



Construction Revolution



Third Quarter of FY2023 (September 2022 to May 2023)



GIKEN LTD. Financial Results Overview

July 7, 2023

<stock code: 6289>

Except for historical facts, certain information provided in this document, such as our and our group's current policies and management strategies, contains "forward-looking statements" based on currently available information, including statements about the future. These statements, which are based on estimates, projections, or risky assumptions, involve uncertainties that could cause results to differ materially from those anticipated in the statements.

Such risks and uncertainties include general domestic and international economic conditions, such as national economic conditions, industrial and market conditions, interest rates, commodity prices, and exchange rate fluctuations.

We are not obligated to update or revise "forward-looking statements" provided in this document, even in the event of new information or future developments.

Financial Results Overview for the Third Quarter of FY2023

3-Year Trend of the Third Quarter Financial Results

Unit: Millions of JPY

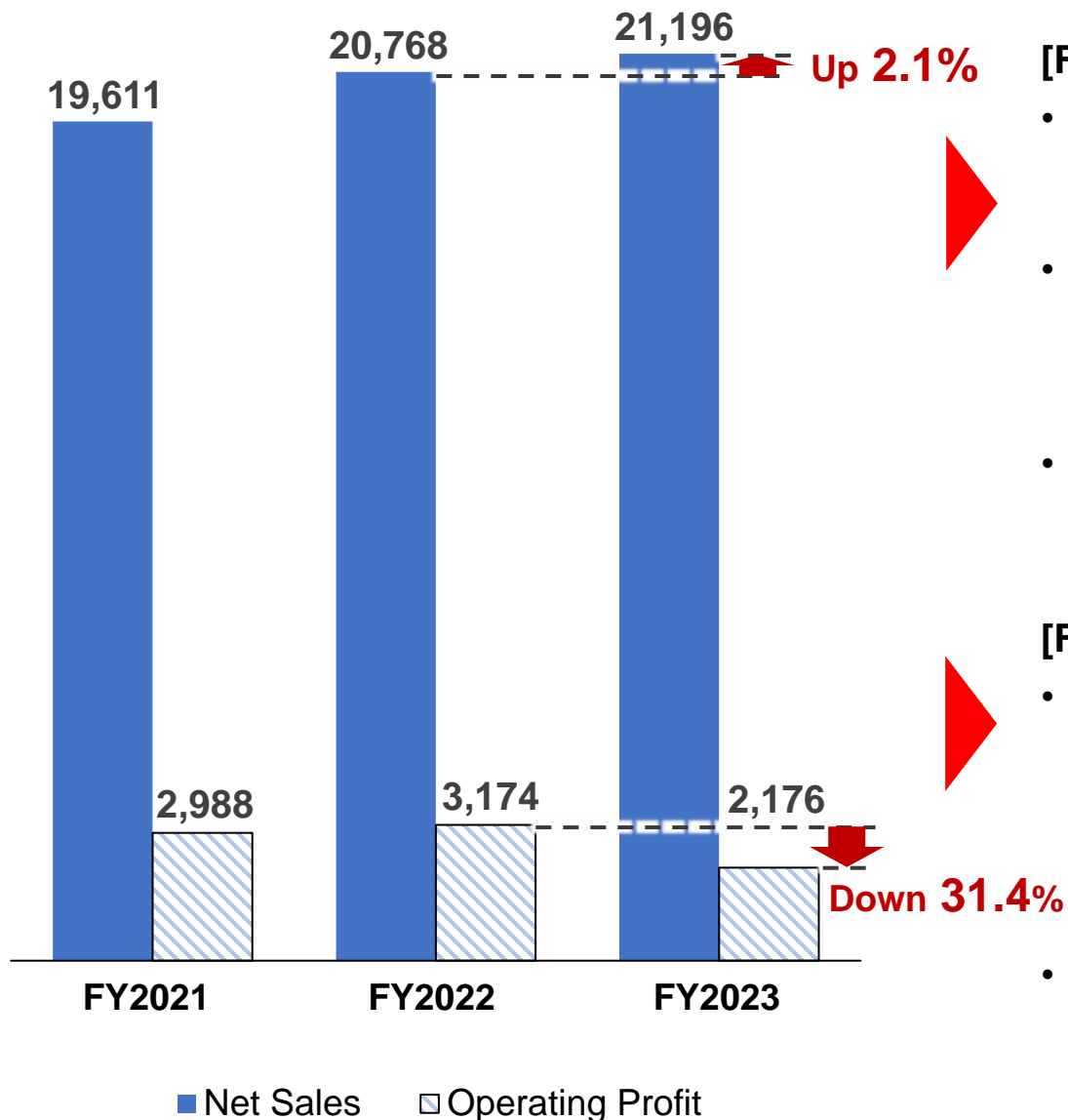
	FY2021	FY2022		FY2023	
	3Q Actual	3Q Actual	YoY	3Q Actual	YoY
Net Sales	19,611	20,768	+5.9%	21,196	+2.1%
Operating Profit	2,988	3,174	+6.2%	2,176	-31.4%
Ordinary Profit	3,108	3,315	+6.7%	2,253	-32.0%
Profit ^{*2}	2,084	2,200	+5.5%	*1 223	-89.9%
Profit Per Share (JPY)	76.15	80.05	+5.1%	8.11	-89.9%

