Overview of Our U.S. Business

December 12, 2025

TAIHEIYO CEMENT CORPORATION

Contents

✓Executive Summary

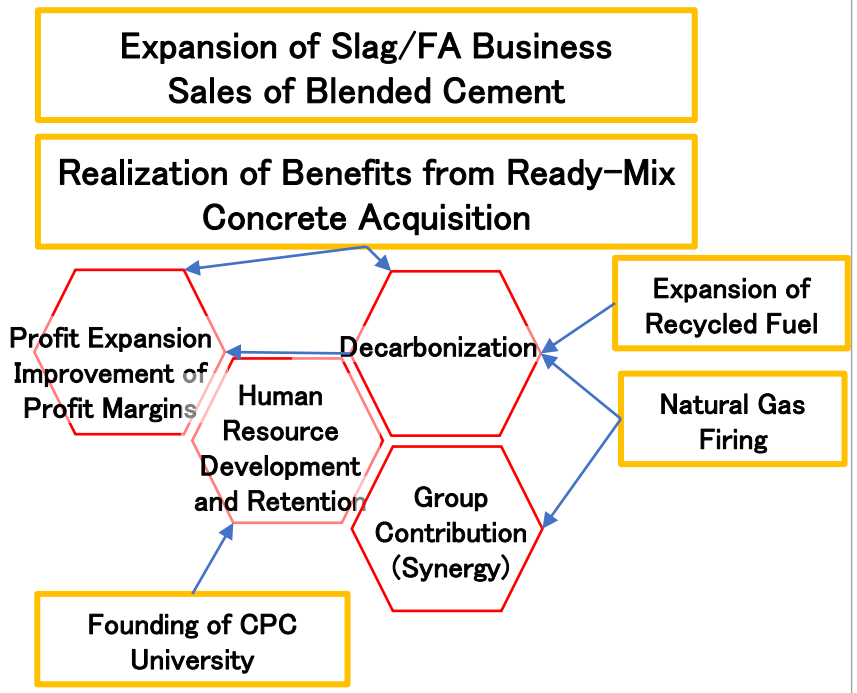
① Characteristics of the U.S. Cement Market
- U.S. cement demand has a strong correlation with GDP (“Economic growth = demand expansion”).
- Since 2023, this correlation has weakened due to the impact of high interest rates.
  From 2027 onward, interest rate reductions, correlation recovery, and market rebound are expected.
- Structural characteristics create the inherent attractiveness of the market and are closely linked to our business strategy and strengths.

② Strengths of Our U.S. Business (Keyword: Synergy)
- Cement supply capacity (strategic placement of plants and terminals) × Ready-mix concrete business and aggregates business (an integrated three-in-one value chain)
- Business foundation built by CPC × Global resources of TCC
- CPC's Technical Expertise × TCC's R&D Capabilities (Blended Cement Development)
- CPC's slag/fly ash(FA) sales capability × TCC's supply capacity
- CPC's technological expertise × TCC's plant management capability

③ Challenges in Our U.S. Business and the Impact of Acquiring Vulcan's Ready-Mixed Concrete Business

Challenges: Vertical integration, strengthening aggregates, expanding slag/FA
Acquisition Impact: Reinforcement of the ready-mix concrete business
Synergy: Downstream expansion(Vertical integration), expanding slag/FA, promotion of blended cement
Foundation for Realizing Benefits: (CPC) Expansion of terminals / (TCC) Supply of slag/FA and cement

Future Strategy (Goals × Means)



1.Overview and History of Taiheiyo Cement's U.S Operations（CPC）

1) Overview of U.S. Operations

Main Businesses

Cement Business (Manufacturing & Import), Ready-Mix Concrete Business, Aggregates Business

Business Areas

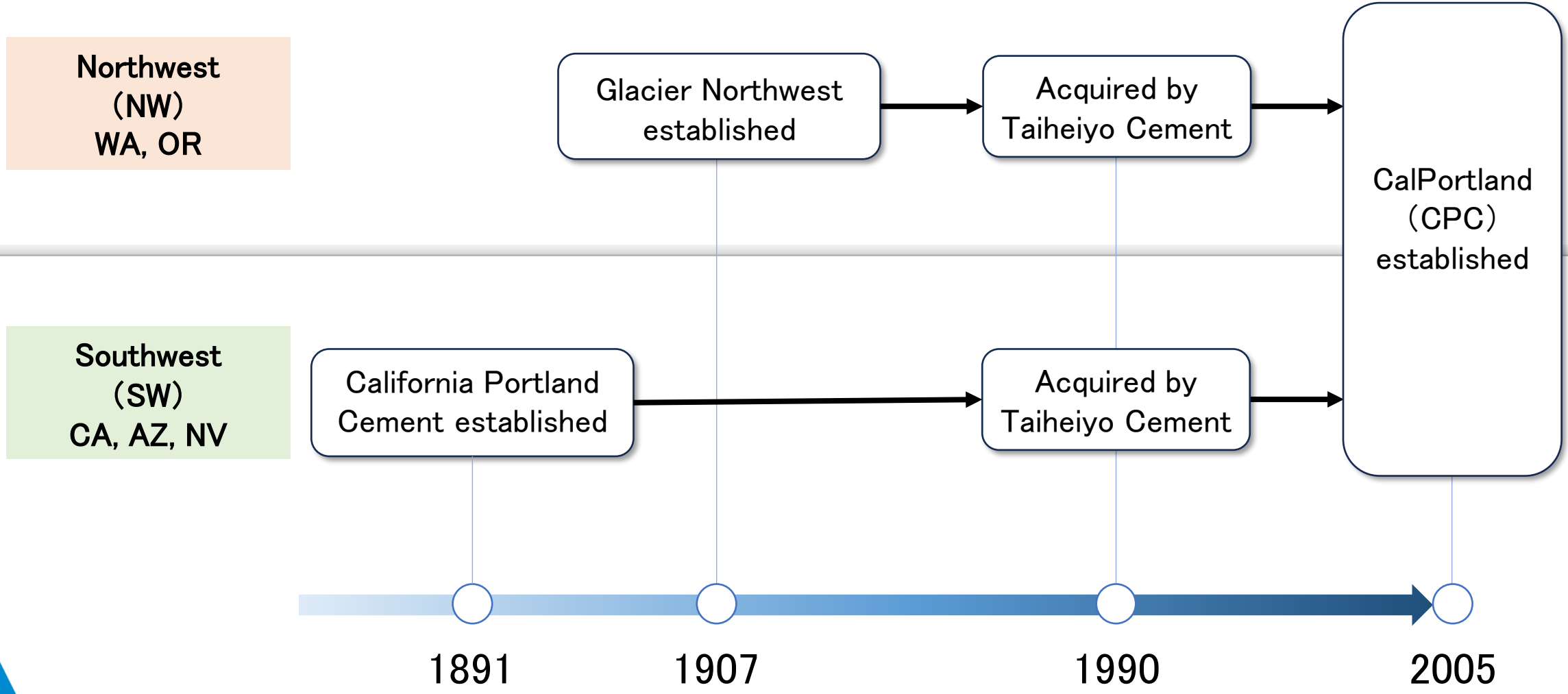
Business Areas	2024 Demand (million tons)	
Washington (WA)	1.599	five major states
Oregon (OR)	0.802	
California (CA)	9.019	
Arizona (AZ)	3.143	
Nevada (NV)	1.482	
Alaska (AK)	0.163	

Recent Performance

	2023 Results	2024 Results	2025 Forecast
Cement Sales Volume (Mt)	6.83	6.12	5.92
Sales (million US$)	2,020	1,962	1,856
Operating Profit (million US$)	277	270	182
EBITDA (million US$)	398	391	322

1.Overview and History Taiheiyo of Cement's U.S Operations（CPC）

2) History of Taiheiyo Cement's U.S Operations

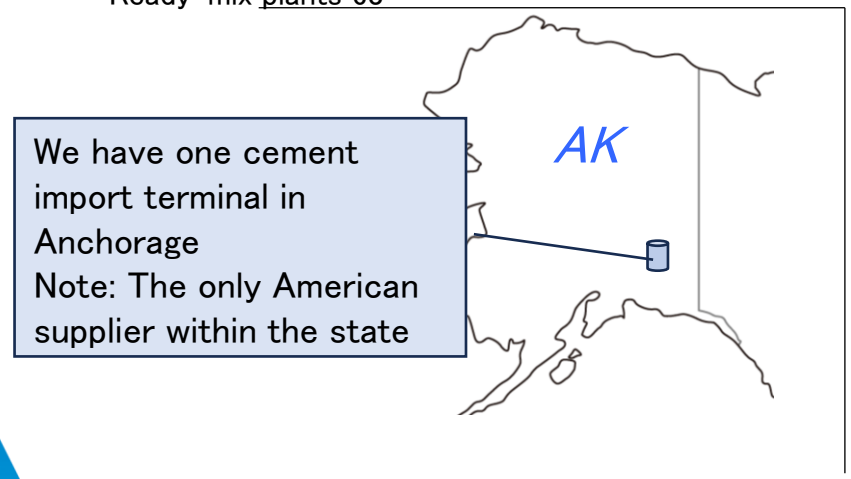


1.Overview and History of Taiheiyo Cement's U.S Operations (CPC)

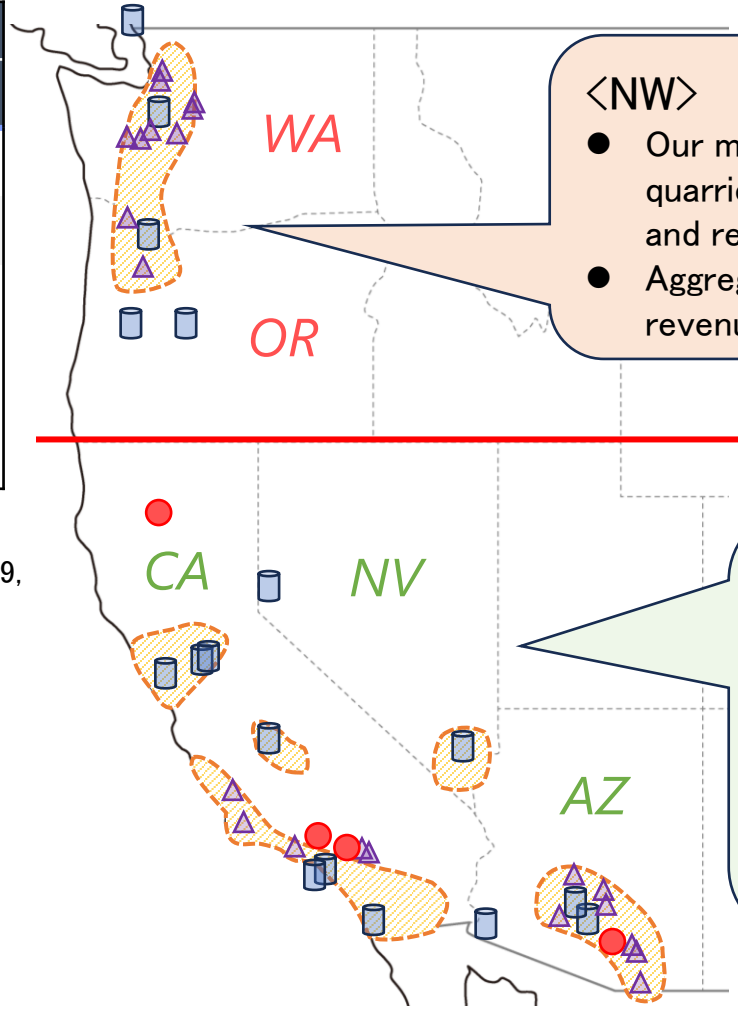
3) Features of U.S. Business

Major Locations on the U.S. West Coast	NW		SW		
	WA	OR	CA	NV	AZ
● : Cement Plant	–	–	3	–	1
: Terminal	1 (1)	3 (1)	7 (2)	2	3
: Ready-Mix Concrete Plants	14	9	22	4	20
△ : Aggregate Quarry and Plant	9	4	5	–	6

(Note) Parentheses for terminals indicates import terminals
After completion of Vulcan company asset acquisition (CA): Terminals 9, Ready-mix plants 63



We have one cement import terminal in Anchorage
Note: The only American supplier within the state



