

FY2026-28

Medium-Term Management Plan

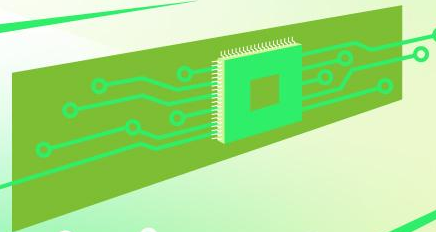
A roadmap for
creating corporate value to realize
our medium- to long-term vision

May 13, 2026

 Sumitomo Osaka Cement

Cementing Growth

成長を確かなものに



Under our new medium-term management plan, we will accelerate the realization of the initiatives that have been ongoing since the previous plan, while also launching new businesses aimed at achieving our long-term vision, thereby building a stronger foundation for growth.






We will introduce business-specific ROIC and aim to achieve profitability that exceeds the hurdle rate for each business. By establishing profitability and efficiency metrics as KPIs for each business, we will drive their adoption throughout the Group.

**Shareholder returns: we will continue to aim for a total payout ratio of 50% or more a three-year average, and have set a minimum dividend of 120 yen per share.
We will place greater emphasis on dividends while combining this with flexible acquisitions of treasury shares as part of our overall return policy.**

We will continue to prioritize dialogue with our shareholders and investors, keeping them informed of our current status and growth potential, and working together with them to enhance our corporate value.



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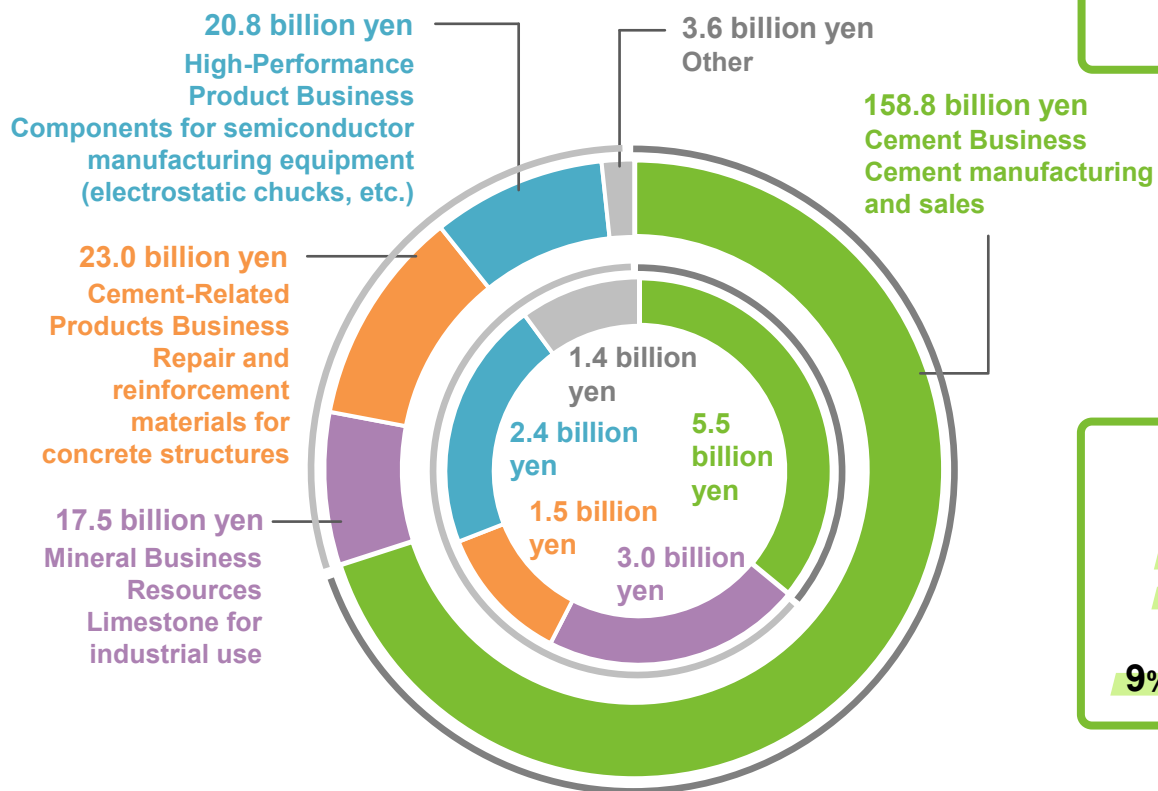
01

About Sumitomo Osaka Cement

Sumitomo Osaka Cement at a glance

Breakdown by business, FY2025 Sales (outer circle) / operating income (inner circle)

Sales, FY2025	Operating income, FY2025
223.7 billion yen	13.6 billion yen



About Sumitomo Osaka Cement

Cement demand has fallen by about half over the past 20 years. However, a certain level of demand is expected going forward due to renewal of aging infrastructure and other factors

Cement prices are becoming more suitable
Increased **about 50% in past 3 years**

SOC has **the third-highest sales volume** in the domestic cement market
Stable client base

Leveraging core technologies to grow non-cement businesses into a revenue base

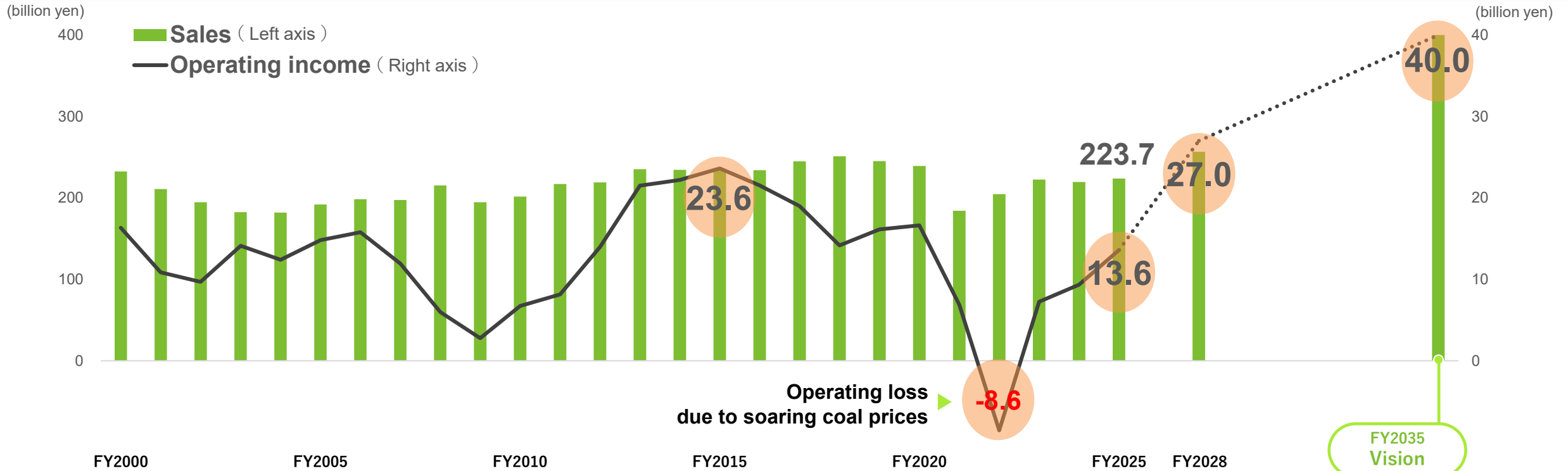
A major industry supplier of electrostatic chucks for semiconductor manufacturing equipment

Under medium-term management plan, **operating income will approximately double**
Planning for **9% or more ROE in FY2028**

Promote business portfolio transformation
Under medium-term management plan, achieve **ROIC > 6% cost of capital**

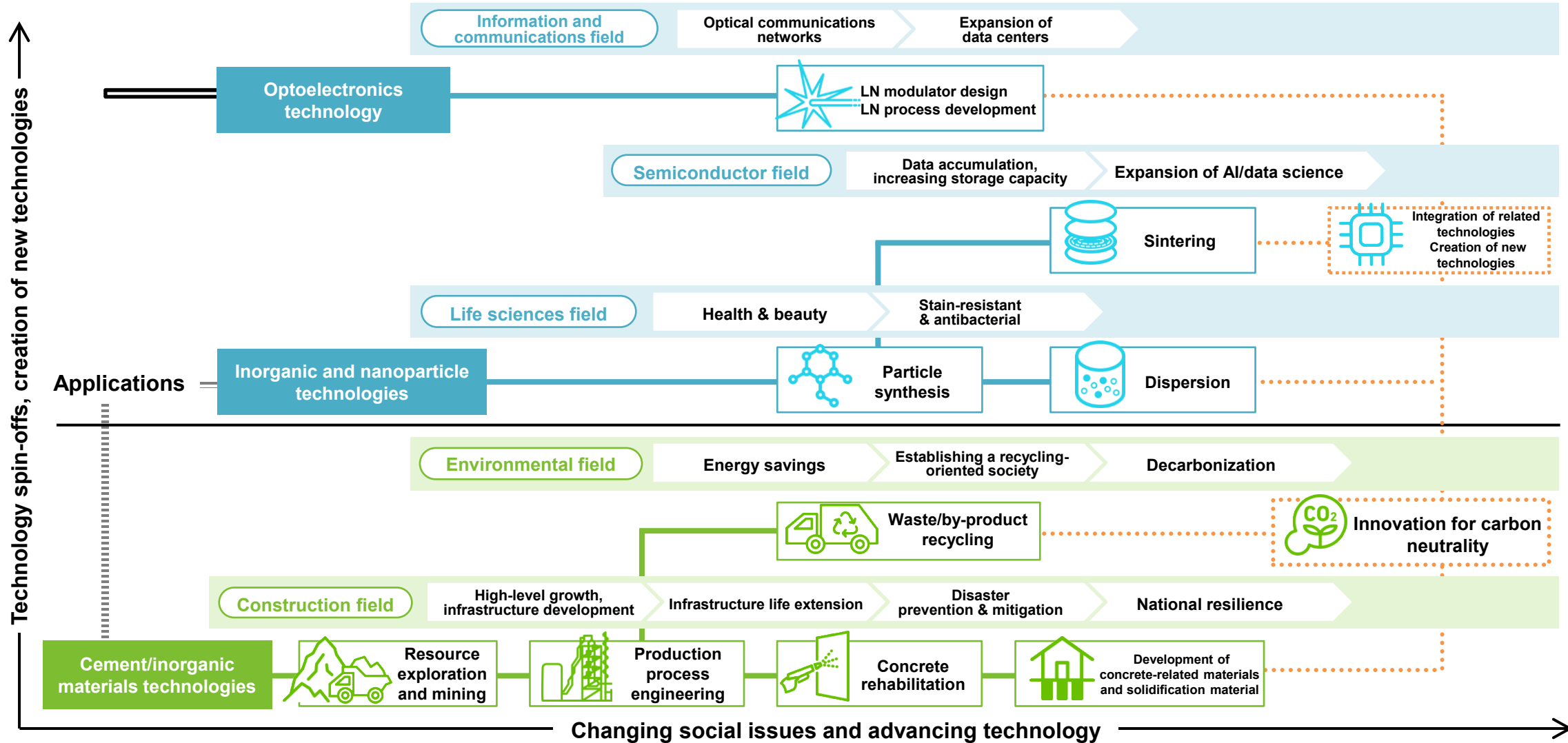
Set a dividend minimum and promote shareholder returns
Total payout ratio: 50% (3-year average)

We will restore profitability in the medium term and achieve growth in the long term



Technologies developed for cement manufacturing processes: a source for growth

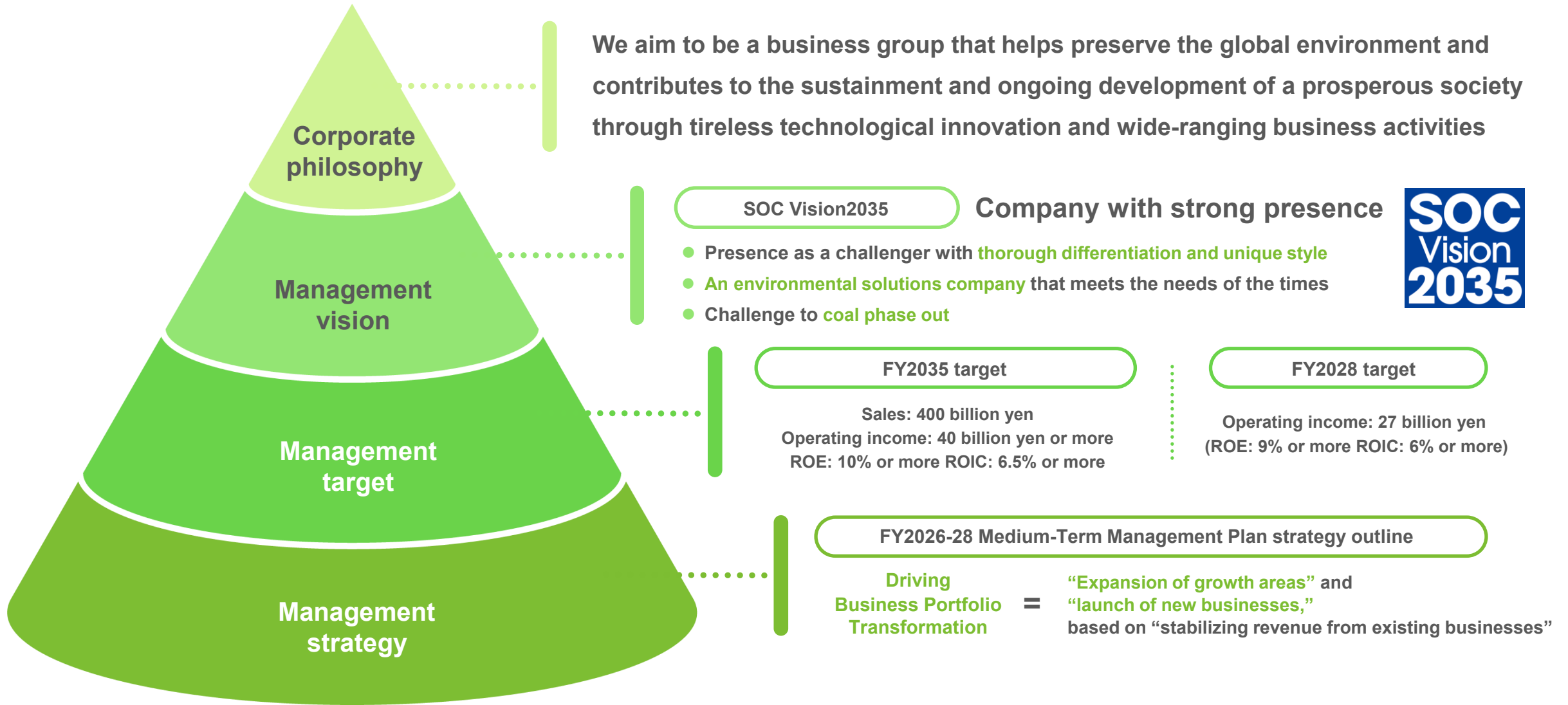
Since our founding, we have steadily cultivated original technologies while expanding the scope of our business through, for example, applications of our technologies to address related social issues.





