

Partnership Building Declaration

Benesse hereby declares that in order to create new values and build stronger partnerships based on the principle of mutual prosperity with all of those in our supply chain and all the enterprises working with us to enhance the value of our products, we will prioritize the following undertakings.

1. New Ties Throughout the Supply Chain Based on the Principle of Mutual Coexistence and Prosperity

We will strive to build relationships with the companies that we deal with based on the principle of mutual coexistence and prosperity. We will also work to raise added value throughout our entire supply chain by exercising our influence over the companies that we have direct dealings with and through them, over the companies they deal with. To this end, we will offer advice and other support to help them all devise strategies such as implementing telework systems and business continuation plans so they can continue operations when dealing with natural disasters or other problems while improving working conditions at their company.

Addendum

- In order to boost productivity, we will promote Electronic Data Interchange along the entire supply chain by digitalizing business forms and working under the assumption that work is being done remotely.

2. Compliance with Development Standards

We will follow good trade practices between subcontracting enterprises and subcontractors (as laid out in the Subcontracting Development Act) and actively work to rectify trade and business practices that stand in the way of equal partnerships with the companies that we deal with. In addition, we will also give due consideration to the following points in order to conduct fair and appropriate dealings with companies other than our subcontractors.

① Setting Prices

Benesse will not make unreasonable demands on our subcontractors to lower their prices. In deciding on compensation for deals, we will ensure that proper procedures are followed, build equal relationships with our trading partners, and carry out fair and transparent deals. When we receive requests from our subcontractors to raise their prices to allow them to increase their labor payments, we will consult sufficiently with them about their request.

In entering into contracts, including on prices, Benesse, as the parent company will set out the terms of the contract clearly in a written document that will be shared with the subcontractor.

② Shouldering the Costs of Mold Management

The handling of molds will be done based on the terms set out in the memorandums on the handling of molds; we will encourage the disposal of unneeded molds and will not ask our subcontractors to store molds without compensation.

③ Conditions of Payment with Promissory Notes

We will continue our policy of in principle paying our subcontractors in cash. Moreover, we will maintain our current usance policy of paying our bills within 60 days, and strive to maintain dealings that lead to mutual trust.

④ Respecting Intellectual Property and Knowhow

We will not insist on unrealistic contract terms to unilaterally try to maintain our company secrets, nor will we use the power of our position to demand the disclosure of the knowhow of other companies or ask them to transfer intellectual property rights without compensation.

⑤ Shifting the Costs of Labor Reforms

We will strive to work with the companies we deal with to help them increase productivity so that they can improve their labor conditions. In our dealings with our subcontractors, we will not place orders with short delivery times or suddenly change specifications without shouldering an appropriate share of the costs involved. During disasters or other difficult times, we will take care not to unilaterally place burdens on our subcontractors in our dealings with them, and when work resumes, we will take care to continue our dealings with them as far as is possible.

3. Other Issues

- In order to co-create, co-operate and coordinate operations with the companies we deal with, we will actively strive to encourage communication that involves mutual recognition of diversity, maintenance of respect for each other, and mutual growth.
- We join in offering our declaration of an independent action plan as part of the “White Logistics” movement and will faithfully carry out the above measures.

November 20, 2020

Benesse Corporation

Representative Director and President, COO Hitoshi Kobayashi