

RESPONSIBLE CARE



CSR Report 2019

Corporate Social Responsibility Report

29-Jan-2020



Year 2019 has come. We had a lot of disasters and damages last year.
 We would like to express our sincerest sympathies for all sufferers and their families. We pray that their souls may rest in peace and cordially hope that affected regions will recover completely from the damages as soon as possible.

AST INC.
 President Akira Ishibashi
 All employees and all groups

Responsible Care Activities

Responsible Care Activities are voluntary activities for the companies which handle chemical substances to implement and improve activities relating to environment, safety and health throughout a lifecycle of products. (development, manufacture, distribution, use, final consumption and disposal)

RC activities were born in Canada in 1985. Since The International Council of Chemical Association (ICCA) was established in 1990, each country's chemical industrial association has started to promote RC activities depending on individual circumstances based on common principles, and they have expanded to 53 countries as of October, 2007.

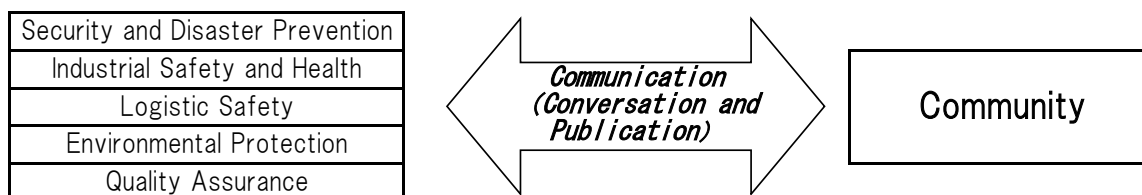
In Japan, Japan Responsible Care Council (JRCC) was established in 1995 and the activities officially started.

CSR Report 2019

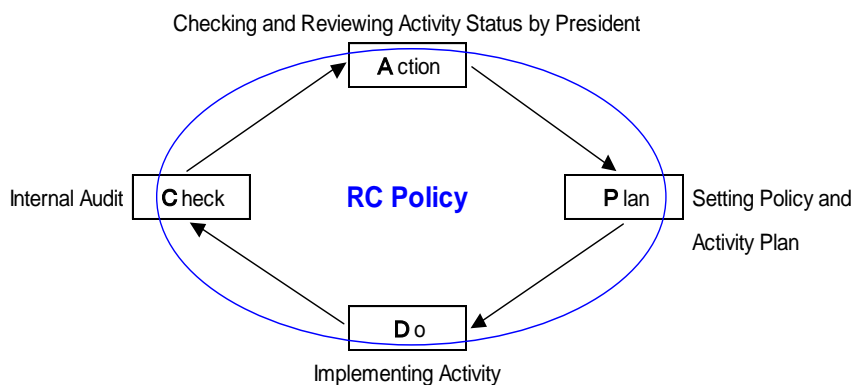
Since 2008, we have issued a CSR report annually to announce results of RC activities and to improve communication with society. This is the 12th issue of the report.

Basic Responsible Care

Our company's RC activities are implemented in five main categories as follows.



RC activities are implemented in according with PDCA cycle.

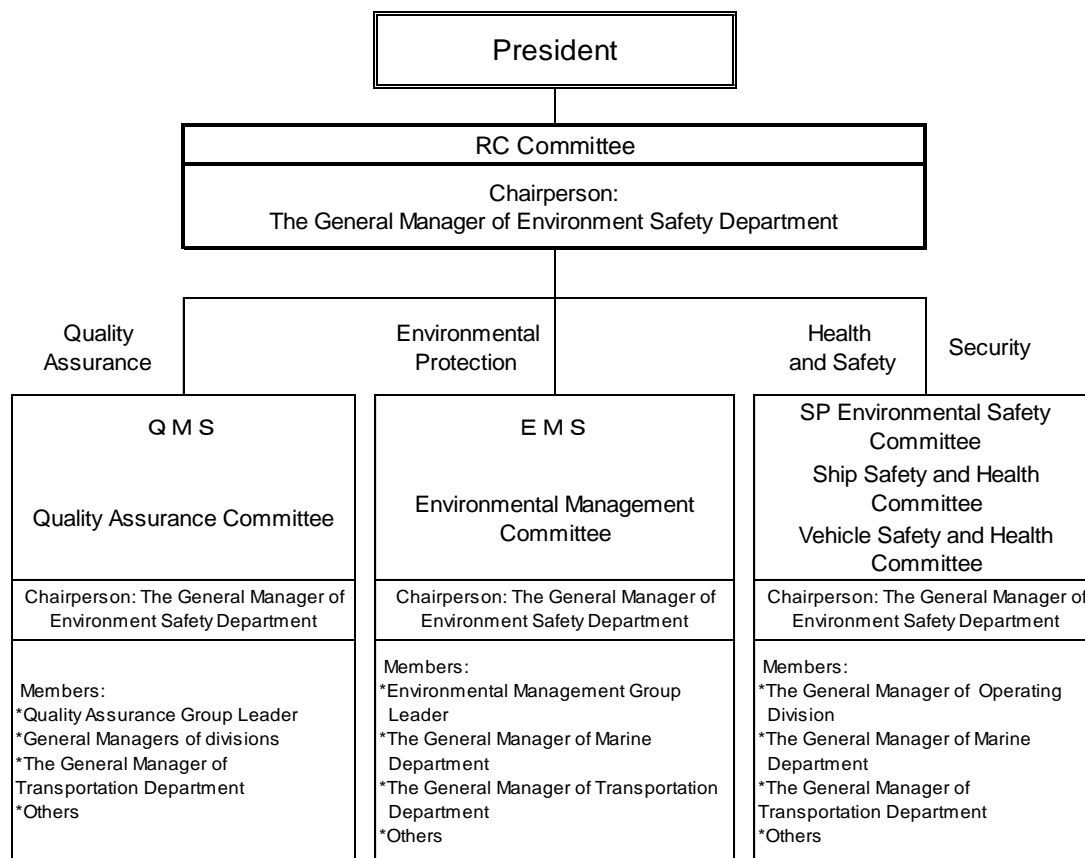


Responsible Care Policy

Our Responsible Care Activities are conducted in accordance with “Code of Conduct” and “Management Principle”.

System of Responsible Care Activities

The President established the RC Committee to promote RC activities effectively and appointed the General Manager of Environment Safety Department as the chairperson of the committee.



Report Period

January 1st to December 31st, 2019.

Report Scope

Three divisions of AST Inc. (Terminal and Warehouse, Marine Transportation, Land Transportation)

Contact Information

AST Inc. (Advanced Storage & Transportation)

Environment Safety Department

4-17-23, Kita-horie, Nishi-ku, Osaka city, Osaka 550-0014 Japan

TEL 81-6-6538-2845/FAX 81-6-6534-0536

Risks and Its Measures in Our Operating Activities

Our company's main operating activities are based on transportation in three major business fields including marine transportation by tanker ships, land storage in tank terminal and warehouse, and land transportation by truck, tank lorry and bulk container. Our activities consist of operate packing operations, custom works and others. We mainly handle petrochemical products and inorganic chemical products.

Our logistical activities have general risks in the process of transportation and storage such as fire, leakage accidents, industrial accidents, traffic accidents and marine accidents.

We not only comply with laws and regulations, but also regulate internal rules which are more strict laws and regulations and administrative guidance. Sufficient safety measures to all possible risks are taken by all employees, with strict compliance with the internal rules.

