



Terms of Trade 2024

1. Deposit payment

Provide Cars is only obliged to bid on vehicles in the Japanese used car auctions as well purchase vehicles from individuals or dealers in Japan after a deposit has been made by the customer.

Deposit amount being 100,000 yen if the vehicle to be purchased is less than 1 million yen.
Deposit amount being 10% if the vehicle is more than 1 million yen in value.

If the customer fails in his attempt to purchase through Provide Cars the deposit will be returned on request to the original customer, after bank transfer fees of 5000 yen.

2. Bidding

A customer placing a bid through Provide Cars is on a “proxy” basis. That is, the bid is not bid on directly through the auctions, but rather Provide Cars will receive the bid and bid directly on various Japanese auction bidding machines on behalf of the customer.

- a. **Provide Cars reserves the right NOT to bid.** Reasons include but not limited to: unpaid for previous vehicles; major issues with the vehicle (for example the car is in present damage condition and there is no means of exporting the vehicle); other customers having a larger bid on the same vehicle; Provide Cars deems the vehicle will not for some reason be accepted into the customers country (for example an incorrect chassis type into Australia)
- b. **It is the customers responsibility to advise Provide Cars on their maximum bid price.** For example some customers would like us to bid 20,000 yen over their bid price while some would have a heart attack if we bid over.
- c. **The customer is obliged to enter bids before 9am on the day of bidding.** For example, even if a customer bids late in the afternoon, Provide Cars will do their best to accommodate the customer's bid, but due to the timing of the bid, it will not be prioritized.
- d. **Canceling a bid before bidding will only be the responsibility of Provide Cars if received at least 1 hour before the public bid time.** For example, if a comment is sent to Provide Cars bidding page 10 minutes before the official bidding time stated on the page by the customer and the comment is not noted by the bidding staff: the financial responsibility for the car (cancelation of a purchased car being on average 70,000 yen payment to the auction, though not limited to that, or reauctioning the vehicle) remains with the customer. If the cancelation message is given one hour or more before the public bid time, the financial responsibility of the vehicle will be with Provide Cars.

- e. **Canceling of a bid with a public bid time after 5pm must be completed by the customer on the bidding page by 4pm.** For example, the bidding staff, after departing the office after 5pm may be traveling and have no ability to cancel a bid, hence the need to have requests for cancellation completed by 4pm.

3. Money Laundering

Due to increasing strictness of the Japanese Government as well as Japanese banks, Provide Cars is restricted to transferring money unrelated to car purchases apart from payments in return of deposits to the original sending source. For example, Provide Cars will not transfer funds to another dealer in Japan on behalf of the customer. If funds from a customer remain in Japan, on request of the customer, Provide Cars will arrange for the return of those funds back to the same country and source of those funds.

4. Storage costs

Unless agreed upon directly with the customer, storage fees and costs after one month of purchase will be charged to the customer. For example, during the pandemic supply chain crisis when available shipping and containers restricted the quick export of bought vehicles, some vehicles were delayed export for up to 6 months here in Japan, incurring huge storage costs. For example, if a customer delays in payment of a vehicle after purchase, the failure or delay of export due to the delayed payment and subsequent storage costs involved in that will be the customer's financial burden.

5. Vehicles bought through negotiation

The cost of buying through negotiation will be added to the cost of purchase of the vehicle or the FOB. When purchasing a vehicle not all sell. Some can be negotiated for after they have passed in (not reached the seller's reserve price). The usual cost of this negotiation fee is about 10,000 yen.

6. More expensive auction fees.

Certain auction fees are considerably higher than most auctions. The cost of this extra fee will be added to the FOB cost of the vehicle. Aucnet on a Monday sometimes has auction fees of 35,000 yen. Some of the tender auctions have an extra 10,000 yen auction fee. The extra cost of these auction fees will be added to the FOB cost of the vehicle.

7. Inland transport costs.

The cost of inland transport, from the auction to the yard of export will be added to the FOB cost of the vehicle. In April 2024 new government rules limiting the number of hours a driver can drive each year started. This has had a net effect of making truck transportation more expensive. The cost of inland transport will be advised from the agent to his or her customer. Although it may be advantageous and cheaper to purchase in an auction closer to

the 3 main ports, often far off auctions are cheaper and even with the inland transport being higher, the total cost being cheaper.
e added to the FOB cost of the vehicle.

8. Present damaged vehicles.

Any unforeseen costs created in the purchase of “as is where is” condition vehicles will be added to the FOB price of the vehicle. In most auctions there is a section where present damaged vehicles are sold. Some of them can be driven, some of them can not. Some of them were driven into the auction, but for some reason will not drive after the auction. Some of them leak oil and require work done before export to stop the oil leaks.

9. Translations.

- a. **It is the right of a customer to request a translation.** 95% of the time, cars with issues have those issues written on the auction sheet. It is the right of the customer to request translations before bidding or to bid and then confirm their bid after viewing the translated auction sheet.
- b. **Translations will be completed in order of the requests.** Some days our translation staff are overwhelmed with requests. If a car has not been translated before the auctions start, please place a bid and leave a note that translation has not yet been seen. Provide Cars will not bid on the vehicle until the customer has seen the translation of the vehicle. The translation may be given on the bidding page.
- c. **Missed translated or missed points on the translation are the financial responsibility of Provide Cars.** If an auction sheet has stated issues with a car that are missed by Provide Cars translators the responsibility and cost there lies with Provide Cars. For example, if on the auction sheet “colour changed” is stated but not translated, the customer is no longer bound to the purchase of this vehicle.
- d. **Issues with a vehicle not listed on the auction sheet are not the responsibility of Provide Cars.** For example, rust underneath is not mentioned on the auction sheet but rust exists, this is not then the financial responsibility of Provide Cars. For the cautious buyer, Provide Cars can request a check on a vehicle for such issues from the auction. If a customer requests such a check from the auction staff, the cost is usually 1000 yen.
- e. **Log book and maintenance records will be passed to the customer wherever possible.** On the auction sheet often log book and maintenance book are circled. This does NOT necessarily mean they contain actual entries. These books will be placed in the vehicle before export. If the customer requests a safer transport method for these books they can be sent by DHL at the customer cost. FOB cost of the vehicle.

10. Commission rate.

The commission costs per vehicle that make up the FOB value of the car exported.

- a. **Single car purchase.** The commission rate will be 90,000 yen plus 5% of the auction value of the vehicle plus internal transport to the port of export for roll on roll off shipping.

b. Multiple car purchases. The commission rate for 5 or more purchases per month will be 80,000 yen plus 3% of the auction value of the vehicle plus internal transport costs to the port of export for roll on roll off shipping.

c. Container shipping extra costs incur. CIF and FOB container shipping require vanning of vehicles as well as THC (terminal handling charges). Such customers will be informed of these extra costs before sending by container.

d. Extra costs may occur depending on the requirements of the importing country. For example, during the winter season both Australia and New Zealand require heat treatment of vehicles before export. For example, the costs of sending a forklift are more involved than sending a car.

11. Year of make // Year of registration.

The year of the vehicle being sold in the Japanese auctions is based on the first registration date of the vehicle, not the date of production. It is important for the customer to understand this, especially when import regulations in certain countries are based on year of manufacture and not registration, for example Pakistan.