

November 14, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Japanese GAAP)

Company name: SANKI ENGINEERING CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 1961
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Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: December 10, 2025

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Amounts of less than 1 million yen are truncated)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025

(April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------|-----------------|-------|------------------|-------|-----------------|-------|---|-------|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2025 | 101,970 | (3.8) | 6,541 | 10.4 | 7,036 | 6.0 | 5,627 | 26.4 |
| September 30, 2024 | 105,950 | 18.4 | 5,926 | 362.5 | 6,639 | 253.5 | 4,450 | 215.8 |

(Note) Comprehensive income: Six months ended September 30, 2025: ¥7,764 million [—%]

Six months ended September 30, 2024: ¥ (739 million) [—%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Six months ended | Yen | Yen |
| September 30, 2025 | 108.64 | 108.35 |
| September 30, 2024 | 83.78 | 83.52 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2025 | 186,326 | 108,005 | 57.9 |
| March 31, 2025 | 200,839 | 106,380 | 52.9 |

(Reference) Shareholders' equity: As of September 30, 2025: ¥107,874 million

As of March 31, 2025: ¥106,214 million

2. Cash dividends

| | Annual dividends per share | | | | |
|---|----------------------------|--------------------|-------------------|-----------------|--------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2025 | — | 55.00 | — | 110.00 | 165.00 |
| Fiscal year ending March 31, 2026 | — | 82.50 | | | |
| Fiscal year ending March 31, 2026 (Forecast) | | | — | 82.50 | 165.00 |

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-------|------------------|------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 250,000 | (1.2) | 27,500 | 25.6 | 28,000 | 21.4 | 21,900 | 27.3 | 423.02 |

(Note) Revisions to forecasts of consolidated financial results most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|--------------------------|-------------------|
| As of September 30, 2025 | 53,661,156 shares |
| As of March 31, 2025 | 54,661,156 shares |

(ii) Number of treasury shares at the end of the period

| | |
|--------------------------|------------------|
| As of September 30, 2025 | 1,925,074 shares |
| As of March 31, 2025 | 2,890,148 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|---|-------------------|
| For the six months ended September 30, 2025 | 51,800,865 shares |
| For the six months ended September 30, 2024 | 53,122,586 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

We have amended the consolidated and non-consolidated earnings forecasts announced on May 13, 2025.

The forward-looking statements such as earnings forecasts contained in these materials are based on the information available at the time they were prepared, and the actual results could differ from forecasts depending on a variety of factors.

(Reference) Forecast of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2026

(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | | Basic earnings per share |
|-----------|-----------------|-------|------------------|------|-----------------|------|-----------------|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 220,000 | (2.1) | 23,000 | 24.6 | 25,500 | 19.8 | 20,400 | 23.3 | 394.04 |

(Note) Revisions to forecasts of non-consolidated financial results during the interim accounting period under review: Yes

Disclaimer: This is a Japanese–English translation of the summary of financial statements of the Company produced for your convenience. Officially, only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

2. Semi-Annual Consolidated Financial Statements

(1) Semi-annual consolidated balance sheets

(Millions of yen)

| | As of March 31, 2025 | As of September 30, 2025 |
|---|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 31,856 | 32,869 |
| Notes receivable - trade | 337 | 162 |
| Electronically recorded monetary claims - operating | 8,990 | 7,001 |
| Accounts receivable from completed construction contracts and other | 47,958 | 33,592 |
| Contract assets | 27,521 | 24,419 |
| Securities | 11,992 | 7,993 |
| Costs on construction contracts in progress | 2,926 | 4,500 |
| Raw materials and supplies | 901 | 982 |
| Other | 6,351 | 9,684 |
| Allowance for doubtful accounts | (2) | (3) |
| Total current assets | 138,834 | 121,202 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 44,784 | 44,680 |
| Accumulated depreciation | (36,041) | (36,229) |
| Buildings and structures, net | 8,742 | 8,450 |
| Machinery, vehicles, tools, furniture and fixtures | 2,382 | 2,402 |
| Accumulated depreciation | (1,877) | (1,938) |
| Machinery, vehicles, tools, furniture and fixtures, net | 504 | 463 |
| Land | 3,086 | 3,089 |
| Leased assets | 292 | 283 |
| Accumulated depreciation | (147) | (125) |
| Leased assets, net | 145 | 158 |
| Construction in progress | 35 | 40 |
| Total property, plant and equipment | 12,515 | 12,203 |
| Intangible assets | | |
| Other | 1,830 | 1,876 |
| Total intangible assets | 1,830 | 1,876 |
| Investments and other assets | | |
| Investment securities | 31,383 | 34,695 |
| Long-term loans receivable | 46 | 40 |
| Retirement benefit asset | 10,198 | 10,315 |
| Leasehold and guarantee deposits | 1,652 | 1,728 |
| Insurance funds | 433 | 435 |
| Deferred tax assets | 1,263 | 1,133 |
| Other | 3,003 | 3,015 |
| Allowance for doubtful accounts | (321) | (321) |
| Total investments and other assets | 47,660 | 51,043 |
| Total non-current assets | 62,005 | 65,123 |
| Total assets | 200,839 | 186,326 |

