

A female scientist with dark hair tied back, wearing safety glasses and white gloves, is focused on adjusting a piece of complex laboratory equipment. The equipment consists of various glass vessels, metal frames, and tubes, some containing liquids. The setting is a clean, well-lit laboratory with a green floor. In the background, more lab equipment and a window are visible. The overall scene conveys a sense of precision and scientific research.

**■ - BASF**

We create chemistry

# **BASF in Japan Report 2021**



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**Cover photo:**

Rokuromi R&D Center, Yokkaichi, Mie Prefecture, Japan. The center conducts research and development for Dispersions & Resins. The center is working to accelerate the innovation cycle from development theme creation, new product development in the lab, and scale-up to rapidly respond to customer needs with improving research and development efficiency.

## About this report

The “BASF in Japan” Report is published annually as a concise document about the performance of our activities across the three dimensions of sustainability – economy, environment and society – in Japan. The reporting period for this publication is the financial year 2021. This report also carries an overview of BASF Group along with its financial performance, prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), and, where applicable, the German Commercial Code as well as the German Accounting Standards (GAS). The emissions, waste, energy and water use of consolidated joint operations are included pro rata, based on our stake. The employee numbers refer to employees within the BASF Group scope of consolidation as of December 31, 2021.

# 2021 | BASF Group

## At a glance

### Sales

**€78.6 billion**  
(2020: €59.1 billion)

### EBIT before special items

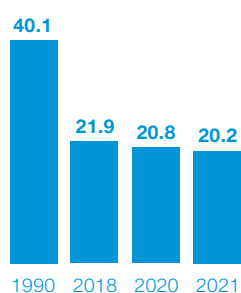
**€7.8 billion**  
(2020: €3.6 billion)

### ROCE

**13.5%**  
(2020: 1.7%)

### Greenhouse gas emissions

(million metric tons of CO<sub>2</sub> equivalents)



### Accelerator sales

**€24.1 billion**  
(2020: €16.7 billion)

### Employees at year-end

**111,047**  
(2020: 110,302)

### Research and development expenses

**€2.2 billion**  
(2020: €2.1 billion)

### Personnel expenses

**€11.1 billion**  
(2020: €10.6 billion)

## Segment data



### Chemicals

	Million €	
Sales	<b>2021</b>	13,579
	<b>2020</b>	8,071
EBIT before special items	<b>2021</b>	2,974
	<b>2020</b>	445



### Surface Technologies

	Million €	
Sales	<b>2021</b>	22,659
	<b>2020</b>	16,659
EBIT before special items	<b>2021</b>	800
	<b>2020</b>	484



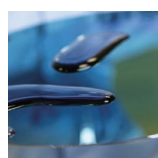
### Materials

	Million €	
Sales	<b>2021</b>	15,214
	<b>2020</b>	10,736
EBIT before special items	<b>2021</b>	2,418
	<b>2020</b>	835



### Nutrition & Care

	Million €	
Sales	<b>2021</b>	6,442
	<b>2020</b>	6,019
EBIT before special items	<b>2021</b>	497
	<b>2020</b>	773



### Industrial Solutions

	Million €	
Sales	<b>2021</b>	8,876
	<b>2020</b>	7,644
EBIT before special items	<b>2021</b>	1,006
	<b>2020</b>	822



### Agricultural Solutions

	Million €	
Sales	<b>2021</b>	8,162
	<b>2020</b>	7,660
EBIT before special items	<b>2021</b>	715
	<b>2020</b>	970

# The BASF Group

**At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Over 111,000 employees contribute worldwide to the success of our around 90,000 customers in nearly all sectors. Our customer portfolio ranges from major global customers and small and medium-sized enterprises to end consumers.**

## At a glance

**111,047**

Employees around the world

**~240**

Production sites worldwide

- Six segments with eleven operating divisions
- Verbund structure ensures efficient and reliable production
- High-performance organization for greater customer proximity, increased competitiveness and profitable growth
- Around 90,000 customers are at the core of our strategy
- More than 70,000 Tier 1 suppliers

## Sites and Verbund

As the world's largest chemical company and industry leader, BASF has companies in 90 countries. We operate around 240 production sites worldwide – including Ludwigshafen, the world's largest integrated chemical complex owned by a single company. It was there, in 1865, that the foundation stone was laid for the Verbund concept, which remains a key strength of BASF today: Intelligently linking and steering our plants in a Verbund structure creates efficient value chains – from basic chemicals to highly refined products such as coatings or crop protection. In the Verbund, we can manage our production in a resource-efficient, CO<sub>2</sub>-optimized and reliable way. For example, by using by-products from one factory as feedstocks elsewhere. This enables us to save raw materials and energy, avoid emissions, reduce logistics costs and exploit synergies.

In addition to Ludwigshafen, Germany, BASF operates Verbund sites in Antwerp, Belgium; Freeport, Texas and Geismar, Louisiana; Kuantan, Malaysia; and Nanjing, China. Another is currently being built in Zhanjiang in the southern Chinese province of Guangdong.

## Organization of the BASF Group

We steer our six segments along our value chains to address the needs of our customers with differentiated solutions and business strategies.

- **Chemicals:** The segment supplies BASF's other segments and third-party customers with basic chemicals and intermediates.
- **Materials:** The segment offers advanced materials and their precursors for the plastics and plastics processing industries.
- **Industrial Solutions:** The segment develops and markets ingredients and additives for industrial applications.
- **Surface Technologies:** The segment offers chemical solutions for surfaces such as battery materials and automotive coatings.
- **Nutrition & Care:** The segment produces ingredients and solutions for consumer applications, for example, nutrition and personal care.
- **Agricultural Solutions:** The segment is an integrated provider of seeds, crop protection and digital technologies and solutions.

We take a differentiated approach to steering our businesses according to market-specific requirements and the competitive environment. We provide a high level of transparency around the results of our segments and show the importance of the Verbund and value chains to our business success. BASF aims to differentiate its businesses from their competitors and establish a high-performance organization to enable BASF to be successful in an increasingly competitive market environment.

The operating divisions, the service units, the regions and the corporate center form the cornerstones of the BASF organization, in line with the corporate strategy. As part of the implementation of our strategy, we streamlined our administration, sharpened the roles of services and regions, and simplified procedures and processes. The organizational realignment created the conditions for greater customer proximity, increased competitiveness and profitable growth.

Our eleven operating divisions bear strategic and operational responsibility and manage the 50 global and regional business units and develop strategies for 75 strategic business units.

The regional and country units represent BASF locally and support the growth of business units with local proximity to customers. For financial reporting purposes, we organize the regional divisions into four regions: Europe, North America, Asia Pacific, and South America, Africa and Middle East.

Our research is currently divided into three global divisions: Process Research & Chemical Engineering, Advanced Materials & Systems Research and Bioscience Research. To strengthen our innovation capabilities, we will reorganize our global research activities in 2022 and align them even more closely with the needs of our customers. To this end, we will integrate downstream research into the divisions and bundle activities with broad relevance in a research unit. This unit will continue to be globally positioned with research centers in Europe, North America and Asia Pacific.

Five service units provide competitive services for the operating divisions and sites: Global Engineering Services, Global Digital Services, Global Procurement, European Site & Verbund Management, Global Business Services (finance, human resources, environmental

protection, health and safety, intellectual property, communications, procurement, supply chain and inhouse consulting services).