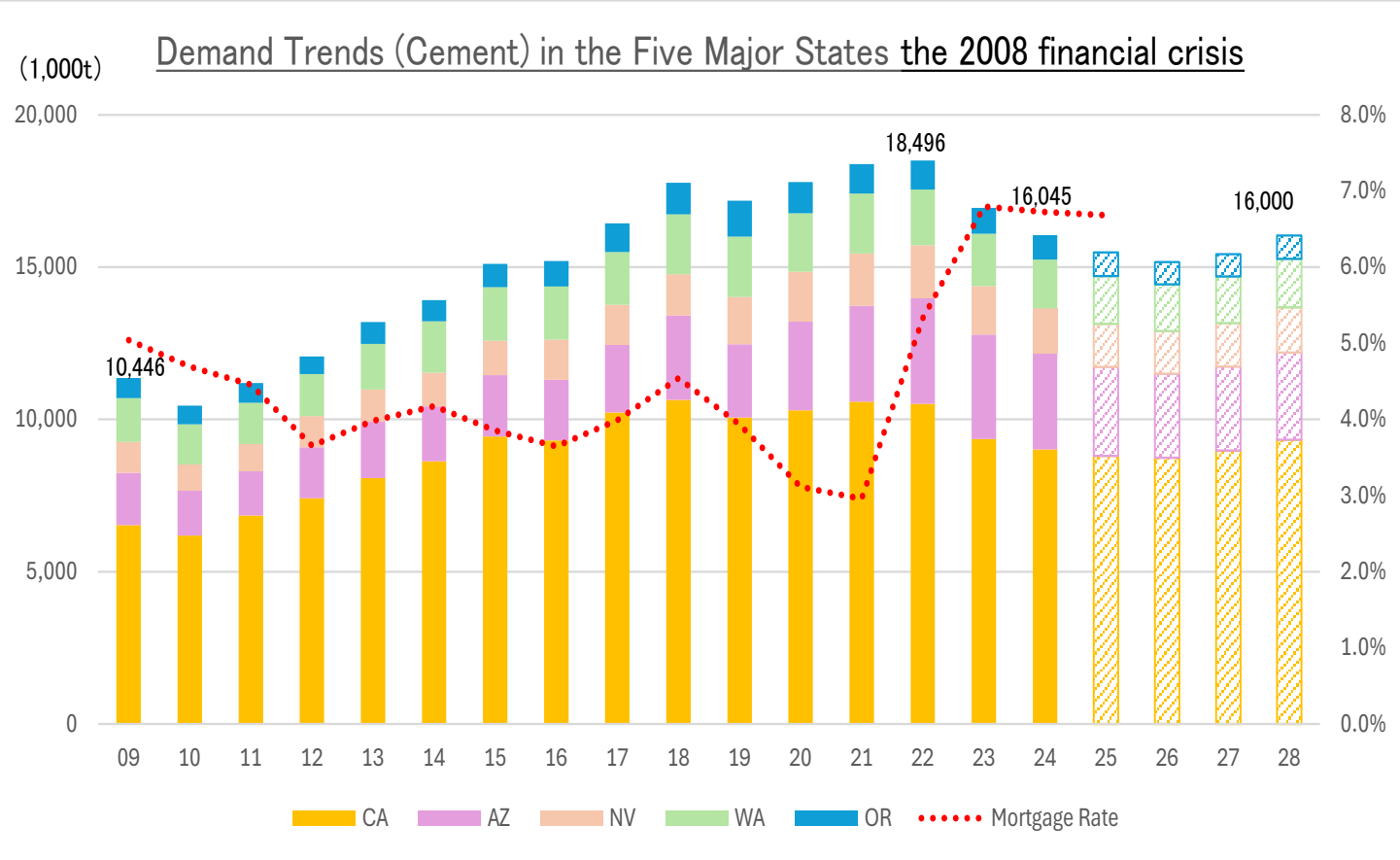
<NW>
- Our main business is built on strong aggregate quarries, supported by cement import terminals and ready-mixed concrete operations.
- Aggregates division's share of NW's total revenue: 24%(SW: 6%)

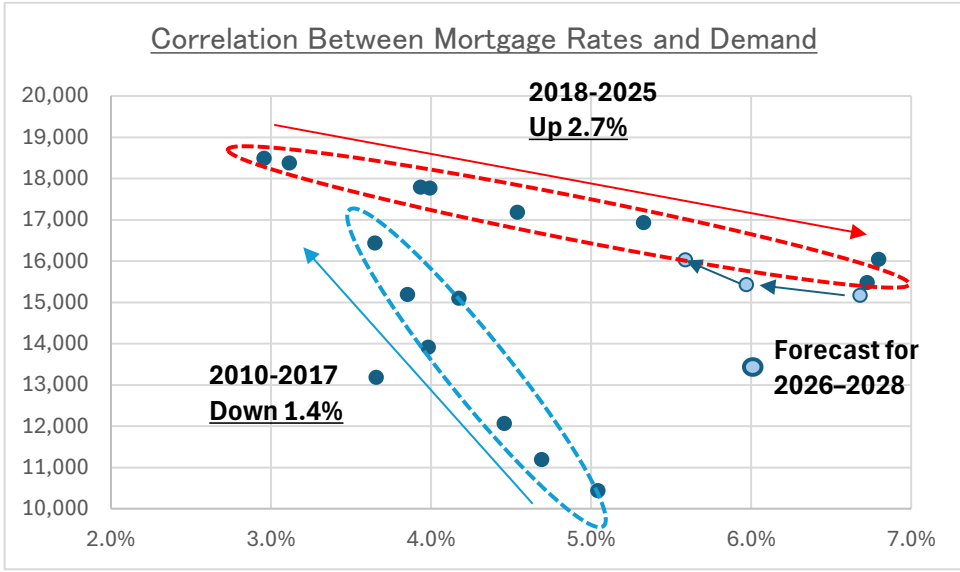
<SW>
- Our main business is built on strong cement plants and import terminals, supported by aggregate quarries and ready-mixed concrete operations.
- Cement division's share of SW's total revenue: 52%(NW: 28%)

We have developed comprehensive building materials businesses built on vertical integration.

2. U.S. Cement and Ready-Mixed Concrete Market Overview

1) Demand Trends (Cement Demand in the Five Major States)





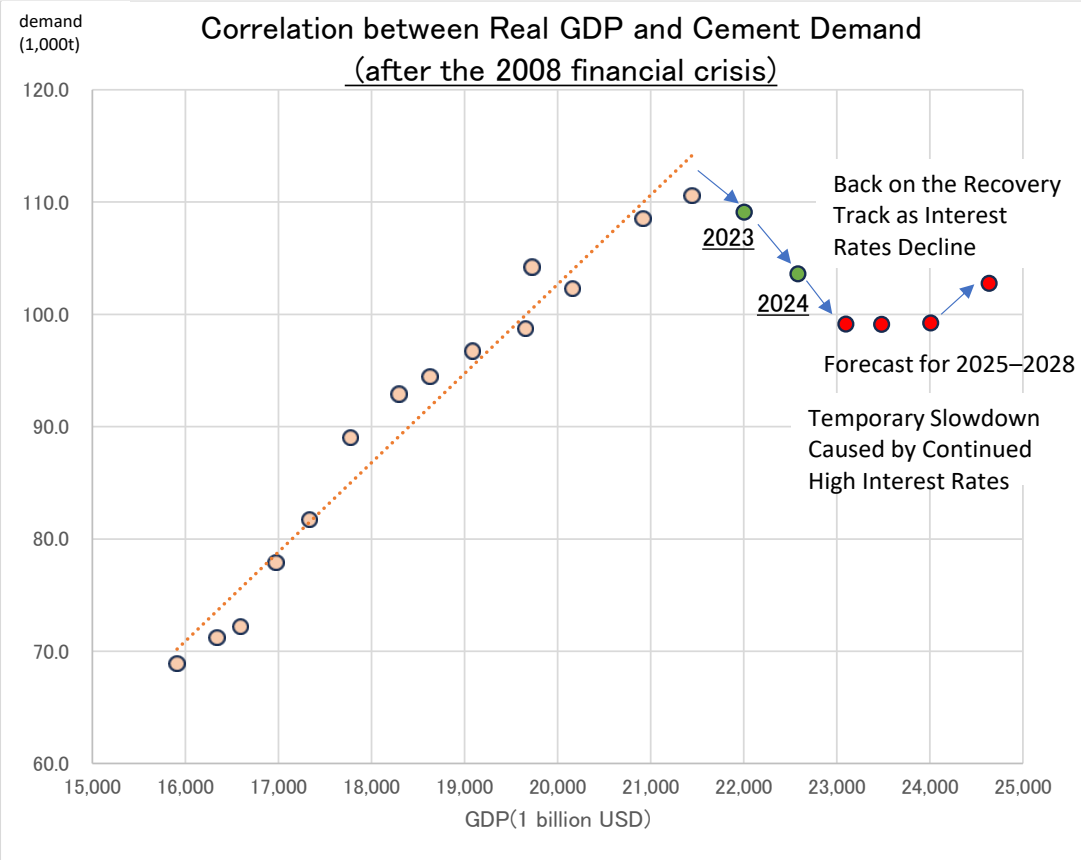
Note: In the above graph we assume that there is a one year lag in the effect of interest rates on demand.

(Source)
American Cement Association (ACA)
Demand forecast is calculated by us based on the spring 2025 state-by-state forecast and adding in the content of the fall 2025 national forecast

- Due to the economic recovery that continued after the 2008 financial crisis, cement and ready-mixed concrete demand expanded.
- Since 2022, interest rapid rate hikes have caused the housing and commercial real estate markets to be sluggish.
- We expect strong recovery from 2027 onward as the effects of interest rate cuts materialize.

2. U.S. Cement and Ready-Mixed Concrete Market Overview

1) Demand Trends (Relationship Between U.S. Cement Demand and Economic)



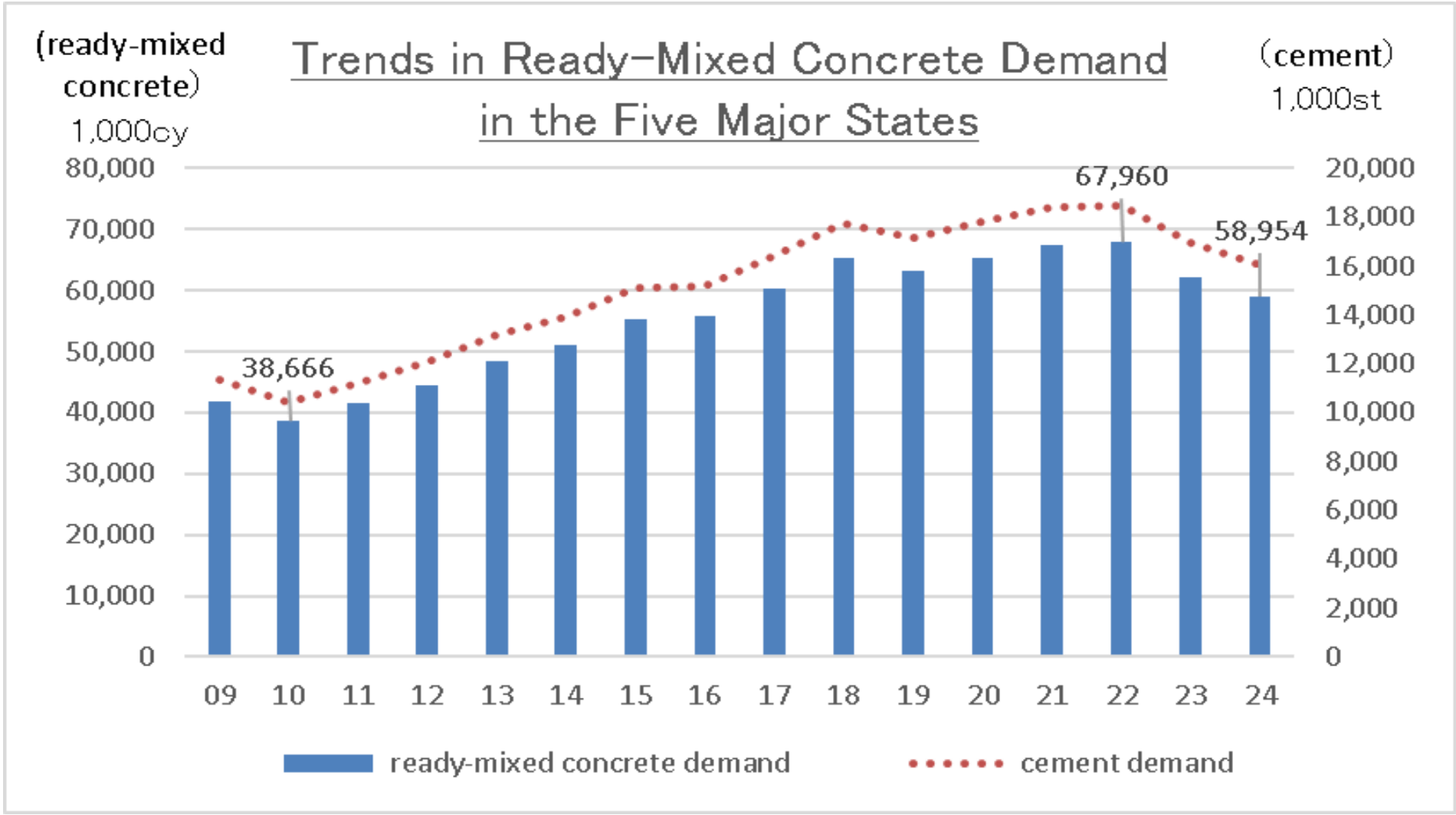
Key features and strengths of the U.S. Economy		Impact on the Cement Industry
Massive Economic Scale and High Growth Rate	Accounting for over one-quarter of global GDP Maintaining growth above the global average	Sustained high-level and high-growth demand
Massive Population Size and High Growth Rate	World's 3rd largest 30% growth in 30 years	Generating demand in the housing sector
Driving Growth by Embracing Transformation	Growth through economic transformation	Generating new demand by "Scrap and Build"
Self-Sufficient Economy	Low dependence on imports and exports	Minimal impact from geopolitical risks

(Source) Real GDP: ~2024 United Nations Statistics Division (National accounts – Main aggregates annual data); 2025~ ACA)

- High correlation between GDP and cement demand
  → A simple relationship that if the economy grows, demand also grows.
- The U.S. is one of the countries that will continue to grow economically with certainty going forward.
- Currently, due to the prolonged impact of high interest rates, past trends differ
  → Correlation with GDP will recover again along with interest rate declines.

