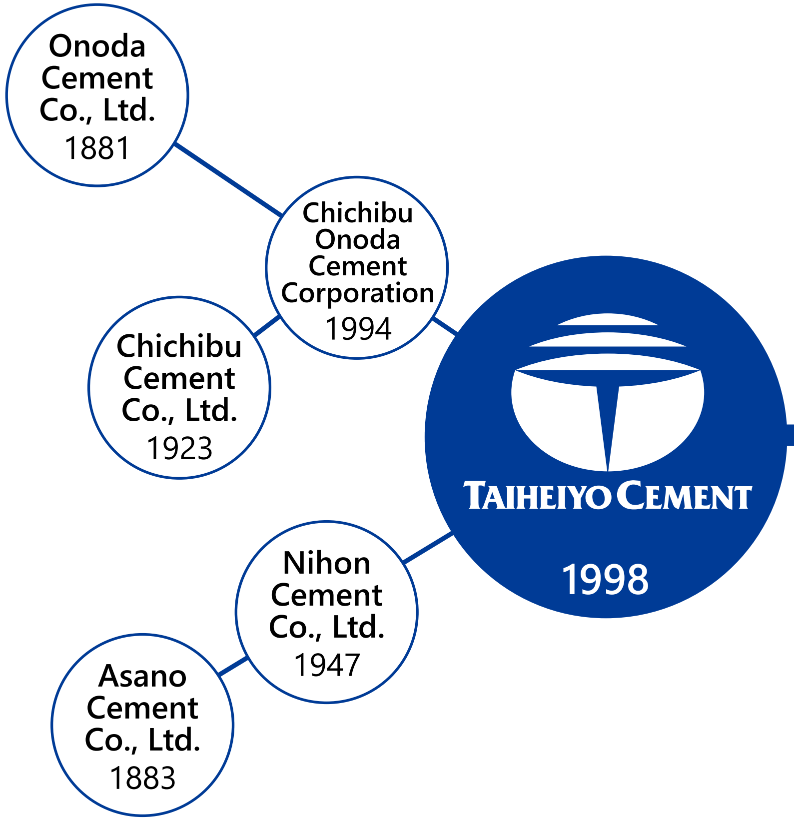
Reference Materials of Financial Results for the Fiscal Year Ended March 31, 2025

May 13, 2025

TAIHEIYO CEMENT CORPORATION

Corporate Information



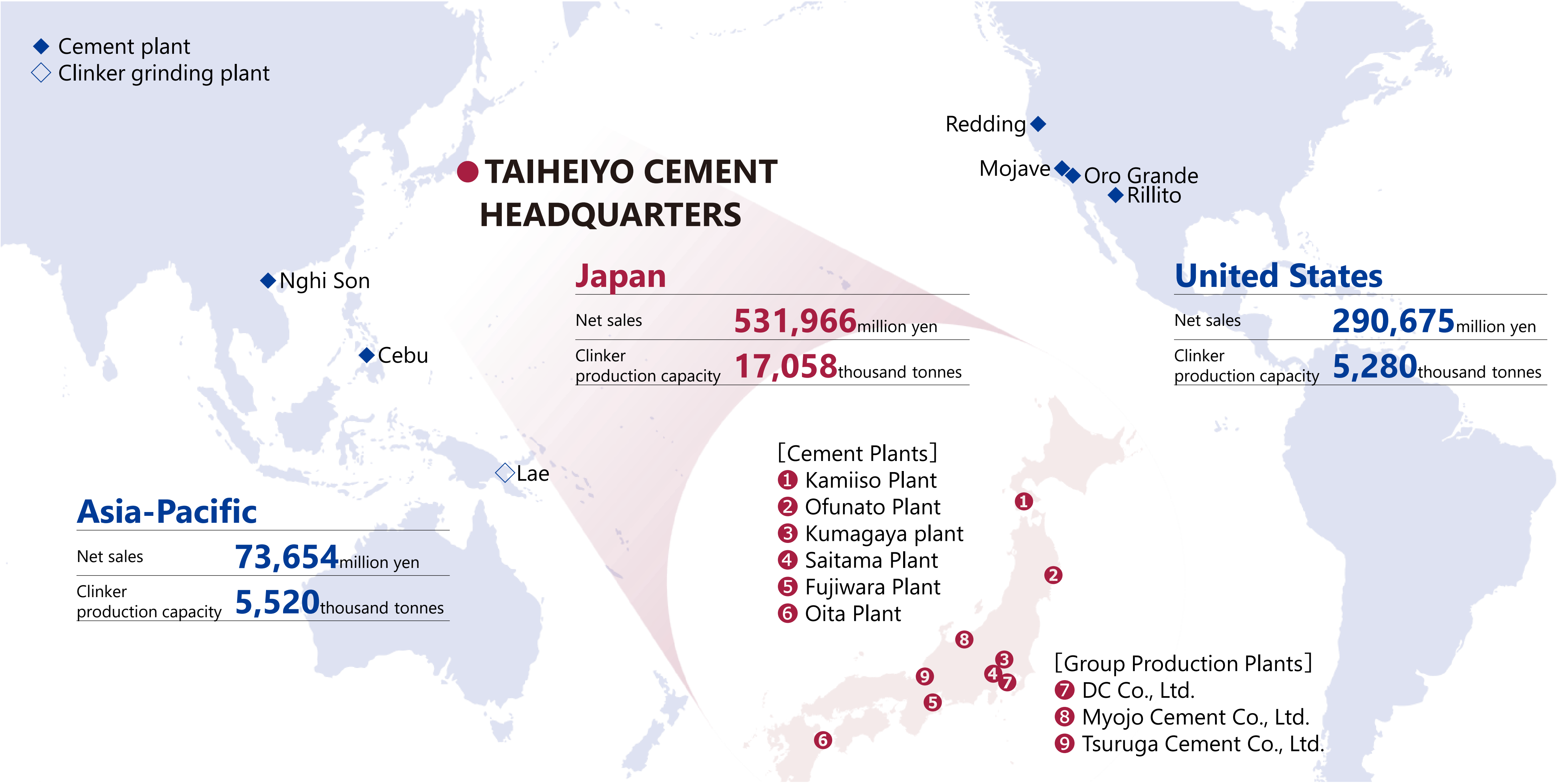
Mission of the Taiheiyo Cement Group

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: 12,586 Non-consolidated: 1,733 (not including seconded staff)
Subsidiaries	201 (including 129 consolidated subsidiaries and 5 equity-method non-consolidated subsidiaries)
Affiliates	105 (including 36 equity-method affiliates)

(as of March 31, 2025)

Market Area



Japan

Net sales	531,966 million yen
Clinker production capacity	17,058 thousand tonnes

[Cement Plants]
1. Kamiiso Plant
2. Ofunato Plant
3. Kumagaya plant
4. Saitama Plant
5. Fujiwara Plant
6. Oita Plant

[Group Production Plants]
7. DC Co., Ltd.
8. Myojo Cement Co., Ltd.
9. Tsuruga Cement Co., Ltd.

