



Status of Business Progress in the Medium-Term Management Plan

“Century 2025” Phase 2 FY2021 2nd Quarter

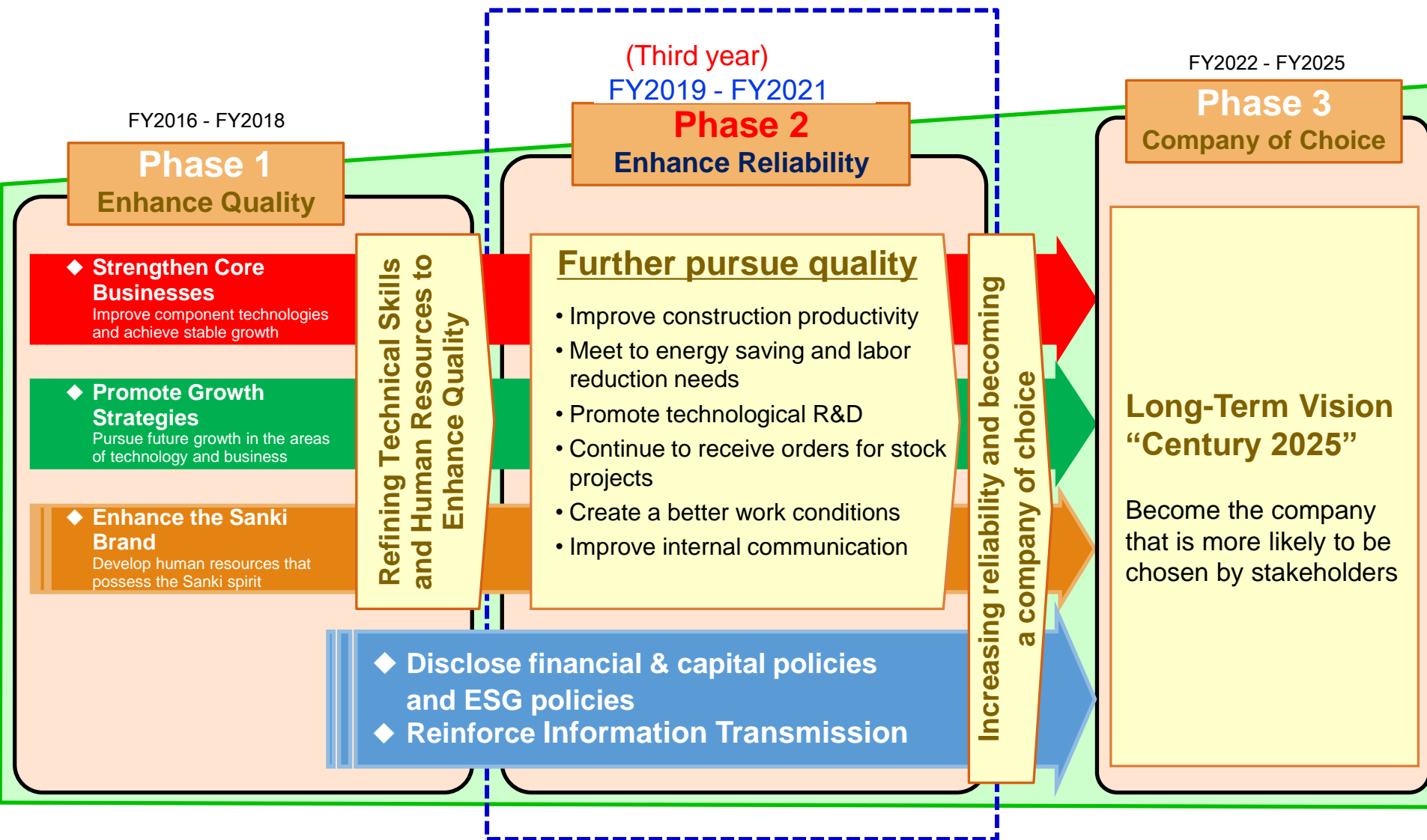
November 12, 2021

Engineering for the Future

