

Mid-Term Management Plan 2027

FY Aug 2025 - FY Aug 2027

October 11, 2024

GIKEN LTD.

Forward-looking Statements Disclaimer

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. The Company does not guarantee performance. Results may differ substantially from the consolidated forecasts due to various factors such as the economic climate surrounding key domestic and overseas markets and changes in the foreign exchange market. In the event that a material change occurs, the Company will disclose information in a timely manner.



Mid-Term Management Plan 2027

FY Aug 2025 - FY Aug 2027

- 1. Introduction**
- 2. Review of the Mid-Term Management Plan 2024**
- 3. Positioning of the Mid-Term Management Plan 2027**
- 4. Basic Strategies**
- 5. Numerical Targets**
- 6. Initiatives for Increasing Corporate Value**
- 7. Long-Term Roadmap**



Introduction

Purpose and Vision Mission Values (VMV) of the GIKEN Group



The basics of management are increasing sustainable corporate value and maximizing the satisfaction of all stakeholders. To realize the goals, we focus on “continuous investment in human capital,” “creating a healthy organization,” and “solidifying management.”

Introduction — History and Future

The GIKEN Group has resolved issues faced by society as a development-oriented company since the Group's foundation. The Group will continue to create and offer solutions to many social issues as a development-oriented company.

Growing Social Issues

Second founding period

Returning to our origins and focusing on tasks as a development-oriented company

Social
issues

Aging infrastructure

Declining workforce

Global warming

Disaster
prevention and
mitigation

Overcoming of constraints

Controlling pollution
(Vibration and Noise)

Further expansion of
applicable coverage

Automation and remote
technology by DX

Electrification and carbon
neutrality

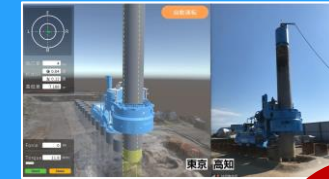
2012 **Implant Levee**

2003 **Gyropress Method
Rescue Methods**

2001 **Guard Methods**

1984 **GRB System
Variety of specialized
press-in machines**

1975 **SILENT PILER**



Development
technology



Review of the Mid-Term Management Plan 2024

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Numerical Targets (Consolidated Figures)

Initial targets of sales and profits were not achieved. In comparison with the revised plan of FY August 2024, the operating profit achieved the plan while the sales fell short of it.

(Unit: million JPY)

Item	FY AUG 2024	
	Initial Targets (Revised Plan*)	Actual
Net Sales	35,000 (30,000)	29,481
Operating Profit	5,500 (3,300)	3,324
Operating Profit Margin	15.7% (11.0%)	11.3%
Overseas Sales	10,000 (3,500)	3,994
Overseas Ratio	28.6% (11.7%)	13.5%

Factors

Net Sales

- Dissolution of the joint venture relationship with a subsidiary
- Delay in the growth of global business
Oceania: Business policy revisit
North America: Business re-building
- Soaring materials and labor costs leading to a shrinkage in the scale of public works projects

Profit

- Decline in sales of highly profitable products
- Soaring material costs
- Promotion of investment in human capital

*Timely disclosure on October 11, 2023

Review of the Mid-Term Management Plan 2024 (2)

Basic Strategy 1 Global expansion specializing in technological proposals of the Implant Method

Overseas, we formed more projects in Europe and Asia and introduced new engineering methods in each region. In Japan, we steadily accumulated successful results for work projects in disaster recovery and infrastructure renewal.

Europe



GTOSS* EUROPE launch (2024)

World Heritage-listed Dutch canal quay wall renovation project for commercial phase (2024)

The Hague canal quay wall renovations (2022)

North America



First delivery of SILENT PILER CLP 200A (2024)

GTOSS North America launch (2024)

Japan



Road widening work to clear the Noto-Satoyama Kaido expressway, which collapsed in the 2024 Noto Peninsula Earthquake (2024)

RED HILL 1967 opened (2023)

Adopted in the Shutoko Renewal Project (2023)

Meiji Yosui Toshuko dam restoration work (2023)

Ehime Prefecture Hijikawa River embankment development work (2023)

Adopted in base port construction work for an offshore wind farm (2022)



Asia



First Delivery of GYRO PILER to Singapore (2024)

Pa Sak river bank protection project in Thailand (2022-2023)

New user acquisition in India (2022)

*GTOSS: Total support service for press-in equipment users "GTOSS = GIKEN total support system"

Review of the Mid-Term Management Plan 2024 (3)

Basic Strategy 2 Providing solutions to society by developing high added-value construction methods and products

Progress in the development of solutions for the social issues of decarbonization, declining workforce, and infrastructure remodeling.

Decarbonization

Launch of MU200, a battery-powered electric power unit, in Europe

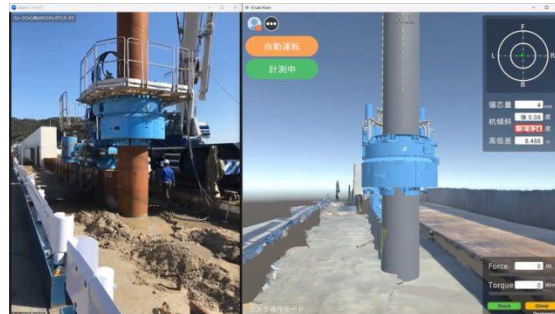


Development of EV ECO Park



Declining Workforce

Realization of automatic operation and development of remote support technology by digital transformation (DX)

