

Our Directors and Corporate Auditors



Our Directors and Corporate Auditors

Directors



Masafumi Fushihara
Chairman and Director

Career Summary	Apr. 1978	Joined Taiheiyo Cement Corporation
	Apr. 2007	General Manager of Business Promotion Department of Environmental Business Company
	May 2009	General Manager of Sales Department of Environmental Business Company
	Oct. 2010	General Manager of Environmental Business Development Department
	Apr. 2012	Executive Officer
		General Manager of Environmental Business Development Department
	Apr. 2015	Managing Executive Officer
	June 2015	Directors, Managing Executive Officer
	Apr. 2016	Directors, Managing Executive Officer
		Senior General Manager of Cement Business Division
	Apr. 2017	Directors, Senior Executive Officer
		Senior General Manager of Cement Business Division
	Apr. 2018	President and Representative Director
	Apr. 2024	Chairman and Director (to present)



Yoshifumi Taura
President and Representative Director

Career Summary	Apr. 1983	Joined Taiheiyo Cement Corporation
	Apr. 2013	General Manager of Sales Department of International Business Division
	Apr. 2017	Executive Officer
		General Manager of Sales Department of International Business Division
	Apr. 2019	Managing Executive Officer
		Senior General Manager of International Business Division
	June 2019	Director, Managing Executive Officer
		Senior General Manager of International Business Division
	Aug. 2019	Director, Managing Executive Officer
		Senior General Manager of International Business Division
		Chairman of Taiheiyo Cement (China) Investment
	June 2020	Managing Executive Officer
		Senior General Manager of International Business Division
		Chairman of Taiheiyo Cement (China) Investment
	Apr. 2022	Managing Executive Officer
		Senior General Manager of International Business Division



Yoshiko Koizumi
Independent Director

Career Summary	Apr. 1972	Registered as a lawyer (Daini Tokyo Bar Association)
	Jan. 1980	Masuda and Ejiri Law Office (now Nishimura & Asahi, Foreign Law Joint Enterprise) Partner
	Jan. 2008	Counsel of Nishimura & Asahi Foreign Law Joint Enterprise
	Apr. 2009	Partner of City-Yuwa Partners (to present)
	June 2015	Independent Director of Taiheiyo Cement (to present)
		Independent Director of Dowa Holdings Co., Ltd. (to present)
	June 2016	Independent Corporate Auditor of Sumitomo Bakelite Co.
	Sep. 2017	Independent Corporate Auditor of Nippon Koei Co., Ltd.
	July 2023	Independent Director of Integrated Design & Engineering Holdings Co., Ltd.



Hideyuki Furikado
Independent Director

Career Summary	Apr. 1977	Joined the Ministry of Finance
	July 2004	Deputy Director-General of Financial Services Agency
	July 2010	President of Policy Research Institute, Ministry of Finance, Japan
	Dec. 2013	Retired from Ministry of Finance
	June 2014	Senior Managing Director of Trust Companies Association of Japan
	June 2021	Independent Director of Taiheiyo Cement (to present)



Hideaki Asakura
Vice President and Representative Director

Career Summary	Apr. 1982	Joined Taiheiyo Cement Corporation
	Apr. 2011	President of Nghi Son Cement Company
	Apr. 2016	Executive Officer, President of Nghi Son Cement Company
	Apr. 2018	Executive Officer, General Manager of Sales Department of Cement Business Division
	Apr. 2019	Managing Executive Officer
	June 2019	Directors, Managing Executive Officer
	June 2020	Managing Executive Officer
	Apr. 2022	Senior Executive Officer
	June 2022	Directors, Senior Executive Officer
	Apr. 2024	Vice President and Representative Director / Assistant to the President
		Planning Department, Sustainability Promotion Department and Legal Department
		Vice President and Representative Director / Assistant to the President
		Carbon Neutral General Manager, Corporate Planning Department and Sustainability Promotion Department (to present)
	Apr. 2025	



Shinji Fukami
Vice President and Director

Career Summary	Apr. 1986	Joined Taiheiyo Cement Corporation
	Apr. 2015	General Manager of Corporate Planning Department of International Business Division
	Apr. 2018	General Manager of Environmental Business Development Department
	Apr. 2019	Executive Officer
		General Manager of Environmental Business Development Department
	Apr. 2022	Managing Executive Officer
	Apr. 2024	Senior Executive Officer
	June 2024	Directors, Senior Executive Officer
		Senior General Manager of International Business Division
	Apr. 2025	Vice President and Director, Assistant to the President
		Senior General Manager of Global Business Division (to present)

Corporate Auditors



Masahiro Karino
Corporate Auditor (Standing)

Career Summary	Apr. 1980	Joined Taiheiyo Cement Corporation
	Apr. 2004	General Manager of Legal Department
	Apr. 2013	Executive Officer, General Manager of Legal Department
	Apr. 2016	Managing Executive Officer
	June 2016	Directors, Managing Executive Officer
	Apr. 2019	Directors, Senior Executive Officer
	Apr. 2022	Directors
	June 2022	Corporate Auditor (Standing)(to present)



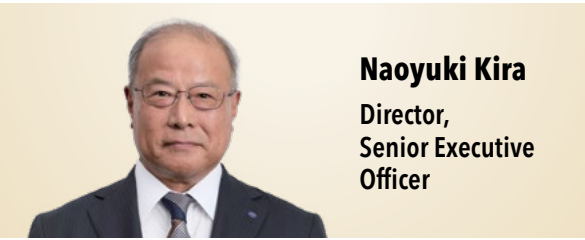
Yusuke Nemoto
Corporate Auditor (Standing)

Career Summary	Apr. 1989	Joined Taiheiyo Cement Corporation
	Apr. 2019	General Manager of Business Planning and Administration Department
	Apr. 2022	Executive Officer, General Manager of Human Resources Department
	Apr. 2024	Managing Executive Officer
	Apr. 2025	Advisor
	June 2025	Corporate Auditor (Standing)(to present)



Isao Matsui
Director, Senior Executive Officer

Career Summary	Apr. 1985	Joined Taiheiyo Cement Corporation
	Apr. 2015	General Manager of Construction Materials Business Department
	Nov. 2018	General Manager of the Construction Materials Business Department and General Manager of the Business Planning and Administration Department
	Apr. 2019	General Manager of Construction Materials Business Department
	Apr. 2020	Executive Officer
		General Manager of Construction Materials Business Department
	Apr. 2021	Executive Officer, President of Nghi Son Cement Company
	Apr. 2022	Managing Executive Officer
		Deputy General Manager of International Business Division
		President of Nghi Son Cement Company
	Apr. 2023	Managing Executive Officer
	Apr. 2024	Senior Executive Officer
	June 2024	Directors, Senior Executive Officer (to present)



