

Shinryo  
Corporation  
CSR Report  
2015

# Aiming to Realize Our Management Vision: “Create a Freshening World” CSR Activities as the Shinryo Group



We will promote CSR activities as the Shinryo Group through sincere business activities for society, people, and the environment, and we hope to contribute to the sustainable development of society.

## Takeshi Kagami

President, Representative Director  
Shinryo Corporation

### Expansion of CSR Activities

In recent years, I have felt the growing importance of the social responsibility of corporations. Therefore, to appropriately respond to the requests from society, Shinryo Corporation launched its CSR activities from FY2014.

Shinryo Corporation sincerely strives for sustainable development of society through business, puts the company philosophy into practice, and continually aims to realize the management vision “Create a Freshening World”. In addition, I believe we must unite to progress toward accomplishing our business activities and social responsibilities.

Last year, Shinryo Corporation published its first CSR Report. In our second year, we were conscious of CSR activities as the Shinryo Group. The Shinryo Group is made up of a wide-range of companies from our construction business at Shinryo Corporation to our hotel business at Akita Castle Hotel. Conducting CSR activities from the perspective of each company is important, but we would like to execute comprehensive CSR activities for the entire Shinryo Group from now and into the future.

In this fiscal year, to expand our CSR activities as the Shinryo Group, we have explained the intentions to our Group companies and appointed CSR executives as

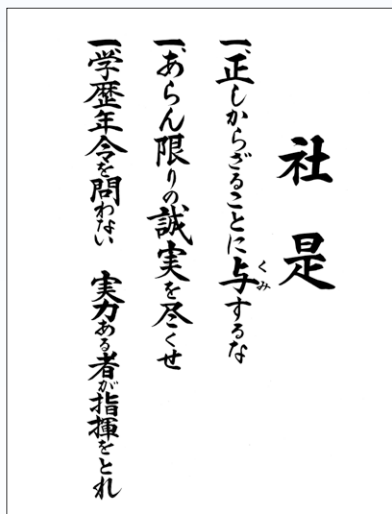
of February 2015. The first executives meeting of the Group companies was held in April to further promote understanding of CSR at each company. The Shinryo Corporation CSR Report 2015 reports the activities of the main Group companies.

### To Improve Productivity

The Japanese construction industry is an industry excellent at building large-scale structures by making high level adjustments with multiple organizations in addition to the high-level of technical skill. However, I feel we are faced with challenges as an industry due to the changes in social conditions. These challenges are the rise in material and labor costs as well as the decrease in the working population and lack of skilled workers for example.

To confront these difficulties, I believe we must dramatically improve the productivity in the construction industry. As initiatives to confront these challenges, Shinryo Corporation is advancing the establishment of a Shinryo supply chain system, which is an operation model unique to the Shinryo Corporation. This issue of our CSR Report follows the previous issue in reporting on our initiatives to construct a database and centralize data for BIM (Building Information Modeling).

## Company Philosophy



This company philosophy expresses the life philosophy and business philosophy which was the belief of our founder, Chairperson Masaru Kagami (deceased).

Shinryo Corporation was established in order to embody this philosophy in the business world. These three principles serve as the roots of Shinryo Corporation, and they are the foundation for all thinking, decision-making and action of executives and employees.

## Shinryo Corporation CSR Statement

We, Shinryo Corporation, based on our management vision, declare following three initiatives to evolve into an environment creation company.

- 1 We will provide high quality, resource saving, energy saving production through new operation model that makes full use of leading edge methods, and our own unique one stop service that achieves most suitable and comfortable life cycle management.
- 2 We will expand these technologies globally and engage in solving social challenges, of preventing global warming and safe, secure and effective use of energy.
- 3 We will engage in creation of a foundation of all business activities that is managed highly transparently and having a business climate that is easy to work in.

## Reconstruction Support Since the Great East Japan Earthquake

In FY2015, we were able to engage with work related to the reconstruction after the Great East Japan Earthquake. Our features include CSR activities through the Shinryo Corporation business at the SENDAI UMINO-MORI AQUARIUM and the Onagawa Hot Spring and Rest House. I am very grateful the technology of Shinryo Corporation was able to be utilized in these symbolic buildings of the reconstruction. Shinryo Corporation has a sales location in Tohoku (Tohoku Branch), and we are very emotionally invested in supporting the reconstruction.

## International Activities

Shinryo Corporation is expanding the place of business activities centered around Asian and Middle Eastern regions, and our strength is becoming our collaboration capabilities with staff in each location overseas.

The culture and society overseas differs from Japan, and the living situation of people that work overseas also varies. To work well overseas and accomplish our social responsibility to the international society, we need to understand the various countries and people.

Creating an environment which is easy for people to work that suit each situation is also becoming important. At overseas local companies, we are conducting business activities while supporting the people we work with. Some examples are introduced in the features.

We are also increasing our opportunities to interact with people abroad from the perspective of international activities and as initiatives of diversity. Shinryo Corporation has pronounced its participation in the United Nations Global Compact advocated by the United Nations, and it was registered as a participating company in FY2014. To accomplish our social responsibilities internationally, we are promoting activities in relation to the Ten Principles of the United Nations Global Compact in respect to human rights, treatment of labor, environment considerations and the prevention of corruption.

## Reforms in the Way of Working

In the construction industry, which is a labor intensive industry, the ease to produce long working hours is a major problem. The solution to this problem is not a simple one, but we must further initiatives toward a solution. Realizing a work-life balance is something

to accomplish as a social responsibility and it is also important in business activities. Diversity is also a necessary effort in business in the same way from now and into the future. Shinryo Corporation will seriously consider and advance these social responsibilities. This fiscal year, we have striven in a variety of initiatives that include expanding opportunities for senior employees to actively play a part, promoting active participation of female employees as well as creating opportunities for foreign nationals to come to know the construction industry and culture of Japan.

## To All of Our Stakeholders

We have just begun the CSR activities of the Shinryo Corporation and Group companies, but we will further our CSR activities according to the ISO26000,

which is an international standard related to social responsibility, and report on those activities through our CSR Report every year to gain the understanding of all of our stakeholders.

As an environmental creation company concerned with the realization of a comfortable and sustainable environment, we will continue contributing to the conservation of the global environment and sustainable development of society through earning trust from the international community with openness and sincerity, and by voluntarily and actively responding to the ever changing demands of society.

We at the Shinryo Corporation believe that working to continue CSR activities is important while reflecting the voice of our stakeholders in those activities.

Shinryo Corporation respectfully requests your continued as well as valuable support and guidance in the future.

## Participation in the United Nations Global Compact

In September 2014, Shinryo Corporation signed as a participant in the United Nations Global Compact set by the United Nations. Shinryo Corporation will promote business following the Ten Principles in four areas in the United Nations Global Compact.

For Shinryo Corporation that make effort in providing technologies overseas, participation in the United Nations Global Compact is not just agreeing with the cause but participating in the International Global Compact is an expression of wanting to grow into

a company trusted by the international community.

Our desire is to make our basis of CSR activities of "Creating a Freshening World" to activities that are directed toward the world.



## The Ten Principles of the UN Global Compact

- |                   |              |  |
|-------------------|--------------|--|
| ● Human Rights    | Principle 1  | Businesses should support and respect the protection of internationally proclaimed human rights; and                     |
|                   | Principle 2  | make sure that they are not complicit in human rights abuses.  |
| ● Labour          | Principle 3  | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
|                   | Principle 4  | the elimination of all forms of forced and compulsory labour;  |
|                   | Principle 5  | the effective abolition of child labour; and   |
|                   | Principle 6  | the elimination of discrimination in respect of employment and occupation.   |
| ● Environment     | Principle 7  | Businesses should support a precautionary approach to environmental challenges;  |
|                   | Principle 8  | undertake initiatives to promote greater environmental responsibility; and   |
|                   | Principle 9  | encourage the development and diffusion of environmentally friendly technologies.  |
| ● Anti-Corruption | Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery.                             |

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### Editorial policy

The intent of this report is to enable all our stakeholders to deepen the understanding of Shinryo Corporations CSR (corporate social responsibility) activities.

### Target period

Centering on FY 2015 (October 1, 2014 to September 30, 2015), including some periods before and after.

### Scope of report

As a rule, CSR activities of SHINRYO CORPORATION are reported.  
Some activities of Japanese and overseas Group companies are also reported.

### Reference

- ISO26000
- GRI (Global Reporting Initiative)
- Sustainability Reporting Guideline 4th Edition (G4)

### Publication date

Current Japanese Report: December, 2015  
Next Japanese Report: December, 2016 (scheduled)

### Division responsible for publication and contact point

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# Initiatives to Construct a Database and Centralize Data for BIM - Shinryo Supply Chain -

As one aspect of building the Shinryo supply chain system, we have started an initiative to construct a database and centralize data for BIM (Building Information Modeling). Shinryo Corporation is aiming to improve productivity through a centralized structure of BIM data.

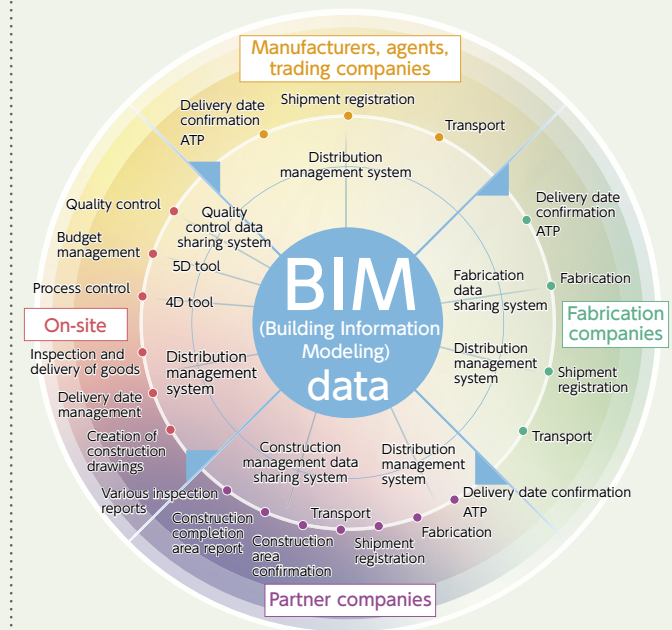
## Shinryo Supply Chain System

The Shinryo supply chain system is a new streamlined operational model to be advanced by the Shinryo Corporation. Through this system, we would like to provide our own unique one stop service that realizes optimal life cycle management with comfort.

In the Shinryo supply chain system, we are able to accurately and quickly perform tasks such as management and delivery by utilizing BIM data for operations in aspects on-site and in fabrication.

Shinryo BIM, ICT, and various initiatives to coordinate with suppliers contribute to not only responding to the lack of skilled workers, but also to high quality, resource-saving, and energy-saving manufacturing as well as the creation of a safe and secure work environment.

### ●Image of the Shinryo Supply Chain System



## Shinryo BIM

Shinryo BIM is a new solution to fully handle the large amount of information necessary for construction, systems as well as the 3D-CAD "S-CAD"\* that was uniquely developed by Shinryo Corporation. Productivity is improved through the utilization of Shinryo BIM and we are able to respond to the diverse needs of customers with a life cycle from the planning of facilities to the

design, construction, and operation. We are building a Shinryo supply chain system as a specific activity and we have gained cooperation from our partners while realizing high-quality, highly productive on-site operations.

\*S-CAD: software to facilitate functions such as simulations for the creation, review, and construction methods of three-dimensional work drawings as well as to check for interference from ductworks, static pressure, pump head calculations, and material aggregation.

### Social contribution through centralization of support operations

- Respond to an aging society with fewer children by realizing productivity improvements in construction operations.
- Attain high quality manufacturing that saves resources and saves energy by realizing productivity improvements in construction operations.  
As a result, this also contributes to the reduction of CO<sub>2</sub> emissions.
- Attain the optimum life cycle management for customers by structuring and operating highly accurate BIM.
- Realize an even better workplace environment by centralizing a BIM structure of operations as well as logistical support thereafter.

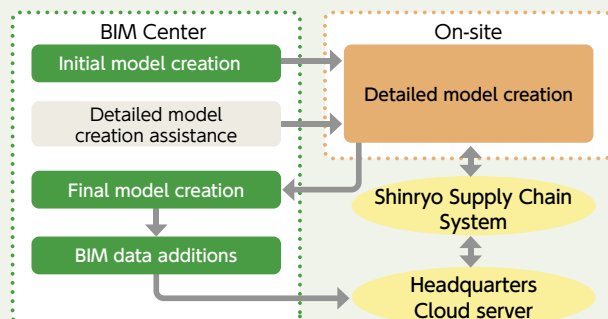


## Centralization of support operations through the BIM Center

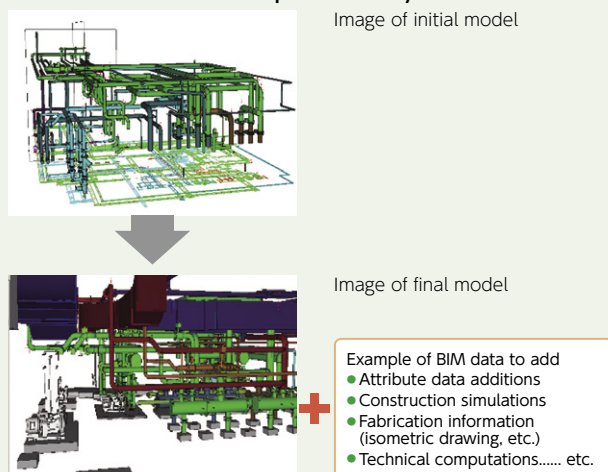
Operations from creating the initial model of working drawings to structuring of BIM data have been centralized by establishing the BIM Center as a specialized division to rapidly configure highly accurate BIM data, which is an essential part of the Shinryo supply chain. In current on-site operations, there is an enormous number of procedures from construction planning to cost analysis, safety, quality, processes, and labor management, to create working drawings within those constraints. However, we are still confronted with problems of being unable to respond to things such as differences in skill or make significant changes during peak times, which leads to variations in the completeness and affects the construction quality as a result. Therefore, Shinryo Corporation increases the efficiency of operations while maintaining quality by consolidating procedures from the creation of working drawings and structuring of BIM data to logistics.

### ●Operation model of the BIM Center

First initial working drawings are created based on blueprints, and then a detailed model is created while making adjustments with the site. Moreover, BIM data with information required for the operation of the supply chain is structured.



