Explanatory Materials
(For 2nd Quarter (Interim) of Fiscal Year Ending March 31, 2025)

November 12, 2024

SUMITOMO OSAKA CEMENT

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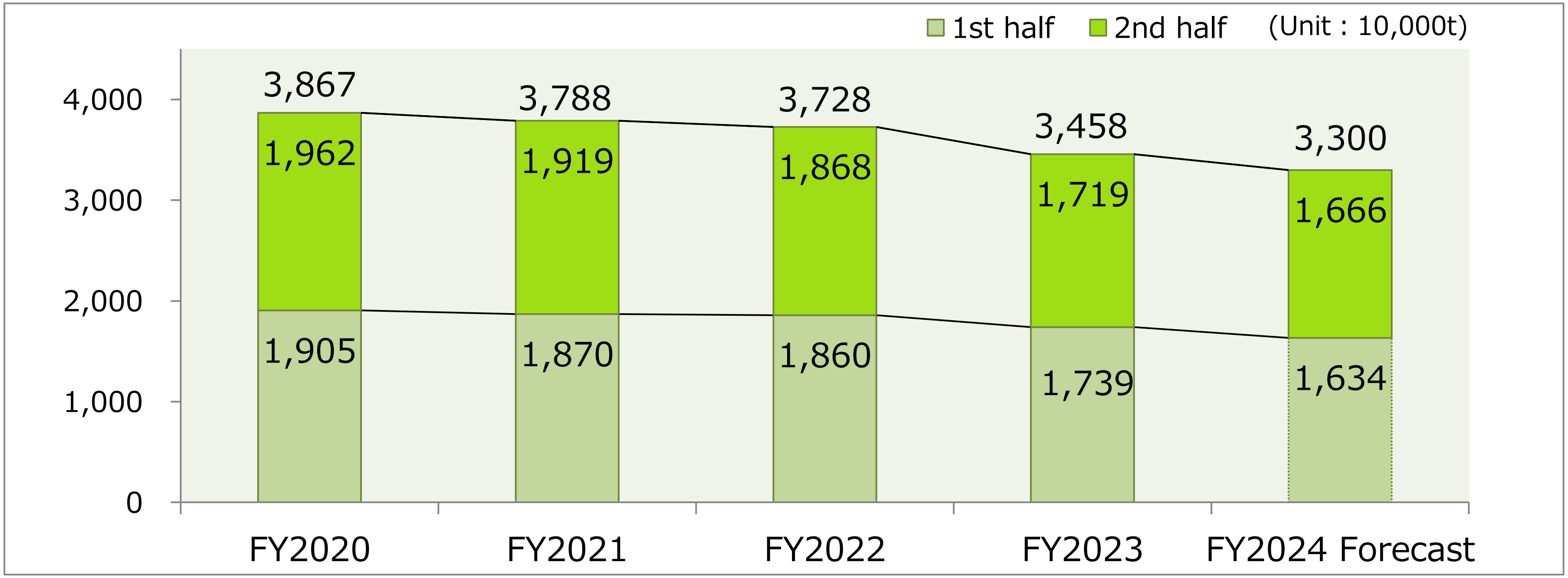
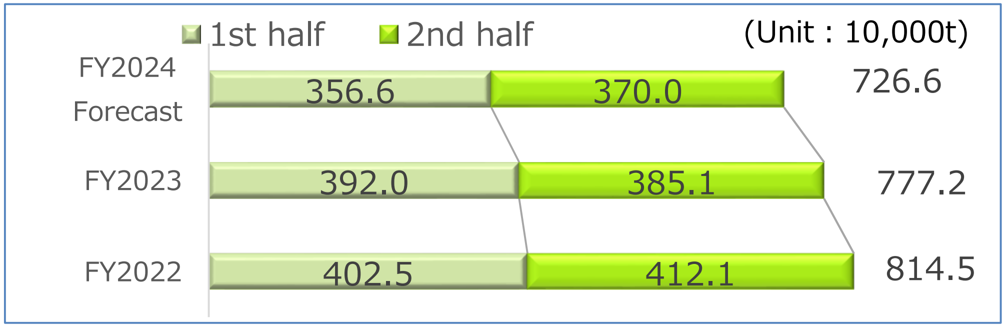
1. Domestic Cement Demand / Our Sales Volume

