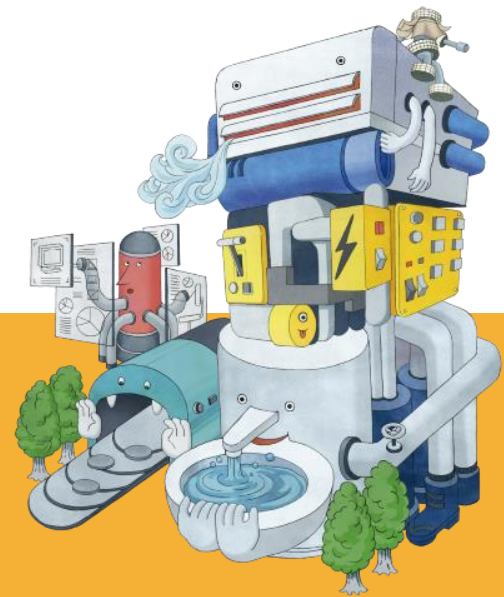


Status of Business Progress in the Medium-Term Management Plan

“Century 2025” Phase3 FY2022

May 12, 2023

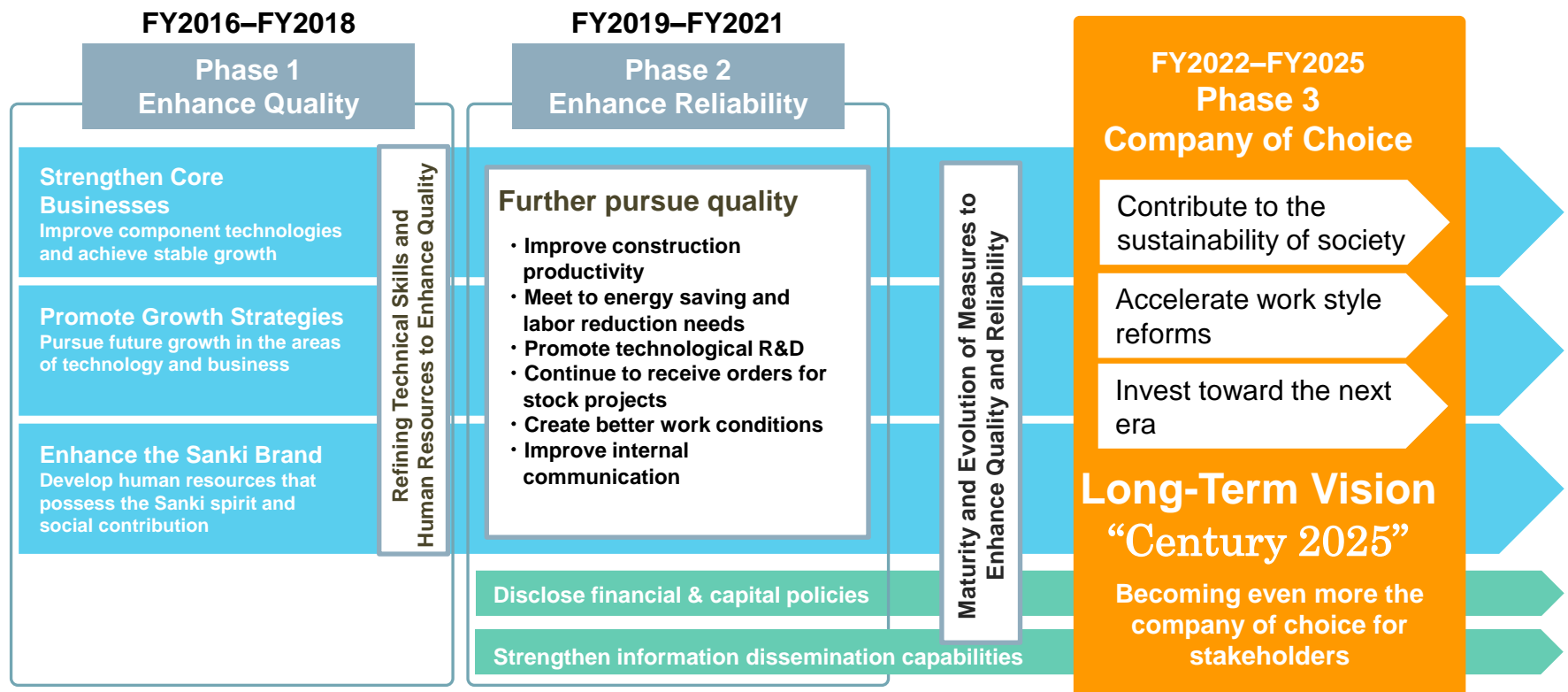
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Phase 3 Basic Policies