United States

Net sales	290,675 million yen
Clinker production capacity	5,280 thousand tonnes

Asia-Pacific

Net sales	73,654 million yen
Clinker production capacity	5,520 thousand tonnes

(as of March 31, 2025)

Contents

1. Highlights of Consolidated Financial Results

1. Highlights of Consolidated Financial Results

《Summary of Financial Results》

- In domestic cement, operating profit increased due to effect of price hikes and cost improvement.
- Sales and profit increased at Overseas subsidiaries, etc.
- Company-wide sales and profit increased year on year.
- The dividend is scheduled 80 yen/share as planned.

(Million yen)

	FY2024	FY2025	Change
Net sales	886,276	**896,295**	+10,019
Operating profit	56,470	**77,750**	+21,280
Ordinary profit	59,473	**75,374**	+15,901
Profit attributable to owners of parent	43,273	**57,428**	+14,156
Dividend per share (Yen)	70	**80**	+10

※ Operating profit impact due to change in depreciation method (declining-balance method → straight-line method):7,464 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	FY2025	Change
Operating profit to net sales ratio (%)	6.4	**8.7**	+2.3
Basic earnings per share (Yen)	371.1	**502.5**	+131.4
Net assets per share (Yen)	4,872.9	**5,758.9**	+885.9
Return on equity (ROE)(%)	8.2	**9.5**	+1.4
Return on invested capital(ROIC)(%)	5.0	**5.4**	+0.5
Capital adequacy ratio (%)	42.1	**45.1**	+3.0
Net debt/equity ratio (Times)	0.52	**0.49**	(0.03)

《Environmental Factors》

	FY2024	FY2025	Change
Average exchange rate (Yen/US$)	140.7	**151.7**	+11.0
Average procurement price of imported coal, etc. for domestic (C&F $/t)	210	**150**	(60)

2. Financial Results for the Fiscal 2025

2. Financial Results for the Fiscal 2025

(1) Consolidated Segment Information

(Million yen)

		Net sales			Operating profit		
		FY2024	FY2025	Change	FY2024	FY2025	Change
Cement Business	Domestic	295,170	**298,550**	+3,381	(1,409)	**14,854**	+16,262
	Overseas Subsidiaries, etc.	334,701	**344,796**	+10,096	34,192	**38,370**	+4,178
	Total	629,870	**643,347**	+13,476	32,783	**53,223**	+20,440
Mineral Resources Business		87,675	**88,246**	+572	8,455	**9,616**	+1,160
Environmental Business		68,254	**68,185**	(69)	6,138	**6,909**	+771
Construction Materials Business		73,457	**71,660**	(1,797)	4,209	**3,572**	(637)
Other		89,398	**91,348**	+1,950	4,691	**6,032**	+1,341
Total		948,654	**962,786**	+14,132	56,277	**79,352**	+23,075
Elimination		(62,378)	**(66,491)**	(4,113)	193	**(1,602)**	(1,795)
Consolidated Total		886,276	**896,295**	+10,019	56,470	**77,750**	+21,280

※ Operating profit impact due to change in depreciation method (declining-balance method → straight-line method)
Domestic Cement: 4,863 million yen, Mineral Resources: 991 million yen, Environment: 241 million yen, Construction Materials: 408 million yen, Other: 1,047 million yen

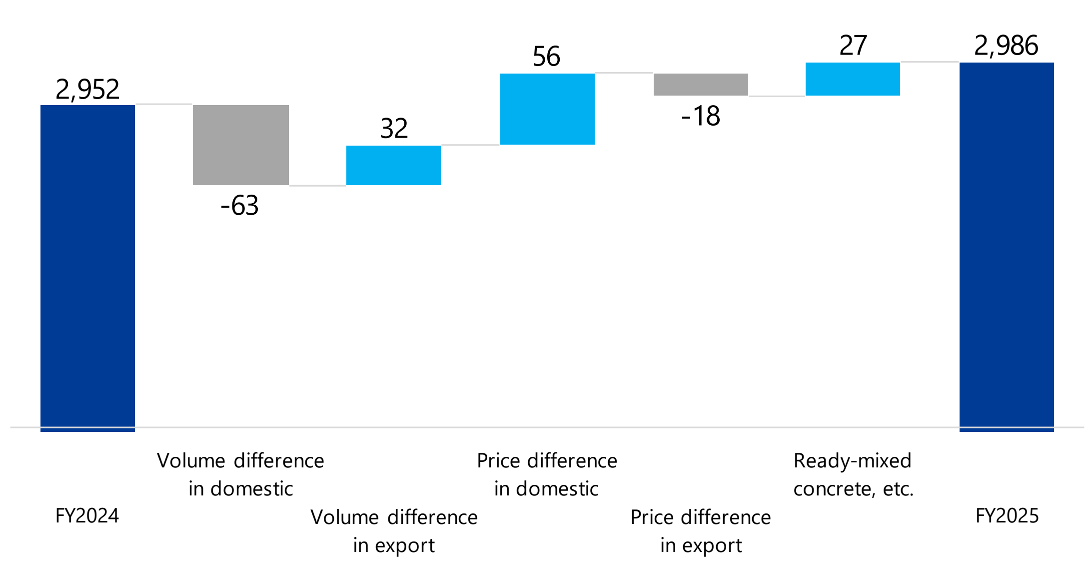
2. Financial Results for the Fiscal 2025

①Domestic Cement Business

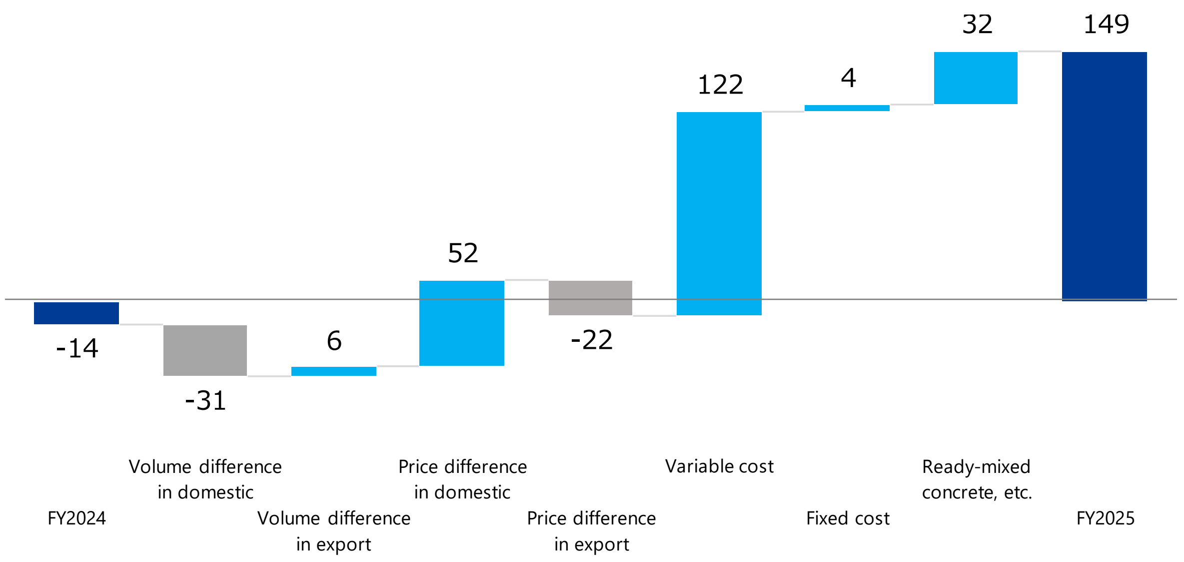
	FY2024	FY2025	Change
Sales volume (Thousand t)			
Domestic	12,950	**12,329**	(622)
Export	2,552	**3,025**	+473
Net sales (Million yen)	295,170	**298,550**	+3,381
Operating profit (Million yen)	(1,409)	**14,854**	+16,262

