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Sumitomo Osaka Cement Co., Ltd.

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (JGAAP)

August 5, 2025

| | | | |
|-----------------|--|------------------------|---|
| Company name | Sumitomo Osaka Cement Co., Ltd | Stock Exchange Listing | Tokyo |
| Stock code | 5232 | URL | https://www.soc.co.jp/ |
| Representative | (Job Title) Representative Director, President | (Name) | Hirotune Morohashi |
| Contact Manager | (Job Title) General Manager, Corporate Planning Department | (Name) | Masahiko Ebisui (TEL) +81-3-6370-2725 |

Scheduled date to commence dividend payments

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Availability of supplementary explanatory materials for financial results:

Available

Availability of financial briefings:

None

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (From April 1, 2025, to June 30, 2025)

(1) Consolidated Operating Results (Cumulative) (% indicates year-on-year change)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of the parent | |
|----------------------------------|-----------------|-------|------------------|-------|-----------------|-------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2025 | 51,536 | (3.2) | 1,740 | 37.7 | 1,920 | (3.2) | 1,480 | 115.8 |
| June 30, 2024 | 53,225 | 0.9 | 1,263 | 894.1 | 1,982 | 45.4 | 686 | (86.8) |

(Note) Comprehensive income 1Q of FY ending March 31, 2026 3,246 million yen [187.0%]
1Q of FY ended March 31, 2025 1,131 million yen [(74.2)%]

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| Three months ended June 30, 2025 | Yen 45.14 | Yen — |
| June 30, 2024 | 20.17 | — |

(2) Consolidated Financial Status

| | Total assets | Net assets | Equity ratio |
|----------------------|--|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2025 | 357,983 | 192,842 | 53.2 |
| As of March 31, 2025 | 353,029 | 193,660 | 54.1 |
| (Reference) Equity | As of June 30, 2025 190,271 million yen | | |
| | As of March 31, 2025 191,097 million yen | | |

2. Dividend Status

| | Annual dividends | | | | |
|---|------------------|--------------|-----------|--------------|---------------|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Total |
| Fiscal year ended March 31, 2025 | Yen — | Yen 60.00 | Yen — | Yen 60.00 | Yen 120.00 |
| Fiscal year ending March 31, 2026 | — | | | | |
| Fiscal year ending March 31, 2026 (forecast) | | 60.00 | — | 60.00 | 120.00 |

(Note) Revision of dividend forecast from the most recently announced forecast: None

3. Consolidated Performance Forecast for the Fiscal Year Ending March 31, 2026

(From April 1, 2025, to March 31, 2026)

| | (% indicates year-on-year change) | | | | | | | | |
|------------|-----------------------------------|----------|--------------------------|------------|--------------------------|-----------|---|------------|--------------------------|
| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of the parent | | Basic earnings per share |
| First half | Millions of yen 111,400 | % 2.6 | Millions of yen 4,800 | % 110.5 | Millions of yen 4,000 | % 88.3 | Millions of yen 5,000 | % 430.2 | Yen 154.00 |
| Full year | 235,000 | 7.1 | 19,000 | 103.2 | 17,600 | 87.9 | 14,000 | 55.4 | 435.93 |

(Note) Revision from the most recently announced performance forecast: None

* Notes

(1) Significant Changes in the Scope of Consolidation during the Period under Review: None

(2) Application of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies, Changes in Accounting Estimation or Restatements

- (i) Changes in accounting policies due to the revision of accounting standards: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimation: None
- (iv) Restatements: None

(4) Numbers of Shares Issued (Common Shares)

- (i) Number of shares outstanding at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares during the period (cumulative quarterly period)

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| As of June 30, 2025 | 33,237,017 shares | As of March 31, 2025 | 33,237,017 shares |
| As of June 30, 2025 | 780,247 shares | As of March 31, 2025 | 254,255 shares |
| Three months ended June 30, 2025 | 32,801,266 shares | Three months ended June 30, 2024 | 34,015,579 shares |

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Explanation for the appropriate use of performance forecasts and other special notes:

The forward-looking statements contained in this report are based on information that is available to the Company at present. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. Please refer to "(3) Qualitative Information on Consolidated Performance Forecasts and Other Forward-Looking Statements" in "1. Qualitative Information on Quarterly Results" on page 3 of the attached materials for information on the above earnings forecasts.

