



SHINRYO REPORT 2023

Corporate Profile and Sustainability Report

English Version

Management Vision

“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 offer greater value.

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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.

Some of the images in this report differ from current occupational health and safety measures, but all of the images are either images taken after measures were taken for inclusion in this report or images taken before the measures began.

Target period

This report focus on FY2022 (October 1, 2021 to September 30, 2022), including some periods before and after.

Scope of report

Sustainability Promotion activities of Shinryo Corporation and the Shinryo Group.

Reference guidelines and standards

ISO 26000

Date of publication

January 2023

Division responsible for publication

Shinryo Corporation
Sustainability Promotion Department,
Corporate Strategy and Planning Division

Informational Dissemination System

Main Publications such as Pamphlets	Website
All activities such as financial and non-financial information	
SHINRYO Report 2023 (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/tech/
Various technical catalogs	Technology Technology and Services website https://www.shinryo.com/saiyo/
	Sustainability Promotion Activities Sustainability Promotion Website https://www.shinryo.com/sustainability/

Message from the President

“Transformation for Growth”



Takeshi Kagami
President,
Representative Director

Start of the 15th Three Year Management Plan

The domestic construction market in Japan is recovering investments that temporarily stagnated due to the COVID-19 pandemic showing active large-scale urban redevelopment. However, trends in international society remain uncertain from mid- and long-term viewpoints. The domestic construction market in Japan has little potential for explosive growth with concerns about slowdown in market growth. In light of various social changes, like this, hitting the construction industry, I believe we are approaching a major transformational period unlike anything we have seen before.

International action to realize a sustainable society is one of these social changes. Initiatives are taking even greater action, whether it be to achieve the Sustainable Development Goals (SDGs) or in ESG investments. Many companies have defined corporate visions to realize this sustainable society. Initiatives to achieve a decarbonized society are picking further more momentum, even in Japan, and have become an important element of market

evaluations in the construction industry as well.

Additionally, efforts to foster digital transformations are greatly impacting the construction industry. The industry as a whole is driving forward technological development in an effort to introduce IoT, robots, and other digital technologies to construction sites, which is expected to encourage further automation and labor savings in the future. I also expect construction processes to evolve together with advancements in the digitalization of work processes and broader use of BIM.

In addition to these trends in decarbonization and a digital transformation, another challenge we face is work style reform. The construction industry is right in the middle of reforming work styles to rectify a working environment with surmountable overtime in order to comply with the amendments to the Labor Standards Act set to go into effect in April 2024.

These work style reforms are an urgent initiative to solve the labor shortage problem. In the currently active market though, the priority for companies has been executing a large volume of construction projects. This makes work style reforms difficult to achieve.

The Shinryo Corporation will not be defeated by this situation. The 15th Three Year Management Plan started in October 2022 as a mission to foster a transformation for growth. The three-year Transformation for Growth vision proposes four strategies to foster change.

Strategy 1: Improve On-Site Reforms and Engagement by striving to better innovate the on-site work processes

Company Philosophy

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

15th Three Year Management Plan (68th Term to 70th Term)

• Long-term Vision 2030

Future and Environmental Engineering
Company

• 15th Three Year Vision

“Transformation for Growth”

• Strategies to Achieve Goals

Strategy 1: Improve On-Site Reforms and
Engagement

Strategy 2: Expand Core Business Strategies

Strategy 3: Strengthen Business Development
Capabilities Prioritizing Green &
Digital Domains

Strategy 4: Promote a Digital Transformation



Innovation Hub Key Visual

and work style reforms to further enhance productivity and realize our vision, but also begin to rebuild personnel policies to encourage the active participation of diverse human resources as well as improve employee engagement.

Strategy 2: Expand Core Business Strategies aims to deliver reliable and high-quality construction services, always a strength of the Shinryo Corporation, in light of work style reforms and a labor shortage. These efforts will build a flexible and resilient profit structure responding to changes in the domestic construction market, anticipate changes in the global business environment, and strengthen overseas businesses from both offensive and defensive standpoints.

Strategy 3: Strengthen Business Development Capabilities Prioritizing Green and Digital Domains targets green and digital domains as the major driving forces of the changes in society. These efforts will cultivate future core businesses and advance technological and business development through more effective collaboration inside and outside of the company.

Strategy 4: Promote a Digital Transformation by adopting digital technologies to heighten the effectiveness of Strategies 1 through 3 and promote both business and digital transformations through available digital means.

Toward Transformation

We have executed two major organizational reforms as part of the 15th Three Year Management Plan right at the start of the 68th term. The first was the launch of the Digital Transformation (DX) Promotion Division. The Shinryo Corporation has always actively striven to use digital technologies, but the launch of the DX Promotion Division will enhance and bolster our business strengths.

Our second organizational reform renamed the

Research and Development Center as the “Innovation Hub” and restructured its role within the Shinryo Group. We not only reconstructed the center building but also changed the name to the “Innovation Hub” as a way to more strongly promote straight forward interactions and open innovation with industry, government, and academia. The speed of technological development is rapidly accelerating. As a new value creation and delivery platform, the Innovation Hub will become a base of innovation as represented by its name. (➡P9–10) This report outlines the 15th Three Year Management Plan as well as organizes the Shinryo Corporation value creation process. (➡P7–8) By reorganizing our recognition and response to social change and risk as well as the value (outcomes) provided to society through our business activities herein, I hope to provide all of our stakeholders with an even deeper understanding of the Shinryo Corporation. The reason the Shinryo Corporation exists is to use environmental technology to realize a sustainable world by preserving the global environment, in addition to delivering original technology around the globe to realize a world filled with new possibilities. Our management vision to create a freshening world embodies this passion.

The Shinryo Corporation is prioritizing sustainability promotion activities. We are participating in the United Nations Global Compact and promote various other initiatives via the concepts of the Sustainable Development Goals (SDGs). One important challenge of the SDGs is defining and integrating KPI’s into management, which is also positioned as an initiative for creating a freshening world. (➡P26-30)

Shinryo Corporation 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 and repeatedly chosen by customers. I ask for your ongoing support and guidance in the future as well.

Message from the Vice Presidents and General Managers



Yasunori Abe

Representative Director, Executive Vice President
In Charge of Finance and Overseas Businesses

Growth Opportunities Brought by a Paradigm Shift

Our founder spoke of corporate growth as becoming a company that contributes to the society and the people as well as a major contributor in improving health and industry. Everyone at the Shinryo Corporation puts that philosophy into practice, which has always fostered growth. Today, the founder's philosophy ties contributions to a decarbonized as well as resilient society, which are important SDGs priority subjects, and provides a guide for us to contribute to the development of sustainable society. As an environmental engineering company, the Shinryo Corporation prepares to tackle these priority issues with its technology. The 15th Three Year Management Plan invests in the development of digital technologies and open innovation to expand our technological capabilities. These efforts are pushing forward preparations for us to capitalize on the coming paradigm shift as a growth opportunity. With our founder's philosophy as an unwavering strength, the Shinryo Corporation will transform itself without the fear of change to foster growth.



Tetsuro Kochiya

Representative Director, Executive Vice President
General Manager, Technical Supervision Division & in charge
of Group Health and Safety & Compliance & the Environment

Realizing Advanced & Appealing Construction Sites

Shinryo Corporation decided upon four SDGs priority subjects in 2020. These issues included the realization of a decarbonized society and contributions to a resilient society in addition to defining our goals to build better construction sites and provide refreshing environments unique to the Shinryo Corporation. Amendments to the Labor Standards Act will apply the upper limit on overtime in April 2024. The Three Year Management Plan starting the 68th term aims to dramatically transform on-site operations and increase the efficiency of construction sites by more rapidly shifting to digital and off-site operations. I also believe the harmonization and standardization of construction sites will realize operational environments with higher quality and greater safety. We will realize safe and highly efficient work processes and achieve advanced and appealing construction sites. Our efforts will drive forward the work style reforms and take on the challenge of realizing a decarbonized society thereafter.



Takeo Yamaguchi

Director, Executive Vice President
General Manager, Marketing Supervision Division

Provision of Reliability and Trust

Decarbonization has begun to take roots as a central value even in the construction industry with a vested interest in shaping a sustainable society. The impact of the COVID-19 pandemic seems to have diminished, but exchange rates and the prices of materials are adversely affected by international situations as well as economic affairs, which continue to be highly unpredictable. To ensure management stability, the Shinryo Corporation will guide management centered upon economic circumstances in Japan and overseas, societal demands, and customer feedback most of all. A responsive organization that can take action is critical. The active domestic construction market has predominately expanded the scale of construction projects in recent years. In my opinion, a company must earn the trust and provide peace of mind to its customers in these uncertain times. I see change as the new normal. We will do our utmost to provide equipment systems with superior energy and resource savings in addition to safe and clear construction quality by striving to truly understand the goals of our customers.



Koichi Kaji

Director, Managing Executive Officer
 General Manager, Corporate Management Division & in charge of Group Management & New Work Styles

Work Style Reforms Reinforcing Corporate Strengths

The construction industry in Japan faces the major challenges of reforming long work hours and building flexible work environments. Shinryo Corporation launched the “Refreshing Work Style Project” in 2016 as its initial efforts to reform work styles. As of 2021, we have taken these reforms to the next level by expanding the project company wide with the Challenge 45 initiative that aims to limit overtime work to a maximum of 45 hours per month. Further advancement of these efforts require putting in place preparations for the construction industry to comply with amendments to the Labor Standards Act going into effect in April 2024 and realize ideal work styles after that. The promotion of health management has also been positioned as a priority management issue. Therefore, the Shinryo Corporation will build workplaces where diverse human resources are motivated and each can reach their full potential with the goal of realizing a refreshing, highly productive company rich with creativity.



Katsuhiko Yakita

Managing Executive Officer
 General Manager, DX Promotion Division

Digital Empowerment of On-site Capabilities

The new DX Promotion Division has been entrusted with the mission to use digital technologies to promote an operational transformation with the aim of achieving the ideal form of the Shinryo Corporation as a Future and Environmental Engineering Company by 2030. Modern digital trends have the momentum to transform the construction industry. We will track new technology and value emerging around us while also working to reform on-site construction processes and foster a digital transformation. Shinryo Corporation aims to execute a digital transformation that strengthens on-site capabilities, improves productivity, and creates new value. The visualization of equipment data reveals points of improvement while data sharing facilitates a smooth review, which in turn contributes to excellent safe and high-quality construction and the creation of new products and services. I believe this will also lead to more effective work style reforms and engagement.

United Nations Global Compact and Sustainable Development Goals (SDGs)



Shinryo Corporation signed the UN Global Compact in September 2014.



Sustainable Development Goals (SDGs)

The sustainability promotion activities of Shinryo Corporation refer to the United Nations Global Compact and Sustainable Development Goals (SDGs). Shinryo Corporation is advancing sustainability promotion management and business activities that have adopted the ten principles in four areas (human rights, labor, the environment, and anti-corruption) of the United Nations Global Compact as well as the concepts in the 17 SDG 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.

Value Creation Process

Shinryo Corporation employs a value creation process that earns trust and delivers new value to customers through technology. We contribute to solutions to social issues by providing safe and secure equipment systems offering energy and resource savings to a variety of business regions. The most important Shinryo asset and strength are people, which are also our driving force.

External Business Environment

- Aspiration for a Sustainable Society
- Climate Change
- Globalization
- Faster Digital Transformations
- Shifts in Work/Life Styles
- Population Decline in Japan

Input

Materiality
Four Priority Subjects



Contribute to a Decarbonized Society



Contribute to a Resilient Society



Realize Safe and Highly Efficient Work Processes



Build Refreshing Environments Rich with Creativity

Priority Sustainable Development Goals (SDGs)



Management Resources
Supporting Value Creation

Financial Capital
FY 2021

- Capital: 3.5 billion yen
- Consolidated net assets: 155.5 billion yen

Intellectual Capital

- Extensive track record in each business region
- Environmental engineering technology supporting this track record

[P19-24](#)

Human Capital

- Roughly 5,500 employees worldwide
- Numerous qualified personnel

[P15](#)

Social Capital

- Business organizations in about 15 countries and regions worldwide
- Numerous business partners
- Brand power cultivated through business and sustainability promotion activities

[P17-18](#)

Manufacturing Capital

- Business Network: 63 Japanese bases, 19 overseas bases
- Research facility: 1 facility

[P9-10](#)

Natural Capital

- Energy consumption: 52,293 GJ (FY 2021)*

*Scope 1 and 2 (including the headquarters, branches, offices, research facilities, plants, and other business establishments but excluding construction sites)

Business

Planning & Proposal
Research & Development

- Energy related facilities
- Plant facilities
- Comprehensive information systems
- Electric systems

Safety and Energy Resource

Maintenance

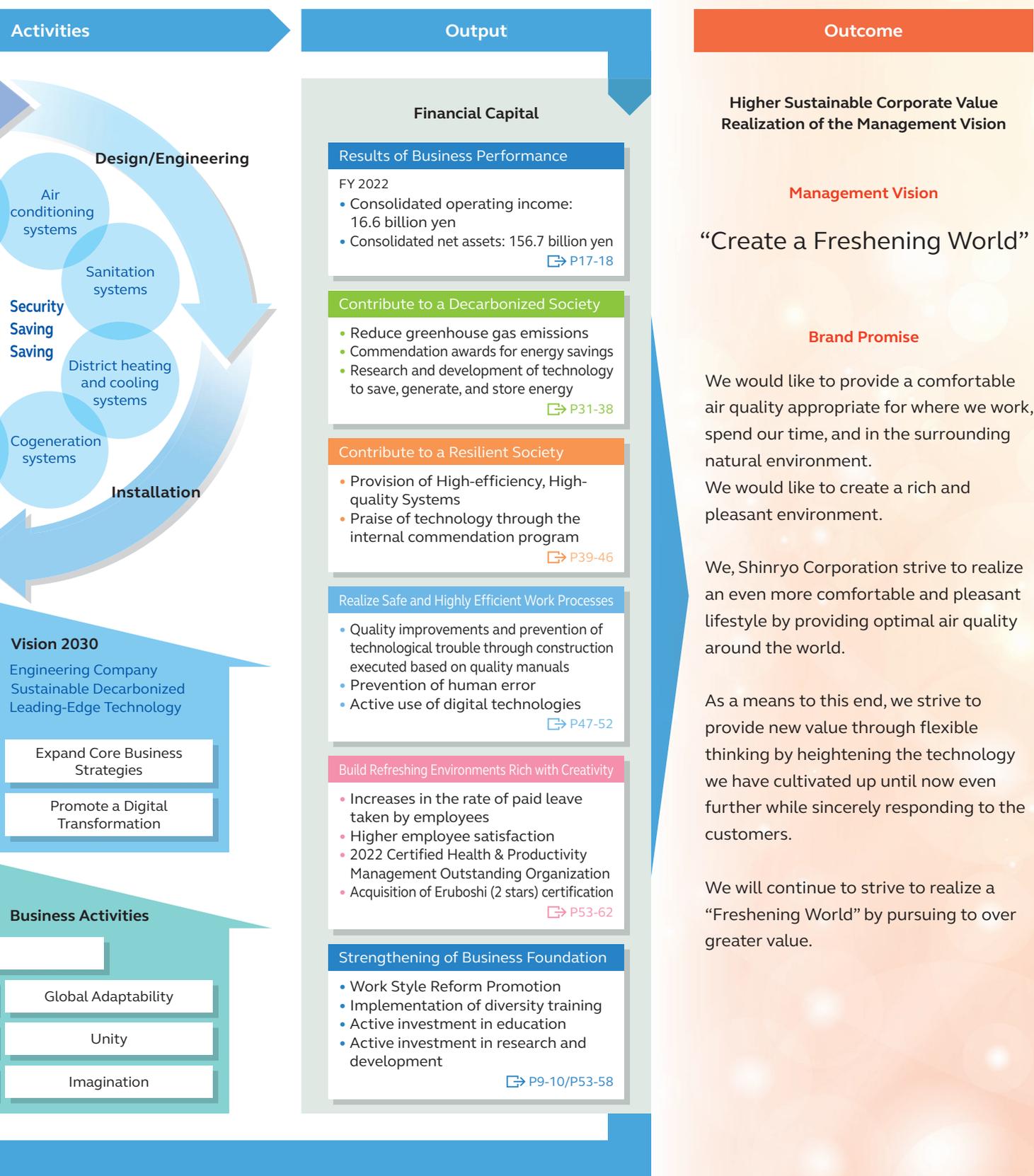
Long-term
Future & Environmental
A Company Helping Realize a Society through

- Improve On-Site Reforms and Engagement
- Strengthen Business Development Capabilities

Strengths of Our

- Trust
- Technological Capabilities
- Human Resources
- Initiative

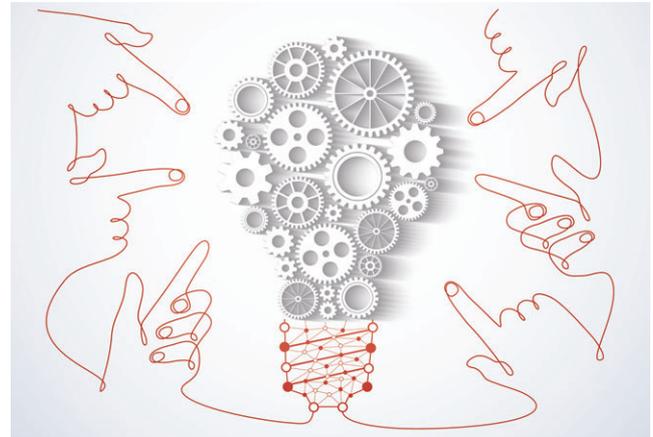
The business environment surrounding the Shinryo Corporation is dramatically changing. We established the Long-term Vision 2030 to anticipate and transition these changes into business opportunities by responding to the external business environment from medium- to long-term perspectives while heightening our value creation capabilities. Our vision is to deliver refreshings to the world. The aim of the Shinryo management vision to create a freshening world will enhance sustainable corporate value.



Shinryo Innovation Hub

The Research and Development Center has pioneered research in not only the air conditioning field but also a wide-range of other domains to realize optimal next-generation environments since its establishment in 1990 as the Japan's largest research facility in Tsukuba City. However, Shinryo Corporation restructured Research and Development Center in an effort to adapt research and development to the speed of recent changes in society and technological innovations.

In October 2022, Shinryo Corporation renamed the Research and Development Center the Innovation Hub. The Innovation Hub will further energize research and development efforts as a platform to create revolutionary products and services in addition to other new value.



Innovation Hub Key Visual

Visions of the Shinryo Innovation Hub



Shinryo Corporation renamed the Research and Development Center the Innovation Hub to restructure the center as a hub to collaboration with startups and a place to bring together the main players of innovation who have technology and expertise. This is one of the Transformation for Growth initiatives advocated by the 15th Three Year Management Plan, which began this fiscal year. We have spearheaded various joint research projects in the past, but there was room to improve the ability for Shinryo Corporation to make business capital out of research and development results. Strengthening capabilities to take advantage of research and development has been a pressing issue, especially in light of the speed of recent social changes and the speed of technological development. That is why we are transitioning from a Research and Development Center to an Innovation Hub. This shifts our focus from closed innovation to open innovation. By broadening these innovation activities, Shinryo Corporation is taking on a surmountable challenge of conducting high-speed research at a higher level with the aim of developing businesses. I hope our collaboration with many more people in the future will generate a diverse range of new value.

Yukitoshi Maeda Executive Officer General Manager, Innovation Hub

Three Themes of Innovation Hub Initiatives

▶ Green Transformation (GX)

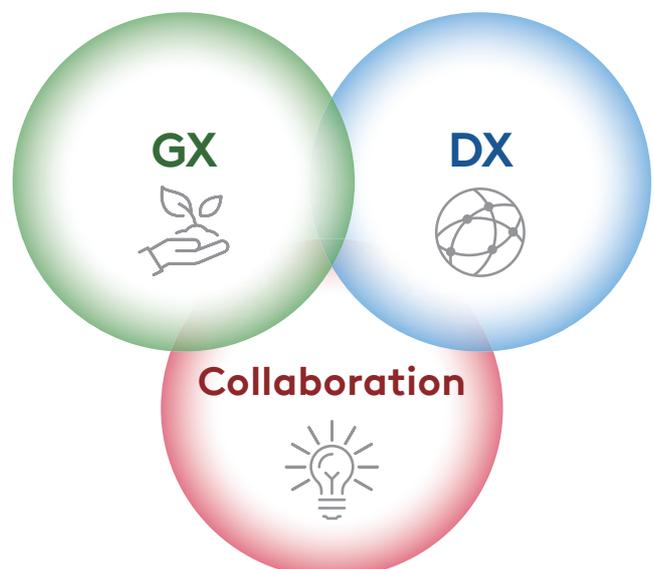
We will strive to develop technology to save, generate, and store energy for equipment systems within the premise to further a green transformation with the goal to realize net-zero greenhouse gas emissions from research and development activities by 2030.

▶ Digital Transformation (DX)

We will use digital technologies, create products and services that satisfy customer and societal needs, and reform work and production processes with the aim of fostering a digital transformation.

▶ Collaboration

We will spearhead open innovation, provide a place for research and development, such as co-creation field experiments and the sharing of internal resources, through active collaboration across business categories as a platform for creating and delivering new value.



Three Themes of Innovation Hub Initiatives

Construction of the New Main Building and Two Challenges

Shinryo Corporation takes on two challenges when restructuring the Research and Development Center. The first challenge set out to reduce greenhouse gas emissions through the power of research and development. The second set out to test new work processes using BIM. In October 2022, we began construction of the main building for the Innovation Hub as a platform for open innovation.

- ▶ **Overview of the Innovation Hub Main Building**
 Address: 41, Wadai, Tsukuba City, Ibaraki
 Lot area: 34,676 m²
 Total building area: 2,356 m²
 Total floor area: 4,778 m² (main building)
 Structure: Steel construction
 Floors: 3 stories above ground
 Start of construction: October 15, 2022
 Completed: End of September 2023 (tentative)



Completed Illustration of the Innovation Hub Main Building

Challenge 1 Reduce greenhouse gas emissions

Shinryo Corporation plans to implement the latest air conditioning systems utilizing its technological expertise and quality product development into the new main building to realize net-zero greenhouse gas emissions from research and development activities by 2030, but that's not all. We also aim to dramatically increase the energy savings of heat source equipment of existing energy centers on the premise and plan to upgrade the heat source systems. The development and introduction of technologies to generate and store energy will also evolve the Innovation Hub to realize a green transformation.

Main Technology and Systems Tentatively Set for Adoption

Shinryo Corporation plans to not only introduce the latest systems innovated from the technologies put in place at the Shinryo Shinjo Building (P11-12) but also the technologies and systems below.

- Dynamic range heat source system optimizing fluctuations in temperature differences and flow rate of heat mediums
 - Digital twin air conditioning control using real-time CFD*
 - Supply water and heat temperature, water and air conveyance, and air conditioning systems with greater overall energy savings
- *CFD: Computational Fluid Dynamics

Challenge 2 Total BIM Construction – New Work Process Trial

The Ministry of Land, Infrastructure, Transport and Tourism has adopted the new main building construction as a model project for facilitating building production and maintenance management processes using BIM. As a model project, this initiative aims to clarify the benefits of using BIM to customers and establish a construction technology consultancy through a specialized system and construction company.

We are moving forward with reviews and improvements so that other construction sites can also implement this initiative. In the future, we hope to realize greater efficiency and labor savings on all construction sites by being able to roll out the appropriate and highly efficient construction methods that align with the needs of each construction site (P36).

