



**■ - BASF**

We create chemistry

# BASF in Japan Report 2019





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**Cover photo:**

At its Kitatone site in Koga, Ibaraki Prefecture, BASF produces and develops emollients and waxes for personal care and home care industries. Together with customers, employees at the site create innovative solutions to meet the needs of society more sustainably.

## 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 2019. 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, 2019.

# BASF Group 2019 at a glance

## Key data

		2019	2018	+/-
Sales <sup>1</sup>	million €	59,316	60,220	(1.5%)
EBITDA before special items <sup>1</sup>	million €	8,217	9,271	(11.4%)
EBITDA <sup>1</sup>	million €	8,036	8,970	(10.4%)
EBIT before special items <sup>1</sup>	million €	4,536	6,281	(27.8%)
EBIT <sup>1</sup>	million €	4,052	5,974	(32.2%)
Net income	million €	8,421	4,707	78.9%
ROCE <sup>1</sup>	%	7.7	12.0	-
Earnings per share	€	9.17	5.12	79.1%
Assets	million €	86,950	86,556	0.5%
Investments including acquisitions <sup>2</sup>	million €	4,097	10,735	(61.8%)

		2019	2018	+/-
Employees at year-end		117,628	122,404	(3.9%)
Personnel expenses	million €	10,924	10,659	2.5%
Research and development expenses <sup>1</sup>	million €	2,158	1,994	8.2%
Greenhouse gas emissions <sup>3</sup>	million metric tons of CO <sub>2</sub> equivalents	20.1	21.9	(8.2%)
Energy efficiency in production processes	kilogram of sales product/MWh	598	626	(4.5%)
Accelerator sales	million €	15,017	14,284	5.1%
Number of on-site sustainability audits of raw material suppliers		81	100	(19.0%)

<sup>1</sup> Restated figures, for more information, see [basf.com/report](http://basf.com/report)  
<sup>2</sup> Additions to intangible assets and property, plant and equipment  
<sup>3</sup> Excluding sale of energy to third parties

## Segment data <sup>4</sup>



### Chemicals

Million €

Sales	2019	9,532
	2018	11,694
EBIT before special items	2019	791
	2018	1,587



### Materials

Million €

Sales	2019	11,466
	2018	13,270
EBIT before special items	2019	1,003
	2018	2,400



### Industrial Solutions

Million €

Sales	2019	8,389
	2018	9,120
EBIT before special items	2019	820
	2018	668



### Surface Technologies

Million €

Sales	2019	13,142
	2018	11,199
EBIT before special items	2019	722
	2018	617



### Nutrition & Care

Million €

Sales	2019	6,075
	2018	5,940
EBIT before special items	2019	793
	2018	736



### Agricultural Solutions

Million €

Sales	2019	7,814
	2018	6,156
EBIT before special items	2019	1,095
	2018	734

<sup>4</sup> The segment data for 2018 has been restated to reflect the new segment structure. Figures do not include the construction chemicals activities presented as discontinued operations.

# The BASF Group

**At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 118,000 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 divided into the Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions segments.**

## Organization of the BASF Group in 2019

As of January 1, 2019, we have 11 divisions grouped into six segments as follows:

- **Chemicals:** Petrochemicals, Intermediates
- **Materials:** Performance Materials, Monomers
- **Industrial Solutions:** Dispersions & Pigments, Performance Chemicals
- **Surface Technologies:** Catalysts, Coatings
- **Nutrition & Care:** Care Chemicals, Nutrition & Health
- **Agricultural Solutions:** Agricultural Solutions

The segment data for 2018 presented in this report has been restated to reflect the new segment structure.

On December 21, 2019, BASF and an affiliate of Lone Star, a global private equity firm, signed an agreement on the sale of BASF's construction chemicals business. The purchase price on a cash and debt-free basis is €3.17 billion. The transaction is expected to close in the third quarter of 2020, subject to the approval of the relevant competition authorities. The Construction Chemicals division was previously reported under the Surface Technologies segment. The signing of the agreement had an immediate effect on the reporting of BASF Group. Retroactively as of January 1, 2018, sales and earnings of the Construction Chemicals division are no longer included in sales, EBITDA, EBIT and EBIT before special items of the BASF Group. Until closing, the income after taxes of the construction chemicals business will be presented in the income after taxes of BASF Group as a separate item ("Income after taxes from discontinued operations").

Following the approval of all relevant authorities, BASF and LetterOne completed the merger of Wintershall and DEA on May 1, 2019. In September 2018, BASF and LetterOne had signed a transaction agreement to merge their respective oil and gas businesses in a joint venture. Shareholder loans were replaced by bank loans in the course of the merger. Since May 1, 2019, BASF's participating interest in Wintershall Dea has been reported in the Consolidated Financial Statements of the BASF Group according to the equity method, with an initial valuation at fair value. The gain from the transition from full consolidation to the equity method is shown in income after taxes from discontinued operations.

Since May 1, 2019, BASF has reported its share of Wintershall Dea's net income in EBIT before special items and in EBIT of the BASF Group, presented under Other. BASF and LetterOne intend to list Wintershall Dea on the stock exchange by way of an initial public offering (IPO) in the second half of 2020, provided market conditions are suitable.

The disclosures and indicators in the Management's Report on sustainability in 2019 no longer include data on Wintershall. The construction chemicals business is included in the disclosures on environmental protection, health and safety, employees and compliance, but has already been removed from the sales-related sustainability figures. The business acquired from Bayer in 2018 is included in the indicators. For more information, see [basf.com/report](http://basf.com/report).

BASF's new segment structure allows for a more differentiated steering of our businesses according to their market-specific competitive environment. It increases transparency regarding the results of our segments and divisions and highlights the importance of the Verbund and value chains to our business success. BASF aims to clearly position its businesses against their relevant competitors and establish a high-performance organization to enable BASF to be successful in an increasingly competitive market environment.

