Aiming to make the world more sustainable by leveraging the benefits of aluminum

UACJ's corporate slogan is "Aluminum lightens the world." What exactly does it mean?

Tanaka At the time UACJ was established in 2013, it did not have a distinctive corporate philosophy, to put it frankly. Therefore, when we initiated structural reforms in 2020, we took that opportunity to redefine our philosophy in a way that better expresses what makes UACJ special. We adopted our slogan, "Aluminum lightens the world," at that time. Essentially, it expresses our desire to make the world more sustainable by making the most of aluminum's light weight and outstanding recyclability to reduce environmental impacts.

Matsubara Indeed, those benefits of aluminum are encapsulated by this idea of "lightening" the world. The slogan conveys UACJ's approach to value creation while raising expectations and interest in how the benefits of aluminum can lighten environmental loads.

▶ See "UACJ Group Philosophy" on page 17

What must be done to lighten environmental loads?

Tanaka First of all, raising public awareness of the benefits of aluminum is essential. Because of its unique benefits, aluminum is used in a broad range of products, from aircraft and rockets to everyday beverage cans, and that needs to be widely understood among the public.

Matsubara In the automobile industry, for example, there have been calls to use aluminum for certain automotive parts because it can help reduce environmental impacts and



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Matsubara has also served in various other roles, including as a member of the Japanese government's task force on the effective disclosure and governance of intellectual property investment, and as a member of Japan Association for World Expositions' Sustainability Expert Committee. He has also co-authored a Japanese book explaining the Japan Federation of Bar Associations' guidance on ESG and response to current efforts to address the UN Sustainable Development Goals.

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improve vehicle performance. Although it is beneficial with respect to the environment, performance, and applications, aluminum is used in only a certain number of vehicles today because of the costs involved in adopting it.

Tanaka Various components of automobiles made of steel, such as body panels and bumpers, can be replaced with aluminum components. That helps reduce overall vehicle weight, which results in higher fuel efficiency and lower CO_2 emissions. Costs remain a hurdle at present, but if regulations like the European Union's End-of-Life Vehicles Regulation* become more widespread, the benefits of aluminum will attract greater interest, specifically in how used automotive parts can be recycled and how the use of aluminum can raise recycling rates.

Matsubara When regulations change, things that were previously seen as costs might be reassessed as valuable. Perhaps aluminum is reaching this turning point. But for its value to be correctly assessed, a broader public appreciation of aluminum materials is essential.

Tanaka People know that aluminum is commonly used, but it is not widely recognized as a critical material. In Japan, aluminum had not received the same level of attention in national policies as other materials like steel and resins. To address this, we have been working with the Japan Aluminium Association on a variety of fronts. Thanks to these efforts, aluminum was included for the first time in a 2025 national policy draft as well as the government's circular economy plan.

Matsubara That was a major success. Nevertheless, to attract attention from capital markets, aluminum product manufacturers must also demonstrate the potential of their businesses. Investors make forward-looking investments, and their outlooks can have a significant impact on share prices. That makes it very important to be recognized as a business with high prospects.

* The European Union's environmental regulation for promoting recycling and resource circulation as a means to reduce the environmental impact of vehicles that have reached the end of their useful lives.

What role is UACJ playing to build a circular economy for aluminum?

Tanaka To use the analogy of the human body, I imagine UACJ as the heart, and the aluminum products we supply as blood pumped out into the arteries. Traditionally, our business focused solely on this output, but now we want to circulate the blood through the heart by bringing it back from the veins, which means collecting aluminum for recycling. Specifically, we need to collect scrap aluminum from our business-to-business customers as well as used aluminum from consumers. UACJ cannot build a circular economy for aluminum on its own, so we must work together with businesses, consumers, and suppliers.

Matsubara It seems to me that UACJ's role as the "heart" is extremely important, as it positions the Company to both supply and collect aluminum materials. I think your role will come to life as people envision the future of society, especially in terms of how large-scale recycling systems will be integrated.

