

August 4, 2015

Purchase of California Cement Business Assets from Martin Marietta Materials, Inc.

Taiheiyo Cement Corporation, headquartered in Minato-ku, Tokyo; President and Representative Director, Shuji Fukuda (hereinafter, “Taiheiyo Cement”) is pleased to announce that its subsidiary, CalPortland Company, headquartered in Glendora, California (hereinafter, “CPC”) has reached an agreement with Martin Marietta Materials, Inc., headquartered in North Carolina, and its subsidiaries (hereinafter, together, “Martin Marietta”) to purchase the cement business formerly held in California by Martin Marietta.

CPC’s purchase of these assets requires final clearance by relevant authorities, and Taiheiyo Cement expects the sale will be finalized within its second quarter of FY2015.

1. Reasons for the Acquisition:

On May 12, 2015, Taiheiyo Cement released its three-year “17 Medium-Term Management Plan”, covering FY2015, FY2016, and FY2017. The Plan allocates, across these three years, 100 billion Japanese yen in group-wide capital investments intended to create and improve opportunities for profitability.

The Plan calls for Taiheiyo Cement Group’s overseas cement business to maintain and enhance its presence in the Pacific Rim by attaining an effective business scale (cement production capacity), specifically recommending improving profitability in its current business in the region and developing increased foreign trade to maximize Taiheiyo Cement Group’s global logistics network. In reference to its business in the United States, the Plan also announces Taiheiyo Cement Group’s goal to improve profitability in its current business as it steadily transforms increasing demand into greater profit.

This asset purchase from Martin Marietta will allow CPC to replace the cement production capacity lost by the discontinuation of cement production at its Colton Plant. In addition, it enables CPC to establish a supply chain to match the increase in cement demand in the California, Arizona, and Nevada region.

Moreover, with the addition of the Martin Marietta Group's cement plant in Oro Grande, California—situated near the major market of Los Angeles—to CPC’s existing capacity (specifically, the Mojave Plant in California and the Rillito Plant in Arizona), CPC can further optimize its cement production and logistics, leading to an expected reduction in logistical outlays and optimization of production capability. As a result, the purchase will contribute to a steady improvement in sales volume and profit in Taiheiyo Cement Group’s U.S. operations, with a final outcome of increased profitability.

2. Overview of CalPortland Company

Business Name: CalPortland Company

Address: 2025 East Financial Way, Glendora, California 91741 U.S.A.

Chief Officer: Allen Hamblen, President / CEO

Business Type: Production and sale of cement, ready-mixed concrete, aggregate, and asphalt

Capital: \$24 million

Cement Production Base: Mojave Plant, Rillito Plant

3. Overview of the Purchased Assets:

CPC is purchasing Martin Marietta's cement business in California. The purchase does not include the Clinker grinding plant in Crestmore. Major assets included are:

1) One Cement Plant: Oro Grande Plant

2) Two Cement Terminals: Stockton and San Diego

Purchase Price: \$420 million

4. Overview of Martin Marietta Materials, Inc.

Business Name: Martin Marietta Materials, Inc.

Address: 2710 Wycliff Road, Raleigh, North Carolina 27607 U.S.A.

Chief Officer: C. Howard Nye, Chairman, President, and CEO

Business Type: Production and sale of aggregate, cement, ready-mixed concrete, and asphalt

Capital: \$3.244 billion

Established: 1939

Consolidated Total Equity: \$4.352 billion

Consolidated Total Assets: \$7.464 billion

The above information is derived from Martin Marietta's *Annual Report 2014*.

5. Estimated Schedule for the Purchase:

Asset Purchase Agreement Signed: June 30, 2015

Transfer of Assets: Anticipated in Taiheiyo Cement's FY 2nd Quarter, 2015

Please note that clearance from relevant authorities is needed for the completion of this agreement.