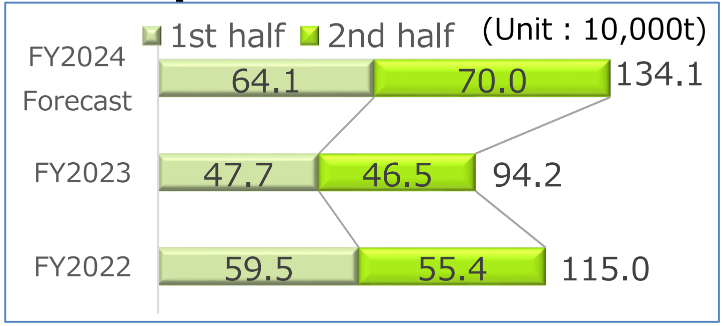
Domestic cement demand



Our domestic sales volume



Our export volume



2. FY2024 2nd Quarter (Interim) Financial Results

① **Sales**
- Revenue fell due to lower sales of the cement business and advanced materials business, etc.

② **Operating income**
- Operating income increased due to an impact of price hikes of the cement business and a coal price decline, etc.

③ **Non-operating income/loss**
- Deterioration in foreign exchange gains/losses, etc.

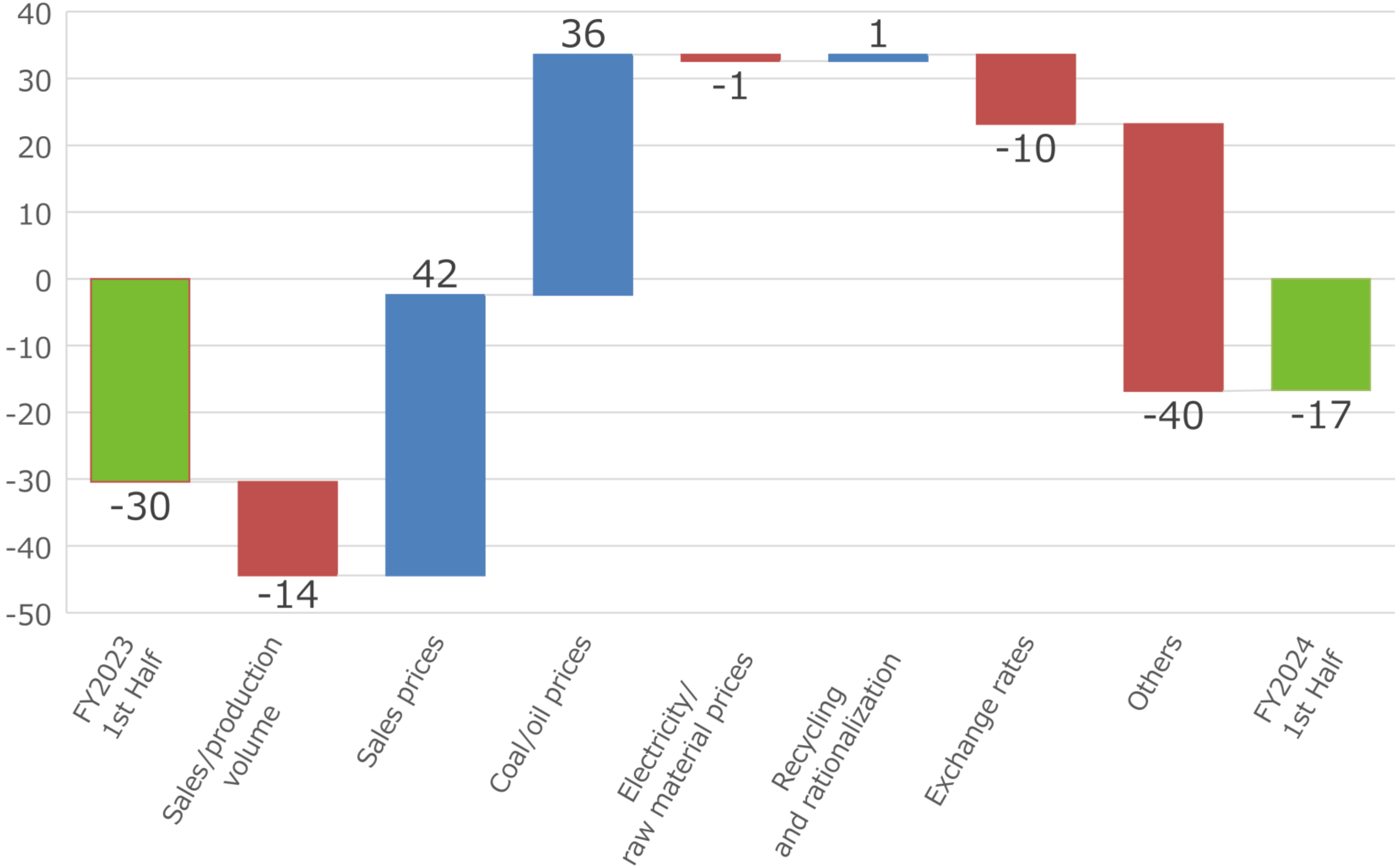
④ **Extraordinary income/loss**
- Deteriorated due to a negative backlash following the recording of a gain on sale of cross-shareholdings in the previous period