*1 An extraordinary losses of 1,367 million yen for loss on liquidation of subsidiaries and associates was recorded for the third quarter of the fiscal year ending August 31, 2023.

*2 Profit attributable to owners of GIKEN LTD.

Sales and Operating Profit: Year-on-Year Comparison of Third Quarter Results

Unit: Millions of JPY



[Factors in sales changes]

- Growth of replacement of general-purpose machines has been steadily strong.
- Sales of “Flywheel-Type Pile Auger” which enhances excavating capability and work efficiency of an auger when pressing-in steel sheet piles into hard ground remained strong.
- The new “Silent Piler[®] F112” model with a flywheel-type pile auger as standard equipment was introduced to the market.

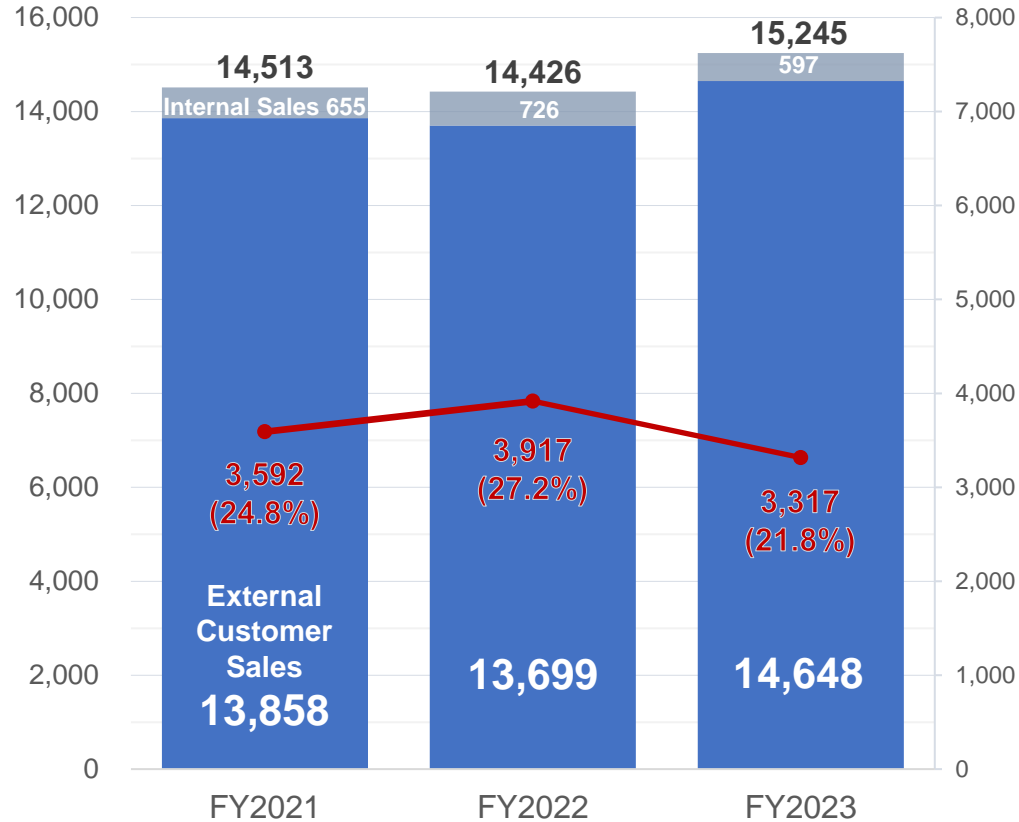
[Factors in operating profit changes]

