# COMPANY RESEARCH AND ANALYSIS REPORT

# SANKI SERVICE CORPORATION

## 6044

Tokyo Stock Exchange Standard Market

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# Contents

# Summary

## In FY5/25, achieved record high net sales, operating profit, and net profit, improved profitability as a result of developing human resources, and maintained growth

### 1. Company profile

SANKI SERVICE CORPORATION <6044> (hereafter, also "the Company") provides total maintenance services from design, construction, and maintenance management to repairs, not only for air-conditioning equipment but also for all equipment and devices such as electrical, kitchen, water supply and drainage, and sanitation equipment, primarily through its call centers that operate 24-hours-a-day, 365-days-a-year. It is working on environmental improvements by providing total maintenance for infrastructure facilities that are essential for economic and corporate activities, such as offices and buildings, commercial facilities and chain stores, hotels, hospitals and care facilities for the elderly, and government buildings and schools.

### 2. Overview of FY5/25 results

In the FY5/25 consolidated results, the Company posted positive earnings, with record highs for net sales, operating profit, and profit attributable to owners of parent. Sales and profits were higher year-on-year (YoY): net sales increased 6.2% to ¥20,636mn, operating profit increased 38.6% to ¥1,020mn, ordinary profit increased 34.6% to ¥1,021mn, and profit attributable to owners of parent increased 47.3% to ¥689mn. On the other hand, in the final year of the three-year medium-term management plan, net sales and operating profit were forecast to reach the targets in the medium-term management plan, but they fell slightly short. In terms of sales, construction and repair projects increased, especially for the retail sector, and air-conditioning equipment replacement projects for educational institutions, etc. performed strongly. For regular maintenance, the share of net sales on a stand-alone basis decreased due to a decline in the order volume owing to circumstances at some customers. In terms of profits, the effect of growth in net sales due to increased recurring income-based projects such as construction and improved profit margin for flow-type projects such as regular maintenance led to profit growth. While the Company is ramping up its investment in human resources in anticipation of future construction management of large comprehensive maintenance projects and expansion of sales channels, net sales growth and profit margin improvement exceeded SG&A expenses.

### 3. FY5/26 forecasts

For FY5/26 consolidated results, the Company expects net sales to increase 12.9% YoY to ¥23,300mn, operating profit to rise 10.7% to ¥1,130mn, ordinary profit to increase 10.7% to ¥1,130mn, and profit attributable to owners of parents to go up 3.0% to ¥710mn. For the Hirakata City Public Elementary and Junior High School Classroom Air-Conditioning Equipment Upgrading DBO* Project in Hirakata City, Osaka Prefecture, for which the Company bid successfully in FY5/25, around half the bid amount of ¥8.1bn is for design and construction services, for which earnings will continue to be recorded over approximately three years. In FY5/26, this is expected to contribute several billion yen in sales. Having received this unprecedented large project order, the Company expects that it will receive more orders by rolling out its services to other educational institutions based on its track record with this project. In terms of key policies for each business segment, the maintenance services business plans to expand its area with a focus on major regional cities and acquire new customers. The total maintenance business will pursue the development of customers with large facilities, especially large office building and warehouse projects, and measures to improve sales per customer through cross-selling and upselling of maintenance services to customers who order construction projects in order to increase the proportion of recurring income-based sales. The environment business will expand the unique, Sanki-specific energy-saving solutions that it offers to customers who order public institution-related projects. The medical business aims to establish a long-term contract-based model by increasing the number of qualified personnel and capture customers such as hospitals. Furthermore, each business will pursue the development of multi-skill service engineers along with DX promotion measures such as using digital tools and automating regular tasks. Based on this, the Company aims to improve profitability by increasing sales per customer due to increased customer satisfaction while balancing controlling SG&A expenses and enhancing operational efficiency.

* Design-Build-Operate: A method of ordering projects that packages facility maintenance management together with design and construction

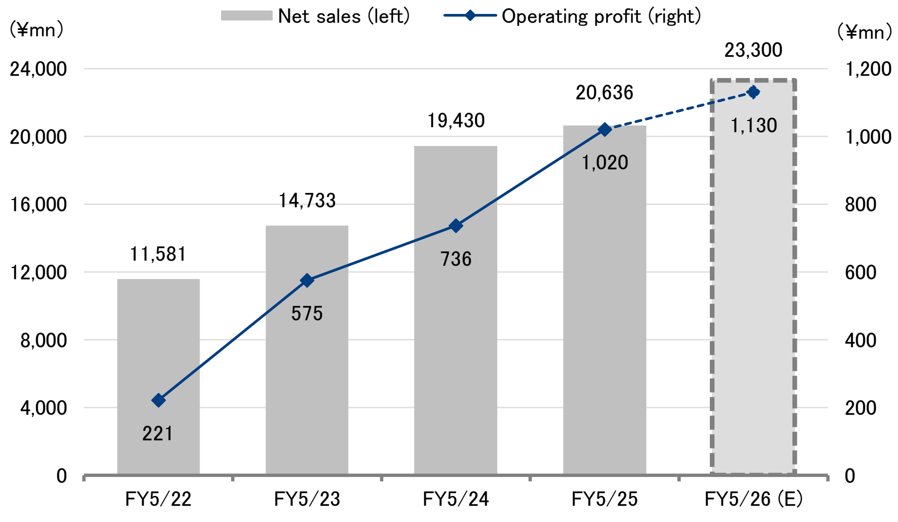
### 4. Formulation of new medium-term management plan

In July 2025, the Company formulated its new medium-term management plan covering FY5/26 to FY5/28, entitled Medium-Term Management Plan 2026–2028: Sanki for People—Accelerating Growth to Achieve 2030 Vision. The plan is positioned as supporting a period of accelerated growth aimed at achieving the 2030 Vision, which outlines what the Company intends to be in 2030. The previous medium-term management plan ended in FY5/25 was a period for strengthening the earnings foundation to achieve the 2030 Vision. Based on the theme of “further improving quality and technological capabilities,” it undertook efforts to develop essential technologies in-house, improve productivity in key industries, expand sales in the environment business, and establish a DX promotion structure. The Company mostly achieved its quantitative targets, including record highs for both net sales and operating profits in FY5/25, the plan’s final year. With “Sanki for People” as its theme, the new medium-term management plan aims to balance maximizing the value of human capital and expanding the business via proactive investment in human resources. Through achieving these, it aims to transform the earnings structure and dramatically improve corporate value by the period when it will reap the benefits, in FY5/29 to FY5/30. The new medium-term management plan may be considered a key period for achieving the vision. In terms of financial targets, the Company aims to achieve net sales of ¥32,650mn in FY5/28 (up 58.2% from FY5/25), excluding any increases due to M&A, etc., operating profit of ¥2,200mn (up 115.2%), operating profit margin of 6.7% (up 1.8 percentage points (pp)), and return on equity (ROE) of 18.0% (up 2.7pp).

