

Summary of Consolidated Financial Results of Sumitomo Osaka Cement Co., Ltd. for the First Half of Fiscal 2011, Ending March 31, 2011 (Japan GAAP)

November 5, 2010

| | | | |
|-------------|---|----------------|----------------------------------|
| Company: | Sumitomo Osaka Cement Co., Ltd. | Fiscal 2010 1H | April 1, 2009-September 30, 2009 |
| Stock code: | 5232 | Fiscal 2010: | April 1, 2009-March 31, 2010 |
| URL: | http://www.soc.co.jp/ | Fiscal 2011 1H | April 1, 2010-September 30, 2010 |
| | | Fiscal 2011: | April 1, 2010-March 31, 2011 |

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 2011, Ending March 31, 2011 (April 1, 2010–September 30, 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 | % |
| 1H of FY 2011 | 95,060 | (1) | 1887 | 218 | 1433 | — | (654) | — |
| 1H of FY 2010 | 95,677 | (8.6) | 594 | (71.5) | (220) | — | (363) | — |
| | EPS | | Diluted EPS | | | | | |
| | Yen | | Yen | | | | | |
| 1H of FY 2011 | (1.57) | | — | | | | | |
| 1H of FY 2010 | (0.87) | | — | | | | | |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity ratio | Net Assets per Share |
|---------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| 1H of FY 2011 | 307,223 | 124,191 | 40.0 | 294.80 |
| FY 2010 | 311,968 | 125,197 | 39.6 | 296.78 |

(Reference) Total Equity 1H of FY 2011: 122,768 millions of yen FY 2010: 123,601 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 |
| FY2010 | — | 0.00 | — | 4.00 | 4.00 |
| FY2011 | — | 0.00 | — | — | — |
| FY2011 (Planned) | — | — | — | 4.00 | 4.00 |

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 |
| Full Year | 195,000 | (0.0) | 5,500 | 81.1 | 4,000 | 282.1 | 300 | — | 0.72 |

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 2011
(1)Consolidated Balance Sheets

(Millions of Yen)

| | End First Half of Fiscal 2011 (as of September 30, 2010) | End Fiscal Year 2010, Condensed Consolidated Balance Sheet (as of March 31, 2010) |
|---------------------------------------|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | 27,521 | 31,072 |
| Trade receivables | 38,254 | 38,560 |
| Securities | 0 | 0 |
| Finished goods | 8,222 | 8,180 |
| Work in process | 1,600 | 1,669 |
| Raw materials and supplies | 9,559 | 9,022 |
| Deferred tax assets | 1,694 | 1,816 |
| Short-term loans receivable | 258 | 307 |
| Other | 2,007 | 2,240 |
| Less: Allowance for doubtful accounts | (279) | (296) |
| Total current assets | 88,839 | 92,573 |
| Fixed assets: | | |
| Property, plant and equipment: | | |
| Buildings and structures | 151,169 | 149,886 |
| Accumulated depreciation | (97,626) | (96,088) |
| Buildings and structures(Net) | 53,542 | 53,797 |
| Machinery, equipment and tools | 370,642 | 364,578 |
| Accumulated depreciation | (312,291) | (305,604) |
| Machinery, equipment and tools(Net) | 58,351 | 58,973 |
| Land | 39,108 | 40,184 |
| Construction in progress | 4,922 | 5,746 |
| Other | 31,922 | 31,639 |
| Accumulated depreciation | 16,718 | (16,434) |
| Other(Net) | 15,203 | 15,204 |
| Property, plant and equipment, net | 171,128 | 173,906 |
| Intangible fixed assets | | |
| Goodwill | 16 | 110 |
| Other | 3,681 | 3,802 |
| Total of intangible fixed assets | 3,697 | 3,912 |
| Investments and other assets: | | |
| Investment securities | 35,724 | 33,366 |
| Long-term loans receivable | 1,353 | 1,397 |
| Deferred tax assets | 965 | 923 |
| Other | 5,943 | 6,404 |
| Less: Allowance for Doubtful accounts | (429) | (515) |
| Total of investments and other assets | 43,556 | 41,575 |
| Total fixed assets | 218,383 | 219,395 |
| Total assets | 307,223 | 311,968 |

