ASQ A 301

Quality Assurance Guideline for Suppliers

Established on May 22, 1986

28th Revision on January 11, 2018

Aisan Autopartes México SA de CV

Purchasing Dept.
Quality Control Dept.

Preface

Our suppliers are required to ensure that all the products to be delivered to Aisan sufficiently meet our quality requirements.

For that purpose, we explained activities that we request our suppliers to implement in order to guarantee the quality of your products, and yet at the same time, introduced our activities as examples in this guideline.

Under this revision, we reviewed the submission timing of several documents, customer problems counting method, drawings & standards control guideline or others.

We ask all parties concerned including 2nd suppliers and below to fully understand the contents of this guideline and utilize this for your quality assurance activities.

However, distribution of copies of this guideline to 2nd suppliers or below is prohibited.

As we will continually try to improve this guideline, please inform our Purchasing Department or Quality Assurance Department if you find anything to improve in this guideline.

28th Revision

January 11, 2018

Aisan Autopartes México SA de CV

Purchasing Dept.

Quality Control Dept.

Revision History

No	Revision Date	Revised Contents	Dept. in charge	Remarks
—	May 22, 1986	Established.	QA	
1	Jun. 26, 1987	Established initial control and safety-related parts management.	Purchasing	
2	Apr. 24, 1989	Added “Step by Step Defect Investigation Report.”	Purchasing	
3	Oct. 17, 1990	Revised “ Process Inspection Check Sheet.”	Purchasing	
4	Jan. 30, 1991	Added “ Safety-Related Important Process Register.”	Purchasing	
5	May 21, 1991	Overall revised as a guideline for new suppliers.	Purchasing	
6	Oct. 1, 1991	Added safety-related important part indication method.	Purchasing	
7	Oct. 31, 1991	Partially revised.	Purchasing	
8	Nov. 26, 1991	Revised based on changes in sheets.	Purchasing	
9	Jan. 10, 1992	Revised based on important quality characteristics control standards.	Purchasing	
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24	Apr. 21, 2008	Partially revised.	QA	
25	May. 1, 2009	Partially revised including changes in important characteristics	QA	
26	Nov. 1, 2010	Revised documents submission timing or others.	QA	
27	Aug. 25, 2017	General adapting to Aisan Autopartes México conditions	PD	
28	Aug. 25, 2017	Revised legal appliance and compliance for México Penalties updated	PD	

List of Main Revisions in the 28th Revision

No.	Page	Section	Revised contents
1	All	All document	・ Page numbers and relation within document
2	II-2	Supplier's Quality Assurance Activities	・ Including maintaining certificates validated. Notification otherwise

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I Basis of Quality Assurance by Suppliers

Suppliers have a responsibility to deliver the products that satisfy our quality requirements in accordance with “Master Agreement for Purchase of Parts.”
It is our policy to purchase quality-guaranteed products based on transaction agreements with the suppliers who can maintain stable quality.
For that purpose, suppliers are required to establish a quality management system and carry out thorough quality control to prevent a quality problem from occurring among the products delivered to Aisan. When possible suppliers must deliver a copy of their certificates valid to a third party certification body.
We provide cooperation and support for the establishment and enhancement of your quality assurance systems as needed, based on supplier development hierarchy determined by Aisan.
Please note that as one of the specific requirements in the automotive field, we may perform on-site verifications of your quality assurance systems in your companies together with our customers or their representatives as needed. When we conduct witnessed inspections of purchased products in your companies, we perform the inspections in accordance with the inspection standards concluded between us to check if your products satisfy the inspection specifications before giving our permission for shipment of the products.
This guideline also includes other specific requirements in the automotive field, so please fully understand the contents before implementing quality assurance activities in your companies.

1. Targets of Supplier’s Quality Control

Please promote quality control activities in your companies to accomplish the following targets that we require of our suppliers.

1. Products to be delivered to Aisan should satisfy 100% of our required specifications. Moreover, it should be proved that the quality of the products is ensured.
2. A quality management system is established and its effectiveness and efficiency are monitored. Besides, its operation is maintained and continuously improved.
3. In case a defect occurs, its causes are promptly and correctly investigated, and emergency measures and recurrence prevention are implemented to solve the problem.
4. Supplies themselves monitor the actual performances of manufacturing processes and continuously improve them.

The quality targets for Continuous Improvement shall include the items listed below.

a) To improve the product quality indexes; Warranty claims, recalls, service, 0km Claims, PPM through the mass production, number of 0km Claims occurred.
b) To reduce variation of the product quality (including variation of process parameters) and to improve Process Assurance.
c) To enhance the Quality Management System by use of Lessons Learned from new product launch (APQP) and corrective or preventive actions required through the internal and/or external audits.
d) To improve productivity and productive efficiency.

2. Supplier’s Quality Assurance Activities

Suppliers are required to implement the following systematic activities to ensure that the quality we required is fully met.

2.1 Establishment of a Quality Management System

Suppliers are required to clarify companies’ basic policies related to quality and establish a quality management system.

1. Prepare manuals or documents describing your quality management systems, clearly inform other departments in your companies and your suppliers (herein after called “Sub-Suppliers”) of your quality assurance related activities, and then maintain or improve the activities.

Assign a person in charge of quality assurance and clearly define his/her responsibility and authority in each quality assurance activity.

> The responsibility of a person in charge of quality assurance is based on the terms of “Master Agreement for Purchase of Parts.” Specific responsibilities are listed bellows.
> Quality assurance of outgoing shipments
> Clarification of quality-related company policies and targets, and promotion of the activities
> Establishment, maintenance and improvement of a system that allows quality to be built in the stages from inquiry to mass production.
> Management of internal and outside quality information and implementation of both corrective and preventive actions
> Guidance and education for sub-suppliers on quality

2. Clarify quality information handling rules and the route.
3. If a certificate issued by a valid third- party recognized certification body is delivered to Aisan, this should maintain its validity. Otherwise a written notification must be delivered to Aisan to update supplier status and evaluation database.

2.2 Production Preparation Plan

In performing a quality assurance activity, it is necessary to make a production preparation plan and try to enrich the plan especially at the production preparation stage in order to build processes that produce stable quality.

1. Comply with Aisan’s mass production schedule.
2. Prepare the necessary information requested according PPAP level and Aisan requirements (III-22).
3. Draw up a production preparation schedule. Thoroughly consider the production preparation schedule, prepare 5M needed for the quality assurance activity and clarify the deadline and the responsible person to move ahead with the plan.
4. Check the production preparation schedule periodically. If there is a possibility of delay in the mass production schedule, revise or replace the production preparation schedule.

2.3 Process Planning

In order to ensure the required quality, review processes, identify problems, take measures against them, and then calculate and secure the appropriate number of operators.

1. Design the process layout that satisfies the required quality.
   (Prepare a process chart and draw a layout.)
2. Review processes. (Streamline the processes based on the dimension and machining standards on the drawings.)
   ------- Perform process FMEA or QA Matrix as needed.
3. Calculate and ensure the appropriate number of operators.
4. Set the production capacity of equipment.

2.4 Equipment Planning

Pursue the plan by clearly determining when equipment specifications are decided, designed and selected, and when the equipment capability is checked to ensure the required quality.

1. Select equipment.
2. Design equipment, jigs, tools and inspection devices.
3. Arrange the purchase of equipment, jigs, tools and inspection devices based on the process planning.
4. Detect initial failures using debugging function of equipment and take measures against them.
5. Check and ensure machine capability.
6. Check the accuracy of dies, jigs and tools.
7. Promote the introduction of equipment.
8. Check the accuracy of inspection devices and verify the measuring capability (statistic analysis of measurement systems, etc.)

2.5 Inspection Planning

An inspection plan should be checked in a planned manner to try to ensure appropriate inspection processes, inspectors and inspection methods.
In order to clarify inspection methods, standards and others, hold meetings with Aisan Quality Control Dept. to discuss inspection and conclude agreement on Inspection Standards.

1. Form an inspection plan.
2. Review inspection processes in harmony with manufacturing process.
3. Educate inspectors and perform aptitude assessment and staffing.
4. Establish an Inspection Standard
5. Reach agreement on the Inspection Standard.
   [Important parts, important characteristics (𝕊, 𝔼, ℝ, 𝔽, 𝕊, ℂ etc.), non-inclusion of substances of concern (SOC), supplier chain]
6. Review and approve packaging.
7. Exchange of necessary boundary samples.

2.6 Process Preparation

Ensure machine capability to guarantee quality in processes and prepare the processes using appropriate standards for process control.

2.6.1. Conformance of Equipment

1. Promote process preparation.
2. Detect initial failures using debugging function of equipment and take measures against them.
3. Check and guarantee the machine capability of equipment.
4. Check the accuracy of inspection equipment and examine the inspection capability (statistical analysis of measurement system, etc.)
5. Establish an equipment maintenance standard.
6. For temporary processes, clarify a migration plan to finalized processes and submit a process change report to Aisan.
7. Check and set equipment conditions.
8. Establish marking rules and maintain quality history to ensure traceability.
9. (When a single type of parts are produced in more than two lines, make it possible to identify the line)

2.6.2. Preparation of Appropriate Standards for Process Control

(1) Prepare standards for process control. (Prepare a QC Process Table and work standards.)
(2) Prepare standards for packaging, shipment and transportation processes.

2.7 Initial Production Control

2.7.1. Mass Production Trial (Pilot Production)

Stabilize production processes at early stages to ensure manufacturing quality that meets the required quality.

1. Verify manufacturing quality by measurement of initial products and correct problems.
2. Educate and train operators, properly staff them through ability assessment.
3. List production problems and promote feedback & problem solving.
4. Grasp, maintain and improve process capability.
5. Check the results of initial product measurement and process capability study conducted by sub-suppliers, and provide kaizen instruction.
6. Study processes of sub-suppliers as needed.
7. Determine packaging (purchased parts.)
8. Check the results of evaluation conducted by Aisan and correct problems.

2.7.2. Mass Production (Regular Production)

In order to ensure the manufacturing quality that conforms to process control standards, check the process capability, maintain and improve it and promote proper initial production control activities.

(1) Ensure the manufacturing quality that confirms to process control standards.
  ① Grasp problems occurred during initial production period and correct them.
  ② Review and improve work standards.
  ③ Educate and train operators periodically and raise quality awareness among them.
  ④ Feed back defect information, prevent recurrence and do *Yokoten*.
  ⑤ Analyze and improve process indexes.

(2) Check, maintain and improve process capability.
  ① Draw up and execute a maintenance plan for machinery and equipment.
  ② Check the process capability periodically and analyze/remedy "the causes of dispersion" as needed.
  ③ Detect in-process abnormalities, take measures and prevent their recurrence.

(3) Observe Aisan's delivery rules when delivering initial products.
  ① Observe the delivery rules for new parts.
  ② Observe the delivery rules for design-changed parts.
  ③ Observe the delivery rules for process-changed parts.

2.8 Daily Management

As daily management, it is important to control not only 5M (Material, Machine, Man, Method and Measuring instruments), but also power, energy, safety and working environment.
Reliable verification of changes in 5M is especially important.

2.8.1. Control of Materials

(1) Analyze materials, check and control material certifications to prevent different material from mixing.
(2) Control manufacturing & shipping history (material～shipment) and display lot information.
(3) Display stores and boxes and thoroughly implement First-in and First-out.
(4) Use identification markings and install *pokayoke* to prevent foreign matter contamination, inclusion of dropped parts and process skip.

2.8.2. Control of Machinery and Equipment

(1) Daily inspection
(2) Periodical inspection
(3) Implement preventive and proactive maintenance.

2.8.3. Control of Operators

(1) Improve the motivation of operators.
(2) Skill assessment, education and training (qualification, as needed)
(3) Periodical check for observance of standards (by operation check or detectability test)

2.8.4. Control of Working Methods

(1) Specify work instructions, procedures and key points correctly in Work Instruction.
(2) Clarify the definition of abnormalities and action procedures.
(3) Obtain problem information including tricky operations and improve them.
(4) Revise Work Instructions, as needed.

2.8.5. Control of Safety, Power and Others

(1) Control safety and working environment. (Illuminance at appearance check process, etc.)
(2) Control power and energy. (Power change due to additional equipment, etc.)

2.9 Delivery Date Management

Ensure the capability to deliver products to Aisan 100% on time. When a delay in delivery may occur due to unavoidable reasons, promptly inform our Production Control Department., about the delay, follow their instruction and take corrective actions.
If a special delivery (shipping requiring extra charges) occurred, keep the record and inform our

Production Control Dept about it.
Also, promote improvement in physical distribution including delivery package and shipping methods on a regular basis.
Be aware that any delay notified or not may affect your scorecard due to your monthly evaluation.

2.10 Sub-Supplier Management

There are some defects caused by changes in process or manufacturer at sub-suppliers, so provide thorough instruction on quality control to sub-suppliers.

2.10.1. Establishment of a Quality Management System at Sub-Suppliers

Establish and maintain a quality management system equivalent to yours.

2.10.2. Instruction to Sub-Suppliers

Periodically check processes of sub-suppliers, provide guidance and improve them.

3. Instruction & Guidance for Suppliers

In order to check suppliers' quality assurance systems, progress in process preparation for new products, and to support suppliers' quality improvement, Aisan performs the following inspections and provides guidance as needed (with consideration for requirements and suppliers' needs.)

(1) Inspect quality assurance systems.
(2) Inspect important part handling processes.
(3) Provide special guidance to priority supplies (worst manufacturers, etc.)
(4) Inspect process preparation for new products.
(5) Perform special inspections (inspections of special processes and sub-suppliers, or when a process changed or a defect occurred.)

4. Loss Recovery Sheet for suppliers

If a defect is found or notified by Aisan, in order to clarify cost related to contain that defect, the organization must use "supplier loss recovery sheet" to be reimbursed for cost suffered.
First of all, Quality control department should inform immediately to supplier, production control and purchasing. If it is a non-working hours, QC should contact our emergency person designated from supplier.
Supplier must work along QC department person to determine root cause of defect.

Loss recovery sheet calculation shall be presented to supplier at the time activities on our end has concluded. The recovery cost shall reflect the following payment after conclusion

Supplier must pay total amount showed on this calculation by a credit note to be applied on immediate next payment.
At the end if supplier doesn`t provide an answer within 5(five) working days Finance department from AAM, can deduct this amount directly from invoice.

This process will be used for both defective parts found in Aisan or warranty periods, dealer returns, field actions and recalls.

II Submission of Quality Assurance Related Documents

The Documents/ sheets required for smoothly performing quality assurance activities are shown on the next page. In order to illustrate at which stage these documents/ sheets are needed, a synoptical table is provided for a better understanding. Please check the table and take prescribed procedures.

Explanations about Categories

1. At deal start --- when a supplier opened business with Aisan and received an order for parts.
2. At order receipt for new parts --- when the supplier who already has business relations with Aisan received an order for new parts.
3. At design/ process change --- when a design or process changes.
4. During continuous production --- when a supplier received an additional order for the same parts and continues the production.
5. At defect occurrence --- when a defect was detected in delivery products.
6. At dealer returns, warranty, field actions and recalls.

Explanations about Marks

◎ --- Spontaneous submission is required without waiting for the instruction by Aisan.
○ --- Submission is required when instructed by Aisan.
△ --- Submission is conducted based on suppliers' needs.

Point to Note during Implementation Period

QC Process Table and Inspection Standard should be submitted before initial products are inspected in your company so that details of inspection can be adjusted with Aisan Quality Control Dept.

Prepare the necessary information requested according PPAP level and Aisan requirements (III-22).

Table of Quality Assurance Related Documents to Be Submitted

Category Mark:
◎ Spontaneous submission without instruction by Aisan
○ Submission after instruction by Aisan
△ Submission according to supplier's need

Category					Required Document	Submission Timing		Sheet available at	Submission to	Sample Sheet	Submission Style
At deal start	At order receipt for new parts	At design/ process change	During continuous production	At defect, warranty, occurrence		First submission	Second or more (*2 Submission timing is the same as 1st one.)				
○					Master Agreement of Purchase of Parts	At deal start	-	Purchasing	Purchasing	Page II-11	Original x 2 (return one after signed) if possible. Electronical shipment is accepted
◎			◎		Responsible Person Registry	At deal start	When changed (within one month)	Purchasing	Purchasing	Page II-3	Original x1
◎			◎		Set up supplier form (emergency contact)	At deal start	When changed (within one month)	Purchasing	Purchasing	Page II-1	Original x1
◎			○		Supplier self check	At deal start	When required	QC	Purchasing / QC	Electronic file	Electronic by email
○	○				Mass Production Preparation Schedule	By specified date	-	Purchasing/ QC/ Production control	Production Control	Page III-7	Original x1
○	○	○		△	Process FMEA or QA Matrix	By specified date	When changed*2	Free format	Quality Control	-	Copy x1
◎	◎	*1○		◎	QC Process Table	Before initial product measurement	When changed*2	Quality Control	Quality Control	Page III-14	Copy x1

◎	◎	◎		◎	Inspection Standard	Before initial product measurement	When changed*2	Quality Control	Quality Control	Page III-21	Copy x1
○	○	○			Process Flow Chart	By specified date	When changed*2	Free format	Quality Control	-	Copy x1
◎	◎	◎			Application / Answer Sheet for Using 2nd or 3rd Suppliers	Before starting to use	When changed*2	Quality Control	Quality Control	Page III-49	Original x1
◎	◎	△			Request for Package Setting of Purchased Parts	Before initial product measurement	When changed*2	Production Control	Production Control	Page III-24	Original x1
◎	◎	◎			Initial Product Measurement Result Report	At delivery of initial products	-	Quality Control	Quality Control	Page III-27	Original x1
◎	◎	◎			Initial Product Tag	At delivery of initial products	-	Production Control	Production Control	Page III-32	Original x1 (attaching to actual product)
◎	◎	◎			SOC-Free Evidence Data Sheet	At delivery of initial products	-	Quality Control	Quality Control	Refer to Actions Required for Suppliers to address SOC (Substances of Concern)	Original x1
			△	△	Request for Special Acceptance	Before delivery of specially accepted products	-	Production Control	Quality Control via Production Control	Page III-10-2	Original x1
		◎			Process Change Report	200 days before the process change	-	Purchasing	Quality Control via Purchasing	Page III-43	Original x1
○	○	○			Drawing for Approval	By specified date	-	Refer to JIS Z 8311	Development via Parts Purchasing	-	High quality paper x1
◎	◎	◎			Application for Design Change	Before the design change	-	Purchasing	Development via Parts Purchasing	-	Original x1

				○	Defect Measure Report	By specified date	-	Quality Control	Quality Control	Page III-55	Original x1
○	○	○		○	Product sample	By specified date	When changed*2	-	Quality Control or Development	-	-
				○	Loss recovery sheet acceptance	By specified date		Quality Control	Purchasing	II-25	

As for *1, QC Process Tables for parts designated as Ⓢ,Ⓕ,Ⓥ,Ⓕ,Ⓢ,Ⓔ,Ⓡ,Ⓕ,Ⓒ should be submitted without waiting for the request from our Quality Control Dept.

1. MASTER AGREEMENT FOR PURCHASE OF PARTS

This MASTER AGREEMENT FOR PURCHASE OF PARTS is made and entered into by and between Aisan Autopartes México SA de CV., a Mexican corporation, having its principal place of business located at Circuito San Miguelito Poniente N° 106, Ciudad Satelite, San Luis Potosí, San Luis Potosí C.P. 78423, Mexico (hereinafter referred to as "Buyer") and_____, a _____corporation, having its principal place of business located at _____ _____ (hereinafter referred to as "Seller"). In consideration of the terms and conditions herein under contained, the parties agree as follows:

CHAPTER 1. GENERAL PROVISIONS

Article 1. BASIC PRINCIPLES

(1) Buyer and Sellers shall promote mutual prosperity through purchase transactions performed based on this Agreement.

(2) Buyer and Seller shall not only comply with domestic and international laws, regulations and their spirit but also strive to pay attention to regional and global environments and to enlighten their own executives, employees and business partners on their social responsibilities, and contribute to sustainable development of the society and globe through promotion of good-faith and sound business activities.

(3) The parties shall execute this Agreement faithfully to achieve the purposes mentioned in the above two paragraphs based on a spirit of mutual trust and cooperation.

Article 2. DEFINITION

(1) In this Agreement, "Delivered Parts" shall mean the parts that Seller manufactures (including machining and assembling; the same hereinafter) and supplies to Buyer.

Article 3. APPLICABLE SCOPE

(1) Unless otherwise specially agreed, all terms and conditions of this Agreement shall apply to individual agreement (hereinafter referred to as "Individual Agreement") between Buyer and Seller on purchase of Delivered Parts.

CHAPTER 2. BARGAINS
PART 1. WARRANTY FOR GOODS

Article 4. WARRANTY FOR GOODS

(1) Seller warrants that all Delivered Parts shall conform to the specifications specified in Article 5 (1) and their quality shall satisfy Buyer's requirements.

(2) In order to assure the quality of Delivered Parts, Seller shall establish quality control standards and inspection procedures for Delivered Parts in light of Quality Control Guidelines (Manual) provided by Buyer and shall responsibly implement the quality control, inspection, and others based on those standards and procedures.

(3) Seller shall follow the procedures established by Buyer and agreed by Seller for the initial management of newly designed parts, redesigned parts and parts after process change, and for management of safety- and emission-related parts which Buyer shall specify.

(4) Seller shall submit a written document or data that assures the quality of Delivered Parts to Buyer without delay according to the procedure set through a separate consultation between the parties.

Article 5. SPECIFICATIONS

(1) The specifications of Delivered Parts shall conform to the following:

i. Drawings, specifications, standards, written request, various materials and equivalent documents (hereinafter referred to as "Drawings and Specifications") that are prepared by Buyer and agreed by Seller and loaned to Seller (including consigned drawings that prepared by Seller based on Buyer's development consignment. Hereinafter referred to as "Loaned Drawings".)

ii. Drawings and Specifications that are prepared by Seller and approved by Buyer

(hereinafter referred to as “Approved Drawings”.)

iii. The Japanese Industrial Standards and other public standards. However, Loaned Drawings or Approved Drawings shall supersede any public standards if discrepancy is found between the former and the latter.

iv. Safety- and environment-related various standards set by Buyer for each domestic and foreign destination, and laws, regulations and rules of the relevant destination that are grasped at the time of delivery.

v. Items agreed in writing by both parties other than those above.

(2) As for Approved Drawings, Seller shall obtain Buyer’s approval before starting to manufacture Delivered Parts. The same rule shall apply when Approved Drawing is changed or added. However, Seller may start manufacturing Delivered Parts prior to Buyer’s approval with Buyer’s written instruction.
(3) Buyer or Seller shall notify the other party of any problem or objection related to (1) hereof without delay, and shall resolve the problem or objection by mutual consultation.

