

June 10, 2022

Application of a coal price surcharge system to cement and cement-based solidifying agents

Taiheiyo Cement Corporation (Headquartered in Bunkyo-ku, Tokyo; Masafumi Fushihara, President & Representative Director) will apply a coal price surcharge system to cement and cement-based solidifying agents to be shipped starting on September 1, 2022.

In January 2022, Taiheiyo Cement revised the sales price of cement, increasing the price per ton by 2,000 yen due to the recent increase of energy prices and transportation costs. However, the price of coal for cement manufacturing has continued to rise and reached an unprecedented level after the Russian invasion of Ukraine in February 2022.

The company has concluded that it is impossible to absorb this record-breaking cost increase on its own, despite its increased efforts to reduce costs, and it has decided to introduce a coal price surcharge system to enable the fluctuation of coal prices to be reflected in the sales price of cement.

1. Applicable products

Cement and cement-based solidifying agents

2. Outline of the coal price surcharge system

- The surcharge system is linked to the market price of coal and a fee determined by the amount the market price exceeds the standard coal unit price set by the company. A certain amount of this surcharge will be borne by purchasers.
- The system will be implemented from September 1, 2022 to August 31, 2023. Subsequent measures will be determined based on the coal price trend as of June 2023 and other factors.
- The surcharge will be separate from the product price.
- The surcharge rate will be set every two months and announced on the company's website.
(<https://www.taiheiyo-cement.co.jp/>)
- The surcharge for September and October 2022 will be announced in mid-August.

3. Period of implementation

The application of the surcharge will start with products shipped on September 1, 2022