



Status of Business Progress in the Medium-Term Management Plan

“Century 2025” Phase 2 FY2021 (final fiscal year)

May 13, 2022

Engineering for the Future

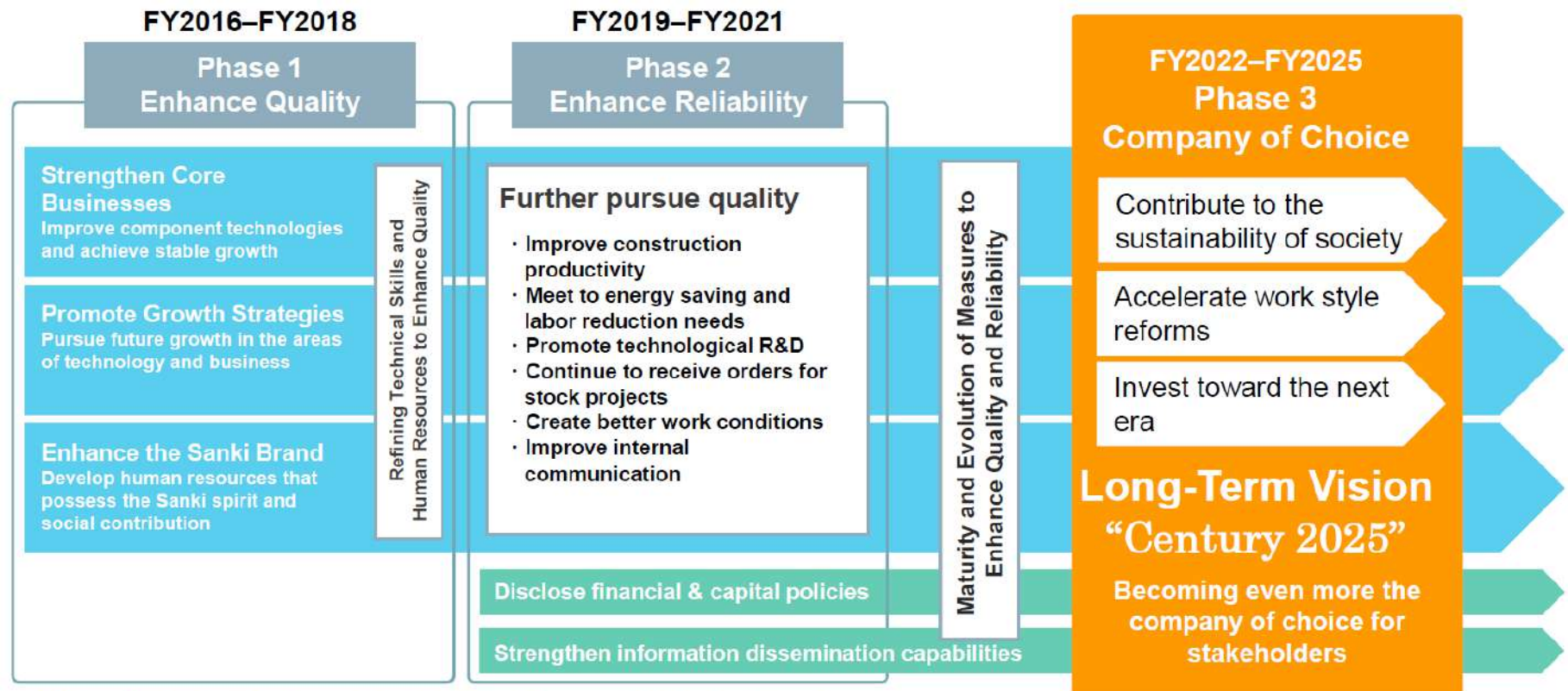


SANKI ENGINEERING CO., LTD.

[Positioning of the Long-Term Vision and Medium-Term Management Plan]

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In the run-up to our 100th anniversary, our Century 2025 long-term vision aims to further improve our quality and reliability, which will encourage even more stakeholders to choose our company.



