



Financial Results Briefing for the Six Months Ended September 30, 2025 Business Overview

November 12, 2025

TAIHEIYO CEMENT CORPORATION

Management Centering on Carbon Neutrality and Circular Economies

Revitalizing Domestic Business

(1) Fundamentally revise pricing policy

- Shift from an emphasis on market share to an emphasis on profitability
- **Share recognition of medium- and long-term price levels aimed at a carbon neutral society**

(2) Provide total solutions

- Shift to one stop service
- Improve efficiency of sales systems (Advance DX in sales)

(3) Optimize production systems

- Kiln allocation (**Establish import base**)
- **Maximize waste disposal, promote energy-saving facilities**

Global Strategy

(1) Strengthen our earnings base for existing businesses

- **Growth strategy utilizing carbon neutrality** (the U.S., Philippines)
- **Promote the shift to blended cement**

(2) Further expand business areas

- Explore and implement M&As (ready-mixed concrete business in the U.S., etc.)
- Expand to unexplored areas and undeveloped businesses

(3) Expand trading business

- **Expand blended cement, strategy for business utilizing SCMs**
- Strengthen logistics network

Promoting Sustainability Management

**CN
strategy**

DX strategy

Human capital
strategy

IR strategy

Please read right to left.

Carbon neutrality Our company aims to achieve both Circular Economies



It's an initiative to achieve net-zero CO₂ emissions. We have to curb global warming. Low-CO₂ cement, energy saving... etc. Do you understand carbon neutrality?



Well done! OK then... What about circular economies? Gulp! Uh-huh!!

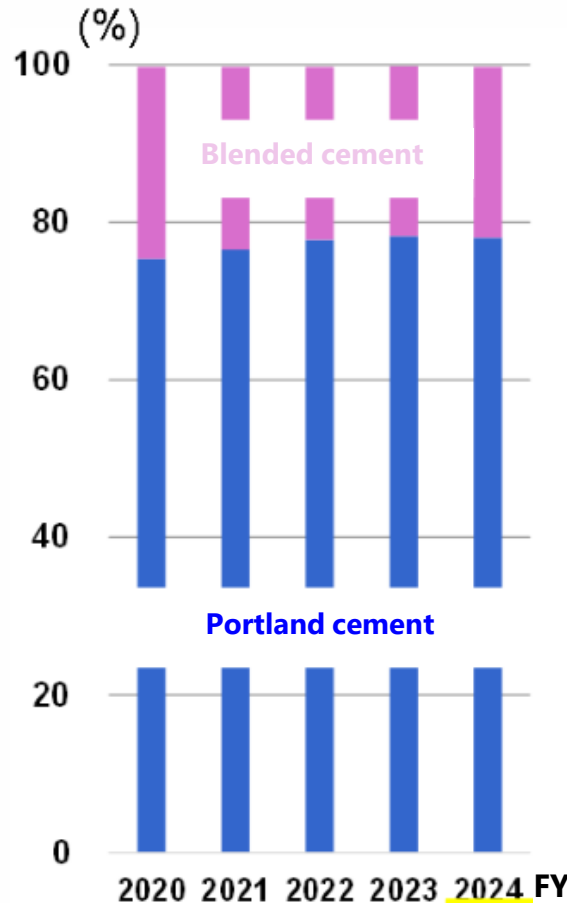


Ummm... Eco and cool? Circulator? The explanation is here.

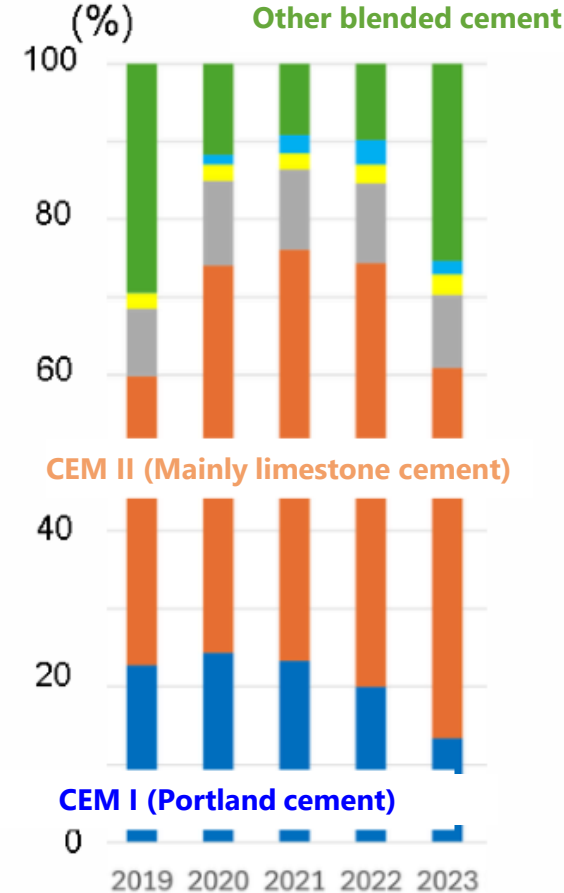


Promotion of the Shift to Blended Cement

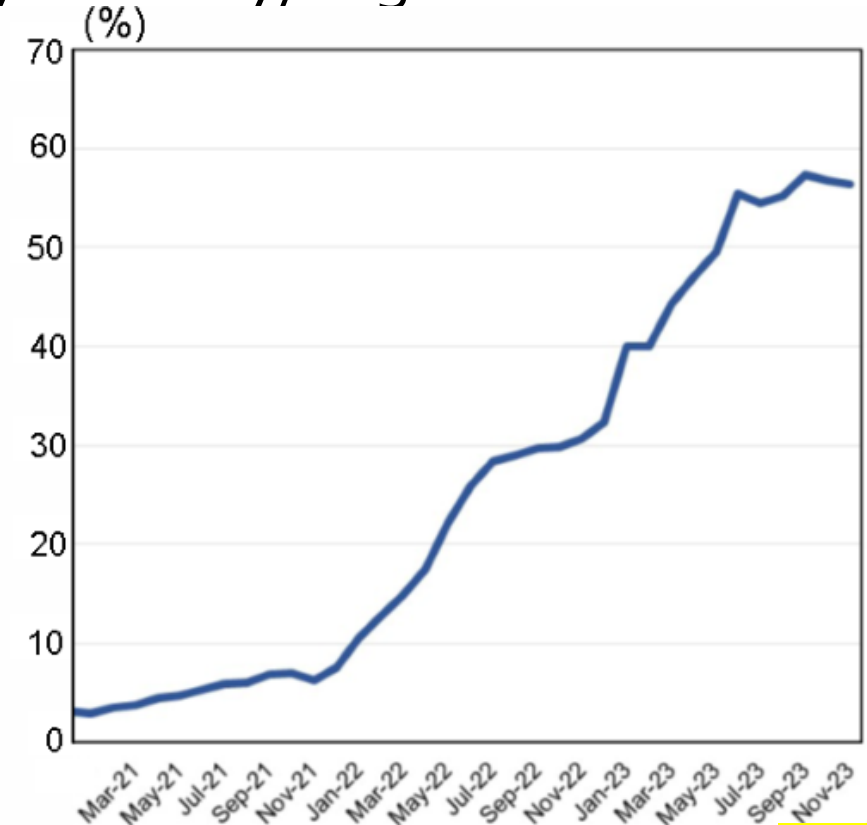
● Trend in the ratio of blended cement by country/region



Ratio of blended cement*1 (Japan)



Ratio within EU distribution*2 (Europe)



Ratio of blended cement (2021-2023)*3 (U.S.)

*1 Japan Cement Association, CEMENT HANDBOOK 2025

*2 CEMEBUREAU, KEY FACTS & FIGURES 2025. 6

*3 Portland Cement Association, R&D SN3148, 2024

The ratio of blended cement in Japan has remained around 20% level for many years, which is lower than that of Europe and the U.S.