- Operating profit increased due to higher selling prices and cost improvements for cement and soil stabilizers.
- Decrease in sales volume of cement due to decline in domestic demand.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



2. Financial Results for the Fiscal 2025

②Overseas Subsidiaries, etc.

	FY2024	FY2025	Change in exchange
Net sales (Million yen)	334,701	**344,796**	+10,096 +23,127
Operating profit (Million yen)	34,192	**38,370**	+4,178 +2,869

- Sales and profit increased at Overseas subsidiaries, etc.
- Same as in the previous fiscal year in the U.S.A. due to the slowdown in demand.
- Continue efforts to improve profitability in Southeast Asia.

《U.S.A.》

	FY2024	FY2025	Change
Cement (Thousand t)	6,826	**6,123**	(703)
Ready-mixed concrete (Thousand cy)	6,101	**5,479**	(622)
Net sales (Hundred million yen)	2,841	**2,976**	+135
Net sales (Million $)	2,020	1,962	(58)
Operating profit (Hundred million yen)	390	**410**	+20
Operating profit (Million $)	277	270	(7)

- Cement demand was affected by bad weather conditions and the slowdown in the private-sector, etc. as interest rates remain high.

- Secured approximately the same level of profit as the previous year by sales price hikes and cost reduction despite the decrease in sales volume due to the decline in demand.

2. Financial Results for the Fiscal 2025

③Mineral Resources, Environmental, Construction Materials and Other Business

(Million yen)

		FY2024	FY2025	Change	Main Factors of Changes in Net Sales and Operating Profit(Net Change)
Mineral Resources Business	Net sales	87,675	**88,246**	+572	While sales volume of aggregate and limestone for cement decreased, various cost increases were passed on to sales prices.
	Operating profit	8,455	**9,616**	+1,160	
Environmental Business	Net sales	68,254	**68,185**	(69)	Although sales of fuel and waste plastic processing were sluggish, sales of processing of coal ash, calcium carbonate and biomass fuel remained strong.
	Operating profit	6,138	**6,909**	+771	
Construction Materials Business	Net sales	73,457	**71,660**	(1,797)	Sales of construction and civil engineering materials, Shield tunnels construction related business remained strong, but sales of ground improvement projects and ALC (Autoclaved Lightweight Concrete) remained weak.
	Operating profit	4,209	**3,572**	(637)	
Other	Net sales	89,398	**91,348**	+1,950	
	Operating profit	4,691	**6,032**	+1,341	

2. Financial Results for the Fiscal 2025

(2)Consolidated Statements of Income

(Million yen)

	FY2024	FY2025	Change
Net sales	886,276	**896,295**	+10,019
Operating profit	56,470	**77,750**	+21,280
Non-operating income and expenses	3,003	**(2,376)**	(5,379)
Ordinary profit	59,473	**75,374**	+15,901
Extraordinary income and losses	(1,438)	**(753)**	+686
Profit before income taxes	58,034	**74,621**	+16,586
Income taxes	14,359	**15,809**	+1,450
Profit attributable to non-controlling interests	403	**1,384**	+981
Profit attributable to owners of parent	43,273	**57,428**	+14,156

2. Financial Results for the Fiscal 2025

(3)Consolidated Balance Sheets

(Million yen)

		End of Mar. 2024	End of Mar. 2025	Change
Current assets	Cash and deposits	80,102	**74,987**	(5,115)
Current assets	Notes and accounts receivable - trade, and contract assets	206,584	**180,544**	(26,041)
Current assets	Inventories	123,178	**127,846**	+4,668
Current assets	Other	20,425	**22,354**	+1,929
Total current assets		430,289	**405,731**	(24,559)
Non-current assets	Total property, plant and equipment	653,910	**738,702**	+84,792
Non-current assets	Total intangible assets	39,084	**47,015**	+7,931
Non-current assets	Total investments and other assets	214,968	**232,248**	+17,280
Total non-current assets		907,962	**1,017,965**	+110,003
Total assets		1,338,251	**1,423,695**	+85,444

			End of Mar. 2024	End of Mar. 2025	Change
Liabilities	Current liabilities		368,104	**388,354**	+20,250
Liabilities	Non-current liabilities		373,763	**359,217**	(14,546)
Total liabilities			741,866	**747,571**	+5,705
Net assets	Shareholders' equity	Share capital	86,174	**86,174**	―
Net assets	Shareholders' equity	Capital surplus	50,052	**50,288**	+236
Net assets	Shareholders' equity	Retained earnings	379,126	**417,460**	+38,334
Net assets	Shareholders' equity	Treasury shares	(17,942)	**(22,131)**	(4,189)
Net assets	**Total shareholders' equity**		497,409	**531,791**	+34,382
Net assets	Accumulated other comprehensive income		65,802	**109,879**	+44,077
Net assets	Non-controlling interests		33,174	**34,455**	+1,281
Total net assets			596,385	**676,124**	+79,739
Total liabilities and net assets			1,338,251	**1,423,695**	+85,444

	End of Dec. 2023	End of Dec. 2024	Change
Exchange rate at end of period (Yen/US$)	141.8	**158.2**	+16.4

	End of Mar. 2024	End of Mar. 2025	Change
Interest-bearing debt (Million yen)	370,469	**389,688**	+19,219

(4)Consolidated Statements of Cash Flows

(Million yen)

	FY2024	FY2025	Change
Cash flows from operating activities*	140,543	**117,874**	(22,669)
Cash flows from investing activities	(82,139)	**(106,528)**	(24,390)
Free cash flows	58,404	**11,346**	(47,059)
Cash flows from financing activities	(59,477)	**(20,611)**	+38,866
*Depreciation and amortization included	66,346	**60,917**	(5,429)

3. Forecast for the Fiscal 2026

3. Forecast for the Fiscal 2026

《Precondition》

- The precondition for the FY 2026 is as follows.

