

August 17, 2021

**ENEOS & Mitsubishi Chemical to Jointly Implement Plastic-to-Oil Conversion
Business
—Construction of Japan’s Largest-scale Plastic Chemical Recycling Facility—**

ENEOS Corporation
Mitsubishi Chemical Corporation

ENEOS Corporation (ENEOS; Head office: Chiyoda-ku, Tokyo; President: Katsuyuki Ota) and Mitsubishi Chemical Corporation (MCC; Head office: Chiyoda-ku, Tokyo; President: Masayuki Waga) have decided to launch a joint Plastic-to-Oil Conversion Business at the MCC Ibaraki Plant. The two companies plan to construct a commercial chemical recycling facility at the Plant. The facility will have an annual processing capacity of 20,000 tons, which will be the largest-scale in Japan as commercial basis. The commencement of the operation is planned in FY2023.

In 2019, ENEOS and MCC established the Kashima Complex LLP (LLP), and are studying the further collaborations in the refining and the petrochemical business in the Kashima district, Ibaraki Prefecture. As a part of those activities, we, responsible players in plastic supply chain, have studied the chemical recycling business including a technical review, since we recognize the waste plastic issue should be solved globally by establishing the circular economy. The agreement is the outcome of these considerations.


In this joint business, waste plastic procured externally is chemically liquefied in the new facility, which installed the supercritical water treatment technology from Mura Technology of the UK, to convert plastic to oil. The oil coming from the waste plastics, will be used as a raw material at both companies’ existing refinery and naphtha cracker. The two companies aim to realize a highly-efficient chemical recycling by reprocessing the oil to petroleum products and various plastic products.

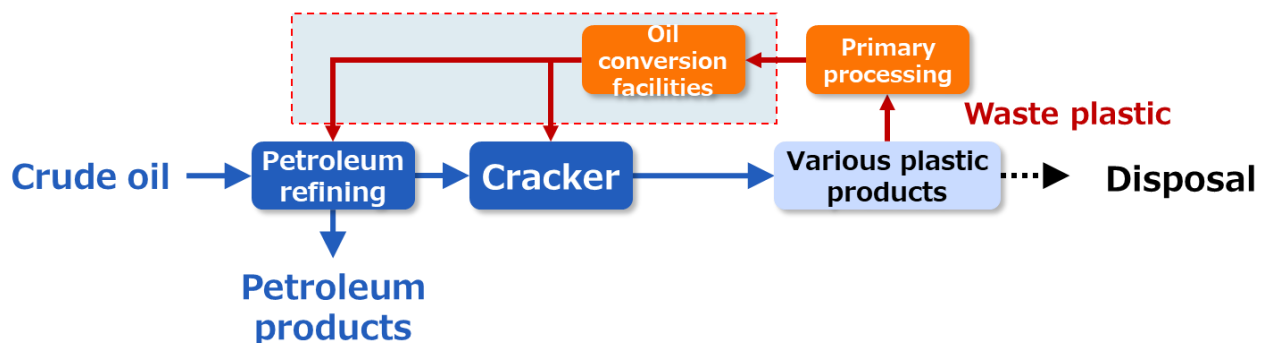
Both companies plan to achieve high added value for products, through the stable procurement of waste plastics, the installation of certifications related to a circular economy*, and the further acquisition of technical knowledge as a next-generation business.

This initiative is consistent with United Nations Sustainable Development Goals (SDGs) 12.
Responsible Consumption and Production

We are steadily contributing to the development of circular economy through the joint business.

*Certifications, including chemical product recycling certification for plastic products, greenhouse gas reduction certification for petroleum products

( Scope of joint business)



<Overview of LLP>

Name: Kashima Complex LLP
Establishment date: November 15, 2019
Location: Towada, Kamisu, Ibaraki Prefecture
Capital: ¥20 million
Ownership ratio: ENEOS: 50%; MCC: 50%

<Overview of the target business to be considered for partnership fortification>

▪ Kashima Refinery (Kashima Oil Co., Ltd. and Kashima Aromatics Co., Ltd.)

Location: 4 Towada, Kamisu, Ibaraki Prefecture
Start of operations: April 1970

Crude oil processing capacity: 203.1K barrels/day (including condensate processing capacity of 35.1K barrels/day)

Main production items: Petroleum products, petrochemical products (aromatic products, including paraxylene)

▪ Ibaraki Plant (Mitsubishi Chemical Corporation)

Location: 17-1 Towada, Kamisu, Ibaraki Prefecture
Start of operations: April 1970

Ethylene production capacity: 564K tons/year

Main production items: Petrochemical products (ethylene, ethylene derivatives, propylene, propylene derivatives, etc.)

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