



# Financial Results Overview FY2020

**GIKEN LTD.**

〈stock code : 6289〉

## (1) Construction Machinery Segment

- Buyer hesitation to increase capital investment commitments led to a decline in sales for key products such as Silent Piler for 400mm U-type sheet pile. Attributed to reduced bid success due to skilled construction labor shortages, uncertainties created by the COVID-19 pandemic, and the expected private sector demand contraction following the Tokyo Olympic and Paralympic Games.

## (2) Press-in Construction Segment

- Demand for Press-in construction, centering on large-scale equipment remained strong. Led by critical disaster prevention works and the need for less labor-intensive technologies in the face of project delivery acceleration
- Key construction works undertaken on seawall levee earthquake countermeasures, and landslide prevention works for the Kyushu Shinkansen line.
- Rehabilitation works at the port of Dakar in Senegal have been suspended.

# Overview – 3 year Trend

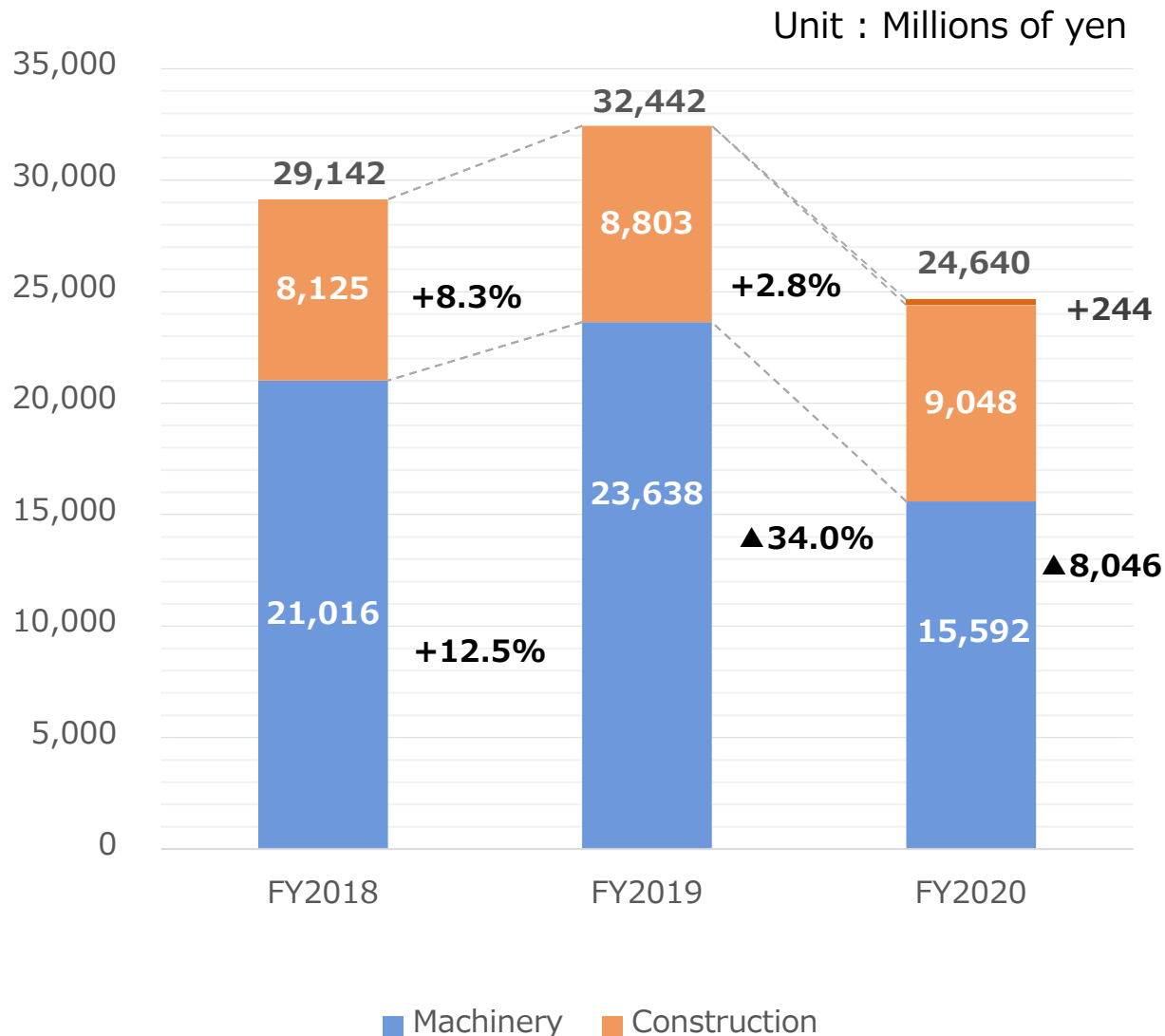


Unit : Millions of yen

	FY2018	FY2019		FY2020	
			YoY		YoY
<b>Net Sales</b>	<b>29,142</b>	<b>32,442</b>	<b>+11.3%</b>	<b>24,640</b>	<b>▲24.0%</b>
<b>Operating Profit</b>	<b>5,977</b>	<b>6,689</b>	<b>+11.9%</b>	<b>2,498</b>	<b>▲62.6%</b>
<b>Ordinary Profit</b>	<b>6,069</b>	<b>6,761</b>	<b>+11.4%</b>	<b>2,792</b>	<b>▲58.7%</b>
<b>Profit<sup>※</sup></b>	<b>4,151</b>	<b>4,571</b>	<b>+10.1%</b>	<b>1,400</b>	<b>▲69.4%</b>
<b>Earnings per Share</b>	<b>155.75</b>	<b>168.80</b>	<b>+8.4%</b>	<b>51.28</b>	<b>▲69.6%</b>
<b>ROE</b>	<b>12.6%</b>	<b>12.7%</b>	<b>+0.1pts</b>	<b>3.7%</b>	<b>▲9.0pts</b>