Our divisions bear operational responsibility here and are organized according to sectors or products. They manage our 54 global and regional business units and develop strategies for the 76 strategic business units.<sup>1</sup>

Our regional and country organizations help to leverage market potential. For financial reporting purposes, we organize the regional divisions into four regions: Europe; North America; Asia Pacific; South America, Africa, Middle East.

Together with our divisions, the three global research divisions – Process Research & Chemical Engineering, Advanced Materials & Systems Research and Bioscience Research – safeguard our innovative capacity and competitiveness.

Business processes such as the procurement of raw materials and services, production and transport to customers were the shared responsibility of the divisions and the functional units in 2019. Seven functional units and eight corporate units supported the BASF Group's business activities. The functional and corporate units provided services in the areas of finance, human resources, tax and legal, engineering, site management, purchasing and logistics, environmental protection, health and safety, investor relations, and communications. As part of the further development of the corporate strategy, in 2019 BASF embedded business-critical parts of its functional units into the divisions, such as engineering services, procurement and logistics. This increased customer proximity and improved customer-specific agility. We have also created leaner structures in our functional units, research and development and in governance functions.

<sup>1</sup> Excluding the construction chemicals activities presented as discontinued operations

## Organizational realignment as of January 1, 2020

BASF has created the conditions for greater customer proximity, increased competitiveness and profitable growth with an organizational realignment as part of the implementation of its strategy. We are streamlining our administration, sharpening the roles of services and regions, and simplifying procedures and processes as part of our ongoing Excellence Program. Customer-focused operating divisions, cross-functional service units and regions as well as a lean Corporate Center are the cornerstones of the new organization.

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

In addition, four global service units were established: Global Engineering Services and Global Digital Services offer services for individual sites, globally for the divisions or other units of the BASF Group. Global Procurement makes purchasing even more effective. The newly established Global Business Services unit will be a global, flexible and demand-driven service unit that strengthens the competitiveness of the divisions and provides services in areas such as finance, human resources, environmental protection, health and safety, intellectual property, communications, supply chain and consulting.

The role of regions and countries is being sharpened. Going forward, they will primarily represent BASF locally and even better support the growth of business units with local proximity to customers.

The ongoing Excellence Program is expected to contribute €2 billion to EBITDA annually from the end of 2021 onward compared with baseline 2018. BASF expects a reduction of a total of around 6,000 positions worldwide until the end of 2021. This decrease results from the organizational simplification and from efficiency gains in administration, the service units and the operating divisions. In addition, central, functional and regional structures are being streamlined in the context of the announced portfolio changes.

## Sites and Verbund

BASF has companies in more than 90 countries. We operate six Verbund sites and 361 additional production sites worldwide. Our Verbund site in Ludwigshafen, Germany, is the world's largest chemical complex owned by a single company that was developed as an integrated network. This was where the Verbund principle was originally established and continuously optimized before being implemented at additional sites.

The Verbund system is one of BASF's great strengths. We add value by using our resources efficiently. The Production Verbund intelligently links production units and their energy supply so that, for example, the waste heat of one plant provides energy to others.

Furthermore, one facility's by-products can serve as feedstock elsewhere. This not only saves us raw materials and energy, it also avoids emissions, lowers logistics costs and leverages synergies.

We also make use of the intelligent Verbund principle for more than production, applying it for technologies, the market and digitalization as well. Expert knowledge is pooled in our global research divisions.

## Procurement and sales markets

BASF supplies products and services to around 100,000 customers<sup>1</sup> from various sectors in almost every country in the world. Our customer portfolio ranges from major global customers and medium-sized businesses to end consumers. We work with over 75,000 Tier 1 suppliers<sup>2</sup> from different sectors 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.

## 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 (such as European Union regulations)
- International trade agreements
- Industry standards
- Environmental agreements (such as the E.U. Emissions Trading System)
- Social aspects (such as the U.N. Universal Declaration of Human Rights)

BASF holds one of the top three market positions in around 70% of the business areas in which it is active. Our most important global competitors include Arkema, Bayer, Clariant, Corteva, Covestro, Dow, Dupont, DSM, Evonik, Formosa Plastics, Huntsman, Lanxess, SABIC, Sinopec, Solvay, Syngenta, Wanhua and many hundreds of local and regional competitors. We expect competitors from Asia and the Middle East in particular to gain increasing significance in the years ahead.

## Corporate legal structure

As the publicly traded 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, 295 companies including BASF SE are fully consolidated. We consolidate seven joint operations on a proportional basis, and account for 25 companies using the equity method.

<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

## Corporate Strategy

**At BASF, we are passionate about chemistry and our customers. To be the world's leading chemical company for our customers, we will grow profitably and create value for society. Thanks to our expertise, our innovative and entrepreneurial spirit, and the power of our Verbund integration, we make a decisive contribution to changing the world we live in for the better. This is our goal. This is what drives us and what we do best: We create chemistry for a sustainable future.**

Today, the world is changing more rapidly than ever before, driven by demographic change and new digital technologies. Our customers in different industries and regions face diverse social and environmental challenges due to limited natural resources, climate change and the increasing demands of a growing global population. Chemistry is key to solving many of these challenges. By combining our unique expertise with our customers' competence, we can jointly develop profitable, innovative and sustainable solutions for these global challenges.

Our purpose reflects what we do and why we do it: We create chemistry for a sustainable future. We want to contribute to a world that provides a viable future with enhanced quality of life for everyone. This is why we offer products and solutions that are designed to make the best use of available resources and help to overcome challenges.

Our aspiration is to be the world's leading chemical company and achieve profitable growth. We aim to primarily grow organically and thus are strengthening our customer focus. Our growth strategy is based on investment in strategic growth markets and innovation-driven sectors. The Asian market continues to play a key role here. With a share of more than 40%, China is already the world's largest chemical market and drives the growth of global chemical production. By 2030, China's share will increase to nearly 50% – and we want to participate in this growth. To further our growth in this dynamic market, we plan to build an integrated Verbund site in Zhanjiang in the southern Chinese province of Guangdong. We also want to expand our existing joint venture with Sinopec at the Verbund site in Nanjing.