### ●Transition of model provided by BIM Center



## Main initiatives of FY2015

Initiatives for the centralization of operations have been strengthened through the BIM Center, which is a specialized department in the structuring of BIM data. In addition, we have begun to expand globally to secure human resources to handle primary sites throughout Japan.

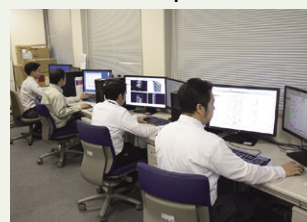
### ●Strengthen the system of the BIM Center



BIM Center

In April 2014, the BIM Center was launched to bring together operators specializing in S-CAD as well as technical advisors that have vast on-site experience and a high-level of technical skill. In addition to executing operations to structure BIM data at this Center up until now, we are also reinforcing S-CAD functionality and training human resources in aspects of BIM.

### ●Overseas expansion



Engineers from SHINRYO (PHILIPPINES) COMPANY, INC. working at BIM Center

Four engineers from SHINRYO (PHILIPPINES) COMPANY, INC. are working at the BIM Center. The purpose of this is to build a human infrastructure for the expansion of our overseas businesses, and we are looking to also expand this to other overseas locations in the future.

## Human resource development to familiarize the Shinryo Supply Chain System

Specialized technical skill is required to effectively utilize the structured BIM data as the Shinryo supply chain. Currently, we are teaching specialized technical skills related to BIM focusing on our young employees and developing human resources able to put it into practice on-site.

### ●Provide work drawing training to new employees

We train new employees with the basic knowledge of BIM as well as the way to create working drawings over three months so that they will become ready to work on-site.

### ●Provide education in BIM management

We have begun training for "BIM managers" able to utilize BIM and make appropriate adjustments to on-site operations.



Provide education in BIM management

# Business Activity Highlights

Shinryo Corporation would like to contribute to society through its business activities. In the Business Activity Highlights, we introduce the main CSR activities through our businesses this fiscal year.

Landmark



Tokyo

## Toranomon Hills

Loop Line No.2 along which Toranomon Hills rests will play a vital role in the 2020 Tokyo Olympics and Paralympics as a vital artery connecting special national strategic zones and the city center.

This venture, which unified the arterial highway and buildings by utilizing a system facilitating highway and building construction in the same space for an urban redevelopment project, has been advanced as a pioneer project to form an international business center due to its close proximity to the Haneda Airport.

Shinryo Corporation was in charge of the air conditioning system as a leading agent of the joint venture, and it was involved in building the LOBAS heat source\*1 and air

### Building overview

Official name: Zone III (Toranomom zone) of the Loop Line No.2 Shimbashi-Toranomon District Type II Urban Redevelopment Project (Toranomom Hills)

Opened: June 11, 2014

Total floor area: 244,360 m<sup>2</sup>

Building applications: Office, residence, hotel, conference area, shops, parking, etc.

conditioning system\*2, a next generation air conditioning system striven for by Mori Building Co., Ltd. This building acquired the highest rank of S for the CASBEE® (Comprehensive Assessment System for Built Environment Efficiency).

\*1 A system to realize highly-efficient operation of a turbo refrigerator by alleviating the heat source water temperature more than usual. The utilization of midnight power is made possible by a high-efficiency, deep stratification thermal storage tank.

\*2 Air conditioning system with a separation process of latent heat and sensible heat utilizing partially cooled and partially warmed water.



Toranomon Hills (near entrance)

## About the Project

Yuichi Handa, On-site Project Manager, Manager\* (right)  
Kazuhiko Otsuki, Manager\* (left)  
Third Technology Section, Third Technology Department,  
Urban Environment Division



I was able to take part in the largest Shinryo project to date as an on-site project manager. Because this is a landmark building that will be broadcast on television and in other media, employees who have been involved in the construction have said they felt

a sense of fulfillment and accomplishment as well as pride.

The complex geometric structure is the trademark of this 52-story skyscraper. The steel frame to install equipment on the roof was particularly complex and made this building extremely difficult to construct. Regardless, I believe a few reasons we were able to complete construction without any large accidents or disasters was the technical collaboration of the Research and Development Center and the solid internal construction support system (seven internal interim inspections were conducted).

In addition, I am grateful and believe we succeed as a result of the full support of all of our subcontractors as well as the guidance and cooperation of our customers, each company design and auditing firm, and all of the companies that took part in the construction.

\*Affiliation and position at completion of construction

Building exterior



Reconstruction since the  
Great East Japan Earthquake



Miyagi

## SENDAI UMINO-MORI AQUARIUM

The SENDAI UMINO-MORI AQUARIUM opened in Sendai City in July 2015. The SENDAI UMINO-MORI AQUARIUM is a building said to be a symbol of the earthquake disaster reconstruction in Sendai, which was damaged by the tsunami.

The aquarium maintains an evacuation area on the roof as a temporary evacuation shelter when a tsunami strikes. In addition, the aquarium has exhibits more representative of nature by installing lidless water tanks and sky lights to let in natural light.

The SENDAI UMINO-MORI AQUARIUM has continued to exhibit almost all of the animals raised by the Marinepia Matsushima Aquarium, which has a history of more than 80 years.

Shinryo Corporation is in charge of the construction of the rearing facilities for the animals to prosper. We are building a



20,000 sardines shimmer in natural light



Large tank [INOCHI KIRAMEKU UMI]

set of breeding systems from the recycling and reuse of sea water to closed-type filtration as well as ozone and electrolytic treatments. We took advantage of our know-how in aquarium construction up until now, including innovations able to sustain the water quality and transparency while limiting the amount of sea water used, because this is an inland aquarium and we were able to realize a facility perfect as a symbol of the reconstruction while keeping the costs low.

### Building overview

Official name: SENDAI UMINO-MORI AQUARIUM  
Opened: July 1, 2015  
Total floor area: Approx. 9,900 m<sup>2</sup>  
Building application: Aquarium

Reconstruction since the  
Great East Japan Earthquake



Miyagi

## ONAGAWA HOT SPRING AND REST HOUSE

We furthered the construction of the Onagawa Hot Spring and Rest House as one aspect of the disaster reconstruction in Onagawa, which was badly devastated by the tsunami caused by the Great East Japan Earthquake. The rest house was built in conjunction with the station building that was designed by world renowned architect Shigeru Ban.

Shinryo Corporation constructed the filtration

### Building overview

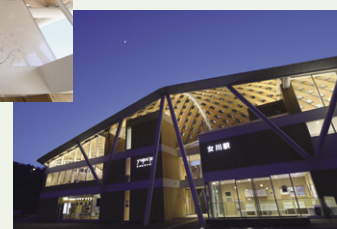
Official name: ONAGAWA HOT SPRING AND  
REST HOUSE (Onagawa Spa  
"YuPo'Po")  
Opened: Sunday, March 22, 2015  
Total floor area: 899.51 m<sup>2</sup>  
Building application: Bathhouse

equipment for the rest house and the systems for the hot spring in addition to the air conditioning. Even for Shinryo Corporation which has a branch location in Tohoku, this building is symbolic to the disaster reconstruction. In the future, we would like to continue to contribute in accomplishing the reconstruction as soon as possible by actively participating in businesses for disaster reconstruction.

Bathing area



Walls and ceilings of relaxation  
area



Building exterior



Overseas Projects



Thailand

## THAI KYOWA BIOTECHNOLOGIES CO., LTD.

KYOWA HAKKO BIO CO., LTD. constructed an amino acid plant that implemented the latest production technologies in Thailand following the rapid expansion of the amino acid market in the ASEAN region. This plant, which is expected to play a vital role in the global expansion of amino acids, made the supply of amino acids to Asia and each country around the world possible. This plant introduces the latest technologies for the cultivation of strains, fermentation, and purification to produce the highest-grade amino acids for transfusions and medical foodstuff.

Thai Shinryo Limited was tasked with the engineering, resource procurement, construction, and commissioning (EPCC) as the primary contractor in the building of this plant, and an overseas collaboration project with Singapore Regional Office, Nuclear Power Plant Division, Tokyo Metropolitan Area Division, and Control & Instrument Engineering Division of Shinryo Corporation was launched for the construction.

**Building  
overview**

Official name: THAI KYOWA BIOTECHNOLOGIES CO., LTD.  
Opened: April 9, 2015  
Total floor area: 19,084 m<sup>2</sup>  
Building application: Amino acid manufacturing plant



Building exterior

Project group photo



## Employment / Life / Training

We value the importance of completing projects together with the local people in our overseas projects. The number of people involved with this project had a staff of 110 people and more than 1,000 workers. We also took care in bringing together local people to build a friendly work environment. In addition, we provided technical exchange through programs such as receiving intern trainees from universities in Thailand.

### ●Installation of a dormitory (worker housing)

Because many of the people from Thailand who participated in this project came from far away, we established a worker dormitory roughly five minutes by car from the work site. Thai Shinryo Limited is also building worker dormitories near other work sites. The enhancement of the environment for an even better working experience is indispensable to the success of projects.

### ●Installation of a canteen (cafeteria)

We established a canteen for staff who are made up of people working from the four countries of Thailand, Philippines, Malaysia, and Japan. Approximately ten people including the local Thai cook hall staff smoothly run the canteen and prepare Thai cuisine to eat anytime between seven in the morning to seven at night.

### ●Acceptance of intern trainees

Two students from universities in Thailand were accepted as intern trainees. The two students who were learning the technical aspects of construction were studying very hard through this project.



Workers



Canteen (cafeteria)



Site office



Dormitory (worker housing)



Security guards

## About the project

Koichi Kaji, Project Director, General Manager, Nuclear Power Plant Division\*



The people of Thailand really are earnest and cooperative. There was occasionally a difference in opinion due to our different cultures and customs, but we were able to gain a deeper understanding of one another by taking time to explain and discuss things.

This plant was built with a focus on the Thai people. We really did have many Thai people involved in this project. We simply listened closely to our customer's thoughts, gathered their thoughts, and communicated those to the local staff. I enjoyed working together with them and I learned a lot myself. Moreover, I hope to work again with those project members.

The amino acids bettering the lives of people in each country worldwide are supplied by this plant. I am glad I was able to be involved in the construction of this plant.

\*Affiliation and position at completion of construction



# Corporate Profile

## Corporate Information

Company Name	SHINRYO CORPORATION
Headquarters Address	2-4, Yotsuya, Shinjuku-ku, Tokyo
Telephone	+81-3-3357-2151 (Main)
Date of Establishment	February 23, 1956
President, Representative Director	Takeshi Kagami
Number of Employees	2,052 people (nonconsolidated)
(As of the end of September, 2015)	4,974 people (including Group companies)
Capital	3.5 billion yen

### Major Group Companies:

Shinryo Technical Service Corporation, Shiroguchi Co., Ltd., Daiei Denki Co., Ltd., Shinryo Kogyo LTD., Akita Castle Hotel CO., LTD., Global Staff Co., Ltd., SHINRYO (HONG KONG) LTD., TAIWAN SHINRYO CO., LTD., SHINRYO (PHILIPPINES) COMPANY, INC., Thai Shinryo Limited, SHINRYO (MALAYSIA) SDN. BHD., SHINRYO SINGAPORE PTE LTD., PT. SHINRYO INDONESIA, SHINRYO VIETNAM CORPORATION

## Business Field

### Design and construction of various building services

<b>Environmental control service work</b>	air conditioning and mechanical ventilation system / industrial air conditioning and mechanical ventilation system / constant temperature and constant humidity system / environmental reliability testing system / clean room system / bio-clean room system / dry room system / ice storage system
<b>Plumbing, drainage and sanitary service work</b>	water supply system / hot water supply system / gas supply system / soil and waste drainage system / kitchen equipment system
<b>Automatic control service work</b>	automatic control system / building management system / industrial automation system
<b>Fire fighting service work</b>	automatic fire alarm system / smoke purge and smoke extraction system / evacuation guidance system / indoor and outdoor fire hydrant system, sprinkler system, carbon dioxide firefighting system and other types of fire extinguishing system
<b>Electric service work</b>	power reception and transformer system / main and submain power distribution system / lighting and small power system / extra low voltage system / lightning protection system / power generation system
<b>Urban utility service work</b>	district heating and cooling system / waste transportation system / energy supply systems
<b>Information management service work</b>	various control and management systems for utility plant facilities, industrial production facilities, building facilities and etc.
<b>Cogeneration service work</b>	power generation system / heat recovery system
<b>Power plant service work</b>	ventilation and air-conditioning system for nuclear power plants, thermal power plants and fuel cycle related facilities and R&D centers / special filtering system / waste treatment system
<b>Environmental sanitation and hygiene service work</b>	potable water distribution system / sewage collection and disposal system / greywater recycling system / sewage treatment system / industrial waste water treatment system / waste treatment and dust collection system
<b>Industrial production service work</b>	pharmaceutical and food plant facility / petroleum-related facility / other plant facility
<b>Refrigeration service work</b>	freezing and refrigerating system / ultra-low temperature and high accuracy temperature control system
<b>Special service work</b>	solar energy utilization facility / aquarium facility / aquaculture facility / swimming pool system / bio-hazard facility / air quality control system / weather simulation facility / snow making facility

### Design and construction of building

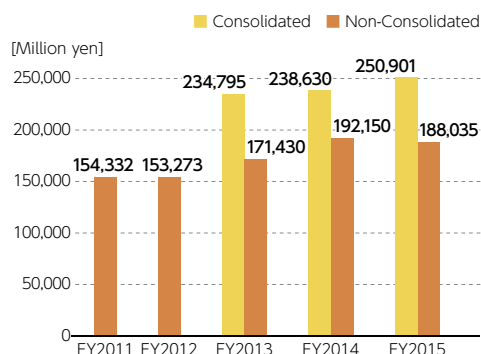
clean room / plant building / interior finishing work / associated construction work for building services / general building facility

### Sales of air conditioning equipment

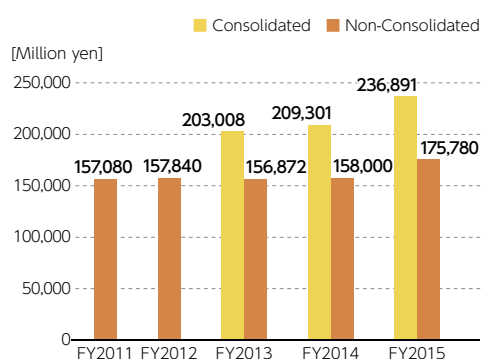
air conditioner and other heating and cooling product / fan and blower / sanitary ware / other product related to air conditioning and ventilation