Possible Risks in Our Operations

Marine Transportation

- ① Marine accidents as ship collisions and groundings.
- ② Theft, leakage and fire accidents of cargoes.
- ③ Industrial accidents in handling cargoes and other operations

Land Transportation

- ① Traffic accidents such as vehicle collisions
- ② Theft, leakage and fire accidents of cargoes.
- ③ Industrial accidents in handling cargoes and other operations.

Storage

- ① Damages of tanks and warehouses by accidents.
- ② Theft, leakage and fire accidents of stored products.
- ③ Industrial accidents in handling stored products and other operations.

Handling Products :

- ① Flammable liquid regulated as class 4 hazardous goods under the Fire Service Act.
Risks : Ignition and explosion by static electricity or other fire sources.
- ② Deleterious substances regulated under the Poisonous and Deleterious Substances Control Act
Risks : Injuries, poisoning, oxygen deficiency, health hazard by touching, sucking and ingesting
- ③ Organic solvent and specified chemical substances regulated under the Industrial Safety and health act.
Risks : Injuries, poisoning, oxygen deficiency, health hazard by touching, sucking and ingesting

Risk Management

- ① Full compliance with applicable laws and regulations, controls and guidance by related authorities.
- ② Establishment of internal rules and full compliance with them.
- ③ Monitoring deviation by the Compliance Committee and Responsible Care Committee.
- ④ Sharing information by close communication with various organizations and applying the same method internally.
- ⑤ Establishment of systems for safety and health, quality assurance, and environmental management by acquiring certifications of various standards.

Safety Information of Products

We keep documents about characteristics and safety information of our handling products (SDS and other documents) at each operating office and the head office.

We provide these information on demand of external stakeholders. Please contact the following if necessary.

Head Office Environment Safety Department	4-17-23 Kita-horie Nishi-ku Osaka city	81-6-6538-2845
Hommachi Office Business Department	1-6-1 Awaza Nishi-ku Osaka city	81-6-6538-2783
Tokyo Branch	12-7 Nihonbashi Koami-cho Chuo-ku Tokyo	81-3-3664-9440
Kizugawa Terminal	1-4-20 Hirao Taisho-ku Osaka city	81-6-6552-0561
Kobayashi Terminal	1-1-5 Kobayashi-higasi Taisho-ku Osaka city	81-6-6551-7850
Chishima Terminal	1-1-7 Hirao Taisho-ku Osaka city	81-6-6552-8484
Namihaya Terminal	1-1-15 Tsurumachi Taisho-ku Osaka city	81-6-6554-2760
Funamachi Terminal	1-6 Funamachi Taisho-ku Osaka city	81-6-6554-7682
Hokko Terminal	2-4-67 Hokko Konohana-ku Osaka city	81-6-6463-7301
Umemachi Terminal	2-5-4 Umemachi Konohana-ku Osaka city	81-6-6468-5281
Takaishi Terminal	2-2-1 Takasago Takaishi city Osaka	81-72-268-0616
Land Transport Department Osaka	2-4-67 Hokko Konohana-ku Osaka city	81-6-6464-6184
Land Transport Department Mizushima	3-13 Ushiodori Kurashiki city Okayama	81-86-475-0567
Marine Transport Department Osaka	1-6-1 Awaza Nishiku Osaka city	81-6-6538-2784
Marine Transport Department Tokyo	12-7 Nihonbashi Koami-cho Chuoku Tokyo	81-3-3664-9440

Complaints and Inquiries

We take all possible measures for the SHEQSS (Safety and Health, Environmental Management Quality Assurance, Security, and Service) including risks and measures in our operations.

However, please contact the following responsible persons if there is any complaint or inquiry.

Safety and health, security	Safety and Health Representative	81-6-6538-2845
Environmental Management	Environmental Management Representative	81-6-6538-2845
	Environmental Management Group Leader	81-6-6538-2845
Quality Assurance	Quality Management Representative	81-6-6538-2845
	Quality Assurance Group Leader	81-6-6538-2845
Services (Sales Operations)	General Manager of Business Department	81-6-6538-2782
		81-3-3664-9440
No.1 Terminal Group	General Manager of No.1 Terminal Group	81-6-6552-0561
(Kizugawa, Kobayashi, Chishima, Namihaya, Funamachi Terminal)		
No.2 Terminal Group	General Manager of No.2 Terminal Group	81-6-6463-7301
(Hokko, Umemachi, Takaishi Terminal)		
Transportation Department	General Manager of Transportation Department	81-6-6464-6184
Marine Transport Department	General Manager of Marine Transport Department	81-6-6538-2784
General Affairs Department(a whole company)		
	General Manager of General Affairs Department	81-6-6538-2788

CSR Activity Report

Safety and Disaster Prevention

Company-Wide

Terminals quickly took measures when the North Osaka Earthquake occurred in June 2018, by the result of monthly emergency training, reviews of preventive measures, preparedness against earthquakes in view of the damage of the 2016 Kumamoto Earthquake and the 2011 Tohoku Earthquake and Tsunami.

Upon learning the lesson from the North Osaka Earthquake and No.21 Typhoon in September 2018, and considering the damage from No.15 Typhoon and No.19 Typhoon occurred in September and October 2019 respectively, We continue to reinforce emergency training and to review our BCP for operating the company with a high-level disaster-prevention system.

- * completed the seismic evaluation for dangerous goods facilities (under the Fire Service Act) in 2019.
- * reviewed measures for earthquakes and tsunamis with adding measures for high tidal waves, gas leaks, and floodings.
- * reviewed our BCP (Business Continuity Plan).
- * In addition to drills for earthquakes, we decided to conduct drills for tsunamis, evacuation and safety confirmation (at least once a year). We have installed a satellite telephone for safety confirmation.

Disaster and emergency contact training

All of the operating offices conducted these drills at least once a month with our subcontracting companies. The Marine Department and the Transportation Department, in conjunction with our subcontracting companies, have conducted these drills at least three times a year.

All of the operating offices have organized the self-defense fire exercise.

The operating offices in the Sakurajima, Hokko area, and the Takaishi area regularly conducted joint training with the Cooperative Fire Prevention Association and the Public Fire Department. Our operating offices in other areas regularly conducted cooperative training with the Public Fire Department as well.

Each of the operating offices conducted drills for disaster, such as drills for self-protection to prevent disaster, and joint drills based on the 2019 annual drill's plan.

In addition, we have participated in emergency drills and technical competitions organized by the Public Fire Department to develop emergency drills with local companies and communities.

As for the Marine Department and the Transportation Department, the drills for lifesaving at sea and accidents such as fire or leakage have been conducted respectively to develop emergency drills with their communities based on the annual plan for drills.

Excerpts of Our Disaster Drill Records

March 11th, 2019/ The Joint Emergency Drill for Tsunami of No.1 Terminal Group (Kizugawa, Kobayashi, Chishima)



May 10th, 2019/ The Drill for Lifesaving on Our Own Vessel "Atago".



May 22nd, 2019/ The Drill for Expanding A Floating Boom at Hokko Terminal.



June 5th, 2019/ The Fire Drill with Public Fire Department at Kizugawa Terminal.



September 5th, 2019/ The Osaka Emergency Drill for 8.8 Million People



November 27th, 2019/ The Technical Competition for Self-Defense Fire Brigades at Namihaya Terr



Terminals and Warehouses

* The latest renewal inspection of CDI-T(*1) was completed in November, 2018.