SANKI

The Phase 3 medium-term management plan will put the finishing touches on our “Century 2025” long-term vision. During this phase we will realize our ambition of becoming the company of choice through the maturation and evolution of measures taken up till now aimed at improving quality and reliability, and the addition of three new measures, namely: contribute to the sustainability of society, accelerate work style reforms, and invest toward the next era.



Note: The ESG policy in Phase 2 has evolved into the Sustainability policy in Phase 3

Phase 3 Targets and First-Year Results

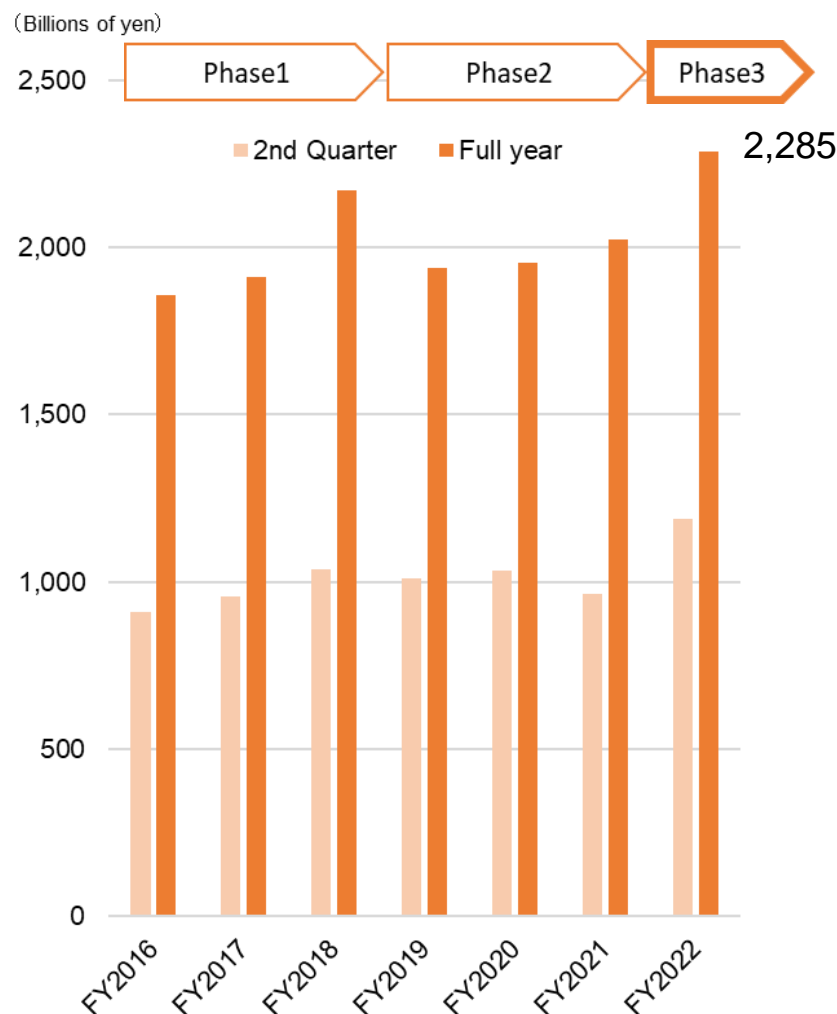
SANKI

	Phase 3 targets By FY2025	FY2022 Results	Difference
Net Sales	¥220.0bn	¥190.8bn	¥(29.2)bn
Gross profit [ratio]	¥36.0bn [16.5%]	¥27.0bn [14.2%]	¥(9.0)bn [(2.3)pt]
Ordinary profit [margin]	¥12.0bn [5.5%]	¥6.2bn [3.3%]	¥(5.8)bn [(2.2)pt]

