



# SUSTAINABILITY REPORT 2024



**NRS** CORPORATION

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## Company Profile

**Company Name**  
 : NRS CORPORATION  
**Representative**  
 : Hiroto Tanaka, President and COO  
**Head Office**  
 : Kowa-Hitotsubashi Building 8F, 7-1  
 Kanda-Nishikicho, 3-chome, Chiyoda-  
 ku, Tokyo 101-0054 Japan  
**Founded**  
 : December 1946  
**Primary Business**  
 : Warehousing, custom clearance,  
 international transportation, truck  
 transportation, consigned truck  
 transportation, rail transportation,  
 marine transportation, air  
 transportation, equipment lease,  
 rental and sale, 3PL (third-party  
 logistics service), and logistics IT  
 system development  
**Capital**  
 : 2 billion yen  
**URL** : <https://www.nrsgr.com>

## Editorial Policy

We compiled this report with the aim of communicating our sustainability initiatives to our stakeholders in an easy-to-understand manner. It consists of information about the NRS GROUP, the Group's sustainability initiatives, and its environmental, social, and governance efforts to date, as well as ESG data.

## Period Covered in This Report

- FY 2024 (from October 1, 2023, to September 30, 2024): However, this report also contains some relevant information from outside of this period.

## Organizations Covered in This Report

NRS CORPORATION and its Group companies

## Date of Publication

December 2024

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# Message from the President and COO/Philosophy

**Hiroto Tanaka,**

President and COO  
NRS CORPORATION



We are dedicated to managing NRS sustainably in accordance with the activity goals and code of conduct established by the company based on the NRS corporate philosophy: "Like a shining diamond, to share happiness with everyone."

This philosophy embodies the commitment to fostering personal growth alongside the development of NRS as a company while acknowledging the importance of addressing environmental issues and maintaining sound corporate governance.

Establishing and maintaining a corporate system that fosters a positive cycle where all NRS employees find joy in their work and receive favorable feedback from customers are important. Delivering safe, reliable, high-quality logistics services is the key to earning the trust of all stakeholders.

## Philosophy **Like a shining diamond, to share happiness with everyone**

Logistics is essential to connect suppliers and consumers and plays fundamental roles in industry. Chemical products are used extensively for a healthy human life—automobiles, home electric appliances, IT, healthcare, foods, and energy. On the other hand, the material of chemical goods bears the risks of being flammable, explosive, or toxic. We take on safety and compliance as the most important for chemical logistics. As a chemical logistics company that provides comprehensive services, our mission is to provide high-quality, high-efficiency logistics services based on safety and legal compliance. NRS employees are always ready to learn and to act in accordance with the customer needs and are committed to building a company of high quality and scale that can accurately and promptly meet the demands of its customers. By doing so, we aim to contribute to our customers, business partners, and society and to be widely trusted by the public.

By working with pride in a company where people can feel happiness both materially and mentally, we believe that will lead to our founding principles set out in the company philosophy of "Like a shining diamond, to share happiness with everyone."



# Vision of the NRS GROUP

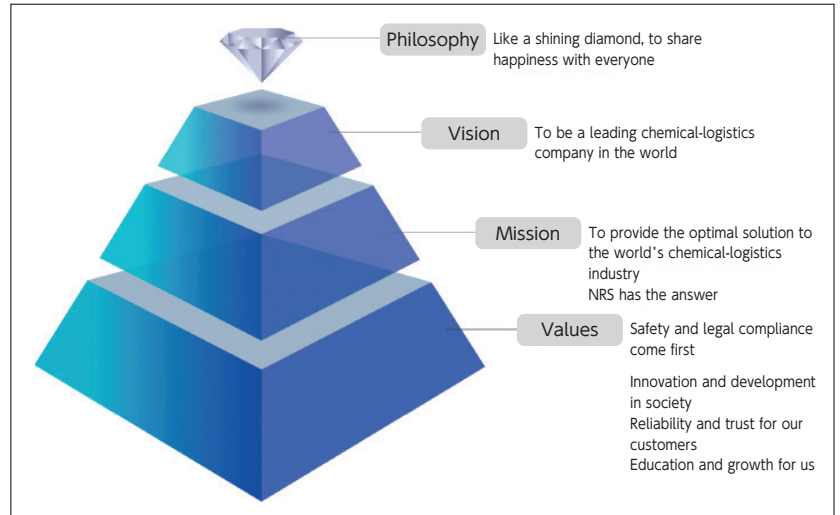
## Clarification of NRS GROUP Philosophy System

We align our corporate activities with our philosophy. To further clarify the connection among our vision, mission, and values, we have organized them into a systematic chart.

The Vision represents our management objectives and future vision and is grounded in our corporate philosophy. The Mission outlines what we should do, what we aim to accomplish, and the value we strive to provide to society. The Values articulate the action policies and guidelines for realizing these objectives.

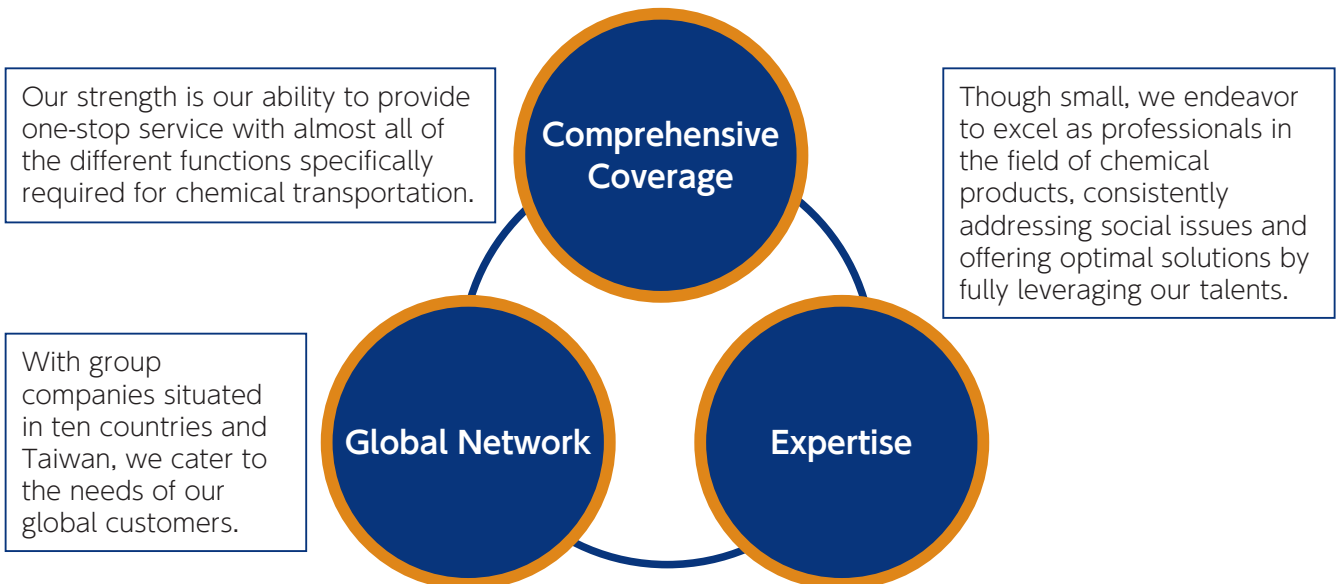
By clarifying these aspects, we will achieve sustainability through more efficient organizational management and the cultivation of our brand image.

### The NRS GROUP Philosophy System



## Strengths of the NRS GROUP

The spread of the COVID-19 pandemic and the situation in Ukraine have prompted us to reassess the importance of our supply chain. Grounded in safety and legal compliance, the NRS GROUP is committed to enhancing our core strengths: comprehensive coverage, a global network, and expertise as professionals in chemical products. We will persist in delivering services of elevated value.



# History

1940-	<p><b>1946 Nippon Riku-un Sangyo Co., Ltd., founded for the purpose of selling transportation of petrochemicals using restored tank cars that had been damaged in the war</b></p> <ul style="list-style-type: none"> <li>Nichiriku Transportation Co., Ltd., and Nichiriku Warehouse Co., Ltd., established</li> <li>We constructed a large warehouse for hazardous materials in the petrochemical complex of the Keiyo Industrial Zone. This contributed to the development of the chemical industry through our tanker truck transportation business and the operation of the tank terminal in the Kansai area</li> </ul>
1980-	<p><b>Paved the way for safe, high-efficiency ISO tank container operations in Japan</b></p> <ul style="list-style-type: none"> <li>Takaishi Chemical Co., Ltd., established. Custom clearance business begins.</li> <li>Tank container business begins, established the International Tank Container Division.</li> <li>We focused on ISO tank containers for international transportation, which were not allowed for use within Japan at that time. We developed vehicles with a maximum load capacity of 24 tons jointly with an automotive manufacturer. We strongly promoted the then government for the relaxation of fire safety regulations and obtained a domestic transit permit for a 24-ton ISO tank container for import/export cargo only. Additional promotions resulted in the relaxation of the above permit to increase the maximum load capacity to 30.48 tons in 1999 and elimination of the limitation on the use of the cargo for import/export purposes in 2004, contributing to the making of efficient and resource-saving logistics.</li> <li>As the import and export to and from Japan increased, many trailer rollover accidents occurred throughout Japan. We approached a car manufacturer for joint development. We jointly developed a specialized chassis for international tank containers with a rollover-prevention system, which was provided in all of our offices in the following year.</li> <li>Established, later rebranded as NRS LOGISTICS AMERICA INC., in NY.</li> <li>Interflow (Tank Container System) Ltd. (UK) acquired and Non-Vessel Operating Common Carrier (NVOCC) business begins [Current NRS OCEAN LOGISTICS LTD.]</li> <li>Rental and sales of IBC (Intermediate Bulk Container) begins</li> <li>Established, later rebranded as NRS LOGISTICS SINGAPORE PTE.LTD., in Singapore.</li> </ul>
2000-	<p><b>Established a full-scale hazardous materials warehouse at the request of the Ministry of Transport of the People's Republic of China</b></p> <ul style="list-style-type: none"> <li>Shanghai joint venture, Shanghai Nichiriku Wailianfa Logistics Co., Ltd., established</li> <li>Transportation of inorganic cyanide compounds, hydrogen fluoride, or preparations containing them used to be restricted to 10 kl or less. However, after years of sincere communication with the relevant authorities through the Japanese Dangerous Goods Container Association, for which we serve as the secretariat, the capacity regulation in the IMO Standard was eliminated for the transportation of such chemicals in ISO tank containers. We then became the first company to transport hydrogen fluoride in Japan.</li> </ul>



