

「 Partnership Building Declaration 」

Our company declares that we will focus on the following items in order to build new partnerships by promoting cooperation and coexistence with our supply chain partners and businesses that create value.

1. Mutual prosperity across the entire supply chain and new collaboration beyond scale and series

By engaging with business partners beyond our direct business partners (from “Tier N” to “Tier N+1”), we will work to increase added value across the entire supply chain. We will also aim to build mutual prosperity with our business partners through collaboration that transcends existing business relationships and company size. In doing so, we will also provide support such as advising business partners on the implementation of telework and the development of BCP (business continuity plans) from the perspective of business continuity in the event of disasters and workplace reform.

(Individual items)

C. We will secure the specialized personnel necessary to resolve our management issues through matching specialized personnel and strive to improve productivity.

2. Compliance with “promotion standards”

We will comply with desirable business practices between parent companies and subcontractors (based on the Subcontracting Small and Medium-sized Enterprise Promotion Act) and actively work to correct business practices and commercial practices that hinder the establishment of partnerships with business partners.

① Price Determination Methods

We will not make unreasonable requests for cost reductions. When determining transaction prices, we will conduct at least one annual consultation with subcontractors and make decisions through sufficient consultation to ensure that the prices include appropriate profits for subcontractors and enable improvements in their working conditions. In doing so, we will make decisions in accordance with the actions outlined in the “Guidelines for Price Negotiations to Ensure Appropriate Pass-Through of Labor Costs.” In cases of significant increases in raw material costs or energy costs, we will aim to fully pass on the appropriate cost

increases. Additionally, when entering into contracts, including the determination of transaction prices, we will clearly state and provide the contract terms in writing.

② Payment Terms for Promissory Notes, etc.

We will pay subcontractor fees in cash whenever possible. When paying by promissory note, we will not impose discount fees or other costs on subcontractors and will strive to set payment terms within 60 days.

③ Intellectual property and know-how

We will conduct transactions in accordance with the “basic principles” and “contract template” outlined in the “Guidelines for Intellectual Property Transactions,” and will not request the conclusion of unilateral non-disclosure agreements, the disclosure of know-how based on our position in the transaction, or the transfer of intellectual property rights without compensation.

④ Adverse effects of work style reforms, etc.

In order to enable our business partners to respond to work style reforms, we will not place unreasonable demands on subcontractors, such as short delivery times or sudden changes in specifications, that would result in excessive costs. In the event of a disaster, etc., we will not impose unilateral burdens on subcontractors in our transactions, and when resuming business, etc., we will make every effort to maintain our business relationships.

3. Other (optional)

We will conduct frequent meetings with business partners to share information and strive to build deeper relationships of trust.

April 18, 2024
Yuzawa AI Co., Ltd.
Chief Executive Officer : Yuzawa Tomoaki