

SHINRYO Report 2020

Corporate Profile and Sustainability Report

English Version



“Create a Freshening World”

- Brand Promise -

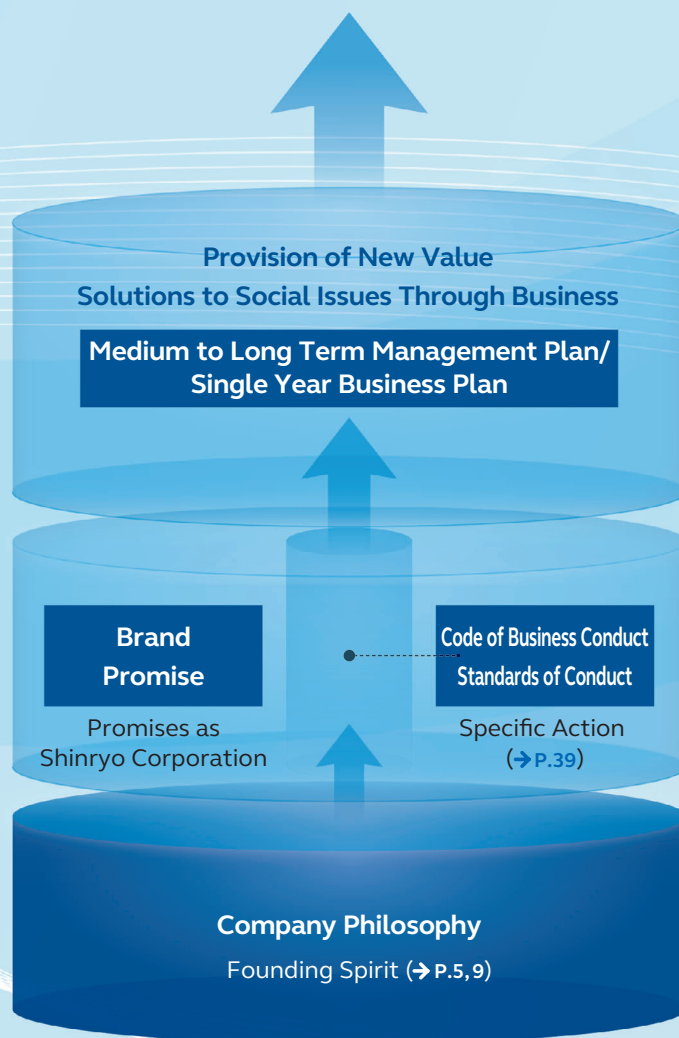
We would like to provide a comfortable air quality appropriate for where we work, spend our time, and in the surrounding natural environment. We would like to create a rich and pleasant environment.

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.

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 help all of our stakeholders to deepen their understanding of Corporate Social Responsibility (CSR) activities at Shinryo Corporation.

Target period

This report focus on FY2019 (October 1, 2018 to September 30, 2019), including some periods before and after.

Scope of report

Sustainability Promotion activities of Shinryo Corporation and the Shinryo Group.

Reference guidelines and standards

ISO26000

Publication date

Current Japanese report: January 2020

Next Japanese report: January 2021 (scheduled)

Division responsible for publication

Sustainability Promotion Department, Corporate Strategy and Planning Division
SHINRYO CORPORATION

Informational Dissemination System

Main Publications such as Pamphlets	Website
All activities such as financial and non-financial information	
SHINRYO Report 2020 (Japanese/English)	
Employment information	Comprehensive corporate activities SHINRYO Corporation homepage (Japanese/English) 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/
	Sustainability Promotion Activities Sustainability Promotion Website https://www.shinryo.com/csr/

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Takeshi Kagami
Shinryo Corporation
President, Representative Director

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Message from the President

To Sincerely Engage with Society as an Environmental Engineering Company.
This is our message to everyone.

From the Past to Today

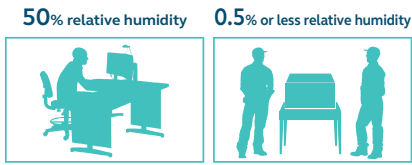


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Feature
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A dry room has a moisture concentration approximately 1/100 of an office

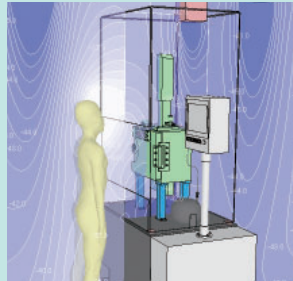
Technologies to Create Dry Rooms

Initiatives in Emphasized Sectors

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Feature



Feature
2



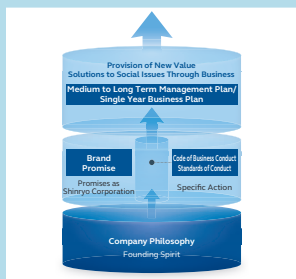
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Business Activity Highlights

Refreshing Work Style Project

Toward the development of a sustainable society



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Sustainability Promotion Management

In fiscal 2019, we transformed CSR promotion into sustainability promotion with the aim to deepen our initiatives even more, such as furthering the debate about solidifying priority subjects.

Sustainability Promotion Activities



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Sustainability Promotion Activity Topics

Shinryo Corporation advances CSR and sustainability promotion activities according to the ISO 26000, which is the standard for social responsibility. These topics introduce the fiscal 2019 activities for each of the seven core subjects.

Group Companies



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Activities of Group Companies

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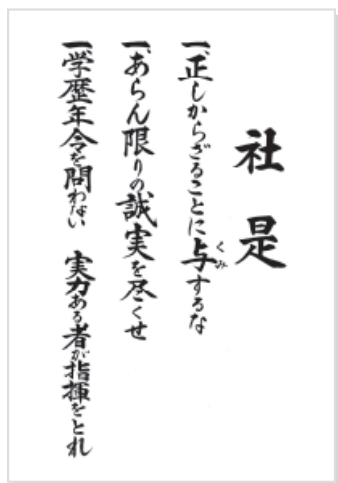


Responding to Changes in Society via Technology to Become a Company with Sustainable Growth

Takeshi Kagami
President, Representative Director

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.

Sustainability Initiatives

Shinryo Corporation furthers its endeavors in sustainability promotion activities based on the philosophy of the ISO 26000 Guidelines and Sustainable Development Goals (SDGs) in addition to its participation in the United Nations Global Compact since 2014. The Shinryo Report 2020 includes the results of these endeavors.

Every company has relationships with a wide-range of stakeholders as a member of society. Shinryo Corporation is no different. The work we do every day connects to society from our technology and quality to safety measures. We fully recognize this responsibility and know that we must take on challenges and engage in good work with the awareness of society, otherwise we will be unable to grow in the future.

The philosophy of Corporate Social Responsibility (CSR) and the SDGs to better society is vital as a foundation to the company philosophy of Shinryo Corporation, and this ideal rings through with powerful harmony. This year, we aim to respond to the needs of society through the integration of SDGs and management. As a means to this end, we have changed the name of the CSR Promotion Division to the Sustainability Promotion Division and merged it with the Corporate Strategy and Planning Division.

Start of the 14th Three Year Management Plan

Shinryo Corporation formulates management plans every three years. This year, we drafted the 14th Three Year Management Plan (65th term to 67th term: October 2019 to September 2022).

First, upon reflection of the 13th Three Year Management Plan, Shinryo Corporation has built a foothold over three years as a foundation to excel into the future. In particular, we have had great success in our ability to launch projects that promote the use of Building Information Modeling (BIM), which heightens the cost competitiveness of business. This management plan has also acted as an effort to create a foundation for the Refreshing Work Style Project expanding across Japan today seeking to innovate work styles more in the future. In overseas businesses, the Indian company Suvidha joined the Shinryo Group. Suvidha will surely play a major role in laying the groundwork for the future. Our new business initiatives have also brought together more than 600 business ideas as a result of internal solicitation. I believe this demonstrates the “venturing spirit” of Shinryo Corporation.

We will now begin the 14th Three Year Management Plan drafted based on this success. The management plan advocates the passion to respond to the changes in society via technology to become a company with sustainable growth. We have prepared four strategies to shape this vision.

Our first strategy aims to reform core businesses in Japan within a high-earnings structure. We will focus all of our strengths into creating cost competitiveness toward realizing this high-earnings structure. This has been emphasized in the priority issues of the 14th Three Year Management Plan. The second strategy expects to cultivate overseas businesses to strengthen our business base and lay the groundwork for our future. The third strategy incorporates the philosophy of the SDGs into management with the goal of becoming a company which delivers value to society. Therein, Shinryo Corporation will strive to revolutionize its conventional businesses and penetrate new business domains. The fourth strategy will achieve ideal work styles for Shinryo Corporation and put in place an environment in which diverse human resources can participate enthusiastically and enhance our corporate strength. This outlines the essential points to each of our strategies.

In the last two to three years, the market has been active and resulted in an extremely busy period. In the future, our objective is not to work more feverishly than this busy season but rather become more efficient in our work. My hope is to be a company where everyone can feel more confident to work. It is also important for us to become a company that actively promotes sustainability.

Evermore a Venturing Spirit

Although 2019 seemed to be a prosperous year on the surface, there are still major concerns about the reforms to consumption tax and the Labor Standards Act as well as turmoil in the global economy. These concerns about the year are specific to the shrinking construction market in Japan.

We never neglect these types of dramatic changes in society, but rather will remain levelheaded and focused on the work at hand. Shinryo keeps a broad view, especially during these busy seasons, to always respond to the customer needs, which, in turn, earns trust.

People have a tendency to become careless in a thriving economy. However, it is difficult to become diligent again after becoming careless. Now is the time to stand ready. Shinryo Corporation can forge a path to the future by fostering growth as an organization able to stand up to the harsh environments sure to be experienced in the future.

Passion is essential to forge this path to the future. Shinryo Corporation has always been a venture company from its founding 64 years ago to today. Shinryo Corporation is an organization with more than 2,000 people. However, you will only see a minimal number of employees assigned to each job when visiting construction sites. This in and of itself is a venture company. Shinryo Corporation supervises multiple sites throughout Japan. The employees who work on each of these sites include project managers on site. These project managers on site negotiate with various people, such as customers, partner companies, and neighbors around each site while unifying everyone involved in the project to advance construction safely. Project managers on site engage in the same work as the President. The designation as on-site managers makes reference to these people as “managers” because they provide management as representatives of the President.

Five people launched the Shinryo Corporation and were in charge of a single construction site at the time. Today, the Group manages a number of construction sites with 2,000 people. However, even as the organization has grown to such a scale, the work of the Shinryo Corporation is still the work of a venture company on each and every construction site. This is how the venturing spirit lives on in Shinryo Corporation with endless perseverance as its lifeline. It is this venturing spirit that forges our path to the future.

With a strong spirit of challenge, we will continue to work to reflect the feedback we receive from all of our stakeholders in our business activities in order to become a company specifically chosen by customers. I ask for your ongoing support and guidance in the future as well.

Message from General Managers



Front row from left in picture: Yasunori Abe, Takeshi Kagami, and Tetsuro Kochiya; Back row from left in picture: Takeshi Egi and Takeo Yamaguchi

United Nations Global Compact and Sustainable Development Goals (SDGs)

Shinryo Corporation refers to the concepts of the United Nations Global Compact and Sustainable Development Goals (SDGs) in its sustainability promotion activities and advances sustainability promotion management that has 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.

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**

Sustainable Development Goals (SDGs)

Yasunori Abe

Representative Director and Executive Vice President
General Manager, International Management Division & in charge of
Corporate Planning & Group Management

Shinryo Corporation has a business-to-business stance, but we must recognize the needs of modern times for a business-to-business-to-customer approach. The true challenges to resolve are faced by customers. Work to heighten awareness in the supply chain and reduce greenhouse gas emissions is fundamentally the same as resolving the challenges faced by customers. Innovation is necessary to solve these challenges. Innovation has the ability to breakthrough conventionality and open avenues to a new generation or it can lose sight of who innovation is by excessively exploring existing technology. We aim for the former breakthrough innovation with the hope of becoming a company able to provide things society truly wants.

Sustainable Development Goals (SDGs) are not only a new standard but also a business opportunity. The only question is whether Shinryo Corporation can grab the chance to join this worldwide movement. The key is customer recognition. I hope this awareness will open the foundation of breakthrough innovation to illustrate new value for society.

Tetsuro Kochiya

Representative Director and Executive Vice President
General Manager, Technical Supervision Division & in charge of Compliance

The vision advocated in the Shinryo Corporation 14th Three Year Management Plan is to respond to the changes in society via technology to become a company with sustainable growth. Today, decarbonization is one pursuit of the global society. This effort is of course a challenge addressed by Shinryo Corporation through its technology as well as a major issue which should be taken forward by the entire industry. Although we have not yet connected the decarbonization efforts to businesses in the construction industry, I am sure the market will open up to this field in the near future.

In our present pursuit of quality, the trend of a new generation emphasizes quality of work and quality of life. The direction for a pursuit of quality which simultaneously recognizes diverse values will reform work styles on construction sites and build a company environment where people can work confidently over the long term.

In addition, we will propose technology that generates new value in spaces through air-conditioning and other systems to all of our stakeholders as Shinryo Corporation and as the systems industry. We will continue to make every effort to bring understanding about the Shinryo Group.

Takeshi Egi

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

In February 2019, Shinryo Corporation changed the name of the organization for activities and promotion from CSR Promotion to Sustainability Promotion. This change is not only to fulfill our Corporate Social responsibility (CSR) but also aims to show our sincere hope to foster both the sustainable growth of society and the growth of business by providing value in-line with the needs of the market. In the future, we will undertake further deliberations to determine the SDGs and priority subjects (materiality) which are the core of sustainability promotion. Shinryo Corporation will put in place a system to promote activities according to ideals, expertise and actions of all corporate officers and employees after determining the priority subjects. I also want to integrate SDGs and management to create a profitable activity platform.

The greatest success in our steady efforts toward work style reform is the progress in cultivating a corporate culture. Through these reforms, we first spread awareness about changing our work styles. Next, we must further operational efficiency by taking advantage of ICT tools and other technology. All of these activities aim to achieve the ideal work style for Shinryo Corporation. We will continue to innovate in the future toward achieving these goals.

Takeo Yamaguchi

Director and Managing Executive Officer
General Manager, Marketing Supervision Division

An era of VUCA* has rushed into corporate environments to spark social change unimaginable ten years ago and shatter previous conventions of business and management. Companies must drastically change direction in the future to at least keep up with changes in the external environment.

Shinryo Corporation will aim to become a company founded in trust by adapting to changing customer needs through its business activities. The provision of more energy efficient district heating and cooling systems, Combined Heat & Power (CHP) plants, large-scale data centers, and other such systems is vital in helping reduce greenhouse gas emissions.

Incorporating the gap between the current status and ideal of the SDGs contributes to business value. Even in terms of sales or technology, I believe this is a chance to grow as a company. Our founders aimed to revitalize Earth through the power of technology. We have inherited this drive and strive to realize an even more venturing corporate climate.

*VUCA: Volatility, Uncertainty, Complexity and Ambiguity

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 the 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

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
- Received an order to install a district heating and cooling system in Shinjuku Fukutoshin District

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

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.)



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



Shin-Otemachi Building
Air conditioning system



Shinjuku Fukutoshin District
District Heating and Cooling System

Established

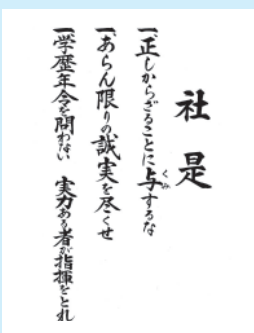
1956

1960-

1970-

1980-

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



1969

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



1970

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



1970

Established the industry's first research center (Osaki, Shinagawaku, Tokyo)

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



Tokyo Dome
Air conditioning System



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

1990-

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



THE LANDMARK TOWER YOKOHAMA
Air conditioning System

2000-

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 SUIDHA ENGINEERS INDIA PVT. LTD.)



Sharp Corporation Kameyama Factory
Air conditioning System



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



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



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

2010-



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



2006
Moved the Kofu Dormitory to Yokohama



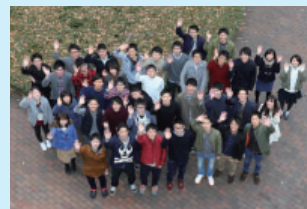
2015
Start of Japan Invitation Program for Overseas Group Companies



1992
Passing of Founder Chairperson Masaru Kagami



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



2016
Start of Shinryo Group-wide New Employee Training

Corporate Profile

Corporate Information

Company Name	SHINRYO CORPORATION
Headquarters Address	2-4, Yotsuya, Shinjuku-ku, Tokyo
Date of Establishment	February 23, 1956
Number of Employees (As of September 2019)	2,217 people (non-consolidated) 5,271 people (including Group companies)
Capital	3.5 billion yen

Construction Business License (Japan) (As of January 2020)

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)	45
Professional Engineer Japan (Mechanical Engineering)	3
First-Class Plumbing Work Operation and Management Engineer	1,167
First-Class Electric Works Execution Manager	129
1st class Qualified Certified Electrician	38
3rd Class Electric Works Specialist	29
Class A Fire Defense Equipment Officer	339
Class B Fire Defense Equipment Officer	18
1st-class Kenchikushi (Architect)	40
First-Class Civil Engineering Works Execution Managing Engineer	8
First-Class Building Operation and Management Engineer	20
Qualified Person for Energy Management	118
Building Facilities Diagnostic Technician	104
Building Mechanical and Electrical Engineer	255
The First Level Instrumentation Engineer	385
Professional Engineer (CxPE: Commissioning Professional Engineer)	3

