

Stakeholder Engagement

Towards Value Creation

The Taiheiyo Cement Group's main business activities are cement and concrete related.





In our business activities we maintain close communication with stakeholders, including employees, group companies,

shareholders and investors, users and business partners, and local communities, and we strive to comply with laws and regulations and meet their expectations.

Policy and Operational Structure

We are promoting timely and appropriate information disclosure and communicate with our stakeholders based on our belief that in order to remain a sustainable company, it is essential for us to fulfill our social responsibility and continue to build good relationships in response to the expectations and demands of our diverse stakeholders.

We will continue to strive to further incorporate into our management the opinions and requests received from stakeholders, and further promote human capital management so that employees, the greatest asset to our company, can work with vitality.

Stakeholders	Stakeholders' Interests		FY2024 Results	Future Issues
<div></div> <div>Our employees</div> <div>P.110~111</div>	<ul style="list-style-type: none">• Creating a safe and healthy workplace• Workplace Diversity and Inclusion• Human resource development• Respect for human rights• Group governance• DX promotion		<ul style="list-style-type: none">• Safety promotion activities with KPIs set by the Company-wide Health & Safety Committee• Promotion "General Employer Action Plan" in accordance with the Act for Promotion of Women's Participation and Advancement in the Workplace• Promotion of employment of people with disabilities: Exceeded the statutory employment rate (17 consecutive years)• Continued support for the United Nations Global Compact• Promotion of work-life management• Promotion of H&PM: periodic health examinations (once/employee), stress checks (once/employee), counseling services on mental health (as needed)	<ul style="list-style-type: none">• Achieving safety-related KPIs• Continuing efforts to achieve the CSR Objectives for 2025 (workplace diversity)• Promoting barrier-free accessibility at each business site• Identifying human rights risks throughout the supply chain
<div></div> <div>Group Companies</div> <div>P.112~113</div>	<ul style="list-style-type: none">• Information sharing• Promoting group management through one-stop services, etc.• Synergy creation		<ul style="list-style-type: none">• The 25th Taiheiyo Cement Group Resource Technology Presentation• The 23rd Taiheiyo Cement Group Technical Presentation• Intellectual property training including group companies• International contract training including group companies	<ul style="list-style-type: none">• Enhancing corporate value as a group• Fostering a culture of mutual respect among group companies• Promoting dialogue and exchange between group companies• Penetration of the "Mission of the Taiheiyo Cement Group"• Continuing initiatives such as technical presentations, regular briefings and training, including group companies• Realizing business expansion by leveraging mutual strengths• Building a "Taiheiyo Mountain Range" where each business functions interdependently to strengthen the corporate structure
<div></div> <div>Shareholders, investors</div> <div>P.114</div>	<ul style="list-style-type: none">• Business performance trends• Medium- to long-term management strategy• Delivering carbon neutrality• Shareholder returns policy• Cost of capital		<ul style="list-style-type: none">• IR activities<ul style="list-style-type: none">- Financial results briefing (online live broadcast): 2- Individual investor meetings: 213- Investor conference: 2- Facility tours: 2	<ul style="list-style-type: none">• Promoting understanding of our company through dialogue and initiatives to reduce capital costs<ul style="list-style-type: none">- Expansion of opportunities for dialogue- Enhancement of information for dialogue
<div></div> <div>Users and Business Partners</div> <div>P.115</div>	<ul style="list-style-type: none">• Delivering carbon neutrality• Corporate ethics and compliance• Risk management (crisis management)• Contributing to the realization of a recycling-based society• Popularization of environmentally sound products• Sustainable supply chain		<ul style="list-style-type: none">• Efforts Related to CO₂ Emissions Reduction in the Cement Production Process• Business activities based on our Basic Compliance Policy and Anti-Bribery Policy• Resource recycling with industry and local communities• Disclosure of maintenance and management information on our six directly-controlled domestic plants pursuant to the Waste Disposal and Public Cleaning Law: monthly• Acquisition of ISO 14001 certification through our company-wide environmental management system (including plants, headquarters, branches, and Central Research Laboratory)• Acquisition of ISO 9001 certification: 100% in Japan, 100% in overseas cement production sites in countries where ISO is the mainstream standard• Various user associations<ul style="list-style-type: none">- The Taiheiyo Cement Group Ready-mixed Concrete Association: Individual activities in 10 regions in Japan- Taiheiyo Cement Association for the Paving Block Industry- SPLITTON Association Japan	<ul style="list-style-type: none">• Promoting initiatives based on the Carbon Neutral Strategy 2050• Ensuring compliance and anti-bribery throughout the group• Achieving group environmental targets (reduction of CO₂ and main air pollutant emissions)• Increasing customer satisfaction and trust in the Taiheiyo brand• Continuing support activities to meet the needs of users
<div></div> <div>Local community</div> <div>P.116~117</div>	<ul style="list-style-type: none">• Engagement with local communities• Biodiversity• Reducing environmental impact• Contributing to national resilience• Water resources conservation		<ul style="list-style-type: none">• Engagements with local communities: 4,895<ul style="list-style-type: none">- Global environmental conservation activities: 1,192- Revitalization of local culture and exchange: 3,350- Regional development: 164- Education and human resources development: 161- Disaster relief: 12- Other: 16	<ul style="list-style-type: none">• Exploring activities based on the needs of communities

