

Translation

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**Summary of Consolidated Financial Results  
for the Nine Months Ended February 28, 2021  
(Based on Japanese GAAP)**

April 14, 2021

Company name: SANKI SERVICE CORPORATION

Stock exchange listing: Tokyo

Stock code: 6044 URL <http://www.sanki-s.co.jp>

Representative: President&chief Executive officer Tatsuo Kitakoshi

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Scheduled date to file Quarterly Securities Report: April 14, 2021

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: No

Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended February 28, 2021 (from June 1, 2020 to February 28, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended February 28, 2021	8,402	(2.9)	121	(37.1)	124	(35.9)	74	(46.9)
Nine months ended February 29, 2020	8,651	4.4	192	(53.7)	194	(53.9)	139	(51.9)

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Nine months ended February 28, 2021	12.52	—	—	—
Nine months ended February 29, 2020	23.73	23.70	23.70	23.70

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2021	4,931	2,861	58.0	481.47
As of May 31, 2020	4,847	2,877	59.2	486.39

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended May 31, 2020	Yen —	Yen 0.00	Yen —	Yen 25.00	Yen 25.00
Year ending May 31, 2021	—	0.00	—	—	—
Year ending May 31, 2021 (Forecast)				10.00	10.00

3. Forecast of consolidated financial results for the year ending May 31, 2021 (from June 1, 2020 to May 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	11,400	(2.4)	230	(43.4)	233	(43.0)	138	(49.4)	23.31

4. Notes

(1) Changes in significant subsidiaries during the nine months ended February 28, 2021  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of February 28, 2021	5,943,485 shares	As of May 31, 2020	5,896,085 shares
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Number of treasury shares at the end of the period

As of February 28, 2021	789 shares	As of May 31, 2020	189 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 28, 2021	5,912,313 shares	Nine months ended February 29, 2020	5,878,684 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

	(Thousands of yen)	
	As of May 31, 2020	As of February 28, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,136,551	1,572,676
Notes and accounts receivable - trade	2,218,783	1,818,412
Securities	–	53,713
Costs on construction contracts in progress	44,242	122,521
Raw materials and supplies	49,904	39,621
Other	217,945	163,066
Allowance for doubtful accounts	(5,097)	(5,292)
<b>Total current assets</b>	<b>3,662,330</b>	<b>3,764,718</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	229,661	221,197
Land	93,797	93,797
Other, net	31,701	22,805
<b>Total property, plant and equipment</b>	<b>355,160</b>	<b>337,800</b>
Intangible assets	362,634	375,549
Investments and other assets		
Investment securities	146,807	113,696
Long-term prepaid expenses	107,652	138,717
Retirement benefit asset	22,785	26,764
Deferred tax assets	118,848	111,364
Other	76,016	67,538
Allowance for doubtful accounts	(4,921)	(4,921)
<b>Total investments and other assets</b>	<b>467,188</b>	<b>453,161</b>
<b>Total non-current assets</b>	<b>1,184,983</b>	<b>1,166,510</b>
<b>Total assets</b>	<b>4,847,313</b>	<b>4,931,229</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable for construction contracts	858,883	842,978
Current portion of long-term borrowings	40,036	91,619
Income taxes payable	79,845	–
Provision for bonuses	110,000	71,177
Other	534,512	405,521
<b>Total current liabilities</b>	<b>1,623,277</b>	<b>1,411,296</b>
<b>Non-current liabilities</b>		
Long-term borrowings	–	318,345
Retirement benefit liability	145,851	155,029
Asset retirement obligations	16,967	17,693
Long-term accounts payable - other	156,545	150,885
Other	27,515	16,763
<b>Total non-current liabilities</b>	<b>346,880</b>	<b>658,716</b>
<b>Total liabilities</b>	<b>1,970,157</b>	<b>2,070,012</b>

	(Thousands of yen)	
	As of May 31, 2020	As of February 28, 2021
Net assets		
Shareholders' equity		
Share capital	590,985	616,652
Capital surplus	476,485	502,152
Retained earnings	1,820,399	1,747,030
Treasury shares	(274)	(274)
Total shareholders' equity	<u>2,887,595</u>	<u>2,865,560</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(15,167)	(1,129)
Foreign currency translation adjustment	(4,743)	(3,214)
Total accumulated other comprehensive income	<u>(19,910)</u>	<u>(4,343)</u>
Non-controlling interests	9,471	–
Total net assets	<u>2,877,156</u>	<u>2,861,216</u>
Total liabilities and net assets	<u>4,847,313</u>	<u>4,931,229</u>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Nine months ended February 29, 2020	Nine months ended February 28, 2021
Net sales	8,651,428	8,402,378
Cost of sales	6,758,729	6,535,152
Gross profit	1,892,699	1,867,225
Selling, general and administrative expenses	1,699,721	1,745,840
Operating profit	192,977	121,385
Non-operating income		
Interest income	1,042	1,260
Dividend income	1,209	1,324
Rental income from buildings	1,837	1,737
Commission income	965	834
Foreign exchange gains	–	640
Other	1,192	1,042
Total non-operating income	6,247	6,839
Non-operating expenses		
Interest expenses	1,511	1,589
Taxes and dues	1,750	900
Foreign exchange losses	219	–
Other	1,234	1,091
Total non-operating expenses	4,715	3,581
Ordinary profit	194,510	124,643
Extraordinary losses		
Loss on liquidation of subsidiaries	–	19,317
Total extraordinary losses	–	19,317
Profit before income taxes	194,510	105,326
Income taxes	68,260	38,466
Profit	126,250	66,859
Loss attributable to non-controlling interests	(13,233)	(7,168)
Profit attributable to owners of parent	139,483	74,028

### Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended February 29, 2020	Nine months ended February 28, 2021
Profit	126,250	66,859
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,266)	14,038
Foreign currency translation adjustment	(4,571)	3,832
Total other comprehensive income	(12,837)	17,871
Comprehensive income	113,412	84,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	128,361	90,300
Comprehensive income attributable to non-controlling interests	(14,948)	(5,569)