JARA
Japan Automotive Recyclers Alliance

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JARA holds ATRS regional workshop in Tokyo

On September 9 Japan Automotive Recyclers Alliance (JARA) held its Automobile Total Recycle System (ATRS) Regional Workshop in Tokyo. This was the third workshop after those held in Sendai and Nagoya and was attended by 17 companies.

Three new features of the ATRS were introduced: "parts taking guide," "genuine parts number retrieval," and "QR code quick registration for vehicle inspection certificate".

The parts taking guide automatically displays the parts to be recycled of the vehicle based on data of sales, unit number, and inventory rotation. So far, recycling processes have depended mostly on experience and intuition. This new feature allows the transformation of the processes into an automatic system, thereby producing recycled parts efficiently.

The genuine parts number retrieval helps user to locate find the numbers of the corresponding parts when these have been registered, resulting in an efficient process.

The QR code quick registration for vehicle inspection certificate is a tool for reading the QR code printed on the certificate through a handy scanner. With this feature, relevant vehicle information, such as chassis number and engine type, can be easily scanned and registered in the system. Moreover, by linking this with other data, such as model and year of manufacture, the feature allows the generation of detailed vehicle information.

The workshop also introduced the "ELV Mode" feature that improves convenience for users. It provides an automatic calculation of the recycling fee and creates an accounting form by using the chassis number. JARA said that this is a vehicle management system for performing proper recycling processes in accordance with the Automobile Recycling Law *(Daily Automotive News, Sept. 14 issue)*.

CO_2 Reduction Effect
(based on JARA System)

The use of Reuse Parts saved

2,491 tons of CO_2 emissions in August 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 and manufacturers of new and rebuilt parts hold a gathering

JARA hosted its "One-on-One Meeting & Gathering" for its partner manufacturers of rebuilt parts and new parts in Tokyo.

The event was attended by 20 representaticves from 16 companies. Unlike a conventional meeting, the one-on-one session provided a platform for the frank exchange of views of these manufacturers *(Daily Automotive News. Sept. 7 issue)*.

MOE hosts Summer Trial for students

The Ministry of Environment hosted its Summer Trial A Course for students on August 29 and 30. Twenty-nine students participated in the 2-day event.

Twenty nine students participated in the two-day event. Through lectures and a field trip, the course aimed at cultivating their abilities to identify and solve problems, which are essential skills for governmental officials.

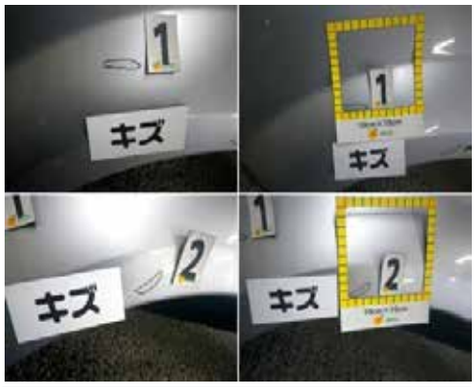
On the first day, the students learned about the promotion of the 3Rs and quality enhancement through lectures and a group discussion in the building of MOE.

One the second day, participants visited Showa Metal Co., Koshigaya Fender Co., and U Parts, Inc. They observed automobile recycling processes, which spanned dismantling, shredding, material collection, and production of reuse parts. They also listened to recyclers' comments on operations and issues. A student said, "I found there was a manual process in the bumper process. I think it would be quite profitable if it is simplified." Another said, "One part was pressed even if it looked clean. Why?" They seemed eager to deepen their understanding of automotive recycling *(Daily Automotive News, Sept. 7 issue)*.

JARA distributes area sheet

JARA distributed its Area Sheet that clearly shows the damaged portions of vehicle exterior panels to its members. It is a 10 centimeter-square sheet and comes with two types of application: vinyl and magnet.

JARA recommends the use of this sheet when taking photos for highlighting the damaged portion. Through these photos, JARA members can communicate the area of the damaged portion to customers at a glance. The area of the damaged portion is a common factor for assessing the vehicle in repair and insurance industries. JARA aims to help member recyclers improve the success rate of negotiations with customers as well as avoid production loss *(Daily Automotive News, Aug. 31 issue)*.



