



Financial Results Overview First Half of FY2022

GIKEN LTD.

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(1) Construction Machinery Segment

- Sales were strong, reflecting the recovery of customers' appetite for capital investment.
- ✓ Replacement of standard models, including SILENT PILER of F101, F111 and SX1 pilers for 400mm U Sheet Pile
- ✓ New demand for SILENT PILER of F301-900 pilers for 900mm Hat Sheet Pile

(2) Press-in Construction Segment

- Application range of Implant Method expanded.
 - ✓ Installation of flood control facilities such as sea embankments and river revetments
 - ✓ Wharf upgrades for port facilities
 - ✓ Measures for roadway restoration and landslide prevention
 - ✓ Roadway extensions and rehabilitation

Among which road construction projects that adopted Gyropress Method increased.

- Restoration of road collapse caused by heavy rains in July 2020 (Oita Prefecture)
 - Restoration of road subsidence caused by landslides (Nagano Prefecture)
- Started press-in work for the foundation construction of the Sydney Fish markets redevelopment project

Overview – 3 year Trend

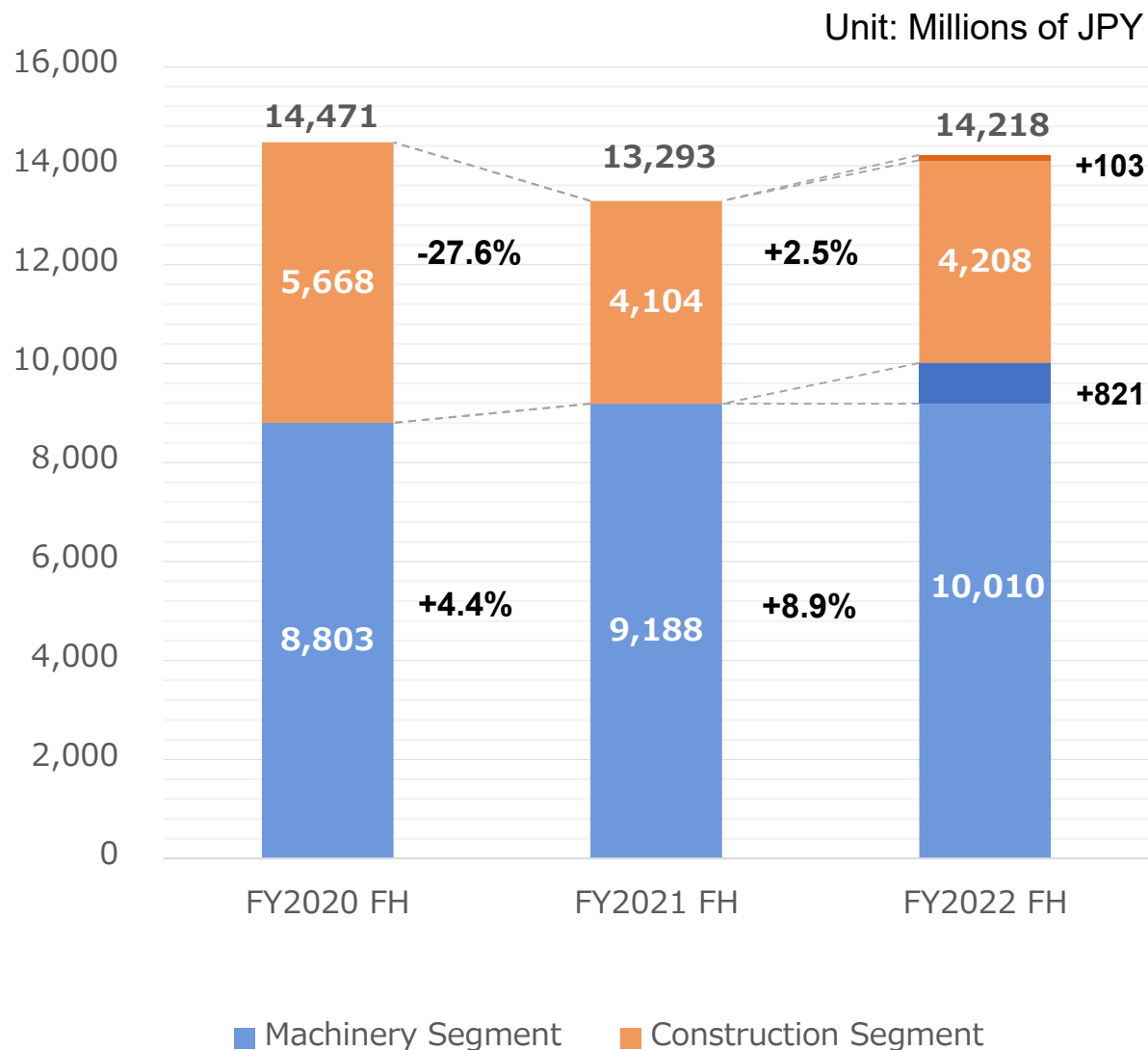


Unit: Millions of JPY

	FY2020	FY2021		FY2022	
	FH Actual	FH Actual	YoY	FH Actual	YoY
Net sales	14,471	13,293	▲ 8.1%	14,218	+7.0%
Operating profit	2,491	2,169	▲ 12.9%	2,786	+28.4%
Ordinary profit	2,532	2,220	▲ 12.3%	2,864	+29.0%
Net income*	1,688	1,446	▲ 14.3%	1,893	+30.9%
Net income per share (JPY)	61.88 yen	52.85 yen	▲ 14.6%	68.91 yen	+30.4%

- Net income attributable to owners of the parent

Overview – Sales Result by Segment



◇ Machinery Segment +821M JPY

Recovery of customers' appetite for capital investment

- For 400mm U Sheet Pile
 - For 900mm Hat Sheet Pile
- Sales of SILENT PILER were strong.

