SHINRYO

SHINRYO REPORT 2025

Corporate Profile and Sustainability Report

English Version

SHINRYO

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.

Editorial Policy

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

Target period

This report focus on FY2024 (October 1, 2023 to September 30, 2024), including some periods before and after.

Scope of report

Sustainability Promotion activities of Shinryo Corporation and the Shinryo Group.

Reference guidelines and standards

- ISO26000
- GRI Standards
- Environmental Reporting Guidelines (2018)
- Task Force on Climate Related Financial Disclosures (TCFD)

Date of publication

January 2025

Division responsible for publication

Shinryo Corporation
Sustainability Promotion Division

Informational Dissemination System

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SHINRYO Report 2025

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Making Innovation More Firmly Rooted

Takeshi Kagami

President,
Representative Director

Advancing Innovation for Growth through Digital Transformation

The revised Labor Standards Act also came into effect in the construction industry in April 2024. As Shinryo Corporation has been engaged in work style reform since 2016, we achieved higher orders received, net sales, and operating income compared to the previous year while complying with the upper limit of overtime in fiscal year 2024. However, looking at the international situation, rise of construction material prices due to the weakening yen, the increase in the resource price risks due to situations in the Ukraine and the Middle East, the situation surrounding Taiwan, and other factors make building a more stable management foundation necessary.

We had set "Innovation for Growth" in the 15th Three Year Management Plan, which is ending this fiscal year, to build a firm foundation for growth. To-date, we have been able to steadily achieve the plan and have been feeling the progress of innovation. Currently, Shinryo Corporation is working to transition operations conducted at each site to be carried out at central facility to innovate the construction process from individual to organization which can realize high quality and highly efficient operation by construction sites and the central facility working as one. As of September 2024, we have already implemented this in more than 50% of the construction sites. We aim to further improve productivity during the remainder of the year.

Furthermore, we are also actively promoting the implementation of BIM, a core element of Digital Transformation (DX) for the construction sites, through the DX Promotion Division and each site cooperating to take this challenge toward a new construction style. This initiative is also being promoted overseas. In addition, we concluded a Memorandum of Understanding (MOU) related to a strategic partnership with a global BIM company Autodesk, Inc. in March 2024 to accelerate the operation process innovation through digital technology. The Equipment BIM Research Liaison Committee established in 2023 by seven construction equipment companies also engages in activities to promote BIM in the entire industry.

Company Philosophy

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

Initiatives Toward Becoming a Future and Environmental Engineering Company

Following the entry into the Indian market through the subsidization of an Indian equipment engineering company (currently Shinryo Suvidha) as a Group company in 2018, we have acquired approximately 85% of the shares of GMP Technical Solutions Pvt. Ltd., a major clean room panel manufacture in the Indian market, in October 2024. Through this, we will be able to receive orders that bundle the construction of clean rooms and manufacturing panels for them in India where pharmaceutical-related business is growing in recent years. Simultaneously, this adds to orders received for semiconductor plants which India is being promoted as a nation.

We are implementing various initiatives under the "Strengthen Business Development Capabilities Prioritizing Green & Digital Domains", an important strategy for the Company, as we believe it is a source for our growth. We will introduce the initiatives implemented in the main building of the Innovation Hub which opened in March 2024. The Company has been implementing a cycle of demonstrating and improving the latest environmental technology in our buildings and then offering them to our customers. This is the same case for the main building of the Innovation Hub (P16, P27). The building achieves environmental gradation which eliminates the border between the outside and inside by installing a large roof that reduces sunlight, atrium, skylight, and other elements to control the temperature, humidity, and light through multiple air conditioning control methods. ZEB was achieved by implementing multiple new energy-saving technologies and acquired the highest rank of five stars for the Building-Housing Energy-efficiency Labeling System (BELS) as well as the highest rank of S Rank for the CASBEE - Wellness Office that evaluates the well-being and comfort of the users. We also hope to demonstrate many environmental technologies in the new head office building that is planned to be completed in 2026 and provide them as a firmly established technology to our customers.

While aiming to become a future and environmental engineering company, we reformed the Sustainability Promotion Department as the Sustainability Promotion Division which is an independent organization directly under the President in October 2024. We will increase the speed of decision-making to evolve into a company that can better respond to the expectations of our customers and society. In 2024, we revised the Procurement Guidelines. The entire supply chain requires to work together to address environmental, human rights, and other issues demanded by society. This guideline sets principles for cooperating with all our business partners. In addition, we actively engaged in achieving a work-life balance through work style reforms and were certified as Health & Productivity Management Outstanding Organization (Large Enterprise category) for the third consecutive year since 2022. We have also formulated the Human Rights Policy, endorsed the Task Force on Climate-Related Financial Disclosures (TCFD), joined the United Nations Global Compact, and actively engaged in various activities based on the policies of our Sustainable Development Goals (SDGs).

Shinryo Corporation will celebrate the 70th anniversary of its founding in February 2026. We will accelerate the 15th Three Year Management Plan to transform into a company that is worthy of such a commemorative year and build a foundation for new value creation. We will continue to work to reflect the feedback we receive from all of our stakeholders to become a company chosen by customers. I ask for your ongoing support and guidance in the future as well.

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

Message from the Vice Presidents and General Managers

Roles to Fulfill in the Society

The Long-term Vision “Future and Environmental Engineering Company” illustrates a company that contributes to the realization of a sustainable and decarbonized society through advanced technology. In implementing SDGs management, we have set “Innovating Engineering that Utilizes Advanced Technology” as one of our management goals and are promoting the development and implementation of decarbonization technologies, operation process reform through DX, the centralized facilities that is linked to construction sites, and other such initiatives. We are also engaged in initiatives to strengthen our capability to create innovations focusing on diversity. We will further accelerate our initiatives during the current fiscal year, the final fiscal year of the 15th Three Year Management Plan, and achieve concrete results. In addition, we recognize the importance of communicating the appeal of the construction industry to society to the next generation and will communicate the fun in engineering and the satisfaction of working to bring life to cities and buildings through our business. We believe we have a major role to fulfill in realizing a vibrant future.

Katsuhiko Yakita

Representative Director, Executive Vice President
General Manager, Technical Supervision Division and DX Promotion Division and in charge of Group Management, Sustainability Promotion, and the Environment

Takeo Yamaguchi

Executive Vice President
General Manager, West Japan Division

Solving Social Issues through Efficient Organizational Management

Shinryo Corporation sets contributing to society through promoting sustainability as its mission. We not only aim to reduce environmental load but also offer safe and reliable infrastructure and increase the resilience of society as a whole. We also hope to contribute to the formation of sustainable regional societies through strengthening coordination with local communities and offering solutions that match their regional characteristics.

In October 2024, we established the West Japan Division by merging the Nagoya, Hokuriku, Osaka, Chugoku, and Kyushu branches to transition into a system for comprehensive optimization and address labor shortages, environmental regulations, and other factors faced by the construction industry. We will continue to be a trusted partner of our customers and regional societies through quickly responding to the needs of the society by efficient organizational management. We will then grow into a company that co-create social value.

Building a Safe and Comfortable Society

In realizing a sustainable society, social issues that companies are required to address are diversifying. Especially for climate change, many companies have set specific targets for carbon neutrality and decarbonization and promoting related initiatives.

In such an social environment, Shinryo Corporation is providing highly efficient equipment systems for industrial facilities, data centers, district heating and cooling systems, and other various social infrastructure to contribute to realizing a decarbonized society. We believe that it is our mission to provide advanced technology to society and are also actively engaged in establishing new technologies by implementing and analyzing the effectiveness of the developed decarbonization technologies at our facilities. We will continue to strive to be a trusted partner of our customers and that they can trust us to handle work and create a safe and comfortable society with our customers.

Takao Watanabe

Director, Executive Vice President
General Manager, Marketing Supervision Division

Freshening World on a Global Scale

Shinryo Corporation plan to play an active role in realizing a freshening world, which we continuously aim to do, throughout the world. With a strong desire to contribute to the development of a nation by respecting the culture and customs of related countries since receiving the order to construct an air-conditioning and sanitation system of the Cho-Ray Hospital in Vietnam in 1972, we have expanded our business in 20 locations mainly in Southeast Asia. In 2024, we reformed the planning and management division of the overseas business as an independent organization named the International Management Division to further solidify the overseas business of the Shinryo Group. In addition, we aim to further expand business by adding GMP Technical Solutions, a clean room panel manufacturer, as the second Group company in India where its market is achieving significant growth. Shinryo Corporation and ten overseas local companies will implement initiatives for creating a freshening world around the globe to realize a sustainable society.

Koichi Kaji
Director, Managing Executive Officer
General Manager, International Management Division

Yasunori Miyazaki
Director, Executive Officer
General Manager, Administration Division & in charge of Compliance & General Manager, Corporate Strategy and Planning Department

Build Refreshing Environments Rich with Creativity

The revised Labor Standards Act finally came into effect in the construction industry in April 2024. This will further increase the demand for highly productive and efficient work styles. We have been promoting work style reform since 2016 and taking on the challenge of creating a work style that maximizes results in a limited time. In addition, we are continuing to implement a system to support flexible work styles, promote health management, build diverse education programs for developing human resources, and other various initiatives to address the priority issue of “Build Refreshing Environments Rich with Creativity”. We believe that each employee being able to achieve their full potential and acquire the ability to flexibly respond to the rapidly changing times through these initiatives will lead to continuously improving the corporate value. We will continue to focus on creating a work environment with the belief of our employees being the greatest assets which has been passed down since our founding.

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 SDGs targets.

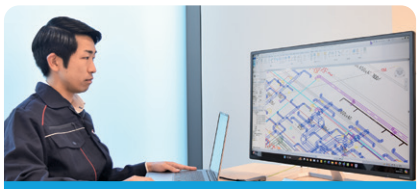
These efforts demonstrate the will of Shinryo Corporation to grow as a company earning trust from the international society as it focuses its strengths into the provision of technology overseas.

Business Fields

Characteristics of Shinryo Corporation are its advanced construction technology and track record that it has built in Japan and overseas over the years. What we build through our business is air conditioning, water supply, drainage, sanitation, and electrical systems that are friendly to the people and the environment, advanced production environment, district heating and cooling systems that are friendly to cities and the region, and integrated information systems that support energy-saving. Shinryo Corporation responds to the trust and expectations of its customers by its technology, track record, and sincerity.

Planning & Proposal/Research & Development

We propose optimal spaces according to the needs of customers in terms of both technology and cost through coordination between our design and construction divisions. Shinryo Corporation provides advanced planning through the use of computational fluid dynamic simulations.



Design/Engineering

We listen closely to the needs of our customers to provide the suitable designs and engineering of equipment system, which includes selecting the appropriate materials and equipment.

Maintenance

We provide the support to prolong the use of equipment systems such as operational management of those systems, commissioning, inspections for the state of equipment degradation and the formulation of long-term maintenance plans.

Installation

We offer sound installation through means that include the creation of construction drawings, proper process management, quality management, environmentally- and safety-friendly construction management as well as test runs.

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 systems/heat recovery systems

Electric systems
Power cable systems/Extra low voltage systems/Power receiving equipment and transformer systems/Main & submain power distribution systems/Generator systems

Automatic control service work
Building management systems/Instrument equipment 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 systems, sprinkler systems 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


District heating and cooling systems


Cogeneration systems


Plumbing and sanitation


Electric systems


Plant facilities


Comprehensive information systems


Aquarium facilities

Overview of Shinryo Group

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

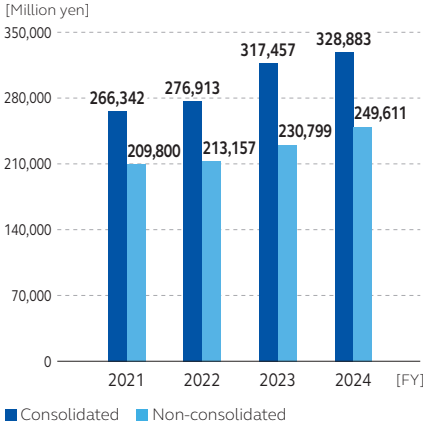
Number of Companies

17

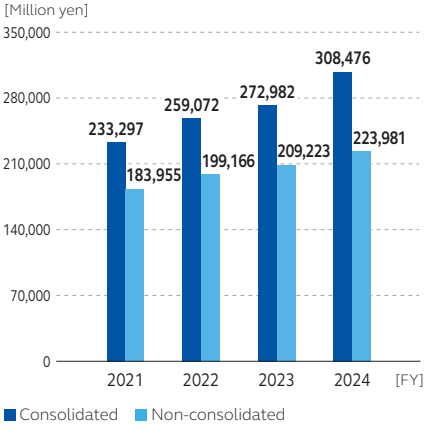
Shinryo Corporation
6 Japanese Group Companies
10 Overseas Local Companies

Business Performance Trends

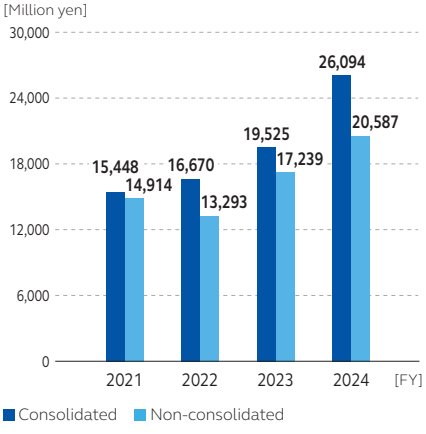
Orders received



Net sales



Operating income



Business Network

77 bases

57 Japanese bases
20 overseas bases

Net sales

308.4 billion yen

223.9 billion yen (non-consolidated)

Number of Employees

5,195 people

2,257 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

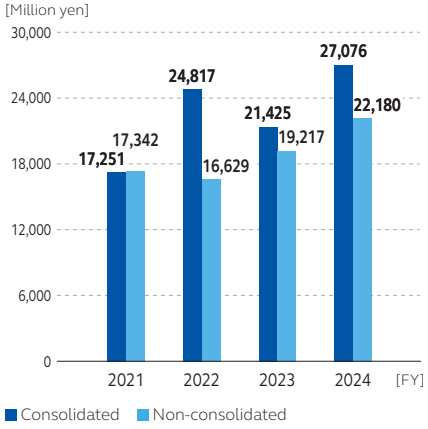
SHINRYO SUVIDHA ENGINEERS INDIA PVT. LTD.

Manufacturing and installation of clean room panels

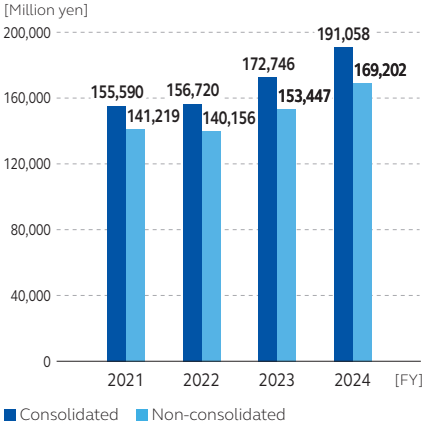
GMP Technical Solutions Pvt. Ltd.

*Subsidized as a Group company in October 2024

Ordinary profit



Net assets



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

Shin-Otemachi Building
Air conditioning System

Shinjuku Fukutoshin District
District Heating and Cooling System

1969-1977

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

1969 • Opened the Fukuoka Office
• Received an order to install a district heating and cooling system at the Senri New Town Chuo District Center
• 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

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

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

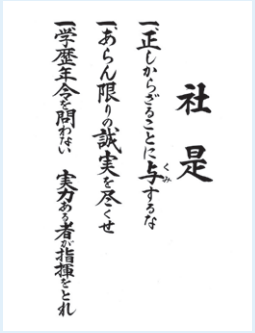
1978 • Opened the Hong Kong Branch as a base for overseas expansion
1979 • Established overseas department as a major pillar of business for overseas expansion
• Acquired the Level 1 Plumbing Registration from the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and 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.)

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

History of Technical and Human Resource Development

Established

1956 — 1960～ — 1970～ — 1980～



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

Reinforcing the organization with 8dividions. 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

THE LANDMARK TOWER YOKOHAMA
Air conditioning System

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

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

Sharp Corporation Kameyama Factory
Air conditioning System

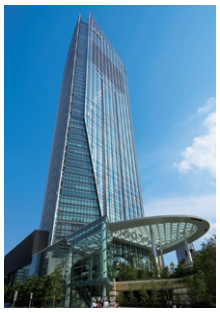
2003 • Released the 3D-CAD "S-CAD" working drawing CAD for construction equipment
2005 • Opened the Middle East (Dubai) Branch
2006 • Moved the Kofu Dormitory to Yokohama
2007 • Established a local company in Vietnam (SHINRYO VIETNAM CORPORATION)
• Opened the Abu Dhabi Branch
2008 • Registered the Research and Development Center as a Certified Environmental Survey and Odor Measurement Service

Tokyo Dome
Air conditioning System

2009-2018

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
2011 • Opened the Takahama Plant
2012 • Commemorated for the long-time certification of the environmental management system
• Opened the Working Drawing Center
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.)



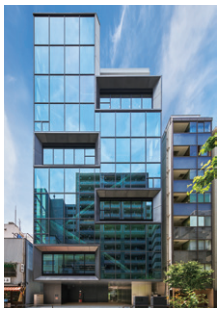
Toranomon Hills Mori Tower
Air conditioning System

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

2019 to Present

Progress Toward a Future and Environmental Engineering Company

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
2023 • Shinryo Shinjo Building was awarded the First Place Winner in the Commercial Buildings (New) category by the ASHRAE Technology Awards, the world's largest international academic conference on air conditioning
• Moved the Kofu Dormitory to Nishitokyo City
2024 • Main building of Innovation Hub opened
• Merged Nagoya, Hokuriku, Osaka, Chugoku, and Kyushu branches and established the West Japan Division
• Established second Group company in India (GMP Technical Solutions)



Shinryo Shinjo Building

Jewel Changi Airport
Air conditioning and Mechanical ventilation Systems (Singapore)

1990～

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

Passing of Founder Chairperson Masaru Kagami

2010～

Start of Japan Invitation Program for Overseas Group Companies

Start of Shinryo Group-wide New Employee Training

2020～

Moved Training facility Kofu Dormitory to Nishitokyo City

Main building of Innovation Hub opened (Tsukuba City, Ibaraki)

Implemented various programs for new employee training and education

Hands-on skill training

Creation of work drawings

Feature 1 Providing New Value with DX

Shinryo Corporation is promoting digital transformation (DX). DX is a key to the sustainable growth of a company and the creation of new values. We will provide new values to society by reforming and optimizing the business process through digital technology.

Shinryo Corporation's DX Vision

The construction industry faces many issues including a decline in the labor force and long work hours, increasing operational efficiency and productivity to combat such issues. Shinryo Corporation aims to grow into a Future and Environmental Engineering Company that can contribute to realizing a sustainable, decarbonized society by reforming the business process through DX and advancing into a highly flexible company.

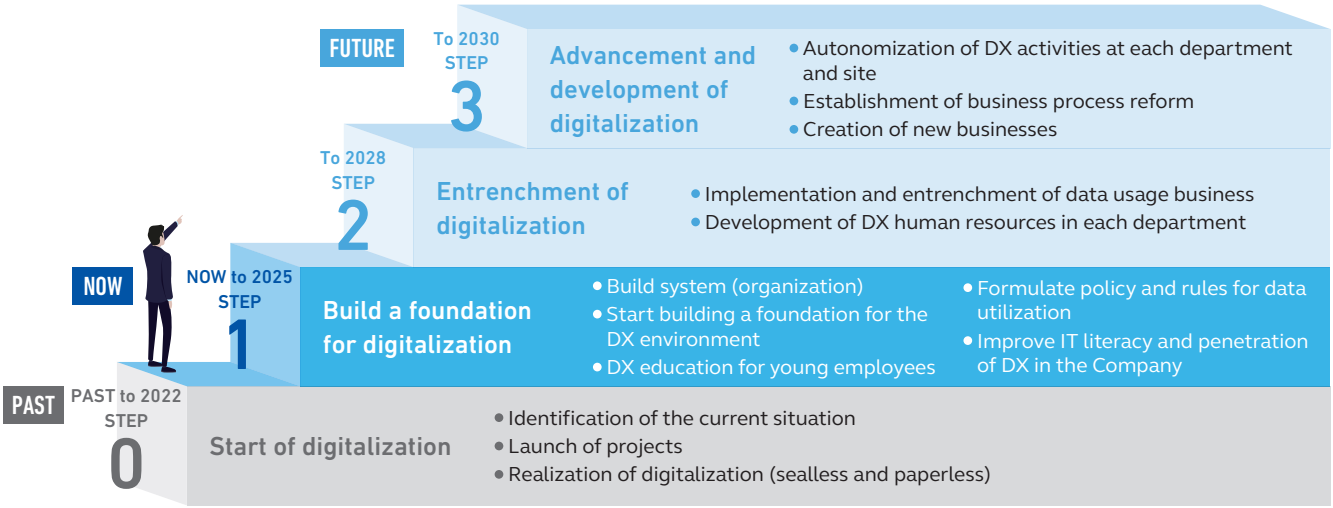
Use of digitalization
- Build data usage structure (use of cloud)
- Enhance AI usage environment
- Build data management

Develop DX human resources
- Improve IT literacy
- Develop and enhance DX human resources
- Secure DX human resources

Nurture DX culture
- Penetration of DX
- Improve coordination between business processes
- Create business effect

Road Map for Realizing DX

Shinryo Corporation is promoting initiatives in steps to achieve business reform through DX, We have completed the digitalization of company documents (STEP 0) and are currently formulating rules of use of data and building a foundation for the development of DX human resources and digitalization (STEP 1).



Provision of New Values through DX

Shinryo Corporation solves four priority SDGs issues to be addressed through business activities by DX to provide new values.

Contribute to a decarbonized society

Reduction of CO_2 emissions through the life cycle of buildings from construction to operation

[Initiatives to solve issues]

Select materials with lower CO_2 emissions by BIM

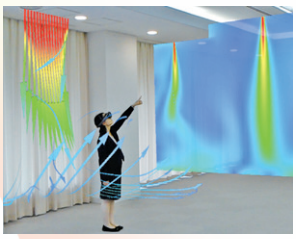
Improvement of transport efficiency by unitization at plants

Contribute to a resilient society

Providing Safe, Energy-saving Buildings and Social Infrastructure with Digital Technology

[Initiatives to solve issues]

Share blueprint information via tablets



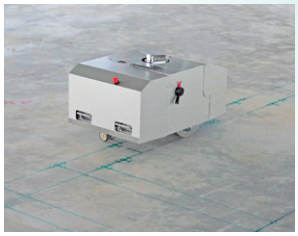
Confirm temperature and humidity conditions before construction with MR technology

Four priority issues addressed by Shinryo Corporation

Realize safe and highly efficient work processes

Improvement of productivity and construction quality through the use of AI and a data-driven approach

[Initiatives to solve issues]



Robotization and business (automation of marking)

Management of construction progress and remote monitoring of construction sites

Build refreshing environments rich with creativity

Realization of an appealing work style in the construction industry

[Initiatives to solve issues]

Access management at construction sites by facial recognition system

Construction review meetings using ICT

TOPICS

Effectiveness Analysis of DX at Company Facilities

—New Head Office Building Planned to be Completed in 2026—

BIM model of the new head office building

We are conducting an analysis and demonstration of various activities by DX at the new head office building currently under construction. We will continue taking on new challenges using the experience of full BIM construction at the new main building of the Innovation Hub.

