

Sustainability

To help achieve a recycling-oriented and decarbonized society, and to respond to the needs of the times by providing solutions to environmental issues as an “environmental solutions company,” we are pursuing initiatives aimed at balancing the sustainable and healthy development of the Group with the resolution of social issues.

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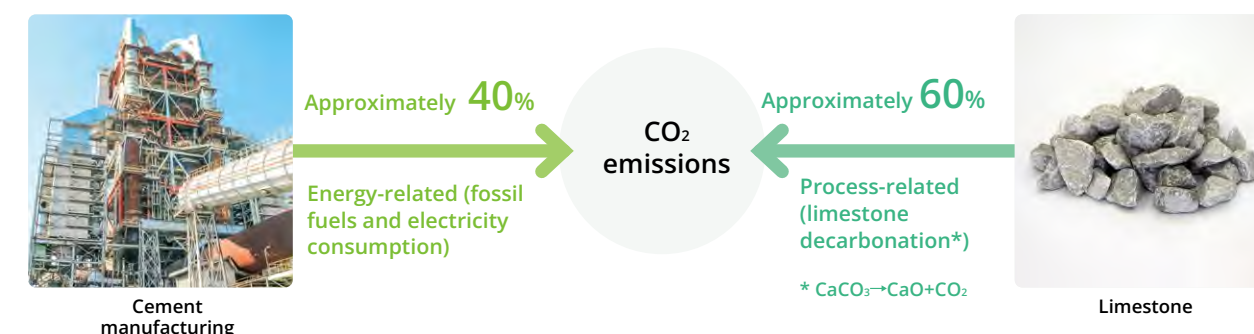
Our Initiatives Toward Carbon Neutrality in the Cement Industry

Japan's Cement Industry and CO₂ Emissions

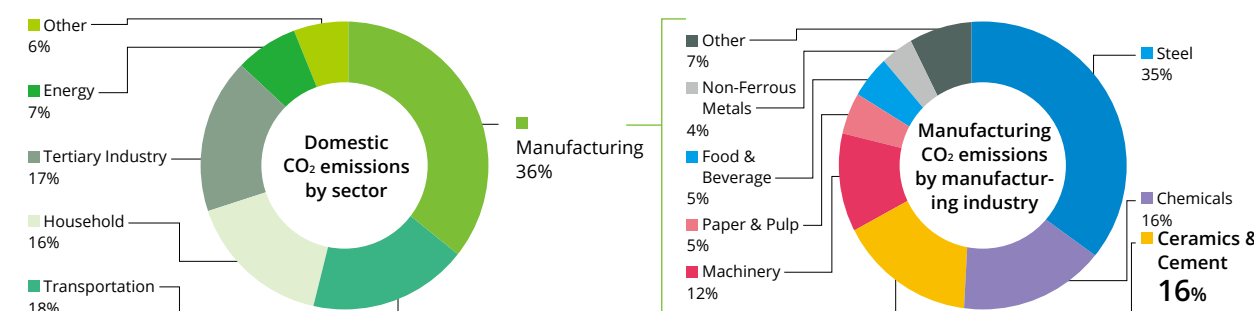
The majority of the raw materials for cement consists of limestone. Japan is one of the world's leading countries in terms of both the volume and quality of its limestone resources. For over 100 years, Japan's cement industry has contributed to the construction of the country's infrastructure by leveraging these abundant limestone resources.

In cement manufacturing, limestone is blended with raw materials containing silica and alumina, along with iron ore, and then fired at 1,450°C in a rotary kiln. In addition to the CO₂ emissions generated by the combustion of fossil fuels during this process, CO₂ is also released by the decarbonation reactions that the limestone undergoes. The former is known as energy-related emissions, while the latter is referred to as process-related emissions. Process-related emissions account for approximately 60% of the CO₂ emissions at cement plants.

Current Status of CO₂ Emissions from the Cement Industry



Japan's Greenhouse Gas Emissions Data: Final Figures for Fiscal 2020 (Source: National Institute for Environmental Studies)



Our Progress Toward Reducing Greenhouse Gases

Following the Japanese government's "2050 Carbon Neutral Declaration" in October 2020, in December 2020 the Company formulated and announced SOCN2050, outlining its roadmap toward carbon neutrality by 2050, as well as specific reduction targets for 2030. Since then, we have been working to reduce greenhouse gases (GHGs) in several ways, including through being selected for the Green Innovation Fund project operated by NEDO (New Energy and Industrial Technology Development Organization), and participating in the GX League led by the Ministry of Economy, Trade and Industry. Furthermore, we launched operations at a pilot-scale manufacturing test facility for CO₂ recycling artificial limestone in April 2025, and have been reconfiguring our organization to strengthen our framework.

Meanwhile, the government has revised its Strategic Energy Plan and its Plan for Global Warming Countermeasures, and submitted new emissions reduction targets for Japan—its Nationally Determined Contributions (NDCs)—to the United Nations in February 2025. Furthermore, various programs, such as an emissions trading scheme, are scheduled to be introduced over time under the revised GX Promotion Act. In light of these changes in the external environment and other factors, we are currently working on revising our SOCN2050.