※Profit attributable to owners of Giken Ltd

# Overview – Sales Result by Segment



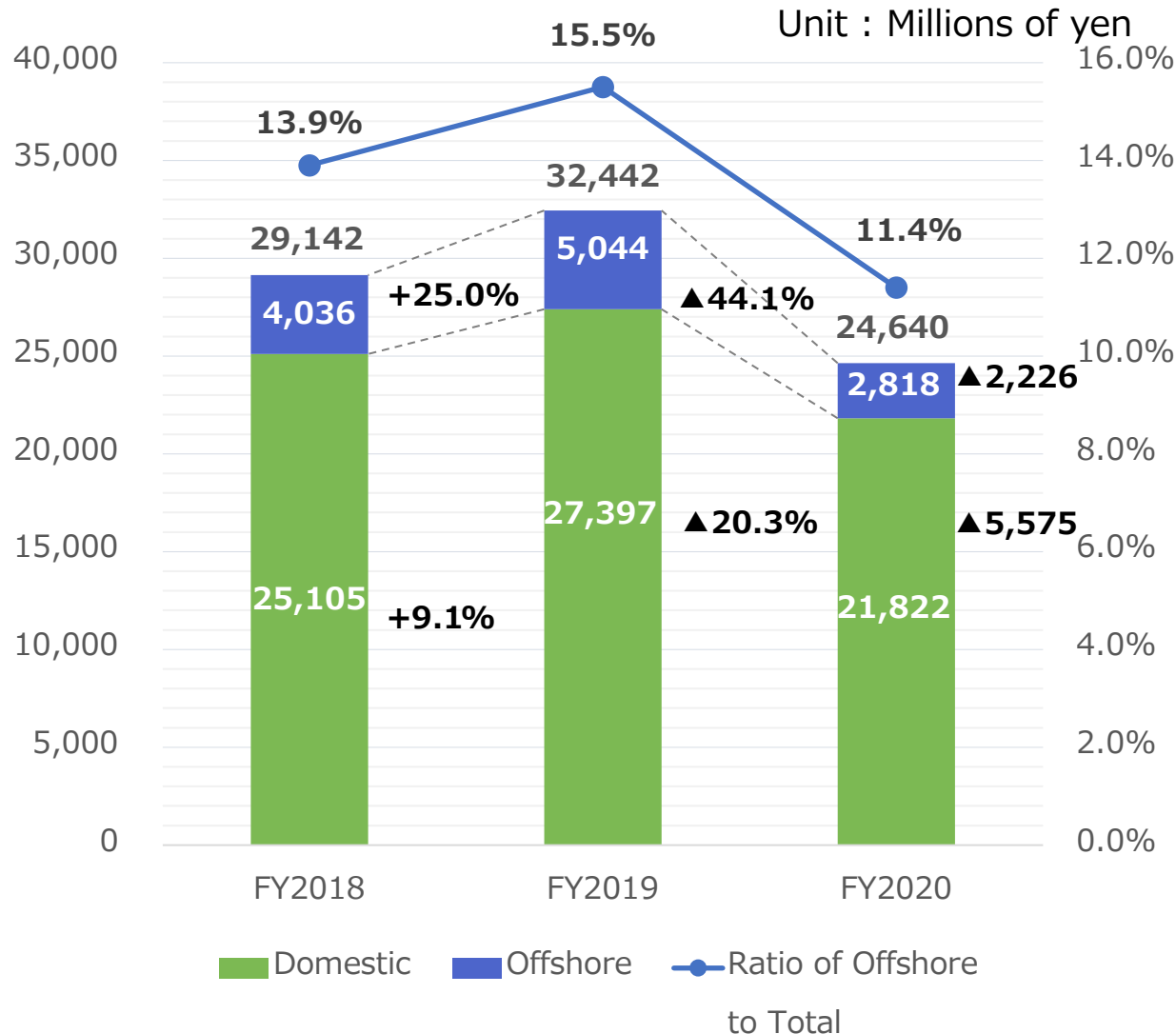
## ◇ Machinery Segment ▲8,046M JPY

Capital investment caution due to socio-economic uncertainties around COVID-19 pandemic.

## ◇ Construction Segment +244M JPY

Increased adoption of Implant methodologies led by critical disaster prevention, mitigation, and recovery works

# Overview – Sales Result Domestic and Offshore



◇ **Domestic Sales**  
**▲5,575M JPY**

Decline in Equipment sales.

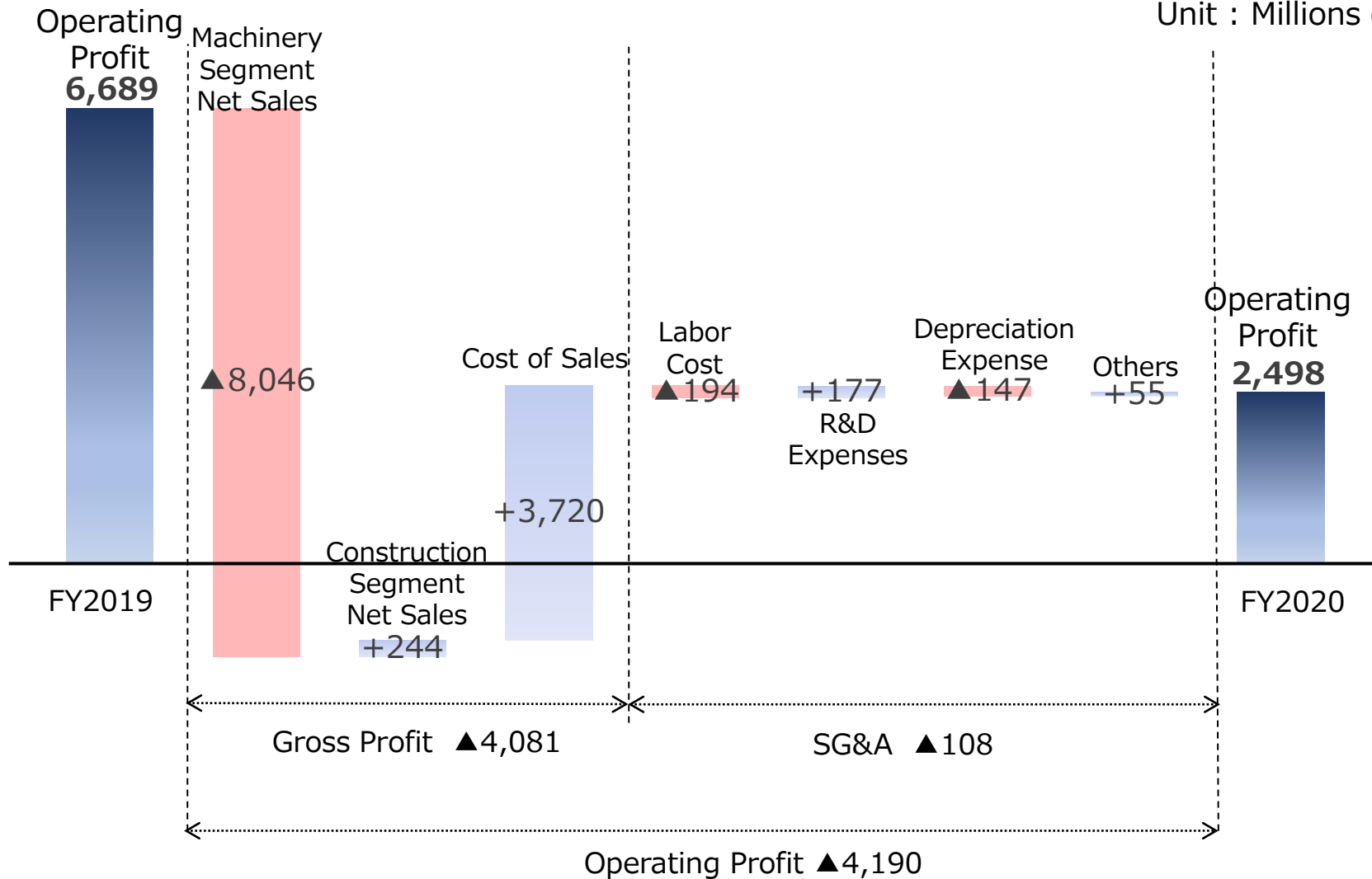
◇ **Offshore Sales**  
**▲2,226M JPY**

- Drop in revenue of the Australian subsidiary; transitioning from steel sales to total package solution provider with focus on Press-in construction technology.
- Port rehabilitation works in Senegal suspended due to COVID-19.