Initiatives at the new head office building

1. Establishment of back office operations through DX
2. Establishment of optimal off-site production system
3. Establishment of a construction process that makes full use of BIM
4. Introduction of data-driven approach in construction

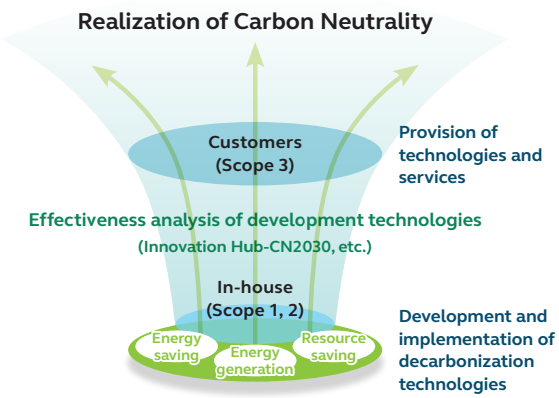
Feature 2 Toward Realizing Decarbonization

Shinryo Corporation aims to establish a new decarbonization technology by analyzing the effectiveness of implementing developed technologies in our facilities. We will contribute to the realization of carbon neutrality by offering sure technologies to our customers.

Aiming for Scope 3 reduction

In realizing carbon neutrality, it is important to conduct initiatives in the entire supply chain including the reduction of Scope 1 and 2 emissions by the Company. Shinryo Corporation aims to develop numerous decarbonization technologies and implement them in its facilities to analyze their effectiveness. In addition, we provide newly established technologies to our customers to reduce Scope 3 emissions in the entire supply chain including product suppliers.

Going forward, we will contribute to the realization of a decarbonized society by further accelerating the development of technologies that effectively reduce Scope 3 emissions through Innovation Hub-CN2030 (P27).

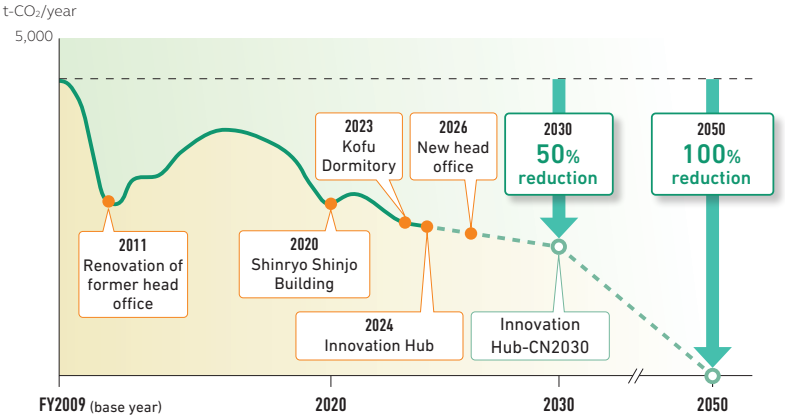


Way of Carbon Neutrality

The initiative of analyzing the effectiveness of the technologies we have developed by implementing them in our facilities started with renovating the former head office for energy-saving in 2011, followed by the Shinryo Shinjo Building in 2020, Innovation Hub in 2024, and the new head office building planned to be completed in 2026. As a result, we were able to reduce greenhouse gas emissions from our facilities by 43% in 2023 (P30).

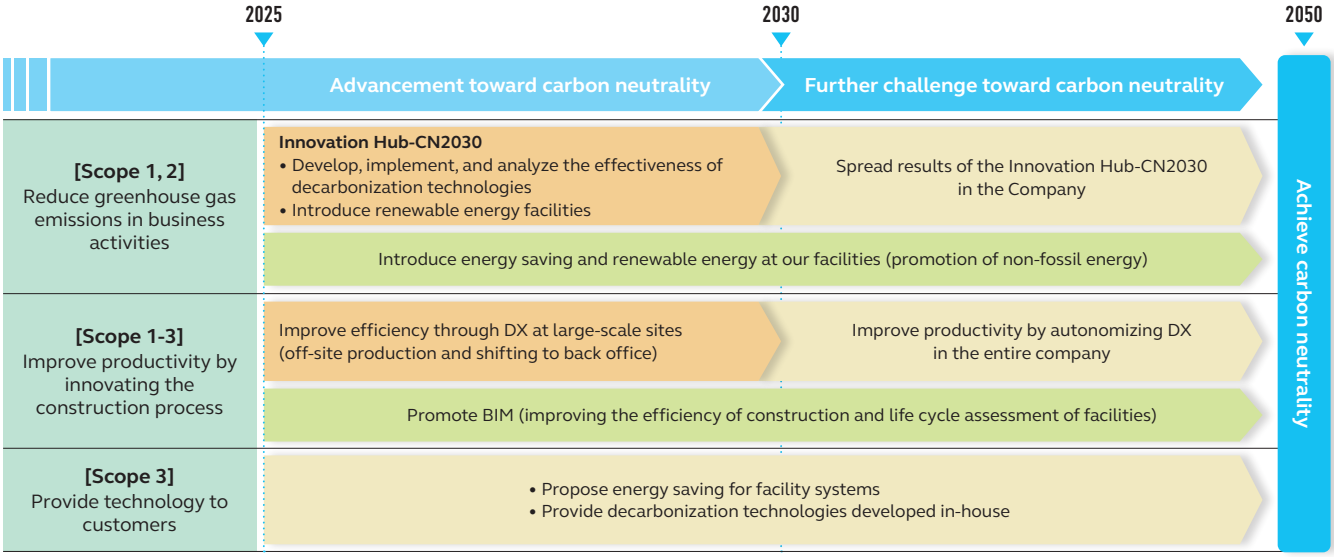
We will continue to steadily expand our track record and strive toward reducing the greenhouse gas emissions by 50% in 2030 and achieving carbon neutrality in 2050. In addition to Scope 1 and 2 emissions, we are also promoting the reduction of Scope 3 emissions by providing technology to the customers.

Greenhouse gas emissions (Scope 1, 2)



Process for Achieving Carbon Neutrality

Shinryo Corporation is actively taking on the challenge of increasing the efficiency of all business processes and productivity based on developing a decarbonization technology and offering technology to customers to achieve carbon neutrality.



Implementation of decarbonization technologies in our facilities

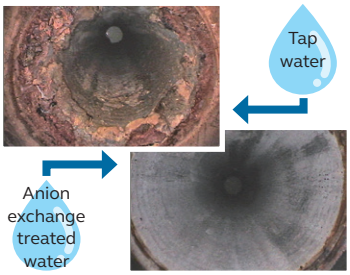
Optimal heating and cooling plant Control System

Supports energy saving operations by deriving optimal operation plans and setting values for heating and cooling plant with an energy simulation tool. Currently, the district heating and cooling plant of the Marunouchi Heat Supply Co., Ltd. is operating by using AI technology to automate the optimal operation of the plant (P28).

AI heating and cooling plant control at Marunouchi Heat Supply

Non-chemical Corrosion Prevention System Corro-Guard®

The system changes water to corrosion-resistant water using anion exchange resin instead of corrosion inhibitors. The system realizes longer life by reducing the corrosion of facilities, equipment, and piping (P28).

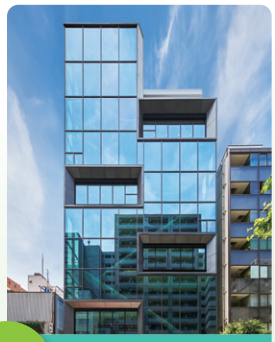


Comparison of corrosion inside pipes

Renovation of former head office

2011 Energy saving Eco-project

Shinryo Shinjo Building



2020 Office building that utilize natural energy

New head office

2026 Environmentally friendly building to achieve well-being

Innovation Hub-CN2030

Main building of Innovation Hub

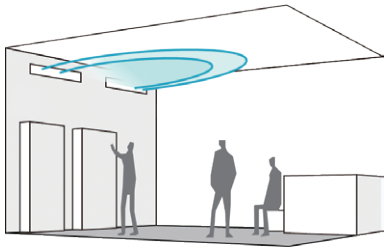
2024 Facility that achieves both carbon neutrality and comfortable work

Kofu Dormitory

2023 Training facility with high energy saving performance

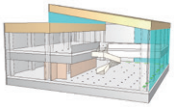
Variable-air-volume Air-Conditioning System Using the Coanda effect

The variable-air-volume air-conditioning system using the Coanda effect leverages the Coanda effect to create a jet of conditioned air flowing along the ceiling. It significantly reduces the energy required to blow air.



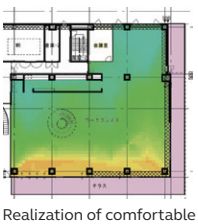
CFD-Integrated room comfort control

Room environment is analyzed using the CFD technology and links the air conditioning system and indoor control to provide a comfortable environment with minimal energy consumption.



Estimation of indoor environment

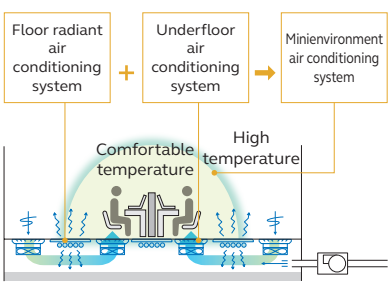
Air conditioning control



Realization of comfortable indoor environment

4th Dimention Minienvironment air conditioning system

Floor radiant and underfloor air conditioning create minienvironment to create an environment preferable for the user.



Vision of Shinryo Corporation

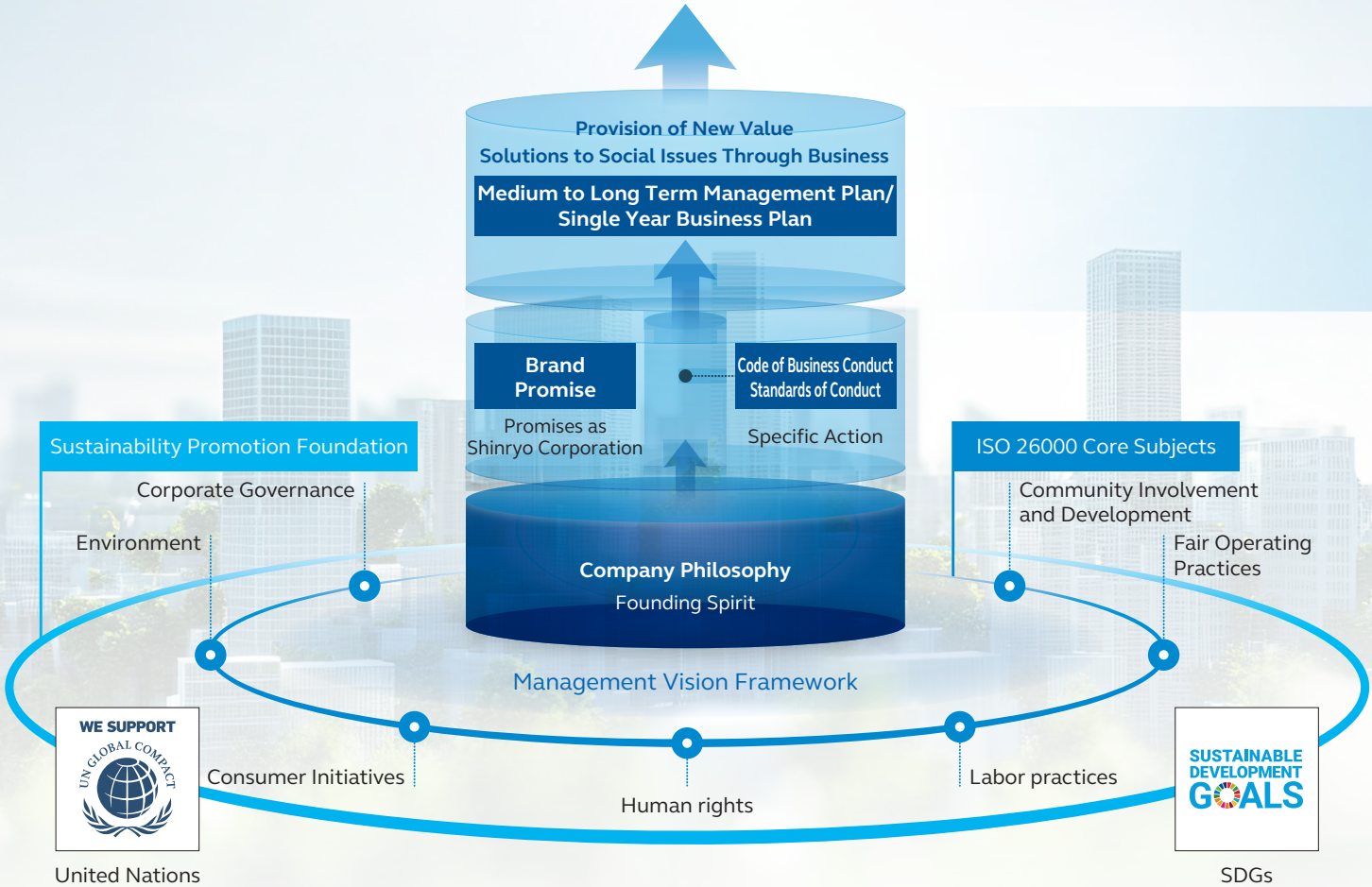
Shinryo Corporation believes that aiming to realize its management vision "Create a Freshening World" and taking on challenges to create new value will lead to improving its corporate value and sustainable development of the society.

Four Priority Subjects

- **Priority Subject 1**
  Contribute to a decarbonized society
- **Priority Subject 2**
  Contribute to a resilient society
- **Priority Subject 3**
  Realize safe and highly efficient work processes
- **Priority Subject 4**
  Build refreshing environments rich with creativity

Priority Sustainable Development Goals (SDGs)

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



Sustainability Promotion System

Management Vision

“Create a Freshening World”

Realizing A Sustainable Society

We set four priority issues that we believe we can significantly contribute to the society and six SDG goals to especially address. We aim to realize a sustainable society by promoting sustainability through linking it with the management plan.

Continuous Improvement of Corporate Value

We aim to provide new values to society and improve corporate value with the Mid-term Management Plan as our guiding policy.

Mid-term Management Plan 15th Three Year Management

(68th to 70th term: October 2022 to September 2025)

Long-term Vision 2030

Future and Environmental Engineering Company

A Company Helping to Realize a Sustainable and Decarbonized Society through Advanced Technology

15th Three Year Vision

“Transformation for Growth”

Strategy 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

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 2023
- Capital: 3.5 billion yen
- Equity capital (consolidated): 172.7 billion yen

Intellectual capital

- Abundant track records in each business area
- Track record that supports environmental engineering Technology

P7-8/P63-66

Human Capital

- Roughly 5,300 employees worldwide
- Multiple qualifiers

P67

Social Capital

- Businesses in 15 countries and regions around the world system
- Abundant business partners
- Brand power cultivated through business activities and sustainability promotion activities

P9-10

Manufactured Capital

- Business network:Japan: 57, Overseas: 20
- Research facility: 1

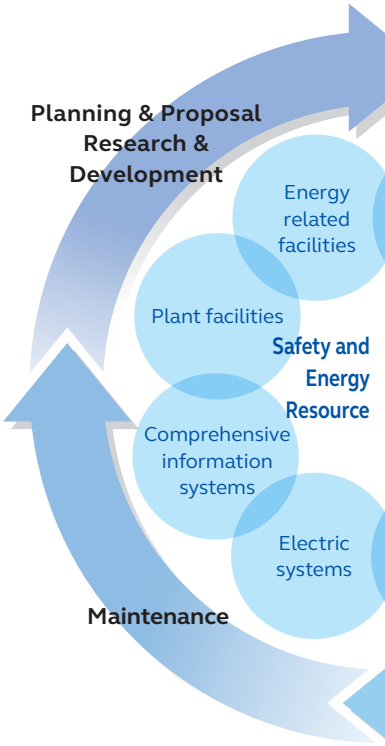
P9-10/P27-28

Natural Capital

- Energy consumption: 36,784GJ (FY 2023)*

* Scope 1, 2 (Head office, regional, branch, and sales offices, Innovation Hub, Takahama Plant, and other business sites excluding construction sites)

Business



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

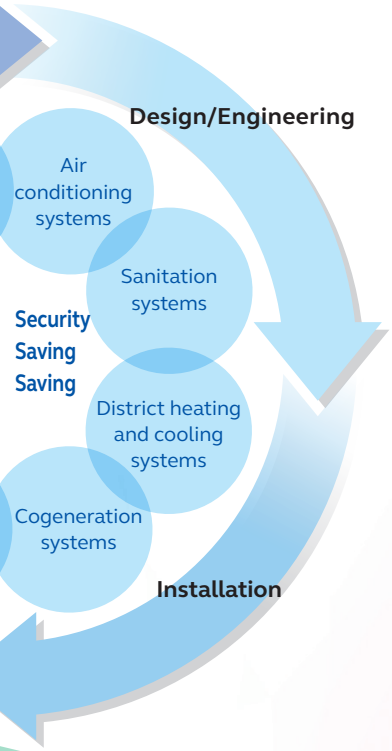
- Improve On-Site Reforms and Engagement
- Strengthen Business Development Capabilities

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 refreshingness to the world. The aim of the Shinryo management vision to create a freshening world will enhance sustainable corporate value.

Activities



Vision 2030

Engineering Company
Sustainable Decarbonized
Leading-Edge Technology

- Expand Core Business Strategies
- Promote a Digital Transformation

Business Activities

- Global Adaptability
- Unity
- Imagination

Output

Results of Business Performance

Financial Capital

FY 2024
- Operating income (consolidated): 26 billion yen
- Equity capital (consolidated): 191 billion yen

P9-10

Contribution to a decarbonized society

- Reduction of greenhouse gas emissions
- Receiving awards related to energy-saving
- Research and development of energy-saving, energy generation, and energy storage technologies

P15-16/P25-32

Contribution to resilient society

- Provision of highly efficient and high-quality facilities
- Acknowledgment of technologies by internal award system

P33-40

Realize Safe and Highly Efficient Work Processes

- Improvement of construction quality and prevention of technological trouble based on quality manual
- Prevention of human error
- Active use of digital technology

P13-14/P41-46

Build Refreshing Environments Rich with Creativity

- Improvement of paid leave acquisition rate
- Improvement of employee satisfaction
- Certified as 2024 Health & Productivity Management Outstanding Organization
- Acquired two-star “Eruboshi” certification

P47-54

Strengthening of business foundation

- Management that respects human rights
- Coordination with the supply chain
- Promotion of work style reform
- Implementation of diversity education
- Active investment in education
- Active investment in research and development

P27-28/P47-58

Outcome

Higher Sustainable Corporate Value
Realization of the Management Vision

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 over greater value.

Sustainability Initiatives

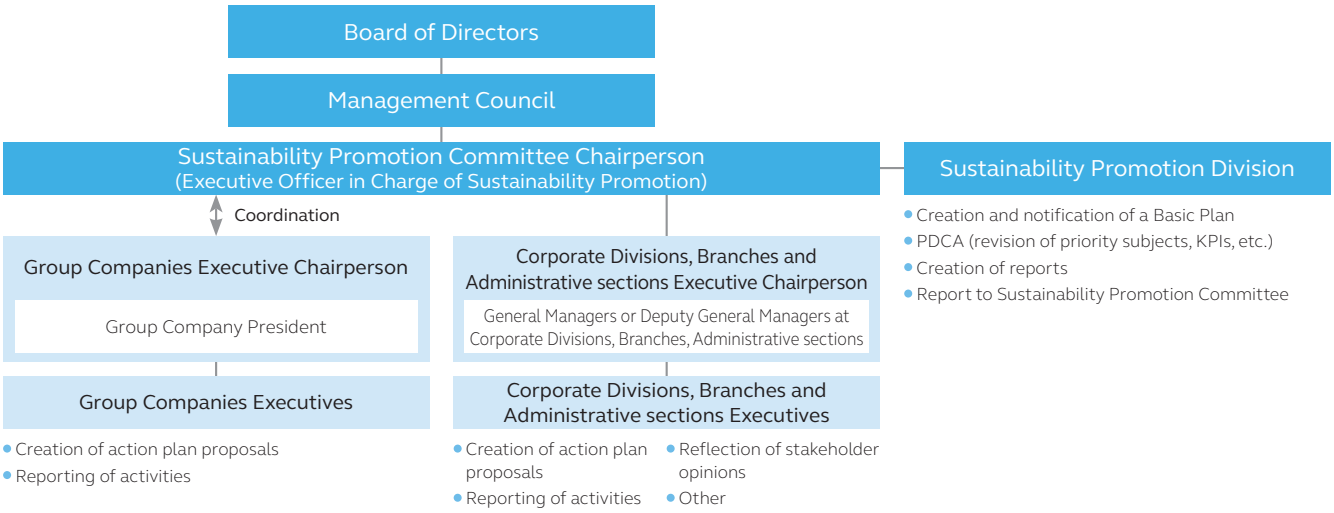
Sustainability is a social issue that includes respect to human rights, supply chain, carbon neutrality, and other various issues, and its trend changes rapidly. We will enhance initiatives that are closely linked to these issues and address them to achieve sustainable growth.

Sustainability Promotion System

Shinryo Corporation established the CSR Promotion Division and launched its CSR activity in 2014 and expanded initiatives to include sustainability promotion and enhanced them as strategic initiatives that coincide with management in 2019.

Since October 2024, it has become the Sustainability Promotion Division, an independent department under the direct management of the President, to quickly address various social issues and further enhance the effectiveness of activities. The Division will enhance coordination with environment, quality, safety, procurement, personnel, general affairs, and other departments related to sustainability.

Important items related to sustainability are reported by the Sustainability Promotion Committee chaired by the Officer in charge of Sustainability Promotion at the Management Council participated by the Representative Director and discussed there. In addition, items are reported to the Board of Directors as necessary.

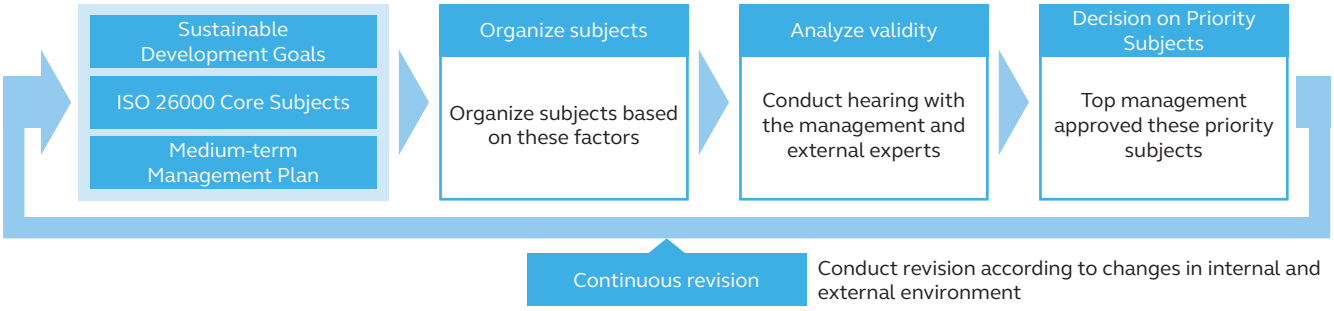


Priority Subjects (Materiality)

Shinryo Corporation decided upon four priority subjects in 2020. There are six SDG targets 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 of 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 addition, we formulated KPIs for increasing the effectiveness of each important subject and are steadily making progress in sustainability initiatives.