## Key Points

- In FY5/25, achieved record-high net sales, operating profit, and profit attributable to owners of parent
- Proactively pursuing key policies in FY5/26, the first year of the new medium-term management plan
- New medium-term management plan aims for net sales of ¥32,650mn and operating profit of ¥2,200mn in FY5/28

**Results trends**




Source: Prepared by FISCO from the Company's financial results

# Company profile

## Provides total maintenance services for all equipment and devices

### 1. Company profile

The Company provides total maintenance services for design, construction, maintenance management, and repairs for all equipment and devices such as air-conditioning, electrical, kitchen, water supply and drainage, and sanitation equipment, primarily through its call centers that operate 24-hours-a-day, 365-days-a-year. When it was founded in 1977, it focused on a maintenance business for large air-conditioning equipment as the designated store of Sanyo Air Conditioning System Services Co., Ltd. (currently Panasonic Commercial Equipment Systems Co., Ltd.). Then in 2000, it transformed its business and expanded the maintenance areas to equipment as a whole, including air supply and exhaust equipment, kitchen equipment, electrical equipment, and water supply and drainage equipment. Moreover, by establishing a structure of operating 24-hours-a-day, 365-days-a-year, it expanded the scope of its business, including launching the total maintenance services for companies managing many stores throughout Japan. It is working on environmental improvements, focused on total maintenance, for infrastructure facilities that are essential for economic and corporate activities, such as offices and buildings, commercial facilities and chain stores, hotels, hospitals and care facilities for the elderly, and government buildings and schools. The Company's main customers include Panasonic Commercial Equipment Systems, LIFE CORPORATION <8194>, SEVEN-ELEVEN JAPAN CO., LTD., OKUWA <8217>, and Sumitomo Realty & Development <8830>. On June 1, 2020, company founder Yoshikane Nakashima left the position of President and Representative Director and was appointed Chairman, while Tatsuo Kitakoshi was promoted to be the President and Representative Director. President Kitakoshi accumulated experienced in various business departments, including the large air-conditioning equipment department that is the Company's core operation, and also worked as the head of the main centers in Kansai. Subsequently, after serving as the call center executive officer, from 2013 he engaged in management as the supervisor of the head office management department, while conducting the IPO. He has also been the driving force behind reforms inside and outside the Company, including introducing a new core system and strengthening internal controls. In July 2019, he formulated SANKI 2022 as the Company's first medium-term management plan, and since July 2025, he has been promoting the 2026–2028 medium-term management plan to achieve the 2030 Vision.

History

| | |
|---|---|
| October 1976 | As one part of the machinery business department of HYOGO KIKO CO., LTD., started outsourcing work for the assembly, installation, trial runs, and maintenance management of large heating and cooling equipment through a business partnership with Sanyo Air Conditioning System Services Co., Ltd. (currently, Panasonic Commercial Equipment Systems Co., Ltd.) |
| July 1977 | Separated from HYOGO KIKO CO., LTD. and established Sanki Service in Shikitocho, Himeji City, Hyogo Prefecture<br>The Company established its Osaka Center within the office of the Osaka Center of Sanyo Air Conditioning System Services Co., Ltd. |
| October 1977 | Established the Tokyo Center (currently, the Tokyo business office) |
| April 1978 | Established the Nagoya Center (currently the Tokai Center) |
| June 1983 | Started a software development business |
| October 1983 | Established the Shizuoka Center |
| January 1986 | Entered into a business partnership with AMADA METRECS CO., LTD. (currently AMADA CO., LTD.<6113>) for industrial machinery maintenance work |
| May 1986 | Established the Kobe Center |
| October 1987 | Concluded an agency contract with Sanyo Electric Co, Ltd., and began sales of air-conditioning equipment and electrical products |
| May 1990 | Entered into a business partnership with DAIKIN PLANT CO., LTD. (currently, DAIKIN APPLIED SYSTEMS CO., LTD.) for air-conditioning equipment maintenance management |
| November 1991 | Registered for a “plumbing business” Ordinary Construction License |
| December 1995 | Established Hamamatsu Station (currently Hamamatsu Center) |
| November 1996 | Registered for a “piping work business” Special Construction License |
| September 1998 | Established Shanghai Sanki Building Facility Service Co., Ltd. (currently a consolidated subsidiary) in Shanghai, China, in order to conduct air-conditioning equipment maintenance work |
| September 2000 | Established a call center in Tokyo able to respond 24-hours-a-day, 365-days-a-year and started developing the total maintenance business nationwide |
| October 2001 | Established the Sapporo sales office (currently the Sapporo Center) |
| June 2002 | Established the Hyogo Business Development Department (currently the Hyogo Center) |
| September 2003 | Registered for a “construction engineering business” Special Construction License |
| March 2007 | Registered for a “electrical work business” Ordinary Construction License |
| February 2012 | Established a call center in Shanghai, China, able to respond 24-hours-a-day, 365-days-a-year |
| April 2015 | Listed on the Tokyo Stock Exchange (TSE) JASDAQ (Standard) market |
| June 2015 | Split the Tokyo Center and established the Yokohama Center |
| March 2016 | Relocated the Head Office to Abo, Himeji-shi, Hyogo Prefecture, and acquired security industry certification |
| April 2016 | Opened a call center and training center in Himeji and the listing was changed to the TSE Second Section |
| August 2016 | Registered for an “interior finishing business” Special Construction License |
| April 2017 | Listing was upgraded to the TSE First Section |
| February 2018 | Established the Takasaki sales office |
| May 2019 | Established SANKI – SONADEZI JOINT STOCK COMPANY, as a joint venture with SONADEZI GIANG DIEN SHAREHOLDING COMPANY, in Dong Nai Province, Vietnam |
| January 2020 | The Tokyo business office acquired ISO14001 certification |
| February 2020 | Established the Wakayama sales office |
| June 2020 | Tatsuo Kitakoshi became the Company’s President |
| April 2022 | Listing was transferred to the Standard Market following the TSE’s reorganization of market categories |
| December 2022 | Made HYOGO KIKO CO., LTD. a consolidated subsidiary through a share exchange |
| December 2023 | Made Naganuma Reidanbo Co., Ltd. a consolidated subsidiary through a share exchange |
| September 2024 | Launched maintenance business for medical equipment and ancillary facilities |
| April 2025 | Opened Kyoto sales office |

Source: Prepared by FISCO from the Company’s securities report and other Company materials

## Provides high-quality maintenance services based on the technologies and expertise it has accumulated

### 2. Business overview

Based on the business concept of realizing "environmental improvements focused on maintenance," the Company provides not only equipment and devices repair, but to offer customers pleasant spaces and time and peace of mind it also proactively proposes preventative maintenance to reduce the occurrences of sudden and unexpected failures, centered on customers operating multiple stores and buildings, such as retailers, food and drink establishments, medical, nursing care and social welfare facilities, and the equipment management industry. Also, in addition to equipment maintenance, the Company's wide support applies to all equipment issues related to store operations, including work to upgrade equipment and devices, store renovation work, and energy-saving proposals. The Company previously had a single business segment, the Maintenance Business, but following the consolidation of HYOGO KIKO CO., LTD. as a wholly owned subsidiary through a share exchange at the end of 3Q FY5/24, it created the Construction Products Services Business as a new reportable segment, resulting in two segments. The Maintenance Business is comprised of the following main businesses: total maintenance, which provides integrated management of all facilities and equipment, mainly for customers operating multiple stores and buildings; air-conditioning maintenance service, which provides maintenance services mainly for the air conditioners of customers operating multiple stores; equipment and environment solutions, which proposes, designs, and conducts construction work for energy-saving solutions and other solutions, mainly for schools and hospitals; and maintenance services, which provides maintenance services mainly for large-scale air-conditioning equipment in large facilities. In the Construction Products Services Business, the Company mainly manufactures, sells, and installs metal doors, shutters, and window sashes for various types of buildings.

#### (1) Total maintenance

Through one-stop, integrated maintenance management of all the stores and business offices of companies with multiple stores and buildings, it realizes cost reductions and environmental improvements. In addition, regular maintenance management, which is part of total maintenance, entails conducting inspections from the viewpoint of "preventative maintenance" for building equipment (air-conditioning, electricity, kitchen, fire prevention, water supply and drainage, and sanitation equipment, etc.) to prevent accidents and problems before they occur. It also aims to prolong the useful lives of equipment by always keeping a building's equipment and devices in the best possible condition.