(Millions of Yen)

| | End First Half of Fiscal 2011 (as of September 30, 2010) | End Fiscal Year 2010, Condensed Consolidated Balance Sheet (as of March 31, 2010) |
|--|---|---|
| LIABILITIES | | |
| Current liabilities | | |
| Trade payables | 22,512 | 23,366 |
| Short-term bank loans | 33,488 | 33,559 |
| Current portion of long-term debt | 9,670 | 8,354 |
| Current portion of corporate bonds | 12,000 | 5,000 |
| Accrued income taxes | 735 | 783 |
| Deferred tax liabilities | 0 | 12 |
| Accrued bonuses | 2,065 | 2,130 |
| Other | 10,769 | 11,343 |
| Total current liabilities | 91,241 | 84,550 |
| Long-term liabilities: | | |
| Corporate bonds | 15,000 | 22,000 |
| Long-term debt | 56,141 | 60,956 |
| Deferred tax liabilities | 9,385 | 8,352 |
| Employees' severance and pension benefits | 1,071 | 1,095 |
| Reserve for directors' retirement benefits | 254 | 294 |
| Asset retirement obligations | 254 | — |
| Other | 9,683 | 9,521 |
| Total long-term liabilities | 91,790 | 102,220 |
| Total liabilities | 183,031 | 186,771 |
| 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 | 41,413 | 43,738 |
| Treasury stock, at cost | (1,947) | (1,941) |
| Total shareholders' equity | 112,204 | 114,534 |
| Valuation and translation adjustments: | | |
| Unrealized gain on available-for-sale securities | 10,594 | 9,101 |
| Foreign currency translation adjustments | (30) | (34) |
| Total valuation and conversions | 10,563 | 9,067 |
| Minority interests | 1,422 | 1,595 |
| Total net assets | 124,191 | 125,197 |
| Total liabilities, net assets | 307,223 | 311,968 |

(2) Consolidated Profit and Loss Statement
(First Half of, Fiscal Year 2011)

(Millions of Yen)

| | First Half of, Fiscal 2010 (April 1, 2009 to September 30, 2009) | First Half of, Fiscal 2011 (April 1, 2010 to September 30, 2010) |
|--|---|---|
| Net sales | 95,677 | 95,060 |
| Cost of sales | 78,251 | 75,523 |
| Gross profit | 17,425 | 19,537 |
| Selling, general and administrative expenses | 16,831 | 17,650 |
| Operating income | 594 | 1887 |
| Other income: | | |
| Interest income | 44 | 36 |
| Dividend income | 450 | 790 |
| Equity in earnings of affiliates | — | 53 |
| Other | 373 | 369 |
| Total of other income | 868 | 1250 |
| Other expenses: | | |
| Interest expenses | 1,081 | 1,082 |
| Equity in loss of affiliates | 8 | — |
| Other | 592 | 621 |
| Total of other expenses | 1,683 | 1,704 |
| Ordinary income or losses | (220) | 1,433 |
| Extraordinary gains: | | |
| Gain on sales and disposal of fixed assets, net | 27 | 7 |
| Gain on sales of securities, net | 56 | 71 |
| Reversal of allowance for doubtful accounts | 19 | 62 |
| Gain on negative goodwill | — | 126 |
| Other | 1 | 11 |
| Total of extraordinary gains | 104 | 280 |
| Extraordinary losses: | | |
| Loss on disposal of fixed assets | 460 | 286 |
| Loss on sales of fixed assets | 1 | 5 |
| Write-down of investments in common stock | 55 | 34 |
| Loss on impairment long-lived assets | 12 | 1085 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 198 |
| Other | 1 | 2 |
| Total of extraordinary losses | 532 | 1,613 |
| Income (losses) before income taxes | (648) | 100 |
| Income taxes — current | 385 | 580 |
| Income taxes — deferred | (687) | 140 |
| Total of income taxes | (302) | 721 |
| Loss before minority interests | — | (621) |
| Minority interests in net income of consolidated subsidiaries | 17 | 33 |
| Net income (loss) | (363) | (654) |

