Human Capital Management

Towards Value Creation

We believe that enhancing and maintaining the motivation of diverse human resources to contribute to business performance will lead to the enhancement of corporate value over the medium to long term, and we are promoting investment in people by considering human resources as "capital." We will implement human capital management by developing initiatives that are conscious of the linkage between our management strategy and human resources strategy, providing employees with opportunities to continue working with peace of mind, achieve self-growth, and feel a sense of contribution.

Roadmap for Realizing the Long-term Vision

	Materiality Goals/KPIs and Other Goals	Element		FY2024 Results	Plan for I
Vision 1 Develop Human Resources who can Contribute to Increasing Corporate Value	 Education hours per employee: at least 20 hours Education expenditure per employee: at least 80,000 yen 	 Providing various training programs, supporting the development of individual abilities, and providing self-learning opportunities to foster independence and autonomy 		 Education hours per employee: 23.3 hours Education expenditure per employee: 74,000 yen Developing abilities through various training programs Conduct global human resource development program Providing self-learning opportunities 	 Developing abilities the programs Conduct global human program Providing self-learning
Vision 2 Creating a Workplace that Promotes Wellbeing P.94~97	 Raising ratio of annual paid leave taken: At least 70% Raising ratio of male employees taking childcare leave: At least 80% Ratio of employees receiving periodic health examinations: Secondary checkup participation rate: 100% 	 Promotion of work-life management To promote work-life management by introducing various systems to realize flexible work styles Promotion of Health and Productivity Management (H&PM) Raising awareness of health through walking events, etc., and encouraging secondary checkups 		 Ratio of annual paid leave taken: 83.6% Ratio of male employees taking childcare leave: 54.0% Ratio of employees receiving periodic health examinations: 99.9% Secondary checkup participation rate: 96.2% Promotion of work-life management Promotion of Health and Productivity Management (H&PM) 	 Restructuring the perso Promotion of work-life Promotion of Health an Management (H&PM) Revitalizing people and
Vision 3 Achievement of Workplace Diversity and Inclusion P.98~99	 Ratio of female recruits: At least 30% Ratio of female employees: At least 10% Ratio of newly appointed female managers: At least 10% Ratio of female managers (2030) At least 5% (2026) (At least 3%) 	 Actively hiring women, experienced personnel, people with disabilities, etc. Female Leader Development 		 Ratio of female recruits: 22.0% Ratio of Female Employees: 9.9% Ratio of newly appointed female managers: 11.4% Ratio of female managers: 2.5% Conducting next-generation leader development training (for women) Conducting selective external dispatch training (for women) 	 Review and implement generation leader deve Conducting selective ex training (for women) Examining and implem lead to awareness refor
Initiatives to Improve Engagement P.93	Engagement score: Benchmark score* or higher * Average score for companies with 1,001 to 5,000 employees in all industries	• Conducting regular engagement surveys	·····E	 Engagement score: 67.8 Introducing and implementing an engagement survey and holding analysis report meetings on the results for each department Developing initiatives to improve engagement in each department after the analysis report meetings 	 Establishing a system for engagement surveys and department's manager analyze the results, iden challenges, formulate and plans, and verify their end

or FY2027

through various training

an resource development

ng opportunities

ersonnel system ife management and Productivity A) and organizations

entation of nextevelopment training e external dispatch)

ementing measures that form

Our Vision (2030)

A company that grows together with its employees

We aim to enhance our corporate value by maximizing the value of our human capital through the growth of both our employees and the company. To achieve this, we will build a foundation for securing, developing, and retaining diverse human resources, such as DX personnel, global personnel, and management personnel, in line with our management strategy, in addition to promoting workplace diversity and inclusion

n for regularly conducting s and enabling each gement to promptly dentify departmental te and implement action ir effectiveness

Human Capital Management

- Human Resource Development -

Vision 1

Develop Human Resources who can Contribute to Increasing Corporate Value

Human Resource Development Policy

We aim to develop human resources who can demonstrate their individual abilities to the fullest and be successful both inside and outside the company

- 1 Supporting "personal" growth by fostering autonomy and self-reliance among our diverse human resources.
- **2** Developing human resources through on the job training supplemented by off-the-job training
- 3 Developing human resources to inherit the roles of their predecessors, playing central roles in the future in each field and at each level.
- 4 Developing human resources to take action in constant consideration of group management.

Education System

- **(5)** Developing human resources to global standards of competence.
- **6** Developing human resources to protect the environment and to serve society through the promotion of sustainability.