Unit: 100 million yen

	FY2024 1st Half	FY2023 1st Half	Increase/ decrease
Sales	1,086	1,098	- 12
Operating income (Cement business only)	22.8 (-16.7)	18.4 (-30.4)	4.4 (13.7)
Non-operating income/loss	- 1.6	8.4	- 9.9
Ordinary income	21.2	26.8	- 5.5
Extraordinary income/loss	- 2.2	39.6	- 41.8
Net income	9.4	58.8	- 49.4

2. FY2024 2nd Quarter (Interim)
Breakdown of Change in Cement Operating Income

Unit: 100 million yen



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2. FY2024 2nd Quarter (Interim) Sales and Income by Segment

Unit: 100 million yen

	FY2024 1st Half		FY2023 1st Half		Increase/decrease	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Cement	776	- 16.7	783	- 30.4	- 7	13.7
Mineral Resources	88	16.2	73	16.3	15	- 0.1
Cement-Related Products	119	7.8	105	5.9	13	1.9
Optoelectronics	11	- 2.5	12	- 1.7	- 0	- 0.8
Advanced Materials	73	9.8	106	18.7	- 33	- 8.9
Others	19	7.5	19	8.4	- 0	- 0.9
Total	1,086	22.8	1,098	18.4	- 12	4.4

3. FY2024 Full-year Earnings Forecast

① **Net sales**
- Revenue grew due to increased sales of the mineral resources business and cement-related products business, despite lower sales of the cement business and advanced materials business

② **Operating income**
- Operating income increased due to an impact of price hikes of the cement business and a coal price decline, etc.

③ **Non-operating income/loss**
- Deterioration in foreign exchange gains/losses, etc.

④ **Extraordinary income/loss**
- Gains on sale of cross-shareholdings are expected again in the current period

