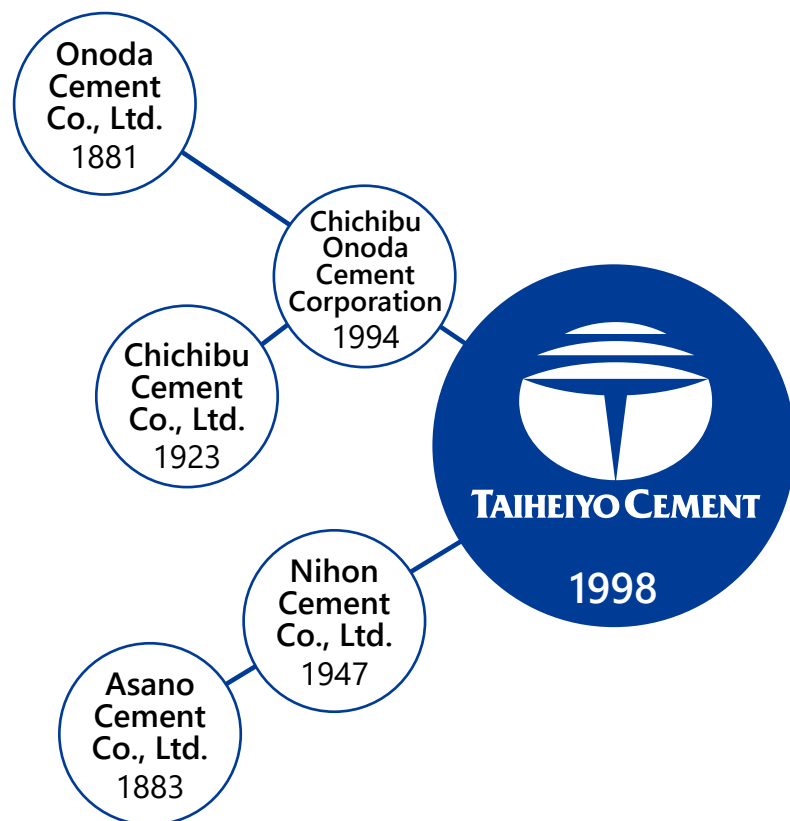




Reference Materials of Financial Results for the Nine Months Ended December 31, 2024

