



Construction Revolution



First Half of FY2024 (September 2023 to February 2024)



GIKEN LTD. Financial Results Overview

April 9 , 2024

<Securities code: 6289>

Forward-Looking Statements Disclaimer

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.

This document has been translated into English. In case of any difference in meaning between the original Japanese text and the English translation, the Japanese text shall prevail.

Financial Results Overview for the 1st Half of FY 2024

Financial Results Trend

Unit: Millions of JPY

	FY2022	FY2023		FY2024	
	1st Half Actual	1st Half Actual	YoY	1st Half Actual	YoY
Net Sales	14,218	14,933	+5.0%	15,535	+4.0%
Gross Profit (Gross Margin)	5,942 (41.8%)	5,694 (38.1%)	-4.2%	6,009 (38.7%)	+5.5%
Operating Profit (Operating Profit Margin)	2,786 (19.6%)	2,146 (14.4%)	-23.0%	2,417 (15.6%)	+12.6%
Ordinary Profit	2,864	2,194	-23.4%	2,590	+18.0%
Profit*	1,893	1,374	-27.4%	1,849	+34.6%
Profit Per Share (Unit: JPY)	JPY 68.91	JPY 49.98	-27.5%	JPY 69.00	+38.1%

* Profit: Net income attributable to GIKEN LTD.

Domestic and Overseas Sales Comparison

Unit: Millions of JPY

	FY2022	FY2023		FY2024	
	1st Half Actual	1st Half Actual	YoY	1st Half Actual	YoY
Net Sales	14,218	14,933	+ 5.0%	15,535	+ 4.0%
Domestic Sales	12,089	12,766	+ 5.6%	13,515	+ 5.9%
Overseas Sales	2,128	2,167	+ 1.8%	2,019	- 6.8%
Overseas Ratio	15.0%	14.5%	- 0.5%pt	13.0%	- 1.5%pt

(Note) The number of overseas consolidated subsidiaries decreased by one in June 2023.

Comparison Between Initial Forecast and Results

Unit: Millions of JPY

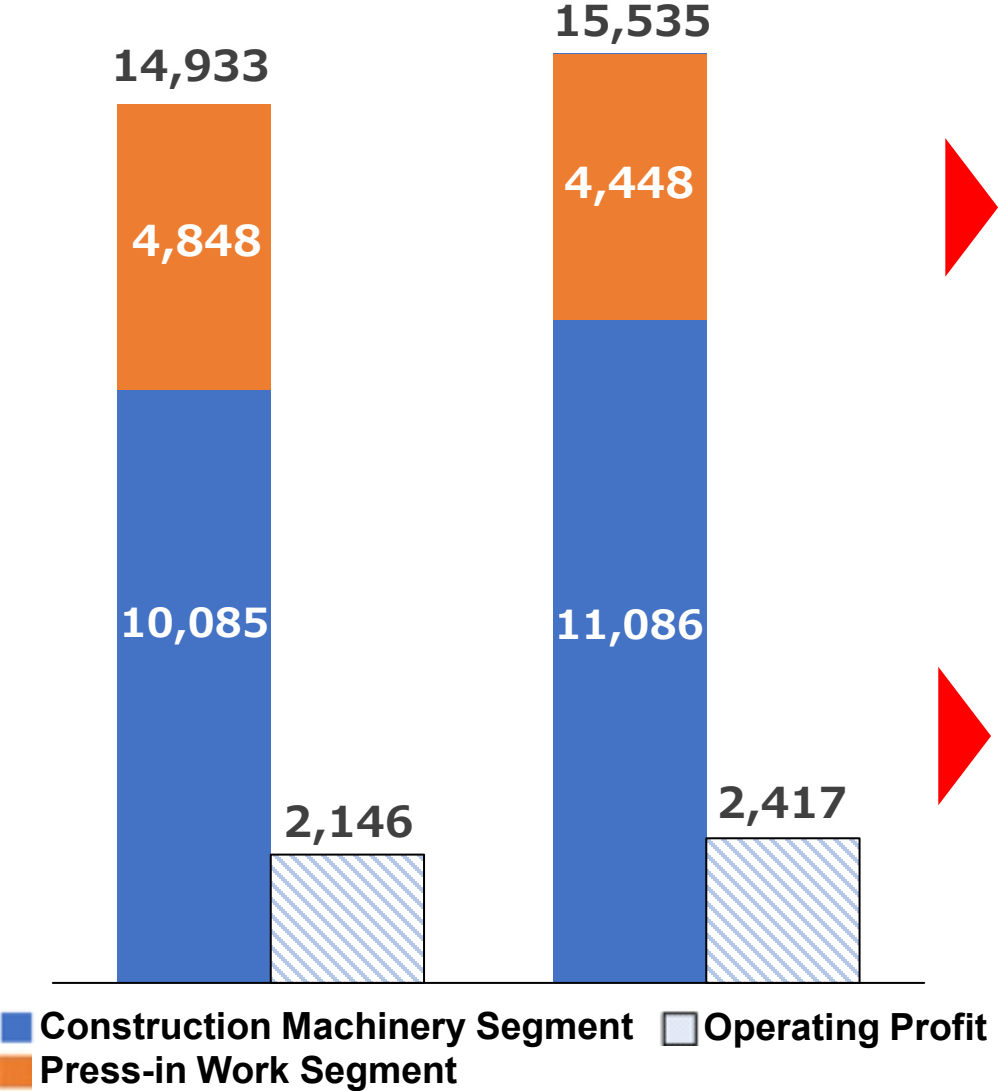
	FY2024		
	1st Half Initial Forecast	1st Half Actual	Difference vs. initial forecast
Net Sales	15,300	15,535	+1.5%
Gross Profit (Gross Margin)	5,660 (37.0%)	6,009 (38.7%)	+6.2%
Operating Profit (Operating Profit Margin)	2,200 (14.4%)	2,417 (15.6%)	+9.9%
Ordinary Profit	2,250	2,590	+15.1%
Profit*	1,600	1,849	+15.6%
Profit Per Share (Unit: JPY)	JPY 59.79	JPY 69.00	+15.4%