PART 2. INDIVIDUAL AGREEMENT, DELIVERY AND ACCEPTANCE

Article 6. INDIVIDUAL AGREEMENT

(1) An Individual Agreement shall take effect when Buyer generally place a purchase order for Delivered Parts for the next one month with Seller by the end of each month using a specified form (Parts Supply Request Form) and when Seller accepts the said order. In this case, Buyer shall notify Seller of the order schedule for two months from month after next in principle.

(2) Individual Agreement shall provide for the following items.

(3) However, Buyer and Seller may consult and agree on the items common to each Individual Agreement beforehand:

i. Date of purchase order
ii. Part number, specifications
iii. Quantity
iv. Unit price, total amount
v. Delivery date
vi. Place of delivery
vii. Method of payment
viii. Terms of delivery
ix. Other details

(4) If “Kanban System” is adopted between Buyer and Seller based on the agreement of the parties to promote the efficiency of each production system, Buyer may request Seller for the adjustment of delivery date using Kanban on a case-by-case basis.

(5) When Buyer acknowledges the necessity of changes including a change in specification of Delivered Parts, Buyer may change the quantity and the delivery date of Delivered Parts that have been ordered in accordance with (1) hereof with the consent of Seller.

(6) If actual damage and special reasonable expenses are caused because of the proceeding two paragraphs, Buyer and Seller shall consult upon the request by Seller, and then Buyer shall compensate for the actual damage and the reasonable expenses.

Article 7. DELIVERY

(1) Seller shall deliver Delivered Parts on the delivery date and to the place of delivery that are designated by Buyer in the presence of the both parties with the attachment of designated documents after filling out all necessary items.

(2) If Seller is unable or may become unable to supply the whole or a part of the ordered quantity of Delivered Parts on the delivery date, Seller shall promptly notify Buyer of the reasons and the expected delivery date, and shall hold mutual consultation to determine and implement necessary measures without delay.

(3) Buyer may demand reasonable compensation from Seller for actual damage resulted from late delivery. If Buyer is partly responsible for the late delivery, Seller shall be relieved of its obligation to that extent. If the late delivery is resulted from a force majeure or caused by any third party, Buyer and Seller shall consult to determine the extent of Seller’s obligation.

Article 8. INCOMING INSPECTION AND ACCEPTANCE

(1) Each time Seller supplies Delivered Parts, Buyer shall immediately carry out an incoming inspection in accordance with the procedures set by Buyer and receive only those Delivered Parts identified as accepted (hereinafter referred to as "Acceptance.") Buyer can conduct an Acceptance inspection in given lot units with the consent of Seller.

(2) If Buyer and Seller have mutually agreed to skip incoming inspections notwithstanding the provision of the preceding paragraph, Buyer shall immediately accept the Delivered Parts provided by Seller and this shall be regarded as "Acceptance."

(3) Buyer shall immediately notify Seller in writing of any excess or shortage in quantity or rejected parts found as a result of an incoming inspection. Unless specially instructed by Buyer, Seller shall take the following measures at its own expense.

i. Excess: Seller shall collect the excess by the date specified by Buyer.
ii. Shortage: Seller shall deliver the shortfall by the date specified by Buyer.
iii. Rejection: Seller shall take back rejected products by the date specified by Buyer and deliver replacements by the delivery date specified by Buyer.

(4) Seller shall promptly notify Buyer in writing of any problem or objection related to results of incoming inspections conducted by Buyer and shall resolve the problem or objection through mutual consultation.

Article 9. PASSING OF TITLE AND RISK

(1) Both title and risk of Delivered Parts shall pass from Seller to Buyer at the time of Acceptance.

Article 10. SPECIAL RULES FOR DIRECTLY DELIVERED PARTS

(1) If Seller is unable or may become unable to supply the whole or a part of the ordered quantity of Delivered Parts, which is to be delivered directly (hereinafter referred to as "Directly Delivered Parts") to a Buyer's customer (hereinafter referred to as "Designated Customer") according to the instruction of Buyer, on the delivery date, Seller shall promptly notify Buyer and the Designated Customer of the reasons, expected delivery date and others, and shall hold consultation between both parties to determine and implement necessary measures without delay.

(2) Buyer shall entrust incoming inspections and Acceptance of Directly Delivered Parts to Designated Customer. In this case, incoming inspections and Acceptance conducted by Designated Customer shall be regarded as incoming inspections and acceptance conducted by Buyer.

(3) If shortage or excess of parts or a rejected part is found as a result of incoming inspections conducted by Designated Customer, Seller shall take necessary measures according to Article 8 (3) after consultation between both parties.

(4) The title to Directly Delivered Parts and the risk shall pass from Seller to Buyer at the time of shipment of the pars by Seller and Acceptance of them by Designated Customer, respectively.

PART 3. UNIT PRICE AND PAYMENT

Article 11. UNIT PRICE

(1) The unit price of Delivered Parts shall be determined upon consultation between both parties. In this case, Buyer may request Seller to submit an estimate.

(2) Unless otherwise specially agreed, the unit price of Delivered Parts shall include all the costs charged before Acceptance, such as package cost, carriage charges, loading and unloading costs and charges for insurance.

(3) Unless in special circumstances, the unit price of Delivered Parts shall be revised every six (6) months, and the revised price becomes effective from Delivered Parts supplied on April 1 and on October 1.

Article 12. PAYMENT

(1) Buyer shall pay for Delivered Parts to Seller according to the terms for payment that is separately consulted between both parties.

(2) If Buyer has any monetary claims to be paid by Seller, such as the charged for supplied parts, the charges in foregoing paragraph may be offset by such monetary claims.

(3) In this case, Buyer shall send a bill or an invoice to notify Seller of it and offset the charges on a prescribed date.

PART 4. COMPENSATION FOR DEFECTIVE PARTS AND LATE DELIVERIES

Article 13. LIABILITY FOR COMPENSATION

(1) If Buyer suffers a loss after Acceptance because of any of the following defective parts (excluding incidentally damaged parts resulted from those defective parts, hereinafter the same) which are definitely attributable to Seller, Buyer may notify Seller of the damage in writing or by submitting the data and seek reasonable compensation for it only if the defective part is detected within the defect warranty period specified in Appendix of this Agreement.

i. Defective parts found in Buyer's premises (hereinafter referred to as "In-Process Defective Parts")

ii. Defective parts found by Buyer's customer after shipment from Buyer (hereinafter referred to as "Customer-Complained Parts")

iii. Defective parts found after shipment from Buyer's customer (hereinafter referred to as "Market-Complained Parts")

(2) Even after the defect warranty period in the preceding paragraph, Buyer may seek compensation from Seller for the damages caused by defective parts definitely attributable to Seller that seriously affects the quality and function of Buyer's products.

(3) Buyer may also seek reasonable compensation from Seller for the actual damages caused by nonconformity of the specification of Seller's Delivered Parts to Article 5, Paragraph (1), (iv) even after the defect warranty period specified in the Paragraph (1).

(4) The Appendix of this Agreement may be changed through mutual agreement between the parties when the necessity arises.

(5) Calculation for compensation must be presented to supplier using format shown on Appendix 4

(6) The date established in the purchase order for each product, will be considered as the date of delivery of the products and / services requested in it. In case this date is not met by the supplier and he has not informed the buyer of this situation; and due to this, the buyer incurs transport expenses for false freight, the supplier must reimburse the expenses incurred, using Appendix 4.

Article 14. FACT-FINDING AND DESCRIPTION OF COMPENSATION

(1) Buyer shall identify the following facts in demanding compensation:

i. Presence of defective parts and description of them

ii. Seller's responsibility for the defective parts and scope of the responsibility

iii. The damage suffered by Buyer resulted from the defective parts and Seller's share of the damage

(2) The reasonable compensations that Buyer may seek from Seller based on the fact-findings in the preceding paragraph shall be described as follows.

(i) Delivery of replacements
Buyer may demand Seller to deliver replacements of the defective parts.

(ii) Screening and repairing costs
If Buyer had the defective parts screened or repaired either by itself or by a third party, Buyer may charge Seller for the reasonable expenses including the costs of parts, oil, fat, labor, subcontract and travel that are required for the screening and repair.
Buyer may order Seller to screen and repair the defective parts in the presence of Buyer with the consent of Seller.

(iii) Other compensations
Buyer may seek reasonable compensation from Seller for the actual damages including personal injury that are not covered in the proceeding paragraphs.

Article 15. RETURN OF DEFECTIVE PARTS

(1) As for the proceeding Article, Seller may request Buyer to return the actual defective parts in accordance with the procedures set by Buyer through mutual consultation.

Article 16. SELLER'S OBJECTION

(1) Seller shall promptly notify Buyer of any problem or objection related to the proceeding three

Articles in writing, and shall resolve the problem or objection by mutual consultation.

PART 5. SUPPLIED PARTS AND LOANED PARTS

Article 17. SUPPLIED PARTS

(1) If any of the following cases shall be applied, Buyer may supply raw materials, parts, packaging materials or other items that required to manufacture and send Delivered Parts with or without charges after consultation with Seller (hereinafter referred to as "Supplied Parts.")
   (i) When required to maintain the quality, function or standard of Delivered Parts
   (ii) When requested by Seller
   (iii) When accompanied by a due cause

(2) Supplied Parts are classified as follows:
   (i) Raw materials or parts that Buyer manufactures and supplies to Seller (hereinafter referred to as "In-House Supplied Parts")
   (ii) Raw materials, parts, packaging materials or others that Buyer purchases from third parties and supplies to Seller through Buyer (hereinafter referred to as "Subcontracted and Separately Sent Supplied Parts")
   (iii) Raw materials, parts, packaging materials or others that are purchased by Buyer from designated subcontractors (hereinafter referred to as "Designated Subcontractors") and directly supplied to Seller without passing through Buyer (hereinafter referred to as "Directly Sent Supplied Parts")

(3) When Buyer provides Supplied Parts mentioned in the items of the proceeding paragraphs, Buyer, in principle, shall notify the part number, quantity, delivery date or others to Seller in advance.
   In addition, Seller may adjust the delivery date, delivery place, delivery conditions or others regarding Directly Sent Supplied Parts with Designated Subcontractors.

Article 18. INSPECTION OF SUPPLIED PARTS

(1) Upon the delivery of Supplied Parts, Seller shall carry out incoming inspections and Acceptance of the Supplied Parts in accordance with Article 8, (1) and (2) at Seller's own responsibility.
   In this case, Buyer may instruct the inspection items, inspection methods or others for incoming inspections carried out by Seller after consultation with Seller.

(2) Buyer shall entrust Seller with incoming inspections and Acceptance of Directly Sent Parts that are supposed to be carried out by Buyer, and Seller shall carry out the incoming inspections and Acceptance of Directly Sent parts on behalf of Buyer.

(3) If Seller detects excess or deficiency in quantity of Defective Parts as a result of the incoming inspection mentioned in the preceding two paragraphs, Seller shall take necessary actions to Buyer or the Designated Subcontractor in accordance with Article 8 (3).

Article 19. HANDLING OF SUPPLIED PARTS

(1) Seller shall maintain Supplied Parts with the diligence of a good manager, and except when Buyer finds it particularly necessary, Seller shall not use Supplied Parts for purpose other than specified ones, and also shall not transfer or offer Supplied Parts as collateral (hereinafter referred to as "Transfer") to any third party.

(2) Buyer shall carry out physical inventory check of charge-free Supplied Parts every half-year term of Buyer's business year to check the adequacy of stock in the presence of Seller. If the result of the inventory check makes it clear that Seller has caused any damages to Buyer by breaching the preceding paragraph, Buyer may claim compensation from Seller for the damages.

(3) How to handle surplus, mil ends, cut powder or others of charge-free Supplied Parts shall be decided through mutual consultation between the parties.

(4) The title and risk of non-free Supplied Parts shall pass from Seller to Buyer at the times specified below except as otherwise specified.
   i. For In-House Supplied Parts and Subcontracted and Separately Sent Supplied Parts: at

the handover to Seller

ii. Directly Sent Supplied Parts: at Acceptance by Seller

Article 20. COMPENSATION FOR DAMAGE ON SUPPLIED PARTS

(1) When Seller detects defective parts in Supplied Parts in process after Acceptance that are attributable to Buyer or the Designated Subcontractor, Seller may claim compensation for the following items.

(2) Delivery of replacements

Seller may claim the delivery of replacements for In-House Supplied Parts or Subcontracted and Separately Sent Parts to Buyer, for Directly Sent Supplied parts to the Designated Subcontractor directly.

(i) Screening and repairing costs

When Seller had defective parts screened or repaired with the consent of Buyer, Seller may request Buyer to compensate for labor charge and other necessary costs required for the screening and repair. Seller may also instruct the Designated Subcontractor to screen or repair defective parts with the consent of both Buyer and the Designated Subcontractor.

Article 21. RESPONSIBILITY AS A DESIGNATED SUBCONTRACTOR

(1) When Seller itself is a Designated Subcontractor of Directly Sent Supplied Parts, Seller shall assume the same responsibility as in the case of sending Delivered Parts to Buyer regarding the quality assurance, delivery, inspection, compensation for defective parts and others of the Supplied Parts. In this case, Seller shall also compensate for the losses that the party to whom Seller supplied parts suffered because of defective parts.

(2) If Buyer entrusts incoming inspection and Acceptance of Directly Sent Supplied Parts to the party to whom Seller supplied parts, the incoming inspections and Acceptance conducted by the supplied party are deemed as the incoming inspections and Acceptance conducted by Buyer.

Article 22. LOANED GOODS

(1) Buyer may loan machines, dies, test parts, storage equipment or others to Seller as needed (hereinafter referred to as “Loaned Goods”)

(2) Buyer shall decide the loan method, period, rent or others upon consultation with Seller. Article 19 (1) and (2) shall be applied to the handling of Loaned Goods.

PARTS 6. CARE AND CUSTODY

Article 23. HANDLING OF DRAWINGS

(1) Seller shall maintain Loaned Drawings and Approved Drawings in accordance with the procedures set by Buyer with the diligence of a good manager.

(2) Except when Buyer finds it particularly necessary, Seller shall not use Loaned Drawings for purpose other than the specified ones and shall not disclose or transfer to any third party. When Loaned Drawings are no longer in use, Seller shall promptly return the drawings to Buyer or dispose of (incinerate, shred) the drawings as instructed by Buyer.

(3) Either party hereto wishing to use Approved Drawings for purpose other than the specified ones, or to disclose or transfer the drawings to any third party shall obtain prior consent of the other party.

(4) However, in case of Approved Drawings of parts for which Buyer’s consent has been agreed to be unnecessary in prior consultation between the parties or Approved Drawings of parts that Seller developed on its own, Seller may use such Approved Drawings for purpose other than specified ones, or to disclose or transfer the drawings to any third party without Buyer’s consent.

(5) Unless there is a due cause, Seller shall promptly submit detailed drawings and specification documents of Approved Drawings to Buyer upon its request. The proceeding paragraphs shall apply to the handling of detailed drawings and specification documents.

Article 24. RESTRICTION ON TRANSFER OF PARTS

(1) When Seller transfers any of the following parts to a third party, Seller shall obtain the prior written consent of Buyer.

(i) Parts manufactured based on Loaned Drawings
(ii) Parts manufactured based on Approved Drawings
However, the above rules shall not apply to the parts for which Buyer's consent has been agreed to be unnecessary in prior consultation between the parties and to the parts that Seller developed on its own.

Article 25. MANAGEMENT OF SPECIAL TOOLS

(1) When Seller remodels, disposes or transfers special tools, dies, gauges used to manufacture Delivered Parts, Seller shall obtain Buyer's prior consent not to cause trouble in manufacture of service parts.

Article 26. SAFETY, DISASTER PREVENTION AND ENVIRONMENT MANAGEMENT

(1) When Seller manufactures and sends Delivered Parts, Seller shall always pay attention to the safety, disaster prevention and environment management, and shall comply with laws, regulations, instructions and orders of regulatory agencies as well as the rules established by Buyer.
(2) Regarding the preceding paragraph, in the occurrence of damage, an accident or other problems, Seller shall immediately report the matter to Buyer, and shall take appropriate emergency measures on its own responsibility and make utmost efforts in solving it and preventing it from happening again.

PART 7. INTERLECTUAL PROPERTY RIGHTS

Article 27. INTERLECTUAL PROPERTY RIGHTS

(1) Neither party shall make use of patents, utility models, designs, trademarks, know-how, computer programs and other copyrights belonging to the other party without its prior written consent.
(2) When Seller manufactures and sends delivered Parts, Seller shall exercise extreme caution in avoiding infringement of the following rights belonging to a third party:
   i. Patent right on manufacturing methods
   ii. Patent right, utility model right and design right on products themselves
   iii. Trademark right
   iv. Copyright
(3) In the event of any dispute including infringement of those rights specified in the preceding paragraph arising or possibly arising between Seller and a third party, Seller shall promptly send a notification in writing to Buyer. In the event of any dispute including infringement of those rights specified in the items of (2) hereof arising between Seller and a third party, Seller shall, on its own responsibility and at its cost, settle the said dispute and compensate for the damage suffered by Buyer resulting from the said dispute.
(4) However, this rule shall not apply to the dispute that arose out of Loaned Drawings (excluding consigned drawings that prepared by Seller based on Buyer's development consignment) themselves.
(5) If Buyer and Seller make an agreement different from the rules in the proceeding paragraphs, the parties shall solve disputes based on the agreement.

Article 28. EFFORTS FOR TECHNOLOGICAL IMPROVEMENTS

(1) For the manufacture of Delivered Parts, Buyer and Seller shall cooperate each other to improve technologies and mutually consult to decide how to handle inventions, devices, designs, know-how, copyrighted works or others that are achieved as results of the improvement.

CHAPTER 3. GENERAL TERMS

PART 1. GENERAL RULES

Article 29. TRANSFER OF RIGHTS AND OBLIGATIONS

(1) Neither party shall assign this Agreement and any of its rights or obligations under this Agreement

or Individual Agreement to a third party without the prior written consent of the other party.

Article 30. SUBCONTRACTING

(1) Seller, in principle, shall not farm out the manufacture of Delivered Parts either partially or totally to suppliers of Seller (hereinafter referred to as “Sub-Suppliers.”)
(2) If Seller has no choice but to farm out the manufacture of Delivered Parts either partially or totally to a Sub-Supplier, Seller shall submit a report to Buyer beforehand in accordance with the procedures set by Buyer to obtain Buyer’s permission.
(3) Even in the case of the preceding paragraph, Seller shall not be relieved of its responsibilities specified in this Agreement and Individual Agreement in respect to warranty on Delivered Parts, delivery, handling of drawings, intellectual property rights, transfer of parts, confidentiality, etc.
(4) Seller shall accept Buyer’s request to change Sub-Suppliers for securing of quality or other reasons.

Article 31. CONFIDENTIALITY

(1) Neither party shall divulge or disclose business and technical secrets of the other party acquired in the course of transaction under this Agreement to a third party without the consent of the other party.
This shall not apply when either party which acquired business or technical secrets of the other party (hereinafter referred to as “Acquirer”) disclose any of the following information to a third party.
i. What had already become publicly known at the time of the acquisition
ii. What became publicly known after the acquisition without any reason attributed to Seller
iii. What had been already possessed by Acquirer at the time of the acquisition
iv. What was legally obtained by Acquirer from a third party after the acquisition without assuming confidentiality obligations
v. What was independently developed by Acquirer after the acquisition without using secret of the other party
vi. What is disclosed to the minimum necessary extent based on a request from a public institution, law or regulation
(2) Notwithstanding the provisions in the preceding paragraph, in case of any of the following events, Buyer may disclose the secret of Seller to Buyer’s consolidated subsidiaries (hereinafter referred to as “Consolidated Subsidiaries”) to which Buyer entrusts development or manufacture of products, provided, however, that Buyer shall not be relieved of its responsibilities in maintaining Seller’s secret in Consolidated Subsidiaries.
(i) If considered as necessary to carry out the tasks entrusted to Consolidated Subsidiaries by Buyer, including design, development and production of products that Buyer manufactures or grants Consolidated Subsidiaries their manufacturing license.
(ii) If considered as necessary to ensure and improve the capability and cost competitiveness of products of which manufacturing license is granted to Consolidated Subsidiaries by Buyer.
(3) Parties hereto shall follow the instruction of the other party and take all possible measures in entering the designated areas and facilities of the other party and maintaining confidentiality.

Article 32. IMPROVEMENT AND INVESTIGATION

(1) Seller shall actively develop new technologies, make suggestions for improvement and provide information to improve the unit price, quality, function, production method or others of Delivered Parts.
(2) To the extent necessary to achieve the purposes of this Agreement, Buyer may request Seller to submit quality control documents, manufacturing process control documents or others, and to conduct a fact-finding survey on the Seller’s way of controlling quality, process, etc. upon its consent, and may give guidance for improvement.
(3) The necessity to respond to the request, order or others from governmental authorities or organizations concerned and to comply with laws and regulations as well as the necessity to achieve the purposes of this Agreement shall enable Buyer to request Seller to conduct all necessary investigation and provide information. In that event, Seller shall actively cooperate with Buyer.

PART 2. NOTICE AND TERMINATION

Article 33. ADVANCE NOTICE OF SUSPENSION

(1) Either party may suspend the transaction for all Delivered Parts for three months or more by notifying the other party of the suspension at least two months prior to the final delivery date specified in Individual Agreement.

Article 34. MANDATORY NOTICE

(1) Seller shall promptly notify Buyer of any of the following events when it occurred or is likely to occur to Seller.
  (i) Assignment / inheritance of business or merger
  (ii) Change in location, representative director, trade name or other important changes in the organization
  (iii) Events listed in the items of Article 35 (1)

Article 35. TERMINATION

(1) Either party may forthwith terminate this Agreement or Individual Agreement, in whole or part, without peremptory notice or any other procedures if any of the following events shall occur to the other party.
  (i) When punished with suspension of business or cancellation of business permit
  (ii) When filing for bankruptcy, court protection, protection under the bankruptcy law or other similar legal liquidation, or those are being filed by a third part
  (iii) When deciding dissolution
  (iv) When undergoing compulsory execution of provisional attachment or disposition or foreclosed by a third party
  (v) When suspending payment or becoming insolvent, or being subject to suspension of back transactions
  (vi) When falling into difficulties in performing the obligations under this Agreement or Individual Agreement because of natural disaster, labor dispute, etc.
  (vii) When getting into other important events equivalent to those specified in the proceeding items

(2) Buyer may terminate this Agreement or Individual Agreement, in whole or part, by giving Seller peremptory notice within a reasonable period if any of the following events shall occur to Seller.
  (i) When Seller fails to start the manufacture of Delivered Parts or suspends it without due cause
  (ii) When Seller fails to provide Delivered Parts by the delivery date without due cause
  (iii) When Seller is at risk of getting into the situations specified in the items of the preceding paragraph.
  (iv) When a supplier of Seller is at risk of getting into the situations specified in the items of the preceding paragraph or (i) or (iii) of this paragraph.
  (v) When Seller breaches any of the provisions of this Agreement or Individual Agreement.