Stakeholder Engagement – Our Employees –



We held a "Dialogue with the President" session as part of our efforts to improve employee engagement. This time, 30 mid-career employees participated in discussions with President Fushihara (current Chairman) on six themes related to sustainability. (Stakeholder Communication Committee)

Attendees

Officers	President Fushihara (current Chairman)	
	Senior Executive Officer Ohashi (current Advisor)	
Our employees	Headquarters:	11
	Central Research Laboratory:	1
	Plants:	4
	Plant (direct workplace):	6
	Branches:	6
	Overseas assignment:	2
Total:		30

* Titles and affiliations are as of the time of the event.

Themes

- 1 Diverse working styles
- 2 Human resource development
- 3 Engagement
- 4 H&PM and creating a safe and secure workplace
- 5 Future core business and global development
- 6 Future vision of the Taiheiyo Cement Group

Q Now that nuclear families, dual-income households, and co-parenting are becoming mainstream, what kind of response will be necessary for our company's transfer system in the future, given that we are developing our business globally?

A It is true that when I was young I was transferred every three years on average, which placed a burden on my family. Now, there is a system for changing between the G course and the L course, and the number of employees using this system is increasing. I believe that it is necessary to create a system in which L course employees can play a more active role in the future. For example, it will not be possible to utilize the system in the true sense unless we create a system in which L-course employees can become plant managers or branch managers.

On the other hand, it is also true that transferring can be very stimulating because you meet new people and see new things, so if circumstances permit, transfers are also a good thing.

Q Please tell us what is expected of employees in the direct workplace.

A When I was young I worked at the Ofunato Plant and directly interacted with my coworkers, such as by playing baseball together. What I expect from employees in the direct workplace is that they will become

human resources who can see the entire plant. I also want them to eventually become plant managers, and I want to create a system for that. To do so, it is necessary to study not only the work site but also the staff departments for about three years. I also want them to understand the entire plant, not just the equipment and processes they are in charge of. To that end, I am considering having them experience other plants, including overseas, to broaden their horizons. Furthermore, I would like them to work with an awareness of not only the cement business but also the environmental and mineral resources businesses as an integrated plant. The people in the direct workplace know the plant best, so if they can grasp the whole picture, they should be able to become strong human resources.

Q Among the management department tasks I have experienced, there have not been many opportunities to be involved in the development of core businesses or global expansion. I would like to be actively involved in the future, but what kind of perspectives, ways of thinking and knowledge are necessary?

A When I was young I was in charge of accounting for four and a half years and, after that, I worked in various business divisions. I think you can learn the necessary knowledge in each department in half a year, so if you have knowledge of accounting and finance, you should be able to enter any business. Companies do not buy individual knowledge, but rather various experiences. For example, the experience of giving birth and raising children. That experience will help you think about various things later on. Then there is the ability to communicate with people. Communication skills are essential to bring negotiations with users to a successful conclusion. Various experiences will enhance those abilities, so don't worry and just do it.

Q We are making every effort to conduct research and development with agility, aiming to establish innovative technologies by 2030. Please tell us what is expected of research and development, including towards carbon neutrality.

A I believe that Taiheiyo Cement is two laps ahead of competitors when it comes to carbon neutrality. We have installed equipment to capture CO₂ by chemical absorption and test equipment for C2SP Kilns that efficiently capture CO₂ in calciners, and are conducting verification



experiments. I think CO₂ capture using C2SP Kilns will proceed smoothly, but the amount of CO₂ recovered from cement plants is very large, and even if about 20% can be converted into fuel by methanation, there is the problem of what to do with the remaining CO₂. Ultimately, it will be necessary to store CO₂ underground, in what is known as carbon capture and storage (CCS). We are already participating in a CCS project and will steadily proceed to achieve carbon neutrality by 2050. First, we are considering the Kawasaki Plant of DC Co., Ltd. as a model plant.

We have also filed an international patent application for the C2SP Kiln and are considering licensing this technology to the world. The Taiheiyo Cement Group has 20 kilns, but there are about 4,000 kilns in the world, and this technology from Japan holds great promise. There are also various studies on CO₂ utilization in Japan and around the world, and CO₂ may be able to be sold as a resource, so we will steadily develop CO₂ capture technology. We are currently on schedule, and I am looking forward to the future.

Impressions of Participating Employees (excerpt)

► It was a good opportunity to think deeply about the future possibilities of our company's personnel system and business development. I felt that it is important for management and employees to move in the same direction in order for our company to continue to exist while maintaining social value.