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

Phase 2 Summary

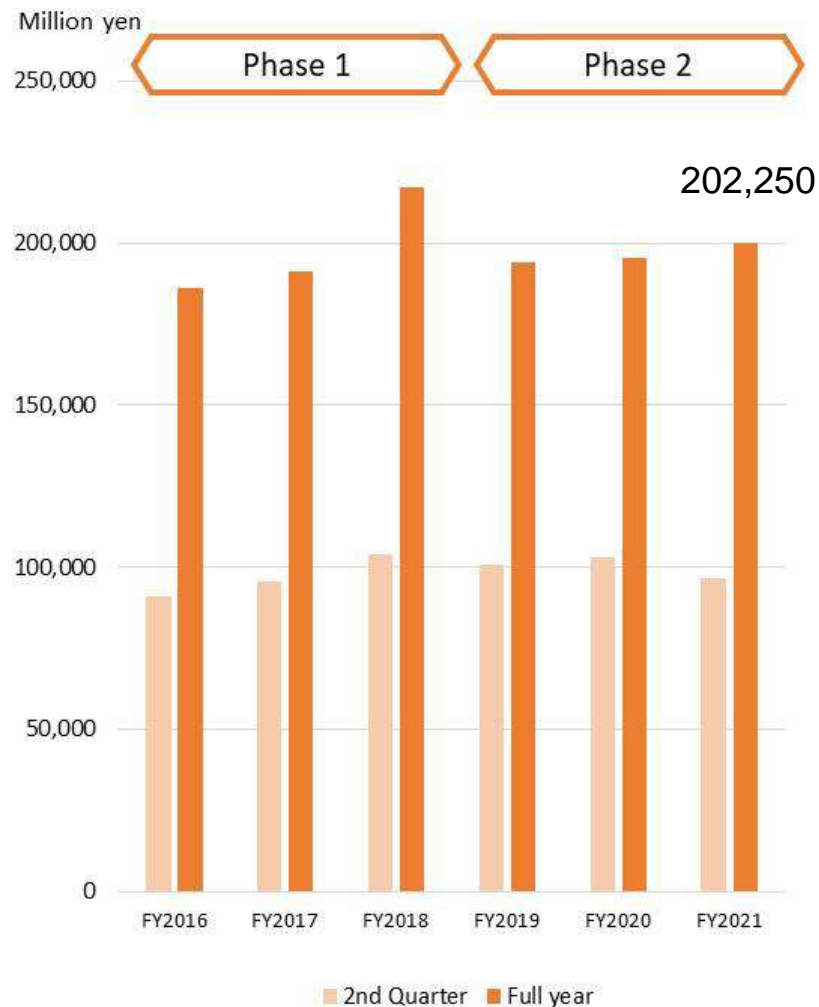
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	FY2019 targets	FY2019 results	FY2020 targets	FY2020 results	FY2021 targets	FY2021 results
Sales	200.0 billion yen	207.6 billion yen	200.0 billion yen	190.0 billion yen	200.0 billion yen	193.1 billion yen
Gross profit (margin)	30.0 billion yen (15%)	32.1 billion yen (15.5%)	31.0 billion yen (15.5%)	28.7 billion yen (15.1%)	32.0 billion yen (16.0%)	30.2 billion yen (15.6%)
Ordinary (%) profit	9.0 billion yen (4.5%)	11.2 billion yen (5.4%)	9.5 billion yen (4.8%)	8.1 billion yen (4.3%)	10.0 billion yen (5.0%)	9.8 billion yen (5.1%)