(3) Either party may terminate this Agreement or Individual Agreement, in whole or part, with the consent of the other party.

Article 36. MEASURES UPON TERMINATION

(1) When this Agreement is terminated or the transaction is suspended, Seller shall promptly return to Buyer Loaned Drawings, their copies, Loaned Goods and charge-free Supplied Parts.

(2) In the event of the preceding paragraph, Buyer have the right to purchase Delivered Parts, Works-In-Process, non-free Supplied Parts and special tools, dies and gauges used for manufacturing Delivered Parts from Seller in preference to any third party.

(3) Either party getting into any of the grounds for termination listed in the items of Article 35 (1)

shall automatically lose benefit of term for all the debts owed to the other party and must pay all the debts immediately. This shall also apply to the case when this Agreement is terminated and the case when Individual Agreement is terminated in accordance with Article 35 (1) and (2).

Article 37. REMAINING PROVISIONS

(1) Termination of this Agreement shall not relieve both parties of their obligations under Article 8 (3), Article 10 (3), Article 13, Article 21, Article 23, Article 24, Article 27 (3) and (4), Article 29, Article 30 (3), Article 31 and Article 36.

Article 38. CLAIM FOR DAMAGES

(1) If any of the events specified in Article 35 (1) and (2) occurs, either party may file a claim for actual damages it suffered to the other party in addition to or in place of exercising the right of termination.

PART 3. SUPPLEMENTARY PROVISIONS

Article 39. TERM OF VALIDITY

(1) This Agreement shall remain in force for a period of one (1) year from the date this Agreement is concluded, thereafter on year basis, unless notice is given by either party to the other two (2) months before the original or renewed expiration date.
(2) Notwithstanding the foregoing paragraph, this Agreement shall remain in force until the first March 31 for the initial year. (See Appendix 3)

Article 40. TRANSITIONAL MEASURES

(1) If there is any “Master Agreement For Purchase of Parts”, associated memorandums or agreements concluded between Buyer and Seller before the conclusion of this Agreement, such contracts shall be invalid upon the conclusion of this Agreement.
(2) This Agreement shall apply to the execution of Individual Agreement concluded between Buyer and Seller before the conclusion of this Agreement.

Article 41. MATTER FOR CONSULTATION

(1) Any dispute, controversy or claim as to interpretation of this Agreement or Individual Agreement, or relating to the subject matter not provided for in this Agreement or Individual Agreement shall be settled by consultation in good faith between the parties hereto.

Article 42. CORT OF JURISDICTION AND GOVERNING LAW

(1) Buyer and Seller agree that the state of San Luis Potosì at Mèxico shall be the court of competent jurisdiction regarding this Agreement.
(2) This Agreement shall be governed and construed in all respects according to the laws of Japan, without regard to the principles of conflict of laws thereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Aisan Autopartes México SA de CV. _____.

By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

Appendix 1

Defect Warranty Period

The warranty period for Delivered Parts mentioned in Article 13 (1) shall be as follows except asoth erwise provided between the parties.

<table>
<tr><td colspan="4"></td><td>Defect Warranty Period</td></tr>
<tr><td colspan="4">In-Process Defect</td><td>Period between Buyer's Acceptance of Delivered Parts and the shipment</td></tr>
<tr><td rowspan="4">Customer/ Market-Complained Part</td><td rowspan="2">Parts Attached to New Vehicles</td><td>1</td><td>(1) Parts for Engine Internal Structure
(2) Parts for Emitted Gas Purification Structure
(3) Parts for Electronic Structure
(4) Parts for Hybrid System</td><td>From the shipment from Buyer until the date:
(1) when 60 months have passed since the registration of a new vehicle or
(2) when the vehicle's mileage has reached the first 100,000 kilometers since the registration of a new vehicle, whichever comes first.</td></tr>
<tr><td>2</td><td>Other Parts</td><td>From the shipment from Buyer until the date:
(1) when 36 months have passed since the registration of a new vehicle or
(2) when the vehicle's mileage has reached the first 60,000 kilometers since the registration of a new vehicle, whichever comes first.</td></tr>
<tr><td colspan="3">Service Parts Attached to Vehicles</td><td>From the shipment from Buyer until the date:
(1) when the warranty period for the part for a new vehicle has expired or
(2) from the sales to a customer until the date:
(i) when the warranty period specified in the relevant guarantee form has expired (for parts with a guarantee) or
(ii) when 12 months have passed (for parts without a guarantee),
whichever comes first.</td></tr>
<tr><td colspan="3">Parts Other Than Listed Above</td><td>After the shipment from Buyer, from the sales to a customer until the date:
(1) when the warranty period specified in the relevant guarantee has expired form (for parts with a guarantee) or
(2) when 12 months have passed (for parts without a guarantee), whichever comes first.</td></tr>
</table>

The defect warranty period for Directly Delivered Parts shall start at the time of Acceptance by customers.

* "Defect Warranty Period for Parts Attached to New Vehicles in Overseas" (Appendix 2) shall supercede the above-mentioned warranty periods regarding the items on the next page.

Appendix 2

Defect Warranty Period for Parts Attached to New Vehicles in Overseas

The number in Object Parts is corresponded to the item number in Appendix 1.

Object Parts	Specific Region	Defect Warranty Period
(1) Parts for Engine Internal Structure (3) Parts for Electronic Control Structure	North America	From the shipment from Buyer until the date: (1) when 72 months have passed since the registration of anew vehicle or (2) when the vehicle's mileage has reached the first 70,000 miles since the registration of a new vehicle, whichever comes first.
(2) Parts for Emitted Gus Purification Structure	North America	From the shipment from Buyer until the date: (1) for Clean Air Act-affected specific parts, (i) when 96 months have passed since the registration of a new vehicle or (ii) when the vehicle's mileage has reached the first 80,000 miles since the registration of a new vehicle (2) for Low Emission Vehicle-affected expensive parts, (i) when 84 months have passed since the registration of a new vehicle or (ii) when the vehicle's mileage has reached the first 70,000 miles since the registration of a new vehicle (3) for Zero Emission Vehicle-affected parts, (i) when 180 months have passed since the registration of a new vehicle or (ii) when the vehicle's mileage has reached the first 150,000 miles since the registration of a new vehicle, whichever comes first.
	Specific countries in Asia	From the shipment from Buyer until the date: (1) for Air environment conservation law-affected parts, (i) when 84 months have passed since the registration of a new vehicle or (ii) when the vehicle's mileage has reached the first 120,000 kilometers since the registration of a new vehicle, whichever comes first.
(4) Parts for Hybrid System	North America	From the shipment from Buyer until the date: (1) for Zero Emission Vehicle-affected vehicles, (i) when 180 months have passed since the registration of a new vehicle or (ii) when the vehicle's mileage has reached the first 150,000 miles since the registration of a new vehicle (2) for other vehicles than those above (i) when 96 months have passed since the registration of a new vehicle or (ii) when the vehicle's mileage has reached the first 100,000 miles since the registration of a new vehicle, whichever comes first.

	Europe	From the shipment from Buyer until the date: (1) when 96 months have passed since the registration of a new vehicle or (2) when the vehicle's mileage has reached the first 160,000 kilometers since the registration of a new vehicle, whichever comes first.
Other Parts	North America	From the shipment from Buyer until the date: (1) when 48 months have passed since the registration of anew vehicle or (2) when the vehicle's mileage has reached the first 50,000 miles since the registration of a new vehicle, whichever comes first.
	Specific Countries in Australia and Asia	From the shipment from Buyer until the date: (1) when 48 months have passed since the registration of a new vehicle or (2) when the vehicle's mileage has reached the first 100,000 kilometers since the registration of a new vehicle, whichever comes first.
	Specific Countries in Europe or Others	From the shipment from Buyer until the date: (1) when 36 months have passed since the registration of a new vehicle or (2) when the vehicle's mileage has reached the first 100,000 kilometers since the registration of a new vehicle, whichever comes first.

The defect warranty period for Directly Delivered Parts shall start at the time of Acceptance by customers.

Appendix 3

Annual Supplier Information Review

2017 Annual Supplier Information Review

AISAN AUTOPARTES MEXICO S.A. DE C.V.

Info. as of:

Supplier Name					
Holding Company		(Country)			
Address	Head-office		Contact	Tel	
	Plant			Fax	
Representative		(Name) (Title)		E-mail	
Contact Person		(Name) (Dept/Title)		URL	
Summary	Establishment		Plant Area		
	Capital		Partner		
	Annual Sales	Y2013 : Y2014 : Y2015 : Y2016 :			
	Major Products (Sales ratio)				
	Major Customers (Sales ratio)				
	Number of Employees				
	Transaction Value				
	Equipment				
	Group Companies				
Relationship with Aisan Mexico	Transaction start time				
	Transaction Party				
	Transaction Amount				
Awards from Customers					
Certification	ISO9001		Please provide latest copy of the certification.		
	ISO14001				
	TS16949				
	Other				
Main Material	Localized				
	Import				
Equipment In-house and/or outside	Equipment				
	Tooling				
	Fixture				
Notes (Describe changes in the last year)					

Approved by

(print)

Prepared by

(print)

AAM received by

(print)

Appendix 4

AISAN AUTOPARTES MEXICO S.A. DE C.V.

Supplier Loss Recovery Sheet

Abnormality Report #:

Date:

1	Part Number:		Quality Control Dept.	
2	Part Name:		Review / Approval / Originator	
3	Problem Description:			
4	Supplier Name:			
5	Supplier Contact Name:			
	QC transfer to Manufacturing - MFG Initial for Confirmation *QC retain initialed copy for record*		1 Day Goal	
6	Quantity Assembly Line(s) Shut Down (attach list)		Manufacturing Dept.	
7	Total Down Time ($500 X hrs)		Approval Manager	$ TOTAL:
8	Quantity of AAM Workers Used in Sort			
9	Total Sort Hours (hrs X Item 8)			
10	Total Sort Dollars ($14 X Item 9)			
11	Other Cost Incurred (detail items on attached list)			EVIDENCE REQUIRED
	Manufacturing transfer to PC- PC Initial for Confirmation *Manufacturing retain initialed copy for record*		1 Day Goal	
12	Freight Cost (In-Bound, Out-Bound)		Production Control Dept.	
13	Late Delivery Expense		Approval Manager	$ TOTAL:
14	Duty Expenses for Replacements			
15	Total Material Handler Dollars ($14/hr/employee)			
16	Other Cost Incurred (detail items on attached list)			EVIDENCE REQUIRED
	PC transfer to Quality - QC Initial for Confirmation *PC retain initialed copy for record*		1 Day Goal	
17	Internal Sorting Company Cost — Total Hours		Quality Control Dept.	
	Total Workers		Approval Manager	
	Total Shifts			$ TOTAL:
	Total Cost			
18	External Sorting Company Cost — Total Hours			
	Total Workers			
	Total Shifts			
	Total Cost			
19	Scrap parts Qty			
20	Piece Price			
21	Scrap parts cost (Item 20 X Item 21)			
22	Administrative Cost	$500.00		EVIDENCE REQUIRED
23	QC Travel Cost (hrs, car, plane, per diem, etc.)			
24	Other Cost Incurred (detail items, attach list)			
	Quality transfer to Purchasing - Purch. Initial for Confirmation *QC retain initialed copy for record*		2 Days or Sort Complete Goal	
25	Total Manufacturing Cost		Purchasing Dept.	
26	Total Production Control Cost		Approval Manager	
27	Total Quality Control Cost			
28	Grand Total			
29	Supplier Acknowledgement of Charges Confirmed?			
30	Supplier Expectation Manual Signed?			
	Purchasing transfer to Accounting - Acct. Initial for Confirmation *Purchasing retain initialed copy for record*		2 Week Goal	
31	Credit Note Issued?		Accounting Dept.	
32	Date Issued?		Approval Manager	
33	Tracking #?			
34	Comment			
35	Retain for record.			

CONTROLLED DOCUMENT

QF-269 (25-Ene-2018)

Aisan

NEW SUPPLIER

1.- COMPANY GENERAL INFORMATION

1.1.- DATE	
1.2.- SUPPLIER NAME	
1.3.- TAX ID	
1.4.- ADDRESS (NUMBER, STREET)	
1.5.- CITY, STATE, ZIP CODE	
1.6.- PHONE OFFICE	
1.7.- COMPANY BUSINESS	
1.8.- WEB PAGE	

2.- CONTACTS

CUSTOMER SERVICE			ACCOUNTABLE PAYABLES	
2.1.- NAME			2.4.- NAME	
2.2.- MOBILE			2.5.- MOBILE	
2.3.- EMAIL			2.6.- EMAIL	

2.1- EMERGENCY CONTACT (AFTER HOURS)

NAME :			NAME :	
MOBILE / CELL PH			MOBILE / CELL PH	
PERSONAL EMAIL			PERSONAL EMAIL	

3.- PAYMENT TERMS

3.1 DAYS		3.2 CREDIT LIMIT	

4.- ADDITIONAL INFORMATION

4.1 MAJOR CUSTOMERS

4.1.1.-	
4.1.2.-	
4.1.3.-	

5.- AISAN AUTOPARTES MÉXICO SA DE CV (AAM) PRIVACY STATEMENT

According with Federal Law on the Protection of Personal Data Held by Private Parties, AAM inform about the privacy statement and handling of personal data, every time we are looking to the processing is legal, controlled in order to ensure the privacy of the same. AAM will keep your information, the address is Parque Industrial y de Negocios Las Colinas de San Luis, Carretera a Rioverde # 1200, Col El Panalillo, Villa de Pozos, San Luis Potosí, México, CP 78402. The information that you provide us will have the following applications: 1) Identify and evaluate to be a Company Supplier. 2) Sent information to Quote and also Purchase Order. 3) Generate payment by items and Services. 4) In case of some issue ask for guarantee and support. The temporality of handling data will be indefinitely from the date that you provided the information, if you wish to get your rights of access, rectification, cancellation or opposition, they may performance at the time directing a request where you will inform the data you want to corrected, canceled or revised, sent an email to abertones@aisan.com.mx

6.- SUPPLIER ACCEPTANCE

LEGAL REPRESENTANT NAME AND SIGNATURE / COMPANY STAMP

III Important Quality Assurance Activities

Implementation Procedures

1. Set up supplier Form and Responsible Person Registry

1.1 Purpose

To explain how to register a person (from board members) who is competent of taking responsibilities as a general director in assurance activities conducted in the supplier and a coordinator of quality assurance for Aisan.

1.2 Registration Procedures

Please fill out and submit the “Set up supplier form” and “Responsible Person Registry” on the next page to Purchasing Planning Sect., Purchasing Dept. of Aisan, when starting business with Aisan.

If any changes are made in your registration contents, revise and submit a “Responsible Person Registry” again within a month to Purchasing Planning Sect., Purchasing Dept. of Aisan.

Format is free, if all the items below are contained.

To Purchasing Dept.
Aisan Autopartes Mexico SA de CV

Responsible Person Registry

Registered date / / /

Company Name				TEL	
				FAX	
Location 〒					
Sales Window Location 〒				TEL	
				FAX	
Quality Assurance Responsible Person					
Person in Charge		Affiliate		TEL	
		Title		FAX	
		Name		E-Mail	
Contact Person		Affiliate		TEL	
		Title		FAX	
		Name		E-Mail	
Production Preparation Responsible Person					
Person in Charge (General Manager)		Affiliate		TEL	
		Title		FAX	
		Name		E-Mail	
Contact Person		Affiliate		TEL	
		Title		FAX	
		Name		E-Mail	
Drawings/Standard Documents Management Responsible Person					
Person in Charge (General Manager)		Affiliate		TEL	
		Title		FAX	
		Name		E-Mail	
Contact Person		Affiliate		TEL	
		Title		FAX	
		Name		E-Mail	
Emergency Contacts					
Sales (Delivery Date)	Main	Affiliate		TEL	Office
		Title			Mobile
		Name		E-Mail	
	Sub	Affiliate		TEL	Office
		Title			Mobile
		Name		E-Mail	
Quality	Main	Affiliate		TEL	Office
		Title			Mobile
		Name		E-Mail	
	Sub	Affiliate		TEL	Office
		Title			Mobile
		Name		E-Mail	

* 1. If any changes are made, update the data within a month.
2. Submit a sheet for each base when difficult person is assigned.
3. Fill out with black inc or pen.

Entry Responsible Person

2. Initial Control Procedures

2.1 Purpose

When production of a newly designed product is started or when a process or design is changed, implementation of special control in addition to daily control is required for the securement of process stability and sufficient quality at early stages.

2.2 Definition

Initial Control is a special control, which is different from daily control of mass production, of the following initial products for the period indicated in (2).

(1) Initial Products are…

(a) Newly designed products
(b) Design changed products
(c) Process changed products

（Please refer to Process Change Report Preparation Procedures.）

(2) Period of Initial Production

Addition to the period of trial production, another 3 months for important parts and 1 month for others starting from the mass production. (In case a temporary process is used, from the shift to the off-process.)

Please establish clear quality targets (both on production and cost), and if the targets are not accomplished, extend the initial production period and take appropriate actions to accomplish them soon.
（Basically, quality targets must be accomplished before the start of regular production.）

*Refer to ”Control of Designated Important Parts” (Section III-32)for the definitions of important parts.

2.3 Initial Control Procedures

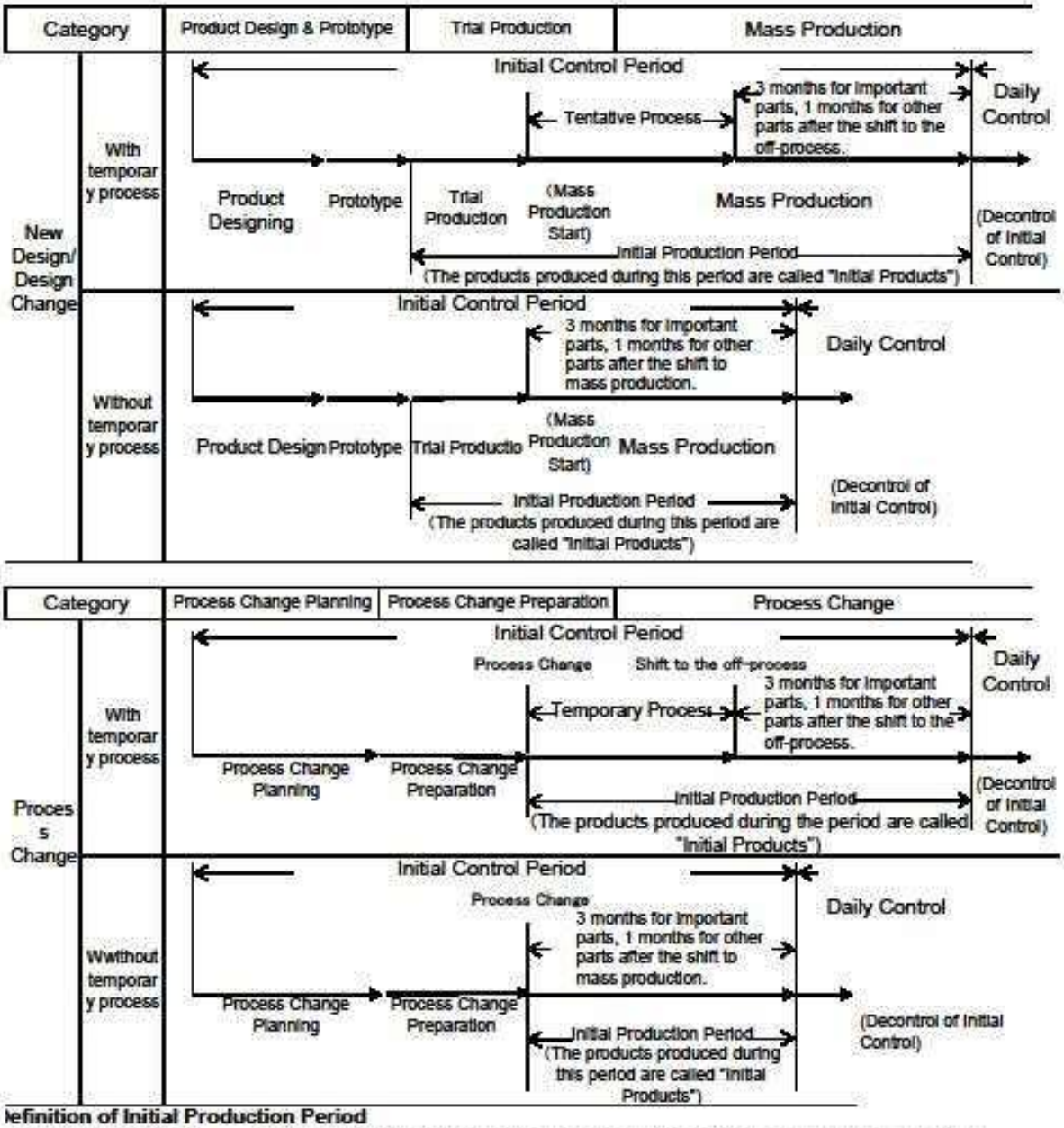
2.3.1. For newly designed parts and design changed parts

Item		Details
Production Preparation Stage	1. Preparation of Mass Production Preparation Schedule	Upon receiving “Request for Submission of Supplier Mass Production Preparation Schedule” (Page III-7) from Aisan, prepare a “Mass Production Preparation Schedule” and submit a copy to Aisan while starting the preparation. As a rule, when delivery of initial products (mass products) is instructed for newly designed products, please deliver the initial products manufactured in off-tool off-process.
	2. Report of Changes in Mass Production Preparation Schedule	When you are informed of coming design change from Aisan, report the suspension of the product preparation with ”Request for Submission of Mass Production Schedule”, mentioning a scheduled delivery date (“OO days after the receipt of design-renewed drawing), then promptly submit the sheet to our Purchasing Dept.
	3.Check of Process Preparation	Check the machine capability and process capability of a new part, and evaluate it based on “Criterion for Process Maintenance Check ”(Page III-5), then take necessary actions.
Initial Stage of Regular Production	4.Planning of Initial Control Plan	Make plans for process control and inspection at the beginning of mass production based on “Standards of Process Control & Inspection”(Page III-10), and prepare QC Tables, Work Standards, and Inspection Standards. At the planning stage, if you have 2nd suppliers or under, establish a supply-chain and a systematic initial control plan covering the processes of your suppliers
	5.Measurement of Initial Products	When receiving orders for newly designed parts, establish an Inspection Standard through the discussion with Aisan Quality Control Sect. (Page III-27). Decide measuring items and methods for initial products, and implement the measurement according to the decided methods, then submit the measurement result report (Page III-27) to Aisan Quality Control Sect
	6.Indication of Initial Products	Attach an Initial Production Tag (Yellow Tag: III-32) with the first products and submit prescribed sheets.（Refer to Page III-25）

2.3.2. For Process Change

Item	Details
1. Advance Report of Process Change	Submit “Process Change Report” (Page III-43) to Aisan beforehand. （Refer Procedures of Process Change Report for the details） (1)When shifting to an approved process from a temporally process (2)When changing manufacturing location (3) When changing the process that may cause significant influence on the quality, material supplier as well as when changing or improving machines, equipment or dies.
2. Implementation of Initial Control	Implement the same initial control as the control of newly established parts, as a rule.

