

Summary of Consolidated Financial Results of Sumitomo Osaka Cement Co., Ltd. for the Fiscal 2010, Ending March 31, 2010

May 14, 2010

Company: Sumitomo Osaka Cement Co., Ltd. Fiscal 2009 : April 1, 2008-March 31, 2009
 Stock code: 5232 Fiscal 2010 : April 1, 2009-March 31, 2010
 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 2010, Ending March 31, 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.

(1) Consolidated Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2010	195,089	(9.4)	3,037	(49.2)	1,046	(76.0)	(849)	-
Fiscal 2009	215,390	9.1	5,973	(49.9)	4,363	(57.7)	450	(91.1)

	EPS	Diluted EPS	Net Income to Total Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal 2010	(2.04)	—	(0.7)	0.3	1.6
Fiscal 2009	1.08	—	0.4	1.4	2.8

(Reference) Profit (loss) on investment by the equity method of accounting: FY 2010 14 millions of yen FY 2009: 15 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 2010	311,968	125,197	39.6	296.78
Fiscal 2009	309,465	121,682	38.9	288.62

(Reference) Total Equity of FY 2010: 123,601 millions of yen FY 2009: 120,227 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 2010	24,555	(21,525)	1,765	30,800
Fiscal 2009	17,593	(23,191)	8,753	25,988

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			
Fiscal 2009	Yen 2.00	Yen 2.00	Yen 2.00	Yen 2.00	Yen 4.00	Millions of yen 1,666	% 370.0	% 1.3
Fiscal 2010	0.00	0.00	0.00	4.00	4.00	1,665		1.3
FY2011 (Forecast)	—	0.00	—					

The Company has established March 31 and September 30 as the dates of record for dividends in the Articles of Incorporation. However, in regard to the fiscal year ending March 2011, there shall be no dividend for the September 30 date of record. Further, the dividend for the March 31 date of record is yet to be determined.

3. Forecast of Consolidated Financial Results for Fiscal 2011 (April 1, 2010—March 31, 2011)

*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
FY2011 1H	88,000	(8.0)	300	(49.5)	(300)		(900)		(2.16)
FY2011	185,000	(5.2)	4,200	38.3	2,500	138.8	400		0.96

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 Third Quarter of Fiscal 2010
(1) Consolidated Balance Sheets

(Millions of Yen)

	End Fiscal Year 2009, Condensed Consolidate Balance Sheet (as of March 31 2009)	End Fiscal Year 2010, Condensed Consolidated Balance Sheet (as of March 31, 2010)
ASSETS		
Current assets:		
Cash and deposits	26,258	31,072
Notes and accounts receivable-trade	42,237	38,560
Short-term investment securities	0	0
Merchandise and finished goods	7,480	8,180
Work in process	3,006	1,669
Raw materials and supplies	11,580	9,022
Deferred tax assets	1,533	1,816
Short-term loans receivable	377	307
Other	2,062	2,240
Allowance for doubtful accounts	(230)	(296)
Total current assets	94,306	92,573
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	143,316	149,886
Accumulated depreciation	(91,865)	(96,088)
Buildings and structures, net	51,450	53,797
Machinery, equipment and vehicles	346,349	364,578
Accumulated depreciation	(290,459)	(305,604)
Machinery, equipment and vehicles, net	55,889	58,973
Land	39,137	40,184
Construction in progress	15,891	5,746
Other	27,258	31,639
Accumulated depreciation	(15,190)	(16,434)
Other, net	12,067	15,204
Total property, plant and equipment	174,438	173,906
Intangible assets		
Goodwill	405	110
Other	5,740	3,802
Total intangible assets	6,145	3,912
Investments and other assets		
Investment securities	25,433	33,366
Long-term loans receivable	1,453	1,397
Deferred tax assets	1,015	923
Other	7,287	6,404
Allowance for Doubtful accounts	(615)	(515)
Total investments and other assets	34,575	41,575
Total noncurrent assets	215,159	219,395
Total assets	309,465	311,968

(Millions of Yen)

	End Fiscal Year 2009, Condensed Consolidate Balance Sheet (as of March 31 2009)	End Fiscal Year 2010, Condensed Consolidated Balance Sheet (as of March 31, 2010)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	27,487	23,366
Short-term loans payable	33,116	33,559
Current portion of long-term loans payable	7,613	8,354
Current portion of bonds	10,000	5,000
Income taxes payable	856	783
Deferred tax liabilities	13	12
Provision for bonuses	2,056	2,130
Other	13,758	11,343
Total current liabilities	94,902	84,550
Noncurrent liabilities:		
Bonds payable	22,000	22,000
Long-term loans payable	54,767	60,956
Deferred tax liabilities	5,399	8,352
Provision for retirement benefits	828	1,095
Provision for directors' retirement benefits	315	294
Other	9,570	9,521
Total noncurrent liabilities	92,881	102,220
Total liabilities	187,783	186,771
NET ASSETS		
Shareholders' equity:		
Capital Stock	41,654	41,654
Capital surplus	31,084	31,084
Retained earnings	45,426	43,738
Treasury stock	(1,926)	(1,941)
Total shareholders' equity	116,238	114,534
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,025	9,101
Foreign currency translation adjustment	(35)	(34)
Total valuation and translation adjustments	3,989	9,067
Minority interests		
Total net assets	121,682	125,197
Total liabilities and net assets	309,465	311,968