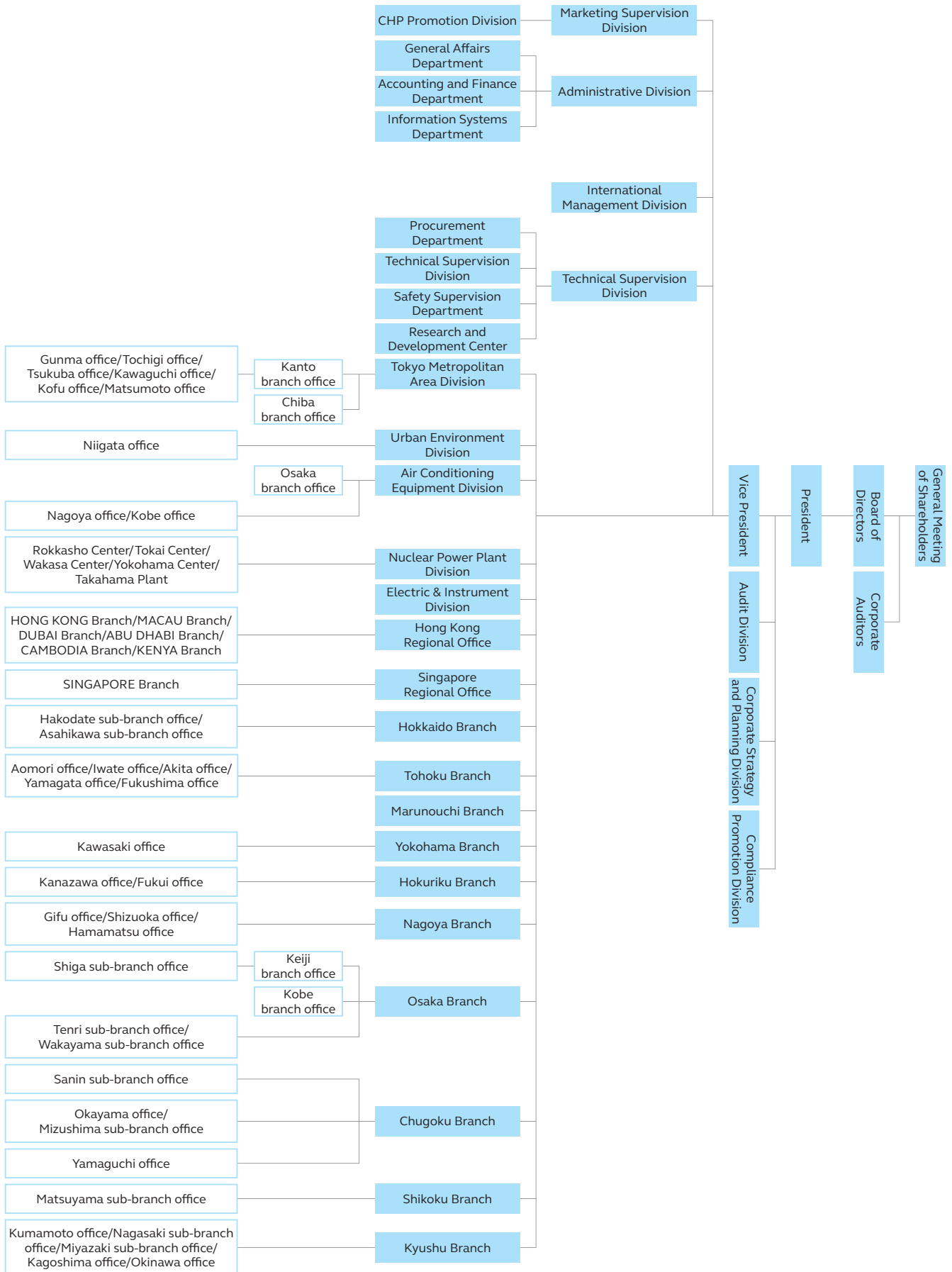
List of Executives

President, Representative Director	Takeshi Kagami	
Representative Director	Yasunori Abe Tetsuro Kochiya	
Directors	Takeshi Egi Takeo Yamaguchi Sayaka Kagami Hisato Kozawa	Non-Executive Director Outside Director
Senior Corporate Auditor	Haruaki Kotani	
Corporate Auditor	Toshihito Furuya	

President and Chief Executive Officer	Takeshi Kagami*	
Executive Vice President	Yasunori Abe*	General Manager, International Management Division & in charge of Corporate Planning & Group Management
	Tetsuro Kochiya*	General Manager, Technical Supervision Division & in charge of Compliance
Managing Executive Officer	Takeshi Egi*	General Manager, Administrative Division & in charge of Work Style Reform & Sustainability Promotion
	Takeo Yamaguchi*	General Manager, Marketing Supervision Division
	Yoshiyuki Komatsu	General Manager, Osaka Branch
	Akihiko Suzuki	General Manager, Urban Environment Division & in charge of Marunouchi Branch and Hokkaido Branch
	Takao Watanabe	General Manager, Tokyo Metropolitan Area Division
Executive Officer	Gen Takenouchi	General Manager, Audit Division
	Hideki Hagiwara	General Manager, Nagoya Branch
	Toru Tamura	General Manager, Singapore Regional Office
	Kazuto Inabe	General Manager, Tohoku Branch
	Koichi Kaji	General Manager, Nuclear Power Plant Division
	Katsuhiko Yakita	General Manager, Electric & Instrument Division
	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
	Naoki Uchiyama	In charge of Sales Promotion, Marketing Supervision Division

*Executive Officers also acting as Directors

Organizational Chart



Overview of the Shinryo Group

Number of Companies

19

SHINRYO CORPORATION
8 Japanese Group Companies
10 Overseas Local Companies

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.

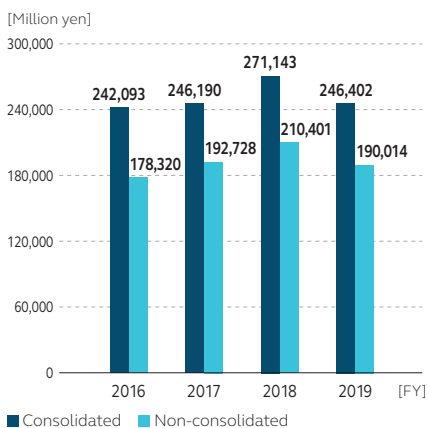
Overseas, the Group also delivers a “Freshening World” by setting up bases primarily in Asia and the Middle East.

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

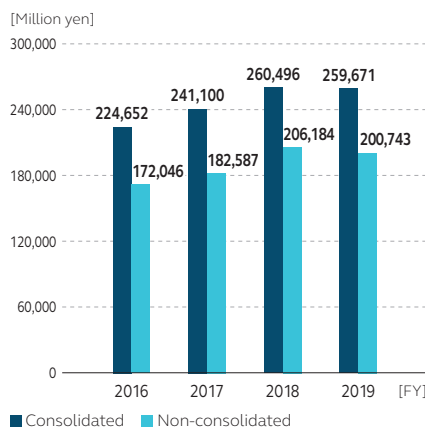


Business Performance Trends

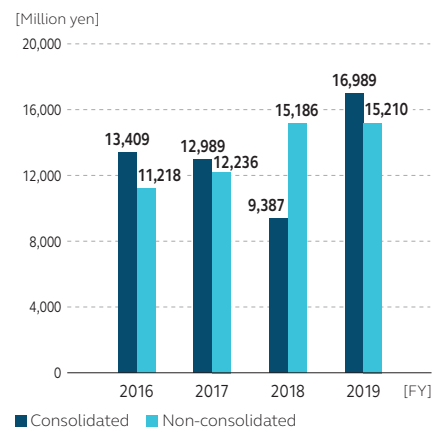
Orders received



Net sales



Operating income



Business Network

89 bases

66 Japanese bases
23 overseas bases

Net sales

259.6 billion yen

200.7 billion yen (non-consolidated)

Number of Employees

5,271 people

2,217 people (non-consolidated)



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 Kougyo LTD.

Development of three-dimensional CAD/FM systems

SYSPRO 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.

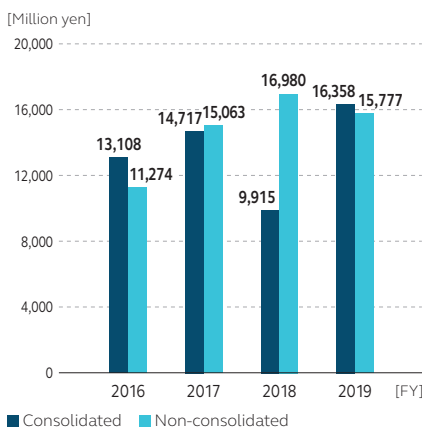
SHINRYO SINGAPORE PTE, LTD.

PT.SHINRYO INDONESIA

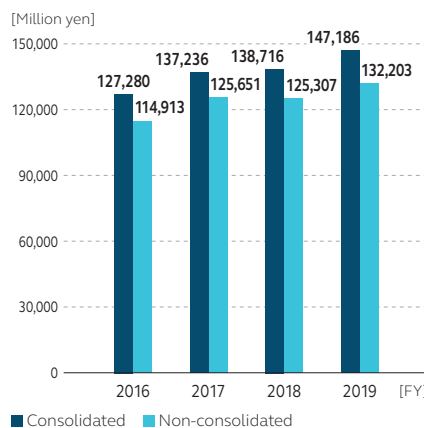
SHINRYO VIETNAM CORPORATION

SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD.

Ordinary profit



Net assets



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 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, drainage and 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 systems

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

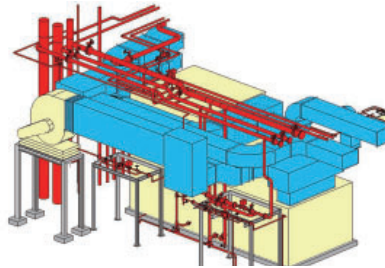
► Design and construction of building

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

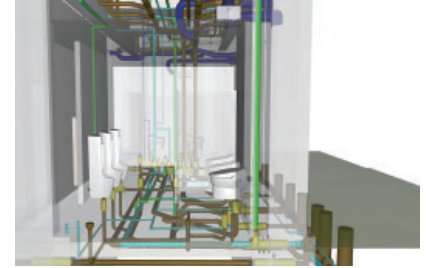
► Sales of air conditioning equipment

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

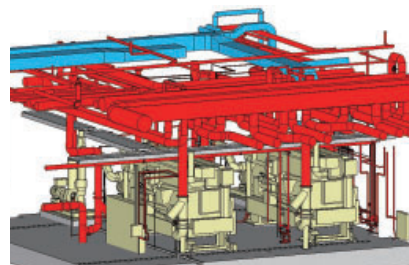
HVAC systems



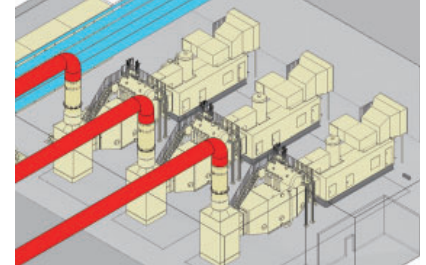
Plumbing and sanitation



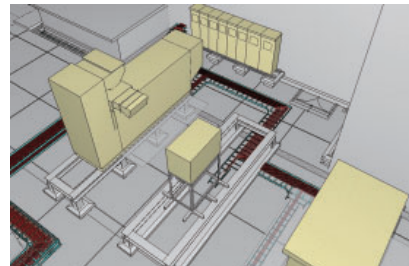
District heating and cooling systems



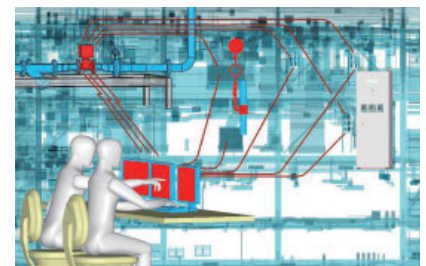
Cogeneration systems



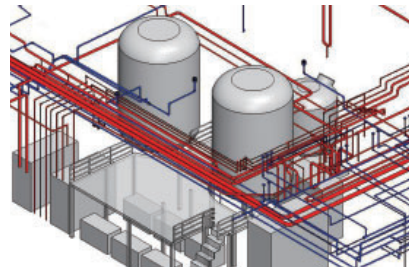
Electric systems



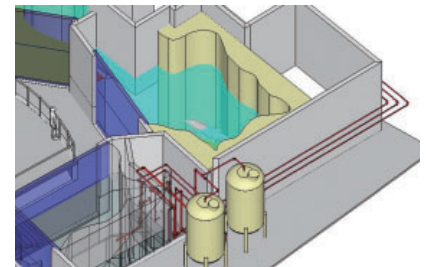
Comprehensive information systems



Plant facilities



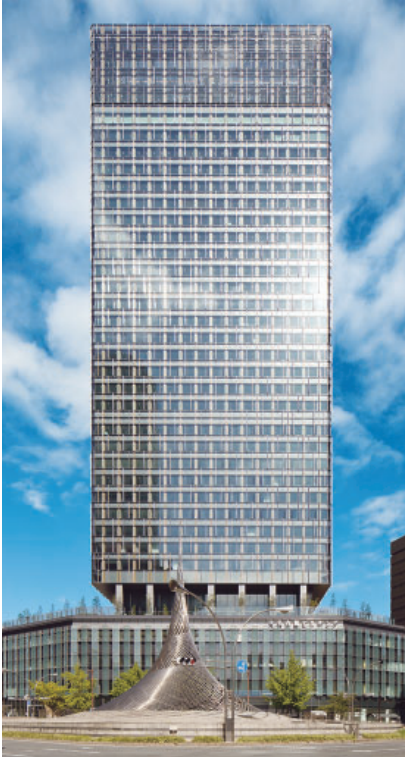
Aquarium facilities



Construction Track Record



Offices, hotels, and district heating and cooling systems



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



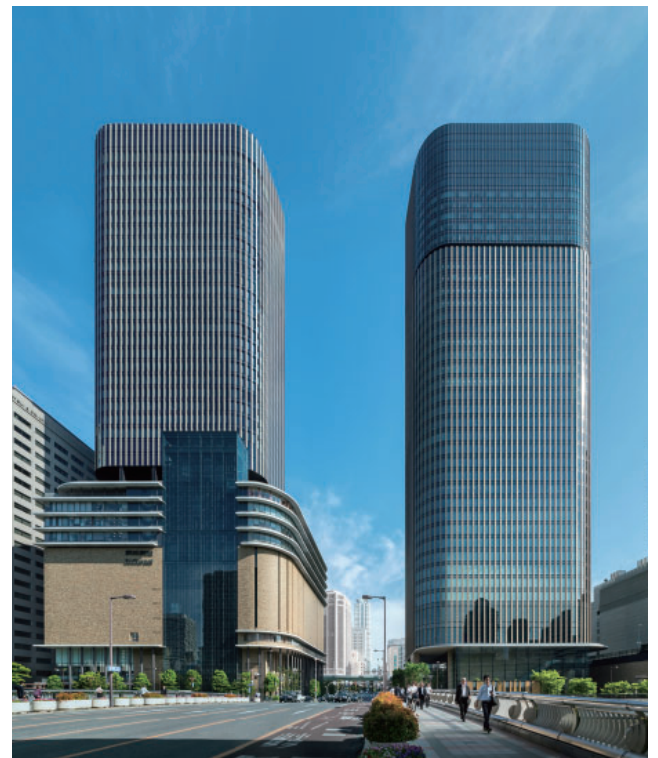
Toranomon Hills
(Minato-ku, Tokyo) **Air Conditioning System**



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



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



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



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

District Heating and Cooling System



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

District Heating and Cooling System



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

District Heating and Cooling System

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

sc-brain is a comprehensive 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)
- Osaka Station area district heating and cooling systems (Osaka City, Osaka)
- Japan Post Shin-Osaka Post Office (Osaka City, Osaka)
- Fukuoka City Chiyo area district heating and cooling systems (Fukuoka City, Fukuoka)

Construction track record in districts heating supply operations throughout Japan

Construction/delivery record/national share

- 71 district heating and cooling systems (Share: 52%)
- 48 districts with sc-brain (Share: 35%)

Hokkaido Area

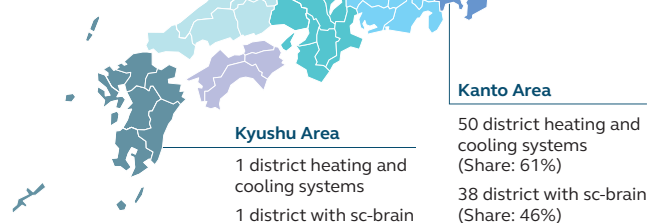
3 district heating and cooling systems
1 district with sc-brain

Chubu/Hokushinetsu Area

10 district heating and cooling systems (Share: 77%)
5 district with sc-brain (Share: 38%)

Kansai Area

7 district heating and cooling systems
3 district with sc-brain





Plants, hospitals, data centers, building complexes, and aquariums



NTT DATA Mitaka Bldg. EAST
(Mitaka City, Tokyo)

Air Conditioning and Sanitation Systems



Iidabashi Garden
(Shinjuku-ku, Tokyo)

Air conditioning, Sanitation and Electric systems



Sharp Corporation Kameyama Factory
(Kameyama City, Mie Prefecture)

Air Conditioning System



SUNTORY WORLD RESEARCH CENTER
(Soraku-gun, Kyoto Prefecture)

Sanitation System



JOETSU AQUARIUM
(Joetsu City, Niigata Prefecture)

Rearing System



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

Air Conditioning System



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

Air Conditioning System



Nagasaki Prefecture office administrative building
(Nagasaki City, Nagasaki Prefecture)

Air Conditioning System



Commercial Complexes, Public Facilities, Transportation, Energy Plants and Bio Plants



Marina Bay Sands Integrated Resort
(Singapore)

Air Conditioning and Mechanical Ventilation Systems



Mediacorp Campus
(Singapore)

Air Conditioning and Mechanical Ventilation Systems



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

Plant Facilities



National Centre for Infectious Diseases (Singapore)

Air Conditioning and Mechanical Ventilation Systems



THAI KYOWA BIOTECHNOLOGIES CO., LTD. (Thailand)

Plant Facilities/Civil Engineering and Construction
(Air Conditioning, Sanitation, Firefighting, Electric, and Instrumentation Systems)



Hong Kong MTRC Airport Express Hong Kong Station (Hong Kong)

Air Conditioning, Sanitation, Firefighting and Electric Systems



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

District Cooling System

Initiatives at the 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

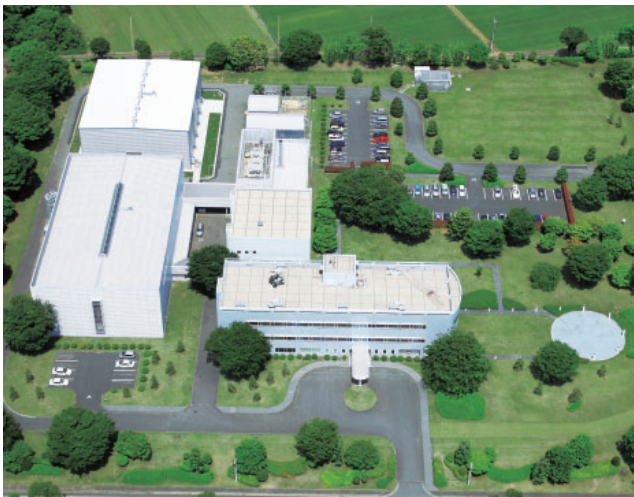
The Research and Development Center has facilities such as a large space to conduct large-scale experiments, sufficient utilities, and high-performance HPC servers able to run highly accurate simulations. Engineers can verify the performance of systems by running large-scale simulations before starting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

In addition, the Research and Development Center 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

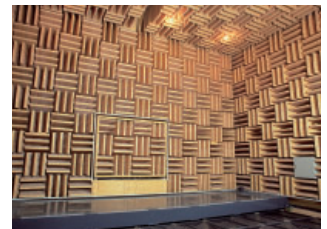
Business classification	Register number	Date of registration
Concentration (in the atmosphere, water, and soil)	Ibaraki Prefecture No. 68	June 2, 2008
Sound pressure level	Ibaraki Prefecture No. 28	February 20, 2009
Oscillating acceleration level	Ibaraki Prefecture No. 20	February 20, 2009



Full View of the Research and Development Center



Large-scale Experiment Space



Anechoic Room



Environment Simulation Room

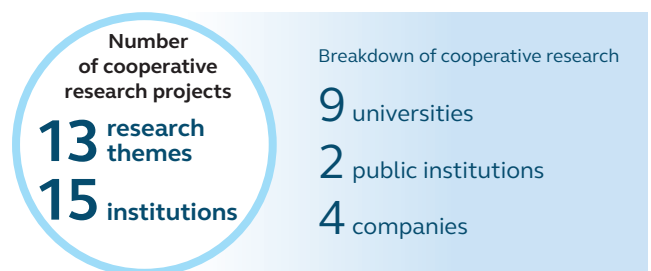


Chemical Experiment Laboratory

Open innovation

Cooperative research

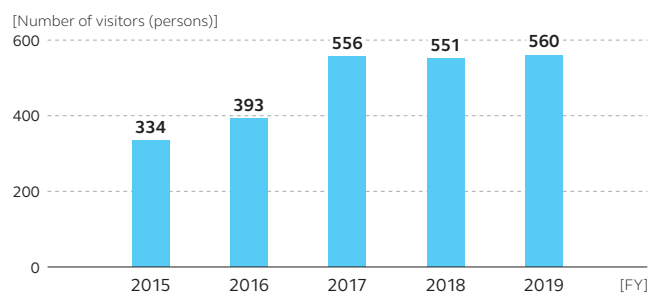
Shinryo Corporation cooperates in research with many different universities, public research institutes and companies to bring about the highest level of research success. By leveraging mutual technology and know-how, we are building a system to broadly expand debate and ideas.



