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November 11, 2025

Notice Regarding Disposal of Treasury Shares as Restricted Stock Incentives for the Employee Shareholding Association

Taiheiyo Cement Corporation (hereinafter the “Company”) hereby announces that, at a meeting of its Board of Directors held today, it resolved to introduce a Restricted Stock Incentive Plan (hereinafter the “Plan”) for employees of the Company. Pursuant to the Plan, the Company also resolved to dispose of treasury shares in the form of restricted stock (hereinafter the “Disposal of Treasury Shares”), with the Taiheiyo Cement Employee Shareholding Association (hereinafter the “Shareholding Association”) as the planned allottee, as described below.

1. Overview of Disposal

(1) Payment Date	March 13, 2026
(2) Type and Number of Shares to be Disposed	179,130 shares of the Company’s common stock (Note)
(3) Disposal Price	4,084 yen per share
(4) Total Disposal Amount	731,566,920 yen (Note)
(5) Method of Disposal (Allottee)	Third-party allotment to the Association (Taiheiyo Cement Employee Shareholding Association : 179,130 shares)
(6) Other	Extraordinary report has been filed in accordance with the Financial Instruments and Exchange Act.

Note: The number of shares and total amount are based on the assumption that 2,559 eligible employees will each be granted 70 shares. Final figures will be determined based on the number of members following promotion and confirmation of consent.

2. Purpose and Rationale

The Plan aims to enhance employees’ awareness of the Company’s stock price and business performance, thereby motivating individual performance improvement through the granting of restricted shares to consenting employees with consent of the plan.

3. Summary of the Plan

Under the Plan, the Company will provide monetary claims (hereinafter referred to as the “Special Incentive Bonus”) to eligible employees as a special incentive for the grant of restricted stock. The eligible employees will contribute the Special Incentive Bonus to the Taiheiyo Cement Employee Shareholding Association, which will then make an in-kind contribution of the entire amount of the Special Incentive Bonus to the Company. In return,

the Company will issue or dispose of shares of its common stock as restricted stock to the Shareholding Association.

The paid-in amount per share for the restricted stock will be determined by resolution of the Company's Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant resolution (or, if no trading occurred on that day, the closing price on the most recent trading day prior thereto), ensuring that the amount is not particularly favorable to the Shareholding Association.

The Company and the Shareholding Association will enter into a restricted stock allotment agreement that includes the following terms: (i) a restriction on the transfer, creation of security interests, or other disposition of the allotted restricted stock for a certain period (hereinafter referred to as the "Transfer Restriction" in this Section 3); and (ii) the Company's right to acquire the allotted restricted stock without compensation under certain conditions. The payment of the Special Incentive Bonus to eligible employees will be conditional upon the execution of the restricted stock allotment agreement between the Company and the Shareholding Association.

Furthermore, in accordance with the Articles of Incorporation and operational rules of the Shareholding Association (hereinafter referred to as the "Shareholding Association Rules," see Note), eligible employees will be restricted from withdrawing their membership interests in the restricted stock (hereinafter referred to as the "Restricted Stock Interests") corresponding to the restricted stock acquired by the Shareholding Association through issuance or disposal by the Company, until the Transfer Restriction on such stock is lifted.

Note: The Shareholding Association plans to propose amendments to the Shareholding Association Rules to accommodate the Plan at its Board of Directors meeting scheduled for November 11, 2025. These amendments will be publicly announced to members of the Shareholding Association. If written objections are received from one-third or fewer of the members, the amendments will become effective two weeks after the date of the announcement. An outline of the amended Shareholding Association Rules is provided in Section 5 below.

Under the Disposal of Treasury Shares, the Company will dispose of shares of its common stock to the Shareholding Association, which will make an in-kind contribution of the entire amount of the Special Incentive Bonus contributed by eligible employees, in accordance with the Plan. An outline of the restricted stock allotment agreement (hereinafter referred to as the "Allotment Agreement") to be executed between the Company and the Shareholding Association in connection with the Disposal of Treasury Shares is provided in Section 4 below. The number of shares to be disposed of under the Disposal of Treasury Shares will be determined at a later date, as noted in (Note) of Section 1, but is expected to be up to a maximum of 179,130 shares. Based on this maximum number, the dilution ratio would be approximately 0.15% of the total number of issued shares as of March 31, 2025 (118,191,578 shares), and approximately 0.16% of the total number of voting rights (1,108,238), which is considered minor and reasonable in light of the purpose of the Plan.

