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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

November 11, 2025

Company name: TAIHEIYO CEMENT CORPORATION
Listing: Tokyo, Fukuoka
Securities code: 5233
URL: <https://www.taiheiyo-cement.co.jp/english/index.html>

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Scheduled date of filing semi-annual securities report: November 12, 2025

Scheduled date of commencing dividend payments: December 2, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (For Analysts and Institutional Investors)

(Yen amounts are rounded to the nearest million.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2025	438,141	(1.2)	32,853	(9.7)	32,946	(6.9)	24,485	(18.9)
September 30, 2024	443,676	6.0	36,389	105.0	35,371	75.8	30,192	121.7

(Note) Comprehensive income: Six months ended September 30, 2025: 1,583 million yen [(97.8)%]
Six months ended September 30, 2024: 71,113 million yen [58.3 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	219.68	-
September 30, 2024	261.22	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2025	1,433,864	669,502	44.6
March 31, 2025	1,423,695	676,124	45.1

(Reference) Equity: As of September 30, 2025: 639,673 million yen
As of March 31, 2025: 641,670 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2026	-	50.00			
Fiscal year ending March 31, 2026 (Forecast)			-	50.00	100.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	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
Full year	906,000	1.1	70,000	(10.0)	68,000	(9.8)	45,000	(21.6)	403.75

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(Note) For details, please see “2. Semi-annual Consolidated Financial Statements and Major Notes, (4) Notes to semi-annual consolidated financial statements, (Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements)” on page 11 of the Attached Materials of these Semi-annual Financial Results.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2025:	118,191,578 shares
March 31, 2025:	118,191,578 shares

2) Total number of treasury shares at the end of the period:

September 30, 2025:	6,709,070 shares
March 31, 2025:	6,768,508 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2025:	111,455,805 shares
Six months ended September 30, 2024:	115,582,202 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

<Cautionary Note Regarding Forward-looking Statements>

Forward-looking statements such as performance forecasts included in this document are based on information currently available to the Company and on certain assumptions deemed reasonable. However, actual results may differ materially due to various factors, including economic conditions, market demand, raw material prices, exchange rates, etc. For matters concerning earnings forecasts, please see “1. Overview of Operating Results, etc., (3) Explanation of consolidated financial results forecast and other forward-looking information” on page 3 of the Attached Materials of these Semi-annual Financial Results.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the six months under review

During the six months ended September 30, 2025, the Japanese economy recovered moderately on the back of factors including continued improvement in the employment and income situation, the recovery of capital investment and consumer spending, and solid public investment, despite the partial impact of U.S. trade policies and other situations. The economic outlook, however, has remained unstable, mainly due to factors including the downside risks to the economy arising from U.S. trade policies, uncertainty over conditions in the Middle East region, and the prolonged situation in Ukraine.

As for the global economy, although the U.S. economy gradually expanded, supported by consumer spending and capital investment, uncertainty remained amid sustained high interest rates and the rebound effect following the rush demand related to the hikes in tariff rates. The Chinese economy remained at a standstill as the real estate market remains stagnant, though the effects of various government policies have gradually become visible.

Under such circumstances, net sales for the six months ended September 30, 2025 were ¥438,141 million (down ¥5,535 million year-on-year), operating profit was ¥32,853 million (down ¥3,535 million year-on-year), ordinary profit was ¥32,946 million (down ¥2,425 million year-on-year), and profit attributable to owners of parent was ¥24,485 million (down ¥5,707 million year-on-year).

Operating results by segment are as follows. The presented amounts are figures before elimination of inter-segment transactions.

In line with organizational changes as of April 1, 2025, we have changed reportable segments of some subsidiaries from the first quarter of the fiscal year under review and accordingly, the following year-on-year comparisons are based on figures after such changes have been reflected.