February 12, 2025

TAIHEIYO CEMENT CORPORATION



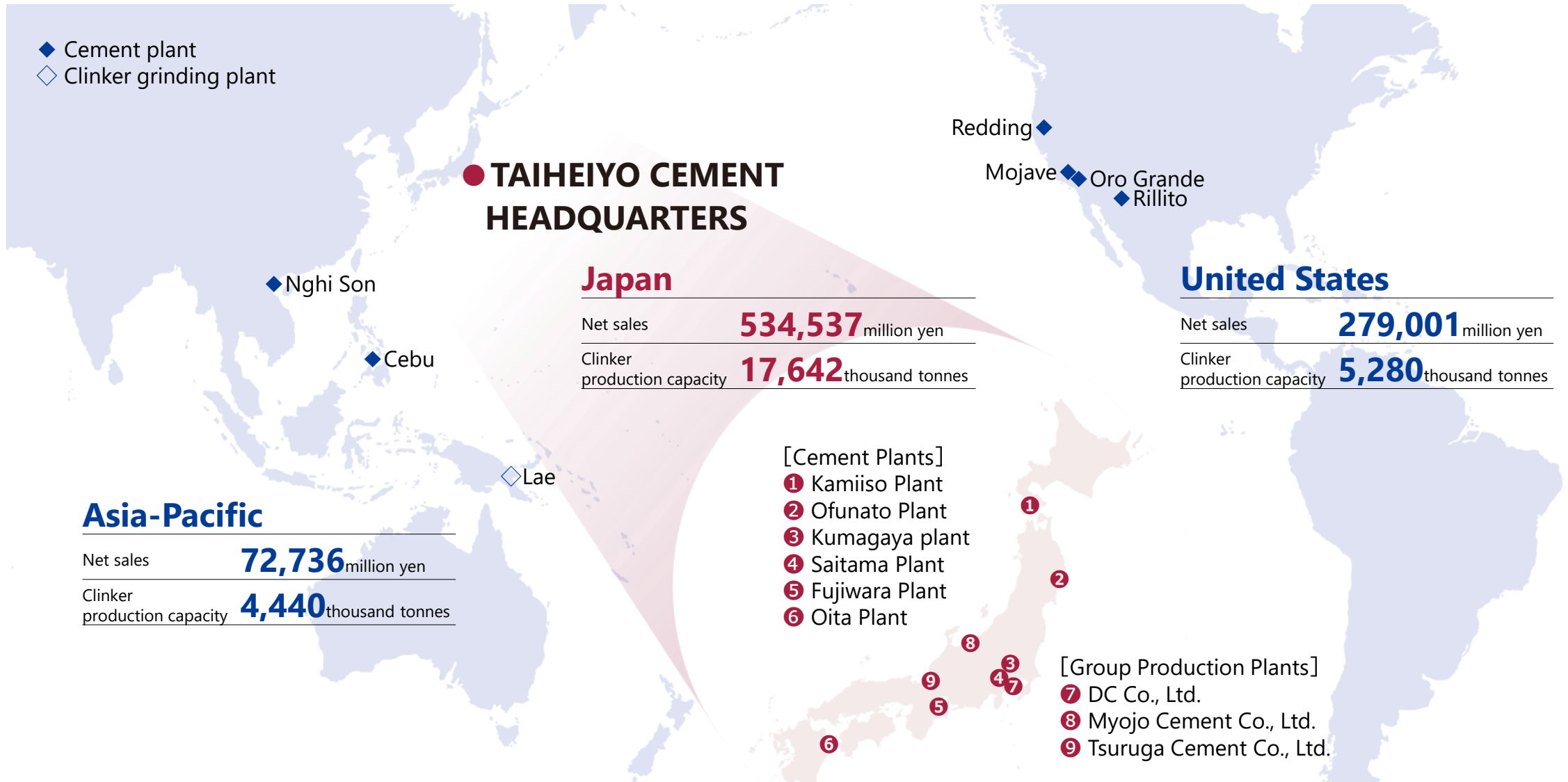
Mission of the Taiheiyto Cement Group

Our mission is to contribute to social infrastructure development by providing solutions that are environmentally efficient, enhance our competitive position and bring value to our stakeholders.

Established	May 3, 1881
Capital	86,174 million yen
Headquarters	BUNKYO GARDEN GATE TOWER, 1-1-1, Koishikawa, Bunkyo-ku, Tokyo 112-8503, Japan
Number of employees	Consolidated: 12,540 Non-consolidated: 1,821 (not including seconded staff)
Subsidiaries	200 (including 129 consolidated subsidiaries and 4 equity-method non-consolidated subsidiaries)
Affiliates	103 (including 38 equity-method affiliates)

(as of March 31, 2024)

Market Area



(as of March 31, 2024)

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1. Highlights of Consolidated Financial Results

1. Highlights of Consolidated Financial Results

《Summary of Financial Results》

- Operating profit increased due to sales price hikes and cost improvement in domestic cement.
- Sales and profit increased because of sales price hikes at U.S. subsidiaries, etc.
- Company-wide sales and profit increased year on year.

(Million yen)

	FY2024 3Q	FY2025 3Q	Change
Net sales	660,174	681,873	+21,699
Operating profit	41,862	64,203	+22,341
Ordinary profit	43,834	65,209	+21,375
Profit attributable to owners of parent	28,797	52,396	+23,599

※ Operating profit impact due to change in depreciation method (declining-balance method → straight-line method):5,062 million yen

(Amounts less than 1 million yen have been rounded to the nearest million yen from the first quarter of the current fiscal year, including figures for previous fiscal years.)

1. Highlights of Consolidated Financial Results

《Main Indicators》

	FY2024 3Q	FY2025 3Q	Change
Operating profit to net sales ratio (%)	6.3	9.4	+3.1
Basic earnings per share (Yen)	246.3	455.5	+209.2

	As of Mar. 31, 2024	As of Dec. 31, 2024	Change
Net assets per share (Yen)	4,872.9	5,319.1	+446.2
Capital adequacy ratio (%)	42.1	43.2	+1.1
Net debt/equity ratio (Times)	0.52	0.49	(0.02)

《Environmental Factors》

	FY2024 3Q	FY2025 3Q	Change
Average exchange rate (Yen/US\$)	138.2	151.5	+13.2
Average procurement price of imported coal, etc. for domestic (C&F \$/t)	220	150	(70)

2. Financial Results for the Fiscal 2025 3Q

2. Financial Results for the Fiscal 2025 3Q

(1) Consolidated Segment Information

(Million yen)

		Net sales			Operating profit		
		FY2024 3Q	FY2025 3Q	Change	FY2024 3Q	FY2025 3Q	Change
Cement Business	Domestic	224,816	229,341	+4,525	(1,665)	12,447	+14,111
	Overseas Subsidiaries, etc.	246,124	263,376	+17,252	25,246	31,566	+6,320
	Total	470,940	492,717	+21,777	23,581	44,012	+20,431
Mineral Resources Business		66,545	67,508	+964	7,326	8,106	+780
Environmental Business		51,572	51,640	+68	4,791	5,432	+641
Construction Materials Business		56,073	53,974	(2,099)	3,935	2,912	(1,023)
Other		62,984	65,527	+2,543	2,261	4,296	+2,035
Total		708,113	731,366	+23,253	41,894	64,758	+22,863
Elimination		(47,939)	(49,493)	(1,554)	(32)	(555)	(523)
Consolidated Total		660,174	681,873	+21,699	41,862	64,203	+22,341

※ Operating profit impact due to change in depreciation method (declining-balance method → straight-line method)