## Business Performance Trends

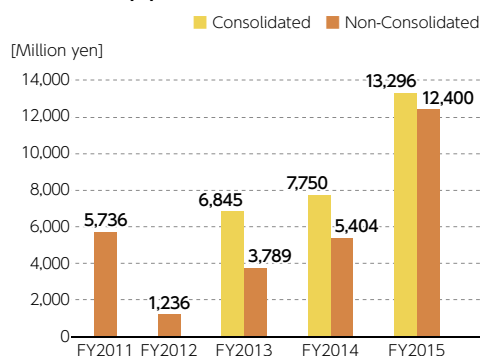
### Orders received



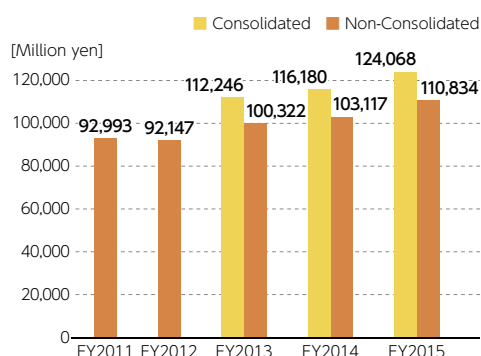
### Net sales



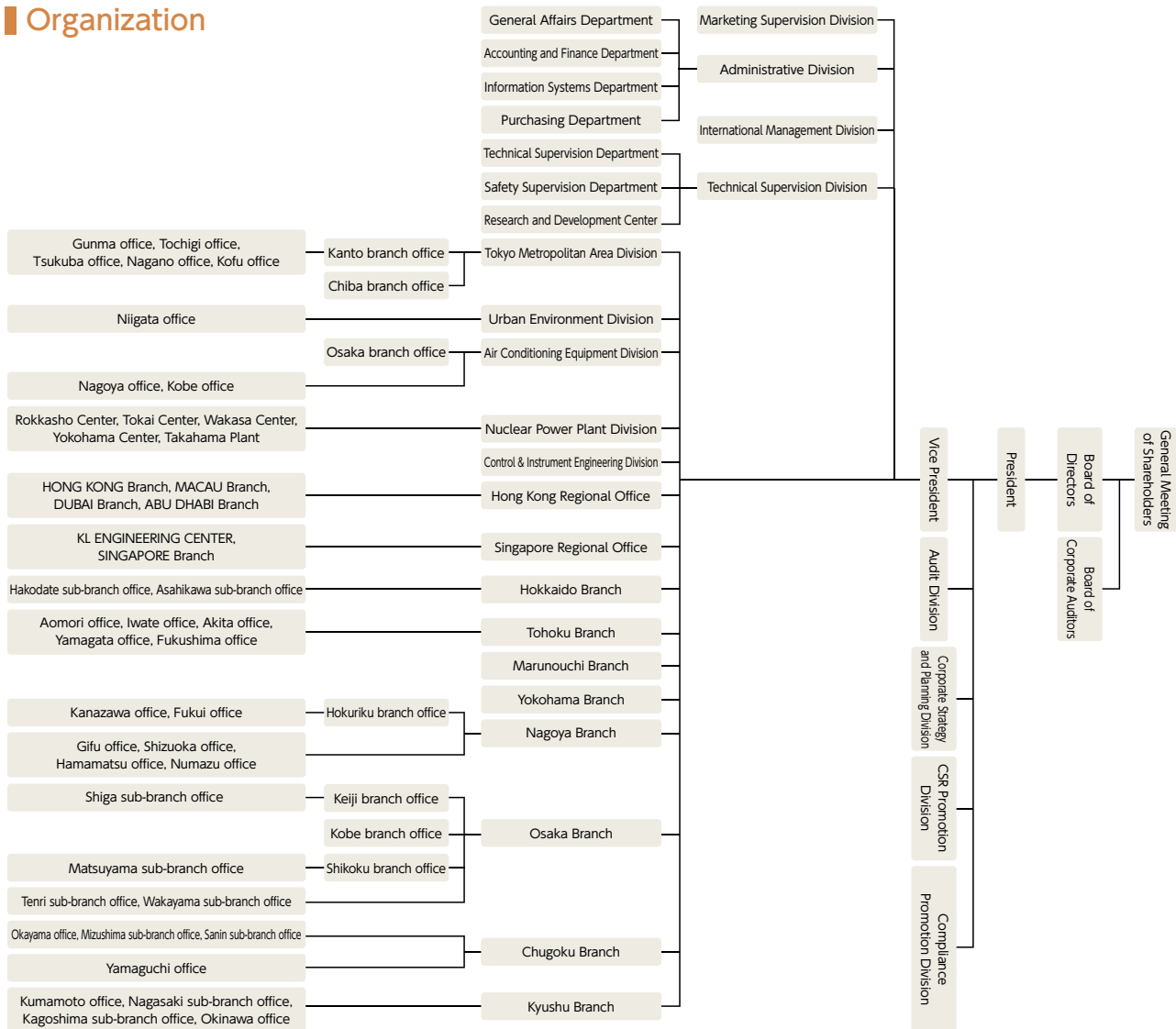
### Ordinary profit



### Net assets



## Organization



## Milestones

1956	Established our Headquarters at 45 Nishikubo Tomoecho, Minato-ku, Tokyo and founded our company with 5 million yen in capital	Established a local company (SHINRYO (PHILIPPINES) COMPANY, INC.) in the Philippines
1957	Received an order for Shin-Otemachi Building, the largest building in Japan at that time. Established the foundation of our company	1992 Established the Technical Supervision Department Established the Safety Supervision Department
1958	Opened the Osaka Office (currently Osaka Branch)	1994 Established a local company (PT. SHINRYO INDONESIA) in Indonesia
1960	Moved our Headquarters to its current location at 2-4 Yotsuya, Shinjuku-ku, Tokyo	1998 Acquired ISO 9000s certification
1961	Opened the Nagoya Office (currently Nagoya Branch)	2001 Acquired ISO 14001 certification
1964	Adopted a division-based organization system Established the Construction Division (currently Tokyo Metropolitan Area Division) and Equipment Division (currently Air Conditioning Equipment Division)	Established a local company (SHINRYO SINGAPORE PTE LTD.) in Singapore
1966	Opened the Hiroshima Office (currently Chugoku Branch)	2005 Opened the Macau Branch
1967	Opened the Yokohama Office (currently Yokohama Branch)	2007 Established a local company (SHINRYO VIETNAM CORPORATION) in Vietnam Opened the Abu Dhabi Branch
1969	Opened the Sendai Office (currently Tohoku Branch)	2010 Established the Administrative Division Opened (former) the Tokyo Metropolitan Area Division (currently Tokyo Metropolitan Area Division and Urban Environment Division) Established the Control & Instrument Engineering Division
1970	Opened the Fukuoka Office (currently Kyushu Branch) Established the industry's first research center for air conditioning technology (currently Research and Development Center) Opened the Nuclear Power Plant Department (currently Nuclear Power Plant Division), entered the energy plant industry for nuclear power use	2011 Adopted an Executive Officer organizational system Constructed the new Takahama Plant and transferred functions from the Maizuru Plant
1972	Realized full-scale entry into overseas construction	2013 Opened the Technical Supervision Division Opened the Tokyo Metropolitan Area Division Opened the Urban Environment Division Opened the Air Conditioning Equipment Division Opened the Yokohama Branch Opened the Hong Kong Regional Office Opened the Singapore Regional Office
1973	Opened the Tokyo Metropolitan Area Facilities Department (currently Urban Environment Division) and established a system for handling large-scale projects such as urban planning and urban redevelopment	2014 Opened the Marketing Supervision Division Opened the CSR Promotion Division Opened the Compliance Promotion Division Opened the Marunouchi Branch Opened the Hokkaido Branch
1977	Opened the Maizuru Plant	2015 Opened the General Affairs Department Opened the Accounting and Finance Department Opened the Information Systems Department Opened the International Management Division
1978	Opened the Hong Kong Branch as a base for overseas expansion	
1979	Established the Overseas Department (currently HONG KONG Regional Office and SINGAPORE Regional Office) and positioned overseas expansion as a major pillar of our business Acquired Level 1 Plumbing Registration from the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism)	
1982	Established a local company (SHINRYO (HONG KONG) LTD.) in Hong Kong	
1983	Established a local company (SHINRYO (MALAYSIA) SDN. BHD.) in Malaysia Opened the Singapore Branch	
1986	Established a local company (Thai Shinryo Limited) in Thailand	
1987	Established a local company (TAIWAN SHINRYO CO., LTD.) in Taiwan	
1990	Opened a Research and Development Center in Tsukuba Academic Town	

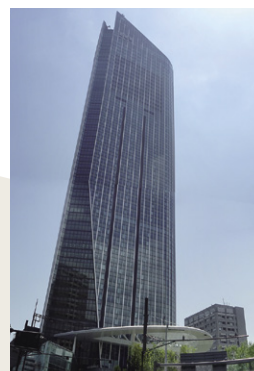


## Continuing to Bring a Freshening World

Shinryo Corporation has been providing air conditioning, plumbing drainage and sanitary service and electrical facilities friendly to people and the environment, reliable technological power to build production environment to produce advanced products, district heating and cooling systems friendly to city and district, safe and secure plant facility technologies, and integrated information systems that support maintenance management and energy conservation from bases throughout Japan. Additionally, we established bases centering in Asia and the Middle East to bring refreshingness to the world.

### Overseas Network (16 bases)

- Regional offices  
(2 bases)
- Branches and centers  
(6 bases)
- Local companies  
(8 bases)



Toranomon Hills  
(Minato-ku, Tokyo)



Palace Hotel Tokyo-Palace Building  
(Chiyoda-ku, Tokyo)



Tokyo Sky Tree® District DHC  
(Sumida-ku, Tokyo)



Minato Mirai 21 Central District DHC  
(Yokohama City, Kanagawa Prefecture)

● DUBAI Branch  
● ABU DHABI Branch

SHINRYO (HONG KONG) LTD.  
MACAU Branch  
Hong Kong Regional Office  
● TAIWAN SHINRYO CO., LTD.  
HONG KONG Branch

Thai Shinryo Limited ●

SHINRYO (PHILIPPINES) COMPANY, INC. ●

● SHINRYO VIETNAM CORPORATION

KL ENGINEERING CENTER ● SHINRYO (MALAYSIA) SDN. BHD.

Singapore Regional Office ● SINGAPORE Branch  
SHINRYO SINGAPORE PTE LTD.

PT. SHINRYO INDONESIA ●



THAI KYOWA BIOTECHNOLOGIES  
CO., LTD. (Thailand)



Petronas Penapisan (Melaka) Sdn Bhd  
Cogeneration Plant (Malaysia)



The Mass Transit Railway Corporation  
(Hong Kong)



Discovery Garden DCS\* Plant  
(Dubai)  
\*DCS: District Cooling System



Changi International Airport Terminal 3  
(Singapore) \*Courtesy of Civil Aviation  
Authority of Singapore



The Venetian Macao Resort  
(Macau)



NAKANOSHIMA FESTIVAL TOWER  
(Osaka City, Osaka)



THE LANDMARK TOWER YOKOHAMA  
(Yokohama City, Kanagawa Prefecture)



Otemachi District, Marunouchi 1-chome District DHC  
(Chiyoda-ku, Tokyo)



### Domestic Network (53 bases)

- Headquarters, branches, research institutes(10 bases)
- Branch offices, offices, sub-branch offices, plants (43 bases)



Yakult Central Institute for Microbiological Research, Basic Research Building  
(Kunitachi City, Tokyo)



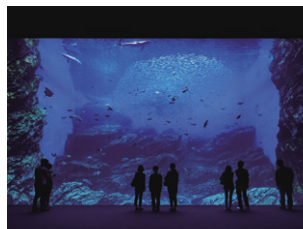
STANLEY ELECTRIC CO., LTD.  
Hatano Factory Building No. 1  
(Hadano City, Kanagawa Prefecture)



Kanto Glico Co., Ltd. Kitamoto Factory  
(Kitamoto City, Saitama Prefecture)



Hiroshima University Hospital Clinic Building  
(Hiroshima City, Hiroshima Prefecture)



SENDAI UMINO-MORI AQUARIUM  
(Sendai City, Miyagi Prefecture)  
\*Photograph of aquarium (INOCHI KIRAMEKU UMI)



Honda Motor Co., Ltd., Wako Building  
(Wako City, Saitama Prefecture)



Okinawa Institute of Science and Technology Graduate University  
(Kunigami District, Okinawa Prefecture)



SAPPORO RACE COURSE  
(Sapporo City, Hokkaido)



Sharp Corporation Kameyama Factory  
(Kameyama City, Mie Prefecture)



## Management Vision

### Create a Freshening World

In the **Environment**

→ Creation of comfortable and earth-friendly spaces

In the **Management**

→ Compliance with laws and regulations and highly transparent management

In the **Company**

→ Corporate culture that allows people to grow and easy to work in

Shinryo Corporation is conducting business activities based on our management vision. Management vision is what Shinryo Corporation continues to strive for and activities based on it will lead to contribution toward sustainable development of the society.

## Vision, Statement & Management Plan

### Contribution to development of a sustainable society



## Shinryo Corporation CSR Statement

We, Shinryo Corporation, based on our management vision, declare following three initiatives to evolve into an environment creation company.

**1** We will provide high quality, resource saving, energy saving production through new operation model that makes full use of leading edge methods, and our own unique one stop service that achieves most suitable and comfortable life cycle management.

**2** We will expand these technologies globally and engage in solving social challenges, of preventing global warming and safe, secure and effective use of energy.

**3** We will engage in creation of a foundation of all business activities that is managed highly transparently and having a business climate that is easy to work in.

The Shinryo Corporation CSR Statement that includes medium and long-term business management gives details contained in the medium and long-term business management plan (three year plan). It is a statement that we see it necessary to achieve in order to fulfill social responsibilities together with business continuity and growth. Furthermore, this statement is newly formulated based on changes in the generational / societal backgrounds, and it is a policy for execution strategy.

## CSR Promotion System

With the aim of achieving "Create a Freshening World" based on our management vision, the CSR Committee was established with an executive in charge of CSR as Chairperson as shown in the diagram below. We promote activities together with the CSR executives selected from each section with the CSR Promotion Division at the center.