02

**Reaching to achieve
SOC Vision2035**



Aim Company with strong presence

- 1 Presence as a challenger with thorough differentiation and unique style
- 2 An environmental solutions company* that meets the needs of the times
- 3 Challenge to coal phase out

※What is an environmental solutions company of SOC:

A company that provides solutions (products and solutions) to environmental issues toward the realization of a recycling-based society and a decarbonized society

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%



03

**A look back on the previous
medium-term management plan**

A look back on the previous medium-term management plan(1)

Earnings: profitability was recovered but targets were not met

(billion yen)	FY2022	FY2025 plan	FY2025 results
Sales	204.7	265.0	223.7
Operating income [Operating income ratio]	-8.5 [-4.2%]	21.4 [8.1%]	13.6 [6.1%]
ROE	-3.0%	8.0% or more	5.8%
ROIC		5.0% or more	3.3%

Market/external environment

Domestic demand for cement	37.28 million t	38.00 million t	30.53 million t
Coal CIF(\$/t)	About 280	250	135
Oil (\$/bbl)	96	90	72
Exchange rate (¥/\$)	135	130	150

Factors contributing to discrepancies between FY2025 targets and results

- Sluggish growth in profits for Cement Business due to weaker-than-expected domestic demand for cement and high materials costs
- Slow recovery in sales of components for semiconductor manufacturing equipment (electrostatic chucks, etc.)

Discrepancies from the initial forecast of external conditions

- Domestic demand for cement lower than initially projected
- Labor shortages, accelerating inflation, and high materials costs

Major results

- Gradual increases in cement prices (some of the effects of the price increases will not be realized until after FY2025)
- Completion of Shuho Mine shipping berth extension
- Prospects for expanding electrostatic chuck production capacity
- Completion of Tochigi artificial limestone pilot-scale test production facility

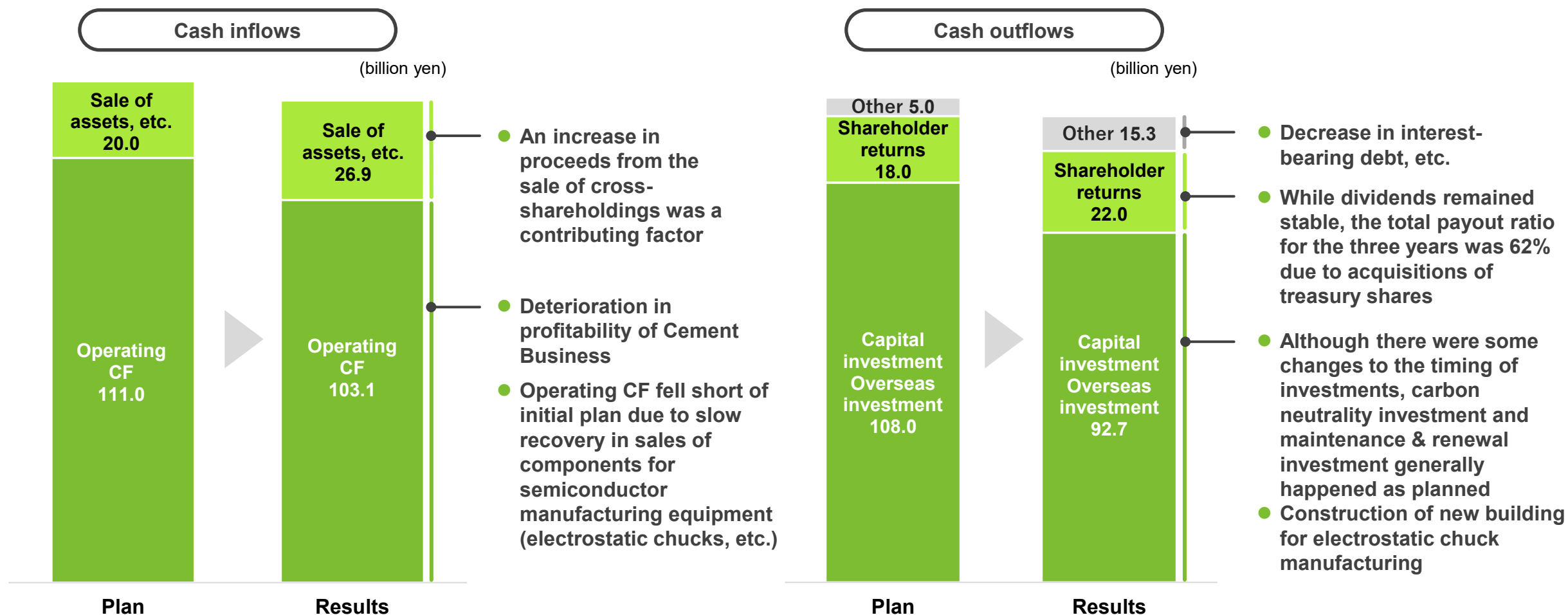
Issues that will continue during the new medium-term management plan

- Establishing an optimal structure for the domestic Cement Business
- Making the LN modulator business profitable
- Accelerating growth of components for semiconductor manufacturing equipment (electrostatic chucks, etc.)

A look back on the previous medium-term management plan (2)

Capital allocation: operating CF declined, but necessary investments were made and shareholder returns increased

Capital allocation under previous medium-term management plan (FY2023-25)





04

**New medium-term
management plan**

Management target: To achieve ROIC greater than the cost of capital

We aim to achieve an ROIC that is greater than our current WACC*,
and to achieve operating income of 27 billion yen

FY2028 (FYE 3/2029) medium-term management targets

Sales	Operating income	ROE	ROIC	Total payout ratio (3-year average)
255.5 billion yen	27 billion yen (10.5% operating income ratio)	9% or more	6% or more	50% or more
vs FY2025 +31.8 billion yen	vs FY2025 +13.4 billion yen	vs FY2025 +3.2 pts	vs FY2025 +2.7 pts	Minimum dividend 120 yen/share

FY2025 results

FY2026-28 plan

Domestic demand for cement	30.53 million t	30 million t
Coal CIF (\$/t)	135	150
Oil (\$/bbl)	72	60
Exchange rate (¥/\$)	150	150

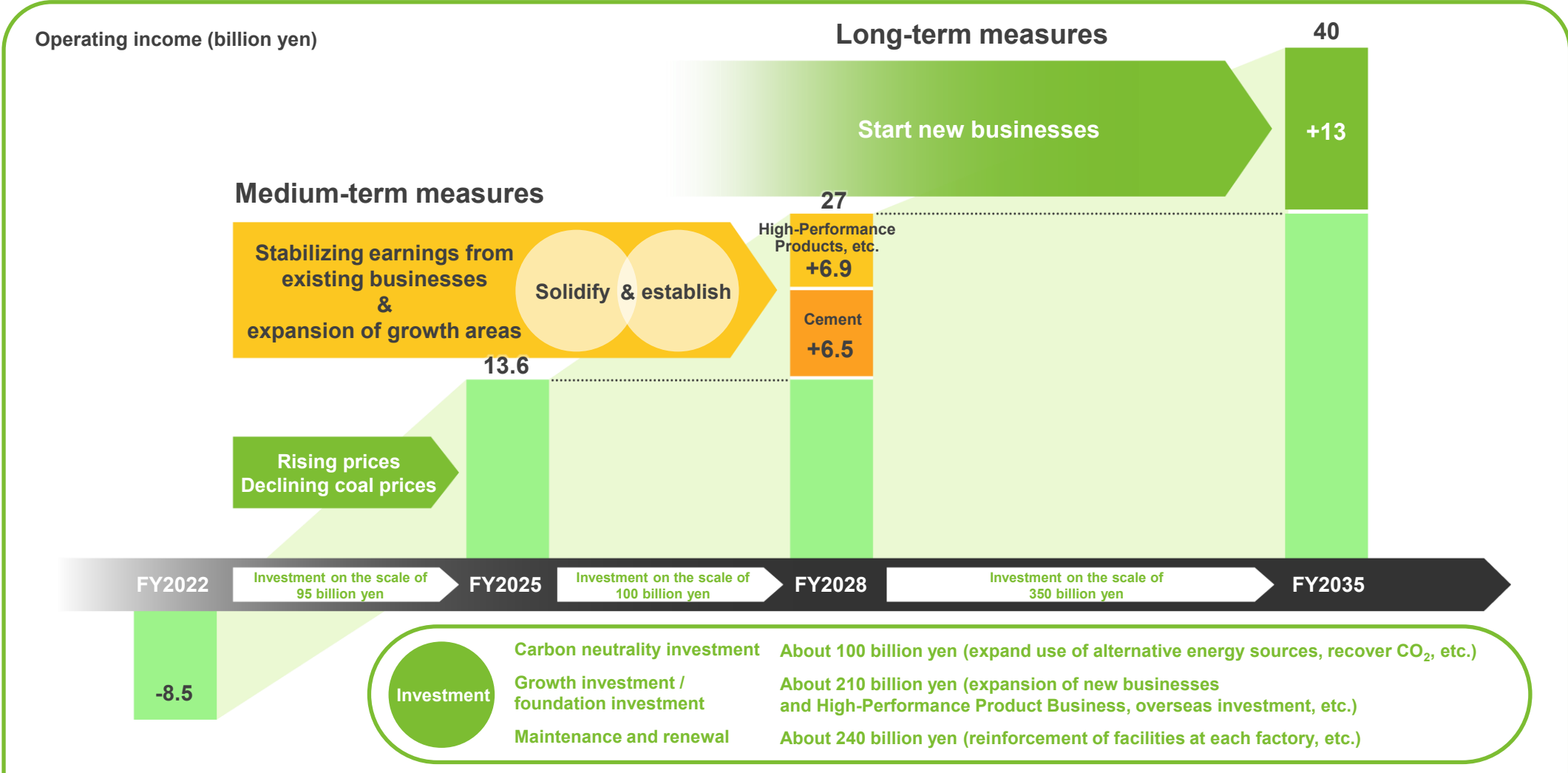
*Current WACC estimated to be about 5%(The cost of equity is determined based on CAPM)

Key factors driving profit growth in the new-medium term management plan: stabilizing earnings from existing businesses & expansion of growth areas

Stabilizing earnings from existing businesses & expansion of growth areas
 By solidifying and establishing the previous medium-term management plan and our continuing investments and measures, we aim to achieve results quickly



Start new businesses
 Launching new initiatives toward the 2035 vision



Company-wide strategy (roadmap for improving ROE)

Improving ROE

FY2025 results / FY2028 target / FY2035 target
5.8% / 9% or more / 10% or more

1 Growth of profit owing to business portfolio transformation

- Stabilizing earnings from existing businesses, especially Cement Business
- Expansion of growth areas (growth of profit from High-Performance Product Business)
- Start new businesses

Operating income

FY28 target FY35 target
27 billion yen **40** billion yen

2 Improving capital efficiency Appropriate financial & capital policy

- Appropriate financial strategies and dividend policies, reduction of cross-shareholdings
- Business portfolio management based on business-specific ROIC/WACC

ROIC

FY28 target FY35 target
6% or more **6.5%** or more

3 Growth of intangible assets

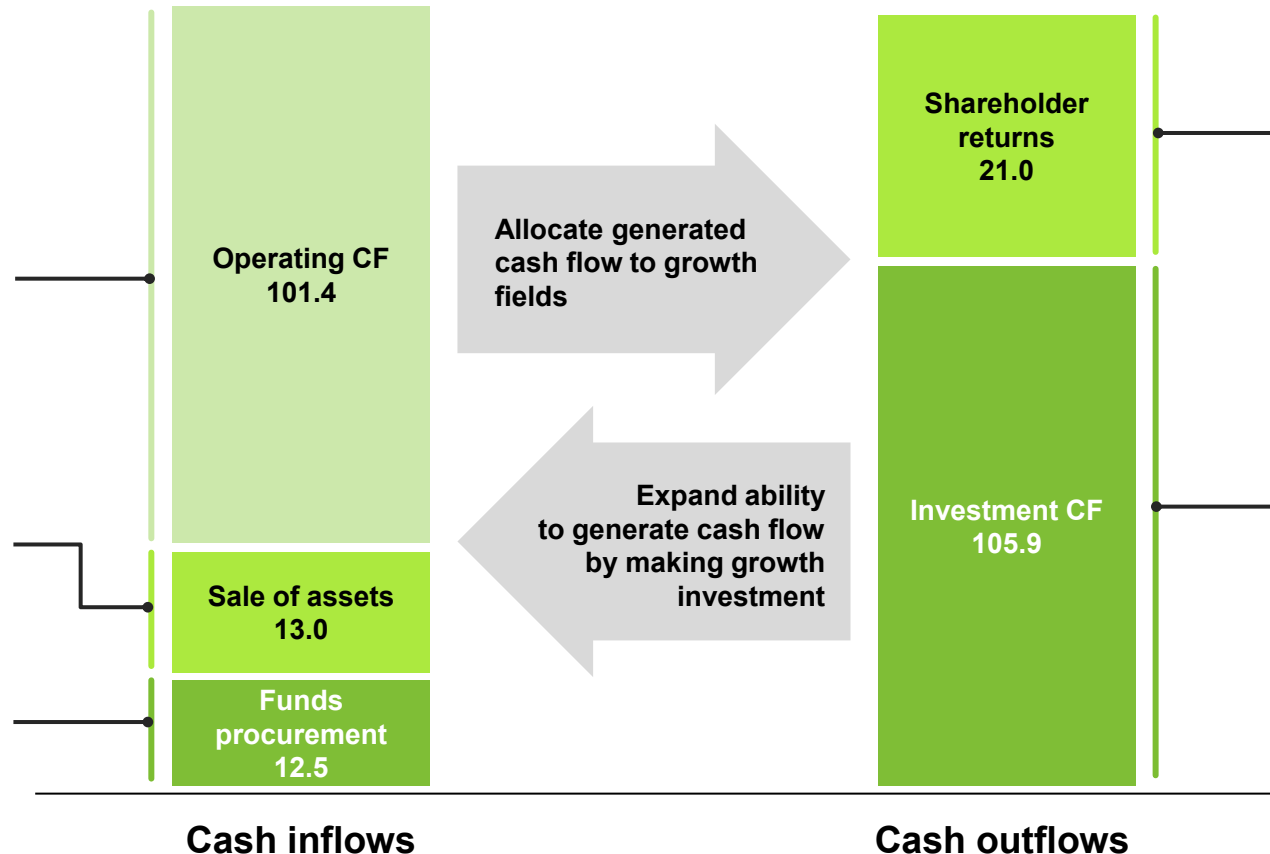
- Enhancing ESG management
- Establishment of new businesses that leverage our technology
- Strengthening HR investment & DX investment

Implement capital allocation that is mindful of growth investment and shareholder returns and strengthen our ability to generate cash flows in future

Capital allocation under new medium-term management plan (FY2026-28)

(billion yen)

- Expand ability to generate cash flow by growing profits
- Generate cash flow by reducing raw materials & inventory
- Reduction of cross-shareholdings
Less than 10% by end of FY2028
- Financial strategy based on a DE ratio of 0.5 to 0.7