Initial Control & Initial Production Period



Definition of Initial Production Period

For new products or design changed products	: Initial Production Period is the trial production period + another 3 months for important parts and 1 month for others from the start of mass production. (In case a temporary process is used, from the shift to the off-process.) Whether the initial production control is removed or not is decided after this period ends.
For process changed products	: Initial Production Period is 3 months for important parts and 1month for others from the manufacureing of process changed products. (In case a temporary process is used, from the shift to the off-process.)

Any form can be used if all the items below are included.

To NO.

Request for Submission of Supplier Mass Production Preparation Schedul

Requested Date: / /

Please fill out this Mass Production Preparation Schedule within 2 weeks after the receipt of the drawing of the part below and submit the copy. After the delivery of the products manufactured from an approved process, fill in the result of the schedule and submit the copy again.

Purchasing Dept.	Purchasing Sect.

Initial Production NO	
Part Name	
Vehicle E/G Type	
Monthly Volume	Product Rank

Aisan's Mass Production Preparation Schedule (Note: Planned Shipment Date of Completed Products from Aisan)

Note)
1. At P1 delivery, please deliver the products manufactured by an approved process. If you are unable to do this, please inform us
2. When we perform a witnessed inspection at your company, we will follow the method decided with your company and judge
3. Please note that we may perform on-site inspection at your company with our customer or the representatives, as n

To: Aisan Autopartes Mexico, S.A. de C.V.
Purchasing Dept. Purchasing Sect.

Supplier Process Preparation Drawing Receipt Date / /
Sales Responsible Person: OOOO

Mass Production Preparation Schedule

Submission Date: / /
Company Name:

Person Responsible		Prepared by

	Product Name						
	Process Preparation Product No.						
	Regular Product No.						
	Finalized Product Required Date						
Schedule	Machine Purchase	Plan	Result	Plan	Result	Plan	Result
	Jig/Cutting Tool Gauge Production						
	Die Production						
	Material Purchase						
	Preparation of QC Process Table						
	Preparation of Work Instruction						
	Preparation of Inspection Standard						
	Process Capability Investigation						
	Trial Product Delivery Date						
	Temporary Product Delivery Date						
	Difference between Trial and Temporary Processes						
	Reason for Trial Product Delivery Failure						
	Number of Part Production Days						
	Regular Production Capability /Month						
Remark	2nd, 3rd Supplier *						
	2nd, 3rd Supplier Process Name						

Columns to be filed out

Note: Draw oblique lines for the items not applicable and do not leave any blank column.
*Fill in 2nd and 3rd supplier names and the process name when using them. Report and register new suppliers to Purchasing

Purchasing 1-1(AS100007) '98.11

(Fill-in Sample)

To: OOOOOO Co., Ltd. Sales. Dept. OOO NO. ΔΔΔΔ

Request for Submission of Supplier Mass Production Preparation Schedule

Requested Date: / /

Purchasing Dept. | Purchasing Sect.

Please fill out this Mass Production Preparation Schedule within 2 weeks after the receipt of the drawing of the part below and submit the copy. After the delivery of the products manufactured from an approved process, fill in the result of the schedule and submit the copy again.

Initial Production	ΔΔSΔΔΔ
Part Name	OOOO
Vehicle B/G Type	ΔΔΔΔ
Monthly Volume	Product Rank: B

Aisan's Mass Production Preparation Schedule (Note: Planned Shipment Date of Completed Products from A

Process Preparation Drawing	Regular Production Drawing	P1		Quality Check	Regular Production
· 02/10/10	· 03/1/10	· 03/2/14		· 03/5/16	· 03/6/6

Note)
1 At P1 delivery, please deliver the products manufactured by an approved process. If you are unable to do this, please inform us
2 When we perform a witnessed inspection at your company, we will follow the method decided with your company and judge the suitability of the shipment of the products.
3 needed.

To: Aisan Autopartes Mexico, S.A. de C.V.

Supplier Process Preparation Drawing Receipt Date /

Sales Responsible Person OOOO

Mass Production Preparation Schedule

Submission Date: / /

Company Name:

Person Responsible		Prepared by

Product Name	OOOOO		OOOOO			
Process Preparation Product No.	2XΔΔΔΔ−ΔΔΔΔΔ		2XΔΔΔΔ−ΔΔΔΔΔ			
Regular Product No.						
Finalized Product Required Date	· 2003/2/3		· 2003/2/21			
Machine Purchase	Plan	Existing Machir Result	Plan	Existing Mac Result	Plan	Result
Jig/Cutting Tool Gauge Production	Existing Machine		Existing Machine			
Die Production	· 1/10		· 2/7			
Material Purchase	· 1/8		· 2/5			
Preparation of QC Process Table	· 1/24		· 2/27			
Preparation of Work Instruction	· 1/27		· 2/28			
Preparation of Inspection Standard	· 1/29		· 3/3			
Process Capability Investigation	· 1/30		· 3/4			
	· 2/3		· 3/7			
	—		· 2/21			
Difference between Trial and Temporary Processes	—		Proto-die was used			
Reason for Trial Product Delivery Failure	—		Production days was insufficient			
	20 days		35 days			
	20000 / month		40000 / month			
2nd, 3rd Supplier *	OO Plating Co., Ltd.		—			
2nd, 3rd Supplier Process Name	Plating Process		—			

Columns to be filed out

Fill in planned dates and submit the copy. (1st submission)

Fill in the results in the colored area after the delivery of trial products, and submit the copy again.

Note: Draw oblique lines for the items not applicable and do not leave any blank column.

*Fill in 2nd,and 3rd supplier names and the process name when using them. Report and register new suppliers to Purchasing

Purchasing 1-1(AS100007) '98.11

Criterion for Process Preparation Status Check

Item		Criterion	
		Important Characteristics (Ⓢ,Ⓔ,Ⓡ,Ⓔ,Ⓢ,Ⓔ,Ⓡ,Ⓕ,Ⓒ)	General Characteristics
Machine Capability	One-sided spec.	Cm ≧ 1.25	Cm ≧ 1.0
	Two-sided spec.	Cmk ≧ 1.25	Cmk ≧ 1.0
Process Capability	One-sided spec.	Cp ≧ 1.33	Cp ≧ 1.0
	Two-sided spec.	Cpk ≧ 1.33	Cpk ≧ 1.0
In-Process Defect Rate		It is risky to evaluate process maintenance by defect rate. So, it should be quantified as much as possible. However, when quantification is difficult to perform, P<0.1%.	

Calculating Formula

Item	Machine Capability Index	Process Capability Index
One-sided spec.	$Cm = \frac{T_U - \bar{x} \text{ or } \bar{x} - T_L}{4s}$	$Cp = \frac{T_U - \bar{x} \text{ or } \bar{x} - T_L}{3s}$
Two-sided spec.	$Cmk = (1 - K^{※})\frac{T(SpecificationRange)}{8s}$ or <Shifted to T_U> $Cmk = \frac{T_u - \bar{x}}{4s}$ <Shifted to T_L> $Cmk = \frac{\bar{x} - T_L}{4s}$	$Cpk = (1 - K^{※})\frac{T(SpecificationRange)}{6s}$ or <Shifted to T_U> $Cpk = \frac{T_u - \bar{x}}{3s}$ <Shifted to T_L> $Cpk = \frac{\bar{x} - T_L}{3s}$

※ $K(DegreeofShift) = \frac{|M - \bar{x}|}{T/2}$, M(Center of the specification) $= \frac{T_L + T_U}{2}$

(T: Specification range, T_L: Lower spec. limit, T_U: Upper spec. limit)

- When the number of samples is less than 30 at calculation of process capability, use the correction coefficient specified in III-11.
  Calculate the capability by multiplying the obtained *s* by the correction coefficient.
  Example) Process capability (two-sided spec.): $Cpk = (1 - K^{※})\frac{T(SpecificationRange)}{6(s \times CorrectionCoefficient)}$
  Machine capability (two-sided spec.): $Cmk = (1 - K^{※})\frac{T(SpecificationRange)}{8(s \times CorrectionCoefficient)}$
- When supplier cannot apply the above criterion, other criterion shall be set upon the consultation with Purchasing Dept. and Quality Control Sect. in charge.

Process capability:
Reasonably achievable capability limit of a stable process for realizing specific outcomes.

(Maximum quality limit of a process based on various data including variation in a group collected under the same 4M conditions (Materials, Machines, Methods, Manpower) and when standardized operations are performed.)

Machine Capability:
Capability limit of a machine alone out of 4Ms, Materials, Machines, Methods, and Manpower. (Data including only variation in a group collected under the same conditions of Materials, Methods and Manpower)

Standards of Process Control & Inspection

1. Securement of Process Capability

General Characteristics: Cpk≧1.00, Important Characteristics (𝕊,𝔼,ℝ,𝔼,𝕊,Ⓔ,Ⓡ,Ⓕ,ℂ):Cpk≧1.33 are the standards, however, follow individual instructions when provided.

(1) Investigate the process capability of important characteristics

(2) For the characteristics with insufficient process capability;

1. Improve the conditions of production machines and operations in order to increase machining accuracy.
2. Consult with Aisan, and take actions to secure desired process capability, such as the revision of drawing and inspection specifications (Submit a “Design Change Request” attaching data.)
3. Perform 100% inspection to assure the quality, if the situation does not improve even after taking the above actions.

*Refer to “Control of Designated Important Parts” (Section III-32) for the definition of important characteristics.

4. Process Control Principles

Suppliers control processes by deciding sampling frequency and quantity according to the process capability.

However, suppliers may separately decide proper control methods or inspection methods for your processes upon the consultation with Aisan Quality Control Sect. in the following cases.

(1) When measurement cost is significantly high, or measurement takes very long time.

(2) When the quality of the products is secured by controlling machining conditions strictly.

(3) When the outflow of defective parts is prevented by the installation of careless mistakes preventive devices (including the check of jigs and tools).

(4) When our customers give a special instruction on inspection methods.

* Refer to “Important Characteristic Process Control Standards” (III-7-4) for the important process control method.

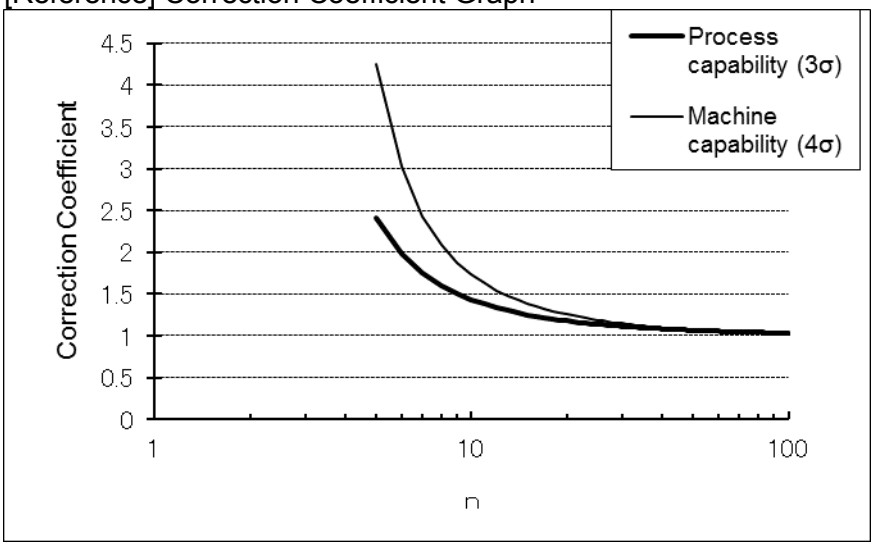
Correction Coefficients for Process and Machine Capability When n<30

In principle, 100 or more sample data are required to calculate process capability (Cpk,Cp) and machine capability (Cmk,Cm). However, when it is impossible to obtain required amount of data due to lack of manpower or samples, they can be calculated from even 30 or less samples. In this case, correction is needed using the correction coefficient listed below to raise its statistical reliability.

<Correction Coefficient List>

n	Correction coefficient	
	Process capability (3 s)	Machine capability (4 s)
29	1.12	1.15
28	1.12	1.16
27	1.13	1.17
26	1.13	1.18
25	1.14	1.19
24	1.14	1.20
23	1.15	1.21
22	1.16	1.22
21	1.17	1.24
20	1.18	1.26
19	1.19	1.27
18	1.20	1.30
17	1.22	1.32
16	1.23	1.35
15	1.25	1.39
14	1.28	1.43
13	1.30	1.48
12	1.33	1.54
11	1.38	1.62
10	1.43	1.73
5	2.42	4.25

[Reference] Correction Coefficient Graph



3. QC Process Table Preparation Procedures

3.1 Purpose

To establish quality assurance standards and the controlling procedures of each production process through clarifying the items to assure the quality.

3.2 Definition

"QC Process Table" is a list of controlling procedures of quality characteristic-influential items within receiving process to shipping process, which are listed in the order of process sequence.

3.3 QC Process Table Preparation Procedures

A QC Process Table should be prepared for every product. Any format can be used if the following items are contained.
Aisan's QC Process Table is attached on Page III-14 as a reference.

(1) Supplier name, plant name and/or process name
(2) Part (Material) No./ Name：All items should be included or separately listed.
(3) Clear indication of establishment date and revision history（For revision history, date & revision reason should clearly be indicated.）
(4) Preparing department and approver (department)
(Approval for revision should be given by the same person as the person who approved the establishment.)
(5) Process number (process name) and clear description of operation contents. Name of reference documents, such as Work Instruction, as needed.
(6) Manufacturing and inspection conditions, daily inspection items of machines and jig & tools should be listed or the reference numbers should be indicated.
(7) Manufacturing and inspection machines, gauges, dies, and jigs & tools (foolproof devices, if there are any)
(8) Important processes and quality characteristics should be classifiable. For the table submitting to Aisan, use the same marks we use.
* Refer to "7. Control of Designated Important Parts(III-33)".（When using different marks from ours, the approval of inspection control responsible department is required）
(9) Quality characteristics that are built up (or inspected) in each process
(When inspection is performed using alternative characteristics, both of quality characteristics and allowable tolerance should be indicated.)Quality characteristic measuring method, frequency, and the number of samples
(10) No. of control documents such as Check Sheet No., Control Chart No., or Daily Inspection No. should be indicated. For characteristics specified by our Quality Control Sect., tendency control using control charts is required.
(11) The classification and separation method of defective products (including suspicious products) should be indicated or the document with the handling procedures of such products should be identifiable.
(12) The operator of each process: or it should be identifiable with related documents.

The processes of sub-suppliers should also be indicated in the QC Process Table or specified separately.

3.4 Revision of QC Process Table

Revise the QC Process Table every time when changes are made in the contents of QC Process Table.

(1) Design Change
(2) Process Change
(3) Others derived from the revision of other QC Process Tables

3.5 Submission of QC Process Table

(1) When prepared:

Please make sure to submit QC Process Table for every product along with the Inspection Standard before

the measurement of first products and adjust the details of inspection with Aisan. When submitting those documents, attach “Inspection Standard/ QC Process Table Submission Report” (Page III-14).

(2) When requested by Aisan:

Aisan Quality Control Sect. may request you to submit a QC Process Table by sending you an “Inspection Standard / QC Process Table Submission Request” (Page III-14) , as needed. When requested, please submit the table promptly.

Please attach “Inspection Standard QC Table Submission Request”.

(3) When revised:

For important parts, please make sure to submit “QC Process Table” both at the preparation and the revision.

Please attach “Inspection Standard/ QC Process Table Submission Report (Page III-14).

Internal Use Only

S E R F C SC

Dept. Sect.

Use the marks on the right in "Supervisor".	Assist. MGR	GL	TL
	◎	○	□

Any designated operator? Yes (○) No (−)

Registration No.

Process (line name)

Process Table

Model	Part No.	Part Name		Manuf. GMR	Quality Control		Manufacturing Dept.			Process Planning Dept.		
				Established	Checked	Prepared	Approved	Checked	Prepared	Approved	Checked	Prepared
		Estab. Date	Process Table									
			QC Process Table									

Process No.	Process Name	Machine, Jig & Tool Name	Specification & Work Method	Machining Drawing	Control Characteristics: Important Rank	Standard	Judgment criteria	Measuring Instrument	Control Method: Sampling/ Inspection Frequency	Control Method: Supervisor	Control Tool	Related Standards: Work Instruction Sheet	Related Standards: Work Procedure Sheet	Related Standards: Pokayoke Registration	Inspection Standard	QCMS Evaluation: Date / Defect Mode: Tend Control	QCMS Evaluation: Condition Control	QCMS Evaluation: Occurrence	QCMS Evaluation: Outflow	QCMS Evaluation: Exist	QCMS Evaluation: Process Assurance Level	Remark

Aisan fills in when QCMS evaluation is conducted.

No.	Revision Date	Revision Content	Approved	Prepared	No.	Revision Date	Revision Content	Approved	Prepared

* Refer to Aisan manual (M-Q-55) "QCMS Implementation Manual" for how to enter the "QCMS Assessment".

(Route) Production Engineering (preparation) → Manufacturing (entry) → Inspection Control (check) → Manufacturing (establishment & storage)

4. Work Instruction Preparation Procedures

For realizing “100% conforming products”, preparation of a Work Instruction that defines proper operation procedures is required, and keeping the following points are especially important.

(1) Establish proper work procedures.
(2) Carry out operations steadily following given procedures.
(3) Improve improper procedures, if there is any.

4.1 Definition

According to JISZ8101 ”Quality Control Term”, the definition of “Work Standard” is:
“Given standards for operation conditions and methods, control methods, materials, machines, and others.”
To be simpler, a Work Standard and a Work Instruction are:
“Given procedures and actions for performing proper operations for manufacturing high quality products economically, promptly, and easily.

4.2 Purpose

The purposes of standardization is not making standard documents but assuring quality through following to the standard documents.

(1) To regulate operation procedures and actions
(2) To provide proper orders, indications, instructions or supervision for smooth operation.
(3) To eliminate any contradiction between operations and to define work share clearly.
(4) To clarify the responsibilities and authorities of each section.
(5) To simplify the control and improvement of processes s through making operation procedure uniform. To prevent recurrence of the same defects occurred in the past.
(6) To operate in a consistent manner in repetitive operations.（1Cycle Operation）
(7) To provide education and training for operators smoothly.
(8) To master proper operations in a short period.

4.3 Preparation method and contents

Itemize each procedure and add drawings or tables as needed.
Describe operational key points as simply as possible and points to note easily using drawings or tables.

The following items should be contained in Work Instructions.

(1) Applicable range
(2) Classification of important processes and quality characteristics
    - Refer to “7. Control of Designated Important Parts (III-33)”.
(3) Materials and parts
(4) Machines, jigs & tools and measuring devices
(5) Operation methods, conditions, things to note
(6) Operation check items, checking methods and criteria (standards)
(7) Troubleshooting for defective parts and abnormalities
(8) Maintenance of machines, jigs/ tools, inspection methods, method of changing dies
(9) Note for safety operations

4.4 Preparation Points

(1) Recognize that work standards are the rules to follow.
(2) Establish work standards that anyone can follow.
Work standards should be;
① Appropriate for practical operations.
② In accordance with QC Process Table or other standard documents.
③ Do not aim to establish a perfect standard from the beginning.
④ Elicit and take in operator's opinions actively.
⑤ Improve them consistently
(3) Work Instructions should be easily viewable and usable.
① Describe specifically.
② Draw many large pictures
③ Important points should be highlighted with colors. （Describe the reason why they are important）
④ Use minimum numbers of words.
⑤ Use bold and large letters for important points.
⑥ Avoid using technical terms.
(4) The contents should be competent for the purposes.
(5) Describe the causes not the results.
(6) Cleary define responsibilities and rights.
(7) Actions taken against abnormalities should be indicated.
(8) Include recurrence preventions taken against past defects.
(9) It is not necessary to put Work Instructions on walls, but they should be stored in places where operators can take out promptly.

It is important to keep improving work instructions through the mutual cooperation of users and preparing persons so that operators can use and follow more easily.
And then, customize the work instructions and create most appropriate and unique procedures for each plant and office.

5. Inspection Standard Preparation Procedures

5.1 Purpose

It is necessary to establish inspection standards to judge if your products satisfy the quality required by Aisan.

5.2 Inspection Standard Preparation Procedures

(1) Format

Our “Inspection Standard” is attached on Page III-21 and Page III-22（fill-in example）, as a reference. If you have your own format, please check if all items in our format are contained.

(2) Fill-in Procedures

(a) Fill-in Procedures of Basic Information

No.	Item	Fill-in Procedures
1	Part No / Part Name	Fill in the Part No. and Part Name indicated on drawings.
2	Applied Model	Fill in applied models.
3	Product Category	Put a tick on or mark out an applicable box.
4	Registry No.	Fill in Registry No. on upper right.
5	Process	Fill in the names of inspection department and the responsible departments or suppliers of the preceding and the following processes.
6	Box for Rank on Upper Left	Put a mark (𝕊,𝔼,ℝ,𝔽,ℂ,𝕊ℂ) for the parts holding important characteristics.
7	Others	Fill in pages, materials, surface treatment, weight, and so on.

(b) Drawing Procedures of Inspection Standard Layout

(3) Any form from projective methods, sketches, approximate diagrams, schematic diagrams, or pictures can be used for a layout.

(4) Measurement positions should be clearly indicated on the layout, which should also be included in inspection items.

(c) Fill-in Procedures of Inspection Contents

No	Item	Fill-in Procedures
1	Inspection Category	Fill in large categories of inspection items, such as appearance, dimension, performance, pressure leakage, and material inspections. SOC4 substance inspection is categorized as “Material Inspection”.
2	Inspection Items	Fill in characteristics that require inspection. Ex : Appearance ----scratches, finishing quality, shape, color, etc. Dimension----measurement No. on drawings, names of measuring sites, such as outer and inner diameters Performance---- operation torque, flow amount, etc. Packaging--- packaging conditions should be included in final inspection items (ex: Tupperware: 100 boxes) SOC4 Substances---- essential item to fill in.
3	Measuring Tools	Fill in measuring tools and indicate if it is for inspection or for process control. As for items of SOC 4 substances, ・For supplier’s data, title it as “Analysis Results” For self-analyzed data or when committing the analysis to outside companies, “Analysis Device Name (Ex: Fluorescent X-Ray Inspection Device) “.