## CSR Priority Subjects and Basic Themes

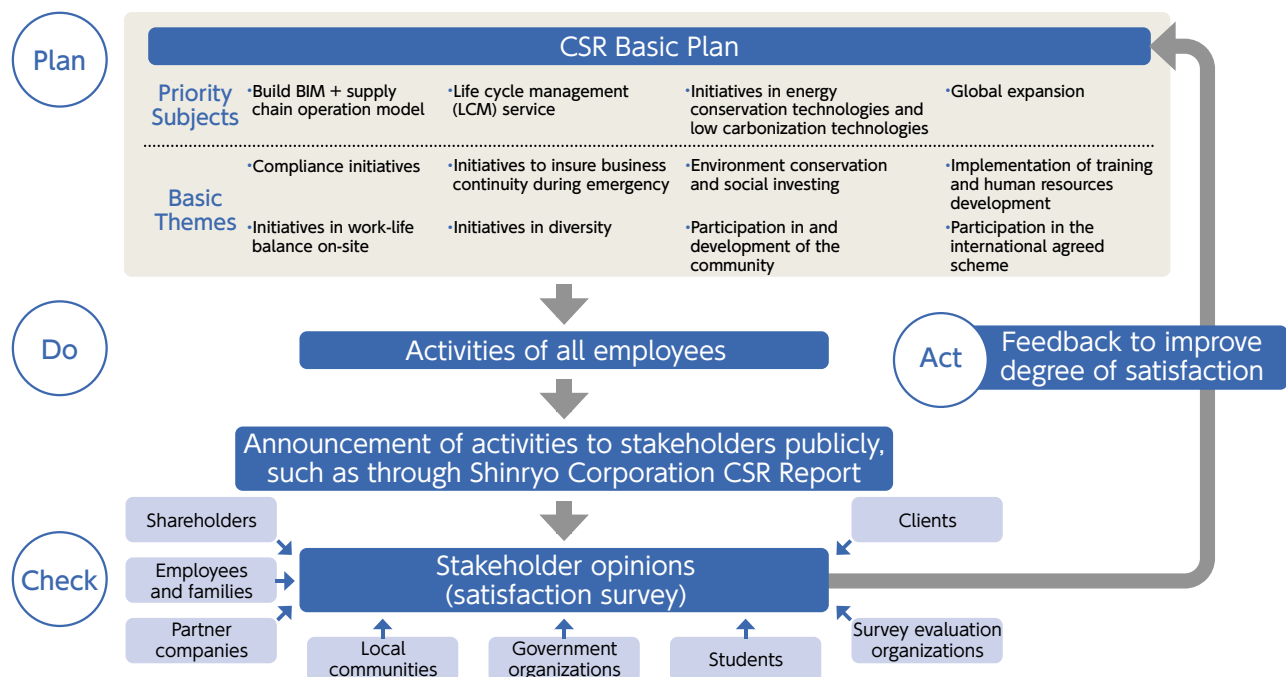
### CSR Priority Subjects : Provision of new values to the society

- |  |  |   |  |
|--|--|---|--|
| <b>1 Build BIM + supply chain operation model</b> <ul style="list-style-type: none"> <li>• Promote 3D-CAD</li> <li>• Build a construction supply chain by modularization and innovation in procurement and delivery process</li> <li>• Increase efficiency of construction, reduction of construction resource and environmental impact</li> </ul> | <b>2 Life cycle management (LCM) services</b> <ul style="list-style-type: none"> <li>• Provide our own LCM services which combine BIM, commissioning, CFD and FM technologies</li> </ul> | <b>3 Initiatives in energy conservation technologies and low carbonization technologies</b> <ul style="list-style-type: none"> <li>• Develop and provide energy related technologies and low carbonization technologies</li> <li>• Provide optimization and area energy network technology to both suppliers and customers</li> </ul> | <b>4 Global expansion</b> <ul style="list-style-type: none"> <li>• Improving human basis for the expansion of overseas business</li> </ul> |
|--|--|---|--|

### CSR Basic Themes

- |  |   |  |   |
|--|---|--|---|
| <b>1 Compliance initiatives</b> <ul style="list-style-type: none"> <li>• Compliance training opportunities, and implement continuity</li> <li>• Promote use of consultation service "Helpline"</li> <li>• Build PDCA for the Compliance Promotion System</li> <li>• Promote CSR procurement</li> </ul> | <b>2 Initiatives to insure business continuity during emergency</b> <ul style="list-style-type: none"> <li>• Rebuild BCP (including review of crisis management measure regulation)</li> <li>• Response to emergencies that include partner companies</li> <li>• Provide emergency supplies to surrounding communities</li> </ul> | <b>3 Environment conservation and social investing</b> <ul style="list-style-type: none"> <li>• Initiatives to reduce CO<sub>2</sub> in construction</li> <li>• Support environment conservation activities</li> </ul>   | <b>4 Implementation of training and human resources development</b> <ul style="list-style-type: none"> <li>• Business information management and personal information protection</li> <li>• Upgrade training system for employees and partners</li> </ul> |
| <b>5 Initiatives in work-life balance on-site</b> <ul style="list-style-type: none"> <li>• Achieve efficiency by reorganization of operation model</li> <li>• Reduce on-site workloads by upgrading logistics support</li> <li>• Improve effectiveness of the holiday system</li> </ul>                | <b>6 Initiatives in diversity</b> <ul style="list-style-type: none"> <li>• Introduce rehiring system</li> <li>• Extend the period of working hour reduction system for childcare</li> </ul>   | <b>7 Participation in and development of the community</b> <ul style="list-style-type: none"> <li>• Introduce volunteer leave</li> <li>• Contribute to the community through concluding disaster prevention agreements with local jurisdictions and community</li> </ul> | <b>8 Participation in the international agreed scheme</b> <ul style="list-style-type: none"> <li>• The United Nations Global Compact</li> <li>• Caring Company Scheme (Hong Kong)</li> </ul>  |

## PDCA of CSR Activities



## Activity Results of Shinryo Corporation and Future Initiatives

CSR initiatives are set based on “provision of new value to the society” and “fundamental theme and corporate governance”.

Comparison with ISO26000 core subjects						
Organizational governance	Human rights	Labor practices	Environment	Fair operating practices	Consumer issues	Community involvement and development
			●	●	●	
		●	●	●		
			●	●	●	
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		●	●			●

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●	●	●	●	●	●	●
●	●	●	●	●	●	●

Initiatives		
Priority subjects : Provision of new values to the society		
1	Build BIM + supply chain operation model	Rationalization of construction utilizing 3DCAD (S-CAD) Building of a new “operation model”
2	Life cycle management (LCM) services	Improvement of LCM service system
3	Initiatives in energy conservation technologies and low carbonization technologies	R&D and utilization of energy-related and low carbon technology R&D and utilization of air quality improving technology Nuclear power: Initiatives in waste treatment, decommissioning and decontamination
4	Global expansion	Building of human infrastructure toward expansion of overseas business
Basic themes and corporate governance		
—	Corporate governance	Internal control, operating audit
1	Compliance initiatives	Compliance education “Helpline” consultation service Responding to antisocial forces CSR procurement Information security management
2	Initiatives to insure business continuity during emergency	Formulation and promotion of BCP
3	Environment conservation and social investing	Environment management system Visualization of CO <sub>2</sub> reduction on-site Reduction of vehicle exhaust gas emission Proper handling and treatment of asbestos and hazardous substances
4	Implementation of training and human resources development	Promotion of measures for improving on-site skills and administrative skills Dissemination of trouble information
5	Initiatives in work-life balance on-site	Streamlining by operation model reform Reduction of on-site work by logistics support Improvement of effectiveness of various vacation systems “Online Mental Support”
6	Initiatives in diversity	Measures to support the success of female employees Promotion of systems to encourage active participation of senior employees Employment of people with disabilities
7	Participation in and development of the community	Relationships with local communities
8	Participation in the international agreed scheme	The United Nations Global Compact Caring Company Scheme



<Degree of achievement of initiatives through self-evaluation>

○: Initiatives implemented that produced results △: Initiatives implemented that need even higher results ×: Initiatives not executed

\*FY2015 (October 1, 2014 to September 30, 2015), FY2016 (October 1, 2015 to September 30, 2016)

Initiatives and achievements in FY2015		Degree of achievement	Reference page	Initiatives in FY2016
Initiatives	Achievements			
Practical application and validation of the Shinryo Standard through Shinryo supply chain project	<ul style="list-style-type: none"> <li>Start of implementation of the Shinryo standard performance into S-CAD, aiming for construction quality that has company-wide consistency</li> <li>Start of examination for new functions such as creation of isometric drawings to build into S-CAD</li> </ul>	○	Feature 1 5-6	Expansion for centralized creation of BIM data and building of new operation models through effective utilization of the BIM data
Strengthening of the LCM service system that was integrate Group companies	Expansion of the BIM Center and start of centralized creation of BIM data	○		Continuous strengthening of the LCM service system that integrates Group companies
Promotion of development / sales / installation of various energy conservation technology and low carbon technology	<ul style="list-style-type: none"> <li>Establishment of sales scheme for a formaldehyde removal system</li> <li>Continuous measures and operation of energy-saving eco-project in headquarters building</li> </ul>	○	24	Continuous promotion of development / sales / installation of various energy conservation technology and low carbon technology
Promotion of technical and personal exchanges with overseas local companies	Start of technical education in Japan of 13 engineers from SHINRYO (PHILIPPINES) COMPANY, INC.	○	6,29	Continuous promotion of technical and personal exchanges with local companies
Continuous review of internal control systems	<ul style="list-style-type: none"> <li>Definition and implementation of internal control systems</li> <li>Revision of internal audit regulations</li> <li>Implementation of review of basic policies for internal control systems related to the Companies Act revisions</li> </ul>	○	19	Continuous review of internal control systems
<ul style="list-style-type: none"> <li>Restructuring compliance promotion system</li> <li>Creation of overseas versions of compliance guidelines</li> <li>Continuous implementation of compliance enforcement education (100% implementation)</li> </ul>	<ul style="list-style-type: none"> <li>Better support for receiving external committee recommendations</li> <li>Full revision of compliance guidelines</li> <li>Creation of separate booklet of compliance guidelines (explanation of relevant laws and regulations)</li> <li>Implementation of compliance education for executives and employees and signing of letters of commitment (100% implementation)</li> <li>Implementation of Antimonopoly Act education for sales persons in Japan (100% implementation)</li> </ul>	○	21-23	<ul style="list-style-type: none"> <li>Formulation and expansion of overseas support compliance guidelines</li> <li>Creation of a collection of compliance cases</li> <li>Implementation of e-Learning related to compliance</li> <li>Continuous implementation of Antimonopoly Act education</li> </ul>
Continuous implementation of information security education and verification of its effects	Information security education to all employees (e-Learning)	○	20	Continuous implementation of information security education and verification of its effects
Formulation of BCP, and implementation of comprehensive drills	<ul style="list-style-type: none"> <li>Implementation of company-wide drills for confirmation of safety (three times per year)</li> <li>Examination of basic plan and action plan of BCP</li> </ul>	△	20	Formulation of BCP, and implementation of drills
<ul style="list-style-type: none"> <li>Continuous operation of ISO14001 environmental management system</li> <li>5% increase in CO<sub>2</sub> emission reduction compared with FY2014</li> <li>Adoption rate of environmentally friendly vehicles as company vehicles: 20%</li> <li>Continuous implementation of proper removal, management, and treatment in accordance with the laws (100% implementation)</li> </ul>	<ul style="list-style-type: none"> <li>Continuous operation of ISO14001 environmental management system</li> <li>11% reduction in CO<sub>2</sub> emission compared with FY2014</li> <li>Adoption rate of environmentally friendly vehicles as company vehicles: 17%</li> <li>Continuous implementation of proper removal, management, and treatment in accordance with the law (100% implementation)</li> <li>Start of ecological conservation activities and the Environmental Renaissance Activities enlightenment program</li> </ul>	△	24-26	<ul style="list-style-type: none"> <li>Continuous operation of ISO14001 environmental management system</li> <li>5% increase in CO<sub>2</sub> emission reduction compared with FY2015</li> <li>Adoption rate of environmentally friendly vehicles as company vehicles: 20%</li> <li>Continuous implementation of proper removal, management, and treatment in accordance with the law (100% implementation)</li> </ul>
Continuous implementation and improvement of various training programs and OJT for each department	<ul style="list-style-type: none"> <li>Establishment of development training regulations as well as the organization and review of the internal education program</li> <li>Implementation of BIM manager education unique to Shinryo Corporation</li> </ul>	○	Feature 1 5-6 30-31	Formulation of education plans by department based on company-wide education plans to promote effective education at divisions and branches
Promotion of operation model innovation through the introduction of the Shinryo Standard	Start of defining logistical support operations	△	Feature 1 5-6	Promote the reduction of on-site work by logistics support
	Implementation of promotion activities to improve usage rate of various leave systems	○	27	Continuation of promotion activities to improve the usage ratio of various leave systems
Continuous investigation of systems to promote activities by all employees, including female and seniors	<ul style="list-style-type: none"> <li>Promotion toward understanding of diversity and implementation of education for executives and General Managers</li> <li>Implementation of public relations activities to cultivate a corporate culture</li> <li>Production of safety supplies for female to satisfy the safety standards of Shinryo Corporation</li> <li>Promotion of activities of employees due to elimination of the executive and employee retirement system</li> </ul>	○	28-29	Examination and implementation of systems to encourage the efforts of all employees, including female and the elderly, and measures to cultivate a corporate culture
Continuous implementation of community clean-up activities and support for culture in Japan and overseas	<ul style="list-style-type: none"> <li>Deployment of instructors to universities</li> <li>Implementation of volunteer activities through divisions and branches</li> </ul>	○	32-33	<ul style="list-style-type: none"> <li>Examination and implementation of activities involving biodiversity</li> <li>Examination and promotion of implementation of people involved with regions unique to divisions and branches</li> </ul>
Participation in subcommittee activity of the United Nations Global Compact	<ul style="list-style-type: none"> <li>Participation in Global Compact Network Japan's conference on disaster risk reduction (DRR)</li> <li>Entrance into the Council for Better Corporate Citizenship</li> </ul>	○	3,32	<ul style="list-style-type: none"> <li>Strengthen initiatives to participate in Global Compact Network Japan and CBCC meetings</li> <li>Examination of participation in new frameworks</li> </ul>

## Organizational Governance

Based on our CSR Statement, we are engaged in fostering high transparency in management and a corporate climate that facilitates work, which are the foundation for all business activities. We have also prepared a corporate governance structure and internal control mechanisms to secure transparency in management and to conduct prompt decision-making.