Decision Making Process

Shinryo Corporation has furthered its scrutiny into the social issues requiring attention for the sustainable development of society since 2017 through its businesses, incorporating the concepts of ISO 26000 and the Sustainable Development Goals (SDGs) mainly through the medium-term management plan and sorting out subjects we should address. Furthermore, we analyzed the validity of the issues based on the opinions of the management and external experts and determined the priority subjects after the approval of the President and Representative Director in 2020. We confirm the validity from a mid-term perspective based on the external and internal environment and make revisions as necessary.



Four Priority Subjects

Priority Subject 1
Contribute to a decarbonized society

Relevant SDGs

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

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

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

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.

Sustainability-related Activities

In FY 2024, we mainly focused on human rights, supply chain, and decarbonization activities. Going forward, we will continue conducting initiatives and discussions for solving issues.

Theme	Initiatives	Future issues
Human rights P55	• Formulate human rights policy and raise awareness in and outside the Company • Formulate human rights risk map and identify human rights issues to focus on	• Initiatives on prevention of human rights risks
Supply chain P56	• Revision of CSR Procurement Guidelines • Gradually change payment conditions for all business partners with capital of 0.3 billion yen or less to payment in cash	• Raising awareness about procurement guidelines among business partners and conducting surveys
Decarbonization P25-30	• Support TCFD Recommendations and identify climate change risks and opportunities to disclosure their information • Launched “Innovation Hub-CN2030,” an initiative to achieve decarbonization from research and development activities	• Setting reduction target for Scope 3 emissions
Work environment P51-52	• Certified as 2024 Health & Productivity Management Outstanding Organization (Large Enterprise category) • Held a company visit and invited employee family members for the first time in six years	• Promotion of human capital management
Coordination with society P61	• Continuous donations to disaster support and humanitarian organizations • Donations of educational comics about air conditioning systems to elementary schools across Japan	• Holding environmental education
Building corporate culture	• Conduct e-learning on Sustainability Promotion and Corporate Value Improvement for all employees	• Conducting employee education specializing in human rights

Participating Initiatives and External Evaluation

Participating Initiatives

- United Nations Global Compact (September 2014)
- Task Force on Climate Related Financial Disclosures (November 2023)
- Climate Change Initiative (February 2021)
- Keidanren Declaration on Challenge Zero (June 2020)
- Keidanren Initiative for Biodiversity Conservation (June 2020)
- Declaration of Partnership Building (May 2023)

External Evaluations

- 2024Certified Health & Productivity Management Outstanding Organization (Large Enterprise category)
- Two-star “Eruboshi” certification of the Minister of Health, Labour and Welfare
- Nikkei SDGs Management Survey 2024 (3.5-star)
- Nikkei Smart Work Management Survey 2024 (3-star)

WE SUPPORT UN GLOBAL COMPACT

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

パートナーシップ構築宣言

2024 健康経営優良法人 Health and productivity

女性が活躍しています！

Initiatives to Address Priority SDG Subjects

Priority Subjects (Materiality)	Policy	Action Plan	Key Performance
Priority Subject 1 **Contribute to a decarbonized society** 	Reduce greenhouse gas emissions from business activities	• Reduce Scope 1 direct greenhouse gas emissions • Reduce Scope 2 indirect emissions associated with energy sources	Reduction rate of Scope 1 and 2 emissions
		Promote designs and proposals to reduce greenhouse gas emissions from Scope 3 Category 11 emissions (use of sold products)	Implementation rate of design proposals to reduce greenhouse gas emissions during system operations
	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	• 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	Construction cycle implementation rate
	Manage safe and work-friendly constructions sites	Prevent human error by strictly following operational procedures that incorporate risk management	Frequency rate
	Improve fair evaluations of engineers and construction quality	Promote the expansion of the construction career up system	Construction career improvement system registration rate of Safety and Health Council members
Priority Subject 4 **Build refreshing environments rich with creativity** 	Achieve the ideal work style for 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 • A work style driving maximum results in a limited amount of time	• 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 - Refreshing Work Style Project - Challenge 45	Employee satisfaction
			Rate of annual paid leave taken by employees
	Comprehensive Compliance	Implement comprehensive compliance education	Participation rate in compliance training

Indicators (KPI)	Activity Results			Reference page	Medium-term Management Plan (15th Three Year Management Plan)	
	FY 2022	FY 2023	FY 2024			
● Base year for greenhouse gas reductions:2009 ● Greenhouse gas emissions - 50% reduction by 2030 - Net zero by 2050	30% *FY 2021 Results	40% *FY 2022 Results	43% *FY 2023 Results	15-16, 25, 30	Strategy 3 Strengthen Business Development Capabilities Prioritizing Green & Digital Domains	Strategy 4 Promote a Digital Transformation
100% implementation rate	100%	100%	100%	30		
—	Award-winning technology published in the SHINRYO Report			28		
—	Main initiatives and award-winning technology published in the SHINRYO Report			33-40	Strategy 2 Expand Core Business Strategies	
—	Main initiatives published in the SHINRYO Report			13-14, 43-44	Strategy 1 Improve On-Site Reforms and Engagement	
100% implementation rate	100%	100%	100%	41		
Frequency rate of 0.40 or less	0.28 *FY 2021 Results	0.40 *FY 2022 Results	0.27 *FY 2023 Results	45		
Registration rate of 80% or more	79%	82%	94%	45		
4.0 or higher * Index based on internal research (Evaluation on a scale from 0 to 5)	3.2 *FY 2021 Results	3.3 *FY 2022 Results	3.5 *FY 2023 Results	50		
Year-on-Year Increase	87.3% (2.1 points increased compared to previous fiscal year) *FY 2021 Results	92.4% (5.1 points increased compared to previous fiscal year) *FY 2022 Results	95.7% (3.3 points increased compared to previous fiscal year) *FY 2023 Results	50		
100% participation rate	93%	100%	100%	54		

Relevant SDGs

Priority Subject 1

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 enable sustainable development of society. Shinryo Corporation promotes the six items below to ensure effective initiatives solutions to realize target.

- 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
- Implementation of decarbonization technologies in our facilities

As KPI of the SDG priority subjects, we aim to reduce Scope 1 and 2 greenhouse gas emissions by 50% 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 are striving to propose better technologies to customers.

In November 2023, we also declared our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We will analyze risks and opportunities related to climate change in our business activities and implement measures for them.

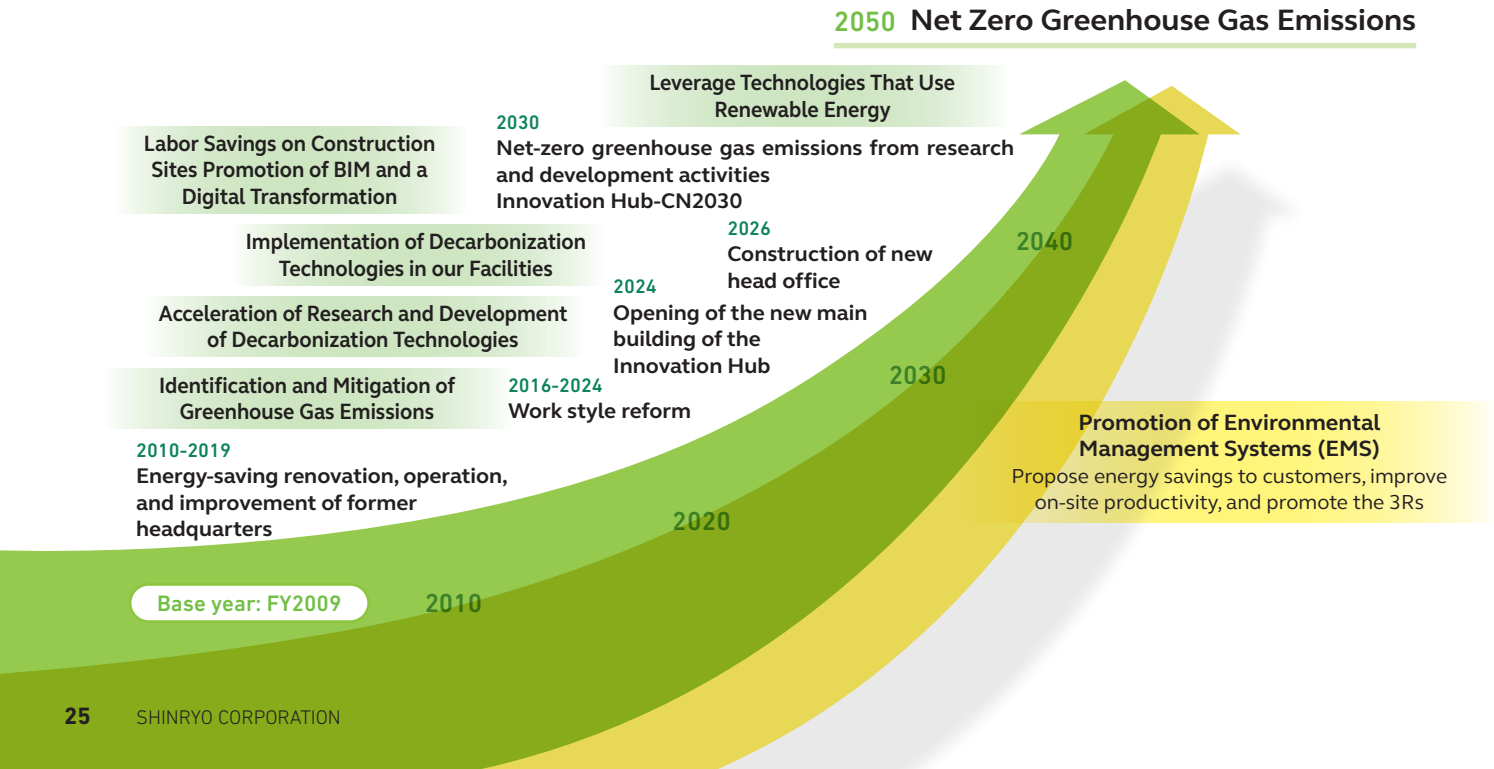
KPI **Greenhouse Gas Emissions Scope 1 and 2 (Compared to 2009)**

- 2030 **50% Reduction**
- 2050 **Net Zero**

FY 2023 Results 43% reduction P30

KPI Outline of KPI for Priority SDG Subjects (Detailed List on P23-24)

Road Map to 2050



Participation in TCFD Recommendations

Shinryo Corporation endorses the Task Force on Climate-Related Financial Disclosures (TCFD) and participates in the TCFD Consortium and began analyzing the climate change risks and opportunities. We will contribute to realizing a decarbonized society by identifying the effects of climate change on business activities and strategically promoting counter measures.

Governance

The Sustainability Promotion Committee chaired by the Officer in charge of Sustainability Promotion identifies risks and opportunities related to climate and evaluates the impact of the business. We consider issues related to climate as a sustainability issue and promote highly effective measures in coordination with the Sustainability Promotion Division. Items that affect management are discussed at the Sustainability Promotion Committee and proposed to the Management Council.

Strategy

We keep track of restrictions related to climate change, changes in the market, and physical impact on the business activities and identify risks and opportunities. Impact on the business activities is evaluated in three ranks of high, medium, and low from mid- to long-term perspectives and decide counter-measures. We believe that promoting the development and implementation of decarbonization technologies, analyzing energy-saving effects in existing facilities, improving the productivity of construction sites, promoting DX, and other initiatives by utilizing our strengths is an effective method.

Risk management

We manage risks from the impact of tightening of laws and regulations and changes in the market due to the transition to a decarbonized society as well as the physical impact of climate change such as abnormal weather and temperature rise by BCP, compliance, environmental management, health and safety system, and other internal systems. We appropriately respond to risks and opportunities related to business processes by aligning to the Medium-term Management Plan and other specific policies.

Indices and Targets

In relation to climate change, we calculate the amount of greenhouse gas emissions (Scope 1, 2, and 3) as an index for monitoring and evaluating the impact on management (P29). We also set KPIs to manage their progress (P30).

KPI (Targets for major initiatives)

- Greenhouse gas emissions (Scope 1, 2)
  2030: 50% reduction (compared to 2009), 2050: Net-zero
- Greenhouse gas emissions (Scope 3, Category 11)
  Design proposal implementation rate: 100%

Response to estimated climate change risks and opportunities

Types of risks and opportunities		Details of risks and opportunities	Impact*	Initiative description
Transition risks	Political and regulation risks	Carbon tax and purchase of emission rights	Medium	Promotion of EMS activities (Reduction of Scope 1 - 3 emissions)
		Increase in load due to complying with laws and regulations	Medium	Decarbonization of our facilities
	Market risks	Increase in energy and procurement costs	Medium	DX promotion and promotion of productivity (off-site production, etc.)
	Reputation risks	Decline in trust from stakeholders and reputation	High	ZEB certification, development and implementation of decarbonization technology, and participation in the Japan Climate Initiative
Physical risks	Acute risks	Increase in natural disasters, typhoons, spread of infectious diseases, etc.	High	BCP, DX promotion, and promotion of productivity (off-site production, etc.)
	Chronic risks	Decline in labor productivity due to rise in average temperature	Medium	Promotion of EMS activities, DX promotion, improvement of productivity, and automation of construction
Opportunities		Increase of needs and orders for renewable energy technologies, etc.	High	Development and implementation of decarbonization technology
		Demand for improved productivity in construction sites	High	Utilization of BIM, DX promotion, improvement of productivity, and automation of construction
		Expansion of ZEB and renovation market	High	ZEB certification, utilization of BIM, and recycling of construction byproducts

* Evaluating impact on business activities and finances as high, medium, and low. Changes depending on fluctuations in climate, market, and financial environment.

Initiatives in Innovation Hub

In 1990, we opened the largest facility in the industry, the Research and Development Center (current Innovation Hub), in Tsukuba City, Ibaraki. The center has been providing various energy saving and energy generation technologies to society.

The main building of the Innovation Hub opened in March 2024 and focuses on three themes of GX, DX, and collaboration and acts as a place for collaborating with startup companies and a platform for the main players of innovation that have technology and knowledge. The hub is promoting open innovation and taking on the challenge of offering better proposals to customers and creating new values.

In addition, the main building achieves ZEB and acquired the highest BELS Rank ★★★★★ as well as the CASBEE - Wellness Office S Rank.

Main building

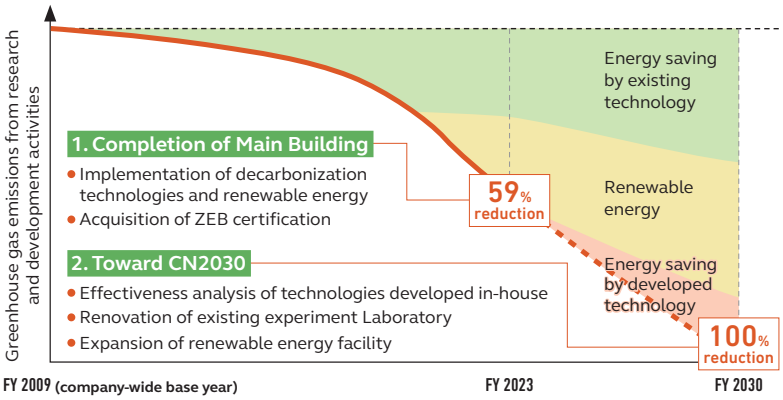
Three Themes of
Innovation Hub Initiatives

Innovation Hub-CN2030

The Innovation Hub strives to achieve net-zero greenhouse gas emissions from research and development activities by 2030 which we named “Innovation Hub-CN2030.”

The main building implements and operates various newly developed decarbonization technologies and renewable energy to analyze their effectiveness. We will continue to improve the operation of equipment systems, renovate existing facilities, and research and develop decarbonization technologies.

Plan of Innovation Hub-CN2030



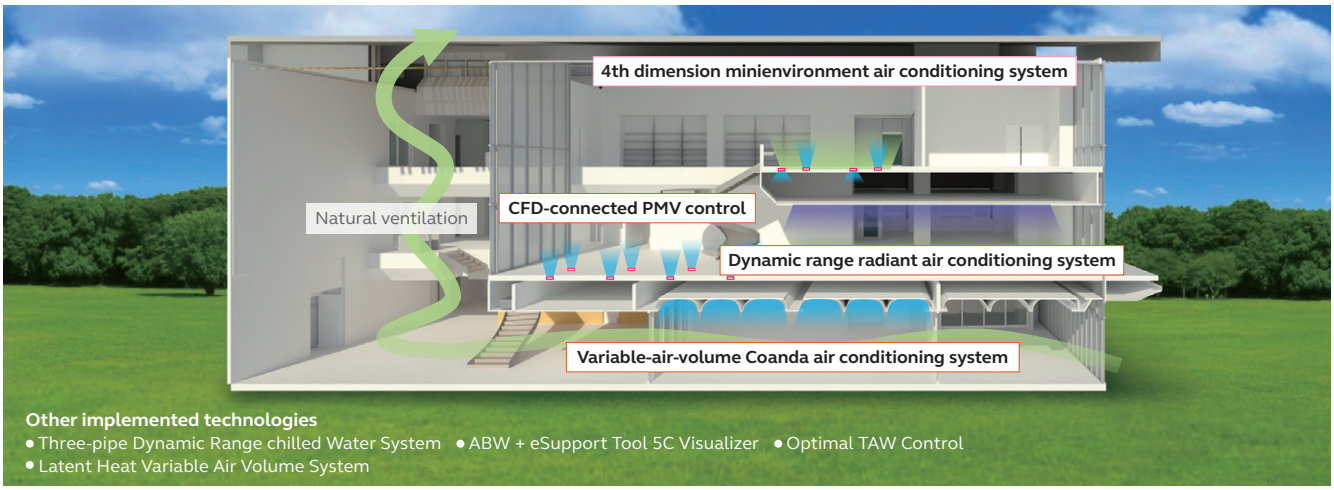
Analysis of developed technologies

We conduct measurement and analysis of energy consumption, conduct environmental measurement in facilities, and other initiatives to analyze developed technologies. Furthermore, we are promoting the improvement of system operation for further energy saving.

Thermal environment measurement using thermal mannequins*

* Joint research with Shibaura Institute of Technology and Mitsubishi Jisho Design Inc.

New decarbonization technology implemented in the main building of the Innovation Hub



Other implemented technologies

• Three-pipe Dynamic Range chilled Water System • ABW + eSupport Tool 5C Visualizer • Optimal TAW Control
• Latent Heat Variable Air Volume System

Shinryo Corporation's Decarbonization Technology

The Innovation Hub has been developing decarbonization technologies through repeated analysis and improvements to respond to customer needs. We will promote initiatives for achieving net-zero greenhouse gas emissions from research and development activities and develop new technologies to contribute to the realization of a decarbonized society.

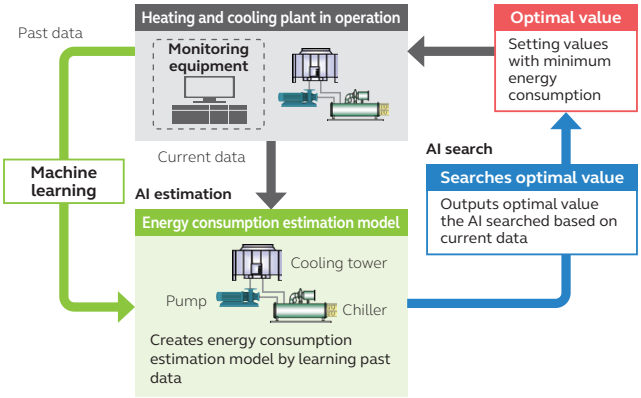
Optimal AI Heating and Cooling Plant Control System

Energy saving in District Heating and Cooling Systems and Large Buildings

Large-scale heat source plants with boilers, chillers, and other equipment require operators to have high expertise and abundant experience to achieve efficient operations.

Shinryo Corporation developed Optimal AI heating and cooling plant Control Systems that support operational management that utilizes an estimation model created by AI based on machine-learned past operation data to calculate setting values that minimize energy consumption according to climate conditions and changes in heat demand. The system is implemented in large buildings and district heating and cooling plants to reduce annual energy consumption.

Optimal AI Heating and Cooling Plant Control System



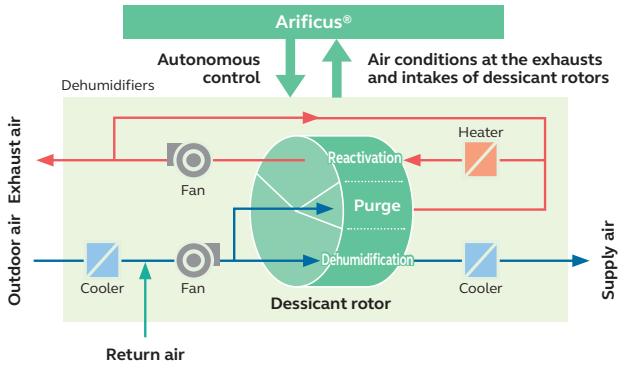
Dry Room Energy Saving Dehumidifying System Arificus®

Energy Saving in Dry Rooms

A dry room that maintains relative humidity of 1% or less is required in the manufacturing process of lithium-ion batteries, OLED displays, and other products. However, that requires high energy consumption by using conventional dehumidifiers.

Shinryo Corporation developed Arificus®, an energy saving dehumidifying system that can reduce annual energy consumption by up to 40% or more. The Arificus® creates a unique algorithm that focuses on the relative humidity of the purge and reactivation sections to supply air with low dew-point temperature with minimal heat energy to dry rooms.

Overview of Arificus®



Non-chemical Corrosion Prevention System Corro-Guard®

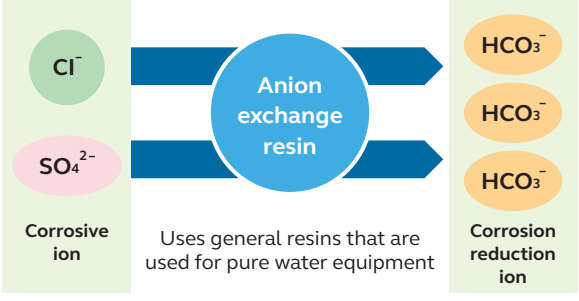
Longer Life Facilities and Piping

The Corro-Guard® reduces corrosion (rust) without using chemicals that are harmful to the environment and human body and extends the life of air conditioners and piping.

Progress of corrosion can significantly be reduced by using anion exchange resin to replace corrosive ions in water to corrosion reducing ions, enabling longer life of air conditioners and piping as well as reducing CO_2 emissions through their life cycle. This technology received the 60th SHASE* Award for Distinguished Technologies and also certified as 2023 Tsukuba Quality (Special Category) (P61).

* The Society of Heating, Air-Conditioning and sanitary Engineers of Japan.