4	Inspection Specification	Set an optimal inspection specification in accordance with the standard on drawing. Inspection specification for burrs or scars does not use such expression as “detrimental” but quantitative values or boundary samples. When setting criterions using alternative characteristics or control values, fill in the values under the specification values indicated on drawings. For SOC4 substances, the specification should be “Not Contained”.
5	Category	When the target product is designated as an important characteristic holding product, put the marks of important characteristic (Ⓢ,Ⓔ,Ⓡ,Ⓕ,ⓈⒸ,Ⓢ,Ⓓ,Ⓡ,Ⓕ,Ⓒ)
6	Sampling Method	Fill in sampling methods for shipping inspection and in-process inspection respectively. ・Inspection:Sampling method for non-production porocesses, such as receiving inspection, or shipping inspection. ・In-process :Sampling method within production processes. ・For SOC4 substances, sample one part from the first lot.
7	Inspection Method	Put special notes for inspection methods. ”X-Y 2 sites measurement”, “Measurement basing point is A.” (2) For SOC4 substances exempt from the ban, specify “○○○ is exempt from the ban.”
8	Packaging Setting	Packaging of products should be decided in advance with Aisan Production & Logistics Control Sect., and the packaging method should be described at the end of Inspection Standard. Gain an approval for your package setting by submitting “Request for Package Setting for Purchased Parts” （Page III-24） through Production control Dept.
9	Revisions	When the “Inspection Standard” is revised, put a mark for revision (an alphabet or a number in a triangle) in the boxes for marks and also on the revised sites, then fill in the main points of the revision.

(d) Packaging Setting and Description of Details

1. Set a package that can prevent the incorporation of cut powder and foreign substances, and damages or deterioration, upon discussion with Aisan Production & Logistics Control Sect.

2. Describe the packaging figure in a blank space of the layout drawn in Inspection Standard or at the end of inspection items.
   Submit “Request for Packaging Setting of Purchased Parts” (Page III-24), when setting a package different from conventional ones.

(e) Specification of Supply-Chain

1. Supply-Chain shows the processes (suppliers) that build up the quality of inspection items listed on the Inspection Standard systematically.
2. For the parts manufactured by 2nd or below suppliers, number supplier names, part names, part No., and inspection items as shown in the example on section III-43. “◇” indicates shipping (final) inspection, and “○” indicates in-process inspection.
3. Write raw material makers as well to prevent inclusion of SOC 4 substances.
4. Write the supply chain on the last page of the Inspection Standard following the description of the layout and inspection contents. Flow charts can be separately attached as an appendix.

*For details of non-inclusion of SOC 4 substances, refer to “Substances of Concern (SOC) Management System at Suppliers (ASQ A 302).”

5.3 Inspection Lot

Process Name	Definition
Cutting Process	Cutting volume for a day is considered as 1 manufacturing lot. （However, when there is 2 or more shifts, cutting volume for a shift is considered as 1 lot.）
Die-casting Resin-molding Stamping Spring Processing	A volume for 1 die change is considered as 1 manufacturing lot. However, when there is a plating process, the volume for a cycle of the plating process is considered as a lot. When a die type is used for several days or for several shifts, the produced volume per day or per shift is considered as 1 lot.
Brazing & Welding	The processed volume at a time is considered as 1 manufacturing lot.
Rubber Forming	A volume for 1 master batch (mixed materials) is considered as 1 manufacturing lot.
Heat Treatment	The treated volume at a time is considered as 1 manufacturing lot. （However, the treatment is performed continually by a furnace, the treated volume at a shift is considered as 1 manufacturing lot.）
Others	Same as Cutting Process

＜Note＞
The above definitions are basic definitions for a lot. When a definition is specially defined by an agreement between Aisan Quality Control Sect. and a supplier, please indicate it in the Inspection Standard and apply the definition.

5.4 Submission Method of Inspection Standard

(1) When newly established:

Submit Inspection Standard of every product to Aisan Quality Control Sect. before the measurement of initial products and adjust the details of inspection with Aisan. When submitting the standard, attach “Inspection Standard QC Process Table Submission Report” (Page III-14).

(2) When requested by Aisan:

Aisan may request for submission of “Inspection Standard/ QC Process Table Submission Request” as needed. Submit the format as soon as you receive the request, attaching “Inspection Standard QC Process Table Submission Report” (Page III-14).

(3) When changed:

When Inspection Standard changed due to a change in design or process, submit a revised Inspection Standard to Aisan Quality Control Sect. before the measurement of initial products and adjust/ check the details of inspection with Aisan. When submitting the standard, attach “Inspection Standard QC Process Table Submission Report” (Page III-14).

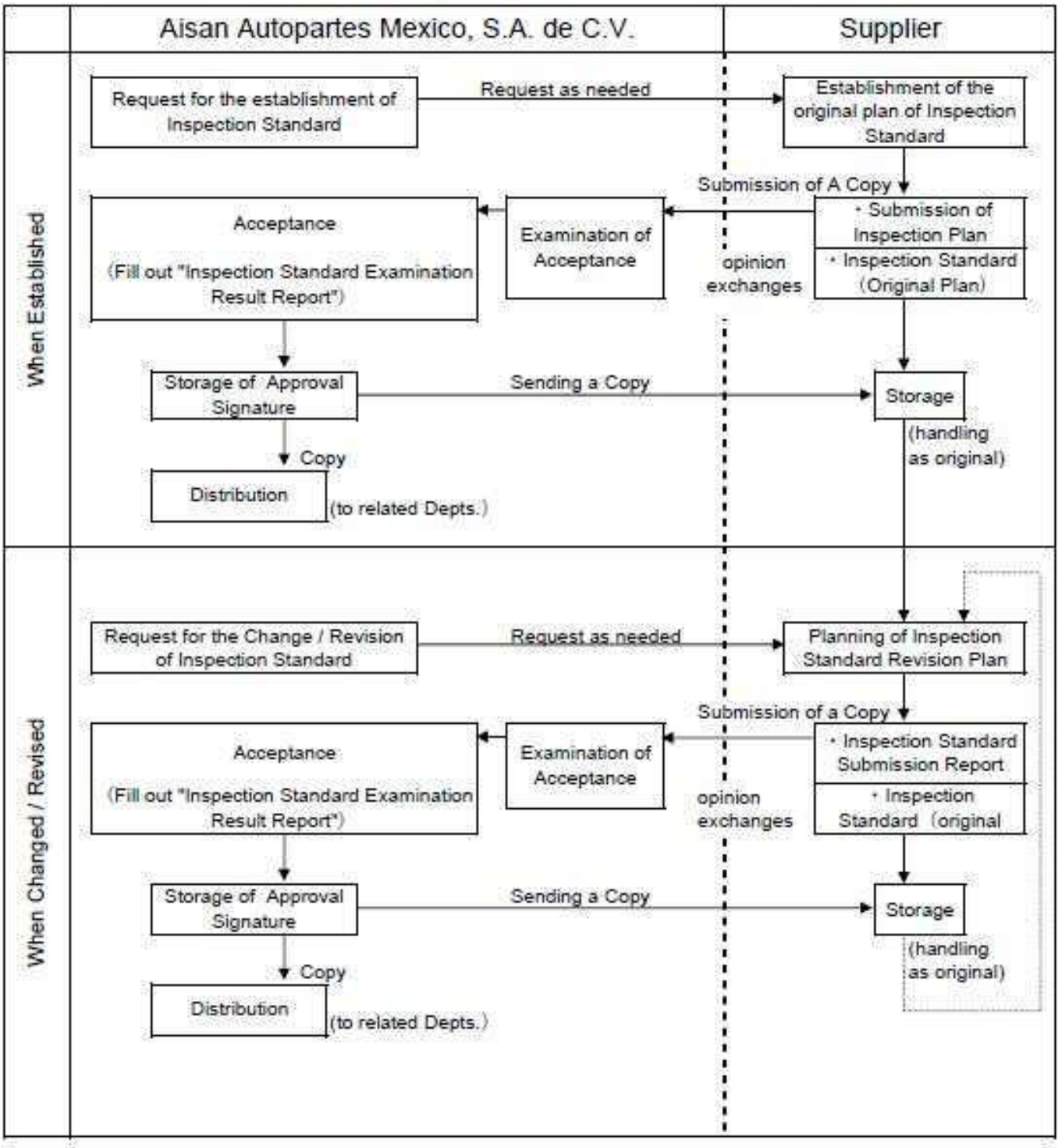
* Submit a copy of Inspection Manual not original.

5.5 Assurance of Delivered Products

(1) Suppliers should assure that all products for Aisan are satisfying all the standards specified in drawings. Suppliers can deliver only the products that have passed the inspection established based on the Inspection Standard you submitted or specially regulated with the attachment of delivery documents such as kanbans.

(2) When it is difficult to put manufacturing No. on products to be delivered or to identify machining date, etc. from delivery packaging or others, the attachment of a name tag is recommended upon coordination with Aisan Quality Control Section.

Handling Flow of Establishment, Change, and Revision of Inspection Standard



Notes)

1) Make monochrome copies on one side to have clear copies when recopied.

2)Please use the copy with approval signatures we sent you as an original copy when making any changes next time.

3) The handling procedures of unclear copy due to repetitive copies or other reasons is as follows. (Actions for unclear signature, letters, etc)

1. If our inspection responsible department judges that your description or approval signature is unreadable, please revise the sheet.
2. In order to keep the clearness of approval signatures even when the sheet is copied, handwriting in block letters is recommended for the signature.

Ⅲ-5-4

Prepared Date: / /

Rank	☐ Prepared by Aisan ☐ Prepared by Supplie **Inspection Standard**	Registry No.

Part No.	Part Name	Type: ☐kit parts ☐sub-assembly ☐blank work ☐set parts ☐completed one part ☐material ☐assembled part

Preceding Process	Inspection Dept.	Following Process	Inspection Timing	Material	Surface Treatment	Weight
	➡	➡				

Applied Model

Distribute to

Inspection Category	Inspection Item	Measuring Tool	Inspection Standard	Category	Inspection / Process / Sampling Method	Inspection Method

Aisan Autopartes Mexico			Mark	Date	Revised Contents	Supplier		
Signature of Discussed								

Approved by	Checked by	In charge	Supplier Name	Approved by	Checked by	In charge
			Aisan Autopartes Mexico, S.A. de C.V.			

Quality 051 (AS 040408) '03.12

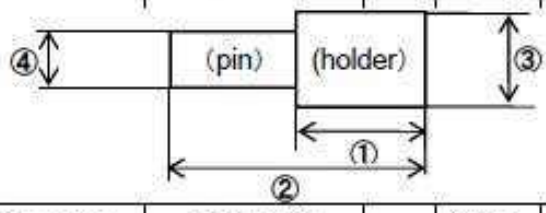
<Example>

Prepared Date: / /

Rank	☐ Prepared by Aisan ☐ Prepared by Supplier	Inspection Standard	Registry No. ○○－△△△
	Part No. 1100-12345	Part Na Holder Sub-Assembly	Type ☐kit parts ☐sub-assembly ☐blank work ☐set parts ☐completed one part ☐material ☐assembled part

Preceding Process	Inspection Dept.	Following Process	Inspection Timing	Material	Surface Treatment	Weight
Pin Press-in	Quality Contro	Aisan Industry	per manufacturing lot			

Applied Model



Process Control Method of BB Industry

Size	①Holder Lengt	Slide caliper	＊＊±＊＊		2 /lot			If there are different measurement tools or inspection standards even though the part is manufactured & inspected internally, use separated columns.
		Specialized device	＊＊±＊＊			1/2H		
	②Whole Lengt	Slide caliper	＊＊±＊＊	Ⓢ	2 /lot			
		Height measuring device		Ⓢ		100%		
	③Holder Diameter	Micro meter	＊＊±＊＊		2 / lot		X-Measurement of 2 points	
		Gauge	＊＊±＊＊			2/2H		
	④Pin Diameter	Micro meter	＊＊±＊＊		2 / lot		X-Y Measurement of 2 poin	
		Micro meter	＊＊±＊＊			100%		
Others	⑤Packaging	Visual check	Tupperware		1/shipping lot		Capacity : 100	
Material	⑥SOC4 substances	Analysis result	not included		1/ lot of first products		Result of supplier analysis	

When analyzing internally or committing the analysis to an external body yourself, fill in the names of the analysis devices". Ex)Fluorescent X-ray Inspection Device

Sampling method at

Sampling method within manufacturing process

Process Control Method at CC Industry

Process Control Method at DD Metal

<Supply Chain>

First-Tier Supplier

Second-Tier Supplier

1100-12345(Pin holder)
AA Industry: ①②③④⑤⑥

1101-12345(Holder)
BB Industry Co., Ltd.: ①

1101-12345-40 (Holder material)
CC Industry: ③

(Raw material)
EE Steal Co., Ltd.

Put a lozenge if you perform only inspection without

1102-12345(Pin)
DD Metal Co., Ltd: ④

(Raw material)
FF Steal Co., Ltd

Inspection Category	Inspection Item	Measuring Tool	Inspection Standard	Category	Inspection Process / Sampling Method	Inspection Method

Signature of Discussed	Aisan Autopartes Mexico			Mark	Date	Revised Contents	Supplier		
	Approved by	Checked by	In charge	Supplier Name	AA Industry Co., Ltd.		Approved by	Checked by	In charge
				Aisan Autopartes Mexico, S.A. de C.V.					

To: Date:

PPAP Submission Request

Approved by	Confirmed by	Prepared by

Reason: ☐ New ☐ Design Change (No.) ☐ Process Change (No.)

Aisan Autopartes México, S.A. de C.V. request you to submit the necessary documents (for each Part No.) according the level of PPAP indicated in the table below. Please send the documentation by (dd/mm/yyyy). Aisan Autopartes México, S.A. de C.V.appreciate your support and contibution on this requirements.

Part No.	Part Name	Level of PPAP	Remarks
		☐ Level 1 ☐ Level 2 ☐ Level 3 ☐ Level 4 ☐ Level 5	-
		☐ Level 1 ☐ Level 2 ☐ Level 3 ☐ Level 4 ☐ Level 5	
		☐ Level 1 ☐ Level 2 ☐ Level 3 ☐ Level 4 ☐ Level 5	
		☐ Level 1 ☐ Level 2 ☐ Level 3 ☐ Level 4 ☐ Level 5	
		☐ Level 1 ☐ Level 2 ☐ Level 3 ☐ Level 4 ☐ Level 5	

PPAP Documentation List

	#	Document Name	Level 1	Level 2	Level 3	Level 4	Level 5
PPAP Documentation	1	Design Records (Saleable Product)	R	S	S	*	R
		for proprietary components /details	R	R	R	*	R
		for all other components /details	R	S	S	*	R
	2	Engineering Change Documents, if any	R	S	S	*	R
	3	Customer Engineering approval, if required	R	R	S	*	R
	4	Design FMEA (See I.3-2.3)	R	R	S	*	R
	5	Process Flow Diagrams	R	R	S	*	R
	6	Process FMEA	R	R	S	*	R
	7	Dimensional Results	R	S	S	*	R
	8	Material,Performance Test Results	R	S	S	*	R
	9	Initial Process Study (Capability study)	R	R	S	*	R
	10	Measurement System Analysis	R	R	S	*	R
	11	Qualified Laboratory Documentation	R	S	S	*	R
	12	Control Plan	R	R	S	*	R
	13	Part Submission Warrant (PSW)	S	S	S	S	R
	14	Apperance Approval Report,(A.A.R) if applicable	S	S	S	*	R
	15	Bulk Material Requirements Checklist (for bulk material PPAP	R	R	R	*	R
	16	Sample Product	R	S	S	*	R
	17	Master Sample (see I.3-2.3)	R	R	R	*	R
	18	Checking Aids	R	R	R	*	R
	19	Records of Compliance With Customer-Specific Requirements	R	R	S	*	R

S= The organization must issue the client and retain a copy of the records or documentation items in appropriate locations.

R= The organization must retain in appropriate locations and have them available to the client upon request.

*=The organization must retain in appropriate locations and issue the client upon request.

Please add this documents shown below to this PPAP documents list

AAM QA Related Docum.	1	Master agreement of purchase of parts
	2	Responsible person registry
	3	Mass production preparation schedule
	4	Inspection standard
	5	Application answer sheet for using 2nd or 3rd suppliers (please see III-47 to III-51 of AAM ASQA301 Guideline)
	6	Request for package setting of purchased parts
	7	Initial product tag
	8	Process change report
	9	Drawing for approval

To: **Aisan Autopartes México, S.A. de C.V.** Date: _____

Company: _____

Department: _____

PPAP Submission Report

Please examine the content of the attached sheet for the above-listed parts.

*Please report all the points different from drawings or standards.

Comments:

Approved by	Confirmed by	Prepared by

Part Purchasing Sect.
Aisan Autopartes Mexico, S.A. de C.V.

Any formats can be used if all the items in the sheet are contained.
Each supplier shall prepare palettes or boxes, checking the size with Production & Logistics Control Sect.

To _____ Issue Date / /

Request for Package Setting of Purchased Parts

Supplier

Purpose: Production, Quality, Cost, Safety	Daily Production Volume: units

Part No.	Part Name	Number of Parts: /box	Delivery Frequency: /day

<Packaging Style>

<Arrangement Layout>

Views of Related Dept. (Sect.)		Views of Related Dept. (Sect.)	
Views of Related Dept. (Sect.)		Views of Related Dept. (Sect.)	

Reply Distribution

Reply to the Request | Date of Reply: / / | Sect.

[Route] Supplier (Issue)→ Part Purchasing→QC→Manufacturing→Production & Logistics Control (Reply, storage) of copies

(ASQ A 301)

6. Initial Products Inspection Procedures

6.1 Purpose

To secure the process stability at early stages and to prevent the occurrences of quality problems proactively through the inspection of the quality of the products (including assembly parts) produced at initial production, comparison with planned quality, and examination of the adequacy of technical standards and measuring tools.

6.2 Definition of Initial Products

(1) Newly designed parts
  ① The parts newly ordered from Aisan
  ② The design changed parts designated as actually equal to newly designed parts in “Design Change Shifting Request.”
(2) Design changed parts
(4) Process changed parts
  ① When a manufacturing site is changed. (including mutual replacement of 1st and 2nd suppliers, or replacement of 2nd suppliers).
  ② When machines are replaced or customized (EX: When single-function machines are
  ③ customized for an exclusive use.)
  ④ When dies or jigs and tools are newly designed, changed, or customized.
  ⑤ When a quality influential change is made, such as a change in machining process, heat treatment, welding method, or welding agents.
  ⑥ When a 2nd supplier/ manufacturer of quality related parts or materials is changed.
  ⑦ When shifted from a temporary process to an approved process.
  ⑧ When package specification, storage place or material distribution route is changed.

6.3 Measurement Range of Initial Products

(1) Even if the measurement is not instructed by the Inspection Standard, measure all items indicated in drawings (n=1). For important characteristic parts, enter measurement results on the drawings and submit along with “Measurement Result Report. ”Submit other documents if requested.
(2) The table below shows the number of units to measure the sites indicated by Inspection Standard.

Lot Size	Measuring Unit
1-29 units	All
30 or more units	30 or more units

However, small volume sampling, less than 5 units (more than 1 unit), is applicable in the following cases.
① The measurement requiring destruction inspection or disassembly inspection, or the measurement causing quality deterioration.
② The measurement requiring high man/hour
・Shape tolerance (differences of roundness, straightness, roughness, coaxial level, etc.)
・Stamped parts, die casted parts
③ The measurement of the items that the quality of whole lot can be assumed from the measurement of a small number of samples
・Items that are not significantly influential to quality, such as chamfering or R shape.

6.4 Indication of initial products or the attachment of material documents at delivery

Put and attach the following indication and “Initial Product Measurement Result Report” at the delivery of initial products.

(1) Indication
  Attach Initial Product Tag (III-32) for successive 5 delivery lots. Enter the number of delivery in it.
(Note) When delivering 500 units in 5 bags at a time, put the tag on each bag.

(2) Initial Product Measurement Result Report (III-27)
  (Replaced by Initial Product Measurement Request when we request you to perform the measurement of initial products separately.)
  Attach the following documents to provide details.

① Measurement Result Report (III-27)
② Material Certification
③ Design / Specification Change Instruction Sheet
④ Attach it when Aisan sent it.
⑤ Design Change Implementation Confirmation Sheet
⑥ Attach the sheet at the delivery of initial products after design change.
⑦ Inspection Standard
⑧ Attach a copy of Inspection Standard. (With the seal of Aisan QC Sect. placed.)
⑨ No SOC Evidence Data Summary
⑩ Refer to ”Substances of Concern (SOC) Management System at Suppliers (ASQ A
⑪ 302)” for details.

To Aisan Autopartes Mexico, S.A. de C.V.
Quality Control Sect.

Any format can be used if all the items below are contained.

Part Category

S
E
R
F
C

Initial Product Measurement Result Report

Date:
Company:
Department:

Model	
Part No.	
Part Name	

Div.

- ・Sample （ ）
- ・（ ）th Trial Production
- ・Pre-Regular Products
- ・Initial Regular Products
- ・Design Change （No. ）
- ・Process Change （No. ）
- ・Others

(1)Designated Delivery Date is .

(2)The delivery products are manufactured from （temporary process・partially temporary process・approved process).

(Temporary Process Name : Planned Shifting Completion Date to Approved Process: /)

(3)We deliver ( )units out of ( ) units of production volume.

(4)( )units of inspection devices have been completed.(Planned Completion Date: /)

(5)Up to Design Change No.( ) have been incorporated in the initial products.

(6)(Total Inspection / Sampling Inspection) was performed on the delivery products.
Number of Inspected Works : ( ) units

(7)According to the inspection result, there was (no defective product / a defective product but it was repaired. / a defective product but it was replaced./others:).

(8)An approval for the Inspection Standard has (been gained / not been gained).
We (are waiting for the results / have not submitted).
Planned Submission Date:

(9)Reports to Aisan regarding process, drawing, inspection standard, gauge , Inspection Standard, etc.

(10) Submission of No SOC Evidence Data Summary (has been completed/ is scheduled on MM/DD/ is not required.)

Judgment:

Result of Receiving Inspection

Date:
Department:

(1)Reciept Date:

(2)Inspection Date

(3)①Received Works units ②Sampled Works units ③Defective Works units

(4)Judgement: Accepted・Rejected・Tentatively Accepted (Final judgment after assembly)

(5)①Drawing(Y・N), ②Inspection Standard(Y・N), ③Gauge(Y・N)

(6)Quality Info.

①Inspection Report	(Y / N)
②Initial Product Tag	(Y / N)
③Initial Product Mark	(Y / N)
④Material Certification	(Y / N)
⑤Design Change Confirmation	(Y / N)

(7)Views of Inspection Dept.

Date: Dept:

Distribution to

Quality 021 (ASQ A 301) '09.05

Aisan Sheet as a reference

To: _____ No.

Aisan Autopartes Mexico, S.A. de C.V.

Initial Product Measurement Request

Date:

Quality Control Sect.		