Naoyuki Kira
Director, Senior Executive Officer

Career Summary	Apr. 1984	Joined Taiheiyo Cement Corporation
	Apr. 2017	Kansai-Shikoku Branch Manager
	Apr. 2019	Executive Officer
		General Manager of Sales Department of Cement Business Division
	Apr. 2023	Managing Executive Officer
		Senior General Manager of Cement Sales Department and General Manager of Sales Department of Cement Business Division
	Apr. 2024	Managing Executive Officer
		Senior General Manager of Cement Business Division
	Apr. 2025	Senior Executive Officer
	June 2025	Directors, Senior Executive Officer



Wakako Mitani
Independent Corporate Auditor

Career Summary	Apr. 2000	Registered as a lawyer (Daiichi Tokyo Bar Association)
	July 2001	Joined Tanabe & Partners
	Apr. 2012	Partner of Tanabe & Partners
	Feb. 2018	Independent Corporate Auditor of Taiheiyo Cement (to present)
	Apr. 2023	Vice President of Daiichi Tokyo Bar Association
	June 2023	Independent Corporate Auditor of Seikagaku Corp. (to present)
	June 2024	Independent Director of Waseda Academy Co., Ltd. (to present)
	Sep. 2024	Partner of Rodem Law Office (to present)



Toshihito Aoki
Independent Corporate Auditor

Career Summary	Oct. 1983	Joined Tetsuzo Ohta & Co. (now Ernst & Young ShinNihon LLC)
	Aug. 1987	Registered as certified public accountant
	July 1999	Partner of Ohta Showa LLC (now Ernst & Young ShinNihon LLC)
	Aug. 2014	Retired from ShinNihon LLC (now Ernst & Young ShinNihon LLC)
	June 2023	Independent Corporate Auditor of Taiheiyo Cement (to present)

Board Governance

[Special Feature: Dialogue] Striving Toward Our Vision



Maximizing corporate value through global group governance and diversity

Evolution of Group Governance

Fushihara: It has long been a tradition at Taiheiyo Cement that the chairman distances himself from execution and focuses solely on oversight as chair of the board. Last fiscal year was the first year under our new structure, and while there were some uncertainties, President Taura and the executive team achieved solid results. In particular, governance structures, including those covering group companies, became firmly established, and I believe it was a year in which compliance, quality, and safety visibly improved.

Koizumi: From my perspective as an independent director, I have observed the company's management, and I particularly feel that recently group governance has become firmly established. Group-level policies and regulations regarding governance and sustainability have been steadily developed, and are promptly revised to reflect legislative changes. Also, since the launch of the company's intranet, highly insightful safety and sustainability slogans created by the employees themselves are displayed on their computer screens at login. I feel that these individual initiatives, taken together, contribute to strengthening governance.

Fushihara: Our group has more than 200 consolidated subsidiaries, and nearly 400 companies including affiliates. Governance of overseas subsidiaries is a particularly critical issue. At CalPortland, our U.S. subsidiary, we set up an audit department and have dispatched personnel from Taiheiyo Cement headquarters. Last year, we expanded the scope of our whistleblowing system to include overseas subsidiaries, further strengthening compliance.

Koizumi: When I first visited CalPortland in 2016, I felt a certain distance between our staff and the local employees. But when I revisited last year, I saw both sides working together with the local leadership as true "teammates." Collaboration across the group and onsite exchanges are progressing, creating a virtuous cycle.

Embracing Diversity and Globalization

Koizumi: As the overseas share of our group's business increases, I believe it is important to appoint foreign nationals and executives with international backgrounds to senior

positions. Incorporating local opinions and perspectives into management improves the quality and speed of decision-making, and enhances competitiveness as a global company. With the advancement of online meetings and interpretation technologies, geographical distance is no longer an obstacle. For example, we might start by appointing such individuals as executive officers and then gradually expand.

Fushihara: I completely agree. With nearly half of our profits now generated from global business, localization of management and the integration of diversity at headquarters are indispensable. It is time for the board to begin serious discussions on how to incorporate local leaders and experts into management.

Koizumi: There is also much to learn from overseas in terms of risk and crisis management. For example, global companies not only establish rules for emergencies but also conduct simulation drills in preparation. Our group has conducted similar drills before, but by referencing local practices, we can enhance their effectiveness in times of crisis.

Deepening Supply Chain Management and ESG

Fushihara: With group governance now on track, our next challenge is supply chain management. We have established a basic purchasing policy that sets out our expectations for responsible conduct in the supply chain. Going forward, we must strengthen governance across the entire supply chain by promoting understanding through ongoing dialogue with suppliers and providing support where necessary.



Koizumi: Our group has positioned carbon neutrality as a core strategy, and achieving it requires the cooperation of the supply chain. Furthermore, with the enforcement of the Freelance Law, contracts and working conditions for freelancers must be properly managed. Many sole proprietors are part of our supply chain, so this will become an important topic in supply chain management.

Maximizing Corporate Value and the Future of Taiheiyo Cement

Fushihara: Anticipating long-term declines in domestic cement demand, we began overseas expansion more than 30 years ago. In Japan, we are also exploring new business fields, such as participating in a large-scale dairy farming facility in Fukushima. Under the 26 Medium-Term Management Plan, we aim to achieve "¥1 trillion in net sales, ¥100 billion in operating profit, and 10% ROE," but this is only the first step. We must not pause there; instead, we aim to sustain our growth trajectory—targeting, for example, ¥2 trillion in net sales and ¥200 billion in operating profit. To achieve this, we must carefully discuss with management what needs to be done both domestically and internationally, and present a 10-year growth strategy to stakeholders as soon as possible.


Koizumi: I feel that our employees sincerely embody the management philosophy of being "a pioneer in creating a sustainable future for our planet." Their emphasis not only on economic growth but also on environmental and social contribution is a corporate culture we can proudly share with the world. I hope that, by continuing to cherish this philosophy, we will pursue management that is diverse and open to all stakeholders.

Corporate Governance

We are working to strengthen corporate governance in order to achieve sustainable growth and increase corporate value.

Basic Policy on Corporate Governance

In keeping with the Mission of the Taiheiyo Cement Group, we established the Basic Policy on Corporate Governance with the aim of fulfilling our management responsibility towards all our stakeholders, including shareholders, and helping to achieve sustainable growth while maximizing our corporate value over the medium to long term. We are working to build a sound, transparent, and efficient corporate governance system.



For the "Taiheiyo Cement Corporation Basic Policy on Corporate Governance," please click or scan the 2D Barcode to access our website.

