



# JARA NEWS

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It covers various fields related to automotive recycling



Guarantee applies to parts inventory and facility damages

## JARA expands its guarantee for members starting in November

The Japan Automotive Recyclers Alliance Corporation (JARA), a Toyota Tsusho Corporation group company, created the "JARA Comprehensive Guarantee System" which comprehensively guarantees risks on business of the members, and will commence the system in November 2018. This is the first guarantee in the auto recycling industry to provide a wide range of coverage from damages to equipment and facilities, theft, to employment practices. Although the system was created based on JARA's basic guarantee system, the insurance payment amount and the coverage of the new system will be expanded. Thanks to economy of scale stemming from Toyota Tsusho Corporation's group, a JARA member will be able to make an insurance contract at one-half to one-third the amount of the premium compared to a contract made directly by each member.

### ADDRESS CHANGE!

From October 9, JARA's headquarters (Tokyo Head Office) is to be relocated to the new location below.

1st floor Yaesu KT bldg., 1-1-8 Yaesu, Chuo-ku, Tokyo 103-0028

Phone (03-3548-3010) and FAX (03-3231-4690) numbers remain unchanged.

### Payment for property damages up to ¥500m

In the JARA Comprehensive Guarantee System, liability coverage and property damage coverage will be expanded up to ¥500m. The liability coverage includes "product risks," "equipment and facility, and operation risks," "carrier's risks." As an option, "cyber risks," and "employment practice liability insurance" are provided. For the risks from natural disasters, which have increased in recent years, compensation will be applied to typhoons, tornadoes, and flood risks resulting from record-breaking rains. On the other side, risks of earthquake, eruption, and Tsunami are not included in the compensation.

Because some JARA members are involved in the comprehensive recycling business, which handles construction waste and precious metals, thus in the new JARA guarantee, members can choose their own coverage either for automotive business only or all business categories.

As part of the nationwide guidance of JARA's new guarantee system, questions were asked about instances of operational risks that often confront recyclers. For example, "while transporting of end-of-life-vehicles (ELVs) on a carrier truck, parts from the vehicle became detached and fell on the road, causing damages to the vehicle behind the truck." This case should be included in the compensation. On the other hand, an incident where "recycled parts that had been shipped to the customer prior to the JARA insurance were subsequently found to cause damage to the vehicle after the customer enrolled in JARA insurance." This incident is guaranteed under "product liability risks." And a situation, "property damage occurs in the warehouse, which has a

foundation, pillars, and a roof, but no outer wall," coverage should also be covered in the guarantee system.

### To offer a worker-friendly environment for member recyclers

JARA President Soshio Kitajima said, "By reducing risks, JARA members could earn a positive reputation from non-JARA members. We can offer a worker-friendly business environment, that raises employee satisfaction (ES)." (*Daily Automotive News, Sept. 20 issue*)

## JARA holds block meetings in 5 regions

From August through September 2018, JARA held its "JARA Block Meeting FY2018" in five locations in Japan. The main focus was a workshop for "ATRS (Automobile Total Recycle Systems)" as well as guidance for "JARA Comprehensive Guarantee System."

The meetings were held in Nagoya, Okayama, Kumamoto, Tokyo, and Sendai. In addition to the five locations, Hokkaido's Sapporo-holding was also planned in September, but it was prolonged due to the "Hokkaido Iburi Tobu Earthquake" that hit the region. Representative directors and managers of JARA member companies joined the meeting in each holding.

At the meeting held in Sendai on September 8, JARA Group Chairman Yuki Yoshi Domon said, "Since we have seen frequently occurring natural disasters these days, it would be appreciated if you could use the JARA's new guarantee system by comparing its merits to your existing contracts." (*Daily Automotive News, Sept. 20 issue*)





The basic rule of automobile recycling is to be done in the domestic market

## Increasing exports of used hybrid vehicles might affect auto recycling

In fiscal year 2017 (FY2017), which ended on March 31, 2018, exports of used hybrid vehicles increased to 118,875 units, or by 25 percent compared to the previous year. On the other hand, recycled end-of-life-vehicles (ELVs) of such hybrids in Japan were about 25,000 units, one-fifth that of exported used hybrid vehicles. “Even vehicles that should be recycled in Japan are going abroad,” warned a recycler.