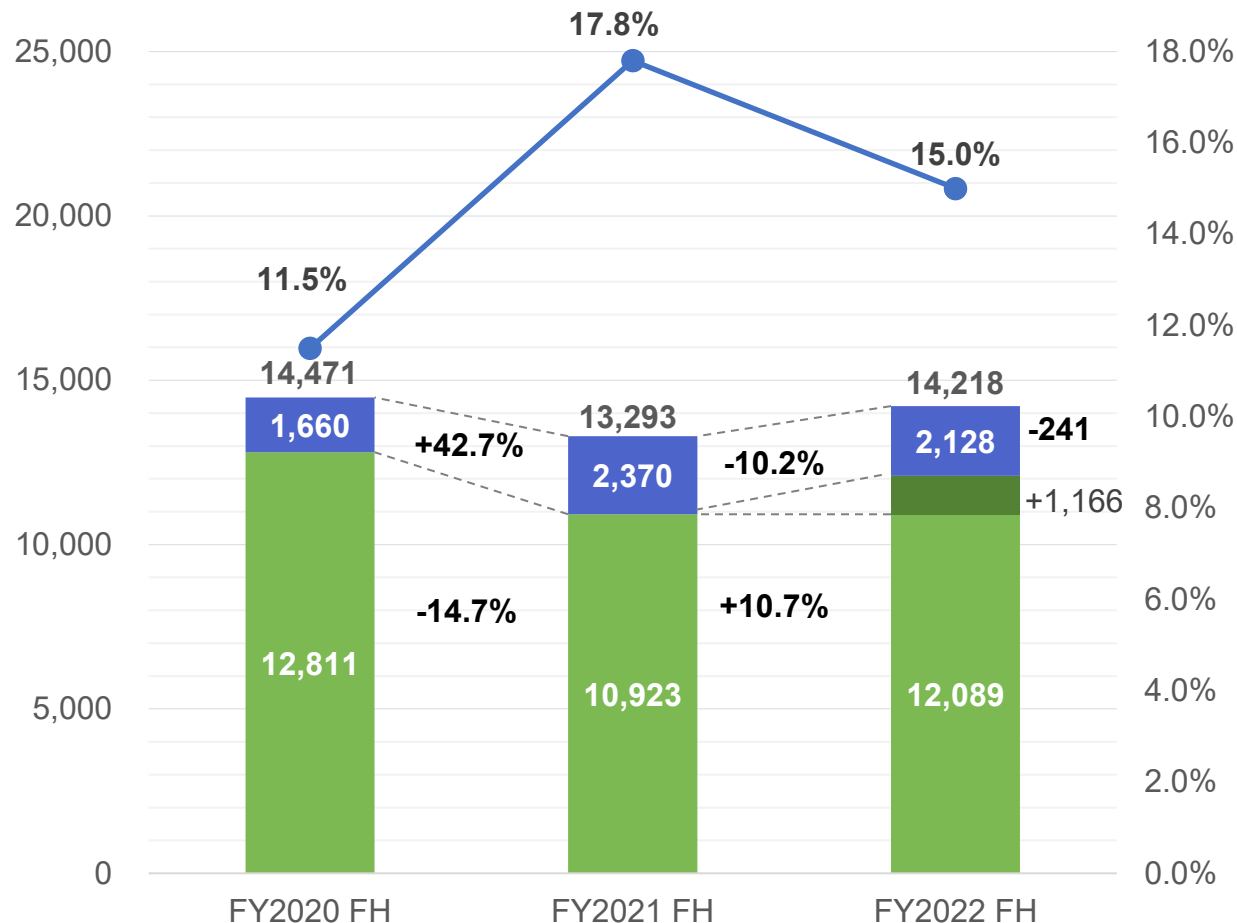
◇ Press-in Construction Segment +103M JPY

Revenue increased with the expanded range of application of this method.

Overview – Sales Result Domestic and Offshore



Unit: Millions of JPY



■ Domestic
 ■ Offshore
 ● Ratio of Offshore to Total

◇ **Domestic Sales**
+1,166M JPY

Recovery of customers' appetite for capital investment

- For 400mm U Sheet Pile
- For 900mm Hat Sheet Pile

Sales of SILENT PILER were strong.

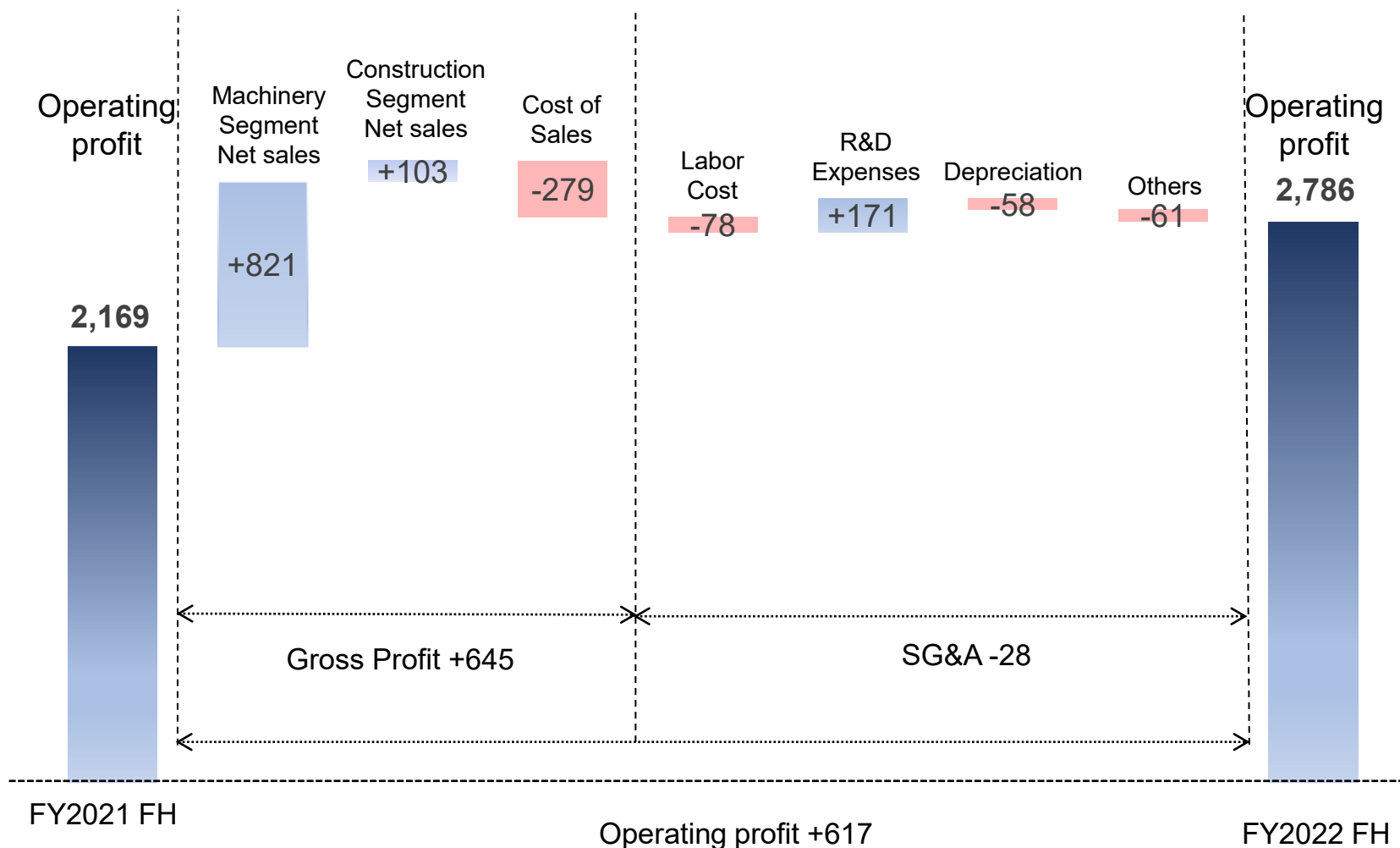
◇ **Offshore Sales**
-241M JPY

Decrease in product sales for South America.

