

# **Explanatory Materials for Financial Results (For the 2nd Quarter (Interim) of Fiscal Year Ending March 31, 2026)**

**November 11, 2025**

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**SUMITOMO OSAKA CEMENT**

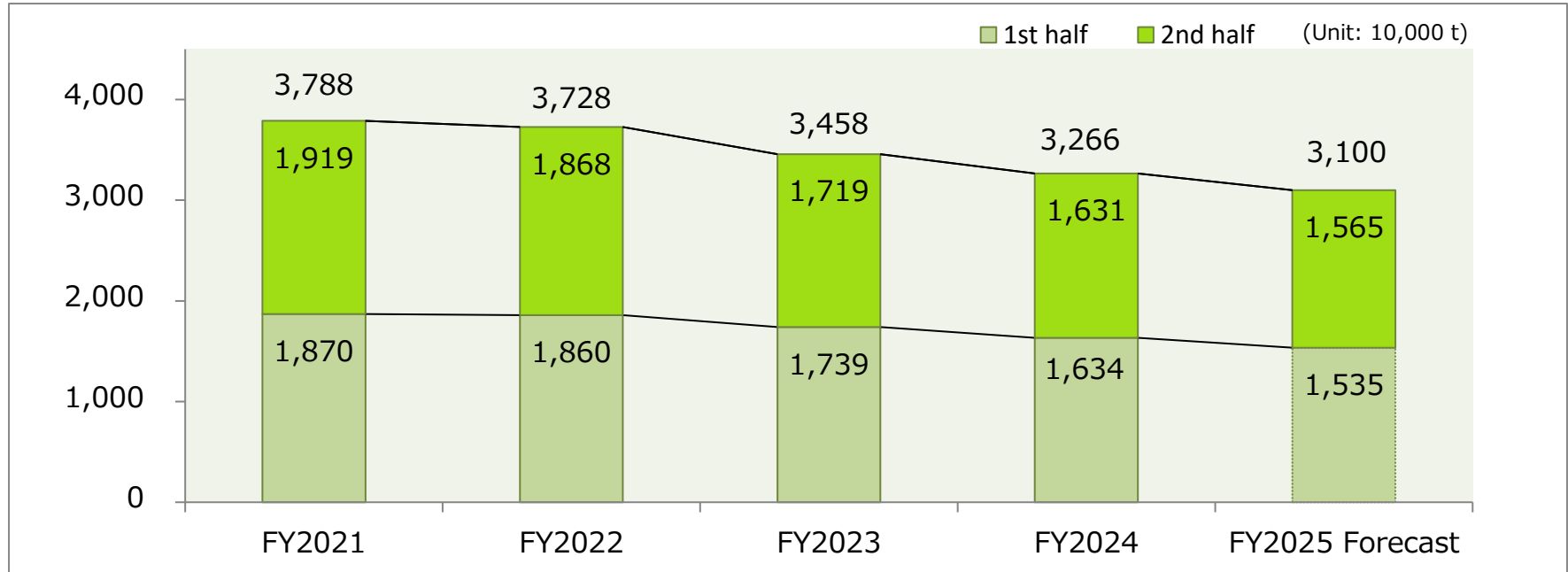
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In the event of any discrepancy between this translated document and the Japanese original,  
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# Table of Contents

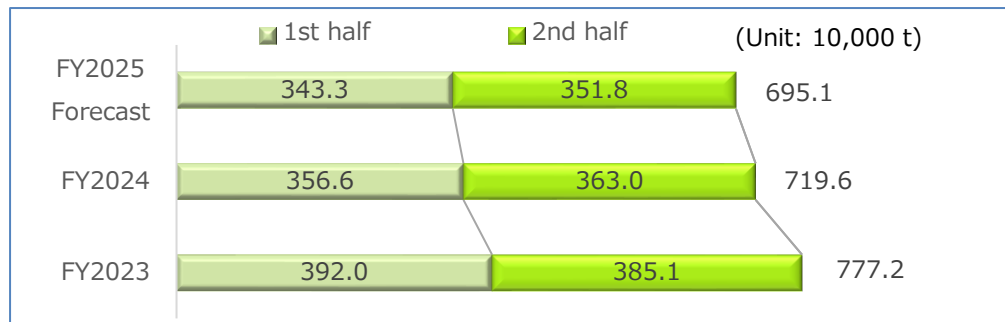
- 1. Domestic Cement Demand / Our Sales Volume**
- 2. FY2025 2nd Quarter (Interim) Financial Summary**
- 3. FY2025 Full-year Earnings Forecast**
- 4. Supplementary Materials**

