COMPANY RESEARCH AND ANALYSIS REPORT

SANKI SERVICE CORPORATION

6044

Tokyo Stock Exchange Standard Market

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Contents

Summary

In FY5/26, achieved record-high results for a second consecutive fiscal year. Announced management integration with Shin Maint Holdings

1. Company profile

SANKI SERVICE CORPORATION <6044> (hereafter, also "the Company") provides total maintenance services from design and construction to maintenance management and repairs, not only for air-conditioning equipment, but also for all electrical, kitchen, water supply and drainage, and sanitation equipment and devices. It provides the services primarily through 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 FY5/26 results

In the FY5/26 consolidated results, sales and profits posted double-digit growth year on year (YoY). Net sales increased 17.5% to ¥24,253mn, operating profit increased 14.6% to ¥1,170mn, ordinary profit increased 15.0% to ¥1,174mn, and profit attributable to owners of parent increased 23.8% to ¥853mn. Net sales, operating profit, and profit attributable to owners of parent all reached record highs for a second consecutive fiscal year. The Company performed strongly and exceeded all of its initial forecasts, with net sales exceeding the forecast by 4.1%, operating profit by 3.5%, ordinary profit by 3.9%, and profit attributable to owners of parent by 20.1%. In the maintenance industry for air-conditioning and other equipment, needs to reduce the maintenance and management costs of related equipment have remained at a high level amid rising energy costs stemming from the international situation and other factors. Against this backdrop, the Company made strong progress in winning orders for equipment upgrading projects, starting with its successful bid in February 2025 for an air-conditioning equipment upgrading project for public elementary and junior high schools in Hirakata City, Osaka Prefecture, and this led to its strong results. Sales in the mainstay Maintenance Business increased 16.8% YoY, as the Company won more construction projects related to the upgrading of equipment and devices, and sales grew substantially in the schools and education and the food service categories in particular. In the Construction Products Services Business, sales increased 25.0% YoY on growth in orders won for individual projects. In terms of profits, gross profit from one-off projects increased due to higher earnings from large construction project orders and growth in orders for high-margin projects at its subsidiary. Meanwhile, gross profit from recurring income-based projects associated with regular maintenance contracts declined due to a revision of trading terms by some customers, while labor costs and SG&A expenses rose with more aggressive hiring of human resources. As a result, operating profit increased overall, and the operating profit margin was 4.8%, achieving the target level set in the medium-term management plan.

3. FY5/27 forecasts

Following the announcement of the management integration with Shin Maint Holdings <6086>, the Company has not disclosed its consolidated earnings forecasts for FY5/27. As FY5/27 is the second year of the current medium-term management plan, the Company is expected to continue promoting the key policies set out in the plan. Specifically, in the maintenance services business the policies include establishing a stable earnings foundation through in-house development, acquiring new customers in major regional cities and other areas, and developing maintenance personnel and strategically positioning its bases. In the total maintenance business, they include developing large facility projects through more sophisticated proposal-based sales, measures to increase sales per customer, and stronger collaboration with partner companies (through the introduction of a real-time collaboration system). Progress on the plan is also expected in the medical business, the environment business, and other areas.

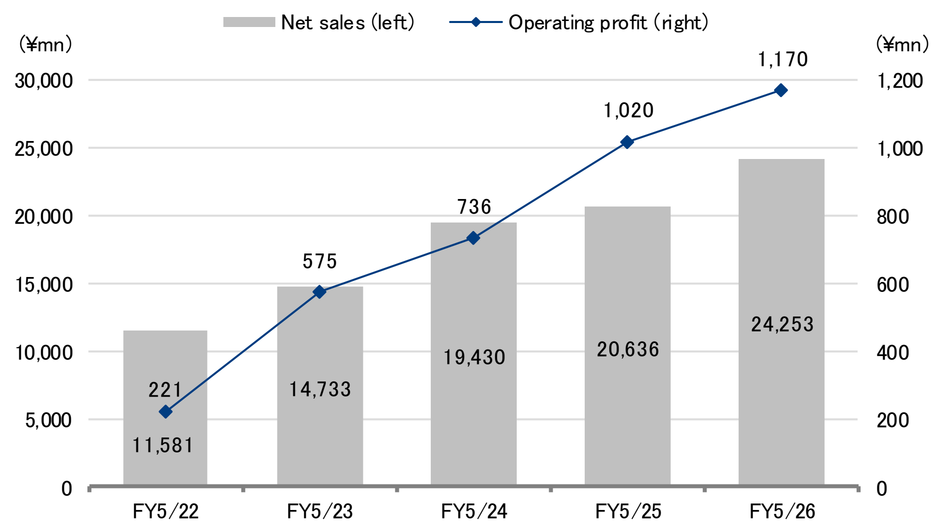
4. Announcement of management integration