The valid period of CDI-T is three years. After three years from the initial inspection(4th ed we took the first renewal inspection in November, 2012 and took the second renewal inspection in November, 2015, and completed the third renewal inspection in November, 2018.

The 5th edition updated on January 2012, was used for our first renewal inspection.

69 items were added in this edition. However, the number of uncleared items were 14 items than our first audit.

The second renewal audit was conducted in accordance with the 6th edition questionnaire (126 items were added in this addition) on November 2015, but the number of unclear items \ items less than the first renewal audit.

After undergoing the internal CDI-T audit, matching ratio was 98% including substitute ideas. The third renewal audit was conducted in November, 2018 in accordance with the 6th edition. The next (the fourth) renewal audit is scheduled in November, 2021.

(*1) Chemical Distribution Institute – Terminal

First audit : November 24th to 28th, 2009

Auditor JC Bae(JC Marine Services/Korea)

First renewal audit : November 19th to 23rd, 2012

Auditor JC Bae(JC Marine Services/Korea)

Second renewal audit : November 16th to 20th, 2015

Auditor Tatsuyoshi Demizu (Tokyo Chemical Safety Operations/Japan)

Third renewal audit : November 26th to 30th, 2018

Auditor Tatsuyoshi Demizu (Tokyo Chemical Safety Operations/Japan)

Report No. : Kizugawa Terminal 1599 / Date of receipt 07-12-2018

Hokko Terminal 1598 / Date of receipt 07-12-2018

Scope : Head office (The system of a whole company)

Hokko Terminal (Including a part of the Land Transportation Department)

Kizugawa Terminal

Result : Kizugawa Terminal 93.92%

Hokko Terminal 94.39%

All items : 2,002(Management : 925, Technical : 1,077)

Uncleared items : Kizugawa Terminal : 110(Management : 20, Technical : 90)

Hokko Terminal : 102(Management : 19, Technical : 83)

※There were many uncleared items which comply with Japanese law, but CDI-T takes account of the international standard.

Except for these items comply with the standard, 97% of the CDI-T questionnaires were cleared.

※Generally, 60% matching of all items is the standard value of safety management, however we will aim for conformance of the all items and conduct further improvement.

Reference : All items (First audit) : 1,807(Management : 807, Technical : 1,000)
Uncleared items : 177(Management : 67, Technical : 110)
All items (First renewal audit) : 1,876(Management : 860, Technical : 1,016)
Uncleared items : 163(Management : 68, Technical : 95)
All items (Second renewal audit) : 2,002(Management : 925, Technical : 1,077)
Uncleared items
Kizugawa Terminal : 64(Management : 9, Technical : 55)
Hokko Terminal : 54(Management : 7, Technical : 47)
※Kizugawa and Hokko terminals conducted the first audit and the first renewal audit together, but they have been inspected separately since the second renewal audit.

Internal audit : From October to November 2018, the internal voluntary audit was implemented, and then 98% of the CDI-T questionnaires (6th) were cleared by self-audit.

The terminals (Kobayashi, Chishima, Takaishi, Namihaya, Umemachi) and Osaka land transport division and Osaka sales department and the general affairs department are excepted from inspection targets, whereas they have attended mutatis mutandis terminals self-examination, and have coped with items recommended for safety.

Next audit : The next renewal audit is scheduled in November, 2021 when is in three years from the third renewal audit.

* We join the committee for Oil Prevention and Control in Osaka Bay and Harima Sea and cooperate to prevent marine pollution in compliance with related laws and regulations.

Members : Kizugawa terminal, Kobayashi terminal, Chishima terminal
Namihaya terminal, Hokko terminal, Umemachi terminal, Takaishi terminal
※On-site inspection by Ministry of Land, Infrastructure, Transport and Tourism has been started orderly from Kizugawa terminal since March, 2011 and full preparation for emergency response has been confirmed.

* Terminals where have many arrivals of ocean-going ships at jetties are designated as international harbor facilities, and get approved for port facility security plans in accordance with laws and regulations related to International Ships and Port Facility Security (ISPS) Code ratified by International Convention for Safety of Life at Sea (SOLAS).

Scope : Hokko terminal (Q-4B, Q-2 Piers)

※The on-site regular inspection for international harbor facilities was conducted by Ministry of Land, Infrastructure, Transport and Tourism in December, 2019 and our full preparation for safety was confirmed.

Takaishi terminal (Takaishi Chemical Pier)

※The on-site regular inspection for international harbor facilities was conducted by Ministry of Land, Infrastructure, Transport and Tourism in September, 2019 and our full preparation for safety was confirmed.

* The ships safety check list of ISGOTT(*2)

ISGOTT provides the checklists for "discussion and agreement" between terminals and ships for loading operations. In our terminals, a marine loading confirmation form (started operating in July, 2010) that combines all requested items of ISGOTT and existing check lists are used to improve the relationship between terminals, ships and International Standard Compliance. We also secure the safety loading operation according to the epistle for s written as "to make an effort to secure safety and to consider the safety and efficient operati (started operating in September, 2011) in the fair position between terminals and ships.

(*2) ISGOTT=International Safety Guide for Oil Tankers and Terminals

* We join the various safety and security organizations and contribute to neighborhood safety.

*Improvement of terminal safety by using KPI

We use the KPI(Key Performance Indicator)to assess important facilities and equipment, and judge sustainability and necessity of improvement. It helps to find breakdowns in advance and prevents troubles and accidents caused by aged deterioration and obsolescence. The KPI has been used since 2013.

* 24-hour surveillance cameras are installed in combination with the manned security system in main operating offices and garages of Land transport Department.

Installed : 6 operating offices(24 points)

Details : At the Hokko terminal

- around-the-clock surveillance and audio warning as necessary
- accessible at the supervisor's desk and home via the internet
- around-the-clock recording on host computers.

At the head office

- bussiness hour all footages of security cameras checked by Environment Sa Department.

Recording : At 6 operating offices recording on their computers around-the-clock.

※ It has been 12 years since monitoring cameras were operated. To resolve obsolescence of these cameras, we added new cameras and replaced existing cameras with new ones while rebuilding the network and enforcing to update the whole system of surveillance. (have been completed in March, 2018)

* We changed the security system from our company's security section to a professional securi company in 2013 to improve security quality.

Marine Transportation Division

* We operate safety navigation according to safety regulation of Ministry of Land, Infrastructure, Transport and Tourism.

Establishment : October 1st, 2006

Commencement date : December 20th, 2006

(Reported to Kinki District Transport Bureau on December 6)

Administrative audit : August 7th, 2007

(The initial Transportation Safety Assessment by Kinki District Transport Bure

: February 14th, 2019
(The fourth Transportation Safety Assessment by Ministry of Land
Infrastructure, Transport and Tourism, Minister's Secretariat
and Transportation Safety Officer.)

Good items : 2

Items pointed out : 0

Suggested items : 1 (Improved items : 0 / Items under consideration : 1 / Unresolved item

※ The Transportation Safety Assessment is scheduled on February 2020.

Internal audit : February, 2020 (Compliance with the Safety Management Code shall be confirmed)

* We have joined various safety and security organizations and have contributed to marine safety.

Land transportation Division

* G-Mark (Certification for safe and exemplary companies) was certificated in December,
2005 and we have strived for safety operations.