# 1. Domestic Cement Demand / Our Sales Volume

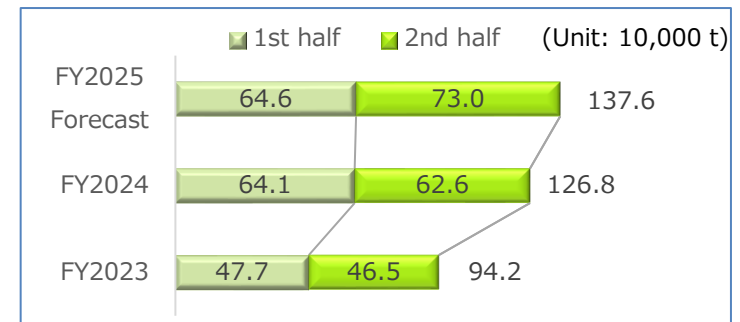
## Domestic cement demand



## Our domestic sales volume



## Our export volume



## 2. FY2025 2nd Quarter (Interim) Financial Summary

- The Cement business saw improvements in profits and returned to profitability owing to the decline of coal prices and the impact of price hikes.
- The Advanced Materials business saw a higher operating profit year-on-year owing to the ESC lineup etc.
- Compared to the initial forecast, revenue fell due to a lower domestic sales volume in the Cement business, and the operating profit target was unachieved due to higher manufacturing fixed costs and the delayed impact of price hikes. Profit attributable to owners of the parent exceeded the initial forecast figure due to the recording of extraordinary income and a gain on sale of cross-shareholdings.

Unit: 100 million yen

### YoY Comparison

#### ① Net sales

- Revenue fell due to lower domestic sales volume of cement.

#### ② Operating profit

- The Cement business saw an increase in operating profit due to the decline of coal prices and the impact of price hikes.
- The Advanced Materials business saw an increase in operating profit owing to the ESC lineup etc.

#### ③ Extraordinary income/losses, net

- Increased due to the recording of a gain on sale of cross-shareholdings.

	FY2024 1st Half	FY2025 1st Half	YoY Change	Difference from Initial Forecast (May 13)
Net sales	1,086	1,058	-28	-56
Operating profit (Cement business only)	22.8 (-16.7)	41.2 (0.4)	18.4 (17.0)	-6.8 (-8.6)
Non-operating income/expenses, net	-1.6	1.1	2.7	9.1
Ordinary profit	21.2	42.3	21.1	2.3
Extraordinary income/losses, net	-2.2	36.0	38.2	24.0
Profit attributable to owners of the parent	9.4	55.9	46.5	5.9

