



TAIHEIYO CEMENT

May 27, 2026

Business Overview Briefing for the Fiscal Year Ended March 31, 2026

TAIHEIYO CEMENT CORPORATION

Yoshifumi Taura, President and Representative Director

Consideration of Future Cement Demand Based on the Establishment of the Disaster Management Agency



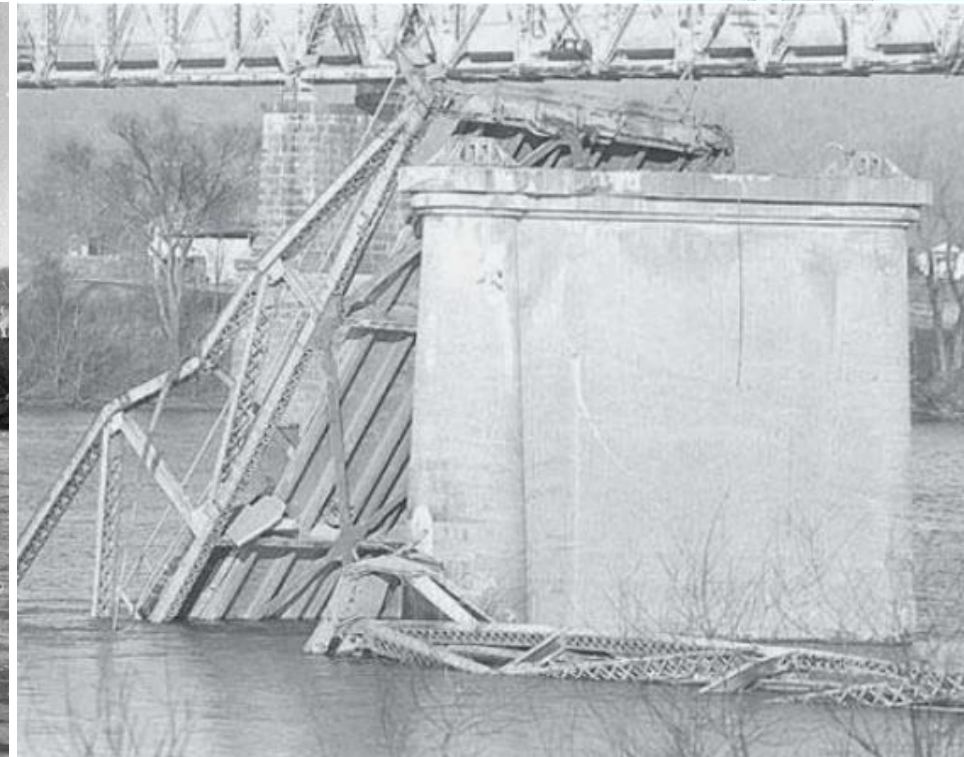
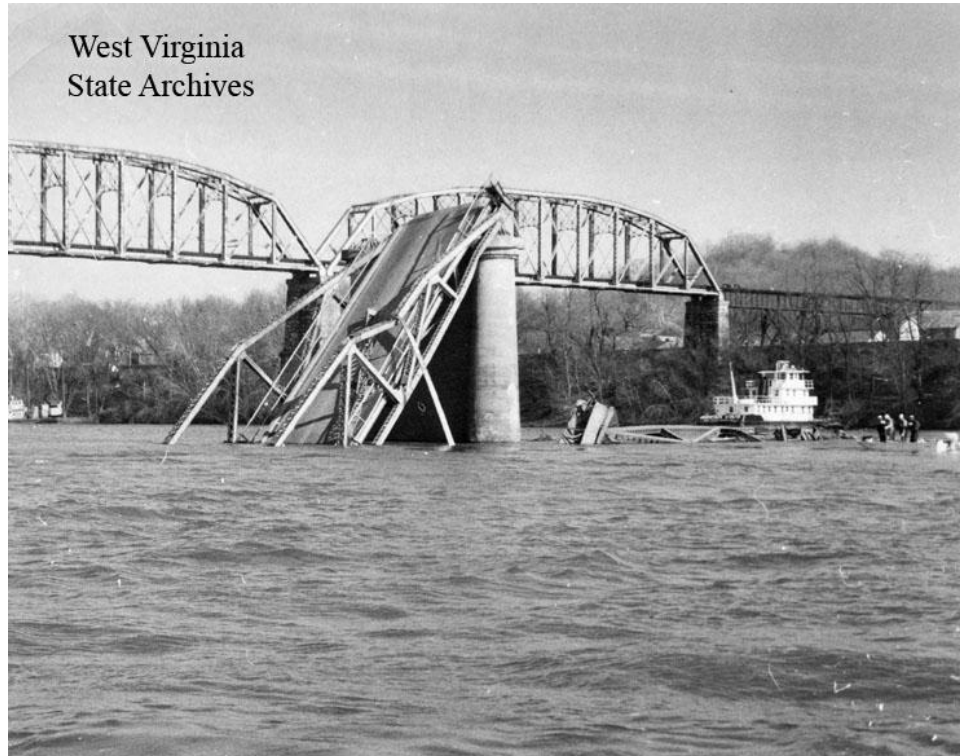
Silver Bridge on the border between West Virginia and Ohio

John Denver

Almost Heaven, West Virginia
Blue Ridge Mountains, Shenandoah River
Life is old there, older than the trees
Younger than the mountains, growin' like a breeze

- Collapse of the Silver Bridge (1967)

The Point Pleasant Bridge (Silver Bridge) over the Ohio River in West Virginia collapsed, claiming the lives of 46 people



Collapse of the Silver Bridge

(Source) West Virginia Archives and History, West Virginia Department of Arts, Culture and History

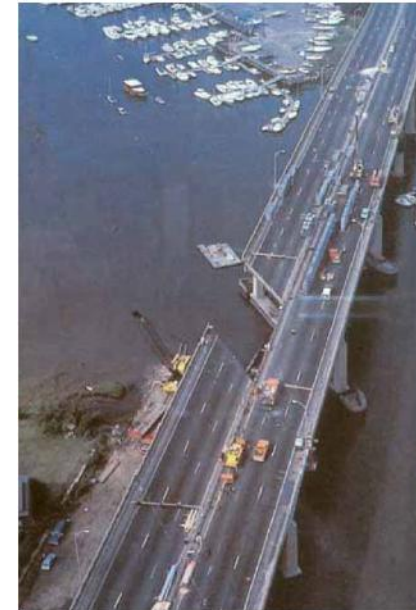
Transportation Research Board: Inspection and management of bridges with fracture-critical details, NCHRP synthesis 354, 2005



Road collapse in New York

● Decaying America in 1980s

Bridge damage incidents and major repairs on Manhattan Island in 1980s



Collapse of Mianus River Bridge in Connecticut (1983)

[Pavement in New York City]

[Toll bridge deck repair]



● Background to infrastructure decay



Pat Choate & Susan Walter

1929-:

Great Depression

1933-37:

The New Deal (F. Roosevelt)

3R Relief Recovery Reform

1965-75:

Vietnam War

1965 2/7 Bombing of North Vietnam

1973 3/29 U.S. troops withdrawal

1975 4/30 Fall of Saigon

The U.S. in an economic boom before the Great Depression
(real estate boom, construction boom)

⇒ When maintenance was needed 50 years later, funding was
lacking due to the Vietnam War

● BUILD America 250 Act

US government approves transportation infrastructure funding bill

19 May 2026



The US House Transportation and Infrastructure Subcommittee on Highways and Transit has reauthorized the bipartisan BUILD America 250 Act for another five-years. The US\$580bn surface transportation bill invests in America's roads and rail transportation and highways as well as specifying US\$45bn for repairing or replacing bridges and US\$87.5bn for public transit programmes.

Sean O'Neill, Senior Vice President of Government Affairs at the American Cement Association notes, "not only will this critical work erase years of uncertainty regarding the upkeep and future construction of essential roads, bridges and highways, but it will jumpstart the overall transportation infrastructure market... spurring the creation of new jobs and growing the demand for all domestic construction materials, including cement and concrete".

[Overview] 5/19/2026

- ✓ A \$580 billion infrastructure investment bill
- ✓ In addition to investment in U.S. roads, railroads and highways, the bill stipulates that \$45 billion be allocated to bridge repair and renewal, and \$87.5 billion to public transportation programs



The U.S. House Committee on Transportation and Infrastructure's Subcommittee on Highways and Transit approved a five-year extension



- ✓ Resolve long-standing uncertainties regarding the maintenance and future construction of major roads, bridges, and highways
- ✓ Revitalize the entire transportation infrastructure market and facilitate the creation of new jobs
- ✓ Expand demand for all types of domestic construction materials, including cement and concrete

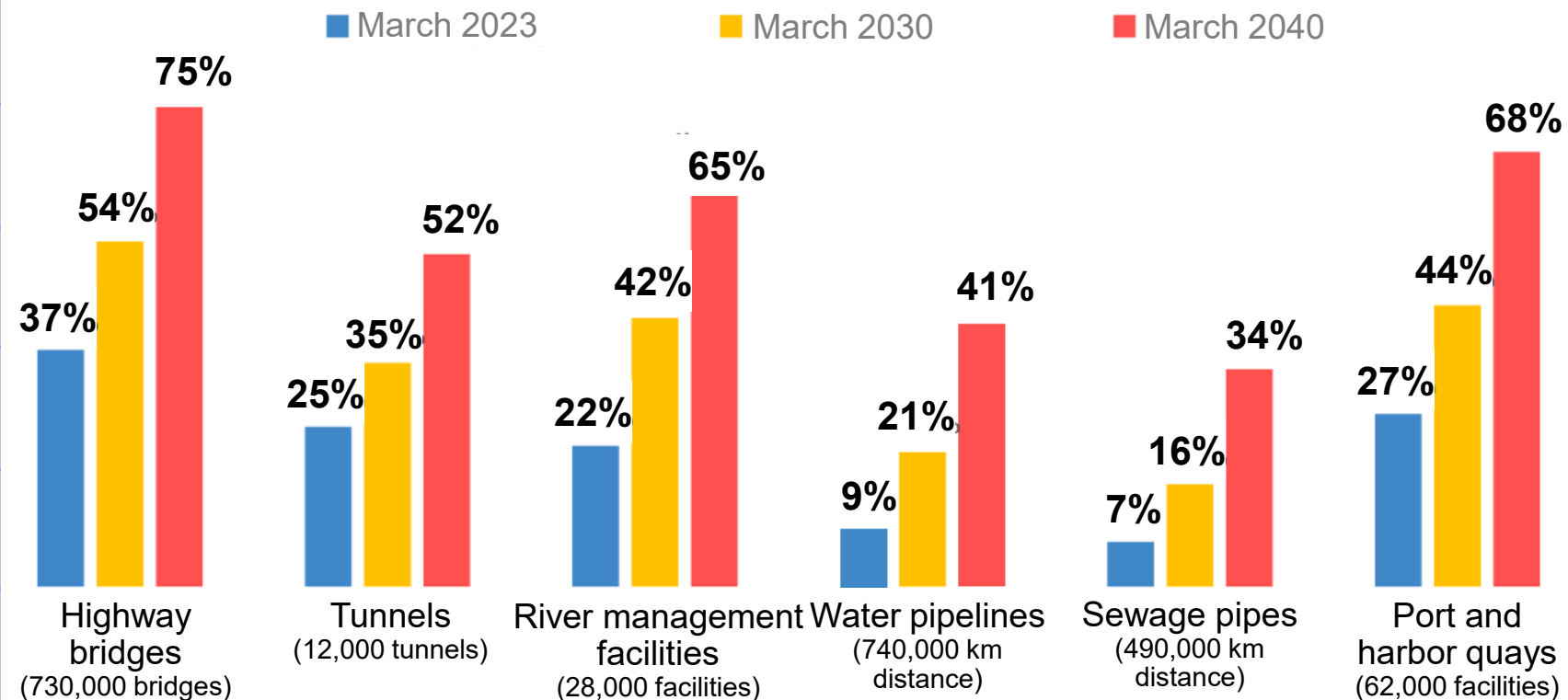
● Aging infrastructure in Japan

- The aging of social infrastructure in Japan is progressing **and causing material damage in many different areas**
- The **proportion of facilities** remaining from the social infrastructure developed since the period of rapid economic growth that **will reach 50 years of age or older will expand at an accelerating pace over the next 15 years**, and full-scale demand is expected for the maintenance and renewal of aging infrastructure

Examples of issues arising from aging infrastructure

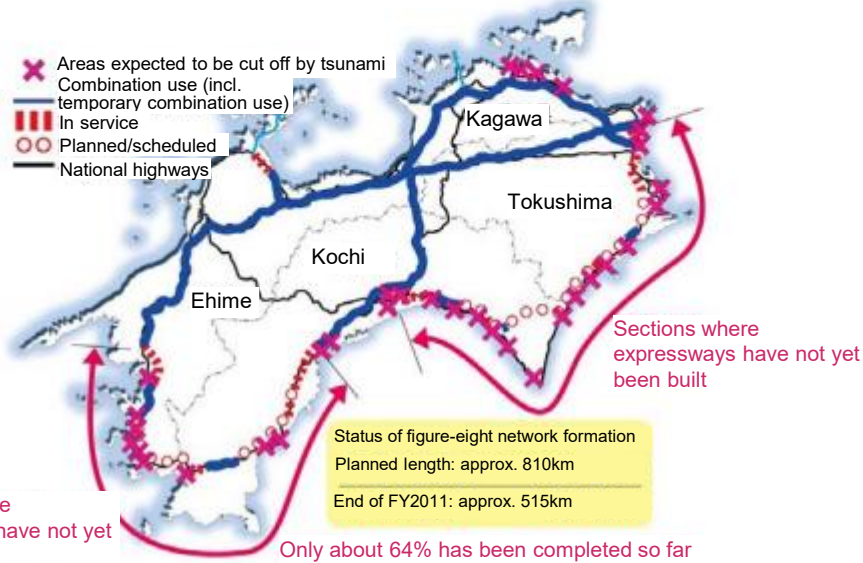
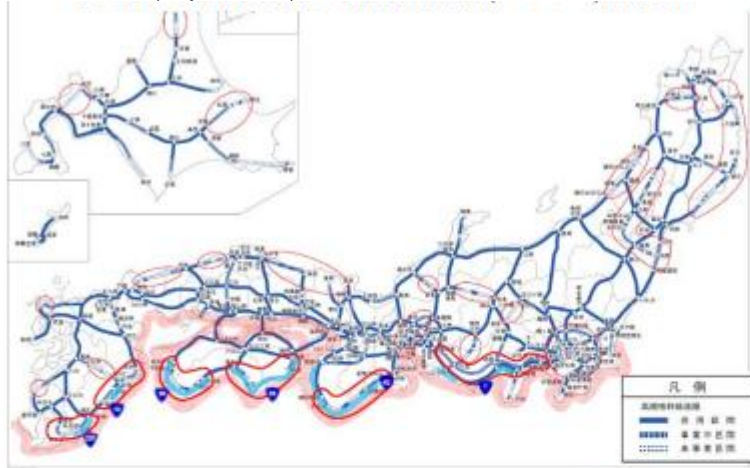
2007	Mie Prefecture Kisogawa Bridge; truss diagonal member breakage
2012	Chuo Expressway Sasago Tunnel; ceiling plate collapse
2018	Tokyo Ruptured water pipe
2018	Hiroshima Prefecture Check dam collapse due to West Japan torrential rain
2021	Wakayama Prefecture Water pipe bridge collapse
2025	Saitama Prefecture Yashio City road sinkhole

Percentage of social infrastructure that is 50 years of age or older (as of March 2023)

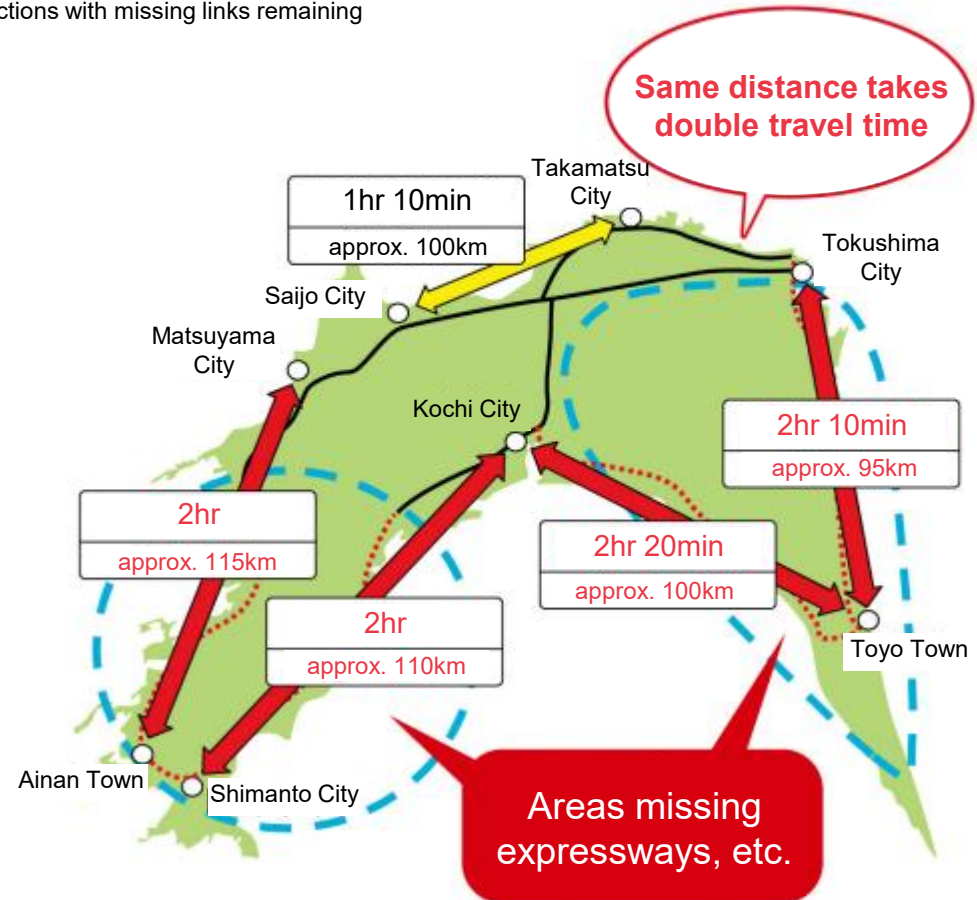


● Missing links of expressways

From materials used for the 13th Meeting of the Road Subcommittee, Council of Infrastructure (May 23, 2011)

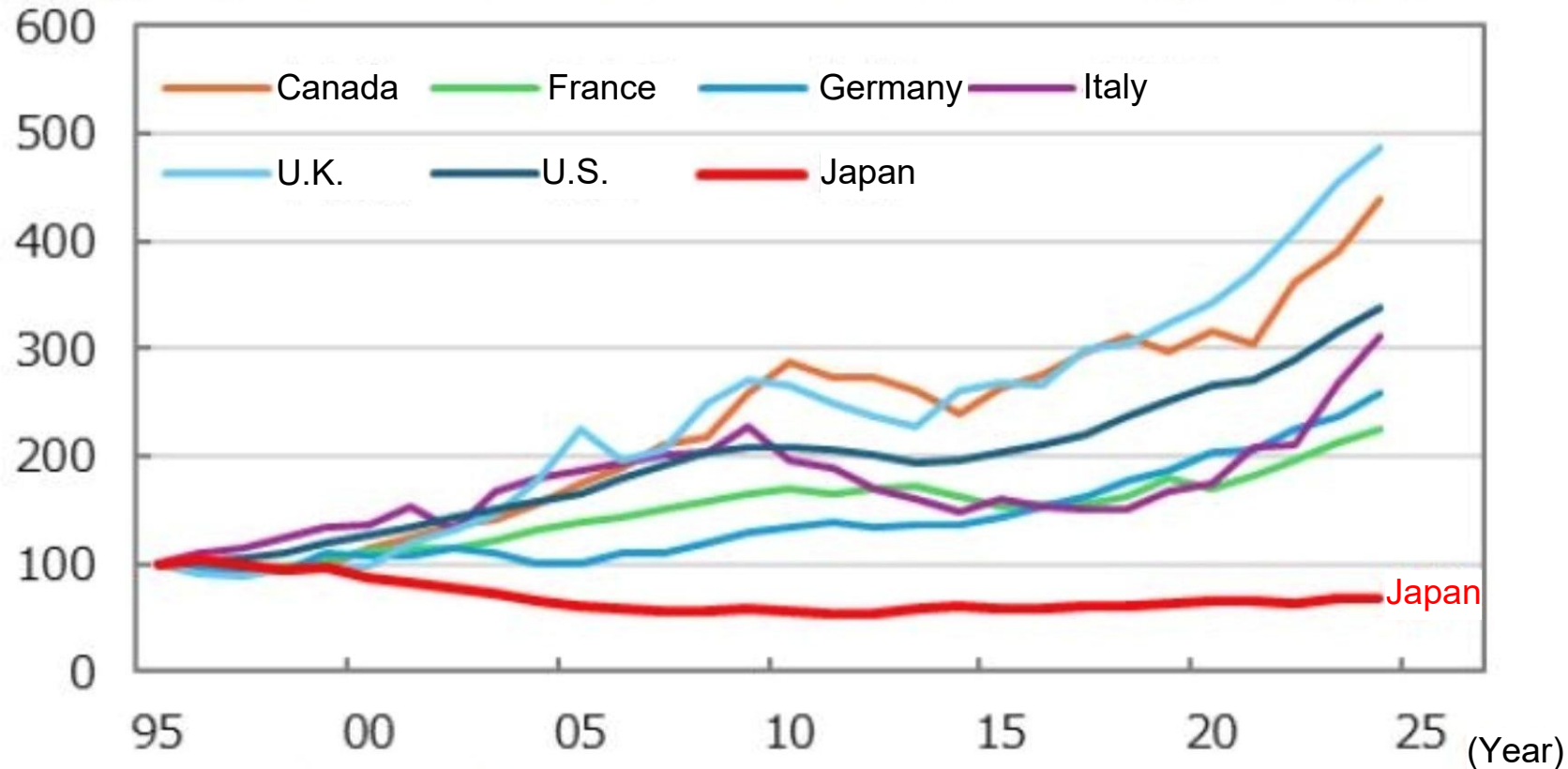


- Areas expected to be impacted by tsunami during Tokai, Tonankai, and Nankai earthquakes ("Report on Tonankai and Nankai Earthquakes," Central Disaster Management Council, December 2003)
- Major national highways expected to be inundated by tsunami during Tokai, Tonankai, and Nankai earthquakes
- Main sections with missing links remaining



* As of March 2011

● Public fixed capital formation in G7 countries



(Note) Data for 1995 to 2024

(Source) Prepared by Sumitomo Mitsui DS Asset Management Company, Limited based on data published by the Cabinet Office of Japan and Organisation for Economic Co-operation and Development (OECD)

- Comparison of public fixed capital formation

		Japan	U.S.
FY1996	Public fixed capital formation	47.9 trillion yen	22.7 trillion yen (\$241.7 billion)
	Construction investment	87.0 trillion yen	
FY2026	Public fixed capital formation	32.9 trillion yen	133 trillion yen (\$849.3 billion)
	Construction investment	75.6 trillion yen (forecast)	

* FX rates: Calculated based on 94 yen/\$ for 1995 and 157 yen/\$ for 2025

If public fixed capital formation were to be increased to the 1995 level, the budget would go up by 10 trillion yen

⇒ **Cement demand should be at an estimated level of 35 to 40 million tons per year**

(Source) Public capital formation: Japan - Statistics published by Cabinet Office

U.S. - Federal Reserve Economic Data, Federal Reserve Bank of St. Louis

Construction investment: Statistics published by Ministry of Land, Infrastructure, Transport and Tourism

内閣官房 防災庁設置準備室 業務説明会



内閣官房 防災庁設置準備室 は、2026年度官庁訪問を実施します！

我が国全体の防災を俯瞰し、平時から発災直後、復旧復興まで一貫した司令塔としての役割を担う“防災庁”。

- 本説明会では、防災庁の役割や目指す姿、
具体的な業務について分かりやすくご紹介します！
- 官庁訪問に向けた皆様の疑問にも丁寧にお答えします！

文系・理系を問わず
活躍できるフィールド
あります！

業務説明会(全3回)

第1回
5/26 (火)
16:00 ~ 17:00

第2回
5/27 (水)
14:00 ~ 15:00

第3回
6/1 (月)
16:00 ~ 17:00

- 対象：・官庁訪問（総合職（事務・技術）・一般職大卒（事務））を予定している方
・防災行政に興味のある方
- 開催形式：オンライン（Microsoft Teams）
- 参加方法：QRコードから事前予約をお願いいたします。

※いずれの回も概要は同じですが、
毎回異なる職員が登場する予定です。

最新の採用情報は、HP・SNSにて発信しています！

- 採用HP [内閣官房防災庁設置準備室 採用情報](#)
- 採用SNS [Instagram](#)
[X \(旧Twitter\)](#)

参加お申し込みはこちら▼

説明会申し込みフォーム
<https://forms.cloud.microsoft/l/JqjrPKgW1S>



Business Overview for the Fiscal Year Ended March 31, 2026

Environmental Business

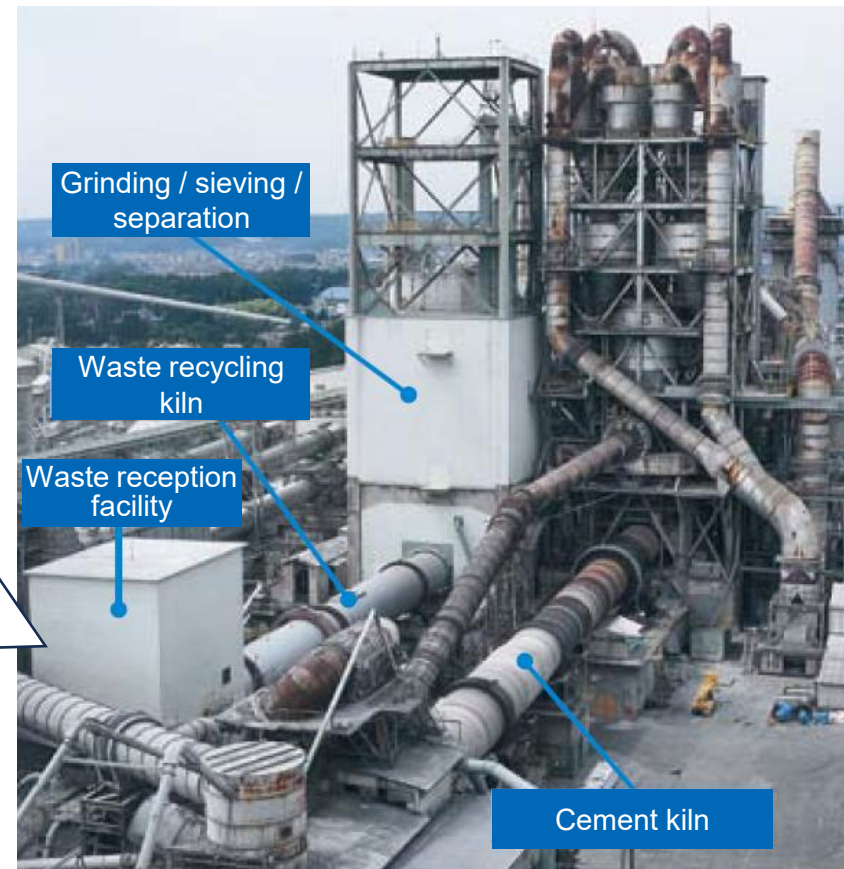
TAIHEIYO CEMENT treats municipal and industrial waste