# Overview – Operating Profit



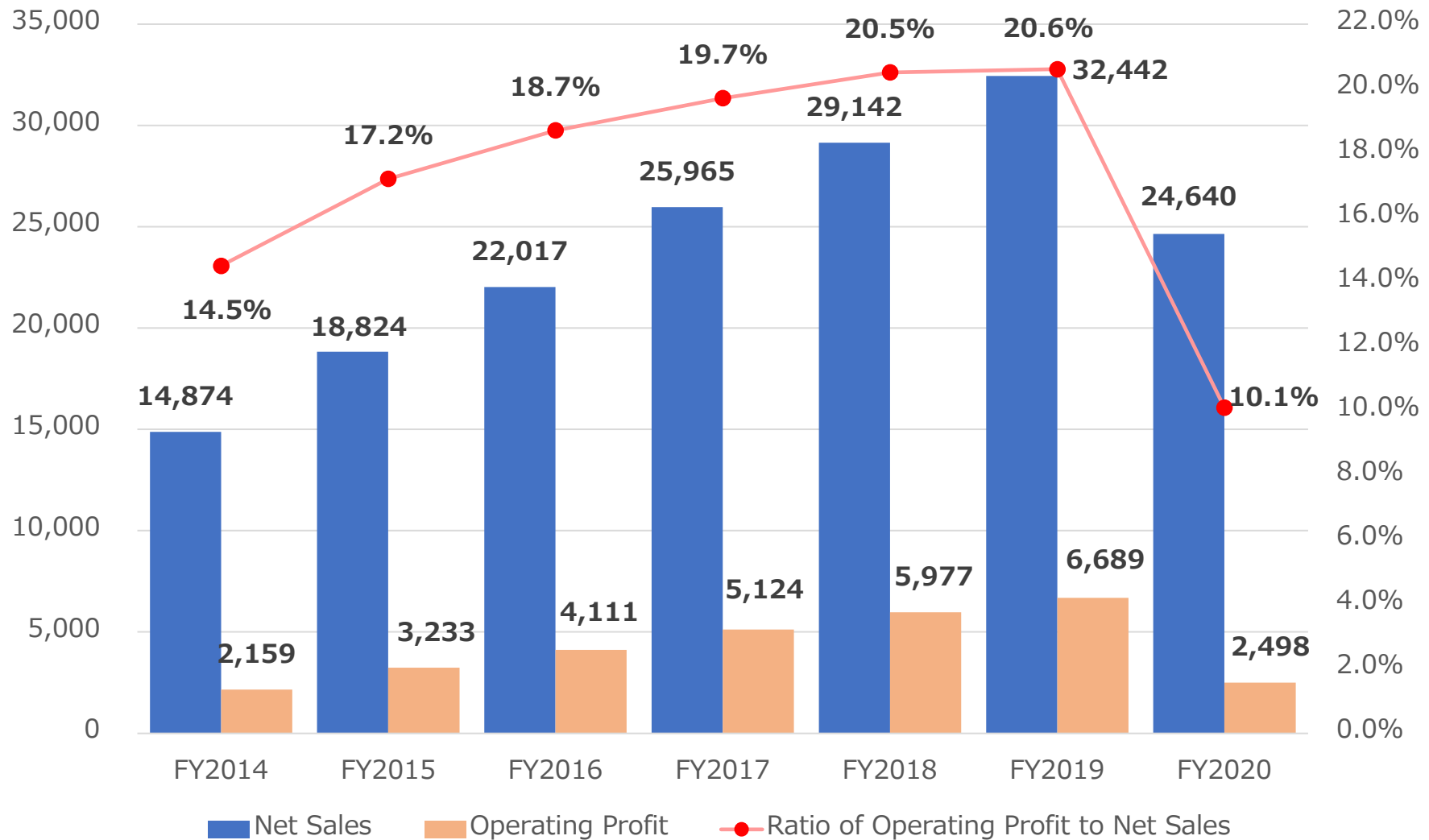
Unit : Millions of yen



# Overview – Operating Profit to Net Sales

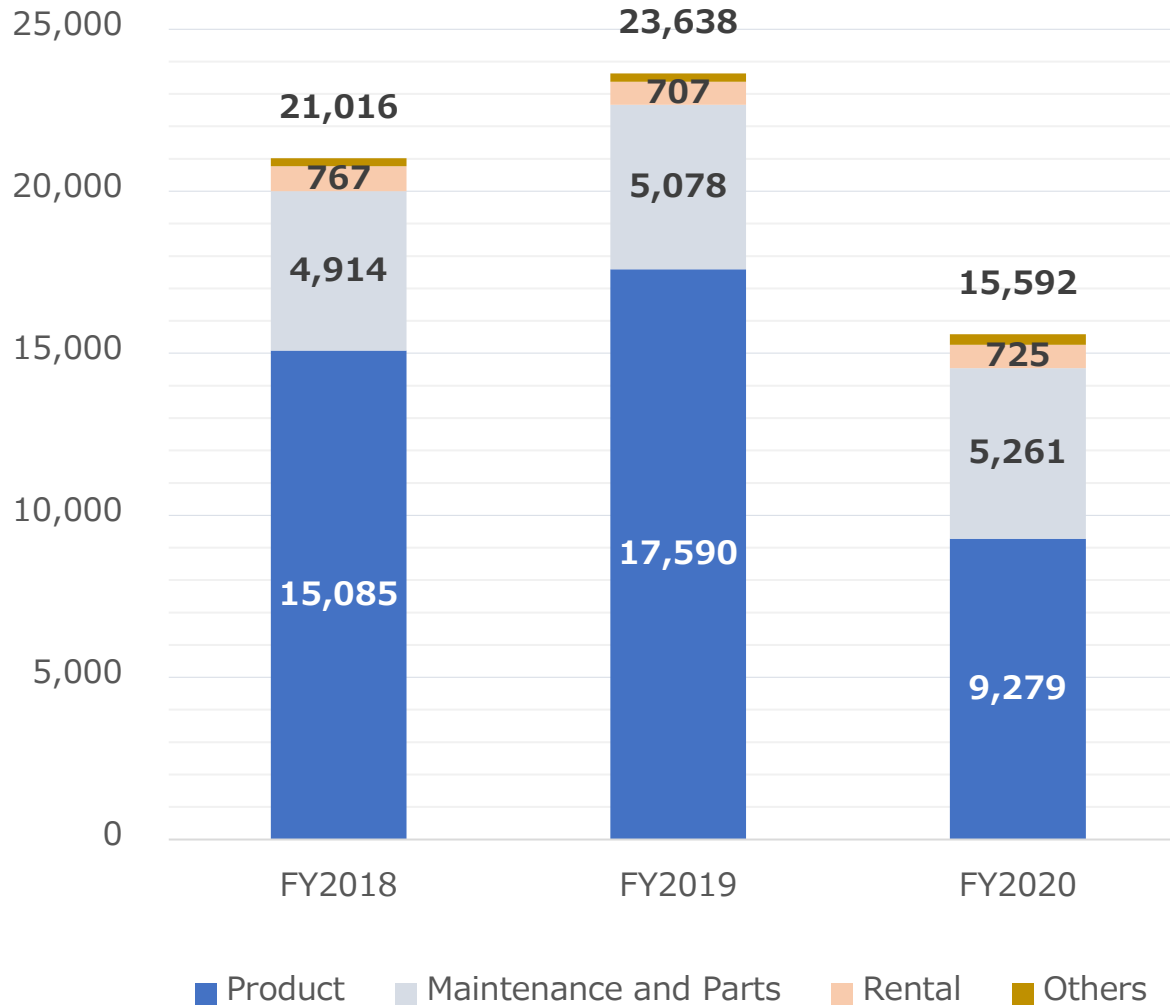


Unit : Millions of yen



# Overview – Sales by Category, Machinery Segment (1)

Unit : Millions of yen

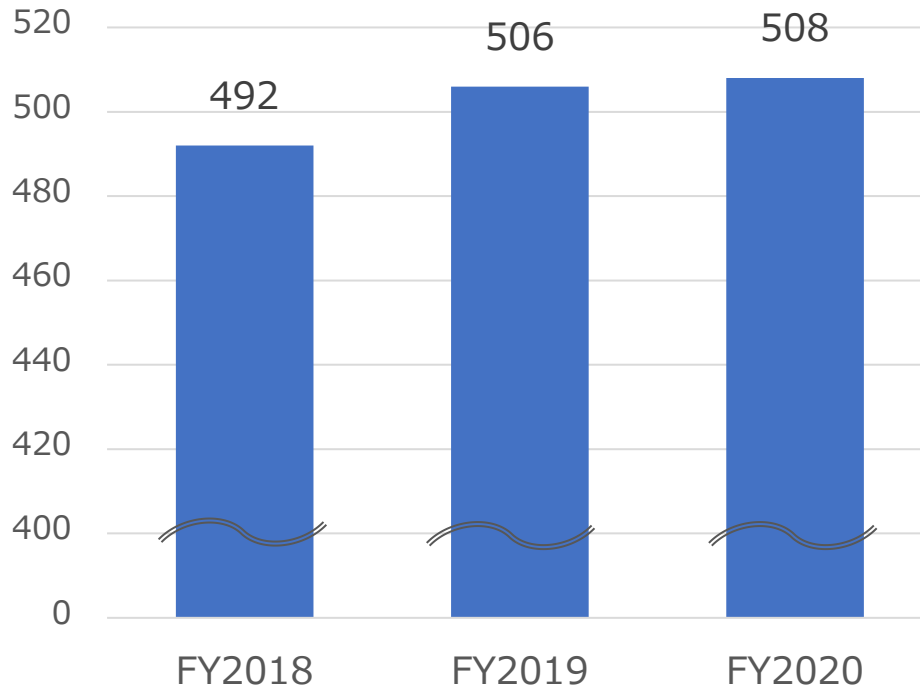


Cautious approach to capital investment due to economic uncertainties created by the COVID-19 global pandemic led to decline in product sales



