



SHINRYO Report 2019

Corporate Profile and CSR Report
English Version





“Create a Freshening World”

Brand Promise

We would like to provide a comfortable air quality appropriate for where we work, spend our time, and in the surrounding natural environment. We would like to create a rich and pleasant environment.

We, Shinryo Corporation strive to realize an even more comfortable and pleasant lifestyle by providing optimal air quality around the world.

As a means to this end, we strive to provide new value through flexible thinking by heightening the technology we have cultivated up until now even further while sincerely responding to the customers.

We will continue to strive to realize a “Freshening World” by pursuing to over greater value.

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Creating a Freshening World and Contributing to the Development of a Sustainable Society



Management Vision Framework

Editorial policy

The intent of this report is to enable all of our stakeholders to deepen their understanding of Corporate Social Responsibility (CSR) activities at Shinryo Corporation.

Target period

This report focus on FY2018 (October 1, 2017 to September 30, 2018), including some periods before and after.

Scope of report

CSR activities of Shinryo Corporation and the Shinryo Group

Reference guidelines and standards

ISO26000

Publication date

Current Japanese report: January 2019
Next Japanese report: January 2020 (scheduled)

Division responsible for publication and contact point

CSR Promotion Division
SHINRYO CORPORATION
TEL. +81-3-3357-2151

Informational Dissemination System

Main Publications such as Pamphlets	Website
All activities such as financial and non-financial information	
SHINRYO Report 2019 (Japanese/English)	
Employment information	Comprehensive corporate activities SHINRYO Corporation homepage (Japanese/English) https://www.shinryo.com/ https://www.shinryo.com/en
Corporate information	Employment Information Employment website https://www.shinryo.com/saiyo/
Various technical catalogs	Technology Comprehensive technologies and track records website https://www.shinryo.com/tech/
	CSR Activities CSR website https://www.shinryo.com/csr/



Sincerely Engaging an Environmental

Sincere Devotion to Colleagues

Shinryo Corporation has once again published the SHINRYO Report 2019. We have included the Management Vision Framework as well as our history from the founding of Shinryo Corporation to present day so as to facilitate greater understand about Shinryo Corporation and the Shinryo Group companies, which I hope everyone will read thoroughly.

The speed of social changes is ever accelerating. Shinryo Corporation and the Shinryo Group companies must also adapt to these changes. However, I believe it is important for us as an enterprise to have a stable spirit and company philosophy that does not bend to the constant changes of society. Therefore, we must embed a solid corporate foundation.

Our Company Philosophy has not wavered since our founding and has served as the fundamental platform of Shinryo Corporation and the Shinryo Group companies to ensure fairness and every person's best desire to focus their efforts. This philosophy describes a company driven by people who are able to bring happiness to their colleagues. Shinryo Corporation was founded in order to embody this philosophy within the business world.

In addition, Shinryo Corporation has several principles enshrined in the Corporate Philosophy. The first is to share joy and hardships. This encourages everyone to share the happiness and distress experienced by one another and is a principle that was continually repeated by our founder Masaru Kagami within the Corporate Philosophy.

Shinryo Corporation started 63 years ago as a company with only five people. I believe we have

been impassioned and persevered from such modest roots thanks to sharing joy with, and confiding in, like-minded colleagues. The words "to share joy and hardships" have been passed down to us until today and are a source of strength for Shinryo Corporation.

Innovation Through a "Venturing Spirit"

Another principle which Shinryo Corporation holds dear is to have a venturing spirit. The wind of the venturing spirit blowing when Shinryo Corporation was founded can still be felt today. The company started from equipment sales and expanded its business activities into the design and installation of air-conditioning and sanitation equipment by leveraging orders for the Shin-Otemachi Building. We penetrated new business opportunities such as nuclear power plants, district heating and cooling systems as well as forming an overseas business in 1970, only 15 years after our founding. Today, Shinryo Corporation alone boasts 2,193 employees while the Shinryo Group has grown to employ 5,356 people. This was a result of the hard work in honing our technology and developing new markets. Our venturing spirit will never change as Shinryo Corporation is proud of always being a pioneer. I know we can continue to persevere in new challenges if we have this venturing spirit.

New challenges refer to the determination in expanding of business regions while taking advantage of our technology, knowledge and experience. Japan estimates that its domestic construction market will

with Society as Engineering Company

Takeshi Kagami

President, Representative Director

gradually shrink. We can expect fierce competition in the market as this happens. The only way to overcome this obstacle is to persevere. We have not forgotten that Shinryo Corporation is a venture company. Every employee will continue to burn with the passion of a venturing spirit as a ceaseless source of strength.

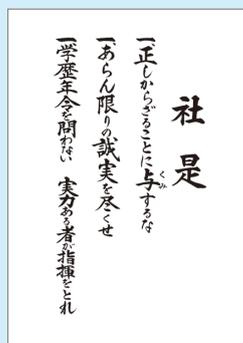
In recent years, Shinryo Corporation has engaged in a wide range of challenging businesses. One of those challenges was our entry into the Indian market. In fiscal 2018, we established Shinryo Suvidha Engineers India as a challenging business for these new colleagues and, for Shinryo Corporation, as a key to growth in India, which is expected to have substantial economic development. Suvidha has been operating an HVAC and equipment business in India for 35 years as a serious and sincere organization that holds the same values toward technology and employees as Shinryo Corporation. Shinryo Suvidha was acquired because we recognized the company as an excellent partner, and I expect that this company will become a foothold in the journey of further growth of the Shinryo Group.

As an Environmental Engineering Company

Shinryo Corporation has entered the last year of its 13th Three Year Management Plan. We must accelerate all our measures to bring about a year actually giving form to the vision in the 13th Three Year Management Plan to become an environment and engineering company that strives toward creation and continues to grow. This vision embodies the heart of a venture

Company Philosophy

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



Company Philosophy
(in Japanese)

This Company Philosophy clearly expresses the Life and Business philosophy of our founder Chairperson Masaru Kagami (deceased). Shinryo Corporation was established to embody this philosophy in the business world. These three principles serve as the “roots” of Shinryo Corporation and are the foundation for all thinking, decision-making and action of executives.

company to persevere and spearhead growth through environmental technology. Our vision is not simply for show, but represents a clear objective toward necessary future growth by pushing forward step by step to achieve our goals.

Efforts in “energy savings × resource savings” are part of our environmental technology initiatives. Society focuses on “energy savings” and “resource savings” as keywords. Shinryo Corporation has no choice but to overcome the challenges of providing technology to customers tailored specifically to these two keywords. Providing both energy and resource savings is a duty of an environmental engineering company that seeks to contribute to the development of a sustainable society.

Shinryo Corporation has been participating in the Global Compact Network Japan’s Environmental Management Conference as a member since 2014. We have learned about the prevailing societal trends and corporate initiatives.

Based on what we have learned, the SHINRYO Report 2019 includes the 13th Three Year Management Plan, ISO26000 Guidelines, the United Nations Global Compact, and CSR activities in-line with the Sustainable Development Goals (SDGs). I know the SHINRYO Report 2019 provides us with the opportunity to disseminate information to help all of our stakeholders come to know and understand Shinryo Corporation. We will continue to work to reflect the feedback we receive from everyone in our businesses activities in order to become a company specifically chosen by customers. I ask for your ongoing support and guidance in the future as well.



Kimio Senda

Representative Director and Executive Vice President
In general & in charge of Compliance & Environment

In only a few words, Shinryo Corporation is a company that provides optimum environments. The prevailing environments contribute to the productivity of human activity and help sustain health and longevity of life. The mission of Shinryo Corporation is to provide these environments to customers whilst lowering the amount of energy used to reach the reduction targets of greenhouse gas emissions laid out by the Paris Agreement.

We must fulfill the functionality and performance demanded by our customers and continually work hard each and every day to accomplish this mission.

I want everyone to remember that employees must have an open and flexible mindset to do this work. An open and flexible mindset is cultivated through a corporate climate rich with a reforming outlook and diversity. Shinryo Corporation has the strength to continually debate many ideas so as to move in the same direction and come together as a Group to achieve its goals as well as the strength to strive to go forward. Diverse ideas and cooperation to foster the happiness of our employees, which is our final goal. I think the proposition of management is to always shape the corporate climate which serves this foundation.



Haruaki Kotani

Director and Senior Managing Executive Officer
General Manager, Technical Supervision Division

Corporate initiatives are currently underway everywhere to achieve the Sustainable Development Goals (SDGs) formulated by the United Nations. I know a company that does not recognize the growth of a sustainable society cannot continue to grow or even exist. A major challenge as an environmental engineering company continues to be the reduction of greenhouse gas emissions, but I am confident that everyone's efforts, in each and every activity, will help better the environment.

One of these efforts is the research and development of the Research and Development Center which opened in Tsukuba City, Ibaraki in 1990. The Research and Development Center has announced the Environmental Renaissance Declaration upon its establishment and has consistently been conducting technological research and development related to global environmental conservation. Feature 1 ([→P.21-22](#)) offers information on the computational fluid dynamic technology that provides optimal air-conditioning methods fostering energy savings as a base technology of the Research and Development Center. Today, more than 100 employees are using this technology in an initiative to rapidly respond to the requirements of customers.



Yasunori Abe

Director and Senior Managing Executive Officer
General Manager, International Management Division & Managing Executive Officer in charge of Corporate Planning & Group Management

Shinryo Corporation is entrusted with building social infrastructure and playing a part in supporting the lifestyles of people by constructing public infrastructure and generation equipment, such as airports and subways, as well as construction of facilities, such as hospitals and large-scale shopping malls. Shinryo Suvidha joined the Shinryo Group this year as a foothold for entry into business in India. In the future, I want Shinryo Corporation to contribute to the development of social infrastructure in India through the business activities of Shinryo Suvidha.

To transition to the perspective of Group management, we need to heighten the mobility of human resource and strengthen the cooperation capabilities between Shinryo Group companies as the importance of overseas business rises with the future challenges faced by the changing Japanese construction market. The sincerity valued by Shinryo Corporation strengthens the capabilities of the Group by permeating throughout every Group company and through people-to-people exchange. We hope we can drive expansion of our business performance and business regions in the future by increasing the corporate strength of the Shinryo Group.



Takeshi Egi

Director and Managing Executive Officer
General Manager, Administrative Division & Managing Executive Officer in charge of CSR & Work Style Reform

The CSR activities of Shinryo Corporation incorporate the concepts of the SDGs. We are focused on furthering understanding of the SDGs in our domestic divisions, but the construction work in which Shinryo Corporation is involved contributes to the development of a sustainable society. This is seen as an opportunity to not only build infrastructure in each country but to also generate jobs in addition to achieve a high level of compatibility and cooperation with the targets of the SDGs. I hope to expand the concepts of the SDGs overseas in the future.

We will also continue to emphasize the work style reform at Shinryo Corporation even more so than in the prior two years since the project began. The construction industry considers work style reform a surmountable task. Therefore, we are relying on the capabilities of an outside consultant for the Refreshing Work Style Project (→P.27-28) which is currently underway as a fully-fledged activity. This project is not only producing quantitative results but also proving successful as an activity. The project has been expanding efforts internally with substantive content and objectives. Through this project, I feel we have brought together the hopes of employees who want to have a better working environment and improved the atmosphere of the workplace.



Takeo Yamaguchi

Managing Executive Officer
General Manager, Marketing Supervision Division

Presently, economies worldwide are relatively favorable, but we cannot be unprepared for future adverse prospects. Changes in the construction market in Japan begin in rural areas, and then gradually filter through to the harsh market environment in the metropolitan areas.

Sales at Shinryo Corporation must continue to persist as being unafraid of change by seeing these transitions as normal conditions of the market. Therefore, we will engage in discussion, think things through, and find solutions. Going through this process over and over again is important. Additionally, I believe we need to work more than ever before to value each and every task placed in front of us, to further our proficiency in the technical field and respond to the needs perceived from a customer-oriented perspective.

As outlined in Feature 2, “Business Activity Highlights,” the work of Shinryo Corporation spans a wide range of fields from hospitals and medical institutions to air-conditioning systems of data centers together with plants for district heating and cooling systems (→P.23-26). I am proud of this construction track record in which every field has contributed to a sustainable society.

United Nations Global Compact and Sustainable Development Goals (SDGs)

The CSR activities of Shinryo Corporation look to the United Nations Global Compact and Sustainable Development Goals (SDGs). Shinryo Corporation is advancing CSR management and business activities that have adopted the ten principles in four areas (human rights, labor, the environment, and anti-corruption) of the United Nations Global Compact as well as the concepts in the 17 SDGs targets (→P.29-30).

These efforts demonstrate the will of Shinryo Corporation to grow as a company earning trust from the international society as it focuses its strengths into the provision of technology overseas.

WE SUPPORT



Shinryo Corporation signs the UN Global Compact in September 2014.



Sustainable Development Goals (SDGs)

History of Shinryo Corporation

Aiming to Create a Freshening World

This section introduces the history of Shinryo Corporation, which was founded in 1956, that has been cultivated to its efforts in developing people toward achieving the management vision to “Create a Freshening World.”

1956-1968

Founding and Trajectory

- 1956 ■ Established our Head Office at 45 Nishikubo Tomoecho, Minato-ku, Tokyo and founded our company with 5 million yen in capital
■ Received our first order for cooling equipment work at the Kaori cafe and restaurant
- 1957 ■ Received an order for Shin-Otemachi Building, the largest building in Japan at that time, and established the foundation of our company
■ Received an order for full-retrofitting of construction equipment at Fuji Tsushinki Manufacturing Kawasaki plant
- 1958 ■ Opened the Osaka Office
- 1960 ■ Moved our Head Office to its current location (2-4 Yotsuya, Shinjuku-ku, Tokyo)
■ Completed the Training Dormitory “Kofu Dormitory”
- 1961 ■ Opened the Nagoya Office
- 1964 ■ Established the Construction Division and Equipment Division
- 1965 ■ Developed and installed Japan's first “3-pipe Air-conditioning System” in the head office of Nippon Fudosan Bank
- 1966 ■ Opened the Hiroshima Office
- 1967 ■ Opened the Sendai Office
- 1968 ■ Deployed three engineers on a fact-finding mission in the U.S.A.
■ Introduced a skyscraper building application and refrigerator computer control at the World Trade Center Building



Shin-Otemachi Building
Air conditioning system



1969-1977

Enhancement of Division-based Organization System and Expansion to New Business Regions

- 1969 ■ Opened the Fukuoka Office
■ Received an order to install a district heating and cooling system at the Senri New Town Chuo District Center
- 1970 ■ Completed the new headquarters building
■ Established the industry's first research center for air conditioning technology
■ Established the Nuclear Power Plant Department to enter the energy plant industry for nuclear power use
- 1971 ■ Opened the Chugoku Branch
- 1972 ■ Received the first order for full-fledged overseas work at the Vietnam Cho-Ray Hospital
■ Opened the Sapporo Office
- 1975 ■ Opened the Tohoku Branch
- 1976 ■ Received the first order for aquarium equipment renovations of the Izu Mito Natural Aquarium (currently Izu Mito Sea Paradise)
- 1977 ■ Opened the Maizuru Plant
■ Received order for the first phase construction of the Kwun Tong Hong Kong Subway Line



Cho-Ray Hospital
Air conditioning and sanitation systems (Vietnam)

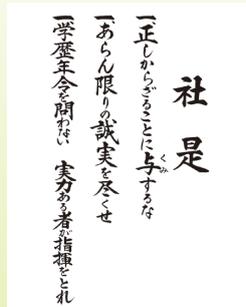


Shinjuku Fukutoshin District
District Heating and Cooling System



Senri New Town Chuo District Center
District heating and cooling system

History of Technical and Human Resource Development



Company Philosophy

The Company Philosophy clearly expresses the life philosophy and business philosophy of our founder Chairperson Masaru Kagami (deceased).



Initial Meeting to Establish Shinryo Corporation



The First Members Training at the Takamatsu Dormitory

History of Technical and Human Resource Development



1969 Enhanced the organization by adopting a division-based organization system. Authority is given to each division for the purpose of teaching junior employees.

1970 Established the industry's first research center (Osaki, Shinagawa-ku, Tokyo)



1970 Completed the headquarters building in Yotsuya located in Shinjuku district. Accelerated autonomy as an organization



1978-1987

Evolution of Japanese Business and Expansion of Overseas Business

- 1978 ■ Opened the Hong Kong Branch as a base for overseas expansion
- 1979 ■ Established overseas department as a major pillar of business for overseas expansion
 - Acquired the Level 1 Plumbing Registration from the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism)
 - Developed the NAIAS sludge atmospheric flotation concentrator
- 1982 ■ Established a local company in Hong Kong (SHINRYO (HONG KONG) LTD.)
- 1983 ■ Opened the Singapore Branch
 - Established a local company in Malaysia SHINRYO (MALAYSIA) SDN. BHD.
- 1986 ■ Established a local company in Thailand (THAI SHINRYO LTD.)
- 1987 ■ Established a local company in Taiwan (TAIWAN SHINRYO CO., LTD.)



Tokyo Dome
Air conditioning System



The Hong Kong and Shanghai Banking Corporation Limited, HSBC Main Building
Air conditioning, sanitation and electric system (Hong Kong)

1988-1997

New Mission and Restructuring of Core Businesses

- 1990 ■ Opened the Research and Development Center in Tsukuba Academic Town in Tsukuba City, Ibaraki
 - Established a local company in the Philippines (SHINRYO (PHILIPPINES) CO., INC.)
 - Received an order from THE LANDMARK TOWER YOKOHAMA
- 1992 ■ Opened the Technical Supervision Department and Safety Supervision Department
 - Passing of Founder Chairperson Masaru Kagami
- 1994 ■ Established a local company in Indonesia (PT. SHINRYO INDONESIA)
- 1995 ■ Received an order for the first overseas district cooling system at the Kuala Lumpur International Airport



THE LANDMARK TOWER YOKOHAMA
Air conditioning System

History of Technical and Human Resource Development



1990 Opened the Research and Development Center (Tsukuba City, Ibaraki)



1992 Passing of Founder Chairperson Masaru Kagami

1998-2008

Establishment of Advanced Technology Regions

- 1998 ■ Acquired the ISO 9000s certification
 - Began development of numerical fluid analysis technology using super computers
 - Received an order from the Okinawa Churaumi Aquarium
- 2001 ■ Acquired ISO 14001 certification
 - Established a local company in Singapore (SHINRYO SINGAPORE PTE, LTD.)
 - Received an order for a district heating and cooling system in the Marunouchi District
- 2002 ■ Received an order for the Sharp Corporation Kameyama Factory
- 2003 ■ Released the 3D-CAD "S-CAD" working drawing CAD for construction equipment
- 2005 ■ Opened the Middle East (Dubai) Branch
- 2007 ■ Established a local company in Vietnam (SHINRYO VIETNAM CORPORATION)
 - Opened the Abu Dhabi Branch
- 2008 ■ Registered the Research and Development Center as a Certified Environmental Survey and Odor Measurement Service



Sharp Corporation Kameyama Factory
Air conditioning System



The Venetian Macao Resort
Air conditioning/district heating and cooling system (Macau)

2009 to Present

Perseverance and Organizational Development to Expand Business Regions

- 2009 ■ Started renovations of the headquarters building (energy saving Eco-project at the headquarters building)
- 2010 ■ Established the Control & Instrument Engineering Division
- 2012 ■ Commemorated for the long-time certification of the environmental management system
 - Opened the Working Drawing Center
 - Developed the Space Scanning System using 3D technology
- 2014 ■ Drafted the Create a Freshening World management vision
 - Established the CSR Promotion Division and Compliance Promotion Division
 - Introduced the overseas practical dispatch system and the overseas short term training system for new employees
- 2015 ■ Began on-site training for engineers from overseas
- 2017 ■ Standardized an English logo
- 2018 ■ Established a local company in India (SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD.)



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



THAI KYOWA BIOTECHNOLOGIES CO., LTD.
Plant facilities/civil engineering and construction (Thailand)

History of Technical and Human Resource Development



2006 Moved the Kofu Dormitory to Yokohama



The Kofu Dormitory is used as a facility for overall training in addition to new employee training and education.