① Cement Business

Domestic cement demand was sustained at a certain level, supported by countermeasure construction for national resilience, projects related to defense and urban development, factory construction resulting from the reshoring of supply chains, construction related to the Linear Chuo Shinkansen, and others. However, demand was affected by multiple factors such as soaring construction costs, a chronic labor shortage, a significant decrease of shipment on Saturdays due to the spread of a five-day week at construction sites, and delays in construction processes stemming from measures to prevent heatstroke in the summer season. As a result, domestic cement demand decreased 6.1% year-on-year to 15.34 million tons, of which, imported cement increased 47.3% year-on-year to 20 thousand tons. Total exports increased 10.1% year-on-year to 4.47 million tons.

Under these circumstances, the Group's domestic cement sales by volume, including consignment sales, decreased 8.3% year-on-year to 5.67 million tons. Exports increased 12.4% year-on-year to 1.64 million tons.

At West Coast U.S. cement businesses, sales by volume declined slightly year-on-year mainly due to the slowdown of housing demand and poor weather conditions, while selling prices were higher year-on-year. In the cement business in Vietnam, sales by volume, including exports, increased year-on-year due to a recovery in domestic demand. In the cement business in the Philippines, sales by volume inched up year-on-year.

As a result of the above, net sales were ¥326,731 million (down ¥7,702 million year-on-year), and operating profit was ¥21,184 million (down ¥5,129 million year-on-year).

② Mineral Resources Business

In the aggregates business, domestic sales by volume declined. In the mineral products business, despite an increase in sales by volume of limestone for the overseas market, sales by volume of limestone for the domestic market decreased. In the geo-solutions business, sales by volume of products for immobilizing heavy metal contaminants in soil increased due to steady progress of construction work related to the Hokkaido Shinkansen. In addition, efforts to pass on various cost increases to selling prices progressed in the entire business.

As a result, net sales were ¥45,303 million (up ¥1,382 million year-on-year), and operating profit was ¥5,190 million (up ¥368 million year-on-year).

③ Environmental Business

While sales in sewage sludge treatment were sluggish, operations of intermediary storage and port relay of soil generated from the Linear Chuo Shinkansen construction and coal processing remained strong.

As a result, net sales were ¥39,909 million year-on-year (up ¥1,536 million year-on-year), and operating profit was ¥4,516 million (up ¥692 million year-on-year).

④ Construction Materials Business

Despite efforts to optimize selling prices of ALC (Autoclaved Lightweight aerated Concrete) as well as construction and civil engineering materials, the operating results were affected by various cost increases including shipping and labor costs.

As a result, net sales were ¥21,470 million (up ¥145 million year-on-year), and operating profit was ¥917 million (down ¥76 million year-on-year).

⑤ Other Business

Net sales were ¥35,471 million (up ¥822 million year-on-year), and operating profit was ¥1,103 million (up ¥228 million year-on-year).

(2) Overview of financial position for the six months under review

Total assets increased ¥10,169 million from the end of the previous fiscal year to ¥1,433,864 million. Current assets increased ¥9,580 million from the end of the previous fiscal year to ¥415,310 million, and non-current assets increased ¥589 million to ¥1,018,554 million. The increase in current assets was mainly due to an increase in electronically recorded monetary claims - operating. The increase in non-current assets was mainly due to an increase in investment securities.

Liabilities increased ¥16,791 million from the end of the previous fiscal year to ¥764,362 million. Current liabilities increased ¥37,392 million from the end of the previous fiscal year to ¥425,746 million, and non-current liabilities decreased ¥20,601 million to ¥338,616 million. The increase in current liabilities was mainly due to an increase in commercial papers. The decrease in non-current liabilities was mainly due to a decrease in bonds payable. Interest-bearing debt (total amount of short-term borrowings, commercial papers, current portion of bonds payable, bonds payable, and long-term borrowings) increased ¥20,902 million from the end of the previous fiscal year to ¥410,591 million.

Net assets decreased ¥6,622 million from the end of the previous fiscal year to ¥669,502 million. This was mainly due to a decrease in foreign currency translation adjustment.

(3) Explanation of consolidated financial results forecast and other forward-looking information

Looking ahead, the Japanese economy is expected to continue recovering at a moderate pace with a pickup in capital investment and consumer spending. However, there is a concern over economic downturn due to factors such as the impact of U.S. trade policies and prolonged price hikes.