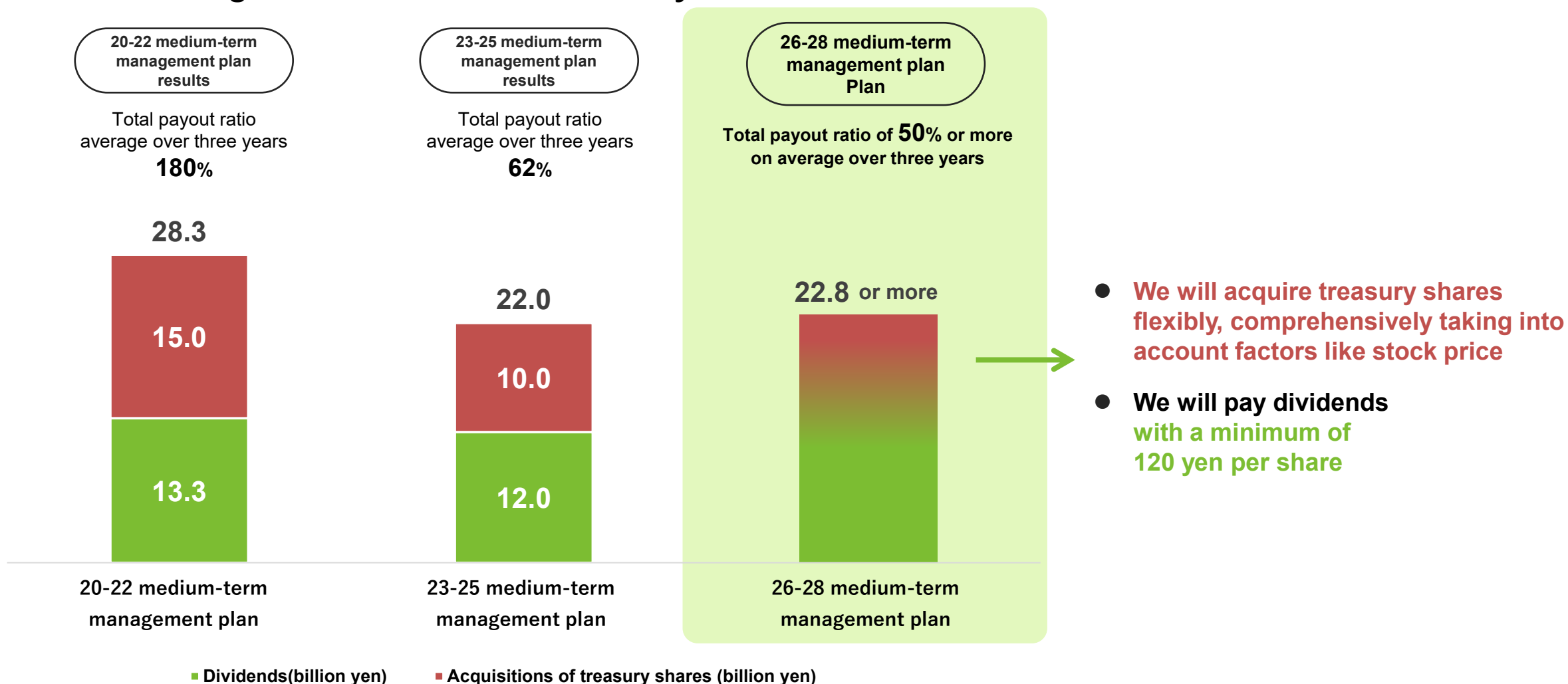


- Shareholder returns targeting a total payout ratio of 50% or more (three-year average).

- Capital investment for carbon neutrality
- Investment to strengthen Cement Business
- Investment to grow overseas businesses, High-Performance Product Business

Policy on Shareholder Returns

While maintaining a total payout ratio of 50% or more on average over three years, we are introducing a minimum dividend of 120 yen.



Financial strategy for optimizing capital structure

We will streamline our total assets including by reducing inventory with the aim of optimizing working capital. In addition, we will utilize interest-bearing debt within the limits necessary to ensure financial soundness.

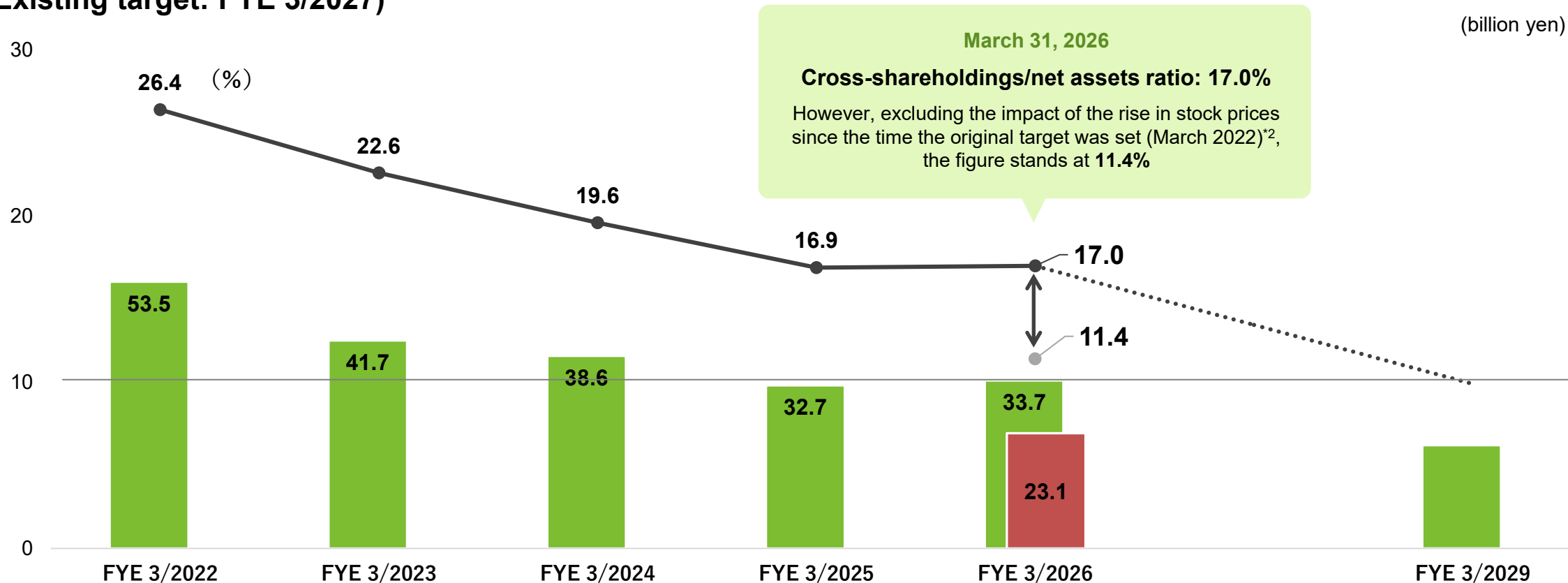
(billion yen)	FY2019	FY2022	FY2025	FY2028 medium-term management plan
Total assets	321.1	356.3	362.0	380.7
(Of which, tangible fixed assets)	166.4	176.6	194.4	214.1
(Of which, investment securities)	54.1	47.8	43.7	42.2
(Of which, cross-shareholdings)	48.9	41.6	※ 33.7	※ 20.7
Liabilities	122.4	172.0	164.0	168.1
(Of which, interest-bearing liabilities)	52.6	99.7	86.4	97.4
Net assets	198.7	184.6	197.9	212.5
ROE	5.9%	—	5.8%	9% or more
D/E ratio	0.26	0.54	0.44	0.46

* Cross-shareholdings = value of non-consolidated investment securities
Excludes investments in overseas operations

Status of cross-shareholdings*1

We aim to reduce the ratio of cross-shareholdings to net assets to less than 10% by FYE 3/2029, which is the end of the final year of new medium-term management plan.

(Existing target: FYE 3/2027)



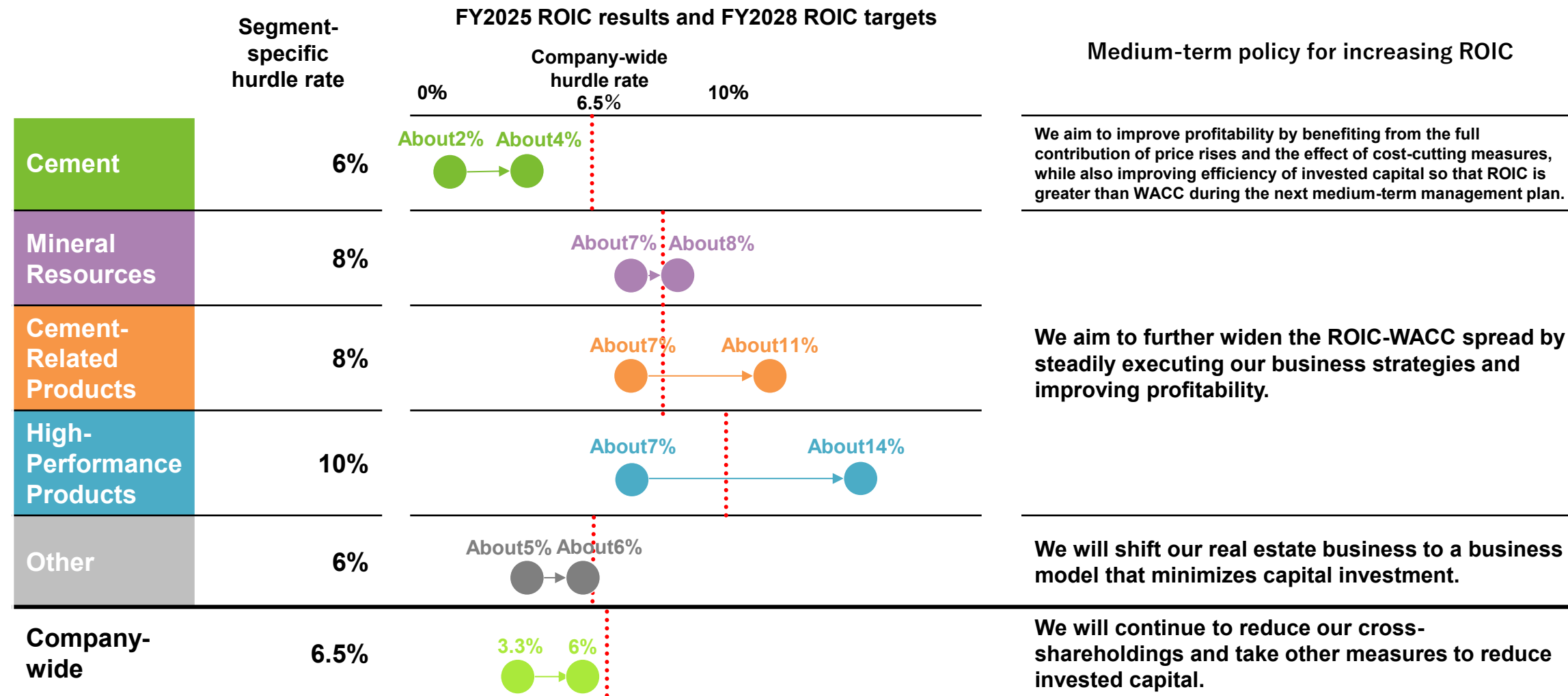
March 31, 2026
Cross-shareholdings/net assets ratio: 17.0%
 However, excluding the impact of the rise in stock prices since the time the original target was set (March 2022)*2, the figure stands at 11.4%

- Cross-shareholdings B/S total
- Cross-shareholdings B/S total (based on stock price on March 31, 2022)
- Cross-shareholdings/net assets ratio
- Cross-shareholdings/net assets ratio (based on stock price on March 31, 2022)

*1 Cross-shareholdings = value of non-consolidated investment securities (Excludes investments in overseas operations)
 *2 Figure exclusive of the impact of the rise in stock prices was calculated based on the stock prices and net assets value of March 31, 2022

Stronger business portfolio management

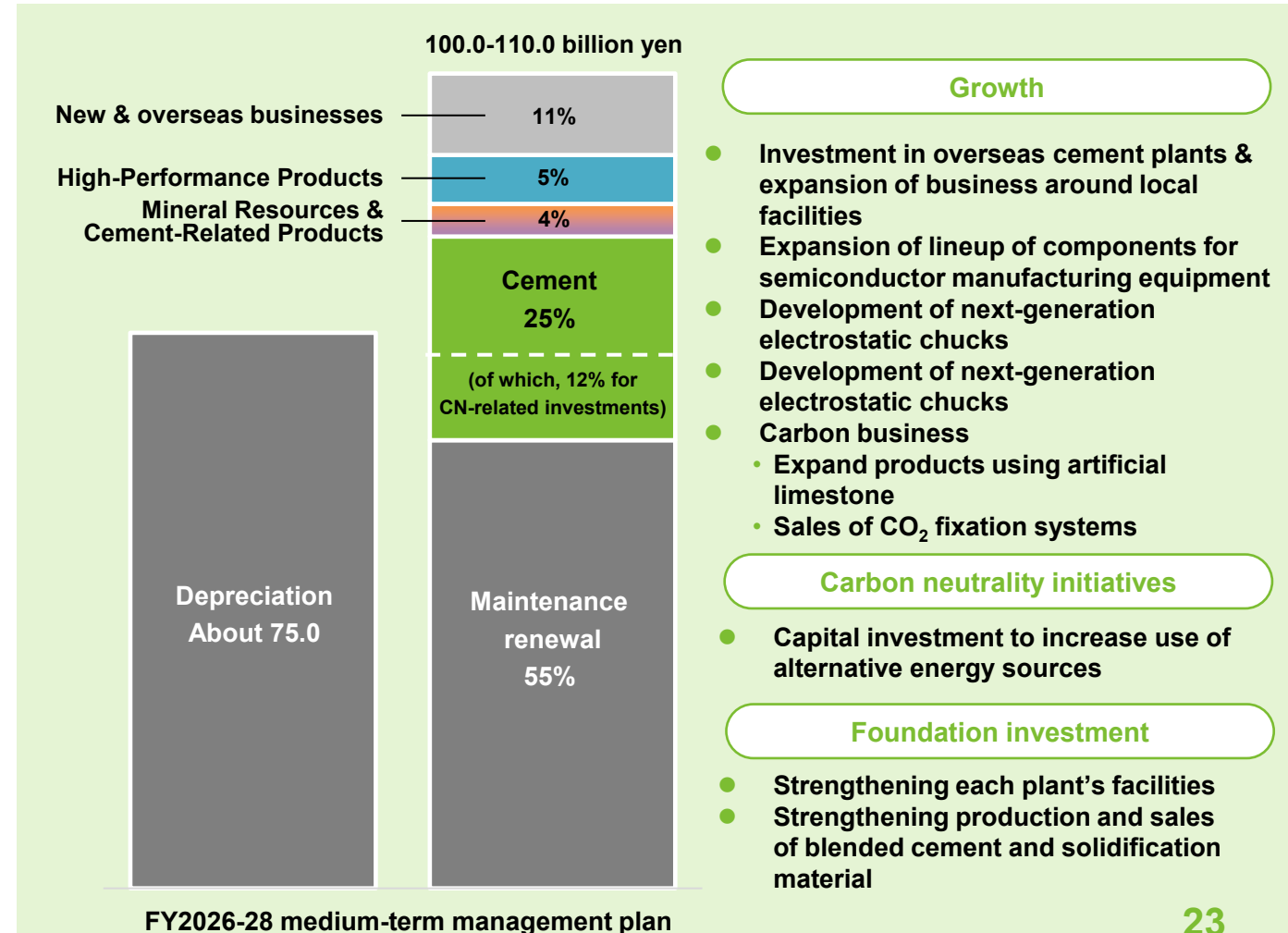
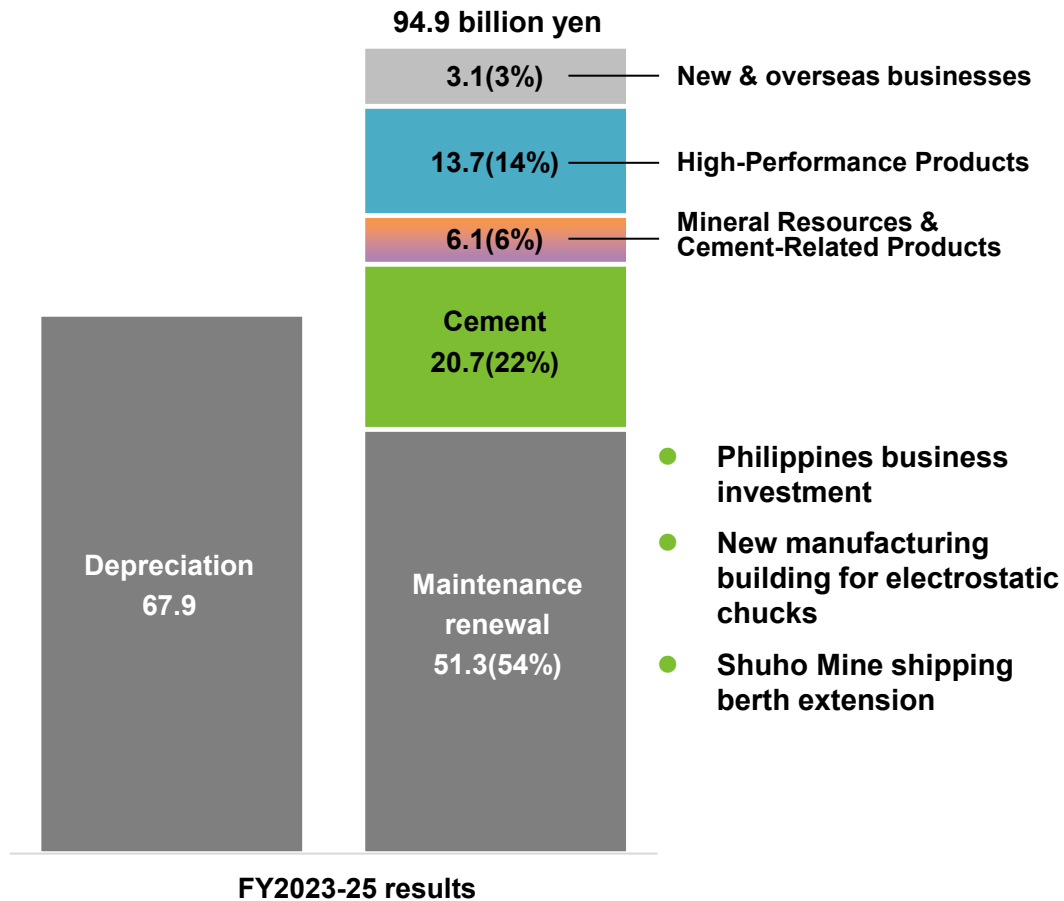
We are implementing hurdle rate management that takes account of business-specific ROIC and future WACC and we will strengthen business portfolio management that takes account of return on capital.