Exports of used hybrid vehicles have been rising year by year. In 2008, exports of such vehicles totaled only 3,417 units; this figure jumped approximately 35 times in FY2017. According to the trade statistics of the Ministry of Finance, used hybrid vehicles are mostly exported to countries that encourage the

use of fuel-efficient hybrid cars as part of environmental conservation efforts, such as Mongolia, Sri Lanka, Pakistan, and Russia.

Meanwhile, the number of accepted hybrid ELVs by designated operators were 22,487 units in FY2017. This comprised only 0.68 percent of total accepted ELVs. Sales of new vehicles in FY2017 totaled 5.20 million units. Of that, hybrid vehicles accounted for 21.1 percent (1.10 million units). This means that ELVs of used hybrid vehicles are accepted at an extremely low rate.

The first-generation Prius hybrid was launched two decades ago in 1997. Although ELVs of hybrid vehicles must increase year by year, many more are exported from Japan. This trend may affect the hybrid battery recycling business (*Daily Automotive News, Sept. 19 issue*).

## Extreme summer heat increases the sales of recycled electric parts

### Parts recyclers accept a record number of inquiries

The extreme heat of this summer led to the damage and failure of many vehicles, resulting in an increase in sales of reuse/rebuilt parts of air-conditioning compressors, alternators, and starters. Stocks of some parts ran out.

At a meeting about recycled parts businesses, a recycler said, “We have a record number of inquiries for electric parts.” Despite increasing temperature in the engine

due to extremely hot weather, the car’s air-conditioning system is forced to run at full capacity. This increases the load on the compressor and other electric parts.

Recycled parts sales company Dragon Parts of Fuji Giken Co., Ltd. said, “Both sales volumes and revenue increased in July by about 40 percent compared to those in June.” Rebuilt parts manufacturer Shin-Etsu Denso Co., Ltd. also said, “Sales were more than expected.” In general, rebuilt parts manufacturers usually have ample stocks to meet the high demand in summer. However, this summer, the company said, “For some parts, we have back orders.”

The recycled parts industry promotes their products to end users (car owners) and repair shops. The use of recycled parts produces less carbon dioxide (CO2) according to the lifecycle assessment (LCA) than that of new parts (genuine parts). However, consumer awareness of recycled parts is still very low. The industry, backed by this summer’s extreme heat, may gear up its efforts to raise awareness (*Daily Automotive News, Sept. 18 issue*).



Quality of rebuilt parts parallels that of new parts

## Portable reader of license plate numbers tested, to be used nationwide this autumn

On September 14, the transport ministry tested “portable automatic readers of license plate numbers” in Kouzaki Machi, Chiba Prefecture. The device automatically detects whether the car’s mandatory inspection (known as “Shaken”) is still valid or has lapsed. This was the first trial run of the reader. It checked 746 vehicles in two hours, and detected two vehicles with anomalies in their record. One vehicle’s mandatory inspection had lapsed. The Ministry of Land, Infrastructure, Transport and Tourism

(MILT) evaluated the results, saying, “it performed well in terms of both detection and target data capturing.” The ministry plans to introduce ten units of the portable reader with enhanced usability during nighttime operations and inclement weather. The transport ministry aims to prohibit the plying of vehicles whose mandatory inspection has lapsed.

The portable reader consists of a camera, which captures the numbers on the license plate and personal computer (an inbuilt database), which matches data between the license plate and vehicle registration records. Information of approximately 5.16 million vehicles whose mandatory inspections have lapsed is stored in the inbuilt database. The reader can instantly determine that the vehicle’s mandatory inspection has lapsed. Police then stops the flagged car and asks the driver to pull over into the checking area where MILT staff checks the vehicle inspection certificate. If the staff confirm that the vehicle’s mandatory inspection has lapsed, a warning statement is issued. Further, the plying of such vehicles violates the Road Traffic Law. As such, the police authority arrests the driver.

The September 14 test run was carried out at “Michinoeki Hakkounosato Kouzaki,” located alongside national road 356. Another unregistered vehicle was found to be using the license plate of another car. The police took the driver in custody

and retained the car.