New Value Creation Through Open Innovation

Collaboration

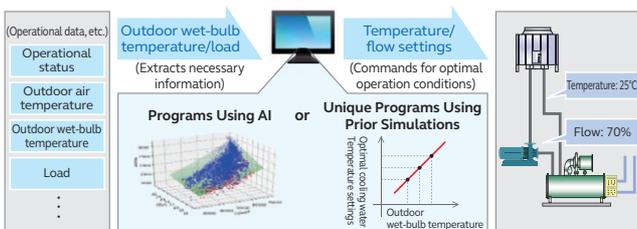
Shinryo Corporation has collaborated with other institutions in the past to create new value. For example, a joint research and development project with other institutions developed and commercialized optimal heat source control systems and smart sericulture systems by defining development

requirements while listening to the needs of customers.

The active incorporation of these types of collaborations hopes to accelerate open innovation to deliver a lot of new value to society and customers.

• Optimal Heat Source Control Systems

These optimal heat source control systems achieve the optimal operation of equipment by using design and operational know-how, AI and energy simulation tools for heat source systems to derive operational conditions with the minimal amount of energy consumption (P36).



• Smart Sericulture System

The Smart Sericulture System creates the optimal environment to rear silkworms. The sericulture management technology can efficiently and stably produce quality silkworm proteins, which become a raw material for foodstuff, cosmetics, pharmaceuticals, and petroleum alternatives.



Silkworms



MayuFactory® Large Sericulture System



Collaboration

Listen to the Needs of Customers
 ▶ Simulate phenomena via measurement and analysis

Collaborate with Other Institutions
 ▶ Develop control technology
 ▶ Test and demonstrate concepts



Collaboration

Listen to the Needs of Customers
 ▶ Devise a sericulture flow and test systems
 ▶ Develop systems

Collaborate with Other Institutions
 ▶ Propose technology and business partnerships
 ▶ Review business models

Feature 2: Initiatives at Shinryo Shinjo Building Taking on the Challenge of Decarbonization

The Shinryo Shinjo Building is a medium-sized building located in the Tokyo metropolitan area. Shinryo Corporation provides the technology and expertise gained from this building as a model case for ZEB that adopts various decarbonization technologies, which contribute to the realization of a decarbonized society.

Provision of New Decarbonization Technologies

Shinryo Corporation has been providing technologies that contribute to the reduction of greenhouse gas emissions (Scope 3: Category 11) produced by running building equipment after delivery to customers. Society is taking significant action to achieve decarbonization and demands new technologies.

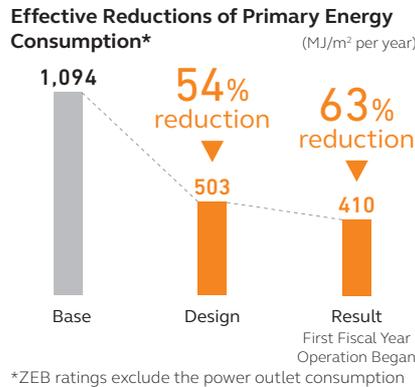
For the construction of the Shinryo Shinjo Building, Shinryo Corporation worked jointly with Mitsubishi Jisho Design Inc. and Shibaura Institute of Technology (Professor Takashi Akimoto) in efforts to research and develop decarbonization technologies from the planning stage. To embody ideas obtained in reviews of technical issues and solutions, we have established new technologies by conducting CFD (Computational Fluid Dynamics) analyses, full-scale experiments, and field tests.

Established Decarbonization Technology Processes



Realization of ZEB Ready

The introduction of various decarbonization technologies reduces primary energy consumption 54% from reference values at the design stage to achieve ZEB Ready. These technologies have also realized a 63% reduction thanks to improvements after the systems are up and running. Additionally, Shinryo Corporation always strives to expand energy savings, such as developing and adopting optimal heat source control systems with new links to spreadsheet software.



Social Evaluation

Shinryo Corporation has received many environmental certifications and praise for its energy-saving technologies and decarbonization initiatives as well as many awards in the world.

Main Commendations

- 2023 ASHRAE*1 Regional XIII*2 Technology Award First Place Winner
- 2022 ASHRAE Japan Chapter Technology Award First Place Winner
- 60th SHASE*3 Award for Distinguished Technologies
- 10th Carbon Neutral Award Kanto Branch
- 18th/20th Environmental and Equipment Design Award (Total of 3 Awards)

*1 American Society of Heating, Refrigerating and Air-Conditioning Engineers

*2 Asian regions including Japan, Singapore, South Korea, and Taiwan

*3 The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan

Environmental Certification



Highest BELS Certification - 5 Stars



LEED v3 GOLD





Shinryo Shinjo Building
 Completed: July 2020
 Total floor area: 4,619 m²
 Building application: Office
 Location: Chiyoda-ku, Tokyo
 Builder: Shinryo Corporation

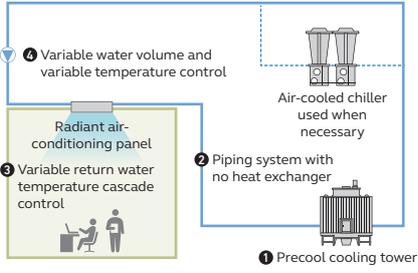
Main Development Technologies

6-8F Offices Dynamic Range Radiant Air Conditioning System

This new radiant air conditioning system integrates various technologies to maximize the use of natural energy, such as a variable water volume and variable temperature control that optimizes the temperature range according to heating load and a precool cooling tower that uses outdoor air to cool water. The system uses natural energy approximately 70% of the time during cooling annually.



7F Office



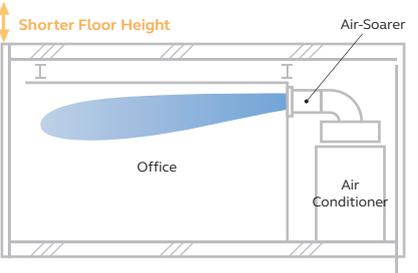
Dynamic Range Radiant Air Conditioning System

3-5F Office Variable-Air-Volume Coanda Air Conditioning System

This air conditioning system using the Coanda effect creates a jet of air flowing along the ceiling, which eliminates the need for duct space in the ceiling to enable a shorter floor height. This system realizes greater energy savings of blower power used in combination with Air-Soarer[®]* constant autonomous airflow outlets that can deliver a uniform airflow to every corner of the room, regardless of the strength of airflow.



4F Office

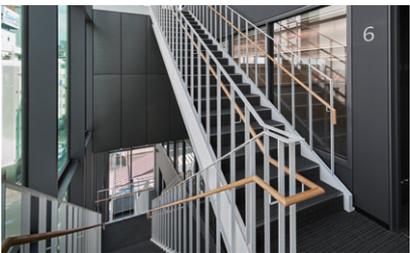


Variable-Air-Volume Coanda Air Conditioning System

*Air-Soarer[®] was developed jointly by Mitsubishi Jisho Design Inc., Shinryo Corporation, Shibaura Institute of Technology, and Kyoritsu Air Tech Inc.

Natural Ventilation Using Stairways

As the seasons change, natural ventilation uses ventilation windows installed at the top of stairways. These stairways act as a buffer zone during the summer and winter to reduce invasive heat or chill from outside.



Stairway

Real-time Environment Visualizer

This system can check indoor environments in real time. Engineers use this information to analyze and improve indoor environments. This system also raises awareness about energy savings because staff working on each floor can view this data on the web.



Temperature Distribution

Facility Management Rooted in the Community

Kanda-Tacho, where Shinryo Shinjo Building is located, still has the quaint cityscape of the oldest Edo town. We aimed to create an environmentally-friendly building incorporating the traditional shopping and residential street in a way that values the connection with nature and people in the alleyway space. The local community uses a section of the entrance as a place to store the portable shrine for the Kanda Festival.

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 five 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 Headquarters (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

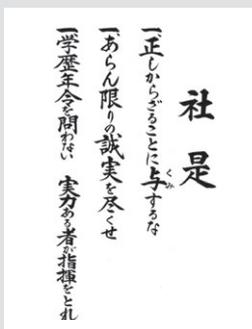
1956

1960~

1970~

1980~

History of Technical and Human Resource Development



The Company Philosophy clearly expresses the life philosophy 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” Shinryo Corporation and are the foundation for all thinking, decision-making and action of executives.



Initial Meeting to Establish Shinryo Corporation



The First Members Training at the Takamatsu Dormitory



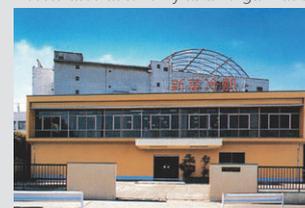
1969

Enhanced the organization by adopting a division-based organization system. Authority was 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, Shinagawa-ku, 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
 - 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~



Sharp Corporation Kameyama Factory
Air conditioning System



The Venetian Macao Resort
Air conditioning/District Heating and Cooling system (Macao)

2009 to Present

Perseverance and Organizational Development to Expand Business Regions

- 2009**
 - Started renovations of the headquarters building (energy saving Eco-project at the headquarters building)
- 2010**
 - Established the Control & Instrument Engineering Division
- 2012**
 - Commemorated for the long-time certification of the environmental management system
 - Opened the Working Drawing Center
 - Developed the Space Scanning System using 3D technology
- 2014**
 - Drafted the "Create a Freshening World" management vision
 - Established the CSR Promotion Division and Compliance Promotion Division
 - Introduced the overseas practical dispatch system and the overseas short term training system for new employees
- 2015**
 - Began on-site training for engineers from overseas
- 2017**
 - Standardized an English logo
- 2018**
 - Established a local company in India (SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD.)
- 2020**
 - Moved Headquarters (1-6-1, Yotsuya, Shinjuku-ku, Tokyo)
- 2022**
 - Launched the DX Promotion Division
 - Renamed the Research and Development Center to the Innovation Hub and restructured its role within the Shinryo Group



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



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



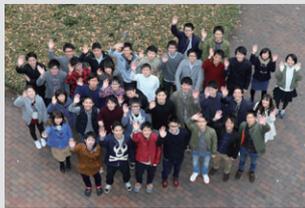
2015
Start of Japan Invitation Program for Overseas Group Companies



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	1-6-1, Yotsuya, Shinjuku-ku, Tokyo
Date of Establishment	February 23, 1956
Number of Employees (As of September 2021)	2,245 people (non-consolidated) 5,348 people (including Group companies)
Capital	3.5 billion yen

Construction Business License (Japan) (As of January 2023)

License Number	(Special 1) No. 3447 issued by Minister of Land, Infrastructure, Transport and Tourism
Date of License	March 11, 2020
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 1) No. 3447 issued by Minister of Land, Infrastructure, Transport and Tourism
Date of License	March 11, 2020
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, 2021

List of qualifiers (Japan)

Name of certification	Number of people
Professional Engineer Japan (Engineering Management)	3
Professional Engineer Japan (Environmental Engineering)	42
Professional Engineer Japan (Mechanical Engineering)	3
First-Class Plumbing Work Operation and Management Engineer	1,159
First-Class Electric Works Execution Manager	131
First-Class Building Operation and Management Engineer	19
First-Class Civil Engineering Works Execution Managing Engineer	10
1st class Qualified Certified Electrician	32
3rd Class Electric Works Specialist	32
Class A Fire Defense Equipment Officer	340
Class B Fire Defense Equipment Officer	20
1st-class Kenchikushi (Architect)	43
Qualified Person for Energy Management	126
Building Facilities Diagnostic Technician	91
Building Mechanical and Electrical Engineer	245
The First Level Instrumentation Engineer	374
Professional Engineer (CxPE: Commissioning Professional Engineer)	4

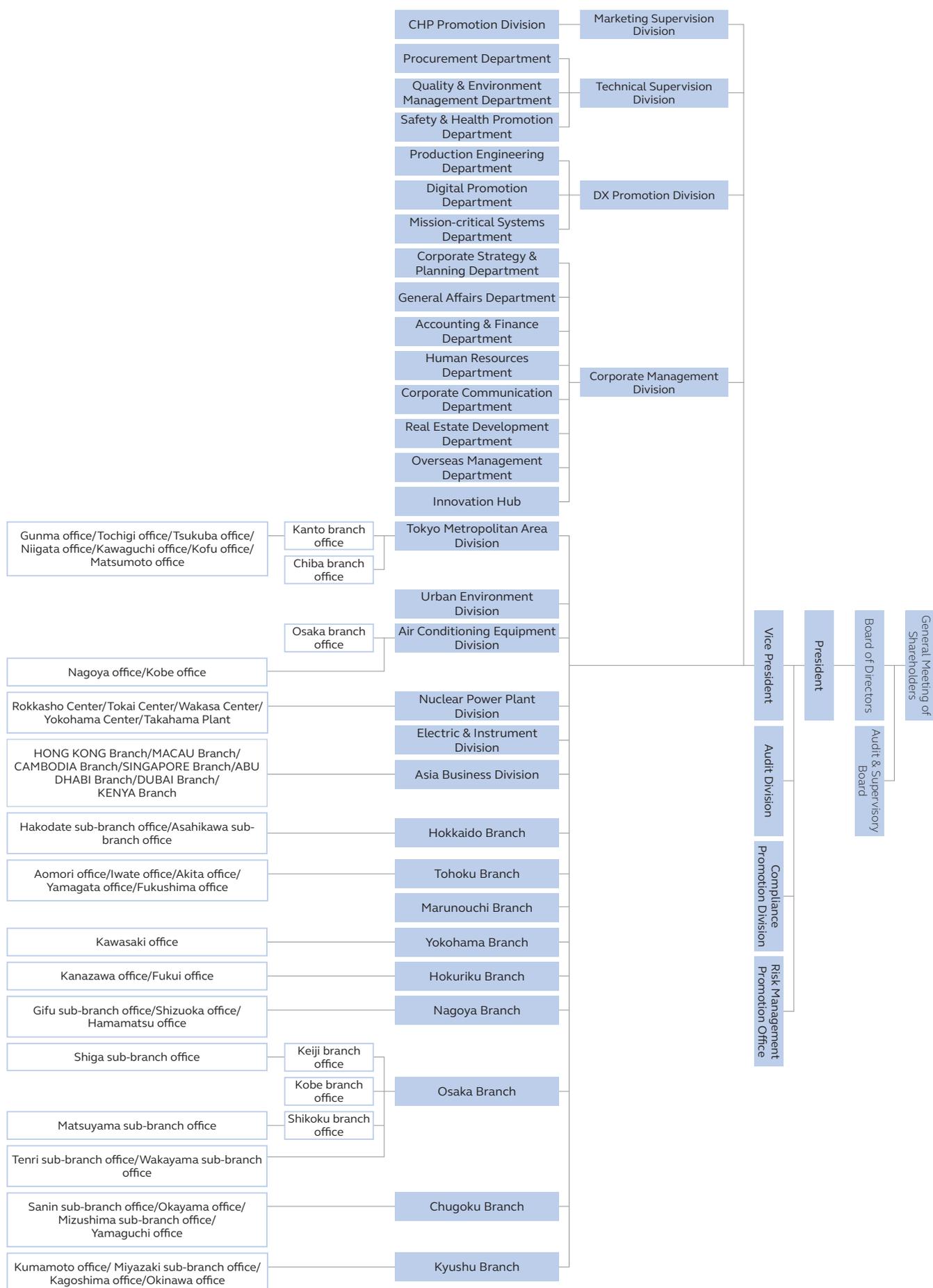
List of Executives

President, Representative Director	Takeshi Kagami	
Representative Directors	Yasunori Abe Tetsuro Kochiya	
Directors	Takeo Yamaguchi Koichi Kaji Sayaka Kagami Hideaki Fujizuka	Non-Executive Director Outside Director
Audit & Supervisory Board Member	Haruaki Kotani Yoji Kawai	
Outside Audit & Supervisory Board Member	Toshihito Furuya Koichi Kubo	

President & Chief Executive Officer	Takeshi Kagami*	
Executive Vice Presidents	Yasunori Abe* Tetsuro Kochiya* Takeo Yamaguchi*	In Charge of Finance and Overseas Businesses General Manager, Technical Supervision Division & in charge of Group Health and Safety & Compliance General Manager, Marketing Supervision Division
Senior Managing Executive Officer	Takeshi Egi Takao Watanabe	General Manager, Osaka Branch & in charge of Western Japan General Manager, Tokyo Metropolitan Area Division & in charge of East Japan
Managing Executive Officers	Koichi Kaji* Katsuhiko Yakita Tatsuji Yoshimura Kazuto Inabe Satoru Narisawa	General Manager, Corporate Management Division & in charge of Group Management & New Work Styles General Manager, DX Promotion Division General Manager, Asia Business Division General Manager, Urban Environment Division General Manager, Nuclear Power Plant Division
Executive Officers	Hideki Hagiwara Takuji Fujisawa Yukitoshi Maeda Hideki Furumoto Naoki Uchiyama Koji Murakami Masahiko Kitabayashi Hiromitsu Fujioka Hideyuki Nagasawa Shuichi Abe Takehiro Masuda Toshiyuki Shimizu Shuji Chiba Toshiya Terao Hideki Nagato	President & Representative Director, Shinryo Technical Service Corporation General Manager, Air Conditioning Equipment Division General Manager, Innovation Hub General Manager, Corporate Communication Department In charge of Sales Promotion, Marketing Supervision Division General Manager, Marunouchi Branch General Manager, Yokohama Branch Deputy General Manager, Tokyo Metropolitan Area Division General Manager, Kyushu Branch Deputy General Manager, Marketing Supervision Division General Manager, Nagoya Branch Deputy General Manager, Osaka Branch Deputy General Manager, DX Promotion Division & General Manager, Production Engineering Department General Manager, Corporate Strategy & Planning Department & Real Estate Development Department & in charge of Sustainability Promotion Deputy General Manager, Urban Environment Division

*Executive Officers also acting as Directors

Organizational Chart



Overview of the Shinryo Group

Number of Companies

16

Shinryo Corporation
6 Japanese Group Companies
9 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.

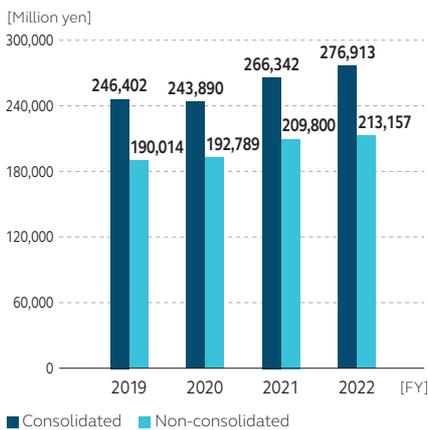
Overseas, the Group also delivers a “Freshening World” by setting up bases primarily in Asia and the Middle East.

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

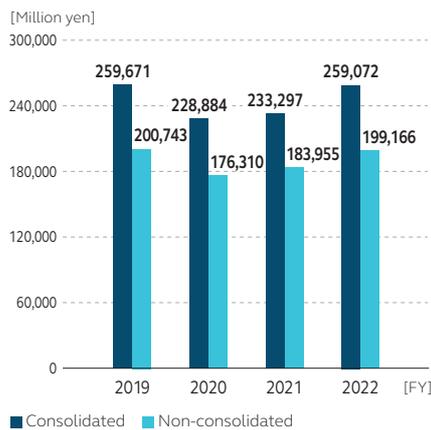


Business Performance Trends

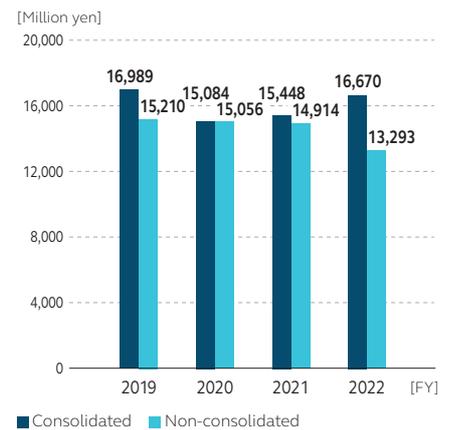
Orders received



Net sales



Operating income



Business Network

82 bases

63 Japanese bases
19 overseas bases

Net sales

259.0 billion yen

199.1 billion yen (non-consolidated)

Number of Employees

5,348 people

2,245 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.

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.

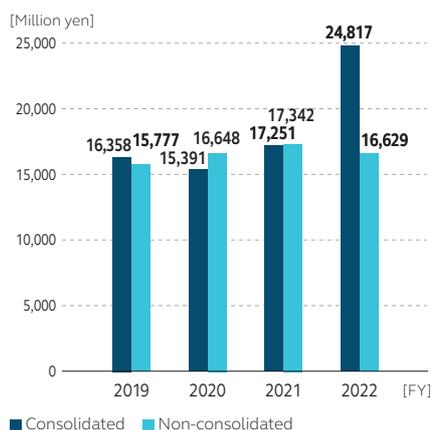
SHINRYO (MALAYSIA) SDN. BHD.

PT.SHINRYO INDONESIA

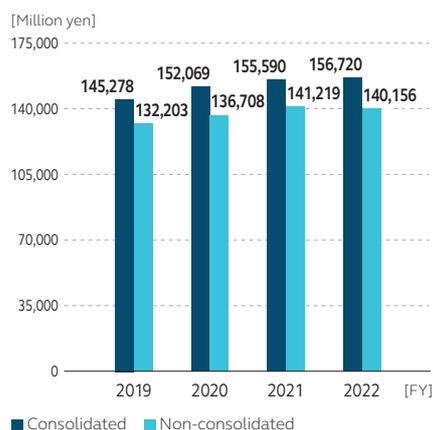
SHINRYO VIETNAM CORPORATION

SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD.