Part No.		Part Name	
Model		Product Category	( ) sample, ( ) th trial Pre-regular, Initial-regular, Regular

(1) Please attach the data below at the delivery since the measurement of initial products is required due to (① New Design ② Design Change(No.) ③ Process Change (No.) ④ Shift to Approved Process).

(2) Fill in the measurement results of all of the items included in the original plan of Inspection Standard, Inspection Standard, Quality Standards, manufacturer's requirements, and special instruction after measuring them on (5, 10, 25 units) using designated measurement tools.

(3) Put ○ on applicable process category.

(4) Correspondence between actual products and the data is (required (units). / not required.)

(5) The meeting with our quality control responsible person before delivery to examine the investigation results and delivery products is (required / not required).

(6) Special Instruction ( )

Supplier Receipt Date:

Report of Initial Product Measurement Result

Company:

Responsible Dept.:

Date:

(1)Designated Delivery Date is .

(2)The delivery products are manufactured from (temporary process・partially temporary process・approved process).

(3)We deliver ( )units out of ( ) units of production volume.

(4)( )units of inspection gauges have been completed.

(5)Up to Design Change No.( ) have been reflected into the initial products.

(6)(Total Inspection / Sampling Inspection) was performed on the delivery products. Number of Inspected Works : ( ) units

(7)According to the inspection result, there was (no defective product / a defective product but it was repaired. / a defective product but it was replaced./others:).

(8)For function related parts, durability test result of (prototype, 1st trial product, 2nd trial product, regular product) is (provided./ not provided.)

(9)An approval for the Inspection Standard has(been gained / not been gained). We (are waiting for the results / have not been submitted). Planned Submission Date:

(10)Reports to Aisan regarding process, drawing, inspection standard, gauge , Inspection Standard, etc.

:

If examination is required before delivery, submit this sheet to quality control responsible person, and if not required, submit this to receiving inspection dept.

Examination Result before Initial Product Delivery

Date:

Quality Control Sect.		

(1) Measurement of Initial Products (good/ normal / bad)

(2) Production Preparation Progress (good/ normal / bad)

(3) Durability Test Result (good/ normal / bad)

(4) Check of Products (good/ normal / bad)

(5) Instructions:

According to the result above, (do/ do not) deliver the products for (1st Trial Production, 2nd Trial Production, Regular Production)

Result of Receiving Inspection

Date:

Quality Control Sect.		

(1)Reciept Date:

(2)①Received Works: units ②Sampled Works units ③Defective Works units

(3)Judgement: Accepted ・ Rejected ・ Tentatively Accepted (Judge after assembly)

(4)①Drawing(Y・N), ②Inspection Standard(Y・N), ③Gauge(Y・N)

(5)Initial Product Info.

①Inspection Report (Y/N)②Initial Product Tag(Y/N) ③Initial Product Mark(Y/N) ④Material Certification(Y/N) ⑤Design Change Confirmation (Y/N)

(6)Views of Inspection Dept. :

【Route】 Quality Control Sect. (Examination before initial product delivery) Quality 022 (ASQ A 301)'09. 05

Quality Control → Supplier → Receipt → Quality Control → Other in-house departments

Any format can be used if all the items below are contained.

Distribution to		

Put O on applicable process category.

Measurement Result Report

Dept. Name (Supplier Name)

Part No.		Part Name			Approved by	Checked by	Measured by
Measurement Date		Measuring Reason					
Delivery Date		☐New Design ☐Design Change ☐Process Change					
Process Category	Temp./Approved	Temp./Approved	Temp./Approved	Temp./Approved	Temp./Approved	Temp. / Approved	Temp. / Approved	Temp. / Approved
Measuring Item								
Standard								
MeasuringTool / Document No.								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
X								
R or s								
Cpk								
Judgment								
1								
2								
3								
4								
5								
X								
R								
Judgment								

Judgment	Views of Inspection Dept.	Inspection Dept.		
Accepted · Rejected				

(Route) <Purchased Parts> Supplier → Inspection Dept. (A copy) → Supplier / Related Depts.

Quality 018 (AS 040203) '03.03

Model	Design Spec.	**Change Instruction Sheet**	Prepared Date :	No.

Design Change Instructed Date:		Design Change Instruction No.		Prepared by	
Part Name:		Supplier Name or Operation Dept.			
Older Part No. or Older Material and Sizes		New Part No., New Materials or Sizes		Planned Implementation Date:	

Change Requiring Dept.	Category		Implementation Date	Signature	Remained No. of Older Parts
	Supplied Parts	Receipt			
Changing Reason, Others		Inspection			
		Supply			
	Completed Parts	Receipt			
		Inspection			
		Supply			
Handling of Older Parts 1. Usable 2. Use them for other purpose after switching 3. Usable after repair 4. Not usable after switching 5. Not usable, use them for other purpose 6. Not usable 7. Use them for other purposes after switching	Forging & Casting				
	Forging & Casting Inspection				
	Machining				
Compatibility	Process Inspection				
	Assembly				
Remarks: Design Change	Shipping Inspection		Lot No.		
Approval No.	Shipment				

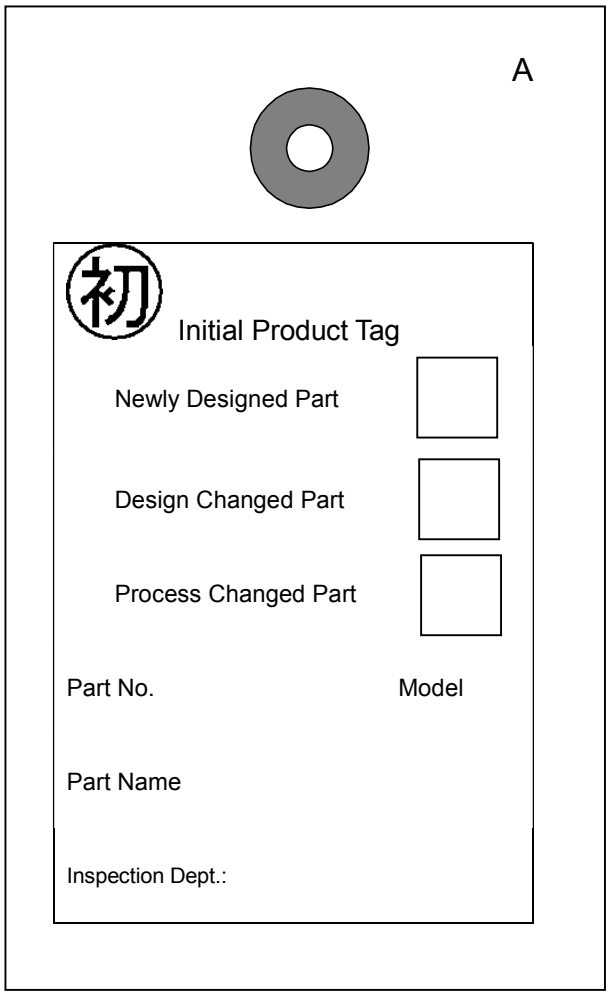
Design Change Implementation Confirmation Sheet

Supplier Name :

Date:

CNO	Suppler Code	Quality Number.	Old Minor Mark	New Minor Mark	Implementation Confirmation Date	Instruction Sheet No.	
						Mark	No.

Remarks)	Attach the sheet at the delivery of initial products.	Enter minor marks on the left side	ACS (input) Logistics Dept.		



(Note) 1. Attach the tag till 5th delivery lot.
2. Enter the number of delivery on A position.
3. Attach a tag per kanban.
EX: For the delivery of 500 units in 5 bags, put a tag for each bag.
4. The color of the tag shall be yellow.
5. Other formats than tag (with a binding wire) may be used on the condition that approval from Quality Control Section in charge was obtained and there is no possibility of damage or loss.

A

初 Initial Product Tag

Newly Designed Part

Design Changed Part

Process Changed Part

Part No. Model

Part Name

Inspection Dept.:

A

初 Initial Product Tag

Newly Designed Part

Design Changed Part

Process Changed Part

Part No. Model

Part Name

Inspection Dept.:

A

初 Initial Product Tag

Newly Designed Part

Design Changed Part

Process Changed Part

Part No. Model

Part Name

Inspection Dept.:

A

初 Initial Product Tag

Newly Designed Part

Design Changed Part

Process Changed Part

Part No. Model

Part Name

Inspection Dept.:

7. Control of Designated Important Parts

Special control, which is clearly different from the control of general parts, is required for Aisan designated safety-related parts and other important parts in order to assure the quality thoroughly.

7.1 Definition

Category	Definition
Safety related parts / Safety related characteristics ▽S (Delta S)	The parts or characteristics that directly affect the basic functions of cars, such as “Drive”, “Turn”, and “Stop”, and may cause vehicle fire, or overdrive due to the defect of such parts. They are indicated in drawings with the mark on the left.
Emission related parts / Emission related characteristics ▽E (Delta E)	The parts or characteristics that may cause the quality problems of emission gas purification function. They are indicated in drawings with the mark on the left.
Regulation related parts / Regulation related characteristics ▽R (Delta R)	The parts or characteristics that hold the values, forms, or indications regulated by domestic or foreign regulations. They are indicated in drawings with the mark on the left.
Function related parts / Function related characteristics □F (Square F)	The parts or characteristics that may cause car troubles, diagnosis lamp-tuning on, noise, radio disturbance, etc. Resulting in complaints from customer. They are indicated in drawings with the mark on the left.
Circle S parts / Circle S characteristics Ⓢ (Circle S)	The parts or characteristics that affect the safety related characteristics. They are indicated in drawings with the mark on the left.
Circle E parts / Circle E characteristics Ⓔ (Circle E)	The parts or characteristics that affect the emission related characteristics. They are indicated in drawings with the mark on the left.
Circle R parts / Circle R characteristics Ⓡ (Circle R)	The parts or characteristics that affect the regulation related characteristics. They are indicated in drawings with the mark on the left.
Circle F parts / Circle F characteristics Ⓕ (Circle F)	The parts or characteristics that affect the function-related characteristics, or hold the characteristics for classification such as colored plating or stamping. They are indicated in drawings with the mark on the left.
Circle C parts / Circle C characteristics Ⓒ (Circle C)	The parts or characteristics that may cause interference with other parts at the assembly by the customer. They are indicated in drawings with the mark on the left.
Special processes/ Special characteristics ⓈⒸ (Circle SC)	Special characteristics --- when the quality characteristics cannot be sufficiently evaluated through product/ part inspection or test, or its defects only appear during the service period. Special processes --- heat treatment (inc. dehydrogenation treatment), plastic molding, casting, forging, surface treatment (coating, plating, etc.) welding (fusion welding, pressure welding, brazing (inc. soldering)), plastic welding (inc. UV resin curing), bonding, rubber vulcanizing, caulking, press-fitting and electronic unit assembling (wire bonding, process installing countermeasures against static electricity or foreign matter) processes whose output contains an important characteristic.

7.2 Actions for Important Parts

(1) Strict initial control from production preparation stage to mass production stage is required for important parts.
(2) Please put the markings of each characteristic on standard documents and processes in order to raise operators' awareness for the quality of such parts.
When a single characteristic item includes more than one important characteristics, those characteristics should be placed on the left or top of the item in the order described in 7.1.

Marking Standard for Important Characteristics

	Item	▽S	▽E	▽R	F	SC	Ⓢ	Ⓔ	Ⓡ	Ⓕ	Ⓒ
Drawing	Indication of Title Mark	○	○	○	○	—	○	○	○	○	○
	Indication of Sub-Mark	○	○	○	○	—	○	○	○	○	○
Others※1	Posting of Process Board	○	○	○	○	○※2	—	—	—	—	—
	Indication of Title Mark	○	○	○	○	○※3	—	—	—	—	○
	Indication of Sub-Mark	○	○	○	○	○※3	○	○	○	○	○

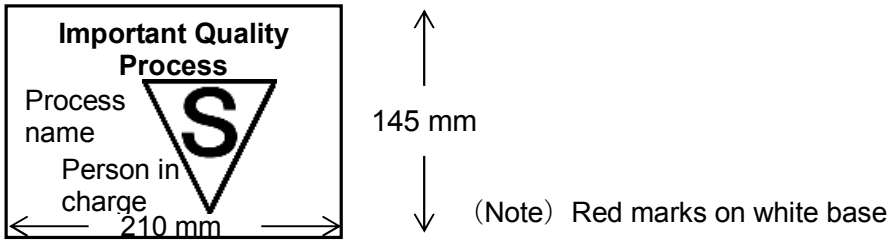
1 Standards, such as Inspection Standard, QC Process Table and Work Instruction, as well as sheets, such as control charts, graph records, Daily Inspection Sheet and measurement data records.
2 Suppliers who are solely engaged in special processes like heat treatment, need not post process boards.
3 Applied only on Inspection Standard and QC Process Table.

Size of Important Characteristic Marks

Mark	Size（length of a side）	Usage
Title Mark	About 15 mm (line thick: about 0.8 mm)	・Upper left portion or title column on the first page of standards or control documents ・Lower left corner in drawings
Sub-Mark	About 5 mm (line thick: about 0.4 mm)	・Individual characteristic items listed on drawings, standards and control documents

Note: Multiplied values of the above can be applied depending on the size of indication target.

Sample of Process Board



(3) Ensuring of Manufacturing Quality
The control and the ensuring of the manufacturing quality of processes with important characteristics should be taken by a manufacturing/ quality responsible person.
Refer to III-3, for the quality standard of important characteristics that should be ensured.

(4) Self-Inspection of the Processes that build in or inspect Important Characteristics (▽S,▽E,▽R,Ⓕ)
The responsible person of each supplier should perform the inspection of all related processes at least once a year, then keep the result data for 2 years, and submit the data when requested by Aisan. Please refer to III-32 for the samples of Self-Inspection Check Sheet and the evaluation items.

(5) Data Storage

Quality data of the processes with important characteristics (🅂,🄴,🅁,🄵,Ⓢ,Ⓔ,Ⓡ,Ⓕ,Ⓒ), such as inspection results, daily inspection results, abnormality occurrence data, or action data should be kept for 15 years from the day the data is recorded. The data for general characteristics should be kept for 7 years. (Quality records concerning the conventional characteristic Ⓐ should be kept for 15 years.)

(6) Registration of Processes and Operators

① When any of the important characteristics 🅂,🄴,🅁,🄵 is indicated in drawings, identify the processes that builds in or inspect the characteristic, and register the processes in “Registry of Qualified Operator for Important Process”

② Specify the knowledge and skills required for the operators or inspectors of the above processes and register the operators holding required level of ability in the registry and assign them after providing appropriate education / training and evaluating their ability.

The required knowledge and skills should include the following items

A. Understanding of the importance of safety, emission, regulation and function-related characteristics and possible adverse effects caused by defective parts
B. Understanding of standards, such as ““Work Instructions” and “Inspection Standard”, skills to conduct operation and inspection correctly
C. Understanding of the definition of abnormalities and defective parts, reporting of the details of abnormalities and defective parts, and through implementation of predetermined measures against them

(7) Restriction of the Use of Sub-Suppliers

Commission of the processes with safety, emission, and function-related characteristics to sub-suppliers are not permitted as a rule.

(Please refer to “Sub-Supplier Management Guidelines” in Chapter 9.)

7.3 Process Control of Important Parts

(1) Implementation of Process Control

① Daily process control and inspection should be conducted according to “Important Characteristic Process Control Standards.“

② Install fool-proof devices in processes. (The tools for implementing 100% inspection.)

We recommend installation of a fool-proof device or others for Ⓒ characteristics.

<Examples of Fool-Proof Devices>

Check for penetration of holes using positioning (checking) pins as the criterion of machining or assembling conducted in the next process

・Ensure the machining position by machining more than one places at the same time by means of NC machining.

(2) Special Process Control

① As 100% inspection is difficult to conduct for the quality characteristics of special processes, automatic monitoring of manufacturing conditions is desirable. When deviation from the manufacturing conditions occurs, the machine should be automatically sopped or the abnormality should be detected by a warning system or other tools. If such mechanisms cannot be installed, the manufacturing conditions need checking and recording at the start & end of work in addition to periodical checks (at least the time intervals that ensure prevention of outflow of nonconforming products to the outside of the company.)
Daily process control and inspection should be conducted according to “Important Characteristic Process Control Standards.“

② In special processes, products that are machined or treated under set conditions should be checked more than once a month whether they meet the quality requirements of drawings.

③ The above-mentioned check on the validity of set conditions should be conducted more than once a year for general characteristics.

(Note) ②③are the minimum requirement of checking frequency, if otherwise specified in Inspection Standard or others, follow the instruction.

(3) Submission of DI data

As for the portions considered as important characteristics (heat-treated/ welded parts and projection form of

projection-welded parts are categorized as special characteristics), DI data should be submitted, in principle. When other characteristics require the submission of DI data, this instruction is included in the Inspection Standard.

Important Characteristic Process Control Standards

Category	Control Method			Control Frequency		
				Control Frequency		Control Tool
				Cpk ≧ 1.33	Cpk < 1.33	
Ⓢ Ⓔ Ⓡ Ⓕ Ⓒ	Non-destructive inspection			Original: 100% inspection	Original: 100% inspection	Control chart*2
	Destructive inspection or when in-process inspection is difficult to conduct	Alternative characteristic available		Alternative: 100% inspection Original: more than once a month	Alternative: 100% inspection Original: once a shift	
		No alternative characteristic available		Original: first + last products/ shift, + regular inspection	Rejected*1	
Ⓢⓒ This frequency applies when accompanied by other important characteristics	Quality characteristics	Non-destructive inspection or in-process inspection is relatively easy to conduct		Original: first + last products/ shift, + regular inspection	Rejected*1	Control chart*2 (tendency control)
		Destructive inspection or when in-process inspection is difficult to conduct	Alternative characteristic*3 available	Alternative: first + last products/ shift+ regular inspection Original: more than once a month	Alternative: 100% inspection Original: first + last products/ shift	
			No alternative characteristic available	Original: first + last products/ shift, + regular inspection	Rejected*1	
	Condition control (Daily inspection item)			Continuous monitoring by equipment + recording at the beginning of a shift	Continuous monitoring by equipment + recording at the beginning of a shift	Daily inspection sheet
Ⓢ Ⓔ Ⓡ Ⓕ	Non-defective inspection			Original: first + last products/ shift	Original: 100% inspection	Quality check sheet
	Destructive inspection or when in-process inspection is difficult to conduct	Alternative characteristic available		Alternative: first + last products/ shift Original: more than once a month	Alternative: 100% inspection Original: once a shift	
		No alternative characteristic available		Original: first + last products/ shift	Rejected*1	

Note 1: The above table shows the standard frequency of sampling in mass production management. The number of samples is n=1 excluding 100% inspection. As for the frequency of sampling during initial production period, the number of samples is n=2. The control frequency would be increased taking the difficulty level of the inspection into consideration.

Note 2: ”In-process inspection is difficult to conduct" means the situation where inspection cannot be conducted in a machining or assembling process to be checked, instead, measurement is performed off-line or other department performs the measurement upon request.”

Note 3: "Regular inspection" in the control frequency field requires determining the time interval or the number of parts (e.g. n=1/2h, n=1/50 pieces) at which inspections are conducted, in addition to the inspection of the first and the last products. The frequency is set so that a defective part is not shipped outside.

Note 4: In case of the same quality characteristic, process and equipment, sampling inspection may be conducted on representative part No.

Note 5: As for characteristics (casting, plastic molding, etc.) judged to have small variation in products in a lot, the first and the last products in a shift and the parts immediately before and after setups are checked per cavity when the die has several cavities.

Note 6: When there is a setup, inspection of the parts immediately before and after the setup is added to the sampling to be conducted per shift.

Note 7: Alternative characteristics are machining conditions or part characteristics to ensure important characteristics.

<Special cases>

1. Even in the case of "rejected", the production is allowed on a temporary basis through consultation among related departments (Design, Production Engineering, Quality Control, Quality Assurance) after an improvement plan is drawn up, stopgap measures against outflow is devised and approval

of the manager of QC Dept. is obtained. The procedures in this case follow "Special Adoption Procedures (III-51)"

2. In case the important characteristic is not variables or the distribution of "dispersion" is not expected to be normal distribution, the process may be controlled using a recording graph, quality check sheet or manufacturing process quality record sheet. However, if the characteristic is variables, the process capability should be checked more than once a year.
3. When there is back-up data verifying that characteristics such as weld strength is guaranteed by controlling variables including width, position or height of welds, such variables can be used as alternative characteristics. (The use of gauges is allowed.)

Important Process Self-Inspection Check Sheet

Department	Approved by	Checked by	Created by

Process Name (Line) :	Product Name :	Representative Part No. :	Date Inspected :

	Check item	Contents ★ is required item.	Evaluation (O / X)	Comments (including a demand for increasing the level.)
1	Clarification of important characteristic/process	★ 1.1 Is an important characteristic or process defined? Are the control methods implemented thoroughly? Ⓥ · Ⓔ · Ⓥ · Ⓕ · Ⓢ · Ⓔ · Ⓡ · Ⓕ · Ⓒ		
		★ 1.2 Are important characteristics and processes clarified for each product?		
2	Implementation of special control	★ 2.1 Is there any device incorporated to the process at the planning phase to guarantee the quality of important characteristics? (Installation of a fool-proof device, measures against process skip, etc.)		
		★ 2.2 As for the important characteristic whose process capability (Cpk/Cp) is 1.33 or lower, is any action taken to improve the process capability? Are quality assurance measures such as 100% inspection taken?		
		★ 2.3 Are measures being considered against recurrence of past defects (both internal and external ones) or measures against occurrence of a new defect and outflow of the defect?		
3	Preparation and unification of standards	★ 3.1 Are an characteristic and its control items consistent from its drawing, QC Process Table, Work Instruction to Quality Record Sheet?		
		3.2 When control charts can be used, the tendency of the important characteristic controlled?		
		★ 3.3 Are daily inspection items clarified for manufacturing conditions and equipment (including tools & dies) to be controlled?		
		★ 3.4 Do standards and processes have indication of important characteristics, if applicable?		
4	Education & Training	4.1 Do operators, inspectors and supervisors assigned to an important characteristic process receive education periodically?		
		4 Are operators and inspectors assigned to an important characteristic process evaluated for their skills and knowledge? Do all registered operators meet standards?		
		4.3 Does every important characteristic process have two or more registered operators/inspectors whose skills and knowledge meet standards?		
		4.4 Does the register have all necessary information, such as process name, part#, characteristic and control method?		
5	Daily management	★ 5.1 Are quality check results recorded according to the standards? Is there any deviation from the standards in the records?		
		★ 5 Are measurement devices placed according to the standards and used in a proper environment? Do they have an expiration date indicated on them and receive daily inspection?		
		★ 5.3 Is daily inspection of manufacturing conditions, equipment and fool-proof devices conducted more than once a day and recorded?		
		5.4 Is acceptable range clearly indicated on the display panel of each measurement device?		
		★ 5.5 Are all necessary boundary samples and masters located according to the standards and periodically inspected?		
		★ 5.6 Do supervisors periodically check the records (1/day) and take proper actions when an abnormality is found?		
		5.7 Do supervisors periodically check whether operations are conducted according to the standards?		
6	Trouble shooting	★ 6.1 Is the definition of an abnormality specific? Are corrective measures clarified and understood by operators?		
		6.2 Are corrective measures against abnormalities found in processes or at inspection taken according to the rules and recorded?		
		★ 6.3 Are there rules to inform other departments of abnormality information and to introduce preventive measures to affected departments?		
		★ 6.4 Are countermeasures taken and their effectiveness checked without fail? Are they standardized as needed?		
7	Marking & Traceability	★ 7.1 Is manufacturing history of each product traceable by identifying parts during the course of production?		
		★ 7.2 Are defective parts clearly marked and kept away from non-defective parts not to get mixed?		
		★ 7.3 After rework operation, is the rework recorded and the reworked parts marked (when it is possible to perform marking)?		
		★ 7.4 Are reworked/repaired parts brought back to the process where the defect found?		
		7.5 Are rework methods and operators for rework operation predetermined?		
		★ 7.6 Are quality check records and change records of material, man, machine condition, equipment, jig & die and others maintained?		
		7.7 Are quality records of important characteristics maintained for more than 15 years? (For general characteristics, 7 years or more.)		
8	Others	8.1 Are materials, parts and finished products placed so that "First-in, First-out" order is easily followed?		
		8.2 Are processes, pathways and places for materials, parts and final products organized through 5S enough to prevent wrong assembly?		
		8.3 Is the process or inspection station free from any environment-related problems such as insufficient lightening ?		

