

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

November 6, 2008

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

### 1. Consolidated Results for the First Half of Fiscal 2009, Ending March 31, 2009 (April 1, 2008-September 30, 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	%
1H of FY 2009	<b>104,698</b>	-	<b>2,084</b>	-	<b>1,397</b>	-	<b>66</b>	-
1H of FY 2008	94,878	(1.3)	5,563	(20.3)	5,323	(12.7)	2,253	(4.3)
	EPS		Diluted EPS					
		Yen		Yen				
1H of FY 2009		<b>0.15</b>		-				
1H of FY 2008		5.39		-				

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Total Equity to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
1H of FY 2009	<b>313,239</b>	<b>131,245</b>	<b>41.4</b>	<b>311.19</b>
FY 2008	316,835	135,523	42.3	320.83

(Reference) Total Equity 1H of FY 2009: 129,705 millions of yen FY 2008: 133,996 millions of yen

#### 2. Dividends

(Date of Record)	Dividends per share				
	At the end of 1 <sup>st</sup> Q, FY2009	At Midterm	At the end of 3rd Q, FY2009	Year-End	Full year
	Yen	Yen	Yen	Yen	Yen
FY2008		2.50		3.50	6.00
FY2009		2.00			
FY2009 (Planned)				2.00	4.00

#### 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
Full Year	219,000	11.0	6,000	(49.7)	5,000	(51.5)	1,900	(62.6)	4.55

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 First Half of Fiscal 2009  
(1) Consolidated Balance Sheets

(Millions of Yen)

	End First Half of Fiscal 2009 (as of September 30, 2008)	End Fiscal Year 2008, Condensed Consolidated Balance Sheet (as of March 31, 2008)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	18,215	23,050
Trade receivables	40,935	40,955
Securities	0	0
Finished goods	4,145	3,810
Semi-finished goods	2,377	2,210
Work in process	2,750	2,836
Raw materials and supplies	10,822	8,416
Deferred tax assets	1,768	1,354
Short-term loans to unconsolidated subsidiaries and affiliates	528	502
Other	2,334	2,065
Less: Allowance for doubtful accounts	(177)	(217)
<b>Total current assets</b>	<b>83,703</b>	<b>84,985</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings and structures	142,848	141,049
Accumulated depreciation	(90,704)	(89,307)
Buildings and structures(Net)	52,143	51,741
Machinery, equipment and tools	343,523	339,296
Accumulated depreciation	(285,116)	(278,918)
Machinery, equipment and tools(Net)	58,407	60,377
Land	39,226	39,166
Construction in progress	10,555	7,311
Other	27,298	27,155
Accumulated depreciation	(15,125)	(14,920)
Other(Net)	12,172	12,234
<b>Property, plant and equipment, net</b>	<b>172,505</b>	<b>170,832</b>
Intangible fixed assets		
Goodwill	319	388
Other	5,962	5,612
<b>Total of intangible fixed assets</b>	<b>6,281</b>	<b>6,000</b>
Investments and other assets:		
Investment securities	41,389	46,184
Long-term loans receivable	1,527	1,272
Deferred tax assets	680	723
Other	7,694	7,387
Less: Allowance for Doubtful accounts	(543)	(550)
<b>Total of investments and other assets</b>	<b>50,749</b>	<b>55,016</b>
<b>Total fixed assets</b>	<b>229,536</b>	<b>231,849</b>
<b>Total assets</b>	<b>313,239</b>	<b>316,835</b>

(Millions of Yen)

	End First Half of Fiscal 2009 (as of September 30, 2008)	End Fiscal Year 2008, Condensed Consolidated Balance Sheet (as of March 31, 2008)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	27,312	25,800
Short-term bank loans	31,811	30,899
Current portion of long-term debt	6,023	5,196
Current portion of corporate bonds	10,000	5,000
Accrued income taxes	823	1,049
Deferred tax liabilities	16	15
Provision	2,111	2,057
Other	13,120	12,125
Total current liabilities	91,219	82,143
<b>Long-term liabilities:</b>		
Corporate bonds	22,000	32,000
Long-term debt	46,576	43,072
Deferred tax liabilities	11,819	13,661
Provision	1,123	1,156
Other	9,256	9,276
Total long-term liabilities	90,775	99,167
Total liabilities	181,994	181,311
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital Stock	41,654	41,654
Capital surplus and gains on sales of treasury stock	30,612	31,086
Retained earnings	46,349	47,271
Treasury stock, at cost	(1,882)	(1,725)
Total shareholders' equity	116,733	118,286
<b>Valuation and translation adjustments:</b>		
Unrealized gain on available-for-sale securities	13,013	15,762
Foreign currency translation adjustments	(40)	(52)
Total valuation and conversions	12,972	15,709
<b>Minority interests</b>	1,539	1,527
Total net assets	131,245	135,523
<b>Total liabilities, net assets</b>	313,239	316,835

