
Status of Business Progress
in the Medium-Term Management Plan

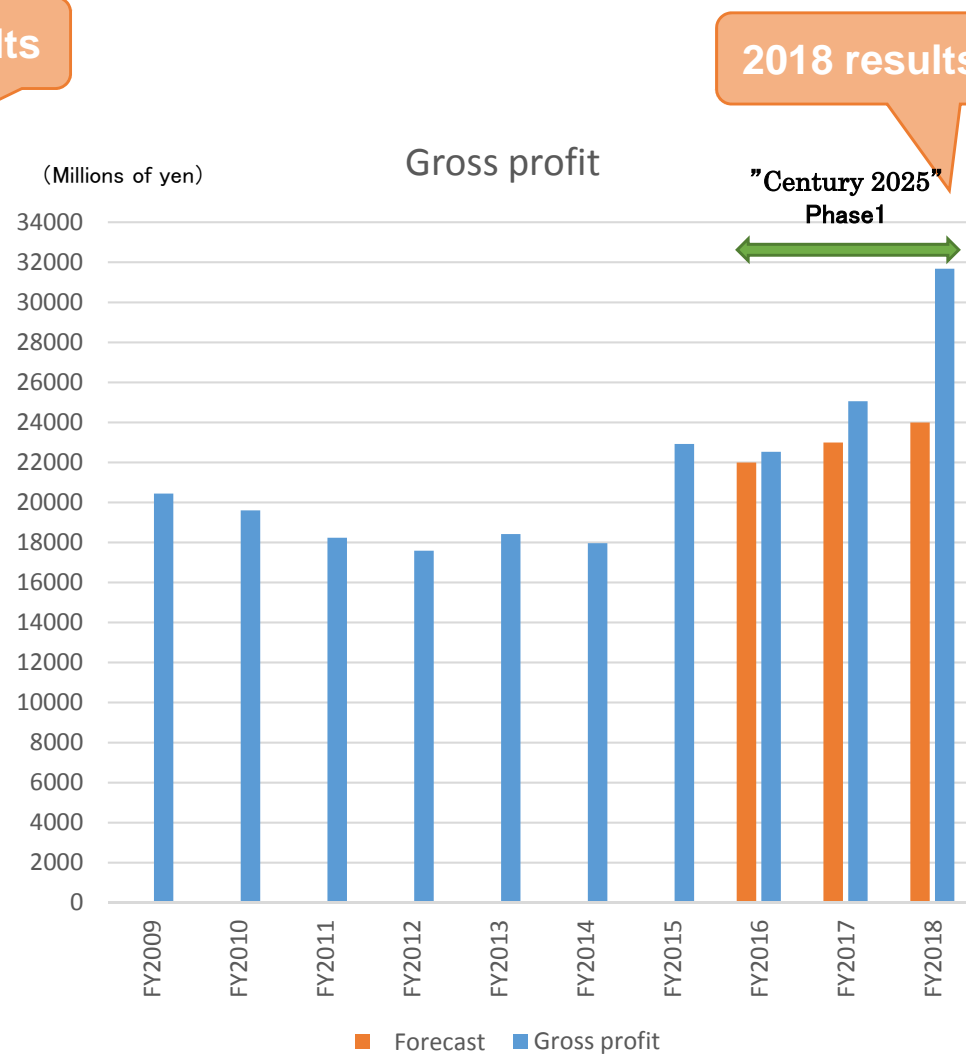
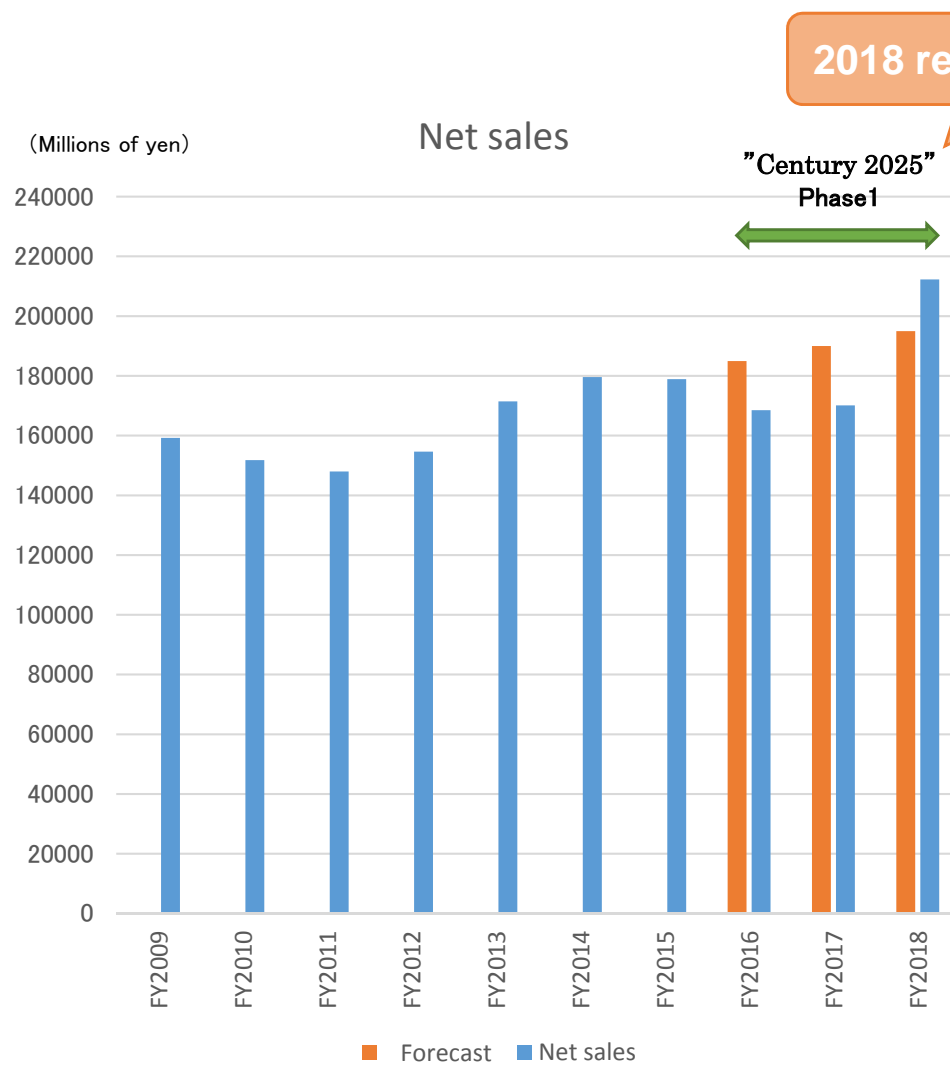
“Century 2025” Phase1