Ordinary profit

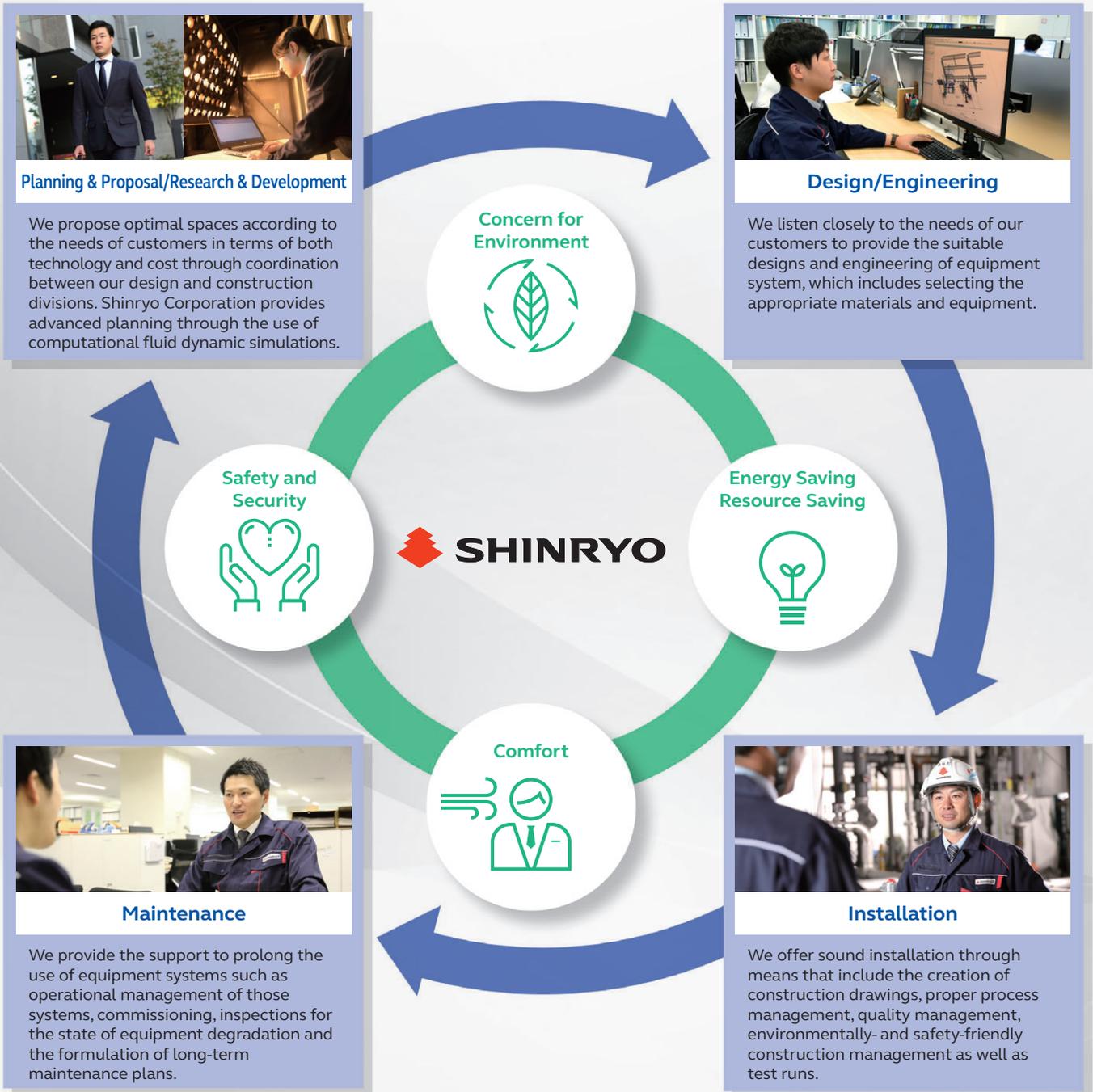


Net assets



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, 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

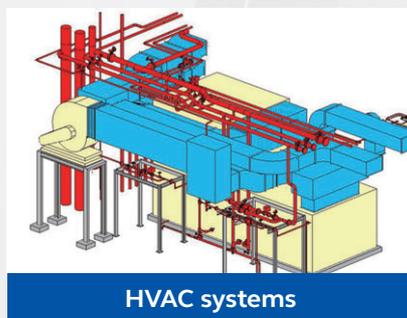
Aquarium facilities/pool facilities/weather simulation facilities/various environmental reliability testing systems/freezing and refrigerating systems/ultra-low temperature and high accuracy temperature control systems

► 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

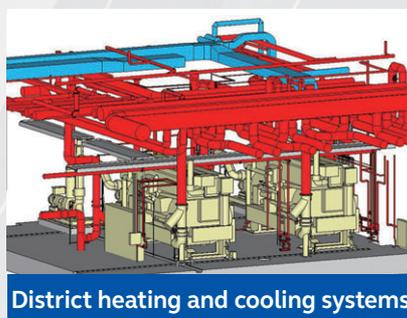
Air conditioner and other heating and cooling products/fans and blowers/sanitary ware/other products related to air conditioning and ventilation



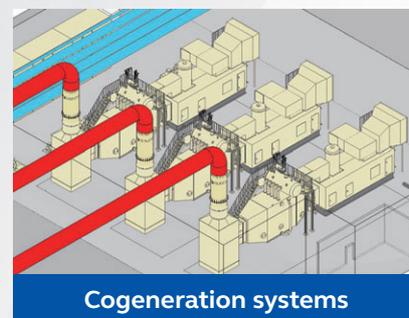
HVAC systems



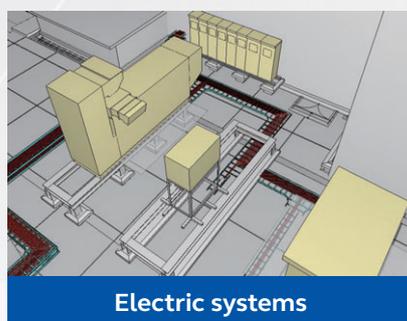
Plumbing and sanitation



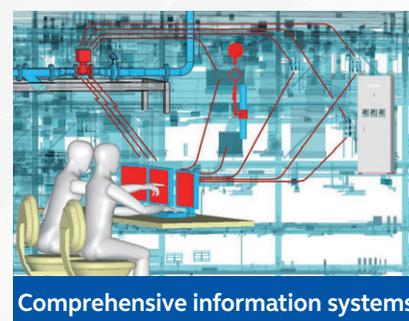
District heating and cooling systems



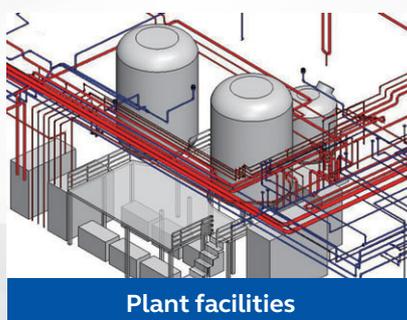
Cogeneration systems



Electric systems



Comprehensive information systems



Plant facilities



Aquarium facilities

Construction Track Record



Offices, hotels, and district heating and cooling systems



Tokiwabashi Tower
(Chiyoda-ku, Tokyo)

Air conditioning System



Dai Nagoya Building
(Nagoya City, Aichi Prefecture)

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



Mizuho Marunouchi Tower
(Chiyoda-ku, Tokyo)

Air conditioning System



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

District Heating and Cooling System



Otemachi, Marunouchi 1-chome & 2-chome and Yurakucho Districts 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.

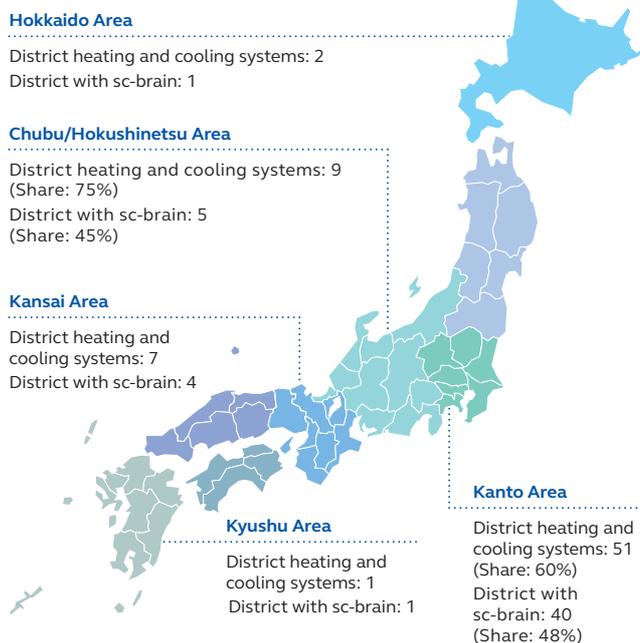
[Main Delivery Record]

- 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

- District heating and cooling systems: 70 (Share: 51%)
- District with sc-brain: 51 (Share: 38%)





Energy Centers, Plants, Hospitals, Building Complexes, Aquariums, Theaters, and Sports Facility



Kiyohara Smart Energy Center
(Utsunomiya City, Tochigi Prefecture)

Civil Engineering and
Construction of Plant Facilities



Hareza Tower
(Toshima-ku,
Tokyo)

Air Conditioning
System



TOCHIGI SPORTS PARK EAST AREA
(Utsunomiya City, Tochigi Prefecture)

Air Conditioning and
Sanitation System



**Yokohama
City Hall**
(Yokohama
City, Kanagawa
Prefecture)

Air Conditioning
System



Kochi Prefectural Ashizuri Aquarium
(Tosashimizu City, Kochi Prefecture)

Rearing
System



IUHW Narita Hospital
(Narita City, Chiba)

Air Conditioning and
Sanitation System



Shiseido Fukuoka Kurume Factory
(Kurume City, Fukuoka Prefecture)

Air Conditioning
System



Takasaki City Theatre
(Takasaki City, Gunma Prefecture)

Air Conditioning
System



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



Marina Bay Sands Integrated Resort
(Singapore)

Air Conditioning and Mechanical Ventilation Systems



National Centre for Infectious Diseases (Singapore)

Air Conditioning and Mechanical Ventilation Systems



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

Plant Facilities



Jewel Changi Airport
(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

Sustainability

Shinryo Corporation Sustainability Promotion Activities

26 Sustainability Promotion Management

31 Initiatives to Address Priority Subjects

31 Priority Subject 1 Contribute to a Decarbonized Society



- 31 Adaption to Climate Change
- 32 Environmental Management System (EMS)
- 33 Initiatives to Mitigate Greenhouse Gas Emissions from the Supply Chain



39 Priority Subject 2 Contribute to a Resilient Society



- 39 Yaesu Energy Center
- 41 Hiroshima City North Medical Center Asa Citizens Hospital
- 43 Suntory Kita-Alps Shinano-no-Mori Water Plant
- 44 Osaka Umeda Twin Towers South
- 45 Tokyo Metropolitan Government Building No. 1 Air Conditioning System Renovations
- 46 New National Cancer Centre Singapore



47 Priority Subject 3 Realize Safe and Highly Efficient Work Processes



- 47 Quality Management System (QMS)
- 49 Initiatives to Improve On-site Construction Productivity
- 51 Health and Safety Initiatives
- 52 CSR Procurement Guidelines



53 Priority Subject 4 Build Refreshing Environments Rich with Creativity



- 53 Work style reform
- 55 Build Refreshing Environments Rich with Creativity
- 57 Human Resource Development Rich with Creativity
- 59 Corporate Governance
- 61 Compliance
- 62 Human Rights



63 Sustainability Promotion Activities at Shinryo Group Companies

65 Social Engagement

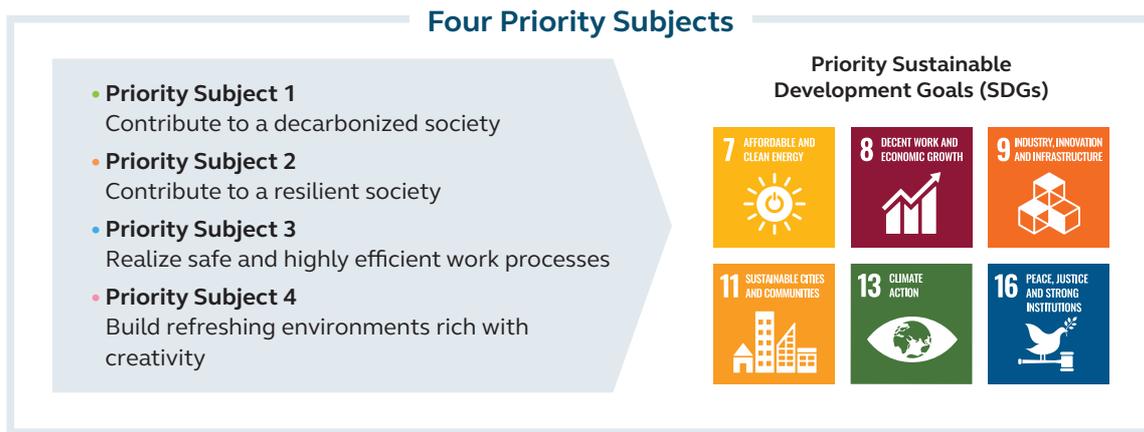
Sustainability Promotion Management

Toward the development of a sustainable society

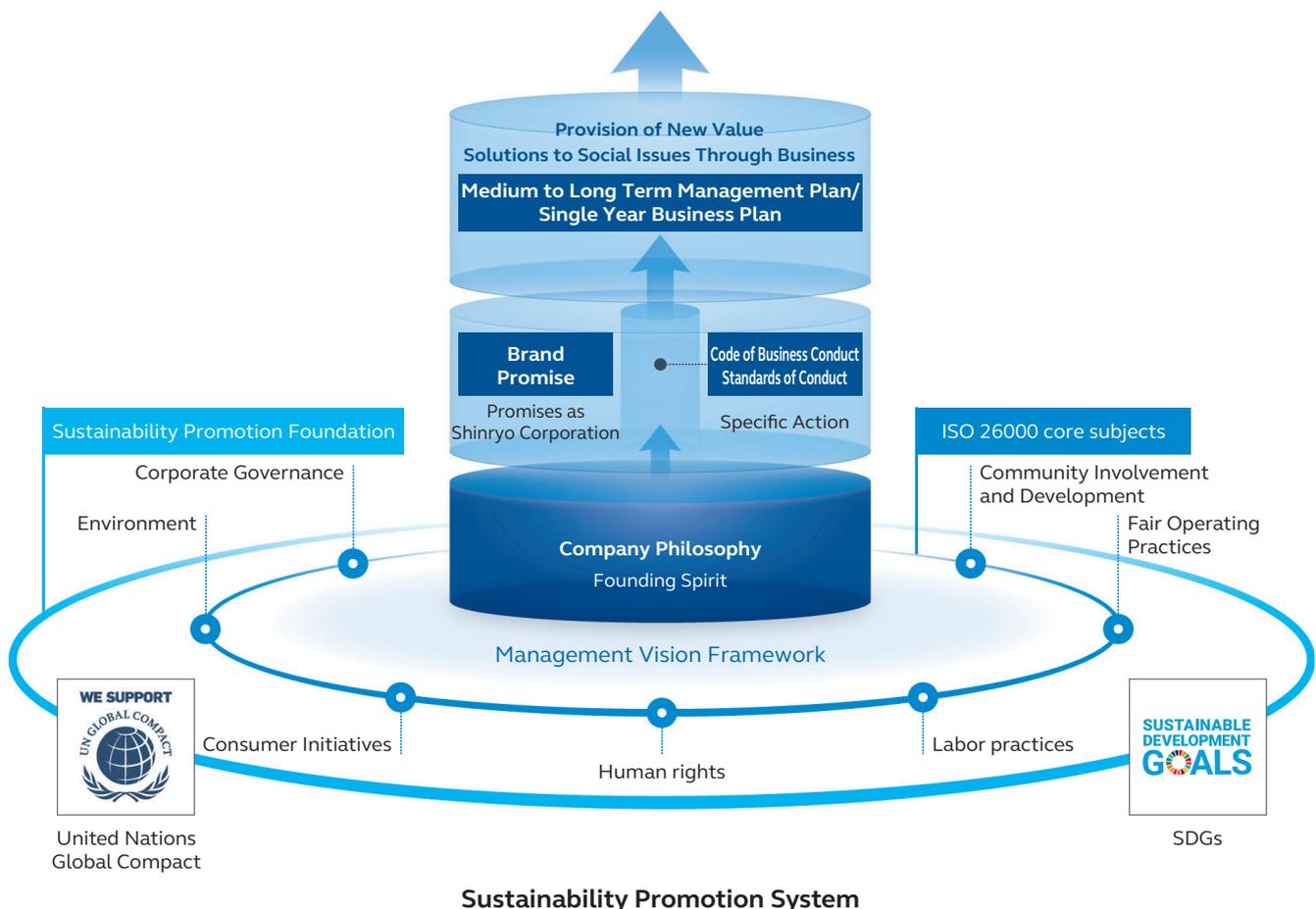
Shinryo Corporation started CSR activities by establishing the CSR Promotion Division in 2014. The CSR Promotion Division was reformed into the Sustainability Promotion Division to expand these activities in April 2019. In October 2019, we integrated activity promotion operations with the Corporate Strategy & Planning Division to strengthen strategic activities in accordance with management policies based on the incorporation of the Sustainable Development Goals (SDGs) into management as well as the growing importance of factors

such as stakeholder communication.

In 2020, we determined priority SDG subjects (materiality) to engage in through our business activities to tackle social issues. In 2021, we formulated Key Performance Indicators (KPI) to enhance the effectiveness of our work in overcoming these challenges (P29-30). In the future, Shinryo Corporation will promote more specific activities with the hope of better integrating SDGs into management.



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



Sustainability Promotion System

Aim to Solve Social Issues Through Business



Shinryo Corporation has provided new value to society through business with the aim to realize solutions to social issues as well as its management vision to create a refreshing world. We have been determining priority SDG subjects (materiality), setting Key Performance Indicators (KPI), and pushing forward practical initiatives since 2020. During the second year of these initiatives, the Shinryo Corporation has put in place a system to continually set and manage KPI while collecting data.

In the future, these activities will become commonplace within the Group with the hope of overcoming problems, integrating management and sustainability, and enhancing corporate value.

Toshiya Terao Executive Officer in Charge of Sustainability Promotion

Sustainability Promotion System



Sustainability Promotion Committee

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.

Sustainability Promotion Department

The Sustainability Promotion Department communicates activity policies defined by the Sustainability Promotion Committee to Shinryo Corporation and Shinryo Group executives to further sustainability activities in coordination with each division. The department publishes the SHINRYO Report by bundling annual activity information for feedback from all of our stakeholders to reflect and improve efforts when drafting activity plans.

Priority Subjects (Materiality)

Shinryo Corporation decided upon four SDG priority subjects in 2020. There are six goals of particular importance: **7**. Affordable and Clean Energy, **8**. Decent Work and Economic Growth, **9**. Industry, Innovation and Infrastructure, **11**. Sustainable Cities and Communities, **13**. Climate Action, and **16**. Peace, Justice and Strong Institutions. These priority issues not only fulfill the important social responsibilities for Shinryo

Corporation to realize a decarbonized and resilient society but also include goals to better construction sites and provide refreshing environments unique to Shinryo Corporation.

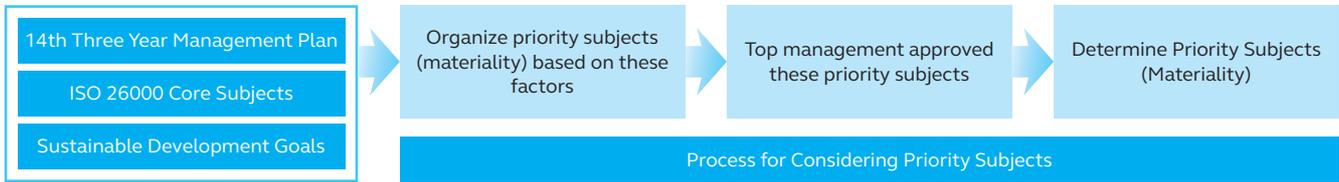
In the future, we will contribute to the realization of a sustainable society by linking the SDGs and management while reviewing these priority subjects from a medium-term perspective based on management plans and social demands.

Review Process

Shinryo Corporation has furthered its scrutiny into the social issues requiring attention for the sustainable development of society since 2017 through its businesses. We examined the priority subjects to emphasize incorporated concepts from the ISO 26000 and Sustainable Development Goals (SDGs) around

the Shinryo Corporation 14th Three Year Management Plan while referencing feedback from the management team and outside experts and then decided on important 2020 priority subjects.

Review Process



Four Priority Subjects

Priority Subject 1
Contribute to a decarbonized society

Relevant SDGs

7
AFFORDABLE AND CLEAN ENERGY

13
CLIMATE ACTION

Achieving the goals of the Paris Agreement and realizing a decarbonized society are pressing issues as the impact of global warming becomes more drastic. As an environmental engineering company, Shinryo Corporation will strive to reduce greenhouse gas emissions and take other such measures in its business activities from design, installation and maintenance to research and development as a way to help realize a decarbonized society.

Priority Subject 2
Contribute to a resilient society

Relevant SDGs

9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

11
SUSTAINABLE CITIES AND COMMUNITIES

With escalating risks of natural disasters, the construction of strong infrastructure is essential to ensure sustainable corporate activities as well as safe and secure life in society. Shinryo Corporation helps build safe, long-lasting social infrastructure by providing high-efficiency, high-quality systems and proposing optimal maintenance and renewal plans.

Priority Subject 3
Realize safe and highly efficient work processes

Relevant SDGs

8
DECENT WORK AND ECONOMIC GROWTH

9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

More efficient operations and higher productivity are essential issues when considering the labor shortage in the Japanese construction industry. Internationally, human rights of workers and labor management have also become issues. Shinryo Corporation will establish safe and highly efficient work processes with the goal of realizing safe work-friendly environments and efficient construction site operations.

Priority Subject 4
Build refreshing environments rich with creativity

Relevant SDGs

8
DECENT WORK AND ECONOMIC GROWTH

16
PEACE, JUSTICE AND STRONG INSTITUTIONS

The construction industry in Japan faces the major challenges of reforming long work hours and building flexible work environments. Shinryo Corporation will build workplaces where diverse human resources are motivated and each can reach their full potential with the goal of realizing refreshing, highly productive company rich with creativity.

Initiatives to Address Priority SDG Subjects

Shinryo Corporation formulated key performance indicators (KPI) in 2021 and put its full efforts behind them in 2022 to solve the priority issues (materiality) determined in 2020. We have set these targets focusing on the activities done in the past to propel those initiatives forward.

Ongoing Shinryo Corporation efforts have striven to raise employee awareness about how our businesses connect to solutions

Priority Subjects (Materiality)	Policy	Action Plan
Priority Subject 1 Contribute to a decarbonized society	Reduce greenhouse gas emissions from business activities	<ul style="list-style-type: none"> Reduce Scope 1 direct greenhouse gas emissions Reduce Scope 2 indirect emissions associated with energy sources
		Promote designs and proposals to reduce greenhouse gas emissions from Scope 3 Category 11 emissions (use of sold products)
	Strive to employ the latest energy-saving technologies	Broadly promote energy-saving technology throughout the society by soliciting entries for external energy-saving commendations and other such initiatives
Priority Subject 2 Contribute to a resilient society	Contribute to building resilient social infrastructure	<ul style="list-style-type: none"> Provide resilient, efficient, and high-quality equipment and systems Recognize technology through an internal commendation program (President's Awards)
Priority Subject 3 Realize safe and highly efficient work processes	Improve productivity on construction sites	Streamline construction sites and promote a digital transformation
	Provide high quality equipment and systems	Improve quality and prevent technical issues through construction carried out according to a quality manual
	Manage safe and work-friendly constructions sites	Prevent human error by strictly following operational procedures that incorporate risk management
	Improve fair evaluations of engineers and construction quality	Promote the expansion of the construction career up system
Priority Subject 4 Build refreshing environments rich with creativity	Achieve the ideal work style for the Shinryo Corporation <ul style="list-style-type: none"> Work-friendly environment with a refreshing and open corporate climate Pride, satisfaction, a sense of accomplishment, and growth A fulfilling work-life balance A work style driving maximum results in a limited amount of time 	<ul style="list-style-type: none"> Fully execute the medium- to long-term plans and achieve the three-year vision Advocate the work style reforms promoted in Priority Subject 4 as one initiative <ul style="list-style-type: none"> - Refreshing Work Style Project - Challenge 45
	Comprehensive Compliance	Implement comprehensive compliance education

KPI Decision Making Process

Shinryo Corporation reviewed KPI together with the 14th Three Year Management Plan and its internal promotion targets based on the various goals advocated throughout society and the industry at large.

As the Shinryo Corporation furthers activities in the future, we will freely review targets and add KPI according to changes in social requirements and trends. This will ensure even more effective activities.



to SDG issues to ingrain these activities in the attitude and action of everyone. Additionally, we are actively creating opportunities to deepen employee understanding of the SDGs, such as e-learning addressing SDG themes and cross-organizational expansion of KPI activity results through committee members executing sustainability initiatives.

