



**Construction Revolution**



**First Half of FY2023 (September 2022 to February 2023)**



# **GIKEN LTD. Financial Results Overview**

**April 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 First Half of FY2023**

# 3-Year Trend of First Half Financial Results

Unit: Millions of JPY

	FY2021	FY2022		FY2023	
	FH Actual	FH Actual	YoY	FH Actual	YoY
Net Sales	13,293	14,218	+7.0%	14,933	+5.0%
Operating Profit	2,169	2,786	+28.4%	2,146	-23.0%
Ordinary Profit	2,220	2,864	+29.0%	2,194	-23.4%
Profit*	1,446	1,893	+30.9%	1,374	-27.4%
Profit Per Share (JPY)	52.85 yen	68.91 yen	+30.4%	49.98 yen	-27.5%

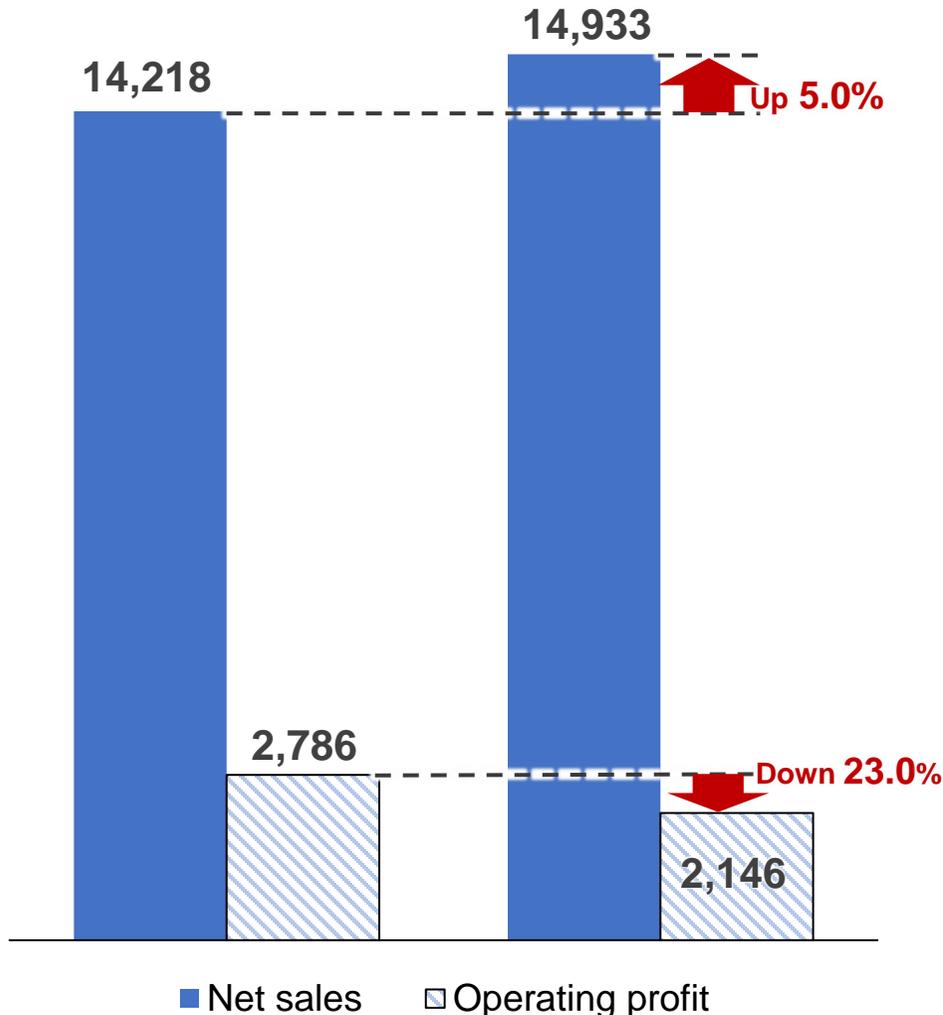
\*Profit attributable to owners of GIKEN LTD.