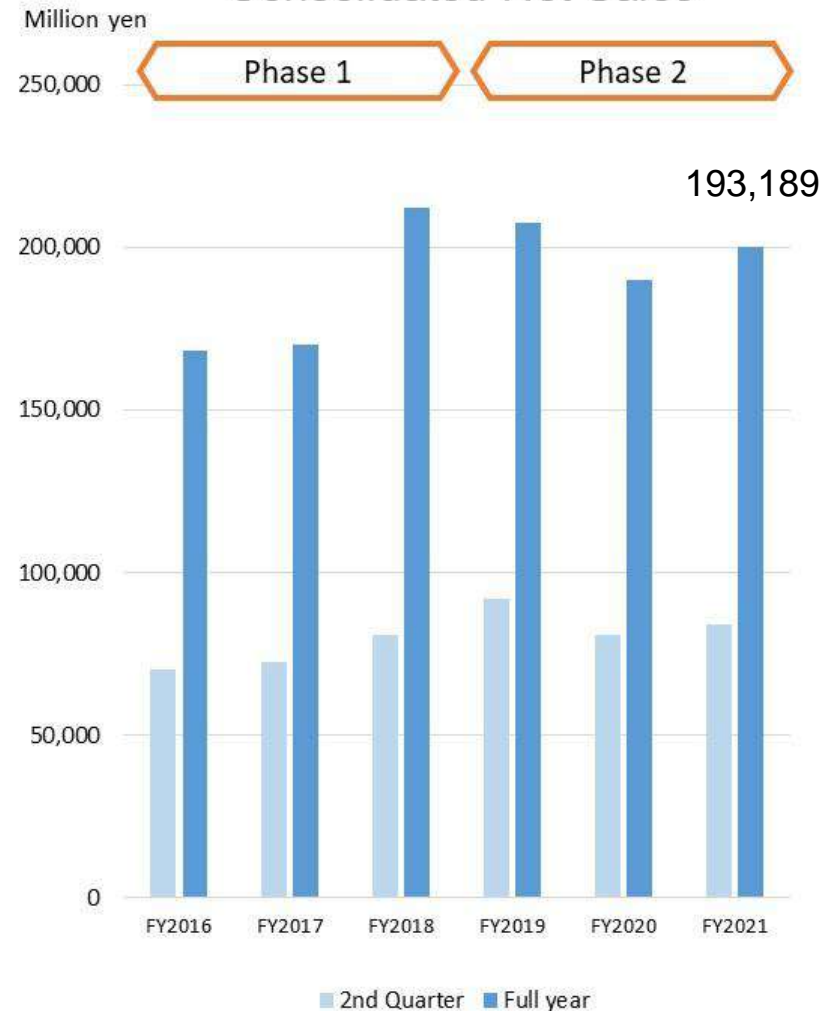
	FY2019 to FY2021 targets	FY2019 results	FY2020 results	FY2021 results
Operating profit ratio	5.0% or more (final fiscal year)	5.4%	4.3%	5.1%
Annual dividend	Per share: 60 yen or more	95 yen	80 yen	85 yen
Acquisition of treasury stock	Approx. 5 million shares	1,958 thousand shares	1 million shares (total: 2,958 thousand shares)	1 million shares (total: 3,958 thousand shares)
Total return ratio	70% or more	111.4%	97.3%	95.7%
ROE	8.0% or more (final fiscal year)	8.6%	6.6%	7.0%

Note: Targets are all according to the initial plan.

