



# TAIHEIYO CEMENT NEWS LETTER

July 1, 2022

## **Completion of Purchase of Cement and Related 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 completed its acquisition of certain cement and ready mixed concrete business assets in the western United States from Martin Marietta Materials, Inc. (Headquarters: North Carolina, USA, hereinafter, “MM”) as announced on March 1, 2022. The acquisition closed on June 30, 2022(U.S. Eastern time).**

CPC has acquired the Redding Cement Plant (California), related cement distribution terminals, and 14 ready mixed concrete plants located in California. By improving its plant facility and operation, and further conversion of its production to blended cement, we expect the Redding Cement Plant to continue to be an important facility in northern California, and it to contribute to steady growth of our profit through supplying cement to southern Oregon and northern Nevada. The ready mixed concrete assets in California are located in an area where CPC does not have current operations, which will secure a reliable sales channel for CPC cement business and contribute to steady growth of our profit as the profitability of ready mixed concrete business has improved in recent years. In addition, we will improve customer satisfaction and accomplish our medium-term management plan from fiscal years 2022 to 2024 by the combination of the Redding Plant, cement distribution terminals, and ready-mixed concrete business.

As a next step, we will proceed to consider purchasing MM’s Tehachapi cement facility and related cement distribution terminals pursuant to preferred arrangements previously agreed between CPC and MM. We will announce it as soon as we make the decision.

The effect on the consolidated financial performance of the Taiheiyo Cement Group will be disclosed without delay when it becomes clear.