Following the bundling of services and resources and the implementation of a wide-ranging digitalization strategy, the number of employees in the Global Business Services unit worldwide will decline by up to 2,000 by the end of 2022 compared with baseline 2019. From 2023 onward, the division expects to achieve annual cost savings of over €200 million.

The Corporate Center supports the Board of Executive Directors in steering the company as a whole. These include central tasks from the following areas: strategy, finance and controlling, compliance and law, tax, environmental protection, health and safety, human resources, communications, investor relations and internal audit.

Our Excellence Program aimed to contribute €2 billion to EBITDA annually until the end of 2021 onward compared with baseline 2018. We met this target in 2021. As planned, this was partly due to the reduction of more than 6,000 positions worldwide until the end of 2021. This decrease resulted from the organizational simplification and from efficiency gains in administration, the service units and the operating divisions.

## Procurement and Sales Markets

BASF supplies products and services to around 90,000 customers<sup>1</sup> from various sectors in almost every country in the world. Our customer portfolio ranges from major global customers and small and medium-sized enterprises to end consumers.

We work with over 70,000 Tier 1 suppliers<sup>2</sup> worldwide. They supply us with important raw materials, chemicals, investment goods and consumables, and perform a range of services. Important raw materials (based on volume) include naphtha, liquid gas, natural gas, benzene and caustic soda.

### BASF sales by industry 2021

Direct customers

>20%	Chemicals and plastics   Transportation (respectively)
10%–20%	Agriculture   Consumer goods (respectively)
<10%	Construction   Electronics   Energy and resources   Health and nutrition (respectively)

## Business and Competitive Environment

BASF's global presence means that it operates in the context of local, regional and global developments and a wide range of conditions. These include:

- Global economic environment
- Legal and political requirements (e.g. E.U. regulations)
- International trade agreements
- Industry standards
- Environmental agreements (e.g. E.U. Emissions Trading System)
- Social aspects (e.g. U.N. Universal Declaration of Human Rights)

BASF holds one of the top three market positions in around 80% of the business areas in which it is active. Our most important global competitors include Arkema, Bayer, Clariant, Corteva, Covestro, Dow, Dupont, DSM, Evonik, Huntsman, Lanxess, SABIC, Sinopec, Solvay, Sumitomo Chemical, Syngenta, Wanhua and many hundreds of local and regional competitors. We expect competitors from Asia and the Middle East in particular to continue to grow in significance in the years ahead.

## Corporate Legal Structure

As the publicly listed parent company of the BASF Group, BASF SE takes a central position: Directly or indirectly, it holds the shares in the companies belonging to the BASF Group, and is also one of the largest operating companies. The majority of Group companies cover a broad spectrum of our business. In the BASF Group Consolidated Financial Statements, 258 companies including BASF SE are fully consolidated. We consolidate nine joint operations on a proportional basis and account for 27 companies using the equity method.

 For more information on the companies belonging to the BASF Group, see [basf.com/en/corporategovernance](https://basf.com/en/corporategovernance)

<sup>1</sup> The number of customers refers to all external companies (sold-to parties) that had contracts with the BASF Group in the business year concerned under which sales were generated.

<sup>2</sup> BASF considers all direct suppliers of the BASF Group in the business year concerned as Tier 1 suppliers. These are suppliers that provide us with raw materials, investment goods, consumables and services. Suppliers can be natural persons, companies or legal persons under public law.

# Our Strategy

**Chemistry is our passion. As an industry leader, we want to be the most attractive partner for challenges that can be solved with chemistry. That is why our customers are at the center of everything we do. We want to grow profitably and at the same time, create value for society and the environment. We help to change the world for the better with our expertise, our innovative and entrepreneurial spirit, and the power of our Verbund integration.**

The world is changing at a rapid pace – more and more urgently than ever, solutions are needed for a sustainable future. Chemistry plays a key role here. In almost all areas of life, it can help overcome pressing global challenges with innovative products and technologies – from climate change and using resources more sparingly to feeding the world's population. This belief is expressed in our corporate purpose and is what motivates us day in and day out: We create chemistry for a sustainable future.

Our mission and motivation is to grow profitably and make a positive contribution to society and the environment. For example, BASF's solutions contribute to climate protection and help to prevent or recycle waste, produce healthy and affordable food, and enable climate-smart mobility.

At the same time, as an energy and resource-intensive company, we are facing what is probably the biggest transformation in our over 150-year history: The shift toward a carbon-neutral and circular economy and the associated landmarks such as the European Green Deal demand from us new concepts and approaches – for the way we produce, for our raw material base and for our energy supply.

## Our corporate purpose

**We create chemistry for a sustainable future**

We also see these disruptive changes as an opportunity. As the world's largest chemical company, we want to lead the way and actively and responsibly shape the change. That is why we are gradually switching our energy and raw material supplies to renewable sources. We are strengthening our Verbund structure as the basis for resource-efficient, safe and reliable production. We are developing pioneering low-carbon production processes for our products. We are accelerating our innovation processes and deepening cooperation with partners to develop high-performance products that also require fewer resources and have a lower carbon footprint. We are harnessing the many opportunities of digitalization. We are systematically aligning our portfolio with growth areas and future technologies, and are integrating sustainability into our value chains even more strongly. We create a working environment in which our employees can thrive and contribute to BASF's long-term success. This is how we live our corporate purpose.

## Our Strategic Action Areas

Our customers are our number one priority and are at the heart of our strategy. We want to be their most attractive partner for challenges that can be solved with chemistry. BASF supplies products and services to around 90,000 customers from almost all sectors and countries around the world. Our customer portfolio ranges from major global customers and small and medium-sized enterprises to end consumers. Our comprehensive product portfolio means that we are active in many value chains and value creation networks. We use various business strategies, which we adapt to the needs of industries and markets. These range from cost leadership in basic chemicals to tailored system solutions for specific customer applications.

We continue to drive forward our customer focus. We have refined our organizational structure to enable our operating divisions to flexibly address specific market requirements and differentiate themselves from the competition.

We are also improving our customer relationships with a range of measures. For example, since 2019 we have been using the Net Promoter System® worldwide to systematically record and optimize our problem-solving skills, product quality and delivery reliability based on direct customer feedback. We have been using a new IT-based customer relationship management system, Salesforce,

## Good to know



## Net Zero Accelerator

The new Net Zero Accelerator unit started work on January 1, 2022. It bundles the extensive cross-company activities with which we want to achieve our ambitious climate protection targets. The unit will initially have around 80 employees and report directly to the Chairman of the Board of Executive Directors. It will focus on accelerating and implementing projects relating to low-CO<sub>2</sub> production technologies, circular economy and renewable energies – driving forward BASF's transformation to a climate-neutral company. In parallel, our operating divisions will continue to work on divisional-specific carbon reduction projects.

 For more information on climate neutrality, see [basf.com](https://www.basf.com)

since 2020. The application helps our sales employees to provide customer support and simplifies their work. Above and beyond this, we have intensified cooperation with our customers to leverage innovation and growth potential together with them. For instance, we established interdisciplinary teams in our business units to even better and more quickly address the needs of our most important customers.

BASF's strategic orientation is founded on a comprehensive analysis of our markets and competitors. We continuously monitor global trends and anticipate the resulting growth opportunities and risks. The following six strategic focus areas enable us to focus on our customers while strengthening our leading position in an increasingly volatile and competitive environment.