Corporate Information

Company Name	SHINRYO CORPORATION
Headquarters Address	2-4, Yotsuya, Shinjuku-ku, Tokyo
Telephone	+81-3-3357-2151
Date of Establishment	February 23, 1956
Number of Employees	2,193 (non-consolidated)
(As of the end of September, 2018)	5,356 (including Group companies)
Capital	3.5 billion yen

Construction Business License (Japan)

License Number	(Special 26) No. 3447 issued by Minister of Land, Infrastructure, Transport and Tourism
Date of License	March 11, 2015
Licensed business	Plumbing, Electrical, Machine and Equipment Installation, Building, Civil Engineering, Steel Structure, Interior Finishing, Water and Sewerage Facilities, Telecommunication, Scaffolding, Earthwork and Concrete, Sanitation Facilities

License Number	(Ordinary 26) No. 3447 issued by Minister of Land, Infrastructure, Transport and Tourism
Date of License	March 11, 2015
Licensed Business	Fire Protection Facilities

Main Registered Business (Japan)

Senior registered architect office	
Registration Number	No.46232 issued by Governor of Tokyo
Date of Registry	April 10, 2016

List of Qualifiers (Japan)

Name of Certification	Number of People
Professional Engineer Japan (Engineering Management) ...	3
Professional Engineer Japan (Environmental Engineering) ...	48
Professional Engineer Japan (Mechanical Engineering) ...	3
First-Class Plumbing Work Operation and Management Engineer	1,176
First-Class Electric Works Execution Manager	114
1st class Qualified Certified Electrician	37
3rd Class Electric Works Specialist	29
Class A Fire Defense Equipment Officer	348
Class B Fire Defense Equipment Officer	15
1st-class Kenchikushi (Architect)	40
First-Class Civil Engineering Works Execution Managing Engineer	6
First-Class Building Operation and Management Engineer ...	18
Qualified Person for Energy Management	114
Building Facilities Diagnostic Technician	103
Building Mechanical and Electrical Engineer	261
The First Level Instrumentation Engineer	394
Professional Engineer (CxPE: Commissioning Professional Engineer)	3

List of Executives

President, Representative Director

Takeshi Kagami

Representative Director

Kimio Senda

Directors

Haruaki Kotani

Yasunori Abe

Takeshi Egi

Sayaka Kagami

Non-Executive Director

Yoshio Nakayama

Outside Director

Senior Corporate Auditor

Takayoshi Tarumi

Corporate Auditors

Toshihito Furuya

Shigekazu Tanaka

President and Chief Executive Officer

Takeshi Kagami*

Executive Vice President

Kimio Senda*

In general & in charge of Compliance

Senior Managing Executive Officer

Haruaki Kotani*

General Manager, Technical Supervision Division

Yasunori Abe*

General Manager, International Management Division & Managing Executive Officer in charge of Corporate Planning & Group Management

Managing Executive Officer

Takeshi Egi*

General Manager, Administrative Division & Managing Executive Officer in charge of CSR & Work Style Reform

Takeo Yamaguchi

General Manager, Marketing Supervision Division

Tetsuro Kochiya

General Manager, Tokyo Metropolitan Area Division

Yoshiyuki Komatsu

General Manager, Osaka Branch

Akihiko Suzuki

General Manager, Urban Environment Division & Executive Officer in charge of Marunouchi Branch & Hokkaido Branch

Executive Officer

Gen Takenouchi

General Manager, Audit Division

Hideki Hagiwara

General Manager, Nagoya Branch

Ryoichi Chiba

General Manager, Tohoku Branch

Toru Tamura

General Manager, Singapore Regional Office

Kazuto Inabe

Deputy General Manager, Tokyo Metropolitan Area Division

Koichi Kaji

General Manager, Nuclear Power Plant Division

Katsuhiko Yakita

General Manager, Electric & Instrument Division

Takao Watanabe

Deputy General Manager, Osaka Branch

Satoru Narisawa

General Manager, Chugoku Branch

Takuji Fujisawa

General Manager, Yokohama Branch

Tatsuji Yoshimura

General Manager, Hong Kong Regional Office

Yukitoshi Maeda

Deputy General Manager, Tokyo Metropolitan Area Division

Hiroshi Ogura

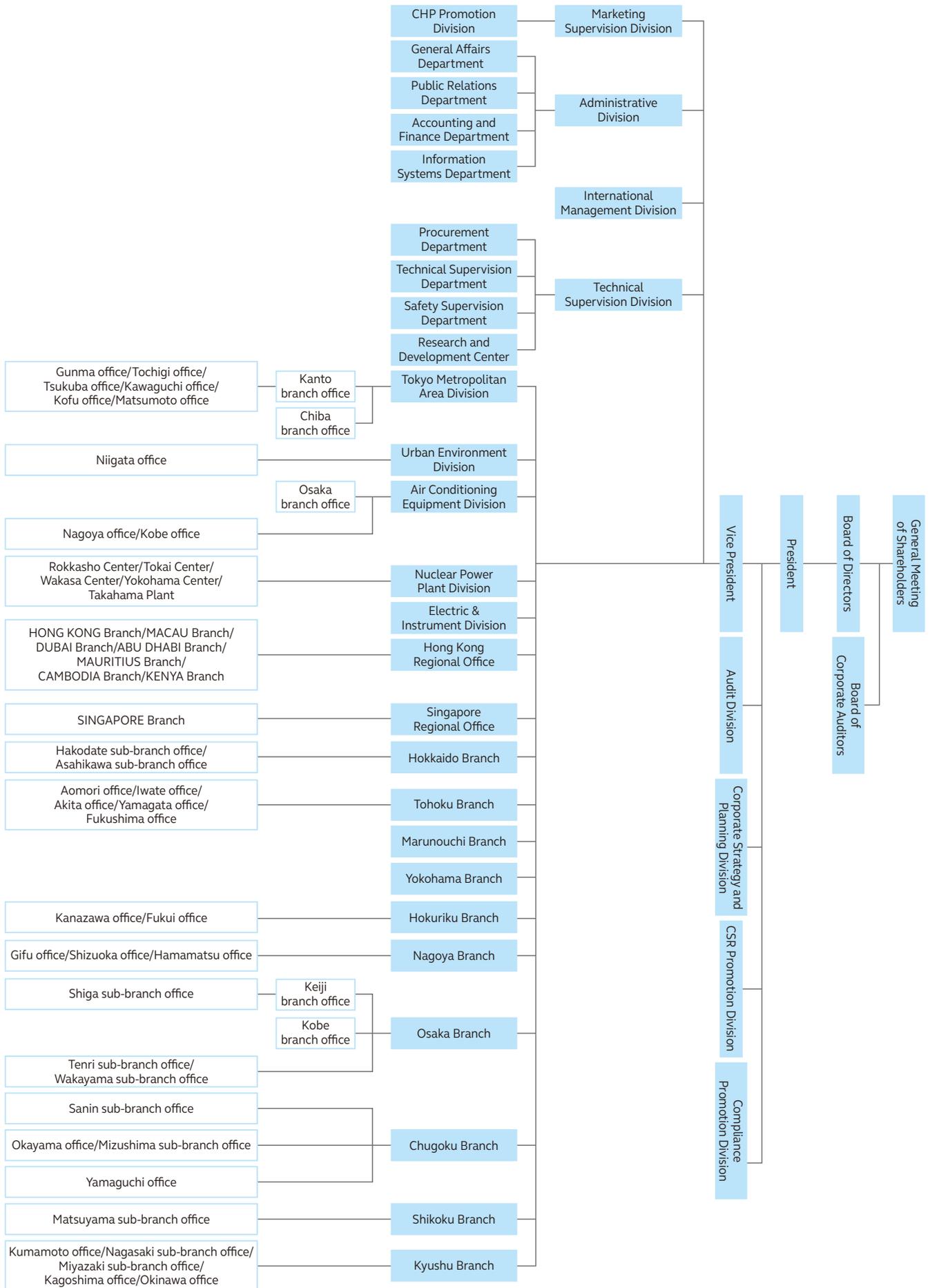
General Manager, Kyushu Branch

Hideki Furumoto

In charge of Sales Promotion, Marketing Supervision Division

*Executive Officers also acting as Directors

Organizational Chart



Corporate Profile

Overview of the Shinryo Group

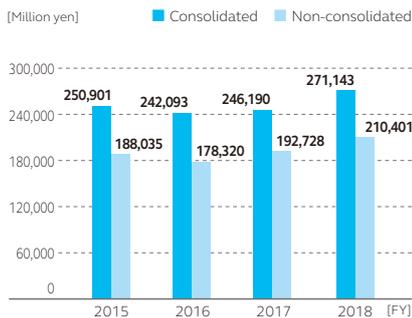
The Shinryo Group provides people-friendly and environmentally-friendly air conditioning, water-supply and drainage sanitation, electrical systems, city-friendly and community friendly district Heating and Cooling Systems, safe and secure plant systems, and comprehensive information systems that support energy savings. Overseas, the Group also delivers a “freshening world” by setting up bases primarily in Asia and the Middle East.



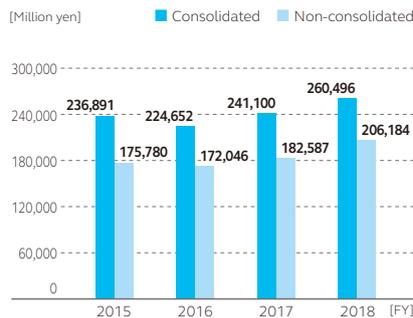
- Shinryo Corporation Headquarters
- Branches and offices of Shinryo Corporation
- Group Companies

Business Performance Trends

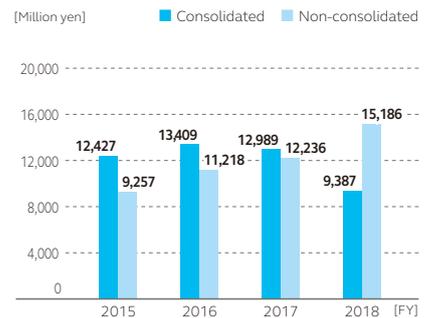
Orders received



Net sales



Operating income





Mexico

Kanto Area
● Shinryo Corporation Headquarters
● Shinryo Corporation 11 bases such as branches and offices
● 7 Group Companies

SHINRYO CORPORATION

- Design, construction and maintenance of building system work
Shinryo Technical Service Corporation
- Design, construction and maintenance of plumbing, drainage and sanitary service work
Shiroguchi Co., Ltd.
- Design, construction and maintenance of electric service work
Daiei Denki Co., Ltd.
- Design, manufacture, sales, installation and aftercare services of pumps
Shinryo Kogyo LTD.
- Development of three-dimensional CAD/FM systems
SYS PRO CORPORATION
- Drafting of three-dimensional CAD drawings and environmental measurement for building system work
LE PRO CORPORATION
- International tourist hotel
Akita Castle Hotel Co., Ltd.
- Deployment and outsourcing of human resources
Global Staff Co., Ltd.
- Design, construction and maintenance of buildings and civil engineering/industrial production service work
SHINRYO (HONG KONG) LTD.
- SHINRYO TECHNICAL SERVICES LTD.**
- TAIWAN SHINRYO CO., LTD.**
- SHINRYO (PHILIPPINES) CO., INC.**
- THAI SHINRYO LTD.**
- SHINRYO (MALAYSIA) SDN. BHD.**
- SHINRYO SINGAPORE PTE, LTD.**
- PT.SHINRYO INDONESIA**
- SHINRYO VIETNAM CORPORATION**
- SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD.***

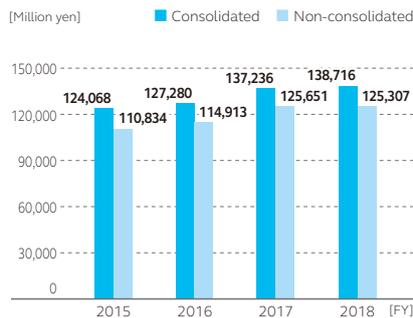
*Not included in the business performance or number of employees.

Corporate Profile

Ordinary profit



Net assets



TOPICS

Establishing a New Company in India

Shinryo Corporation established SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD. (Shinryo Suvidha) on October 1, 2018.



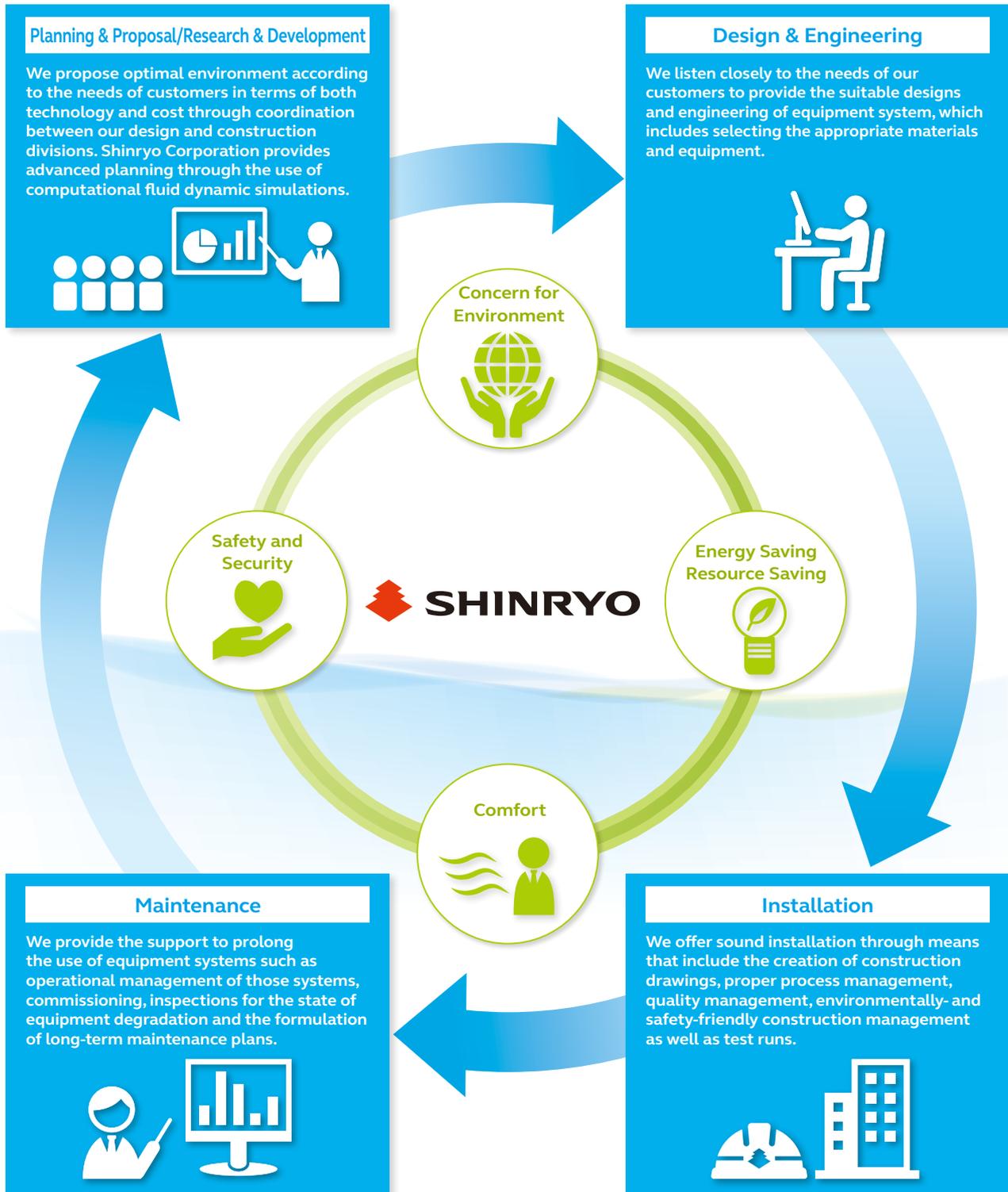
Kick-off ceremony for Shinryo Suvidha

Business Fields

The features of business at Shinryo Corporation are the state-of-the-art construction technology and track record accumulated in Japan and overseas up until now.

Our businesses create people-friendly and environmentally-friendly air conditioning, water-supply and drainage sanitation, electrical systems, and leading-edge production environments in addition to city-friendly and community-friendly district heating and cooling systems and comprehensive information systems that support energy savings.

Shinryo Corporation will earn the trust of customers and meet their expectations with technology, proven success and sincerity.



Business Items

▶ Design and construction of various building services

Environmental control service work

Air conditioning and mechanical ventilation systems/industrial air conditioning and mechanical ventilation systems/clean room systems/dry room systems/bio-hazard facilities

Water-supply and drainage sanitation

Water supply and hot water supply systems/soil and waste drainage systems/gas supply systems/kitchen equipment systems

Urban utility service work

District heating and cooling systems/energy supply systems

Cogeneration systems

Power generation system/heat recovery system

Electric service work

Power reception and transformer systems/main and sub main power distribution systems/lighting and small power systems/extra low voltage systems/lightning protection systems/power generation systems

Automatic control service work

Automatic control systems/building management systems/industrial automation systems

Comprehensive information systems

Various control and management systems for utility plant facilities, industrial production facilities, building facilities and etc.

Firefighting service work

Automatic fire alarm systems/smoke purge and smoke extraction systems/evacuation guidance systems/indoor and outdoor fire hydrant system, sprinkler system and other types of fire extinguishing systems

Power plant service work

Ventilation and air-conditioning systems for nuclear power and thermal power plants/special filtering systems/waste treatment systems

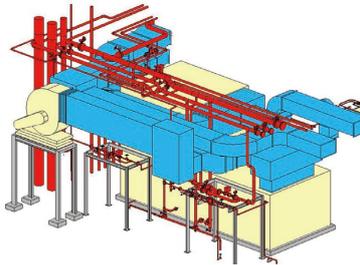
Industrial production service work

Pharmaceutical and food plant facilities/petroleum-related facilities/other plant facilities

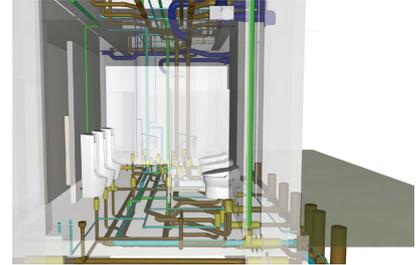
Special service work

Aquarium facilities/pool facilities/weather simulation facilities/various environmental reliability testing systems/freezing and refrigerating systems/ultra-low temperature and high accuracy temperature control systems

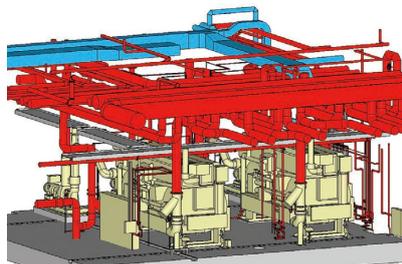
◆ HVAC systems



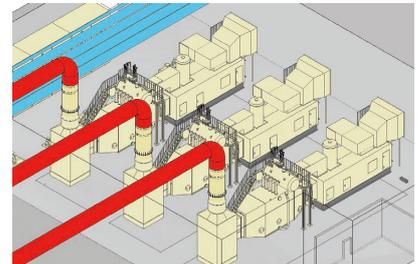
◆ Plumbing sanitation



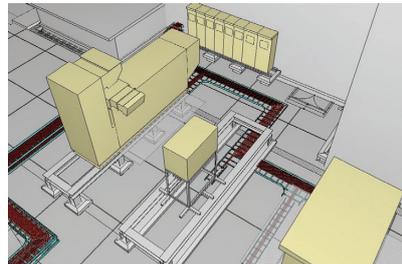
◆ District heating and cooling systems



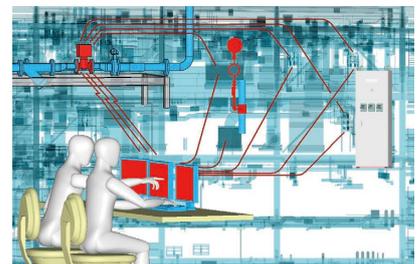
◆ Cogeneration systems



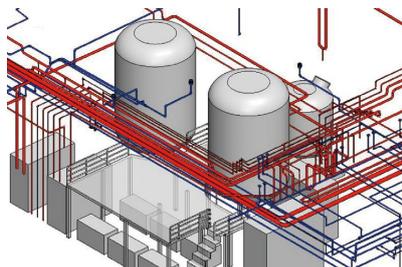
◆ Electric systems



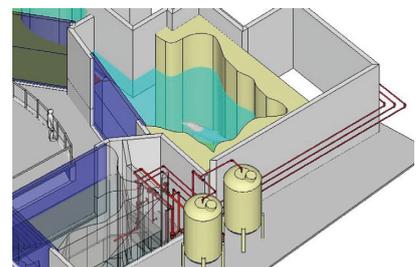
◆ Integrated information systems



◆ Plant facilities



◆ Aquarium facilities



▶ Design and construction of building

Clean rooms/plant buildings/interior finishing work/associated construction work for building services/general building facilities