A feature of total maintenance is its call centers, which can respond 24-hours-a-day, 365-days-a-year. Operators are always ready to take calls, and the Company conducts total maintenance work for its customers by utilizing its approximately 200 service engineers and its nationwide network comprised of 2,500 collaborative partner companies and various manufacturers. The strengths of the Company include having established an environment in which its service engineers can respond regardless of the device or manufacturer and providing services that range from responding to emergency problems with devices to preventive maintenance for other devices through database coordination ascertaining the customer's equipment details. Furthermore, by dispatching partners, who are the contractors for maintenance work, the Company has established a system that enables provision of maintenance services throughout Japan, through which it responds to various customer needs. The Company has a wide range of customers, including retailers, food and drink establishments, event facilities, and medical, nursing care, and social welfare facilities developed across multiple stores and buildings.

**Summary of the total maintenance**

| |
|---|
| Integrated management of all facilities and of equipment maintenance |
| Can respond 24-hours-a-day, 365-days-a-year, when a problem occurs<br>Integrated management, from work attendance through to progress confirmation and invoicing |
| According to the details of the request received, allocates various personnel from device manufacturers, partner companies, and the Company itself (kitchen equipment, air-conditioning equipment, water supply and drainage equipment, sanitation equipment, signs, electrical equipment, interior and exterior damage related, fire prevention equipment defects, etc.) |
| Creates an equipment management table based on the maintenance inspection data and repairs history, and manages funds appropriately |
| Through an online system, can ascertain in real time the repair-arrangement conditions and monetary amounts |
| Proposes effective measures by analyzing the repairs history and extracting equipment problem points (conducts maintenance inspections and maintenance classes) |
| Gives advice to new stores on selecting devices and creates measures for optimized device selection and after-sales follow-up maintenance |
| Through integrated management, including regular cleaning, it conducts all maintenance outsourced management and serves as the single contact point for all facilities and the head office |
| Realizes cost reductions, including of indirect costs |

Source: Prepared by FISCO from the Company's website

### (2) Air-conditioning maintenance

Since it was founded, the Company has conducted a business focused on maintenance of large air-conditioning equipment (mainly absorption-type chillers and heaters) as a designated manufacturer service store for the Panasonic Group. It currently provides maintenance services nationwide regardless of the equipment manufacturer, mainly for air-conditioning and water supply and drainage equipment, primarily to retail customers with many stores. For these services as well, the call centers respond to inquiries 24-hours-a-day, 365-days-a-year, and the Company provides repair analyses and proposals to reduce the number of repairs and costs, while also conducting fluorocarbon emission inspections for equipment that is subject to the Act on the Rational Use and Proper Management of Fluorocarbons and supporting the management of emission amounts of fluorocarbons generated when conducting repairs and at other times.

**Summary of the air conditioning maintenance service**

| | Current condition | After an installation |
|---|---|---|
| Data management | Manufacturers respond for repairs and conduct management through daily reports<br>As manufacturers respond, analysis data is not produced | Integrated management of data for each company<br>Can analyze repair data and conduct a fair analysis as a third party |
| Fees system | There are price differences between the various companies<br>There are uncertainties, such as the prices of parts | Responds with uniform fees<br>Makes visible the prices of parts |
| Progress management | Ascertains conditions through a daily Excel report<br>Inspection schedule is notified by postcard | Progress management through an online system<br>Can also confirm the inspection schedule through the online calendar |

Source: Prepared by FISCO from the Company's website

### (3) Equipment and environment solutions

The Company proposes solutions to save energy and costs and reduce $CO_2$, mainly to facilities such as hospitals and schools, and carries out work from design through construction. The specialist energy staff diagnose the customer's building equipment and devices, clarify the problem points, and propose various specific solutions for them, including selection of required equipment and improvement values. In addition, the business provides information on subsidies that will lead to energy saving and cost reductions and propose construction projects for new installations and upgrades of air-conditioning equipment and for improvements. It also handles electrical construction projects alongside installations of equipment and devices and provides proposals to improve electrical equipment.

**(4) Maintenance services**

The Company's specialist engineers provide maintenance support for equipment and devices from various manufacturers regardless of type and can even undertake maintenance work for the products of overseas manufacturers. The main work includes undertaking manufacturers' front work, work to construct equipment maintenance systems, alliance work with manufacturers' Japanese subsidiaries, and agency work to create technical materials for devices.

The Company accumulates and manages in its own online database the information on incidents that occurred in its customers' various stores and facilities and conducts data analyses of histories in order to greatly reduce problems, such as responding to emergencies. In addition to equipment maintenance management costs, this leads to improved cost-reduction effects by decreasing profit losses such as opportunity losses. As an example of an introduction of maintenance services for an overseas manufacturer's products, the Company provides maintenance services to Electrolux <ELUX>, which is a leading home appliances company whose head office is in Sweden, North Europe, for devices including food-services devices and coin-laundry devices. It also provides technical consultations and remote support for defects to its nationwide sales stores and end users. In addition, should a repair visit be required, it uses its nationwide service network to conduct the repair visit in the shortest possible timeframe.

## Provides a wide range of high-quality services as "environmental improvements focused on maintenance"

### 3. Main services

**(1) Equipment consulting**

With the aim of realizing excellent spaces, the Company provides consulting according to facilities' scale and business configuration, including equipment environment improvements, legal measures, and maintenance management. Its features include that it provides value-adding proposals for measures to improve the internal company environment, tailored to the customer's conditions, and that it reduces costs through total maintenance of equipment.

In terms of equipment consulting, the Company solves problems in facilities by utilizing its expertise and track record through its equipment proposal capabilities from various perspectives, including for equipment proposals and measures utilizing laws and regulations. The Company has the ability to handle energy conservation, through which it provides energy conservation and cost reductions by, for instance, introducing the inverter-control products it handles and converting lighting to LED, as well as energy-saving measures for equipment, which are the most important issues for the management of buildings and facilities. In addition, the Company boasts facility management capabilities with which it maintains a work environment for comprehensive facility management in place of the owner and the ability to respond to problems which is possessed by the Company's call centers. The call centers are highly regarded by customer companies due to possessing not just call center staff but also maintenance professionals.

**(2) Energy conservation and cost reductions**

The Company provides energy conservation and cost reductions by utilizing its proprietary systems and expertise in response capabilities, technological capabilities, and information capabilities to properly install the optimal equipment and carry out construction as well as maintenance management.

**a) Response capabilities**

Through the proprietary systems in its call centers, the Company can provide collective management for equipment maintenance within all facilities. Furthermore, it can conduct unified management of the process from the moment when operators, who are always on standby 24-hours-a-day, 365-days-a-year, receive the request to dispatching engineers, confirming the progress, and submitting an invoice. Unifying maintenance in this way makes it easier to manage the maintenance histories of each store and, as a result, saves time and effort for managers and contributes to reducing the total costs of maintenance and management.

**b) Technological capabilities**

The Company utilizes its own service engineers and the expertise it has accumulated over many years as a manufacturer-designated store to conduct energy-saving projects for devices peripheral to large air-conditioning equipment. It aims to reduce electricity costs through its technological capabilities, which control wasteful air flow by introducing inverter pumps for air conditioners and limit the power consumed by outdoor machinery by introducing commercial-use air-conditioning power-saving products.

