

TBM and SK Group agree on a US\$123M capital and business alliance to accelerate global expansion of LIMEX

- LIMEX is a sustainable material mainly made of limestone, that could be an alternative to plastic and paper.
- SK Japan Investment Inc., an investment company jointly established by 4 SK Group companies, SK Inc., SKC, SK Materials, and SK Siltron, invested US\$123M (13.5 billion yen, US\$1=JPY110) in TBM. For SK Japan Investment Inc., TBM is the first company to invest in, to accelerate SK Group's ambition to become the best company in ESG.
- TBM and SKC agreed to establish a joint venture company to develop, manufacture and sell biodegradable LIMEX using SKC's PBAT globally.

Tokyo, July 2, 2021 – TBM announced today that they agreed on a capital and business alliance with SK Group. SK Japan Investment Inc. invested US\$123M in TBM, and TBM signed an agreement with SKC, a major chemical material company of the SK Group, to establish a joint venture company to develop, manufacture, and sell biodegradable LIMEX using SKC's PBAT, a highly cost competitive biodegradable material. Through this alliance, TBM and SK Group companies will collaborate to establish a cost-efficient supply chain and accelerate the global sales expansion of LIMEX by leveraging SK Group's global supply chain and sales network, as well as TBM's material development and compounding technology.



■ Background

Environmental issues such as climate change, resource depletion, and water resource crisis are rapidly advancing around the world, and it is inevitable to take measures at the national and corporate levels. Each country has begun to set its own policies to regulate the use of plastics, and 127 countries ^{*1}, including Japan, have banned, or restricted the use of plastic bags. However, with population growth and economic growth, the global plastic demand is projected to grow at a CAGR of 4.5% from 2020 to 2027, reaching \$ 522.5 billion by 2027 ^{*2}. Given the growing demand for alternative materials for plastics, countries such as China are actively promoting the shift to biodegradable plastics. The market size of biodegradable plastics in China is estimated to reach 1.4 trillion yen by 2030 ^{*3}.

Since its establishment in 2011, TBM has been developing LIMEX, which uses inorganic substances, such as calcium carbonate, as its main raw material. LIMEX has been introduced at COP and G20 international conferences and is registered on the Sustainable Technology Dissemination Platform “STEPP” of UNIDO (United Nations Industrial Development Organization). In Japan, more than 6,000 companies and local governments have used LIMEX as an alternative material to plastic and paper.

SK Group, the third largest conglomerate in South Korea with energy, chemicals, information and communications, materials, logistics and service businesses, is currently restructuring its business portfolio focusing on biotechnology, renewable energy etc., and is aiming to become a leading company in the ESG field. In this context, last year SK Group became the first Korean company to join “RE100” ^{*4}.

^{*1} UNEP <https://www.unep.org/resources/report/legal-limits-single-use-plastics-and-microplastics>

^{*2} Report Ocean https://reportocean.com/industry-verticals/sample-request?report_id=AMR1290

^{*3} China Association of Circular Economy <https://www.chinacace.org/news/view?id=11632>

^{*4} An international federation of companies that are members of companies working to convert 100% of the electricity used to electricity generated by renewable energy.

■ Overview of the alliance

TBM and SK Group will collaborate in the following areas through the capital and business alliance.

1. Acceleration of the global expansion of LIMEX through SK Group’s global sales network
2. Development of LIMEX applications for SK Group companies and their customers
3. Development, manufacturing, and sales of biodegradable LIMEX using SKC’s PBAT through a joint venture with SKC

TBM and SKC signed an agreement to establish a joint venture company to develop, manufacture and sell biodegradable LIMEX using SKC’s PBAT. By combining TBM’s compounding technology to fill high percentage of calcium carbonate to a variety of resin, and SKC’s high-strength biodegradable plastic (PBAT), the PBAT based biodegradable LIMEX can be highly cost competitive compared with conventional biodegradable plastics. This is because limestone, the main raw material of LIMEX, is inexpensive compared with petroleum-based resin and biodegradable resin. In addition, there are abundant reserves of limestone across the globe, and therefore calcium carbonate is highly stable in price. The PBAT based biodegradable LIMEX can be a breakthrough for biodegradable materials to penetrate the market, as the high cost has always been one of the critical challenges for biodegradable materials to be accepted by the market.

■ Comment by Nobuyoshi Yamasaki, CEO of TBM

It is a great honor for TBM to partner with SK Group, to strategically collaborate in ESG which SK Group is focusing in. With this capital and business alliance with SK Group, including the establishment of a joint venture company with SKC, we will accelerate the global expansion of LIMEX business, as well as to develop and commercialize biodegradable LIMEX business. We are aiming to develop a low carbon and circular economy through our LIMEX business and become the world's top player in the field of sustainability.

■ Comment by Son Hyun-ho, representative director of SK Japan Investment Inc.

It is significantly meaningful for SK Group that the first company to invest from SK Japan Investment Inc.'s is TBM, as we can show our strong commitment to ESG. Through this alliance, SK Group will not only participate as a financial investor but will accelerate the growth of our environmentally friendly business through the joint development and commercialization of biodegradable LIMEX and so on. SK Japan Investment Inc. will continue to discover investment opportunities in the field of ESG.



Front Right: TBM, CEO Nobuyoshi Yamasaki, Front Left: TBM, CSO Taichi Yamaguchi, Screen Left: SK Vice President Park Won-chul , Screen Right: SK Japan Investment Inc. Representative Son Hyun-ho

About TBM Co., Ltd.

TBM is a company based in Japan specializing in developing, manufacturing and distributing LIMEX®, an innovative new material mainly made from limestone and inorganic materials. The basic patents of LIMEX have been registered in 40 countries including Japan, China, Europe and the United States. LIMEX is registered in the sustainable technology dissemination platform "STePP" by UNIDO (United Nations Industrial Development Organization) as a recyclable material that can be an alternative to paper and plastic. By supplying LIMEX worldwide, TBM aims to solve the plastic waste issues, resource depletion and various environmental issues. In 2020, TBM was evaluated as the third largest unicorn company in Japan.

<https://tb-m.com/en/limex/>

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