Key Performance Indicators (KPI)		FY2022 Activity Results	Reference page	Priority Sustainable Development Goals (SDGs)
Reduction rate of Scope 1 and 2 emissions	<ul style="list-style-type: none"> Base year for greenhouse gas reductions: 2009 Greenhouse gas emissions - 50% reduction by 2030 - Net zero by 2050 	30% *FY 2021 Results	31, 34	 
Implementation rate of design proposals to reduce greenhouse gas emissions during system operations	100% implementation rate	100%	34	
—	—	Award-winning technology included in the SHINRYO Report	11-12, 35, 50	
—	—	Main initiatives and award-winning technology included in the SHINRYO Report	39-46	 
—	—	Main initiatives included in the SHINRYO Report	36, 48-50	
Construction cycle implementation rate	100% implementation rate	100%	47-48	 
Frequency rate	Frequency rate of 0.40 or less	0.28 *FY 2021 Results	51	
Construction career improvement system registration rate of Safety and Health Council members	Registration rate of 80% or more	79%	51	
Employee satisfaction	4.0 or higher *Index based on internal research (Evaluation on a scale from 0 to 5)	3.2	55	 
Rate of annual paid leave taken by employees	Year-on-Year Increase	87% (2 points increased compared to previous fiscal year)	54	
Participation rate in compliance training	100% participation rate	93%	62	



Initiatives to Address Priority Subjects



Contribute to a Decarbonized Society

Achieving the goals of the Paris Agreement and realizing a decarbonized society are pressing issues as the effects of global warming grow.

Shinryo Corporation will strive to reduce greenhouse gas emissions and other such measures in its business activities from design, installation and maintenance to research and development as a way to help realize a decarbonized society as an environmental engineering company.

Adaption to Climate Change

Japan announced its commitment to carbon neutrality in October 2020 calling for net-zero greenhouse gas emissions by 2050. In April 2021, the government also announced its target to reduce greenhouse gas emissions 46% by fiscal 2030 compared to 2013 levels.

The realization of decarbonized society is an important obstacle to overcome to develop a sustainable society. Shinryo Corporation will promote the five items below to ensure effective initiatives toward solutions to realize this target.

As KPI related to the SDG priority subjects, we aim to reduce

- Promote an Environmental Management System(EMS)
- Identify and mitigate greenhouse gas emissions
- Promote labor savings as well as BIM and a digital transformation on construction sites
- Leverage technologies that use renewable energy
- Accelerate research and development of decarbonization technologies

Scope 1 and 2 greenhouse gas emissions 50% compared to 2009 levels by 2030 as part of our efforts to realize carbon neutrality by 2050. Our efforts in Scope 3 emissions have set a 100% implementation rate of design proposals for greenhouse gas emission reductions during system operations as a KPI and will strive to propose better technologies to customers. We are also ramping up our research and development of new technologies that will contribute to these Scope 3 emission reductions.

KPI

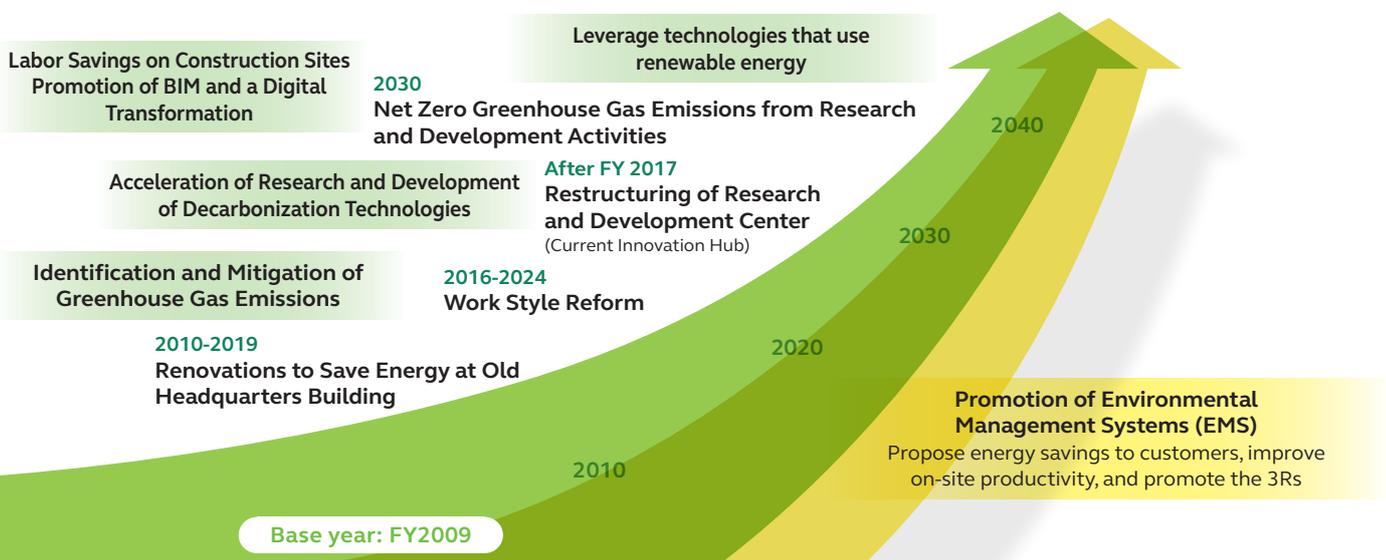
Greenhouse Gas Emissions Scope 1 and 2 (Compared to 2009)

- 2030 **50% Reduction**
 - 2050 **Net Zero**
- 30% Reduction as of FY 2021 ⇨ P34

KPI Outline of KPI for Priority SDG Subjects (Detailed List on ⇨P29-30)

Road Map to 2050

2050 Net Zero Greenhouse Gas Emissions



Base year: FY2009

Environmental Management System (EMS)

Shinryo Corporation has been using an Environmental Management System (EMS) for more than two decades since acquiring the ISO 14001 certification from the Management System Assessment Center in 2001.

Our EMS sets environmental targets intended to help realize a decarbonized and recycle-oriented society and executes environmental conservation initiatives. We actively conduct internal briefings, employee education, and other awareness-

raising efforts to respond to even more stringent laws and regulations.

In modern times where everyone must adapt to climate change, the importance for companies to fulfill their corporate social responsibilities to achieve SDGs and realize carbon neutrality is greater than ever before. Shinryo Corporation will bolster its EMS initiatives to contribute to the realization of a decarbonized society.

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.

Environmental Policy

Shinryo Corporation recognizes its social responsibility in realizing a sustainable society.

In doing so, Shinryo Corporation will acknowledge the needs and expectations of its stakeholders and conduct the following to balance business development and environmental conservation.

1. We shall control greenhouse gas emissions in business activities to realize a decarbonized society.
2. We shall promote the 3Rs* of construction byproducts to realize a recycle-oriented society.
3. We shall put in place and utilizes proper business processes to comply with all laws, regulations, and requirements.

Each one of us will operate under an Environmental Management System and commit to make a contribution to ensure these initiatives are effective.

We will raise awareness about this policy with not only our employees but everyone involved in our businesses.

*3Rs: Reduce, Reuse, and Recycle

Environmental Promotion System

Shinryo Corporation supervises and manages environmental efforts throughout the entire company through environmental management supervisors executing directives from the officer in charge of environmental activities. Environmental managers responsible for EMS operations in administrative sections of corporate divisions and branches are appointed under the general managers, branch managers, and representatives of the administrative sections to build systems to promote environmental conservation activities.

The environmental management supervisors and environmental managers guide the response to environmental risks and opportunities across a wide range of areas from environmental targets, legal and regulatory compliance initiatives, and internal environmental training to emergency

response measures in addition to continually improving the EMS.

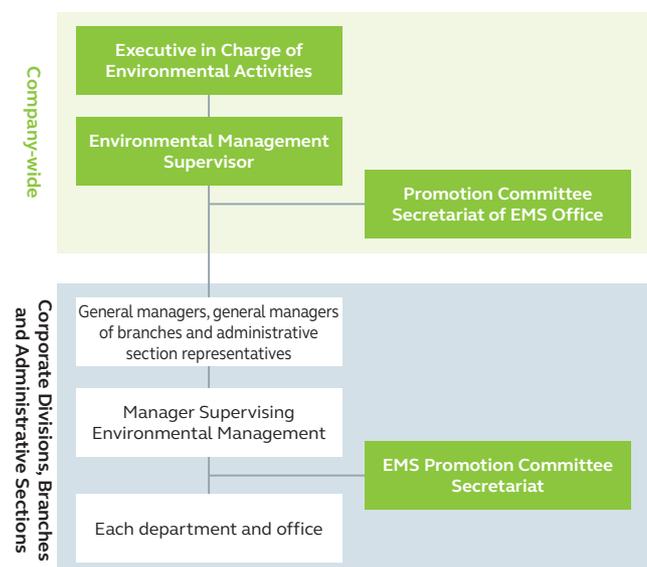
224 employees took the EMS internal auditor training program in July 2022. Internal auditing further enhances the EMS check functions and promotes environmental conservation activities.

ISO 14001-certified Divisions, Branch Offices, and Administrative Sections

- Tokyo Metropolitan Area Division
- Urban Environment Division
- Air Conditioning Equipment Division
- Nuclear Power Plant Division
- Electric & Instrument Division
- Hokkaido Branch
- Tohoku Branch
- Marunouchi Branch
- Yokohama Branch
- Hokuriku Branch
- Nagoya Branch
- Osaka Branch
- Chugoku Branch
- Kyushu Branch
- Innovation Hub*
- Administrative Sections

*Name changed from the Research and Development Center in October 2022.

Environmental Promotion System

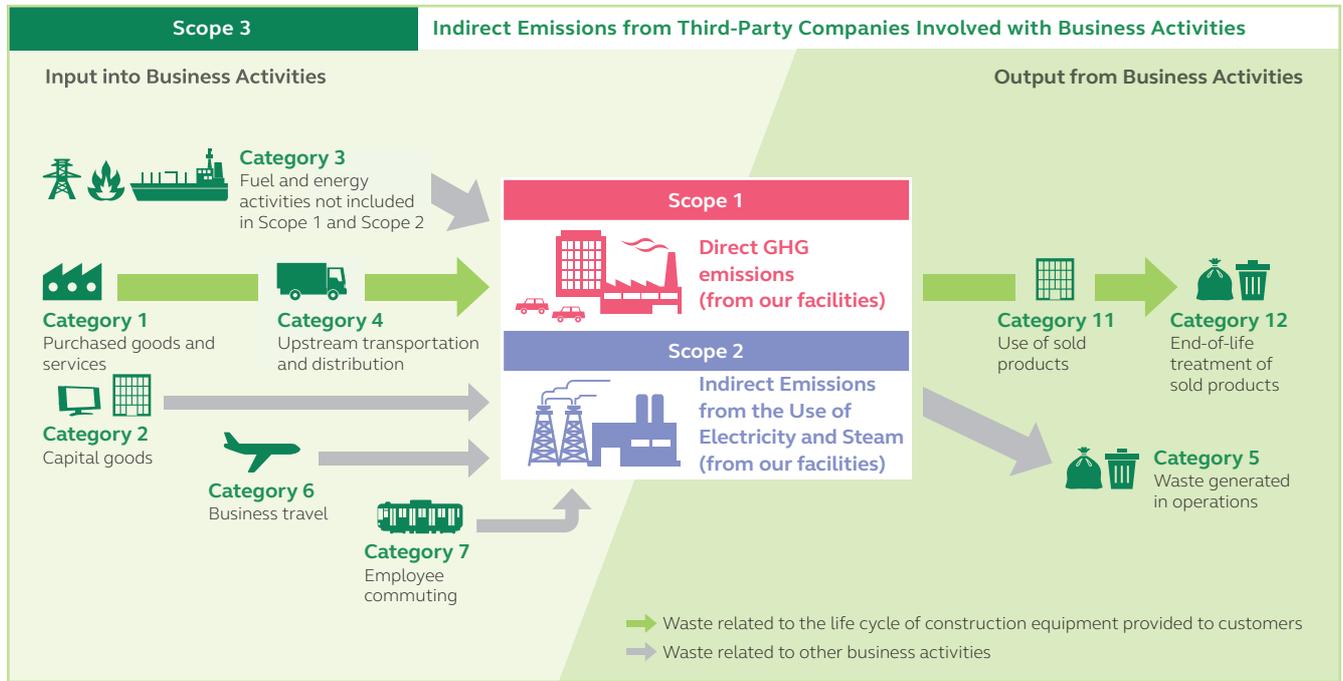


Initiatives to Mitigate Greenhouse Gas Emissions from the Supply Chain

Shinryo Corporation has identified hot spots that impact the environment by calculating Scope 1, 2 and 3 greenhouse gas emissions. Of the 8,340,000 ton-CO₂ emissions in fiscal 2021, most emissions came from Scope 3 Category 11: Use of Sold Products.

Shinryo Corporation actively engages in numerous initiatives to help mitigate greenhouse gas emissions from not only construction but throughout the entire life cycle of construction equipment such as efforts to propose solutions to customers and improve productivity.

Image of the Shinryo Corporation Supply Chain Management



FY2021 Scope 1, 2 and 3 Calculation Results*1 (Construction Sites for Properties with Orders of 30 Million Yen or More)

Category	Calculation scope	Result (ton-CO ₂)	
Scope 1	Direct emissions from fuel consumption at Shinryo facilities, leakage of fluorocarbons, and use of company vehicles*3	1,066	
Scope 2	Indirect emissions from the use of electricity and heat purchased by Shinryo facilities	2,024	
Scope 3	Indirect emissions from third-party companies involved with business activities (total of all categories)	8,337,569	
Category *2	1 Purchased goods and services	Emissions from resource harvesting and manufacture of sold goods	237,090
	2 Capital goods	Emissions from manufacture and construction of capital assets	131
	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	369
	4 Upstream transportation and distribution	Emissions from transportation of goods from seller to construction sites	29,569
	5 Waste generated in operations	Emissions from disposal of waste produced on construction sites	4,356
	6 Business travel	Emissions from fuel and power consumption of transportation agencies used for business travel of employees	804
	7 Employee commuting	Emissions from electricity consumption of transportation agencies used for employee commuting	539
	11 Use of sold products	Emissions from the operation of building equipment after delivery (operation period set to 15 years)	8,064,422
	12 End-of-life treatment of sold products	Emissions from duct and piping waste during demolition	289
	Total of Scope 1 to 3		8,340,659

*1 Calculations based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ver2.4) 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

*3 The scope of emissions from the use of corporate vehicles in fiscal 2021 expanded from the headquarters to the entire company

KPI indicates SDG priority subjects (see P29-30 for a detailed list)

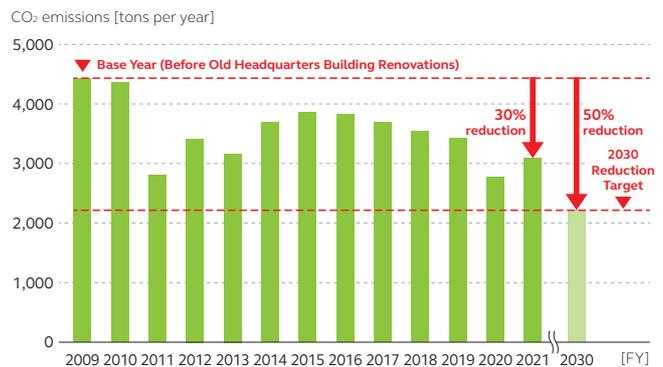
Scope 1 and 2 Reduction Initiatives

The realization of a decarbonized society and carbon neutrality are global objectives. Shinryo Corporation aims to reduce greenhouse gas emissions produced by its business activities by 50% compared to 2009 levels by 2030 and reach net-zero emissions by 2050.

Shinryo Corporation has always been putting its strength behind broader decarbonization and energy savings. We rolled out the energy saving Eco-project to renovate the old headquarters building for energy savings in 2011, while introducing several decarbonization technologies into the Shinryo Shinjo Building erected in 2020 (P11-12). Presently, our initiatives are working to further greenhouse gas emissions, such as planning the reconstruction of the Innovation Hub (P9-10).

KPI **Scope 1 and 2 reduction rate** (Target: 50% by 2030; Net zero by 2050) **30%**

Changes in Scope 1 and 2 CO₂ Emissions (Emissions Since Fiscal 2009)



Scope 3 (Category 1 and 4) Reduction Initiatives

Efforts to improve productivity and efficiently manage construction sites by taking advantage of ICT technologies based on appropriate construction plans are vital to reducing greenhouse gas emissions in every process from the production of materials and equipment purchased on

construction sites through transport. (P49-50)

Shinryo Corporation has actively used these technologies to improve productivity and achieved a 26% reduction in CO₂ emissions in fiscal 2022.

CO₂ emission reduction rate **26%**

Scope 3 (Category 5) Reduction Initiatives

Shinryo Corporation strives to properly sort and recycle waste to reduce the greenhouse gas emissions produced by processes to manage industrial waste. Of the industrial waste produced on construction sites, Shinryo Corporation is promoting recycling of four main materials (concrete scrap, metal scrap, waste plastics, waste glass and ceramics, and pottery). Outsourcing of recycling to industrial waste disposal and recycling companies with superior processing technology and the use of National Permit System for waste disposal companies (P37) have achieved a recycling rate of 90% in fiscal 2022.

Industrial Waste Emissions and Recycling Rate



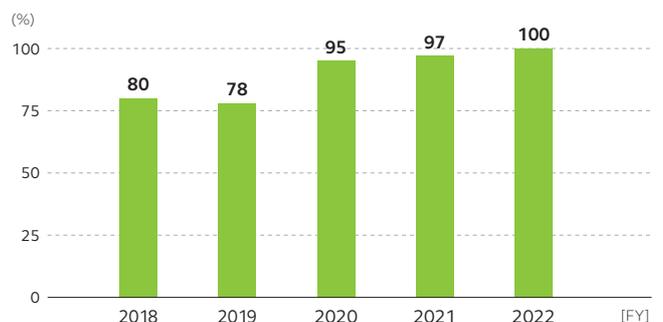
Recycling rate **90%**

Scope 3 (Category 11) Reduction Initiatives

Shinryo Corporation has set a 100% implementation rate of design proposals for customers as a KPI to reduce the greenhouse gas emissions during the use of building equipment. These design proposals encourage customers to upgrade to optimal operation methods with effective energy savings as well as high-efficiency systems through airflow and temperature distribution simulations using the world's leading CFD* technology and efforts to adopt and commission highly efficient equipment and systems that reduce energy consumption.

KPI **Design proposal implementation rate** (Target: 100%) **100%**

Implementation Rate of Design Proposals



* CFD: Computational Fluid Dynamics

Scope 3 (Category 11) Reduction Initiatives

Shinryo Corporation promotes greater decarbonization and energy savings in construction equipment as an environmental engineering company. Each construction site

works to reduce Scope 3 emissions utilizing various means, such as introducing decarbonization technologies, higher construction productivity, and the use of BIM.

Environmental and Equipment Planning for a Decarbonized High-rise City Office Building

Yokohama City Hall

Society of Heating, Air-Conditioning and Sanitary Engineers of Japan
60th SHASE Award for Distinguished Technologies (Construction Equipment Category)

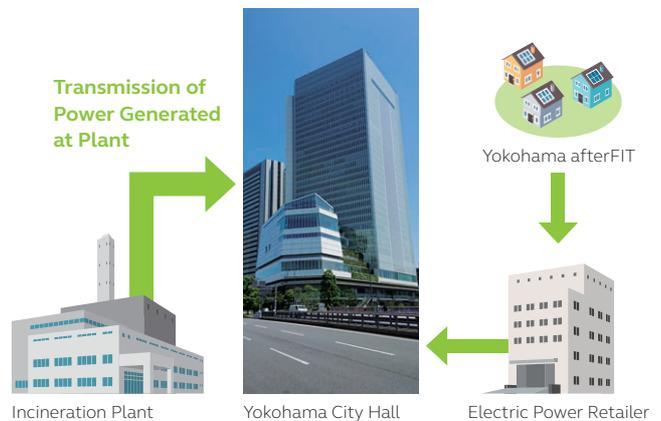
As a flagship of decarbonization in Yokohama—SDGs Future City—Yokohama City Hall is a high-rise city office building integrating advanced architectural, structural, and system technologies that has built and implemented a BEMS cloud system complying with the Ministry of Economy, Trade, and Industry information security guidelines. The integration of construction plans and various new technologies, the active participation of city hall staff in management, the use of afterFIT* energy, and other measures realized 100% net use of renewable energy in 2020, earning Yokohama the ZEB Ready and CASBEE Yokohama S Rank certifications.

Shinryo Corporation was in charge of installing the air conditioning system. We strove to fully increase productivity using BIM, unit construction methods, off-site logistics, and various other approaches. We encouraged the effective use of natural ventilation consistent throughout the entire building, sensible/latent heat separated air conditioning systems, visualization using real-time measurements, and many other new technologies. All of these efforts have contributed to

realizing a decarbonized city hall.

*afterFIT refers to renewable energy after Feed-in-Tariffs (FIT) end.

Business Scheme to Use Renewable Energy as Power (Fiscal 2020)



Zero Energy School

Mizunamikita Junior High School

Society of Heating, Air-Conditioning and Sanitary Engineers of Japan
36th Awards of Promotion & Technological Promotion

Mizunamikita Junior High School combines three public junior high schools in Mizunami City, Gifu built with the aim to disseminate information about next-generation educational facilities and the ideal form of environmental education. Shinryo Corporation was in charge of installing the mechanical equipment and built systems to use geothermal, solar, and other natural energy sources.

The facility takes advantage of environmental technology that coexists with nature, such as the introduction of outdoor air via natural ventilation and cooling and heating trenches accomplished through a layout plan utilizing climbing kilns, which are a local historical construction method. This environmental platform that appeals to the five senses also conducts a trial for teaching a high level of awareness about protecting the global environment to students. Mizunamikita Junior High School is a facility that can put ongoing energy management into practice. An analysis examining the energy supply and demand earned the school a ZEB rating in environmental performance evaluation one year after the construction. It also earned the building a CASBEE S Rank (self evaluation).

The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan highly praised the innovation and creativity of the major measures underpinning the decarbonization as a role model for future school construction by awarding the project the 36th Awards of Promotion & Technological Promotion.



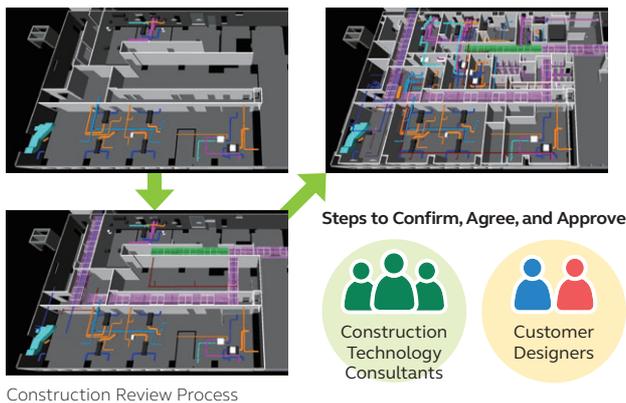
School Exterior

Primary Annual Energy consumption



Total BIM Construction of the Innovation Hub Main Building

Shinryo Corporation took on two challenges in its restructuring of the Innovation Hub (P9-10) as a hub for the research and development of decarbonization technology. The first challenge in the current construction of the new main building is the adoption of technologies to save energy and use renewable energy. These efforts will realize ZEB standards by 2024. The second challenge in the main building construction will test new work processes that fully leverage BIM to optimize construction processes.



Results of Construction work Process Optimization Review Using BIM

The Ministry of Land, Infrastructure, Transport and Tourism has adopted the new Innovation Hub use of BIM as a model project for facilitating building production and maintenance management processes using BIM. The consistent use of BIM in addition to the broad knowledge and expertise that Shinryo Corporation has accumulated will optimize construction work and further decarbonization over the lifecycle of this building.

