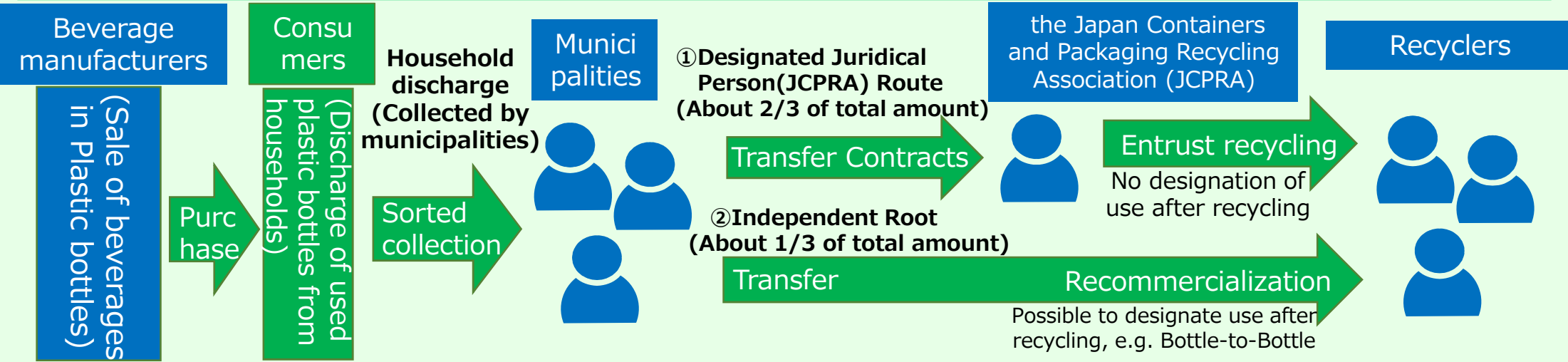


The market study was conducted in light of the changes and diversification of distribution channels, including the high recycling rate of 86% for plastic bottles and the spread of initiatives known as 'Bottle-to-Bottle' as part of efforts to realize a green society.

Overview of Transactions

Containers and Packaging Recycling Law

• Recycling obligations for businesses that use or manufacture containers and packaging (Extended Producer Responsibility)

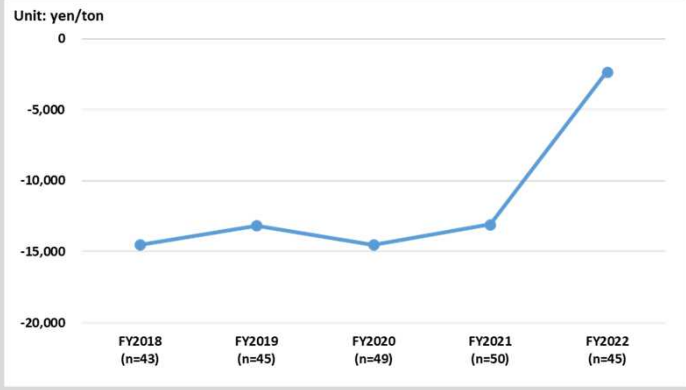


Economic Analysis Price under JCPRA route: Better quality tends to have higher price.
 Price under Independent route: Price tends to be higher when the method of determining the contract partner recycler is competitive.

Business Discharge (Collected by business)

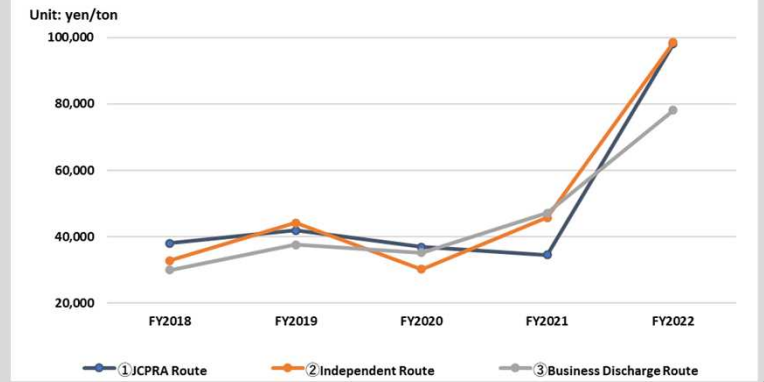
- Obligation to dispose of properly as industrial waste (Waste Management and Public Cleansing Act)
- While some say that it is difficult to have them taken back as valuable resources, others say that the price is increasing due to rising demand.