Overview – Operating Profit



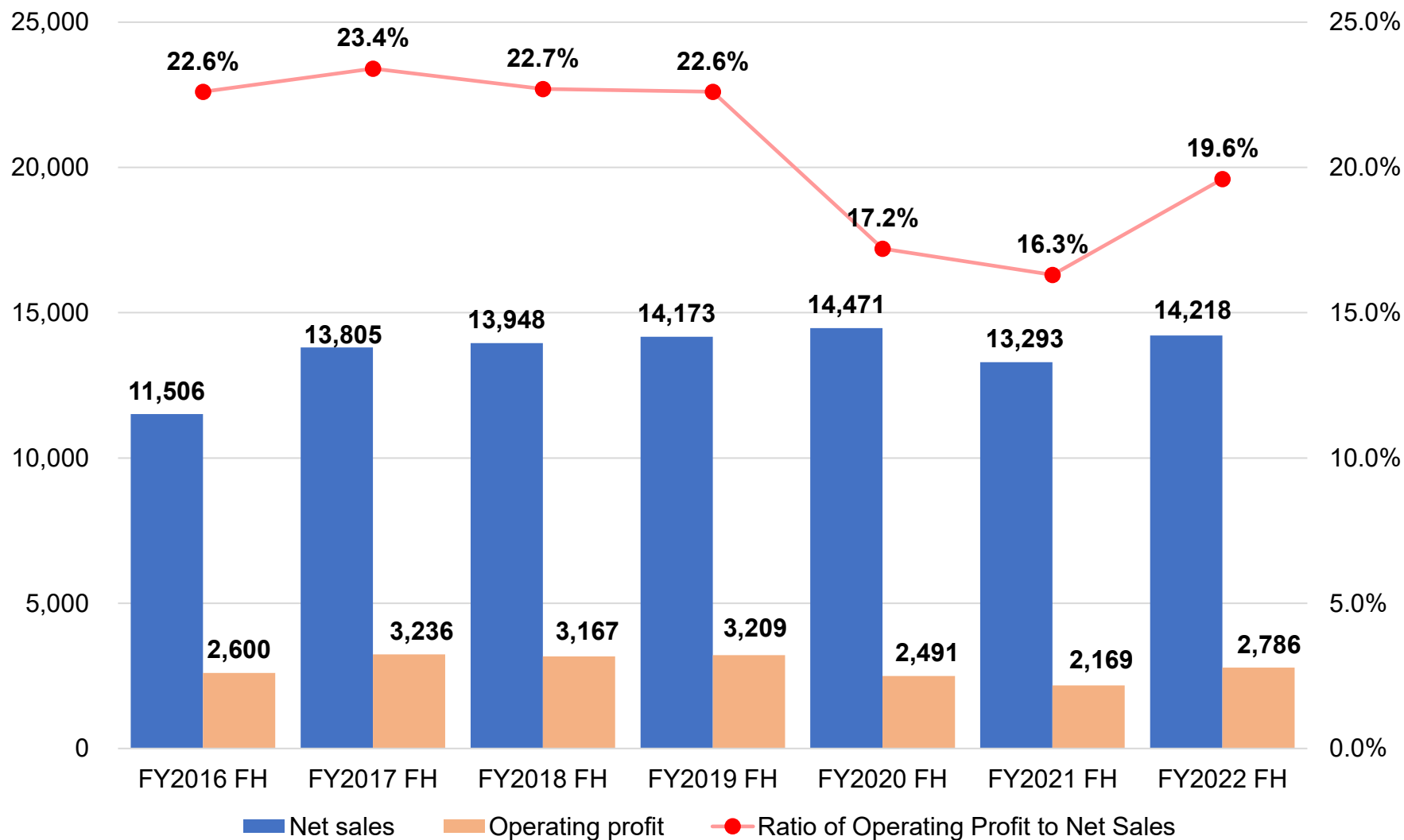
Unit: Millions of JPY



Overview – Operating Profit to Net Sales



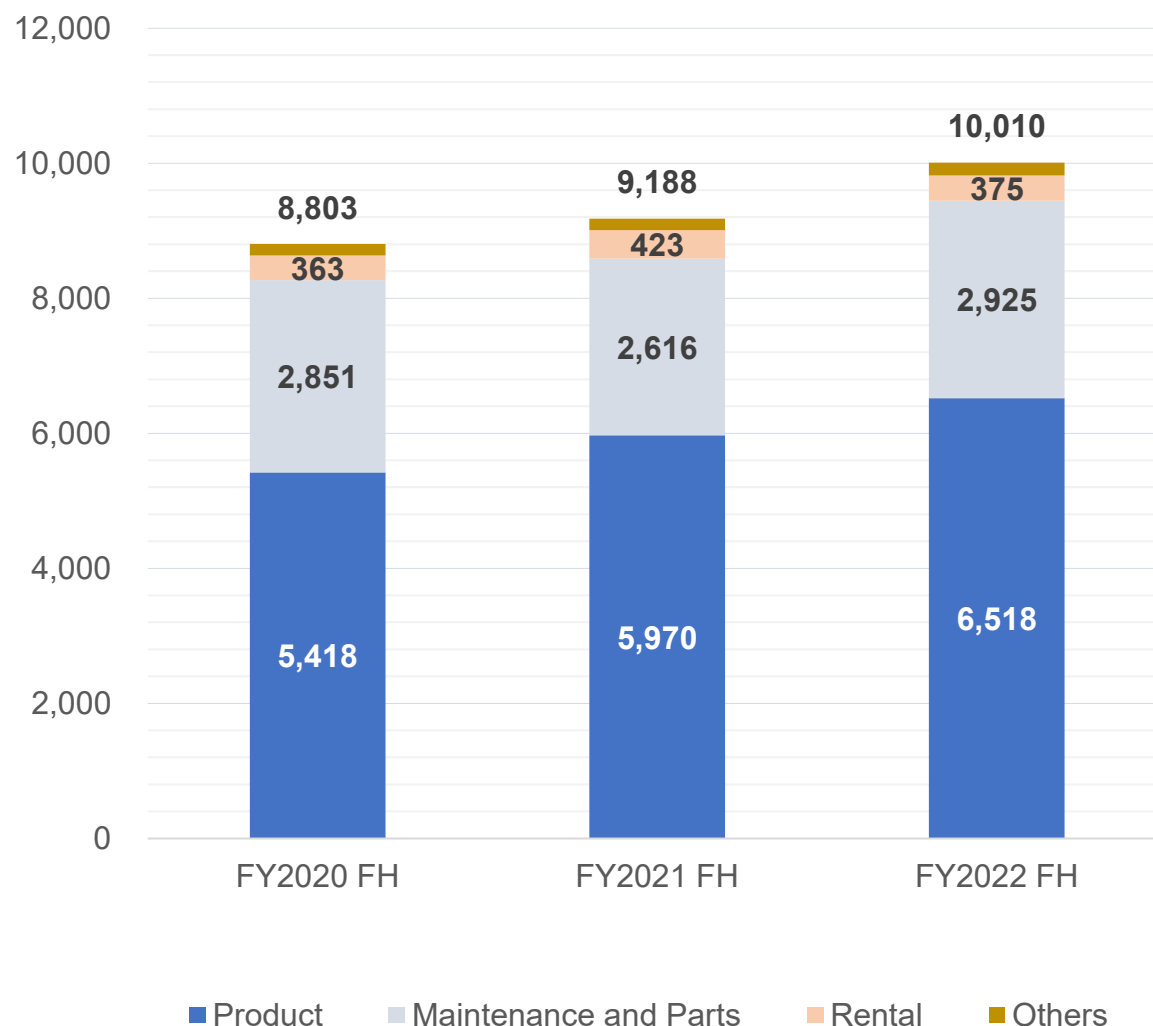
Unit: Millions of JPY



Overview – Sales by Category, Machinery Segment



Unit: Millions of JPY



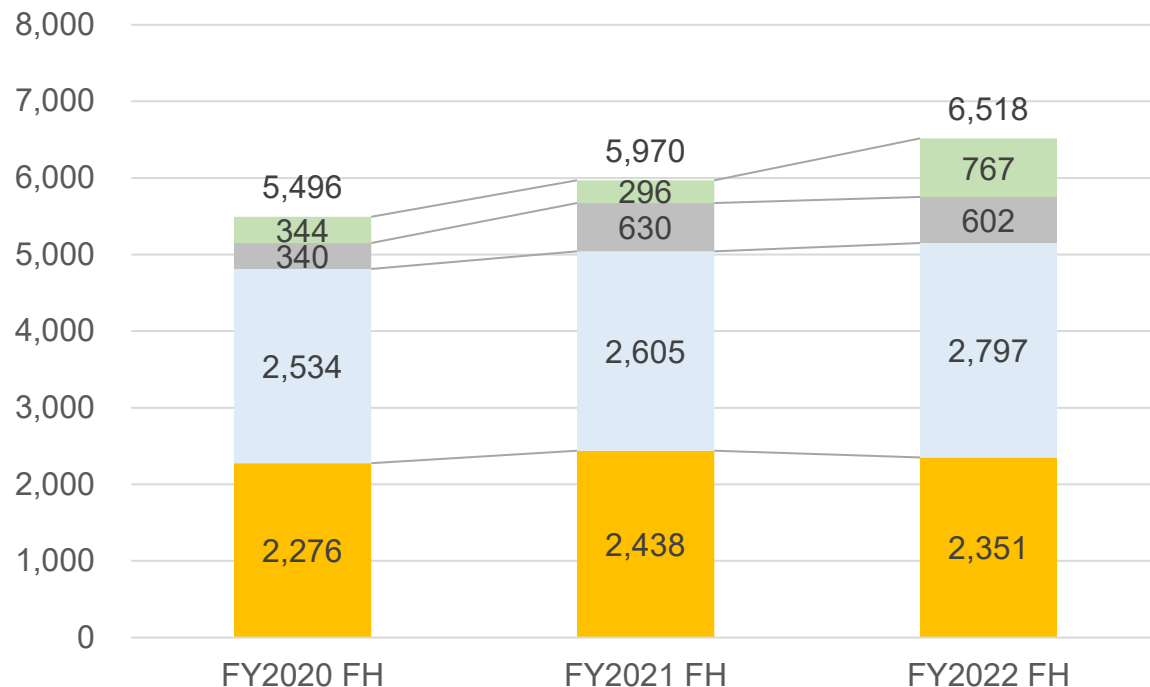
- Product sales increased. Recovery of customers' appetite for capital investment driven by private sector construction investment increase.
- Maintenance and Parts sales remained strong, with an increased number of machines in operation in the market.

Overview – Sales by Category, Machinery Segment



Sales by Product Categories

Unit: Millions of JPY