	FY2025 Actual	FY2026 Forecast	Change
Domestic cement demand (Ten thousand t)	3,266	**3,100**	(166)
Average procurement price of imported coal, etc. for domestic (C&F $/t）	150	**140**	(10)
Average exchange rate (Yen/US$)	151.7	**145.0**	(6.7)

(Sensitivity: Impact on operating profit) 80 million yen positive impact by 1 yen drop in foreign exchange

《Summary for the Fiscal 2026 Forecast》

- Expect a year-on-year increase in sales and profit.
- In the domestic cement business, expect an increase in sales and profit because of efforts to raise sales prices amid declining domestic demand.
- Uncertainty in the U.S. business is expected to cause a decrease in profit of overseas subsidiaries, etc.
- Segment has been partially revised due to a change in the control of subsidiaries.

3. Forecast for the Fiscal 2026

(1) Consolidated Statements of Income

(Hundred million yen)

	FY2025 Actual	FY2026 Forecast	Change
Net sales	8,963	**9,500**	+537
Operating profit	777	**850**	+73
Non-operating income and expenses	(24)	**(20)**	+4
Ordinary profit	754	**830**	+76
Extraordinary income and losses	(8)	**(75)**	(67)
Profit before income taxes	746	**755**	+9
Income taxes	158	**145**	(13)
Profit attributable to non-controlling interests	14	**10**	(4)
Profit attributable to owners of parent	574	**600**	+26

3. Forecast for the Fiscal 2026

(2) Consolidated Segment Information

(Hundred million yen)

		Net sales			Operating profit		
		FY2025 Actual	FY2026 Forecast	Change	FY2025 Actual	FY2026 Forecast	Change
Cement Business	Domestic	3,234	**3,520**	+286	161	**260**	+99
	Overseas Subsidiaries, etc.	3,448	**3,520**	+72	384	**335**	(49)
	Total	6,682	**7,040**	+358	544	**595**	+51
Mineral Resources Business		882	**960**	+78	96	**99**	+3
Environmental Business		809	**850**	+41	90	**97**	+7
Construction Materials Business		443	**480**	+37	24	**28**	+4
Other		786	**810**	+24	39	**31**	(8)
Total		9,602	**10,140**	+538	793	**850**	+57
Elimination		(639)	**(640)**	(1)	(16)	**0**	+16
Consolidated Total		8,963	**9,500**	+537	777	**850**	+73

*Figures for fiscal 2025 have been replaced with the revised figures due to a change in the control of subsidiaries.
The impact of changes in the forecast for FY2026 is as follows.
Domestic Cement: Net sales+320,OP+28, Environment:+146,OP+26, Construction Materials: Net sales(362),OP(28),
Other: Net sales(148),OP(26), Elimination: Net sales+44,OP No effect (Unit: hundred million yen)

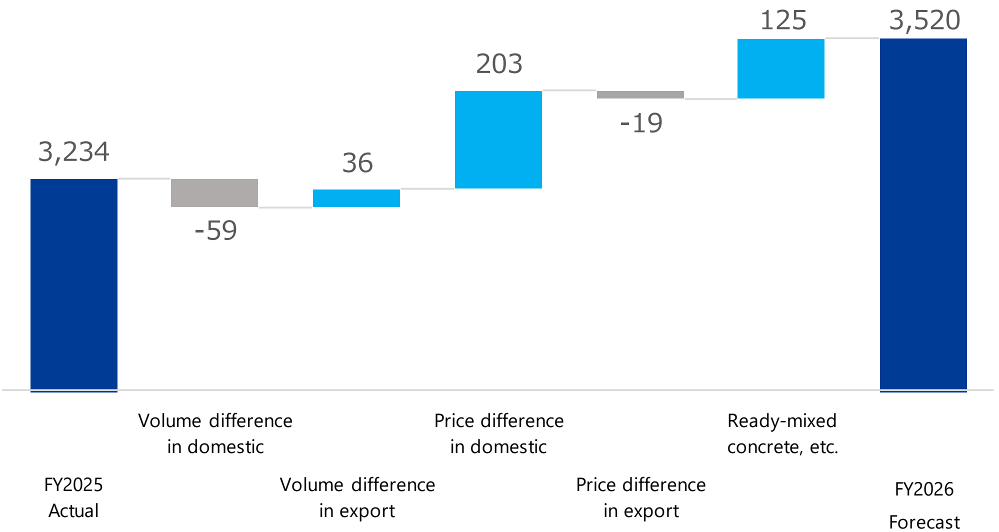
3. Forecast for the Fiscal 2026

①Domestic Cement Business

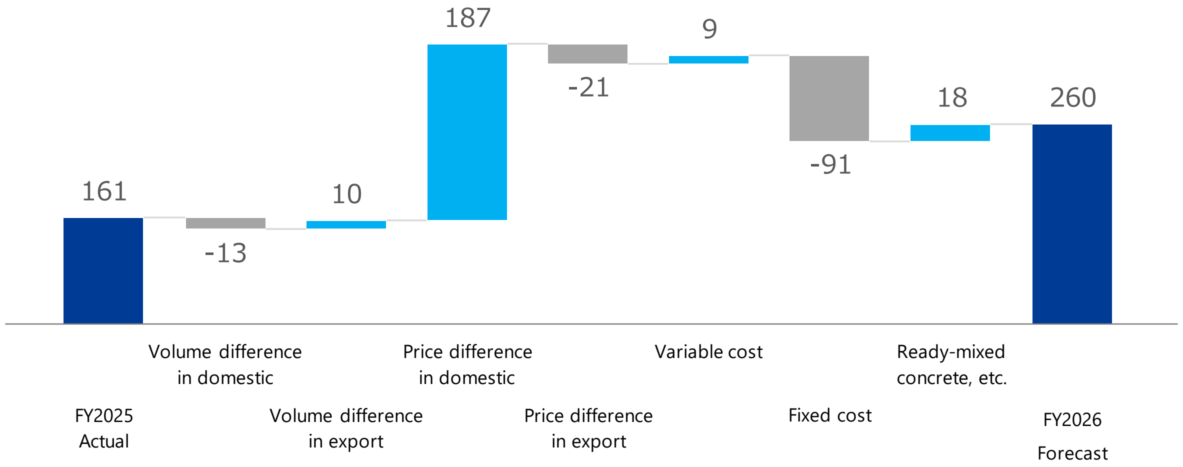
	FY2025 Actual	FY2026 Forecast	Change
Sales volume (Thousand t)			
Domestic	12,329	**11,700**	(629)
Export	3,025	**3,600**	+575
Net sales (Hundred million yen)	3,234	**3,520**	+286
Operating profit (Hundred million yen)	161	**260**	+99

- Increase in operating profit because of price hike despite rising fixed costs.
- Decrease in sales volume of cement due to a decline in domestic demand.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



3. Forecast for the Fiscal 2026

②Overseas Subsidiaries, etc.

	FY2025 Actual	FY2026 Forecast	Change	in exchange
Net sales (Hundred million yen)	3,448	**3,520**	+72	(176)
Operating profit (Hundred million yen)	384	**335**	(49)	(16)

- Decrease in profit at overseas subsidiaries , etc.
- In the U.S., profit is expected to decrease, but recovery is expected from the second half of the year.
- Continue efforts to improve profitability in Southeast Asia.