Environmental Business

● System to turn municipal waste into cement

[AK system]

- A system that recycles household waste as raw materials and fuels for cement production
- All of the municipal waste (15,000 tons per year) generated in Hidaka City, Saitama Prefecture, is recycled into cement



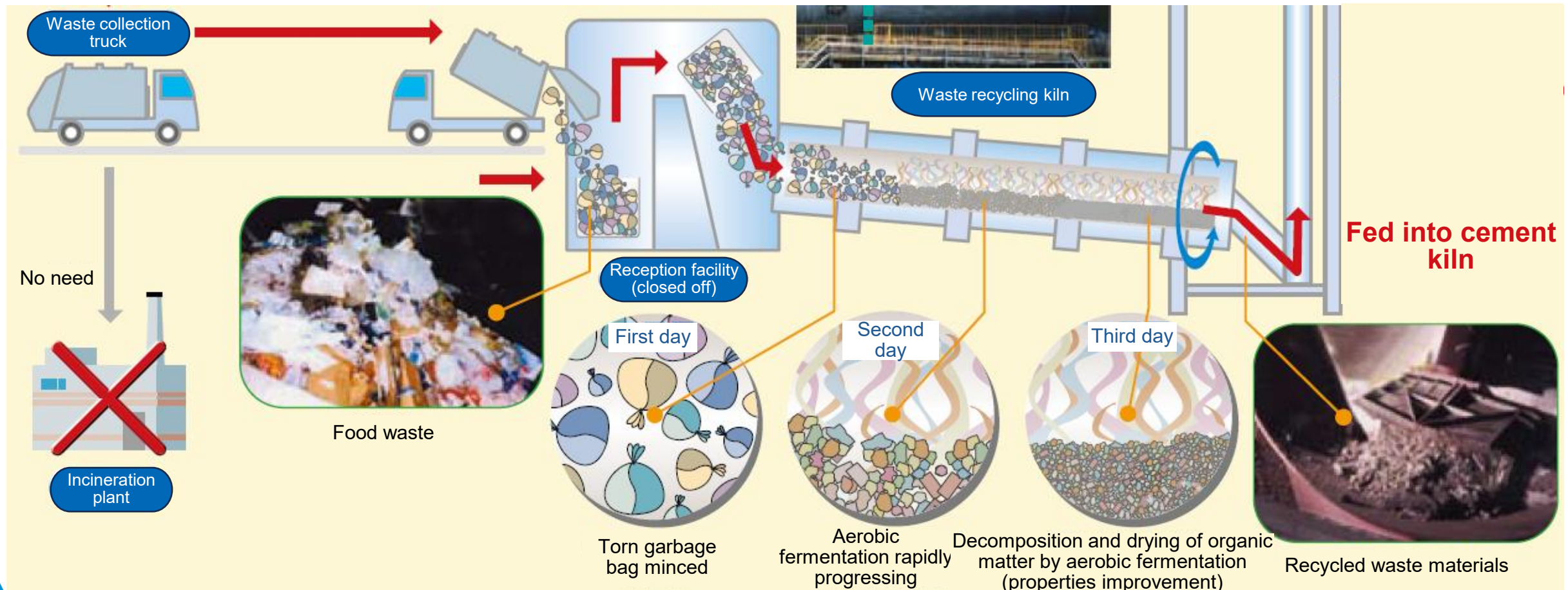
TAIHEIYO CEMENT Saitama Plant

Environmental Business

- System to turn municipal waste into cement

[AK system]

- Since garbage bags can be directly fed into the recycling kiln for treatment, incineration plants are not necessary
⇒ Hidaka City, Saitama Prefecture removed all incineration plants



Environmental Business

● System to turn municipal waste into cement

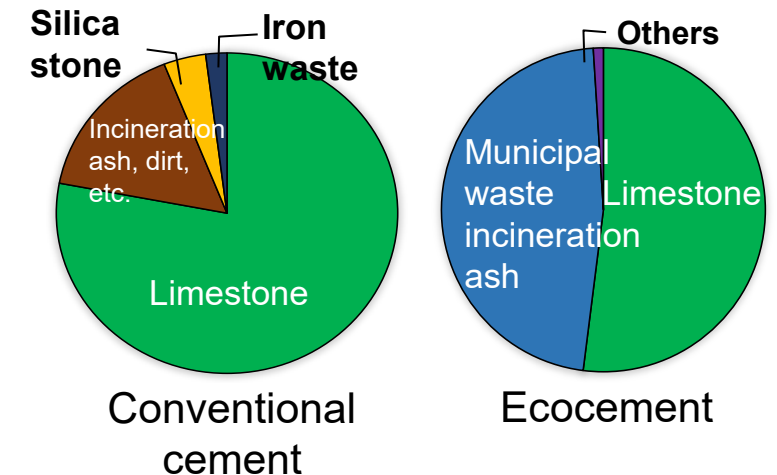
[Ecocement]

- Cement manufactured using incineration ash generated at municipal waste incineration plants as a main raw material
⇒ 500kg or more of municipal waste incineration ash used per ton of ecocement
- Approx. 70,000 tons of incineration ash and non-combustible waste in the Tama area of Tokyo are treated annually



Tokyo Tama Ecocement (Hinode Town, Nishitama-gun, Tokyo)

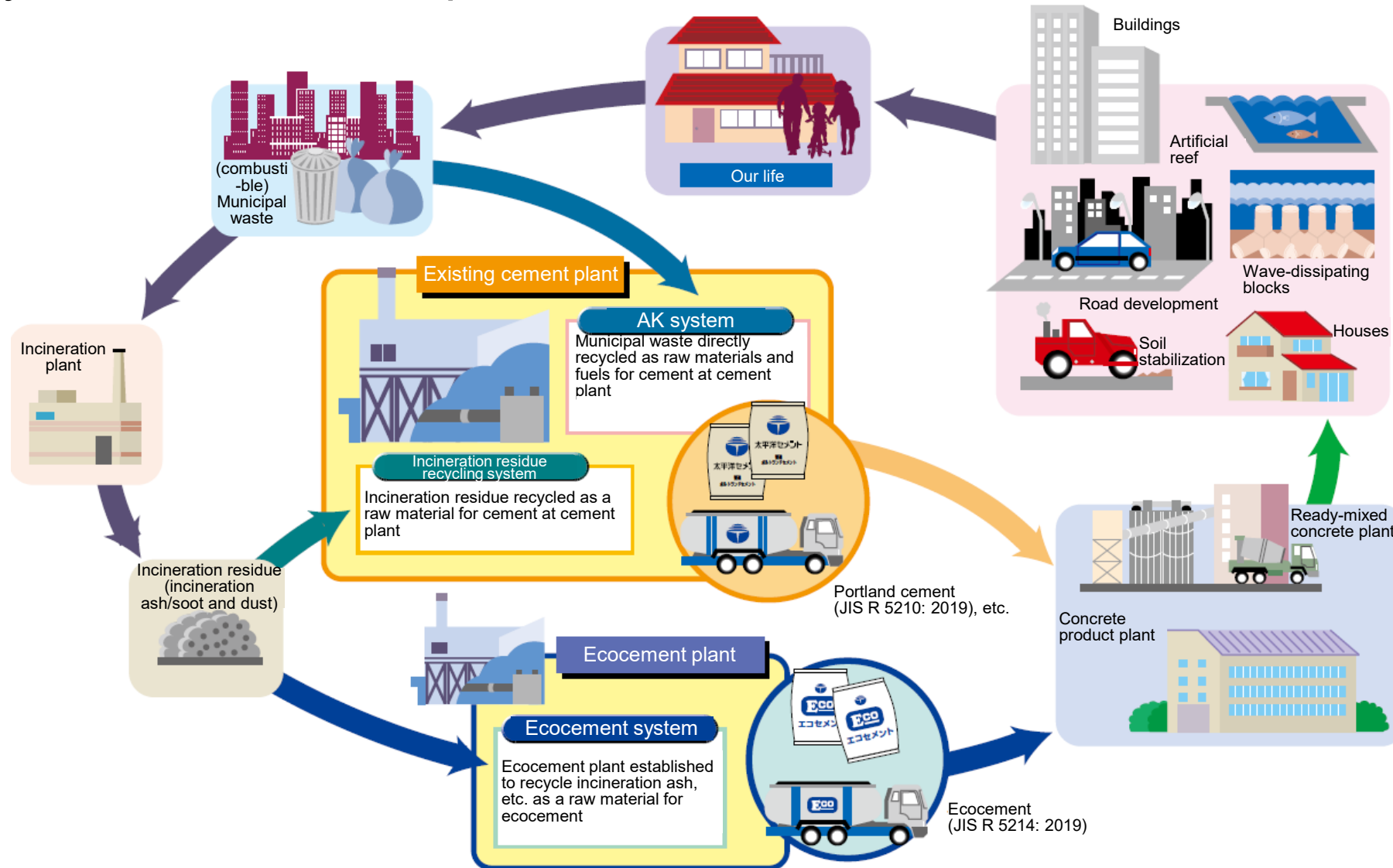
Raw material composition ratios (example)



Municipal waste incineration ash (before removal of foreign materials)

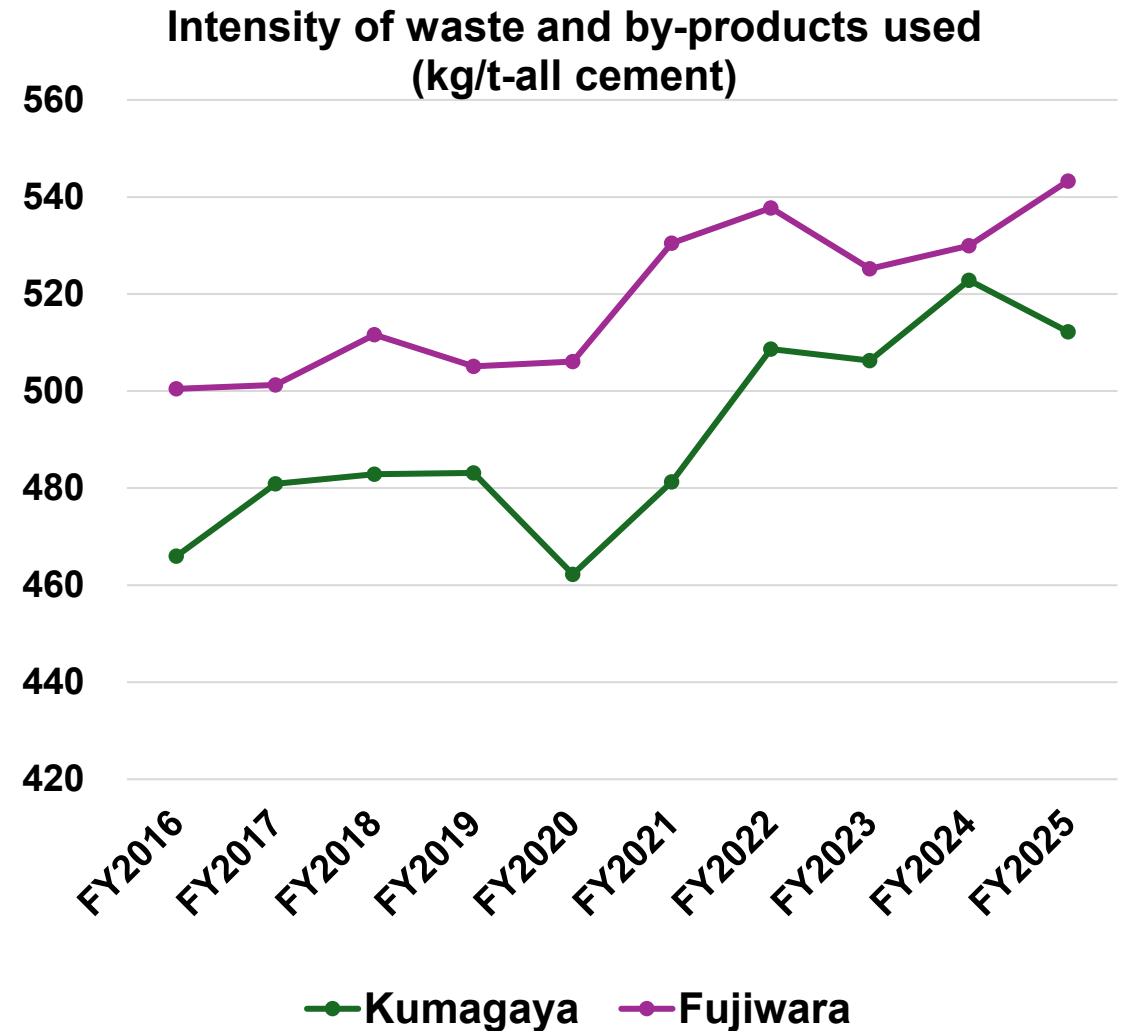
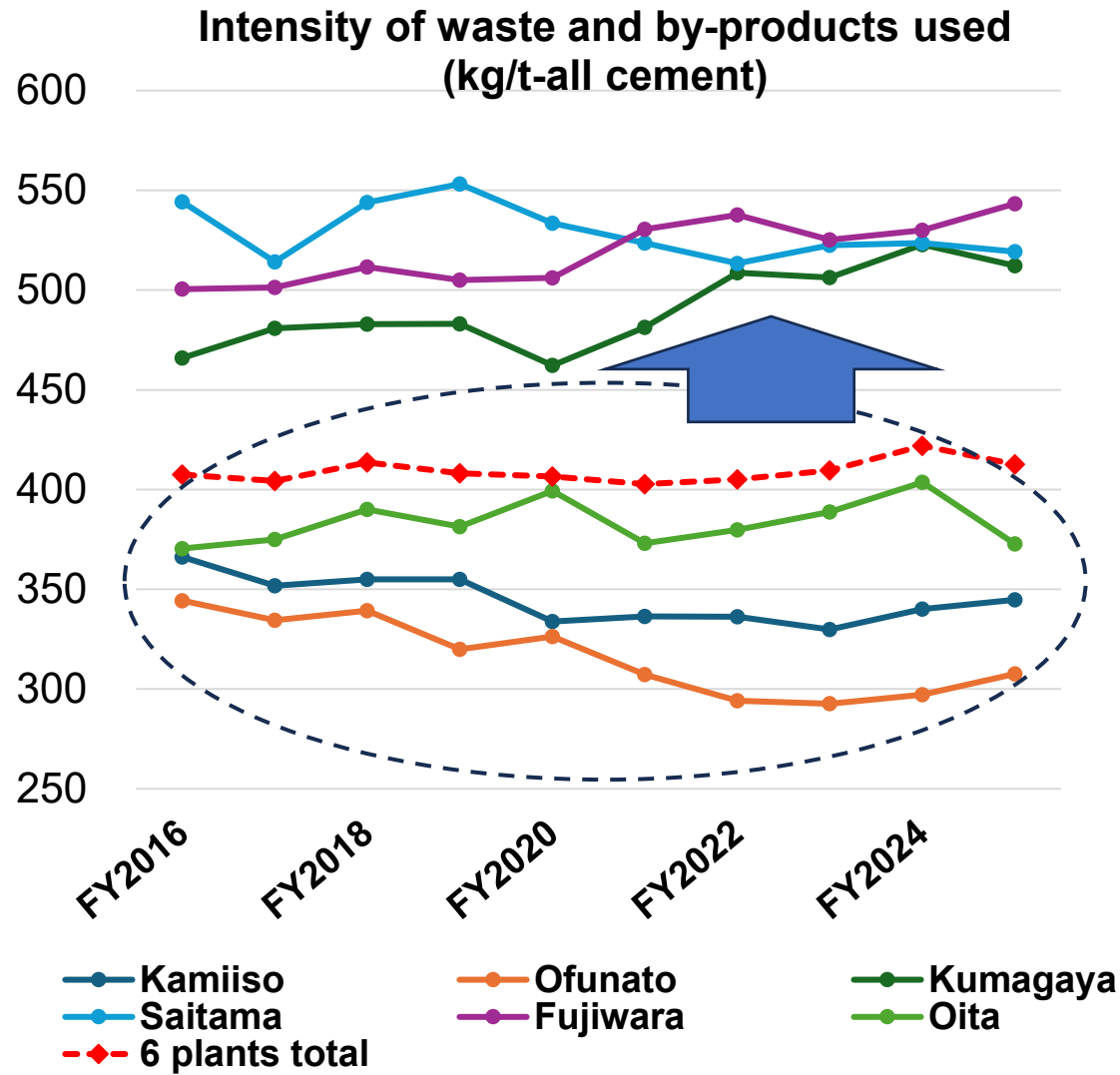
Environmental Business

● System to turn municipal waste into cement



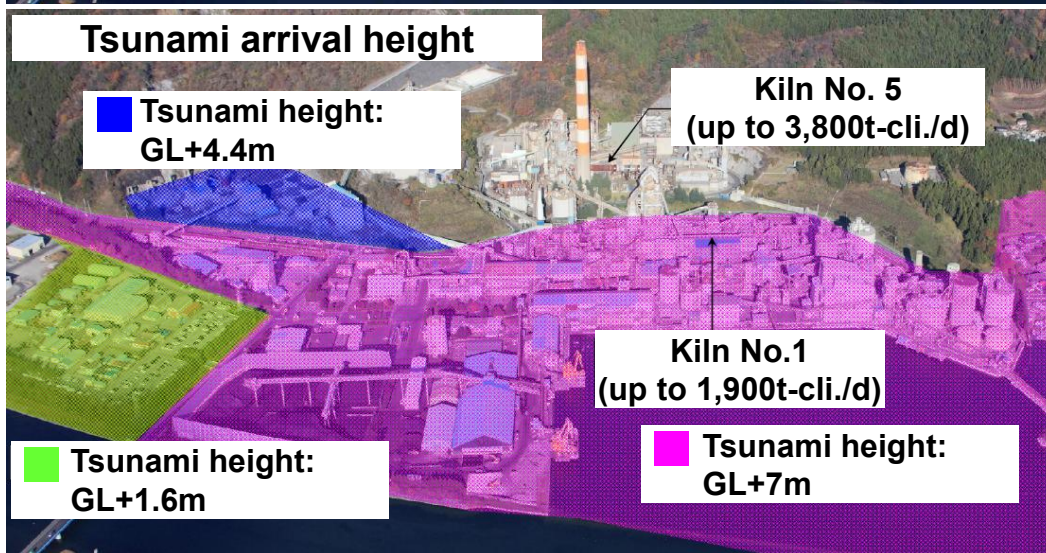
Environmental Business

- The volume of waste treated in our cement manufacturing process



Environmental Business

- Treatment of disaster waste (following Great East Japan Earthquake)

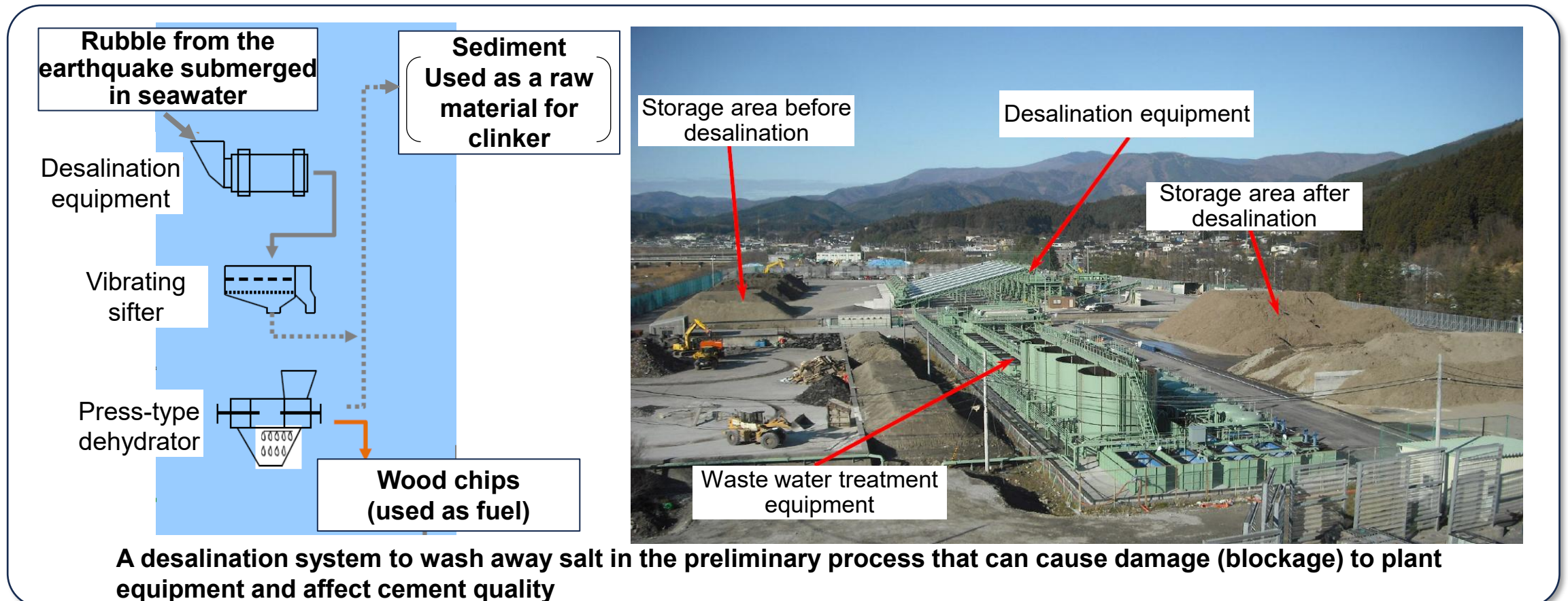


Environmental Business

● Treatment of disaster waste (following Great East Japan Earthquake)

[Rubble treatment at Ofunato Plant]

- Kiln No. 5 became operational in June 2011, and Kiln No. 1 was also restored in December of the same year
- By the end of FY2014, we accepted 1 million tons of rubble and recycled them into cement



Environmental Business

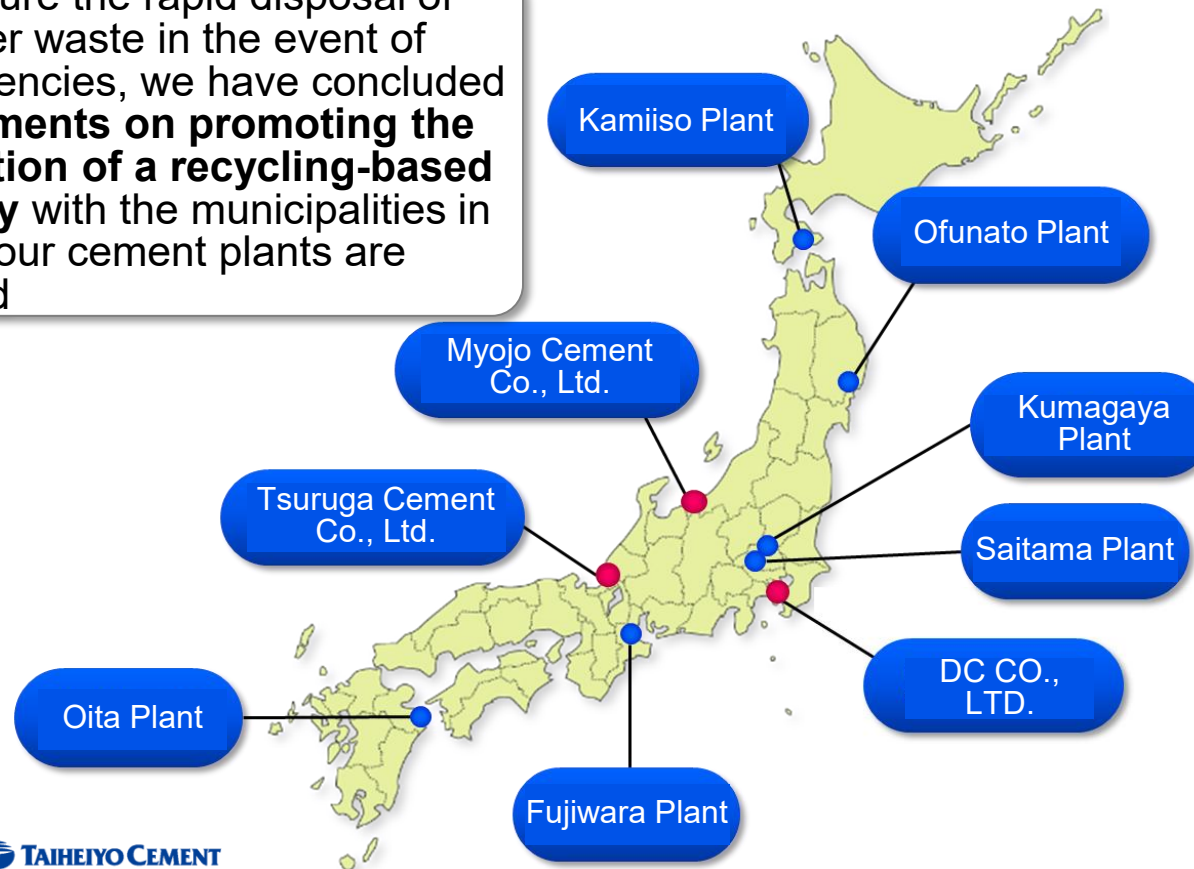
● Treatment of disaster waste

Our cement plants are evenly spread out across Japan

Normal times: **Contribute to resource recycling** through local waste acceptance