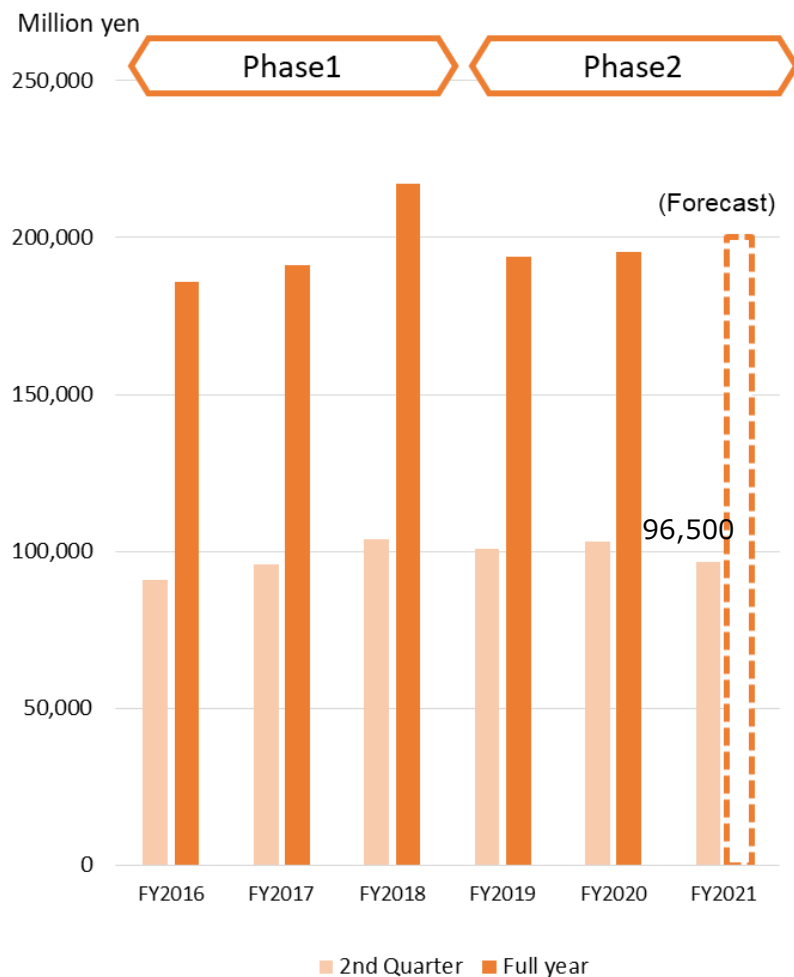


SANKI ENGINEERING CO., LTD.

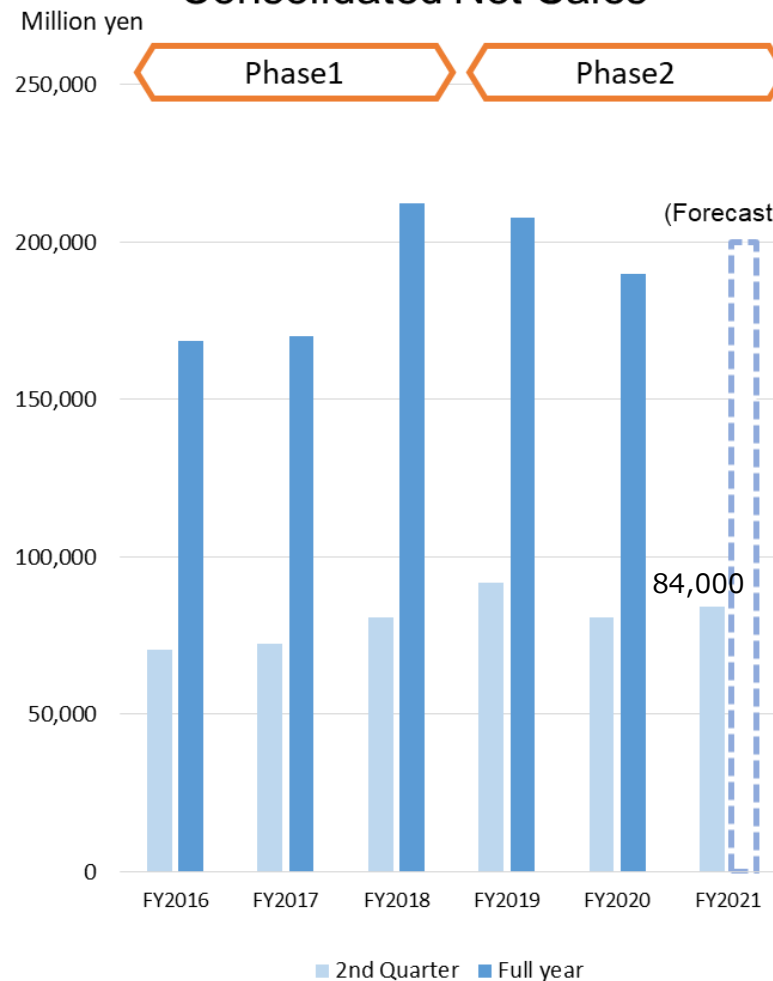
[Positioning of the Long-Term Vision and Medium-Term Management Plan]



