

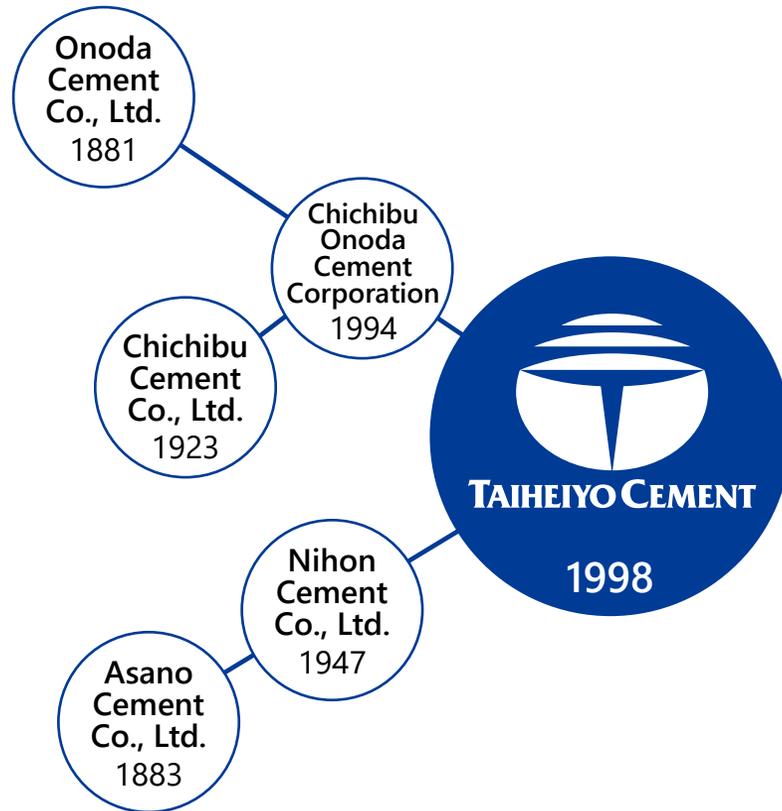


# Reference Materials of Financial Results for the Three Months Ended June 30, 2025

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August 7, 2025

TAIHEIYO CEMENT CORPORATION



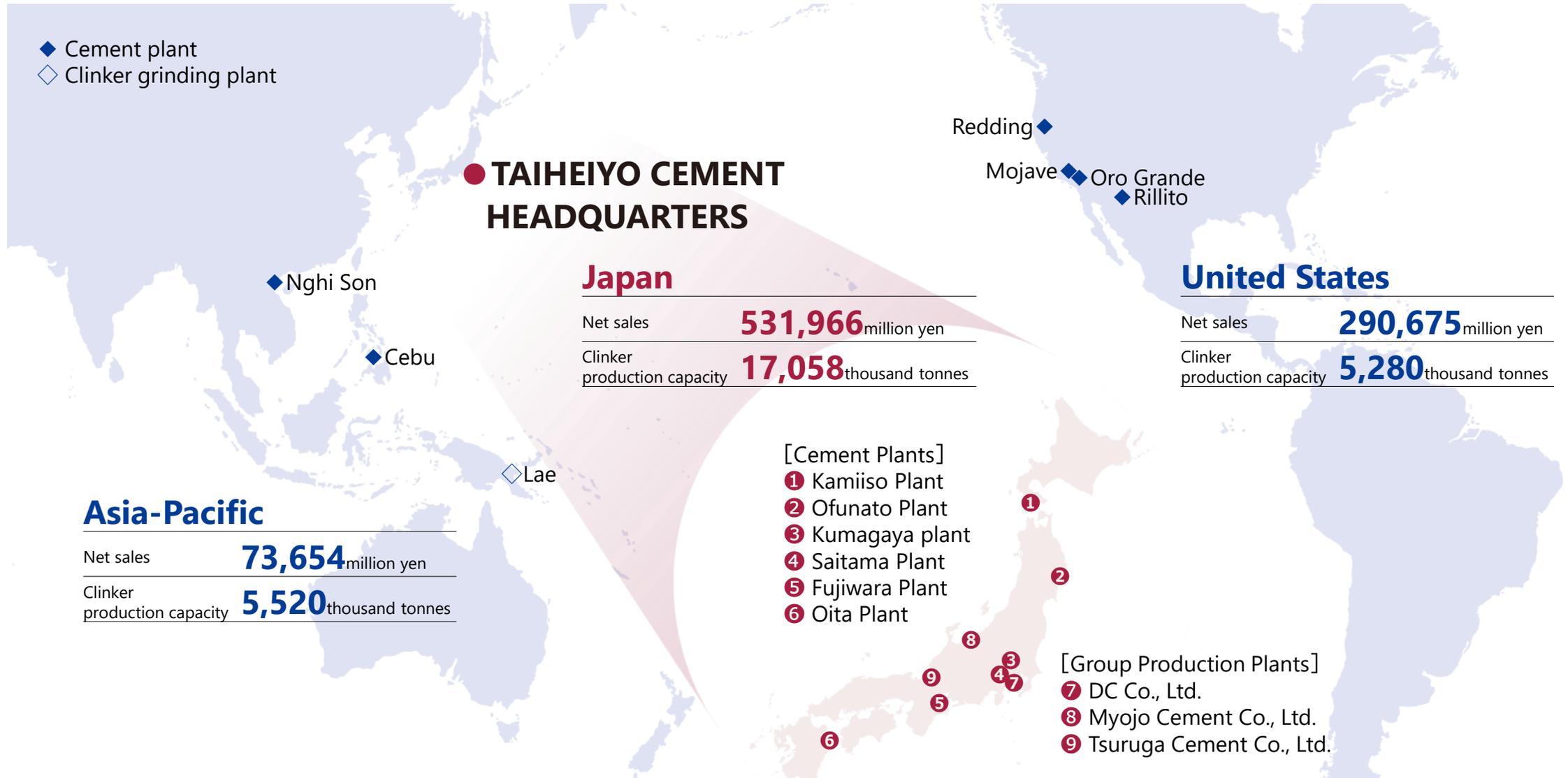
## Mission of the Taiheiyto Cement Group

