

Message from the President and COO/Philosophy

Shingo Togi,

President and COO
NRS CORPORATION



Chemical products are indispensable to the development of our lives in terms of affluence, convenience, and functionality, and the logistics functions of NRS play an important role in the global supply chain of such chemicals. Based on our corporate philosophy, “Like a shining diamond, to share happiness with everyone,” we created our management vision, “To be a leading chemical-logistics company in the world.” Under these philosophy and vision, we will continue to evolve and enhance our corporate value by pursuing higher added-value services to achieve our corporate mission of “To provide the optimal solution to the world’s chemical logistics industry, NRS has the answer.” With safety and legal compliance as the foundation of our business, we are committed to building a business that supports the sustainable growth of society while gaining the trust of our customers and 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

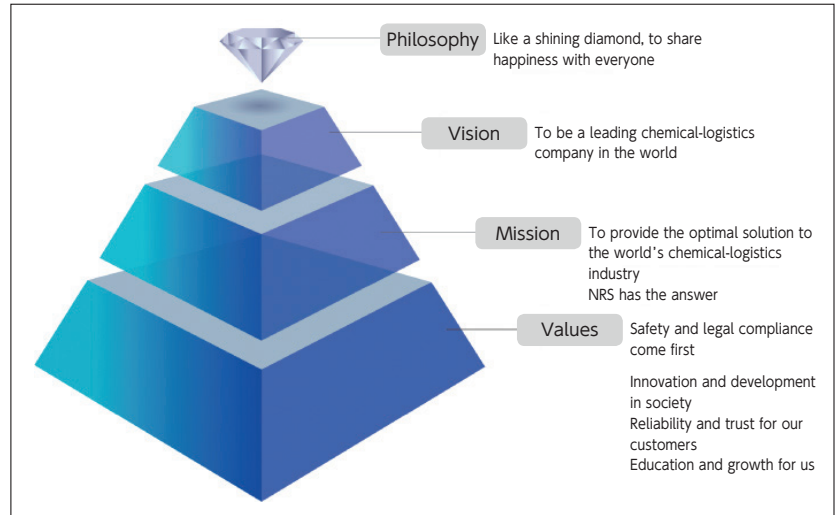
Clarification of NRS GROUP Philosophy System

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.

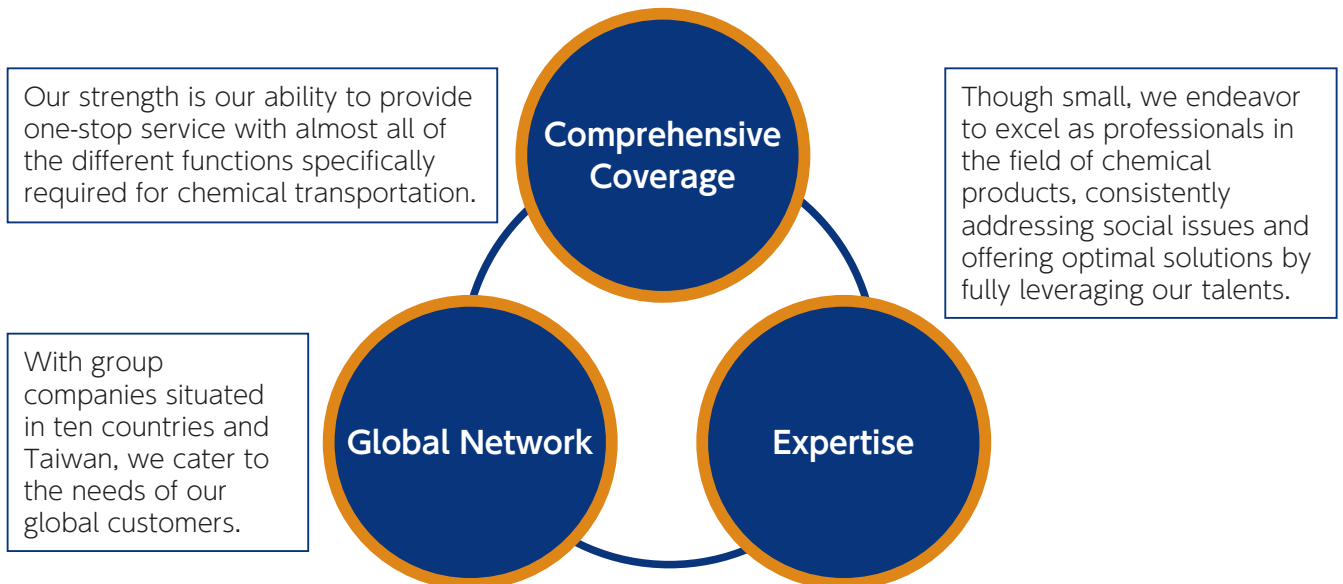
By clarifying these aspects, we will achieve sustainability through more efficient organizational management and the cultivation of our brand image.