**c) Information proposal capabilities**

The Company reduces initial investment costs by providing the knowledge and expertise it has accumulated for environmental improvements of equipment overall to prevent problems before repairs are needed. Specifically, in addition to providing information and preparations made in advance, including proposals to utilize subsidies to fund some of the costs of upgrading and maintaining equipment, centralized management of maintenance history and other information leads to prevention of emergency problems.

### (3) Maintenance, management, and construction (maintenance)

In offices, buildings, and condominiums, based on the total maintenance approach, the Company's specialists carry out surveys, analyses, and verifications of the structure of energy consumed by the facilities' equipment, such as air-conditioning equipment and lighting equipment, and propose the optimal maintenance and management methods, such as the priority points and cost-reduction measures. In hospitals and facilities for the elderly, the Company proposes collective maintenance management plans tailored to conditions in each facility so as not to cause stress to their users. In hotels, it conducts total building management, including equipment maintenance management, construction, various types of maintenance, and emergency call center reception and dispatch operations, and it supports facility environments prioritizing cost effectiveness and maintenance management cost reductions that can provide their users with peace of mind. In commercial facilities and chain stores, it provides a total service for store design planning, construction work, emergency call center reception and dispatch operations, and equipment maintenance management work, mainly for nationwide commercial facilities and chain stores.

### (4) Products

The Company handles products to provide total support in facilities, buildings, and equipment maintenance work sites. This includes introducing inverter controls to reduce wasteful power consumption by pumps that are used with air-conditioning equipment and converting lighting to LED.

## The Company's greatest strength is its integrated circular business model that handles everything from equipment design to construction and maintenance services

#### 4. Strengths

One strength of the Company is that it utilizes the technological capabilities and maintenance expertise it has accumulated as a manufacturer-designated store over many years, including air-conditioning maintenance technologies, to provide a total maintenance service centered on its call centers that operate 24-hours-a-day, 365-days-a-year. Among listed companies, its competitors include Nippon Air Conditioning Services <4658> and Shin Maint Holdings <6086>. However, compared to these competitors, the Company's strengths include that it has nationwide emergency response capabilities from its in-house service engineers and call centers that operate 24-hours-a-day, 365-days-a-year, and the Company has also moved faster than its competitors in creating systems, including online systems. In addition, the Company is focusing its efforts on personnel training and conducts skills training at a training center adjoining the head office. One of the Company's strengths is that it contracts in collective equipment management and equipment maintenance management work, including for air-conditioning equipment, water supply and drainage equipment, sanitation equipment, electrical equipment, fire prevention equipment, security and safety equipment, and kitchen equipment, regardless of the manufacturer or machine model, for companies with many stores and many buildings, centered on retail chain stores and food and drink establishments, which are the Company's main customers. In addition, the Company has 15 sales centers nationwide, staffed with the Company's service engineers, who possess highly specialized technological abilities, and contracting maintenance partners are also dispatched to customers' stores, thereby putting in place a system that allows the Company to provide maintenance services throughout Japan, and it responds to customers' diverse needs. Moreover, by using the online management system developed in-house, customers' store managers are able to ascertain the maintenance status of equipment in real time, so they are able to reduce the cumbersome hassles in management work. Central management of many stores and facilities located in many regions is a strength of the Company, which leads to appropriate cost management for companies operating multiple stores and buildings.

Also, the Company has carried out maintenance of air-conditioning equipment manufactured by Panasonic since it was founded, so its strong relationship with the Panasonic Group is a strength. As a manufacturer service-designated store of Panasonic Commercial Equipment Systems, which is part of the Panasonic Group, it conducts regular inspections and responds to requests for repairs, including large commercial-use air-conditioning equipment. In addition, needs for energy saving are rising due to environmental problems. Therefore, we at FISCO think opportunities to capture demand are also broadening through the expansion of total maintenance services, including installing energy-saving inverters peripheral to large air-conditioning equipment, maintenance of equipment other than large air-conditioning equipment, like electrical equipment, water supply and drainage equipment, and sanitation equipment, and renewal of large-scale equipment. The Company's greatest strength is possibly its circular business model. There is a greater chance of repeat business due to its cycle of equipment design to construction and installation to periodic inspection to maintenance (repairs, maintenance management, operation) and back to equipment design.

# Results trends

## Record-high net sales, operating profit, and net profit and growth in sales to educational institutions

### 1. Overview of FY5/25 results

In the FY5/25 consolidated results, the Company posted positive earnings, with record highs for net sales, operating profit, and profit attributable to owners of parent. Sales and profits were higher YoY: net sales increased 6.2% to ¥20,636mn, operating profit increased 38.6% to ¥1,020mn, ordinary profit increased 34.6% to ¥1,021mn, and profit attributable to owners of parent increased 47.3% to ¥689mn. Net sales were 96.2% of the Company's forecast, operating profit 98.6%, and ordinary profit 98.5%. While these fell somewhat short of the forecasts, profit attributable to owners of parent reached the target, at 108.8% of the Company's forecast. During FY5/25, which was the final year of the three-year medium-term management plan that started in FY5/23, net sales and operating profit were forecast to reach the targets in the medium-term management plan, but they fell slightly short.

The Company's business climate was characterized by growing customer interest in energy-saving measures to address elevated energy costs and ongoing strong needs for reducing facility maintenance and management costs. This situation provided a tailwind for the Company, which used the technological capabilities it has accumulated over the years to pursue efforts to reduce unnecessary energy consumption through maintenance of various kinds, including buildings, electrical equipment, air-conditioning equipment, water and drainage equipment, and sanitation equipment, thereby responding to customers' needs. In addition to total maintenance services undertaking comprehensive maintenance contracts covering a wide range, the Company devoted efforts to increasing projects such as database-based preventative maintenance and upgrading of energy-saving equipment, which contributed to the results. From a sales perspective, construction and repair projects increased, especially for the retail sector, and air-conditioning equipment replacement projects for educational institutions, etc. performed strongly, which contributed to improved results. On a stand-alone basis, the share of net sales increased 2.0pp YoY to 34.5% in the construction field and 0.5pp to 48.6% in the repairs field. For regular maintenance, it decreased 2.5pp to 16.9% due to a decrease in order volume owing to circumstances at some customers, and it also decreased slightly on an amount basis due to firm orders in other areas. In terms of profits, the effect of growth in net sales due to increased recurring income-based projects such as construction and improved profit margin for flow-type projects such as regular maintenance led to profit growth. The Company made progress with offering strong proposal capabilities tailored to customers and providing services to customers at reasonable prices by successfully implementing measures to improve quality, which were pursued based on the medium-term management plan, and gross profit margin improved. Furthermore, benefits resulting from efforts to develop multi-skilled service engineers and promote early development of new hires were observed. This enabled stable service provision in response to increased orders received, which likely contributed to the results as well. While the Company is ramping up its investment in human resources, including recruitment and human resources development, in anticipation of future construction management of large comprehensive maintenance projects and expansion of sales channels, net sales growth and profit margin improvement exceeded SG&A expenses, leading to improved profits. As a result, the operating profit margin increased 1.1pp to 4.9%.