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: 12,586 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



(as of March 31, 2025)

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# 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 .
- Profit decreased at Overseas subsidiaries, etc.
- Net profit fell partly due to the reaction from the extraordinary profit of the previous year.

(Million yen)

	FY2025 Q1	FY2026 Q1	Change
Net sales	208,852	<b>211,191</b>	+2,339
Operating profit	11,048	<b>10,061</b>	(987)
Ordinary profit	11,761	<b>9,994</b>	(1,767)
Profit attributable to owners of parent	13,528	<b>6,822</b>	(6,706)

# 1. Highlights of Consolidated Financial Results

## 《Main Indicators》

	FY2025 Q1	FY2026 Q1	Change
Operating profit to net sales ratio (%)	5.3	<b>4.8</b>	(0.5)
Basic earnings per share (Yen)	117.0	<b>61.2</b>	(55.8)

	End of Mar. 2025	End of Jun. 2025	Change
Net assets per share (Yen)	5,758.9	<b>5,613.4</b>	(145.5)
Capital adequacy ratio (%)	45.1	<b>44.3</b>	(0.8)
Net debt/equity ratio (Times)	0.49	<b>0.53</b>	+0.04

## 《Environmental Factors》

	FY2025 Q1	FY2026 Q1	Change
Average exchange rate (Yen/US\$)	148.6	<b>152.6</b>	+3.9
Average procurement price of imported coal, etc. for domestic (C&F \$/t)	155	<b>140</b>	(15)

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## 2. Financial Results for the Fiscal 2026 1Q

## 2. Financial Results for the Fiscal 2026 1Q

### (1) Consolidated Segment Information

(Million yen)

		Net sales			Operating profit		
		FY2025 Q1	FY2026 Q1	Change	FY2025 Q1	FY2026 Q1	Change
Cement Business	Domestic	78,094	<b>78,830</b>	+736	1,461	<b>3,117</b>	+1,656
	Overseas Subsidiaries, etc.	77,351	<b>77,407</b>	+56	5,388	<b>1,328</b>	(4,060)
	Total	155,445	<b>156,237</b>	+792	6,849	<b>4,446</b>	(2,404)
Mineral Resources Business		22,002	<b>22,500</b>	+498	2,419	<b>2,531</b>	+112
Environmental Business		18,403	<b>19,059</b>	+657	1,515	<b>1,988</b>	+473
Construction Materials Business		10,341	<b>10,431</b>	+90	319	<b>366</b>	+48
Other		16,594	<b>17,563</b>	+969	561	<b>743</b>	+181
Total		222,784	<b>225,790</b>	+3,006	11,663	<b>10,074</b>	(1,589)
Elimination		(13,932)	<b>(14,599)</b>	(666)	(616)	<b>(13)</b>	+602
Consolidated Total		208,852	<b>211,191</b>	+2,339	11,048	<b>10,061</b>	(987)