The implementation of the Disposal of Treasury Shares is conditional upon the effectiveness of the amended Shareholding Association Rules by the day prior to the payment date for the Disposal of Treasury Shares.

4. Outline of the Allocation Agreement

(1) Transfer Restriction Period

From March 13, 2026 to June 10, 2029

During the above-defined transfer restriction period (hereinafter referred to as the “Transfer Restriction Period”), the Shareholding Association, as the planned allottee, shall not transfer, creation of security interests, or otherwise dispose of the shares of the Company’s common stock allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) (such restriction hereinafter referred to as the “Transfer Restriction”).

(2) Acquisition of Restricted Stock Without Compensation

Immediately after the expiration of the Transfer Restriction Period (hereinafter referred to as the “Expiration Date”), the Company shall automatically acquire without compensation all Allotted Shares for which the Transfer Restriction has not been lifted. In such cases, the Company shall notify the Shareholding Association and the eligible employees of the acquisition and the number of Allotted Shares to be acquired. The Shareholding Association shall, in accordance with the Shareholding Association Rules, deduct from the Restricted Stock Interests held by the eligible employees the portion corresponding to the Allotted Shares to be acquired.

(3) Lifting of Transfer Restrictions

Provided that an eligible employee has continuously remained a member of the Shareholding Association throughout the Transfer Restriction Period, the Company shall lift the Transfer Restriction on all Allotted Shares corresponding to the Restricted Stock Interests held by such eligible employee as of the Expiration Date. In such cases, the Company shall notify the Shareholding Association of the lifting of the Transfer Restriction and the number of Allotted Shares subject to such lifting. The Shareholding Association shall, in accordance with the Shareholding Association Rules, convert the portion of the Restricted Stock Interests corresponding to the Allotted Shares for which the Transfer Restriction has been lifted into the employee’s ordinary shareholding interest (hereinafter referred to as the “Ordinary Shareholding Interest”) not subject to the Plan.

(4) Treatment Upon Withdrawal from the Shareholding Association

If an eligible employee withdraws from the Shareholding Association during the Transfer Restriction Period due to retirement or other reasons deemed legitimate by the Company’s Board of Directors (including loss of membership, voluntary withdrawal, or death; hereinafter the same), or is assigned to an overseas post, the Company shall lift the Transfer Restriction on all Allotted Shares corresponding to the Restricted Stock Interests held by the employee as of the date on which the Shareholding Association accepts the withdrawal application or the date of the overseas assignment order (or, in the case of loss of membership or death, the date on which the Company becomes aware of such event; hereinafter referred to as the “Withdrawal Acceptance Date, etc.”). In such cases, the Company shall notify the Shareholding Association of the lifting of the Transfer Restriction and the number of Allotted Shares subject to such lifting. The Shareholding Association, in accordance with the Shareholding Association Rules, convert the portion of the Restricted

Stock Interests corresponding to the Allotted Shares for which the Transfer Restriction has been lifted into the employee's Ordinary Shareholding Interest.

(5) Management of Shares

To ensure compliance with the Transfer Restriction, the Allotted Shares shall be managed in a dedicated account opened by the Shareholding Association with SMBC Nikko Securities Inc. during the Transfer Restriction Period. In addition, the Shareholding Association shall, in accordance with the Shareholding Association Rules, separately register and manage the Restricted Stock Interests and the Ordinary Shareholding Interests held by eligible employees in relation to the Allotted Shares.

(6) Treatment in the Event of Organizational Restructuring

If, during the Transfer Restriction Period, a merger agreement under which the Company will cease to exist, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or any other organizational restructuring is approved at a general meeting of shareholders of the Company (or by the Board of Directors, if shareholder approval is not required), the Company may, by resolution of the Board of Directors, lift the Transfer Restriction on all Allotted Shares corresponding to the Restricted Stock Interests held by eligible employees as of the business day immediately preceding the effective date of such restructuring.

