Explanatory Materials for Financial Results
(For Fiscal Year Ended March 31, 2026)

May 13, 2026

SUMITOMO OSAKA CEMENT

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1. FY2025 (Fiscal Year Ended March 31, 2026) Key Points of Financial Results

▶ **Despite tough conditions in domestic cement demand, operating profit increased partly due to the impact of price hikes.**

▶ **Although the FY2023–25 Medium-term Management Plan targets were unachieved, profit significantly improved from operating loss in FY2022.**

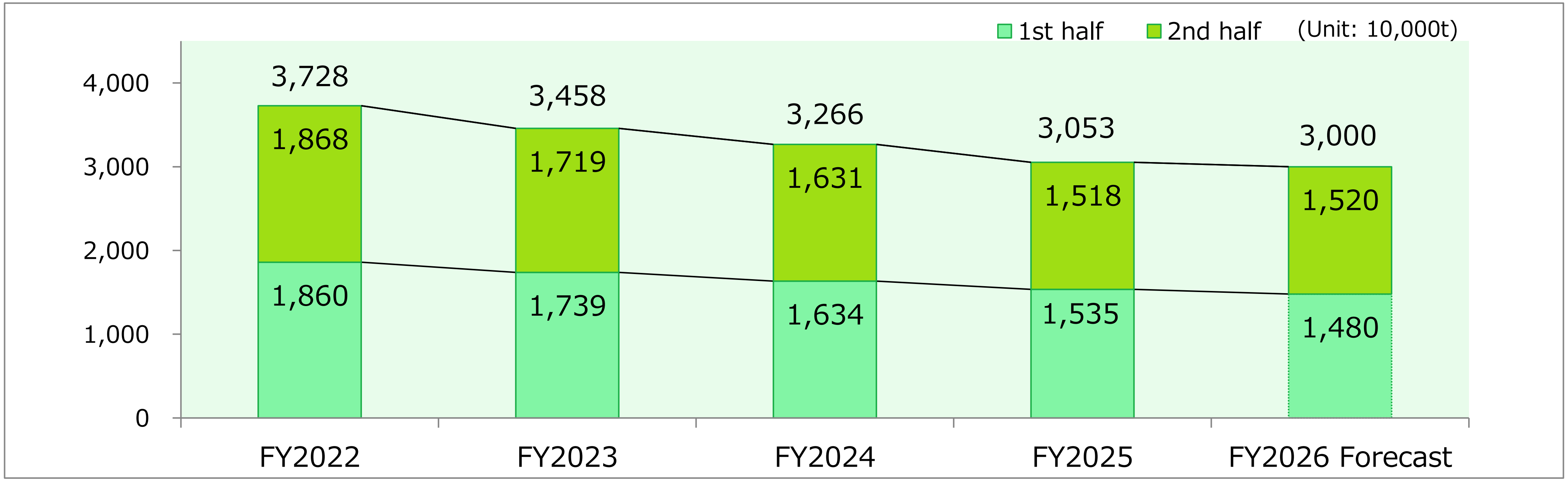
Net sales	Operating profit	ROE	ROIC	Total return ratio
(FY2025 Results) **223,700mn yen** **+1.9% YoY**	(FY2025 Results) **13,600mn yen** **+45.9% YoY**	(FY2025 Results) **5.8%** **+1.1pp YoY**	(FY2025 Results) **3.3%** **+1.0pp YoY**	(FY23-25 average results) **62.0%**
Medium-term Management Plan (FY2025 Target) 235,000mn yen	Medium-term Management Plan (FY2025 Target) 21,400mn yen	Medium-term Management Plan (FY2025 Target) 8.0% or higher	Medium-term Management Plan (FY2025 Target) 5.0% or higher	Medium-term Management Plan (FY23-25 Average) 50% or higher

Key points

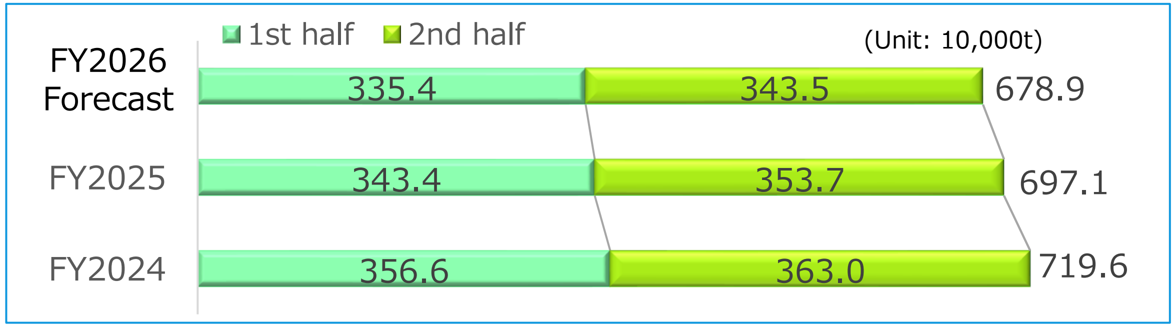
- The Cement business saw higher profit year on year owing to the impact of domestic selling price hikes and a decline in coal prices.
- The Advanced Materials business saw higher profit year on year due to the lineup of electrostatic chucks.
- Both ROE and ROIC improved year on year although falling short of the Medium-term Management Plan targets.
- A dividend per share was 120 yen. Three-year average total return ratio was 62%, exceeding the Medium-term Management Plan target.