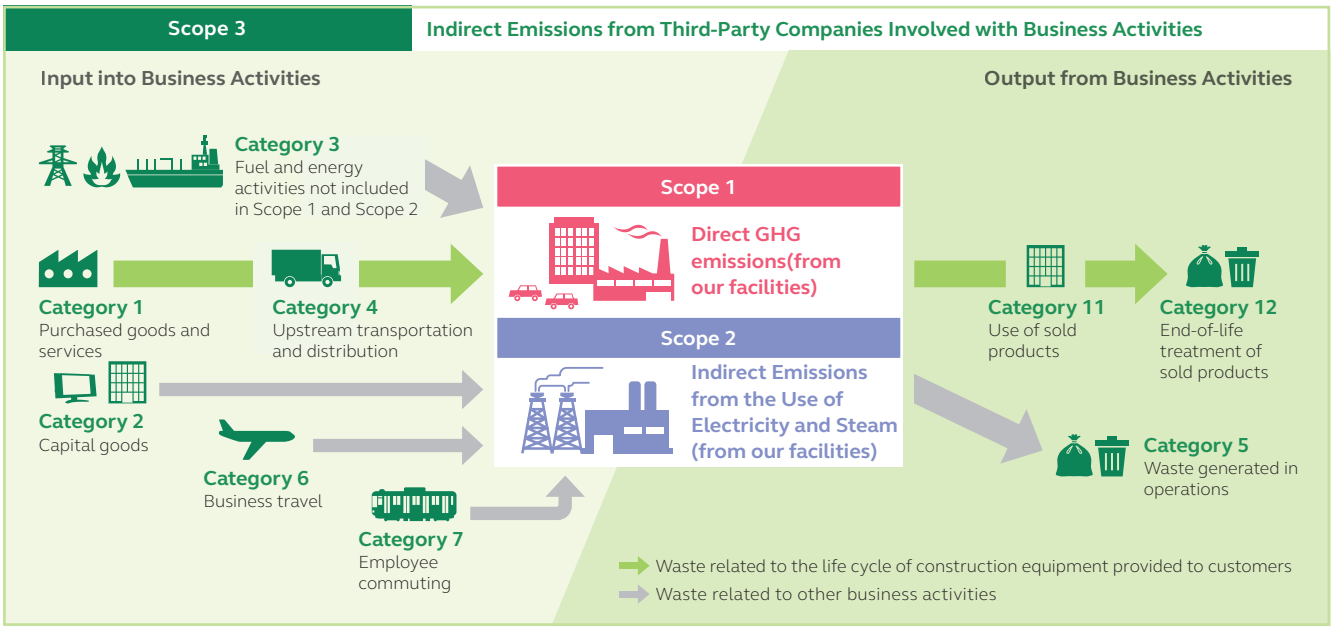
Diagram of anion exchange process



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. In fiscal 2023, some categories temporally increased due to the construction of the main building of the Innovation Hub, demolition of a Company facility, and other factors but emissions stayed mostly unchanged overall at 5,615,000 t-CO_2, compared to 5,591,000 t-CO_2 in the previous year. Shinryo Corporation actively implements various initiatives such as energy saving in its facilities, offering proposals to customers, and improving the productivity of constructions.

Image of the Shinryo Corporation Supply Chain Management



FY2023 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	**Shinryo Corporation: 818** **Group companies*3: 70**
Scope 2		Indirect emissions from the use of electricity and heat purchased by Shinryo facilities	**Shinryo Corporation: 1,712** **Group companies*3: 425**
Scope 3		Indirect emissions from third-party companies involved with business activities (total of all categories)	**5,613,100**
Category *2	1 Purchased goods and services	Emissions from resource harvesting and manufacture of sold goods	**310,033**
	2 Capital goods	Emissions from manufacture and construction of capital assets	**11,392**
	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	**450**
	4 Upstream transportation and distribution	Emissions from transportation of goods from seller to construction sites	**31,446**
	5 Waste generated in operations	Emissions from disposal of waste produced on construction sites	**3,818**
	6 Business travel	Emissions from fuel and power consumption of transportation agencies used for business travel of employees	**1,279**
	7 Employee commuting	Emissions from electricity consumption of transportation agencies used for employee commuting	**534**
	11 Use of sold products	Emissions from the operation of building equipment after delivery(operation period set to 15 years)	**5,253,970**
	12 End-of-life treatment of sold products	Emissions from duct and piping waste during demolition	**178**
Total of Scope 1 to 3			**5,616,125** **(Shinryo Corporation: 5,615,630)**

*1 Calculations based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ver. 2.6) from the Ministry of the Environment and the Ministry of Economy, Trade and Industry
*2 Categories 8 to 10 and 13 to 15 are not applicable due to the content of the business.
*3 Calculation of Scope 1 and 2 for five Group companies in Japan (Shinryo Technical Service, Shiroguchi, Daiei Denki, Shinryo Kougyo, and Global Staff) started from fiscal 2023

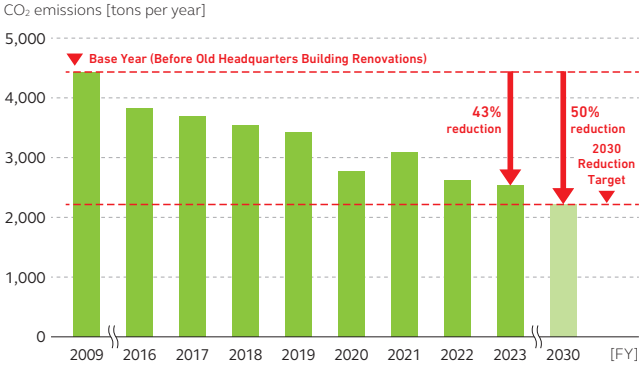
Scope 1 and 2 Reduction Initiatives

KPI **Reduction rates for Scope 1 and 2** (Targets: 2030: 50% reduction, 2050: Net-zero) **43%**

Shinryo Corporation aims to reduce greenhouse gas emissions from its business activities by 50% compared to 2009 levels by 2030 and reach net-zero emissions by 2050.

The Shinryo Shinjo Building erected in 2020 and the new main building of the Innovation Hub opened in 2024 implement various decarbonization technologies to promote activities to reduce greenhouse gas emissions. Since the aggregation in fiscal 2023, we began calculating Scope 1 and 2 for five Shinryo Group companies. Shinryo Group will continue to promote initiatives toward carbon neutrality as a whole.

Changes in Scope 1 and 2 CO_2 Emissions (Emissions Since Fiscal 2009)



Scope 3 (Category 1 and 4) Reduction Initiatives

CO_2 emission reduction rate **22%**

We are promoting the use of BIM, improving productivity by off-site production, and efficient on-site management using ICT to reduce greenhouse gas emissions during the manufacture and transport of materials and equipment procured by construction sites (P43-44).

The result of actively using these technologies to improve productivity was a 22% reduction in CO_2 emissions in fiscal 2024.

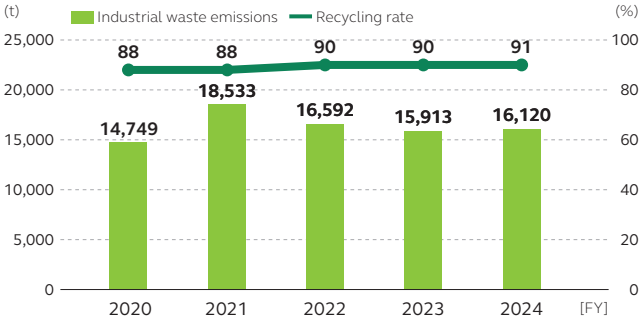
Scope 3 (Category 5) Reduction Initiatives

Recycling rate **91%**

We engage in appropriate separation and recycling to reduce greenhouse gas emissions during the disposal of industrial waste.

Of the industrial waste produced on construction sites, Shinryo Corporation promoted recycling of four main materials (concrete, metal scrap, waste plastics, and waste glass, ceramics and pottery) and outsourced recycling to industrial waste disposal and recycling companies with superior processing technology and achieved 91% recycling rate in fiscal 2024.

Industrial Waste Emissions and Recycling Rate



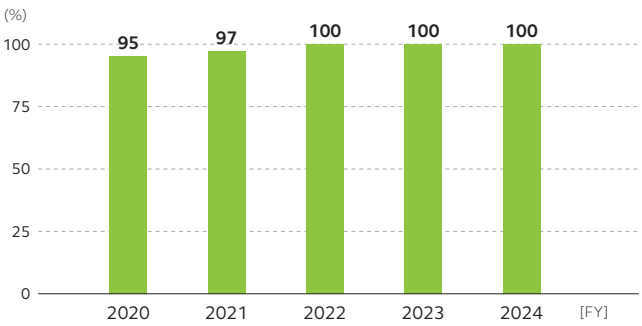
Scope 3 (Category 11) Reduction Initiatives

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

Shinryo Corporation has set a 100% implementation rate of design proposals for customers as a KPI to reduce greenhouse gas emissions during the use of building equipment. These design proposals encourage customers to upgrade to optimal facility systems with efficient energy savings through airflow and temperature distribution simulations using the industry leading CFD* technology, consideration for adopting and commissioning highly energy saving facilities and systems that greatly reduce energy consumption.

* CFD: Computational Fluid Dynamics

Implementation Rate of Design Proposals



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 (MSA) from the Management System Assessment Center in 2001.

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.

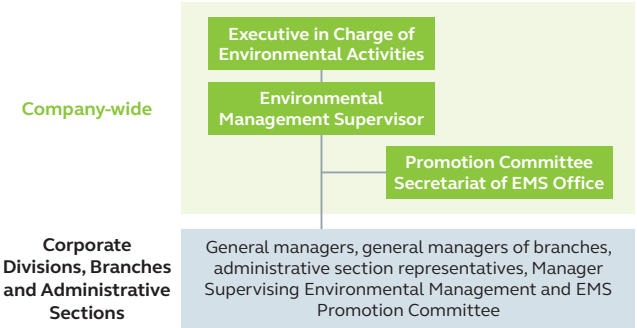
1. We shall control greenhouse gas emissions in business activities to realize a decarbonized society.
2. We shall promote the 3Rs* of construction byproducts to realize a recycle-oriented society.
3. We shall put in place and utilizes proper business processes to comply with all laws, regulations, and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



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
- West Japan Division
- Hokkaido Branch
- Tohoku Branch
- Marunouchi Branch
- Yokohama Branch
- Innovation Hub
- Administrative sections

Rated as an Excellent Company (S Class) Under the Energy Saving Act for Five Consecutively Years

Shinryo Corporation was rated as an excellent company (S Class) for five consecutive years from 2019 to 2023 by the Act on Rationalization of Energy Use and Shift to Non-fossil Energy (Energy Saving Act). This program classifies companies into four categories of S, A, B, and C based on energy saving initiatives according to the regular reporting Energy Saving Act.

Shinryo Corporation is promoting improvement of operational efficiency at each business site, operational improvements, and other initiatives to contribute to realizing a decarbonized society.

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

Participation in the Japan Climate Initiative

The Shinryo Corporation participates in the Japan Climate Initiative (JCI). JCI was launched as a network consisting of numerous companies, municipalities, and non-government organizations that actively engage in climate change initiatives. JCI has announced a statement asking the Japanese government to set an ambitious 2035 target that is consistent with the 1.5-degree goal in July 2024. Under the current dire situation which is coined as “global boiling”, Shinryo Corporation also endorses this statement urging to set a greenhouse gas emissions reduction target for Japan that is consistent with the current international commitment of a 1.5-degree target to announce our stance on contributing to the realization of a decarbonized society.

Contributions to Recycling-oriented Society/Biodiversity Conservation

There is a need to realize a recycling-oriented society that achieves both efficient use of the limited resources and preservation of biodiversity. Shinryo Corporation will contribute to solving these social issues by promoting reducing emissions and recycling construction byproducts, promoting corporate activities that consider the eco-system, and other initiatives.

Reduction and Recycling of Plastic Wastes

The promotion of plastic resources recycling is an important issue in Japan due to maritime plastic pollution, climate change measures, tightening of waste import regulations and various countries, and other factors. The Act on Promotion of Resource Circulation for Plastics (The Plastic Resource Circulation Act) demands businesses that generate plastic waste to implement initiatives to reduce and recycle plastic waste.

In fiscal 2024, plastic waste emission was 1,461t, an increase of approximately 20% compared to the previous fiscal year. This was due to the large amount of plastic waste generated from large equipment during a large-scale renovation. Since fiscal 2024, we began aggregating the recycling rate and the result was 85%.

We will continue promoting the reduction of plastic waste emission, reducing the amount through recycling and reuse, and appropriate disposal in compliance with the laws and regulations.

Waste Plastics Generation* Trend

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1,783t	1,096t	920t	1,213t	1,461t

* Aggregation of outsourced constructions

Initiatives Toward Conservation of Biodiversity

Shinryo Corporation strives to take in biodiversity and preservation of the natural environment in to consideration in its business and social contribution activities.

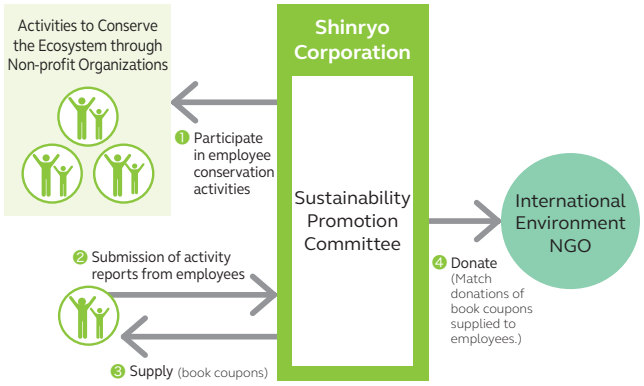
We develop eco-friendly technologies and promote their implementation in customers' and Company facilities as well as endorsed the Keidanren Declaration for Biodiversity and Guideline and joined the Keidanren Initiative for Biodiversity Conservation in 2020. We are promoting initiatives to fulfill the role of companies in achieving nature-positive in 2030. In addition, we continue to donate to the Keidanren Committee on Nature Conservation Fund to support the activities of natural conservation projects in and outside Japan and actively fulfill the role as a member of the society in preserving biodiversity.

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.

The program provides bookstore coupons to employees who participate in eco-system conservation activities and environmental education hosted by local governments, NPOs, and NGOs to subsidies the purchase of books related to the environment. In addition, this initiative is also a matching gift system that donates an amount matching the price of bookstore coupons it provided during the year to international environmental NGOs that engage in the preservation of biodiversity.

Framework of Environmental Renaissance Activities



Spawning survey of Japanese Luehdorfia japonica participated by employees

Relevant SDGs

Priority Subject 2

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.

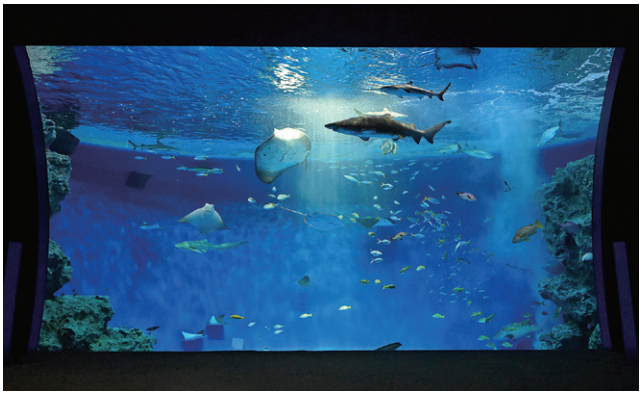
Supporting the Water Environment of An Aquarium

Kobe Suma Sea World

Completed: May 2024
Total floor area: 23,781m²
Facility application: Aquarium
Hyogo Prefecture

Exterior

Orca Stadium



Ocean Water Tank

About the Kobe Suma Sea World

Kobe Suma Sea World is an aquarium that opened in June 2024 as a renovation project for the Suma Aqualife Park KOBE and Suma Seaside Park. The facility aims to be a facility where children and adults can enjoy learning and playing with the concept of an “Edutainment* Aquarium to ‘Connect’”.

The facility consists of Aqualive, Dolphin Stadium, and Orca Stadium with water volume of ranks and pools totaling approximately 13,000t and exhibits 19,000 living creatures from 560 species. Visitors can enjoy new experiences in each facility including the stadium, the only location where visitors can enjoy performances by orcas in Japan, an education zone for learning the biology of the exhibited creatures, and other facilities.

This facility is promoting sustainable and environmentally friendly activities and the Aqualive acquired ZEB Ready certification which indicates its energy-saving performance. In addition, the city as a whole including the park that houses the aquarium and hotel was highly praised and acquired the S Rank for CASBEE for Cities 2023, the first since its establishment under the CASBEE City Assessment System which evaluates the environmental performance of a group of buildings as an over-all development project.

* A term coined by combining “Education” and “Entertainment”

View of the city including the Kobe Suma Sea World

Our Work Air Conditioning System and Breeding Facility

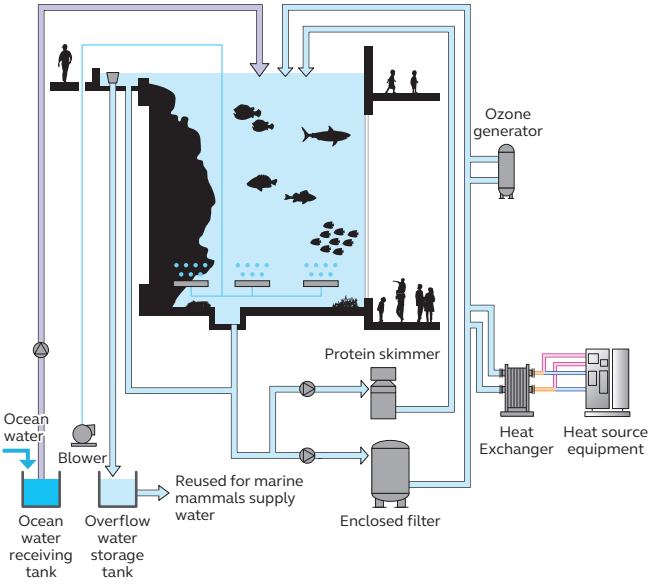
The Shinryo Corporation was in charge of constructing the air conditioning system and breeding facility.

We capitalized on our experience and technological capabilities in handling the constructions of the Okinawa Churaumi Aquarium, Yokohama Hakkeijima Sea Paradise, and other aquariums across Japan and offered an appropriate breeding environment for each creature.

Maintaining a breeding environment requires a large amount of water and energy to adjust its temperature. As such, we implemented a system for efficient operation that matches the characteristics of the aquarium.

A heat source water network was implemented to adjust the water temperature by using the excess heat of the waste water from the orchard's pool, which is set to a low temperature that matches the orca's biology, for cooling the network as well as using the exhaust heat from heat source equipment for heating tanks and buildings, and effectively use heat without wasting it to the atmosphere or sewage.

In addition, for the usage of water, we implemented a super-energy-saving floating filtration system and reused overflow water from tanks to reduce the amount of seawater and impact on the sewage as well as use well water and waste sea water to cool the surface of visitor



Overview of breeding system for fishes

seats to contribute in realizing a zero water aquarium which the aquarium aims to be.

Floating filter

We also took account of the backyard environment for breeding. As the backyards of the ocean water aquariums become highly humid and rich in salt due to evaporation from the tanks, it not only deteriorates working conditions but also leads to the equipment corroding. To address the issue, we remove humidity and salt by condensing the moisture in the air with cooling coils. In addition, we used the exhaust heat from the breeding tanks to reheat the cooled air for energy saving.

In the construction, we carefully considered the materials for piping and the construction method. As aquariums circulate large amounts of ocean water, leakage of water due to damage to piping and connection failure not only causes significant loss of water but also greatly causes harm to the creatures being bred. To address this, we used vinyl chloride piping that has great corrosion resistance properties and formulated a construction procedure to properly manage the connection status of piping to ensure proper construction.

Supporting the Energy Supply of Nagoya Sakae Area

Chunichi Building/Nagoya Sakae 4-chome District Heat Supply Plant

Aichi Prefecture

Shinryo Corporation has handled to construction of the air conditioning system of the Chunichi Building and the district heating and cooling system that supplies heat to the Chunichi Building and its surrounding area and supports the stable energy supply to the Nagoya Sakae Area.

Chunichi Building

Completed: April 2024
Total area: 117,293m²
Facility application: Multi-complex facility

Building exterior

About the Chunichi Building

The Chunichi Building was constructed in 1966 as a landmark for the Sakae area, the center of Nagoya. The building began its renovation due to aging in 2019 and the new building was completed in April 2024.

The building is a high-rise multi-complex building that has 33 floors above ground and five floors underground with commercial facilities on the lower floors, offices on the middle floors, and a hotel on the higher floors. We increased the safety of the building by implementing a seismic control structure to minimize damage from earthquakes as well as reduce damage from disasters and abnormal weather and other BCP measures. In addition, the building has acquired the highest S Rank in CASBEE Nagoya and ★★★★★ for the DBJ Green Building Certification and considers the environment and society by implementing advanced energy-saving technologies, effective use of resources, and greenification.

Our Work

Air Conditioning and Heat Source Reception Systems

The Chunichi Building receives cooling water and steam from the district heating and cooling facility Nagoya Sakae 4-chome District Heat Supply Plant for the building's air conditioning and supply of hot water. Shinryo Corporation was in charge of constructing the equipment for receiving heat sources from the district heat supply plant and air conditioning systems for the commercial facilities. In addition, we were in charge of constructing automatic control in all buildings to rationalize the use of energy by efficiently operating the equipment and devices through the comprehensive monitoring and controlling of the air conditioning, sanitation, and electrical equipment.

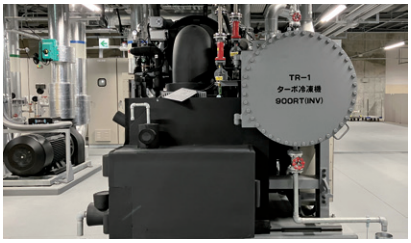
We implemented the anti-corrosion system Corro-Guard® that Shinryo Corporation developed. Corro-Guard® is a system that replaces the corrosive ions in water to ions with corrosion-resistant effect to change the property of water with water that is resistant to corroding metals without using chemicals and extends the life of pipes and equipment. For flashing to clean unwanted materials in piping with water, we use a flashing unit that we developed that does not generate waste water to reduce significant amounts of water by circulating and filtering the water. In addition, we capitalized on being in charge of both constructions in constructing the equipment for receiving heat source from the district heat supply plant to the Chunichi Building and conducted the construction of heat source supply piping and schedule adjustment jointly for efficient and accurate construction.

Nagoya Sakae 4-chome District Heat Supply Plant

Completed: May 2024
Supply performance: Cooling and heating: 5,400RT,
Steam: 22.5t/h
Facility application: District heating and cooling facility

Machine room

Central monitoring room



Turbo chiller

About the Nagoya Sakae 4-chome District Heat Supply Plant

Nagoya Sakae 4-chome District Heat Supply Plant is the first district heating and cooling facility in Nagoya City built in 1989 below the building coinciding with the renewal of the air conditioning system and started supplying heat and has expanded the supply area to cover the Sakae Sun City Building. During the renovation of the Chunichi Building in 2019, a temporary plant next to the building continued to supply heat to existing receiving facilities while constructing the plant to match the completion of the building and started supplying heat in August 2023.

The plant pursues highly efficient operations by installing seven chillers and nine boilers and operating the appropriate number of equipment depending on the change of heat load of the receiving facilities. Furthermore, for the chiller with a long annual operation time, we selected a type that can control the inverters to restart as a heat supply facility that can achieve a significant energy-saving effect even during low load.

Our Work Mechanical and Electrical Facilities

Shinryo Corporation was in charge of constructing the mechanical and electrical facilities of the plant. Construction of district heating and cooling facilities is one of the fields we excel in. Since being in charge of the district heating and cooling system of the Senri New Town in Osaka in 1969, we have built on our track record for over 50 years. Currently, our technology supports 52% of the district heating and cooling systems across Japan. The plant is installed with highly efficient heat source equipment selected based on the annual heat load during the design and contributed to making its entire supply area save energy.

The district heating and cooling facilities are required to manufacture cooling water and steam efficiently according to the heat load of the entire district. To that end, the plant implemented a central monitoring system sc-brain® that we developed to manage the operation of all the heat source equipment. In addition to monitoring the status of heat source equipment and remote operation, it operates the heat source equipment efficiently by supporting the operation of facilities and devices and analyzing energy data to realize accurate facility management and energy saving.