Masatoshi Akimoto, the MILT Vice-Minister, said, “This device is small and portable. It is difficult to find the set up place. I hope this deters the plying of vehicles with lapsed inspections.”

Defective vehicles were also detected by the test run. Nine vehicles were inspected out of which, five vehicles were issued maintenance instructions, including an instruction in light of excessive loading for a dump truck with “insert frame.” (*Daily Automotive News, Sept. 18 issue*)



A street inspection using a portable reader of license plate numbers

## CO2 Reduction Effect (based on JARA System)

The use of Reuse Parts saved  
**2,938 tons of CO2 emissions**  
in August 2018

The reference figure represents the difference of carbon dioxide (CO2) emissions at the vehicle repair using genuine (new) parts and recycled parts.\*

\*: Based on “Green Point System”, which was jointly developed by the Japan Automotive Parts Recyclers Association and Waseda University Environmental Research Institute using a life cycle assessment (LCA) technique.

# Asian Automotive Environmental Forum

# 11<sup>th</sup> in India

From Wed. 31st October to Fri. 2nd November 2018



Conference theme:

**AUTOMOTIVE RECYCLING IN INDIA  
PATHWAY TO THE FUTURE  
– TOWARD SUSTAINABLE SOCIETY –**

Holiday Inn New Delhi International Airport

Registration Fee : US\$200 per person

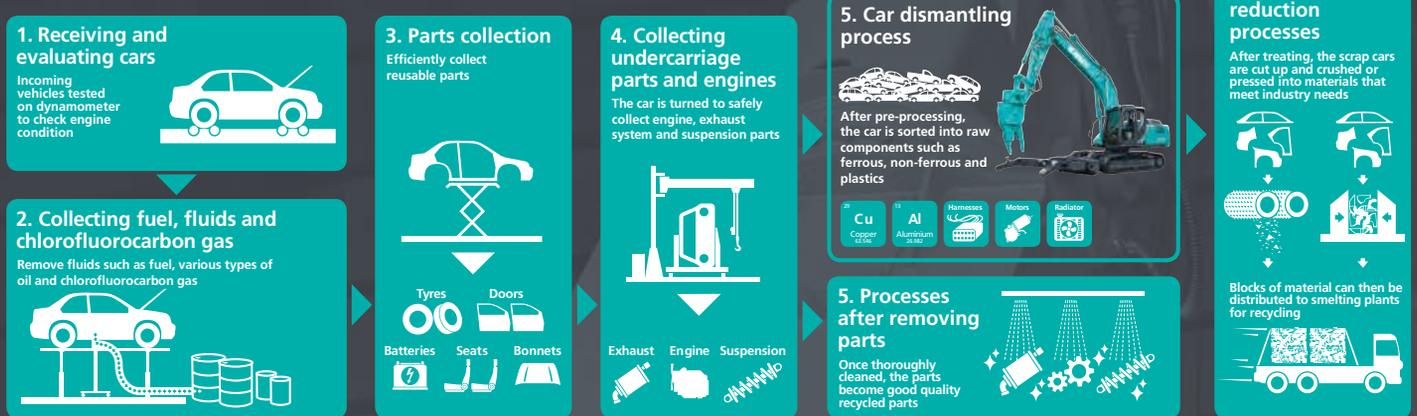


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## Dismantling process flow chart

How the Car Dismantling machine works



## The Evolution of car dismantling industry by Kobelco

Four times\* the vehicle dismantling capability compared with hand dismantling.

\*In one day (Kobelco test figures)

**15 vehicles >**  
One operative working by hand.

**60 vehicles >**  
One operative in a Kobelco Car Dismantling machine.

Engine, Catalytic Agents, Body Steel, Seats, Windows, Wheels/Tyres, Suspension, Radiator, Brakes, Front & Rear Bumpers, Transmission, Doors, Harnesses

The machine's special attachment is designed to strip materials from End-of-Life Vehicles (ELV) safely and thoroughly

Improved recovery rate of rare earth metals

Fe Iron	Al Aluminum	Cu Copper	Pt Platinum	Pd Palladium
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Separation of these valuable materials is quicker and easier and can be performed with one Kobelco machine.



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