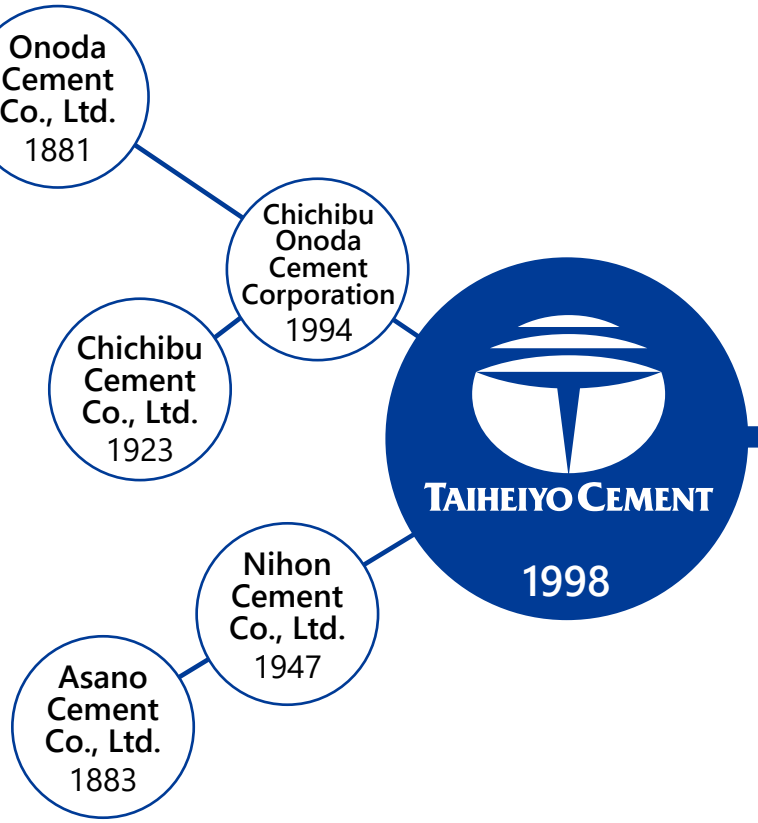
Reference Materials of Financial Results for the Six Months Ended September 30, 2026

November 10, 2026

TAIHEIYO CEMENT CORPORATION

Corporate Information



Mission of the Taiheiyo Cement Group

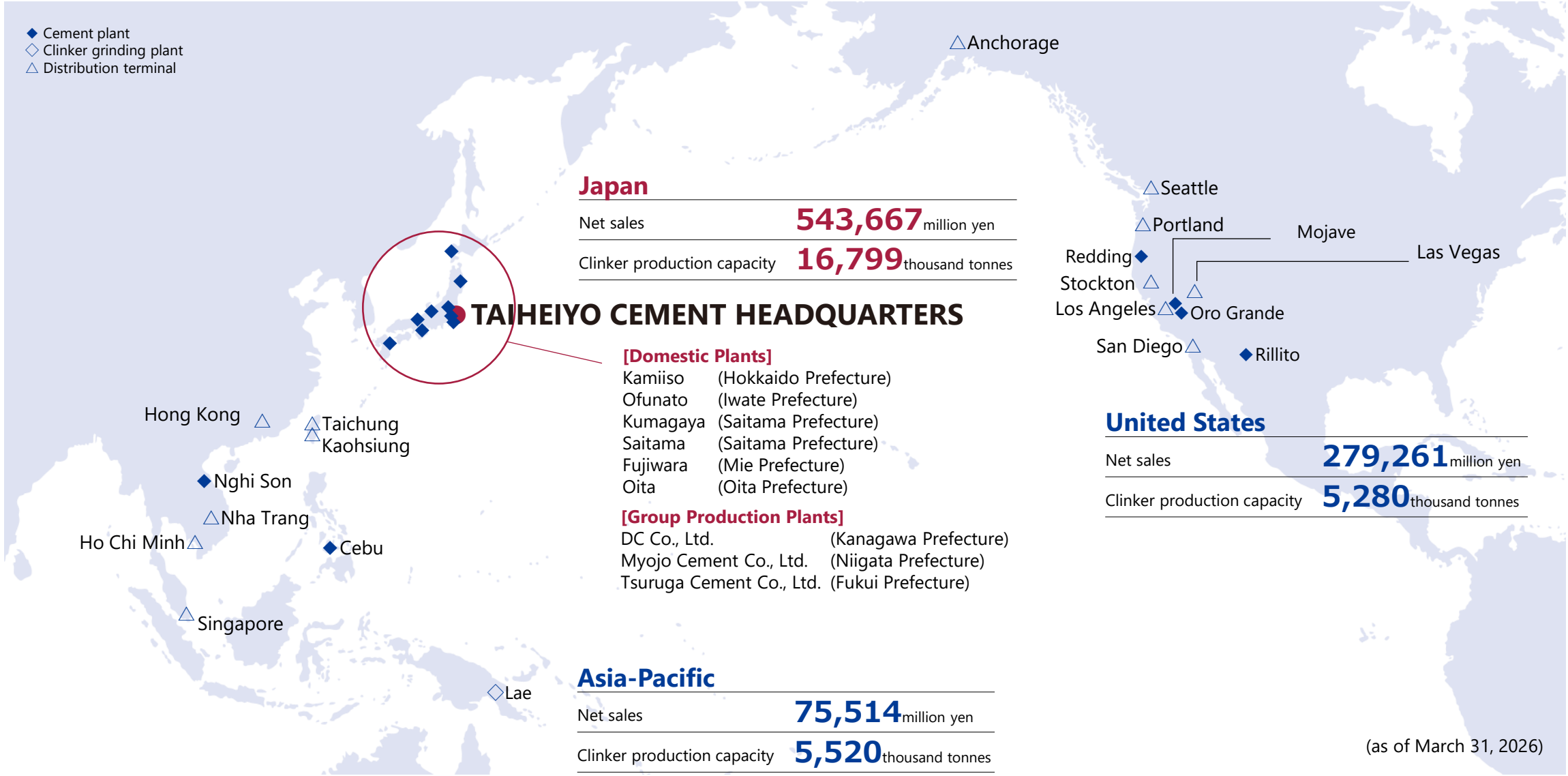
Our mission is to contribute to social infrastructure development by providing solutions that are environmentally efficient, enhance our competitive position and bring value to our stakeholders.

Established	May 3, 1881
Capital	86,174 million yen
Headquarters	BUNKYO GARDEN GATE TOWER, 1-1-1, Koishikawa, Bunkyo-ku, Tokyo 112-8503, Japan
Number of employees	Consolidated: 12,626 Non-consolidated: 1,783 (not including seconded staff)
Subsidiaries	197 (including 128 consolidated subsidiaries and 5 equity-method non-consolidated subsidiaries)
Affiliates	103 (including 36 equity-method affiliates)

(as of March 31, 2026)

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Market Area



Japan

Net sales	543,667	million yen
Clinker production capacity	16,799	thousand tonnes

[Domestic Plants]

Kamiiso	(Hokkaido Prefecture)
Ofunato	(Iwate Prefecture)
Kumagaya	(Saitama Prefecture)
Saitama	(Saitama Prefecture)
Fujiwara	(Mie Prefecture)
Oita	(Oita Prefecture)

[Group Production Plants]

DC Co., Ltd.	(Kanagawa Prefecture)
Myojo Cement Co., Ltd.	(Niigata Prefecture)
Tsuruga Cement Co., Ltd.	(Fukui Prefecture)

United States

Net sales	279,261	million yen
Clinker production capacity	5,280	thousand tonnes

Asia-Pacific

Net sales	75,514	million yen
Clinker production capacity	5,520	thousand tonnes

(as of March 31, 2026)

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1. Highlights of Consolidated Financial Results

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1. Highlights of Consolidated Financial Results

《Summary of Financial Results》

- In the domestic cement business, operating profit decreased as higher costs, including those arising from the situation in the Middle East, more than offset the full-year contribution of selling price increases and improved earnings at subsidiaries.
- Operating profit increased at Overseas Subsidiaries, etc., as improvement in Southeast Asia more than offset the decline in profit in the U.S.
- At the Group level, profit increased, partly due to a gain on the sale of fixed assets.