### Corporate governance system

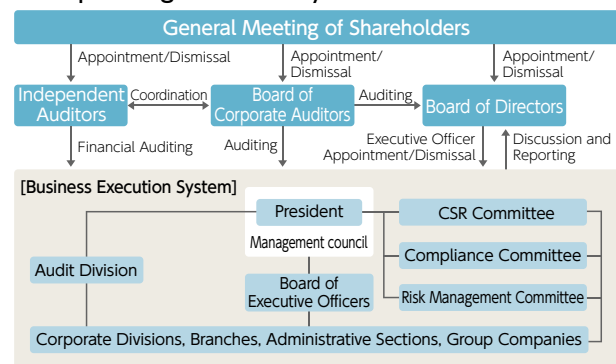
The Board of Directors deliberates submitted agenda items based on agenda and reporting criteria stipulated by agenda items and by Board of Directors rules set forth in the Companies Act. The Management Council deliberates on important matters concerning company management, in addition to proposals submitted to the Board of Directors.

The Executive Officers communicates reports on the status of work execution by executives and resolutions of the Management Council, and performs prior hearings on opinions concerning matters for deliberation by the Management Council. The Audit Division verifies compliance and the efficacy and efficiency of systems, organizations, and work activities. In addition, from 2013, it has performed audits of not only domestic and overseas workplaces but also of construction sites.

The Compliance Committee seeks to enforce and improve awareness of legal compliance in conjunction

with corporate ethics in collaboration with Committee and supervisors in each division and Group company, while also conducting policy decision-making and corrective guidance with regard to consultations and information received through the Helpline consultation service.

#### Corporate governance system



### Internal control

Since the construction of the internal control systems is mandated by the Companies Act, Shinryo Corporation has performed reviews of the system as necessary, and works to fully secure compliance and enhance consistency and efficiency in work execution.

We have strengthened the necessary system to secure

the appropriate operations at Group companies (business group) in accordance with the May 1, 2015 Companies Act, and we have performed reviews of our "basic policy on internal control system" by following the required enhancement of regulations related to the auditing system of auditors.

#### Overview of Shinryo Corporation's basic policy on internal control system (excerpted from resolutions of the Board of Directors)

1. Systems to ensure that the execution of duties of executives and employees of the Group conforms to laws, regulations, and the Articles of Incorporation
2. Systems concerning the preservation and management of information pertaining to the execution of duties of directors
3. Rules and other systems concerning management of the risk of loss in the Group
4. Systems to ensure the efficient execution of duties of directors in the Group
5. Systems to ensure reasonable work in the Group composed of our company and Group companies.
6. Matters concerning the employees in cases of auditors requesting the appointment of employees to assist the duties of auditors
7. Systems by which executives and employees of the Group or those that received the report to inform to auditors, and other systems concerning reporting to auditors
8. Systems to otherwise ensure the effective conduct of audits by auditors

## Risk management

### Risk Management Committee

Shinryo Corporation is extracting vital risks such as technological and contractual risks in large-scale jobs which have the potential to greatly affect management and periodically holds Risk Management Committee meetings to debate measures to respond to these risks.

### BCP: Emergency response that includes partner companies

#### Initiatives in BCP

Shinryo Corporation formulates, maintains, and manages business continuity plans (BCP) for the quick restart of business activities in the event of a large-scale disaster. Our goal is to maintain sufficient levels of business activity and restore our business within an acceptable amount of time, on the premise of securing the safety of human life, in the event of a large-scale disaster or accident / incident that inflicts damage on our headquarters, corporate divisions, or branches with negative impacts on business functions.

We are implementing proactive measures to reduce damage in times of peace and advancing initiatives to improve the practice of BCP such as stipulating response measures and response organization when incidents occur.

#### Structure of partnerships with partner companies

Shinryo Corporation is preparing and strengthening our system for cooperation with partner companies that primarily assumes earthquake damage, etc.

We aim to construct a system able to smoothly and efficiently handle equipment restoration, etc. following a disaster, by maintaining lists of constructed properties and having all of our partner companies take charge of response to individual properties.

#### Everyday initiatives

In a broader sense, we are periodically implementing initiatives towards the sustaining functions of each business establishment such as drills for



Training for persons in charge of fire brigades

confirmation of safety of employees and their families, training with our own fire-fighting organizations, and participation in fire-fighting training held at buildings each business office resides.

#### Prepared emergency response

In addition to distributing disaster response bags to all employees, we are putting responses in place to sustain business such as the maintenance of disaster stockpiles, installation of electric generation equipment for emergencies at our headquarters buildings, and deployment of satellite-based mobile phones for emergencies.



Disaster response bags distributed to all employees



Stockpile warehouse for disasters

### Thoroughness of information security management

Shinryo Corporation is striving for a wide-range of comprehensive information management such as the information of customers and partners as well as personal information. We are establishing a company-wide information management system by appointing information management supervisors in each division through the Management Rules of Corporate Information. Furthermore, we are formulating Guidelines to Prevent Confidential Information Leaks and we are also operating specific information management and security management for each operation from sales to design and on-site construction.

Shinryo Corporation has been periodically and repetitively implementing information security education in training for all employees since 2013 and focuses on improving awareness of each individual employee.



## Initiative to complete compliance to the Antimonopoly Act

Shinryo Corporation strives to comply with the Antimonopoly Act by fully ensuring no actions violating the Antimonopoly Act or Actions thought to violate it are taken based on the strong will of the directors, including the President, and the guidance of the Compliance Committee. Furthermore, we are advancing the penetration and understanding of this compliance to all of our executives and employees.

### Convening of Antimonopoly Act training

In May 2015, Collusive Bidding and Antimonopoly Act Training was convened by an instructor of the Fair Trade Institute of Japan, which all sales persons in Japan attended. The importance of compliance to laws and regulations was driven home through a class focused on specific examples.



Convening of Antimonopoly Act training

### Formulation of Ten Articles for Compliance to the Antimonopoly Act

When fully revising the Shinryo Group Compliance Guidelines, we have gathered ten principles we should take note of in our daily operations to thoroughly comply to the Antimonopoly Act. Furthermore, each of these clauses clearly outlines specific points of caution, explanations, and related internal rules.

### Creation of Explanations on Related Laws and Regulations booklet

We created the Explanations on Related Laws and Regulations (Antimonopoly Act, Construction Industry Law, etc.) as a separate booklet to the Shinryo Group Compliance Guidelines, and this booklet is used in education as a practical guide systematically gathering together the Antimonopoly Act and related laws that are distributed primarily to all executives and employees of the Shinryo Corporation and sales persons of Group companies.



Explanations on Related Laws and Regulations (Antimonopoly Act, Construction Industry Law, etc.)

### Explanations in Shinryo Compliance News

The Antimonopoly Act has been explained in two editions of the Shinryo Compliance News that is distributed by email every month to all executives and employees in an effort for not only sales persons but also all executives and employees to have a deep understanding of the importance of compliance to the Antimonopoly Act.

## Strengthening internal regulations

We have implemented the formulation and revision of internal regulations related to compliance in order of precedence since December 2014. The location of organizations and responsibility has been clarified by gathering and forming rules as internal regulations such as compliance regulations, compliance consultation and whistleblowing regulations, sales management regulations, and reward and punishment regulations.

## Implementation of various compliance education

Shinryo Corporation enacts ongoing compliance education matched to a variety of opportunities and job positions. We implement a wide-range of education and development from education held by the Compliance Committee to curriculum unique to each department, and we work hard in business while all executives and employees always keep compliance in mind.

### Targeted groups and content of FY2015 compliance education

Targeted groups	Content
All executives and employees	Compliance guideline education
All executives and employees	Information security education using e-Learning (implemented twice)
New employees	2014 new employee follow up education / secondary education
New employees	2015 fundamental education of new employees
Executives, General Managers	Education on related laws and regulations, compliance guideline education, and education on collusive bidding and the Antimonopoly Act from advising lawyers
Persons receiving promotions	Compliance Education matched to grade
Sales persons in Japan	Education on collusive bidding and the Antimonopoly Act from advising lawyers

## Establishment of Compliance System at Shinryo Group companies in Japan

In July 2015, we implemented compliance guideline education through corporate lawyers as well as the Shinryo Corporation Compliance Promotion Division in conjunction with liaison meetings that targeted executives of Group companies in Japan, and we now recognize our system compliance structure and the structure of the PDCA cycle using the cooperation of each company as one structure of our Group. In addition, we have restructured our Compliance Committee and Helpline and implemented the formulation of related regulations. In the future, we will hold periodic education and liaison meetings for the entire Group.



## Compliance related support of overseas branches / overseas local companies

Shinryo Corporation is furthering its business activities which consider cultures and traditions based on our compliance to each type of international rule, including compliance to laws and regulations in each country and

region as well as human rights as a global corporation. In FY2016, we will formulate Compliance Guidelines (Global Version) and "Guidelines for Anti-corruption Overseas" targeting executives and employees at overseas branches and overseas local companies, and we will fully expand and operate education.

## Responding to antisocial forces

"Never yield to intimidation made by antisocial forces and resolutely face and eliminate them in a courageous manner." Shinryo Corporation complies with this stance in our Code of Business Conduct and Standards of Conduct, and makes it a part of our internal control. Moreover, we

are working for informational awareness to employees by revising our Requirements for Responding to Antisocial Forces that gathered response manuals and policies from countries in November 2015.

## CSR procurement

We pursue CSR initiatives through cooperation and coordination with our business partners, especially partner companies. We established the CSR Procurement Guidelines, and have asked over 500 companies to cooperate in complying with the Guidelines. In FY2015, we received feedback about our CSR activities from

approximately 100 companies that read our CSR Report. In FY2016, we are implementing research in the status of specific initiatives in activity expansion and CSR procurement based on the feedback from all our business partners and partner companies.

### Shinryo CSR Procurement Guidelines

#### 1) Fair and sound corporate activities

We ask that companies engage in fair and sound business activities without unfair competition or actions that obstruct free competition.

#### 2) Quality, safety, and business continuity

We ask that you comply with laws and regulations concerning management of hazardous substances and product safety, and strive to ensure the health and safety of product users and consumers. We also ask that you engage voluntarily in initiatives for business continuity planning.

#### 3) Consideration of human rights, labor, and occupational health and safety

We ask that you respect basic human rights and pursue business activities that take the working environment and occupational health and safety into consideration.

#### 4) Consideration of the environment

We ask that you steadily implement environment conservation including biodiversity, and environmental management to undertake business activities with the global environment taken into account.

#### 5) Legal compliance

We ask that you comply with the laws and regulations of all nations and regions, as well as international treaties and social norms, and conduct business activities founded on corporate ethics.

#### 6) Management of information

We ask that you enact measures against threats to computer networks, while also appropriately managing and protecting confidential information concerning business and personal information, to avoid leaks or improper / illegal use. Please also strive to prevent leaks of confidential information belonging to customers and third parties.

# Environment / Consumer Issues

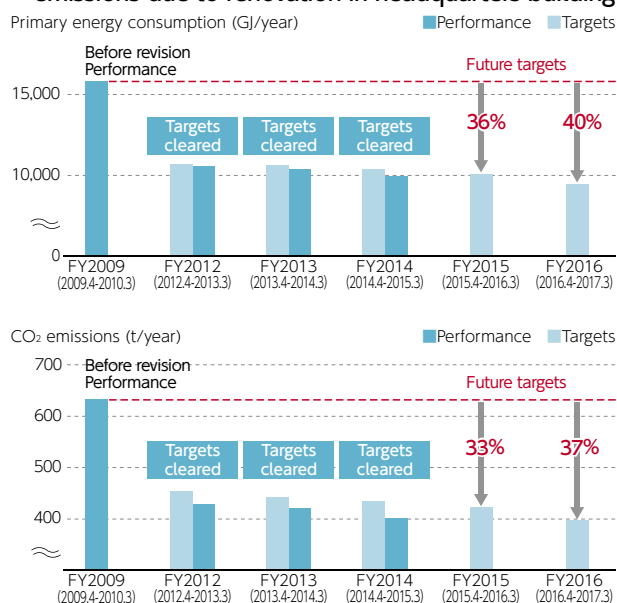
Shinryo Corporation has acquired an environmental management system (ISO14001:2004) certification at all of its Corporate Divisions and branches, and engages in continuous environmental conservation activity. Shinryo Corporation has established management systems for the handling of asbestos, in order to secure the safety of consumers and construction workers.

## Energy saving eco-project in headquarters building

We renovated our headquarters building which was built in 1970 into a model building for environment and energy saving. We did so through only renovating facility systems, under the concept "Making Yotsuya, Tokyo into Tasmania." At the Headquarters building, we are furthering energy savings by setting reduction targets for primary energy consumption and CO<sub>2</sub> emissions each fiscal year. In the third year of FY2014 after the renovation, the operating performance (April 2014 - March 2015) exceeded our targets for energy and CO<sub>2</sub> emissions reductions. We achieved our targets by tuning heat source systems using analysis of BEMS\* data and implementing energy-saving measures such as improvements to operation methods, installation of insulation barriers below OA floors, and installing green walls. We are undertaking continuous energy saving measures and operational improvements to reach our final targets of a 40% reduction in primary energy consumption and 37% reduction in CO<sub>2</sub> emissions (both compared to FY2009).

\*Building Energy Management System

### ● Effects of reducing energy consumption and CO<sub>2</sub> emissions due to renovation in headquarters building



## Initiatives aimed at energy saving technology and low carbon technology

After acquiring ISO14001 certification in May 2001, Shinryo Corporation has been undertaking EMS\*<sup>1</sup> activities for over 14 years. With particular emphasis on reducing energy consumption during operation, we actively propose to our customers the adoption of energy saving technology and low carbon technology in the design and construction of facilities.

