

# Summary of Consolidated Financial Results of Sumitomo Osaka Cement Co., Ltd. for the Fiscal 2009, Ending March 31, 2009

May 14, 2009

Company: Sumitomo Osaka Cement Co., Ltd.      Fiscal 2008 :      April 1, 2007-March 31, 2008  
 Stock code: 5232      Fiscal 2009 :      April 1, 2008-March 31, 2009  
 URL: <http://www.soc.co.jp/>

The accompanying consolidated financial results of the Company are prepared on the basis of accounting principles 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 yen.

## 1. Consolidated Results for Fiscal 2009, Ending March 31, 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.

### (1) Consolidated Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2009	215,390	9.1	5,973	(49.9)	4,363	(57.7)	450	(91.1)
Fiscal 2008	197,358	(0.5)	11,928	(24.4)	10,313	(25.7)	5,073	(15.4)

  

	EPS	Diluted EPS	Net Income to Total Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal 2009	1.08	—	0.4	1.4	2.8
Fiscal 2008	12.14	—	3.7	3.2	6.0

(Reference) Profit (loss) on investment by the equity method of accounting: FY 2009 15 millions of yen    FY 2008: 39 millions of yen

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's equity ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2009	309,465	121,682	38.9	288.62
Fiscal 2008	316,835	135,523	42.3	320.83

(Reference) Total Equity of FY 2009: 120,227 millions of yen    FY 2008: 133,996 millions of yen

### (3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows From Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2009	17,593	(23,191)	8,753	25,988
Fiscal 2008	23,202	(18,329)	5,158	22,825

## 2. Dividends

(Date of Record)	Dividends per share					Total dividends (Annual)	Dividend ratio (consolidated)	Dividends/Net assets
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual	Millions of yen	%	%
Fiscal 2008	Yen	Yen	Yen	Yen	Yen	2,506	49.4	1.8
Fiscal 2009		2.50		3.50	6.00	1,666	370.0	1.3
FY2010 (Forecast)	—	—	—	—	4.00		83.3	

## 3. Forecast of Consolidated Financial Results for Fiscal 2010 (April 1, 2009—March 31, 2010)

\* 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
FY2010 1H	99,000	(5.4)	1,250	(40.0)	500	(64.2)	(800)		(1.92)
FY2010	206,000	(4.4)	8,500	42.3	6,500	49.0	2,000	343.5	4.80

Note1: Revision of consolidated earnings estimates in the first quarter: No

Note2: 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 Statement for the Fiscal 2009  
(1) Consolidated Balance Sheets

(Millions of Yen)

	End Fiscal Year 2008, Condensed Consolidated Balance Sheet (as of March 31, 2008)	End Fiscal Year 2009, Condensed Consolidated Balance Sheet (as of March 31, 2009)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	23,050	26,258
Trade receivables	40,955	42,237
Securities	0	0
Inventories	17,274	
Products and finished goods		7,480
Work in process		3,006
Raw materials and supplies		11,580
Deferred tax assets	1,354	1,533
Short-term loans receivable	502	377
Others	2,065	2,062
Less: Allowance for doubtful accounts	(217)	(230)
Total current assets	84,985	94,306
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings and structures	141,049	143,316
Accumulated depreciation	(89,307)	(91,865)
Buildings and structures(Net)	51,741	51,450
Machinery, equipment and tools	339,296	346,349
Accumulated depreciation	(278,918)	(290,459)
Machinery, equipment and tools(Net)	60,377	55,889
Land	39,166	39,137
Construction in progress	7,311	15,891
Others	27,155	27,258
Accumulated depreciation	(14,920)	(15,190)
Others(Net)	12,234	12,067
Property, plant and equipment (net)	170,832	174,438
Intangible fixed assets		
Goodwill	388	405
Others	5,612	5,740
Total intangible fixed assets	6,000	6,145
Investments and other assets:		
Investment securities	46,184	25,433
Long-term loans receivable	1,272	1,453
Deferred tax assets	723	1,015
Others	7,387	7,287
Less: Allowance for doubtful accounts	(550)	(615)
Total investments and other assets	55,016	34,575
Total fixed assets	231,849	215,159
<b>Total assets</b>	<b>316,835</b>	<b>309,465</b>

(Millions of Yen)

	End Fiscal Year 2008, Condensed Consolidated Balance Sheet (as of March 31, 2008)	End Fiscal Year 2009, Condensed Consolidated Balance Sheet (as of March 31, 2009)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	25,800	27,487
Short-term bank loans	30,899	33,116
Current portion of long-term debt	5,196	7,613
Current portion of corporate bonds	5,000	10,000
Income taxes payable	1,049	856
Deferred tax liabilities	15	13
Accrued bonuses	2,057	2,056
Others	12,125	13,758
Total current liabilities	82,143	94,902
<b>Long-term liabilities:</b>		
Corporate bonds	32,000	22,000
Long-term loans	43,072	54,767
Deferred tax liabilities	13,661	5,399
Employees' severance and pension benefits	813	828
Reserve for directors' retirement benefits	342	315
Others	9,276	9,570
Total long-term liabilities	99,167	92,881
Total liabilities	181,311	187,783
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital Stock	41,654	41,654
Capital surplus and gains on sales of treasury stock	31,086	31,084
Retained earnings	47,271	45,426
Treasury stock, at cost	(1,725)	(1,926)
Total shareholders' equity	118,286	116,238
<b>Valuation and translation adjustments:</b>		
Unrealized gain on available-for-sale securities	15,762	4,025
Foreign currency translation adjustments	(52)	(35)
Total valuation and translation adjustments	15,709	3,989
<b>Minority interests</b>		
	1,527	1,454
Total net assets	135,523	121,682
<b>Total liabilities and net assets</b>	<b>316,835</b>	<b>309,465</b>