2. U.S. Cement and Ready-Mixed Concrete Market Overview

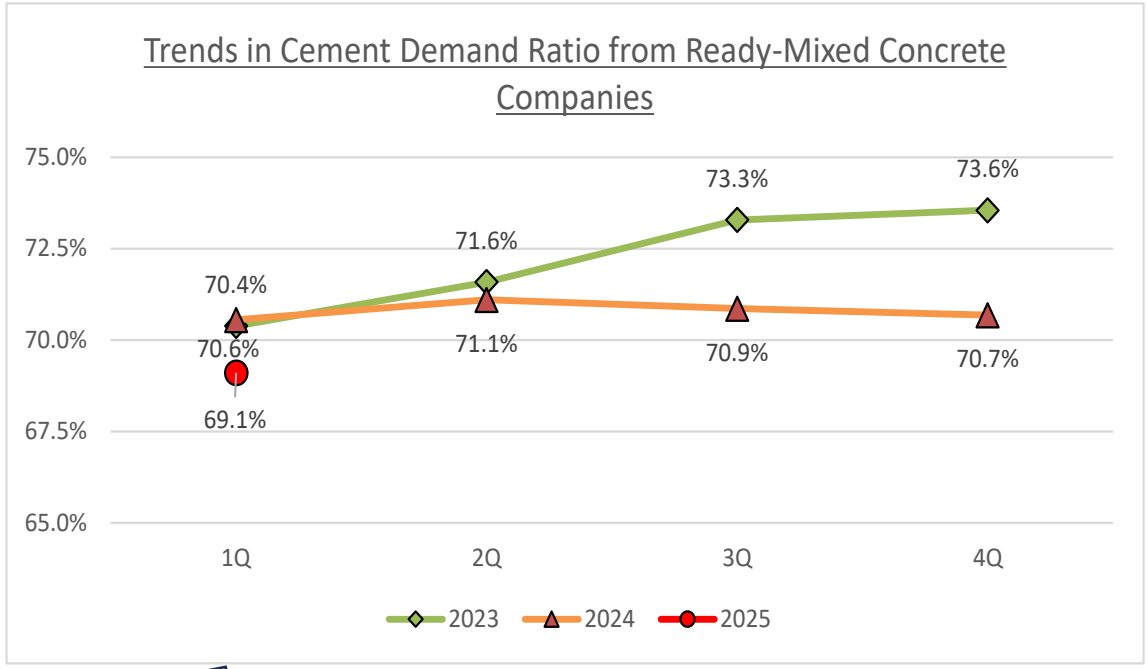
1) Demand Trends (Ready-Mixed Concrete　Demand in the Five Major States)

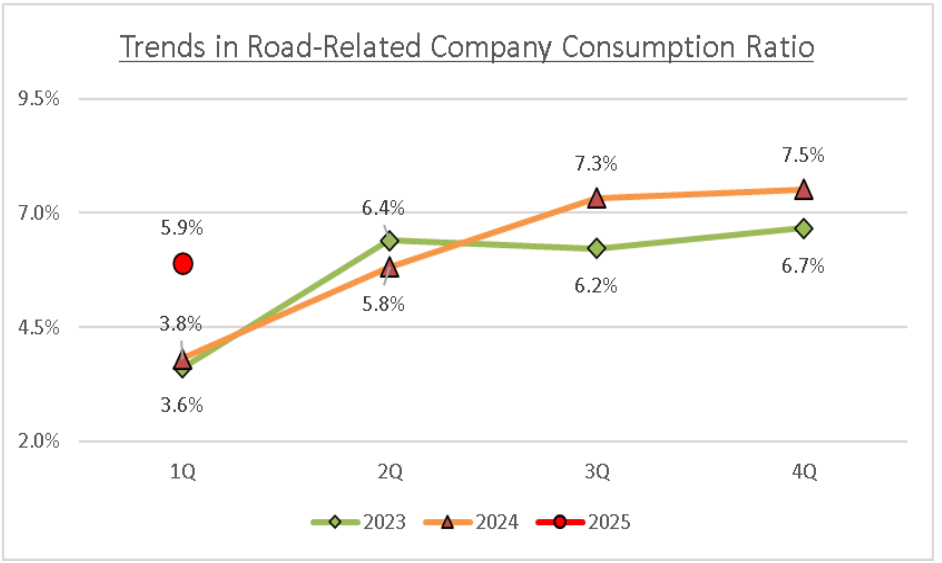


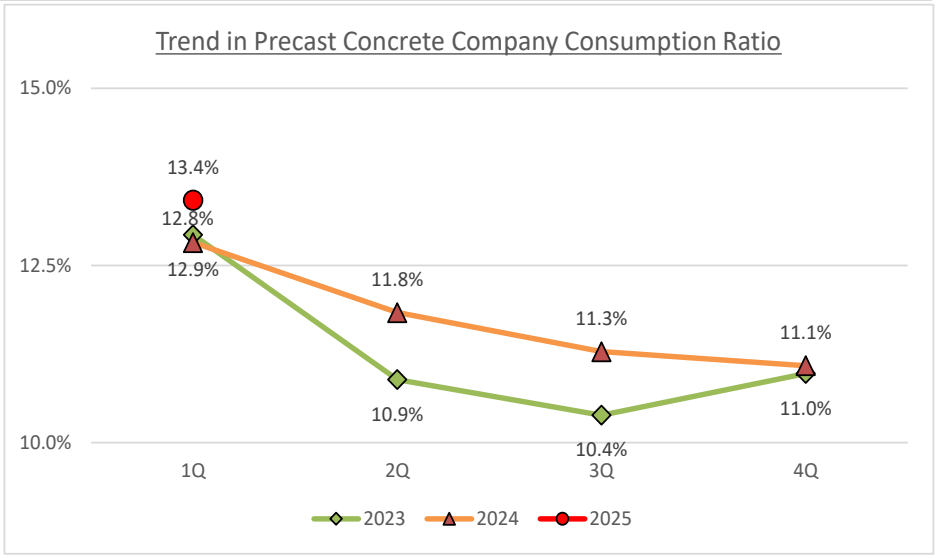
(Source) ACA

2. U.S. Cement and Ready-Mixed Concrete Market Overview

1) Demand Trends (Cement Consumption Ratio by End Use (U.S.))







According to consumer-by-user consumption data from ACA, the ratio of cement demand from ready-mixed concrete companies (U.S. average) is declining.
2023 72.3% → 2024 70.8% (▲1.5%)
☆The main factor is the slump in housing demand →We expect recovery along with interest rate declines.

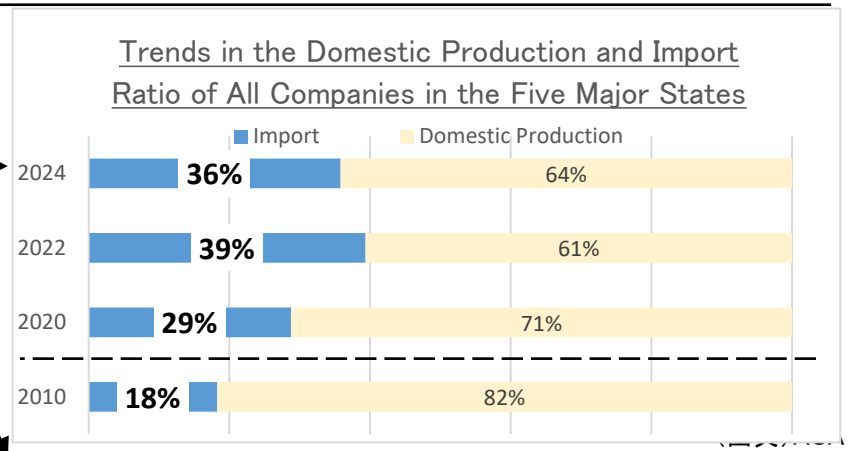
On the other hand, supported by strong demand for public works, the proportion of road-related and precast concrete products has increased.

(Source) ACA

2. U.S. Cement and Ready-Mixed Concrete Market Overview

2) Characteristics of the U.S. Cement Market

Features of the U.S. Cement Market		Impact
① Supply and Demand Structure	Shortfall in supply capacity covered by imports	The proportion of imports fluctuates according to demand.
② Logistics	Delivery at the complete shipping location (factory or terminal)	Due to cost and manpower issues, the customer will go to a nearby location for pickup
③ Demand	The residential sector accounts for a high proportion (over 40% of construction total put-in-place).	Demand is highly influenced by interest rate
④Marketed Products	Blended cement adoption has progressed rapidly in recent years.	The development of blended cement and the establishment of manufacturing and distribution systems are urgent priorities.
⑤Market Structure	Vertical integration has advanced in some regions to secure stable supply sources.	Securing stable supply sources is a key priority for all manufacturers.
⑥Supply Capacity	Production capacity is on a gradual decline amid strict environmental regulations.	The value of owning our own factory is high.
⑦Raw Material and Fuel Procurement	Almost all raw materials and fuel can be sourced domestically.	Relatively unaffected by overseas factors



Closely Related to Our Strategy and Strengths (Explained on Page 16)

Closely related to our efforts to address company challenges (Explained on page 21)

Supplement on Page 11

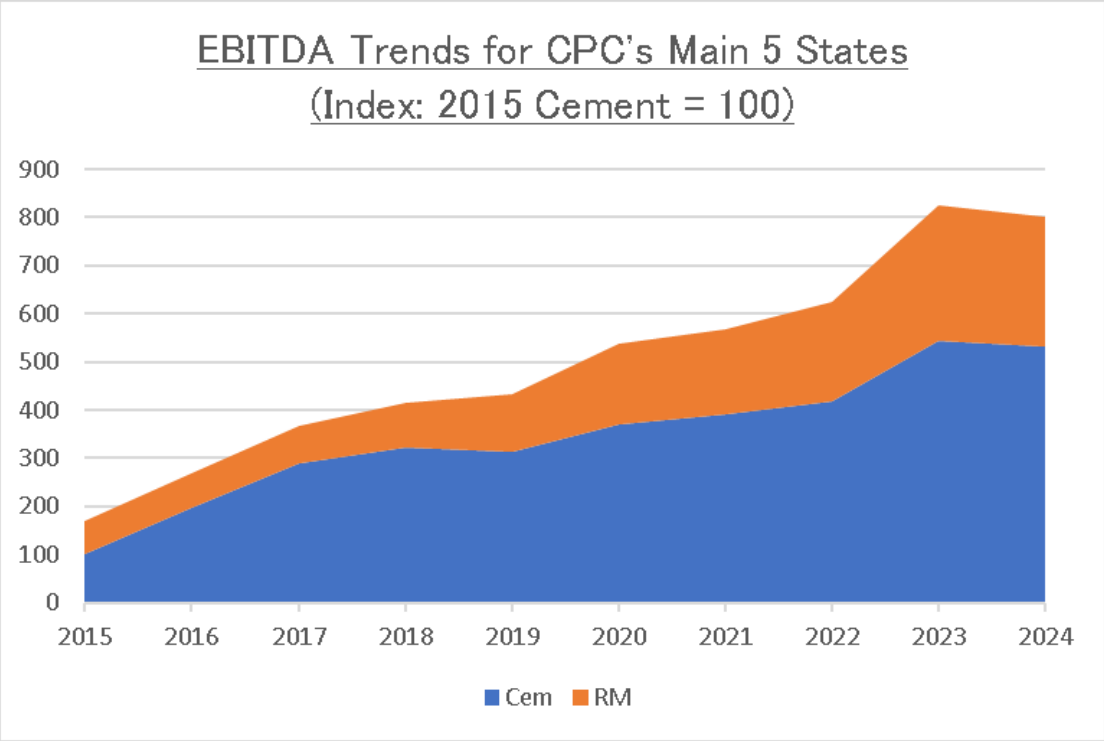
Supplement on Page 12

We own not only limestone quarries, but also two gypsum mines (one acquired in 2022), an iron-ore raw material mine, and a pozzolan mine—developed since 2018—which supplies supplementary materials for blended cement.