Together with its FY5/26 results, the Company announced a management integration with Shin Maint Holdings. Following resolutions at the Company's Annual General Meeting of Shareholders (held on August 28, 2026) and at an Extraordinary General Meeting of Shareholders of Shin Maint Holdings (held on September 4, 2026), the management integration agreement will take effect on December 1, 2026. Shin Maint Holdings, which already has a holding company structure, will be the holding company, with the Company and Shin Maint Holdings' subsidiaries Shin Pro Maint Inc. and TESCO CO., LTD. under its umbrella. The holding company will be named Sanki Shin Maint Holdings Co., Ltd.

Key Points

- In FY5/26, net sales, operating profit, and net profit reached record highs for a second consecutive fiscal year
- Strong orders for equipment upgrading projects, including large air-conditioning equipment upgrading projects for schools, and for services to customers operating multiple stores
- Announced management integration with Shin Maint Holdings

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 air-conditioning, electrical, kitchen, water supply and drainage, and sanitation equipment and devices, primarily through call centers that operate 24 hours a day, 365 days a year. When it was founded in 1977, the Company 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 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, and Tatsuo Kitakoshi was promoted to be the President and Representative Director. President Kitakoshi had accumulated experience in various business departments, including the large air-conditioning equipment department that is the Company's core operation, and had also worked as the head of the main centers in Kansai. Subsequently, he served as the call center executive officer, then from 2013 he engaged in management as supervisor of the head office management department, while conducting the Company's 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 from July 2025, he promoted the Medium-Term Management Plan 2026–2028 to achieve the 2030 Vision. On August 28, 2026, President Kitakoshi stepped down and Reona Ochi was appointed President and Representative Director. In addition, a new management structure will be put in place going forward in conjunction with the management integration with Shin Maint Holdings (details below).

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 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 an “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
December 2025	Established Sanki Next Repair Co., Ltd. (wholly owned by the Company)
August 2026	Reona Ochi was appointed President

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 device repair, but also proactively proposes preventive maintenance to reduce the occurrences of sudden and unexpected failures, mainly for customers operating multiple stores and buildings, such as retailers, food service operators, medical, nursing care and social welfare facilities, and the equipment management industry, to enable them to provide their customers with pleasant spaces, times, and peace of mind. Also, in addition to equipment maintenance, the Company's wide-ranging 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; the 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, the total maintenance business realizes cost reductions and environmental improvements. In addition, regular maintenance management, which is part of total maintenance, entails conducting inspections from the viewpoint of "preventive 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 the total maintenance business 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 more than 300 service engineers and its nationwide network comprised of 2,900 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 service operators, event facilities, and medical, nursing care, and social welfare facilities developed across multiple stores and buildings.

Overview of 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 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.