Emergencies: **Contribute to speedy recovery** through disaster waste (rubble) treatment and supplying construction materials

To ensure the rapid disposal of disaster waste in the event of emergencies, we have concluded **agreements on promoting the formation of a recycling-based society** with the municipalities in which our cement plants are located

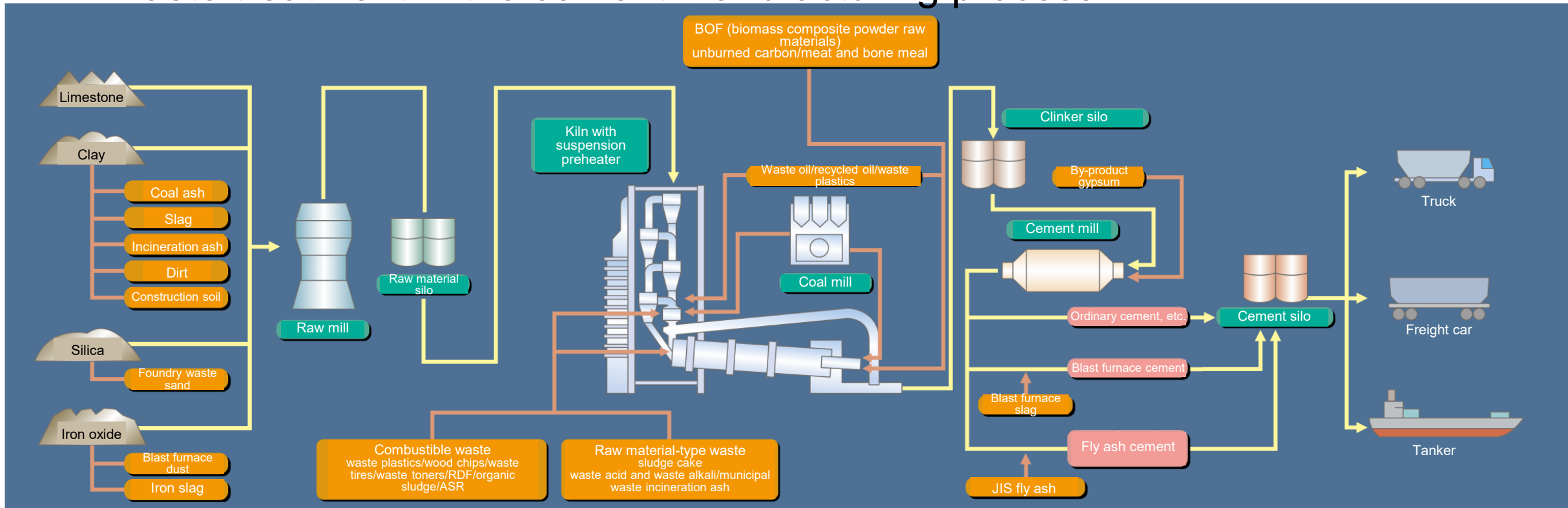


The Group's track record in disaster waste treatment

Event	Date	Amount utilized
Chuetsu Offshore Earthquake	July 2007	47 thousand tons
Great East Japan Earthquake	March 2011	1,037 thousand tons
Hiroshima Landslides	August 2014	3 thousand tons
Kumamoto Earthquakes	April 2016	80 thousand tons
Northern Kyushu Flood	July 2017	16 thousand tons
West Japan Floods	July 2018	60 thousand tons
2019 East Japan Typhoon	October 2019	20 thousand tons
2020 Kyushu Floods	July 2020	7 thousand tons
Noto Peninsula Earthquake	January 2024	52 thousand tons

Environmental Business

● Waste treatment in the cement manufacturing process



Main chemical components of cement (required components)

Calcium oxide (CaO)	63~65%
Silicon dioxide (SiO ₂)	20~23%
Aluminum oxide (Al ₂ O ₃)	4~6%
Iron oxide (Fe ₂ O ₃)	2~4%

Main raw materials

Limestone (CaO source)
Clay (SiO ₂ , Al ₂ O ₃ source)
Silica (SiO ₂ source)
Iron oxide (Fe ₂ O ₃ source)

Substitutes (examples)

Ready-mixed concrete sludge
Coal ash, slag, incineration ash, construction soil, sludge
Molding sand, waste glass
Blast furnace dust, non-ferrous slag

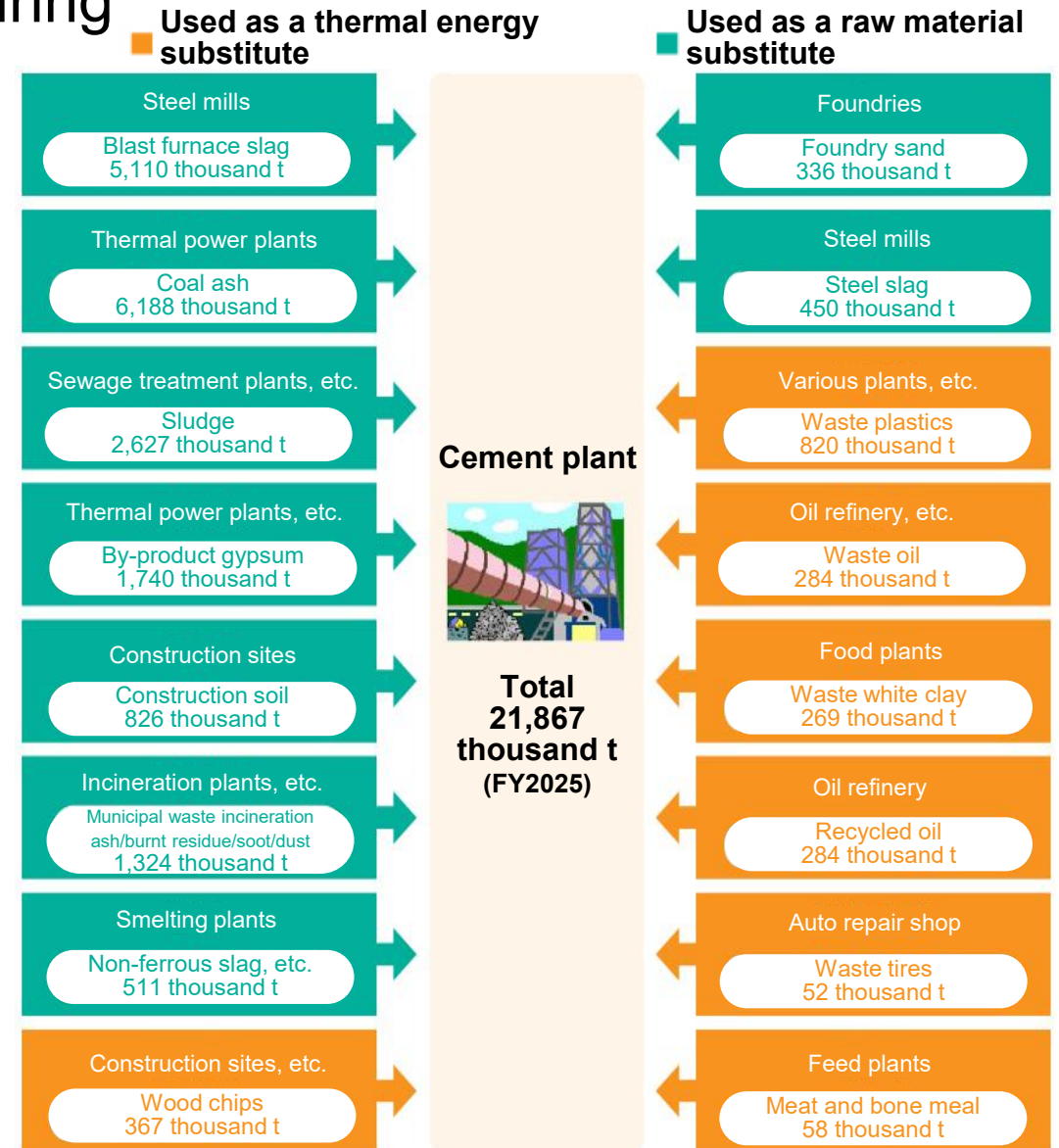
By combining various types of waste and adjusting chemical compositions, they can be used as raw materials for cement

Environmental Business

● Waste treatment in the cement manufacturing process

Characteristics of waste treatment in the cement manufacturing process

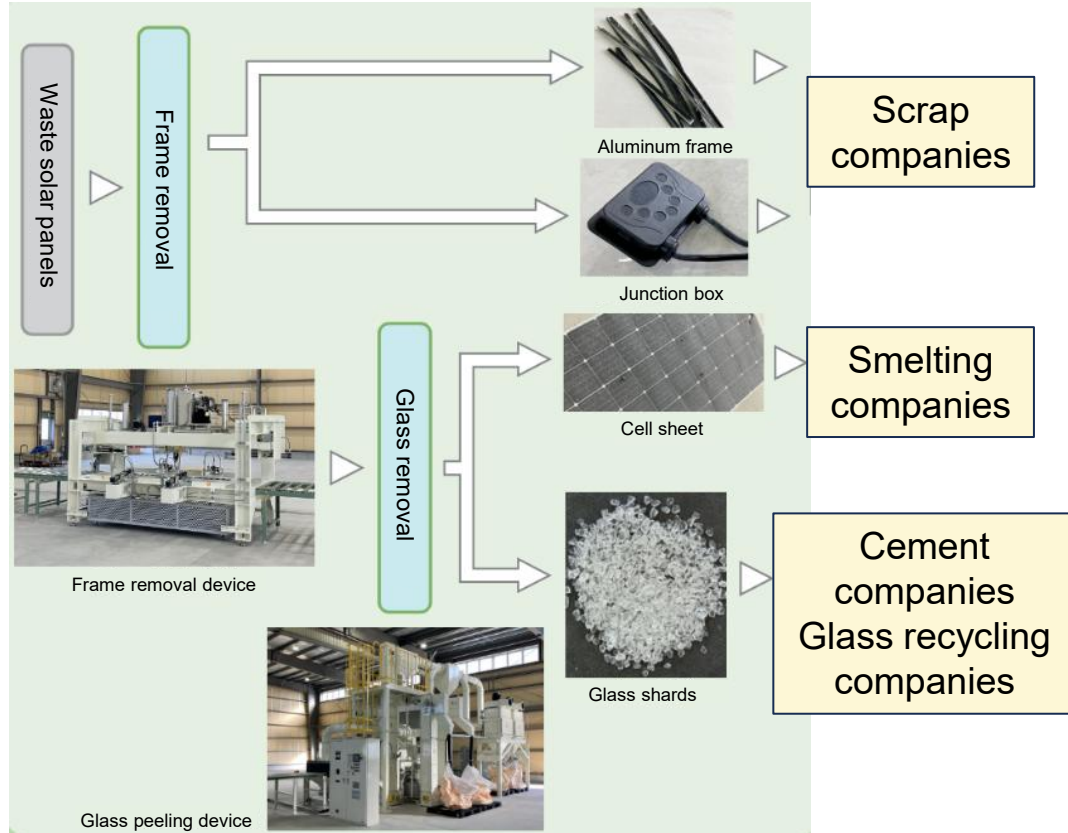
- 1 The main components are **CaO, SiO₂, Al₂O₃, and Fe₂O₃**, and waste containing these components is **used as part of the raw materials**
- 2 Combustible waste is **used as part of the fuel** for the burning process in cement kilns (furnace)
- 3 Since the burnt residue from combustible waste is used as a raw material for cement, **no secondary waste is generated**
- 4 Since incineration temperatures reach a high point of **1,450°C**, **hazardous chemicals are decomposed in the kiln**



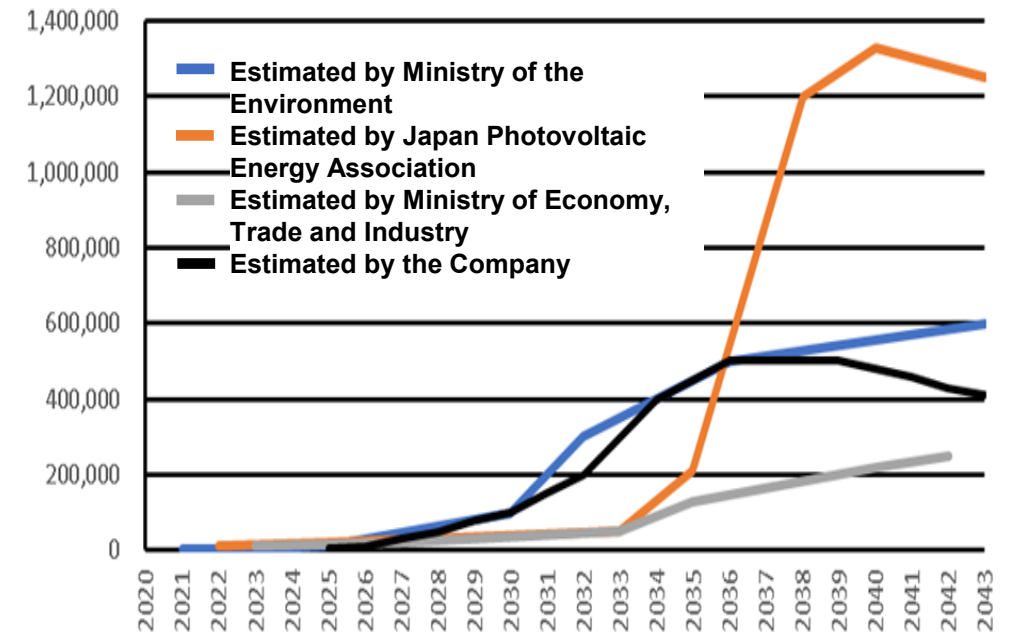
Environmental Business (Growth Areas)

● Waste solar panel treatment business

- The establishment of the surplus electricity purchase system in 2009 led to the widespread adoption of solar power generation in ordinary households
- The lifespan of solar panels is assumed to be 20 to 30 years
⇒ The disposal of waste solar panels will become a social problem in the future



Estimated amount of solar panel waste



Waste solar panel treatment equipment at Nacode Co., Ltd. (100% owned subsidiary of the Company)

Environmental Business (Growth Areas)

● Urban mining

[Lithium-ion battery recycling]

Proper recycling has become important more than ever from the standpoint of EV sales expansion, fire prevention, and resource security

⇒ We teamed up with Matsuda Sangyo Co., Ltd. in 2011 to explore the possibility of a recycling business and started a treatment business in 2020

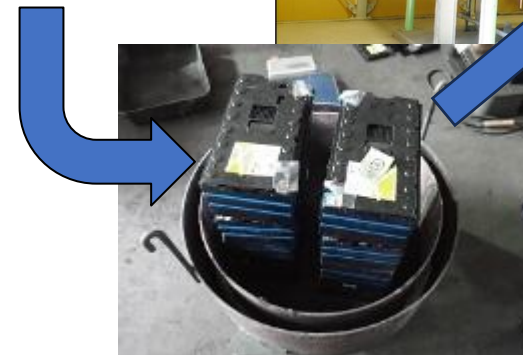
Lithium-ion battery roasting equipment (capacity: 2,000 tons/year) installed at Tsuruga Cement Co., Ltd.

[Resource recovery process]

- (i) Roast lithium-ion batteries
⇒ Neutralize hazardous components (fire and explosion prevention)
- (ii) Shred lithium-ion batteries once hazardous components are neutralized
- (iii) Rare metal-containing materials and valuable metals (such as copper and aluminum) are recovered through separation techniques
⇒ Rare metals are recovered by refinery companies (cobalt, nickel, lithium)



Automotive lithium-ion battery module (example)



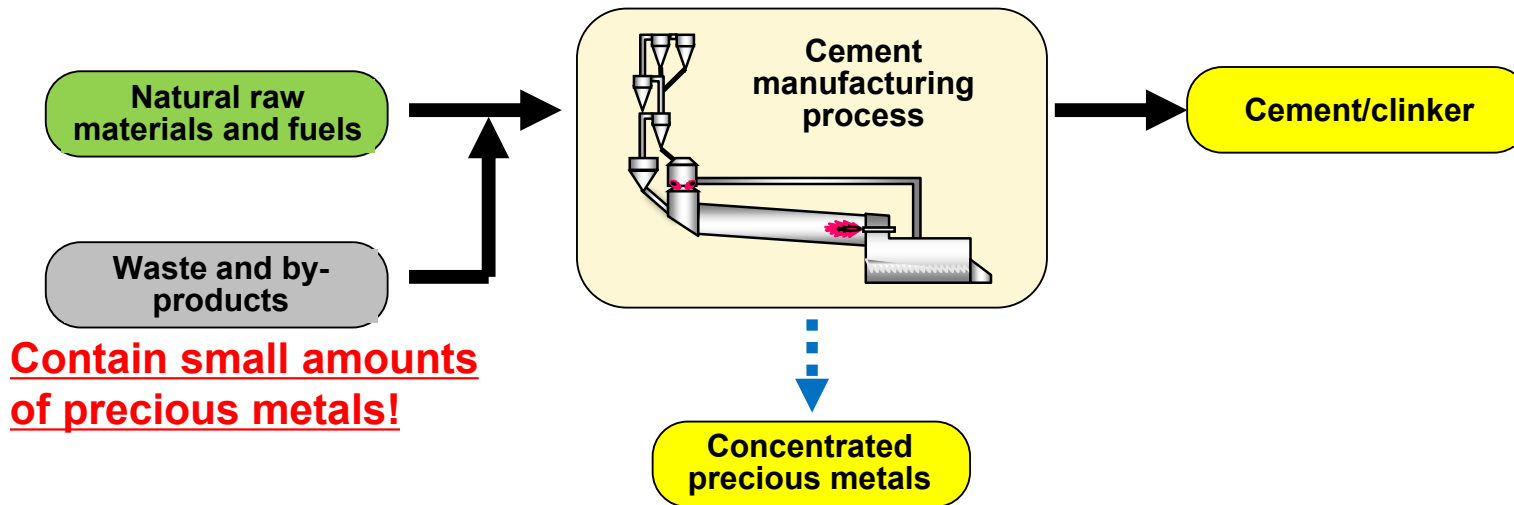
Neutralization of harmful chemicals of lithium-ion batteries

Environmental Business (Growth Areas)

- Urban mining

[Precious metal recovery]

- We discovered a phenomenon in which precious metals (such as gold and silver) become concentrated in intermediates during the ecocement manufacturing process
 ⇒ We developed recovery technology and **began recovering precious metals with Tokyo Tama Ecocement Inc. in 2015**
- Applying the technology and know-how in recovering precious metals in the ecocement manufacturing process, **we started expanding the concentrated precious metals recovery business** to the Group's ordinary cement manufacturing plants **in 2020**



Contain small amounts of precious metals!

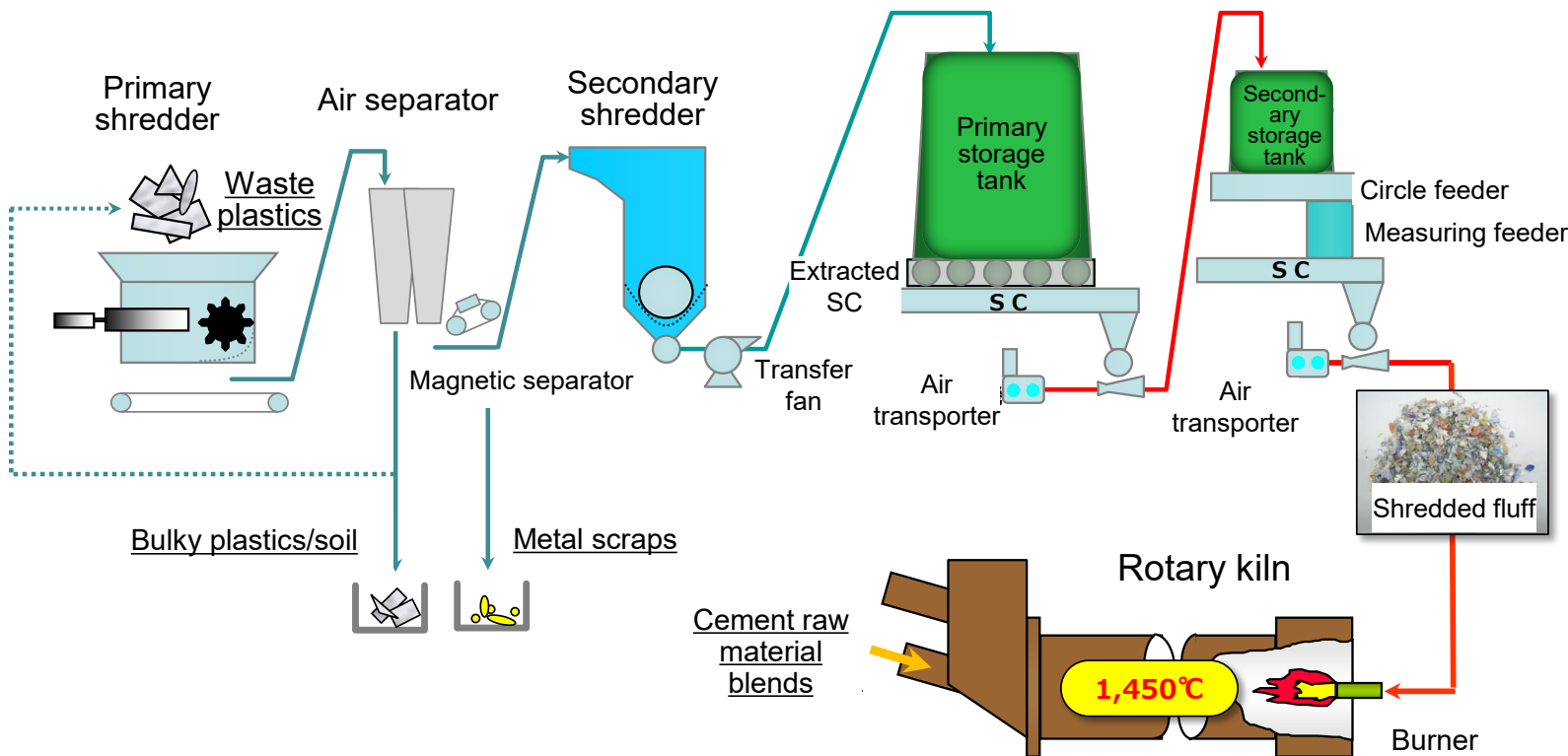
A substance with a higher gold (Au) concentration than natural gold ore is recovered

Main waste containing small amounts of precious metals that cement plants accept

	Contained precious metals
Municipal waste incineration ash	Gold, silver
Shredder dust	Gold, silver
Sludge incineration ash	Gold, silver

Environmental Business (Growth Areas)

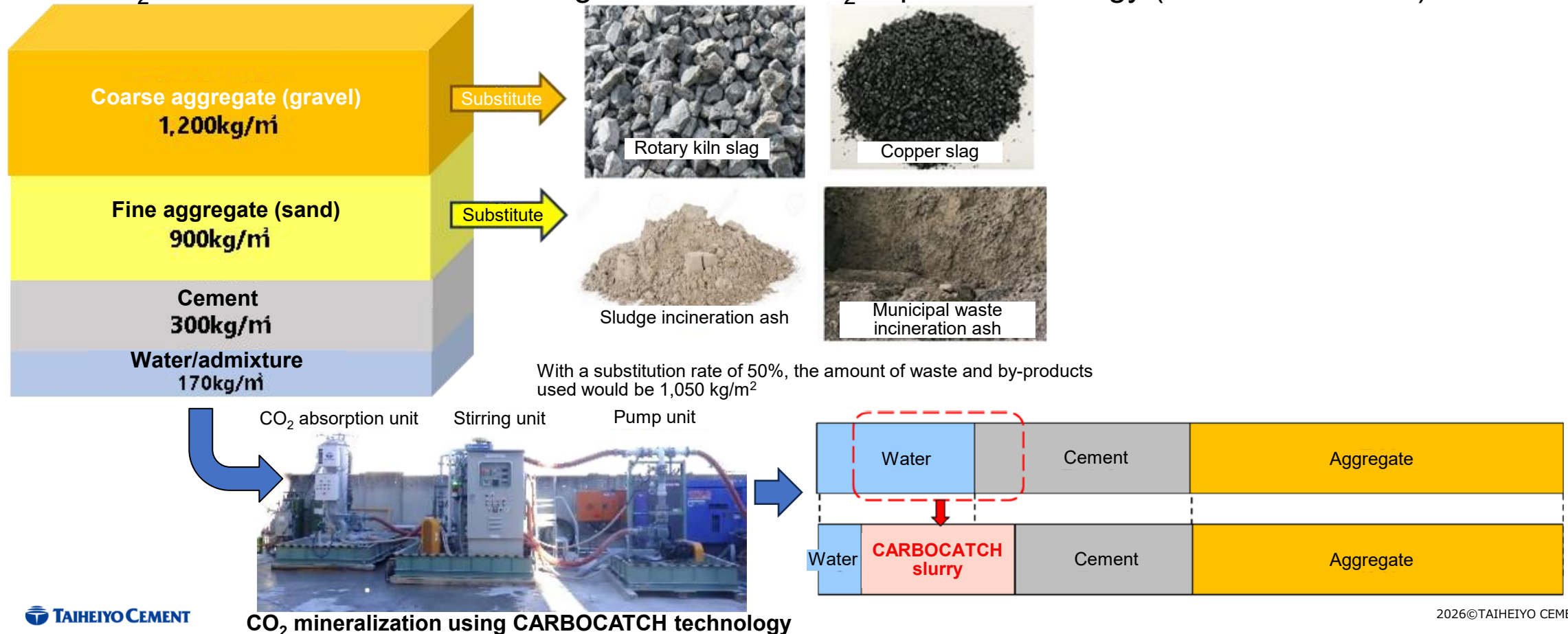
- Fossil fuel substitute business (promotion of the use of waste plastics)
 - Aiming to utilize waste plastics on a larger scale than ever before, we are working on installing and expanding the capacity of equipment that enables blowing out waste plastics from a rotary kiln burner
 - By using waste plastics as a **coal substitute** in cement firing, we **reduce CO₂ emissions from fossil fuels**



Flow diagram of equipment for blowing waste plastics into a cement kiln (example)

Environmental Business (Growth Areas)

