



Business Management Scope

Gunze Electronics USA, Corporation

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Gunze Electronics USA, Corporation was established in 1988 to serve the North American market, a division of Gunze Limited. Although we are spread all over the world, we share a singular mission: to deliver touch sensors solutions that define the global standard for quality and performance in a wide range of applications-from factory floors, delivery routes, medical, industrial, and defense applications.

We work closely with OEMs and systems integrators to ensure every touch sensor we provide delivers the optimum balance of operational precision and environmental durability.

We design and manufacture touch sensors, provide controller system integration, and integrate touch sensors to LCDs; for consumer and industrial electronics applications by consistently meeting customer requirements and increasing customer satisfaction.

Our Business Management System is an integration of ISO 9001 and 14001 quality and environmental management standards. This document conveys our ability to provide products and services meeting customer requirements with the aim to enhance customer satisfaction through effective application of system processes.

We pledge:

- To see the world through the eyes of the customer with a focus on protecting them from defects.
- To shift the paradigm from defect detection and correction to a defect prevention methodology.
- To use new product introduction qualification as validation for quality and reliability of new products.
- To drive continuous improvement in everything we do.
- To drive a quality culture where all employees believe they own quality.

Masahiro Hosoe
President
Gunze Electronics, USA



The Business Management System (BMS) promotes the improvement of processes by continually evolving control systems and optimizing all phases of the project life cycle. We provide products that meet customer, statutory and regulatory requirements.

Life cycle is our consecutive and interlinked stages of a product system; from raw material acquisition or generation from natural resources to final disposal.

Commitment to Quality

Gunze Electronics USA, Corporation determines, collects and analyzes appropriate data to demonstrate the suitability and effectiveness of the BMS. This includes data generated because of monitoring and measurement of processes.

The BMS provides the platform to keep us on the leading edge of new technologies and at the forefront of 21st Century innovation in business intelligence and operational process improvements.

The design and implementation of the organization's BMS is influenced by our:

- business environment, changes in that environment, or risks associated with that environment,
- varying business needs and objectives,
- products we provide,
- processes we employ, and
- size and organizational structure.

Through continual improvement, it is the responsibility of every employee to:

- Produce product to meet or exceed customer's specifications and requirements.
- Deliver customer's product on time.
- Produce customer's product at a fair and competitive price.
- Act to eliminate the cause of nonconformities to prevent recurrence. Corrective actions are appropriate to the effects of the nonconformities encountered.
- Act to eliminate the causes of potential nonconformities to prevent their occurrence.

We seek best practices in our processes and strive:

- To practice good documentation processes.
- To reduce waste, reduce costs and continuously improve the quality of products and services.
- To provide evidence that material and customer services conform to the specified requirements.
- To ensure that the customer's requirements are defined and satisfied always.
- To ensure employees are trained and work environment is conducive to efficient and effective production operations.
- To ensure, where applicable, continual improvement of the BMS processes.
- To ensure quality is systemic within all processes of the BMS and not just a separate process.

Context of the organization

Gunze determines external and internal issues that are relevant to its purpose and strategic direction with the ability to achieve the intended result(s) of the Business Management System.

When planning for the quality and environmental management system; Gunze considers issues, determine the risks, and opportunities which need to be addressed to:

- a) Give assurance that the quality and environmental management system can achieve the intended result(s);
- b) Enhance desirable effects;
- c) Prevent, or reduce, undesired effects;
- d) Achieve improvement.

Gunze's paradigm is risk-based, which enables us to determine the factors which could cause our processes and business management system to deviate from planned results.

We have established preventive controls to minimize negative effects and to make maximum use of opportunities as they arise.

Scope of the Business Management System

Gunze management has determined the boundaries and applicability of the quality and environmental management system to establish its scope.

Management has considered:

- a) The external and internal issues;
- b) The requirements of relevant interested parties;
- c) The compliance obligations;
- d) Its organizational units, functions and physical boundaries;
- e) Its activities, products and services;
- f) Its authority and ability to exercise control and influence.