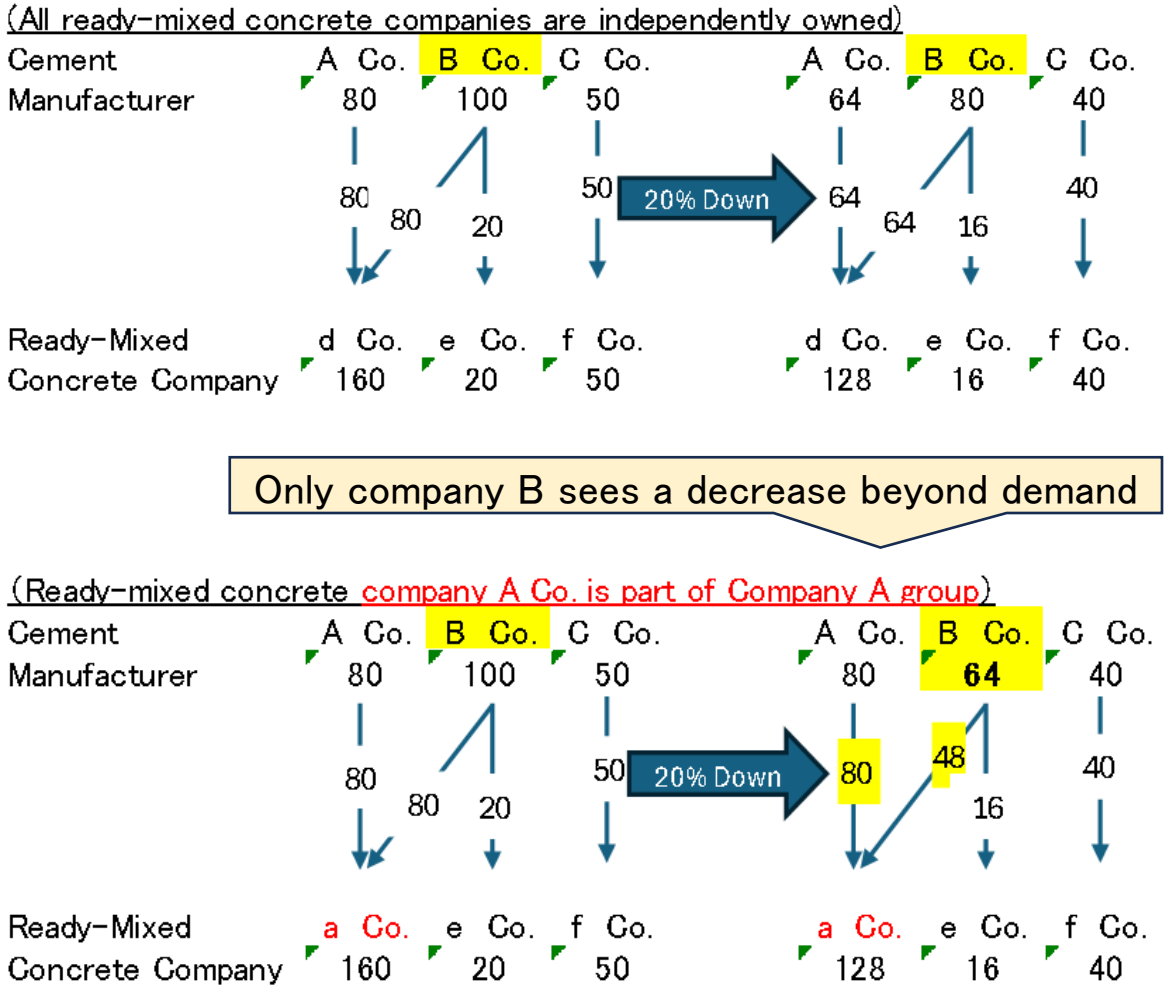
2. U.S. Cement and Ready-Mixed Concrete Market Overview

2) Characteristics of the U.S. Cement Market : Importance of Vertical Integration

① Capturing profits in expansion phases



② Securing sales volume in contraction phases



2. U.S. Cement and Ready-Mixed Concrete Market Overview

2) Characteristics of the U.S. Cement Market – Trends in Clinker Production Capacity

Comparison of production capacity from its peak in the past 20 years and in 2024

	Clinker production capacity
Nationwide (U.S.)	92%
Mountain and Pacific Region	85%
Pacific region only	75%

(Source) ACA

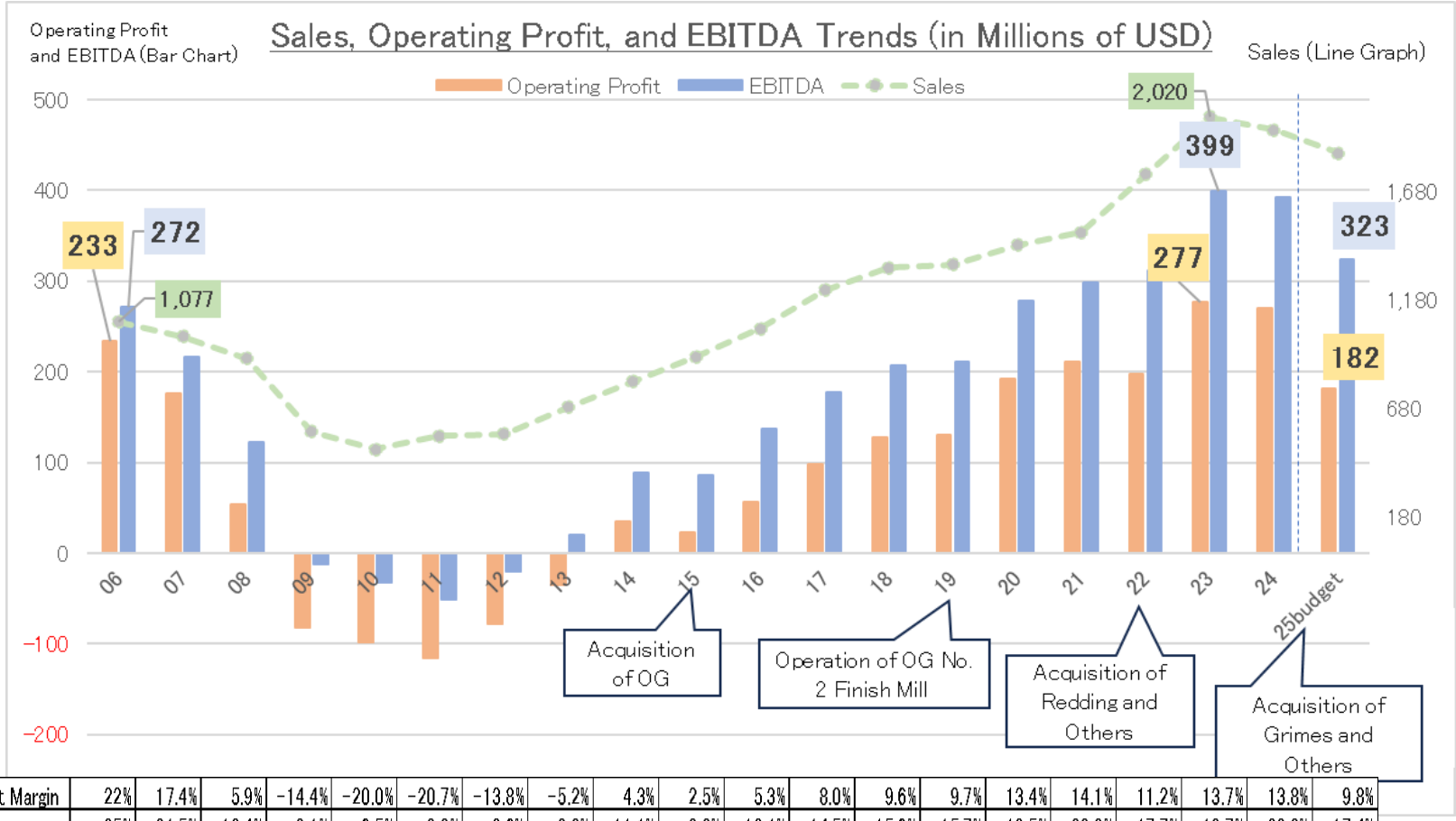
(Note 1) Pacific Region: WA, OR, CA
Mountain Region: AZ, NV, MT, ID, WY, UT, NM, CO
Both are regional classifications based on the U.S. Census.

(Note 2) Peak Year of Clinker Production Capacity Over the Past 20 Years
Nationwide: 2012
Pacific & Mountain Regions: 2011
Pacific Region: 2010

- Due to the impact of environmental regulations (such as those on mining), Nationwide production capacity has decreased by 8%.
  In particular, CPC's business areas have seen a decline of 15–25%.
- Meanwhile, demand has increased by 30–40%, partly because the peak in production capacity occurred immediately after the 2008 financial crisis.
- As a result, owning factories within the United States is becoming increasingly valuable.

3. Our U.S. Business

1) Operating Profit and EBITDA Trends

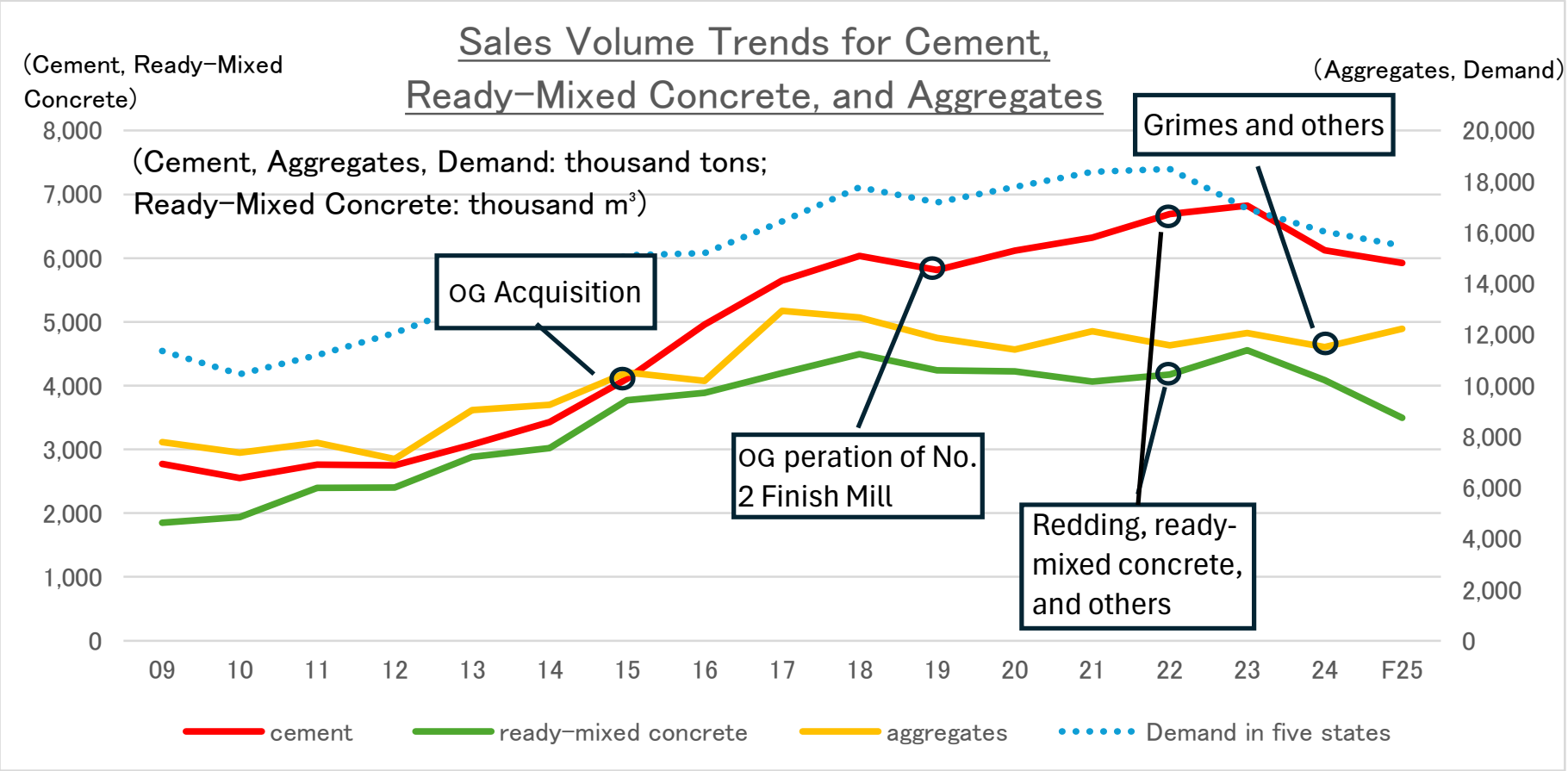


Operating Profit Margin	22%	17.4%	5.9%	-14.4%	-20.0%	-20.7%	-13.8%	-5.2%	4.3%	2.5%	5.3%	8.0%	9.6%	9.7%	13.4%	14.1%	11.2%	13.7%	13.8%	9.8%
EBITDA Margin	25%	21.5%	13.4%	-2.1%	-6.5%	-9.2%	-3.6%	2.9%	11.1%	9.3%	13.1%	14.5%	15.6%	15.7%	19.5%	20.0%	17.7%	19.7%	20.0%	17.4%

- Business expansion coupled with demand recovery led to updating the past highest operating profit from 2006 in 2023, increasing by 19% compared with that year.
- Furthermore, EBITDA in 2023 increased by 47% compared with 2006.