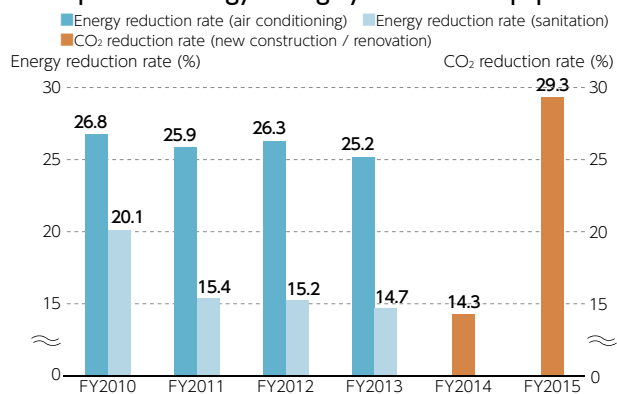
### Representative energy saving and low carbon technologies

- Highly-efficient operation of heat source equipment
- Use of heat sources from exhaust heat recovery
- Use of renewable energy
- Installation of cogeneration system
- Adoption of high-efficiency equipment for air conditioners and packaged air conditioners
- Reduction of power for conveyance of heat
- Reduction of ventilation load
- Introduction of SEMS\*<sup>2</sup> (BEMS)

\*<sup>1</sup> Environmental Management System

\*<sup>2</sup> Shinryo Energy Management Service

### ● Energy saving efficiency through proposal or adoption of energy saving systems and equipment



To clearly indicate the effect of low carbon technology, we changed our aggregation standard in FY2014 and began releasing the results of the CO<sub>2</sub> reduction rate.

## Visualization of CO<sub>2</sub> emission reduction on-site

Large amounts of CO<sub>2</sub> are generated in the manufacturing process for materials used in construction, fuel for transporting materials to work sites, and processes for the processing and installation of materials and equipment. For over 30 years, Shinryo Corporation has engaged in the reduction of CO<sub>2</sub> emission on-site.

### Reduction methods born from creative ingenuity

A variety of CO<sub>2</sub> emission reduction methods and technologies have been implemented through creative ingenuity on-site, with over 50 such methods and techniques standardized. Below is a look at frequently adopted technology.

#### 3D-MAPS (3D measurement system)

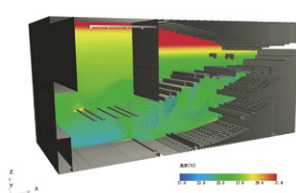
We use the 3D-MAPS system based on surveying instruments for 3D measuring and positioning on-site. Through this, plant fabrication rate of components is improved. Furthermore, rework becomes unnecessary and wasted resources are reduced. As a result, CO<sub>2</sub> emissions are reduced. An example of using the system, renovation work of the equipment, the amount of CO<sub>2</sub> emissions was able to be reduced 20% more than conventional methods.



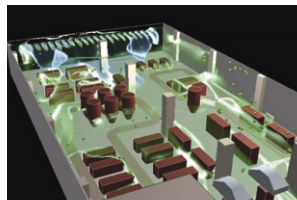
Measurement work using 3D-MAPS

#### Optimization through prior inspection

In large scale indoor spaces like an atrium or hall, or in facilities with devices generating heat, it is necessary to control the optimum temperature in only the required areas such as around people and products rather than the entire room. Shinryo Corporation is able to optimize ventilation and air conditioning systems through examinations using "CFD (computational fluid dynamics) energy saving proposal tools". The reduction of CO<sub>2</sub> emissions and running costs is made possible using technology creating a comfortable / optimal environment with minimum equipment and energy.



Example of analysis result using CFD: distribution of temperature in a music hall



Airflow in a factory

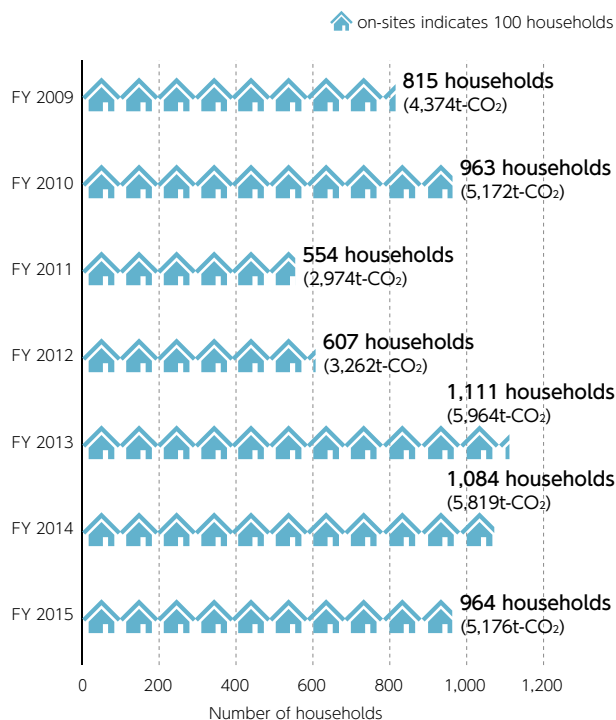
### Commissioning Firm (CxF)

Shinryo Corporation has been registered as a commissioning operator certified by the Non-profit organization Building Services Commissioning Association, BSCA commissioning is a processes to realize their true performance by confirming the actual performance of building equipment. It is able to reduce the environmental impact. The commissioning of Shinryo Corporation is conducting business continuity in an adequate way through diagnostics and installations such as HVAC (Heating, Ventilating and Air conditioning) systems from the perspective of energy savings. We are expanding the commissioning results up until now and supporting initiatives toward the environmental friendliness of our customers.

### Environmental communication project

We have visualized CO<sub>2</sub> emission reduction on-site since 2008. We convert and express the amount of CO<sub>2</sub> emission reductions on-sites by the CO<sub>2</sub> emissions for each household.

#### Amount of CO<sub>2</sub> emission reductions



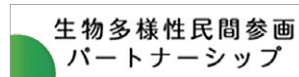
Amount of CO<sub>2</sub> emissions from households: 5,370kg-CO<sub>2</sub> / household per year  
Source: Carbon Dioxide Emissions from Households (FY2013), Japan Center for Climate Change Actions,

## Ecological conservation activities enlightenment program “the Environmental Renaissance Activities”

Shinryo Corporation has begun Environmental Renaissance Activities. Environmental Renaissance Activities is a program launched with the purpose of improving awareness related to the importance of ecological conservation.

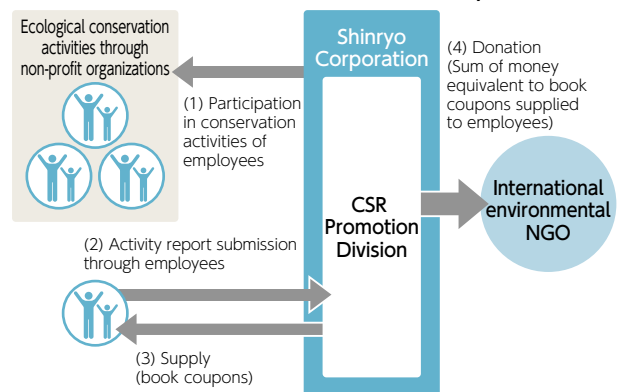
The program aims to improve motivation toward the understanding and ongoing activities for ecological conservation by supplying book coupons to employees conducting activities related to ecological conservation and environmental education as well as supplementing the purchase of books related to the environment.

Moreover, these activities have become a matching gift system to donate the equivalent book coupon costs that are supplied over one year to international environment NGOs.



Shinryo Corporation is participating in the Japan Business and Biodiversity Partnership.

### ● Environmental Renaissance Activities System



## Treatment of asbestos and hazardous substances

Since the formulation of the Ordinance on Prevention of Health Impairment due to Asbestos, we have put our full effort into preventing health hazards to employees and workers in asbestos removal operations while preventing scattering of asbestos into the air by establishing an internal management organization, holding conferences for persons in charge of asbestos management, and operating our own asbestos construction cycle.

### ■ Promoting acquisition of Operations Chief of Asbestos qualification

At Shinryo Corporation, all employees engaged in construction undergo skills courses with the aim of acquiring Operations Chief of Asbestos qualification. As of September 2015, 1,046 employees hold the Operations Chief of Asbestos qualification.

### ■ Implementing patrols of asbestos, etc.

We are implementing and leading periodic patrols of asbestos for sites throughout Japan to confirm the appropriate handling and disposal of asbestos.



Lectures about handling of asbestos

### ■ Example of asbestos removal work overseas Bangchak Cogeneration Plant

We are putting our efforts into asbestos measures even overseas. One example is in Thailand, which lacks laws and regulations concerning asbestos. In order to protect overseas local staff and workers from health impairments, Shinryo Corporation employees have always engaged in asbestos removal work under measures based on Japanese law.

The photograph shows asbestos slate tile removal work performed on-site at a cogeneration plant in Bangchak, Thailand.



Local staff wearing protective gear



Landfilling asbestos slate tiles at a waste disposal site



Warehouse before asbestos slate tile removal

# Human Rights / Labor Practices

As a global company, Shinryo Corporation respects human rights in all countries. We have set “Create energetic and comfortable workplaces that staff can show their families how proud they are of their company” as part of our Code of Business Conduct, and engage in a variety of activities.

## Making use of global human resources

An item within Shinryo Corporation’s Company Philosophy, “Have leadership, irrespective of education or age” has been translated into English for application overseas, with the addition of “nationality” to “education” and “age.” This Company Philosophy forms the basis for action at each of our overseas sites, as in Japan. We believe that making use of a broad range of human resources, crossing the boundaries of nationality and ethnicity, is necessary for us to develop as a global company.

### Company Philosophy

- Be fair and straightforward
- Do your best with all your effort
- Have leadership, irrespective of education, age, or nationality.

## Initiatives for work-life balance

### Online Mental Support

We established Online Mental Support as a consultation service for mental health, staffed by outside professionals. This site allows consultation through collection of information and through e-mail.

### Mental health education

We conduct “mental health education,” centered on management positions, with the aim of management, maintenance, and improvement of employees’ minds and bodies. A total of 55 people such as newly appointed management took part in this education in FY2015.

### Leave acquisition promotion system

Shinryo Corporation believes that the mental and physical health of employees is of the highest importance. We have introduced a system for promotion of various types of leave, as a part of our initiatives to create a workplace environment that facilitates leave taking for employees as they work efficiently and provide support for each other.

### Project leave

Our aim is that employees, primarily those working on-site take successive leaves when a site completes to maintain their mental and physical health and get refreshed before moving to the next site. In FY2015, 237 employees took the leave.

### Anniversary leave

This system, intended for all employees, allows leave for commemorative days of employees or their family members, with taking three days per year as its target.

### Refresh leave

This system expresses our respect for the contributions of employees at junctions, of 10, 20, and 30 years of continuous service, as well as our appreciation to the families supporting them, and allows the taking of successive leaves.



FY2015 commendations for 30 years of service (38 persons)



## Initiatives for diversity (making use of diverse human resources)

### General (education / support system)

#### Holding diversity lectures

We held a lecture by Tsuneo Sasaki (President and CEO Sasaki Tsuneo Management Research, Inc.) for executives and employees who are General Managers or higher. Tsuneo Sasaki lectured on Management Capitalizing on You and People as well as Importance of Management Strategies Recognizing the different ideas and value.



Tsuneo Sasaki

#### Diversity related policies

We introduced a transfer system to accompany spouse and a come-back system in October 2015 to allow long-term, active participation for employees to be able to both give birth, raise children, care for family, etc., and work.

### Active participation by employees

#### Disposal of the age limit system for managerial personnel

The age limit system for managerial personnel was eliminated on October 1, 2015. This system had reviewed the treatment of employees who have reached 55 years of age. Now, by properly evaluation without regard to their age, we have improved the treatment to employees and the work environment for employees performing more important duties aspiringly.

#### Promotion of systems to encourage active participation of senior employees

Shinryo Corporation is promoting the creation of systems and environments to allow active participation based on skill to have senior employees who have supported the company up until now to continue their efforts. In FY2014, motivation and an evaluation matching that motivation was established through the institutionalization of "Temporary S" to administrate important operations. In October 2015, the system was also added to systems for not only technical employees but also sales, office, and research development staff. Moreover, we have also established a system to allow work at our Group companies up to the age of 70 in addition to reemployment of people up to the age of 65.

### Temporary system matched to capabilities

Category	Job requirements
1) Temporary S	Senior staff engineers Overseas local company president or vice-president Advanced profession of sales, office, and research development
2) Temporary I	On-site project manager (stationed on-site)
3) Temporary II	Other on-site staff (stationed on-site) Person responsible for on-site response design (stationed on-site) On-site clerical work (stationed on-site)
4) Temporary III	Other temporary re-employed persons

### Active participation by female employees

#### Publishing of independent conduct plan for female employees participation on the Keidanren

Shinryo Corporation aims for a stronger organization by securing diverse human resources, and we strive to build environments female employees can continue working without stress and promote the active participation of female employees. We published our "independent conduct plan related to executive and management appointment of female employees" on the Keidanren Japan Business Federation website.

#### Quantitative goals

- Aim of two times the number of female managers by 2020
- Strengthen employment of female employees by aiming for twice the number of female employees in all within five years and quadruple the number within ten years

#### Qualitative goals

- Establishment of an employee friendly environment by introducing a telecommuting system and a system to extend period of prescribed reduction of working hours
- Implementation of group training such as career development and leadership improvement targeting all female employees and promotion of awareness reform
- Expand awareness of systems and initiatives to empower female employees and efforts to create a corporate culture to promote the active participation of female employees.

### Safety supplies for female employees

We introduced safety supplies for female employees who work on-site with the objective of supporting a “female-friendly office”. We satisfy the safety standards of the Shinryo Corporation and produce overalls, helmets, safety belts and other safety equipment in sizes suitable for the female figure that are easy to use. In addition, we have brought together sizes for women even for commercially sold accessories such as safety shoes and protective glasses, and we are expanding internal purchasing websites.



Shinryo Corporation standards and safety supplies for female employees

### Active participation by foreign nationals

#### On-site training for engineers from overseas

In Japan, the lack of human resources in the construction industry will be a grave issue in the future. As one effort to respond to this challenge, we are conducting initiatives to allow engineers from overseas to train on-site in Japan. Shinryo Corporation would like to increase the number of people it can work together with both in Japan and overseas through this initiative. In FY2015, 13 people from SHINRYO (PHILIPPINES) COMPANY, INC. were assigned on-site and the BIM Center.

#### Local overseas staff Japan invitation program

Training for 19 management level employees at local overseas companies in nine countries was held in March 2015. In the five-day training aimed to teach an understanding of the Shinryo Group and the knowledge required as executive candidates, participants visited our Headquarters and Research and Development Center took management skill training classes, etc.

In addition to learning about the Shinryo Group through this training, managers from each country who met for the first time were also able to interact. Moreover, many of the people were also visiting Japan for the first time and were able to experience a lot of Japanese culture first hand such as enjoying cherry-blossom viewing.