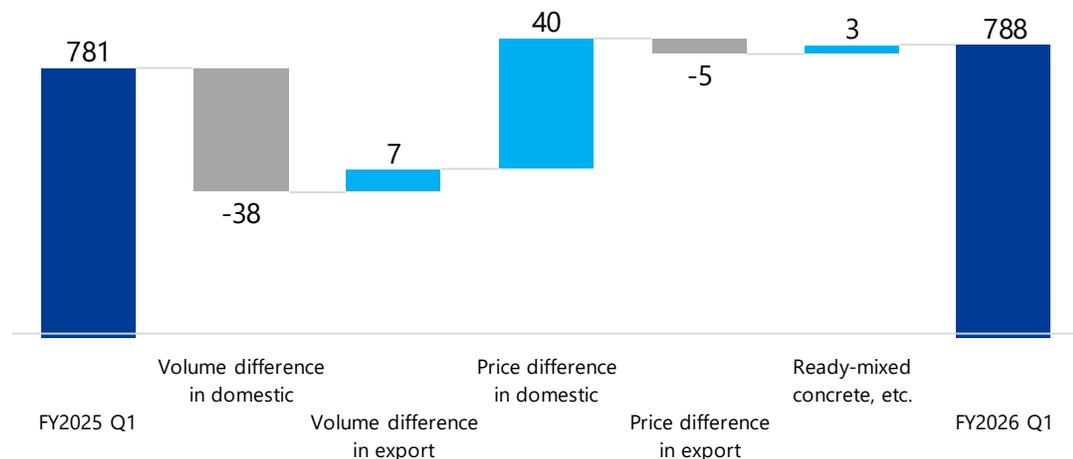
## 2. Financial Results for the Fiscal 2026 1Q

### ① Domestic Cement Business

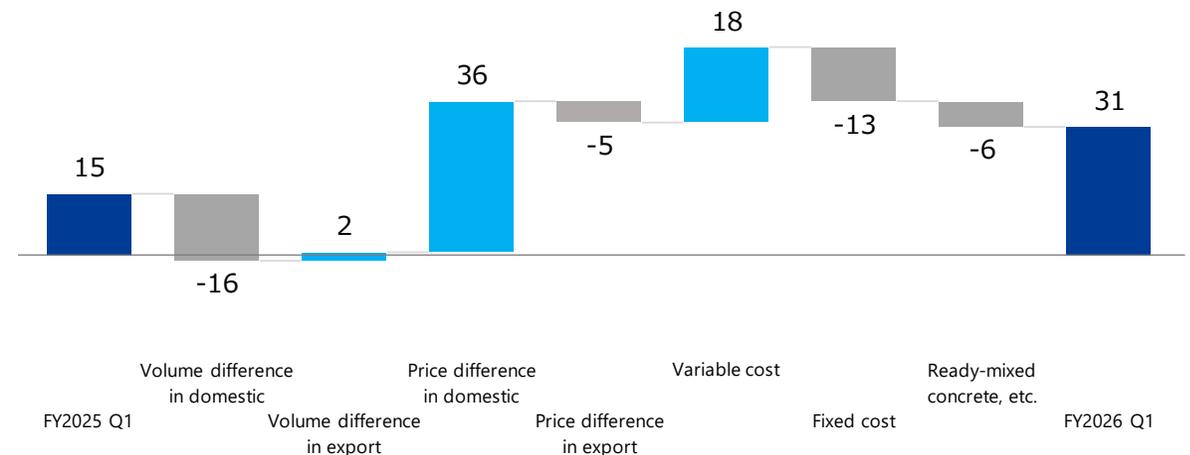
	FY2025 Q1	FY2026 Q1	Change
Sales volume (Thousand t)			
Domestic	3,063	<b>2,803</b>	(260)
Export	779	<b>891</b>	+112
Net sales (Million yen)	78,094	<b>78,830</b>	+736
Operating profit (Million yen)	1,461	<b>3,117</b>	+1,656

- Operating profit increased due to higher selling prices and cost improvements for cement and soil stabilizers, despite rising fixed costs.
- 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 2026 1Q

### ②Overseas Subsidiaries, etc.

	FY2025 Q1	FY2026 Q1	Change
			in exchange
Net sales (Million yen)	77,351	<b>77,407</b>	+56
			+1,556
Operating profit (Million yen)	5,388	<b>1,328</b>	(4,060)
			+76

- Profit decreased at Overseas subsidiaries, etc.
- In the U.S., Operating profit decreased from the previous fiscal year due to the slowdown in demand.
- Continue efforts to improve profitability in Southeast Asia.

