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	Issuer	Furuya Metal Co., Ltd.

1. Preamble

This document stipulates the procedures that Furuya Metal (“Company”) require its suppliers and/or vendors (“business partners”) to follow when/if they are to change the existing state of whatever items such as specifications of the products, equipment, production lines, clean rooms, and so on in relation to their supply to the Company. (For the details of the items, please see Clause 6.) We ask our business partners to keep this document as our official document and to operate steadily under the system that corresponds to it.

2. Definitions

- Copy Exactly (CE) : CE means that the goods delivered to the Company are continuously manufactured under the specifications, manufacturing environment, and quality control set forth at the beginning. It means that the business partner produces the goods constantly without variance and refrain from unintentional changes.
- Change Control (CC) : CC means that the Company aims for stability and continuous improvement of the efficiency of its products by accepting only effective changes through the evaluation of impact of the change in case the change is found inevitable despite thorough practice of CE.
- Business Partner : A producer that produces the goods for or a supplier that supplies the goods to the Company
- Goods : Delivered product

3. Related documents

When applying for a change, the business partners are requested to use the "Application Form of Permission for the Change" (attached to the last page)

4. Document control

4.1. Document receipt

The relevant section at the Company will distribute this document (either in the form of print or electronic media). The business partners are requested to keep the latest version.

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4.2. Secondary distribution

When and if distributing this document to your own business partners, you are requested to conclude a confidentiality agreement with them prior to the distribution and ensure secured management of such distribution (creation of distribution record, maintenance of the latest version)

In addition, at the time of distribution, the business partners are requested to provide them with explanations (education), obtain consent for the implementation of the change management, and let them conduct the change management in the same way as you do.

5. Business partner's "To Do"

5.1. Fundamental requirement for the maintenance of the sound change management

The business partners are requested to review the following practice from time to time to prevent unexpected change and/or variance of product quality.

Also, when we ask for corrective action to be taken, you are requested to create a corrective action plan and implement it.

(1) Employees

(a) The employees responsible for the goods for the Company shall be nominated and accredited in accordance with your education and training programs.

(b) Education and training with regard to the change management shall be conducted periodically or as necessary.

(2) Production equipment

(a) Create a list of fabrication equipment, processing equipment, measuring equipment and tools and grasp them.

(b) Make rules for periodical inspection, calibration, daily inspection and emergency procedures and enforce them.

(3) QC Process charts and procedure manuals

(a) Prepare for QC process charts and manuals for the process related to our goods.

(4) Management system

(a) In order to practice change management based on the premise of CE, a change management system shall be established, including procedures for making changes and evaluating the contents of changes.

(b) Make the change management system known to the staff engaged in each process.

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5.2. CE Record verification

- (1) You are requested to agree and confirm with us in writing that the workmanship of the goods produced at the start of mass production is maintained consistently. Thereafter please verify the foregoing with a standard sample or photograph, etc. as necessary and keep a record of it
- (2) Please record the agreed matters in writing such as in the form of specification sheets or in the minutes of meetings.
- (3) When a change is requested and approved, please also conduct verification in the same way.

5.3. Basic matters regarding application for change

(1) Principles

“Do not change unless inevitable”

The above is our principle regarding the change management.

When you need a change due to inevitable reasons, you are requested to apply for change in accordance with the following procedures.

(2) Application for change

- (a) Please fill out the “Application for permission of change” form and submit to the person in charge of the Company.
- (b) In principle, please submit the application at least one year in advance of the scheduled date of change. In case there occurs an incident that makes application one year in advance of the date of change impossible, please submit the application as soon as it is known to be necessary and give a prior notification to the Company by telephone.
- (c) In case your application relates to discontinuation of production, please submit the application form no later than one year before such last day that you are able to accept the production order on.

(3) How to fill out the application form

Fill in “Company name”, “Goods”, “Drawing No., Specification No.”, “Contents of change”, “Reason for change”, etc. in the form. In doing so, please do not fail to:

- (a) State clear reason for the change, time of change, risks caused by the change, the countermeasure and result of the evaluation.
- (b) Provide evaluation data which enables validation between before and after the change (function validation, durability, inspection result of the first product, photo, etc.)
- (c) In case you are able to recommend alternate goods, please provide its drawings and data similar to those described in (b)

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(d) Supply forecast of the current goods (acceptable time and quantity of the last order, stocking plan) ※ You are requested to be prepared enough to accept the final order at the time of application.