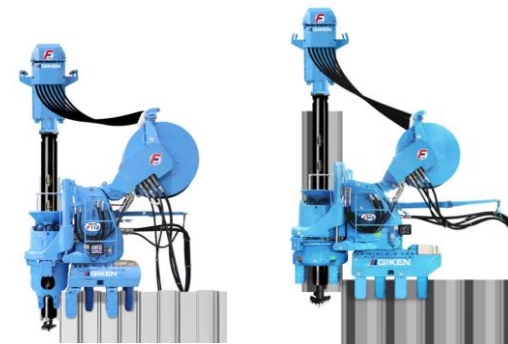


On-site verification

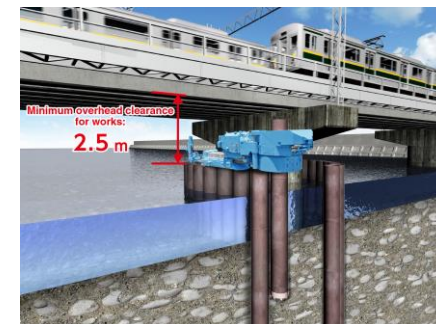


Infrastructure remodeling

New model rollout for hard ground



Development of an ultra-low-headroom GYRO PILER



Review of the Mid-Term Management Plan 2024 (4)

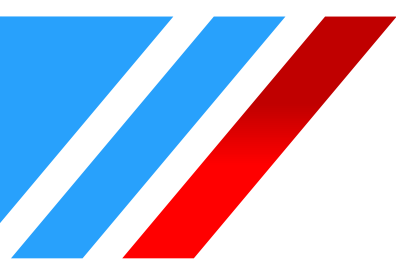
Review Summary

Basic Strategy FY Aug 2022 to FY Aug 2024	Achievements	Remaining Issues and Tasks	Initiatives in the Mid-Term Management Plan 2027
Basic Strategy 1 “Global expansion specializing in technological proposals of the Implant Method”	<ul style="list-style-type: none"> Monetary growth in adoption of the press-in method (Growth: 133% in three years) 	<ul style="list-style-type: none"> Continual declining trend in scale of construction and projects due to soaring material and labor costs 	<ul style="list-style-type: none"> Strengthening activity to provide proposals in the early stages of projects and lobbying other institutions ⇒ Strategy (3)
	<ul style="list-style-type: none"> Completion of building construction at RED HILL 1967 	<ul style="list-style-type: none"> Overcoming the high hurdle of entering a new field (architecture, etc.) 	<ul style="list-style-type: none"> Enhancement of new technology development and market launch ⇒ Strategy (2)
	<ul style="list-style-type: none"> Acquisition of new overseas projects Start of work with partners in each branch 	<ul style="list-style-type: none"> We have not established a market where we can secure profits stably overseas 	<ul style="list-style-type: none"> Development of a branch function according to the maturity and needs of each country ⇒ Strategy (1)
	<ul style="list-style-type: none"> Original bicycle parking facility of GIKEN*: six units delivered, four units selected for two projects 	<ul style="list-style-type: none"> Preparation for satisfying overseas standards remains in the phase of identifying challenges 	<ul style="list-style-type: none"> Entry in the European market ⇒ Strategies (1) and (3)
Basic Strategy 2 “Providing solutions to society by developing high added-value construction methods and products”	<ul style="list-style-type: none"> Commercialization of PPTS** automatic operation and Implant NAVI 	<ul style="list-style-type: none"> For the dissemination of products in the market, strengthening collaboration with partners is necessary 	<ul style="list-style-type: none"> Strengthening activity to propose new technologies ⇒ Strategy (3)
	<ul style="list-style-type: none"> Development of labor-saving technology (DX technology) 	<ul style="list-style-type: none"> Implementation of complete technologies in the function of products 	<ul style="list-style-type: none"> Development completion for implementation and market launch ⇒ Strategies (2) and (3)
	<ul style="list-style-type: none"> Completion and on-site launch of electrification products 	<ul style="list-style-type: none"> Delivery of completed products 	<ul style="list-style-type: none"> Mounting in the entire lineup by 2027 ⇒ Strategies (2) and (3)
	<ul style="list-style-type: none"> Coordination of goods and data with partner companies and advancement of production systems 	<ul style="list-style-type: none"> Initiatives to expand the coordination range of goods and data are necessary 	<ul style="list-style-type: none"> Productivity improvement and cost reduction ⇒ Strategy (4)

*The original bicycle parking facility of GIKEN or “ECO Cycle” is an automated bicycle parking facility that we designed for high convenience, safety, and ease of construction.

**PPTS: ICT technology estimates the ground information with data obtained during press-in operations and automatically optimizes everything from the setting of underground conditions to press-in execution.

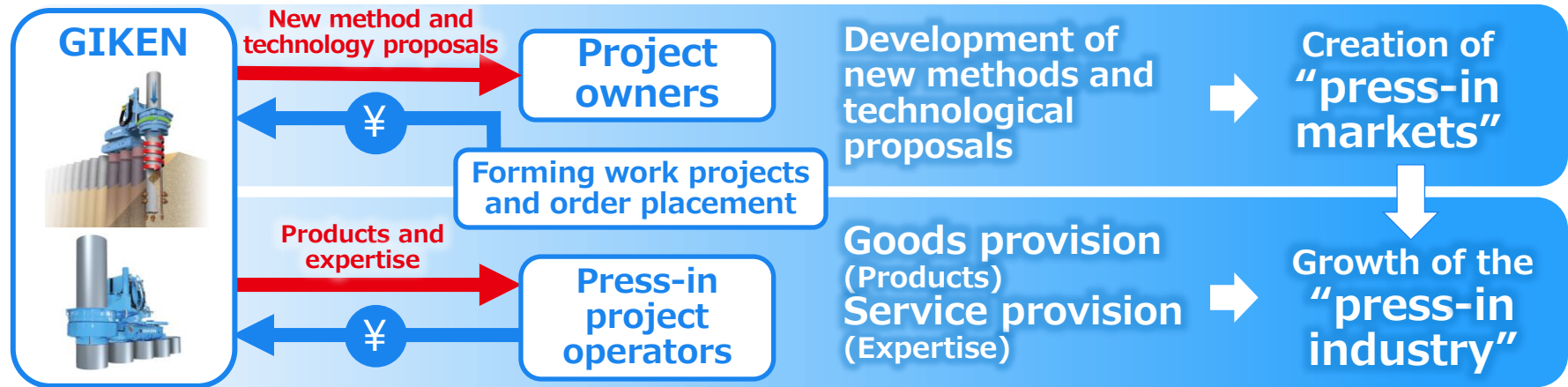
Positioning of the Mid-Term Management Plan 2027

