







Taiheiyo Cement's Strengths

| | Strengths and Features | Challenges toward enhancing corporate value | Capital strengthening initiatives |
|---|--|--|---|
|  Financial Capital | <ul style="list-style-type: none">Balancing continuous growth investment with maintaining financial soundness | <ul style="list-style-type: none">Strengthening earning powerAppropriate allocation of cashReducing the cost of capital | <ul style="list-style-type: none">ROE managementFinancing conscious of net debt/equity ratio (DER)Promoting low-interest financing for group companiesPortfolio restructuringM&A strategy (deepening vertical integration)Agile bond issuanceProactive dialogueThorough profit managementStable dividend returnsCareful information disclosure |
|  Manufacturing Capital | <ul style="list-style-type: none">Global network incorporating the growth markets of the Pacific RimPlant locations covering the entire countryAccumulation of production, quality, and waste treatment technologiesAdvanced environmental technologies that enable the promotion of the carbon neutrality strategy | <ul style="list-style-type: none">Chronic decline in domestic demandAging production facilitiesDeclining working populationStricter GX-related regulationsSoaring energy prices | <ul style="list-style-type: none">Trinity of strengthening safety, environment, and quality, and thorough complianceImproving equipment health and strengthening operational management to continue a stable production systemStrengthening competitiveness with integrated facilitiesStrengthening on-site capabilities through human resource developmentPromotion of carbon neutralityPromotion and strengthening support for global businessPursuit of the ideal plant form |
|  Intellectual Capital | <ul style="list-style-type: none">World-class cement production and waste recycling technologiesCarbon neutral technologies throughout the value chainIntellectual property activities linked with business and R&D strategies to ensure the competitive superiority of developed technologies | <ul style="list-style-type: none">Decline in domestic cement demandResponding to carbon neutralityLabor shortages in the concrete and construction industries, progression of infrastructure aging | <ul style="list-style-type: none">R&D that contributes to business expansion and profit improvementR&D aimed at achieving carbon neutralityResearch and development contributes to the realization of a sustainable societyEvolution into a group comprehensive research center that consolidates comprehensive capabilities and promotes innovation |
|  Human Capital | <ul style="list-style-type: none">Highly diverse human capitalComprehensive, company-wide education systemSupport systems for flexible work styles | <ul style="list-style-type: none">Difficulty in reducing occupational accidentsNeed to improve employee engagement to increase profitabilityNeed to secure human resources and improve retention rates due to an increase in mid-career retirees and a declining working population | <ul style="list-style-type: none">Occupational accident analysis and countermeasures, promotion of occupational safety educationImplementation of engagement surveys and data utilizationSupport measures such as introduction of the side job system, expansion of maternity/childcare leave systemsHealth and Productivity Management (H&PM) PDCAPromotion of women's advancement, promotion of alumni/referral hiring |
|  Natural Resources Capital | <ul style="list-style-type: none">Leading supplier of cement and limestone supporting a safe and secure societyNumber of limestone quarries owned (19 in Japan and overseas)Contribution to extending the life of final disposal sites through the use of waste and by-products (412.6 kg/tonne-cement) | <ul style="list-style-type: none">CO₂ emissions reductionBiodiversity conservationWater resources conservation | <ul style="list-style-type: none">Carbon neutral strategyPromote the use of alternative raw materials and fuelsDevelopment of quarry rehabilitation plansManagement of water resources |
|  Social and Relationship Capital | <ul style="list-style-type: none">Strong commitment to respect for human rightsAbundant engagement with local communities in Japan and overseasRelations with investors worldwide by top management | <ul style="list-style-type: none">Social demand for human rights initiatives, including the supply chainFostering understanding of our business model among domestic and overseas investorsImproving recognition among individual investors and consumersDiscovering needs and challenges at domestic and overseas business sites and contributing by leveraging our Group's business characteristicsImproving customer satisfaction | <ul style="list-style-type: none">Strengthening supply chain management initiativesProactive IR activities targeting overseas and individual investorsProactive communication with local communitiesEstablishment and operation of various user societies and industry associations |

26 Medium-Term Management Plan

Taiheiyo Vision 2030

Our Vision for 2050

Financial Capital – Financial Strategy



Review of FY2025

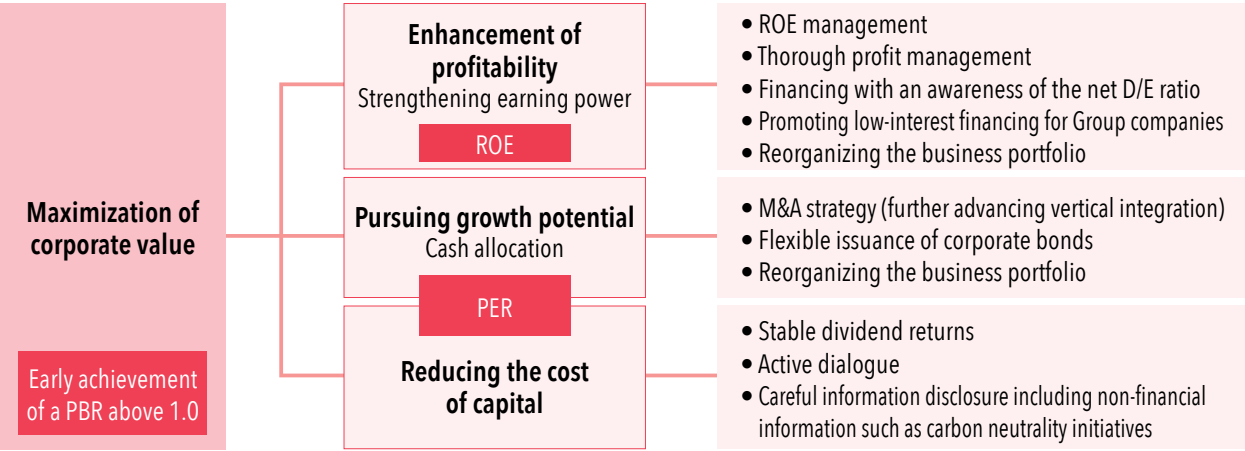
In FY2025, we posted the highest operating income since the Group's formation in 1998. Although consolidated net sales increased only 1.1% year on year to ¥896.3 billion, operating income rose 37.7% to ¥77.7 billion, substantially exceeding the prior year. The main drivers were the successful price revisions in domestic cement and lower production costs due to a decline in coal prices. Return on equity (ROE) improved to 9.5%, and the operating income margin reached 8.7%, demonstrating better capital efficiency. Overseas, despite a demand slowdown in the U.S. and the delayed commissioning of the new line in the Philippines, our focus on appropriate pricing and cost reductions led overseas subsidiaries to achieve higher sales and profits: net sales of ¥344.8 billion and operating income of ¥38.4 billion.

Amid these results, we steadily executed growth investments, including acquisitions of aggregates and ready-mixed concrete businesses in the U.S., while maintaining financial soundness with a net D/E ratio (net DER) of 0.49x.

Outlook for FY2026

For FY2026, we forecast net sales of ¥950.0 billion, operating income of ¥85.0 billion, and net income of ¥60.0 billion, a second consecutive year of record earnings. While domestic cement demand is assumed to decline to 31.0 million tonnes, we expect to absorb higher fixed costs in our domestic cement business through continued realization of appropriate prices. Production volume will also be supported by the cement sales business acquired from Denka Co., Ltd. (to be reflected from 1H FY2026) and by higher exports of blended cement that help maintain high plant utilization, leading to higher sales and profit in domestic cement. In overseas cement business, we project higher sales but lower operating income year on year, taking into account the demand slowdown in the U.S. and tariff risks. Although U.S. nationwide demand is expected to edge down slightly, we anticipate higher sales volumes for both cement and ready-mixed concrete, reflecting the year-end acquisitions of aggregates/ready-mixed concrete businesses and related synergies. At the same time, we are mindful of the risk that U.S. tariffs on exports from Indonesia, Vietnam, and South Korea under the U.S. Trump administration could weigh on markets; in the Philippines, this may invite cheaper Vietnamese products and worsen conditions. That said, cement production at the new line in the Philippines, which began operation in 2024 after some delays, is now on track, and manufacturing costs are expected to decline.