* Profit: Net income attributable to GIKEN LTD.

Net Sales and Operating Profit – Comparison with Previous Year

FY2023
1st Half Actual

FY2024 Unit: Millions of JPY
1st Half Actual



【Factors in sales changes】

- Construction Machinery Segment
 - Overseas product sales increased significantly.
- Press-in Work Segment
 - The number of overseas consolidated subsidiaries decreased by one in June 2023.

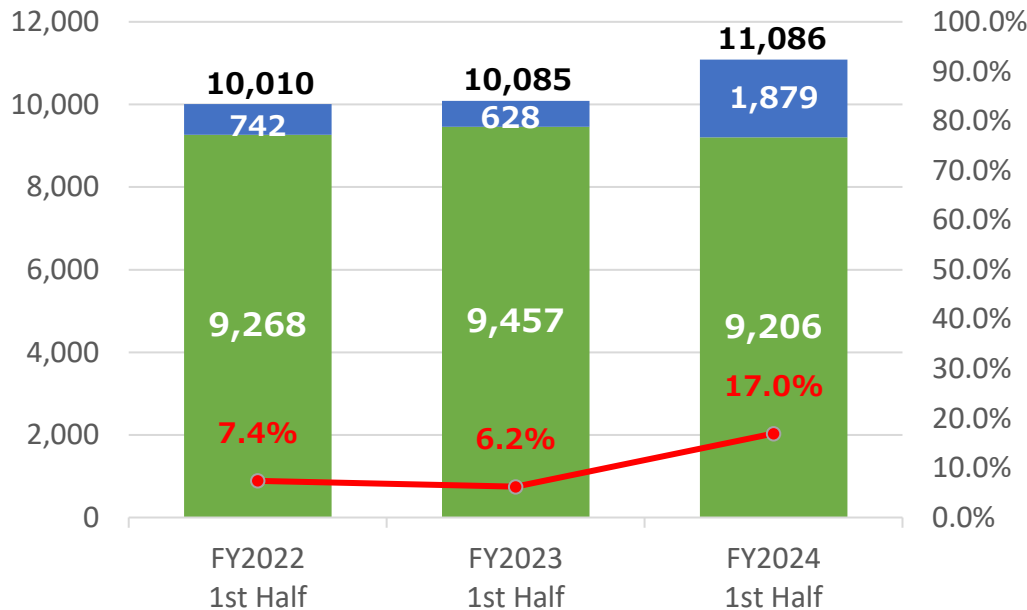
【Factors in operating profit changes】

- Gross profit increased in the Construction Machinery Segment, driven by sales increases and cost rate improvement.
- The number of consolidated subsidiaries decreased by one in the Press-in Work Segment.
- Selling, general and administrative expenses increased (including personnel expenses and testing & research expenses).

