

February 2013

IACT BULLETIN

Accomplished in improving efficiency of work related to import cargo service — IACT drives efficient logistics in the air cargo industry

Since June 2012, IACT has introduced new process of "obtainment of cargo damage and remark" for damage on outer packages in order to reduce the workload for processing documents of cargo damage confirmation. Since the implementation 8 months ago, the new method is working effectively in our import cargo service.

During the process of import cargo delivery, in case agents for consignees recognize any damage on cargo, they need to obtain "cargo damage and remark" upon requests of their clients. Nowadays, needs for obtaining "damage and remark" are increasing, especially for minor external damage on the packages, in terms of evaluation of transportation quality, not only for compensatory reasons. This process for preparing documents to confirm minor external damage to packages is a local service related to the importation of packages to Japan. In order to meet those requests, IACT used to publish "outer package condition reports" for every cargo at the time of delivery, based on the "cargo damage confirmation sheets" submitted by the agents. The volume of publications was approximately 70% of the entire outgoing cargo, and it had reached about 300,000 cases per year. However, those reports were not actually used in practice.

In order to improve operational efficiency and save paper materials, IACT decided to change this process,

and in 2010 held several consultations with delivery agents and members from the Tokyo customs committee at Narita branch. After 10-month trial period, the new system was implemented company wise in June 2012.

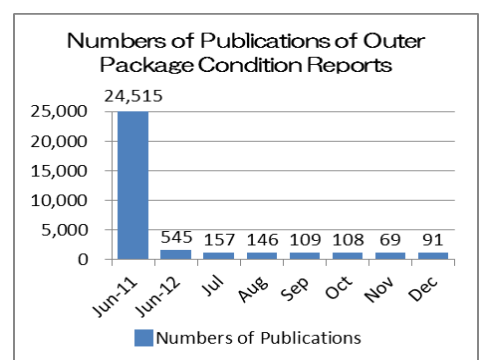
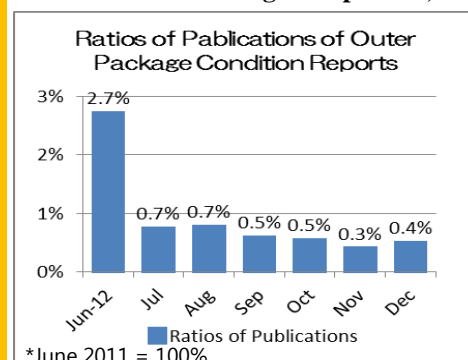
Instead of using conventional "cargo damage confirmation sheets", the new method utilizes a "cargo claim list" which has been used by agents when they receive cargo from the warehouse. Using this list has saved time for preparing application forms or copying work. For "outer package condition reports", because they are not always necessary at the time of delivery of cargo, IACT changed to publish them only when they are requested by the agents. After the implementation in June 2012, the number of publications of reports was 545, which was 2.7% of the entire "obtainment of damage and remark", a 97.8% decrease compared to June 2011. This significant decrease in the number of publications saved the cost of preparation and storage of these documents, and also saved agents the trouble of coming to the warehouse to claim the "confirmation sheets" during application, helping to promote efficiency of cargo delivery both internally and externally.

IACT has also set up "Transformation of business operations Project", and works on improving efficiency of operations every day. (See page No.2)

IACT, the logistics terminal linking Japan to the world for international air cargo

 国際空港上屋株式会社
International Air Cargo Terminal Co.,Ltd.

<http://www.iactcgo.co.jp>



IACT propels operational transformation — Awards given to employees for proposing excellent ideas to improve daily operations

IACT is now encouraging operational transformations by all the employees who have knowledge of cargo handling and unique ideas. The second quarter "Proposal of Operational Transformation Award" was held at IACT on January 29th, as one of the efforts for transformation.

"Transformation of business operations Project", set up at the end of 2011, aims to construct a flexible and competitive operational system, because we have to deal with today's rapidly changing society appropriately. The project lead is taken by the members of Operational Department 1, while Operation Control Department is working as a head office. The Operation Control Department was founded in February 2011, in order to examine how to improve the current system of operations. The goal is quality control in a cross-departmental and comprehensive manner, and to propel operational efficiency. As one of the activities of the project, employees from each department offer proposals for improvement of their daily work every week. The Operation Control Department calculates those proposals and makes a bar chart to show how many proposals are from which department. Every quarter the most efficient proposals are chosen by the project members, after calculations of annual economic benefit to the company from implementation of the suggested plans. Those whose proposals are chosen receive awards.

At the second quarter award, five of the most efficient suggestions were chosen from ideas suggested and implemented between October

to December 2012. The first prize was given to Mr. Naoki Katsuta of Operational Department 1, who suggested to waterproof the sorting area of IACT Building-D during rainy weather. He suggested that stacking up no-longer-used old "nestainers", then wrapping them with plastic sheets, and making a wall to prevent rain from blowing in to the sorting area. This simple measure has prevented rain from blowing under the canopy, and helped to maintain operational efficiency with no loss of performance in work space. Its economic benefit is expected to be more than 4,700,000 yen(*) per year.

* Approximate.

Thus, through this project, IACT tries to have each employee always have a say how he/she can improve the quality of service, or what they can do for making their operations more efficient ones. This approach enables cross-sectional analysis, examination, and evaluation of tasks in each department, and helps to streamline and unify the work.

We will keep strengthening our business structure by reforming the operational system and the operations themselves, along with encouraging operational efficiency.



Award winners were given a letter of commendation from the president.



At the 2nd quarter "Proposal of Operational Transformation Award"



Mr. Takaoka (2nd prize/Operational Dept.1) and President Tsukahara

IACT welcomes the visit of Mr. Emrullah Muslu, the new Japanese Regional Cargo Manager of Turkish Airlines Inc.

On February 5th, Mr. Emrullah Muslu, Turkish Airlines' newly appointed Regional Cargo Manager for Japan, made a visit to IACT, and toured the warehouse facilities used for our import/export cargo handling operations.

During a discussion between Mr. Muslu and President Tsukahara, IACT was given high praise by Mr. Muslu for daily handling and services provided to Turkish Airlines. Also during the talk, our President described to Mr. Muslu an ongoing project IACT has been working on; the development of new air cargo system. IACT's new system will use a package solution provided by IBS Software Services, and Turkish Airlines' new cargo system, "COMIS" (Cargo Operations Management and Information System), which is also under development, uses the same software package as well. By relying on the same system vendor, our company anticipates that the operation will be more effective in the future, not only for Turkish Airlines, but also with other airlines using this system.

~ ATTENDED IBS CARGO FORUM ~



January 24th and 25th, IBS Cargo Forum was held in Trivandrum, India.



President Tsukahara and Mr. Morita, the manager of system development project attended.