Number of visitors

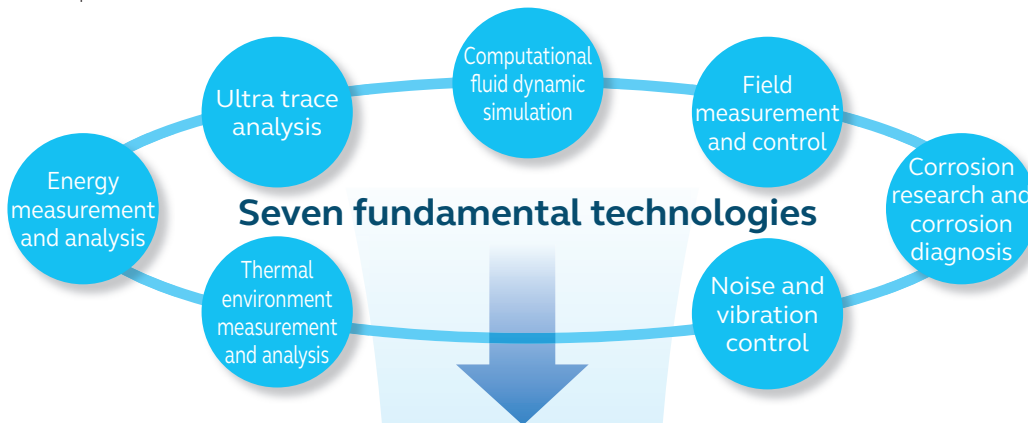
People from all walks of life, from customers to students came to see the Research and Development Center in anticipation of its opening. Researchers use this as a technical showroom to offer visitors an actual look and experience into research and development by explaining their research and development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

Shift in the number of visitors



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.



Four Research Regions

Environmental Control

We are advancing research into air conditioning systems that build optimal environments for people, industrial products and living things.

Production Technology

Research into accurate measurement technology, corrosion diagnosis technology for construction equipment as well as measurement and control technology for noise and vibrations in equipment on construction sites.

Energy Management

Research in technology related to energy such as energy savings, energy creation and energy storage is advancing.

Digital Engineering

Research is underway for technology to run equipment optimally based on Building Information Modeling (BIM) and operational data, indoor environmental predictions through Computational Fluid Dynamics (CFD).

Examples of Creating New Technology and Value*

• MayuFactory® Smart Sericulture System

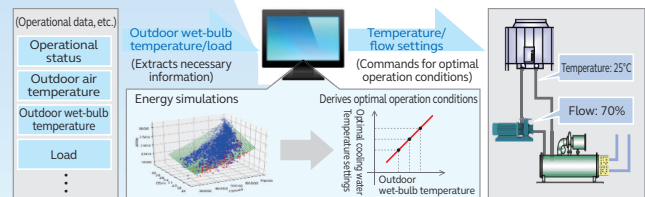
MayuFactory® can efficiently and stably rear a large number of high quality silkworms thanks to the development of a rearing system that facilitates an environment suitable to the growth of silkworms for more rapid growth in addition to genetically modified organisms.



MayuFactory®

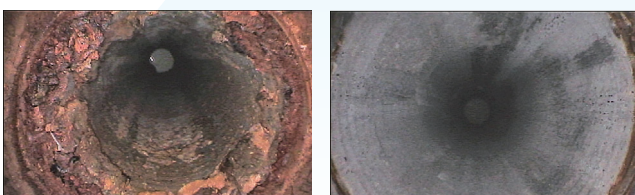
• Optimal Heat Source Control Systems

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.

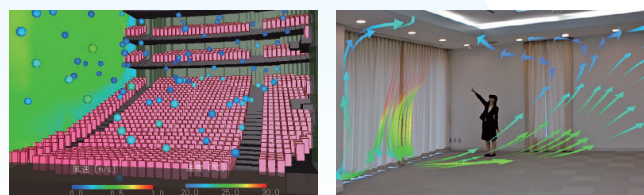


Without introduction of the corrosion prevention system

With introduction of the corrosion prevention system

• CFD Solution

We can validate air conditioning systems to provide comfortable environments and energy savings by predicting indoor and outdoor environments through the use of CFD. In addition, visualization technology that uses Mixed Reality (MR) can present easy-to-understand, three-dimensional images overlaid on actual indoor spaces.



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

Technologies to Create Dry Rooms

Shinryo Corporation works to develop the technology that supports industrial products, pharmaceuticals, foodstuff and other manufacturing plants.

Feature 1 introduces energy-saving control systems for dry rooms.

Dry Room Overview

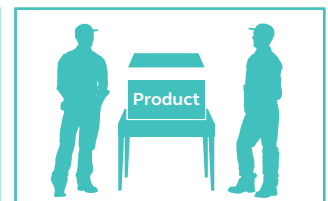
Dry rooms provide a low humidity (low dew-point temperature) environment that removes a large amount of moisture in the air. The relative humidity in an office is approximately 50% (moisture concentration of 14,000 ppm) while that of a dry room is low at 0.5% or less (moisture concentration of 130 ppm). Moisture concentration in a dry room is only 1/100 of an office.

The moisture in the air is essential to human beings but is a hazardous substance that degrades the quality of lithium-ion batteries and organic EL displays. Therefore, dry rooms eliminating this moisture in the air are required on manufacturing process of these products.

50% relative humidity (Moisture concentration of 14,000 ppm) **0.5% or less relative humidity** (Moisture concentration of 130 ppm)



Standard office



Dry room

A dry room has a moisture concentration approximately 1/100 of an office

Overcoming Two Technical Challenges

Dehumidifiers remove the moisture in air to create a dry room, but dehumidification requires a large amount of energy. Many cases use excessive dehumidification to maintain a low-humidity environment and energy-saving of dry rooms have been a major challenge.

To overcome this challenge, a control method that provides suitable rather than excess dehumidification and technology to stably sustain a dry room environment were

required. As a result of a wide range of experiments, Shinryo Corporation developed the Arificus energy-saving control system for dehumidifiers and indoor moisture content distribution prediction (simulation) technology.

VOICE

Hideto Mikami

Deputy General Manager
Technical Supervision
Division
Research and
Development Center

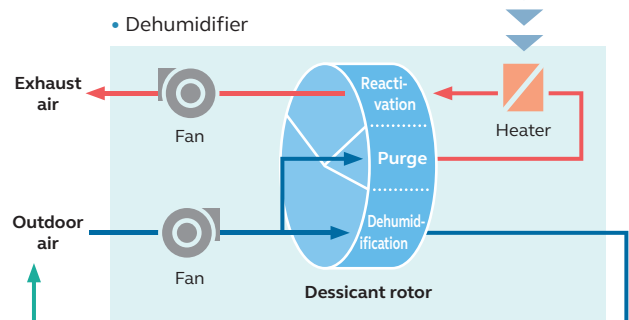


Initial development struggled to realize energy savings. I spent every day fighting with data in the laboratory until I suddenly remembered different research that I was working on ten years ago. The research at the time shined a light on the data and succeeded in creating an archetype for Arificus.

After that, we implemented the control logic and built the practical hardware, which were able to deliver the system to customers as a product. Arificus has encountered no issues as of today and adoption has grown to 12 units. I am proud the equipment that we have developed is supporting conservation of the global environment.

Challenge 1

Large thermal energy for reactivation of the dehumidification rotor



Challenge 2

Product defects and equipment errors due to moisture produced by operators



Creating Stable Dry Rooms Using Minimal Energy

Control Method for Suitable Dehumidification and —the Arificus Energy-saving Control System

• Overcoming the Challenge of Difficult Dehumidification Control

The weather and season largely influence the amount of moisture in outdoor air, as well as the amount of moisture produced indoors is not constant. However, dry rooms must sustain a constant low-humidity environment by adapting to the moisture content change caused by these disturbances in dehumidification.

Therefore, conventional dry rooms have had no choice but to use excessive dehumidification to keep humidity low, which drives up running costs.

In general, dew point control is also used for energy savings, but the accuracy of dew-point meter is extremely poor. In fact, the measured value by dew-point meter differs largely from the actual value and dew-point controlling is unable to realize stable energy savings.

• Realizing Up to 40% Energy Savings using a New Control System

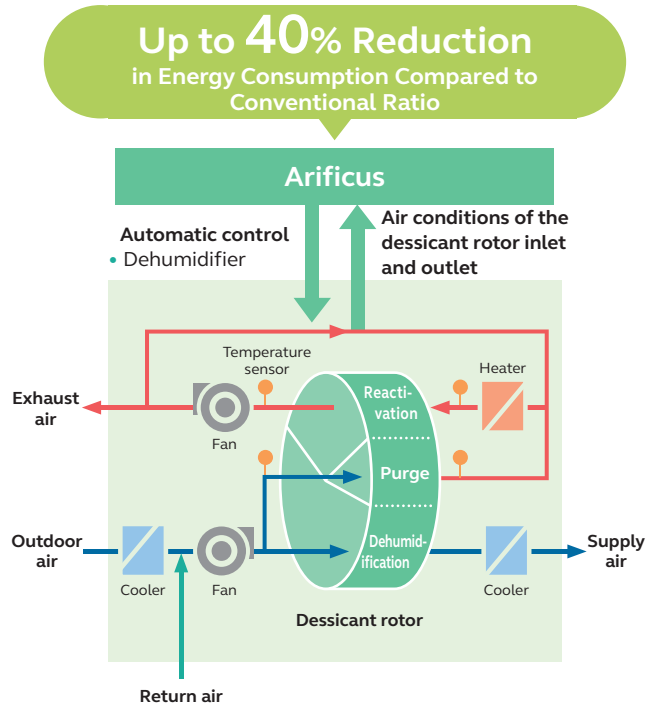
To overcome this challenge, a control method to provide the appropriate rather than excess dehumidification was required. As a result of a wide range of experiments, we developed a new control method by focusing on properties that change the air temperature according to dehumidifying amount after reactivation section in dessicant rotors.

The Arificus energy-saving control system that we developed estimates the dew-point temperature of the supply air from the air temperature and airflow passing through the dehumidification rotor to automatically control the reactivation energy temperature to match the dew-point

temperature setting.

This method can reduce the energy consumption of the dehumidifiers up to 40%.

Arificus Control Image



Low dew-point temperature environment prediction using CFD technology to stably maintain dry room environments

• Latent Difficulty

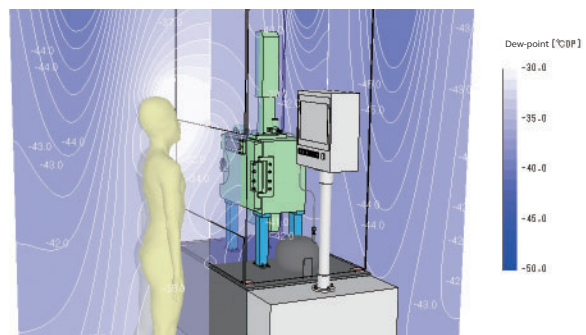
We have to carefully consider a design to prevent moisture concentration on dry room products because moisture emitted by the human body and moisture entering the dry room when the door opens and closes damages lithium-ion batteries and other such products. However, up until now, behavior of trace moisture in dry rooms was difficult to predict.

• Visualizing Behavior of Moisture with Simulation Technology

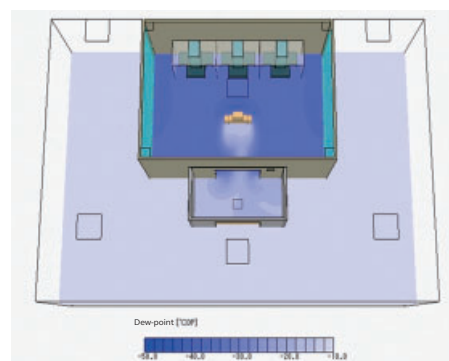
Shinryo Corporation endeavored to predict and visualize the behavior of trace moisture to design a more appropriate dry room and overcome this challenge.

Using Computational Fluid Dynamics (CFD), we researched methods to predict the moisture distribution and behavior in dry rooms. Conventional CFD technology could not predict the behavior of trace moisture in the air with high accuracy. Therefore, we built a full-size dry room laboratory and compared results from CFD analysis with the full-size dry room to obtain the expertise necessary to accurately predict low-humidity environments.

These tests simulated the behavior of moisture indoors and achieved the right air conditioning design to prevent dry room products from moisture contamination, which also succeeded in helping realize energy savings.



Predicting the Behavior of Moisture Around Operators (Dew-point Temperature Distribution)



Prediction of Inconsistent Dew-point Temperature Distribution due to Movement of the Human Body

Business Activity Highlights

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



Building interior

Air conditioning and mechanical ventilation systems



Building exterior

Building overview

Official name: Jewel Changi Airport

Opened: 17 April 2019

Total floor area (main facility): 135,700 m²

Building application: Lifestyle destination (retail stores, dining outlets, movie theatre, hotel, airport facilities, gardens, attractions)

Participation in an International Airport Project Jewel Changi Airport [Singapore]

The Jewel Changi Airport neighbors the international airport hub Singapore Changi Airport. The airport complex acts as a new Singapore landmark that has a distinct dome exterior built from glass and steel with ten floors—five above ground and five below—which house over 280 retail shops and restaurants as well as a movie theatre and hotel. The Jewel Changi Airport also has the world's largest artificial waterfall and lush gardens to provide a majestic facility with the sublime feel of nature indoors. The Shinryo Corporation was in charge of the air-conditioning and mechanical ventilation systems throughout this complex.

The entire facility is covered in glass on all sides and lets in as much natural light as needed to cultivate indoor greenery. Solar power generation panels also produce renewable energy to use.

However, natural light requires various measures to handle the tremendous heat load. The air-conditioning system uses replacement cooling to blow cool air from the floor and efficiently cool the surroundings of airport visitors. The configuration uses compact air conditioners installed in the

floor to generate a powerful airflow through floor blow off in areas where the effective temperature rises due to solar radiation through the glass. This innovation allows airport visitors to more fully feel the flow of air.

In addition, the system decreases the duct route by installing air conditioners in a shorter span to reduce the transfer load as well as puts in place measures such as the adoption of floor cooling (chilled slabs) that lay cold water pipes in roughly 4,625 m² of flooring as a way to address direct sunlight in the top fifth-floor passageway area and the central area of the first floor where sunlight is strong.

A heat recovery unit has been introduced to efficiently mitigate the rise in humidity from the large amount of cascading water from the 40-meter high artificial waterfall through using exchange energy of cooling for dehumidification. The adoption of these highly efficient energy-saving technologies earned this airport complex GoldPlus in the Singapore Building and Construction Authority Green Mark Scheme certification initiative.



©2019 ASICS Sports Complex



©2019 ASICS Sports Complex

Training facility



Building exterior

Air conditioning and sanitation systems

Building overview

Official name: D-Tower Toyosu
 Completed: September 2019
 Total floor area: 27,605 m²
 Building application: 330-room Hotel, training facility, convenience store, restaurant, parking space, etc.

Building complex with a low-oxygen training facility

D-Tower Toyosu [Tokyo]

D-Tower Toyosu is a building constructed with 17 floors above ground across from the new Toyosu Market as a complex housing a hotel, low-oxygen training facility and commercial space as well as other amenities. Shinryo Corporation was in charge of building the air-conditioning and sanitation systems. The most distinct characteristic of this building complex is the ASICS Sports Complex TOKYO BAY, which is the world’s largest urban low-oxygen training facility*. Athletes can train in a low-oxygen environment equivalent to an altitude of 2,000 to 4,000 meters using a large space including a swimming pool, running tracks and training room. Shinryo Corporation was in charge of the construction for the low-oxygen air-conditioning system that creates this low-oxygen environment. Specialized and advanced technologies were required even for the air conditioning system to achieve this type of large-scale low-oxygen environment in an urban setting.

The low-oxygen air conditioning system adds 100% nitrogen gas to ordinary air to control the designated oxygen density (12% to 17%). We developed and implemented the system that supplies the enclosed indoor space. In our research to develop this system, we built a miniature model

of the system to produce the low-oxygen environment at the Research and Development Center of Shinryo Corporation (Tsukuba City, Ibaraki). We were able to devise an air conditioning control method to realize a low-oxygen environment by verifying all of the potential technical and safety challenges, such as the method to control the oxygen density and the impact of airtightness on the building. We were able to confirm and reflect the airflow, layout and number of air outlets to provide consistent oxygen density by estimating distributions from the oxygen density and temperature/humidity to the airflow indoors using Computational Fluid Dynamics (CFD) technologies.

In addition to confirming performance through trial operations to obtain the time to recovery to the designated low-oxygen environment when lost by simulation, we also examined the impact chlorine gas has on the durability of oximeters over a year by reproducing the chlorine environment of a swimming pool through experimentation to ensure the stability of the oximeters essential to sustaining a low-oxygen environment.

*According to research by the ASICS Corporation as of August 2019 on urban low-oxygen environment training facilities



Building exterior

Air conditioning system

Building overview
 Official name: TAKASAKI CITY THEATRE
 Opened: September 2019
 Total floor area: 27,203 m²
 Building application: Theater and hall

Contribution to culture and the arts

Takasaki City Theatre [Gunma]

The Takasaki City Theatre opened at the East Exit of JR Takasaki Station as a revolutionary theater creating and sharing the new Takasaki city culture even while passing down the history and philosophy from its origins as the Gunma Music Center.

This theater unifies appreciation and creation with the GRAND THEATRE that is able to host a wide range of performances from major productions for a variety of music and stage plays, STUDIO THEATRE for hosting variety of theatrical and dance performances and Japanese lyrical Noh drama, CONCERT HALL, REHEARSAL HALL, and LESSON ROOM. Shinryo Corporation handled the construction of the air conditioning system for the entire facility, which helped not only provide the best air conditioning appropriate for each space but also the ideal acoustic environment.

We also adopted occupied zone air-conditioning that positions air outlets under seats in GRAND THEATRE that has a large open ceiling space. The construction spearheaded innovations to create the most comfortable environment around seating by simulating the airflow and temperature distribution through the use of Computational Fluid Dynamic (CFD) technologies. Shinryo Corporation created a mock up of the actual seats and full-size tiered seating in the Acoustic Experiment Laboratory of its Research and Development Center in pursuit of the utmost comfort through thermal environment, acoustic, and airflow



GRAND THEATRE

tests. Even in the acoustic environment, we achieved a high-level of silence surpassing the recommend levels for halls and theaters by meticulously calculating the soundproofing, vibration isolation and noise reduction with testing and confirmation throughout each stage of construction. Additionally, Shinryo Corporation executed construction with consideration to a longer lifespan of equipment by employing light, corrosion resistant resin piping for the cold and hot water piping while improving the durability of piping and heat source equipment.



Full View of Terminal 2



Gas engine CGS



Building exterior

Air conditioning system

Building overview

Official name: Tokyo International Airport Terminal 2
 North Domestic Wing
 Completed: October 2019
 Total floor area: Approx. 17,000 m²
 Building application: Airport complex and office



Building exterior

Air conditioning and sanitation systems

Building overview

Official name: P&G Shiga Plant
 Completed: May 2019
 Total floor area: 21,221 m²
 Building application: Cosmetics plant

Strengthening International Airport Facilities Tokyo International Airport Terminal 2 North Domestic Wing [Tokyo]

The Tokyo International Airport (Haneda Airport) accommodates the largest number of domestic airlines and passengers in Japan annually as the airport closest to the heart of Tokyo and is the fifth largest in the world. The North domestic wing (additional north wing) of Tokyo International Airport Terminal 2 was built as part of the effort to strengthen the airport functions of the metropolis ahead of the 2020 Tokyo Olympic and Paralympic Games. This six-story building complex combines facilities that include a boarding area for connected passenger bus services, facilities for airline passengers, and administration functions.