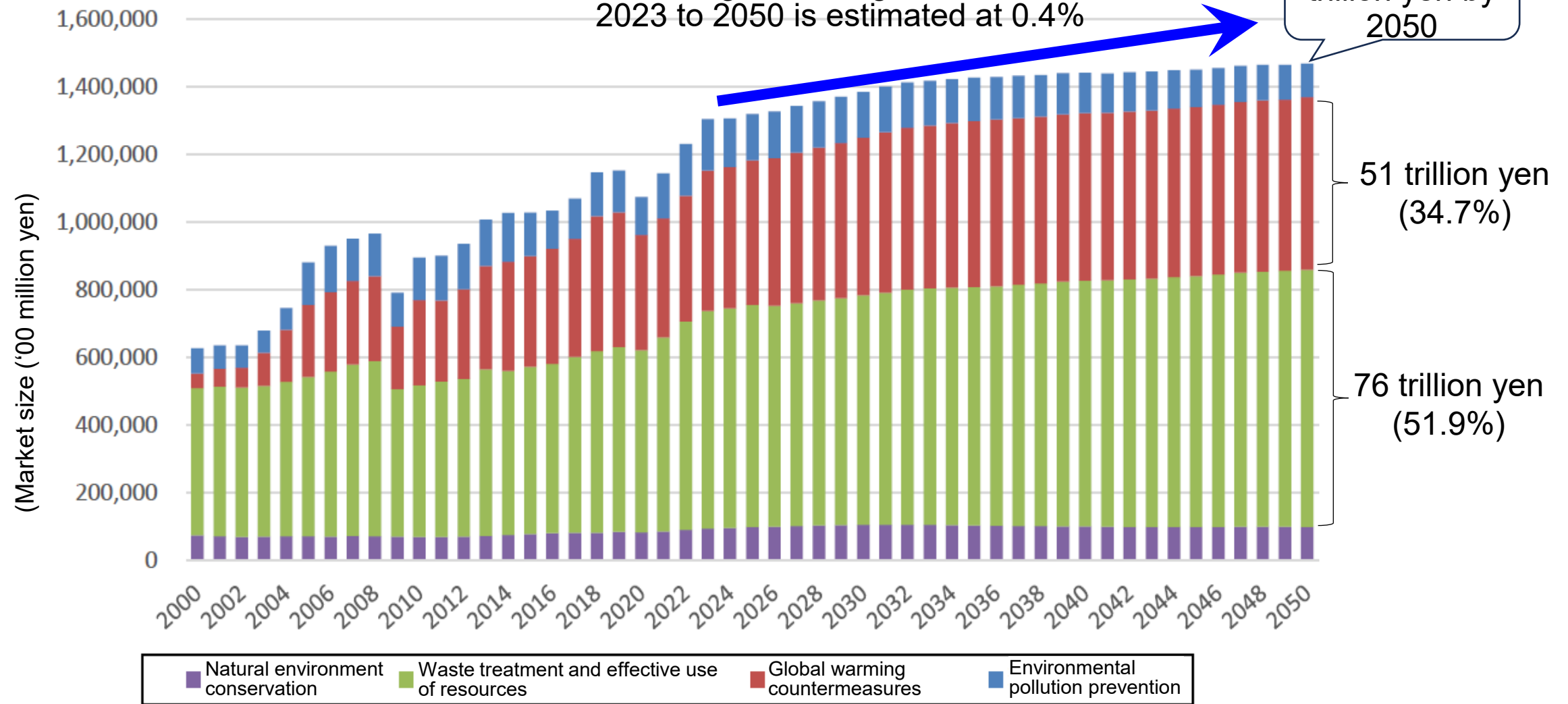
- Eco-friendly hard blocks that make the maximum use of waste materials
 - Leveraging our technology and know-how in concrete manufacturing, we are exploring the development of products such as **hard blocks that make the maximum use of waste and by-products**
 - ⇒ Simultaneously create cement demand and utilize waste and by-products
 - CO₂ can also be mineralized using our concrete CO₂ capture technology (CARBOCATCH®)



Environmental Business

● Market size of the environmental industry in Japan

The average annual growth rate from 2023 to 2050 is estimated at 0.4%



Mineral Resources Business

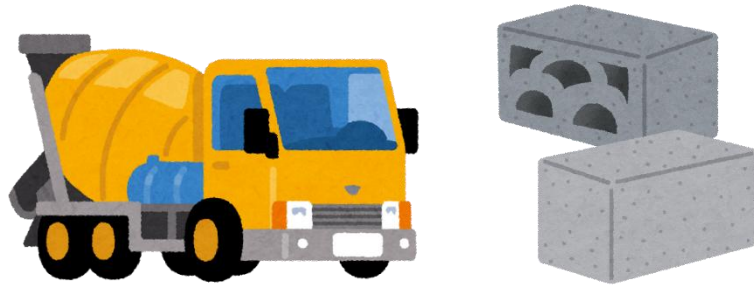
Limestone is one of the few strategic resources that Japan is self-sufficient in

Mineral Resources Business

● Business components

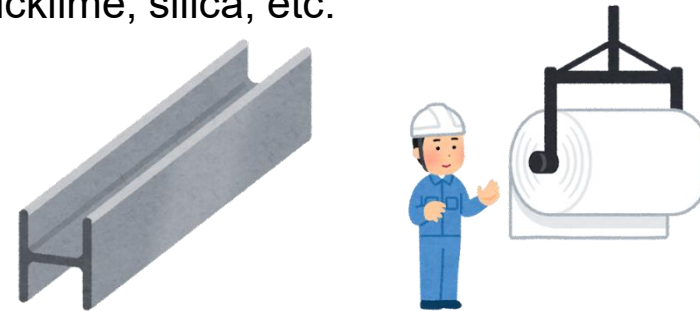
Aggregates business

Sales of aggregates for ready-mixed concrete and precast concrete products



Mineral products business

Sales of limestone (for steel, cement, paper, chemicals, etc.), calcium carbonate, quicklime, silica, etc.



Geo-solutions business

Acceptance of construction soil and sales of heavy metal immobilizer



New businesses

Functional materials business, new overseas businesses



Mineral Resources Business

● Strategic securing of natural resources

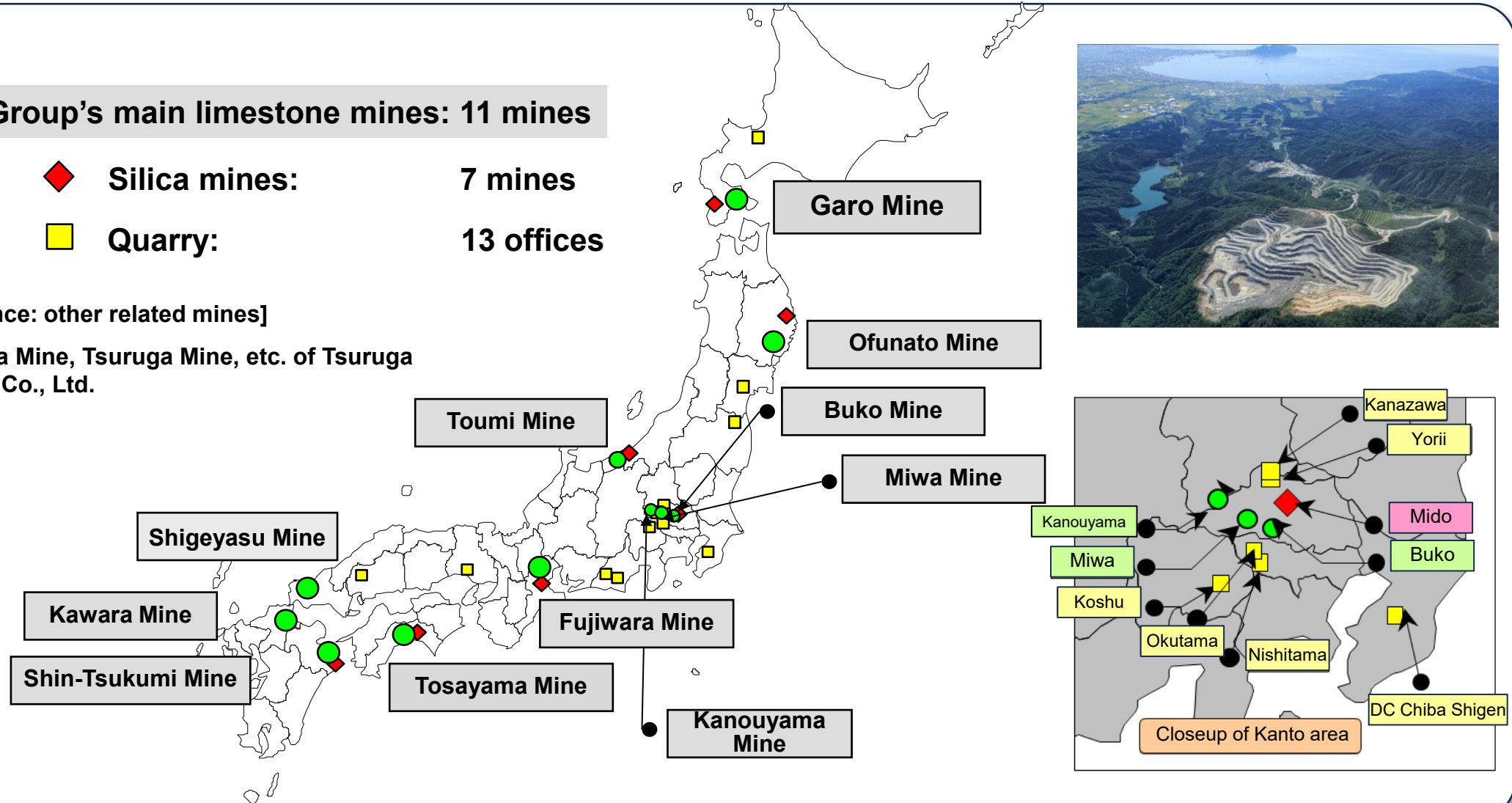
● The Group's main limestone mines: 11 mines

◆ Silica mines: 7 mines

■ Quarry: 13 offices

[Reference: other related mines]

Ishiyama Mine, Tsuruga Mine, etc. of Tsuruga Cement Co., Ltd.



Mineral Resources Business

● Strategic securing of natural resources

Limestone production volume [FY2026 results]

(i) Top 20 mines (yellow highlight: the Group's mines) (ii) The Group's other mines

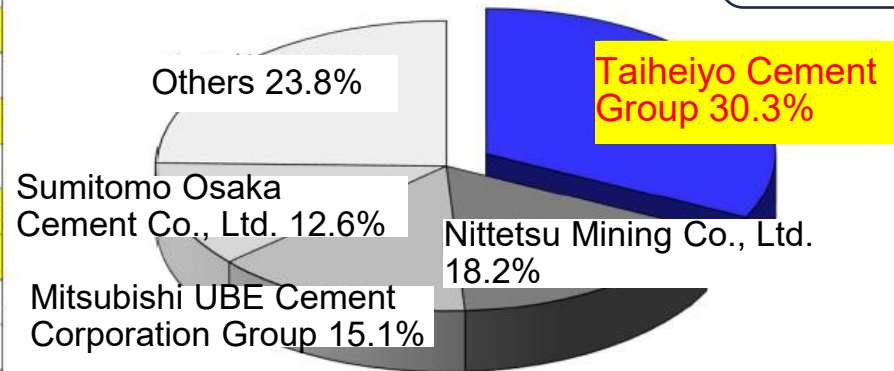
Rank	Company	Mine	Production volume (thousand t/year)
1	Nittetsu Mining Co., Ltd.	Torigatayama	13,167
2	Todaka Mining Co., Ltd.	Todaka	9,890
3	Oita Taiheiyo Mining Corporation	Shin-Tsukumi	9,143
4	Shuho Mining Co., Ltd.	Shuho	7,457
5	Mitsubishi UBE Cement Corporation	Higashitani	6,600
6	Mitsubishi UBE Cement Corporation	Isa	6,330
7	Hokkaido Taiheiyo Kogyo Co., Ltd.	Garō	5,449
8	Buko Mining Co., Ltd.	Buko	3,306
9	Hachinohe Mining Co., Ltd.	Hachinohe Limestone	3,296
10	Kokura Mining Co., Ltd.	Kokura	3,198
11	Mie Taiheiyo Kogyo Co., Ltd.	Fujiwara	3,109
12	Oita Mining Co., Ltd.	Shin-Oita	2,535
13	Kochi Taiheiyo Mining Co., Ltd.	Tosayama	2,515
14	RYOKO LIME INDUSTRY CO., LTD.	Une	1,993
15	Ryushin Mining Co., Ltd.	Ofunato	1,975
16	Myojo Cement Co., Ltd.	Toumi	1,925
17	Nittetsu Mining Co., Ltd.	Shiriya	1,870
18	Ryukyu Cement Co., Ltd.	Awa	1,811
19	Funao Mining Co., Ltd.	Funao	1,607
20	Chichibu Taiheiyo Cement Corporation	Kanouyama	1,462

Rank	Company	Mine	Production volume (thousand t/year)
26	Kawara Mining Co., Ltd.	Kawara	1,009
27	Chichibu Taiheiyo Cement Corporation	Miwa	878
29	Ryuyo Kosan Co., Ltd.	Shigeyasu	867
41	Tsuruga Cement Co., Ltd.	Ishiyama	206
58	Tsuruga Cement Co., Ltd.	Tsuruga	54

Taiheiyo Cement Group total: 31,900 thousand tons

(iii) Limestone production share (Japan)

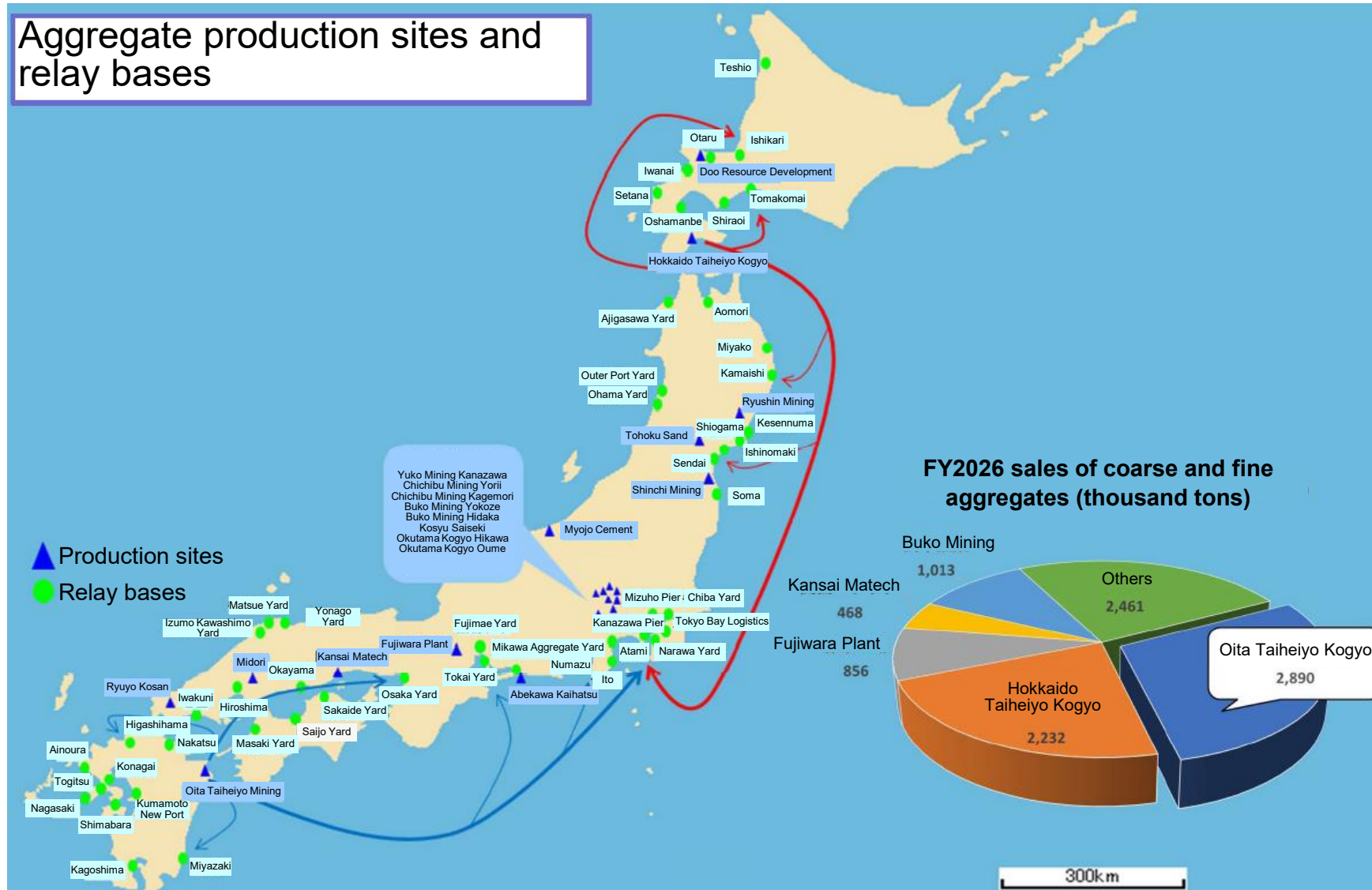
[Domestic production volume]
105,126 thousand tons (FY2026)



Taiheiyo Cement Group: No.1 share

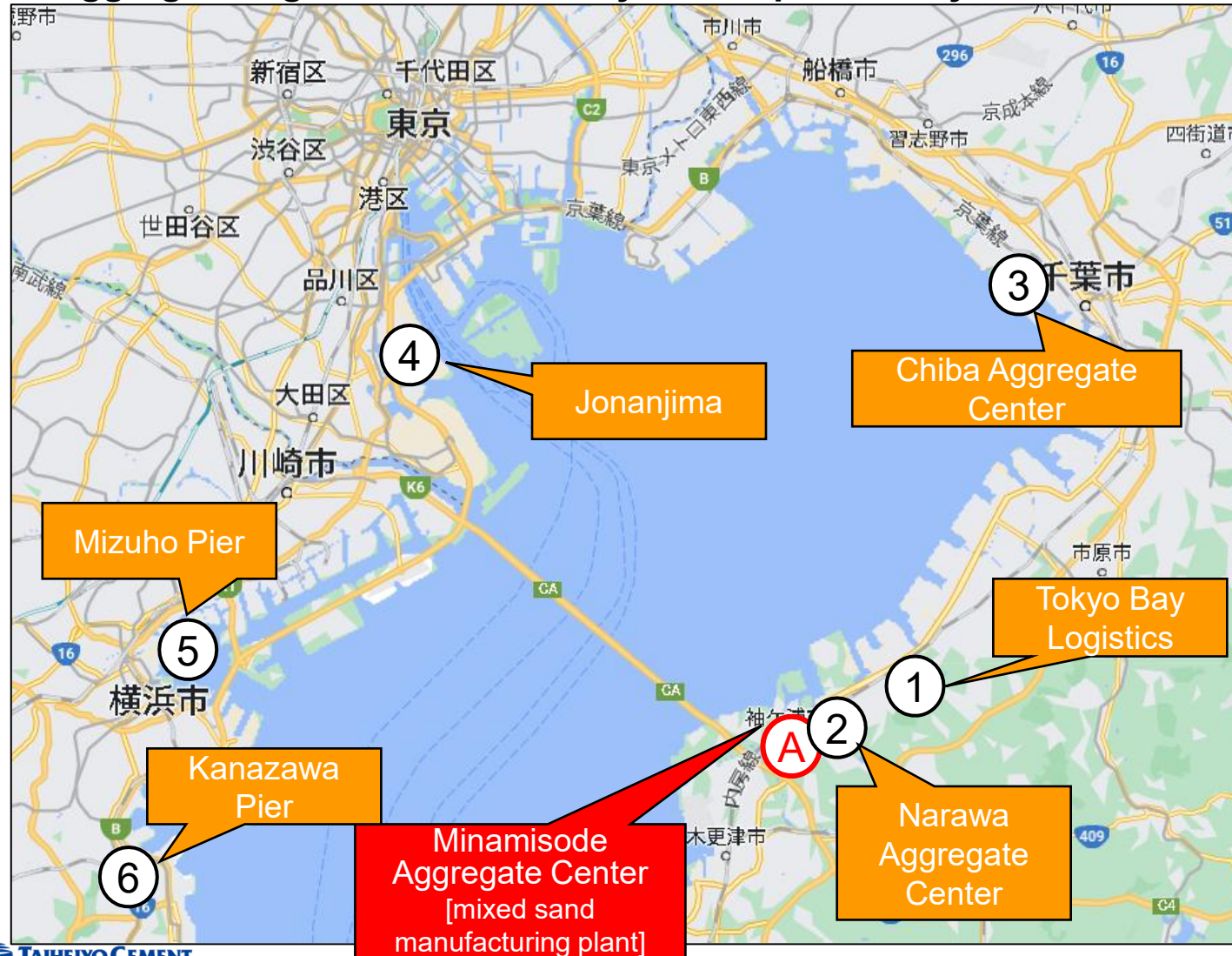
Mineral Resources Business

● Limestone aggregate sales expansion strategy



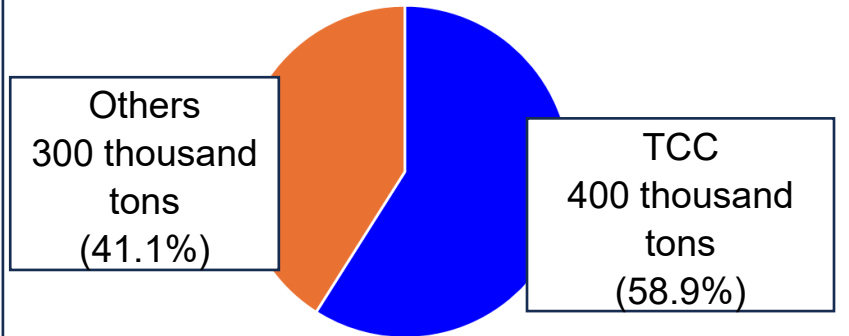
Mineral Resources Business

- Limestone aggregate sales expansion strategy
- Aggregate logistics hubs in Tokyo metropolitan bay area



The Group's strengths

- ✓ Large volume of inventory
 - ✓ Variety of products sold
 - Coarse aggregates
 - Fine aggregates (coarse/medium-grained sand)
 - Mixed sand
- ⇒ Capable of meeting a wide range of user needs



Inventory share in Tokyo metropolitan bay area



Minamisode Aggregate Center

Mineral Resources Business (Growth Areas)

- Geo-solutions business

We provide total solutions for construction soil

Contaminated soil → Recycling materials into cement
Heavy metal immobilizer
(**Reduced elution of heavy metals, etc. into rainwater and groundwater**)

Uncontaminated soil → Acceptance of excavated soil at discontinued mining sites

Heavy metal immobilizer (DENITE)



Recycling materials into cement

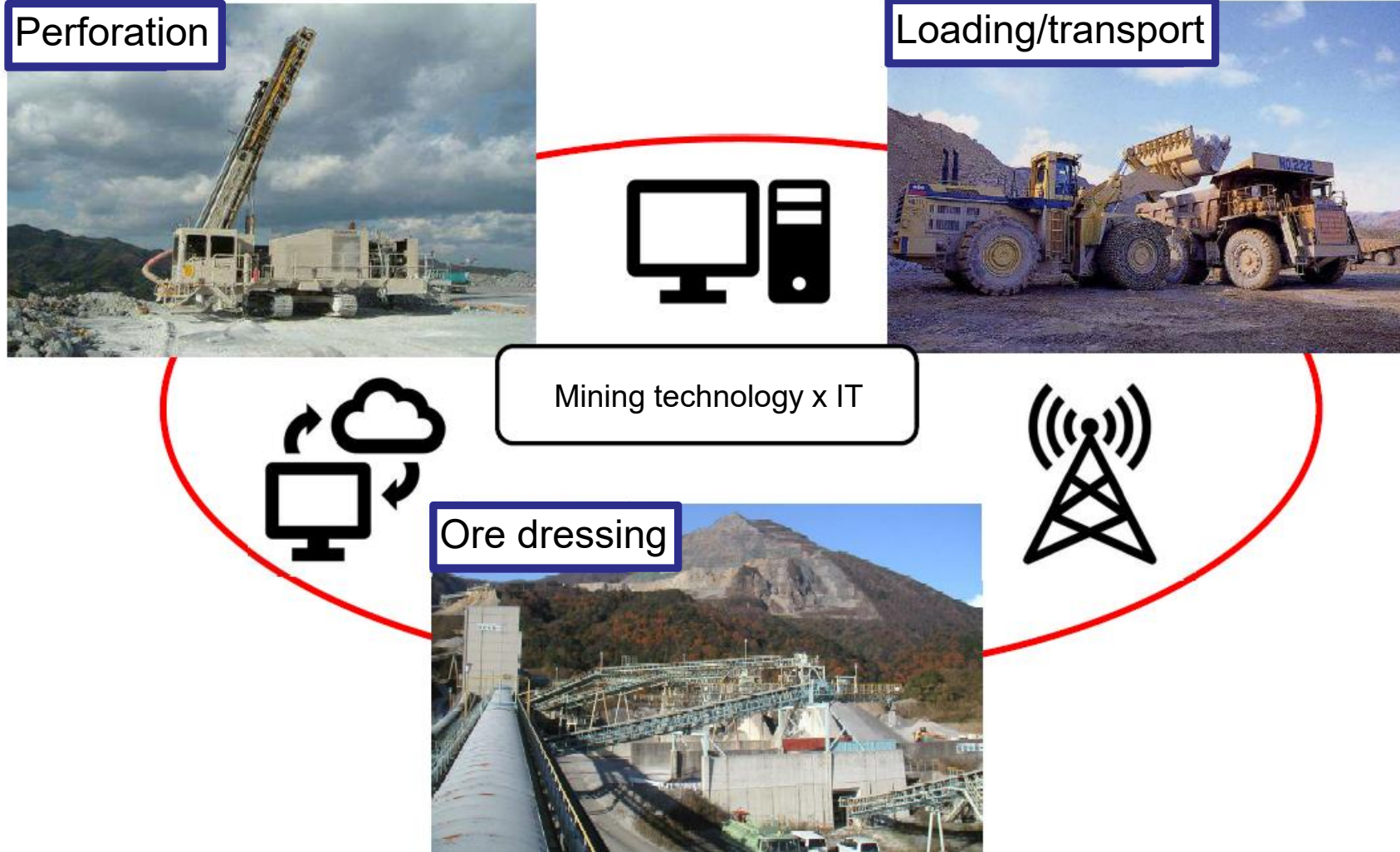


Acceptance of excavated soil at discontinued mining sites



Mineral Resources Business (Growth Areas)