Financial strategy



Progress on the 26 Medium-Term Management Plan and Probability of Achievement

Progress of the Medium-Term Management Plan

We view the first year (FY2025) as a solid start. Operating profit for FY2026, the second year of the plan, is projected at ¥85.0 billion, representing a shortfall of ¥15.0 billion from the FY2027 guideline of ¥100.0 billion. To achieve the ¥100.0 billion target, we aim to benefit fully in the next fiscal year from the realization of appropriate domestic cement prices (equivalent to a price increase of ¥2,000/tonne), together with the full-scale launch of blended cement exports, by the final year of the plan.

Financial Strategy to Enhance Corporate Value

To enhance corporate value we will focus on improving ROE, primarily through increasing our operating profit margin. While we recognize that reducing capital through share buybacks and dividends can also be effective in improving ROE, we believe it is important to maintain financial soundness, using a net D/E ratio of 0.5 as our benchmark. For a capital-intensive equipment-based industry such as ours, it is extremely important to maintain a sound financial structure in order to secure flexibility in financing, including the issuance of corporate bonds. Accordingly, we believe that ROE should be improved by increasing profits while also increasing capital—namely, by enhancing the operating profit margin. To this end, we intend to maintain a high operating rate at our domestic cement plants and continue to pursue appropriate pricing.

Toward a PBR Above 1x

Although ROE for the fiscal year ending March 2025 improved significantly to 9.5%, the price-to-book ratio (PBR) remained around 0.6 as of July 2025. One possible reason behind this is a higher-than-expected increase in the cost of capital. Contributing factors may include the fact that cement manufacturing is a “hard-to-abate” industry, one in which CO₂ emissions are difficult to reduce, as well as a valuation discount stemming from structural characteristics of the industry, such as declining domestic demand for cement. Given the structure of our business, we recognize the importance of clearly conveying through our IR activities that profitability and growth potential in our overseas operations serve as major drivers of our corporate value. On the other hand, further initiatives are needed to improve the operating profit margin. As part of our global strategy, we are promoting the export of blended cement, which uses less clinker. This initiative is aimed at capturing strong overseas demand. Establishing a structure to generate earnings through the export of blended cement will also help raise the operating rate of our domestic plants, making it one of the key strategies for enhancing profitability and moving closer to achieving a PBR above 1.0.

Financial strategy to support enhanced profitability

To enhance profitability we position the improvement of the operating profit margin and ROE as our top priorities. However, as we pursue human capital-focused management, personnel expenses are expected to continue rising, leading to higher fixed costs. Accordingly, it is essential to build an effective and efficient organizational structure and workforce allocation that ensure such investments in people contribute to the enhancement of corporate value. From the perspective of profit management, we see room to consider integrating administrative and sales functions across business segments and reallocating human resources to our overseas operations, which represent a growth area. In addition, to reduce financing costs across the Group, we are shifting the funding sources of Group companies from external institutions to our financial subsidiary, Taiheiyo Accounting & Financial Services Corporation (TAF). Specifically, through the Cash Management System (CMS), approximately 80% of the loans extended from TAF to Group companies are funded by surplus cash within the Group. In addition, we launched an accounting service business this fiscal year to handle accounting operations for Group companies. Going forward, we aim to enhance productivity by promoting greater operational efficiency across the Group.

Financial strategy for pursuing growth

In FY2025, as part of our growth strategy investments, we acquired assets for the aggregates and ready-mixed concrete businesses in the United States and carried out a plant renewal project in the Philippines. Our investments in the United States are aimed at expanding our stable and highly profitable aggregates business, and further strengthening our foundation through vertical integration, such as reinforcing the supply chain. With strong demand expected to continue alongside population and economic growth in the U.S., we anticipate steady returns on these investments. Investments in the Philippines and Indonesia are expected to have a somewhat longer medium- to long-term payback period compared with those in the United States, partly due to the impact of current U.S. tariffs. Meanwhile, with respect to carbon-neutral technology development, we are currently advancing investments mainly through national projects, utilizing government subsidies. In the practical application stage going forward, we plan to make proactive capital investments while engaging with other industries and countries.

In managing the effectiveness of these investments, we will continue to place importance on return on invested capital (ROIC) as a key management guideline. A distinctive feature of our business model is that our domestic cement, resources, and environmental businesses are interconnected along the supply chain and operate in an integrated manner. Accordingly, it is appropriate to view them collectively in ROIC management. Looking ahead, one possible approach is to manage our business portfolio using ROIC indicators across three categories: domestic cement-related businesses (including resources and environmental operations), global businesses, and others (non-cement-related operations).

Reducing the cost of capital

To reduce the cost of capital we first aim to uphold strict financial discipline as a company trusted by investors. Specifically, we will manage our finances with a focus on maintaining a net D/E ratio of around 0.5. Enhancing our corporate recognition is also an important factor in lowering the cost of capital. Although our Group operates primarily in B2B businesses, we recognize the need to strengthen engagement with individual stakeholders, including consumers who use products made with cement and our employees. Furthermore, to improve our undervalued stock price, it is essential to communicate our business model accurately and work to raise market evaluations, particularly for our domestic operations.

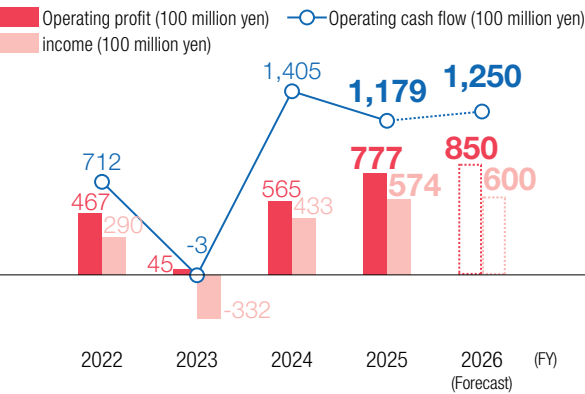
Shareholder return policy

Under the 26 Medium-Term Management Plan, we aim for a total shareholder return ratio of 33% or higher over the three-year period. As for dividends, we increased the annual dividend for FY2025 to ¥80 per share, including an interim dividend of ¥40, and plan to raise it further to ¥100 per share for FY2026, including an interim dividend of ¥50. In addition, we will actively repurchase our own shares while timing our growth investments appropriately, with the goal of enhancing shareholder value. While maintaining a balance between growth investment and shareholder returns, we are also working to strengthen our financial base to support sustainable growth.

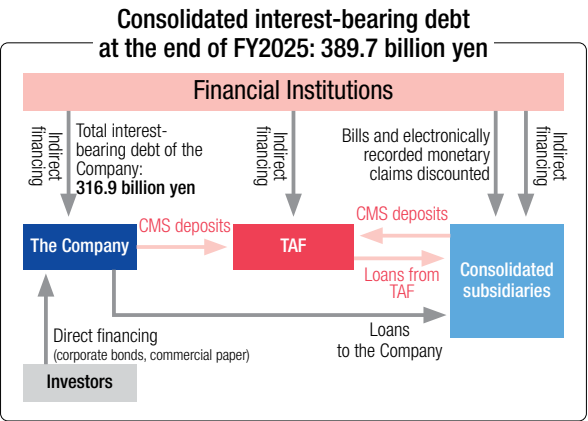
In conclusion – Message from the Executive Officer responsible for Finance

To enhance corporate value, it is essential to strengthen all forms of capital—manufacturing, financial, and human. To make timely and appropriate investments in each, we will maintain a sound financial foundation and a framework that enables agile financing. By advancing full-scale ROIC-based management to improve performance transparency and by enhancing capital efficiency, we aim to achieve our Medium-Term Management Plan while keeping an ROE level above 10% in sight.