Overview of air-conditioning maintenance

	Current condition	After an installation
Data management	Manufacturers respond for repairs and conduct management through daily reports As manufacturers respond, analysis data is not produced	Integrated management of data for each company Can analyze repair data and conduct a fair analysis as a third party
Fee structure	There are price differences between the various companies There are uncertainties, such as the prices of parts	Responds with uniform fees Makes visible the prices of parts
Progress management	Ascertains conditions through a daily Excel report Inspection schedule is notified by postcard	Progress management through an online system 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. 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 proposes 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' customer-facing operations, work to construct equipment maintenance systems, alliance work with manufacturers' Japanese subsidiaries, and contracted 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 incidents requiring emergency responses and so forth. This leads to cost-reduction effects, not only for equipment maintenance management costs, but also 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>, a leading home appliances company in Northern Europe with its head office in Sweden, for devices including food-service devices and coin-laundry devices. It also provides technical consultations and remote support for faults to Electrolux's nationwide sales stores and end users. In addition, should a repair visit be required, the Company 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. Distinctive features of this service include the provision of value-added proposals for measures to improve the internal company environment, tailored to the customer's conditions, and the reduction of costs through total maintenance of equipment.

In equipment consulting, the Company has equipment proposal capabilities, which solve problems at facilities by utilizing its expertise and track record and making proposals from various perspectives, including equipment proposals and measures utilizing laws and regulations. It also has energy conservation capabilities for providing energy-saving measures to reduce energy consumption by equipment, which is an important issue for the management of buildings and facilities, as well as energy conservation and cost reductions through measures such as introducing the Company's proprietary inverter-control products and converting lighting to LEDs. In addition, the Company boasts facility management capabilities supported by its own operational framework for comprehensive facility management to provide management outsourcing services for facility owners, and incident response capabilities, supported 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 at the ready.

(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 proposal capabilities to properly install the 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 centralized management for equipment maintenance within all facilities. Furthermore, it can conduct centralized management of the process from the moment when operators, who respond 24 hours a day, 365 days a year, receive the request to dispatching engineers, confirming the progress, and billing. Centralizing 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 cost 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 service provider 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 power saving products for commercial-use air conditioners.

c) Information proposal capabilities

The Company reduces initial investment costs by providing the knowledge and expertise it has accumulated for preventing repair needs and improving the overall equipment environment. 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

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 optimal maintenance and management methods, including priority points and cost-reduction measures. In hospitals and nursing care facilities for the elderly, the Company proposes comprehensive 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 that enable the facilities to be used with peace of mind, while prioritizing cost effectiveness and maintenance management cost reductions. 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. 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 service provider over many years, including air-conditioning maintenance technologies, to provide a total maintenance service centered on 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. Compared to these competitors, the Company's strengths include nationwide emergency response capabilities using in-house service engineers and call centers that operate 24 hours a day, 365 days a year, and it has 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 undertakes comprehensive facility 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 service operators, which are the Company's main customers. In addition, the Company has 15 centers and sales offices 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 establishing a system that allows the Company to provide maintenance services throughout Japan and respond 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 administrative burden involved 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. The Company plans to integrate with Shin Maint Holdings on December 1, 2026, aiming to create synergies by sharing customer bases and technologies.

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-designated service provider of Panasonic Commercial Equipment Systems, which is part of the Panasonic Group, it conducts regular inspections and handles repairs for large commercial-use air-conditioning equipment and other devices. In addition, needs for energy saving are rising due to environmental issues. Therefore, we at FISCO think opportunities to capture demand are also broadening through the expansion of total maintenance services, including installation of energy-saving inverters peripheral to large air-conditioning equipment, maintenance of equipment other than large air-conditioning equipment, such as electrical equipment, water supply and drainage equipment, and sanitation equipment, and renewal of large-scale equipment. Its greatest strength is its circular business model. There is a greater chance of repeat business due to its cycle that moves through equipment design, construction and installation, periodic inspection, maintenance (repairs, maintenance management, operation), and back to equipment design.