Tanaka In Japan, recycling aluminum materials is also very important for economic security. Japan depends entirely on imports of virgin aluminum from countries that are able to smelt it because they have access to relatively cheap electricity. These imports could be cut off if geopolitical risks are heightened.

Matsubara Because it lacks natural resources, Japan became a manufacturing nation and has essentially depended on other countries. That said, when considering the future,



Japan must be able to handle its own affairs like an adult. As a country with few natural resources, Japan must reaffirm just how important recycling actually is. Playing a central role in that is absolutely vital.

Tanaka Yes, but making consumers recognize the value of lowering environmental impacts is our biggest challenge. Recycling comes with a certain amount of cost, so unless consumers are aware of that value, a circular economy cannot fully function. Therefore, we ask our business-to-business customers to clearly explain how recycled materials offer such high value when promoting their products. Actually, people are beginning to recognize that CO_2 emissions are a cost that should be borne by society as a whole. Carbon taxes are a prime example of this trend.

Matsubara Aluminum is highly recyclable, and explaining how this is beneficial is of the utmost importance. Getting price-sensitive consumers to appreciate this, however,

will not be easy. It will take time for them to see prices differently, but all you can do is keep trying to convince them with confidence. Faced with climate change and extreme weather events, we need a shared understanding of how the planet is gradually becoming less sustainable. We have to encourage people to change their behavior and consider what kind of world we are passing on to future generations.

In your meetings with employees, what do you try to make them aware of?

Tanaka Since I was appointed as president, I have held meetings for strengthening bonds with employees about 30 times per year in Japan and overseas. During these meetings, I often tell employees that when people ask where they work, they should be able to clearly explain what the UACJ Group actually does. They can describe the Group as an integrated aluminum products manufacturer, but not many of them fully explain the special features and importance of our businesses.



Matsubara Talking about what your company does also provides a chance to express whether or not you take pride in your work. Were there any particular times when you were impressed by what your employees said?

Tanaka Yes, I still clearly remember an employee's story about his son during one of those meetings. When watching a video about rockets, his son said, "Dad, your company makes rockets, doesn't it?" We actually make materials for rockets rather than the rockets themselves, but after watching how aluminum panels were used for the rocket's fuselage and fuel tanks, the boy understood the connection with his father's company. The employee was very moved by that. I want every single employee to understand how aluminum is used for all kinds of applications, and become an enthusiastic advocate for aluminum.

Matsubara That moment with his son might have been the first time the employee felt deeply connected to his company. I think the sense of meaning and fulfillment that people get from working for a company comes from how much pride they take in the company's products and technologies. I believe that stakeholder capitalism-oriented relationships will become increasingly important for companies in the future. For the company to be truly authentic, its purpose and identity must be both shared publicly and made more meaningful internally.

Tanaka When I deliver a message within the Group as president, it will resonate and come across differently for the employees I talked with directly in those bonding meetings. Although they make up only a small percentage of all employees, I feel that we have started to make real progress.

▶ See the section about the meetings between management and employees on page 16

Finally, what do you want UACJ to achieve going forward?

Matsubara As a future-oriented company, UACJ should fulfill its responsibility to society and work to build a brighter tomorrow with strong resolve and a sense of purpose. To build a future for society together with a wide range of companies, a compelling vision is essential. How much that vision resonates with the public will be a key factor, and the ability to make it resonate stems from its direct relevance for people. Making it more relevant both inside and outside the UACJ Group will inspire individuals to take action on their own. By combining those efforts, we can start building a circular economy. I hope the Group will aim high when pursuing its goals.

Tanaka UACJ is taking on the challenge of creating industry-wide recycling systems as a leading company in the aluminum products industry. At the same time, it is important for each of us to be highly conscious of how we can contribute to environmental activities as ordinary consumers. I want all members of the UACJ Group to play the role of an enthusiastic advocate for aluminum.