Promotion of the Shift to Blended Cement (Japan)

- JIS standardization of limestone-blended cement

Comparison of blended cement standards

Standard		Type of blended materials	Use of multiple types of blended materials	Blended materials addition range (mass%)			
				Blast furnace slag	Fly ash	Pozzolan	Limestone
Japan	JIS R5211	Blast furnace slag	No	5–70			
	JIS R5213	Fly ash	No		5–30		
	JIS R5212	silica	No			5–30 (silica)	
Europe	EN 197-1 EN 197-5	Blast furnace slag Fly ash Silica fume Pozzolan Burnt shale Limestone	Yes	6–95	6–35 (11–55)	6–35 (11–55)	6–35 (12–50)
U.S.	ASTM C595	Blast furnace slag Fly ash Pozzolan Limestone	Yes	up to 95	up to 40	up to 40	5–15

* Figures in parentheses in the table indicate **the total addition rate of blended materials when multiple types of blended materials are used**.

- For pozzolan cement (CEM IV), a total of 11-55 mass% of fly ash and pozzolan can be blended when both are used together.
- For Portland-blended cement (CEM II/M), a total of 12-50 mass% of blended materials including limestone can be blended.

Standards that provide flexibility in the design and production of blended cement, including the procurement of blended materials

⇒ **The spread and wider use of low-CO₂ blended cement is progressing** in Europe and the U.S.

Toward the Standardization of Limestone Cement

JCA Sets Up New Working Group, Starts Review

The Japan Cement Association (JCA) has launched the JIS standardization of limestone-blended cement. As part of efforts for decarbonizing the cement industry, the JCA set up a working group (WG) for technical studies this month, aiming to finalize the review results during 2026. The JCA announced this initiative at a media briefing held in Tokyo on October 23.

The market share of blended cement is rising worldwide, with about 90% in Europe and 60% in the U.S. In contrast, the share in Japan is only around 20%, lagging behind the global trend. In Japan, only three types of blended cement—blast furnace slag, fly ash, and silica—are standardized under JIS, which is far fewer than standardized cement in Europe and the U.S. Based on the view that reducing clinker-to-cement ratio is imperative for decarbonization in the construction sector, the JCA has set short-, medium-, and long-term targets for the use of blended materials.

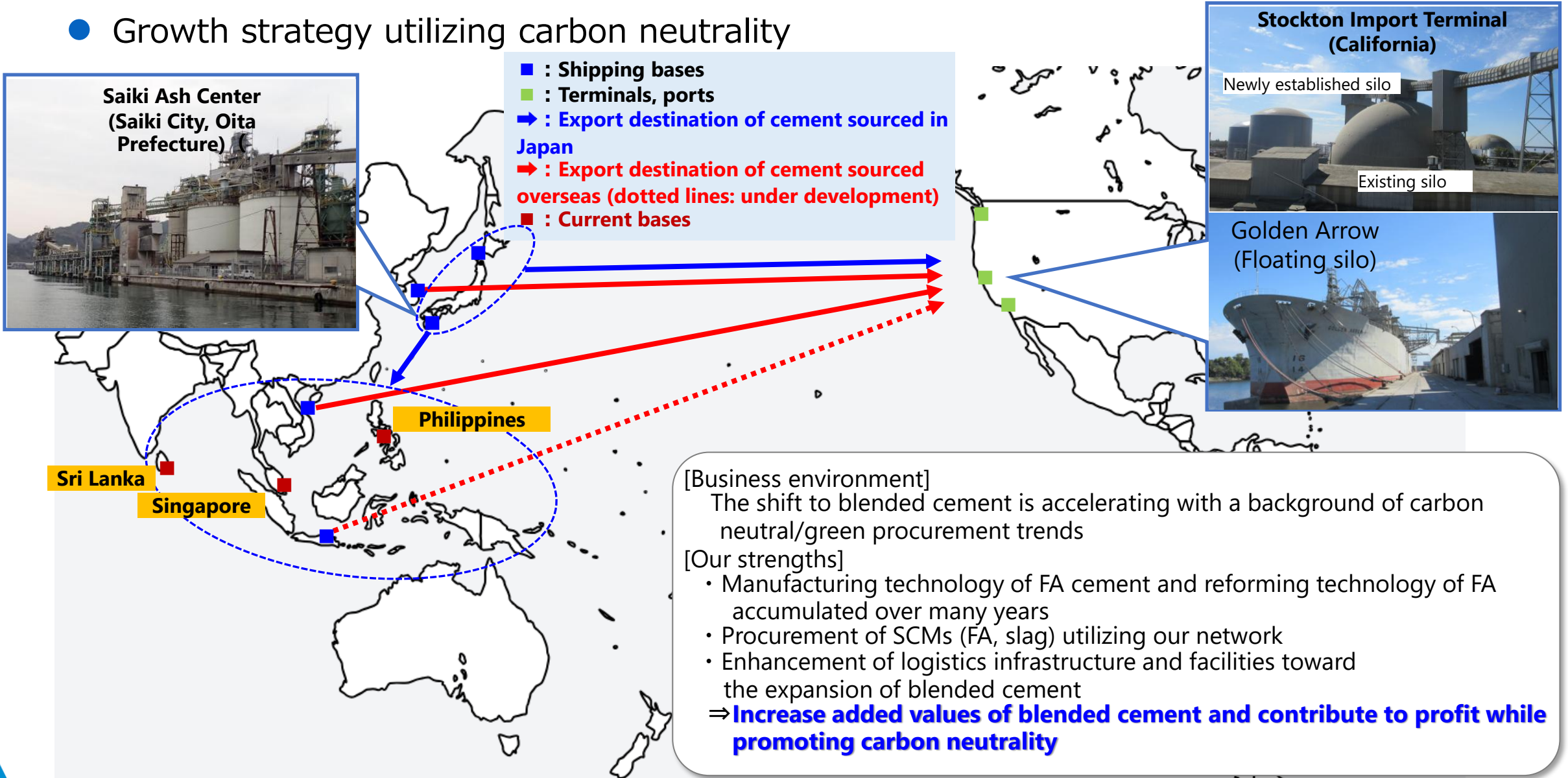
The standardization of limestone-blended cement is defined as a medium-term target. Going forward, the WG will carry out various activities, including surveys of domestic and overseas technical documents and foreign standards, research on the material performance of cement blended with limestone and synthetic calcium carbonate, and making draft standards for limestone-blended cement.

Meanwhile, a revised JIS will ease the limit for minor blended constituents, such as those in ordinary Portland cement, from the current 5% or less to 10% or less. It is expected to be circulated from January to March next year. The JCA is requesting the government and related authorities to reduce burden on users in procedures for modifying their JIS certifications and ministerial certifications.

The technical committee chairman Mr. Yoshifumi Taura (President of Taiheiyo Cement) said at the media briefing, “it is necessary to consider incentives for users, including political support, as well as revisions of standards,” to promote blended cement. He also pointed out that “the U.S. system prioritizing the procurement of low-carbon materials is closely linked to the rapid increase in blended cement.”

Promotion of the Shift to Blended Cement (Overseas)