**FY5/25 consolidated results**

(¥mn)

| | FY5/24 | | FY5/25 | | | | |
|---|---|---|---|---|---|---|---|
| | Results | % of net sales | Forecast | Results | % of net sales | YoY | Achievement rate |
| Net sales | 19,430 | - | 21,450 | 20,636 | - | 6.2% | 96.2% |
| Gross profit | 4,137 | 21.3% | - | 4,693 | 22.7% | 13.5% | - |
| SG&A expenses | 3,400 | 17.5% | - | 3,673 | 17.8% | 8.0% | - |
| Operating profit | 736 | 3.8% | 1,034 | 1,020 | 4.9% | 38.6% | 98.6% |
| Ordinary profit | 758 | 3.9% | 1,037 | 1,021 | 4.9% | 34.6% | 98.5% |
| Profit attributable to owners of parent | 467 | 2.4% | 633 | 689 | 3.3% | 47.3% | 108.8% |

Source: Prepared by FISCO from the Company's financial results and results briefing materials

The Company believes that human capital management is the source of growth in corporate value. Recognizing that business growth is dependent on stronger human resources, it is rolling out measures to achieve the following two pillars: training and developing in-house specialist engineers and strengthening the sales system. In construction projects such as electrical and plumbing work, Japan's Construction Business Act stipulates that a chief engineer and a managing engineer must be appointed at each site. It also stipulates that individuals with specialized qualifications relevant to the nature of the work must be involved in the project. As such, companies require qualified engineers in line with the scale of their business. Despite operating in an industry that currently faces hiring difficulties due to a labor shortage, the Company recruited more than 100 personnel in FY5/24, primarily in the construction maintenance department and the management department. Furthermore, in FY5/25, it expanded the construction maintenance department by 38 people to 434 personnel and the sales department by 26 people to 114 personnel. The total number of employees, which was 534 in FY5/24, increased by 64 to 598 in FY5/25, which enhanced the structure to help achieve the Company's aims of strengthening its solution sales capabilities and insourcing. In addition, at the Company's training center, it offered repair training and coaching using equipment actually introduced by customers for engineers who handle service provision. It also pursued measures such as one-on-one coaching of junior engineers by in-house senior engineers. Through these measures, it is promoting knowledge-sharing among engineers and the enhancement and standardization of skills, with the aim of improving abilities, including the development of multi-skilled engineers.

### 2. Results by segment

The Maintenance Business covers the Company's existing maintenance services, which include building equipment maintenance, maintenance management, and solution proposals, as well as the maintenance business, which handles construction work related to these services. Sales in the Maintenance Business increased to ¥18,573mn (up 6.4% YoY) and segment profit rose to ¥909mn (up 30.5%). The Construction Products Services Business covers the manufacture, sale, and installation of metal doors, shutters, and window sashes for various types of buildings by HYOGO KIKO. There was strong growth in net profits, with net sales of ¥2,072mn (up 5.1%) and segment profit of ¥111mn (up 180.1%). The reason for this was one-time projects with a high profit margin.

Results by segment

(¥mn)

| | FY5/24 Results | FY5/25 | |
|---|---|---|---|
| | | Results | YoY |
| Net sales | 19,430 | 20,636 | 6.2% |
| Maintenance Business | 17,459 | 18,573 | 6.4% |
| Construction Products Services Business | 1,971 | 2,072 | 5.1% |
| Adjusted amount | - | -10 | - |
| Operating profit | 736 | 1,020 | 38.6% |
| Maintenance Business | 696 | 909 | 30.5% |
| Construction Products Services Business | 39 | 111 | 180.1% |

Source: Prepared by FISCO from the Company's financial results

### 3. Net sales by service

In construction projects, net sales rose 10.8% YoY to ¥6,029mn and the share of net sales on a stand-alone basis increased 2.0pp to 34.5%, due to air-conditioning equipment replacement work for educational institutions as well as strong performance for large equipment replacement work for convenience stores which has been ongoing since FY5/24. This may be considered a result of the Company establishing a structure that enables it to receive orders for large projects of various kinds by increasing the number of engineers and other qualified personnel. Net sales from regular projects decreased 9.1% to ¥2,953mn and the share of net sales dropped 2.5pp to 16.9%. Contract revisions for some customers had an impact, but orders for other projects were firm compared to previous years, so this may be viewed as temporary. Repair projects performed strongly due to factors such as the increased number of convenience stores under maintenance contracts, with net sales increasing 5.4% to ¥8,493mn and the share of net sales rising 0.5pp to 48.6%.

Net sales by type of service

(¥mn)

| | FY5/23 | | FY5/24 | | FY5/25 | | |
|---|---|---|---|---|---|---|---|
| | Results | % | Results | % | Results | % | YoY |
| Construction | 4,778 | 34.0% | 5,440 | 32.5% | 6,029 | 34.5% | 10.8% |
| Regular | 2,951 | 21.0% | 3,247 | 19.4% | 2,953 | 16.9% | -9.1% |
| Repairs | 6,324 | 45.0% | 8,051 | 48.1% | 8,493 | 48.6% | 5.5% |

Note: Figures on a stand-alone basis
Source: Prepared by FISCO from the Company's results briefing materials

### 4. Trends in percentages of total net sales by customer attributes

While an increase in orders from convenience stores contributed to results, net sales from customers in the mainstay retail sector decreased 0.8% YoY to ¥8,714mn, and the share of net sales dropped 2.6pp to 49.9%. Net sales from equipment management, and real estate customers, which have the second-highest share, decreased 6.7% to ¥2,511mn, with the share of net sales dropping 1.7pp to 14.4%. Next, net sales from other customers (which mainly handles leasing), which rank third, rose 23.3% to ¥2,106mn and share of net sales jumped 1.9pp to 12.1%, reflecting an increase in equipment renewal work for building maintenance, such as large-scale air-conditioning renewal work for schools and government offices. Net sales for schools and education customers, who rank fourth, also rose 25.7% to ¥1,574mn, as the growth in orders had a marked effect. Besides these, net sales from medical, nursing, and welfare customers decreased 9.4%, net sales from food and drink customers rose 57.6%, and net sales from event facilities customers increased 10.8%.

Percentages of total net sales by customer attributes

(¥mn)

| | FY5/23 | | FY5/24 | | FY5/25 | | |
|---|---|---|---|---|---|---|---|
| | Results | % | Results | % | Results | % | YoY |
| Others (leases, etc.) | 1,363 | 9.7% | 1,708 | 10.2% | 2,106 | 12.1% | 23.3% |
| Schools and education | 1,484 | 10.6% | 1,252 | 7.5% | 1,574 | 9.0% | 25.7% |
| Medical, nursing, and welfare | 1,044 | 7.4% | 1,315 | 7.9% | 1,191 | 6.8% | -9.4% |
| Event facilities | 299 | 2.1% | 381 | 2.3% | 422 | 2.4% | 10.8% |
| Equipment management, and real estate | 2,192 | 15.6% | 2,690 | 16.1% | 2,511 | 14.4% | -6.7% |
| Retail | 7,213 | 51.3% | 8,785 | 52.5% | 8,714 | 49.9% | -0.8% |
| Food and drink | 459 | 3.3% | 608 | 3.6% | 958 | 5.5% | 57.6% |

Note: Figures on a stand-alone basis
Source: Prepared by FISCO from the Company's results briefing materials

### 5. Financial condition

As of the end of FY5/25, total assets increased ¥1,335mn from the end of the previous fiscal year to ¥9,948mn, of which current assets increased ¥1,333mn to ¥8,367mn. This was mainly due to a ¥426mn increase in cash and deposits and ¥736mn increase in notes and accounts receivable – trade and contract assets. Non-current assets increased ¥1mn to ¥1,580mn, mainly due to a ¥37mn increase in investment securities, ¥16mn increase in deferred tax assets, and ¥48mn decrease in software. Total liabilities increased ¥736mn to ¥5,135mn. Current liabilities increased ¥933mn to ¥4,454mn, mainly reflecting a ¥336mn increase in trade payables (notes payable – trade and accounts payable for construction contracts) and ¥236mn increase in accrued income taxes and consumption taxes. Non-current liabilities decreased ¥196mn to ¥680mn, mainly due to a decrease of ¥172mn in long-term borrowings. Total net assets increased ¥598mn to ¥4,812mn, primarily reflecting an increase due to ¥689mn of profit attributable to owners of parent, dividends paid of ¥128mn, and a decrease of ¥12mn in treasury shares resulting from restricted stock units. As a result of the above, the equity ratio was 48.4%, down 0.5pp from the end of previous fiscal year. Meanwhile, ROE rose 3.7pp to 15.3% and capital efficiency improved.