(Million yen)

	FY2026 Q2	FY2027 Q2	Change
Net sales	438,141	**469,278**	+31,137
Operating profit	32,853	**30,318**	(2,535)
Ordinary profit	32,946	**28,726**	(4,220)
Profit attributable to owners of parent	24,485	**36,748**	+12,263
Interim dividend per share (Yen)	50	**60**	+10

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1. Highlights of Consolidated Financial Results

《Main Indicators》

	FY2026 Q2	FY2027 Q2	Change
Operating profit to net sales ratio (%)	7.5	**6.5**	(1.0)
Basic earnings per share (Yen)	219.7	**334.6**	+114.9

	End of Mar. 2026	End of Sep. 2026	Change
Net assets per share (Yen)	6,098.1	**6,485.5**	+387.4
Capital adequacy ratio (%)	46.0	**42.9**	(3.1)
Net debt/equity ratio (Times)	0.48	**0.60**	+0.12

《Environmental Factors》

	FY2026 Q2	FY2027 Q2	Change
Average exchange rate (Yen/US$)	148.4	**158.3**	+9.9
Average procurement price of imported coal, etc. for domestic (C&F $/t)	135	**150**	+15

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2. Financial Results for the Fiscal 2027 Q2

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2. Financial Results for the Fiscal 2027 Q2

(1) Consolidated Segment Information

(Million yen)

		Net sales			Operating profit		
		FY2026 Q2	FY2027 Q2	Change	FY2026 Q2	FY2027 Q2	Change
Cement Business	Domestic	162,640	**168,663**	+6,023	11,290	**8,400**	(2,889)
	Overseas Subsidiaries, etc.	164,091	**181,174**	+17,083	9,895	**10,258**	+364
	Total	326,731	**349,837**	+23,107	21,184	**18,659**	(2,525)
Mineral Resources Business		45,303	**46,421**	+1,118	5,190	**5,511**	+320
Environmental Business		39,909	**43,727**	+3,818	4,516	**4,845**	+329
Construction Materials Business		21,470	**20,876**	(594)	917	**151**	(765)
Other		35,471	**40,009**	+4,538	1,103	**1,316**	+213
Total		468,884	**500,871**	+31,987	32,910	**30,482**	(2,428)
Elimination		(30,743)	**(31,593)**	(850)	(57)	**(164)**	(107)
Consolidated Total		438,141	**469,278**	+31,137	32,853	**30,318**	(2,535)

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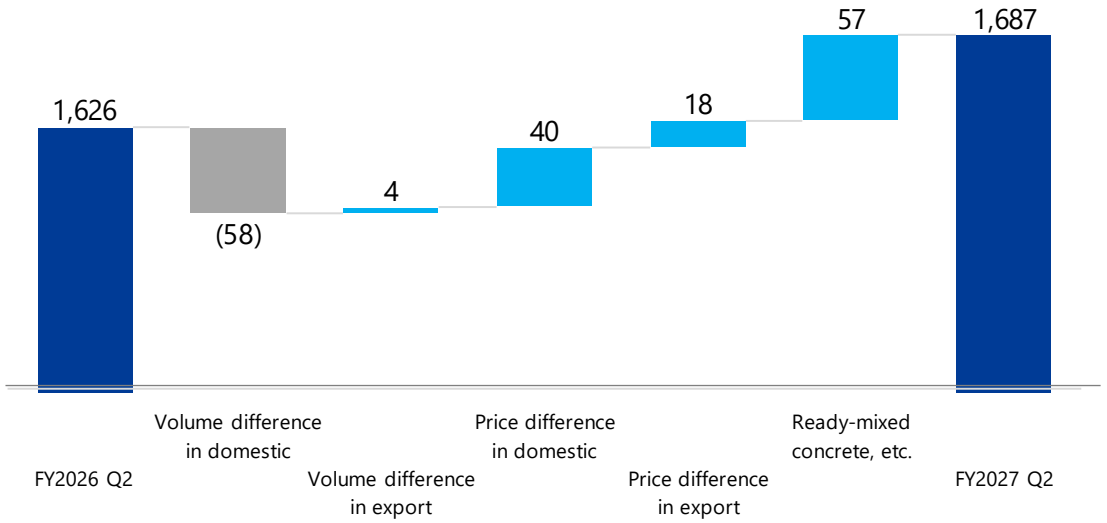
2. Financial Results for the Fiscal 2027 Q2

①Domestic Cement Business

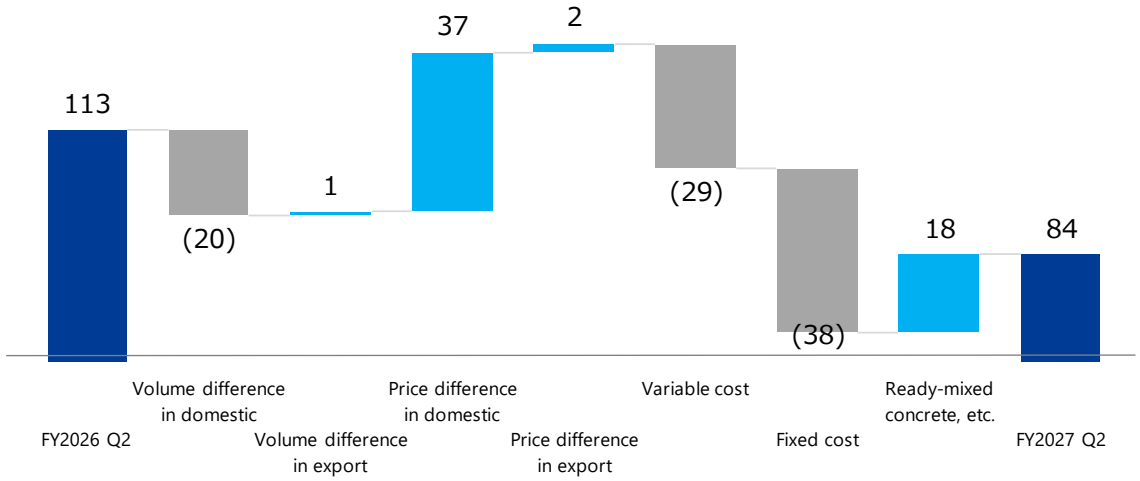
	FY2026 Q2	FY2027 Q2	Change
Sales volume (Thousand t)			
Domestic	5,656	**5,263**	(393)
Export	1,643	**1,719**	+76
Net sales (Million yen)	162,640	**168,663**	+6,023
Operating profit (Million yen)	11,290	**8,400**	(2,889)

- Domestic demand declined due to the broader adoption of the two-day weekend system by ready-mixed concrete cooperatives, as well as reduced working hours at construction sites. Our cement sales volume also declined.
- Despite the full-year contribution of selling price increases for cement and soil stabilizers and improved earnings at subsidiaries, operating profit decreased due to higher costs arising from the situation in the Middle East and an increase in fixed costs, in addition to lower sales volume.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



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2. Financial Results for the Fiscal 2027 Q2

②Overseas Subsidiaries, etc.

《U.S.A.》

		FY2026 Q2	FY2027 Q2	Change
Cement (Thousand t)		2,962	**2,900**	(62)
Ready-mixed concrete (Thousand cy)		2,381	**2,584**	+203
Aggregates (Thousand t)		6,032	**5,700**	(332)
Net sales	(Hundred million yen)	1,392	**1,532**	+140
	(Million $)	938	968	+30
Operating profit	(Hundred million yen)	122	**100**	(22)
	(Million $)	82	63	(19)

- Demand was affected by bad weather and a slowdown in the private sector due to persistently high interest rates. Results were also impacted by higher fuel costs and other factors stemming from the situation in the Middle East.
- While we worked to raise prices for cement, ready-mixed concrete and aggregates, net sales increased but operating profit decreased year on year due to the impact of rising costs.
- The acquisition of the ready-mixed concrete business in California was closed in early June.

《Asia and others》 (Simple sum of consolidated subsidiaries)

	FY2026 Q2	FY2027 Q2	Change
Cement (Thousand t)	3,722	**3,697**	(25)
Net sales (Hundred million yen)	281	**296**	+15
Operating profit (Hundred million yen)	(15)	**11**	+27

- Vietnam: Revenue and profit increased, supported by robust domestic demand.
- Philippines: Despite the continued challenging competitive environment, initiatives to improve earnings through higher sales volumes and cost reductions remained ongoing.

*The impact of foreign exchange fluctuations on changes in overseas subsidiaries is as follows.

