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Press Release

Company Name: Idemitsu Kosan Co., Ltd.  
Representative Director & Chief Executive Officer:  
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### **Decision to Invest in Commercial Production Facilities for Recycling of Used Plastics into Oil**

- Establishment of a joint venture company, Chemical Recycle Japan Co., Ltd.  
with Environment Energy Co., Ltd. –

Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo; President and CEO: Shunichi Kito; hereinafter "Idemitsu Kosan") has decided to invest in commercial production facilities (used plastic processing capacity: 20,000 tons/year) for recycling of used plastics into oil in the area adjacent to Idemitsu Kosan's Chiba Complex (Location: Ichihara City, Chiba Prefecture; General Manager: Hiroshi Akiya). Commercial operation is scheduled to begin in FY2025.

In addition, in April 2023, Idemitsu Kosan will establish a joint venture, Chemical Recycle Japan Co., Ltd. to produce generated oil from used plastics with Environment Energy Co., Ltd. (Head office: Fukuyama City, Hiroshima Prefecture; Representative Director: Shuji Noda) that has been working together to establish the technology of converting equipment into oil.

Through this project, we will work toward achieving a carbon neutral and recycling-oriented society by 2050.



Recycling chain for the project

In this project, the newly established Chemical Recycle Japan Co. Ltd. will use its unique technology to convert used plastics into oil to produce generated oil as a raw material in place of crude oil, then the generated oil will be refined, cracked, and polymerized in our existing refining equipment and petrochemical equipment to produce "renewable chemicals". Ultimately, these renewable chemicals will be used as raw materials to produce new plastic products at plastic product manufacturers and other companies.

The objective of this project is to contribute to the realization of a recycling-oriented society and reduction of CO2 emissions by reusing plastics that have previously been incinerated as garbage as a valuable resource. We believe that this project is one that we should take responsibility for, as we have long handled fossil fuels and are deeply involved in the production of plastics derived from fossil resources, and one in which we can take advantage of our unique strengths as a company that has developed both refining and petrochemical businesses.

After establishing this business model in the Chiba Complex area, we will install converting equipment into oil at our group refineries and complexes nationwide, and promote the development of a larger-scale business targeting used plastics throughout Japan.

Toward the realization of a carbon-neutral society in 2050, Idemitsu Kosan has set forth its vision for 2030, “Your Reliable Partner for a Brighter Future,” and its vision for 2050, “Shaping Change.” In the Medium-term Business Plan (fiscal years 2023-2025) announced last November, we expressed our commitment to fulfill our “Responsibility to support people and their daily lives” and “Responsibility to protect the global environment now and in the future” through social implementation in the following “3 business domains.”



This project is positioned as an important initiative for social implementation of "Diverse resource conservation / circulation solutions" among the three business areas.

#### ■ Overview of the new Company

- Company name: Chemical Recycle Japan Co., Ltd.
- Representative: Masahiko Okamura (Seconded from Idemitsu Kosan Co.,Ltd.)
- Head office: 6F, RBM Tsukiji Square, 1-18-8 Shintomi, Chuo-ku, Tokyo
- Plant: Area adjacent to Chiba Complex, Idemitsu Kosan Co.,Ltd.
- Used plastics processing capacity: 20,000 t/year
- Start of production: FY2025

#### ■ Each company's role

- Chemical Recycle Japan Co., Ltd.: Construction of converting equipment into oil, production and sales of generated oil
  - Idemitsu Kosan Co.,Ltd.: Procurement of generated oil, production and sales of renewable chemicals and petroleum
  - Terrarem Group Co., Ltd.\*, Maeda Industry Corporation: Collection of used plastics
- \* Company name changed from Ichikawa Kankyo Holdings, Co., Ltd.

■ Reference

Started Japan's First Demonstration Study of Waste Plastic Recycling including Mixed waste Plastics at Chiba Complex

<https://www.idemitsu.com/en/news/2021/0507.html>

Start of basic design for commercialization of used plastic recycling

\*Japanese only

<https://www.idemitsu.com/jp/news/2022/220913.html>