► I feel that being able to discuss the future of our company with employees of my generation beforehand and have a direct dialogue with the president at the dialogue session was motivating.

► It was meaningful to hear about the president's own experiences and the direction of the company. I felt that if there were more opportunities like this, the ideas of the management team would permeate the company and the sense of unity as a company would become stronger.



Stakeholder Engagement – Group Companies –

The Taiheiyo Cement Group regularly holds various technical presentations and training sessions within the group for the purpose of sharing knowledge and promoting dialogue and exchange. We aim to maximize the enhancement of our corporate

value by working together to develop each employee into a human resource who can be successful both inside and outside the company, thereby enhancing the overall strength of the group.

FY2024: The 25th Taiheiyo Cement Group Resource Technology Presentation was Held

Our Mining Department and group companies (limestone and quarrying offices) have a basic policy of promoting research and new technology development in a planned and strategic manner as a leading company in the quarrying/mining sector. Based on this basic policy, we hold the "Taiheiyo Cement Group Resource Technology Presentation" every year to present initiatives related to new technologies in the quarrying/mining sector. At the 25th presentation, 12 young engineers from each office presented their initiatives to solve challenges related to safety, environment and production that each office faces. Kawara Kogyo Co., Ltd. was awarded the gold prize, Kansai Matech Co., Ltd. was awarded the silver prize, and Chichibu Taiheiyo Cement Corporation was awarded the bronze prize for their outstanding efforts.

Kawara Kogyo Co., Ltd., which won the gold prize, gave a presentation titled "Automation of manual sorting work by introducing a color sorter at the white marble plant." In the white marble production process, undesirable components were conventionally removed by manual sorting, but the aging of workers and the shortage of successors had become a problem. This time, a color sorter (equipment that automatically removes foreign substances by identifying colors) was introduced into the work process, and the initiative was evaluated for successfully

automating the sorting work while maintaining the same level of accuracy as manual sorting.

In addition, we also hold regular briefings with group companies on all-quarry QCC (quality control circle), on-site improvement activities, and technical efforts of engineers. We will continue to work together to improve our technological capabilities in order to form a sustainable group of engineers.



Managing Director Hirata and the award winners whose initiatives were evaluated (FY2024)

Promoting Intellectual Property Awareness

We conduct training for each job level of employees aimed at improving the intellectual property literacy of the Taiheiyo Cement Group employees. We have established a training system for intellectual property so that employees can continuously acquire knowledge according to their years of experience and expertise, incorporating internal training such as training for new employees, basic training to learn the basics of intellectual property, and patent description training for inexperienced engineers, as well as training by external organizations. We are providing education about the importance of respecting the rights of other companies with the same level of awareness as the protection of their own rights. In addition, we regularly hold Group Intellectual Property Promotion Committee meetings with major group companies, where intellectual property managers from each company gather to exchange opinions on minimizing intellectual property risks and utilizing intellectual property.

We will continue to strive to improve the intellectual property mindset of the Taiheiyo Cement Group through activities that meet the needs of the entire group.

Results of participation in intellectual property training (FY2024)

Training Content	Taiheiyo Cement	Group Companies	Total
Basic Training	29	54	83
Patent Description Training	12	35	47
External Training	35	16	51
Total	76	105	181



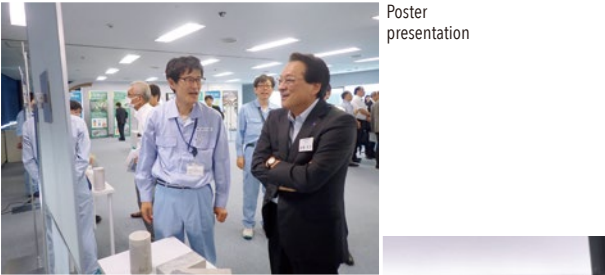
FY2024 Basic Training

The 23rd Taiheiyo Cement Group Technical Presentation was held

We held the "Taiheiyo Cement Group Technology Presentation" for FY2025 at the Central Research Laboratory. Other than 2020 and 2021 due to the COVID-19 pandemic, this technology presentation is held every year with the aim of creating new business opportunities by promoting technical collaboration between the Central Research Laboratory and group companies, and this is the 23rd time it has been held. In FY2025, a total of 205 people participated, including 87 from the headquarters together with Chairman Fushihara, President Taura, executive officers, and a further 117 from 28 group companies.