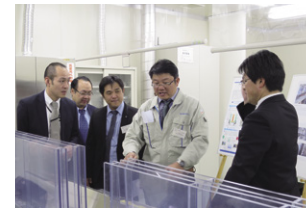
Learning of management skills (Headquarters)



Description of plant factory (Research and Development Center)



Description of corrosion engineering technology (Research and Development Center)



Description of formaldehyde removal technology (Research and Development Center)

## VOICE

**Shunji Tsubaki, Manager (in charge of direction), Second Technology Section, Second Technology Department, Urban Environment Division** (pictured left)

In June 2015, Reyes Anthony who came for training from SHINRYO (PHILIPPINES) COMPANY, INC. is studying on-site operations with our Japanese staff. Through these on-site operations, He is learning aspects of the business from the thinking behind work in Japan to the support of customers and support of partner companies.

He is very diligent and puts all of his effort into the work. There are some language difficulties, but his sincere efforts are progressing without fail. He also greets us with a smile and he has a wonderful personality. We take turns teaching each other Japanese and English, and he enjoys the work while he studies.

**Reyes Anthony Gonzales (trainee)** (pictured right)

High quality is expected on a Japanese construction site. Since I took my position at this site, I feel the Japanese people's insistent dedication towards work. All of the items and construction are accurately and appropriately planned and organized in detail. The schedule is managed precisely and everyone is focused on safety. I hope work can be done through this type of system in Philippines as well.



On-site training



Office environment

# Training and Development of Human Resources

At Shinryo Corporation, people are considered to be our most valuable asset since our establishment. The techniques, knowledge and experience that all our employees have are indeed our management resources. We have put in place a wide-range of education programs to bring out the highest level of skill from our employees and we are advancing the development of human resources so that executives and employees of any age can work with flexible creativity always with a strong challenging spirit.

## Start of new education programs

Shinryo Corporation has organized and reviewed its internal education system by defining "development training regulations" in May of 2015 to conduct human resource development with the purpose of having each employee deepen their understanding of the basic Company Philosophy and improve their work skills.

Furthermore, since October 2015, the development training system has been separated into two categories of "company-wide training" and "departmental training" and a system to promote effective training was established by optimally linking both these education categories.

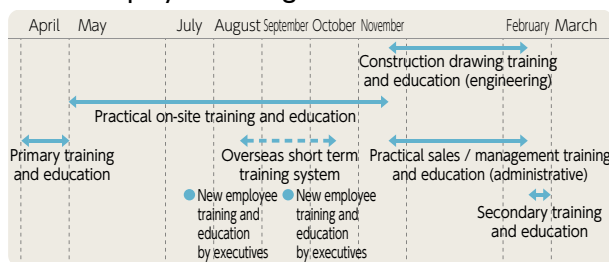
## Implementation of a wide-variety of training

### New employee training and education

#### Extensive training curriculum

Over the one-year of new employee training and education, we have prepared the perfect curriculum for each technical and administrative system to build an organization able to work with confidence right after assignment.

#### ● New employee training and education



#### Training dormitory Kofu Dormitory

The overall training and education at Kofu Dormitory for approximately one year is an ongoing tradition at Shinryo Corporation since its founding. As a place of human resource development, employees who enter the company at the same year able to build bonds by living and learning together.



Kofu Dormitory



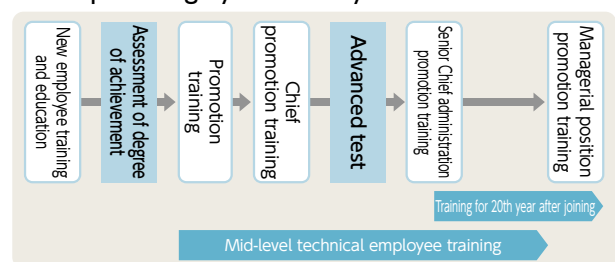
Communication space

### Development training system

#### Company-wide training (required training)

Company-wide training is defined as required internal testing and Group education for each position and year with the aim for employees to recognize their role and further increase their skills. Moreover, practical technical training is implemented for mid to higher level technical employees with the aim of strengthening on-site skills.

#### ● Group training by level and year



#### Company-wide training (elective training)

We implement training to take by selecting external seminars based on official responsibilities / position for mid to higher level employees and promotion management positions with the purpose of increasing awareness and skill.

#### Training by department

Conventionally, practical training being implemented by department is linked to "company-wide training" by planning and implementing a system as "training by department."

## Overseas training system

Shinryo Corporation pioneered overseas business in the industry in 1972, opened branches and overseas local companies focusing on Asia / Middle East, and has expanded those businesses. In recent years, we are establishing various educational programs to train many human resources able to be actively participate globally.

### New employees Overseas short term training system

We dispatch all of our new employees several people at a time to overseas construction sites. Our employees stay for one-week in the local area to deepen their understanding of working and living overseas by experiencing these sites first hand, and we train our human resources to have a global mindset and a desire to work overseas.



On-site training in Hong Kong

### Overseas practical dispatch system

This system is for employees who have worked for the company between four and eight years that have first-

hand experience in Japan. Employees selected publicly experience the entire construction cycle on-site at overseas sites over one to three years. Four people participated in 2014 and five are planned to participate in 2015. The youthful abilities targeted by the overseas business of Shinryo Corporation is trained through practical means.



Meetings with on-site staff in Malaysia

## VOICE

Bando Takahiro, Engineer, Tokyo Metropolitan Area Division Engineer (SHINRYO (MALAYSIA) SDN.BHD. practical overseas dispatch)

I thought this was a great chance to be able to work overseas and I applied for the overseas practical dispatch system. I was surprised working at my first post that there were a variety of languages from English and Malay to Chinese being thrown around. Now, I believe carefully communicating and cooperating with the local staff and advancing operations on-site is most important. I still have some language barriers, but I want to actively learn the techniques and construction methods only found at sites overseas.



## Children visiting day

We held "Children visiting day 2015" at the Research and Development Center in August 2015. Children visiting day is an event held every year since 2011 to have the children of our employees learn about the work of their "fathers" and "mothers" so each and every employee can work proudly with the knowledge that their families understand their work. This is the fifth year of the event.

On the day of the event, a total of 93 participants consisting of 48 mainly elementary and junior high school-aged children from around the country and their parents were in attendance. The technology of the Shinryo Corporation was not only communicated in an easy-to-understand manner but we also taught about the environment, and three experiments / experiences were implemented to bring a way for the children to freely research.

## Three experiments / experiences

### Look at how ice grows, create cool water and air

The children experienced a process to generate sherbet-like ice from super cooled water by using the dynamic ice

storage system, "The Jiyu Sekkei®". This taught the system to air conditioning in buildings through cold air produced from ice.

### Create hydrogen, propel a car with hydrogen energy

Children created hydrogen from water to learn its principles while experiencing the characteristics of hydrogen. They propelled a car (model) using environmentally friendly hydrogen energy and learned about the principles of hydrogen.

### Experience Parent's job, joint work with parents and children

The children experienced their parent's work by assembling PVC pipe together with their parent while looking at a diagram.



Let's make hydrogen



Work experience (pipe assembly)



# Community Involvement and Development

Shinryo Corporation actively implements and promotes activities to demonstrate the importance of community and culture as a company that contributes to the sustainable growth of society.

We believe that steadily accumulating small, close-at-hand activities is important in engaging with local communities.

## Relationship with society

### Entrance into the Council for Better Corporate Citizenship

We joined the Council for Better Corporate Citizenship (CBCC) in May of 2015. The CBCC was established by the Keidanren Japan Business Federation in 1989 and it is an organization promoting CSR activities at companies and conducting practical support activities. Through activities at the CBCC, we are able to interact with everyone from other companies, and we would like to more actively and dynamically advance the CSR activities of Shinryo Corporation.

### Hosting of Let's Tour Technology to Design Air open office

We held an open office for female students interested in science and engineering at the Research and Development Center in August 2015. The open office, held in response to a call by Japan Business Federation that cooperates with the Science and Engineering Challenge (Riko-chare) initiative of the Cabinet Office, expressed the fun of work in the sciences and was planned to play even just a small role in helping female students think about their future study and work. 12 people from junior high school to graduate students participated in the open office.

In addition to explaining technology developed by female employees of Shinryo Corporation, etc., the participants tried operating testing devices. During the refreshment break following the tour, the female employees discussed the reasons why they chose the science and engineering field and how interesting their jobs are.



Shinryo Corporation open office

### Participation in the United Nations Global Compact Network meetings

We participated in the FY2015 Conference on Disaster

Risk Reduction of GCNJ\*, which is the local network of the United Nations Global Compact. This conference is a meeting study the importance of increasing business continuity in private enterprises with higher disaster and risk reduction awareness, ways to contribute to disaster and risk reduction that uses company technology and so on. Shinryo Corporation learned the latest information and knowledge through this conference to strengthen a system able to continue our business activities when disaster strikes and contribute to restoring social infrastructures.

\*Global Compact Network Japan

### Part-time instructor activities with universities

We have been given the opportunity to work as part-time instructors for over twenty years at the National University Corporation Tsukuba University of Technology. In addition to conducting classes such as building systems and machine / system engineering by having researchers of the Research and Development Center work as instructors, we are giving tours of full-scale reliability testing systems equipment at the Research and Development Center.

## VOICE

### Masami Suzuki, Manager, Research and Development Center

The class subject this fiscal year is "ecological environment systems". We are innovating presentations such as displaying class contents with slides and videos so that even students with hearing impairments understand the overview of ventilation and air conditioning. There is still some difficulty of communication. But I'm very happy when there are questions from students about the detailed points of the class. I will do my best to deepen the interest in building systems.



Class environment

## Connections with local communities

### Yotsuya volunteer clean-up activities (Headquarters)

Agreeing to a request from the 2-chome, Yotsuya, Shinjuku-ku community youth group, we have continued to participate in a "clean-up activities" in Yotsuya once a month every year since 2004. The number of employees for staffing alternates monthly and, together with the youth group and community, we walk and pick up litter such as cigarette butts and empty cans on the sidewalks and shrubbery around 2-chome, Yotsuya. We have participated in these activities for over ten years and it has become a good opportunity to deepen awareness toward environmental conservation activities as one member of the Yotsuya community.

In addition, new employees even participate in this activity as trainees in April every year with 76 people participating in FY2015.

We will continue this activity in the future to show our gratitude to the Yotsuya community who supports us and to remain conscious of ourselves as a company coexisting with the environment.



Participation in clean-up activities

### Clean-up activities around Nojima Park (Yokohama Branch)

During the vacation in May 2015, we deepened our friendship by having a barbecue for our family gathering

with the employees and families of partner companies held by the Yokohama Branch Occupational Health and Safety Council. After playing fun bingo games, we volunteered to clean-up around Nojima Park, which was the venue in Yokohama City.

The clean-up was done by everyone who participated (approx. 100 people) with all of the employees and families of 13 partner companies that participated in the family gathering agreeing to participate in the clean-up. Family gatherings are held annually, but this was the first time we tried volunteer clean-up. The gathering came to an even more invigorating end than previous years and we reaffirmed the importance of volunteering activities.



Volunteer clean-up activity

### Clean-up Activities with the Nagoya Station District Environmental Improvement Council (Nagoya Branch)

The Nagoya Station District Environmental Improvement Council, which was established in 2008, conducts activities to make the Nagoya Station District a place many people can visit, work, learn, and live, and the Shinryo Corporation has agreed to participate in these activities. In addition to implementing clean-up activities in the Nagoya Station District every month, Nagoya Station District Mission Uchimizu is held with the purpose of interacting with council members while enjoying a cool breeze in July every year.

## Support for culture and the arts

We engage in support for culture and the arts, through supporting memberships, sponsorships. In FY2015, we were registered as supporting members for the following music-related organizations.

Through these support activities, we hope we can contribute even a little to the growth of beautiful and rich culture / art.

List of music-related organizations for which Shinryo Corporation is registered as a supporting member

NHK Symphony Orchestra, Tokyo / Orchestra Ensemble Kanazawa / Osaka Symphony Orchestra / Osaka Philharmonic Orchestra / Kanagawa Philharmonic Orchestra / Kansai Philharmonic Orchestra / The Kyushu Symphony Orchestra / Sapporo Symphony Orchestra / New National Theatre, Tokyo / New Japan Philharmonic / Sendai Philharmonic Orchestra / Central Aichi Symphony Orchestra / Tokyo Symphony Orchestra / Tokyo Metropolitan Symphony Orchestra / Tokyo Nikikai Opera Foundation / Tokyo Philharmonic Orchestra / Nagoya Philharmonic Orchestra / The Japan Opera Foundation / Japan Century Symphony Orchestra / Japan Philharmonic Orchestra / Hiroshima Symphony Orchestra / Yomiuri Nippon Symphony Orchestra, Tokyo

# CSR Activities of Group Companies

In FY2015, we started our CSR system at not only the Shinryo Corporation but also each company of the Shinryo Group. Executive meetings are held by members appointed from each Group company and we work to improve awareness of CSR activities and promote activities at each company while sharing our awareness as the whole Shinryo Group.

## Overview of Each Group Company



### Shinryo Technical Service Corporation

**Address** 14, Arakicho, Shinjuku-ku, Tokyo  
**Established** 1989

Shinryo Technical Service Corporation is a specialist that has mastered air conditioning systems, water supply systems, electric service work / building management systems, and fire fighting service work of shops and offices. They provide the best solutions through the life cycle from new installations of each service work to the renewal and maintenance.



### Shinryo Kogyo LTD.

**Address** 2-2-1 Kajicho, Chiyoda-Ku, Tokyo  
**Established** 1963

Shinryo Kogyo widely contributes to society by aiming to create peaceful human environments through the design, development and manufacture of pumps, etc. In addition, they perform the planning, design, manufacturing, construction, maintenance and sales even for environment-related service work, industrial machinery service work, fire fighting devices, etc.



### Shiroguchi Co., Ltd.

**Address** 1-5-7, Kaji-cho, Chiyoda-Ku, Tokyo  
**Established** 1926

Shiroguchi was established as the Shiroguchi Sewage Treatment Laboratory in 1917. They support services from consulting of sanitation, air conditioning, and fire fighting service work to design, construction, and maintenance management. Shiroguchi continues to encourage and walk the path of development / research of technology with the growth of society in accordance with the spirit "to contribute to society through the improvement of environmental sanitation" of their establishment.