The early review of construction procedures using BIM models creates consensus between everyone involved, while modularization of equipment and prior construction work promotes shorter construction periods. We also visualized the CO₂ emissions as an effort to estimate the effective CO₂ reduction realized by optimizing construction work processes.

Results of CO₂ Emission Reduction Estimates

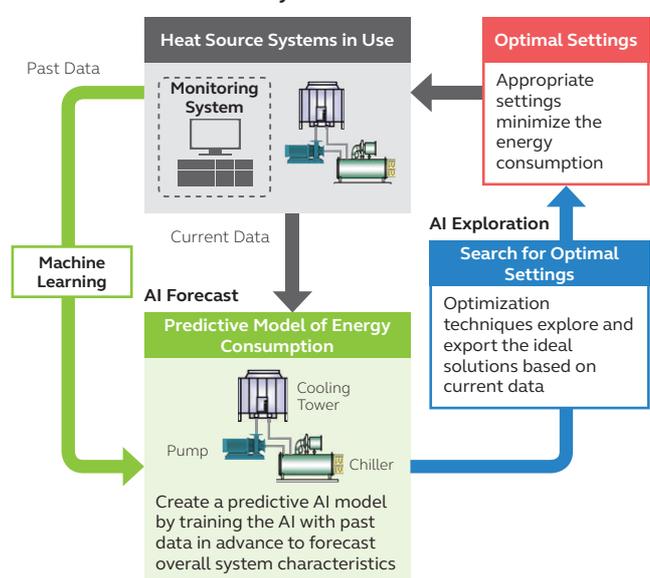
Type of Work	Proposal	Effective Reductions
Construction	Use environmentally friendly concrete	84.8 tCO ₂
Air conditioning systems	Reduce waste by modularizing piping	3.9 tCO ₂
Electric systems	Use light panels and quick-connect terminal breakers to save energy	7.2 kgCO ₂
Sanitation systems	Use water-saving equipment	153.3 kg CO ₂ /year

Introduction of an AI Control System for Large-Scale Heat Source Facilities

District heating and cooling systems and other large-scale heat source facilities with a variety of heat source equipment plants must have the expert knowledge and experience of the plant operators who manage operations, such as forecasting fluctuations in heat demand, equipment start and stop, and changes to operation schedules for efficient operation. Shinryo Corporation has joined forces with the Marunouchi Heat Supply Co., Ltd. to develop an AI control system for large-scale heat source facilities aiming for greater decarbonization by minimizing the workload of plant operators and maximizing energy savings.

This system capitalizes on a predictive AI model created using machine learning based on past operational data. It has proven extremely effective in generating further energy savings because the AI predicts the settings that minimize energy consumption according to the current weather conditions, fluctuations in heat demand, and other such factors. Marunouchi Heat Supply Co., Ltd. introduced this AI control system at two of its district heating and cooling plants: Urbannet Otemachi Center and the Marunouchi Nijubashi Building Plant. The independent inverter chiller operation at the Urbannet Omotemachi Center has reduced annual energy consumption approximately 4%.

Framework of AI Control System



Commissioning Seminar

We regularly hold Shinryo Forum Seminars as training opportunities for everyone to participate regardless of their position in sales, design, or technology. In 2022, a total of 232 people participated in seminars emphasizing “commissioning” themes.

Commissioning refers to a review of whether the customer equipment is providing the intended performance of the design, analyzing energy consumption performance, or proposing

energy-saving management methods and renovations. Shinryo corporation can reduce its Scope 3 emissions by reducing the Scope 1 and 2 emissions of its customers by commissioning. Commissioning is the skill expected to make tremendous contributions toward realizing a decarbonized society. Our Commissioning Seminars will raise employee understanding about commissioning so that everyone will actively propose these energy savings to customers.

Contributions to a Recycling-oriented Society

The world must build social economic systems that can encourage the efficient use of limited resources and energy as well as properly respond to environmental limitations, which means realizing a recycling-oriented society. Moreover, decarbonization and solutions to address the problem of marine plastics need to effectively use resources as well as reduce and recycle waste.

In light of these needs, Japan enacted the Plastic Resource Recycling Promotion Law in April 2022. Shinryo Corporation has actively striven to reduce, reuse, and recycle (3Rs) construction by-products since launching its Environmental Management System (EMS). Our future efforts will control waste emissions, promote recycling and other initiatives, and properly comply with new laws and regulations.

Use of the Industrial Waste National Permit System

The Industrial Waste National Permit System acts as a program to promote the wide-area collection of products for disposal, waste reductions, and proper waste treatment processes at manufacturers certified by the Ministry of the Environment and other organizations.

Shinryo Corporation takes advantage of this system for the proper disposal of waste glass wool insulation materials. Consultations with certified insulation manufacturers about adjusting waste material processes, delivery methods, and other waste-related operations has made it easier to recycle waste glass wool insulation. These efforts have helped mitigate our industrial waste emissions and reduce disposal costs. We believe these kinds of initiatives contribute to the realization of a recycling-oriented society and hope to actively promote them in the future.



Waste Glass Wool Materials Waiting to be Sent for Disposal

VOICE

Yasuhiro Kii

Manager, Technical Section 3,
Technical Department 1
Yokohama Branch



Primary contractors on new building construction sites use the Industrial Waste National Permit System to process the waste glass wool used as piping insulation.

The use of this system transforms waste into new products. Up until now, we often disposed of waste glass wool materials as standard industrial waste, but the wide-area certification system makes it easy to recycle. It not only helps us mitigate industrial waste emissions at construction sites but also connects to recycling and promotes the 3Rs.

Use of an Electronic Subcontracting System and Electronic Manifests

Shinryo Corporation uses an electronic subcontracting system and electronic manifests (industrial waste management ledgers) to properly dispose of industrial waste according to the Waste Management and Public Cleansing Act. The electronic subcontracting system is able to rapidly conclude waste disposal outsourcing contracts with industrial waste processors. This system also links to the electronic manifest system to reduce the risk of contract breaches and other legal and regulatory risks. The effective use of the electronic subcontracting system and electronic manifests lowers the strain on industrial waste management operations and contributes to better compliance. Since April 2021, Shinryo Corporation has used the electronic subcontracting system to conclude outsourcing contracts with a total of 255 primary contractors in Japan (as of September 30, 2022). In fiscal 2022, 98% of all issued manifests used the electronic manifest system to properly process industrial waste.

Usage Ratio Between Electronic and Paper Manifests



Energy-saving Initiatives at Business Sites

Rated an Excellent Company (S Class) Under the Energy Saving Act

Shinryo Corporation was rated as an excellent company (S Class) for three consecutive years—2019, 2020, and 2021—by the Business Operator Classification Evaluation System under the Act on the Rational Use of Energy (Energy Saving Act).

Japan will enact amendments to the Energy Saving Act in April 2023 which will require contractors to systematically further the use of renewable energies (non-fossil energy). Shinryo Corporation will strive to limit energy consumption through various means, including the use of renewable energies, future improvement to building management, and more efficient operations.

Overview of the Business Operator Classification Evaluation System (SABC Evaluation System)*

S Class Excellent Operators	(1) Operators achieved challenging targets; (2) or achieved benchmark targets
A Class	Operators had a high standard of energy savings above the B Class, but did not achieve S Class standards
B Class	(1) Operators did not achieve challenging targets and unit energy consumption rose compared to previous years for the last two years consecutively; (2) or the average unit consumption increased by 5% over the last five fiscal years
C Class	Operators with particularly poor compliance with discretion standards among B Class operators

*Created based on Agency for Natural Resources and Energy materials

Environmental Employee Education

Shinryo Corporation holds a wide range of environmental education programs. In fiscal 2022, we provided education including e-Learning on carbon neutrality and training on the Preliminary Asbestos Survey Results Reporting System to heighten awareness about the SDGs and promote greater understanding of environmental laws and regulations.

Primary Environmental Education

Target Trainees	Training Details
New employees	Environmental management
Mid-level supervisors	Methods for handling construction byproducts on site
Employees in each department	EMS departmental training
Sales and technical employees	Education on the Preliminary Asbestos Survey Results Reporting System
All employees	Carbon neutrality and EMS
Employees certified as internal auditors	ISO 14001: 2015 internal auditor training

Participation in the Japan Climate Initiative

Shinryo Corporation has declared its intent to participate in the Japan Climate Initiative (JCI). JCI was launched as a network consisting of numerous companies, municipalities, associations, and non-government organizations for the purpose of creating

new growth and development opportunities against the climate crisis. Shinryo Corporation supports the JCI activities and will work to reduce greenhouse gas emissions to help realize a decarbonized society.

Donations to the Keidanren Committee on Nature Conservation Fund

Shinryo Corporation supports nature conservation efforts through regular donations to the Keidanren Committee on Nature Conservation Fund established by the Keidanren (Japan Business Federation). In addition, we participate in the Japan Business and Biodiversity Partnership which the Keidanren

Committee on Nature Conservation acts as the secretariat. Shinryo Corporation recognizes its part in preserving biodiversity and contributes to the realization of a society that coexists with nature.

Ecological Conservation Activities Enlightenment Program “The Environmental Renaissance Activities”

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. Moreover, these activities have become a matching gift system to donate the equivalent book coupon costs that are supplied over one year to international environment NGOs working to preserve biodiversity and other environmental conservation efforts.

Framework of Environmental Renaissance Activities



Initiatives to Address Priority Subjects



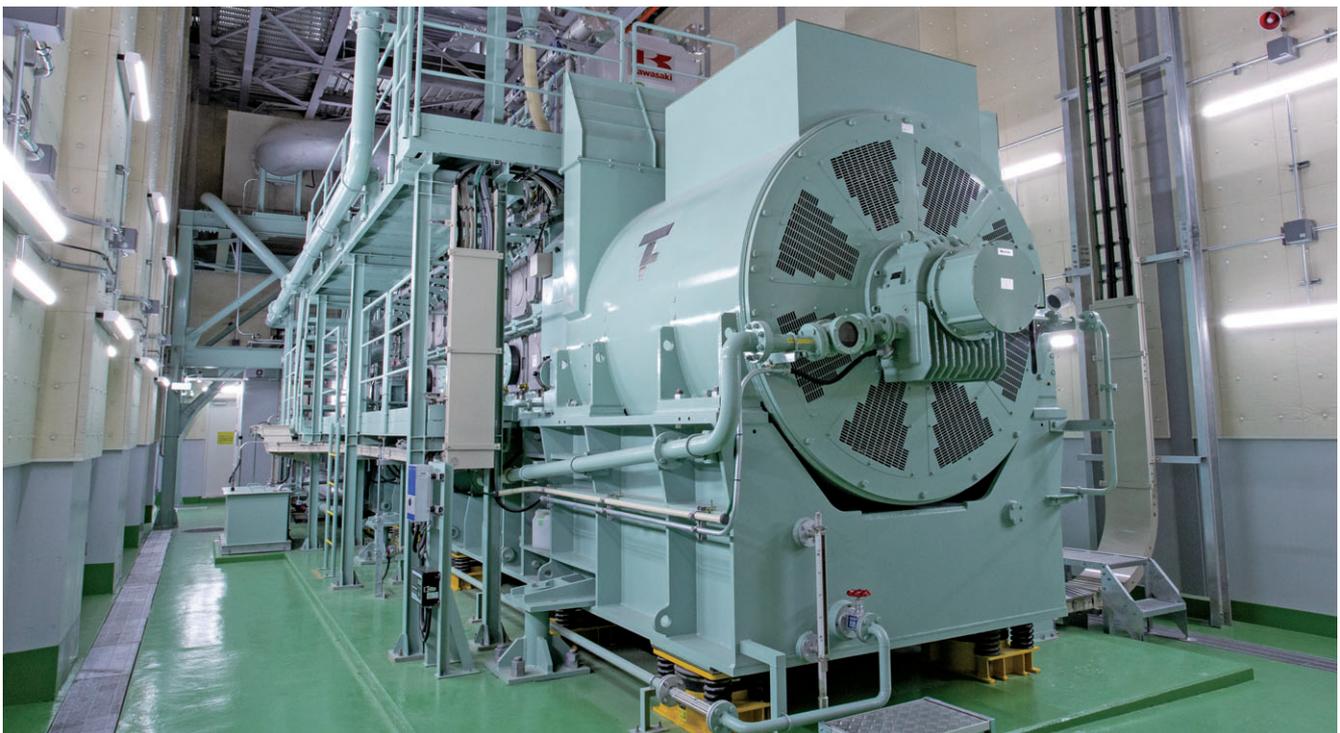
Contribute to a Resilient Society

With escalating risks of natural disasters, the construction of strong infrastructure is essential to ensure sustainable corporate activities as well as safe and secure life in society. Shinryo Corporation helps build safe, long-lasting social infrastructure by providing high-efficiency, high-quality systems and proposing optimal maintenance and renewal plans.

Supporting Yaesu Regional Energy Resilience in Front of Tokyo Station

Yaesu Energy Center

Completed: July 2022
 Supply capabilities: 21,600 kW power; Approx. 120 GJ/h cooling and heating; Approx. 105 GJ/h hot water
 Building application: Special energy/district heating and cooling systems



Cogeneration systems



Heat Source Machine Room



Tokyo Midtown Yaesu (Housing Energy Center Installation)

About the Yaesu Energy Center

The Yaesu Energy Center is an independent distributed energy plant that supplies power to the Yaesu area in front of Tokyo Station, which is a major transit and economic hub of Japan. The energy center was built alongside the development of Tokyo Midtown Yaesu as a large-scale mixed-use*¹ development project combining not only offices, commercial complexes and hotels but also a bus terminal and elementary school. This energy plant supplies power to the existing underground Yaesu Shopping Mall in addition to Tokyo Midtown Yaesu. In the future, the Yaesu Energy Center plans to also supply power to other buildings upon completion of the Yaesu 2 Chome Central District Town Redevelopment Project.

The plant has adopted a facility designed for high-level of energy resilience. A large cogeneration system (CGS) that burns medium pressure gas supplied through highly durable piping and power multiplexing through cooperative power enables a power and heat supply with a more than 50% demand peak even in wide-area stoppages. The electricity can be used for not only common elevators and restrooms but also office lighting, outlets, and the ventilation system to ensure business continuity. Yaesu Energy Center is even expected to fulfill an important role in disaster response as a power plant supplying continuous energy to temporary shelters for people who are stranded away from home and disaster prevention sites. Moreover, the adoption of an energy management system to manage energy for the entire area analyzes big data aggregating past energy demand, weather, and a wide range of other information via the latest ICT technologies. This type of data analysis forecasts next-day energy demand and optimizes management of heat source equipment to realize a more efficient energy supply and better environment.

*1 Mixed use refers to a building or city ward with multiple applications, such as residential, commercial, office, and cultural spaces.

Our Work Air Conditioning, Electricity, CGS and Civil Engineering

Shinryo Corporation received a bundled order from the Yaesu Energy Center for the machines, power equipment, CGS, and civil engineering work as well as took charge of the installation work.

The CGS adopted by this facility operates with a high 48.5% power generation efficiency compared to the standard 40% power generation efficiency of thermal power plants. Moreover, we have succeeded in a total energy efficiency rate of 77% by combining use of different technologies, including steam absorption chillers using exhaust air from the CGS as well as heat exchangers using hot water and exhaust heat for heating purposes. As a result, we have cut CO₂ emissions roughly 26% compared to that of standard buildings, which contributes to a reduction in the environmental load.

The hot and cold water supply also provides energy savings. We have also introduced a system to supply and return water with larger temperature differences to reduce the feed power. Furthermore, the use of a supply pump inverter control and two pump system has reduced pump feed power and heightened operational efficiency of heat source equipment through various means including the separation of primary and secondary pump controls.

Our civil engineering work to build underground tunnels to service power and heat in Yaesu required the installation of supply piping under the piles supporting the underground Yaesu Expressway Route tunnels. Therefore, we carefully executed the construction using a thrusting pipe construction method*² while constantly measuring displacement to ensure no impact on the foundation around the tunnels.

Shinryo Corporation strove to make considerations about the neighboring buildings because the construction took place in an urban district covered by hotels and other buildings. Especially when carrying in large equipment, we formulated painstaking plans and executed our work by taking into account carry-in procedures, the time of day, and noise measures while making adjustments with relevant parties. Other efforts included the use of wearable cameras so that managers could provide prompt instructions to personnel on the construction site remotely from the on-site offices.

*2 A construction method to build piping routes by successively adding existing pipes after the excavator.

VOICE



Taku Watanabe
(On-site Project Manager)

Manager, Technical Section 2,
Technical Department 2
Urban Environment Division

Overcoming Challenges to Realize Accident-Free, Disaster-Free Construction

This project built an energy plant with two 7,800 kW CGS underground in Yaesu as the gateway to Tokyo and contributed to Yaesu urban development by supplying energy to underground Yaesu Shopping Mall.

Located in front of Tokyo Station, we faced various challenges in the construction from the planning stage. However, each division worked together unified as one to find solutions to each one. The broad construction handling everything from the air conditioning and electric systems to the CGS and civil engineering finished with great success free of any accidents or disasters through the cooperation of so many people.

Supporting Total Community-based Medical Treatment and Care

Hiroshima City North Medical Center Asa Citizens Hospital

Completed: December 2021
Total floor area: 52,159 m²
Building application: Medical complex

 Hiroshima Prefecture



Exterior



Machine Room



Surgical Suite

About the Hiroshima City North Medical Center Asa Citizens Hospital

Hiroshima City North Medical Center Asa Citizens Hospital aims to provide total community-based medical treatment and care as a necessary medical institution in the northeastern region of Hiroshima Prefecture. The Hiroshima City North Medical Center Asa Citizens Hospital was built by restructuring and moving the existing Asa Citizens Hospital and neighboring medical institutions. The facility is located centrally at the square on the corner in front of the JR Aki-Kameyama Station with the hospital and energy center buildings on the east side and the auxiliary wing, hospital daycare, and single-level parking lot on the west side.

This local medical emergency center operates around the clock all year long to provide the most advanced and cutting-edge medical care. The catheter treatment rooms can handle emergency medical care, such as myocardial and cerebral infarctions, while the surgery suites employ robots that support endoscopic surgeries. The heliport on the roof also puts in place a system to handle wide-area patient emergencies.

This hospital is fulfilling its role as the emergency medical institution. The building utilizes a seismic isolation structure for high earthquake resistance in addition to emergency power generators, emergency wastewater tanks, and other disaster prevention measures. It secures a space that can handle roughly 4,000 disaster-afflicted patients. A majority of the rooms are private suites. Outpatients and families from far away have access to accommodations as well as a roofed walkway to reach the hospital from the station easily regardless of the weather conditions. These are only some of many patient-friendly considerations.

Our Work **Air Conditioning System**

Shinryo Corporation was in charge of installing the air conditioning system for the hospital and energy center wings

which house rooms with 434 beds for patients and 11 surgical suites.

These surgical suites use radiant air conditioning systems that maintain a uniform temperature throughout the room to ensure an indoor environment with minimal stress on patients thanks to the airflow from the air conditioning vents. As a backup function of the air conditioning system to process outdoor air, we also implemented a mechanism that can supply air from other systems with consideration to safety. By incorporating ideas from the doctors and nurses, we even pursued greater usability with a touch panel installed in the staff room that allows central management of air conditioning as well as switching between negative and positive pressure in each surgical suite.

The COVID-19 infection was spreading during the construction, which made changes to hospital systems essential to accept infected patients. The medical emergency center switched to a system that can separate negative and positive pressure into zones divided by variable airflow equipment installed in the ducts. In addition to making it simple to switch from central monitoring, we ensured a system that can handle infected patients by making it possible to change the pressure in some hospital rooms.

The construction aimed for efficient and effective installations through prior testing. Shinryo Corporation used BIM to verify the building frame for the seismic isolation structure and systems did not contact one another when shaking in an earthquake. Moreover, we verified proper equipment installation layouts and necessity for soundproofing when building hospital and examination rooms as well as anywhere else requiring noise considerations. The active use of ICT tools strove to realize more efficient work styles by shifting to paperless drawings through the use of a construction management app, remote work instructions via wearable cameras, and other such initiatives.

VOICE



Yoshihisa Niwa
(On-site Project Manager)

Senior Chief, Technical Section 2,
Technical Department 1
Chugoku Branch

A Project Completed by Sharing Knowledge Between On-site Personnel

All of the on-site personnel shared their knowledge to figure out the best way to go about more efficient construction of a large hospital project. The incorporation of ICT tools on-site from the start of work and the use of BIM offered more efficient construction operations. We also regularly held meetings to review construction quality by involving everyone from our partner companies, aiming to further enhance quality on-site.

The construction happened to coincide with the COVID-19 pandemic, but we were able to complete a project necessary for the medical needs in Northeastern Hiroshima, which has given me a great sense of accomplishment and joy.

Supporting Eco-friendly Plant Equipment

Suntory Kita-Alps Shinano-no-Mori Water Plant

Completed: April 2021

Total floor area: 40,744 m²

Building application: Water beverage production plant

 Nagano Prefecture



Exterior

About the Suntory Kita-Alps Shinano-no-Mori Water Plant

Suntory built its Kita-Alps Shinano-no-Mori Water Plant on a huge roughly 410,000m² lot neighboring the Alps Azumino National Government Park in Omachi City, Nagano, which is renowned for the beauty of the 3,000-meter-tall Kita Alps. This plant is Suntory's fourth natural mineral water production plant. As a Kita-Alps natural mineral water plant, the Shinano-no-Mori Water Plant fully automates the water production process from harvesting to bottling, packaging, and shipping.

This is an eco-friendly plant that strives to save both resources and energy. The adoption of solar power generation systems, boilers using biomass fuel, and the procurement of power derived from renewable energy aims to achieve net-zero CO₂ emissions. As a result, the plant has received the highest S Rank in the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). The plant even reduces the water used for product production through various means, including the design of production processes minimizing water consumption as much as possible as well as high-level of water recycling and reuse. In addition, Suntory aims to create a venue to interact with the local community and society by hosting plant tours and allowing public use of its square on the plant grounds.

Our Work Air Conditioning and Mechanical Ventilation Systems, Sanitation Systems

The Shinryo Corporation was in charge of building the air conditioning, mechanical ventilation, and sanitation systems for the production, warehouse, and wastewater treatment buildings.

As a beverage production plant, we put in place measures to prevent insects or contaminants from penetrating the production line. We strove to secure a certain level of clean rooms. Some measures included room pressure control ensuring positive pressure, systems fully process the air running through the piping and ducts in the walls and floors, and central monitoring systems to verify the condition of the filters on outdoor air inlets.

Our construction of underground piping took into account the impact of earthquakes and other disasters, and used a welding process for the stainless steel pipes. Shinryo Corporation set up a welding station that was able to provide quality equivalent to plant welding on the construction site. We brought in automatic welding machines and expert welders to carry out the pipe welding work. Moreover, X-ray inspections to examine the weldings not only ensured a high-level of installation quality but also reduced the construction period.

Additionally, we took advantage of 3D-CAD when cooperating with building and equipment contractors as well as equipment manufacturers. This realized efficient and safe construction installations by preventing interference between system devices and production equipment when drawing construction plans and verifying routes to carry in all of the equipment.

Supporting the Energy Supply and Local BCP of a Skyscraper Building

Osaka Umeda Twin Towers South

Completed: February 2022
 Total floor area: 258,856 m²
 Application: Department store, offices,
 event hall, etc.

 Osaka Prefecture



Heat Source Machine Room



Exterior

About the Osaka Umeda Twin Towers South

Osaka Umeda Twin Towers South is a skyscraper that has 38 floors above ground and 3 floors below built in front of Umeda Station, which is the largest terminal building in the Kansai region. This ultra-high building offers much from department stores to offices and a conference zone. It has become an Umeda landmark alongside the Twin Towers North.