### Our six strategic action areas

#### Innovation, sustainability, production, digitalization, portfolio and employees

**Innovation** is the bedrock of our success. BASF is a leader in the chemical industry with around 10,000 employees in research and development and R&D spending of around €2.2 billion. We are expanding this position by strengthening our research activities, bringing research and development even closer together, and fostering cooperation.

We pledged our commitment to **sustainability** in 1994 and since then, have systematically aligned our activities with the principles of sustainability. We see sustainability as an integral part of our strategy as well as our targets, steering processes and business models. Our approach covers the entire value chain – from responsible procurement and safety and resource efficiency in production to sustainable solutions for our customers.

Our core business is the **production** and processing of chemicals. Our strength here lies – both now and in the future – in the Verbund and its integrated value chains. The Verbund offers us many technological, market, production-related and digital advantages. That is why we will continue to invest in the creation and optimization of Verbund structures and drive forward the consolidation of production at highly efficient sites.

We want to leverage the diverse growth potential of **digitalization** and seize the associated opportunities to the benefit of our customers. To achieve this, we promote digital skills among our employees, cooperate with partners and make digital technologies and ways of working an integral part of our business.

Investments, acquisitions and divestitures play a key role in strengthening our **portfolio**. We are focusing on innovation-driven growth areas and sustainable technologies. To further strengthen our position in the dynamic growth market of Asia, we are building a new Verbund site in the southern Chinese province of Guangdong.

Our **employees** are key to BASF's success. That is why we believe that it is important to have an inspiring working environment that fosters and develops employees' individual talents and enables them and their teams to perform at their best. We are pursuing three action areas to make our high-performance organization even more so: empowerment, differentiation and simplification.

### Our Values and Global Standards

How we act is critical to the successful implementation of our strategy and how our stakeholders perceive us. This is what our four corporate values represent. They are binding for all employees worldwide. Together with our Code of Conduct and our global standards and guidelines, they provide the framework for responsible conduct.

**Creative:** We make great products and solutions for our customers. This is why we embrace bold ideas and give them space to grow. We act with optimism and inspire one another.

**Open:** We value diversity, in people, opinions and experience. This is why we foster feedback based on honesty, respect and mutual trust. We learn from setbacks.

**Responsible:** We value the health and safety of people above all else. We make sustainability part of every decision. We are committed to strict compliance and environmental standards.

**Entrepreneurial:** We focus on our customers, as individuals and as a company. We seize opportunities and think ahead. We take ownership and embrace personal accountability.

We stipulate binding rules for our employees with standards that apply throughout the Group. We set ourselves ambitious goals with voluntary commitments and regularly monitor our performance in environmental protection, health and safety with our Responsible Care Management System. We mainly approach our adherence to international labor and social standards using three elements: the Compliance Program including our Code of Conduct and compliance hotlines, close dialog with our stakeholders, and the global management process to respect international labor norms. Our business partners are expected to comply with prevailing laws and regulations and to align their actions with internationally recognized principles. We have established appropriate monitoring systems to ensure this.

## Our Targets and Target Achievement 2021

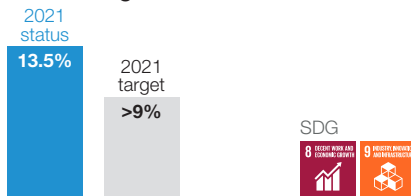
Business success tomorrow means creating value for the environment, society and business. That is why we have set ourselves ambitious targets along our entire value chain. We report transparently on our target achievement so that our stakeholders can track our progress. In order to grow profitably, we want to grow sales volumes faster than global chemical production, further increase our profitability, achieve a return on capital employed (ROCE) considerably above the cost of capital percentage and increase the dividend per share every year based on a strong free cash flow.

We also pursue broad sustainability targets. In this context, we significantly raised our CO<sub>2</sub> reduction target in 2021.<sup>2</sup> We want to strengthen the sustainability focus of our product portfolio and will

update our portfolio steering targets in 2022.<sup>3</sup> We also strive to strengthen the sustainability of our supply chains and use resources responsibly. We want to further improve safety in production. In addition, we aim to promote diversity within the company and create a working environment in which our employees feel that they can thrive and perform at their best.

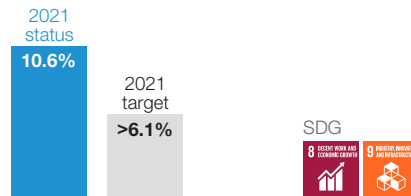
The objective of these targets is to steer our business into a sustainable future, and at the same time, contribute to the implementation of the United Nations' Sustainable Development Goals (SDGs). We are focusing on issues where we as a company can make a significant contribution, such as climate protection, sustainable consumption and production, and fighting hunger.

### Profitable growth

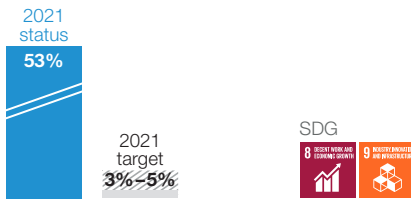


Most important key performance indicator

Achieve a **return on capital employed (ROCE)** considerably above the cost of capital percentage every year



Grow **sales volumes** faster than global chemical production every year

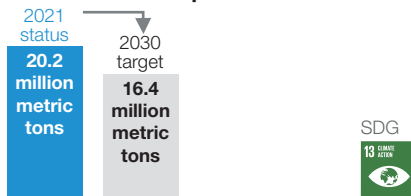


Increase **EBITDA before special items** by 3%–5% per year



Increase the **dividend per share** every year based on a strong free cash flow

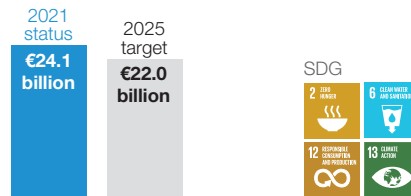
### Effective climate protection



Most important key performance indicator

Reduce our absolute **CO<sub>2</sub> emissions<sup>2</sup>** by 25% by 2030

### Sustainable product portfolio



Most important key performance indicator

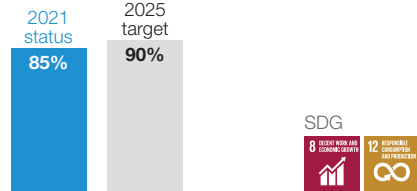
Achieve €22 billion in **Accelerator sales** by 2025<sup>3</sup>

↓ Reduction target

- 1 Dividend confirmed at the Annual Shareholders' Meeting.
- 2 Includes Scope 1 and Scope 2 emissions. In March 2021, we replaced our previous target of CO<sub>2</sub>-neutral growth until 2030 (baseline 2018: 21.9 million metric tons of CO<sub>2</sub>e) with a new, more ambitious climate protection target to reduce absolute CO<sub>2</sub> emissions by 25% compared with 2018.
- 3 We already reached our 2025 sales target for Accelerator products in 2021. Consequently, we will update our product portfolio steering target over the course of 2022.

