



TAIHEIYO CEMENT NEWS LETTER

March 1, 2022

Purchase of Cement and Related Business Assets (hereinafter, “Business Assets”) in the Western United States from Martin Marietta Materials, Inc.

Taiheiyo Cement Corporation (Head Office: Bunkyo-ku, Tokyo, President and Representative Director: Masafumi Fushihara, hereinafter, “Taiheiyo Cement”) is pleased to announce that its consolidated subsidiary, CalPortland Company (Headquarters: California, USA, hereinafter, “CPC”) has reached an agreement with Martin Marietta Materials, Inc. (Headquarters: North Carolina, USA, hereinafter, “MM”) to purchase certain cement and ready mixed concrete business in the western United States from MM.

The acquisition of the Business Assets is contingent on the expiration of regulatory waiting periods for review by the relevant authorities.

We expect the U.S. cement market to continue to have strong demand from the private sector in view of the economic growth and chronic housing shortages. Additionally, we expect the infrastructure demands to accelerate as a result of the passing of the US \$1 trillion infrastructure investment bill. California, in particular, will host the 2028 Los Angeles Olympics, and ensuring that we capture these demands is essential to maximize our corporate value.

Under these conditions, CPC has decided to acquire the following assets to further expand its supply capacity and penetrate new markets. We will continue to consider business expansion in the U.S..

1. Overview of the Asset Acquisition

Business Assets: The Redding Plant (California) and related cement distribution terminals, and 14 ready mixed concrete plants located in California

Purchase price: US\$250 million.

The parties have also agreed to the preferred arrangements regarding the potential sale of the Tehachapi cement facility and related cement distribution terminals.

2. Purpose of the Asset Acquisition

The acquisition will enable CPC to build a supply system that can meet the growing demand for cement in northern California, Oregon and Nevada. It will also strengthen CPC’s ready mixed concrete business in California, the second largest market in the U.S., and secure reliable sales channels for CPC’s cement business.

At the same time, the Redding Plant is an important plant in northern California, which we expect can improve customer satisfaction through an investment to develop more efficient systems, including CPC’s cement import terminals in northern California.

As a result, we expect steady growth in revenue and profits for the Taiheiyo Cement Group’s U.S. cement and ready mixed concrete businesses, which in turn will contribute to the achievement of the medium-term management plan from fiscal years 2022 to 2024.

3. Overview of CPC

Business Name	CalPortland Company
Address	1490 Rubidoux Boulevard, Jurupa Valley, CA U.S.A.
Title and name of representative	Allen Hamblen, President & CEO
Business Description	Manufacture and sale of cement, ready mixed concrete, aggregates, and asphalt
Investment Structure	100% of holding share by subsidiary of Taiheiyo Cement
Cement Production Base	California: Mojave Plant, Oro Grande Plant Arizona: Rillito Plant

4. Overview of MM

Business Name	Martin Marietta Materials, Inc.
Address	4123 Parklake Avenue, Raleigh, NC U.S.A.
Title and name of representative	C. Howard Nye, Chairman, President and CEO
Business Description	Manufacture and sale of aggregates, cement, ready mixed concrete, and asphalt

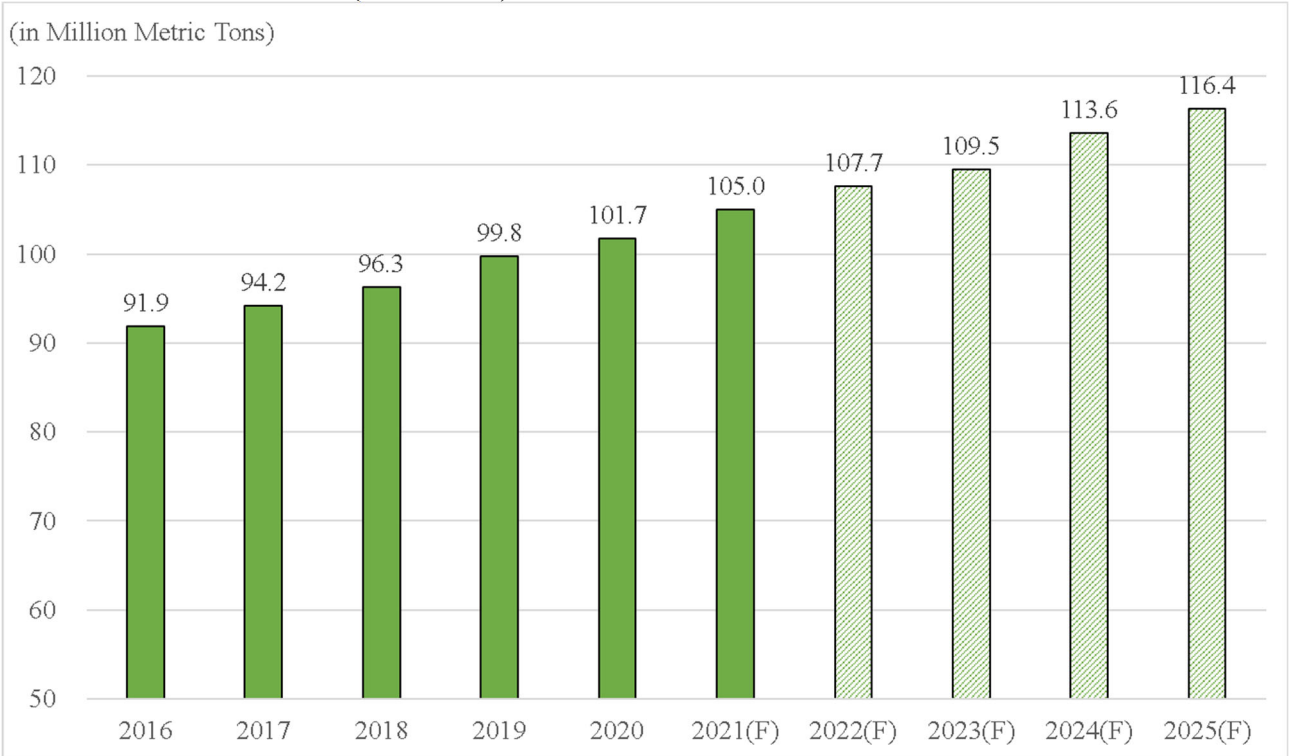
5. Estimated Schedule

Execution of the Asset Purchase Agreement: March 1, 2022

Acquisition of the assets: Anticipated in Taiheiyo's first half of fiscal year 2023 ending March 31, 2023

Note: The closing of this acquisition is subject to the expiration of the waiting periods for review by the relevant authorities.

<Cement Demand of USA (2016-2025)>



Data Source : Portland Cement Association

<CPC Plant and Main Terminal Location>