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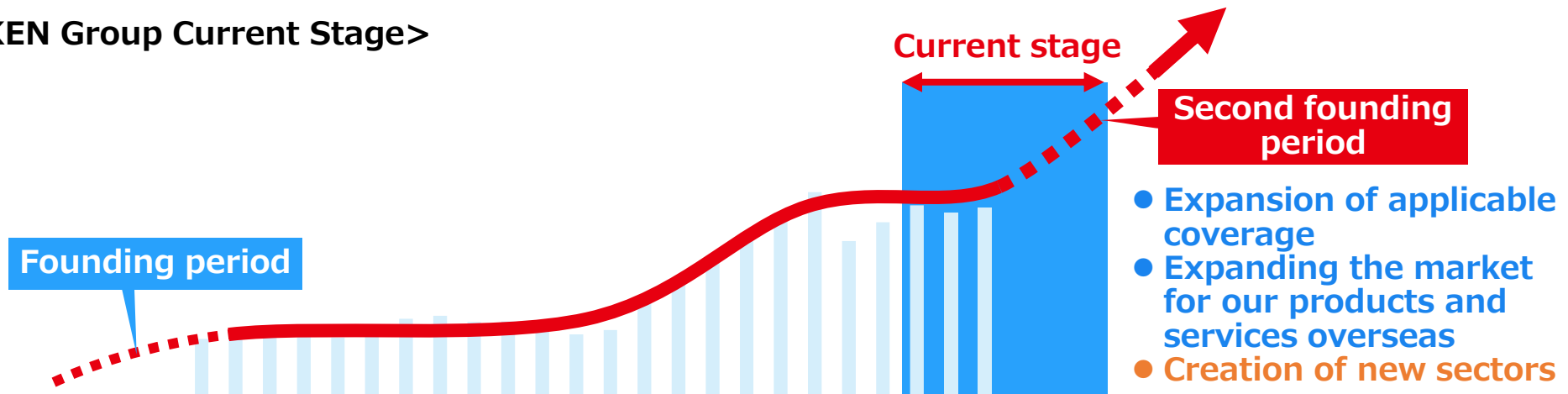
Positioning of the Mid-Term Management Plan 2027

This mid-term management plan aims to push forward the global provision & expansion of technological proposals and acceleration of the speed of development and market launch of new methods & products toward the expansion of the second founding period and early realization of our vision.

<Business Model>



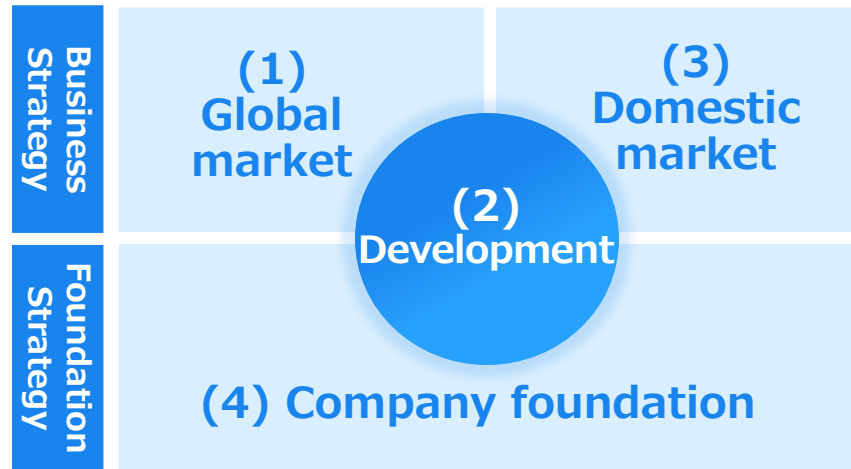
<GIKEN Group Current Stage>



Basic Strategies

Setting of four basic strategies and management targets for growth

Basic Strategies



- 1 Proactive global market expansion
- 2 Enhancing highly unique and extremely creative development
- 3 Steady growth of the domestic market
- 4 Strengthening and deepening the foundation that supports business

Management Targets (FY Aug 2024 ▶ FY Aug 2027)

Consolidated Net Sales
29.4 billion JPY
▶ 36.0 billion JPY

Operating Profit
3.3 billion JPY
▶ 4.9 billion JPY

ROE
6.1% ▶ 8.5%

Basic Strategy 1 Proactive global market expansion

Shifting the approach for the global market from machine sales to providing total support services

Developing the branch function while responding to issues in each area and acceleration of market expansion

Regions with offices

1

Market creation

- Creation of an environment that enables further project formation
- Promoting the Gyopress Method (Local partners)
- Establishment of a system to undertake construction work (Germany)

2

Products and parts supply

- Enhancement of options for providing products
- Enriching the variety of rental machines
- Establishment of a parts supply system