(2) Consolidated Profit and Loss Statement
(Through Third Quarter of, Fiscal Year 2010)

(Millions of Yen)

	Fiscal 2009 (April 1, 2008 to March 31, 2009)	Fiscal 2010 (April 1, 2009 to March 31, 2010)
Net sales	215,390	195,089
Cost of sales	172,920	157,677
Gross profit	42,470	37,411
Selling, general and administrative expenses	36,496	34,374
Operating income	5,973	3,037
Non-operating income:		
Interest income	91	84
Dividends income	1,261	668
Equity in earnings of affiliates	15	-
Other	574	745
Total non-operating income	1,942	1,498
Non-operating expenses:		
Interest expenses	2,222	2,225
Equity in losses of affiliates	-	14
Other	1,330	1,249
Total non-operating expenses	3,553	3,488
Ordinary income	4,363	1,046
Extraordinary income:		
Gain on sales of noncurrent assets	341	243
Gain on sales of investment securities	18	525
Reversal of allowance for doubtful accounts	47	-
Gain of stock extinguishment	-	24
Other	20	9
Total extraordinary income	428	804
Extraordinary loss:		
Loss on retirement of fixed assets	1,273	650
Loss on sales of fixed assets	79	2
Loss on valuation of investment securities	1,168	56
Provision of allowance for doubtful accounts	224	-
Loss on abandonment of inventories	304	-
Impairment loss	68	12
Loss on closing of the ready-mixed concrete plant for rent	—	1,943
Other	14	6
Total extraordinary losses	3,134	2,670
Income (loss) before income taxes and minority interests	1,657	(819)
Income taxes current	1,260	899
Income taxes for prior periods	468	-
Income taxes deferred	(578)	(879)
Total income taxes	1,150	19
Minority interests in income	56	9
Net income (loss)	450	(849)

(3) Consolidated Statements of Changes in Shareholders' Equity
For the fiscal 2010, ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(Millions of Yen)

	Fiscal 2009	Fiscal 2010
	(April 1, 2008 to March 31, 2009)	(April 1, 2009 to March 31, 2010)
Shareholder's Equity		
Common stock		
Balance as of March 31, 2009	41,654	41,654
Change during the year		
Total change during the year	—	—
Balance as of March 31, 2010	41,654	41,654
Capital surplus		
Balance as of March 31, 2009	31,086	31,084
Change during the year		
Disposal of treasury stock	(2)	0
Total change during the year	(2)	0
Balance as of March 31, 2010	31,084	31,084
Retained earnings		
Balance as of March 31, 2009	47,271	45,426
Change during the year		
Cash dividends from retained earnings	(2,295)	(839)
Net income(loss)	450	(849)
Total change during the year	(1,844)	(1,688)
Balance as of March 31, 2010	45,426	43,738
Treasury stock		
Balance as of March 31, 2009	(1,725)	(1,926)
Change during the year		
Acquisition of treasury stock	(246)	(17)
Disposal of treasury stock	45	2
Total change during the year	(201)	(15)
Balance as of March 31, 2010	(1,926)	(1,941)
Total shareholder's Equity		
Balance as of March 31, 2009	118,286	116,238
Change during the year		
Cash dividends from retained earnings	(2,295)	(839)
Net income(loss)	450	(849)
Acquisition of treasury stock	(246)	(17)
Disposal of treasury stock	42	2
Total change during the year	(2,048)	(1,703)
Balance as of March 31, 2010	116,238	114,534

(Millions of Yen)

	Fiscal 2009	Fiscal 2010
	(April 1, 2008 to March 31, 2009)	(April 1, 2009 to March 31, 2010)
Valuation and Translation Adjustments		
Net unrealized holding gains on securities		
Balance as of march 31, 2009	15,762	4,025
Change during the year		
Net change in items other than shareholders' equity	(11,737)	5,076
Total change during the year	(11,737)	5,076
Balance as of March 31, 2010	4,025	9,101
Foreign currency translation adjustments		
Balance as of march 31, 2009	(52)	(35)
Change during the year		
Net change in items other than shareholders' equity	16	1
Total change during the year	16	1
Balance as of March 31, 2010	(35)	(34)
Total Valuation and Translation		
Balance as of march 31, 2009	15,709	3,989
Change during the year		
Net change in items other than shareholders' equity	(11,720)	5,077
Total change during the year	(11,720)	5,077
Balance as of March 31, 2010	3,989	9,067
Minority Interests		
Balance as of march 31, 2009	1,527	1,454
Change during the year		
Net change in items other than shareholders' equity	(72)	140
Total change during the year	(72)	140
Balance as of March 31, 2010	1,454	1,595
Total Net Assets		
Balance as of march 31, 2009	135,523	121,682
Change during the year		
Cash dividends from retained earnings	(2,295)	(839)
Net income(loss)	450	(849)
Acquisition of treasury stock	(246)	(17)
Disposal of treasury stock	42	2
Net change in items other than shareholders' equity	(11,793)	5,218
Total change during the year	(13,841)	3,515
Balance as of March 31, 2010	121,682	125,197

