



JARA NEWS

July 2017, No. 113

from
Japan Automotive Recyclers Alliance
www.jara.co.jp

Published by JARA Corporation
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President Kitajima delivers a lecture in Malaysia

JARA Corporation's president Soshō Kitajima gave a lecture at the International Aftermarket Forum 2017, which took place in Kuala Lumpur, Malaysia. Malaysia Automotive Institute, which was the organizer of the forum, asked him to speak about the moves and status for ten years after the introduction of Japan's Automobile Recycling Law. President Kitajima stressed on how the law has played an important role in building a recycling-oriented society in Japan. He also explained the seamless structure of the system, which has been developed jointly by the recycling industry and the government.

About 150 attendees, largely representing the automotive industry, government and academic sector of Malaysia, joined the meeting. Kitajima also attended a session titled "Mobility Solutions in the Aftermarket" as a panelist. He was actively involved in exchanging information and opinions with other attendees. (*Daily Automotive News, May 25 issue*)

CO₂ Reduction Effect (based on JARA System)

The use of Reuse Parts saved
2,570 tons of CO₂ emissions
in May 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.



JARA holds estimation work seminar for BP business

JARA Corporation organized an Estimation Work Basic Course for Vehicle Body Repair and Paint (BP) at the Aioi Nissay Dowa Automobile Research Center, located in Susono City, Shizuoka Prefecture.

The course aimed to educate attendees about estimation work techniques for approximately 200,000 yen damage repair work of an exterior

panel. Ten JARA members, including those working at the front desk and in sales operations and management, participated in the seminar. In addition to estimation techniques, trainees also received a lecture on the new materials that are increasingly being used in next-generation vehicles, as well as in body structure. "Getting a grasp of how BP and repair stations create their estimate is key for us to usually offer the best parts to customers," said JARA. In the seminar, instructions were provided not only for materials, structure, and exterior panel repair, but also for how to use an index for detachment/replacement, exterior panel repair, and repair paint.

BP and repair stations are upgrading their technologies to work on high tensile steel panels and other new materials, as well as moving to acquire higher levels of electronically controlled technologies. JARA decided to conduct the seminar as the company "found the necessity for recyclers to have the latest knowledge and skills in order to communicate well with customers." The company plans to host the seminar again in the autumn of this year. (*Daily Automotive News, June 15 issue*)

Takahashi Shoukai celebrates its 35th anniversary

New President Kensaku Takahashi introduced

Takahashi Shoukai Co, an automobile recycler, hosted its 35th anniversary celebration at a hotel in Kushiro City, Hokkaido. About 150 guests and employees attended the event. Kensuke Takahashi took the post of president in March 2017, while Chairman Satoshi Takahashi, who served as the president for 35 years, will support the new and young president.

Recalling the days prior to the establishment of the company and various events thereafter, Chairman Takahashi said, "I made my best

efforts to arrange better working environment for employees, and I always have had my policy to make the company that it is chosen by local community and they need it." He also expressed his appreciations of the support given by other industry



President Kensaku Takahashi

groups and companies. "I was lucky because I met many good people, especially my wife, which was the best luck I could have had."

On behalf of the guests, JARA Group Chairman Yuji Imai, Kushiro Toyota Corporation Chairman Minoru Ikeda, and Kobelco Construction Machinery Co. Executive Operating Officer Takeshi Miki extended congratulations to Takahashi Shoukai on the occasion of its anniversary. JARA Corporation President Soshō Kitajima sent cheers to the young new president during the reception party.

Kensaku Takahashi expressed his hopes by saying: "Under the corporate policy that was raised by the Chairman, I will make my best efforts, jointly with employees. I want to make the company even more powerful to fly towards the world!" (*Daily Automotive News, June 19 issue*)



People actively celebrated the memorial year event



NPO-JARA approves business plans

Non-profit organization Japan Automotive Recyclers Association (NPO-JARA) held its 13th General Meeting in Tokyo. The directors who attended examined business reports and the settlement of accounts for the business year 2016, and these were approved. At the meeting, they also approved the retirement of the former Vice Chairman Gore Demon, and the appointment of 13 new Directors, including a new Chairman and new Vice Chairman.