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1. Qualitative Information on Quarterly Results

(1) Qualitative Information on Consolidated Operating Results

In the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025) (the “period under review”), the Japanese economy continued to experience a moderate recovery, supported by improvements in employment and income conditions, the effects of various government policies, and a rebound in capital investment. However, uncertainties persisted due to factors such as U.S. trade policies.

In the cement industry, domestic demand for cement was 7,641 thousand tons, down 6.4% year on year, as both public and private sector demand decreased due to factors such as the growing adoption of the five-day workweek under workstyle reform initiatives and over-time work regulations, in addition to the chronic labor shortage. On the other hand, exports grew by 7.3% year on year.

As a result, the total sales volume of domestic manufacturers, including exports, decreased by 3.7% year on year to 9,805 thousand tons.

Under these circumstances, our group has implemented the “FY2023–25 Medium-Term Management Plan” since fiscal 2023. It has been working on various measures such as “improving profitability of existing businesses” to recover the profitability of the cement business and to improve profitability by acquiring market shares in next-generation optical communication parts; “building a foundation for growth” to expand scale and enhance profitability by investing resources in the electronic materials business for semiconductor manufacturing equipment, expand overseas business (the Australian business), and develop new business in the decarbonization field; and “strengthening management foundation” to develop strategies for human resources, research and development, intellectual property, and digital transformation (DX).

As a result of the above, net sales for the period under review totaled 51,536 million yen, down 1,689 million yen year on year, and ordinary profit totaled 1,920 million yen, down 62 million yen year on year. Profit attributable to owners of the parent increased by 794 million yen year on year to 1,480 million yen.

An overview by business is as follows.

1 Cement

The domestic sales volume was lower than the previous year, resulting in net sales of 36,635 million yen, a decrease of 1,845 million yen (4.8%) year on year. We posted an operating loss of 68 million yen, although this represented an improvement of 303 million yen year on year mainly due to improved manufacturing costs.

2 Mineral resources

Mainly due to a decrease in the sales volume of limestone for overseas markets, net sales were 4,121 million yen, a decrease of 219 million yen (5.1%) year on year. Operating profit was 552 million yen, a decrease of 289 million yen (34.4%) year on year.

3 Cement-related products

Net sales decreased by 795 million yen (14.6%) year on year to 4,652 million yen mainly due to a decline in ground improvement work. We posted an operating loss of 58 million yen, a deterioration of 255 million yen year on year.

4 Optoelectronics

Net sales grew by 49 million yen (8.2%) year on year to 650 million yen mainly due to an increase in the sales volume of optoelectronic devices. An operating loss of 14 million yen was recorded, although this represented an improvement of 136 million yen year on year due to cost reductions in optical communication parts and other factors.

5 Advanced materials

Net sales grew by 1,147 million yen (33.5%) year on year to 4,574 million yen, mainly due to changes in the product mix of electronic materials for semiconductor manufacturing equipment. Operating profit grew by 523 million yen (136.7%) year on year to 906 million yen.

6 Other

Net sales decreased by 24 million yen (2.6%) year on year to 901 million yen, mainly due to decreased software sales, and operating profit decreased by 14 million yen (3.5%) year on year to 400 million yen.

(2) Qualitative Information on Consolidated Financial Status

Total assets at the end of the period under review were 357,983 million yen, up 4,953 million yen from the end of the previous fiscal year. The main changes were a 2,178 million yen increase in property, plant and equipment and a 2,649 million yen increase in investment securities.

