

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
ITEM TITLE :	INVENTORY MANAGEMENT (BRAND NEW AND REPOSSESSED UNIT)	Ref. No.
DEPARTMENT :	OPERATIONS SUPPORT DEPARTMENT	OPS-2016-03-0101
TO :	ALL BRANCHES/ AREA MANAGER/ REGIONAL MANAGER	

OBJECTIVE

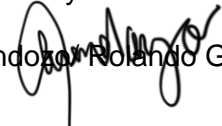

1. To guide concerned branch personnel and officers proper management of Motorcycle Inventory.
2. To maintain good quality of motorcycle units store in the branch to ensure their high marketable value.
3. To keep inventory at sufficiently high level to perform production and sales activities smoothly and efficiently.
4. To eliminate losses on build-up of motorcycle inventory whether brand new or repossessed units to avoid their carrying cost.
5. To prevent insufficient stock that may create problems in meeting customers' demands and they shift to the competitors.

POLICIES

1. Hedging of motorcycle inventory in the branch is strictly prohibited. This is the act of carrying the motorcycle and letting it age in order to devalue the unit. This is a serious offence that holds serious sanctions as per our COD.
2. It is the responsibility of the Branch Manager to ensure the following:
 - 2.1. Adherence to First-in, First-Out (FIFO) method to avoid brand new but aged units;
 - 2.1.1. New delivery from main warehouse should be placed at the rear portion and previous delivery should be placed in front.
 - 2.1.2. The lay-out of the displayed motorcycle should consider:
 - 2.1.2.1 Passage for movement of stock and the inquiring customers.
 - 2.2. Regular physical count of motorcycle inventory;
 - 2.3. Maintenance and submission of Daily Motorcycle Inventory reports of the Marketing Assistant;
 - 2.4. Security and safety from unfriendly elements; and
 - 2.5. Physical, electrical, and mechanical conditions (with emphasis on the engine).

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3. It is the responsibility of the branch personnel and officers to dispose motorcycle inventory within reasonable time from the date of receipt of the brand new and repossessed unit(s) by the branch.
 - 3.1. Branch Manager; within thirty (30) days upon date of receipt of brand new or repossessed motorcycle unit(s).
 - 3.1.1. The concerned BM must submit written explanation why he has failed to dispose the motorcycle unit(s) within Thirty (30) days. These motorcycle units are considered slow moving and increase their carrying cost affecting branch profitability.
 - 3.1.2. The long period of holding the inventory, specifically repossessed units reduces their value and causes deterioration due to passage of time.
 - 3.2. Area Manager (AM); they will bear the responsibility of monitoring and ensuring disposal of motorcycle inventory with ages from Thirty One (31) to Sixty (60) days.
 - 3.3. Regional Manager (RM); they will bear the responsibility of monitoring and ensuring disposal of motorcycle inventory with ages from Sixty One (61) to Ninety (90) days.
 - 3.4. Inventory Analyst; coordinate with RM and obtain explanation for their failure to dispose the motorcycle inventory within the Ninety (90) days period given to them.
 - 3.4.1. Ensure that all effort have been exerted by concerned officers to dispose the motorcycle inventory and give possible solution for the immediate disposal of these units such as but not limited to the following;
 - 4.4.1.1. Marketing promotion;
 - 4.4.1.2. Appraisal, in case of repossessed units; and
 - 4.4.1.2. Look for other branches wherein the branch slow moving stock is saleable in their areas.
4. In order to reduce carrying cost of the motorcycle inventory; all branches are hereby instructed to dispose their existing brand new inventory as of February 29, 2016 until May 31, 2016.
 - 4.1. For support and other concerns in facilitating their disposal, coordinate with Inventory Analyst, Operations Support Department thru email inventory_po@yahoo.com and inventory_po@mitsukoshimotors.com.
5. All existing Repossessed inventory as of February 29, 2016 should be disposed until June 30, 2016. All support needed must coordinate to Repo Management Officer, Operations Support Department thru email larry.francisco@mitsukoshimotors.com and larry.mmpi@yahoo.com.
6. All delivery starting March 1, 2016 should strictly dispose and do necessary actions to dispose within 30 days.
7. Non-compliance of the aforementioned policy shall be dealt with subject to disciplinary action in accordance with the Company Code of Discipline.

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