



May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 <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 24, 2026

Scheduled date to commence dividend payments: June 25, 2026

Scheduled date to file annual securities report: June 23, 2026

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, 2026

(April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	254,674	0.6	27,991	27.9	29,287	26.9	23,688	37.7
March 31, 2025	253,136	14.1	21,893	88.9	23,071	80.9	17,203	92.2

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥29,741 million [164.9%]

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

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2026	153.51	153.12	20.8	13.9	11.0
March 31, 2025	108.77	108.44	16.3	11.4	8.6

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. "Basic earnings per share" and "Diluted earnings per share" are calculated on the assumption that the stock split was conducted at the commencement of the previous consolidated fiscal year.

(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, 2026	219,483	121,437	55.3	794.14
March 31, 2025	200,839	106,380	52.9	683.87

(Reference) Shareholders' equity: As of March 31, 2026: ¥121,306 million As of March 31, 2025: ¥106,214 million

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. "Net assets per share" are calculated on the assumption that the stock split was conducted at the commencement of the previous consolidated fiscal year.

(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, 2026	13,167	(1,338)	(16,068)	39,784
March 31, 2025	29,725	1,897	(11,398)	43,848

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, 2025	—	55.00	—	110.00	165.00	8,613	50.6	8.2
March 31, 2026	—	82.50	—	112.50	195.00	9,996	42.3	8.8
Fiscal year ending March 31, 2027 (Forecast)	—	32.50	—	32.50	65.00		39.2	

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. For the fiscal years ended March 31, 2025 and March 31, 2026, the actual dividend amounts presented above represent the amounts before the stock split. For the fiscal year ending March 31, 2027 (forecast), the dividend amount is presented on a post-split basis.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027

(April 1, 2026 to March 31, 2027)

(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	260,000	2.1	29,500	5.4	30,000	2.4	25,300	6.8	165.63

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. In the forecast of consolidated financial results for the fiscal year ending March 31, 2027, "Basic earnings per share" take into account the impact of the stock split.

*** 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: None
- (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, 2026	160,983,468 shares
As of March 31, 2025	163,983,468 shares

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

As of March 31, 2026	8,231,100 shares
As of March 31, 2025	8,670,444 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	154,313,086 shares
Fiscal year ended March 31, 2025	158,161,407 shares

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. The total number of issued shares (ordinary shares) is calculated on the assumption that the stock split was conducted at the commencement of the previous consolidated fiscal year.

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

(April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	222,826	(0.9)	23,932	29.6	27,375	28.6	22,990	39.0
March 31, 2025	224,750	14.0	18,465	110.6	21,282	88.9	16,545	96.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	148.99	148.61
March 31, 2025	104.61	104.29

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. "Basic earnings per share" and "Diluted earnings per share" are calculated on the assumption that the stock split was conducted at the commencement of the previous consolidated fiscal year.

(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, 2026	197,588	104,653	52.9	684.26
March 31, 2025	185,381	93,431	50.3	600.50

(Reference) Shareholders' equity: As of March 31, 2026: ¥104,522 million As of March 31, 2025: ¥93,265 million

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. "Net assets per share" are calculated on the assumption that the stock split was conducted at the commencement of the previous consolidated fiscal year.

2. Forecast of Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2027

(April 1, 2026 to March 31, 2027)

(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	230,000	3.2	25,000	4.5	28,000	2.3	24,400	6.1	159.74

(Note) The Company conducted a stock split at a ratio of three shares for every one share of the Company's common stock, effective May 1, 2026. In the forecast of non-consolidated financial results for the fiscal year ending March 31, 2027, "Basic earnings per share" take into account the impact of the stock split.

