

Declaration of Partnership Building

We hereby declare that in order to build partnerships through cooperation, coexistence and coprosperity with our supply chain partners and value-creating businesses, we focus on the following matter listed below.

1. Coexistence and co-prosperity throughout our supply chain and new collaborations that transcend business size, affiliation, etc.

We work to increase value-added creation throughout our supply chain by encouraging our direct business partners to collaborate with their own business partners (from “Tier N” to “Tier N+1”). We also work to build mutually prosperous partnerships through collaboration that goes beyond existing business relationships, company size, etc. In doing so, we provide partners with advice and other support, including helping them to introduce teleworking and other workstyle reforms and to formulate business continuity plans for responding to disasters and other emergencies.

Details

- Collaboration between companies

We support the implementation of appropriate business practices by sharing guidelines for fair and equitable transactions with our suppliers.

- IT implementation support

We help business partners improve their operational efficiency by introducing e-commerce services that can be mutually implemented.

- Green initiatives

We contribute to a more sustainable society by promoting "harmonious coexistence of cities and nature," "decarbonized cities," and "resource recycling" with suppliers through urban development which is idealized as Vertical Garden City, and its operation.

- Health management initiatives

We support health and productivity management and share our insights with suppliers and other stakeholders.

2. Compliance with Promotion Standards

We comply with best trade practices between large procuring enterprises and subcontractors (“Promotion Standards” based on Japan's Act on the Promotion of Subcontracting Small and Mediumsized Enterprises), including by correcting trade practices or commercial customs that hinder our partnerships.

1) Pricing

We do not demand unreasonably low prices. When determining transaction prices, we respond to

subcontractor requests to discuss matters such as increased labor costs to ensure that prices include appropriate margins for subcontractors. When contracting including determining transaction prices, we address and specify relevant terms and conditions in writing when serving as the parent enterprise.

2) Payment terms

We pay subcontracting fees in cash.

3) Intellectual property and knowhow

We do not take unfair advantage of our commercial position to seek disclosure of our partner's knowhow or demand transfer of their intellectual property rights without compensation.

4) Consideration for workstyle reforms

We do not submit orders with short delivery times or change specifications on short notice without compensating for appropriate costs to enable subcontractors to adjust their work processes. In the event of a disaster or other emergency, we do not impose unilateral transactional burdens on subcontractors, and upon the resumption of business we strive to continue existing business relationships as much as possible.

3. Others (optional)

The Mori Building Group Sustainable Procurement Guideline provides for fair and equitable transactions and our contribution to the realization of a sustainable society. The group will promote awareness and application of the Guidelines among its suppliers in an effort to implement sustainable procurement throughout the supply chain.

June 6, 2023

Hiroo Mori

President and CEO

Mori Hospitality Corporation