Transportation business



Warehouse business



Tank terminal business



Container business



Freight forwarding business



Online roll call system



2000-	<ul style="list-style-type: none"> <li>■ Dangerous and Bonded warehouse opened in Shanghai, China Back then, hazardous materials warehouses in China were small buildings with only a fire extinguisher. Since we accompanied a visit by the Chinese Ministry of Transport to Japan to inspect the logistics of hazardous materials, we received a request to operate a hazardous materials warehouse in Shanghai. We thus constructed a bonded hazardous materials warehouse in the Port of Shanghai.</li> <li>■ Air cargo business begins</li> </ul> <p><b>2008 Japanese company name changed to K.K. Nichiriku (NRS Corporation in English)</b></p> <ul style="list-style-type: none"> <li>■ We obtained manufacturing license (packaging, display, and storage) for pharmaceuticals, quasi-drugs, and cosmetics. Approval of IATA Cargo Sales Agent acquired.</li> <li>■ Invented the online roll call system Roll calls, which are the foundation of the health management and safety assurance of driving crews, are often conducted late at night and early in the morning. They have thus been a huge financial and labor burden for transport operators. Therefore, we devised an online roll call system using information technology (IT), obtained approval from the Ministry of Land, Infrastructure, Transport and Tourism, and used it to enhance safety and improve operational efficiency.</li> <li>■ Became the first company in Japan to be accredited as AEO* Custom Brokers by Tokyo Customs</li> <li>■ ISO 14001 certification acquired</li> </ul>
2010-	<p><b>Expanded our expertise in safe high-quality logistics developed in Japan to other countries.</b></p> <ul style="list-style-type: none"> <li>■ Established, later rebranded as NRS LOGISTICS KOREA CO.,LTD., in Seoul.</li> <li>■ Established, later rebranded as NRS LOGISTICS (THAILAND)CO.,LTD.,in Bangkok.</li> <li>■ Established, later rebranded as NRS LOGISTICS TAIWAN BRANCH., in Taipei.</li> <li>■ NRS Logistics Vietnam Co., Ltd., established</li> <li>■ Obtained approval from Tokyo Customs as AEO* Warehouse Operators.</li> <li>■ Established NRS Raiza Logistics Vietnam, JSC. in Vietnam. Opened the first Japanese-quality hazardous materials warehouse in Vietnam.</li> </ul>
2020-	<p><b>2022 Japanese company name changed to NRS K.K.</b></p> <p><b>2023 NRS Kumamoto branch opened in Kumamoto</b></p> <p><b>Establishment of New Logistics Site in Arizona, USA</b></p> <p><b>2024 NRS LOGISTICS TAIWAN CO., LTD. opened</b></p>



The first Japanese-quality hazardous materials warehouse in Vietnam

\*AEO: Authorized Economic Operator. AEO system is a system in which customs approves and certifies operators that have established cargo security management and compliance systems and provides relaxed and simplified form of customs procedures.



# Our Aims for Sustainability

## Our Approach to Creating a Sustainable Society (Sustainability)

As a leading company in the field of comprehensive logistics of chemicals and hazardous materials, the NRS GROUP is thoroughly committed to business activities that reduce the burden on the community and the environment. We have been and will continue to contribute to the creation of a sustainable society through our SDGs/ESG-conscious corporate activities. The following is the SDGs/ESG activities that the NRS GROUP is aiming to implement:

### NRS GROUP Initiative for the SDGs/ESG Management

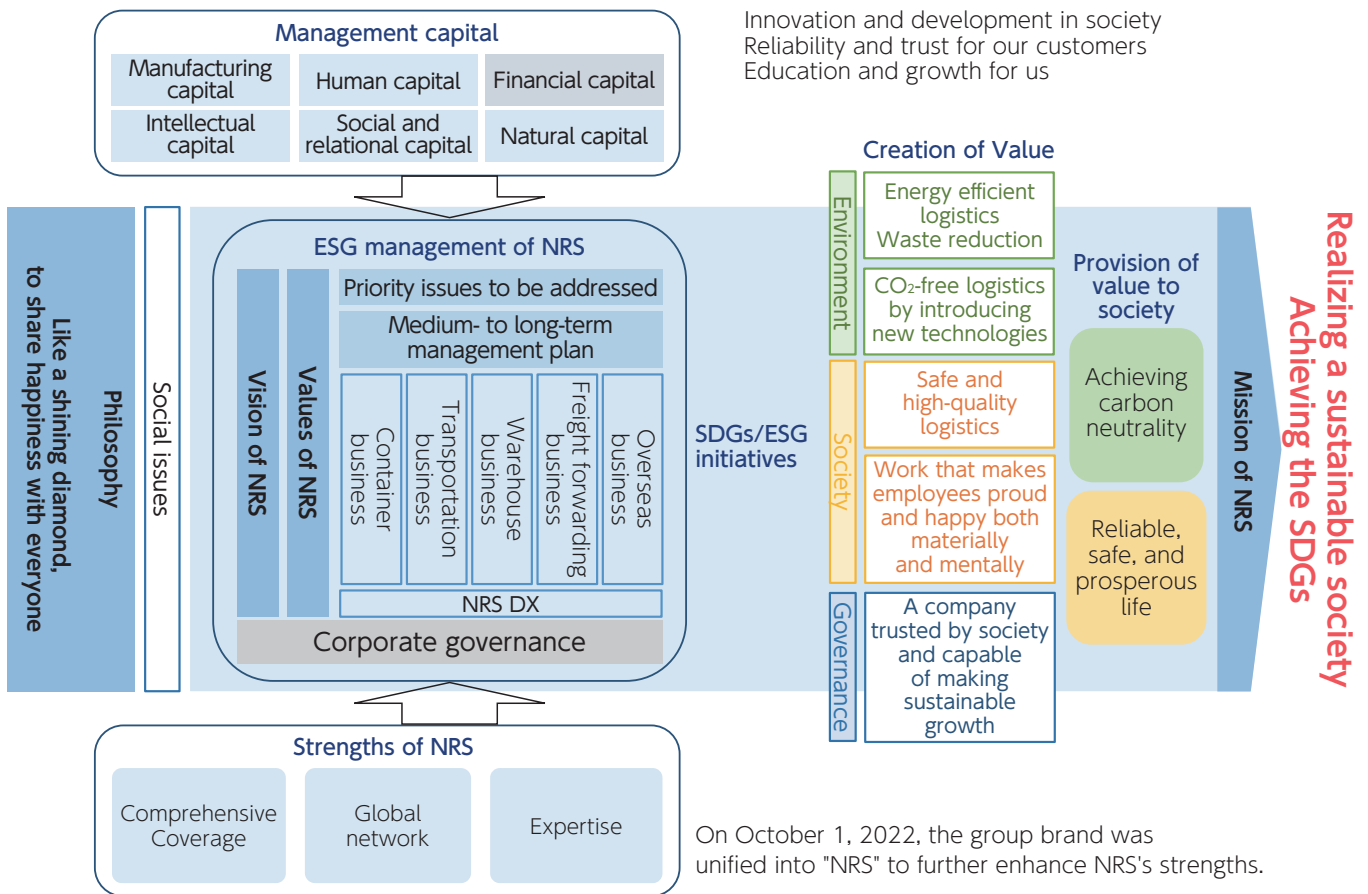


# Sustainability Roadmap of the NRS GROUP

We take pride in the fact that the logistics industry plays a key role in the supply chain of chemicals, which is indispensable for the development and advancement of human society. Each and every one of our employees is committed to enhancing the NRS Values to provide safe, high-quality logistics services, aimed to solve social issues and contribute to the development of a sustainable society.

- Vision of the NRS GROUP** To be a leading chemical-logistics company in the world
- Mission of the NRS GROUP** To provide the optimal solution to the world's chemical-logistics industry NRS has the answer
- Values of the NRS GROUP** Safety and legal compliance come first

Innovation and development in society  
Reliability and trust for our customers  
Education and growth for us



## SUSTAINABLE DEVELOPMENT GOALS



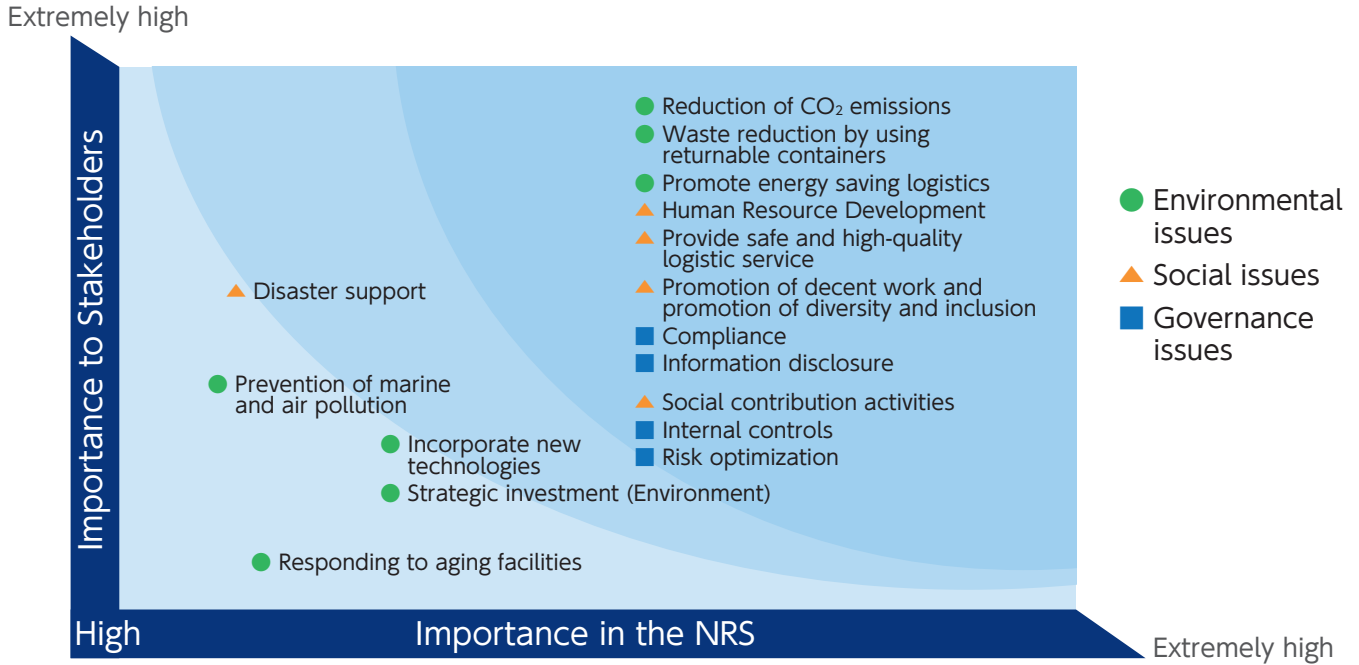
\* The SDGs are the Sustainable Development Goals adopted by the United Nations in September 2015 as common global goals to solve society's issues by 2030 consisting of 17 goals and 169 targets.