The terminals at Haneda Airport have adopted high-efficiency energy systems to supply cold water and steam to each facility from the district heating and cooling system installed inside the airport. This facility extends the piping a total length of roughly 350 meters from the heat source machine room of the district heating and cooling system to receive cold and hot water. However, the heat source machine room did not have blueprints reflecting past work such as previous equipment renovations. This meant Shinryo Corporation had to measure and create data of the heat source machine room using a 3D laser scanner to produce faithful 3D-CAD diagrams of the actual facility. We were able to dynamically understand the interior such as the position and size of equipment and piping to smoothly layout the connections to the facility. Even while most construction generally fabricates, welds and assembles piping on-site, this project took advantage of prefabricated piping manufacture in advance at a plant to heighten efficiency of on-site operations and reduce the construction period.

Environmentally-friendly Facility P&G Shiga Plant [Shiga]

The Procter & Gamble (P&G) Shiga Plant is the only factory from over 100 plants worldwide that manufactures SK-II skin-care products, which are the mainstay products for the company. This plant also provides a high level of environmental performance which has earned the LEED certification for the environmentally-friendly building. The new plant expanded the production volume of the existing plant built in 2013 to increase production, packaging, storage and shipping capabilities. Shinryo Corporation was in charge of building the air-conditioning and sanitation systems as a continuation of the existing facility.

The new plant fully and effectively utilizes energy. Shinryo Corporation implemented a Cogeneration System (CGS) that uses high-efficiency gas engines for the purpose of energy savings and cost reduction to facilitate energy use throughout the entire plant, including the existing facility. Steam generated through the operation of the CGS supports the back-up functions when the boiler room is not available by connecting the steam piping of the boiler room in the existing plant. Additionally, we installed two 500RT turbo chillers to share use of heat sources that generate cold water for air conditioning and production. The cold water for production is used as cooling water of production equipment which maintains a constant temperature through storage in a 180-ton thermal storage tank. Furthermore, the 80°C hot water emitted from the production line is collected together with the hot waste water from the existing plant and used as a heat source for pure water manufacturing equipment employed on manufacturing lines. This water is also processed through recycling equipment to reduce water consumption, such as reuse of air conditioning make up water and cooling water for pure water manufacturing equipment.

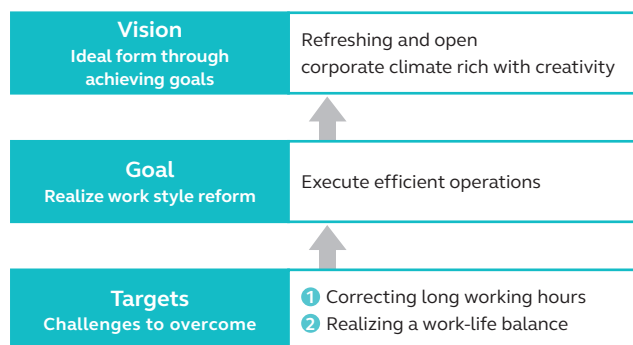
Refreshing Work Style Project

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 as a facility construction company. In response to the Act on the Arrangement of Related Acts to Promote Work Style Reform enacted in April 2019, Shinryo Corporation will accelerate the realization of our own ideal work style without waiting for 2024 when the upper limit for overtime in the construction industry takes effect.

Expanding Group-wide Efforts in Third Year Activities

The Refreshing Work Style Project to reform work styles at the Shinryo Corporation began activities to review work styles in 2016 for the purpose of driving the efficiency of business execution. Model teams at construction sites as well as in technical, design, sales and administrative sections have built upon innovation to drive operational efficiency and improve productivity. As we approach our third year in 2019, Shinryo Corporation has expanded this initiative from the initial seven teams to more than 100 teams in order to broadly spread the activities to all corporate divisions and branches throughout Japan. These model teams will continue to steadily promote work style reform with the goal of improving long working hours and enhancing the attractiveness of work.

Vision, goal and targets of the Refreshing Work Style Project Vision



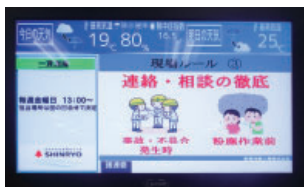
Publishing Guidelines Compiling Activity Success

We have compiled the various reforms of the Refreshing Work Style Project model teams that have brought greater efficiency to work styles over the last three years into Refreshing Work Style Project Guidelines published on the internal message board. Use of guidelines as reference to further work style reforms when engaging in new activities aims to provide an activity foundation throughout the entire organization. Shinryo Corporation strives to renew the thinking of employees by sharing the status of the latest activities by model teams and promotional messages about the project in a timely manner through the Refreshing Project Information.

Posting on the Internal Message Board Refreshing Work Style Project Guidelines



Share information with large monitors and reduce time spent on morning meetings



Increase operational efficiency by eliminating entry errors with dual displays



Enhance knowledge, confidence, and motivation through study sessions for junior employees by junior employees



Support greater awareness and understanding of rules on construction sites through visual information with video



Reduce time spent in transit with video conferences



Steady Work Style Reforms Even on Construction Sites

Streamlining On-site Operations Using ICT

Shinryo Corporation started remote confirmation on multiple sites using wearable cameras and smartphones to reduce round trips from sites to the office and transportation time to reach upper floors. Veteran engineers confirm construction site images taken using wearable cameras and other devices from the office or another remote location to conduct operations that include directing operational procedures and confirming the on-site progress. These professionals can also fully communicate specific instructions because the position and instructions for operations can be written on the live camera images which can be seen both on-site and at the remote location.

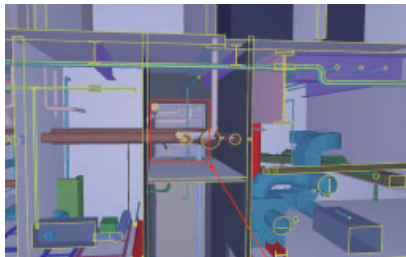
This allows us to not only reduce the amount of time spent in transport but also provide clear and proper instructions, which heightens operational efficiency.



Using Wearable Cameras for Remote On-Site Confirmation

Work Style Reform Through Cooperation Between Construction and Equipment Companies

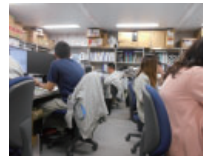
Shinryo Corporation cooperates with other construction and equipment companies to reform work styles on construction sites supervised by the Nagoya Branch. We hold meetings on work style reforms together with each company to identify the factors and challenges inhibiting efficient on-site operations. According to feedback at these meetings that includes too much time and effort to make decisions on matters as well as a large quantity of unscheduled tasks preventing workload reductions, each company sets and visualizes the priority for work to foster smoother coordination and reduce the wait time for orders. In addition, this has been able to make handing over work on construction sites easier through use of 3D modeling from the design stage as well as fixing adjustments of devices and equipment in order to quickly isolate the space used by each company.



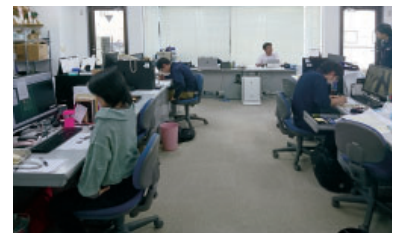
Isolating Spaces Using 3D Models

Improve the On-site Office

On-site construction offices are often temporary offices setup for use only during the construction period. The office spaces have traditionally been small and crowded with more and more people during the height of construction as a common space shared by multiple companies working on the same site. The Tokyo Metropolitan Area Division has addressed this problem by providing a work-friendly environment for people to work, which naturally helps drive operational efficiency. We surveyed the ideal space for each person through an internal division questionnaire and introduced improvements that included creating test spaces at several offices to spread out drawings and conduct meetings as well as orienting desks to facilitate smooth communication. This has heightened operational efficiency and brightened the office atmosphere. Employees have shared that they have more room to breathe and do better work.



Before Improvements



After Improvements

VOICE

Yukitoshi Maeda

Executive Officer
Deputy General Manager
Tokyo Metropolitan Area
Division



Feature

The Tokyo Metropolitan Area Division has promoted eight days closed every four weeks on principle contractor sites. We verify the will and commitment to provide these days closed by working to instill a strong passion in meetings for the setup of new sites. If closing a site is difficult, we put in place a system to provide days off for the workers through alternating shifts, but this is not easy in many cases due to circumstances that include busy periods during rush jobs and before the completion of construction. We need more efforts for improvement. I think changing a will changes the action and changing the action changes the habit. A strong will and ingenuity will further closing system while increasing operational efficiency.

Successes Up Until Now

No Overtime Days

(Total of 229 model sites compared to +108 the previous fiscal year)

90% implementation

Same points as previous fiscal year
(April 2018 to March 2019)

Overtime (company-wide)

▲2.2%

compared to previous fiscal year
(April 2018 to March 2019)

Implementation rate (company-wide)

72% acquisition rate

+10 points compared to previous fiscal year
(April 2018 to March 2019)

Sustainability Promotion Management

Toward the development of a sustainable society

Shinryo Corporation started CSR activities by establishing the CSR Promotion Division in 2014. The CSR Promotion Division was reformed into the Sustainability Promotion Division to expand these activities in April 2019. In October 2019, we integrated activity promotion operations with the Corporate Strategy and Planning Division to strengthen strategic activities in accordance with management policies

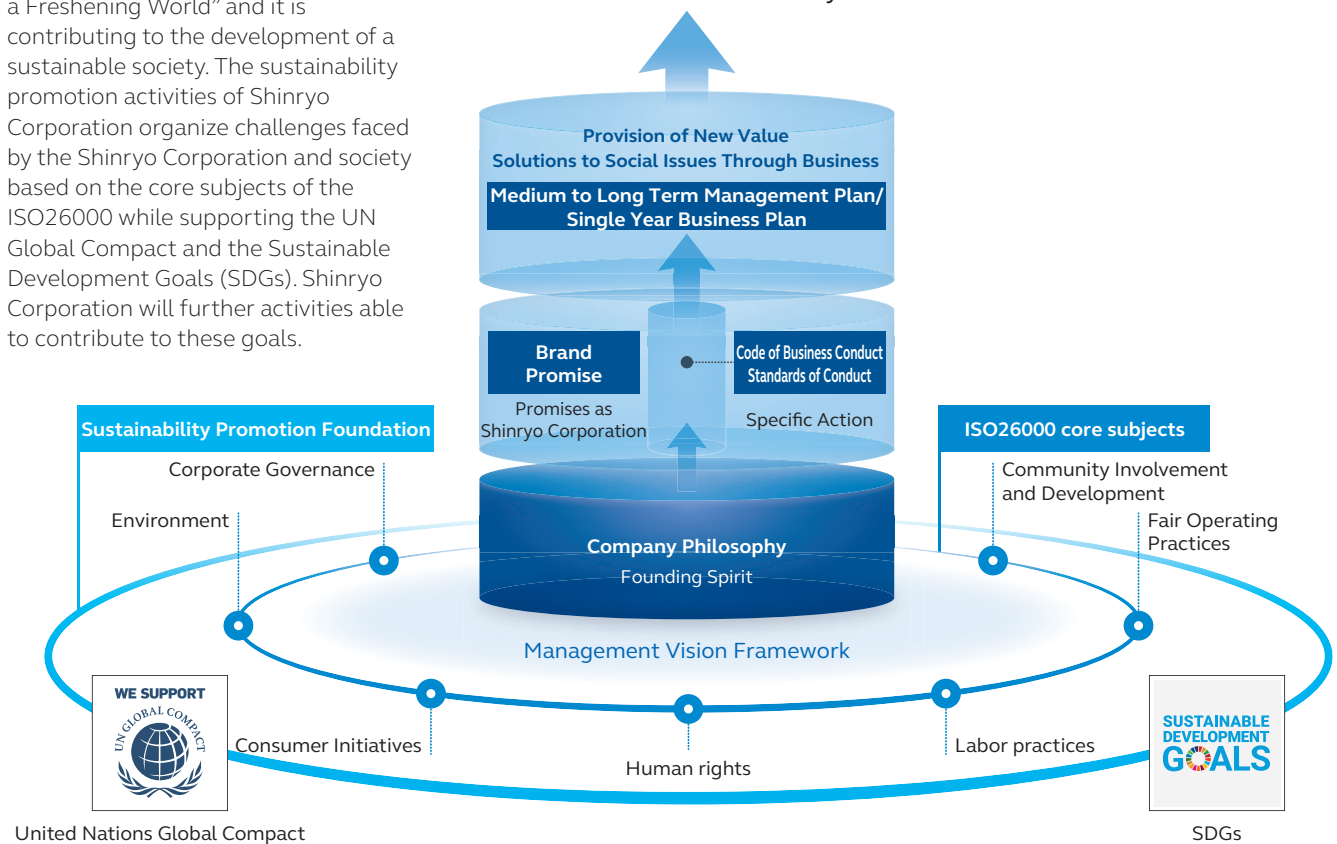
based on greater interest in incorporating the Sustainable Development Goals (SDGs) and management as well as the growing importance of factors such as stakeholder communication today.

The significance of “sustainability” is the sustainable growth of our planet, society and organization. We will expand the efforts of the Shinryo Corporation from CSR to sustainability.

Sustainability Promotion System

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 sustainability promotion activities of 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.

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



Promotion System

We have put in place a Sustainability Promotion Committee with the executive officer in charge of Sustainability Promotion 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 sustainability promotion activities. We promote daily activities together with the sustainability executives selected from each department and Group company with the Sustainability Promotion Department under the Corporate Strategy and Planning Division at the core.



Process for Considering Priority Subjects

Overall FY 2017 to FY 2019 Activities

FY 2017 to FY 2019 activities have been advanced in accordance with the 13th Three Year Management Plan, which is the business plan of Shinryo Corporation. We were able to achieve our goals in three core subjects. We

will formulate the next activity plans while organizing the priority subjects (materiality) by incorporating the 14th Three Year Management Plan and the principles of the SDGs.

Priority subjects : Provision of new values to the society

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

We were able to achieve our goals in three priority subjects.

- **1-1.** We have advanced operational efficiency through effective use of data by promoting the use of BIM data.
- **1-2.** We have expanded activities to cultivate a corporate climate and reform work styles through the Refreshing Work Style Project.
- **2-1.** We have furthered technical proposals tailored to customer needs.
- **2-2.** We have internally expanded commissioning technology.
- **3-1.** We have furthered global human resource development.
- **3-2.** We have strengthened collaboration systems between administrative sections in Japan and overseas.

Basic Initiatives

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

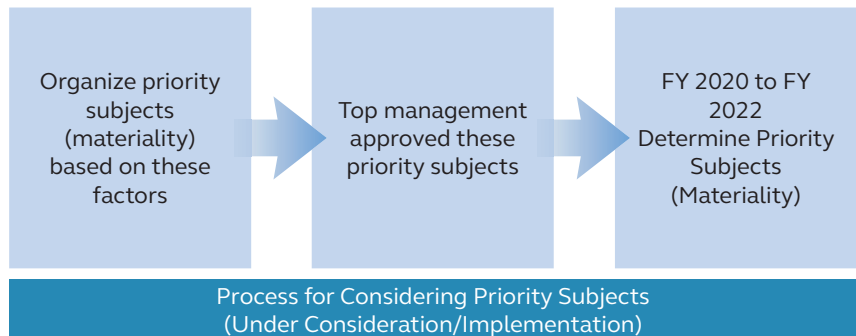
8 Diversity Initiatives

9 Community Involvement and Development

10 Participation in the International Agreed Scheme

We were able to achieve all of our initiative goals.

- **1.** We strengthened internal control systems of the Group.
- **2.** We regularly conducted BCP drills.
- **3.** We conducted compliance education that encompasses our Group companies.
- **4-1.** We continuously operated an ISO14001 Environmental Management System.
- **4-2.** We calculated and published Scope 1, 2 and 3 data for the reduction of greenhouse gas emissions.
- **5.** We continuously operated an ISO9001 Quality Management System.
- **6.** We continuously implemented company-wide education and training by department.
- **7.** We adopted work friendly programs, such as no overtime days as well as days encouraging employees to take leave.
- **8.** We furthered the employment of diverse human resources and activity promotion measures, such as reforms to mid-career hiring and part-time rehiring systems.
- **9.** We supported the Plus Volunteer Activity as well as culture and education.
- **10.** We participated in the GCNJ Environmental Management Conference.



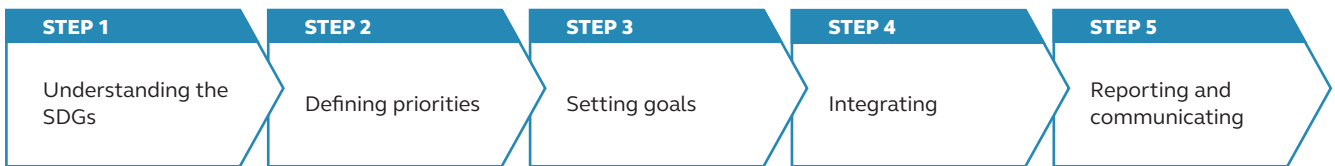
Initiatives in the SDGs

Shinryo Corporation has been promoting initiatives since fiscal 2017 by referring to schemes, such as the SDG Compass: The guide for business action on the SDGs, which provides corporate action guidelines for the SDGs.

The SDG Compass is a corporate guideline formulated by the Global Reporting Initiatives (GRI), the United Nations Global Compact (UNGC), and the World Business Council for Sustainable Development (WBCSD) which provides a guide in five steps for companies to deepen the integration of the SDGs in corporate strategy in order to measure and manage their contribution to the SDGs.



5 Steps of the SDG Compass



STEP 1 Understanding the SDGs (FY 2017 to FY 2018)

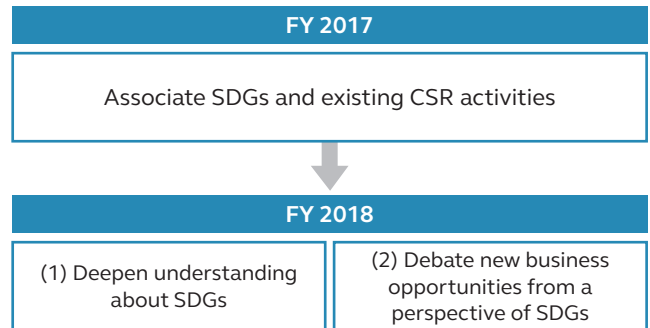
We associated the CSR efforts already in place at Shinryo Corporation and the targets of the SDGs in fiscal 2017, which was the first step of these initiatives in the SDGs, and bundled regions of contribution through existing initiatives to express in a comparison table. We strove in the following two 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

In regards to (1), we held a seminar by inviting an outside instructor from the Japan Forum of Business and Society, the only CSR society in Japan. This seminar was attended by all Executive Officers under the President, management in a position of General Manager or above and Presidents of the Group companies as a national conference with the participation of 89 people.

As part of (2), we held a workshop to investigate new

business opportunities from a perspective of SDGs. This workshop was attended by the executive in charge of CSR, the CSR Promotion Division and 13 members of the Research and Development Center Innovation Project that examine reconstruction of the Research and Development Center as a 30th anniversary project.