Validity Period : January 1st, 2019 to December 31st, 2022 (4 years)

Evaluation items : I . Compliance with Laws and Regulations for safety

II . Status of accidents and violations

III . Aggressiveness for safety activities

※ We gained the 10 year-award from Osaka Transportation Bureau for
continuing to update G-mark many years on December 16th, 2016.

* We have joined various safety and security organizations and have contributed to neighborhood

Industrial Safety and Health

* Each department sets the Safety and Health committee and makes an effort to secure industrial
safety and health.

* Various internal audits are conducted to secure industrial safety and health.

Terminals : SP Safety Audit (Stock Point)

11 offices (12 divisions) September 5th to November 15th, 2019

Items pointed out : 30 (Improved items : 30 / Items under consideration : 0 / Unsolved items :

Transportation Department : SHEQS Audit

11 operating offices and 10 companies May 9th to 24th, 2019

Items pointed out : 46 (Improved items : 46 / Items under consideration : 0 / Unsolved items :

Marine Department : Audit of the Safety Management Code

Next internal audit February 2020

Items pointed out : 0

Suggested items : 1 (Improved items : 1 / Items under consideration : 0 / Unsolved items : 0)

Visiting ships activities : 208 times (13 ships)

Average times for each ship : 16 times, Average times for each month : 17 times

* We conduct medical examination once a year, and special medical examinations twice a
year to maintain employees health.

* Assessment of employees' condition and ability.

All employees and cooperated companies' sailors and drivers have taken breath alcohol tests and physical checks everyday to judge if they can work since December 2006.

Since December 2008, Kizugawa terminal, Hokko terminal, and Osaka Transportation Department have installed advanced alcohol checkers which can save test results with photo ID on computers. Alcohol checkers in the Land Transportation Department have certification systems which check if the drivers have proper licenses and the system to notice the expired licenses. All drivers are required to take the breath alcohol test at the time of arrival in advance of the law amendment.(*3)

No drivers failed breath alcohol tests and physical condition checks in 2019. In addition, blood-pressure manometers are introduced in all offices. Employees are recommended to measure their blood pressure with an aim to keep their health and to notice changes in body condition.

(*3) In accordance with the revision of safety rules of Motor Truck Transportation Business Act, all drivers have been regulated to take alcohol checks before departing and returning since April 1st, 2011.

At Hokko terminal and Osaka Land Transportation Department, the drug tests are conducted by a third party institution in accordance with customer's requests.

Scope : Managers, Field Operators, Drivers of tank lorries.

Frequency : When hired, once in 2 years

Method of inspection : Measure the drug in urine.

Safety Transportation

* Accidents and near misses of the whole company are compiled and analyzed monthly and annually, and their feedbacks are given to the whole company to secure safety.

* S&E circulations about safety, health and environment to the whole company and all partnering companies have been issued to share the measures preventing future accidents and used for horizontal communication and warnings.

In 2019, we issued 39 SHEQSS information, 9 articles about revised Laws and regulations and 73 articles about accidents of other companies.

* Encouraging Employees to Get Qualifications

As a company which handles hazardous materials, we positively promote workers to gain national qualifications relating to the Fire Service Act, the Poisonous and Deleterious Substances Control Act and the Occupational Safety and Health Act. We have the total of 93 people gaining national certifications out of 106 candidates. (The pass rate is 88%)

* Standard education

We have educated all employees from the basic to the advanced level which is required for working. We have conducted internal and external educational training by specialists for all employees to bridge the gap of individual knowledge and to raise the working level.

March 1st, 2019

The Safety Education Using
Other Companies' Accident Cases



September 27th, 2019

The Lecture for Regulations
of Hazardous Materials



November 19th, 2019

The Lecture for Handling Products
by A Chemical Company



Terminals and Warehouses

* We hold the SP safety environment committee meeting to secure safety four times a year.

The annual schedule of next years` safety activities are approved at the end of the year and implemented in accordance with PDCA cycle.

The progress status and results are verified in regular meetings and internal audits.

Committee meeting : Four times (March 14th, June 13th, September 10th, December 16th)

Agendas

* Planning annual schedule of safety education and confirmation of progress status.

* Announcement and verification of serious accidents and near-misses, consideration of measures

* Sharing information of measures and so forth for accidents and near-misses.

* Educational training according to the amendment of laws and regulations.

* Educational training for accidents, troubles, safety documents and regulations.

* Result report of each audit and its improvement status.

* Correspondence to the President's instructions.

* Confirmation of reporting status to the government.

* Others

* Construction for enlarging the south jetty (Q-2) at Hokko terminal was completed in December 2013 and maximum duck ability specifically for hazardous material was increased from 1800D/W to 6842D/Wt.

* At Hokko terminal, the reconstruction of the tank(No.20 : Capacity 990KL) for application of stc steel was initiated in March 2019 and was completed in September, 2019.

Marine Department

* The Ship Safety and Health Conference is held to secure safety three times a year.

The annual schedule of next years' safety activities are approved at the end of the year and implemented in accordance with PDCA cycle.

The progress status and results are verified in a regular meeting and an internal audit.

Convention : once a year in Hyogo (March 8th, 2019)

Regular conference : Twice a year (July 5th, 2019 in Osaka, November 22th, 2019 in Ok

Agendas

* Planning the annual promotion schedule for safety and health activities and confirmation of implementation status.

* Commendation for no accident.

* Educational training according to casa studies of accidents/troubles, safety documents and regi

* Information and requests from terminals.

* Opinions and requests from ship owners.

* Safety management regulations, safety navigation, propriety decisions of workers, and strengthening of visiting ships activities.

Transportation Department

* The vehicles safety and health conference is held three times a year to secure safety.

The annual schedule of next years' safety activities is approved at the end of the year, and implemented in accordance with PDCA cycle.

The progress status and results are verified in regular meetings and internal audits.

Convention : once a year (February 8th, 2019)

Regular conference : Twice a year : Osaka (July 12th, 2019)

Mizushima (November 15th, 2019)

Agendas

- * Planning the annual schedule for safety and health activities and confirmation of implementation status.
- * Educational training according to accidents, troubles, safety information documents and regulations.
- * Information and requests from terminals.
- * Opinions and requests from subcontracting companies.
- * Sharing problems and information about safety and health.

- * Our company's all heavy vehicles have a digital tachometer and a dashboard camera.

Compilation of Accidents and Near-misses

- The Environment Safety Department compiles reports of accidents and near-misses of all division
- * Each terminal and operating office reports details and measures of accidents and near-misses to the Environment Safety Department every Monday.
 - * The Environment Safety Department compiles reports and gives feedbacks to the whole company.
- The system to nip potential big accidents in the bud is established by taking measures of small accidents and near-misses. The Environment Safety Department offers suggestions if necessary.

Environmental Preservation

- * We acquired ISO14001(JISQ14001 : 2015) certification and make an effort for environment protection.

Organization : JAPAN CHEMICAL QUALITY ASSURANCE LTD.

Date of certification : November 25th, 2008

Certification number : JCQA-E-0844

Scope : Environment Safety Department in the head office

Business Department in Hommachi office, ※Domestic Ship Operator Operation Division

※Tokyo Business Department in Tokyo branch(mutatis mutandis as point of contact for cus

No1 Terminal Group Kizugawa Terminal, Namihaya Terminal

※Kobayashi Terminal ※Chishima Terminal

No2 Terminal Group Hokko Terminal, Umemachi Terminal ※Takaishi Terminal

Osaka Transportation Section of Osaka Transportation Department

※ : ISO Mutatis mutandis application

External audit : Renewal audit was conducted from October 10th to 11th, 2019.