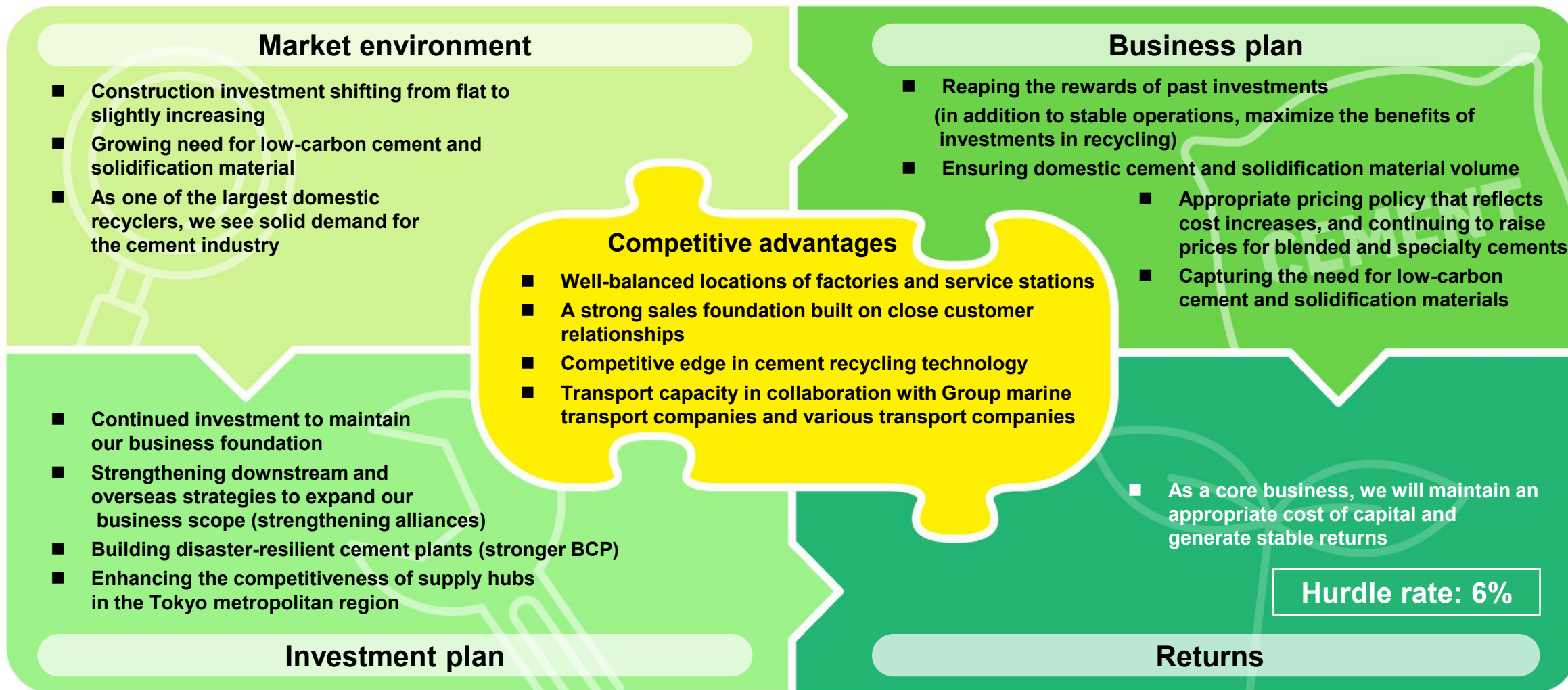


Capital investment plan

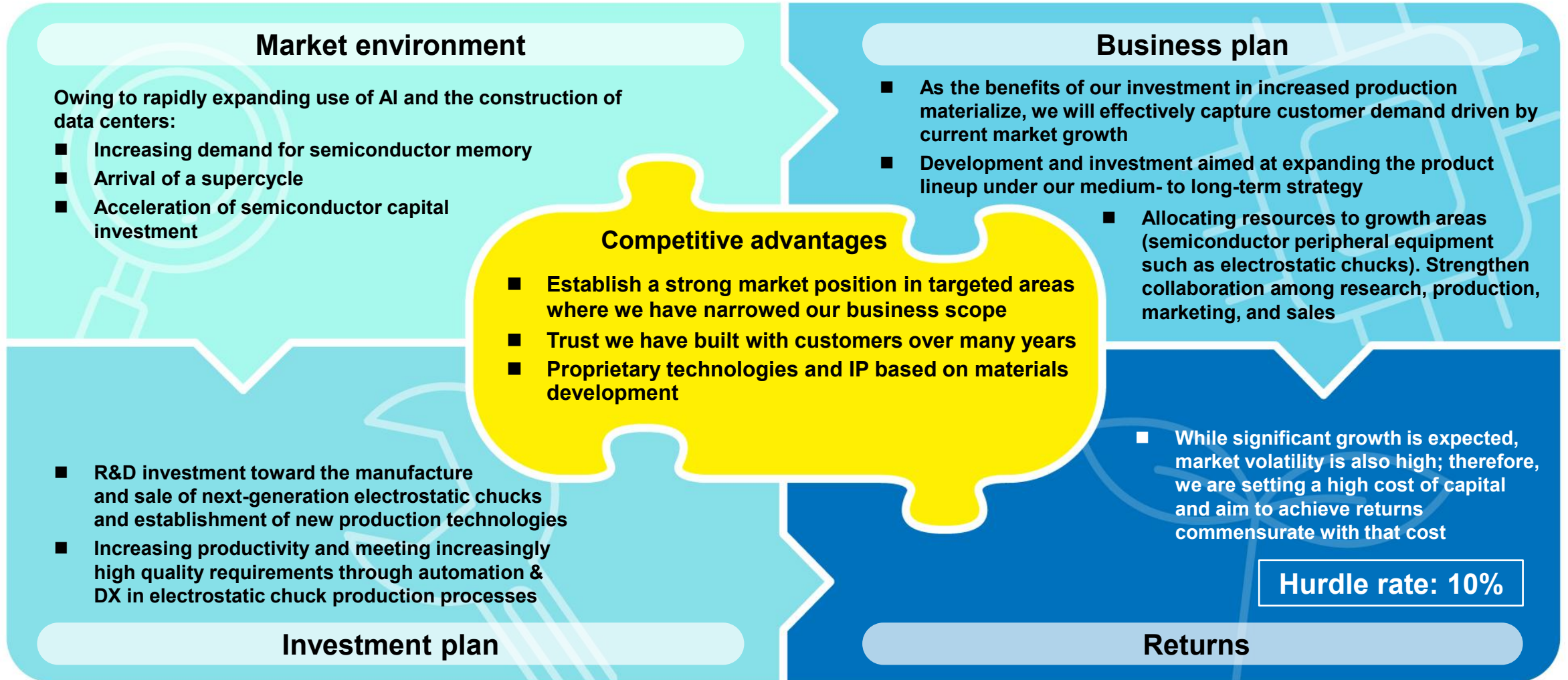
Maintenance & renewal and carbon neutrality (CN) investment (about 70 billion yen) will be carried out within the scope of depreciation expenses (about 75 billion yen).

We will determine whether to proceed with growth investments by applying segment-specific hurdle rates to each project and carefully evaluating their profitability.





Electronic Materials Business policy for semiconductor manufacturing equipment: accelerating growth by strategically accepting risk



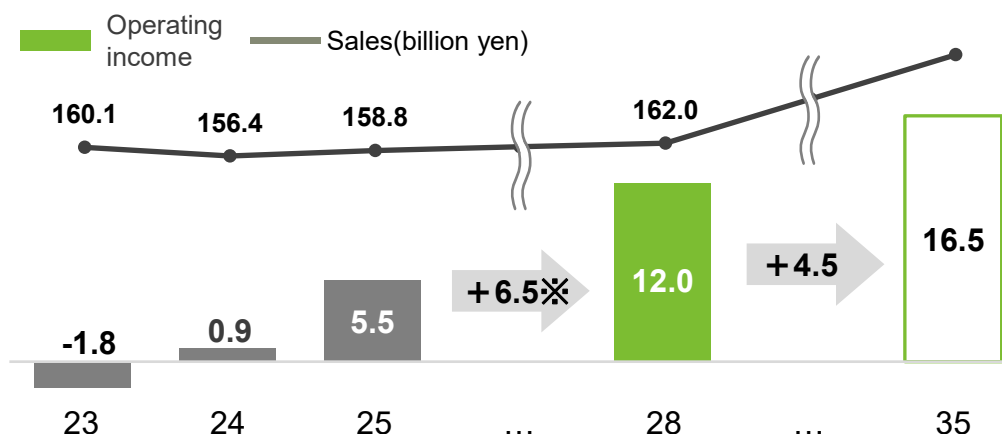
Business road map (1) Cement Business

Structural reform: Transition into a high-profit business with plants that solve environmental issues, multifunctional sales, and optimized transportation

	Up to 2025	FY2026-28 medium-term management plan	2029 and beyond
Margin improvement	<ul style="list-style-type: none"> Revised cement product prices and recycling disposal fees. Maintained the top position in the industry for renewable energy share. 	<ul style="list-style-type: none"> Establish the Cement Business Unit structure to promote overall optimization, including production, sales, and transportation, while focusing on achieving suitable pricing and realizing the benefits of our recycling investments. Work to reduce CO₂ in products and manufacturing and advance our carbon neutrality initiatives. 	<ul style="list-style-type: none"> Further strengthen our recycling business and expand our low-carbon cement initiatives, etc., including exports.
Expansion of business domains	<ul style="list-style-type: none"> In addition to investing in an Australian cement terminal company, we made new investment in a Philippine cement terminal company to serve as an export hub. 	<ul style="list-style-type: none"> Further strengthen our overseas business sites and, in collaboration with our partner companies, seek to expand our business into adjacent areas. Strengthen our business domains in the downstream sector by launching new recycling business and strengthening alliances. 	<ul style="list-style-type: none"> Establish a solid business foundation both domestically and internationally, including through further alliances.



