



Joint News Release

June 1, 2021

BASF and Mitsui Chemicals launch study to support chemical recycling in Japan

- **Collaboration aims to ascertain the feasibility of a circular economy through cooperation across the value chain**
- **BASF supports with extensive experience from its ChemCycling™ project**
- **Mitsui Chemicals utilizes its top-notch manufacturing facilities, technologies and knowledge**

Tokyo, Japan, June 1, 2021 – BASF Japan and Mitsui Chemicals have started a collaborative study to promote chemical recycling in Japan. Through cooperation across the value chain, BASF and Mitsui Chemicals will evaluate collaborative business models and various options to commercialize chemical recycling in Japan to address the local challenge of plastic waste recycling.

Sustainability is at the core of BASF's business. In its ChemCycling™ project, BASF works together with technology partners who use innovative processes, which convert post-consumer plastic waste into pyrolysis oil, that can serve as a feedstock to produce chemicals. In the next step, these chemicals are used to produce new materials such as plastics without compromising on quality in even the most sensitive applications. The share of recycled material is allocated to these products according to a third-party audited mass balance approach. Chemical recycling is a complementary solution to mechanical recycling as it

focuses on plastic waste that cannot be recycled mechanically for technological, economic, or ecological reasons. In Europe, commercial products manufactured with this approach are already available in the market. From 2025, BASF Group aims to process 250,000 metric tons of recycled feedstock annually, replacing fossil raw materials.

“BASF is currently promoting ChemCycling mainly at its European Verbund sites, where the company can benefit from integrated production networks. BASF has accumulated technologies and know-how of chemical recycling. We are delighted to partner with Mitsui Chemicals to jointly study and promote a circular economy for plastics in Japan,” said Hiroki Ishida, Representative Director and President of BASF Japan.

Mitsui Chemicals contributes to society by aiming at becoming carbon-neutral by 2050. The company considers climate change and plastic waste as key global challenges. To tackle these challenges, Mitsui Chemicals aims to develop recycling technologies and to expand its biomass product lineup. “Combining BASF’s expertise in chemical recycling with our assets in Japan, such as our technologies and ethylene crackers, will be a major step to contribute towards building a circular economy in Japan. Plastic is a major social issue in the country, and there is a need for social reform throughout the entire value chain,” said Akio Hirahara, Managing Executive Officer of Mitsui Chemicals.

In recent years, efforts toward carbon neutrality and recycling of plastic resources have been accelerating worldwide. In Japan, too, plastic recycling is becoming increasingly important. The Japanese government formulated various measures, including its “Green Growth Strategy Through Achieving Carbon Neutrality,” in

December 2020 to achieve sustainability goals by 2050. In particular, chemical recycling is attracting attention.

As part of their cooperation, BASF and Mitsui Chemicals also want to accelerate discussions with related ministries, agencies, and industry groups for implementation of chemical recycling in Japan, and promote the effective and efficient use of recycled materials in the country.

About BASF in Japan

BASF has been a committed partner to Japan since 1888. Operating both production sites as well as research and development facilities in Japan, BASF contributes to the success of Japanese customers nationwide as well as globally by providing products and solutions to nearly all industries. These include the automotive, construction, pharmaceutical, medical, electronics, electric, packaging, home and personal care, agriculture and food industries. As of the end of 2020, BASF employed 955 employees in Japan, and recorded sales of about €1.7 billion to customers in the country. Further information is available on the internet at www.basf.com/jp.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 110,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €59 billion in 2020. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

About Mitsui Chemicals

Mitsui Chemicals' roots can be traced back to 1912 when it began producing raw material for chemical fertilizers from coal gas byproducts, the first company in Japan to do so. This undertaking significantly contributed to increasing agricultural productivity, a major social issue at the time. Later, the company evolved its technology from coal chemicals to gas chemicals, and in 1958 it built Japan's first petrochemical complex and so provided impetus to Japan's industry. Today, the company's businesses boast many world-class products with over 150 companies in 28 countries and regions. Its business portfolio includes environment-friendly materials for next-

generation mobility, healthcare services to realize health and happiness in an ageing society, packaging that ensures the reliability and safety of food products, agrochemicals that contribute to increased production of food, electronic materials, and environment and energy sector.

Mitsui Chemicals will continue to contribute to solving social challenges with its state-of-the-art technology and by “Creating New Customer Value through Innovation”.

More information can be found at <https://jp.mitsuichemicals.com/en/>

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