Mazda The area sheet's vertical and horizontal area is 10 centometers each. The two photos on the left row show the damage without the area sheet. The two photos on the right row have been taken with a magnet type area sheet.

Exports of electrified used vehicles top 100,000 units a year

Growing number might have negative impact on carmakers and Japan's recycling policy

Over 10,000 used electrified cars are exported from Japan a month

Russia and Asia are major destinations of damaged vehicles

Damaged vehicles are likely to decline

Exports of used hybrid (HV), plug-in hybrid vehicle (PHV), and electric vehicle (EV) are likely to exceed 100,000 unit-a-year mark. According to the trade statistics by the Ministry of Finance, exported volume of used HVs, PHVs, and EVs totaled more than 70,000 units in the first seven months of this year. Exports of such vehicles are increasing at around 10,000 units per month. Last year, the recyclers' acceptance of such vehicles as ELVs totaled only 8,100 units. A large number of such vehicles, which should be recycled in the domestic market, are going abroad. The move might affect recycling of batteries of such vehicles by carmakers and Japan's recycling system.

By destination, the largest exports of used HVs, PHVs, and EVs were to Mongolia at 20,033 units in January-July 2017, followed by 11,244 units to Sri Lanka. Pakistan, Russia, Singapore, and New Zealand also imported between 3,000 and 9,000 units of such vehicles for the same period.

Growing exports of such vehicles would probably have a negative impact on carmakers. Since 2007, Toyota Motor Corporation has been engaged in resource recycling of used nickel-metal hydride batteries taken from hybrid cars. Nissan Motor Co. is involved in the renewable energy project using used lithium-ion batteries. The companies might be affected with the increasing export of used HVs, PHV, and EVs.

The Ministry of Environment is promoting the reuse and recycling business of lithium-ion batteries under its vision toward a low-carbon society. The ministry has already introduced a subsidy program for this project. Increased exports of used electrified vehicles could discourage such projects *(Daily Automotive News, Sept. 4 issue)*.

Damaged vehicles lure overseas buyers with low cost

Exports of damaged vehicles have developed into a niche market. According to a major exporter of damaged vehicles, approximately 1.17 million units of vehicles damaged by accidents are generated in Japan per year. There are three alternatives for such vehicles: to be repaired and reused, to be dismantled for reuse or recycled. However, many of such vehicles are exported to overseas market. Considering the export performance of specialist damaged car traders such as TAU Corporation and Hanamaru Co., more than 50 percent of the damaged cars are exported from Japan.

Popularity of used Japanese vehicles in overseas markets helps the exporters of damaged vehicles grow their business. In some countries, damaged cars are imported from Japan and then restored before being used. Import tariffs of damaged vehicles are low, along with the low repair cost overseas. Overseas regulations for restoration are not so strict as in Japan.

However, the supply of damaged vehicles will tend to shrink due to the decline in occurrence of traffic accidents in Japan. Traffic accidents declined to below 500,000 cases in 2016, according to the National Police Office. The trend is expected to progress as advanced safety equipment and systems are increasingly being fitted in many vehicles.

In these circumstances, players in the damaged vehicle market are working hard to make profits as efficiently as possible. Some players began to operate their used-car purchasing by sourcing directly from car owners, while others launched heavy advertising on major search engines on the Internet. The market is expected to further heat up *(Daily Automotive News, Aug. 20 issue)*.

WELCOME TO JARA MEMBER RECYCLER

Kawashima Co. going steady on a strong customer base

Kawashima Co. started their vehicle dismantling business in Itami city, Hyogo Prefecture, way back in 1969. The business grew, and the recycler moved to a spacious, new location in Rokko Island's warehouse district of Kobe city in 2011. Spread on an are of 2,500 square meters, it has been gaining customers' trust since then.