### Corporate purpose

We create chemistry for a sustainable future

### Customer Orientation

Our customers are our number one priority. We want to view everything we do through the lens of customer relevance. BASF supplies products and services to around 100,000 customers<sup>1</sup> from various sectors in almost every country in the world. Our customer portfolio ranges from major global customers and medium-sized businesses to end consumers.

### Customer focus and customer industry orientation

- **BASF puts customers at the center of its decisions and activities**
- **Closer dialog with our customers to increase customer satisfaction**

To be the world's leading chemical company for our customers, we want to further strengthen our customer focus throughout the entire organization. This is why we are aligning our business even closer with the needs of our customers.

Our diverse portfolio – from basic chemicals to high value-added products and system solutions – means that we are active in many value chains and value creation networks. As a result, we use various business strategies, which we flexibly adapt to the needs of individual industries. These range from cost leadership to tailored, customer-specific solutions for downstream products. This industry orientation is primarily driven forward and enhanced by the divisions. Around half of our business units are oriented toward specific industries.



### BASF and HYMER: Creating innovation together

The VisionVenture concept vehicle is a good example of how we create innovations for the future in close partnership with our customers. BASF and HYMER GmbH & Co. KG, Bad Waldsee, Germany, the European market leader for motor homes and campers, show what a campervan could look like in 2025. More than 20 BASF solutions open up entirely new design options and functionalities, including various high-performance plastics, over 100 3D-printed components, a tailored package of measures for preventing noises and vibrations, and a new coating technology. In less than twelve months, HYMER and BASF together turned their ideas and expertise into a near-production concept camper-van. The VisionVenture was unveiled to the public in August 2019.

For more information on the collaboration with HYMER and the BASF materials used in the VisionVenture, see [basf.com/en/vision-venture](https://basf.com/en/vision-venture)

<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.

We are continually refining our organization to even better meet the different needs of our customers. In 2019, we embedded significant parts of our functional services – including parts of research and development, IT, procurement, human resources and communications – into the operating divisions. This makes the operating divisions more agile, enabling them to target specific market demands and differentiate themselves from the competition. We also simplified processes to make the way we work more effective, more efficient and more agile. The objective is to satisfy customer requests in a more focused and targeted way and improve our reaction times so that our customers experience a new BASF.

We aim to put the customer at the center of our decisions and everything we do. Our ability to optimally combine our in-depth expertise with our wide range of resources reflects our ambition to be more than just a supplier. We position ourselves as a solution-oriented system provider. We want to work closely with our partners to develop custom solutions that are both profitable and sustainable. We contribute our expertise to optimize processes and applications together with our customers.

To even better understand our customers' needs, we regularly ask them for feedback on our performance. In 2019, we rolled out the Net Promoter System® worldwide to establish ongoing, closer dialog with customers and further increase customer satisfaction and customer loyalty. This digital platform creates a framework to learn from feedback and respond quickly.

In 2019, we also worked on an expanded IT-based customer relationship management system. We want to roll out this state-of-the-art, even more user-friendly application in 2020 to help sales employees deliver customer support.

We are also pursuing a series of measures that will increase transparency for our customers, enhance customer service and explore joint growth potential. Our comprehensive understanding of value chains and value creation networks as well as our global setup and market knowledge remain key success factors.

## Quality management

Our customers' satisfaction is the basis for our business success, which is why quality management is of vital significance for BASF. We strive to continually improve processes and products. This is also reflected in our Global Quality Policy. The majority of our production sites and business units are certified according to ISO 9001.<sup>1</sup> In addition, we also meet industry and customer-specific quality requirements that go beyond the ISO standard.

## Customer awards

We again received awards from a number of satisfied customers in 2019. For example, in May 2019 we were named a 2018 General Motors (GM) Supplier of the Year for the fourteenth time since 2002. The award is presented to suppliers who distinguish themselves by meeting performance metrics for quality, execution, innovation and

total enterprise cost. GM also recognized us in June with the Sustainability Partner award, the first to be given to a supplier.

The Haier industrial group presented the Golden Magic Cube award to BASF-YPC Company Limited, a 50-50 joint venture between BASF and Sinopec, for the third time in a row in March 2019. The award recognizes, among other things, high product quality, service reliability and a strong customer focus.

In March 2019, Airbus presented us with our fifth Supply Chain & Quality Improvement award. Airbus highlighted in particular the consistently high delivery reliability and quality of the products Naftoseal® and Ardros®, which we market under the Chemetall brand.

In July 2019, Jaguar Land Rover (JLR) recognized BASF for the first time with the Customer First Recognition Award in gold for outstanding customer focus. An interdisciplinary team at BASF has supported JLR for many years now with innovative solutions for automotive OEM coatings, including the CathoGuard® 800 RE technology and basecoats to realize the individual color preferences of JLR customers in the premium segment. The award honors partners that demonstrate JLR's principles – personalized, transparent, easy to do business with, dependable and make one feel special – which are crucial to the automotive manufacturer's success.



## Creation Center: From inspiration to solution in one place

Discover, understand, create – this is what we offer our customers with the new Creation Centers. These creative centers bring together our comprehensive materials, design, and – in particular – our development expertise in high-performance plastics using the latest visualization technologies. This enables us to address the specific individual needs of our customers and partners, and together transform ideas into tailored products and applications even more quickly. The first Creation Center opened in Mumbai, India, in May 2019. Yokohama, Japan, and Shanghai, China, followed in August 2019. Our fourth Creation Center worldwide opened in Ludwigs-hafen, Germany, in early 2020.

For more information on BASF's Creation Centers, see [basf.com/en/creation-center](https://www.basf.com/en/creation-center)

<sup>1</sup> ISO 9001 is a standard published by the International Organization for Standardization (ISO) and sets out the requirements for a quality management system.