Net Sales by Segment

Construction Machinery Segment

Unit: Millions of JPY



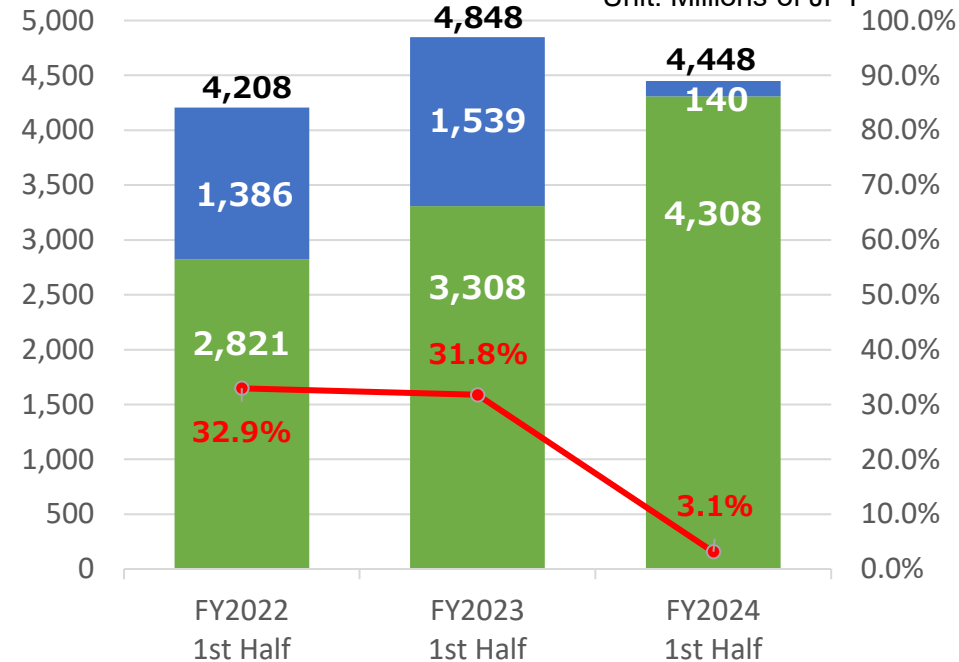
Domestic Sales Overseas sales Overseas Ratio

[Factors in sales changes]

- Domestic :
- Solid sales for regular models and F112, a new hard-ground press-in machine.
 - Sales of large-scale specialized machinery decreased due to price increases of construction material, etc.
- Overseas :
- Product sales grew in Europe and Asia, both regions in which market development has progressed.
 - Sales temporarily increased with ordinary operations in regions such as USA where business strategies are being restructured.

