

Note: This document is a translated version of the Japanese original. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



MEMBERSHIP

February 24, 2026

Notice Regarding Transfer of Equity Interest in Consolidated Subsidiary

Taiheiyo Cement Corporation (hereinafter “Taiheiyo Cement” or “we”) hereby announces that we will transfer our entire equity interest in our consolidated subsidiary, Jiangnan-Onoda Cement Co., Ltd. (hereinafter “Jiangnan Onoda”), to Nanjing Yida Zongheng Building Materials Co., Ltd. (Head office: Nanjing City, Jiangsu Province, China / Legal representative: Lv Xiaobin; hereinafter “Nanjing Yida”).

As a result, Jiangnan Onoda will be excluded from Taiheiyo Cement’s consolidated subsidiaries.

1. Reason for the transfer of equity interest

As announced in our press release “Notice Regarding Business Suspension of Our Consolidated Subsidiary” dated February 28, 2023, Jiangnan Onoda, our consolidated subsidiary, suspended cement manufacturing and sales operations in Nanjing City, Jiangsu Province, China, as of February 2023.

While we had initiated steps to advance withdrawal procedures with the intention to dissolve and liquidate Jiangnan Onoda, Nanjing Yida has since enquired about acquiring our entire equity interest in Jiangnan Onoda, and we have reviewed their proposition in detail.

After deliberation, we concluded that it is desirable for us to reinvest the funds generated from this transaction in future projects and regions, which will consequently further enhance our corporate value. Therefore, we have decided to transfer our entire equity interest in Jiangnan Onoda to Nanjing Yida.

2. Outline of the subsidiary to be transferred

(1) Name	Jiangnan-Onoda Cement Co., Ltd.		
(2) Location	No. 88, Sheshan Town, Qixia Street, Qixia District, Nanjing City, Jiangsu Province, China		
(3) Name and Title of Representative	Shinji Fukami, Chairman		
(4) Description of Business	Manufacture and sales of cement		
(5) Capital	USD 134,337 thousand (as of December 31, 2025)		
(6) Date of establishment	March 12, 1993		
(7) Investor and ownership ratio	Taiheiyo Cement Corporation		88.51%
	Nanjing Huajian Industry (Group) Co., Ltd.		11.49%
(8) Relationship between Taiheiyo Cement and Jiangnan Onoda	Capital relationship	Taiheiyo Cement owns 88.51% equity of Jiangnan Onoda as a consolidated subsidiary.	
	Human relationship	Taiheiyo Cement's Vice President and Director concurrently serves as Chairman of Jiangnan Onoda. Five Taiheiyo Cement employees concurrently serve as directors of Jiangnan Onoda. Two Taiheiyo Cement employees are seconded to Jiangnan Onoda (one of whom is appointed as director).	
	Business relationship	There is no business relationship to be declared.	
(9) Operating results and financial condition of Jiangnan Onoda in the last three years*1			
Accounting period	Fiscal 2023	Fiscal 2024	Fiscal 2025
Net assets	USD 74,860 thousand	USD 85,823 thousand	USD 85,517 thousand
Total assets	USD 106,234 thousand	USD 92,662 thousand	USD 88,797 thousand
Net Sales	-	-	-
Operating profit	-	-	-
Ordinary profit	USD (6,672) thousand	USD (2,165) thousand	USD (2,148) thousand
Net profit	USD (17,248) thousand	USD 10,963 thousand	USD (307) thousand

*1 Non-consolidated basis as Jiangnan Onoda has no subsidiaries or related companies.

3. Outline of the purchaser of the equity interest

(1) Name	Nanjing Yida Zongheng Building Materials Co., Ltd.
(2) Location	Building 4, No. 29, Jingying Middle Road, Jingqiao Town, Lishui District, Nanjing City, Jiangsu Province, China
(3) Name and Title of Representative	Lv Xiaobin, CEO
(4) Description of Business	Manufacture and sales of building materials

Neither our company nor any associated parties within our group have any capital, personnel or business relationship with Nanjing Yida.

Nanjing Yida is a private company and does not disclose its financial performance and status. In accordance with the company's wishes, we will refrain from disclosing any information beyond the above summary.

4. Shareholding before and after transfer, and transfer price

(1) Shareholding before transfer	88.51%
(2) Shareholding transfer	88.51%
(3) Transfer price	60 million CNY (approximately 1,340 million JPY) *2
(4) Shareholding after transfer	0.00%

*2 The value has been determined through negotiations with the counterparty to the equity transfer, taking into account the valuation by an independent third-party appraisal institution, and we consider it to represent a fair value.

5. Schedule for transfer of equity interest

(1) Date of board of directors' resolution regarding transfer of equity interest	February 24, 2026
(2) Date of transfer of equity interest	March 2026 (provisional)

6. Future outlook

This transfer of equity interest will have minimal impact on our consolidated performance forecasts for the fiscal year ending in March 2026, which we announced on February 10, 2026.