### 《U.S.A.》

	FY2025 Q1	FY2026 Q1	Change
Cement (Thousand t)	1,357	<b>1,334</b>	(23)
Ready-mixed concrete (Thousand cy)	1,367	<b>1,137</b>	(230)
Net sales (Hundred million yen)	662	<b>657</b>	(5)
(Million \$)	445	430	(15)
Operating profit (Hundred million yen)	63	<b>27</b>	(36)
(Million \$)	42	18	(25)

- Cement demand was affected by bad weather conditions and the slowdown in the private-sector, etc. as interest rates remain high.
- Sales volume decreased due to the decline in demand, and profit also dropped despite sales price hikes and cost reduction.

## 2. Financial Results for the Fiscal 2026 1Q

### ③ Mineral Resources, Environmental, Construction Materials and Other Business

(Million yen)

		FY2025 Q1	FY2026 Q1	Change	Main Factors of Changes in Net Sales and Operating Profit(Net Change)
<b>Mineral Resources Business</b>	Net sales	22,002	<b>22,500</b>	+498	While sales by volume of aggregates business and limestone for the domestic market decreased, sales by volume of products for immobilizing heavy metal contaminants in soil increased. Efforts to pass on various cost increases to selling prices progressed.
	Operating profit	2,419	<b>2,531</b>	+112	
<b>Environmental Business</b>	Net sales	18,403	<b>19,059</b>	+657	While sales in gypsum were sluggish, operations of intermediary storage of soil generated from the Linear Chuo Shinkansen construction and sales in calcium carbonate remained strong.
	Operating profit	1,515	<b>1,988</b>	+473	
<b>Construction Materials Business</b>	Net sales	10,341	<b>10,431</b>	+90	In addition to steady sales of ALC (Autoclaved Lightweight aerated Concrete), we worked to optimize selling prices of construction and civil engineering materials.
	Operating profit	319	<b>366</b>	+48	
<b>Other</b>	Net sales	16,594	<b>17,563</b>	+969	
	Operating profit	561	<b>743</b>	+181	

## 2. Financial Results for the Fiscal 2026 1Q

### (2) Consolidated Statements of Income

(Million yen)

	FY2025 Q1	FY2026 Q1	Change
Net sales	208,852	<b>211,191</b>	+2,339
Operating profit	11,048	<b>10,061</b>	(987)
Non-operating income and expenses	713	<b>(67)</b>	(780)
Ordinary profit	11,761	<b>9,994</b>	(1,767)
Extraordinary income and losses	5,940	<b>(402)</b>	(6,341)
Profit before income taxes	17,701	<b>9,592</b>	(8,109)
Income taxes	3,964	<b>2,384</b>	(1,581)
Profit attributable to non-controlling interests	208	<b>387</b>	+178
Profit attributable to owners of parent	13,528	<b>6,822</b>	(6,706)

## 2. Financial Results for the Fiscal 2026 1Q

### (3) Consolidated Balance Sheets

(Million yen)