- Amid soaring steel prices, material costs represent a larger proportion of public works expenditures, and the resulting downward trend in construction volume has affected sales of products and parts used in permanent structures.
- Selling, general and administrative expenses, including experimentation and research expenses, increased.

By Segment: Year-on-Year Comparison of Third Quarter Results

Construction Machinery Segment

Unit: Millions of JPY



External Customer Sales Internal Sales

Operating Profit

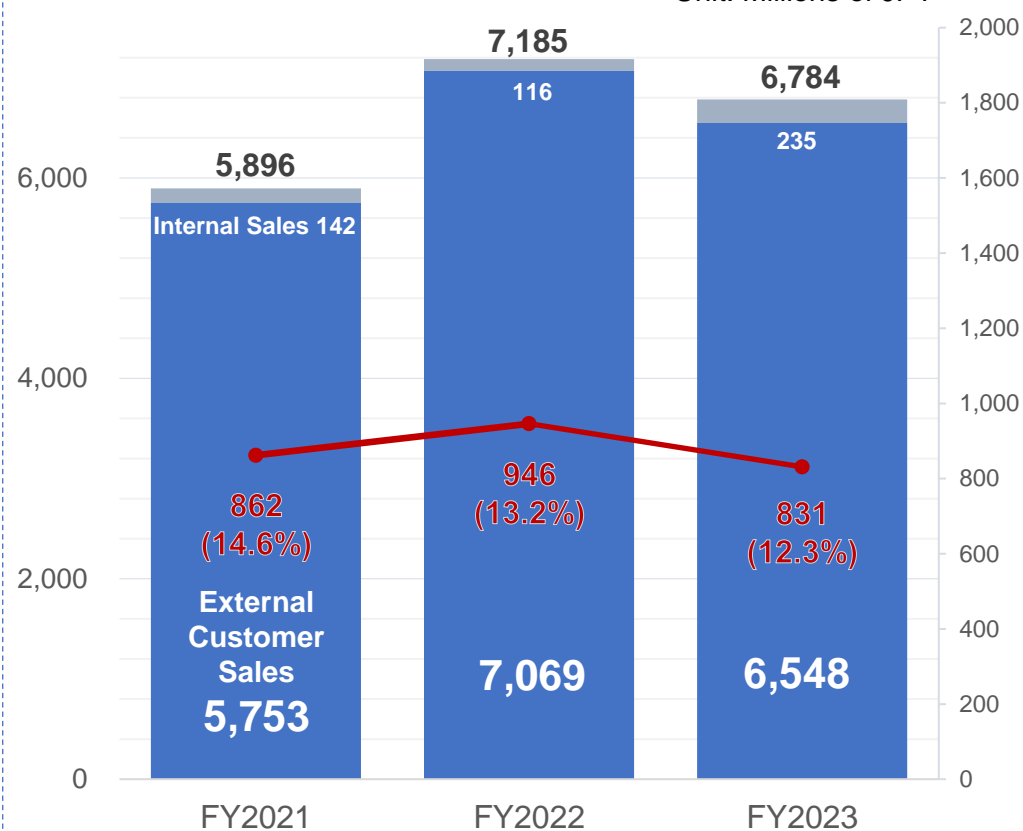
(%) is Operating Profit Margin

[Factors in operating profit changes]

- The sales of high gross margin products and parts decreased.
- Selling, general and administrative expenses, including experimentation and research expenses, increased.