▶ Sales of air conditioning equipment

Air conditioner and other heating and cooling products/fans and blowers/sanitary ware/other products related to air conditioning and ventilation

Construction Track Record

Domestic Offices, hotels, and district heating and cooling systems



Dai Nagoya Building
Air Conditioning System (Nagoya City, Aichi Prefecture)



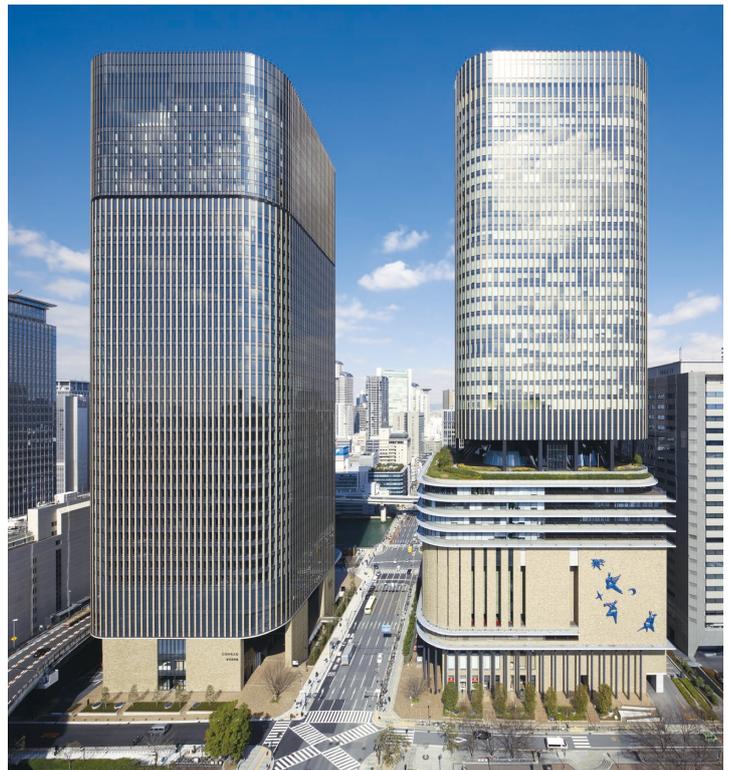
Toranomon Hills
Air Conditioning System (Minato-ku, Tokyo)



THE LANDMARK TOWER YOKOHAMA
Air Conditioning System (Yokohama City, Kanagawa Prefecture)



Palace Hotel Tokyo - Palace Building
Air Conditioning System (Chiyoda-ku, Tokyo)



FESTIVAL CITY
Air Conditioning/District Heating and Cooling System (Osaka City, Osaka)



Tokyo Sky Tree® District DHC
District Heating and Cooling System (Sumida-ku, Tokyo)



Otemachi District, Marunouchi 1-chome District DHC
District Heating and Cooling System (Chiyoda-ku, Tokyo)



Minato Mirai 21 Central District DHC
District Heating and Cooling System (Yokohama City, Kanagawa Prefecture)

Corporate Profile

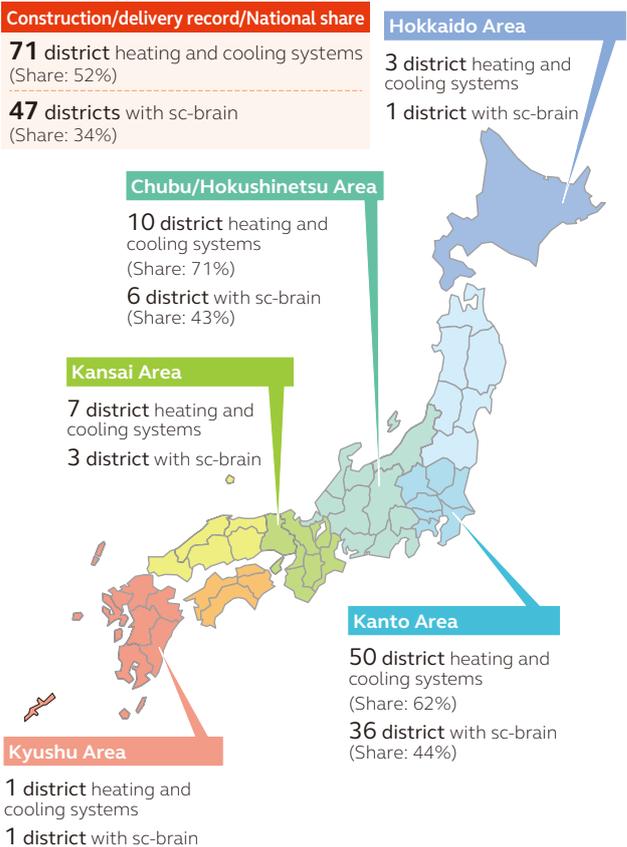
Features of the sc-brain integrated Information System and Main Delivery Record

sc-brain is an integrated information system to realize high efficiency operation and energy savings in systems by configuring operational support features to assist the operation of system equipment as well as data management features to analyze energy consumption trends. As a highly universal and easy-to-use system, sc-brain is used in facilities from office buildings and factories to district heating and cooling plants.

[Main Delivery Record]

- Sapporo Station area district heating and cooling systems (Sapporo City, Hokkaido)
- Narita International Airport central heating and cooling plant (Narita City, Chiba)
- Adachi Metropolitan Taxation Office (Adachi-ku, Tokyo)
- Marunouchi Center Building / Shin-Marunouchi Center Building (Chiyoda-ku, Tokyo)
- Hisaya-odori Nagoya Municipal Subway Station (Nagoya City, Aichi Prefecture)
- Osaka Station area district heating and cooling systems (Osaka City, Osaka)
- Japan Post Shinosaka Post Office (Osaka City, Osaka)

Construction track record in districts heating supply operations throughout Japan



Domestic National Japan Network (various plants, hospitals and aquariums)



Yamaha Corporation Headquarters Building No.21
Air Conditioning System (Hamamatsu City, Shizuoka Prefecture)



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



Kanto Glico Co., Ltd. Kitamoto Factory
Air Conditioning and Sanitation Systems (Kitamoto City, Saitama Prefecture)



Sharp Corporation Kameyama Factory
Air Conditioning System (Kameyama City, Mie Prefecture)



Musashino Co., Ltd. Gunma Factory
Air Conditioning and Sanitation Systems and utility facilities (Takasaki City, Gunma Prefecture)



JOETSU AQUARIUM
Rearing System (Joetsu City, Niigata Prefecture)



Keio University Hospital Bldg. 1
Air Conditioning System (Shinjuku-ku, Tokyo)



SUNTORY WORLD RESEARCH CENTER
Sanitation System (Soraku-gun, Kyoto)



Nagasaki Prefecture office administrative building
Air Conditioning System (Nagasaki City, Nagasaki Prefecture)

Overseas Commercial Complexes/Public Facilities/Transportation/Energy Plants/Bio Plants



Marina Bay Sands Integrated Resort
Air Conditioning and Mechanical Ventilation System (Singapore)



Mediacorp Campus
Air Conditioning and Mechanical Ventilation System (Singapore)



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



Changi International Airport Terminal 3
"Courtesy of Civil Aviation Authority of Singapore"
Air Conditioning and Mechanical Ventilation System (Singapore)



THAI KYOWA BIOTECHNOLOGIES CO., LTD.
Plant Facilities/Civil Engineering and Construction (Air Conditioning, Sanitation, Firefighting, Electric, and Instrumentation Systems) (Thailand)



Hong Kong MTRC Airport Express Hong Kong Station
Air-conditioning, Sanitation, Firefighting and Electric System (Hong Kong)



District Cooling Plant for the New Abu Dhabi International Airport Terminal
District Cooling System (United Arab Emirates)

Corporate Profile

Initiatives at Research and Development Center

Shinryo Corporation established the industry's first research center in Shinagawa-ku, Tokyo in 1970 with the aim to Create a Freshening World. In 1990, we opened the largest facility in the industry, the Research and Development Center, in Tsukuba City, Ibaraki.

Facility and high-precision analysis technologies for large scale experiments

The Research and Development Center has facilities such as a large space to conduct large-scale experiments, sufficient utilities, and high-performance HPC servers able to run highly accurate simulations. Engineers can verify the performance of systems by running large-scale simulations before starting construction.

In addition, the Research and Development Center



Large-scale Experiment Space



Anechoic room

provides high-precision analysis technologies through analysis instruments such as various chromatography. To maintain analysis accuracy, the Research and Development Center has been registered as a measurement certification business and has built a management system for analysis technologies and measurement equipment.

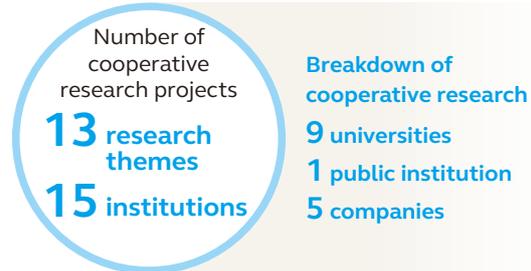
Registration as a measurement certification business

Business classification	Registration number	Date of registration
Concentration (in the atmosphere, water, and soil)	Ibaraki Prefecture No. 68	June 2, 2008
Sound pressure level	Ibaraki Prefecture No. 28	February 20, 2009
Oscillating acceleration level	Ibaraki Prefecture No. 20	February 20, 2009

Open innovation

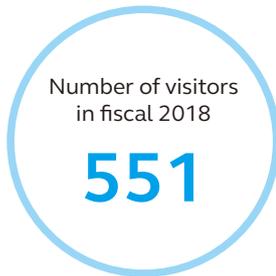
▶ Cooperative research

Shinryo Corporation cooperates in research with many different universities, public research institutes and companies to bring about the highest level of research success. By leveraging mutual technology and know-how, we are building a system to broadly expand debate and ideas.



▶ Number of visitors

People from all walks of life from customers to students came to see the Research and Development Center in anticipation of its opening. Researchers use this as a technical showroom to offer visitors an actual look and experience into research and development by explaining their research and development themes in detail and letting visitors try demonstration equipment.



Shift in the number of visitors



Voice



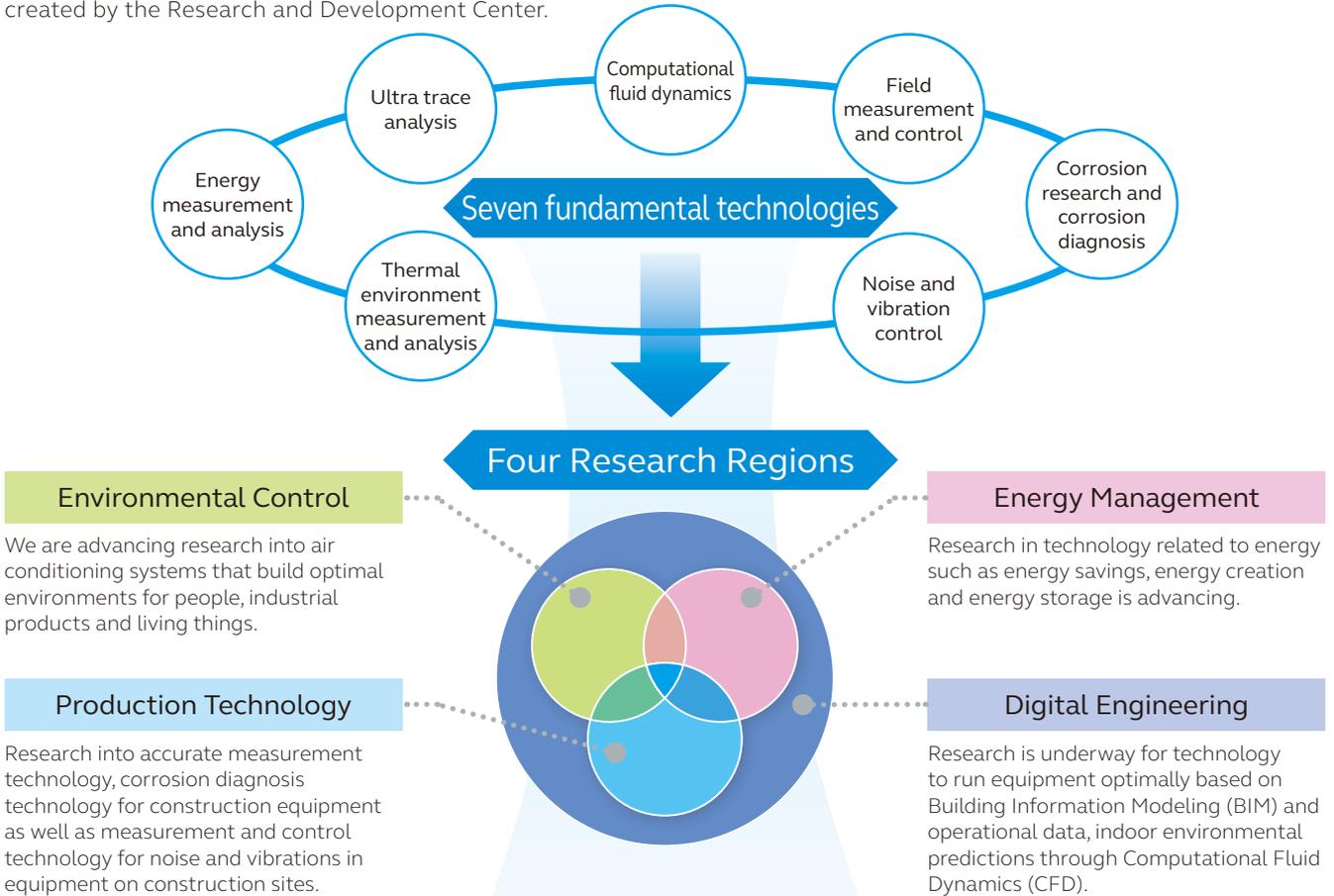
Noriyoshi Takagaki
 Senior Officer,
 Tokyo Metropolitan Area
 Division

I ask customers to visit the Research and Development Center when I introduce our technology. Customers have shared their surprise about the level of enhancements at the research facility, such as the acoustic experiment laboratory, and the organism rearing fields which have adopted air conditioning technology as well as broad research fields. Many customers offer candid feedback about specific research, which Shinryo Corporation uses as an opportunity for invaluable insight.

The Research and Development Center also holds events such as tours for student societies and children to contribute to greater awareness about the importance of environmental considerations through an introduction of technology.

Promotion System for Research and Development

The Research and Development Center is furthering research and development with particular focus on four research regions based on its seven fundamental technologies. This section introduces some of the new technologies and value created by the Research and Development Center.



Examples of Creating New Technology and Value*

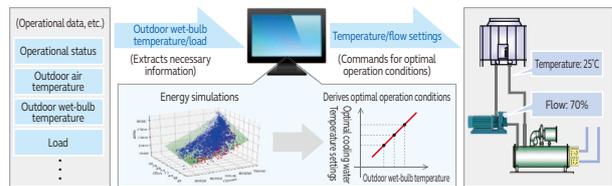
MayuFacture™ Smart Sericulture System

MayuFacture™ can efficiently and stably rear a large number of high quality silkworms thanks to the development of a rearing system that facilitates an environment suitable to the growth of silkworms for more rapid growth in addition to genetically modified organisms.



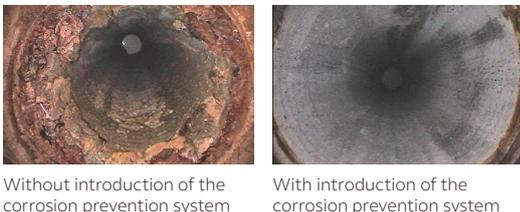
Optimal Heat Source Control Systems

These optimal heat source control systems achieve the optimal operation of equipment by using design and operational know-how and energy simulation tools for heat source systems to derive operational conditions with the minimal amount of energy consumption.



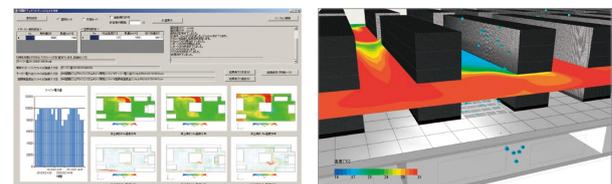
Corro-Guard™ Non-chemical Corrosion Prevention System

Corro-Guard™ lengthens the lifespan of piping through technology to prevent local corrosion. This system improves the water quality with an anion exchange process and technology to monitor the level of corrosion all without the introduction of chemicals.



Space Visualization System

The system visualizes the real-time temperature and air flow distribution of server rooms using CFD. This information is also available for investigating environmental improvements and energy savings.



*Please see the Shinryo Corporation homepage for more detailed information.
<https://www.shinryo.com/corp/rdcenter.html>

1

Simulation Technology to Realize Comfort × Energy Savings × Resource Savings

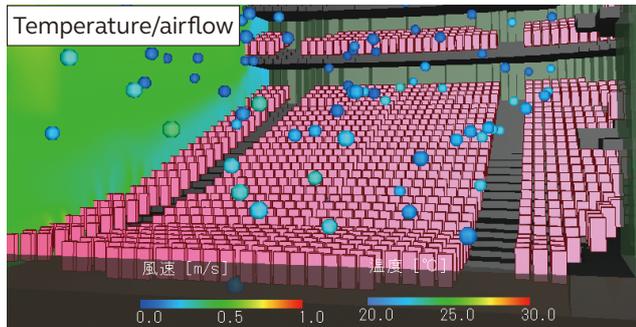
This section introduces technology to build the best air conditioning systems providing both comfort and energy savings by verifying the indoor and outdoor environment with a simulation before building the structure.

High-precision simulation to easily confirm the space of the environment

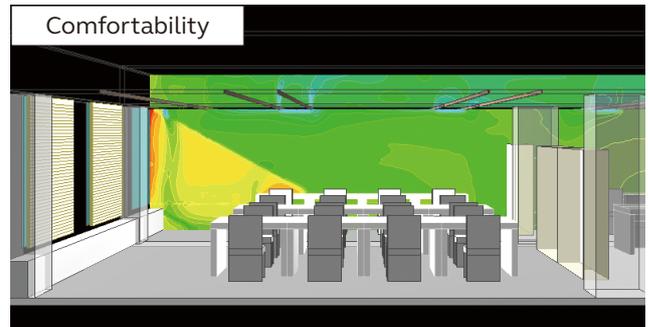
Shinryo Corporation takes advantage of Computational Fluid Dynamics (CFD) technologies to estimate and visualize indoor and outdoor environments (flow of air, temperature, humidity, etc.) through simulations. The use of CFD technologies can validate air conditioning systems in a short time without production of prototype equipment

and facilitate designs of air conditioning systems that both provide comfortable environments and energy savings.

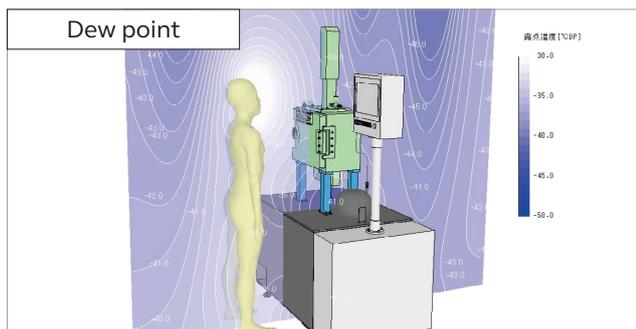
Some examples using simulations are introduced such as thermal, airflow environments and the flow of water inside of piping for various structures from office buildings to factories and halls.