# Sales and Operating Profit: Year-on-Year Comparison of First Half Results

FY2022

FY2023

Unit: Millions of JPY



## [Factors in sales changes]

- General-purpose machinery and “Flywheel Pile Auger” capable of digging super hard ground remained strong brisk sales.
- Projects employing our solutions, including disaster recovery, reconstruction, prevention, and disaster mitigation, increased and showed steady progress.

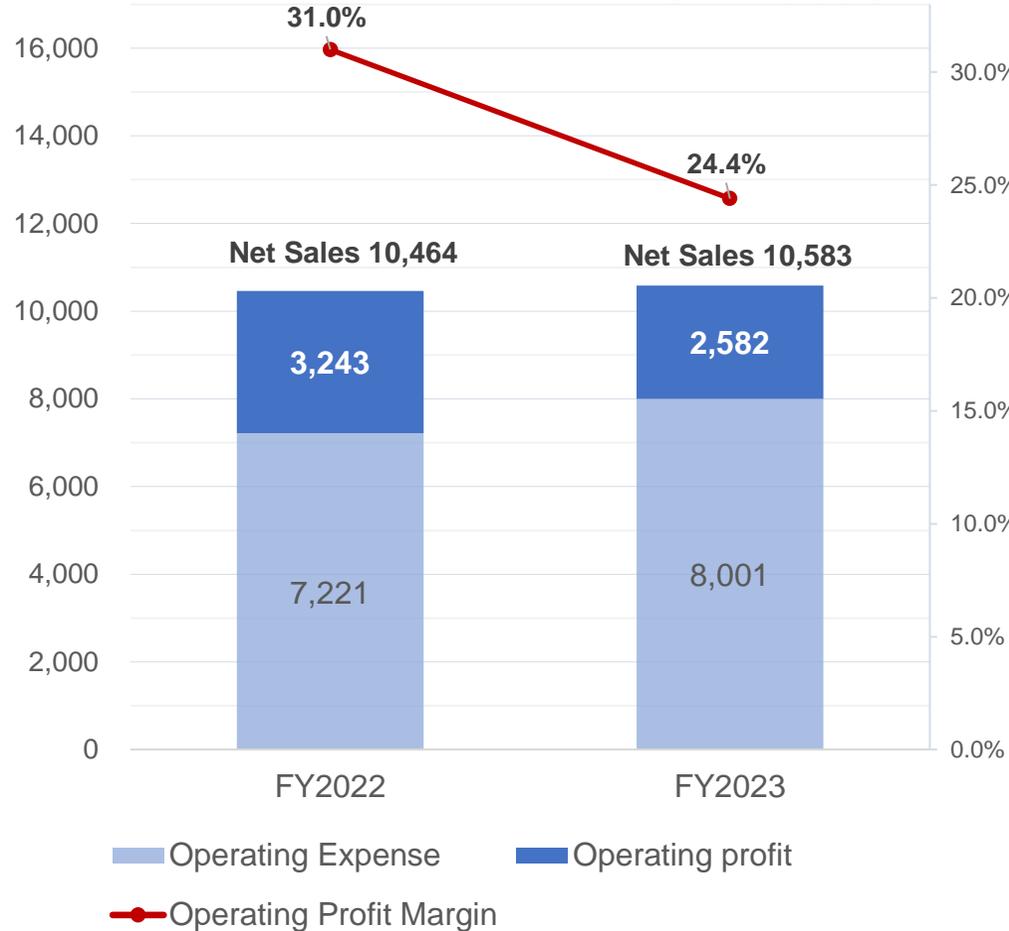
## [Factors in operating profit changes]

- The sales of high gross margin products and parts decreased.
- Raw material prices soared.