The building addresses BCP by the electrical facilities receiving electricity at especially high voltage separate from the building and preventing electricity blackouts from affecting and being affected by buildings it supplies heat.

About the District Heating and Cooling Facility

District heating and cooling is a method for cooling and heating the entire district by centrally installing chillers and boilers in a heat source plant to deliver cooling water, steam, and other heating mediums to multiple buildings. Cooling water and steam generated at the heat source plant is supplied to each building through the district piping installed under in the district. Buildings that receive cooling water and steam use that heat to air condition the interior of the building.

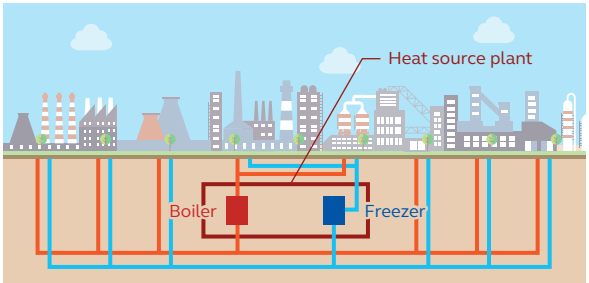


Diagram of district heating and cooling system

Supporting Administrative Operations with Technology

Kawasaki City Hall Main Building

Completed: June 2023
Total floor area: 62,356.13m²
Facility application: Municipal office

Kanagawa Prefecture

City Council Assembly Hall

Exterior

About the Kawasaki City Hall Main Building

The Kawasaki City Hall Main Building consists of a super-high-rise building and a low-rise building which restored part of the former City Hall Main Building. The lower floors of the building are the heart of the gathering, where diverse people from the citizens and agencies gather and interact. The middle floors house agencies and city council functions and the top 25th floor has an observatory lobby and semi-outdoor sky deck.

The main building implements various measures to enable it to act as a central site of disaster response activities during disasters. It implements a seismic-resistant structure in which the middle floors of the third and fourth floors are seismic-resistant floors to mitigate the effects of earthquakes and floods with major machine rooms located on the fourth floor and above. In addition, the main building can operate for seven days at approximately 70% of regular power even during suspensions of electricity or gas by operating the emergency generator.

The building has excellent environmental performance by implementing the latest environmentally friendly technologies and renewable energy equipment and reducing the primary energy consumption by more than 50% compared to the base value. As a result, it achieved ZEB Ready as well as acquired the S Rank for CASBEE Kawasaki.

Our Work Air Conditioning System

The Shinryo Corporation was in charge of constructing the air conditioning system of the super-high-rise building through a joint venture. We implemented environmentally friendly technologies to construct energy-saving and highly efficient equipment.

The heat source system consists of multiple equipment including a waste heat input absorption type cold and hot water machine that uses waste heat from the cogeneration system (CGS), turbo chillers, air-cooled heat pump chillers, and the equipment. To maximize the use of waste heat of the CGS, we build a system that enables optimal operations by using the most efficient heat source equipment in combination depending on the load of air conditioning and electricity. In addition, city gas is used during the suspension of power supply to enable supplying heat and electricity during disasters.

During the construction, we used a warehouse outside the construction site built the equipment and device units, and installed heat insulation materials to improve productivity and ensure safety. Furthermore, leftovers of glass wool heat insulation materials during the work were reduced or disposed of utilizing the area certification system that is effective for recycling to contribute to achieving a recycling society.

Gunma Frozen Factory

Completed: Phase 1: October 2022
Phase 2: March 2023
Total floor area: 23,425m²
Facility application: Plant

Gunma Prefecture

Full View of the factory

About the Gunma Frozen Factory

The Gunma Frozen Factory is a food production plant that produces frozen foods for the 7-Eleven stores. It is the first dedicated frozen food plant for Musashino Co., Ltd. The company built manufacturing lines for noodles, side dishes, rice foods, breads, and other various food categories and conducts thorough sanitation management to produce products pursuing deliciousness as well as deliver safe products.

The plant is also focusing on creating a comfortable working environment. The plant has implemented an anti-slip specification for the entire plant as well as automated the process after product packaging to reduce operations. In addition, the plant implements a production system that considers the SDGs by digitalizing work instructions and other considerations for safety, comfort, and the environment.

Our Work

Air-conditioning, Sanitation, and Utility Systems

The Shinryo Corporation was in charge of designing, monitoring the design, and construction of the air conditioning, sanitation, and utility systems.

Appropriate management of the humidity and temperature is important in maintaining the quality of the products. We implemented a system that prevents condensation inside the frozen warehouse due to external air flowing inside by sending low-humid air to the antechamber of the frozen warehouse. We also built a sanitary environment by installing insect-repellent filters to prevent insects and foreign material from contaminating the production lines, and thorough treatment of ducts, pipes, and other parts that directly contact the outside.

To produce various menus that meet consumer needs, production lines, and equipment need to be changed and added flexibly. As such, we designed and constructed the plant in a way that would minimize the impact on the plant's operation by laying out equipment with sufficient space for adding new heat source equipment in anticipation of future changes in the production line and installing spare valves for additional devices to connect to.

Supporting the Digital Infrastructure

Equinix TY13x

Completed: April 2023
Total floor area: 21,398m²
Facility application: Data center

Chiba Prefecture

Exterior

About the Equinix TY13x

The Equinix TY13x is the third hyper-scale data center in Japan for Equinix, an international digital infrastructure company that operates data centers in 220 locations in 24 countries as well as provides services related to the operation of data centers. The TY13x was built next to the TY12x*1, which was built in Inzai City, Chiba Prefecture in 2020, with strengthened functions. The center provides well-prepared security and operation of highly dense and large volumes of data to respond to the needs of major IT service providers in the world.

The center implements a seismic seismic-resistant structure and is equipped with a power generation system, emergency drainage tank, and other BCP equipment.

Our Work Air Conditioning and Sanitation Systems

Shinryo Corporation was in charge of constructing the air conditioning and sanitation systems to build an equipment system that could operate 24 hours without stopping.

Data centers require redundancies and duplication of equipment to prevent operations from interrupting during power outages during disasters and other events. As such, a looped piping method that path through thermal storage water tanks installed on each floor is implemented for cooling water piping, a system in which the supply of cooling water from heat source equipment does not stop. In addition, other measures such as emergency backup equipment for air conditioners, redundant power sources with automatic power source switchers, and installation of multiple heat source control sensors are implemented. Furthermore, we conducted a CFD analysis of the UPS room to maintain the function of the UPS*2 board which generates a large amount of heat to install the air conditioner at an optimal location for efficient cooling based on a simulation.

We also participated in performance verification by a commissioning agent to verify that these systems are in a state that functions appropriately. We were able to achieve high-quality and high-performance equipment by confirming the recovery function of the equipment during power outages, and simulated automatic control of the temperature and humidity indoors by artificially creating heat load.

*1 Shinryo Corporation was in charge of building the air conditioning, sanitation, and firefighting systems.
*2 Uninterruptible Power Systems A device that temporarily supplies power during unexpected power outages to protect PCs and servers.

Supporting the Business Structure Overseas

Two Taikoo Place

Completed: May 2024
Total floor area: 92,395 m²
Building application: Office building

Hong Kong

Solar photovoltaic panels/Wind turbines

Exterior

About the Two Taikoo Place

The Two Taikoo Place is an office building with 42 floors above ground and three floors underground located in the Taikoo District in the eastern region of the Hong Kong Island. The Taikoo District is currently undergoing redevelopment, including the construction of One Taikoo Place in 2018 and the expansion of plazas and parks; construction of subways, buses, and other transportation infrastructure; construction of shopping malls; and enhancement of existing business infrastructures.

This facility is located next to the Taikoo Square and Taikoo Garden, a location that addresses the heat island effect in urban areas with greenery. In addition, the facility focuses on addressing the environment and sustainability by reducing CO_2 emissions through using renewable energy, installing a power supply line that is resilient to disasters, and other means. These initiatives were highly praised and the facility acquired the LEED Platinum, WELL Platinum, BEAM Plus Platinum, WiredScore Platinum and SmartScore Platinum certifications. The facility is also well known as an excellent real estate development project that won the 2024 ULI Asia Pacific Awards for Excellence and other numerous awards based on its highly praised architectural design, development project, and other aspects.

Our Work Electrical Facilities

Shinryo Corporation was in charge of the construction of electrical, solar photovoltaic generation, wind turbine generation, Centralized Battery System, and ELV system. Shinryo Corporation not only has a vast track record of air conditioning systems but also of electric facilities. Notably, 100 MW class cogeneration service works overseas. We capitalized on the experience and technological capabilities cultivated through such projects in the construction of this facility.

The facility has a total power capacity of 37,800 kVA, which receives power separately from two electric power substations managed by Hongkong Electric Company. As such, the facility's power supply will not be suspended even if there is a power outage in one of the substations. Furthermore, the Centralized Battery System, uninterruptible power supply (UPS) system, and other facilities enable disaster response facilities, communications facilities, and other facilities to operate for a few hours while the power supply is suspended during disasters and other emergencies. The facility is also highly resilient in terms of BCP.

We have also addressed energy saving by capitalizing on the characteristics of the climate of Hong Kong through photovoltaic, wind, and other renewable power generation as well as using LED lighting for all office areas. In addition, we worked to ensure the improvement of productivity and quality by using the prefabricated construction method for the construction of the facility.

Relevant SDGs

Priority Subject 3

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.

KPI Outline of KPI for Priority SDG Subjects (Detailed List on P23-24)

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 based on common company-wide quality policy.

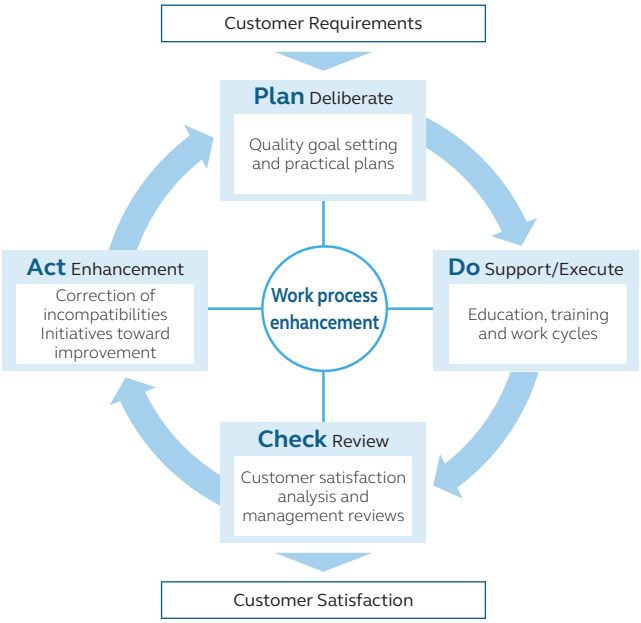
We are also striving to offer quality that can be trusted by making improvements by understanding customer and social needs through customer satisfaction surveys.

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
- West Japan Division*
- Hokkaido Branch
- Tohoku Branch
- Marunouchi Branch
- Yokohama Branch
- Hong Kong Branch
- Singapore Branch

* The West Japan Division inherits the certifications of the former Osaka, Hokuriku, Chugoku, and Kyushu branches

Ongoing improvements to work processes



Enhancement of ISO 9001 Internal Audits

The QMS and EMS joint internal audit training is implemented in the entire Company and the number of employees with certificates on internal auditing has increased to approximately 270. We aim to improve the business process effectively by enhancing internal audits to prevent the occurrence of quality issues and implement correcting measures.

Operational Flow Based on Construction Cycle

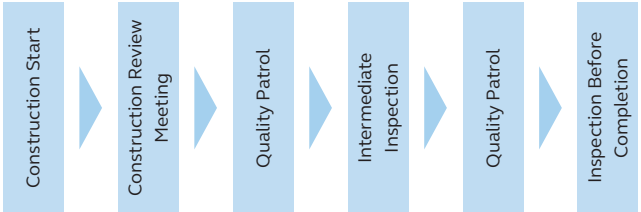
KPI Construction cycle implementation rate (Target: 100%) **100%**

Shinryo Corporation has set construction cycle implementation of 100%* as a KPI to provide reliable high-quality equipment systems to the customers.

We solve issues during construction at appropriate times through the construction cycle by conducting construction review meetings at the start of construction, quality patrols, intermediate inspections, inspections before completion, and other internal inspections as the construction progresses. Furthermore, we achieve safe and highly efficient work processes by checking the state of construction from multiple perspectives including management of health, safety, and environment and improvement of productivity.

* Aggregation of completed constructions in the current fiscal year

Example of Operational Flow According to a Construction Cycle



Quality Patrol

Quality patrol is an operational process to check that the construction is appropriately conducted in compliance with the requirements of the design, laws and regulations, and internal technical standards, and make necessary improvements.

Quality management supervisors regularly patrol construction sites to verify whether construction is conducted appropriately based on the construction quality plan and blueprint using a checklist. We also check important management items identified by organizing past examples of trouble and customer feedback. We strive to improve the construction quality by identifying issues at an early stage conducting the quality patrol at an appropriate time and making continuous quality improvements.

Confirming Construction Status of Duct Construction

Penetration of Technology in the Company and Employee Education

As we provide high-quality equipment systems, we penetrate technical information in the Company and regularly hold training to improve our level of technology.

We report the results of the research and development by the Innovation Hub at the Tsukuba Forum held every year and discuss the future technological development from a management perspective. In addition, we internally exhibited good practices at construction sites through technical presentations at the Shinryo Forum as well as shared the latest information on the revised Act on the Improvement of Energy Consumption Performance of Buildings and other laws and regulations, pointers on constructing piping fitting, and other themes individually.

Tsukuba Forum

Electrolyzed Water Air Washer System AIR-ROCA® E

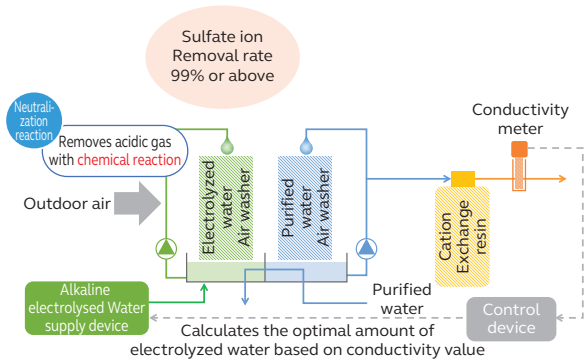
Technology Overview

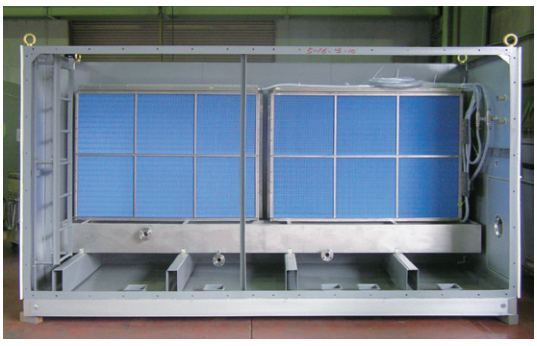
The Electrolyzed Water Air Washer System AIR-ROCA® E* developed that we developed in 2020 significantly improved the conventional AIR-ROCA® in the removal rate of airborne molecular contaminants in the air and can remove 99% of the acidic gas (SO_2: sulfur dioxide).

Installing AIR-ROCA® E to the outdoor air conditioning unit for clean rooms eliminates the need for chemical filters and reheat coils and significantly reduces energy consumption, which leads to less CO_2 emissions. This technology supports the miniaturization of semiconductors and the quality of semiconductor plants undergoing advancement in manufacturing technology as well as contributes to environmental conservation.

* Equipment that removes water-soluble airborne molecular contaminants in the air with pure water and humidifies air

Mechanism of Removing Chemical Pollutants





Gas-liquid contact material of AIR-ROCA® E

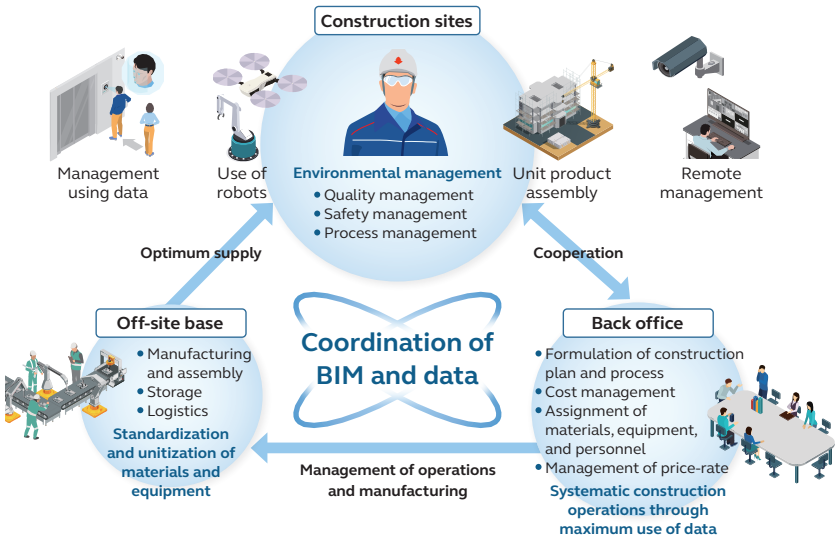
Initiatives to Improve On-site Construction Productivity

Construction Process Innovation by DX

Shinryo Corporation is promoting DX and has been engaged in construction process reforms with digitalization, industrialization, and systemization as the pillars to improve productivity and construction quality.

We are working to reform the construction process from the conventional process of conducting all operations at construction sites to coordinating them among construction sites, off-site base, and back office through BIM and other data.

All construction information and related documents are digitalized and design, construction, maintenance, and management are shared with the customers and parties involved in the construction. We will provide new value to society through LCA evaluation during the design stage, provision of high-quality equipment systems, utilization of data for the operation and management after completion, and other means.

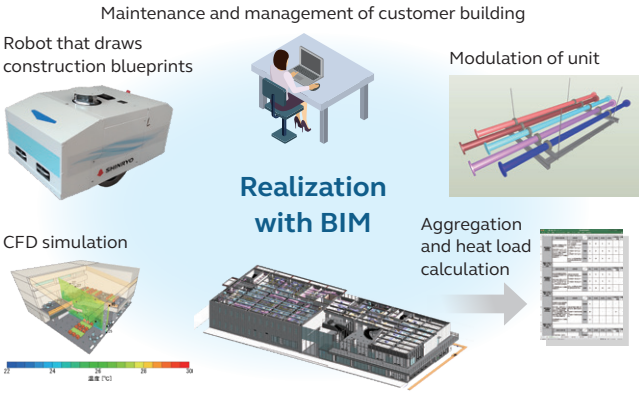


Promoting the Use of BIM

Digitalization

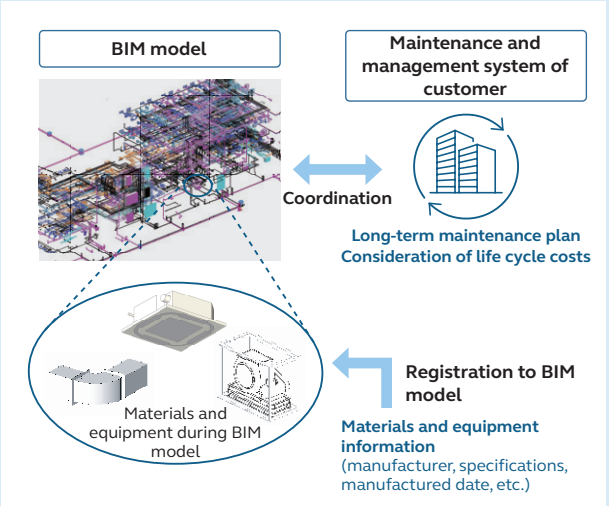
Shinryo Corporation is actively promoting the use of BIM to penetrate digital technologies in architecture. In the construction of the main building of the Innovation Hub opened in 2024, BIM is fully utilized for operating robots for drawing construction blueprints, automatic generation of blueprints of equipment units, remote management of progress in the completion of construction, and other factors.

We will continue to analyze the effects of BIM and contribute to the promotion of BIM as a BIM model company selected by the Ministry of Land, Infrastructure, Transport and Tourism (for three consecutive years from fiscal 2020 to 2022).



Operation and Management of Equipment with BIM

We are promoting the penetration of BIM for maintenance and operation to enable the use of BIM data during the construction for operation of the equipment by the customers after the delivery of completed equipment. BIM for maintenance and management can centrally manage and visualize information on materials and equipment to check maintenance history and timing of inspections efficiently as well as consider renewal plans efficiently. We will build an environment in which the customers can use the equipment for a long time with care by using BIM not only during the design and construction but also by promoting BIM for the maintenance and management that is effective for operating the equipment after completion.



Improvement of Productivity through Off-site Manufacturing

Industrialization

Building constructions each have different specifications for construction equipment, work environment process, health and safety, and other conditions depending on the construction site and require the building of a production system that matches the conditions of each site.

Shinryo Corporation coordinates BIM and data between construction sites (on-site) and bases outside the construction sites (off-site). We increase productivity by reducing operations at sites by creating both equipment and piping units at off-site bases. This also leads to preventing labor accidents by thoroughly checking quality and reducing dangerous operations at construction sites.

Vertical piping unit for refrigerant

Indoor cooling unit

Building Back Office System

Systemization

Shinryo Corporation has built a back office system for systematically conducting construction-related operations by identifying operations that can be transferred from construction sites and standardizing them. By conducting part of the operations conducted at construction sites such as creating construction blueprints, procurement of materials, equipment, and workforce, creation of inspection records, and maintenance of documents related to notifications at the back office, the person in charge at construction sites can focus on the process, safety, quality management, and other elements and progress operations more safely and efficiently. We cooperate with Global Staff, our Group company, to promote the introduction of a back office in the Shinryo Group.

Back office

Utilization of ICT Tools

Digitalization

We utilize ICT tools to promote the improvement of productivity in construction sites. Persons in charge of sites and chiefs of partner companies use tablets to quickly check construction blueprints, specification of equipment, and other materials on-site, allowing them to make appropriate instructions for construction and manage the progress. In addition, information is shared with the on-site office and back office through an ICT tool to record photos of the construction and inspection records to make the organization efficient.

Shinryo Corporation not only utilizes ICT tools for construction management but also actively uses data by visualizing and aggregating stored data with a BI tool* to analyze them and identify issues in construction and make improvements.

* Acronym for Business Intelligence Tool. A tool for analyzing data and improving the decision-making for business

Confirming the state of construction using ICT tool

KPI Outline of KPI for Priority SDG Subjects (Detailed List on P23-24)

Health and Safety Initiatives

Shinryo Group Health and Safety Policy

Safety First for our Prosperity

Shinryo Group is engaged in health and safety activities which the Group employees and partner companies work as one under the Health and Safety Policy that has been unchanged since the founding to prioritize safety above all to prevent labor accidents. In eliminating labor accidents, one must hone the sensitivity to dangers and identify dangerous and harmful elements hidden in construction sites before implementing counter-measures. We actively offer opportunities for education and training to acquire safety management capabilities. Moreover, we are focusing on preventing human error by thoroughly following the creation and confirmation of work procedures to prevent serious disasters due to unscheduled work.

Cooperation with the Health and Safety Council

At the Health and Safety Council participated by partner companies and Shinryo Corporation, we hold education for chiefs and persons in charge of health and safety and various specialized education for acquiring qualifications, with a focus on safety patrol of the construction site conducted every month. In addition, labor safety training targeting business proprietors is held to train business proprietors on their duty to adhere to the Industrial Safety and Health Law as well as comply with the Construction Industry Law.