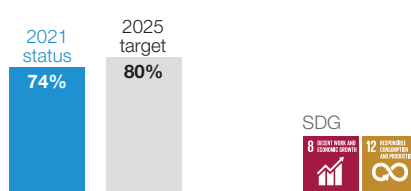


### Responsible procurement



Limited assurance

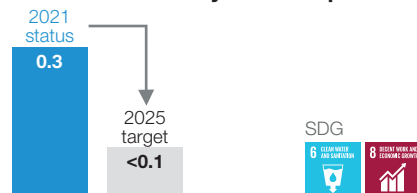
Cover 90% of our relevant spend with **sustainability evaluations** by 2025



Limited assurance

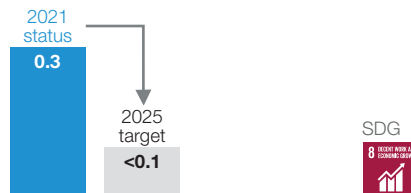
Have 80% of our suppliers improve their **sustainability performance** upon re-evaluation

### Resource efficiency and safe production



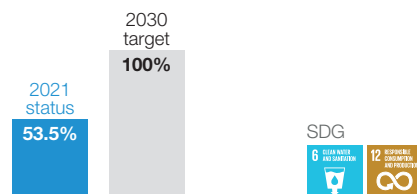
Limited assurance

Reduce worldwide **process safety incidents** per 200,000 working hours to  $\leq 0.1$  by 2025



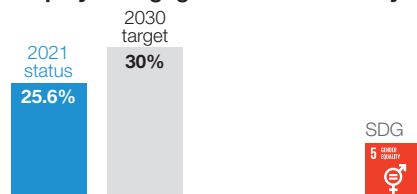
Limited assurance

Reduce the worldwide **lost-time injury rate** per 200,000 working hours to  $\leq 0.1$  by 2025



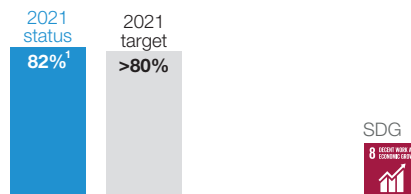
Introduce **sustainable water management** at our production sites in water stress areas and at our Verbund sites by 2030

### Employee engagement and diversity



Limited assurance

Increase the proportion of **women in leadership positions** with disciplinary responsibility to 30% by 2030



Limited assurance

More than 80% of our **employees** feel that at BASF, they can thrive and perform at their best

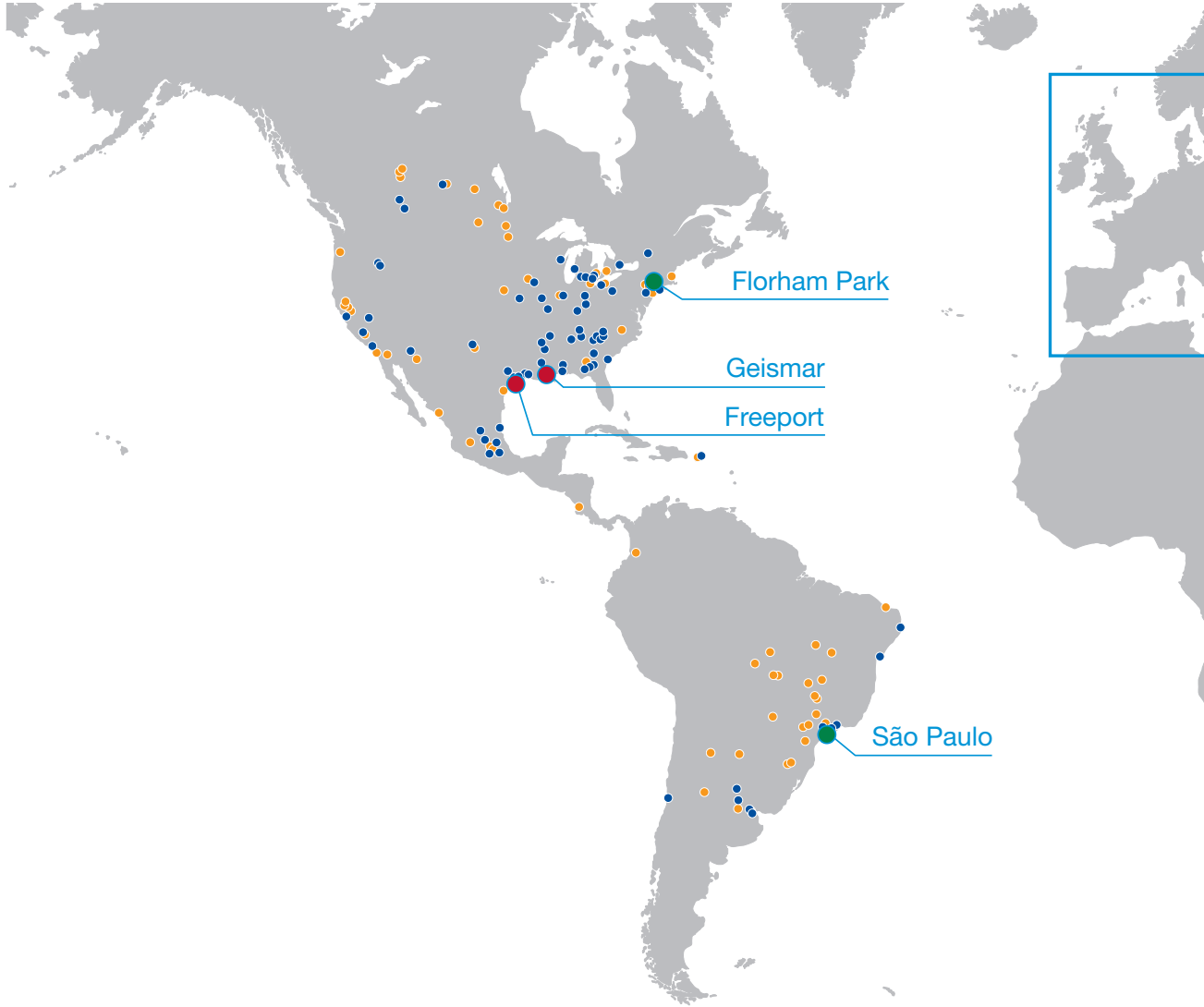
↙ Reduction target

<sup>1</sup> We regularly calculate the employee engagement level. The most recent survey was conducted in 2020. The next survey is planned for 2022.