(2) Consolidated Profit and Loss Statement  
(First Half of, Fiscal Year 2009)

(Millions of Yen)

	First Half of, Fiscal 2009 (April 1, 2008 to September 30, 2008)
Net sales	104,698
Cost of sales	84,303
Gross profit	20,394
Selling, general and administrative expenses	18,310
Operating income	2,084
Other income:	
Interest income	45
Dividend income	381
Other	376
Total of other income	803
Other expenses:	
Interest expenses	1,090
Equity in loss of affiliates	3
Other	396
Total of other expenses	1,491
Ordinary income	1,397
Extraordinary gains:	
Gain on sales and disposal of fixed assets, net	24
Gain on sales of securities, net	17
Reversal of allowance for doubtful accounts	72
Other	15
Total of extraordinary gains	130
Extraordinary losses:	
Loss on disposal of fixed assets	390
Loss on sales of fixed assets	1
Write-down of investments in common stock	133
Provision for doubtful accounts and loan losses	49
Loss on impairment long-lived assets	68
Other	4
Total of extraordinary losses	648
Income before income taxes	878
Income taxes    current	1,009
Income taxes    deferred	(206)
Total of income taxes	802
Minority interests in net income of consolidated subsidiaries	9
Net income	66

### (3) Consolidated Statements of Cash Flows

(Millions of Yen)

	First Half of, Fiscal 2009 (April 1, 2008 to September 30, 2008)
<b>Net cash provided by operating activities:</b>	
Income before income taxes	878
Depreciation and amortization	9,719
Extraordinary losses	68
Amortization of goodwill	68
Increase (decrease) in allowance for doubtful accounts	(4)
Interest and dividend income	(426)
Interest expenses	1,090
Foreign exchange (gain) loss	(82)
Equity in (earnings) losses of affiliates	3
Loss (gain) on sales of property, plant and equipment	(23)
Decrease (increase) in notes and trade receivables	19
Decrease (increase) in inventories	(2,819)
Increase (decrease) in notes and trade payables	1,512
Others	567
Subtotal	10,573
Interest and dividends received	420
Interest expenses paid	(1,104)
Income taxes paid	(1,318)
<b>Net cash provided by (used in) operating activities</b>	<b>8,571</b>
<b>Net cash provided by (used in) investing activities:</b>	
Purchase of property, plant and equipment	(11,877)
Proceeds from sales of property, plant and equipment	48
Purchases of investment securities	(14)
Proceeds from sales of investment securities	28
Payments of loans receivable	(333)
Collection of loans receivable	133
Other	(65)
<b>Net cash provided by (used in) investment activities</b>	<b>(12,080)</b>
<b>Net cash used in financing activities:</b>	
Increase (decrease) in short-term bank loans	913
Proceeds from long-term loans payable	6,897
Repayment of long-term loans payable	(2,567)
Redemption of bonds	(5,000)
Proceeds from sales of treasury stock	0
Purchase of treasury stock	(175)
Cash dividends paid	(1,461)
Cash dividends paid to minority shareholders	(1)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,394)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>15</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,888)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>22,825</b>
<b>Cash and cash equivalents as of June 30, 2008</b>	<b>17,937</b>

(4)Segment Information

Business segments

Consolidated First Half of, Fiscal 2009 (April 1, 2008 to September 30, 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	85,010	4,657	5,535	6,257	3,237	104,698		104,698
(2) Intersegment sales	1,729	1,904	1,152	6	3,569	8,363	(8,363)	
Total	86,740	6,562	6,688	6,264	6,806	113,062	(8,363)	104,698
Operating income (loss)	2,024	165	(25)	(917)	862	2,110	(25)	2,084

**(Reference)**

Financial Statement for the First Half of, Fiscal 2008

**(1) Summary of Consolidated Statements of Income for the First Half of Fiscal 2008**

(Millions of yen)