## 2. FY2025 2nd Quarter (Interim)

### Sales and Income by Segment (Year-on-year)

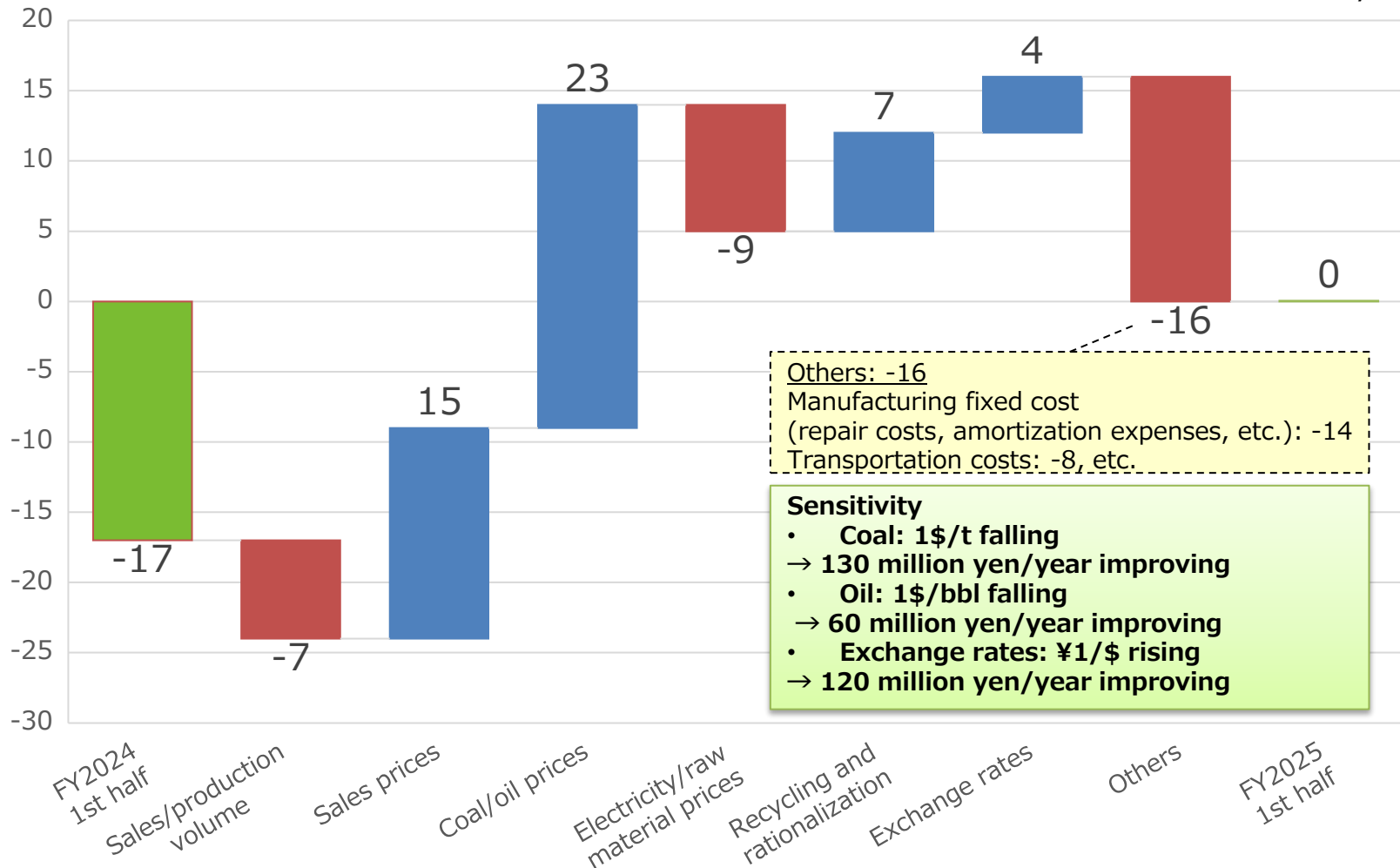
Unit: 100 million yen

	FY2024 1st Half		FY2025 1st Half		YoY Change		Difference from Initial Forecast (announced at May 13, 2025)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Cement	776	-16.7	752	0.4	-24	17.0	-22	-8.6
Mineral Resources	88	16.2	86	14.8	-1	-1.5	-4	1.8
Cement-Related Products	119	7.8	106	4.3	-13	-3.5	-14	-2.7
Optoelectronics	11	-2.5	13	-0.7	1	1.8	-1	0.3
Advanced Materials	73	9.8	83	14.3	10	4.4	-14	1.3
Other	19	7.5	18	7.4	-1	-0.1	-1	0.4
Total	1,086	22.8	1,058	41.2	-28	18.4	-56	-6.8

## 2. FY2025 2nd Quarter (Interim)

### Breakdown of Changes in Operating Income from Cement Business (Year-on-year)

Unit: 100 million yen



## 2. FY2025 2nd Quarter (Interim)

### Earnings of Non-cement Business Segments

Unit: 100 million yen

	FY2024 1st Half	FY2025 1st Half	YoY Change	
<b>Mineral Resources</b>				<b>Lower revenue and income</b>
Net sales	88	86	-1	<ul style="list-style-type: none"> <li>Lower revenue due to a lower sales volume of limestone for overseas and domestic steel markets; lower income due to increased mining costs</li> </ul>
Operating profit	16.2	14.8	-1.5	
<b>Cement-Related Products</b>				<b>Lower revenue and income</b>
Net sales	119	106	-13	<ul style="list-style-type: none"> <li>Lower revenue and income due to decreases in sales volume of concrete structure repair/reinforcement materials and in the number of repair works</li> </ul>
Operating profit	7.8	4.3	-3.5	
<b>Optoelectronics</b>				<b>Lower deficit</b>
Net sales	11	13	1	<ul style="list-style-type: none"> <li>Higher revenue due to an increase in the sales volume of optoelectronic devices</li> <li>Lowered deficit due to cost reduction</li> </ul>
Operating profit	-2.5	-0.7	1.8	
<b>Advanced Materials</b>				<b>Higher revenue and income</b>
Net sales	73	83	10	<ul style="list-style-type: none"> <li>Higher revenue and income due to the ESC lineup etc.</li> </ul>
Operating profit	9.8	14.3	4.4	

### 3. FY2025 Full-Year Earnings Forecast (Year-on-year)

- **Expect higher revenue and income, driven by factors including the impact of domestic selling price hikes and a decline of coal prices in the Cement business**

Unit: 100 million yen, unless otherwise noted

#### ① Net sales

Revenue is expected to increase due to price hikes of cement and the impact of advanced materials/ESC lineups.