- Promotion of DX

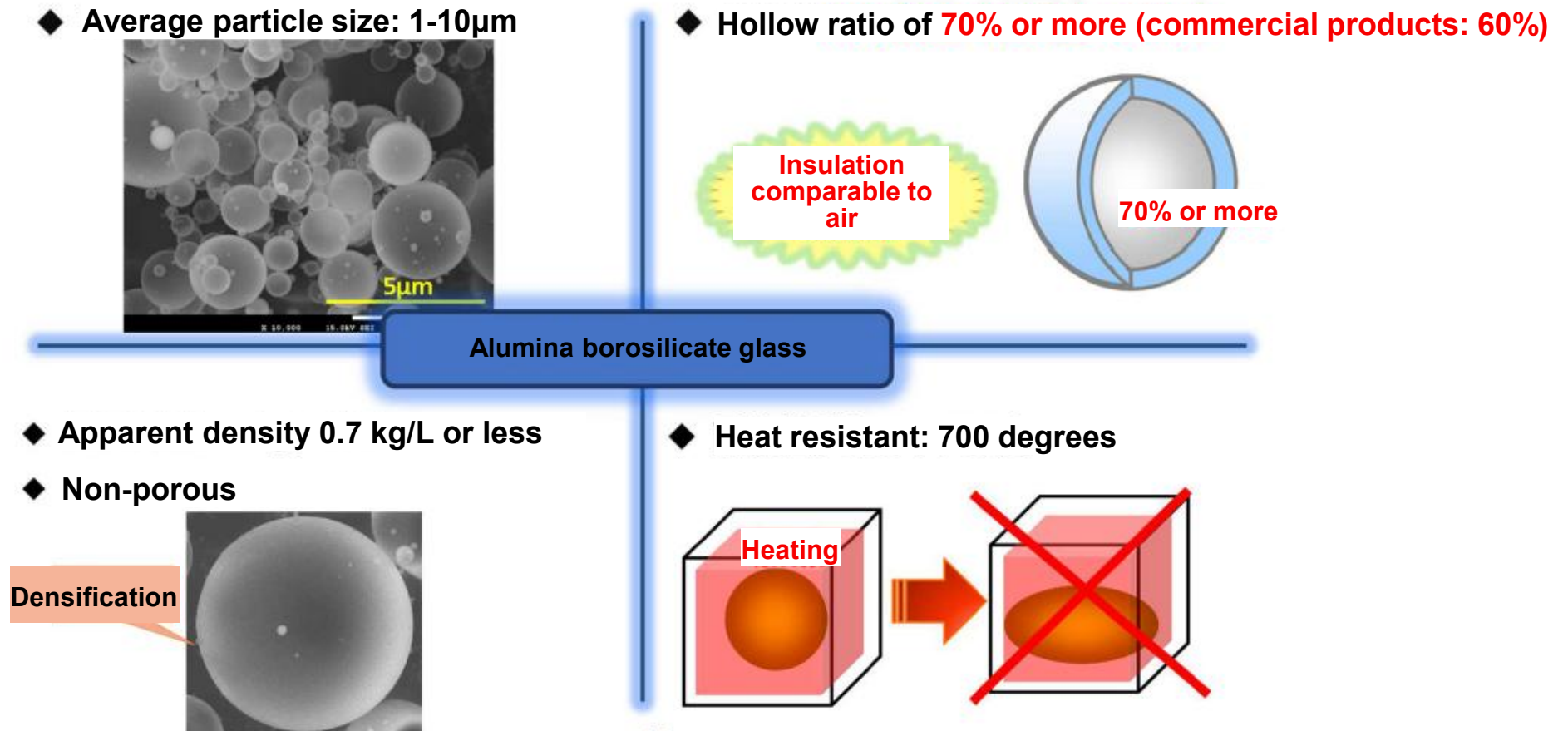


Explore the use of AI, IoT and big data to automate and streamline operations

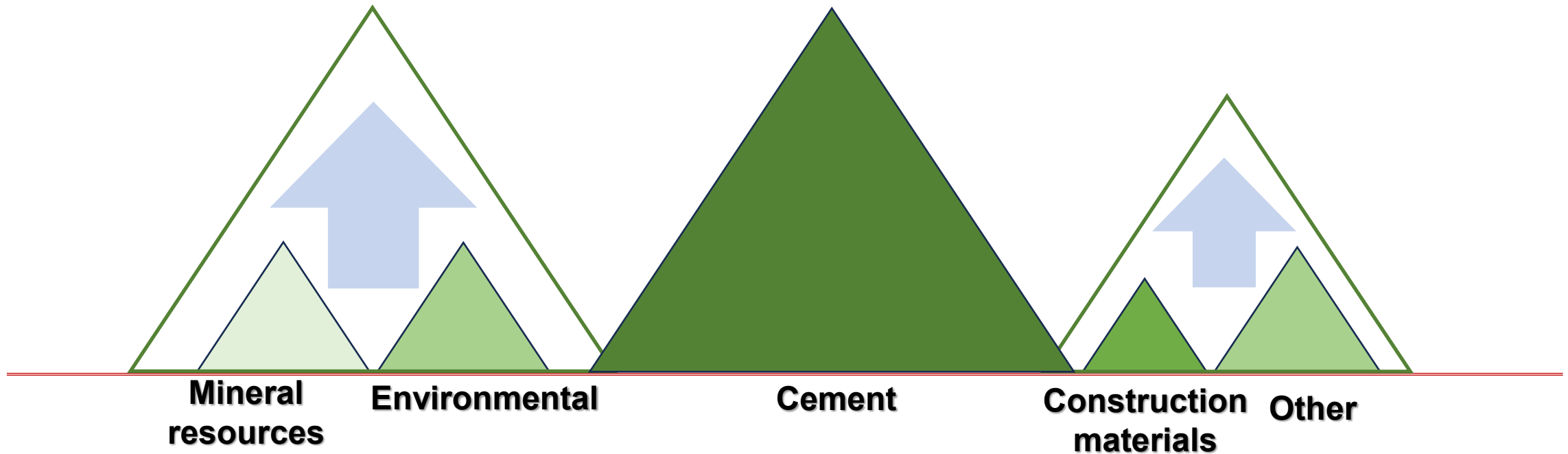
Mineral Resources Business (Growth Areas)

- Functional hollow particles (CellSpheres®)

- Hollow materials with properties never seen on the market before
- Potential applications as a filler for thin thermal insulation coatings, as well as as low-dielectric materials for precision equipment and machine parts, such as insulating films



- Focused investment in growth areas



**Combining mineral resources and environmental businesses,
we aim for:**

Net sales of 300.0 billion yen (FY2027: 172.6 billion yen)

Operating profit of 30.0 billion yen (FY2027: 19.3 billion yen)

Regrowth of Domestic Business

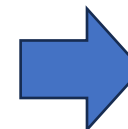
We are evolving from a “company that makes cement” to a “company that supports the sustainability and resilience of society”

Regrowth of Domestic Business

● Cement business

	Challenges	Measures in response
Demand decline (structural shrinkage)	<ul style="list-style-type: none"> Population decline Public investment also remaining flat in the long term 	<ul style="list-style-type: none"> Increase overseas share (U.S., Southeast Asia) Shift toward infrastructure maintenance and repair demand ⇒ Change approach from “Quantity” to “Application”
High-cost structures	<ul style="list-style-type: none"> High power costs High volatility in fuel costs Aging facilities and labor shortages 	<ul style="list-style-type: none"> Maximum use of waste-derived fuels Optimization of production and logistics systems • Promote DX, automation
Commoditization (price competition)	<ul style="list-style-type: none"> Difficult to differentiate based on cement alone Profits volatile due to market conditions 	<ul style="list-style-type: none"> Ready-mixed concrete, aggregates, admixtures ⇒ Become an infrastructure solutions company
Delayed response to decarbonization (also presents opportunity)	<ul style="list-style-type: none"> Cement industry is a major source of CO₂ emissions Risk of stricter regulations 	<ul style="list-style-type: none"> • Taking the lead in LCC and CCUS • Integrated assessment with waste disposal (resource recycling) ⇒ Area where we could potentially be victorious

- ✓ Cement is an essential part of social infrastructure
- ✓ A considerable amount of decarbonization-related investment is required
- ✓ Direct engagement in national priorities (decarbonization, security, disaster prevention)



Cement industry should be positioned as a policy-driven sector

Regrowth of Domestic Business

● Direction of technological development

(1) Trends in domestic construction market

- Cement demand is on a long-term **declining trend**
- Due to population decline, **demand for new** housing and infrastructure **is expected to continue to decline**

(2) Areas where future demand growth is expected

- **Renewal of aging infrastructure**
- **Disaster prevention and national resilience**
- Medical and elderly care facilities, etc.
⇒ Market changing from “Quantity” to “Quality”



Port and harbor structures



Bridges



High-rise buildings

Shift from “cement by volume” to “cement by function”

- ✓ Ultra-long-life concrete ⇒ Lifecycle costs: reduced, lifecycle CO₂ emissions: reduced
- ✓ High durability pavement ⇒ Improved logistics efficiency
- ✓ Concrete to meet needs for disaster prevention and national resilience (shelters, etc.)
- ✓ Sulfate-resistant cement for sewer pipes ⇒ Both low-carbon and sulfate-resistant

Regrowth of Domestic Business

- Renewal of aging infrastructure

Examples of issues arising from aging infrastructure

2007	Mie Prefecture Kisogawa Bridge; truss diagonal member breakage
2012	Chuo Expressway Sasago Tunnel; ceiling plate collapse
2018	Tokyo Ruptured water pipe
2018	Hiroshima Prefecture Check dam collapse due to West Japan torrential rain
2021	Wakayama Prefecture Water pipe bridge collapse
2025	Saitama Prefecture Yashio City road sinkhole

Yashio City road sinkhole

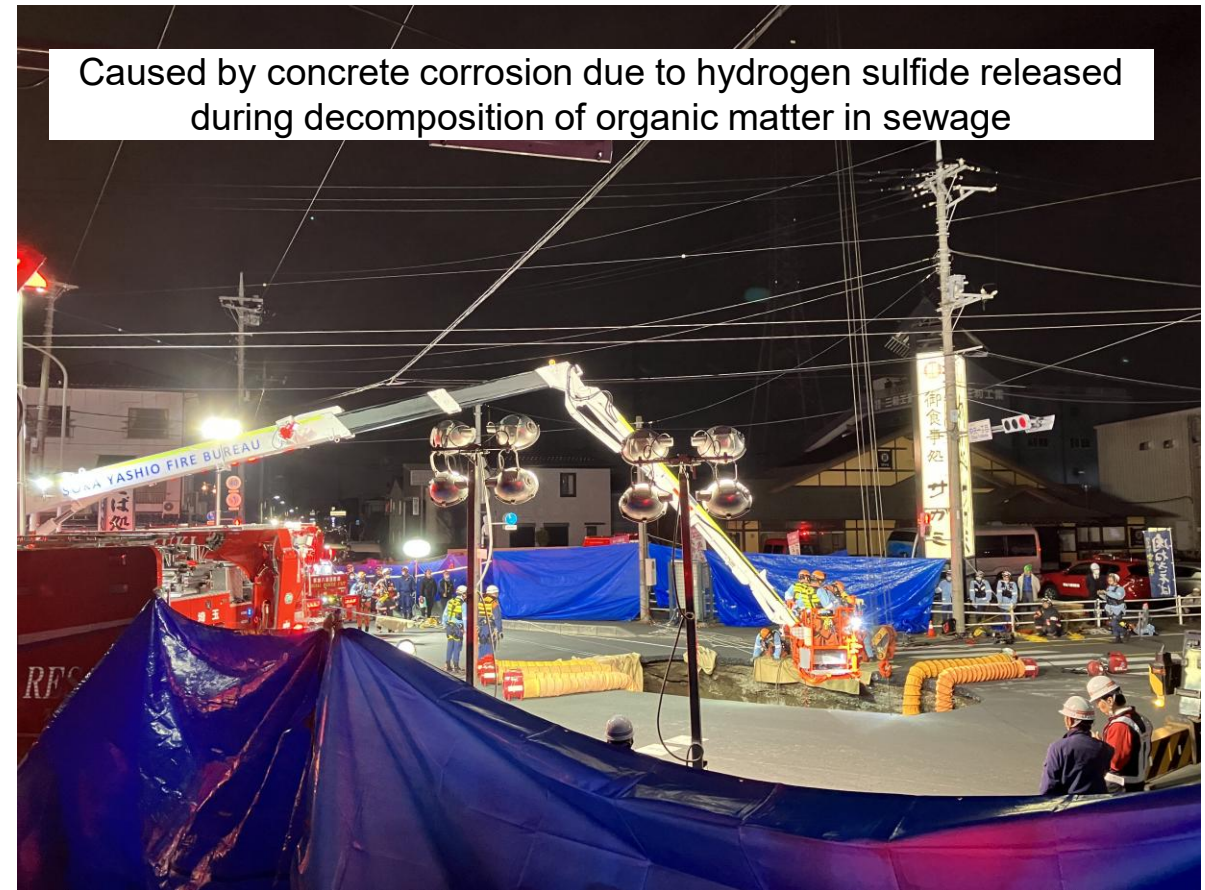


Photo by Japan Water Newspaper

Regrowth of Domestic Business

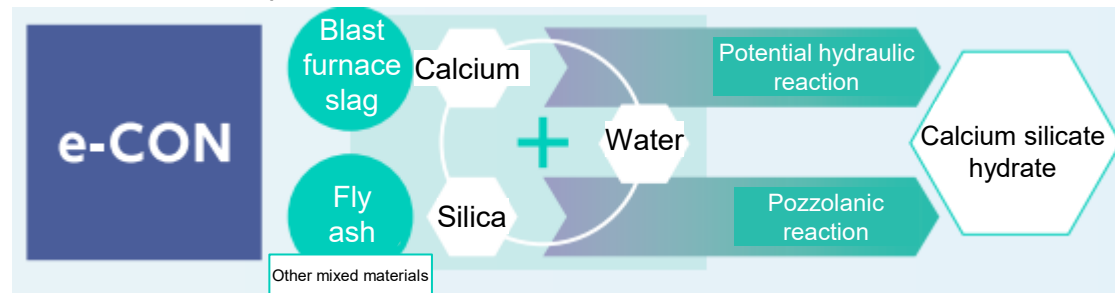
● Renewal of aging infrastructure

[e-CON[®]]

Sustainable concrete by Nippon Hume Corporation

- ✓ Cement-free concrete **reduces CO₂ emissions by about 80%**
- ✓ **Recycled materials account for about 90%** of the main components
- ✓ High-density concrete provides excellent **resistance to sulfuric acid and salt corrosion**

⇒ Used in sewer systems (acid resistance), bridges (measures against salt corrosion), etc.



Percentage of mass loss after 112 days of immersion in a 5% aqueous sulfuric acid solution



Precast manholes



Hume pipes



Bridges

Regrowth of Domestic Business

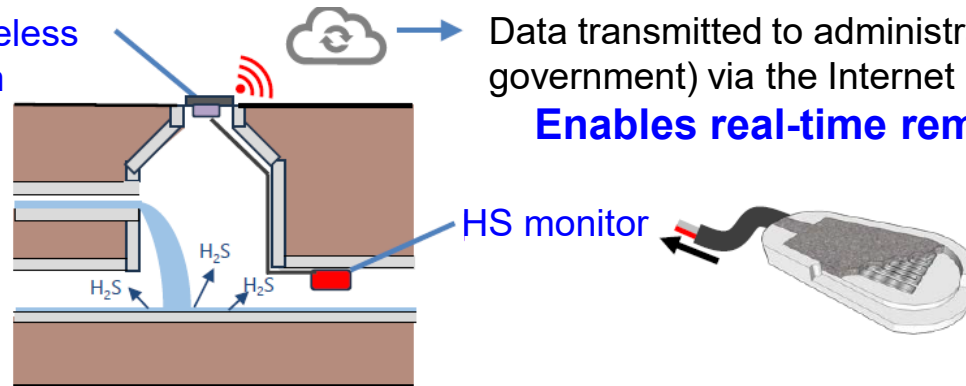
- Renewal of aging infrastructure

Remote monitoring system using HS monitors

[Features of this system]

- Integration of HS monitors and manholes equipped with wireless communication systems
 1. **Real-time observation of HS monitor measurement results via wireless communication**
 - Once sensors are installed, circumvents hazardous operations by removing necessity to enter sewer pipes
 2. **Assesses hydrogen sulfide concentrations within pipelines to determine high-risk sections**
 - Enables administrators (local governments) to determine inspection frequencies based on measurement results

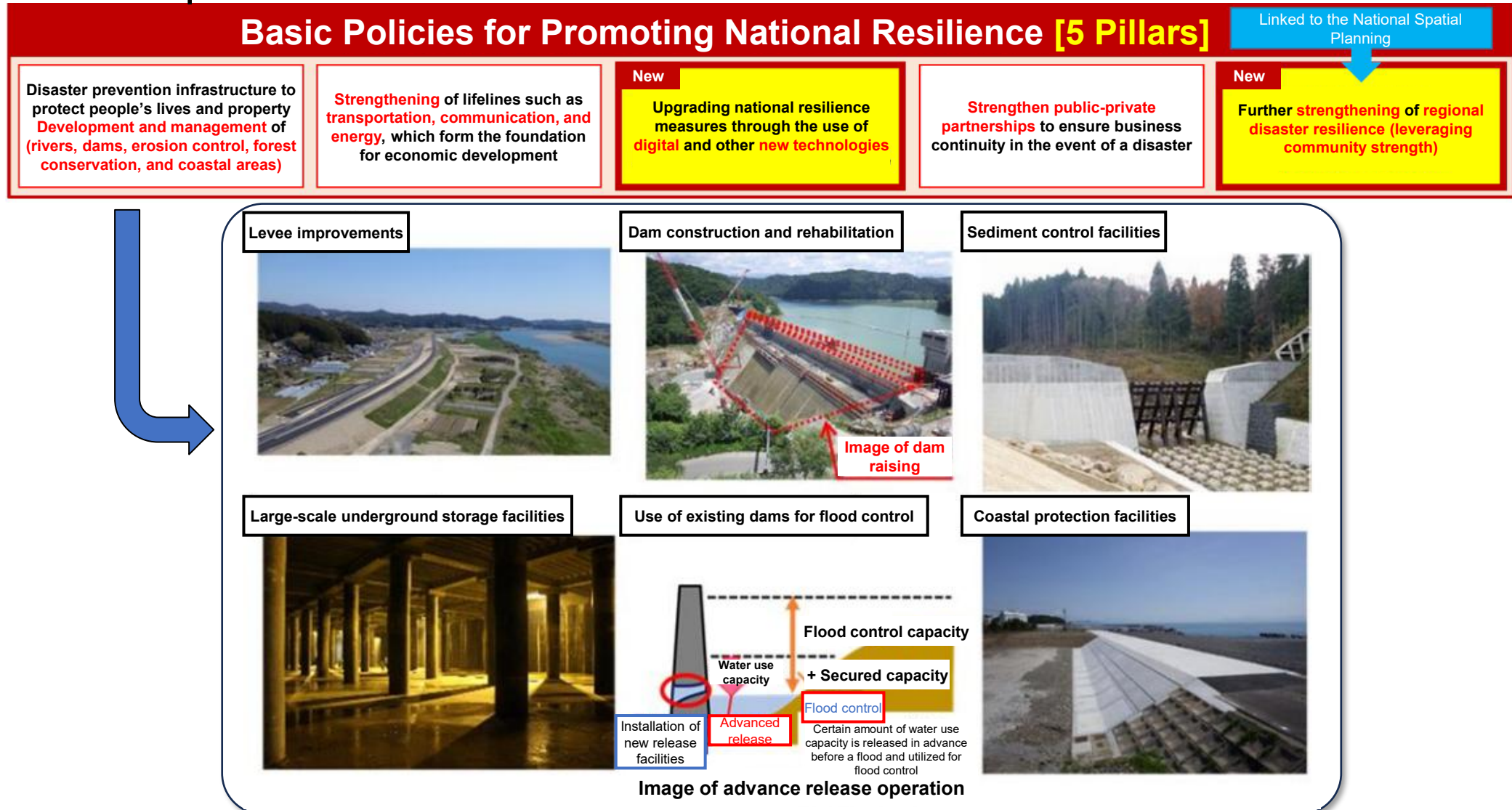
Manhole equipped with wireless communication system



Provides a system for local governments to safely and easily determine the frequency of sewer pipeline inspections

Regrowth of Domestic Business

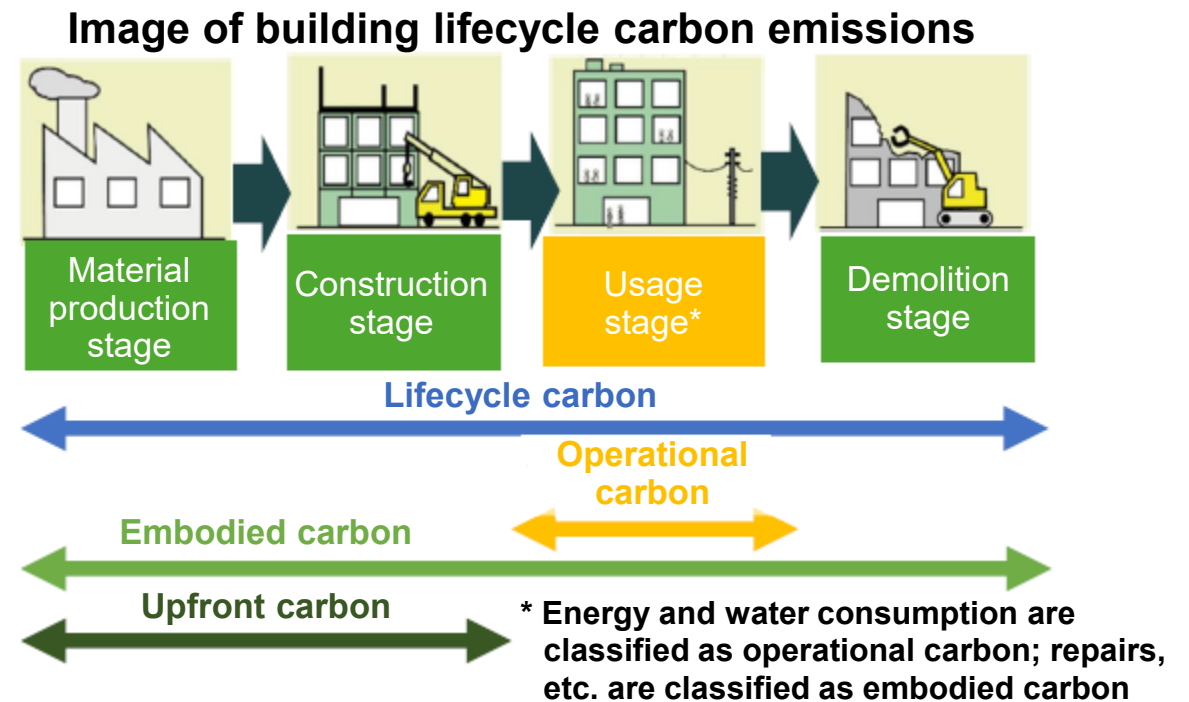
● Disaster prevention and national resilience



Regrowth of Domestic Business

● Building LCA system (Japan)

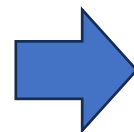
- New system to calculate and evaluate CO₂ emissions across the entire lifecycle of building materials and promote decarbonization
⇒ Plan to launch system by FY2029
- In addition to energy conservation during operations, **also prioritizes the reduction of “upfront carbon” from construction materials (iron, concrete, etc.)**



Source: Ministry of Land, Infrastructure, Transport and Tourism materials, “Future Direction of Energy Conservation Measures for Housing and Buildings (Fourth Report)”

[Competitive factors in global infrastructure market]

How much cement can be produced

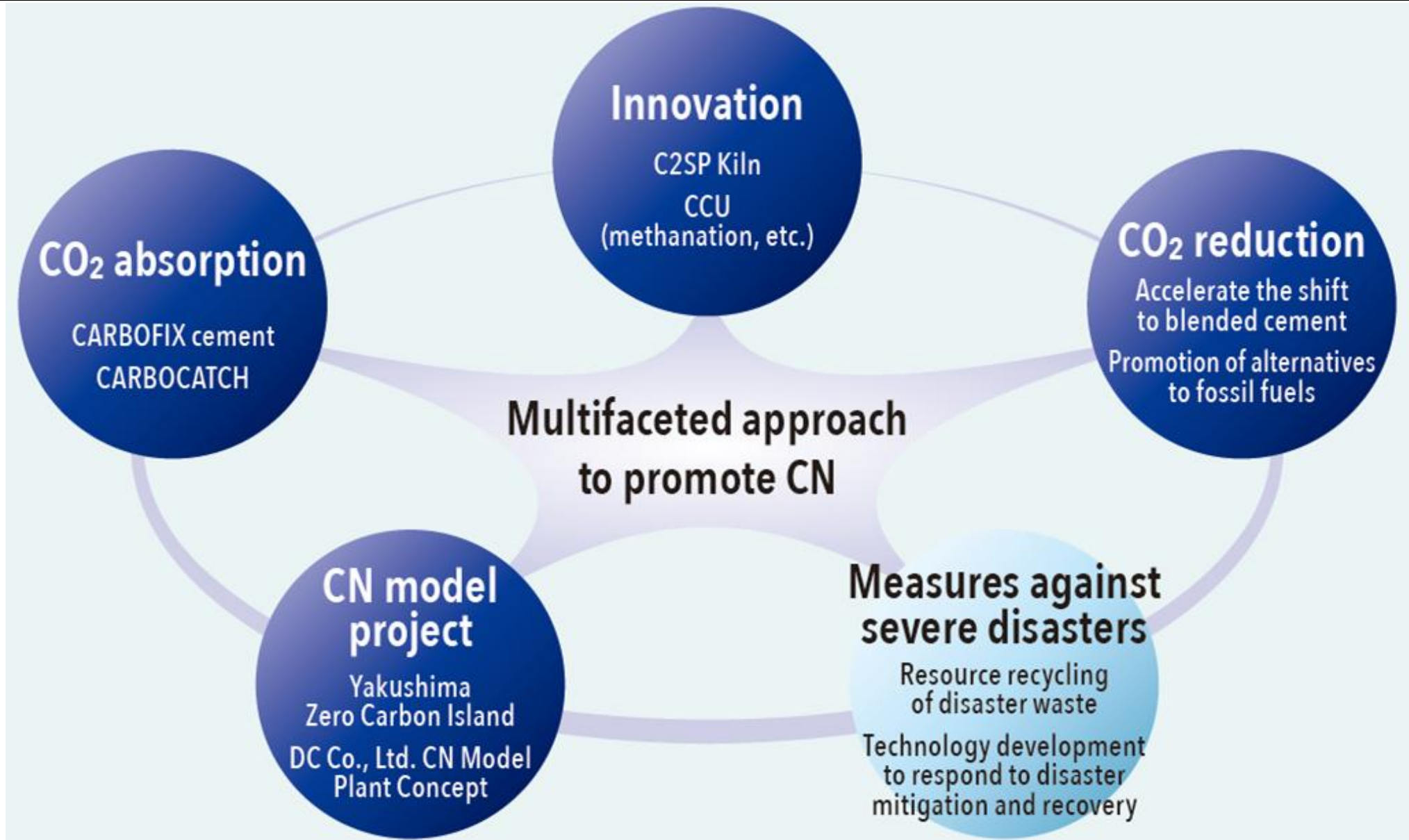


How much can carbon emissions be minimized in the implementation of sustainable and resilient social infrastructure