Total liabilities at the end of the period under review amounted to 165,140 million yen, up 5,770 million yen from the end of the previous fiscal year. The main change was a 5,000 million yen increase in bonds payable (including the current portion).

Net assets at the end of the period under review totaled 192,842 million yen, down 817 million yen from the end of the previous fiscal year. The main changes were a 1,997 million yen decrease due to the acquisition of treasury shares and an 1,822 million yen increase in valuation difference on available-for-sale securities.

(3) Qualitative Information on Consolidated Performance Forecasts and Other Forward-Looking Statements

The consolidated performance forecast announced on May 13, 2025 remains unchanged.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,554 | 15,433 |
| Notes and accounts receivable – trade, and contract assets | 40,992 | 39,584 |
| Electronically recorded monetary claims – operating | 7,912 | 8,844 |
| Merchandise and finished goods | 11,241 | 12,487 |
| Work in process | 70 | 160 |
| Raw materials and supplies | 23,482 | 23,127 |
| Short-term loans receivable | 377 | 368 |
| Other | 3,553 | 4,605 |
| Allowance for doubtful accounts | (39) | (21) |
| Total current assets | <u>104,143</u> | <u>104,589</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 183,038 | 185,504 |
| Accumulated depreciation | (131,306) | (132,116) |
| Buildings and structures, net | <u>51,731</u> | <u>53,387</u> |
| Machinery and equipment | 508,169 | 513,565 |
| Accumulated depreciation | (442,082) | (445,179) |
| Machinery and equipment, net | <u>66,087</u> | <u>68,386</u> |
| Land | 39,067 | 39,129 |
| Construction in progress | 16,280 | 14,220 |
| Other | 40,472 | 40,873 |
| Accumulated depreciation | (21,849) | (22,028) |
| Other, net | <u>18,623</u> | <u>18,844</u> |
| Total property, plant and equipment | <u>191,789</u> | <u>193,968</u> |
| Intangible assets | | |
| Goodwill | 31 | 23 |
| Other | 3,435 | 3,261 |
| Total intangible assets | <u>3,467</u> | <u>3,285</u> |
| Investments and other assets | | |
| Investment securities | 39,372 | 42,022 |
| Long-term loans receivable | 4,305 | 4,154 |
| Deferred tax assets | 1,014 | 1,070 |
| Retirement benefit asset | 4,171 | 4,198 |
| Other | 4,831 | 4,761 |
| Allowance for doubtful accounts | (66) | (66) |
| Total investments and other assets | <u>53,629</u> | <u>56,140</u> |
| Total non-current assets | <u>248,886</u> | <u>253,394</u> |
| Total assets | <u>353,029</u> | <u>357,983</u> |

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable | 28,266 | 29,578 |
| Electronically recorded liabilities – operating | 2,356 | 3,923 |
| Short-term borrowings | 18,822 | 18,775 |
| Commercial papers | 5,000 | 5,000 |
| Current portion of long-term borrowings | 8,648 | 8,664 |
| Current portion of bonds payable | — | 5,000 |
| Income taxes payable | 1,685 | 887 |
| Provision for bonuses | 2,688 | 1,543 |
| Other | 16,275 | 16,841 |
| Total current liabilities | 83,742 | 90,214 |
| Non-current liabilities | | |
| Bonds payable | 25,000 | 25,000 |
| Long-term borrowings | 25,863 | 24,276 |
| Deferred tax liabilities | 9,558 | 10,644 |
| Provision for retirement benefits for directors (and other officers) | 125 | 115 |
| Provision for PCB waste disposal costs | 1 | 1 |
| Retirement benefit liability | 1,013 | 1,022 |
| Provision for share awards | 127 | 92 |
| Asset retirement obligations | 263 | 265 |
| Other | 13,672 | 13,507 |
| Total non-current liabilities | 75,626 | 74,925 |
| Total liabilities | 159,369 | 165,140 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 41,654 | 41,654 |
| Capital surplus | 10,466 | 10,466 |
| Retained earnings | 119,737 | 119,234 |
| Treasury shares | (992) | (2,989) |
| Total shareholders' equity | 170,865 | 168,365 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 18,394 | 20,216 |
| Foreign currency translation adjustment | 451 | 328 |
| Remeasurements of defined benefit plans | 1,385 | 1,359 |
| Total other accumulated comprehensive income | 20,231 | 21,905 |
| Non-controlling interests | 2,562 | 2,571 |
| Total net assets | 193,660 | 192,842 |
| Total liabilities and net assets | 353,029 | 357,983 |