After the audit, renewal registration was approved by the Register Committee of Registered Probation Organization.

In 2019, we had the following environmental objectives and achieved all of them.

Three-year plan : January 2017 to December 2019

1. Reduction of waste
2. Promotion of zero emission(Recycling of waste)
3. Reduction of environment pollution by using KPI

In 2020, we have the new following environmental objectives and attempt to achieve all of them.

Three-year plan : January 2020 to December 2022

1. Reduction of waste
2. Promotion of zero emission(Recycling of waste)
3. Fullfillment of disaster-resistant facilities
4. Contribution and promotion of SDGs(sustainable development objectives)

*Prevention of marine pollution

Marine : Chemical tankers have made an outsourced contract with the Maritime Disaster Prevention Center to prevent marine pollution.

Land : Terminals which have jetties or berths join the member of the Committee for Oil Prevention and Oil Control in Osaka Bay and the Harima Sea, which is a mutual organization for an emergency. We stock equipment for an emergency and we actively join educational training, table top exercises and share the contents to the whole company by horizontal communication.

The General Manager of Environment Safety Department has served a director of the Committee for Oil Prevention and Oil Control in Osaka Bay and the Harima Sea since this committee was initiated, and he has also served a manager of newly established executive committee since 2014.

*Umemachi terminal has an industrial waste treatment facility to discharge washing water which is used in the washing operation of chemical tankers.

The terminal discharges washing water of hazardous substances which is regulated under the Maritime Pollution Control Act or oil classified by Ministry of Land, Infrastructure, Transport and Tourism and operates the intermediate treatment of disposing industrial waste by oil separation.

The terminal accepts not only our company's ships, but also ships of other companies.

The industrial waste treatment facility handling oil washing water is one of the few facilities in Osaka.

We have reduced the environmental damage by treating washing water of chemical tankers properly at Umemachi terminal in accordance with related laws and regulations.

*Hokko terminal has a washing facility (Cleaning station) of tank lorries and ISO containers.

This terminal enforces the washing operations of products such as hazardous substances without affecting the environment by completely collecting Volatile Organic Compound (VOC), waste water and washing water, and disposing them properly.

*Kizukigawa terminal has installed the electric facility to supply a power source to ships on the berth. Since it has helped them with turning off the engine during cargo handling, they have improved the environment and reduced effects to neighborhood and CO2 emission.

*All tank lorries of Land Transport Department are equipped with tachometers and dashboard cameras. Tachometers show the driving result by numerical data, and dashboard cameras record driving situation visually, which help safety driving management, improvement of fuel efficiency, and reduction of CO2.

* We have sequentially installed insulation coating that reduces 97% of solar heat on the warehouse tanks where stock chemical products at each terminal.

By reducing the temperature change in the tanks, volatilization of chemical substances and tank ventilation are controlled, and VOC emissions are reduced. It is as effective as an air abatement equipment by using both insulation coating and atom valves.

It also improves the freezing effect in low temperature warehouses and saves the power consumption.

Current status

Hokko terminal	: 39Tanks(28,250KL)	6 warehouses(3,726㎡)
Kizugawa terminal	: 11Tanks(6,220KL)	
Namihaya terminal	: 11Tanks(4,567KL)	1 warehouse(294㎡)
Umemachi terminal	: 9Tanks(4,025KL)	
Takaishi terminal	: 2Tanks(1,900KL)	
Kobayashi terminal	: 2Tanks(1,650KL)	

- * Our new own vessel "Asahi" (Chemical Tanker : 497G/T) initiated to be in service in April, 2019.
Our new own vessel "Hyuga" (Chemical Tanker : 498G/T) initiated to be in service in August, 2019.
They have saved fuel consumption and CO2 emission has been reduced.
- * Windows at the head office and all main operating offices have been replaced with heat insulation ones. By improving cooling and heating effects, we can save the operating time and control the temperature of air conditioners, which result in saving the power consumption.
- * We promote to replace the lighting to LED type.
The head office : Installation of LED for all lighting was finished in February, 2011.
Operating offices : Approximately 98% of lighting in the operating offices was replaced with LED lighting.
 - ※All mercury lamps in main terminals were replaced with LED lighting.
 - ※The power consumption of LED lighting is about a quarter of mercury lamp's and a major effect on energy saving is expected.
- * We promote energy-efficient air-conditioners
The head office : All old air-conditioners were replaced with energy-saving types in 2011, and insulation coating on all air-conditioner outdoor units was completed in 2012. We have reduced about 20% power consumption of air conditioners and about overall 35% of power consumption by installing LED lighting and heating insulation on the receiving facilities.
Offices : 95% of old air-conditioners were replaced with energy saving types and we completed insulation coating on 80% of air-conditioner outdoor units .
We continue to promote the replacement of energy saving type air-conditioners and insulation coating on air-conditioner outdoor units.
- * We have promoted to replace engine type forklifts with battery type ones for environmental protection. However, as considering BCP power failure by natural disasters, we have kept 30% engine type forklifts since 2012.

Quality Assurance

- * We have acquired ISO9001 (JISQ14001 : 2015) certification and make an effort for quality assurance.
Organization : JAPAN CHEMICAL QUALITY ASSURANCE LTD
Date : April 6th 1998
Certificated Number : JCQA-0324
Scope : Environment Safety Department in the head office
 - Business Department ※Domestic Ship Operator Operation Division in Hommachi office
 - Tokyo Business Department ※Domestic Operation Division at the Tokyo branch
 - No.1 Terminal Group Kizugawa terminal, Kobayashi terminal, Chishima terminal
Namihaya terminal, ※Hunamachi terminal
 - No.2 Terminal Group Hokko terminal, Umemachi terminal, Takaishi terminal
 - Osaka Transportation Department
 - Mizushima office Mizushima Transportation Section and Pier operation section
 - ※Hachinohe office ※Chiba office
 - ※:Mutatis muntandis terminal/division
 The kickoff meeting was held to apply mutatis muntandis to Nobeoka office on November 13th, 2019. As of 2020, Nobeoka office has started to be operated as a mutatis muntandis terminal.
(※ISO Mutatis mutandis Application)
- External audit : Renewal audits(renewal: 7 – preservation: 0) were completed on February 19, 2019. After the audit, proper operations were approved by the Register Committee of Registered Probation Organization.

In 2019, we had the following objectives and achieved them at all terminals.

1. Further reduction of logistic accidents.
Set the accident rate at each operating office.
2. Improvement of quality of logistic operations.
Set the detailed objectives at each operating office.
3. Improvement and maintenance of 5S.
Set the detailed objectives at each operating office.
4. Fullness of Improvement and preventive activities.
Set the detailed objectives at each operating office.

In 2020, we set the same objectives and operate in accordance with them.

* Marine Department

7 ocean-going ships are certified under the International Safety Management Code (ISM)

3 ocean-going ships are certified under the Chemical Distribution Institute Marine (CDI-M)

The operation section of Marine Department has acquired ISO 9001 certification.

* The operation section of Marine Department has managed and operated ISO 14001 standards since 2017 as an application mutatis mutandis.

* BCP (Business Continuity Plan)

We established the BCP basic regulations to continue and recover the operation quickly from emergencies such as pandemics, earthquakes, tsunamis and typhoons.

