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Sumitomo Osaka Cement Co., Ltd.

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

(November 11, 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 submit the Semi-annual Report:		November 12, 2025	
Scheduled date to commence dividend payments:		December 2, 2025	
Availability of preparation of supplementary explanatory materials for financial results:		Available	
Availability to hold financial briefings:		Yes (for institutional investors and analysts)	

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2026

(From April 1, 2025 to September 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	%
Six months ended September 30, 2025	105,772	(2.6)	4,119	80.7	4,233	99.3	5,590	492.8
September 30, 2024	108,613	(1.1)	2,280	24.0	2,124	(20.6)	943	(84.0)

(Note) Comprehensive profit Six months ended September 30, 2025 6,996 million yen [951.1%]
Six months ended September 30, 2024 665 million yen [(88.5%)]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2025	Yen 172.48	Yen -
September 30, 2024	28.06	-

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	356,488	193,623	53.6
As of March 31, 2025	353,029	193,660	54.1

(Reference) Equity As of September 30, 2025 191,074 million yen
As of March 31, 2025 191,097 million yen

2. Dividend Status

	Full-year dividend				
	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	Yen -	Yen 60.00			
Fiscal year ending March 31, 2026 (forecast)				-	60.00 120.00

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

3. Consolidated Performance Forecasts 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	225,200	2.6	14,000	49.7	13,600	45.2	10,000	11.0	311.73	

(Note) Revision from the most recently announced performance forecasts: Yes

*Notes

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

(2) Application of Special Accounting Methods for Preparation of Semi-annual 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)	As of September 30, 2025	33,237,017 shares	As of March 31, 2025	33,237,017 shares
	As of September 30, 2025	1,543,383 shares	As of March 31, 2025	254,255 shares
	Six months ended September 30, 2025	32,410,258 shares	Six months ended September 30, 2024	33,613,013 shares

* The semi-annual financial reports are outside of the scope of review by certified public accountants or an audit firm.

* 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 Semi-annual Results" on page 5 of the attached materials for information on the above performance forecasts.

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1. Qualitative Information on Semi-annual Results

(1) Qualitative Information on Consolidated Operating Results

In the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025) (the "period under review"), the Japanese economy was affected by rising prices; however, it continued to experience a moderate recovery, supported by improvements in employment and income conditions as well as the effects of economic measures and other factors.

In the cement industry, domestic demand for cement was 15,354 thousand tons, down 6.1% year on year, due to a chronic labor shortage and over-time work regulations, etc. in the construction industry. On the other hand, exports grew by 10.1% year on year.

As a result, the total sales volume of domestic manufacturers, including exports, decreased by 2.9% year on year to 19,802 thousand tons.

Under these circumstances, based on the "FY2023–25 Medium-Term Management Plan," which ends in the current fiscal year, our group has been implementing 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 105,772 million yen, down 2,841 million yen year on year, and ordinary profit totaled 4,233 million yen, up 2,109 million yen year on year. Profit attributable to owners of the parent increased by 4,647 million yen year on year to 5,590 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 75,190 million yen, a decrease of 2,406 million yen (3.1%) year on year. However, operating profit improved by 1,702 million yen year on year to 37 million yen mainly due to the domestic selling price being raised in response to a cost increase.

2 Mineral Resources

Mainly due to a decrease in the sales volume of limestone for overseas and domestic steel markets, net sales were 8,648 million yen, a decrease of 144 million yen (1.6%) year on year. Operating profit was 1,477 million yen, a decrease of 145 million yen (8.9%) year on year.

3 Cement-Related Products

Net sales decreased by 1,298 million yen (11.0%) year on year to 10,556 million yen mainly due to lower sales volume of concrete structure repair and reinforcement materials as well as a decrease in repair work. Operating profit was 431 million yen, a decrease of 351 million yen (44.9%) year on year.

4 Optoelectronics

Net sales grew by 126 million yen (11.0%) year on year to 1,276 million yen, mainly due to an increase in the sales volume of optoelectronic devices. An operating loss of 69 million yen was recorded, although this represented an improvement of 181 million yen year on year due to cost reductions in optical communication parts and other factors.

