

Value Creation Process

INPUT

Material Aspects

Change

- Climate change
- Environmental pollution
- Occurrence of massive earthquakes
- Technological innovation: Evolution of digitalization (ICT)
- Changes in economic conditions
- Continuity and development related to declining birth rates and aging populations

Company-specific

- Waste treatment
- Aging facilities

Compliance

- Maintenance and improvement of the governance system
- Respect for human rights
- Occupational health and safety
- Accident prevention
- Waste treatment
- Participating in and respecting local communities

Opportunities

- Contributing to a recycling-based society
- Strengthening urban resilience, preventing disasters
- Provision of environmentally sound products
- Reconstruction in disaster stricken areas
- Development of carbon-neutral technologies

Capital

Financial Capital

Credit rating (as of August 2021)

A (JCR)

A- (R&I)

Manufacturing Capital

Domestic clinker production capacity (FY2021)

17,667 thousand tonnes

Overseas clinker production capacity (FY2021)

11,630 thousand tonnes

Intellectual Capital

Patents held (as of the end of FY2021)

1,273 in Japan

238 overseas

Human Capital

Number of employees (as of the end of FY2021)

12,586

Social and Relationship Capital

Relationships of trust with communities in which we do business

Individual meetings with investors

Events: **142**

Natural Resources Capital

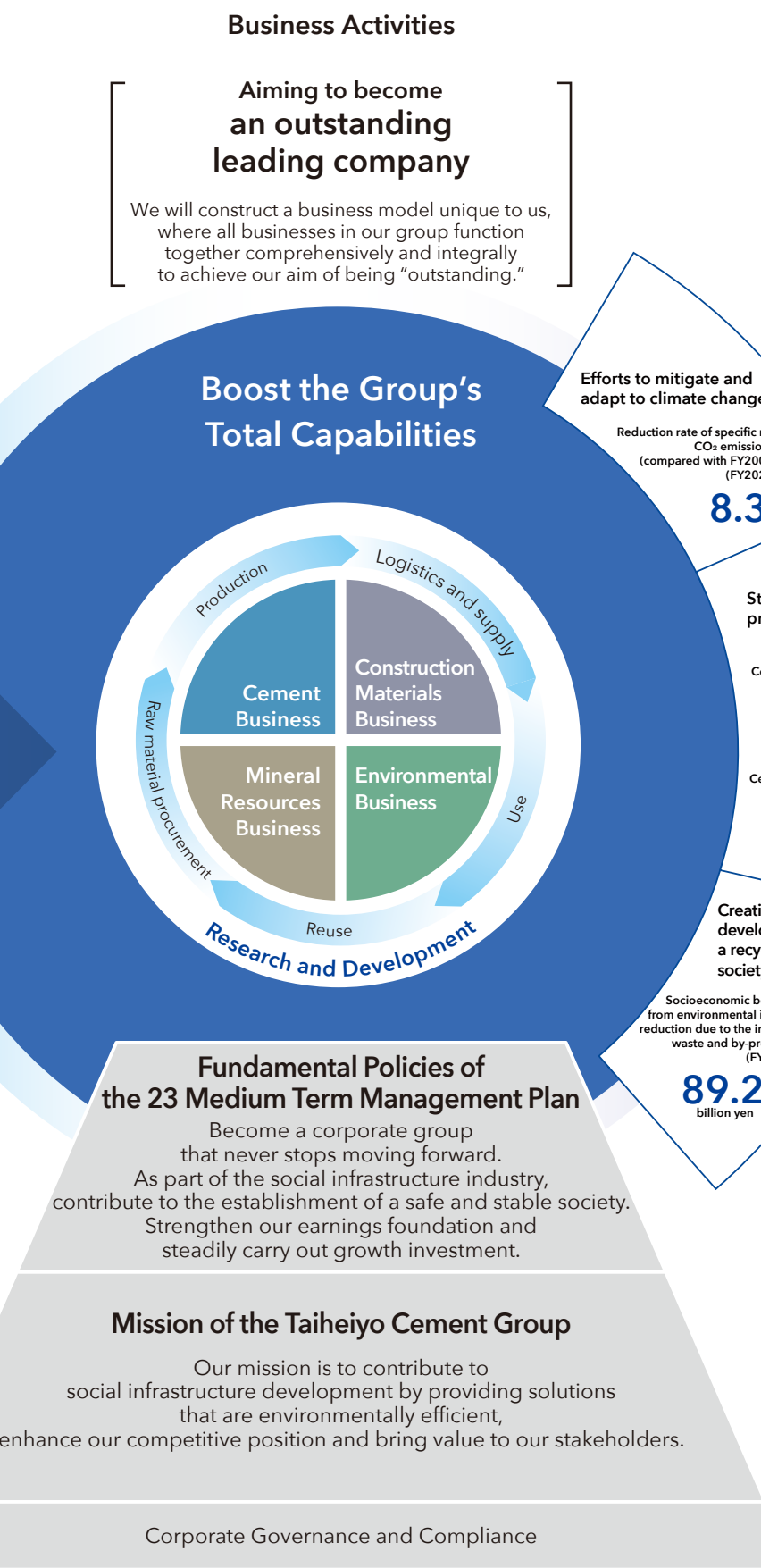
Limestone quarries of the group (as of the end of FY2021)

17

Utilization of waste and by-products (FY2021)

402.7 kg/t-cement

OUTPUT



OUTCOME

Respond to Stakeholder Expectations on Material Aspects

Shareholders

Management stability and growth potential

Customers

Stable supply of products

Supply high value-added products

Employees

Promote work-life balance management

Employee satisfaction

Society

Build social capital and improve infrastructure

Efforts to mitigate and adapt to climate change

Contribute to social sustainability

Contribute to the building of safe and secure social infrastructure

Contribute to the achievement of carbon neutrality

Contribute to the creation of a recycling-based society

Efforts to mitigate and adapt to climate change

Reduction rate of specific net CO₂ emissions (compared with FY2001) (FY2021)

8.3%

Stable provision of products and services

Cement production in Japan (FY2021)

19,334 thousand tonnes

Cement production overseas (FY2021)

13,017 thousand tonnes

Creation and development of a recycling-based society

Socioeconomic benefits from environmental impact reduction due to the input of waste and by-products (FY2021)

89.2 billion yen