

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE	MOTORCYCLE INVENTORY	Ref. No.
DEPARTMENT	OPERATIONS SUPPORT DEPARTMENT	OPS-15-12-038
TO	BRANCH MANAGER / CASHIER / MARKETING ASSISTANT	December 4, 2015

#### OBJECTIVE

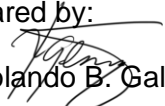
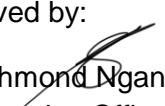
1. To guide the branch in proper control and monitoring of motorcycle inventory on hand.
2. To establish accuracy and reliability of branch records in establishing branch accountability on the motorcycle inventory at any given time.
3. To provide the branch necessary procedures in the movement of motorcycle inventory.

#### POLICIES

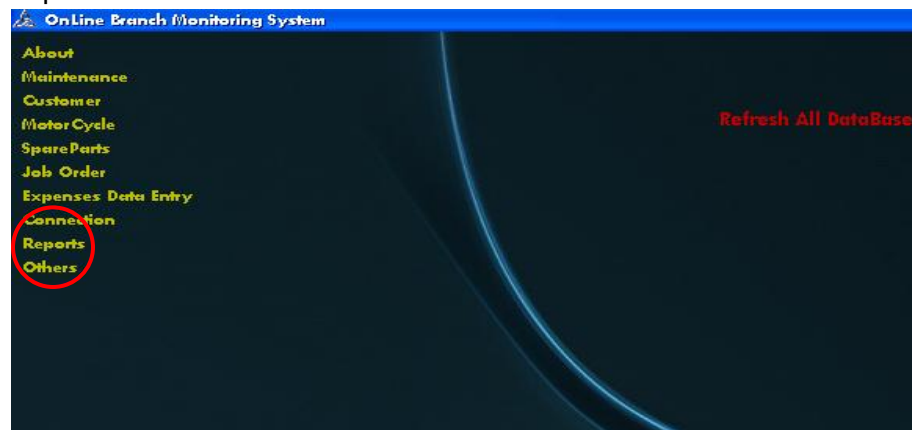
1. The Area Manager, Branch Manager, Cashier and Marketing Assistant assigned to handle the brand new and repossessed motorcycle inventory have the join responsibility of monitoring and safekeeping of the inventory.
2. The branch brand new and repossessed inventory must always tally with the Branch Monitoring System (BMS).
3. It is the responsibility of the Branch Manager to ensure that monthly physical count and stenciling of the engine and chassis numbers of brand new and repossessed units are being done and submitted to the Accounting Department not later than the 5<sup>th</sup> day of the following month.
4. It is the responsibility of the Branch Manager to;
  - 4.1. Conduct daily physical count of the brand new and repossessed Inventory, in the morning upon opening and before branch closing hour.
  - 4.2. Report brand new and repossessed inventory on a daily basis to the Area Manager;
  - 4.3. Ensure the safety of the brand new and repossessed motorcycle inventory and protected from bad elements, and;
  - 4.4. Ensure accuracy and reliability of the branch records.
5. The branch must practice "First-In, First-Out (FIFO)" method in the disposal of brand new motorcycle inventory.
6. Undocumented pulled out or undeclared repossession of financed motorcycle unit is prohibited.

#### PROCEDURES

1. Branch Manager
  - 1.1. Assign specific Marketing Assistant who will handle the brand new and repossessed motorcycle inventory of the branch.
  - 1.2. Orient Marketing Assistant his/her jobs and responsibilities in handling brand new and repossessed motorcycle inventory of the branch.

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  December 4, 2015	Page 1 of 9
--	---	-----------------------------------	-------------

- 1.3. Ensure that the Marketing Assistant is preparing daily brand new and repossessed inventory report.
- 1.4. Conduct ocular and physical count of the branch brand new and repossessed inventory upon opening and closure of the branch.
  - 1.4.1. Check brand new and repossessed inventory counted against branch total accountability.
  - 1.4.2. In establishing the branch accountability in the brand new and repossessed inventory, open and use the BMS of the previous day.
  - 1.4.3. Ensure that all the brand new and repossessed inventory transactions of the previous day have been posted in the BMS.
    - 1.4.3.1. Open Branch Monitoring System (BMS) in the desktop.
    - 1.4.3.2. Click “Reports” in the main menu in the left portion of the screen and sub-menu will cascade; and click “List of Reports” to go to List of Reports module.



- 1.4.3.3. When the List of Reports module appears, click the “Motorcycle Inventory Report (Model)”.
- 1.4.3.4. Change range date to previous date, e.g. current date is November 5, 2015, change range date “Date From” and “Date To” November 4, 2015.



Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  December 4, 2015	Page 2 of 9
---------------------------------------	--	-----------------------------------	-------------

- 1.4.3.5. Click “Preview” to view the Motorcycle Inventory Report as of November 3, 2014.



- 1.4.3.6 When the Motorcycle Inventory Report appears, choose and click the icon envelop above the screen to export the report from Crystal Report to Excel file. This is necessary to view other information and data in the report.



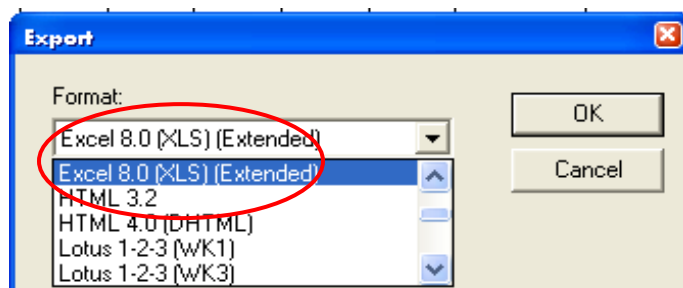
## Daan Hari (Legazpi)

LAPU-LAPU ST., LEGAZPI CITY  
(052) 820-2677 / 0917-7968130

Report By Model Name

Model Name	Beginning Inventory				Inventory IN							
					Brand New Units				Repossession Units			
	BNew	Repo	S. Unit	Total	HO	Br	Oth	Cus	HO	Br	Oth	Cus
BONUS 110	1	2	3	6	4	2	-	-	-	-	-	2
BONUS X	2	2	3	7	1	2	-	-	-	-	-	1
CS110	2	-	-	2	-	-	-	-	-	-	-	-
DAAN HARI	-	-	-	-	3	1	-	-	-	-	-	-
E-X 125	-	-	-	-	2	1	-	-	-	-	-	-
E1-NS	-	-	-	-	-	1	-	-	-	-	-	-
E1R	-	-	-	-	2	-	-	-	-	-	-	-
EURO RACING	-	1	-	1	-	-	-	-	-	-	-	1
EURO RACING 125	-	-	-	-	2	1	-	-	-	-	-	-
EURO SPORT	-	1	-	1	-	-	-	-	-	-	-	3

- 1.4.3.7. When the “Export” box appears, search and choose in the list of format “Excel 8.0 (XLS) (Extended)”.



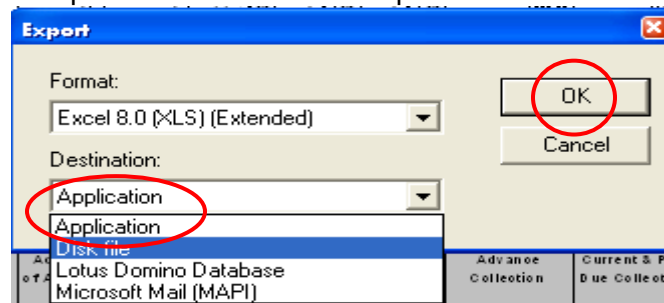
- 1.4.3.8. Search and choose destination list;

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  December 4, 2015	Page 3 of 9
---------------------------------------	--	-----------------------------------	-------------

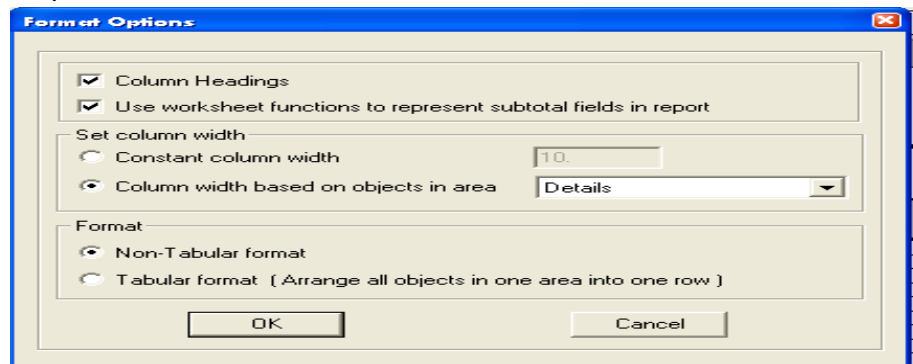
1.4.3.9. If “Disk file” was chosen, the report will be automatically saved in the computer hard disk. Save the report on the desired file in the hard disk of the computer.