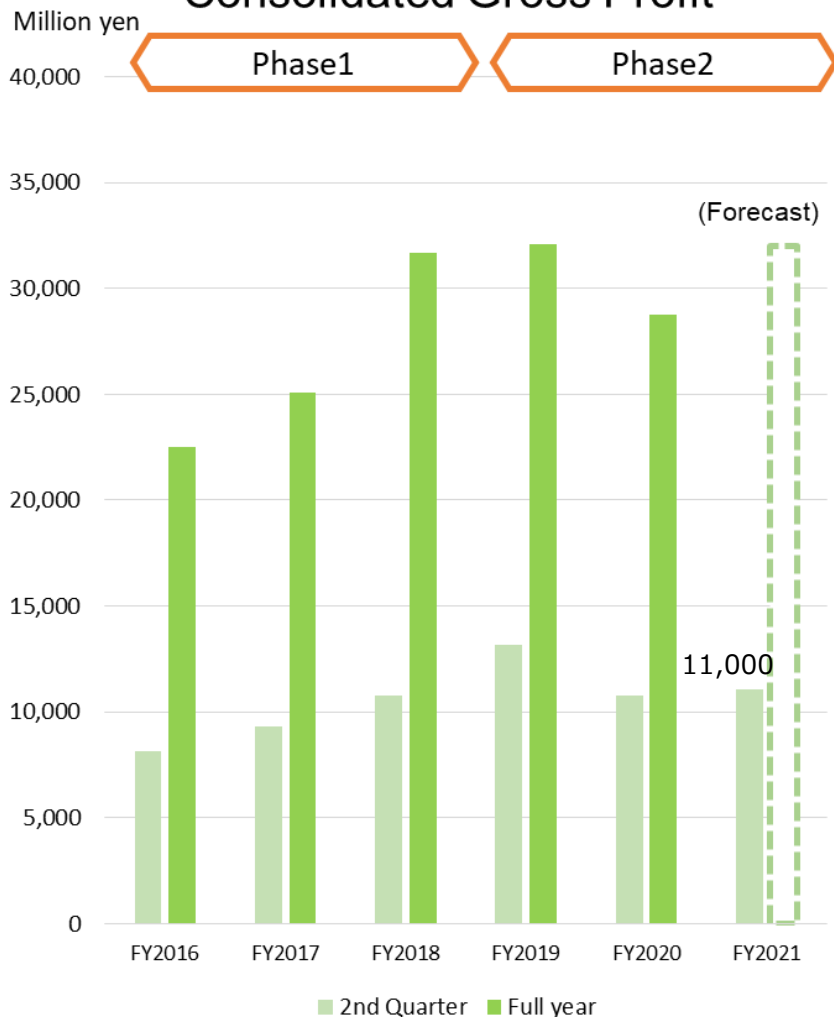
Consolidated Orders Received



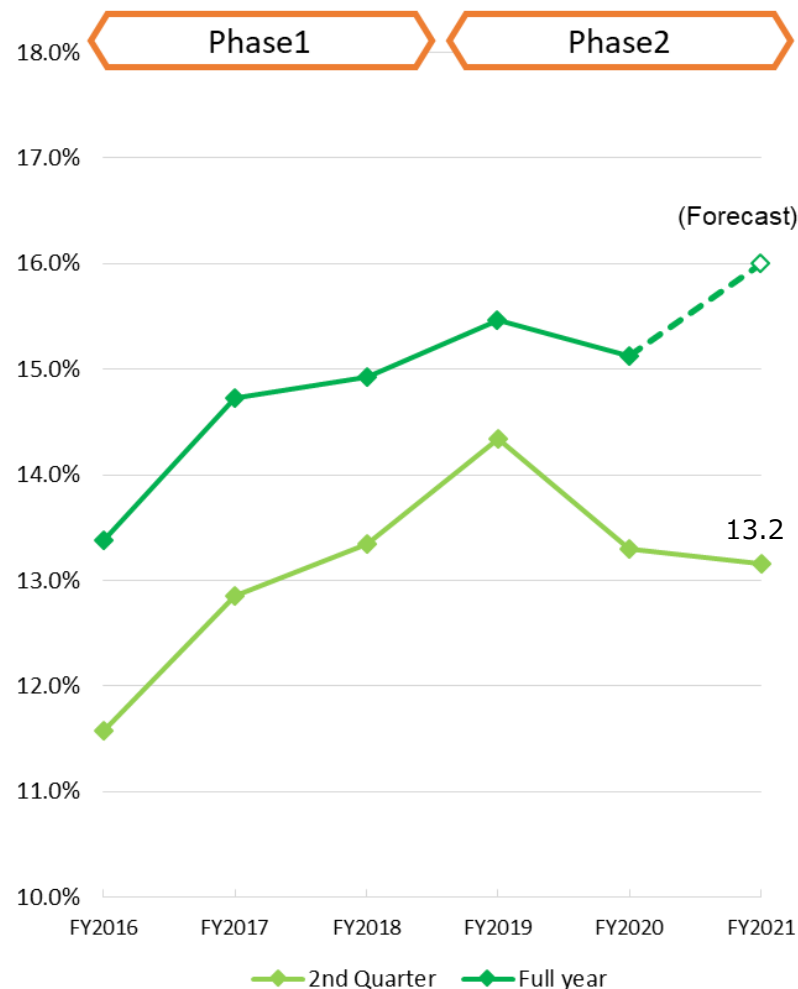
Consolidated Net Sales



Consolidated Gross Profit



Consolidated Gross Profit Margin



◆ 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 roll-out to construction processes
 - Optimize procurement costs and quality maintenance through gathering information at an early stage
- Received an order for Southern Health Center garbage incineration systems from Futaba Regional Wide Area Municipal Area Association in Fukushima Prefecture
Contribute to earthquake reconstruction through the construction of waste treatment facilities
- 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
- Conducted summer special joint health and safety patrol
- Held safety and quality competitions at each site using online connections
Strengthen relationships with subcontractors through awards such as the Sanki Super Meister and Sanki Best Partner Award
- Received the Technology Promotion Award from The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan
Awarded Sapporo City Kita 4 Higashi 6 District Redevelopment <Smart City Facilities Plan Considering Safety, Health and Energy Saving>“
- Our employees received the “Industrial Machinery Industry Achievement Award” from the Japan Society of Industrial Machinery Manufacturers



Health and safety patrol

◆ Promote Growth Strategies

- Develop environmental test equipment for next-generation battery evaluation
Achieve precise controllability within 0.3-degrees Celsius over a wide range of temperature conditions from -40 to +100-degrees Celsius.



Environmental testing equipment

- Strengthen automatic transportation equipment and systems, including for the logistics market
 - First delivery of new sorting device (reverse sorter)
 - Commercialization of Transport Robot Operating System*
 - * Operation management system using multiple autonomous mobile transport robots (AMR)



Reverse Sorter

