

Declaration on Partnership Building

UBE hereby declares that it will focus on the following matters in order to build new partnerships by promoting collaboration with suppliers in the supply chain and business operators who are creating value, and by promoting “coexistence and mutual prosperity,” the principle under which UBE was founded.

1. Coexistence and mutual prosperity throughout the supply chain, and new collaborations across all corporate sizes and affiliations

We will strive to increase added value across the supply chain by reaching out, through our direct suppliers, to their suppliers (from Tier N to Tier N+1), and we will aim to build coexistence and mutual prosperity with suppliers through collaboration that goes beyond existing business relationships and spans across all corporate sizes.

Individual item

Together with our suppliers in the supply chain, we will aim to build a sustainable society that gives consideration to social responsibilities such as human rights, labor standards, and the environment.

2. Compliance with the “Promotion Standards”

We will comply with desirable trade practices between parent enterprises and subcontractors (“Promotion Standards” under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises), and will actively work to correct trade practices and commercial customs that may hinder the building of partnerships with suppliers.

(1) Pricing method

We will not demand unreasonable price reductions. When determining transaction prices, we agree to engage in discussions upon a request for discussions from a subcontractor, and will give the matter of prices full consideration, including taking into account the impact of increased labor costs, so that the resulting prices include proper profits for the subcontractor. When entering into a contract including determination of transaction prices, we, when UBE is acting as a parent enterprise, will indicate and deliver to the subcontractor the relevant contract terms in writing.

(2) Cost burdens such as mold management

We conduct mold transactions based on contracts with subcontractors, promote the disposal of unneeded molds, and will not request subcontractors to store the molds without compensation.

(3) Terms of payment by bill, etc.

We will pay subcontracting fees in cash as much as practicable. Should we pay those fees by promissory notes, we will never have subcontractors pay discounts or other fees. We will also endeavor to pay invoices within 60 days.

(4) Intellectual property and knowhow

We will not urge subcontractors to enter into any one-sided non-disclosure agreement or take advantage of our trading position to demand that they disclose their knowhow or transfer their intellectual property rights without compensation.

(5) Consideration for work-style reforms, etc.

We will not require subcontractors, without proper compensation of the increased costs, to complete subcontract work within an unreasonably short term, nor will we direct sudden changes to the specifications of subcontract work, so that subcontractors can also pursue work-style reforms. In the event of a disaster or other emergency, we will not impose one-sided trading burdens on subcontractors and will give priority to continuing business relationships with subcontractors as much as possible upon the resumption of business operations.

3. Other

- In order to enhance UBE's social credibility throughout the supply chain, including suppliers, we have published the UBE Group Sustainable Procurement Guidelines to promote sustainable procurement.
- We have made a voluntary action declaration in support of the Sustainable Logistics Movement and are working with logistics operators to make mutual improvements.
- In order to end the use of promissory notes, we will work to shift to cash payments and electronic record receivables, including transactions between large corporations.

April 1, 2022

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