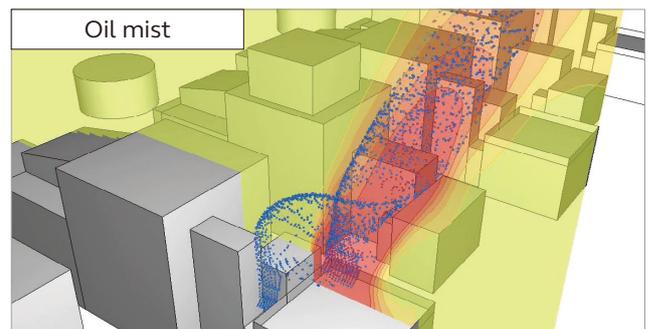
Confirms the airflow and temperature distribution and assesses the air conditioning performance through virtual markers



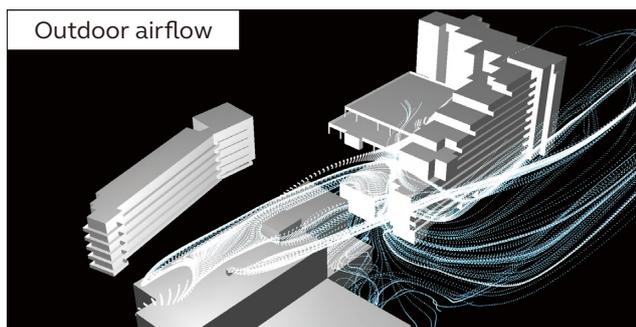
Assesses comfort of people in spaces with consideration about the effects of daylight through the Predicted Mean Vote (PMV) thermal environment evaluation index



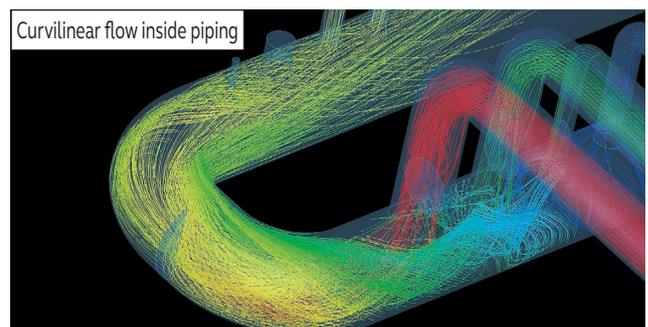
Predicts the behavior of water vapor produced by the human body in low dew-point temperature, such as in lithium-ion battery plants



Predicts the behavior of oil mist inside of factories by calculating the density distribution while taking into account the physical properties of oil



Predicts the effects on neighboring exhaust air via the analysis of large-scale areas such as outdoor spaces by taking advantage of the calculation performance of HPC servers



Predicts the current flow inside piping for a narrow, curvilinear space by accurately reproducing the flow across the curved surface through non-structural lattice analyses

System using CFD technology

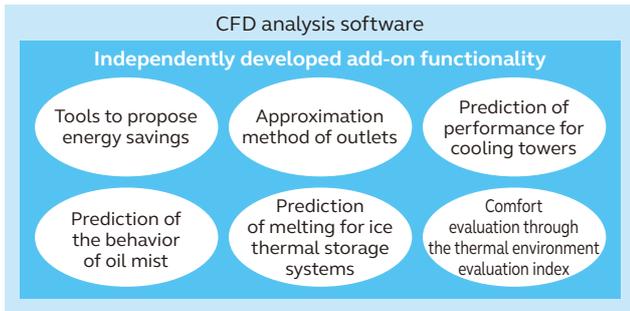
Shinryo Corporation provides optimal air conditioning systems to customers through the use of CFD technology. Examples of these applications include more than 100 properties each year with a total over 2,000 properties. Our customers have highly praised the simulation analysis results for closely matching the actual phenomenon.

▶ Advancement of CFD technologies

CFD analyses cannot reproduce every phenomenon related to air conditioning with only commercial analysis software. Shinryo Corporation developed its own add-on functionality that is able to reproduce various air conditioning phenomenon to enable highly accurate estimations. We have also incorporated a cycle to improve the accuracy of CFD analyses by comparing and verifying the analysis results with experiments and actual measurements.

Due to the large amount of time required to run CFD analyses, Shinryo Corporation is striving to enhance the speed using high-performance calculation servers (HPC servers). The latest desktop computers have increased the calculation speed more than 300 fold to achieve accurate analyses run faster with a number of conditions.

CFD technology at Shinryo Corporation



▶ System used internally

Shinryo Corporation actively conducts training for CFD, and more than 100 of its employees can perform CFD analyses. We have established a system to access and use CFD on a server through a network from sites throughout Japan to quickly respond to the requirements of customers.



Locations throughout Japan can access servers to run calculations

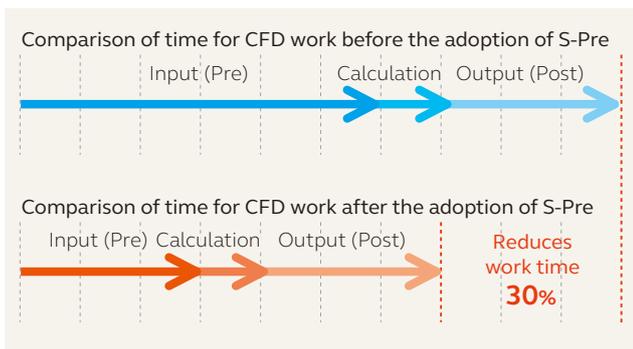
Preparation of Digital Engineering

CFD virtually represents air conditioning spaces using digital data. We integrate CFD with other digital technology by taking advantage of this feature.

▶ 3D-CAD and CFD Links

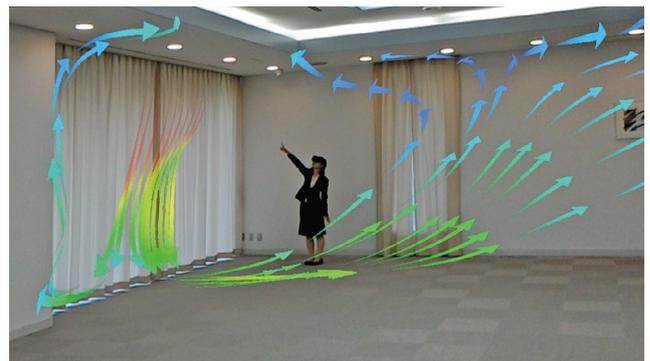
Inputting calculation conditions for CFD analyses naturally took a lot of time. Therefore, by linking 3D-CAD S-CAD with CFD analyses, we developed the S-Pre software to automatically generate input data for CFD analyses according to the data for drawings and reduced the tediousness of this input. This achieved an increase in the number of conditions able to be analyzed to facilitate proposals of even more optimal air conditioning systems.

Comparison of time for CFD work with the adoption of S-Pre



▶ Utilization of MR Technology

Shinryo Corporation developed technology to visualize CFD analysis results such as temperature and airflow of actual spaces by using Mixed Reality (MR) technology employing mount-type holographic computers. By looking at the flow on the scale of the actual structure overlaying the real indoor space, the technology can provide an image of the indoor environment more intuitively.



Visualization image using MR technology

Feature

2

Business Activity Highlights

Shinryo Corporation would like to contribute to society through its business activities. Business Activity Highlights introduce our primary activities conducted recently.

**Contributions to
Advanced Medical Care**

National Centre for Infectious Diseases [Air Conditioning and Ventilation System]

Singapore

The National Centre for Infectious Diseases (NCID) is intended to meet the nation’s needs for a national centre responsible for the holistic and coordinated management of infectious disease outbreaks, integrating clinical management with public health response. The Centre is located in Novena, the northern city area of Singapore as part of the Health City Novena master plan.

The development comprises a 14-storey block for the NCID and a 9-storey block for the offices of the Centre for Healthcare Innovation (CHI). The NCID has connecting bridges as well as an underground passages connecting to the existing Tan Tock Seng Hospital (also one of Shinryo’s previous project). Shinryo Corporation was in charge of the Air Conditioning Mechanical Ventilation (ACMV) works for construction of NCID and CHI Advanced Air conditioning and ventilation systems, including Bag-In-Bag-Out (BIBO)* filter boxes in exhaust systems with built-in HEPA filters

and High Plume Fans (high-speed, high-volume blower exhaust fans) installed on the roof before emitting the exhaust air outdoors.

*BIBO refers to filter system which is a safe, simple and reliable method for removing contaminated particulate filters and/or gas absorbers. It is used for air purification in hazardous environments. With this system, maintenance personnel are protected from coming in direct contact with the interior of the housing and hazardous contaminants during filter change-out.

Building overview

Official name	National Centre for Infectious Diseases
Completed	August 2018
Total floor area	192,812 m ²
Building application	Medical facility (Infectious diseases centre/medical education and training centre)

Building exterior



Greater Efficiency with BIM Data

NTT DATA Mitaka Bldg. EAST
[Air Conditioning and Sanitation Systems]

Tokyo

The NTT DATA Mitaka Bldg. EAST is the largest data center in Japan able to house up to 5,600 racks and a maximum power density of 40,000 kVA. This facility also adopts powerful infrastructure systems such as the leading-edge seismic systems and emergency generation systems able to run up to 72 hours continuously with no oil supply while reinforcing the capabilities to support disaster recovery (data recovery in the event of a disaster) and Business Continuity Plans (BCP).

The systems improve cooling efficiency compared to mainstream underfloor air conditioning systems in conventional data centers and enable support for high heat loads by adopting sidewall air conditioning systems and hot aisle capping*. In addition, the application of an outdoor air cooling system that utilizes natural energy (outdoor air in spring, fall and winter seasons) aims to achieve an annual Power Usage Energy (PUE) of less than 1.3.

This data center has implemented Building Information Modeling (BIM) since the planning stage. Shinryo Corporation optimized the entirety of the construction by configuring BIM data comprehensively from the design and construction stages as the BIM Manager leading the use of BIM. We also provided the BIM model with the basic information for operation of the data center as the BIM data deliverables when delivering the completed construction. This provides

information to input into the Facility Management (FM) system from right after the completion of construction by using attribute data exported from the BIM.

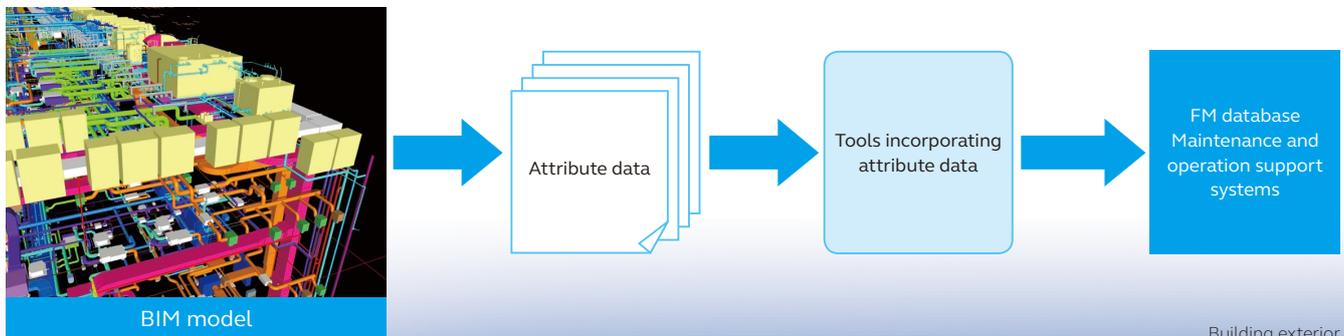
The construction of this facility also involved female on-site supervisors and foreign engineers from SHINRYO (PHILIPPINES) CO., INC. This site also became a model for the Refreshing Work Style Project that promotes work style reform at the Shinryo Corporation. We worked in this activity to review our work style with the aim of building a workplace where employees could take leave and go home easily. Initiatives of Shinryo Corporation that aim for the active participation of diverse human resources earned the understanding of customers, construction companies, and other system suppliers while furthering diversity and higher operational efficiency.

*Format to cover openings with incombustible plastic sheets and other materials because of the hot air from the backside of the server racks being closed in.

Building overview

Official name	NTT DATA Mitaka Bldg. EAST
Start of operations	April 2018
Total floor area	Approx. 26,000 m ²
Building application	Data center

Procedure to link maintenance and operation systems through attribute data exported from BIM



Feature



Disaster-resistant System

Nagasaki Prefecture office administrative building
[Air Conditioning System]

Nagasaki

The Nagasaki Prefecture office administrative building was built as a new landmark for Nagasaki Prefecture that houses a legislation building and the police headquarters under the concept to be in harmony with the harbor landscape. The building has been highlighted as a tourist spot for its observation space to look out over the nightscape of Nagasaki and a cafeteria to enjoy the scenery of Nagasaki Port.

The building pursued a high level of safety and functionality against various disasters in order to become an important disaster prevention base when disaster strikes. Therefore, the heat source machine rooms were placed on the second floor as a disaster prevention measure against tsunamis

while the heat source equipment employs a combination electric and gas heat source system in anticipation of power outages. These innovations contributed to the realization of disaster-resistant systems that support Business Continuity Plans (BCP) in the event of a disaster, such as the disaster prevention management office, especially the important rooms which need to be air conditioned separately.

The heat source systems were built to offer energy savings by operating in the optimal combination according to the load of the turbo chillers, chilled and hot water generators, air-cooled chillers, water-cooled chillers, and cooling water storage tanks.

The construction verified the piping and equipment layout in advance using three-dimensional CAD and aimed to build a building rationally without any rework required. The construction also emphasized verification operations to realize high quality and performance, such as simulating the geometry of communicating vessels of thermal storage tanks through the use of Computational Fluid Dynamics (CFD). In addition, a Building Energy Management System (BEMS) that can clearly grasp metering and operational statuses, such as the electricity and water, tailored to the needs of customers was adopted in anticipation of commissioning after the completion of construction.

Building exterior



Building overview

Official name	Nagasaki Prefecture office administrative building
Start of operations	January 2018
Total floor area	46,565 m ²
Building application	Government building

Group Synergy

Iidabashi Garden
[Air Conditioning, Sanitation and Electric System]

Tokyo

Iidabashi Garden is a building complex made up of rental apartments, a hotel, shops and a kindergarten built by SHOGAKUKAN Inc. This complex has a wonderful location only a five-minute walk from Iidabashi station and helps offer greater convenience to the region by provide a supermarket and kindergarten.

Shinryo Corporation received the bulk order for the air conditioning, water-supply and drainage sanitation, and electric systems of this facility. Shinryo Corporation took charge of the air conditioning system in cooperation with Shiroguchi Co., Ltd. which took charge of the water-supply and drainage sanitation system and Daiei Denki Co., Ltd. which handled the electrical systems, both of which are Group companies of the Shinryo Group.

This project advanced efficient procurement and construction by leveraging the benefits unique to the Group, such as standardized construction work, materials, and bulk orders with partner companies. The complex has 127 rental apartments and 295 guest rooms. We had to verify and confirm construction in meticulous detail from multiple perspectives between three companies in a model room because a single mistake would impact every single unit. The cooperation of the Shinryo Group was able to achieve precise management processes and high quality.



Exterior view of hotel building

Exterior view of the residential building and kindergarten building



Building overview

Official name	Iidabashi Garden
Completed	July 2018
Total floor area	18,300 m ²
Building application	Rental apartments (127 units)/hotel (295 rooms)/stores/kindergarten

Effective Use of Energy

Sosei Energy Center
[District Heating and Cooling System]

Hokkaido

The SAPPORO SOSEI SQUARE is a complex housing offices, a broadcasting station, a performance hall, a library and a civic center in addition to other amenities. The facility was built as a landmark in a redevelopment area in the heart of Sapporo City. The Sosei Energy Center is an

autonomous distributed energy supply facility located on the fourth basement floor of the complex. The Sosei Energy Center needs to supply a wide range of thermal loads to provide energy to the various tenants of the SAPPORO SOSEI SQUARE. Therefore, a system with the best mix of gas and electric that uses a Cogeneration System (CGS) was built to establish an energy network able to supply energy to surrounding regions, such as Sapporo City Hall. The adoption of an efficient gas engine CGS provides functionality that includes the use of waste heat to produce cooling and heating as well as hot water to melt snow on neighborhood walkways. The Sosei Energy Center supplies the gas used as the power generation source through disaster-resistant medium pressure gas piping. The CGS has continually supplied electricity, cooling and heat even in the large-scale power outages caused by the Hokkaido Eastern Iburi Earthquake, which struck in September 2018.

Building exterior



Gas engine CGS

Building overview

Official name	Sosei Energy Center
Start of supply	April 2018
Building application	District heating and cooling plant
Main heat source equipment	Cooling Steam absorption chillers: 500RT × 1 unit/230RT × 1 unit/Turbo chillers: 350 RT × 2 units/Hot water absorption chiller: 130 RT × 1 unit
	Heating Once-through boiler: 2.5T/H × 8 units/Waste heat boiler: 0.4T/H × 2 units
	Cold water thermal storage tank: 1,470m ³ × 2 tanks/ Gas engine power generator 700 kW × 2 units

Realization of an Advanced Acoustic Environment

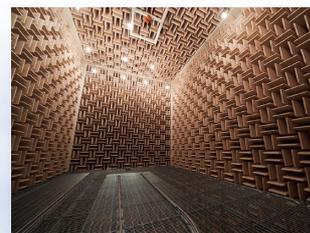
Yamaha Corporation Headquarters Building No.21
[Air conditioning System]

Shizuoka

Building No.21 is a new development wing built at the Yamaha Corporation Headquarters. This wing works in conjunction with the existing development wing as an innovation center to research and develop a wide range of products and services, including instruments and acoustic devices. The wing provides various acoustic facilities from anechoic and reverberation rooms to a recording studio. Shinryo Corporation was in charge of the air conditioning system for the entire building, including these facilities.

vibrations from air conditioning equipment. As a result, the indoor acoustics dropped below the minimum index value of NC15 to realize the highest level for acoustic environments.

Acoustic facilities require the elimination and soundproofing of vibration and sound of ducts transferred from the air conditioning equipment, but this research and development facility demanded even more advanced technology. Therefore, the sound attenuation employs noise elimination equipment such as air conditioners with minimal operational and wind break noise while the soundproofing paid close attention to details such as stuffing for sound absorption in ducts and internal connection areas. Shinryo Corporation implemented acoustic performance validation before construction began with mock-ups of the wing. In addition, Shinryo Corporation repeatedly tested materials in the acoustics laboratory at its Research and Development Center to find the best insulation material to prevent



Anechoic room

Building exterior



Building overview

Official name	Yamaha Corporation Headquarters Building No.21
Opened	May 2018
Total floor area	Approx. 35,000 m ²
Building application	Research and development facility

3

Refreshing Work Style Project

Shinryo Corporation started the Refreshing Work Style Project for work style reform in April 2016, and it is stepping up to the challenge of full work style reform to innovate the way people work according to the 13th Three Year Management Plan. In response to the Work Style Reform Law enacted in June 2018, we aim to realize our own ideal work style without waiting for 2024 when the upper limit for working hours in the construction industry takes effect.

Work Style Reform Spreading Throughout Japan

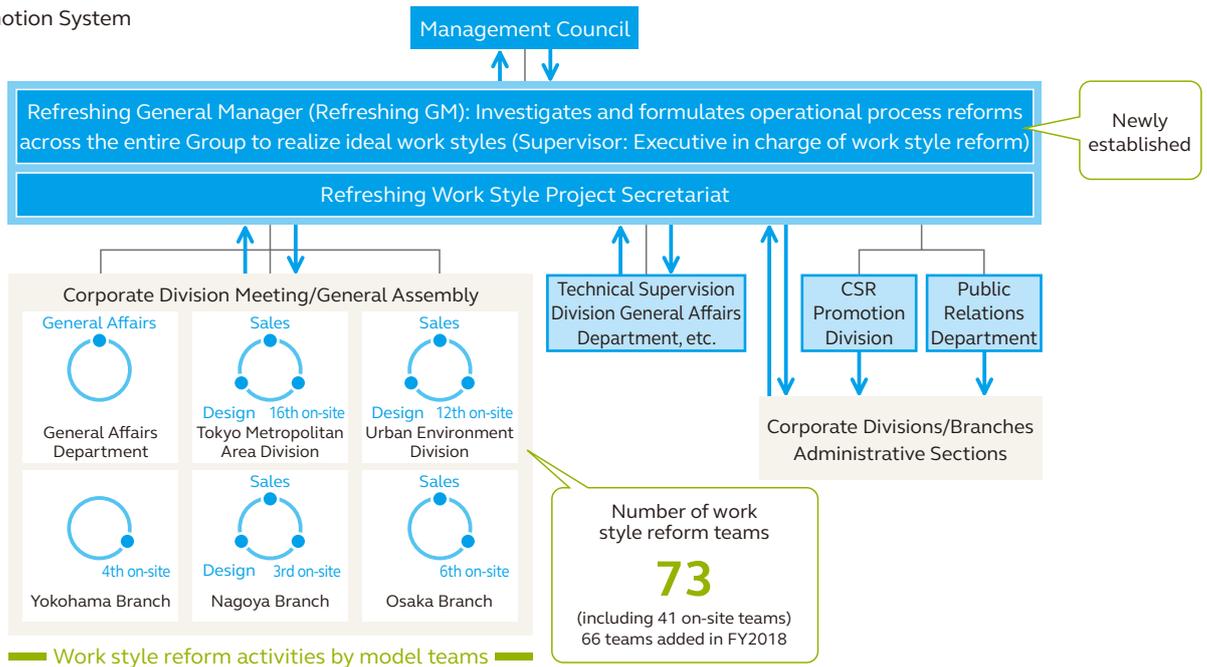
Seven model teams started work style reform activities with the headquarters at the core in March 2017 as part of the Work Style Reform Project to innovate work styles at Shinryo Corporation. In 2018, these activities have spread widely throughout Japan. A total of 73 model teams (including 41 sites) are striving to reform the way they work.