## Number of Users

Unit : Company



### User numbers remain constant

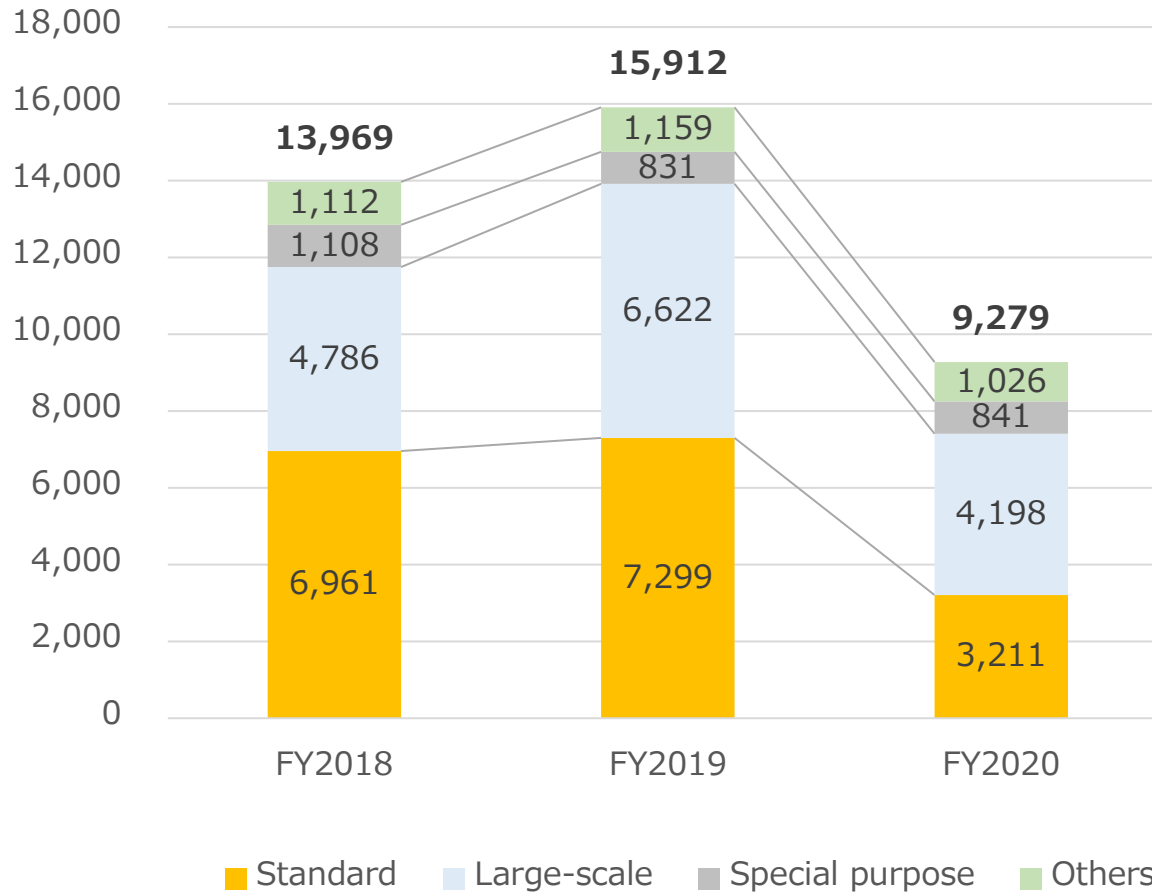
GM1 members increased  
as at end August 2020

GM1 certified companies: 12 (+1)

GM2 certified companies: 5 (±0)

## Sales by Product Categories

Unit : Millions of yen



### Others

- Older Models
- Auxiliary Equipment, others

### Special Purpose Models

- Clear Piler
- Zero Piler
- GRB System, others

### Large-scale Models

- Gyro Piler
- Tubular Piler, others

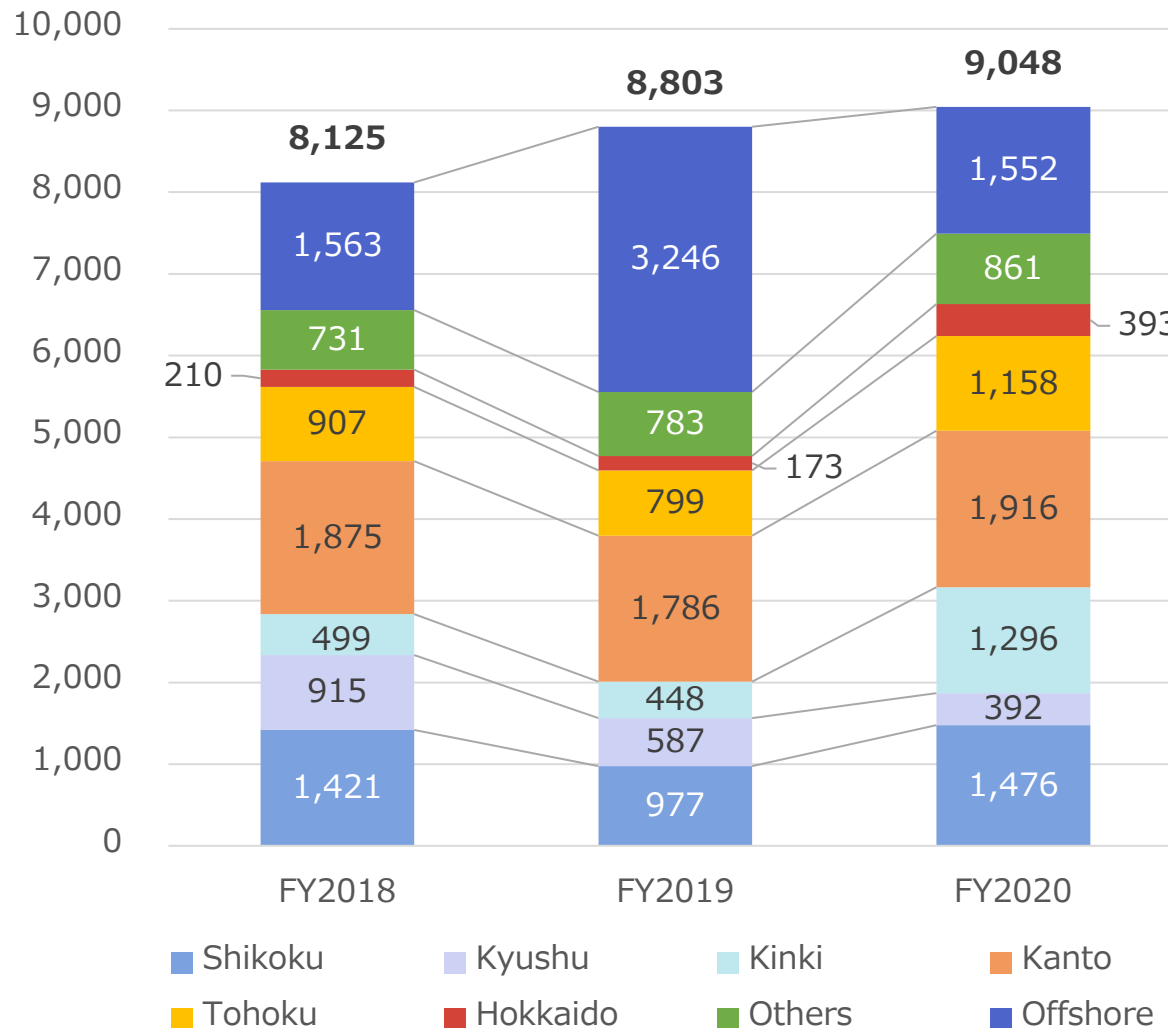
### Standard Models

- F101, F111, F201
- Smart Piler, others

# Overview – Sales by Region, Construction Segment



Unit : Millions of yen



## Domestic Sales increased

Increased use of Implant methodologies for critical restoration and disaster prevention & mitigation works.