3. Our U.S. Business

2) Trends in Sales Volumes of Cement, Ready-Mixed Concrete, and Aggregates

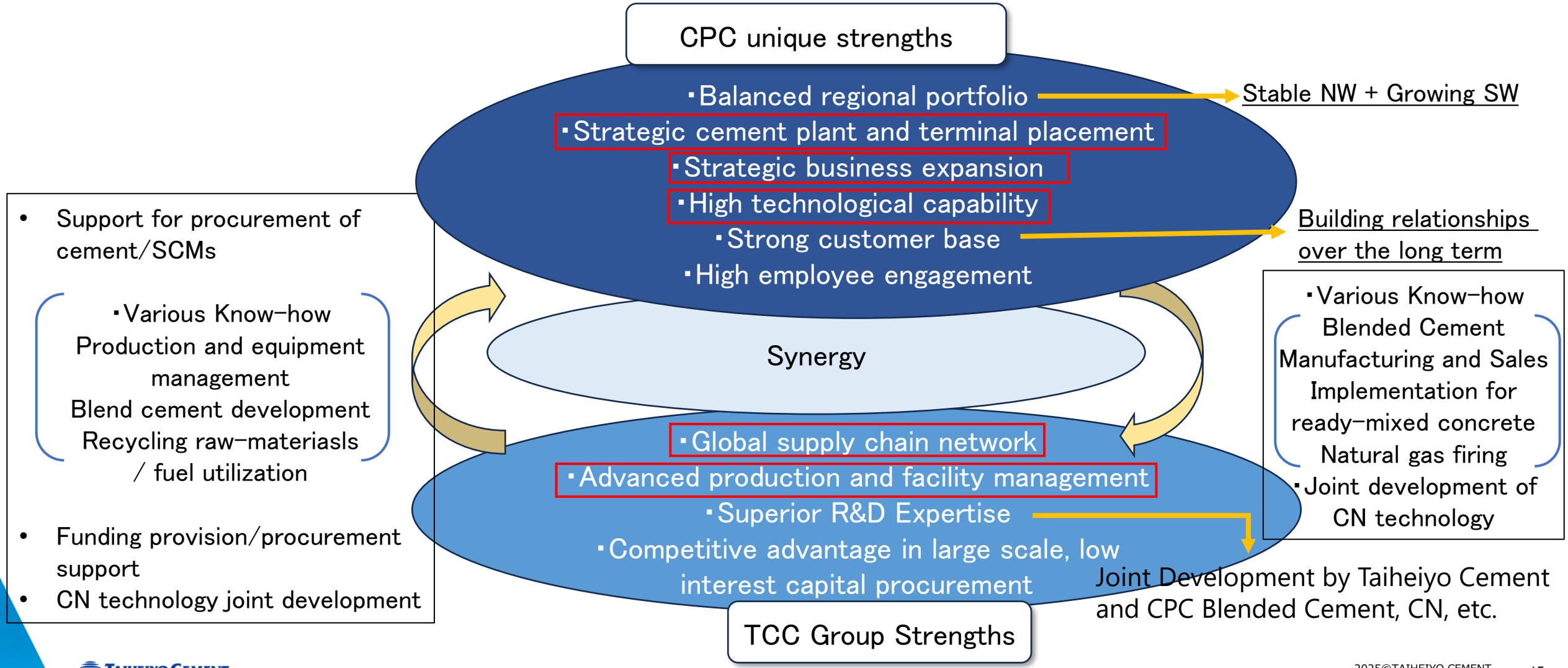


- With each business expansion, sales volumes have consistently increased, regardless of demand trends.
- When comparing 2023 with 2009, overall demand increased by 1.5 times, while CPC's cement and ready-mixed concrete sales volumes grew by 2.5 times each.

3. Our U.S. Business

3) Strength

CPC's market foundation × TCC's global resources = Sustained growth driver



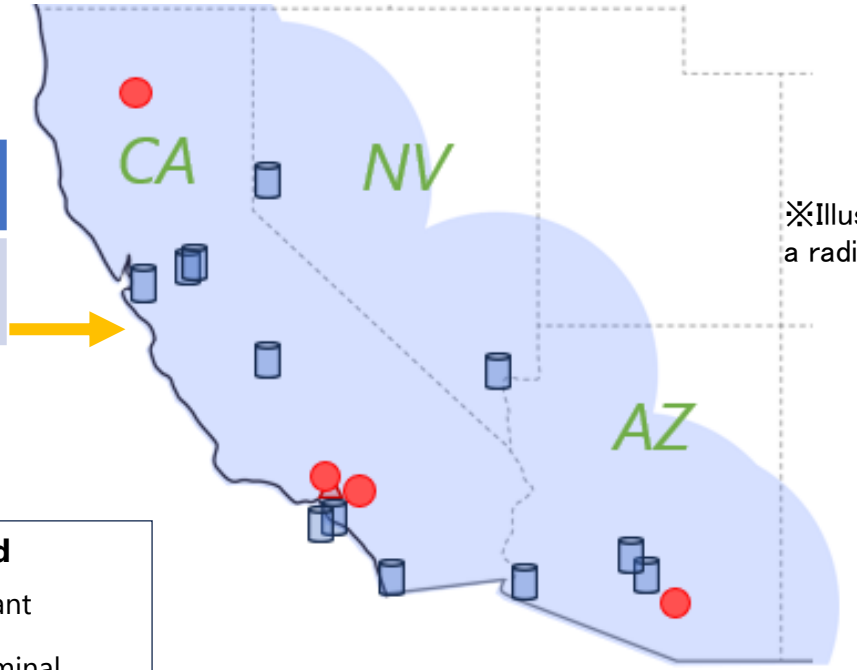
3. Our U.S. Business – Source of Strengths

[Strategic Plant & Terminal Placement] (Explained in SW)

Background : In the US, cement is sold ex-plant/terminal shipment locations (users arrange bulk trucks). Transport costs, and particularly in recent years labor issues, lead to preference for nearby shipment locations

Our Strength: <u>Possessing the largest factories and strategically located inland terminals</u>

	Plant	Import Terminal	Inland Terminal
Number of shipping Locations	4	2	10

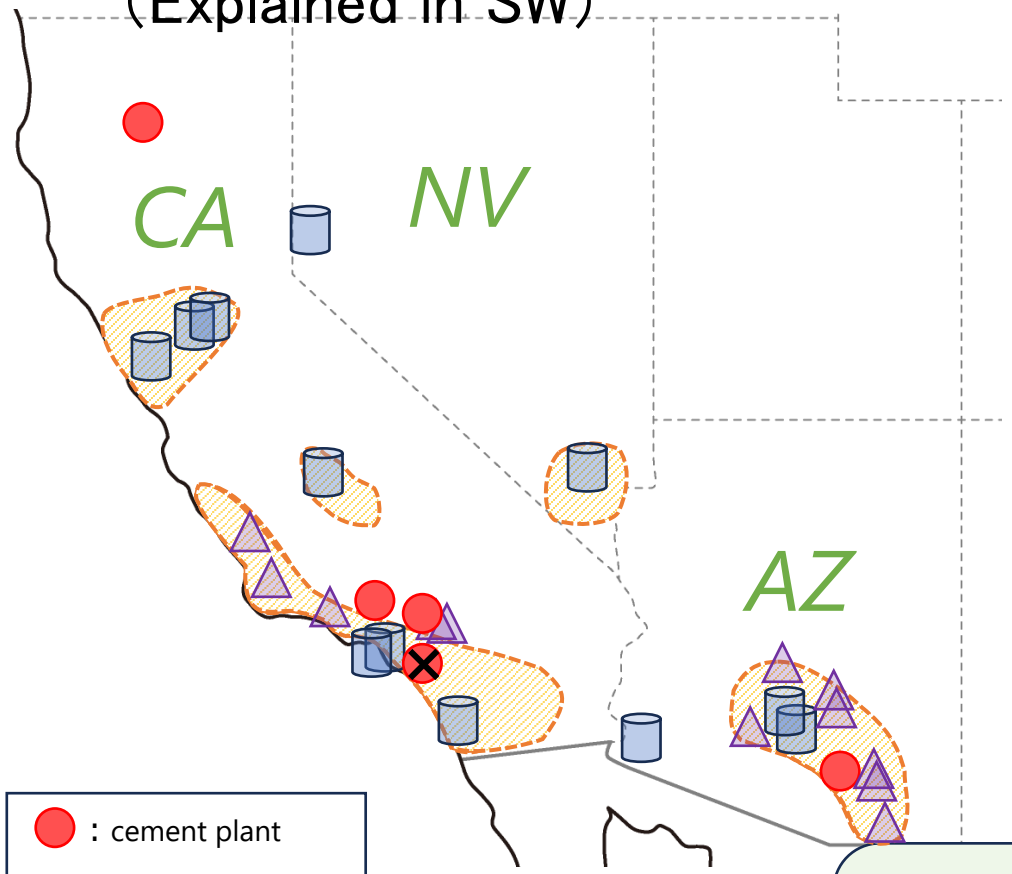


※Illustrated as areas that can be shipped continuously within a radius of 200 miles

One of the outcomes of strategic business expansion

3. Our U.S. Business – Source of Strengths

[Strategic Plant & Terminal Placement] (Explained in SW)



Over the past 10 years, we have strengthened inland terminals (from 1 to 10).

(Million USD)

Year	Investment	Amount
2008	Acquisition of ready-mix concrete business in SW region	554
2013	Sale of land of former Colton plant	(160)
2015	Acquisition of Oro Grande plant and others	420
2019	Completion of finishing mill expansion at Oro Grande plant	61
2022	Acquisition of Redding plant and ready-mix business	235
2024	Acquisition of Grimes quarry and others	160
2025	Acquisition of Vulcan's ready-mix concrete business in CA	712
2026	Completion of Stockton terminal expansion	40

Expansion Focused on Synergy and Coverage Areas
Cement × Ready-mixed concrete
Aggregates × Ready-mixed concrete
SCMs × Ready-mixed concrete × Cement

Promoting disposal of non-core business assets
2008–2024 : Monetized a total of over USD 380 million

3. Our U.S. Business – Source of Strengths

[CPC：High technological capability × TCC：High production and equipment management capability]

Improve cement plant operating rate

FY2011 84% → FY2024 95% ＝ equivalent to roughly 500,000 tons of additional production

[Oro Grande Plant]
Immediately after finishing mill addition：FY2019 83% → FY2024 96% = equivalent to roughly 250,000 tons of additional production

[Redding Plant]
Before acquisition：FY2021 76% → FY2024 97% = equivalent to roughly 100,000 tons of additional production

One of the largest sources of profit

3. Our U.S. Business – Source of Strengths

[Global Supply Network]

- Establish a robust supply chain for imported cement through inter-group coordination with overseas bases: Nghi Son Cement Corporation + Semen Indonesia Group

↓

Internal group procurement : FY2022 44% → FY2024 65% → Aim for 100% in 2026

- For slag, FA and other cementitious materials (SCMs), capable of securing a wide range of sources

↓

High-profit businesses + synergies with ready-mixed concrete and cement (to be described later)

3. Our U.S. Business – Strengths : Summary

CPC's Strengths		Background / Supplementary Information
Balanced Portfolio	Well-balanced presence across five West Coast states	Stable NW and growing SW
Strategic placement of cement plants and terminals	Owns the largest and optimally located plants and inland terminals in SW	Cement is delivered ex-works, which is advantageous for securing customers. Having production bases in the U.S. itself is a strength.
	Largest aggregate and ready-mix supplier in NW (cement is imported)	Owns large-scale coastal aggregate quarries. Imports are essential in this market, and imported products have a strong presence
Strategic Business Expansion	Expansion focused on synergy	Synergy among cement × aggregates × ready-mix × SCMs
High Technical Capability	High operating rate	Securing talented personnel on a long-term basis is the foundation.
	Cost reduction	Received the U.S. Environmental Protection Agency's ENERGY STAR award for 20 consecutive years.
	Development of blended cement (pioneer on the West Coast)	NW: Completed blending of imported cement SW: IL/IT development completed (prepared for the anticipated rapid expansion).
Strong Customer Base	Strong trust-based relationships with customers	Provides customer services through one of the nation's leading central research laboratories. Builds long-term trust relationships.
High Employee Engagement		Corporate philosophy: "Employees are family"
Synergy with TCC Group from a Long-Term Perspective	Global supply network	Secures long-term stable and high-quality cement import sources centered on Nghi Son (Vietnam) and SBI (Indonesia) Also secures extensive sources for slag and FA (Supplementary Cementitious Materials), realizing synergy with cement and ready-mix.
	Strong capabilities in production and facility management	TCC's production and equipment management know-how ⇔ CPC's new equipment know-how
	High R&D capability	TCC's blended cement development know-how ⇔ CPC's practical know-how in ready-mix
	Ability to raise large-scale funds at low interest rates	Provides low-interest financing leveraging TCC's credit strength.