Executive officers in charge of work style reform visit divisions and branches that do not have a model team to promote understanding about the work style reform at Shinryo Corporation. In 2018, we furthered the reform activities conducted independently by these teams to cultivate an atmosphere which aims for even better work styles.

Vision, goal and targets of the Refreshing Work Style Project



Project Promotion System



Successes Up Until Now



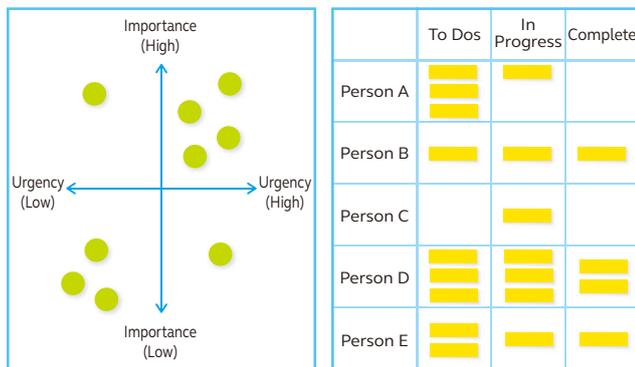
Example of Work Style Reform Activities

► Visualization (Use of a Whiteboard)

On-site model teams found communication to be one challenge of work style reform. These teams worked to visualize the work on worksites where multiple processes are conducted at the same time because the challenge is to see the task and the level of responsibility of a person working beside you.

The model teams on-site brought attention about the amount of work of each person at a glance by innovating the use of the on-site whiteboard. The ingenuity for the use of the whiteboard was able to further standardize the amount of work so that no single person would bear the brunt of a job.

Example of Whiteboard Use



Visualizing the work priority to share at the on-site office

Visualizing the workload and progress of each person in charge with labels to standardize workloads.

► Digitization and Mobile Work

The model marketing team at the Nagoya Branch often work outside the office and did not know what each other were doing. Therefore, this team employed task schedules on internal electronic systems to grasp the schedules of their colleagues to systematically share action plans. The team was able to increase the average time spent on customer visits by 12% and the average number of visits by 25% compared to operations before the start of the Refreshing Work Style Project to achieve more proficient operations by organizing duplicate internal documents and revising the allocation of time for internal meetings.

The model marketing team at the Osaka branch actively uses mobile terminals to further the effectiveness of time spent waiting and moving place to place. The marketers do not have to return to the office to conduct administration work, which has enhanced the efficiency of those tasks.

► Communication (Time to Concentrate and Buddy System)

The General Affairs Department faced the challenge of responding to tasks that suddenly arise. For example, staff would lose concentration and efficiency would drop on tasks requiring time due to interruptions such as telephone calls or questions.

Therefore, the General Affairs Department set up time to concentrate on individual tasks free of the need to answer telephones or questions via a rotation system. The office also incorporated a buddy system (two-person teams) to work together on tasks so that one person could concentrate on a job while their buddy handled both hard-line and mobile telephone calls.

This effort improved the quality of work by increasing the amount of time each person can concentrate on the task at hand. The rotation system provides time to concentrate and a buddy system for every staff member has proven effective in increasing operational efficiency throughout the entire department.



Display of a "concentration time" plate to let others know when a person is using time to concentrate

Voice

Seiichi Kato
 Refreshing Work Style Project
 Leader
 Manager, Engineering
 Department-5, Tokyo
 Metropolitan Area Division



The Refreshing Work Style Project has entered the second phase and been publicized as an activity to generate a high level of awareness. On the other hand, on-site staff is struggling in work style reform. However, people have shown how serious they are about these reforms. I think supporting these sites as a company is important. If we do everything we can to become more efficient at our jobs today, we should feel the effectiveness greatly when we get too busy. Work style reform is a challenge that must be overcome now for both junior and senior staff as an activity to heighten work value.

Reforming Operational Process with Refreshing GM

Shinryo Corporation appointed a Refreshing General Manager (Refreshing GM) in October 2018 to undertake operational process reforms across the organization. We have identified and organized challenges from the activities and feedback from employees in the Refreshing Work Style Project up until now from a management perspective. To realize ideal work styles of the Shinryo Corporation, we are examining many aspects of work style reform such as formulating and revising operational process innovation

plans across the entire organization. The Refreshing GMs are the General Manager of Administrative Division, the General Manager of Technical Supervision Division, the General Manager of Marketing Supervision Division, and the General Manager of the International Management Division to greatly accelerate Shinryo Corporation work style reforms.

Other initiatives on work style reform included on [P.42-44](#)

Process for Considering Priority Subjects

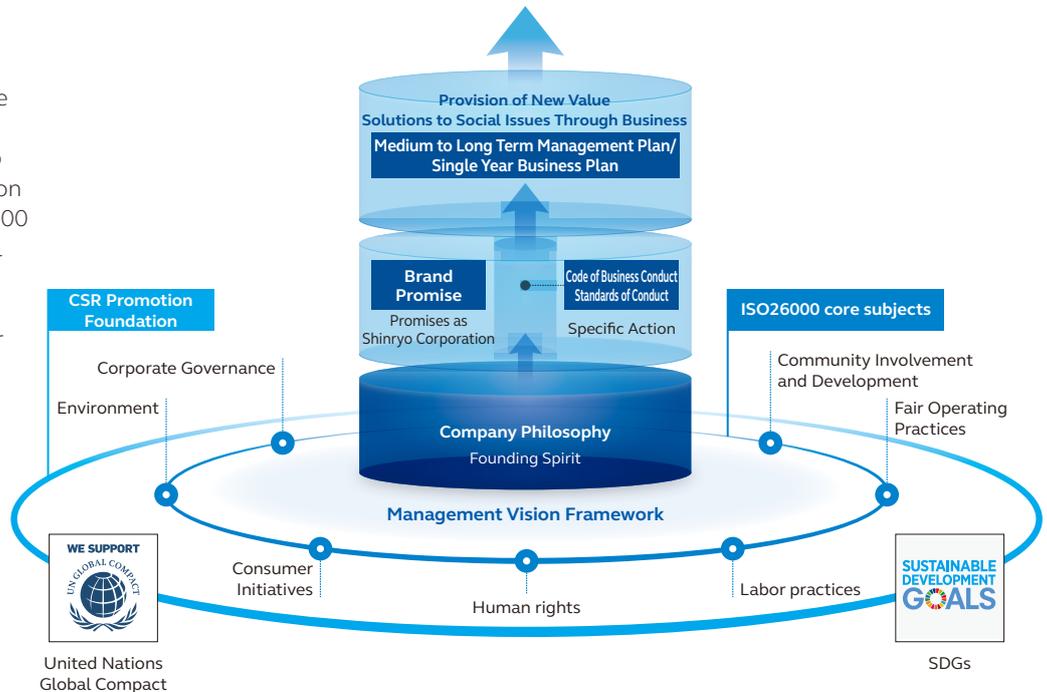


Vision, Statement & Management Plan

Shinryo Corporation is engaged in business activities which follow our Management Vision “Create a Freshening World” and it is contributing to the development of a sustainable society. The CSR activities of the Shinryo Corporation organize challenges faced by the Shinryo Corporation and society based on the core subjects of the ISO26000 while supporting the UN Global Compact and the Sustainable Development Goals (SDGs)*. Shinryo Corporation will further activities able to contribute to these goals.

*United Nations Sustainable Development Summit 2015 announced the Sustainable Development Goals (SDGs) as globally shared targets to realize a sustainable world by 2030.

Creating a Freshening World and Contributing to the Development of a Sustainable Society



CSR Committee

We have put in place a CSR Committee with the executive officer in charge of CSR as the chairperson to check the status of activities and determine activity policies in order to reflect the feedback we receive from all of our stakeholders and promote better CSR activities. We promote daily activities together with the CSR executives selected from each section and Group company with the CSR Promotion Division at the center.

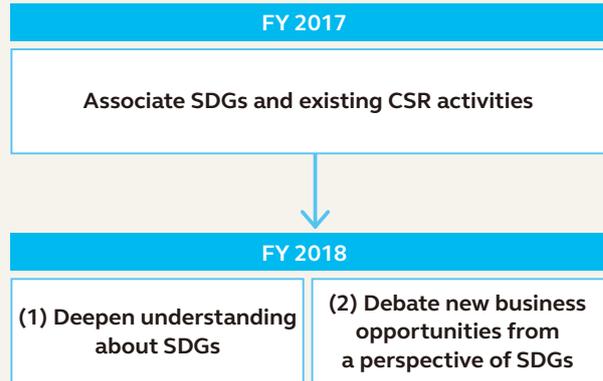


To Contribute to SDGs

Shinryo Corporation has supported the SDGs since fiscal 2017.

We associated the CSR efforts already in place at Shinryo Corporation and the targets of the SDGs in fiscal 2017, which was the first year of these efforts, and bundle regions of contribution through existing initiatives to express as a balance sheet. We strove in the following two areas in fiscal 2018 with the aim of integrating SDGs and businesses in the second consecutive year:

- (1) Deepen understanding about SDGs
- (2) Debate new business opportunities from a perspective of SDGs



(1) Deepen understanding about SDGs (seminars were held with the participation of executive officers and other management)

We held seminars as a place to learn about the trends, foundation and other aspects of SDGs in July 2018 with the aim of integrating SDGs and business strategies.

This seminar was held as a national conference which invited an outside instruction from the Japan Forum of Business and Society, the top CSR society in Japan, and was attended by all Executive Officers under the President, management in a position of General Manager or above an Presidents of the Group companies.

Seminar participants
89
(Including 8 Group Companies)

Seminar materials

(2) Debate new business opportunities from a perspective of SDGs (workshop)

In June 2018, we conducted a workshop to investigate new business opportunities from the perspective of SDGs with the participation of the executive in charge of CSR, the CSR Promotion Division and 13 members of the Research and Development Center Innovation Project to examine reconstruction of the Research and Development Center as a 30th anniversary project. The workshop divided members into three groups to actively debate new business opportunities for the future.

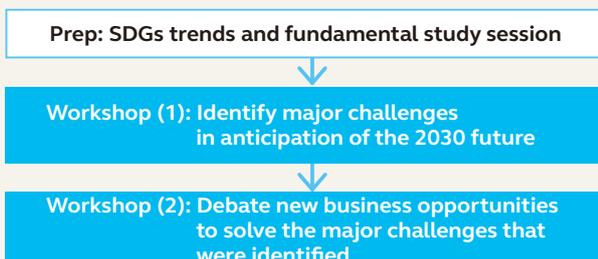
First, the groups deliberated the targets of the SDGs that Shinryo Corporation can contribute in anticipation of the future to come after 2030. These discussions recognized both corporate perspectives (management vision/challenges faced by Shinryo Corporation) as well as social perspectives (various social issues representative of the SDGs).

After these discussions, groups considered new business opportunities related to each target of the SDGs. The workshop gathered these ideas while considering the solutions that can use and can be provided by the assets of the Shinryo Corporation as well as the target clients for each of these goals.

Ideas conceived about the social issues and business opportunities in Japan from 2030 and beyond

- Ideas from team 1** The future will see populations concentrate more and more in cities and the need to share roles with local rural industries will become clear. Large cities and industrial regions will both pursue people-friendly spaces. Building urban functionality fully covered with a minimal amount of energy will also be a requirement.
- Ideas from team 2** The importance of hospital air conditioning to support advanced medical care is growing to provide comfortable and safe lifestyles. Monitoring technologies may also become a business opportunity to support the lack of doctors and nurses in addition to airflow sustaining cleanliness, control of air quality and BCP support.
- Ideas from team 3** IoT and AI are growing and the world has reached a hydrogen economy and these technologies will be adopted by residential environments and product production factories. Production plants may further labor saving and advanced air environmental control through the application of AI to dramatically improve production capabilities.

Flow of the Workshop



Workshop

Activity Results of Shinryo Group

The items in our efforts as CSR activities are categorized and organized into either the provision of new value to society through priority subjects (materiality) or basic subjects. In addition, we have added additional remarks about each of those activities, the ISO26000 core subjects, and the 17 targets to change the world in the Sustainable Development

Goals (SDGs).

The concepts of the Shinryo Corporation for the process to consider priority subjects (materiality), the ISO26000, and Sustainable Development Goals (SDGs) have been systematically organized in the CSR Management section (→P.29-30).

(Degree of achievement of initiatives through self-evaluation)

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

*FY2018 (October 1, 2017 to September 30, 2018)

Comparison with ISO26000 core subjects							Relevance to Sustainable Development Goals (SDGs)
Corporate Governance	Human Rights	Labor Practices	Environment	Fair Operating Practices	Consumer Initiatives	Community Involvement and Development	
	●	●	●		●		5 8 9 12 13
			●		●		7 9 11 12 13
●	●	●		●	●		8 9 16 17

●	●	●	●	●	●	●	16
●				●	●		11 16
●	●	●	●	●	●		5 10 16
			●		●	●	6 7 11 12 13 15
	●	●	●	●	●		3 9 11 12
	●	●		●	●		4 8 9
	●	●		●			8 16
	●	●		●			5 16
					●	●	4 11
●	●	●	●	●	●	●	17

Initiatives	
Priority subjects (materiality) Provision of new value to society [Shinryo Corporation initiative]	
1	Improve productivity to deliver better technology and higher quality
2	Promote proposal activities that respond to customer needs
3	Heighten the ability to expand people and technology globally
Basic subjects [Shinryo Group initiative]	
1	Corporate governance
2	Strengthening of risk management
3	Compliance initiatives
4	Environmental initiatives
5	Initiatives to improve quality
6	Implementation of training and human resources development
7	Work-life balance initiatives
8	Diversity initiatives
9	Community involvement and development
10	Participation in the international agreed scheme

▶ 17 Goals to transform our world



FY 2017 to FY 2019 Initiatives	Achievements of FY 2018 (Company names included for achievements by Group companies)	Degree of achievement	Reference pages
<ul style="list-style-type: none"> • Create more efficient operations by promoting a shift to BIM data • Create more efficient operations by strengthening on-site logistical support systems • Reduce working hours through work style reform • Employ diverse human resources and promote participation 	<ul style="list-style-type: none"> • Promoted a shift to BIM data • Strengthened on-site support from the perspectives of safety, information and technology • Promoted reform through the Refreshing Work Style Project • Promoted employment such as mid-career hiring 	○	24 27-28 40-46
<ul style="list-style-type: none"> • Promote one-stop services that leverage commissioning and other technologies • Promote proposal activities that respond to customer needs by leveraging technologies such as CFD and BIM 	<ul style="list-style-type: none"> • Proposed energy-saving technologies as well as energy management technologies • Internally expanded commissioning technology • Held technological briefings for sales persons • Produced and actively promoted various technical catalogs • Spearheaded improvements based on customer satisfaction surveys 	○	21-26 40 45
<ul style="list-style-type: none"> • Conduct education for human resources who are active overseas • Prepare and strengthen overseas business systems 	<ul style="list-style-type: none"> • Conduct human resource development through an overseas practical dispatch system • Strengthened collaboration systems between administrative sections in Japan and overseas 	○	45-46
<ul style="list-style-type: none"> • Continuously review internal control systems of Group companies 	<ul style="list-style-type: none"> • Strengthened internal control systems of the Group • Spearheaded Group cooperation in the General Affairs and Accounting and Finance Department • Spearheaded Group cooperation in the Technical Supervision and Safety Supervision Department 	○	33
<ul style="list-style-type: none"> • Continuously improve BCP and conduct comprehensive drills • Fully strengthen operation management of informational security and promote awareness raising activities • Strengthen the ability to respond to risk 	<ul style="list-style-type: none"> • Introduced comprehensive BCP drills (2 times) • Implemented information security education and training (1 time each) • Raised awareness about information security (10 times) • Continued information security education and training (SYSPRO) 	○	34 49
<ul style="list-style-type: none"> • Continued to hold compliance education (100% implementation) • Promote use of the consultation service "Helpline" • Introduce comprehensive compliance at overseas Group companies 	<ul style="list-style-type: none"> • Held compliance education in the Shinryo Group (100%) • Implemented Antimonopoly Act training for employees in marketing positions (100%) • Held the liaison conference with Group companies 	○	35-36
<ul style="list-style-type: none"> • Contribute to reducing the environmental load by promoting one-stop services that leverage commissioning and other technologies (common priority subject) • Promote the ISO14001 environmental management system • Promote Environmental Renaissance Activities 	<ul style="list-style-type: none"> • Ran the ISO14001 environmental management system • Held Environmental Renaissance Activities 54 times and donated to international NGOs • Proposed energy-saving improvements in renovations (SHINRYO TECHNICAL SERVICE) • Enhanced the efficiency of on-site operations by using 3D models (LE PRO) • Held green building briefings (TAIWAN SHINRYO) 	○	21-22 37-39 49-50
<ul style="list-style-type: none"> • Provide better quality through continuous operation of the ISO9001 quality management system • Enhance the comprehensiveness of health and safety activities and technical training even at partner companies • Further implementation of CSR Procurement 	<ul style="list-style-type: none"> • Ran the ISO9001 quality management system • Held technical training 15 times through the Health and Safety Council at partner companies • Provided safe and secure technology to railroad facilities (DAIEI DENKI) • Ensured on-site safety and quality through heatstroke countermeasures (SHIROGUCHI) • Promoted improvements of quality and technical capabilities through construction review meetings (SHINRYO KOGYO) • Held safety forums (SHINRYO INDONESIA) 	○	40-41 49-50
<ul style="list-style-type: none"> • Conduct education for human resources who are active overseas (common priority subject) • Strengthen execution of various education • Enhance technical training to respond to customer needs 	<ul style="list-style-type: none"> • Conducted human resource development through an overseas practical dispatch system • Implemented the PDCA cycle such as in company-wide education and training by department • Held study sessions about various technologies • Conducted technical training for junior engineers (SHINRYO PHILIPPINES) • Conducted management and on-site project manager training (SHINRYO VIETNAM) 	○	45-46 50
<ul style="list-style-type: none"> • Reduce working hours through work style reform and improve effectiveness of various leave programs (common priority subject) • Promote physical and mental health management measures for employees 	<ul style="list-style-type: none"> • Promoted no overtime days • Promoted reform through the Refreshing Work Style Project • Implemented days encouraging employees to take leave alongside closing all offices on Saturdays • Started a test run of a mentoring system 	○	27-28 42-44
<ul style="list-style-type: none"> • Employ diverse human resources and promote participation (common priority subject) • Promote active participation of female employees • Promote active participation of senior employees with rich experience • Promote active participation of foreign employees 	<ul style="list-style-type: none"> • Promoted employment such as mid-career hiring and established training systems • Revised the rehiring system • Implemented Japan invitation program for overseas Group companies • Held study sessions for the employment of staff from foreign countries (global staff) 	○	43 45-46 49
<ul style="list-style-type: none"> • Promote volunteer activities such as volunteer clean-up activities • Promote lecture activities at universities and other institutions • Continuously provide support for culture and the arts 	<ul style="list-style-type: none"> • Conducted clean-up volunteer and other activities (18 times) • Conducted lecture activities at universities and other institutions (7 times) • Supported artistic organizations (24 times) • Provided support to the Akita Genki Club for the revitalization of the region (AKITA CASTLE HOTEL) • Conduct volunteer food distribution (SHINRYO HONG KONG) • Provided installation support of electric systems for a charity cross country race venue (STS HONG KONG) • Accepted internships from universities and vocational training schools (SHINRYO MALASIA) • Accepted company visits by high school students in Japan (SHINRYO SINGAPORE) 	○	47-50
<ul style="list-style-type: none"> • Continuously participate in the United Nations Global Compact • Participate in the GCNJ conference 	<ul style="list-style-type: none"> • Continuously participate in the United Nations Global Compact • Participated in the GCNJ Environmental Management Conference 	○	6 29-30



Corporate Governance

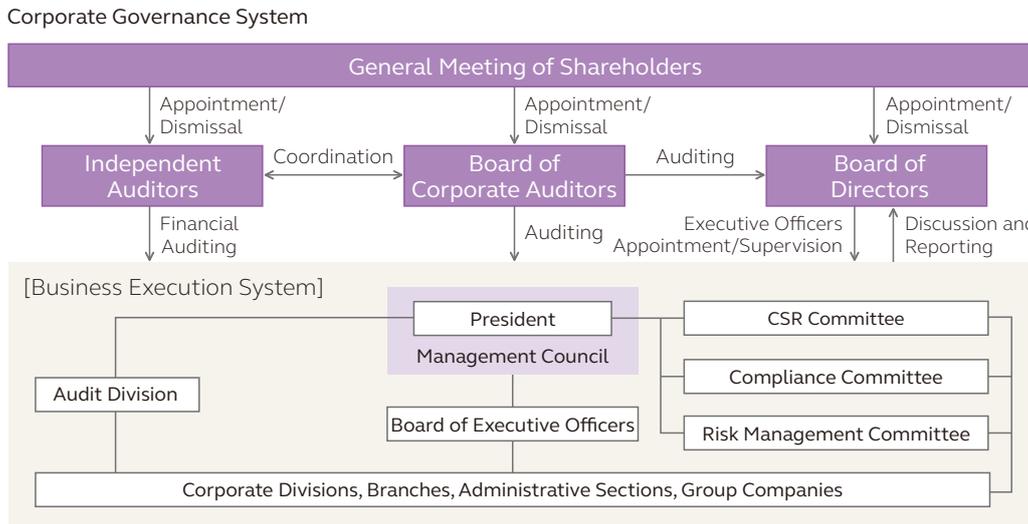
We are building a corporate governance system and internal control system to execute rapid decision making while working to have highly-transparent management founded in all of our business activities in accordance with the Shinryo Corporation CSR Statement. In addition, we are striving to build a system that enables us to fulfill our corporate responsibility even during crisis by thoroughly implementing measures at all times.