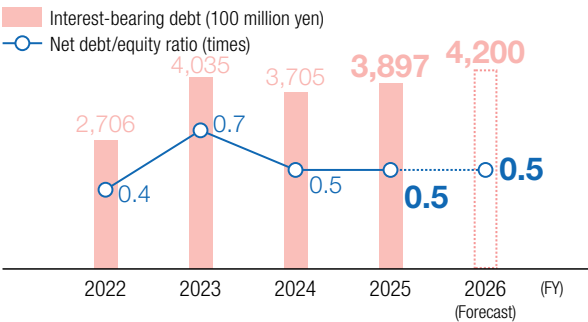
Operating profit, net income, and operating cash flow



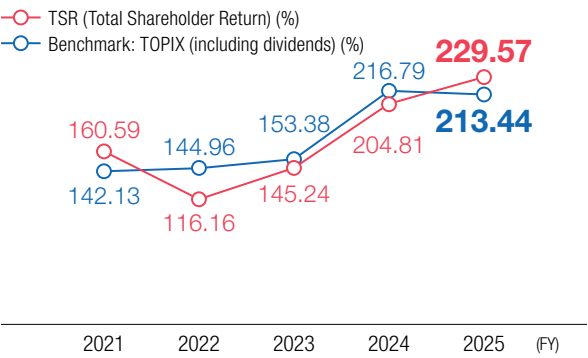
CMS utilizing financial subsidiary TAF



Interest-bearing debt and net D/E ratio



Trends in TSR (Total Shareholder Return)



Manufacturing Capital

Further Promotion of Global Strategies
Revitalization of Domestic Business
Promotion of Sustainability Management and Contribution to Carbon Neutrality



Amid the aging of many facilities that have been in operation for over half a century, we are working to strengthen equipment resilience to establish a stable production and supply system, while also advancing equipment upgrades that incorporate functional improvements leading to energy savings and cost reductions. In addition, we are promoting factory automation through smart factory initiatives, including autonomous drone patrols of the plants and the development of AI-based equipment

management systems. In quality assurance, we will continue to operate our existing quality management systems while applying the technologies we have cultivated since our founding to ensure that our customers are fully satisfied with the quality of our products. This commitment extends to our new initiatives in promoting the production and shipment of blended cement and low-carbon blended cement.

Market Environment

- Declining domestic demand due to factors such as the shrinking labor force and the maturity of social infrastructure, contrasted with strong demand in Southeast Asia and North America driven by economic growth.
- Full-scale progress toward decarbonization, including the introduction of GX-ETS in Japan.
- Advancement of waste treatment sophistication aimed at establishing and expanding the circular economy.
- Need for measures to address the increasing incidence of industrial accidents.

- Risks

 - Prolonged decline in domestic demand
 - Aging of production facilities
 - Disruption of technology transfer due to workforce decline and generational turnover
 - Stricter regulations related to GX
 - Rising energy prices
- Opportunities

 - Establishment of a shipment framework for blended cement (kiln allocation)
 - Strengthening of operations through automation and promotion of smart factory initiatives
 - Expansion of waste acceptance capacity through investment in waste treatment facilities
 - Enhancement of industrial competitiveness through decarbonization efforts, including energy-saving equipment, fuel conversion, and revisions to cement standards

Strengths

- Accumulated expertise in production, quality, and waste treatment technologies gained through experience in both domestic and overseas plants
- Factory locations (enabling exports through use of coastal plants and stable production volumes)
- Development of technical personnel via programs such as Techno School and overseas training assignments
- Company-wide promotion of carbon-neutral (CN) strategies led by the Carbon Neutral Strategy Committee
- Expansion of operations as an "Integrated Plant" combining capabilities to accept aggregates in the resources business, and waste and by-product in the environmental business

26 Medium-Term Management Plan – Initiatives for Enhancing Corporate Value and Strengthening Capital

| Issue | Initiative: |
|--|---|
| Accelerating the shift to blended cement | To shift to a production system suitable for the stable supply of blended cement, which is in high demand overseas. The company has decided to construct new manufacturing and shipping facilities for blended cement using classified fly ash at the Saiki Ash Center, positioning it as an export hub for fly ash-blended cement to Southeast Asia. |
| Maximizing Waste Processing Capacity | Competition for waste collection has intensified with both industry peers and other sectors. To enhance the ability to process waste that is difficult for other industries to accept, the company is installing sewage sludge co-processing facilities at the Kumagaya Plant and the Fujiwara Plant. |
| Elimination of Industrial Accidents | With the goal of eradicating industrial accidents—including those within the supply chain—and ensuring a safe working environment, the company is systematically implementing safety, security, and hygiene initiatives across the Group. Each business site is promoting: <ul style="list-style-type: none">Enhancement of safety management systems /Reform of safety awareness /Awareness of relevant laws and regulations /Instruction on safety rules /Implementation of 4S and secure walkways /Visualization of hazardous areas /Safety improvements of equipment To ensure that lessons learned from past accidents are not forgotten and that safety rules are strictly observed, the company also posts on-site incident information at accident locations. |
| Reinforcement of Plant Facilities | In addition to renewing aging equipment, the company is implementing functional improvements aimed at energy conservation and cost reduction. The waste heat power generation and in-house power generation facilities at various plants have become outdated; therefore, the Kumagaya and Saitama plants have completed their transition to gas power generation systems, while construction is currently underway at the Fujiwara Plant. |
| Knowledge and Skills Transfer | Experienced elder employees re-hired after retirement are passing on their expertise and know-how, while core maintenance technologies are being handed down through initiatives such as the "Maintenance Dojo" launched at the Kumagaya Plant. Under the "Overseas Trainee Program" employees are dispatched for short-term assignments to overseas plants, not only to acquire technical skills but also to foster personal growth through interaction with local staff. |

Topics

At the Kumagaya Plant, in our efforts to enhance the equipment management system, the company is establishing AI-based lifespan prediction technologies utilizing sensors, drones, and image processing techniques. Meanwhile, at the Kamiiso Plant, the company is developing AI-driven operation support systems and remote operation technologies.



Equipment inspection using drones

Intellectual Capital

Further Promotion of Global Strategies

Revitalization of Domestic Business

Promotion of Sustainability Management and Contribution to Carbon Neutrality



In April 2025, the Company established the Research & Development Division by integrating the former Central Research Institute and the Intellectual Property Department, in order to support the “3D Approach for a Sustainable Future” set forth in the “26 Medium-Term Management Plan” from a technological perspective. The new Division comprises three organizations – the Cement & Concrete Research Laboratory, the New Technology Research Laboratory, and the Research & Development Department – thereby building a cross-functional R&D structure that includes intellectual property. This enables the enhancement of technological innovation and the efficiency of intellectual property activities across the Group. The Division also collaborates with the GX Department and the C2SP Kiln Project Team, both established at the same time, to develop innovative technologies for achieving carbon neutrality. Through these efforts, the Division aims to fulfill its role as a comprehensive research institute that contributes to the Group's business expansion and improved profitability.

Social Environment

The business environment surrounding our Group is undergoing a major transformation due to structural changes in society, diversification of market needs, and the accelerating pace of technological innovation. While such rapid changes present unpredictable risks, they also create opportunities to explore new possibilities in research and development. Our Company embraces these changes with a positive outlook and continues to advance initiatives aimed at future-oriented value creation.