# Our Aims for Sustainability

## The NRS GROUP's Materiality Issues for Achieving the SDGs (2030)



### Reduction of CO<sub>2</sub> Emissions

One of the variable factors is GHGs (mainly CO<sub>2</sub>), the main sources of which are the use of fossil fuels and electricity. As for fuels, our mission is to switch to fossil-free fuels and promote substitution with hydrogen, EVs, biomass, and other fuels. As for electricity, we will systematically promote the use of solar power generation and the switching of electricity suppliers to those who provide renewable energies. We will also strive to make it a daily routine to engage in energy saving and resource conservation efforts.

### Ensuring Compliance

In addition to compliance with applicable laws and regulations, we ensure that all rules, from company regulations to operational manuals, are strictly adhered to. Through the Compliance Committee, we check the status of compliance with laws and regulations and implement appropriate management, supervision, and correction whenever necessary.

### Respect for Diversity and Making of Comfortable Workplace

In order to secure and nurture excellent human resources and continue to grow as a company in the midst of an aging society with a declining birthrate, we will actively respect diversity, such as by recruiting foreign nationals and extending the retirement age. In addition, to enable employees, who are the driving force of the organization, to fully demonstrate their abilities, we are working to create a decent workplace by expanding systems that focus on creating a good work-life balance and promoting the planning and implementation of a wide variety of education and training programs.

### Provision of Safe and High-quality Logistics

Chemical products contribute greatly to the development of society. However, it is essential to consider their risk of adverse effects on the environment, including air, water, and soil, and the risk of large-scale accidents. The handling of chemical products thus requires specialized knowledge, skills, and experience. The NRS GROUP is actively engaged in human resource development, maintenance and preventive maintenance of logistics cargo handling facilities, and further promotion of digital transformation (DX) in order to provide safe and high-quality logistics as a professional chemical logistics provider.



# Our Aims for Sustainability

## Sustainability Promotion System

The NRS GROUP is committed to achieving sustainable growth and addressing environmental and social issues through our business activities. To realize this commitment, the President lead the Sustainability Committee in formulating key policies. Subsequently, the Sustainability Promotion Committee, a subunit of the Sustainability Committee, actively advances ESG initiatives through its activities.

Sustainability Promotion Structure

Organization Chart of the Sustainability Committee



## Internal Activities to Promote Sustainability

October 2023	Submitted Business Owner Action Plan (Phase 2) based on the Act on Advancement of Measures to Support Raising Next-Generation Children.
	Hosted an in-house lecture to promote children's education.
	Established the Basic Procurement and Anti-Bribery Policy.
	Held the first meeting of the Sustainability Committee in FY 2024.
November 2023	Contributed to recovery efforts following the wildfire on the island of Maui, Hawaii, United States.
December 2023	Received the FY 2023 Modal Shift Initiative Excellent Business Award.
	Issued the Sustainability Report 2023.
January 2024	Contributed to the recovery effort following the 2024 Noto Peninsula Earthquake ▶ NRS's support for affected areas
February 2024	Updated the sustainability webpage on our company website.
March 2024	Achieved Three Star recognition in the Employee-friendly Workplace Certification.
	Received Kurumin Certification as a company committed to supporting childcare.
May 2024	Hosted the NRS GROUP Safety Convention.
August 2024	Established Human Rights Policy ▶ <a href="#">View Activity Topics</a> .
	Updated the company website (posted an article about our initiative to enhance human resource development and created a new page to promote respect for human rights).
September 2024	Organized a children's visit day at the Yokohama Logistics Center.
	Launched the human rights workshop titled "Human Rights Lesson for Adults."



# Our Aims for Sustainability

## NRS GROUP Human Rights Policy

Under the corporate philosophy of "Like a shining diamond, to share happiness with everyone", NRS GROUP has raised "To be a leading chemical-logistics company in the world" as its vision (management goal). Respect for human rights is essential for achieving these goals.

Furthermore, in contributing to the realization of a sustainable society, we understand the importance of respecting the human rights of all individuals affected by our corporate activities.

To fulfill our responsibility to respect human rights, we hereby establish the "NRS GROUP Human Rights Policy" (hereinafter referred to as "this Policy") based on the Guiding Principles on Business and Human Rights, adopted by the United Nations Human Rights Council in June 2011.

### 1. Basic Principles on Human Rights

We support and respect the International Bill of Human Rights, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and The OECD Guidelines for Multinational Enterprises. We also promote corporate activities in accordance with the United Nations Guiding Principles on Business and Human Rights.

### 2. Scope of Application

This Policy applies to all directors and employees of NRS GROUP. We also expect all business partners of NRS GROUP to understand and support this Policy.

### 3. Implementation of Human Rights Respect

We recognize that addressing the following human rights issues related to our corporate activities is an important element of fulfilling our responsibility to respect human rights.

#### Respect for Diversity

We strive to create opportunities where individuals with diverse values such as cultural, ethnic, generational, and customary differences can fully demonstrate their individuality, qualities, and abilities.

#### Prohibition of Discrimination and Harassment

We prohibit discrimination based on factors such as age, race, creed, skin color, gender, sexual orientation, gender identity, gender expression, religion, nationality, language, physical characteristics, wealth, or place of origin. We also enforce the eradication of harassment in any form, whether physical or mental, that is perceived as offensive, respecting the dignity of individuals.

#### Provision of Fair, Safe, and Healthy Working Conditions

We comply with labor-related laws and regulations applicable in each country and region concerning the payment of wages to employees and working hours, ensuring a safe and health-conscious working environment.

#### Respect and Protection of Privacy

We respect and protect personal privacy. We handle personal information in compliance with relevant laws and regulations, preventing information loss or leakage.

#### Respect for Freedom of Association and Collective Bargaining Rights

We respect employees' freedom of association and the right to collective bargaining.

#### Respect for Freedom of Expression and Speech

We respect the right of all individuals to express themselves without being subjected to regulation or censorship.

#### Prohibition of Forced Labor, Child Labor, and Human Trafficking

We prohibit all forms of forced labor, child labor, and human trafficking.

#### Harmony with Local Communities

We consider the human rights of local residents and promote our corporate activities accordingly.

### 4. Human Rights Due Diligence

We conduct human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights. Specifically, we assess human rights risks and aim to prevent and mitigate identified human rights violations.

### 5. Remediation

If our business activities are found to have caused or contributed to negative impacts on human rights, we work to rectify and provide remedies through appropriate means.

### 6. Education and Training

We provide education and training for all directors and employees of NRS GROUP to ensure they fully understand this Policy and its integration into our company-wide operations.

### 7. Dialogue and Consultation

We recognize the importance of understanding the perspectives of those affected by negative impacts on human rights. Therefore, we continue to engage in dialogue and consultation with stakeholders to advance our efforts in respecting human rights.

### 8. Responsibility

We appoint responsible directors who oversee the implementation of this Policy and monitor its execution.

### 9. Reporting and Contact Point

We establish systems where NRS GROUP employees and external stakeholders can report concerns regarding human rights issues. We strive to enhance the effectiveness of reporting while ensuring confidentiality and the protection of personal information. We do not subject reporters to disadvantageous treatment for reporting.

### 10. Information Disclosure

We disclose information regarding our efforts to respect human rights based on this Policy in a timely and appropriate manner through our website and other means.

### 11. Compliance with Applicable Laws and Regulations

We comply with all laws and regulations applicable in countries and regions where we conduct business activities. However, if the requirements of national or regional laws differ from internationally recognized human rights standards, we seek ways to uphold international human rights principles.

This Policy has been approved by the Board of Directors of NRS CORPORATION.

August 1, 2024  
NRS CORPORATION



# Environment

An environmental impact is unavoidable in the logistics business. The NRS GROUP will continue to pursue how we can reduce our environmental impact and realize environmentally friendly and sustainable business operations.

## Environmental Policy

We promote a logistics system that ensures the prevention of environmental pollution as we develop our transport, storage, and other related services, mainly for chemical products. We comply with all environmental laws, regulations, ordinances, and other agreements and arrangements that we have concluded. Considering the impact of our business activities on the environment, we will focus on the following key issues, including the reduction of CO<sub>2</sub> emissions, which have a significant impact on global warming and air pollution. (This includes the support, promotion and management of environmental activities undertaken by sales offices and group companies.)

1. Measures to prevent air pollution, water pollution and global warming
2. Reduction of waste through appropriate waste management and promotion of recycling
3. Promotion of resource saving, energy saving and green purchasing.

## To Achieve Carbon Neutrality

NRS aims to achieve carbon neutrality by its 100th anniversary in 2046 ahead of government policy targets.

