Promotion of Sustainability Management - IR Strategy

[Special Feature: Dialogue] Engagement with Investors



Building Long-Term Trust and Sincere Dialogue toward Sustainable Growth and Enhanced Corporate Value

Striving for Fair and Transparent Information Disclosure to Shareholders and Investors



Asakura:

Approximately 40% of our shareholders are overseas investors, which makes global engagement essential. Since last fiscal year, we have been particularly focused on direct dialogue with our major foreign shareholders. During the COVID-19 pandemic we utilized online meetings, but I was reminded of how vital it is to communicate face to

face. Through in-depth discussions conducted on-site, we help participants gain a deeper understanding of our management policies and long-term strategies.

Furikado:

I feel that overseas investors have a strong interest in shareholder returns and medium- to long-term value creation.

Due to changes in the global situation, investors' interests have recently tended to shift from ESG to financial returns and portfolio strategies; however, such focus naturally changes with the times and circumstances. For Taiheiyo Cement, it is crucial to communicate effectively under any circumstances, adapting our messaging to reflect these evolving trends.

Approaching Individual Investors

Asakura:

Our business has long centered on B2B operations, so public recognition among general consumers has been limited. Going forward, however, building relationships with a broader range of stakeholders, including individual investors, will be an important focus. We are currently implementing a public relations strategy aimed at enhancing awareness and strengthening our brand identity.

Furikado:

There is room to explore initiatives that make us more approachable to individual investors, such as plant tours or new shareholder benefit programs. It is also important to make

better use of our 140-year history and achievements to convey the Group's value to a wider audience. For example, I would like individual investors to know that the cement industry also plays a role in waste treatment, and that during large-scale disasters such as the Great East Japan Earthquake, it accepts and processes disaster-related waste.

Direction of Dialogue on the Carbon Neutral Strategy

Asakura:

Although we are seeing some backlash against ESG investing, our Group continues to position the carbon neutral (CN) strategy as a core growth strategy. Our direction remains unchanged—we are steadily advancing initiatives that look toward the future, ensuring that we can clearly explain our strategies and progress to investors at any time. We are also leveraging government subsidies and collaborating with national and local authorities to promote our projects.

Furikado

Although recent trends surrounding ESG have been shifting, we remain committed to our Future vision targeting 2050 to "Become a leader in the global cement industry" and we look forward to developing carbon-neutral technologies that meet global standards. It is important to continue communicating carefully about such long-term perspectives and the importance of creating social value.

Building Trust and Enhancing Corporate Value through Dialogue with Shareholders and Investors

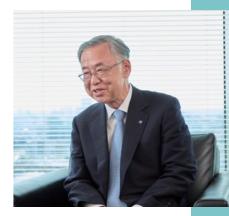
Asakura:

Our long-term shareholders recognize the growth potential of our Group and tend to show strong interest not only in our business performance but also in the management's philosophy and vision. We strive to ensure sincere communication by having the IR Department report the opinions of shareholders and investors directly to the Board of Directors, without filtering, for open discussion. We believe that accepting candid feedback and reflecting it in management decisions is the foundation of mutual trust.

Furikado:

I feel that discussions on IR at the Board of Directors meetings are becoming more substantial with each passing year. Last year, I visited our Group company in the United States, which helped deepen my understanding of our overseas business and its management challenges. The businesses of

our Group, such as quarry development, are characterized by their extremely long-term nature. As an independent director, my wish is to build partnerships with shareholders and investors who understand these characteristics and share our goal of enhancing corporate value from a long-



Asakura:

term perspective.

Engaging in sincere, ongoing dialogue with shareholders and investors who support the Group over the medium to long term is key to achieving sustainable growth and enhancing corporate value. We will continue to communicate our initiatives to improve profitability in domestic operations and our growth strategies for overseas businesses in an easy-to-understand manner, while also enhancing the information disclosure on our U.S. operations, which attract particularly strong interest.

Furikado:

As a Board of Directors, we will continue to firmly oversee the initiatives of the management team while supporting management that remains open and responsive to a diverse range of stakeholders. In addition to sincere engagement activities, we intend for independent directors to also participate in dialogue with shareholders and investors going forward, contributing to the Company's sustainable growth and enhancement of corporate value from diverse perspectives.



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