



TAIHEIYO CEMENT NEWS LETTER

10 November,2020

Taiheiyo Cement announces construction of a new JPY 30 billion production line to increase the production capacity in Cebu, the Philippines.

Taiheiyo Cement Corporation (Taiheiyo) has approved the construction of a new production line at Cebu, Taiheiyo Cement Philippines, Inc. (TCPI, a subsidiary of Taiheiyo).

Cement demand in the Philippines has been growing in line with its economic growth and increasing construction investment. TCPI estimates demand to have increased by approximately 30% from 2015 to 2019, reaching 32 million tons. Despite demand shrinking in 2020 due to the effects of the coronavirus pandemic, it is expected to rise again with strong GDP recovery, estimated to be +5.3% in 2021^{*1}, and the massive infrastructure investment program “Build Build Build” of President Duterte’s administration.

TCPI will construct a state-of-the-art production facility incorporating Taiheiyo’s high-level technology and experience to contribute to meeting the strong demand of the country. With this investment of approximately JPY 30 billion in total, the cement capacity of TCPI will reach 3 million tons per year. TCPI aims to potentially reach 5 million tons per year, representing an estimated 10% market share.

The new line will offer significant advantages in terms of energy efficiency and will reduce CO₂ emissions from energy use in clinker production by more than 10% compared with the efficiency of the current line. Additionally, it is expected that the higher quality clinker produced with the new line will enable a reduction in the clinker factor and thereby realise a further CO₂ reduction per ton of cement produced.

Reducing greenhouse gas emissions is one of the critical issues for Taiheiyo as declared in their CSR objectives for 2025 and long-term vision of greenhouse gas emissions reduction toward 2050. Taiheiyo is committed to continue providing a sense of safety and security to societies in the Pacific Rim by demonstrating the Group’s overall capabilities to contribute to social infrastructure development and the delivery of environmentally efficient solutions.

About TCPI

Name of the company	Taiheiyo Cement Philippines, Inc.
Head office	San Fernando, Cebu, Republic of the Philippines
Representative	Kazuhiko Ichizawa, President and CEO
Scope of Business	Manufacture and sale of cement
Total share capital	2,180million Philippine pesos
Shareholder	Taiheiyo 100%

Information on the new production line

Cement production capacity	3 million tons/year
Scheduled start of operation	May 2024

*1 World Bank “WORLD BANK EAST ASIA AND PACIFIC ECONOMIC UPDATE OCTOBER 2020”

Cement demand in the Philippines

(million tons)

2015	2016	2017	2018	2019
24.4	26.0	28.0	31.0	32.0

Data source 2015~2016 : Cement Manufacturers' Association of the Philippines(CeMAP)
2017~2019 : TCPI's estimation

Location of TCPI