Carbon Neutrality

Moving forward step by step through five pillars

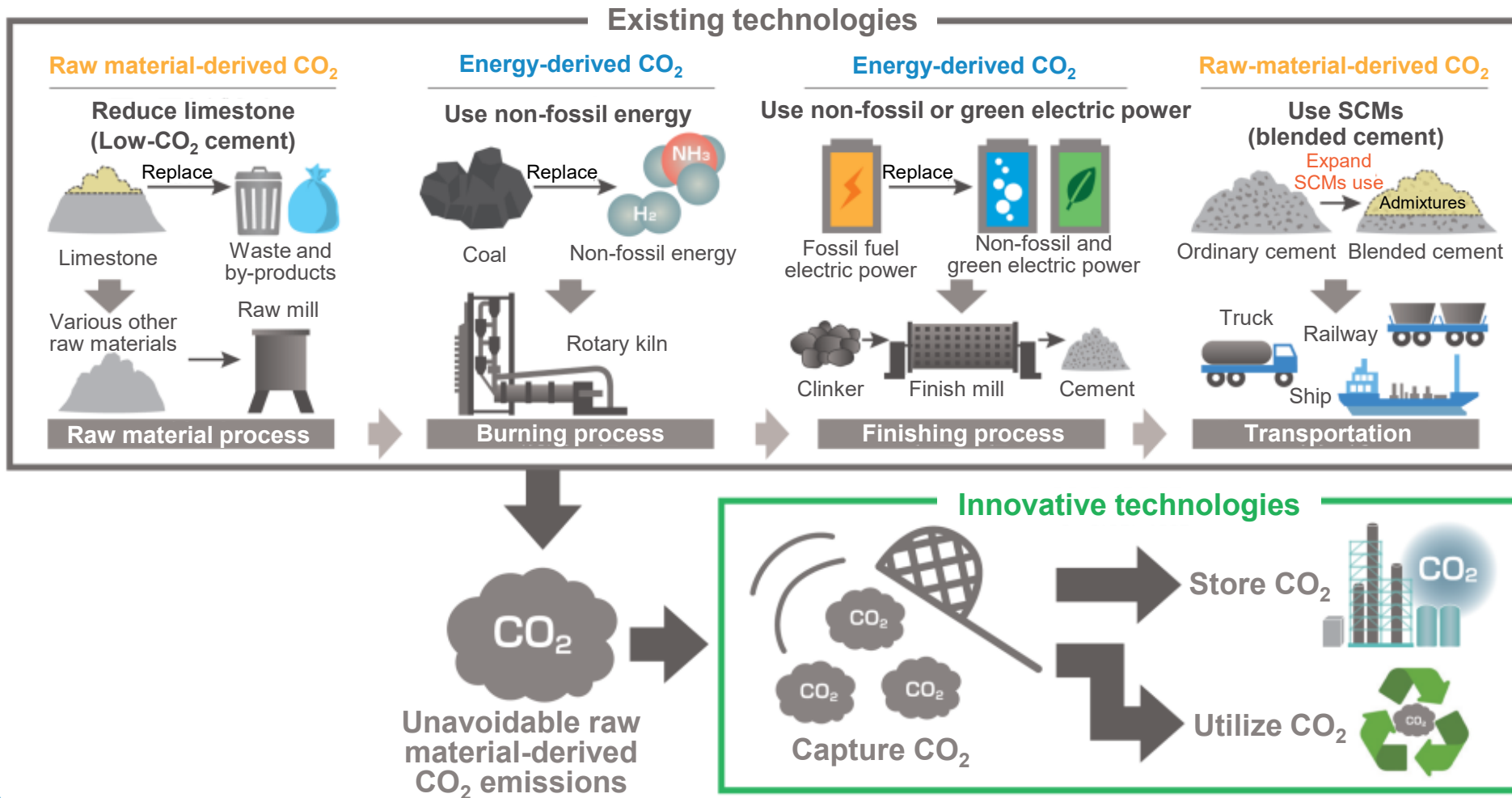
Carbon Neutrality



Carbon Neutrality

- Innovation

Achieving carbon neutrality in cement production process



Companies able to process CO₂ will be victorious

“Demonstration/commercialization of CCUS”
+
“Capture/sales of emitted CO₂”
(Carbon recycling)

Taking the lead in CCUS

Establishing innovative technologies (= game-changers) is the biggest theme

Carbon Neutrality

● Innovation

Cement Burning Process Flow with C2SP Kiln®

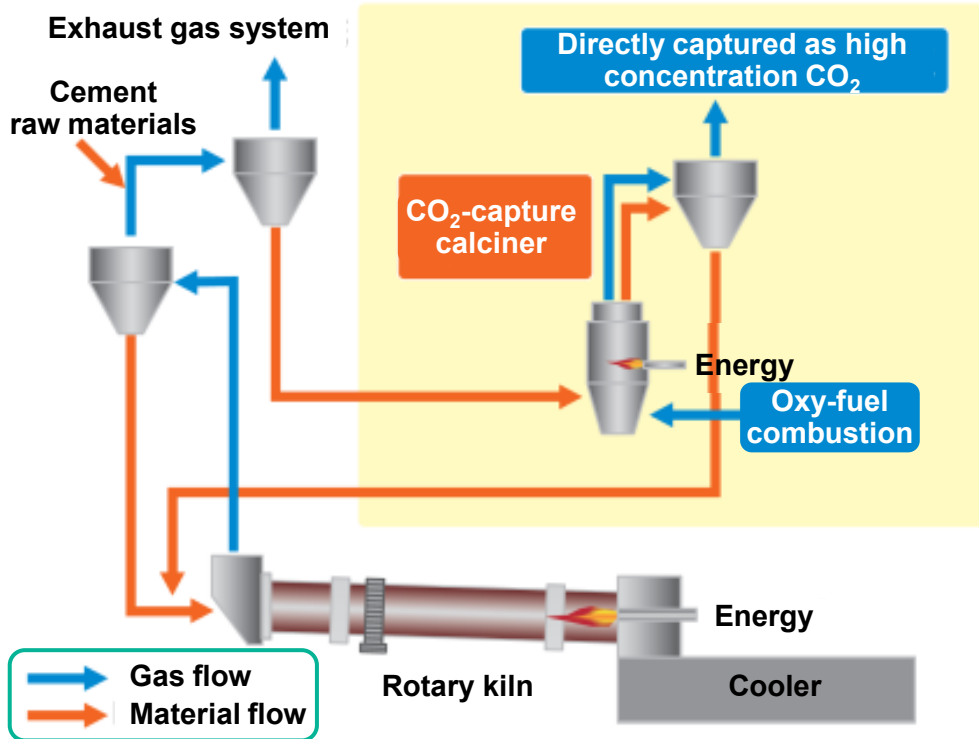


Image of oxy-fuel combustion



Demonstration test facility (Onoda City, Yamaguchi Prefecture)

C2SP Kiln® technology development

- Targets such as CO₂ capture rate have been achieved in the demonstration using the C2SP Kiln prototype
- Full design data for actual machine construction has been obtained, completing basic design

Horizontal expansion of C2SP Kiln-derived technologies

- In the process of C2SP Kiln development, we promote the development of technologies that can be quickly applied to existing plants such as oxygen-enriched combustion technology and methane firing, as well as horizontal expansion of fundamental technologies

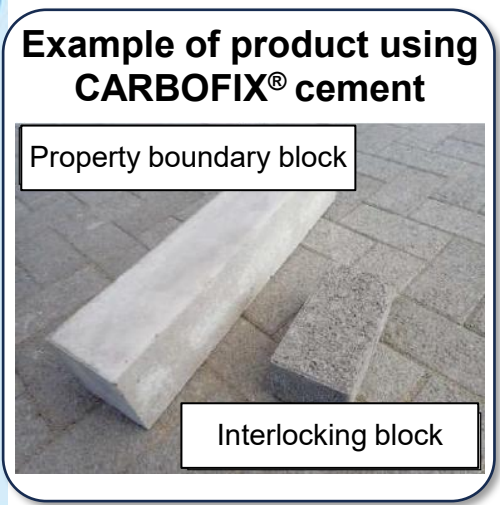
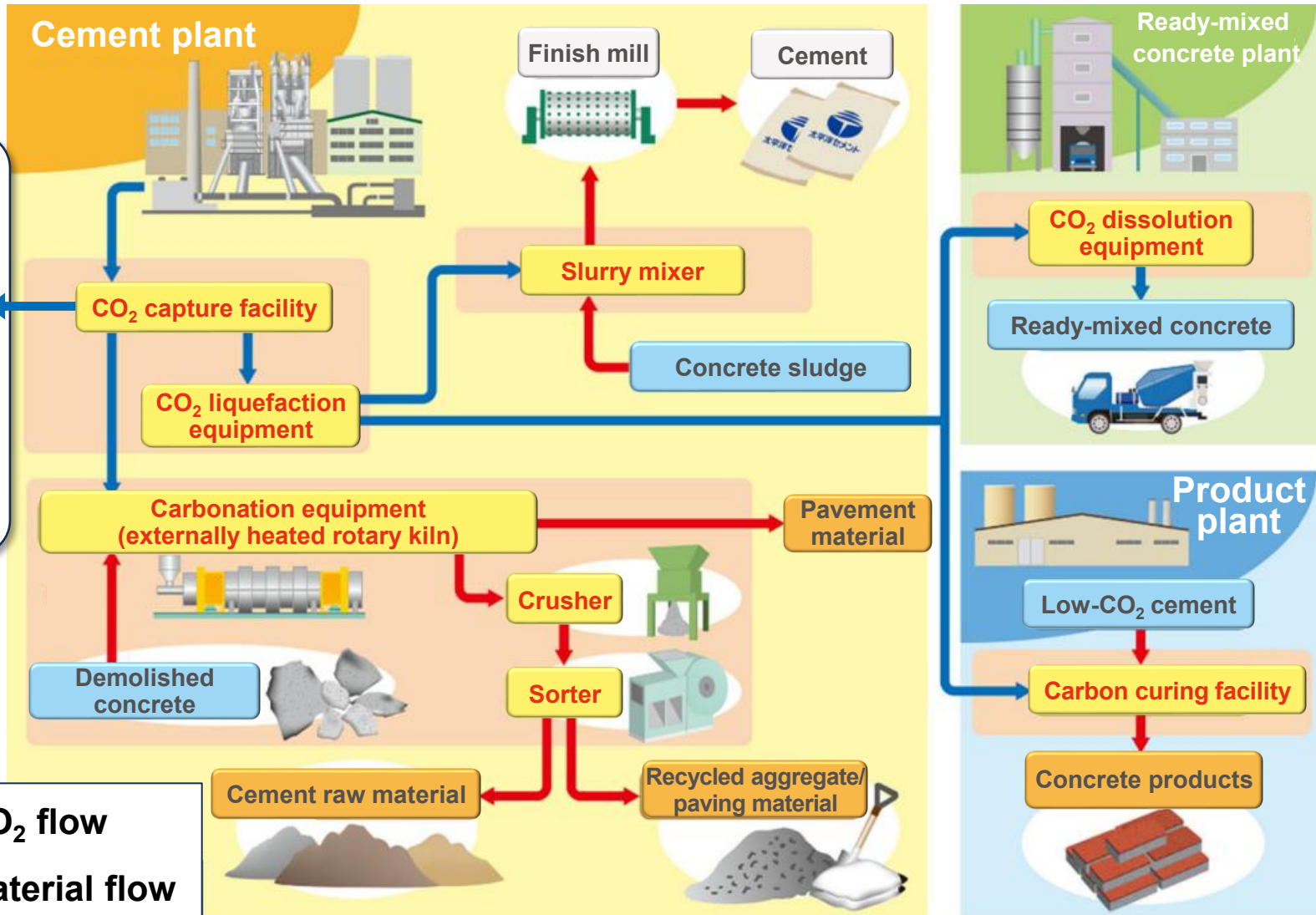
Carbon Neutrality

- CO₂ absorption

CO₂ utilization in greenhouse horticulture (NEDO-funded project)



Currently examining utilization for photosynthesis in greenhouse horticulture in collaboration with JA ZEN-NOH



Carbon Neutrality

● CN model business

December 8, 2025

Execution of the Comprehensive Collaboration Agreement on the Yakushima Town's Zero Carbon Island Declaration Collaborative Project

[Outline of the Agreement]

- (1) Promotion of utilization to maximize the value of Yakushima island's renewable energy
- (2) Initiatives for disaster prevention and mitigation against natural disasters
- (3) Initiatives for extending its service life of infrastructure
- (4) Reduction of CO₂ emissions from construction materials



Signing ceremony

“Installation of EV quick chargers” to contribute to the infrastructure development for EV adoption underway in Yakushima Town

“Development of a rest area” using low-carbon and long-life concrete made from SHIRASU promoted by Kagoshima Prefecture

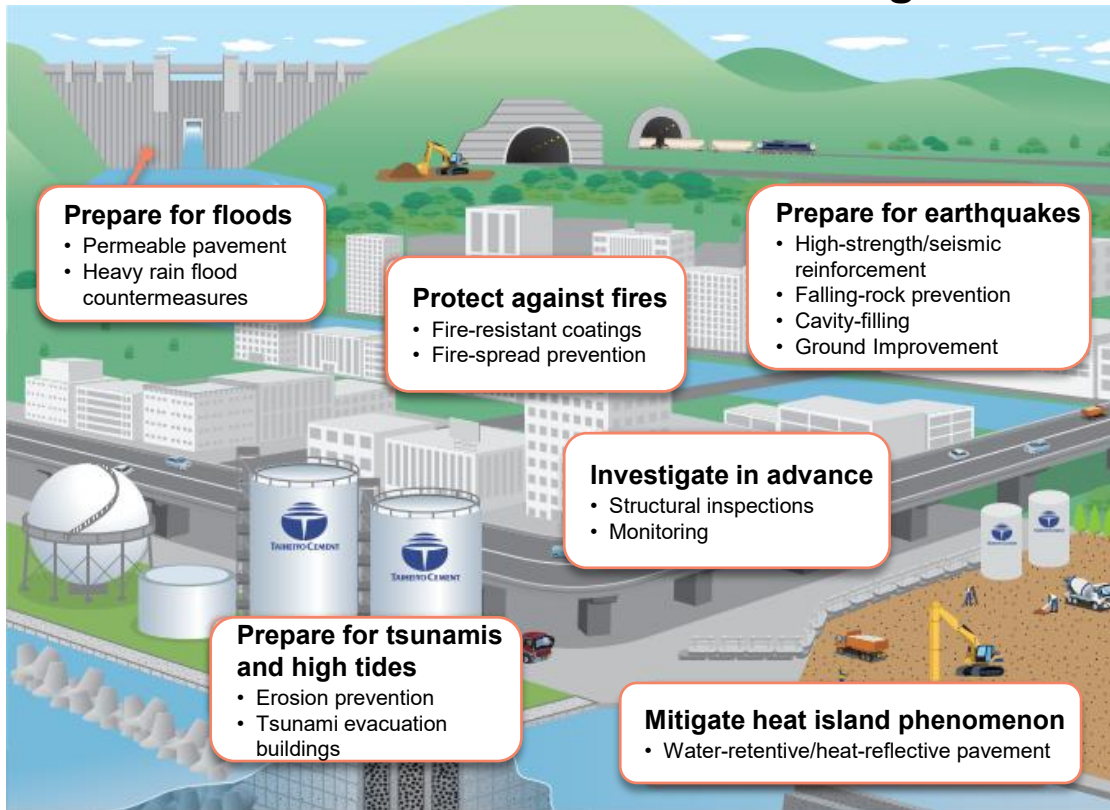


Installation of an EV quick charging station at “Life Center Yakuden,” a commercial facility located in Yakushima Town (example initiative)

Carbon Neutrality

Measures against severe disasters

Preparing for severe disasters associated with climate change



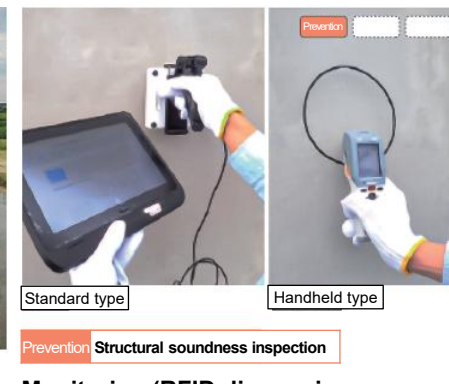
Cement-based solidifying agent (GEOSET series)
 A material used in ground improvement works that strengthens soft ground foundations when mixed with soil.
 *Photo shows Teflon®-treated dust control soil stabilizer



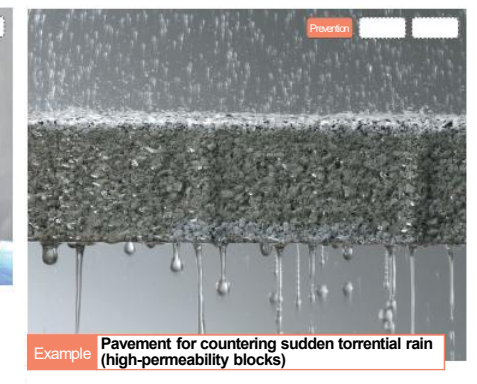
Ultra-high-strength fiber-reinforced concrete (DUCTAL®)
 Fiber-reinforced concrete (UFC) with high strength, high toughness, and high durability to provide strong resistance to abrasion and impact.



Ground improvement methods
 A variety of construction methods are used to ensure optimal ground improvement works based on the ground conditions and project objectives.



Monitoring (RFID diagnosis technology for concrete structures, Wimo® series)*¹
 A wireless, simple-to-use non-destructive diagnostic system capable of sensing the internal conditions (strain and corrosion) of concrete structures.

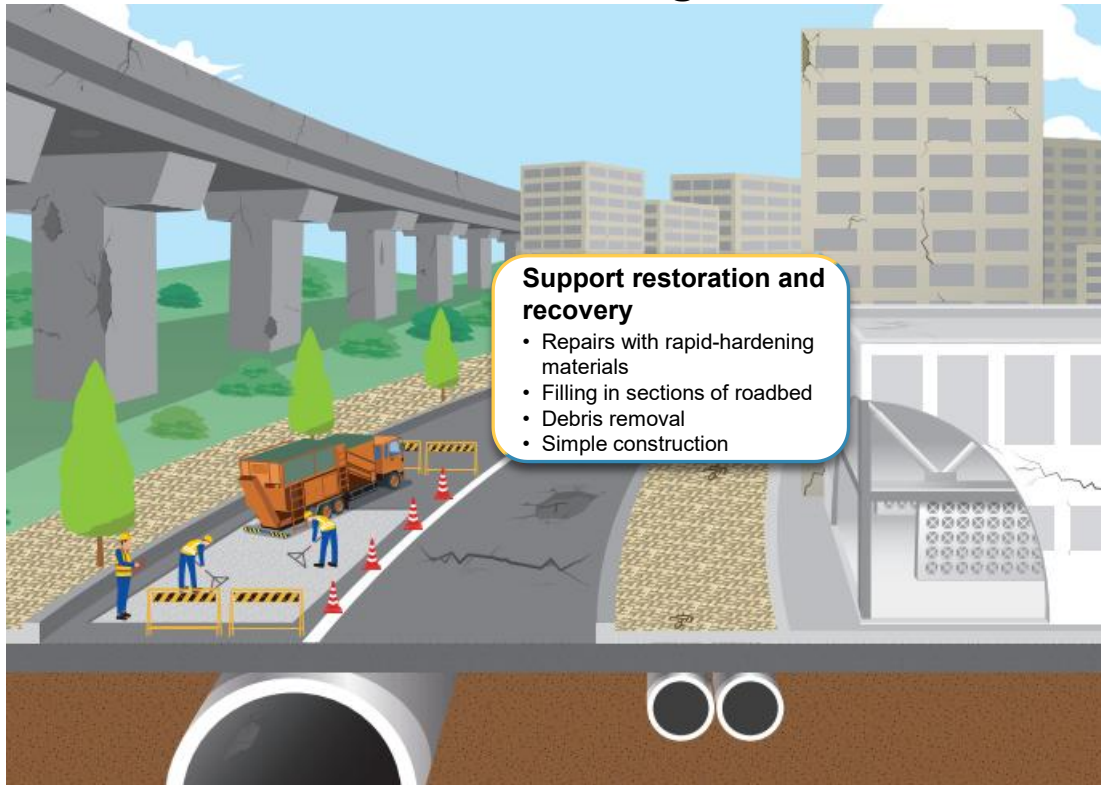


Pavement blocks (permeable blocks)
 A permeable pavement block made of porous materials. Returns rainwater to the soil and reduces the burden on drainage systems.

Carbon Neutrality

Measures against severe disasters

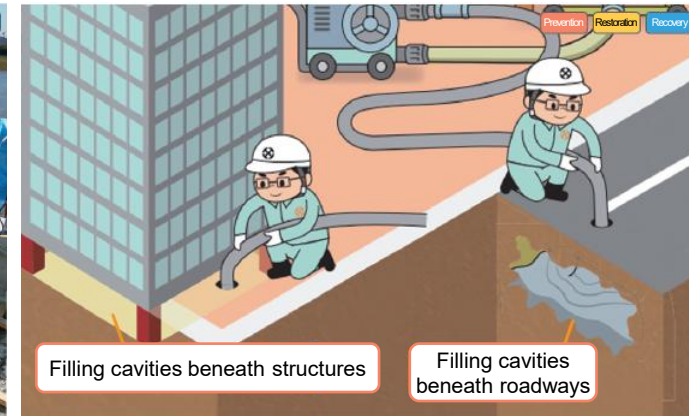
Early recovery and restoration in the event of emergencies



Example Repair in disaster-affected areas

Ultra-rapid-hardening concrete (Super Jet® Concrete)

Excellent rapid-hardening properties to enable early usage. Also compatible with fiber reinforcement and high-flow applications. Product lineup also features a premixed option.



Example Restoration of sinkholes and cavities

Cavity-filling material (Chichibu Reco Keep)

A premixed lightweight filling material. Available in early-strength and underwater anti-separation types, facilitating the ability to select an optimal choice based on the application.



Example Acceptance and processing of disaster waste (Great East Japan Earthquake, Kumamoto Earthquake, Noto Peninsula Earthquake, etc.)

Recycling disaster waste into cement

A technology for recycling disaster waste as raw materials for cement. Contributes to the early recovery of affected areas by leveraging industrial waste treatment technologies.



Example Temporary plant for disaster recovery

Mobile batcher plant (batcher jet mixer truck)

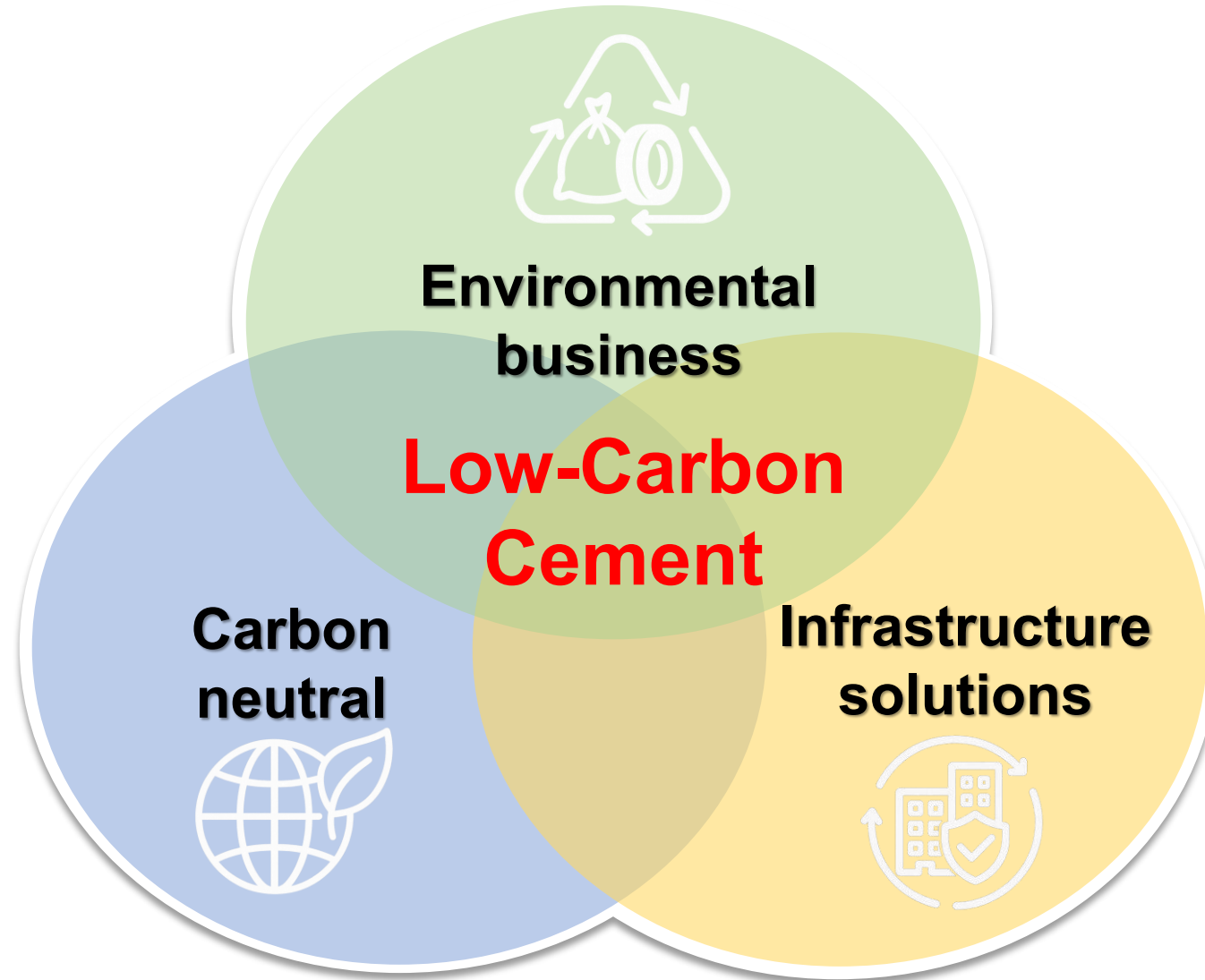
A mobile batcher plant equipped with our own weight-batching control system and a horizontal twin-shaft compulsory mixer. Enables the production of high-quality concrete.