2. Domestic Cement Demand / Our Sales Volume

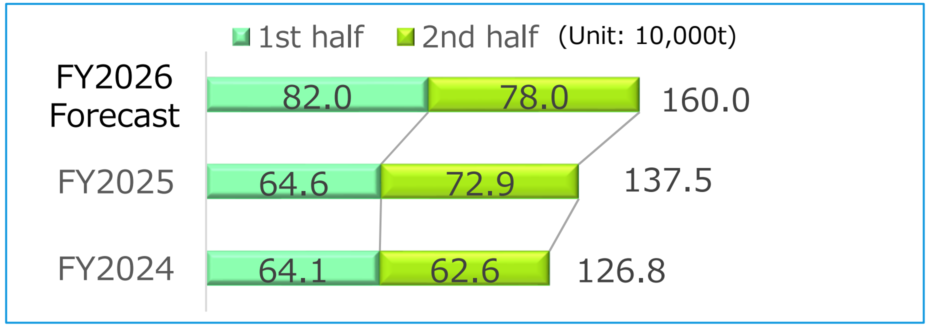
Domestic cement demand



Our domestic sales volume



Our export volume



3. FY2025 Financial Summary

Year on year

① Net sales

・Increased due to domestic cement selling price hikes and an increase in the share of the new models of electrostatic chucks in total sales volume in the Advanced Materials business

② Operating profit

・Increased in the Cement business due to the impact of price hikes and a decline in coal prices

・Increased in the Advanced Materials business due to lineup of electrostatic chucks

③ Non-operating income/expenses, net

・Increased due to improved foreign exchange gains/losses

④Extraordinary income/losses, net

・Decreased due to the recording of impairment losses associated with the closure of the Ako power plant, among other factors

Unit: 100 million yen

	FY2024	FY2025	YoY Change	YoY Change Rate	vs. Forecast (Nov. 11)
Net sales	2,195	2,237	42	+1.9%	-15
Operating profit (Cement business only)	93.5 (8.8)	136.5 (55.0)	43.0 (46.2)	+45.9% (+526.0%)	-3.5 (5.0)
Operating profit margin	4.3%	6.1%	+1.8pp		
Non-operating income/expenses, net	0.2	7.6	7.4		11.6
Ordinary profit	93.7	144.1	50.4	+53.8%	8.1
Extraordinary income/losses, net	34.1	16.4	-17.7		21.4
Profit attributable to owners of the parent	90.1	112.1	22.0	+24.5%	12.1
Dividend per share	120 yen	120 yen	–	–	–

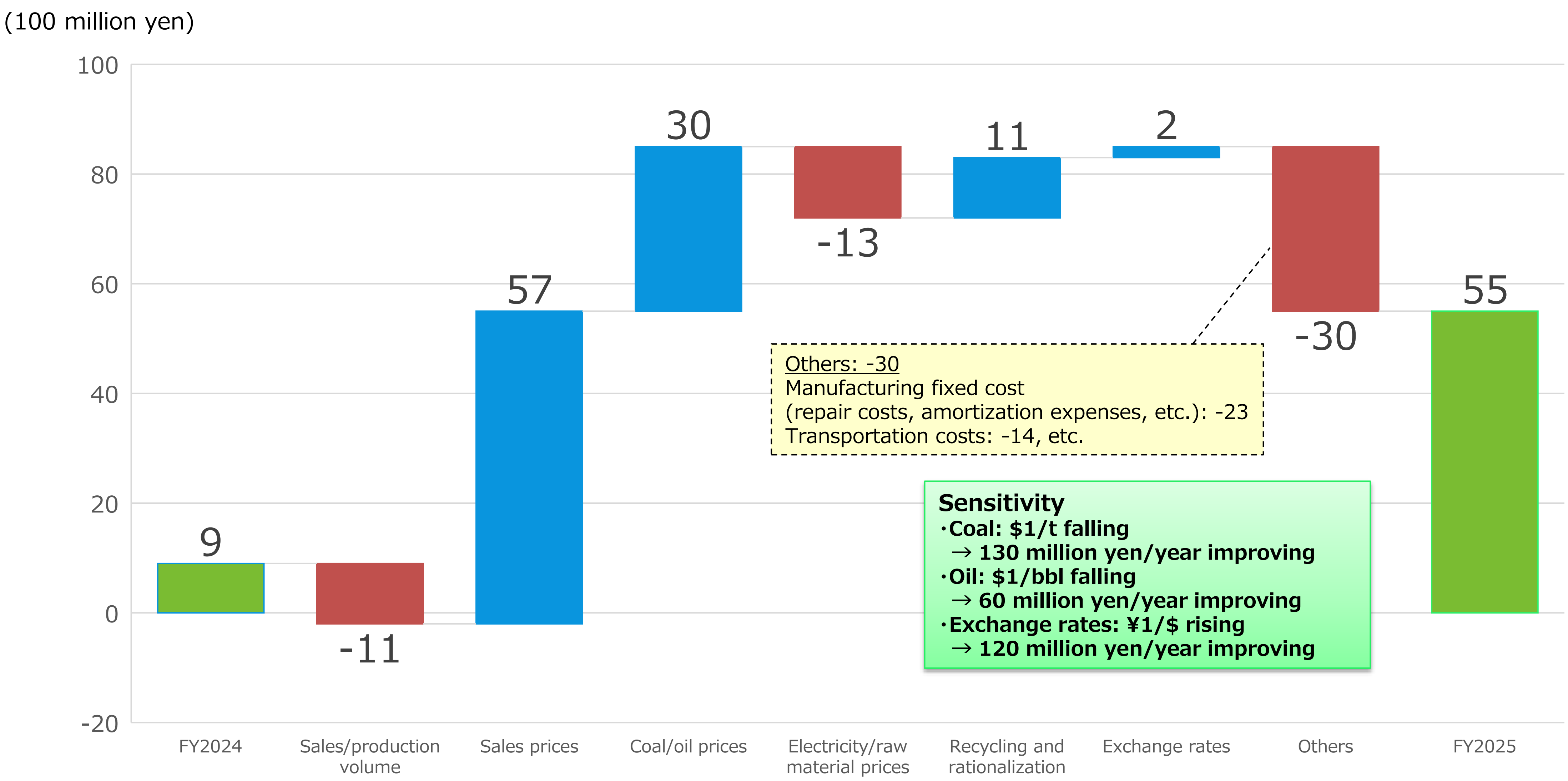
3. FY2025
Sales and Income by Segment (Year-on-year)