The effect of BCP was shown in emergency contacts and safety confirmations during the North Osaka Earthquake in June 2018 and typhoon No.21 in September 2018.

In December 2013, we installed satellite telephones to the main offices to improve the communication at the big disasters such as earthquakes and tsunamis, and personal safety confir

As of January 2019, we constructed the company-wide contact system by LINE WORKS (smartphone application) for improvement of the emergency contact and quick confirmation of saf employees in the case of large-scale disasters. In addition to uses in daily operations, it has been used for the emergency drills twice a year.

* Sales activities

Since July 4th, 2016, The Hommachi office has been opened to improve business activities and serviced operation to satisfy customer's demand. Business Department and Marine Department are located at the office.

Additionally, The Shunan office has been opened to satisfy customer's demands in the Shunan a since February 2017 .

Communication with Customers and External Stakeholders.

* Awards from Government Agencies, Industry Groups and Customers.

January 16th The Hokko terminal received a safety award due to its perfect safety record during year-end and new year holidays from a chemical company.

February 7th Our own vessel "Rokko" received an award from a chemical company for an accident and disaster-free year and steady marine transportation.

February 20th The Hachinohe office received an award from a chemical company for achieving the goal, "complain trouble-free year".

March 19th Our own vessel "12th Kyokuho-Maru" received an award from a chemical company for an accident and disaster-free year and steady marine transportation.

April 15th An employee at Namihaya terminal received an award from the General Manager, Environment Saf Department for preventing a major accident by the appropriate inspection at the end of operation.

April 24th Our own vessel "Rokko" received an excellent ship award from a chemical company for an accident and disaster free-year.

April 24th Our own vessel "22th Kyokuho-Maru" received an award from a chemical company for an accident and disaster-free year.

May 20th The section chief at Kizugawa terminal received an excellent long serve commendation from the Osaka Industrial Chemicals Association.

May 20th An employee at Hokko terminal received an excellent long serve commendation from the Osaka Industrial Chemicals Association.

May Mizushima office received an award from the chemical company for fifty accident and disaster-free ye in cargo handling operation at jetties.

May 31st Hokko terminal received an award from a chemical company for eight consecutive accident and disaster-free years.

May 31st The deputy manager at Hokko terminal received an award from a chemical company for a great contribution for improvement of logistics quality.

November 12th Hokko terminal received a gratitude letter from the Iwata Association for Safety of Hazardous Materials for cooperating with its workshop at our hazardous material facilities.

November 19th Hokko terminal received an outstanding award for a slogan regarding quality from a chemical company.

November 27th The self-defence brigade at Namihaya terminal received an award from the Taisho Self-Def Fire Association for the thrid place in a fire pump department at a technical competition.

* Customer Satisfaction Survey

We have conducted customer satisfaction surveys to improve communication with customers and external stakeholders, which are the key elements of both ISO 9001 and ISO 14001 since the end of 2010.

We conducted a questionnaire in December, 2019 and received various opinions, requests and praises without any type of complain.

The results of survey have been compiled and analyzed at Business Department and these feedbacks have been sent to all employees to improve communication with external stakeholders

* Communication with Local Communities

Same as last year, we received an offer from a nearby fire department and conducted training sessions and terminal observation. In addition, we joined the local traffic safety activity and distri brochures. For better cooperation with people in our neighborhood and fire departments, we will succesively improve communication with them.

August 8th, 2019/ The Observation Activity by A Neighboring Public Fire Department at Hokko Te



September 20th, 2019/The Traffic Safety Activity with Traffic Safety Assoc. by our Transportatio



Environment and Safety Investment

We have invested necessary management resources for RC activities.

Details of investment for main environment and safety facilities in 2019 are stated in logistic Safety and Environmental Preservation.

As main investments, building the new AS/RS at Hokko terminal (Estimated completion in August 2020), increases of tanks at Hokko terminal (Estimated completion in April 2021), and replacement of facility at Namihaya terminal (Estimated completion in December 2020) are planned while considering environment and safety fully.

Compliance

In 2006, the Compliance with the General Principles was established.

We added prohibition of drunken, drugged and dangerous driving in 2007.

In 2008, we revised the policy of RC activities and decided to keep the record of RC activities.

At the end of 2010, "The Alcohol and Drug Policy" was established, and it has been in effect from January, 2011.

* The Compliances with The General Principles

Attached Documents * Management Principles

* Ast Group's Code of Conduct

* AST group's Approach to Safety and Health

* Ast Group's Approach to Environment

* Responsible Care Activities

* Alcohol & Drug Policy

* The Management Organization Chart of Safety, Health, and Environment

Compliance Status

AST Inc. promotes to operate business activities based on our Business Philosophy and Code of Conduct. We have never been instructed, commanded or punished by authorities.

Our employees have never been arrested or investigated by the police, and we never had any complaint about actions against the public order and morality or any lawsuit by customers, external stakeholders, and neighborhood residents.

Management Principle (Business Philosophy and Network Construction)

Business Philosophy

Safety, Speed and Sincerity are our fundamental commitment upon which we expand our leading transportation business globally.

Since the foundation of our Company in 1934, we have been developing ourselves into the most comprehensive transportation company with the motto of "Safety, Speed, and Sincerity."

In order to cope with a further innovation in an "Advanced Storage and Transportation" in our business, we have re-launched our Company, Kinki Transportation & Warehouse Co., Ltd., under a new name on August 1st, 2005.

To take advantage of our 70 years accumulated business assets, know-how, and technical expertise, we firmly seek the future of our customers needs, and develop and offer to the customers

We will continue to serve our three major business fields in marine transport, storage, and land transport, and will extend our service into a more consolidated distribution and a more globalized transportation, which are surely the demand of our customers in future.

Network Construction

Using our nation-wide framework as information satellites we promote our ability to provide consulting services

Using our nation-wide framework we are actively promoting our business and consulting services.

Leading edge techniques and skills have been adopted by making our time developed distribution know-how available.

As professionals in an advanced storage and transportation industry, we plan to offer to our customers to meet their every need in distribution systems in future, from quality control, safety, and efficient transport to cost saving measures.

AST Group's Code of Conduct

AST Group's board members and employees (hereinafter referred to as we) comply with all laws and regulations faithfully with an awareness of corporate social responsibility and mission. And we firmly act with corporate ethics and public decency as people engaged in the industry.

1. Compliance with laws and regulations

As well as complying with the laws and regulations of both domestic and overseas, we respect for social norms and strive to conform our business activities to normal business practices and social ethics.

2. Management of information

We will use any internal/external information which may come to our knowledge in the course of business for business purposes only and strictly maintain it to prevent leakage.

3. Health and safety of the employees

We ensure the health and safety of our employees in the workplace and establish a comfortable work environment.

4. Respect for human rights and characters

We respect for individuals' human rights and characters.

5. Relationship with politics and the administration of government

We maintain a transparent and healthy relationship with politics and the administration of government.

6. Coping with antisocial forces and organization

We do not have any relationship with antisocial forces and organization which might pose a threat to the social order and healthy business activities.

7. Living together with local communities

We recognize the importance of the communication with local community, and establish a good relationship.

We are aiming to live together with local communities by cooperating for its development and activities to contribute to the safe and comfortable life.

8. Environment protection

We recognize the importance of environmental issues, and strive for an effective use of resources and environmental protection through the business activities.