Low-Carbon Cement (LCC)

LCC is positioned at the central point of environmental business, carbon neutrality, and infrastructure solutions

Low-Carbon Cement (LCC)

- Positioning within the management strategy

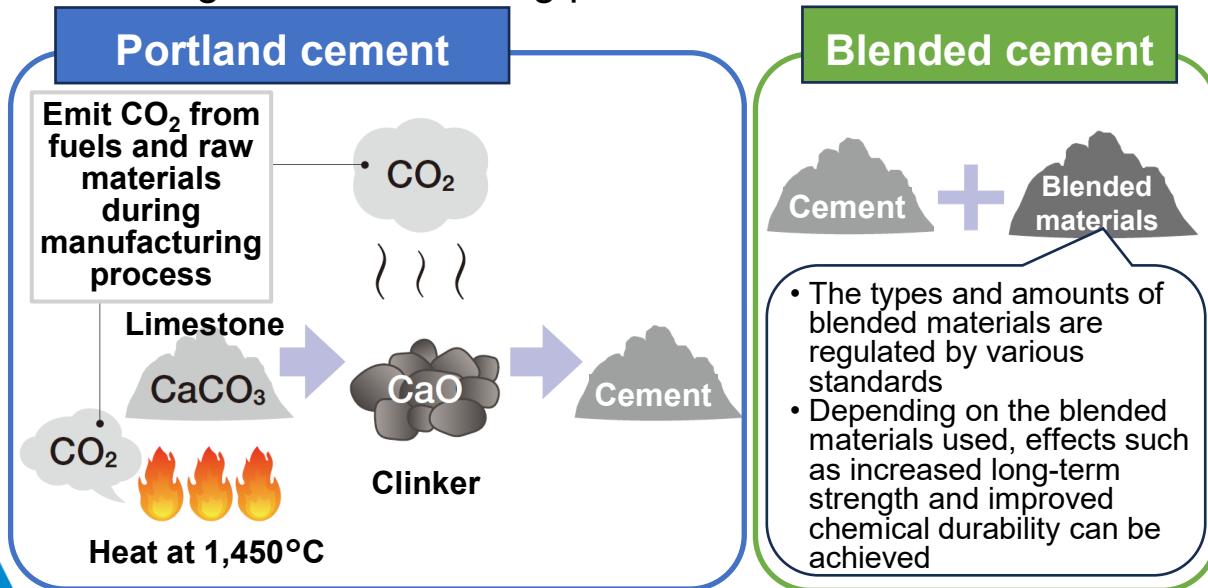


Low-Carbon Cement (LCC)

- Blended cement has gained attention as a decarbonization initiative

[CO₂ reduction effect]

- Blended cement is cement manufactured by mixing Portland cement with blended materials such as FA and blast furnace slag
- Blended cement is hoped to contribute to decarbonization because it is manufactured by replacing some of Portland cement, which emits CO₂ from fuels and raw materials during its manufacturing process, with blended materials



[Technical challenges in promoting blended cement]

Procurement

Blended materials such as FA and blast furnace slag are by-products from other industries, making their supply unstable

Performance

It is difficult to achieve initial strength
 (Modifications to compensate for strength or other measures may be required)

Manufacturing

In addition to additional equipment costs for quality stabilization and line switching, operations become more complex

Technology (standards compliance)

Cement design expertise is needed to meet the required characteristics under different restrictions in each country

We are promoting blended cement by leveraging

- Resource circulation mechanism with the source of blended materials (other industries)
- Blended cement manufacturing technology (quality stabilization, modification)
- Global procurement and sales network, logistics infrastructure that we have built over many years

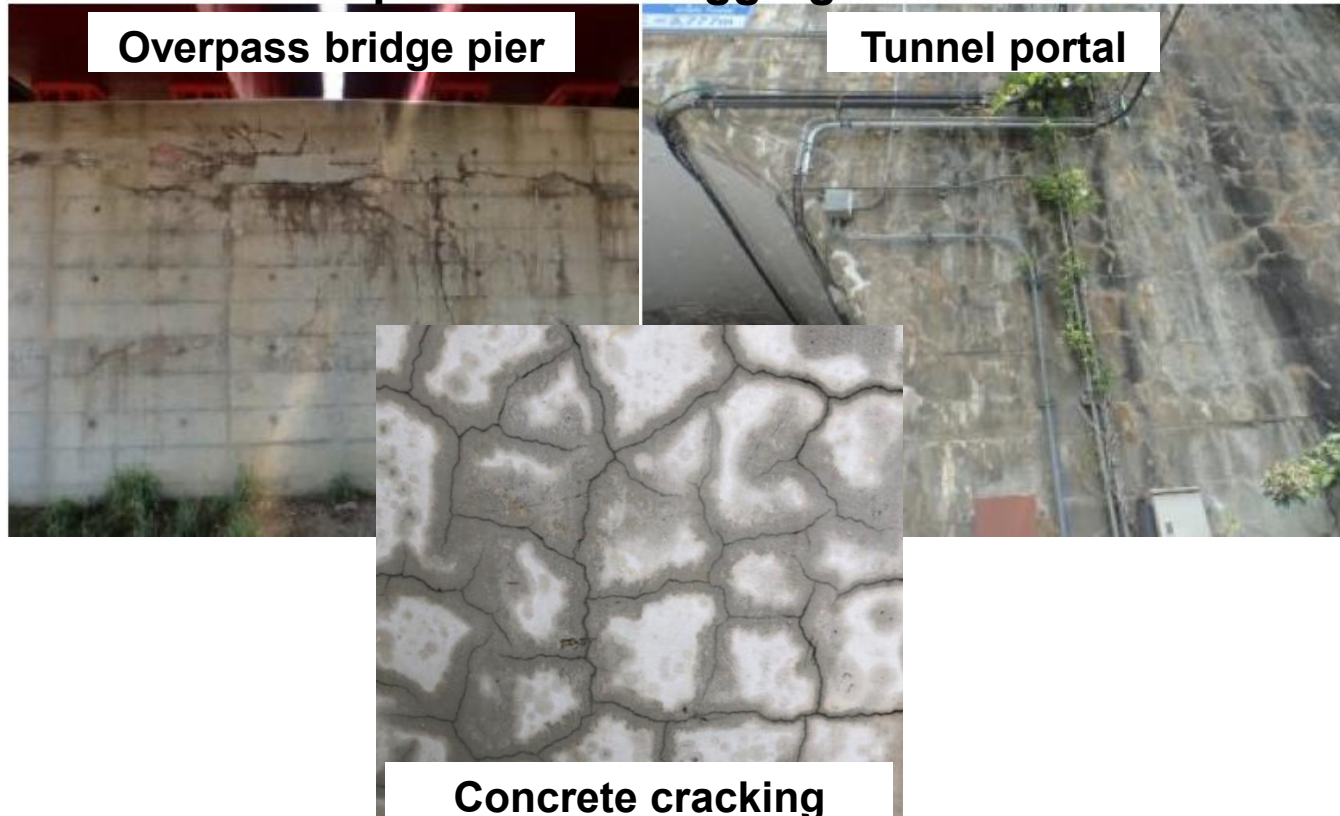
Low-Carbon Cement (LCC)

- Measures against alkali-aggregate reactions

[Alkali-aggregate reactions]

- A certain type of aggregate in concrete reacts with alkaline aqueous solutions
- Phenomenon that causes abnormal expansion or cracking in concrete

Examples of alkali-aggregate reactions



Measures to suppress alkali-aggregate reactions*

- ① Use of aggregates that are defined as harmless
⇒Overreliance is undesirable from the perspective of resource utilization
- ② Regulation of total alkali content in concrete
⇒Dependent on available materials (limited)
- ③ Use of **blended cement** with alkali-aggregate reaction suppression effect
(FA: 15% or more, blast furnace slag: 40% or more)
⇒**Effective countermeasure**

*Prescribed by JIS A 5308

Low-Carbon Cement (LCC)

● U.S. decarbonization policy

Embodied carbon *Policies aimed at reducing carbon are already in the process of being implemented by the federal government, state governments, and local governments

*Refers to carbon contained within the building structure itself, representing the total amount of CO₂ (greenhouse gases) emitted throughout the “entire construction and operation lifecycle,” including material procurement, manufacturing, transportation, construction, demolition, and disposal

[Green procurement policy]

- Buy Clean policy
- Promotion and procurement of low-carbon building materials

[Formulation of ordinances]

- Incentives that utilize urban planning regulations and development permits

[Building regulations]

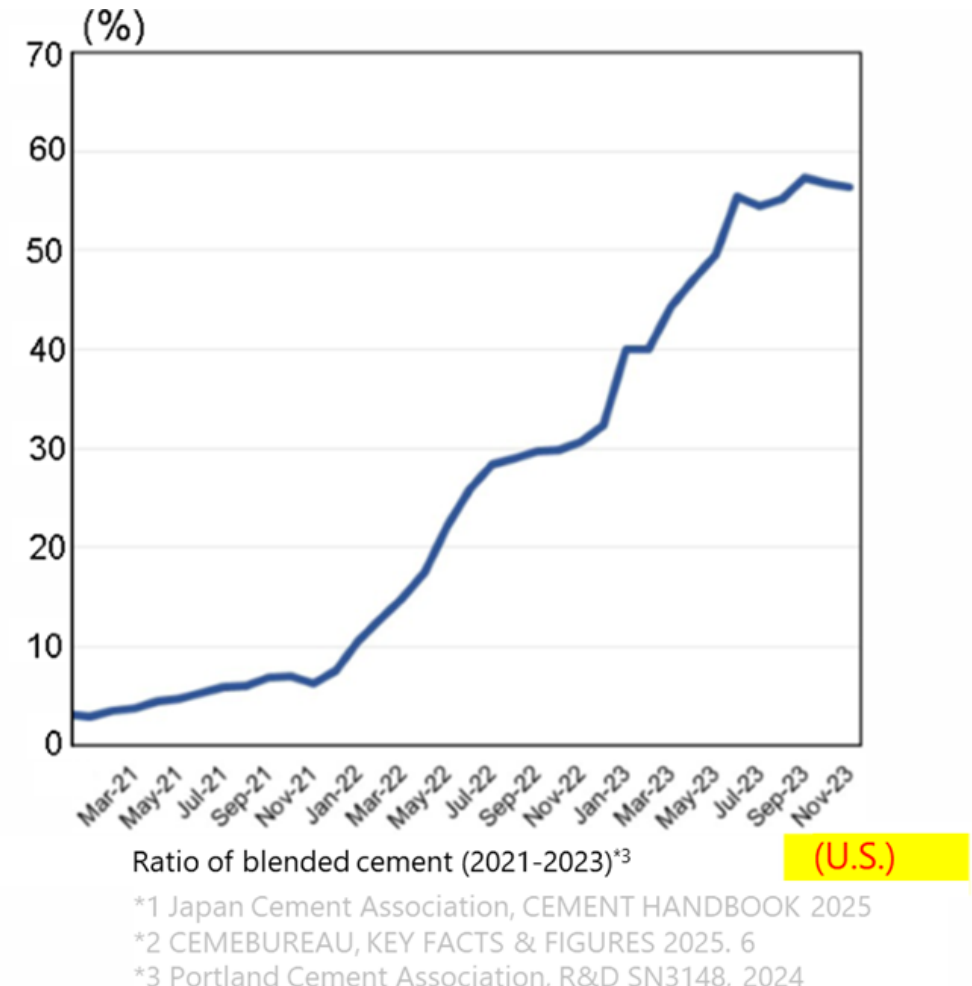
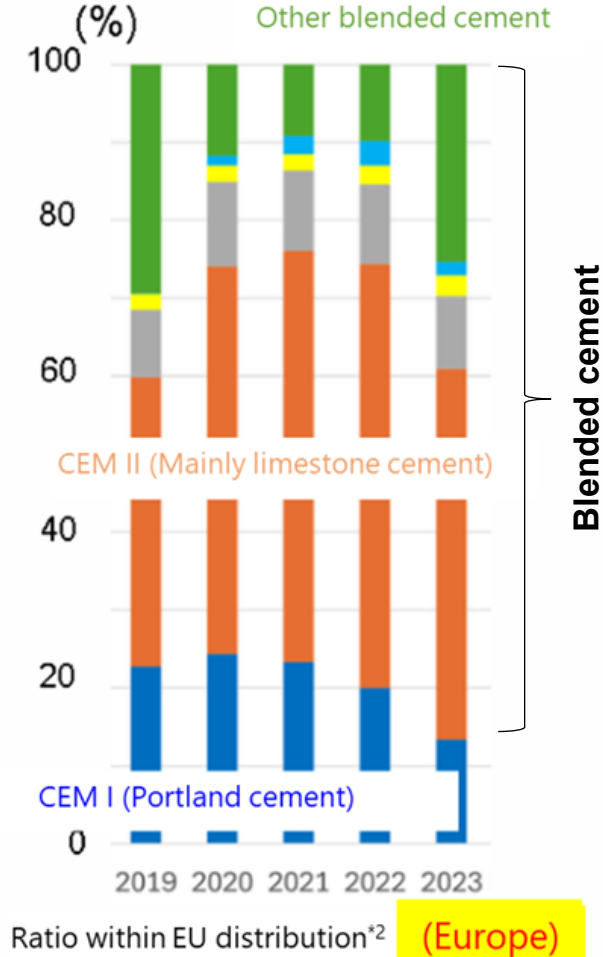
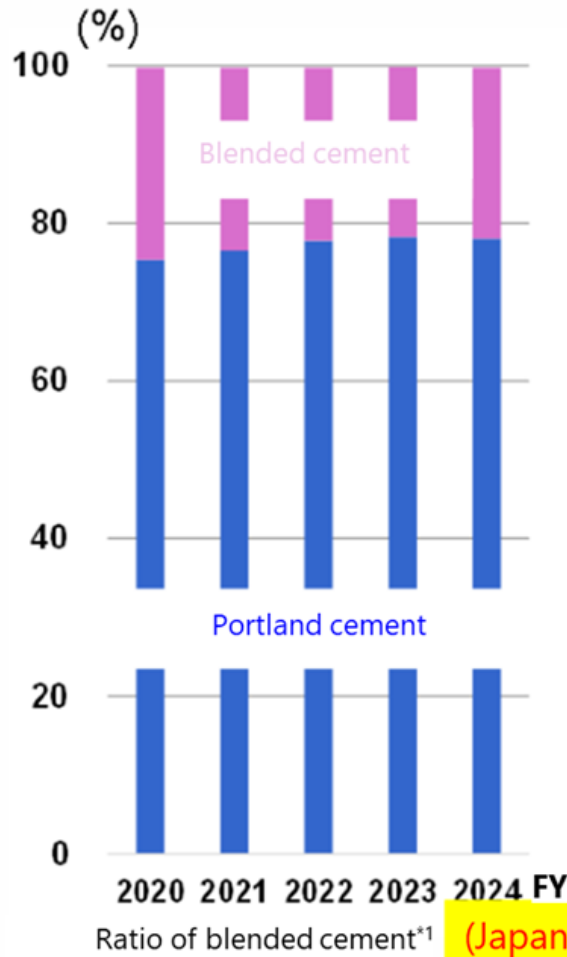
- Establishment of regulations related to embodied carbon in building standards

[Demolition and reuse]

- Reduction of embodied carbon by promoting the reuse and recycling of building materials and seeking to control use of new building materials and waste generation

Low-Carbon Cement (LCC)

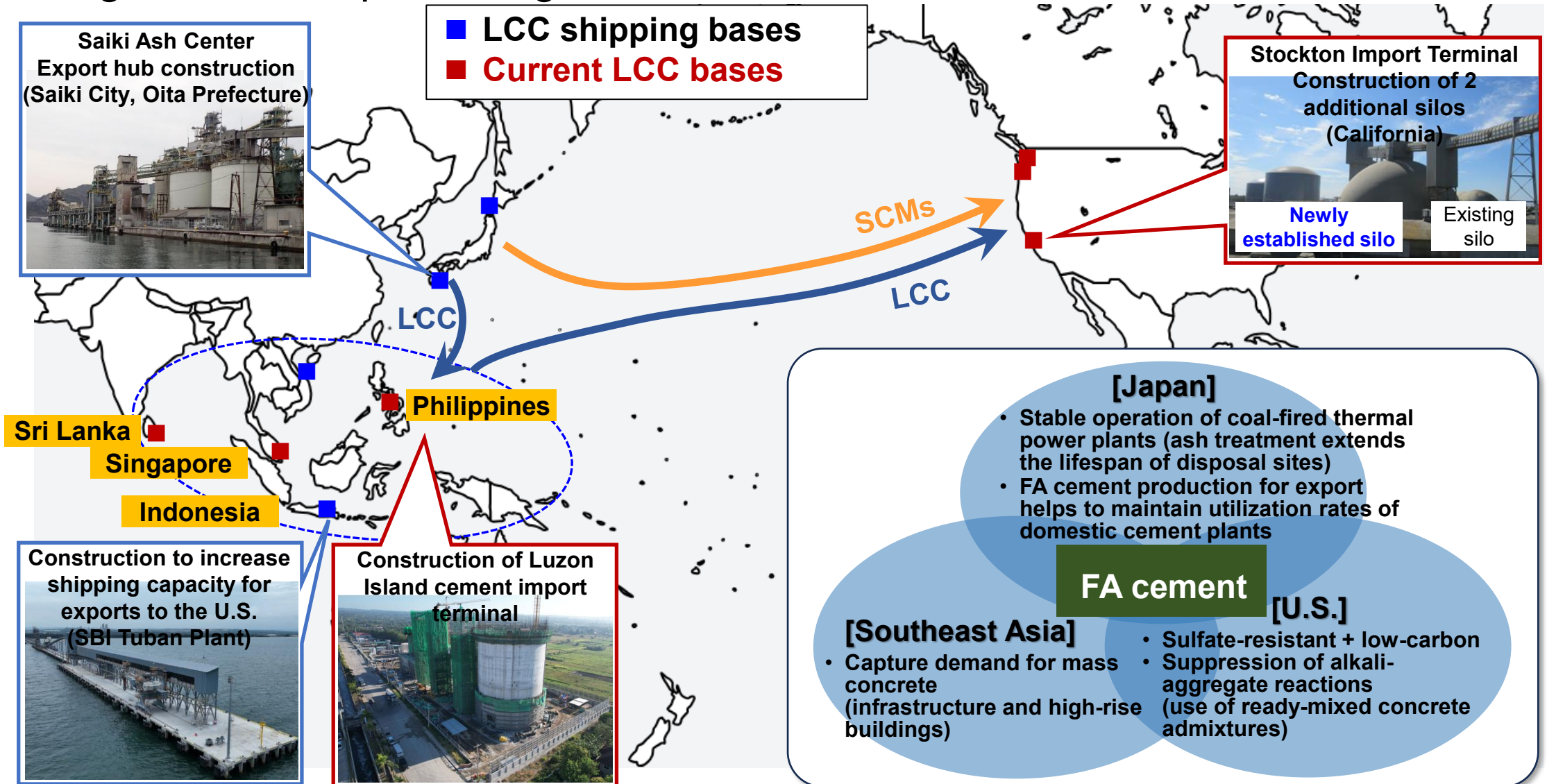
● Trend in the ratio of LCC by country/region



While the ratio of LCC is expanding in Europe and the U.S., it remains around 20% in Japan

Low-Carbon Cement (LCC)

● Significance of promoting LCC



U.S. Business

Leap from a “resource provision company” to a
“solution provision company”

U.S. Business

- Challenges and countermeasures in the Southwest area

Expand the aggregate business in urban areas, which are particularly high-profit

- Acquisition of Grimes' aggregate quarry in California
- Capacity expansion of our quarry in Phoenix, Arizona

Expand ready-mixed concrete business (capturing customer needs)

- Acquisition of Vulcan's ready-mixed concrete business

Expand SCMs business

- Expansion of Stockton Terminal
- Acquisition of Vulcan's terminal in Northern CA

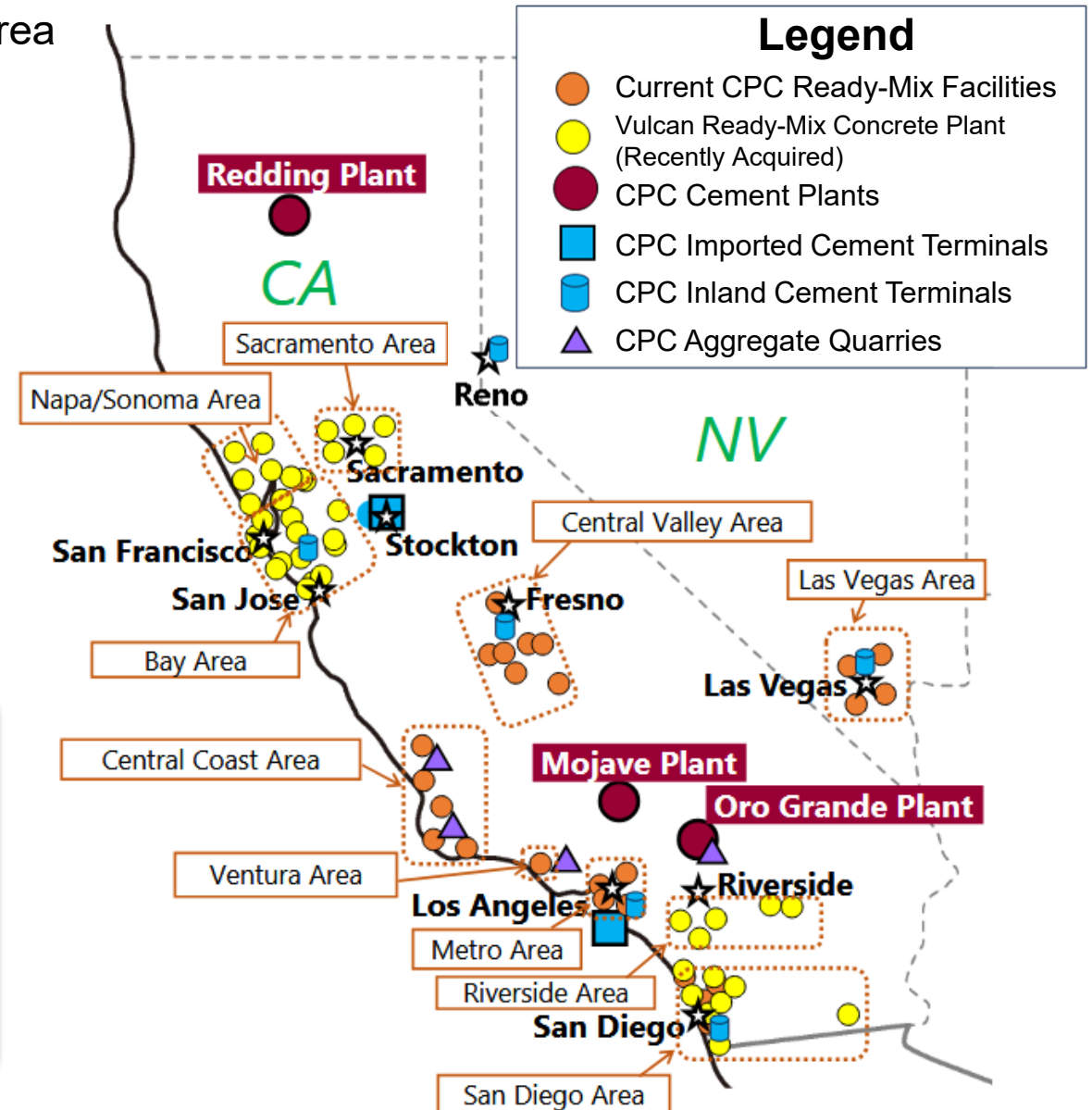


➤ Secure large-scale projects

- California high-speed rail
- Mega-solar and energy storage projects
- Logistics real estate development in suburbs of Los Angeles, etc.

