



JARA NEWS

JAPAN AUTOMOBILE RECYCLE NETWORK NEWS

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Tokyo Head Office: Shinwa Bldg. 1-2-2-7F

Nihonbashi, Chuo-ku, Tokyo, JAPAN 103-0027

Phone: +81 3 3548 3010 / Fax: +81 3 3231 4690

JARA News marks 100th issue

Celebrating the 100th issue!

Time flies so quickly and our JARA News is now celebrating its 100th issue. This publication has been popular with people not only in Japan, but also in the United States, Canada, Australia, China, South Korea, Malaysia, India, Mongolia and others. I would like to express my appreciation for support from so many people.

Since its first issue in February 2008 as "SPN News", the publication has reported on matters related to vehicle recycling around the world and on the drastically changing vehicle recycling in Japan, covering such events as International Roundtable on Automotive Recycling (IRT) and the Asian Automotive Environmental Forum (AAEF). Just as our

JARA Corporation merged with the former Ecoline Corporation, the recycling business in Japan has entered a big and continuing change, highlighted by corporate reorganization and integration and by Japanese companies' overseas expansion.

To put this news into publication, many persons provide supports, including Mr. Hijiri Ito of JAN Corporation. I'd like to express my deepest appreciation again for their support. We will continue to make our best efforts to make this news information-exchange platform one that further helps people in the world automotive recycling business.

June 2016

JARA Corp.

President Soshio Kitajima



Okano Shoukai's headquarters relocated to a 2,800 square-meter site

250 units and supplies used parts to both the domestic and overseas markets.

Although its headquarters was once located in Ise City and its plant in Tamaki-cho, it has now integrated both, along with a warehouse, at a single 2,800 square-meter site in Tamaki-cho..

Selection according to region

One of the biggest achievements of the relocation is improved working efficiency. The production method features a process that selects parts from the same vehicle for sale in Japan and overseas. While most other companies roughly divide vehicles into those from which parts will be retrieved for the domestic market and those from which parts will be retrieved for overseas markets, Okano Shoukai's parts selection method selects parts from the same vehicles according to region (domestic or overseas). Despite taking more time and effort, the method enables the company to effectively sell its parts in response to customers' needs. Because the company uniquely matches production to demand, it is able to achieve and maintain a sales-rate of 100

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JARA Members Topics on Focus

Okano Jidousha renovates its headquarters

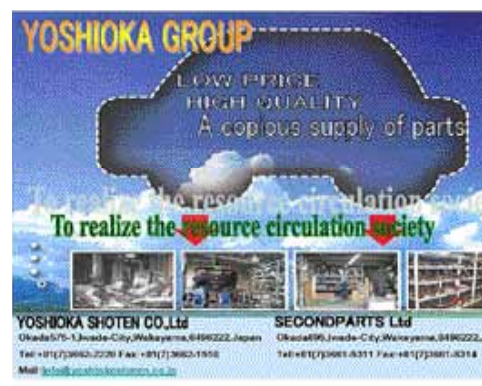
New plant focuses on efficient traffic flow and strengthening sales at home and abroad

Okano Jidousha Co. in Tamaki-cho, Mie Prefecture, recently relocated its headquarters. Domestic and overseas business divisions, which were operated separately in different locations, are now integrated at a new site to achieve more efficient parts production. Inside the plant, a

new layout has been employed focuses on efficient transport of vehicles and parts. Moreover, the layout reduces worker burden. With enhanced productivity at the new site, the company aims to strengthen used parts sales both in Japan and overseas.

Integration of headquarters and plant

Okano Shoukai sells used parts in Japan and in four overseas markets, including Malaysia and Myanmar. Domestic parts sales account for roughly 50 percent of total turnover, while overseas parts sales account for 30 percent and scrap steel sales about 20 percent. The company has managed to maintain a monthly vehicle-handling level of





Auto Parts Recycle Center

JARA Members Topics on Focus

Ishikawa demonstrates ecology through automobile recycling

Ishikawa Auto Parts Recycle Co. in Kawagoe City, Saitama Prefecture, was established in 1959 as a cleaning and industrial waste disposal service provider. Later, Masaki Ishikawa, the successor to the founder, opened an auto parts center. Currently, the company's main businesses are selling used parts and purchasing vehicles. Under its corporate slogan of "Contribution to ecology through auto parts", it pursues in daily operations "joy in receiving ELVs from customers", "joy in recycling vehicles", and "joy in selling recycled parts", with an effort to reflect such joy in its dealings with customers.