Corporate Governance System

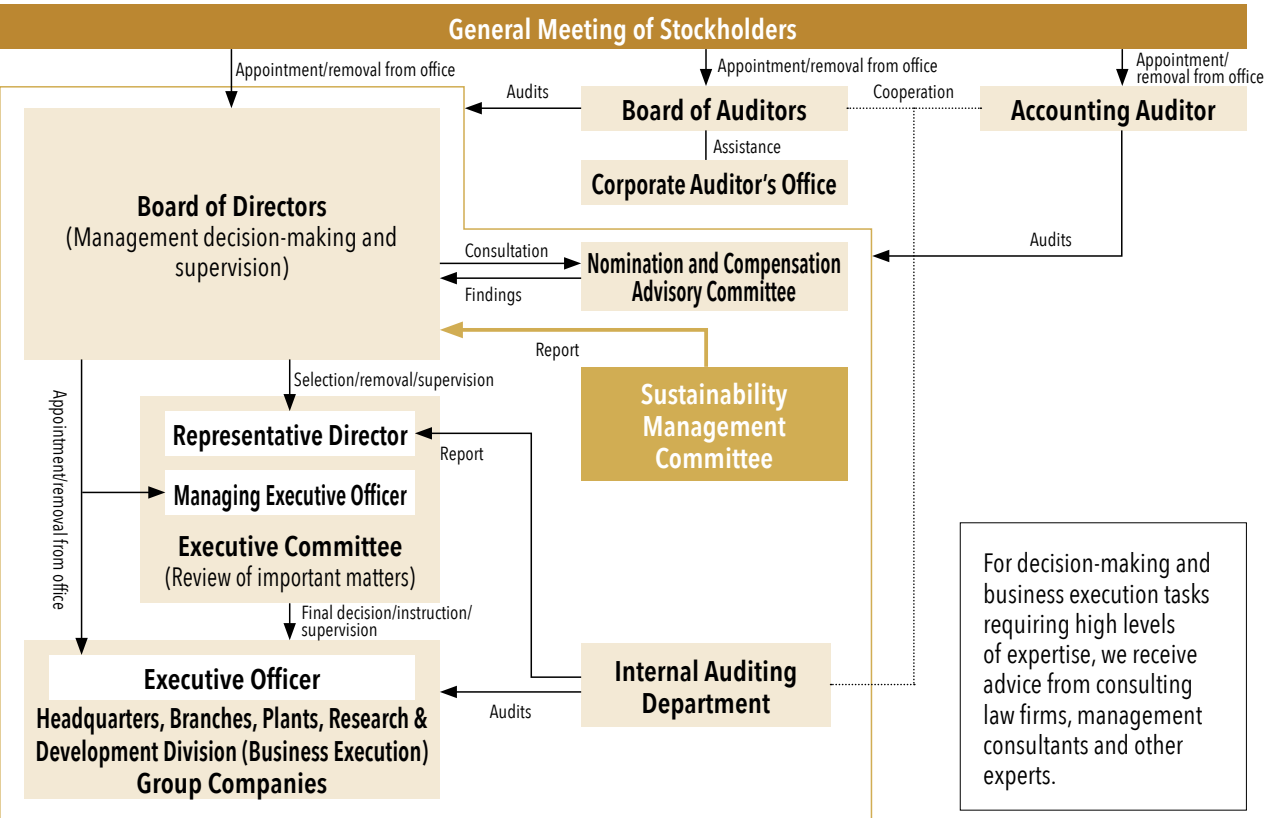
We are building a system that accurately recognizes and addresses corporate governance issues and effectiveness, and governance themes in order to deploy a sustainable business model on a global scale.

Our management structure is based upon the Board of Directors and Board of Auditors. We have also introduced an executive officer system and are endeavoring to separate management decision-making and monitoring/supervisory functions from business execution. Our Corporate Auditor's Office provides comprehensive support for corporate auditors in

the performance their duties. We have set up an internal control system in the Internal Auditing Department and, by means of internal audits, strive to ensure that operations are properly executed in the company and group companies.

We have also established a Sustainability Management Committee to promote sustainability. Specialized sub-committees have also been established to further enhance our corporate governance, including for human rights, labor, environmental management, and quality control.

Corporate Governance System



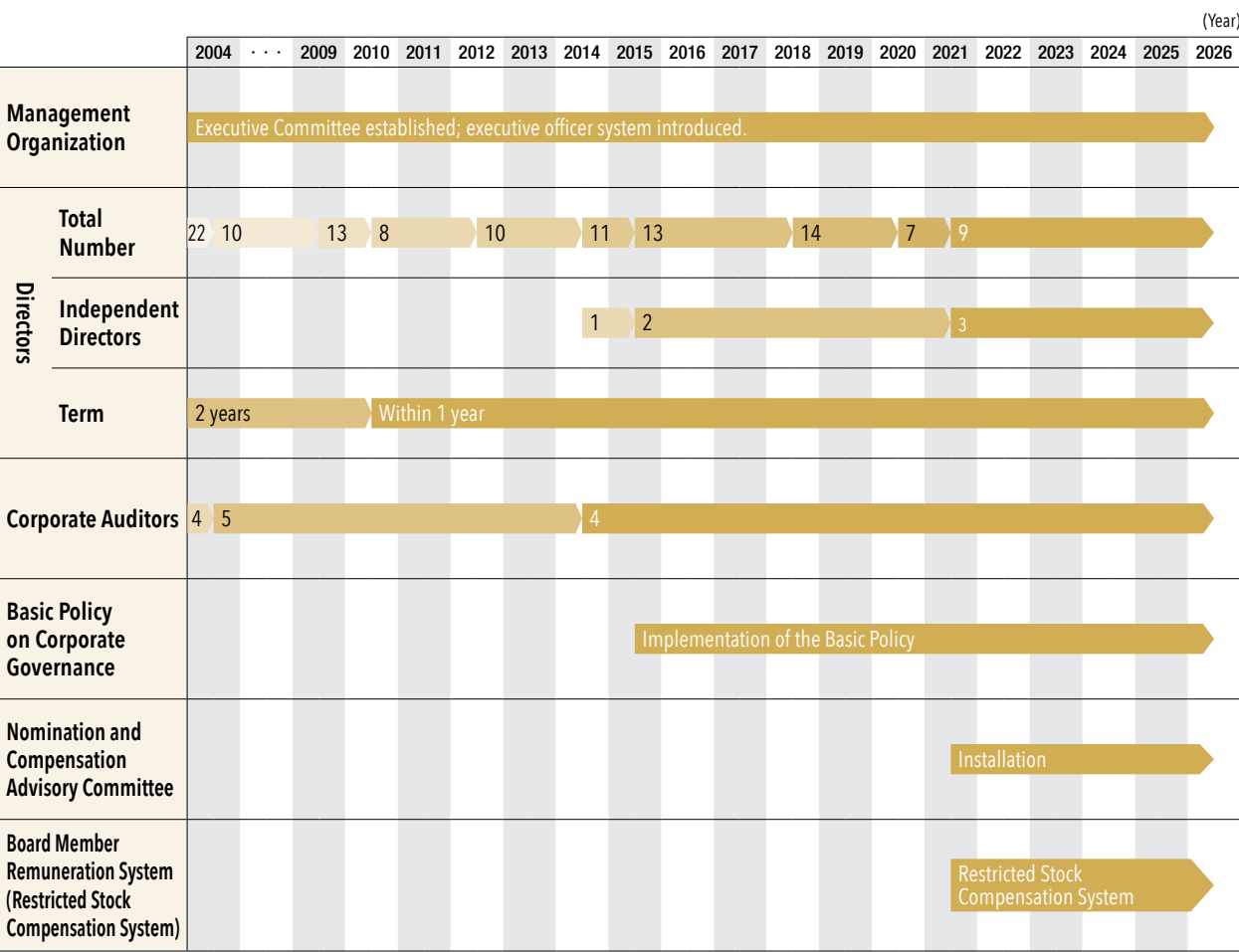
Outline of Our Governance Structure (As of June 27, 2025)