Judgment criteria: 80% of the whole items should be O not to mention ★items.

[Total comments]

Total ★	Total	Judgment
0/0		Pass/ Fail

Important Process Self-Inspection Check Sheet (Evaluation)

	Check item	Contents ★ is required item.	Evaluation [Insufficient : X (including Level up), Meet the evaluation level : O]
1	Clarification of important characteristic/ process	1.1 Is an important characteristic or process defined? Are the control methods implemented thoroughly? ★ Ⓥ · Ⓕ · Ⓥ · [F] · Ⓢ · Ⓔ · Ⓡ · Ⓕ · Ⓒ	Important process is a process where an important characteristic/part is built or inspected (exc. special processes in this check). Important characteristic/part is a characteristic/part on which any of the marks in the left column is indicated. They have special control methods according to each characteristic. (See "Important Characteristic Control Provisions AS040301", section 3.1-3.7, Section 8) Conduct hearings with line leaders and their subordinates to check the level of understanding of important characteristics.
		★ 1.2 Are important characteristics and processes clarified for each product?	Important process/characteristic marks must be put on QC Process Table and Work Instruction if applicable.
2	Implementation of special control	★ 2.1 Is there any device incorporated to the process at the planning phase to guarantee the quality of important characteristics? (Installation of a fool-proof device, measures against process skip, etc.)	A fool-proof device is incorporated to the important process to guarantee that process skip never occurs and a defective part is not delivered to the next process.
		★ 2.2 As for the important characteristic whose process capability (Cpk/Cp) is 1.33 or lower, is any action taken to improve the process capability? Are quality assurance measures such as 100% inspection taken?	The process capability of important characteristics is checked periodically, and kaizen activities are promoted to increase the capability.
		★ 2.3 Are measures being considered against recurrence of past defects (both internal and external ones) or measures against occurrence of a new defect and outflow of the defect?	Conduct hearings on defect cases to check if the corrective measures are included in standards such as QC Process Table or not.
3	Preparation and unification of standards	★ 3.1 Are an characteristic and its control items consistent from its drawing, QC Process Table, Work Instruction to Quality Record Sheet?	Pick up important characteristics (more than two if available) from a QC Process Table, check the consistency of the contents (item, specification, frequency, etc.) with its Work Instruction and quality records.
		3.2 When control charts can be used, the tendency of the important characteristic controlled?	Tendency is controlled (= actions on abnormalities are recorded) by means of control chart as much as possible.
		★ 3.3 Are daily inspection items clarified for manufacturing conditions and equipment (including tools & dies) to be controlled?	Confirm that the contents of QC Process Table, Work Instruction Manual and Daily Inspection Sheet regarding an important characteristic maintain consistency.
		★ 3.4 Do standards and processes have indication of important characteristics, if applicable?	Confirm that proper marks are indicated on QC Process Table, Work Instruction, Quality Check Sheet, Daily Check Sheet.
4	Education & Training	4.1 Do operators, inspectors and supervisors assigned to an important characteristic process receive education periodically?	Education is provided periodically according to visualized plans, and education records are maintained.
		4.2 Are operators and inspectors assigned to an important characteristic process evaluated for their skills and knowledge? Do all registered operators meet standards?	Operators who score 4 or more in the skill evaluation should be registered.
		4.3 Does every important characteristic process have two or more registered operators/inspectors whose skills and knowledge meet standards?	More than two operators or inspectors should be registered.
		4.4 Does the register have all necessary information, such as process name, part#, characteristic and control method?	A register has been created and constantly updated.
5	Daily management	★ 5.1 Are quality check results recorded according to the standards? Is there any deviation from the standards in the records?	Quality check results and corrective measures against abnormalities are recorded.
		★ 5.2 Are measurement devices placed according to the standards and used in a proper environment? Do they have an expiration date indicated on them and receive daily inspection?	Measurement devices in the worksite meet the requirements of QC Process Table and Work Instruction Manual, and have indication of expiration date. Check daily inspection records and 5S condition of the places.
		★ 5.3 Is daily inspection of manufacturing conditions, equipment and fool-proof devices conducted more than once a day and recorded?	Check Daily Inspection Sheet to see implementation of inspections, the results and corrective measures against abnormalities are written or not.
		5.4 Is acceptable range clearly indicated on the display panel of each measurement device?	The acceptable range should be clearly indicated on each measurement device.
		★ 5.5 Are all necessary boundary samples and masters located according to the standards and periodically inspected?	Boundary samples and masters are stored in an orderly manner, and regular inspections are recorded.
		★ 5.6 Do supervisors periodically check the records (1/day) and take proper actions when an abnormality is found?	Check quality records, production records, etc. to confirm the signatures of supervisors and corrective measures taken.
		5.7 Do supervisors periodically check whether operations are conducted according to the standards?	There should be records checked by supervisors periodically. (e.g. Operation Observation Table.)
6	Trouble shooting	★ 6.1 Is the definition of an abnormality specific? Are corrective measures clarified and understood by operators?	Conduct hearings with operators (of important processes) on corrective measures against abnormalities, and check whether or not operators who implement the corrective measures are clarified.
		6.2 Are corrective measures against abnormalities found in processes or at inspection taken according to the rules and recorded?	There should be records of what kinds of abnormalities occurred and what kinds of corrective measures were taken. (Check follow-up records of "Abnormality Report".)
		★ 6.3 Are there rules to inform other departments of abnormality information and to introduce preventive measures to affected departments?	If applicable, check Yokoten cases. (Cases that preventive measures were introduced to affected departments.)
		★ 6.4 Are countermeasures taken and their effectiveness checked without fail? Are they standardized as needed?	If applicable, check Defect Measure Report to see effectiveness, standardization and implementation status of corrective measures.
7	Marking & Traceability	★ 7.1 Is manufacturing history of each product traceable by identifying parts during the course of production?	Manufacturing history should be traceable by identification tag, Kanban board, production record sheet, etc.
		★ 7.2 Are defective parts clearly marked and kept away from non-defective parts not to get mixed?	Defective parts are clearly identified and separated from non-defective parts by marking both the defective parts and the storage places.
		★ 7.3 After rework operation, is the rework recorded and the reworked parts marked (when it is possible to perform marking)?	Check rework records and the marking rules.
		★ 7.4 Are reworked/repaired parts brought back to the process where the defect found?	There should be rules of how to bring reworked/repaired parts back to the process.
		7.5 Are rework methods and operators for rework operation predetermined?	There are rules of how to rework parts. Operators for rework operation are registered.
		★ 7.6 Are quality check records and change records of material, man, machine condition, equipment, jig & die and others maintained?	Check quality check records and revision records of QC Process Table as well as the implementation of change point control.
		7.7 Are quality records of important characteristics maintained for more than 15 years? (For general characteristics, 7 years or more.)	Check the storage condition.
8	Others	8.1 Are materials, parts and finished products placed so that "First-in, First-out" order is easily followed?	Materials, parts and finished products should be placed so as to clearly show the order of use.
		8.2 Are processes, pathways and places for materials, parts and final products organized through 5S enough to prevent wrong assembly?	Products/parts, places and processes are identified and separated from each other with clear marking on.
		8.3 Is the process or inspection station free from any environment-related problems such as insufficient lightening ?	Lightening of inspection processes are checked, and lightening equipment is replaced periodically.

Certified Operator Register

Aisan's sheet sample

Approved by	Checked by	Prepared by

Prepared Date: YYYY/ MM/ DD
Manufacturing Dept. Sect.

Code in Category: safety = S, emission = E, regulation = R, function = F, special process = SC, final inspection = FI, appearance test = AT | Process (Line name) | Date of registration

Category	Part Name	Part No.	Process Name	Control Characteristic	Criterion	Measurement Device & Judging Method	Sampling Interval	Document for Management	Supervisor	Registered Operator				Manager's Signature

Revision	Mark	Date	Contents	Approval	Revised by	Mark	Date	Contents	Approval	Revised by	Mark	Date	Contents	Approval	Revised by

Quality 038 (AS 040301) '08.07

8. Process Change Report Submission Procedures

8.1 Purpose

To verify the presence or absence of quality problems caused by a process change and prevent the occurrences of quality defects due to process change by reporting the process change to Aisan in advance.

8.2 Definitions of Process Change

The term “Process Change” is applied in the following cases.

① When changing from a temporary process to an approved process.
② When changing manufacturing sites.
③ When designing new machines, or revising and customizing current machines.
④ When designing new dies, revising or customizing current dies.
⑤ When changing quality influential items, such as machining methods, heat treatment conditions, welding methods, or adhesive agents.
⑥ When changing sub-suppliers or material manufacturers.
⑦ When changing a storage place or a distribution route that may affect the quality.

For details, refer to III-42

8.3 Process Change Report Submission Procedures

When making the process changes that the above definitions are applied, please submit “Process Change Report” 200 days before making the change to Aisan Quality Control Sect. via Aisan Purchasing Dept. as a rule

① Sheet Name: Process Change Report
② Deadline: 200 days before changing
When changing a process within 200 days, submit the report as soon as the change was determined (within a week from the decision.)
③ Submission to: Responsible Quality Control Sect. via Purchasing Dept. Parts Purchasing Sect.

Once the request is received by Aisan Autopartes México S.A. de C.V. it will requested the necessary documentation according PPAP level and Aisan requirements (III-22).

8.4 Actions in Emergencies

When it is difficult to submit the report due to schedule problems, repot it verbally (by phone, etc.) to the responsible quality control sect., and follow their instructions. In this case, submit the report later on.

9. Sub-Supplier Management Guideline

When a supplier receives orders from Aisan, the product should basically be manufactured internally by the supplier. However, when outside manufacturing is required in the process of your product manufacturing, submit a report for using sub-suppliers to us, and control your sub-suppliers so that they can keep the quality equal to yours.

Sub-suppliers mean 2nd or below suppliers of Aisan.

9.1 Standards for Using Sub-Suppliers

Please refer to Page III-43 for the standards for using sub-suppliers.

9.2 Report to Aisan

9.2.1 New Sub-Suppliers

When using new sub-suppliers, submit a report in advance.
(1) Documents to Submit
① Sheet：Application/ Answer for Using 2nd/ 3rd Supplier (III-49)
② Company Profile, Organizational Chart, Quality Assurance System Chart, List of Machines and Measuring Tools
③ Submission to：Purchasing Dept., Purchasing Sect.

9.2.2 Change

When changing your sub-suppliers for some reasons, submit Process Change Report to us to report the change.

9.3 Instructions for Sub-Suppliers

Provide the same level of quality assurance instructions to sub-suppliers as yours on your own responsibility, and check their quality control situation. If any problems are found, improve them.
The following items are especially important points to instruct.

(1) Obligation of reporting changes, such as process change, etc.
(2) Separation, sorting, indication of part No., and labeling of places and shelves to put materials, parts, and finished products.

Standards for Using Sub-Duppliers (including all suppliers after 2nd suppliers)

1	Purpose	These standards are established to encourage our suppliers to properly use 2nd or below suppliers.
2	Basic Rules	Products for Aisan should basically be manufactured internally by Aisan suppliers.
3	Standards for Using 2nd Suppliers	Refer to the next page for the standards for using 2nd suppliers. (1) For the processes related with safety-, emission, or function related parts or characteristics that are defined in "Control of Designated Important Parts," the uses of 2nd suppliers are not permitted as a rule. (2) The use of 2nd suppliers for the parts of other industries or small lot production may occasionally be permitted upon the judgment of Aisan Purchasing Dept. (Note) Parts (Processes) of other industries are the processes that have no similarity or relation to your process and the parts that you do not have the machines to produce, such as the stamping process of plastic manufacturers, or the rubber process of cutting machine manufactures. (3) The permission of Aisan Purchasing Dept. is required when using 2nd suppliers for the processes or the parts for safety related parts but not bearing safety characteristics themselves. (Note) Purchased parts mean the parts with the characteristics of commercial products without safety characteristics, such as bolts, nuts, screws, or electric parts. The use of 2nd suppliers for safety characteristic related parts is not permitted as a rule. * When using 2nd suppliers for the parts with safety-, emission-, or function related characteristics that are defined in "Control of Designated Important Parts," receiving inspection, DI, or periodical on-site audit (at least once a year) should be performed.
4	Standards for using 3rd or below Suppliers	The use of 3rd or below suppliers is not basically permitted. However, the following cases are regarded as exceptions. (1) For simple processes, such as stamping of individual small parts, rough machining, or buffing, the use of 3rd suppliers can be permitted provided that the 3rd suppliers are well controlled and sufficient instructions are provided by the 1st or 2nd suppliers. (Note) The sufficiency of control and instruction shall be judged by each supplier. (2) The use of 3rd or below suppliers for purchased parts may be permitted, but the used for the components of safety related parts is not permitted.
5	Mutual Use of the 1st Suppliers of Aisan or Our Customers	When using 1st suppliers of Aisan or our customers, they are not regarded as 2nd suppliers.
6	Suppliers through Trading Companies	Suppliers dealing through trading companies are not regarded as 2nd or 3rd suppliers when either of the following is applied. (1) Subcontract plants of Aisan customers (2) When the control and engineering levels of the company are judged as equal to other 1st suppliers or 2nd suppliers. (Note) Aisan Purchasing Dept. shall judge whether the level of the company is at the level equal to the 1st suppliers or not, and 1st suppliers shall judge the level of 2nd suppliers.

7	Affiliate Companies	When using affiliate companies of 1st suppliers, the companies are regarded as 1st suppliers when both of the followings are applied. (1)The company is regarded as an affiliate company of a 1st supplier considering from the capital, board members, or dealing relations of the company. (Note) Follow the instructions of Aisan purchasing dept., when using such affiliate companies. (2) When the controlled level and engineering level are regarded as equal to that of 1st suppliers. (Note)"The level regarded as equal to" is judged by Aisan Purchasing Dept.
8	Interim Measures	For a reasonable reason, the application of the standards can be extended for a while upon application.
9	Exemption	When the application of the standards is not adequate for a special reason, or when there is a special instruction from our customer, the application of the standards can be exempted.
10	Application for Using 2nd or below suppliers	The submission of "Application/ Answer for Using 2nd/ 3rd Suppliers" and the approval of Aisan Purchasing Dept. are required in advance for the use of suppliers permitted in the "Reference Table for Using 2nd/ 3rd or Below Suppliers" (including conditional use) on the next page.
11	Notice to Suppliers	The answer for the application for using 2nd/ 3rd suppliers is informed to the applicant supplier with the approval of the general manager of Purchasing Dept.

Reference Table for Using 2nd / 3rd or Below Suppliers

Category	Content	2nd Supplier		3rd or below Supplier	
		Use	Approval	Use	Approval
General Parts	Basic Rules	×	—	×	—
	Function Final Check Process	×	—	×	—
	Different Industry	△	Required	×	—
	Small Lot Amount	△	Required	×	—
	Simple Process	○	Not required	△	Required
	Purchased Parts	○	Not required	△	Required
Safety-, Emission-, Function-Related Parts	Final inspection process that assures safety-related characteristics	×	—	×	—
	Safety characteristic related processes	×	—	×	—
	Processes that are not related with safety characteristics	○	Required	×	—
	Products of different industries	△	Required	×	—
	Small lot products	△	Required	×	—
	Purchased parts not related with safety characteristics	○	Not required	×	—

Marks for Use>

○ : The use of 2nd and 3rd suppliers are permitted.

△ : The use is permitted with conditions (such as designation, receiving inspection at 1st or 2nd supplier, process audit.)

× : The use of 2nd and 3rd suppliers are not permitted as a rule.

Any format can be used if all of the items below are contained.

To Parts Purchasing Sect., Purchasing Dept.

Submission Date:

Application / Answer for Using 2nd/3rd Suppli	Company Name	Person Responsible	Signature

We would like to apply for the use of the 2nd/ 3rd supplier for the following process.

2nd Supplier · 3rd Supplier	Company Name:	Capital	Business Starting Timing	yy /mm
	Representative Name:	Sales /month	Transaction Value with 1st Supplier	/month
	Address:	Employee No.	Business Category	
	Tel: / Fax:	Property Area m²	Production Item	

S-6-III

*1 Part				Part No.	Part Name	*2 Applicable Process														Reason for using 2nd /3rd supplier
Safety	Emission	Function	General			Assembling	Caulking	Press-fitting	Welding	Heat Treatment	Rubber	Resin	Casting	Forging	Stamping	Machining	Plating	Painting	Final check	Others	

Views of Examined Dept.			
Distribution to		Purchasing Planning	Parts Purchasing Sect.
Development Dept.			
QA Dept.			
Manufacturing Dept.			
QC Dept.			

Answer Sheet

Date:

Purchasing Dept

General Manager	

- Approved.
- Conditional use is approved.

(Conditi)

- Not approved.

*1 Put O in applicable one out of Safety (S), Emission (E), Function (F) and General.
- As for safety, emission and function parts, be sure to submit QC Process Table and Work Standard Sheet of the applicable process as well.
(The use of 2nd /3rd suppliers is prohibited in principle in the processes related to safety, emission or function-related characteristics as well as the final check process that guarantees the quality of those characteristics.)

*2 Put O in applicable process.

(Route) Supplier → Parts Purchasing Sect. → Purchasing Planning Sect. → Supplier (Copy)
↳ (Original)

10. Special Adoption Application Procedures

Normally, defective products that deviate from the drawing specification are not used as conforming products, however, in some cases, we are forced to allow the special use of such products for some reasons such as the problem of time or production volume or economical reasons to the extent that it does not affect the quality. This is called “Special Adoption”, and how to apply for the special adoption is described below.
When special adoption is approved, investigate the causes of the deviation, and take actions to prevent the occurrences of the same problems.

10.1 Special Adoption Application Procedures

1. Fill out the application form on the next page and submit it to the responsible Aisan Quality Control Sect. via Aisan Purchasing Dept. attaching measurement data before delivery.
   Take 30 or more measurement data for the evaluation of process capability, one or more data per cavity for dies. For others, the number of data required is decided upon discussions with the responsible Aisan Quality Control Sect.
2. The responsible Aisan Quality Control Sect. will inform the conditions for special adoption after necessary discussions, so follow their instructions.
   The maximum period of special adoption is one month starting from the date when the special adoption was requested.
   The purchasing prices of such specially adopted products will be decided through thorough discussion with the supplier and Aisan Purchasing Dept.

10.2 Stratified Control

When delivering specially adopted products, a tag marked “Special Adoption” in red color, or a rubber stamped tag should be attached (format is free) to differentiate them from normal products.
The following information should be indicated in the tag.
① Part No. ② Part Name ③ Quantity ④ Delivery date ⑤ Special adoption No.

10.3 Control of Standards During Special Adoption Period

When manufacturing products, review standards such as “QC Process Table” or “Work Instruction” to adopt the control items/ standards corresponding to the special adoption and enter the special adoption No. and period (or quantity) in the revision log until corrective actions for the special adoption are completed.
When “QC Process Table” is revised, submit the revised one to responsible Aisan Quality Control Sect. before the first delivery.

10.4 Initial Control after the Removal of Special Adoption

Products of 5 successive lots after the removal of special adoption should be controlled as initial products.
When “QC Process Table” was revised based on 10.3, revise it back to the old version and submit the revised one to responsible Aisan Quality Control Sect. before the first delivery.

* Format is free if all of the items below are contained.

Purchasing Dept. Receipt No.

To:

Special Adoption Application Form

Date:
Company:
Dept.
TEL:

We would like to apply for the special adoption of the products below.

Part Name		Quantity and Period	Receipt No.	No.
Part No.			Special Adoption No.	No.

[Request Description]

Aisan Designing Dept.	Designed by

Revision of Standards during Special Adoption

☐Required / ☐ Not Required (Reason:)

Characteristics	Standard	Criteria during Special Adoption

To Responsible Manufacturing Dept.
Please revise the standards related with the above characteristics and implement stratified control over the specially adopted products.

[Defect Cause]

[Sketch of Special Adoption Requesting Sites]

[Measures & Actions after Special Adoption]

[Views of Purchasing Department (Sect.)]

TEL :

[Views of Related Department (Sect.)]

TEL :

Answer Sheet

To:

Date:
Approved Rejected Unconditional

The result of our discussion is as follows. Please inform us whether you accept it or not promptly.

TEL :

Purchased Parts : Supplier → Purchasing → Engineering → QC → Purchasing → Supplier
In-House Parts : Requesting Dept. → Engineering → QC → Requesting Dept.
→ Related Dept. (Designing, Production Engineering, Manufacturing) [Copy]
→ Related Dept. (Designing, Production Engineering, Manufacturing) [Copy]

Quality 049 (AS040407)'07.11

III-10-2

11. Defect Measure Reporting Procedures

If a defect or breakdown derived from a problem of a supplier's production process occurs at our customers or at Aisan, the supplier is required to identify the causes immediately and accurately, and to take emergency measures and recurrence preventions to solve the problems. The reporting procedures of such measures are explained in this chapter.

11.1 Notification of Quality Defect

(1) In case of the occurrence of a defect: Take immediate actions as soon as Aisan Quality Control Sect. notifies you of the defect.

(2) Quality Status of each month:
At the beginning of each month, we send "Quality Defect Specification (III-54)"of the previous month.
Evaluation score is the total points of the items below.