Operational Structure

In order to realize our Human Resource Development Policy, we provide training across the entire company (as shown in the diagram below). Regarding on-the-job training, which is the foundation of human resource development, we have clearly indicated skill maps for each area of work in which employees are engaged and utilize them in on-the-job training in the workplace. For off-the-job training, which complements on-the-job training, we provide various training programs and support for the development of individual skills. We provide individual learning opportunities that foster autonomy and self-reliance, thereby creating a corporate culture that motivates employees to grow and proactively find the pillars of their careers.

Policy and Operational Structure

Based on the belief that understanding and empathy with the values of the Taiheiyo Cement Group, including its mission and future vision, and increasing the motivation of employees to contribute to the company will contribute to sustainable corporate growth, we are promoting the creation of a vibrant and comfortable workplace that respects human rights and diversity.

In June 2023, we introduced an employee engagement survey to visualize challenges related to improving employee engagement from the perspectives of whether the workplace environment and ease of work are improving, whether there are changes in awareness regarding work styles, and how we compare with other companies, and to link this to the review and implementation of various measures.

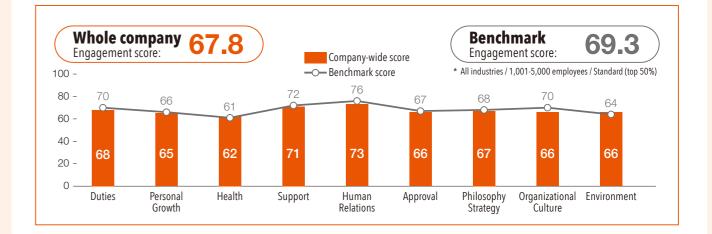
Materiality KPIs, targets and results

Materiality Goals/KPIs and Other Goals	
Taiheiyo Cement's engagement scores	
(Benchmark score*)	

2nd engagement survey

The engagement score in May 2024 was 67.8, which is 1.5 points lower than the benchmark score* of 69.3. However, it has increased by 1 point compared to the first survey in June 2023.

Looking at the results by category, while improvements are needed in areas such as "Providing Career Opportunities" and "Culture of Challenge" within the Organizational Climate category, our strengths in areas such as "Stress Response" within the Health category, and "Work-Life Balance" and "Satisfaction with Salary" within the Environment category, were reaffirmed from the previous survey.



Implemented Across the Entire Company OFF—JT Specific Training OJT Individual Abil Development Company-wide Leader **Diversity and** Global **Education Level** External public Managen seminars Selective external dispatch training Self-Management Academy (Domestic Production Division development Training for new deputy directors Safetv Financial Leadership Program (Hitotsubashi University) . support Global Human Resource Development Program en Managemen Training for newly appointed manager (Keidanren) overview Dispatch to Women's Challenge Support oreign -learni Information security Course(Keidanren) Department Human rights Global humar Program to train Sustainability resource the next generation of female leaders development **General Staff** Career developmer Workplace diversity program courses (practical course -specific education and inclusion Techno Oversea ence educa n support ing for bus Ş Intellectual property Skills Follow-up + OJT practical training Program to train School Legal the next generation of female leaders (introductory/ Mental health Sessions for newly hired employees elopment cours

Materiality KPIs, targets and results

Materiality Goals/KPIs and Other Goals	FY2022	FY2023	FY2024
Education hours per employee: at least 20 hours	_	14.8 hours	23.3 hours
Education expenditure per employee: at least 80,000 yen	42,000 yen	60,000 yen	74,000 yen

In order to develop human resources that will contribute to increased corporate value, we support the growth of our employees through training programs for each job level, global human resource development programs, and selective off-site training programs to develop human resources. In addition, we

support employees' self-directed learning by providing e-learning that can be used for reskilling, as well as clearly indicating the necessary qualifications in skill maps for each business area, and providing support systems for acquiring qualifications and taking correspondence courses.

Human Capital Management – Initiatives to Improve Engagement –



FY2023	FY2024
66.8	67.8
(69.4)	(69.3)

We will continue to conduct engagement surveys on a regular basis and, while checking the scores, each department will deploy a PDCA cycle of analyzing organizational challenges, formulating and implementing action plans, and evaluating and verifying the effectiveness of such plans, aiming to improve employee performance, revitalize the organization, and increase corporate value over the medium to long term.