KPI **Frequency rate** (Target: Less than 0.40) **0.27**

Patrol by Health and Safety Council

In fiscal 2024, the Health and Safety Council of the head office implemented patrols at large-scale sites across Japan in addition to the safety patrols conducted by each site to identify dangerous and harmful elements in the construction sites and thoroughly prevent accidents by providing guidance on making improvements. Furthermore, we conducted safety training for dispatched employees who conduct construction management work to improve their safety management capabilities. For chiefs of partner companies, we hold training to improve their abilities to identify dangers and harms and plan measures to prevent accidents. We connect each office, construction site, and office of partner companies remotely to enable many people to participate efficiently.

Promotion to Expand the Construction Career Up System (CCUS)

KPI **CCUS registration rate of health and safety council members** (Target: 80% or above) **94%**

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 the 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, ensuring fair evaluation of those skills, and 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 the capabilities of partner companies through the number of engineers they employ. To that end, we create environments that are convenient to use for partner companies by implementing card readers for checking work history at construction sites and systems that utilize facial recognition and mobile phones. Furthermore, we established a dedicated team in the Company which a dedicated personnel checks the documents submitted by not only the primary partner companies but also secondary and later partner companies through linking data with the labor and safety document management system to reduce the administrative work of partner companies.

Overseas Health and Safety Activities

Shinryo Group has construction sites in Southeast Asia, India, and other countries where the method for managing safety and health are different. We have put in place a system that links the Safety and Health Promotion Department of Shinryo Corporation with safety management supervisors in each country to maintain a high level of safety management while incorporating management techniques in Japan. In addition, we hold meetings to raise awareness about preventing the recurrence of accidents at each construction site for the thorough prevention of accidents. In August 2024, we connected each site remotely in Singapore and held the Overseas Joint Safety Meeting to report on health and safety activities and exchange opinions.

Meeting to raise awareness about preventing recurrence of accidents

Promotion of Safety Education and Training

Shinryo Corporation is focusing on providing safety education and training to employees in charge of construction sites. The purpose is to prevent labor accidents through raising awareness about the dangers through understanding the existing dangers and harms in construction sites.

For new employee training and education, we include statutory education on aerial work vehicles, full harness safety belts, and other lectures that are useful in preventing accidents in construction sites as construction managers as well as experiencing disasters using virtual reality (VR) in the curriculum. Furthermore, we conduct on-site supervisor training and mid-level supervisor training to promote on-site project managers to acquire the necessary skills. We also offer lectures on the Construction Industry Law, labor management of workers, appropriate management methods for industrial waste, asbestos, CFCs, and other practical knowledge as well as compliance examples to be aware of on-site as an opportunity to think about the position and the mindset of an on-site project manager.

Lecture on Aerial Work Vehicles

Asbestos and RCF Management

Shinryo Group has put in place an Asbestos and Refractory Ceramic Fiber (RCF) management system to prevent any adverse health effects on employees, on-site workers, customers, and everyone else involved in its renovation projects. We formulate guidelines that stipulate safe work procedures based on laws and internal rules for the thorough management of asbestos and RCF construction cycles as well as management supervisors visiting sites to instruct on the work plan, separation and disposal methods, and check protective suits and equipment to ensure safe work when removal work is required. We are increasing employees with qualifications in response to the prior survey for asbestos contents by an asbestos surveyor becoming a statutory requirement in October 2023. Shinryo Group works to properly remove and dispose of asbestos and RCF taking advantage of safety patrol on asbestos and RCF and construction cycle.

Removal of Piping Insulation Containing Asbestos

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

Relevant SDGs

Priority Subject 4

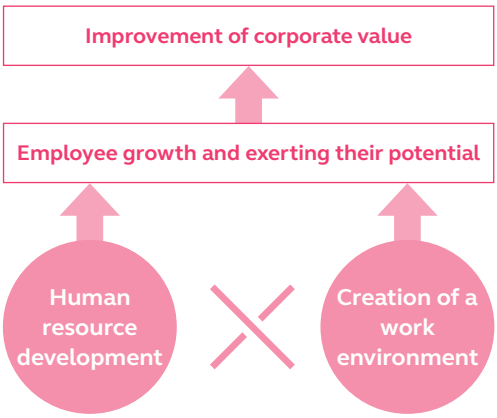
Build Refreshing Environments Rich with Creativity

Shinryo Corporation aims to build an environment where diverse human resources can work lively and fully exert their potential to become a freshening company with high productivity and full of creativity.

Philosophy on Human Resource Management

Shinryo Corporation has regarded people as the greatest asset since its founding. The employees' technical capabilities, knowledge, and experience are the management foundations of Shinryo Corporation. We believe that the most important aspect of a company's growth is for each employee to grow and exert their full potential.

We focus on developing human resources full of creativity and creating a lively working environment to realize our management vision "Create a Freshening World" through contributing to solving various social issues and continuously improving the corporate value in the ever-changing environment.



Human Resource Development Rich with Creativity

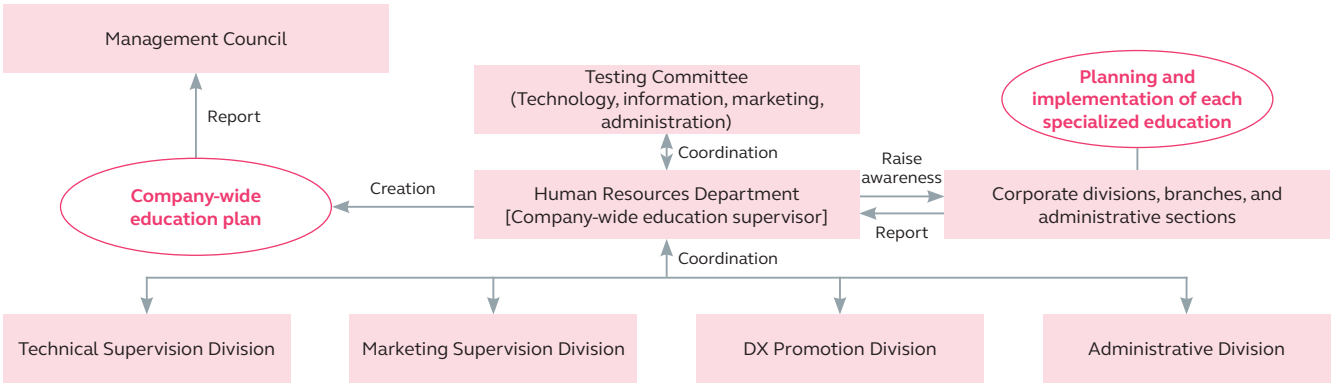
Promotion of human resource development

Considering that business content is becoming more diverse and segmented, we have built a system for human resource development in which the Technical Supervision Division, Marketing Supervision Division, DX Promotion Division, and Administrative Division coordinate with the Human Resources Department.

The Testing Committee is planning to improve the ability of the employees through conducting promotion tests.

In each department the employees are assigned to conduct planned specialized training depending on the actual work they do.

Diagram of implemented education system

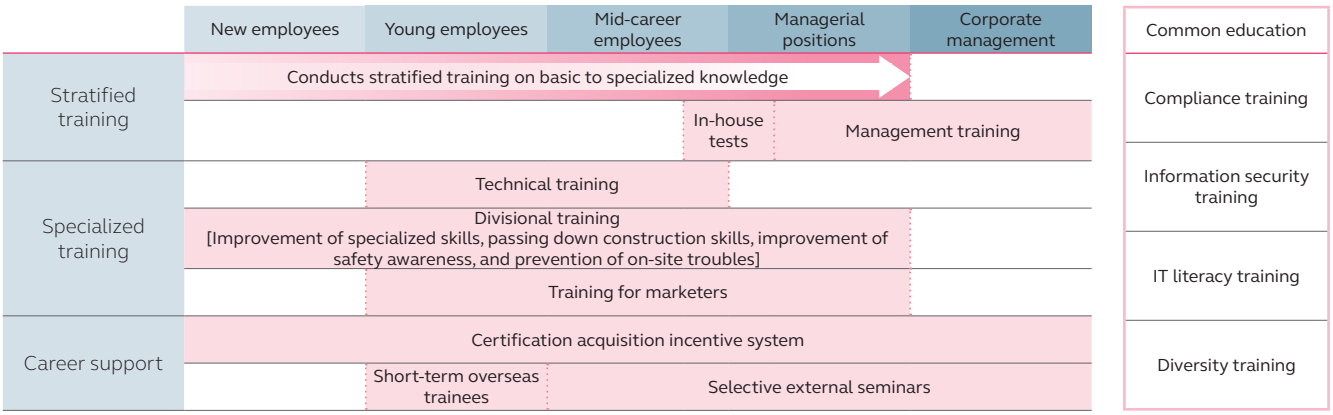


Education System

We support the growth of each employee by implementing stratified training that matches their career stage. In addition, specialized training conducts training that is specifically for each job type such as technical and marketing staff to develop highly specialized human resources.

We also provide career support through implementing a certification acquisition incentive system and a selective external seminar system to enable employees to continue learning and grow.

Education system diagram



New Employee Training

Education Programs

In the new employee training and education, one-year engineering and administrative education program is provided to enable participants to have the confidence to work right after they are assigned.

Education Schedule

Primary Training and Education

The participants learn about the management philosophy, the Company's systems, and other basic knowledge, business manners, and attitudes as members of the society for about a month after joining the Company. In addition, participants also learn about safety management in the construction sites and other basics about construction sites through hands-on skill training and other means. Furthermore, 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.

Practial on-site training and education

We conduct practical training and education after the primary training and education for not only technical employees but also administrative employees on construction sites. Senior employees are in charge of this practical education and teach a broad range of knowledge, including overall management operations related to safety, quality, and process as well as handling procedures for work drawings and the main equipment. The participants deepen their understanding of business through hands-on training at construction sites which we place utmost importance.

Practial on-site training

Education by Assignment/Secondary Training and Education

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

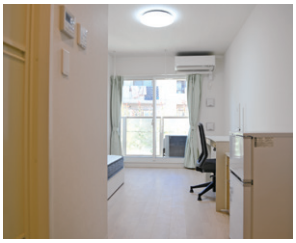
Group training for new employees

Training facility Kofu Dormitory

At Shinryo Corporation, all new employees enter the Kofu Dormitory. Employees will build bonds by living and learning together at the dormitory. The new employees sometimes receive advice from their seniors while going through fulfilling training in a safe and comfortable living environment. The network they build in the Kofu Dormitory through acquiring communication skills and experiencing team building becomes a great asset during work after their assignment.

In April 2023, the Kofu Dormitory was relocated to Nishitokyo City, Tokyo. All rooms are single rooms and offer balanced meals, enabling the new employees to live in comfort. The dormitory is installed with solar power generation and highly efficient equipment and is a highly energy-saving property certified as the highest BELS Rank ★★★★★ and ZEH-M Ready as well as incorporates measures against the spread of infections.


Exterior


Dormitory room


Meeting at the dormitory


Communication space


Entrance

Training and Education for Diverse Human Resources

Human Resources with Diverse Skills

We provide support costs for acquiring certifications and incentives to develop human resources with high technical and specialized skills. This is not limited to just certifications required in work and covers wide range of certifications from the perspective of ability development.

Technical	Professional Engineer, First-Class Plumbing Work Operation and Management Engineer, 1st-class Kenchikushi (Architect), Qualified Person for Energy Management, First Level Instrumentation Engineer, First-Class Electric Work Operation and Management Engineer, etc.
Administrative	First-Grade Official Business Skills in Bookkeeping, First-Class Construction Industry Accountants, etc.

Diversity Training

In 2024, we promoted building an environment where diverse human resources can work comfortably by holding a seminar for all managerial positions on female health issues that managerial positions should know and what they can do as a superior to promote the success of female employees as a part of diversity training.

Career Changer Education

We implement Career Changer Education for mid-career hires and employees who transitioned to full-time employees. We aim for all employees to work comfortably by supporting them to understand Shinryo Corporation's founding philosophy, systems, and compliance.

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 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 is assigned to a location considering their requests and status of the business.

Short-term Overseas Trainee System

We conduct overseas training for young fourth-year employees. The participants acquire a wider perspective and international business skills by learning about overseas business after experiencing business in Japan. In addition, the system develops human resources with global awareness and the motivation to work overseas by deepening the participants' understanding of overseas through interacting with the local staff and observing their daily culture.


Short-term overseas trainees

Build Refreshing Environments Rich with Creativity

Work Style Reform

KPI **Employee satisfaction** (Target: 4.0 or higher) **3.5**

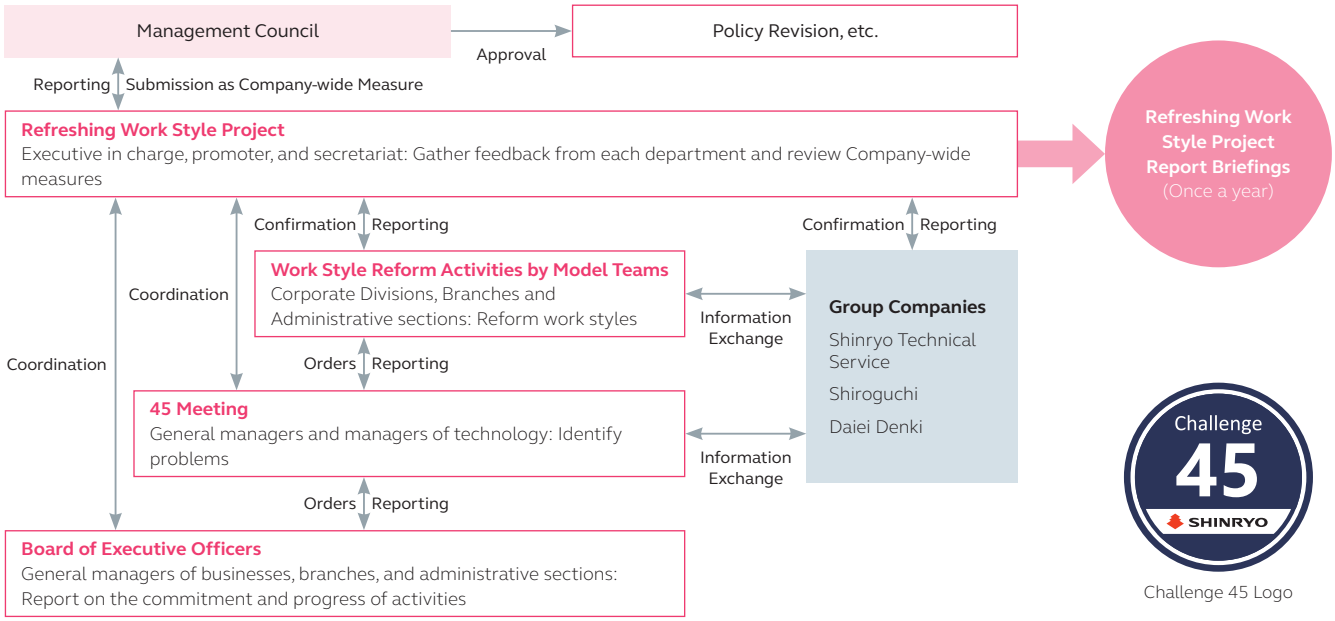
Shinryo Corporation has been engaged in work style reform since 2016. We will not only remedy long work hours but also implement activities to realize an ideal work style to improve employee satisfaction. We will implement work styles that comply with the laws and regulations in response to the revised Labor Standards Act enforced in the construction industry in April 2024.

Challenge 45 is an activity launched in May 2021 to limit the monthly overtime to 45 hours. This activity sets a clear target for overtime work and challenges how many months the overtime can be limited to under 45 hours and analyzes the cause when it could not be achieved by implementing the PDCA cycle to make improvements. We will continue to further promote work style reform.

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

Challenge 45 Promotion System



Challenge 45 Logo

Trend of indices

KPI **Annual paid leave acquisition rate** (Target: higher than previous fiscal year) **95.7%**

Paid leave acquisition rate

FY 2015:	56.3%
FY 2021:	87.3% (Up +2.1 points compared to previous fiscal year)
FY 2022:	92.4% (Up +5.1 points compared to previous fiscal year)
FY 2023:	**95.7% (Up +3.3 points compared to previous fiscal year)**

Employees awareness survey (Satisfaction)

FY 2019:	84.7%
FY 2021:	82.4% (Down -2.3 points compared to previous survey)
FY 2022:	85.2% (Up +2.8 points compared to previous survey)
FY 2023:	**86.6% (Up +1.4 points compared to previous survey)**

Average overtime

FY 2015:	46.1 hours
FY 2021:	40.4 hours (Down 1.4 hours compared to previous fiscal year)
FY 2022:	38.0 hours (Down 2.4 hours compared to previous fiscal year)
FY 2023:	**34.5 hours (Down 3.5 hours compared to previous fiscal year)**

Employees awareness survey (Overall satisfaction, scale of 0 to 5)

FY 2019:	3.1
FY 2021:	3.2 (Up 0.1 points compared to previous survey)
FY 2022:	3.3 (Up 0.1 points compared to previous survey)
FY 2023:	**3.5 (Up 0.2 points compared to previous survey)**

(Fiscal year: April to March next year)

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.

We implement various health promotion activities to enable all employees to work healthily. To promote health management, we have put in place a system to not only work with the Health and Safety Committee but also with the health supervisors and managers in charge of health management, and industrial doctors at each business throughout Japan.

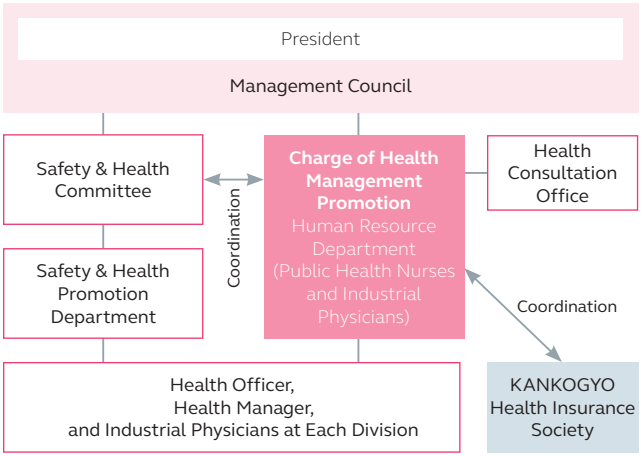
For mental health, we conducted line care training for managers and supervisors, utilized stress checks, built a system for leaves and returning to work, and other measures. In addition, as a measure to address the health of older employees, we check the physical status of the employees of ages 65 and above when renewing contracts through sheets for falling and other risks.

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.

Health Management Promotion System



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 employees able to sleep for six hours or more
FY 2017	100%	5.4%	99.0%	62.0%	–
FY 2020	100%	69.7%	96.2%	85.2%	35.0%
FY 2021	100%	79.1%	92.4%	87.3%	35.6%
FY 2022	100%	84.9%	95.5%	92.4%	35.8%
FY 2023	100%	82.5%	95.0%	95.7%	35.0%
FY 2026 Target	Maintain 100%	100%	Maintain 90% or above	80% or above	–

(Fiscal year: April to March next year)

Item	Policies/Education
Physical Health	• 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) • 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	• 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 line care education for all managers and supervisors

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	• 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	• This policy allows employees to transfer when an employed spouse has been transferred if they want to keep working at a Shinryo Corporation office and a place at that office is available.
Come-back System	• This policy allows regular employees who have worked at 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	• 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	• This system allows employees to take annual paid leave in half day increments.
Expanded administration of an accumulation system	• This expansion allows employees to carry over the number of days left in annual leave to the next fiscal year to use the paid leave they have left the previous year and the year before that for non-work related injuries and illnesses as well as to care for children and other family members.
Special allowances for annual paid leave	• Employees who do not have 20 days of total annual paid leave carried over from the previous year and provided in the current fiscal year may take special leave (paid) according to their tenure at the company in the event of an absence for the reason of sickness after all of the annual paid leave is extinguished.
Leave acquisition promotion system	• 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	• Refresh leave policy: Employees may take designated consecutive leave as commemoration for 10, 20 and 30 years of work.
Maternity leave program for spouses	• 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	• 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	• Continue the retirement age to 65 with raises, promotions, and ongoing additions of points for retirement benefits from the date of joining of the company to the age of 65 • Holding Life Plan Seminar
Promote active participation of employees hired midcareer	• 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	• 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	• 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

Compliance

Compliance Promotion System

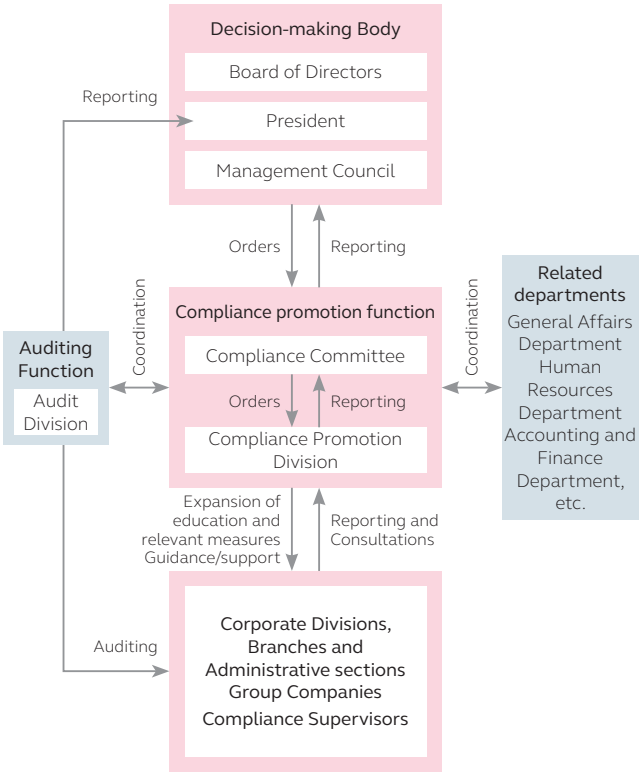
The Shinryo Group believes uncompromising compliance is the highest priority subject for management. All executives and employees of the Group will practice legal compliance, which is at the heart of the Company Philosophy to "be fair and straightforward" in their actions while striving to gain the support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



Guidelines

Domestic Compliance Guidelines

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.

In addition, we created a Collection of Compliance Examples that compiles specific examples of compliance and use it for training to raise awareness about compliance among officers and employees.

Global Compliance Guidelines

We have formulated and implemented Compliance Guidelines (Global Version) targeting Japanese employees working at overseas sites and officers and employees of local companies. In addition to complying with the laws and regulations of each country and region and respecting human rights and other various international standards, we have also formulated basic principles for respecting cultures and customs. All officers and employees participate in the guideline training and pledge its compliance.

Whistleblowing System

Shinryo Corporation has established 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
These services are 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

Understanding and Practice of Compliance

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

Implementation of Comprehensive Compliance Education

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

We conduct regular compliance training targeting Shinryo Corporation and Group companies in Japan and overseas. In fiscal 2024, we conducted practical education on compliance violations and harassment that could occur in construction sites. We spotlight a wide range of timely social issues to cultivate a corporate culture that engages in work while constantly being aware of compliance.

Target Trainees	Training Content
Engineers	Compliance violations that could occur in construction sites
New employees	Explanation on Compliance Guidelines
New mid-career employees	Explanation on Compliance Guidelines
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.

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. In the liaison meetings held in fiscal 2023, compliance incidents of each company were reported and information on education and materials for improving compliance were shared.