- ✓ Levee constructions such as remediation works for Tohoku and disaster prevention works for the potential Nankai Trough megaquake
- ✓ Landslide prevention work along the Kyushu Shinkansen line
- ✓ Earthquake resistant construction of bridge piers
- ✓ River revetment remediation and protection works
- ✓ Disaster recovery works from typhoon damage
- ✓ Highway Upgrades

## Offshore Sales declined

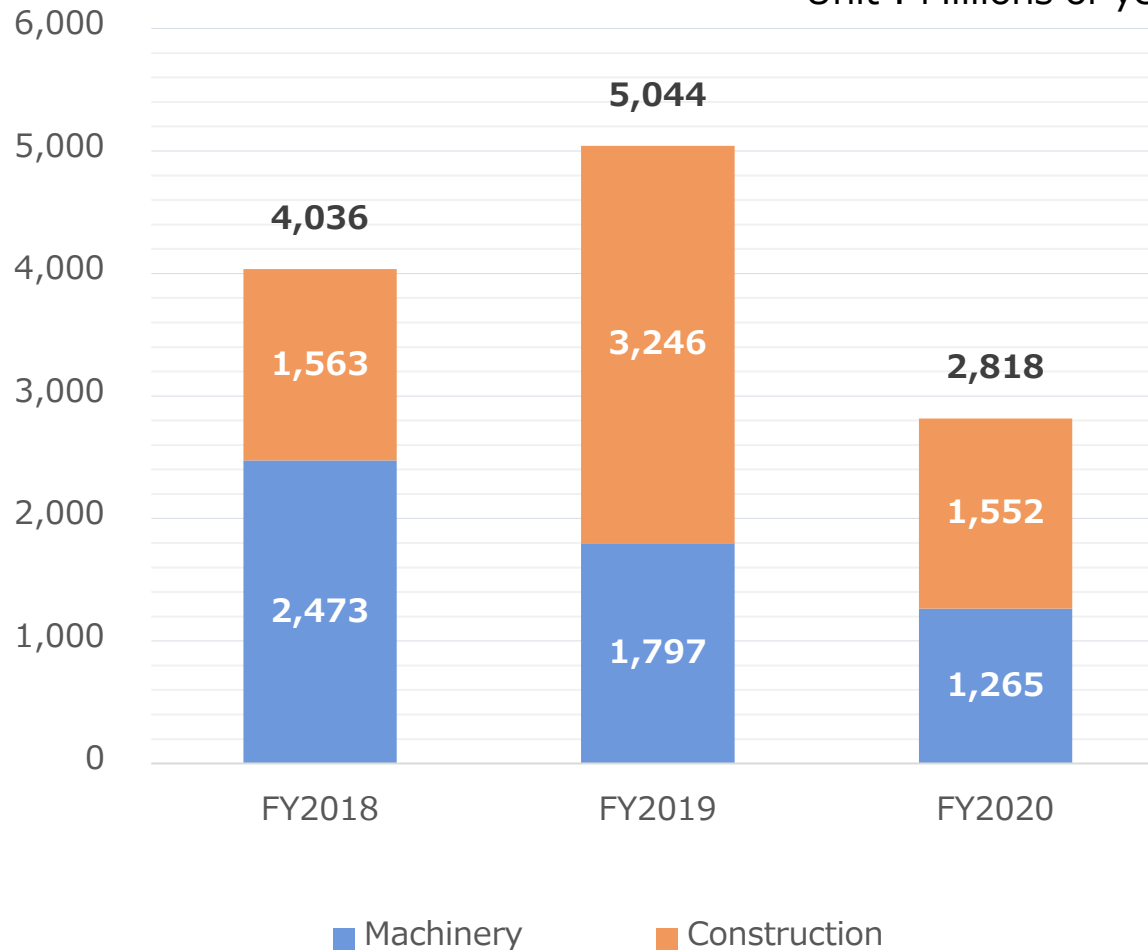
- Decline in sales in Oceania.
- Rehabilitation works for the port of Dakar in Senegal suspended.

# Overview – Offshore Sales by Segment

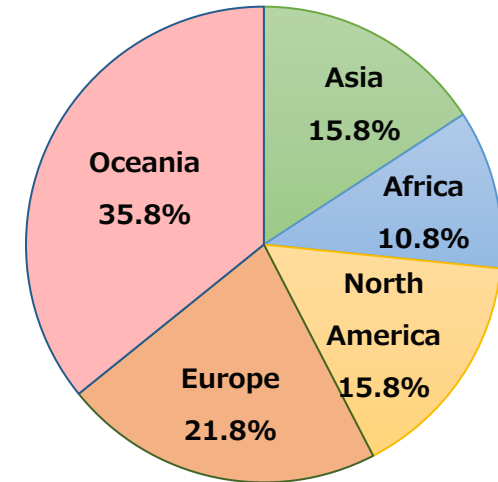


## Offshore Sales

Unit : Millions of yen



## Ratio by Region



# Overview – Consolidated Balance Sheet



Unit : Millions of yen

	FY2019	FY2020	Growth Comparison
<b>Assets</b>			
Current Assets	26,909	25,477	▲1,432
Non-current Assets	24,553	24,231	▲322
<b>Assets</b>	<b>51,463</b>	<b>49,708</b>	<b>▲1,754</b>
<b>Liabilities</b>			
Current Liabilities	11,674	9,493	▲2,180
Non-current Liabilities	1,459	1,803	343
<b>Liabilities</b>	<b>13,134</b>	<b>11,297</b>	<b>▲1,836</b>
<b>Net Assets</b>			
Shareholder's Equity	38,222	37,999	▲223
Valuation and Translation Adjustment	▲591	▲447	144
Share Acquisition Right	242	503	260
Non-controlling Interests	456	355	▲100
<b>Net Assets</b>	<b>38,329</b>	<b>38,411</b>	<b>81</b>
<b>Liabilities and Net Assets</b>	<b>51,463</b>	<b>49,708</b>	<b>▲1,754</b>

Trade notes and accounts receivable  
▲4,749M JPY  
Finished goods  
+3,429M JPY

Intangible assets  
(mainly goodwill)  
▲315M JPY

Trade notes and accounts payable  
▲1,010M JPY  
Income taxes payable  
▲690M JPY

# Overview – Consolidated Cash Flow Statement



Unit : Millions of yen

	FY2019	FY2020	Growth Comparison
CF from Operating Activities	3,090	3,263	173
CF from Investing Activities	▲2,554	▲1,892	662
CF from Financing Activities	▲901	▲953	▲51
Cash and Cash Equivalents at BOY	5,329	4,920	▲409
Cash and Cash Equivalents at EOY	4,920	5,324	403

## ◇ CF from Operating Activities Growth Comparison +173M JPY

- Increased due to the decline of trade notes and accounts receivable despite decline of profit before income tax.

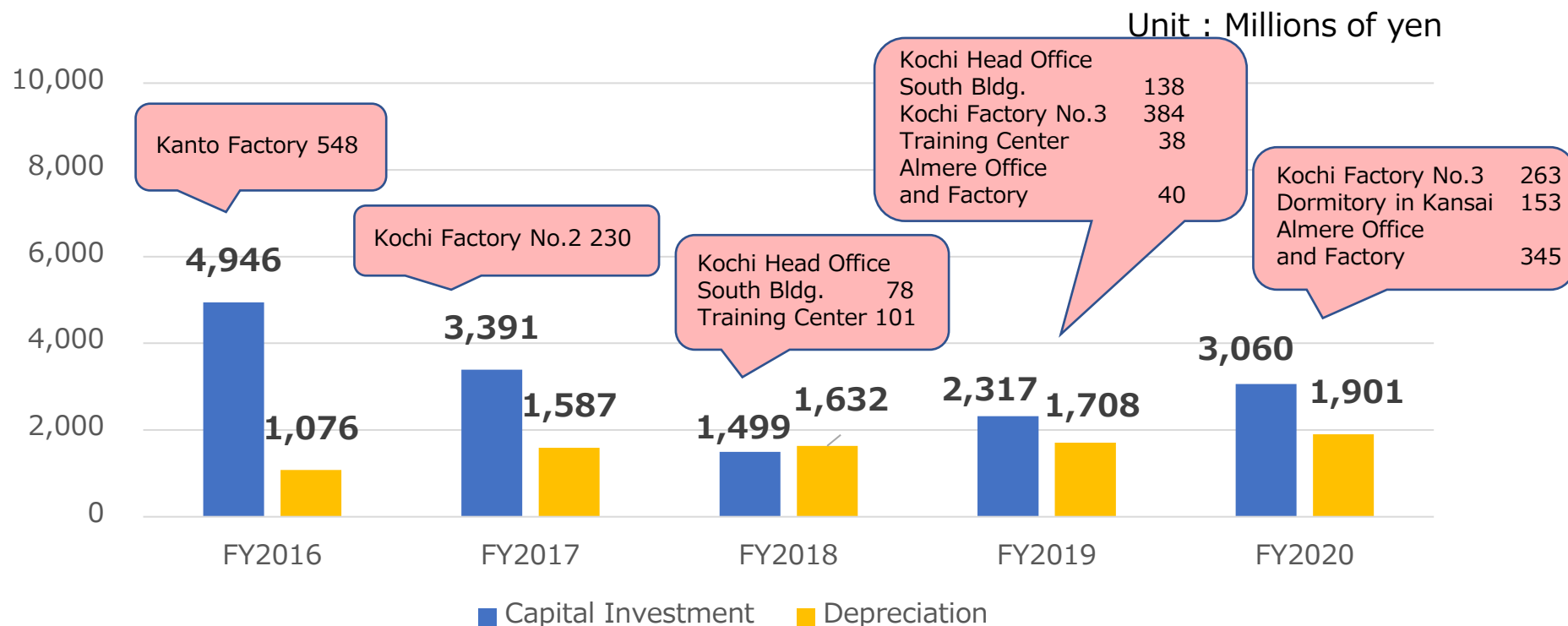
## ◇ CF from Investing Activities FY2020 ▲1,892M JPY

