b>	<b>18,997</b>	<b>12,813</b>	<b>(6,183)</b>
<b>. Cash and cash equivalents as of September 30, 2007</b>	<b>12,813</b>	<b>22,825</b>	<b>10,012</b>

## 5. Segment Information by Business

For the fiscal 2007, ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Cement	Mineral Resources	Cement-Related Products	Optoelectronics and Advanced Materials	Real Estate and Other	Total	Eliminations and Adjustments	Consolidated
Net sales and operating income (loss)								
Net sales:								
(1) Outside customers	157,148	8,676	11,823	13,152	7,561	198,362	-	198,362
(2) Intersegment sales	2,500	4,233	1,624	-	4,285	12,644	(12,644)	-
Total	159,648	12,910	13,448	13,152	11,847	211,007	(12,644)	198,362
Costs and expenses	146,355	11,779	12,889	13,923	10,212	195,160	(12,581)	182,579
Operating income (loss)	13,292	1,130	558	(771)	1,635	15,846	(62)	15,783
Assets, Depreciation and amortization, Loss on impairment of fixed assets and Capital expenditures								
Assets	193,829	25,489	9,714	16,190	30,254	275,478	52,802	328,280
Depreciation and amortization	11,546	1,201	226	628	746	14,349	(48)	14,300
Loss on impairment of fixed assets	166	2	-	6	185	361	1,133	1,495
Capital expenditures	10,639	1,505	246	1,415	644	14,450	(38)	14,412

For the fiscal 2008, ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	Cement	Mineral Resources	Cement-Related Products	Optoelectronics and Advanced Materials	Real Estate and Other	Total	Eliminations and Adjustments	Consolidated
Net sales and operating income (loss)								
Net sales:								
(1) Outside customers	155,741	9,145	11,872	12,813	7,785	197,358	-	197,358
(2) Intersegment sales	3,010	4,118	2,183	-	7,247	16,559	(16,559)	-
Total	158,751	13,263	14,056	12,813	15,033	213,918	(16,559)	197,358
Costs and expenses	148,342	12,434	13,803	14,067	13,346	201,994	(16,564)	185,430
Operating income (loss)	10,409	828	252	(1,253)	1,687	11,923	4	11,928
Assets, Depreciation and amortization, Loss on impairment of fixed assets and Capital expenditures								
Assets	205,047	26,948	10,357	12,060	32,853	287,267	29,567	316,835
Depreciation and amortization	13,224	1,379	293	892	752	16,542	(152)	16,390
Loss on impairment of fixed assets	39	0	-	-	-	40	24	64
Capital expenditures	14,658	3,312	463	741	148	19,323	(267)	19,056

### Notes:

1. Business segments are classified into categories on the basis of sales.
2. Major products in each business segment

Business segment	Major products
Cement	Various cements, ready-mixed concrete, cement solidification materials, electricity supply to cement plants and raw material and fuel recycling
Mineral Resources	Limestone and other mineral resources
Cement-Related Products	Repair materials for concrete buildings and secondary concrete products
Optoelectronics and Advanced Materials	Optical communication components and measuring equipment, ceramic products, films and filters for PDP and nanoparticle materials
Real Estate and Other	Land and building leasing, Engineering and Development of software