Consolidated Orders Received

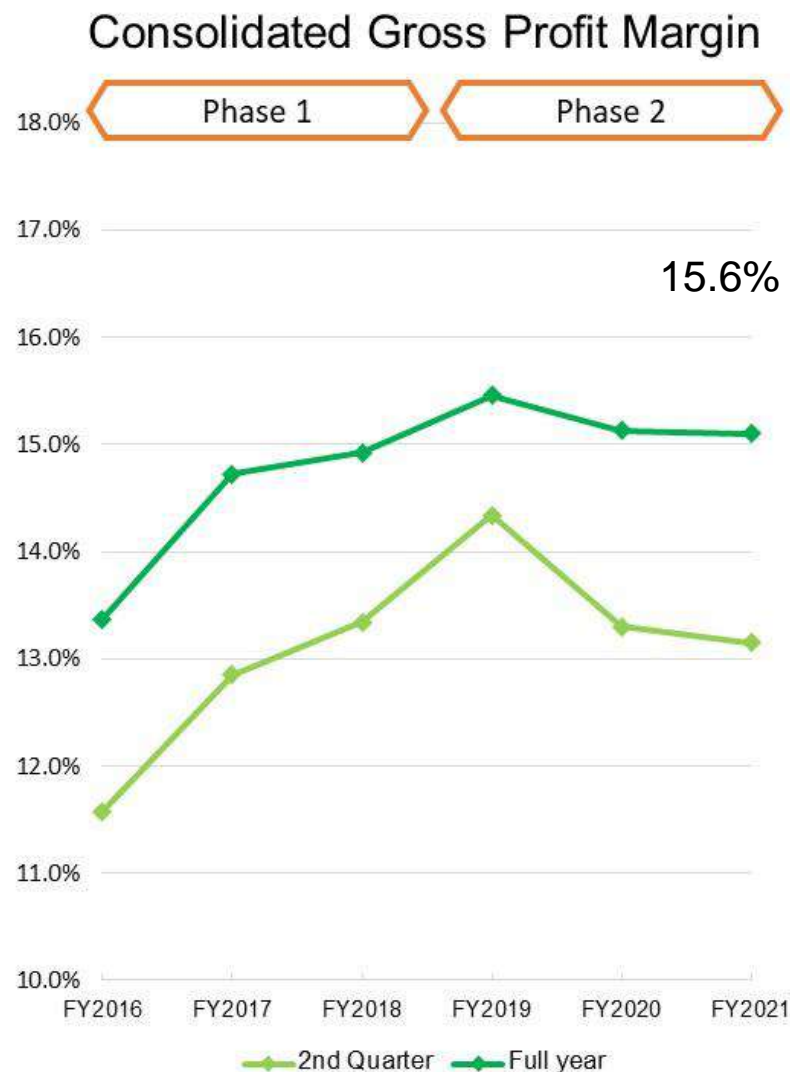
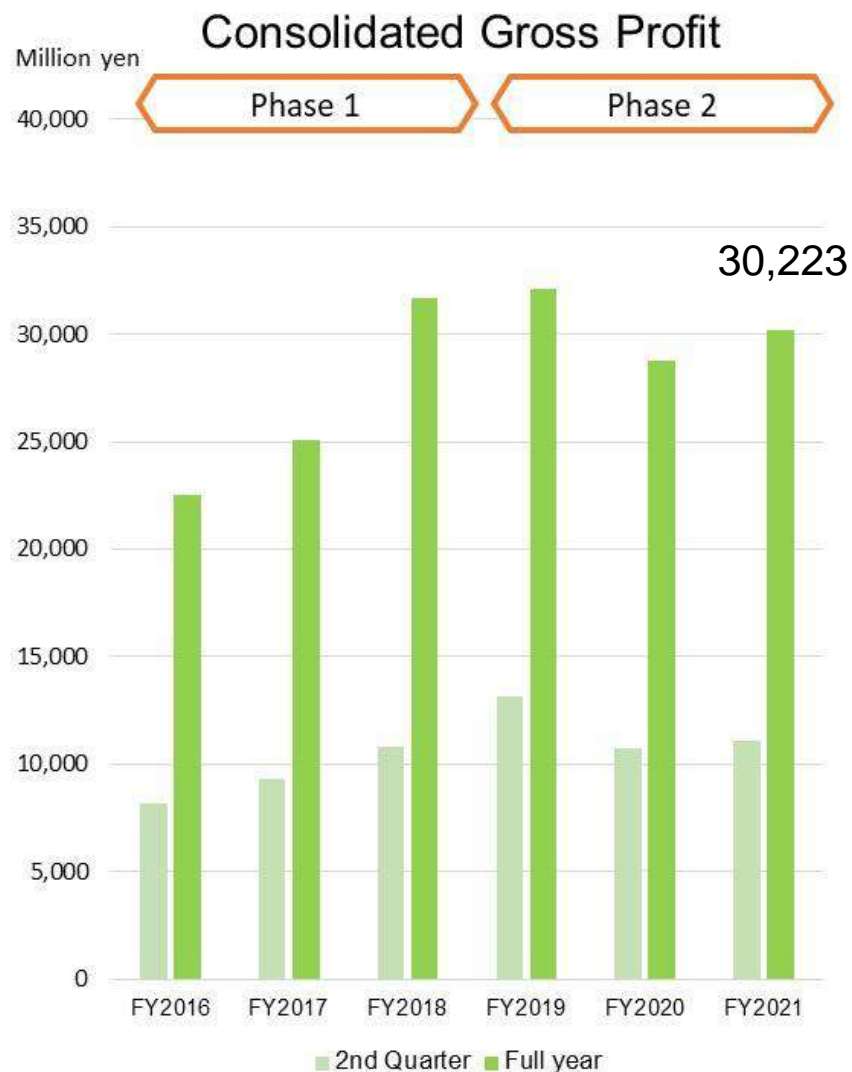