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>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</p> <ul style="list-style-type: none"> Nichiriku Transportation Co., Ltd., and Nichiriku Warehouse Co., Ltd., established <p>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</p>	
1980-	<p>Paved the way for safe, high-efficiency ISO tank container operations in Japan</p> <ul style="list-style-type: none"> Takaishi Chemical Co., Ltd., established. Custom clearance business begins. Tank container business begins, established the International Tank Container Division. <p>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.</p> <ul style="list-style-type: none"> 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. US subsidiary NRS America Inc. founded in New York [Current NRS LOGISTICS AMERICA INC.] Interflow (Tank Container System) Ltd. (UK) acquired and Non-Vessel Operating Common Carrier (NVOCC) business begins [Current NRS OCEAN LOGISTICS LTD.] Rental and sales of IBC (Intermediate Bulk Container) begins We established NRS Singapore Pte. Ltd. as a local company in Singapore [current NRS LOGISTICS SINGAPORE PTE. LTD.] 	   

Transportation business

Warehouse business

Tank terminal business

Container business

Freight forwarding business



2000-	<p>Established a full-scale hazardous materials warehouse at the request of the Ministry of Transport of the People's Republic of China</p> <ul style="list-style-type: none"> ■ Shanghai joint venture, Shanghai Nichiriku Wailianfa Logistics Co., Ltd., established ■ 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. ■ 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. ■ Air cargo business begins <p>2008 Japanese company name changed to K.K. Nichiriku (NRS Corporation in English)</p> <ul style="list-style-type: none"> ■ We obtained manufacturing license (packaging, display, and storage) for pharmaceuticals, quasi-drugs, and cosmetics. Approval of IATA Cargo Sales Agent acquired. ■ 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. ■ Became the first company in Japan to be accredited as AEO* Custom Brokers by Tokyo Customs ■ ISO 14001 certification acquired
2010-	<p>Expanded our expertise in safe high-quality logistics developed in Japan to other countries.</p> <ul style="list-style-type: none"> ■ Established NRS Logistics Korea Corporation in Seoul, Korea [current NRS LOGISTICS KOREA CO., LTD.] ■ Established NRS Logistics (Thailand) Co., Ltd. in Bangkok, Thailand [current NRS LOGISTICS (THAILAND) CO., LTD.] ■ NRS Corporation Taiwan Branch established in Taipei [current NRS CORPORATION TAIWAN BRANCH] ■ NRS Logistics Vietnam Co., Ltd., established ■ Obtained approval from Tokyo Customs as AEO* Warehouse Operators. ■ Established NRS Raiza Logistics Vietnam, JSC. in Vietnam. Opened the first Japanese-quality hazardous materials warehouse in Vietnam.
2020-	<p>2022 Japanese company name changed to NRS K.K.</p> <p>2023 NRS Kumamoto branch opened in Kumamoto</p>



Online roll call system



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.