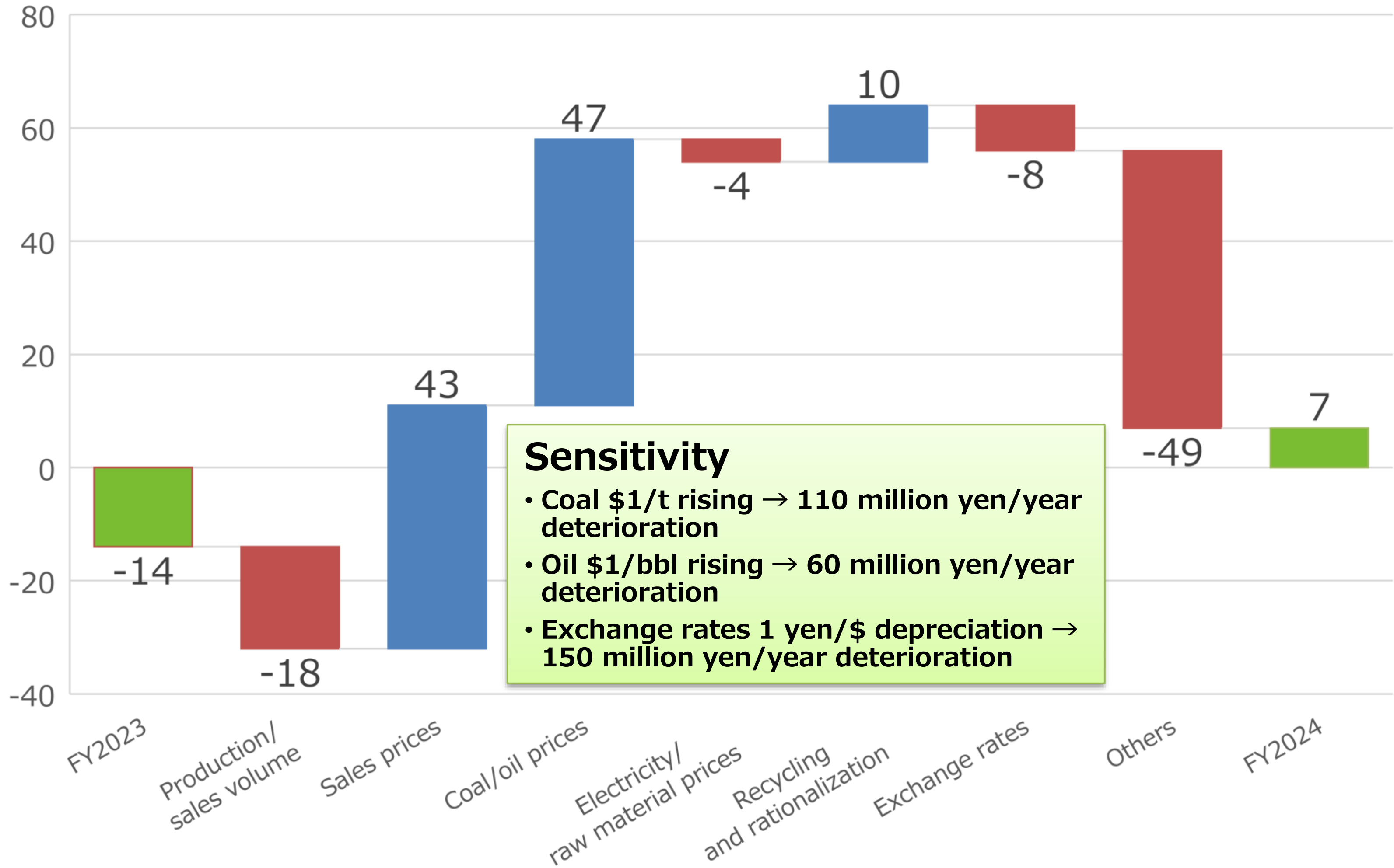
⑤ **Dividend**
- Unchanged

Unit: 100 million yen

	FY2024 Forecast	FY2023 Results	Increase/ decrease
Sales	2,238	2,225	13
Operating income (Cement business only)	84.0 (6.6)	72.5 (-14.4)	11.5 (21.0)
Non-operating income/loss	- 1.0	12.3	- 13.3
Ordinary income	83.0	84.8	- 1.8
Extraordinary income/loss	22.0	101.6	- 79.6
Net income	78.0	153.4	- 75.4
Dividend per share	120 yen	120 yen	-

3. FY2024 Breakdown of Change in Cement Operating Income Year on Year

Unit: 100 million yen



Sensitivity

- **Coal \$1/t rising → 110 million yen/year deterioration**
- **Oil \$1/bbl rising → 60 million yen/year deterioration**
- **Exchange rates 1 yen/\$ depreciation → 150 million yen/year deterioration**

3. FY2024 Full-year Earnings Forecast Revision (From the Initial Forecast)

① **Net sales**
- Revenue fell due to decreased domestic cement sales volume, etc.

② **Operating income**
- Operating income fell due to decreased domestic cement sales volume, etc.