Uchigatani Dam (Gujo City, Gifu Prefecture)



*Breakdown of operating income change from 2025 to 2028 (+6.5)

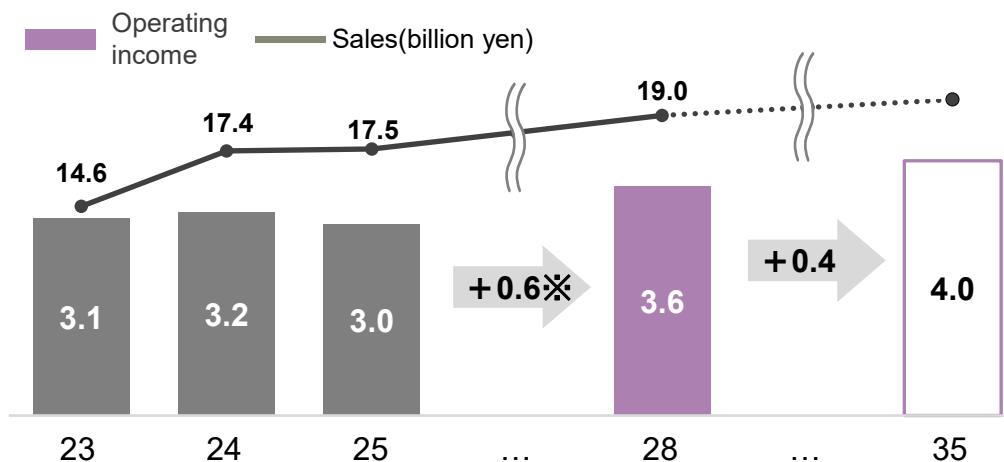
- Sales/production volume (-0.9)
- Price increase effect (partly occurring under previous medium-term management plan) (+4.6)
- Realizing benefits of various measures, including production cost-cutting initiatives (+6.3)
- Cost increases, etc. (-3.5)

Business road map (2) Mineral Resources Business

Increasing added value of limestone resources



Shuho Mine shipping berth (Nagato City, Yamaguchi Prefecture)



*Breakdown of operating income change from 2025 to 2028 (+0.6)

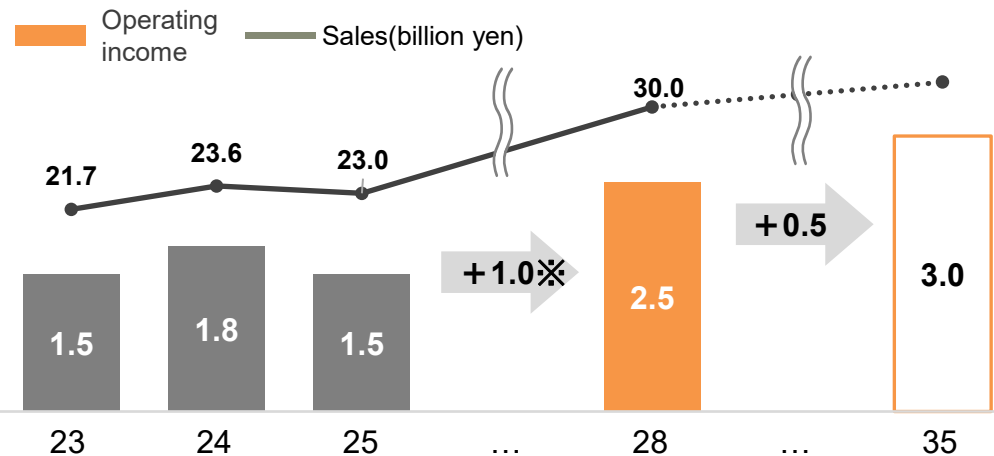
- Price increase effect (+0.5)
- Benefits of increasing sales with 2-berth operations at Shuho, etc. (+0.3)
- Cost increases, etc. (-0.2)

Business road map (3) Cement-Related Products Business

A wide range of environmentally friendly products; reducing environmental impact with products and construction methods that enable labor savings and operational efficiency



Repairing a bridge deck



***Breakdown of operating income change from 2025 to 2028 (+1.0)**

- Price increase effect (+0.4)
- Expanded sales of repair materials, etc. (+1.1)
- Cost increases, etc. (-0.5)

Business road map (4) High-Performance Products Business

A core business unit accounting for 50% of non-cement business sales; realizing a super-smart society through original technology

Up to 2025

FY2026-28 medium-term management plan

2029 and beyond

Growth & new products

- Invested to expand capabilities in the electronic materials business.
- Strengthen production system for optoelectronics equipment business

- Focus on increasing sales of existing electrostatic chuck products, also increase sales of mini heaters that are designed for semiconductor manufacturing equipment, and conduct R&D on new products.
- Expand contract manufacturing in optoelectronics equipment business.

- Further promote business expansion in the semiconductor manufacturing equipment product field, including new products.

Business rebuilding

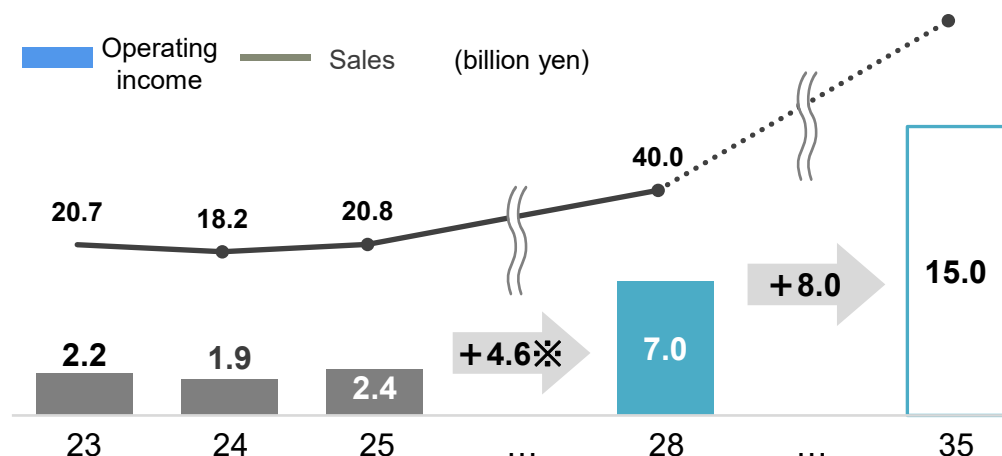
- Streamlined the LN modulator business and prepared for launch of next-generation products.

- In the LN modulator business, launch sales of next-generation product (CDM) and prepare to sell ultra-high-speed optical modulation components (sub-assemblies).
- Improve earnings of cosmetic materials business and reorganize production system of coatings business.

- Expand sales of LN modulators and ultra-high-speed optical modulation components.
- Expand nanomaterials business (develop and sell products that help achieve carbon neutrality).



New electronic materials manufacturing building (Ichikawa City, Chiba Prefecture)



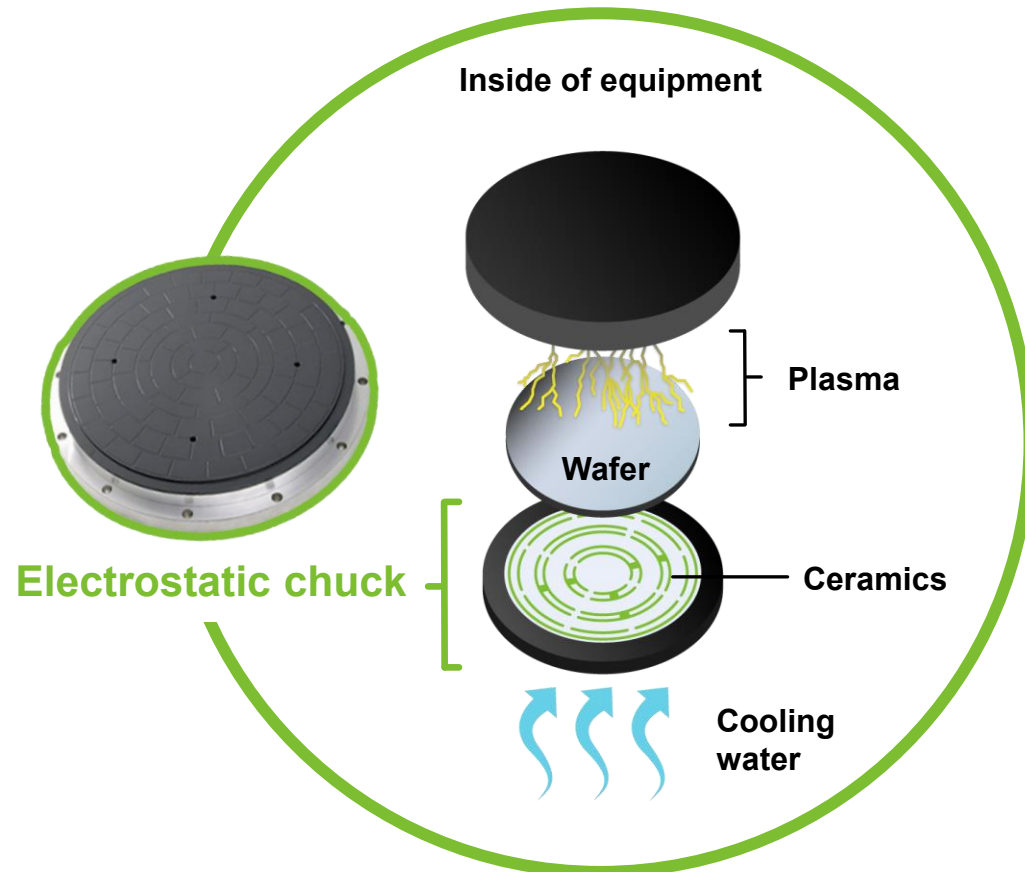
*Breakdown of operating income change from 2025 to 2028 (+4.6)

- Increased sales of electrostatic chucks, etc. (+4.6)
- Increased sales of cosmetic materials, etc. (+0.4)
- Increased sales of LN modulators, etc. (+0.4)
- Cost increases, etc. (-0.8)

Electrostatic chucks, which are a focus product of the High-Performance Product Business, are a critical component of semiconductor manufacturing equipment



Etching equipment



What is an electrostatic chuck?

- A component for semiconductor manufacturing equipment that uses electrical force to secure wafers

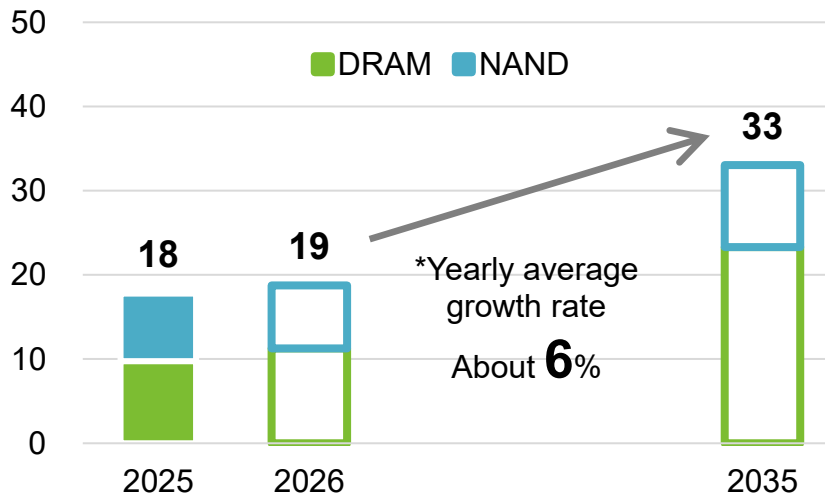
Requirements of electrostatic chucks

- Plasma resistance
- High adhesion
- Temperature uniformity

The electrostatic chuck market is characterized by high growth and stable growth

Driven by generative AI, the market for silicon wafers used in memory semiconductor manufacturing is experiencing strong growth.

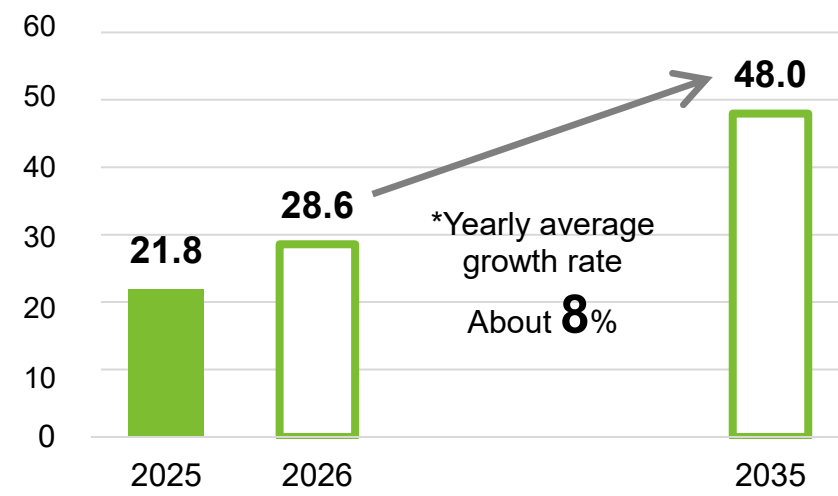
Silicon wafers (millions)



Source : Tech Insight (April 2026)

Equipment for etching silicon wafers is expanding. Demand for electrostatic chucks is also rising.

Etching equipment (billions of \$)



Source : Tech Insight (April 2026)

01

Our three technological advantages

Surface processing technology



Capability to withstand high temperatures and voltages



High-durability ceramics sintering technology

Achieving uniform particle size
Inorganic and nanoparticle synthesizing technologies



02

Business expansion leveraging our technological advantages

Knowledge of inorganic materials technology cultivated through our Cement Business

Accumulated expertise in the synthesis of nanoparticles, powder control, sintering, and the optimization of crystal structures

Applying knowledge of inorganic materials to semiconductor manufacturing equipment component

In semiconductor manufacturing equipment components, materials are critical for enabling microfabrication and high-voltage resistance

Early entry to market and co-developing with customers

We entered the electrostatic chuck market at an early stage. We have honed our technology through joint development with semiconductor equipment manufacturers

Inorganic and nanoparticle processing technologies are the source of our electrostatic chucks' competitive edge

Properties required of electrostatic chucks

Temperature uniformity

High durability

Adhesion performance

How we meet these requirements

Temperature uniformity

- Temperature uniformity of silicon wafers (contributing to etching process productivity as miniaturization advances)

High durability

- High plasma resistance and wear resistance
- Long life

Characteristics of our technology (background to how we meet these requirements)

- A composite material consisting of high-purity SiC fine particles and alumina, developed in-house using nanoparticle processing and ceramic sintering technologies
- Technical development capabilities to respond to market trends and meet our customers' requirements

Proprietary core technologies rooted in materials development and IP to support them

New business: Carbon business strategy

Starting new business

Carbon business: Establish artificial limestone technology (through NEDO project) and develop artificial limestone business model

FY2026-2028

Production methods establishment & optimization

FY2030 and beyond

Operate Tochigi artificial limestone test production facility

Scale up artificial limestone test production facility

Social implementation



■ Tochigi artificial limestone pilot-scale test production facility



■ Begin test sales

- Construction GX field: product group using artificial limestone



Artificial limestone stand-alone product

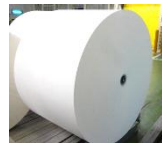


Carbon recycling cement (CRC)



Pca products, etc.