AST Group's Approach to Safety and Health

Safety and Health Ideal

Safety is the foundation of business activities. AST group complies with the relevant laws and regulations, and places the highest priority on safety and health of the public and our company in business activities.

We create a workplace environment that allows our employees to work with peace of mind and stay coordinated with local communities through the business activities which mission is to ensure the safety. We maintain social responsibility as a reliable member of the community.

Safety and Health Policy

1. We give the highest priority to safety.
2. We promote the health control of our employees to maintain a healthy body and mind.
3. We secure the safety with the slogan, "Maintaining the state of no work accidents and injuries in accordance with the rules and fundamentals".

Safety and Health Objective

1. No absence due to work accidents
2. General health checkups: Once a year, All employees
3. Special health checkup: Twice a year, All subject employees
4. Maintaining the state of no work accidents and injuries

Establishment of security system

1. Our terminals' premises are surrounded by the structure that can prevent invasion by outsiders from outside and the important facilities/equipment are protected against invasion and theft with lockup and guard.
2. The security cameras are installed to monitor around the clock in the terminals that have and handle dangerous goods.
3. The security guards are deployed to monitor around the clock in the terminals that have and handle dangerous goods.
4. The security guards are limited to the employees directly employed by AST Inc. or the staffs of the reliable security company signed a contract with us.
 - 1) We provide education and training required for security to the guards directly employed by AST
 - 2) The security company provides education and training required for security to the staffs of the security company under the supervision of AST Inc.
 - 3) The education on "Compliance with the General Principles" stipulating the prohibited matter for the employees is included in education and training required for security.
 - 4) If intake of alcohol or drugs is suspected on duty, alcohol/drugs testing are conducted.
5. The guards should be engaged in the development of objectives and plans for security.

AST Group's Approach to Environment

Environmental Ideal

The global environment protection is high-priority issue for everyone around the world. AST group complies with the environmental laws and regulations, and promotes the business activities with environmental consideration.

We work together for mutual understanding and benefit with local communities through the business activities with harmony between people and environments. We maintain social responsibility as a reliable member of the community.

Environmental Policy

1. The environment protection is our mission.
2. We assure continuous improvement of environmental impact in the business activities, and actively promote the following action to prevent of global warming and environmental pollution.

(1) Prevention of Environmental Pollution

a) Warehouse/ Terminal

The control equipments for air emissions are actively installed to reduce gas emissions from tanks.

The drainage equipments which comply with effluent regulations are installed to prevent sewage contamination.

b) Land Transportation

The low-emission vehicles are actively installed and the vehicles which comply with the new regulations are replaced to reduce gas emissions from vehicles.

c) Marine Transportation

The low sulfur fuel is used and the vessels which comply with the new regulations are replaced to reduce gas emissions from vessels.

We actively promote waste treatment on land to reduce disposal from vessels to the oceans.

(2) Prevention of Global Warming

a) Promotion of eco-driving

b) Promotion of energy saving

c) Promotion of modal shift

(3) Waste Reduction and Proper Disposal

3. We raise our employees' awareness of environmental problems, and make an active contribution to environment protection.

Environmental Objective

1. Reduction in gas emission from tanks
2. Discharging of wastewater from terminals based on the effluent regulations
3. Use of high quality fuels and reduction in the consumption and gas emission due to safe driving.
4. All waste from vessels is collected and treated on land.
5. Introduction of the Cool and Warm Biz campaign as a means to help reduce electric consumption.
6. Proposition of modal shift to the customers
7. Separation of waste and recycling of paper and iron scraps
8. The planned education on environment is provided to our employees to raise their awareness.

Responsible Care Activities

Responsible Care (RC) activities are voluntary activities to implement and improve practices relating to environment, safety, and health throughout a life cycle of products; development, manufacture, distribution, use, final consumption and disposal, on the initiative of companies that handle chemical substances.

In 1985, RC activities started in Canada. The International Council of Chemical Associations (ICCA) was established in 1990. Since then, each country's chemical industrial association has promoted RC activities, depending on individual circumstances and based on common principles.

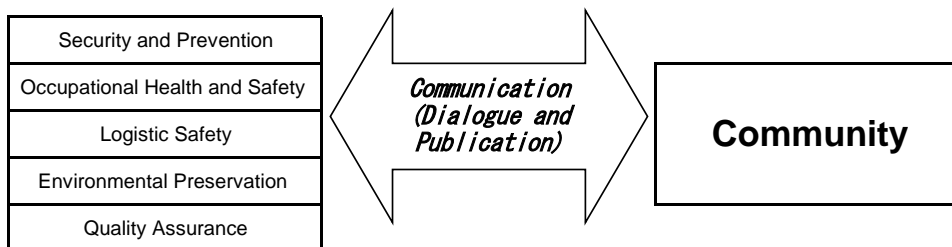
The activities have been developed in 53 countries as of October 2007. The Japan Responsible Care Council (JRCC) was founded and officially started activities in 1995.

Corporate Social Responsibility (CSR) Report

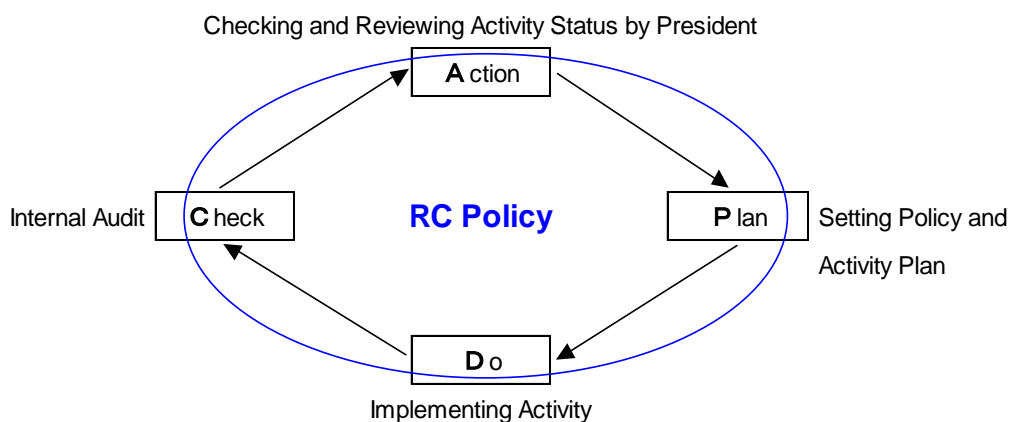
CSR report of three divisions (Warehouse and Terminal, Marine Transportation, and Land Transportation) is made and released annually to enhance social communication and to announce results of our responsible activities.

Basic Responsible Care

Our RC activities are implemented in five categories as follows:



RC activities are implemented according to the PDCA cycle.



Responsible Care Policy

Our RC activities are based on the Code of Conduct and the Management Principles.

System of Responsible Care

The RC Committee is internally established to promote RC activities effectively.