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, 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.



Internal Control

Since the construction of the internal control system 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.

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

The Risk Management Committee is extracting vital technological and contractual risks in large-scale jobs which have the potential to greatly affect management and periodically engages in discussions about measures to respond to these risks.

Crisis Management Measure Regulations

Shinryo Corporation has prepared and is implementing Crisis Management Measure Regulations that define the organization and response to resume and continue business as quickly as possible by minimizing the impact when risks such as disasters, accidents, and operational troubles occur. In March 2018, we revised our reporting methods right after the company was impacted by risk both in Japan and overseas.

Information Security Management Systems

We strive to properly manage the information of our

customers and partners.

A PDCA cycle has also been put in place to periodically conduct and improve security auditing at the main offices and on-site administration offices while clarifying internal rules in accordance with the Management Rules of Corporate Information.

In addition, we are actively striving to hold liaison conferences to share information with the people in charge of each department as well as actively conduct activities such as employee enlightenment.

Employee training and enlightenment activities

Content	Held
e-Learning	February 2018
Response training for targeted email attacks	August 2018
Raising awareness about information security	Regularly (total of 10 times)

Business Continuity Plan

Shinryo Corporation has formulated a Business Continuity Plan (BCP) that defines the response methods and organization in the event of a disaster, and this plan is continually reviewed and strengthened to resume business activities as soon as possible even in the event of a large-

scale disaster. In times of peace, we strive to improve the practicality of the BCP by conducting regular training while pushing forward preliminary measures such as building internal infrastructure and preparing cooperative systems with partner companies.

Business Continuity Plan Basic Policies of Shinryo Corporation

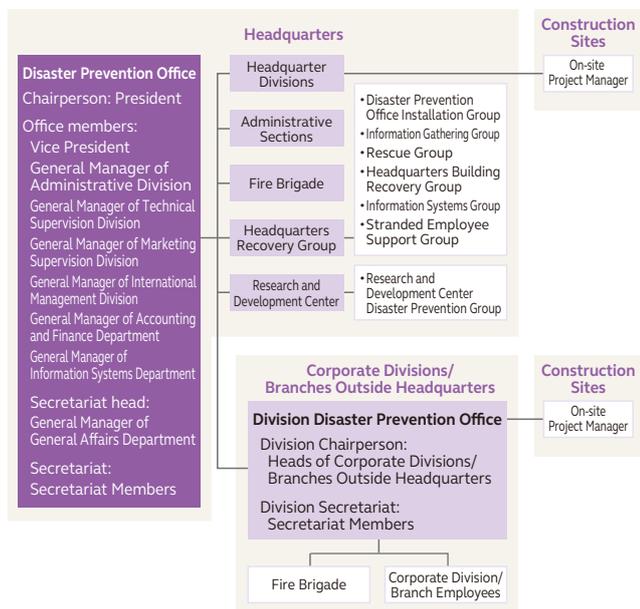
1. Immediately provide support by prioritizing the safety of executives and employees.
2. Sustain ongoing operation of corporate functions by recovering company facilities as soon as possible.
3. Cooperate with the recovery of sites currently under construction or completed properties as support toward the business continuity activities of our customers.
4. Introduce support to recovering infrastructure and support for residence affected by the disaster as much as possible as a member of the local community.

Response to the Osaka and Hokkaido Earthquakes

Japan was struck by the Northern Osaka Earthquake in June and the Hokkaido Eastern Iburi Earthquake in September of 2018. Shinryo Corporation immediately set up the Disaster Prevention Office in accordance with the Business Continuity Plan (BCP) after each earthquake struck to verify the safety of employees, survey the state of impact on customers, and support recovery.

At this time, we faced challenges that included methods to obtain the ever-changing lifeline information as well as preparations for numerous reports and prolonged power outages. Thereafter, we responded by revising reporting lists and reporting procedures to determine the level of impact while supplying every base with emergency chargers for mobile telephones in addition to other measures.

Organizational Structure During Disasters



Introduction of Comprehensive BCP Drills

Shinryo Corporation regularly conducts BCP drills with the goals of improving response capabilities and strengthening the BCP system in the event of an employee disaster. This training takes a multifaceted approach that includes training to ensure safety to physically protect people in earthquakes and to report safety of everyone even at Group companies in Japan as well as Disaster Prevention Office training in which the President acts as the Chairperson.

The BCP drills were conducted in April and September of 2018. The training in September emphasized verification, such as reporting procedures that were revised in light of the Osaka and Hokkaido earthquakes. In the Disaster Prevention Office training in which General Managers participated from throughout Japan in a video conference, we also shared information and exchanged ideas based on the experience of earthquakes in each area.



Fair Operating Practices

The aim of Shinryo Group is to realize sincere, fair, and appropriate management, and to fulfill Group's the social responsibilities. As a company aiming to "Create a Freshening World", we will participate in corporate ethics and legal compliance and work so that we will gain the support of all of our stakeholders.

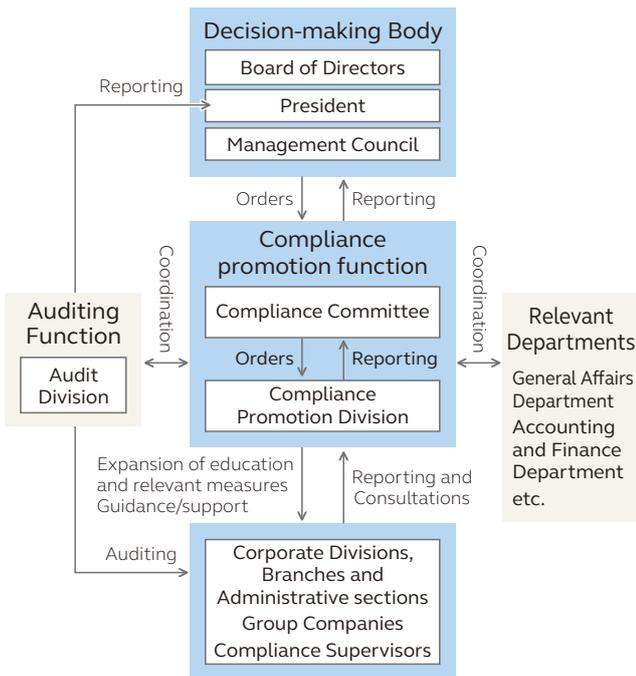
Comprehensive Compliance

Shinryo Group believes comprehensive compliance is the most important issue in management. All of our executives and employees of the Group will practice legal compliance, which is at the heart of the Company Philosophy to "Be fair and straightforward" in our actions.

Compliance Promotion System

We are building a Compliance Promotion System that encompasses our Group companies. We work to practice compliance unified as a Group with Shinryo Corporation Compliance Committee and Compliance Promotion Division at our core.

Compliance Promotion System diagram



Shinryo Group Code of Business Conduct

1. Pursue customer satisfaction by standing in customers' positions.
2. Pursue management efficiency for the sake of shareholders.
3. Create energetic and comfortable workplaces that staff can show their families how proud they are of their Company.
4. Together with our business partners, thoroughly comply with corporate ethics, laws, and regulations and conduct fair, transparent, and open.
5. Constantly pursue how we should be as a member of a healthy society.
6. As a global enterprise, contribute to the societal development of related countries.

Compliance Guidelines

Shinryo Group Compliance Guidelines are the basic principles all of the executives and employees of Shinryo Group must adhere to. These guidelines are founded in our Company Philosophy, Code of Business Conduct, and Standards of Conduct, and we have defined the Specific Compliance Items for the Code of Business Conduct and Standards of Conduct, which are our evaluation criteria in conducting our day-to-day business. In addition, Shinryo Corporation and all of the executives and employees of Group companies have taken the guideline education and have committed to compliance.

■ **Explanations on Related Laws and Regulations booklet**
 Shinryo Corporation created the Explanations on Related Laws and Regulations as a separate booklet from the Shinryo Group Compliance Guidelines. These booklets are distributed to every manager of the Shinryo Corporation and people mostly in marketing positions at Group companies. This information is advantageous in education as a manual bringing together systematically organized laws such as the Antimonopoly Act and Construction Industry Law. In addition, we regularly implement informational updates following legal amendments and work to raise awareness about those amendments.

■ **Collection of Compliance Examples**
 Shinryo Corporation created a Collection of Compliance Examples extracted from specific examples related to compliance in March 2018 as a document to use in compliance education. We have included a wide range of content to select examples appropriate to the class and role of the student to further ingrain compliance awareness in all executives and employees.

Shinryo Group Code of Business Conduct

We, the executives and employees of Shinryo Group, have basic and common awareness of corporate ethics and compliance in accordance with Shinryo Group's company philosophy and this Code of Business Conduct and Standards of Conduct, and positively practice compliance in our daily business with a strong sense of belonging to the company.

Establishment of the “Helpline” Consultation Service

We have a Helpline compliance consultation service installed with the objective of preventing legal violations or inappropriateness as well as quickly discovering and correcting signs of these issues. We are working to make it widely known by all persons participating in the work of Shinryo Corporation.

Implementation of Comprehensive Compliance

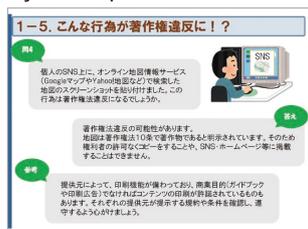
Shinryo Corporation continues to hold various compliance education. We implement a wide-range of education and development from education held by the Compliance Committee to curriculum unique to each department, and we work hard in business while all executives and employees always keep compliance in mind.

Implementation of education for every manager throughout the Group

Compliance e-Learning training program is regularly held for the Shinryo Corporation and Group companies worldwide. The e-Learning program aims to bring greater understanding about compliance and heighten awareness about harassment and other social issues.

Periodic Distribution of Shinryo Compliance News

Shinryo Compliance News is distributed periodically by email to all of our employees. Each issue provides a system to easily offer feedback and make inquiries about compliance through a questionnaire.



Shinryo Compliance News

Implementation of Antimonopoly Act Training

We are deepening the penetration and understanding of comprehensive compliance to the Antimonopoly Act by continuing to hold this Antimonopoly Act training every year for all employees in marketing positions.

Cooperation Between Group Companies

We regularly hold informational liaison meetings with Group companies in Japan and share information about compliance such as response to legal reforms, formulation of internal rules as well as sharing of examples to unify awareness and operation throughout the Group.

Responding to Antisocial Forces

We will work to stay faithful to our Code of Business Conduct and Standards of Conduct stating our intention

Strengthening compliance at overseas Group Companies

Formulation of Overseas Guidelines

We formulated the Compliance Guidelines (Global Version) for Japanese employees active globally as well as executives and employees of overseas Group companies. We are defining basic mandatory principles in-line with different cultures and customs everyone should adhere to based on compliance with each type of international rule which includes compliance to the laws and regulations in each country and region as well as human rights.

In addition, all managers undergo education for these guidelines and vow to adhere to this compliance.



Compliance Training at Shinryo Hong Kong



Compliance Guidelines (Global Version)

Thorough Compliance to Guidelines for Anti-corruption Overseas

Shinryo Corporation has formulated and conducts operations under the Guidelines for Anti-corruption Overseas. These guidelines clarify compliance items and the compliance system related to government officials when conducting business overseas. These guidelines also include countermeasures tailored to the circumstances of each country and region in addition to basic principles as well as anti-corruption concepts common to each country. We respond to changes both statutory and political in a timely manner while continually making revisions. Furthermore, all of the Japanese employees who work at overseas bases as well as all of the managers from overseas Group companies participate in training about these guidelines.

Shinryo Group Basic Principles on Anti-corruption Overseas

1. We will not pursue the acquisition, expansion or profit in business through bribery or any other inappropriate means.
2. We will comply with bribery and anti-corruption laws and regulations in each country and region while adhering to Article 18 of the Unfair Competition Prevention Act in Japan (prohibition of illicit profits to foreign public officials).
3. We will never give gifts with the intention of acquiring business or gaining favor even if such practices are customary in the country or region.

to never succumb to the threats of antisocial forces and resolutely eliminate them in a courageous manner.



Environmental Initiatives

Shinryo corporation minimizes its impact on the environment produced in the process of handling air, water, heat, and energy while it aims to create a comfortable environment with the mission to Create a Freshening World, which the company has had since its founding. We formulated the Basic Philosophy Toward the Environment and Environmental Policies in August 2000 and acquired the ISO14001 environmental management system certification in May 2001. In April 2017, we transitioned the ISO14001 certification to the 2015 standards and are actively working to reduce the environmental load.

Activities Based on the Environmental Management System ISO14001

Basic Philosophy

SHINRYO CORPORATION, as a company connected to the environment, has been practicing environmental preservation through building equipment, based on our mission of "Create a Freshening World". We shall continue to take aggressive actions to reduce environmental impact through corporate activities, and contribute to the preservation of the global environment into the future.

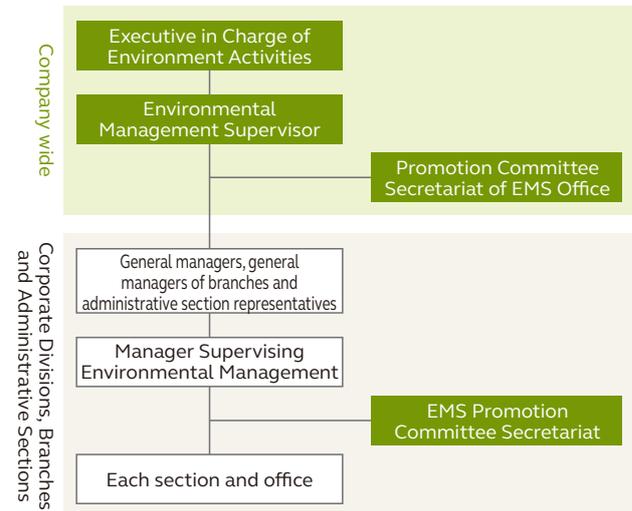
Environmental Policy

As a company which provides building equipment, as well as contributing to society, SHINRYO CORPORATION shall conduct the following and widely disclose this to the general public, in order to harmonize with a rich-green global environment and contribute to the construction of a recycling oriented society.

1. We shall establish and manage an environmental management system, in order to promote environmental preservation activities.
2. We shall accurately ascertain the impact of our business activities on the environment, and implement continuous improvements of the environmental management system, striving for pollution prevention.
3. We shall comply with all laws, ordinances, and regulations related to the environmental aspect, and observe the requirements of environmental agreements we have agreed upon.
4. We shall establish environmental targets and objectives within the scope of our technical and economic capabilities, and shall periodically revise them through our environmental preservation activities.
5. We shall take action focusing on the following items, through our environmental preservation activities.
 - Promotion of activities for productivity improvements during construction, in order to minimize the emission of greenhouse gases.
 - Expansion of activities in consideration of the environment, in order to contribute to the minimization of greenhouse gas emissions at the time of use.
 - Promotion of the 3R*s of construction by-products, striving for environmental preservation during construction.
6. As well as widely disseminating the environmental policy to all personnel who are engaged in the business activities or our company, we shall promote improvements in the consciousness of all personnel concerning environmental preservation, through the implementation of environmental education and awareness activities.

*Reduce, Reuse, and Recycle

Environmental Management System



Initiatives to Reduce CO₂ Emissions and Save Resources FY2018 Environmental Targets and Activity Results

Our activity results between October 2017 and September 2018 are outlined below.

Operation	Environmental target	Activity content	Item	Target value	Result*
Design operations	Emission reduction of greenhouse gases through environmentally-friendly design	Reduction of CO ₂ emissions during operations through design proposals for new buildings and renovation properties	Rate of proposals for CO ₂ reductions	65%	79.7%
			CO ₂ reduction rate	35%	19.2%
Installation and manufacturing operations	Promotion of activities to improve productivity on-site	Reduction of CO ₂ emissions on-site	CO ₂ reduction rate	6%	30.8%
	Promotion of 3Rs on-site	Promotion for the recycling of industrial waste	Recycling rate	80%	87.0%

*Calculations based on the Environmental Management System ISO14001

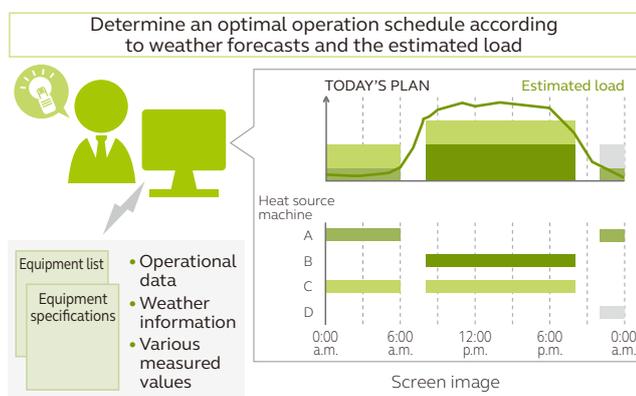
Initiatives to Reduce Our Environmental Load in Marketing and Design

In marketing and design, we are actively making environmentally-friendly proposals such as the adoption of energy-saving systems and highly efficiency equipment to customers by leveraging airflow and energy simulation technologies. Furthermore, we support energy savings in customer equipment systems and promote reductions in CO₂ emissions by taking advantage of energy management technology.

Examples of initiatives: Proposals for optimal operation support systems

We are promoting proposals for optimal operation support systems that predict the air-conditioning energy demand for the next day according to operational performance of the air conditioning system and weather forecasts, formulates the best operational plans, such as energy savings, and displays guidance. In some large-scale buildings, the adoption of this system together with various adjustments reduced energy consumption roughly 6%.

Image of optimal operation support system



Initiatives to Reduce Our Environmental Load in Construction

Shinryo Corporation heightens efficiency in installations and reduces CO₂ emissions by using IT technologies on construction sites. In addition, we are actively working in the 3Rs for waste and promoting the reduction of the environmental load on-site.

Examples of initiatives: 3Rs of waste

We actively recycle iron scrap such as piping and ducts. We also collect and recycle helmets that have passed the expiration date for use. Shinryo Corporation collects helmets from employees and partner companies and gives those helmets to specialized operators. A recycling center then sorts and pulverizes these helmets for thermal recycling by delivering the processed material to cement plants for fuel to use in the manufacturing of cement. In addition, some of the ash produced after burning is reused as raw material for cement (material recycling).