* 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 and related notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	31,856	32,097
Notes receivable - trade	337	23
Electronically recorded monetary claims - operating	8,990	7,776
Accounts receivable from completed construction contracts and other	47,958	64,720
Contract assets	27,521	23,069
Securities	11,992	9,986
Costs on construction contracts in progress	2,926	2,792
Raw materials and supplies	901	1,160
Other	6,351	8,365
Allowance for doubtful accounts	(2)	(5)
Total current assets	138,834	149,986
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,784	45,109
Accumulated depreciation	(36,041)	(36,233)
Buildings and structures, net	8,742	8,875
Machinery, vehicles, tools, furniture and fixtures	2,382	2,478
Accumulated depreciation	(1,877)	(2,029)
Machinery, vehicles, tools, furniture and fixtures, net	504	448
Land	3,086	3,068
Lease assets	292	309
Accumulated depreciation	(147)	(137)
Leased assets, net	145	172
Construction in progress	35	323
Total property, plant and equipment	12,515	12,887
Intangible assets		
Other	1,830	1,717
Total intangible assets	1,830	1,717
Investments and other assets		
Investment securities	31,383	35,258
Long-term loans receivable	46	37
Retirement benefit asset	10,198	12,836
Leasehold and guarantee deposits	1,652	1,595
Insurance funds	433	440
Deferred tax assets	1,263	1,399
Other	3,003	3,694
Allowance for doubtful accounts	(321)	(372)
Total investments and other assets	47,660	54,891
Total non-current assets	62,005	69,497
Total assets	200,839	219,483

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	2,132	1,398
Accounts payable for construction contracts	36,934	33,461
Short-term borrowings	5,759	5,781
Lease liabilities	100	113
Income taxes payable	5,974	5,774
Contract liabilities	11,972	19,952
Provision for bonuses	8,471	9,188
Provision for directors' bonuses	350	414
Provision for warranties for completed construction	462	442
Provision for loss on construction contracts	2,006	332
Other	8,119	8,169
Total current liabilities	82,283	85,030
Non-current liabilities		
Long-term borrowings	1,348	350
Lease liabilities	192	241
Retirement benefit liability	4,613	3,651
Deferred tax liabilities	54	2,821
Other	5,967	5,951
Total non-current liabilities	12,175	13,016
Total liabilities	94,458	98,046
Net assets		
Shareholders' equity		
Share capital	8,105	8,105
Capital surplus	4,221	4,181
Retained earnings	84,245	95,888
Treasury shares	(6,376)	(8,940)
Total shareholders' equity	90,195	99,234
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,383	16,333
Deferred gains or losses on hedges	(0)	8
Foreign currency translation adjustment	413	707
Remeasurements of defined benefit plans	2,223	5,022
Total accumulated other comprehensive income	16,019	22,072
Share acquisition rights	166	130
Total net assets	106,380	121,437
Total liabilities and net assets	200,839	219,483

(2) Consolidated statements of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales		
Net sales of completed construction contracts	250,428	251,924
Net sales in real estate business and other	2,707	2,749
Total net sales	253,136	254,674
Cost of sales		
Cost of sales of completed construction contracts	204,007	196,942
Cost of sales in real estate business and other	1,633	1,661
Total cost of sales	205,640	198,604
Gross profit		
Gross profit on completed construction contracts	46,420	54,982
Gross profit on real estate business and other	1,074	1,088
Total gross profit	47,495	56,070
Selling, general and administrative expenses		
Employees' salaries and allowances	8,582	9,038
Provision for bonuses	3,450	3,608
Provision for bonuses for directors (and other officers)	350	418
Retirement benefit expenses	323	347
Provision of allowance for doubtful accounts	7	1
Depreciation	1,155	1,268
Other	11,733	13,396
Total selling, general and administrative expenses	25,602	28,079
Operating profit	21,893	27,991
Non-operating income		
Interest income	65	144
Dividend income	857	915
Insurance claim income	238	422
Waste disposal income	219	209
Other	337	201
Total non-operating income	1,718	1,893
Non-operating expenses		
Interest expenses	121	121
Commission for purchase of treasury shares	41	61
Compensation expenses	—	116
Other	378	298
Total non-operating expenses	540	597
Ordinary profit	23,071	29,287

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	1,114	3,627
Total extraordinary income	1,114	3,627
Extraordinary losses		
Impairment losses	—	69
Loss on sale of non-current assets	28	—
Loss on retirement of non-current assets	88	182
Compensation for damage	842	—
Total extraordinary losses	960	252
Profit before income taxes	23,225	32,662
Income taxes - current	7,945	9,021
Income taxes - deferred	(1,923)	(46)
Total income taxes	6,022	8,974
Profit	17,203	23,688
(Breakdown)		
Profit attributable to owners of parent	17,203	23,688
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,263)	2,949
Deferred gains or losses on hedges	(0)	9
Foreign currency translation adjustment	118	293
Remeasurements of defined benefit plans	171	2,799
Total other comprehensive income	(5,974)	6,052
Comprehensive income	11,228	29,741
(Breakdown)		
Comprehensive income attributable to owners of parent	11,228	29,741
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

