

Declaration of Partnership Building

Kobe Bussan Co., Ltd. hereby declares that we will be committed to the following initiatives in order to build new partnerships through collaboration, coexistence, and co-prosperity with business partners in our supply chain and companies that pursue value creation.

1. Coexistence and co-prosperity throughout the supply chain and new collaboration beyond business scale and affiliation

While striving 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 aim to build coexistent and co-prosperous partnerships with our suppliers through cooperation that goes beyond the existing business relationships and company size. At the same time, we will provide our suppliers with advice and other support for introducing teleworking and formulating the Business Continuity Plan (BCP), from the perspective of work-style reforms and of business continuity in the event of a disaster or other emergency.

(Individual items)

- a. Cooperation between companies: Through support for mergers and acquisitions and other business succession, we aim to build a sustainable supply chain in cooperation with our partner companies.
- b. Support for the introduction of IT systems: We promote the efficient business operations across the supply chain by building an automatic ordering system and common EDI, such as payment applications, and support for the introduction of cybersecurity systems.
- c. Matching specialists to the right roles: We aim to grow and increase productivity with partner companies, sharing a manual to develop specialists and supporting their training and development.
- d. Environmentally friendly approach: We encourage partner companies to use fluorocarbon-free and energy-saving equipment to achieve net-zero emissions in the supply chain with partner companies.
- e. Employees’ health-conscious corporate management: We have established the sustainability basic policy, the human rights policy, and the supply chain code of conduct, and through conducting human rights due diligence, we aim to create a safe and secure working environment where employees of partner companies can also work with peace of mind.

2. Compliance with the Promotion Standards

We comply with desirable trade practices between parent enterprises and subcontractors (*Promotion Standards for Subcontractors* based on the *Act on the Promotion of Subcontracting Small and Medium-sized Enterprises*) and proactively correct trade practices and business practices that disturb building partnerships with business partners.

(1) Pricing method

We will not demand unreasonable price reductions. When determining transaction prices, we will deliberate with subcontractors at least once a year and also have sufficient discussions before the decision to enable subcontractors to hold reasonable profits and improve their working conditions, while taking appropriate actions stated in the *Guidelines for Price Negotiation for Appropriate Labor Costs Pass-through*. If costs of raw materials or energy are increased, we will aim to pass on the full amount of appropriate cost increases. When entering a contract, including determination of transaction prices, we will indicate and deliver the contract terms to our subcontractors in writing.

(2) Imposition of mold management and other costs

While we conduct mold transactions based on the *Basic Concepts and Basic Principles of Mold Transactions* stated in the *Report by the Council for the Promotion of Proper Mold Transactions* and the *Memorandum of Mold Handling*, we will promote the disposal of unnecessary molds and will not request subcontractors to store molds without compensation.

(3) Payment terms

We will pay subcontracting fees in cash whenever possible. Should we pay those fees by draft, we will never make subcontractors bear discounts on notes or other fees, endeavoring to pay invoices within 60 days.

(4) Intellectual properties and know-how

We will make a deal based on basic principles and contract templates set out in the *Guidelines for Intellectual Property Transactions*. We will not urge subcontractors to enter into any unilateral non-disclosure agreements, or to disclose their know-how and transfer their intellectual property rights without compensation by taking advantage of our trading position.

(5) Consideration for work-style reforms at subcontractors

We will not require subcontractors, without paying proper costs, to complete subcontracted work in unreasonably short time periods, nor request sudden changes to specifications of subcontracted work, so that subcontractors can also pursue work-style reforms. In the event of a disaster or other emergency, we

will not impose a one-sided transactional burden on subcontractors, and upon the resumption of business operations, we will consider continuing the business relationships as much as possible.

August 22, 2025
Hirokazu Numata
President and Representative Director
Kobe Bussan Co., Ltd.

[Note]

- This Declaration will be posted on the web portal managed by the National Association of Small and Medium Enterprise Promotion Organizations (a Public Interest Incorporated Foundation).
- The Declaration may be removed from the web portal if it is deemed not to be fulfilled, such as when the competent minister provides guidance or advice based on the Promotion Standards.