Sorting and collection of industrial waste from containers



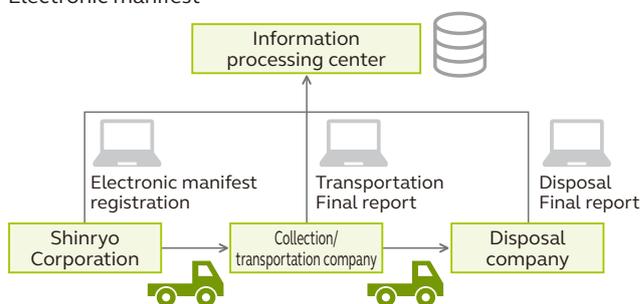
Collected helmets

Electronic Manifest System*

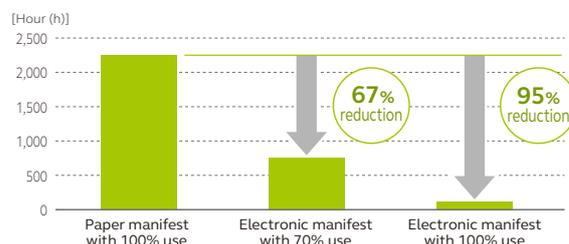
Shinryo Corporation properly and thoroughly processes industrial waste and has been furthering the transition from paper manifests made by copying ledgers up until now to an electronic manifest system to heighten efficiency of operations to manage manifests (industrial waste management ledgers). We are advancing the standardization of electronic manifests through the selection of on-site industrial waste disposal companies, such as prioritizing companies that support electronic manifests. The Shinryo Corporation has promoted the adoption of electronic manifests through this standardization, which has helped reduce the time required for manifest operations by 67% with a 70% adoption rate and 95% with a 100% adoption rate.

*Electronic manifest system: System that digitizes manifest (industrial waste management ledgers) information and facilitates cooperation between businesses producing waste, operators collecting and transporting waste, and companies disposing of waste via a network through an information processing center.

Electronic manifest



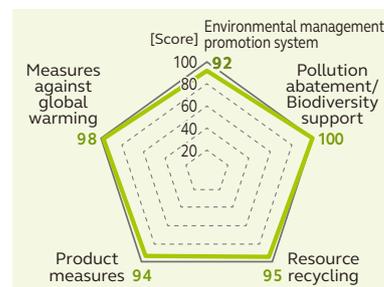
Time required to manage manifests (estimate)



Review/evaluation

Ranked 4th in the Construction Industry on the 21st Nikkei Environmental Management Survey

The 21st Nikkei Environmental Management Survey conducted by the Nikkei Inc. ranked the Shinryo Corporation fourth in the construction industry.



CSR Activity Topics

Registered as ZEB planner

Shinryo Corporation was registered as a ZEB planner by the Sustainable open Innovation Initiative (SII). We will promote the realization of Net Zero Energy Buildings (ZEB) for our customers as well as a low carbon society.

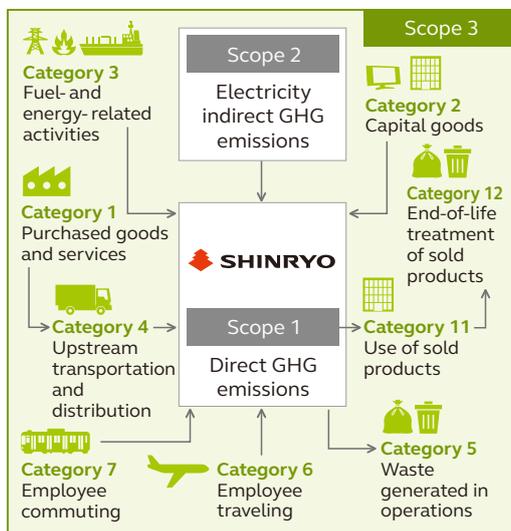


CSR Activity Topics

Initiatives of Scope 3 Calculations

We must work to reduce the environmental load throughout the entire supply chain to achieve a low carbon society. Therefore, we calculated the greenhouse gas (GHG) emissions (Scope 3) from companies that have a relationship with the Shinryo Corporation. The emissions for fiscal 2017 were 8,779,317 ton-CO₂. Of those emissions, we were able to confirm that more than 90% of all emissions were made up of Category 11: Use of Sold Product emissions. In response to these results, we are striving to propose design, construction and operational methods that contribute to energy savings of equipment systems in the future.

Image of greenhouse gas emissions from the entire supply chain



FY2017 Scope 3 Calculation Results (Properties with Orders of 30 Million Yen or More)

Category*1&2	Calculation scope	Result [ton-CO ₂]
1 Purchased goods and services	Emissions from resource harvesting and manufacture of sold goods	194,493
2 Capital goods	Emissions from manufacture and construction of capital assets	300
3 Fuel and energy activities not included in Scope 1 and Scope 2	Emissions from manufacture such as electricity and fuel bought by the headquarters, branches and offices	3,642
4 Upstream transportation and distribution	Emissions from transportation of goods from seller to site	20,661
5 Waste generated in operations	Emissions from disposal of waste produced on-site	1,528
6 Business travel	Emissions from fuel and power consumption of transportation agencies used for business travel of employees	905
7 Employee commuting	Emissions from electricity consumption of transportation agencies used for employee commuting	399
11 Use of sold products	Emissions from the operation of building equipment after delivery (operation period set to 15 years)	8,557,380
12 End-of-life treatment of sold products	Emissions from duct and piping waste during demolition	9
Total		8,779,317

*1 Calculations based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ver. 2.3) from the Ministry of the Environment

*2 Categories 8 through 10 and 13 through 15 are activities not related to our businesses

Ecological Conservation Activities Enlightenment Program “the Environmental Renaissance Activities”

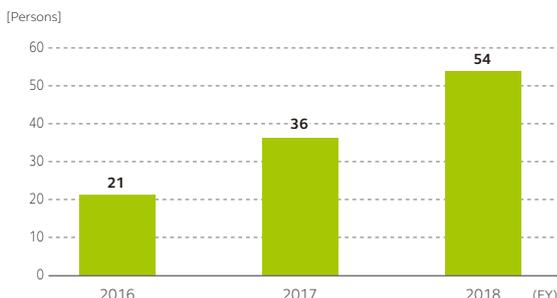
Shinryo Corporation is conducting the Environmental Renaissance Activities enlightenment program for the purpose of heightening employee awareness about the importance of ecological conservation.

This program aims to deepen understanding of ecological conservation and heighten motivation toward ongoing activities by supplying book coupons to employees engaged in activities related to ecological conservation and environmental education and subsidizing the purchase of environmental books. Participation is increasing every year with 54 people taking part in fiscal 2018, which was the third year of this program.

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. In December 2017, Conservation International Japan* (Managing Director: Yasushi Hibi), which works in biodiversity conservation activities, donated to these events in fiscal 2017.

*Conservation International (CI) is an international environmental non-profit organization engaged in biodiversity conservation activities in more than 70 regions worldwide with the goal of realizing a sustainable society.

Changes of Participation in Environmental Renaissance Activities



Introduction of Activity Reports

Preparation and Observation of Nesting Grounds (Little Tern Project)



Norio Takeshima

Technical Supervision Department, Technical Supervision Division

In March 2018, I took part in activities that help the nesting of little terns which have lost their traditional breeding grounds. Much of the labor was hard on the body, such as weeding in nesting areas, removing mud and cleaning drainage, setting up leveling strings to repel birds from glass as well as constructing brick shelters. Yet, I felt such a sense of accomplishment from being able to help the little terns properly nest.

I also joined the observation of the nesting three months later. I was able to see how the parent birds have recovered the beaches to hunt and the nesting grounds to lay their eggs and provide food to their offspring. I was also able to see these offspring taking shelter to protect themselves from predators as well as walking about outside the brick structures that we built in March.



Little terns



Observation session



Consumer Initiatives

Shinryo Corporation strives for customer satisfaction by pioneering the acquisition of the ISO9001 certification, which outlines common rules for quality management, and improving quality in processes to provide construction, manufacturing and services. In addition, safety and health management on-site is addressed in the Health and Safety Policy that we have had since our founding. This policy is the fundamental principle for conduct of all our employees, and we are working to ensure employees and workers at our partner companies work with safe equipment and in optimal working environments.

Improvements to Construction Quality

Quality Policy

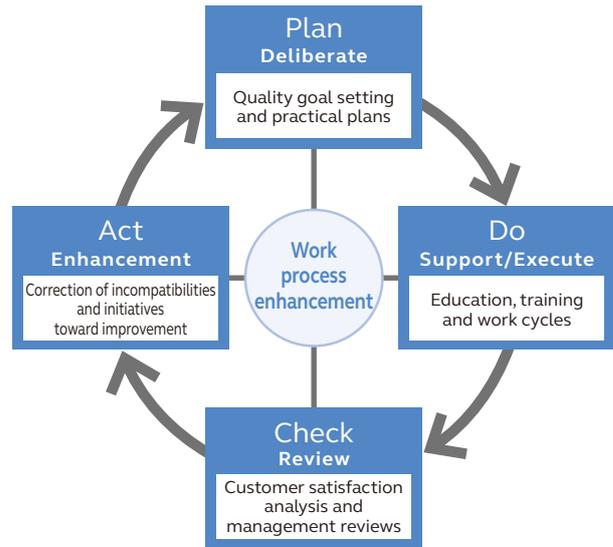
Provide quality earning trust from our customers with all our effort.

We strive to practice quality assurance activities in systems and services to provide quality that satisfy our customers based on common company-wide policies.

Shinryo Corporation acquired the certification for the ISO9001 quality management system at corporate divisions and branches in Japan and completed transition to the 2015 standards at all bases in September 2018.

In addition, we conduct activities to incorporate customer feedback from customer satisfaction surveys after the completion of construction. Shinryo Corporation will always strive to ensure quality that earns the trust of customers.

Ongoing improvements to work processes



ISO9001-certified Divisions and Branch Offices

- Tokyo Metropolitan Area Division
- Hokkaido Branch
- Hokuriku Branch
- Chugoku Branch
- Urban Environment Division
- Tohoku Branch
- Nagoya Branch
- Shikoku Branch
- Nuclear Power Plant Division
- Marunouchi Branch
- Osaka Branch
- Kyushu Branch
- Electric & Instrument Division
- Yokohama Branch

Internally expanding technology

We strive to internally expand and improve the technological capabilities of employees, including the latest skills and superior on-site efforts, to provide even higher quality to customers.

Convening of the Shinryo Forum

The Shinryo Forum held in March 2018 connected 13 bases worldwide to the main venue at the headquarters via an online conference system to announce the five projects which received the grand prize and awards of excellence in the 62nd President's Awards, which is an internal commemoration program. We also distribute a video of the forum the next day as an effort to allow even more employees to watch.



Shinryo Forum

Publishing of Technical Reports

Shinryo Corporation publishes and distributes technical reports that include information needed by engineers, such as explanations about design and construction technologies, to technical employees. We have published more than 150 issues since the first issue was released in May 1971. Employees can search for the technical reports that have been published on an internal database as a means of transmission for horizontally expansion of technology.

Promotion of Idea Proposals

We promote idea proposals that aim for company-wide standardization and integration, such as vitalization of operations for all employees as well as rationalization of technology. This program was set up to regularly accept proposals and commemorate excellent ideas. Every employee can browse a database and use the ideas that are proposed.

CSR Activity Topics

Health and Safety Initiatives

Health and Safety Policy

Safety First for our Prosperity

Shinryo Corporation has prioritized safety above all else based on the Health and Safety Policy unchanged since our founding. All employees have been working in health and safety activities to prevent labor accidents. We are working to improve the workplace environment and enhance technical training by honestly accepting issues faced by society such as a lack of skilled craftspersons, a growing number of elderly and a decreasing number of youth entering the workforce.

Activities of Health and Safety Council

The Health and Safety Council conducts training for managers, health and safety supervisors as well as a diverse specialty training and education for partner companies. We formulate annual plans for this training and education led by the headquarters and the Health and Safety Councils at each branch.

Shinryo Corporation sees managers who act as the deputy at the head of divisions as key persons for health and safety management. We promote the appointment of graduates from the training for managers and health and safety

supervisors who clearly identify the factors of dangers and hazards to implement measures to prevent occupational accidents.

We are also asking the curriculum drafted last year be taken once every five years to better the skills of managers as well as health and safety supervisors. In addition, we actively incorporate special education necessary according to legal revisions in annual plans and promote acquisition into operations to avoid obstacles.

Labor Safety Training

In September 2018, the Health and Safety Council held Labor Safety Training to provide detailed explanations about the registration procedure for the construction career advancement system as well as about guidelines on the safe use of fall protection equipment. 192 people from 175 companies participated and asked many questions in this training program.



Labor Safety Training

Voice

Toshitada Watanabe

Deputy Chairperson of Health and Safety Council
President & CEO
IIO KOGYOSHO CO., LTD.



There are many different work styles on construction sites. Mental health is a major concern because the working environment places a large burden on staff, such as day and night shifts and commuting to new worksites. Due to the record breaking heat in 2018, we have also placed special emphasis on health management, such as measures against heat stroke. In addition, we are working to build a workplace tailored to employees because the work styles desired by those working on-site are different.

A reasonable labor environment helps mitigate occupational accidents and enhance productivity.

CSR Procurement Guidelines

Shinryo Corporation pursues CSR initiatives through cooperation and coordination with its business partners, especially partner companies, to expand CSR to not only our own business activities but also throughout our supply chain.

Even in terms of procurement, we have established Shinryo CSR Procurement Guidelines and have asked over 500 companies to cooperate in complying with the guideline while deepening understating about corporate social responsibility.

Shinryo CSR Procurement Guidelines

1. Fair and sound corporate activities
2. Quality, safety, and business continuity
3. Consideration of human rights, labor, and occupational health and safety
4. Consideration of the environment
5. Legal compliance
6. Management of information



Human Rights/Labor Practices

Shinryo Corporation positions work style reform as a top management challenge to works in a wide range of initiatives to provide employees with work-life balance and an enthusiasm to work. Furthermore, these efforts “create energetic and comfortable workplaces that staff can show their families how proud they are of their Company”, which is one aspect of our Code of Business Conduct.

Initiatives to Further Work Style Reform

Activities of the Refreshing Work Style Project

In June 2018, Japan approved and enacted the Work Style Reform Law. This new legislation will enforce an upper limit of overtime even in the construction industry, which had been excluded up until now, in April 2024.

Shinryo Corporation started the Refreshing Work Style Project (→P.27-28 for details about these activities) in April 2016 with the aim of correcting long working hours and encouraging more efficient work styles, which are major challenges faced by the entire construction industry. In the beginning, the atmosphere was filled with animosity as people voiced their feeling that work reforms would be impossible. However, in the second year, people were advocating these activities more and more and work style reforms spread widely throughout the Shinryo Corporation.

Expansion of the Refreshing Work Style Project

The Yokohama, Nagoya and Osaka Branches became involved in the activities of the Refreshing Work Style Project centered upon the headquarters in April 2018. The Tokyo Metropolitan Area Division, Urban Environment Division, and General Affairs Department of the headquarters which had conducted these activities up until now also expanded work style reforms from model teams selected in each division to the entire division. In the future, we will further accelerate these activities to Company-wide initiatives.



Work Style Reform Meeting at the Yokohama Branch

Activities to raise employee sense of reform

Initiatives to promote managerial understanding

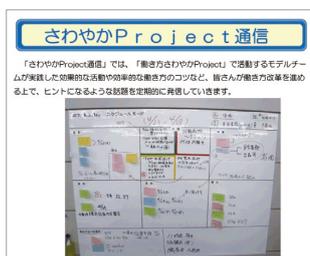
We know managerial understanding and a sense of reform are vital to the promotion of work style reform and foster this through efforts that include activity briefings for executives and management in positions of General Manager or above, lectures about work style reform by outside instructors, and practical training for labor management of subordinates.

Various employee enlightenment activities

We leverage multiple tools such as internal message boards and internal newsletters to change the way employees think about work styles and distribution examples of these efforts, such as the progress and activities of works style reform for reference.



Internal newsletter “SAWAYAKA”



Refreshing Project Information internal message board



Internal online magazine Refreshing Project Activity Introduction

Expansion of the No Overtime Days on Construction Sites

We have been implementing a no overtime day once a week at all offices and model construction sites in Japan since April 2016. Even though no overtime days were thought to be difficult at first, staff supported one another in their work and employed ingenuity in processes, such as daily changes, to ensure no overtime days every week at 121 model sites.

Voice

Yasunori Miyazaki
General Manager
of General Affairs
Department,
Administrative Division



In this fiscal year, we have revised policies able to allow employees to take five consecutive days off upon the completion of construction on worksites and increased days that encourage employees to take leave throughout the company for the purpose of creating an environment that makes taking leave easier. We are also gradually increasing our success by working to heighten operational efficiency, such as simplifying internal rules and digitizing paper ledgers. I hope we can revise the ways in which we have worked up until now and change the thinking in order to build a place where every employee can continue to work with confidence.

Introduction of Programs to Support Flexible Work Styles

Shinryo Corporation is introducing various policies to encourage employees to take leave thanks to policies and mutual support that build a flexible workplace so that employees can work while taking care of family as well as having and raising children.

Overview of Programs to Support Flexible Work Styles

Programs	Overview
Transfer System to Accompany Spouse	This policy allows employees to transfer when an employed spouse has been transferred if they want to keep working at a Shinryo Corporation office and a place at that office is available
Come-back System	This policy allows regular employees who have worked at the Shinryo Corporation for more than three years and resigned to (1) raise children, (2) care for family, or (3) transfer with a spouse to return to work within five years of their resignation as a general rule.
Half-day leave acquisition system for annual paid leave	This system allows employees to take annual paid leave in half day increments
Expanded administration of an accumulation system	This expansion allows employees to carry over the number of days left in annual leave under the current rules to the next fiscal year to use the paid leave they have left the previous year and the year before that for non-work related injuries and illnesses as well as to care for children and other family members.
Special allowances for annual paid leave	Employees who do not have 20 days of total annual paid leave carried over from the previous year and provided in the current fiscal year may take special leave (paid) according to their tenure at the company in the event of an absence for the reason of sickness after all of the annual paid leave is extinguished.
Leave acquisition promotion system	<ul style="list-style-type: none"> Project leave policy: Employees in construction roles may take consecutive leave at appropriate times such as at the completion of on-site construction (up to five business days that may be taken incrementally). Anniversary leave policy: All employees may take leave on days recommended by the company such as their birthday, birthdays of family members or school events (three working days per year).
Special leave program	Refresh leave policy: Employees may take designated consecutive leave as commemoration for 10, 20 and 30 years of work.

Promotion of Active Participation of Diverse Human Resources

Shinryo Corporation has established systems and policies to promote and support the active participation of diverse human resources. In addition, we are actively conducting activities to communicate the appeal of the construction as well as the science and technology industries through participation in events that promote the active participation of women.

Activities to promote active participation of diverse human resources

Purpose	Systems/Policies/Events
Promote the success of female employees (measures)	<ul style="list-style-type: none"> Release of information and action plans based on the Law to Promote Women in the Workplace on the Ministry of Health, Labour and Welfare Positive Ryouritsu website Publication of an Independent Conduct Plan for Female Employees Participation on the Keidanren Japan Business Federation website Implementation of the Management Seminar for Female Employee Education internal education program Implementation of the Career Design Seminar for Female Employees internal education program
Promote the success of female employees (events)	<ul style="list-style-type: none"> Operation of a summer school that supports the Gender Equality Bureau Cabinet Office Science and Engineering Challenge (→P.47) Participation in the Design the City Where I live construction industry experience for junior high and high school students held jointly by the Kensetsutsushin Shimbun Corporation and College of Science and Technology, Nihon University Implemented a class on occupations from the female perspective at Shinshu University
Promote active participation of senior employees with rich experience	<ul style="list-style-type: none"> Rehiring after retiring at 60: Up to age 70 Preparation of occupational requirements for temporary hiring as well as revision of salary and bonus system Holding of life plan seminars (50/58-years old)
Promote active participation of foreign nationals	<ul style="list-style-type: none"> Japan invitation program for overseas Group companies (→P.46) Practical technical training of engineers from the SHINRYO (PHILIPPINES) CO., INC. Implementation of a variety of education for overseas branches and overseas Group companies staff (compliance, safety and technical education)

Physical and Mental Health

We have implemented initiatives to support the physical and mental health of employees.

Initiatives to support physical and mental health

Item	Policies/Events/Education
Promotion of health management	<ul style="list-style-type: none"> Health Consultation Office through the headquarters clinic and industrial doctors (offered once a week) 24-hour health consultation service (telephone/email consultations) Support for dental check-ups (provides free check-ups at the headquarters and 1,200 dental clinics contracted by Shinryo Corporation throughout Japan) Full support for treatments to quit smoking (provides full support to employees who quit smoking for three or more months after starting treatment)
Mental Health	<ul style="list-style-type: none"> Implementation of stress-checks, creation of opportunities for employees who would like consultations and advice from doctors, and implementation of PDCA to improve the workplace environment Health Consultation Office through the headquarters clinic and industrial mental health professionals (offered once a month) Implementation of mental health education (34 newly appointed managers and 33 specialized education candidates took this program in FY2018)

Creating Vibrant Working Environment

Shinryo Corporation is actively striving to create an environment for employees to work vibrantly.