Net sales: +10.4 billion yen, Operating profit: +0.7 billion yen

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2. Financial Results for the Fiscal 2027 Q2

③Mineral Resources, Environmental, Construction Materials and Other Business

(Million yen)

		FY2026 Q2	FY2027 Q2	Change	Main Factors of Changes in Net Sales and Operating Profit(Net Change)
Mineral Resources Business	Net sales	45,303	**46,421**	+1,118	Despite the decline in sales volume, the aggregates business performed steadily due to special demand in the Hokkaido region. In the mineral products business, sales volume declined. Efforts to pass on various cost increases through selling prices progressed.
	Operating profit	5,190	**5,511**	+320	
Environmental Business	Net sales	39,909	**43,727**	+3,818	While there was a decline in the volume of operations of intermediary storage of soil generated from the Linear Chuo Shinkansen construction due to the impact of construction plans, coal ash treatment and the treatment of raw material-related waste performed firmly.
	Operating profit	4,516	**4,845**	+329	
Construction Materials Business	Net sales	21,470	**20,876**	(594)	In addition to sluggish sales of ALC (Autoclaved Lightweight aerated Concrete) as well as construction and civil engineering materials, the business was affected by various cost increases including shipping and labor costs.
	Operating profit	917	**151**	(765)	
Other	Net sales	35,471	**40,009**	+4,538	
	Operating profit	1,103	**1,316**	+213	

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2. Financial Results for the Fiscal 2027 Q2

(2)Consolidated Statements of Income

(Million yen)

	FY2026 Q2	FY2027 Q2	Change
Net sales	438,141	**469,278**	+31,137
Operating profit	32,853	**30,318**	(2,535)
Non-operating income and expenses	93	**(1,593)**	(1,685)
Ordinary profit	32,946	**28,726**	(4,220)
Extraordinary income and losses	(939)	**17,969**	+18,908
Profit before income taxes	32,008	**46,695**	+14,687
Income taxes	6,906	**8,579**	+1,673
Profit attributable to non-controlling interests	616	**1,367**	+751
Profit attributable to owners of parent	24,485	**36,748**	+12,263

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2. Financial Results for the Fiscal 2027 Q2

(3)Consolidated Balance Sheets

(Million yen)

		End of Mar. 2026	End of Sep. 2026	Change
Current assets	Cash and deposits	63,719	**76,851**	+13,132
	Notes and accounts receivable - trade, and contract assets	186,473	**198,187**	+11,714
	Inventories	137,238	**149,995**	+12,757
	Other	25,171	**22,097**	(3,074)
	Total current assets	412,601	**447,130**	+34,529
Non-current assets	Total property, plant and equipment	749,158	**830,147**	+80,989
	Total intangible assets	43,516	**105,106**	+61,591
	Total investments and other assets	273,787	**267,870**	(5,917)
	Total non-current assets	1,066,461	**1,203,123**	+136,662
Total assets		1,479,061	**1,650,253**	+171,192

		End of Mar. 2026	End of Sep. 2026	Change
Liabilities	Current liabilities	416,902	**445,584**	+28,682
	Non-current liabilities	349,922	**459,631**	+109,709
	Total liabilities	766,824	**905,215**	+138,391
Net assets	Shareholders' equity: Share capital	86,174	**86,174**	—
	Shareholders' equity: Capital surplus	49,493	**49,682**	+188
	Shareholders' equity: Retained earnings	432,913	**463,356**	+30,443
	Shareholders' equity: Treasury shares	(21,516)	**(30,586)**	(9,070)
	Total shareholders' equity	547,064	**568,625**	+21,561
	Accumulated other comprehensive income	133,505	**139,794**	+6,289
	Non-controlling interests	31,668	**36,618**	+4,950
	Total net assets	712,237	**745,038**	+32,801
Total liabilities and net assets		1,479,061	**1,650,253**	+171,192

	End of Dec. 2025	End of Jun. 2026	Change
Exchange rate at end of period (Yen/US$)	156.6	**162.4**	+5.8

	End of Mar. 2026	End of Sep. 2026	Change
Interest-bearing debt (Million yen)	389,767	**504,291**	+114,524

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2. Financial Results for the Fiscal 2027 Q2

(4)Consolidated Statements of Cash Flows

(Million yen)

	FY2026 Q2	FY2027 Q2	Change
Cash flows from operating activities*	46,744	**47,134**	+389
Cash flows from investing activities	(48,574)	**(117,005)**	(68,431)
Free cash flows	(1,830)	**(69,871)**	(68,042)
Cash flows from financing activities	8,222	**83,454**	+75,232
*Depreciation and amortization included	33,863	**35,259**	+1,396

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3. Forecast for the Fiscal 2027

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3. Forecast for the Fiscal 2027

《Precondition》

- The precondition for the FY 2027 forecast is as follows.

	FY2026 Actual	FY2027 Forecast	Change
Domestic cement demand (Ten thousand t)	3,053	**2,900**	(153)
Average procurement price of imported coal, etc. for domestic (C&F $/t)	130	**150**	+20
Average exchange rate (Yen/US$)	149.6	**158.0**	+8.4

(Sensitivity: Impact on operating profit) 30 million yen decrease for each 1 yen depreciation in the exchange rate.

《Summary for the Forecast》

- The impact of the situation in the Middle East is assumed to persist throughout the fiscal year.
- In the domestic cement business, sales volume is expected to increase from the second half, reflecting the transfer of business rights from Tokuyama Corporation. However, higher revenue and lower profit are expected due to a reduced contribution from the Tokuyama transaction as a result of the situation in the Middle East, as well as higher costs.
- At Overseas Subsidiaries, etc., revenue and profit are expected to increase, reflecting the acquisition effect in the U.S. from the second half, although the effect is expected to be lower than initially anticipated, together with improved performance in Vietnam and the Philippines, where challenging conditions persist.

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3. Forecast for the Fiscal 2027

(1) Consolidated Statements of Income

(Hundred million yen)

	FY2026 Actual	FY2027 Forecast	Change
Net sales	8,984	**10,100**	+1,116
Operating profit	746	**630**	(116)
Non-operating income and expenses	5	**(75)**	(80)
Ordinary profit	751	**555**	(196)
Extraordinary income and losses	(306)	**140**	+446
Profit before income taxes	445	**695**	+250
Income taxes	176	**165**	(11)
Profit attributable to non-controlling interests	15	**20**	+5
Profit attributable to owners of parent	254	**510**	+256

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3. Forecast for the Fiscal 2027

(2) Consolidated Segment Information

(Hundred million yen)

		Net sales			Operating profit		
		FY2026 Actual	FY2027 Forecast	Change	FY2026 Actual	FY2027 Forecast	Change
Cement Business	Domestic	3,367	**3,630**	+263	280	**130**	(150)
	Overseas Subsidiaries, etc.	3,312	**3,920**	+608	214	**244**	+30
	Total	6,679	**7,550**	+871	493	**374**	(119)
Mineral Resources Business		909	**950**	+41	100	**105**	+5
Environmental Business		818	**900**	+82	93	**98**	+5
Construction Materials Business		434	**450**	+16	19	**4**	(15)
Other		805	**980**	+175	42	**55**	+13
Total		9,645	**10,830**	+1,185	747	**636**	(111)
Elimination		(661)	**(730)**	(69)	(1)	**(6)**	(5)
Consolidated Total		8,984	**10,100**	+1,116	746	**630**	(116)

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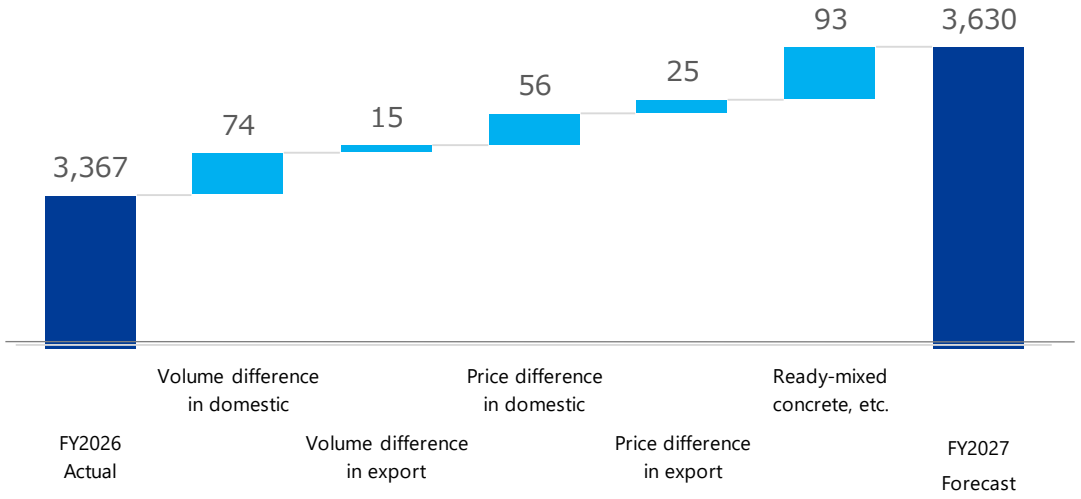
3. Forecast for the Fiscal 2027

①Domestic Cement Business

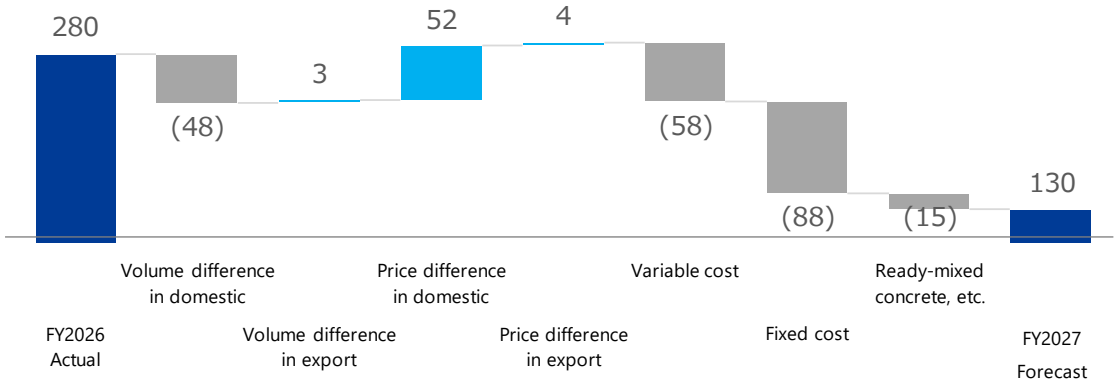
	FY2026 Actual	FY2027 Forecast	Change
Sales volume (Thousand t)			
Domestic	11,173	**11,600**	+427
Export	3,320	**3,600**	+280
Net sales (Hundred million yen)	3,367	**3,630**	+263
Operating profit (Hundred million yen)	280	**130**	(150)