(c.f.) Please feel free to contact the Company if you have any question regarding the application form, evaluation method, etc.

(4) Execution of change

Please implement the change at a time agreed with the Company only after our approval and leave a record so that the history of change be traced.

In case you give up(delay) the change for some reason, please make sure to take the following actions.

(a) After the permission of change received

Submit a new application (application for restoration) immediately.

(b) In the midst of application process :

Contact the Company immediately and rescind the application.

6. Events that require the application for change

Table 1 in below shows the events that require application for the change. Specific management necessary for the change are shown in 6.1. and afterwards.

Table 1. Guidelines for the events that require change application

Type of change	Summary of Event(Examples)
Change of Equipment ※See 6.1. for the details	(1) Change equipment of the subcontractor producing the goods for Furuya
	(2) Purchasing new equipment of the same kind to replace the old one
	(3) Build a new factory
	(4) Build/expand a clean room
	(5) Relocate equipment in the same building/factory
	(6) Change production equipment/inspection equipment
	(7) Change manufacturing jigs/inspection jigs
	(8) Change or create a forming die(including cast mold)

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	(1) Change the work conditions (procedures, completion criteria, environment, set values, etc.).
	(2) Change the settings of the manufacturing equipment, such as the set temperature of the solder tank and the drying time of the washing machine.
	(3) Change the content of the process inspection.
	(4) Change inspection at the time of shipment (a) Addition/deletion of inspection items, change of inspection tools (type, measurement unit) (b) Change of inspection jigs/change from parameter measurement to judgment (limit-gauge, etc.) (c) Change of samples/change of inspection method (all pieces, random, level control) (d) Change of specifications/performance assessment method(leakage, electric properties, movement, etc.)
	(5) Change from extrusion to casting
	(6) Change of the finishing accuracy such as surface roughness and the working parameter of the tightening torque.
	(7) Change of the processing conditions related to the product, including surface treatment such as anodizing and plating.
	(8) Change of the QC process charts and work procedure manuals
	(9) Change from manual soldering to automated soldering in board mounting
	(10) Change the cutting agent or cleaning solution.
	(11) Change the mounting orientation and mounting method of internal parts.
	(12) Change the stop position of the tie wrap.
	(13) Change to do the marker check to confirm the screw fastening work.
	(14) Change the mounting position of a component.
	(15) Transfer production site from Japan to overseas, or vice versa (including transfer in Japan and offshore move)
	(16) Make a change in an aim to improve production efficiency, quality stability and costs related to the traded products that are made according to our drawings.

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Specification changes *See 6.3 for details.	(1) Changing the functionality or appearance of the product.
	(2) Change the materials used for parts, raw materials, etc.
	(3) Change the color of a part of a product.
	(4) When/if marks are left from the manufacturing on the exterior due to changes in working conditions.
	(5) Change the packaging condition.
	(6) Change the method of transportation.
	(7) Change the content, font, color, text, etc. of the label attached to the product.
	(8) Change the attached materials such as the instruction manual of the product.
	(9) Change the contents of the catalog and the specifications exchanged.
	(10) Change secondary materials, adhesives, fillings, chemicals, machine oils, packaging materials (those that come into direct contact with the product, etc.)
	(11) Make changes that affect the environment and safety.
Specification changes *See 6.4 for details.	(1) Change supplier of the parts with the same specifications from Company A to Company B.
	(2) Production of the component will be discontinued and replaced with a substitute.
	(3) Change to a part that has undergone changes that fall under the "Change of specifications" described in Section 6.3.
	(4) When purchasing parts from multiple companies due to time of delivery, price, etc.
Changing subcontractors * For details, see 6.5 See also	(1) Outsource in-house processes.
	(2) Establish multiple subcontractors. (Added)
	(3) Switch from an outsourced company to an in-house process. (Even if it was done in-house before)
	(4) Change the subcontractor.
Discontinued * See 6.6 for details.	There are no specific examples in case of discontinuation of production

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6.1. Equipment Changes

A change in equipment is a change in the equipment owned by you and your business partners, as well as the management methods of the equipment.