Risks

- Decline in domestic demand for cement
- Response to carbon neutrality
- Labor shortages in the concrete and construction industries, and advancing deterioration of infrastructure

Opportunities

- Further utilization of R&D capabilities cultivated over many years to expand the blended cement business in overseas markets
- Cement chemistry and concrete technologies that meet the needs of decarbonization
- Growing demand for productivity improvement and labor-saving measures in cement and concrete manufacturing, as well as in construction and maintenance management

- Strengths
- Integrated R&D capabilities covering the entire process from cement design and manufacturing to concrete and ground improvement products
 - Carbon-neutral technologies spanning the entire value chain from cement production to concrete manufacturing
 - Effective utilization of waste and by-products, and valuable material recovery technologies that contribute to realizing a resource recycling society
 - Intellectual property activities aligned with business and R&D strategies to secure competitive advantages in technological development

- Governance
- Establish a framework that enables research and intellectual property activities to be promoted in alignment with management and business strategies, contributing to business expansion and improved profitability.

26 Medium-Term Management Plan

Aiming to Advance to World-Class Research and Development Capabilities and Contribute to Management

Further Promotion of Global Strategies

To meet the growing overseas demand for blended cement and supplementary cementitious materials, our Group is developing new blended cement products that utilize locally available resources. In particular, in the U.S. market where demand remains strong, we have enhanced our presence by developing and marketing limestone blended cement.

In addition, we are promoting the development of a “ternary blended cement” (containing 7% limestone and 11% natural pozzolan), which allows for a higher proportion of supplementary materials and offers improved profitability and durability compared with conventional limestone blended cement (containing 11% limestone). We have recently established a manufacturing formulation that addresses practical challenges such as flowability during placement and cracking during construction.

Revitalization of Domestic Business

As domestic demand for cement continues to decline, we are actively promoting technological development aimed at exporting fly ash blended cement to the fast-growing markets of Southeast Asia, while maintaining the production capacity of our domestic plants in order to continue to play their role as waste and by-product processing facilities. As part of this effort, we established a production formula for Taiheiyo Cement Philippines, Inc. that achieves both profitability and low carbon emissions through maximum utilization of fly ash, leading to the successful shipment of 10,000 tonnes in February 2025. Looking ahead, with a view to further expanding our market presence in Southeast Asia, we will continue to develop formulations and products that comply with the standards and specifications of each country, and will enhance our competitiveness in the global market.

Promotion of Sustainability Management and Contribution to Carbon Neutrality

To help realize a sustainable society, we are advancing technological development that contributes to solving social challenges such as achieving carbon neutrality and addressing labor shortages. In pursuit of carbon neutrality, the cement industry as a whole is working to revise the JIS standards to raise the upper limit of minor additional components in ordinary Portland cement from 5% to 10%. Currently, we are in discussions with relevant authorities to simplify various approval and certification procedures in order to reduce the burden on users after the revision.

To address labor shortages, we are promoting the development of DX technologies that contribute to labor-saving across the entire process – from cement and concrete manufacturing to construction and maintenance of infrastructure structures. As part of these efforts, our “PreSLump AI” technology, a concrete slump prediction system that supports quality control at ready-mixed concrete plants, has secured 14 contracts since its launch in April 2023, contributing to labor-saving at ready-mixed concrete and precast product plants.

Topics


To expand our blended cement export business to the U.S. market, we are developing products tailored to local needs through technical collaboration with partners in Southeast Asia. Specifically, we have developed and proposed manufacturing formulations for blended cement to PT Solusi Bangun Indonesia Tbk in Indonesia and Nghi Son Cement Corporation in Vietnam, drawing on our expertise gained in the U.S. market, and both companies have produced trial products. These formulations are designed to meet the quality standards required for public construction projects in the State of California, and some products have already obtained certification. Once export conditions are in place, we plan to begin product supply. This initiative represents one of the tangible achievements under the “Further Promotion of Global Strategy” in our 26 Medium-Term Management Plan and contributes to strengthening the competitiveness of our blended cement business in overseas markets.

PT Solusi Bangun Indonesia Tbk
Shipping pier under construction


Human Capital






We believe that enhancing and maintaining the voluntary 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.


● Initiatives to Enhance Corporate Value



Please click or scan the 2D Barcode to refer to our website.

| Occupational Health & Safety | Policy | Materiality Goals/KPIs and Other Goals/Targets | FY2023 | FY2024 | FY2025 | | Initiatives | Web |
|---|--|---|--------|--------|--------|--|--|--|
| Occupational Health & Safety | We recognize that ensuring the safety, security, and health of our employees is the foundation of our company's existence, and in accordance with the Industrial Safety and Health Act and the Mine Safety Act, we are continuously promoting organizational safety, security and health activities as a Group to prevent occupational accidents and work-related illnesses. | Accident prevention | | | | | [Company-wide Health & Safety Committee] The committee oversees the promotion activities of each business site and provides guidance across departments for the safety of group companies, including data collection. The committee also conducts a review every quarter in accordance with the Health & Safety Policy and its regulations, and utilizes the PDCA cycle throughout the company. By utilizing the PDCA cycle, we set annual goals that are appropriate for the situation of the entire company. [Recurrence prevention measures (activities to pass on lessons learned from disasters)] We are promoting activities to pass on lessons learned from accidents by posting accident information at accident sites so that accidents are not forgotten. The "visualization" activities raise awareness of rules and encourage mutual attention, leading to improved safety awareness. [Sensory Safety Training] In order to boost the safety awareness of our employees we hold safety training where they experience risks inherent in familiar operations. | Occupational Health & Safety  |
| | | Zero fatalities | 2 | 1 | 4 | | | |
| | | Company-wide Health & Safety Committee Objectives | | | | | | |
| | | ① Zero fatalities across the group | 2 | 1 | 4 | | | |
| | | ② 30 or less lost-time injuries across the group | 49 | 53 | 46 | | | |
| | | ③ 80 or less total occupational accidents across the group | 120 | 133 | 128 | | | |
| | | (1) Elimination of Accidents Caused by Breaking Workplace Rules | 31 | 31 | 54 | | | |
| | | (2) Eliminating Heatstroke-related Accidents | 7 | 11 | 8 | | | |
| | | (3) Preventing the Recurrence of Similar Accidents | 93 | 97 | 89 | | | |
| ④ Absence rate of company employees: 0.5% level | 0.935% | 0.689% | 0.701% | | | | | |