# BASF in the Regions

BASF Group sales 2021: €78,598 million

BASF Group employees 2021: 111,047



**North America**



**21,935**  
Sales<sup>1</sup> (in million €)

**16,753**  
Employees<sup>2</sup>

**South America, Africa, Middle East**



**4,437**  
Sales<sup>1</sup> (in million €)

**6,786**  
Employees<sup>2</sup>

**Europe**



**31,594**  
Sales<sup>1</sup> (in million €)

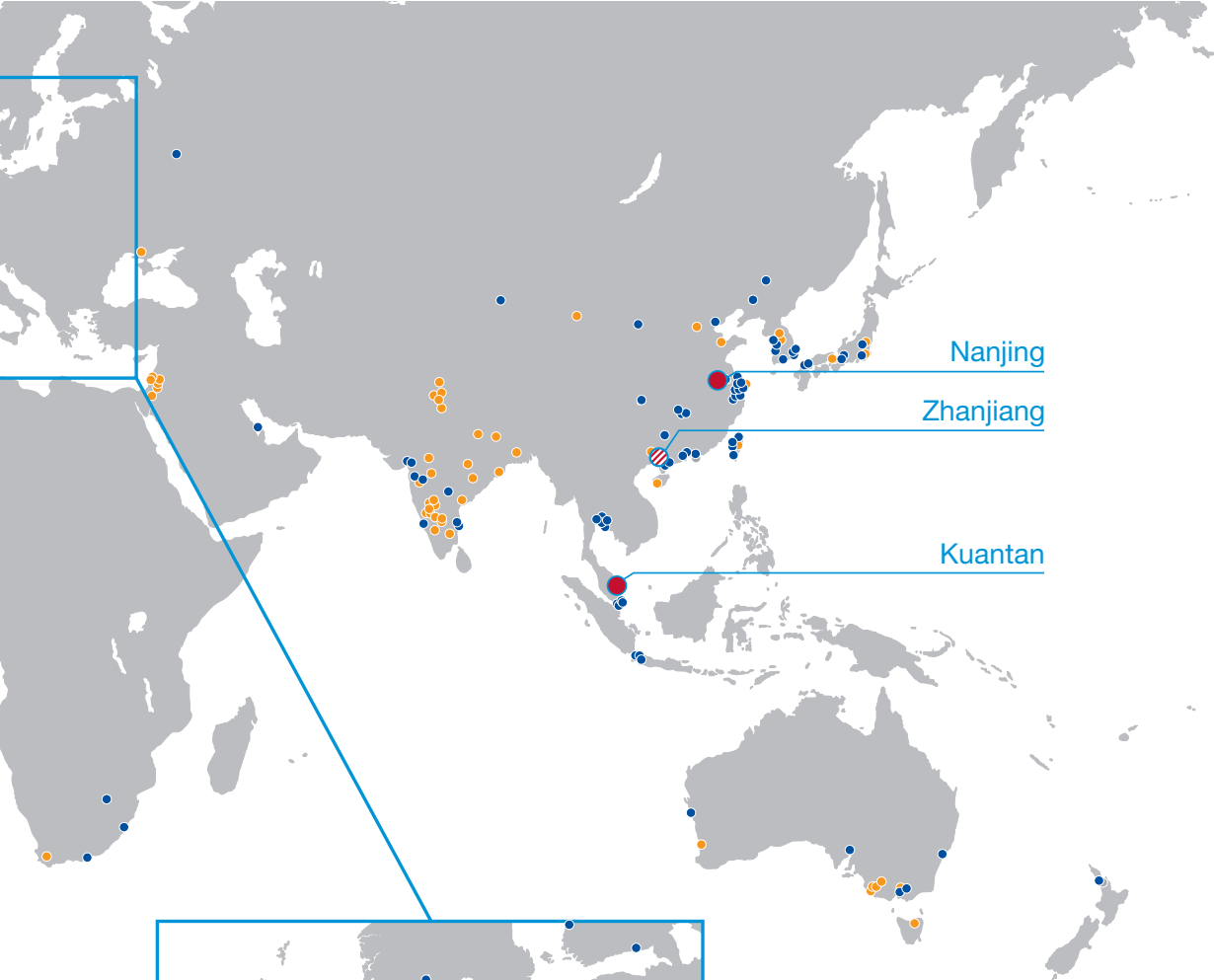
**67,532**  
Employees<sup>2</sup>

**Asia Pacific**



**20,632**  
Sales<sup>1</sup> (in million €)

**19,976**  
Employees<sup>2</sup>



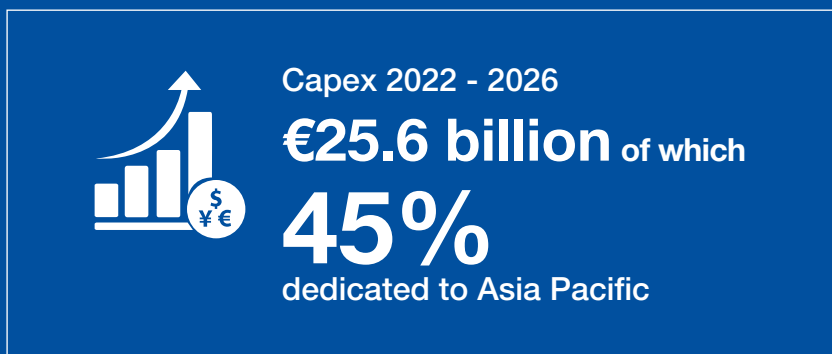
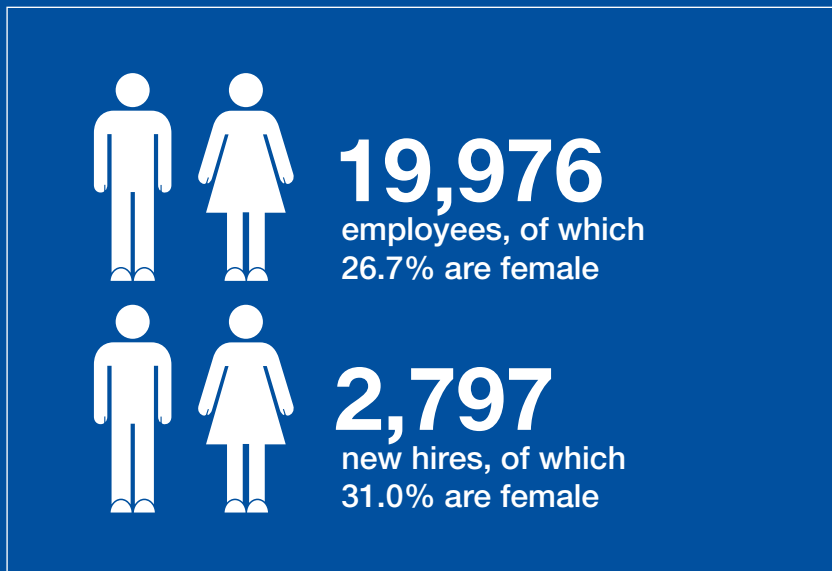
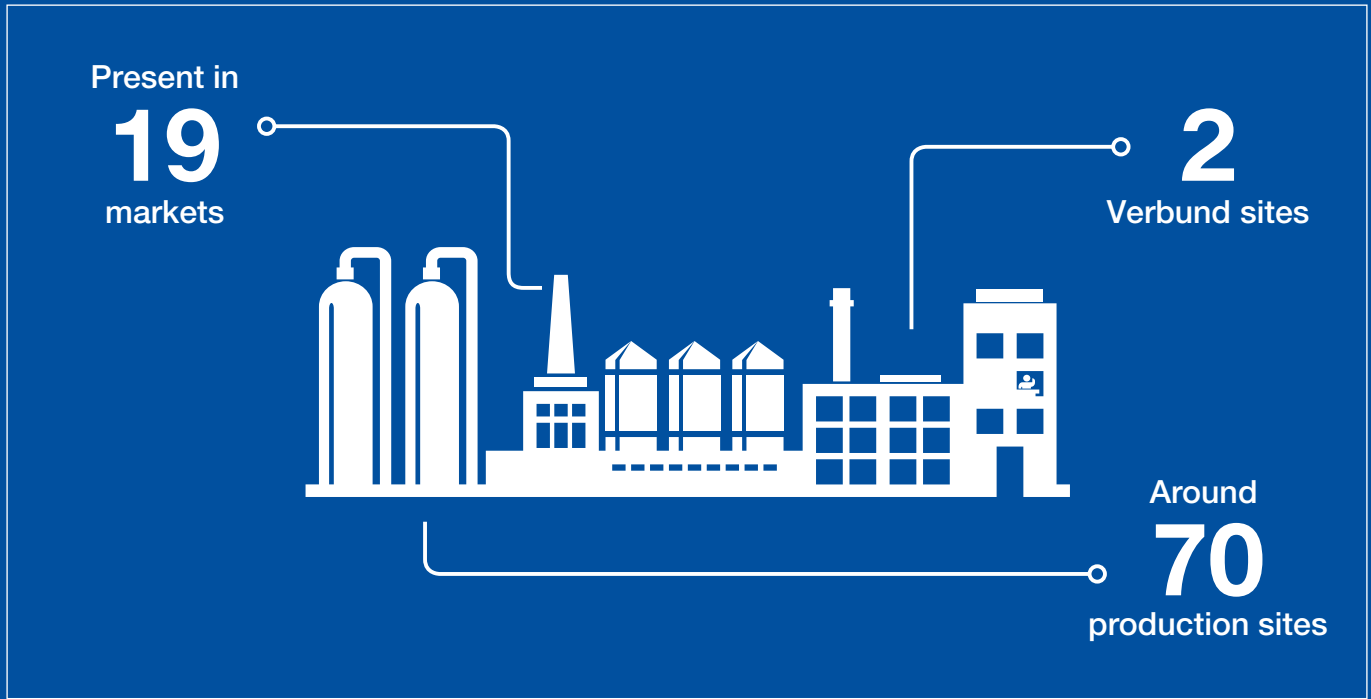
The map shows the production sites and research and development sites of the BASF Group according to the scope of consolidation for the BASF Report 2021. Sites not shown on the map include office and warehouse locations as well as sites of companies not in the scope of consolidation.