Under these circumstances, turning our attention to the Group's business environment, in our core domestic cement business, a certain amount of demand is expected owing to countermeasure construction for national resilience, projects related to defense and urban development, factory construction resulting from the reshoring of supply chains, construction related to the Linear Chuo Shinkansen, and others. In addition, as disasters have been intensifying nationwide, the Group has made a continued contribution to the recovery by accepting disaster waste and supplying cement in the Noto Peninsula. On the other hand, demand has continued to decrease stemming from delays in construction progress and prolonged construction periods caused by a chronic labor shortage and the spread of a five-day week at construction sites, and observed postponements of some redevelopment projects due to soaring construction costs. With regard to the revision of the cement selling price, the Group implemented an increase of at least ¥2,000 per ton from the current price for shipments after April 2025. The Group will continue to adjust its selling prices.

In the U.S., the economy is expected to grow mainly due to strong consumer spending, public investments based on an infrastructure investment bill and full-scale investments related to the Los Angeles Olympics and Paralympics scheduled to be held in 2028, in addition to the impact of interest rate cuts. However, the rebound effect following the rush demand related to the hikes in tariff rates and trends in financial markets must be monitored closely.

The full-year consolidated financial results forecasts have been revised as follows. For details, please see the "Notice Regarding the Revision of Financial Results Forecasts for the Fiscal Year Ending March 31, 2026" released today.

Consolidated financial results forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	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)	950,000	85,000	83,000	60,000	538.49
Revised forecast (B)	906,000	70,000	68,000	45,000	403.75
Change (B-A)	(44,000)	(15,000)	(15,000)	(15,000)	-
Change (%)	(4.6)	(17.6)	(18.1)	(25.0)	-

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	74,987	77,495
Notes and accounts receivable - trade, and contract assets	148,457	151,435
Electronically recorded monetary claims - operating	32,087	36,186
Merchandise and finished goods	54,373	52,698
Work in process	1,522	2,199
Raw materials and supplies	71,950	74,338
Other	22,469	21,154
Allowance for doubtful accounts	(115)	(194)
Total current assets	405,731	415,310
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	172,858	169,625
Machinery, equipment and vehicles, net	252,982	244,824
Land	163,531	161,507
Other, net	149,332	155,954
Total property, plant and equipment	738,702	731,910
Intangible assets		
Goodwill	64	97
Other	46,951	42,780
Total intangible assets	47,015	42,877
Investments and other assets		
Investment securities	135,374	148,313
Retirement benefit asset	49,389	49,270
Other	48,635	47,352
Allowance for doubtful accounts	(1,150)	(1,168)
Total investments and other assets	232,248	243,767
Total non-current assets	1,017,965	1,018,554
Total assets	1,423,695	1,433,864

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	73,647	72,306
Electronically recorded obligations - operating	16,284	17,004
Short-term borrowings	156,488	161,150
Commercial papers	5,000	28,000
Current portion of bonds payable	15,000	27,700
Income taxes payable	6,344	6,251
Provision for bonuses	7,302	7,199
Provision for product compensation	741	841
Other provisions	168	186
Other	107,380	105,109
Total current liabilities	388,354	425,746
Non-current liabilities		
Bonds payable	55,000	42,300
Long-term borrowings	158,200	151,440
Retirement benefit liability	23,008	22,008
Provision for retirement benefits for directors (and other officers)	536	437
Provision for special repairs	292	325
Provision for product compensation	2,728	2,302
Other provisions	360	355
Asset retirement obligations	14,453	14,030
Other	104,641	105,417
Total non-current liabilities	359,217	338,616
Total liabilities	747,571	764,362
Net assets		
Shareholders' equity		
Share capital	86,174	86,174
Capital surplus	50,288	49,360
Retained earnings	417,460	437,484
Treasury shares	(22,131)	(21,931)
Total shareholders' equity	531,791	551,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,879	28,941
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	3,509	3,509
Foreign currency translation adjustment	64,316	33,905
Remeasurements of defined benefit plans	23,174	22,230
Total accumulated other comprehensive income	109,879	88,586
Non-controlling interests	34,455	29,829
Total net assets	676,124	669,502
Total liabilities and net assets	1,423,695	1,433,864