STEP 2 Defining Priorities (Selecting Priority Subjects for FY 2019)

In fiscal 2019, we used an evaluation sheet to analyze priority subjects from both the impact on the evaluation and decision making of stakeholders and the impact of Shinryo Corporation on the economy, environment and society according to the 169 targets and 232 indicators of the SDGs in the effort to organize and select priority subjects.

Impact on Stakeholder Evaluation and Decision Making

- Analysis of the Disclosure Requirements by Sector for the Principle Guidelines and SRI Survey Agencies (GRI Standards, SASB, and MSCI)
- Quantitative analysis of requirements from society, etc.

Impact of the company on the economy, environment and society

- Analysis of the impact from a value chain perspective
- Analysis of the relevance between the corporate philosophy and medium-term management plan

Analysis sheet used to organize and select priority subjects

SDG	ターゲット	ターゲット内容 (課題)	ターゲット内容 (タリタリ)	関係性(経済、社、大)への貢献(正・負) 環境・社会・経済
1. 貧困をなくそう	1.1	国内総生産(国内総生産)が、少なくとも2030年までに、年平均2%以上増加し、かつ、最低所得者層の所得が少なくとも10%増加する	国内総生産(国内総生産)が、少なくとも2030年までに、年平均2%以上増加し、かつ、最低所得者層の所得が少なくとも10%増加する	
2. 飢餓をなくそう	2.1	2030年までに、世界中の飢餓を根絶し、食糧の安定した供給と栄養の向上を確保し、持続可能な食料生産を促進する	2030年までに、世界中の飢餓を根絶し、食糧の安定した供給と栄養の向上を確保し、持続可能な食料生産を促進する	
3. 健康と福祉を促進する	3.6	2030年までに、世界中の道路死を半減させる	2030年までに、世界中の道路死を半減させる	
4. 質の高い教育をみんなに	4.7	2030年までに、持続可能な開発目標に関する理解を深め、すべての人々の意識を高める	2030年までに、持続可能な開発目標に関する理解を深め、すべての人々の意識を高める	
5. ジェンダー平等を促進する	5.1	2030年までに、世界中のあらゆる分野でジェンダー平等を達成する	2030年までに、世界中のあらゆる分野でジェンダー平等を達成する	
6. 清潔な水とトイレを世界中に	6.1	2030年までに、安全な飲料水と基本的な衛生施設へのアクセスを確保する	2030年までに、安全な飲料水と基本的な衛生施設へのアクセスを確保する	
7. 持続可能なエネルギーをみんなに	7.2	2030年までに、再生可能エネルギーの割合を大幅に増加させる	2030年までに、再生可能エネルギーの割合を大幅に増加させる	
8. 持続可能な成長を促進する	8.4	2030年までに、持続可能な成長を促進し、雇用を創出し、若年層の失業率を削減する	2030年までに、持続可能な成長を促進し、雇用を創出し、若年層の失業率を削減する	
9. 持続可能な産業とインフラを構築する	9.1	2030年までに、持続可能な産業とインフラを構築し、雇用を創出し、若年層の失業率を削減する	2030年までに、持続可能な産業とインフラを構築し、雇用を創出し、若年層の失業率を削減する	
10. 人や国々の間の格差をなくす	10.2	2030年までに、世界中のあらゆる分野で格差を削減し、持続可能な成長を促進する	2030年までに、世界中のあらゆる分野で格差を削減し、持続可能な成長を促進する	
11. 持続可能な都市とコミュニティを構築する	11.1	2030年までに、持続可能な都市とコミュニティを構築し、雇用を創出し、若年層の失業率を削減する	2030年までに、持続可能な都市とコミュニティを構築し、雇用を創出し、若年層の失業率を削減する	
12. 持続可能な消費と生産を実現する	12.2	2030年までに、持続可能な消費と生産を実現し、環境負荷を削減する	2030年までに、持続可能な消費と生産を実現し、環境負荷を削減する	
13. 気候変動に具体的な対策を	13.1	2030年までに、気候変動のリスクを軽減し、持続可能な成長を促進する	2030年までに、気候変動のリスクを軽減し、持続可能な成長を促進する	
14. 海の豊かさを守ろう	14.1	2030年までに、海洋資源を保護し、持続可能な成長を促進する	2030年までに、海洋資源を保護し、持続可能な成長を促進する	
15. 陸の豊かさを守ろう	15.1	2030年までに、陸の生態系を保護し、持続可能な成長を促進する	2030年までに、陸の生態系を保護し、持続可能な成長を促進する	
16. 平和と公正な社会を築こう	16.1	2030年までに、世界中のあらゆる分野で平和と公正な社会を築く	2030年までに、世界中のあらゆる分野で平和と公正な社会を築く	
17. パートナーシップで目標を達成しよう	17.1	2030年までに、持続可能な開発目標の達成に向けてパートナーシップを構築する	2030年までに、持続可能な開発目標の達成に向けてパートナーシップを構築する	

Idea Exchange Meeting with Experts to Examine the Validity and Objectivity of Priority Subjects

Shinryo Corporation invited Hidemi Tomita, Director Lloyd's Register Japan K.K. for an idea exchange meeting with members of the Sustainability Promotion Committee about the process as well as validity and objectivity of the priority issues that were selected. This section introduces the insight provided by Mr. Hidemi Tomita.



Hidemi Tomita
Director
Lloyd's Register Japan
K.K.

Mr. Hidemi Tomita cultivated experience in CSR management at a business firm before joining Lloyd's Register Japan K.K. in 2013. He was appointed Director in 2016. He has participated in the formulation of international standards that include the ISO26000, ISO20400, and the GRI Standards in addition to serving on multiple government committees.

Q. What is the significance of using the concepts behind the SDGs in the selection of priority subjects?

Shinryo Corporation can more deeply understand its stakeholders from a broader standpoint by organizing priority subjects based on the SDGs. The significance tends to concentrate on the company itself and business partners because Shinryo Corporation is a mid-stream company of the supply chain. However, the perspective of SDGs must be considered for not only the building owners and construction companies who are direct business partners but also factors such as the needs of the people working in the building and the working conditions for the people on-site at partner company for example.

The SDGs can also provide business opportunities for Shinryo Corporation as requirements for society as a whole. By addressing the SDGs as a first step, heightening awareness about the needs of society should help future business opportunities of Shinryo Corporation.

However, the most important thing to understand is that the purpose of the SDGs is to realize a sustainable society, which is different from corporate sustainability. For example, a foundation for corporate activities and a base to realize SDGs is vital to corporate governance, but is not a goal of the SDGs because corporate governance is not a challenge of society. Shinryo Corporation should not think organizing these subjects based on the SDGs alone is enough. I would ask that Shinryo Corporation remembers a base for business activities when considering its priority subjects.

Q. What is lacking in the priority subjects selected?

Raw material procurement and the human rights of employees is one major challenge of the construction industry as a whole. In particular, human rights may not be actualized in the current subjects. In the near future though, there is a potential that the ideal form of corporate labor management of secondary and tertiary dealings will come into question.

Occupational health and safety may not be

recognized as a new challenge because this has been thoroughly addressed at Shinryo Corporation. However, even if these initiatives are a matter of course, the importance needs to be fully specified.

As the organization of priority issues progresses with the SDGs, similar priority subjects inevitably come up in the same business field. I would like to see Shinryo Corporation present its uniqueness. In this presentation, the management vision of Shinryo Corporation to create a freshening world could provide a great hint. Even in terms of energy or comfort, I know Shinryo Corporation has unique value it can provide to the world.

Q. What should our company do for each employee to recognize their own role?

Permeating the uniqueness of Shinryo and a launchpad from construction sites is important to not end priority subjects as an idea up in the clouds. This even has significance to the Sustainability Promotion Committee, which works to define priority subjects. The composition of members brought together from each internal department and the system to engage in daily operations are ideal as a decision-making process. Cross-organizational teams are a major key in easily soliciting ideas internally and fostering understanding and unity on-site.

Priority subjects change with time. Continually selecting subjects and figuring out how to tie those subjects to subsequent efforts is important to this process. I look forward to Shinryo Corporation involving and expanding the unique priority subjects it chooses with all of its employees.



Idea Exchange Meeting (Mediator Hidenori Imazu, Japan Forum of Business and Society program member, in Center)

Future Initiatives

We will carefully examine and determine our priority subjects in the future based on the insight provided by Mr. Hidemi Tomita. Shinryo Corporation will strive to set Key Performance Indicators (KPI) for the purpose of STEP 3: Setting goals and STEP 4: Integrating in accordance with the determined priority subjects, and address the approval

process by management for those KPI.

We also plan to fully disclose and provide specific activity reports of the priority subjects and KPI that are selected as part of STEP 5: Reporting and communicating in our report for the next fiscal year after undergoing this process.

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 Sustainability Management section (→P.31-32).

(Degree of achievement of initiatives through self-evaluation)

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

*FY2019 (October 1, 2018 to September 30, 2019)

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

17 Goals to transform our world



FY2017 to FY2019 Initiatives	Achievements of FY 2019 (Includes company name for achievements of Group companies)	Degree of achievement	Reference page
<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 to drive efficiency through implementation of ICT • Strengthened on-site support from the perspectives of safety, information and technology • Expanded reform across Japan through the Refreshing Work Style Project • Promoted employment such as mid-career hiring and established training 	○	<p>29-30 42 45-52</p>
<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 briefings on the latest technology for employees in marketing positions • Produced and actively promoted various technical catalogs • Spearheaded improvements based on customer satisfaction surveys 	○	<p>23-28 42 45 50</p>
<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 administrative systems for overseas supervision • Strengthened collaboration systems between administrative sections in Japan and overseas 	○	<p>38 40 51-52</p>
<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 administrative sections • Spearheaded Group cooperation in the Technical Supervision and Safety Supervision Department 	○	<p>37</p>
<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 (1 time) • Implemented information security education and training (1 time each) • Raised awareness about information security (9 times) • Formulated risk management regulations and revised rules related to risk management • Operated and managed information security measures (SYSPRO) 	○	<p>38 56</p>
<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 companies 	<ul style="list-style-type: none"> • Held compliance education in the Shinryo Group (Japan: Already implemented; Overseas: Implementation is underway at SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD. but has been implemented at other overseas Group companies) • Held the liaison conference with Group companies 	○	<p>39-40</p>
<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"> • Calculated greenhouse gas emissions even in the supply chain (Scope 1, 2 and 3) • Ran the ISO14001 environmental management system • Conducted e-Learning about the Construction Material Recycling Act (1,766 people) • Held Environmental Renaissance Activities 43 times and donated to international NGOs 	○	<p>23-24 41-44</p>
<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 safety training 20 times through the Health and Safety Council at partner companies • Held technical briefings and training at partner companies (Shinryo Kougyo/Daiei Denki) • Held special training on the use of full harness safety belts (Shinryo Technical Service) • Held scaffold assembly training (Shinryo Philippines) • Held safety competitions (Shinryo Hong Kong/STS Hong Kong) • Held radio calisthenics for occupational safety and to improve health (Shinryo Singapore) 	○	<p>45-46 55-58</p>
<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 	○	<p>49-52</p>
<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"> • Expanded activities of the Refreshing Work Style Project to company-wide • Expanded no overtime days on construction sites (229 sites) • Formulated Refreshing Work Style Project Guidelines • Implemented days encouraging employees to take leave alongside closing all offices on Saturdays • Designated an Excellent Company Promoting Work-Life Balance of Shinjuku-ku • Adopted mobile terminals on construction sites (Shiroguchi) • Held talks by industrial doctors (LE PRO) 	○	<p>29-30 47-48 56</p>
<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"> • Established various systems for flexible work styles and active participation by diverse human resources • Promoted employment such as mid-career hiring and established training systems • Implemented Japan invitation program for overseas Group companies 	○	<p>48 52</p>
<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 (28 times; Taiwan Shinryo) • Conducted lecture activities at universities and other institutions (7 times) • Supported artistic organizations (24 times) • Acquired Level 3 certifications on the Universal Manners Test (10 people; Akita Castle Hotel) • Participated in the Professional Human Resource Project (Global Staff) • Provided educational support to vocational engineering high schools in Malaysia (Shinryo Malaysia) • Held lifesaving training (Shinryo Vietnam) • Accepted students from Japan as interns (Thai Shinryo) • Sponsored the Jakarta Japan Festival (Shinryo Indonesia) 	○	<p>53-54 56-58</p>
<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 	○	<p>7 31-32</p>



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. We are striving to build a risk management system that enables us to fulfill our corporate responsibility even during crisis by thoroughly implementing measures at all times.

Corporate Governance System

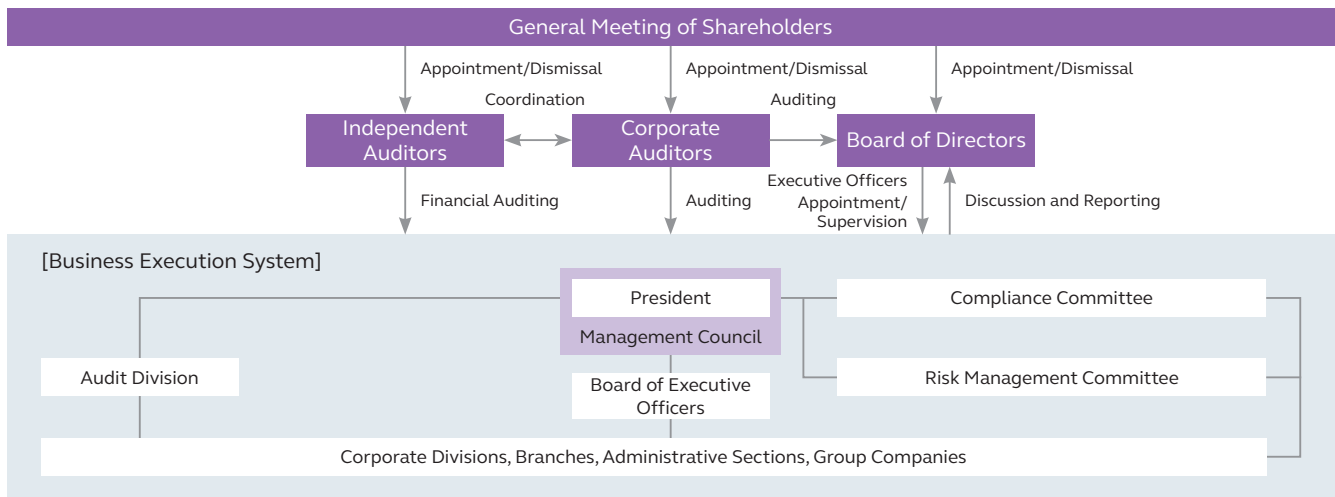
The Board of Directors deliberates submitted agenda items based on agenda and reporting criteria stipulated by agenda items and by Board of Directors rules set forth in the Companies Act. The Management Council deliberates on important matters concerning company management, in addition to proposals submitted 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 the Committee and supervisors in each department and Group company, while also conducting policy decision-making and corrective guidance with regard to consultations and information received through the Helpline consultation service.

The Risk Management Committee is also 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.

Corporate Governance System



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.

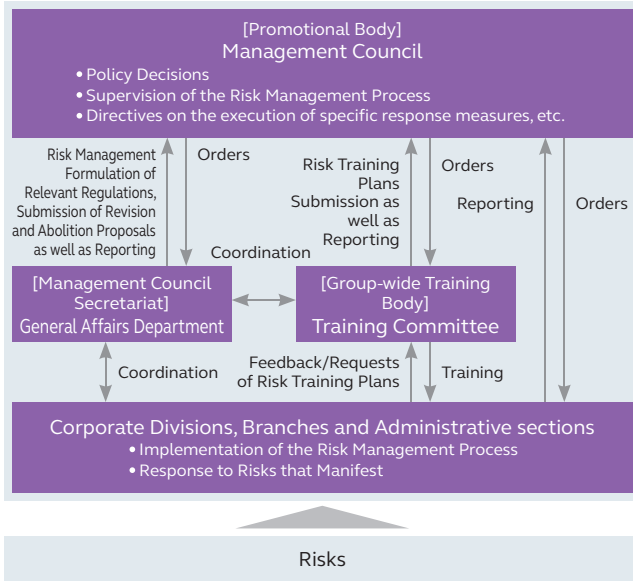
Overview of Shinryo Corporation's basic policy on internal control system

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/Business Continuity Plan (BCP)

We have established systems and measures to minimize all risks in the business environment surrounding Shinryo Group, such as quality, safety, the environment, compliance and information, and continuation and recovery of business as quickly as possible. In August 2019, we formulated the Risk Management Regulations, which bundled all the basic risk management items. We also fully revised specific response requirements, such as the Crisis Management Measure Regulations and Business Continuity Plan (BCP) relevant to the Risk Management Regulations.

Risk Management System



Crisis Management Measure Regulations

Shinryo Corporation has prepared and is implementing Crisis Management Measure Regulations that define the response when risks such as disasters, accidents, and operational troubles occur. We have also created specific manuals to ensure the ability to rapidly respond to not only risks that occur in Japan but also 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 2019
Response training for targeted email attacks	December 2018
Raising awareness about information security	Regularly (total of 9 times)

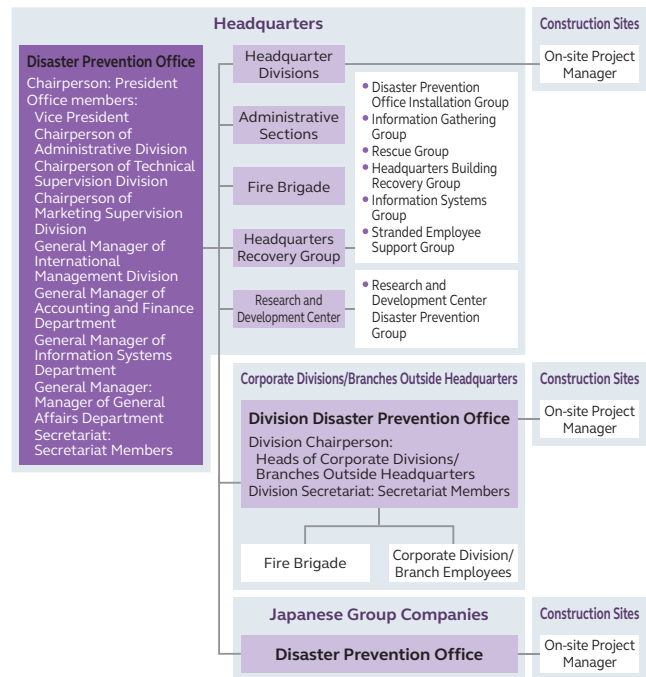
Business Continuity Plan (BCP)

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 (BCP) 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.

Organizational Structure During Disasters



Introduction of Comprehensive BCP Drills

Shinryo Corporation regularly conducts BCP drills with the goals of improving response capabilities of employees in the event of a disaster and strengthening the BCP system. This training takes a multifaceted approach that includes safety reporting drill even at Group companies in Japan as well as Disaster Prevention Office training in which the President acts as the Chairperson. In training held in September 2019, we confirmed procedures in the system to recover business in coordination with Group companies and reviewed the performance.



BCP Drills



Fair Operating Practices



The aim of Shinryo Group is to realize sincere, fair, and appropriate management, and to fulfill the social responsibilities placed upon the Group. 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.

