

BASF

We create chemistry

BASF in Japan Report 2023



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On the Cover:

BASF Japan’s Agricultural Solutions division aims to achieve sustainable agriculture by using BASF’s cultivation management support system, “xarvio® FIELD MANAGER”, which supports farmers with optimal cultivation management through satellite images and AI analysis. Yamazaki Rice, an agricultural production company based in Saitama Prefecture, also utilized this AI-equipped agricultural platform to optimize paddy rice cultivation and achieved yield increase. BASF focuses on “crop system”, specific crop rotation systems such as rice, and provides comprehensive support to farmers with a broad portfolio of digital and agrochemical products.

Photo: From left to right, Ayako Hirao, BASF Japan Agricultural Solutions division, Yoshio Yamazaki of Yamazaki Rice, and Masaki Sekine, BASF Japan Agricultural Solutions division.

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 2023. 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, 2023.

BASF Group

2023 – At a glance

Sales

€68.9 billion
(2022: €87.3 billion)

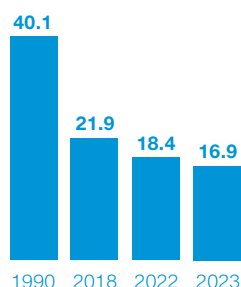
EBIT before special items

€3.8 billion
(2022: €6.9 billion)

ROCE

4.5%
(2022: 10.0%)

Greenhouse gas emissions (million metric tons of CO₂ equivalents)



EBITDA before special items

€7.7 billion
(2022: €10.8 billion)

Free cash flow

€2.7 billion
(2022: €3.3 billion)

Capital expenditures (capex)

€5.2 billion
(2022: €4.1 billion)

Employees at year-end

111,991
(2022: 111,481)

Research and development expenses

€2.1 billion
(2022: €2.3 billion)

Personnel expenses

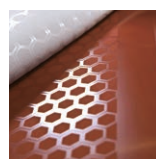
€11.0 billion
(2022: €11.4 billion)

Segment data



Chemicals

		Million €
Sales	2023	10,369
	2022	14,895
EBIT before special items	2023	361
	2022	1,956



Surface Technologies

		Million €
Sales	2023	16,204
	2022	21,283
EBIT before special items	2023	938
	2022	902



Materials

		Million €
Sales	2023	14,149
	2022	18,443
EBIT before special items	2023	826
	2022	1,840



Nutrition & Care

		Million €
Sales	2023	6,858
	2022	8,066
EBIT before special items	2023	107
	2022	618



Industrial Solutions

		Million €
Sales	2023	8,010
	2022	9,992
EBIT before special items	2023	625
	2022	1,091



Agricultural Solutions

		Million €
Sales	2023	10,092
	2022	10,280
EBIT before special items	2023	1,563
	2022	1,220

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. In October 2024, we will celebrate our 75th anniversary since establishment.

Today, BASF operates six 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 Ltd. 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 Plastics 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.



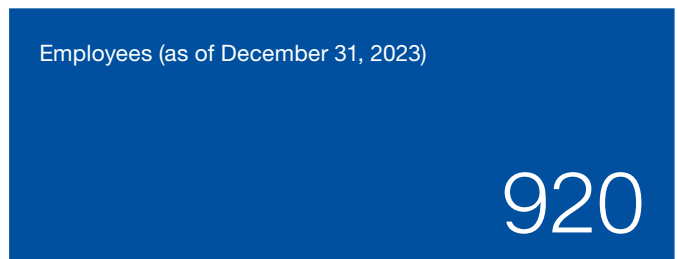
Onoda site of BASF TODA Battery Materials LLC, which produces and sells lithium-ion battery materials.



AgSolution Farm Naruto, a research farm for agricultural solutions.



Our Creation Center offers ideas relating to materials and design.



