TAIHEIYO CEMENT
NEWS LETTER

September 1, 2026

Notice Regarding the Conversion of Yakushima Denko Co., Ltd. into a Consolidated Subsidiary

Taiheiyo Cement Corporation (Bunkyo-ku, Tokyo; President and Representative Director: Yoshifumi Taura; hereinafter "Taiheiyo Cement") hereby announces that, effective August 31, 2026, it increased its shareholding in Yakushima Denko Co., Ltd. (Yakushima-cho, Kumage-gun, Kagoshima Prefecture; President and Representative Director: Tetsuya Suemura; hereinafter "Yakushima Denko"), an equity-method affiliate of Taiheiyo Cement, thereby making Yakushima Denko a consolidated subsidiary.

Yakushima Denko has contributed to local community development through its renewable energy business, drawing on Yakushima's abundant water resources. The company also operates Japan's only silicon carbide manufacturing business using electricity generated by its own power facilities. Going forward, Yakushima Denko will focus on the semiconductor industry, including components for semiconductor manufacturing equipment and materials for silicon wafer cutting applications, where further demand growth is expected.

In its 26 Medium-Term Management Plan, Taiheiyo Cement announced its cooperation with Yakushima Town's Zero Carbon Island initiative. In December 2025, Taiheiyo Cement, Yakushima Town, and Yakushima Denko concluded the "Comprehensive Collaboration Agreement on the Yakushima Town's Zero Carbon Island Declaration Collaborative Project." Based on this agreement, Taiheiyo Cement is promoting initiatives that include the utilization of renewable energy generated by Yakushima Denko, disaster prevention and mitigation measures using our products and other resources, infrastructure development to extend service life, and demonstration and implementation projects aimed at reducing CO_2 emissions through the use of low-carbon concrete technologies such as CARBOFIX® cement and Shirasucrete.

Through this conversion into a consolidated subsidiary, Taiheiyo Cement will further accelerate these initiatives by combining Yakushima Denko's business base, technologies, and human resources with the management resources of the Taiheiyo Cement Group, with the aim of achieving both sustainable community development and enhanced business competitiveness.

Taiheiyo Cement and Yakushima Denko will continue to work in harmony with local communities to achieve a carbon-neutral society and sustainable regional development, while also contributing to industrial growth through the development of the silicon carbide business.

Related Releases
Execution of the "Comprehensive Collaboration Agreement on the Yakushima Town's Zero Carbon Island Declaration Collaborative Project" (December 8, 2025)
https://www.taiheiyo-cement.co.jp/english/summary/pdf/251208_1.pdf

Completion Ceremony of "Life Center Yakuden EV Quick Charging Station" was held in Yakushima Town (December 8, 2025)
https://www.taiheiyo-cement.co.jp/english/summary/pdf/251208_2.pdf

■Overview of Yakushima Denko Co., Ltd.

Name	Yakushima Denko Co., Ltd.
Location	Yakushima-cho, Kumage-gun, Kagoshima Prefecture
Representative	Tetsuya Suemura, President and Representative Director
Established	June 5, 1952
Capital	JPY 2.0 billion
Net Sales	JPY 5.2 billion (for the fiscal year ended March 2026)
Principal Businesses	Silicon carbide manufacturing; hydropower generation and supply

Silicon Carbide Manufacturing

Silicon carbide offers exceptional properties, including heat resistance at temperatures of up to 2,000°C, thermal conductivity approximately three times that of silicon, and hardness second only to diamond and cubic boron nitride. Owing to these characteristics, it cannot be readily substituted by other materials. Leveraging these properties, silicon carbide is used in the following applications:

・Semiconductor-related materials
・Ceramic raw materials for automotive components
・Raw materials for refractories, primarily for the steel industry
・Abrasives and grinding and polishing materials for metals, ceramics, and other materials
・Single-crystal silicon carbide raw materials for power semiconductors


Silicon Carbide

Hydropower Generation and Supply

Yakushima Denko owns one hydropower dam (Odate Dam) and three hydropower plants (Anbo River No. 1 Hydropower Plant, Anbo River No. 2 Hydropower Plant, and Senpiro Falls Hydropower Plant), with annual power generation of approximately 300 million kWh. Approximately one-quarter of Yakushima Denko’s annual power generation is currently supplied for private-sector use in Yakushima.


Odate Dam (Central overflow arch dam)


Generator

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