Unit: 100 million yen

	FY2024			FY2025			YoY Change			
	Net sales	**Operating profit**	Operating profit margin	**Net sales**	**Operating profit**	Operating profit margin	**Net sales**	Change rate	**Operating profit**	Change rate
Cement	**1,564**	**8.8**	0.6%	**1,588**	**55.0**	3.5%	**24**	1.5%	**46.2**	526.0%
Mineral Resources	**174**	**31.5**	18.1%	**175**	**29.9**	17.1%	**1**	0.8%	**-1.6**	-5.2%
Cement-Related Products	**236**	**18.4**	7.8%	**230**	**14.8**	6.4%	**-6**	-2.4%	**-3.6**	-19.5%
Advanced Materials	**157**	**22.6**	14.4%	**181**	**24.8**	13.7%	**24**	15.3%	**2.1**	9.5%
Optoelectronics	**25**	**-3.6**	-14.2%	**27**	**-0.6**	-2.1%	**2**	8.9%	**3.0**	–
Other	**39**	**16.2**	41.7%	**36**	**13.9**	39.2%	**-3**	-8.3%	**-2.2**	-13.8%
Total	**2,195**	**93.5**	4.3%	**2,237**	**136.5**	6.1%	**42**	1.9%	**43.0**	45.9%

3. FY2025

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



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

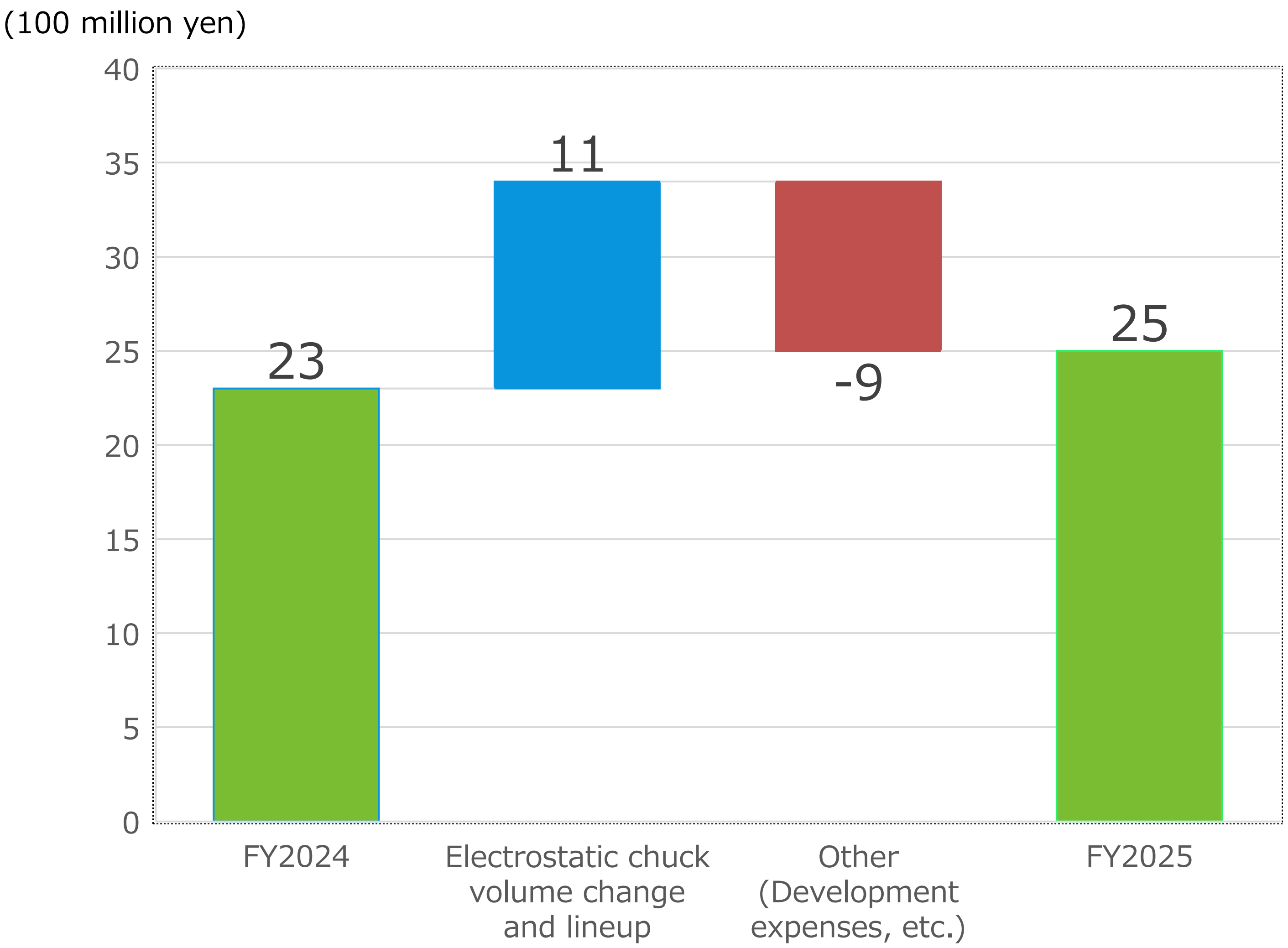
3. FY2025
Earnings of Mineral Resources and Cement-Related Products