Item	No. of people etc.
Organizational Structure	Company with a Board of Auditors
Chairman of the board	Chairman
No. of directors (No. of female directors)	9 (1)
No. of outside directors included in that figure	3 (1)
No. of independent directors included in that figure	3 (1)
Tenure of a director	1 year
Executive officer system	Yes
No. of corporate auditors (No. of female corporate auditors)	4 (1)
No. of outside directorsincluded in that figure	2 (1)
No. of independent directors included in that figure	2 (1)

Major Meetings Held

Committees	No. of times held	Independent Officer Attendance	Overview
Board of Directors	15	100%	In principle, the Board of Directors meets once a month, and at other times when necessary, to make decisions on matters required by law and important matters related to the management of the company. The Board of Directors consists of nine directors, three of whom are independent directors. In addition, all of the corporate auditors attend the Board of Directors meetings. 15 meetings were held in FY2025, with 100% attendance by directors and corporate auditors.
Board of Auditors	12	100%	The Board of Auditors, consisting of two standing corporate auditors and two independent corporate auditors, fulfills its supervisory and auditing function over management by attending the Board of Directors meetings and other important meetings, questioning the directors and others about the performance of their duties, and inspecting important approval documents. In addition, in order to enhance the audits, they visit branches, plants, and group companies, etc., to investigate the status of the business operations. Also, regular corporate auditor liaison meetings are held for the corporate auditors to exchange opinions among themselves (and including those in charge of related divisions when necessary) and share information to build a system that enables fair and appropriate auditing.
Executive Committee	21	—	The Executive Committee consists of all internal directors and managing executive officers, excluding the Chairman, and makes decisions on important matters other than those that are to be decided by the Board of Directors. A standing corporate auditor attends the Executive Committee meetings. Although the independent directors and independent corporate auditors do not attend these meetings, the Corporate Planning Department reports regularly to the independent directors (weekly in principle), and a corporate auditor liaison meeting is held for independent corporate auditors (weekly in principle), where the standing corporate auditors report on the details of important meetings such as the Executive Committee and share information and assist them in the execution of their duties.

Changes in Governance



Overview of Our Directors and Corporate Auditors

Nomination and Appointment of Prospective Directors

The President proposes prospective directors to the Board of Directors, from a diverse pool of talent both within and outside of the company, in accordance with the Basic Policy on Corporate Governance. The Board of Directors deliberates and nominates them as prospective directors, who are then appointed by resolution of the General Meeting of Shareholders. During the nomination of prospective directors, the Nomination and Compensation Advisory Committee deliberates and reports the results of its deliberations to the Board of Directors.


Nomination and Appointment of Prospective Corporate Auditors

After gaining the approval of the Board of Auditors, the President proposes to the Board of Directors prospective

corporate auditors endowed with the ability to fairly audit the overall duties of the directors, suitable experience and skills, and with adequate expertise in financial affairs, accounting and legal affairs. After deliberation by the Board of Directors, nominated candidates are appointed by resolution of the General Meeting of Shareholders.

Nomination and Appointment of Prospective Independent Officers

Prospective independent officers must satisfy the company's Independence Criteria for Independent Officers and be capable of supervising our directors and management from an independent, external standpoint, and of providing proper and appropriate advice based on their experience and insights from careers in professions such as lawyer, corporate manager, certified public accountant and government official.



For the "Independence Criteria for Independent Officers," please click or scan the 2D Barcode to access the "Basic Policy on Corporate Governance (Appendix 1)" on our website.

Activities of independent directors

The Nomination and Compensation Advisory Committee met a total of five times in FY2025, with members consisting of three independent directors and one inside director. In addition, two meetings were held exclusively for a total of five independent directors, including independent auditors, to frankly exchange opinions on current issues and the deliberations of the Board of Directors.

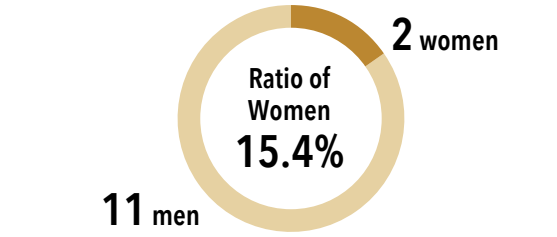
Operation of the Board of Directors

In FY2025, the Board of Directors met 15 times to discuss and decide on important matters stipulated by law and the Articles of Incorporation, as well as to supervise the execution of duties by directors. In order to ensure the efficiency of directors' duties, directors and executive officers who have been assigned duties report on the status of execution of their duties. With respect to management execution, a certain level of authority is delegated to executive officers, who execute operations through a policy deployment system in accordance with the Medium-Term Management Plan and annual management policy (President's Policy), and the Board of Directors reviews the progress of these operations.

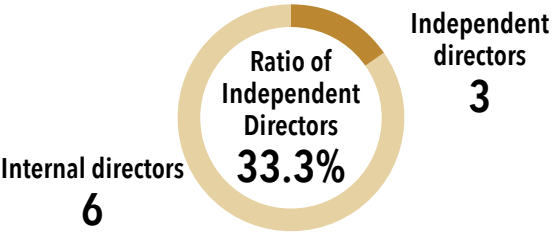
Major matters discussed at Board of Directors Meetings (FY2025)

Cement sales price policy	Reports on details and status of sales price revisions
Global Strategy	Capital expenditure and market strategy of overseas subsidiaries
Strengthening plant and mining facilities	Report on the status of safety initiatives Upgrade of manufacturing facilities and limestone quarry development
Carbon neutrality	Confirmation of progress on initiatives
Other	<ul style="list-style-type: none">• Promotion of sustainability management• Compliance with the Corporate Governance Code (Evaluation of the effectiveness by the entire Board of Directors)• Internal audits and group company audit reports• Business efficiency and consolidation status report• Dialogue with institutional investors and shareholders• Promotion of diversity management• Promotion of Health and Productivity Management (H&PM)

