

# **EXHIBIT B**

**FOCUSING BUSINESS RESOURCES,  
DELIVERING CORPORATE VALUE**

ANNUAL REPORT 2004  
April 1, 2003-March 31, 2004



# Financial Highlights

CONSOLIDATED	2004		2003
	2004	2003	2004
Revenue			
Operating profit	¥ 879,485		\$ 8,321,364
Profit before income taxes	44,847		424,326
Income taxes	27,946		264,415
Minority interest	16,519		156,297
Net income			
Operating profit per share	222,179		2,102,176
Net income per share	1,303,997		12,337,941

NON-CONSOLIDATED	2004		2003
	2004	2003	2004
Revenue			
Operating profit	¥ 299,177		\$ 2,830,703
Profit before income taxes	9,344		88,409
Income taxes	8,782		83,092
Minority interest	641		6,065
Net income			
Operating profit per share	239,649		2,267,471
Net income per share	736,293	8	6,966,534
Operating profit per share of common stock			
Net income per share of common stock			
Operating profit per share of common stock	0.68		0.006
Net income per share of common stock	2.50		0.024

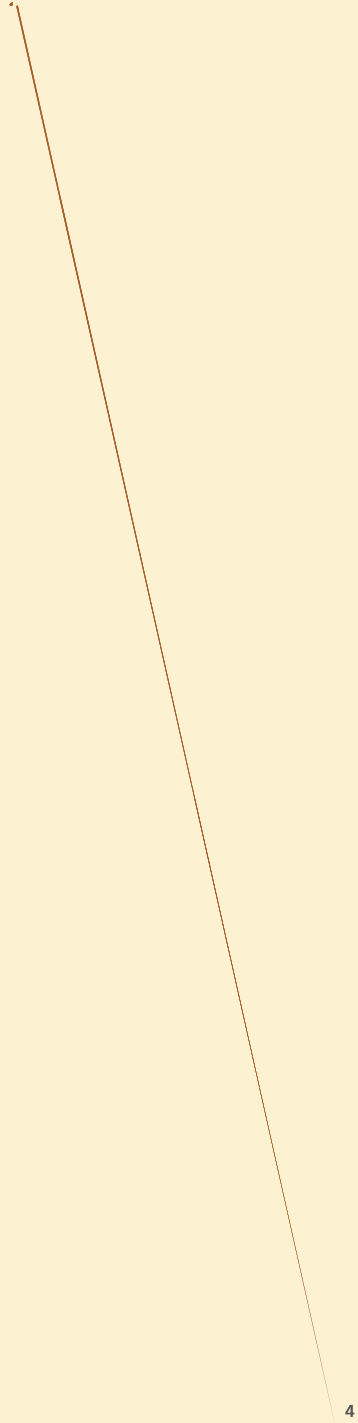
Operating profit and net income are based on the consolidated financial statements of the Company and its subsidiaries. Revenue is based on the consolidated financial statements of the Company and its subsidiaries. Operating profit and net income are based on the consolidated financial statements of the Company and its subsidiaries. Revenue is based on the consolidated financial statements of the Company and its subsidiaries.

ss Value ,

## ■ New In-house Co

## ters

... (unreadable text) ...  
... (unreadable text) ...  
... (unreadable text) ...  
... (unreadable text) ...