Unit: 100 million yen

	FY2024	FY2025	YoY Change	
Mineral Resources				**Higher revenue, lower income**
Net sales	**174**	**175**	**1**	・Higher revenue due to price hikes, but lower income due to increased mining costs
Operating profit	**31.5**	**29.9**	**-1.6**	
Cement-Related Products				**Lower revenue and income**
Net sales	**236**	**230**	**-6**	・Lower revenue and income due to a decrease in sales volume of concrete structure repair/reinforcement materials
Operating profit	**18.4**	**14.8**	**-3.6**	

3. FY2025

Breakdown of Changes in Operating Profit from Advanced Materials Business (Year-on-year)



4. FY2026 (Fiscal Year Ending March 31, 2027) Key Points of Earnings Forecast

- As for operating profit and ordinary profit in the first fiscal year of the new Medium-term Management Plan, both are expected to increase, driven by higher sales volume of electrostatic chucks in the High-Performance Products business.
- Profit attributable to owners of the parent is expected at 10,000 million yen due to a negative backlash following the recording of a gain on sale of cross-shareholdings in the previous period.

Net sales	Operating profit	ROE	ROIC	Total return ratio
(FY2026 Forecast) **234,500mn yen** **+4.8% YoY**	(FY2026 Forecast) **15,000mn yen** **+9.9% YoY**	(FY2026 Forecast) **5.0%** **-0.8pp YoY**	(FY2026 Forecast) **3.5%** **+0.2pp YoY**	(FY2026 Forecast) **38%**
Medium-term Management Plan (FY2028 Target) 255,500mn yen	Medium-term Management Plan (FY2028 Target) 27,000mn yen	Medium-term Management Plan (FY2028 Target) 9.0% or higher	Medium-term Management Plan (FY2028 Target) 6.0% or higher	Medium-term Management Plan (FY26-28 Average) 50% or higher

Key points

- We expect profit to decline in the Cement business, factoring in cost deterioration due to soaring energy prices.
- We expect profit to increase in the High-Performance Products business due to an increase in sales volume of electrostatic chucks alongside a recovery of semiconductor demand.
- While expecting a turnaround in ROIC due to an increase in operating profit, we strive to further improve it toward the target together with ROE.
- The dividend forecast is 120 yen per share.

4. FY2026 Earnings Forecast (Year-on-year)

Year on year

① **Net sales**
- Expected to increase due to an increase in sales volume of electrostatic chucks in the High-Performance Products business

② **Operating profit**
- Expected to decrease in the Cement business due to higher coal and oil prices
- Expected to increase in the High-Performance Products business due to an increase in sales volume of electrostatic chucks

③ **Non-operating income/expenses, net**
- Factors in an increase in interest expenses and a negative backlash following the foreign exchange gains/losses in the previous period

④**Extraordinary income/losses, net**
- Factors in a negative backlash following the recording of a gain on sale of cross-shareholdings in the previous period

⑤**Dividend per share**
- Unchanged

*FY2026 Forecast
Exchange rate: ¥155/$ (FY25 Average: ¥150/$)
Coal (CIF): $140/t (FY25 $135/t)