(2) Consolidated Profit and Loss Statement
(Second Quarter of, Fiscal Year 2011)

(Millions of Yen)

| | Second Quarter of, Fiscal 2010 (July 1, 2009 to September 30, 2009) | Second Quarter of, Fiscal 2011 (July 1, 2010 to September 30, 2010) |
|---|--|--|
| Net sales | 47,648 | 49,223 |
| Cost of sales | 38,602 | 38,967 |
| Gross profit | 9,045 | 10,256 |
| Selling, general and administrative expenses | 8,567 | 8,948 |
| Operating income | 478 | 1307 |
| Other income: | | |
| Interest income | 20 | 17 |
| Dividend income | 6 | 513 |
| Equity in earnings of affiliates | — | 11 |
| Other | 214 | 172 |
| Total of other income | 241 | 713 |
| Other expenses: | | |
| Interest expenses | 549 | 539 |
| Equity in loss of affiliates | 0 | — |
| Other | 392 | 295 |
| Total of other expenses | 942 | 835 |
| Ordinary income or losses | (222) | 1,186 |
| Extraordinary gains: | | |
| Gain on sales and disposal of fixed assets, net | 21 | 5 |
| Gain on sales of securities, net | 56 | — |
| Reversal of allowance for doubtful accounts | 11 | 23 |
| Gain on negative goodwill | — | 126 |
| Other | 0 | — |
| Total of extraordinary gains | 90 | 155 |
| Extraordinary losses: | | |
| Loss on disposal of fixed assets | 281 | 266 |
| Loss on sales of fixed assets | 0 | — |
| Write-down of investments in common stock | — | 5 |
| Impairment loss | 12 | 10 |
| Other | 1 | 2 |
| Total of extraordinary losses | 296 | 284 |
| Income (losses) before income taxes | (428) | 1,056 |
| Income taxes — current | 87 | 348 |
| Income taxes — deferred | (145) | 290 |
| Total of income taxes | (58) | 639 |
| Loss before minority interests | — | 417 |
| Minority interests in net income of consolidated subsidiaries | (11) | (55) |
| Net income (loss) | (358) | 473 |