## Our Targets

Business success tomorrow means creating value for the environment, society and business. We have set ourselves ambitious global targets along our entire value chain. We report transparently on our target achievement so that our customers, investors, employees and other stakeholders can track our progress.

We want to grow faster than the market and thus be economically successful and profitable. Furthermore, we want to provide answers to the most pressing challenges of our time. To combat climate change and global warming, we have resolved to limit total greenhouse gas emissions from our production sites and our energy

purchases to the 2018 level while growing production volumes. In other words, we want to decouple greenhouse gas emissions from organic growth. We have also defined targets for safety for people and the environment, a sustainable product portfolio, responsible procurement, sustainable water management, engaged employees, and inclusion of diversity.

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).<sup>1</sup> 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.

## Status of Target Achievement in 2019



<sup>1</sup> For more information on the Sustainable Development Goals (SDGs), see [sustainabledevelopment.un.org](https://sustainabledevelopment.un.org)

<sup>2</sup> Return on capital employed (ROCE) is a measure of the profitability of our operations. We calculate this indicator as the EBIT generated by the segments as a percentage of the average cost of capital basis.

<sup>3</sup> Dividend proposed by the Board of Executive Directors

<sup>4</sup> Accelerator products are products that make a substantial sustainability contribution in the value chain.

<sup>5</sup> We understand relevant spend as procurement volumes with suppliers defined as "relevant." For more information, see [basf.com/report](https://basf.com/report)

## Our strategic action areas

To reach our goals and be the leading company in the chemical industry for our customers, we are strengthening our performance in innovation and in operations as the leading chemical producer and plant operator. We leverage digital technologies and data to create additional value added for us and our customers. We are embedding sustainability even more deeply into the steering of our business. We want to foster a passion for our customers in all employees. We are expanding our portfolio and refining our organization to better meet customer needs using the power of our Verbund integration. To this end, we have defined six strategic action areas on which will continue to base our activities.

### Innovation

Our ambition is to be the most attractive partner for our customers whenever they are confronted with challenges that can be approached with chemistry. Our research and development competences are industry-leading. We aim to build on and leverage this strength to develop innovations together with our customers. We want to continuously improve our innovation processes so that we can bring products to the market more quickly.

### Sustainability

We are successful in the long term when our products, solutions and technologies add value to the environment, society and the economy. We want to be a thought leader in sustainability, which is why we are increasing the relevance of sustainability in our steering processes and business models. This secures the long-term success of our company, creates business opportunities and establishes us as a key partner supporting our customers.

### Operations

We produce safely, efficiently and reliably so that we can deliver products to our customers on spec and on time. We strive to continually improve the reliability and availability of our plants, as well as our agility. Above and beyond this, continuous process improvements and effective debottlenecking of our existing asset base are paramount to ensure our competitiveness.

### Digitalization

Digitalization is an integral part of our business. This creates value added for our customers, grows our business and improves efficiency. We are extensively promoting digital skills among our employees to ensure that the necessary resources are always available to leverage the opportunities of digitalization to the benefit of our customers.

## Action areas sharpen customer focus



### Portfolio

We will sharpen our portfolio and focus our capital allocation toward growth areas. We will focus primarily on organic growth through capital expenditures and innovation. We also make targeted acquisitions where this makes strategic sense and creates value and divest businesses that are no longer a strategic match. Our segment structure creates a high level of transparency regarding the steering of our businesses, the importance of value chains and the role of our Verbund. The physical, technological, market and digital integration of the Verbund is at the core of our portfolio and our strengths.

### Employees

We aim to clearly position each business against its relevant competitors and establish a high-performance organization to enable us to be successful in an increasingly competitive market environment. Our people are what will make the implementation of our strategy successful. We rely on the engagement of our employees and give them the tools and skills necessary to be able to offer our customers differentiated and customized products, services and solutions. Our tailored business models and organizational structures ensure that each business unit can optimally serve its market segment.

## Corporate values

guide our conduct and actions

**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 our 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.

# BASF in the regions

BASF Group sales 2019: €59,316 million;  
EBIT 2019: €4,052 million

**North America**



**16,420**  
Sales<sup>1</sup> (in million €)

**692**  
EBIT (in million €)

**19,355**  
Employees<sup>2</sup>

**South America,  
Africa, Middle East**



**3,806**  
Sales<sup>1</sup> (in million €)

**302**  
EBIT (in million €)

**7,486**  
Employees<sup>2</sup>



Europe



**25,706**

Sales<sup>1</sup> (in million €)

**1,976**

EBIT (in million €)

**72,153**

Employees<sup>2</sup>

Asia Pacific



**13,384**

Sales<sup>1</sup> (in million €)

**1,082**

EBIT (in million €)