	First Half of, Fiscal 2008 (April 1, 2007 to September 30, 2007)		(%)
<b>Net sales</b>		94,878	100.0
<b>Cost of sales</b>		71,494	75.4
Gross profit		23,384	24.6
<b>Selling, general and administrative expenses</b>		17,821	18.8
Operating income		5,563	5.8
<b>Other income</b>			
Interest income	50		
Dividend income	898		
Proceeds from investments in unconsolidated subsidiaries and affiliates	26		
Leasing income	70		
Other income	234	1,280	1.3
<b>Other expenses</b>			
Interest expenses	1,028		
Other expenses	492	1,520	1.6
Ordinary income		5,323	5.5
<b>Extraordinary gains</b>			
Gain on sales and disposal of fixed assets, net	231		
Gain on sales of securities, net	522		
Reversal of allowance for doubtful accounts	79		
Other income	—	833	0.9
<b>Extraordinary losses</b>			
Loss on disposal of fixed assets	1,499		
Loss on sales of fixed assets	1		
Loss on write-down of stock	46		
Provision for doubtful accounts and loan losses	65		
Loss on disposal and devaluation of inventories	—		
Impairment loss on fixed assets	64		
Loss on land improvements	254		
Allowance for loss on land improvements	—		
Other	8	1,939	2.0
Income before income taxes and minority interests		4,216	4.4
Income taxes-current	2,023		
Income taxes-deferred	(85)	1,937	2.0
Minority interests		25	0.0
<b>Net income</b>		2,253	2.4

**(Reference)****(2) Summary of Consolidated Statements of Cash Flows for the First Half of Fiscal 2008**

(Millions of yen)

	First Half of, Fiscal 2008 (April 1, 2007 to September 30, 2007)
. Cash flows from operating activities:	
Income before income taxes	4,216
Depreciation and amortization	7,840
Loss on impairment of fixed assets	64
Amortization of goodwill	68
Increase (decrease) in severance benefits for employees	(43)
Increase (decrease) in severance benefits for directors and statutory	
Increase (decrease) in allowance for loss on land improvement	(396)
Increase (decrease) in allowance for doubtful receivables	7
Interest and dividend income	(948)
Interest expenses	1,028
Foreign exchange (gain) loss	16
Gain on investments in unconsolidated subsidiaries and affiliates	(26)
Gain on sales of fixed assets	(231)
Loss on sales of fixed assets	1
Loss on disposal of fixed assets	372
Gain on sales of investment securities	(522)
Write-Down of investments in common stock	46
Loss on disposal of inventories	
Increase (decrease) in accounts receivable	4,599
Increase (decrease) in inventories	(2,673)
Increase (decrease) in accounts payable	(621)
Others	(994)
Subtotal	11,804
Interest and dividends received	949
Interest paid	(997)
Income taxes paid	(3,780)
Net cash provided by (used in) operating activities	7,975
. Cash flows from investing activities:	
Proceeds from redemption of securities	
Purchases of fixed assets	(7,230)
Proceeds from sales of fixed assets	553
Purchases of investment securities	(473)
Proceeds from sales of investment securities	1,633
Repayment of loans	(1,092)
Proceeds from collection of loans receivable	43
Other	9
Net cash provided by (used in) investing activities	(6,556)
. Cash flows from financing activities:	
Increase (decrease) in short-term bank loans	(1,092)
Proceeds from long-term loans	10,280
Repayment of long-term loans	(15,290)
Proceeds from issuance of bonds	7,000
Redemption of bonds	
Proceeds from sales of Treasury stock	5
Payments for acquisition of treasury stock	(70)
Cash dividends paid	(1,044)
Payments of dividends to minority shareholders	(1)
Net cash provided by (used in) financing activities	(213)
. Effect of exchange rate changes on cash and cash equivalents	0
. Net increase (decrease) in cash and cash equivalents	1,205
. Cash and cash equivalents at beginning of year	12,813
. Cash and cash equivalents as of September 30, 2008	14,018

**(Reference)**

**(4)Segment Information**

**Business segments**

**Consolidated First Half of, Fiscal 2008 (April 1, 2007 to September 30, 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	74,820	4,570	4,932	6,993	3,561	94,878		94,878
(2) Intersegment sales	1,259	2,082	661	0	3,461	7,465	(7,465)	
Total	76,079	6,652	5,594	6,993	7,023	102,344	(7,465)	94,878
Operating income (loss)	4,718	504	(4)	(462)	858	5,613	(50)	5,563