- While new demand is expected from national defense-related construction projects and reconstruction work in Noto, domestic demand is expected to decline due to rising labor and material costs and the further adoption of the two-day weekend system by ready-mixed concrete cooperatives.
- Sales volume is expected to decline year on year on a like-for-like basis, but to increase year on year including the volume associated with the transfer of business rights from Tokuyama Corporation. Operating profit is expected to decrease due to higher costs arising from the situation in the Middle East and an increase in fixed costs.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



*The impact of the transfer of business rights from Tokuyama Corporation is included in "Ready-mixed concrete, etc."

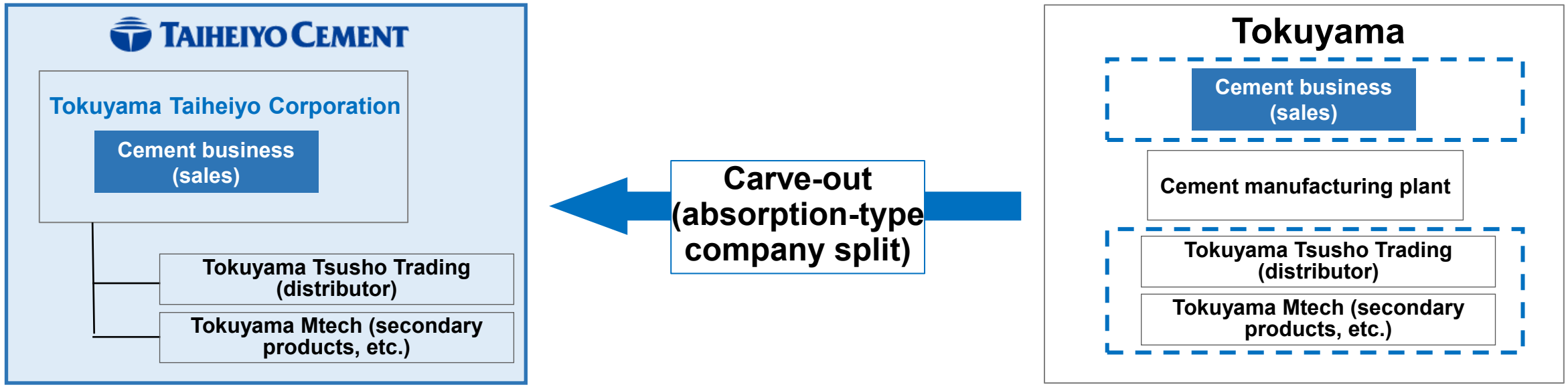
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Acquisition of Tokuyama's cement business rights: Steady execution of domestic growth investments

June 25, 2026 Received notice from the Japan Fair Trade Commission that no cease-and-desist order would be issued (Clearance obtained)

October 1, 2026 **Agreement executed with Tokuyama; Tokuyama Taiheiyo Corporation commences operations**

Structure for acquiring business rights



- **We acquired the cement sales business within the cement business operated by Tokuyama**
- **The target business was carved out to a shell company, and we acquired the shares of the shell company from Tokuyama**

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3. Forecast for the Fiscal 2027

②Overseas Subsidiaries, etc.

《U.S.A.》

		FY2026 Actual	FY2027 Forecast	Change
Cement (Thousand t)		5,888	**5,898**	+10
Ready-mixed concrete (Thousand cy)		4,722	**6,034**	+1,312
Aggregates (Thousand t)		12,246	**11,467**	(779)
Net sales	(Hundred million yen)	2,825	**3,336**	+511
	(Million $)	1,888	2,108	+220
Operating profit	(Hundred million yen)	267	**244**	(23)
	(Million $)	178	154	(24)

《Asia and others》 (Simple sum of consolidated subsidiaries)

	FY2026 Actual	FY2027 Forecast	Change
Cement (Thousand t)	7,289	**7,758**	+469
Net sales (Hundred million yen)	549	**625**	+77
Operating profit (Hundred million yen)	(37)	**18**	+55

*The impact of foreign exchange fluctuations on changes in overseas subsidiaries is as follows.

Net sales: +20 billion yen, Operating profit: +1.4 billion yen

- Demand was affected by a slowdown in the private sector due to persistently high interest rates, as well as higher fuel costs and other factors stemming from the situation in the Middle East. Demand is expected to recover gradually from mid-2027 onward.
- Sales volumes of cement are expected to be in line with the previous fiscal year, and we will continue efforts to implement price increases and cost reductions.
- In the ready-mixed concrete business, sales volumes are expected to increase from the second half due to the effect of the acquisition. However, the existing business has been affected mainly by project delays in the Northwest region, and the acquired business has also been affected by a slowdown in housing demand, mainly in the Southern California area. As a result, the contribution from the acquisition in its first year is expected to fall short of our initial assumptions.
- Vietnam: In addition to higher domestic sales volume supported by robust domestic demand, we will work to pass through cost increases, including those arising from the situation in the Middle East, to selling prices.
- Philippines: Earnings are expected to improve through thorough initiatives to raise selling prices and reduce costs. However, conditions remain challenging due in part to higher costs arising from the situation in the Middle East. We will continue our efforts to pass through cost increases to selling prices and reduce costs.

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4. Shareholder Returns

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4. Shareholder Returns

- In fiscal 2027, we schedule to increase dividends by 20 yen to 120 yen/share (including interim dividends of 60 yen/share).
- The total shareholder return ratio over the three years of the 26 MTP is expected to be 43.7%.

《Shareholder Return Policy in 26 Medium-Term Management Plan》

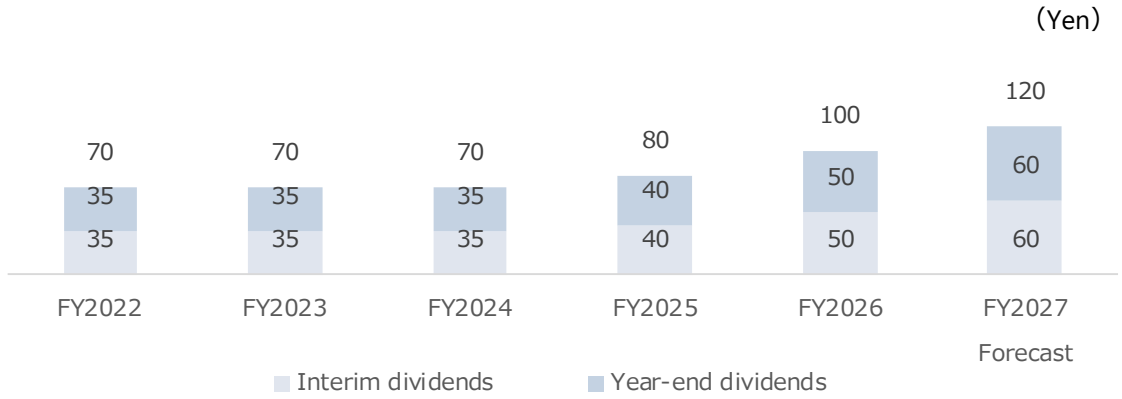
Total return ratio: 33% or more

Maintaining steady dividends

:Dividend per share of 80 yen or more

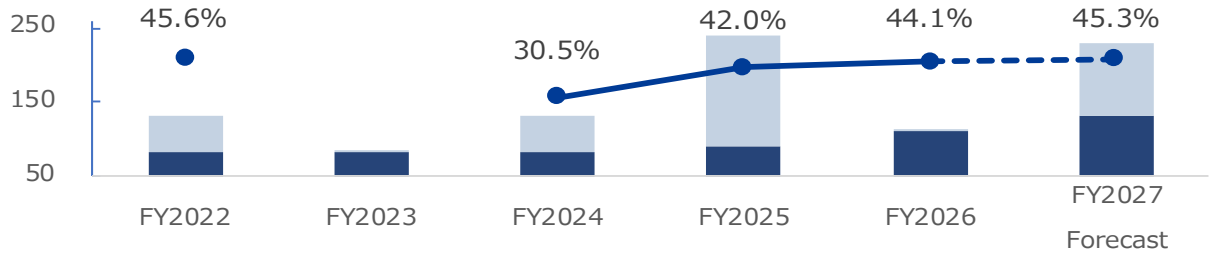
Agile acquisition of treasury shares

＜Dividends＞



＜Total shareholder return＞

(Hundred million Yen)