#### ② Operating profit

Income of the Cement business is expected to increase due to the impact of cement's price hikes and a decline of coal prices.

#### ③ Non-operating income/exp., net

Expected to deteriorate due to a decline of dividend income and an increase of interest expenses.

#### ④ Extraordinary income/losses, net

Expected to deteriorate, factoring in the impact of preparations to suspend Ako power plant, despite proceeding with the sale of cross-shareholdings.

#### ⑤ Dividend per share

Unchanged.

	FY2024 Results	FY2025 Forecast	Change
Net sales	2,195	2,252	57
Operating profit (Cement business only)	93.5 (8.8)	140.0 (50.0)	46.5 (41.2)
Non-operating income/expenses, net	0.2	-4.0	-4.2
Ordinary profit	93.7	136.0	42.3
Extraordinary income/losses, net	34.1	-5.0	-39.1
Profit attributable to owners of the parent	90.1	100.0	9.9
Dividend per share	120 yen	120 yen	–

\*FY2025 Forecast

Exchange rate: ¥148/\$ (FY24 Average: ¥152/\$)

Coal (CIF): \$138/t (FY24: \$155/t)



### 3. FY2025 Full-Year Earnings Forecast:

Sales and Income by Segment (Year-on-year)

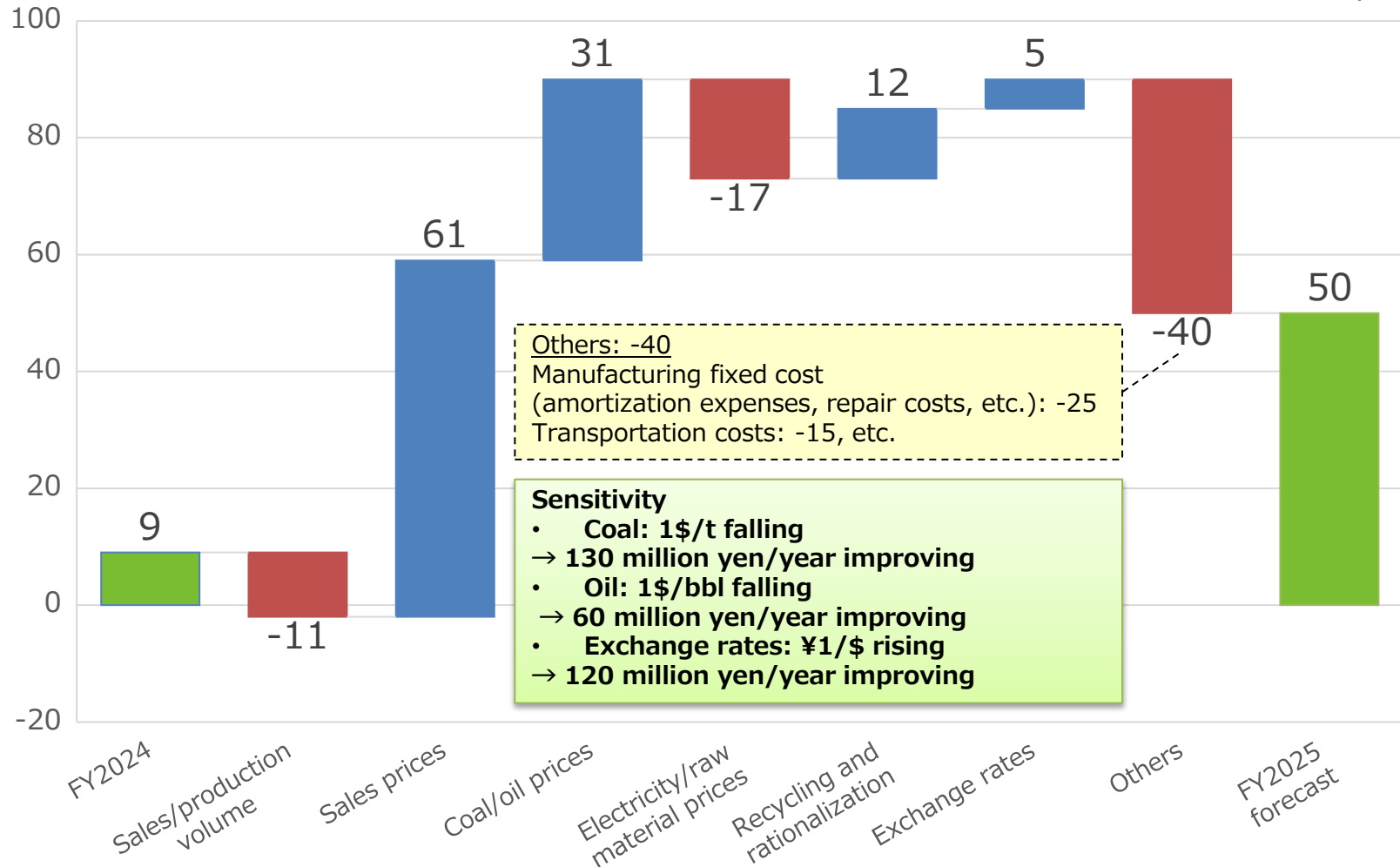
Unit: 100 million yen

	FY2024 Results		FY2025 Forecast		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Cement	1,564	8.8	1,577	50.0	13	41.2
Mineral Resources	174	31.5	179	30.0	5	-1.5
Cement-Related Products	236	18.4	254	16.0	18	-2.4
Optoelectronics	25	-3.6	29	-1.0	4	2.6
Advanced Materials	157	22.6	175	30.0	18	7.4
Other	39	16.2	38	14.0	-1	-2.2
Total	2,195	93.5	2,252	140.0	57	46.5