# Operating Profit by Segment: Year-on-Year Comparison of First Half Results

## Construction Machinery Segment

Unit: Millions of JPY

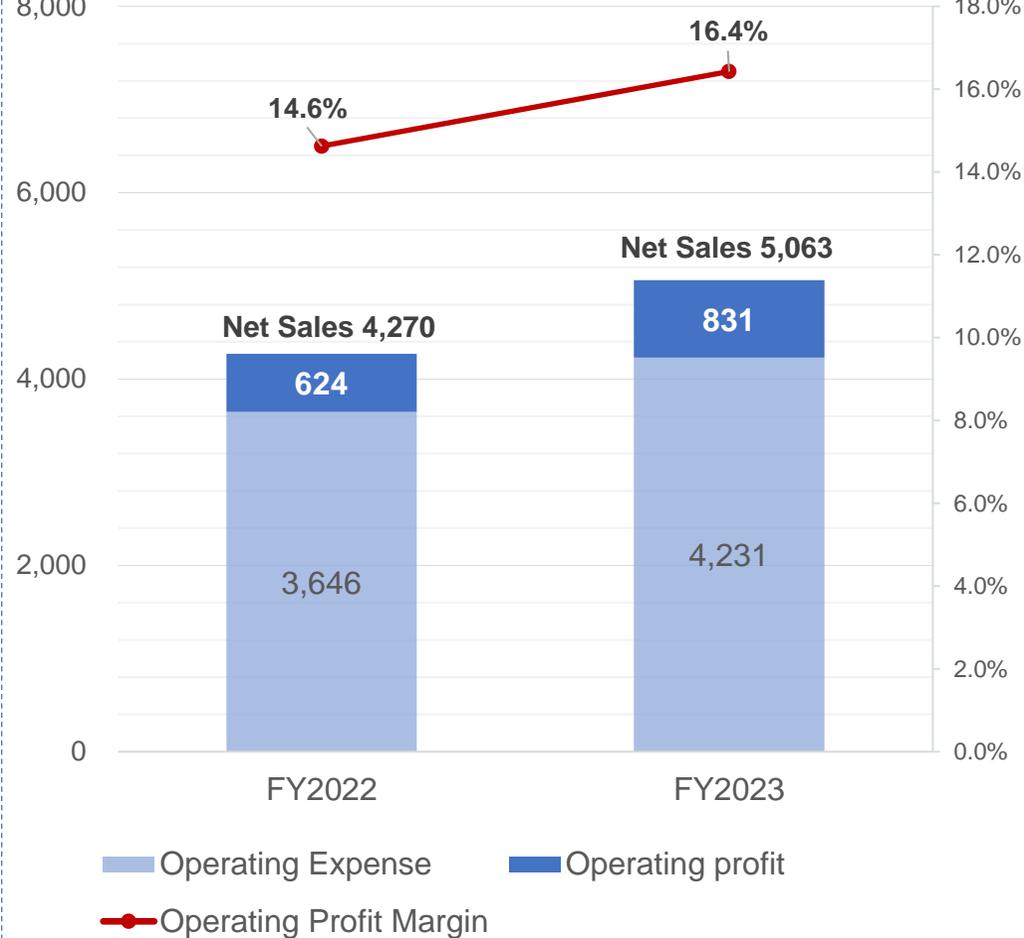


[Factors in profit margin changes]

- The sales of high gross margin products and parts decreased.
- Raw material prices soared.

## Press-in Work Segment

Unit: Millions of JPY



[Factors in profit margin changes]

- High gross margin projects increased.

\* The operating profit of each segment includes that of transactions between the segments.