| Human Capital Management | Policy | Materiality Goals/KPIs and Other Goals | FY2023 | FY2024 | FY2025 | | Initiatives | Web |
|---|--|--|------------|------------|-------------|--|--|---|
| Human Resource Development | We aim to develop human resources who can demonstrate their individual abilities to the fullest and be successful both inside and outside the company. | Education hours per employee: at least 20 hours | 14.8 hours | 23.3 hours | 28.0 hours | | In order to realize our Human Resource Development Policy, we provide training across the entire company. 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 identify the pillars of their careers. | Human Resource Development  |
| | | Education expenditure per employee: at least 80,000 yen | 60,000 yen | 74,000 yen | 100,000 yen | | | |
| Initiatives to Improve Engagement | 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 willingness 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. | Taiheiyo Cement's engagement scores | 66.8 | 67.8 | 67.1 | | In June 2023, we introduced a 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. | Initiatives to Improve Engagement  |
| | | (Benchmark score*) * Average overall score of companies using Wevox in all industries and with 1,001 to 5,000 employees | (69.4) | (69.3) | (69.5) | | | |
| Promotion of Work-Life Management | To promote work-life management by introducing various systems to realize flexible work styles. | Raising ratio of annual paid leave taken: At least 70% | 77.5% | 83.6% | 79.1% | | [Support for side jobs both inside and outside the company] We have introduced a system that allows employees to work side jobs, both inside and outside the company. The system is designed to promote the autonomous formation of diverse careers and improve engagement. [Support for balancing work and childcare/nursing care] To help employees balance work with life events such as childcare and nursing care, we support work-life balance by providing a shortened working hour system, shortened working hours under the flextime system, leave systems for childcare and nursing care, and a long-term leave system (work-life management leave) for reasons such as accompanying a spouse to a new assignment. | Promotion of Work-Life Management  |
| | | Raising ratio of male employees taking childcare leave, etc.: At least 80% | 60% | 54% | 76% | | | |
| Promoting Health and Productivity Management (H&PM) | 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 workplaces where employees can work with a sense of fulfillment and demonstrate their abilities to the fullest. | Ratio of employees receiving periodic health examinations: 100% | 99.9% | 99.9% | 100% | | 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. [Main Health and Productivity Management (H&PM) activities] Employee health management, health literacy education, preventive measures against lifestyle-related diseases, preventive measures for sleep disorders, measures to reduce the smoking rate, mental health measures, holding health-related seminars, etc. | Promoting Health and Productivity Management (H&PM)  |
| | | Secondary checkup participation rate: 100% | 72.0% | 96.2% | 96.4% | | | |
| Promotion of Workplace Diversity and Inclusion | 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. | Ratio of female recruits: At least 30% | 14.3% | 22.0% | 20.8% | | [Promoting Women's Participation and Advancement in the Workplace] We believe that continuing to promote women's participation and advancement 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. [Expanding recruitment of experienced persons] In recent years we have been actively hiring experienced personnel, which ensures immediate workforce strength while also leading to diversity in our core human resources. To further diversify our workforce, we have also introduced "referral (employee introduction) hiring" and "alumni (former employee) hiring." | Promotion of Workplace Diversity and Inclusion  |
| | | Ratio of female employees: At least 10% | 9.6% | 9.9% | 10.6% | | | |
| | | Ratio of newly appointed female managers: At least 10% | 13.6% | 11.4% | 14.3% | | | |
| | | Ratio of female managers (2030) At least 5% (2026) (3% or more) | 2.0% | 2.5% | 3.2% | | | |

| | Details | Web |
|----------------------------------|---|---|
| [Feature] Labor Union | The Taiheiyo Cement Labor Union is a labor union established through the organizational integration of the Nihon Cement Labor Union, the Zen-se Onoda Cement Labor Union, and the Chichibu Onoda Labor Union, and it consists solely of employees of Taiheiyo Cement. Since its establishment, its mission has been to achieve happiness and improved social status of working people, to protect the employment and treatment of its members, and to support the lives of its members and their families, and it carries out various initiatives while maintaining close communication with Taiheiyo Cement. | P.68-69 |
| [VOICE] Opinions of System Users | 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. Here are the opinions of employees who have used our various systems. |  |

Human Capital

[Feature] Labor Unions

The Taiheiyo Cement Labor Union is a labor union established in March 2002 through the organizational integration of the Nihon Cement Labor Union, the Zen-se Onoda Cement Labor Union, and the Chichibu Onoda Labor Union, and it consists solely of employees of Taiheiyo Cement. Since its establishment, its mission has been to achieve happiness and improved social status of working people, to protect the employment and treatment of its members, and to support the lives of its members and their families, and it carries out various initiatives while maintaining close communication with Taiheiyo Cement.

Initiatives

Based on mutual trust and mutual understanding "Labor-Management Councils" and "Labor-Management Briefings" are held as needed as a forum for consultation and exchange of opinions between labor and management. The aim is to develop constructive discussions, with the company and the union communicating with each other, on a wide range of topics starting with the spring negotiations, and including revisions to systems and regulations affecting union members. In addition, five "Central Labor-Management Specialized Committees" have been established, and an active exchange of opinions is conducted on topics such as the remuneration system, employment formats, working hours, workplace diversity, and Health and Productivity Management (H&PM). In addition, in January 2025, a dialogue was held with Taiheiyo Cement's President Taura regarding the situation surrounding the company and initiatives of the 26 Medium-Term Management Plan aimed at realizing "Our future vision and direction" and the details were published in the union's official newspaper.



Cover of the union's official newspaper "Asuka" 2025 New Year Special Issue

Central Labor-Management Specialized Committees

| Name | Objectives |
|---|---|
| Committee on human resources and the treatment of employees | The purpose is to review and consider the overall human resources and remuneration systems. |
| Committee on employment and employment formats | The purpose is for labor and management to organize their views in order to efficiently advance human resources and personnel management amidst diversifying employment and work formats. |
| Committee on work hours | The purpose is to exchange opinions on cross-organizational issues, themes, and responses to labor time legislation concerning working hours, working hour management, etc. |
| D&I Promotion Specialized Committee | The purpose is for labor and management to proactively discuss various measures necessary to accept diverse human resources and allow them to demonstrate their abilities. |
| Health Promotion Specialized Committee | The purpose is to proactively discuss initiatives with labor and management to enhance corporate value by maintaining and promoting the health of employees, who are "human capital" and also to cooperate closely. |



Design and Demonstration of CO₂-Recovering Cement Production Process (C2SP Kiln) in Sanyo Onoda City
Union headquarters executives and group company union executives tour the demonstration test facility



Briefing for company executives on the union's policy

A word from Chairman Asami

Our top priority is "ensuring a workplace where everyone can work safely and healthily."
We aim to foster a workplace environment where everyone "arrives at work healthy and smiling, and goes home healthy and smiling" while continuing to maintain open organizational management.

The economic and social environment surrounding us is changing rapidly, and there are many diversifying and complex issues, but we have continued to maintain open organizational management by holding thorough and frank discussions with union members and connecting with each and every individual. In particular, we are actively communicating with the younger generation, whose numbers have been increasing in recent years, and are also focusing on developing human resources who will lead the next generation.



FY2026 Union Headquarters Executives

In addition, based on the spirit of "mutual help and support", which is the mission of the labor union, and the basic principles set forth in our vision, we are actively working to realize a society where union members can lead meaningful daily lives with peace of mind while balancing their work and private lives, based on the labor-management relationship of "mutual trust and mutual understanding" built by our predecessors. We are confident that employees who can work with vitality will also contribute to the company's performance by increasing their motivation and improving their competencies (the behavioral characteristics of high performers). This spring, the company agreed to raise wages, including a starting salary of ¥300,000 for university graduates (non-area specific positions). We are grateful for the company's understanding and efforts in this regard. And the top priority in carrying out our various initiatives is "ensuring a workplace where everyone can work safely and healthily." To this end,

Toru Asami, Chairman of the Central Executive Committee
Taiheiyo Cement Labor Union
Chairman's Career Summary
1993 Joined Taiheiyo Cement Corporation
Assigned to the manufacturing section at the Kumagaya Plant
2015 Full-time official of the Taiheiyo Cement Labor Union
2023 Appointed Chairman of the Central Executive Committee of the Taiheiyo Cement Labor Union



we would like to continue to work together as labor and management to ensure safety, security, and health and to eradicate occupational accidents, and we want each and every one of us workers to raise our awareness and foster a workplace culture where we "arrive at work healthy and smiling, and go home healthy and smiling," and we would like to ask the company to make further efforts in this regard.
Finally, the 7R plus 1T (seven risks and one threat: declining domestic cement demand, unstable fuel prices, increasing environmental costs such as climate change-related regulations, declining supply capacity of raw materials for construction materials, aging facilities, labor shortages at construction and transportation sites, and growing geopolitical risks, plus the threat of increasingly severe disasters) that Taiheiyo Cement's President Taura also mentioned are risks and threats that could bring calamity to the cement industry, but at the same time, there are business opportunities there. We would like to actively develop various activities, including requests for industrial policy to relevant government ministries, agencies, and political parties through our parent organization, to invigorate the entire cement industry.