		End of Mar. 2025	End of Jun. 2025	Change			End of Mar. 2025	End of Jun. 2025	Change	
Current assets	Cash and deposits	74,987	<b>74,012</b>	(976)	Liabilities	Current liabilities	388,354	<b>395,975</b>	+7,621	
	Notes and accounts receivable - trade, and contract assets	180,544	<b>182,335</b>	+1,792		Non-current liabilities	359,217	<b>358,758</b>	(459)	
	Inventories	127,846	<b>128,470</b>	+624		<b>Total liabilities</b>	747,571	<b>754,732</b>	+7,161	
	Other	22,354	<b>22,017</b>	(337)	Net assets	Shareholders' equity	Share capital	86,174	<b>86,174</b>	—
<b>Total current assets</b>	405,731	<b>406,833</b>	+1,103	Capital surplus			50,288	<b>50,298</b>	+10	
Non-current assets	Total property, plant and equipment	738,702	<b>729,735</b>	(8,967)			Retained earnings	417,460	<b>419,821</b>	+2,361
	Total intangible assets	47,015	<b>44,612</b>	(2,403)			Treasury shares	(22,131)	<b>(21,990)</b>	+141
	Total investments and other assets	232,248	<b>232,787</b>	+539		<b>Total shareholders' equity</b>	531,791	<b>534,303</b>	+2,512	
<b>Total non-current assets</b>	1,017,965	<b>1,007,134</b>	(10,831)	Accumulated other comprehensive income		109,879	<b>91,390</b>	(18,488)		
<b>Total assets</b>	1,423,695	<b>1,413,967</b>	(9,728)	Non-controlling interests	34,455	<b>33,542</b>	(913)			
					<b>Total net assets</b>	676,124	<b>659,235</b>	(16,890)		
					<b>Total liabilities and net assets</b>	1,423,695	<b>1,413,967</b>	(9,728)		

	End of Dec. 2024	End of Mar. 2025	Change
Exchange rate at end of period (Yen/US\$)	158.2	<b>149.5</b>	(8.7)

	End of Mar. 2025	End of Jun. 2025	Change
Interest-bearing debt (Million yen)	389,688	<b>406,265</b>	+16,576

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## 3. Forecast for the Fiscal 2026

(Unchanged from published forecast on May 13, 2025)

### 3. Forecast for the Fiscal 2026

(Unchanged from published forecast on May 13, 2025)

#### 《Precondition》

- The precondition for the FY 2026 is as follows.

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

(Unchanged from published forecast on May 13, 2025)

#### (1) Consolidated Statements of Income

(Hundred million yen)

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

### 3. Forecast for the Fiscal 2026

(Unchanged from published forecast on May 13, 2025)

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

### 3. Forecast for the Fiscal 2026

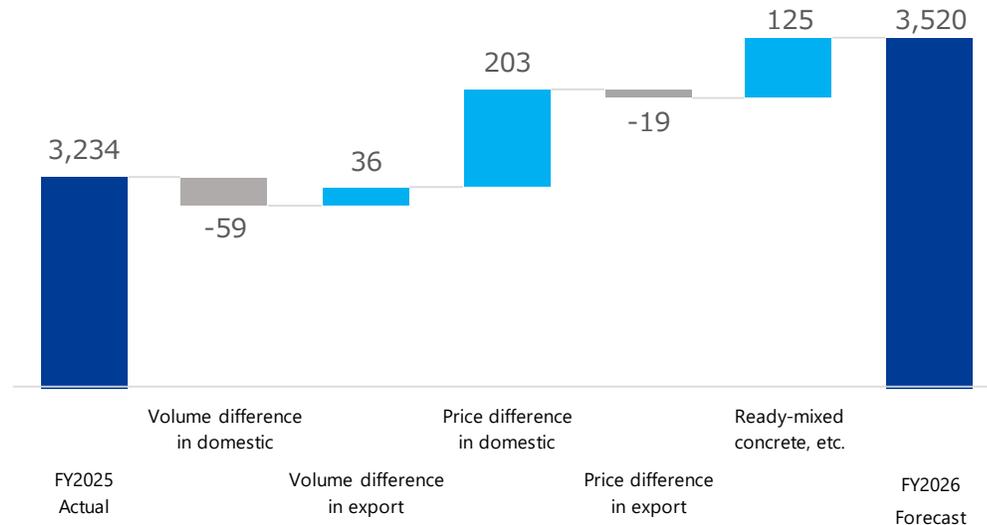
(Unchanged from published forecast on May 13, 2025)