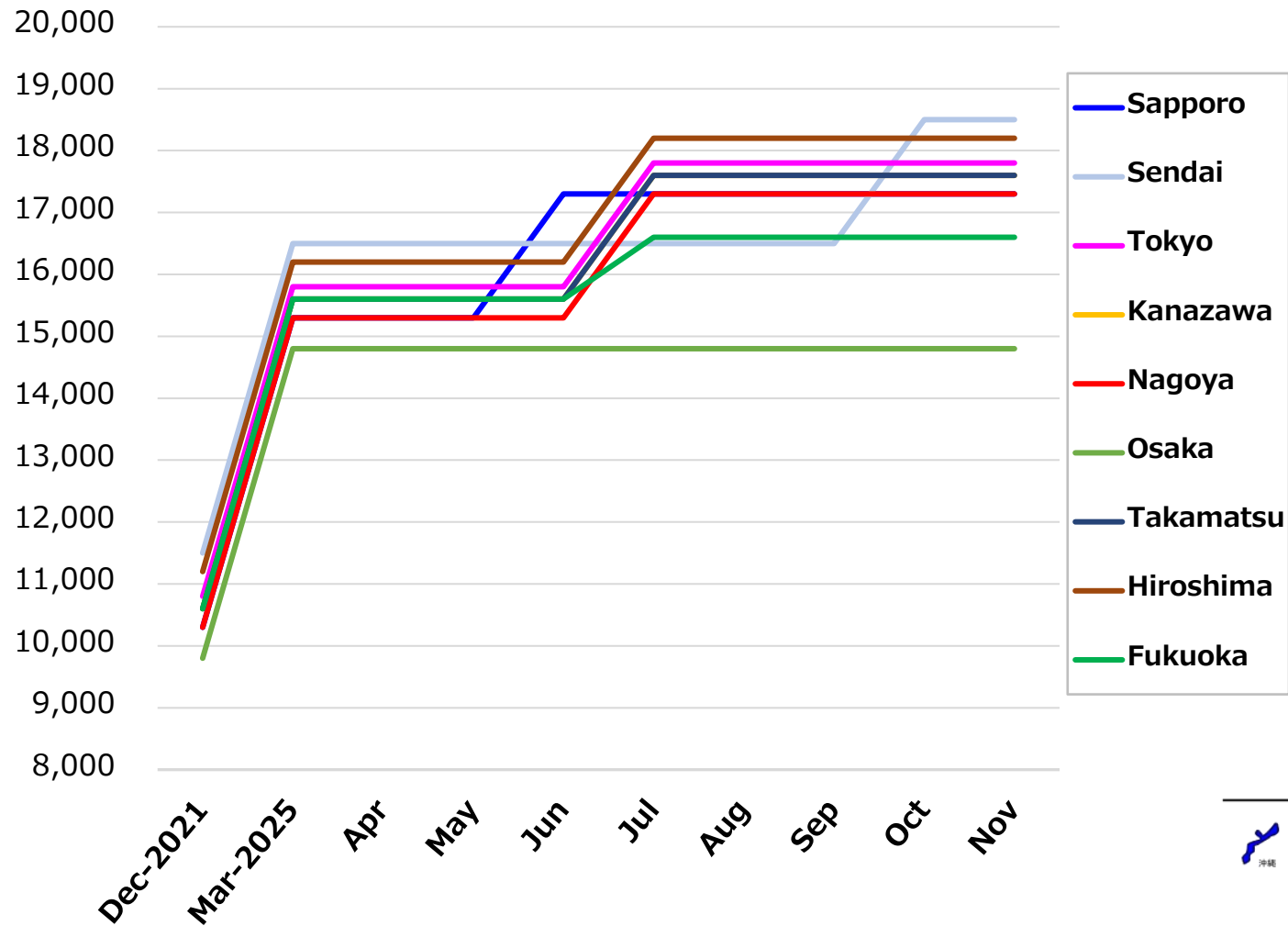
- Growth strategy utilizing carbon neutrality



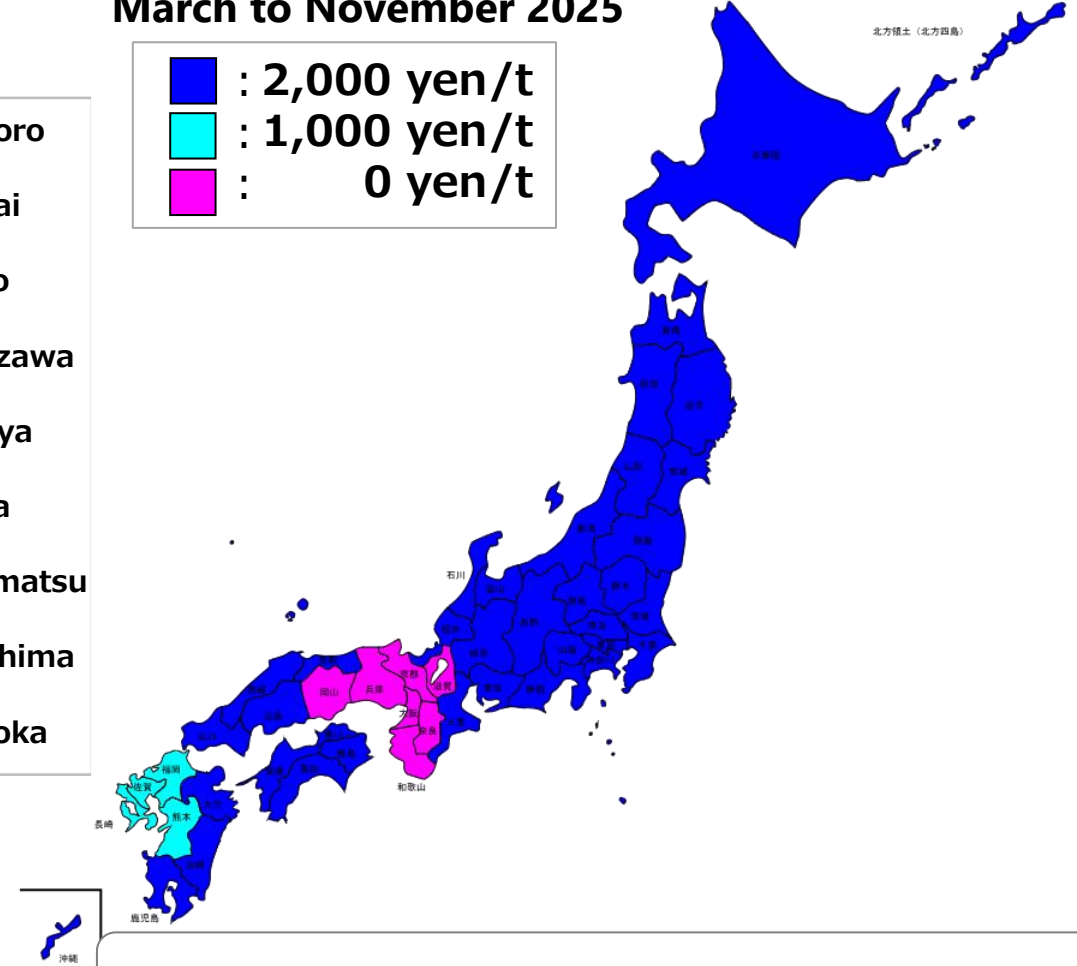
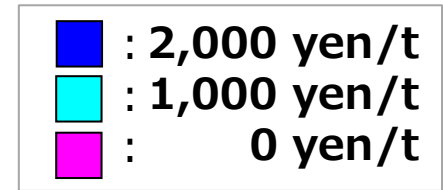
Domestic Business

● Progress of sales price hikes (bulk cement, standard)