《U.S.A.》

		FY2025 Actual	FY2026 Forecast	Change
Cement (Thousand t)		6,123	**6,262**	+139
Ready-mixed concrete (Thousand cy)		5,479	**5,656**	+177
Net sales	(Hundred million yen)	2,976	**2,920**	(55)
	(Million $)	1,962	2,014	+52
Operating profit	(Hundred million yen)	410	**349**	(60)
	(Million $)	270	241	(29)

- In cement and ready-mixed concrete, sales volume is expected to increase year-on-year despite a slight decrease in domestic demand due to the synergy effect of the aggregate and ready-mixed concrete business acquired at the end of last year.
- Sales volume is higher than the previous year and sales price increases are continuing, but we expect a decline in profit due to risk factors such as the impact of tariffs imposed by the Trump administration.

4. Shareholder Returns

4. Shareholder Returns

- In fiscal 2025, we schedule to increase by 10 yen to 80 yen/share (including interim dividends of 40 yen/share).
- In fiscal 2026, we plan to increase by 20 yen to 100 yen/share (including interim dividends of 50 yen/share).

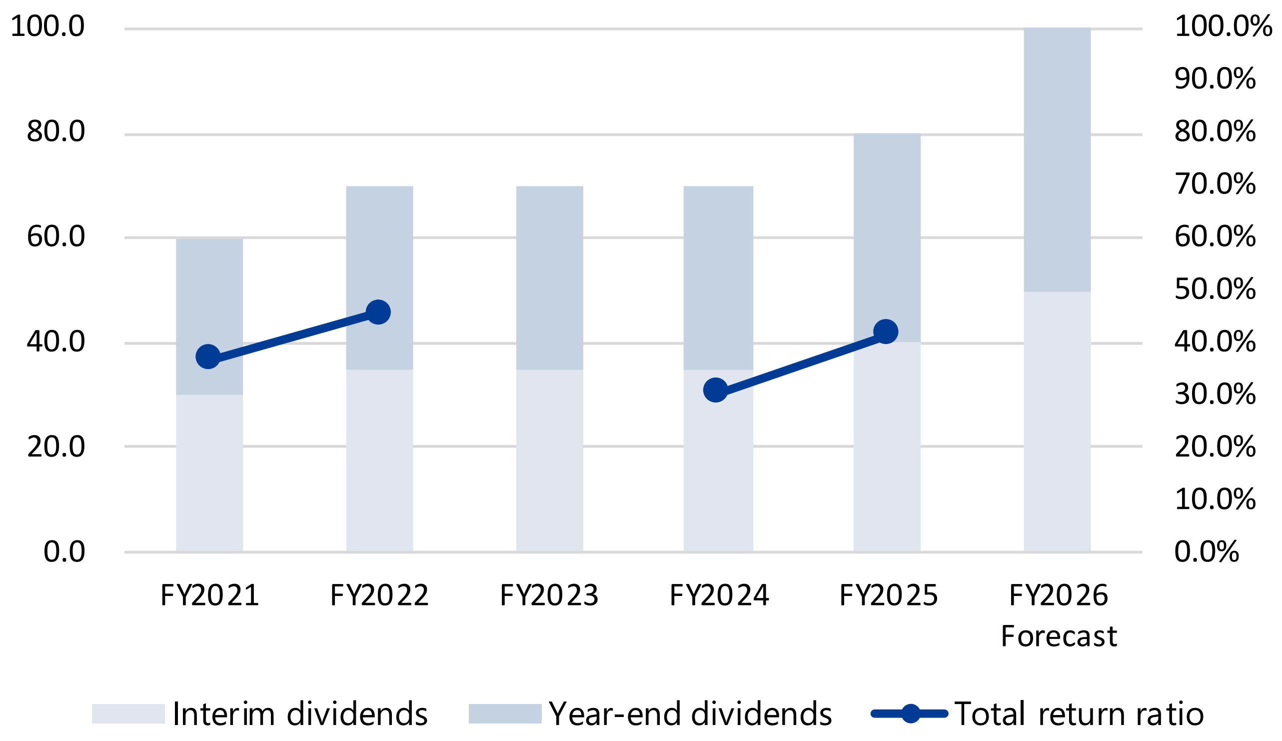
《Shareholder Return Policy in 26 Medium-Term Management Plan》

