

“Declaration of Partnership Building“

We declare that we will focus on the following items in order to build new partnerships with our supply chain partners and value-creating businesses by promoting cooperation, co-existence and co-prosperity.

1. Coexistence and co-prosperity throughout the supply chain and new collaboration beyond scale, affiliations, etc.

We will work to increase the added value of the entire supply chain by encouraging our direct business partners to work with their business partners (from "Tier N" to "Tier N+1"), and we will aim to build a mutually beneficial relationship with our business partners through cooperation that transcends existing business relationships and corporate scale. In doing so, from the perspective of business continuity in the event of disasters and work style reform, we will also support our business partners by introducing teleworking and providing advice on BCP (Business Continuity Plan) formulation.

We will further strengthen cooperation with our business partners to build a sustainable supply chain and create new businesses.

2. Compliance with "Promotion Standards"

We will comply with desirable business practices between parent companies and subcontractors (the "Promotion Standards" based on the Law for the Promotion of Small and Medium-Sized Subcontractors) and actively work to correct business practices and commercial practices that hinder the establishment of partnerships with business partners.

- ① Price determination method

We will not make unreasonable requests for cost reductions. In determining the transaction consideration, if a subcontractor requests consultation, we will respond to the request and hold sufficient discussions with the subcontractor to include appropriate benefits for the subcontractor, such as taking into account the impact of increased labor costs. We will clearly state and deliver the terms and conditions of the contract, including the determination of the transaction consideration, in writing, etc., to the parent company.

- ② Payment Terms for Bills, etc.

We will pay subcontract proceeds in cash whenever possible. If payment is made in the form of a bill, the subcontractor shall not be responsible for any discount charges, etc., and efforts shall be made to keep the payment site within 60 days.

③ Intellectual property and know-how

We do not seek disclosure of know-how or free transfer of intellectual property rights by taking advantage of our position in business dealings.

④ Wrinkles caused by reforms in work styles, etc.

We will not place orders to subcontractors with short delivery times or change specifications at short notice without bearing appropriate costs, so that our suppliers can also respond to changes in work styles. In the event of a disaster, etc., we will not impose a one-sided burden on subcontractors in business transactions, and we will give as much consideration as possible to the continuation of business relationships upon the resumption of business, etc.

3. Others (optional)

We will contribute to the realization of a sustainable society by establishing a CSR procurement policy and working together with our suppliers.

October 27, 2023

Osamu Nakano, President and Representative Director

ADMATECHS COMPANY LIMITED