# Building a Recycling Based Society

*Pro*

*ste*

in

ness (Environment



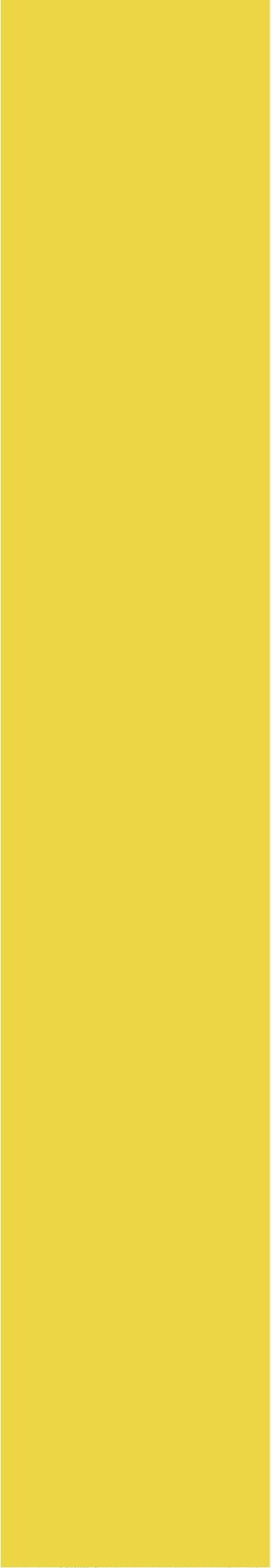
Ceremony for signing the  
Tokyo Tama Ecocement contract

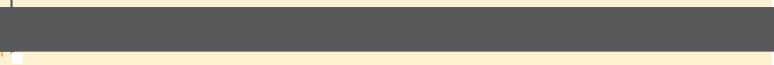
Artist's perspective of the  
Tokyo Tama Ecocement plant

Shipping surplus  
construction soil











# Financial Section

## CONTENTS

<b>14</b>	<b>Consolidated Balance Sheets</b>
<b>16</b>	<b>Consolidated Statements of Income and Retained Earnings</b>
<b>17</b>	<b>Consolidated Statements of Cash Flows</b>
<b>18</b>	<b>Notes to the Consolidated Financial Statements</b>
<b>29</b>	<b>Report of Independent Auditors</b>
<b>30</b>	<b>Taiheiyo Cement Network</b>
<b>32</b>	<b>Directors and Corporate Auditors</b>
<b>33</b>	<b>Corporate Data</b>



# Consolidated Balance Sheets

Ta

Assets	2004		2004
		2004	2004
<b>Current assets:</b>			
Accounts receivable (net)		¥ 85,851	\$ 812,291
Accounts payable (net)	8	188,360	1,782,193
Prepaid expenses	8)	(2,643)	(25,007)
	8	185,717	1,757,186
		66,218	626,530
		2,904	27,477
	8	23,378	221,194
	8	364,068	3,444,678
<b>Investments, advances and other assets:</b>			
Investments		159,375	1,507,951
Advances	8	9,582	90,661
Other assets	8	65,304	617,883
		234,261	2,216,492
	8 )	(15,856)	(150,024)
		218,405	2,066,468
<b>Property, plant and equipment, at cost (Note 9):</b>			
Land	8	504,691	4,775,201
Buildings	8	813,654	7,698,495
Equipment		52,630	497,966
	8	1,370,975	12,971,662
	)	(959,243)	(9,076,005)
	8	411,732	3,895,657
	8 8	222,279	2,103,122
	8	20,815	196,944
	8	654,826	6,195,723
<b>Goodwill and other intangibles</b>		50,965	482,212
<b>Deferred income taxes (Note 17)</b>	8 8	15,733	148,860
		¥1,303,997	\$12,337,941

Liabilities, minority interests and shareholders' equity

2004

2004

Current liabilities:

Accounts payable	8.000	
Accrued expenses	8.000	
Income taxes payable	8.000	
Dividend payable		
Other liabilities		

# Consolidated Statements of Income and Retained Earnings

Тайтис Чийн Санхүүгийн Хэлтэс  
Financial year: 31 March, 2003 and 2004

2004

**2004**

2004

**2004**



**(1) Inventories**

**(Domestic)**

**(2) Property, Plant and Equipment**

... (b) ... (c) ...

... (d) ... (e) ...

... (f) ... (g) ...

(c) *Hed e Acc*

... (h) ... (i) ...

... (j) ... (k) ...

... (l) ... (m) ...

(4) Foreign Currency Translation

... (n) ... (o) ...

... (p) ... (q) ...

... (r) ... (s) ...

(5) Cash and Cash Equivalents

... (t) ... (u) ...

(6) Income Taxes

... (v) ... (w) ...

(7) Amortization of Goodwill and Software

... (x) ... (y) ...