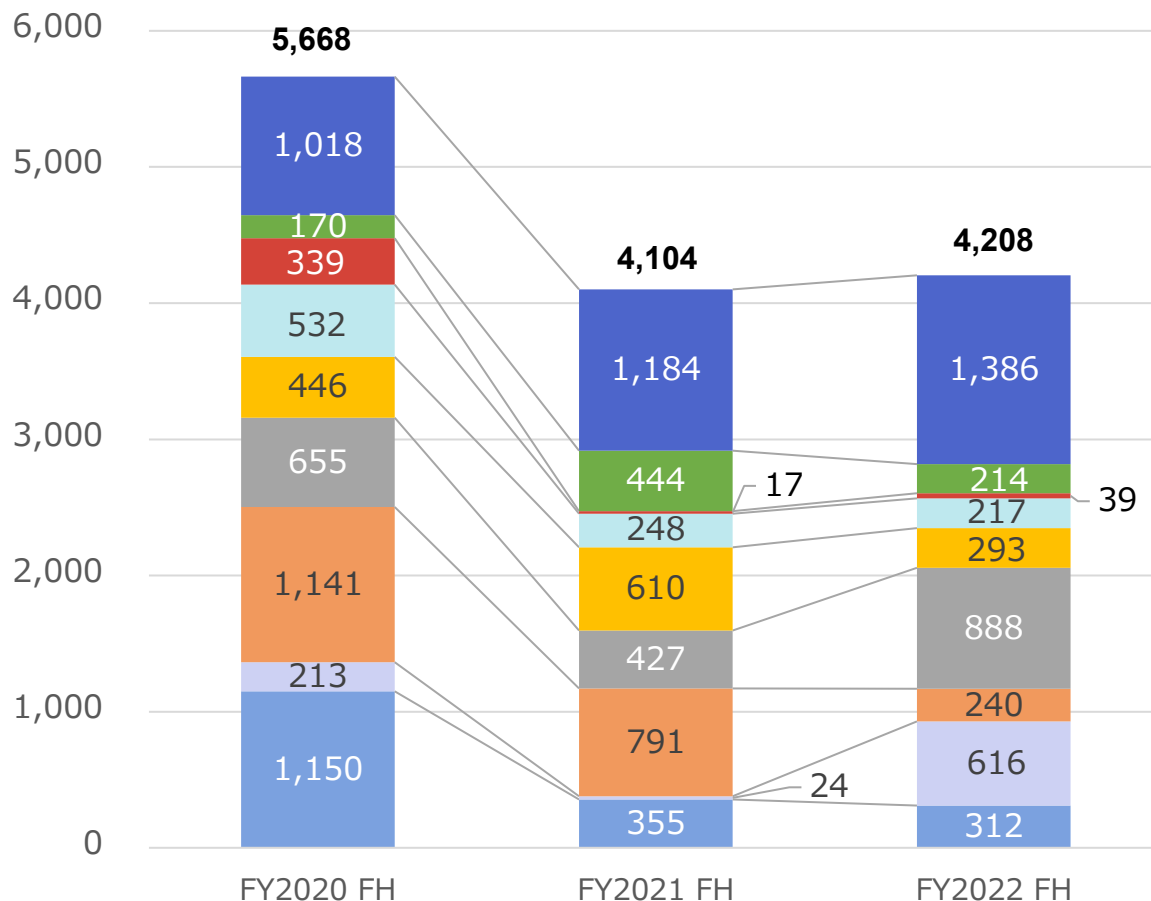
- Standard Models
- Large-scale Models
- Special Purpose Models
- Others

- Special Purpose Models
Clear Piler
Zero Piler
GRB System, others
- Large-scale Models
Gyro Piler
Equipment for 900mm Hat Sheet Pile
Tubular Piler, others
- Standard Models
Equipment for 400mm U Sheet Pile, others

Overview – Sales by Region, Construction Segment



Unit: Millions of JPY



Domestic Sales Decreased

Sales decreased due to decline in large-scale works such as river revetment upgrades and quays in Kanto region, despite increased adoption of Implant Method for critical restoration and disaster prevention & mitigation works.

