


32. Tokyo Cement




Left: **Dr Harsha Cabral, PC**, Chairman. Right: **JS R Gnanam**, Managing Director.

Tokyo Cement has demonstrated an exceptional level of resourcefulness and preparedness, in the wake of an unprecedented global crisis, that

debilitated global trade and local economic activities.

Recording the best financial year in its history through foresight

Tokyo Cement has reported the best financial year of its history, with the highest revenue and profit to date. Despite the turbulent business environment, the current financial results demonstrate how effectively the Group achieved its corporate objectives.

Profit Before Tax (PBT) of the Company increased by 47.9% (Rs.378.4 million) to Rs.1.17 billion, while the Group PBT grew by 98.1% (Rs.2.6 billion) to Rs.5.21 billion.

The Company's Profit After Tax (PAT) increased by 86.9% (Rs.709.8 million) to Rs.1.52 billion, while the Group PAT increased by 133.4% (Rs.3.1 billion) to reach Rs.5.4 billion. This allowed the shareholders' equity to increase from Rs.2.3 billion in the previous financial year, to Rs.5.4 billion.

This excellent financial performance is an outcome of years of strategic investments in production reengineering and capacity expansion. This enabled Tokyo Cement to immediately increase locally manufactured cement supply following the enactment of cement import restrictions.

As the largest cement manufacturer in the country, Tokyo Cement had installed capacity to expand production when the demand for cement resurged rapidly. It ensured the country did not run short of cement to restart both household and commercial construction projects—having the continuously built-up capacity to 3 million Metric Tonnes (MTA) over the years. The restrictions allowed Tokyo Cement to achieve growth in turnover through market share gains and reach record capacity utilization, thereby increasing profitability.

Investing into the future

During the year, the Group invested Rs.2.1 billion on capital projects. This included the construction of silos at the Port of Colombo to store cement for distribution to Western and Southern markets. The port's bigger storage capacity gives Tokyo Cement a competitive edge, facilitating faster distribution within the Western province. A capacity enhancement project in Trincomalee was commenced to

increase cement production by 1 million MT.

Fortifying the community

As a highly ethical Company, Tokyo Cement continued to contribute towards many social and environmental conservation projects during the year and even expanded the scope of its social responsibility activities. In addition to the ongoing CSR projects, new projects include initiating the Fountain of Life project, which provides clean drinking water.

During the year, the project was deployed in three villages in Jaffna and one in Medawachchiya. This project is expected to expand across the island, providing access to essential drinking water in rural parts.

As the second outreach exercise initiated this year, Tokyo Cement opened the A.Y.S. Gnanam Village Heartbeat Empowerment Centre in Dambulla provides free educational support for school children and vocational training for young people.

The venture was received with great enthusiasm by the local community, and the Company looks forward to further enhancing its impact in the upcoming years.



Board of Directors

Dr Harsha Cabral, PC

Chairman

S R Gnanam

Managing Director

1. A S G Gnanam

Non-Executive Director

2. E J Gnanam

Non- Executive Director

3. R Seevaratnam

Independent Non-Executive Director

4. Ravi Dias

Independent Non-Executive Director

5. W C Fernando

Director

6. A D B Talwatte

Independent Non-Executive Director

7. Dr Indrajit Coomaraswamy

Independent Non-Executive Director

8. Yaoki Hashimoto

Non-Executive Director

9. Susumu Ando

Non-Executive Director