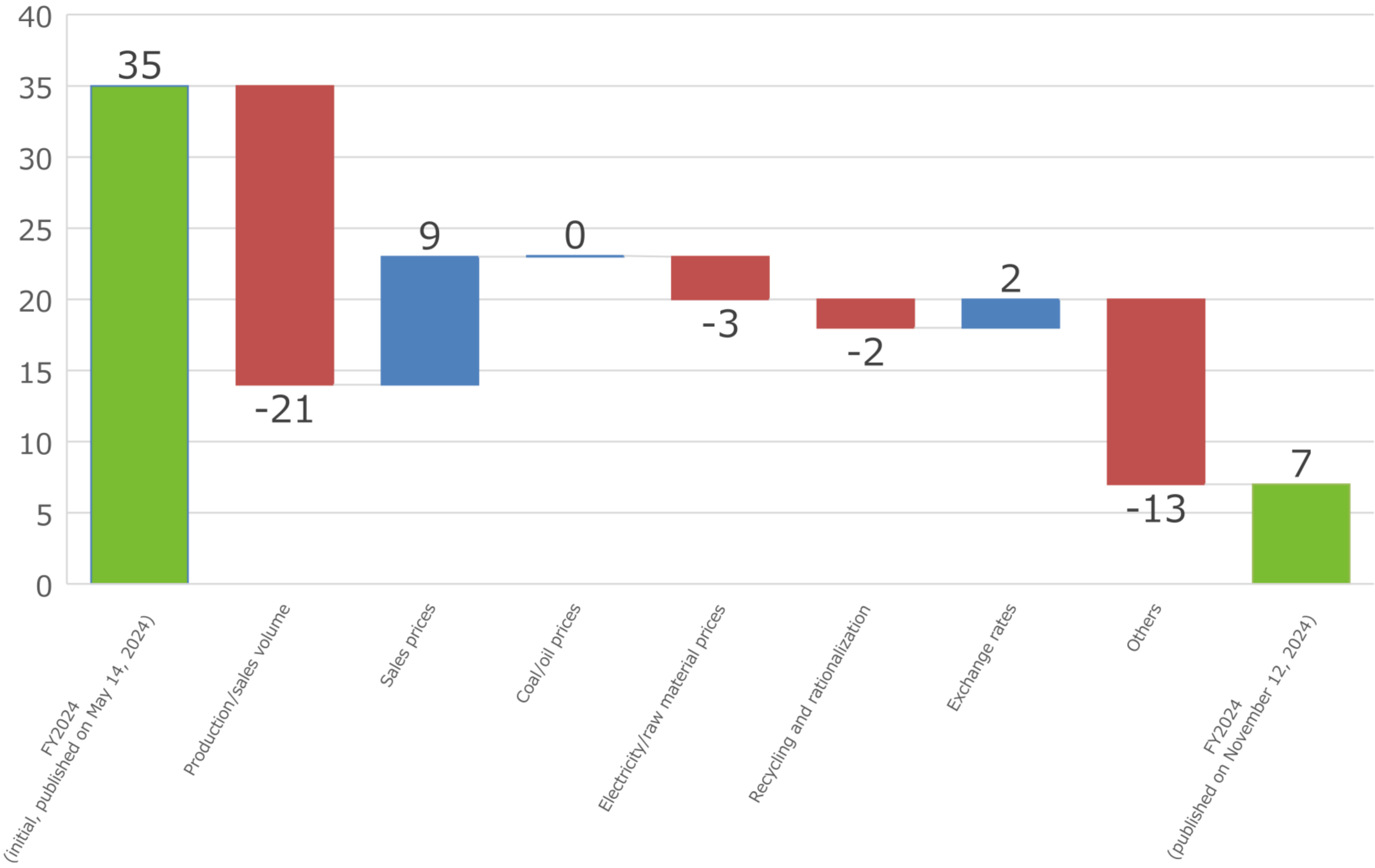
③ **Dividend**
- Unchanged

Unit: 100 million yen

	FY2024 Forecast (published on November 12, 2024)	FY2024 Forecast (published on May 14, 2024)	Increase/ decrease
Sales	2,238	2,295	- 58
Operating income (Cement business only)	84.0 (6.6)	111.0 (35.1)	- 27.0 (-28.5)
Non-operating income/loss	- 1.0	2.0	- 3.0
Ordinary income	83.0	113.0	- 30.0
Extraordinary income/loss	22.0	25.0	- 3.0
Net income	78.0	103.0	- 25.0
Dividend per share	120 yen	120 yen	-