	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 Forecast
Share buyback	50	0	50	150	0	100
Total dividend amount	82	82	82	91	112	131
Total return ratio	45.6%		30.5%	42.0%	44.1%	45.3%

Total dividend amount　Share buyback　Total return ratio

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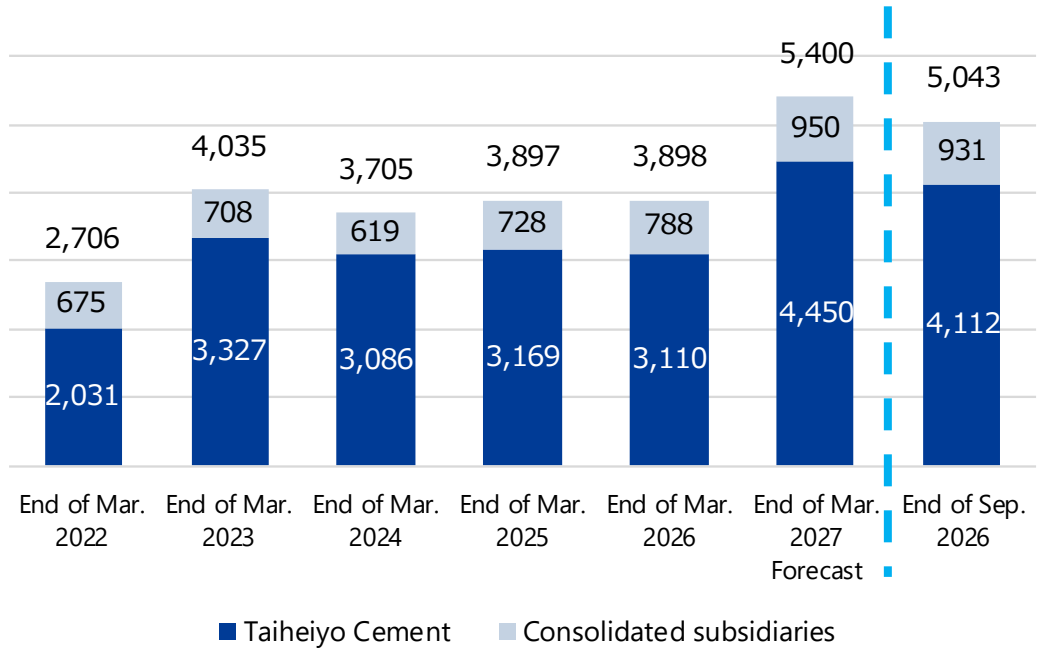
Appendix

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Transition Data

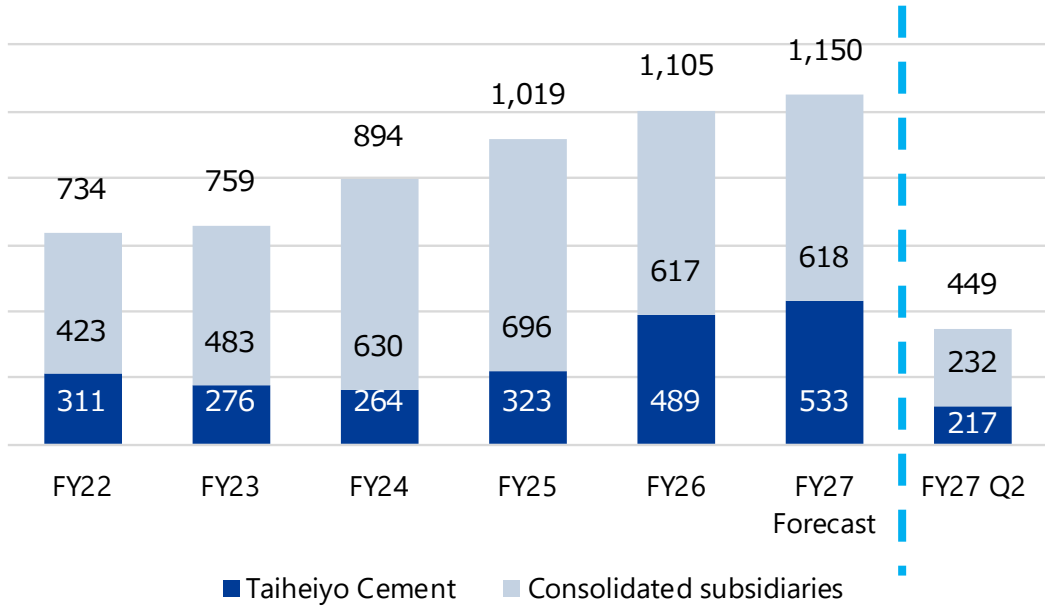
(1) Interest-bearing Debt

(Hundred million yen)



(2) Capital Investment

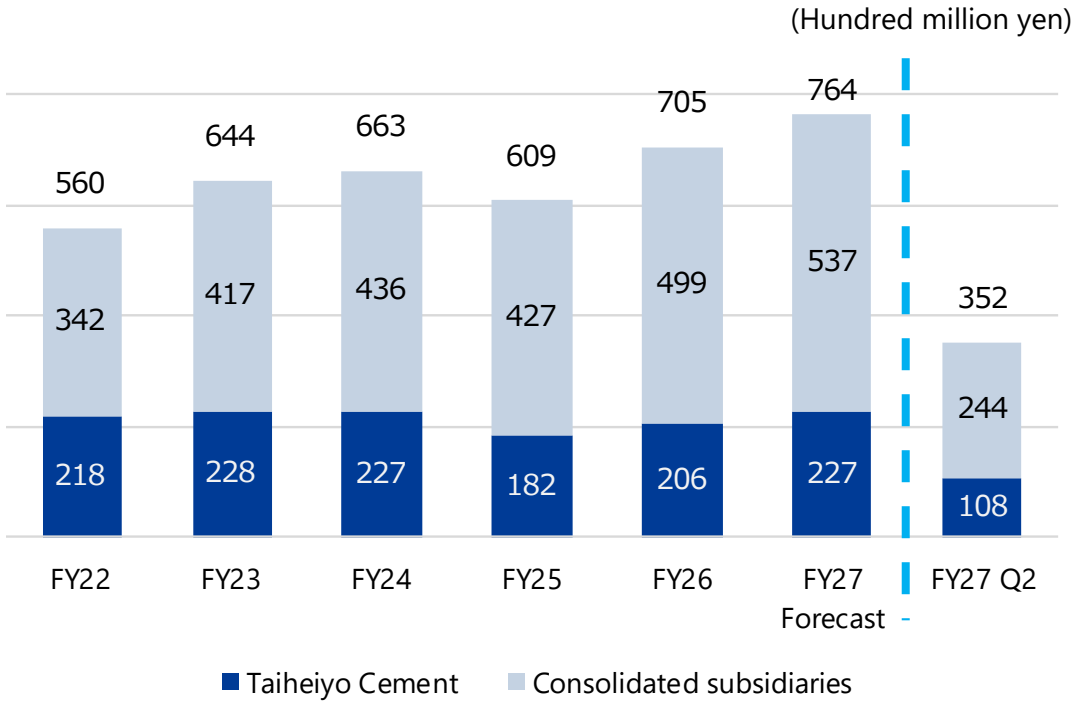
(Hundred million yen)



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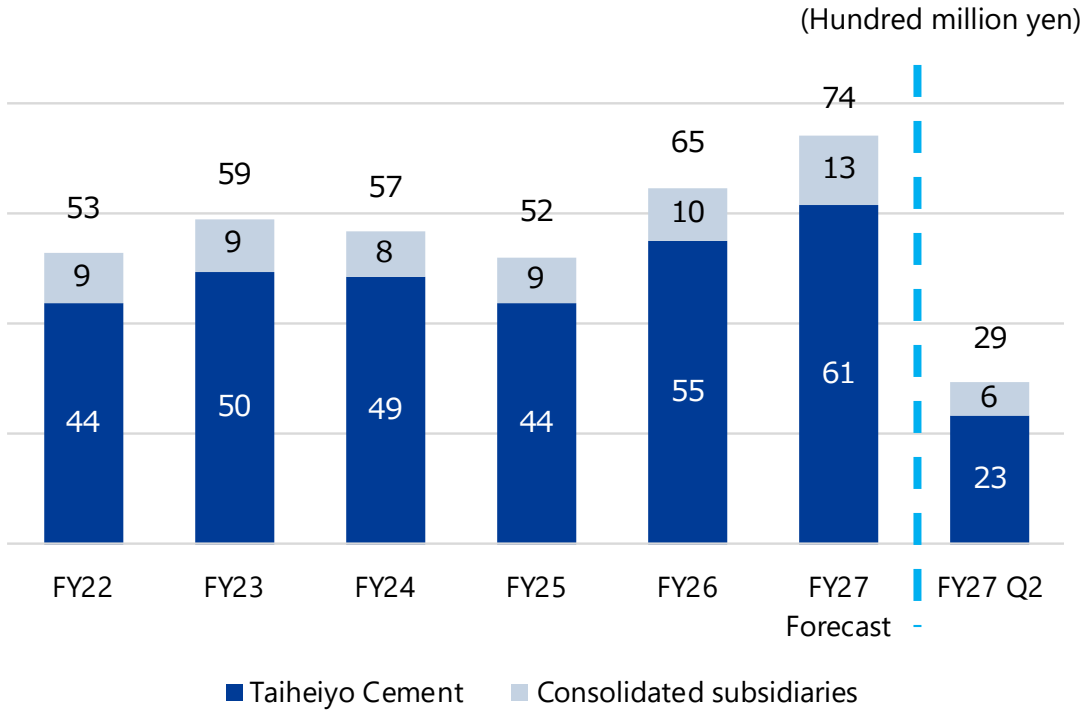
Transition Data