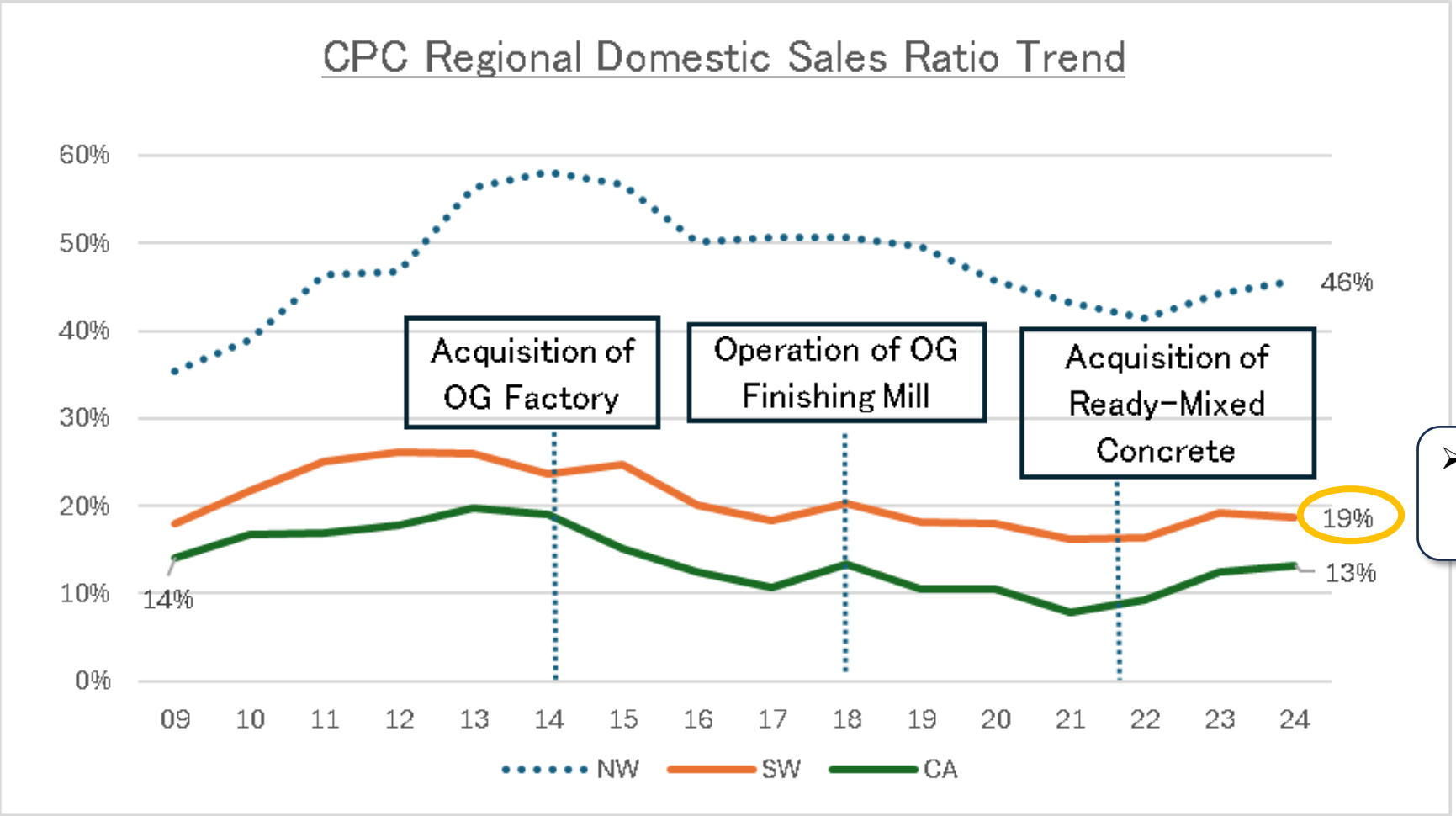
3. Our U.S. Business

4) Major Challenges

Issue		Primary Countermeasures
Promotion of Vertical Integration in the Southwest (Expansion of Ready-Mixed Concrete) (to be described later)	• In recent years, an acquisition of a cement plant was carried out in CA. • Meanwhile, the expansion of the ready-mixed concrete business has been limited. • As a result, the ratio of internal cement sales in SW (sales to internal ready-mixed concrete divisions, etc.) has declined to below 20%. • To stabilize the business, it is a challenge to raise this ratio to the same level as other regions (over 30%).	・Acquisition of Vulcan's ready-mixed concrete business in CA (to be described later)
Expansion of aggregate business (especially in SW)	• The aggregate business is a high-profit business. • It is also effective in securing competitiveness in the ready-mixed concrete business. • Similar to the ready-mixed concrete business, expansion has been limited. • The challenge is to expand the aggregate business in urban areas, which are particularly high-profit.	・ Acquisition of Grimes aggregate quarry in the suburbs of Los Angeles, CA at the end of last year. ・ Capacity expansion of the company's quarry in Phoenix, AZ (completion in 2027, +1 million tons).
Expansion of SCMs business; promotion of blended cement sales (to be described later)	• In the western United States, sourcing slag and fly ash (FA) is difficult (details to follow), while FA is critically important for suppressing alkali-aggregate reactions. • As a result, profitability is high, with slag/FA trading at roughly 90% of cement prices on the West Coast. • Our company also purchases mainly from other domestic competitors. • securing proprietary sources of slag/FA and distribution facilities remains a key challenge. • The shift toward blended cement is progressing rapidly, making adaptation essential.	・ Expansion of silos at Stockton terminal (operation starting in the first half of 2026), and acquisition of Vulcan's small terminal in Northern CA. ・Secure sources of slag and fly ash (FA), mainly from Japan. Slag: already being imported, with plans to increase volume. FA: trial imports early next year. ・Development of blended cement completed. ・Utilize ready-mixed concrete plants acquired from Vulcan.

3. Our U.S. Business – Major Challenges

Low Internal Sales Ratio in the Southwest: Securing Stable Supply Sources is a Key Challenge

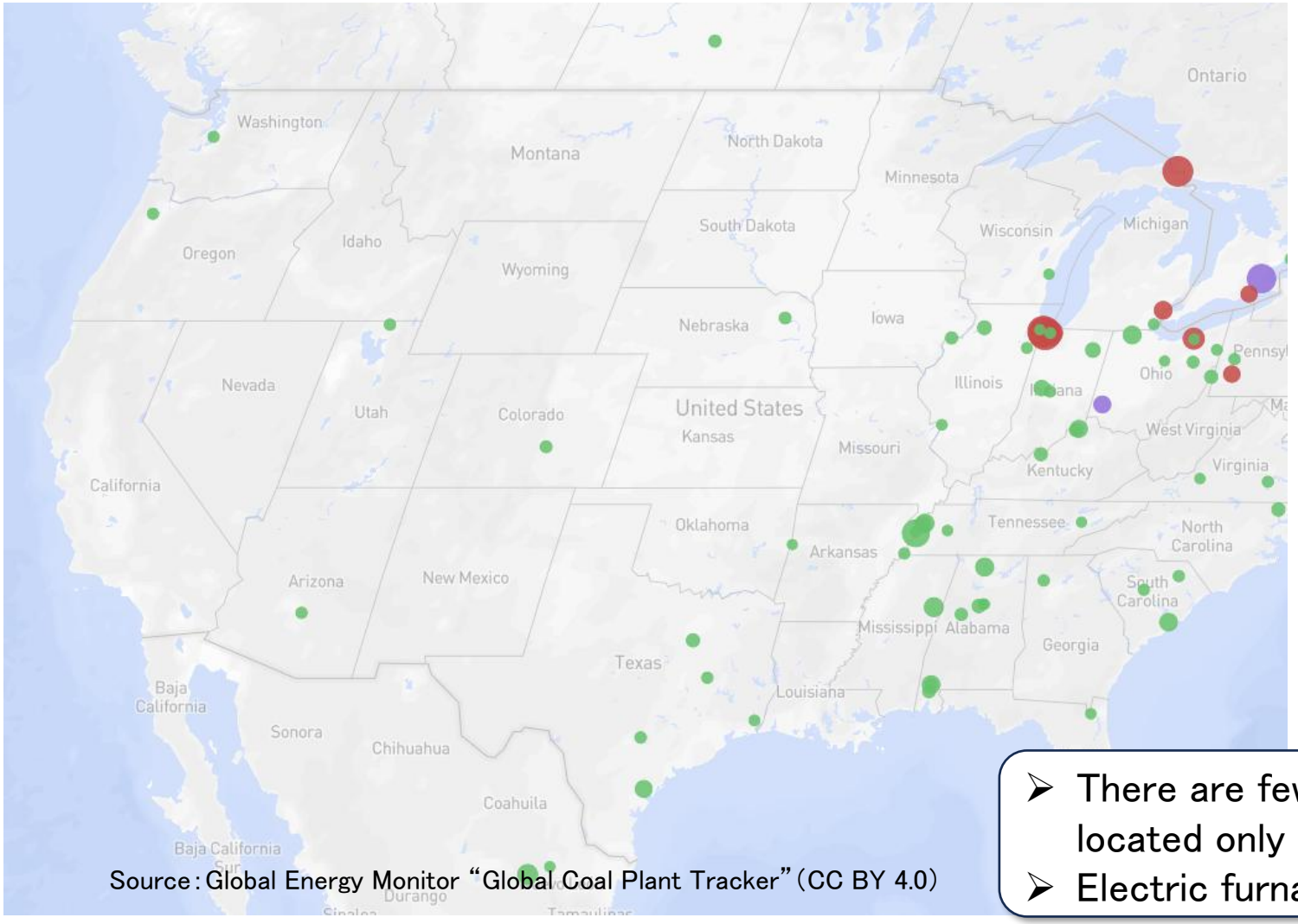


- After acquisition of Vulcan's ready-mixed concrete business, it rises to around 25%.

3. Our U.S. Business – Major Challenges

On the West Coast, slag and fly ash (FA) are scarce, and related businesses are highly profitable.

[Status of Blast Furnaces and Electric Arc Furnaces in the U.S., Canada, and Mexico]



Source：Global Energy Monitor “Global Coal Plant Tracker”(CC BY 4.0)

Blast furnace

Electric Furnace

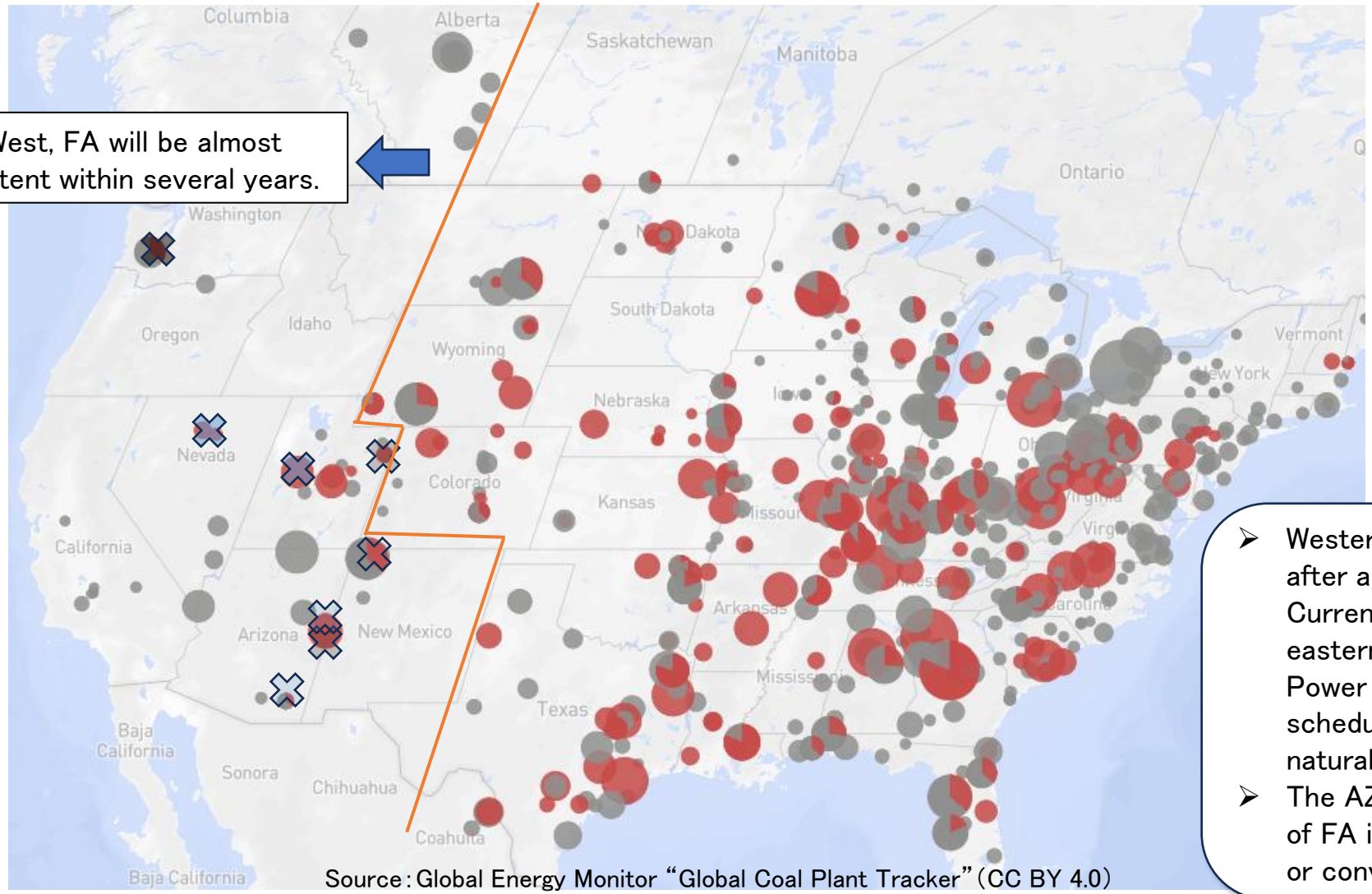
Procurement slag in the West is extremely difficult.