- Payments into term deposits ▲1,240M JPY
- Proceeds from withdrawal of term deposits 2,090M JPY
- Purchase of property, plant and equipment ▲3,273M JPY

## ◇ CF from Financing Activities FY2020 ▲953M JPY

- Cash dividends paid ▲1,880M JPY
- Net increase in short-term loans payable 363M JPY
- Increase in long-term loans payable 563M JPY

# Overview – Capital Investment Expense

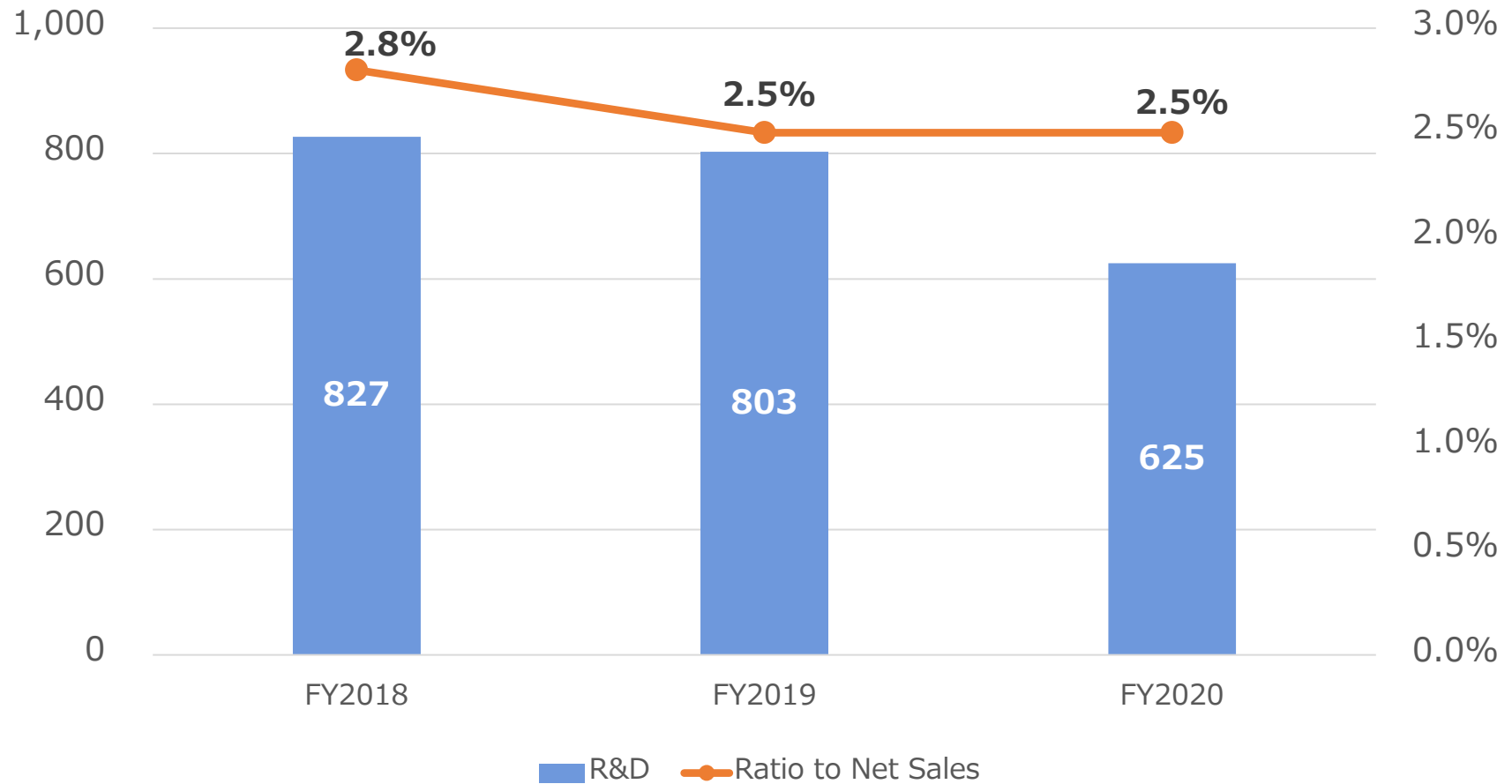


Breakdown	FY2016	FY2017	FY2018	FY2019	FY2020
Machines for Rent and Demonstration	3,411	2,485	707	996	1,501
Acquisition and Maintenance of Offices and Factories	537	235	229	602	1,004
Others	998	671	563	719	555
<b>Total</b>	<b>4,946</b>	<b>3,391</b>	<b>1,499</b>	<b>2,317</b>	<b>3,060</b>

# Overview – Research and Development Expense



Unit : Millions of yen





# Forecast FY2021

# Forecast – Consolidated Results



Unit : Millions of yen

	FY2020	Forecast for FY2021			
		1st half	2nd half	Full year	YoY
Net sales	24,640	12,800	14,300	27,100	+10.0%
Operating profit	2,498	1,300	1,850	3,150	+26.1%
Ordinary profit	2,792	1,300	1,900	3,200	+14.6%
Profit※	1,400	800	1,300	2,100	+49.9%
Earnings per share	¥51.28	¥29.23	¥47.51	¥76.74	+49.6%

※Profit attributable to owners of Giken Ltd

## (1) Domestic Trend

### ◎ **Increased adoption of Implant Method**

- Increased adoption of Implant methodologies centering on disaster prevention and mitigation measures, and aging social infrastructure
- Societal expectations and needs for Implant method remain high

### ◎ **Cautious approach to capital investment**

- Uncertainty around further outbreaks and impacts of COVID-19
- Private sector construction investment contraction driven by sharp decline in inbound business demand