**18,634**

Employees<sup>2</sup>

Kuantan

Nanjing

Hong Kong

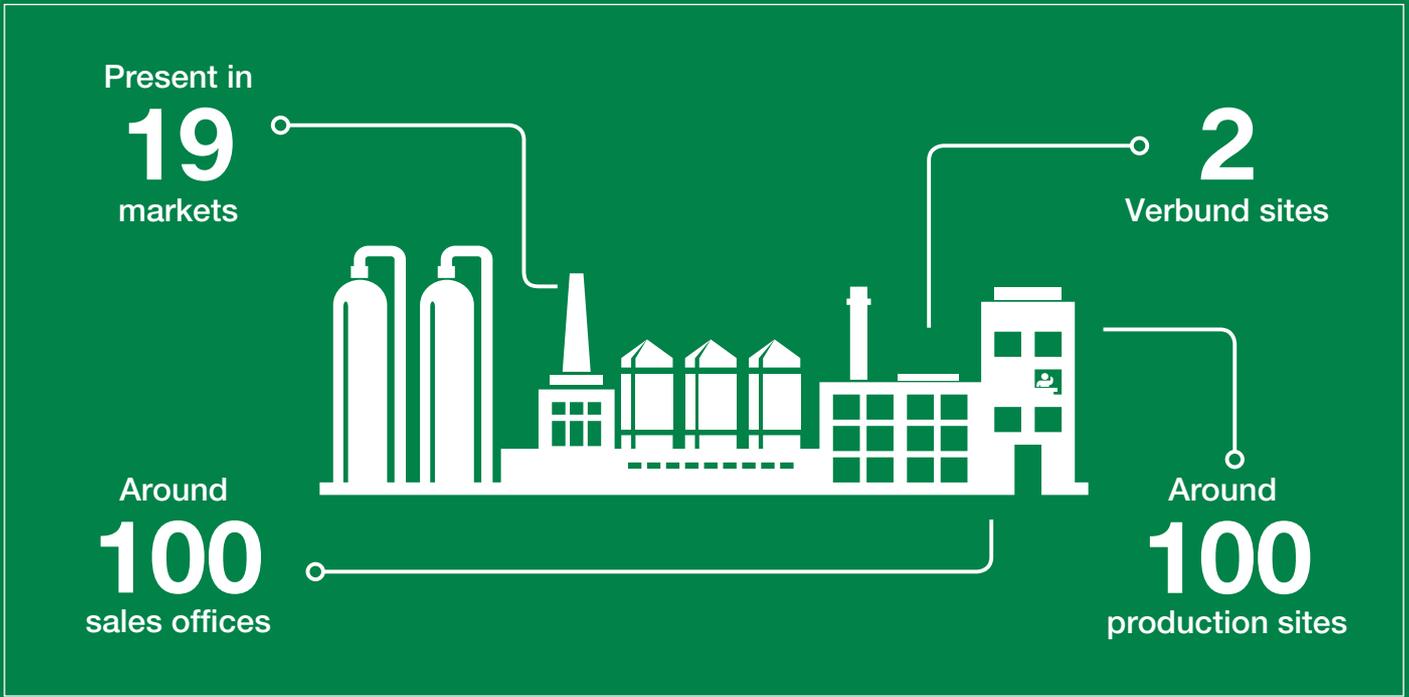
Zhanjiang

- Regional centers
- Selected sites
- Verbund sites
- / Planned Verbund site
- Selected research and development sites

<sup>1</sup> In 2019, by location of company  
<sup>2</sup> At year-end 2019

# BASF in Asia Pacific

At a glance



## Innovation

Innovation in chemistry enables economic, environmental, and social development. Thus, innovation plays a key role in meeting the needs of Asia Pacific’s growing population in a period of rapid urbanization. BASF is committed to fostering innovation in this dynamic region by constantly enhancing its local research and development capabilities.

### Growing R&D capabilities in Asia Pacific

- **BASF expanded innovation capabilities in Asia to strengthen collaboration with customers**
- **BASF Creation Centers empower customers to transform creative ideas into commercial solutions**

BASF has been continuously expanding its research and development footprints in Asia Pacific, to drive innovation by integrating customer and market needs at an early stage. BASF operates major R&D sites located in China, India, Japan and Korea.

BASF operates two Innovation Campuses, in Shanghai, China, and Mumbai, India. Their concept is unique to Asia Pacific and brings all parties – R&D, business and production units – to a single integrated site. Each Innovation Campus is an integral part of BASF’s global Know-How Verbund and houses global, regional and local R&D projects.

The Innovation Campus Shanghai, located at the BASF Shanghai Pudong Innovation Park, was inaugurated in 2012 and expanded in 2015 and 2019. It is BASF’s global headquarters of Advanced Materials & Systems Research division.

The Innovation Campus Shanghai has a broad research portfolio in the areas of advanced materials, chemical process engineering, and environmental catalysts. Combining technical development



The Innovation Campus Shanghai is the largest R&D site of BASF in the region and serves as the global headquarters of BASF’s Advanced Materials & Systems Research division.

capabilities of the operating divisions, with industrial design expertise, the Innovation Campus Shanghai serves the innovation demand of almost all major industries.

To attract, develop and retain R&D talent in Asia Pacific, BASF set up a vocational training center at the Innovation Campus Shanghai to develop a tailor-made program for lab assistants in collaboration with a selected college in Shanghai. This program enables young talents to develop strong skills and pursue a successful career in R&D.

The Innovation Campus Mumbai, with complementary research focusing on crop protection and specialty chemicals, is an important pillar of BASF’s growing R&D network in Asia Pacific. It includes state-of-the-art laboratories for chemical synthesis, application and process development, as well as analytics. The Innovation Campus Mumbai brings all new and existing R&D activities in Mumbai under one roof. It is located next to the office buildings and production plant of BASF’s Thane site in Navi Mumbai.

### BASF R&D setup in Asia Pacific

### Asia Pacific R&D sites

#### Innovation Campus Shanghai

- Focus: Advanced Materials, Process Engineering, Catalysts
- Creation Center

#### Innovation Campus Mumbai

- Focus: Crop Protection, Specialty Chemicals
- Creation Center

#### R&D Center Amagasaki

- Focus: Battery Materials

#### R&D Center Suwon

- Focus: Electronics



The Creation Centers in Shanghai, Yokohama, and Mumbai bring customers and BASF's experts together to transform conceptual ideas into creative solutions.

In 2019, BASF launched three new Creation Centers in Mumbai, Yokohama, and Shanghai. The Centers bring customers and BASF's experts together to transform conceptual ideas into creative solutions. Equipped with world-class workshop facilities and interactive material showcases, BASF provides resources to discover, understand, and create new and improved products and solutions with BASF materials. Customers can explore materials, use interactive digital tools, and participate in ideation and material consultancy workshops.

Across Asia Pacific, BASF R&D centers with specialized focus areas contribute to developing innovative solutions that address the region's challenges of resource efficiency, and quality of life. BASF's R&D Center in Amagasaki, Japan, focuses on developing innovative materials to improve battery performance. The company's R&D Center in Suwon, Korea, specializes in electronic materials development in close collaboration with major customers in Korea and across the region.