This technology presentation consists of three parts: oral presentations, poster presentations and technology development demonstrations. In the oral presentations, 12 reports were made by our company and 10 group companies under the theme of "Technological Development through Group Collaboration and Initiatives for Early Commercialization of Carbon Neutrality-Related Technologies." Reports were given on technological developments through collaboration between our company and group companies, such as the development of a concrete slump prediction system using AI, and on carbon neutrality-related initiatives, such expanding the use of blended cement in the U.S. market, and lively discussions were held. In the poster presentations, the latest technologies and products of our company and each group company were exhibited, and active exchanges of opinions were held with many participants. In the technology development demonstrations, recent research and development cases were demonstrated, such as CARBOFIX cement and CarboCatch, our unique technologies toward delivering carbon neutrality, and the Wall Survey System, which uses a robot to diagnose the separation of exterior wall tiles by Taiheiyo Consultant Co., Ltd. Finally, President Taura gave a lecture expressing his expectations for "research and development in

pursuit of innovation, profit contribution and rationality." The Central Research Laboratory aims to become a Research and Development Department that "anticipates environmental changes, proposes innovations, and contributes to the entire group" by 2050. To achieve this, we will strengthen our functions as a think tank for the Taiheiyo Cement Group and promote research and development that brings together the comprehensive capabilities of each company in our group, thereby evolving into a group-wide research center. These technology presentations are an important initiative, and we will continue to hold them in the future.



The Taiheiyo Cement Group International Contract Training held

We held the Taiheiyo Cement Group's international contract training, and more than 40 employees from our company and group companies participated. As our business becomes increasingly globalized, this training is designed for those involved in international contracts to learn the basics of reading English contracts smoothly. It covered the "structure of typical English contracts," "explanation of grammar and expressions," "clauses specific to international contracts and their risk management" and "minimum necessary knowledge of private international law, international civil procedure law, and Anglo-American law."

The lecturer was the General Manager of our Legal Department, and the lecture was practical, based on knowledge backed by extensive experience in corporate legal affairs and overseas business. The participants praised the training, saying, "It was easy to understand because the teaching materials were actual contracts" and "I was able to learn the basics of Anglo-

American law." We were also pleased to hear later that "the expressions I learned in the training were useful in actually drafting contracts."

The Legal Department will continue to focus on legal education, not only to provide legal support to our company and group companies, but also to help improve the legal knowledge and skills of employees at each company.



Training session

Stakeholder Engagement – Shareholders, Investors –

We strive to disclose information in a timely and appropriate manner so that our shareholders and investors can deepen their understanding of our business, etc. In addition, we are actively communicating with our shareholders and investors through activities such as holding two financial results briefings per year, conducting individual meetings, participating in IR conferences

hosted by securities companies, and holding facility tours. We are also focusing on efforts to utilize the opinions and suggestions we receive for management improvement by reporting them to the management team four times a year at the Board of Directors meetings.

Dialogue with Shareholders and Investors

Category	Results			Details
	FY2022	FY2023	FY2024	
Financial results briefing for institutional investors and securities analysts	2 times	3 times	2 times	Two financial results briefings*2 (with simultaneous webcast) attended by the President, Accounting Officer, Business Division Heads, etc., are held for the year end financial results and the second quarter.
Individual meetings with institutional investors and securities analysts	169 times*1	164 times*1	213 times	The IR department takes the initiative in conducting individual dialogues. (Specialized for ESG themes: 20 times) *2 (Participation by Officers: 20 times) *2
(Domestic institutional investors)	(54 times)	(62 times)	(93 times)	
(Overseas institutional investors)	(82 times)	(71 times)	(95 times)	
(Securities companies)	(33 times)	(31 times)	(25 times)	
Securities company sponsored conference	2 times	1 times	2 times	IR Officers and the IR Department participate in conferences for institutional investors.
Facility tours	—	—	2 times	Company plant tours for institutional investors and securities analysts.
ESG briefing	1 times	—	—	

*1 Calculation results were reviewed and retroactively revised.
*2 2023 results

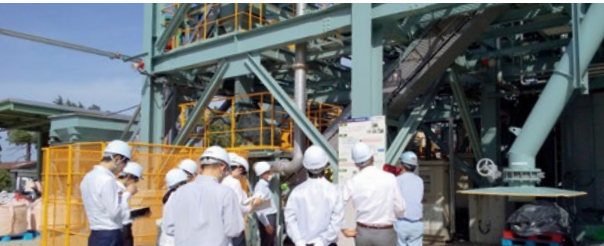
Facility Tours

In order to further deepen your understanding of our business, we hold facility tours for institutional investors and analysts. In FY2024, we held the tour for the first time in three years, and a total of 13 people participated in the tour of our Kumagaya Plant.

In the tour, we visited the cement production facilities and the carbon neutrality demonstration facilities for "Development of Carbon Circulation Technology for the Cement Industry" which is funded by the New Energy and Industrial Technology Development Organization (NEDO) that capture CO₂ by chemical absorption (amine method) and utilize it. After the tour, we received many questions from the participants, mainly about carbon neutrality and waste treatment, and it became an

opportunity for two-way communication.

In the future, we also plan to hold tours of the demonstration test facility for the demonstration equipment for CO₂-capture in the cement production process (C2SP Kiln).



IR strategy measures for the 26 Medium-Term Management Plan

We have newly formulated an IR strategy in the 26 Medium-Term Management Plan. We will promote understanding of our company and reduce the cost of capital through further dialogue with our shareholders and investors.

