



May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <Japanese GAAP>

Company name: SANKI ENGINEERING CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 1961
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Scheduled date of annual general meeting of shareholders: June 26, 2025

Scheduled date to commence dividend payments: June 27, 2025

Scheduled date to file annual securities report: June 25, 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 Fiscal Year Ended March 31, 2025

(April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	253,136	14.1	21,893	88.9	23,071	80.9	17,203	92.2
March 31, 2024	221,920	16.3	11,586	114.2	12,750	104.1	8,951	88.4

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥11,228 million [(44.5)%]

Fiscal year ended March 31, 2024: ¥20,242 million [458.2%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	326.31	325.32	16.3	11.4	8.6
March 31, 2024	165.58	165.02	9.2	6.8	5.2

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	200,839	106,380	52.9	2,051.62
March 31, 2024	202,161	104,621	51.7	1,967.03

(Reference) Shareholders' equity: As of March 31, 2025: ¥106,214 million

As of March 31, 2024: ¥104,431 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	29,725	1,897	(11,398)	43,848
March 31, 2024	1,285	3,174	(6,069)	23,500

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	35.00	—	50.00	85.00	4,560	51.3	4.7
March 31, 2025	—	55.00	—	110.00	165.00	8,613	50.6	8.2
Fiscal year ending March 31, 2026 (Forecast)	—	82.50	—	82.50	165.00		43.8	

(Note) Breakdown of end-FY3/24 dividend: Ordinary dividend ¥35; Extraordinary dividend ¥15

Breakdown of end-FY3/25 dividend: Ordinary dividend ¥110

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

(% figures show year-on-year change for the full year)

	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)	24,500	11.9	25,000	8.4	19,500	13.3	376.66

*** Notes**

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

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common stock)

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

As of March 31, 2025	54,661,156 shares
As of March 31, 2024	56,661,156 shares

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

As of March 31, 2025	2,890,148 shares
As of March 31, 2024	3,570,395 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	52,720,469 shares
Fiscal year ended March 31, 2024	54,061,299 shares

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	224,750	14.0	18,465	110.6	21,282	88.9	16,545	96.3
March 31, 2024	197,084	16.5	8,767	149.7	11,266	100.3	8,430	74.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	313.83	312.88
March 31, 2024	155.94	155.42

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	185,381	93,431	50.3	1,801.49
March 31, 2024	187,491	92,559	49.3	1,739.84

(Reference) Shareholders' equity: As of March 31, 2025: ¥93,265 million

As of March 31, 2024: ¥92,369 million

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

(% figures show year-on-year change for the full year)

	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)	20,000	8.3	22,500	5.7	18,000	8.8	347.68

* The summary of financial results is not subject to inspection by a certified public accountant or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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.

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.

Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,500	31,856
Notes receivable - trade	307	337
Electronically recorded monetary claims - operating	5,427	8,990
Accounts receivable from completed construction contracts and other	55,803	47,958
Contract assets	36,011	27,521
Securities	1,000	11,992
Costs on construction contracts in progress	2,541	2,926
Raw materials and supplies	841	901
Other	6,133	6,351
Allowance for doubtful accounts	(1)	(2)
Total current assets	131,564	138,834
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,432	44,784
Accumulated depreciation	(35,299)	(36,041)
Buildings and structures, net	9,133	8,742
Machinery, vehicles, tools, furniture and fixtures	2,258	2,382
Accumulated depreciation	(1,771)	(1,877)
Machinery, vehicles, tools, furniture and fixtures, net	486	504
Land	3,035	3,086
Lease assets	540	292
Accumulated depreciation	(264)	(147)
Leased assets, net	275	145
Construction in progress	36	35
Total property, plant and equipment	12,966	12,515
Intangible assets		
Other	2,045	1,830
Total intangible assets	2,045	1,830
Investments and other assets		
Investment securities	40,539	31,383
Long-term loans receivable	55	46
Retirement benefit asset	8,978	10,198
Leasehold and guarantee deposits	1,654	1,652
Insurance funds	636	433
Deferred tax assets	1,042	1,263
Other	3,019	3,003
Allowance for doubtful accounts	(341)	(321)
Total investments and other assets	55,584	47,660
Total non-current assets	70,596	62,005
Total assets	202,161	200,839