< When you need to apply for change >

An application is required for (a) all equipment changes, including outsourced work from processing to shipping, (b) changes in management methods for equipment management (calibration methods, traceability of measuring instruments used for inspections), (c) new equipment with exactly the same functions as conventional equipment, and (d) changes in jigs and tools.

In addition, even if there is no change in the equipment, if there is construction of a new building, transfer of its location in the building, or introduction of a clean room, an application is required.

<Examples>

- (1) Change the equipment of the subcontractor involved in our products.
- (2) Purchase new equipment because the equipment has become obsolete.
- (3) A new plant will be constructed.
- (4) Construct or expand clean rooms.
- (5) Change the installation location of equipment in the same building/factory.
- (6) Change manufacturing and inspection facilities.
- (7) Change the manufacturing jig and inspection jig.
- (8) Change the molding mold including the mold or create a new one.

< content to be reported at the time of application for change >

- (1) Reason for change
- (2) Detailed comparison of old and new facilities
- (3) Evaluation items and evaluation results of the impact of old and new equipment on products
- (4) Results of prototype evaluation at new equipment
- (5) Items of initial inspection and inspection results
- (6) Impact on delivery time and cost
- (7) New regulations on the management of equipment (daily/regular)

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6.2. Changes in working conditions and processes

Changing work conditions and processes means changing the working conditions and work contents of each process of making a product.

< When you need to apply for a change >

If it is necessary to change the work procedure such as the control items of each process and the judgment criteria for process inspection, an application is required.

< Examples >

- (1) Change the work conditions (procedures, completion criteria, environment, set values, etc.).
- (2) Change the settings of the manufacturing equipment, such as the set temperature of the solder tank and the drying time of the washing machine.
- (3) Change the content of the process inspection.
- (4) Modify shipment inspections.
 - (a) Increase or decrease of inspection items and change of measurement equipment (Model, unit of measurement)
 - (b) Change of inspection jig / Change from numerical measurement method to judgment method (limit gauge, etc.)
 - (c) Changes of samples and inspection methods (full inspection, sampling inspection, level adjustment inspection)
 - (d) Changes in inspection methods of specifications and performance confirmation (Leak test, electrical characteristics, operation, etc.)
- (5) Change from extrusion molding to casting.
- (6) Change the finishing accuracy such as surface roughness and the working parameter of the tightening torque.
- (7) Change the processing conditions related to the product, including surface treatment such as anodizing and plating.
- (8) Change QC process charts and work procedure manuals.
- (9) Change the board mounting method from a hand soldering to automatic machine soldering.
- (10) Change the cutting agent or cleaning solution.
- (11) Change the mounting orientation and mounting method of internal parts.
- (12) Change the stop position of the tie wrap.
- (13) Change to do the marker check to confirm the screw fastening work.
- (14) Change the mounting position of a component.

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- (15) Change the production location from a domestic site to a foreign site and vice versa (including the move between a domestic site and a foreign site).
- (16) Make a change in an aim to improve production efficiency, quality stability and costs related to the traded products that are made according to our drawings.

<Details to be reported at the time of change application>

- (1) Reason for change
- (2) The detailed comparison of the new and old work and process
- (3) Impact assessments for the product and the result
- (4) Items of the initial inspection and the result
- (5) Records of education for workers
- (6) Impact on time of delivery and cost
- (7) Changes to QC process charts and procedures

6.3. Specification changes

Changing specifications means changing the function or appearance of a product.

<When you need to apply for a change>

If it is necessary to change the specifications of the product, including functionality and appearance (all aspects that can be recognized from the appearance(e.g., labelling such as the product name, packing condition, the color of external components, etc.), an application is required.

<Examples>

- (1) Changing the functionality or appearance of the product.
- (2) Change the materials used for parts, raw materials, etc.
- (3) Change the color of a part of a product.
- (4) When/if marks are left from the manufacturing on the exterior due to changes in working conditions. Traces of fastening by jigs, etc., and marker check marks performed to confirm the fastening work of screws, etc.
- (5) Change the packaging condition.
- (6) Change the method of transportation.
- (7) Change the content, font, color, text, etc. of the label attached to the product.
- (8) Change the attached materials such as the instruction manual of the product.
- (9) Change the contents of the catalog and the specifications exchanged.