Domestic Cement: 3,294 million yen, Mineral Resources: 644 million yen, Environment: 170 million yen, Construction Materials: 271 million yen, Other: 751 million yen

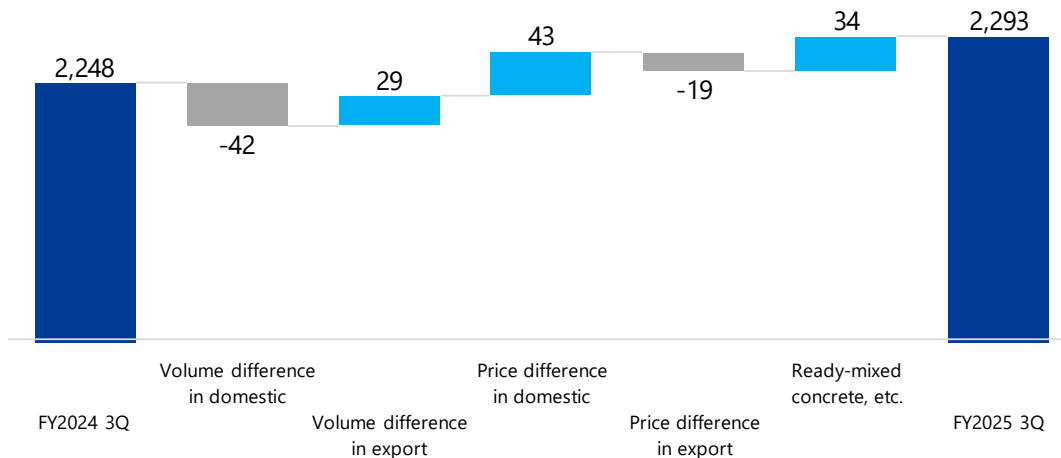
2. Financial Results for the Fiscal 2025 3Q

① Domestic Cement Business

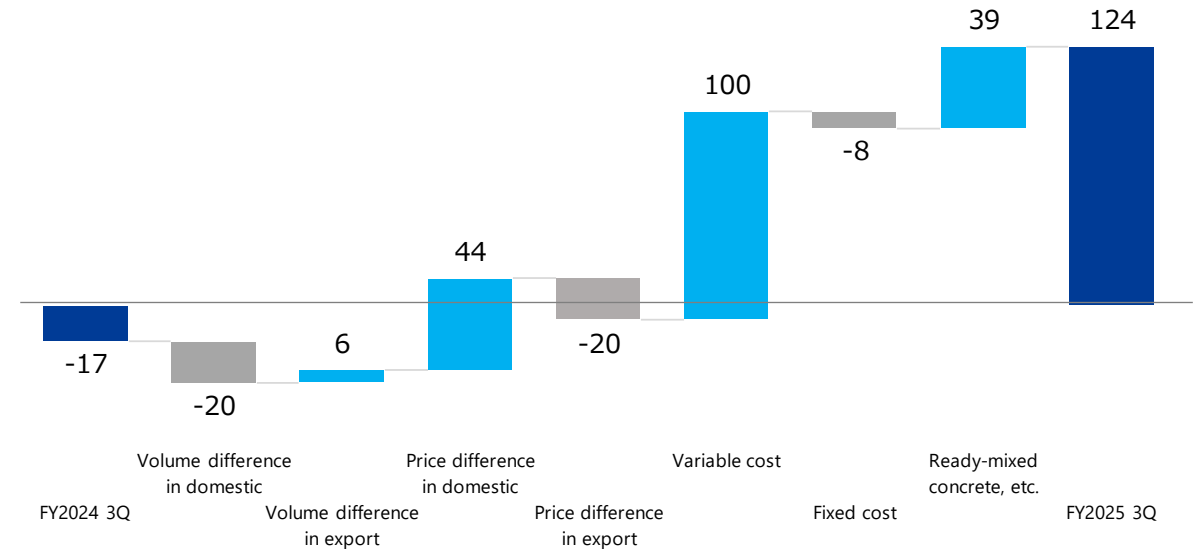
	FY2024 3Q	FY2025 3Q	Change
Sales volume (Thousand t)			
Domestic	10,001	9,516	(485)
Export	1,973	2,397	+424
Net sales (Million yen)	224,816	229,341	+4,525
Operating profit (Million yen)	(1,665)	12,447	+14,111

- Operating profit increased due to sales price hikes of cement and soil stabilizers, and cost improvement.
- Decrease in sales volume of cement due to decrease in domestic demand.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



2. Financial Results for the Fiscal 2025 3Q

②Overseas Subsidiaries, etc.

	FY2024 3Q	FY2025 3Q	Change
			in exchange
Net sales (Million yen)	246,124	263,376	+17,252 +21,516
Operating profit (Million yen)	25,246	31,566	+6,320 +2,787

- Sales and profit increased at Overseas Subsidiaries, etc.
- Profit increased in the U.S.A. despite the slowdown in demand.
- Continue efforts to improve profitability in Southeast Asia.

