

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

November 5, 2009

Company:	Sumitomo Osaka Cement Co., Ltd.	Fiscal 2009 1H	April 1, 2008-September 30,2008
Stock code:	5232	Fiscal 2009:	April 1, 2008–March 31, 2009
URL:	http://www.soc.co.jp/	Fiscal 2010 1H	April 1, 2009-September 30,2009
		Fiscal 2010:	April 1, 2009-March 31,2010

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 2010, Ending March 31, 2010 (April 1, 2009–September 30, 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	%
1H of FY 2010	95,677	(8.6)	594	(71.5)	(220)	-	(363)	-
1H of FY 2009	104,698	-	2,084	-	1,397	-	66	-
	EPS		Diluted EPS					
		Yen		Yen				
1H of FY 2010		(0.87)		-				
1H of FY 2009		0.15		-				

(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 2010	303,129	126,300	41.1	299.37
FY 2009	309,465	121,682	38.9	288.62

(Reference) Total Equity 1H of FY 2010: 124,693 millions of yen FY 2009: 120,227 millions of yen

2. Dividends

(Date of Record)	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
FY2009		2.00		2.00	4.00
FY2010		0.00			
FY2010 (Planned)				4.00	4.00

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
Full Year	199,000	(7.6)	4,500	(24.7)	2,500	(42.7)	500	11.1	1.20

Note1: Revision of consolidated earnings estimates in the first Half: Yes

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 2010
(1) Consolidated Balance Sheets

(Millions of Yen)

	End First Half of Fiscal 2010 (as of September 30, 2009)	End Fiscal Year 2009, Condensed Consolidated Balance Sheet (as of March 31, 2009)
ASSETS		
Current assets:		
Cash and cash equivalents	14,449	26,258
Trade receivables	38,953	42,237
Securities	0	0
Finished goods	8,315	7,480
Work in process	2,091	3,006
Raw materials and supplies	10,582	11,580
Deferred tax assets	2,204	1,533
Short-term loans to unconsolidated subsidiaries and affiliates	292	377
Other	1,856	2,062
Less: Allowance for doubtful accounts	(205)	(230)
Total current assets	78,541	94,306
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	147,763	143,316
Accumulated depreciation	(94,035)	(91,865)
Buildings and structures(Net)	53,727	51,450
Machinery, equipment and tools	357,282	346,349
Accumulated depreciation	(297,389)	(290,459)
Machinery, equipment and tools(Net)	59,893	55,889
Land	39,774	39,137
Construction in progress	6,890	15,891
Other	31,277	27,258
Accumulated depreciation	(16,188)	(15,190)
Other(Net)	15,089	12,067
Property, plant and equipment, net	175,376	174,438
Intangible fixed assets		
Goodwill	25	405
Other	5,477	5,740
Total of intangible fixed assets	5,502	6,145
Investments and other assets:		
Investment securities	34,883	25,433
Long-term loans receivable	1,337	1,453
Deferred tax assets	1,083	1,015
Other	7,028	7,287
Less: Allowance for Doubtful accounts	(624)	(615)
Total of investments and other assets	43,709	34,575
Total fixed assets	224,588	215,159
Total assets	303,129	309,465

(Millions of Yen)

	End First Half of Fiscal 2010 (as of September 30, 2009)	End Fiscal Year 2009, Condensed Consolidated Balance Sheet (as of March 31, 2009)
LIABILITIES		
Current liabilities		
Trade payables	22,714	27,487
Short-term bank loans	31,816	33,116
Current portion of long-term debt	7,895	7,613
Current portion of corporate bonds		10,000
Accrued income taxes	660	856
Deferred tax liabilities	11	13
Accrued bonuses	2,126	2,056
Other	10,783	13,758
Total current liabilities	76,008	94,902
Long-term liabilities:		
Corporate bonds	22,000	22,000
Long-term debt	59,092	54,767
Deferred tax liabilities	9,448	5,399
Employees' severance and pension benefits	904	828
Reserve for directors' retirement benefits	252	315
Other	9,122	9,570
Total long-term liabilities	100,820	92,881
Total liabilities	176,828	187,783
NET ASSETS		
Shareholders' equity:		
Capital Stock	41,654	41,654
Capital surplus and gains on sales of treasury stock	31,084	31,084
Retained earnings	44,223	45,426
Treasury stock, at cost	(1,936)	(1,926)
Total shareholders' equity	115,025	116,238
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	9,698	4,025
Foreign currency translation adjustments	(29)	(35)
Total valuation and conversions	9,668	3,989
Minority interests	1,606	1,454
Total net assets	126,300	121,682
Total liabilities, net assets	303,129	309,465

(2) Consolidated Profit and Loss Statement
(First Half of, Fiscal Year 2010)

(Millions of Yen)

	First Half of, Fiscal 2009 (April 1, 2008 to September 30, 2008)	First Half of, Fiscal 2010 (April 1, 2009 to September 30, 2009)
Net sales	104,698	95,677
Cost of sales	84,303	78,251
Gross profit	20,394	17,425
Selling, general and administrative expenses	18,310	16,831
Operating income	2,084	594
Other income:		
Interest income	45	44
Dividend income	381	450
Other	376	373
Total of other income	803	868
Other expenses:		
Interest expenses	1,090	1,081
Equity in loss of affiliates	3	8
Other	396	592
Total of other expenses	1,491	1,683
Ordinary income or losses	1,397	(220)
Extraordinary gains:		
Gain on sales and disposal of fixed assets, net	24	27
Gain on sales of securities, net	17	56
Reversal of allowance for doubtful accounts	72	19
Other	15	1
Total of extraordinary gains	130	104
Extraordinary losses:		
Loss on disposal of fixed assets	390	460
Loss on sales of fixed assets	1	1
Write-down of investments in common stock	133	55
Provision for doubtful accounts and loan losses	49	
Loss on impairment long-lived assets	68	12
Other	4	1
Total of extraordinary losses	648	532
Income (losses) before income taxes	878	(648)
Income taxes current	1,009	385
Income taxes deferred	(206)	(687)
Total of income taxes	802	(302)
Minority interests in net income of consolidated subsidiaries	9	17
Net income (loss)	66	(363)