• Price to industrial waste disposers is reverse chargeable.



Source: The JFTC calculated from the results of questionnaires to businesses that use or manufacture plastic bottles

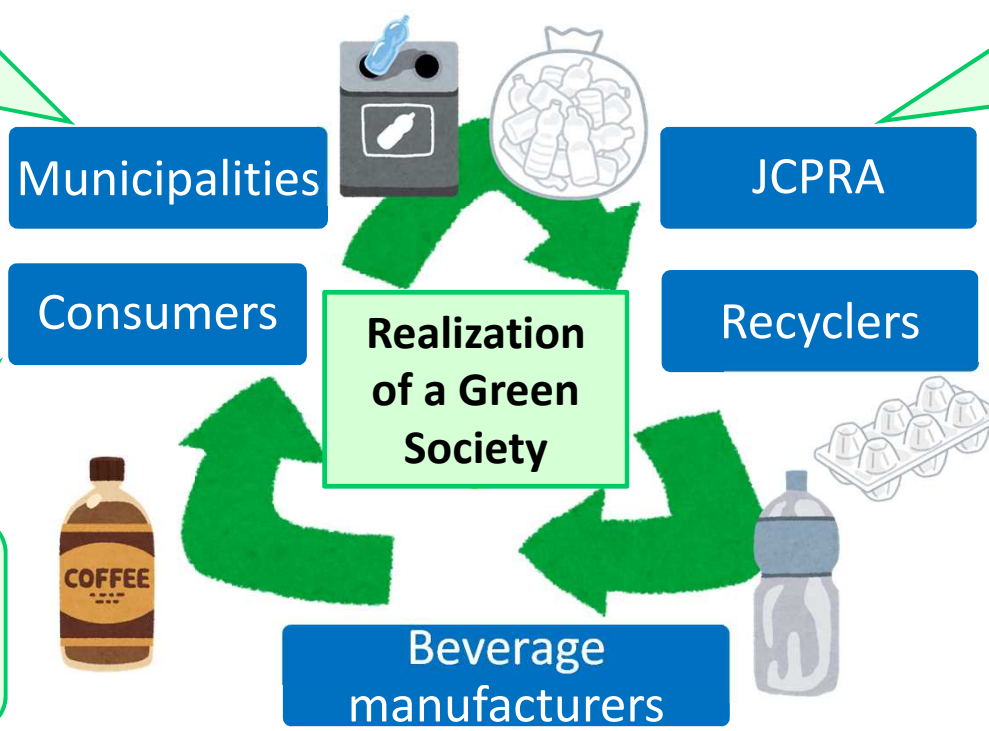
• No significant difference in purchase price for recyclers between JCPRA route, the Independent route, and business discharge route



Source: The JFTC calculated from the results of questionnaires to recyclers

Proposals from the Competition Policy

Continuous review of the method of determining the contract partner recycler in the independent root by municipalities



Continuous review of the bidding system by JCPRA

Discharge in a way that increases the value as a resource by consumers

Promotion of recycling efforts for used plastic bottles, including those as industrial waste, through the function of the market by diversification of distribution and increase in demand

Matters to be noted and actions that may cause problems under the Antimonopoly Act (AMA)

- There may be a misunderstanding in some municipalities as if no longer using the JCPRA root is considered problematic under the Container Recycling Law.
- With the effect to discourage or restrict the use of the independent root, a problem under the AMA may possibly arise.
- JFTC communicated the above to JCPRA.

- Japan Soft Drink Association(JSDA), business associations of beverage manufacturers, decided that its member would not encourage the municipality to use the independent root.
- Since this could cause problems under the AMA depending on subsequent circumstances, JSDA rescinded the decision in September 2023.

Future Commitment of the JFTC

- The AMA and Competition policy contribute to the realization of a green society from the perspective of encouraging the efficient use of resources and triggering innovation in new technologies by promoting competition among businesses.
- The JFTC will continue to implement initiatives aimed at encouraging the realization of a green society, and will closely monitor developments in this field and take strict action if there are any violations.