Financial condition

(¥mn)

| | End of FY5/24 | End of FY5/25 | Increase/ decrease |
|---|---|---|---|
| Current assets | 7,033 | 8,367 | 1,333 |
| Non-current assets | 1,578 | 1,580 | 1 |
| Total assets | 8,612 | 9,948 | 1,335 |
| Current liabilities | 3,520 | 4,454 | 933 |
| Non-current liabilities | 877 | 680 | -196 |
| Total liabilities | 4,398 | 5,135 | 736 |
| Total net assets | 4,214 | 4,812 | 598 |

Source: Prepared by FISCO from the Company's financial results

# Outlook

## Proactively pursuing key policies in each business in FY5/26, the first year of the new medium-term management plan

### 1. FY5/26 forecasts

For FY5/26 consolidated results, the Company expects net sales to increase 12.9% YoY to ¥23,300mn, operating profit to rise 10.7% to ¥1,130mn, ordinary profit to increase 10.7% to ¥1,130mn, and profit attributable to owners of parent to go up 3.0% to ¥710mn. FY5/25 is the first year of the 2026–2028 medium-term management plan (FY5/26–FY5/28) discussed below. It is expected to be a period that will build momentum toward achieving the key policies for each business outlined in the plan. Moreover, the Hirakata City Public Elementary and Junior High School Classroom Air-Conditioning Equipment Upgrading DBO Project in Hirakata City, Osaka Prefecture, for which the Company bid successfully in FY5/25, is a long-term contract from March 2025 until the end of March 2043 that outsources air-conditioning equipment design, construction supervision, construction, and maintenance management for all elementary and junior high schools in Hirakata City (62 schools in total). About half the bid amount of ¥8.1bn is for design and construction services, for which earnings will continue to be recorded over approximately three years. In FY5/26, it is expected to contribute several billion yen in sales. Having received this unprecedented large project order, the Company expects that it will receive more orders by rolling out its services to other educational institutions based on its track record with this project. In terms of key policies for each business, the maintenance services business plans to expand its area with a focus on major regional cities and acquire new customers. It will prioritize development in regions expected to have strong needs for maintenance services due to the impact of aging buildings and labor shortages, and there should be a dramatic increase in new customers. In regional expansion, the Company's policy is to focus on providing services tailored to customers, assign internally developed service engineers to regional sites as key maintenance human resources, and set up a service system based on collaboration with local partner companies. It will therefore continue to implement solutions that increase the internal development rate. As a result, it should achieve a high profit margin and establish a stable earnings foundation. The total maintenance business, which supports recurring income, will pursue measures in accordance with the policy in the 2026–2028 medium-term management plan of increasing the proportion of recurring income-based sales. Specifically, it will pursue the development of customers with large facilities, especially large office building and warehouse projects, and measures to improve sales per customer through cross-selling and upselling of maintenance services to customers who order construction projects. In developing customers, service engineers will accompany sales personnel to carry out strong proposal activities to customers, which will increase the closing rate. The environment business will expand the unique, Sanki-specific energy-saving solutions that it offers to customers who order public institution-related projects, etc. The medical business aims to establish a long-term contract-based model by increasing the number of qualified personnel and capture customers such as hospitals. Furthermore, each business will pursue the development of multi-skill service engineers along with DX promotion measures such as using digital tools and automating regular tasks. Based on this, the Company aims to improve profitability by increasing sales per customer due to increased customer satisfaction while balancing controlling SG&A expenses and enhancing operational efficiency.

FY5/26 forecasts

(¥mn)

| | FY5/25 | | FY5/26 | | |
|---|---|---|---|---|---|
| | Results | % of net sales | Forecast | % of net sales | YoY |
| Net sales | 20,636 | - | 23,300 | - | 12.9% |
| Operating profit | 1,020 | 4.9% | 1,130 | 4.8% | 10.7% |
| Ordinary profit | 1,021 | 4.9% | 1,130 | 4.8% | 10.7% |
| Profit attributable to owners of parent | 689 | 3.3% | 710 | 3.0% | 3.0% |
| ROE | 15.3% | - | Around 15% | - | - |

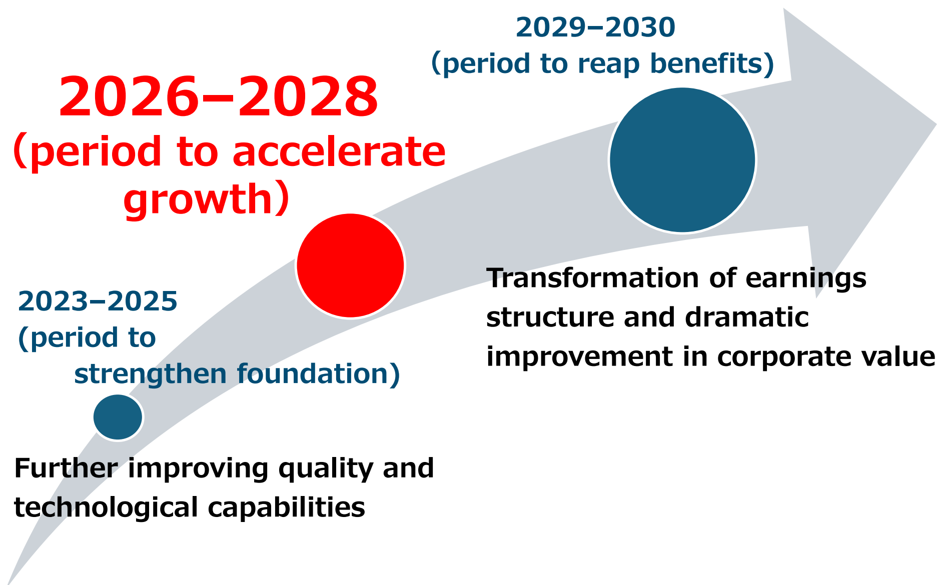
Source: Prepared by FISCO from the Company's financial results and medium-term management plan explanatory materials

## Announcement of new medium-term management plan and acceleration of growth to achieve 2030 Vision

### 2. Formulation of new medium-term management plan

In July 2025, the Company formulated its new medium-term management plan covering FY5/26 to FY5/28, entitled the Medium-Term Management Plan 2026–2028: Sanki for People—Accelerating Growth to Achieve 2030 Vision. According to the 2030 Vision, which outlines what the Company intends to be in 2030, it aims to be a "company that uses technologies, data, and IT to produce (create) the infrastructure for safe and comfortable spaces." The new medium-term management plan, based on the premise of ensuring a balance of sustainable growth and profitability, which is the Company's management philosophy, formulates realistic and ambitious financial targets and supports a period of accelerated growth aimed at achieving the 2030 Vision. The previous medium-term management plan ended in FY5/25 was a period for strengthening the earnings foundation to achieve the 2030 Vision. Based on the theme of "further improving quality and technological capabilities," it undertook efforts to develop essential technologies in-house, improve productivity in key industries, expand sales in the environment business, and establish a DX promotion structure. It achieved continued growth of net sales, averaging around 20% per year. Operating profit continued to grow by over 75% per year on average, and the Company recorded ROE of 15.3% in FY5/25. It mostly achieved its quantitative targets, including record highs for both net sales and operating profits in FY5/25, the plan's final year. With "Sanki for People" as its theme, the new medium-term management plan aims to balance maximizing the value of human capital and expanding the business via proactive investment in human resources. Through achieving these, it aims to transform the earnings structure and dramatically improve corporate value by the period when it will reap the benefits, in FY5/29 to FY5/30. The new medium-term management plan, the 2026–2028 Medium-Term Management Plan, may be considered a key period for achieving the vision.