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	443,676	438,141
Cost of sales	338,106	332,957
Gross profit	105,570	105,185
Selling, general and administrative expenses	69,181	72,331
Operating profit	36,389	32,853
Non-operating income		
Interest income	911	435
Dividend income	1,726	1,945
Share of profit of entities accounted for using equity method	-	1,072
Other	913	2,169
Total non-operating income	3,550	5,622
Non-operating expenses		
Interest expenses	2,022	2,805
Share of loss of entities accounted for using equity method	465	-
Other	2,079	2,723
Total non-operating expenses	4,567	5,529
Ordinary profit	35,371	32,946
Extraordinary income		
Gain on disposal of non-current assets	2,680	625
Gain on sale of investment securities	114	3
Gain on extinguishment of debt	4,571	-
Insurance claim income	878	-
Other	93	16
Total extraordinary income	8,335	644
Extraordinary losses		
Loss on disposal of non-current assets	920	1,488
Retirement benefit expenses	2,700	-
Other	215	95
Total extraordinary losses	3,836	1,583
Profit before income taxes	39,871	32,008
Income taxes	8,997	6,906
Profit	30,873	25,101
Profit attributable to non-controlling interests	681	616
Profit attributable to owners of parent	30,192	24,485

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	30,873	25,101
Other comprehensive income		
Valuation difference on available-for-sale securities	(477)	10,042
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	36,468	(30,070)
Remeasurements of defined benefit plans, net of tax	1,488	(962)
Share of other comprehensive income of entities accounted for using equity method	2,763	(2,528)
Total other comprehensive income	40,240	(23,518)
Comprehensive income	71,113	1,583
(Breakdown)		
Comprehensive income attributable to owners of parent	68,607	3,192
Comprehensive income attributable to non-controlling interests	2,507	(1,609)

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	39,871	32,008
Depreciation	29,397	33,847
Amortization of goodwill	21	16
Share of loss (profit) of entities accounted for using equity method	465	(1,072)
Loss (gain) on valuation of investment securities	1	(7)
Increase (decrease) in net retirement benefit liability and net retirement benefit asset	724	(1,221)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(56)	(98)
Increase (decrease) in provision for bonuses	44	(103)
Increase (decrease) in allowance for doubtful accounts	(34)	103
Increase (decrease) in provision for loss on business withdrawal	(104)	-
Increase (decrease) in other provisions	(256)	(281)
Interest and dividend income	(2,637)	(2,380)
Interest expenses	2,022	2,805
Loss (gain) on sale of investment securities	(114)	(3)
Loss (gain) on disposal of non-current assets	(1,760)	863
Gain on extinguishment of debt	(4,571)	-
Decrease (increase) in trade receivables	10,966	(10,188)
Decrease (increase) in inventories	(6,071)	(5,668)
Increase (decrease) in trade payables	(11,716)	601
Other, net	(7,210)	4,631
Subtotal	48,984	53,852
Interest and dividends received	3,464	3,287
Interest paid	(2,131)	(2,879)
Income taxes paid	(9,217)	(7,515)
Net cash provided by (used in) operating activities	41,099	46,744
Cash flows from investing activities		
Decrease (increase) in time deposits	(396)	449
Purchase of non-current assets	(42,635)	(49,674)
Proceeds from sale of non-current assets	3,131	1,360
Purchase of other depreciated assets	(274)	(279)
Proceeds from sale of depreciation and amortization assets	2	0
Purchase of investment securities	(100)	(448)
Proceeds from sale of investment securities	214	12
Loan advances	(475)	(151)
Proceeds from collection of loans receivable	245	197
Other, net	(211)	(40)
Net cash provided by (used in) investing activities	(40,499)	(48,574)

