

[Translation]



Consolidated Financial Results
for the Three Months Ended June 30, 2025
[Japanese GAAP]

July 31, 2025

Company name: SANKYU INC.

Listing: Tokyo Stock Exchange / Fukuoka Stock Exchange

Securities code: 9065

URL: <https://www.sankyu.co.jp/en/>

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	153,954	7.6	9,623	9.9	9,758	2.8	6,296	11.4
June 30, 2024	143,020	4.0	8,754	(0.4)	9,492	(2.1)	5,653	(2.3)

(Note) Comprehensive income: For the three months ended June 30, 2025: 2,769million yen [(68.1)%]

For the three months ended June 30, 2024: 8,683million yen [(5.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	120.28	—
June 30, 2024	102.25	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	546,131	289,417	52.3
As of March 31, 2025	545,189	297,063	53.8

(Reference) Equity: As of June 30, 2025: 285,751million yen

As of March 31, 2025: 293,211million yen

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	102.00	—	130.00	232.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		116.00	—	116.00	232.00

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

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

(Percentages indicate changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
First half	311,000	4.0	20,000	(0.2)	20,500	1.2	14,000	5.8
Full year	618,000	1.8	41,000	(6.7)	41,000	(8.2)	29,500	(4.1)
								266.46
								561.46

(Note) Revisions to the financial forecast most recently announced: None

* Notes:

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

Newly included: —

Excluded: —

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards and other regulations: None

2) Changes in accounting policies other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2025: 55,470,257shares

As of March 31, 2025: 55,470,257shares

2) Number of treasury shares at the end of the period

As of June 30, 2025: 3,430,438shares

As of March 31, 2025: 2,928,798shares

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

Three months ended June 30, 2025: 52,350,654shares

Three months ended June 30, 2024: 55,289,722shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial forecast and other notes

The financial forecast disclosed above is based on information currently available to the Company and includes highly uncertain factors. Actual results therefore may differ significantly from the forecast due to various factors.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Operating Results

The global economy during the three months ended June 30, 2025 (hereinafter referred to as the “Period”), amidst continuing slow growth, saw an increase in the sense of uncertainty as the United States tariff issue caused a deterioration of market sentiment in the manufacturing industry, and an increase in inflationary pressure affected consumer sentiment. In the United States, consumer spending showed signs of a decrease, but EV-related investment was strong. In China, although a last-minute surge in demand due to the tariff issue was seen in exports, factors such as sluggish housing sales, personal consumption, and capital investment resulted in difficult circumstances for production by Japanese companies operating in China. In Southeast Asia, recovery was spotty due to the impacts of the slowdown in the Chinese economy and the tariff issue, but there was an increase in facility construction demand in the chemical industry. In the domestic economy, although the tariff issue is affecting production activity in the manufacturing industry, and labor shortages and wage hikes are having an impact, recovery is continuing, supported by steady facility upgrading and environment-related investment.

Under such an economic environment, for the Period, the Company posted net sales of 153,954 million yen, up 7.6% year on year. On the profit front, it posted operating profit of 9,623 million yen, up 9.9% year on year, ordinary profit of 9,758 million yen, up 2.8% year on year, and profit attributable to owners of parent of 6,296 million yen, up 11.4% year on year.

Business performance by segment is as follows.

1) Logistics Business

For port operation & global logistics, domestic project cargo transportation and the handling volume of ocean containers increased, and overseas project cargo transportation and shipping volume in the Middle Eastern region also increased. Regarding 3PL & general logistics, income and expenses improved through the effects of unit price increases with main customers in 3PL operations. In general logistics, the transportation of automotive parts, consumer goods, etc. mainly within the China region remained weak because of sluggish domestic demand, but profits improved because of cost-cutting at some local subsidiaries. On the other hand, the handling of ad-hoc work and new work increased in Japan. For on-site logistics, income and expenses improved because of the start of new work with customers in Japan and the withdrawal from unprofitable work overseas.

As a result, the Logistics Business posted net sales of 74,141 million yen, up 3.9% year on year, and segment profit (operating profit) of 2,471 million yen, up 68.6% year on year.

Net sales of the Logistics Business accounted for 48.2% of the total net sales for the Period.

2) Plant Engineering Business

For facility works, against a backdrop of facility upgrading and decarbonization demand in Japan, construction and facility upgrading works of steel- and chemical-related facilities increased in Japan, and EV-related construction works increased in the United States.