- FY2018 is the final year -



May 14, 2019
Sanki Engineering Co., Ltd.

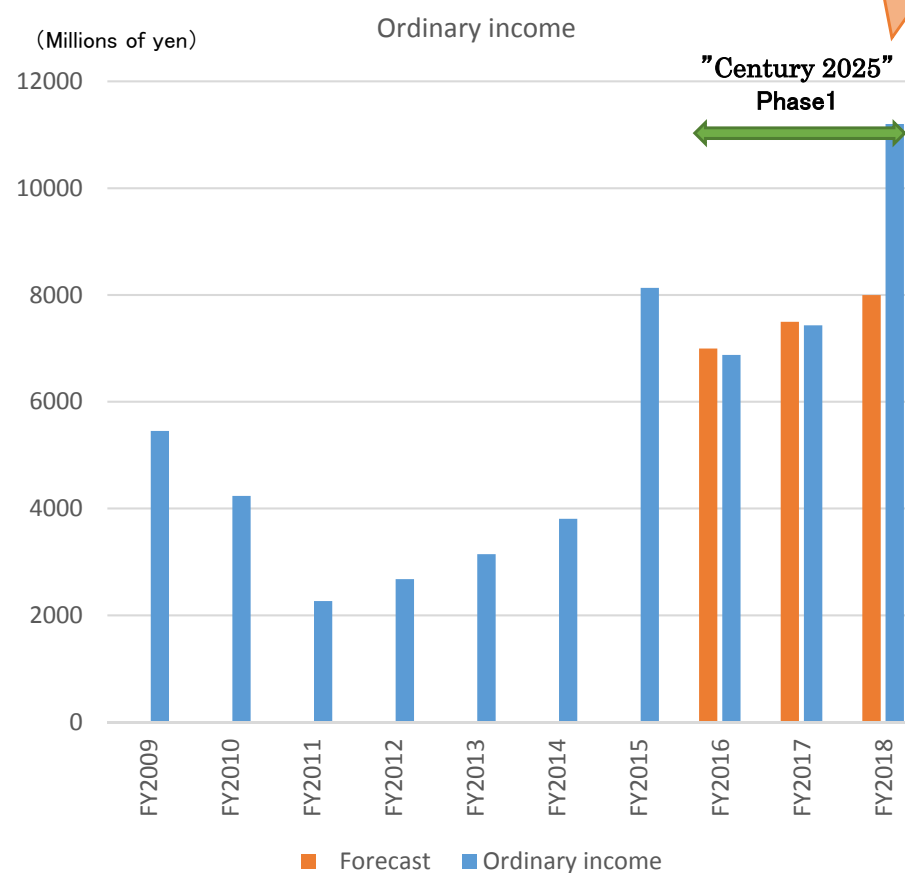
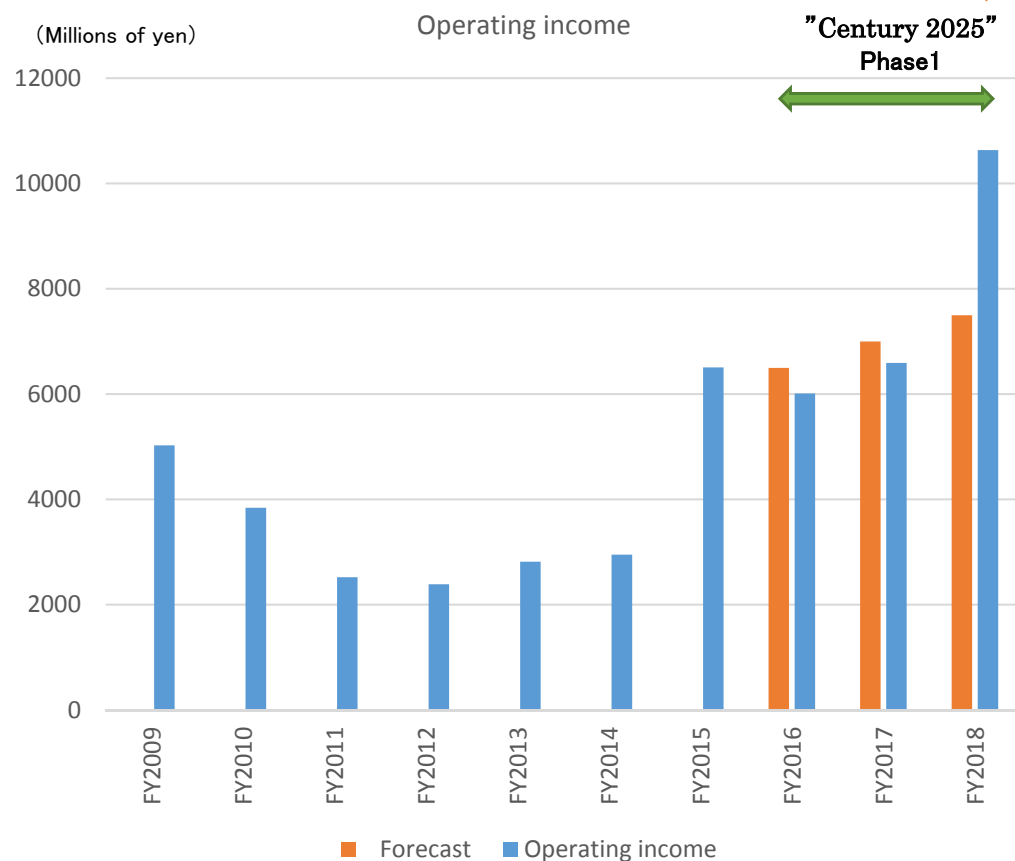
Business Results



