Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Sumitomo Osaka Cement Co., Ltd.

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (JGAAP)

August 4, 2026

Company name		Sumitomo Osaka Cement Co., Ltd		Stock Exchange Listing		Tokyo
Stock code		5232	URL	https://www.soc.co.jp/		
Representative	(Job Title)	Representative Director, President	(Name)	Hirotsune Morohashi		
Contact Manager	(Job Title)	General Manager, Corporate Planning Department	(Name)	Masahiko Ebisui	(TEL)	+81-3-6370-2725
Scheduled date to commence dividend payments		–				
Availability of supplementary explanatory materials for financial results:			Available			
Availability of financial briefings:			None			

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (From April 1, 2026, to June 30, 2026)

(1) Consolidated Operating Results (Cumulative) (% indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	56,061	8.8	3,463	99.1	3,590	87.0	2,196	48.3
June 30, 2025	51,536	(3.2)	1,740	37.7	1,920	(3.2)	1,480	115.8

(Note) Comprehensive income Three months ended June 30, 2026 1,656 million yen [(49.0)%]
Three months ended June 30, 2025 3,246 million yen [187.0%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	69.28	–
June 30, 2025	45.14	–

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	361,388	197,685	54.0
As of March 31, 2026	361,980	197,948	54.0

(Reference) Equity As of June 30, 2026 195,042 million yen
As of March 31, 2026 195,306 million yen

2. Dividend Status

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	60.00	–	60.00	120.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (forecast)		60.00	–	20.00	–

(Notes) 1. Revision of dividend forecast from the most recently announced forecast: Yes
2. The Company plans to implement a three-for-one stock split of its common shares with an effective date of October 1, 2026.
The forecast year-end dividend per share for the fiscal year ending March 31, 2027 reflects the effect of the stock split. The total annual dividend per share is not presented because a simple comparison is not possible due to the stock split.
Without taking the stock split into account, the year-end dividend is 60.00 yen and the total annual dividend is 120.00 yen.

3. Consolidated Performance Forecast for the Fiscal Year Ending March 31, 2027 (From April 1, 2026, to March 31, 2027)

(% indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	111,000	4.9	4,500	9.2	4,300	1.6	3,100	(44.6)	97.81
Full year	234,500	4.8	15,000	9.9	14,500	0.7	10,000	(10.8)	105.18

(Notes) 1. Revision from the most recently announced performance forecast: None
2. The Company plans to implement a three-for-one stock split of its common shares with an effective date of October 1, 2026.
The full-year basic earnings per share in the consolidated performance forecast for the fiscal year ending March 31, 2027 reflects the effect of the stock split.
Without taking the stock split into account, the full-year basic earnings per share in the consolidated performance forecast for the fiscal year ending March 31, 2027 is 315.54 yen.

* Notes

(1) Significant Changes in the Scope of Consolidation during the Period under Review: None

(2) Application of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies, Changes in Accounting Estimation or Restatements

- (i) Changes in accounting policies due to the revision of accounting standards: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimation: None
- (iv) Restatements: None

(4) Numbers of Shares Issued (Common Shares)

(i) Number of shares outstanding at the end of the period (including treasury shares)	As of June 30, 2026	32,068,117 shares	As of March 31, 2026	32,068,117 shares
(ii) Number of treasury shares at the end of the period	As of June 30, 2026	361,745 shares	As of March 31, 2026	376,852 shares
(iii) Average number of shares during the period (cumulative quarterly period)	Three months ended June 30, 2026	31,699,016 shares	Three months ended June 30, 2025	32,801,266 shares

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Explanation for the appropriate use of performance forecasts and other special notes:

The forward-looking statements contained in this report are based on information that is available to the Company at present. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. Please refer to “(3) Qualitative Information on Consolidated Performance Forecasts and Other Forward-Looking Statements” in “1. Qualitative Information on Quarterly Results” on page 3 of the attached materials for information on the above earnings forecasts.