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(118)	4,402
Increase (decrease) in commercial papers	27,000	23,000
Proceeds from long-term borrowings	8,107	26,137
Repayments of long-term borrowings	(30,265)	(31,328)
Purchase of treasury shares	(14)	(12)
Dividends paid	(4,049)	(4,461)
Dividends paid to non-controlling interests	(509)	(678)
Other, net	(5,727)	(8,838)
Net cash provided by (used in) financing activities	(5,575)	8,222
Effect of exchange rate change on cash and cash equivalents	4,561	(2,631)
Net increase (decrease) in cash and cash equivalents	(414)	3,761
Cash and cash equivalents at beginning of period	71,147	65,339
Cash and cash equivalents at end of period	70,733	69,100

(4) Notes to semi-annual consolidated financial statements

(Note relating to going concern assumption)

Not applicable.

(Notes in the case of significant changes in amount of shareholders' equity)

Not applicable.

(Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, including the six months of the fiscal year under review, and multiplying profit before income taxes by such estimated effective tax rate. However, in cases where the calculation of tax expenses using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the result is multiplied by the statutory income tax rate.

(Segment information, etc.)

[Segment information]

I. For the six months ended September 30, 2024

1. Information on net sales, profit or loss by reportable segment

(Million yen)

	Reportable segment					Other (Note) 1	Total	Adjustments (Note) 2	Consolidated Total (Note) 3
	Cement Business	Mineral Resources Business	Environ- mental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	331,965	32,810	36,163	20,600	421,538	22,138	443,676	-	443,676
Inter-segment sales	2,467	11,110	2,211	725	16,514	12,511	29,025	(29,025)	-
Total	334,432	43,920	38,374	21,325	438,052	34,649	472,701	(29,025)	443,676
Segment profit	26,313	4,822	3,824	993	35,952	874	36,826	(438)	36,389

- Notes:
1. The "Other" section is a business segment that is not included in the reportable segments and includes the real estate, engineering, data processing, finance, transportation and warehousing, chemical products, sports, and electric power supply businesses.
 2. Adjustments to segment profit consist of elimination of inter-segment transactions.
 3. Segment profit is adjusted with the operating profit in the semi-annual consolidated statements of income.

2. Information on impairment losses on non-current assets, goodwill, etc. by reportable segment

Not applicable.

II. For the six months ended September 30, 2025

1. Information on net sales, profit or loss by reportable segment

(Million yen)

	Reportable segment					Other (Note) 1	Total	Adjustments (Note) 2	Consolidated Total (Note) 3
	Cement Business	Mineral Resources Business	Environ- mental Business	Construction Materials Business	Total				
Net sales									
Sales to outside customers	323,560	32,841	38,317	20,690	415,408	22,733	438,141	-	438,141
Inter-segment sales	3,170	12,461	1,592	780	18,004	12,738	30,743	(30,743)	-
Total	326,731	45,303	39,909	21,470	433,413	35,471	468,884	(30,743)	438,141
Segment profit	21,184	5,190	4,516	917	31,807	1,103	32,910	(57)	32,853

Notes: 1. The “Other” section is a business segment that is not included in the reportable segments and includes the real estate, engineering, data processing, finance, transportation and warehousing, chemical products, sports, and electric power supply businesses.
2. Adjustments to segment profit consist of elimination of inter-segment transactions.
3. Segment profit is adjusted with the operating profit in the semi-annual consolidated statements of income.

2. Matters concerning changes in reportable segments, etc.

The Company has changed reportable segments from the first six months of the fiscal year under review. Part of subsidiaries which was previously classified into the “Construction Materials Business” has been classified into the “Cement Business” and part of subsidiaries which was previously classified into “Other” has been classified into the “Environmental Business.”

As a result of these changes, segment information for the six months ended September 30, 2024 is presented based on the new classification of reportable segments.

3. Information on impairment losses on non-current assets, goodwill, etc. by reportable segment

Not applicable.