Alcohol & Drug Policy

Acts in violation of internal rules and policies and laws and regulations in their own is defined in Article 5 (Prohibited Matter for the Employees) - (1) in our "Compliance with the General Principles", and the details of the Article 10 (Compliance Monitoring) on "Alcohol and Drugs" which is especially disruptive and may affect their operations directly are stipulated as follows:

1. Prohibited acts concerning alcohol and drugs

All employees should not act as below;

- 1) Driving of vehicles, navigating of vessels and monitoring sailing conditions after drinking/ under the influence of alcohol.
- 2) Performing work duties after drinking/ under the influence of alcohol.
- 3) Dealing, possession and consumption of illicit drugs; such as hallucinogens, stimulants, opiates, marijuana, thinner, etc.
- 4) Dealing, possession and consumption of drugs which have limited use by laws and regulations for purpose other than the original intent, and dealing, possession and consumption of any other disruptive drugs
- 5) Using of prescriptions and therapeutic drugs for purpose other than the original intent
- 6) Driving of vehicles, navigating of vessels and monitoring sailing conditions while taking medicinal drugs with sleep-inducing or hallucinogenic properties.
- 7) Operation of cargo-transporting equipment and fieldwork while taking medicinal drugs with sleep-inducing or hallucinogenic properties.
- 8) Obstructing of alcohol and drug testing
 - a) Proxy test-taking
 - b) Replacement of the sample for testing and adding a foreign substance into it
 - c) Unreasonable refusal of the testing

2. Compliance monitoring for the prohibited acts

- 1) The company may conduct the following test to constantly monitor to make sure that the items 1), 2), 6) and 7) in the preceding paragraph are being complied with. The employees and the members of business partners shall give consent for the testing to prove that they comply with these items.
 - a) Test items and criteria
 - (1) Check for availability of operation before work
 - 1) Physical condition
"Best criteria": No health problems, and no sleep-inducing or hallucinogenic symptom
 - 2) Breath alcohol test
"Best criteria": Zero value of measurement
 - (2) Breath alcohol test for professional vehicle drivers after returning to the offices
"Best criteria": Zero value of measurement
 - b) Examinees
 - (1) The employees and the members of business partners engaged in driving of vehicles, navigating of vessels, operation of cargo-handling equipment and fieldwork
 - (2) The employees engaged in office work required by the director/ terminal manager
 - c) Examiners and records
 - (1) Managers of the operations section or the environment safety section in each terminals, managers of the transportation department and the captain or chief officers of the marine department

(2) Only if the director/ terminal manager requires, the employees should take each test by themselves, and their managers should confirm immediately after the tests are completed.

(3) The examiners should record the test results on the designated form.

d) Examination period

(1) All working days

(2) When the influence of alcohol or drugs is suspected as the cause of an accident or abnormal behavior

e) Availability of operation and penalties

(1) Availability of operation

1) Available: To meet all of the conditions before or during work as follows;

i) The stipulated tests are completed before or during work.

ii) All test results meet "Best criteria".

2) Not available: To meet any of the following conditions, and if so, working on the day is prohibited.

i) The employees who neglect or refuse the tests

ii) Either test result is not "Best criteria".

However, if results of retesting are "Best criteria" and the director/ terminal manager determines that the failure of "Best Criteria" in the previous test was caused by mechanical error or a trivial reason that does not affect the safety directly(*1), the employee is allowed to work from that point on.

(*1) A trivial reason that does not affect the safety directly;

*Poor physical condition that does not affect operations, but uninfluenced by medicines

*Alcohol response from other than alcohol in the mouth

(2) Penalties

1) The company should take measures regarding the employee who violates prohibited acts concerning alcohol and drugs in accordance with the company rules.

2) If a serious consequence has occurred in the light of the public order and morals especially, chapter 10 (disciplinary action) in the company rules will be enforced.

2) The company may conduct the following test when the external interested parties (hereinafter referred to as the "customers") require that alcohol and drug testing be implemented by the third party organization. However, written consent of the employee or the business partner and its member is required to implement these testings.

a) Requirements for testing

(1) When the customers require alcohol and drug testing, and the company understand the necessity and agrees.

(2) The testing cost shall be borne by the customers.

(3) The company considers the customer's stipulation to determine the examinee.

(4) The total number of the examinees and examiners, and the testing cost should be reported to and approved by customers.

b) Test items and criteria

(1) Urine testing for alcohol detection

"Best criteria": Negative test result

(2) Urine testing for drug detection

"Best criteria": Negative test result

Object	Method	Allowable Value (ng/ml)
Amphetamine	Screening Test	1,000
Cocaine	Screening Test	300
Marijuana	Screening Test	50

Opium	Screening Test	2,000
Phencyclidine	Screening Test	25

c) Examinees

- (1) The director/ the terminal manager, managers of the environment safety section, managers of operation section, and the general manager and manager of the transportation department in the terminal who handle products of the customers requiring the testing.
- (2) The employees and the members of business partners engaged in driving of vehicles, navigating of vessels, operation of cargo-handling equipment and fieldwork who handle products of the customers requiring the testing.
- (3) The examinees who took completely the check for availability of operation before work and have got the normal test result over the past year are exempted from the urine testing for alcohol detection.

d) Examiners and records

- (1) The third party organization designated/ suggested by the customer and agreed by the company
- (2) The third party organization determined by the company in the absence of a designation/ suggestion by the customer
- (3) Managers of the operation section or the environment safety section in each terminal and managers of the transportation department should receive and record the test results from the examiners.

e) Examination period

- (1) From one month to one day before the employee is in charge of the subject operation.
- (2) From one month to one day before two years passes since the previous testing when the employee keeps being in charge of the subject operation.
- (3) From one month to one day before two years passes since the previous testing when the employee is in charge of the subject operation again.
- (4) Within two years since this policy is established when the testing is agreed between customers and us in particular.
- (5) When the influence of alcohol or drugs is suspected as the causes of an accident or abnormal behavior
- (6) An unannounced testing shall not be implemented from a human-rights perspective.

f) Availability of operation, retesting and penalties

(1) Availability of operation

1) Available: To meet all of the conditions before work as follows;

- i) The tests are completed within the stipulated period.
- ii) All test results meet "Best criteria".

2) Not available: To meet any of the following conditions, and if so, working on the day is prohibited.

- i) The employees who neglect or refuse the tests
- ii) Either test result is not "Best criteria".

However, if results of retesting are "Best criteria" and the director/ terminal manager determines that the failure of "Best Criteria" in the previous test was caused by mechanical error or a trivial reason that does not affect the safety directly(*1), the employee is allowed to work from that point on.

(*2) A trivial reason that does not affect the safety directly;

*Positive test result from the effect of medicinal drugs taken properly

*Positive test result from the effect of poor physical condition, and detection of tiny amount of alcohol

(2) Retesting

- 1) When the examinee himself makes objection with rational reasons
- 2) When the company gets suspicious about the test results
- 3) When the company considers the retesting is necessary.

(3) Penalties

- 1) The company should take measures regarding the employee who violates prohibited acts concerning alcohol and drugs in accordance with the company rules.
- 2) If a serious consequence has occurred in the light of the public order and morals especially, chapter 10 (disciplinary action) in the company rules will be enforced.

3. Storage, management of the test results and report to the customers

1) Storage, management of the test results

Managers of the operation section or the environment safety section, managers of the transportation department and the captain or chief officers of the marine department should store and manage the test results as personal information.

2) Report the test results to the customers

a) When the test results are reported to the customers, personal information such as individual name must not be disclosed.

b) The following test results are reported to the customers.

- (1) The total number of examinees who are taking tests.
- (2) The number of examinees who took tests.
- (3) The number of examinees whose test results are negative.
- (3) The number of examinees whose test results are positive.
- (5) Testing organization, Cost, Date

date of establishment: 5th Jan 2011

date of revision: -

AST Inc.