○ Table of Contents of Appendix

1. Qualitative Information on Quarterly Results

(1) Qualitative Information on Consolidated Operating Results

In the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026) (the “period under review”), the Japanese economy continued to experience a moderate recovery, supported by improvements in employment and income conditions and the effects of economic policies, although the impact of rising prices was observed. On the other hand, the impact of the situation in the Middle East required monitoring.

In the cement industry, domestic demand for cement was 7,214 thousand tons, down 5.6% year on year, as both public and private sector demand decreased due to factors such as the chronic labor shortage, the further spread of the five-day workweek under workstyle reform initiatives, and over-time work regulations, all of which continued from the previous fiscal year. On the other hand, exports grew by 3.9% year on year.

As a result, the total sales volume of domestic manufacturers, including exports, decreased by 3.4% year on year to 9,468 thousand tons.

Under these circumstances, our group formulated the “FY2026–28 Medium-Term Management Plan” as the second step toward achieving SOC Vision2035, our vision for what we aim to be in 2035, with the main theme of promoting the transformation of our business portfolio. In this medium-term management plan, we will work to achieve early results from the initiatives carried over from the previous medium-term management plan, while stabilizing earnings from our existing businesses centered on the cement business, expanding our high-performance products business, a growth area, and launching new businesses, including CO_2 resource utilization (artificial limestone and other products).

As a result of the above, net sales for the period under review totaled 56,061 million yen, up 4,525 million yen year on year, and ordinary profit totaled 3,590 million yen, up 1,670 million yen year on year. Profit attributable to owners of the parent increased by 715 million yen year on year to 2,196 million yen.

An overview by business is as follows.

As part of its efforts to further strengthen its organizational structure toward achieving the business portfolio transformation outlined in its medium- to long-term vision, "SOC Vision2035," the Company integrated the Optoelectronics Business Division and the Advanced Materials Business Division and newly established the High-Performance Products Business Division, effective April 1, 2026.

Following this organizational restructuring, beginning with the period under review, the Company has changed the classification of its reportable segments by integrating the "Optoelectronics" and "Advanced Materials" segments into the "High-Performance Products" segment.

The year-on-year comparisons below are based on figures reclassified in accordance with the revised reportable segment classification.

1 Cement

Although the domestic sales volume was lower than the previous year, net sales were 39,462 million yen, an increase of 2,827 million yen (7.7%) year on year, mainly due to the effect of the selling price increase implemented in the previous fiscal year. Operating profit was 1,573 million yen, representing an improvement of 1,642 million yen year on year.

2 Mineral Resources

Mainly due to product price revisions, net sales were 4,576 million yen, an increase of 454 million yen (11.0%) year on year. Operating profit was 759 million yen, an increase of 207 million yen (37.5%) year on year.

3 Cement-Related Products

Net sales increased by 200 million yen (4.3%) year on year to 4,853 million yen mainly due to an increase in the sales volume of precast concrete products. We posted an operating loss of 22 million yen, although this represented an improvement of 36 million yen year on year.

4 High-Performance Products

Net sales increased by 967 million yen (18.5%) year on year to 6,192 million yen, mainly due to an increase in the sales volume of electronic materials for semiconductor manufacturing equipment. However, operating profit decreased by 151 million yen (17.0%) year on year to 740 million yen, mainly due to an increase in manufacturing costs.

5 Other

Net sales increased by 75 million yen (8.3%) year on year to 976 million yen, mainly due to an increase in software sales. However, operating profit decreased by 26 million yen (6.5%) year on year to 374 million yen, mainly due to an increase in costs.

(2) Qualitative Information on Consolidated Financial Status

Total assets at the end of the period under review were 361,388 million yen, down 591 million yen from the end of the previous fiscal year. The main changes were a 1,892 million yen decrease in cash and deposits, a 2,025 million yen increase in electronically recorded monetary claims – operating, and a 782 million yen decrease in investment securities.