* Average overall score of companies using Wevox in all industries and with 1,001 to 5,000 employees

Human Capital Management – Promotion of work-life management –

Vision 2 Creating a Workplace that Promotes Wellbeing

Policy

Employee wellbeing is the source of our sustainable growth. To create a workplace where each employee can work with a sense of fulfillment and make an active contribution, we have introduced various systems to realize flexible work styles and promote work-life management for our employees.

Operational Structure (Various Employment Systems)

- Flextime system (Core time: 11:30 a.m. to 1:30 p.m. (headquarters, branches, etc.))
- Telecommuting system
- Inside side job system
- Outside side job system
- Shortened work hours in order to care for children up to sixth grade of elementary school (hours can be shortened by up to 3 hours/day in 10-minute increments)
- Shortened work hours in order to provide nursing care to family (hours can be shortened by up to 3 hours/day in 10-minute increments, for a total of 3 years per person requiring care)
- Exemption from overtime work in order to care for children under 3 years old
- Restriction on overtime work, exemption from late-night work, and staggered work hours in order to care for children up to sixth grade of elementary school
- Exemption and restriction on overtime work, exemption from late-night work and staggered work hours in order to provide nursing care to family

- Half-day paid vacation
 - "Special Reserved" leave (purposes of use: medical care, nursing care, physical checkups, fertility treatment, self-development, etc.)
 - Child nursing/nursing care leave (ten days per year)
 - Fertility treatment leave system
 Volunteer activity leave
 - Personnel management systems for each course, including arealimited positions (with course change system)
 - Maternity leave and childcare leave system (up to two years and one month)
 - Nursing care leave system (for a total of two years per person requiring nursing care)
 - Work-life management leave
 - Career comeback system (reemployment system)
 - Referral recruitment, alumni recruitment, etc.

VOICE P.100~101

Materiality Goals/KPIs and Other Goals	FY2022	FY2023	FY2024
Raising ratio of annual paid leave taken: At least 70%	73.2%	77.5%	83.6%
Raising ratio of male employees taking childcare leave: At least 80%	18%	60%	54%

Support for side jobs both inside and outside the company

Materiality KPIs, targets and results

We have introduced a system that allows employees to work side jobs, both inside and outside the company. We expect this

system to promote the autonomous formation of diverse careers and increase engagement by allowing employees to demonstrate their strengths and take on tasks that are in line with their interests.

VOICE P.100

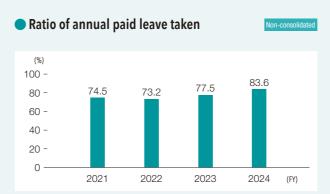
Increasing Understanding of the Systems

We have an exclusive website for our employees regarding the various systems called "Kirakira Palette" in order to increase awareness of the various systems that can be utilized for worklife management. We will strive to enhance the content of our information provision platform, which allows employees to access information on childcare, nursing care, health, selfdevelopment, and other life support, regardless of time or place.



Support for balancing work and childcare/nursing care

To enable employees to balance work and childcare/nursing care, we have introduced a shortened working hour system for childcare up to the completion of the sixth grade and for nursing care up to a total of three years (per person requiring nursing care). We are working to make the system easier to utilize by, for

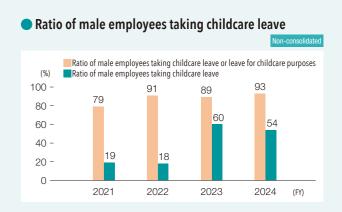


Support for taking childcare leave (Maternity/childcare leave follow-up interviews)

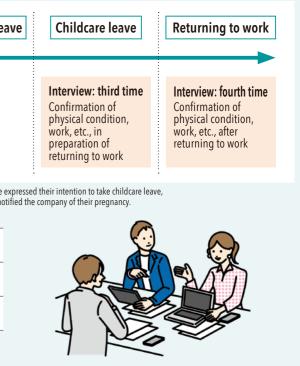
We have introduced "maternity/childcare leave follow-up interviews" to further promote the creation of an environment where it is easy to take childcare leave. This is an initiative to comprehensively support employees from pregnancy to after returning to work, in which the person taking leave and their supervisor take the initiative in conducting interviews. By

	Pregnancy		Maternity lea
Interview: fir Ensuring awa of the system confirmation physical cond work, etc.	reness and of	Interview: second time Confirmation of procedures before taking leave	ith employees who have ex
 erview mat	Face-to-	-face or online	
 o. of erviews	Up to 4 times (30-60 minutes/session)		
 erview rticipants	The person taking leave, their supervisor, and human resources personnel		

example, allowing employees to choose to work shortened hours under the flextime system (at the headquarters, branches, etc.). In addition to leave for childcare and nursing care, we also provide a long-term leave system (work-life management leave) for accompanying a spouse on a new assignment to support worklife balance.



disseminating information about our childcare-related systems and facilitating close communication between employees and supervisors during the interviews, we deepen mutual understanding and support employees so that they can take leave with peace of mind and smoothly return to work.