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(10) Change auxiliary materials, adhesives, fillings, chemicals, machine oils, packaging materials
(Those that come into direct contact with the product), etc.

(11) Make changes that affect the environment and safety.

<Details to be reported at the time of change application >

(1) Reason for change

(2) Detailed comparison of the old and new specifications (appearance: including labels, displays, etc.)

(3) Details of the impact of specification changes on products and evaluation results

(4) Items and results of the initial inspection

(5) Impact on delivery time and cost

(6) Changes to QC process charts and procedure manuals

6.4. Modifying Components

Component change means a change of important components that affect the performance of a traded product.

<When you need to apply for a change >

An application is required if there is a change of component parts due to a change in specifications, discontinuation of production, etc., or if additional changes are required due to purchase of plural components and multiple sourcing because of delivery dates.

<Examples >

(1) Change supplier of the parts with the same specifications from Company A to Company B.

(2) Production of the component will be discontinued and replaced with a substitute.

(3) Change to a part that has undergone changes that fall under the "Change of specifications" described in Section 6.3.

(4) When purchasing parts from multiple companies due to time of delivery, price, etc.

<Details to be reported at the time of change application >

(1) Reason for change

(2) Results of confirmation of the quality control system

(3) Detailed comparison of the old and new specifications (appearance: including labels, displays, etc.)

(4) Details and results of the assessment of the impact of component changes on products

(5) Items and results of the initial inspection

(6) Impact on delivery time and cost

(7) Changes to QC process charts and procedure manuals

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6.5. Changing subcontractors

Changing the subcontractor means changing the production from in-house production to outsourced production, from outsourced production to in-house production, or adding the subcontractor. .

< When you need to apply for a change >

In addition to a change from in-house production to outsourcing for goods traded with the Company and their component parts, application for change is also necessary when using additional subcontractors (multiple purchases), changing subcontractors, and returning from the outsourcing production to the in-house production. * If you want to reduce the number of subcontractors from multiple purchases, you do not need to apply for change.

< Examples >

- (1) Outsource in-house processes.
- (2) Establish multiple subcontractors. (Addition)
- (3) Change from an outsourced company to an in-house process. (Even if it was done in-house before)
- (4) Change the subcontractor.

< Details to be reported at the time of change application >

- (1) Reason for change
- (2) Results of Confirmation of Quality Control System
- (3) Process Qualification and Confirmation Results
- (4) Detailed comparison of the old and new specifications (appearance: including labels, displays, etc.)
- (5) Product impact assessment and results of the change
- (6) Items and results of the first inspection
- (7) Impact on delivery time and cost
- (8) Changes to QC process charts and procedure manuals

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6.6. Discontinued production

Discontinuation of production means the discontinuation of production at the convenience of a business partner. If it becomes necessary to change the model name due to a change in specifications, please apply for discontinuation of production.

<When you need to apply for a change>

If it is necessary to discontinue the supply of trading goods to us, an application is required.

<Examples>

There are no specific examples in case of discontinuation of production.

<Details to be reported at the time of change application>

- (1) Reason for change
- (2) Availability of substitutes
 - If there is a replacement,
 - (a) Detailed comparison of the old and new specifications (appearance: including labels, displays, etc.)
 - (b) Details and results of the assessment of the impact of component changes on products
 - (c) Impact on delivery time and cost

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To: Furuya Metal Co., Ltd.

Date:

Company name:

Request for Approval
(Application Form)

1.Name of the product

2. No. of drawings, specifications, etc.

3.Contents of change (Choose the relevant item)

- 1.Equipment 2 Work condition and process 3.Specification 4. Components
 5.Outsourcing 6. Discontinuation 7.Others

4.Reason for change and comparison of before/after change

5. Scheduled date of change

6. Is there any Appendix?

- Yes No

7. Others

◎Response from the Company

Date:

Your application has been:

- Approved Rejected

Instructions :

Approved by:	Created by: