



V Current State of Littering and Beautification

1. Waste is the Current State of Littering and Beautification?

Issues of litter (multiple answers)

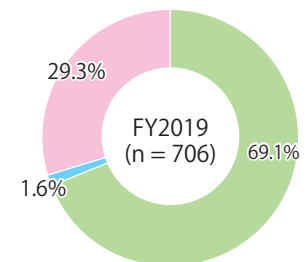
The overall trend has not changed since 2012. Municipalities that answered cigarette butts, PET bottles, plastic packaging, and plastic bags for issues of litter have increased by more than 10% since 2012.

| | FY2012 | | FY2019 | |
|------------------------|-----------------------|--------------|-----------------------|--------------|
| | # of wards and cities | rate (%) | # of wards and cities | rate (%) |
| Cigarette butts | 406 | 55.2 | 484 | 65.3 |
| PET bottles | 385 | 52.3 | 481 | 64.9 |
| Plastic packaging | 368 | 50.0 | 472 | 63.7 |
| Aluminum cans | 440 | 59.8 | 462 | 62.3 |
| Steel cans | | | 449 | 60.6 |
| Plastic bags | 240 | 32.6 | 368 | 49.7 |
| Beverage glass bottles | 304 | 41.3 | 318 | 42.9 |
| Waste paper | 258 | 35.1 | 300 | 40.5 |
| Others | 113 | 15.4 | 144 | 19.4 |
| N/A | 169 | 23.0 | 86 | 11.6 |
| Total | 736 | 100.0 | 741 | 100.0 |

Requirements of Litter Act

69.1% of wards and cities enforce Litter Act. Most of the Acts regulate installation of garbage bin near vending machine (51,4%) and 35.9% of municipalities regulate fine for dropping litter. The trend has not changed since 2012.

| | FY2012 | | FY2019 | |
|---------------------------------------|-----------------------|--------------|-----------------------|--------------|
| | # of wards and cities | rate (%) | # of wards and cities | rate (%) |
| Available | 467 | 68.8 | 488 | 69.1 |
| Not exist but considering to plan | Not exist 212 | 31.2 | 11 | 1.6 |
| Not exist and not considering to plan | | | 207 | 29.3 |
| Total | 736 | 100.0 | 706 | 100.0 |



Note: The question was only existence or non-existence in 2012

- Available
- Not exist but considering to plan
- Not exist and not considering to plan

Details of Act(multiple answers)

| | FY2012 | | FY2019 | |
|--|-----------------------|--------------|-----------------------|--------------|
| | # of wards and cities | rate (%) | # of wards and cities | rate (%) |
| Installation of garbage bin near vending machine | 253 | 54.2 | 251 | 51.4 |
| Fine for dropping litter | 181 | 38.8 | 175 | 35.9 |
| Littering prohibited priority area | 125 | 26.8 | 129 | 26.4 |
| Promoting reuse container | 3 | 0.6 | 2 | 0.4 |
| Others | 105 | 22.5 | 108 | 22.1 |
| Total | 467 | 100.0 | 488 | 100.0 |

Implementation of massive cleanup (multiple answers)

58.0% of municipalities hold only cleanup. 27.0% of municipalities hold both cleanup and awareness.

| | FY2012 | | FY2019 | |
|----------------------------|-----------------------|--------------|-----------------------|--------------|
| | # of wards and cities | rate (%) | # of wards and cities | rate (%) |
| Cleanup only | 402 | 66.7 | 430 | 58.0 |
| Public awareness campaign | 152 | 25.2 | 200 | 27.0 |
| Both cleanup and awareness | 7 | 1.2 | 25 | 3.4 |
| Others | 45 | 7.5 | 81 | 10.9 |
| Total | 603 | 100.0 | 741 | 100.0 |

Group collection has been carried out as an economic activity by private resource collectors and civic groups. It has long been a source of income for neighborhood associations, community associations, and children's groups. For this reason, low-value resources are unlikely to be the target of group collection, so many organizations are targeting items with stable market conditions and supply and demand, such as "used paper," "empty cans," "returnable bottles," and "used cloth."

Some local governments collect resources from households in two ways: municipalities collection and group collection, while others only use one of these collection methods. However, since the two-pronged collection system is costly, an increasing number of local governments have abolished municipalities collection and integrated it into group collection for valuable resources in general or items for which market conditions and supply and demand are stable.