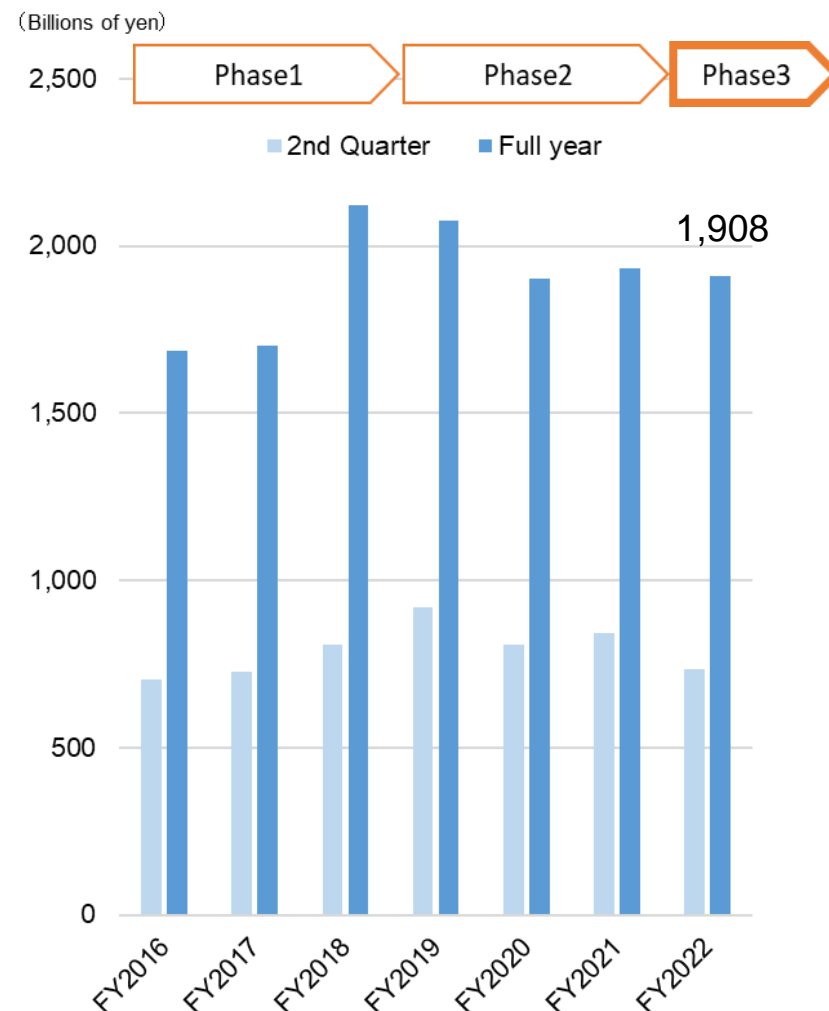
	Phase 3 targets FY2022 - FY2025	FY2022 Results
Ordinary profit margin	5.0% or more	3.3%
Dividend policy	Dividend payout ratio 50% or more Annual dividend per share of ¥70 or more	Dividend payout ratio 87.4% Annual dividend per share of ¥75
Acquisition of treasury stock	About 5 million shares*	1.5 million shares (Cumulative total of 1.5 million shares during period of plan)
ROE	8.0% or more	5.1%
Growth investment	About ¥20bn*	¥3.2bn (Cumulative total of ¥3.2bn during period of plan)