Unit: 100 million yen

	FY2025 Results	FY2026 Forecast	YoY Change	YoY Change Rate
Net sales	**2,237**	**2,345**	**108**	4.8%
Operating profit **(Cement business only)**	**136.5** **(55.0)**	**150.0** **(50.0)**	**13.5** **(-5.0)**	+9.9% (-9.0%)
Operating profit margin	6.1%	6.4%	+0.3pp	
Non-operating income/expenses, net	**7.6**	**-5.0**	**-12.6**	
Ordinary profit	**144.1**	**145.0**	**0.9**	+0.7%
Extraordinary income/losses, net	**16.4**	**-4.0**	**-20.4**	
Profit attributable to owners of the parent	**112.1**	**100.0**	**-12.1**	-10.8%
Dividend per share	**120 yen**	**120 yen**	**–**	

4. FY2026 Earnings Forecast

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

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Unit: 100 million yen

	FY2025 Results			FY2026 Forecast			Change			
	Net sales	**Operating profit**	Operating profit margin	**Net sales**	**Operating profit**	Operating profit margin	**Net sales**	Change rate	**Operating profit**	Change rate
Cement	**1,588**	**55.0**	3.5%	**1,590**	**50.0**	3.1%	**2**	0.1%	**-5.0**	-9.0%
Mineral Resources	**175**	**29.9**	17.1%	**190**	**30.0**	15.8%	**15**	8.5%	**0.1**	0.5%
Cement-Related Products	**230**	**14.8**	6.4%	**240**	**15.0**	6.3%	**10**	4.3%	**0.2**	1.3%
High-Performance Products	**208**	**24.2**	11.6%	**283**	**42.0**	14.8%	**75**	36.0%	**17.8**	73.4%
Advanced Materials	**181**	**24.8**	13.7%	**255**	**42.0**	16.5%	**74**	41.1%	**17.2**	69.4%
Optoelectronics	**27**	**-0.6**	-2.1%	**28**	**0.0**	0.0%	**1**	2.5%	**0.6**	–
Other	**36**	**13.9**	39.2%	**42**	**13.0**	31.0%	**6**	18.2%	**-0.9**	-6.7%
Total	**2,237**	**136.5**	6.1%	**2,345**	**150.0**	6.4%	**108**	4.8%	**13.5**	9.9%

4. FY2026 Earnings Forecast

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

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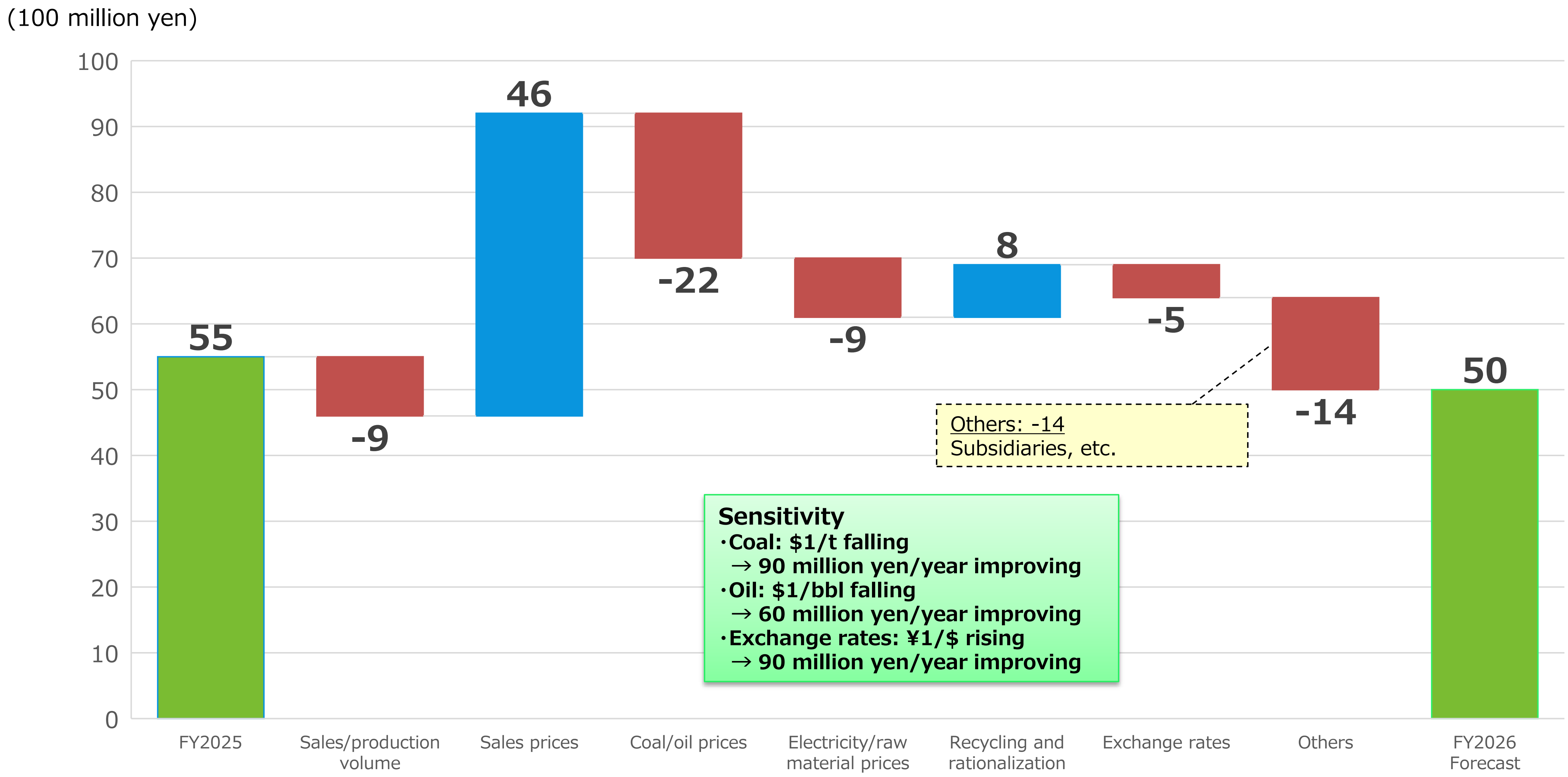

