1.0 Purpose

In accordance to ISO/TS 16949, Mitsuba Corporation is responsible for the evaluation and selection of suppliers on their ability to supply products in accordance to customer requirements, expressed and implied.

Mitsuba Corporation may audit its suppliers for:

- a) quality system procedures and implementation
- b) control of processes and product quality
- c) continued compliance.

The purpose of this procedure is to establish process for conducting a supplier audit to determine if the supplier has a quality system, if the supplier follows the established quality system, and if the quality system is adequate for Mitsuba. While the first two are relatively easy to check, the third requires a bit more experience as well as a good knowledge of quality systems and understanding that the system will achieve the results required by Mitsuba, even if the supplier processes and procedures are different from what the auditor is used to.

2.0 Responsibility & Authority

The Quality Department Manager of the Mitsuba Group location has responsibility and authority to assign a Supplier Quality Engineer (SQE) to develop the supplier audit schedule and perform supplier audits. It is the supplier’s responsibility to address any requests for corrective actions that are generated as a result of the audit.

3.0 References

- ISO/TS 16949
- ISO 14001
- Supplier Quality Manual
- Potential Supplier Assessment
- Supplier Audit Checklist

4.0 General

Quality Assurance Visit (QAV) may be used to ascertain the contracted organizations ability to meet and sustain the quality requirements of Mitsuba. The QAV may be conducted to initially assess the viability of an organization and to detect weaknesses in the organizations’ quality system program(s) in order to help define the relationship and expectations between Mitsuba and its suppliers and as part of continuous improvement for suppliers.
For new suppliers, the following criteria will be considered:

- Current ISO/TS 16949 Registration will be accepted
- ISO9000 Registration
- Supplier with no formal registration to either of the standards above may be considered but may require an on site audit if located in the continental US.
- Supplier is identified on the Mitsuba approved Master Supplier List.
- Supplier that is not identified on the Mitsuba approved supplier and is located outside the continental US may be considered upon with the successful completion and acceptance of a mail in audit.

5.0 Types of audits

Audits can may be conducted for a variety of different reasons to address concerns that Mitsuba may have and may be triggered by the supplier’s completion of the Potential Supplier Assessment Survey for those that have not previously supplied Mitsuba, or because of quality or delivery performance.

Before Mass Production Approval

- Initial development audit to evaluate a potential supplier’s capability to meet Mitsuba requirements. Conducted on organizations that are not currently supplying to Mitsuba in order to identify what they are capable of doing and have implemented. The audit is used to verify the information given on the Potential Supplier Assessment Survey.
- Basic development preparation audit used primarily for new suppliers or for current suppliers who are making major process changes. The purpose is to review the supplier’s mass production preparations and to request improvements before the processes and quality systems have been finalized.
- Mass production approval audit for new models and for domestic expansion development. During this type of audit the mass production and quality systems are audited to determine if the supplier is ready to start mass production. A line trial will be performed at the manufacturing site, usually on 300 pieces. The trial parts will be produced from the supplier’s mass production equipment, manpower, and material.

After Mass Production Approval

- Mass production audit. There are two types of this audit:
  1) Basic Mass Production Audit – Review the supplier’s Quality Control system to assure that the mass production condition follows the approved plan, and to review and confirm the effectiveness of all changes made since the last audit.
  2) Countermeasure Visit – The purpose of this audit is to follow-up quickly on a specific parts problem shortly after its occurrence to verify the root cause and confirm countermeasures are in place.
3) Quality Management Visit
The purpose of this audit is to ensure that our suppliers are conforming to Mitsuba’s performance requirements. A failure to meet these requirements will result in a supplier audit. A team will be developed comprised of the appropriate Mitsuba Group members for the situation. At least one member of management will be present for this audit. The following procedure may be utilized as an escalation procedure for meeting with suppliers that have chronic (two or more occurrences in a six month period) issues or based on severity of the situation.

If a supplier fails to comply with the Supplier Performance Requirements and/or fails to improve their supplier performance, Mitsuba will schedule a date to visit the supplier for an audit. This audit may include but is not limited to the following:

- Manufacturing Processes
- Manufacturing Procedures
- Change Point Control Systems (4M)
- Written Documentation
- Employee Training Records
- Equipment Records
- Tooling Records
- Maintenance Records

Following this supplier audit, Mitsuba and the Supplier will develop a strategic plan of action in order to improve the performance metrics. Mitsuba will give the supplier a list of improvement activities within one week of the initial visit that the supplier is expected to comply with. Mitsuba will then schedule a follow up visit with the supplier to ensure that these measures that were not in compliance at the initial visit will have exhibited improvement.

Failure to comply with Mitsuba standards or to show improvement on the measures may compromise future business opportunities with the supplier. Mitsuba strives to meet the performance expectations of our customers, and therefore we have the same expectations of our suppliers. Mitsuba is committed to maintaining a collaborative relationship with our suppliers to ensure that the highest standards of quality are met.

The goal of this audit is to ultimately realize a positive trend in supplier performance over time. Mitsuba would like to see all suppliers receive a positive rating and is committed to helping them reach this goal. We, as a company, aim for continual improvement in everything that we do, and our hope is that our suppliers will also seek the same continual improvement in their business functions.
6.0 Procedure

6.1 Supplier Quality Engineer shall prepare a supplier audit schedule utilizing input from purchasing requests, the corrective action system, supplier ratings, and NCR Log.

6.2 Supplier Quality Engineer shall coordinate the audit with the supplier to assure that key personnel will be available for the audit.

6.3 The audit shall be performed utilizing the Supplier Audit Checklist. For each question addressed, the auditor(s) shall record personnel interviewed, and shall verify by examination and valuation of objective evidence to the depth necessary to determine compliance. Objective evidence shall be documented (e.g., noted in Supplier Audit Checklist).

6.4 Potential findings and observations encountered during the audit shall be reviewed with supplier representatives.

6.5 Upon completion of the audit, the SQE shall summarize the results.

6.6 The Supplier Quality Engineer shall prepare an audit report within 30 days of the exit meeting unless an extension is approved by the Quality Manager.

   6.6.1 The audit report shall include:
          1) Notice of audit.
          2) Completed Supplier Audit Checklist/QAV
          3) Any comments/findings.

   6.6.2 The Lead Auditor (responsible Buyer from Purchasing) shall distribute copies of the audit report to:
          1) Supplier Representative
          2) Quality Manager

   6.6.3 The original copy shall be maintained by Supplier Quality Engineer as a quality record.

7.0 Records Retention

Production part approvals, tooling records, APQP records, purchase orders and amendments will be maintained for the length of time that the part (or family of parts) is active for production and service plus one calendar year unless otherwise specified by the customer. Purchase order/amendments for customer-owned tooling are included in this requirement.

Quality performance records to include control charts, inspection, nonconforming product and test results will be retained for one calendar year after the year in which they were
created. Calibration and equipment maintenance records will be maintained for the life of the equipment.

Record of change points, IPP control and any Inspection data attached to IPP will be retained for the period specified by the customer.

Records of internal/external quality audits and management reviews will be retained for three years.

Records of preventive maintenance activities, action plans and management reviews will be maintained for one year.

Records of full time regular Associates will be maintained for a period of 30 years from the date the Associates employment was terminated

These retention requirements are considered to be minimums and do not supersede any regulatory requirements.

Documents will be stored in a manner to ensure that they are properly identified and protected from damage for the period required. Each container of documents will be labeled with the storage date, disposal date, responsible department, summary of the contents, and any other additional information that may be required for easy retrieval when necessary. Disposal of documents will be done in a manner that is necessary for the confidentiality of the information it contains.