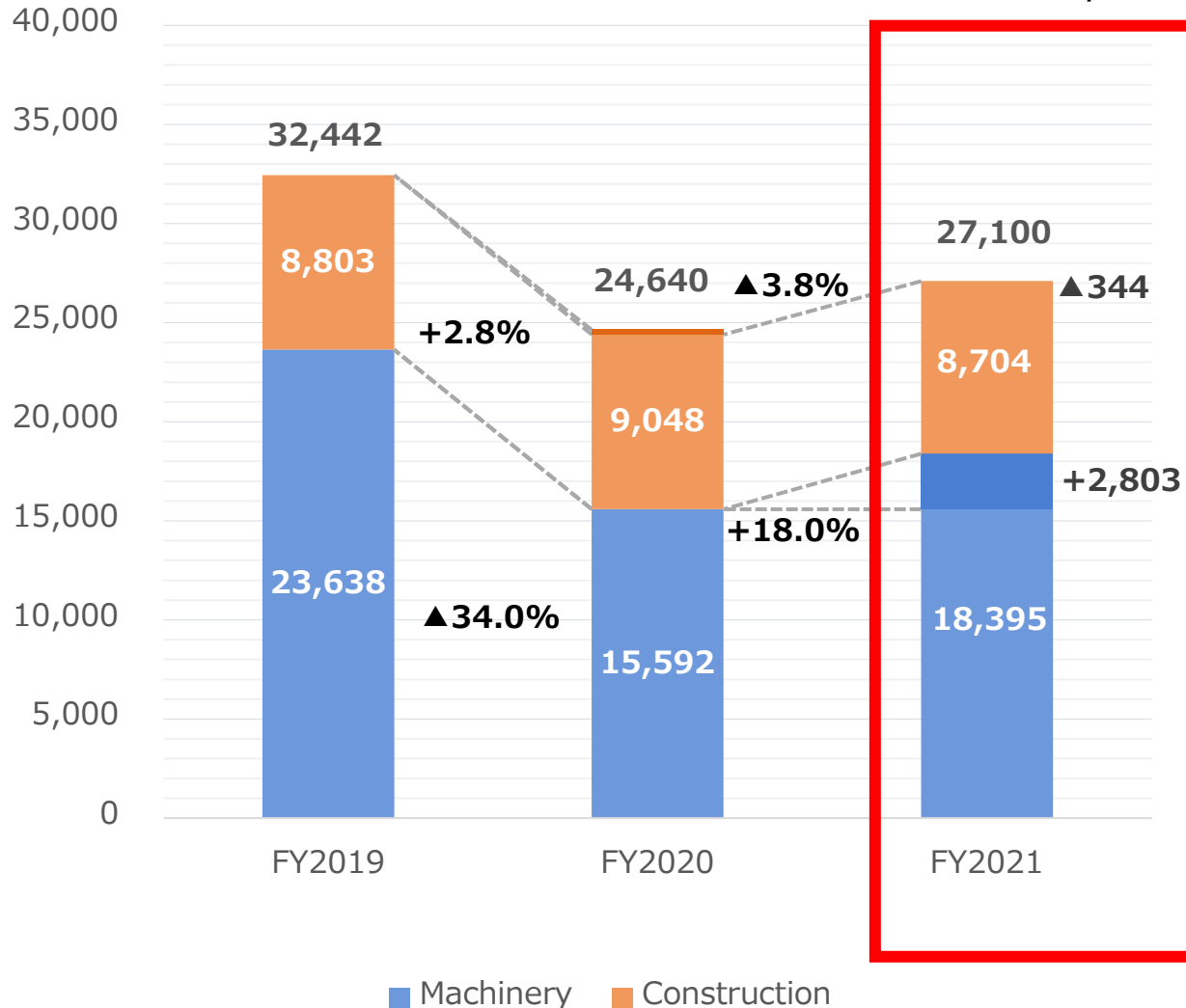
### (2) Offshore Trend

#### ◎ Focus on 'total package' solutions and accelerate the take-up of Press-in methodologies globally

- Innovation Partnership Quay Wall project with the city of Amsterdam in the Netherlands
- Construction of new factory and office building completed in Almere, the Netherlands
- Press-in method proposed for construction of barrier walls for the mining industry in Brazil
- Adoption of Press-in technologies increasing in New York City
- Distribution Agreement concluded with Tianyuan in China
- Rehabilitation works for 3<sup>rd</sup> wharf at the port of Dakar, Senegal (ODA project) expected to resume

# Forecast – Sales by Segment

Unit : Millions of yen



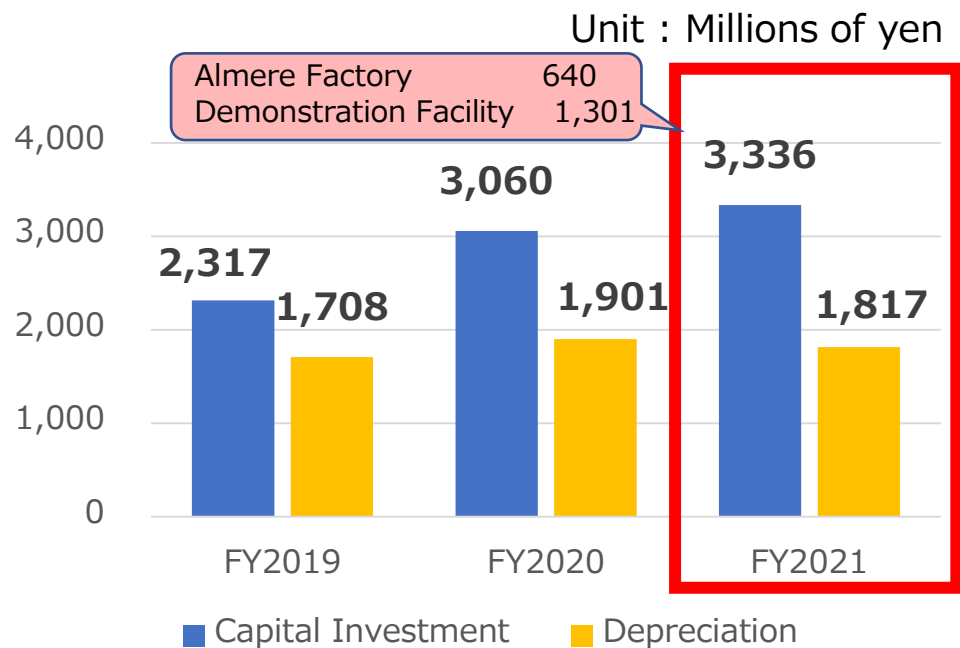
## ◆ Machinery Segment +2,803M JPY

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

## ◆ Construction Segment ▲344M JPY

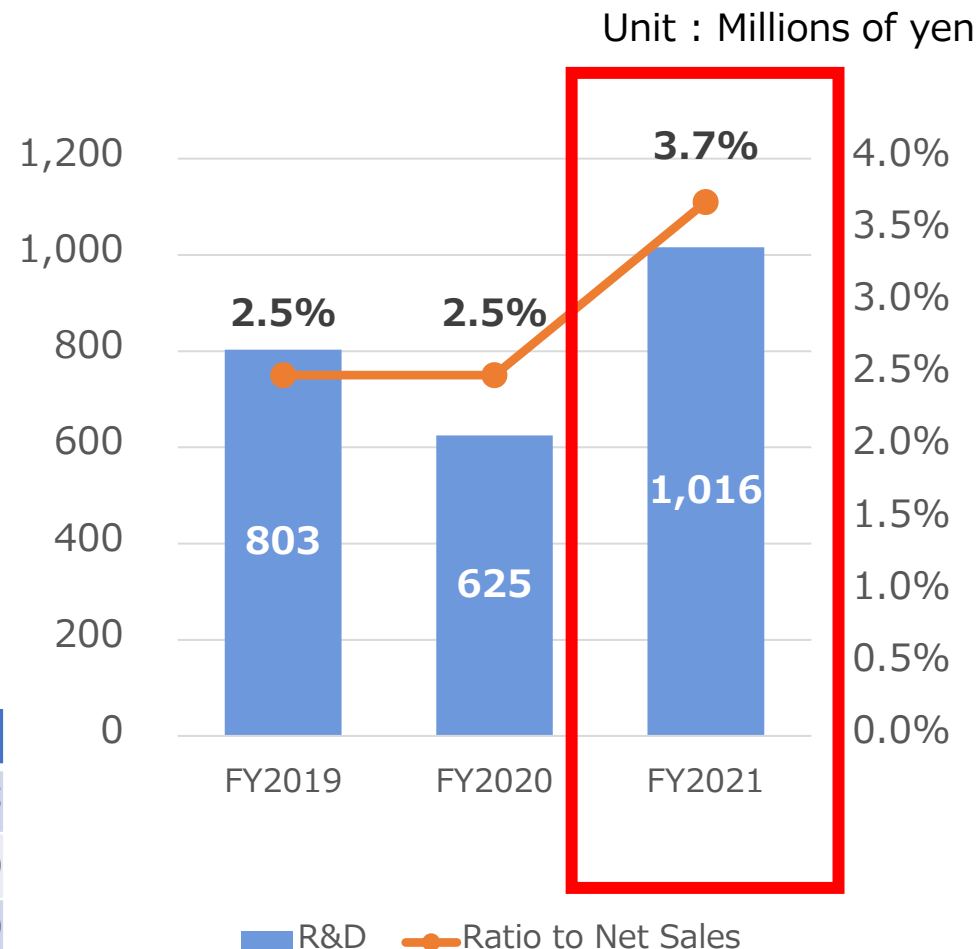
Demand for Implant construction methods using large-scale machines to remain steady.

