

## Declaration of Commitment to Building Partnerships

Our company is committed to focusing on the following initiatives to build new partnerships by fostering collaboration and achieving mutual prosperity with our supply chain partners and other businesses striving for value creation.

### 1. Mutual Prosperity and New Collaborations Beyond Scale and Affiliation Across the Entire Supply Chain

We aim to enhance the added value across the entire supply chain by collaborating with our direct partners to extend support to their subsequent partners ("Tier N" to "Tier N+1"). We also aim to build mutual prosperity with partners through collaborations beyond existing business relationships and company sizes. In doing so, we will support our partners in introducing telework and formulating BCPs (Business Continuity Plans) from the perspectives of business continuity during disasters and work style reforms.

(Individual Items)

- a. Inter-company collaboration (including support for business succession through initiatives such as open innovation and M&A)
- b. Green initiatives (collaborative development of decarbonization technologies, guidance and support for energy efficiency diagnostics, decarbonization of production processes, and promotion of green procurement)
- c. Health management initiatives (providing know-how on health management, jointly implementing health promotion measures, etc.)

### 2. Compliance with "Promotion Standards"

We will adhere to the recommended business practices between parent companies and subcontractors (the "Promotion Standards" outlined in the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises) and actively seek to rectify business or commercial practices that impede partnership building.

#### ① Price Determination Method

We will refrain from making unreasonable demands for cost reductions. When determining transaction prices, we will hold discussions with subcontractors at least once a year and ensure that the prices include appropriate profits for subcontractors, allowing for the improvement of labor conditions at subcontractors. We will make decisions based on the actions listed in the

"Guidelines for Price Negotiations for Appropriate Labor Cost Pass-through." Additionally, in the event of significant increases in raw material costs or energy costs, we will aim to pass on the full amount of the appropriate cost increases. Furthermore, we will clearly state and provide contract terms in writing, including the determination of transaction prices.

② Payment Terms for Bills, etc.

We will pay subcontracting fees in cash as much as possible. If payment is made by bills, we will not impose discount fees on subcontractors and will set the payment period within 60 days.

③ Intellectual Property and Know-how

We will conduct transactions based on the "Basic Concepts" and "Contract Templates" listed in the "Guidelines for Intellectual Property Transactions" and will not demand unilateral confidentiality agreements, disclosure of know-how, or free transfer of intellectual property rights by taking advantage of our business position.

④ Burden Due to Work Style Reforms, etc.

To ensure that our partners can also respond to work style reforms, we will not place short-term orders or make sudden specification changes that impose undue cost burdens on subcontractors. During disasters, we will not impose unilateral burdens on subcontractors, and during business resumption, we will consider continuing business relationships as much as possible.

Established on September 2, 2024

Revised on November 1, 2024

Sun Frontier Fudousan Co., Ltd. President and CEO Seiichi Saito

(Notes)

- This declaration will be posted on the portal site operated by the National Association of Small and Medium Enterprise Promotion Organizations.
- If it is recognized that this declaration is not being fulfilled, such as when guidance or advice is provided by the competent minister based on the "Promotion Standards," the posting of this declaration may be discontinued.