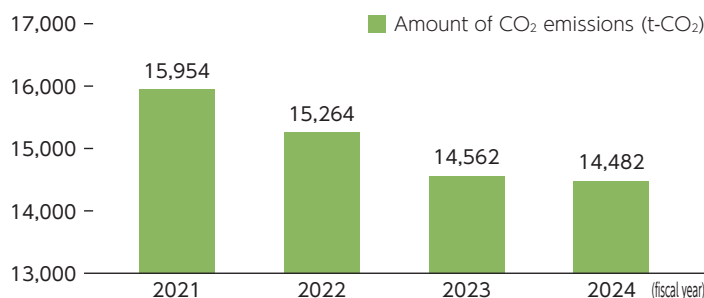
To make progress toward our goal of decarbonizing the electricity we use by 2030, we reviewed and updated power contracts at six business locations in Japan this fiscal year, which initiated the use of green power under the renewed contracts.

We have also introduced scope management to enhance the visibility of our operations and remain committed to advancing decarbonization of our business as planned.

## Initiatives to Reduce CO<sub>2</sub> Emissions

The NRS GROUP tracks energy consumption and monitoring CO<sub>2</sub> emissions from its business operations. In FY 2024, we successfully reduced emissions by 0.5% compared to FY 2023, despite the addition of the new Kumamoto Branch.

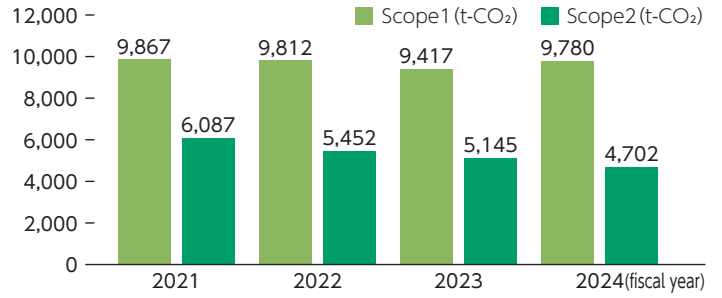
We will continue our efforts towards achieving carbon neutrality.



## Amount of CO<sub>2</sub> Emissions by Scope

NRS has been calculating Scope 1 and Scope 2 emissions since 2019 with the aim of achieving carbon neutrality by 2046. Over the past four years, we have been consistently reducing CO<sub>2</sub> emissions in Scope 2 (emissions from electricity use). We are committed to continuing the implementation of various measures to achieve carbon neutrality.

Amount of CO<sub>2</sub> Emissions by Scope in FY 2024  
 Scope1 9,780 t -CO<sub>2</sub>  
 Scope2 4,702 t -CO<sub>2</sub>



Solar panels installed at the Toke Distribution Center

## Detailed measures regarding our efforts to promote energy conservation and the use of renewable energies are outlined below.

- 1) Promotion of eco-driving  
 : We obtained Green Management Certification for 8 trucking bases in Japan.
- 2) Switching to LED lighting  
 : We installed LED lighting in all warehouses in Japan.
- 3) Use of green power  
 : 14 business bases in Japan have switched to green power.
- 4) Installation of solar power generation systems  
 : The solar power generation systems installed at 6 logistics centers are currently operational.
- 5) Modal shift  
 : We received the Modal Shift Excellent Business Award in 2023.

## Reduction of Waste through the Use of Returnable Containers

Returnable containers, such as ISO tank containers and the IBCs, are environmentally friendly transport containers that can be cleaned and reused repeatedly. For example, if transport is switched from drums to ISO tank containers, this can contribute to a reduction in waste of approximately 80 drums, pallets, and other supplies used for transport.

### ● Development and use of containers for alternative energy

NRS has begun using 40-foot ISO tank containers for transporting refrigerated liquefied gas to meet the demand for LNG transportation in Southeast Asia. Additionally, by switching from road transportation to railroad transportation, we can enhance transportation efficiency and reduce CO<sub>2</sub> emissions. In the future, we plan to develop and introduce containers for alternative energy sources, such as liquefied hydrogen and liquefied ammonia, to minimize our environmental impact.

### ● Development of small metal containers for solvents

NRS is developing fluororesin-coated returnable metal containers designed to be used as compact containers for chemicals (solvents), which are used in the semiconductor manufacturing process. As quality standards for chemicals continue to rise in the semiconductor industry, maintaining quality and ensuring safety have become challenges that cannot be addressed with conventional containers. We remain committed to minimizing our environmental footprints and reducing waste by utilizing a variety of returnable containers.

### ● Recovery and recycling of CFCs

At Kawasaki ConTech, we continue to recover and recycle residual CFC gas. The recovered residual CFC gas is recycled through this scheme, achieving greater energy and resource savings compared to conventional fuel disposal methods. Through this scheme, we can contribute to reducing the environmental impact.

## Prevention of environmental pollution

We carefully manage our operations using environmental data to ensure that we remain free of environmental problems. Through these efforts, we preserve the current quality of the air and water environments while striving for further improvement.

We are also acquiring environmental ISO certifications for additional sections of our business operations. This fiscal year, the Logistics Centers in Osaka, Gunma, and the Toke Distribution Center have newly received the certification.



# Society: Safety and Quality



For the NRS GROUP, which handles hazardous materials, safety is the foundation of our business and our responsibility to society. We conduct systematic and thorough safety and quality control so that each employee can foresee hazards and prevent accidents.

## Safety Policy

### **Accident-free company**

### **Sustaining the legacy of trust through the commitment of our dedicated workforce**

## To Provide Safe and High-Quality Logistics

### Safety Promotion Committee

The Safety Promotion Committee, chaired by the president, formulates safety targets and the NRS GROUP Management Program. The committee convenes biannually and adheres to a PDCA cycle.

#### **FY 2024 Safety Target**

Zero environmental accidents

Zero serious accidents

### Thorough Management of Chemical Substances

To prevent accidents involving chemical substances, we have established risk assessment management rules and thoroughly implement risk management when handling new or changed chemical substances.

### Safety Convention

The 2024 Safety Convention was held on May 25. Eight parties in total, including the PS Business Division, Kumamoto Branch, and other domestic bases, shared their achievements at the event.

This fiscal year, on-site training was offered for the first time since the onset of the COVID-19 pandemic. The training was successfully conducted with participation from both overseas and domestic bases.

We will continue to work together as One NRS to prioritize accident prevention and achieve our safety goals.

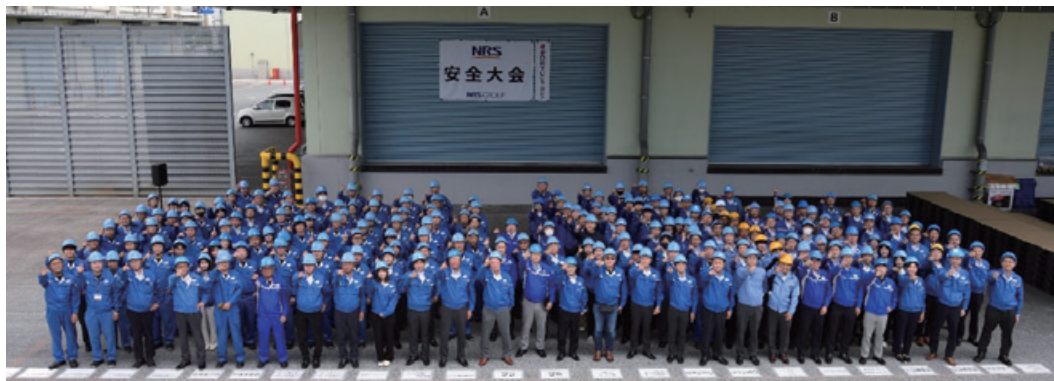


Photo: Participants of the Safety Convention



## President's Safety Patrol

In FY 2024, safety patrols led by the president were conducted in the Keihin, Chiba, Gunma, and Kansai districts. The president and business division managers visited and inspected warehouses, vehicle garages, offices, and other areas at each business base. Through these patrols, they identified hazardous risks and discussed potential issues, which will contribute to improving our business operations. Following the patrols, a safety meeting took place to facilitate the exchange of opinions, which contributed to the continuous enhancement of safety activities.



## Serious Accident Prevention Awareness Month

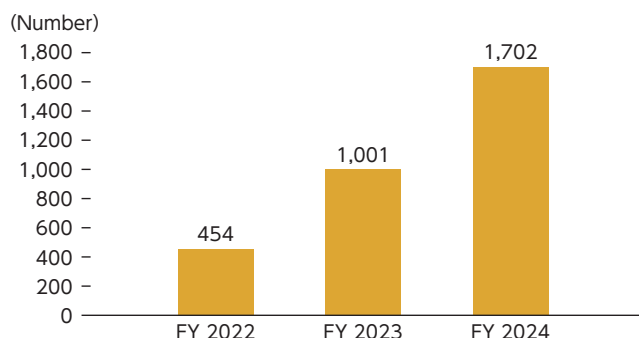
In order to keep the lessons learned from the past from fading away, we designate some months each year during which a serious accident has occurred as Safety Months to raise awareness through posters and online training to relearn about the circumstances,

January	Prevention of falling accidents
February	Prevention of oxygen deficiency accidents
May	Prevention of rollover accidents
July	Prevention of accidents involving pressure/liquid exposure, and loading/unloading equipment
August	Prevention of accidental mistakes in shipment and delivery

causes, and countermeasures of the accident. All employees check the implementation status of the countermeasures and identify similar operations to ensure that similar accidents would not recur.

## Utilization of the HHK Card (Hiyari, Hatto, and Kigakari Card, meaning near-miss, close-call, and concern card)

By utilizing the HHK Card, we document near-miss incidents, close calls, and concerns. Subsequently, we share the insights obtained from these recorded incidents horizontally within the company, aiming to prevent future. Starting in FY 2024, we have set NRS's own KPI for safety and quality activities to further promote safety and quality assurance activities at each business site. Through these measures, we aim to enhance safety and quality awareness among our employees.



Number of HHK Cards submitted

FY 2022: 454

FY 2023: 1,001

FY 2024: 1,702

## Implementation Status of Scenario-Based Drills

Once a year, we conduct disaster drills at our warehouses, tank yards, and container depots across Japan to ensure preparedness for emergencies.

We conduct evacuation drills, water discharge drills, leak response drills, and more. Our employees actively participate in these drills and take them seriously to ensure they can respond quickly and effectively in emergencies.