### 3. FY2025 Full-Year Earnings Forecast

#### Breakdown of Changes in Operating Income from Cement Business (Year-on-year)

Unit: 100 million yen



## 3. FY2025 Full-Year Earnings Forecast

### (From the Initial Forecast)

- Full-year forecast for net sales and income is revised as we expect lower domestic sales volume of cement, a delayed impact of price hikes, and an increase in manufacturing fixed costs in the Cement business.

Unit: 100 million yen, unless otherwise noted

#### ① Net sales

Revenue is expected to fall due to lower domestic sales volume of cement and lower sales volume of ESCs in the Advanced materials business.

#### ② Operating profit

Expected to deteriorate due to lower domestic sales volume of cement, a delayed impact of price hikes, and an increase in manufacturing fixed costs.

#### ③ Non-operating income/exp., net

Expected to improve due to improved foreign exchange gains/losses and a lower interest expenses.

#### ④ Extraordinary income/losses, net

Expected to deteriorate, factoring in the impact of preparations to suspend Ako power plant.

#### ⑤ Dividend per share

Unchanged.

	Initial Forecast (published on May 13, 2025)	Revised Forecast (published on Nov. 11, 2025)	Change
Net sales	2,350	2,252	-98
Operating profit (Cement business only)	190.0 (100.0)	140.0 (50.0)	-50.0 (-50.0)
Non-operating income/expenses, net	-14.0	-4.0	10.0
Ordinary profit	176.0	136.0	-40.0
Extraordinary income/losses, net	7.0	-5.0	-12.0
Profit attributable to owners of the parent	140.0	100.0	-40.0
Dividend per share	120 yen	120 yen	-