Twin Towers South provides many features as a disaster prevention base. This includes private power generators that can supply power for up to 72 hours in the event of a power outage as well as elevated earthquake-resistant water tanks that can provide water to use to flush toilets if the water stops. The skyscraper even has a temporary shelter for people who are stranded, which helps bring better disaster prevention to the Umeda area. The Twin Towers South are also environmentally friendly. Highly efficient equipment, solar power generation, and other energy saving and creation measures realize roughly 25% greater CO₂ emission reductions than typical office buildings. This skyscraper has acquired the CASBEE Osaka Mirai S Class as well as various other environmental certifications. The Twin Towers South has also been praised for providing building management that considers the health and comfort of everyone working in the offices and its health promotion program, which have earned it the highest S Rank certification in the CASBEE Smart Wellness Office.

Our Work Heat Source and Air Conditioning Systems

Shinryo Corporation was in charge of building the heat source system as well as air conditioning system for the lower floors.

The heat source system leverages a system to optimize operations via the best mix of six different types of heat sources. This system precisely predicts the air conditioning load for the next 24 hours to select and run the best heat sources. This process sustains a stable supply of energy while also realizing energy and labor savings. Heat sources that use both electricity and gas also offer a high-level of disaster prevention.

Shinryo Corporation used CFD* technology to investigate the ideal location to install the cooling towers and outdoor air conditioning units to avoid any decline in performance due to waste heat from peripheral equipment.

We worked together with general contractors to carry in equipment and modularized the structural skeleton and piping. These efforts reduced lifting work and drove work efficiency on-site. Moreover, our plans to carry in large equipment visually described the work using 3D-CAD data to create animations, which heightened understanding of everyone involved in the work and let us finish the job in a safe and reliable way.

* CFD: Computational Fluid Dynamics

Supporting Tokyo Government Administration

Tokyo Metropolitan Government Building No. 1 Air Conditioning System Renovations

Completed: March 1991
Renovations completed: July 2021
Total floor area: 196,755 m²
Building application: Government administration



Machine Room



Exterior

About the Tokyo Metropolitan Government Building No. 1

The Tokyo Metropolitan Government Building No. 1 opened in Shinjuku in 1991 as a place to provide citizen services as the administrative center of the Tokyo metropolitan area. The building is also a disaster prevention site designed to rapidly execute a disaster response when disaster strikes.

Nearly 20 years after it opened, the Tokyo Government renewed its system through a long-term renovation project focusing on the air conditioning, electric, and sanitation systems over seven and a half years from December 2013 to July 2021. To avoid any impact on citizen services or government and senate activities, the project did a pile-up move to gradually shutdown and move its offices inside of the government building while doing live-in renovations for spaces difficult to shut down and move on days the offices were closed. In addition to renewing the building systems, the renovation work also put in place BCP measures, such as dampening devices as a measure against long-lasting earthquakes and power diversification that reinforced emergency generators to distribute power procurement risks. These innovations succeeded in renovations that maintained building functionality and responded to the changing times and requirements of society.

Our Work Air Conditioning System

Shinryo Corporation was in charge of installing the air

conditioning system as a joint venture in this renovation project. We aimed to introduce a more highly efficient system and improve maintainability based on our track record of handling these installations in new construction.

We adopted an air conditioning system with large temperature differences for the air conditioners in offices. A larger temperature difference between the cold and hot water and exhaust air from the air conditioner via this air conditioning system reduces the amount of water and air feeding as well as feed power to help save energy, in addition to decreasing the size of ducts and piping to help save resources. The Tokyo Government expressed its need to improve the ability to maintain its existing systems. To improve maintainability, one measure improved the traffic flow of people to allow for inspections of the machine room even when the building is occupied.

The nearly seven-and-a-half-year renovation period necessitated strict management of floor shutdowns and moving dates in addition to work processes. Therefore, Shinryo Corporation meticulously adjusted the schedule for installations and system tests with the joint venture companies in charge of the building construction and other systems, in addition to detailed construction planning that included executing work on power and server rooms that require year-round cooling in the winter with a low outdoor air temperature after putting in place temporary cooling systems.

Supporting State-of-the-Art Cancer Treatments

New National Cancer Centre Singapore

Completed: 2022
Lot area: 118,000 m²
Building application:
Medical and research complex



Singapore



High-efficiency water-cooled chillers



Exterior

About the New National Cancer Centre Singapore (“NCCS”)

The new NCCS specializes in the treatment of cancer with twenty-four floors above and four floors below ground. The Centre is located on Singapore General Hospital Campus. It houses Specialist Outpatient Clinics, an Ambulatory Treatment Unit, a Proton Therapy Centre, imaging facilities, research labs, education facilities and other functions to support cancer patients. The Building and Construction Authority has certified the new National Cancer Centre Singapore as a platinum-level energy-saving building in its Green Mark Certification Program with high-efficiency water-cooled chillers, and other measures.

Our Work **Air Conditioning and Mechanical Ventilation Systems**

Shinryo Corporation was responsible for the air-conditioning system, integrated building management system, heat recovery system, engineered smoke control system and smoke extraction system, secondary power system for the air-conditioning system, steam system, and the cooling water system for medical equipment. We took advantage of our abundant experience in building hospitals in Japan and the rest of the world, including the National Centre for Infectious Diseases also located in Singapore.

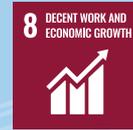
We built an environment suitable for diverse medical facilities in the hospital, including the heat recovery system, cooling water supply system used to control the temperature

and humidity of operating theatres as well as temperature of CT scanning and proton therapy equipment, and other advanced medical equipment. To prevent the spread of viruses and other infectious diseases, laboratories utilize negative-positive pressure control, special exhaust fans, and air handling units that pass air-conditioned air through the built-in electronic air cleaners and ultraviolet light before the air-conditioned air is supplied to the rooms. We also simulated the airflow in B1 Cytotoxic clean room using CFD* technology before the construction to provide a facility which everyone can use safely and reliably.

We implemented the use of multi-lingual site management apps to facilitate better communication between multinational contractors and employees as well. We also animated 3D-CAD data by BIM software to explain installation plans to create an efficient and accommodating worksite.

* CFD: Computational Fluid Dynamics

Initiatives to Address Priority Subjects



Realize Safe and Highly Efficient Work Processes

More efficient operations and higher productivity are essential issues when considering the labor shortage in the Japanese construction industry. Internationally, human rights of workers and labor management have also become issues. Shinryo Corporation will establish safe and highly efficient work processes with the goal of realizing safe work-friendly environments and efficient construction site operations.

Quality Management System (QMS)

Quality Policy

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

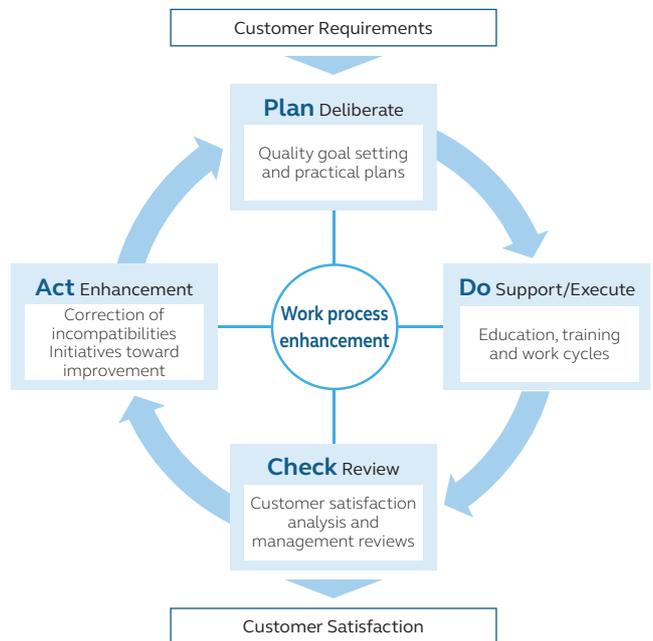
Shinryo Corporation acquired the certification for the ISO 9001 quality management system at corporate divisions and branches in Japan and overseas. We practice quality assurance activities according to the quality manual in systems and services to provide quality that satisfies our customers based on common company-wide policies.

Customer satisfaction surveys after the completion of a project will provide insight about the needs of society in our effort to ensure the quality which will earn customer trust.

ISO 9001-certified Divisions and Branch Offices as well as Overseas Branches

- 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
- Kyushu Branch
- HONG KONG Branch
- SINGAPORE Branch

Ongoing improvements to work processes



ISO 9001 Internal Auditor Training

Internal auditing is an important operational process using internal auditors who verify the effectiveness of quality management systems. In fiscal 2022, we held internal auditor training online, increasing our ISO 9001 Internal Auditors by 222 employees.

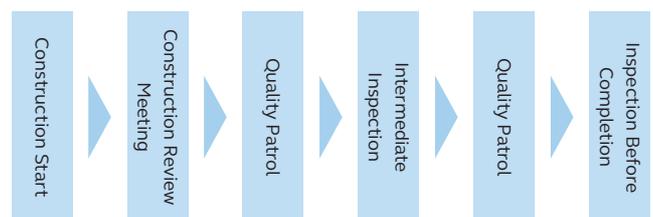
Quality Improvements and Prevention of Technological Trouble Through a Construction Cycle

KPI Construction cycle implementation rate **100%**
(Target: 100%)

Shinryo Corporation set a 100% construction cycle implementation rate* as KPI to provide high-quality equipment systems that can be trusted by customers. We extract construction issues to review and find solutions to those problems at an appropriate time in line with the construction progress, whether at construction review meetings, quality patrols, or intermediate inspections. The implementation of a clear construction cycle provides construction quality that sufficiently meets customer requirements for equipment systems.

*Cumulative result for construction completed during this fiscal year

Example of Operational Flow According to a Construction Cycle



KPI Outline of KPI for Priority SDG Subjects (Detailed List on P29-30)

Quality Patrol

Quality patrols on construction sites check quality to make sure various requirements of construction are reflected properly, such as those related to design requirements and legal, regulatory and internal technical standards. People in charge of quality management regularly patrol construction sites to verify whether construction satisfies various conditions included in design drawings and construction quality plans as well as construction blueprints. Past examples of trouble, customer satisfaction surveys and other measures also check important management items organized according to instructions from our customers.

We held a joint on-site Shinryo Group inspections and exchange of idea meetings in fiscal 2022 to share information and brainstorm ideas on various matters, including initiatives to improve on-site productivity and the level of ICT and quality

management tool use. Shinryo Corporation always strives to efficiently manage construction sites Group wide and improve the quality provided to customers.



Quality Patrol Inspections of Pipe Weldings

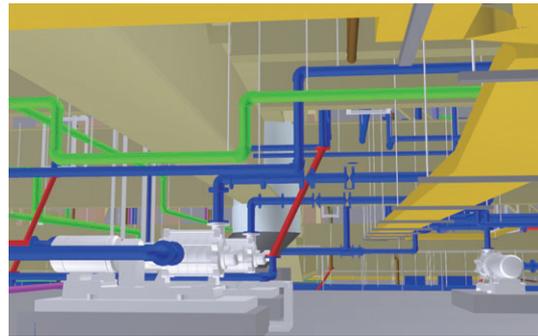
Initiatives to Improve On-site Construction Quality Using BIM

Shinryo Corporation uses Building Information Modeling (BIM) to improve construction quality and respond to customers various requirements, whether realizing comfortable living environments and energy efficiency or preventing system management trouble. BIM provides a tool for effective construction management by assigning equipment and other status data to 3D models to accurately understand the progress of each construction process.

We can grasp and analyze the progress of each process from part purchases for each system to the production, machining, delivery, installation and inspection, and then take any corrective actions necessary at the appropriate time.

A cloud data environment before construction begins helps improve quality and drive efficiency by letting us check the building structure and any interference, review workability and

work procedures, and devise construction plans, as well as manufacturing and fabrication of piping and ducts in the plant.



Verification of Piping Behavior During Earthquakes and Interference Checks

Internal Expansion of Proprietary Technology

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

Shinryo Corporation holds the Tsukuba Forum to report on the fruits of Innovation Hub research and development as a place to debate the direction of future technological development from a management standpoint.

Company-wide Shinryo Forum Technology Seminar also acts as a venue for technical explanations, including methods to analyze the cause of technical trouble. We also hold technical education for marketing and administrative staff toward the active expansion of technologies throughout the company.



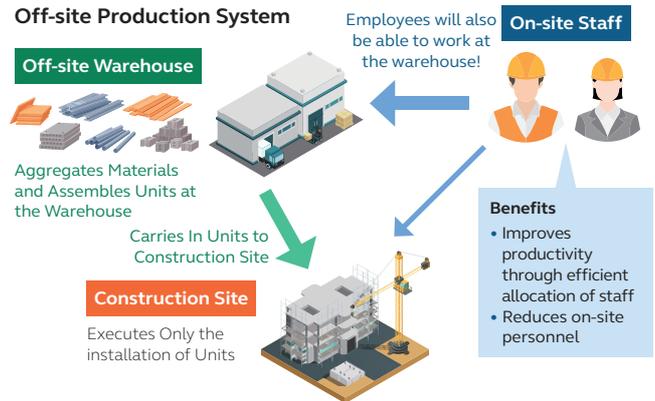
Tsukuba Forum

Initiatives to Improve On-site Construction Productivity

Promotion of Off-site Production

Shinryo Corporation promotes off-site production that helps improve construction quality and productivity. Building projects differ according to various requirements, such as the specifications for the construction equipment as well as the work environment, processes, and occupational health and safety on each construction site. These distinct differences make it difficult to improve productivity.

Therefore, Shinryo Corporation has introduced off-site production that aggregates and fabricates materials and equipment at off-site warehouses that can then be carried in and installed on construction sites. These off-site warehouses provide work environments that not only improve the productivity of construction sites but also offer effective production systems that ensure construction quality and reduce occupational accidents.



Modularization at Off-site Warehouse

Shinryo Corporation is working to modularize not only the production of piping and ducts but also other equipment and systems at off-site warehouses. An indoor machine unit is a unit of equipment that incorporates the indoor machine piping and other materials with a cart for transport that can be delivered and carried into construction sites and even lifted into place as is. Coolant standpipe units come together with a unit frame to allow it to be carried in as a set with two layers of coolant piping units to construction sites. The set can then be put in place and installed on-site easily as an upper and lower tier.

These modularization construction methods feature a configuration that lets personnel install the units as is, which helps to dramatically increase construction productivity.



Indoor Machine Units



Coolant Standpipe Units

Automated Generation of Unit Production Drawings

We have developed a unit production tool that can generate unit production drawings automatically using BIM. The innovation has made the introduction of modularization easier thanks to the ability to easily create indoor machine, coolant

standpipe, and other unit production drawings.

Shinryo Corporation actively uses off-site production and modularization construction methods in an effort to better enhance productivity.

Access Management Using a Facial Recognition System

Our construction sites use facial recognition systems to manage the entry and exit of engineers and have adopted a cloud management system that can record working hours. The engineers themselves have typically been responsible for recording and certifying their own arrival, departure and attendance on paper logs, which on-site project managers needed to frequently collect. To prevent the spread of the COVID-19 infection, engineers also needed to take and record their body temperature. This made the entry process take quite a bit of time.

The introduction of a facial recognition system enables an instant digital log of engineers while simultaneously checking their body temperature. The technology has been able to simplify entry and exit processes as well as easily track work performance data.

This system helps improve the efficiency of on-site

management work while reducing the labor required for administrative processes thanks to links to the construction career advancement system advocated by the Ministry of Land, Infrastructure, Transport and Tourism as well as the construction industry in addition to our own internal system built to log daily occupational health and safety on construction sites.



Access Management on Construction Sites

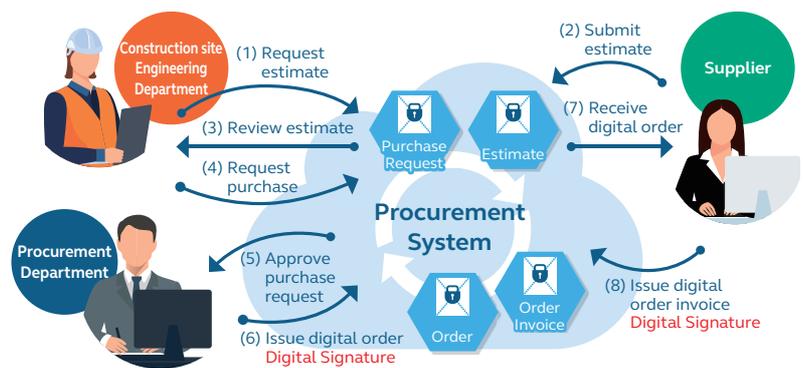
Development of an On-site Procurement System

Material and equipment procurement operations on construction plants require complicated procedures, such as supplier contracts and invoices via the transfer of purchasing information, orders, and order invoices that includes specifications and quantities of materials and equipment from construction sites to procurement departments.

Shinryo Corporation developed an on-site procurement system and has completely digitalized creation and approval processes, including orders and the sharing of purchasing data between construction sites and procurement departments. This initiative has enhanced the efficiency of procurement operations and realized a paperless environment. It also contributes to the operational efficiency of manufacturers, distributors, partner companies, and other affiliates, and promotes greater productivity from a supply chain perspective.

The system puts in place data analysis infrastructure to collect, analyze and visualize information, such as construction, order, delivery, and other procurement data as well as the latest price changes. The technology is driving a digital transformation.

Framework of the On-site Procurement System



Promotion of a Shift of On-site Operations to the Back Office

Solutions to the labor shortage and long working hours are extremely important in the construction industry, which makes achieving higher productivity and work style reforms an urgent effort. Shinryo Corporation is centralizing on-site management operations with employees who work on the construction sites, standardizing on-site operations to further improve productivity, and promoting a shift of operations to the back office through BPO*.

As Shinryo Group human resource recruiting service, Global Staff has set up a system to support construction sites. Shinryo Group is also putting its strength behind the promotion of better on-site productivity (P64). We will continue to further increase operations subject to these measures to expand sites adopting BPO.

*BPO: Business Process Outsourcing.

Longer Lasting Equipment via a Non-chemical Corrosion Prevention System

Society of Heating, Air-Conditioning and Sanitary Engineers of Japan both SHASE Award for Distinguished Technologies (Technological Development) Award of Excellence from the Heat Pump & Thermal Storage Technology Center of Japan in 2022 as an Example of Impeccable Improvements in Operational Management of Heat Pump and Storage Systems

The Corro-Guard® Non-chemical Corrosion Prevention System is a technology that expands the lifespan of equipment systems and piping by mitigating corrosion. This system uses anion exchange resin without any rust inhibitors to replace the corrosive ions in water with ions that have a corrosive inhibition effect. This essentially shifts the properties of water into water that prevents the corrosion of metal. The use of an anion exchange process prevents corrosion trouble before it happens.

Introduction into the Tokyo Sky Tree® DHC

Shinryo Corporation and Tobu Energy Management introduced this system into the heating and cooling system at the Tokyo Sky Tree® DHC that includes large-scale water thermal storage tanks to test the effectiveness over several years. As a result, we not only confirmed the corrosive inhibition effect but also verified higher management efficiency and other energy savings.

The typical method to prevent corrosion has been to inject rust inhibitors into the water flowing through pipes. However, this system does not use any rust inhibitors, which not only extends the lifespan of equipment but also reduces the environmental load. Anion exchange process water is a technology responding to social demands as a way to support BCP in the event of a disaster or other emergency situation because this water can also be used as potable water.

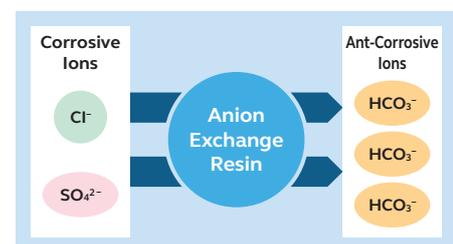


Illustration of Anion Exchange Process



External View of the Corro-Guard® Non-chemical Corrosion Prevention System

Health and Safety Initiatives

Shinryo Group Health and Safety Policy

Safety First for our Prosperity

Shinryo Group has prioritized safety above all else based on the Health and Safety Policy unchanged since its founding. All employees and our partner companies engage in health and safety activities to prevent labor accidents.

To eradicate occupational accidents, it is important to nurture a higher sensitivity to danger and extract latent on-site hazards before we can have the ability to execute any types of countermeasures. That is why Shinryo Group actively provides education and training opportunities to cultivate this awareness of danger. Moreover, we create and confirm comprehensive work procedures to prevent human error while working to prevent serious disasters due to unscheduled work.

■ Cooperation with the Health and Safety Council

At the headquarters and branches, the Health and Safety Council plays a central role in formulating annual plans and conduct training for managers, health and safety supervisors as well as diverse specialty training and education for partner companies, and training to acquire certifications. Labor safety training targeting business proprietors teaches business proprietors their duty to adhere to the Industrial Safety and Health Law as well as comply with the Construction Industry Law in an effort for legal and regulatory compliance. We also believe safety patrols of construction sites are of particular

KPI **Frequency rate** **0.28**
(Target: Less than 0.40)

importance. Shinryo Corporation strives to thoroughly prevent disasters by working with partner companies to regularly provide guidance on actions to rectify causes of on-site hazards.

VOICE

Toshitada Watanabe

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



The Health and Safety Council at our headquarters ensures work procedures are followed and puts in place a comprehensive foundation of safety that helps eradicate occupational accidents. That's why we are enhancing safety patrols and education that increases sensitivity to danger as well as providing specific and detailed safety guidance.

During the COVID-19 pandemic, on-site communication seemed to have suffered. I want to take time now to review the workplace environment and eliminate any human error resulting from this lack of communication.

Promotion to Expand the Construction Career Up System (CCUS)

KPI **CCUS registration rate of health and safety council members** **79%**
(Target: Over 80%)

The Construction Career Up System, launched in 2019, is a certification system developed by the Ministry of Land, Infrastructure, Transport and Tourism in cooperation with construction industry, organizations and other entities for the purpose of certifying the skills and experience that an engineer has amassed from an objective standpoint. The adoption of this system is expected to drive on-site work efficiency by advancing registration of practical experience and the certification of engineers, by ensuring fair evaluation of those

skills, and by improving construction quality.

Shinryo Corporation promotes the use of this system with the hope of improving construction quality by not only visualizing the careers of individual engineers but also capabilities of partner companies through a number of experienced engineers they employ. Therefore, we are rolling out the system to construction sites in an effort to promote its standardization, such as preparing an environment for partner companies to more easily use it.

Safety Simulation Education Incorporating VR

Shinryo Corporation conducts safety simulation training for new employees and mid-career hires using VR to enhance the sensitivity to danger on construction sites. Real simulations of getting caught or entangled, crashing, falls, and other such accidents provides understanding about these dangers and teaches key points to safety management. Moreover, workshops on examples of occupational accidents done in conjunction with these simulations teach techniques to identify these dangers and hazards, which can be leveraged in disaster prevention activities on construction sites.



Simulation Training Incorporating VR

Overseas Health and Safety Activities

Shinryo Group has a broad-range of construction sites in Asia, India, the Middle East, Africa, and many other parts of the world. Health and safety management practices differ according to the circumstances in each country. We have put in place a system that links the Health and Safety Promotion Department of Shinryo Corporation with safety management supervisors at each business location and on construction sites to maintain a high-level of safety management while incorporating management techniques in Japan.

The COVID-19 Pandemic prevented our ability to conduct safety patrols done jointly with safety supervisors at each site. In spite of this, these sites connected with one another online to exchange ideas about health and safety activities. In August 2022, Shinryo Corporation held training to prevent

occupational accidents to heighten awareness and nurture a culture of safety by sharing and teaching the safety initiatives of each country. This included reports on health and safety activities as well as meetings to exchange ideas.