Total return ratio: 33% or more

Maintaining steady dividends

:Dividend per share of 80 yen or more

Agile acquisition of treasury shares

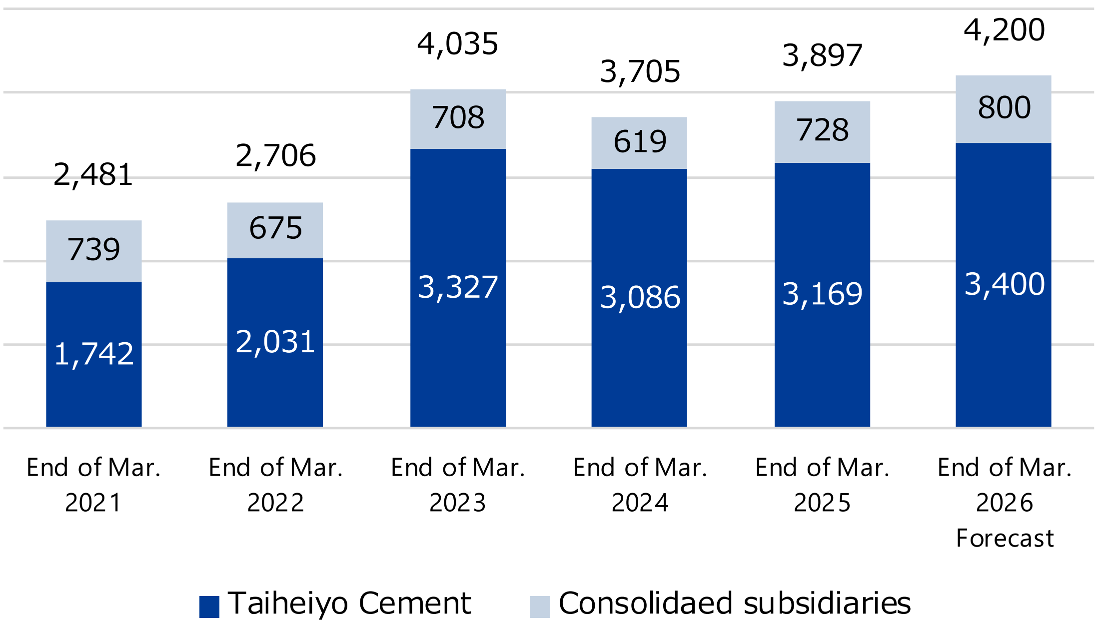


Appendix

Transition Data

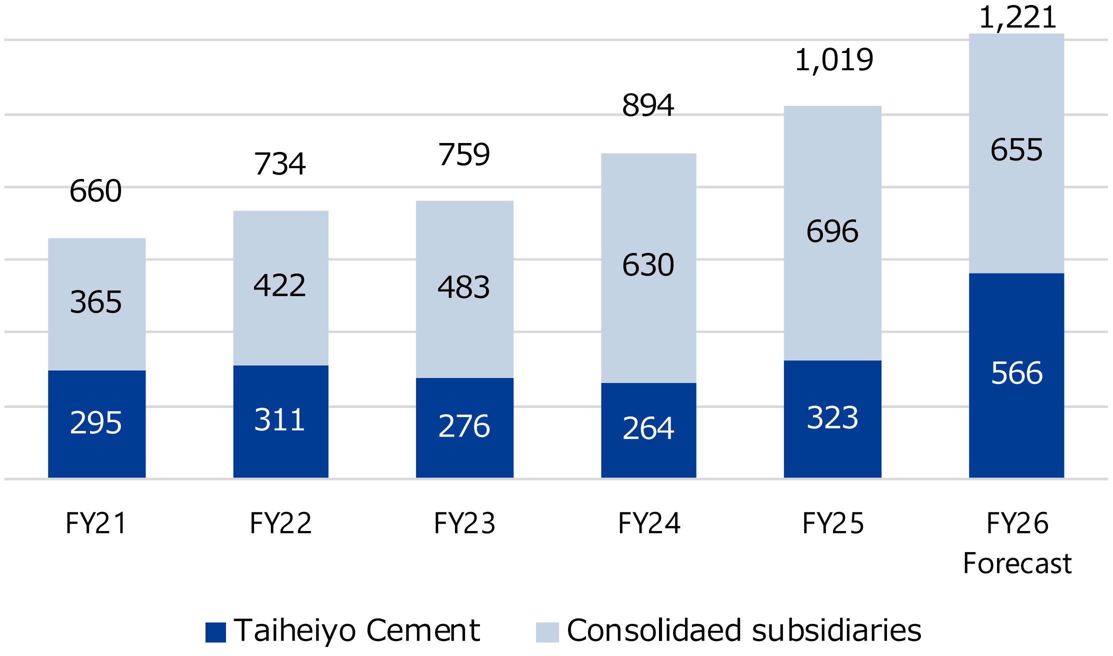
(1) Interest-bearing Debt

(Hundred million yen)



(2) Capital Investment

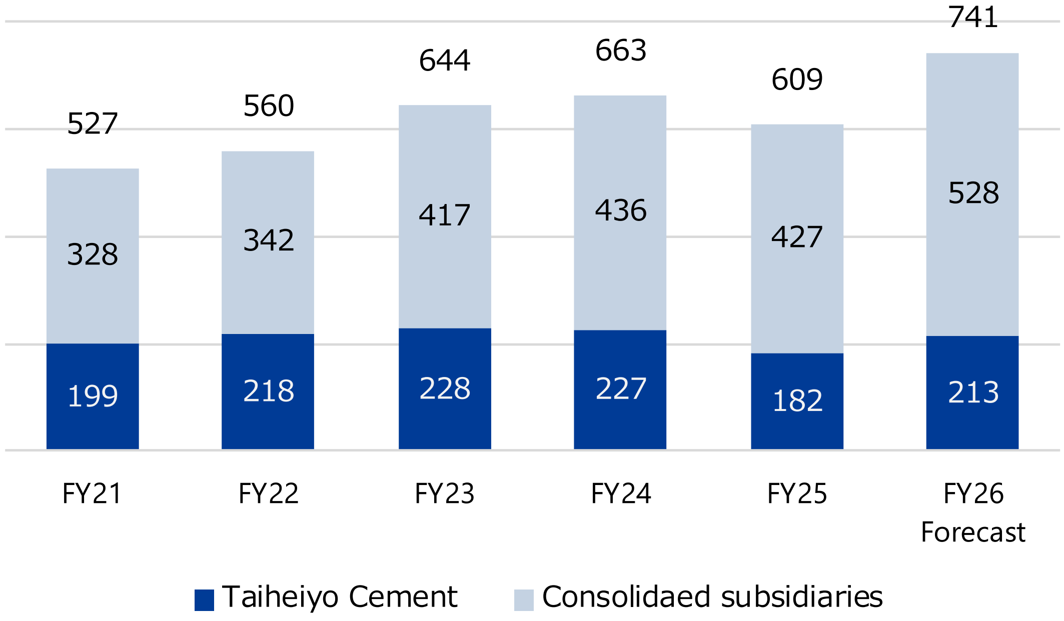
(Hundred million yen)



Transition Data

(3) Depreciation Expenses

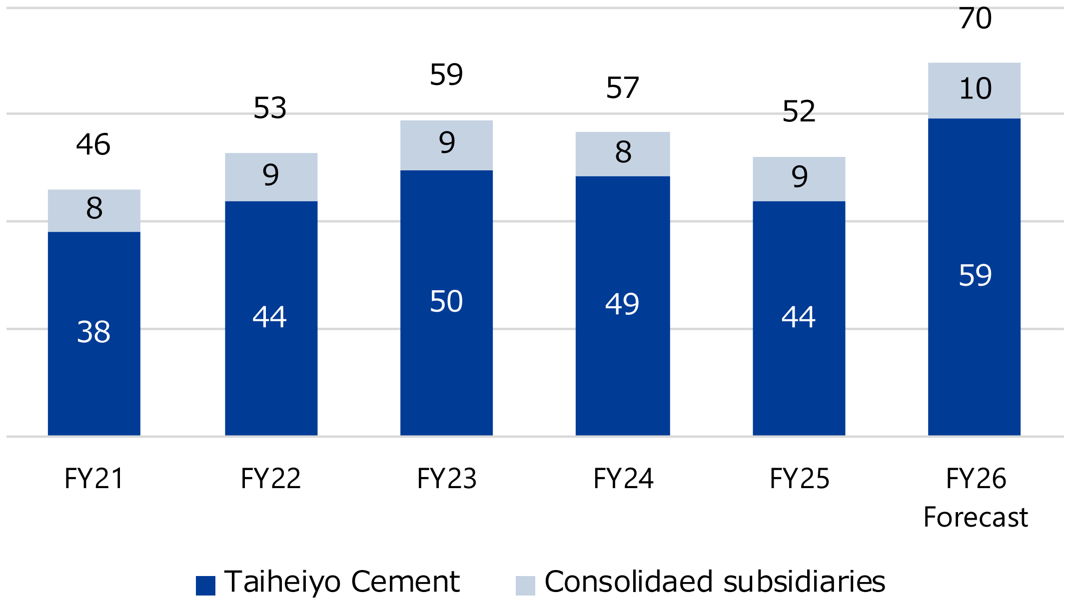
(Hundred million yen)



※ Change in depreciation method from FY 2025
(declining-balance method to straight-line method)