Results trends

In FY5/26, continued to achieve record-high net sales, operating profit, and net profit. Orders from educational institutions and the food service sector grew

1. Overview of FY5/26 results

In the FY5/26 consolidated results, sales and profits were higher YoY. Net sales increased 17.5% to ¥24,253mn, operating profit increased 14.6% to ¥1,170mn, ordinary profit increased 15.0% to ¥1,174mn, and profit attributable to owners of parent increased 23.8% to ¥853mn. Net sales, operating profit, and profit attributable to owners of parent all reached record highs for a second consecutive fiscal year. The Company performed strongly and exceeded all of its initial forecasts, with net sales exceeding the forecast (¥23,300mn) by 4.1%, operating profit (¥1,130mn) by 3.5%, ordinary profit (¥1,130mn) by 3.9%, and profit attributable to owners of parent (¥710mn) by 20.1%.

In the maintenance industry for air-conditioning and other equipment, to which the Company belongs, needs to reduce the maintenance and management costs of related equipment have remained at a high level due to rising energy costs stemming from the international situation and other factors. The Company likewise made strong progress in winning orders for equipment upgrading projects, starting with its successful bid in February 2025 for the air-conditioning equipment upgrading project for public elementary and junior high schools in Hirakata City, Osaka Prefecture, and this led to its strong FY5/26 results. Sales in the mainstay Maintenance Business increased 16.8% YoY, as the Company won more construction projects related to the upgrading of equipment and devices, and sales grew substantially in the schools and education and the food service categories in particular. In the Construction Products Services Business, sales increased 25.0% YoY on growth in orders won for individual projects. In terms of profits, gross profit from one-off projects increased due to higher earnings from large construction project orders and growth in orders for high-margin projects at subsidiary HYOGO KIKO. Meanwhile, gross profit from recurring income-based projects associated with regular maintenance contracts declined due to a revision of trading terms by some customers, while labor costs and SG&A expenses rose with more aggressive hiring of human resources. As a result, operating profit increased overall, and the operating profit margin was 4.8%, achieving the target level set in the medium-term management plan (4.8%).

FY5/26 consolidated results

(¥mn)

	FY5/25		FY5/26			YoY	Achievement rate
	Results	% of net sales	Initial forecast	Results	% of net sales		
Net sales	20,636	-	23,300	24,253	-	17.5%	104.1%
Gross profit	4,693	22.7%	-	5,066	20.9%	7.9%	-
SG&A expenses	3,673	17.8%	-	3,896	16.1%	6.1%	-
Operating profit	1,020	4.9%	1,130	1,170	4.8%	14.6%	103.5%
Ordinary profit	1,021	4.9%	1,130	1,174	4.8%	15.0%	103.9%
Profit attributable to owners of parent	689	3.3%	710	853	3.5%	23.8%	120.1%

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. Amid strong order trends, demand is rising for large numbers of engineers with a thorough knowledge of on-site work. In addition, in construction projects such as electrical and plumbing work, Japan's Construction Business Act stipulates that a chief engineer or a managing engineer must be appointed at each site, and that individuals with specialized qualifications relevant to the nature of the work must be involved in the project. Securing qualified engineers in line with the scale of the Company's business has therefore become an urgent issue. While the Company considerably increased its human resources under the previous medium-term management plan through FY5/25, it recognized that development had not kept pace. Under the current medium-term management plan, which started in FY5/26, it will therefore continue to invest ¥100mn a year in training, and as key policies it is developing training programs for each level of the organization, introducing a talent management system (TMS), converting knowledge into video format, standardizing OJT teaching materials, and implementing rotational development and a redesigned evaluation system to develop multi-skilled engineers. As one example of these measures, to help employees master on-site work, the Company has set up an environment at its training center that replicates an operating convenience store, an actual worksite, where it provides highly effective training and instruction using the equipment that employees will actually work on. It has also established programs to encourage employees to obtain qualifications, such as covering examination fees and paying qualification allowances. In addition, it is stepping up mid-career hiring of people without prior experience for construction manager positions of various types.