- Started joint R&D on a sewage monitoring system to realize a society that can adapt to infectious diseases in real time
Selected by the Ministry of Land, Infrastructure, Transport and Tourism for applied research on sewerage in FY2021
Capture epidemiological information on infectious diseases such as COVID-19 from sewer infrastructure

- Established Consulting Promotion Department in Facility Systems Division

◆ Improve Sanki brand

- Established specialized departments and conference bodies for evolution toward a new era
 - Established Sustainability Promotion Department at CSR Promotion Headquarters
 - Established Sustainability Committee with full-time directors as the main members
 - Established DX Promotion Section in the Information Systems Room
 - Established BCMS (Business Continuity Management System) Promotion Council
- Formulation and disclosure of Sanki Engineering Group Procurement Policies
- Expressed support for TCFD recommendations
- Selection for listing on the Tokyo Stock Exchange's new Prime Market segment
- Made 21st donation under the SANKI YOU Eco Contribution Point system
Contributed a cumulative 231,000-ton CO₂ reduction in customers business activities, with more than 18,000 trees planted
- Over 30,000 people have visited the Sanki Techno Center's Sanki Environmental Garden
Provides a place of relaxation for people in nearby Yamato City, Kanagawa Prefecture
- Original poster calendar won award in Europe
Received the Jury's Special Prize Award for our calendar "Nature Flows" at the largest calendar exhibition in Europe, the Gregor Calendar Award



Original poster calendar

◆ Reinforce Information Transmission

- As with last year, we continue to advertise on TV, over the internet, in academic journals, and on the street
- We published our integrated SANKI REPORT 2021
- Exhibited at Sewage Works Exhibition '21 Osaka
- Published a booklet about Antarctica
Published a booklet “The Antarctic: Why We Go There” that contains interviews with our Antarctic Research Expedition members.



