

Note: This document is a translated version of the Japanese original. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



February 10, 2026

**Notice Regarding the Recording of Impairment Losses on a Consolidated
Subsidiary in the Philippines (Consolidated) and Loss on Valuation of Shares
of Subsidiaries and Associates (Non-consolidated) on the Said Subsidiary, and
the Revision of Financial Results Forecasts
for the Fiscal Year Ending March 31, 2026**

Taiheiyo Cement Corporation hereby announces that we have recorded impairment losses related to non-current assets of a consolidated subsidiary in the Philippines (consolidated) and a loss on valuation of shares of subsidiaries and associates on the said subsidiary (non-consolidated) for the nine months of the fiscal year ending March 31, 2026 (from April 1, 2025 to December 31, 2025). In conjunction with this, we also announce that we have revised our consolidated financial results forecasts for the fiscal year ending March 31, 2026 (announced on November 11, 2025) and non-consolidated financial results forecasts for the fiscal year ending March 31, 2026 (announced on May 13, 2025) as follows.

There is no revision to the forecast for dividends previously announced.

1. The recording of impairment losses (consolidated)

We have reviewed the business plan for Taiheiyo Cement Philippines, Inc., which is our consolidated subsidiary and operates cement manufacturing and sales business in the Philippines, considering rising interest rates and sluggish demand after the impact from the COVID-19 pandemic. Alongside this, we have conducted an impairment test and, as a result, recorded impairment losses of 24.4 billion yen as extraordinary losses in the consolidated financial results for the nine months of the fiscal year ending March 31, 2026 (from April 1, 2025 to December 31, 2025). The impairment losses relate mainly to plant buildings and machinery equipment for manufacturing.

Overview of the said subsidiary

1. Name	Taiheiyo Cement Philippines, Inc.
2. Location	Cebu City, the Philippines
3. Representative's title and name	General Director, Takashi Miyashita
4. Business description	Manufacturing and sales of cement
5. Capital	16,090 million Philippine Peso (as of December 31, 2025)
6. Investing company and equity ratios	Taiheiyo Cement Corporation (100%)

2. The recording of loss on valuation of shares of subsidiaries and associates (non-consolidated)

As a result of a significant decline in the real value of the said subsidiary's shares due to the recording of impairment losses stated above, loss on valuation of shares of subsidiaries and associates of 37.8 billion yen has been recorded as extraordinary losses in the non-consolidated financial results for the nine months of the fiscal year ending March 31, 2026 (from April 1, 2025 to December 31, 2025).

As the loss on valuation of shares of subsidiaries and associates recorded is eliminated on consolidation, it has no impact on consolidated financial results.

3. Revised forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Consolidated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	906,000	70,000	68,000	45,000	403.75
Revised forecast (B)	906,000	70,000	69,000	17,000	152.52
Change (B-A)	0	0	1,000	(28,000)	
Change (%)	0.0	0.0	1.5	(62.2)	
(Reference) Results for the fiscal year ended March 31, 2025	896,295	77,750	75,374	57,428	502.48

(Non-consolidated)

	Net sales	Ordinary profit	Profit	Basic earnings per share
	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	355,000	44,000	40,000	358.10
Revised forecast (B)	342,000	44,000	1,000	8.95
Change (B-A)	(13,000)	0	(39,000)	
Change (%)	(3.7)	0.0	(97.5)	
(Reference) Results for the fiscal year ended March 31, 2025	333,466	38,154	17,297	150.98

4. Reasons for the revision of financial results forecasts for the fiscal year ending March 31, 2026

(Consolidated)

Ordinary profit is expected to be higher than the previous forecast mainly due to the recording of foreign exchange gains.

Profit attributable to owners of parent is expected to be lower than the previous forecast mainly due to the recording of impairment losses of 24.4 billion yen as extraordinary losses, as described in "1. The recording of impairment losses (consolidated)" above.

(Non-consolidated)

Net sales are expected to be lower than the previous forecast due to a decline in domestic demand.

Profit is expected to be lower than the previous forecast mainly due to the recording of loss on valuation of shares of subsidiaries and associates of 37.8 billion yen as extraordinary losses, as described in “2. The recording of loss on valuation of shares of subsidiaries and associates (non-consolidated)” above.

* The above forecasts are based on information currently available to us and certain assumptions that we believe to be reasonable. Actual results may differ significantly from these forecasts due to various factors, including economic conditions, market demand, raw material and fuel prices, and exchange rates.

5. Outlook for the Philippines business

There has been no change in our outlook for the cement market in the Philippines, where we expect demand to continue expanding over the medium- to long-term in line with the Philippines’ economic growth. While continuing to position Taiheiyo Cement Philippines, Inc. as an essential foundation for strengthening business bases in Southeast Asia, we will pursue various initiatives, including cost reductions and sales volume increases, to improve earnings, which is an urgent priority.