Chairman Asami in a dialogue with President Taura

Natural Resources Capital









Further Promotion
of Global Strategies

Revitalization of
Domestic Business

Promotion of Sustainability
Management and Contribution
to Carbon Neutrality

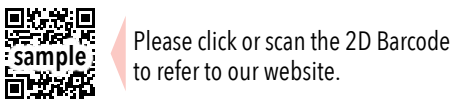


Please click or scan the 2D Barcode to refer to our website.

| Natural Resources Capital | Policy | | Materiality KPIs, Targets, and Results | Web | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|------------------|--|----------------------------------|--------|--------|--------|--|------------------|------------------|------------------|--|-----------|-----------|------------|---|-------|-------|-------|----------------------------------|--------|--------|--------|---------------------------|---------|---------|---------|------------------|---------|---------|---------|---------------------------------|--------|--------|--------|--------------------------|---------|---------|---------|-----------------------|---------|---------|---------|------------------------------|--------|--------|--------|--|
| Environmental Management | Based on our environmental management policy, we comply with environmental laws and regulations and engage in business activities that consider the environment. Each plant maintains emergency response plans in preparation for possible environmental accidents. They also conduct periodic fire-fighting drills in cooperation with local fire departments. Other training includes how to reduce environmental impact when an environmental accident occurs, and how to report it to local governments. In addition, as we increasingly utilize ever more diverse forms of waste and by-products, the number of environmental issues we need to consider also increases. We are implementing various environmental measures and striving to reduce our environmental impact. | | <table><tr><th>KPIs and targets</th><th>FY2023</th><th>FY2024</th><th>FY2025</th></tr><tr><td>Promote the use of alternative raw materials and fuels Maintain waste usage intensity of 400 kg/tonne-cement or more</td><td>409.6kg/t-cement</td><td>421.9kg/t-cement</td><td>412.6kg/t-cement</td></tr><tr><td>Waste emissions Maintain volume of waste to landfill at or below 40 tonnes</td><td>1.9tonnes</td><td>2.0tonnes</td><td>13.9tonnes</td></tr></table> | KPIs and targets | FY2023 | FY2024 | FY2025 | Promote the use of alternative raw materials and fuels Maintain waste usage intensity of 400 kg/tonne-cement or more | 409.6kg/t-cement | 421.9kg/t-cement | 412.6kg/t-cement | Waste emissions Maintain volume of waste to landfill at or below 40 tonnes | 1.9tonnes | 2.0tonnes | 13.9tonnes | <div>Environmental Management System (EMS) </div> <div>Reducing Environmental Impact </div> <div>Circular Economies </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KPIs and targets | FY2023 | FY2024 | FY2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promote the use of alternative raw materials and fuels Maintain waste usage intensity of 400 kg/tonne-cement or more | 409.6kg/t-cement | 421.9kg/t-cement | 412.6kg/t-cement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Waste emissions Maintain volume of waste to landfill at or below 40 tonnes | 1.9tonnes | 2.0tonnes | 13.9tonnes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Circular Economies | We are promoting the recycling of waste and by-products into alternative raw materials and fuels for cement. This promotes the formation of circular economies from the perspective of suppressing the depletion of natural resources, and also contributes to extending the life of final disposal sites. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Climate Change (Preventing Global Warming) | A significant amount of CO ₂ is emitted during the cement manufacturing process. While it is possible to reduce energy-derived CO ₂ emissions to zero by switching to clean energy, there is a major challenge in that CO ₂ emissions from raw materials cannot be reduced to zero as long as limestone is used. To contribute to the prevention of global warming and achieve sustainable growth, we have set forth our "Carbon Neutral Strategy 2050" which includes 2030 interim targets, and are promoting CO ₂ emission reduction measures from a medium- to long-term perspective. | | <table><tr><th>KPIs and targets</th><th>FY2023</th><th>FY2024</th><th>FY2025</th></tr><tr><td>Achieving carbon neutrality (2030 Interim Target) Reduce specific CO₂ emissions*1 by at least 20% or more (compared to 2000)</td><td>10.5%</td><td>11.6%</td><td>10.7%</td></tr><tr><td>Reduce domestic CO₂ emissions*2 by 40% or more (compared to 2000)</td><td>42.7%</td><td>46.8%</td><td>46.1%</td></tr></table> <div>*1 Scope 1 (excluding fossil energy substitution) + Scope 2 + Scope 3 (Categories 1, 3) *2 Scope 1 (excluding fossil energy substitution) + Scope 2</div> | KPIs and targets | FY2023 | FY2024 | FY2025 | Achieving carbon neutrality (2030 Interim Target) Reduce specific CO ₂ emissions*1 by at least 20% or more (compared to 2000) | 10.5% | 11.6% | 10.7% | Reduce domestic CO ₂ emissions*2 by 40% or more (compared to 2000) | 42.7% | 46.8% | 46.1% | <div>Disclosure Regarding Recommendations of the TCFD </div> <div>Climate Change </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KPIs and targets | FY2023 | FY2024 | FY2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Achieving carbon neutrality (2030 Interim Target) Reduce specific CO ₂ emissions*1 by at least 20% or more (compared to 2000) | 10.5% | 11.6% | 10.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reduce domestic CO ₂ emissions*2 by 40% or more (compared to 2000) | 42.7% | 46.8% | 46.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Biodiversity | In addition to the conservation of rare animals and plants and the greening of mining areas and sites that we have traditionally carried out at our quarries, etc., we are participating in the "30by30 Alliance for Biodiversity" and the "Keidanren Nature Conservation Council" promoted by the Ministry of the Environment from FY2024 to promote more proactive activities. | | <table><tr><th>KPIs and targets</th><th>FY2023</th><th>FY2024</th><th>FY2025</th></tr><tr><td>Develop quarry rehabilitation plans Rate of developing quarry rehabilitation plans: 90% or more</td><td>94%</td><td>95%</td><td>95%</td></tr></table> | KPIs and targets | FY2023 | FY2024 | FY2025 | Develop quarry rehabilitation plans Rate of developing quarry rehabilitation plans: 90% or more | 94% | 95% | 95% | <div>Disclosure Regarding Recommendations of the TNFD </div> <div>Biodiversity </div> <div>Water Source Conservation </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KPIs and targets | FY2023 | FY2024 | FY2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop quarry rehabilitation plans Rate of developing quarry rehabilitation plans: 90% or more | 94% | 95% | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water Source Conservation | We have positioned proactive efforts toward natural resources capital, such as the conservation and recovery of water resources, as an important management challenge in our environmental management policy and are aiming to achieve a nature-positive society. In addition, regarding our materiality, we are conserving water sources by managing water resources based on the GCCA guidelines. | | <table><tr><th>(Unit: thousand m³)</th><th>FY2023</th><th>FY2024</th><th>FY2025</th></tr><tr><td>Surface water</td><td>5,346</td><td>4,374</td><td>4,974</td></tr><tr><td>Ground water</td><td>17,673</td><td>16,740</td><td>18,117</td></tr><tr><td>Industrial water</td><td>1,630</td><td>2,289</td><td>2,756</td></tr><tr><td>Total fresh water withdrawal (I)</td><td>24,649</td><td>23,403</td><td>25,847</td></tr><tr><td>Total seawater withdrawal</td><td>145,476</td><td>145,758</td><td>138,724</td></tr><tr><td>Water withdrawal</td><td>170,125</td><td>169,161</td><td>164,570</td></tr><tr><td>Total fresh water discharge (O)</td><td>12,792</td><td>13,021</td><td>14,414</td></tr><tr><td>Total seawater discharge</td><td>145,639</td><td>145,927</td><td>138,724</td></tr><tr><td>Total water discharge</td><td>158,431</td><td>158,948</td><td>153,138</td></tr><tr><td>Total fresh water used (I-O)</td><td>11,857</td><td>10,382</td><td>11,432</td></tr></table> | (Unit: thousand m ³) | FY2023 | FY2024 | FY2025 | Surface water | 5,346 | 4,374 | 4,974 | Ground water | 17,673 | 16,740 | 18,117 | Industrial water | 1,630 | 2,289 | 2,756 | Total fresh water withdrawal (I) | 24,649 | 23,403 | 25,847 | Total seawater withdrawal | 145,476 | 145,758 | 138,724 | Water withdrawal | 170,125 | 169,161 | 164,570 | Total fresh water discharge (O) | 12,792 | 13,021 | 14,414 | Total seawater discharge | 145,639 | 145,927 | 138,724 | Total water discharge | 158,431 | 158,948 | 153,138 | Total fresh water used (I-O) | 11,857 | 10,382 | 11,432 | |
| (Unit: thousand m ³) | FY2023 | FY2024 | FY2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Surface water | 5,346 | 4,374 | 4,974 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ground water | 17,673 | 16,740 | 18,117 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Industrial water | 1,630 | 2,289 | 2,756 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total fresh water withdrawal (I) | 24,649 | 23,403 | 25,847 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total seawater withdrawal | 145,476 | 145,758 | 138,724 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water withdrawal | 170,125 | 169,161 | 164,570 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total fresh water discharge (O) | 12,792 | 13,021 | 14,414 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total seawater discharge | 145,639 | 145,927 | 138,724 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total water discharge | 158,431 | 158,948 | 153,138 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total fresh water used (I-O) | 11,857 | 10,382 | 11,432 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Social and Relationship Capital