- ▨ Verbund sites / planned Verbund site
- Research and development sites
- Production sites
- Regional centers

1 In 2021, by location of company  
 2 At year-end 2021

# BASF in Asia Pacific

At a glance



# BASF in Japan

## At a Glance

**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.**

BASF's relationship with Japan stretches back to the Meiji era, when our Indigo Pure BASF dyes were imported for Japan's traditional, navy blue "Kon-Gasuri" pattern. Color Chemie Trading Co., Ltd., the precursor of BASF Japan Ltd., was established in 1949.

Today, BASF operates 6 production sites nationwide. In Totsuka, we produce and develop coating solutions for automotive companies; in Kitatone, we produce and develop emollients and waxes for personal care; in Kasumi, we produce and develop thermoplastic polyurethanes (TPU); and in Rokuromi we produce and develop dispersions and resins. In addition, BASF Metals Japan K.K. trades in precious metals as part of its catalyst business.

BASF collaborates closely with Japanese partners. These partnerships include BASF TODA Battery Materials LLC, a joint venture with TODA KOGYO CORP., which produces and sells lithium ion battery materials. We also maintain BASF INOAC Polyurethanes Ltd., a joint venture with INOAC Corporation, for polyurethane materials, systems, elastomers, and N.E. Chemcat Corporation, a joint venture with Sumitomo Metal Mining Co., Ltd., for our catalysts business.

In the area of research and development (R&D), Japan plays an important role in BASF's global network. BASF's Yokohama Innovation Center is the location of the Engineering Plastic Innovation Center and our Creation Center. Rokuromi R&D Center for dispersions and resins applications is located in Yokkaichi. BASF also operates AgSolution Farm Naruto, an agricultural solution research farm for crop protection products.



Rokuromi site produces and develops dispersions and resins.

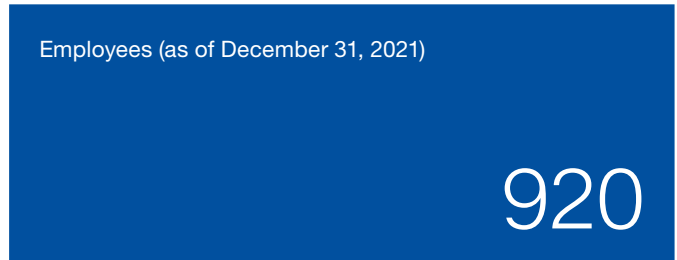
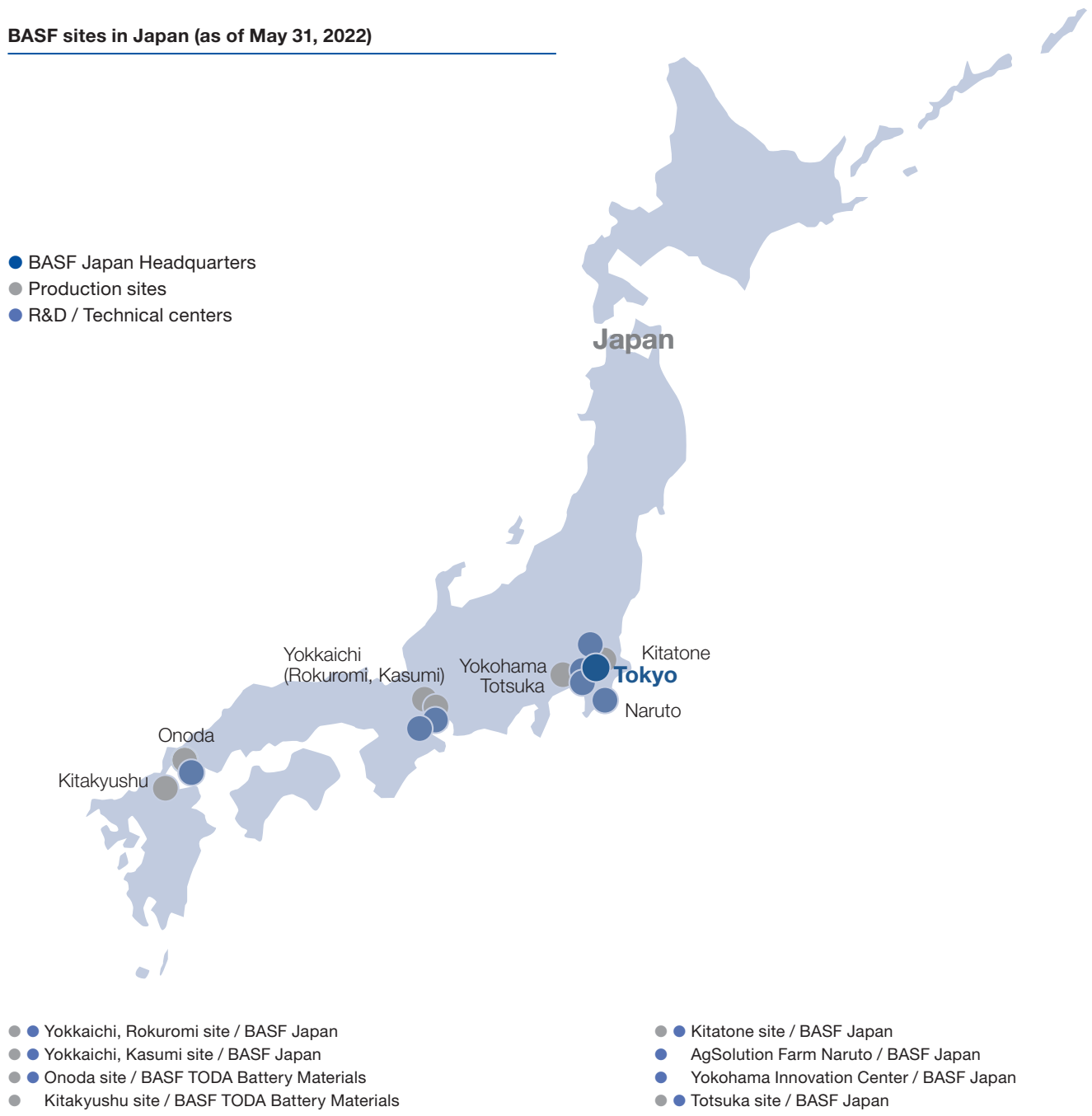


AgSolution Farm Naruto, a research farm for crop protection products.