(8) Recognition of Certain Accrued Expenses

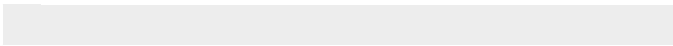
... (z) ... (aa) ...

... (ab) ... (ac) ...

(8) Recognition of Certain Accrued Expenses

... (ad) ... (ae) ...

... (af) ... (ag) ...





# Notes to the Consolidated G 2 ,0 5

## 6. Cash and Cash Equivalents

At December 31, 2004, cash and cash equivalents consisted of the following:

	2004	2003	2002
Cash	8	8	\$ 8
Time deposits			
Accounts receivable	8	)	)
Accounts payable	8		\$ 8

## 7. Investments in Securities

At December 31, 2004, investments in securities consisted of the following:

	2004	2003	2002
U.S. government securities	8	8	\$ 8 8
Corporate securities		8	
Other securities			\$

At December 31, 2004, investments in securities consisted of the following:

	2004	2003	2002	2004	2003	2002
U.S. government securities						
Corporate securities		8	\$	\$	\$	\$
Other securities			8			8
Accounts receivable					8	)
Accounts payable						)
Other securities		8	)			)
			)			8)
	8		\$ 8 8	\$	\$	\$ 8 8

	2004	2003	2002
U.S. government securities			
Corporate securities	8	8	8
Other securities			
Accounts receivable			
Accounts payable		8	
Other securities			
		8	8 8
U.S. government securities			
Corporate securities			
Other securities			
Accounts receivable			)
Accounts payable			)
Other securities		8	)
			)
			)

At December 31, 2004, investments in securities consisted of the following:

	2004	2003	2002
U.S. government securities			
Corporate securities	8	8	\$
Other securities			

At December 31, 2004, investments in securities consisted of the following:

	2004	2003	2002
U.S. government securities			
Corporate securities	8		\$
Other securities		8	
		8	

At December 31, 2004, investments in securities consisted of the following:

	2004	2003	2002
U.S. government securities	\$ 8	\$ 88	\$
Corporate securities			\$

## 8. Short-Term Bank Loans, Commercial Paper and Long-Term Debt

At December 31, 2004, short-term bank loans, commercial paper and long-term debt consisted of the following:





**16. Loss on Closure of a Cement Plant**







# Notes to the Consolidated Financial Statements

Taiwan Cement Corporation and Subsidiaries  
 Financial year ended 31 March, 2003 and 2004

Notes to the Consolidated Financial Statements (continued)

	2003	2004	2003	2004	2003	2004	2003	2004
Other receivables	8	8	8	8	8	8	8	8
Prepaid expenses	8	8	8	8	8	8	8	8
Other assets	8	8	8	8	8	8	8	8
Total	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8

	2003	2004	2003	2004	2003	2004	2003	2004
Other receivables	8	8	8	8	8	8	8	8
Prepaid expenses	8	8	8	8	8	8	8	8
Other assets	8	8	8	8	8	8	8	8
Total	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8

Notes to the Consolidated Financial Statements (continued)

	2003	2004	2003	2004	2003	2004	2003	2004
Other receivables	8	8	8	8	8	8	8	8
Prepaid expenses	8	8	8	8	8	8	8	8
Other assets	8	8	8	8	8	8	8	8
Total	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8

# Report of Independent Auditors

2004年3月31日現在  
の連結財務諸表

当社は、2004年3月31日現在の連結財務諸表を、独立した監査人が監査し、その結果を報告した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。

監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。

監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。

監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。

監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。監査人は、監査の結果として、当社の連結財務諸表が、適正に作成されていると判断した。

Shin Nihon & Co.

代表取締役

Shin Nihon & Co.

代表取締役

2004年3月31日



# Taiheiyo Cement Network

## Domestic Network

2022年10月1日現在、国内ネットワークは、

8



# Directors and Corporate Auditors



# Corporate Data

(As of 31st March, 2004)

## Taiheiyo Cement Corporation

### Head Office

〒100-8588 東京都千代田区千代田 1-1-1  
J

### Branches

88

8

8

8