New Uniforms Shaped by Employee Opinion

Shinryo Corporation has updated its uniforms and helmets for the first time in 16 years. The new uniforms incorporate the three concepts of passion, sincerity and creativity valued by Shinryo Corporation. We determined the design through votes from junior employees in their 20s and 30s with the aim of creating uniforms shaped by employee opinion. We also fully incorporated ideas from feedback about wearability and functionality by having employees who work on-site actually try-on the uniforms.

This not only improved the confidence and comfort of people working on-site but also made considerations such as resistance to wrinkling and dirt in our aim for uniforms which would always have a clean appearance. Shinryo Corporation also produced these uniforms in sizes for women to pursue comfort for the women working on-site.

These new uniforms improved the work environment for employees and helped increase motivation of employees as well as management engineers of Shinryo Corporation to work with pride.



New uniform and helmet (modeled by a Shinryo Corporation employee)



Helmet designed with the corporate logo

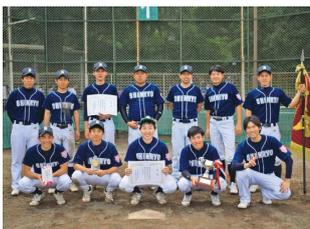


Safety Supervision Department considering designs of the new uniform

Support of Club Activities

Shinryo Corporation has defined internal club activity regulations to promote employees to refresh both mentally and physically through sports, culture and other activities. Clubs that satisfy the certification requirements and are approved are provided with grants for participation fees, transportation costs to competitions and other events as well as for the costs to purchase supplies. We have so far approved basketball, baseball, martial arts, tennis, running, and soccer clubs.

Each club engages in lively activities that include practices on days off and participation in various competitions. These activities are reported about on the internal message board and in internal newsletters. The club activities act as a place for communication beyond affiliation, position and age as well as play a role in vitalizing the company.



[Baseball Club] Won the Kankogyo Health Insurance Society rubber ball baseball tournament (second division)



[Martial Arts Club] Competed in the Kanto Corporations and Companies Kendo Tournament

Children Visiting Day

Shinryo Corporation has been holding Children Visiting Day as an event since 2011 that brings better understanding about the work of the company to families to foster an environment where employees can work enthusiastically while valuing time spent with their families. The eighth event was held in August 2018 at the Research and Development Center in Tsukuba City, Ibaraki with the participation of roughly 120 children and family members from throughout Japan.

Researchers took on the role of instructors to teach children about subjects that included the inner workings of air conditioning systems as well as the temperature, noise and vibrations related to air conditioning through the challenge of a variety of experiments. Families were able to get to know each other at the get-together after these experiments through events such as the barbecue business card exchange between children. The network between each employee also grew through the interactions of their children.



Make a Hot-air Balloon experiment to learn the difference in flight by temperature



Melt Ice experiment to learn the heat transfer and the speed ice melts



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.

Various Education Programs

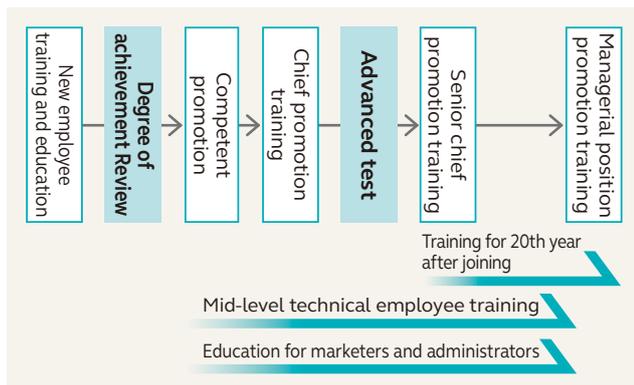
Employee education programs at Shinryo Corporation are planned according to the progress of the company and trends of the times by the education and training committee, and introduced and operated.

Development training system

Company-wide training (required training)

We have established group and in-house experience training as required training based on position and tenure to recognize the roles of employees and improve their knowledge and skill level.

Group training by level and year



Mid-level technical employee training

We are conducting mid-level technical employee training for mid-level employees in technical positions. We are promoting stronger on-site capabilities by teaching the expertise of On-site Project Managers and practical methods of on-site budget management.

Education for marketers and administrators

This education program teaches the latest information and technology possessed by Shinryo Corporation to marketers and administrators for the purpose of strengthening ability for marketing to make proposals to customers.

Company-wide training (elective training)

We implement training to take by selecting external seminars based on official responsibilities and positions for mid and higher level employees. This elective training offers a wide range of courses to improve basic individual skills such as presentation skills, training to strengthen negotiation skills, and leadership training.

Training by department

We are planning and holding practical training by department with educational curriculum linked to our company-wide training centered upon content unique to each department. For example, we offer education to prevent recurrence of trouble through education materials with case studies of issues for engineers.

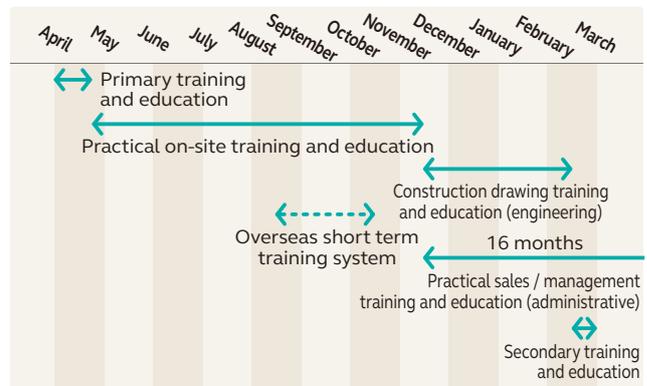
This stratified education and training allows us to teach through a knowledge system.

New Employee Training and Education

Extensive training curriculum

Over the one-year of new employee training and education, we have established the perfect curriculum for each technical and administrative system to create 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. Employees who enter the company in the same year are able to build bonds by living and learning together.

The system helps employees in many ways, such as alleviating concerns about the job and seeking advice from those with more experience at meetings held by each team at the dormitory. The cafeteria is also another place for communication.



Cafeteria of the Kofu Dormitory

Overseas Training System

Shinryo Corporation pioneered overseas business in the industry in 1972, opened branches and overseas Group 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.

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. Every year, employees selected publicly experience overseas



Discussions with overseas staff

operations over one to three years. The youthful abilities targeted by the overseas business are trained through practical means.

New employees overseas short term training system

This system is an initiative to deepen understanding about living and working overseas by providing an opportunity for new junior employees to travel to construction sites overseas and works on-site there for one week.



Idea exchange meeting in Myanmar



On-site training in Singapore

Voice

Tomoki Moriyama
Chief Engineer,
Engineering Department-1,
Nagoya Branch
PT. SHINRYO INDONESIA
Practical Overseas Dispatch



I want to be active globally so I decided to take on the challenge of the overseas practical dispatch system. At first, I was surprised by the difference in language and culture, but the staff at PT. SHINRYO INDONESIA welcomed me warmly and I got used to things pretty quickly. I had been leading projects and participating in decisions in my work on sites. I was hoping to share the skills and knowledge that I had learned in Japan overseas while learning the construction methods unique overseas without sacrificing one goal for the other.

New Employee Training for Mid-career Hires

Shinryo Corporation provides training to mid-career employees who join the company as a human resource with experience working at another company or institution. This training aims to share the founding spirit and basic philosophies of Shinryo Corporation, including the company philosophy, as well as ensure understanding of the company's policies and regulations. In addition, we provide compliance, health and safety management, information security and disaster prevention management training.

Certification Acquisition Incentive System

Shinryo Corporation provides support such as subsidies for the cost of acquiring certifications to employees in order to improve technical abilities and skills. We broadly support not only certifications required by the business but also from a perspective of ability development.

Group-wide Training

Group-wide New Employee Training

Shinryo Group has companies in a wide range of industries from human resource deployment and system development to hotels in addition to the construction industry. We conduct group new employee training and education with Group companies in Japan in April every year. 130 people participated from nine companies in the 2018 training program. In the group work, trainees freely exchanged ideas about the concepts for the best approach to promote the Shinryo Group to society as well as the way to best use the technology of the Shinryo Group. Many of the participants remarked how this was a great opportunity to see the diversity of the Shinryo Group.



Group-wide New Employee Training

Japan Invitation Program for Overseas Group Companies

We are holding training in Japan every year for managers at overseas companies of the Shinryo Group. 19 managers participated from nine countries over the four days of training in July 2018.

In addition to learning about topics that include the business and management policies of the Shinryo Group as well as cutting-edge technology, participants engaged in discussion about the knowledge and decision making required by management in the management training conducted with Japanese managers who have experience working abroad.

The training also provided an on-site tour of a district heating and cooling system. Participants asked many questions about the differences from things overseas, such as construction methods and on-site managerial techniques.



On-site tour



Community Involvement and Development

Shinryo Corporation actively conducts activities to demonstrate the importance of community and culture as a company that contributes to the development of sustainable society. We also believe that steadily accumulating small, close-at-hand activities is important in engaging with local communities.

Educational Support in This Generation to Succeed in Next

Acceptance of Overseas University Students

Shinryo Corporation accepted 30 students majoring in building services from the City University of Hong Kong in May 2018 and provided information about the district heating and cooling systems it has constructed. This program was realized thanks to interest in the same facility that was being built on the site by SHINRYO (HONG KONG) LTD., which is a Shinryo Group company. All of the students asked many questions about the framework of the cogeneration systems, technology to reduce the environmental load, and much more.



Tour of the District Heating and Cooling systems

Part-time Instructor Activities at Universities

Employees of Shinryo Corporation are jumping on the chance to teach as part-time instructors at universities and graduate schools in courses that include courses related to building services as well as machine and engineering systems.

Course track-record

Name of University	Classes taught
Tokyo University of Science	Advanced Ventilation Systems
Meijo University	Building Service Engineering 2
Shinshu University	Occupations from the Female Perspective
Osaka City University	Construction Equipment I
Tsukuba University of Technology	Specialized Courses in System Engineering Eco Environmental Systems

Support for Female Students Interested in science and technology

We held a tour for female students who have interest in the science and technology field at the Research and Development Center in July 2018 with the participation of a total of 12 female students. This activity was held four times this year as a project sponsored by the Science and Engineering Challenge (Rikochare) initiative advocated by the Cabinet office to encourage female science and technology students to choose an academic path.

We explained CFD technologies that estimate the air flow and temperature distribution in environments and that automatically fly drones to measure air flow in addition to broadly introducing the technology of air conditioning systems while incorporating practical learning that included hands-on operation of monitoring robots that move through and inspect the inside of ducts.

After the tour, female employees who are in charge of design and construction management talked about the charm of working in the sciences and offered advice about the different academic pathways. The participants shared their impressions stating their fascination in environmentally-friendly technology and the more choices they had found for their future by learning about work in the sciences.



Hands-on operation of monitoring robots



Tea time with female employees

Disaster Assistance

Overseas Disaster Assistance

The Shinryo Group engages in support activities following crises such as disasters to help afflicted countries as a company expanding on the global stage.

Assistance Given for Earthquake Relief in Mexico (MEXICO Liaison Office)

We provided a one million yen contribution to the Cámara Japonesa de Comercio e Industria de México, A.C. in October 2017.

Assistance Given for Earthquake Relief in Eastern Taiwan (TAIWAN SHINRYO CO., LTD.)

We provided a contribution of 50,000 Taiwan dollars to Hualien County in March 2018.

Assistance Given as Relief After Torrential Rains in Western Japan

We donated 40 spot coolers to use in evacuation shelters after Kurashiki City, which was badly afflicted by the torrential rains in July 2018, reached out for help. In August, following a request for further assistance during an informational exchange with Kurashiki City, we also installed ten packaged air conditioners and two generators in the Mabi Sougokoen Gymnasium, which was used a storage space for relief supplies. Cooling systems were tentatively installed to assist sorting and distribution work of supplies during the hot season before removal and restoration work was conducted so that the facility could be used as a gymnasium from the end of October.

Plus Volunteer Activity to Engage with Local Communities

Shinryo Corporation is promoting the Plus Volunteer Activity as part of its CSR activities. The Plus Volunteer Activity aims to spread contribution activities to communities by adding (plus) clean-up and other volunteer activities to events such as gatherings with employees, families and partner companies held at each department.

Osaka Marathon Clean UP Campaign (Osaka Branch)

In November 2017, 14 of our employees participated in the Osaka Marathon Clean UP Campaign to clean the roads and sidewalks around the branch office before the Osaka Marathon. Runners and spectators participating in the marathon from around the world arrived in a clean city on the day of the event.



Osaka Marathon Clean-up Campaign

Outdoor Party and Clean-up Volunteers (Tohoku Branch)

We conducted clean-up activities around the Tohoku Branch along the Jozenji-dori and Sendai City Hall in October 2017. This clean-up effort is held every year together with the outdoor party. This year 12 employees and their families participated. This was one fun event which heightened teamwork at the Tohoku Branch.



Clean-up activity before the outdoor party

Nagoya Station Mission Uchimizu 2018 (Nagoya Branch)

We participated in the Nagoya Station Mission Uchimizu 2018 held by the Nagoya Station District Environmental Improvement Council in July 2018. The initiative aims to improve environmental awareness while working to cool down the area. We also participate in cleaning activities held by this council every month that aim to enhance the beautiful scenery of the city.



Nagoya Station Mission Uchimizu

Clean-up Efforts After Club Activities (Shinryo Run Club)

The Shinryo Run Club conducted clean-up efforts in October 2018 fueled by their appreciation of the running courses always used for practice. All of the members not only raised environmental awareness through these clean-up activities but fostered club unity. In addition, the club also actively takes part in volunteer clean-up activities of competition sites when competing in marathons.



Clean-up of the running course

Voice

Shigeo Someya

Manager,
Engineering Department-5,
Yokohama Branch



Yokohama Marine Park Beach Combing (Yokohama Branch)

125 volunteers from Branches and partner companies and their families combed the beach at the family gather held annually by the Yokohama Branch Health and Safety Council. The beach combing is an activity to help clean up the ocean and preserve biodiversity by collecting and examining driftage that washes up on the coast. Volunteers enjoyed finding beautiful shells and rocks while taking part in the clean-up activity.



Yokohama Marine Park
Clean-up activity and beach
combing

Support for culture and the arts

■ We support the following organizations:

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/Japan Performing Arts Foundation/Hiroshima Symphony Orchestra/Asami Maki Ballet/Yomiuri Nippon Symphony Orchestra

CSR Activities of Group Companies

Shinryo Group is actively expanding CSR activities at each Group company in Japan and overseas. We are aiding in the growth of society in many forms from initiatives to solve social issues through our businesses to contributing to communities through volunteer and charity efforts.

Reduce Environmental Load Shinryo Technical Service

Proposed energy-saving systems in renovations

We are actively furthering measurements and energy-saving proposals that use an energy consumption measurement system for buildings that do not have energy management systems such as BEMS. The system measures and analyzes data for device heat flow, electricity and temperature to provide optimal proposals such as replacing highly efficient equipment.

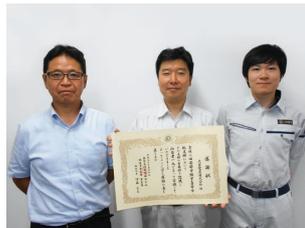


Energy consumption measurement system

Social Infrastructure Initiatives Daiei Denki

Providing Safe and Secure Technology to Railway Facilities

We have been involved in the construction of electrical systems for railways, which is vital infrastructure, for many years. Daiei Denki strives to provide high quality and technology always aware of the safety and security as well as greater comfort and convenience required by passengers and operators.



Letter of Appreciation from a Customer

Improve Quality and Safety Shiroguchi

Ensured on-site safety and quality through heatstroke countermeasures

We distributed emergency kits and Air conditioned clothing measures against heat stroke for employees who are working on site. These measure not only prevent heat stroke but also drive the effectiveness of enhancements to work efficiency.



Air conditioned clothing

Shinryo Kogyo Initiatives to Improve Quality and Technical Capabilities

Each department held construction review meetings to report examples of compatible and incompatible efforts on site. We are sharing these experiences and horizontally expanding technical information by continually holding these meetings every year. Six departments convened review meetings this year.



Construction review meeting

Risk Management SYSPRO

Implementation of continual information security education

We provide ongoing information security education to all of its employees as customers expect advanced security measures. The training always aims to share the most up-to-date expertise, such as basic countermeasure procedures and a practical introduction about the cyber attacks that are evolving each year.



Implementation of information security education

Global Staff Study sessions for the employment of staff from foreign countries

The trend for actively hiring staff from foreign countries is growing due to the current decline in the working population. We hold study sessions for employees taught by administrative scriveners to always raise awareness about the laws and knowledge related to the qualification of stay for foreign staff as a human resource service business.



Study session conducted by an administrative scrivener

Connections with local communities Akita Castle Hotel

Contributions toward local revitalization

We are supporting the Akita Genki Club formed to generate the success of Akita City. This year is the fourth year of the Sensyu Fireworks. The festival launches fireworks from Sensyu Park in the heart of Akita City as the largest event visited each year by the people of Akita.

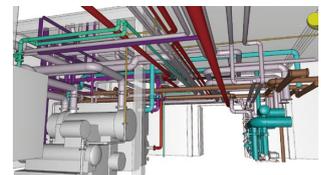


Sensyu Fireworks seen from the front of the hotel

Improve Productivity LE PRO

Enhancement of the efficiency of on-site operations by using 3D models

We are training staff with a wealth of experience in construction as CAD operators to create 3D models. By creating 3D models, the staff more easily executes tasks such as the visualization of systems and simulations of environments, which contributes to the efficiency of system renovations and renewal plans.



3D models generated from laser scanner measurements

At Overseas

SHINRYO HONG KONG

Volunteer Food Distribution

14 of our employees participated in volunteer food distribution efforts conducted by the Pei Ho Counterpart Charity in April 2018 and helped provide boxed lunches to local people in need.



Volunteer Food Distribution

STS Hong Kong

Volunteering through Business

We participated as volunteers to work on electrical systems at the race venue for the Team Challenge 36 held by The Boys' and Girls' Clubs Association of Hong Kong in December 2017 where teams compete in various events. This is the seventh time STS Hong Kong has participated in this activity through its business.



Participation in Team Challenge 36

TAIWAN SHINRYO

Implementation of Green Building Briefings

We held briefings about green buildings (environmentally friendly buildings) and evaluation methods in June 2018 for engineer employees. These employees learn about topics such as the causes of guerrilla rainstorms and efforts to mitigate them to renew awareness as a company involved with environments.



Green Building Briefings

SHINRYO PHILIPPINES

Junior Employee Training

We regularly hold technical education for the purpose of enhancing the skills of junior engineers. In recent years, participants have learned fundamental knowledge such as selection methods of pumps according to the structure and application with the cooperation of pump manufacturers.



Briefings from pump manufacture

SHINRYO MALAYSIA

Support of Internships

We are accepting internships from universities and vocational training schools in Malaysia every year. In addition to providing hands-on on-site experience and teaching practical knowledge, we hope this is a chance to enjoy working with many people, understand the importance of communication as well as a broader learning opportunity.



Accepted on-site internships

SHINRYO INDONESIA

Initiatives to Raise On-site Safety Awareness

We regularly hold information exchange meetings that bring together the people in charge of safety at all sites to heighten awareness about safety. Partner companies also participated in the Safety Forum which summarizes annual safety activities. This forum engages in activities that include lectures to enhance a sense of safety and commemorations of companies with excellent safety.



Convening of the Safety Forums

SHINRYO VIETNAM

Implementation of Leadership Training

We hold leadership training every week for management and on-site project managers. This training aims to cultivate the knowledge necessary for the leaders who will be entrusted with the company using a wide range of fields from not only technical technology but also construction insurance and consumption tax systems as the educational materials.



Implementation of Leadership Training

Voice

Toshiro Tsurugai

President
SHINRYO SINGAPORE
PTE, LTD.



SHINRYO SINGAPORE

Cooperation in Company Visits for Field Trips

We work with the activities to teach the active advancement of corporations into Asia when Japanese high school students on field trips overseas visit Japanese companies. We accepted 16 high school students this year from Yasuda Gakuen Junior & Senior High School in Tokyo.

After providing an overview of the company, the students ask lively questions about air conditioning systems that included the conditions for air conditioners to provide comfort. This visit generated interest in working abroad while furthering understand about the our industry.



Corporate overview briefing



High school students from Yasuda Gakuen Junior & Senior High School visit Shinryo Singapore



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