Press-in Work Segment

Unit: Millions of JPY



Domestic Sales Overseas Sales Overseas Ratio

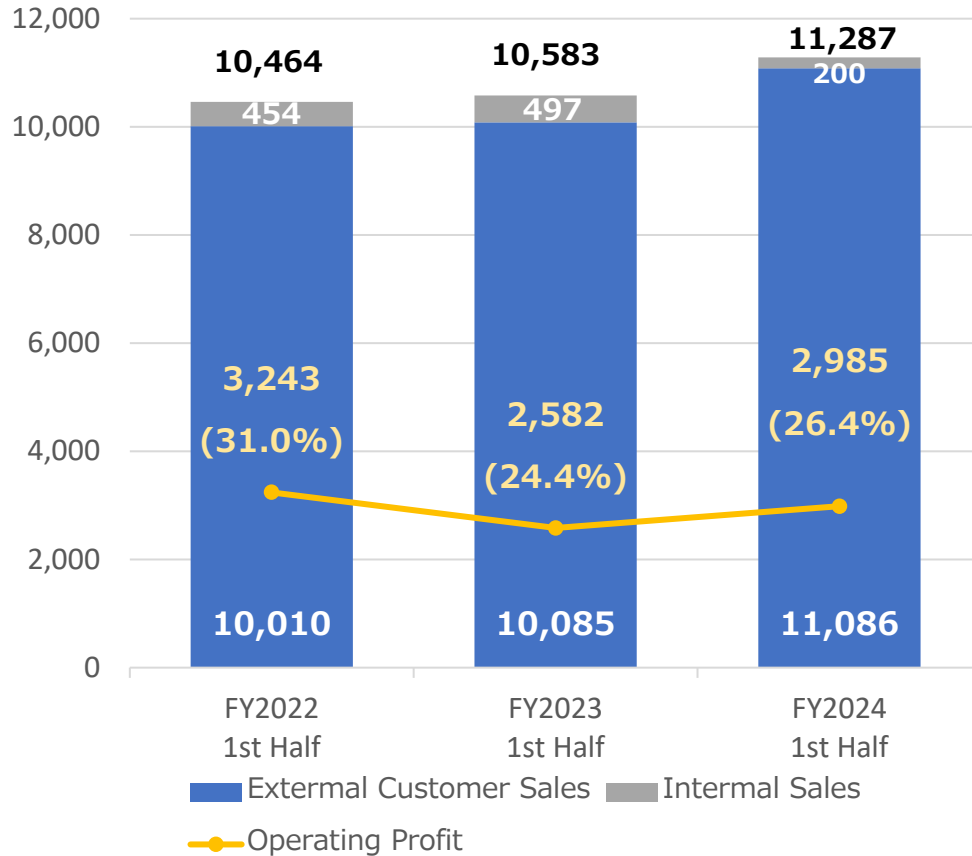
[Factors in sales changes]

- Domestic :
- Orders for construction work received steadily for disaster recovery projects, those for building national resilience, etc.
- Overseas :
- Sales decreased in Oceania due to a decrease of one consolidated subsidiary in June 2023.

Operating Profit by Segment

Construction Machinery Segment

Unit: Millions of JPY



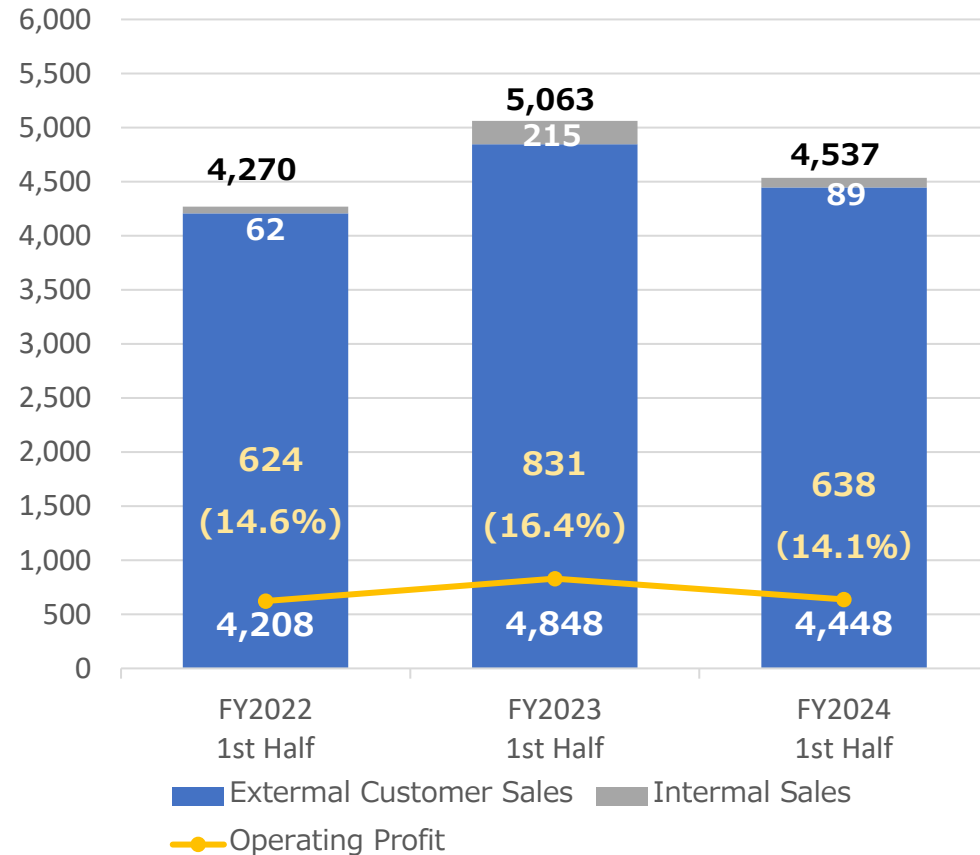
Figures in brackets show the operating profit margin

[Factors in profit margin changes]

- Sales of used products to customers in China and South Korea contributed to gross profit increases.
- Product price revisions introduced in the previous fiscal year contributed to earnings.
- Selling, general and administrative expenses increased (including personnel expenses and testing & research expenses).