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal 2009 (April 1, 2008 to March 31, 2009)	Fiscal 2010 (April 1, 2009 to March 31, 2010)
Net cash provided by (used in) operating activities:		
Income (loss) before income taxes	1,657	(819)
Depreciation and amortization	20,291	20,871
Impairment loss	68	12
Loss on closing of the ready-mixed concrete plant for rent	—	1,352
Amortization of goodwill	137	169
Increase (decrease) in severance benefits for employees	14	40
Increase (decrease) in severance benefits for directors and statutory auditors	(27)	(45)
Increase (decrease) in allowance for doubtful accounts	225	22
Interest and dividend income	(1,352)	(752)
Interest expenses	2,222	2,225
Foreign exchange (loses) gains	51	78
Equity in (earnings) losses of affiliates	(15)	14
Gain on sales of fixed assets	(341)	(243)
Loss on sales of fixed assets	79	2
Loss on disposal of fixed assets	452	211
Gain on sales of investment securities	(18)	(525)
Loss on sales of investment securities	1,168	56
Loss on disposal of inventories	302	
Decrease (increase) in notes and trade receivables	(1,296)	4,941
Decrease (increase) in inventories	(5,116)	4,066
Increase (decrease) in notes and accounts payable-trade	1,695	(5,106)
Other	157	538
Subtotal	20,356	27,108
Interest and dividends received	1,324	742
Interest expenses paid	(2,210)	(2,232)
Income taxes paid	(1,876)	(1,063)
Net cash provided by (used in) operating activities	17,593	24,555

Net cash provided by (used in) investing activities:

Proceeds from redemption of securities	0	0
Purchase of noncurrent assets	(25,246)	(20,324)
Proceeds from sales of noncurrent assets	515	381
Purchases of investment securities	(569)	(311)
Proceeds from sales of investment securities	40	1,421
Purchase of investments in subsidiaries resulting in charge in scope of consolidation		(1,170)
Proceeds from purchase of investments in subsidiaries resulting in charge in scope of consolidation		225
Payments of loans receivable	(511)	(2,362)
Collection of loans receivable	485	234
Other, net	2,094	379
Net cash provided by (used in) investment activities	(23,191)	(21,525)

Net cash provided by (used in) financing activities:

Increase (decrease) in short-term bank loans	2,210	742
Proceeds from long-term loans payable	19,938	15,154
Repayment of long-term loans payable	(5,826)	(8,225)
Proceeds from issuance of bonds	—	5,000
Proceeds from sales of treasury stock	42	2
Redemption of bonds	(5,000)	(10,000)
Purchase of treasury stock	(246)	(17)
Cash dividends paid	(2,295)	(833)
Cash dividends paid to minority shareholders	(8)	(6)
Other	(61)	(52)
Net cash provided by (used in) financing activities	8,753	1,765
Effect of exchange rate changes on cash and cash equivalents	7	(11)
Net increase (decrease) in cash and cash equivalents	3,162	4,784
Cash and cash equivalents at beginning of year	22,825	25,988
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries		27
Cash and cash equivalents at the end of period	25,988	30,800

(4)Segment Information**Business segments****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

For the fiscal 2010 (April 1, 2009 to March 31, 2010)**(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	155,184	7,543	13,666	12,544	6,149	195,089	—	195,089
(2) Intersegment sales	3,585	3,768	2,676	3	4,742	14,775	(14,775)	—
Total	158,769	11,312	16,342	12,547	10,892	209,864	(14,775)	195,089
Costs and expenses	155,972	11,791	16,087	13,392	9,545	206,788	(14,736)	192,052
Operating income(loss)	2,797	(478)	255	(844)	1,346	3,076	(39)	3,037
Assets, Depreciation and Amortization, Loss on impairment of fixed assets and Capital expenditures								
Assets	207,428	31,267	12,383	13,196	30,437	294,712	17,256	311,968
Depreciation and amortization	16,435	2,413	392	884	757	20,882	(10)	20,871
Loss on impairment of fixed assets	7	—	—	—	—	7	5	12
Capital expenditures	15,027	3,638	220	249	161	19,297		19,297