Steps toward achieving 2030 Vision




Source: Prepared by FISCO from the Company's results briefing materials

(1) Basic strategies

Based on analysis of the internal and external environments, the new medium-term management plan summarizes opportunities and risks for each business and formulates a basic strategy for each one.

1) Enhancing human resources development and training

Enhancing human resources development and training is positioned as the most important strategy in the new medium-term management plan. The Company will pursue personnel strategies and talent deployment measures based on the following growth principle: the development of people will lead to the development of services and the growth of the Company. Its personnel strategies will further strengthen its human resources foundation, leading to improvement in corporate value. Its talent deployment measures will improve service quality based on the "development-deployment-retention" cycle. For talent development, the Company will commit ¥0.1bn per year to its educational investment budget, as well as establishing a company-wide development system through setting up a specialized department. For talent deployment, it will pursue a policy of placing the right people in the right jobs by introducing a talent management system. For talent retention, it will improve the work environment and roll out measures to improve employee engagement.

**2) Strengthening expansion of the business scale**

The Company will implement regional expansion and new market development measures. In various areas of the total maintenance business, environment business, and medical business, it will pursue the acquisition of new customers through regional expansion targeting undeveloped areas in major regional cities with the aim of expanding its share of regional markets. By deploying multi-skilled engineers that it has developed internally and establishing a system to provide community-based services, it will achieve improvement in the profit margin for projects and establish a stable earnings foundation. It will strategically handle maintenance personnel through measures such as assigning them to regional sites. In the total maintenance business, it will pursue identifying and capturing new customers, with a focus on large facilities such as office buildings and warehouses. Using proposals tailored to customers' needs, which are a strength of the Company, as a tool, it will pursue high-quality proposal activities based on accompaniment by service engineers. Besides acquiring new customers, it will cross-sell and upsell maintenance services to customers for existing construction projects, leading to business expansion. The environment business will pursue Sanki-specific energy-saving solution proposals for public institutions such as schools. The medical business has set a target of acquiring 20 new facilities as customers, with a focus on large hospitals. It will achieve this target and establish a long-term contract model. Through these measures, the Company aims to acquire a strong earnings foundation and realize further earnings growth.

**3) Enhancing proposal and sales capabilities**

The environment analysis conducted when formulating the new medium-term management plan revealed that technological expertise is dependent on individuals, there is a service engineer imbalance, and optimization of tasks using digital tools is not progressing. To address these issues, the Company will pursue the utilization of digital tools and establishment of a sales system. For the former, it will re-establish a sales support system by integrating customer management data (CRM) and project information (SFA), thereby achieving efficient sales activities and making suitable proposals to customers. Furthermore, it will establish data-based sales activity evaluation and an improvement cycle through the development of sales negotiation progress management and budget variance analysis, with the aim of continuous improvement of sales capabilities. Service engineers will also accompany sales personnel to share internal technical expertise and provide persuasive customer proposals backed by specialized technical knowledge, with the aim of improving the order closing rate.

**4) Improving earning capacity by promoting DX**

The Company aims to balance improving business efficiency and enhancing customer satisfaction through the use of digital technologies. Specific measures include expanding the introduction of a tablet reception app, promoting DX human resources development, and rolling out tools to improve business efficiency across the Company. The tablet reception app is a key tool for enhancing customer touch points. In FY5/25, the Company pursued its introduction with a target of 1,000 stores, but it was actually only introduced at 500. The Company therefore aims to add functions based on customers' actual usage while continuing to expand its introduction. For promoting DX human resources development, the Company is starting DX literacy training in FY5/26 and using external education tools to pursue comprehensive education covering everything from basic knowledge to DX applications. Through an open recruitment system for all employees, it is creating opportunities to develop many promising DX human resources. In terms of tools to improve the efficiency of tasks, it is rolling out business digital tools for RPA* and construction sites company-wide, automating regular tasks, and concentrating human resources on tasks with high added value. Through these measures, the Company will control SG&A expenses and balance improving business efficiency with enhancing customer satisfaction and increasing sales per customer, leading to improved profitability.

* This is an abbreviation for robotic process automation, which refers to the automation of processes using robots.

#### 5) Achieving capital efficiency-focused management

To establish earnings capacity that meets shareholders' expectations, the Company has placed capital efficiency, which means consistently achieving returns that exceed cost of equity, at the heart of its strategy. It aims to establish earnings capacity with a target ROE of 15%. Cost of equity is estimated to have reached a maximum of 7.2% in the past three years, and since the ROE in FY5/25 was 15.3%, it is currently considered to be at a healthy level. To strengthen earnings capacity, the Company plans to invest ¥0.5bn in human resources development and ¥1.0bn in other growth investment. Investment in human resources development will include enhancing training facilities and training opportunities, recruiting new personnel, and improving compensation levels, while other growth investment will be allocated to M&A, DX promotion, and capital expenditures. For shareholder returns, the cash outflow will be ¥0.9bn, the dividend payout ratio 30%, and the dividend on equity (DOE) ratio 3.0%.

### (2) Financial targets

In terms of financial targets, the Company has set numerical targets for net sales, operating profit, operating profit margin, net sales by business segment, and recurring income-based net sales. It aims to achieve net sales of ¥32,650mn in FY5/28 (up 58.2% from FY5/25), excluding any increases due to M&A, etc., operating profit of ¥2,200mn (up 115.5%), operating profit margin of 6.7% (up 1.8pp), and ROE of 18.0% (up 2.7pp). Furthermore, by business segment, it plans net sales of ¥15,379mn (up 64.3%) in the mainstay maintenance services business (including the environment business) and ¥13,620mn (up 68.1%) in the total maintenance business. No specific figures have been set for the medical business, but the Company will foster business growth by enhancing the organizational foundation. It is aiming to grow recurring income-based net sales by 75.6% to ¥19,738mn.

**Numerical targets in new medium-term management plan**

(¥mn)

| | FY5/25 Results | FY5/28 Target | FY5/28 vs. FY5/25 |
|---|---|---|---|
| Overall indicators | | | |
| Net sales | 20,636 | 32,650 | 58.2% |
| Operating profit | 1,020 | 2,200 | 115.5% |
| Operating profit margin | 4.9% | 6.7% | 1.8pp |
| ROE | 15.3% | 18.0% | 2.7pp |
| Net sales by business segment | | | |
| Maintenance business | 9,359 | 15,379 | 64.3% |
| Total maintenance business | 8,102 | 13,620 | 68.1% |
| Other subsidiaries, etc. | 3,175 | 3,650 | 15.0% |
| Recurring income-based net sales | | | |
| Recurring income-based net sales (stand-alone) | 11,242 | 19,738 | 75.6% |

Source: Prepared by FISCO from the medium-term management plan materials

### (3) Key policies

#### 1) Maintenance services business

The Company aims to enhance its stable earnings foundation. It will pursue three key policies: acquiring customers in undeveloped markets by expanding its area with a focus on major regional cities, improving profit margin through internal development, and developing maintenance personnel and strategically deploying them at sites. While pursuing customer development by prioritizing regions recognized as having strong needs for the services it provides, the Company will balance improving profit margin and enhancing customer satisfaction by ensuring a service system aligned with regional needs through the continuous development of human resources and deployment of multi-skilled personnel in the right jobs.