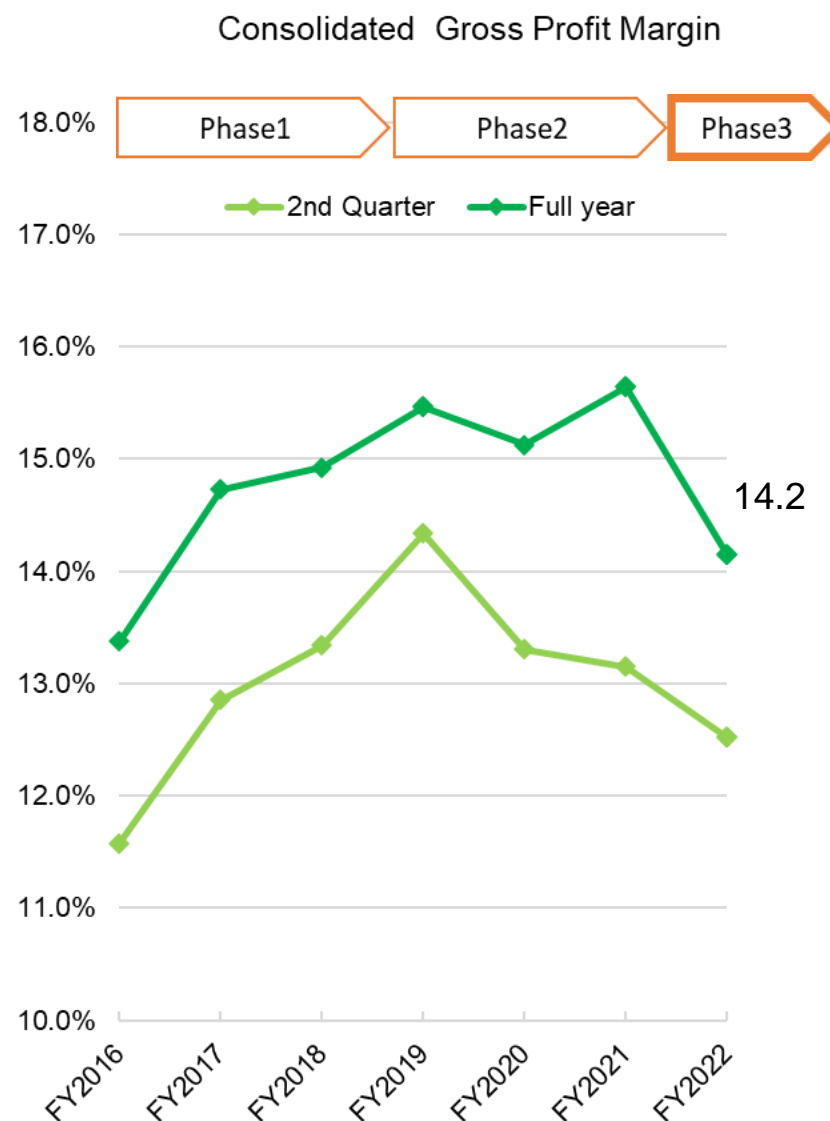
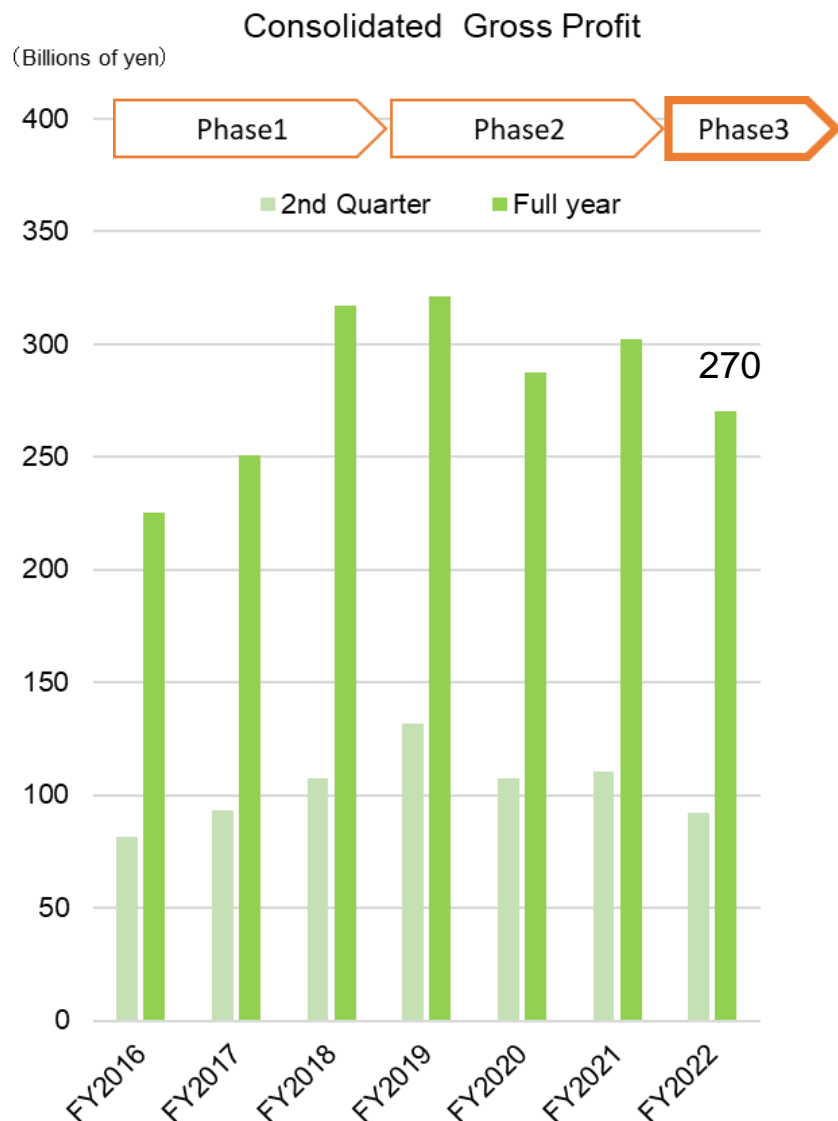
*Cumulative during period of plan