3

On-site technology support

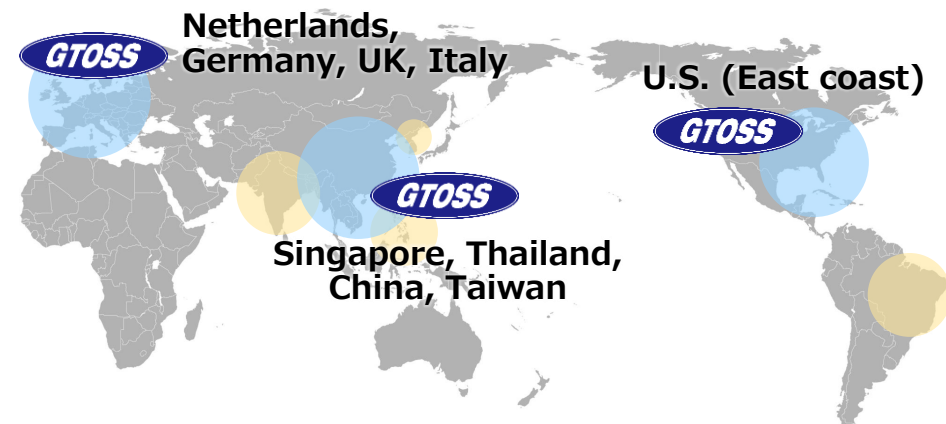
- Developing local instructors
- Rollout of a consulting service

4

Maintenance service

- Support and development of local partners
- Maintenance technical assistance for users

Priority Regions



Japan

- Development and supply of products suitable for the global market
- Launch of technologies that have not been introduced overseas
- Support for the launch of original bicycle parking facility of GIKEN in Europe
- Local business support system
- Technical assistance for national staff and partners

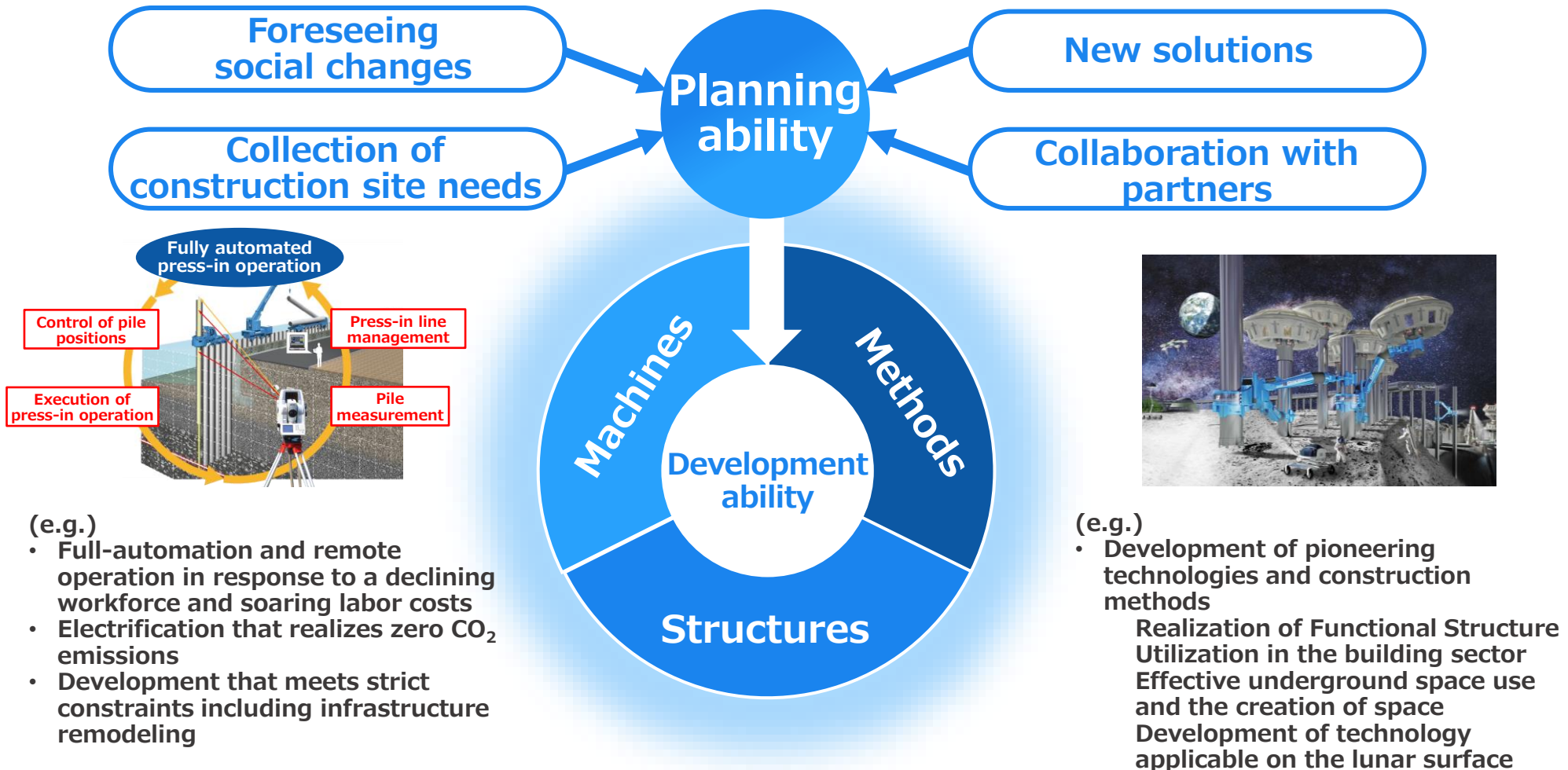
Regions without offices

- ODA projects
- Market research activities in Brazil, India, the Philippines, South Korea, Bangladesh, Vietnam

*GTOSS: Total support service for press-in equipment users "GTOSS = GIKEN total support system"

Basic Strategy 2 Enhancing highly unique and extremely creative development

Establishment of a system that realizes continuous planning and development of “goods” and “methods” in response to social changes