Mission Statement

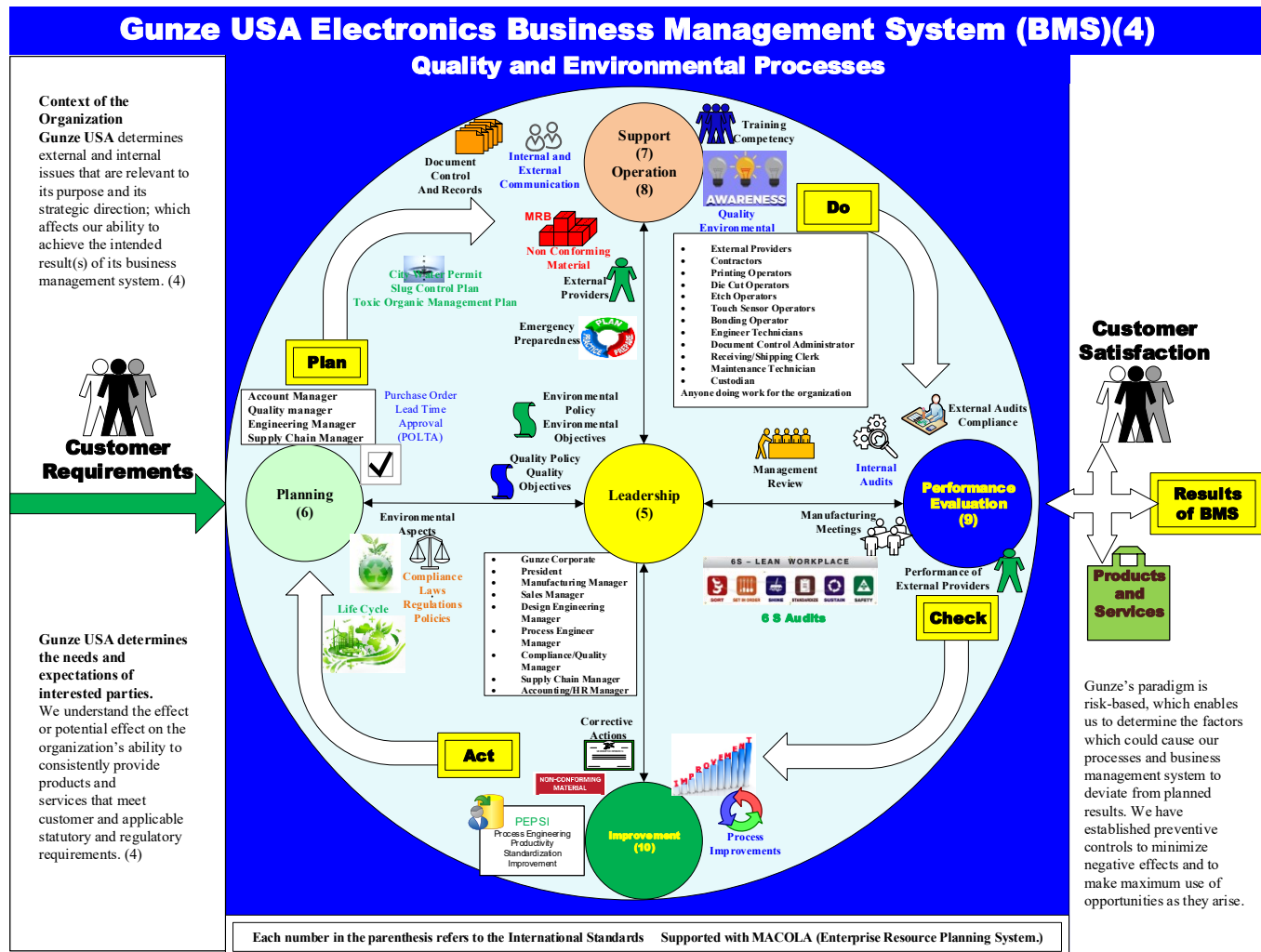
Our mission is to be recognized as the industry-leading manufacturer of touch sensors.

Quality, value, integrity, and unsurpassed customer satisfaction are the forces that drive Gunze Electronics USA Corporation.

Quality management system and its processes

Gunze has established, implemented, maintained and continually improve our business management system, including the processes needed and their interactions, in accordance with the requirements of the International Standards.

Gunze paradigm is risk-based, which enables us to determine the factors which could cause our processes and business management system to deviate from planned results. We have established preventive controls to minimize negative effects and to make maximum use of opportunities as they arise.



Leadership

Management takes a visible and leading role in creating and sustaining core values, policies, strategies, directions, performance expectations and customer focus.

Management approves and leads the implementation of the BMS which promotes excellence in our quality and environmental strategies.