## External Awards Received for Safety and Health Promotion Aspects October 2023 to September 2024

Month and year	Award name	Award given by	Award given to:
December 2023	Award for Excellent Business Entities Working on Modal Shift	Japan Association of Logistics and Transport	NRS CORPORATION
February 2024	Zero accidents Award	Niigata Prefectural Company N Hazardous Materials	Kitakyushu Office
July 2024	Excellent Health Promotion Office (Silver Award)	Health Insurance Association for Petroleum Product Retailers	NRS CORPORATION

### Others

We received an Ecovadis Badge





## Aiming to Provide Services that Satisfy Customers

Quality Policy:

**"Contributing to society by providing logistics quality and plans that satisfy customers"**

### Initiatives to Reduce Mis-Shipping

The committee, chaired by the president, sets quality and environmental targets and develops the NRS GROUP's quality and environmental action plans.

The committee meets annually and follows a PDCA cycle to ensure continuous improvement.

#### FY2024 Quality Target

Target	Actual performance
QM-KPI below 127 points	Accomplished (115 points)

QM-KPI : NRS's original

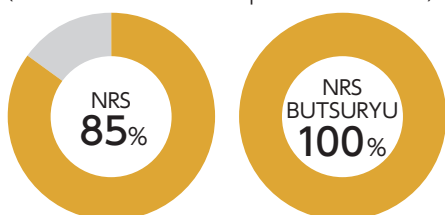
### Enforcement of Safety Rules and Educational Guidance

We provide study sessions annually for employees interested in enhancing or acquiring the technical knowledge necessary for handling hazardous materials logistics. The study session covers legal frameworks concerning hazardous materials, the IMDG CODE (regulations governing the transport of hazardous materials as designated by the United Nations agency), and the AEO system. It also offers technical training to individual departments, ensuring our capacity to deliver logistics services that are both safe and of high quality.

### Encouragement to Acquire the Qualification as a Hazardous Materials Engineer

NRS also encourages employees in indirect departments to acquire the qualification and licenses.

Percentage of employees who acquired the hazardous materials engineer Class B-4 (including Class A)  
(As of the end of September 2024)



# Society: Human Resources



## Work That Makes Employees Proud and Happy Both Materially and Mentally

We believe that organizational diversity is crucial for the sustainable development of a company. Therefore, we actively advocate for diversity and decent work, aiming to create a workplace that is both satisfactory and humanistic, where individuals can contribute with vitality and enthusiasm. We endeavor to cultivate positive and robust relationships with diverse stakeholders in society, encompassing customers, business partners, employees, and shareholders. In these interactions, our goal is to embody the principles of being a responsible corporate citizen and global citizen by respecting the cultures and customs of other nations.

### Strengthening Human Resource Development

#### Basic Idea

As NRS' s operations become increasingly sophisticated, strengthening human resource development is essential to achieve our vision of "To be a leading chemical-logistics company in the world" . We respect and promote diversity, and we are taking on the challenge of creating a system for developing human resources through learning and experience. Based on a global workforce plan aligned with our management strategy, we develop professional human resources in various fields. This includes those who can adapt to environmental changes and those who can take on the challenges of globalization and play an active role. We achieve this by assigning them according to their individual aptitudes, abilities, and career plans. Additionally, we aim to form a cohesive group where each department collaborates closely with one another.

#### NRS human resources strategy



#### Talent we seek

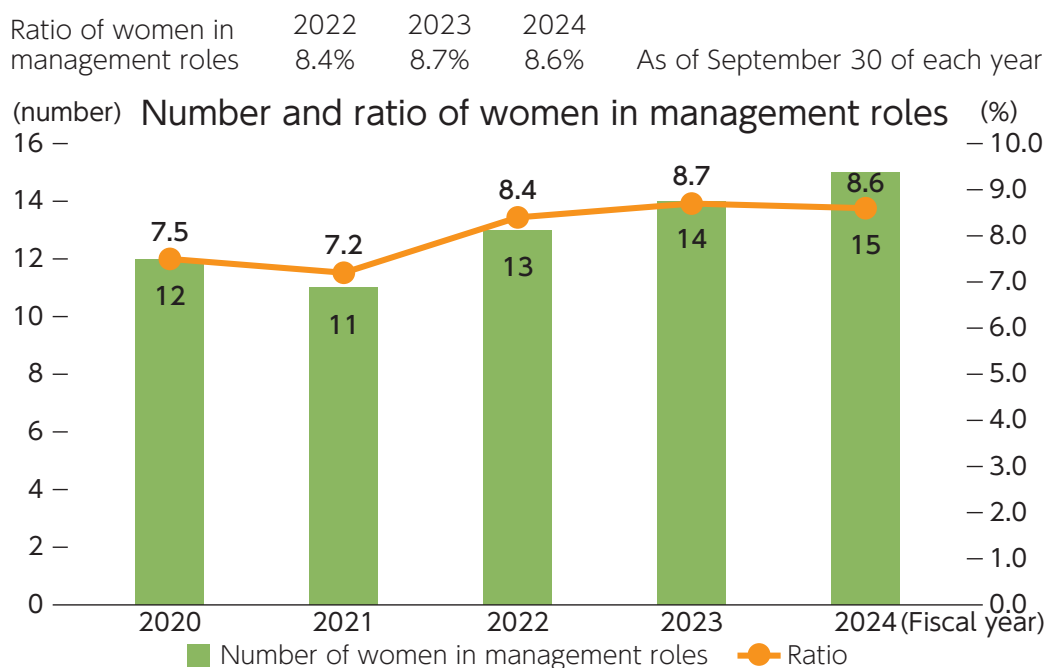


## Respect for Diversity

### Women's Participation and Advancement in the Workplace

The NRS GROUP has attained the highest rank in the Eruboshi certification by acknowledging companies that actively foster the successful careers of women as certified by the Ministry of Health, Labor, and Welfare.

We are dedicated to creating a workplace that offers comfort and job satisfaction to both men and women. This involves providing career advancement training, implementing systems to increase the ratio of women in management roles, and narrowing the gender gap in employment.



### Childcare Support

NRS was awarded the Kurumin certification by the Minister of Health, Labor and Welfare. This certification recognizes our commitment to supporting childcare under the Act on Advancement of Measures to Support Raising Next-Generation Children.

This certification is awarded by the Minister of Health, Labor and Welfare (delegated to the Director of the Prefectural Labor Bureau) to companies that meet specific criteria. These include implementing an action plan aligned with the Act on Advancement of Measures to Support Raising Next-Generation Children and achieving designated goals.

NRS was recognized for our commitment to supporting diverse work styles that promote a healthy balance between work and personal life as well as encouraging male employees to take childcare leave. We will continue to actively build a workplace where employees can pursue their careers with enthusiasm while balancing their work and childcare responsibilities.

### Training Sessions Specifically Designed for Women

Female employees on the verge of assuming management roles and those recently appointed to such positions participate in training sessions facilitated by the non-profit organization J-Win\*. Approximately 200 members from diverse industries and business sectors come together to build networks, engage in mutual learning, enhance their leadership awareness, and improve their skills.

\*Japan Women's Innovative Network (J-Win), a nonprofit organization, advocates for and supports businesses in promoting diversity management as a standard practice. The organization also strives to nurture women in leadership roles.



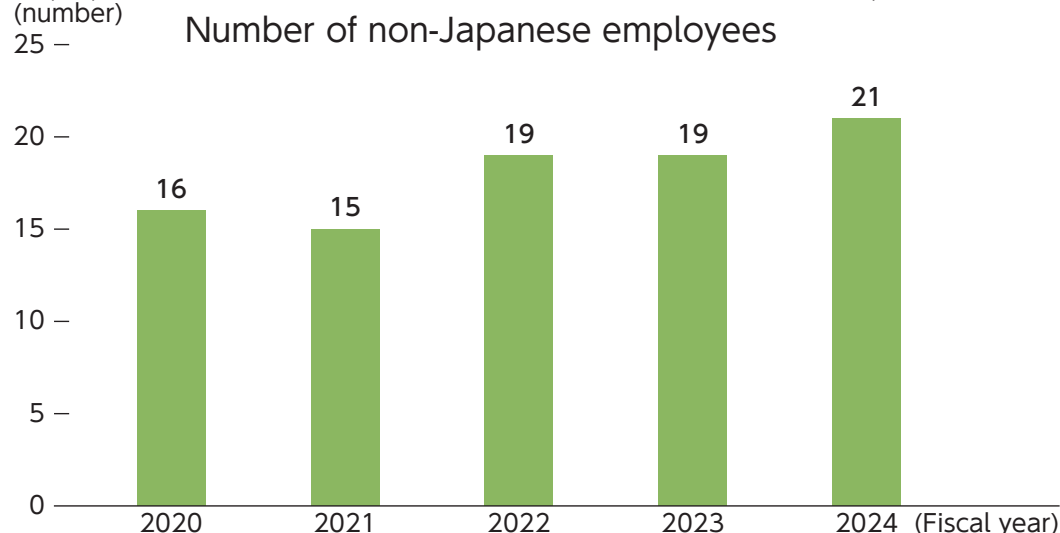
## Promoting Active Roles for Seniors

We have established the objective to offer all employees opportunities to work with enthusiasm for an extended period by promoting physically and mentally affluent lives. Consequently, we increased the retirement age for our employees from 60 to 65 effective from October 2022. We founded a new Group company called NRS VALUE CREATE. Through this company, we developed systems and an environment that enable senior employees with rich experiences, knowledge, and skills to further advance in their careers. NRS VALUE CREATE enables its employees to flexibly adjust their workloads, workdays, and work hours within certain limits by addressing their need for flexibility. It is also the sole company within the NRS GROUP that permits employees to have side jobs. Currently, the new company has a staff of 18 employees, each working with enthusiasm and striving to contribute to the NRS GROUP in the creation and enhancement of value.

## Recruitment and Support of Non-Japanese National Employees

Aligned with the globalization of our business, we are proactively recruiting international employees. Since 2019, our recruitment interviews have mainly taken place in Taiwan. In addition to Taiwanese employees, we currently have 21 international employees from China, Korea, Vietnam, and France.

Number of non-Japanese employees hired: (number)	2022	2023	2024	The count of non-Japanese employees in the company as of the end of each September
25 –	19	19	21	



## Encouraging Employment of People with Disabilities

We are committed to employing people with disabilities with the goal of being a company where both people with and without disabilities can work together. We strive to support people with disabilities so that they can feel a part of the organization, improve their skills, and play an active role in the company where they can feel safe in working over a long period of time. Moreover, we encourage individuals tasked with assisting people with disabilities to obtain certifications such as "company-based job coach" and "vocational and life counselor for people with disabilities," as specified by the Ministry of Health, Labor, and Welfare.