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	3,447	2,132
Accounts payable for construction contracts	40,992	36,934
Short-term borrowings	6,386	5,759
Lease liabilities	97	100
Income taxes payable	4,344	5,974
Contract liabilities	14,058	11,972
Provision for bonuses	6,016	8,471
Provision for directors' bonuses	283	350
Provision for warranties for completed construction	436	462
Provision for loss on construction contracts	1,077	2,006
Other	4,456	8,119
Total current liabilities	81,597	82,283
Non-current liabilities		
Long-term borrowings	2,374	1,348
Lease liabilities	299	192
Retirement benefit liability	3,357	4,613
Deferred tax liabilities	4,097	54
Other	5,813	5,967
Total non-current liabilities	15,941	12,175
Total liabilities	97,539	94,458
Net assets		
Shareholders' equity		
Share capital	8,105	8,105
Capital surplus	4,192	4,221
Retained earnings	75,769	84,245
Treasury shares	(5,630)	(6,376)
Total shareholders' equity	82,436	90,195
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,646	13,383
Deferred gains or losses on hedges	—	(0)
Foreign currency translation adjustment	295	413
Remeasurements of defined benefit plans	2,051	2,223
Total accumulated other comprehensive income	21,994	16,019
Share acquisition rights	190	166
Total net assets	104,621	106,380
Total liabilities and net assets	202,161	200,839

(2) Consolidated statements of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	219,308	250,428
Net sales in real estate business and other	2,611	2,707
Total net sales	221,920	253,136
Cost of sales		
Cost of sales of completed construction contracts	185,758	204,007
Cost of sales in real estate business and other	1,519	1,633
Total cost of sales	187,278	205,640
Gross profit		
Gross profit on completed construction contracts	33,550	46,420
Gross profit on real estate business and other	1,092	1,074
Total gross profit	34,642	47,495
Selling, general and administrative expenses		
Employees' salaries and allowances	7,761	8,582
Provision for bonuses	2,530	3,450
Provision for bonuses for directors (and other officers)	283	350
Retirement benefit expenses	454	323
Provision of allowance for doubtful accounts	3	7
Depreciation	1,150	1,155
Other	10,871	11,733
Total selling, general and administrative expenses	23,055	25,602
Operating profit	11,586	21,893
Non-operating income		
Interest income	35	65
Dividend income	720	857
Insurance claim income	220	238
Waste disposal income	161	219
Other	472	337
Total non-operating income	1,610	1,718
Non-operating expenses		
Interest expenses	106	121
Construction repair expenses	86	108
Litigation expenses	—	134
Other	253	177
Total non-operating expenses	446	540
Ordinary profit	12,750	23,071

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	550	1,114
Gain on liquidation of subsidiaries and associates	25	—
Total extraordinary income	575	1,114
Extraordinary losses		
Loss on sale of non-current assets	—	28
Loss on retirement of non-current assets	116	88
Loss on valuation of investment securities	52	—
Compensation for damage	—	842
Total extraordinary losses	168	960
Profit before income taxes	13,157	23,225
Income taxes - current	5,263	7,945
Income taxes - deferred	(1,057)	(1,923)
Total income taxes	4,206	6,022
Profit	8,951	17,203
(Breakdown)		
Profit attributable to owners of parent	8,951	17,203
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	9,063	(6,263)
Deferred gains or losses on hedges	—	(0)
Foreign currency translation adjustment	193	118
Remeasurements of defined benefit plans	2,034	171
Total other comprehensive income	11,291	(5,974)
Comprehensive income	20,242	11,228
(Breakdown)		
Comprehensive income attributable to owners of parent	20,242	11,228
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,105	4,189	73,051	(5,335)	80,011
Changes during period					
Dividends of surplus			(4,083)		(4,083)
Profit attributable to owners of parent			8,951		8,951
Purchase of treasury shares				(2,549)	(2,549)
Disposal of treasury shares		2		104	107
Transfer of loss on disposal of treasury shares					—
Cancellation of treasury shares			(2,149)	2,149	—
Net changes in items other than shareholders' equity					
Total changes during period	—	2	2,717	(295)	2,425
Balance at end of period	8,105	4,192	75,769	(5,630)	82,436