Human Capital Management - Health and Productivity Management (H&PM) Initiatives -

Policy

Under the Taiheiyo Cement Group Commitment to Health, we are working to maintain and improve the health of our employees and their families, and promoting the creation of

The Taiheiyo Cement Group Commitment to Health

The physical and mental health of our employees and their families is a prerequisite for us to realize our mission of contributing to social infrastructure development by providing solutions that are environmentally efficient, enhancing our competitive position and bringing value to our stakeholders. We hereby declare that we regard our employees as "human capital" and that we will work to maintain and improve their health and that of their families, and aim to create a rewarding workplace where employees can fully demonstrate their abilities.

> Yoshifumi Taura Taiheiyo Cement Corporation, President and Representative Director April 2024

Fundamental Policies

- 1 Under our Health Management Declaration, the Taiheiyo Cement Group, led by the Human Rights & Labor Practices Committee, will work with each business site to promote efforts to maintain and improve the health of employees and their families and to create a rewarding workplace.
- 2 Employees will enhance their physical and mental wellbeing and improve their quality of life by actively working to maintain and improve their health and that of their families.

workplaces where employees can work with a sense of fulfillment and demonstrate their abilities to the fullest.

Health and Productivity Management (H&PM) **Promotion System**



Main Health and Productivity Management (H&PM) activities

We establish a Health and Productivity Management (H&PM) activity plan every fiscal year and promote H&PM in a PDCA cycle, which includes implementing measures, verifying their effectiveness, and reflecting them in the next fiscal year's measures.

Employee health care	 Employees receiving period Recommendation of second Health care system utilization
Health literacy education	 Implementation of e-Learni Provision of health information
Preventive measures against lifestyle-related diseases	 Conducting two walking evaluation Holding seminars on health Introductions of healthy emails Implementation of "eating
Preventive measures against sleep disorders	• Subsidizing SAS (Sleep Apn
Smoking rate reduction measures	 Smoking cessation aids pro Assistance for smoking cess Running of Smoke-Free Day
Mental health measures	 Conducting of stress checks Follow-up interviews with e Establishment of a mental l

Holding seminars on health

We held a health seminar on diet at our headquarters building and relayed online to other offices. As many as 93% of the participants felt they would like to improve their eating habits because of the seminar, and we will continue to implement initiatives to raise employees' awareness of health

Materiality KPIs, targets and results

Materiality Goals/KPIs and Other Goals	FY2022	FY2023	FY2024
Ratio of employees receiving periodic health examinations: 100%	99.9%	99.9%	99.9%
Secondary checkup participation rate: 100%	64.6%	72.0%	96.2%

* Calculation results were reviewed and retroactively revised





Implementation of "eating in moderation" campaign

We have designated one day each month as "Harahachibunme Day" to carry out the Harahachibunme (moderation in eating) campaign. The "Harahachibunme" campaign is a campaign to prevent excessive food intake in light of the risk of lifestyle-related diseases such as obesity and diabetes due to eating until full.

Specifically, we encourage employees to chew well, eat foods rich in dietary fiber such as vegetables and seaweed and restrict portion sizes, and we are implementing this campaign company-wide to improve dietary habits.

odic health examinations

ndary testing and specific health guidance tion

ning for all employees ation

vents per year jointly with the Taiheiyo Cement Health Insurance

nployees in the company newsletter in moderation" campaign

onea Syndrome) testing costs

rovided free of charge ssation therapy

employees at high-stress offices I health counseling service



External lecturer giving a health seminar



Human Capital Management – Promotion of Workplace Diversity and Inclusion –

Vision 3 Achievement of Workplace Diversity and Inclusion

Policy

We consider the promotion of workplace diversity and inclusion as one of the important challenges for creating an

innovative workforce, and aim to be a company where diverse human resources can play an active role.

Operational Structure

To promote workplace diversity in employment we are working on specific areas such as hiring women, experienced personnel and people with disabilities. We believe that continuing to promote the participation and advancement of women in the workplace, who are a minority in our company, will lead to the creation of an organizational culture in which all employees, not just women, can maximize their potential, and we are engaged in education and awareness-raising activities to achieve workplace diversity and inclusion.