### 3. FY2025 Full-Year Earnings Forecast

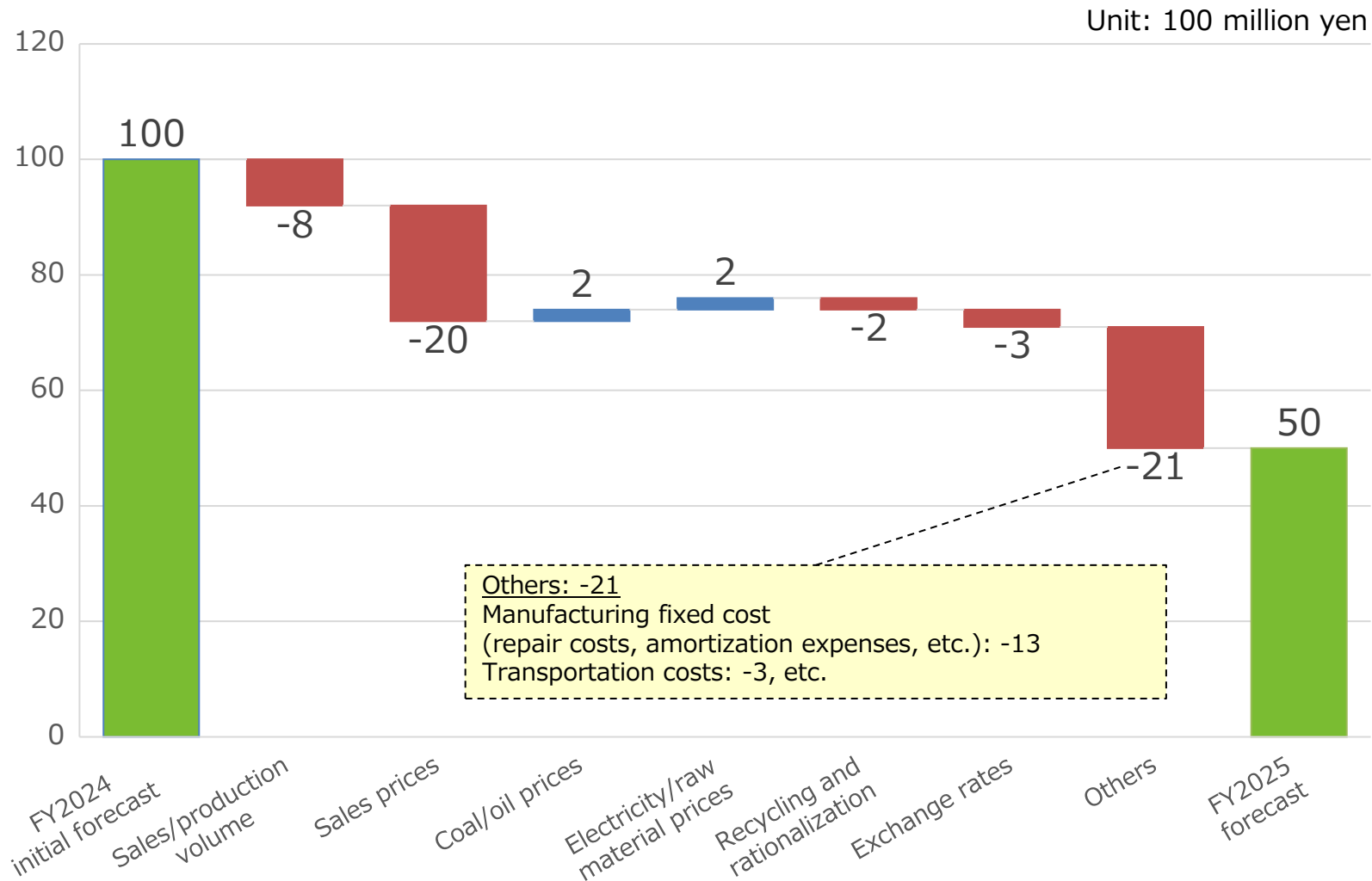
(By Segment, from the Initial Forecast)

Unit: 100 million yen

	FY2025 Initial Forecast (published on May 13, 2025)		FY2025 Revised Forecast (published on Nov 11, 2025)		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Cement	1,639	100.0	1,577	50.0	-62	-50.0
Mineral Resources	183	28.0	179	30.0	-4	2.0
Cement-Related Products	255	16.0	254	16.0	-1	0.0
Optoelectronics	32	-1.0	29	-1.0	-3	0.0
Advanced Materials	202	33.0	175	30.0	-27	-3.0
Other	39	14.0	38	14.0	-1	0.0
Total	2,350	190.0	2,252	140.0	-98	-50.0

### 3. FY2025 Full-Year Earnings Forecast

Breakdown of Changes in Operating Income from Cement Business (From the Initial Forecast)



1. Domestic Cement Demand / Our Sales Volume
2. FY2025 2nd Quarter (Interim) Financial Summary
3. FY2025 Full-year Earnings Forecast
- 4. Supplementary Materials**

## 4. FY2025 2nd Quarter (Interim)

### Sales and Income by Segment

Unit: 100 million yen

		FY2024 1st Half Results			FY2025 1st Half Results			YoY Change		
		1st quarter (Apr.–Jun.)	2nd quarter (Jul.–Sep.)	1st half	1st quarter (Apr.–Jun.)	2nd quarter (Jul.–Sep.)	1st half	1st quarter (Apr.–Jun.)	2nd quarter (Jul.–Sep.)	1st half
Net sales	Cement	385	391	776	366	386	752	-18	-6	-24
	Mineral Resources	43	45	88	41	45	86	-2	1	-1
	Cement-Related Products	54	64	119	47	59	106	-8	-5	-13
	Optoelectronics	6	5	11	7	6	13	0	1	1
	Advanced Materials	34	39	73	46	38	83	11	-1	10
	Other	9	10	19	9	9	18	-0	-1	-1
Total		532	554	1,086	515	542	1,058	-17	-12	-28

Operating profit	Cement	-3.7	-12.9	-16.7	-0.7	1.1	0.4	3.0	14.0	17.0
	Mineral Resources	8.4	7.8	16.2	5.5	9.3	14.8	-2.9	1.4	-1.5
	Cement-Related Products	2.0	5.9	7.8	-0.6	4.9	4.3	-2.6	-1.0	-3.5
	Optoelectronics	-1.5	-1.0	-2.5	-0.1	-0.5	-0.7	1.4	0.5	1.8
	Advanced Materials	3.8	6.0	9.8	9.1	5.2	14.3	5.2	-0.8	4.4
	Other	4.1	3.3	7.5	4.0	3.4	7.4	-0.1	0.1	-0.1
Total		12.6	10.2	22.8	17.4	23.8	41.2	4.8	13.6	18.4