- Non-construction GX field: raw materials (fillers) for various products



Paper products



Resin products



Rubber products

- Partnerships with companies expanding overseas (businesses to be adopted in the global south)

- Expand income from processing of waste containing Ca
- Bring related products to market
- Expand sales of production systems in Japan and overseas



R&D and development of elemental technology

- Carbon business (e.g., turning carbon into a resource)
- Effective use of unused resources (e.g., turning factory NOx emissions into a resource)

Blue carbon products, including artificial seaweed beds and reef structures



Strengthen the management foundation to support the sustainable growth of the Group

R&D strategy

- Strengthen R&D to create new businesses in the High-Performance Product Business and decarbonization field

IP strategy

- Promoting the use of intellectual property information analysis for management strategy (IP landscaping)

Human resources strategy

- Implement and establish a new human resources system; promote the human resources policy; acquire and develop talent

Environment

- Work to realize carbon neutrality by 2050 (promote SOCN2050)
- Consider the global environment (prevention of air, water, and soil pollution), reduce waste, and conserve biodiversity

Society

- Be committed to safety and health, promote respect for human rights, coexist with local communities
- Reform our corporate culture

Governance

- Strengthen compliance risk management system
- Enhance evaluation of the effectiveness of the board of directors and revise executive officer remuneration system

DX strategy

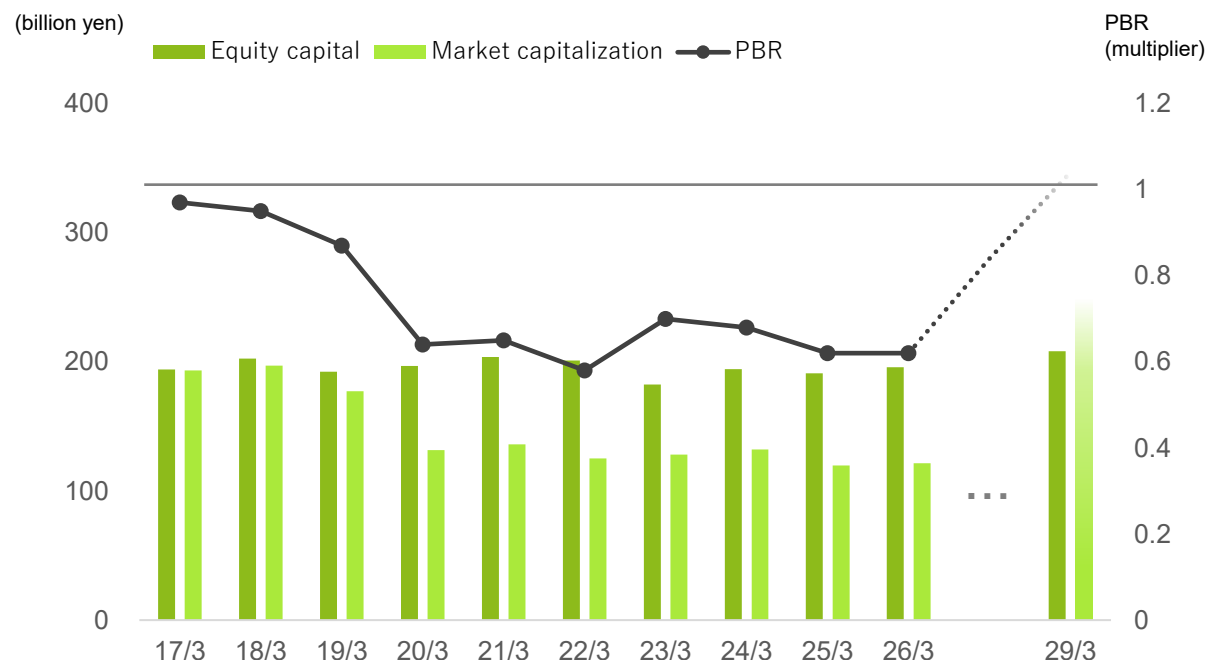
- Enhance and streamline operations by using data and digital technologies
- Take information security measures

Status of PBR-related indicators

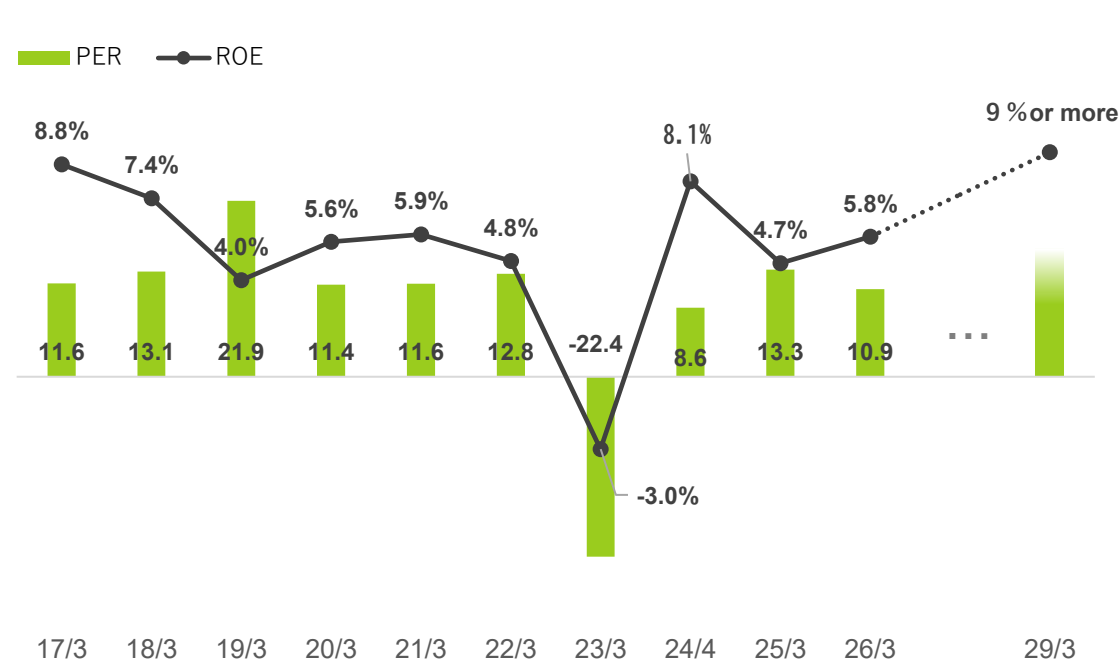
Due to trends in cement demand and energy prices, as well as transition risks associated with being a high-GHG-emitting industry, and other causes, PBR has remained below 1 for a long time.

We recognize that, to raise PBR, we need to implement business strategies that lead to enhanced profitability, growth, and capital efficiency, as well as to strengthen information disclosure and dialogue to promote understanding in capital markets and bridge the perception gap.

PBR (price-to-book ratio)

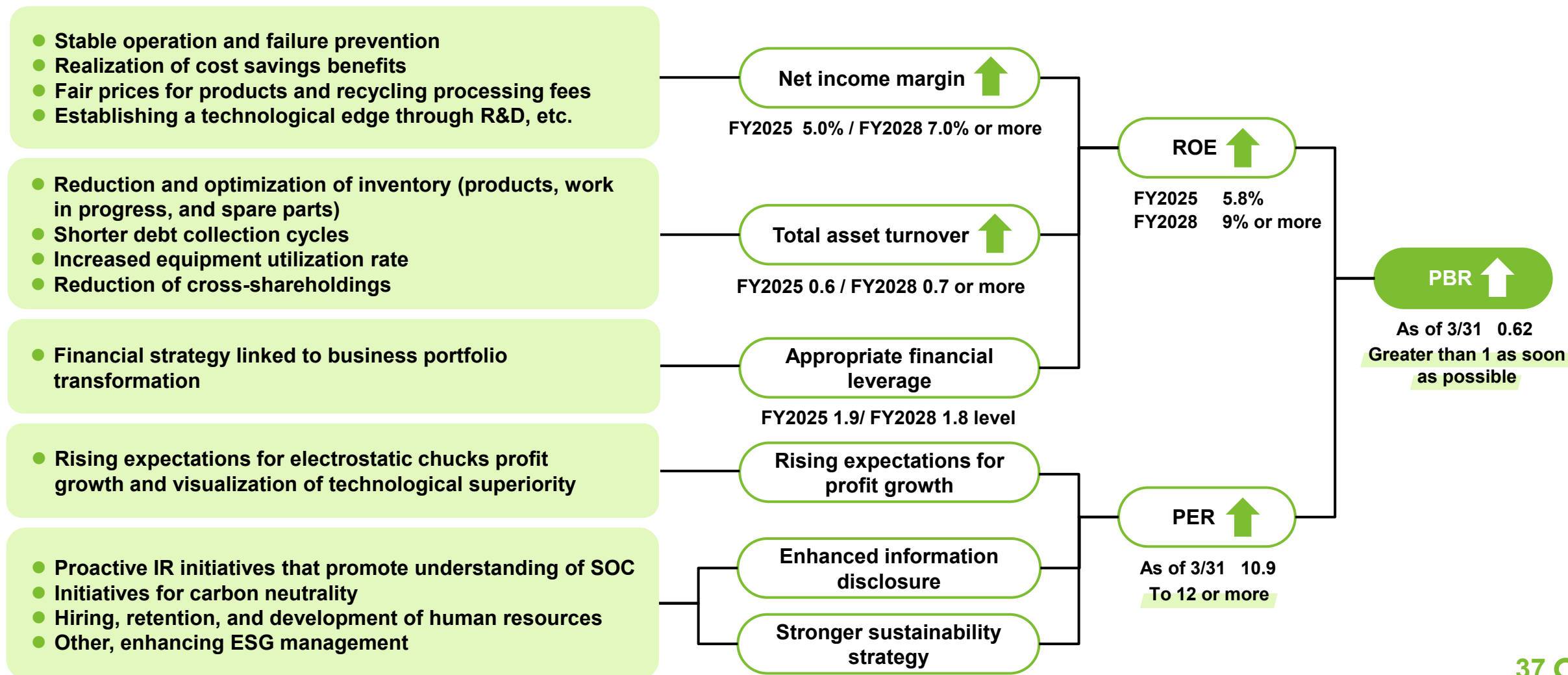


ROE and PER (price-to-earnings ratio)



Initiatives for quickly achieving PBR of greater than 1

By developing these initiatives in concrete actions, we will foster a shift in employee mindset and achieve a PBR of greater than 1 as soon as possible.



Key information for today(a second look)

Under our new medium-term management plan, we will accelerate the realization of the initiatives that have been ongoing since the previous plan, while also launching new businesses aimed at achieving our long-term vision, thereby building a stronger foundation for growth.

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About Forward-looking Statements

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- **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.**

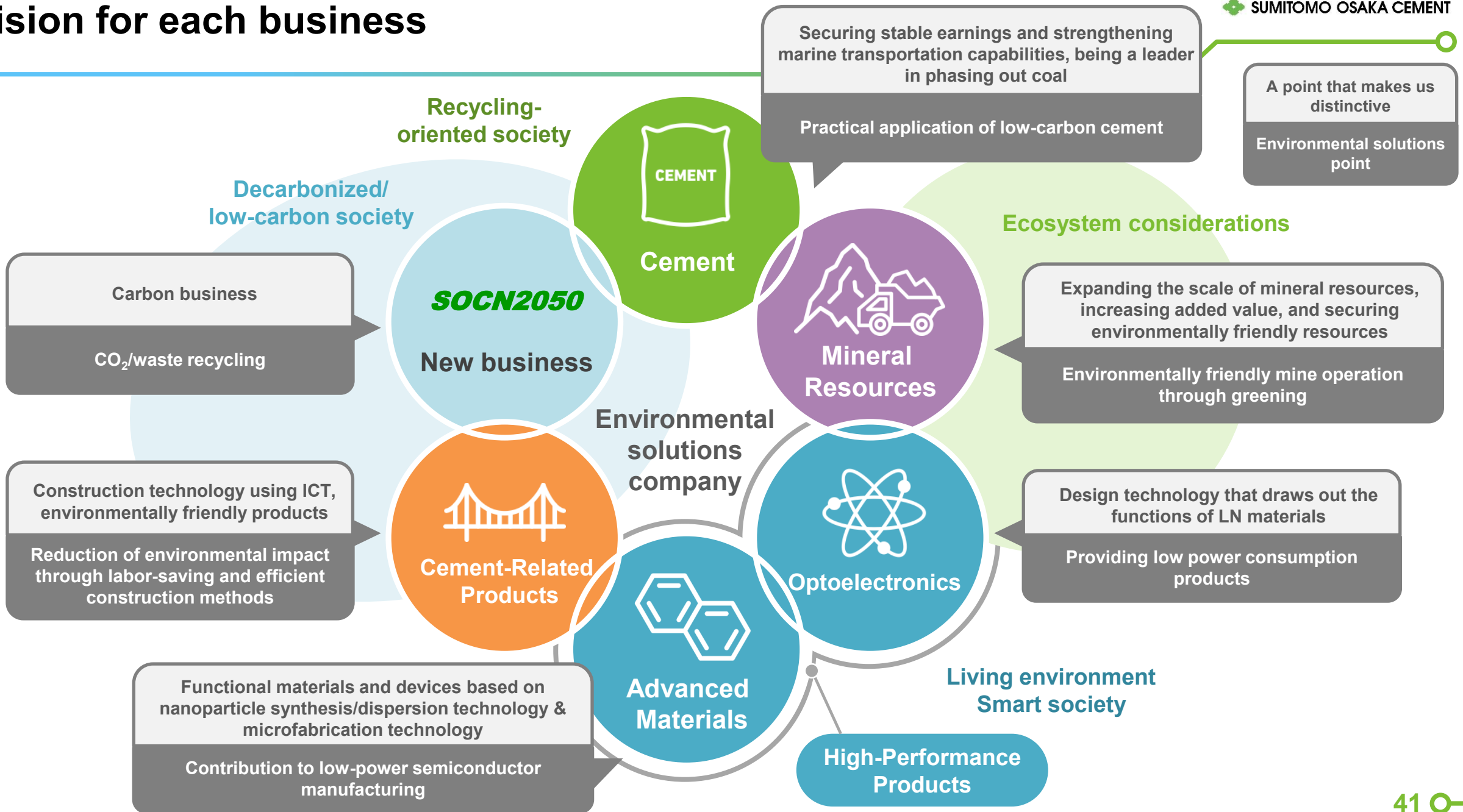
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The background features a large white circle centered on a white background. The circle is surrounded by abstract, overlapping shapes in shades of blue, green, and yellow. In the corners, there are small, colorful squares: a white square, a green square, and a yellow square in the top-left; and a white square, a green square, and a blue square in the bottom-right.

05

Supplementary materials

Vision for each business



Changes in the external environment and our response

Changes in external environment expected by 2035

Opportunities & risks

Japan

- Shrinking domestic cement market
- Declining construction worker population (aging & fewer young people)
- Aging infrastructure
- Natural disasters, plus greater intensity due to climate change

- Growing demand for disaster prevention infrastructure
- Shift to labor-saving measures

- Lower plant operating rates
- Difficulty keeping operations stable

Overseas

- Changing conditions in Australia, Philippines, China, Taiwan
- Economic security risks (recent developments in the Middle East)

- Development in countries where we have existing investments
- Increasing demand for blended cement

- Additional investment
- Procurement difficulties and rising costs for petroleum-based materials

Changes in business environment

- Building a decarbonized and recycling-oriented society
- Rising prices of raw materials (resources), repair costs, and interest rates
- Fluctuations in energy prices
- Spread of renewable energy

- Rising demand for low-carbon products
- Expanded recycling opportunities
- Need to turn CO₂ into a resource

- Decrease in clinker ratios
- Increasing cost of responding
- Sustainability of power sales business
- Increasing CP burden

Social changes

- Advancement of digital equipment
- Increased capacity of communications networks
- Growth of semiconductor market (AI)
- Declining birth rates, automation/unmanned, replacement of humans with robots
- Changes in work styles and lifestyles
- Growing diversity of risks (infectious diseases, data breaches, rumors, etc.)