Total liabilities at the end of the period under review amounted to 163,703 million yen, down 328 million yen from the end of the previous fiscal year. The main change was a 2,000 million yen decrease in commercial papers, a 2,826 million yen decrease in income taxes payable, a 5,000 million yen increase in bonds payable (including the current portion of bonds payable), and a 1,508 million yen decrease in long-term borrowings.

Net assets at the end of the period under review totaled 197,685 million yen, down 263 million yen from the end of the previous fiscal year. The main changes were a 290 million yen increase in retained earnings and a 632 million yen decrease in valuation difference on available-for-sale securities.

(3) Qualitative Information on Consolidated Performance Forecasts and Other Forward-Looking Statements

The consolidated performance forecast announced on May 13, 2026 remains unchanged.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	16,633	14,741
Notes and accounts receivable – trade, and contract assets	42,120	41,662
Electronically recorded monetary claims – operating	8,968	10,994
Merchandise and finished goods	10,940	11,877
Work in process	66	163
Raw materials and supplies	22,018	21,886
Short-term loans receivable	518	566
Other	2,422	2,057
Allowance for doubtful accounts	(33)	(39)
Total current assets	103,655	103,910
Non-current assets		
Property, plant and equipment		
Buildings and structures	190,467	202,321
Accumulated depreciation	(134,443)	(135,387)
Buildings and structures, net	56,024	66,933
Machinery and equipment	520,903	523,869
Accumulated depreciation	(456,604)	(459,742)
Machinery and equipment, net	64,299	64,126
Land	39,121	39,121
Construction in progress	16,483	4,354
Other	41,026	41,342
Accumulated depreciation	(22,550)	(22,775)
Other, net	18,476	18,566
Total property, plant and equipment	194,404	193,102
Intangible assets	3,448	4,834
Investments and other assets		
Investment securities	43,731	42,948
Long-term loans receivable	4,043	4,045
Deferred tax assets	1,000	1,054
Retirement benefit asset	5,815	5,792
Other	6,022	5,840
Allowance for doubtful accounts	(140)	(140)
Total investments and other assets	60,472	59,540
Total non-current assets	258,324	257,477
Total assets	361,980	361,388

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable – trade	27,590	29,617
Electronically recorded liabilities – operating	2,378	3,434
Short-term borrowings	17,809	18,129
Commercial papers	2,000	—
Current portion of long-term borrowings	9,672	9,527
Current portion of bonds payable	5,000	5,000
Income taxes payable	4,062	1,236
Provision for bonuses	2,823	1,685
Other	15,013	13,595
Total current liabilities	86,350	82,227
Non-current liabilities		
Bonds payable	25,000	30,000
Long-term borrowings	26,940	25,431
Deferred tax liabilities	10,383	10,691
Provision for retirement benefits for directors (and other officers)	125	109
Retirement benefit liability	1,023	1,047
Provision for share awards	163	111
Asset retirement obligations	269	270
Other	13,775	13,812
Total non-current liabilities	77,680	81,475
Total liabilities	164,031	163,703
Net assets		
Shareholders' equity		
Share capital	41,654	41,654
Capital surplus	10,468	10,468
Retained earnings	122,541	122,831
Treasury shares	(1,446)	(1,391)
Total shareholders' equity	173,217	173,562
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,560	18,927
Foreign currency translation adjustment	403	479
Remeasurements of defined benefit plans	2,124	2,072
Total other accumulated comprehensive income	22,088	21,479
Non-controlling interests	2,642	2,642
Total net assets	197,948	197,685
Total liabilities and net assets	361,980	361,388

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Three months ended June 30, 2025 and 2026