#### Driving open innovation with academia and industry

- **BASF expanded Network for Asian Open Research (NAO) to India**
- **New collaboration with Tsinghua x-lab provides a platform to find the right partners for joint research projects**

BASF places great value on open innovation through close collaboration with academic and industry partners around the world. It maintains a global network of around 300 partners from universities, institutes, and companies, forming a key pillar of BASF's global Know-How Verbund. In Asia Pacific, the Network for Asian Open Research (NAO) has been a joint platform steered by BASF as well as leading universities and institutes in the region since 2014.



A vocational training center has been set up at the Innovation Campus Shanghai developing a tailor-made concept for lab assistants.

In 2019, BASF further expanded its partner network by including the Indian Institute of Technology Bombay (IITB) and the National Chemical Laboratory Pune (NCL) in India. The network has been expanded to 12 university partners across China, Japan, South Korea and India, further enhancing BASF's open innovation capabilities in Asia Pacific.

BASF is broadening its search to identify promising proposals that will generate innovative and sustainable solutions. BASF and Tsinghua x-lab, an innovative education platform of Tsinghua University, hosted innovate (48), a 48-hour entrepreneurship competition to search for scientific innovations projects contributing to environmental sustainability. 11 project teams presented their ideas to a judging panel comprising start-up investors and corporate incubators, including BASF Venture Capital. The team of Beijing TC air Tech won the first prize. The team will receive support and expertise in chemical innovation from BASF for further project development.

Since its establishment, BASF and its partners have completed more than 43 joint research projects, with 11 postdoctoral students joining BASF after the projects' completion. Currently, NAO projects cover research areas, including new monomers and polymers, surfaces and interfaces, coating, zeolites, insecticide, as well as digitalization in R&D. For example, BASF is partnering with Sichuan University to explore improved solutions addressing important market needs such as high chemical resistance of polyamide blends.

# 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, personal and home 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 7 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 dispersions.

BASF also operates BASF Metals Japan Ltd., trading precious metals products and BASF Colors & Effects Japan Ltd., for the pigments business.

BASF collaborates closely with Japanese partners. These partnerships include BASF Idemitsu Co., Ltd., a joint venture with Idemitsu Kosan Co., Ltd., which produces and sells 1,4-Butanediol; and 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. In Amagasaki, BASF operates the Amagasaki R&D Center, which also hosts Research and Development Laboratory and the Application Technology Center for Battery Materials. BASF's Yokohama Innovation Center is the location of the Engineering Plastic Innovation Center and our Creation Center. BASF also operates AgSolution Farm Naruto, an agricultural solution research farm for crop protection products.



BASF Japan provides an activity-based workplace in its head office.



R&D Laboratory and Application Technology Center for battery materials in Amagasaki



AgSolution Farm Naruto, a research farm for crop protection products

7 production sites

- BASF Japan Headquarters
- Production sites
- R&D / Technical centers



- Yokkaichi, Rokuromi site / BASF Japan
- Yokkaichi, Kasumi site / BASF Japan
- Amagasaki R&D Center / BASF Japan
- Onoda site / BASF TODA Battery Materials
- Kitakyushu site / BASF TODA Battery Materials

- Kitatone site / BASF Japan
- Chiba plant / BASF Idemitsu
- AgSolution Farm Naruto / BASF Japan
- Yokohama Innovation Center / BASF Japan
- Totsuka site / BASF Japan

BASF and an affiliate of Lone Star signed an agreement on the sale of BASF's construction chemicals business in December 2019. The transaction is expected to close in the third quarter of 2020, subject to the approval of the relevant competition authorities. Therefore, construction chemicals sites are not included in this list.



## 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 dispersions

### BASF Idemitsu Co., Ltd. – Chiba plant

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- Established in 1987
- Produces 1,4-Butanediol

### 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

---

- Established in 2002
- Produces cathode materials

### BASF Japan Ltd. – Amagasaki R&D Center

---

- Established in 2001
- Develops electronics, packaging & coating materials

### Research and Development Laboratory and Application Technology Center for Battery Materials

- Established in 2013
- Develops battery 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.

BASF and an affiliate of Lone Star signed an agreement on the sale of BASF's construction chemicals business in December 2019. The transaction is expected to close in the third quarter of 2020, subject to the approval of the relevant competition authorities. Therefore, construction chemicals sites are not included in this list.

## 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 products for every part of the car, from the engine to the exterior, and we offer a diverse set of solutions to reduce the environmental impact of manufacturers.



BASF automotive solutions contribute to light-weight cars and electromobility as well as other innovations.

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

Engineering plastics for parts surrounding the engine, 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.

### 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 industry include:**

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

## Electronics and electric 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 and electric industries include:

Materials for displays, such as organic pigments for LCD panels, and photoinitiators for color filters in LCD panels; as well as materials for infrastructure, such as lubricating oils for electric machinery and hydraulic oil, and metalworking additives, etc.

## 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, and coloring and pearl pigments, 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®" for agriculture, as well as a range of solutions for human and animal nutrition, etc.

## Major Activities in Japan in 2019

**BASF continually optimizes its organization and invests in Japan, in order to better meet the needs of the Japanese market. BASF also works in collaboration with Japanese customers and research networks to strengthen its research and development activities in Japan, to bring innovations from Japan to the world. Celebrating its 70th anniversary of BASF Japan, we are committed to bringing BASF and Japanese customers closer to combine our strengths.**

### Business development

In 2019, sales to customers in Japan rose to €1,797 million (2018: €1,671 million), or ¥ 219.4 billion (2018: ¥217.8 billion).