The amount of work in SDM (Turnaround Maintenance) in Japan decreased as it was a minor year.

As a result, the Plant Engineering Business posted net sales of 72,655 million yen, up 11.8% year on year, and segment profit (operating profit) of 6,625 million yen, down 4.3% year on year.

Net sales of the Plant Engineering Business accounted for 47.2% of the total net sales for the Period.

3) Others

Leasing of machinery increased with the demand for works related to facility construction, etc., and costs for the purchase of equipment, materials, etc. decreased.

As a result, Others posted net sales of 7,158 million yen, up 6.7% year on year, and segment profit (operating profit) of 504 million yen, up 54.4% year on year.

Net sales of Others accounted for 4.6% of the total net sales for the Period.

(2) Explanation of Financial Position

(Current assets)

Current assets at the end of the Period increased by 8 million yen, or 0.0% from the end of the previous fiscal year, to 280,265 million yen. This was mainly due to an increase in prepaid expenses.

(Non-current assets)

Non-current assets at the end of the Period increased by 932 million yen, or 0.4% from the end of the previous fiscal year, to 265,865 million yen. This was mainly due to an increase in buildings and structures, etc. associated with the completion of human resource development and maintenance sites overseas.

(Current liabilities)

Current liabilities at the end of the Period increased by 12,910 million yen, or 9.3% from the end of the previous fiscal year, to 151,981 million yen. This was mainly due to the issuance of commercial papers for the purpose of providing seasonal and other funds.

(Non-current liabilities)

Non-current liabilities at the end of the Period decreased by 4,323 million yen, or 4.0% from the end of the previous fiscal year, to 104,732 million yen. This was mainly due to a decrease in long-term borrowings.

(Net assets)

Net assets at the end of the Period decreased by 7,645 million yen, or 2.6%, from the end of the previous fiscal year, to 289,417 million yen. This was mainly due to a decrease in retained earnings associated with payment of dividends, a decrease in foreign currency translation adjustment, and a decrease associated with the acquisition of treasury shares, offset by an increase in retained earnings associated with profit in the Period.

The equity ratio at the end of the Period decreased by 1.5% from the end of the previous fiscal year, to 52.3%.

(3) Explanation of Consolidated Financial Forecast and Other Forward-looking Information

No revisions have been made to the financial forecasts for the six months ending September 30, 2025 or for the full-year for the fiscal year ending March 31, 2026, which were announced on May 12, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	47,542	43,278
Notes and accounts receivable - trade, and contract assets	218,581	217,168
Securities	1,057	1,194
Costs on uncompleted construction contracts	1,869	1,408
Other inventories	2,572	2,614
Other	8,918	14,824
Allowance for doubtful accounts	(284)	(223)
Total current assets	280,256	280,265
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	70,579	72,127
Land	57,916	58,011
Other, net	55,854	55,185
Total property, plant and equipment	184,350	185,323
Intangible assets		
Goodwill	1,592	1,543
Other	7,949	7,902
Total intangible assets	9,541	9,445
Investments and other assets		
Investment securities	32,541	33,174
Other	38,894	38,305
Allowance for doubtful accounts	(395)	(384)
Total investments and other assets	71,040	71,096
Total non-current assets	264,933	265,865
Total assets	545,189	546,131

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,105	48,562
Short-term borrowings	18,827	22,481
Commercial papers	—	30,000
Current portion of bonds payable	10,000	10,000
Income taxes payable	10,387	4,575
Contract liabilities	3,170	2,772
Provision for bonuses	12,665	1,597
Other	31,914	31,992
Total current liabilities	139,070	151,981
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term borrowings	37,402	33,548
Retirement benefit liability	31,204	31,224
Other	25,448	24,959
Total non-current liabilities	109,055	104,732
Total liabilities	248,126	256,713
Net assets		
Shareholders' equity		
Share capital	28,619	28,619
Capital surplus	12,715	12,715
Retained earnings	230,048	229,515
Treasury shares	(13,056)	(16,624)
Total shareholders' equity	258,327	254,226
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,313	12,734
Deferred gains or losses on hedges	(0)	5
Revaluation reserve for land	(69)	(69)
Foreign currency translation adjustment	13,812	10,280
Remeasurements of defined benefit plans	8,828	8,574
Total accumulated other comprehensive income	34,884	31,524
Non-controlling interests	3,851	3,666
Total net assets	297,063	289,417
Total liabilities and net assets	545,189	546,131