1.4.3.10. If “Application” is chosen, the report will automatically opened using the desired application.

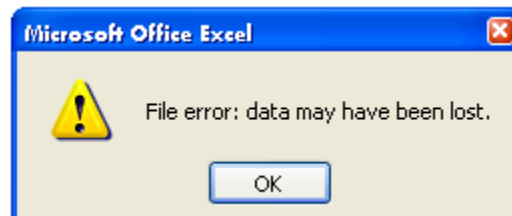
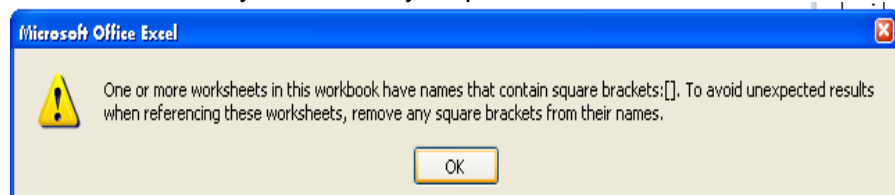
1.4.3.11. Click “OK” dialogue box if format and application has already been chosen to proceed with the next step.

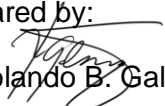
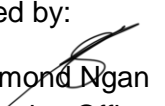


1.4.3.12. The Format Option will appear and click “OK” to proceed with the next step.



1.4.3.13. The following dialogue boxes will appear and click “OK” to view the converted Motorcycle Inventory Report.



Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  December 4, 2015	Page 4 of 9
--	---	-----------------------------------	-------------

- 1.5. Compare the number of brand new and repossessed motorcycle units per model in the Motorcycle Inventory Report created in the BMS and Daily Motorcycle Inventory Report being prepared by the Marketing Assistant.

2	<b>Daan Hari (Legazpi)</b>									
3										
4										
5										
6	LAPU-LAPU ST., L (052) 820-2577 / 0917-7968130									
7										
8	Report By Mccember 04, 2015									
9										
10										
11	Beginning	Inventory IN	Inventory OUT	Ending						
12	Inventory			Inventory						
13	Brand New Unit	possession Un	Service Units	Brand New Unit	possession Un	Service Units				
14	BNew	Repo	S. Unit	Total	HO	Br	Oth	Cus	HO	
15										
16	BONUS 110	1	2	3	6	4	2	-	-	
17	BONUS X	2	2	3	7	1	2	-	-	
18	CS110	2	-	-	2	-	-	-	-	
19	DAAN HARI	-	-	-	-	3	1	-	-	
20	E-X 125	-	-	-	-	2	1	-	-	
21	E1-NS	-	-	-	-	-	1	-	-	
22	E1R	-	-	-	-	2	-	-	-	
23	EURO RACING	-	1	-	1	-	-	-	-	

- 1.5.1. If there is any discrepancy during the physical count of the brand new and/or repossessed inventory, in the number and condition, report to Area Manager; to be copy furnished the Regional Manager and Operations Support Department.

- 1.6. Check the following;

- 1.6.1. Slow moving brand new motorcycle inventory
- 1.6.2. Brand new motorcycle inventory level
- 1.6.3. Physical condition of the motorcycle inventory of the branch
- 1.6.4. Any brand new motorcycle units subject for transfer or back loading

## 2. Cashier

- 2.1. Post supporting documents involving brand new and repossessed inventory movements;

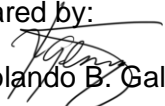
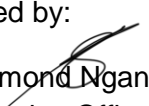
- 2.1.1. Receiving Report (RR)

This supporting receipt is being used when receiving a brand new and repossessed unit such as but not limited to delivery of motorcycle units from Warehouse Department, other branches, surrendered MC Plan or service unit from current or former branch personnel.

- 2.1.2. Delivery Receipt (DR)

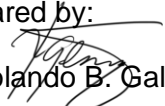
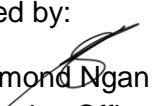
This is being used in the following motorcycle inventory movements;

- 2.1.2.1. Delivery or picking up of customer of sold motorcycle unit;
- 2.1.2.2. Transferring motorcycle unit to other branch;
- 2.1.2.3. Approved service unit under MC Plan;

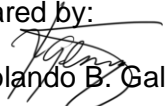
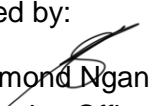
Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  December 4, 2015	Page 5 of 9
--	---	-----------------------------------	-------------