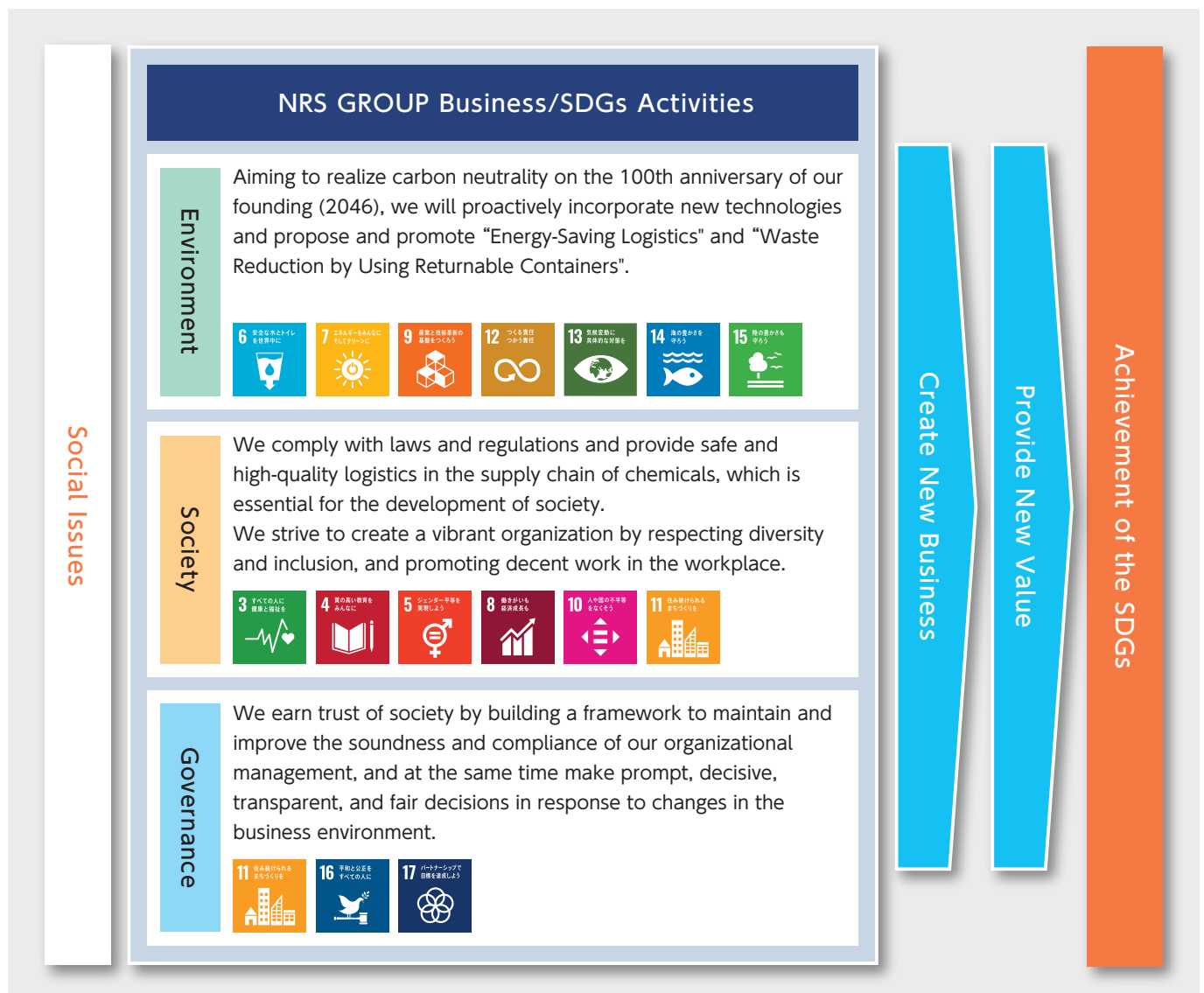


Our Aims for Sustainability

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



Our Aims for Sustainability

Sustainability Roadmap of the NRS GROUP

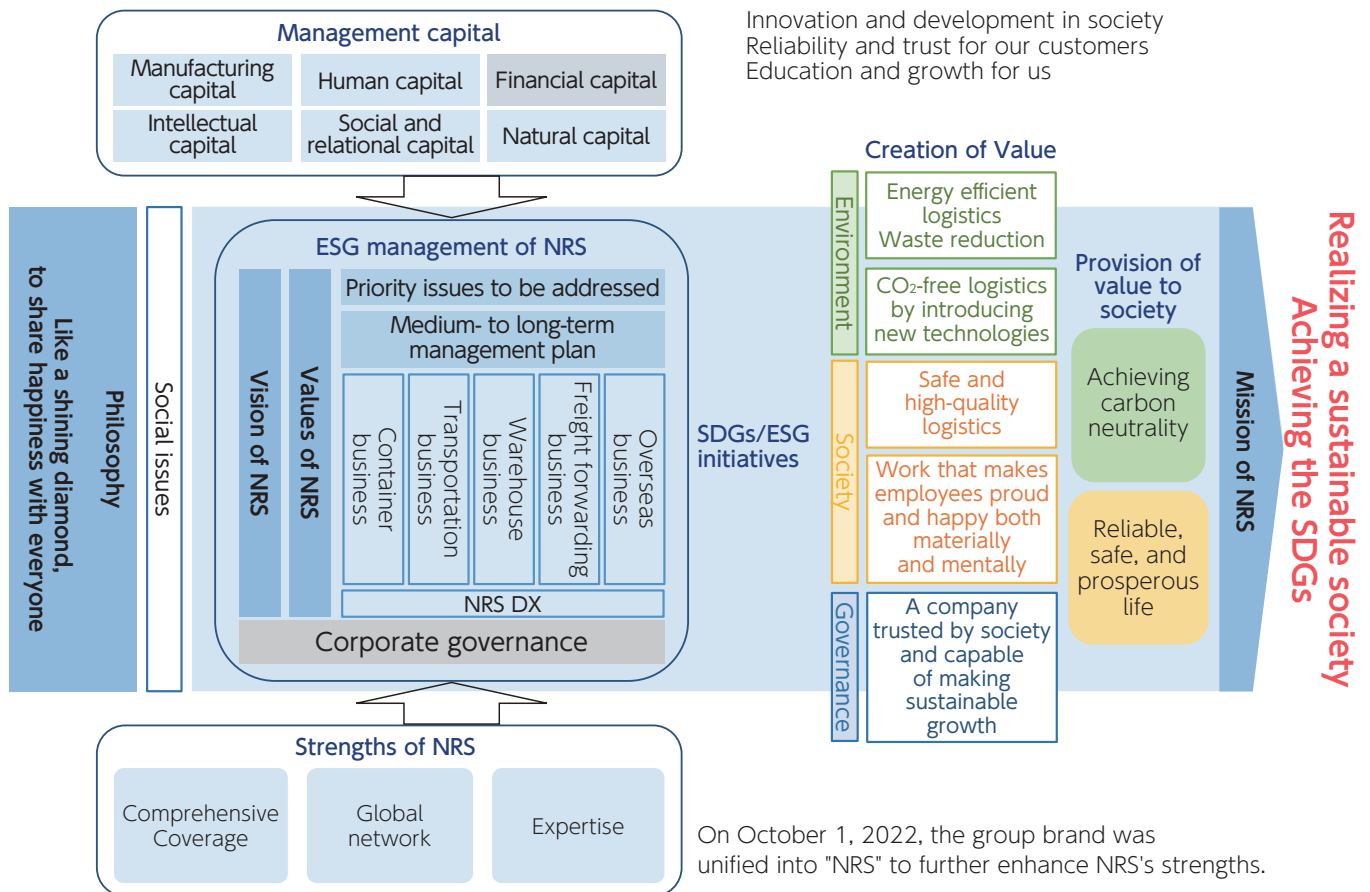
We take pride in the fact that the logistics industry plays a key role in the supply chain of chemicals, which is indispensable for the development and advancement of human society. Each and every one of our employees is committed to enhancing the NRS Values to provide safe, high-quality logistics services,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



On October 1, 2022, the group brand was unified into "NRS" to further enhance NRS's strengths.