# Full-Year Forecast for FY2023

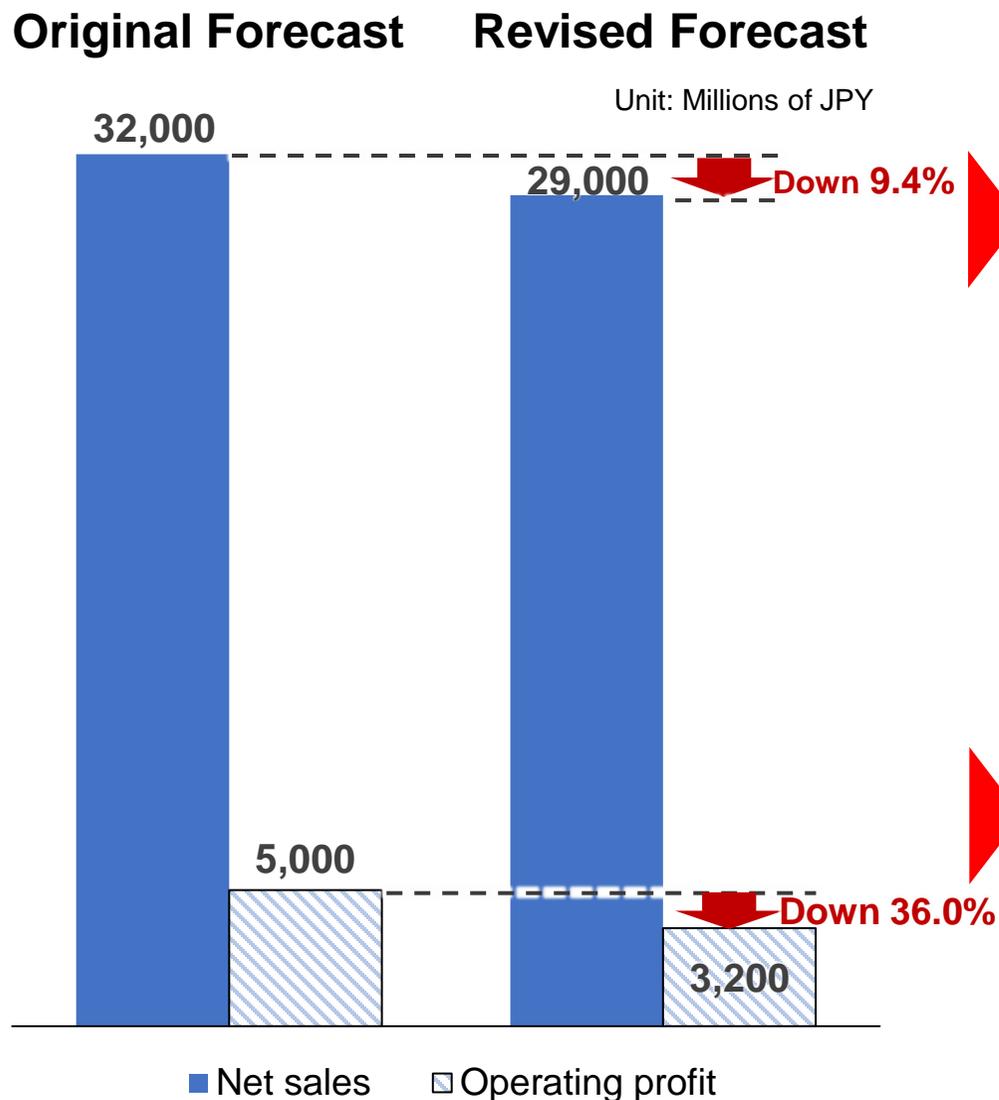
# Full-Year Forecast

Unit: Millions of JPY

	FY2022	FY2023		FY2023	
	Actual	Original Forecast	YoY	Revised Forecast	YoY
Net Sales	30,378	32,000	+5.3%	29,000	-4.5%
Operating Profit	4,613	5,000	+8.4%	3,200	-30.6%
Ordinary Profit	4,832	5,050	+4.5%	3,250	-32.7%
Profit*	3,234	3,500	+8.2%	2,000	-38.2%
Profit Per Share (JPY)	117.65 yen	127.26 yen	+8.2%	72.72 yen	-38.2%

\*Profit attributable to owners of GIKEN LTD.