Press-in Work Segment

Unit: Millions of JPY



External Customer Sales Internal Sales

Operating Profit

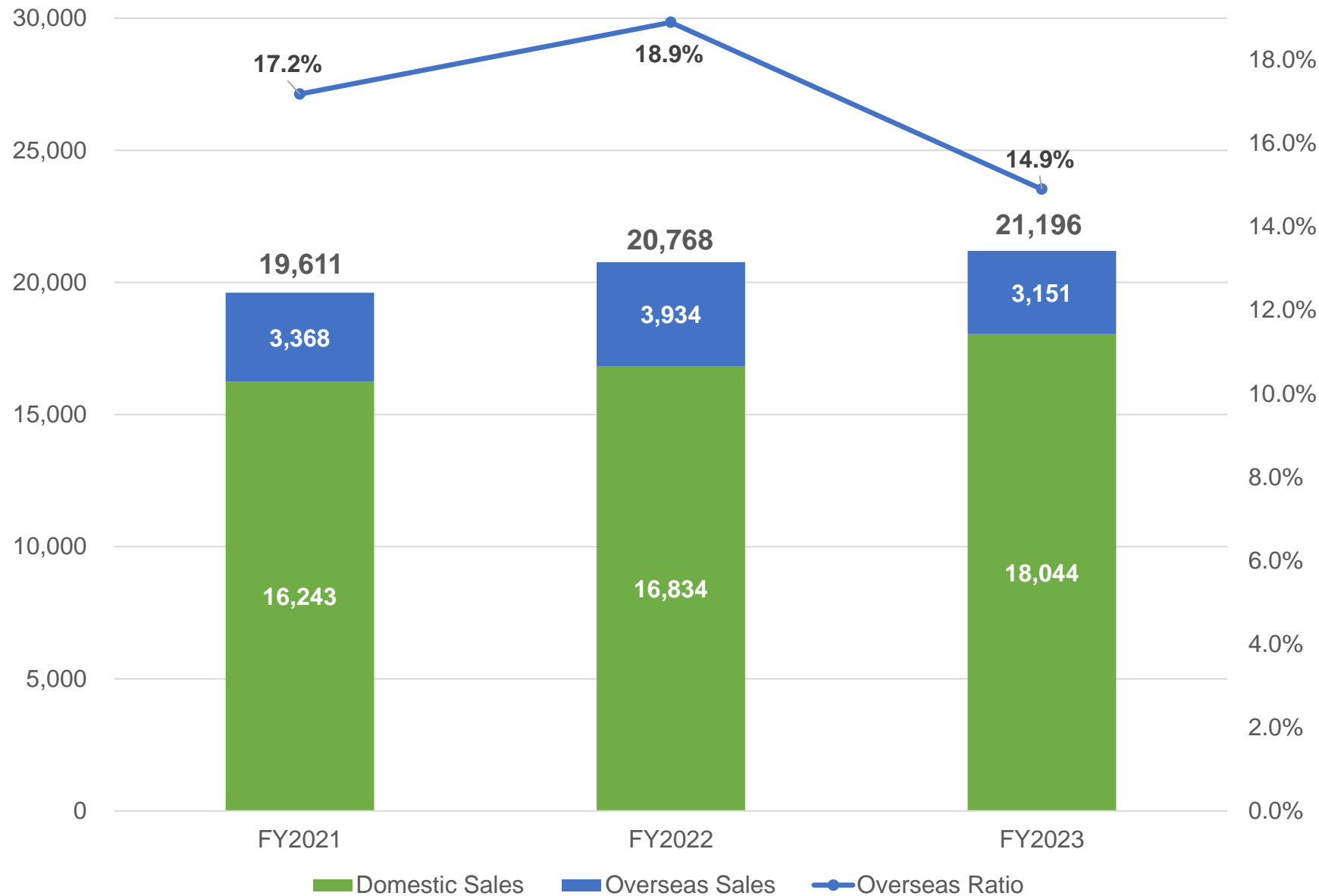
(%) is Operating Profit Margin

[Factors in operating profit changes]

- High gross margin projects decreased.