(Yen/t) Trend in estimated cement prices in major regions



Increase in estimated prices between March to November 2025

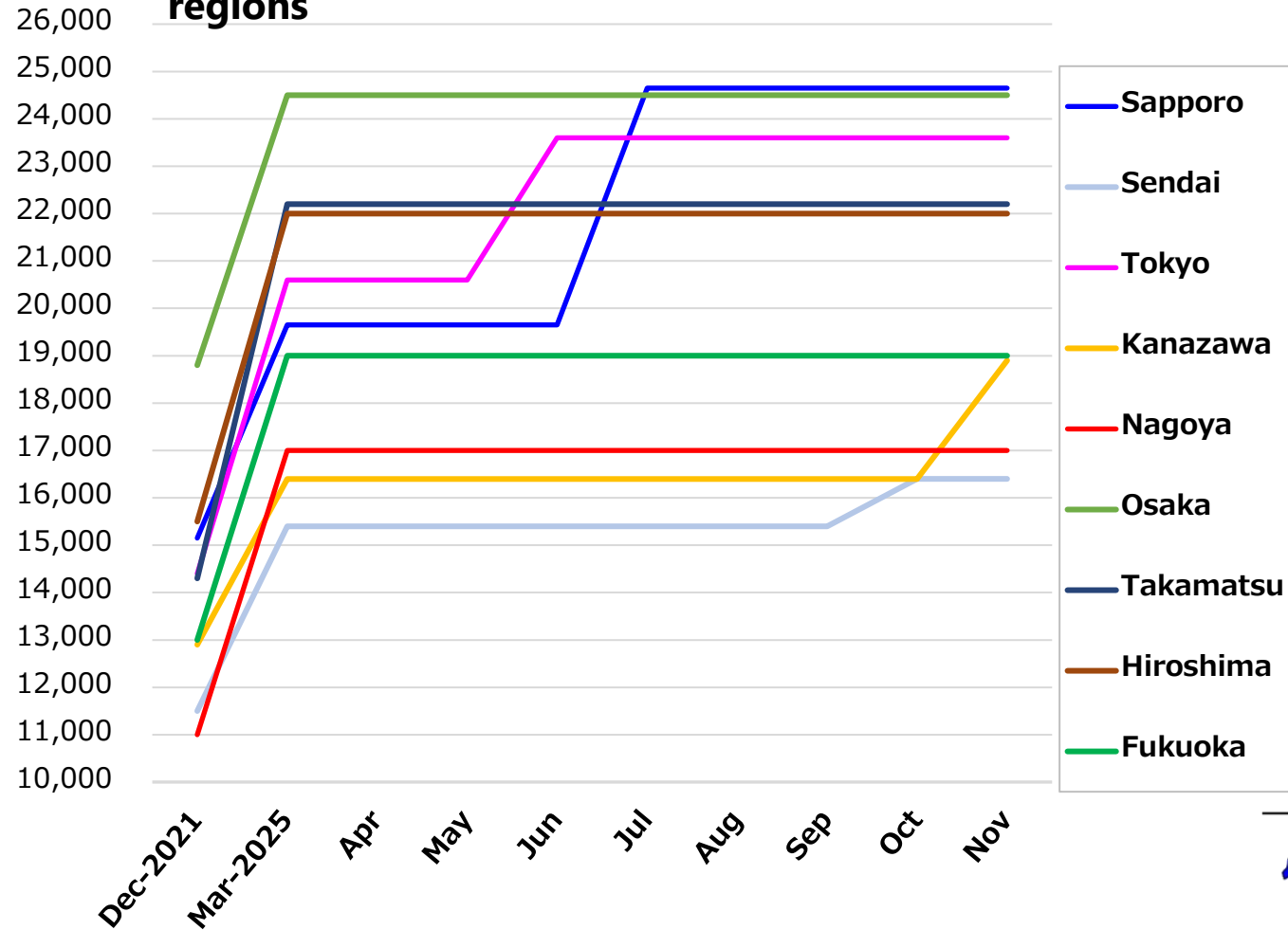


Estimated prices increased by 2,000 yen/t except for some regions(All negotiations have been completed)

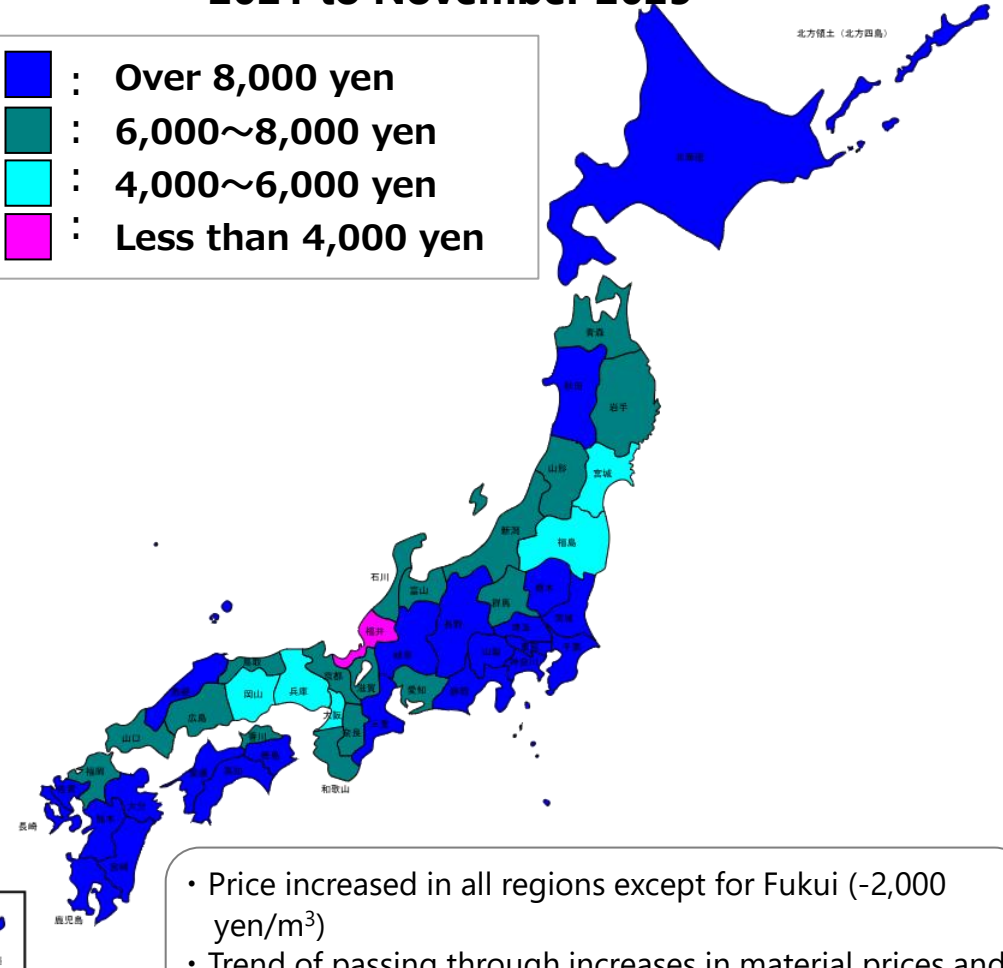
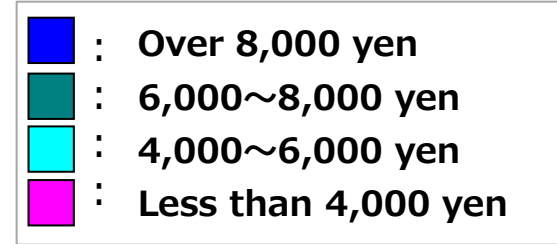
Domestic Business

- Progress of sales price hikes (ready-mixed concrete, standard)