Major Sites

BASF Japan Ltd. – Totsuka site

- Established in 1964
- Produces and develops automotive OEM coatings

BASF Japan Ltd. – Kitatone site

- Established in 1970
- Produces and develops emollients and waxes

BASF Japan Ltd. – Kasumi site

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

BASF Japan Ltd. – Rokuromi site

- Established in 1963
- Produces and develops dispersions and resins

BASF TODA Battery Materials LLC – Onoda site

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

BASF TODA Battery Materials LLC – Kitakyushu site

- Established in 2002
- Produces cathode materials

BASF Japan Ltd. – Yokohama Innovation Center

Engineering Plastics Innovation Center

- Established in 2012
- Provides technical support for engineering plastics

Creation Center

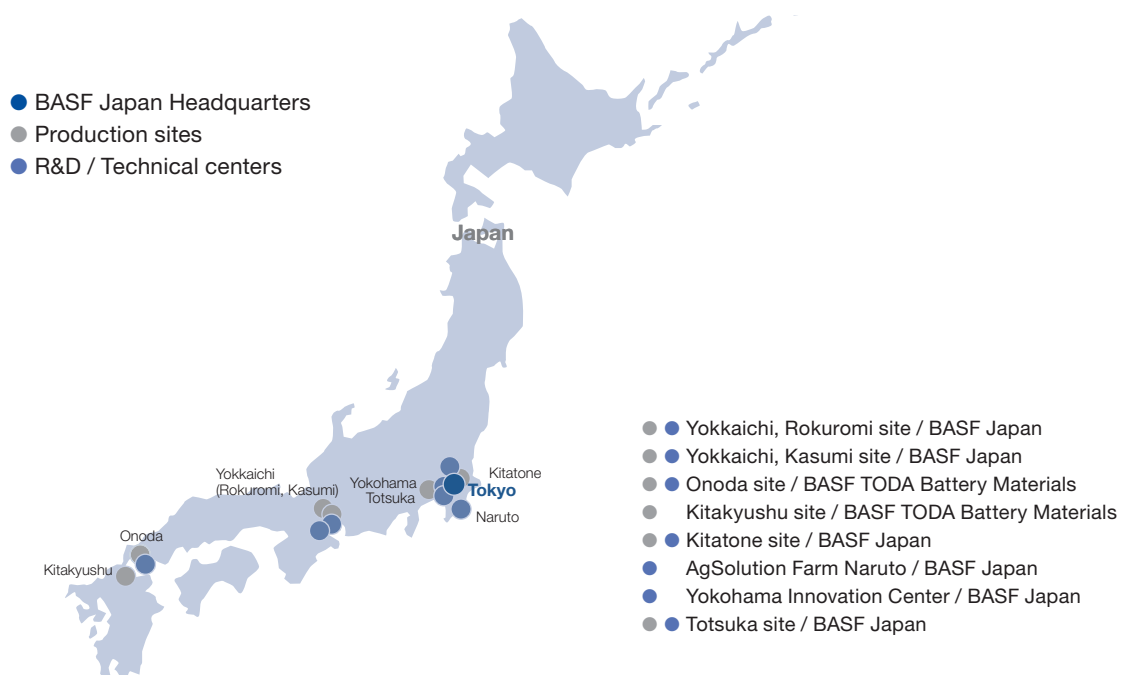
- Opened in 2019¹
- Offers ideas relating to materials and design

BASF Japan Ltd. – AgSolution Farm Naruto

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

¹ designfabrik® Tokyo was opened in 2014 and was relaunched as Creation Center.

BASF sites in Japan



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 eMobility to interior and exterior applications, as well as a diverse set of solutions to reduce the environmental impact of manufacturers.



BASF's automotive solutions contribute to eMobility, lightweight construction, heat management, fuel efficiency and emissions reduction as well as other innovations.