## 4. FY2025 Earnings Forecast (Semiannual)

Unit: 100 million yen, unless otherwise noted

	FY2024			FY2025			Change		
	1st half results	2nd half results	Full-year results	1st half results	2nd half forecast	Full-year forecast	1st half	2nd half	Full year
Net sales	1,086	1,109	2,195	1,058	1,194	2,252	-28	86	57
Operating profit (Cement business only)	22.8 (-16.7)	70.7 (25.4)	93.5 (8.8)	41.2 (0.4)	98.8 (49.6)	140.0 (50.0)	18.4 (17.0)	28.1 (24.2)	46.5 (41.2)
Non-operating income/expenses, net	-1.6	1.7	0.2	1.1	-5.1	-4.0	2.7	-6.9	-4.2
Ordinary profit	21.2	72.4	93.7	42.3	93.7	136.0	21.1	21.2	42.3
Extraordinary income/losses, net	-2.2	36.2	34.1	36.0	-41.0	-5.0	38.2	-77.3	-39.1
Profit attributable to owners of the parent	9.4	80.7	90.1	55.9	44.1	100.0	46.5	-36.6	9.9
Dividend per share	60 yen	60 yen	120 yen	60 yen	60 yen	120 yen	-	-	-

\*FY2025 forecast

Exchange rate:

1st half ¥146/\$

2nd half ¥150/\$

Full year ¥148/\$

(FY24 average ¥152/\$)

Coal (CIF):

1st half \$135/t

2nd half \$140/t

Full year \$138/t

(FY24 average \$155/t)



## 4. FY2025 Earnings Forecast

### Sales and Income by Segment (Semiannual)

Unit: 100 million yen

		FY2024			FY2025			Change		
		1st half results	2nd half results	Full-year results	1st half results	2nd half forecast	Full-year forecast	1st half	2nd half	Full year
Net sales	Cement	776	788	1,564	752	825	1,577	-24	37	13
	Mineral Resources	88	86	174	86	93	179	-1	7	5
	Cement-Related Products	119	117	236	106	148	254	-13	31	18
	Optoelectronics	11	14	25	13	16	29	1	3	4
	Advanced Materials	73	83	157	83	92	175	10	8	18
	Other	19	20	39	18	20	38	-1	0	-1
Total		1,086	1,109	2,195	1,058	1,194	2,252	-28	86	57
Operating profit	Cement	-16.7	25.4	8.8	0.4	49.6	50.0	17.0	24.2	41.2
	Mineral Resources	16.2	15.3	31.5	14.8	15.2	30.0	-1.5	-0.0	-1.5
	Cement-Related Products	7.8	10.6	18.4	4.3	11.7	16.0	-3.5	1.1	-2.4
	Optoelectronics	-2.5	-1.0	-3.6	-0.7	-0.3	-1.0	1.8	0.7	2.6
	Advanced Materials	9.8	12.8	22.6	14.3	15.7	30.0	4.4	2.9	7.4
	Other	7.5	8.7	16.2	7.4	6.6	14.0	-0.1	-2.1	-2.2
Total		22.8	70.7	93.5	41.2	98.8	140.0	18.4	28.1	46.5

## 4. FY2025 Breakdown of Changes in Operating Income from Cement Business (Semiannual)

Unit: 100 million yen

			FY2024 → FY2025		
			1st half	2nd half	Full year
Sales and production volume			-7	-4	-11
Sales prices			15	46	61
Coal and oil prices			23	8	31
Electricity and raw material prices			-9	-8	-17
Recycling and rationalization			7	5	12
Exchange rates			4	1	5
Others			-16	-24	-40
Cement operating profit change			17	24	41
Sensitivity	Coal	1\$/t falling	130 million yen/year improving		
	Oil	1\$/bbl falling	60 million yen/year improving		
	Exchange rates	¥ 1/\$ rising	120 million yen/year improving		