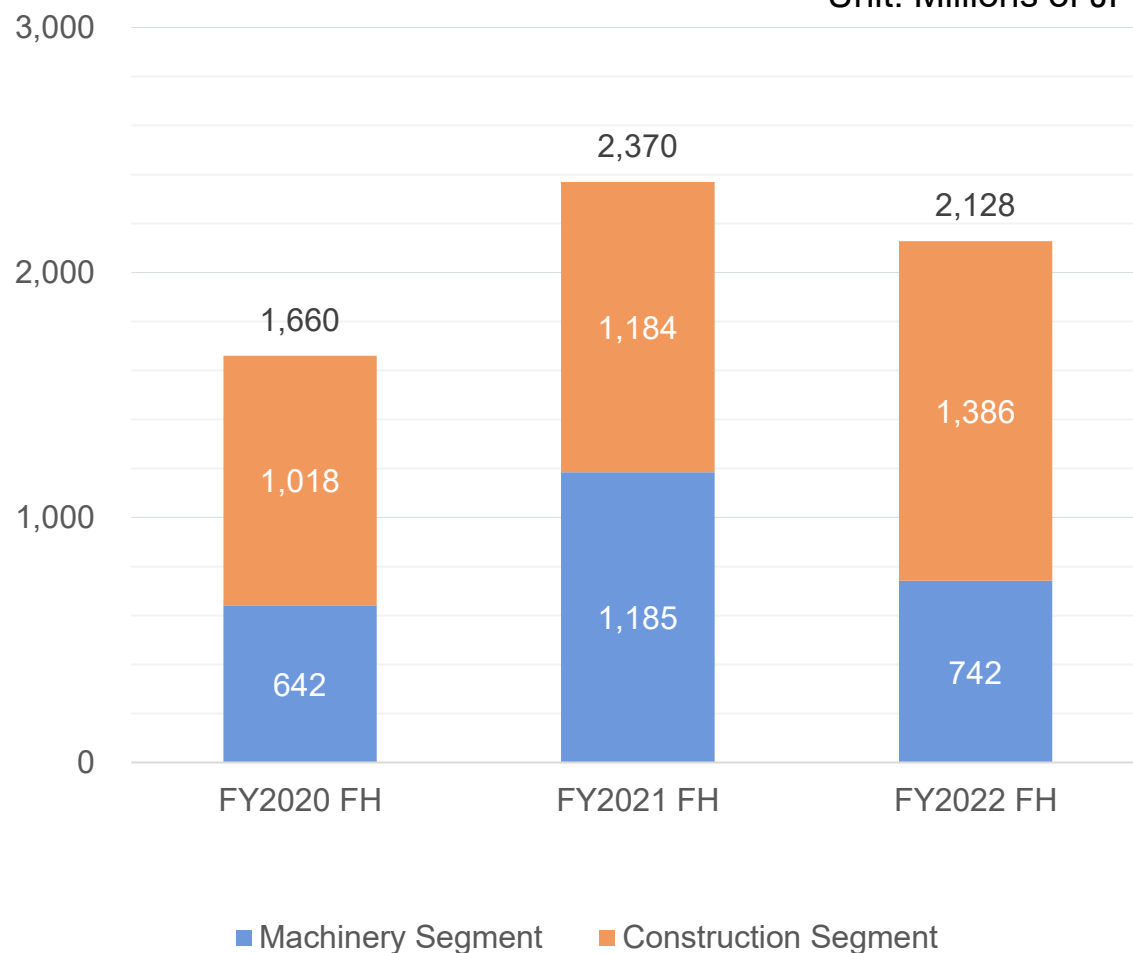
Offshore sales increased

Increase in sales in Oceania

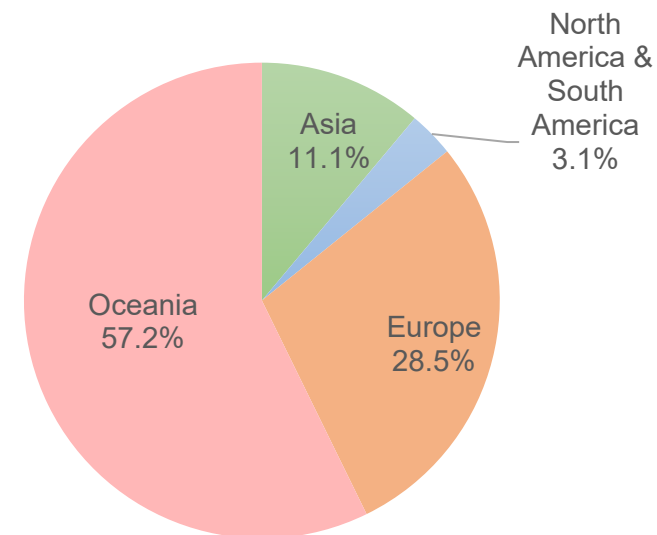


Offshore Sales by Segment

Unit: Millions of JPY



Offshore Ratio by Region



Overview – Consolidated Balance Sheet



Unit: Millions of JPY

Item	FY2021	FY2022 FH	Growth Comparison
Assets			
Current Assets	26,907	27,745	837
Non-current Assets	24,759	24,209	-549
Assets	51,667	51,954	287
Liabilities			
Current Liabilities	10,527	9,899	-628
Non-current Liabilities	1,594	1,460	-134
Liabilities	12,122	11,359	-762
Net Assets			
Shareholder's Equity	39,253	40,318	1,065
Accumulated Other Comprehensive Income	-145	-174	-29
Share Acquisition Right	0	-	-0
Non-controlling Interests	435	450	14
Net Assets	39,544	40,594	1,050
Liabilities and Net Assets	51,667	51,954	287

Cash and deposit +1,639M JPY
Inventories -527M JPY

Property, plant and equipment -613M JPY
Investments and other assets +86M JPY

Electronically recorded obligations -146M JPY
Allowance for bonus -281M JPY

Accumulated earnings +933M JPY

Overview – Consolidated Cash Flow Statement



Unit: Millions of JPY

Classification	FY2021 FH	FY2022 FH	Growth Comparison
CF from Operating Activities	3,770	3,448	-321
CF from Investing Activities	-1,229	-2,371	-1,141
CF from Financing Activities	-1,304	-962	341
Cash and Cash Equivalents at BOY	5,324	5,666	342
Cash and Cash Equivalents at EOY	6,598	5,806	-791

◇ **CF from Operating Activities**
Growth Comparison -321M JPY

- This results were affected by decrease of refund of income taxes

◇ **CF from Investing Activities**
FY2022 -2,371M JPY

- Increase in time deposits -1,500M JPY
- Purchase of property, plant and equipment -845M JPY

◇ **CF from Financing Activities**
FY2022 -962M JPY

- Cash dividends paid -957M JPY

Forecast FY2022

Forecast – Consolidated Results



Unit: Millions of JPY

	FY2021 Actual	FY2022 Forecast			YoY
		1st half Actual	2nd half Forecast	Full year Forecast	
Net sales	27,618	14,218	15,781	30,000	+8.6%
Operating profit	3,997	2,786	1,713	4,500	+12.6%
Ordinary profit	4,161	2,864	1,685	4,550	+9.3%
Net income*	3,073	1,893	1,306	3,200	+4.1%
Net income per share(JPY)	112.22 yen	68.91 yen	47.78 yen	116.69 yen	+4.0%

- Net income attributable to owners of the parent

(1) Domestic Trend

◎ Increased adoption of Implant Method

- Increased adoption of Implant Method in river projects, steep slope disaster prevention, roadway disaster prevention, expressway renewal, port improvement projects, earthquake-proofing of reservoirs, liquefaction countermeasures for private plants, and others