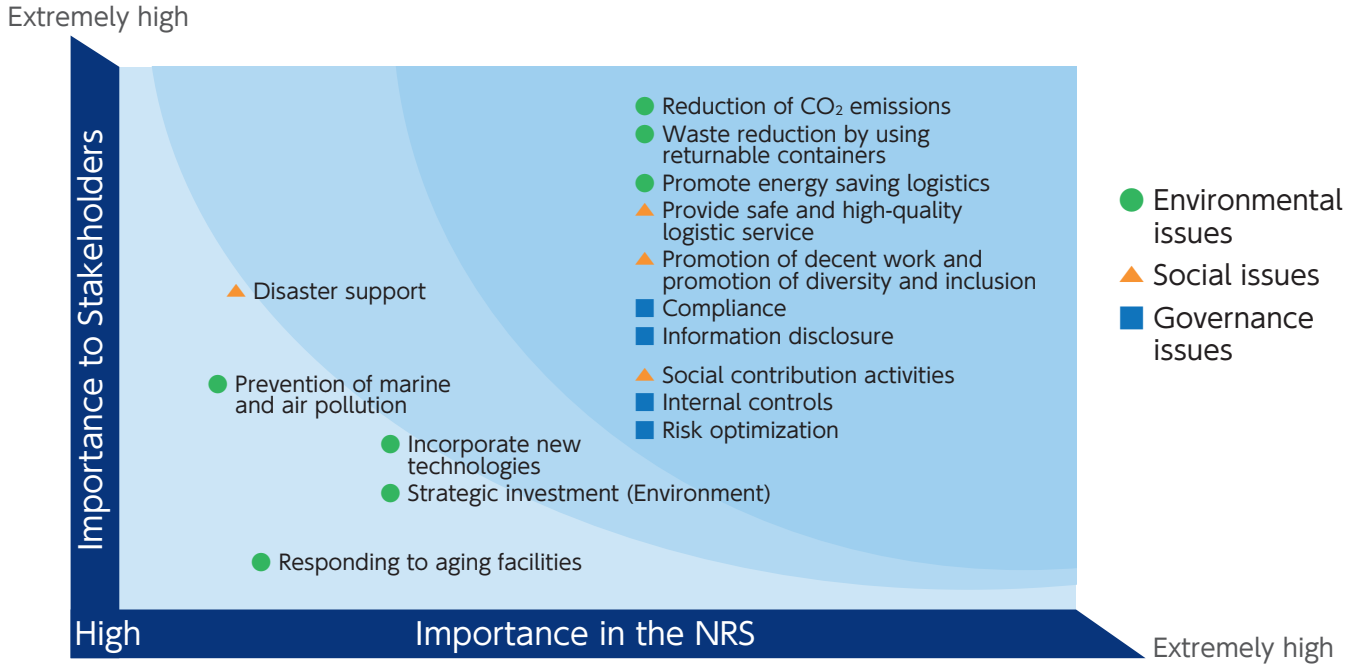


* The SDGs are the Sustainable Development Goals adopted by the United Nations in September 2015 as common global goals to solve society's issues by 2030 consisting of 17 goals and 169 targets.