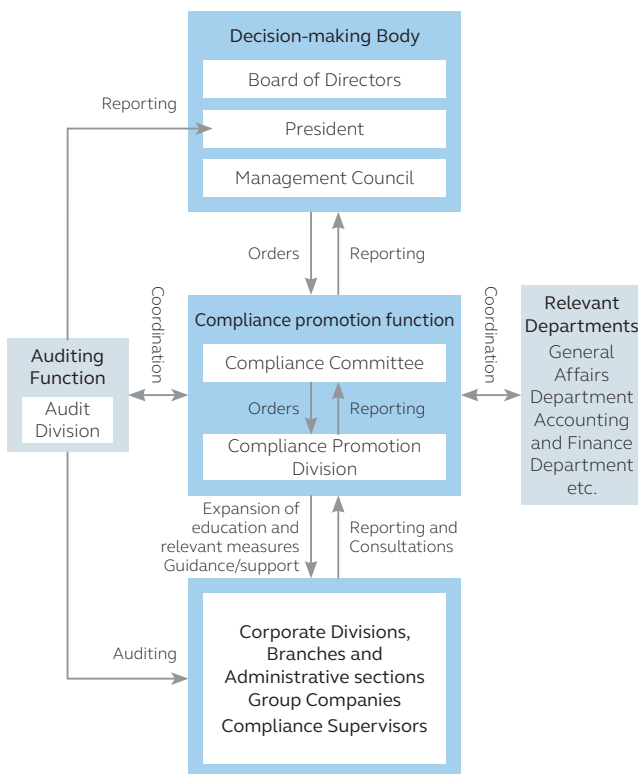
Comprehensive Compliance

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 the Shinryo Corporation Compliance Committee and Compliance Promotion Division at our core.

Compliance Promotion System diagram



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.

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 executives and employees 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 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.

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.

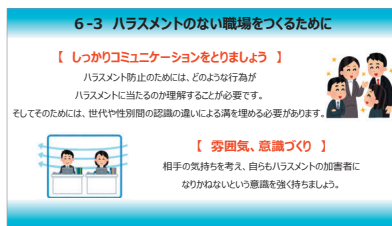
Implementation of Comprehensive Compliance Education

■ Implementation of education for every executive and employee throughout the Group

Compliance e-Learning is regularly held for Shinryo Corporation and Group companies worldwide. In fiscal 2019, education on harassment was conducted with focus. By handling social issues in a timely manner, Shinryo Corporation strives to build an environment to engage in operations while always keeping in mind compliance.

■ Periodic Distribution of Shinryo Compliance News

Shinryo Compliance News is distributed periodically by email to all of our executives and employees. We also cover familiar topics, such as harassment and points of caution when using social media services, in the Shinryo Compliance News. Each issue also 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.

■ Conducting Training for Engineers

Shinryo Corporation conducts training for technical employees working on construction sites to evoke caution about actions that go against compliance which may happen on sites.

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 and formulation of internal rules to unify awareness and operation as a group.

Responding to Antisocial Forces

We will work to stay faithful to our Code of Business Conduct and Standards of Conduct stating our intention to never

Strengthening compliance at overseas local 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.

Shinryo Suvridha conducted various efforts in India as a Shinryo Group company involved in October 2018, such as guideline briefings for employees at a general manager level or higher as well as education to deepen awareness about the importance of adhering to compliance in Group discussions about areas requiring caution in Shinryo businesses. Moreover, we are working to further the expansion of guidelines to all employees and affiliate members.



Compliance education at Shinryo Suvridha



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 executives and employees from local 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.

succumb to the threats of antisocial forces and resolutely eliminate them in a courageous manner.



Environmental Initiatives

Relevant SDGs



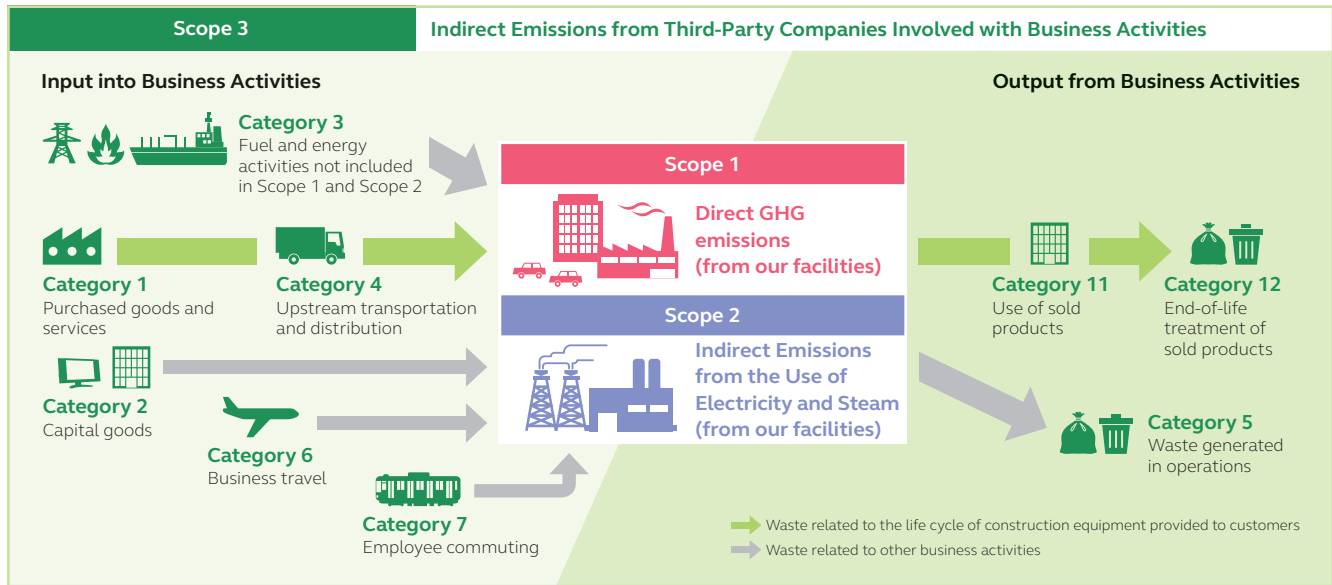
Shinryo corporation minimizes its impact on the environment produced in the process of handling air, water, heat, and energy while it aims to create a comfortable environment with the mission to Create a Freshening World, which the company has had since its founding. We acquired ISO14001 Environmental Management System in May 2001. We work to reduce the environmental load by controlling total CO₂ emissions that takes into account the greenhouse gas emissions throughout the supply chain, managing asbestos, and properly processing and recycling construction by-products.

Approach to a Decarbonized Society

Shinryo Corporation strives to identify hot spots that impact the environment and mitigate greenhouse gas emissions by calculating Scope 1, 2 and 3 greenhouse gas emissions. Of the 6,176,000 ton-CO₂ emissions in fiscal 2018, most emissions came from Scope 3 Category 11: Use of Sold Products

followed by Category 1: Purchased Goods and Services. In the future, we will clarify the close relationship between our business activities and reductions in the environmental load in our endeavor to realize a decarbonized society.

Image of the Shinryo Corporation Supply Chain Management



FY 2018 Scope 1, 2 and 3 Calculation Results (Construction Sites for Properties with Orders of 30 Million Yen or More)

	Calculation scope	Result (ton-CO ₂)	
Scope 1	Direct emissions from fuel consumption at Shinryo facilities, leakage of fluorocarbons, and use of company vehicles	457	
Scope 2	Indirect emissions from the use of electricity and heat purchased by Shinryo facilities	3,089	
Scope 3	Indirect emissions from third-party companies involved with business activities (total of all categories)	6,172,265	
Category *1 and *2	1 Purchased goods and services	Emissions from resource harvesting and manufacture of sold goods	214,990
	2 Capital goods	Emissions from manufacture and construction of capital assets	384
	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	256
	4 Upstream transportation and distribution	Emissions from transportation of goods from seller to construction sites	23,784
	5 Waste generated in operations	Emissions from disposal of waste produced on construction sites	4,218
	6 Business travel	Emissions from fuel and power consumption of transportation agencies used for business travel of employees	964
	7 Employee commuting	Emissions from electricity consumption of transportation agencies used for employee commuting	388
	11 Use of sold products	Emissions from the operation of building equipment after delivery (operation period set to 15 years)	5,926,798
	12 End-of-life treatment of sold products	Emissions from duct and piping waste during demolition	483
	Total of Scope 1 to 3		6,175,811

*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 and the Ministry of Economy, Trade and Industry

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

Scope 1 and 2 Reduction Initiatives

51% Energy Reduction at the Headquarters Building
(Compared to 2009)

Shinryo Corporation engages in reduction initiatives by calculating direct emissions from business activities (Scope 1) and indirect emissions during the manufacturing stage for heat and energy used in business activities (Scope 2).

The headquarters building of Shinryo Corporation was renovated for large-scale energy savings in 2011. In fiscal 2019 (April 2018 to March 2019), we achieved roughly **51%**

reductions in energy consumption compared to the building before these renovations. Each business site actively works to improve operational productivity and foster resource and energy savings, such as paperless meetings that use tablet computers and other devices as well as reviews of the operational flow.

We properly conduct simplified and regular inspections in accordance with the Act on Rational Use and Proper Management of Fluorocarbons in an effort to prevent leakage of fluorocarbons.

Scope 3 (Category 1 and 4) Reduction Initiatives

28% CO₂ reduction

Shinryo Corporation engages in initiatives to realize greater on-site productivity toward reductions in product, material and equipment procurement on construction sites.

Reductions in reconstruction, enhancements to plant processes, and other improvements to construction productivity in addition to achieving on-site management with better efficiency driven by IT technology promote reductions in CO₂ emissions during construction. We succeeded in reducing CO₂ emissions **28%** in fiscal 2019.

Example of initiatives: Development of robots to draw blueprints

Shinryo Corporation used construction information

extracted from BIM data*¹ to develop fully automated robots to draw blueprints on floors such as the position to install equipment as well as routes for piping and ducts. This innovation eliminates the need for operation and monitoring by operators as well as marking that have traditionally been done by hand. Furthermore, we expect these robots to foster labor reductions of at least 10%*² through labor savings in operations that install piping and ducts in addition to remarkable improvements in work productivity.



Robot to Draw Construction Blueprints

*1 BIM data: Building Information Modeling (BIM) that includes attribute data for each material.

*2 Figure based on verification tests done on construction sites by Shinryo Corporation

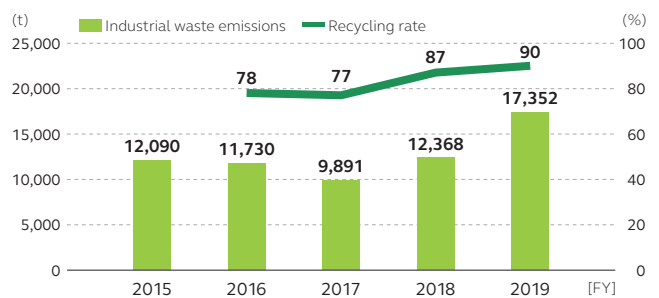
Scope 3 (Category 5) Reduction Initiatives

90% Recycling Rate

Of the industrial waste produced on construction sites, Shinryo Corporation is promoting recycling of four main materials (concrete, metal scrap, waste plastics, and waste glass, ceramics and pottery).

We achieved a recycling rate of **90%** in fiscal 2019 by outsourcing recycling to industrial waste disposal and recycling companies with superior technology for processes that include material recycling and thermal recycling.

Industrial waste emissions and recycling rate

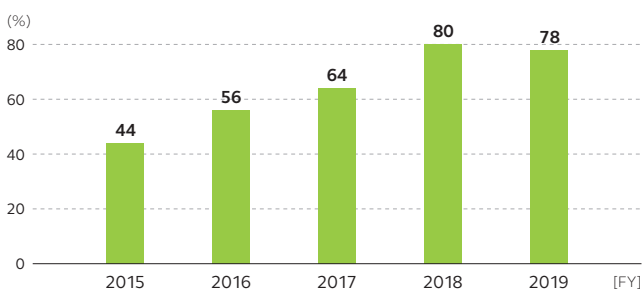


Scope 3 (Category 11) Reduction Initiatives

78% Proposals for CO₂ reduction

Shinryo Corporation actively furthers proposal activities related to energy savings in sales and design efforts to reduce the CO₂ emissions produced during operations. We also do everything we can to develop new technology able to help address the needs of customers in addition to pioneering the Computational Fluid Dynamics (CFD) technology unique to Japan and building support systems for optimal operation of heat sources in the construction industry.

Rate of proposals for CO₂ reductions in design operations

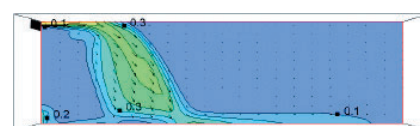


Examples of initiatives: Development of variable-air-volume air-conditioning system using the Coanda effect

Air conditioning system using Coanda effect refers to a

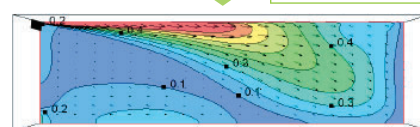
ductless air conditioning system that feeds air for indoor air conditioning with cavities such as ceilings. Conventionally, the system has come with concerns about insufficient reaching distance and difficulty of integrating variable airflow control. However, thanks to the development of constant autonomous airflow outlets (Air-Soarer*), this system can provide variable airflow control with a high level of energy savings. As a result, we expect a 65% reductive effect on the feed power compared to constant air volume single duct system (based on Shinryo Corporation figures).

*Air-Soarer was developed jointly by Mitsubishi Jisho Sekkei Inc., Shinryo Corporation, Shibaura Institute of Technology, and Kyoritsu Air Tech Inc. (Patent No. 6453951; trademark application pending).



While reducing airflow in traditional Coanda air conditioning

Feed power of air for air conditioning
65% reduction



While reducing airflow with Air-Soarer

Environmental Management System (EMS)

Basic Philosophy

As a company connected to the environment, Shinryo Corporation has been practicing environmental preservation through building equipment based on our mission to Create a Freshening World. We actively work to reduce our environmental burden and conserve the global environment in the future.

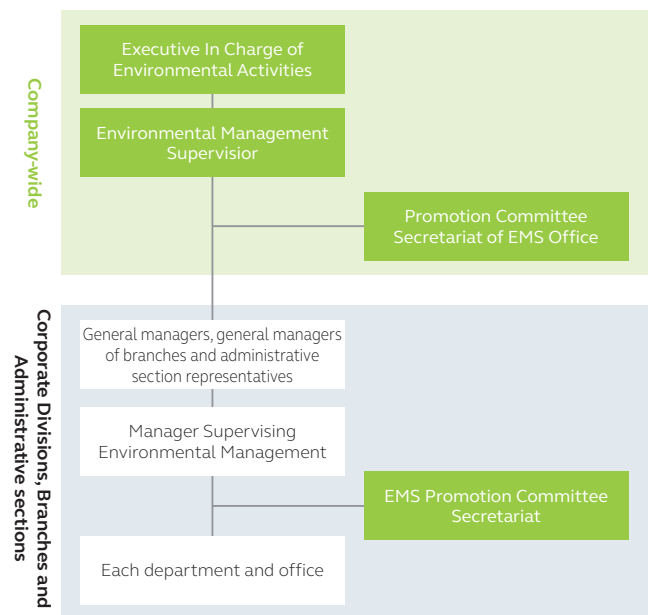
Shinryo Corporation promotes a Company-wide Environmental Management System (EMS) through the Environmental Management Supervisor according to directives from the executive in charge of environmental activities. The manager supervising environmental management also furthers this system at corporate divisions and branches according to directives from general managers and branch managers.

In March 2019, Shinryo Corporation was evaluated in the sixth recertification by the Management System Assessment Center and once again was given the ISO14001: 2015 Environmental Management System Certification. We focus our EMS activities on efforts toward preventing CO₂ emissions during operation in Scope 3 Categories 1, 4, 5 and 11 as well as activities to improve productivity and efforts to promote the 3Rs* on construction sites (→P.41-42).

We are also placing our strength into environmental education in order to respond to environmental legislation, which has become more strict and complex in recent years. In the mid-level supervisor training held internally from May to September 2019, we provided education on appropriate handling of industrial waste, fluorocarbons, asbestos and other such materials. In addition, e-learning on the Construction Material Recycling Act was held with the participation of 1,766 employees in September 2019.

*3Rs: Reduce, Reuse, and Recycle

Environmental Management System

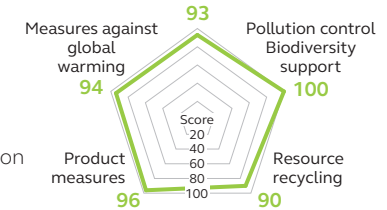


Review

Ranked 5th in the Construction Industry on the 22nd Nikkei Environmental Management Survey

The 22nd Nikkei Environmental Management Survey conducted by the Nikkei Inc. ranked Shinryo Corporation fifth in the construction industry.

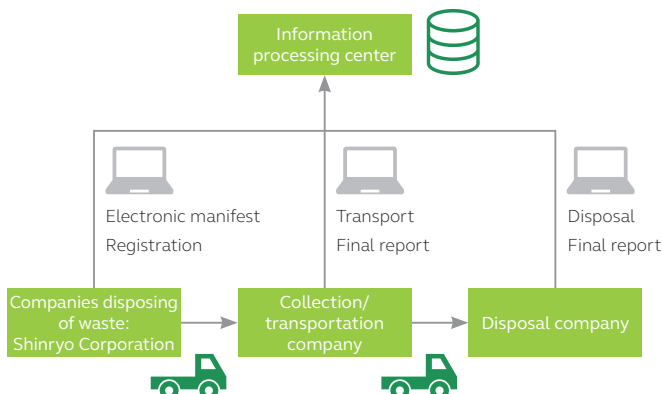
Environmental management promotion system



Operational Status of the Electronic Manifest System

Shinryo Corporation promotes the digitalization of manifests (industrial waste management ledgers) to appropriately process industrial waste emitted from construction sites. The adoption of an electronic manifest system fully manages industrial waste and can reduce the operational burden. In fiscal 2019, 84% of all issued manifests had transitioned to electronic manifests. Calculations have shown this adoption rate effectively reduced operational hours 79%.

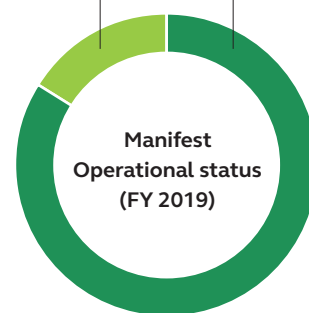
Overview of the Electronic Manifest System



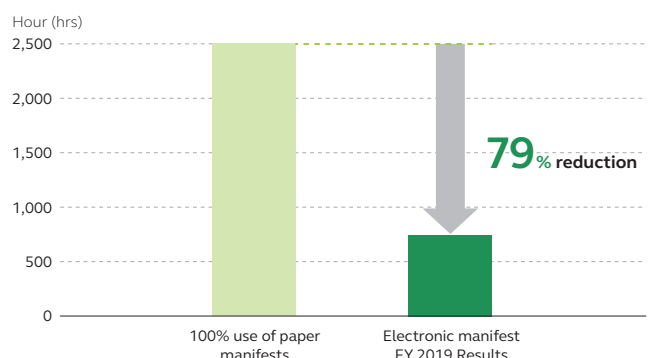
Paper manifest Electronic manifest

16%

84%



Operational time required to manage manifests (estimate)



Asbestos and RCF Management

Amendments to the Ordinance on Prevention of Hazards Due to Specified Chemical Substances in 2015 designated Refractory Ceramic Fibers (RCF) as specified Group-2 substances and requires measures to prevent health hazards to workers equal to that of asbestos.

Shinryo Corporation issued Asbestos Operation Guidelines and RCF Operation Guidelines and defined regulations such as operational policies and internal rules to prevent the people involved from becoming exposed to fine particles. These guidelines provide comprehensive management throughout the asbestos and RCF construction cycle.