(Yen/m³) Trend in estimated ready-mixed concrete prices in major regions



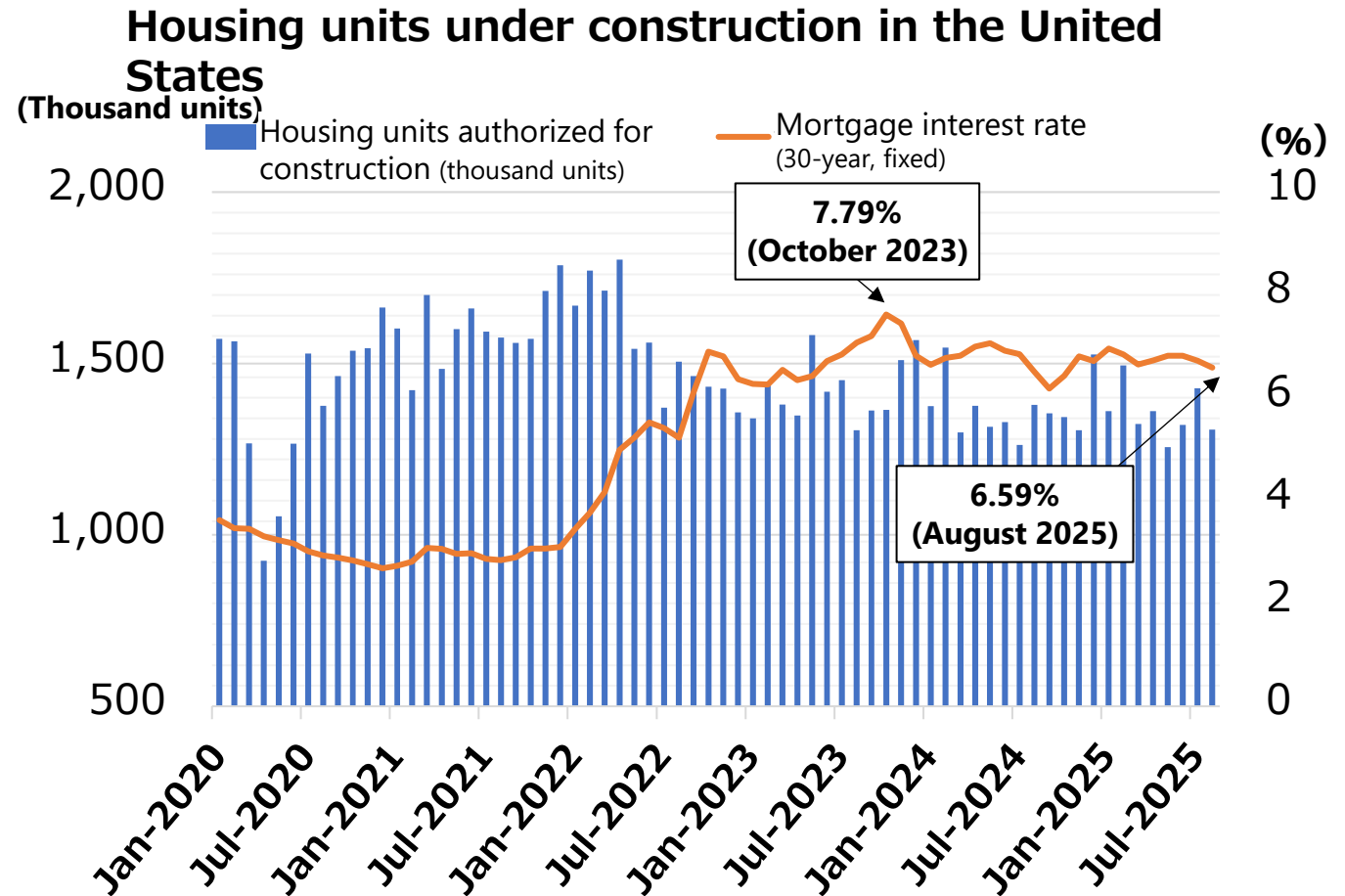
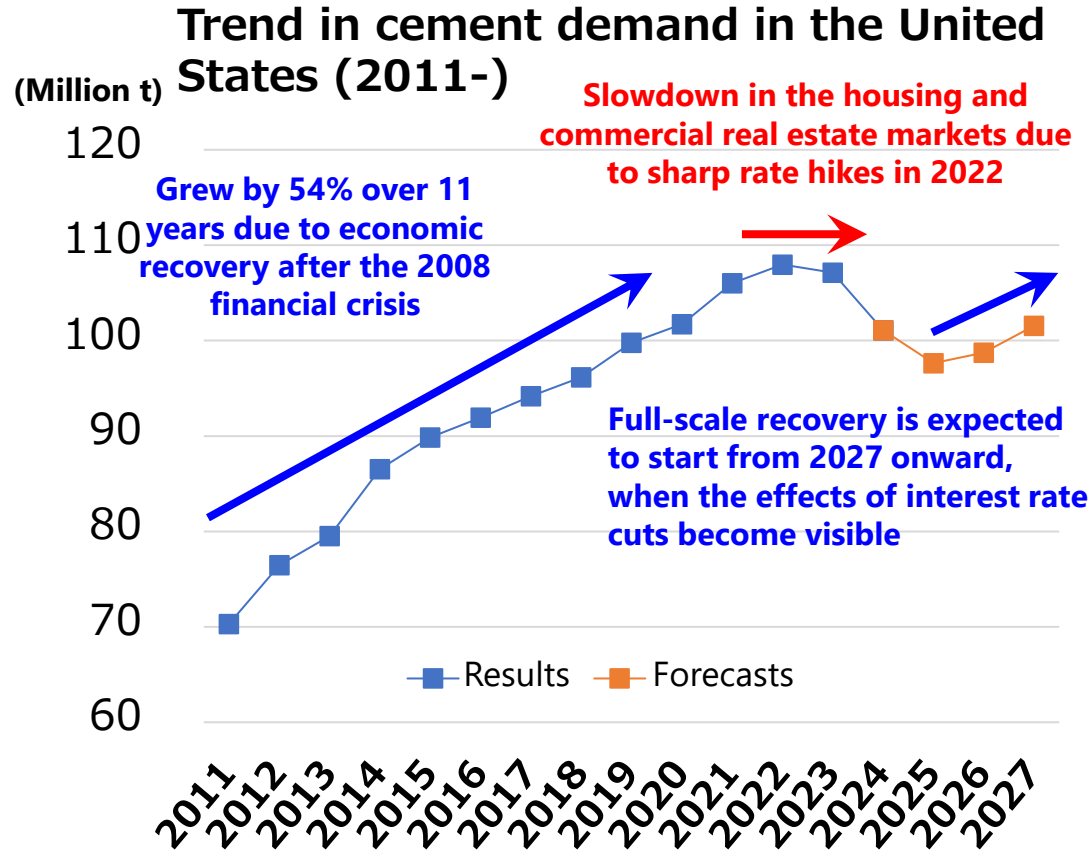
Increase in estimated prices between December 2021 to November 2025



- Price increased in all regions except for Fukui (-2,000 yen/m³)
- Trend of passing through increases in material prices and other costs to prices has been established in the ready-mixed concrete industry

Overseas Business (United States)

● Cement demand forecast



- Demand continued to decline after peaking at 108 million tons in 2022 and, for FY2026, is expected to fall below the 100 million tons mark for the first time in six years.
- Full-scale recovery of cement demand is expected to start from 2027 onward, as there is a lag of around six months between a decline in interest rates and the recovery of real estate and construction demand.

Overseas Business (United States)

● Further strengthen base through vertical integration (1)

Overview of acquisition of ready-mixed concrete business assets in California

Overview of the acquisition

Number of acquired plants:

41 plants (Northern CA 28, Southern CA 13)

Acquisition amount: \$712 million

(the largest acquisition in the Company's history)

Acquisition effects:

Business bases of ready-mixed concrete

69 plants → 110 plants

Sales by volume 5.5 million cy → 8.2 million cy

* based on 2024 results

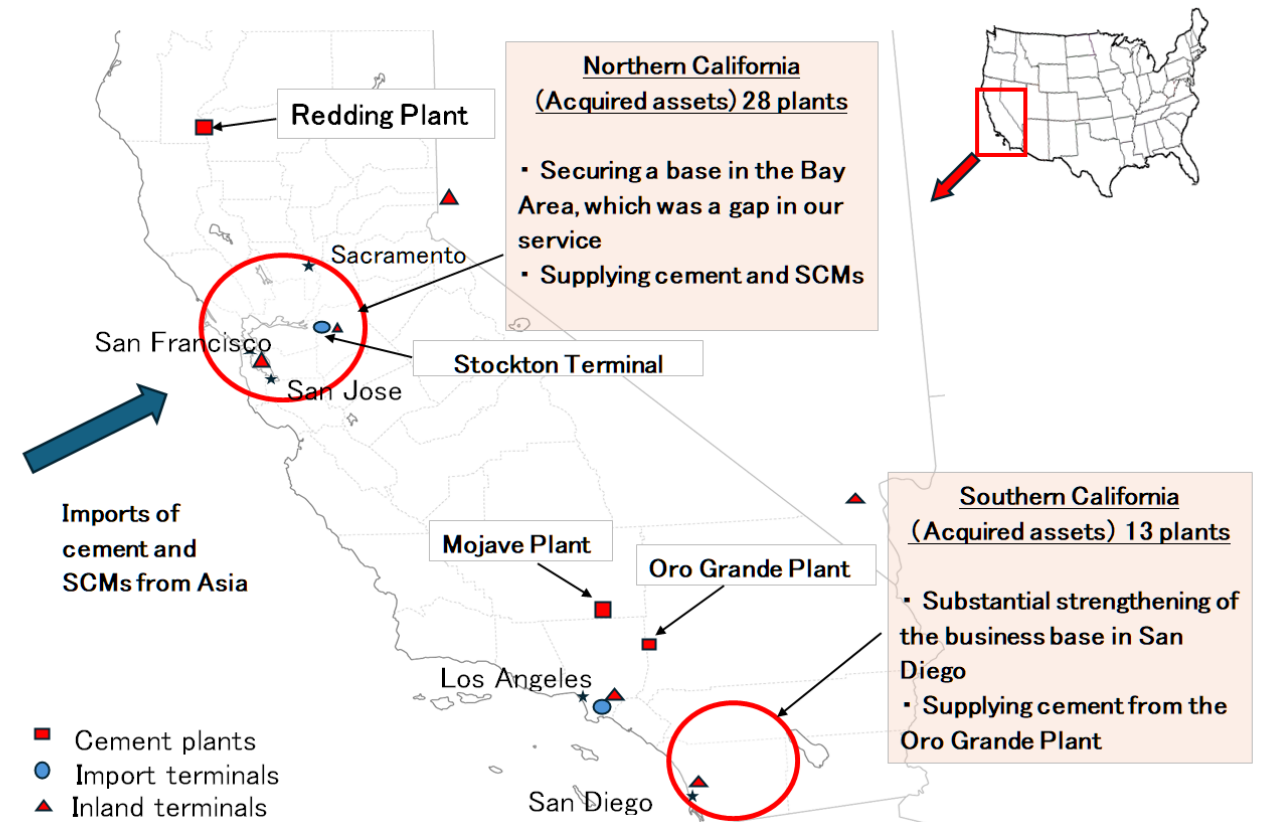
Significance of the acquisition

Northern CA

- First entry into the Bay Area and Sacramento with the ready-mixed concrete
- A high ratio of supplementary cementitious materials usage
→ Synergy with **slag and FA business**