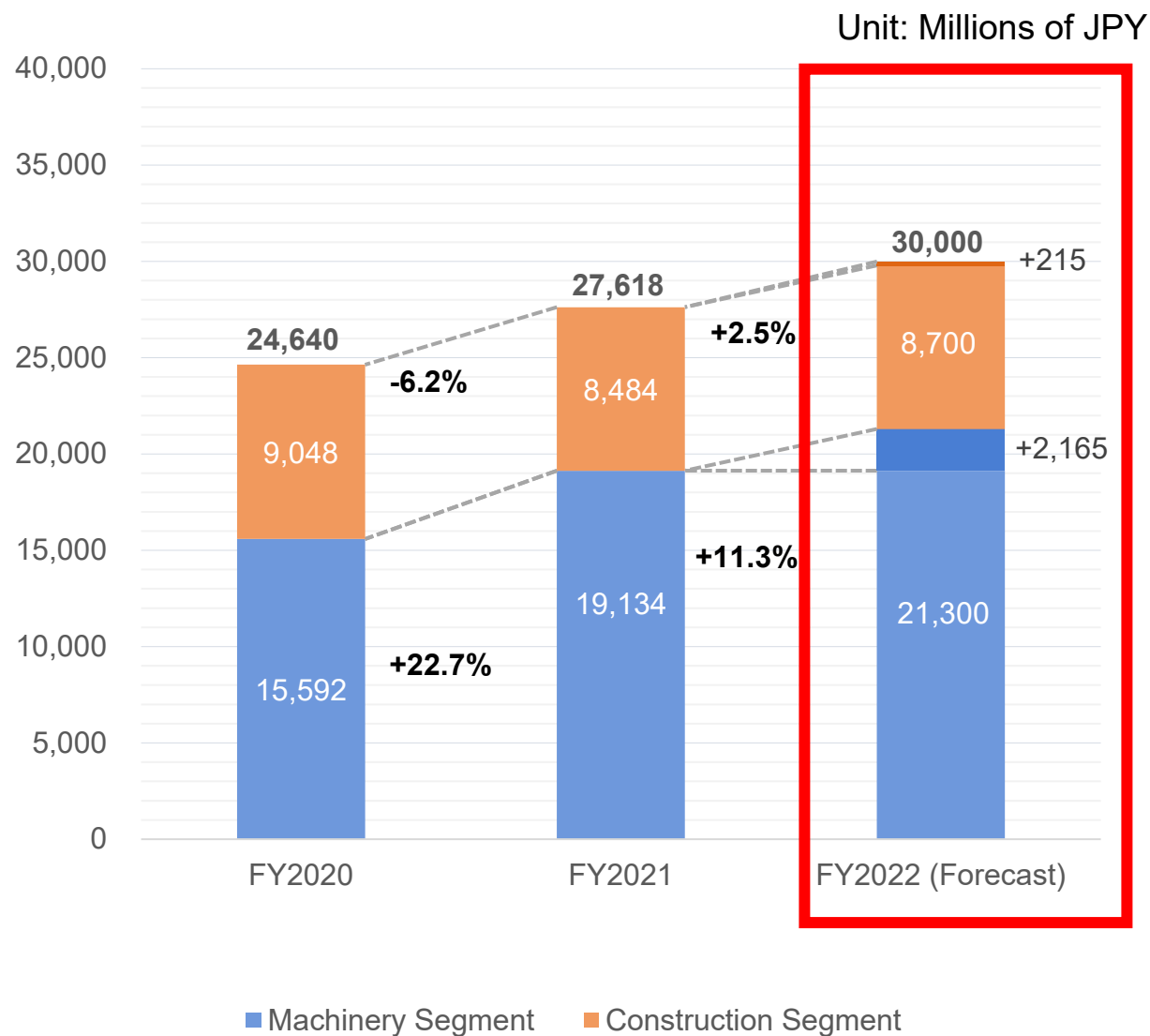
◎ Recovery of customers' appetite for capital investment

- Public works projects such as infrastructure building will be strong, centering on disaster prevention & mitigation and measures for building national resilience
- Increase in private sector construction projects, such as redevelopment of metropolitan areas, redevelopment of Kinki area for Osaka Expo, advance disaster prevention of companies

(2) Offshore Trend

- ◎ **Focus on ‘total package’ solutions and accelerate the take-up of Press-in methodologies globally**
 - Strengthen construction methodology proposal to local companies for specific projects in disaster prevention construction for tailings dam in Brazil
 - Progress made in press-in work for the foundation construction of the Sydney Fish markets redevelopment project

Forecast – Sales by Segment



◇ Machinery Segment

+2,165M JPY

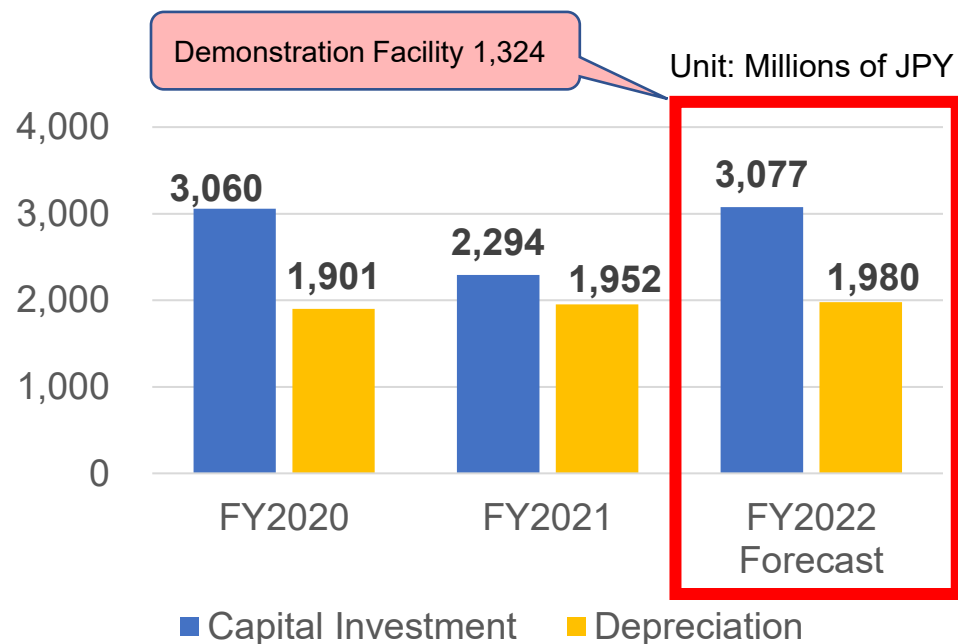
Projected increase in machine sales led by increased adoption of the Implant Method both in Japan and offshore.