➤ Provide total solutions for low-carbon needs

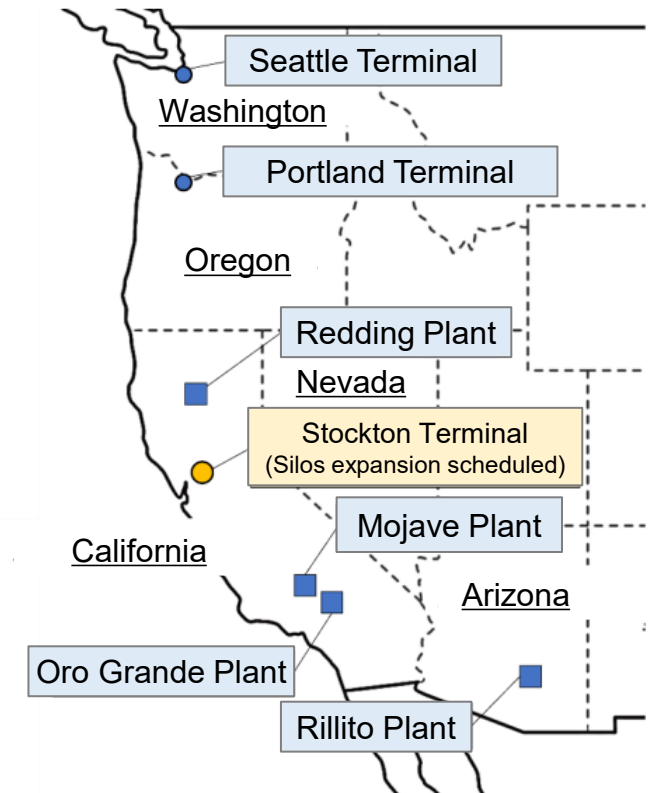
- Expand use of slag and FA at ready-mixed concrete plants
- Promote LCC



U.S. Business

● Expansion of Stockton Terminal

- CPC imports and sells cement at the Stockton Terminal in Northern California
- 2 additional large silos (combined capacity of 51,900 tons) are currently being constructed to meet the rising demand for blended cement and supplementary cementitious materials by enhancing receiving and storage capacity



<Investment overview>

Investment facilities:

2 silos (capacity of 29,300 tons and 22,600 tons) and associated receiving facilities

Investment amount: \$40 million

Advantages of Vertical Integration: Leap from Flour Mill to High-End Pizzeria



Wheat = limestone



Flour mill = cement plant



Flour = cement



Cheese = aggregate



Pizzeria = ready-mixed concrete plant



Enhance added value (price) by customizing toppings to suit customer preferences



Pizza = concrete



Tomato sauce = admixture



U.S. Business

● Further strengthen base through vertical integration

- (1) Reduction of intermediate margins (grouping of added values)
Internalize margins within the Group that had been divided across aggregates, cement, and ready-mixed concrete **and leaked to external parties**
- (2) Stable production and ease of shipping (stabilization of operating rates)
Cement is a typical equipment-based industry in which kiln operation rates (with heavy fixed costs) significantly impact earnings
⇒ Owning ready-mixed concrete and secondary product companies will make it easier to adjust supply and demand even when market conditions are poor
- (3) Logistics optimization (cost competitiveness)
Logistics costs account for the majority of competitiveness in the cement, aggregate, and ready-mixed concrete industries
⇒ **Reduce intermediate transportation** and design supply chains, from aggregate extraction to cement production and ready-mixed concrete supply, for the shortest possible routes
- (4) Ability to meet quality specifications (**provide total solutions**)
Engage in integrated design process, from material selection to combination, by increasing selection of options to meet customer needs
- (5) Compatibility with environmental strategy
Offer carbon reduction proposals for each product unit by **providing integrated management of CO₂ from raw materials to final products** through low-carbon cement (blended cement), by-products (slag, FA) utilization, recycled aggregates, etc.

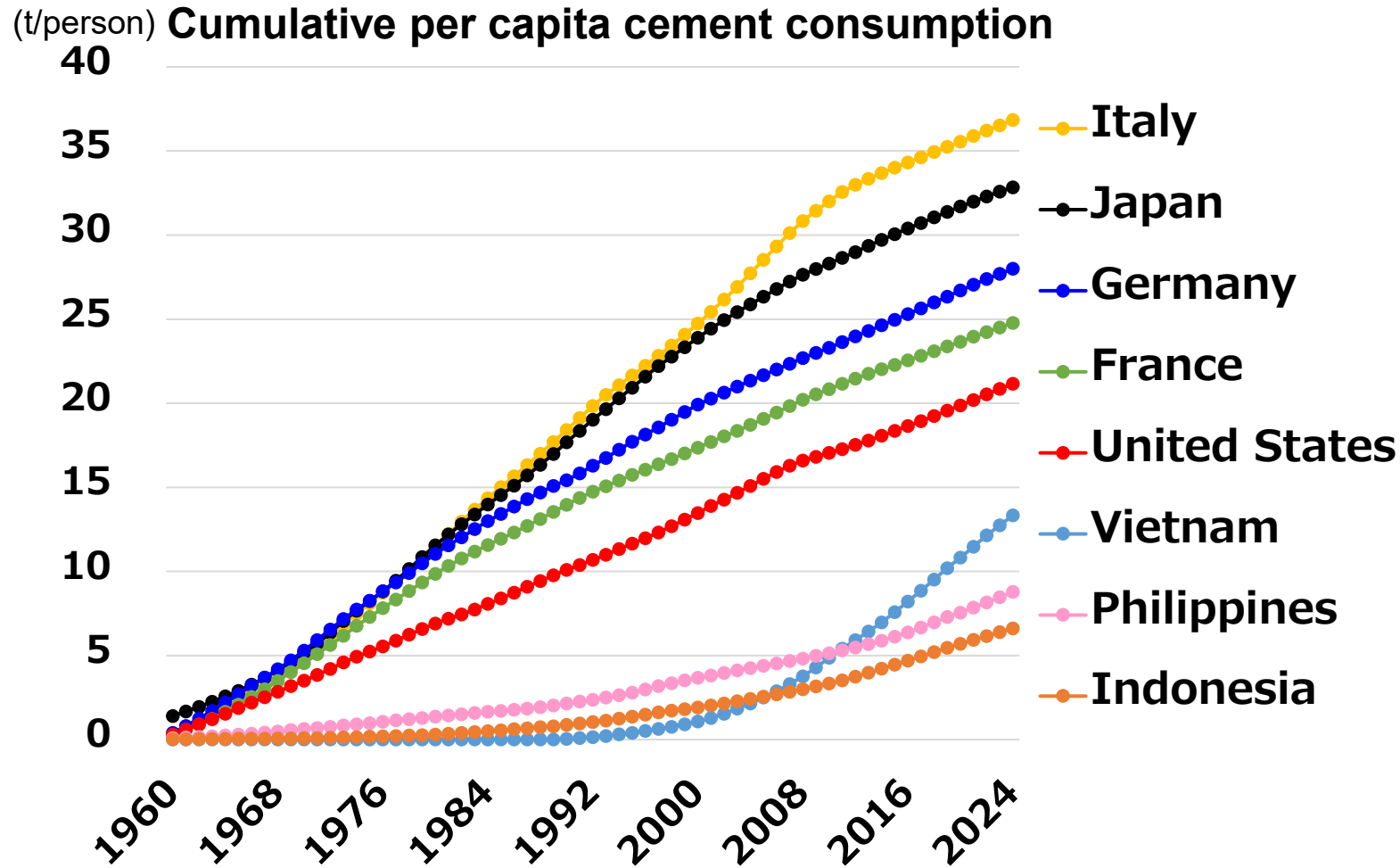
Strategy of acquiring markets (metropolitan areas) rather than plants alone
⇒ **Target large-scale projects through “broad coverage” over “individual points”**

Southeast Asia Business

Striving for growth
Glocal cement sold based on on-site value

Southeast Asia Business

- Potential for growth in cement demand



Compared to developed countries, cumulative per capita cement consumption in Southeast Asian countries remains low

⇒ **Significant potential for development of public fixed social infrastructure**

Southeast Asia Business

- Reduce price-based competition through development of high-value-added products

	Application and specific examples	Reason
Blended cement (top priority)	<ul style="list-style-type: none"> • Infrastructure (bridges, ports) • Large-scale building construction (high-rise buildings etc.) 	<ul style="list-style-type: none"> • Low-carbon (foreign investment, government projects) • Flexible raw material procurement ⇒ Low-cost and low-carbon contribute directly to competitiveness
Workability-focused cement for PC and secondary products	<ul style="list-style-type: none"> • For high-flow concrete (pumpability) • Balanced initial strength • Early demolding 	<ul style="list-style-type: none"> • Labor shortages (differing skill levels) • Need for shorter construction schedules ⇒ Area for leveraging Japanese expertise
High durability cement (long-life)	<ul style="list-style-type: none"> • Sulfate-resistance, alkali-aggregate reaction resistance • Low-heat cement • For high durability concrete 	<ul style="list-style-type: none"> • Fast deterioration in high temperature and humidity • Southeast Asia has extensive coastal areas ⇒ Significant amount of port and coastal infrastructure
Low-quality resistant cement (practical importance)	<ul style="list-style-type: none"> • Resilience to variations in aggregate quality • Resistance to variations in water quality and construction methods 	<ul style="list-style-type: none"> • Quality-control standards not consistent across sites • Hardening even under variable conditions provides value

Differentiation through “application-specific” + “low-carbon” + “workability focus”
⇒ **Aim to capture demand in growing markets**

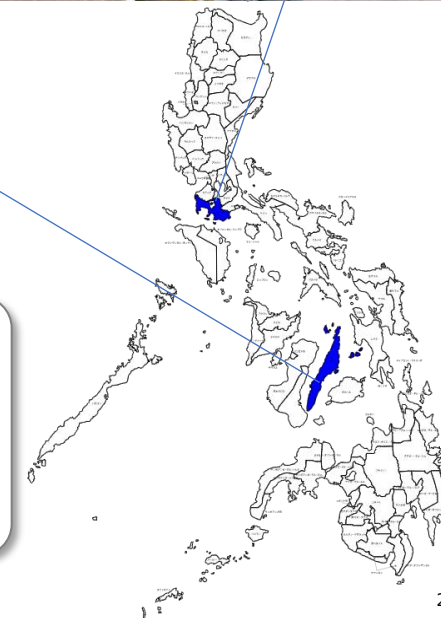
Southeast Asia Business

● Philippines

TCPI San Fernando Plant



Luzon Island Cement Distribution Terminal



- Aims for maximum production and sales in order to benefit from **the cost reduction effect of cutting-edge facilities**
- **Import and sales of Japanese FA cement** that are competitive in terms of both quality and price
- The cement distribution terminal under construction in Calaca city, Batangas province in southern Luzon is scheduled to start commercial operation from 2027

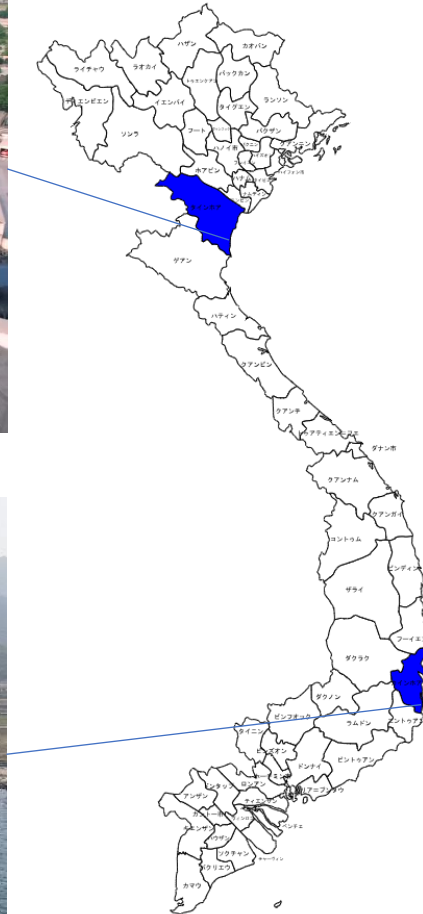
Southeast Asia Business

● Vietnam

Nghi Son Cement



Nha Trang Cement Distribution Terminal
(construction completed in February 2024)



- Earnings improved through **expanded sales in Central Vietnam**, where the competitive environment is relatively moderate with expectations of high profitability and demand growth, in addition to **increased exports**
- Further cost reduction to be achieved through building a new waste heat power plant at Nghi Son Cement and accepting waste materials

Southeast Asia Business

● Indonesia

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



SBI Tuban Plant



Shipping pier



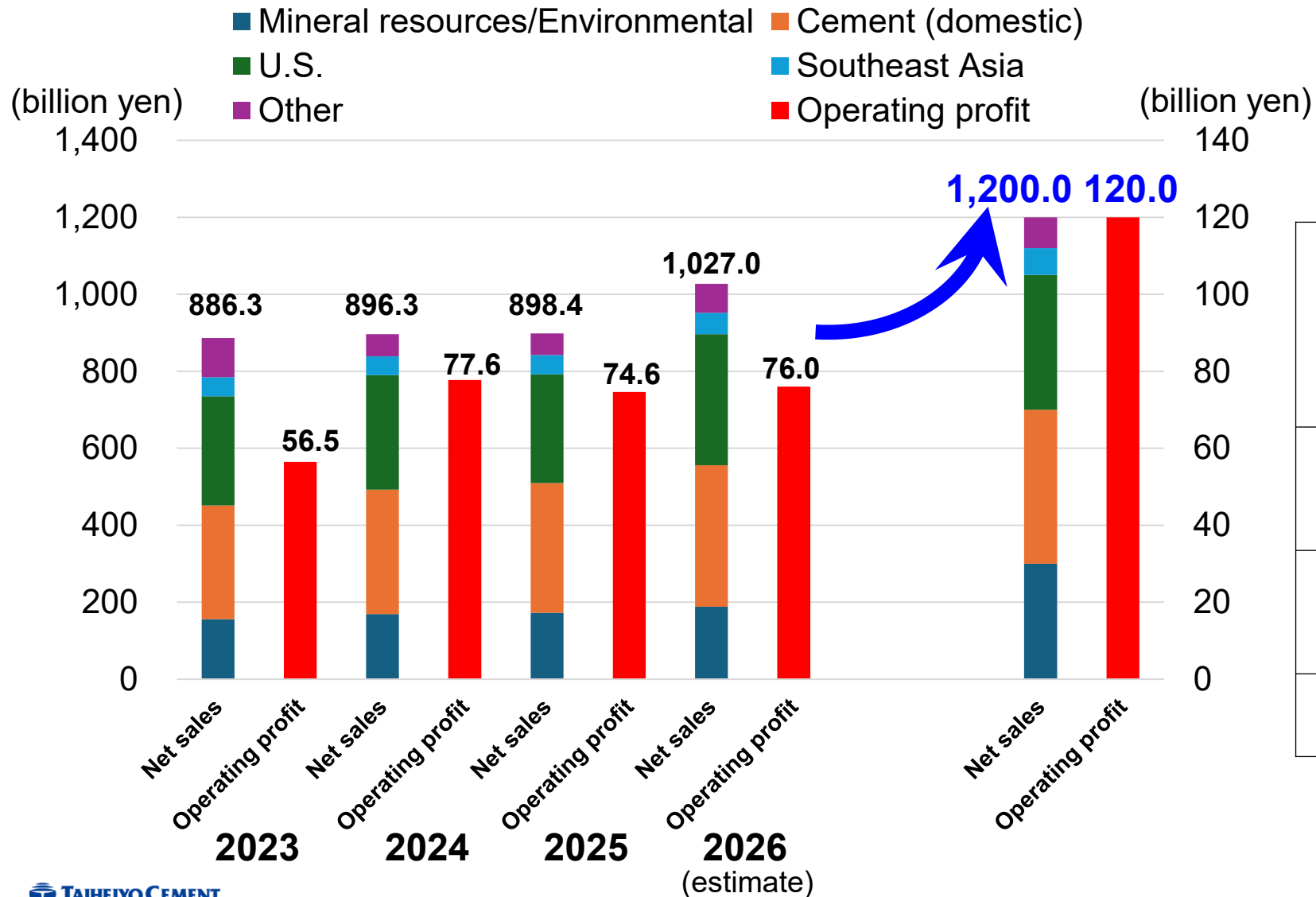
- As a coal-producing country, Indonesia imposes domestic supply obligations and price controls on coal, enabling domestic Indonesian cement companies to procure coal at prices lower than on the international market
- Exports to the U.S. from the SBI Tuban Plant
⇒ **First shipment departed for the Stockton Terminal on May 25**

Our Management Strategy



Our Management Strategy

● Net sales and operating profit targets



Factors for growth

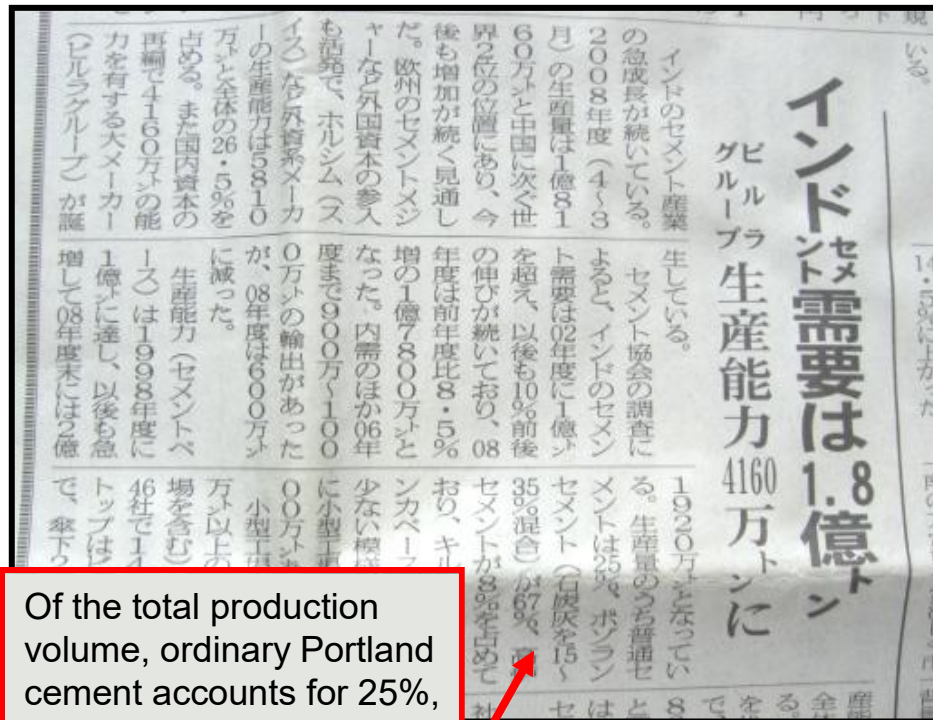
Japan	Acquisition of Tokuyama's business rights Expansion of mineral resources and environmental businesses
U.S.	Acquisition of Vulcan's ready-mixed concrete business assets
Southeast Asia	Business performance improvement in Philippines, Vietnam
All regions	Profit growth effect due to LCC expansion



Global Demand for Low-Carbon Cement

● India

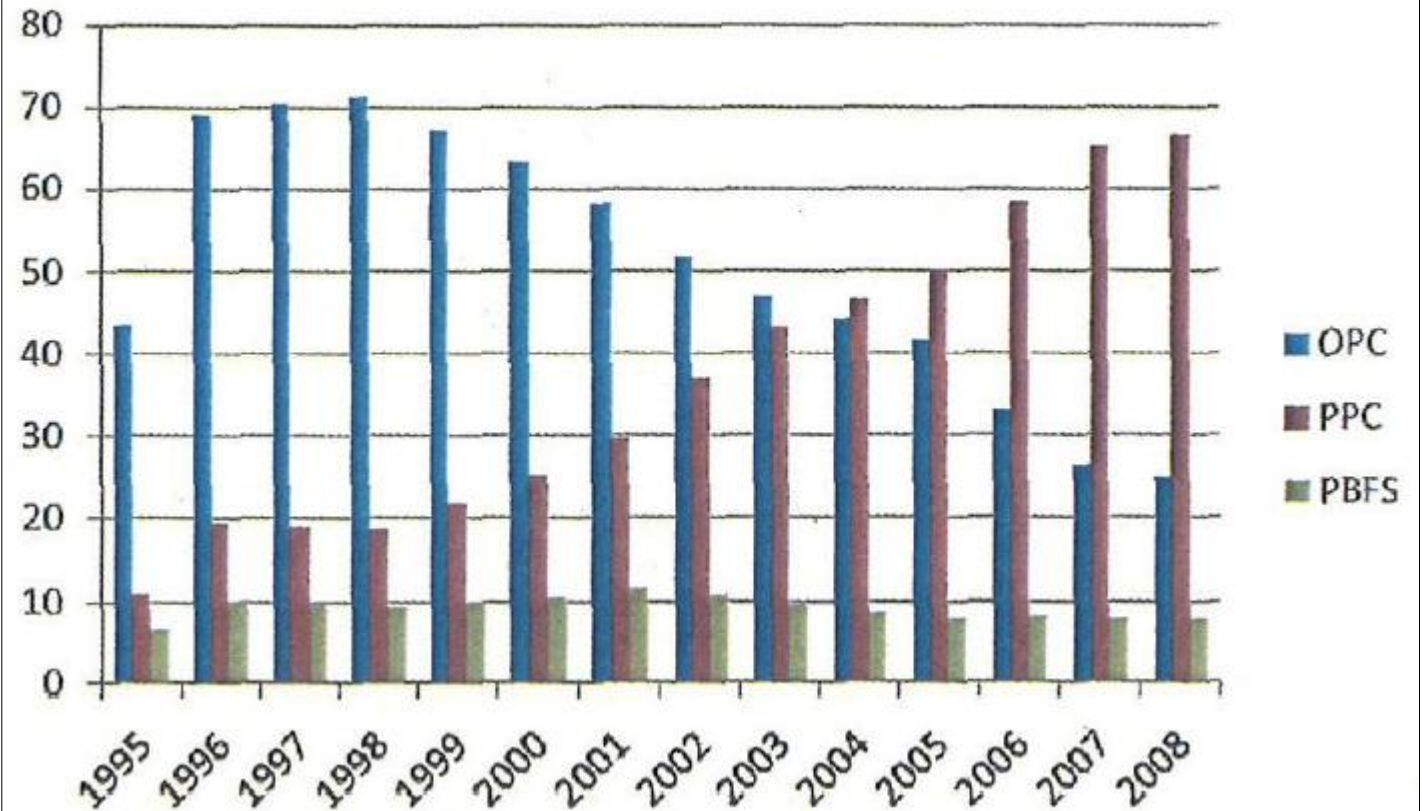
Cement Press, article from June 21, 2010



Of the total production volume, ordinary Portland cement accounts for 25%, while pozzolan cement (containing a 15–35% mixture of coal ash) accounts for 67%, blast furnace cement makes up 8%, and kiln capacity...

Growth of pozzolan cement in India ICR SEP. 2009

Figure 1: growth percentage evolution of PPC and PBFS in the Indian cement industry (1995-2008)



Global Demand for Low-Carbon Cement

● Bangladesh

Seven Circle Grinding Plant



Importing PFA from Kolkata, India

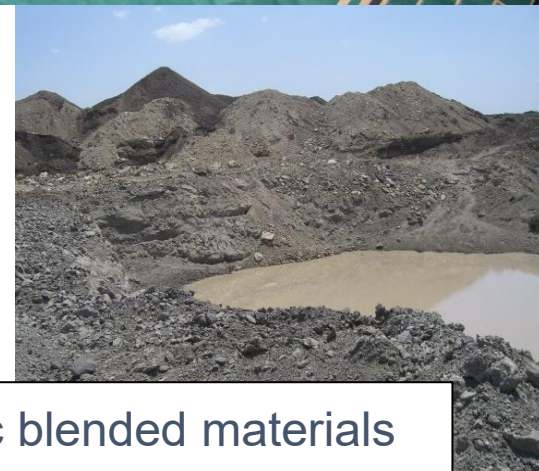
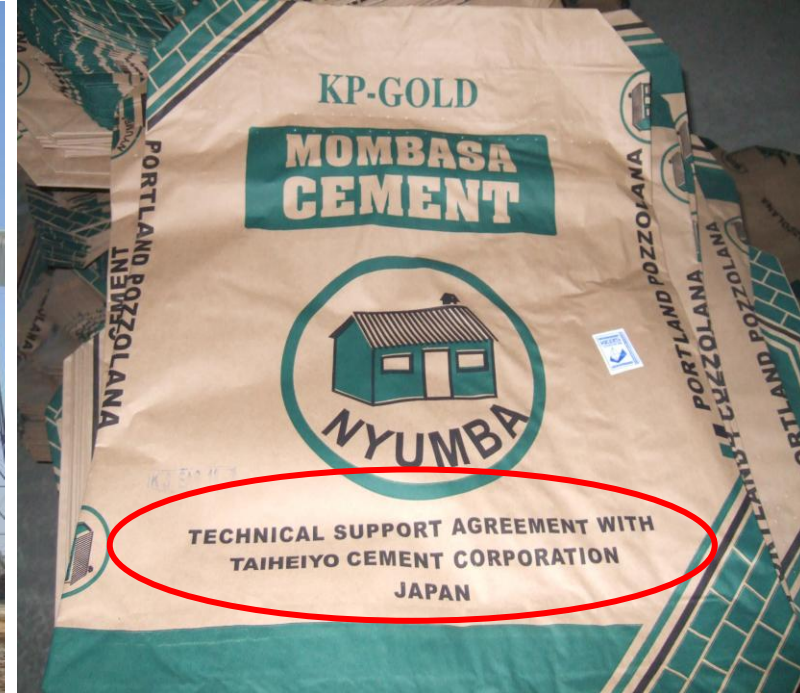
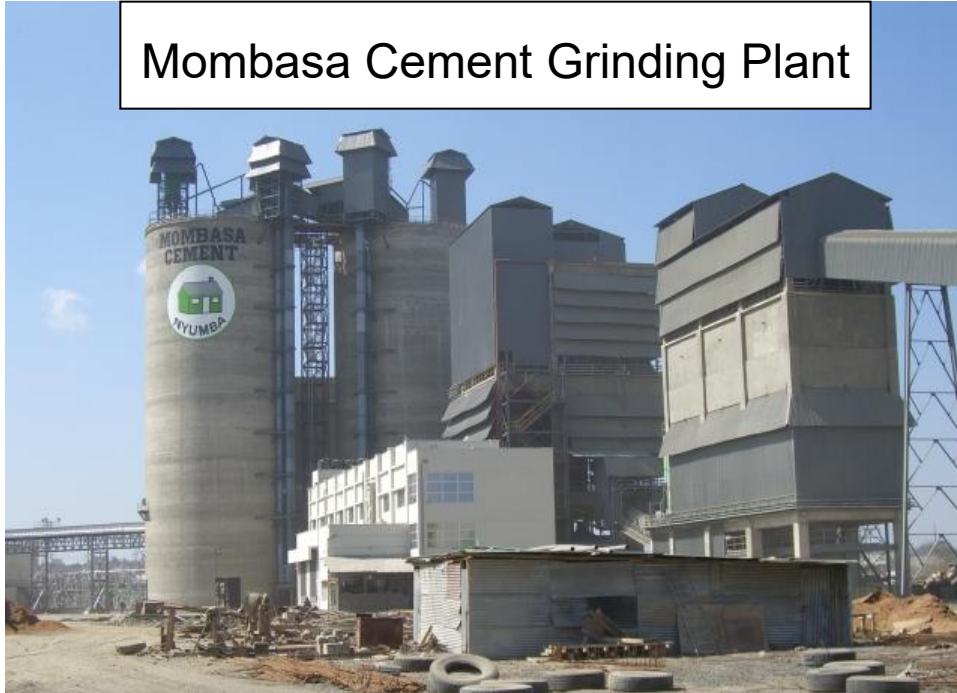


35% blend of slag + PFA + limestone

Global Demand for Low-Carbon Cement

- Kenya

Mombasa Cement Grinding Plant



Low-grade basaltic blended materials

Global Demand for Low-Carbon Cement

- China



PFA Cement Fuyong/Silo Complex



Shenzhen Haixing Onoda



Sales of PC32.5 cement