- There are few blast furnaces, and they are located only on the eastern side originally.
- Electric furnaces are also extremely limited

3. Our U.S. Business – Major Challenges

[Coal-Fired Power Plants in US/Canada]

In the West, FA will be almost nonexistent within several years.



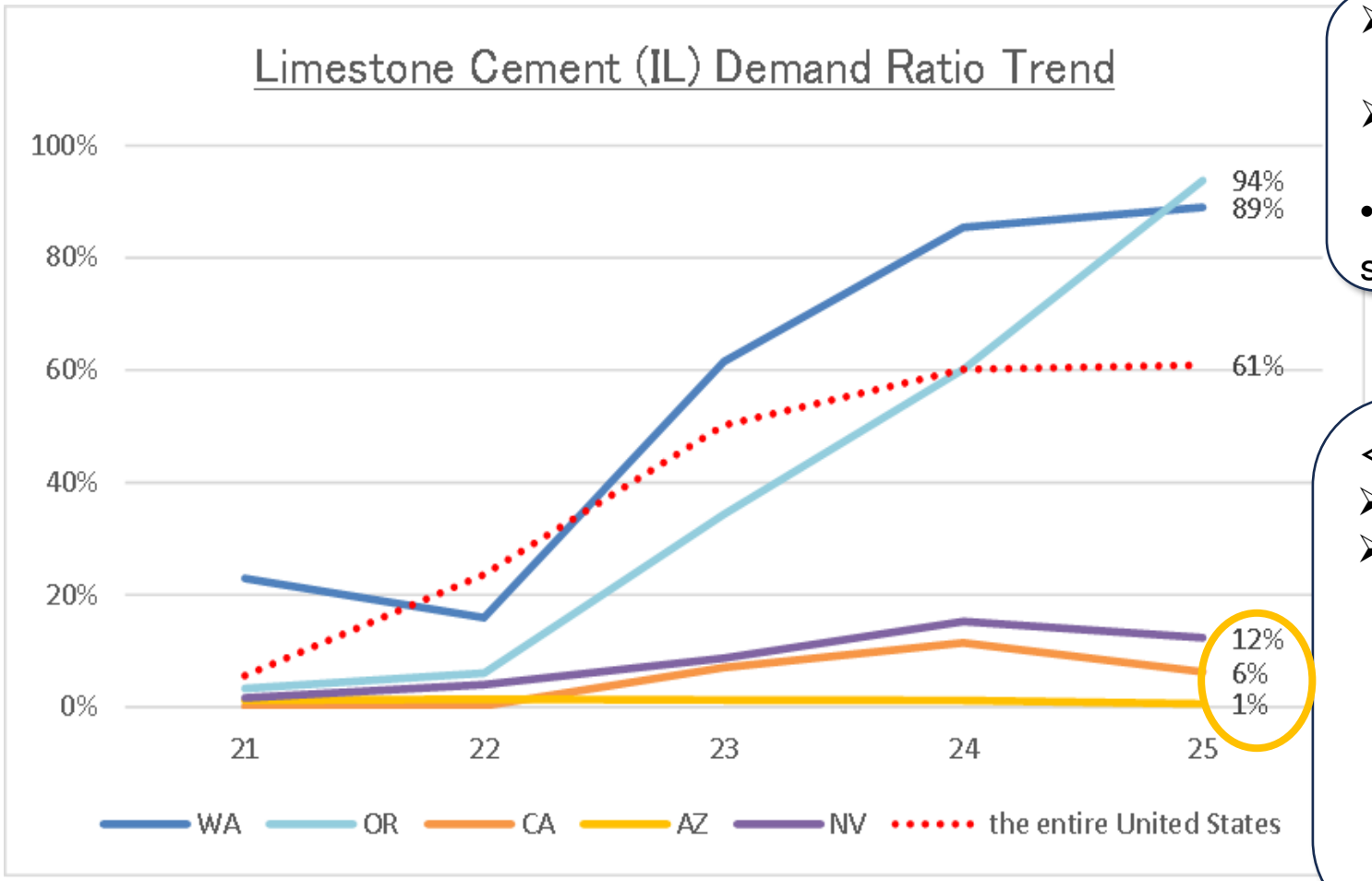
- In operation
- Closure/Suspension of operations /Cancellation of plans
- Scheduled to close in 2026
- Scheduled to close within 5 years
- Scheduled to convert to natural gas in 2026
- Scheduled to convert to natural gas within 5 years
- Scheduled to close within 10 years

Source : Global Energy Monitor “Global Coal Plant Tracker” (CC BY 4.0)

- Western coal-fired power plants are closing one after another.
  Currently, almost all are in the central and eastern regions.
  Power plants remaining in the West are also scheduled to be suspended or converted to natural gas within several years.
- The AZ power plants, which are the main source of FA in CA are also scheduled to be suspended or converted to natural gas within 5 years.

3. Our U.S. Business – Major Challenges

In the U.S. market, blended cement is rapidly advancing — responding to this is essential.



- The ratio has increased significantly in the past 4 years (national : 6% → 60%).
- On the West Coast, NW has become almost IL in the past 3 years.

•SW is still at a low level (issue of acid sulfate soil).

＜CPC＞

- NW：IL conversion completed (imported products)
- SW：Our products clear the acid sulfate soil issue
  - About 60% of SW shipment volume in the first half of 2025, and about 90% of CA are converted by CPC
  - The development of IT, a next-generation blended cement (three-component blend), is nearly complete.
  - Potential to utilize slag/FA

3. Our U.S. Business – Major Challenges

＜Challenges in Promoting Blended Cement in CA and Our Company's Response＞

Soil with numerous layers formed by evaporated lakes, containing a high amount of sulfate minerals such as gypsum.

↓

[Sulfate Attack on Concrete] Expansion → Cracking → Strength Reduction → Ultimately, Collapse

↓ Countermeasure

Traditionally, Portland cement types with sulfate resistance, such as Type II or Type V, have been mainstream.

↕

IL cement has low reactivity because the blended limestone is not highly reactive.
→ difficult to reduce expansion
low early strength

→ Obstacle to widespread implementation

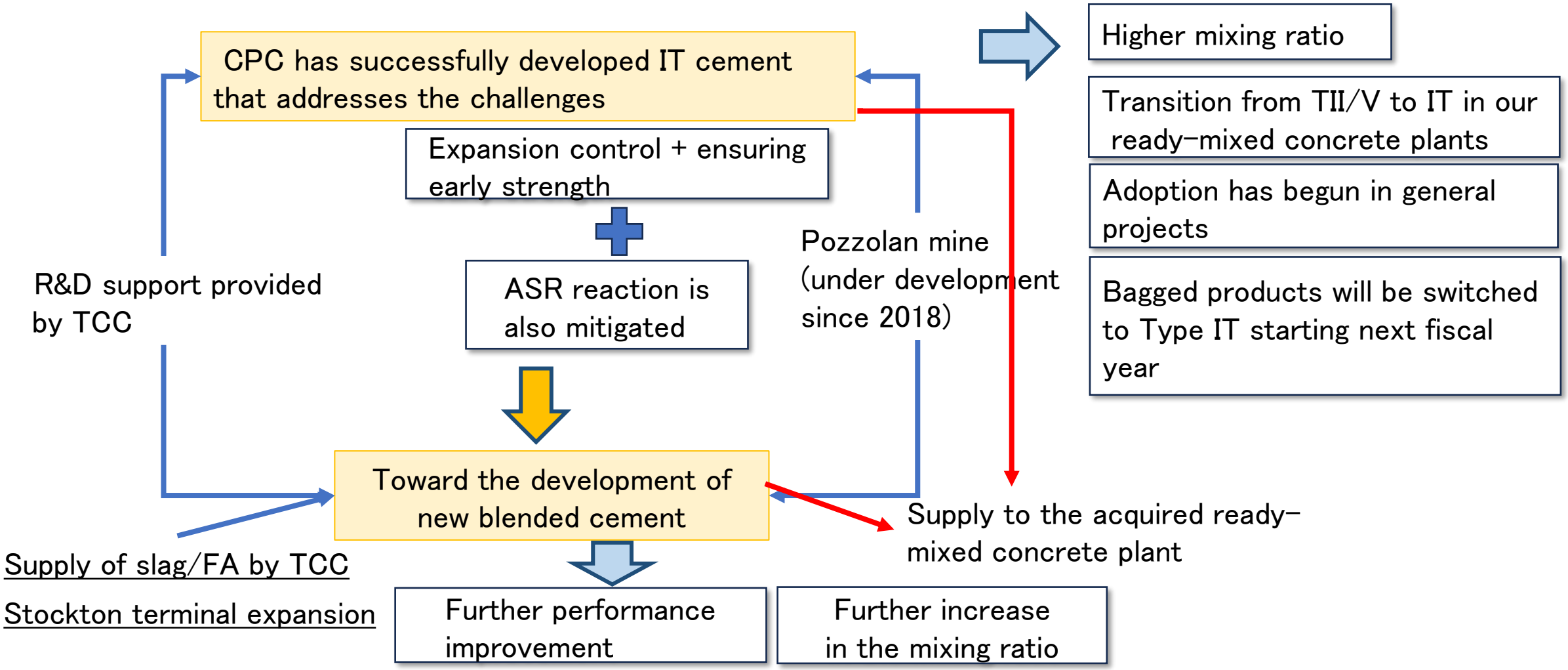
CPC has succeeded in development and commercialization
→ the mixing ratio is restricted to ensure quality.

↓

Toward new initiatives

3. Our U.S. Business – Major Challenges

Challenges to the Adoption of Blended Cement in CA and Our Response — New Initiatives



Slag: improvement of long-term strength, high sulfate resistance, etc.

FA: improved workability, low heat generation, high ASR reaction suppression, etc.

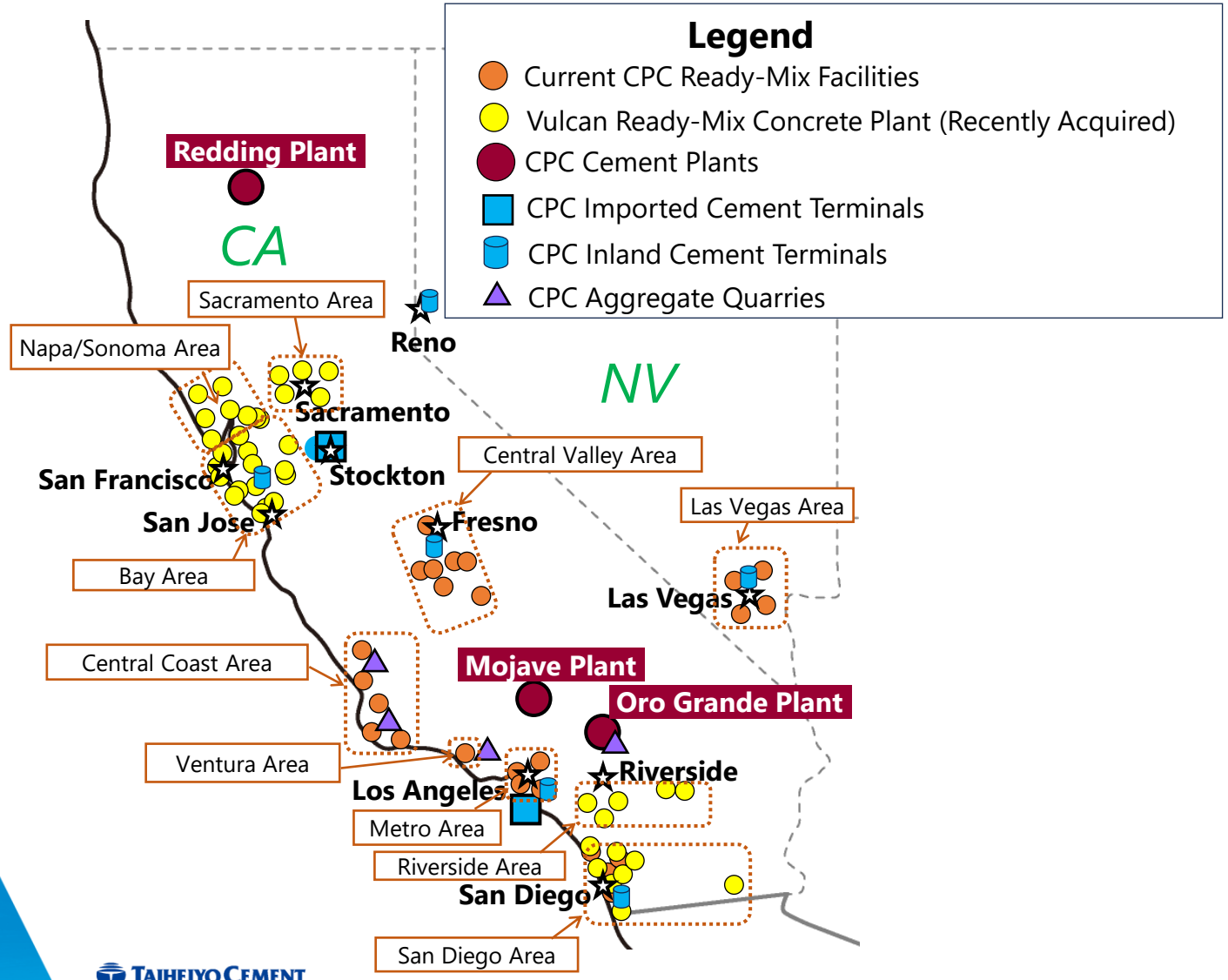
4. Vulcan Company California Ready-Mixed Concrete Business Acquisition