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

First Quarter

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 53,225 | 51,536 |
| Cost of sales | 41,772 | 39,743 |
| Gross profit | 11,453 | 11,792 |
| Selling, general and administrative expenses | 10,189 | 10,052 |
| Operating profit | 1,263 | 1,740 |
| Non-operating income | | |
| Interest income | 29 | 24 |
| Dividend income | 541 | 467 |
| Foreign exchange gains | 348 | — |
| Share of profit of entities accounted for using the equity method | 8 | 67 |
| Rental income | 44 | 33 |
| Other | 147 | 249 |
| Total non-operating income | 1,121 | 841 |
| Non-operating expenses | | |
| Interest expenses | 232 | 285 |
| Foreign exchange losses | — | 191 |
| Other | 169 | 185 |
| Total non-operating expenses | 402 | 661 |
| Ordinary profit | 1,982 | 1,920 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 34 | 5 |
| Gain on sale of investment securities | — | 453 |
| Total extraordinary income | 34 | 458 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 175 | 76 |
| Loss on sale of non-current assets | — | 0 |
| Total extraordinary losses | 175 | 77 |
| Profit before income taxes | 1,841 | 2,301 |
| Income taxes – current | 432 | 536 |
| Income taxes – deferred | 671 | 191 |
| Total income taxes | 1,104 | 728 |
| Profit | 737 | 1,573 |
| Profit attributable to non-controlling interests | 51 | 92 |
| Profit attributable to owners of the parent | 686 | 1,480 |

Quarterly Consolidated Statement of Comprehensive Income
First Quarter

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net income | 737 | 1,573 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 355 | 1,821 |
| Foreign currency translation adjustment | 54 | (71) |
| Remeasurements of defined benefit plans | (32) | (25) |
| Share of other comprehensive income of entities accounted for using the equity method | 16 | (50) |
| Total other comprehensive income | 394 | 1,673 |
| Comprehensive income | 1,131 | 3,246 |
| Comprehensive income attributable to: | | |
| Owners of the parent | 1,080 | 3,154 |
| Non-controlling interests | 51 | 92 |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes in the Event of Significant Changes in Shareholders' Equity)

Treasury shares increased by 1,997 million yen (decrease in shareholders' equity) during the period under review, mainly due to the acquisition of treasury shares in accordance with the resolution of the Board of Directors meeting held on May 13, 2025.

Treasury shares amounted to 2,989 million yen at the end of the period under review.

(Segment Information, etc.)

I. Three months ended June 30, 2024 (April 1, 2024–June 30, 2024)

Information on Net Sales and Profit or Loss by Reportable Segment

(Millions of yen)

| | Reportable segment | | | | | | | Note 1 Adjustment | Note 2 Amount recorded in quarterly consolidated statement of income |
|--------------------------------------|--------------------|-------------------|-------------------------|------------------|--------------------|-------|--------|----------------------|---|
| | Cement | Mineral resources | Cement-related products | Opto-electronics | Advanced materials | Other | Total | | |
| Net sales | | | | | | | | | |
| (1) Net sales to external customers | 38,481 | 4,341 | 5,448 | 601 | 3,427 | 925 | 53,225 | – | 53,225 |
| (2) Intersegment sales and transfers | 922 | 762 | 698 | – | – | 1,231 | 3,615 | (3,615) | – |
| Total | 39,403 | 5,104 | 6,147 | 601 | 3,427 | 2,157 | 56,840 | (3,615) | 53,225 |
| Segment profit (loss) | (372) | 841 | 196 | (151) | 382 | 414 | 1,312 | (48) | 1,263 |

(Notes) 1. "Adjustment" of segment profit (loss) of minus 48 million yen represents the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit of the quarterly consolidated statement of income.