Domestic and Overseas Sales Trend: Year-on-Year Comparison of Third Quarter Results

Unit: Millions of JPY



Full-Year Forecast for FY2023

Full-Year Forecast

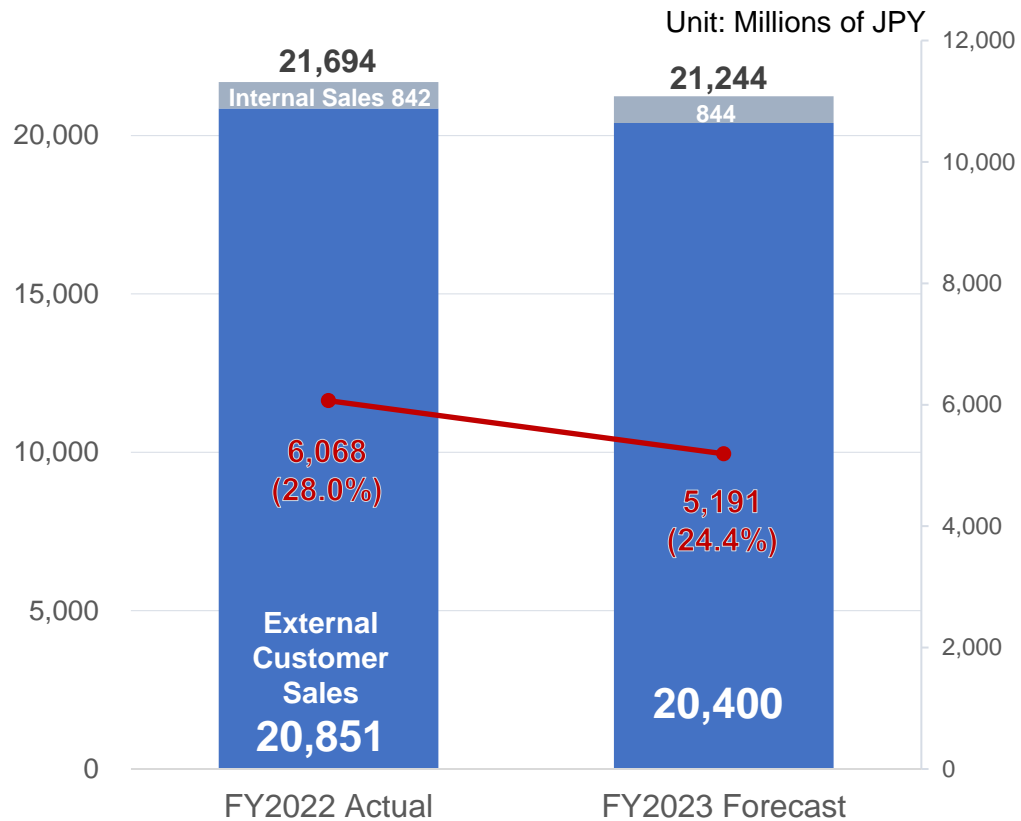
Unit: Millions of JPY

	FY2021	FY2022	FY2023	
	Actual	Actual	Forecast (Announced on May 19)	YoY
Net Sales	27,618	30,378	28,400	-6.5%
Operating Profit	3,997	4,613	3,200	-30.6%
Ordinary Profit	4,161	4,832	3,250	-32.7%
Profit*	3,073	3,234	670	-79.3%
Profit Per Share (JPY)	112.22	117.65	24.36	-79.3%

*Profit attributable to owners of GIKEN LTD.