Business Results

2018 results

2018 results



Topics by Segment

○ Facilities Construction Business

- (1) Strategically receive orders for large-scale projects, which will form future stock
- (2) Receive Energy Conservation Grand Prize for energy conservation system that uses heat from hot springs

○ Machinery Systems Business

- (1) Receive first orders for conveyor and sorting device “Cross Belt Sorter CBII”
- (2) Commence new plant construction

○ Environmental Systems Business

- (1) Receive ongoing order for waste incineration facilities (1 per year)
- (2) Receive first order for continuous heat sterilization apparatus for medical and pharmaceutical wastewater

○ Real Estate Business

Commence land lease for the former Yamato Engineering Center sites



Oochi Clean Center
conceptual drawing

Status of Measures

Measures to enhance quality and become the company of choice for customers

(1) Shareholder returns	Dividends, retirement, and acquisition of treasury stock
(2) Enhancing quality	Promotion of the STeP* project
(3) Activities this year	Development of new technology, work-style reforms, social contributions, and awards received

Details to follow

* STeP (Sanki Techno Park) Project

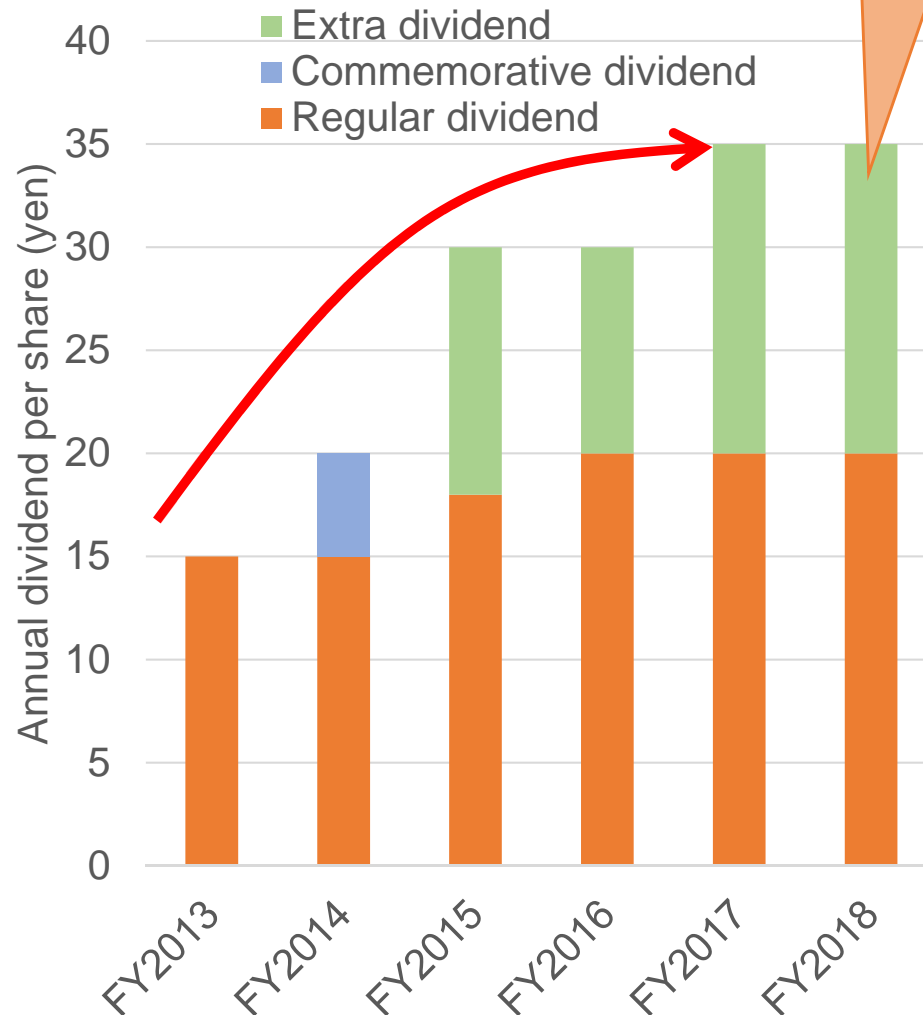
A project to redevelop the land and buildings, primarily on the Sanki Yamato property (the Sanki Yamato Building and the old Yamato Plant), a real estate holding of Sanki Engineering.

