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
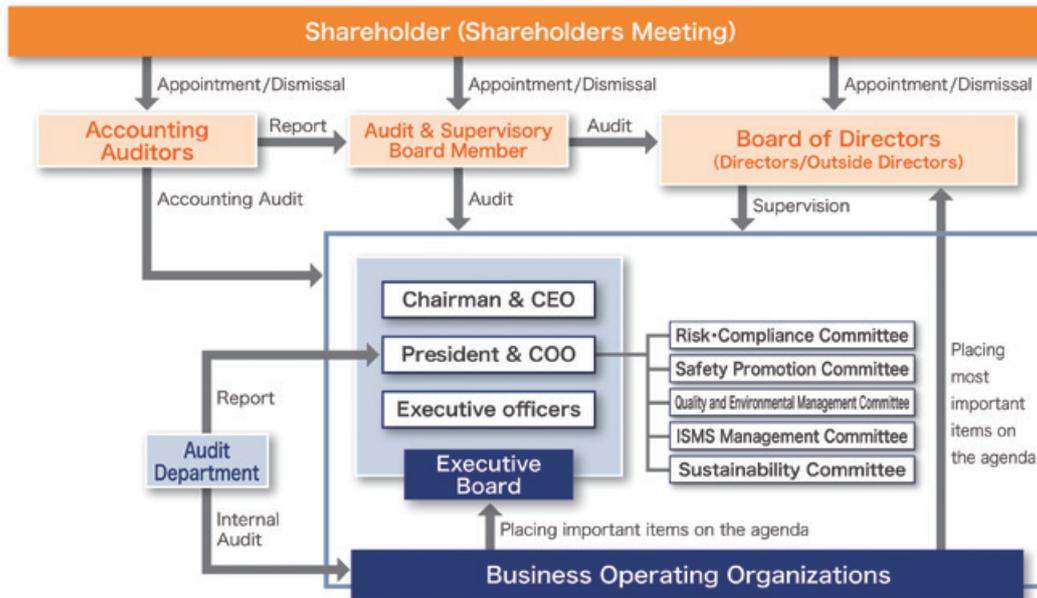
Board of Directors

The Board of Directors is composed of directors and auditors. It is responsible for making resolutions on matters stipulated by laws and regulations, the Articles of Incorporation, and the Regulations of the Board of Directors. In addition, it approves or makes decisions on important business matters in accordance with applicable regulations and systems and supervises the execution of business by the directors.

Executive Board

Conduct prior deliberations on matters requiring resolutions of the Board of Directors. Resolve other important matters.

Audit & Supervisory Board

Monitor the execution of duties by Directors. Conduct the Company's financial audits. Attend Board of Directors meetings and express opinions.

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) In operating our Information Security Management System (ISMS) based on ISO 27001, we have established a Management Committee.

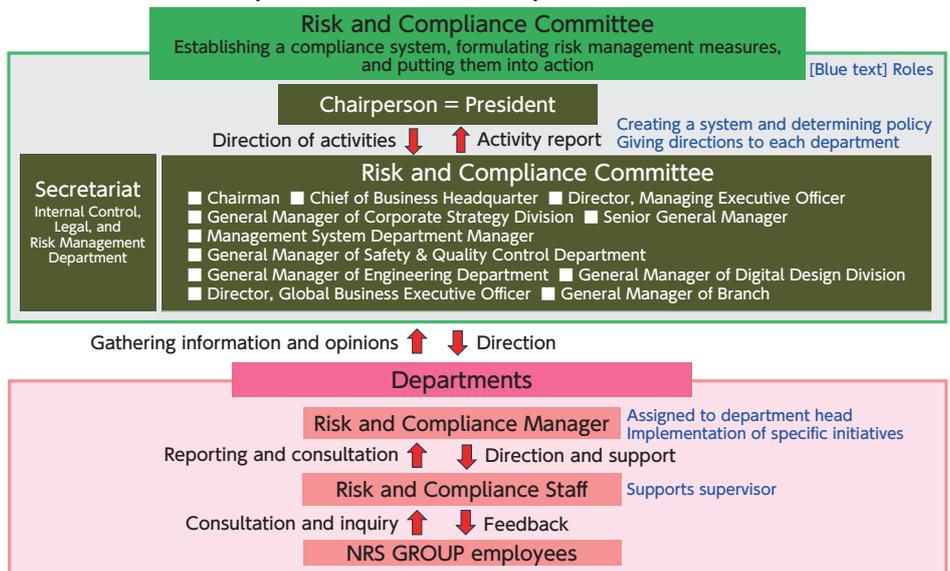### Risk and Compliance Committee

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, 2025, the committee met twice a year and carried out the following initiatives, which were then reported to the Board of Directors.
- Share key risks faced by domestic and overseas organizations and the status of corresponding initiatives.
- Review and discuss countermeasures regarding the unauthorized access incident that occurred in 2025.
- Develop the Corporate Crisis Management Regulations.
- Review the Business Continuity Plan (BCP).