5 Advanced Materials

Net sales grew by 1,008 million yen (13.8%) year on year to 8,337 million yen, mainly due to changes in the product mix of electronic materials for semiconductor manufacturing equipment. Operating profit grew by 444 million yen (45.3%) year on year to 1,425 million yen.

6 Other

Net sales decreased by 126 million yen (6.7%) year on year to 1,762 million yen due to decreased software sales, and operating profit decreased by 6 million yen (0.9%) year on year to 742 million yen.

(2) Qualitative Information on Consolidated Financial Status

Total assets at the end of the period under review were 356,488 million yen, up 3,458 million yen from the end of the previous fiscal year. The main changes were a 1,865 million yen decrease in notes and accounts receivable – trade, and contract assets, a 4,457 million yen increase in property, plant and equipment, and a 1,668 million yen increase in investment securities.

Total liabilities at the end of the period under review amounted to 162,865 million yen, up 3,495 million yen from the end of the previous fiscal year. The main changes were a 1,826 million yen increase in electronically recorded liabilities – operating, a 3,000 million yen decrease in commercial papers, and a 5,000 million yen increase in bonds payable (including current portion of bonds payable).

Net assets at the end of the period under review totaled 193,623 million yen, down 36 million yen from the end of the previous fiscal year. The main changes were a 3,606 million yen increase in retained earnings and a 4,965 million yen decrease due to the acquisition of treasury shares.

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

The previous full-year consolidated performance forecast (published on May 13, 2025) is under review. For details, please refer to the "Notice regarding the difference between the performance forecast and actual results for the first half of the fiscal year ending March 31, 2026 and the revision of the full-year performance forecast" announced today (November 11, 2025).

2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto

(1) Semi-annual Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,554	14,977
Notes and accounts receivable – trade, and contract assets	40,992	39,126
Electronically recorded monetary claims – operating	7,912	9,429
Merchandise and finished goods	11,241	11,964
Work in process	70	166
Raw materials and supplies	23,482	22,161
Short-term loans receivable	377	767
Other	3,553	3,101
Allowance for doubtful accounts	(39)	(8)
Total current assets	<u>104,143</u>	<u>101,686</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	183,038	185,916
Accumulated depreciation	(131,306)	(132,905)
Buildings and structures, net	<u>51,731</u>	<u>53,010</u>
Machinery and equipment	508,169	516,125
Accumulated depreciation	(442,082)	(448,000)
Machinery and equipment, net	<u>66,087</u>	<u>68,125</u>
Land	39,067	39,129
Construction in progress	16,280	17,253
Other	40,472	40,926
Accumulated depreciation	(21,849)	(22,198)
Other, net	<u>18,623</u>	<u>18,727</u>
Total property, plant and equipment	<u>191,789</u>	<u>196,247</u>
Intangible assets		
Goodwill	31	15
Other	3,435	3,231
Total intangible assets	<u>3,467</u>	<u>3,247</u>
Investments and other assets		
Investment securities	39,372	41,040
Long-term loans receivable	4,305	3,755
Deferred tax assets	1,014	1,053
Retirement benefit asset	4,171	4,279
Other	4,831	5,318
Allowance for doubtful accounts	(66)	(140)
Total investments and other assets	<u>53,629</u>	<u>55,308</u>
Total non-current assets	<u>248,886</u>	<u>254,802</u>
Total assets	<u>353,029</u>	<u>356,488</u>