Namely the construction of the Sanki Techno Center, followed by the reorganization of the machinery systems manufacturing plant and other effective uses of real estate holdings.

Shareholder Returns

Needs to be checked

○ Dividends



○ Retirement and acquisition of treasury stock

(1) 1,000,000 shares retired

(retirement completed in Nov. 2018)

(2) 1,000,000 shares acquired

(acquisition completed in Jan. 2019)

Enhancing Quality

○ Promotion of the STeP Project

(1) Sanki Techno Center

Full opening in October 2018

(2) New Machinery Systems Plant “Yamato Product Center”

Commencement of construction
in April, 2018

Production scheduled to commence
in August 2019

(3) Site of the old Yamato Plant

Commencement of land leasing
in May 2018



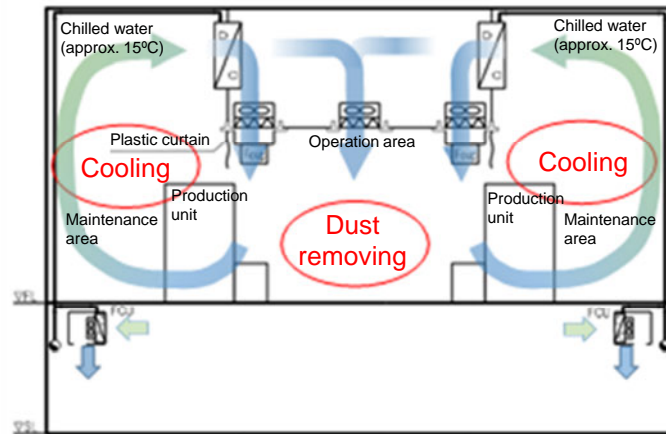
Sanki Techno Center



Yamato Product Center
conceptual drawing

Activities This Year

(1) Development of new technology



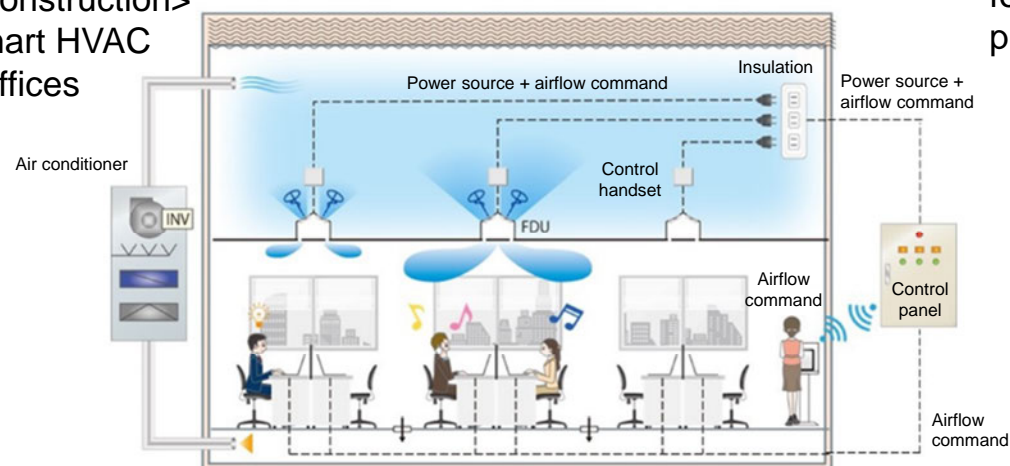
DOUP™ system

<Facilities Construction>
DOUP™, an energy-saving
HVAC system for
cleanrooms



<Facilities Construction>
Heat stroke monitoring
system that uses the IoT

<Facilities Construction>
selfFort™ smart HVAC
system for offices



< Machinery Systems >
Rice ball transfer system
for food processing
plants



<Environmental Systems>
Continuous heat
sterilization apparatus for
medical and
pharmaceutical
wastewater

Activities This Year

(2) Work-style reforms

<Facility Systems>
NEW OFFICE Project, which includes new product development and work style reforms.