Consolidated Net Sales



Gross Profit/Gross Profit Margin

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◆ Strengthen Core Businesses

- Improve design/construction quality and promote workstyle reforms through cooperation between branch offices/branches and headquarter organizations
 - Strengthen division of labor through the Smile Site Plan
 - Establish a company-wide collaboration system to handle large-scale projects
 - Enhancement of design review and active rollout to construction processes
 - Optimize procurement costs and quality maintenance through gathering information at an early stage
- Development and verification of construction management labor saving technology
 - Entrance/exit temperature measurement system
 - Remote confirmation system using 360-degree imaging
 - Airflow measurement robots
 - Construction management support systems
- Hold the 20th Conference On Electrical Construction Quality
- Roll out new services in the Facility Systems Business
- Develop new products using AGVs (Automated Guided Vehicles) in the Machinery Systems Business
- Receive multiple large-scale orders in the Environmental Systems Business
- Construct a BCMS (Business Continuity Management System)



Conference On Electrical Construction Quality

◆ Promote Growth Strategies

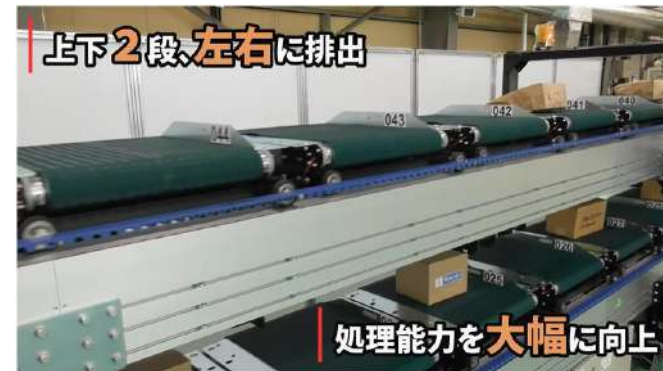
- Develop environmental test equipment for next-generation battery evaluation
⇒ Achieved high precision and low energy use in a wide range of temperature conditions
- Develop new technologies for distribution centers in growth markets
 - Commencement of sales of reverse sorters (vertical sorting devices)
⇒ Achieved 40% space-saving
 - Development of automated sorting systems using transport robots
⇒ Sales to commence in FY2022



Transport robots



Environmental testing equipment



Reverse sorter

- Overseas business expansion in the water treatment sector
 - Received order for energy-saving aeration systems at 2 large water treatment facilities in Denmark
⇒ Covers all sewerage treatment in Copenhagen and contributes to a large reduction in energy usage
 - Acquired a certification of technology verification for global use from the Japan Sewage Works Agency
⇒ Proceeding toward contributing to the solution of social issues through water treatment in Thailand

◆ Improve the Sanki brand

- Creation of systems for evolution for a new age
 - Establishment of the Sustainability Promotion Department at the CSR Promotion Division (formerly the Sustainability Promotion Division)
 - Establishment of the Sustainability Committee, which is chaired by the president
 - Establishment of the BCMS (Business Continuity Management System) Promotion Council
- Formulation and disclosure of the SANKI Group Procurement Policy
- Formulation and disclosure of Sanki's Carbon-Neutral Declaration
- Expressed support for TCFD (Task Force on Climate-related Financial Disclosures) recommendations
- Made 21st donation under the SANKI YOU Eco Contribution Point System
- Selection for listing on the Tokyo Stock Exchange's Prime Market
- Holding the 3rd Kizuna Tsugaru shamisen concert to pray for reconstruction from the Great East Japan Earthquake
- Simultaneously received the division prizes of “gold medal” and the “executive committees encouragement award” at the national calendar exhibition



Poster calendar



Monthly calendar



Tsugaru shamisen concert

◆ Reinforce Information Transmission

- As with last year, we continue to advertise on TV, over the internet, in academic journals, on the street
- Published a booklet about Antarctica
Published a booklet “The Antarctic: Why We Go There” that contains interviews with our Antarctic Research Expedition members.
- Results contributed to by initiatives
 - Maintained the number of individual investors, which has been rising in recent years
 - According to a research company, awareness of the Company has been trending upwards
 - The number of new graduate applicants has increased



