

# News Release

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## **BASF and Idemitsu joint venture to cease operation of production plant for 1,4 Butanediol in Chiba, Japan**

- **Closure planned for December 2020**
- **Continuity of BDO supply maintained for customers in Japan**
- **Continuous commitment to BDO customers on a global basis**

Chiba, Japan – August 19, 2020 – BASF Idemitsu Co., Ltd. (“BIC”), a joint venture between BASF SE (“BASF”) and Idemitsu Kosan Co., Ltd. (“IKC”), will be closing its 1,4-Butanediol (“BDO”) plant at Chiba, Japan in December 2020. The joint venture agreement between BASF and IKC will be terminated thereafter.

BASF’s decision to close the BIC plant in mutual agreement with IKC is part of an ongoing global review of long-term options conducted by BASF for its assets in the BDO value chain. The BIC plant employs 21 people and everyone will be offered alternative employment at IKC or BASF Group in Japan.

With production plants in Asia, North America and Europe for BDO and its derivatives, BASF will continue to offer BDO from its global sites to customers in Japan currently supplied from BIC.

“As one of the leading companies in the business with BDO and derivatives, we will continue to support our customers on a global basis with our high-quality products. The recent measure is part of our strategy to ensure that we further improve our competitiveness in the markets where we add long-term value to both our

customers' businesses and to BASF," said Vasilios Galanos, Senior Vice President, Intermediates Asia Pacific, BASF.

"The closure of the Chiba plant has become inevitable due to a declining BDO market size in Japan and significant overcapacities in Asia due to recent investments into new coal-based BDO production sites," explained Masaru Saitoh, President, BIC. BIC is reaching out to all customers to support a smooth transition.

BDO and its derivatives are essential chemical materials for the production of engineering plastics, polyurethanes, solvents and elastic spandex fibers.

#### **About BASF Idemitsu Co., Ltd.**

BASF Idemitsu Co., Ltd. ("BIC"), formerly Idemitsu BASF Co., Ltd. ("IBC") is a 67/33 joint venture between BASF and Idemitsu Kosan Co., Ltd. ("IKC") incorporated on July 1, 2003 for the production of 1,4-Butanediol (BDO). The plant is located at Ichihara City, Chiba, Japan and has a production capacity of 25 kilo tons per year, which is fully integrated into IKC's petrochemical production complex located at Chiba. BIC is solely responsible for the BDO business of BASF and IKC in Japan.

#### **About BASF Intermediates**

The BASF Group's Intermediates division develops, produces and markets a comprehensive portfolio of about 700 intermediates around the world. Its most important product groups include amines, diols, polyalcohols, acids and specialties. Intermediates are for example used as precursors for coatings, plastics, pharmaceuticals, textiles, detergents and crop protectants. Innovative intermediates from BASF help to improve both the properties of final products and the efficiency of production processes. The ISO 9001 certified Intermediates division operates plants at production sites in Europe, Asia and North America. Around the globe the division generated sales to third parties of about €2.9 billion in 2019. For more information, go to [www.intermediates.basf.com](http://www.intermediates.basf.com).

#### **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 117,000 employees in the BASF Group work on contributing 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 2019. 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](http://www.basf.com).