One-man start to recycling business

After graduating from school, Masaki Ishikawa joined Showa Metal Co. in Saitama Prefecture, where he learned for two years the ins and outs of automobile recycling. Realizing that he wanted to join a growing business, he decided to enter the automobile recycling industry. At Ishikawa Co. he set up a parts center. It was a one-man initiative, as he dismantled vehicles and took care of sales, packaging and



Dismantling plant



Inside the parts center



Stockyard

delivery all by himself. Understanding that it was first important to help customers become aware of recycled parts, he visited companies and groups of auto recycling in the prefecture and promoted such parts. Finally, he succeeded in gaining customers and then began to expand sales routes for exports. His efforts bore fruit when his company posted sales of 35 million yen in its first year in the recycling business in 2003. Annual revenue has expanded to 1 billion yen at present.

Thorough quality management

The pillars of the company business are ELV acquisition, dismantling and used parts sales. Quality management is thoroughly implemented. For example, old and yellowish headlamps are polished to a good-quality level that allows customers to use them as is. As for its dismantling business, the company keeps more than 3,000 vehicles in an approximately 6,600 square-meter stockyard, making it possible to meet various customer needs. Safety and environmental regulations are observed, and, because workers produce parts while taking responsibility and with clear targets in each process, the result is the obtainment of high-quality parts.

Motto: Sympathy and Sharing

The company currently has 40 employees, with an average age of 30. Because the workforce is relatively younger, creating a sense of unity is important and is

essential for achieving company goals. The company uses daily morning gatherings, sales meetings, person-in-charge meetings, and executive meetings to make clear its intent for achieving goals. In addition, two general meetings will be held this year. With these step-by-step efforts, Ishikawa Co.'s parts sales and ELV acquisition are rising despite difficult business conditions throughout the industry. "What's important is that employees are moving in the same direction," the president said.

Environmental consideration

Meanwhile, how to address noise and environmental concerns is a standing issue. The company is planning investment in facilities, such as a new dismantling plant on site that features safety and environmental solutions. "It is quiet around here, especially in the daytime. So even small sounds easily carry through to the neighborhood," said president, expressing his worries about the noise from his plant. And because injuries in the industry are common, the company thoroughly implements safety measures.

Recently, scrap steel prices have fallen, causing keen competition in ELV acquisition among recyclers. "We want to show that there are merits in bringing ELVs to dismantlers, such as our own, rather than in taking them to auctions," the president said. By raising monthly sales in each of its businesses by 15-20 percent, the company hopes to achieve monthly sales of 100 million yen. (*Daily Automotive News*, May 19 issue)

Okano Shoukai

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percent.

Before parts production, staff members of both the domestic and overseas parts divisions discuss which parts will be sold where and then create a production order. For this, coordination between the domestic and overseas sales teams is important. The company's relocation has strengthened such cooperation.

Inventory increases 70%

The plant layout has been fully redesigned to make



Connecting production and inventory on the same line



Using shelves that slide to increase space for inventoried engines

operations more efficient. From vehicle arrival to dismantling, parts production and inventory, all steps are set in a single flow. The capacity of the inventory warehouse has also been increased. By using sliding shelves, the new warehouse accommodates 1.7 times the number

of engines compared to the previous warehouse. President Isao Okano says, "You don't want to simply increase the inventory if you have a bigger warehouse. We would rather apply ourselves to selling parts while achieving a high sales rate." (*Daily Automotive news*, April 28 issue)

CO2 Reduction Effect

(based on Super-Line System)

The use of Reuse Parts saved

3,152 tons of CO2 emissions in April 2016

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.

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