Promoting Women's Participation and Advancement in the Workplace

Fundamental Policies

- "Promote innovation through the ideas and values of diverse human resources, and further enhance corporate value"
- Promote the active hiring of women to build an appropriate human resources portfolio
- Provide equal growth opportunities for female employees to form autonomous careers and support their ability development
- Foster an organizational culture where female employees can fully demonstrate their individuality and abilities, and promote worklife management to retain female employees

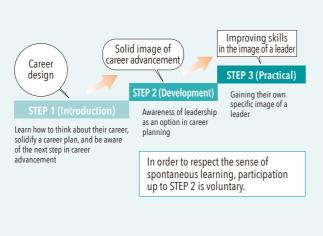
Materiality KPIs, targets and results

Materiality Goals/KPIs and Other Goals	FY2022	FY2023	FY2024
Ratio of female recruits: At least 30%	17.5%	14.3%	22.0%
Ratio of female employees: At least 10%	9.3%	9.6%	9.9%
Ratio of newly appointed female managers: At least 10%	6.3%	13.6%	11.4%
Ratio of female managers (2030) At least 5% (2026) (At least 3%)	1.3%	2.0%	2.5%

Introduction to our Initiatives 1 Program to train the next generation of female leaders (for women)

In Japan, the career development environment for working women tends to generate various anxieties due to the impact of life events and the lack of role models. To address this, we are conducting training programs aimed at developing the next generation of female leaders, with the goal of encouraging them to envision their own career paths and become more conscious of career advancement. To respect the willingness to learn on their own initiative, we have a self-nomination system for some hierarchical levels, and many female employees participate in the training every year.

→ Number of participants in FY2024: 35



Introduction to our Initiatives 2 Selective external dispatch training (for women)

We select and send several female employees each year to the "Women's Management Step-Up Support Course" for female managers and the "Keidanren Women's Challenge Support Course" for female employees who are not managers. It is expected that participants will acquire new knowledge, skills and thinking ability, broaden their horizons by building networks with participants from other industries and companies, and improve their motivation. We also held a debriefing session after the training to share the experiences of the dispatched trainees. By making it a hybrid type with faceto-face and web viewing, as well as on-demand distribution at a later date, we made it possible to view the session regardless of location or time.

Expanding recruitment of experienced persons

With regard to employee recruitment, we are actively recruiting not only new graduates but also experienced persons. Hiring people with diverse careers not only ensures immediate workforce strength, but also revitalizes the organization with new values. In recent years we have been hiring experienced personnel which has also led to diversity in our core human resources.

To further diversify our workforce, we have also introduced "referral hiring" (employee referral) and "alumni hiring" (former employee).

Promoting Employment Opportunities for Persons with Disabilities

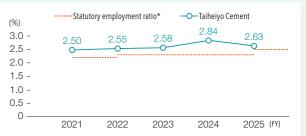
We have been working to improve the ratio of employees with disabilities, including the establishment of three special purpose subsidiaries, and exceeded the statutory rate of employment for the 17th consecutive year since fiscal 2009.

We will continue to proactively work to increase the number of employees with disabilities while collaborating with schools and support organizations for persons with disabilities.





Trends in the ratio of employees with disabilities (as of June 1 of each year)



* Statutory employment rate: 2.2% from April 2018, 2.3% from March 2021, 2.5% from April 20242.5%

Human Capital Management

- VOICE: Voices of System Users -

VOICE Voices of System User

Systems Related to Career Development

Selective external dispatch training

Selective external dispatch training aims to provide the knowledge and thinking skills necessary to become leaders and to foster improved mindsets through discussions with participants from other companies and industries.

.....

An opportunity to review my career

When I participated in the training I was a novice accounting manager, and I sometimes worried about whether the section was being managed well and whether I was suitable to be a manager. However, through the training, I was able to reaffirm that there are various types of leaders and ways of working, which eased my mind and gave me an opportunity to re-examine my own career.

When I actually took the management exam I was able to utilize what I learned in the training by reviewing the content, envisioning the kind of manager I wanted to be, and clarifying my reasons for aiming to become a manager.

In my current situation of working with reduced working hours for childcare, while feeling vaguely uneasy about balancing work and family beforehand, it was a good experience to hear many experiences from senior female managers and get an image of work-life balance.