Leadership from all levels of the company plays an active role in verifying the effectiveness and efficiency of the BMS and ensuring that resulting actions lead to continuous improvement.

The Compliance/Quality Manager has been appointed by the President as Management Representative. The management representative has the following responsibilities and authority:

- Ensure that processes needed for the BMS are established and implemented.
- Report to executive management on the performance of the BMS and note any needed improvements.
- Promote awareness of customer requirements throughout the organization.
- Act as a liaison with external parties such as customers or auditors on matters relating to the BMS.
- Ensure that the environmental management system conforms to the requirements of the environmental standard.
- Reports on the performance of the environmental management system

Management has established, implemented and maintained a quality and environmental policy within the defined scope of its business management system:

- a) is appropriate to the purpose and context of the organization, including the nature, scale and environmental impacts of its activities, products and services; along with supporting Gunze strategic direction.
- b) provides a framework for setting quality and environmental objectives;
- c) includes a commitment to satisfy applicable requirements and protection of the environment, including prevention of pollution and other specific commitment(s) relevant to the context of the organization;
- d) Includes a commitment to applicable requirements and continual improvement of the business management system and fulfill its compliance obligations;

Quality Policy

Design and manufacture of touch sensors provide controller system integration and integrate touch sensors to LCDs; for consumer and industrial electronics applications by consistently meeting customer requirements and increasing customer satisfaction.

Quality Objectives

1. People: Recruiting and selecting a motivated, well-trained work force while ensuring good employee / employer relationship.
2. Process: Product realization is controlled in accordance with production and quality processes.
3. System: Maintain business management processes with the focus on continual process improvement.

Environmental Policy

We acknowledge the impact our operations may potentially have on the environment and are committed to its protection by:

1. Preventing pollution
2. Practicing environmental continual improvement, and
3. Ensuring we meet all relevant legal and regulatory requirements.

Environmental Objectives

1. Reduce pollution waste in administrative and production processes. Assess life cycle and risk periodically for pollution reductions.
2. To plan, monitor, and realize continual improvement of environmental processes. Assess life cycle and risk periodically for improvements in regulated and non-regulated areas.
3. Assure compliance with environmental laws and regulations, encouraging employees to improve their environmental performance and move beyond compliance. Assess compliance in regulated and nonregulated areas, with a focus on risk assessment.

Risk and Opportunities

Gunze when planning for the quality and environmental management system considers issues and requirements to determine the risks and opportunities that need to be addressed to:

- Give assurance the quality and environmental management system can achieve its intended outcomes;
- Enhanced desirable effects;
- Prevent or reduce undesired effects, including the potential for external environmental conditions that affect the organization;
- Achieve continual improvement.

Within the scope of the environmental management system, Gunze determines potential emergency situations, including those that can have an environmental impact.

Environmental aspects

Within the defined scope of the environmental management system, we have determined the environmental aspects of its activities, products and services that it can control and those that it can influence, and their associated environmental impacts, considering a life cycle perspective.

When determining environmental aspects, Gunze considers:

- a) change, including planned or new developments, and new or modified activities, products and services;
- b) abnormal conditions and reasonably foreseeable emergency situations.

Gunze determines those aspects that have or can have a significant environmental impact, i.e. significant environmental aspects, by using established criteria.

Support

Gunze determines and provides the resources needed for the establishment, implementation, maintenance and continual improvement of the quality and environmental management system.

Gunze considers:

- a) the capabilities of, and constraints on, existing internal resources;
- b) what needs to be obtained from external providers.

Monitoring and measuring resources

Gunze determines and provide the resources needed to ensure valid and reliable results when monitoring or measuring is used to verify the conformity of products and services to requirements.

We ensure resources provided:

- a) are suitable for the specific type of monitoring and measurement activities being undertaken;
- b) are maintained to ensure their continuing fitness for their purpose.

Competence

Gunze ensures employees are competent:

- a) Determines the necessary competence of person(s) doing work under its control that affects the performance and effectiveness of the quality and environmental management system;
- b) Ensures these employees are competent based on appropriate education, training, or experience;
- c) Where applicable, we act to acquire the necessary competence, and evaluate the effectiveness of the actions taken;
- d) Determine training needs associated with its environmental aspects and its environmental management system;

Awareness

Gunze ensures employees doing work under the organization's control are aware of:

- a) The quality and environmental policy;
- b) Relevant quality and environmental objectives;
- c) Their contribution to the effectiveness of the quality management system, benefits of improved performance; includes the significant environmental aspects and related actual or potential environmental impacts associated with their work;
- d) Their contribution to the effectiveness of the environmental management system, including the benefits of enhanced environmental performance;
- e) The implications of not conforming to the quality and environmental management system requirements; including compliance obligations.