Advertisement poster



Sewage Works Exhibition '21



Booklet on the Antarctic



Roadside advertisements

◆ Financial/Capital Policy (stakeholder returns)

● Share buybacks

We plan to buy back 1,000,000 shares

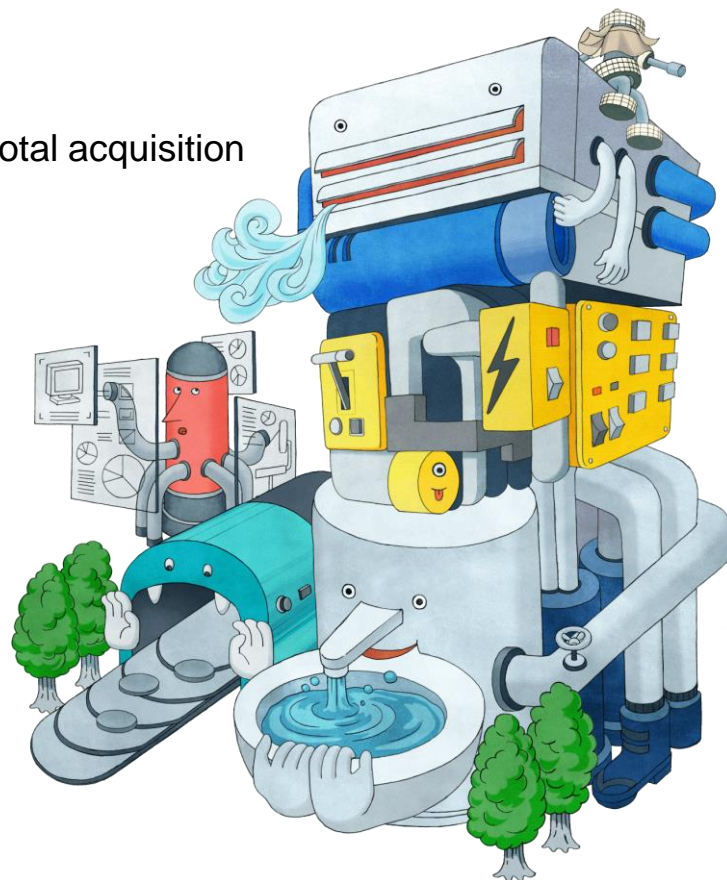
* Acquired 367,400 shares through 31 October 2021 (total acquisition price: ¥537,479,192)

● Dividends

We forecast a annual dividend of ¥70

(interim dividend ¥35, FY-end dividend ¥35)

* Unchanged from forecast at start of term



◆ Sanki's Initiatives from an ESG Perspective

Item	Content
<p style="text-align: center;">E Environment</p>	<ul style="list-style-type: none"> • Expressed support for TCFD recommendations • Made our 21st donation through the SANKI YOU Eco Contribution Point System Under this system, when a customer adopts our proposal for energy savings, the amount of CO₂ emissions reduced by the solution is converted to points.
<p style="text-align: center;">S Society</p>	<ul style="list-style-type: none"> • Formulation and disclosure of Sanki Engineering Group Procurement Policies • Strengthen division of labor through the Smile Site Plan • Conducted employee surveys on compliance, sustainability, and work environment More than 90% of employees answered that they would like to continue working at the Sanki Engineering Group. • Conducted workplace vaccination program for COVID-19, and have vaccinated roughly 3,000 people • Decided to raise the retirement age from 60 to 65 from FY22
<p style="text-align: center;">G Governance</p>	<ul style="list-style-type: none"> • Over one-third of the board of directors are independent external directors • Board of directors held active discussions regarding the next medium-term management plan • Preparing to revise the Corporate Governance Code



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 November 12. Actual results may differ from the figures contained herein due to a number of factors.

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