Consolidated Orders Received



Consolidated Net Sales





◆ Topics in each business

● Facilities Construction Business

Received many orders for large-scale urban redevelopment projects and life-cycle engineering* projects to build a legacy for the future in semiconductor- and automotive-related fields

*Sanki's concept to target the entire life cycle of buildings

● Facility Systems Business

Developing new services aimed at expanding capacity in collaboration with a startup company

● Machinery Systems Business

Developed and launched new products targeting the logistics market

Reverse sorter®

Space-saving
high-speed
sorting device



Meris Bianca®

Transport robot



● Environmental Systems Business

The AEROWING aeration system for water treatment facilities is well received worldwide

◆ Technological Development

- Delivered an “AI waste crane system” to CleanHill Tenzan
—Achieving more efficient and stable operational management through the automation of waste crane operation—
- Participated in the Ministry of the Environment FY2022 Decarbonized Resource Recycling Business Demonstration Project Utilizing Digital Technology
- Received orders for energy-saving aeration systems for a large-scale water treatment facility in Australia
—Also contributing to the efficient conservation of ocean marine environments—
- Selected for the Ministry of Land, Infrastructure, Transport and Tourism FY2022 Breakthrough by Dynamic Approach in Sewage High Technology Project FS*
—Technology for the low-cost conversion to fertilizer of ash from the incineration of sewage sludge—

*Feasibility study

◆ Sustainability

Environment

- Strengthened the SANKI YOU Eco Contribution Point System
—Signed an agreement to create forests with the Wakayama and Shiga prefectural governments—
- Signed a contract for the business of supplying electricity sourced from renewable energy (solar power) for the Sanki Techno Center and Yamato Product Center
- Certified by CDP as an A List company with outstanding initiatives and information disclosure on climate change
- Continued to support environmental conservation in Antarctica
- Joined the Ministry of the Environment 30by30 Alliance for Biodiversity

Society and People

- Continued to support the Earthquake Recovery Project
- Established and disclosed the Sanki Engineering Group Human Rights Policy
- Introduced a new personnel system, extending the retirement age to 65, actively promoting young employees, and raising starting salaries
- Launch of the new Career Return Program

Governance

- Transfer to the Tokyo Stock Exchange Prime Market
- Reviewed the officers' compensation system and introduced restricted stock compensation
- Promoted diversity on the Board of Directors and the election of Sanki Engineering's first female Director

◆ Invest toward the Next Era

- Engaged in M&A to promote BIM
- Decided on the construction of a cleanroom inside the Yamato Product Center to develop cleanroom products
- Positioned human capital investment, ICT investment, and R&D investment as investment toward the future
- Made capital investments for decarbonization based on Sanki's carbon-neutral declaration

These represented a total investment of ¥3.2bn out of the total 4-year investment budget of ¥20.0bn.

- Launched the Earth MIRAI Project to explore new technologies
Called for applications from employees during the second half of FY2022, with 122 employees applying

◆ Other Topics

- Renewal of company uniforms and the creation of comfortable working environments
- Also aiming to boost recruitment activities through Sanki's first ever bus-wrap advertisement



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Statements about the future, such as results forecasts included in these materials, are based on judgments made according to the information available to the Company as of May 12. Actual results may differ from the figures contained herein due to a number of factors.

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