## (2) Consolidated Profit and Loss Statement for the Fiscal 2009

(Millions of Yen)

	Fiscal 2008 (April 1, 2007 to March 31, 2008)	Fiscal 2009 (April 1, 2008 to March 31, 2009)
Net sales	197,358	215,390
Cost of sales	149,333	172,920
Gross profit	48,025	42,470
Selling, general and administrative expenses	36,097	36,496
Operating income	11,928	5,973
Other income:		
Interest income	105	91
Dividend income	1,211	1,261
Equity in earnings of affiliates	39	15
Others	307	574
Total of other income	1,664	1,942
Other expenses:		
Interest expenses	2,091	2,222
Others	1,187	1,330
Total of other expenses	3,279	3,553
Ordinary income	10,313	4,363
Extraordinary gains:		
Gain on sales and disposal of fixed assets	418	341
Gain on sales of securities	528	18
Reversal of allowance for doubtful accounts	255	47
Others	175	20
Total extraordinary gains	1,378	428
Extraordinary losses:		
Loss on disposal of fixed assets	1,912	1,273
Loss on sales of fixed assets	4	79
Write-down of investments in securities	529	1,168
Provision for doubtful accounts and loan losses	118	224
Loss on disposal of inventories	222	304
Loss on impairment long-lived assets	64	68
Loss on impairment of fixed assets	254	
Others	36	14
Total extraordinary losses	3,143	3,134
Income before income taxes	8,548	1,657
Corporate Income taxes and business tax	2,624	1,260
Income taxes for prior periods		468
Income taxes adjustments	810	(578)
Total income taxes	3,435	1,150
Minority interests in net income of consolidated subsidiaries	39	56
Net income	5,073	450

(3) Consolidated Statements of Changes in Shareholders' Equity  
For the fiscal 2009, ending March 31, 2009 (April, 2008 to March 31, 2009)

(Millions of Yen)

	Fiscal 2008 (April 1, 2007 to March 31, 2008)	Fiscal 2009 (April 1, 2008 to March 31, 2009)
<b>Shareholder's Equity</b>		
<b>Common stock</b>		
Balance as of March 31, 2008	41,654	41,654
Change during the year		
Total change during the year	—	—
Balance as of March 31, 2009	41,654	41,654
<b>Capital surplus</b>		
Balance as of March 31, 2008	31,082	31,086
Change during the year		
Disposal of treasury stock	3	(2)
Total change during the year	3	(2)
Balance as of March 31, 2009	31,086	31,084
<b>Retained earnings</b>		
Balance as of March 31, 2008	44,286	47,271
Change during the year		
Cash dividends from retained earnings	(2,089)	(2,295)
Net income	5,073	450
Total change during the year	2,984	(1,844)
Balance as of March 31, 2009	47,271	45,426
<b>Treasury stock</b>		
Balance as of March 31, 2008	(1,634)	(1,725)
Change during the year		
Acquisition of treasury stock	(99)	(246)
Disposal of treasury stock	8	45
Total change during the year	(90)	(201)
Balance as of March 31, 2009	(1,725)	(1,926)
<b>Total shareholder's Equity</b>		
Balance as of March 31, 2008	115,389	118,286
Change during the year		
Cash dividends from retained earnings	(2,089)	(2,295)
Net income	5,073	450
Acquisition of treasury stock	(99)	(246)
Disposal of treasury stock	12	42
Total change during the year	2,897	(2,048)
Balance as of March 31, 2009	118,286	116,238

	Fiscal 2008	Fiscal 2009
	(April 1, 2007 to March 31, 2008)	(April 1, 2008 to March 31, 2009)
<b>Valuation and Translation Adjustments</b>		
<b>Net unrealized holding gains on securities</b>		
Balance as of march 31, 2008	28,623	15,762
Change during the year		
Net change in items other than shareholders' equity	(12,861)	(11,737)
Total change during the year	(12,861)	(11,737)
Balance as of March 31, 2009	15,762	4,025
<b>Foreign currency translation adjustments</b>		
Balance as of march 31, 2008	(39)	(52)
Change during the year		
Net change in items other than shareholders' equity	(12)	16
Total change during the year	(12)	16
Balance as of March 31, 2009	(52)	(35)
<b>Total Valuation and Translation</b>		
Balance as of march 31, 2008	28,583	15,709
Change during the year		
Net change in items other than shareholders' equity	(12,873)	(11,720)
Total change during the year	(12,873)	(11,720)
Balance as of March 31, 2009	15,709	3,989
<b>Minority Interests</b>		
Balance as of march 31, 2008	1,500	1,527
Change during the year		
Net change in items other than shareholders' equity	27	(72)
Total change during the year	27	(72)
Balance as of March 31, 2009	1,527	1,454
<b>Total Net Assets</b>		
Balance as of march 31, 2008	145,473	135,523
Change during the year		
Cash dividends from retained earnings	(2,089)	(2,295)
Net income	5,073	450
Acquisition of treasury stock	(99)	(246)
Disposal of treasury stock	12	42
Net change in items other than shareholders' equity	(12,846)	(11,793)
Total change during the year	(9,949)	(13,841)
Balance as of March 31, 2009	135,523	121,682