(Millions of yen)

| | As of March 31, 2025 | As of September 30, 2025 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Electronically recorded obligations – operating | 2,132 | 1,445 |
| Accounts payable for construction contracts | 36,934 | 25,719 |
| Short-term borrowings | 5,759 | 5,760 |
| Lease liabilities | 100 | 115 |
| Income taxes payable | 5,974 | 1,587 |
| Contract liabilities | 11,972 | 16,084 |
| Provision for bonuses | 8,471 | 5,870 |
| Provision for directors' bonuses | 350 | 200 |
| Provision for warranties for completed construction | 462 | 468 |
| Provision for loss on construction contracts | 2,006 | 1,382 |
| Other | 8,119 | 5,441 |
| Total current liabilities | 82,283 | 64,076 |
| Non-current liabilities | | |
| Long-term borrowings | 1,348 | 835 |
| Lease liabilities | 192 | 258 |
| Retirement benefit liability | 4,613 | 5,044 |
| Deferred tax liabilities | 54 | 2,161 |
| Other | 5,967 | 5,945 |
| Total non-current liabilities | 12,175 | 14,244 |
| Total liabilities | 94,458 | 78,320 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 8,105 | 8,105 |
| Capital surplus | 4,221 | 4,181 |
| Retained earnings | 84,245 | 82,095 |
| Treasury shares | (6,376) | (4,663) |
| Total shareholders' equity | 90,195 | 89,718 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 13,383 | 15,484 |
| Deferred gains or losses on hedges | (0) | 0 |
| Foreign currency translation adjustment | 413 | 469 |
| Remeasurements of defined benefit plans | 2,223 | 2,201 |
| Total accumulated other comprehensive income | 16,019 | 18,155 |
| Share acquisition rights | 166 | 130 |
| Total net assets | 106,380 | 108,005 |
| Total liabilities and net assets | 200,839 | 186,326 |

(2) Semi-annual consolidated statements of income and comprehensive income

(Millions of yen)

| | Six months ended September 30, 2024 | Six months ended September 30, 2025 |
|--|--|--|
| Net sales | | |
| Net sales of completed construction contracts | 104,629 | 100,632 |
| Net sales in real estate business and other | 1,320 | 1,337 |
| Total net sales | 105,950 | 101,970 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 87,993 | 81,588 |
| Cost of sales in real estate business and other | 758 | 767 |
| Total cost of sales | 88,751 | 82,355 |
| Gross profit | | |
| Gross profit on completed construction contracts | 16,635 | 19,044 |
| Gross profit on real estate business and other | 562 | 570 |
| Total gross profit | 17,198 | 19,615 |
| Selling, general and administrative expenses | 11,271 | 13,073 |
| Operating profit | 5,926 | 6,541 |
| Non-operating income | | |
| Interest income | 32 | 77 |
| Dividend income | 455 | 470 |
| Other | 401 | 163 |
| Total non-operating income | 889 | 711 |
| Non-operating expenses | | |
| Interest expenses | 60 | 61 |
| Other | 116 | 155 |
| Total non-operating expenses | 177 | 217 |
| Ordinary profit | 6,639 | 7,036 |
| Extraordinary income | | |
| Gain on sale of investment securities | 61 | 1,280 |
| Total extraordinary income | 61 | 1,280 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 35 | 18 |
| Compensation for damage | 188 | — |
| Total extraordinary losses | 223 | 18 |
| Profit before income taxes | 6,476 | 8,298 |
| Income taxes – current | 1,744 | 1,400 |
| Income taxes – deferred | 281 | 1,270 |
| Total income taxes | 2,026 | 2,670 |
| Profit | 4,450 | 5,627 |
| (Breakdown) | | |
| Profit attributable to owners of parent | 4,450 | 5,627 |
| Profit attributable to non-controlling interests | — | — |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (5,357) | 2,100 |
| Deferred gains or losses on hedges | — | 1 |
| Foreign currency translation adjustment | 269 | 56 |
| Remeasurements of defined benefit plans | (101) | (21) |
| Total other comprehensive income | (5,190) | 2,136 |
| Comprehensive income | (739) | 7,764 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | (739) | 7,764 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