(3) Depreciation Expenses



* Change in depreciation method from FY 2025
(declining-balance method to straight-line method)

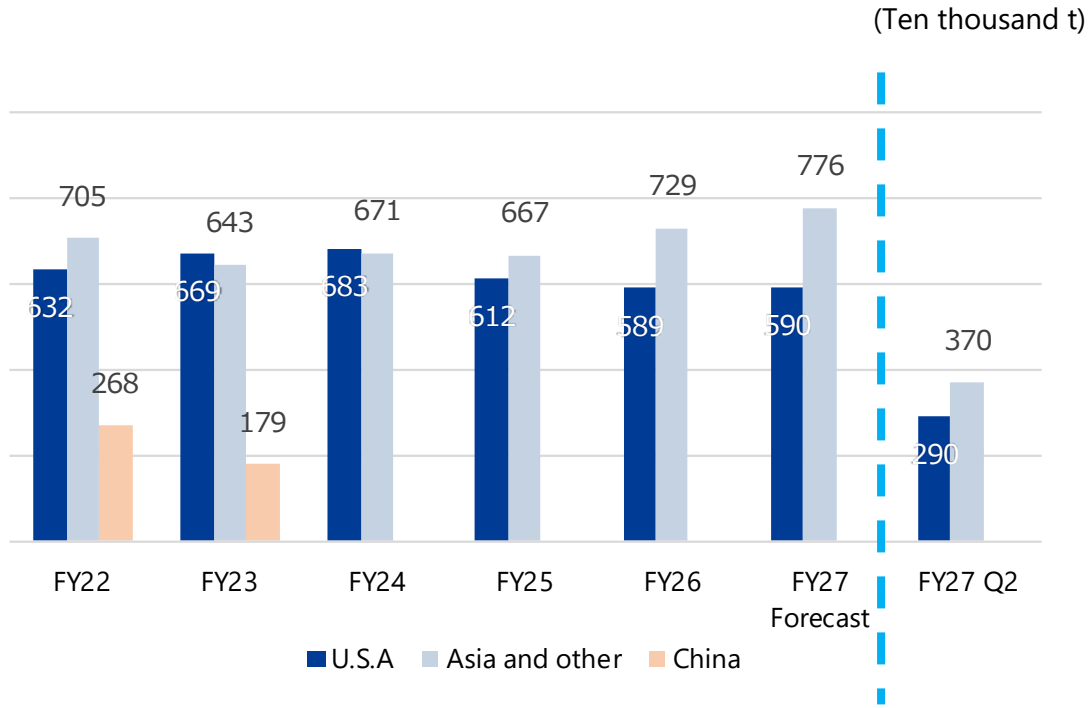
(4) Research and Development Expenses



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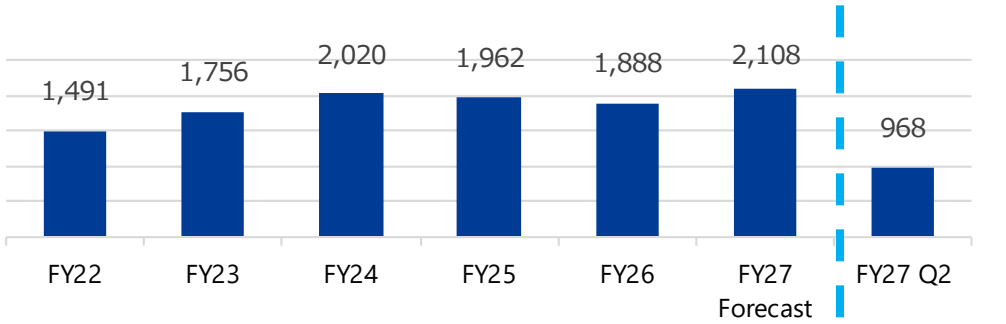
Transition Data

(5)Sales Volume of Cement in Overseas Subsidiaries (Simple sum of consolidated subsidiaries)

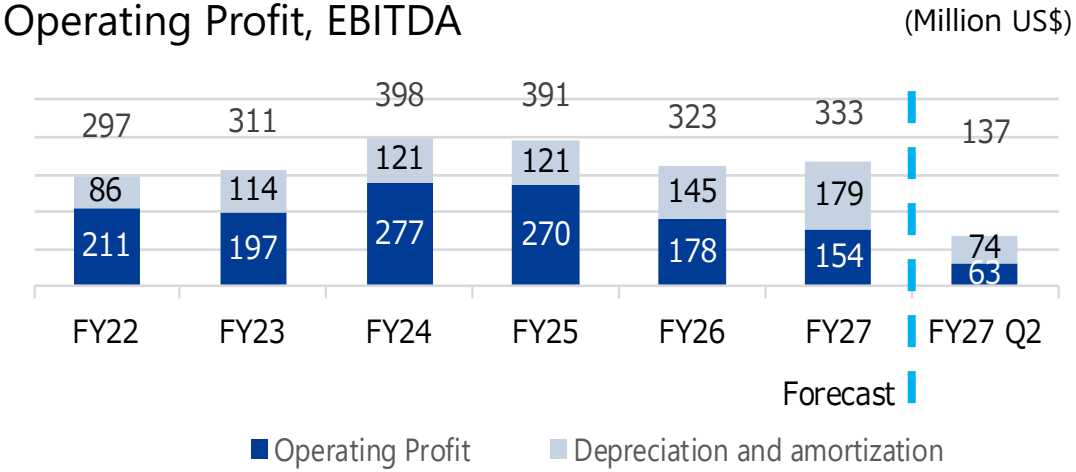


(6)Overview of Business in the U.S.A.

