



IBARAKI



MITSUBISHI
CHEMICAL
GROUP

September 1, 2022

Announcement of Strategic Partnership Agreement
Aimed at Achieving Carbon Neutrality in the Kashima Coastal Industrial Zone

Ibaraki Prefecture
Mitsubishi Chemical Group Corporation

Ibaraki Prefecture (Governor: Kazuhiko Oigawa) and Mitsubishi Chemical Corporation (MCC), a member of the Mitsubishi Chemical Group (the MCG Group), hereby announce that we will commence a strategic partnership agreement on September 12, 2022 (scheduled), aiming to establish a circular industrial complex in the Kashima coastal industrial zone and create a carbon-neutral industrial base located in the Ibaraki coastal area.

The Kashima coastal industrial zone, located in Ibaraki Prefecture, is one of Japan's leading industrial clusters centered on the basic material industries of petroleum refining, petrochemicals and steel. While the cluster plays an important role in the domestic manufacturing industry, initiatives for carbon neutrality, such as reducing greenhouse gas emissions, must be taken in the future. To this end, Ibaraki Prefecture launched the Ibaraki Carbon-Neutral Industrial Base Creation Project in 2021, promoting various initiatives, including the establishment of a fund totaling 20 billion yen and a council that serves as a foundation for collaboration between public, private and academic sectors.

Aiming to achieve carbon neutrality by 2050, the MCG Group is implementing energy conversions at domestic plants and is considering the commercialization of basic chemicals such as ethylene and propylene produced from plant-derived raw materials. At the Ibaraki Plant (Kamisu City, Ibaraki Prefecture) in particular, the MCG Group is constructing a chemical recycling facility with an annual processing capacity of 20,000 tons, which will be the largest scale in Japan, with a plan to commence the conversion of waste plastic to oil in FY2023 in collaboration with ENEOS Corporation.

Based on this agreement, Ibaraki Prefecture and the MCG Group will collaborate and cooperate more closely with an aim of creating a highly competitive carbon-neutral industrial base centered on the Kashima coastal industrial zone.

【 Outline of the agreement 】

■ Purpose

Ibaraki Prefecture and MCC aim to contribute to the sustainable development of the local economy and to achieve a circular society and carbon neutrality in Japan. This will be achieved by collaborating and cooperating toward the establishment of a circular industrial complex in the Kashima coastal industrial zone and the creation of a carbon-neutral industrial base located in the Ibaraki coastal area.

■ Matters for collaboration and cooperation

To achieve the purpose of the agreement, Ibaraki Prefecture and MCC will collaborate and

cooperate on the following matters.

1. Plastic resource circulation through chemical recycling
2. Shift from fossil fuel-derived raw materials to bio-derived ones
3. Conversion of carbon dioxide (CO₂) emitted from the industrial complex into raw materials
4. Securing new energy and renewable energy

■ Signatories

Kazuhiko Oigawa, Governor of Ibaraki Prefecture

Yoshihiro Ikegawa, Representative Director, Director of the Board, Mitsubishi Chemical Corporation

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