## Promoting Decent Work

### Acquisition of "Employee-friendly Workplace Certification System"

In fiscal year 2022, NRS earned Two Star Certification in the program recognizing a driver-friendly workplace environment (the employee-friendly workplace certification system). In 2023, we achieved Three Star Certification in this program. With this certification, all business bases within the transportation division under the NRS GROUP have now successfully obtained the certification. Building on this momentum, we will continue to enhance our work environment.

### Safety and Health Committee

The Safety and Health Committee conducts monthly reviews and investigations into matters concerning the safety and health of employees. They systematically propose and execute training plans for the prevention of industrial accidents, health hazards, worksite patrols conducted by safety and health supervisors, and other matters pertaining to safety, hygiene, and health.

### Engagement Survey

We conduct an annual engagement survey for our employees using a questionnaire format. This year's survey is the third we have conducted. In addition to employees at bases in Japan, this year's survey was extended to include employees at overseas bases as well. As many as 80% of our employees provided positive feedback. In the free answer section, many overseas employees shared their enthusiasm for coming to Japan to gain deeper insights into chemical product logistics and to learn more about NRS. To meet the enthusiasm of our employees, we are planning to offer more opportunities for communication and self-learning on both domestic and overseas bases.

#### Results of the employee engagement survey

	2022	2023	2024
Participation rate	75%	81%	73%
Engagement index	81.5%	81%	82%

\*Ratio of employees who gave positive feedback to six questions in the engagement survey

### Held "Bring Your Kids to Work Day"

We arranged a day for the children of our employees working at the head office and Yokohama Logistics Center to visit their parents' workplaces. On Children's Visit Day, children enjoy the opportunity to explore their parents' workplaces. This initiative aims to deepen their understanding of their parents' work, promote work-life balance, and encourage communication among NRS employees. We are committed to continuously improving employee engagement and providing learning opportunities for children who will be the future leaders.



Exchanging business cards with colleagues of parents



## Promotion of Health Management

We have been promoting health management since FY 2021 with the aim of improving the physical and mental health of our employees.

1. Shortened health checkup schedule, simplified management
2. Contract with industrial nurses
3. Subsidized health check options
4. Introduction of health management system

Industrial nurses visit the head office on a regular basis to provide physical and mental health counseling in person and online, in addition to managing regular medical checkups and recommending reexaminations. In addition, the Safety and Health Committee holds meetings to discuss occupational safety and health.

Last year, the ratio of employees who received health checkups and specified health guidance was high in NRS. Additionally, we are actively enhancing our health insurance services. In acknowledgment of these efforts, the Health Insurance Association for Petroleum Product Retailers honored us with the silver Award for our outstanding health promotion system.



## Enhancement of Education and Training System

Under the medium-term management plan NRS 2024, which began in October 2021, one of the management policies is to make employees shine like diamonds through self-improvement, and human resource development is positioned as a top priority issue. In order to grow and leap forward in a rapidly changing and more diverse global market, we have introduced education and training programs to further strengthen our human capital and facilitate growth of our employees.

In FY 2023, we are extending this initiative to our global bases, following a similar approach as in Japan. As a result, numerous employees are effectively enhancing their knowledge and skills through the allocated budget of 100,000 yen per employee for education and training. Apart from traditional position-based training, we are actively selecting employees for targeted training programs focused on specific themes. This includes training for potential candidates for overseas assignments, those driving digital transformation (DX), and individuals aspiring to managerial and executive positions. Through these initiatives, our goal is to enhance employee motivation and improve their capabilities more than ever.

### Example of Education and Training in FY 2023

- New employee training and worksite tours
- On-site training (for recent graduates and career hires)
- Follow-up training (first to fifth years)
- Senior mindset training
- Executive candidate training
- VMV study sessions
- Selective training by theme
  - Global training
  - DX promoter training
  - Women's career training
- Self-development
  - Language courses (English, Chinese)
  - Remote learning
- A Various study sessions
  - Study sessions on laws and regulations regarding hazardous materials
  - Study sessions on accident prevention measures
  - AEO Study sessions (bonded and customs clearance)
  - Information security education
  - Compliance education
- Life plan seminars



New employee training and worksite tours



CEO's lecture at the Global training



VMV study sessions

# Society: Social Contribution Activities



To realize our business philosophy "Like shining diamond, to share happiness with everyone," we are engaged in a wide range of social contributions.

## Matching Gifts

We have continued the Matching Donation Program, which started in 2009, where NRS employees make personal donations, and the company matches those amounts by providing an equal donation, doubling the total contribution to charitable causes. In FY 2024, based on employee opinions, we made donations to three organizations: Japan Committee for UNICEF, Koutsuiji Ikueikai (scholarship society supporting children who have lost parents in traffic accidents), and NPO Katariba.

In addition to supporting these three organizations, we contributed to disaster relief and humanitarian efforts. Our donations included aid for recovery from the wildfires in western Maui, Hawaii; earthquakes and conflicts in Morocco and the Middle East; the Noto Peninsula Earthquake; and the earthquake in eastern Taiwan. Through the Matching Donation program, the total amount contributed in FY 2024 reached 5,066,000 yen.

## Contribution to Local Communities

### ●Participation in local clean-up activities

#### 1. Head office (Chiyoda city, Tokyo)

Chiyoda City in Tokyo, where our head office is located, has established Chiyoda City Cleanup Day. NRS has been actively and consistently participating in this initiative.

#### 2. Kumamoto Branch (Otsu town)

NRS has been participating in Ozu town Environmental Beautification Day, a program organized by Otsu City, where our Kumamoto Branch is located. As part of this initiative, we clean pedestrian paths around Milk Road, a notable landmark in the region.

#### 3. Toke Distribution Center (Chiba city)

Employees of the Toke Distribution Center regularly conduct cleanup activities around the facility twice a year.

### ●Facility tour

We welcomed local residents to the Kumamoto Branch, where we introduced NRS's business activities and provided guided tours of our facility.

Through initiatives like these, NRS has been fostering strong cooperative relationships with local communities while consistently working toward the realization of a sustainable society.



## NRS's efforts to support disaster-affected areas

On January 5, 2024, the first business day of the year, an initial meeting was held to plan relief efforts for the victims of the Noto Peninsula Earthquake. Since then, through 48 sessions of instructions and information sharing within NRS, we were able to quickly materialize our relief efforts. These efforts included dispatching staff to the affected areas, transporting essential relief supplies, particularly water, ensuring convenience for local residents, and sending donations.

This is an example of how our commitment to social contribution activities has become deeply embedded in our company.

The Great Hanshin-Awaji Earthquake in January 1995 strongly urged NRS to rapidly enhance our relief activity preparedness. At the time, NRS had the Osaka warehouse, Takaishi Chemical, Senboku office, and Kobe office in the Kansai region, where the earthquake damage was extensive. While the staff at the head office focused on ensuring the safety of our employees in Osaka, along with their families, and assessing the damage to facilities, we witnessed firsthand the devastating situation in the region. This event prompted us to simultaneously engage in relief activities, utilizing our strengths to provide support.

### ● Past disaster relief efforts

- **January 1995: Great Hanshin-Awaji Earthquake**  
(See right for related information.)  
We supplied water using our ISO tank containers in Kobe City and Takarazuka City.
- **May 2008: Sichuan Earthquake, China**  
We supplied water using our ISO tank containers. (Our efforts received significant appreciation from the Chinese authorities and were widely reported in the Japanese media.)
- **March 2011: Great East Japan Earthquake**  
We provided support by utilizing the strengths of our business, including supplying IBC tanks for water supply to disaster-affected areas and transporting fishing boats free of charge.
- **June-July 2018: Torrential rain in western Japan**  
(See right for related information.)  
We provided 52 IBC polyethylene tanks to Uwajima City, Ehime Prefecture, to serve as a water supply base in areas experiencing water outages.

### ● Matching Donation Program

In this program, NRS employees contribute donations, which are then matched by the company, doubling the total before sending the donation.

This is also in the DNA of NRS.

Here are some recent initiatives of NRS.

- April 2024: Support for recovery efforts following the earthquake in Taiwan
- December 2023: Support for Morocco and Middle East
- November 2023: Disaster relief for the wildfires in western Maui

### ● Strengths of NRS

As a comprehensive logistics company specializing in transporting chemical products and hazardous materials, we have developed unique strengths over the years, including mobility based on decisiveness and quick responses, a detailed approach to meeting local needs, and profound industry expertise. These strengths, combined with our robust transportation capabilities and diverse container options, enable NRS to effectively support disaster-affected areas.

Disaster name	Great Hanshin-Awaji Earthquake	
Date of onset	January 17, 1995	
Main response	On the day the earthquake occurred (five hours after the initial event), we offered to provide tank containers free of charge to the water supply team of Kobe City's disaster response headquarters. We quickly assigned cargo shipping slots and vehicle crews, and by 11 p.m., the Waterworks Bureau of Kobe City accepted our water supply activities.  The water supply activities started on January 20. Since then, NRS employees were fully mobilized to engage in water supply efforts for 22 days. (Within NRS, the damages suffered by Osaka Warehouses No. 1 and 2 and Takaishi Chemical were repaired by the end of February. With the completion of the repairs, the internal response headquarters was dissolved.)	
Collaborative actions with other companies supporting our relief efforts		
		Action
Company A	Request made by NRS	Transport of international marine containers designed for carrying drinking water from Tokyo to Osaka
	Action	Shipping slots were secured on the day of the request.
Company B	Request made by NRS	Same as above: A request was made to secure shipping slots for shipment to Osaka.
	Action	Shipping slots for six containers were secured as an emergency measure.
Company C	Request made by NRS	Installation of faucets for supplying water to tank containers.
	Action	A total of 24 faucets were installed on six containers.
Company D	Action	- Since there had been no precedent, determining the required sizes was challenging. Therefore, various ideas were explored to provide in-house explanations (ensuring the capacity to supply water for 12,000 people per day). - Internal approval was obtained after receiving NRS's advice on using it as a water storage tank.
Excerpts from comments received from Kobe City, the Waterworks Bureau of Takarazuka City, and Rokko Island Hospital:  We were surprised and a bit confused when we received an offer to support water supply using 24-ton international shipping containers. - There had been no precedent, so we had difficulty envisioning the size of the containers and how to use them. - The installation of large containers provided a sense of security and helped local residents understand that the water supply had begun (the presence of the containers acted as a visual reminder). - The supplied water was highly valued for use in dialysis at the hospital.		
Lessons learned	Personnel capable of making appropriate decisions should be dispatched to disaster-affected areas at an early stage. (They can operate effectively even when communication is disrupted.) Authority should be delegated to on-site command centers. Personnel involved in relief efforts should carry emergency contact cards, and emergency response manuals should be prepared in advance.	