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current Liabilities		
Notes and accounts payable - trade	28,266	27,356
Electronically recorded liabilities – operating	2,356	4,183
Short-term borrowings	18,822	17,525
Commercial papers	5,000	2,000
Current portion of long-term borrowings	8,648	8,530
Current portion of bonds payable	-	5,000
Income taxes payable	1,685	1,821
Provision for bonuses	2,688	2,704
Other	16,275	17,792
Total current liabilities	83,742	86,913
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term borrowings	25,863	24,806
Deferred tax liabilities	9,558	11,014
Provision for retirement benefits for directors (and other officers)	125	123
Provision for PCB waste disposal costs	1	1
Retirement benefit liability	1,013	1,008
Provision for share awards	127	101
Asset retirement obligations	263	266
Other	13,672	13,628
Total non-current liabilities	75,626	75,951
Total liabilities	159,369	162,865
Net assets		
Shareholders' equity		
Share capital	41,654	41,654
Capital surplus	10,466	10,466
Retained earnings	119,737	123,343
Treasury shares	(992)	(5,958)
Total shareholders' equity	170,865	169,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,394	19,914
Foreign currency translation adjustment	451	318
Remeasurements of defined benefit plans	1,385	1,334
Total other accumulated comprehensive income	20,231	21,567
Non-controlling interests	2,562	2,549
Total net assets	193,660	193,623
Total liabilities and net assets	353,029	356,488

(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	108,613	105,772
Cost of sales	86,034	81,008
Gross profit	22,579	24,763
Selling, general and administrative expenses	20,299	20,644
Operating profit	2,280	4,119
Non-operating income		
Interest income	77	60
Dividend income	733	600
Share of profit of entities accounted for using the equity method	-	95
Rental income	95	67
Other	279	353
Total non-operating income	1,186	1,177
Non-operating expenses		
Interest expenses	471	586
Foreign exchange losses	285	28
Share of loss of entities accounted for using the equity method	216	-
Other	368	448
Total non-operating expenses	1,342	1,063
Ordinary profit	2,124	4,233
Extraordinary income		
Gain on sale of non-current assets	43	434
Gain on sale of investment securities	0	3,529
Total extraordinary income	43	3,963
Extraordinary losses		
Loss on retirement of non-current assets	244	360
Loss on sale of non-current assets	1	0
Impairment losses	14	-
Total extraordinary losses	260	360
Profit before income taxes	1,907	7,836
Income taxes – current	1,088	1,443
Income taxes – deferred	(205)	733
Total income taxes	882	2,176
Profit	1,024	5,659
Profit attributable to non-controlling interests	81	69
Profit attributable to owners of the parent	943	5,590

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,024	5,659
Other comprehensive income		
Valuation difference on available-for-sale securities	(555)	1,517
Foreign currency translation adjustment	169	(87)
Remeasurements of defined benefit plans	(65)	(50)
Share of other comprehensive income of entities accounted for using the equity method	92	(42)
Total other comprehensive income	(358)	1,336
Comprehensive income	665	6,996
Comprehensive income attributable to:		
Owners of the parent	584	6,926
Non-controlling interests	80	70

(3) Semi-annual Consolidated Statement of Cash Flow

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flow from operating activities		
Profit before income taxes	1,907	7,836
Depreciation	10,639	11,176
Impairment losses	14	-
Amortization of goodwill	15	15
Increase (decrease) in allowance for doubtful accounts	(29)	43
Interest and dividend income	(811)	(660)
Interest expenses	471	586
Foreign exchange (gains) losses	164	34
Share of loss (profit) of entities accounted for using equity method	216	(95)
Loss(gain) on sale of non-current assets	(41)	(434)
Loss(gain) on sale of investment securities	(0)	(3,529)
Decrease (increase) in trade receivables	370	461
Decrease (increase) in inventories	(637)	510
Increase (decrease) in trade payables	4,560	920
Other,net	(4,260)	(369)
Subtotal	12,581	16,495
Interest and dividends received	810	654
Interest paid	(466)	(567)
Income taxes paid	(2,734)	(1,077)
Cash flow from operating activities	10,190	15,505
Cash flow from investing activities		
Purchase of non-current assets	(13,071)	(14,065)
Proceeds from sale of non-current assets	66	476
Purchase of investment securities	(3)	(3)
Proceeds from sale of investment securities	0	4,189
Loan advances	(110)	(700)
Proceeds from collection of loans receivable	252	680
Other,net	(23)	(5)
Cash flow from investing activities	(12,889)	(9,428)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(490)	(1,297)
Proceeds from long-term borrowings	1,500	3,350
Repayment of long-term borrowings	(4,222)	(4,524)
Proceeds from issuance of bonds	5,000	5,000
Proceeds from issuing commercial papers	22,000	14,000
Redemption of commercial papers	(17,000)	(17,000)
Proceeds from sale of treasury shares	13	43
Purchase of treasury shares	(5,009)	(5,009)
Dividends paid	(2,057)	(1,984)
Dividends paid to non-controlling interests	(67)	(83)
Other,net	(42)	(47)
Cash flow from financing activities	(376)	(7,552)
Effect of exchange rate change on cash and cash equivalents	147	(99)
Net increase (decrease) in cash and cash equivalents	(2,927)	(1,576)
Cash and cash equivalents at beginning of period	18,662	16,511
Cash and cash equivalents at end of period	15,734	14,935