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 ¥21,696mn (up 16.8% YoY) and segment profit rose to ¥1,070mn (up 17.7%). In the air-conditioning equipment upgrading project for elementary and junior high schools in Hirakata City, around half of the total order value of ¥8.1bn is for construction work (the other half is maintenance fees for the 15 years after construction), and the earnings will be recorded over three fiscal years from FY5/26. In addition to this factor, growth in other education-related orders and in orders for equipment upgrading projects from food service businesses operating nationwide contributed to the increases in sales and profit. 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. Net sales increased to ¥2,591mn (up 25.0%), but segment profit declined to ¥103mn (down 7.2%) following the sharp profit growth in the previous fiscal year.

Results by segment

(¥mn)

	FY5/25 Results	FY5/26	
		Results	YoY
Net sales	20,636	24,253	17.5%
Maintenance Business	18,573	21,696	16.8%
Construction Products Services Business	2,072	2,591	25.0%
(adjusted amount)	-10	-34	-
Operating profit	1,020	1,170	14.6%
Maintenance Business	909	1,070	17.7%
Construction Products Services Business	111	103	-7.2%
(adjusted amount)	-	-3	-

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

3. Net sales by service

For construction projects, air-conditioning equipment replacement work for educational institutions and equipment upgrading projects for the food service sector performed strongly. Net sales rose 57.3% YoY to ¥9,482mn, and the share of net sales on a stand-alone basis climbed 11.7pp to 46.2%. Along with large project orders, this also reflected an increase in qualified construction managers and engineers to support its order-taking structure, and measures to improve operational efficiency such as digitalizing management work and eliminating paper through the introduction of Photoruction, a construction management support tool. Net sales from regular projects decreased 2.0% to ¥2,894mn, and the share of net sales dropped 2.8pp to 14.1%. The impact of contract reviews by some customers was offset by orders for other projects. For repair projects, net sales decreased 4.1% to ¥8,148mn, and the share of net sales fell 8.9pp to 39.7%, reflecting lower sales related to total maintenance services for some customers.

Net sales by type of service

(¥mn)

	FY5/24		FY5/25		FY5/26		
	Results	%	Results	%	Results	%	YoY
Construction	5,440	32.5%	6,029	34.5%	9,482	46.2%	57.3%
Regular	3,247	19.4%	2,953	16.9%	2,894	14.1%	-2.0%
Repairs	8,051	48.1%	8,493	48.6%	8,148	39.7%	-4.1%

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

For the mainstay retail category, net sales decreased 6.9% YoY to ¥8,116mn, and the share of net sales fell 10.4pp to 39.5%, due to the impact of a revision of trading terms by some customers in the total maintenance business. Meanwhile, in the schools and education category, net sales grew to ¥3,121mn (up 98.3% YoY) and the share of net sales rose 6.2pp to 15.2%, driven by large project orders. The equipment management and real estate category, which has the third-largest share, recorded net sales of ¥2,659mn (up 5.9%) and a 13.0% share of net sales (down 1.4pp). The fourth-largest, others, recorded net sales of ¥2,451mn (up 16.4%) and an 11.9% share of net sales (down 0.2pp). The fifth-largest, food service, substantially increased its share, with net sales of ¥2,394mn (up 149.9%) and an 11.7% share of net sales (up 6.2pp). Elsewhere, the medical, nursing care, and social welfare category recorded net sales of ¥1,377mn (up 15.6%) and a 6.7% share of net sales (down 0.1pp), while event facilities recorded net sales of ¥406mn (down 3.8%) and a 2.0% share of net sales (down 0.4pp).

Percentages of total net sales by customer attributes

(¥mn)

	FY5/24		FY5/25		FY5/26		
	Results	%	Results	%	Results	%	YoY
Others (leases, etc.)	1,708	10.2%	2,106	12.1%	2,451	11.9%	16.4%
Schools and education	1,252	7.5%	1,574	9.0%	3,121	15.2%	98.3%
Medical, nursing care, and social welfare	1,315	7.9%	1,191	6.8%	1,377	6.7%	15.6%
Event facilities	381	2.3%	422	2.4%	406	2.0%	-3.8%
Equipment management and real estate	2,690	16.1%	2,511	14.4%	2,659	13.0%	5.9%
Retail	8,785	52.5%	8,714	49.9%	8,116	39.5%	-6.9%
Food service	608	3.6%	958	5.5%	2,394	11.7%	149.9%