Net sales



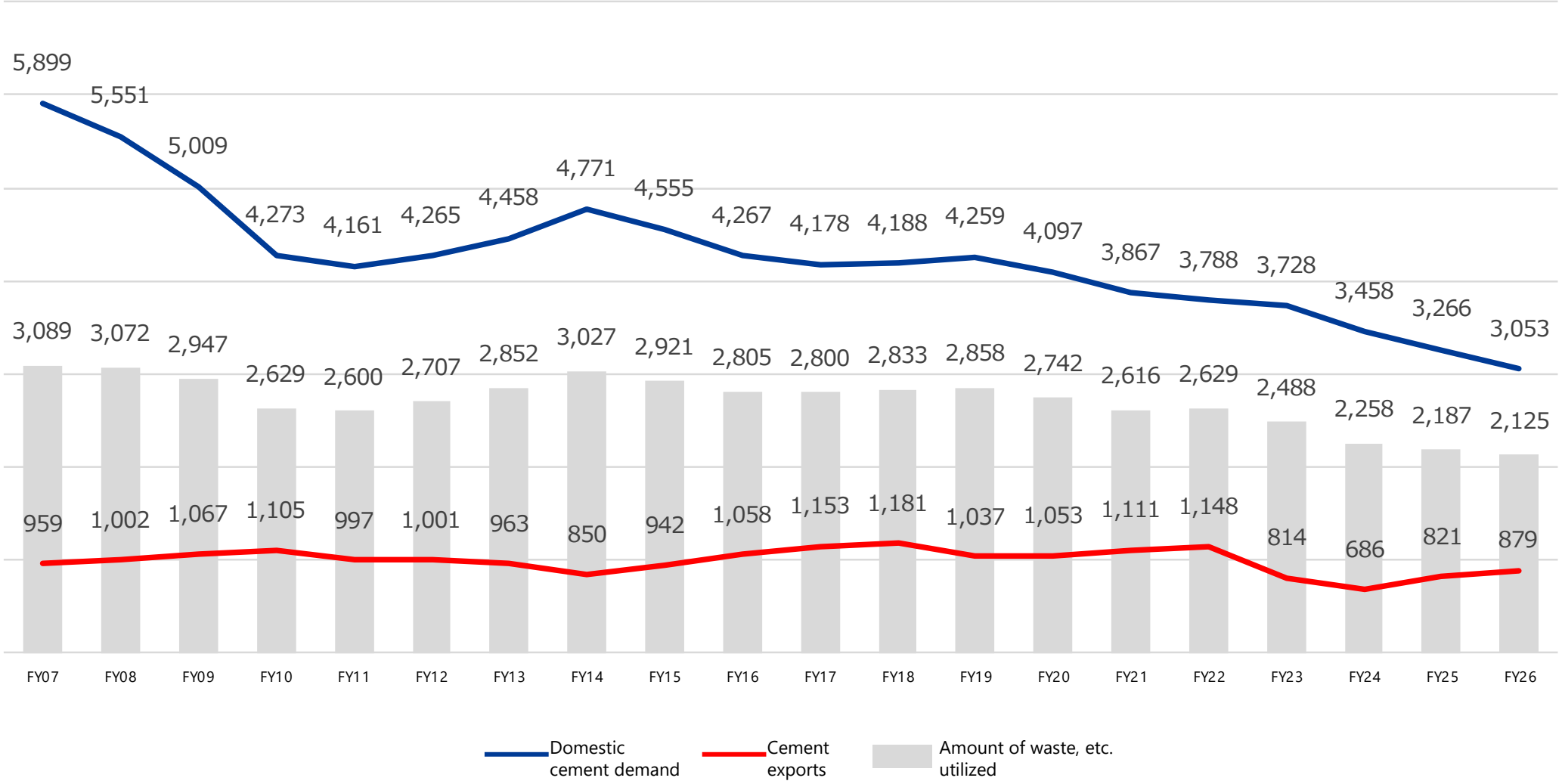
Operating Profit, EBITDA



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《Appendix》 Domestic cement demand・Cement exports・Amount of waste, etc. utilized

Domestic cement demand・Cement exports・Amount of waste, etc. utilized (Ten thousand t)



Data created from statistical data of the Japan Cement Association

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Sale of shareholdings

Sale of shareholdings

26 Medium-Term Management Plan period

Domestic listed shares
Scheduled to execute sales equivalent to approx. 20%*

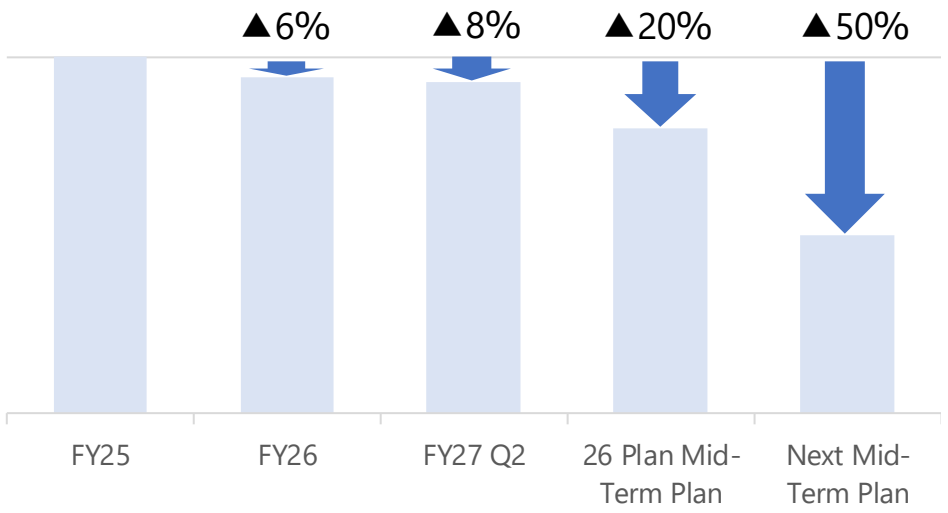
Next Medium-Term Management Plan period

Domestic listed shares
Scheduled to execute sales equivalent to approx. 50%* in total

* Based on book value as of March 31, 2025

【Results through FY2027 Q2】
Partial sale of shares in A&A Material and other holdings.

Approx. 8% executed out of the approx. 20% planned for the 26 MTP period.



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Forecast for the Fiscal 2027

《Precondition》

➢ The precondition for the FY 2027 revised forecast is as follows.

	FY2027 Forecast(Prev.)	FY2027 Forecast(Rev.)	Change
Domestic cement demand (Ten thousand t)	2,900	**2,900**	—
Average procurement price of imported coal, etc. for domestic (C&F $/t)	155	**150**	(5)
Average exchange rate (Yen/US$)	157.0	**158.0**	+1.0

《Summary for the Fiscal 2027 Revised Forecast》

➢ The impact of the situation in the Middle East is assumed to persist throughout the fiscal year.

➢ In the domestic cement business, sales volume is expected to increase from the second half, reflecting the transfer of business rights from Tokuyama Corporation. However, higher revenue and lower profit are expected due to a reduced contribution from the Tokuyama transaction as a result of the situation in the Middle East, as well as higher costs.

➢ At Overseas Subsidiaries, etc., revenue and profit are expected to increase, reflecting the acquisition effect in the U.S. from the second half, although the effect is expected to be lower than initially anticipated, together with improved performance in Vietnam and the Philippines, where challenging conditions persist.

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Forecast for the Fiscal 2027

(1) Consolidated Statements of Income

(Hundred million yen)

	FY2027 Forecast(Prev.)	FY2027 Forecast(Rev.)	Change
Net sales	10,270	**10,100**	(170)
Operating profit	760	**630**	(130)
Non-operating income and expenses	(60)	**(75)**	(15)
Ordinary profit	700	**555**	(145)
Extraordinary income and losses	135	**140**	+5
Profit before income taxes	835	**695**	(140)
Income taxes	190	**165**	(25)
Profit attributable to non-controlling interests	15	**20**	+5
Profit attributable to owners of parent	630	**510**	(120)

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Forecast for the Fiscal 2027

(2) Consolidated Segment Information

(Hundred million yen)

		Net sales			Operating profit		
		FY2027 Forecast (Prev.)	FY2027 Forecast (Rev.)	Change	FY2027 Forecast (Prev.)	FY2027 Forecast (Rev.)	Change
Cement Business	Domestic	3,680	**3,630**	(50)	170	**130**	(40)
	Overseas Subsidiaries, etc.	3,970	**3,920**	(50)	317	**244**	(73)
	Total	7,650	**7,550**	(100)	487	**374**	(113)
Mineral Resources Business		960	**950**	(10)	106	**105**	(1)
Environmental Business		920	**900**	(20)	104	**98**	(6)
Construction Materials Business		470	**450**	(20)	19	**4**	(15)
Other		970	**980**	+10	46	**55**	+9
Total		10,970	**10,830**	(140)	762	**636**	(126)
Elimination		(700)	**(730)**	(30)	(2)	**(6)**	(4)
Consolidated Total		10,270	**10,100**	(170)	760	**630**	(130)

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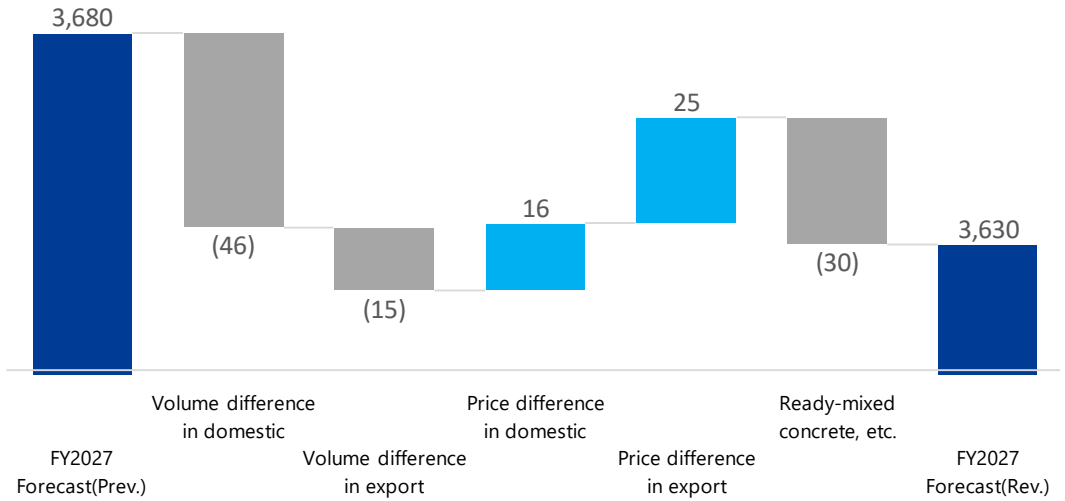
Forecast for the Fiscal 2027