Communication

Gunze has established, implemented and maintained processes needed for internal and external communications relevant to the quality and environmental management system, including:

- a) on what it will communicate;
- b) when to communicate;
- c) with whom to communicate;
- d) how to communicate;
- e) who communicates.

Internal communication

Internally Gunze communicates information relevant to the quality and environmental management system among the various levels and functions of the organization; includes changes to the quality and environmental management systems.

Ensure our communication processes enable employees doing work under the Gunze control to contribute to continual improvement.

External communication

Externally Gunze communicates information relevant to the quality and environmental management system, as established by the organization's communication processes and as required by its compliance obligations.

Documented Information

Control of documented information

We maintain documented information required by the quality and environmental management systems and International Standards to ensure:

- a) It is available and suitable for use, where and when it is needed;
- b) It is adequately protected (e.g. from loss of confidentiality, improper use, or loss of integrity).
- c) Documented information determined by Gunze management as being necessary for the effectiveness of the quality and environmental management systems.

Documented information of external origin determined by the organization to be necessary for the planning and operation of the quality and environmental management systems is identified as appropriate and be controlled.

Tier documentation levels

Level One

Defines Approach and Responsibilities.

Level Two

Defines Who, What, and When of a process.

Level Three

Answers How of Processes?

Level Four

Provides methods to document processes and quality records; includes forms, records, and completed logs, etc.

Level Five

Internal and External Supporting Documents

Operation

Gunze plans, implements and controls the processes needed to meet the requirements for the provision of products and services; along with meeting environmental management system requirements by:

- a) determining the requirements for the products and services;
- b) establishing criteria for:
 - 1) processes;
 - 2) acceptance of products and services;
- c) determining the resources needed to achieve conformity to the product and service requirements;
- d) implementing control of the processes in accordance with the criteria;
- e) determining, maintaining and retaining documented information to the extent necessary:
 - 1) to have confidence that the processes have been carried out as planned;
 - 2) to demonstrate the conformity of products and services to their requirements.
- f) ensuring outsourced processes are controlled.

Gunze ensures outsourced processes are controlled or influenced, consistent with a life cycle perspective:

- a) establish controls, as appropriate, to ensure that its environmental requirement(s) is (are) addressed in the design and development process for the product or service, considering each life cycle stage;
- b) determine its environmental requirement(s) for the procurement of products and services, as appropriate;
- c) communicate its relevant environmental requirement(s) to external providers, including contractors;
- d) consider the need to provide information about potential significant environmental impacts associated with the transportation or delivery, use, end-of-life treatment and final disposal of its products and services.

Emergency preparedness and response

Gunze has established, implemented and maintained the processes needed to prepare for and respond to potential emergency situations.

We:

- a) Are prepared to respond by planning actions to prevent or mitigate adverse environmental impacts from emergency situations;
- b) Respond to actual emergency situations;
- c) Act to prevent or mitigate the consequences of emergency situations, appropriate to the magnitude of the emergency and the potential environmental impact;
- d) Periodically test the planned response actions, where practicable;
- e) Periodically review and revise the processes and planned response actions, after the occurrence of emergency situations or tests;
- f) Provide relevant information and training related to emergency preparedness and response, as appropriate, to relevant interested parties, including persons working under its control.

Design and development of products and services

We establish, implement and maintain a design and development process that is appropriate to ensure the subsequent provision of products and services.

To ensure conformity to product design requirements, Gunze retains documented information on design and development:

- a) Requirements.
- b) Controls
- c) Inputs and outputs.
- d) Design and development changes;
- e) The results of reviews;
- f) The authorization of the changes;
- g) The actions taken to prevent adverse impacts.

Control of externally provided processes, products and services

Gunze ensures externally provided processes, products and services conform to requirements.

We have determined the controls to be applying to externally provided processes, products and services when:

- a) Products and services from external providers are intended for incorporation into the organization's own products and services;
- b) Products and services are provided directly to the customer(s) by external providers on behalf of the organization;
- c) A process, or part of a process, is provided by an external provider because of a decision by the organization.

