



# TAIHEIYO CEMENT NEWS LETTER

August 8, 2023

## **Taiheiyo Cement announces construction of a new cement distribution terminal on Luzon island, the Philippines.**

Taiheiyo Cement Corporation (Headquartered in Bunkyo-ku, Tokyo; Masafumi Fushihara, President and Representative Director, hereinafter, Taiheiyo Cement) has decided to establish a new cement terminal on Luzon, the largest cement consumption area in the Philippines, by its consolidated subsidiary, Taiheiyo Cement Philippines, Inc. (Headquartered in Cebu, Philippines, hereinafter, TCPI).

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 +5.6% in 2023<sup>\*1</sup>, and the massive infrastructure investment program “Build Better More” of President Marcos’s administration.

TCPI’s strategy to advance the company’s presence in the Philippines market targets reaching an annual sales volume of 5 million tons and a sales share of 10% in the 2030’s. Currently, TCPI is upgrading the cement production line to introduce the most advanced technology in the world, and the cement production capacity will be increased to 3 million tons per year after the start of commercial operation from May 2024. Following this initiative, we will build a new cement distribution terminal in Calaca city, Batangas province in southern Luzon, in order to accelerate progress toward achieving TCPI’s targets.

The new cement terminal will have a capability to supply 700,000 tons of cement annually to the Luzon region, the largest cement consumption area in the Philippines. Utilizing this terminal, the company plans to transport and sell blended cement, for which demand has been increasing in recent years, based on Taiheiyo’s strategy to reduce CO<sub>2</sub> emissions per unit of production. At the same time, TCPI is considering strengthening their marine logistics system with an eye on the future of our business in the Philippines and expect a total investment of approximately JPY 10 billion.

Under the “Carbon Neutral Strategy 2050”, Taiheiyo Cement Group is working to achieve carbon neutrality throughout the supply chain by 2050. By continuing to demonstrate the group’s comprehensive strengths and actively focusing not only on economic development but on reducing environmental impact, Taiheiyo Cement Group aims to become a corporate group that provides safety and security to society in the Pacific Rim.

### <About TCPI>

Name of the company	Taiheiyo Cement Philippines, Inc.
Head office	San Fernando, Cebu, Republic of the Philippines
Representative	Yoshihito Izawa, President and CEO
Scope of business	Manufacture and sale of cement
Total share capital	13,569 million Philippine pesos
Shareholder	Taiheiyo Cement 100%

### <Information on the new cement distribution terminal>

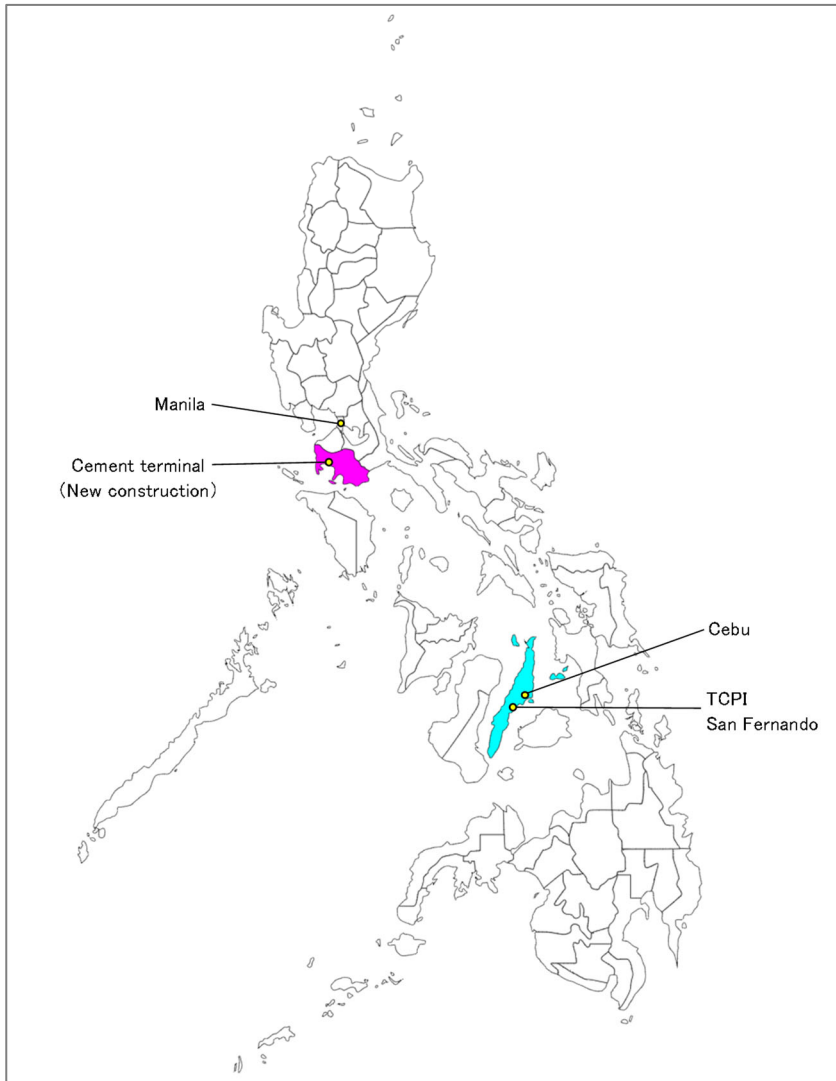
Location	Calaca, Batangas, Republic of the Philippines
Silo capacity	25,000 tons and 15,000 tons
Scheduled start of operation	January 2026
Investment in total	Approximately JPY 10 billion

<Cement demand in the Philippines<sup>※2</sup>>

(thousand tons)

2018	2019	2020	2021	2022
31,000	32,000	29,000	30,000	31,000

<Location>



※1 : World Bank “WORLD BANK EAST ASIA AND PACIFIC ECONOMIC UPDATE APRIL 2023”

※2 : TCPI’s estimation

**【Related article】**

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

[https://www.taiheiyo-cement.co.jp/english/summary/pdf/201110\\_1.pdf](https://www.taiheiyo-cement.co.jp/english/summary/pdf/201110_1.pdf)