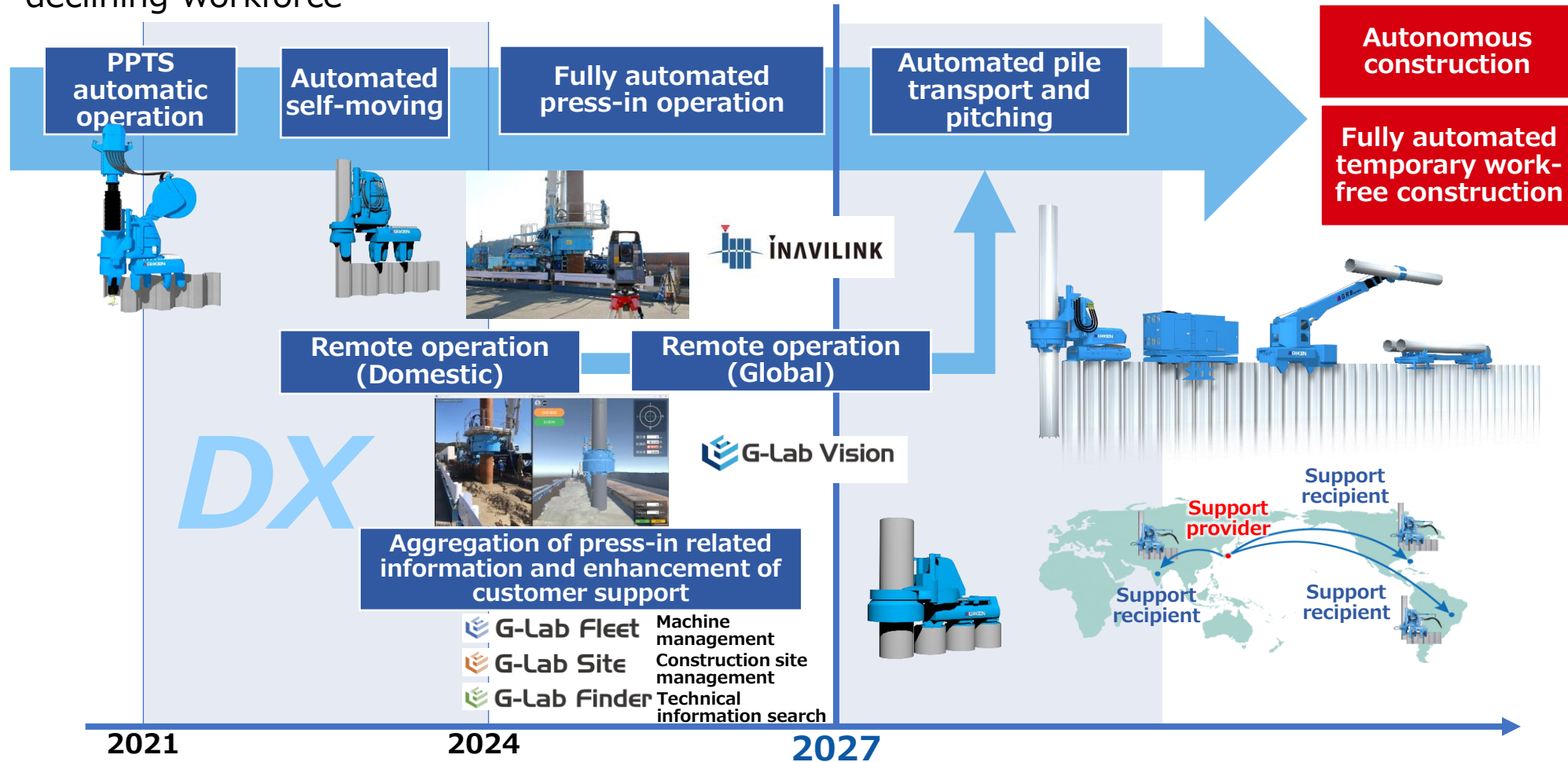


Offering many more new “goods” and “methods” to society faster

Basic Strategy 2 Enhancing highly unique and extremely creative development

Examples of new technology deployment

Sequential market launch of automatic and remote operation technologies in response to a declining workforce



Provision in the entire lineup by 2027

Basic Strategy 3 Steady growth of the domestic market

Towards a society where adoption of the press-in method is commonplace, carrying out efficient activities and providing construction methods and products that meet customer needs to the market

Project owners · Engineers

- Strengthening the provision of proposals in the early stages (from the project planning phase)
- Expansion of applicable coverage (disaster prevention, disaster recovery, infrastructure renewal and improvement)
- Adoption and spread of new technologies (Implant NAVI, Functional Structure)
- Expansion of proposals for underground products



Increase adoption of the construction method

Stable growth of the press-in industry

【Domestic market environment】
Soaring material costs, increasing labor costs, worker shortages

