

KAIHO SANGYO NEWS LETTER



SINCE 1969

NO.5

DATE:11-NOV-2006

Greetings from Kaiho Sangyo. We hope you are all doing well. Here in Japan, winter is knocking on the door. We have to take care so as not to catch a cold.

In this edition we will introduce to you the USED CARS DIVISION of Kaiho Sangyo. Also in this issue the country Russia will be featured. In this issue we will introduce you the International Division of Kaiho Sangyo. Also we will give a short profile of an overseas country dealing with KAIHO.

Your frank comments about this letter, our company, staff or products are always appreciated. Please feel free to contact us anytime! Kana

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INTORODUCTION OF THE USED CAR DIVISION

In our last issue we talked about the International Division of Kaiho Sangyo. Similarly, we will talk about another important division of Kaiho Sangyo: The Used Cars Division. This division is responsible for buying all the used cars for KAIHO. About 45 to 50 used cars are being bought per day from different suppliers, which usually consist of individuals, used car shops and offices. Among them 70% are being bought from various used car shops situated in Kanazawa and Hakusan city. Individual suppliers and offices account for only 10% and 20% of the supplies respectively. This division maintains contacts with each supplier in an earnest and sincere manner.

There are two sections in this division:

(1) **Buying used cars section** and (2) **Used cars sales section.**



From Left:

Mr. Yukitoshi Yamamoto

Mr. Kazuyuki Otaka

Mr. Takeshi Nomura (only his back tho.)

Mr. Nobuaki Naito

Mr. Daisuke Yamashita

Mr. Kenji Kawabata

From Right:

Ms. Hiroko Arai

Ms. Misato Tokuda



Now a brief description of the two sections is given below.

1) Buying Used Cars Section.

There are 3 people working in this section. They pass a very busy time contacting the various suppliers, maintaining good relation and bringing in the purchased used cars to Kaiho. Their work is divided according to area of Kanazawa and Hakusan city. One of them does extra work to bring in the purchased cars into KAIHO every day by their own truck. The used cars that are brought in are delivered to the "Factory" of KAIHO for dismantling and making ready various parts. Those dismantled engines and parts are sold to international buyers and domestic customers. Some parts are sold as materials and recycled. The Used Cars Division averagely buys about 1000 units of used cars every month. It is pretty big quantity and the active and hardworking nature of the staff makes this quantity possible. All the cars are bought at various prices and come in various models. Interestingly, Toyota, Nissan and Honda cars have the highest buying price. A good and friendly relationship between the supplier and KAIHO is extremely important to get good price and satisfied quantity of used cars. Also, engine quality is an important factor when buying a used car. Kaiho fixes the prices for used cars according to engine size and changes it time to time.

2) Used Car Sales Section

Two people are working in this section: Mr. Kawabata and Mr. Yamashita. Their main responsibility is to go to auction centers held on Wednesday, Thursday and Friday. There are two auction centers in Kanazawa and one in Aichi prefecture. These used cars are sold to buyers outside Japan or the Buying Engines Section of KAIHO. About 100 cars are bought by this section every month.

Statement by Mr. Yukitoshi Yamamoto (Manager of this division)

Our main job is purchasing ELV (End of Live Vehicle). Paying for ELV might sound strange to you, but some of them are still usable or some body parts still work without problems. We would like to reuse or recycle those ELVs by dismantling carefully. So, we are sort of a rescue of ELVs. Reusing and recycling ELVs are also very good for the environment. We will keep saving those cars for car it self, for buyers who need used engines and used auto parts, and for the global environment.



COUNTRY PROFILE ; FILE NO. 2 RUSSIA

We have some buyers of used cars in Russia. In this country, individuals had imported 353,000 second hand cars (three years old or more) at a cost of \$1.5 billion in 2002, up 48 percent from previous year, according to the State Customs Committee. Second hand cars arrive mainly from Japan (154,400 in the first nine months of 2002) and Germany (122,000). New cars in Russia cost between 4,000 and 8,000 euros, roughly the same as a four-to-six-year-old equivalent car imported from, say, Germany. Almost 20 percent of the 22 million cars in the country are foreign, and their proportion is increasing. Domestic car industry is also growing. Automakers in Russia see their revenues grow mostly from increasing prices, and not from increasing volumes of sales. Russia has more than doubled import duties on old second-hand cars (more than 7 years) in a move to assist its troubled domestic car industry. The government's hope is that the raised import duties will make many buy Russian made cars instead.

Source: (EMEconomy.com), (<http://news.bbc.co.uk/2/hi/europe/1916923.stm1>)



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