### Akita Castle Hotel Co., Ltd.

**Address** 1-3-5 Nakadori, Akita-shi, Akita  
**Established** 1970

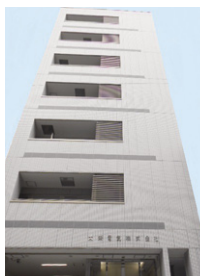
Akita Castle Hotel is a hotel representative of Akita located seven minutes from JR Akita Station. They offer hospitality with gratitude and sincerity to all of their customers as a local hotel. Akita Castle Hotel is aiming to be an "age friendly hotel" that provides safety and security suitable for this new generation in addition to being able to be used comfortably by everyone throughout their lifetime.



### Daiei Denki Co., Ltd.

**Address** 1-14-15 Minato, Chuo-ku, Tokyo  
**Established** 1947

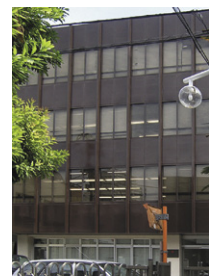
Daiei Denki is a company that contributes to society with reliable and proven technology through electric service work that are our lifeline. They perform the design, construction, and maintenance management of Photovoltaic power generation systems, which are overall electric service work and clean electricity of buildings.



### Global Staff Co., Ltd.

**Address** 14 Arakicho, Shinjuku-ku, Tokyo  
**Established** 1998

Global Staff provides human resource services focusing on deployment and introduction of specialists in architecture, civil engineering and systems as a human resource service company of the Shinryo Group. In addition, they deploy and introduce staff such as sales persons able to speak Chinese for foreign nationals visiting Japan and insurance shop consulting staff.



## ■ Main Initiatives of Each Group Company

CSR initiatives are set based on our “basic themes and corporate governance”.

Basic themes and corporate governance		Initiatives in FY2015	Shinryo Technical Service Corporation	Shiroguchi	Daei Denki	Shinryo Kogyo	Akita Castle Hotel	Global Staff
-	Corporate governance	•Audit implementation / improvement of guidance by Shinryo Corporation Audit Department	●	●	●	●	●	●
		•Implement periodic Management Committee / management councils by directors and general managers	●	●	●	●	●	●
1	Compliance initiatives	•Implementation of compliance training for all employees	●	●	●	●	●	●
		•Installation of Compliance Committee and implementation of periodic meetings	●	●	●	●	●	●
		•Implementation of information security training for all employees			●	●		
		•Continuous operation of ISO27001 (information security management system)						●
		•Creation and implementation of a health management manual					●	
		•Exchange of Organized Crime Exclusion Ordinance related laws and regulation commitment with partner companies	●					
2	Initiatives to insure business continuity during emergency	•Continuous operation of Helpline consultation service	●	●	●	●	●	●
		•Routine implementation of internal fire-fighting and safety confirmation drills	●	●	●	●	●	●
		•Supply of disaster response bags to all employees	●	●	●	●		●
		•Securing of stockpile such as food and water			●		●	●
		•Implementation of BCP training through ISO27001 (information security management system)						●
		•Introduction of emergency power generation systems and network distributed systems				●	●	
3	Environment conservation and social investing	•Creation of emergency contact network such as customers and partner companies	●		●	●	●	
		•Implementation of energy saving through Cool Biz	●	●	●	●	●	●
		•Thorough separation of garbage	●	●	●	●	●	●
		•Promote use of recycled paper and recycled toner	●	●	●	●	●	●
		•Formulation of environmental management standards for plants, adherence to standard noise and vibration levels, and reduction of environmental burden				●		
		•Introduction of energy-saving air conditioning system					●	
4	Implementation of training and human resources development	•Addition of discount plans by not requiring cleaning for accommodation plans					●	
		•Maintenance of rooftop greening facilities			●		●	
		•Promotion for acquisition of Operations Chief of Asbestos qualifications (100% achievement for regular employees)		●				
		•Implementation of various education and training systems, management position training, new employee training, skill improvement inspections / training, etc.	●	●	●	●	●	●
		•Sharing of technical information and trouble information using regular meetings and internal databases	●	●	●	●	●	●
		•Continuous implementation of human resource development for Institution of Occupational Safety and Health member partner companies			●			
5	Initiatives in work-life balance	•Implementation of awards for continued service	●	●	●	●	●	●
		•Encouragement to take project leave, anniversary leave, and refresh leave	●	●		●		●
		•Implementation of mental health education such as lectures by industrial physicians and utilization of mental health care telephone service		●		●		●
		•Review of changes and operations to organizational structure, create more efficient operations by introducing systems, and distribution of burden			●		●	●
		•Promotion for use of childcare leave system					●	●
		•Proactive appointment of female employees to management positions	●				●	●
6	Initiatives in diversity	•Development of products focused to the finest detail to bring out the perspective and feeling unique to female employees					●	
		•Expansion of the range of active participation of seniors over 60 years of age and appointment to positions of responsibility	●			●	●	●
		•Utilization of seniors over 65 years of age	●					●
		•Investigation for the utilization of overseas engineers	●					
		•Continuous implementation of handicapped person's employment promotion					●	●
		•Participation in the Kanda Festival		●				
7	Participation in and development of the community	•Provision of open space in our building as a venue for events such as for portable shrines of the neighborhood association		●				
		•Continuous participation in Chuo-ku Disaster Management Housing Association			●			
		•Continuous participation in neighborhood associations and Teppou-Zu Inari Shrine events			●			
		•Routine participation in fire-fighting drills held by neighborhood associations			●	●		
		•Clean-up and planting activities of community				●	●	●
		•Contribution to local hospitals using Medical Mall systems in hotels					●	
8	International initiatives	•Implementation of various measures as an age friendly hotel using the advice of the FOIFA non-profit organization					●	
		•Implementation of various measures for tourists from abroad through collaborations with Akita International University					●	
		•Halal initiatives					●	



## CSR Activity Topics of Each Group Company

### Compliance initiatives

#### Shinryo Technical Service Corporation Compliance education

We defined internal compliance regulations on September 1, 2015 and established the Compliance Committee and office and the Helpline consultation service. In addition, we have implemented compliance education and all of our executives and employees have taken this education as of the end of September.



Compliance education

### Environment conservation and social investing

#### Daiei Denki Rooftop greening

We are maintaining a rooftop greening facility since construction was completed in 2008 on the rooftop of our headquarter building as a mitigation measure for the heat island phenomenon progressing in Chuo-ku.



Headquarters building rooftop greening

### Implementation of training and human resources development

#### Shinryo Kogyo Implementation of traffic safety lecture

On July 29, 2015 Shinryo Kogyo implemented a traffic safety lecture through the Manseibashi police department to have each individual practice correct traffic manner once again and thoroughly prevent traffic accidents.



Traffic safety lecture

#### Akita Castle Hotel New employee training directly from Miss Universe

In June 2015, new employee training was held with a theme of "more beautiful inside, more healthy" by bringing in a Miss Universe Akita Japan finalist.



New employee training

#### Global Staff Accepting SHINRYO (PHILIPPINES) COMPANY, INC. engineers

In regards to brining 13 engineers from SHINRYO (PHILIPPINES) COMPANY, INC. to Shinryo Corporation, we perform the visa registration and residence registration for a smooth transition to the environment, and we conduct seminars for foreign nationals to promote the understanding necessary to both work and live in Japan in the future.



Engineers from SHINRYO (PHILIPPINES) COMPANY, INC. who visited Japan

### Community Involvement and Development

#### Shiroguchi Participation in Kanda Festival

The Kanda Festival held locally every other year is known as one of the three largest festivals in Japan and the entire community switches into festival mode in May. The building entrance of Shiroguchi is provided to the neighborhood association as space to enshrine the portable shrine and employees put on traditional Japanese "happi" coats and participate in the festival.



Portable shrine of the neighborhood association



Kanda Festival

#### Daiei Denki Teppou-Zu Inari Shrine dedication

As local development, Daiei Denki sponsored a large renovation project of the Teppou-Zu Inari Shrine for the Heisei era.



Teppou-Zu Inari Shrine



Sponsorship of large renovation project for the Heisei era

#### Akita Castle Hotel Volunteer clean-up of community

Akita Castle Hotel performed volunteer clean-up activities as part of new employee training in April 2015.



Clean-up activities around Akita main streets and side streets

#### Global Staff Area clean-up

As people working in the community, Global Staff is working with area clean-up activities around their Headquarters (Arakicho, Shinjuku-ku, Tokyo) every Wednesday with meaning to show gratitude to the neighborhood community who always supports them and for nearby environmental conservation. Clean-up activities are held from 9:15 am so that even employees with reduced working hours for childcare are able to participate.



Clean-up activities around Arakicho

# Third-party Opinion of CSR Initiatives



**One Akiyama**  
Integrex Inc.  
President, Representative  
Director

## 1. Points of evaluation

Shinryo Corporation's top management commitment is their desire to expand conventional environmental initiatives to activities achieving broader social responsibility, and they have started CSR initiatives by launching a CSR Review Board in 2013. They have undertaken a process of debating "what to aim for in their CSR" through participation of employees selected from around the country over the first four months as a preparation period, determining the outline of activities after much debate about specific activities and execution schemes, and then creating an activity index.

The strong commitment from top management from the very beginning, the participation of employees from around Japan during the preparation stage, and determining activity vectors in conjunction with clarifying "what the aim of Shinryo Corporation CSR is" before starting specific activities can be evaluated highly.

In addition, the promotion system for CSR is easy to understand, the positioning of the management vision, CSR proclamation as well as the long-term and yearly business plan in addition to the relationship of priority subjects and basic themes is organized, and CSR and management have become unified. This is also a result of thorough debate by the CSR Review Board.

In regards to the start of specific activities, CSR executives were appointed from each department focusing on the CSR Promotion Division, an activity system was established, the understanding of employees was deepened by

convening CSR briefings at corporate division / branches around the country while implementing activities from activity plans based on company policy, a system to aggregate results was put in place, and their initiatives are aiming for on-site work of every single employee.

In regards to the first fiscal year which was published in the CSR Report issued for the first time last year, items for initiatives for priority subjects and basic themes, and activity results were gathered together in a format of yearly initiatives, and I have seen activities move through PDCA while taking a bird's eye view of each challenge.

Moreover, in the second year since the start of their activities, activities are being expanded for each initiative by Group companies by expanding initiatives to CSR activities at the Group. Shinryo Corporation can be highly evaluated for advancing company-wide activities systematically and even connecting to Group expansion in a short period of time.

## 2. Points of expectations

Shinryo Corporation can be praised for determining activity plans by each corporate division / branch and gather results to conduct activities conforming to their operations, but they need to further their efforts through informational sharing, collaboration, and communications between departments and groups while considering the relationship between initiative items so that they are optimal for the entire company as a company and Group that will not lose the best in areas of branches and corporate division for CSR activities.

Furthermore, to advance the optimum activities to the entire company on an on-site basis, sharing the desire to realize the management vision that is the purpose of the initiatives in CSR and embedding them as specific activities on each site / job is vital.

Penetration to each and every employee is not easy, but I expect the clear expansion for "Create a Freshening World" through the federated efforts of CSR to the entire Group while continuing efforts to penetrate and share information.

## Response to Third-party opinion



CSR representative (FY2015)  
**Yasuhiro Tanaka,**  
Executive Vice President

I would like to thank One Akiyama for her input about the process from the start of our CSR activities by Shinryo Corporation as well as the initiatives to share important issues internally. In regards to the launch of CSR, we had sufficient debate to clarify what CSR is for Shinryo Corporation and considered what was important at the internal review board. I am very grateful for her praise on this point. We intend to work sincerely while taking the guidance and advice from everyone now and into the future.



CSR representative (new appointment)  
**Yasunori Abe,**  
Managing Executive officer

We have been able to confirm where we stand in regards to move forward toward grasping what our CSR activities should be thanks to the opinion of One Akiyama. I am also very grateful for her great praise from the bottom of my heart. CSR of the Shinryo Corporation indicates the pride of employees while being an activity to accomplish our responsibility to society. We will strive forward with our activities by placing penetration of our CSR activities with each and every employee as an important point. I look forward to even more advice in the future.

## Editorial Notes

We are very happy to be able to report our second year of activities to everyone through the Shinryo Corporation CSR Report 2015. We would like to take a look back at our activities up until now in the editorial notes from this edition.

### ●Preparation period of Shinryo Corporation CSR activities (November 2013 to February 2014)

Shinryo Corporation has recognized the importance to environmental friendliness from the stance of the construction industry and we have worked in an environmental management system (ISO14001) since 2001. Furthermore, we have launched a CSR Review Board based on the President's desire to expand activities to fulfill our social responsibility without limiting ourselves to the environment. Members appointed from around the country thoroughly debated what Shinryo Corporation should aim for in CSR, the specific activities and the internal execution scheme, and then determined the outline of activities while studying the fundamentals of CSR.

### ●Start of Activities (from April 2014)

An activity system was established by launching a CSR Committee and CSR Promotion Division and appointing CSR executives from each department. We visited each corporate division and branch around the country and convened briefings about Shinryo CSR to deepen the understanding of employees. Activity plans for each corporate division and branch were formulated and a system to gather the activity results each quarter was established.

### ●Publishing of Shinryo Corporation CSR Report 2014 (Japanese version) (December 2014)

The first issue of our CSR Report was published.

### ●Publishing of Shinryo Corporation CSR Report 2014 (English version) (August 2015)

An English version was published to have even our overseas local companies understand our CSR activities.

### ●Expansion of CSR to Shinryo Group (from April 2015)

The desire to expand CSR activities to the Group started in FY2014 and the activities were expanded as the Shinryo Group in FY2015. The briefings and CSR executive for each Group company were decided in February 2015 and the first Group company executive meeting was held in April.

### ●Main activities in FY2015 of the CSR Promotion Division

We are taking care in our activities working closely with the executive committee to deepen the understanding and penetration of CSR activities. / We have taken internal and external questionnaires about our Shinryo Corporation CSR Report 2014 and reflected the feedback from everyone in the FY2015 issue. / The first Group Company Executive Committee meeting that was the first introduction to each company was filled with deep emotion. / We released safety supplies for female employees with the cooperation of the Safety Supervision Department. We also paid attention to both safety standards and ease use. / We consider a Shinryo Corporation style of activities for the conservation of the ecosystem and started Environmental Renaissance Activities that aimed to improve awareness. / In the third-party opinion dialog from One Akiyama, we received valuable advice in addition to gathering our thoughts of promotion division members.



CSR committee (October 20, 2014)



CSR Executive Meeting (April 14, 2015)



Group Company CSR Executive Meeting (April 20, 2015)



CSR Executive Meeting (June 23, 2015)



Third-Party Opinion / Dialog (September 10, 2015)  
One Akiyama (Central) and CSR Promotion Division



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