- 2.1.2.4. Back loading of brand new or repossessed units to main office Warehouse;
- 2.1.2.5. Redemption of pulled financed motorcycle unit by the customer;
- 2.1.3. Pull-Out Order (POO)  
This form is being used to record surrender of financed motorcycle by the customer properly supported by Repossessed Motorcycle Checklist.
- 2.1.4. Transmittal Report (TR)  
This form is being used in the transfer of brand new and repossessed motorcycle units to branch satellite and warehouse.
- 2.2. At month end, generate the branch monthly inventory report in the BMS and compare individual description based on the actual engine and chassis numbers of the motorcycle units on hand at month end.
- 2.3. On or before the 5<sup>th</sup> of the following month, submit the brand new and repossessed monthly inventory report supported by actual stencils of the engine and chassis numbers to Accounting Department.
3. Marketing Assistant
- 3.1. In the morning upon opening of the branch, count brand new and repossessed motorcycle units of the branch.
- 3.2. Compare and reconcile number of motorcycle counted against branch accountability based on previous day Daily Motorcycle Inventory Report.
- 3.2.1. If there is any discrepancy during the physical count of the brand new and/or repossessed inventory, in the number and condition, report to Branch Manager.
- 3.3. Before closure of business hour, prepare Daily Motorcycle Inventory Report based on brand new and repossessed motorcycle unit inventory transactions of the branch.
- 3.3.1. Refer to Sales Logbook for transactions involving releases of brand new and repossessed units of the branch.
- 3.3.2. In case the assigned Marketing Assistant handling the motorcycle inventory will be taking his day-off or will be taking leave of absence, the Branch Manager must assigned another Marketing Assistant to do the task.
- 3.4. Sign Daily Motorcycle Inventory Report for the day and conduct physical count comparing the number of motorcycle units on hand against the report.
- 3.4.1. If there is any discrepancy during the physical count of the brand new and/or repossessed inventory, in the number and condition, report to Branch Manager.
- 3.5. If everything is in order, submit Daily Motorcycle Inventory Report to the Branch Manager.
4. Daily Motorcycle Inventory Report - Explanation

Particulars	Description
4.1. Dealer	: Name of dealer.
4.2. Branch	: Name of the branch.
4.3. Date	: Date covered by the report.

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  December 4, 2015	Page 6 of 9
--	---	-----------------------------------	-------------

- 4.4. Model : Model of the brand new or repossessed motorcycle units included in the report.
- 4.5. Balance - Begin : Number of brand new or repossessed motorcycle units per model at the beginning of the month.
- 4.6. Inventory In : Number of brand new or repossessed motorcycle units coming in the branch per model and to be added in the beginning inventory for the day.
- For Brand New Units
- 4.6.1. Warehouse : Number of brand new motorcycle units per model received by the branch for the day from the Warehouse Department.
- 4.6.2. Inter-Branch : Number of brand new units per model received by the branch for the day from other branches as part of inter-branch transfer.
- For Repossessed Units
- 4.6.3. POO : Number of repossessed units per model retrieved from the customers covered by Pull-Out Orders.
- 4.6.4. Inter-Branch : Number of repossessed units per model received by the branch for the day from other branches.
- 4.7. Inventory Out : Number of inventory out in the branch per model and to be deducted in the Available Inventory for the day.
- 4.7.1. Sold : Number of brand new or repossessed motorcycle units per model sold and release for the day.
- 4.7.2. Inter-Branch : Number of brand new or repossessed units per model delivered by the branch for the day to other branches as part of inter-branch transfer.
- 4.8. Balance - End : Number of brand new or repossessed units per model at the end of the day computed as follows;  
End = Begin + Inventory In – Inventory Out
- 4.9. Remarks : Any pertinent information necessary in the report such as but not limited to the reason for any discrepancy in the brand new or repossessed units, originating branch of transferred units, lacking TBAs in the receipt or delivery of an inter-branch transfer of brand new unit.
- 4.10. Prepared by : Name of Marketing Assistant or authorized branch personnel who prepared the daily report.
- 4.11. Checked by : Name of the Branch Manager who checked the daily report.

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  December 4, 2015	Page 7 of 9
--	---	-----------------------------------	-------------

**DAILY MOTORCYCLE INVENTORY REPORT-BRAND NEW**

Dealer : \_\_\_\_\_  
 Branch : \_\_\_\_\_  
 Date : \_\_\_\_\_

Date : \_\_\_\_\_

Prepared by : \_\_\_\_\_ Checked by: \_\_\_\_\_

Checked by: \_\_\_\_\_

Page 8 of 9



**DAILY MOTORCYCLE INVENTORY REPORT-REPOSSESSED**

Dealer : \_\_\_\_\_

Branch : \_\_\_\_\_

Date : \_\_\_\_\_

Date : \_\_\_\_\_

Checked by:

Page 9 of 9