Creation Center that offers ideas relating to materials and design.

**BASF sites in Japan (as of May 31, 2022)**



## Major Sites

### BASF Japan Ltd. – Totsuka site

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- Established in 1964
- Produces and develops automotive OEM coatings

### BASF Japan Ltd. – Kitatone site

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- Established in 1970
- Produces and develops emollients and waxes

### BASF Japan Ltd. – Kasumi site

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- Established in 1989
- Produces and develops thermoplastic polyurethanes (TPU)

### BASF Japan Ltd. – Rokuromi site

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- Established in 1963
- Produces and develops dispersions and resins

### BASF TODA Battery Materials LLC – Onoda site

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- Established in 2003
- Produces and develops cathode materials and precursors

### BASF TODA Battery Materials LLC – Kitakyushu site

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- Established in 2002
- Produces cathode materials

### BASF Japan Ltd. – Yokohama Innovation Center

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#### Engineering Plastic Innovation Center

- Established in 2012
- Provides technical support for engineering plastics

#### Creation Center

- Opened in 2019<sup>1</sup>
- Offers ideas relating to materials and design

### BASF Japan Ltd. – AgSolution Farm Naruto

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- Opened in 2017
- Conducts field trials under actual farming conditions for crop protection

<sup>1</sup> designfabrik® Tokyo was opened in 2014 and was relaunched as Creation Center.

## Solutions for Japan's Major Industries

**BASF's activities in Japan include activities from all global business segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. With this broad business portfolio, BASF provides products and solutions to nearly all industries, including the automotive, construction, pharmaceutical, medical, electronics, electric, packaging, personal and home care, agriculture and food industries – contributing to the success of Japanese customers nationwide as well as globally.**

### Automotive industry

BASF is the world's largest automotive supplier in the chemical industry. Also in Japan, we provide a wide range of products for all applications, from e-mobility to interior and exterior applications, as well as a diverse set of solutions to reduce the environmental impact of manufacturers.



BASF automotive solutions contribute to e-mobility, lightweight construction, heat management, fuel efficiency and emissions reduction as well as other innovations.

#### BASF solutions for the automotive industry include:

Engineering plastics for parts surrounding the engine, interiors/exteriors, e-mobility and suspensions, battery materials for lithium-ion batteries, polyurethane for car interior parts, damping materials inside suspensions, coolant and brake fluids, automotive coatings, refinish coatings, automotive catalysts, etc.

For solutions for other industries, please refer to this link



### Sustainability at BASF

For more information on BASF's commitment to sustainability, please scan the code.



### Construction industry

BASF provides solutions that make construction faster and more efficient and contribute to sustainable buildings by increasing labor efficiency, reducing energy consumption, increasing the lifespan and durability of buildings.



BASF provides innovative solutions that support sustainable building for the construction industry.

#### BASF products for the construction industry include:

Thermal insulation material, acoustic absorbent, high-performance polyamide, light stabilizers, plastic additives, wetting agent, dispersion, etc.

### Pharmaceutical and medical device industry

In light of Japan's changing demographics and governmental policy for healthcare, BASF is working to develop products that contribute to the growing needs of the medical and health industries. In addition to providing active ingredients and additives that ensure safe and innovative manufacturing of medicines, BASF is also active in the medical, health management and nursing fields.



BASF supports innovations in medication and health management.

#### BASF products for the pharmaceutical and medical device industry include:

Pharmaceutical additives such as solvents, catalysts, reagents, medicinal contents of pharmaceuticals, solubilizers, and non-phthalate plasticizers, etc.



## Electronics, electric and information industries

With Japan as an international leader in electronics, BASF provides a wide variety of products in this area, such as solutions for display monitors as well as cutting-edge innovations for digitalization and clean energy, through sensors and information processing devices.



BASF offers a spectrum of solutions to the electronics industry to help achieve sustainability and innovation goals.

### BASF products for the electronics, electric and information industries include:

Material for displays: Photoinitiators for color filters, Reactive liquid crystal monomers for optical film and Photo alignment film formulation; materials for infrastructure, such as lubricating oils for electric machinery and hydraulic oil, and metalworking additives; materials for electronic components, such as engineering plastics; as well as near infrared (NIR) sensor and NIR spectroscopy solutions.

## Packaging industry

BASF provides products for packaging materials to lock in freshness and make foods last longer, as well as materials that contribute to new designs and weight reduction. BASF also produces certified, fully-compostable polymers for packaging and other applications.



New developments in packaging are supported by BASF solutions.

### BASF products for the packaging industry include:

High value-added packaging material, such as high-strength polyamides for nylon films, ultraviolet-absorbing agents for PET bottles, as well as materials for recyclable and compostable packaging, such as compostable plastic and internal coating agents to replace laminates, etc.

## Personal care and home care industries

BASF provides products that are essential for everyday items, including skincare, hair care products and laundry detergents, to keep daily lives comfortable.



BASF products are essential to daily life.

### BASF products for the personal care and home care industries include:

Raw materials for skincare and hair care cosmetics, such as surfactants, polymers, emollients, and ultraviolet filters, as well as materials for home care and industrial-use cleansers, such as surfactants, chelating agents, biocides, stabilizers, etc.

## Agriculture and food industries

BASF is supporting Japan's agriculture and food industries, from the production process with agricultural solutions that make efficient crop protection possible, to enhanced human nutrition with vitamins to supplement nutrients, as well as additives for animal feed that make animal husbandry more sustainable.



BASF works with growers and cooperative associations throughout Japan.

### BASF products for the agriculture and food industries include:

Fungicides, insecticides, herbicides and digital farming solutions "xarvio<sup>®</sup>" for agriculture, as well as a range of solutions for human and animal nutrition, etc.