SHINRYO PHILIPPINES Safety Patrols

Asbestos and RCF Management

Shinryo Group has put in place an Asbestos and Refractory Ceramic Fiber (RCF) management system to prevent any adverse health effect on employees, workers, customers, and everyone else involved in its renovation projects.

In April 2022, we started the Preliminary Survey Results Reporting System for Construction Materials Containing Asbestos. To support this system, Shinryo Corporation selected people to supervise the use of the Preliminary Survey Results Reporting System and held online briefings about it. Furthermore, we held training for all employees involved in marketing and engineering taken by a total of 1,856 employees.

Shinryo Group works to properly remove and dispose of asbestos and RCF while taking advantage of asbestos and RCF

safety patrols, an asbestos and RCF construction cycle, and other such measures.



Removal of Piping Insulation Containing Asbestos



Spray and Disposal of an Agent to Prevent the Scattering of Asbestos

Use of Green Site Construction Website

Green Site is a system to create, submit, and manage labor and safety documents online (Operated by: MC Data Plus, Inc.). Many construction companies have introduced the Green Site system for the purpose of increasing the efficiency of document production.

Shinryo Corporation has built a system that enables managers in charge of dedicated teams to internally review documents from not only primary suppliers but also secondary

and subsequent suppliers. We are able to properly engage in uncompromising compliance with laws and regulations by using this system to properly manage the documentation required under the Construction Industry Law and other statutory regulations. Green Site helps reduce the administrative work of partner companies as well because it links to the registration of personnel information and the Construction Career Up System (☞P51).

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 understanding 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

Initiatives to Address Priority Subjects



Build Refreshing Environments Rich with Creativity

The construction industry in Japan faces the major challenges of reforming long work hours and building flexible work environments. Shinryo Corporation will build workplaces where diverse human resources are motivated and can each reach their full potential with the goal of realizing a refreshing, highly productive company rich with creativity.

Work Style Reform

Shinryo Corporation has been working to reform work styles since 2016. These reforms go beyond simply addressing long working hours as an effort to realize the ideal work style, which should help heighten employee satisfaction. With only three years until the amended Labor Standards Act goes into effect in April 2024 in the construction industry, we launched the Challenge 45 project as an initiative aiming to limit monthly overtime to 45 hours.

Ideal Work Style of the Shinryo Corporation

- Work-friendly environment with a refreshing and open corporate climate
- Pride, satisfaction, a sense of accomplishment, and growth
- A fulfilling work-life balance
- Work style driving maximum results in a limited amount of time

Refreshing Work Style Project

Shinryo Corporation has continued the Refreshing Work Style Project as an initiative working to reform individual employee work styles since 2016. This project shares innovations to enhance productivity, ways to revitalize communication, and other specific measures while striving to raise awareness and spearhead work style reforms.

Every year, we hold the Refreshing Work Style Project Results Briefing in which employees from Shinryo Corporation and Group companies participate online. All of the corporate divisions, branches, and administrative sections and three Shinryo Group companies* present their success, introducing various examples of work-style reforms, such as communication and management methods using digital tools on construction sites. Each organization focuses on the efforts of other departments in an effort to further reform their work styles under the motto, “Be successful using TTP (*Tettei Tekini Pakuru* (Take Tip Proposals)) by imitating the beneficial actions of others.”

We also gather the numerous innovations brought forth through activities to reform work styles devised by employees themselves into a work style reforms guidebook (collection of examples) distributed throughout the company.

Through the Refreshing Work Style Project, Shinryo Corporation has transformed the initial atmosphere of thinking it was something impossible to one where it is easy to take paid leave and go home early. We will continue to execute a wide range of initiatives with the aim to realize better work styles.

*The three Group companies—Shinryo Technical Service Corporation, Shiroguchi, and Daiiei Denki—involved with system design and installation

Some Examples in the Work Style Reform Guidebook (Collection of Case Studies)

Job Visualization

- Analyze the time required for a job
- Visualize on-site jobs using white boards

Reforms to Ensure Work Continues When Jobs Arise Suddenly

- Introduce concentration times and booths

Preparations to Build a More Work-friendly Environment

- Negotiate and enhance larger on-site offices
- Introduce dual displays

On-site Morning Meeting Reforms

- Abolish on-site morning meetings
- Share information on monitors at morning meetings

Use of ICT Tools

- Share information using on-site messaging tools
- Conduct project manager meetings online
- Conduct on-site inspections remotely
- Provide video training to new on-site personnel

Reforms Through Cooperation with Other Companies

- Reform work styles through discussions with construction companies
- Negotiate to eliminate urgent work requests

KPI Outline of KPI for Priority SDG Subjects (Detailed List on P29-30)

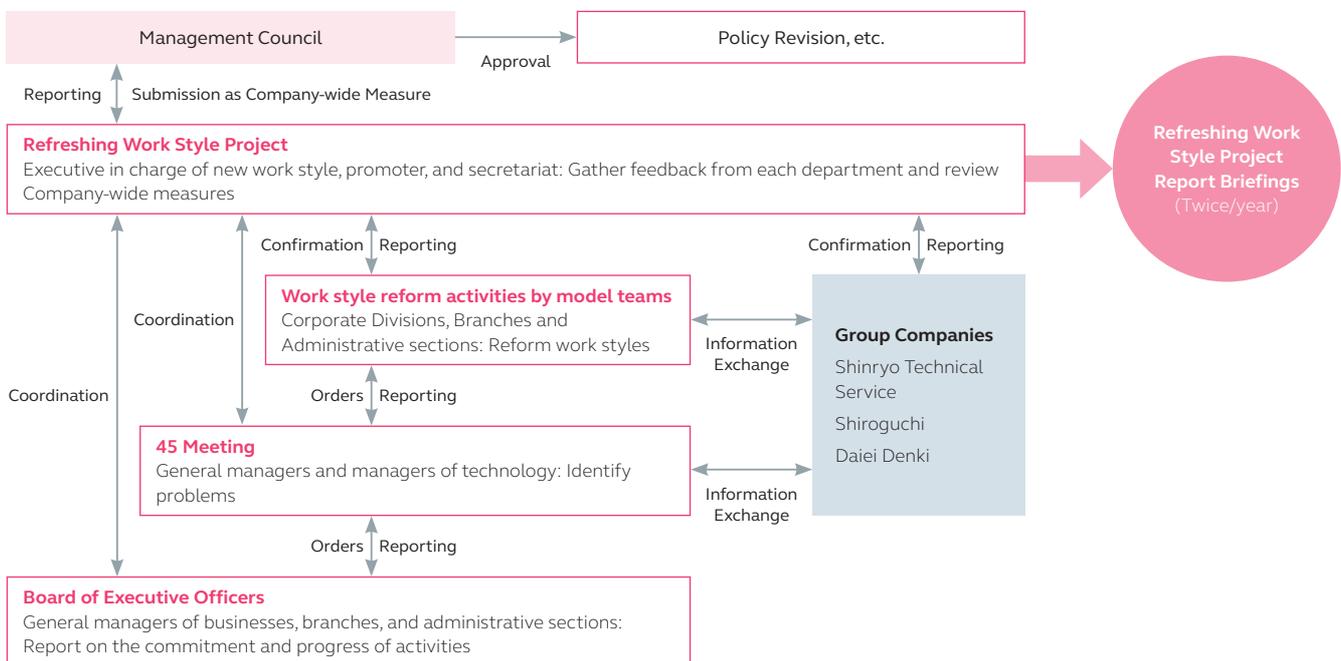
Challenge 45 to Comply with the Amended Labor Standards Act Going into Effect April 2024

In May 2021, Shinryo Corporation launched the Challenge 45 initiative for the purpose of limiting monthly overtime to 45 hours to further heighten the effectiveness of work style reforms. Challenge 45 has set a clear target for overtime per months by challenging employees how many months they can achieve the goal of no more than 45 hours of overtime. If for some reason this goal cannot be achieved, we investigate the cause and use the PDCA cycle to spearhead improvements. Shinryo Corporation will enhance the effectiveness of work style reforms through backcasting which counts back from targets.

Challenge 45 Logo



Challenge 45 Promotion System



Successes Up Until Now

KPI Rate of annual paid leave taken by employees **87%**
(Target: Year-on-year increase)

	First Year April 2016 to March 2017	Second Year April 2017 to March 2018	Third Year April 2018 to March 2019	Fourth Year April 2019 to March 2020	Fifth Year April 2020 to March 2021	Sixth Year April 2021 to March 2022
Implementation rate of on-site no overtime days and number of model sites striving for work style reform	97% Model Sites Total:142	90% Model Sites Total:121	90% Model Sites Total:229	End of Data Collection Due to Expansion of Initiative to All Sites	-	-
Year-on-year change in overtime	-3.3 Points	-2.6 Points	-2.1 Points	+1.7 Points	-2.7 Points	-3.3 Points
Rate of annual paid leave taken by employees and year-on-year change	60% +3 points year on year	62% +2 points year on year	72% +10 points year on year	64% -8 points year on year	85% +21 points year on year	87% +2 points year on year

Build Refreshing Environments Rich with Creativity

Shinryo Corporation strives to cultivate an enthusiastic workplace for employees by realizing a refreshing atmosphere and work-friendly environment.



KPI Employee satisfaction 3.2
(Target: 4.0 or above)

Promotion of Health Management

Health Declaration

Shinryo Corporation has striven to develop human resources and build a work-friendly environment since its founding based on the belief people are the most valuable asset. We also think supporting physical and mental health is key to cultivating enthusiasm in every employee. The promotion of health management is a critical management challenge for the Shinryo Corporation. In March 2021, our President announced the Health Declaration. This commitment will enhance the vitality of the Shinryo Corporation and contribute to the development of a sustainable society with the hope of realizing our management vision to Create a Freshening World.

Health Declaration

The Shinryo Corporation is committed to promoting health management.

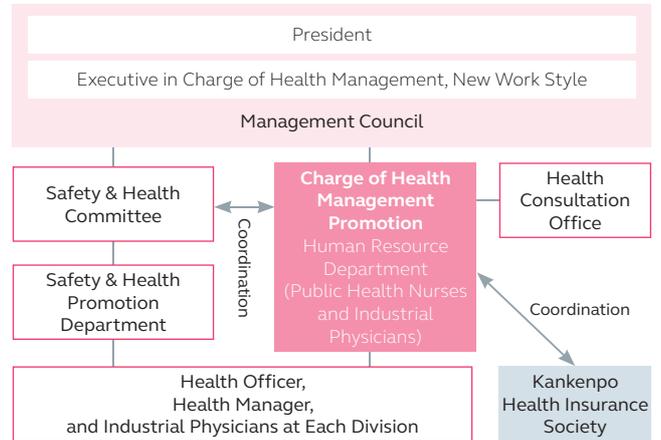
1. We will support the physical and mental health of every employee.
2. We will build a workplace where everyone can feel safe and secure to reach their full potential.
3. We will heighten the vitality of our organization and contribute to the development of a sustainable society through employees' healthy body and mind, and better workplace environments.

Promoting Better Health Toward an Enthusiastic Workplace

Shinryo Corporation conducts various health promotion activities so that every employee can actively participate with health and enthusiasm.

To promote health management, we have put in place a system to work with the Health and Safety Committee, health supervisors and managers in charge of health management,

Health Management Promotion System



and industrial doctors at each business throughout Japan.

Shinryo Corporation focuses on communicating information that helps raise awareness about health. Thus far, we have held lectures on health topics from sleep, smoking, and alcohol to drugs, and infectious diseases as well as distributed health information from public health nurses. With the adoption of a retirement age of 65 in 2020, measures to address the health of older employees have become more important. Therefore, we held lectures on depression and dementia for these older employees as well as a locomotive syndrome* classroom to sustain the function of locomotive organs. Other health promotion efforts include a Woman's Health Seminar center upon gynecological diseases and illnesses often affecting women as topics for all female employees.

*Locomotive syndrome is a condition that reduces the ability to stand and walk due to the impairment of locomotive organs.

Progress of Health Initiatives and Target Values

Performance Indicator/Fiscal Year	Annual Health Examination Rate	Rate of Employees Undergoing Necessary Follow-ups/Health Guidance	Rate of Stress Check	Rate of Annual Paid Leave Taken by Employees	Ratio of Persons Getting Enough Rest by Sleeping
FY 2017	100%	5.4%	99.0%	62.0%	66.0%
FY 2020	100%	69.7%	96.2%	85.2%	72.3%
FY 2021	100%	79.1%	92.4%	87.3%	71.6%
FY 2023 Target	Maintain 100%	80%	Maintain 90% or above	Year-on-year increase	80%
FY 2026 Target	Maintain 100%	100%	Maintain 90% or above	Year-on-year increase	90%

Item	Policies/Education
Physical Health	<ul style="list-style-type: none"> • Follow-up after regular health checkup • Health Consultation Office through the 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 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 • Consultation Office through industrial mental health professionals (offered once a month) • Implementation of mental self-care education for new employees • Implementation of mental health education (33 newly appointed managers and 37 specialized education candidates took this program in fiscal 2022)

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.

Program	Overview
Telework Program	<ul style="list-style-type: none"> This program provides work-from-home and other telework options to smoothly execute the Business Continuity Plan (BCP) if working on-site is difficult when pregnant or raising children or when caring for oneself or sick family or in large-scale natural disasters or pandemic-type situations.
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 their circumstances, such as 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 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.
Maternity leave program for spouses	<ul style="list-style-type: none"> This program allows employees to take up to five days of leave from one month before the due date to one year after their spouse gives birth. It also lets employees take leave in half-day increments.

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. We also promote the active participation of women and conduct activities to communicate the appeal of the construction industry.

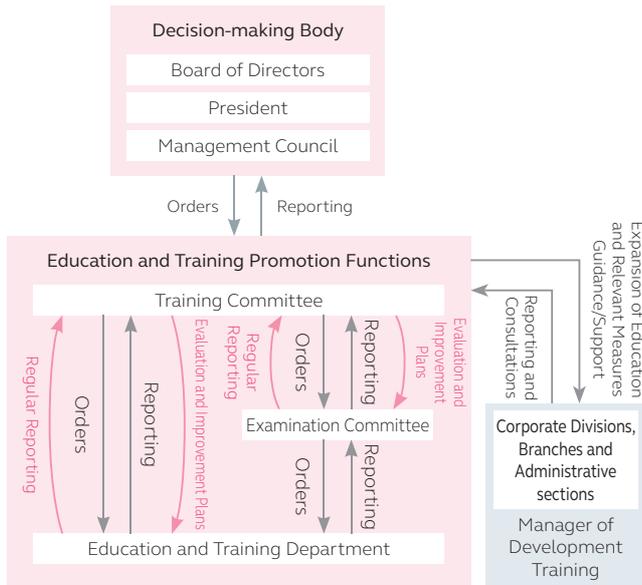
Purpose	Systems/Policies/Events
Promote the success of female employees	<ul style="list-style-type: none"> Release of information and action plans based on the Law to Promote Women in the Workplace on the Ministry of Health, Labour and Welfare Positive Ryouritsu website Publication of an Independent Conduct Plan for Female Employees Participation on the Keidanren(Japan Business Federation) website Acquired two-star “Eruboshi” certification of the Minister of Health, Labour and Welfare (June 2022)
Promote active participation of senior employees with rich experience	<ul style="list-style-type: none"> Revisions of the retirement age to 65 (60 before the change in April 2020) with raises, promotions and ongoing additions of points for retirement benefits from the date of joining of the company to the age of 65 Life plan seminars for 58-year old employees
Promote active participation of employees hired midcareer	<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.)
Promote active participation of foreign nationals	<ul style="list-style-type: none"> Japan invitation program for overseas Group companies (annual seminar, but not held in fiscal 2021) 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)
Promote active participation of employees with disabilities	<ul style="list-style-type: none"> Work assignments according to aptitude in fields such as design and legal affairs Establishment of satellite offices equipped with environments offering amenities such as work support systems and barrier-free designs

Human Resource Development Rich with Creativity

Promotion of education and training

Shinryo Corporation plans and launches education 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

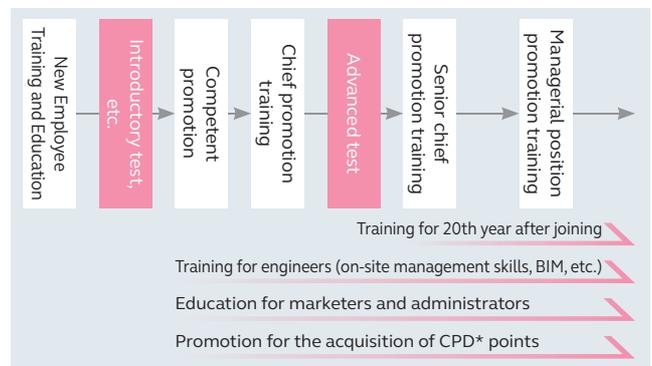


Development Training System

We designate group training and internal testing as required training to recognize the roles of employees and improve their knowledge and skill by 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 such as elective external seminars by duty and position and practical education according to department and occupation also establishes a development training system able to ensure the continued learning of each and every employee.

Group training by level and year



*Continuing Professional Development (CPD) refers to points employees can earn by acquiring certifications and participating in seminars in the continued education program for engineers advocated by the government.

Training and Education for Diverse Human Resources

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 unbounded by nationality.

Human Resources Active on the Global Stage

As the Group expands business overseas primarily in Asia and the Middle East, Shinryo Corporation has a program that makes a public offering for people who want to work overseas that focuses on junior employees for the purpose of nurturing human resources who can actively participate on the global stage.

After three years of service in an overseas assignment, the person may further hone their skills abroad or move into an active role in a domestic assignment based on their goals and career development.

Training in Japan for Engineers from Overseas

As the construction industry in Japan struggles with a serious labor shortage, Shinryo Corporation began employing engineers from overseas in Japan in 2015. In April 2022, four engineers from the Philippines came to Japan for the first time in three years. Currently, all of them are taking an active role primarily in design operations.

Education for Female Employees

In August 2022, we held an education opportunity for all female employees offered both in-person and online. This opportunity thoroughly explained Shinryo support programs and various work styles in addition to deepening understanding about one another across generations and occupations to build supportive relationships.



Presentation During the Training



Lecture During the Training

Training for Mid-career Hires

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

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 in Bookkeeping, First-Class Construction Industry Accountants, etc.

New Employee Training

Start of Training at the New 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. This acts as an opportunity to alleviate concerns about the job and seek advice from those with more experience in meetings held by each team at the dormitory.

In April 2023, the Kofu Dormitory will move to Nishi-Tokyo City, Tokyo. The new Kofu Dormitory can offer a higher level of convenience, increase participation of female employees, and address the challenge of measures to prevent the spread of infections.



Image of completed new Kofu Dormitory

VOICE

Riku Arifuku

Sales Section 1, Sales Department 1
Tokyo Metropolitan Area Division



We weren't able to stay at the Kofu Dormitory due to the impact of the coronavirus pandemic, but I did value the time I spent with my colleagues whether at dormitory events or on days off. These opportunities really deepened our bonds with one another. Although I have only been working at Shinryo for one year, I think the time I spent at the Kofu Dormitory has been invaluable. In addition to gaining specialized knowledge practically on site, I also learned how good human relationships build a work-friendly environment. This experience also helped me feel firsthand how important it is to greet and bow to colleagues when building these relationships. I will take advantage of everything I learned, which I know will help me cultivate a better workplace environment in the future.

Education Programs

Over the one year of new employee training and education, we have established the perfect curriculum for each technical and administrative system to teach the skills necessary to create an organization where everyone can work with confidence right after assignment.

Education Schedule



Primary Training and Education

Primary training and education teach 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, employees learn basic knowledge about Shinryo Corporation businesses through mediums such as courses to teach basic knowledge on construction equipment as well as information related to the main equipment and materials handled on construction sites.

Practical Training on Construction Sites

We conduct practical training and education for roughly six 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.

Education by Assignment

Shinryo Corporation provides practical education by assignment by dividing engineers and administrators. Engineers take part in training to learn about work drawings using 3D-CAD software while administrators learn the basic foundation to sales and accounting through hands-on training. These programs also provide an opportunity to reaffirm the attitude as a professional in secondary training after the initial training is done.

Corporate governance

Corporate Governance System

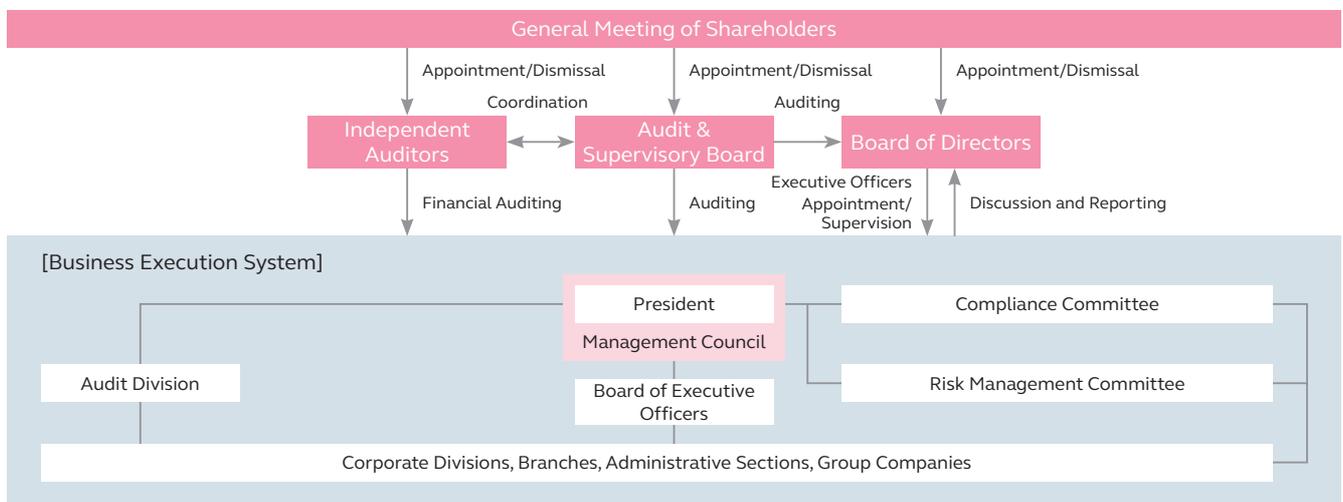
The Board of Directors deliberates submitted agenda items based on agenda and reporting criteria stipulated by agenda items and by Board of Directors rules set forth in the Companies Act. The Management Council deliberates on important matters concerning company management, in addition to proposals submitted 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 reports and consultations received through the Shinryo Hotline (☎P62) reporting and 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

Business Continuity Plan (BCP)

Shinryo Corporation has established a Business Continuity Plan (BCP) to ensure business activities continue during large-scale disasters and other such emergencies. 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. Shinryo Corporation concluded cooperative disaster management agreements with local governments and other such partners to respond to requests for support at the time of natural disasters.

Introduction of Comprehensive BCP Drills

Shinryo Corporation regularly conducts BCP drills with the goals of improving employee response capabilities and strengthening the BCP system in the event of a disaster. This training takes a multifaceted approach that includes safety reporting drills for everyone 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 October 2022, we assumed an earthquake struck outside of the metropolitan area and confirmed procedures in the system to recover business in coordination with areas afflicted by the disaster to review the effectiveness.



