

Declaration of Partnership Building

UNIVANCE CORPORATION declares that we focus on the following items in order to build new partnerships by promoting cooperation, coexistence and co-prosperity with business partners in the supply chain and businesses that attempt to create value.

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

We work to improve added-value to the supply chain as a whole by encouraging tier 2 and further suppliers through our direct suppliers ("Tier N" to "Tier N+1"), and aim to build coexistence and co-prosperity with our suppliers through cooperation that is beyond existing business relationships and corporate scale. In doing so, we also promote support such as advice on the introduction of telecommuting and Business Continuity Plan (BCP) formulation for our suppliers from the perspective of business continuity and work style reform in the event of a disaster or the like.

(Individual items)

- a. We work to create new businesses through open innovation.
- b. We regularly share information and carry out activities with our suppliers to improve competitiveness (in resolving issues such as quality and delivery time).
- c. We strive for green procurement of products, parts, raw materials, subsidiary materials and such from suppliers with environmental consciousness.

2. Compliance with the Promotion Standards

We comply with desirable business practices between the parental enterprise and subcontractors (Promotion Standards based on Act on the Promotion of Subcontracting Small and Medium-sized Enterprises) and actively work to correct business practices that hinder the establishment of partnerships with suppliers.

1) Method of determining prices

We do not make unreasonable requests for cost reduction. In determining the transaction prices, we provide consultations if requested by subcontractors, and if requested to revise transaction prices due to rising labor costs, we fully discuss them. When concluding a contract, including the determination of transaction prices, the parental enterprise clearly indicate and deliver the terms and conditions of the contract in writing and such.

2) Cost burden of die management, etc.

We conduct die transactions with reference to the contract template, promote the disposal of unnecessary dies, and do not request subcontractors to store dies without charge after the completion of mass production.

3) Terms of payment for bills, etc.

We pay subcontracting charge in cash whenever possible. In the case of payment by bills, we do not make subcontractors bear the discount fee and the like, and endeavor to make usance within 60 days in the future.

4) Intellectual property and know-how

We conduct transactions based on intellectual property transaction guidelines and contract templates, and do not request the conclusion of unilateral non-disclosure agreements, disclosure of know-how by taking advantage of our transactional position, and free transfer of intellectual property rights.

5) Negative effects caused by work style reform, etc.

In order to enable our suppliers to respond to work style reform, we make efforts not to place orders with short delivery times or sudden changes in specifications without incurring appropriate costs to subcontractors. We work to cover added costs when such short delivery times, additional orders, or sudden specification changes are unavoidable.

In the event of a disaster or the like, we do not impose the one-sided burden on subcontractors in terms of business transactions, and give consideration to continuation of business relationships as much as possible when business resumes.

December 16, 2022

Iwao Suzuki

Representative Director, Chairperson and President