

Declaration of Partnership Building

We hereby declare that we will take the following actions to promote cooperation, coexistence, and coprosperity with our partners in the supply chain and others seeking value creation in order to build a new partnership.

1. Seek coexistence and coprosperity across the entire supply chain and build a new type of collaboration without regard to business scale, affiliation, etc.

We will ask our business partners to engage with their business partners (from "Tier N" to "Tier N+1") to increase value in the entire supply chain and aim to achieve a mutually prosperous relationship by collaborating with each partner without regard to existing relationships and business scale. In this process, we provide them with advice and support to assist in formulating business continuity plans (BCP) to prepare for disasters and other emergency situations and in adopting telework to help them improve their workstyles.

(Initiatives)

We work with our business partners in digitizing business processes, for example, by introducing electronic data interchange (EDI) and other paperless methods to achieve increased efficiency in the entire supply chain.

2. Ensure compliance with "Promotion Standards"

We will follow the "Promotion Standards" as stipulated by the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises, which provide the desirable trade practices between a large corporation and its subcontractors, and actively endeavor to change trade practices hindering new partnership building.

(1) Pricing methods

We will not demand unreasonable price cuts. We will discuss purchase prices with our subcontractors at least once a year and we will hold a consultation with the subcontractor to set prices by giving them proper margins and after taking appropriate actions in accordance with the Guidelines Concerning Price Negotiation for Appropriate Shifting of Labor Costs. In addition, in the event of a rise in raw material or energy costs, we aim to pass on the entire increase in appropriate costs. When executing a contract that sets prices, we will expressly describe terms and conditions in writing and deliver them to the subcontractor.

(2) Payment terms

We are making payments to subcontractors in cash within 60 days of the billing date in accordance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors and will continue to comply with relevant laws and regulations.

(3) Intellectual property and know-how

We conduct transactions based on the "basic principles" and "contract templates" set out in the "Guidelines for Intellectual Property Transactions." Unless there is reasonable cause, we will not demand the conclusion of unilateral non-disclosure agreements nor take advantage of our superior position to force the disclosure of know-how, or the transfer of intellectual property rights without compensation.

(4) Burdens of workstyle reforms

To ensure that our business partners can adopt improved workstyles, we will not place orders demanding expedited delivery times or request specification changes at short notice to subcontractors without properly bearing costs. In the event of an emergency or disaster, we will not unilaterally force subcontractors to shoulder all burdens of transaction and will try to maintain the trade relationship as much as possible upon resumption of operation.

3. Other

We will keep our CSR Procurement Policy and the Lasertec Code of Conduct posted on our website and conduct business in a fair, just, and honest manner.

August 16, 2024

Tetsuya Sendoda
Representative Director
President & Chief Executive Officer
Lasertec Corporation