

/ We present new styles and value for space in office environments during a period of transformation.

Kimio Kadowaki

Executive Officer, General Manager of the Facility Systems Division

The Facility Systems Business was launched in 1989 as an in-house venture, so this year marks its 34th year. We have steadfastly achieved growth by leveraging the strengths of our two business areas of facility systems and smart building solutions to present new styles and value for space in offices and other indoor facilities. Both business areas provide services that support working environments in terms of hardware and operations and can play their part in building the foundations of the future, including DX promotion. We intend to become the fourth pillar of Sanki Engineering's business by consistently being first on the scene of customer transformations in the coming years.



Facility Systems Business

Opportunities and Risks in the Business Environment

- Change in the post-COVID-19 office market
- Expanded need to introduce effective mechanisms and ICT tools for work style operations including teleworking
- Growing expectations for the total integration business of building ICT using advanced digital technology
- Increased opportunities for reconstructing and reviewing ICT infrastructure driven by DX

Key Initiatives of the Medium-Term Management Plan "Century 2025" Phase 3

Facility Systems

- Key Initiative 1** Expand consulting service offerings
- Key Initiative 2** Enhance sales and production structures for business expansion
- Key Initiative 3** Deepen existing business areas

Smart Building Solutions

- Key Initiative 1** Strengthen the total integration business of building ICT
- Key Initiative 2** Expand onsite information and the communication infrastructure business
- Key Initiative 3** Nurture specialized engineers

KPIs for Medium-Term Management Plan "Century 2025" Phase 3

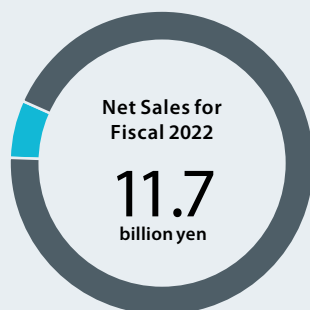
	FY2025 Targets	FY2022 Results	Evaluation
Expand consulting service offerings			
Orders received for consulting/facility engineering	400 million yen	140 million yen	○
Orders received for projects related to NeWSICT*	500 million yen	160 million yen	○
Orders received for project management and construction work resulting from consulting and other sales approaches	2.1 billion yen	1.08 billion yen	◎
Total	3.0 billion yen	1.38 billion yen	

*Next Work Style with ICT

Facility Systems Business

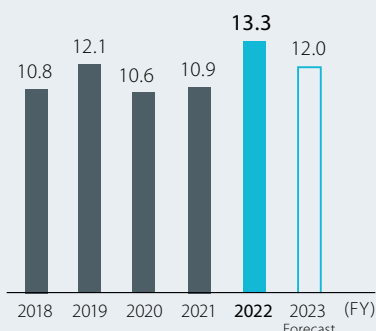
Net Sales
Composition Ratio

6%



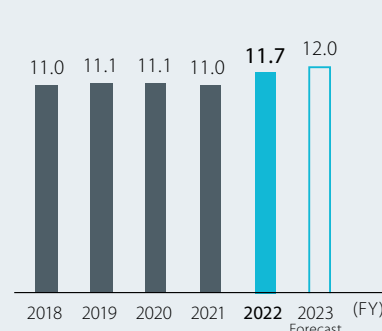
Orders
Received
(Billions of Yen)

13.3
billion yen



Net Sales
(Billions of Yen)

11.7
billion yen



Major Results for Fiscal 2022

Facility Systems

- Enjoyed steady growth in the consulting business, such as by winning a large order for a non-financial project, resulting in a favorable flow of orders received.
- Expanded sales channels led to an increase in inquiries.

Smart Building Solutions

- In the area of network solutions (ICT), orders received, sales, and profit on sales increased significantly as we focused on projects with more pronounced investment activity than those in the previous fiscal year, such as data center and logistics facility projects.
- In the area of building management solutions (instrumentation), we focused on sales activities as a system integrator* (Sler).



Spaces that can be moved to suit the purpose

Major Clients

- A chemical manufacturer (head office construction, work style consulting, and relocation project management)
- A securities company (office construction for a call center and relocation project management)
- An asset management company (head office construction and relocation project management)
- An Internet service company (construction of a data center and communication infrastructure)

*A company ("Sler" for short) that undertakes systems development.

Status of Business Operations and Future Outlook toward Achieving Phase 3

Develop Services that Originate from Consulting

We will aggressively promote sales and proposal activities originating with our consulting services to identify the need for large-scale office relocation, work style review, and review of spaces in the post-pandemic office. We will also develop solutions that leverage our strengths as a total engineering company and respond to market needs in light of trends such as smart offices.

Promote Total Integration Business of Building ICT

We intend to increase orders for building management solutions by proposing total integration that incorporates surveillance cameras, security systems, fire alarms, and other equipment when upgrading central monitoring, and

automated control systems. In terms of network solutions, we will strive to increase orders through aggressive sales activities in response to robust demand for capital investments in information infrastructure for data centers, distribution warehouses, and commercial facilities.

Develop New Services with Expanded Scope

To expand the scope of our business, we will explore possibilities for collaboration with startup companies. We will conduct an open innovation program for conceiving and implementing new value by linking the innovative ideas and technologies of startups with Sanki Engineering's component technologies to create new services and solutions.