Comprehensive BCP Drills

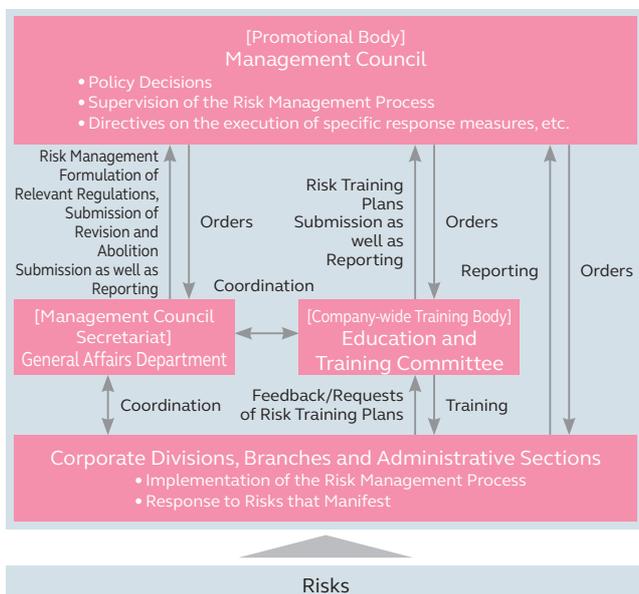
Business Continuity Plan (BCP) Basic Policies of Shinryo Corporation

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.

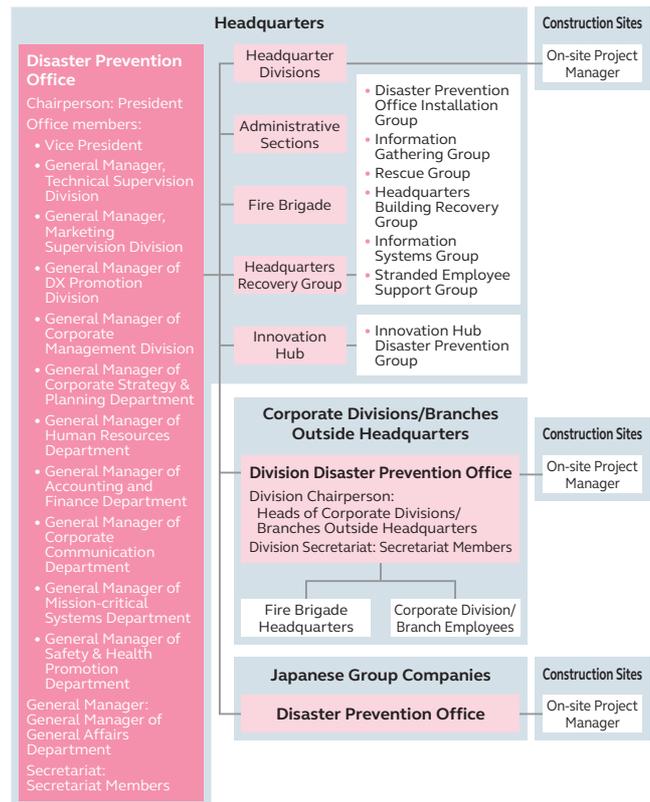
Risk Management

We have prepared systems and measures to minimize damage related to various risks in the business environment surrounding Shinryo Group and ensure business continuity, such as quality, safety, the environment, compliance and information, and to continue and recover business as quickly as possible. Shinryo Group has put in place Risk Management

Risk Management System



Organizational Structure During Disasters



Regulations that gather basic risk management items and Crisis Management Measure Regulations. We created specific response guidelines to ensure the ability to rapidly respond to not only risks in Japan and overseas. In October 2022, we formulated an Overseas Safety and Crisis Management Manual as specific guidelines to respond to crises arising overseas.

Information Security Management Systems

Shinryo Corporation establishes Management Rules of Corporate Information to properly manage customer and partner information. We also regularly carry out security audits of our main businesses and on-site offices. We host internal liaison conferences about information security and emphasize activities to heighten informational literacy. In March 2022, Shinryo Corporation also conducted e-learning on malware attacks.

Response to the COVID-19 Pandemic

We established the Shinryo Group Risk Response Task Force while advancing efforts to prevent the spread of the virus at all of our business locations worldwide starting at the end of January 2020 to guide the decisions and execution of measures to ensure business continuity. In March 2022 as an ongoing effort from the previous year, we provided COVID-19 vaccines (occupational inoculations) to roughly 1,300 employees.

We strove to properly manage these vaccines during the inoculations.

Compliance

Legal Compliance System

Compliance Promotion System

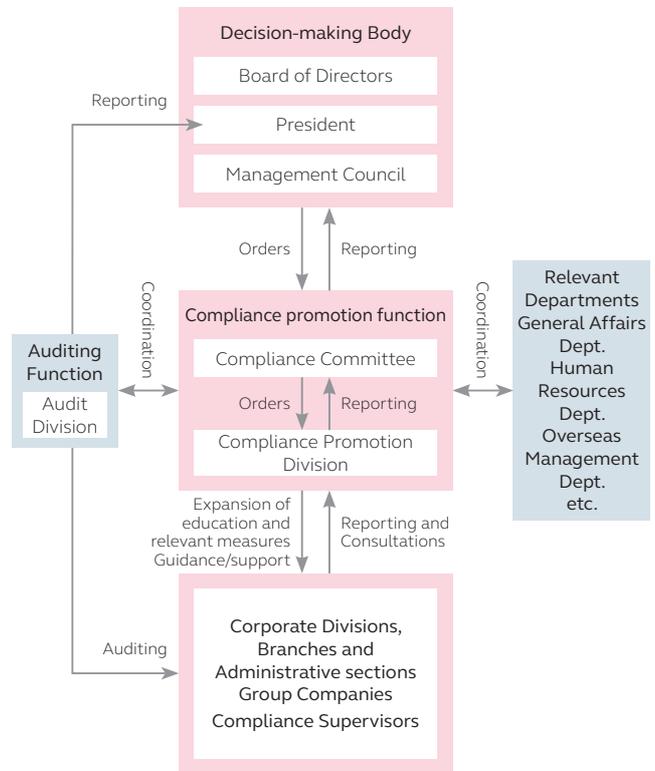
The Shinryo Group believes uncompromising compliance is the highest priority subject for management. All executives and employees of the Group will practice legal compliance, which is at the heart of the Company Philosophy to “be fair and straightforward” in their actions while striving to gain the support of all of our stakeholders.

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.

- 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 Promotion System diagram



Practical Formulation of Guidelines and Other Rules

Domestic Compliance Guidelines

■ Compliance Guidelines and a Collection of Examples

We created the Shinryo Group Compliance Guidelines as core principles founded in our company philosophy, code of business conduct, and standards of conduct. We also established Explanations on Related Laws and Regulations as a manual bringing together systematically organized laws, such as the Antimonopoly Act and Construction Industry Law. Shinryo Corporation and all of the executives and employees of Group companies have taken the guideline education and have committed to compliance.

Shinryo Corporation created a Collection of Compliance Examples bundling specific examples related to compliance as a document to use in education and to raise corporate officer awareness about compliance.

Global Compliance Guidelines

■ 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, etc. 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. All managers undergo education for these guidelines and vow to adhere to this compliance.

■ Thorough Compliance to Guidelines for Anti-corruption Overseas

Shinryo Corporation gathers compliance items and the compliance system related to government officials when conducting business overseas in its Guidelines for Anti-corruption Overseas. These guidelines 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. In July 2022, we revised these guidelines in light of amendments to Guidelines for the Prevention of Bribery of Foreign Public Officials. 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.

KPI Outline of KPI for Priority SDG Subjects (Detailed List on [P29-30](#))

Understanding and Practice of Compliance

KPI Participation rate in compliance training **93%**
(Target: 100%)

Implementation of Comprehensive Compliance Education

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

Implementation of education for every executive and employee throughout the Group. Compliance education is regularly held for Shinryo Corporation and Group companies worldwide. In 2022, we provided practical education based on the Collection of Compliance Examples. By handling social issues in a broad and timely manner, Shinryo Corporation strives to build a corporate climate engaged in operations while always keeping in mind compliance.

Target Trainees	Training Content
Engineers	Compliance violations likely to occur on construction sites
New employees	Explanation on Compliance Guidelines
New mid-level employees	Explanation on Compliance Guidelines
Newly promoted employees	Companies and compliance
Managers	Explanation on civil code amendments
Employees in each department	Various compliance violations likely to occur in business

■ Periodic Distribution of Shinryo Compliance News

Shinryo Compliance News is distributed periodically by email to all of our executives and employees. The news covers a broad range of topics from legal explanations about the Construction Industry Law and other statutory regulations relevant to Shinryo Group businesses, and points on legal amendments to compliance in the workplace. Each issue also provides a system

to easily offer feedback and make inquiries about compliance through a questionnaire.

Launch of an Internal Reporting System

Shinryo Corporation has revised its Compliance Reporting and Consultation Regulations with the objective of preventing legal violations or inappropriateness as well as quickly discovering and correcting signs of these issues. Pursuant to the Whistleblower Protection Act, we have set up and are running an internal reporting system that places emphasis on the protection of whistleblowers. The SHINRYO Hotline has also been set up as a reporting and consultation service in an effort to raise awareness.

SHINRYO Hotline Reporting and Consultation Service

Internal Service Office: Shinryo Corporation/Compliance Promotion Division

E-mail: soudan@shinryo.com

External Service Office: Wakaba Partners Law and Accounting Firm

E-mail: soudan@wakaba-ps.jp

This service is available to anyone whether a Shinryo Group executive and employee or not. *Please see the Shinryo Corporation website for more information.

<https://www.shinryo.com/corp/compliance.html>

Cooperation Between Group Companies

We regularly hold 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 compliance awareness and operations as the Shinryo Group. Liaison meetings in fiscal 2022 reviewed and discussed educational approaches and effective materials to further heighten compliance awareness.

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

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

Human rights

Shinryo Corporation advocates and sincerely practices the respect of human rights and individuality of all people in business through its Standards of Conduct. Shinryo Corporation also has declared its support and signed onto the United Nations Global Compact. We are advancing our

business activities in accordance with its four areas and ten principles, including human rights. We recognize the respect for human rights as one essential duty of any corporate entity and promote initiatives to ensure the respect of human rights.

Initiatives	Description
Training and awareness-raising activities	<ul style="list-style-type: none"> Implementation of e-learning and training on harassment, distribution of the Shinryo Compliance News via email, and other informational dissemination P62
Preparation of a working environment	<ul style="list-style-type: none"> Work-style reform initiatives: promotion of the Refreshing Work Style Project and Challenge 45 P53, 54 Promotion of health management P55 Encouragement of the active participation of diverse human resources P56
Cooperation with partner companies	<ul style="list-style-type: none"> Health and safety activities on construction sites through the Health and Safety Council P51 Promotion of a supply chain with human rights considerations via the Shinryo CSR Procurement Guidelines P52
Setup of a consultation service	<ul style="list-style-type: none"> Setup of the Shinryo Group Hotline reporting and consultation service and protection of whistleblowers P62

Sustainability Promotion Activities at Shinryo Group Companies

Sustainability Promotion Activities at Shinryo Group Companies

Each company of the Shinryo Group is aiding in the growth of society from initiatives to solve social issues through its businesses.

Shinryo Technical Service Corporation

Support of Life-Cycle Management for Construction Equipment

As a company specializing in construction equipment renewals and maintenance and management services, Shinryo Technical Service Corporation not only enhances the value of building assets but also uses the utmost care in making proposals toward long-term comfort during building use. This Group company coordinates with the manager at Shinryo Corporation in charge of the installation to execute maintenance and management taking into account regular preventative maintenance of equipment and a reduction in management costs, in addition to supporting life-cycle building management.

Shinryo Technical Service Corporation also emphasizes basic technical training to improve the technical skills of its employees. It even holds study sessions for employees to acquire Works Execution Managing Engineer certifications.

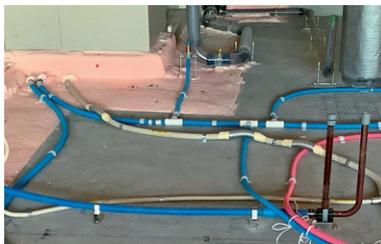


Equipment Serviced and Managed by Shinryo Technical Service Corporation

Shiroguchi Co., Ltd.

Use of the Siphon Waste Water System

Sanitation systems for condominiums in recent years emphasize resident preferences, which increase the demand for diverse layouts in rooms requiring plumbing. Typically, sanitation equipment could only be installed near the drainage standpipes connected to slanted horizontal piping. Upper and lower floors generally had the same layout, but the siphon waste water system makes any incline unnecessary giving total layout freedom. Since last year, Shiroguchi has been furthering the adoption of this system centered upon condominium kitchens. In the future, the company will strive to provide even greater comfort by expanding the siphon waste water system to washrooms, modular bathrooms, and utility systems.



Siphon Waste Water System Installation

Daiei Denki Co., Ltd.

A Better Work-Life Balance

Daiei Denki takes part in Shinryo Group Challenge 45 initiative that aims to reduce overtime to further excel in its work style reforms. This initiative works to enhance the efficiency of various operations. For example, employees identify challenges, take advantage of ICT tools, support business processes of construction sites, and visualize schedules. Therein, promotional posters about the work style reforms created for each construction site are displayed on site to create good opportunities for customers and employees from other companies to understand these initiatives as well while generating greater momentum for each activity.



Promotional Activity Poster Made by an Employee

Shinryo Kougyo LTD.

Development of a Disaster Response Ultra-Light Submersible Pump

Localized torrential rains in recent years have caused frequent flooding, making measures to handle drainage during floods a pressing issue. Shinryo Kougyo developed and commercialized an ultra-light submersible pump that can handle ten times the drainage capacity as conventional submersible pumps for construction. The company has bundled this portable ultra-light pump with a generator, high-pressure hose, floodlights, and all the other incidental equipment necessary for drainage into a compact package. This innovation realizes a system that can be loaded onto a two-ton truck, which can quickly deal with floodwaters when dispatched in an emergency. Shinryo Kougyo will continue to advance this development with the aim of further enhancements to its product lineup toward even lighter product options.



Compact Drainage Pump Package



Ultra-Light Submersible Pump (SP50)

Akita Castle Hotel Co., Ltd.

Barrier-Free Mindsets Initiatives

In March 2022, the Japan tourism Agency certified Akita Castle Hotel as the first barrier-free hotel in Akita Prefecture under its Barrier-free Mindsets Certification System for Tourist Facilities. With the aim to be the most guest-friendly hotel for anyone, the Akita Castle Hotel has been renovating hard aspects of the facility, conducting training courses to cultivate supporters of persons with dementia and visual impairments in an effort to ensure barrier-free hospitality. The Akita Castle Hotel will always provide a safe and comfortable environment while doing its utmost to have a spirit of hospitality that can bring the joy of a hotel to everyone.



Training to Cultivate Supporters for Visually Impaired Persons

Global Staff Co., Ltd.

Start of On-site Support Services

Global Staff has launched various on-site support services in light of revisions to the Labor Standards Act which will go into effect in the construction industry in 2024.

A shift of photographic, organization, static pressure and lift calculation, meeting minute production, and other work to the back office as well as outsourcing of patrols around on-site offices is alleviating the labor burden on construction sites (P50).

Global Staff will provide logistical support on construction sites with Shinryo Group at the core as a way to continually take on the challenge of assisting better work style reforms.



Photo at Construction Site

SHINRYO (HONG KONG) LTD.

Ongoing Social Contribution Activities

SHINRYO HONG KONG is supporting Open Door Community Services activities as a private non-profit organization that has been providing volunteer activities and community services since 2011. The company participates in a wide range of these activities, such as recreational activities held for underprivileged children and food and daily commodity drives. In 2022, The Hong Kong Council of Social Service selected SHINRYO HONG KONG as a Caring Company (scheme to build cohesive partnerships between business and social service partners).



Volunteer Activity

SHINRYO VIETNAM CORPORATION

Training to Increase Employee Engagement

SHINRYO VIETNAM puts tremendous effort into training for employees new to the company. This training helps employees understand the company and makes them feel secure about their desire to work for the company over the long term. The program takes time for senior staff to not only explain the SHINRYO VIETNAM history, philosophy and business but also internal rules, salary systems, and other topics that employees have a vested interest in. SHINRYO VIETNAM hopes this increases the trust people feel for the company as well as improves the motivation of each and every employee.



New Employee Training

SHINRYO INDONESIA

Promotion of BIM Use

SHINRYO INDONESIA has been using BIM not only for design but also for customer proposals and briefings since establishing its BIM promotion department in 2020. Even when explaining drawings or systems in ceilings and other hard-to-see places, the company can share 3D images, which have been raved about by customers. The Shinryo Corporation Digital Promotion Department also conducts regular meetings to exchange ideas about usage examples, execute trial joint inspections of models using an internal cloud environment with multiple people, and expand the BIM technology across organizational boundaries in other ways.



Joint Inspection Using a Cloud Environment

SHINRYO MALAYSIA

Goals Set to Raise Safety Awareness

SHINRYO MALAYSIA has set specific goals in an effort to raise the safety awareness of employees and staff working on construction sites. In fiscal 2022, the company set goals that included the number of health and safety training sessions and an increase in favorable examples of safety patrols. Each construction site also furthered initiatives mainly lead by on-site project managers, such as review training programs and thorough review and reinforcement of safety management. In addition, regular safety meetings share the progress of activities and strive to sustain every employee's motivation toward achieving these goals.



Health and Safety Training on Construction Sites

Social Engagement

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.

Japan Construction Occupational Safety and Health Association Activities

Shinryo Corporation belongs to the Shinjuku, Nakano, and Sugunami Chapter of the Japan Construction Occupational Safety and Health Association Tokyo Branch that encourages activities to prevent occupational accidents in the construction industry and promotes worker skill training. We are also in charge of the secretariat tasked with duties that include the sharing of information about health and safety as well as seminars and educational training for the roughly 140 corporate members.

In 2022, Shinryo Corporation also acted as chair of its chapter providing health and safety supervisor training necessary for health and safety management as well as courses on the project notifications necessary for large-scale construction sites that have a risk of serious occupational accidents, which are attended by many member companies. In addition, we are striving to take the lead of health and safety with the cooperation of the Labor Standards Bureau, such as patrolling construction sites within our jurisdiction.



On-site Patrols



Special Member Company Training

Ongoing Donations to the Disaster and Humanitarian Organizations

Shinryo Corporation has been a supporting member of the non-profit organization Japan Voluntary Organizations Active in Disaster (JVOAD) since 2018. This organization provides a system to quickly obtain information from disaster-afflicted areas to make contributions according to needs.

In light of the growing number of serious and more frequent natural disasters of modern times and need for support in disaster-afflicted areas over the longer term, we also continually donated funding to organization that actively support the recovery of disaster-afflicted areas. Since 2019, Shinryo Corporation has made ongoing donations of 5 million yen to JVOAD to provide relief to people and for recovery support activities of areas afflicted by disaster. We have also been providing support to overseas organizations since 2022, donating 5 million yen to the United Nations High Commissioner for Refugees (UNHCR) that protects and supports refugees and evacuees internationally as a UN Refugee Agency.

Part-time Instructor Activities at Universities

Employees of Shinryo Corporation are jumping at the chance to teach as part-time instructors at universities in courses that include classes related to building services and engineering systems. To develop the construction industry and its technology, we hope to stay actively involved in the educational opportunities of students entrusted with the next generation.

Course track-record

Name of University	Classes taught
Meijo University	Construction Equipment Engineering 2
Tsukuba University of Technology	Specialized Courses in Eco Environmental Systems and System Engineering
Osaka Metropolitan University	Construction Equipment I
Tokyo University of Science	Advanced Ventilation Systems
Setsunan University	Studies on Building Services

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

Third-party Opinion

Hidemi Tomita, Managing Director of LRQA Sustainability KK who has given his insight into our selection process for priority subjects and other efforts in the past, joins us again to give his third-party perspective.



Hidemi Tomita
LRQA Sustainability KK
Managing Director

Mr. Hidemi Tomita cultivated experience in CSR management at a business firm before joining Lloyd's Register Japan K.K. in 2013. In 2020, he was appointed the Managing Director of LRQA Sustainability K.K. (Previously Lloyd's Register Japan K.K.). Mr. Hidemi Tomita has also been involved in numerous other roles during his career, including his service on government committees and involvement with international standards.

The SHINRYO Report 2023 brings together information from Shinryo Group profile and business overview to the corporate history in a very accessible manner. It also appropriately presents information to generate understanding about its sustainability initiatives and the Group as a whole.

The report even summarizes the four strategies founded in the 15th Three Year Management Plan newly adopted by Shinryo Corporation, while at the same time organizing the value creation process. This value creation process recognizes and very clearly presents material subjects based on changes in the external business environment, medium-term strategies, and results achieved through business, in addition to the final outcomes of the *Create a Freshening World* management vision. Readers can distinctly see the integrative thinking of Shinryo Corporation's management.

I think the Innovation Hub covered in Feature 1 is an organization core to the medium-term strategies. The report includes definitive themes about the goals of these strategies as well as specific examples. In particular, I see open innovation as an extremely important aspect considering new business development and sustainability strategies. The Shinryo Shinjo Building example in Feature 2 demonstrates the amazing potential effectiveness of this project to not only contribute to a reduction in the company's own greenhouse gas emissions but also the

emission reductions possible worldwide through the various technologies introduced into the headquarters. I believe the points covered by these features really hit the mark at the right time.

As for the promotion of sustainability, the report clearly presents the promotion system alongside the four priority subjects (materiality) while demonstrating the uniqueness each has to Shinryo Corporation.

For example, Priority Subject 1: Contributions to a Decarbonized Society presents extremely excellent information about initiatives to mitigate greenhouse gas emissions in the supply chain. Shinryo Corporation not only discloses its Scope 3 emissions but also illustrates each initiative meant to tackle the main Scope 3 categories. I feel the report uses an honest approach in clarifying the trajectory of these initiatives.

Moreover, Priority Issue 4: Building Refreshing Environments Rich with Creativity really grabs the reader's attention, especially the information disclosed about how Challenge 45 is adapting to the revised Labor Standards Act. We can easily understand the specific progress that has been made in both the promotion system and outcomes thus far.

The information about materiality includes 2022 activity results both as KPI and in a list, which gives a very clear overall picture. However, I think it would be beneficial to disclose data about the progress made over time for numerical data in the future because some items only include the results for the single year.

Furthermore, legislation is rapidly advancing in each country in recent years based on the UN Guiding Principles on Business and Human Rights. As demonstrated by Japan's release of guidelines on human rights in supply chains, interest in business and human rights is growing. Companies will find human rights due diligence initiatives and management of mechanisms to handle grievances done in accordance with these types of guidelines indispensable. Therefore, I hope to see Shinryo Corporation further bolster its current human rights initiatives.

Reflection on the Third-party Opinion

Toshiya Terao

Executive Officer in Charge of Sustainability Promotion

I would like to thank Hidemi Tomita for his invaluable feedback about our sustainability promotion activities. As an initiative to mitigate greenhouse gas emissions and adapt to the revised Labor Standards Act, we are putting particular effort into promoting Challenge 45. Shinryo Corporation has built a company-wide system and is rolling out a wide range of measures. I am very encouraged by the praise Hidemi Tomita has given these efforts. In regards to our reporting about the KPI activity results Mr. Tomita said could be improved, Shinryo Corporation will consider ways to properly present its results over time toward the disclosure of information for three fiscal years while also continuing to advance activities toward achieving its goals. We also strongly feel the importance of human rights. We will systematically organize the initiatives considering our stakeholders to date and shift to the review and execution of human rights due diligence. Shinryo Corporation will always strive to make contributions to the development of a sustainability society through our businesses.



SHINRYO CORPORATION

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