#### ① Domestic Cement Business

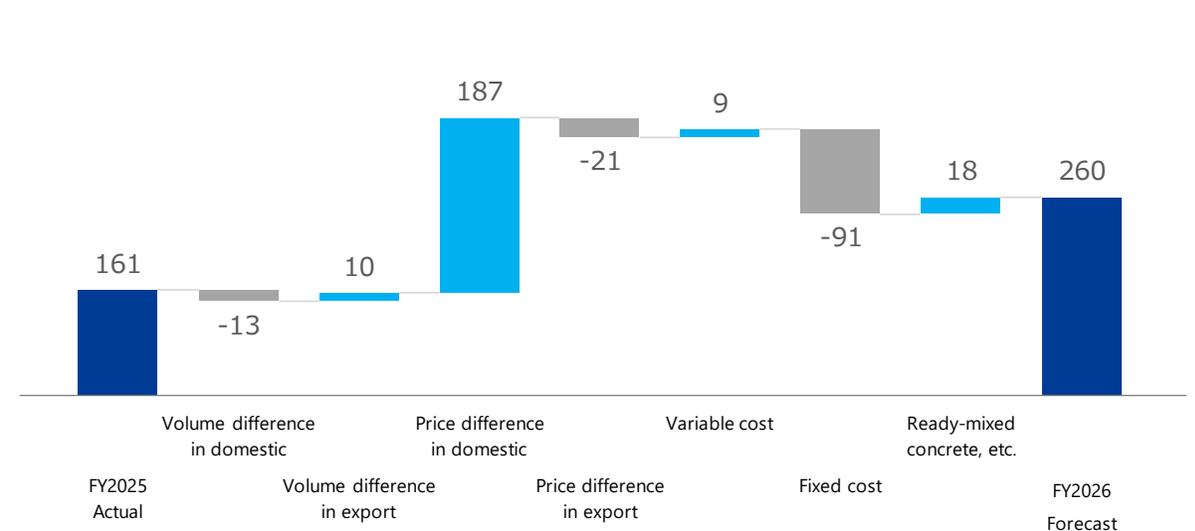
	FY2025 Actual	FY2026 Forecast	Change
Sales volume (Thousand t)			
Domestic	12,329	<b>11,700</b>	(629)
Export	3,025	<b>3,600</b>	+575
Net sales (Hundred million yen)	3,234	<b>3,520</b>	+286
Operating profit (Hundred million yen)	161	<b>260</b>	+99

- 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

(Unchanged from published forecast on May 13, 2025)

#### ②Overseas Subsidiaries, etc.

	FY2025 Actual	FY2026 Forecast	Change in exchange
Net sales (Hundred million yen)	3,448	<b>3,520</b>	+72 (176)
Operating profit (Hundred million yen)	384	<b>335</b>	(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	<b>6,262</b>	+139
Ready-mixed concrete (Thousand cy)	5,479	<b>5,656</b>	+177
Net sales (Hundred million yen)	2,976	<b>2,920</b>	(55)
(Million \$)	1,962	2,014	+52
Operating profit (Hundred million yen)	410	<b>349</b>	(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.