Our Aims for Sustainability

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



Reduction of CO₂ Emissions

One of the variable factors is GHGs (mainly CO₂), 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 2022	<p>Changed the company name: To further strengthen the comprehensive coverage of the Group Implemented an organizational reform to clarify functions to ensure the reinforcement of group management, promotion of digital transformation (DX), and adherence to compliance.</p> <p>: Established Global Business Strategy Division, Digital Design Division, and Internal Control, Legal Affairs, and Risk Management Department.</p> <p>Received the SDG Promotion Loan execution certificate from Sumitomo Mitsui Bank.</p> <p>▶ See the next page: Activity Topic 1</p>
December 2022	Established Vision, Mission, and Values
From the new fiscal year	<p>Increased the frequency of the Sustainability Committee, chaired by the president, to quarterly meetings. Enhanced collaboration with the Sustainability Promotion Committee to facilitate prompt, equitable, and transparent dissemination of sustainability-related aspects throughout the company.</p> <ul style="list-style-type: none"> - First meeting: October 19, 2022 - Reviewing activities from the previous year and planning for the upcoming fiscal year. - Second meeting: January 17, 2023 - Reporting on the status of the preparation of the Sustainability Report. Reached decisions, such as the CN policy aiming to achieve zero CO₂ emissions from the use of electric power as the 2030 target. - Third meeting: May 17, 2023 - Reporting on the activity status for the first half of the year, planning for the second half, and presenting the drafted plan for the fiscal year 2024. - Fourth meeting: August 23, 2023 - Reporting on the response to the CSR investigation, establishment of a dedicated purchasing department, and CN policy.
December 2022	First publication of Sustainability Report: This report aims to organize how we plan to address environmental, social, and governance issues and share this information widely with stakeholders, including all employees belonging to the Group. It also clarifies the challenges we face in realizing the vision and mission of the Group. By resolving these challenges, we contribute to creating a sustainable society.
June 2023	<p>Clarification of NRS GROUP Philosophy System</p> <p>For the establishment of a sustainable society, we define our purpose of our existence and provide guidelines for all employees of the Group to follow. We also share this information with stakeholders.</p>
July 2023	Establishment of the NRS GROUP DX Strategy
August 2023	Continuation of the external evaluation of our sustainability activities (to be assessed by EcoVadis)
September 2023	Revised Risk and Compliance Regulations
October 2023	<p>Establishment of the Anti-Bribery and Corruption Policy</p> <p>Establishment of the NRS GROUP Procurement Policy ▶ See the next page - Activity Topic 2.</p> <p>Other: - Discussion on creating a roadmap to achieve carbon neutrality - Setting targets for 2030</p> <ul style="list-style-type: none"> - Identifying specific challenges in realizing an active career for women based on the engagement survey (second year)



Activity Topic 1: Obtained the SDG Promotion Loan Certificate of Execution.

Sumitomo Mitsui Banking Corporation acknowledged the potential impact of our diverse sustainability initiatives in contributing to the achievement of the SDGs. As a result, we were granted the SDG Promotion Loan execution certificate (October 2022).



In order to secure this loan, Sumitomo Mitsui Banking Corporation and the Japan Research Institute conduct an assessment of a company's existing activities related to the SDGs and analyze the rationale for contributing to SDG achievement through its primary business operations. They offer advice and support to facilitate the promotion of SDG activities.

They identified the following business activities as promising contributors to the achievement of SDGs.

(1) Contribution to carbon neutrality through our transportation business and waste reduction efforts

: Related SDGs target numbers: 7, 12, and 13

(2) Our efforts to create a safe working environment and enhance employee job satisfaction

: Related SDGs target number: 8

NRS is committed to continuing our efforts to achieve SDGs targets and contribute to realizing a sustainable society.

Activity Topic 2: Establishment of the NRS GROUP Procurement Policy

The NRS GROUP has been conducting fair procurement activities in accordance with our procurement management regulations. This encompasses business transactions, evaluations, business partner selections, internal approvals, delivery management, and payment processing. In recent years, there has been growing demand for sustainable procurement throughout the supply chain. In response to these circumstances, we established the NRS GROUP Procurement Policy, which addresses the impact of fair trades on resources and environmental protection, human rights, safety, and other aspects.

We are dedicated to enhancing our positive and healthy relationship with stakeholders by reinforcing governance and compliance, including environmental and human rights considerations, in alignment with this policy.

The NRS GROUP Procurement Policy

We declare our commitment to ensuring legal compliance and conducting ethical and honest procurement activities in accordance with the principles outlined in the NRS GROUP Corporate Code of Ethics.

What the policy stipulates:

- Commitment to fair and equitable selection and contracting with business partners, offering equal trade opportunities to businesses both within and outside of Japan
- Compliance with relevant laws and regulations in conducting purchasing transactions and safeguarding the confidentiality of information about business partners
- Demonstrating consideration for resources, environmental protection, human rights, and safety in procurement transactions, and fulfilling corporate social responsibility to contribute to the establishment of a society capable of sustainable growth