◇ Press-in Construction Segment

+215M JPY

Projected strong orders for the Implant Method

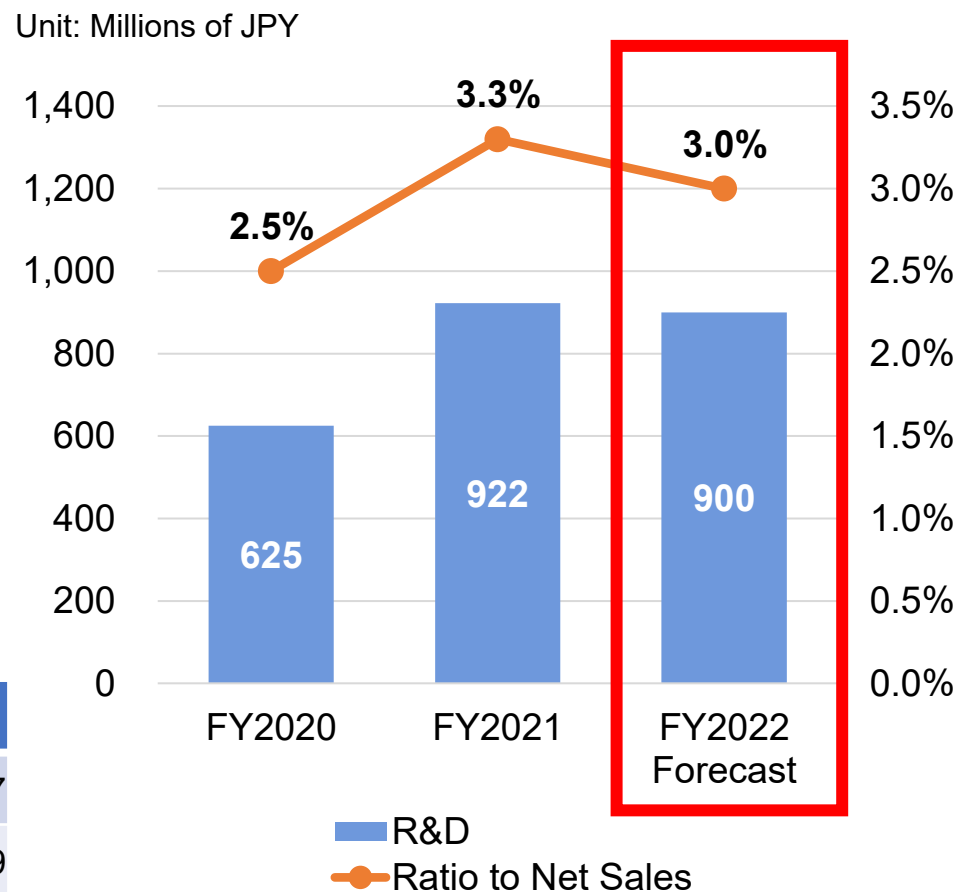
◎ Capital Investment and Depreciation Expense



Capital Investment Breakdown

	FY2020	FY2021	FY2022 Forecast
Machines for Rent and Demonstration	1,501	1,220	1,297
Offices, Factories and Other Facilities	1,004	739	1,379
Others	555	335	401
Total	3,060	2,294	3,077

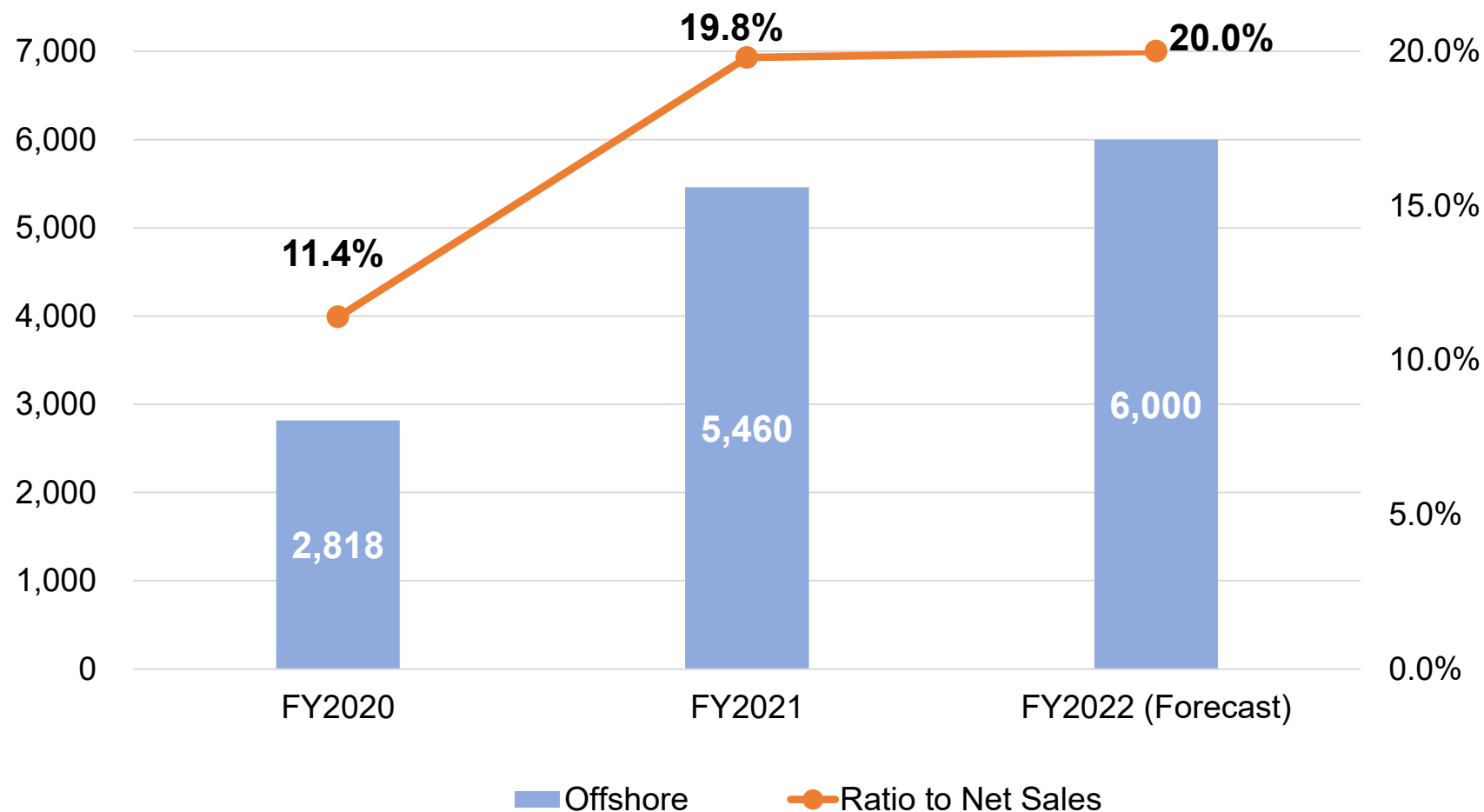
◎ Research and Development Expense



Forecast – Offshore Sales Trend



Unit: Millions of JPY



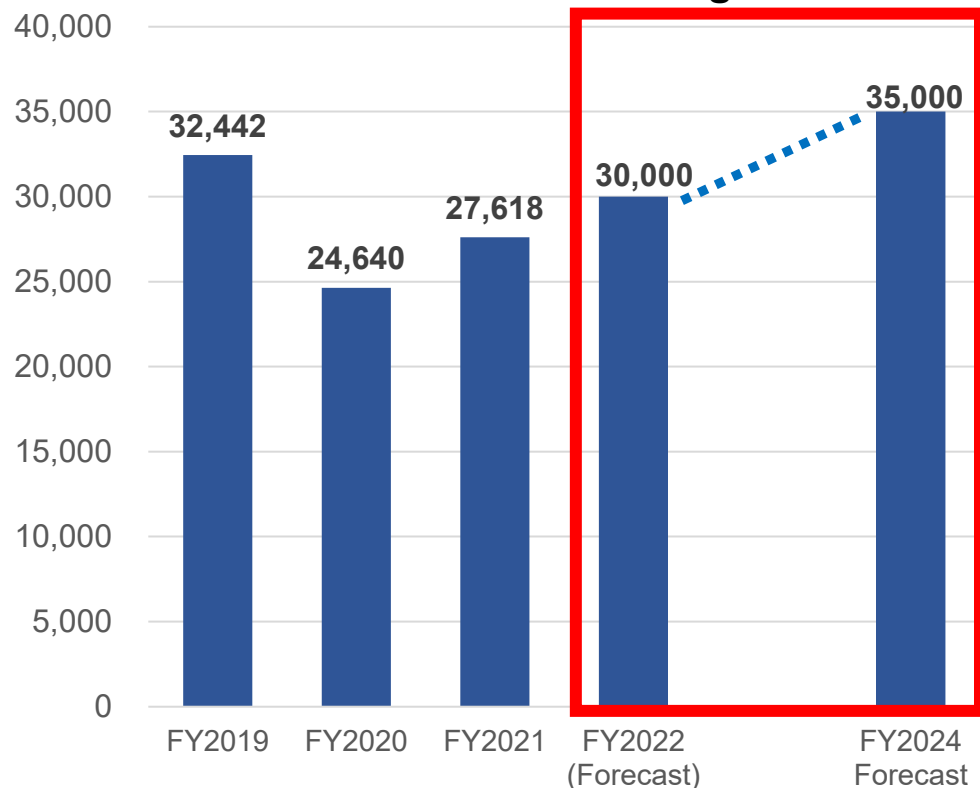
Forecast – Outcomes of Mid-Term Management Plan