## 4. Supplementary Materials

### Status of Assets and Liabilities

Unit: 100 million yen

	As of March 31, 2025	As of September 30, 2025	Change	As of March 31, 2026 (Forecast)
Cash and deposits	166	150	-16	145
Property, plant and equipment	1,918	1,962	45	1,957
Investment securities	394	410	17	425
Other assets	1,052	1,043	-11	1,075
<b>Total assets</b>	<b>3,530</b>	<b>3,565</b>	<b>35</b>	<b>3,602</b>
Interest-bearing liabilities	833	829	-5	900
Other liabilities	761	800	40	770
<b>Total liabilities</b>	<b>1,594</b>	<b>1,629</b>	<b>35</b>	<b>1,670</b>
<b>Net assets</b>	<b>1,937</b>	<b>1,936</b>	<b>-0</b>	<b>1,932</b>
<b>Total liabilities and net assets</b>	<b>3,530</b>	<b>3,565</b>	<b>35</b>	<b>3,602</b>

## 4. Supplementary Materials

### Status of Cash Flow

Unit: 100 million yen

	FY2024 1st Half	FY2025 1st Half	Change	FY2025 Forecast
Profit before income taxes	19	78	59	131
Depreciation (including amortization of goodwill)	107	112	5	233
Receivables, debt increase/decrease corporate tax, etc.	-24	-35	-11	-50
Cash flow from operating activities	102	155	53	314
Purchase of non-current assets	-131	-141	-10	-336
Proceeds from sales of assets etc.	1	47	46	61
Others	1	-0	-1	-36
Cash flow from investing activities	-129	-94	35	-311
Free cash flow	-27	61	88	3
Change in interest-bearing liabilities	68	-5	-73	67
Purchase of treasury shares	-50	-50	0	-50
Dividends paid etc.	-22	-21	1	-40
Cash flow from financing activities	-4	-76	-72	-23
Net increase (decrease) in cash and cash equivalents	-29	-16	14	-21

## 4. Supplementary Materials

### Changes in Performance etc.

		FY2021	FY2022	FY2023	FY2024	FY2025 Forecast
Net sales	100 million yen	1,842	2,047	2,225	2,195	2,252
Operating profit	100 million yen	68.8	-85.6	72.5	93.5	140.0
Ordinary profit	100 million yen	98.3	-78.5	84.8	93.7	136.0
Profit attributable to owners of the parent	100 million yen	96.7	-57.2	153.4	90.1	100.0
Total assets	100 million yen	3,311	3,566	3,563	3,530	3,602
Interest-bearing liabilities	100 million yen	566	997	795	833	900
Net assets	100 million yen	2,032	1,846	1,968	1,937	1,932
Return on assets (ROA)	%	3.0	-2.3	2.4	2.6	3.8
Return on equity (ROE)	%	4.8	-3.0	8.1	4.7	5.2
Return on investment capital (ROIC)	%	1.8	-2.1	1.8	2.4	3.4
Debt/equity (D/E)	%	28	54	40	43	47
Free cash flow (FCF)	100 million yen	22	-360	284	31	3
Net asset ratio of cross-shareholdings	%	26.4	22.6	19.6	16.9	16.9

## 4. Supplementary Materials

### Changes in Performance etc.

		FY2021	FY2022	FY2023	FY2024	FY2025 Forecast
Capital investment	100 million yen	207	297	294	308	342
Depreciation	100 million yen	194	202	217	226	233
R&D expenses	100 million yen	31	31	35	36	35
Financial balance	100 million yen	20	13	6	4	-2
Number of employees at the end of the period	Persons	3,068	2,896	2,886	2,952	–
Domestic demand for cement	10,000 t	3,788	3,728	3,458	3,266	3,100
Average exchange rate	yen/US\$	112	135	144	152	148
Coal procurement price (CIF)	US\$/t (approximate)	150	280	210	155	138
Oil	US\$/bbl	75	96	82	79	65

# Disclosure of Integrated Report 2025



**We have disclosed the Integrated Report 2025 on our website—the Japanese version on September 18 and the English version on October 28.**

This seventh edition of the report features a message from the President, along with the progress and achievements of our initiatives for sustainable growth and enhanced corporate value. This efforts are guided by the following two policies: (1) the Medium- to Long-term Vision, “SOC Vision 2035,” which we will promote as a Group; and (2) the “SOCN2050,” which outlines our roadmap toward carbon neutrality by 2050 and specific medium-term targets.

We hope you will read this report to deepen your understanding of the Group’s management policies and initiatives.

Japanese version  
[soc InR 2025.pdf](#)

English version  
[soc InR 2025e.pdf](#)

# Caution

## About Forward-looking Statements

- This document contains forward-looking statements that reflect Sumitomo Osaka Cement Co., Ltd.'s current views and judgements with respect to current plans, strategies and beliefs. They are based upon currently available information, and do not constitute promises, commitments or guarantees.
- The forward-looking statements involve both real and potential risks and uncertainties that can cause actual events and results to differ materially from those anticipated in these statements.



**SUMITOMO OSAKA CEMENT**