

# **JARA NEWS**

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May 2017, No. 111

## Takata airbag recalls seriously impact recyclers

The burden placed to recyclers to detach airbags from end-of-life-vehicles (ELVs) is increasing as the number of vehicles affected by recalls expands. Under the Automobile Recycling Law, the "collection" of airbags is usually conducted by forced on-board deployment. As for vehicles that have not appropriately processed under the recall steps, however, it takes times to complete the collection.

#### Measures performed at a raid pace

There are two types of recall measures for airbags made by Takata Corp: 1) those that are to be replaced with "improved parts" and 2) those that are to be replaced with new parts until improved parts are available. At present, the transport ministry, carmakers and dealers are working hard to perform recall measures at a rapid pace to prevent vehicle occupants from being injured by accidents. A carmaker's service representative says that the ratio of vehicles that we have already taken measures has expanded to 90 percent of total affected vehicles and it is coming close to 95 percent." However, the notice for recall measures might not be received by the vehicle owners who have moved to other places since buying their vehicles.

At the sites of automobile recyclers, there has been an increase in the arrival of vehicles that have been recalled and for which measures have yet to be taken. "About 10 to 20 percent of the vehicles that arrived each day are recalled

> CO<sub>2</sub> Reduction Effect (based on JARA System)

The use of Reuse Parts saved

### 3,087 tons of CO<sub>2</sub> emissions in March 2017

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. Removing the airbags concerned and their inflators from the dashboard should be performed before "collection" under the law



vehicles," said a major recycler. The Japan Auto Recycling Partnership (JARP) sends notices to contracted recyclers at the time that a carmaker submits a recall to the authority. On a requestbasis, JARP also marks the vehicle concerned in an orange color on the screen of the recycling system so that recycling worker can identify vehicles for which measures have or have not yet been taken. The recycler, proceeds with the appropriate airbag recycling and "collection" process.

# Difficult to achieve both safety and efficient operations

However, there is a problem: most recyclers pointed out that "stickers (that indicates that recall measures have been completed) are not applied to vehicles or are pulled off despite the fact that recall measures have been taken," and "airbags are set to be unable to be temporary activated, but this is not indicated." This means that recyclers must check all ELVs regardless of orange-colored identifiers in order to secure workers' safety. Detachment of such airbags requires extra time and costs. Although an additional fee called a "particular charge" for such detachment work is given to recyclers, they say that "more money is needed in consideration of their burden." The important point is that the recycling fee that car users pays is based on the detachment of airbags. The Automobile Bureau of the Ministry of Economy, Trade and Industry, says: "We understand that the recyclers are facing a heavy burden, but ask them to take part in appropriate recycling in the same manner as before." An increase in particular charges might be difficult.

According to the report "Submissions and Recalled Vehicles in 2016" published on April 7 by the Ministry of Land, Infrastructure Transport and Tourism, a total of 364 cases covering 15,848,401 vehicles was submitted in It takes times to detach airbags depending on vehicle types, such as imported brands



2016. Of that, there were 43 cases related to airbags made by Takata Corp., which affected 6,218,677 vehicles: approximately 40 percent of total affected vehicles. As such, an increase in recall-affected vehicles in total ELVs is expected in the future. Recyclers' costs for airbag detachment are unlikely to be reduced.

Meanwhile, JARP shows their intention to cooperate with recyclers who are involved in Takata airbag issues, saying "just tell us whether they experience any problems: we will put forward our best efforts." The Japan Automobile Recycling Promotion Center also said: "don't hesitate to tell us if they need anything." (Daily Automotive News, April 13 issue)

### Greenhouse gas emissions down 2.9% in 2015

According to the Ministry of Environment, Japan's emissions of greenhouse gases in 2015 declined 2.9 percent from the previous year to 132.5 metric tons. It marked a year-on-year decrease for two consecutive years due to the expanded use of energy saving measure and the year's relatively cool summer and warm winter. The expanded use of renewable energy and reuse of some nuclear power stations also contributed to the nation-wide reduction of emissions. The ministry, though is has not yet been announced, has estimated a reduction of greenhouse gas emissions in the year 2016 as well. If so, Japan will see this reduction for three years in a row.

The 2015 result means a 6 percent reduction compared with the reduction reported in 2013. The government aims to achieve 26 percent reductions in 2030 compared to 2013. (*Daily Automotive News, April 15 issue*)

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Spacious workplace in the new Japan Rebuilt plant



JARA's Partner Rebuilt Maker

# Japan Rebuilt Co. focuses on truck parts

Japan Rebuilt Co., Ltd. is developing a solid base for sustainable business growth. The Osaka-based recycler newly opened a new plant in Sakai city and is strengthening the production of increasingly demanded truck parts.

The company was established in September 1980. Founder Katsuhiro Tanaka began operations remanufacturing automotive parts in 1970. He went to the United States in 1975 to learn rebuilt transmissions technology. In 1976, he started a rebuilt parts business in Japan.

Forty years later, his company handles up to 27 parts items including drive shafts, transmissions, power steering, engines, electric parts, and radiators. In 2000, a production line for new drive shafts was completed. With this, Japan Rebuilt "can make products even if 'cores' for rebuilt parts are not available," Tanaka said.

