

Declaration of Partnership Building

Yamabiko Corporation hereby declares that it will focus efforts on the following matters in order to build new partnerships through collaboration, coexistence, and mutual prosperity with our supply chain partners and value-creating businesses.

1. Coexistence and Mutual Prosperity of the Entire Supply Chain and New Collaborations Beyond Scale and Affiliation

By encouraging our direct partners to engage their subsequent partners ("Tier N" to "Tier N+1"), we aim to enhance the added value of the entire supply chain. We strive to build coexistence and mutual prosperity with our partners through collaborations that transcend existing business relationships and company sizes, etc. In doing so, we will also support our partners by advising on implementation of telework and formulation of a Business Continuity Plan (BCP), from the perspectives of business continuity during disasters and workstyle reforms.

(Individual Matters)

- Engage in the creation of new businesses using open innovation.
- Strive to prioritize the procurement of parts and materials with low environmental impact, based on the "Yamabiko Green Procurement Guidelines."

2. Adherence to "Promotion Standards"

We will adhere to desirable trading practices between parent businesses and subcontractors ("Promotion Standards" based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises) and actively work to correct trading practices and business customs that hinder the building of partnerships with our partners.

(1) Price determination methods

We will not make unreasonable cost reduction requests. When determining transaction prices, we will meet with subcontractors for discussions at least once each year. In addition, we will thoroughly engage in discussions with subcontractors to ensure the inclusion of fair profits for subcontractors and to enable improvements in subcontractor labor conditions, and make decisions accordingly. The decisions will be made after taking the appropriate actions as indicated in "Guidelines for Price Negotiations to Properly Reflect Labor Costs." Additionally, in cases of rising raw material and energy costs, we aim to fully pass on appropriate cost increases. Contract conditions, including transaction price decisions, will be clearly stated and issued in writing.

(2) Burden of the cost of mold management and other costs

Mold transactions will be conducted based on the "Basic Concepts and Principles of Mold Transactions" set forth in the "Report on the Council for the Promotion of Appropriate Mold Management," and the "Memorandum on the Handling of Molds." We will promote the disposal of unnecessary molds and will not request subcontractors to store molds free of charge.

(3) Payment terms for commercial paper, etc.

Whenever possible, subcontractor payments will be made in cash. If payments are made by commercial paper, subcontractors will not be responsible for discount fees, etc., and efforts will be made to keep the payment deadline within 60 days.

(4) Intellectual property and expertise

Transactions will be conducted based on the "Basic Principles" and the "Contract Templates" outlined in the "Guidelines on Intellectual Property Transactions." We will not request unilateral confidentiality agreements, disclosure of expertise using a superior bargaining position, or the free transfer of intellectual property rights.

(5) Avoiding unfair burdens due to workstyle reforms

To enable our partners to adapt to workstyle reforms, we will not impose short delivery times or sudden specification changes that do not include accommodations for appropriate cost burdens on subcontractors. During disasters and other emergencies, we will avoid placing unilateral transactional burdens on subcontractors and will give consideration to maintaining transaction relationships to the greatest extent possible when the business is restarted, etc.

Representative Director President & CEO
Hiroshi Kubo