## (3) Consolidated Statements of Cash Flows for the Fiscal 2009

(Millions of Yen)

	Fiscal 2008 (April 1, 2007 to March 31, 2008)	Fiscal 2009 (April 1, 2008 to March 31, 2009)
<b>Net cash provided by operating activities:</b>		
Income before income taxes	8,548	1,657
Depreciation and amortization	16,390	20,291
Loss on impairment	64	68
Loss on impairment of fixed assets	254	
Amortization of goodwill	137	137
Increase (decrease) in severance benefits for employees	(51)	14
Increase (decrease) in severance benefits for directors and statutory auditors	24	(27)
Increase (decrease) in allowance for loss on land improvement	(396)	
Increase (decrease) in allowance for doubtful accounts	(2,115)	225
Interest and dividend income	(1,316)	(1,352)
Interest expenses	2,091	2,222
Foreign exchange (gain) loss	258	51
Equity in (earnings) losses of affiliates	(39)	(15)
Gain on sales of fixed assets	(418)	(341)
Loss on sales of fixed assets	4	79
Loss on disposal of fixed assets	552	452
Gain on sales of investment securities	(528)	(18)
Loss on sales of investment securities	529	1,168
Loss on disposal of inventories	222	302
Decrease (increase) in notes and trade receivables	2,476	(1,296)
Decrease (increase) in inventories	1,320	(5,116)
Increase (decrease) in notes and trade payables	(1,564)	1,695
Others	2,817	157
Subtotal	29,264	20,356
Interest and dividends received	1,310	1,324
Interest expenses paid	(2,074)	(2,210)
Income taxes paid	(5,298)	(1,876)
<b>Net cash provided by (used in) operating activities</b>	<b>23,202</b>	<b>17,593</b>
<b>Net cash provided by (used in) investing activities:</b>		
Proceeds from redemption of securities	0	0
Purchase of property, plant and equipment	(18,066)	(25,246)
Proceeds from sales of property, plant and equipment	914	515
Purchases of investment securities	(775)	(569)
Proceeds from sales of investment securities	1,229	40
Payments of loans receivable	(1,720)	(511)
Collection of loans receivable	117	485
Others	(28)	2,094
<b>Net cash provided by (used in) investment activities</b>	<b>(18,329)</b>	<b>(23,191)</b>

	Fiscal 2008 (April 1, 2007 to March 31, 2008)	Fiscal 2009 (April 1, 2008 to March 31, 2009)
<b>Net cash used in financing activities:</b>		
Increase (decrease) in short-term bank loans	(377)	2,210
Proceeds from long-term loans payable	12,749	19,938
Repayment of long-term loans payable	(22,026)	(5,826)
Proceeds from issuance of bonds	17,000	
Proceeds from sales of treasury stock	3	42
Redemption of bonds		(5,000)
Purchase of treasury stock	(99)	(246)
Cash dividends paid	(2,089)	(2,295)
Cash dividends paid to minority shareholders	(1)	(8)
Others		(61)
<b>Net cash provided by (used in) financing activities</b>	<b>5,158</b>	<b>8,753</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(19)</b>	<b>7</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,012</b>	<b>3,162</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>12,813</b>	<b>22,825</b>
<b>Cash and cash equivalents as of March 31, 2009</b>	<b>22,825</b>	<b>25,988</b>

**(4)Segment Information****Business segments****For the fiscal 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)		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

**For the fiscal 2009 (April 1, 2008 to March 31, 2009)****(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	174,724	8,975	13,192	12,095	6,402	215,390	—	215,390
(2) Intersegment sales	3,288	3,964	2,387	17	6,586	16,244	(16,244)	—
Total	178,012	12,940	15,580	12,112	12,988	231,634	(16,244)	215,390
Costs and expenses	172,372	12,812	15,195	13,788	11,481	225,650	(16,233)	209,416
Operating income(loss)	5,640	127	384	(1,675)	1,507	5,984	(10)	5,973
Assets, Depreciation and Amortization, Loss on impairment of fixed assets and Capital expenditures								
Assets	206,439	27,433	9,502	11,369	32,511	287,256	22,209	309,465
Depreciation and amortization	16,313	1,847	356	975	799	20,292	0	20,291
Loss on impairment of fixed assets	2	—	—	60	—	63	5	68
Capital expenditures	18,708	3,835	143	660	989	24,337	0	24,337