(4) Research and Development Expenses

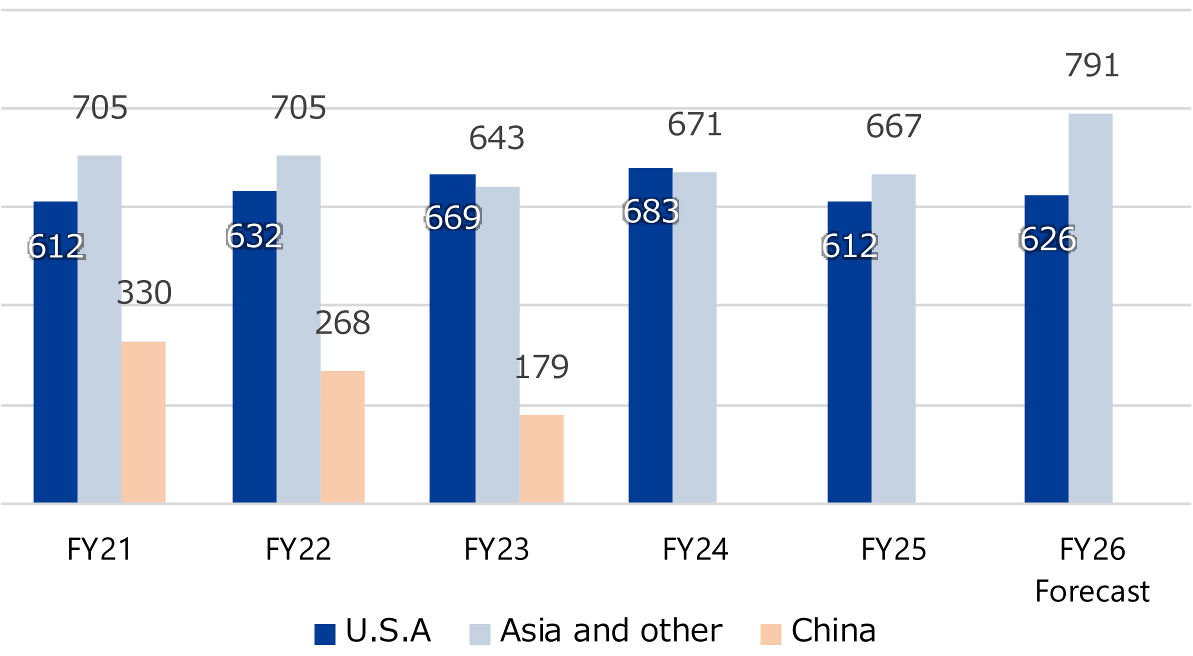
(Hundred million yen)



Transition Data

(5)Sales Volume of Cement in Overseas Subsidiaries (Simple sum of consolidated subsidiaries)

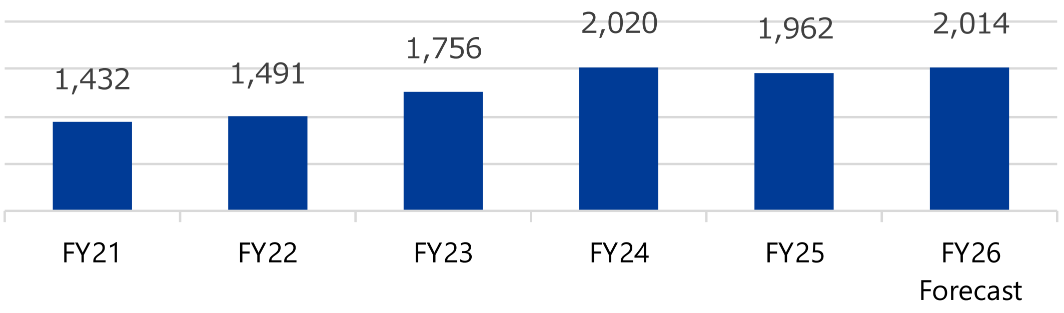
(Ten thousand t)



(6)Overview of Business in the U.S.A.

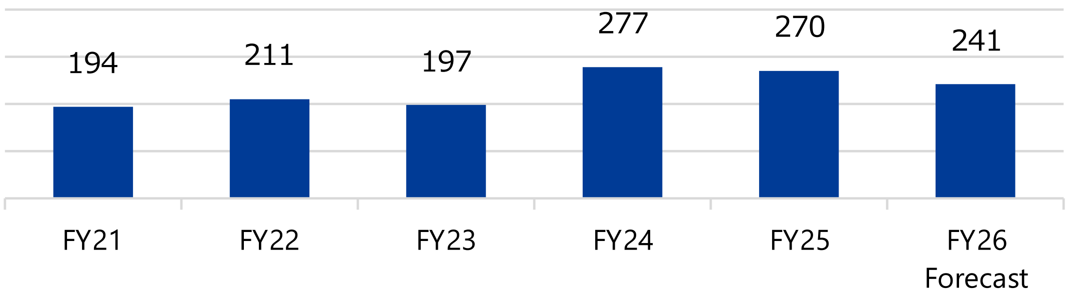
Net sales

(Million US$)



Operating Profit

(Million US$)



Forecast for the First Half of Fiscal 2026

(1)Consolidated Statements of Income

(Hundred million yen)

	FY2025 2Q Actual	FY2026 2Q Forecast	Change
Net sales	4,437	**4,550**	+113
Operating profit	364	**290**	(74)
Ordinary profit	354	**280**	(74)
Profit attributable to owners of parent	302	**215**	(87)

