

Value Creation Process

By making full use of our world-class manufacturing technologies and supply capabilities, primarily in the Pacific Rim, we will create both economic and social value to realize a sustainable society.

[Management Capital]

Financial Capital Credit rating (as of August 2024) JCR A+ R&I A P.34-37
Manufacturing Capital Domestic clinker production capacity (FY2024) 17,058 thousand tonnes Overseas clinker production capacity (FY2024) 9,720 thousand tonnes P.12-13
Intellectual Capital Patents held (as of the end of FY2024) Japan 1,509 Overseas 303 P.60-61
Human Capital Number of permanent employees (as of the end of FY2024) 12,540 P.12-13 P.54-55
Social and Relationship Capital Engagement with communities (FY2024) 4,895 IR Activities (FY2024) 219 times P.108-109
Natural Resources Capital Limestone quarries of the group (as of the end of FY2024) 19 Quarries P.68-69 Utilization of waste and by-products (FY2024) 421.9 kg/t-cement P.80-81

[Business Activities]

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Foundation for Value Creation

[Output]

[Economic Value (FY2024)]	
Net sales (up YoY)	886.3 billion yen
Operating income (up YoY)	56.5 billion yen
Total amount of dividends (shareholder returns, stable dividends)	8.2 billion yen
Capital expenditure (maintenance and growth areas)	89.4 billion yen
R&D expenses (research and intellectual property areas)	5.7 billion yen
[Social Value (FY2024)]	
Cement, aggregates, etc.	41.05 million tonnes
Ready-mixed concrete	8.56 million m ³
Waste and by-products processed	6.81 million tonnes
External Economic Benefits (EEB) (non-consolidated)	88.6 billion yen
Reduction rate of net CO ₂ specific emissions (compared with FY2001)	9.8 % reduction
Alternative energy usage rate (Contribute to reduction of fossil energy use)	20.7 %
Overall employee engagement score (permanent employees, non-consolidated)	67.8
Ratio of newly appointed female managers (permanent employees, non-consolidated)	11.4 %

[Outcome]



- Safe and secure living environment
- Formation of circular economies
- Resilient social infrastructure
- Rapid disaster response

Our mission

Supply critical materials for national resilience

Key player in the formation of circular economies

Steady transition to carbon neutrality

Engagement with stakeholders

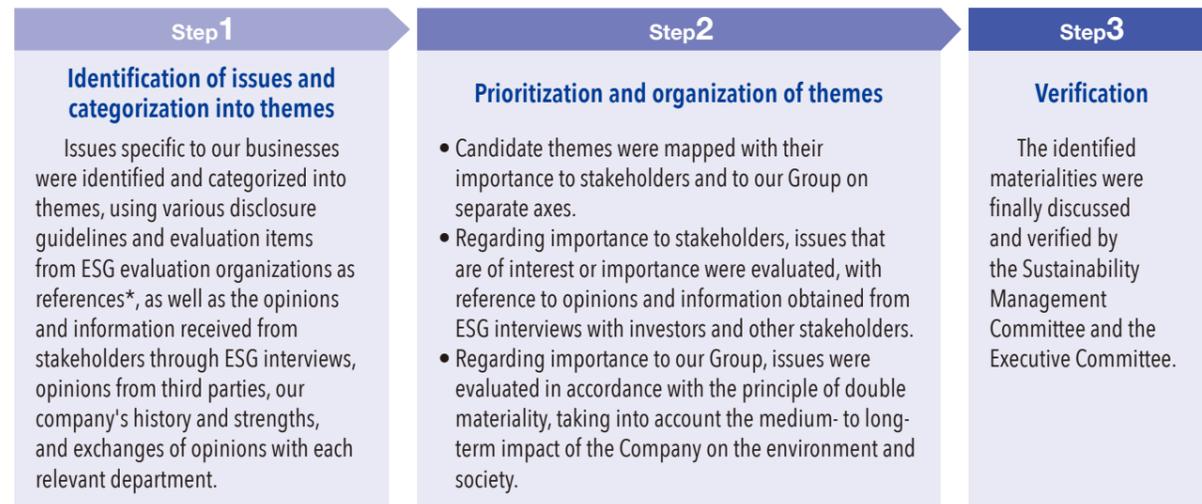
Materiality

Materiality

For more than 140 years the Taiheiyō Cement Group has supported infrastructure and living environments by supplying society with high quality cement and construction materials, while conducting our business in consideration of the global environment. Based on this experience we have identified what is material to our business in order to organize the form and direction we should aim for when addressing the various environmental and social challenges we face, beginning with climate change.