4. FY2026 Earnings Forecast
Mineral Resources and Cement-Related Products

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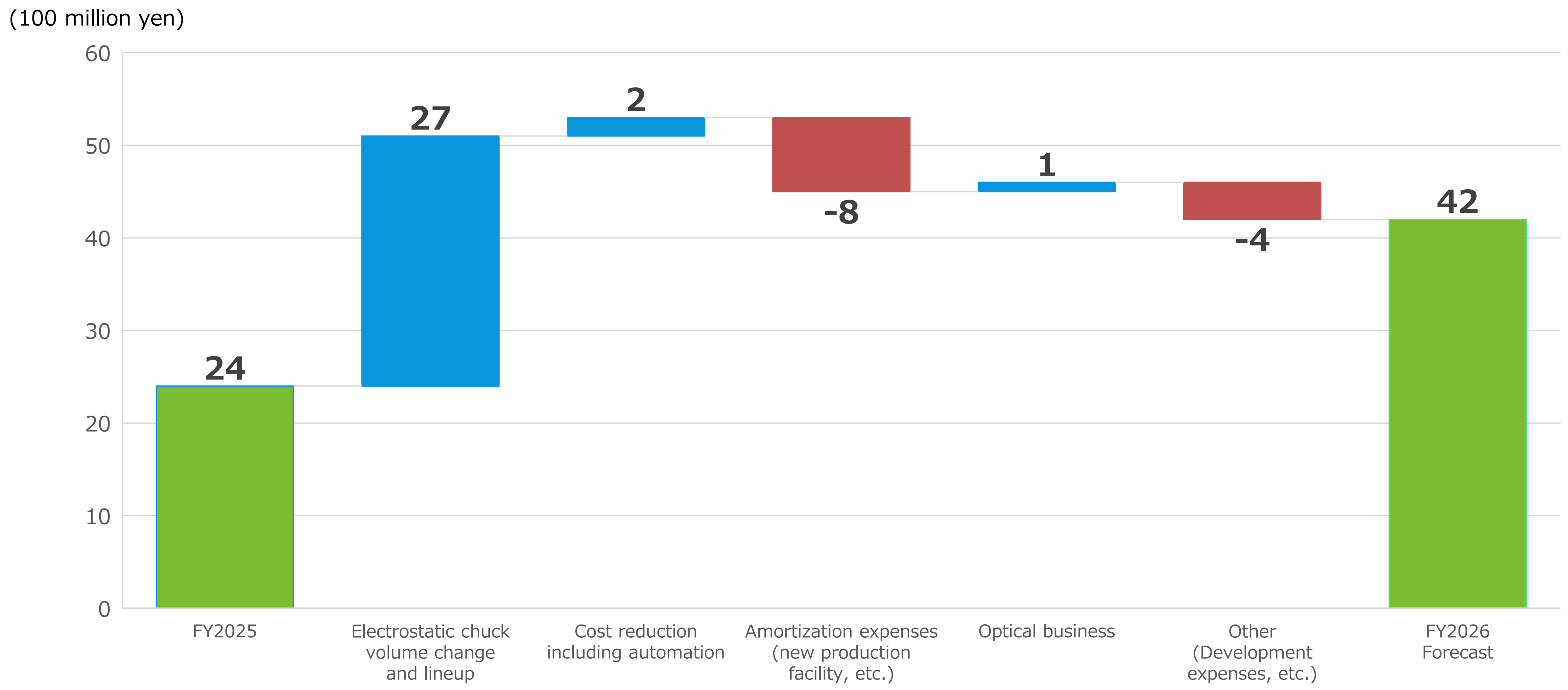
Unit: 100 million yen

	FY2025	FY2026	YoY Change	
Mineral Resources				**Higher revenue and income**
Net sales	175	190	15	・Higher revenue due to a higher sales volume of limestone, but income to be flat YoY due to increased mining costs
Operating profit	29.9	30.0	0.1	
Cement-Related Products				**Higher revenue and income**
Net sales	230	240	10	・Higher revenue due to an increase in sales volume of concrete structure repair/reinforcement materials and an increase in the number of ground improvement works, but income to be flat YoY due to an increase in manufacturing costs
Operating profit	14.8	15.0	0.2	

4. FY2026 Earnings Forecast

Breakdown of Changes in Operating Profit from High-Performance Products Business (Year-on-year)

SUMITOMO OSAKA CEMENT



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5. FY2025 Quarterly Sales and Income by Segment

