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Company name: Sumitomo Osaka Cement Co., Ltd.
Name of representative: Hirotsune Morohashi, Representative Director and President
(Securities code: 5232; TSE Prime Market)
Inquiries: Masahiko Ebisui, General Manager of Corporate Planning Department
(Telephone: +81-3-6370-2725)

Notice Regarding the Formulation of the FY2026–28 Medium-Term Management Plan

Sumitomo Osaka Cement Co., Ltd. (the "Company") hereby announces that it has formulated a medium-term management plan covering FY2026 to FY2028, based on its medium- to long-term vision, SOC Vision2035.

1. FY2026–28 Medium-Term Management Plan

(1) Overview and Strategy Outline

The FY2026–28 medium-term management plan has been formulated using a backcasting approach based on SOC Vision2035.

The Company will pursue stable earnings from existing businesses, expand growth areas, start new businesses, and strengthen its management foundation as key elements of its strategy outline.

- Stabilizing earnings from existing businesses and expanding growth areas

  By solidifying and establishing the previous medium-term management plan and our continuing investments and measures, the Company aims to achieve results quickly.

- Starting new businesses

  The Company will launch new initiatives toward the 2035 vision.

- Strengthening the management foundation

  The Company will deepen ESG management, promote DX and increase productivity, invest in human capital, and promote capital cost management.

(2) Financial Targets and Key Metrics

(i) Management targets
The Company aims to achieve ROIC above the current WACC* and operating income of 27 billion yen.

Sales	255.5 billion yen
Operating income	27 billion yen
ROE	9% or more
ROIC	6% or more
Total return ratio (3-year average)	50% or more

* The current WACC is assumed to be approximately 5% (the cost of shareholders' equity is estimated with reference to the CAPM method).

(ii) Shareholder return policy
The Company will maintain a three-year average total payout ratio of 50% or more, while introducing a minimum dividend of 120 yen per share.

(iii) Investment plan
The Company will invest a total of 100 to 110 billion yen over three years.
(Maintenance and update and carbon neutrality-related investments will be executed within the scope of depreciation. Growth investments will be subject to segment-specific hurdle rates on a project-by-project basis, and decisions will be made after thorough profitability assessments.)

(ⅳ)Capital allocation

Operating CF	101.4 billion yen
Sale of assets*	13.0 billion yen
Funds procurement, etc.	12.5 billion yen
Total cash inflows	126.9 billion yen

Shareholder returns	21.0 billion yen
Investments CF	105.9 billion yen
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Total cash outflows	126.9 billion yen

* The Company aims to reduce cross-shareholdings to less than 10% of net assets by the end of March 2029.

2. Overview of the Medium- to Long-Term Vision (SOC Vision2035)

(1) Our Vision for 2035

• Aim

Company with strong presence

a) Presence as a challenger with thorough differentiation and unique style
b) An environmental solution company that meets the needs of the times
c) Challenge to coal phase out

• Target figures for 2035

Sales	400 billion yen
Operating income	40 billion yen or more
ROE	10% or more
ROIC	6.5% or more

• Business portfolio transformation

Cement business: 50% / Non-cement business: 50%

(2) Investment Policy

The Company plans to invest approximately 550 billion yen between 2023 and 2035, primarily in carbon neutrality and growth investments, to achieve SOC Vision2035.

For further details, please refer to the “FY2026–28 Medium-Term Management Plan.”