II. Three months ended June 30, 2025 (April 1, 2025–June 30, 2025)

Information on Net Sales and Profit or Loss by Reportable Segment

(Millions of yen)

| | Reportable segments | | | | | | | Note 1 Adjustment | Note 2 Amount recorded in quarterly consolidated statement of income |
|--------------------------------------|---------------------|-------------------|-------------------------|------------------|--------------------|-------|--------|----------------------|---|
| | Cement | Mineral resources | Cement-related products | Opto-electronics | Advanced materials | Other | Total | | |
| Net sales | | | | | | | | | |
| (1) Net sales to external customers | 36,635 | 4,121 | 4,652 | 650 | 4,574 | 901 | 51,536 | – | 51,536 |
| (2) Intersegment sales and transfers | 803 | 843 | 462 | 4 | – | 1,168 | 3,282 | (3,282) | – |
| Total | 37,438 | 4,965 | 5,115 | 654 | 4,574 | 2,070 | 54,818 | (3,282) | 51,536 |
| Segment profit (loss) | (68) | 552 | (58) | (14) | 906 | 400 | 1,716 | 23 | 1,740 |

(Notes) 1. "Adjustment" of segment profit (loss) of 23 million yen represents the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit of the quarterly consolidated statement of income.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows has not been prepared for the period under review. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the period under review are as follows.

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--------------------------|-------------------------------------|-------------------------------------|
| Depreciation | 5,160 million yen | 5,482 million yen |
| Amortization of goodwill | 7 million yen | 7 million yen |

3. Supplementary Information

(1) Consolidated Profit or Loss by Segment (YoY Comparison)

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 | YoY change | |
|---|--|--|------------|--------|
| | | | Amount | % |
| Cement | 38,481 | 36,635 | (1,845) | (4.8) |
| Mineral resources | 4,341 | 4,121 | (219) | (5.1) |
| Cement-related products | 5,448 | 4,652 | (795) | (14.6) |
| Optoelectronics | 601 | 650 | 49 | 8.2 |
| Advanced materials | 3,427 | 4,574 | 1,147 | 33.5 |
| Other | 925 | 901 | (24) | (2.6) |
| Net sales for external customers | 53,225 | 51,536 | (1,689) | (3.2) |
| Cement | (372) | (68) | 303 | – |
| Mineral resources | 841 | 552 | (289) | (34.4) |
| Cement-related products | 196 | (58) | (255) | – |
| Optoelectronics | (151) | (14) | 136 | – |
| Advanced materials | 382 | 906 | 523 | 136.7 |
| Other | 414 | 400 | (14) | (3.5) |
| Adjustment amount | (48) | 23 | 71 | – |
| Operating profit | 1,263 | 1,740 | 476 | 37.7 |
| Non-operating income | 1,121 | 841 | (280) | (25.0) |
| Non-operating expenses | 402 | 661 | 259 | 64.5 |
| Non-operating income (expenses), net | 719 | 180 | (539) | (75.0) |
| Ordinary profit | 1,982 | 1,920 | (62) | (3.2) |
| Extraordinary income | 34 | 458 | 424 | – |
| Extraordinary losses | 175 | 77 | (98) | (56.2) |
| Extraordinary income (losses), net | (141) | 381 | 522 | – |
| Profit attributable to owners of the parent | 686 | 1,480 | 794 | 115.8 |