On the other hand, auto recycling businesses are facing hard times driven by the declining number of ELVs, the cost hike of purchasing ELVs, and price falls in scrap steel. The shrinking demand for new vehicle, increased exports of used vehicles from Japan, aging vehicles on roads, and the extended period of the average service life of vehicles were behind the downturn.

Tanaka warns of the hard business environment: "Our industry will continue weakening if we continue on this



plant will be upgraded



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A wide storagePresident Katsuhiro Tanaka, right, andspace is arrangedPlant Manager Noriaki Tanaka, center



path." However, he also says that "we should take all opportunities when things are hard."

His new plant, which is located in the renovated building of a former office furniture factory, is located nearby the Izumi Office for Motor Vehicle Inspection and Registration Association, encompasses about 6,600 square meters. It houses ample spaces for parts production, storage of parts and cores, as well as truck platforms for shipment. Tanaka says that "to manufacture good products, fine and modern facilities are essential."

Engines, transmissions, and catalyzers are the most highly demanded production items. Backed by the ample storage of cores, the company is always ready for the shipment of these specific trucks parts. In the plant, an efficient layout is employed ranging from washing, disassembly, and assembly, thereby providing a highly productive operation. In addition, the latest versions of testers and washing equipment have been introduced. A guide route for visitors is also arranged inside the plant.

Japan Rebuilt opened a web service called "Japan Rebuilt Product Search System" in March 2016. Orders can be received on the web. (*Daily Automotive News*, *April 6 issue*)

### Scan tools expand in repair and recycling businesses

In order to make scan tools an engine to power existing businesses, seminars and workshops regarding such equipment are actively held. In addition to their applications in vehicle overhaul, scan tools are also seen as essential equipment for body repair and recycled parts production firms. The transport ministry plans to support workshops by providing subsidies for such activities. A vehicle repair company says that "supports from car users and dealers might help our business."

The Ministry of Land, Infrastructure, Transport and Tourism estimates that about 80 percent of vehicle repair businesses have scan tools. There were 7,275 factories designated as "Scan Tool Promotion Factories" by the Japan Automobile Service Promotion Association (JASPA) as of the end of 2015. Now, such factories are moving from the era of "possession" to "utilization" of such equipment.

Other industry groups are also assisting workshops and related activities. The Japan Automobile Repair Insurance Confidence (JARIC) holds "JARIC Vehicle Diagnostics Training Course for Car Mechanics" through which participants will be allowed to skip its "Basic Workshop." In heavy-duty vehicle repair businesses, the Lotas Truck Network, jointly with the All Japan Lotas Club's Committee of Education, hosted its generalpurpose scan tool workshop in six regions across Japan.

JASPA introduced scan tools in its retraining programs. The group aims to enhance technical levels by offering such programs focusing on advanced technologies for those who have the qualifications for vehicle body repair.



About 80% of vehicle repair stations have scan tools

Repair glass businesses are also eager to acquire familiarity with scan tools because cameras for collision impact mitigation system are often mounted on the windshields of newer vehicles. They are asked to check whether systems work when the glasses are replaced. Scan tools are becoming essential as vehicles' safety technologies develop. Repair businesses are likely to survive only if they fully utilize scan tools. (Daily Automotive News, April 7 issue)

### Toyota to begin demonstration tests of fuel cell vehicle in China

On April 18, Toyota Motor Corporation announced that it will send two "Mirai" fuel cell vehicles (FCVs) to China in October 2017 to conduct demonstration tests in the country. Coinciding with the start of these tests, Toyota will also establish a hydrogen station at its Toyota Motor Engineering & Manufacturing (China) Co., Ltd., its Chinese research and development base, located in Changshu, Jiangsu Province.

Between December 2014 and February 2017, an approximate total of 3,000 units of the Mirai sedan have been sold across Japan, the United States and Europe. Toyota will also start demonstration tests of FCVS in China as a next-generation eco-friendly vehicle. There are presently five hydrogen stations in China which are centered in the metropolitan regions of Beijing, Shanghai and Guangzhou. The hydrogen station which Toyota plans to construct will be the first of its kind in Changshu.

Toyota will carry out demonstration tests on the Mirai FCV for three years between 2017 and 2020. Specifically, Toyota will conduct research into vehicle performance within the environment in China, research into the quality of China's hydrogen, as well as a variety of quality and durability evaluations. The company will also engage in promotional activities and attempt to gauge how receptive Chinese consumers are to the vehicle, such as by exhibiting the Mirai at domestic events in China.

Toyota will expand sales of hybrid vehicles, plug-in hybrid vehicles and FCVs in China.

It is also planning to introduce electric vehicles to the Chinese market in the next few years.



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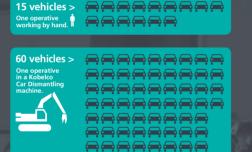
### Dismantling process flow chart

How the Car Dismantling machine works



### The Evolution of car dismantling industry by Kobelco

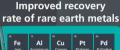
Four times\* the vehicle dismantling capability compared with hand dismantling. \*In one day (Kobelco test figures)



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