Ratio of women in executive positions (July 2025)



Independence of executives (July 2025)



Attendance at Board of Directors meetings (FY2025) (Number of meetings attended/number of meetings held)

Full Name	Board of Directors
Masafumi Fushihara	15 / 15 (100%)
Yoshifumi Taura	15 / 15 (100%)
Hideaki Asakura	15 / 15 (100%)
Koshiro Hidaka	11 / 11 (100%)
Shinji Fukami	11 / 11 (100%)
Isao Matsui	11 / 11 (100%)
Yoshiko Koizumi	15 / 15 (100%)
Hideyuki Furikado	15 / 15 (100%)
Shingo Tsutsumi	11 / 11 (100%)
Katsuhide Fukuhara	15 / 15 (100%)
Masahiro Karino	15 / 15 (100%)
Wakako Mitani	15 / 15 (100%)
Toshihito Aoki	15 / 15 (100%)

(Note 1) The Board of Directors met 15 times during the current fiscal year. Of these meetings, 11 were held after Directors Koshiro Hidaka, Shinji Fukami, Isao Matsui, and Shingo Tsutsumi took office.
(Note 2) In addition to the number of Board of Directors meetings held as stated above, there was one resolution in writing that was deemed to be a resolution of the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation.

Skills matrix

In order to ensure appropriate decision-making and a high level of oversight of our business activities, we review the knowledge, expertise, and experience expected of our directors and officers in conjunction with materiality updates. This year, it is represented as a six-skill matrix covering corporate management, production technologies research, sales and

marketing, financial accounting, legal risk management, and global business.
We make the most of such advanced knowledge, expertise, and diverse experience to manage our business in order to realize our mission, which is based on sustainable growth and sustainability.

Executive Skills Matrix and Composition of Nomination and Compensation Advisory Committee

Full Name	Position	Independent officer	Years in office	Nomination and Compensation Advisory Committee	Knowledge, expertise and experience					
					Corporate management	Production technologies research	Sales and Marketing	Finance Accounting	Legal Risk management	Global business
Masafumi Fushihara	Chairman and Director		10 years	○	●		●	●	●	●
Yoshifumi Taura	President and Representative Director		2 years		●	●	●			●
Hideaki Asakura	Vice President and Representative Director		3 years		●		●	●	●	●
Shinji Fukami	Vice President and Director		1 year		●	●	●			●
Isao Matsui	Director, Senior Executive Officer		1 year		●		●	●		●
Naoyuki Kira	Director, Senior Executive Officer		-		●		●			
Yoshiko Koizumi	Independent Director	○	10 year	○ (Chairperson)					●	●
Hideyuki Furikado	Independent Director	○	4 years	○				●	●	●
Shingo Tsutsumi	Independent Director	○	1 years	○	●		●	●		●
Masahiro Karino	Corporate Auditor (Standing)		3 years		●				●	●
Yusuke Nemoto	Corporate Auditor (Standing)		-		●			●		●
Wakako Mitani	Independent Corporate Auditor	○	7 years and 4 months					●	●	
Toshihito Aoki	Independent Corporate Auditor	○	2 years					●	●	

Evaluating the Effectiveness of the Board of Directors

We strive to share information among the internal and external officers in order for the Board of Directors to supervise the execution of the business and make appropriate decisions. Efforts are made to enhance the effectiveness of the Board of

Directors by providing timely and appropriate information to independent directors and providing them with opportunities to inspect business sites, including overseas and affiliate companies. Furthermore, all directors and corporate auditors

complete a questionnaire, to analyze and evaluate the effectiveness of the Board of Directors as a whole, including its composition, operation, agenda, and deliberations. The Board of Directors will review the contents of the report and we have made improvements to the structure and operations of the Board of Directors on the basis of the results, ensuring the overall effectiveness of our Board of Directors.

Committee Activities

Activities of the Nomination and Compensation Advisory Committee

We established the Nomination and Compensation Advisory Committee in March 2021 with the aim of further enhancing corporate governance by improving the fairness, transparency, and objectivity of the procedures for nominating directors and managing executive officers and determining their compensation. The Committee consists of four directors appointed by resolution of the Board of Directors, three of whom are independent directors. The Committee is chaired by an independent director appointed by resolution of the Board of Directors.
The Committee deliberates and reports to the Board of Directors on policies regarding the nomination of directors, the appointment and removal of directors, policies for determining the compensation of individual directors, and the details of the compensation of directors.
When selecting directors, the Committee deliberates on candidates proposed by the President from a wide range of diverse candidates, without taking into account gender, nationality, work history, age, etc. For internal director candidates, the Committee reviews whether they possess the knowledge and experience necessary to manage the company accurately and fairly, as well as outstanding character, insight, ability, and a high level of ethics. The findings are then reported to the Board of Directors. Additionally, when selecting candidates for independent directors, the Committee deliberates whether they are capable of supervising the Company's directors and management from an external, independent standpoint, and of providing accurate and appropriate advice based on their extensive experience and broad insight. The findings are then reported to the Board of Directors. Each committee member approaches the discussions with the mindset of thoroughly evaluating the candidates, including requesting additional information if there are any gaps in a candidate's resume or reporting to the Board of Directors on any insufficient qualifications.

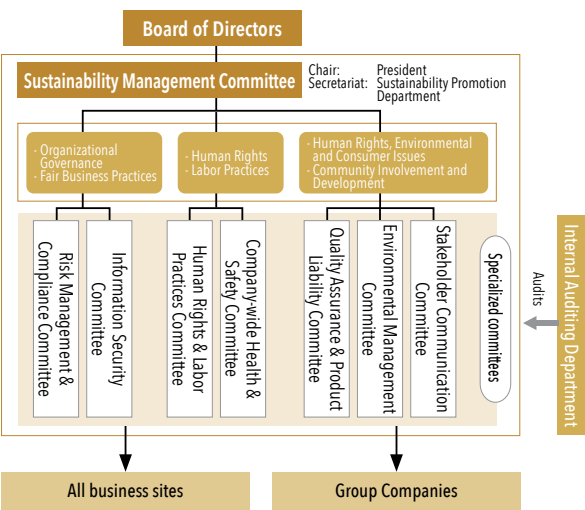
Challenges and Initiatives (FY2025)

Challenges for FY2025	- Review the criteria for submitting proposals - Further enhance IR activities, including those for overseas investors
Initiatives for FY2025	- Implemented initiatives to revise approval regulations - Strengthening of dialogue with shareholders and investors
Challenges for FY2026	- Promotion of discussions including modification and changes to strategies due to changes in the business environment - Review of training for directors

The System to Promote Sustainability Management

To promote our sustainability management, we have created a cross-departmental Sustainability Management Committee, chaired by the President with all board directors and all managing executive officers as committee members, under the direct oversight of the Board of Directors. Reporting to the Sustainability Management Committee are seven specialized committees for individual subjects, each chaired by the director responsible for that area. The department most closely associated with any given issue acts as the secretariat for the related committee. The Sustainability Management Committee's role is to screen important matters concerning sustainability and the status of activities of specialized committees, and review their progress.