Customers · Designated Plants

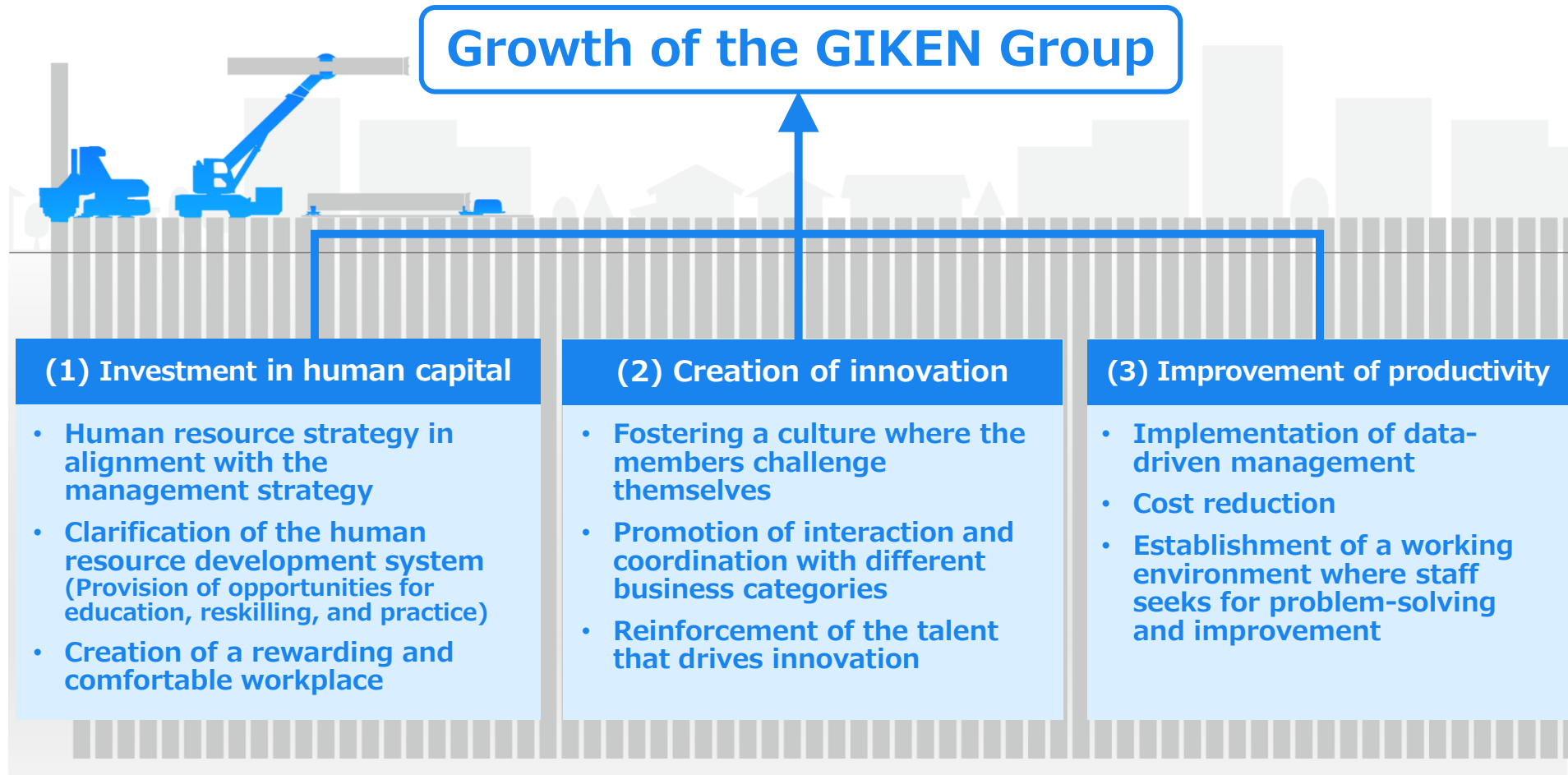
- Enhancement of customer support and reflection of voices and needs from user sites
- Provision of high-quality products and services
- Electrification and launch of digital technology mounted products
- Collaboration with the Japan Press-in Association (JPA)



Improve the satisfaction level

Basic Strategy 4 Strengthening and deepening the foundation that supports business

Strengthening the business foundation for continuous growth of the GIKEN Group by promoting (1) investment in human capital, (2) creation of innovation, and (3) improvement of productivity

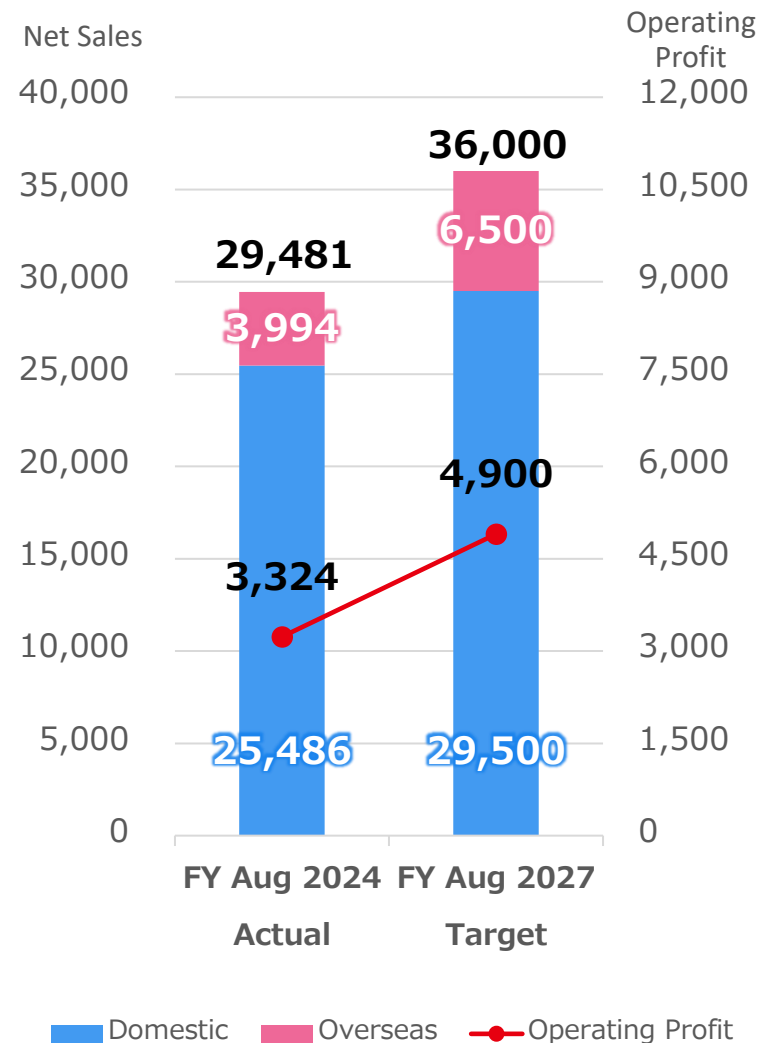


Numerical Targets

Numerical Target Consolidated Figures (Domestic/Overseas, by Business Segment)