1) Deal Overview (Excerpted from FY2025 Q2 financial results briefing materials)

Purpose of Acquisition	・Expansion of ready-mixed concrete business ・Securing stable supply sources for cement ・Securing stable supply sources for SCMs such as slag and fly ash
Acquisition Amount	712 million USD
Acquisition Date	Scheduled to close within December, 2025 (U.S. time)
Details of Acquired Assets	① 28 ready-mixed concrete plants and 2 terminals located in Northern California ② 13 ready-mixed concrete plants located in Southern California
Acquisition Effects (FY2026)	① Ready-mixed concrete sales volume Expected to increase from 5.48 million cy in FY2024 to 8.24 million cy ② Sales revenue of the target business in FY2024 524 million USD

4. Vulcan Company California Ready-Mixed Concrete Business Acquisition

2) Owned Plant & Quarry Status After Closing



Through this acquisition, we will make a full-scale entry into Northern California and expand our presence in Southern California

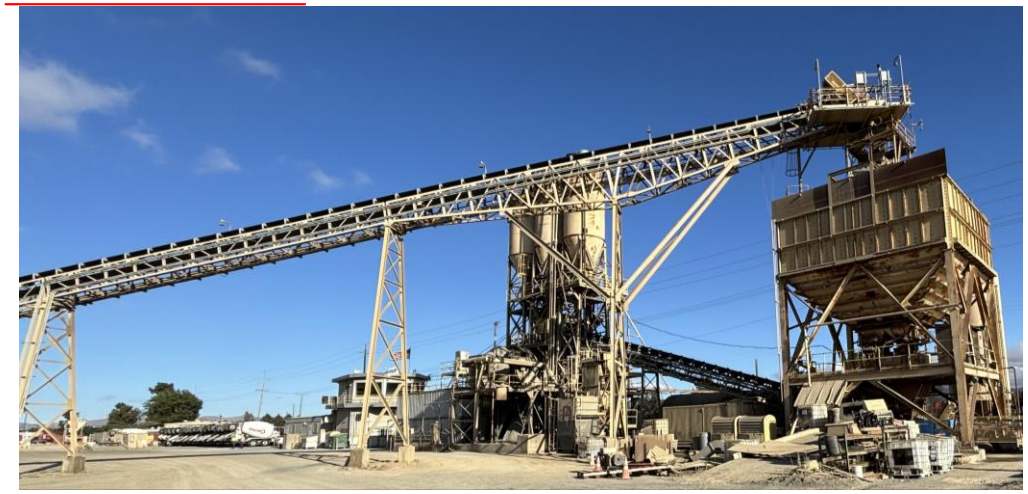
State	Area	Current CPC Ready-Mix Facilities	Vulcan Ready-Mix Concrete Plant (Recently Acquired)	Total
CA	Bay Area		15	15
	Napa/Sonoma Area		8	8
	Sacramento Area		5	5
	Central Valley Area	7		7
	Central Coast Area	5		5
	Ventura Area	1		1
	Metro Area	5		5
	Riverside Area		5	5
	San Diego Area	4	8	12
	Total	**22**	**28**	**50**

4. Vulcan Company California Ready-Mixed Concrete Business Acquisition

3) Examples of Acquired Plants

[Northern CA] Bode Plant

Pleasanton Plant



[Southern CA] Escondido Plant

Mission Gorge Plant

4. Vulcan Company California Ready-Mixed Concrete Business Acquisition

3) Effects of the Acquisition

SCMs circulate at about 90% of the price of Cement (high profitability)

- In the long term, it will generate significant synergies in various aspects

Increase in profit margin

Slag/FA business expansion

Expand use of SCMs in our own ready-mixed concrete
(Currently using 100,000 tons in Northern CA based on existing demand)

SCMs source expansion (TCC support)

Terminal reinforcement

CN

Cost reduction

Ready-mixed concrete business expansion

Acquisition of Vulcan company ready-mixed concrete business

Blended cement sales expansion

Joint development (TCC support)

Increase in profit margin

Expand imported cement sources (TCC support)

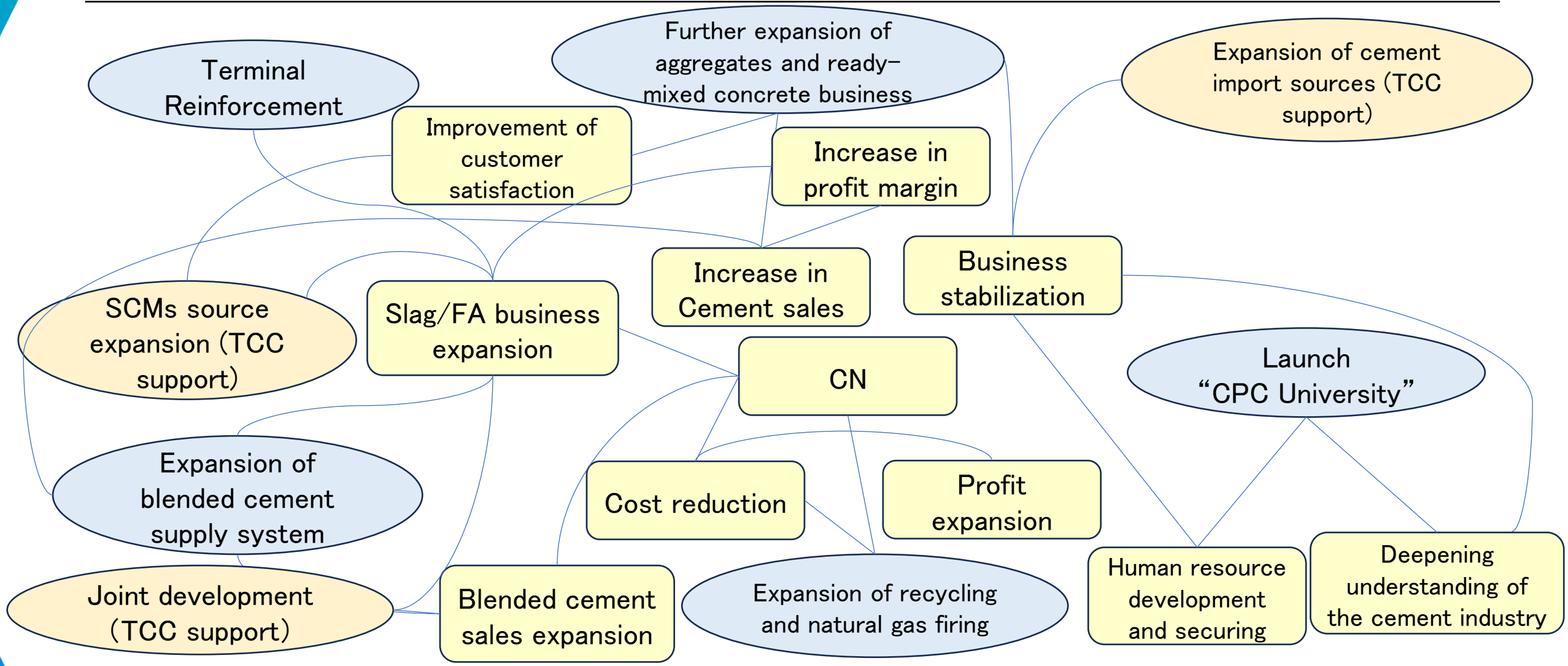
Cement business stabilization

Increase in cement sales

Expand use of blended cement in our own ready-mixed concrete

EBITDA +30%

5. Future Business Expansion



- Building on the synergies with TCC, we will implement various initiatives with a long-term perspective, focusing on synergies within CPC.

5. Plans for Business Expansion

[List of Major Projects]

		Implementation Details	Direct Aim	Taiheiyo Group Support and synergy
A	Stockton Terminal Expansion	Two silos, increasing total storage capacity by an additional 50,000 tons	Expansion of SCMs import and sales	SCMs supply
B	Expansion of Blended Cement Supply System	Enhancement of manufacturing, shipping, and distribution facilities at plants and inland terminals	Expansion of IT/IS blended cement sales	Joint development
C	Expansion of Recycled Fuel Utilization	Enhancement of recycled fuel feeding equipment OG: Operation of wood chip feeding equipment in 2025 Mohave: Planned installation of new wood chip feeding equipment in 2026 Redding: Preheater dedicated to waste tires Considering improvement of wood chip feeding equipment → In the future, toward firing using only recycled fuel Rillito: Planned installation of new wood chip feeding equipment in 2026	Reduction of cement manufacturing costs	Support for design and utilization of recycling facilities
D	Expansion of Natural Gas Firing	A long-term test of natural gas-only combustion is currently underway at the Mojave plant. After resolving the issues, the transition to natural gas-only combustion will be rolled out to other plants.	CN (Carbon Neutral)	Feedback of natural gas firing technology to TCCG
E	Business Expansion Utilizing Acquired Ready-Mix Concrete Business	SCMs: Even in Northern CA alone, 100,000 tons used at current demand level; Blended cement: actively utilized	Expansion of SCMs business; Promotion of blended cement; Reduction of ready-mix concrete manufacturing costs	SCMs supply Joint research Supply of imported cement
F	CPC University (Establishment of Advancement Institute)	Online provision of various curricula; Partial opening of curricula to local residents and other stakeholders; Establishment of degree acquisition system through tie-ups with local universities	Improvement and sharing of employee skills; Deepening of cement industry knowledge among stakeholders	Feedback of curricula to TCCG

5. Plans for Business Expansion

[Mapping Medium- to Long-Term Management Goals to Major Projects]

		A	B	C	D	E	F
		Terminal Expansion	Reinforcement of blended cement supply facilities	Recycled Material Usage	Natural Gas Firing	Utilization of Acquired Ready-Mix Concrete	CPC University
Profit growth / Improvement of profit margin	Expansion of highly profitable SCMs business	◎				◎	
	Expansion of blended cement business	○	◎			◎	
	Cost reduction		○	◎	○		
Improvement of Customer Satisfaction			◎				◎
CN (Carbon Neutral)	CO_2 Cost Reduction	◎	◎	◎	◎	◎	
Human Resource Development and Retention							◎
Deepening Understanding of Cement Industry							◎
Contribution to TCC Group (Beyond Short-Term Profit Contribution)			◎		◎		○

6. Glossary 1/2

Term	Definition
ACA（American Cement Association）	Formerly known as PCA (Portland Cement Association), it is a major organization representing cement manufacturers in the United States. It also publishes various statistics, demand forecasts, and industry reports.
ASR (Alkali-Silica Reaction)	A phenomenon in which the alkalis in cement react with silica in aggregates to form ASR gel, which absorbs water, expands, and causes a network of cracks.
CPC（CalPortland Company）	A wholly owned U.S. subsidiary of our company. It operates an integrated building materials business in the western United States, including cement, ready-mixed concrete, and aggregates.
Fly Ash（FA）	Fine spherical ash composed mainly of silica and alumina, generated during coal combustion at coal-fired power plants. It is used to improve the quality of blended cement and ready-mixed concrete, and is particularly effective in reducing alkali-silica reactions.
IL (Limestone Blended Cement)	A low-carbon cement blended with limestone, rapidly gaining popularity across the United States.
IT (Ternary Blended Cement)	A next-generation low-carbon cement made by blending clinker with two additional components such as limestone, pozzolan, slag, and fly ash, creating a ternary mixture.
NW (Northwest) / SW (Southwest)	Our business area classification: NW refers to WA (Washington) and OR (Oregon), while SW refers to CA (California), AZ (Arizona), and NV (Nevada).
SCMs （Supplementary Cementitious Materials）	Cement substitutes such as slag, fly ash (FA), and pozzolans.

6. Glossary 2/2

Term	Definition
Nghi Son Cement Corporation	Our subsidiary in Vietnam.
Clinker	An intermediate material for cement, produced during the burning process.
Slag (Steel slag)	A by-product generated during the process of producing iron from iron ore. Used as a SCM.
Semen Indonesia Group	The largest cement company in Indonesia. Invested in PT Solusi Bangun Indonesia Tbk.
Bay Area	Major metropolitan areas around San Francisco.
Pozzolan	Volcanic ash, etc. Used as SCMs.
Five Major States	The five states that are CPC's main business areas: WA, OR, CA, AZ, and NV.
Internal sales ratio	The proportion of cement sold to the company's own ready-mix concrete plants.
Inland Terminal	A logistics hub connecting rail and truck transportation.
Vertical Integration	A business model that encompasses the entire supply chain from upstream to downstream.
Sulfate Attack	A phenomenon in which sulfates that have penetrated from the outside react with the hydration products inside the concrete, causing volumetric expansion and resulting in cracking.
Operating rate	The ratio of operating time without failures. 100% = zero failures. Planned maintenance days are excluded from the denominator, so this differs from equipment utilization rate.
Blended Cement	A general term for cement produced by blending SCMs with clinker, such as IL and IT.
Gypsum	A raw material used in cement production. Mixed with clinker in the final stage (finishing process).

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