However, a variety of factors, including China's restrictions on imports of recycled resources (see Steel Can Recycling Annual Report 2019, page 8) and fluctuations in the market for used paper, as well as COVID-19, have made it difficult to carry out group collection as before.

Therefore, this year, we conducted an additional survey on group collection's implementation status as of April 2020.

1. Status of Implementation

As of April 2020, 301 of the 524 wards and cities with group collection were conducting group collection in all areas. On the other hand, about 20% of the wards and cities were found to have discontinued the program in all or some areas.

| | # of wards and cities | rate (%) |
|--|-----------------------|--------------|
| Implemented (in all regions) | 301 | 57.4 |
| Implemented but canceled in some areas | 109 | 20.8 |
| Had been implemented but canceled | 6 | 1.2 |
| Unknown | 86 | 16.4 |
| Others | 22 | 4.2 |
| Total | 524 | 100.0 |

2. Reason for Discontinuation

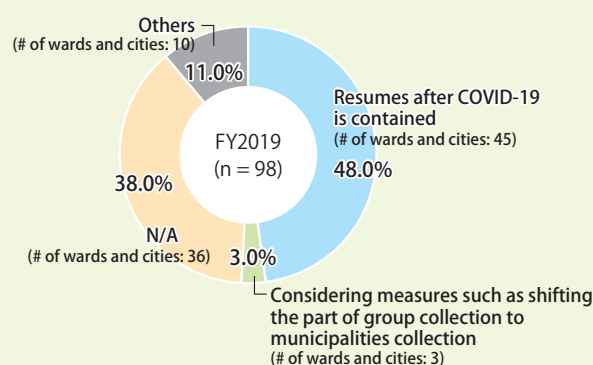
When we asked local governments that had stopped the program in all or some areas for their reason, the most common response was the "impact of COVID-19" (85.2%). The next most common answer was "because the collection companies had withdrawn from the market" (12.2%). Other reasons cited include a decline in the sale price to a collection company or a supplier, or a reverse compensation.

(multiple answers)

| | # of wards and cities | rate (%) |
|--|-----------------------|--------------|
| Impact of COVID-19 | 98 | 85.2 |
| Because the collection company withdrew | 14 | 12.2 |
| Decrease in the sale price to collection company/buyer | 7 | 6.1 |
| Due to restrictions on collected items and volumes | 4 | 3.5 |
| Reverse compensation for the sale price to the collection company or buyer | 3 | 2.6 |
| Due to a request from a collection company to raise subsidies | 1 | 0.9 |
| Reduction or suspension of subsidies to the organization | 0 | 0.0 |
| Others | 9 | 7.8 |
| Total | 115 | 100.0 |

3. About Future Measures of Local Governments that Have Stopped Collection due to the Influence of COVID-19

Of the 98 wards and cities that responded that they had stopped group collection due to the "effect of COVID-19," only about half of the wards and cities (45) answered, "will resume after COVID-19 is contained." For local governments that answered "other," many of them left the decision to the implementing organization.



4. Future Measures

We have summarized future measures other than COVID-19 for both local governments that implement group collection and those that discontinued it.

As of April, 81.7% of the respondents, including those still collecting in all regions and those who have suspended the program, answered "nothing in particular," with most of the respondents stating that the program remains unchanged. On the other hand, 36 wards and cities who replied, "considering subsidies" and "considering raising the amount of subsidies," are reviewing and examining subsidies as measures for collection companies. As some local governments have already started or raised subsidies (answered in "Other"), it seems that they often provide financial support to collection companies as a measure for group collection. In addition, due to the withdrawal of collection companies, 15 local governments are "considering measures such as shifting the part of group collection to municipalities collection" and reviewing the group collection position as an administrative system.

(multiple answers)

| | # of wards and cities | rate (%) |
|---|-----------------------|--------------|
| Considering raising the amount of subsidies to the collection company | 24 | 4.9 |
| Considering measures such as shifting the part of group collection to municipalities collection | 15 | 3.1 |
| Considering increasing or starting to provide incentives to organizations | 13 | 2.7 |
| Considering subsidies to collectors | 12 | 2.5 |
| Looking for a new collection company | 6 | 1.2 |
| N/A | 398 | 81.7 |
| Others | 37 | 7.6 |
| Total | 487 | 100.0 |