《U.S.A.》

	FY2024 3Q	FY2025 3Q	Change
Cement (Thousand t)	5,189	4,693	(496)
Ready-mixed concrete (Thousand cy)	4,555	4,286	(268)
Net sales (Hundred million yen)	2,080	2,278	+199
(Million \$)	1,504	1,504	(0)
Operating profit (Hundred million yen)	286	328	+42
(Million \$)	207	217	+10

- Cement demand was affected by bad weather conditions and the slowdown in the housing sector, etc. as interest rates remain high.
- Profit increased through efforts to raise prices and reduce costs, despite the decrease in cement sales volume due to the decline in demand.

2. Financial Results for the Fiscal 2025 3Q

③ Mineral Resources, Environmental, Construction Materials and Other Business

(Million yen)

		FY2024 3Q	FY2025 3Q	Change	Main Factors of Changes in Net Sales and Operating Profit(Net Change)
Mineral Resources Business	Net sales	66,545	67,508	+964	While sales volume of aggregate and limestone for cement decreased, various cost increases were passed on to sales prices.
	Operating profit	7,326	8,106	+780	
Environmental Business	Net sales	51,572	51,640	+68	Although sales of gypsum, fuel and waste plastic processing were sluggish, sales of processing of coal ash, calcium carbonate and biomass fuel remained strong.
	Operating profit	4,791	5,432	+641	
Construction Materials Business	Net sales	56,073	53,974	(2,099)	Sales of construction and civil engineering materials remained strong, but sales of ground improvement projects and ALC (Autoclaved Lightweight Concrete) remained weak.
	Operating profit	3,935	2,912	(1,023)	
Other	Net sales	62,984	65,527	+2,543	
	Operating profit	2,261	4,296	+2,035	

2. Financial Results for the Fiscal 2025 3Q

(2) Consolidated Statements of Income

(Million yen)

	FY2024 3Q	FY2025 3Q	Change
Net sales	660,174	681,873	+21,699
Operating profit	41,862	64,203	+22,341
Non-operating income and expenses	1,972	1,006	(966)
Ordinary profit	43,834	65,209	+21,375
Extraordinary income and losses	(1,086)	5,507	+6,592
Profit before income taxes	42,749	70,715	+27,967
Income taxes	13,761	17,008	+3,247
Profit attributable to non-controlling interests	191	1,311	+1,120
Profit attributable to owners of parent	28,797	52,396	+23,599

2. Financial Results for the Fiscal 2025 3Q

(3) Consolidated Balance Sheets

(Million yen)

		As of Mar. 31, 2024	As of Dec. 31, 2024	Change			As of Mar. 31, 2024	As of Dec. 31, 2024	Change	
Current assets	Cash and deposits	80,102	91,924	+11,822	Liabilities	Current liabilities	368,104	425,002	+56,899	
	Notes and accounts receivable - trade, and contract assets	206,584	214,578	+7,994		Non-current liabilities	373,763	331,163	(42,600)	
	Inventories	123,178	128,065	+4,887		Total liabilities	741,866	756,166	+14,299	
	Other	20,425	24,385	+3,959	Net assets	Shareholders' equity	Share capital	86,174	86,174	—
Total current assets	430,289	458,952	+28,662	Capital surplus			50,052	50,095	+44	
Non-current assets	Total property, plant and equipment	653,910	679,057	+25,146			Retained earnings	379,126	412,428	+33,302
	Total intangible assets	39,084	37,428	(1,656)			Treasury shares	(17,942)	(16,015)	+1,927
	Total investments and other assets	214,968	215,931	+963		Total shareholders' equity	497,409	532,682	+35,273	
Total non-current assets	907,962	932,416	+24,454	Accumulated other comprehensive income		65,802	68,629	+2,828		
Total assets	1,338,251	1,391,368	+53,117	Non-controlling interests		33,174	33,891	+717		
					Total net assets	596,385	635,202	+38,817		
					Total liabilities and net assets	1,338,251	1,391,368	+53,117		

	As of Dec. 31, 2023	As of Sep. 30, 2024	Change
Exchange rate at end of period (Yen/US\$)	141.8	142.7	+0.9

	As of Mar. 31, 2024	As of Dec. 31, 2024	Change
Interest-bearing debt (Million yen)	370,469	387,595	+17,125

3. Forecast for the Fiscal 2025

(Unchanged from published forecast on November 12, 2024)

3. Forecast for the Fiscal 2025 (Unchanged from published forecast on November 12, 2024)

《Precondition》

- The precondition for the FY 2025 revised forecast announced in November 2024 is as follows.

	FY2024 Actual	FY2025 Forecast	Change
Domestic cement demand (Ten thousand t)	3,458	3,300	(158)
Average procurement price of imported coal, etc. for domestic (C&F \$/t)	210	155	(55)
Average exchange rate (Yen/US\$)	140.7	150.0	+9.3

(Sensitivity: Impact on operating profit)100 million yen positive impact by 1 yen drop in foreign exchange

《Summary for the Fiscal 2025 Revised Forecast》

- Domestic cement demand was revised to 33 million tons.
- We revised forecast of Overseas Subsidiaries, etc.
- We revised downward in November to reflect cost review.