Removal Operations for Products that Contain RCF

Awarded the Director General of the Agency for Natural Resources and Energy Prize in the Energy Conservation Grand Prize for Excellent Energy Conservation Equipment

Shinryo Corporation received the Natural Resources and Energy Prize for 2018 in the category of energy savings (area of collaboration) in the Energy Conservation Grand Prize for Excellent Energy Conservation Equipment held by The Energy Conservation Center, Japan.

Under the theme to realize a high-efficiency plant for the Tokyo Sky Tree® district heating and cooling facility, this prize celebrates the collaboration with Tobu Energy Management Co., LTD. and the Nikken Sekkei Research Institute.

The heat supplier, design and consulting firm, and Shinryo Corporation as an environmental engineering company have addressed energy saving in a unified manner to achieve a high level of success, which was highly evaluated.



Energy Conservation Grand Prize Award Ceremony



Ecological Conservation Activities Enlightenment Program “the Environmental Renaissance Activities”

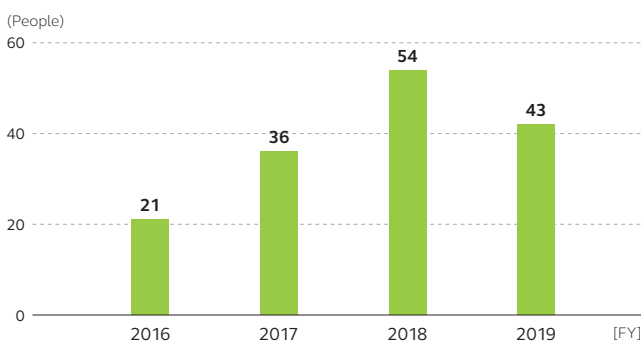
In recent years, the importance of ecological conservation has been recognized as part of the crisis of biodiversity. Shinryo Corporation has been conducting the Environmental Renaissance Activities enlightenment program since 2015 for the purpose of heightening employee awareness about ecological conservation.

This program supplies book coupons to employees engaged in activities related to ecological conservation and environmental education to subsidize the purchase of environmental books. This also deepens understanding of ecological conservation and heightens motivation toward ongoing activities. 43 employees participated in this program in fiscal 2019.

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 March 2019, we donated the costs for fiscal 2018 to Conservation International Japan* (Managing Director: Yasushi Hibi), which works in biodiversity conservation activities.

*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

Izumi Nature Park
Wild Plant Volunteer Guide
(Chiba City, Chiba)

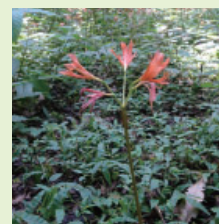
Masaru Usui

Manager of Safety Supervision
Department, Technical
Supervision Division

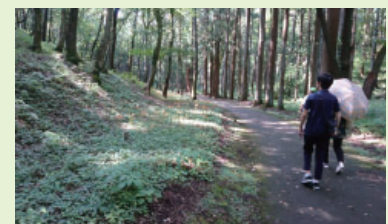


My family took part in the Wild Plant Volunteer Guide event held at the Izumi Nature Park in Chiba City in August 2019. *Lycoris sanguinea* from the Amaryllidaceae family was reaching full bloom. This event provided a chance to see a cluster of roughly 50,000 plants. We enjoyed this adventure into the grasslands while picking up Japanese horse chestnuts, gazing at Indian lotus and listening to descriptions of the wild birds.

The pale orange flowers of *Lycoris sanguinea* blossomed across the hills under the shade of trees in these plains. The amazingly stunning sight left me speechless. My entire family was overjoyed by a day where they could hear detailed explanations about the various vegetation from the volunteer guides.



Lycoris sanguinea





Consumer Initiatives

Relevant SDGs



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.

Shinryo Corporation strives to practice quality assurance activities in systems and services to provide quality that satisfies our customers based on the Quality Policy and has acquired the ISO9001 Quality Management System at corporate divisions and branches throughout Japan.

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.

ISO9001-certified Divisions and Branch Offices

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

Ongoing improvements to work processes



ISO9001 Internal Auditor Training

Shinryo Corporation conducts internal auditor training as necessary to educate internal auditors in the Quality Management System (QMS).

Employees who have acquired the internal audit certification are expanding internal audits and continually improving the QMS.

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.

Technical Training for Junior Employees

Shinryo Corporation conducts training for junior employees in technical roles to prevent technical issues on construction sites. By providing explanations founded in specific cases to junior employees who have minimal experience, we aim to prevent trouble before it happens. Technical training was held at the headquarters, Tohoku Branch and Chugoku Branch in fiscal 2019.

Promotion of Idea Proposals

We promote idea proposals that aim for company-wide standardization and integration of superior ideas, 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.

Convening of the Shinryo Forum

The Shinryo Forum held in March 2019 connected 13 bases worldwide to the main venue at the headquarters with an online conference system to announce the eight projects which received the grand prize and awards of excellence in the 63rd President's Awards.

The President's Awards is an internal commendation program held every year to celebrate projects and individuals selected for highly difficult operational results, efforts to improve productivity, activities and performance recognized for originality, innovation and creativity.



Shinryo Forum

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 and our partner companies 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

At the headquarters and branches, the Health and Safety Council formulate annual plans and conduct training for managers, health and safety supervisors as well as a diverse specialty training and education for partner companies.

In particular, we consider managers who act as the deputy of the business proprietor as key persons for health and safety management and promote the appointment of graduates from the training as managers and health and safety supervisors who clearly identify dangers and hazards to formulate measures to prevent occupational accidents. We are also asking training be taken once every five years to better the skills of managers as well as health and safety supervisors.

In recent years, we actively hold special training such as that for full harness safety belts required as of 2019, operation of aerial work vehicles, scaffolding assembly, oxygen deficient work, and asbestos while promoting employees of partner companies to acquire certifications.

In addition, we incorporate special education necessary according to legal revisions in annual plans and promote acquisition of certifications to avoid obstacles in operations.



Driver Training for Aerial Work Vehicles

Construction Career Up System

Construction Career Up System, launched in April 2019, is a certification system developed by Ministry of Land, Infrastructure, Transport and Tourism; construction industry organizations; and other entities. This system certifies the skills and experience that an engineer has amassed from an objective standpoint. Shinryo Corporation promotes the use of this system to improve the quality of constructions through not only visualizing the capabilities of individual engineers, but also capabilities of partner companies through the number of experienced engineers they employ.



Card reader of Construction Career Up System

VOICE

Makoto Nakagawa

Deputy Chairperson
of Health and Safety
Council
Representative Director
NAKAGAWA SEISAKUJO
CO., LTD.



The Health and Safety Council at the headquarters engages in a wide range of activities, in which efforts in particular are focused on on-site safety patrols. Our point of view as a partner company is vital in ongoing efforts to eradicate dangers.

The transformation of work styles through a new sense about work is extremely vital in the development of a sustainable society while passing on the hardships and knowledge of our predecessors. I believe improvements to the working environment are directly related to preventing occupational accidents.

CSR Procurement Guidelines

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

In terms of procurement, we have established Shinryo CSR Procurement Guidelines and have asked over 500 companies to cooperate while deepening understating about corporate social responsibility.

Shinryo CSR Procurement Guidelines and Items Therein

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 Spreading Throughout the Company

The Act on the Arrangement of Related Acts to Promote Work Style Reform 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.29-30 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 employees voiced their feeling that work reforms would be impossible. However, in the third year since its inception, employees are advocating these activities more and more with a shift to an active approach to never give up when unsuccessful by employing ingenuity and systems for success.

■ Refreshing Work Style Project Spreading Throughout the Company
Activities of the Refreshing Work Style Project have spread year after year centered upon the headquarters to encompass throughout the company as of April 2019. Branches and corporate divisions that participated for the first time are evolving their own efforts through multiple innovations and reforms while referring to the many examples of the trial and error undertaken by other divisions in the past.

Divisions already undertaking these activities continue to engage while horizontally expanding work-style reforms across the division.



Meeting on Work Style Reforms

Activities to Raise Employee Sense of Reform

■ Various Reforms

We leverage multiple tools such as internal message boards and internal newsletters to change the way employees think about work styles as well as distribute information about the progress of work style reforms and reference examples of these work style reforms. We also pass out reform promotion posters to corporate and on-site offices to bring understanding and penetrate these activities while instilling a desire to reform work styles through innovations close by each employee.



Work Style Reform Promotion Poster

■ 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 on construction sites 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 a total of 229 sites (up 108 sites from the previous fiscal year).



Displaying reminder of time of leaving office

■ 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.

Initiative Results

Designated an Excellent Company Promoting Work-Life Balance of Shinjuku-ku

In the program to designate excellent companies promoting work-life balance advocated by Shinjuku-ku, Shinryo Corporation was recognized as an excellent company for both its child raising support and for building a work-friendly environment in fiscal 2019. Shinryo Corporation has introduced unique programs that include focused efforts on the employment and active participation of women, a transfer system to accompany spouses to allow transfer in conjunction with the transfer of a spouse, and an anniversary leave policy in which employees can take leave for occasions such as their or a family member's birthday. This recognition by Shinjuku-ku praises the work of our company to build a work-friendly environment.



Award Ceremony

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.

Programs	Overview
Transfer System to Accompany Spouse	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> This policy allows regular employees who have worked at 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.
Occupational System	<ul style="list-style-type: none"> This policy supports ongoing employment by providing work transfers based on the desires of regular employees who would like to limit their work area or type of job according to special circumstances, such as providing care to a sick family member. We also offer this program to employees hired mid-career.
Half-day leave acquisition system for annual paid leave	<ul style="list-style-type: none"> This system allows employees to take annual paid leave in half day increments.
Expanded administration of an accumulation system	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 by splitting). 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	<ul style="list-style-type: none"> Refresh leave policy: Employees may take designated consecutive leave as commemoration for 10, 20 and 30 years of work.

Activities to promote 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.

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 active participation of women (events)	<ul style="list-style-type: none"> Operation of a summer school that supports the Gender Equality Bureau Cabinet Office Science and Engineering Challenge (Rikochare) (→P.53)
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 employees hired mid-career	<ul style="list-style-type: none"> Implementation of training for new employees (company philosophy, founding spirit, programs and regulations, compliance, occupational health and safety management, disaster prevention measures, etc.) (→P.52)
Promote active participation of foreign nationals	<ul style="list-style-type: none"> Local Overseas Staff Japan Invitation Program (→P.52) Practical technical training of engineers from the SHINRYO (PHILIPPINES) CO., INC. Implementation of a variety of education for overseas branches and overseas Group company staff (compliance, safety and technical education)

Physical and Mental Health

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

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) Grants for Rubella vaccinations (provides support to executives, employees and family members who live with them) Implementation of flu vaccinations right in offices (Headquarters, Yokohama Branch, etc.) 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 34 specialized education candidates took this program in fiscal 2019)



Training and Development of Human Resources



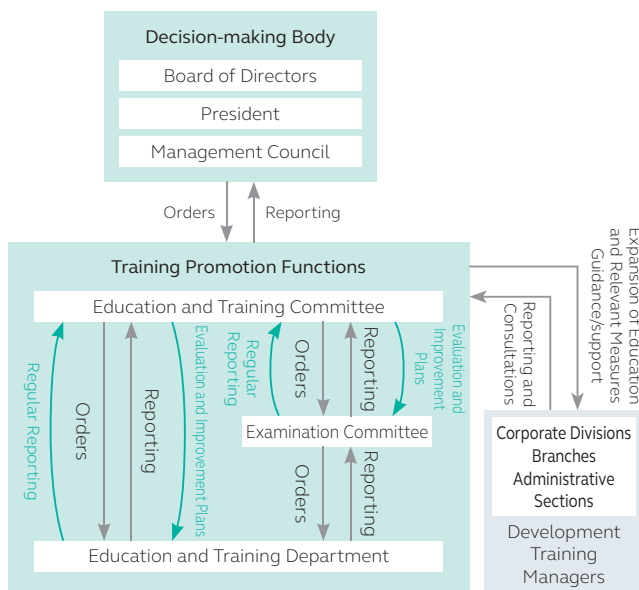
At Shinryo Corporation, people are considered to be our most valuable asset since our establishment. The techniques, knowledge and experience that all our employees have are indeed our management resources. We have put in place a wide-range of education programs to bring out the highest level of skill 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.

Promotion Systems for Education and Training

Shinryo Corporation plans and launches educations programs centered upon the education and training committee for the purpose of improving business execution skills by bringing understanding of the corporate philosophy

and basic philosophy. The Examination Committee drives forward training practically in each department while improving the skills of each employee through promotion examinations.

Development Training System Framework



VOICE



Mitsuru Kawachi
Education and Training Department
Manager of General Affairs Department, Administrative Division

Human resource development of new employees starts with teaching the basics as professionals and corporate employees and the importance of organizing in the roughly one year of training at the Kofu Dormitory. Thereafter, we have put in place various training curriculums to generate a synergistic effect in day-to-day work so that employees always have a will to improve and continue to grow. I think the ability for every employee to sufficiently grow each skill set and reach their full potential is the human resource power of Shinryo Corporation.

Training System

		New employees	Junior employees	Mid-level employees	Manager	Management
Required training	Founding Spirit, corporate philosophy and ethics	New Employee Training and Education Compliance education	Promotion training			
	Management expertise					Top management training
	Awareness raising	• Approach to work • Environment around Shinryo Corporation, future expansion, etc.	Career Design Training	Promotion training (official responsibilities and role)	Promotion training (official responsibilities and role) Diversity promotion training	
	Basic knowledge	• Corporate programs, regulations and personnel policies • Legal and accounting knowledge, etc.		Promotion training (legal and basic knowledge)	Promotion training (labor management, mental health, etc.)	
	Practical knowledge	• Basic knowledge about air conditioning systems and construction equipment • Reading blueprints, etc.		Promotion training (writing skills)	Promotion training (writing skills)	
	Practical training and skills	[Technical] Practical on-site training, work drawings, technical experience, etc. [Administrative] Practical on-site training, sales, and accounting training Overseas short term training system	[Mid-level technical employee training] BIM manager training			
	Life planning		Practical Overseas Dispatch		Life Plan Seminars (internal programs, pensions, second careers, etc.)	
Testing	Internal testing		Degree of achievement review	Advanced test		
	External testing	Certification Acquisition Incentive System				
Elective training			External seminars based on official responsibilities and positions			
Training by department			Unique curriculum for each department to enhance specialized skills			

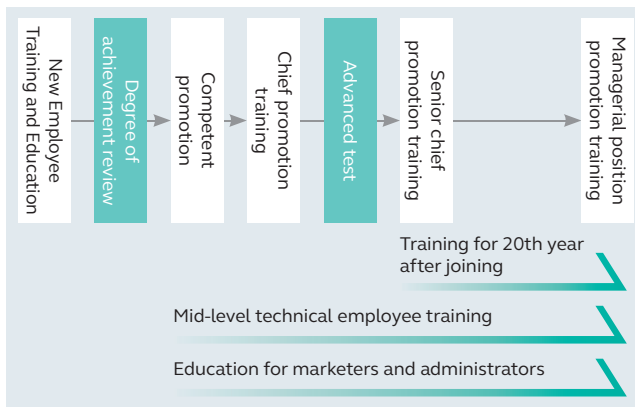
Development training system

■ Required training company-wide (group training/ internal testing)

We have established group training and internal testing as required training to recognize the roles of employees and improve their knowledge and skill level.

New employee training and education provides the training and education necessary for new employees to learn the basics. This program also provides promotions in stages from the second year on by passing internal tests and external certification exams, which takes the skills of managers to the next level. The broad curriculum by level, position and tenure also establishes a development training system able to ensure the continued learning of each and every employee.

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.



Discussions in Mid-level Technical Employee Training

■ Group-wide Elective Training

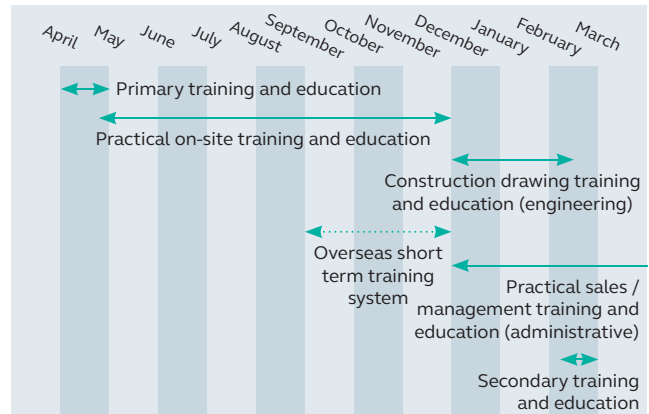
We implement training to take by selecting external seminars based on official responsibilities and positions for mid and higher level employees. We have prepared a wide range of courses to enhance the basic skills of each individual.

■ 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. We offer education to prevent recurrence of similar troubles through education materials with case studies of issues for engineers in addition to study sessions for marketing tools held for employees in marketing positions. This stratified education and training allows us to teach through a knowledge system.

New Employee Training and Education

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.



■ 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.



Kofu Dormitory

The Kofu Dormitory acts as an enhanced communication space, such as the discussion corner and lounge, for discussion between colleagues at the dormitory. The cafeteria is surrounded in glass, which gives everyone a full view of the landscape outside while eating. This environmentally-friendly facility also uses solar power generation, solar hot water and wall greening.



Dormitory



Cafeteria



Communication space



CAD/OA rooms

■ Primary training and education

Primary training and education teaches the posture necessary for professionals from the corporate philosophy, policies, and other basic knowledge to business manners over the first month after joining Shinryo Corporation. This program also provides the essential basics for safety management on construction sites as well as on-site operations while interweaving technical experience. In addition, we create a foundation for all knowledge related to the businesses of Shinryo Corporation by providing training that includes talks on the basics of construction equipment and tours of refrigerator and pump manufacturers.



Practical duct training

■ Overseas short term training system for new employees

This system helps deepen understanding about living and working overseas by providing an opportunity for new junior employees to travel to construction sites overseas and work on-site there for one week. Communication with local staff also cultivates human resources who have a global perspective and will to work overseas.



Vietnam

■ Practical Training on Construction Sites

We conduct practical training and education for roughly seven months after the primary training and education for not only technical employees but also administrative employees on construction sites in metropolitan areas. Senior employees are in charge of this practical education and teach a broad range of knowledge, including overall management operations related to processes, quality and safety as well as handling procedures for work drawings and the main equipment. This helps deepen understanding about its business through practical training on construction sites, which are most important to Shinryo Corporation.



Practical on-site training and education

■ Construction drawing training and education (engineering)

This program teaches the basics of work drawing as well as the creation of work drawings using 3D CAD.

■ Practical sales / accounting training and education (administrative)

Employees learn the basics of marketing in construction operations from receiving orders to invoicing of construction fees. Practical accounting training and education also teaches basic accounting knowledge such as the settlement of accounts and capital and receivables management.

■ Secondary new employee training and education

This program provides an opportunity to reaffirm the attitude as a professional upon assignment at the end of the training and education for new employees.

Training and Education for Diverse Human Resources

Cultivating an internal climate in which diverse human resources can actively participate is indispensable in the creation of a flexible, strong organization. Shinryo Corporation develops diverse human resources and strives to build an environment where everyone can reach their full potential and actively participate.

Human Resources Active on the Global Stage

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. The overseas practical dispatch system is for employees who have worked for the company between four to eight years that have first-hand experience in Japan as a way to cultivate human resources active on the global stage.

In this program, employees selected from an open solicitation each year are appointed overseas from one to three years to gain experience from the start to the

completion of an overseas project. These employees gain a global mindset by learning and respecting differences in approaches to work, languages and cultures while working together with the staff in each country. The youthful abilities targeted by the overseas business are trained through practical experience.

