

Declaration of Partnership Building

Toyo Tanso will focus on the following objectives with the aim to develop new partnerships through the promotion of cooperation and mutually beneficial relationships with supply chain partners and businesses dedicated to creating value.

1. Realize co-existence and co-prosperity throughout the supply chain, and start new collaborations regardless of company size or corporate group affiliation

In addition to working to add value throughout the supply chain by encouraging direct business partners to work with their counterparts beyond them (from “Tier N” to “Tier N+1”), Toyo Tanso aims to realize co-existence and co-prosperity with our business partners through collaborations that are not limited by the size of a company or the affiliations of its corporate group. From a business continuity perspective, such as in the event of a natural disaster, and from a work-style reform perspective, this will allow Toyo Tanso to promote the introduction of telecommuting and to better formulate business continuity plans (BCPs) for our business partners.

(Individual goals)

- Toyo Tanso aims to work together with business partners to promote social responsibility initiatives in an effort to achieve a sustainable society.
- By valuing cooperation among companies and with business partners, Toyo Tanso will remain dedicated to promoting sustainability and creating value through open innovation.

2. Comply with the business promotion criteria

Toyo Tanso will observe the preferred trade practices between a parent business operator and its subcontractors (included in the business promotion criteria of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises) and will actively strive to correct any business or commercial practices that may hinder the development of partnerships with business partners.

(1) Price determination methods

Toyo Tanso will not make unreasonable requests to reduce costs. If a subcontractor requests consultation when determining the value of transactions, Toyo Tanso will be open to all consultations and will ensure appropriate benefits for the subcontractor, such as consideration for the impact of increased labor costs. When concluding a contract that includes determining the value of transactions, the parent business operator will clearly indicate and deliver the terms and conditions of the contract in writing or through other means.

(2) Burden of costs for mold management, etc.

Toyo Tanso promotes the disposal of molds that are no longer needed according to the contracts with subcontractors, and will not request that such molds be stored free of charge without the consent of the subcontractor.

(3) Terms of payment of notes, etc.

Payments to subcontractors will be paid in cash whenever possible. Should payment be made with a note instead, the subcontractor will not be subject to discount charges, etc., and payment will be concluded within 60 days.

(4) Intellectual property/knowledge

Toyo Tanso has no intention of taking advantage of its position in business transactions to ask for the disclosure of any specialized knowledge or the transfer of intellectual property rights.

(5) Consideration of the impact of work-style reforms, etc.

To facilitate the ability to respond to changes in work style, Toyo Tanso will not request subcontractors to fulfill orders with shortened delivery times or change specifications on short notice without appropriate consideration for the associated costs. In the event of a disaster or similar situation, Toyo Tanso vows not to impose one-sided transactional burdens on subcontractors, and when business resumes or the situation is neutralized, Toyo Tanso will give as much consideration as possible to continuing business relationships with the relevant party.

3. Other (Non-mandatory commitments)

- Toyo Tanso is committed to fair business practices with suppliers as outlined in its published Toyo Tanso Group Sustainable Procurement Guidelines.

February 9, 2023

Toyo Tanso Co., Ltd.
Company Name

Naotaka Kondo, Representative Director, Chairman & President, CEO
Name and Title (of Company Representative)