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

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,105	4,221	84,245	(6,376)	90,195
Changes during period					
Dividends of surplus			(9,963)		(9,963)
Profit attributable to owners of parent			23,688		23,688
Purchase of treasury shares				(4,999)	(4,999)
Disposal of treasury shares		125		229	354
Transfer of loss on disposal of treasury shares		(13)	(28)		(41)
Cancellation of treasury shares		(151)	(2,054)	2,206	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(39)	11,642	(2,563)	9,038
Balance at end of period	8,105	4,181	95,888	(8,940)	99,234

	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	13,383	(0)	413	2,223	16,019	166	106,380
Changes during period							
Dividends of surplus							(9,963)
Profit attributable to owners of parent							23,688
Purchase of treasury shares							(4,999)
Disposal of treasury shares							354
Transfer of loss on disposal of treasury shares							(41)
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	2,949	9	293	2,799	6,052	(35)	6,017
Total changes during period	2,949	9	293	2,799	6,052	(35)	15,056
Balance at end of period	16,333	8	707	5,022	22,072	130	121,437

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	23,225	32,662
Depreciation	1,904	2,007
Impairment losses	—	69
Loss on retirement of non-current assets	88	182
Increase (decrease) in allowance for doubtful accounts	(19)	52
Increase (decrease) in provision for bonuses	2,454	716
Increase (decrease) in net defined benefit liability	322	482
Increase (decrease) in provision for loss on construction contracts	928	(1,673)
Interest and dividend income	(923)	(1,059)
Interest expenses	121	121
Loss (gain) on sale of property, plant and equipment	25	2
Loss (gain) on sale of investment securities	(1,114)	(3,627)
Loss on valuation of investment securities	1	—
Decrease (increase) in trade receivables and contract assets	12,816	(10,730)
Decrease (increase) in costs on construction contracts in progress	(378)	136
Increase (decrease) in trade payables	(5,858)	(3,758)
Increase (decrease) in contract liabilities	(2,099)	7,976
Increase (decrease) in other current liabilities	3,280	(58)
Compensation for damage	842	—
Other	(80)	(1,571)
Subtotal	35,536	21,932
Interest and dividends received	917	1,054
Interest paid	(122)	(123)
Income taxes paid	(6,417)	(9,228)
Income taxes refund	—	1
Compensation paid for damage	(188)	(468)
Cash flows from operating activities	29,725	13,167
Cash flows from investing activities		
Payments into time deposits	—	(4,300)
Proceeds from withdrawal of time deposits	—	4,000
Purchase of securities	(4,000)	(8,000)
Proceeds from redemption of securities	5,000	6,000
Purchase of property, plant and equipment	(791)	(1,681)
Proceeds from sale of property, plant and equipment	32	0
Payments for retirement of property, plant and equipment	(68)	(103)
Purchase of investment securities	(107)	(1,400)
Proceeds from sale of investment securities	1,651	5,194
Proceeds from collection of loans receivable	8	8
Purchase of intangible assets	(260)	(434)
Proceeds from maturity of insurance funds	405	104
Payments for investments in capital	—	(600)
Other	27	(126)
Cash flows from investing activities	1,897	(1,338)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(626)	49
Repayments of long-term borrowings	(1,026)	(1,026)
Purchase of treasury shares	(4,050)	(4,999)
Proceeds from exercise of share options	0	0
Repayments of lease liabilities	(122)	(129)
Dividends paid	(5,573)	(9,963)
Cash flows from financing activities	(11,398)	(16,068)
Effect of exchange rate changes on cash and cash equivalents	123	174
Net increase (decrease) in cash and cash equivalents	20,348	(4,064)
Cash and cash equivalents at beginning of period	23,500	43,848
Cash and cash equivalents at end of period	43,848	39,784