Further Promotion of Global Strategies
Revitalization of Domestic Business
Promotion of Sustainability Management and Contribution to Carbon Neutrality



Respect for Human Rights

In order to practice business activities in which respect for human rights is regarded as the most important challenge for the entire supply chain, we promote human rights awareness activities for the entire group.
In May 2022, we signed the United Nations Global Compact and endorsed its ten principles relating to human rights protection, the elimination of unfair labor practices, environmental protection, and the prevention of corruption, and we are engaged in various initiatives to realize these principles.

Human Rights Due Diligence

We recognize that respect for human rights not only means not being complicit in human rights abuses ourselves, but also taking responsibility for preventing and mitigating negative impacts on our suppliers. In addition, we believe that respect for human rights is our responsibility as a global company and is essential for our business activities.
In FY2024, we conducted our first human rights due diligence, focusing on suppliers related to the cement manufacturing business, which is the core of our business. We plan to design the system for the second human rights due diligence in FY2025 and implement it in FY2026. We aim to enhance our corporate value by expanding the scope of our investigations, conducting them regularly, identifying potential human rights risks in the Taiheiyo Cement Group, and taking appropriate measures to prevent or mitigate them in advance.

Corrective measures for key challenges in FY2024 and progress in FY2025

Formulation of the Taiheiyo Cement Group Human Rights Policy
Based on the "Mission of the Taiheiyo Cement Group" and "Business Principles", the Group formulated the "Taiheiyo Cement Group Human Rights Policy" in March 2025. Based on this policy, we will promote human rights initiatives throughout the Group.

Occupational health and safety <Activity results>
In FY2025, there were 128 occupational accidents, including 4 fatalities, and the absence rate was 0.701% due to an increase in mental illness, failing to meet the target. We will revitalize communication with our sites more than ever before and all employees will align their activities toward safety, security and health.

Access to legal remedies
Regarding the Whistleblower Program, which previously covered our company and domestic group companies, we began considering the introduction of a system for overseas group companies in FY2025, and in April 2025, we formulated the "Taiheiyo Cement Group Global Whistleblower Regulations." The overseas group companies covered are proceeding with the formulation of individual company regulations and the establishment of contact points linked to these regulations, and the rollout to overseas group companies is scheduled to be completed within FY2026.

Bribery and corruption prevention
The Taiheiyo Cement Group positions compliance as the foundation of its business activities, and formulated the "Anti-Bribery Policy" in 2017 and the "Taiheiyo Cement Group Basic Anti-Bribery and Corruption Regulations" in June 2024, and is working to strengthen compliance throughout the Group.

Harassment and abuse
In FY2025, the total number of reports to the internal harassment hotline was 17, which is an increasing trend compared to previous fiscal years. The Human Rights Awareness Promotion Office is strengthening its awareness activities to further disseminate internal regulations on harassment and to prevent it.












Thorough procurement practices (supplier management)
In March 2025, we formulated the Group's "Procurement Policy" and "Supplier Code of Conduct" to promote responsible actions, including respect for human rights, throughout the supply chain. We plan to develop awareness activities for suppliers in the future.

Future Issues

- Implementation of human rights due diligence (major domestic group companies (other than cement manufacturing) / major domestic primary suppliers (other than those surveyed in FY2024)
- Implementation of a supplier questionnaire to confirm compliance with the "Taiheiyo Cement Group Supplier Code of Conduct"

Stakeholder Engagement

We are promoting timely and appropriate information disclosure and communication 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 the opinions and requests received from stakeholders into our management, and further promote human capital management so that employees, the greatest asset to our company, can work with vitality.

| Stakeholders | Stakeholders' Interests | FY2025 results | Web |
|---|--|--|---|
|  Our employees Group Companies | <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 of initiatives based on the "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 (18 consecutive years)• Continued support for the United Nations Global Compact• Promotion of work-life management• Promotion of Health and Productivity Management (H&PM), including receiving periodic health examinations• Discussion with the Executives (Total of 10 times as of the end of August 2025) | <p>Our employees</p>  |
| | <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 26th Taiheiyo Cement Group Resource Technology Presentation• The 24th Taiheiyo Cement Group Technical Presentation• Intellectual property training including group companies• International contract training including group companies | <p>Group Companies</p>  |
|  Shareholders, Investors | <ul style="list-style-type: none">• Business performance trends• Medium- to long-term management strategy• Delivering carbon neutrality• Shareholder returns policy• Think behind capital cost | <ul style="list-style-type: none">• IR activities- Financial results briefing (online live broadcast): 2- Individual investor meetings: 271- Investor conference: 3- Facility tours: 2- Sustainability briefings: 1 | <p>Shareholders, Investors</p>  |
|  Customers, Business Partners | <ul style="list-style-type: none">• Achieving 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• Product quality | <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 societies<ul style="list-style-type: none">- National Taiheiyo Cement Ready-mixed Concrete Society: Individual activities in 10 regions in Japan- Taiheiyo Cement Association for the Paving Block Industry- SPLITTON Association Japan | <p>Customers, Business Partners</p>  <p>Quality Assurance</p>  |
|  Local Communities | <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: 2,665- Global environmental conservation activities: 1,409- Revitalization of local culture and exchange: 1,016- Regional development: 111- Education and human resources development: 103- Disaster relief: 11- Other: 15 | <p>Local Communities</p>  |
| GCCA | <ul style="list-style-type: none">• Promotion of decarbonization, biodiversity, and resource recycling• Report on key performance indicators such as climate change, health and safety, etc.• Popularization of low-CO₂ cement | <ul style="list-style-type: none">• Participation in the GCCA Annual General Meeting (June 2024)• Publication of our activities in the Cement Industry Net Zero Progress Report• Support for research and development activities and human resource exchange (GCCRN) | <p>GCCA</p>  |

Social and Relationship Capital

[Feature] Employee Engagement "Discussion with the Executives"

Since April 2025, we have been holding a series of events called "Discussion with the Executives," in which executives of managing director level and above visit business sites throughout the country to talk directly with employees.