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## 4. Shareholder Returns

## 4. Shareholder Returns

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

《Shareholder Return Policy in 26

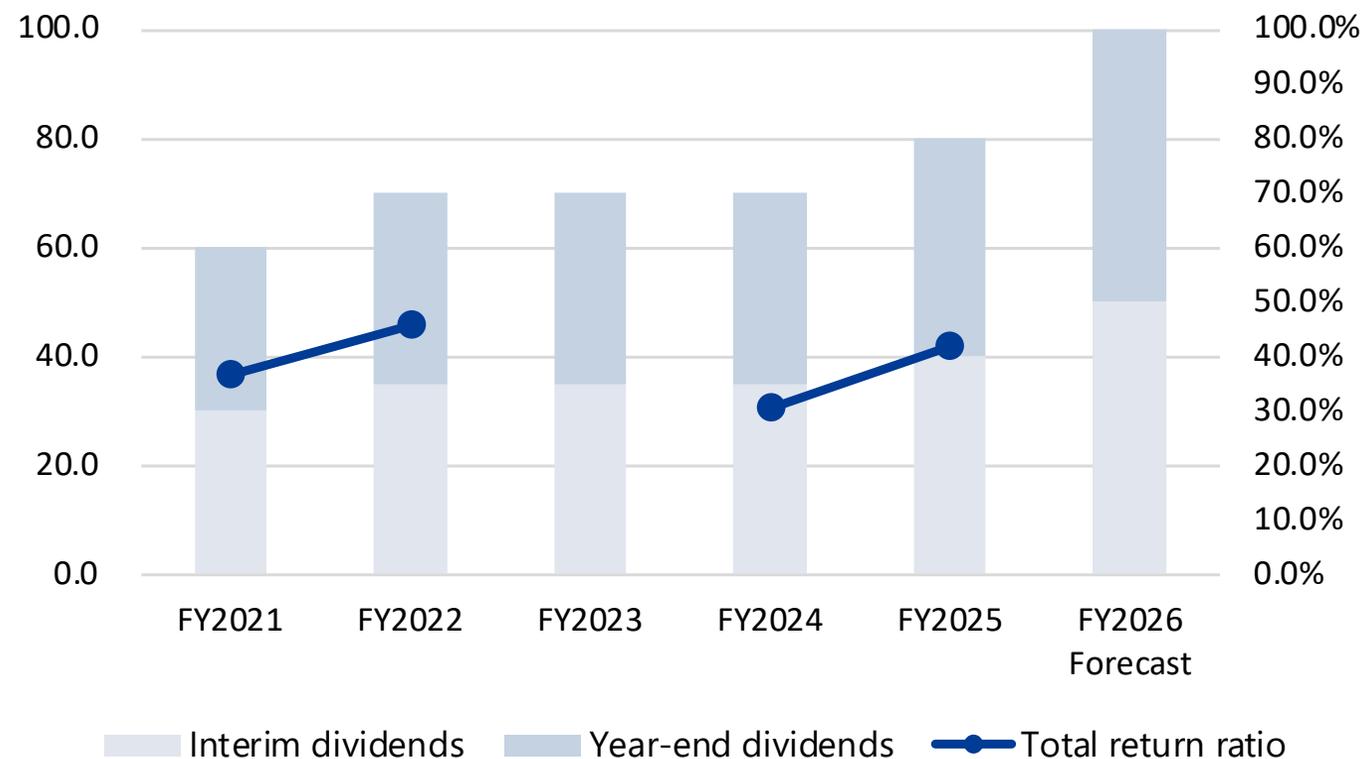
Medium-Term Management Plan》

**Total return ratio: 33% or more**

**Maintaining steady dividends**

**:Dividend per share of 80 yen or more**

**Agile acquisition of treasury shares**



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# Appendix

# Financial Results for the Fiscal 2026 1Q Consolidated Statements of Cash Flows

This material has been prepared as reference information.

(Million yen)

	FY2025 Q1	FY2026 Q1	Change
Cash flows from operating activities*	19,120	<b>16,944</b>	(2,175)
Cash flows from investing activities	(15,958)	<b>(25,490)</b>	(9,532)
<b>Free cash flows</b>	3,162	<b>(8,546)</b>	(11,707)
Cash flows from financing activities	121	<b>9,182</b>	+9,061
*Depreciation and amortization included	14,392	<b>16,664</b>	2,272

# Forecast for the First Half of Fiscal 2026 (Unchanged from published forecast on May 13, 2025)

## (1) Consolidated Statements of Income

(Hundred million yen)

