

Declaration of Partnership Building

We hereby declare that we will focus on the following matters in order to build new partnerships by promoting cooperation, coexistence, and co-prosperity with our suppliers in the supply chain and businesses seeking to create value.

1. Coexistence and co-prosperity of the entire supply chain and new cooperation that transcends business scale and affiliation

We will strive to increase the value added throughout the supply chain by reaching out, through our direct suppliers, to their suppliers (from “Tier N” to “Tier N + 1”). We also aim to build coexistent and co-prosperous partnerships with our suppliers through cooperation that goes beyond the existing business relationships and company size. We will provide advice and other support, including helping our suppliers introduce teleworking and formulate their Business Continuity Plan (BCP), from the perspective of business continuity in the event of a disaster or other emergency and of work-style reforms.

(Individual item)

- We will promote support for our partner companies regarding decarbonization technologies, know-how, and advice, and work to reduce CO₂ emissions throughout the entire supply chain associated with our orders.
- By promoting digital transformation, we will strive to improve the efficiency of the supply chain surrounding our company through the ITization of construction and maintenance-related processes and the streamlining of order processing in material procurement.

2. Compliance with the “Promotion Standards”

We will comply with desirable trade practices between parent enterprises and subcontractors (“Promotion Standards” under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises), and we will actively correct trade practices and commercial customs that may hinder the establishment of partnerships with our suppliers.

① Price deciding method

In determining transaction consideration, discussions are held at least once a year with subcontractors, and in order to include appropriate incomes for subcontractors and to enable subcontractors to improve their working conditions, we will make a decision after due discussion. In doing so, the decision shall be made after the appropriate action set forth in the Guidelines on Price Negotiations for Appropriate Passing on of Labor Costs. In addition, in the event of rising raw material and energy costs, we will aim to pass on all appropriate cost increases. In the event of a contract, including the determination of transaction consideration, the parental company shall clearly indicate and deliver the terms and conditions of the contract in writing.

② Payment terms

Subcontracting fees from our company will be paid in cash.

③ Intellectual property and know-how

Based on the Basic Principles and the contract model set forth in the Guidelines for Intellectual Property Transactions, we will not be required to enter into a one-sided confidentiality agreement, disclose know-how using my trading position, or transfer intellectual property rights free of charge.

④ Negative impacts from work style reform, etc.

We do not request subcontractors for short delivery times or sudden changes of specifications without appropriate compensation so that our clients are able to reform their work style, as well. In the event of a disaster, we will give as much consideration as possible to try to avoid putting unilateral disadvantages on subcontractors and continue the business relationship to the extent it is possible when the operation restarts.

April 1, 2024

Hiroshi Tanabe
President and Representative Director