The objectives are to align employee efforts and motivation by directly conveying the thoughts of management to enhance the driving force of our business strategy, and to have employees get to know the personalities of the managers they rarely meet, in addition to explaining management strategies, so that they feel a sense of affinity for the managers and, by extension, the company. On the other hand, it is also a valuable opportunity for managers to confirm the actual situation at the forefront of manufacturing and sales. This year's "Discussion" is being held at each business site in three parts: a lecture, a Q&A session, and a social gathering.

The following is a description of the "Discussion" events, including other occasions when management visited business sites and interacted with employees.

Chairman Fushihara in the Chugoku Branch

In September 2025, a discussion with Chairman Fushihara was held at the Chugoku Branch in Hiroshima City. Drawing on his own on-site experience, the Chairman explained the importance maintaining prices, the importance of understanding operations from a site-oriented perspective through diverse experience, policy trends related to greenhouse gases and related investments, and technological developments, citing specific examples such as the response to the earthquake disaster and circular agriculture in Fukushima. He then answered questions such as "What is the secret to becoming chairman?", "How do you overcome a major failure?" and "What is your advice to young people?" A social gathering followed, where employees, including those from nearby affiliated companies, had frank conversations and deepened their relationships. Chairman Fushihara took this opportunity to visit our group- related facilities in Kitakyushu and Yamaguchi Prefecture.



President Taura in the Kansai Shikoku Branch

In July 2025, President Taura and Senior Executive Officer Kira visited the Osaka office of the Kansai Shikoku Branch to explain the company's policies to employees. President Taura spoke about the progress of the Medium-Term Management Plan and future goals, the theoretical background and mindset for price optimization, trends in the global cement industry, and public trends related to greenhouse gases. In the subsequent Q&A session he answered questions such as "How do you make your work enjoyable?", "What should you do in your 20s?" and "What was the most difficult experience you have had in the past?" Employees working at the Takamatsu office of the same branch also participated remotely.

President Taura in the Kamiiso Plant

In August 2025, President Taura and Managing Executive Officer Kawabe visited the Kamiiso Plant to explain the company's policies. President Taura spoke to the employees about the future of the cement industry, the importance of safety, future cement demand forecasts for Japan, the company's mission in responding to severe disasters, the importance of DX (digital transformation), and our company's initiatives and their significance towards GX (green transformation). President Taura illustrated his talk with memorable anecdotes such as the relationship between Hokkaido, where the plant is located, and cement and concrete, and his interactions with famous people. He then answered questions such as "What are the measures to prevent the turnover of young employees?", "What are your thoughts on business diversification?" "the current status of DX?" "What is our public relations strategy?" and "What knowledge should new employees acquire?"



Vice President Asakura in the Research and Development Division

In June 2025, in order to revive the "Discussion with the Executives" at regional business sites for the first time since the COVID-19 pandemic, Vice President Asakura took the lead in visiting the Research and Development Division in Sakura City to engage in dialogue with employees. In his first lecture, he spoke about his own work history, describing the conditions at each workplace and what he learned there, and also about the type of research work he would like to see in the research and development department. During the Q&A session he answered questions such as "What kind of person and skills do you want in an employee?", "What skills are suitable for young employees to progress?", "What is necessary for Japanese people to be successful overseas?" and "What are your thoughts on PR for the company's initiatives?" A social gathering was then held in the cafeteria, where Vice President Asakura interacted with many employees as he visited each table.

Further Promotion
of Global Strategies

Revitalization of
Domestic Business

Promotion of Sustainability
Management and Contribution
to Carbon Neutrality



Please click or scan the 2D Barcode to refer to our website.

Senior Executive Officer Matsui in the Tosa Office

In July 2025, Senior Executive Officer Matsui visited the Tosa Office and deepened his interaction with the employees. In his lecture he introduced himself, talked about his work history including his assignment in Vietnam and his involvement with the Tosa Office, his current responsibilities, workplace safety and, finally, the company's performance. In the Q&A session, he answered questions about the circumstances that led to his assignment to Vietnam and the differences between working overseas and working in Japan. Afterward, a social gathering was held, where he interacted and deepened exchanges with employees, including those from nearby affiliated companies. Senior Executive Officer Matsui also energetically inspected nearby affiliated company facilities.



Senior Executive Officer Matsui in the Tokyo Branch

In August 2025, Senior Executive Officer Matsui visited the Tokyo Branch and spoke with employees. In his lecture, he introduced himself, his career history, and the departments he has been in charge of since becoming an executive, and then spoke about company's current situation, the national cement market, the performance and future prospects of the overseas division, and strategies regarding secondary cementitious materials. In the Q&A session he answered questions such as "How are executives using IT?" and "How can we prevent employees from leaving the workplace?". He continued to interact with employees at the social gathering that followed.

Managing Executive Officer Ban in the Tohoku Branch

In July 2025, Managing Executive Officer Ban visited the Tohoku Branch in Sendai City and spoke with employees. He gave many anecdotes about what he had learned in various departments at the head office, branches, and the ready-mixed concrete company where he was seconded. He then spoke frankly about the company's future challenges and the direction it should take. During the Q&A session, questions were asked about matters such as "industry reorganization", "future hiring policies", "overseas accounting standards" and "criteria for investment decisions". Finally, a social gathering was held, where he was able to deepen his interaction with branch employees.



Managing Executive Officer Takano in the Ofunato Plant

Managing Executive Officer Takano took the stage at a talk session held at the Ofunato Plant in July 2025. After introducing himself, his career history and his involvement with the Ofunato Plant, he spoke forcefully about the R&D department he is in charge of, explaining its structure, key implementation items and human resource development policy, as well as the importance of cooperation with the plant, and the future direction of research regarding plant operations. This was followed by a lively Q&A session with questions such as "What tips do you have for getting cooperation within the company?", "How to become a reliable employee?" and "How to collaborate with people who have no experience at a plant?". After the session, a social gathering was held to deepen interaction with the plant's employees.

Managing Executive Officer Hirata in the Kanto Branch

In August 2025, Managing Executive Officer Hirata's "Discussion" was held at the Kanto Branch in Takasaki City. After humorously sharing his career history since joining the company, including his time at the quarry and at Chinese subsidiaries, he spoke enthusiastically in plain language about new topics that the employees at the Kanto Branch (who specialize in cement sales) rarely come across, focusing on the quarry and mineral resources business division that he is in charge of, such as the investment strategy for quarries and the sales strategy of the Mineral Resources Business Department. In the Q&A session, he answered questions on topics such as "the future vision of the sales system", "quarrying at overseas subsidiaries", "maintaining quarry safety" and "multi-skill development" He also deepened his interaction with employees at the social gathering that followed.



Managing Executive Officer Murakami in the Kumagaya Plant

In July 2025, Managing Executive Officer Murakami held a discussion session at the Kumagaya Plant. He spoke in a lighthearted manner, starting with his own background and his career and experience at the company, the company's performance, the efforts of the Environmental Business Department he is in charge of, and the role of the Kumagaya Plant, while conveying the management's thinking. During the Q&A session, he answered questions on matters such as "communication with foreigners", "transfers", "the difficulty of price revisions" and "the vision that employees should share". The employees unanimously commented that they were impressed by the phrase "seeing the same picture" which illustrates the importance of unity of purpose. On the same day, President Taura also accompanied him and gave a similar lecture and Q&A session.

More than 10 "Discussion with the Executives" sessions are being prepared for September 2025 and beyond.