Corruption Prevention

Shinryo Corporation has formulated policies related to preventing corruption in the Code of Business Conduct and Procurement Guidelines and prohibits bribery, inappropriate provision of benefits, and any other form of corruption. In addition, we signed the United Nations Global Compact and are promoting business activities under the four areas and ten principles, including corruption prevention.

Shinryo Group Code of Business Conduct (Excerpt)

Code of Business Conduct 4
Comply with corporate ethics and laws and regulations, and compete fairly, transparently and freely, with our business partners.

<Standards of Conduct>
- Maintain sound relationships with civil servants
- Compliance with the Anti-monopoly Act
- Maintain moderate relationship with customers
- Prohibition of inappropriate relationships with partner companies

Procurement Guidelines (Excerpt)

1. Compliance with legal and social guidelines, etc.
   1.3 We do not engage in bribery for public servants, politicians, and other personnel or any form of corruption.
2. Just and fair transaction
   2.1 We do not offer or receive inappropriate benefits.
   2.2 We conduct transactions based on contract with involved parties and do not abuse the dominant position or engage in any actions that obstruct just, fair, and competitive transactions.

Compliance System During Overseas Work

We complied with compliance items and systems for engaging with public servants during overseas work in the Guidelines for Anti-corruption Overseas. The guideline includes basic principles and common philosophy on the prevention of corruption among countries as well as measures for responding to individual cases by country and region. The guideline is revised every year according to changes in laws, regulations, and political landscape. Furthermore, we continuously conduct guideline training for all Japanese employees who work at overseas bases as well as executives and employees from local companies.

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.

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.

Management Foundation that Supports Priority Subjects

Shinryo Corporation will pursue transparent and fair corporate governance to realize a sustainable society by respecting the human rights of everyone, striving to reduce the environmental load in the entire supply chain, and solving social issues.

Respect for Human Rights

We will fulfill our responsibility of respecting the human rights of all our stakeholders involved in our business activities based on our Management Vision of "Create a Freshening World."

Formulation of Human Rights Policy

In addition to supporting and respecting the International Bill of Human Rights, The ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, United Nations Guiding Principles on Business and Human Rights, and other international guidelines by formulating the Human Rights Policy in 2023, we are advancing our business activities following the four areas and ten principles, including human rights, of the United Nations Global Compact.

In the Human Rights Policy, we are focusing on respecting and supporting international guidelines, complying to laws and regulations of countries and regions where we conduct business, implementing human rights due diligence, and building mechanisms for remedy and correction as well as raising awareness, penetration, and education on the Human Rights Policy.

In promoting initiatives, we will cooperate with each Shinryo Group company and encourage business partners and partner companies to respect human rights and work to respect human rights in the entire supply chain. In addition, we include "Respect for human rights and individuality of everyone involved in business operations" in the Code of Business Conduct and Standards of Conduct for the officers and employees in the Shinryo Group to ensure compliance.

Identifying Human Rights Risks

We identified human rights issues to focus on our business activities as a part of the implementation process of human rights due diligence. We categorized human rights risks for the employees, supply chain, customers, regional and local communities, and other stakeholders by severity and probability of occurrence.

The Sustainability Promotion Committee and departments related to procurement, general affairs, quality, safety, human resources, and other matters identified risks by discussions taking into account the opinions of external experts. In the future, we plan to conduct education and training, build internal environments and systems, and questionnaires for partner companies to prevent and correct these risks.

Human Rights Risks Map

○The Company and its employees ●Supply chain ◆Customers ■Regional and local communities

Severity				
	○●◆ Consumer safety and the right to know ○●◆■ Human rights issues related to environment and climate change ○● Forced labor ○● Child labor		● Excessive and unfair work hours ○● Harassment	○ Excessive and unfair work hours ○● Industrial safety and health
	○ Lack of or unpaid salary, and subsistence wages ○ Rights to social security ○● Bribe and corruption	● Lack of or unpaid salary, and subsistence wages ● Rights to social security ○● Rights of foreign laborers ○● Discrimination	○●◆■ Rights to access remedy ○● Human rights issues related to gender ○●◆■ Rights to privacy	
	○● Freedom of expression	○●◆ Intellectual property rights		
	○■ Freedom of residence ○ Freedom of association ○●■ Rights of indigenous and local residents	○●◆ Human rights related to technology and AI		

Probability of occurrence

System of remedy through consultation

We have established the SHINRYO Hotline, a reporting and consultation counter for human rights, harassment, and other matters (P53).

There is an in-house counter that responds internally and an external counter that lawyers respond which covers all officers and employees in the Shinryo Group (officers, employees, dispatched employees, temporary workers, etc.), business partners and partner companies, and all others involved in the Shinryo Group's business activities. Confidentiality of the content of the reports is ensured to prevent reporters from facing any repercussions. In addition, in case we identify that our business activities caused or fostered a negative impact on human rights, we implement appropriate measures to remedy them.

Cooperation and Coordination with the Supply Chain

The entire supply chain needs to work together to address issues demanded by society. We will strive to realize a sustainable society through cooperating and coordinating with all our business partners and partner companies.

Cooperation System with the Supply Chain

Shinryo Corporation believes that building good transaction and cooperation systems with partner companies is important in providing high-quality equipment and services. We are striving to improve cooperation, coordination, and construction quality through various opportunities such as addressing the management of health and safety at construction sites and the Construction Business Act and other laws and regulations as well as training on improving technological capability. We will continue to promote activities to make the construction industry recognized as an attractive industry by society.

Major initiatives	Overview
Coordination with the Health and Safety Council	• Promotion of safety patrols at construction sites (every month) and other health and safety activities • Holding health and safety promotion events (once a year: activity report, lecture on safety, awarding contributors, etc.) • Holding a general meeting of the Health and Safety Council (once a year: summary of activities, sharing activity policy and plan, etc.)
Education and training on industrial health and safety	• Implementation of education for chiefs (education for chiefs and persons in charge of health and safety, education for improving the abilities of chiefs and persons in charge of health and safety) • Implementation of specialized training (specialized training on full harnesses, scaffolding assembly, and hazardous work in oxygen-deficient environments, etc.)
Legal compliance	• Implementation of education on responding to revisions to the Industrial Safety and Health Act, Construction Business Act, and other laws at the labor safety training session. • Implementation of document checks for primary, secondary suppliers and beyond by establishing a dedicated team for checking labor and safety documents based on the Construction Business Act.
Technological support	• Sharing analysis of occurrence and measures against technical issues • Holding briefings on guidelines, etc. related to technical information (once a year)
Promotion to Expand the Construction Career Up System (CCUS)	A fair evaluation of skills of the careers of skill holders and promoting visualization of skills at partner companies to which skill holders belong to (P45)

Procurement Guidelines

In 2024, we revised the content of the Procurement Guidelines to reflect the diversifying social issues. As respect for human rights is especially required in the entire supply chain, items to comply with the Human Rights Policy formulated in 2023 are clearly stated in this guideline to request our business partners for their understanding and support in addressing them.

Main items of the Procurement Guidelines

- Compliance with legal and social guidelines, etc.
- Respect for Human Rights
- Consideration of the environment
- Setting logical price and delivery date
- Thorough implementation of information security
- Coordination with the supply chain
- Fair and just transaction
- Promotion of industrial safety and health
- Ensuring and improving quality
- Response during disasters
- Contribution to society and local communities

Partnership Building Declaration

We endorsed the philosophy of the Partnership Building Promotion Council for the Future consisting of members such as the Cabinet Office, Ministry of Economy, Trade and Industry, and the Keidanren (Japan Business Federation), and released the Partnership Building Declaration in May 2023. The Partnership Building Declaration is to announce building a new partnership in and outside the Company by promoting coordination, coexistence, and co-prosperity with business partners in the supply chain as well as companies that aim to jointly create value.

Shinryo Corporation strives to improve added value in the entire supply chain as well as promote coordination beyond existing transactions, corporate scale, etc.

https://www.biz-partnership.jp/declaration/30451-04-00-tokyo.pdf

Corporate Governance

Corporate Governance System

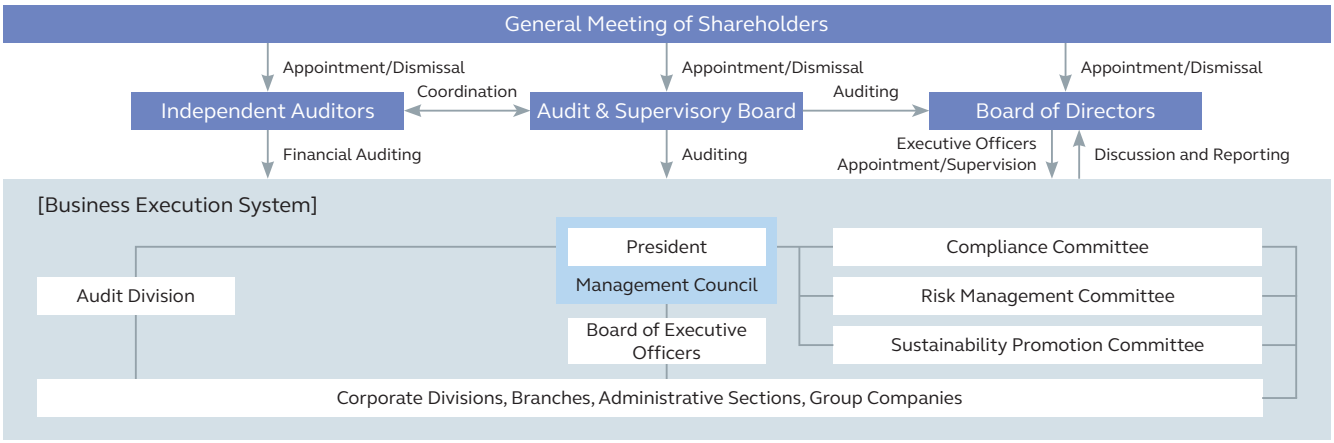
The Board of Directors deliberates submitted agenda items based on agenda and reporting criteria stipulated by agenda items and by Board of Directors rules set forth in the Companies Act. The Management Council deliberates on important matters concerning company management, in addition to proposals submitted to the Board of Directors. The Board of 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 (P53) 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.

The Sustainability Promotion Committee engages in discussions and reporting on important items related to sustainability, collecting information on items for promoting sustainability, and other activities.

Corporate Governance System



Internal Control

Since the construction of the internal control system is mandated by the Companies Act, we 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.

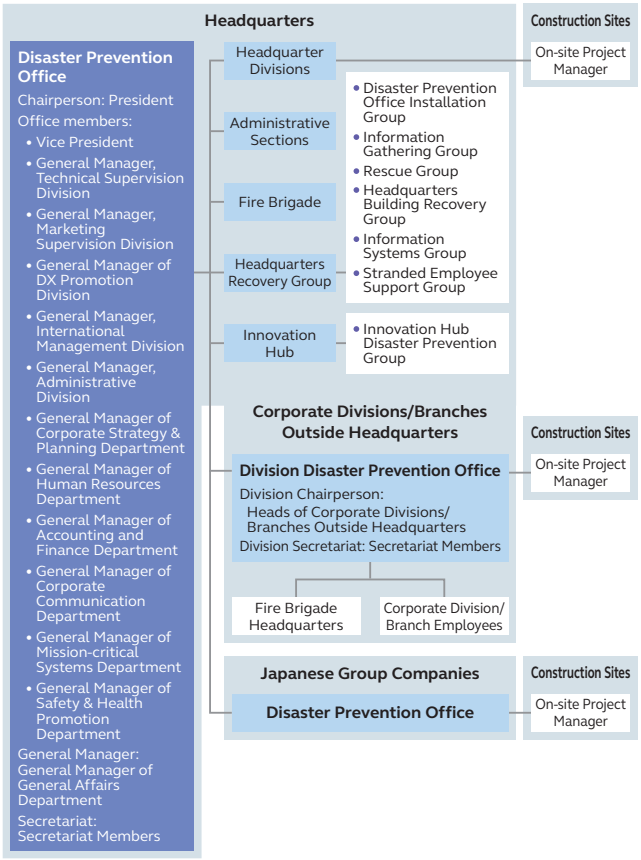
Introduction of Comprehensive BCP Drills

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 addition to earthquake response drills, we conducted drills on wind and water damage caused by typhoons that have become more frequent in recent years to analyze the effectiveness by confirming the coordination with disaster-stricken areas, procedures of business recovery system, and other factors.

Business Continuity Plan (BCP) Basic Policies of Shinryo Corporation

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

Organizational Structure During Disasters

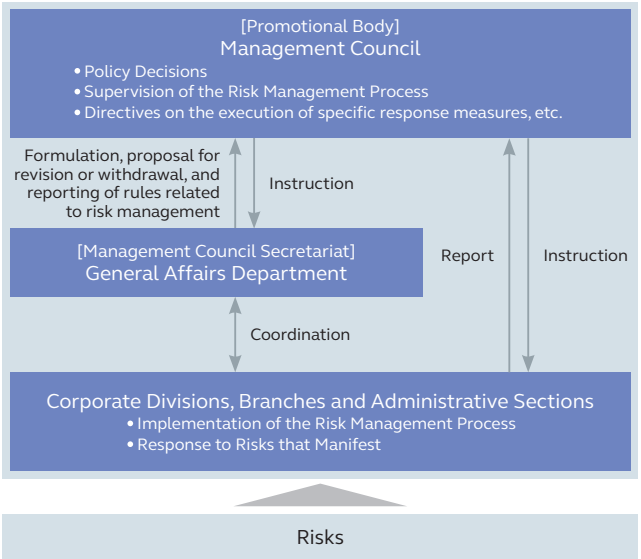


Risk Management

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, human rights, compliance, and information, and to continue and recover business as quickly as possible. Shinryo Group has put in place Risk Management 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 addition, we formulated the Overseas Safety and Crisis Management Manual as a detailed guideline for responding to crises that occur overseas and build a cycle of revising the risks and impact every year.

Risk Management System



Information Security Management Systems

We conduct regular security audits at major business sites and on-site offices based on the Management Rules of Corporate Information to properly manage customer's and business partner's information. We are also focusing on activities to increase information literacy and conducted case study training based on the Confidential Information Management Guideline, a survey to confirm basic measures for PCs and servers for daily use, and other initiatives in 2024. Furthermore, we regularly host internal liaison conferences related to information security to share the latest information.

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

Contribute to the Life Cycle Management of Buildings

The LCM business(maintenance and management business for construction equipment) of the Shinryo Technical Service realizes longer equipment life by active preventative maintenance and reducing load with energy-saving tuning. Of note, chillers generally have high management costs and implementing unique settings for adjusting the amount of cooling water and timing for starting and stopping the compressor based on the analysis of operation data enables optimization of energy efficiency and extending the cycle of expensive chemical washing and parts replacement of the compressors and other equipment. This also leads to a reduction of maintenance costs and energy savings as well as extending the life cycle of buildings contributes to the reduction of environmental impact.

Modular chiller under maintenance

Shiroguchi Co., Ltd.

Initiatives for Increasing Productivity by Establishing A New Department

Shiroguchi established the Operation Promotion Department in March 2024 to realize an appealing society full of pride and motivation. The three sections in the department are engaged in separating construction sites works, management of overtime and dispatched employees, responding to technical issues, construction quality inspection, and other works. Shiroguchi will actively promote initiatives to increase productivity by discussing the blueprints before the construction sites fully start work, utilizing on-site management software for quality inspections, and other means.

Quality inspection using on-site management software

Shinryo Kougyo LTD.

Contributing to the Preservation of Living Environment by Preventing Flood Damage

The drain pump installed in the Tengubana Drainage Pump Station (Isahaya District, Nagasaki Prefecture) played an important role in preventing flood damage when the water level rose and flooded due to the linear precipitation zone that was built in July 2024. Currently, this drainage pump station is undergoing a renewal construction of generators to change the cooling method of the engines, which will improve the reliability of the pump starting and contribute to maintaining the safety of local residents and the high quality of their living environment.

Tengubana Drainage Pump Station undergoing renewal construction of the generator

THAI SHINRYO LTD.

Contributing to the Redevelopment of Heat Supply Facility

Thai Shinryo is engaged in infrastructure building that improves the quality of life and is capable of smart city functions that enable sustainable economic development.

One Bangkok, the largest multi-complex in the heart of Bangkok which consists of five office buildings, five hotels, three premium condominiums, and other facilities, has been significantly developed in recent years and covers a total area of 173,000m^2 (approx. 3.7 times the size of Tokyo Dome) in the center of Bangkok City. The company constructed the heat supply facility for this facility and contributed to reducing greenhouse gas emissions and energy consumption by implementing a highly efficient chiller. Thai Shinryo will continue to contribute to building an infrastructure for the people of Thailand.

Highly efficient chiller heat source facility

PT.SHINRYO INDONESIA

Utilization of BIM for Increasing Productivity

Since the establishment of the BIM Promotion Department in 2020, Shinryo Indonesia has focused on developing human resources that can utilize BIM and regularly exchange opinions on the utilization of BIM with the DX Promotion Division of Shinryo Corporation.

As an example of recent initiatives, the company is conducting presentations using 3D models created with 3D-CAD to customers, adjusting the dimensions of equipment, and increasing the efficiency of calculating the amount of materials for the second pahse of subway station construction in Jakarta (CP203 consctuction section). The company will strive to improve the productivity of society as a whole by continuing to implement horizontal deployment of technology in the company and promote increasing productivity through the use of BIM.

Opinion exchange meeting with the head office of Shinryo Corporation

Daiei Denki Co., Ltd.

Disaster-resistant Electrical Facilities

Daiei Denki is engaged in the renovation and construction of buildings as well as the construction of electrical facilities that are resilient to natural disasters and emergencies. The company confirms power system links with BCP power supplies, operation time of BCP generators, and other factors during meetings on the business continuity plan (BCP) with the customers. The company contributes to the needs of society and customers by realizing a safe and stable power supply even during disasters.

Inspection of power generation equipment

Global Staff Co., Ltd.

On-site Support with ICT Technology

Global Staff offers various support using ICT technologies for construction sites of the Shinryo Group. Of note, the company provides a one-stop solution for creating 3D models for existing facilities, covering the acquisition of point 3D cloud data of facilities and buildings using 3D laser scanners for data processing and creating models. The created model is used for planning on equipment renewal plans, installation plans for large equipment, safety management plans, and other factors and contributes to increasing the efficiency of on-site operations. The company will continue to coordinate with DX in construction sites and support better work styles in construction sites.

Modeling work

Akita Castle Hotel Co., Ltd.

Aim to Achieve A Sustainable Work Environment

Akita Castle Hotel is engaged in initiatives to achieve a work environment where employees can work healthily in mind and body regardless of gender and continue working in a lively manner. The company has conducted health seminars, health improvement events at the employee cafeteria, workshops for realizing work-life balance, opinion exchange meetings between female managers and general female employees, and other activities. As a result of these activities, the company was included in the 2024 Certified Health & Productivity Management Outstanding Organization (Large Enterprise category) as well as acquired Eruboshi (Two Stars) in 2024. The company will continue aiming to be a company where everyone can play an active role and return the benefits to the customers with good services.

Opinion exchange meeting with female managers

SHINRYO VIETNAM CORPORATION

Comprehensive Utilization of BIM from Planning to Maintenance

Shinryo Vietnam creates design drawings, construction blueprints, and completion drawings for numerous sites with BIM models. The company contributes to eliminating inefficiencies in operation by using the BIM completion drawings for the maintenance and management after completion to increase the efficiency of maintenance.

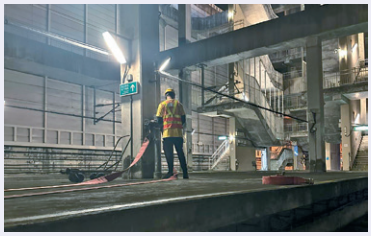
In the ongoing construction of facilities for the new plant, the company is selecting large-diameter piping and ducts to reduce transport power as well as implementing highly efficient air conditioners and use of exhaust heat to promote environmentally friendly construction. The company is also implementing dry coolers to conserve water resources to save energy and resources to increase productivity at the site by using BIM.

Construction discussion using BIM model on-site

SHINRYO TECHNICAL SERVICES LTD.

Contributing to Building Social Infrastructures

As a company specializing in the renewal of construction equipment and maintenance and management services, STS handles air conditioning of buildings and maintenance and renewal construction of various traffic infrastructure equipment. The company conducts maintenance of equipment in the Hong Kong International Airport terminals, stations, and construction equipment in railway tunnels of the Chinese high-speed railways that connect Hong Kong and mainland China, and other facilities. Of note, the maintenance of equipment in the railways is conducted based on a meticulous plan during a limited time after the operation of the railways, contributing to the maintenance of important transportation infrastructure in Hong Kong.



Equipment inspection in the high-speed railway

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.

Coordinating with Communities

The formaldehyde removal system and non-chemical corrosion prevention system Corro-Guard developed by the Innovation Hub were certified as Tsukuba Quality by the Tsukuba City, Ibaraki Prefecture in 2023. The program certifies excellent products and services of Tsukuba City, which is home to 150 research agencies, and communicates about them in and out of Japan. Tukuba City has been the home of the company's research and development facility since 1990 interacts with other research agencies and participates in academic activities hosted by the city. With receiving these certifications, the company believes that its technologies to be more acknowledged and contribute to vitalizing the Tsukuba City area.

TSUKUBA QUALITY

Donations of Educational Comics to Elementary Schools Across Japan

The company helped in publishing “Bunshun Manga Decipher Series ‘Learning About Air Conditioning!’”, an educational comic to learn about the mechanism and role of air conditioning in a fun way, to raise interest in air conditioning technologies and the construction industry to many children. The comic was donated to approximately 25,000 libraries of elementary schools, major public libraries, hospitals with pediatric wards, and other facilities across Japan. The company is focusing on supporting the education of the next generation and will continue to engage in similar activities.

Cover of the educational comic

Social Contribution Activities

Donations to the Disaster and Humanitarian Organizations

In light of natural disasters becoming more devastating around the world in recent years and the need for long-term support due to prolonged conflicts, Shinryo Corporation has established a policy to continue donating ten million yen every year to organizations that actively engage in support activities. In 2024, we donated five million yen to Japan Voluntary Organizations Active in Disaster (JVOAD), an organization that coordinates activities to support disaster-affected areas during disaster with local governments, volunteers, NPOs, and other entities as well as donated five million yen to the United Nations High Commissioner for Refugees (UNHCR), an organization that protects and supports refugees and displaced people around the world, as an overseas support organization. In addition, Shinryo Group has donated five million yen through the Japan Red Cross Society as support for the Noto Peninsula Earthquake.

Supporting Arts and Culture

We promote support activities for the development of beautiful and rich arts and culture.

We support the following organizations:

NHK Symphony Orchestra, Tokyo/Kanagawa Philharmonic Orchestra/Kansai Philharmonic Orchestra/The Kyushu Symphony Orchestra/Sapporo Symphony Orchestra/New National Theatre, Tokyo/New Japan Philharmonic/Sendai Philharmonic Orchestra/ Tokyo Metropolitan Symphony Orchestra/Tokyo Nikikai Opera Foundation/The Japan Opera Foundation/Japan Performing Arts Foundation/Hiroshima Symphony Orchestra/Yomiuri Nippon Symphony Orchestra

The Plus Volunteer Activity

Our corporate divisions and branches in Japan take part in the Plus Volunteer Activity. This activity is to additionally participate in clean up and other volunteer activities hosted by local companies during social gatherings of employees and their families as well as partner companies hosted by each department. Overseas local companies also engage in volunteer activities that match the community.