Expansion of opportunities for dialogue

- Holding IR meetings with the participation of management
- Holding IR-Day (ESG briefing, business briefing, facility tour, etc.)
- Holding interviews with Independent Directors

Enhancement of information for dialogue

- Enhancement of information in financial results briefing materials
- Promotion of simultaneous disclosure in English

Stakeholder Engagement – Customers, Business Partners –

We consider "improving customer satisfaction" to be our most important challenge, and we are committed to creating products that meet the needs of our users. We respond sincerely to every quality issue raised by our users, and strive to improve product quality and customer satisfaction.

In addition, we are working to improve our quality assurance

system to include the products of the Taiheiyo Cement Group companies as well as Taiheiyo Cement Corporation products. We systematically strive to identify and address material challenges via cross-divisional initiatives, and aim to boost the reliability of the Taiheiyo brand as well as customer satisfaction.

User Associations and Industry Associations

We have established and manage various cement user associations and industry associations that support participants in vitalizing their business operations and developing technological competitiveness. The Taiheiyo Cement Group Ready-mixed Concrete Association, the largest of these user associations, is made up of ten Taiheiyo Cement Ready-mixed Concrete Societies, in locations ranging from Hokkaido to Kyushu, and engages in various activities. We hold technical sessions and presentations, as well as conduct activities under specific themes suited to local conditions. We also focus on providing support for users in obtaining qualifications such as Authorized Concrete Engineer, Authorized Chief Concrete Engineer, and Authorized Concrete Diagnosis and Maintenance Engineer.

In addition to the Taiheiyo Cement Group Ready-mixed Concrete Association, we have established other associations such as the Taiheiyo Cement Association for the Paving Block Industry and SPLITTON Association Japan to proactively deliver technical support for the mutual development of pre-cast concrete product companies. We will continue to support activities that benefit cement users.

Activities of the Taiheiyo Cement Group Ready-mixed Concrete Association	
Region	Details
Hokkaido	Questionnaire survey on periodic certification maintenance audit
Tohoku	Publication of the second edition of the Legal Compliance Manual
Tokyo	Experiment for the creation of a "Concrete Defect Casebook"
Kanto	Holding a technology presentation
Hokuriku	Conducting a comparative test of unit water volume measurement methods
Chubu	Visit to Nippon Steel Corporation's Nagoya Works
Kansai	Survey of ready-mixed concrete basic data and preparation of model basic data
Shikoku	Basic training course on concrete quality control (hybrid face-to-face and web-based)
Chugoku	Measures to rationalize the strength management of pavement concrete
Kyushu	Holding a study session on JIS certification (in preparation for various examinations and audits)

Initiatives of the Taiheiyo Cement Association for the Paving Block Industry

Since its establishment in 2003, the Taiheiyo Cement Association for the Paving Block Industry has been promoting the use of concrete paving blocks through the exchange of information on manufacturing and construction technologies, and the development of new products and technologies.

In recent years, the labor shortage to maintain and expand the construction volume of block paving has become a major challenge, requiring early measures to improve productivity and

save labor. In order to promote mechanized construction and improved productivity of block paving, the association is working together with its members nationwide to conduct mechanized construction tours and other activities.

The association will contribute to society through more vigorous activities to expand the applications and popularity of block pavements.



German-made IL block dedicated laying machine



Machine construction site tour

Stakeholder Engagement – Local Communities –

The Taiheiyo Cement Group believes that by making social contributions in the areas where we operate, both domestically and overseas, we can create social and environmental value and contribute to a sustainable society and the sustainable development of our business. Through active communication

with local communities, we aim to understand their needs and challenges, and by making contributions that leverage the characteristics of our business, we aim to build trust with local communities and grow together with them.

Activity	No. of times conducted per year	Total number of participants (persons)	Examples of activities
Global environmental conservation activities	1,192	2,939	Resident briefings, environmental reporting meetings, environmental monitoring system, cleanup activities, forest and local nature conservation activities
Revitalization of local culture and exchange	3,350	20,464	Organizing plant and mine tours and facility openings, and hosting and participating in events
Regional development	164	5,064	Provision of materials, lending of heavy equipment, support for regional medical care, support for regional industrial development, disaster prevention activities
Education and human resources development	161	725	Scholarships, training for engineers, internships and work experience
Disaster relief	12	10	Rescue operation cooperation
Other	16	124	Blood donation cooperation

Hokuto City Marché (General Affairs Dept.)



The General Affairs Department held a "Hokkaido Hokuto City Specialty Products Sales Event (Marché)" in Hokuto City, Hokkaido, with the aim of contributing to the local community where the Kamiiso Plant is located. With the cooperation of Hokuto City Hall, a large number of local products unique to the city were on display, and the event was bustling with many executives and employees coming to purchase them. We will continue to hold the Marché in order to support the regions where our factories are located and also contribute to disaster recovery support.