※In the forecast part, the comparison target has been changed to YoY, but the forecast figures and comments have not changed.

3. Forecast for the Fiscal 2025 (Unchanged from published forecast on November 12, 2024)

(1) Consolidated Statements of Income

(Hundred million yen)

	FY2024 Actual	FY2025 Forecast	Change
Net sales	8,863	9,150	+287
Operating profit	565	780	+215
Non-operating income and expenses	30	(20)	(50)
Ordinary profit	595	760	+165
Extraordinary income and losses	(14)	(5)	+9
Profit before income taxes	580	755	+175
Income taxes	144	180	+36
Profit attributable to non-controlling interests	4	15	+11
Profit attributable to owners of parent	433	560	+127

3. Forecast for the Fiscal 2025 (Unchanged from published forecast on November 12, 2024)

(2) Consolidated Segment Information

(Hundred million yen)

		Net sales			Operating profit		
		FY2024 Actual	FY2025 Forecast	Change	FY2024 Actual	FY2025 Forecast	Change
Cement Business	Domestic	2,952	3,040	+88	(14)	139	+153
	Overseas Subsidiaries, etc.	3,347	3,460	+113	342	385	+43
	Total	6,299	6,500	+201	328	524	+196
Mineral Resources Business		877	910	+33	85	95	+10
Environmental Business		683	690	+7	61	67	+6
Construction Materials Business		735	750	+15	42	38	(4)
Other		894	930	+36	47	61	+14
Total		9,487	9,780	+293	563	785	+222
Elimination		(624)	(630)	(6)	2	(5)	(7)
Consolidated Total		8,863	9,150	+287	565	780	+215

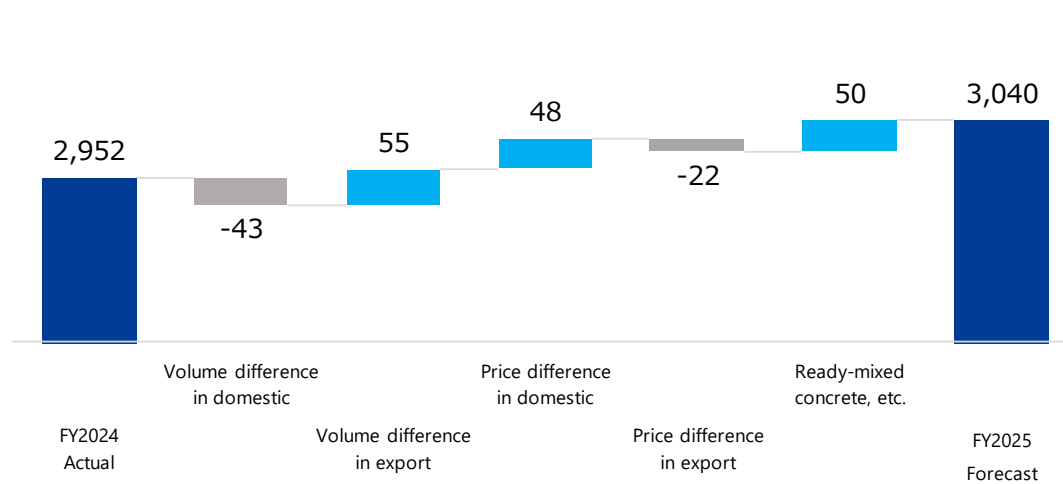
3. Forecast for the Fiscal 2025 (Unchanged from published forecast on November 12, 2024)

① Domestic Cement Business

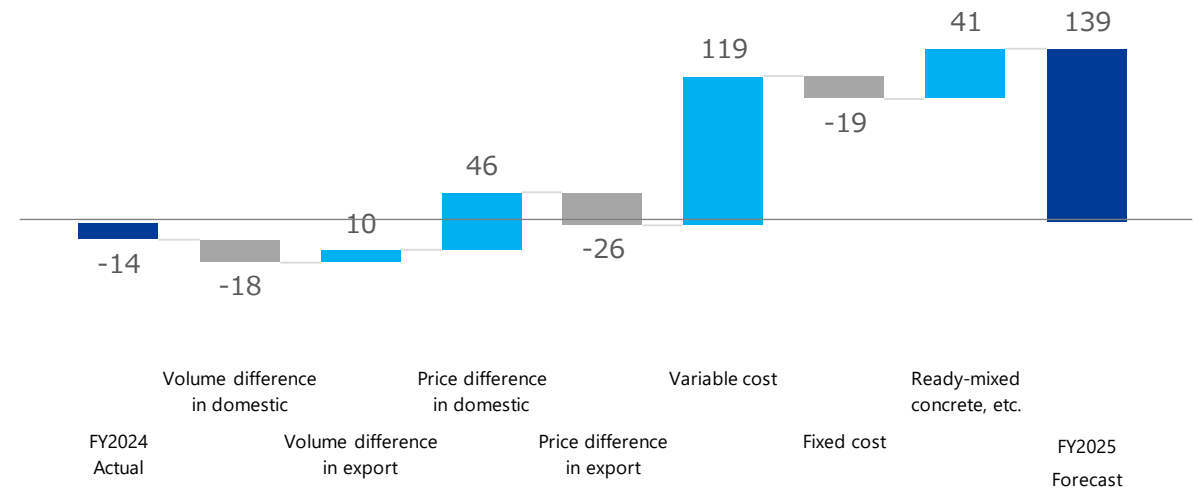
	FY2024 Actual	FY2025 Forecast	Change
Sales volume (Thousand t)			
Domestic	12,950	12,500	(450)
Export	2,552	3,300	+748
Net sales (Hundred million yen)	2,952	3,040	+88
Operating profit (Hundred million yen)	(14)	139	+153

