

TAIHEIYO CEMENT to Acquire Tokuyama's Domestic Cement and Stabilizer Sales Business—No Immediate Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the acquisition of Tokuyama Corporation (security code: 4043)'s domestic cement and stabilizer sales business by TAIHEIYO CEMENT CORPORATION (security code: 5233).

- (1) At today's board meeting, TAIHEIYO CEMENT CORPORATION (the "Company") announced that it has decided to acquire all shares of a newly established wholly owned subsidiary of Tokuyama Corporation ("Tokuyama"), which will succeed to all shares related to Tokuyama's domestic cement and stabilizer sales business, as well as TokuyamaMTEch Corp. and Tokuyama Tsusho Trading Co., Ltd., both of which are wholly owned subsidiaries of Tokuyama. The Company also announced that it has entered into a share transfer agreement with Tokuyama. The planned date of the share transfer execution is October 1, 2026, and the acquisition price is 37 billion yen.
- (2) The acquisition of Tokuyama's sales-business customer base is expected to broaden business opportunities and enhance the earning capacity of its core domestic cement business. In addition, because the impact on its financial structure is limited, JCR does not see that it will immediately affect the Company's rating. Tokuyama is considering halting cement production around fiscal year 2028. With domestic demand for cement declining, the burden for achieving carbon neutrality is also expected to gradually increase. JCR will pay attention to whether industry capacity reductions will lead to improved production efficiency and earning capacity for each company.

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<Reference>

Issuer: TAIHEIYO CEMENT CORPORATION

Long-term Issuer Rating: A+ Outlook: Stable

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