Sustainability Management Committee Structure



● Sustainability Management Committee Meetings (FY2025)

Date		Main Content
First	May 14, 2024	● Challenges in preparing the 2024 Integrated Report
Second	September 24, 2024	● Interim report on the activities of four specialized committees ● Report on policy and system trends related to carbon neutrality and the direction of corporate response
Third	December 24, 2024	● Interim report on the activities of three specialized committees ● GCCA(Global Cement and Concrete Association) Activity Report ● Looking back on the 2024 Integrated Report ● Report on trends surrounding nature-positive management
Fourth	March 25, 2025	● Report on the FY2025 activities of seven specialized committees ● Planning of FY2026 activities of seven specialized committees ● GCCA(Global Cement and Concrete Association) related reports ● Formulation of the Taiheiyo Cement Group Human Rights Policy ● General evaluation of this fiscal year's sustainability activities

Activities of independent directors (Number of meetings attended/number of meetings held)

Full Name	Board Meeting Attendance	Details of Contribution
Yoshiko Koizumi	15 / 15	Providing appropriate comments mainly based on her extensive experience as an attorney and broad insight into corporate legal affairs.
Hideyuki Furikado	15 / 15	Providing appropriate comments mainly based on his extensive experience and broad insight as a national public servant.
Shingo Tsutsumi	11 / 11	Providing appropriate comments mainly based on his extensive experience and broad insight as the manager of a business corporation.

(Note 1) The Board of Directors met 15 times during the current fiscal year. Of these meetings, 11 were held after Director Shingo Tsutsumi took office.
(Note 2) In addition to the number of Board of Directors meetings held as stated above, there was one resolution in writing that was deemed to be a resolution of the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation.

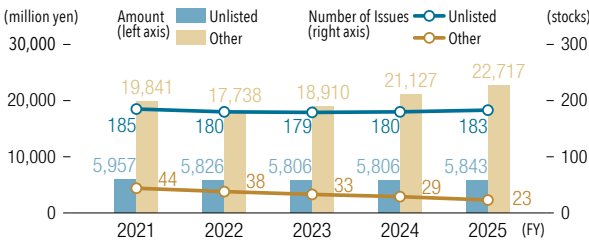
Cross-shareholdings

From the perspective of maintaining and strengthening stable and long-term business relationships with our business partners, we acquire and hold shares in such business partners as cross-shareholdings when it is determined that it will contribute to the enhancement of our medium- to long-term corporate value.

Further, the Board of Directors confirms the necessity of such holdings each year by examining the medium- to long-term economic reasonableness and future prospects of each individual cross-shareholding, based on whether the purpose of holding the shares is appropriate and whether the benefits and risks associated with holding the shares are commensurate

with the capital costs.
We do not hold any investment securities where the purpose is purely investment.

● Amount reported on balance sheet and number of issues



Board Member Remuneration

Determining Board Member Remuneration

In the process for determining the compensation for directors, the Nomination and Compensation Advisory Committee, the majority of which consists of independent directors and is chaired by an independent director, deliberates and reports its findings to the Board of Directors, which respects those findings. The decision is then entrusted to the representative directors, within the scope decided at the

General Meeting of Shareholders and determined by our company regulations.

The compensation system for directors (excluding outside directors) consists of fixed compensation, share-based compensation and performance-based compensation, while the compensation system for the independent directors consists solely of fixed compensation. The compensation system for auditors also consists solely of fixed compensation.

- Fixed compensation is set according to position.
- Performance-based compensation is calculated by multiplying profit attributable to owners of parent company shares for the fiscal year under review by 1% (up to ¥400 million) and a coefficient according to position.
- Share-based compensation is calculated according to position and issued yearly in the form of share options with restrictions on transfer. In principle, the restrictions on transfer are rescinded on the day the director retires.
- The reason for the introduction of the share-based compensation system and the adoption of profit attributable to owners of parent as an indicator for performance-based compensation is to promote further value sharing with our shareholders.

Composition of Compensation

● Directors (excluding independent directors)

Fixed compensation	Performance-based compensation	Share-based compensation
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* Fixed compensation: Approximately 90% to 45%
Share-based compensation: approximately 10% to 15%
Performance-based compensation: 0% to approximately 40%

Annual Remuneration of Board Members

Remuneration for directors was decided at the General Meeting of Shareholders on June 29, 2021, and after said meeting, there are nine directors (of whom three are independent directors), for whose annual compensation there is a maximum of ¥1.2 billion (of which ¥100 million is for independent directors). Included in that is a maximum annual sum of ¥200 million (200 thousand shares) as transfer-restricted share-based compensation.

Remuneration for corporate auditors was decided at the General Meeting of Shareholders on June 29, 2000. Since the meeting, there have been four corporate auditors, for whose monthly compensation there is a maximum of ¥13 million.

● Independent Directors, Corporate Auditors

Fixed compensation

● Total amount of compensation for directors and corporate auditors (FY2025)

Category	Total amount of compensation, etc. (million yen)	Total amount of compensation by type (million yen)			Number of officers covered (persons)
		Fixed compensation	Performance-based compensation	Non-monetary compensation, etc.	
Directors	569	329	194	46	13
Corporate Auditors	72	72	—	—	4
(independent directors)	(67)	(67)	(-)	(-)	(6)

* The above count of directors and corporate auditors who received compensation includes four directors who retired at the conclusion of the 26th Ordinary General Meeting of Stockholders held on June 27, 2024

Internal Control System

We follow the Basic Policy for Building an Internal Control System to ensure suitable and efficient operations at the company and group companies. Our basic approach is to improve and strengthen systems that are currently in operation, and to review and reappraise essential matters. Regarding internal audits, under the direction of the officer in charge, we collaborate with auditors to formulate an internal audit plan that is approved by the company's directors. In FY2025, we audited four of our offices and 10 domestic group companies. During the audits, we check the effectiveness, efficiency, and compliance with regulations of the Taiheiyo Cement Group's corporate operations, identify areas for improvement, and provide advice and recommendations. We also comply with the

Companies Act and the Financial Instruments and Exchange Act, and handle matters related to internal control evaluations and disclosure systems associated with financial reporting.

Additionally, auditors are dispatched from the relevant business divisions or management departments to group companies as necessary to conduct audits. For companies to which we do not dispatch auditors, we require them to periodically conduct self-diagnoses of the status of internal controls. Additionally, we regularly hold online meetings with the auditing divisions of key overseas group companies to review their internal control systems. Any issues raised in internal audits are presented at a meeting attended by management of Group companies to prevent recurrence.