5. Outline of the Shareholding Association Rules

In conjunction with the introduction of the Plan, the Shareholding Association, as the planned allottee, intends to amend its rules and related operational guidelines to include, in essence, the following provisions:

(1) Contribution of the Special Incentive Bonus to the Shareholding Association

When the Company intends to conduct a third-party allotment (hereinafter referred to as the "Designated Third-Party Allotment") to the Shareholding Association under the Plan, eligible employees shall receive monetary claims from the Company as a Special Incentive Bonus and contribute such claims to the Shareholding Association as capital for the Designated Third-Party Allotment. The Shareholding Association shall enter into the Allotment Agreement with the Company and make an in-kind contribution of the entire amount of the monetary claims received from eligible employees to the Company, in exchange for the issuance or disposal of the Company's common stock as restricted stock.

(2) Restrictions on Withdrawal of Restricted Stock Interests

The Shareholding Association shall separately register and manage the Restricted Stock Interests and Ordinary Shareholding Interests held by eligible employees in relation to the Allotted Shares. Until the Transfer Restriction on the Allotted Shares is lifted in accordance with the Allotment Agreement, eligible employees shall not be permitted to withdraw their registered Restricted Stock Interests (hereinafter referred to as the "Withdrawal Restriction"), nor shall they be allowed to transfer, creation of security interests, or otherwise dispose of such interests.

(3) Lifting of Withdrawal Restrictions on Restricted Stock Interests

Upon receiving notice from the Company under the Allotment Agreement that the Transfer Restriction on the Allotted Shares has been lifted, the Shareholding Association shall lift the Withdrawal Restriction on the

corresponding Restricted Stock Interests held by the eligible employees and convert such interests into Ordinary Shareholding Interests.

(4) Deduction of Restricted Stock Interests

Upon receiving notice from the Company under the Allotment Agreement regarding the acquisition without compensation of the Allotted Shares, the Shareholding Association shall deduct the corresponding portion of the Restricted Stock Interests held by the eligible employees.

(5) Treatment in the Event of Organizational Restructuring

Upon receiving notice from the Company under the Allotment Agreement that the Transfer Restriction on the Allotted Shares will be lifted due to an organizational restructuring, the Shareholding Association shall lift the Withdrawal Restriction on the corresponding Restricted Stock Interests held by the eligible employees and convert such interests into Ordinary Shareholding Interests.

6. Basis for Disposal Price Calculation

The disposal price for the treasury shares in this Disposal of Treasury Shares has been set at ¥4,084, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution (November 10, 2025). This price reflects the most recent market value prior to the resolution date and is considered reasonable and free from arbitrariness.

Furthermore, this price represents a deviation of 1.31% (rounded to the third decimal place; the same applies hereinafter in the calculation of deviation rates) from the simple average closing price of the Company's common stock on the Tokyo Stock Exchange over the one-month period from October 14, 2025 to November 10, 2025, which was ¥4,031 (rounded down to the nearest yen; the same applies hereinafter in the calculation of average prices). It also represents a deviation of 2.61% from the three-month average closing price from August 12, 2025 to November 10, 2025, which was ¥3,980, and a deviation of 6.86% from the six-month average closing price from May 12, 2025 to November 10, 2025, which was ¥3,822. Based on these comparisons, the Company has determined that the disposal price is not particularly favorable to the Shareholding Association.

7. Compliance with Corporate Governance Procedures

This Disposal of Treasury Shares does not require obtaining an opinion from an independent third party or confirming shareholder intent, as stipulated in Article 432 of the Tokyo Stock Exchange's Securities Listing Regulations, because (i) the dilution ratio is less than 25%, and (ii) the transaction does not involve any change in the controlling shareholder.

[Reference] Mechanism of the Plan

- (1) The Company grants monetary claims to the eligible employees
- (2) The eligible employees contribute the claims to the Shareholding Association
- (3) The Shareholding Association pays the Company
- (4) The Company allocates restricted shares to the Shareholding Association
- (5) Shares are deposited in restricted accounts and restricted withdrawals
- (6) Once restrictions are lifted, shares may be withdrawn