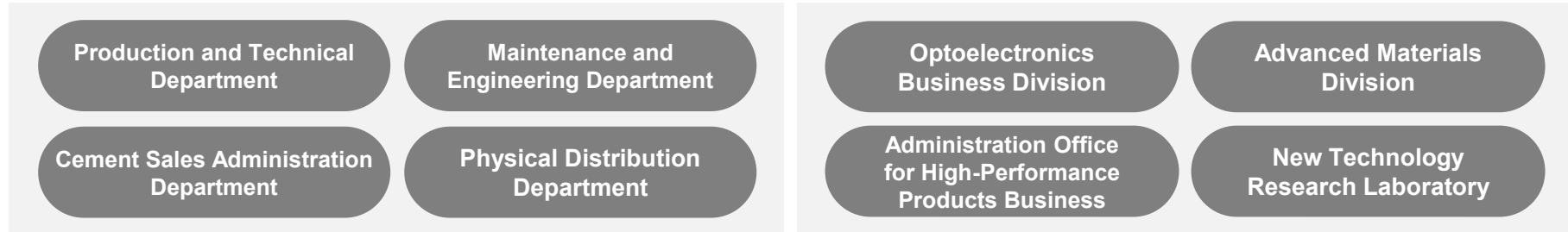
- Growing demand for modulators and ESCs
- Improvements to work environment
- Opportunities to increase corporate value

- More severe development competition
- Difficulty securing talent (lack of successors)
- Risk of damage to corporate reputation

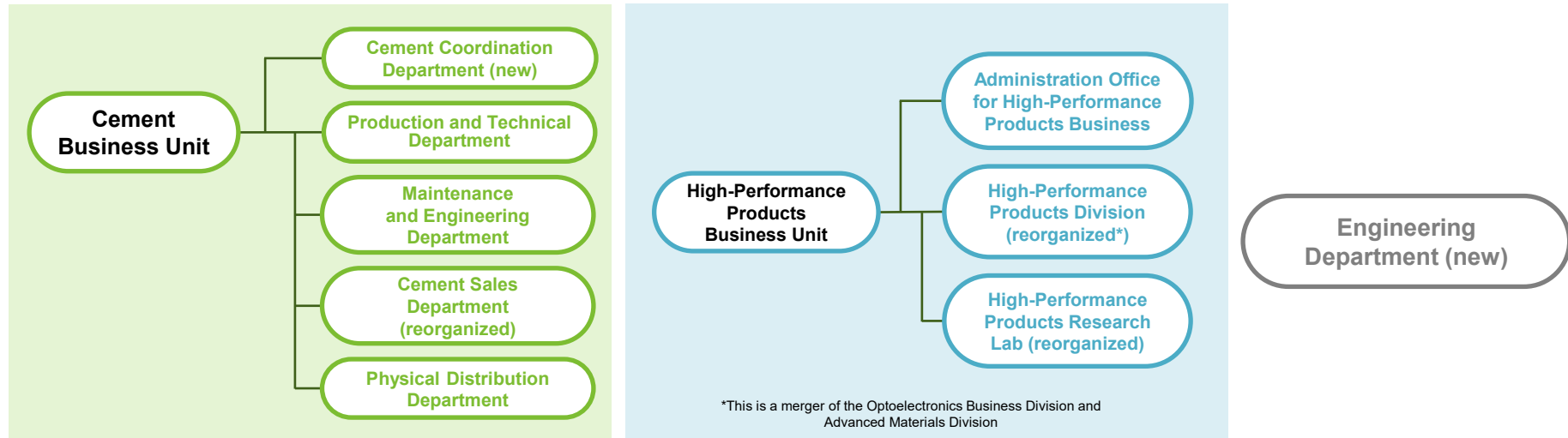
Promoting business portfolio transformation by transitioning to a business division structure

To further strengthen our organizational structure and achieve the business portfolio transformation outlined in the medium- to long-term vision “SOC Vision2035”, we have implemented the following organizational changes.

Up to now



Starting April 2026



Expected benefits

We aim to achieve overall optimization of the cement business and will stabilize earnings by strengthening collaboration among the departments within the cement business.

We will target the semiconductor-related market, strengthen collaboration among our business, research, and administrative departments, create new products through technological innovation, and promote the expansion of our high-performance products business.

FY2026-28 medium-term management plan strategy outline: basic strategy and road map initiatives for each business

		Toward 2028		Toward 2035
Basic strategy	Expansion of growth areas	Stabilizing earnings from existing businesses		Starting new businesses
		Expanding the revenue base	Improving profitability and transforming structurally	
Cement	<ul style="list-style-type: none"> Expansion of overseas business (investment in Australian ready-mix concrete and Philippines) Valuable metals recovery 	<ul style="list-style-type: none"> Ensuring cement and solidification material volume Stronger alliances to boost sales downstream Expanding blended cement production Benefits beginning to materialize from investments in coal phase-out and recycling 	<ul style="list-style-type: none"> Appropriate cement & solidification agent pricing policy that reflects cost increases Optimal domestic cement production, sales, and transportation system 	<ul style="list-style-type: none"> Expansion of business domain (horizontal integration through strengthened alliances) Expansion of overseas business (Philippines plant construction)
Mineral Resources	<ul style="list-style-type: none"> Crushed sand production at Shuho Mine 	<ul style="list-style-type: none"> Establish stable shipping capacity with the second shipping berth at Shuho Mine 	<ul style="list-style-type: none"> Stronger overburden removal & securing resources 	<ul style="list-style-type: none"> Development of mining areas
Cement-Related Products	<ul style="list-style-type: none"> Expanding repair projects for roads, water and sewer systems, and railways 	<ul style="list-style-type: none"> Expanding applications to meet customer needs 	<ul style="list-style-type: none"> Maintaining production equipment 	<ul style="list-style-type: none"> Launching environmentally friendly repair products
High-Performance Products	<ul style="list-style-type: none"> Horizontal expansion in semiconductor manufacturing equipment field 	<ul style="list-style-type: none"> Maintaining and expanding electrostatic chuck sales Expand contract manufacturing in optoelectronics equipment business 	<ul style="list-style-type: none"> Rebuilding the LN business Improving profitability of nanomaterials business 	<ul style="list-style-type: none"> Further promote business expansion in the semiconductor manufacturing equipment product field by offering new products
Other			<ul style="list-style-type: none"> Transition to a real estate leasing model 	<ul style="list-style-type: none"> Carbon business (expanding sales in artificial limestone-related business)

Deepening ESG management

Promoting DX and increasing productivity

Investment in human capital

Promoting capital cost management

R&D & IP

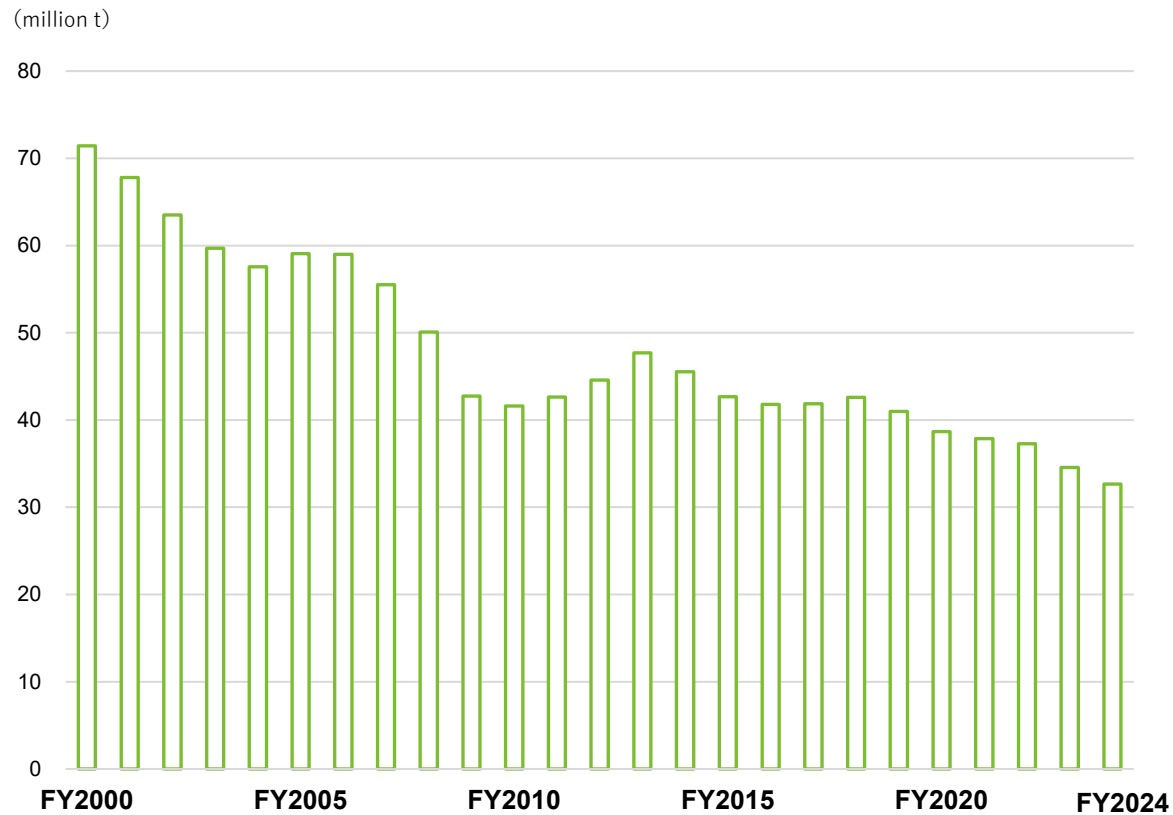
Business environment:

While domestic demand is declining, unit prices are rising significantly

Although domestic demand has been on a downward trend since peaking in the 1990s, the market has matured due to oligopolistic conditions.

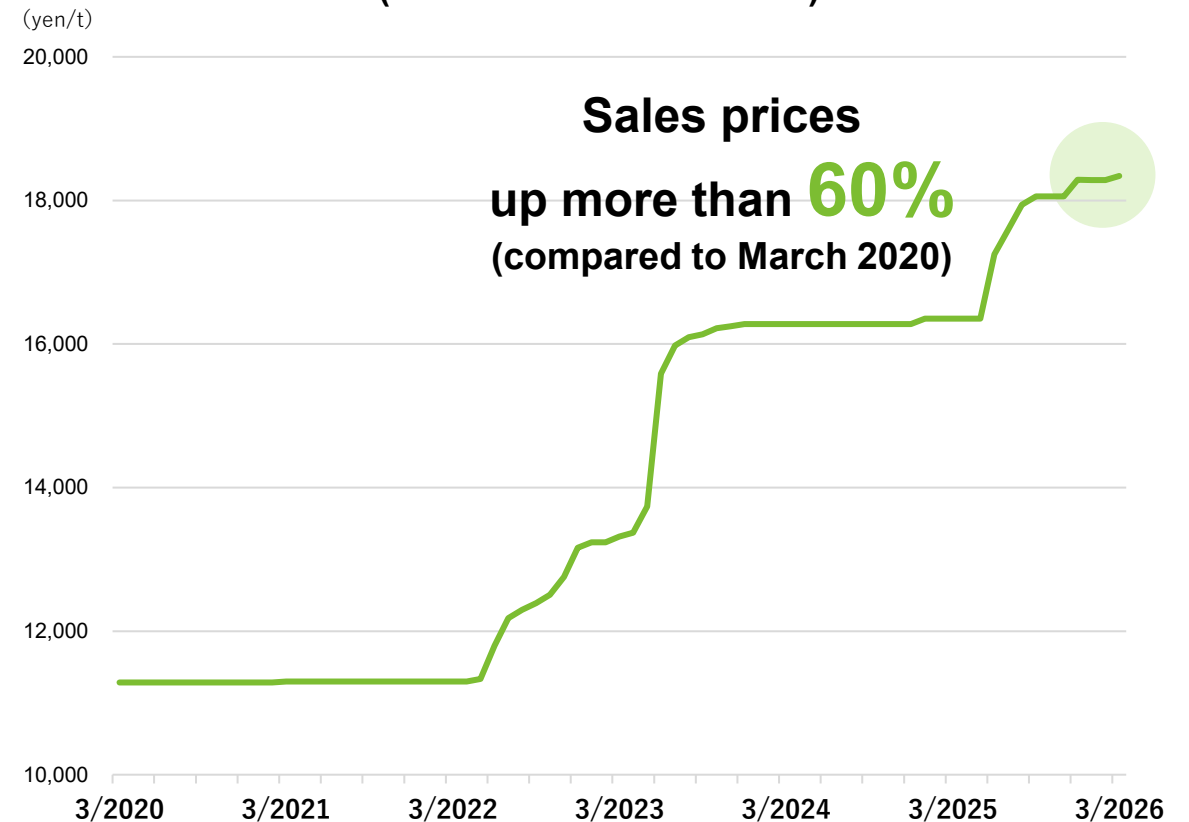
Current sales prices are up more than 60% compared to March 2020.

Trends in domestic demand for cement



Source: Japan Cement Association

Trend in domestic cement selling prices in Japan (March 2020-March 2026)



Sales prices
up more than **60%**
(compared to March 2020)

Source: Construction Research Institute "Construction Prices"

FY2026-28 strategy outline (domestic cement business)

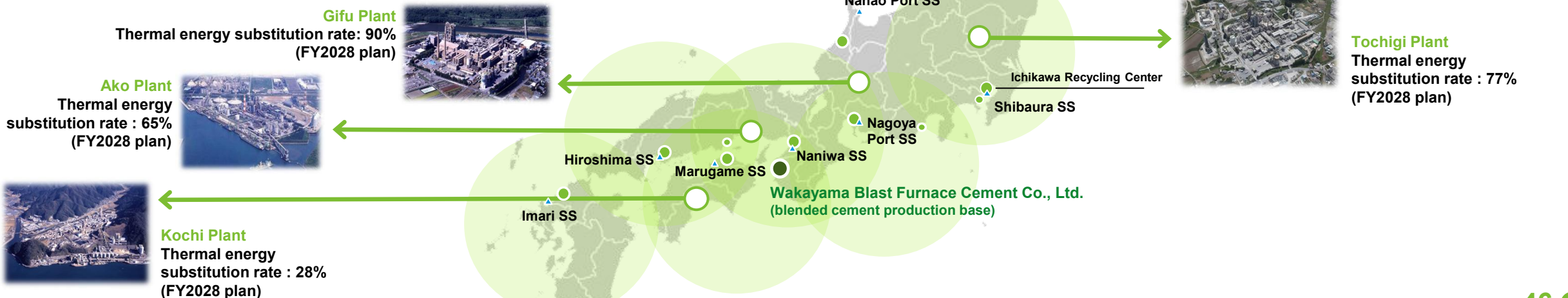
Sales strategy

- Nationwide sales network: Ensuring cement and solidification material volume
- Appropriate cement & solidification material pricing policy that reflects cost increases
- Stronger alliances (with dealers & end users) and developing new users to boost sales downstream

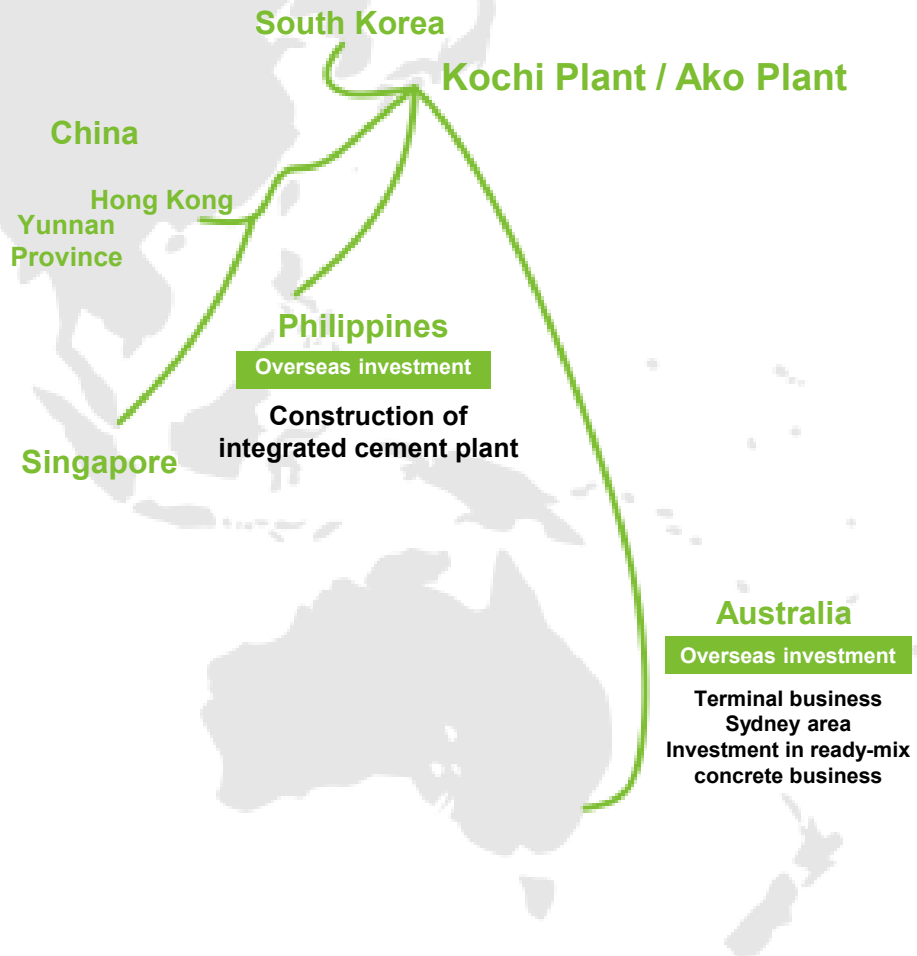
Production & transportation strategy

- Optimal domestic cement production, sales, and transportation system (fleet, service station, and supply hub development)
- Expanding blended cement production
- Benefits beginning to materialize from investments in coal phase-out and recycling