BASF products for the automotive industry include:

Engineering plastics and plastic additives for parts surrounding the engine, interiors/exteriors, eMobility and suspensions, battery materials for lithium-ion batteries, polyurethane for car interior parts, damping materials inside suspensions, coolant and brake fluids, gasoline fuel additives, automotive coatings, refinish coatings, automotive catalysts, additives for lubricating oil, 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 allow for faster and more efficient construction. Our solutions also enhance building sustainability 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, engineering plastics, light stabilizers, plastic additives, wetting agent, dispersions, 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 pharmaceutical ingredients and innovative excipients that contribute to the development of safer and more sustainable drug delivery systems and drug and biologics processes, 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:

Active pharmaceutical ingredients and excipients: chemical raw materials including building blocks, reagents, boranes as well as alcoholates, protective-groups, solvents and high-purity iron salts and catalysts, adhesives for medical plaster, 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, 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:

Materials 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 contributes to sustainable packaging applications.



New developments in packaging are supported by BASF solutions.

BASF products for the packaging industry include:

Materials for recyclable and compostable packaging such as compostable plastics, internal coating agents to replace laminates, and additive package for mechanical recycling for polyolefins.

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 UV filters, as well as materials for home care and industrial-use cleansers, such as surfactants, dispersing ingredients, chelating agents, biocides, optical effect products, stabilizers, enzymes, 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 enhancing human nutrition with vitamins to supplement nutrients, as well as additives for animal feed that make animal husbandry more sustainable.



BASF works with farmers and cooperative associations throughout Japan.

BASF products for the agriculture and food industries include:

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

Key Data 2023 of BASF in Japan

		2023	2022	2021
Financial Results				
Sales	million €	1,785	2,585	2,092
Employees (as of December 31)				
Number of employees		920	923	920
Number of apprentices		–	–	–
Employee age structure				
Up to and including 25 years	%	1.8	1.4	1.8
Between 26 and 39 years	%	26.7	27.0	25.9
Between 40 and 54 years	%	47.9	50.5	52.0
55 years and older	%	23.6	21.1	20.3
Gender				
Women	%	22.2	22.0	21.5
Men	%	77.8	78.0	78.5
Donations and Sponsoring				
Total spend	€	7,327	112,138	4,000
Energy				
Electricity consumption	MWh	105,620	115,784	110,850
Steam supply	MWh	17,428	20,344	19,825
Fuel consumption (central power plants and boiler)	MWh	8,167	9,603	9,787
Emissions to air				
Greenhouse gas emissions	metric tons of CO ₂ equivalents	33,596	47,895	51,168
Air pollutant (without CH ₄)	metric tons	37.07	29.43	30.52
Water				
Emissions to water: organic substances (COD)	metric tons	0.57	0.86	0.62
Emissions to water: nitrogen	metric tons	0.15	0.13	0.21
Emissions to water: phosphorus	metric tons	0.03	0.04	0.03
Emissions to water: heavy metals	metric tons	0.26	0.49	0.00
Water supply	million cubic meters	0.38	0.41	0.38
Water used for production	million cubic meters	0.35	0.37	0.35
Water used for cooling	million cubic meters	7.46	8.62	0.03
Waste				
Total waste generated	metric tons	19,422 ^a	5,438	5,724
Waste recovered	metric tons	17,954 ^a	4,192	4,276
Waste disposed of	metric tons	1,468	1,246	1,448
Occupational safety				
High Severity Work Process Related Injury Rate (HSI) per 200,000 HW (BASF employees, Agency Workers and Contractors)		0.00	n/a	n/a
Fatalities (total)		0	0	0
Process safety				
High Severity Process Safety Incident Rate (hsPSIR) per 200,000 HW (BASF employees, Agency Workers and Contractors)		0.00	n/a	n/a

^a The increase in total waste generated and recovered in 2023 is due to the construction of the new production line at the Onoda site of BASF Toda Battery Materials, which will expand the production capacity of cathode materials.