Forecast by Segment

Construction Machinery Segment

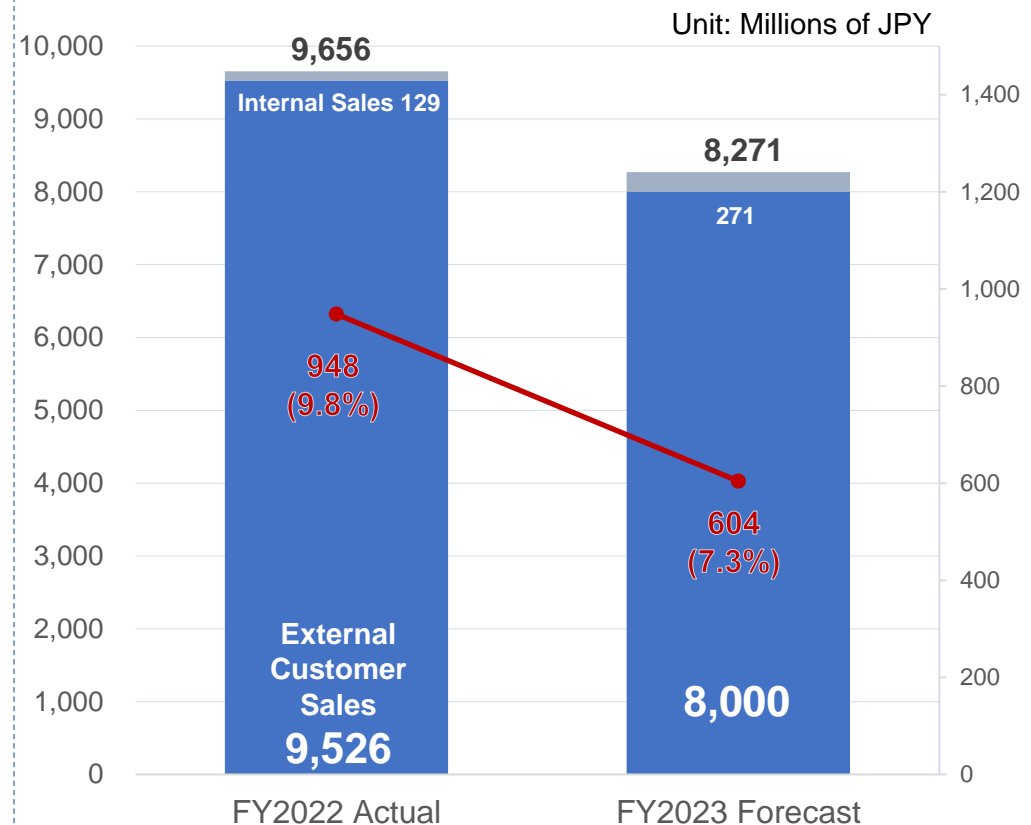


■ External Customer Sales ■ Internal Sales
●— Operating Profit () is Operating Profit Margin

[Factors in operating profit changes]

- The sales of high gross margin products and parts decreased.
- Selling, general and administrative expenses, including experimentation and research expenses, increased.

Press-in Work Segment



■ External Customer Sales ■ Internal Sales
●— Operating Profit () is Operating Profit Margin

[Factors in operating profit changes]

- High gross margin projects decreased.

Progress of Overseas Projects

Progress of Overseas Projects

Regions where we are steadily forming a market

■ Europe

- ✓ In the Netherlands, we are steadily forming a market through our project of repairing the banks of the World Heritage canal and other projects.
- ✓ We are receiving more inquiries from Germany and other neighboring countries.

■ Asia

- ✓ The press-in work markets in Singapore and Thailand are expanding.

Regions where we are developing a market

■ North and South America and Oceania

- ✓ We are still struggling to form a press-in work market, compared to Europe and Asia. We will analyze our issues and achievements and rebuild our strategy.

[Action in 3Q]

- ✓ In Oceania, we dissolved the joint venture relationship with J Steel Group Pty Limited, a consolidated subsidiary.

We will focus on establishing a steadily growing market centered on Europe and Asia.