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	51,536	56,061
Cost of sales	39,743	40,965
Gross profit	11,792	15,096
Selling, general and administrative expenses	10,052	11,632
Operating profit	1,740	3,463
Non-operating income		
Interest income	24	27
Dividend income	467	497
Foreign exchange gains	—	105
Share of profit of entities accounted for using the equity method	67	106
Rental income	33	28
Other	249	184
Total non-operating income	841	949
Non-operating expenses		
Interest expenses	285	389
Foreign exchange losses	191	—
Other	185	433
Total non-operating expenses	661	822
Ordinary profit	1,920	3,590
Extraordinary income		
Gain on sale of non-current assets	5	105
Gain on sale of investment securities	453	233
Total extraordinary income	458	339
Extraordinary losses		
Loss on retirement of non-current assets	76	100
Loss on sale of non-current assets	0	13
Total extraordinary losses	77	114
Profit before income taxes	2,301	3,814
Income taxes – current	536	976
Income taxes – deferred	191	573
Total income taxes	728	1,549
Profit	1,573	2,264
Profit attributable to non-controlling interests	92	68
Profit attributable to owners of the parent	1,480	2,196

Quarterly Consolidated Statement of Comprehensive Income

Three months ended June 30, 2025 and 2026

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net income	1,573	2,264
Other comprehensive income		
Valuation difference on available-for-sale securities	1,821	(637)
Foreign currency translation adjustment	(71)	12
Remeasurements of defined benefit plans	(25)	(52)
Share of other comprehensive income of entities accounted for using the equity method	(50)	68
Total other comprehensive income	1,673	(608)
Comprehensive income	3,246	1,656
Comprehensive income attributable to:		
Owners of the parent	3,154	1,587
Non-controlling interests	92	68

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes in the Event of Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

I. Three months ended June 30, 2025 (April 1, 2025–June 30, 2025)

Information on Net Sales and Profit or Loss by Reportable Segment (Millions of yen)

	Reportable segment						Note 1	Note 2
	Cement	Mineral Resources	Cement-Related Products	High-Performance Products	Other	Total	Adjustment	Amount recorded in quarterly consolidated statement of income
Net sales								
(1) Net sales to external customers	36,635	4,121	4,652	5,225	901	51,536	–	51,536
(2) Intersegment sales and transfers	803	843	462	4	1,168	3,282	(3,282)	–
Total	37,438	4,965	5,115	5,229	2,070	54,818	(3,282)	51,536
Segment profit (loss)	(68)	552	(58)	891	400	1,716	23	1,740

(Notes) 1. "Adjustment" of segment profit (loss) of 23 million yen represents the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit of the quarterly consolidated statement of income.

II. Three months ended June 30, 2026 (April 1, 2026–June 30, 2026)

1. Information on Net Sales and Profit or Loss by Reportable Segment (Millions of yen)

	Reportable segments						Note 1	Note 2
	Cement	Mineral Resources	Cement-Related Products	High-Performance Products	Other	Total	Adjustment	Amount recorded in quarterly consolidated statement of income
Net sales								
(1) Net sales to external customers	39,462	4,576	4,853	6,192	976	56,061	–	56,061
(2) Intersegment sales and transfers	888	1,023	534	—	1,337	3,784	(3,784)	–
Total	40,351	5,599	5,388	6,192	2,314	59,846	(3,784)	56,061
Segment profit (loss)	1,573	759	(22)	740	374	3,425	37	3,463

(Notes) 1. "Adjustment" of segment profit (loss) of 37 million yen represents the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit of the quarterly consolidated statement of income.

2. Changes in Reportable Segments

As part of its efforts to further strengthen its organizational structure toward achieving the business portfolio transformation outlined in its medium- to long-term vision, "SOC Vision2035," the Company integrated the Optoelectronics Business Division and the Advanced Materials Business Division and newly established the High-Performance Products Business Division, effective April 1, 2026.

Following this organizational restructuring, beginning with the period under review, the Company has changed the classification of its reportable segments by integrating the "Optoelectronics" and "Advanced Materials" segments into the "High-Performance Products" segment.

Segment information for the corresponding period of the previous fiscal year is presented based on the revised reportable segment classification.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows has not been prepared for the period under review. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the period under review are as follows.

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	5,482 million yen	5,659 million yen
Amortization of goodwill	7 million yen	—

(Significant Subsequent Events)

The Company resolved at the meeting of its Board of Directors held on August 4, 2026 to implement a stock split, partially amend its Articles of Incorporation, revise its dividend forecast, and revise its policy on shareholder returns (dividend policy).