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	143,020	153,954
Cost of sales	127,184	136,807
Gross profit	15,835	17,147
Selling, general and administrative expenses	7,081	7,523
Operating profit	8,754	9,623
Non-operating income		
Interest income	244	171
Dividend income	539	519
Foreign exchange gains	56	—
Other	463	320
Total non-operating income	1,304	1,011
Non-operating expenses		
Interest expenses	261	318
Foreign exchange losses	—	250
Other	306	307
Total non-operating expenses	567	876
Ordinary profit	9,492	9,758
Extraordinary profit		
Compensation income	—	339
Total extraordinary profit	—	339
Profit before income taxes	9,492	10,098
Income taxes	3,831	3,781
Profit	5,660	6,316
Profit attributable to non-controlling interests	7	19
Profit attributable to owners of parent	5,653	6,296

Quarterly Consolidated Statements of Comprehensive Income
For the Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	5,660	6,316
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	421
Deferred gains or losses on hedges	(13)	5
Foreign currency translation adjustment	3,109	(3,712)
Remeasurements of defined benefit plans, net of tax	(45)	(262)
Total other comprehensive income	3,023	(3,547)
Comprehensive income	8,683	2,769
Comprehensive income attributable to:		
Owners of parent	8,580	2,937
Non-controlling interests	103	(167)

(3) Notes to Quarterly Consolidated Financial Statements
(Notes on Going Concern Assumption)
Not applicable.

(Notes in Cases of Significant Changes in Shareholders' Equity)
For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

(Acquisition of treasury shares)

The Board of Directors held on May 13, 2024, resolved to acquire treasury shares in accordance with Article 156 of the Companies Act, which is applied by replacing terms pursuant to Article 165, Paragraph 3 of the same Act. The Company acquired 524,200 shares of common stock for 2,896 million yen. As a result, the balance of treasury shares during the Period increased by 2,896 million yen.

(Retirement of treasury shares)

The Board of Directors held on May 10, 2023 and March 27, 2024, resolved to retire treasury shares in accordance with Article 178 of the Companies Act. The Company retired 3,185,209 treasury shares as of April 15, 2024. As a result, capital surplus decreased by 0 million yen, retained earnings decreased by 12,252 million yen, and treasury shares decreased by 12,252 million yen during the Period.

For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(Acquisition of treasury shares)

The Board of Directors held on May 12, 2025, resolved to acquire treasury shares in accordance with Article 156 of the Companies Act, which is applied by replacing terms pursuant to Article 165, Paragraph 3 of the same Act. The Company acquired 501,300 shares of common stock for 3,564 million yen. As a result, the balance of treasury shares during the Period increased by 3,564 million yen.

(Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses have been calculated by multiplying profit before income taxes by an effective tax rate, which is reasonably estimated by applying the tax effect accounting to profit before income taxes for the fiscal year including the three months ended June 30, 2025.

(Segment Information, etc.)

[Segment information]

I. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Logistics Business	Plant Engineering Business	Total				
Net sales							
Net sales to external customers	71,343	64,965	136,309	6,710	143,020	—	143,020
Inter-segment sales or transfers	791	1,089	1,881	509	2,390	(2,390)	—
Total	72,135	66,055	138,190	7,220	145,411	(2,390)	143,020
Segment profit	1,465	6,921	8,387	327	8,714	40	8,754

- (Notes) 1. “Others” refers to a business segment not included in the reportable segments, which includes the provision of services related with information system, personnel dispatch, leasing of machinery, civil engineering and construction works, etc.
2. Adjustments in segment profit of 40 million yen are adjustments of unrealized gain.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

II. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Logistics Business	Plant Engineering Business	Total				
Net sales							
Net sales to external customers	74,141	72,655	146,796	7,158	153,954	—	153,954
Inter-segment sales or transfers	758	977	1,736	486	2,222	(2,222)	—
Total	74,900	73,632	148,532	7,644	156,177	(2,222)	153,954
Segment profit	2,471	6,625	9,096	504	9,601	21	9,623

- (Notes) 1. “Others” refers to a business segment not included in the reportable segments, which includes the provision of services related with information system, personnel dispatch, leasing of machinery, civil engineering and construction works, etc.
2. Adjustments in segment profit of 21 million yen are adjustments of unrealized gain.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

(Notes to Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows has not been prepared for the Period. The amounts of depreciation (including amortization of intangible assets except goodwill) and amortization of goodwill for the Period are as follows.

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	4,868	4,961
Amortization of goodwill	8	48

Note: This document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.