Christmas Event (CalPortland Company, USA)



The CalPortland Company participated in the local fire department's first Christmas event in Redding, California, where its cement plant is located, and provided Christmas meals and presents to low-income families with donations raised from employees and business partners, as well as donations from the company. At the event, adults dressed up as fairies and reindeer to entertain the children, and there was also a photo session with Santa Claus. Some of the presents were even delivered to homes in a real fire truck, complete with rotating lights and a siren. Families who attended expressed their gratitude for a wonderful holiday event.

Releasing of Juvenile Fish Into the Koaze River (Saitama Plant)



At the Saitama Plant, with the support of the Iruma Fisheries Cooperative Association, we release juvenile fish into the local river several times a year. In FY2024, we contributed to the preservation of the local environment by releasing juvenile loach, catfish, crucian carp, and dace into the nearby Koaze River. We have received positive feedback from local residents, who are delighted to see an increase in fish populations downstream from the release sites.

Mishiri District Summer Festival (Kumagaya Plant)



The Kumagaya Plant participated in the Mishiri District Summer Festival, which was held for the first time in four years. Among the various stalls set up by the local community, Taiheiyo Cement set up a quoits booth. A huge queue of children lined up to play quoits, and they lit up with smiles and cheers when they won their favorite prizes. The mayor of Kumagaya City also attended towards the end of the event, making the summer festival a huge success and allowing our company to deepen its ties with the local community.

Practical Geological Survey Training (Mining Dept.)



The Mining Department organizes an internship for geology students every year for students from the University of Tsukuba. Through practical geological survey training and the creation of drawings at the Yorii Mining Office of Chichibu Mining & Co., a wholly owned subsidiary of Taiheiyo Cement, the students learned the basics of practical geological surveys and resource evaluations conducted by cement companies, and experienced first-hand how geology contributes to society.

Relief Supplies to Areas Affected by the Noto Peninsula Earthquake (Chubu Hokuriku Branch)



Through our subsidiary, Sangi-Tuun Inc., the Chubu Hokuriku Branch transported emergency relief supplies to Himi City, Toyama Prefecture, one of the areas affected by the Noto Peninsula Earthquake that occurred on January 1, 2024. When we gathered information on the damage in Himi City, a place with which our company has deep ties, we found that the recovery from the water outage had not yet progressed significantly. A total of 4,368 liters of drinking water was delivered as relief supplies, for which local residents expressed their gratitude.

Quality Assurance

Towards Value Creation

The Taiheiyo Cement Group is committed to providing high-quality products and services by establishing reliable technology and quality assurance systems, and ensuring that each employee engages in activities aligned with our Quality Policy to maintain our reputation as a trusted and reputable company.

Quality Policy

All of our employees adopt a global perspective, striving to boost customer satisfaction and contribute to society by providing environmentally-friendly products and quality that matches our customers' needs.

In order to achieve the aims of our policy

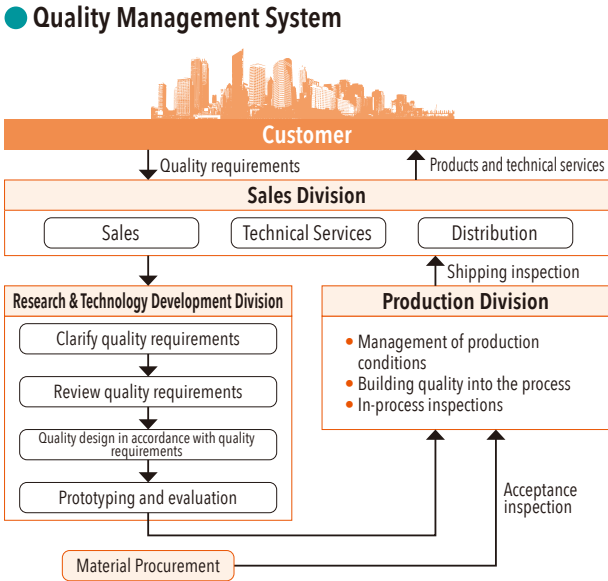
- 1 We develop specific product quality targets based on our Quality Policy, and disseminate them within the company.
- 2 We focus our efforts and work positively to achieve the quality targets.
- 3 We carefully review the levels of customer satisfaction and quality targets that have been achieved.
- 4 We implement a quality management system and continually improve our products.

Operational Structure

We focus on stabilizing and improving product quality while capitalizing on the production and quality control technologies we have developed over the years. We are further enhancing product quality control by deploying advanced technologies to ensure improved stability such as an online analysis system for raw materials, clinker and cement, the measurement of clinker minerals by X-ray diffraction and our proprietary Taiheiyo Cement Quality Predictive System (TQPS). Whilst maintaining quality we also make effective use of waste and by-products and in doing so manufacture cement that pays due attention to the conservation of the global environment.

All of our Portland cement plants in Japan, including those of group companies, have obtained ISO 9001 certification, the international standard for quality management systems.

Furthermore, all of our overseas cement plants in countries that adopt ISO have obtained ISO 9001 certification. We are working to improve our operations while ensuring quality assurance by establishing and operating a quality management system (QMS).