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

| | First Half of, Fiscal 2010 (April 1, 2009 to September 30, 2009) | First Half of, Fiscal 2011 (April 1, 2010 to September 30, 2010) |
|--|---|---|
| Net cash provided by operating activities: | | |
| Income (losses) before income taxes | (648) | 100 |
| Depreciation and amortization | 9,834 | 10,116 |
| Impairment loss | 12 | 1,085 |
| Amortization of goodwill | 84 | (32) |
| Increase (decrease) in allowance for doubtful accounts | (19) | (71) |
| Interest and dividend income | (495) | (826) |
| Interest expenses | 1,081 | 1,082 |
| Foreign exchange (gain) loss | 120 | 163 |
| Equity in (earnings) losses of affiliates | 8 | (53) |
| Loss (gain) on sales of property, plant and equipment | (25) | (2) |
| Decrease (increase) in notes and trade receivables | 3,908 | 330 |
| Decrease (increase) in inventories | 1,847 | (513) |
| Increase (decrease) in notes and trade payables | (5,491) | (866) |
| Others | (763) | (172) |
| Subtotal | <u>9454</u> | <u>10340</u> |
| Interest and dividends received | 484 | 827 |
| Interest expenses paid | (1,119) | (1,092) |
| Income taxes paid | (718) | (709) |
| Net cash provided by (used in) operating activities | <u>8,101</u> | <u>9,365</u> |
| Net cash provided by (used in) investing activities: | | |
| Purchase of property, plant and equipment | (11,028) | (7,800) |
| Proceeds from sales of property, plant and equipment | 114 | 11 |
| Purchases of investment securities | (24) | (88) |
| Proceeds from sales of investment securities | 159 | 276 |
| Cash received in conjunction with the purchases of consolidated subsidiaries | 225 | — |
| Payments of loans receivable | (2,299) | (188) |
| Collection of loans receivable | 189 | 137 |
| Other | 349 | 127 |
| Net cash provided by (used in) investment activities | <u>(12,312)</u> | <u>(7,524)</u> |
| Net cash used in financing activities: | | |
| Increase (decrease) in short-term bank loans | (1,296) | (62) |
| Proceeds from long-term loans payable | 8,400 | 634 |
| Repayment of long-term loans payable | (3,793) | (4,134) |
| Redemption of bonds | (10,000) | — |
| Proceeds from sales of treasury stock | 2 | — |
| Purchase of treasury stock | (11) | (5) |
| Cash dividends paid | (833) | (1,665) |
| Cash dividends paid to minority shareholders | (6) | (4) |
| Other | (35) | (3) |
| Net cash provided by (used in) financing activities | <u>(7,574)</u> | <u>(5,241)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(24)</u> | <u>(23)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(11,809)</u> | <u>(3,423)</u> |
| Cash and cash equivalents at beginning of year | <u>25,988</u> | <u>30,800</u> |
| Cash and cash equivalents at the end of period | <u>14,178</u> | <u>27,376</u> |

(4)Segment Information

Business segments

Consolidated First Half of, Fiscal 2011 (April 1, 2010 to September 30, 2010)

(Millions of Yen)

| | Cement | Mineral Resources | Cement-Related Products | Optoelectronics | Advanced Materials | Others | Total | Eliminations and Adjustments | Consolidated |
|---------------------------------------|--------|-------------------|-------------------------|-----------------|--------------------|--------|---------|------------------------------|--------------|
| Net sales and operating income (loss) | | | | | | | | | |
| Net sales: | | | | | | | | | |
| (1) Outside customers | 75,099 | 5,420 | 6,358 | 1,841 | 3,802 | 2,539 | 95,060 | — | 95,060 |
| (2) Intersegment sales | 1,687 | 1,955 | 998 | 9 | 3 | 2,806 | 7,461 | (7461) | — |
| Total | 76,786 | 7,375 | 7,356 | 1,850 | 3,805 | 5,346 | 102,522 | (7461) | 95,060 |
| Operating income (loss) | 1,107 | 136 | (46) | 120 | 228 | 376 | 1,922 | (35) | 1,887 |

Consolidated First Half of, Fiscal 2009 (April 1, 2009 to September 30, 2009)

(Millions of Yen)

| | Cement | Mineral Resources | Cement-Related Products | Optoelectronics | Advanced Materials | Others | Total | Eliminations and Adjustments | Consolidated |
|---------------------------------------|--------|-------------------|-------------------------|-----------------|--------------------|--------|---------|------------------------------|--------------|
| Net sales and operating income (loss) | | | | | | | | | |
| Net sales: | | | | | | | | | |
| (1) Outside customers | 76,125 | 3,621 | 5,733 | 1,814 | 5,580 | 2,800 | 95,677 | — | 95,677 |
| (2) Intersegment sales | 1,428 | 1,802 | 1,144 | 2 | — | 2,733 | 7,111 | (7111) | — |
| Total | 77,554 | 5,423 | 6,878 | 1,817 | 5,580 | 5,534 | 102,789 | (7111) | 95,677 |
| Operating income (loss) | 714 | (205) | (33) | (108) | (215) | 441 | 594 | 0 | 594 |