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,583	—	101	17	10,702	199	90,913
Changes during period							
Dividends of surplus							(4,083)
Profit attributable to owners of parent							8,951
Purchase of treasury shares							(2,549)
Disposal of treasury shares							107
Transfer of loss on disposal of treasury shares							—
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	9,063	—	193	2,034	11,291	(8)	11,282
Total changes during period	9,063	—	193	2,034	11,291	(8)	13,707
Balance at end of period	19,646	—	295	2,051	21,994	190	104,621

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,105	4,192	75,769	(5,630)	82,436
Changes during period					
Dividends of surplus			(5,573)		(5,573)
Profit attributable to owners of parent			17,203		17,203
Purchase of treasury shares				(4,050)	(4,050)
Disposal of treasury shares		39		149	189
Transfer of loss on disposal of treasury shares		(10)			(10)
Cancellation of treasury shares			(3,154)	3,154	—
Net changes in items other than shareholders' equity					
Total changes during period	—	28	8,476	(746)	7,758
Balance at end of period	8,105	4,221	84,245	(6,376)	90,195

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	19,646	—	295	2,051	21,994	190	104,621
Changes during period							
Dividends of surplus							(5,573)
Profit attributable to owners of parent							17,203
Purchase of treasury shares							(4,050)
Disposal of treasury shares							189
Transfer of loss on disposal of treasury shares							(10)
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	(6,263)	(0)	118	171	(5,974)	(23)	(5,998)
Total changes during period	(6,263)	(0)	118	171	(5,974)	(23)	1,759
Balance at end of period	13,383	(0)	413	2,223	16,019	166	106,380

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	13,157	23,225
Depreciation	1,919	1,904
Loss on retirement of non-current assets	116	88
Increase (decrease) in provision for loss on business of subsidiaries and associates	(440)	—
Increase (decrease) in allowance for doubtful accounts	3	(19)
Increase (decrease) in provision for bonuses	1,915	2,454
Increase (decrease) in net defined benefit liability	636	322
Increase (decrease) in provision for loss on construction contracts	1,044	928
Interest and dividend income	(755)	(923)
Interest expenses	106	121
Loss (gain) on sale of property, plant and equipment	0	25
Loss (gain) on sale of investment securities	(541)	(1,114)
Loss on valuation of investment securities	52	1
Gain on liquidation of subsidiaries and associates	(25)	—
Decrease (increase) in trade receivables and contract assets	(20,326)	12,816
Decrease (increase) in costs on construction contracts in progress	274	(378)
Increase (decrease) in trade payables	7,671	(5,858)
Increase (decrease) in contract liabilities	(983)	(2,099)
Increase (decrease) in other current liabilities	43	3,280
Compensation for damage	—	842
Other	(1,526)	(80)
Subtotal	2,344	35,536
Interest and dividends received	755	917
Interest paid	(105)	(122)
Income taxes paid	(1,897)	(6,417)
Income taxes refund	188	—
Compensation paid for damage	—	(188)
Cash flows from operating activities	1,285	29,725
Cash flows from investing activities		
Purchase of securities	(14,000)	(4,000)
Proceeds from redemption of securities	17,000	5,000
Purchase of property, plant and equipment	(1,337)	(791)
Proceeds from sale of property, plant and equipment	0	32
Payments for retirement of property, plant and equipment	(101)	(68)
Purchase of investment securities	(8)	(107)
Proceeds from sale of investment securities	872	1,651
Proceeds from liquidation of subsidiaries and associates	178	—
Proceeds from collection of loans receivable	24	8
Purchase of intangible assets	(222)	(260)
Subsidies received	20	—
Proceeds from maturity of insurance funds	735	405
Other	13	27
Cash flows from investing activities	3,174	1,897
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(656)	(626)
Proceeds from long-term borrowings	2,000	—
Repayments of long-term borrowings	(670)	(1,026)
Purchase of treasury shares	(2,549)	(4,050)
Proceeds from exercise of share options	0	0
Repayments of lease liabilities	(109)	(122)
Dividends paid	(4,083)	(5,573)
Cash flows from financing activities	(6,069)	(11,398)
Effect of exchange rate changes on cash and cash equivalents	159	123
Net increase (decrease) in cash and cash equivalents	(1,449)	20,348
Cash and cash equivalents at beginning of period	24,949	23,500
Cash and cash equivalents at end of period	23,500	43,848