Major Contacts in Japan

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For details regarding other sites please refer to this link



Further information

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

Ten-Year-Summary

Million €

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Statement of income											
Sales	74,326	70,449	57,550	61,223 ^a	60,220 ^b	59,316	59,149	78,598	87,327	68,902	
Income from operations (EBIT)	7,626	6,248	6,275	7,587 ^a	5,974 ^b	4,201	-191	7,677	6,548	2,240	
Income before income taxes	7,203	5,548	5,395	6,882 ^a	5,233 ^b	3,302	-1,562	7,448	1,190	1,420	
Income after taxes from continuing operations	-	-	-	5,592 ^a	4,116 ^b	2,546	-1,471	6,018	-391	379	
Income after taxes from discontinued operations	-	-	-	760 ^a	863 ^b	5,945	396	-36	-	-	
Income after taxes	5,492	4,301	4,255	6,352	4,979	8,491	-1,075	5,982	-391	379	
Net income	5,155	3,987	4,056	6,078	4,707	8,421	-1,060	5,523	-627	225	
Income from operations before depreciation, amortization and special items (EBITDA before special items)	10,454	10,508	10,327	10,378 ^a	9,721 ^b	8,324	7,435	11,348	10,762	7,671	
EBIT before special items	7,357	6,739	6,309	7,645 ^a	6,281 ^b	4,643	3,560	7,768	6,878	3,806	
Capital expenditures, depreciation and amortization											
Additions to property, plant and equipment and intangible assets	7,285	6,013	7,258	4,364	10,735	4,097	4,869	4,881	4,967	6,006	
of which property, plant and equipment	6,369	5,742	4,377	4,028	5,040	3,842	4,075	4,410	4,842	5,864	
Depreciation and amortization of property, plant and equipment and intangible assets	3,417	4,401	4,251	4,202	3,750	4,146	6,685	3,678	4,200	4,941	
of which property, plant and equipment	2,770	3,600	3,691	3,586	3,155	3,408	5,189	3,064	3,549	4,062	
Number of employees											
	113,292	112,435	113,830	115,490	122,404	117,628	110,302	111,047	111,481	111,991	
Personnel expenses											
	9,224	9,982	10,165	10,610	10,659	10,924	10,576	11,097	11,400	10,950	
Research and development expenses											
	1,884	1,953	1,863	1,843^a	1,994^b	2,158	2,086	2,216	2,298	2,130	
Key data											
Earnings per share	€	5.61	4.34	4.42	6.62 ^a	5.12	9.17	-1.15	6.01	-0.70	0.25
Adjusted earnings per share	€	5.44	5.00	4.83	6.44 ^a	5.87	4.00	3.21	6.76	6.96	2.78
Cash flows from operating activities		6,958	9,446	7,717	8,785	7,939	7,474	5,413	7,245	7,709	8,111
EBITDA margin before special items	%	14.1	14.9	17.9	17.5 ^a	15.4 ^b	14.0	12.6	14.4	12.3	11.1
Return on assets	%	11.7	8.7	8.2	9.5 ^a	7.1	4.5	-1.2	9.5	2.1	2.8
Return on equity after tax	%	19.7	14.4	13.3	18.9	14.1	21.6	-2.8	15.6	-0.9	1.0
Return on capital employed (ROCE)	%	-	-	-	15.4	12.0 ^b	7.7	1.7	13.7	10.0	4.5
Appropriation of profits											
Net income of BASF SE ^c		5,853	2,158	2,808	3,130	2,982	3,899	3,946	3,928	3,849	7,434
Dividend		2,572	2,664	2,755	2,847	2,939	3,031	3,031	3,072	3,035	3,035 ^d
Dividend per share	€	2.80	2.90	3.00	3.10	3.20	3.30	3.30	3.40	3.40	3.40 ^d
Number of shares at year-end											
	million	918.5	918.5	918.5	918.5	918.5	918.5	918.5	918.5	893.9	892.5

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

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

c Calculated in accordance with German GAAP

d Based on the number of outstanding shares as of December 31, 2023 (892,522,164).



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.