①Domestic Cement Business

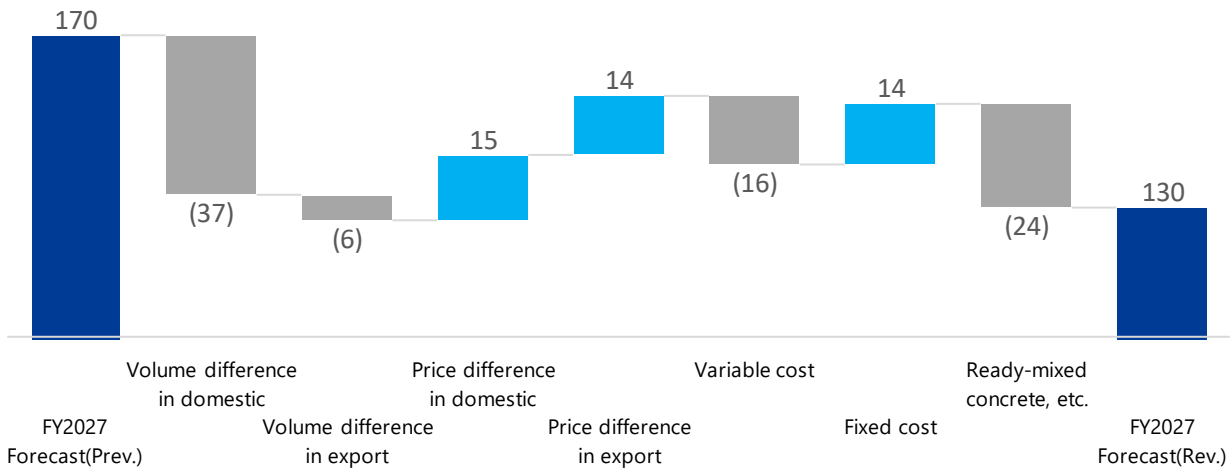
	FY2027 Forecast(Prev.)	FY2027 Forecast(Rev.)	Change
Sales volume (Thousand t)			
Domestic	11,800	**11,600**	(200)
Export	3,800	**3,600**	(200)
Net sales (Hundred million yen)	3,680	**3,630**	(50)
Operating profit (Hundred million yen)	170	**130**	(40)

- Sales volume is expected to be lower than initially forecast.
- Operating profit is expected to decrease due to the impact of lower sales volumes, as well as rising costs in the business transferred from Tokuyama Corporation, stemming from the situation in the Middle East.

Net Sales (Hundred million yen)



Operating Profit (Hundred million yen)



*The impact of the transfer of business rights from Tokuyama Corporation was included in 'Volume difference' in the previous forecast, but has been reclassified to 'Ready-mixed concrete, etc.' in the current forecast.

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Forecast for the Fiscal 2027

②Overseas Subsidiaries, etc.

《U.S.A.》

		FY2027 Forecast(Prev.)	FY2027 Forecast(Rev.)	Change
Cement (Thousand t)		5,937	**5,898**	(39)
Ready-mixed concrete (Thousand cy)		6,401	**6,034**	(367)
Aggregates (Thousand t)		12,187	**11,467**	(721)
Net sales	(Hundred million yen)	3,403	**3,336**	(67)
	(Million $)	2,168	2,108	(60)
Operating profit	(Hundred million yen)	326	**244**	(83)
	(Million $)	208	154	(54)

《Asia and others》 (Simple sum of consolidated subsidiaries)

	FY2027 Forecast(Prev.)	FY2027 Forecast(Rev.)	Change
Cement (Thousand t)	7,674	**7,758**	+84
Net sales (Hundred million yen)	600	**625**	+26
Operating profit (Hundred million yen)	10	**18**	+8

*The impact of foreign exchange fluctuations on changes in overseas subsidiaries is as follows.

Net sales: +2.5 billion yen, Operating profit: +0.2 billion yen

- Demand is expected to recover gradually from mid-2027 onward.
- In the ready-mixed concrete business, sales volume is expected to increase from the second half due to the impact of acquisitions. However, the first-year acquisition contribution is expected to be below the initial assumption due to weaker demand in the private sector.
- Aggregates sales volume is expected to decline due to sluggish demand in the Northwest.

- Vietnam: In addition to higher domestic sales volume supported by robust domestic demand, we will work to pass through cost increases, including those arising from the situation in the Middle East, to selling prices.
- Philippines: Earnings are expected to improve through thorough initiatives to raise selling prices and reduce costs. However, conditions remain challenging due in part to higher costs arising from the situation in the Middle East. We will continue our efforts to pass through cost increases to selling prices and reduce costs.

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Key Player in the Formation of a Circular Economy

The Taiheiyo Cement Group will continue to fulfill its role as a supplier of critical materials for national resilience and as a key player in the formation of a circular economy, while progressing with the steady transition to carbon neutrality.

Currently, the amount of waste and by-products used in the cement industry in Japan is equivalent to about 10% of the total amount of materials recycled in Japan.

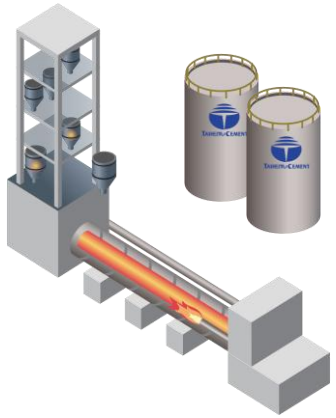
Utilization of waste and by-products

- Coal ash
- Blast furnace slag
- Various industrial waste
- Construction soil
- Municipal waste
- Incineration residues
- Household water and sewage sludge

etc.

Key player in the formation of a circular economy

Our group uses waste and by-products generated in local communities and other industries as raw materials and fuel to produce cement with a recycling rate of over 40%.



Supply critical materials for national resilience

Uses in the development of social infrastructure and the living environment

- Roads
- Railways
- Ports and harbors
- Bridges
- Tunnels
- Housing
- Schools
- Hospitals
- Commercial buildings
- Dams
- Levees
- Seawalls
- Underground facilities

and more

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Appendix

Carbon Neutral Strategy Draft Roadmap

Reduce by at least 20% specific net CO_2 emissions per tonne (compared to 2000)

Carbon Neutral

2026 — 2030 — 2050

Measures for carbon neutral

Innovative Approach — World-leading technology development —

Early development of derivative technologies

- ➢Methane firing
- ➢Oxygen-enriched combustion

- ➢**CCU (methanation)**
- ➢**CCU (carbonation)**
- ➢**CCS** (purification and shipping technology)

Progressive Approach — Deepening of existing technologies & lateral development of new technologies —

Development of innovative technologies

- ➢New standardization of blended cement (expansion of use)
- ➢Development of new grinding aid

Existing technologies: CO_2 reduction

Immediate Approach — Maximum utilization of existing technologies —

Existing technologies: CO_2 absorption

- ➢Accelerate shift to blended cement
- ➢Promote alternatives to fossil fuels

CN model business

Cooperate with Zero Carbon Island Concept of Yakushima Town

Realize a "CN Model Plant" at DC CO., LTD.

Measures against intensifying disasters

Application of proprietary technologies and development of new technologies

e.g., ground improvement material, world's strongest concrete, etc.

Overseas

Immediate Approach — Maximum utilization of existing technologies —

- ➢Improve procurement systems for blended materials

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External Evaluation

FTSE Blossom Japan Sector Relative Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index
(GenDi J)

MSCI Nihonkabu ESG Select Leaders Index

Dow Jones Sustainability Asia Pacific Index

S&P/JPX Carbon Efficient Index

CDP
[Scored B for climate change, B for water]
[Selected as Supplier Engagement Leader]

JCR
[Acquired A+ in 2026]

R&I
[Acquired A in 2026]

Platinum “Kurumin” certification
[Acquired in August 2023]

Health & Productivity Management Outstanding Organization
[Consecutive since 2023]

Human Capital Management Quality 2023
[Selected as the silver in February 2024]

Sompo Sustainability Index 2026
[Selected in June 2026]

List of major News Releases

Jun. 16, 2026	Taiheiyo Cement has been selected as the “Supplier Engagement Leader,” the highest rating in the “Supplier Engagement Rating” by CDP, for the third consecutive year
Jun. 16, 2026	Indonesian Alliance Commences Cement Exports to the U.S.
Jul. 21, 2026	Notice Regarding the Recording of Extraordinary Gain from the Transfer of Fixed Assets and Revision of Financial Forecasts
Jul. 31, 2026	Taiheiyo Cement Selected for the First Time as a Constituent of the Nikkei Moat Stock Index
Sep. 10, 2026	Notice of the Taiheiyo Cement Collaboration Café “CEMENT TALK CAFE”
Sep. 25, 2026	Taiheiyo Cement’s Second Series of TV Commercials Featuring Mone Kamishiraishi, “Circular Society” and “Global,” to Air from October 1
Sep. 28, 2026	Taiheiyo Cement Group Establishes Basic Policy on Customer Harassment
Sep. 30, 2026	Notice Regarding the Commencement of Business Operations of Tokuyama Taiheiyo Co., Ltd.
Oct. 6, 2026	Taiheiyo Cement Report 2026 (Integrated Report) Japanese Version Released

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