

## **Law for the Recycling of End-of-Life Vehicles (End-of-Life Vehicle Recycling Law)**

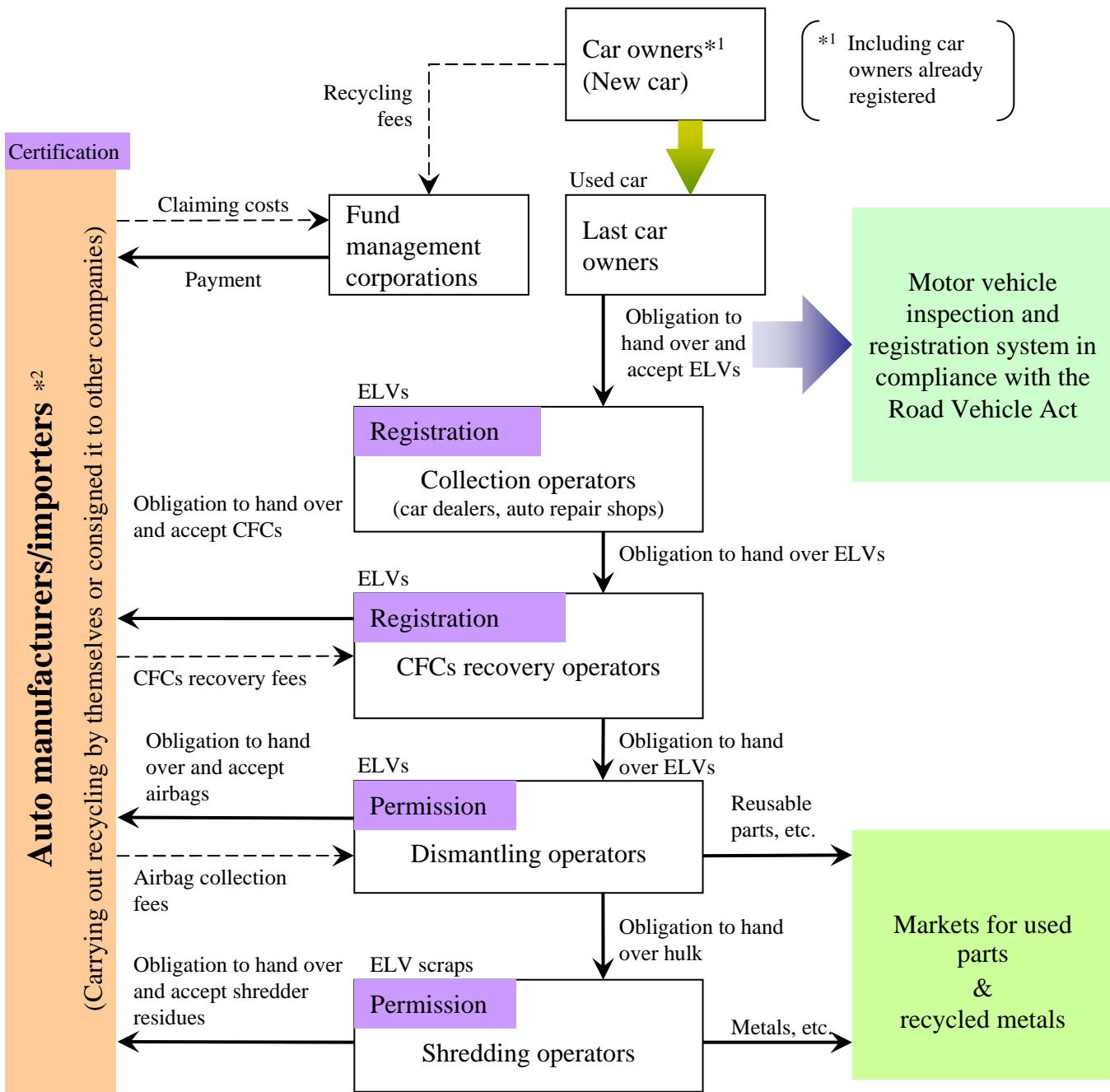
There are approximately four million (approximately five million automobiles when used automobiles exported are included), end-of-life vehicles (ELVs) every year. Those ELVs are valuable resources mounted with useful metals and parts, and the recycling and treatment has been conducted by dismantling companies or shredding companies via distributing channels. However, since the landfill capacity of the final disposal site has become smaller, the reduction of the shredder residue of ELVs has become all the more important. In addition, price hike of final disposal and plunge and fluctuation of iron scrap price have made that the existing recycling system of ELVs has become dysfunctional, as well as concern on illegal dumping and inappropriate treatment of ELVs have been increasing.

In order to establish a recycling and appropriate treatment system, the Law for the Recycling of End-of-Life Vehicles was enacted in the 154<sup>th</sup> session of the Diet and was promulgated in July 2002. The law stipulates appropriate roles to be taken by relevant business entities including automobile manufacturers.

In accordance with the concept of extended producer responsibility, automobile manufacturers and importers (hereinafter referred to as “manufacturers, etc.”) are obliged to collect and recycle (destruct in case of CFCs) air bags and shredder residues generated in treatment process of ELVs under the law. In addition to this, a recycling network should be established to ensure shredder residue and other wastes are delivered to the manufacturers, etc. by setting up rules of collection and delivery of ELVs between collecting companies and shredding companies.

Recycling expenses of manufacturers, etc. is to be set aside by automobile owners as recycling fee when they purchase new cars (for automobile owners who had already purchased before the enforcement of the law are requested to pay prior to the first car inspection). Fund management corporations are to administrate recycling fee, which will be claimed by manufacturers, etc. in recycling shredder residue, etc. to prevent the loss which would be caused by bankruptcy or dissolution of the manufacturers, etc. The rate of recycling fee is decided and announced by manufacturers, etc and the government makes recommendation on improper fee to correct it.

# Recycling Flow of the End-of-Life Vehicles



→ Flow of end-of-life vehicles (ELVs) and associated materials

- - - - - → Flow of money

\*2 Third parties will be involved in case of absence of a party responsible for recycling.  
 \*3 Electric Control (Manifest) system was introduced, and information management available by third parties.