| | Six months ended September 30, 2024 | Six months ended September 30, 2025 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 6,476 | 8,298 |
| Depreciation | 933 | 1,025 |
| Loss on retirement of non-current assets | 35 | 18 |
| Increase (decrease) in allowance for doubtful accounts | (0) | 0 |
| Increase (decrease) in provision for bonuses | (1,572) | (2,601) |
| Increase (decrease) in retirement benefit liability | 225 | 280 |
| Increase (decrease) in provision for loss on construction contracts | 1,173 | (623) |
| Interest and dividend income | (488) | (547) |
| Interest expenses | 60 | 61 |
| Loss (gain) on sale of property, plant and equipment | (2) | 2 |
| Loss (gain) on sale of investment securities | (61) | (1,280) |
| Loss on valuation of investment securities | 0 | — |
| Decrease (increase) in trade receivables and contract assets | 25,402 | 19,602 |
| Decrease (increase) in costs on construction contracts in progress | (1,597) | (1,578) |
| Increase (decrease) in trade payables | (14,758) | (11,426) |
| Increase (decrease) in contract liabilities | 994 | 4,115 |
| Increase (decrease) in other current liabilities | (254) | (2,443) |
| Compensation for damage | 188 | — |
| Other | (0) | (3,526) |
| Subtotal | 16,755 | 9,378 |
| Interest and dividends received | 486 | 540 |
| Interest paid | (53) | (55) |
| Income taxes paid | (4,198) | (5,647) |
| Income taxes refund | — | 1 |
| Compensation paid for damage | (188) | (462) |
| Cash flows from operating activities | 12,802 | 3,754 |
| Cash flows from investing activities | | |
| Payments into time deposits | — | (4,000) |
| Proceeds from withdrawal of time deposits | — | 2,000 |
| Purchase of securities | (3,000) | (3,000) |
| Proceeds from redemption of securities | 2,000 | 1,000 |
| Purchase of property, plant and equipment | (266) | (457) |
| Proceeds from sale of property, plant and equipment | 14 | 0 |
| Payments for retirement of property, plant and equipment | (26) | (12) |
| Purchase of investment securities | (103) | (1,121) |
| Proceeds from sale of investment securities | 64 | 2,159 |
| Proceeds from collection of loans receivable | 4 | 5 |
| Purchase of intangible assets | (105) | (258) |
| Proceeds from maturity of insurance funds | 386 | 12 |
| Other | 305 | (100) |
| Cash flows from investing activities | (727) | (3,772) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (26) | 0 |
| Repayments of long-term borrowings | (513) | (513) |
| Purchase of treasury shares | (262) | (722) |
| Proceeds from exercise of share options | 0 | 0 |
| Repayments of lease liabilities | (64) | (65) |
| Dividends paid | (2,654) | (5,694) |
| Cash flows from financing activities | (3,520) | (6,994) |
| Effect of exchange rate changes on cash and cash equivalents | 194 | 27 |
| Net increase (decrease) in cash and cash equivalents | 8,748 | (6,985) |
| Cash and cash equivalents at beginning of period | 23,500 | 43,848 |
| Cash and cash equivalents at end of period | 32,249 | 36,862 |