In February this year, it opened in yet another attractive location–the Kobe Fashion Mart building. The office serves as a call center and front-end base: women staff handle all the operations at the office. The building also houses IT companies, technology ventures, and fashion-related enterprises, which help Kawashima Co. to improve their corporate image and attract talented human resources. The company's location at just a one-minute walk from the Island Center station of the Rokko Liner line offers "the fastest access ever seen is never seen in the car recycling industry," according to the company president, Junichiro Kawashima. With the new location, the recycler has successfully formed a firm tie-up with major auto leasing companies, resulting in large volumes. "Visitors to our site are also increasing, so the company staff are working enthusiastically," he added. In fact, Hyogo Economic Development Center awarded a prize to Kawashima Co., for excellence in its highly rated enterprise technology management force.

However, the business environment of automotive recyclers is increasingly becoming difficult these days. Decline in the generation of end-of-life-vehicles (ELVs) is inevitable in the near future as the auto industry would shift to electrified vehicles such as electric vehicle and fuel cell vehicles. The auto recycling industry is also exposed to the crisis of selection and closure. "So, it is urgent for us to enhance our corporate value and improve the skills of each employee," said Kawashima. He plans to review every work process and revamp it.

The company will celebrate its 50th anniversary in 2019. Kawashima sees the time until 2019 as a step toward preparation and retooling to march into the next one hundred years with renewed vigor. "It is certain that recycling is here to stay. But that doesn't mean we should merely survive. As artificial intelligence (AI) is highly likely to impact our business, we must continue to think of how customers will select us *(Daily Automotive News, Sept. 14 issue)."*

Kawashima Co. located in close proximity to Kobe city center

Junichiro Kawashima, president of Kawashima Co.

Kawashima Co.'s business performance is steadily growing

To survive, the recycler is actively involved in improvement of productivity

KOBELCO

We Save You Fuel
Achieving a Low-Carbon Society

Dismantling process flow chart

How the Car Dismantling machine works

1. Receiving and evaluating cars
Incoming vehicles tested on dynamometer to check engine condition

2. Collecting fuel, fluids and chlorofluorocarbon gas
Remove fluids such as fuel, various types of oil and chlorofluorocarbon gas

3. Parts collection
Efficiently collect reusable parts
Tyres Doors Batteries Seats Bonnets

4. Collecting undercarriage parts and engines
The car is turned to safely collect engine, exhaust system and suspension parts
Exhaust Engine Suspension

5. Car dismantling process
After pre-processing, the car is sorted into raw components such as ferrous, non-ferrous and plastics
Cu Copper 63.546 | Al Aluminium 26.982 | Harnesses | Motors | Radiator

5. Processes after removing parts
Once thoroughly cleaned, the parts become good quality recycled parts

6.Volume reduction processes
After treating, the scrap cars are cut up and crushed or pressed into materials that meet industry needs
Blocks of material can then be distributed to smelting plants for recycling

The Evolution of car dismantling industry by Kobelco

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

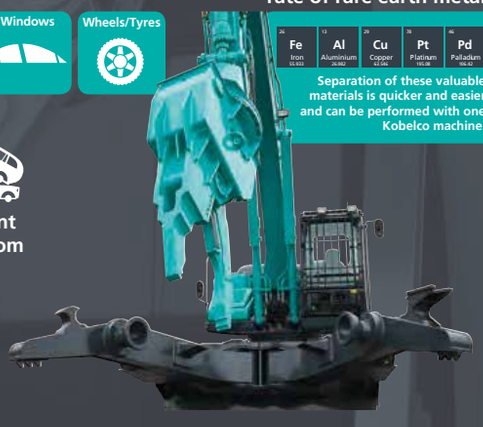
15 vehicles >
One operative working by hand.

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

Engine | Catalytic Agents | Body Steel | Seats | Windows | Wheels/Tyres
Sus pension | 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 55.933 | Al Aluminium 26.982 | Cu Copper 63.546 | Pt Platinum 195.08 | Pd Palladium 106.42
Separation of these valuable materials is quicker and easier and can be performed with one Kobelco machine.



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