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

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

Treasury shares increased by 4,965 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 5,958 million yen at the end of the period under review.

(Segment Information, etc.)

I Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Information on Net Sales and Profit or Loss by Reportable Segment

(Millions of yen)

	Reportable segments							Note 1 Adjustment	Note 2 Amount recorded in semi-annual consolidated statement of income
	Cement	Mineral Resources	Cement- Related Products	Opto- electronics	Advanced Materials	Other	Total		
Net sales									
(1) Net sales to external customers	77,597	8,793	11,855	1,149	7,328	1,888	108,613	-	108,613
(2) Intersegment sales and transfer	1,915	1,383	1,318	3	-	2,550	7,171	(7,171)	-
Total	79,513	10,176	13,173	1,153	7,328	4,438	115,784	(7,171)	108,613
Segment profit (loss)	(1,665)	1,623	783	(250)	981	749	2,221	59	2,280

(Notes)1. "Adjustment" of segment profit (loss) of 59 million yen represents the elimination of intersegment transactions.

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

II Six months ended September 30, 2025 (April 1, 2025 to September 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 semi-annual consolidated statement of income
	Cement	Mineral Resources	Cement- Related Products	Opto- electronics	Advanced Materials	Other	Total		
Net sales									
(1) Net sales to external customers	75,190	8,648	10,556	1,276	8,337	1,762	105,772	-	105,772
(2) Intersegment net sales and transfer	1,618	1,648	964	-	-	2,425	6,656	(6,656)	-
Total	76,809	10,296	11,521	1,276	8,337	4,187	112,428	(6,656)	105,772
Segment profit (loss)	37	1,477	431	(69)	1,425	742	4,046	72	4,119

(Notes)1. "Adjustment" of segment profit (loss) of 72 million yen represents the elimination of intersegment transactions.

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

3. Supplementary Information

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

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025	YoY change	
			Amount	%
Cement	77,597	75,190	(2,406)	(3.1)
Mineral Resources	8,793	8,648	(144)	(1.6)
Cement-Related Products	11,855	10,556	(1,298)	(11.0)
Optoelectronics	1,149	1,276	126	11.0
Advanced Materials	7,328	8,337	1,008	13.8
Other	1,888	1,762	(126)	(6.7)
Net sales for external customers	108,613	105,772	(2,841)	(2.6)
Cement	(1,665)	37	1,702	-
Mineral Resources	1,623	1,477	(145)	(8.9)
Cement-Related Products	783	431	(351)	(44.9)
Optoelectronics	(250)	(69)	181	-
Advanced Materials	981	1,425	444	45.3
Other	749	742	(6)	(0.9)
Adjustment amount	59	72	13	23.1
Operating profit	2,280	4,119	1,839	80.7
Non-operating income	1,186	1,177	(8)	(0.7)
Non-operating expenses	1,342	1,063	(278)	(20.8)
Non-operating income (expenses), net	(155)	114	269	-
Ordinary profit	2,124	4,233	2,109	99.3
Extraordinary income	43	3,963	3,920	-
Extraordinary losses	260	360	100	38.5
Extraordinary income (losses), net	(217)	3,603	3,820	-
Profit attributable to owners of the parent	943	5,590	4,647	492.8