Roadmap for Realizing the Long-term Vision

We have established a Quality Assurance & Product Liability Committee, chaired by the Vice President, and are working on the following through its activities:

- 1 Maintain and continue our quality assurance system by ensuring the proper operation of QMS (ISO9001).

- 2 Ensure the delivery of high-quality products and build user trust by reducing quality issues and responding quickly when they arise.
- 3 Become a corporate group that is trusted and reputable by improving the quality assurance systems of our group companies and preventing quality data fraud.

FY2024 Results	Our Vision
<ul style="list-style-type: none">Conducted a QMS skill improvement seminar and internal auditor training seminarsPrevented issues with caking and foreign matter contamination through strengthened equipment managementConducted training for responding to quality abnormalitiesConducted interviews regarding quality assurance systems at group companiesConducted self-inspections of quality data fraud at each business department and group company	<p>Our quality policy states that "All of our employees adopt a global perspective, striving to boost customer satisfaction and contribute to society by providing environmentally-friendly products and quality that matches our customers' needs." Each and every employee acts in accordance with this policy in order to establish reliable technology and a quality assurance system to provide high-quality products and services, and continue to be a corporate group that is trusted and relied on by the users of our products.</p>

Materiality KPIs, Targets and Results

KPI / Goals	FY2022	FY2023	FY2024
Zero serious quality complaints	0	0	0

Training for Responding to Quality Abnormalities

As part of our Quality Month activities (held every November) at our cement plants, we conduct response training based on potential quality abnormalities. Even if quality abnormalities were to occur, we are able to take action quickly to minimize the impact.

Quality Data Fraud Prevention

To eliminate the mindset of prioritizing deliveries at the expense of quality standards, especially in light of recent corporate data fraud incidents, we have established a process for determining contract quality standards with new customers through internal discussions between the sales and production departments. We have also established a system for regular self-inspections by cross-checking data to ensure that data tampering or other fraud does not occur before quality test data is submitted to users as test reports.

We are working to cultivate a company culture that prevents and does not overlook misconduct by raising awareness through study sessions focused on case studies from other companies.

Self-Inspections to Prevent Fraud

Safe Cement and Cement Products

Today every product is expected to be safe; as a construction material that is indispensable for developing social infrastructure, cement is no exception. The cement industry has long made use of industrial waste and by-products such as blast furnace slag, coal ash, and by-product gypsum as substitutes for natural mineral resources. Furthermore, we use technologies we developed to recycle household waste, such as the AK system to recycle municipal waste and our incineration residue recycling system. We also recycle construction-related soil and waste materials into raw material and fuel for cement production.

When our cement plants accept waste, we prevent its dispersal and minimize the release of odor by transporting the waste in a tightly sealed panel truck and storing it in a fully enclosed facility to protect the environment of the surrounding area as well as that inside the plant. We have already established fixed standards for the management of heavy metals contained in natural resources, and are constantly enhancing the control of minor components as

the volume of waste we receive increases. When we receive new types of waste or waste from new sources, we strictly apply rules under which we conduct three kinds of inspection related to the source of the waste, its chemical composition, and the results of trial use, to identify any potentially negative impact on product quality or the surrounding environment. We will then make a final decision on whether to receive the waste. These measures help us ensure product safety.

Please see our website for more information on "Radioactive Concentration in Our Products," "Ensuring Product Safety Following a Nuclear Accident" and "Provision of Information Using SDS and Labeling."

https://www.taiheiyo-cement.co.jp/csr/fair_trade_fr.html#section02

Global collaboration with 46 overseas cement manufacturers

GCCA

Global Cement and Concrete Association

Towards Value Creation

As a member of the cement industry, we participate in the Global Cement and Concrete Association (GCCA), a global organization of the cement and concrete industry, in order to address global issues such as climate change and biodiversity. We are promoting activities that contribute to the interests of the region, such as policy proposals and information dissemination, as the only member company in Japan, while quickly grasping

global trends in technology development, policies, etc., and reflecting them in our own management, toward improving the reliability and sustainable development of this industrial sector.



Overview of GCCA

The parent organization of GCCA is CSI (Cement Sustainability Initiative), which was established in 1999 within the WBCSD (World Business Council for Sustainable Development). We also participated and worked on the development of a CO₂ emission calculation protocol for the cement industry, but in response to the rapid rise in carbon prices in the EU-ETS and the strong social demand for CO₂ reduction in cement and concrete, it was determined that it was essential to establish a global organization to respond to this, and GCCA was established by 10 companies, including Taiheiyo Cement, mainly by four major overseas cement companies, succeeding WBCSD-CSI in 2018.

As of June 2024, 47 companies including Taiheiyo Cement

are participating, and the cement production capacity of the participating companies is equivalent to covering more than 80% of the world's cement production excluding China.

Based on the Sustainability Charter with the pillars of addressing climate change, occupational safety and health, circular economy, social responsibility, and environmental protection, important activities that can only be addressed within an international framework, such as setting various targets, formulating guidelines, making policy proposals, and collaborating with various international organizations, are being promoted.