- ✓ We partially reformed the HR system, such as by increasing starting salaries and reviewing salary levels and promotion conditions accordingly.

* CCU=Century Communication Up

- ✓ Many opinions and needs were expressed by employees at “CCU”^{*} and “Ladies’ Roundtables,” which allow direct dialogue between management and employees.



President/Mid-level officers CCU



President/Veteran CCU



3rd Sanki Ladies' Roundtable

(3) Social contributions



- ✓ In addition to making donations through “SANKI YOU Eco Contribution Points,” we participated in afforestation activities throughout Japan.

- ✓ Sport sponsorship also strengthened



In the first half of the fiscal year, we supported a deaf rugby match for deaf players and a student soccer match between Waseda University and Keio University.

In the second half of the fiscal year, we became the official sponsor of the women’s soccer team “Yamato Sylphid,” located in Yamato City, Kanagawa Prefecture, which is the location of the Sanki Technology Center.

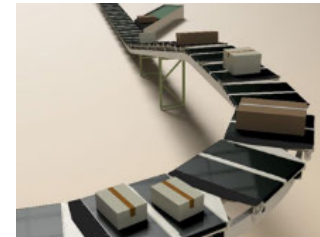
Activities This Year

(4) Awards received in fiscal 2018

- ✓ 2018 Energy Conservation Grand Prize - Agency for Natural Resources and Energy Commissioner's Prize
"Energy conservation project for entire hot-spring district that uses unused heat from hot springs"
(Yunohama Onsen District, Tsuruoka City, Yamagata Prefecture)
- ✓ 2018 Notable Logistics Equipment Product Award – CBII
- ✓ 2018 Nikkei Smart Work Survey – 3 Stars
- ✓ Toyo Keizai CSR Ranking – 300th
- ✓ Third Osaka Sakuyahime Awards – Participation Award
- ✓ 70th National Calendar Awards BtoB Division – Silver Award

<Awards for facilities with which the Company has been involved>

- ✓ 28th BELCA Awards – Suntory Hall
- ✓ 59th BCS Prize, Special Award - JR Gate Tower



Cross Belt Sorter CBII




Third Osaka Sakuyahime Awards – Participation Award
Head of Kansai Branch
Management Division
Tomoko Ozawa



Energy conservation project for entire hot-spring town that uses unused heat from hot springs

From the ESG Perspective

	Status of implementation
<p style="text-align: center;">E Environment</p>	<ul style="list-style-type: none"> • 2018 Energy Conservation Grand Prize, Agency for Natural Resources and Energy Commissioner’s Prize • selfFort™ smart HVAC system for offices • DOUP™ energy-saving HVAC system for clean rooms • Dispatched employees from the HVAC Facilities Division to the National Institute of Polar Research Japanese Antarctic Research Expedition • Continued contributions through SANKI YOU eco contribution points
<p style="text-align: center;">S Society</p>	<ul style="list-style-type: none"> • Continued the company’s unique work style reform, Smile Project (from October 2015) • Continued CCU for direct dialogue between management and employees • NEW OFFICE Project for office reforms, including work style reforms • Heat stroke monitoring system to protect workers at construction sites • Company-wide penetration of SDGs (Corporate ethics training and integrated reporting)
<p style="text-align: center;">G Governance</p>	<ul style="list-style-type: none"> • Review of the composition of the Board of Directors • Dialogue with shareholders (increased the number of opportunities for dialogue and held briefing sessions for individual investors) • Commencement of revision of Board of Directors’ tabling procedures • Reduction in cross-shareholdings <div style="text-align: right; margin-top: 20px;">  <p>The Company’s booth was visited by many people at a briefing session for individual investors</p> </div>

Finally

The Sanki Group pursues growth one step at a time,
constantly refining its technical skills and human resources
to provide engineering that creates customer satisfaction in any age,
and achieve sustainable growth and medium to long-term increases in
corporate value.