(Significant events after reporting period)

1. Acquisition of Ready-Mixed Concrete Business Assets from Vulcan Materials Company

The Company's consolidated subsidiary CalPortland Company (Head Office: California, USA; hereinafter "CPC") and Vulcan Materials Company (Head Office: Alabama, USA; hereinafter "Vulcan") have entered into an agreement whereby CPC will acquire Vulcan's ready-mixed concrete business assets in California on October 28, 2025.

(1) Reasons for Asset Acquisition, etc.

As part of our US business strategy outlined in our 26 Medium-Term Management Plan for fiscal years 2024-2026, we have established policies focusing on investment opportunities for existing business expansion, development of carbon neutral technology, and supply chain strengthening.

Our company manufactures and sells cement, ready-mixed concrete (hereinafter "ready-mix"), and aggregates on the US West Coast, including California. Through this acquisition, we will acquire ready-mix business assets in Northern California's San Francisco Bay Area and Southern California's San Diego region.

This asset acquisition will enable us to enter Northern California's San Francisco Bay Area, a new region previously not accessed by our ready-mix business, while improving existing ready-mix efficiencies in Southern California's San Diego region through new logistical synergies and cost reduction initiatives, in a state where robust demand is expected to continue. In the San Francisco Bay Area, which is Northern California's economic center, investments in AI-related data centers and supporting power infrastructure are anticipated. In Southern California's San Diego region, steady housing demand due to population growth and planned urban redevelopment projects are expected, with robust ready-mix demand anticipated in both regions.

In addition, acquisition of the assets will provide CPC with stable demands for the cement produced at CPC's plants, as well as cement and supplementary cementitious materials (*) imported from our Group companies and our partners. This will also provide us with new synergies and sales opportunities going forward.

Through this transaction, we expect to achieve steady growth in both sales and profits by strengthening the revenue base of our US ready-mix business, enhancing our supply chain including our group's trading network, and expanding low carbon supplementary cementitious materials initiatives.

(*) Supplementary Cementitious Materials (SCMs): SCMs are used as a partial replacement during cement manufacturing or ready-mix production to improve performance. Commonly used SCMs include industrial by-products such as blast furnace slag and fly ash and natural materials such as limestone and pozzolan.

(2) Overview of CPC

Name	CalPortland Company
Location	1490 Rubidoux Boulevard, Jurupa Valley, CA U.S.A.
Representative	G. Allen Hamblen (President and Chief Executive Officer)
Business	Manufacturing and sale of cement, ready-mix, aggregates, and asphalt
Capital	\$24 million
Cement/Ready-mix/Aggregate Production Facilities	Washington, Oregon, California, Arizona, Nevada

(3) Overview of Asset Acquisition

(i) Overview of Target Assets

Ready-mix business assets owned by Vulcan in California

(41 ready-mix plants, 2 cement terminals, and others)

* Financial Performance of Target Business in Previous Fiscal Years

Year	2024
Sales	\$524,114 thousand

(ii) Target Asset Items

Tangible and intangible fixed assets, real property, inventory, etc. related to this business

(iii) Acquisition Price and Settlement Method

Acquisition Amount: \$712 million

Settlement Method: Cash settlement

(iv) Accounting Treatment

This asset acquisition is expected to qualify as an “acquisition” under business combination accounting standards.

(4) Overview of Vulcan Materials Company

Name	Vulcan Materials Company
Location	1200 Urban Center Drive, Birmingham, Alabama
Representative	J. Thomas Hill (Chairman and Chief Executive Officer)
Business	Manufacturing and sale of aggregates, asphalt, and ready-mix
Capital	\$132 million
Established	1909
Consolidated Net Assets	\$8,143 million
Consolidated Total Assets	\$17,105 million
Relationship with Listed Company	
Capital Relationship:	No matters to report
Personnel Relationship:	No matters to report
Business Relationship:	Cement sales, aggregate purchases
Related Party Status:	No matters to report

(5) Future Outlook

Transaction Closing Date: December 2025

(Note): Transaction closing is subject to clearance from relevant authorities and other closing conditions. Impacts on our current fiscal year’s consolidated financial results from this transaction is immaterial.