GCCA's Activities and Policies

We are a member company of the Board of Directors, which can be said to be the highest decision-making body of GCCA, and are involved in decision-making on important measures. Of particular note is the Net Zero Concrete Roadmap formulated in 2021, which shares ambitious targets to address the common challenge of global warming toward carbon neutrality in 2050. We are actively involved in the field of innovation, and we are also participating in advanced activities such as GCCRN (Global Cement and Concrete Research Network), a funding program for researchers at universities, etc., and Open Challenge, which can be said to be a program to search for promising startup companies.

In addition to the above activities, various guidelines as environmental evaluation indicators have been formulated based on the Sustainability Charter, and we, as a member company, utilize these guidelines and disclose them as key performance evaluation indicators such as CO₂ emissions, emissions, and occupational safety and health in our Integrated Report.



Taiheiyo Cement
Development of CO₂ Capture Technology for the Cement Production Process

Taiheiyo Cement Corporation will soon complete a pilot plant to demonstrate technology for CO₂ capture during the cement production process, under a project funded by the New Energy and Industrial Technology Development Organisation.

The goal of the project, which is one of the Green Innovation Funding Projects launched by the Ministry of Economy, Trade and Industry, is to develop the world's first calciner to efficiently capture CO₂, and will include a methanation system suitable for cement production as follows:

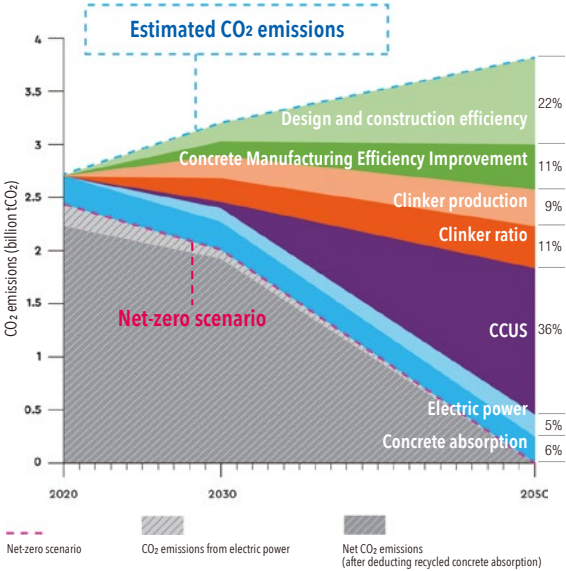
- Development of the CO₂ Capture cement production process (CCSP kiln)
- This project aims to develop an efficient CO₂ capture technology by installing a unique "CO₂ capture calciner" where oxygen enriched gas is used as a combustion aid to ensure that highly concentrated CO₂ can be captured in a compact device. Existing preheater and rotary kiln equipment can be used without major modification, resulting in high thermal efficiency and maintaining the volume of recycled raw materials that can be utilized.
- Development of the methanation system
- The captured, highly concentrated CO₂ can be converted to methane (CH₄) by contact with hydrogen, and the methane obtained can be used as an alternative thermal energy source for cement production and city gas.

The goal of the project is to develop the world's first calciner to efficiently capture CO₂, and will include a methanation system suitable for cement production."

Examples of Activities of Member Companies based on the "Net Zero Roadmap" (Taiheiyo Cement)
<https://gccassociation.org/cement-industry-net-zero-progress/>

Specific Activity Examples

1 Net Zero Concrete Roadmap
The "Net Zero Concrete Roadmap" has been formulated toward decarbonization in 2050. This roadmap integrates these measures, including not only cement materials but also initiatives in design and construction as concrete, and introduces a scenario that takes into account the CO₂ absorption effect throughout the life cycle of cement as a product.



Measures for Carbon Neutrality by 2050
(Japanese translation with additions and edits)
<https://gccassociation.org/concretefuture/our-path-to-net-zero/>

2 Formulation of various policies
At the GCCA, various discussions are held at the annual general meeting, which is held once a year in person with CEOs and working group members from each company, but in addition to this, through daily activities, we encourage the industry to transform itself in response to important challenges such as climate change, circular economies, and biodiversity, and formulate various policies to reflect them in national policies.



The Annual General Meeting held in June 2024 (Bangkok)
<https://gccassociation.org/news/global-gathering-of-cement-and-concrete-industry-leaders-governments-and-experts-in-bangkok-calls-for-new-policy-commitments-to-support-net-zero-mission/>

3 Research and Development: GCCRN
The GCCA has established the GCCRN as a program to financially support research and development at universities and other institutions that form the foundation for innovation in the cement and concrete fields, in its position to promote innovation in these fields. In addition to the cement industry, related industries such as plant manufacturers and admixture manufacturers have also agreed with the purpose of the program's establishment and are participating.



GCCRN participating companies
<https://gccassociation.org/innovandi/gccrn/>