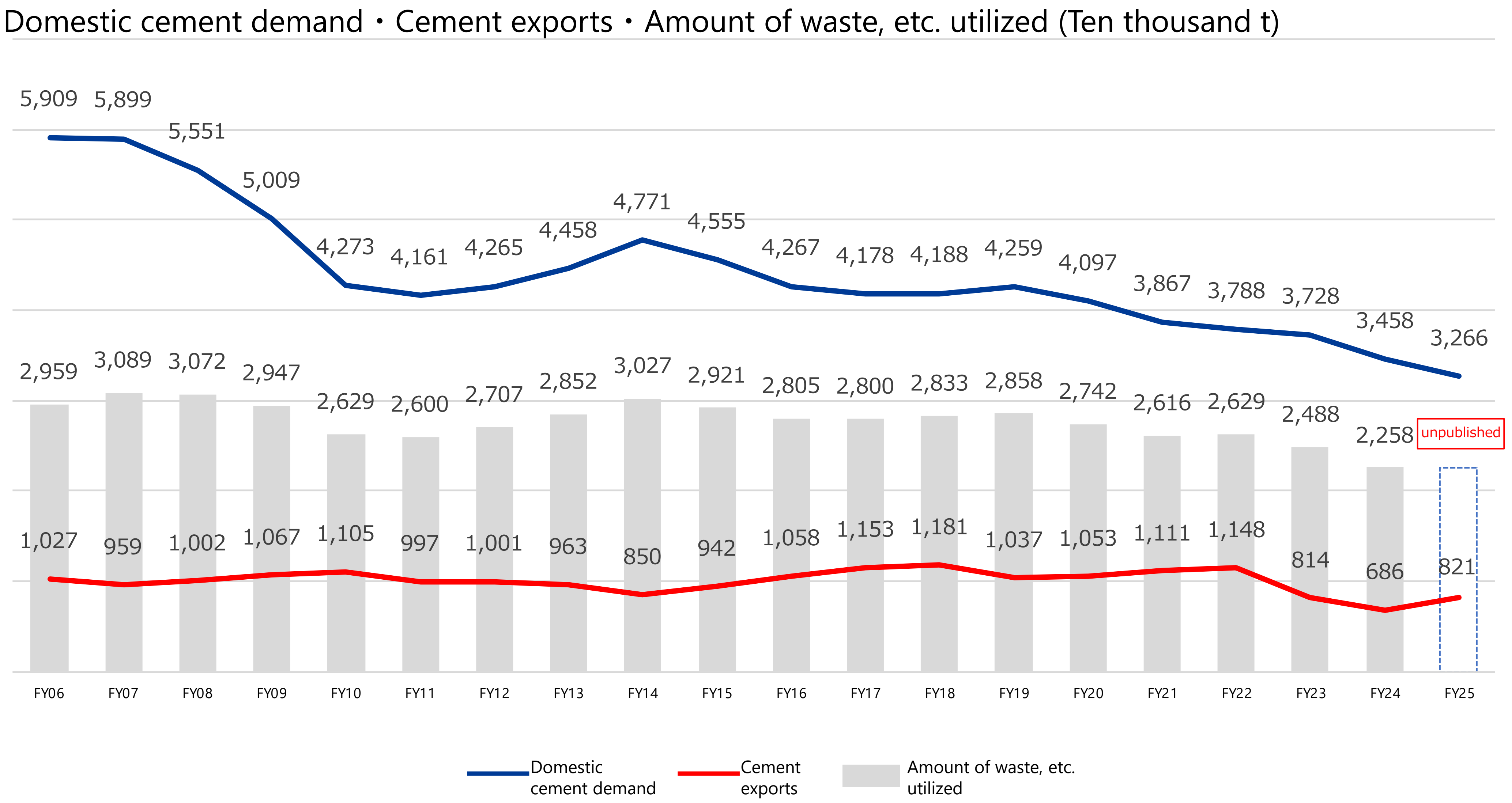
Forecast for the First Half of Fiscal 2025

(2) Consolidated Segment Information

(Hundred million yen)

		Net sales			Operating profit		
		FY2025 2Q Actual	FY2026 2Q Forcast	Change	FY2025 2Q Actual	FY2026 2Q Forcast	Change
Cement Business	Domestic	1,593	**1,670**	+77	52	**70**	+18
	Overseas Subsidiaries, etc.	1,751	**1,700**	(51)	211	**120**	(91)
	Total	3,344	**3,370**	+26	263	**190**	(73)
Mineral Resources Business		439	**480**	+41	48	**44**	(4)
Environmental Business		384	**410**	+26	38	**46**	+8
Construction Materials Business		213	**230**	+17	10	**10**	+0
Other		346	**370**	+24	9	**0**	(9)
Total		4,727	**4,860**	+133	368	**290**	(78)
Elimination		(290)	**(310)**	(20)	(4)	**0**	+4
Consolidated Total		4,437	**4,550**	+113	364	**290**	(74)

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



Data created from statistical data of the Japan Cement Association

Key Player in the Formation of a Circular Economy

The Taiheiyo 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.

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.

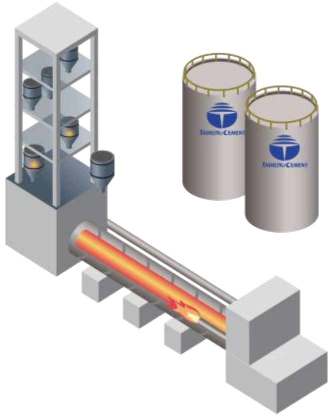
Utilization of waste and by-products

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

etc.

Key player in the formation of a circular economy

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

Uses in the development of social infrastructure and the living environment

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

and more

Carbon Neutral Strategy: Road Map

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

Reduce by at least 20% specific net CO_2 emissions per tonne (compared to 2000) — 2030

Carbon Neutral — 2050

2024 — **2026** — **2030** — **2050**

Measures for carbon neutral

- Development of innovative technologies
- Existing technologies: CO_2 reduction
- Existing technologies: CO_2 absorption

Innovative Approach
— World-leading technology development—

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

Immediate Approach
—Maximum utilization of existing technologies—

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

- New standardization of blended cement (expansion of use)
- Gas firing (methane, hydrogen, etc.)
- Low-CO_2 cement (CARBOFIX®)
- Development of new grinding aid
- CO_2 mineralization (CARBOCATCH®)

- CO_2 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

FTSE Blossom Japan Sector Relative Index

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

MORNINGSTAR GenDi J
Japan ex-REIT Gender Diversity Tilt Index

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

Dow Jones Sustainability Asia Pacific Index

S&P/JPX Carbon Efficient Index

S&P/JPX カーボン エフィシェント 指数

CDP
[Scored B for climate change, B for water]

CDP Discloser 2024

JCR
[Acquired A+ in 2024]

JCR 株式会社日本格付研究所 Japan Credit Rating Agency, Ltd.

R&I
[Acquired A in 2024]

Platinum "Kurumin" certification
[Acquired in August 2023]

プラチナくるみん 子育てサポートしています

Health & Productivity Management Outstanding Organization
[Consecutive since 2023]

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Human Capital Management Quality 2023
[Selected as the silver in February 2024]

人的資本経営品質 2023

DBJ Environmental Rating
[The Highest Rating for the nine consecutive year]

DBJ 環境格付 2024

List of major News Releases

Feb.18,2025	Announcement of "Multi-Stakeholder Policy"
Feb.25,2025	Notice Regarding Changes of Executives / Notice Concerning Organizational Changes
Feb.28,2025	Taiheiyo Cement Obtains the Highest DBJ Environmental Rating for the Ninth Consecutive Year.
Feb.28,2025	Notice Concerning Shares Acquisition of TOYO WHARF & WAREHOUSE CO., LTD. (Securities Code: 9351)
Mar.10,2025	Taiheiyo Cement received Medal with Dark Blue Ribbon for supporting university and high school students to study abroad
Mar.10,2025	Taiheiyo Cement is Recognized as a "Outstanding Organization of KENKO Investment for Health" for Three Consecutive Years
Mar.12,2025	Increase in Initial Salary for New Graduates
Mar.25,2025	Support for Disaster Victims and Areas Affected by the Forest Fire in Ofunato City, Iwate Prefecture
Mar.28,2025	Utilizing Carbon Dioxide Captured from a Cement Plant for Horticultural Applications
Apr.1,2025	Taiheiyo Cement has formulated the "Taiheiyo Cement Group Human Rights Policy" as well as the Procurement Policy and the Supplier Code of Conduct of our Group
May 13,2025	Notice regarding production and sales of “Portland Blast Furnace Slag Cement Type C”, a low-carbon blended cement that reduces carbon footprint by approximately 65%
May 13,2025	CO2 uptake by interlocking paver blocks using CARBOFIX® cement, a CO2-absorbing/cured cementitious material, reported to the United Nations

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.

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TAIHEIYO CEMENT