

March 28, 2024

Sumitomo Realty & Development Co., Ltd.

UACJ Corporation

Toyo Seikan Group Holdings, Ltd.

**Three Industry-leading Companies Have Collaborated and Established a Supply Chain for Aluminum Can Horizontal Recycling
Toward a Circular Society
Achieving ‘CAN-to-CAN horizontal recycling’ starting from urban offices
where major consumption takes place**

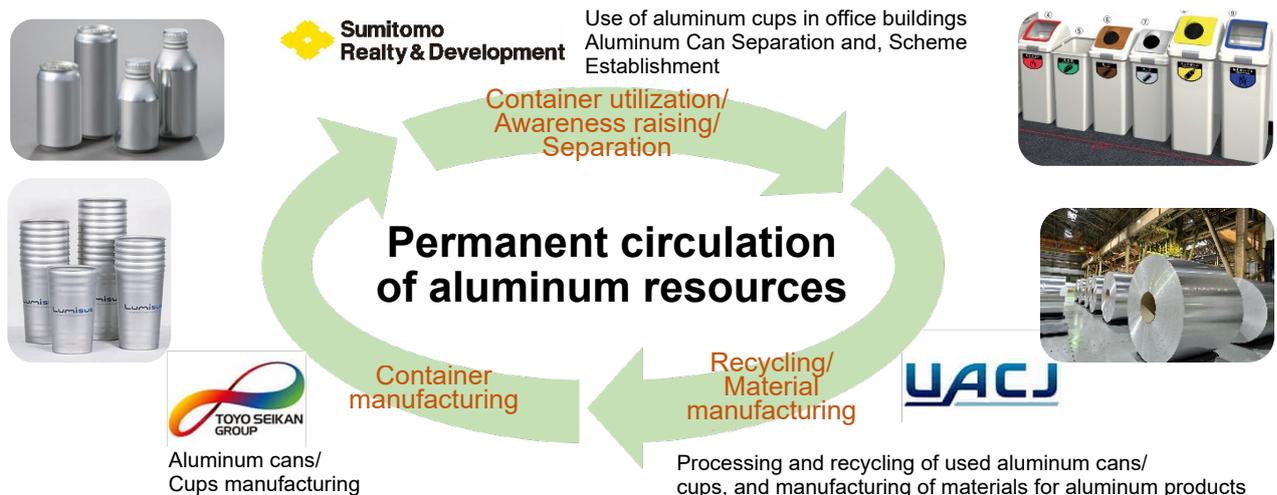
Sumitomo Realty & Development Co., Ltd. (hereinafter referred to as “Sumitomo Realty”), UACJ Corporation (hereinafter referred to as “UACJ”), and Toyo Seikan Group Holdings, Ltd. (hereinafter referred to as “Toyo Seikan Group”) are pleased to announce that we will start the operation of a supply chain for “horizontal recycling” from office buildings owned by Sumitomo Realty in Tokyo in April 2024, following a test operation conducted in 2023. This supply chain, jointly established by these three companies, involves turning used aluminum cans into raw materials for the production of new aluminum cans.

In this supply chain, the aluminum cans collected from Sumitomo Realty’s office buildings are processed and delivered as recycled raw materials to UACJ’s plants, where they are turned into aluminum sheet products. These products are then ultimately utilized by Toyo Seikan Group to manufacture aluminum cans and beverage aluminum cups, “Lumisus®.”

Additionally, we aim to enhance recycling awareness in a bottom-up manner by informing office users about this initiative. Starting with events such as the Cherry Blossom Festival at office buildings operated by Sumitomo Realty, we plan to introduce and utilize “Lumisus” as outdoor beverage cups and recycle them through the same horizontal recycling scheme as aluminum cans.

Japan imports 100% of virgin aluminum ingots making their supply susceptible to international circumstances. By achieving horizontal recycling, we promote the substitution of virgin aluminum ingots with recycled ingots, contributing to the domestic circulation of valuable resources and the reduction of greenhouse gas (GHG) emissions.