- Decrease in sales volume of cement due to lower domestic demand.
- Although improvements in Ready-mixed concrete, etc., operating profit decrease because of higher variable costs than expected.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



3. Forecast for the Fiscal 2025 (Unchanged from published forecast on November 12, 2024)

②Overseas Subsidiaries, etc.

	FY2024 Actual	FY2025 Forecast	Change in exchange
Net sales (Hundred million yen)	3,347	3,460	+113
			+220
Operating profit (Hundred million yen)	342	385	+43
			+28

- We revised previous forecast in November due to demand slowdown in the U.S.A. and impact of delays in the operation of new Philippine production line, etc.

《U.S.A.》

	FY2024 Actual	FY2025 Forecast	Change	
Cement (Thousand t)	6,826	6,253	(573)	
Ready-mixed concrete (Thousand cy)	6,101	5,448	(653)	
Net sales	(Hundred million yen)	2,841	2,962	+121
	(Million \$)	2,020	1,960	(60)
Operating profit	(Hundred million yen)	390	411	+21
	(Million \$)	277	272	(5)

- Cement demand is expected to decrease year on year due to the slowdown mainly in the housing sector as interest rates remain high.
- Although efforts of price hikes and reducing costs, we revised forecast in November due to sales volume decrease.
- Following the policy interest rate cuts in September and November, demand is expected to recover in the second half of next year

4. Shareholder Returns

4. Shareholder Returns

- In fiscal 2025, we plan to increase by 10 yen to 80 yen/share (including interim dividends of 40 yen/share) .
- Acquisition of treasury shares from October 18 (maximum 15.0 billion yen).