Unit: 100 million yen

		FY2024					FY2025					YoY Change				
		1st quarter (Apr.–Jun.)	2nd quarter (Jul.–Sep.)	3rd quarter (Oct.–Dec.)	4th quarter (Jan.–Mar.)	Full year	1st quarter (Apr.–Jun.)	2nd quarter (Jul.–Sep.)	3rd quarter (Oct.–Dec.)	4th quarter (Jan.–Mar.)	Full year	1st quarter (Apr.–Jun.)	2nd quarter (Jul.–Sep.)	3rd quarter (Oct.–Dec.)	4th quarter (Jan.–Mar.)	Full year
Net sales	Cement	385	391	410	378	1,564	366	386	426	410	1,588	-18	-6	15	32	24
	Mineral Resources	43	45	45	41	174	41	45	45	44	175	-2	1	0	3	1
	Cement-Related Products	54	64	62	56	236	47	59	59	66	230	-8	-5	-3	10	-6
	High-Performance Products	40	44	50	47	182	52	44	49	63	208	12	-1	-1	16	26
	Advanced Materials	34	39	43	41	157	46	38	42	55	181	11	-1	-1	14	24
	Optoelectronics	6	5	7	7	25	7	6	7	8	27	0	1	-0	1	2
	Other	9	10	9	11	39	9	9	8	10	36	-0	-1	-2	-0	-3
Total		532	554	576	533	2,195	515	542	586	593	2,237	-17	-12	10	60	42

Operating profit	Cement	-3.7	-12.9	21.2	4.3	8.8	-0.7	1.1	27.0	27.6	55.0	3.0	14.0	5.8	23.3	46.2
	Mineral Resources	8.4	7.8	8.8	6.4	31.5	5.5	9.3	7.4	7.6	29.9	-2.9	1.4	-1.4	1.2	-1.6
	Cement-Related Products	2.0	5.9	3.8	6.8	18.4	-0.6	4.9	4.0	6.4	14.8	-2.6	-1.0	0.3	-0.3	-3.6
	High-Performance Products	2.3	5.0	6.1	5.6	19.1	8.9	4.7	3.3	7.4	24.2	6.6	-0.3	-2.8	1.7	5.1
	Advanced Materials	3.8	6.0	6.7	6.1	22.6	9.1	5.2	3.3	7.2	24.8	5.2	-0.8	-3.3	1.0	2.1
	Optoelectronics	-1.5	-1.0	-0.6	-0.5	-3.6	-0.1	-0.5	-0.0	0.2	-0.6	1.4	0.5	0.5	0.7	3.0
	Other	4.1	3.3	3.7	5.0	16.2	4.0	3.4	2.9	3.6	13.9	-0.1	0.1	-0.8	-1.4	-2.2
Total		12.6	10.2	43.3	27.4	93.5	17.4	23.8	44.2	51.1	136.5	4.8	13.6	0.8	23.8	43.0

5. FY2026 Earnings Forecast (Semiannual)

Unit: 100 million yen

	FY2025 Results			FY2026 Forecast			Change		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	1,058	1,179	2,237	1,110	1,235	2,345	52	56	108
Operating profit (Cement business only)	41.2 (0.4)	95.3 (54.6)	136.5 (55.0)	45.0 (5.0)	105.0 (45.0)	150.0 (50.0)	3.8 (4.6)	9.7 (-9.6)	13.5 (-5.0)
Non-operating income/expenses, net	1.1	6.4	7.6	-2.0	-3.0	-5.0	-3.1	-9.4	-12.6
Ordinary profit	42.3	101.7	144.1	43.0	102.0	145.0	0.7	0.3	0.9
Extraordinary income/losses, net	36.0	-19.7	16.4	1.0	-5.0	-4.0	-35.0	14.7	-20.4
Profit attributable to owners of the parent	55.9	56.2	112.1	31.0	69.0	100.0	-24.9	12.8	-12.1
Dividend per share	60 yen	60 yen	120 yen	60 yen	60 yen	120 yen	-	-	-

*FY2026 forecast

Exchange rate:	1st half ¥155/$	2nd half ¥155/$	Full year ¥155/$	(FY25 average ¥150/$)
Coal (CIF):	1st half $135/t	2nd half $145/t	Full year $140/t	(FY25 $135/t)

5. FY2026 Earnings Forecast
Sales and Income by Segment (Semiannual)

SUMITOMO OSAKA CEMENT

Unit: 100 million yen

		FY2025 Results			FY2026 Forecast			Change		
		1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	Cement	752	836	1,588	765	825	1,590	13	-11	2
	Mineral Resources	86	89	175	94	96	190	8	7	15
	Cement-Related Products	106	125	230	111	129	240	5	4	10
	High-Performance Products	96	112	208	119	164	283	23	52	74
	Advanced Materials	83	97	181	106	149	255	23	52	74
	Optoelectronics	13	15	27	13	15	28	0	0	1
	Other	18	18	36	21	21	42	3	3	6
Total		1,058	1,179	2,237	1,110	1,235	2,345	52	56	108