Southern CA

- Strengthen the business base in San Diego area, where strong growth is expected
- Strong synergy effects by cement supply from the OG plant



Overseas Business (United States)

● Further strengthen base through vertical integration (2)

Becoming a leading player in the West Coast

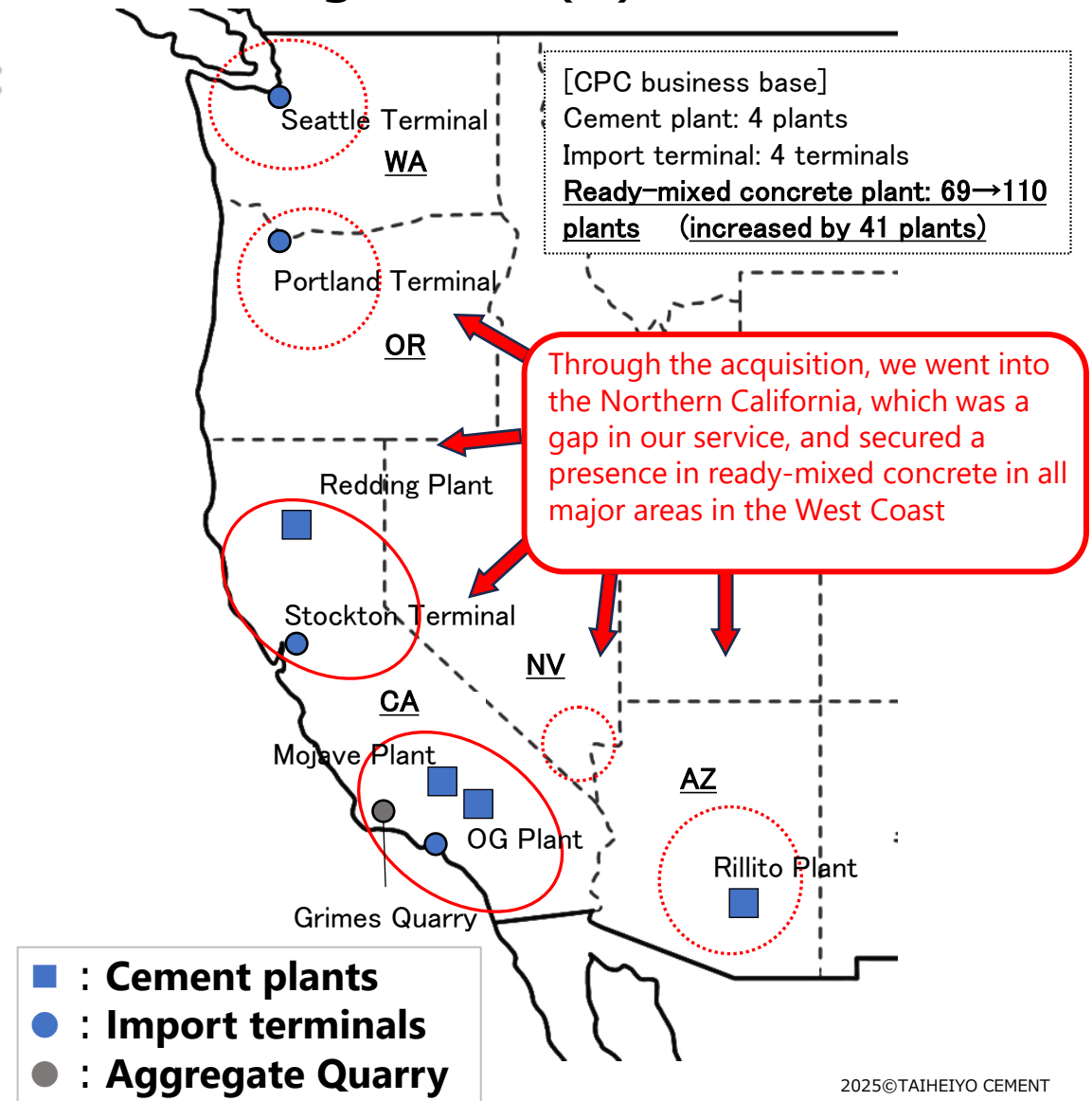
[Major acquisition and capital investment in recent years]

- 2015 Oro Grande Plant, 2 terminals (San Diego and others)
- 2022 Redding Plant, 14 ready-mixed concrete plants, 6 terminals
- 2024 Grimes Quarry, 1 ready-mixed concrete plant
- 2025 Vulcan Materials Company, 41 ready-mixed concrete plants in CA**
- 2026 Stockton Terminal, planning to build 2 more silos

[Deepening of vertical integration in the West Coast]

Establish a strong business base by realizing an integrated management of cement, aggregates, SCMs, and ready-mixed concrete

- Secure aggregates sources, which are precious resources, enhance supply chains using the Group's trading networks, provide a one-stop service by operating a wide range of ready-mixed concrete business
- Taking advantage of the scale-up of ready-mixed concrete business, expand the SCMs business by making the maximum use of our SCMs procurement capabilities



Overseas Business (Vietnam)

- Earnings improvement through export maximization and review of optimal domestic sales structure

[Supply and demand of cement (2025)]

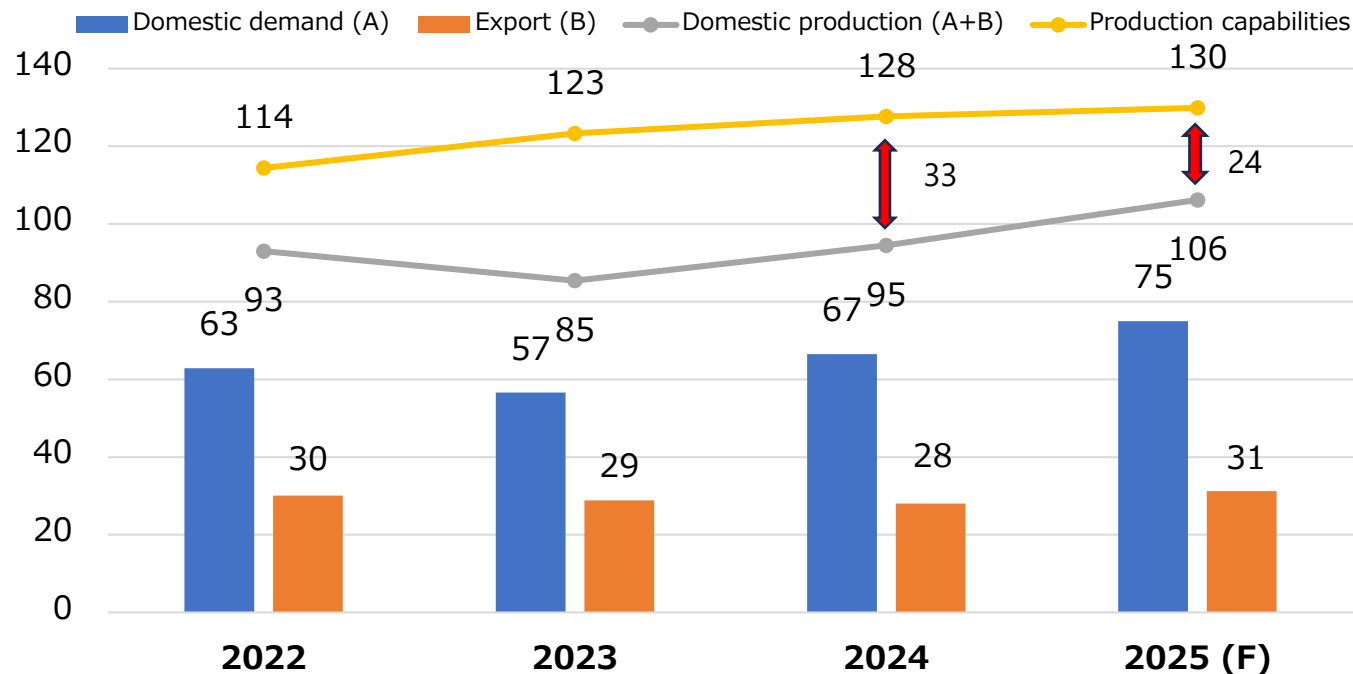
- Supply capabilities: 130 million t
- Domestic demand: 75 million t (**up 12% YoY**)
- Export: 31 million t

