

## **“Declaration of Partnership Building”**

We, Taisei Corporation, hereby declare that we will focus on observing the following matters by promoting further collaboration and prosperous coexistence when establishing new partnerships with our supply chain (sub-contractors and vendors) and value-creating business partners.

1. Prosperous coexistence for the entire supply chain and new collaboration regardless of the company scales and the existing business relationships

We will work to build relationships with new sub-contractors and partners through our currently contracted sub-contractors and partners (from “Tier N” to “Tier N+1”) to establish our prosperous coexistence and increase the added value of the entire supply chain by further collaboration regardless of the existing business relationships and the company scale. Then, we will also provide the sub-contractors, vendors and partners with advice and other assistance for introducing teleworking and establishing Business Continuity Plans (BCP) from the viewpoint of the business continuity in the event of a disaster or other business disruption, and the viewpoint of the work-style reforms.

In addition, we will strive to support the education and personnel training of the sub-contractors and vendors as well as to conduct proper business transactions based on the “Voluntary Action Plan for Accomplishing Proper Subcontractor Transactions and Ensuring Proper Ordering Activities” established by Japan Federation of Construction Contractors.

2. Observance of “Promotion Standards”

We will observe desirable trade practices between main contractors and sub-contractors (“**Promotion Standards**” as defined in the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises) and work actively to correct trade practices and commercial practices that might hinder the establishment of new partnerships with our sub-contractors and partners.

- (1) Pricing methods and execution of proper contracts

We will not demand unreasonable cost reductions and will make effort to build equal relationships between main contractors and subcontractors, and to accomplish fair and transparent business transactions by thoroughly observing the proper procedures based on the “Guidelines for Observing Construction Industry Laws” formulated by the Ministry of Land, Infrastructure, Transport and Tourism.

We will also ensure the execution of written sub-contracts (including electronic contracts) before commencement of the sub-contract work in accordance with the Construction Business Act and other relevant laws and regulations from the viewpoint of clarification of the sub-contract conditions, prevention of dispute, and improvement of the unilateral nature of sub-contracts duly considering our position as the main contractor. During this process executing the sub-contracts, we, as the main contractor will negotiate with sub-contractors on an equal footing and try to

conclude sub-contracts based on mutually acceptable conditions with reference to “the Guidelines Concerning Price Negotiation for Appropriate Shifting of Labor Costs” jointly issued by the Cabinet Secretariat of Japan and the Japan Fair Trade Commission, etc.

(2) Payment terms of sub-contract remuneration

We will try to increase the ratio of our cash payment for sub-contract remuneration when the payment should be made by both cash and promissory note, and to make cash payment for the remuneration especially corresponding to the labor costs. When amendment is made to the directive or other guidance by the government regarding the payment to sub-contractors by promissory note, the payment terms and other conditions will be revised accordingly.

(3) Intellectual property including know-how

We will not request our sub-contractors, vendors and partners to conclude a one-sided confidentiality agreement, to disclose their know-how, or to transfer their intellectual property rights with no compensation by using a dominant bargaining position in the business transactions.

(4) Sub-contractors’ work-style reforms

We will not require our sub-contractors to complete the sub-contract work within an unreasonably short term or direct the sudden change to the specifications of the sub-contract work without proper compensation of the increased costs so that the sub-contractors can duly promote the work-style reforms. In the event of a disaster or other business disruption, we will not impose unilateral trading burdens on the sub-contractors and will give priority to continuing the business relationships with the sub-contractors as much as possible when the business operations are resumed after the disaster or the disruption.

May 31, 2024

Yoshiro AIKAWA  
President and Chief Executive Officer  
Taisei Corporation