Disaster name	Torrential rain in western Japan	
Period	June to July 2018	
Main response	Excerpt from the Japan Dangerous Goods Container Association FY 2018 Activity Report (Secretariat: NRS)  (13) Disaster relief activities: In response to the disaster caused by the torrential rain in western Japan in July 2018, we provided 52 IBC polyethylene tanks free of charge to Uwajima City, Ehime Prefecture, one of the affected areas. The tanks supplied water to approximately 1,200 households for about three weeks until the water treatment plant resumed service.	
Special notes	Questions and answers for the award selection process.	
	Question	Why did you decide to support Uwajima City?
	Answer	The Japan Dangerous Goods Container Association had no prior interest in Uwajima City.  Based on our past experience supporting relief efforts during the Great East Japan Earthquake, we learned that large organizations are effective in providing primary relief immediately after a disaster. However, as the relief effort transitions from emergency response to supporting daily livelihoods, we know from experience that NRS's IBC tanks become particularly useful.  Additionally, large cities tend to attract more attention and are often well-supported (sometimes they even decline offers of assistance).  Given the circumstances above, we have decided to extend our support to Uwajima City this time.
	Donation	We collected a total of 1.84 million yen from 23 member companies. NRS acted as secretariat.





## ● Relief efforts supported by the logistics industry

- Infrastructure and other necessary supplies for the affected areas
  - Toilets
  - Water for daily use (drinking, showering, laundry, toilet use, etc.)
  - Privacy protection (simple partition materials for creating private spaces)
- Strengths of the logistics industry
  - Mass transportation capability
    - ➔ Transporting large quantities of water for daily use (including containers and storage tanks)
  - Heavy cargo transportation capability
    - ➔ Bulk transportation of emergency toilets, toilet vehicles, beds, partitioning materials, etc.
  - Mobility
    - ➔ Choosing the safest and most efficient route and method to the destination
- Others
  - Collaboration with other organizations and local communities
    - ➔ Establishing channels (and implementation systems) for direct cooperation with the Japan Self-Defense Forces and NPOs to efficiently and reliably support authorities in affected areas (and provide direct relief to remote areas).

**As the intensity and frequency of natural disasters increase because of the effects of climate change, we are committed to being prepared for all types of relief activities, including earthquake preparedness. To achieve this, we aim to engage relevant industries and local governments, leverage our strengths, and advance the mission that the logistics industry should support.**

## ● January 2024: Relief activities after the Noto Peninsula Earthquake

Using past experiences in disaster relief, NRS swiftly formulated and executed relief plans through the following activities:

- Water supply support
- On-site dialogue
- Involved our affiliated association in supporting together

Specific actions are described below:

NRS offered support to Ishikawa Prefecture and its Waterworks Bureau for water supply using IBCs (medium-sized containers) and initiated the necessary dialogue.

The Japan Dangerous Goods Container Association, with NRS serving as the secretariat, requested support from the Japan Liaison Council of Dangerous Goods Logistics, which consists of three organizations, including the Japan Dangerous Goods Warehouse Association and the Japan Tank Terminal Association. Through the generosity of these organizations, donations were collected from member companies.

Using the collected donations, we successfully procured 45 units of 1,000-liter IBCs.

At the request of the prefectural and municipal governments, NRS employees transported these IBCs to evacuation shelters, kindergartens, schools, and nursing homes in Nanao and Suzu cities, installed faucets on the tanks, and set them up so that local residents can have quick access to water.

Access to both drinking water and water for everyday use is crucial for victims in disaster-affected areas. Therefore, NRS is dedicated to quickly gathering accurate information and providing the necessary support in the event of future disasters.



We participated in the water supply work.



Installed IBC



# Governance

## A Company Trusted by Society and Capable of Making Sustainable Growth

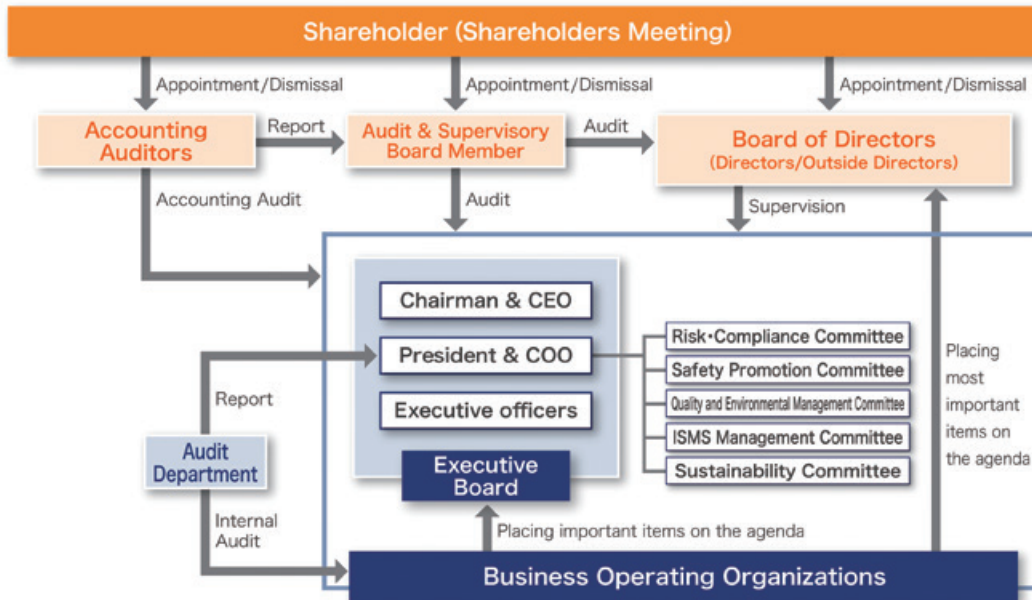
The chemical products we handle bring enrichment and happiness to society and our logistics business is the core of the chemical industry. We take pride in this and fulfill our social responsibility.

The NRS GROUP Corporate Code of Ethics is the foundation on which the NRS GROUP conducts its business activities. We aim to be widely supported by society as an excellent company through sensible and fair actions based on initiative and self-responsibility with ethical behavior, compliance with the law, and emphasis on safety as our basic principles.

### Corporate Governance Basic Policy

We are committed to ethical business conduct, compliance with the law, and safety and quality. We respect diverse personalities and individuality, and build sound and fair relationships with all stakeholders, including customers, business partners, employees, and shareholders. In order to achieve these goals, we continue to strive for optimal corporate governance that enables us to make sound, transparent, fair, and prompt decisions.

### Corporate Governance System



### Board of Directors

The Board of Directors as the decision-making body for management, and implements important business decisions, management strategies, and policies. It supervises the execution of business by directors and is responsible for sound business operations, including the establishment of internal control systems.

### Executive Board

The Executive Board deliberates regularly on matters other than those to be resolved by the Board of Directors for the purpose of prompt business execution. The results are reported to the Board of Directors.



## Audit & Supervisory Board

The Board audits the business execution of directors and executive officers. It also audits whether appropriate management is being carried out in terms of compliance and accounting.

## Audit Department

The Audit Department is responsible for the verification and evaluation of the legitimacy, efficiency, economy and effectiveness of business operations from the standpoint independent of business execution departments and reports the results to the Board of Directors. The Office assists the Audit & Supervisory Board in the execution of their duties in accordance with their instructions.

## Internal Control, Legal Affairs, and Risk Management Department

The Internal Control, Legal Affairs, and Risk Management Department is responsible for the establishment, operation, and management of the NRS GROUP's internal control system, as well as the gathering and analysis of information related to management risks and overall management of efforts to respond to such risks.

## Risk Management

NRS employs a risk management system directly supervised by the president for horizontal risk management throughout the organization. This system comprises the following committees: (1) the Risk and Compliance Committee, responsible for ensuring compliance and facilitating discussions on, as well as sharing, risk management in FY2023; (2) the BCM Committee, which reviews and establishes action policies and measures pertaining to business planning; and (3) the ISMS Management Committee, established to manage information security management system. We have obtained ISO 27001 certification for information equipment management.

### Risk and Compliance Committee

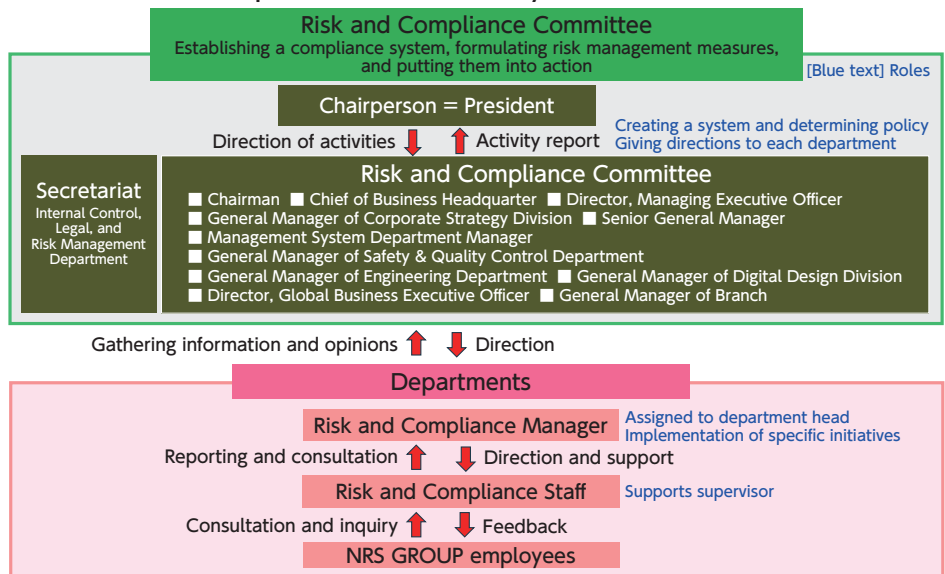
The Risk and Compliance Committee has been established to oversee the implementation of the following items 1 to 5 within the NRS GROUP.

