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August 4, 2026

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Name of representative: Hirotsune Morohashi, Representative Director and President
(Securities code: 5232; TSE Prime Market))
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Notice Concerning Disposal of Treasury Shares in Connection with Continuation of the Share-Based Remuneration System

Sumitomo Osaka Cement Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of treasury shares as share-based remuneration (the "Disposal of Treasury Shares") as described below.

1. Overview of Disposal

(1)	Date of disposal	August 19, 2026
(2)	Class and number of shares for disposal	42,500 common shares of the Company
(3)	Disposal price	¥5,402 per share
(4)	Total disposal amount	¥229,585,000
(5)	Scheduled allottee	Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-entrustment trustee: Custody Bank of Japan, Ltd. (trust account))
(6)	Other matters	Regarding the Disposal of Treasury Shares, an Extraordinary Report under the Financial Instruments and Exchange Act shall be submitted.

2. Purpose and reason for disposal

At the meeting of the Board of Directors held on May 22, 2020, the Company resolved to introduce a share-based remuneration system (the "System") that aims to enhance awareness of contributions to improved medium- to long-term business performance and increased corporate value, by more clearly linking the remuneration of the Company's Directors (excluding External Directors; the same applies below) and Executive Officers (collectively, the "Directors, etc.") to the Company's share value, while having the Directors, etc. share the benefits and risks of share price fluctuations with shareholders. The introduction of the System in respect of the Company's Directors was approved by resolution at the 157th Annual General Meeting of Shareholders held on June 26, 2020. Thereafter, at the meeting of the Board of Directors held on February 27, 2026, on the premise that a proposal concerning the partial revision and continuation of the share-based remuneration system would be approved at the 163rd Annual General Meeting of Shareholders held on June 25, 2026 (the "General Meeting of Shareholders"), the Company resolved to continue the System, with partial revision, and the partial revision and continuation of the System in respect of the Company's Directors was approved at the General Meeting of Shareholders.

For an overview of the System after the revision, please refer to the "Notice Concerning Partial Revision and Continuation of the Share-Based Remuneration System in Connection with the Addition of Performance-Linked Elements" dated February 27, 2026.

The Disposal of Treasury Shares will be made to Sumitomo Mitsui Trust Bank, Limited (trust account) (re-entrustment trustee: Custody Bank of Japan, Ltd. (trust account)), the trustee of the trust already established for the introduction of the System (the "Trust").

The quantity of shares for disposal corresponds to the number of shares expected to be delivered to the Directors, etc., taking into consideration factors such as the positions of the Company's Directors, etc. and changes in their composition, etc. during the extended trust period, based on the share delivery rules established by the Company for the operation of the System. The scale of dilution is calculated to be 0.13% of the total number of shares outstanding as of March 31, 2026 (32,068,117 shares) (and 0.13% of the total number of voting rights as of March 31, 2026 (314,919 voting rights), with all values rounded to the nearest second decimal place).

The Company believes that the System will clarify the linkage between the remuneration of the Directors, etc. and the Company's share value, and therefore lead to enhancement of the Company's corporate value over the medium- to long-term. The Company has determined that the disposal quantity and the scale of dilution resulting from the Disposal of Treasury Shares are reasonable, and that the impact on the trading market will be negligible.

(Reference) Overview of the Trust Agreement for the Trust

Trustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-entrustment trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Directors, etc. who satisfy the beneficiary requirements
Trust administrator	A third party that is independent of the Company and its officers
Exercise of voting rights	The voting rights of the Company Shares held in the trust will not be exercised during the trust period.
Type of trust	Trust of money other than "money trust" (*kinsen-shintaku*) (third-party-benefit trust)
Date of trust agreement	August 26, 2020
Trust period (following continuation)	August 26, 2020 ~ Final day of August 2029 (scheduled)
Trust purpose	To deliver the Company Shares to the beneficiaries based on the share delivery rules

3. Basis of calculation and specific details of the disposal price amount

Considering recent share price trends, and in order to eliminate arbitrariness in pricing, the disposal price is set at ¥5,402, the closing price of the Company's shares on the Tokyo Stock Exchange on August 3, 2026 (the business day immediately preceding the date of the Board of Directors' resolution). The Company chose the closing price of the business day immediately preceding the Board of Directors' resolution because it reflects the market value immediately prior to the Board of Directors' resolution date, which the Company has determined to be a highly objective and reasonable basis for calculation.