The 2016 business reports included the participation in the International Roundtable on Automotive Recycling 2016 (April 20-23), the organization of the first Automotive Industrial English Skills Seminar in July, and the completion of the Automotive Industry Study Tour to Myanmar, which was a business mission to that country.

With regard to the business plans for this year, four goals were agreed upon: 1) Study on clarification of quality standards for rebuilt parts, 2) Involvement in the educational activities for Green Point System, a carbon dioxide emission reduction program, 3) Organization of seminars focusing on automotive recyclers, and 4) Strengthening ties with automotive recyclers in the world. For each goal, activities will include a tie-up with the National Institute of Advanced Industrial Science and Technology for 1), Participation as an exhibitor in the Eco Products International Fair 2017, for 2), conducting seminars for management for 3), and attending international conferences, such as the International Roundtable on Automotive Recycling hosted by the Automotive Recyclers Association (ARA) and the Asian Automotive Environmental Forum to be held in Seoul, South Korea for 4).

At the beginning of the meeting, Chairman Takahashi said, "The popularity of the Japanese vehicles is high in Malaysia and other overseas markets and the demand for recycled auto parts is growing. The situation of our recycling industry is largely changing on a global scale,



so we need to have a platform to the thoughts and ideas of young management and we need to secure human resources who will have a significant role in the future. NPO-JARA will actively send information from now on." (*Daily Automotive News, June 1 issue*)

JAERA to create excellent recycler system

The Japan End-of-Life-Vehicle (ELV) Recycler's Association (JAERA) held its General Meeting of Members for fiscal year (FY) 2017 in Tokyo. Members discussed the business report for FY2016 and plans for FY2017, which were approved. After the meeting, a fellowship gathering convened, and members discussed business activities for this fiscal year and exchanged information.

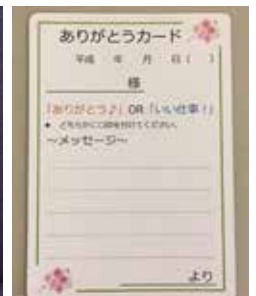
For FY2017, the following goals have been established: 1) creation of excellent recycler system, 2) diffusion of a certified automotive recycler program, 3) involvement in the "joint shipment of precious metals," 4) establishment of standards for recycled replacement parts, 5) involvement in activities related to the Automobile Recycling Law such as "A Recycling Business Model Project for Plastics and Glass of Automobiles," 6) a response to the Technical Intern Training Program for Foreigners, and 7) integration of auto recycling industries, including talks of a planned merger with the Japan Automotive Parts Recyclers Association (JAPRA).

In the fellowship gathering, "Tips for safer and better work," which were collected from the members, were introduced. An outline of the activities of the Japan Automobile Recycle Institute, which incorporated in last September, was also presented.

**"Tips for safer and better work":
A collection of good examples**



Leaflet entitled "Tips for safer and better work"



Thanks Card to be sent to a colleague

JAERA published a leaflet entitled "Tips for safer and better work." This collection includes 102 practical examples for improving efficiency and safety in the daily work operations of recycling companies. By sharing good examples, JAERA intends to encourage member recyclers to improve their daily processes and procedures.

The leaflet describes a variety of inventions and useful tools, including a handcart for carrying tires and engines, racks for storing parts, a toolbox, and even toilet slippers that employees wear with over shoes to prevent oil from getting on the restroom floor.

Inventions for safety operations include the use of a cushion on windshield glass and a fireproof sheet for wrapping the vehicle, both of which are used when the airbags of a vehicle are forced to deploy.

Regarding galvanization of the organization, a health assessment board for employees was introduced to improve work allocation. A Thanks Card delivery system was also presented: accordingly employees could send cards to other workers to express appreciation or admiration for jobs with excellence. A hand-made bulletin board inside the company's facility, which would help communicate the culture of the work environment, was also introduced.

JAERA to move on merger with JAPRA

Talks on a merger between the Japan ELV Recyclers Association and the Japan Automotive Parts Recycler's Association have progressed. The Japan Truck Refine Parts Association is also expected to join the move.

Last December, JAERA organized the Fellowship Gathering of Industry Groups, in which 14 auto recycling groups in Japan accelerated, to accelerate the movement toward the creation of an industry-wide united group (*Daily Automotive News, June 21, 22 issues*).