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

# Forecast for the First Half of Fiscal 2025 (Unchanged from published forecast on May 13, 2025)

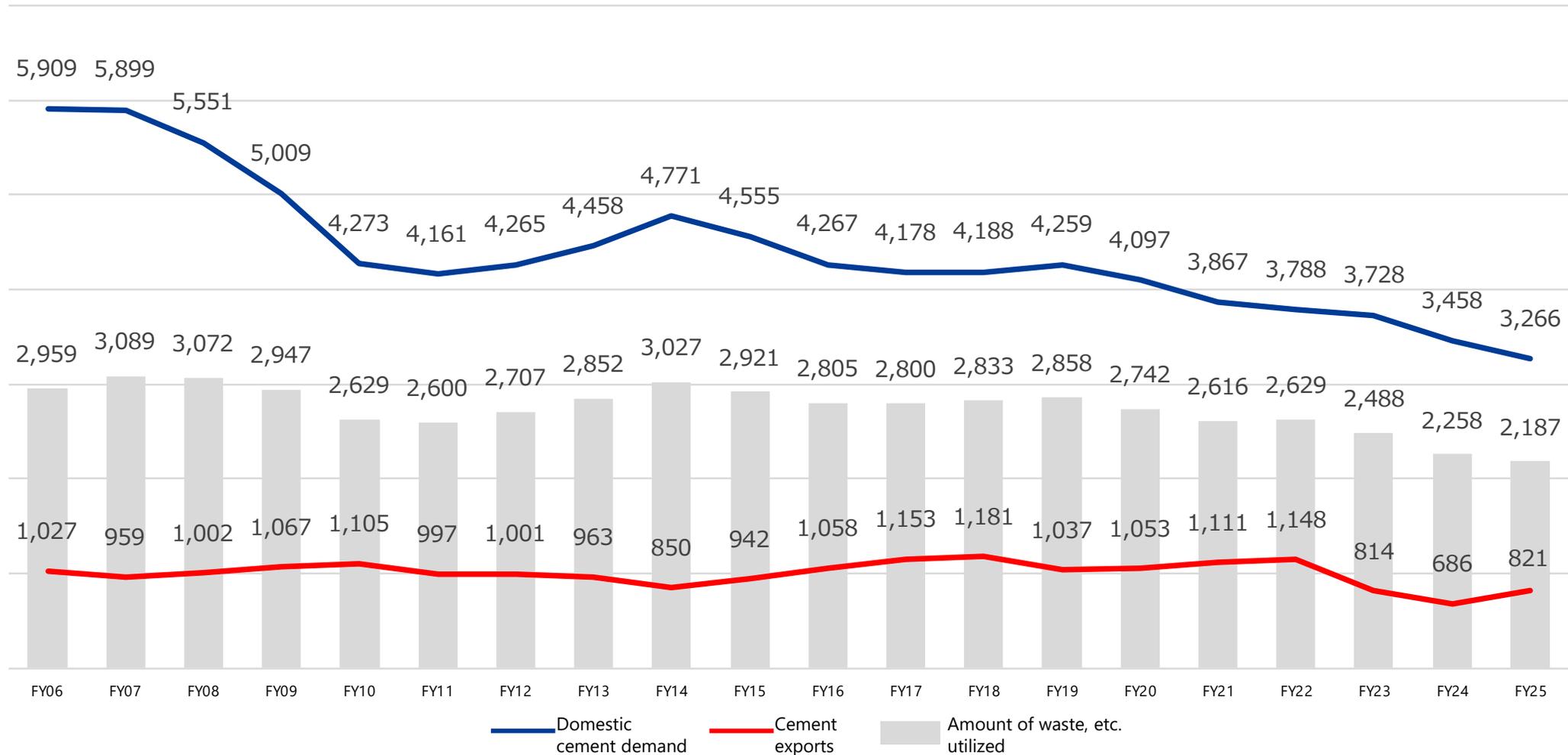
## (2) Consolidated Segment Information

(Hundred million yen)

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

# 《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

# 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**

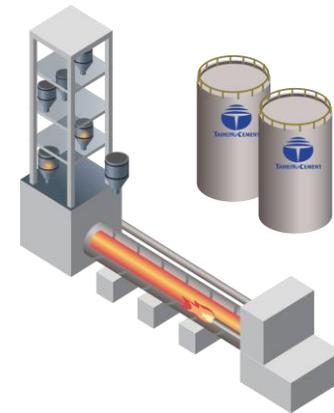
## Uses in the development of social infrastructure and the living environment

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

**Supply critical materials for national resilience**

**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%.**



# 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<sub>2</sub> emissions per tonne (compared to 2000)

**Carbon Neutral**

**2024**

**2026**

**2030**

**2050**

## Measures for carbon neutral

Development of innovative technologies

Existing technologies: CO<sub>2</sub> reduction

Existing technologies: CO<sub>2</sub> 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<sub>2</sub> cement (CARBOFIX®)
- Development of new grinding aid
- CO<sub>2</sub> mineralization (CARBOCATCH®)

- CO<sub>2</sub> 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 Nihonkabu 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

[Scored B for climate change, B for water]  
[Selected as Supplier Engagement Leader]



## DBJ Environmental Rating

[The Highest Rating for the nine consecutive year]



# List of major News Releases

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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
Jun.4,2025	Low-carbon concrete products using "CARBOCATCH®" technology were adopted for public works
Jun.10,2025	Taiheiyo Cement announces establishing blended cement export hub at Saiki Ash Center
Jul.16,2025	Taiheiyo Cement has been selected as the "Supplier Engagement Leader", the highest rating in the "Supplier Engagement Rating" by CDP for the second consecutive year
Aug.4,2025	Launch of Japan's First AI-Powered Ship Allocation Optimization System in the Cement Industry
Aug.4,2025	Taiheiyo Cement Corporation and Kyuden Mirai Energy Corporation have signed an Off-Site Power Purchase Agreement ("PPA")

# Disclaimer

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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.

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