

# News Releases

July 31, 2003

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## **CONCLUDED CONTRACT FOR ECOCEMENT PLANT CONSTRUCTION AND FOR PLANT OPERATION / MAINTENANCE ETC. AT TAMA AREA, JAPAN**

On July 31, 2003, TAIHEIYO-EBARA Consortium, formed by Taiheiyo Cement Corporation, Tokyo (TAIHEIYO) and Ebara Corporation, Tokyo (EBARA) have successfully concluded a contract with Tokyo Santama Area Regional Association of Waste Disposal, for the constructing of a new Ecocement plant at Tama area, at a contract value of 27.18 billion yen, and also concluded a long term contract for the said Ecocement plant operation & maintenance and marketing the Ecocement product for 20 years, at a contract value of 53 billion yen.

This is a biggest public works to be carried out by TAIHEIYO towards Ecocement plant business. The TAIHEIYO-EBARA Consortium has formed a new company - Tokyo Tama Ecocement Inc., for handling Ecocement plant business.

Towards waste recycling business, the existing cement plants of TAIHEIYO group, so far receive waste materials and by-products generated by other industries as well as from local municipalities and utilize them as an alternative raw materials or fuels. Also TAIHEIYO is receiving cost for the treatment of above-mentioned waste materials etc.

However, this time, TAIHEIYO has entered into plant construction, operation& maintenance activities, that is, plant engineering business. TAIHEIYO shall construct its first business model, thus entering into a new business area. Ecocement technology, as a resource recovery technology, has not only attracted the attention of local Municipal Corporations in Japan but also overseas organizations.

TAIHEIYO's achievement in Ecocement technology is expected to boost the future Ecocement business opportunities.

### **1. Ecocement Plant Business**

1-1. "TAIHEIYO-EBARA Consortium" which was formed for special construction purposes, shall carry out the design and construction of Ecocement plant.

1-2. Share of Contract Value (incl. tax):

TAIHEIYO : 17.67 billion yen (65%)

EBARA : 9.51 billion yen(35%)

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Total Value : 27.18 billion yen

1-3. Plant Construction Period:

From the fiscal year of 2004 to the fiscal year of 2006

**2. Plant Management Business:**

2-1. Profile of New Company : The Tokyo Tama Ecocement Inc., a newly formed plant management company, shall undertake all activities ranging from plant operation & maintenance, procurement of raw materials, fuel and construction materials, as well as, marketing of Ecocement products for a period of 20 years. And, TAIHEIYO Group companies shall participate in plant operation & maintenance as well as marketing of Ecocement product etc.

2-2. Outline of New Company:

Trade name : Tokyo Tama Ecocement Inc.

Main office : Hinode-Cho, Nishi Tama-gun, Tokyo  
location

Capitalization : 10 million yen (TAIHEIYO : 90%, EBARA: 10%)

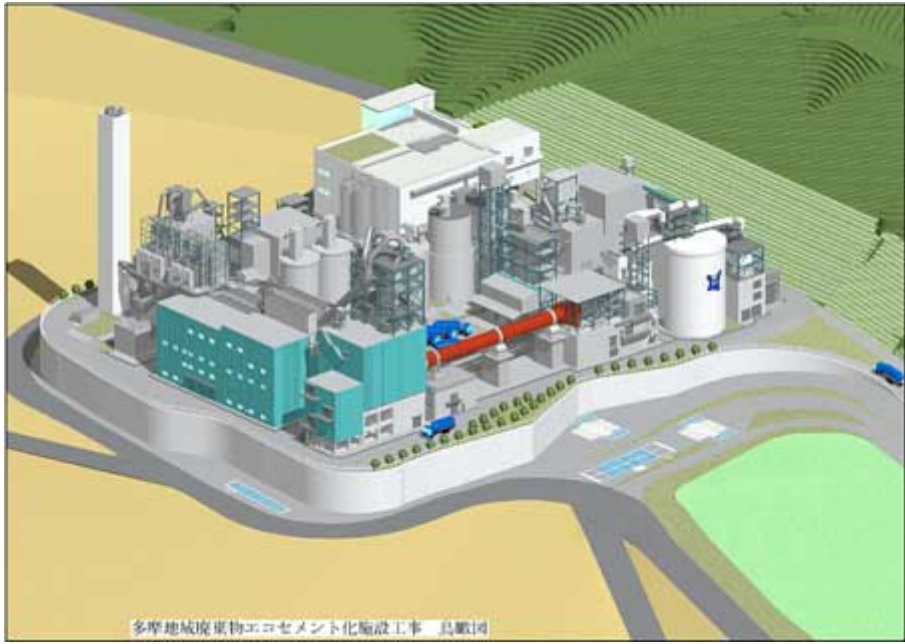
Representative : Mr. Hiroshi OBANA (General Manager, Tokyo Santama Area Ecocement Project of TAIHEIYO)

Operation period : From the fiscal year of 2007 to the fiscal year of 2026

2-3. Scale of Business (incl. tax):

Tokyo Tama : Operation sales  
Ecocement Inc. 2.65 billion yen× 20 years= 53 billion yen

TAIHEIYO and its : Plant operation & maintenance, marketing of Ecocement,  
Group Companies sale of raw materials, and/or income on license etc.  
2 billion yen× 20 years= about 40 billion yen (expected)



Bird's-eye view of Tokyo Tama Ecocement plant