METI to talk with Vietnam, eyeing an automotive alliance

The Ministry of Economy, Trade and Industry (METI) will enter talks with Vietnam regarding an automotive partnership. METI will set up a working group in the framework for bilateral talks and establish



METI Minister Hiroshige Sekou, right, and Minister of Industry and Trade of Vietnam Tran Tuan Anh, left



Major Japanese carmakers already operating in Vietnam

action plans this year at the earliest. As enforcement of the Trans-Pacific Partnership remains unsettled, trade tariffs inside the Association of Southeast Asian Nations (ASEAN) are scheduled to be lifted in 2018. Under these circumstances, METI intends to provide a better environment for investment and exports from Japan to Vietnam.

The Japan-Vietnam Industry, Trade and Energy Collaboration Committee, which was formed in July 2015, will establish a working group for automotive and supporting industries, and talks will begin in July.

Currently, Vietnam imposes a 77-83 percent tariff on complete built-up vehicles and a 2-30 percent tariff on auto parts, including the vehicle body, transmission, and tires. It was agreed during the

Trans-Pacific Strategic Economic Partnership (TPP) that such high tariffs should be abolished in 13 years. However, with the exit of the U.S. from the TPP, it is difficult to envision enforcement of this agreement.

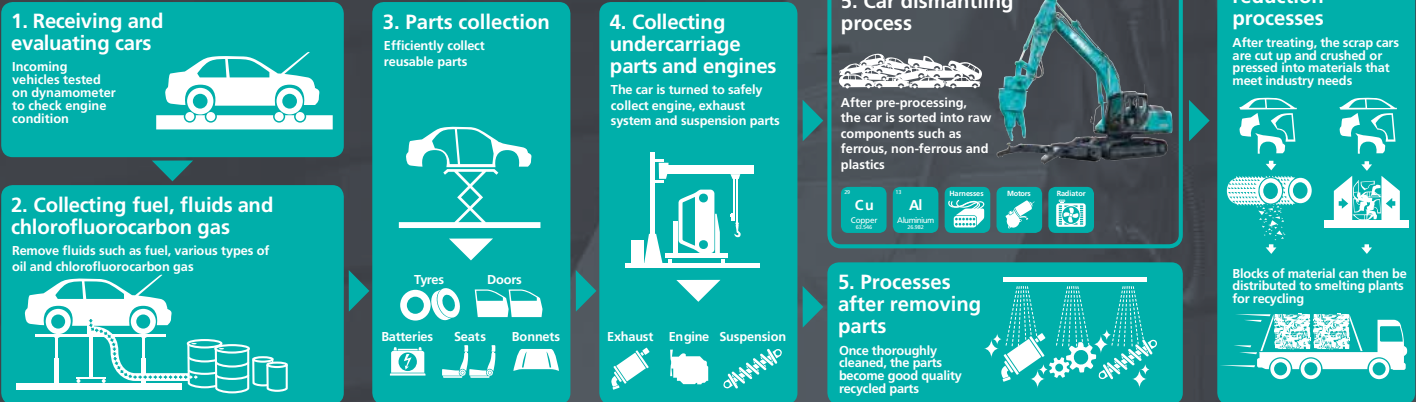
On the other hand, the ASEAN Economic Community (AEC) had already decided to abolish almost all tariffs inside the region, including those applicable to the automotive industry, by January 2018. Vietnam has production bases for Toyota, Honda and Mazda. The country's competitiveness is weak in the region, so it has concerns about a potential flood of vehicles from Thailand and Indonesia, which would have a negative impact on Vietnam's domestic automotive industry.

Therefore, Japan and Vietnam agreed to join forces to build a better environment for trade and investment, thereby expanding the auto market and maintaining Vietnam's industrial competitiveness. Initially, Japan will lower tariffs in imports to Vietnam from countries outside of the ASEAN region, thus allowing Vietnam to easily join in the supply chains for the Japanese automotive industry. Japan will also encourage Vietnam to lower the special consumption tax, thereby increasing domestic demand (*Daily Automotive News, June 9 issue*).



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, Al, Cu, Pt, Pd
Iron, Aluminum, Copper, Platinum, Palladium

Separation of these valuable materials is quicker and easier and can be performed with one Kobelco machine.



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