1. Purpose of the Stock Split

The purpose of the stock split is to enhance the liquidity of the Company's shares and further expand its investor base by reducing the investment unit price.

2. Overview of the Stock Split

(1) Method of the Stock Split

With September 30, 2026 as the record date, each common share of the Company held by shareholders recorded or registered in the final shareholders register as of that date will be split into three shares.

(2) Number of Shares to be Increased by the Stock Split

(i) Total number of issued shares before the stock split	32,068,117 shares
(ii) Number of shares to be increased by this stock split	64,136,234 shares
(iii) Total number of issued shares after the stock split	96,204,351 shares
(iv) Total number of authorized shares after the stock split	380,000,000 shares

(3) Schedule of the Stock Split

(i) Scheduled date of public notice of the record date	September 15, 2026 (Tuesday)
(ii) Record date	September 30, 2026 (Wednesday)
(iii) Effective date	October 1, 2026 (Thursday)

(4) Other

There will be no change in the amount of stated capital as a result of the stock split.

3. Partial Amendment to the Articles of Incorporation Accompanying the Stock Split

(1) Reason for the Amendment to the Articles of Incorporation

In connection with the stock split, under Article 184, Paragraph 2 of the Companies Act, the Company will partially amend its Articles of Incorporation by resolution of the Board of Directors, with an effective date of October 1, 2026.

(2) Details of the Amendment

The details of the amendment are as follows. (The underlined portion indicates the amendment.)

Current	Amended
(Total number of authorized shares) Article 6 The total number of authorized shares of the Company shall be <u>130,000,000</u>.	(Total number of authorized shares) Article 6 The total number of authorized shares of the Company shall be <u>380,000,000</u>.

(3) Schedule of the Amendment

(i) Date of the Board of Directors' resolution	August 4, 2026 (Tuesday)
(ii) Effective date	October 1, 2026 (Thursday)

4. Effect on Per Share Information

Assuming that the stock split had been implemented at the beginning of the previous consolidated fiscal year, the per share information would have been as follows.

	Three months ended June 30, 2025	Three months ended June 30, 2026
Basic earnings per share (Yen)	15.05	23.09
Diluted earnings per share (Yen)	—	—

(Note) Diluted earnings per share is not presented because there were no dilutive shares.

5. Revision of the Shareholder Return Policy (Dividend Policy)

In connection with the stock split, the minimum annual dividend per share under the shareholder return policy in the "FY2026–28 Medium-Term Management Plan" announced on May 13, 2026, will be revised as follows.

This revision is made to reflect the stock split ratio, and there is no substantive change to the minimum annual dividend per share.

Minimum annual dividend per share before the revision	Minimum annual dividend per share after the revision
120.00 yen	40.00 yen

3. Supplementary Information

(1) Consolidated Net Sales and Profit or Loss by Segment (YoY Comparison)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	YoY change	
			Amount	%
Cement	36,635	39,462	2,827	7.7
Mineral Resources	4,121	4,576	454	11.0
Cement-Related Products	4,652	4,853	200	4.3
High-Performance Products	5,225	6,192	967	18.5
Other	901	976	75	8.3
Net sales for external customers	51,536	56,061	4,525	8.8
Cement	(68)	1,573	1,642	–
Mineral Resources	552	759	207	37.5
Cement-Related Products	(58)	(22)	36	–
High-Performance Products	891	740	(151)	(17.0)
Other	400	374	(26)	(6.5)
Adjustment amount	23	37	14	63.7
Operating profit	1,740	3,463	1,723	99.1
Non-operating income	841	949	108	12.9
Non-operating expenses	661	822	161	24.4
Non-operating income (expenses), net	180	126	(53)	(29.5)
Ordinary profit	1,920	3,590	1,670	87.0
Extraordinary income	458	339	(119)	(26.0)
Extraordinary losses	77	114	37	49.1
Extraordinary income (losses), net	381	224	(156)	(41.2)
Profit attributable to owners of the parent	1,480	2,196	715	48.3