Item		FY Aug 2024 Actual	FY Aug 2027 Target	Rate of Change (%)
Net Sales		29,481	36,000	+22.1%
Domestic/ Overseas	Domestic	25,486	29,500	+15.7%
	Overseas	3,994	6,500	+62.7%
	Overseas Ratio	13.5%	18.1%	+4.6pt
Segment	Construction Machinery	20,940	26,500	+26.6%
	Press-in Work	8,540	9,500	+11.2%
Operating Profit		3,324	4,900	+47.4%
Operating Profit Margin		11.3%	13.6%	+2.3pt
Profit		2,437	3,500	+43.6%
ROE		6.1%	8.5%	+2.4pt

(Unit: million JPY)



Initiatives for Increasing Corporate Value

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Identifying materiality based on Basic Sustainability Policy

The GIKEN Group has identified materiality to be worked on in the medium- to long-term, aiming to create both corporate and social value in a sustainable manner. Moving forward, we will examine and disclose specific initiatives.

Materiality Themes (related social issues)

- | | |
|--------------------|--|
| Environment | (1) Manufacturing and construction in harmony with the natural environment
(Climate change, biodiversity, life cycle assessment) |
| Society | (2) Provision of construction that supports building a sustainable society
(Sustainability of cities and communities, maintaining and renewal of social infrastructure, measures for disaster prevention and mitigation, urbanization in emerging countries) |
| | (3) Responsible supply chain management and partnership
(Partnership, procurement practices, protection of intellectual property rights, human rights and labor practices) |
| | (4) Creation of an organization where diverse human resources are able to flourish
(D&I, engagement, realization of diverse workstyles, human resource development, employee well-being, improvement of the work environment) |
| Economy | (5) Pursuit of Construction Revolution through technological development
(Innovation, digitalization and DX, quality, development of talent that drives innovation) |
| Governance | (6) Sophistication of governance and thorough implementation of compliance
(Fair trade, corporate governance, corruption prevention) |

Initiatives for Increasing Corporate Value (2)

Promotion of a healthy work in life and creation of a company environment in which diverse employees can realize their full potential

Health and Productivity Management

Support for employees to enable them to perform to their full potential



Recognized by the 2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category)

Support for Balancing Work and Childcare

Contribution to the positive cycle of society as a whole by making the use of childcare leave commonplace

Childcare Leave Rate *At GIKEN LTD.

100%

FY Aug 2024
(Actual)



100%

FY Aug 2027
(Target)

Promotion of Women's Participation

Aiming to become an attractive global company in which female members can realize their full potential



Selected as a Nadeshiko Brand

Percentage of female employees in management

*At GIKEN LTD.

10.8%

FY Aug 2024
(Actual)