Press-in Work Segment

Unit: Millions of JPY

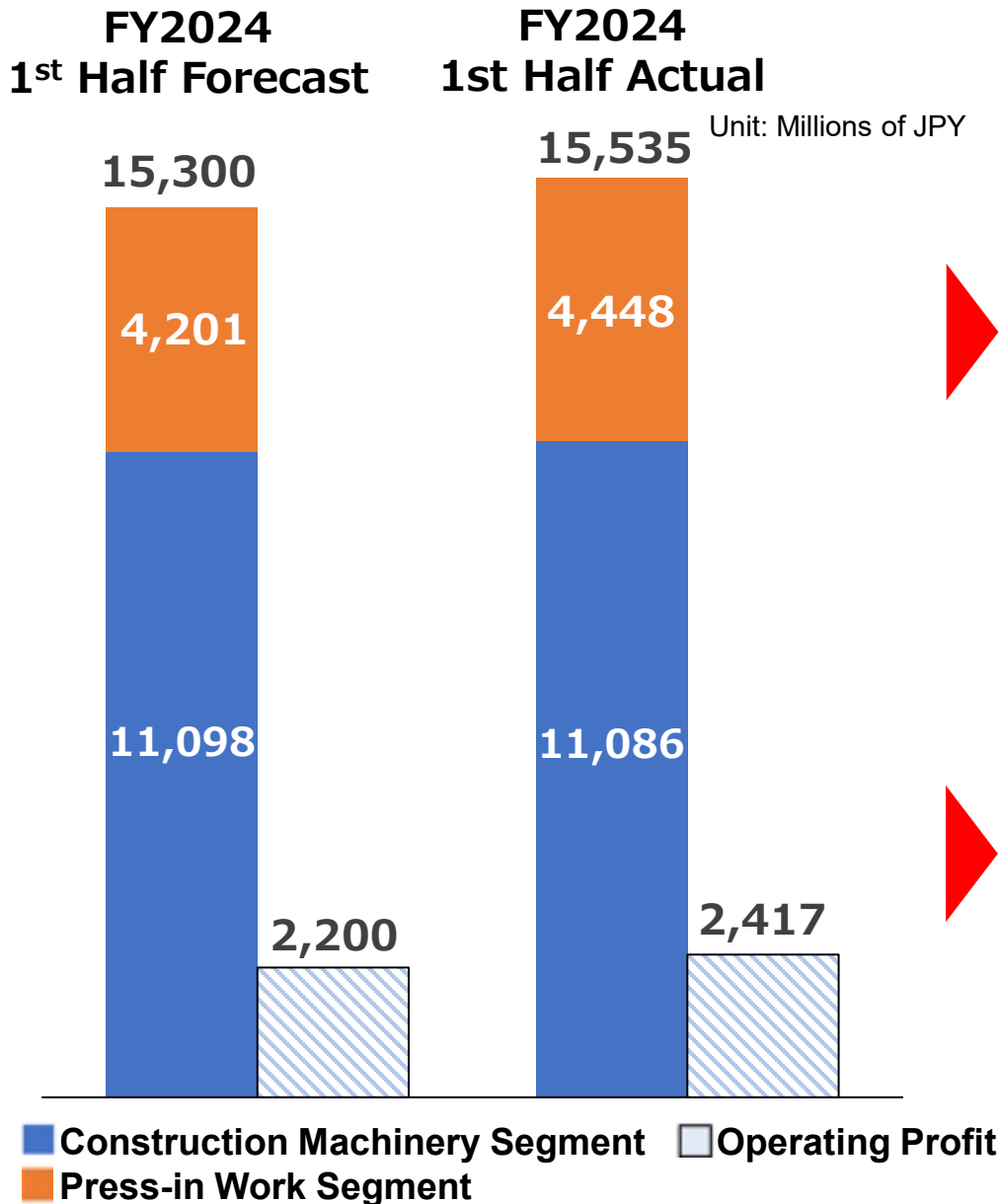


Figures in brackets show the operating profit margin

[Factors in profit margin changes]

- Domestic construction projects remained solid, but project cases, which requires new development with high profit margins, decreased.