Investments in infrastructure expanded domestic demand, and **supply-demand gap narrowed 33 million t $\Rightarrow$ 24 million t**

[Initiatives for earnings improvement]

- **Increase export to the U.S.** by utilizing our network
- Build a supply system for **limestone-blended cement (Type IL)**
- **Expand sales in Northern and Central Vietnam**, where the competitive environment is relatively moderate, with expectations of high profitability and demand growth
- **Build a new waste heat power plant (start operations in 2027)** for further cost reduction

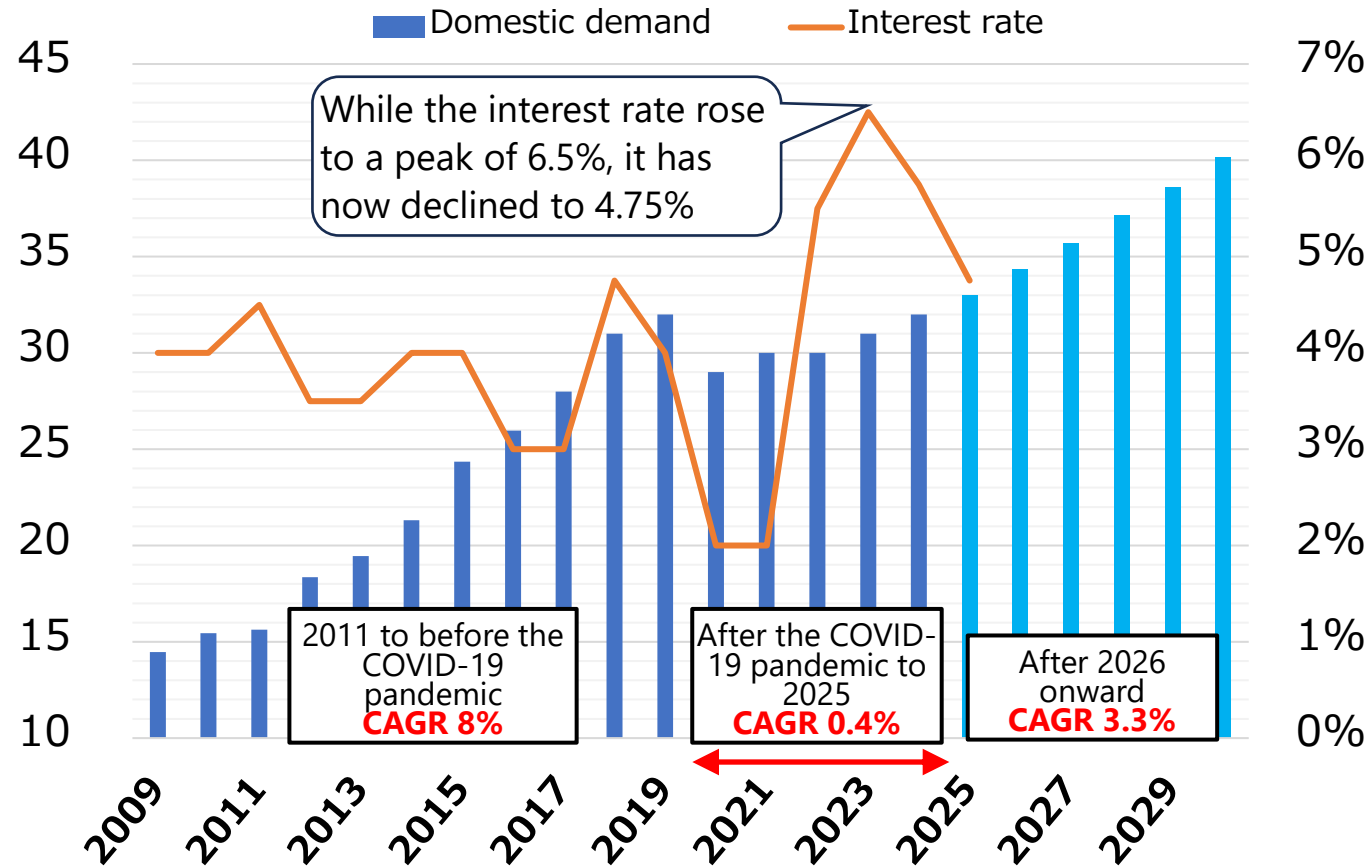
(Million t)



Overseas Business (Philippines)

● Cement demand forecast

(Million t)



- Demand remained sluggish from 2019 to 2025, affected by the COVID-19 pandemic and high interest policy (the interest rate increased from 2% in 2022 to 6.5% in 2023).
- The interest rate has now fallen to 4.75%. We expect demand to recover over the medium to long term, supported by the recovery of private demand and public works.

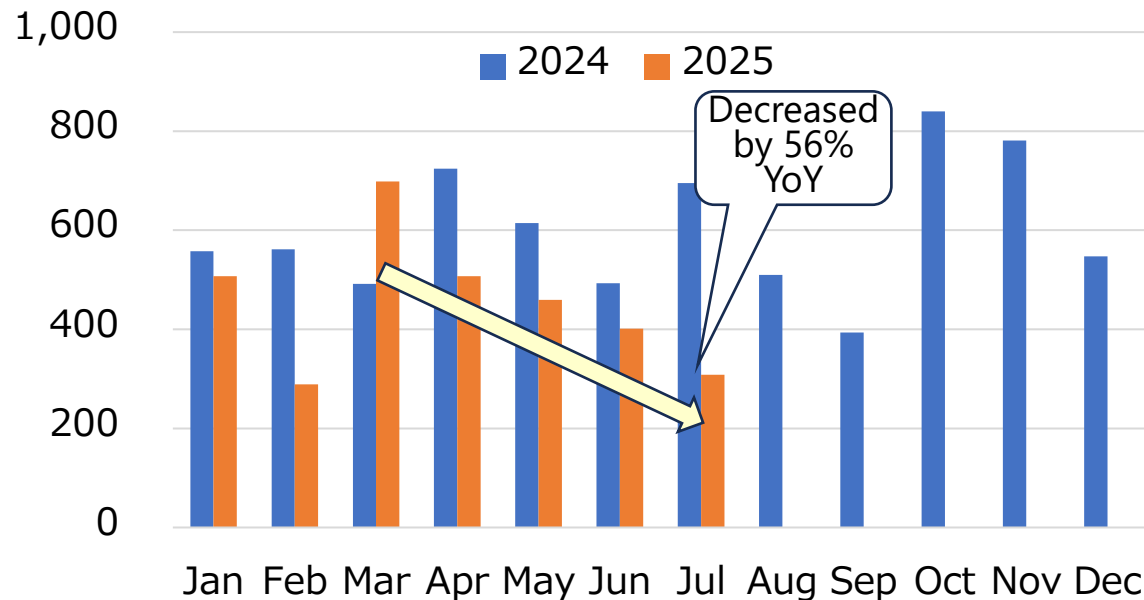
Overseas Business (Philippines)

● Measures to improve profitability for next fiscal year

[Current market trend]

- Market conditions in the Philippines softened due to the influx of cheaper products from Vietnam.
- Since April 2025, a provisional safeguard measure of 400 peso/t had been imposed on imports. This transitioned to a three-year formal measure in October, with the tariff set at 349 peso/t.
- Although cement import from Vietnam has been on a declining trend after the introduction of the safeguard, we will closely monitor the impact on supply and demand in the future.