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 FY5/26, total assets increased ¥203mn from the end of the previous fiscal year to ¥10,151mn. Within this, current assets decreased ¥48mn to ¥8,319mn. This was mainly due to a ¥208mn decrease in cash and deposits and a ¥40mn decrease in notes and accounts receivable – trade and contract assets. Non-current assets increased ¥248mn to ¥1,829mn, mainly due to a ¥170mn increase in investment securities and a ¥51mn increase in property, plant and equipment. Total liabilities decreased ¥613mn to ¥4,521mn. Current liabilities decreased ¥517mn to ¥3,937mn, mainly reflecting a ¥183mn decrease in trade payables (notes payable – trade and accounts payable for construction contracts) and a ¥172mn decrease in accrued income taxes. Non-current liabilities decreased ¥96mn to ¥584mn, mainly due to a decrease of ¥115mn in long-term borrowings. Total net assets increased ¥816mn to ¥5,629mn, as retained earnings rose ¥692mn following the recording of ¥853mn in profit attributable to owners of parent. As a result of the above, the equity ratio rose 7.1pp from the end of the previous fiscal year to 55.5%, while ROE rose 1.0pp to 16.3% indicating improved capital efficiency.

Financial condition

(¥mn)

	End of FY5/25	End of FY5/26	Increase/ decrease
Total assets	9,948	10,151	203
Current assets	8,367	8,319	-48
Non-current assets	1,580	1,829	248
Total liabilities	5,135	4,521	-613
Current liabilities	4,454	3,937	-517
Non-current liabilities	680	584	-96
Total net assets	4,812	5,629	816

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

Outlook

FY5/27 forecasts not disclosed following the announcement of the management integration. Continuing to promote key policies for each business under the medium-term management plan

1. FY5/27 forecasts

The Company announced a management integration with Shin Maint Holdings at the same time as its FY5/26 results. Accordingly, the Company has not disclosed its consolidated earnings forecasts for FY5/27. As FY5/27 is the second year of the current medium-term management plan, the Company is expected to continue promoting the key policies set out in the plan. Specifically, in the maintenance services business the policies include establishing a stable earnings foundation through in-house development, acquiring new customers in major regional cities and other areas, and developing maintenance personnel and strategically positioning its bases. In the total maintenance business, they include developing large facility projects through more sophisticated proposal-based sales, measures to increase sales per customer, and stronger collaboration with partner companies (through the introduction of a real-time collaboration system). In the medical business, the Company aims to shift to stable, high-unit-price recurring earnings by establishing a long-term contract model for public hospitals and developing services specialized for medical institutions and pharmaceutical companies. In the environment business, it will promote energy-saving controls and the introduction of a PPA (power purchase agreement) model, centered on its Sanki-type energy-saving solutions.

2. Progress of the medium-term management plan

The 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, is positioned as a period of accelerated growth aimed at realizing a “company that uses technologies, data, and IT to produce (create) the infrastructure for safe and comfortable spaces” under the 2030 Vision, which outlines what the Company intends to be in 2030. Based on the premise of ensuring a balance of sustainable growth and profitability, which is its management policy, the Company has formulated realistic and ambitious financial targets and, to strengthen its earnings foundation, aims to expand its business by maximizing the value of its human resources through proactive investment in human capital. As financial targets for FY5/28, it aims for net sales of ¥32,650mn, operating profit of ¥2,200mn, an operating profit margin of 6.7%, and ROE of 18.0%. By business, it targets net sales of ¥15,379mn in the maintenance services business (including the environment business), ¥13,620mn in the total maintenance business, and ¥3,650mn in others (subsidiaries, etc.). By type of sales recognition, it targets recurring income-based net sales of ¥19,738mn. In FY5/26, the first year of the plan, the Company recorded net sales of ¥24,253mn (4.1% higher than the target) and operating profit of ¥1,170mn (3.5% higher), with an operating profit margin of 4.8%, progressing in line with the plan. With the major event of the management integration ahead in FY5/27, we expect the Company to present a specific policy on the handling of the current medium-term management plan.