Risk Management and Compliance

Towards Value Creation

In our Business Principles we declare “we will strive to anticipate the changing business environment to assess new opportunities for growth.” We consider risk management to be a foundation for reducing management uncertainties and achieving management objectives. Based on our basic risk management policy, we manage risks that make the achievement of management goals uncertain, such as social change, changes in the global environment, natural disasters, accidents and

Basic Risk Management Policy


- 1 We prevent and reduce risks in order to ensure the quality and safety of our products and services, protect the lives and safety of our permanent employees and their families, and earn greater trust from our stakeholders.
- 2 We create a system to appropriately manage a wide range of risks associated with our business activities.
- 3 We promote risk management through a plan-do-check-act cycle.
- 4 We quickly and appropriately deal with risks as they are identified.
- 5 In collaboration with the Taiheiyo Cement Group companies we build a system for immediately detecting new risks arising from changes in our business environment and for quickly and appropriately dealing with risks at the group level.
- 6 Through risk communication with stakeholders, we gain an understanding of the opinions of stakeholders necessary for risk management.
- 7 We openly disclose risk-related information, such as risk assessments and mitigation outcomes, fostering a trusting relationship between our company and stakeholders.

scandals. In addition, we have established "Risk Management Regulations" to ensure that the Basic Risk Management Policy is deployed in specific risk management activities.

In April 2025, we established the Risk Management & Compliance Office within the General Affairs Department with the aim of establishing a risk management system based on an independent and preventive perspective and strengthening the whistleblower system.

Basic Compliance Policy (Summary)

- Compliance with our Mission, Business Principles and social norms
- Maintaining internal systems and rules and ensuring broad-based awareness of them
- Cooperation with all group companies and promotion of educational and enlightenment activities
- Establishing appropriate responses and policies for when problems occur
- Timely and appropriate disclosure and communication of necessary information
- Compliance with international standards and rules, and respect for local cultures and customs
- Rejection of illegal and unwarranted demands from antisocial forces or organizations



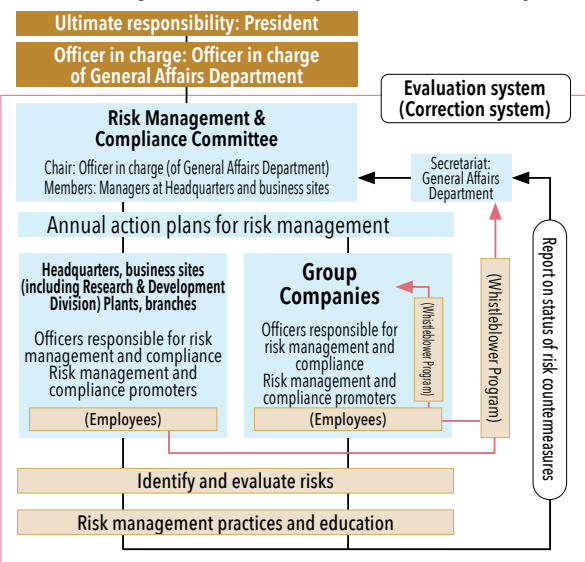
For "Risk Management and Compliance," please click or scan the 2D Barcode to access our website.

Operational Structure

Our president has ultimate responsibility for risk management and compliance promotion. The officer in charge of both areas (officer in charge of the General Affairs Department) is appointed by the president to preside over and run the Risk Management & Compliance Committee and systematically promote organized activities.

The committee plays a core role in our risk management and compliance promotion for the entire group. It deploys the policy, identifies, evaluates and specifies company-wide risks, implements risk management activities based on PDCA cycles and promotes compliance. Moreover, it creates and revises rules for risk management and compliance, and provides instructions for advancing the awareness and education of employees. Four meetings were held in FY2025.

Risk Management and Compliance Promotion System



(note) Subject to risk management: 94 group companies (Japan and overseas) (as of March 31, 2025)

Roadmap for Achieving this Goal

Compliance Enforcement

Companies are expected to actively fulfill a useful role in society, not just from an economic perspective. In order for our company and each of our group companies to live up to the trust and expectations of society, and achieve continuous and stable development, we are working to promote compliance management that "recognizes the rules that must be followed in society and acts in accordance with them" and continue to be a trusted corporate group.

Risk Management

If a significant risk were to materialize, it not only undermines our management resources but can also adversely affect the stakeholders surrounding the Taiheiyo Cement Group, potentially leading to a breakdown of trust and a loss of social credibility. In order to continue our business and achieve sustainable development, we are working to develop a risk management system and promote effective risk management activities in order to reduce serious risks and minimize losses caused by actualized risks. We will also strive to properly handle, protect, and manage information assets.

FY2025 results	Plan for FY2027	Our Vision (2030)
<ul style="list-style-type: none">● Implemented risk countermeasure plans using the PDCA cycle at all business sites and group companies● Created manuals for responding to major plant accidents and for crisis management public relations● Established an external whistleblower hotline available to overseas group companies	<ul style="list-style-type: none">● Implement effective measures against risks that could impede the achievement of the Medium-Term Management Plan and materiality initiatives, and which could have a significant impact on the uncertainty of the management of the Taiheiyo Cement Group	<ul style="list-style-type: none">● By improving and expanding the risk management system and continuing effective risk management and compliance activities, we will contribute to the continuity of the Taiheiyo Cement Group's business and its sustainable development.

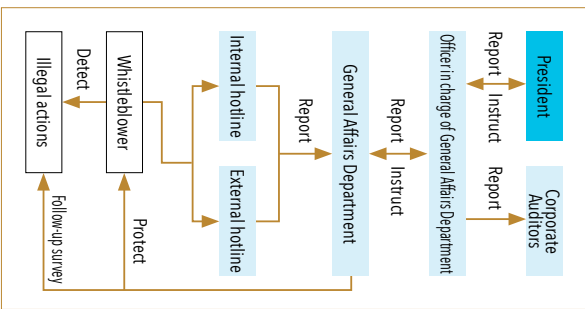
Materiality KPIs, Targets, and Results

KPIs, Targets	FY2023	FY2024	FY2025
Coverage of the Whistleblower Program in Group Companies (Japan and Overseas): 90% or more (FY2031)	81.1%	88.3%	95.7%
Standards of Conduct Training (e-learning) Participation Rate: Maintain at 90% or more	91.7%	97.3%	96.3%

Whistleblower Program

We have set up whistleblower hotlines to receive reports directly without the need for the usual company procedures. Whistleblowers have the option of either disclosing their identity, or reporting anonymously to mitigate any potential psychological constraints. We have whistleblower hotlines both internally (Compliance Hotline) and externally (at a law firm) in order to safeguard the privacy of those submitting reports. These hotlines are also available to all permanent employees of group companies in an effort to strengthen group governance, improve program effectiveness and reduce the burden on individual companies. We established an external hotline available to overseas group companies in FY2025, and began sequential operation from FY2026. In addition, we created the Whistleblower Program Regulations so whistleblowers using the program are not subject to unfavorable treatment.