BASF further strengthened its collaboration with Japanese customers and business partners. In 2019, BASF and NGK INSULATORS, LTD. concluded a sales partnership agreement for NAS® battery and also expanded their partnership to develop the next generation of sodium-sulfur batteries. In addition, the company began providing support for the demonstration test of a low-cost superconducting cable system developed by New Energy and Industrial Technology Development Organization and SWCC SHOWA CABLE SYSTEMS CO., LTD, to promote the development of new energy efficient technologies in Japan.

BASF supported brand owners to develop new products with its material innovation in a variety of projects. These include a new branding activity with KIKUSUI Chemical Industries Co., Ltd. to raise awareness of the importance of durability in paint, a joint project with Mizuno to upscale its performance training shoes as well as supporting INNOPHYS CO., LTD. to enhance user experience and comfort of its new lightweight exoskeleton suits.

In August, BASF launched the “Creation Center” in Yokohama. This center will provide customers with resources to discover, understand, and create new and improved products and solutions with BASF materials.



Creation Center brings customers and BASF experts together to transform ideas into solutions.

### Environmental protection, health and safety

At BASF, we value the health and safety of people above all else. This principle is anchored in our strategy and underlines our philosophy in operating our facilities and dealing with third parties. Around the world, including in Japan, BASF has embraced the goals of the chemical industry’s voluntary Responsible Care® initiative, which covers environmental protection, health, and safety (EHS) as well as security and energy efficiency, and applies them to its operation.

In 2019, the Kasumi site in Yokkaichi, Mie Prefecture, which manufactures thermoplastic polyurethane elastomers (TPU), achieved a record of 30 years with no lost time injuries. This achievement highlights the continuous efforts of the site employees to ensure safer operations as a part of our culture. Also, BASF’s global health management serves to promote and maintain the health and productivity of our employees. In 2019, the Global Health Campaign “moment\_to\_moment” focuses on mindfulness. Employees in Japan learned the basics of mindfulness, which can support them to reduce stress and improve life quality.



Kasumi site achieved 30 years of No Lost Time Injury.



The Site Emergency Response Team in Totsuka regularly holds fire drills.

## Employees and society

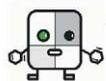
Our employees make a significant contribution to BASF's long-term success: our employees' skills, commitment and motivation make BASF competitive and fit for the future.

From recruitment at entry-level positions through to succession planning, continuous assessment lies at the heart of BASF's talent development in Japan. Our performance management system fosters both excellent organizational performance and individual growth. Local, regional, and global training programs are held to meet employees' professional development needs.

In 2019, BASF further developed structures to allow employees in Japan to choose their most effective work style. These include the option to work from home and a super flexible time system. Also, BASF has been implementing various bottom-up initiatives to improve the company's productivity in the area of expense processing, smart-meetings, internal information search, etc.

Employees are offered equal opportunities at BASF regardless of gender, race, and age. In 2019, BASF employees in Japan comprised 20 nationalities. BASF recognizes employee diversity as a strategic strength and a key to success in an extremely competitive global market. We believe that the universal embracing of diversity and the recognition of value by employees at all levels creates a highly motivated work environment. Respect for diversity, based on BASF competencies, is expected of all employees.

As of the end of 2019, BASF in Japan had a total of 1,102 employees (2018: 1,138).



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“Chatbot” supports employees to quickly get necessary information around the clock.



BASF Japan Ltd. celebrates its 70th anniversary with a variety of internal events.

BASF contributes to diverse projects supporting social goals in Japan, with a focus on access to education. Every year, BASF shares the joy of chemistry with children in Japan through the BASF Kids' Lab program, which began in 1997 in Germany and is currently conducted in more than 30 countries worldwide. Since 2003, more than 4,900 children have participated in Kids' Lab in Japan. In addition, BASF holds an annual summer festival at its Totsuka site in Yokohama to promote exchange and communication with the local community.

In August 2019, BASF Japan and Save the Children Japan jointly held BASF Kids' Lab in Mabi-cho, Kurashiki City, Okayama Prefecture as part of their activities to support the children affected by the Heavy Rain Event in Western Japan in 2018.

Moreover, in celebration of its 70th anniversary in Japan, BASF organized a coastal cleanup event at Chigasaki Southern Beach in Kanagawa Prefecture in November 2019. This initiative supports the “International Coastal Cleanup (ICC)” campaign, which is conducted annually in more than 100 countries and regions worldwide.



Children investigated the substances contained in food and beverages to understand the benefits of eating a colorful range of fruit and vegetables.



Approximately 110 employee volunteers and their families analyzed collected garbage using the international ICC method.

## Key Data of BASF in Japan

		2019	2018	2017
<b>Financial Results</b>				
Sales	million €	1,797	1,671 <sup>1</sup>	1,686
<b>Employees (as of December 31)</b>				
Number of employees		1,102	1,138	1,087
Number of apprentices		-	-	-
Employee age structure				
Up to and including 25 years	%	2.6	2.4	2.0
Between 26 and 39 years	%	26.4	28.3	28.2
Between 40 and 54 years	%	54.7	54.0	56.3
55 years and older	%	16.3	15.3	13.5
Gender				
Women	%	20.7	-	-
Men	%	79.3	-	-
<b>Donations and Sponsoring</b>				
Total spend	€	188,970	-	-
Of which Donations	%	71.0	-	-
<b>Occupational and Process Safety</b>				
Lost-time injury rate (BASF employees, leased personnel and contractors)	per 200,000 working hours	0.05	0.12	0.06
Fatalities (total)		0	0	0
Process Safety Incidents (PSIs)	per 200,000 working hours	0.16	0.12	0.12
<b>Environment</b>				
Energy				
Electricity consumption	MWh	83,493	89,108	59,382
Steam consumption	metric tons	85,312	128,262	97,618
Fuel consumption (central powerplants and boilers)	MWh	14,976	27,571	16,770
Emissions to air				
Greenhouse gas emissions	metric tons of CO <sub>2</sub> equivalents	64,054	76,729	50,941
Air pollutants (without CH <sub>4</sub> )	metric tons	20.08	26	24
Water				
Emissions to water: Organic substances (COD)	metric tons	5.05	5.84	5.36
Emissions to water: Nitrogen	metric tons	0.34	0.41	0.39
Emissions to water: Heavy metals	metric tons	0.15	0	0
Water supply	million cubic meters	0.52	0.54	0.45
Water used for production	million cubic meters	0.39	0.36	0.30
Water used for cooling	million cubic meters	7.64	8.21	6.76
Waste				
Waste (total amount)	metric tons	8,744	9,790	9,182
Recycling and thermal recovery	%	57	64	62

<sup>1</sup> The sales data for 2018 has been restated.