# Sales and Operating Profit: Comparison between Original Forecasts and Revised Forecasts



## [Factors in revision of sales]

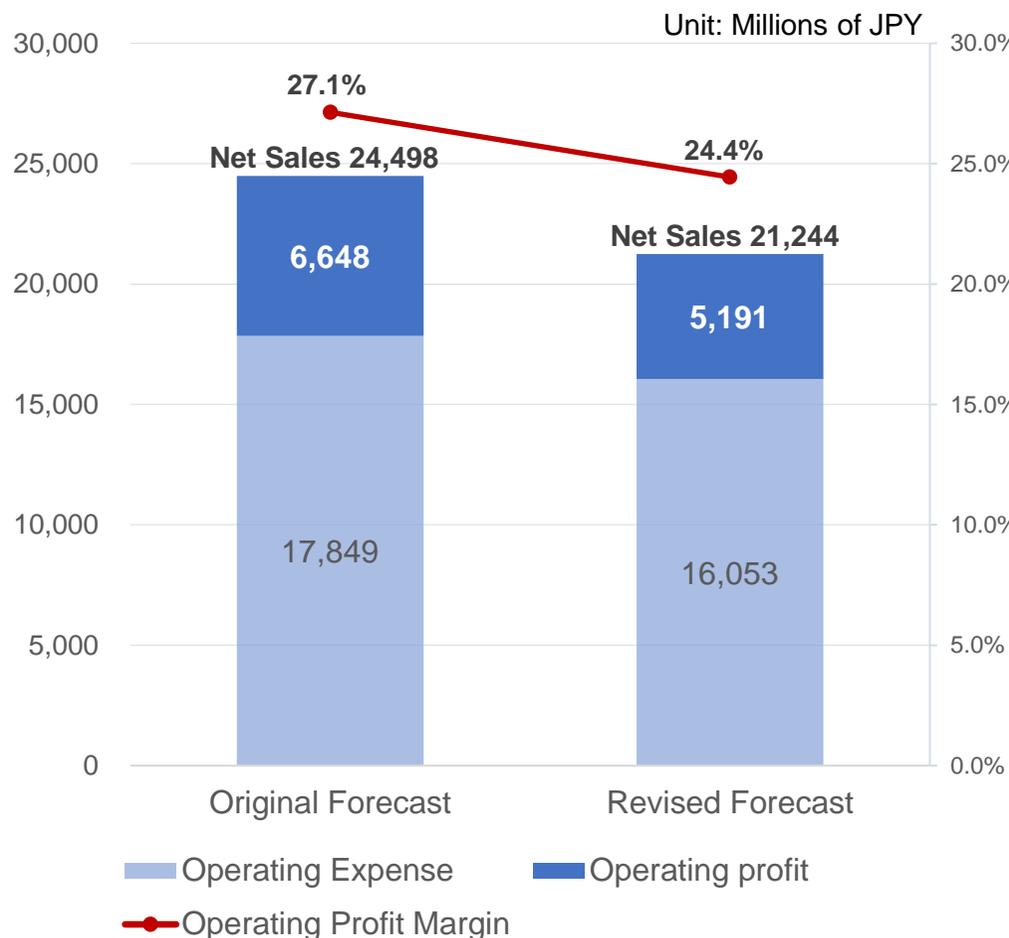
- Orders from overseas markets, including Oceania and North and South America, fell below expectations.
- The sales of products and parts decreased because of shrinking project scale caused by soaring domestic steel prices.

## [Factors in revision of operating profit]

- The sales of the highly-profitable construction machinery segment decreased.
- Sales and general administration costs increased partially because we raised the basic pay of all our employees as part of our efforts to increase investment in “human capital”.