# Key Data 2021 of BASF in Japan

		2021	2020
<b>Financial Results</b>			
Sales	million €	2,092	1,712
<b>Employees (as of December 31)</b>			
Number of employees		920	955
Number of apprentices		–	–
<b>Employee age structure</b>			
Up to and including 25 years	%	1.8	1.7
Between 26 and 39 years	%	25.9	26.3
Between 40 and 54 years	%	52.0	52.7
55 years and older	%	20.3	19.4
<b>Gender</b>			
Women	%	21.5	21.2
Men	%	78.5	78.8
<b>Donations and Sponsoring</b>			
Total spend	€	4,000	46,000
<b>Energy<sup>1</sup></b>			
Electricity consumption	MWh	110,850	103,641
Steam supply	MWh	19,825	83,034
Fuel consumption (central power plants and boiler)	MWh	9,787	13,501
<b>Emissions to air<sup>1</sup></b>			
Greenhouse gas emissions	metric tons of CO <sub>2</sub> equivalents	51,168	82,916
Air pollutant (without CH <sub>4</sub> )	metric tons	30.52	29.73
<b>Water<sup>1</sup></b>			
Emissions to water: organic substances (COD)	metric tons	0.62	1.27
Emissions to water: nitrogen	metric tons	0.21	0.40
Emissions to water: phosphorus	metric tons	0.03	0.05
Emissions to water: heavy metals	metric tons	0.00	0.00
Water supply	million cubic meters	0.38	0.50
Water used for production	million cubic meters	0.35	0.41
Water used for cooling	million cubic meters	0.03	8.70
Sustainable water management (BASF Group)	%	53.50	46.20
<b>Waste<sup>1</sup></b>			
Total waste generated	metric tons	5,724	9,811
Waste recovered	metric tons	4,276	4,357
Waste disposed of	metric tons	1,448	5,454
<b>Occupational safety<sup>1</sup></b>			
LTI rate BASF, leasing and contractor employees per 200,000 HW		0.07	0.07
FAT BASF, leasing and contractor employees		0	0
<b>Process safety<sup>1</sup></b>			
PSI rate per 200,000 HW (BASF employees, leasing personnel and contractors)		0.22	0.07

<sup>1</sup> The comparative figure for 2020 has been restated in alignment with the Corporate Report consolidation rules and change of calculation method to GHG Protocol 5th Assessment Review instead of 4th in the 2020 report.

# Major Contacts in Japan

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For details regarding other sites please refer to this link



## **Further information**

You can find this and other BASF publications online at basf.com. For easy access to the webpage, please scan the code below with your smartphone app.



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Communications Services Japan, BASF

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BASF supports the worldwide Responsible Care initiative of the chemical industry.

# Ten-Year-Summary

Million €

	2012 <sup>a</sup>	2013 <sup>b</sup>	2014	2015	2016	2017	2018	2019	2020	2021
<b>Statement of income</b>										
Sales	72,129	73,973	74,326	70,449	57,550	61,223 <sup>c</sup>	60,220 <sup>d</sup>	59,316	59,149	78,598
Income from operations (EBIT)	6,742	7,160	7,626	6,248	6,275	7,587 <sup>c</sup>	5,974 <sup>d</sup>	4,201	-191	7,677
Income before income taxes	5,977	6,600	7,203	5,548	5,395	6,882 <sup>c</sup>	5,233 <sup>d</sup>	3,302	-1,562	7,448
Income after taxes from continuing operations	-	-	-	-	-	5,592	4,116 <sup>d</sup>	2,546	-1,471	6,018
Income after taxes from discontinued operations	-	-	-	-	-	760	863 <sup>d</sup>	5,945	396	-36
Income after taxes	5,067	5,113	5,492	4,301	4,255	6,352	4,979	8,491	-1,075	5,982
Net income	4,819	4,792	5,155	3,987	4,056	6,078	4,707	8,421	-1,060	5,523
Income from operations before depreciation and amortization (EBITDA)	10,009	10,432	11,043	10,649	10,526	10,765 <sup>c</sup>	8,970 <sup>d</sup>	8,185	6,494	11,355
EBIT before special items	6,647	7,077	7,357	6,739	6,309	7,645 <sup>c</sup>	6,281 <sup>d</sup>	4,643	3,560	7,768
<b>Capital expenditures, depreciation and amortization</b>										
Additions to property, plant and equipment and intangible assets	5,263	7,726	7,285	6,013	7,258	4,364	10,735	4,097	4,869	4,881
of which property, plant and equipment	4,084	6,428	6,369	5,742	4,377	4,028	5,040	3,842	4,075	4,410
Depreciation and amortization of property, plant and equipment and intangible assets	3,267	3,272	3,417	4,401	4,251	4,202	3,750 <sup>d</sup>	4,146	6,685	3,678
of which property, plant and equipment	2,594	2,631	2,770	3,600	3,691	3,586	3,155 <sup>d</sup>	3,408	5,189	3,064
<b>Number of employees</b>										
	<b>110,782</b>	<b>112,206</b>	<b>113,292</b>	<b>112,435</b>	<b>113,830</b>	<b>115,490</b>	<b>122,404</b>	<b>117,628</b>	<b>110,302</b>	<b>111,047</b>
<b>Personnel expenses</b>										
	<b>8,963</b>	<b>9,285</b>	<b>9,224</b>	<b>9,982</b>	<b>10,165</b>	<b>10,610</b>	<b>10,659</b>	<b>10,924</b>	<b>10,576</b>	<b>11,097</b>
<b>Research and development expenses</b>										
	<b>1,732</b>	<b>1,849</b>	<b>1,884</b>	<b>1,953</b>	<b>1,863</b>	<b>1,843<sup>c</sup></b>	<b>1,994<sup>d</sup></b>	<b>2,158</b>	<b>2,086</b>	<b>2,216</b>
<b>Key data</b>										
Earnings per share	€ 5.25	5.22	5.61	4.34	4.42	6.62 <sup>c</sup>	5.12	9.17	-1.15	6.01
Adjusted earnings per share	€ 5.64	5.31	5.44	5.00	4.83	6.44 <sup>c</sup>	5.87	4.00	3.21	6.76
Cash flows from operating activities	6,602	8,100	6,958	9,446	7,717	8,785	7,939	7,474	5,413	7,245
EBITDA margin	% 13.9	14.1	14.9	15.1	18.3	17.6 <sup>c</sup>	14.9 <sup>d</sup>	13.8	11.0	14.4
Return on assets	% 11.0	11.5	11.7	8.7	8.2	9.5 <sup>c</sup>	7.1	4.5	-1.2	9.5
Return on equity after tax	% 19.9	19.2	19.7	14.4	13.3	18.9	14.1	21.6	-2.8	15.6
Return on capital employed (ROCE)	% -	-	-	-	-	15.4	12.0 <sup>d</sup>	7.7	1.7	13.5
<b>Appropriation of profits</b>										
Net income of BASF SE <sup>e</sup>	2,880	2,826	5,853	2,158	2,808	3,130	2,982	3,899	3,946	3,928
Dividend	2,388	2,480	2,572	2,664	2,755	2,847	2,939	3,031	3,031	3,123 <sup>f</sup>
Dividend per share	€ 2.60	2.70	2.80	2.90	3.00	3.10	3.20	3.30	3.30	3.40
<b>Number of shares as of December 31 million</b>										
	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>	<b>918.5</b>

a We have applied International Reporting Standards IFRS 10 and 11 as well as International Accounting Standard 19 (revised) since January 1, 2013. Figures for 2012 have been restated; no restatement was made for 2011 and earlier.

b Figures for 2013 have been adjusted to reflect the dissolution of the natural gas trading business disposal group.

c Figures for 2017 were restated with the presentation of the oil and gas activities as discontinued operations.

d Figures for 2018 were restated with the presentation of the construction chemicals activities as discontinued operations.

e Calculated in accordance with German GAAP

f Based on the number of outstanding shares as of December 31, 2021 (918,478,694)



**On this page:**

With 10 square kilometers in the heart of Europe, the Ludwigshafen Verbund Site is the World's largest integrated chemical complex in the world. A dense network of around 200 production plants provides excellent conditions for the production of complex and highly refined products. As a technology platform and competence center for the BASF Group, the site is an important source of innovation in products, methods and processes.

**BASF Japan Ltd.**

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