1. Fostering awareness of risk management and compliance.
2. Establishing and implementing a compliance system.
3. Developing action policies for managing risks across the entire NRS GROUP.
4. Providing guidance to individual departments and reporting and confirming their activity status.
5. Maintaining and updating the Business Continuity Plan (BCP), providing education and training to enhance understanding of our initiatives, and conducting necessary management to ensure continuous improvement.

In the term ending September 30, 2024, the committee met twice a year and carried out the following initiatives, which were then reported to the Board of Directors.

- Sharing the main risks facing the entire NRS and updates on the progress of addressing these risks.
- Reviewing and discussing countermeasures for major risks (accidents related to the transportation of hazardous materials) identified by the committee.
- Establishing rules and regulations related to risk management.
- Reviewing BCP (both domestic and international).

### NRS Risk and Compliance Committee system



## BCM Committee

The NRS GROUP holds one of the highest market shares in the industry for the transportation and storage of hazardous materials, chemical products, and chemicals, as well as tank container leasing. As a leading player in the industry, we consider the timely restoration and continuity of our operations, even during large-scale disasters or outbreaks of infectious diseases, to be our vital social responsibility. At the NRS GROUP, the Risk and Compliance Committee is leading Business Continuity Management (BCM) activities with the following objectives: (1) ensuring the safety of employees, their families, and visitors; (2) upholding our responsibility to provide continuous supplies to clients to maintain their trust; and (3) swiftly stabilizing business operations and securing employment. By regularly reviewing and updating the Business Continuity Plan (BCP), we are establishing a robust framework to ensure the uninterrupted supply of products and services to our customers.

## Information Security

We obtained the ISO 27001 certification for information equipment management in 2020. Under the Information Security Policy, we have established an Information Security Management System (ISMS) and practice activities to maintain information security. In October 2022, we published the fifth edition of the Information Security Handbook to ensure that all employees understand the contents. In addition to account management using multi-factor authentication and measures on conventional endpoints, such as PCs and servers, we are planning to introduce zero-trust tools globally by September 2023 and will implement both human and mechanical measures. In July 2023, the NRS GROUP formulated its DX Strategy, concurrently implementing improvements to security and risk management. These enhancements align with the principle of bolstering integrity, confidentiality, and availability. We strive to further improve the level of security with the commitment of "never leaking important customer information" and "never stopping the systems that support advanced logistics."

## Responding to Emergencies

NRS is instituting diverse training programs to ensure preparedness for emergencies. In collaboration with the Maritime Disaster Prevention Center, we carried out a simulation drill, which involved the actual setup of an emergency headquarters, to assess our response to emergencies. We have developed a system for quickly assessing our operational viability during emergencies. In the event of potential business discontinuation, our collaborative efforts within the Group aim to promptly restore operations and ensure a swift resumption of services and products for our customers.



## Ensuring Compliance

### Internal and external whistleblowing channels

We have established an internal whistleblowing desk to promptly identify and address any behavior that violates or may violate the moral code, laws, regulations, or internal policies. Additionally, we have set up external whistleblowing channels to quickly respond to and handle any actions taken by NRS executives that may violate compliance or human rights.

- Internal whistleblowing desk: The desk is established within attorney's offices both in Japan and overseas with contact information provided to employees. In Japan, desks are also established within the Internal Control, Legal, and Risk Management Departments.
- External whistleblowing channels: Contact information for attorney's offices in Japan and overseas is posted on the NRS GROUP's website.
- Protection of whistleblower rights: Outlined in the Whistleblower Protection Regulations, which are available on the company website.
- Guidelines for the Revised Whistleblower Protection Act: We conform to them.

### Strengthening Security Trade Controls Through New Import/Export Control System

To acknowledge the crucial concern of the international community regarding the nonproliferation of weapons of mass destruction and associated cargo and to enhance security trade control, we have been operating under a new structure since November 2021.

1. Our Security Export Management Regulations outline the organizational structure, procedures, audits, education, and document control.
2. We streamlined export approval procedures under the name "Rakuraku Workflow Export Management" for the paperless management of documents, including import records on the Web.
3. Study sessions for new employees include regular online study sessions for all employees in Japan to enhance their awareness.
4. We gather information on revisions to laws and regulations and promptly disseminate the relevant notifications.

We plan to enhance these processes through internal audits.

### Questionnaire Survey

The Audit Department conducted a questionnaire survey of all employees based in Japan to gather their opinions on the internal control status within the NRS GROUP. Subsequently, we implemented necessary actions based on the survey findings.

### Various training and e-learning

As our business continues to expand globally, it is essential to strengthen our awareness of anti-bribery, which is becoming an increasing concern worldwide. To address this, we have provided compliance training and anti-bribery e-learning for employees in Japan. We also provided training tailored to different job levels to enhance NRS GROUP employees' awareness of compliance.

### Education on corporate ethics

FY 2024 e-learning : Anti-bribery (for all employees in Japan)

Compliance training for new employees

Compliance training for different job levels

FY 2023 e-learning : Training on misconducts and use of SNS (for all employees in Japan)



# Environment

## CO<sub>2</sub> Emissions of the NRS GROUP

(unit: t- CO<sub>2</sub>)

	FY 2022	FY 2023	FY 2024
Scope1+2	17,450	16,320	16,304

## CO<sub>2</sub> emissions of the Group companies in Japan

(unit: t- CO<sub>2</sub>)

	FY 2022	FY 2023	FY 2024
Scope1+2	15,264	14,562	14,482
Scope1	9,812	9,417	9,780
Scope2	5,452	5,145	4,702

For emissions conversion between Apr~Spt 2024, we use the emission factors for each electric utility for calculating GHG emissions in FY 2023.

## Industrial waste emissions

(unit: t)

	2021	2022	2023
Total emissions	1,017	826	772
Amount of general industrial waste	914	694	689
Amount of industrial waste requiring special control	103	131	83

The calculation covers Group companies in Japan.  
Calculation period is from April to March.

### ISO 14001 Certification List

Head Office	Yokohama Logistics Center	Shunan ConTech
Chiba Logistics Center	Kawasaki ConTech	Takaishi Chemport
Chiba Logistics Center Sodegaura Warehouse	Kobe ConTech	Gunma Logistics Center
Osaka Logistics Center	Toke Distribution Center	

### Green Management

Chiba Office	Kitakyushu Office
Osaka Office	Niigata Office
Kawasaki Office	Nagoya Office
Kobe Office	Gunma Office



# Society

## Number of employees in the NRS GROUP (including overseas employees and non-regular employees) (unit: persons)

	FY 2022	FY 2023	FY 2024
Number of employees in the NRS GROUP	1,104	1,153	1,165

## Data related to human resources

	FY 2022	FY 2023	FY 2024
Number of employees (persons)	766	828	838
Male	604	653	639
Female	162	175	199
Average age (years old)	41	41	41
Average years of employment (years)	13	13	13
Number of new graduates hired (persons)	25	36	36
Male	17	16	20
Female	8	20	16
Number of mid-career hires (persons)	25	22	17
Male	20	18	8
Female	5	4	9
Number of employees leaving the company*1 (persons)	24	31	39
Ratio of female managers (%)	8.4	8.7	8.6
Number of female managers	13	14	15
Number of foreign employees (persons)	19	19	21
Ratio of employees with disabilities*2 (%)	1.94	2.07	2.04
Average number of paid leaves taken*3 (days)	9	10	10
Ratio of childcare leaves taken (%)	38	46	62
Male	17	22	38
Female	100	100	100
Ratio of employees who returned to work after taking a childcare leave (%)	100	100	100

The data covers NRS, NRS BUTSURYU, and Takaishi Chemical.

This does not include overseas and domestic nonregular employees

\*1 Excluding retirees

\*2 Covers NRS only

\*3 Calculation period is from April to March.

## Social contribution activity expenditures (including matching donations)

	FY 2022	FY 2023	FY 2024
Social contribution activity expenditures	4,746,000yen	4,159,370yen	10,066,000yen

The data cover NRS, NRS BUTSURYU, and Takaishi Chemical.

## Occupational accident index - Frequency rate

	FY 2022	FY 2023	FY 2024
Occupational accident index - Frequency rate	1.69	0.55	0.00

The data covers NRS, NRS BUTSURYU, and Takaishi Chemical.

**Average frequency rate in 2023** (from the Survey of Occupational Accident Trends, Ministry of Health, Labour and Welfare)

Transportation and postal services: 3.95, Average for all industries: 2.14

## Percentage of employees who acquired the hazardous materials engineer Class B-4 (including Class A)

	FY 2022	FY 2023	FY 2024
NRS	87%	87%	85%
NRS BUTSURYU	100%	100%	100%



## ISO 9001 Certification List

Head Office	Chubu Logistics Center	Kawasaki Office
Chiba Logistics Center	Chubu Logistics Center Tokai Warehouse	Osaka Office
Chiba Logistics Center Sodegaura Warehouse	Kyushu Logistics Center	Takaishi Chemport
Yokohama Logistics Center	Kawasaki ConTech	Nagoya Chemport
Osaka Logistics Center	Kobe ConTech	Tokyo Chemical Center Kawasaki Terminal
Gunma Logistics Center	Shunan ConTech	Tokyo Chemical Center Nagoya Terminal
Toke Distribution Center		

# Governance

## Management structure

(unit: persons)

	FY 2022	FY 2023	FY 2024
Directors	8	8	8
(of which women)	(1)	(1)	(1)
(of which outside director)	(1)	(1)	(1)
Auditor	2	2	2

The data covers NRS.

## Number of whistle-blowing cases

(unit: number of cases)

	FY 2022	FY 2023	FY 2024
Number of whistle-blowing cases	5	13	8