Employee volunteers participating in clean up activity of sea shore (Hokkaido Branch)

Third-party Opinion

We received a third-party opinion from Hidemi Tomita, CEO of the Institute for Sustainability Management, Japan, who has been providing opinions on the selection of priority subjects and other matters.

Hidemi Tomita
Institute for Sustainability Management, Japan
CEO

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.

SHINRYO Report has been compiled in a way that is easy to read for beginners and very easy to understand. SHINRYO Report 2025 is also a report that is effective for understanding the overview of the company including the overview of the Shinryo Group companies, the content of their business, and their history.

I feel that this report has especially evolved in terms of sustainability-related initiatives and their disclosure. The Company's required disclosure is limited due to being an unlisted company but it accurately addresses the demand of the time by advancing disclosure at the same level as listed companies.

For example, the Sustainability Promotion Committee has been newly positioned in its corporate governance system. In addition, disclosure on climate change based on the TCFD framework which the Company committed to in the previous fiscal year was added.

A detailed human rights risk map was also added as an identification of human rights risks. These are highly commendable as they clarify the priority of initiatives. I hope information about how the identified risks are addressed will continue to be disclosed in the future.

In "Feature 1: Providing New Value with DX" and "Feature 2: Toward Realizing Decarbonization", the Company expresses important mid- to long-term issues and has improved the contents from the previous year by enabling the readers to clearly understand the scenario it is aiming for in the future. As presenting current issues and a vision for the future is very important for such mid- to long-term issues, clear disclosure is an improvement. Going forward, I hope how these initiatives will be realized and newly identified issues will continue to be disclosed.

Presenting abundant specific examples is one of the characteristics of the SHINRYO Report. "Our Work" is of note as it provides a detailed explanation of facilities presents what technological contribution the Company has made and thoroughly showcases its strengths. I believe presenting how much impact on society and the environment is made in a quantitative method would further improve persuasiveness. Carbon neutrality is especially an aspect to highlight as reducing the emissions of the Shinryo Corporation will significantly appeal to customer companies as it could contribute to reducing their emissions.

In the future, disclosure of information related to sustainability based on the internal standards of ISSB/SSBJ will become mandatory for major listed companies in Japan as well. This is an indication that ESG aspects become important in investment decisions. Shinryo Corporation has already reached a certain level of preparation in this year's report and would be beneficial to consider these trends.

Meanwhile, if targeting customers as an important reader of this report, actively presenting the technological superiority of Shinryo Corporation through specific examples like the above as a marketing tool is one direction the report can advance. I look forward to the future evolution of the SHINRYO Report which further considers the perspective of the stakeholders using the unique position of being an unlisted company.

Reflection on the Third-party Opinion

Katsuhiko Yakita Executive Vice President in charge of Sustainability Promotion

I would like to thank Hidemi Tomita for his invaluable feedback about our sustainability promotion activities. We have been promoting the analysis of the impact of climate change on business activities after endorsing the TCFD in 2023. During the current fiscal year, we disclosed information based on the TCFD framework such as governance, strategy, responding to risks and opportunities related to climate change, and other factors as well as summarized the process toward achieving carbon neutrality by 2050 from multiple perspectives. Going forward, we will also consider methods to present the amount of contribution our technologies make to the environment and society as pointed out along with setting specific targets for the issue of reducing Scope 3 emissions. The revised Procurement Guidelines as part of human rights due diligence ask partner companies to comply with it and engage in preventing and correcting human rights risks. In addition, we conduct training to raise awareness about the human rights policy among our employees. Furthermore, we will continue to disclose information disclosure based on internal standards and promote the disclosure of non-financial information to increase the readers' understanding of the Company and accurately respond to the demands of society. Shinryo Corporation will always strive to make contributions to the development of a sustainable society through our business activities.

Corporate Data

Construction Track Record

Japan

Offices, hotels, and district heating and cooling systems

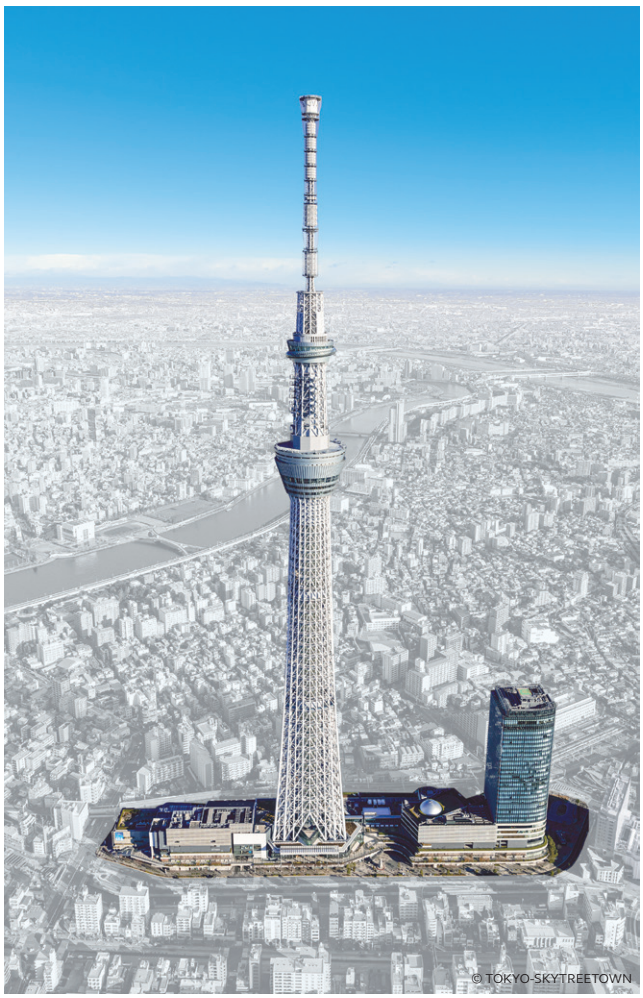
Tokiwabashi Tower
(Chiyoda-ku, Tokyo)
Air Conditioning System

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.

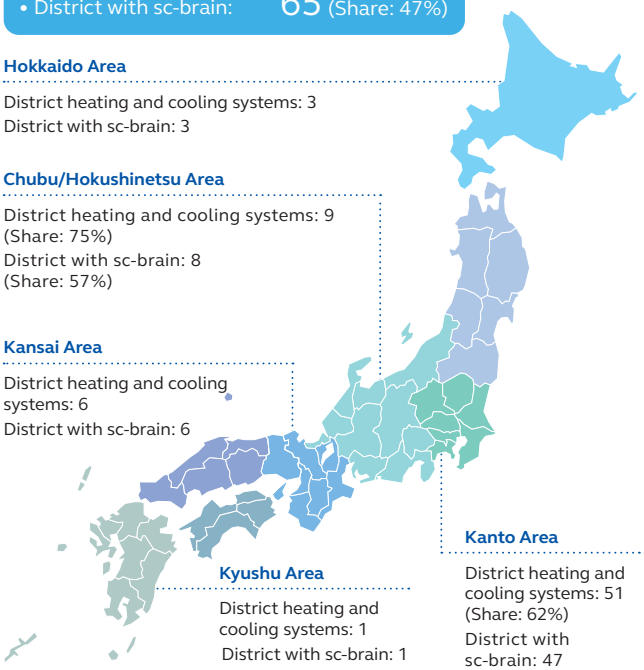
[Main Delivery Record]

- 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: 52%)
- District with sc-brain: 65 (Share: 47%)



Hokkaido Area
District heating and cooling systems: 3
District with sc-brain: 3

Chubu/Hokushinetsu Area
District heating and cooling systems: 9 (Share: 75%)
District with sc-brain: 8 (Share: 57%)

Kansai Area
District heating and cooling systems: 6
District with sc-brain: 6

Kyushu Area
District heating and cooling systems: 1
District with sc-brain: 1

Kanto Area
District heating and cooling systems: 51 (Share: 62%)
District with sc-brain: 47 (Share: 58%)

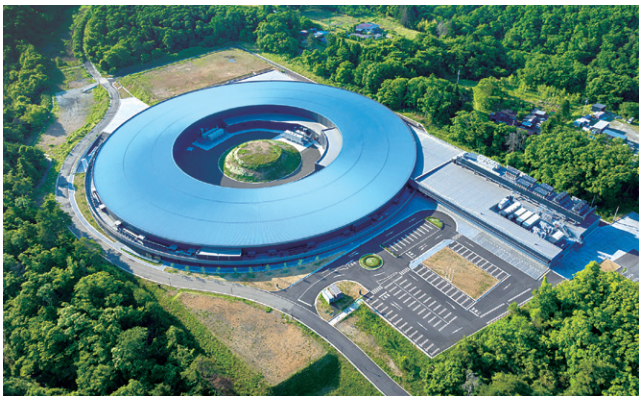
Energy Centers, Plants, Hospitals, Building Complexes, Aquariums, Theaters, and Research Facilities

Kiyohara Smart Energy Center
(Utsunomiya City, Tochigi Prefecture)

Civil Engineering and Construction of Plant Facilities

ES CON FIELD HOKKAIDO
(Kitahiroshima City, Hokkaido)

Air Conditioning and Mechanical Ventilation, Heat Source Systems



3GeV Synchrotron Radiation Facility "NanoTerasu" (Sendai City, Miyagi)

Air Conditioning, Sanitation, Air Compression, and Cooling Water Systems

Osaka Umeda Twin Towers South
(Osaka City, Osaka)

Heat Source and Air Conditioning Systems

Aoyama Gakuin University Library (Shibuya-ku, Tokyo)

Air conditioning and mechanical ventilation systems and water-supply and drainage sanitation systems

IUHW Narita Hospital
(Narita City, Chiba Prefecture)

Air Conditioning and Sanitation System

Suntory Kita-Alps Shinano-no-Mori Water Plant
(Omachi City, Nagano Prefecture)

Air Conditioning and Mechanical Ventilation, Sanitation Systems

Takasaki City Theatre
(Takasaki City, Gunma Prefecture)

Air Conditioning System

Commercial Complexes, Data Centers, Transportation, Energy Plants and Bio Plants

Marina Bay Sands Integrated Resort
(Singapore)

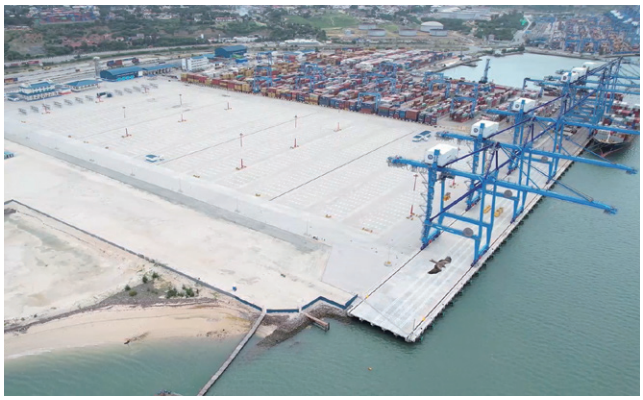
Air Conditioning and Mechanical Ventilation Systems

NARRA1 Data Center
(Philippines)

Air Conditioning, Firefighting and Electric Systems

GSPP Cogeneration Plant
(Malaysia)

Plant Facilities/Civil Engineering and Construction

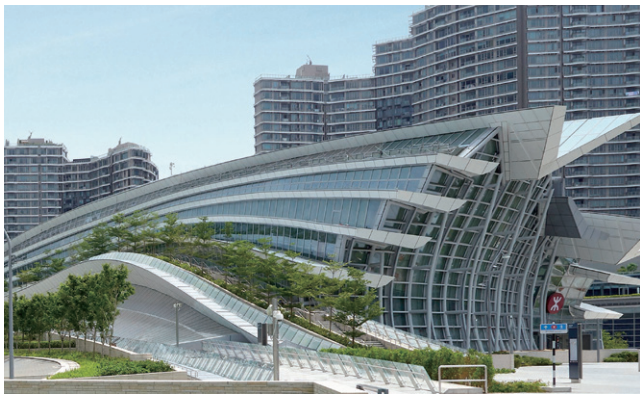


MOMBASA PORT DEVELOPMENT PROJECT PHASE-2 (Kenya)

Air Conditioning, Sanitation, Firefighting and Electric Systems

THAI KYOWA BIOTECHNOLOGIES CO., LTD. (Thailand)

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



Hong Kong West Kowloon Station, Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong)

Air Conditioning and Electric Systems

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

District Cooling System

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 2024)	2,257 (non-consolidated) 5,195 (including Group companies)
Capital	3.5 billion yen

Construction Business License (Japan) (As of January 2025)

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

Main qualifiers

Name of certification	Number of people
Professional Engineer Japan (Engineering Management)	1
Professional Engineer Japan (Environmental Engineering)	39
Professional Engineer Japan (Mechanical Engineering)	2
Professional Engineer Japan (Water Supply & Sewerage)	1
First-Class Plumbing Work Operation and Management Engineer	1,145
First-Class Electric Works Execution Manager	135
First-Class Building Operation and Management Engineer	18
First-Class Civil Engineering Works Execution Managing Engineer	9
1st class Qualified Certified Electrician	28
3rd Class Electric Works Specialist	33
Class A Fire Defense Equipment Officer	324
Class B Fire Defense Equipment Officer	19
1st-class Kenchikushi (Architect)	42
Qualified Person for Energy Management	118
Building Facilities Diagnostic Technician	86
Building Mechanical and Electrical Engineer	229
The First Level Instrumentation Engineer	353
Professional Engineer (CxPE: Commissioning Professional Engineer)	5

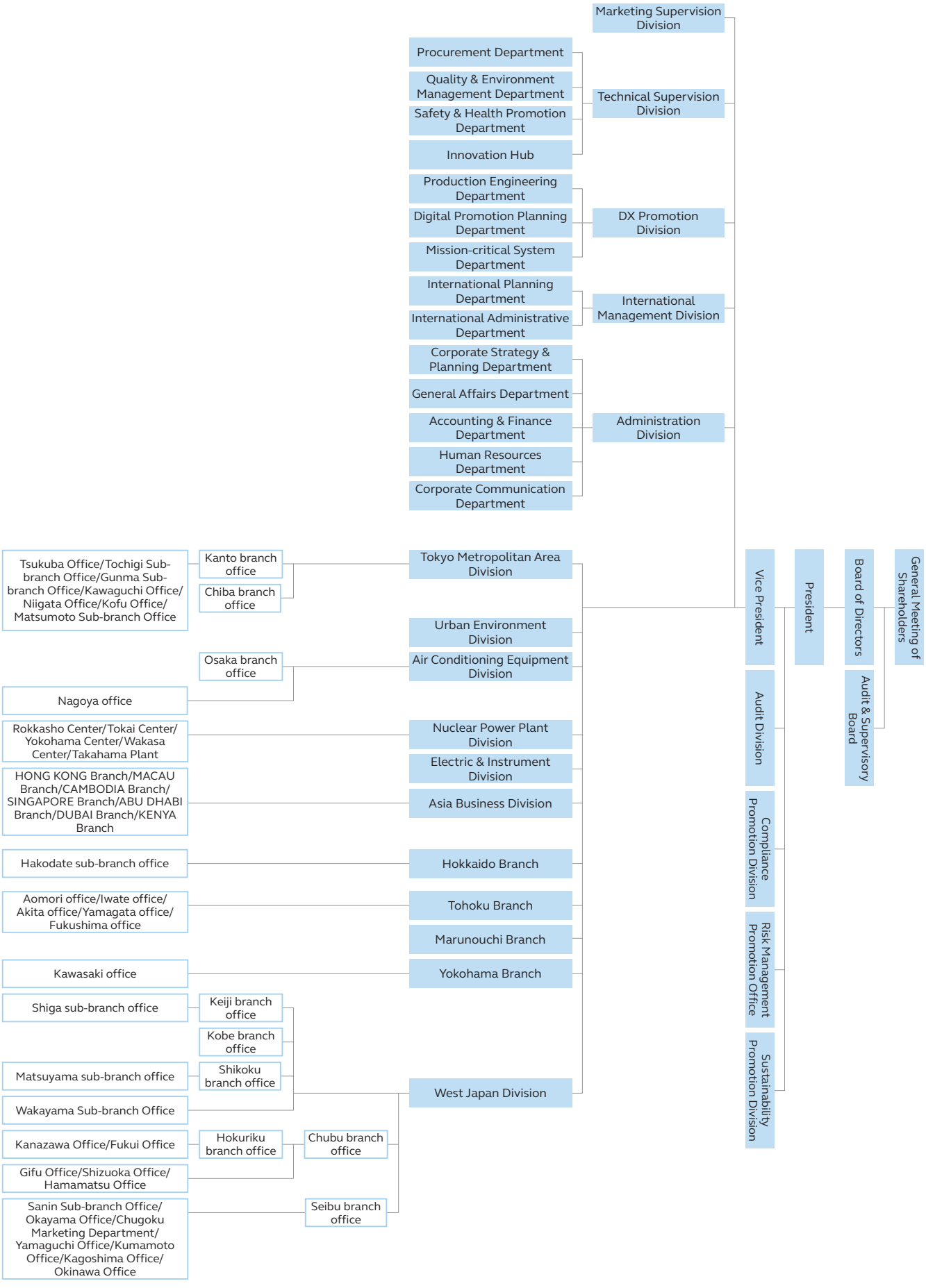
List of Executives

President, Representative Director	Takeshi Kagami	
Representative Director	Katsuhiko Yakita	
Directors	Takao Watanabe	
	Koichi Kaji	
	Yasunori Miyazaki	
	Sayaka Kagami	Non-Executive Director
	Hideaki Fujizuka	Outside Director
Audit & Supervisory Board Member	Yoji Kawai	
Outside Audit & Supervisory Board Members	Toshihito Furuya	
	Koichi Kubo	

President & Chief Executive Officer	Takeshi Kagami*	
Executive Vice Presidents	Katsuhiko Yakita*	General Manager, Technical Supervision Division & DX Promotion Division & in charge of Group Management & Sustainability Promotion
	Takeo Yamaguchi	General Manager, West Japan Division
	Takao Watanabe*	General Manager, Marketing Supervision Division
Senior Managing Executive Officers	Takeshi Egi	General Manager, Urban Environment Division
	Satoru Narisawa	General Manager, Tokyo Metropolitan Area Division & in charge of East Japan
Managing Executive Officers	Koichi Kaji*	General Manager, International Management Division
	Tatsuji Yoshimura	General Manager, Asia Business Division
	Hideki Furumoto	In charge of Marketing Promotion, Marketing Supervision Division
	Naoki Uchiyama	In charge of Marketing Promotion, Marketing Supervision Division
Executive Officers	Yukitoshi Maeda	General Manager, Innovation Hub
	Masahiko Kitabayashi	General Manager, Yokohama Branch
	Hiromitsu Fujioka	Deputy General Manager, Tokyo Metropolitan Area Division
	Hideyuki Nagasawa	Deputy General Manager, Urban Environment Division
	Takehiro Masuda	Deputy General Manager, West Japan Division & General Manager, Chubu Branch office
	Toshiyuki Shimizu	General Manager, Tohoku Branch
	Shuji Chiba	Deputy General Manager, Urban Environment Division
	Toshiya Terao	Deputy General Manager, West Japan Division & General Manager, Seibu Branch Office
	Hideki Nagato	Deputy General Manager, Asia Business Division
	Ken Shima	General Manager, Nuclear Power Plant Division
	Minetoku Okamura	General Manager, Electric & Instrument Division
	Motosuke Kadono	Deputy General Manager, West Japan Division
	Masashi Ueno	Representative Director & President, Shiroguchi Co., Ltd.
	Yasunori Miyazaki*	General Manager, Administration Division & in charge of Compliance & General Manager, Corporate Strategy & Planning Department
Executive Fellow	Yasunori Abe	

* Executive Officers also acting as Directors

Organizational Chart



Financial and Non-financial Data

Financial Data (Consolidated)

Items	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Orders received	Million yen	243,890	266,342	276,913	317,457	328,883
Net sales	Million yen	228,884	233,297	259,072	272,982	308,476
Operating income	Million yen	15,084	15,448	16,670	19,525	26,094
Ordinary profit	Million yen	15,391	17,251	24,817	21,425	27,076
Net assets	Million yen	152,069	155,590	156,720	172,746	191,058

Non-financial Data (Non-consolidated)

Items	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Greenhouse gas emissions						
Scope 1	t-CO_2	459	386	1,066	867	818
Scope 2	t-CO_2	2,948	2,380	2,024	1,755	1,712
Scope 3	t-CO_2	7,371,179	10,714,814	8,337,569	5,589,091	5,613,100
Reduction rate of Scope 1 and 2 (Base year: 2009)	%	23	37	30	40	43
Contribution to Scope 3 reduction "Implementation rate of design proposals"	%	95	97	100	100	100
Energy consumption						
Electric consumption	Thousand kWh	5,167	5,249	4,527	3,933	3,830
Energy Saving Act: company classification rating	S, A, B, C	S	S	S	S	S
Industrial waste						
Total emissions	t	14,749	18,533	16,592	15,913	16,120
Amount of waste plastics generated	t	1,783	1,096	920	1,213	1,461
Recycling rate of industrial wastes	%	88	88	90	90	91
Electronic manifest penetration rate	%	93	97	98	99	99
Industrial Safety and Health						
Frequency rate	—	0.44	0.14	0.28	0.40	0.27
CCUS* registration rate of health and safety council members	%	—	72	79	82	94
Risk management						
Number of safety reporting drills conducted		3	3	2	3	3
Number of information security education and awareness-raising activities		8	5	7	7	8

* CCUS: Construction Career Up System

Items	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Employees						
Number of employees (consolidated)	People	5,191	5,453	5,348	5,279	5,195
Number of employees (non-consolidated)	People	2,242	2,251	2,245	2,262	2,257
Average age (non-consolidated)	Age	43.7	42.9	44.2	44.5	44.6
Average years of service (non-consolidated)	Year	18.3	17.5	18.8	18.7	18.7
Work environment						
Average overtime	Hours	42.9	41.8	40.4	38.0	34.5
Annual paid leave acquisition rate	%	64.0	85.2	87.3	92.4	95.7
Employee awareness survey Overall satisfaction (Scale of 0 to 5)	—	3.1	—	3.2	3.3	3.5
Satisfaction	%	84.7	—	82.4	85.2	86.6
Health management						
Regular health checkup examination rate	%	100	100	100	100	100
Anomaly observation rate (blood sugar)	%	—	18.1	17.9	18.0	17.9
(Blood pressure)	%	—	17.2	15.0	15.0	16.9
Number of un-addressed employees with high risk (identified by blood sugar and pressure)	People	—	0	0	0	0
Rate of employees that maintain appropriate weight (BMI of 18.5 to under 25)	%	—	56.4	56.2	55.9	57.6
Examination rate of medical agencies that require detailed inspection and medical evaluators	%	—	69.7	79.1	84.9	82.5
Stress check examination rate	%	—	96.2	92.4	95.5	95.0
Rate of highly stressed employees	%	—	5.6	7.5	8.2	8.7
Number of employees on annual long-term leave or absence (absence of a month or more)	People	—	11	17	21	31
Lifestyle habits Ratio of employees with exercise habits	%	—	25.2	24.6	27.1	26.3
Sleep satisfaction rate (sleep of six hours or more)	%	—	35.0	35.6	35.8	35.0
Smoking rate (habitual smoking)	%	—	30.1	29.6	28.9	29.9
Drinking rate	%	—	25.5	23.2	27.0	28.4

* "Greenhouse gas emissions", "Energy consumption", "Work environment", and "Health management" are aggregations between April last year and March of this year. "Industrial Safety and Health: Frequency rate" is aggregation between January and December last year

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