Net Sales and Operating Profit – Comparison with Initial Forecast



【Factors in net sales changes】

- Construction Machinery Segment
 - Customer capital investment remained solid but product demand was overestimated.
 - Sales of large-scale specialize machinery in the U.S. and South Korea which was not in the 1st half of fiscal year plan.
- Press-in Work Segment
 - Steady orders received for projects which require new development.

【Factors in operating profit changes】

- Sales of used products to customers in China and South Korea contributed to gross profit increases
- Gross profit increased for the Press-in Work Segment supported by increases in projects which requires development with high profit margins.
- Selling, general and administrative expenses increased (including personnel expenses and testing & research expenses).

Full-Year Forecast for FY2024

Forecast

There is no change to the full-year forecast figures for the fiscal year ending August 31, 2024 announced on October 11, 2023

Unit: Millions of JPY

	FY2023	FY2024		
	Full Year Actual	1st Half Actual	2nd Half Forecast	Full Year Forecast
Net Sales	29,272	15,535	14,464	30,000
Operating Profit	2,983	2,417	882	3,300
Ordinary Profit	3,060	2,590	809	3,400
Profit*	846	1,849	550	2,400
Profit Per Share (Unit: JPY)	JPY 30.82	JPY 69.00	JPY 20.68	JPY 89.68

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

* Profit: Net income attributable to GIKEN LTD.

Progress in the 2nd Quarter of FY 2024

Progress in Domestic Business

Following the 2024 Noto Peninsula Earthquake, we opened a temporary office in Kanazawa City in late January. We have since been conducting on-site investigations and promoting engineering proposals.



We realize strong demands and rising expectations to our press-in technology. We shall contribute to the earliest possible recovery of this region with our unique technologies and extensive experience.

Establish GIKEN's business model in overseas

Stimulation of press-in markets: Develop potential markets in response to the needs where we can serve through offering press-in technology based on GIKEN's expertise.

Growth of press-in industry: Expand the industry leading the press-in work through developing the press-in market and offering high added-value technology to address social issues.

Regions where market formation is getting on track

■ Europe

- ✓ Press-in market development in the Netherlands has been making steady progress through our project of renovating quay walls of the World Heritage canal in Amsterdam and other projects.
- ✓ Promotion of our method has been undertaken with our business partner Seika Sangyo GmbH (Head office: Germany).

■ Asia

- ✓ The project inquiries are increasing in Singapore and other area.
- ✓ Market development in Thailand has also been making steady progress mainly through river bank improvement projects.
- ✓ In India, a project is underway by our customer from 2022. Market research work began for the market expansion.
- ✓ In China, collaborative promotion with partner companies is steadily progressing for market expansion.
- ✓ In South Korea, market formation for GYRO PILER is making steady progress.
- ✓ ODA market is expanding.

Other regions

■ South America

- ✓ Aiming to develop business model in Brazil, we are building the business plan (by the end of 2024) jointly with Mitsui & Co., supported by JICA, and are making technical proposals for infrastructure needed.

■ North America, Oceania, and Others

- ✓ Press-in market has not yet been fully developed. We are investigating issues and past performance for rebuilding business strategies for press-in market expansion with the best suitable to the regional characteristics.

Building up markets which have steady growth in Europe and Asia through spreading the GIKEN's business model. Implementing this policy to other regions for accelerating overseas market expansion.

Target countries : The Netherlands, Germany, Singapore, Thailand, China, South Korea, North America, Brazil, etc.

Progress of Overseas Projects

**Sold a GYRO PILER™ to a South Korean customer as their 3rd unit.
(Applied in projects for expressways, banks, railroad track perimeter, disaster recovery work, etc.)**



**The GYRO PILER™ is installing piles in a emergency disaster recovery work
(Retaining wall is being constructed along the railroad track for slope failure measure.)**



Construction Revolution

Implant method changes the Worldwide Construction