

## Declaration of Partnership Building

We hereby declare that we will focus on the following matters in order to build new partnerships by promoting cooperation, coexistence, and co-prosperity with our suppliers in the supply chain and businesses seeking to create value.

### **1. Coexistence and co-prosperity of the entire supply chain and new cooperation that transcends business scale and affiliation**

We will strive 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 also aim to build coexistent and co-prosperous partnerships with our suppliers through cooperation that goes beyond the existing business relationships and company size. We will provide advice and other support, including helping our suppliers introduce teleworking and formulate their Business Continuity Plan (BCP), from the perspective of business continuity in the event of a disaster or other emergency and of work-style reforms.

(Individual item)

- We share information on ESG issues such as safety, environment, compliance, ICT, and BCP, and work together to enhance the level of our suppliers and promote business continuity. In particular, we will focus on the following initiatives to support the improvement of our suppliers' sustainability:
  - Sharing and collaborating on the "Green Procurement Guidelines" to reduce environmental impact.
  - Supporting compliance with environmental regulations and other legal requirements.
  - Supporting corporate activities that respect human rights.
- Actively disclosing information on industry trends and our production plans to assist our suppliers in their management and production planning.
- Supporting activities to improve safety, quality, delivery times, and cost to maintain and enhance competitiveness.

### **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 we will promote to

correct trade practices and commercial customs that may hinder the establishment of partnerships with our suppliers.

① Pricing method

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

② Mold management and other cost burden

We will fulfill our obligation to supply spare parts to customers, while promoting the disposal of unnecessary molds and will not request subcontractors to store mold without compensation.

③ Terms of payment by draft, etc.

We will pay subcontracting fees in cash as much as is practical. Should we pay those fees by draft, 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 at subcontractors

To enable our business partners to respond to work-style reforms, we will set reduction targets for short-term orders and sudden specification changes for subcontractors and strive to improve them. In cases where we inevitably have to place short-term orders or make sudden specification changes, we will bear the appropriate costs. In the event of a disaster or other emergency, we will not impose a one-sided burden on subcontractors in terms of transactions, and upon the resumption of business operations, we will give consideration to the continuation of business relationships as much as possible.

### **3.Other (optional description)**

- At Gigaphoton, all employees of the Komatsu Group, including management, have compiled the values that should be perpetually inherited at the site and workplace as the "Komatsu Way," and we are working to pass on and

establish these values. The "Komatsu Way" positions each of our business partners as equal partners and defines the construction of a win-win relationship through mutual improvement as the highest priority issue. We are working on its implementation in our daily operations.

May 1<sup>st</sup>, 2025

Tatsuo Enami, President & CEO, Gigaphoton Inc.