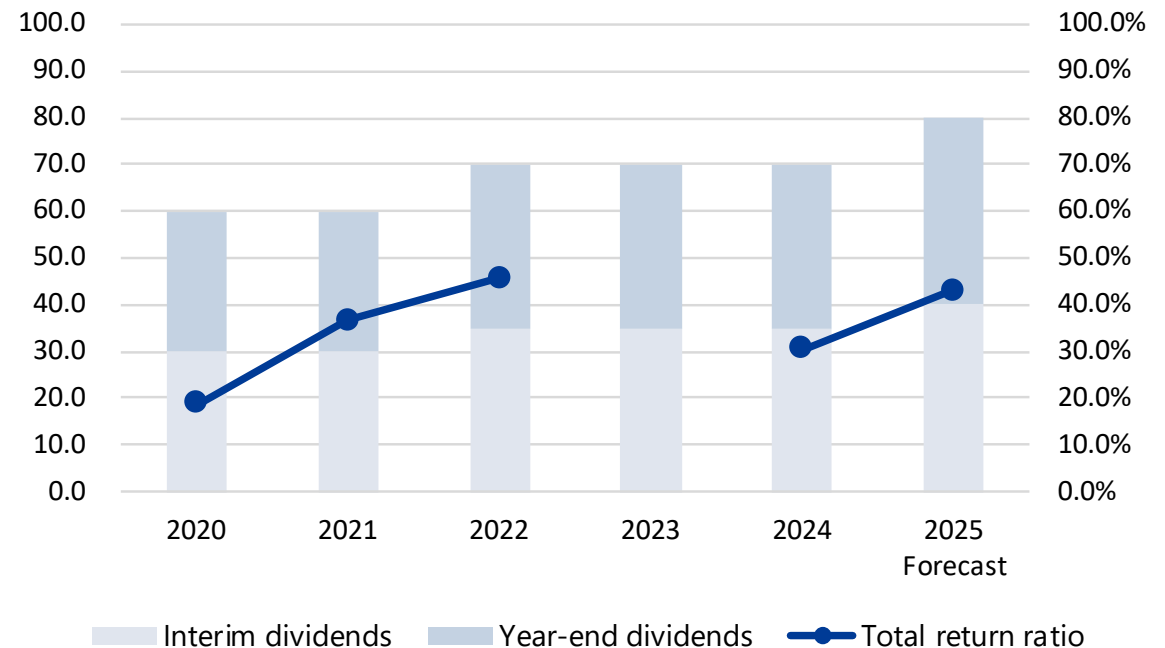
《Shareholder Return Policy》

Total return ratio: 33% or more

Maintaining steady dividends

:Dividend per share of 80 yen or more

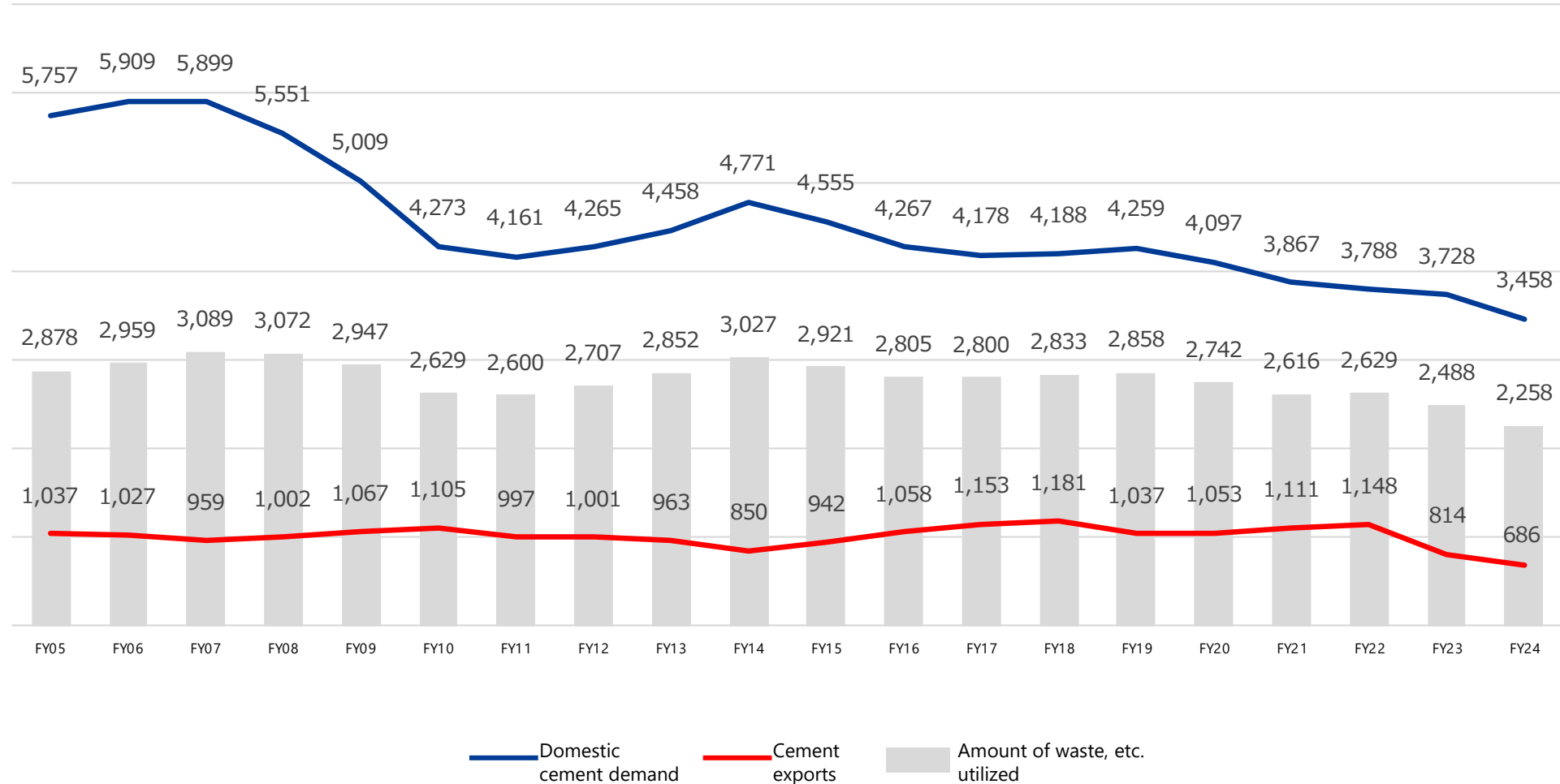
Agile acquisition of treasury shares



Appendix

《Appendix》 Domestic cement demand • Cement exports • Amount of waste, etc. utilized

Domestic cement demand • Cement exports • Amount of waste, etc. utilized (Ten thousand t)



Data created from statistical data of the Japan Cement Association

2. Financial Results for the Fiscal 2025 3Q Consolidated Statements of Cash Flows

This material has been prepared as reference information.

(Million yen)

	FY2024 3Q	FY2025 3Q	Change
Cash flows from operating activities*	90,933	86,129	(4,804)
Cash flows from investing activities	(51,152)	(64,384)	(13,232)
Free cash flows	39,781	21,745	(18,036)
Cash flows from financing activities	(27,088)	(11,282)	+15,805
*Depreciation and amortization included	49,026	46,320	(2,705)

Key Player in the Formation of a Circular Economy

The Taiheiyō Cement Group will continue to fulfill its role as a supplier of critical materials for national resilience and as a key player in the formation of a circular economy, while progressing with the steady transition to carbon neutrality.