NRS Risk and Compliance Committee system

Risk and Compliance Committee
Establishing a compliance system, formulating risk management measures, and putting them into action

[Blue text] Roles

Chairperson = President

Direction of activities ⬇   ⬆ Activity report

Creating a system and determining policy
Giving directions to each department

Secretariat
Internal Control, Legal, and Risk Management Department

Risk and Compliance Committee
■ Chairman ■ Chief of Business Headquarter ■ Director, Managing Executive Officer
■ General Manager of Corporate Strategy Division ■ Senior General Manager
■ Management System Department Manager
■ General Manager of Safety & Quality Control Department
■ General Manager of Engineering Department ■ General Manager of Digital Design Division
■ Director, Global Business Executive Officer ■ General Manager of Branch

Gathering information and opinions ⬆   ⬇ Direction

Departments

Risk and Compliance Manager

Assigned to department head
Implementation of specific initiatives

Reporting and consultation ⬆   ⬇ Direction and support

Risk and Compliance Staff

Supports supervisor

Consultation and inquiry ⬆   ⬇ Feedback

NRS GROUP employees

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

Since the establishment of the Information Security Management System (ISMS) in 2020, we have implemented both human-based and technical measures to ensure information security. These include educating employees in the use of the *Information Security Handbook,* managing accounts with multifactor authentication, applying endpoint measures for PCs and servers, and introducing zero-trust tools. However, despite these safety measures, we experienced unauthorized access in May 2025. Fortunately, no breach of information has been identified. Nevertheless, we carried out a drastic revision of our network environment to prevent future unauthorized access. We continue to strive to further enhance our security, guided by our commitment to *never compromise important customer information* and *never stop the systems that support advanced logistics.*

Responding to Emergencies

NRS is conducting the Anhydrous Hydrofluoric Acid Safety Workshop annually, targeting employees—mostly drivers—to prepare them for emergency situations. The transportation of ISO tank containers filled with anhydrous hydrofluoric acid can potentially lead to a serious disaster in the event of an accident because of the hazardous nature of this product. The workshop was held at business sites in Kawasaki, Kobe, and Kitakyushu this FY. The first part of the workshop consisted of lectures by external lecturers. The second part involved an emergency response drill and training on the proper wearing/using of air respirators.

Greetings from Chairman Noto

Emergency response drill (training on the proper wearing/using of air respirators)

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 moral codes, 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, whistleblowing desks are also established within the Internal Control, Legal, and Risk Management Departments.
- External whistleblowing channels: Whistleblowing desks are established at attorneys' offices in Japan and overseas, and their contact information 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.

Strengthening Security Trade Controls Through New Import/Export Control System

We, as a company, have reaffirmed the importance of the international community's efforts toward the nonproliferation of weapons of mass destruction and related cargo, and are undertaking initiatives to strengthen our security trade control.
1. Our Security Export Management Regulations, which are aligned with the latest laws and regulations, clarify NRS's management framework, covering organizational structure, procedures, audits, education, and document control.
2. We streamlined export approval procedures under the name Rakuraku Workflow Export Management. This system is designed for paperless document management, including import records, on the Web.
3. Online study sessions are regularly held 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 further enhance these processes through internal audits.

Various Training and E-learning Sessions

To address the frequent occurrence in recent years of corporate scandals and compliance violations arising from disregard for social norms, we conducted the Compliance Training – Corporate Ethics e-Learning sessions for employees in Japan to improve their literacy. We also provided training tailored to different job levels to enhance NRS GROUP employees' awareness of compliance.

Education on Corporate Ethics

FY 2025 e-learning : Corporate Ethics (for all employees in Japan) with 97% participation rate (924 out of 951 employees)
Compliance training for new employees
Specific compliance training is provided for departments and for employees dispatched on overseas assignments.
FY 2024 e-learning : Anti-bribery (for all employees in Japan) with 90% participation rate (875 out of 973 employees)
Compliance training for new employees
Compliance training for different job levels