Materiality Identification Process

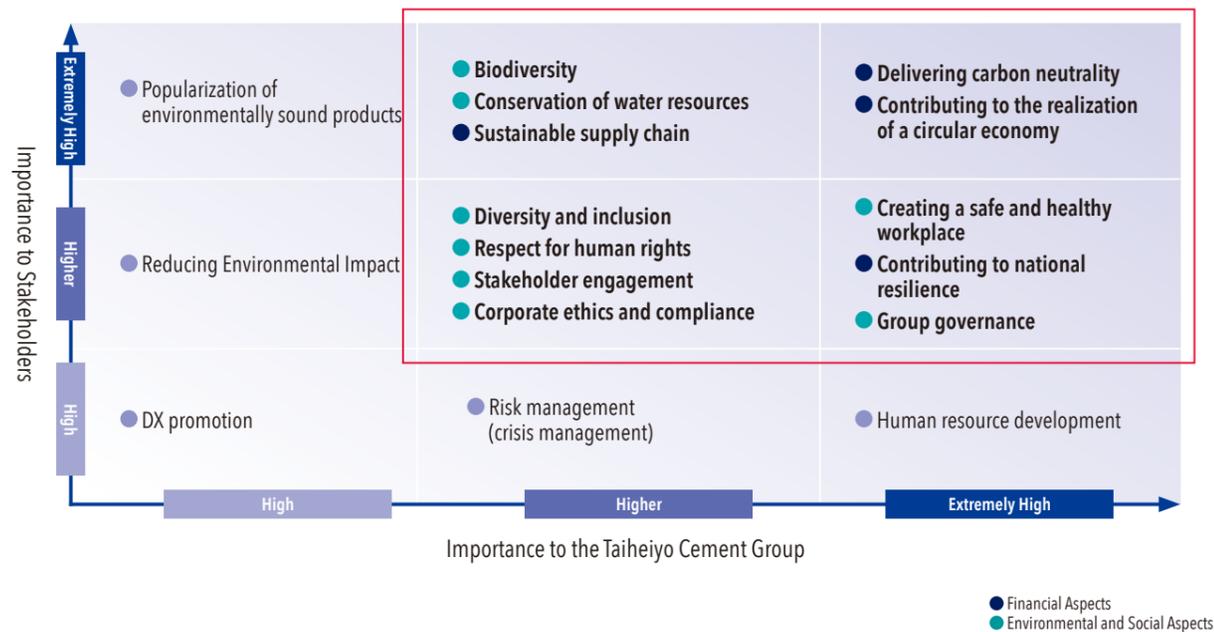
The process was conducted in three steps, from identification of issues to validation. As a result, a total of 12 materialities were identified from financial, environmental, and social perspectives.



* SDGs, ISO 26000, GRI Standards, ESG assessment agency evaluation items, GCCA Sustainability Framework, etc.

Identified Materialities

Twelve materiality themes were identified and graded in terms of importance.



List of Materialities and Main KPIs

Aspect	Materiality (Relevant SDGs)	Themes to be addressed	Targets, KPIs, etc.	Relevant standards, targets, guidelines, etc.
Financial Aspects	Delivering carbon neutrality 9, 13	CO ₂ emissions reduction	<ul style="list-style-type: none"> • Delivering carbon neutrality (by year 2050) • Reduce specific CO₂ emissions by at least 20% or more (by FY2031, compared with 2000) • Reduce domestic CO₂ emissions by 40% or more (by FY2031, compared with 2000) 	Carbon Neutral Strategy 2050
	Contributing to the realization of a circular economy 11, 12	<ul style="list-style-type: none"> Promote the use of alternative raw materials and fuels Waste emissions reduction 	<ul style="list-style-type: none"> • Maintain waste usage intensity of 400 kg/tonne-cement or more • Maintain volume of waste to landfill at or below 40 tonnes 	GCCA Guidelines on Alternative Raw Materials and Fuels
	Sustainable supply chain 12, 16, 17	Sustainability assessment	<ul style="list-style-type: none"> • Assessment rate of major suppliers: 75% (FY2031) 	GCCA Guidelines on Supply Chains
	Contributing to national resilience 7, 9, 11	Maintaining a stable product supply system	<ul style="list-style-type: none"> • Upgrade of plant facilities to maintain stable supply • Serious quality complaints: 0 	ISO9001
Environmental and Social Aspects	Biodiversity 15, 17	Develop quarry rehabilitation plans	<ul style="list-style-type: none"> • Rate of developing rehabilitation plans: 90% or more 	GCCA Guidelines on Biodiversity
	Conservation of water resources 6, 14	Management of water resources	<ul style="list-style-type: none"> • Promote management of fresh water usage intensity 	GCCA Sustainability Framework Guidelines
	Creating a safe and healthy workplace 3, 8	<ul style="list-style-type: none"> Accident prevention Promotion of Health and Productivity Management (H&PM) 	<ul style="list-style-type: none"> • Zero fatalities ① • Ratio of employees receiving periodic health examinations: 100% ② 	<ul style="list-style-type: none"> ① CSR Objectives for 2025 ② Internal Environment Improvement Policy
	Diversity and inclusion 5, 10	Promotion of the active participation of women	<ul style="list-style-type: none"> • Ratio of female employees: At least 10% ① ③ • Ratio of female managers (2030): At least 5% (2026) (At least 3%) ③ • Ratio of female recruits: At least 30% ① • Ratio of newly appointed female managers: At least 10% ① 	<ul style="list-style-type: none"> ① CSR Objectives for 2025 ③ 26 Medium-Term Management Plan Sustainability Targets
	Respect for human rights 10, 16	Promotion of human rights due diligence	<ul style="list-style-type: none"> • Conduct systematic human rights due diligence and take corrective action 	United Nations and government, etc. standards
	Stakeholder engagement 3, 4, 11	<ul style="list-style-type: none"> Engagement with shareholders, investors Communication with local communities 	<ul style="list-style-type: none"> • Engagement with shareholders, investors More than 220 instances/year • Engagement with local communities More than 1,500 instances/year 	GCCA Sustainability Framework Guidelines
	Group governance 8, 16	Globalization of Whistleblower Program	<ul style="list-style-type: none"> • Coverage of the Whistleblower Program 90% or more (FY2031) 	* Coverage = number of companies who have introduced program and subsidiaries that are covered
	Corporate ethics and compliance 6, 10	Compliance Training	<ul style="list-style-type: none"> • Standards of conduct training (e-learning) participation rate Maintain at 90% or more 	GCCA Sustainability Framework Guidelines