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July 4, 2024

Notice regarding Loss on Valuation of Shares of Subsidiaries and Associates in Non-Consolidated Financial Results

Taiheiyo Cement Corporation (Headquartered in Bunkyo-ku, Tokyo; Yoshifumi Taura, President and Representative Director, hereinafter “Taiheiyo Cement”) hereby announces that in the non-consolidated financial results during the period for the three months ended March 31, 2025 (from April 1, 2024 to June 30, 2024), the market value of PT Solusi Bangun Indonesia Tbk (hereinafter “SBI”) shares held by Taiheiyo Cement as shares of subsidiaries and associates decreased significantly, resulting in the need to record a loss on valuation of shares of subsidiaries and associates (extraordinary loss) due to impairment charges.

1. Loss on valuation of shares of subsidiaries and associates in the first quarter of the fiscal year ending March 31, 2025

Total loss on valuation of shares of subsidiaries and associates in the non-consolidated financial results during the period for the three months ended March 31, 2025(from April 1, 2024 to June 30, 2024)	9,179 million yen
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- At the end of the quarter, Taiheiyo Cement has adopted a reversal method for the impairment of shares of subsidiaries and associates.
- If the share price of SBI recovers by the end of March 31, 2025, the amount of valuation loss on shares of subsidiaries and associates will be reversed.
- The fiscal year-end for Taiheiyo Cement is March 31.

2. Impact on business performance and operations

The loss on valuation of shares of subsidiaries and associates is eliminated in the consolidated financial statements and has no impact on the consolidated results of operations. However, in accordance with the “Practical Guidelines for Capital Consolidation Procedures in the Consolidated Financial Statements”, Taiheiyo Cement records a share of loss in entities accounted for using the equity method (non-operating loss) due to the lump-sum amortization of goodwill. The impact of amortization of goodwill on ordinary profit is expected to be 1.9 billion yen in the three months for the fiscal year ending March 31, 2025. If the share price of SBI recovers by the end of March 31, 2025, the amount of share of loss in entities accounted for using the equity method will be reversed.

The full-year financial forecast for the fiscal year ending March 31, 2025 will be reviewed, including other factors, and will be disclosed as soon as necessary.

SBI has high profitability due to its wide sales network and strong business base in Indonesia, where robust cement demand is expected to grow. Taiheiyo Cement Group’s basic policies for global business strategy in the 26 Medium-Term Management Plan formulated in May 2024 include “Strengthening the revenue base of existing businesses” and “Expanding the trading business”.

It is expected that starting from 2025, after the completion of construction of the Jetty at SBI’s Tuban plant, we will export more than 500 thousand tons of cement annually from Tuban plant to our subsidiary in the United States. SBI plays an extremely important role in deepening our U.S. business through supply chain strengthening and further developing our trading business. Even after the recording of the loss, there is no

change in the Taiheiyo Cement group overseas business strategy, including SBI. Going forward, we will further pursue synergies with SBI to promote the implementation of the 26 Medium-Term Management Plan and contribute to the development of the Indonesian economy.