Since its start in 2014, many human resources have taken advantage of this program to gain global experience.



Discussions with local overseas staff

Human resources with diverse skills

Shinryo Corporation provides support such as subsidies for the cost of acquiring certifications to employees and incentives for employees who have acquired certifications in order to cultivate human resources who have a high level of technical and specialized abilities and skills. We broadly support not only certifications required by the business but also from a perspective of ability development.

Technical	Professional Engineer, First-Class Plumbing Work Operation and Management Engineer, First-Class Architect, First-Class Instrumentation Engineer, First-Class Electric Works Execution Manager, etc.
Administrative	First-Grade Official Business Skills Test in Bookkeeper, First-Class Construction Industry Accountants, etc.

New Employee Training for Mid-career Hires

Shinryo Corporation provides training to mid-career employees with experience working at another company or institution. Shinryo Corporation offers opportunities to deepen understanding about important matters that include sharing the company philosophy, founding spirit, and basic philosophy in addition to the management vision. In addition, we provide company policy, regulation, compliance, health and safety management training.

Group-wide New Employee Training

The Shinryo Group includes companies from a wide range of business categories from the construction industry and machine manufacturers to system developers, human resource deployment firms and hotels. We conduct group training for new employees at Group companies in Japan every April. In 2019, approximately 130 new employees participated in this training from nine Shinryo Group companies including Shinryo Corporation. Group education and training is conducted for the purpose of deepening understanding of the Shinryo Group and nurturing a sense of unity.

Under themes such as how to promote Shinryo Group to society, the participants deepened awareness about diversity in the Shinryo Group through discussions between teams made up of people from different Group companies.

Participants have said this training taught them the importance of Group companies supporting one another and how combining the strengths further heightens the capabilities of the Group.



Exchange of Ideas in Team Discussions

Company Philosophy Overseas

Active Participation of Human Resources Regardless of Education, Age or Nationality

Shinryo Corporation has translated the Japanese in its company philosophy that states to “have leadership, irrespective of education and age” to include nationality in the English translation. To develop as a global enterprise, we need to build an environment able to cultivate and facilitate a wide range of human resources to actively participate unboundedly by nationality.

English Translation of Company Philosophy

Company Philosophy

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

Local overseas staff Japan invitation program

We are holding training in Japan every year for managers at overseas companies of the Shinryo Group. 19 managers participated from 11 countries and regions—the largest in program history—over the four days of training in July 2019, which is the fifth time this training program has been held.

Participants not only learned topics such as the Shinryo Group businesses, company policies, air-conditioning systems and other cutting-edge technology but also Japanese construction methods and on-site management procedures through educational opportunities that included observing construction sites and district heating and cooling systems. Group management training with Japanese managers who have experience working abroad is also held for an exchange of ideas about the knowledge and decision-making skills necessary for managers.

Moreover, these trainees toured the Inter-University Research Institute Corporation, High Energy Accelerator Research Organization and Shinryo Corporation’s Research and Development Center located in Tsukuba city, Ibaraki prefecture to further their knowledge of leading-edge technology.



Technical Tour of the Research and Development Center

VOICE

Nguyen Dang Khoa

SHINRYO VIETNAM CORPORATION



My experience was fantastic because it gave me the chance to recognize and understand the different cultures of other countries in an exchange of ideas with people from the Shinryo Group who were participating from many different countries. I was also able to see the construction sites and latest technology in Japan with my own eyes, which was a great learning experience. I think I will be able to bring this experience back to my own country to use in my work.



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 the Next

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 August 2019 with the participation of a total of 16 female students. This is the fifth year of this activity held 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 Mixed Reality (MR) technology that visualizes the air flow and technology that prevents the spread of hazardous substances in this flow of air 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 their motivation. The participants shared their impressions saying that this was a great chance to think about future opportunities and a way to feel the passion employees felt for their work, which further fueled their interest.



Trying technology at the Research and Development Center

Support of High School Internships

In July 2019, we brought in 10th grade living environment system interns from Fujisawa Koka High School in Kanagawa at our Yokohama Branch. Over the three day internship, these students learned the creation of plant designs that respond to customer needs first hand, and toured heat source and air conditioning systems as well as central monitoring devices on a renovation construction site. The interns also toured the duct manufacturing plant of our partner company to learn about the cooperation of many people that makes the on-site work possible. Shinryo Corporation puts its strength into efforts that support this young generation of students to deepen their understanding and interest in the engineering technology and construction industry through this internship.



Students in the Training

Private Business Training for Teachers

In August 2019, we conducted private business training for teachers. This training program sponsors activities as part of the efforts to promote communication between the economic and academic worlds by the Keizai Koho Center Japan Institute for Social and Economic Affairs. This is the first time this project has been held as a Shinryo Corporation education program with the participation of five elementary and junior high school faculty members from Katsushika-ku Board of Education.

The training introduced the businesses and human resource development programs of Shinryo Corporation and provided an exchange of ideas with employees about work style reforms. We also held classes on energy-saving air-conditioning technologies, plant tours, and a tour of the Research and Development Center to deepen understanding about our environmental initiatives. All of the faculty members expressed how this program surprised them with knowledge about the many people and technologies involved with air conditioning systems from research and development to construction in addition to illustrating the company approach to take on each and every challenge toward the goal.

They also shared their desire to share the sincerity and passion for work with their students and hope to use what they learned in their work in the future.



Exchange of Ideas about Work Style Reform

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	Building Equipments
Meijo University	Building Services Engineering 2
Osaka City University	Building Equipment, I
Tsukuba University of Technology	Topics on Systems Engineering Eco Environment Systems
Chiba Institute of Technology	Career Design 3
Kumamoto University	Planning of Air-conditioning and Sanitary Engineering

Plus Volunteer Activity to Engage with Local Communities

Shinryo Corporation is involved in the Plus Volunteer Activities as part of its sustainability promotion 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.

Beach Clean-up Activities (Kyushu Branch)

In July 2019, the Kyushu Branch cleaned the beach that would be the venue for the Okinawa dragon boat race competition held in Uruma City, Okinawa, in which it was participating.

Okinawa dragon boat races are a tradition in Okinawa to wish for safe voyage and plentiful bounties of fish. 14 employees from Shinryo and partner companies participated in this activity and cleaned with goal of a beautiful ocean.



Beach Clean-up Activity

Tsukuba Marathon and Water Station Volunteers (Research and Development Center)

In November 2018, the Research and Development Center participated as water station volunteers at the Tsukuba Marathon held in Tsukuba City. The industrial park where the Research and Development Center is located is part of the marathon route. Our volunteers helped water stations positioned in this industrial park to cheer on runners and offer sports drinks among other duties.



Water Station Volunteers

Local Clean-up Activities (Chugoku Branch)

The Chugoku Branch participated in the local clean-up event held by the AIR-CONDITIONING & PLUMBING CONTRACTORS ASSOCIATIONS OF HIROSHIMA in November 2018 and June 2019.

The activity was held to clean up the cultural centers, parks and sidewalks in the heart of Hiroshima City for the purpose of local environment beautification. We were able to deepen our affection for the local area even more through this activity.



Local Clean-up Activities

Clean-up Activities After Technical Training (General Affairs Department, Urban Environment Division)

In November 2018, new employees cleaned the roadways around our partner company plant to show thanks to the local community after participating in technical training at the duct plant. The new employees were able to experience to raise a level of interest in environmental activities while learning about the support provided by partner companies to accomplish our work on-site.



Clean-up Activities Around the Plant

Clean-up Activity Before the Social Gathering (Procurement Department)

In July 2019, we took part in a social gathering and clean-up activity at Koganei Park in Koganei City. 19 people including employees and their families took part in this activity to clean the sidewalks and other areas from Higashi-Koganei Station to Koganei Park. Everyone who participated felt the joy of a more beautiful city with each piece of garbage they pick up while building a strong sense of environmental activities.



Social Gathering and Clean-up Activity

Shinjuku Mission Uchimizu (Tokyo Metropolitan Area Division)

20 employees participated in the Uchimizu Mission in front of Shinryo headquarters in August 2019. The participation in the Shinjuku Mission Uchimizu held by Shinjuku-ku aimed to cool down in Shinjuku by sprinkling water around the on the streets ward. We used rain water collected and stored until the day before the event. It was still hot during this season, but the ward had a refreshing air after the Uchimizu event.



Uchimizu Mission

Support for Culture and the Arts

Shinryo Corporation promotes activities to support the development of superb and vibrant arts and culture.

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

Activities of Group Companies

Each company of the Shinryo Group is aiding in the growth of society in many forms from initiatives to solve social issues through our businesses to contributing to communities through volunteer efforts.

Shinryo Kougyo Ltd. Aiming to Become a Human Environment Creation Company



Seiji Kanke
President, Representative Director

Date of Establishment: 1963
Address: 2-2-1, Kaji-cho, Chiyoda-ku, Tokyo

Shinryo Kougyo aims to become a human environment creation company that contributes to society in a wide range of fields from social infrastructure to environmental systems and industrial machines, including the design, manufacture, installation and maintenance of public pump plants for the purpose of

water and sewer processes, flooding and drought measures in addition to the design, manufacture, sales and maintenance of sludge concentration systems, chambers for measuring the diffusion amount of VOC as well as pumps and peripheral devices for the paper industry.

Shinryo Kougyo strives in activities to enhance and unify Quality, Cost and Delivery (QCD) throughout the entire company centered upon the Hiratsuka Plant, which prepares and manufactures main business items, by positioning enhancements of QCD as the most important challenge for the growth of company. We hold technical exchanges for the purpose of guiding the technology of partner companies involved with the installation of our products with the aim of enhancing QCD over a broad range that includes construction.

In 2019, we drafted new logos to update the logos of each facility. In

July, we also updated the design of our uniforms in an effort for all of our employees to take on their work with new resolve. My hope is for all of our employees to live a fulfilling life through their work at this company.



Technical Exchange



New uniform (modeled by Shinryo Kougyo employees)

Daiei Denki Co., Ltd. Building the Future with Trust and Proven Technology



Minetoku Okamura
President, Representative Director

Date of Founding: 1928
Date of Establishment: 1947
Address: 1-14-15, Minato, Chuo-ku, Tokyo

Daiei Denki celebrated its 91st anniversary in 2019. Through the lifeline of electrical equipment, we are a company that contributes to society with trust and proven technology. Daiei Denki handles the design, installation and maintenance of all electrical systems in buildings as well as the solar power generation

systems which provide clean power. We respond to the needs of customers with sincerity and the power of unity.

Electrical systems are one vital type of infrastructure for society. The provision of safe and stable electrical systems supports the safety and security of society. This is why Daiei Denki strives to enhance construction quality. To enhance skills and technology as well as fully execute construction safely, the Daiei Denki employees and the people who work at our partner companies need to take part in technical training. In the electricians skill competition, we proved ourselves by earning the Tokyo Governor Prize.

Daiei Denki will also further diversity through efforts such as work style reforms and the promotion of the success of female employees. As an organization with the active participation of diverse human resources, further refinements will build an environment where every

employee will feel motivation in their work, feel the joy of being needed, and the fun of doing a job that they can be proud to show their family. I think creating this type of environment supports the power of unity that will give strength to Daiei Denki in the future.



Electricians Skill Competition



Winners and Awards

Shinryo Technical Service Corporation

Holding Special Training on the Use of Full Harness Safety Belts

Shinryo Technical Service Corporation held special training on the use of full harness safety belts for our employees as well as staff of partner companies between February and July 2019 to thoroughly prevent occupational accidents due to falls. The use of full harness safety belts became mandatory in 2019 to ensure much greater safety compared to the conventional body belts. This training has been held for a total of 227 people, including on-site training at partner companies, because of the great interest by people wanting to participate.



Special Training on the Use of Full Harness Safety Belts

Akita Castle Hotel Co., Ltd.

Aiming to Become an Age Friendly Hotel

The Akita Castle Hotel aims to become an age friendly hotel that everyone can use comfortably. In fiscal 2019, 10 age friendly delegates received certification of the Level 3 Universal Manners Test. In addition to basic skills such as the right way to interact and talk to the elderly and persons with disabilities, these delegates are working to take care so that they can welcome anyone with unencumbered hospitality.



Stair Elevator for Wheelchair Use

SYSPRO CORPORATION

Operation and Management of Informational Security Measures

Syspro Corporation has established an Informational Security Committee to execute security measures for all information handled by the company as an organization engaged in IT operations. We formulate security policies, provide security training to employees and engage in around the clock operation and thorough management, such as the configuration and oversight of internal networks that manage security software on servers and computers.



Information Security Committee

Shiroguchi Co., Ltd.

Adoption of Mobile Terminals for On-site Operations

Shiroguchi lends mobile terminals to employees who work on construction sites and works to improve productivity of on-site operations. We also loan mobile terminals with the appropriate information security level to staff of partner companies to use together with our employees. As a result, we have improved operational efficiency by sharing the latest work drawings and on-site information as well as referring to installation and instruction manuals on-site. Efforts to support work style reforms aim to better each site.



On-site Operations

Global Staff Co., Ltd.

Participation in the Professional Human Resource Project for Community Revitalization

The Professional Human Resource Project is a venture by the Cabinet Office that matches local companies and professional human resources for the purpose of revitalizing local companies. Global Staff registered with the professional human resources center in Kanagawa Prefecture in fiscal 2019. In the future, we plan to expand this registration to other regions.



Global Staff Framework for the Professional Human Resource Project

LE PRO CORPORATION

Ensuring the Health of All Employees

LE PRO Corporation aims for health management under the philosophy that human resources are an asset and employee health is of the utmost importance. Every year, all employees attend and listen to talks by industry doctors. In 2019, we learned about the impact of using computers often for work on health and measures against those adverse effects based on new VDT* work guidelines, and reaffirmed the importance of health.

*Visual Display Terminals (VDT) work refers to work using screens such as computer displays.



Lecture by Industry Doctor

SHINRYO PHILIPPINES Enriching the Lifestyle of People



ARTHUR P. ISRAEL President

Shinryo Philippines is involved with resorts, hotels, projects to build infrastructure and a wide range of other fields, including plants and office buildings for Japanese and foreign-owned companies. Through these construction projects, we are supporting one aspect that is building the social infrastructure in the Philippines which will enrich the lifestyles of people.

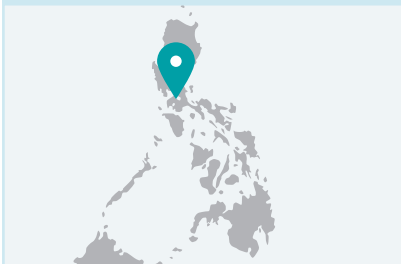
Shinryo Philippines always strives to ensure work safety. In July 2019,

we invited 11 junior engineers and employees in charge of safety as well as 21 employees from 13 partner companies to participate in scaffolding assembly drills according to instructions from the Construction Safety Organization of the Philippines and the Philippine Technical Education and Skills Development Authority. We will regularly conduct drills in the future with the goal of eradicating occupational accidents.

SHINRYO (PHILIPPINES) CO., INC.

Date of establishment: 1990

Address: Rooms 404-406 One Corporate Plaza Bldg. 845 A. Arnaiz Ave., Makati City, Philippines



Assembly Drill for Construction Scaffolding



SHINRYO MALAYSIA Building Social Infrastructure for Malaysia



Masayuki Fujita President

Shinryo Malaysia has taken part in projects to build Malaysian Social Infrastructure such as constructing a large-scale district cooling plant and large-scale cogeneration plant including the Kuala Lumpur International Airport before the current venture to design and build a district cooling and cogeneration system and standard Mechanical and Electrical (M&E).

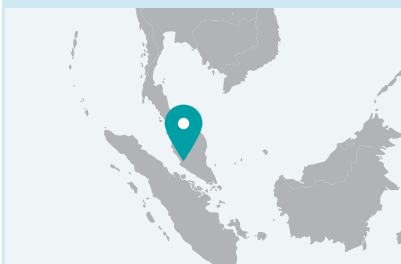
We are placing effort into education and training support as one part of this

social infrastructure. Shinryo Malaysia has been support with fundamental research into innovations such as the practicality of greater energy efficiency using supply air cooling systems in the cogeneration plants that Politeknik Ungkuomar polytechnic university has been working to develop since 2016. We expect the results of this research to cultivate new business opportunities.

SHINRYO (MALAYSIA) SDN. BHD.

Date of establishment: 1983

Address: Unit 24.02, 24th Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia



Partnership Research Signing Ceremony with Politeknik Ungkuomar Polytechnic University



SHINRYO HONG KONG/STS Hong Kong

Safety Forums

Shinryo Hong Kong held a safety forums in November 2018. A total of 93 people participated from managers and local staff to safety supervisors and representatives from each partner company. The competition reaffirmed the importance of safety by creating an opportunity for all participants to hear lectures by public agencies of Hong Kong and the Safety Supervision Department of Shinryo Corporation. We also presented awards to sites and employees free of accidents, such as the construction site occupational health and safety award, individual occupational health and safety award, and the distinguished service award for occupational health and safety.



All Participants in the Safety Forums

TAIWAN SHINRYO

Participation in Beautification Activities

Every year, Taiwan Shinryo participates in clean-up activities held by the Taiwansouji Association. This year four employees from Taiwan Shinryo cleaned restrooms at the Tianmu Elementary School in Taipei City to nurture a spirit of thanks while the participants learned about the spirit of beautification campaigns. Even while cleaning in the humid heat, the participants worked hard in thoughts of the children.



Group Photo of All the Participants

THAI SHINRYO

Japan Student Internships

In March 2019, Thai Shinryo provided on-the-job experience to one Japanese student from Kyushu Institute of Technology who wants to work abroad through an internship. The student who took part in the internship commented by saying the hands-on, on-site experience in construction management operations of construction equipment gave shape to the image of the job and strengthened the desire to work overseas.



Japan Student Internships

SHINRYO SINGAPORE

Bettering Occupational Health and Safety in the Workplace

The Singapore Land Transport Authority (LTA) came to the office of Shinryo Singapore to learn about the radio calisthenics the company does every morning. The LTA then introduced Shinryo Singapore as an organization striving to better occupational health and safety and improve employee health in the workplace at the safety event that LTA holds every year. Although radio calisthenics seemed a common effort to do every morning, this coverage by the LTA further demonstrated the importance of ongoing engagement in activities that contribute to the health and safety of employees.



Commemorative Photo After Interview

SHINRYO VIETNAM

Holding Lifesaving Training

Shinryo Vietnam held lifesaving training in July 2019 with the participation of 28 safety supervisors and office staff. Traffic accidents frequently happen in Vietnam due to streets crowded with motorcycles day and night. This environment does not allow ambulances to quickly reach construction sites because of the endless traffic jams. Therefore, I know teaching Shinryo Vietnam staff lifesaving skills will contribute at least a little to bettering the rate of lifesaving.



Lifesaving Training

SHINRYO INDONESIA

Participation in the Jakarta Japan Festival

Shinryo Indonesia sponsored the Jakarta Japan Festival for the purpose of building a bridge between Japan and the people of Indonesia. This festival was an overwhelming success as forum to introduce sumo, origami, calligraphy and other traditional Japanese cultural experiences alongside traditional Indonesian culture. Many of these gatherings helped deepen understanding and interest in the cultures of both countries with the participation of Japanese living in Indonesia. Our business was launched in Indonesia 25 years ago. Shinryo Indonesia will continue to contribute to the friendship and mutual understanding of both countries.



Bustle of the Crowd at the Jakarta Japan Festival



SHINRYO CORPORATION

2-4, Yotsuya, Shinjuku-ku, Tokyo 160-8510, Japan
www.shinryo.com