3. FY2024 Breakdown of Change in Cement Operating Income (From the Initial Forecast)

Unit: 100 million yen



4. Supplementary Materials FY2024 Sales & Profit/Loss by Segment and Half Year

Unit: 100 million yen

		FY2024			YoY Comparison		
		1st Half Results	2nd Half Forecast	Full-year Forecast	1st half	2nd half	Full year
Sales	Cement	776	818	1,594	- 7	- 15	- 22
	Mineral Resources	88	91	179	15	18	33
	Cement-Related Products	119	130	249	13	19	32
	Optoelectronics	11	14	25	- 0	5	5
	Advanced Materials	73	78	151	- 33	- 3	- 36
	Others	19	21	40	- 0	2	2
Total		1,086	1,152	2,238	- 12	25	13
Operating income	Cement	- 16.7	23.3	6.6	13.7	7.2	21.0
	Mineral Resources	16.2	16.7	32.9	- 0.1	1.5	1.5
	Cement-Related Products	7.8	9.6	17.4	1.9	0.3	2.3
	Optoelectronics	- 2.5	- 2.3	- 4.8	- 0.8	2.7	1.9
	Advanced Materials	9.8	6.7	16.5	- 8.9	- 3.6	- 12.4
	Others	7.5	7.8	15.3	- 0.9	- 0.4	- 1.3
Total		22.8	61.2	84.0	4.4	7.1	11.5

4. Supplementary Material
Status of Assets and Liabilities

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Unit: 100 million yen

	End of September 2024	End of March 2024	Increase/ decrease	End of March 2025 Forecast
Cash and deposits	158	187	- 29	145
Tangible fixed assets	1,889	1,845	44	1,945
Investment securities	443	449	- 5	396
Other assets	1,093	1,082	10	1,090
Total of assets	3,583	3,563	20	3,576
Interest-bearing debt	863	795	68	858
Other liabilities	817	800	17	790
Total of liabilities	1,680	1,595	85	1,648
Net assets	1,903	1,968	- 65	1,928
Total liabilities and net assets	3,583	3,563	20	3,576

4. Supplementary Material
Status of Cash Flow

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Unit: 100 million yen

	FY2024 1st Half	FY2023 1st Half	Increase/ decrease	FY2024 Forecast
Net profit before taxes	19	66	- 47	105
Depreciation	107	101	6	226
Receivables, debt increase/ decrease, Corporate tax, etc.	- 24	28	- 52	- 92
Operating cash flow	102	195	- 93	239
Fixed asset acquisition	- 131	- 149	18	- 305
Sale of assets, etc.	1	58	- 57	50
Others	1	- 3	4	2
Investment cash flow	- 129	- 94	- 35	- 253
Free cash flow	- 27	101	- 128	- 14
Change in interest-bearing debt	68	- 62	130	63
Acquisition of treasury stock	- 50	0	- 50	- 50
Dividend payment, etc.	- 22	- 21	- 1	- 42
Financial cash flow	- 4	- 83	79	- 29
Changes in cash and cash equivalents	- 29	19	- 48	- 42

4. Supplementary Material
Changes in Performance, etc.

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			FY2020	FY2021	FY2022	FY2023	FY2024 Forecast
Sales		100 million yen	2,393	1,842	2,047	2,225	2,238
Operating income		100 million yen	166.3	68.8	- 85.6	72.5	84.0
Ordinary income		100 million yen	176.4	98.3	- 78.5	84.8	83.0
Profit attributable to owners of parent		100 million yen	117.2	96.7	- 57.2	153.4	78.0
Total assets		100 million yen	3,297	3,311	3,566	3,563	3,576
Interest-bearing debt		100 million yen	514	566	997	795	858
Net assets		100 million yen	2,058	2,032	1,846	1,968	1,928
Return on assets	(ROA)	%	5.4	3.0	- 2.3	2.4	2.3
Return on equity	(ROE)	%	5.9	4.8	- 3.0	8.1	4.1
Return on investment capital	(ROIC)	%	4.5	1.8	- 2.1	1.8	2.1
Debt/equity	(D/E)	%	25	28	54	40	45
Operating + Investment Cash Flows	(FCF)	100 million yen	139	22	- 360	284	- 14
Net asset ratio of cross-shareholdings		%	24.9	26.4	22.6	19.6	17.0

4. Supplementary Material
Changes in Performance, etc.

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		FY2020	FY2021	FY2022	FY2023	FY2024 Forecast
Capital investment	100 million yen	215	207	297	294	337
Depreciation	100 million yen	188	194	202	217	225
R&D expenses	100 million yen	32	31	31	35	37
Financial balance	100 million yen	10	20	13	6	3
Number of employees at the end of the period	(persons)	3,065	3,068	2,896	2,886	-

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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