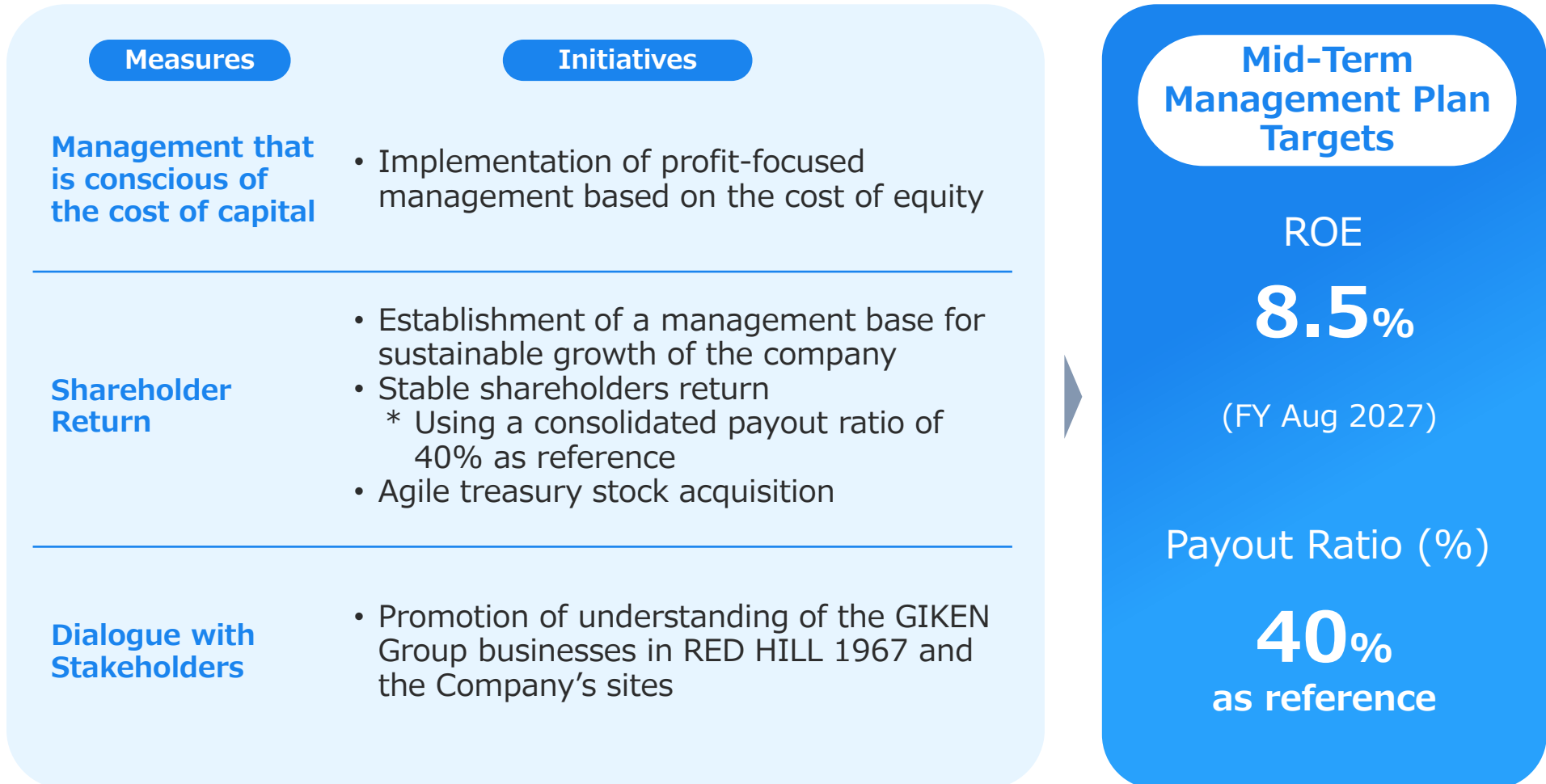


12.0% and above

FY Aug 2027
(Target)

Initiatives for Increasing Corporate Value (3)

Implementation of management to increase corporate value for the purpose of mutual prosperity with stakeholders



Long-Term Roadmap

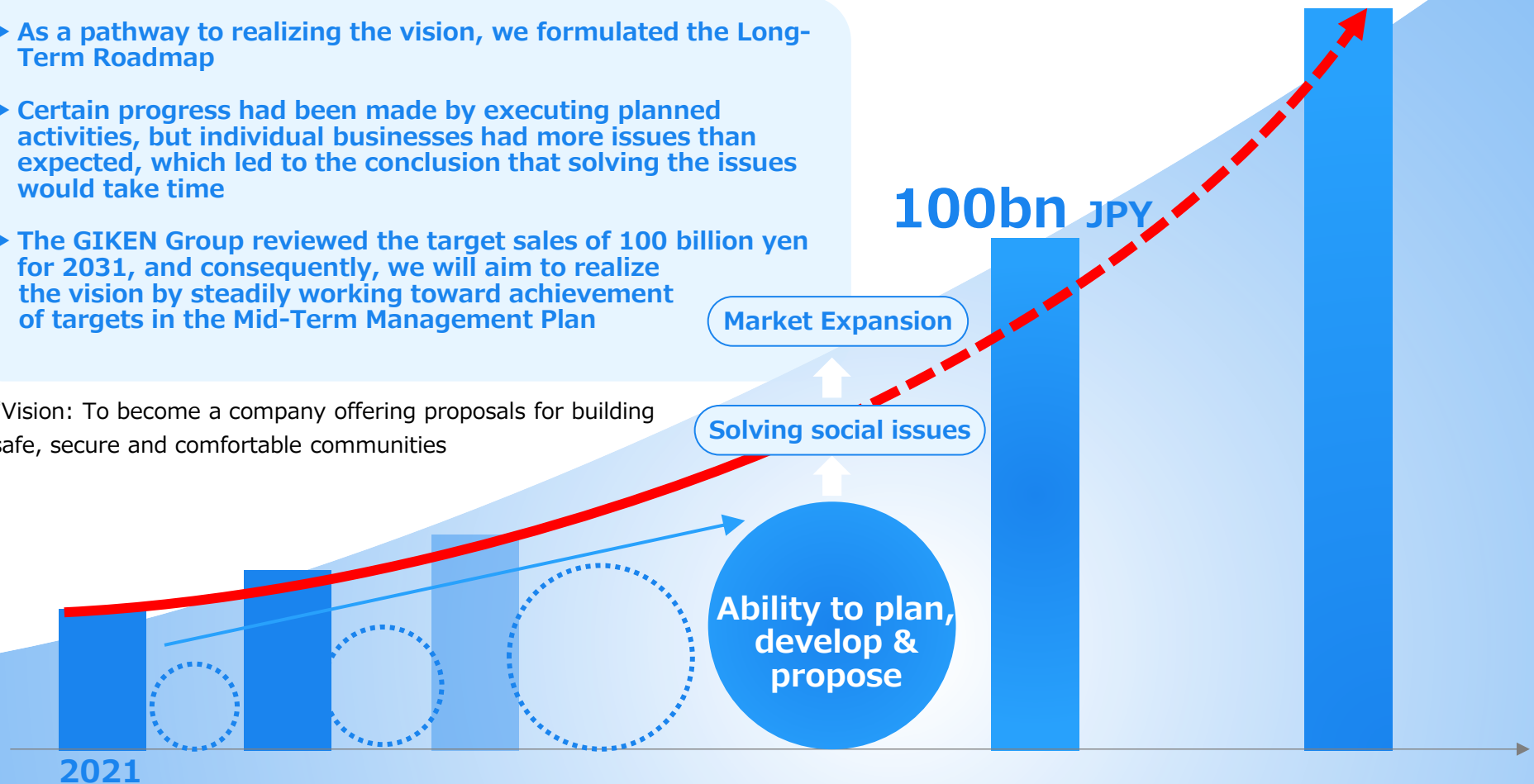
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GIKEN GOALS 2031 Long-Term Roadmap

Positioning the Roadmap as a pathway to achieving our vision* and aiming for realization of the vision by steady achievement of the Mid-Term Management Plan

- ▶ As a pathway to realizing the vision, we formulated the Long-Term Roadmap
- ▶ Certain progress had been made by executing planned activities, but individual businesses had more issues than expected, which led to the conclusion that solving the issues would take time
- ▶ The GIKEN Group reviewed the target sales of 100 billion yen for 2031, and consequently, we will aim to realize the vision by steadily working toward achievement of targets in the Mid-Term Management Plan

*Vision: To become a company offering proposals for building safe, secure and comfortable communities



Implant Method Changes Worldwide Construction

GIKEN