**2) Total maintenance business**

The Company will deploy four policies aimed at expanding the business foundation. The first is new customer development targeting large facilities with high sales per customer such as office buildings and warehouses. It will also expand transactions by enhancing cross-selling of maintenance services to customers who order construction projects. The second policy, which is intended to increase sales per customer, is enhanced proposal activities based on service engineers accompanying sales personnel, leading to an improved order closing rate. The Company has set a target of increasing sales per customer by 5% per project and is developing measures that combine various products. The third policy is introducing a system for real-time collaboration with partner companies, which aims to promote paperless, smartphone-based handling of tasks such as repair requests, estimates, and work reports while visualizing work progress, preventing reporting oversights, and reducing errors such as double input of information. The fourth policy is establishing an efficient proposal process by using digital tools to digitize proposal work and improve productivity. Through pursuing these policies, the Company aims to expand recurring income-based sales, which is one of the targets in the medium-term management plan. It will make effective use of the strengths of the total maintenance business, which are its network of service engineers and nationwide partner companies, rapid response from call centers able to handle requests 24-hours-a-day, 365-days-a-year, and capacity to improve added value using IT.

**3) Environment business**

The Company will pursue development policies that should provide new earnings sources, with development of Sanki-specific energy-saving solutions as the main pillar. It will establish a system that provides integrated support for customers' capital expenditures, operational improvements, and system adaptations and provide optimal energy-saving solutions to customers by leveraging its unique products and expertise. Furthermore, it will enhance its offering of packages that combine energy-saving control systems and remote monitoring services and provide comprehensive solutions that simultaneously achieve energy consumption optimization and operating cost reduction. The Company is gradually incorporating the findings of research on AI air-conditioning technology based on industry-academia partnerships and alliances in the construction and design area that it is currently pursuing, which will upgrade solutions and enable sophisticated energy-saving control. It is also promoting the introduction of outsourcing, which helps to alleviate the initial investment burden, and the power purchase agreement (PPA) model to develop a new business model that will pursue environmental responsibility while limiting customers' financial burden.

**4) Medical business**

The Company will grow the medical business into a high-revenue business through providing highly specialized services focused on medical facilities with the aim of achieving stable, high sales per customer and transitioning to a recurring revenue model. By devoting effort to establishing relationships of trust and technological capabilities that can handle the specific needs of medical institutions, it will establish a competitive advantage in the medical field. Specific policies include establishing a long-term contract model for public hospitals and developing a stable earnings foundation. The Company will also establish a lineup of specialized services for medical institutions and provide specialized services for medical institutions such as infection control measures and management of air cleanliness, temperature/humidity, and water quality. Furthermore, in its lineup of services for pharmaceutical companies, it will provide services such as operational qualification inspections and equipment validation and pursue efficient business development through collaboration with a regional medical network based on promoting alliances with major regional hospitals.

**5) Investment in human resources and development**

Even though the Company considerably increased its human resources in the previous medium-term management plan, there were challenges remaining in developing personnel in terms of operational quality, customer response capabilities, and profitability. It will therefore further enhance human resources development in the new medium-term management plan. In terms of key policies, it will develop human resources based on the three pillars of developing employee capabilities at an early stage, business standardization, and multi-skilling. It aims to optimize the value of human capital by formulating job level-based training programs, introducing a talent management system, creating knowledge-sharing videos, developing standards for OJT learning materials, redesigning the rotation-based training and evaluation system to promote multi-skilling, and creating a training leader system at each site. The 2026–2028 medium-term management plan once again emphasizes the theme of “Sanki for People.” It will leverage and further enhance strengths such as the presence of over 300 service engineers trained in-house, provision of integrated services including design, construction, and maintenance, and its status as an independent company, leading to expansion of the business foundation.

**6) Dividend policy and shareholder-related measures**

In terms of dividend policy, the Company has set a dividend payout ratio of 30% and DOE of 3.0% as targets. With stable, continuous dividends as the basic policy, it aims to gradually raise the dividend level as results improve. Shareholder-related measures are to enhance the long-term holding benefits system and IR activities.

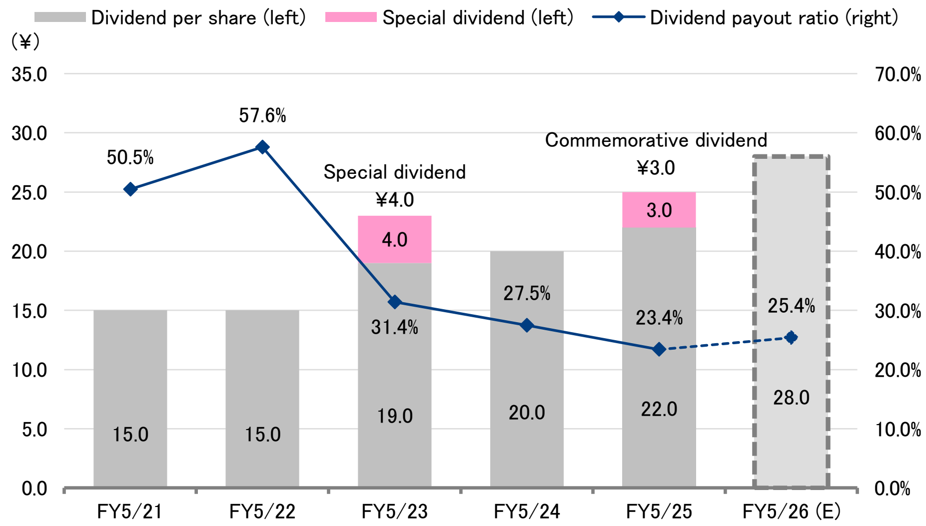
# Shareholder return policy

## Reflecting the policy in the new medium-term management plan, a dividend of ¥28.0 is forecast for FY5/26

The Company’s basic dividend policy is to actively return profits to shareholders while also maintaining a sound financial structure, and it aims to continuously pay stable dividends. For the dividend in FY5/25, to mark the 10th anniversary of the Company’s listing, it added a commemorative dividend of ¥3.0 to the ordinary dividend of ¥22.0 for a dividend per share of ¥25.0 (up ¥5.0 YoY) and a dividend payout ratio of 23.4%. For FY5/26, based on the target dividend payout ratio of 30% and DOE of 3.0% in the new medium-term management plan, it is forecasting a dividend per share of ¥28.0, an increase of ¥6.0 (excluding the commemorative dividend). The dividend payout ratio is expected to be 25.4%.

Until FY5/25, as a shareholder benefits program, the Company offered a QUO card worth ¥1,000 to shareholders who held at least one unit (100 shares) of stock listed or recorded in the shareholders’ registry as of the last day of May each year. However, this will be revised beginning in FY5/26 to increase the QUO card gift amount based on the number of shares held and the length of time they have been continuously held.

Dividend per share and dividend payout ratio




Source: Prepared by FISCO from the Company's financial results

New shareholder benefits program

| Number of shares held / period continuously held | Benefit details (QUO card gift amount) | | |
|---|---|---|---|
| | Less than 1 year | 1–2 years | 3 or more years |
| 100 to 199 shares | ¥500 | ¥1,000 | ¥2,000 |
| 200 to 499 shares | | ¥2,000 | ¥4,000 |
| 500 or more shares | | ¥5,000 | ¥8,000 |

Source: Prepared by FISCO from the Company's results briefing materials

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