[Net Sales]

Unit: Millions of JPY

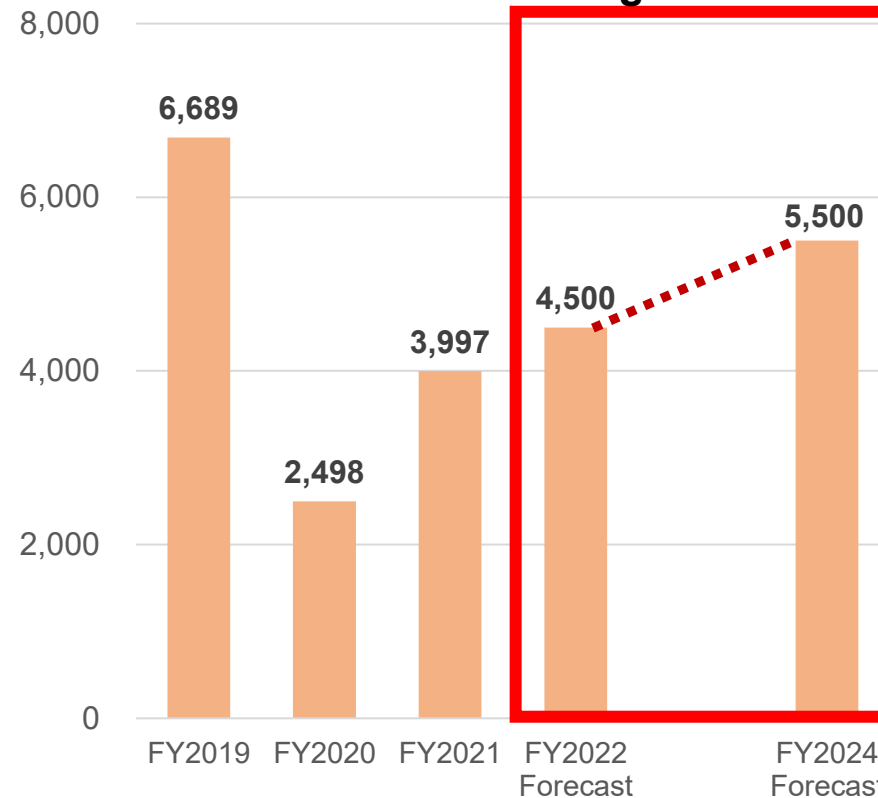
**Mid-Term
Management Plan**



[Operating Profit]

Unit: Millions of JPY

**Mid-Term
Management Plan**



Shareholder Return

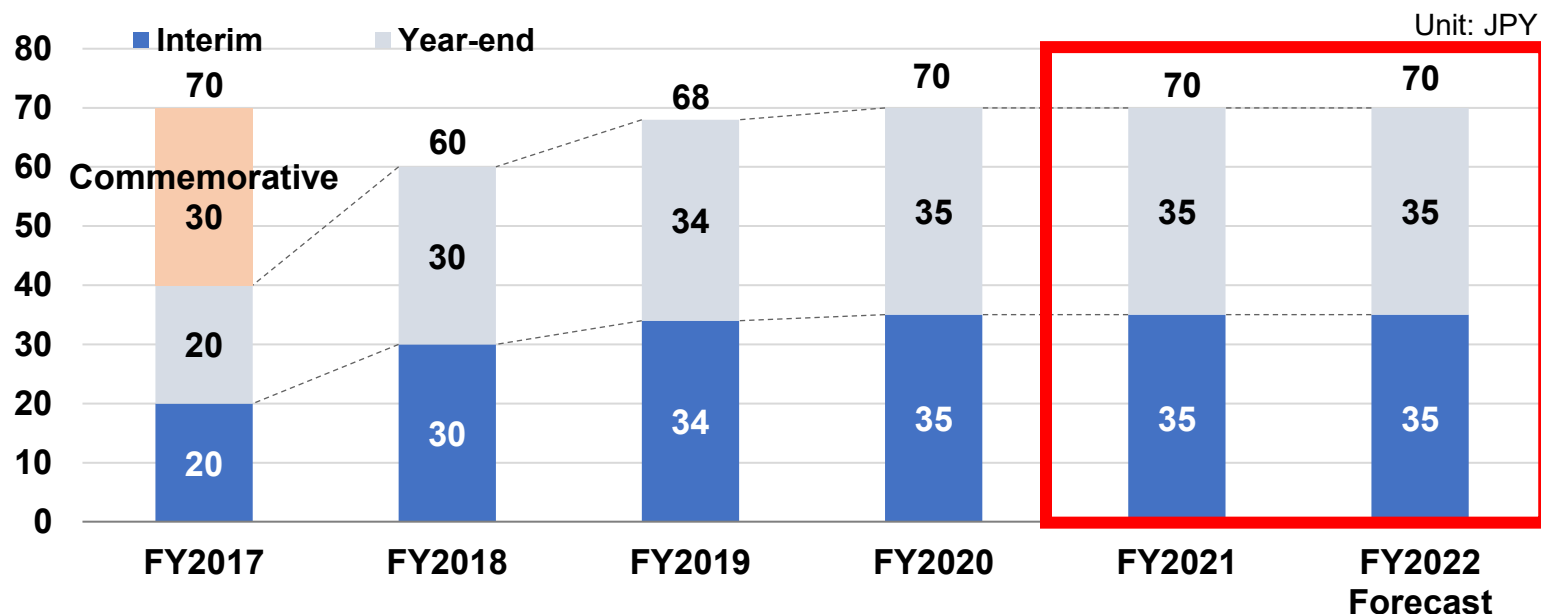
Shareholder Return



FY2021
 End of 2Q...35 JPY (Result)
 Year-end ...35 JPY (Result)

➔

FY2022
 End of 2Q
 Year-end ...35 JPY (Result)
 ...35 JPY (Forecast)



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Forecast
Net Income (Millions of JPY)	3,671	4,151	4,571	1,400	3,073	3,200
Net Income per Share (JPY)	146.35	155.75	168.80	51.28	112.22	116.69
Payout Ratio (%)	47.8	38.5	40.3	136.5	62.4	60.1
Dividend on Equity Ratio (%)	3.5	5.7	4.8	5.1	5.0	4.8

* FY2017 End of 2Q...20 JPY; Commemorative Dividend ...10 JPY (50 year anniversary)
 End of 2Q...20 JPY; Commemorative Dividend ...20 JPY (Listed on TSE First Section)