Progress of the medium-term management plan

(¥mn)

	FY5/25 Results	FY5/26		FY5/28	
		Target	Results	Target	vs. FY5/25
Overall indicators					
Net sales	20,636	23,300	24,253	32,650	58.2%
Operating profit	1,020	1,130	1,170	2,200	115.0%
Operating profit margin	4.9%	4.8%	4.8%	6.7%	1.8pp
ROE	15.3%	-	16.3%	18.0%	2.7pp

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

In terms of progress on its key policies, in the maintenance services business, the Company is developing a stable earnings foundation and implementing measures to develop maintenance personnel and strategically position its bases. As part of this, it is hiring engineers to handle the maintenance of commercial air-conditioning equipment and other devices, as well as various types of construction managers to handle work such as air-conditioning equipment replacement. For maintenance engineers, it is hiring both new graduates and mid-career candidates. In mid-career hiring in particular, it is actively recruiting people without prior experience. To get inexperienced hires ready for on-site work quickly and to develop multi-skilled engineers, the Company provides training and instruction at its training center using the actual equipment that will be repaired or newly installed. Through this, it is building a structure in which each engineer can handle the full range of services, from equipment design to maintenance. The Company also provides one-on-one education through OJT as well as group training that closely resembles hands-on work in the field. As the number of projects grows, the Company also needs more employees qualified as plumbing work construction management engineers, which it is addressing by hiring experienced mid-career candidates and encouraging employees to obtain the qualification. As of November 2025, more than 80 employees held this qualification, and including those with construction and electrical qualifications, over 400 employees (on a cumulative basis) hold various qualifications and apply their specialized knowledge in their work. These human resource development measures are a factor contributing to the establishment of a stable earnings foundation.

As a new form of maintenance service, the Company established the subsidiary Sanki Next Repair Co., Ltd. to provide equipment repair services using a "send-back" method, and it started operations in FY5/26. Under the send-back method, rather than repairing malfunctioning equipment on site, replacement equipment is installed at the site and the malfunctioning equipment is taken away for repair. This method is convenient for equipment that is unsuited to on-site repair because it is used in serving customers, such as microwave ovens and hot warmers installed in convenience stores. The Company has already started providing the service to some convenience stores. We think this is an area where strong demand can be expected as a service for the retail and food service sectors in which the Company excels, and the Company's policy is to optimize the service while accumulating repair data and operational expertise, thereby improving its earnings.

Elsewhere, in both the maintenance services business and the total maintenance business, the Company is rolling out measures aimed at improving profitability through DX promotion. Its DX measures include a reception app, a sales support system, a construction management tool, wearable cameras and a video cloud service, and training on the use of AI. The reception app takes maintenance requests and similar inquiries that were previously received from customers by telephone through an application on tablets and smartphones. As of the end of FY5/26, it had been introduced at 828 stores, around 1.6 times the number in June 2025. This enables real-time collaboration with partner companies and is advancing the elimination of paper from processes such as repair requests, quotations, and work reports, thereby reducing the workload. The sales support system uses Salesforce, a cloud-based customer management and sales support product, to upgrade the management of customer and project information. Through this, the Company is working to enhance its proposal-based sales capabilities and sales productivity, and to increase the share of revenue from recurring income by expanding total maintenance services. For the construction management tool, the Company introduced Photoruction, a construction management support product, to handle the large project ordered by Hirakata City, Osaka Prefecture. In on-site management work, it improves operational efficiency by eliminating paper, enhances construction quality, and strengthens compliance by digitalizing construction information to eliminate the risk of data falsification. Wearable cameras and the video cloud service are likewise used at construction sites, where they make it easy to record work from a remote office or elsewhere, helping to visualize work procedures and support engineer training. Going forward, the Company will roll out these measures in areas such as air-conditioning equipment replacement work. In addition to introducing these tools, it is actively holding training for executives and employees on the use of AI within the Company, thereby also promoting the development of DX human resources, including AI utilization.