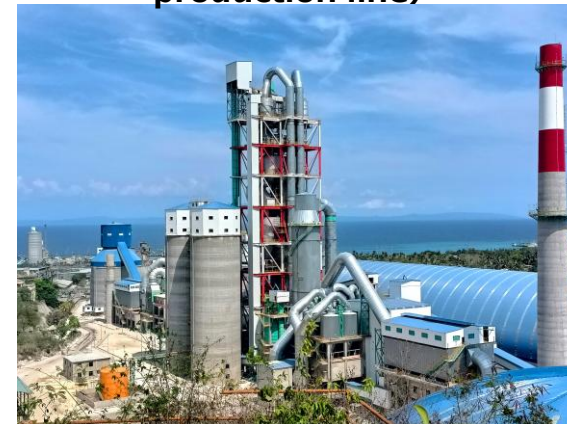
(Thousand t) Cement imports from Vietnam (monthly trend)



[Initiatives for profitability improvement in the future]

- **Further promote the cost reduction at the cutting-edge plant**
 - Shift to the usage of domestic raw materials and fuel (coal, gypsum)
 - **Import of FA cement, etc.** from Japan
- **Full-scale entry into Luzon Island, the largest demand area**
 - Make the maximum use of the cement distribution terminal under construction

Taiheiyo Cement Philippines, Inc. Luzon Island Cement Distribution Terminal (panoramic view of new production line)



(Scheduled to start test run in 2026)



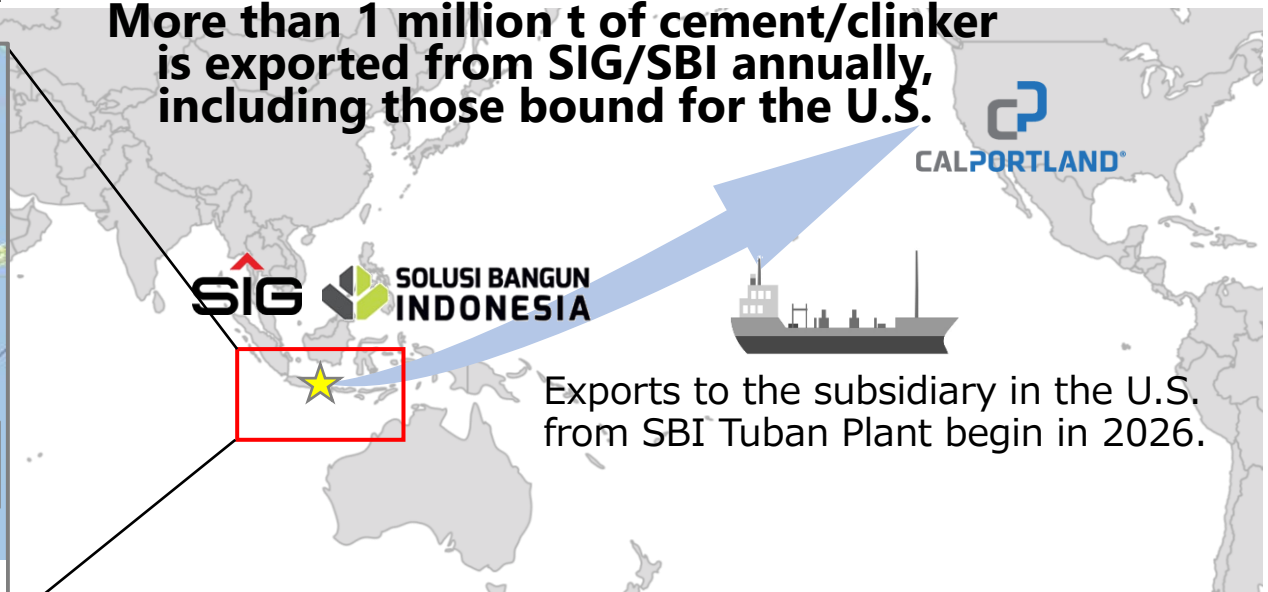
Overseas Business (Indonesia)

● Deepen strategic partnership with SIG/SBI

Locations of SIG integrated plants (9 plants, 50.6 million t per year in total)



More than 1 million t of cement/clinker is exported from SIG/SBI annually, including those bound for the U.S.

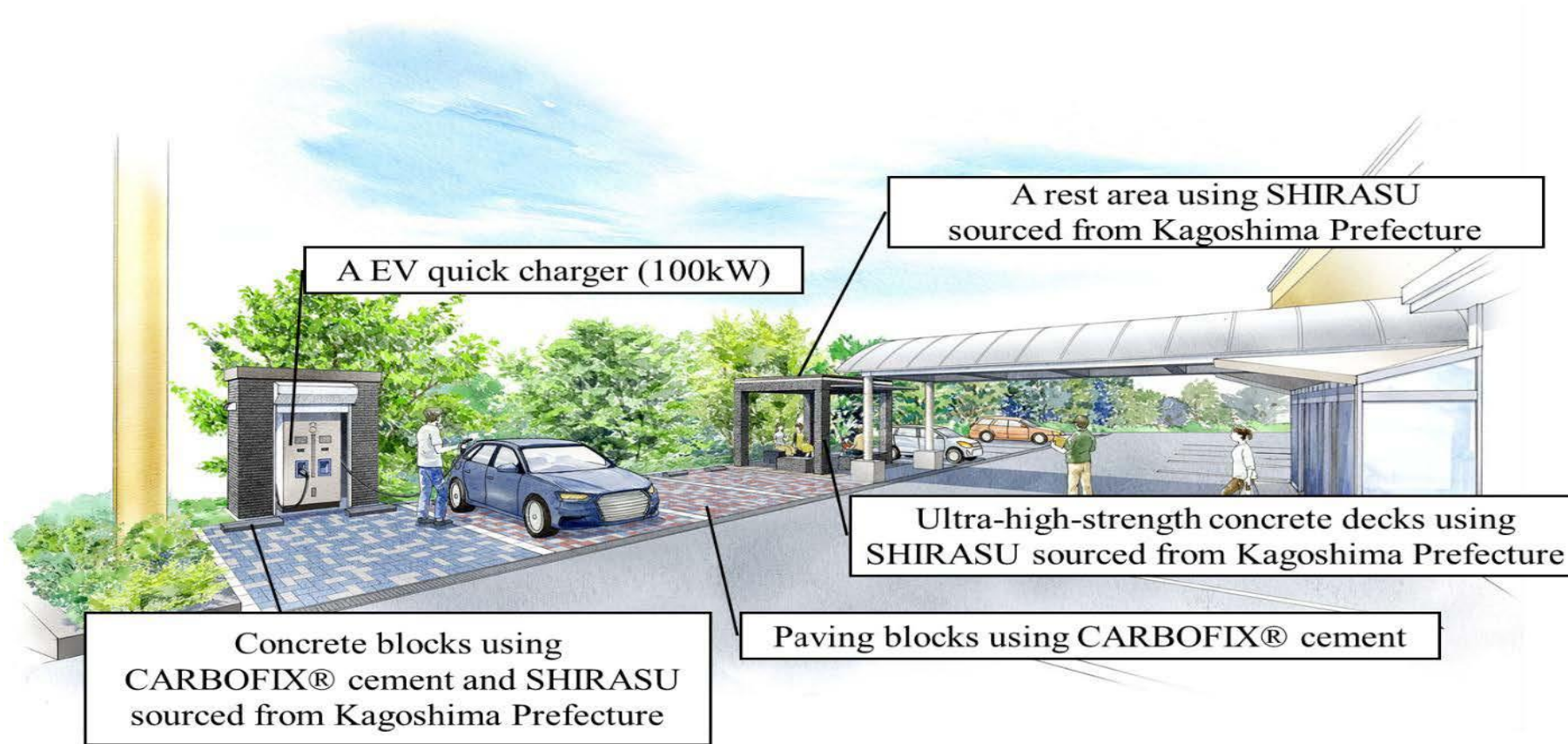


- We are working on expanding the trading business by utilizing SIG's clinker/cement, which have price competitiveness as they are made in the coal-producing country, and shipping infrastructure for large ships.
- In addition, the local subsidiary founded in 2024 is playing a leading role in promoting partnership with SIG/SBI by **beginning exports to the U.S. and expanding soil stabilization business** in cooperation with SBI.



CN Strategy

- Collaboration with Yakushima Town's Zero Carbon Island Initiative



Decided to develop the following facilities as the first phase of its collaboration and started the construction, aiming for the completion of these facilities within the fiscal year.

1. Installation of EV quick chargers
2. Construction of CO₂-fixed paving blocks for fixed CO₂ in parking lots
3. Installation of a rest area using low-carbon and long-life concrete made from SHIRASU sourced from Kagoshima Prefecture