# Major Contacts in Japan

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For details regarding other bases 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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BASF supports the worldwide Responsible Care initiative of the chemical industry.

# Ten-Year-Summary

Million €

	2010	2011	2012 <sup>1</sup>	2013 <sup>2</sup>	2014	2015	2016	2017 <sup>3</sup>	2018	2019
<b>Sales and earnings</b>										
Sales	63,873	73,497	72,129	73,973	74,326	70,449	57,550	61,223	60,220 <sup>4</sup>	59,316
Income from operations (EBIT)	7,761	8,586	6,742	7,160	7,626	6,248	6,275	7,587	5,974 <sup>4</sup>	4,052
Income before income taxes	7,373	8,970	5,977	6,600	7,203	5,548	5,395	6,882	5,233 <sup>4</sup>	3,302
Income after taxes from continuing operations	–	–	–	–	–	–	–	5,592	4,116 <sup>4</sup>	2,546
Income after taxes from discontinued operations	–	–	–	–	–	–	–	760	863 <sup>4</sup>	5,945
Income after taxes	5,074	6,603	5,067	5,113	5,492	4,301	4,255	6,352	4,979	8,491
Net income	4,557	6,188	4,819	4,792	5,155	3,987	4,056	6,078	4,707	8,421
Income from operations before depreciation and amortization (EBITDA)	11,131	11,993	10,009	10,432	11,043	10,649	10,526	10,765 <sup>1</sup>	8,970 <sup>4</sup>	8,036
EBIT before special items	8,138	8,447	6,647	7,077	7,357	6,739	6,309	7,645 <sup>1</sup>	6,281 <sup>4</sup>	4,536
<b>Capital expenditures, depreciation and amortization</b>										
Additions to property, plant and equipment and intangible assets	5,304	3,646	5,263	7,726	7,285	6,013	7,258	4,364	10,735	4,097
of which property, plant and equipment	3,294	3,199	4,084	6,428	6,369	5,742	4,377	4,028	5,040	3,842
Depreciation and amortization of property, plant and equipment and intangible assets	3,370	3,407	3,267	3,272	3,417	4,401	4,251	4,202	3,750 <sup>4</sup>	4,146
of which property, plant and equipment	2,667	2,618	2,594	2,631	2,770	3,600	3,691	3,586	3,155 <sup>4</sup>	3,408
<b>Number of employees</b>										
At year-end	109,140	111,141	110,782	112,206	113,292	112,435	113,830	115,490	122,404	117,628
Annual average	104,043	110,403	109,969	111,844	112,644	113,249	111,975	114,333	118,371	119,200
<b>Personnel expenses</b>										
	<b>8,228</b>	<b>8,576</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>Research and development expenses</b>										
	<b>1,492</b>	<b>1,605</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>1</sup></b>	<b>1,994<sup>4</sup></b>	<b>2,158</b>
<b>Key data</b>										
Earnings per share	€ 4.96	6.74	5.25	5.22	5.61	4.34	4.42	6.62	5.12	9.17
Adjusted earnings per share	€ 5.73	6.26	5.64	5.31	5.44	5.00	4.83	6.44	5.87	4.00
Cash flows from operating activities	6,460	7,105	6,602	8,100	6,958	9,446	7,717	8,785	7,939	7,474
EBITDA margin	% 17.4	16.3	13.9	14.1	14.9	15.1	18.3	17.6	14.9 <sup>4</sup>	13.5
Return on assets	% 14.7	16.1	11.0	11.5	11.7	8.7	8.2	9.5	7.1	4.5
Return on equity after tax	% 24.6	27.5	19.9	19.2	19.7	14.4	13.3	18.9	14.1	21.6
Return on capital employed (ROCE)	% –	–	–	–	–	–	–	15.4	12.0 <sup>4</sup>	7.7
<b>Appropriation of profits</b>										
Net income of BASF SE <sup>5</sup>	3,737	3,506	2,880	2,826	5,853	2,158	2,808	3,130	2,982	3,899
Dividend	2,021	2,296	2,388	2,480	2,572	2,664	2,755	2,847	2,939	3,030
Dividend per share	€ 2.20	2.50	2.60	2.70	2.80	2.90	3.00	3.10	3.20	3.30
<b>Number of shares as of December 31</b>	<b>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>

<sup>1</sup> 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.

<sup>2</sup> Figures for 2013 have been adjusted to reflect the dissolution of the natural gas trading business disposal group. For more information, see the Consolidated Financial Statements at basf.com/report.

<sup>3</sup> Figures for 2017 were restated with the presentation of the oil and gas activities as discontinued operations. For more information, see the Consolidated Financial Statements at basf.com/report.

<sup>4</sup> Figures for 2018 were restated with the presentation of the construction chemicals activities as discontinued operations. For more information, see the Consolidated Financial Statements at basf.com/report.

<sup>5</sup> Calculated in accordance with German GAAP



**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 source for the BASF Group, the site is an important source of innovation in products, methods and processes.



# You keep wishing.

# We'll keep innovating.

Our breakthroughs help cities use less energy, make the air we breathe cleaner and turn electric transport into a practical reality. That's why at BASF, we're optimistic about the future.

Find out more at  
[wecreatechemistry.com](http://wecreatechemistry.com)

 **BASF**

We create chemistry