Advertisement poster



Sewage Works Exhibition '21



Booklet on the Antarctic



Roadside advertisements

◆ Financial/Capital Policy (stakeholder returns)

● Dividends

Interim dividend: 35 yen, FY-end dividend: 50 yen,
annual dividend: 85 yen

● Share buybacks

Acquired 1 million shares of treasury stock in
FY2021

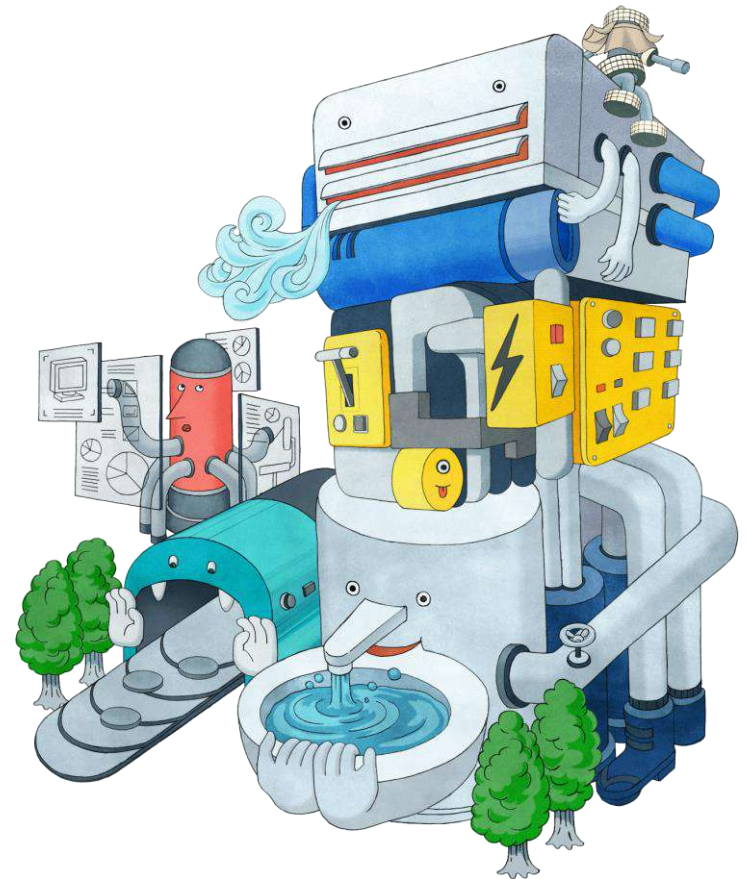
Total of 3,958 thousand shares acquired in Phase 2

● Total return ratio

95.7%

● ROE

7.0%



◆ Sanki's Initiatives from an ESG Perspective

Item	Content
E Environment	<p>[Solution of global environmental issues through business activities]</p> <ul style="list-style-type: none"> • Establishment of the Sustainability Committee, which is chaired by the president • Support for the TCFD (Task Force on Climate-related Financial Disclosures) recommendations • Calculation of the Group's greenhouse gas emissions (calculation of scope 1, scope 2, and scope 3 completed) • Sanki's Carbon-Neutral Declaration • Continuation of Sanki's unique SANKI YOU Eco Contribution Point System
S Society	<p>[Actively conducting workstyle reforms, improving communication, and supporting culture and sport]</p> <ul style="list-style-type: none"> • Commencement of operation of the Sanki Group Procurement Policy with an awareness of CSR procurement • Work to revise the Code of Conduct and Action Guidelines (human rights and biodiversity) • Continuation of the company's unique workstyle reform, Smile Project • Holding the first Diversity CCU* <ul style="list-style-type: none"> * CCU = Century Communication Up – an opportunity for managers and employees to exchange opinions
G Governance	<p>[Ongoing initiatives based on the Sanki Engineering Corporate Governance Guidelines]</p> <ul style="list-style-type: none"> • Response to the June 2021 revision of the Corporate Governance Code • Achievement of the stricter governance level required by the Tokyo Stock Exchange's Prime Market • Meeting of the Board of Directors concerning corporate governance • Improvement of efficacy based on ongoing evaluation of the effectiveness of the Board of Directors



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 13. Actual results may differ from the figures contained herein due to a number of factors.

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