

January 25<sup>th</sup>, 2021

Sojitz Corporation

**Sojitz Invests in Recotech, the Developer of a Circular Renewables Platform  
which Enables a Circular Economy  
— Contributing to Sustainable Use of Resources through Waste Visualization and  
Data Collection —**

Sojitz Corporation (“Sojitz”) has acquired stake in startup Recotech Co., Ltd. (“Recotech”) through third party allotment of shares, with the aim of developing a circular renewable resource platform that realizes a circular economy.

As concerns of environmental issues such as climate change, plastic pollution, and the depletion of natural resources have increased, so has the necessity for business models that support a circular economy and a decarbonized society in general.

Under these circumstances, one pressing issue Japan’s manufacturing industry faces is incorporating recycling and collecting processes from the raw material procurement and design stages of their supply chain. Japan still maintains a low recycling rate for waste products, \* with plastic waste seen as particularly problematic. It is difficult to incorporate plastic waste into manufacturers’ material procurement portfolios due to insufficient information on quality, volume (stable supply), cost (economic rationale), and other information necessary for manufacturers to use recycled materials, hindering the sustainable use of plastics waste.



[Images of the Material Pool System (MPS) (patent pending)]

In order to address these information insufficiencies, Recotech developed a unique circular renewables platform, Material Pool System (“MPS”), to visualize type, volume, and location of waste using AI technology. Recotech aims to realize business models that support a circular economy through the following measures.

1. Improving quality of recycled resources by designing incentives for waste producers with high sorting accuracy and establishing traceability
2. Visualizing waste volumes with AI technology
3. Enhancing economic efficiencies by organizing reuse of waste products on regional levels instead of on the company level

MPS was selected as a model business by the Tokyo Metropolitan Government’s Bureau of Environment in its 2015 to 2016 call for sustainable resource model projects.

Through this investment in Recotech, Sojitz will build a new circular economy-based supply chain distinct from the traditional one-way supply chain, thus ensuring an infrastructure from which Japanese manufacturers can easily procure reliable renewable resources. At the same time, Sojitz and Recotech seek to expand future operations overseas, primarily to the ASEAN region. Sojitz will participate in the recycling business through this project and others to build on and expand low-carbon businesses, reducing CO<sub>2</sub> emissions generated from business activities, and contributing to a decarbonized and sustainable society.

\*In FY2018, the recycling rates for industrial waste and general waste remained low at 52.4% and 19.9% respectively.

References:

Ministry of the Environment, “Report on Industrial Waste Emissions and Waste Treatment Conditions for FY2018 (Summary)”

([http://www.env.go.jp/recycle/sangyo\\_h30.pdf](http://www.env.go.jp/recycle/sangyo_h30.pdf))

“Ministry of the Environment, “Municipal solid waste emissions and disposal in FY2018”

(<http://www.env.go.jp/press/files/en/835.pdf>)

[Related Information]

[Company Overview – Resource Ecology Technology Co., Ltd.]

Established	May 2007
Location	1-5-6 Kudan-Minami, Chiyoda-ku, Tokyo
Representative Director	Ei Nozaki Representative Director, President
Main Business	Development of a circular renewables platform; environmental consulting
Capitalization	JPY 6 million

[Related News Releases]

Sojitz Corporation: “Sojitz Concludes Contract with Kawasaki City, Kanagawa Prefecture for Low-Carbon Material Recycling Model Study” (Nov. 5<sup>th</sup>, 2020)

<https://www.sojitz.com/en/news/2020/11/20201105.php>

PR Times Inc.: “Circular Resource Strategy Consultant Recotech Releases Waste Managing App, “GOMiCO,” and the Beta Version of a Cloud-based Waste Visualization System, “Material Pool System”” (Dec. 11<sup>th</sup>, 2019)

<https://prtimes.jp/main/html/rd/p/000000001.000046448.html>

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