Thermal energy substitution rate: **42%** → **47%** (SOCN target for FY2030: 50%)
 FY2025 → FY2028



FY2026-28 strategy outline (overseas cement business)



Expanding cement exports

- Contributing to mutual benefit through stable exports to our investee businesses in Australia and the Philippines
- Expanding blended cement exports

Starting new businesses

- **Australia**
Expansion of terminal business
Promotion of investment in ready-mix concrete plant in Sydney area
- **Philippines**
Operation of Davao terminal
Construction of integrated cement plant taking shape



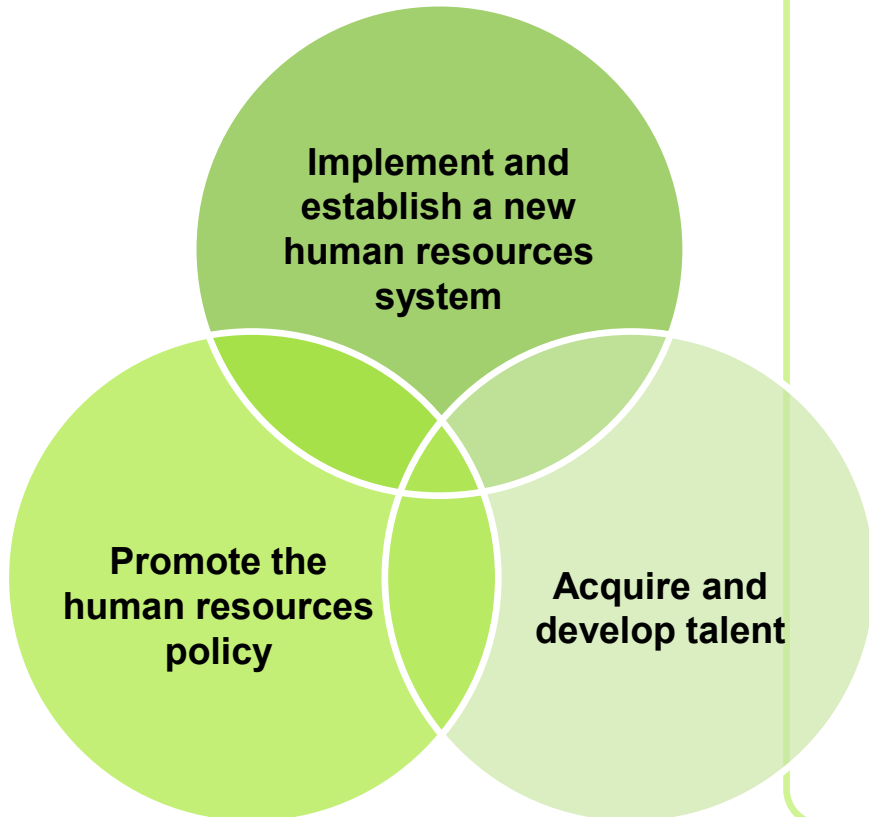
Australia
Investee: Falcon CP (NSW) Pty LTD.
Terminal in Sydney area



Philippines
Investee: Phlcement Corporation
Mariveles Terminal

By implementing a human resources strategy centered on three pillars, we aim to foster the growth and initiative of each employee and enhance corporate value through improved engagement and productivity.

Three pillars



Key performance indicators for human resources strategy (Sumitomo Osaka Cement non-consolidated)

Amount invested in human capital

FY2028 **+11%**
(vs FY2025)

Percentage of female managers

FY2028 target
6.0% or more
(FY2025: 3.7%)

- **Increase employee engagement**

FY2028 target index*

70.0+ out of 100

(FY2024: 64.7)

- **Increase productivity**

Increase added value per employee

*Average score among respondents to engagement survey. Calculated by converting the average of responses to each question (on a scale of 1-7 points) into a score out of 100.

Key initiatives FY2026-28

- 1 Take climate change (carbon neutrality) measures
- 2 Conserve biodiversity
- 3 Prevent air, soil, and water pollution
- 4 Reduce amount of final disposal of waste and amount of plastic waste emitted

- Implement various emissions reduction measures based on “SOCN2050”*
- Work with various systems, including an emissions trading system (GX-ETS) and revisions to JIS standards
- Green (revegetate) idle mines; expand marine products business
- Comply with emission standards and regulations; make proper use of water resources
- Take initiatives based on measurements and various indicators

Structural measures, including reforms to systems and corporate culture

- 1 Assess our dependence and impact on natural capital

Perform analysis and assessment based on the TNFD (Task Force on Nature-related Financial Disclosures) and integrate into strategy

*Carbon Neutral (CN) Vision. Version 2 is to be announced at about the end of May.

Building a solid business foundation to achieve SOC Vision 2035

Key initiatives FY2026-28

- 1 Promote occupational safety and health, and health management
- 2 Promote working practices that respect human rights and diversity
- 3 Increase employee engagement (conduct fixed-point observation and improve)



- Endeavor to ensure a safe and secure work environment and improve productivity
- Recruit and retain talent through diversity and fair working practices
- Enhance employee motivation

Structural measures, including reforms to systems and corporate culture

- 1 Coexist with local communities
- 2 Further expand the new human resources system (talent development, career support, etc.)
- 3 Conduct various cross-departmental projects



- Enhance recognition and brand image within local communities
- Reform corporate culture (increase number of self-reliant employees, e.g., by promoting “Change & Challenge” and open discussion)

Lay the groundwork for business continuity: disaster preparedness (BCP)

Building a solid business foundation to achieve SOC Vision 2035

Key initiatives FY2026-28

- 1 Strengthen compliance risk management system
- 2 Enhance effectiveness of board of directors
- 3 Revise executive remuneration system



- Enhance fraud prevention and Group-wide risk management
- Identify issues and make improvements on them, and make decisions with great transparency and objectivity
- Ensure the appropriateness and transparency of compensation

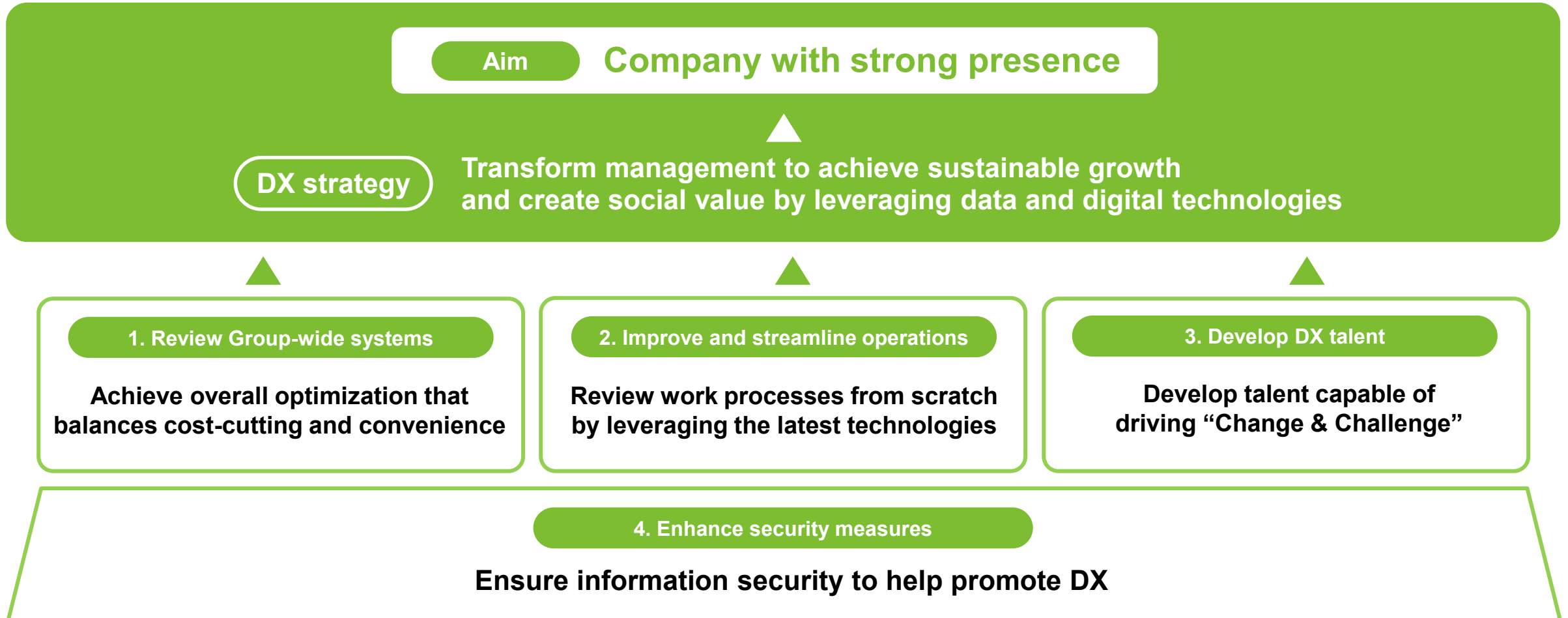
Structural measures, including reforms to systems and corporate culture

- 1 Study our governance structure in response to the business environment
- 2 (Expand) employee stock ownership
- 3 Develop specialized talent using DX tools



- Establish governance and business structures that contribute to long-term corporate value enhancement
- Foster employees' sense of participation in management

We view our DX strategy as a “management transformation” that will support future growth and business continuity. We will realize a transformation of both our operations and corporate culture by leveraging data and digital technologies.



Public relations initiatives that help to enhance corporate value

We use various media and advertising channels to widely communicate how we fulfill our social responsibilities as part of our business activities.

廃棄物やCO2を資源に！ 動画で学ぶセメントの カーボンリサイクルの CR技術

様々なメディアで活躍中のスペシャルゲストを住友大阪セメントの赤穂工場にお招きし、工場見学や実験を通して得た疑問や、驚きをながけかけてもらうことで、一般の方にもわかりやすく、セメント製造や当社の廃棄物リサイクルの取り組みを紹介いただきました。工場所在地の赤穂市の協力のもと、赤穂市のグルメ情報や観光情報も盛り込まれ、観光面でも楽しめる内容ですので、ぜひご覧ください。

住友大阪セメント 環境解決 Part1
日常生活を支えるセメントリサイクルに迫る！
<https://youtube.be/0cgrn6HZV94>

Part1では「セメントって何？」といった基本的な知識の解説や、実験を通じて「セメントの持つ脱炭素の力」を紹介します。

住友大阪セメント 環境解決 Part2
CO₂を再資源化して製造する「人工石灰石」や、環境対策製品によって生み出される「ブルーカーボン」をご紹介します！
<https://youtube.be/AU83KPCUHC>

Part2では、CO₂を再資源化して製造する「人工石灰石」や、環境対策製品によって生み出される「ブルーカーボン」をご紹介します！

住友大阪セメント 環境解決 Part3
巨大設備産業のセメント工場へ搬入！
<https://youtube.be/R92dW6C0ms>

Part3では、セメント工場の設備を実際に見学！セメントがどのような工程を経て作られていくのかを、わかりやすく解説します。

住友大阪セメント 環境解決 Part4
廃棄物がまるごとセメントに！驚異のリサイクル力がすごい
<https://youtube.be/Fgk83ay80Q>

Part4では、廃棄物のリサイクルについてご紹介！どんな廃棄物がセメントに生まれ変わるのか、設備を見学しながら解説します。

住友大阪セメント株式会社
東京都港区赤穂 1-9-2 住友ビル20階
<https://www.soc.co.jp/>

Videos introducing our factories can be viewed on YouTube.



全国に広がる さすてなセメントネットワーク

セメントは、地域社会とともに

家庭や産業、自治体など、毎日さまざまな場所で発生する廃棄物や副産物。住友大阪セメントは事業を通して環境問題に取り組む「環境解決企業」としての責務を胸に、毎日たくさんの廃棄物や副産物をセメント製造の原料や熱エネルギーとしてリサイクルし、サステナブルな社会構築に貢献しています。

また、当社グループでは大規模災害が発生した場合の災害廃棄物の受け入れによる早期復旧・早期復興への支援など、さまざまな課題の解決に向けた地方自治体との各種協定の締結を推進しており、これまでに13の地方自治体と各種協定を結び、協力体制を構築しています。

せめまる
さすてなセメントマスコットキャラクター

住友大阪セメント株式会社
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<https://www.soc.co.jp/sustainable/>

“Sustainable Cement” website focusing on environment and recycling



住友大阪セメント

わたしたちは、「ツシマヤマネコ」を保護するために、自然環境を再生しています。

長崎県対馬市角志地区には、住友大阪セメントがセメント原料（粘土）を採掘するために取得した森林があります。しかし、セメント業界が積極的にリサイクルを進めたことで天然粘土を代替できるようになり、この土地は一度も採掘されずまよ返休地となりました。その後、2007年にこの土地で絶滅危惧種のツシマヤマネコの生息が確認されたことから、対馬の人々と協力を得て森林の回復や新たな小動物が食べる実が育つ広葉樹の植林を行い、ツシマヤマネコの暮らしやすい環境を生産者から整え、生態に潤いを取り戻すを行っています。

2007年 植林
2024年 育ちゆく

20年以上にわたり焼付け対策製品を展開しています

地球温暖化による海水面上昇で海産物を食べる魚が枯死、海鳥が消失する「焼付け」が全国的な課題となっています。加えて、海洋プラスチック問題や海洋の資源枯渇も深刻化し、資材の海洋環境対策が求められています。当社グループでは、20年以上にわたり焼付け対策製品を展開し、洋型焼付け4,000基以上建設、洋型焼付けプレート30万枚以上納入の実績があります。長崎県対馬市の沿岸でも多くの施設実績があり、焼付け対策製品の展開が加速し、対馬市の皆さまとともに豊かな海づくりに取り組んでいます。

2024年には、低炭素コンクリートと海洋生分解性プラスチックを採用したブルーカーボン対応多機能型洋型焼付け「海鳥王」を開発し、海鳥によるCO₂削減や海洋プラスチック問題の解決に貢献し、焼付けの要因でもある地球温暖化の抑制を目指しています。

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Introduction to marine products business and initiatives to protect biodiversity