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

(Millions of Yen)

	Second Quarter of, Fiscal 2009 (July 1, 2008 to September 30, 2008)	Second Quarter of, Fiscal 2010 (July 1, 2009 to September 30, 2009)
Net sales	53,185	47,648
Cost of sales	42,956	38,602
Gross profit	10,228	9,045
Selling, general and administrative expenses	9,440	8,567
Operating income	788	478
Other income:		
Interest income	25	20
Dividend income	11	6
Other	145	214
Total of other income	181	241
Other expenses:		
Interest expenses	545	549
Equity in loss of affiliates	11	0
Other	202	392
Total of other expenses	759	942
Ordinary income or losses	211	(222)
Extraordinary gains:		
Gain on sales and disposal of fixed assets, net	2	21
Gain on sales of securities, net		56
Reversal of allowance for doubtful accounts	49	11
Other	15	0
Total of extraordinary gains	67	90
Extraordinary losses:		
Loss on disposal of fixed assets	380	281
Loss on sales of fixed assets		0
Write-down of investments in common stock	120	
Provision for doubtful accounts and loan losses	49	
Loss on impairment long-lived assets	68	12
Other	4	1
Total of extraordinary losses	622	296
Income (losses) before income taxes	(343)	(428)
Income taxes current	397	87
Income taxes deferred	(429)	(145)
Total of income taxes	(31)	(58)
Minority interests in net income of consolidated subsidiaries	(13)	(11)
Net income (loss)	(298)	(358)

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	First Half of, Fiscal 2009 (April 1, 2008 to September 30, 2008)	First Half of, Fiscal 2010 (April 1, 2009 to September 30, 2009)
Net cash provided by operating activities:		
Income (losses) before income taxes	878	(648)
Depreciation and amortization	9,719	9,834
Extraordinary losses	68	12
Amortization of goodwill	68	84
Increase (decrease) in allowance for doubtful accounts	(4)	(19)
Interest and dividend income	(426)	(495)
Interest expenses	1,090	1,081
Foreign exchange (gain) loss	(82)	120
Equity in (earnings) losses of affiliates	3	8
Loss (gain) on sales of property, plant and equipment	(23)	(25)
Decrease (increase) in notes and trade receivables	19	3,908
Decrease (increase) in inventories	(2,819)	1,847
Increase (decrease) in notes and trade payables	1,512	(5,491)
Others	567	(763)
Subtotal	<u>10,573</u>	<u>9,454</u>
Interest and dividends received	420	484
Interest expenses paid	(1,104)	(1,119)
Income taxes paid	(1,318)	(718)
Net cash provided by (used in) operating activities	<u>8,571</u>	<u>8,101</u>
Net cash provided by (used in) investing activities:		
Purchase of property, plant and equipment	(11,877)	(11,028)
Proceeds from sales of property, plant and equipment	48	114
Purchases of investment securities	(14)	(24)
Proceeds from sales of investment securities	28	159
Cash received in conjunction with the purchases of consolidated subsidiaries		225
Payments of loans receivable	(333)	(2,299)
Collection of loans receivable	133	189
Other	(65)	349
Net cash provided by (used in) investment activities	<u>(12,080)</u>	<u>(12,312)</u>
Net cash used in financing activities:		
Increase (decrease) in short-term bank loans	913	(1,296)
Proceeds from long-term loans payable	6,897	8,400
Repayment of long-term loans payable	(2,567)	(3,793)
Redemption of bonds	(5,000)	(10,000)
Proceeds from sales of treasury stock	0	2
Purchase of treasury stock	(175)	(11)
Cash dividends paid	(1,461)	(833)
Cash dividends paid to minority shareholders	(1)	(6)
Other		(35)
Net cash provided by (used in) financing activities	<u>(1,394)</u>	<u>(7,574)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>15</u>	<u>(24)</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,888)</u>	<u>(11,809)</u>
Cash and cash equivalents at beginning of year	<u>22,825</u>	<u>25,988</u>
Cash and cash equivalents at the end of period	<u>17,937</u>	<u>14,178</u>

(4)Segment Information

Business segments

Consolidated Second Quarter of, Fiscal 2009 (July 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	43,220	2,400	2,551	3,532	1,481	53,185		53,185
(2) Intersegment sales	1,053	885	712	6	1,883	4,542	(4,542)	
Total	44,273	3,286	3,263	3,539	3,364	57,727	(4,542)	53,185
Operating income (loss)	811	66	(35)	(403)	381	820	(31)	788

Consolidated Second Quarter of, Fiscal 2010 (July 1, 2009 to September 30, 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	37,894	1,850	2,701	3,984	1,217	47,648		47,648
(2) Intersegment sales	759	859	655	0	1,278	3,553	(3,553)	
Total	38,654	2,709	3,356	3,984	2,496	51,201	(3,553)	47,648
Operating income (loss)	568	(75)	(9)	(334)	324	473	4	478

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

Consolidated First Half of, Fiscal 2010 (April 1, 2009 to September 30, 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	76,125	3,621	5,733	7,427	2,768	95,677		95,677
(2) Intersegment sales	1,428	1,802	1,144	2	2,733	7,111	(7,111)	
Total	77,554	5,423	6,878	7,430	5,502	102,789	(7,111)	95,677
Operating income (loss)	714	(205)	(33)	(528)	645	594	0	594