Progress of Overseas Projects

Our pilot work for the project of repairing the banks of the World Heritage canal in the Netherlands has been completed.

The city of Amsterdam, the project owner, gave good feedback. Discussion started for the commercialization phase.

Our work was recognized by MLIT* under the Action Plan for the Overseas Development of Infrastructure System as a major project by a Japanese company targeting orders from overseas. *Ministry of Land, Infrastructure, Transport and Tourism
The project has received an award in the Pioneering Activity Category of the 6th Japan Construction International Award from MLIT.



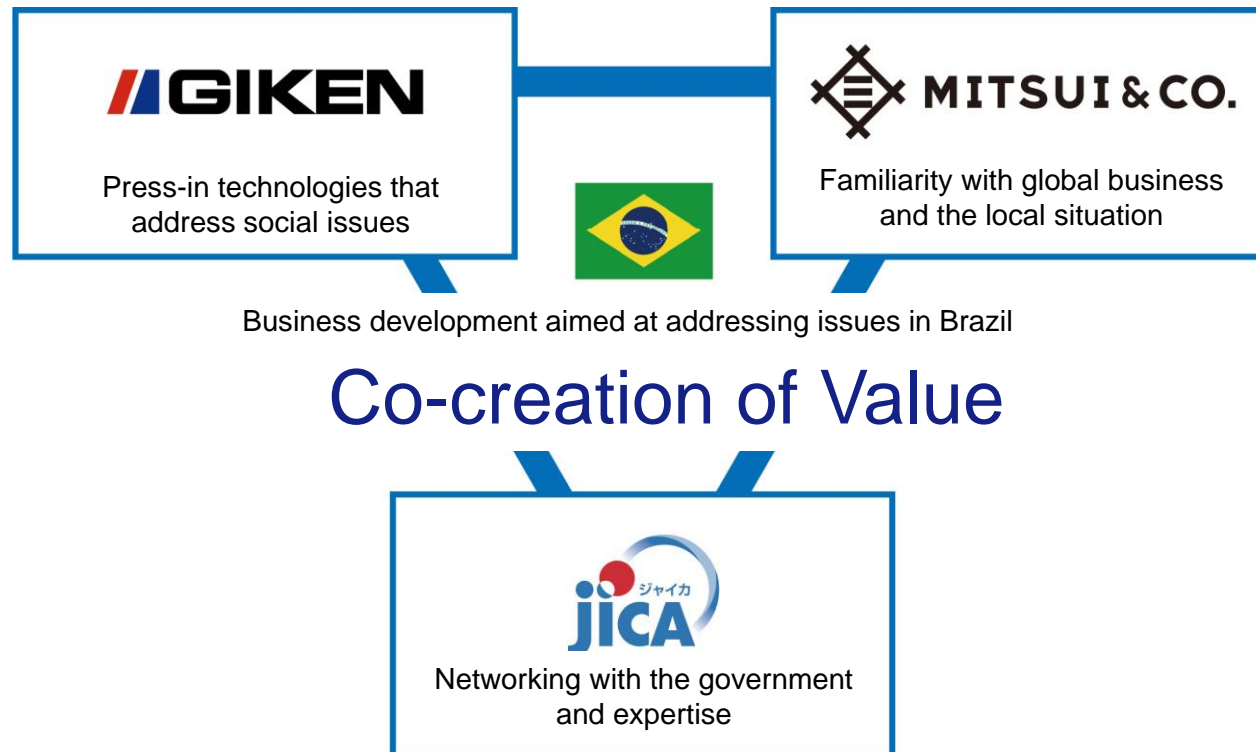
We have moved closer to “standardizing our solutions.” We also have made steady progress in preparing for expanding business locally.

Progress of Overseas Projects



GIKEN, along with Mitsui & Co., will formulate a Joint Plan to develop business in Brazil with JICA support (Announced on June 28)

Joint Plan with partners with strong networks and know-how in global business.



Aim to jointly develop a sustainable market and create business structures based in the local market.



Construction Revolution

Implant method change the Worldwide Construction