

# Committed to contributing to the realization of a sustainable society through iron recycling



"As a member of the iron recycling industry, we would sincerely like to create a carbon-neutral society and occupy an honorable position."

Masaaki Katsuyama,  
President,  
Fuwa Metal Co., Ltd.

With the immediacy of the climate crisis, it is easy to think of recycling companies as recent ventures, but some such as Japanese iron recycler Fuwa Metal Co. has over a century of experience.

Founded in 1908, in the decades after Japan first began to modernize after the fall of the Edo shogunate, Fuwa Metal was pushing innovation in the iron recycling sector as the country's domestic steel production grew to surpass even that of the United States in the 1970s, until it



Expanding the business overseas was surpassed by China around the start of the 21<sup>st</sup> century.

Due to Japan's scarcity of natural resources, manufacturers

For more than a century, Fuwa Metal has contributed to the recycling of resources and the development of the recycling industry as a leading company in the collection, processing and sale of steelmaking raw materials.

have always placed importance on efficiency and recycling, with the country striving to make the most out of every manufacturing process. Fuwa Metal encompasses this philosophy perfectly, collecting, sorting, and processing scrap iron from shipyards, automobile manufacturers, and other sources. This scrap is then made into steelmaking raw materials for new products, creating a sustainable life cycle for the iron after its initial use.

Given the decrease in Japan's consumption of steel in the 1990s, Fuwa Metal diversified into the trading business and has now grown into a three-office operation in the United States since establishing Fuwa Metal USA in 2007. Company



Speedy processing ability

president Masaaki Katsuyama explains that Fuwa Metal helped revolutionize logistics in the USA when it focused on the idea of using empty shipping containers being sent to Asia to transport iron scrap, and it now offers local companies cost minimization solutions through its nationwide alliances built from its offices in New York, Los Angeles, and Texas.

Mr. Katsuyama understands the rapidly changing market and has an eye on setting up an office in Southeast Asia. Having first began importing from Southeast Asia in 1982, the company has strong ties in the area and its overseas division collects information from each country before conveying it to the entire company so quick decisions can be made. As



Pursuing the highest quality

Mr. Katsuyama explains: "When we have a big contract or a meeting, we try to spread the knowledge both in Japan and overseas by appointing our own employees without outsourcing. Based on this 'circle of trust', we would like to foster good relationships with overseas business partners."

As part of the recycling industry, Fuwa Metal understands the need to move towards a more sustainable, carbon neutral world. Indeed, recycling iron scrap raw materials using electric furnaces results in a quarter of the carbon dioxide emissions caused by the blast furnace manufacturing method that manufactures steel from iron ore. This means iron scrap is not simply a sustainable resource, but a trump card to becoming a carbon-neutral world.

At its core, Fuwa Metal is a modern family business, with Mr. Katsuyama the first non-member of the family to become president as the company modernized in 2016. The business retains the strong ties between employees that a family company creates, but with the added benefit of listening to wider views to make decisions. As Mr. Katsuyama details:

"The philosophy inherited from the former president is 'do not hesitate to challenge and don't be afraid of failure.' I would like employees to take on this challenge positively." This philosophy has put the company in good stead, with transactions increasing from 800,000 tons in 2020 to 1.2 million tons in 2021, and projections for a 100,000-ton increase a year for the foreseeable future.

As companies and industries around the world look to shift to more sustainable practices, most are looking forward to find solutions. However, companies such as Fuwa Metal that have the ability to look back on a long history of creating sustainable solutions to help create the future will be key. Fuwa Metal's idea that "people can change the environment" is fundamental and enables the company to coexist and develop with the societies around it. As the company continues to grow, the societies which can benefit from its innovation will also expand, which is for the good of all.



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