Utilization of waste and by-products

- Coal ash
- Various industrial waste
- Construction soil
- Incineration residues
- Household water and sewage sludge etc.
- Blast furnace slag
- Municipal waste

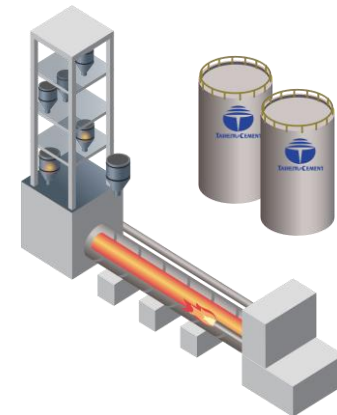
Key player in the formation of a circular economy

Uses in the development of social infrastructure and the living environment

- Roads
- Ports and harbors
- Bridges
- Schools
- Commercial buildings
- Levees
- Underground facilities and more
- Railways
- Tunnels
- Hospitals
- Dams
- Housing

Currently, the amount of waste and by-products used in the cement industry in Japan is equivalent to about 10% of the total amount of materials recycled in Japan.

Our group uses waste and by-products generated in local communities and other industries as raw materials and fuel to produce cement with a recycling rate of over 40%.



Supply critical materials for national resilience

Carbon Neutral Strategy: Road Map

Initiatives to achieve carbon neutrality in the entire supply chain by 2050

Reduce by at least 20% specific net CO₂ emissions per tonne (compared to 2000)

Carbon Neutral

2024

2026

2030

2050

Measures for carbon neutral

Development of innovative technologies

Existing technologies: CO₂ reduction

Existing technologies: CO₂ absorption

Immediate Approach

—Maximum utilization of existing technologies—

- Accelerate shift to blended cement
- Improve procurement systems for blended materials
- Promote alternatives to fossil fuels

Progressive Approach

—Deepening of existing technologies & lateral development of new technologies—

- New standardization of blended cement (expansion of use)
- Gas firing (methane, hydrogen, etc.)
- Low-CO₂ cement (CARBOFIX®)
- Development of new grinding aid
- CO₂ mineralization (CARBOCATCH®)

Innovative Approach

— World-leading technology development—

- CO₂ capture (C2SP Kiln®)
- CCU (methanation, etc.)
- CCS (purification and shipping technology)

CN model business

Cooperate with Zero Carbon Island Concept of Yakushima Town

Realize a "CN Model Plant" at DC CO., LTD.

Measures against intensifying disasters

Application of proprietary technologies and development of new technologies

e.g., ground improvement material, world's strongest concrete, etc.

External Evaluation

FTSE Blossom Japan Sector Relative Index



JCR

[Acquired A+ in 2024]



Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)



R&I

[Acquired A in 2024]



MSCI Japan ESG Select Leaders Index MSCI Nihonkabu ESG Select Leaders Index

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

Platinum “Kurumin” certification

[Acquired in August 2023]



Dow Jones Sustainability Asia Pacific Index

Health & Productivity Management Outstanding Organization

[Consecutive since 2023]



S&P/JPX Carbon Efficient Index



Human Capital Management Quality 2023

[Selected as the silver in February 2024]



CDP

[Selected as the “Supplier Engagement Leader”]
[Scored A for climate change, B for water]



DBJ Environmental Rating

[The Highest Rating for the eight consecutive year]



List of major News Releases

Oct.2,2024	Advancements in DACCUS technology: Calcium carbonate concrete moves closer to the practical application
Oct.17,2024	Notice regarding the decision of matters pertaining to share repurchase (share repurchase pursuant to the Articles of Incorporation based on Article 165, Paragraph 2 of the Companies Act)
Nov.8,2024	Support for Areas and Victims of the 2024 Noto Heavy Rain
Dec.24,2024	Notice Regarding Transfer of Equity Interest in Consolidated Subsidiary
Jan.6,2025	Acquisition of Aggregate and Ready-mixed Concrete Businesses by CalPortland Company, U.S.A.
Jan.6,2025	Taiheiyo Cement Selected for the Dow Jones Sustainability Asia Pacific Index
Jan.17,2025	Jointly Awarded for Excellence in the Technical Development Category in the 8th Infrastructure Maintenance Awards from the Ministry of Land, Infrastructure, Transport and Tourism of Japan

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Forecasts and other forward-looking statements in this document are based on information available to Taiheiyo Cement as of the date of the release of this document and on certain assumptions Taiheiyo Cement deems reasonable, and therefore are subject to risks and uncertainties.

As such, Taiheiyo Cement does not offer any promise or guarantee that forecasts included in this document will be realized in the future. Actual results may differ significantly due to a variety of factors.



TAIHEIYO CEMENT