# Operating Profit by Segment: Comparison between Original Forecasts and Revised Forecasts

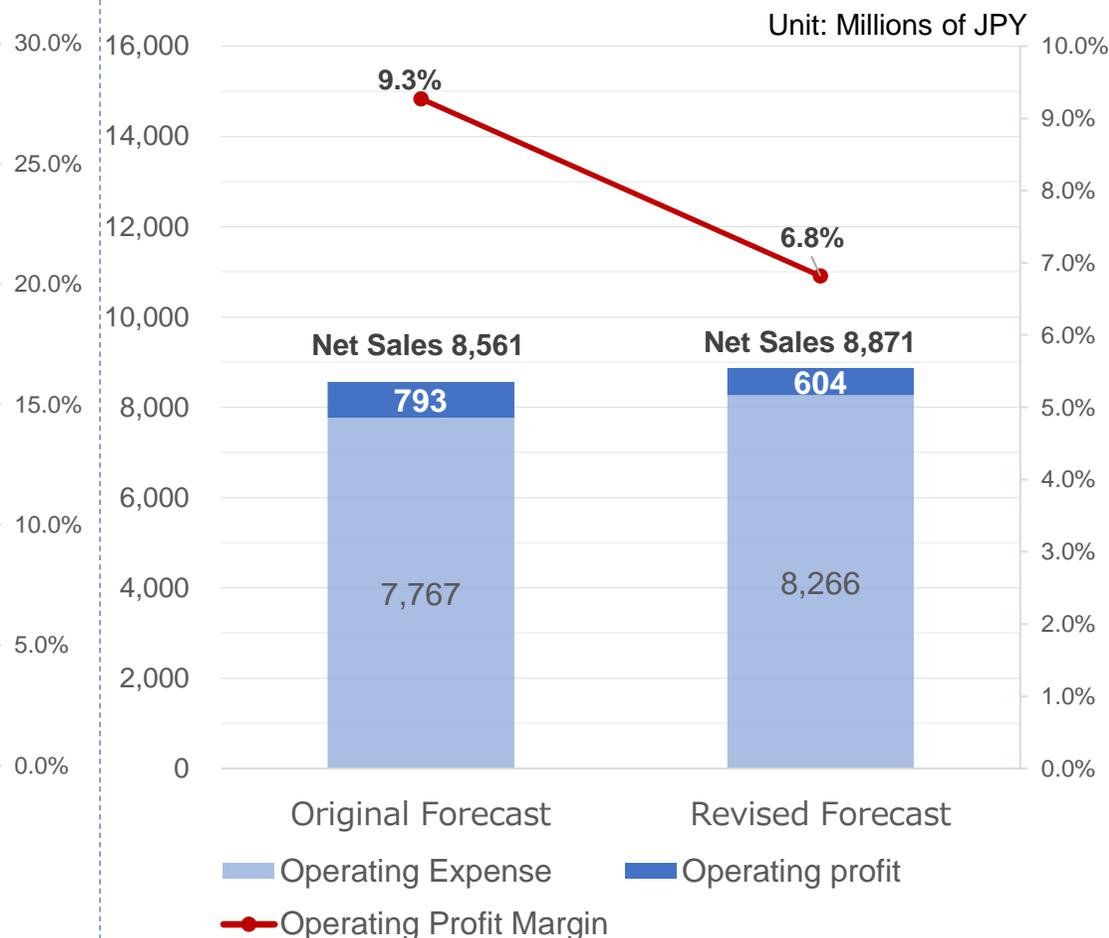
## Construction Machinery Segment



### [Factors in profit margin changes]

- The sales of high gross margin products and parts decreased.
- The burden of sales and general administration and other fixed costs increased due to the sales decrease.

## Press-in Work Segment



### [Factors in profit margin changes]

- High gross margin projects decreased.

\* The operating profit of each segment includes that of transactions between the segments. 9

# Progress of Overseas Projects

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## 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 confident in winning contracts in Germany and the U.K.

### ■ Asia

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

## Regions where we are facing difficulty in forming 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.

**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 made progress.

It started in November and introduced our “GRB® System” in January, receiving high praise from the client.



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



**Construction Revolution**

Implant method change the Worldwide Construction