Whistleblower Program



Results of the Whistleblower Program (FY2025) *

Hotline	No. of cases
Internal (whistleblower hotlines)	5
External (law firm)	0

Cases that should be regarded as "reports" according to the "Whistleblower Program Regulations"

* Taiheiyo Cement Corporation and group companies subject to risk management by the Risk Management & Compliance Committee are subject to aggregation.

Risk Management and Compliance Promotion Activities

1 Identifying, Evaluating, and Specifying Company-wide Risks

We collect, evaluate, and identify company-wide risks, including those of group companies, every three years and conduct an annual review of those risks. In the comprehensive review of company-wide risks conducted in FY2023, we performed a thorough inventory of risks considering the environmental changes over the past three years. We identified those risks that have a heightened concern for materialization and those with insufficient countermeasures as "company-wide risks" and decided to promote effective responses under the oversight of the Risk Management & Compliance Committee.

Summary of the Collection, Evaluation and Identification of Company-wide Risks

Step 1	Identification of risks that may hinder materiality initiatives
Step 2	Identification of company-wide risks that could have a significant impact on uncertainties in the management of the Taiheiyo Cement Group
Step 3	Review company-wide risks
Step 4	Determine company-wide risks

Specified Company-wide Risks

- Risk of increase in the number and severity of natural disasters and aging facilities and equipment
- Risk of business fluctuations in the supply chain
- Human resource-related risks

2 Examples of Overseas Risk Countermeasures

We have created and regularly revise the Riot and Terrorism Response Manual. In addition, with regard to high-risk countries to which our employees are dispatched, we clearly state the procedure for deciding on local evacuations, have created a tool for evaluating the emergency evacuation level according to changes in local situations, and provide training using the tool. We also list and secure supplies (food, clothes, hygiene supplies, and medicines), as well as cash and other resources needed, in the event of evacuation or an emergency at our overseas business sites.

3 Emergency Task Force

If an event such as a disaster, accident or misconduct has occurred, the affected business site informs the general manager of the General Affairs Department. The general manager considers the severity of the event and determines if the response to the event can be delegated to the site management or if an emergency task force should be established. Appropriate action is then taken by local management or the emergency task force.

As preparation for responding to disasters and accidents, we also conduct disaster/fire preventions and Shake Out earthquake drills that assume a large-scale earthquake at each business site.


4 Risk Management and Compliance Promotion Training

We provide risk management and compliance training for managers and promoters working at the company's business sites and group companies to ensure effective risk management and compliance. In November 2024 we invited an outside lecturer to give a talk to the managers at our group companies on "Toward Creating a Harassment-Free Workplace" and "What Sustainability Information is Required of Japanese Companies", which was attended by managers from 96 companies. Led by an outside lecturer, in November we held a risk management training session for promoters.

5 Compliance Training

We have created and distributed to all our employees, as well as all those of our main group companies, the Standards of Conduct (Casebook), which describes specific examples on how to act in line with the Standards of Conduct. We regularly revise the Standards of Conduct (Casebook) to reflect the latest information.

In addition, for all company employees, including those on loan to group companies, we conduct monthly quiz tests as part of e-learning programs to provide education on the Standards of Conduct (Casebook) and other materials so they learn how to act in individual situations. In FY2025, 96.3% of employees participated in the program.



For the "Standards of Conduct [Casebook]," please click or scan the 2D Barcode to access our website.

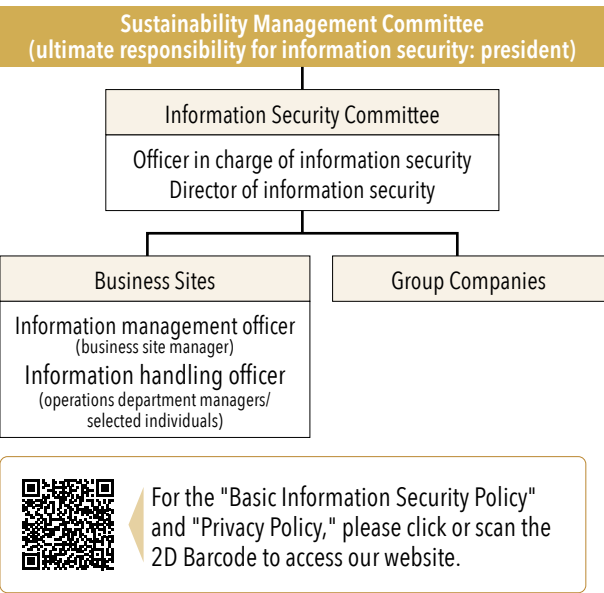
Information security

System to Promote Information Security

To ensure and maintain the security of information assets we have established the Basic Information Security Policy and the Information Security Management Regulations. Under the management system in accordance with these regulations, we are actively working to maintain information security.

Our president has ultimate responsibility for information security. The president appoints the officer in charge of information security (officer in charge of the DX Promotion Department), who presides over and runs the Information Security Committee in order to advance systematic, organized activities to promote information security.

Information Security Structure



Activities to Promote Information Security

We continuously conduct tabletop exercises assuming security breaches from external sources and recovery drills assuming natural disasters. We also conduct drills for responding to suspicious emails, security surveys, and distribute security news on our internal portal.

In addition, we hold networking events and lectures for the information system personnel of each group company, serving as a forum to share information from our company and discuss the challenges faced by each company.

Leveraging the knowledge and issues gained through these activities, we will continue our efforts to improve the security level of the Taiheiyo Cement Group in order to ensure the safety of information assets and minimize the impact on stakeholders in the event of an incident.

No serious incidents related to information security occurred in FY2025.

Risk Management for Intellectual Property

To prevent the infringement of intellectual property rights owned by other companies, we regularly monitor patent applications in relevant fields. For applications from other companies that warrant attention, we are implementing risk management measures. This includes verifying that we are not infringing on any rights and, in collaboration with related departments, monitoring the examination status as needed and considering appropriate responses.

To address intellectual property risks in the various foreign countries where we do business, we leverage our network of

external organizations and experts to gather the latest local information and implement response measures equivalent to those in Japan to mitigate these risks.

In addition to these risk management measures, we are expanding awareness-raising activities within the Taiheiyo Cement Group on the importance of respecting the rights of other companies and, to date, we have not experienced any business disruptions related to intellectual property. We will continue to promote risk management for intellectual property and strive to ensure a safe business environment.