Topics

Announced management integration with Shin Maint Holdings

For the management integration with Shin Maint Holdings, following resolutions at the Company's Annual General Meeting of Shareholders (held on August 28, 2026) and at an Extraordinary General Meeting of Shareholders of Shin Maint Holdings (held on September 4, 2026), the management integration agreement will take effect on December 1, 2026. Shin Maint Holdings, which already has a holding company structure, will be the holding company, with the Company and Shin Maint Holdings' subsidiaries Shin Pro Maint and TESCO under its umbrella. The holding company will be named Sanki Shin Maint Holdings.

1. Purpose of the management integration

Shin Maint Holdings' main business is performing maintenance on behalf of the head office organizations of its customers when problems arise with the equipment, devices, or interiors and exteriors of stores and facilities. Its main customers are major food service chains, goods and retail businesses, and nursing care providers. Its strength is its ability to provide one-stop maintenance services, in which it receives maintenance requests from stores and facilities throughout Japan, then selects and arranges an appropriate contractor from its collaborating contractors (known as Maintekeepers) according to the type, region, and content of the request, to resolve the problem. In the maintenance services market in which the two companies operate, demand for building and equipment maintenance has remained firm, supported by renovation and upgrading demand associated with aging buildings and equipment as well as the need to address energy conservation and carbon neutrality and to reduce electricity costs. At the same time, customers increasingly want maintenance providers to be ongoing partners that handle inspection, repair, and upgrading needs and offer proposals on preventive maintenance and energy conservation, rather than simply responding to breakdowns or performing one-off construction work. In this environment, securing collaborating contractors and specialized human resources on a stable basis is a challenge shared by both companies. With this recognition, the two companies, both of which provide total maintenance services nationwide, appear to have firmed up their intention to integrate.

Through the management integration, the two companies will make mutual use of the customer bases, specialized human resources, technologies and expertise, and other management resources they have built up, thereby establishing a strong management foundation that enables higher service quality and improved management efficiency. They intend to use this to maximize the value they provide to customers and further raise the corporate value of both groups. By combining Shin Maint Holdings' strength in control-tower functions such as receiving requests, making arrangements, and managing projects for multi-store customers nationwide with the Company's strengths in the technological capabilities and on-site execution of its team of more than 300 engineers, they aim to expand their customer base and the range of work handled for existing customers, maximizing the value provided to customers and raising corporate value. At this point, they have identified six anticipated synergies: creating cross-selling opportunities by making mutual use of their customer bases; improving service quality by sharing technologies and expertise; strengthening their business foundation by making mutual use of expertise in service provision structures; expanding sales areas and improving cost efficiency by making mutual use of and optimizing sales bases; making their management foundation more efficient; and accelerating growth investment.

2. Share exchange

The management integration will be implemented through a share exchange. Under the allotment ratio, 1.920 shares of Shin Maint Holdings stock will be allotted and delivered for each share of the Company's stock (no shares will be allotted for the Company's shares held by Shin Maint Holdings immediately before the share exchange). In conjunction with the share exchange, the Company's stock is scheduled to be delisted on November 27, 2026 (the final trading day will be November 26, 2026). With the delisting of the Company's stock, the current shareholder benefits program was discontinued after the benefits granted with a record date of May 31, 2026.

3. Structure of the holding company

Yoshikane Nakashima, the Company's Chairman and Representative Director, is to become Chairman and Representative Director of the holding company. Hideo Naito, Chairman, President, and Representative Director of Shin Maint Holdings, is to become President and Representative Director. So that each company nominates the same number of officers, four directors from the Company, including Yoshikane Nakashima, are to join as newly appointed directors alongside four officers from Shin Maint Holdings. Two outside directors, two full-time Audit & Supervisory Board members, and two part-time Audit & Supervisory Board members are also to be appointed, again with half nominated by each company.

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