太平洋セメント 増ま

Inside side job system

This is a system that allows employees to work in another internal department besides their department during a part of their working hours. The purpose of this system is not only to allow employees to acquire a wide range of knowledge by gaining experience in other departments, but also to help them develop their careers autonomously by engaging in work that matches their strengths and interests.

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Growth opportunities for everyone, anywhere

I wanted to gain knowledge of general plant management and our company's overseas business, so I worked in the General Affairs Section and the Overseas Business Headquarters as an internal side job while belonging to the Accounting Section of the Kamiiso Plant. I had a goal of working at an overseas production site since joining the company, and I thought these side jobs would be meaningful.

In my side job at the General Affairs Section, I was involved in labor affairs, regional measures and land acquisition, and was able to comprehensively acquire knowledge of the plant management department in conjunction with my main job. In my side job at the Overseas Business Headquarters, I was able to deepen my knowledge of overseas business by conducting

research and preparing presentations on our company's overseas business, as well as the global cement market.

I think internal side jobs are a good system because they allow you to gain knowledge and experience outside of your assigned duties, you can apply from a distance, and anyone can obtain growth opportunities.



To be able to give back to my main job

While in charge of human resources and labor affairs in the Branch Operations Department, I am involved in contract review in the Legal Department as a side job. For contracts sent from each office, I check whether the contract covers the details of what they want to achieve and whether risk avoidance is properly incorporated, based on past cases and business backgrounds. I feel that I have developed the ability to prioritize and adjust, as there are multiple factors to consider when reviewing contracts.

I had been hoping to work in the Legal Department for a long time, and I was able to reaffirm that the content of my side job is close to the legal work I had imagined, and that it is the job I want to do. I am able to do side jobs thanks

to the understanding of my supervisors and colleagues, so I will continue to work positively so that I can give back the knowledge I have gained to my main job.



Personnel management

VOICE

In the Personnel management systems for each course, we have two course categories: "G course" for area-unlimited positions and "L course" for area-limited positions. Employees can change their course category due to life events or other reasons. By increasing the options for ways of working, we are creating an environment where employees can fully demonstrate their abilities.

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The best decision

ystems for each

course

I used the course change system to switch from the G course to the L course when I got married. I also had the option of moving or living apart from my wife while remaining in the G course, but I think it was the best decision to prioritize my life with my wife. After the change, it became easier to plan our wedding in a

settled living situation, and I am also able to support my wife's career plan. Stability in life directly leads to ease of working. The course change system is a good option for those who are facing life events and are worried.



Work-life management eave system

This is a system that allows employees to take leave for reasons such as marriage or accompanying a spouse to a new location. The purpose of this system is to allow employees to continue working even if they have to interrupt their careers due to life events.

A great asset for me

After getting married to a foreign national, my husband and I needed to live apart due to our jobs. I learned about this system and took a one-year leave of absence. Living in Spain to be with my husband allowed me to learn Spanish and English, and the experience of living in a foreign country as a "foreigner" and re-examining my values as a Japanese person from the perspective of a minority, was a valuable experience for me. Life events

are difficult to predict and it is sometimes difficult to balance them with work, but by using this system the life events that I was concerned about led to unexpected opportunities for growth. I am very grateful to my supervisors and colleagues who supported me.



Systems Related to Life Events

The importance of being able to live together as a family

Both my husband and I joined the company in the G course, and we lived apart before and after marriage due to transfers. However, when our daughter was born, my husband decided to change jobs so that we could live together as a family. I also felt that it was time to review my career. I was very worried about whether to change to a job without transfers, which would make it easier to plan for the

future. I also searched for a new job, but after considering what would be the "just right lifestyle" for our whole family, as well as my career and childcare, I decided to change to the L course. Currently, I am using short working hours, the flextime system, and telework, and I am able to have a "just right lifestyle" with my family. I would like to try the G course again in the future when childcare settles down.



Childcare leave system

Employees' proactive involvement in childcare and housework leads to the promotion of worklife management and contributes to our company's sustainable development, such as securing human resources and improving employee engagement.

Increased motivation by taking childcare leave

Since both my husband and I are away from our hometowns and could not rely on our parents for childcare support, I took childcare leave for about 4 months from the day of delivery. While there were challenges with childcare, as this was my second child, I was able to approach it with a more experienced and positive mindset. Of course, I was able to realize the importance of my family and, by completely leaving work for a while, I was able to think

objectively about the company and my way of working. I had a sense of what I should do and what I should value, and my motivation for returning to work was high. I am grateful to my department for their generous support in the handing over of my duties and the following up support after I returned to work.