Gunze determines and applies criteria for the evaluation, selection, monitoring of performance, and re-evaluation of external providers, based on their ability to provide processes or products and services in accordance with requirements.

Production and Service provision

In planning production and service provision, Gunze Electronics USA, Corporation determines the following control conditions, as applicable:

- a) The availability of documented information that defines:
 - 1) The characteristics of the products to be produced, the services to be provided, or the activities to be performed;
 - 2) The results to be achieved;
- b) The availability and use of suitable monitoring and measuring resources;
- c) The implementation of monitoring and measurement activities at appropriate stages to verify that criteria for control of processes or outputs, and acceptance criteria for products and services, have been met;
- d) The use of suitable infrastructure and environment for the operation of processes;
- e) The appointment of competent persons, including any required qualification;
- f) The validation, and periodic revalidation, of the ability to achieve planned results of the processes for production and service provision, where the resulting output cannot be verified by subsequent monitoring or measurement;
- g) The implementation of actions to prevent human error;
- h) The implementation of release, delivery and post-delivery activities.

Property belonging to customers or external providers

Gunze exercises care with property belonging to customers or external providers while it is under the organization's control or being used by the organization. We identify, verify, protect and safeguard customers' or external providers' property provided for use or incorporation into the products and services.

When the property of a customer or external provider is lost, damaged or otherwise found to be unsuitable for use, Gunze reports this to the customer or external provider and retain documented information on what has occurred.

NOTE

A customer's or external provider's property can include materials, components, tools and equipment, premises, intellectual property and personal data.

Release of products and services

Gunze implements planned arrangements, at appropriate stages, to verify that the product and service requirements have been met.

The release of products and services to the customer shall not proceed until the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority and, as applicable, by the customer.

Control of nonconforming outputs

Gunze ensures outputs which do not conform to their requirements are identified and controlled to prevent their unintended use or delivery. The organization shall take appropriate action based on the nature of the nonconformity and its effect on the conformity of products and services.

This also applies to nonconforming products and services detected after delivery of products, during or after the provision of services. The organization shall deal with nonconforming outputs in one or more of the following ways:

- a) correction;
- b) segregation, containment, return or suspension of provision of products and services;
- c) informing the customer;
- d) obtaining authorization for acceptance under concession.

Performance evaluation

Gunze determines:

- a) What needs to be monitored and measured;
- b) The methods for monitoring, measurement, analysis and evaluation needed to ensure valid results;
- c) When the monitoring and measuring shall be performed;
- d) When the results from monitoring and measurement shall be analyzed and evaluated.

We evaluate the performance and effectiveness of the quality and environmental management system and retain appropriate documented information as evidence of the results.

Internal Auditing

Gunze conducts internal audits at planned intervals to provide information on whether the quality and environmental management system:

- a) Conforms to:
 - 1) The organization's own requirements for its quality and environmental management system;
 - 2) The requirements of the ISO 9001 and 14001 International Standards;
- b) Is effectively implemented and maintained.

Management review

Gunze management reviews the organization's quality and environmental management systems, at planned intervals, to ensure continuing suitability, adequacy, effectiveness and alignment with the strategic direction of the organization.

Improvement

Gunze determines and selects opportunities for improvement and implement any necessary actions to meet customer requirements and enhance customer satisfaction and environmental system outcomes. Gunze has developed an innovative improvement process called PEPSI (Process

Engineering Productivity Standardization improvement). This team approach provides the resources needed to assess risk and resolve issues.

These include:

- a) improving products and services to meet requirements as well as to address future needs and expectations;
- b) correcting, preventing or reducing undesired effects;
- c) improving the performance and effectiveness of the quality and environmental management system.

Nonconformity and corrective action

When a nonconformity occurs, including any arising from complaints, Gunze:

- a) reacts to the nonconformity and, as applicable:
 - 1) acts to control and correct it;
 - 2) deals with the consequences;
- b) evaluates the need for action to eliminate the cause(s) of the nonconformity, in order that it does not recur or occur elsewhere, by:
 - 1) reviewing and analyzing the nonconformity;
 - 2) determining the causes of the nonconformity;
 - 3) determining if similar nonconformities exist, or could potentially occur;
- c) implement any action needed;
- d) review the effectiveness of any corrective action taken;
- e) update risks and opportunities determined during planning, if necessary;
- f) make changes to the quality management system, if necessary.

End Document