Item	Point	Description
Location	1	Receiving inspection
	2	In-house (process)
	10	Customer
	20	Market
Significance	0	Defective appearance (minor impact), excess of products
	2	Defective appearance (major impact), deficiency of products, wrong dimension
	5	Wrong part, contamination, defective surface treatment, omission of machining
	10	Defects in ⓈⒺⓇⒻⒸ, heat treatment, welding and quality of material.
	20	ⓈⒺⓇⒻ
Qty.※1	1	Qty. = 1 piece
	2	2≦ Qty. < 5
	3	5≦ Qty. < 10
	5	10≦ Qty.

Item	Point	Description
Frequency※2	1	First time
	2	Recurrence (Minor defects, such as defective appearance)
	5	Recurrence
	5	Re-recurrence (Minor defects, such as defective appearance)
	10	Re-recurrence
Trouble	0	No actions taken. (Information only)
	5	Lot-out (replacement), sort-out, correction
Cooperation	▲5	Excellent
	▲3	Good
	0	Normal
	3	Bad
	5	Terrible

1 The number of wrong parts or entered different parts
Wrong parts ------ the number of "kanban" that has a wrong part in it
Entered different parts ---- the number of different parts got mixed in.

2 The definition of recurrence and re-recurrence
Recurrence --- In case when the same defect occurred in the same part (inc. different part No.) within a month from the previous occurrence
Re-recurrence --- In case when the same defect occurred in the same part (inc. different Part No.) within a month from the previous recurrence

11.2 Defect Measure Report

1) Defect Classification and Answering Method

Defect rank	Standard	Answering Method
S	30P≦evaluation score or significance= 20P	Aisan QC Dept. sends you "Defect Measure Report" (III-54). Fill out the sheet and send it back by the designated date.
A	20P≦evaluation score < 30P or significance = 10P	
B	10P≦evaluation score < 20P	Aisan sends you "Abnormality Report" (issued by QC Dept.). Fill out the sheet and send it back by the designated date.
C	5P≦evaluation score < 10P	

2) Submission to Aisan Quality Control Dept.

11.3 Utilization of Defects Information

Organize information on past defects in the form of list or others and utilize them in checking whether countermeasures against past defects are still effect or not whether they are taken into consideration at the start up of new products or lines.

R5113

Date

Quality Defect Specification

of (the previous month)

Aisan Autopartes Mexico, S.A. de C.V.

To:

No.	Critical Level	Part No. Minor	Defect Details			Inspected Units	Eval. Point	Bleak Down	Site	Frequency
Issue No.		Part Name				Defective Units	Frequency		Importance	Inconvenience
Issue Date		Part Category	Issued Dept.,	Mass Pro. Category	Occurred Site	M/H for Inspection	Submission Date		Occurrence Rate	Cooperation Level
No.	Critical Level	Part No. Minor	Defect Details			Inspected Units	Eval. Point	Bleak Down	Site	Frequency
Issue No.		Part Name				Defective Units	Frequency		Importance	Inconvenience
Issue Date		Part Category	Issued Dept.,	Mass Pro. Category	Occurred Site	M/H for Inspection	Submission Date		Occurrence Rate	Cooperation Level
No.	Critical Level	Part No. Minor	Defect Details			Inspected Units	Eval. Point	Bleak Down	Site	Frequency
Issue No.		Part Name				Defective Units	Frequency		Importance	Inconvenience
Issue Date		Part Category	Issued Dept.,	Mass Pro. Category	Occurred Site	M/H for Inspection	Submission Date		Occurrence Rate	Cooperation Level
No.	Critical Level	Part No. Minor	Defect Details			Inspected Units	Eval. Point	Bleak Down	Site	Frequency
Issue No.		Part Name				Defective Units	Frequency		Importance	Inconvenience
Issue Date		Part Category	Issued Dept.,	Mass Pro. Category	Occurred Site	M/H for Inspection	Submission Date		Occurrence Rate	Cooperation Level
No.	Critical Level	Part No. Minor	Defect Details			Inspected Units	Eval. Point	Bleak Down	Site	Frequency
Issue No.		Part Name				Defective Units	Frequency		Importance	Inconvenience
Issue Date		Part Category	Issued Dept.,	Mass Pro. Category	Occurred Site	M/H for Inspection	Submission Date		Occurrence Rate	Cooperation Level
No.	Critical Level	Part No. Minor	Defect Details			Inspected Units	Eval. Point	Bleak Down	Site	Frequency
Issue No.		Part Name				Defective Units	Frequency		Importance	Inconvenience
Issue Date		Part Category	Issued Dept.,	Mass Pro. Category	Occurred Site	M/H for Inspection	Submission Date		Occurrence Rate	Cooperation Level
No.	Critical Level	Part No. Minor	Defect Details			Inspected Units	Eval. Point	Bleak Down	Site	Frequency
Issue No.		Part Name				Defective Units	Frequency		Importance	Inconvenience
Issue Date		Part Category	Issued Dept.,	Mass Pro. Category	Occurred Site	M/H for Inspection	Submission Date		Occurrence Rate	Cooperation Level

<Critical Level>

S → Aisan issues "Defect Measure Report".

A → Supplier submits "Defect Measure Report".

B → When requested by Aisan, submit "Defect Measure Report".

Purchasing Sect. Purchasing Dept.	

To:

Due Date:

Defect Measure Report

Issue Date

Part Name Model		Part No.		Lot No.		Approved by	Checked by	Prepared by
(Title)		Occurrence Category (Put a tick) ☐ First ☐ Recurrence	☐New Product ☐Mass Product					

Issue No.	
Submission Date	
Responsible Dept.	
Approved by	Checked by / Prepared by

1. Defect contents & Inspection results

1.1 Occurred Date		1. 3 No of Returned	1.5 Flowed Product Inspection Result (Defect No. / Inspect
1.2 Occurred Site			At Customer / Internal / Total
1.4 Detection Situation & Defect Details (Sketch)			/ / /
			Classification
			1.6 Total Operation Hour: Man× H= H

2. Temporary Action

3. Investigation Result (Defective Parts, Processes) (Comparison with standards and conforming products, Reproducibility)

4. Defect Cause

Occurrence Causes

Outflow Causes

5. Measures and Effectiveness (Permanent measures, such as design changes or process char

		Implementation Date	Responsible Person
Occurrence Measures			
Outflow Measures			

6. Recurrence Prevention (Standardization, Yokoten)

		Implementation Date	Responsible Person
Recurrence Prevention			
Yokoten			

7. Eval. Of QA Matrix

Target Level	Before Kaizen	After Kaizen	Control Dept.	Approved by	Checked by	Prepared by	Check Result by Control Dept.	/		/		/	

Distribution to	
QA Dept.	

→Original →C

Control Dept.⇒Responsible Dept.⇒Control Dept. (Keep Original)

→Submission to customer →Responsible Dept. →Control Dept.

Aisan Autopartes Mexico. S.A. de C.V.

Revision Record					
	. .			. .	
	. .			. .	
	. .			. .	

12. Trouble-Shooting Guideline

Suppliers should report quality problems or abnormalities occurred in manufacturing or inspection processes or at sub-suppliers to related departments promptly and correctly, and then take adequate measures and actions to prevent the recurrences thoroughly.

12.1 Thorough Implementation of Trouble-Shooting

In order to implement trouble-shootings thoroughly, a standard (action rules) that defines the abnormal status of each process should be established and followed.

1) Abnormal status of each process or operation should be specifically defined.
2) Establish ”Trouble-Shooting Rules”.
3) Provide education on abnormalities.
4) Management of foolproof devices.
   Include the inspection of foolproof devices to daily inspection items and perform the inspection.
5) Use control charts, as needed.
6) Keep the record of actions and measures taken against abnormalities.
7) Establish the handling procedures of defective products, and they should be handled by designated operators.

“The Definition of Abnormality” and “Abnormality Handling Procedures by Position” are attached on Page III-59.

“The Definition of Abnormality” is general one. Suppliers are asked to clarify abnormalities for each process and define them in specific terms in various ways including quantification of the judgment criteria for abnormalities.

12.2 Clarification of How to Deal with Possible Abnormalities

In order to quickly restore normal operation after the occurrence of possible abnormalities, such as blackout due to lightening and wing/flood damage, and prevent defective parts from flowing out under the abnormal situation, suppliers are asked to clarify how to deal with such abnormalities beforehand (restoring method, product marking in processes (equipment), quality check method, etc.)

A. The Definition of Abnormality

For Operators

An abnormality is the situation …1. when something never happened before suddenly occurs.
2. when something unusual occurs.

(Operation Method)

1. Unable to perform operations in accordance with Work Instructions
2. Unable to perform operations in accordance with Standardized Work Charts.
3. Drop of parts or oil on floors

(Quality)

1. Detection of defective materials or parts
2. Occurrence of unusual defects
3. Detection of defective materials or parts that cannot be assembled or machined
4. Acute increase or decrease of defects
5. Detection of cut powder or foreign substance attachment

(Machine)

1. Strange feeling at daily inspection (heat, sound, smoke, air, oil amount, wear)
2. Increase or decrease of consumable supplies, such as oil, cutting tools, snap
3. Malfunction of machines

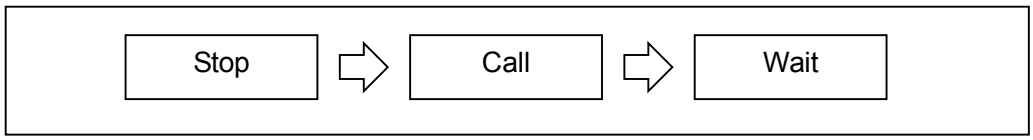
(Material)

1. No kanban on materials, parts, and products

(Man)

1. Unsafe surroundings with dangers of accidents
2. When get frightened by near-miss

When feeling anything unusual, keep the following steps.



For Supervisors

B. The Definition of Abnormality

An abnormality is the situation…
1. when data exceeds the control limit line.
2. when something that has never occurred before happens
3. when something unusual occurs

(Safety)
2. Parts are scattered about on floors.
3. Occurrence of disaster
4. Unsafe actions or danger of a disaster
5. Abnormal smoke, heat, sound

(Man)
1. When an operator reports that he is in bad condition.
2. When production can be adversely affected due to many absentees.
3. When there is a fear of defect occurrence due to operator replacement.

(Machine)
1. Line stop due to machine troubles.
2. Increase or decrease of consumable supplies, such as cutting tools or oil
3. Increase or decrease of pressure, voltage, electric current or temperature to the level beyond the control level

(Quality)
1. Acute increase or decrease in the number of defects
2. When data exceed the control limit line of a control chart.

(Production)
1. Delay of parts delivery
2. More than 20% increase or decrease in Kanban returning rate
3. When production falls behind schedule.
4. When unexpected production instruction is provided.
5. When operation flow is not smooth and stops frequently.
6. When delivery volume surpasses production capacity.
7. Increase or decrease of stocks beyond the standard.

Abnormality Handling Procedures by Position

Example of Aisan

Position	Item	Action	Reporting Method	Check Item
Operator	Grasp Situation	Stop the line (machine), check the situation, and call Team Leader.	Verbally	Implement recurrence prevention
Team Leader	Investigate conformity to Work Standards Investigate abnormalities in 5Ms.	Sort out abnormalities that you can handle yourself, and report them to Group Leader attaching the actual products. Take actions following to Chief Expert's instructions.	Verbally or Abnormality Report	Check the progress of recurrence prevention
Group Leader	Examine actual products (seriousness) Report to the following process (inspection or manufacturing process, etc) Identify causes and investigate them through collecting data.	Judge the seriousness through the observation of actual products For abnormalities of which causes are identified and temporally measures or recurrence preventions can be taken within your department, report to Assistant Manager attaching actual products. When the causes cannot be identified, report to Assistant Manager attaching the actual products, and take actions following to his instructions.	Abnormality Report	Check the progress of recurrence prevention
Assistant Manager	Check Chief Expert's investigation contents, actual products, seriousness Investigate and clarify the date, the quantity, and the range of abnormality occurrences Assign adequate operators to required processes Data analysis	For abnormalities of which causes are identified and temporally measures and recurrence preventions can be taken within your department, report to Manager attaching actual products. For abnormalities against which recurrence preventions cannot be taken within your department, report to Manager attaching actual products and follow the instruction, even if the causes have been identified and temporary measures have been taken. For abnormalities caused by processes of other departments, report to relevant departments. For abnormalities derived from own processes, report to manager, and take actions following to his instructions.	Abnormality Report	Check the progress of recurrence prevention

Manager	Check Assistant Manager's investigation contents and adequacy of actions Follow-up action progress Encourage measures	Implement the recurrence preventions against abnormalities that can be prevented within your department. Take temporary measures against abnormalities of which causes have been identified but the recurrence cannot be prevented within your department. For other abnormalities, take actions upon consultation with other departments. For abnormalities against which no measure can be taken, report it to general manager attaching actual products, and request to organize a special team for the problem. Take actions following to the instructions of General Manager.	Abnormality Report	Check the progress of measures
General Manager	Report to related departments depending on the seriousness	Organize a special team for measures, and instruct them to take recurrence preventions.	Meeting, etc	Check the progress of measures

13. Change Point Management Guideline

It is needed to prevent quality problems from occurring by visualizing change points that come up in daily production lines (processes) and the handling procedures, and by ensuring that all employees including operators receive the information.

13.1 Implementation of Change Point Management

A change point is a date, time or shift when any of 4M (Man, Machine, Material/Part, Method) that become variable factors of quality and production in lines, or other elements such as production volume changes.
(Refer to the following table for concrete examples of change points.)
When a change point occurs, confirm that the quality has not been deteriorated after the change and keep a record of the check results.
If deterioration in the quality is found after a change point, immediately take corrective measures and record the contents of the measures as well as the results.

<Examples of Change Points>

Category	Change Point	Change Point Example
Man	Operator replacement	・Operator replacement due to day-off or rotation, ・Temporal replacement ・Operator change due to retirement or transfer, etc.
	Change in the number of operators in a line	・Increase or decrease in the number of operators due to the change in tact/ production volume
Machine (Die/ Jig)	Machine (die/ jig) repair	・Repair of a broken-down or damaged machine ・Repair of a machine with low accuracy
	Tool replacement	・Replacement of a cutting tool, holder, socket, etc.
	Machine (die/ jig) remodeling	・Implementation of recurrence preventive actions against equipment failure ・Cycle time change ・Addition or change of fool-proof device ・Program change (including stopgap measures), etc.
	Tool change	・Change of a cutting tool, holder, socket, etc.
	Machine (die/ jig) change	・New or relocated machine ・Reuse of a machine that has not been used for a long time
Material/ Part	Design change	・Design change of main materials, internal/ purchased products
	Process change	・Process change of mail materials or purchased parts
	Replacement or refilling of subsidiary materials	・Replacement or refilling of coolant, washing, etc.
	Flow of stocks/ products made prior to order	・Flow of stocks for emergency
	Change of subsidiary materials	・Change of coolant, washing, etc.
	Flow of specially accepted parts	・Assembling or machining specially accepted parts.
Method	Change in standardized work or process	・Change in tack, work combination, work sequence, method, machining process, etc.
	Backup	・Production at backup process due to the occurrence of equipment failure
	Interruption of work	・Interruption of work due to rework, backup work, etc.

	Machine condition change	・Change of voltage, current, air pressure, leak test conditions, cutting conditions (feeding, rotation speed), etc.
	Line change	・Change of line layout, relocation of line, etc.
Others	Drastic change in production volume, plant tour, pilot production, etc.	

14. Drawings & Standards Control Guideline

14.1 Purpose

To promote smoother operation and keep confidentiality by specifying how to control drawings and standards loaned or approved by Aisan.

14.2 Control Guideline

Refer to the “Drawings & Standards Control Guideline for Suppliers” below.

Drawings & Standards Control Guideline for Suppliers

<table>
<tr><td>1. Purpose</td><td>To define how to control the documents loaned or approved by Aisan Industry Co., Ltd. (hereinafter referred to as Aisan), such as drawings, request forms, and engineering standards (hereinafter referred to as “drawings and standards), for the promotion of smooth operations and the maintenance of confidentiality.</td></tr>
<tr><td>2. Scope</td><td>This guideline is applied for the following drawings, standards and their copies.

<table><tr><td>Document</td><td>Contents</td></tr><tr><td>Drawing</td><td>Proto-type drawings, process preparation drawings, final drawings
(Including reference drawings, proposal drawings, approved drawings, CAD/CAM data, etc.)</td></tr><tr><td>Request Form</td><td>Design Change Request
Application for Designing Subcontract Part</td></tr><tr><td>Technical Standard</td><td>Aisan Technical Standards (AST)
Production Engineering Standards (ASM)
Quality Standards (ASQ)
Engineering Specifications (ASPC)</td></tr><tr><td>Others</td><td>Reference documents for the above documents and specifications
(quality standards, technical instructions, part inspection standards, regulations, etc)</td></tr></table></td></tr>
<tr><td>3. Supplier’s Responsibilities</td><td>Suppliers shall follow this control guideline.
Suppliers shall immediately return drawings and standards, inspect the control status, or submit material documents when requested by Aisan unless there is a justifiable reason.
Suppliers shall maintain the confidentiality of the information specified in drawings and standards.
Suppliers shall not release drawings and standards to outside companies in principle, and shall not make copies of especially engineering standards. In case distribution of drawings or standards is necessary for the sake of manufacturing products, suppliers shall comply with the terms and conditions set out in “10. Outside Distribution” and Article 30 (3) of “MASTER AGREEMENT FOR PURCHASE OF PARTS.”</td></tr>
<tr><td>4. Appointment of General Manager</td><td>(1) Suppliers shall decide the general management department that controls drawings and standards and a general manager, register the name of him/her on Responsible Person Registry (III-3), and submit the sheet to Aisan Purchasing Dept. in advance.
(2) When any changes are made to the contents of Responsible Person Registry, suppliers shall follow the procedure to revise it within a month.</td></tr>
</table>

5. Tasks of General Manager	The tasks of the general manager are as follows. (1)Control and supervision based on this control guideline (Establishment of company rules, as needed) (2) Maintenance of the confidentiality of the information described in drawings and standards (3) Selection of the departments that receive drawings and standards (hereinafter referred to as recipient departments.) (4) Designation of the department and the person responsible for the distribution of drawings and standards to outside companies.
6. Responsibilities of General Management Department	The general management department shall prepare a control logbook, distribute, store and control drawings and standards.
7. Receipt of Drawings and Standards	When receiving drawings or standards from Aisan, the recipient shall sign and seal on applicable receipts, and submit them to Aisan Purchasing Dept.
8. Request for the Release/ Issuance of Drawing	(1) When requesting the release/ issuance of additional drawings or standards needed for the manufacture of delivery parts in addition to those released/ issued from Aisan, the general management department shall ask the contact person of Aisan Purchasing Dept. and follow necessary procedures. When asking for the issuance of technical standards, fill in "Aisan Technical Standards Issue Request and Receipt Form" (refer to III-14-3) and submit the sheet to Purchasing Dept., clearly stating the reason for the request. (2) When requesting re-release/ issuance of drawings or standards due to the damage of them, the general management department shall bring the damaged drawings or standards, and follow the procedures of (1).
9. Internal Distribution	The general management department shall do the followings, internally distribute and control drawings and standards. However, copying or transcription of technical standards is prohibited in any circumstances. Ⅰ Prepare a distribution list of drawings and standards, clarifying the name of recipient departments and the number of copies for each recipient department. Ⅱ The person in charge at each recipient departments shall be clearly indicated. Ⅲ Grasp the control status of drawings and standards at each recipient department, and provide instructions as well as supervision.
10. Outside Distribution 10. Outside Distribution	(1) When releasing drawings or standards to outside companies, they shall be modified as the drawings or standards of your company. Copies of original Aisan drawings or standards can be used, but the columns for the company name and the signatures of Aisan and the applied model name shall be deleted. However, copying or transcription of technical standards is prohibited in any circumstances. (2) Drawings and standards shall be released to outside companies by the distribution control department. (3) The distribution control department shall do the followings and ensure the maintenance of confidentiality at the outside companies.

	Ⅰ Prepare a list of the drawings and standards released to outside companies, stating the name of outside companies and the number of released copies. Ⅱ The person in charge at each recipient company should be clearly indicated. Ⅲ Grasp the control status of the drawings and standards at each recipient company, and provide instructions as well as supervision.
11. Storage	(1) The general management department shall control and supervise recipient departments based on this control guideline. (2) The general management department shall record the distribution history of drawings and standards using the control logbook or other sheet, and clearly grasp the holders of the distributed drawings and standards. (3) The general management department shall check whether recipient departments store and control drawings and standards based on the storage procedures specified in this control guideline. (4) Recipient departments shall decide a storing place of the distributed drawing and standards. Drawings and standards shall be stored in a locked place as a rule. The general manager of the recipient departments shall be responsible for the lock.
12. Disposal of Old Drawings and Standards	Drawings and standards that are no longer in use shall be completely disposed of by a shredder or fire upon the permission of Aisan Purchasing Dept.
13. Maintenance of Confidentiality	The general management department shall take all possible measures to maintain the confidentiality of all information specified in drawings and standards. (2) When detecting the loss of drawings/ standards, leakage or the possible leakage of the confidentiality, the general management department shall take corrective actions, report to Aisan Purchasing Dept. immediately, and follow its instructions.

CONFIDENTIAL

Aisan Technical Standards Issue Request and Receipt Form

(For Suppliers)

To Technical Planning Sect.
Technical Planning Dept.
Via Purchasing Planning Sect.
Purchasing Dept.
Aisan Industry Co., Ltd.

Fill in the box highlighted by bold line.

Please issue the Aisan Technical Standard specified below. As a borrower, we hereby pledge to observe the following clauses.

①Never copy or transcribe the standard.
②Never disclose the standard to persons outside.
③Take responsibility for handling missing standards and maintaining confidentiality.

Date: DD/MM/YYYY
[Company Name:]
Address:
Control Dept.
General Manager:
Person in Charge:
TEL:

Reason for Request

Aisan Part No. _____ Part Name: _____

Aisan Design Dept. and person who requests.

Dept. Name: _____ Person Name: _____

Reason for the request (Cleary state the reasons. The sheet will be returned if the reasons are unclear.)

_____

_____

Request type: ☐Update at every revision ☐Reference only (Update is not included.)

Standard No.	Standard Name	Language*
AST		
AST		
AST		

*In case of international AST (with suffix of G), write the desired language (Japanese, English, China.)

Purch. MGR	⇒	Office Receipt	⇒	Control Dept. Approval (MGR or higher)	Approved
				(Dept.)	
				☐Request approved.	
				☐Request rejected.	
				(Reason:)	

☐Double issuance check
☐Category check ( )

⇒ Office Approval

☐We issue the above-mentioned standard. Please pay careful attention to the control of this standard.
☐We cannot issue the above-mentioned standard.
(Reason:)

☐Add to recipient list and put a seal on the cover

⇒ Received ⇒ Technical Planning Sect

Technical 06-104(ASTA006) '10.07