		FY2025 Results			FY2026 Forecast			Change		
		1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Operating profit	Cement	0.4	54.6	55.0	5.0	45.0	50.0	4.6	-9.6	-5.0
	Mineral Resources	14.8	15.1	29.9	15.0	15.0	30.0	0.2	-0.1	0.1
	Cement-Related Products	4.3	10.5	14.8	4.0	11.0	15.0	-0.3	0.5	0.2
	High-Performance Products	13.6	10.7	24.2	15.0	27.0	42.0	1.4	16.3	17.8
	Advanced Materials	14.3	10.5	24.8	15.0	27.0	42.0	0.7	16.5	17.2
	Optoelectronics	-0.7	0.1	-0.6	0.0	0.0	0.0	0.7	-0.1	0.6
	Other	7.4	6.5	13.9	6.0	7.0	13.0	-1.4	0.5	-0.9
Total		41.2	95.3	136.5	45.0	105.0	150.0	3.8	9.7	13.5

5. FY2026

Breakdown of Changes in Operating Profit from Cement Business (Semiannual)

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Unit: 100 million yen

	FY2025→FY2026		
	1st half	2nd half	Full year
Sales and production volume	-4	-5	-9
Sales prices	35	11	46
Coal and oil prices	-9	-13	-22
Electricity and raw material prices	-4	-5	-9
Recycling and rationalization	5	3	8
Exchange rates	-4	-1	-5
Others	-14	0	-14
Cement operating profit change	5	-10	-5

Sensitivity	Coal	$1/t falling	90 million yen/year improving
	Oil	$1/bbl falling	60 million yen/year improving
	Exchange rates	¥1/$ rising	90 million yen/year improving

5. Supplementary Materials
Status of Assets and Liabilities

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Unit: 100 million yen

	As of March 31, 2025	As of March 31, 2026	Change	As of March 31, 2027 (Forecast)	Change
Cash and deposits	166	166	1	150	-16
Property, plant and equipment	1,918	1,944	26	1,972	28
Investment securities	394	437	44	431	-6
Other assets	1,052	1,073	21	1,085	12
Total assets	3,530	3,620	90	3,638	18
Interest-bearing liabilities	833	864	31	880	16
Other liabilities	761	776	16	723	-53
Total liabilities	1,594	1,640	47	1,603	-37
Net assets	1,937	1,979	43	2,035	56
Total liabilities and net assets	3,530	3,620	90	3,638	18

5. Supplementary Materials
Status of Cash Flow

SUMITOMO OSAKA CEMENT

Unit: 100 million yen

	FY2024	FY2025	Change	FY2026 Forecast
Profit before income taxes	128	160	33	141
Depreciation (including amortization of goodwill)	226	236	10	243
Receivables, debt increase/decrease corporate tax, etc.	-105	-51	54	-97
Cash flow from operating activities	249	345	97	287
Purchase of non-current assets	-276	-327	-50	-292
Proceeds from sales of assets etc.	60	70	10	10
Others	-2	-29	-28	0
Cash flow from investing activities	-218	-286	-68	-282
Free cash flow	31	60	29	5
Change in interest-bearing liabilities	38	31	-7	16
Purchase of treasury shares	-50	-50	-0	–
Dividends paid etc.	-41	-41	1	-38
Cash flow from financing activities	-53	-60	-6	-22
Net increase (decrease) in cash and cash equivalents	-22	1	22	-16

5. Supplementary Materials
Changes in Performance etc.

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		FY2022	FY2023	FY2024	FY2025	FY2026 Forecast
Net sales	100 million yen	2,047	2,225	2,195	2,237	2,345
Operating profit	100 million yen	-85.6	72.5	93.5	136.5	150.0
Ordinary profit	100 million yen	-78.5	84.8	93.7	144.1	145.0
Profit attributable to owners of the parent	100 million yen	-57.2	153.4	90.1	112.1	100.0
Total assets	100 million yen	3,566	3,563	3,530	3,620	3,638
Interest-bearing liabilities	100 million yen	997	795	833	864	880
Net assets	100 million yen	1,846	1,968	1,937	1,979	2,035
Return on assets (ROA)	%	-2.3	2.4	2.6	4.0	4.0
Return on equity (ROE)	%	-3.0	8.1	4.7	5.8	5.0
Return on invested capital (ROIC)	%	-2.1	1.8	2.4	3.3	3.5
Debt/equity (D/E)	%	54	40	43	44	43
Free cash flow (FCF)	100 million yen	-360	284	31	60	5
Net asset ratio of cross-shareholdings	%	22.6	19.6	16.9	17.0	16.1

5. Supplementary Materials
Changes in Performance etc.

SUMITOMO OSAKA CEMENT

		FY2022	FY2023	FY2024	FY2025	FY2026 Forecast
Capital investment	100 million yen	297	294	308	315	271
Depreciation	100 million yen	202	217	226	236	243
R&D expenses	100 million yen	31	35	36	36	42
Financial balance	100 million yen	13	6	4	-1	-7
Number of employees at the end of the period	Persons	2,896	2,886	2,952	3,045	–
Domestic demand for cement	10,000t	3,728	3,458	3,266	3,053	3,000
Average exchange rate	yen/US$	135	144	152	150	155
Coal procurement price (CIF)	US$/t (approximate)	280	210	155	135	140
Oil	US$/bbl	96	82	79	72	100

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.

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