◆ A conceptual diagram of the horizontal recycling scheme

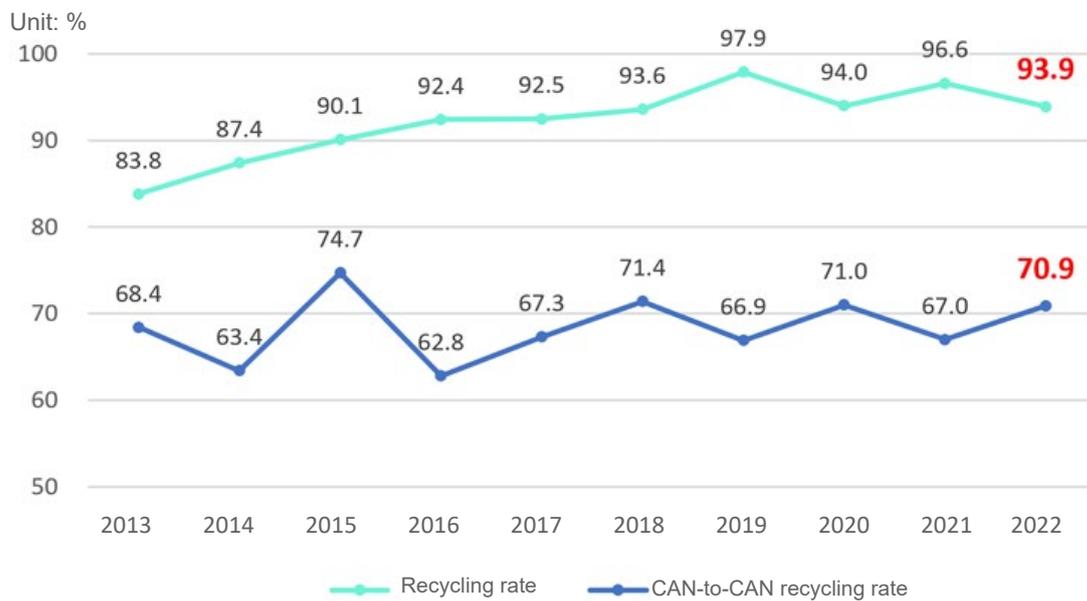


(Reference) Significance of aluminum can horizontal recycling

◆ Aluminum cans are a recyclable resource

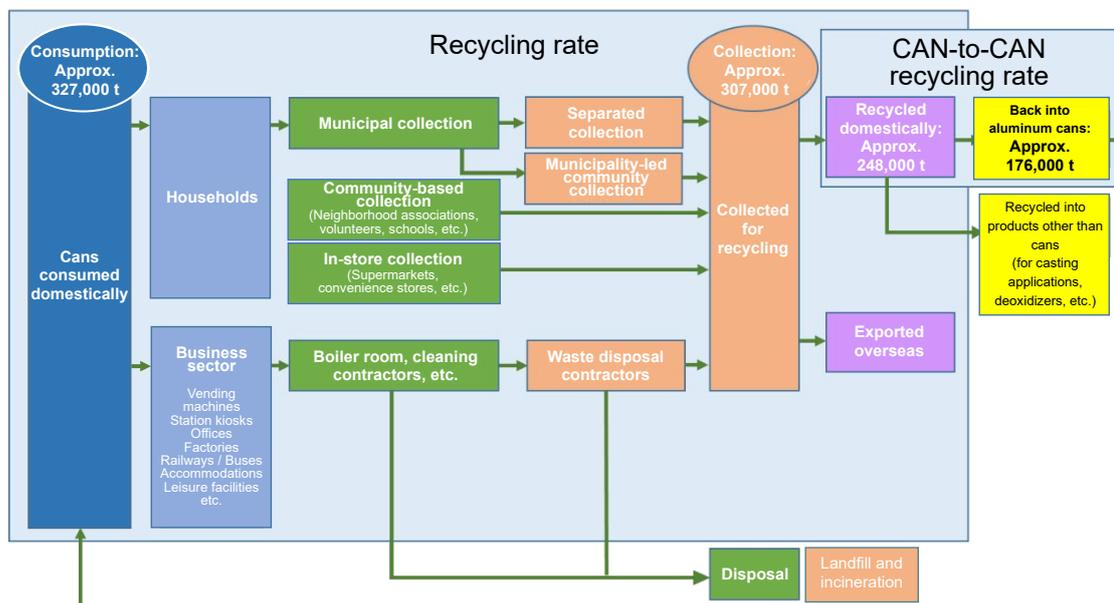
Aluminum cans are “the model student of recycling” because aluminum, compared to other metals, has a lower melting point, making it easier to recycle through melting. Additionally, the energy required for recycling is only about 3% of that required for primary production. In Japan, where the procurement of aluminum ingots relies entirely on imports, used aluminum cans are regarded as a valuable resource.

By promoting the newly established CAN-to-CAN horizontal recycling scheme, it will become possible to keep used aluminum cans in a permanent horizontal circulation within Japan—cans that might otherwise be exported overseas, disposed of, or repurposed into other products. Moving forward, we will continue to contribute to improving the aluminum can recycling rate and the CAN-to-CAN recycling rate, aiming to realize the “permanent domestic circulation of resources.”



Changes in aluminum can recycling rates

(Source: The Japan Aluminum Can Recycling Association website)



Aluminum cans recycling flow

(Created by UACJ based on FY2022 data from the Japan Aluminium Association website)

◆ Reduction of energy consumption and GHG emissions

The utilization of recycled aluminum significantly contributes to the reduction of energy consumption. When manufacturing aluminum cans from bauxite, the raw material for aluminum, a large amount of energy is required. If the 248,325 tons of aluminum cans recycled domestically in FY2022 were produced from virgin ingots, an additional 39.7 billion MJ of energy would be needed. This is equivalent to 11 billion kWh of electricity, which corresponds to approximately 23 days of electricity usage for all households nationwide (59.76 million households) (Source: The Aluminum Can Recycling Association). The CO₂ emissions when recycling are also only about 3% of those when using virgin aluminum ingots, dramatically reducing emissions. In order to curb global warming, it is essential to continue promoting horizontal recycling and further increase the use of recycled aluminum.

###