## ◎ Capital Investment and Depreciation Expense



Breakdown	FY2019	FY2020	FY2021
Machines for Rent and Demonstration	996	1,501	1,075
Acquisition and Maintenance of Offices and Factories	602	1,004	640
Others	719	555	1,620
Total	2,317	3,060	3,336

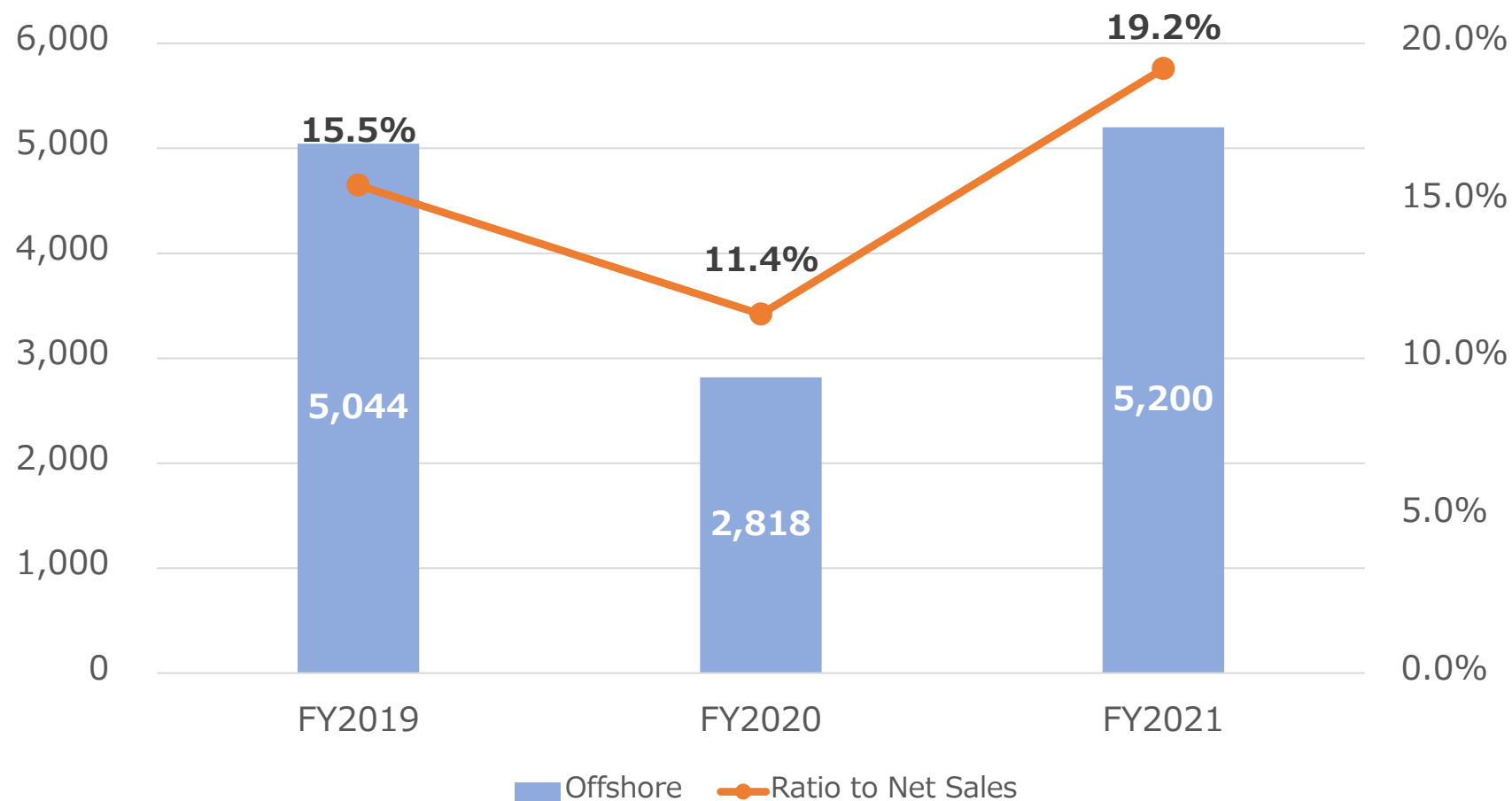
## ◎ Research and Development Expense



# Forecast – Offshore Sales Trend



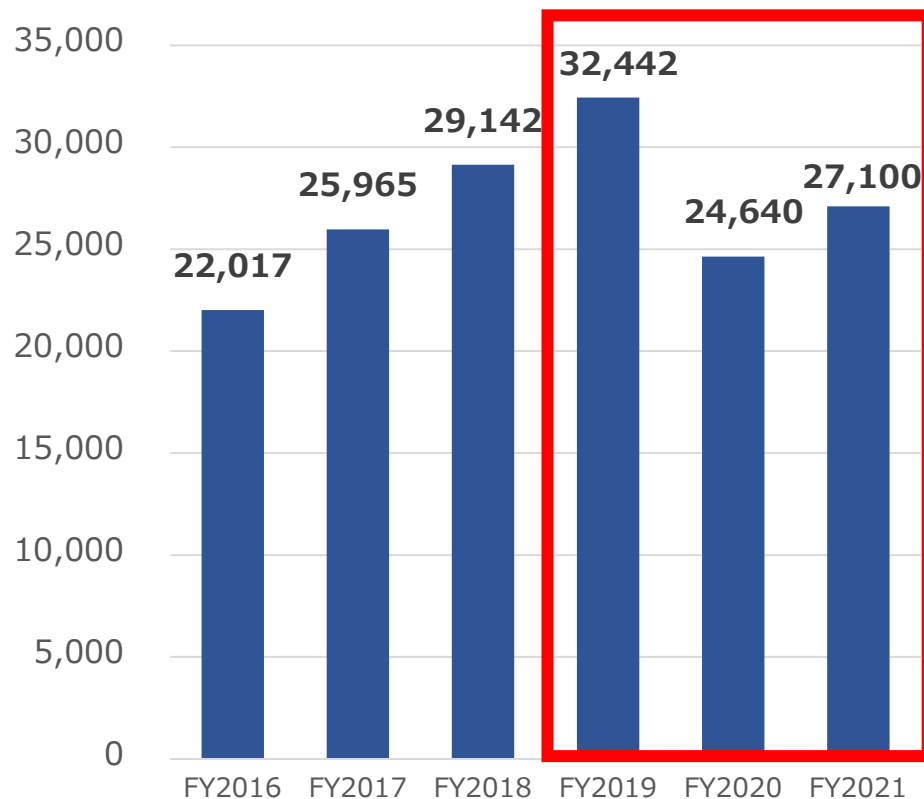
Unit : Millions of yen



## 【Net Sales】

Unit : Millions of yen

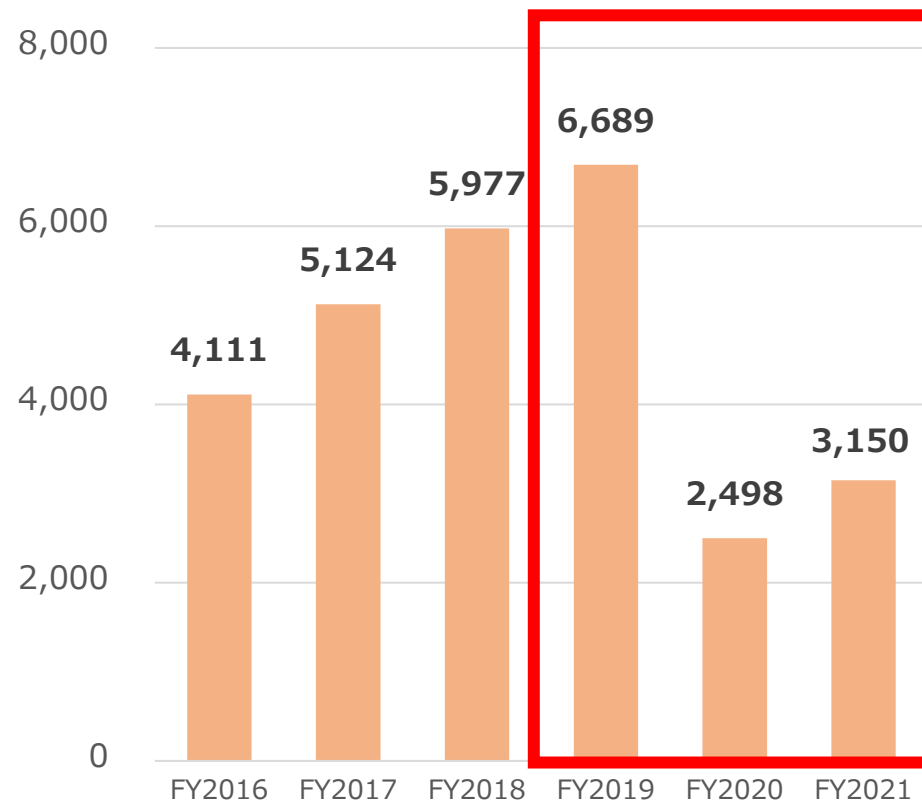
### Mid-Term Management Plan



## 【Operating Profit】

Unit : Millions of yen

### Mid-Term Management Plan





# Shareholder Return

# Shareholder Return



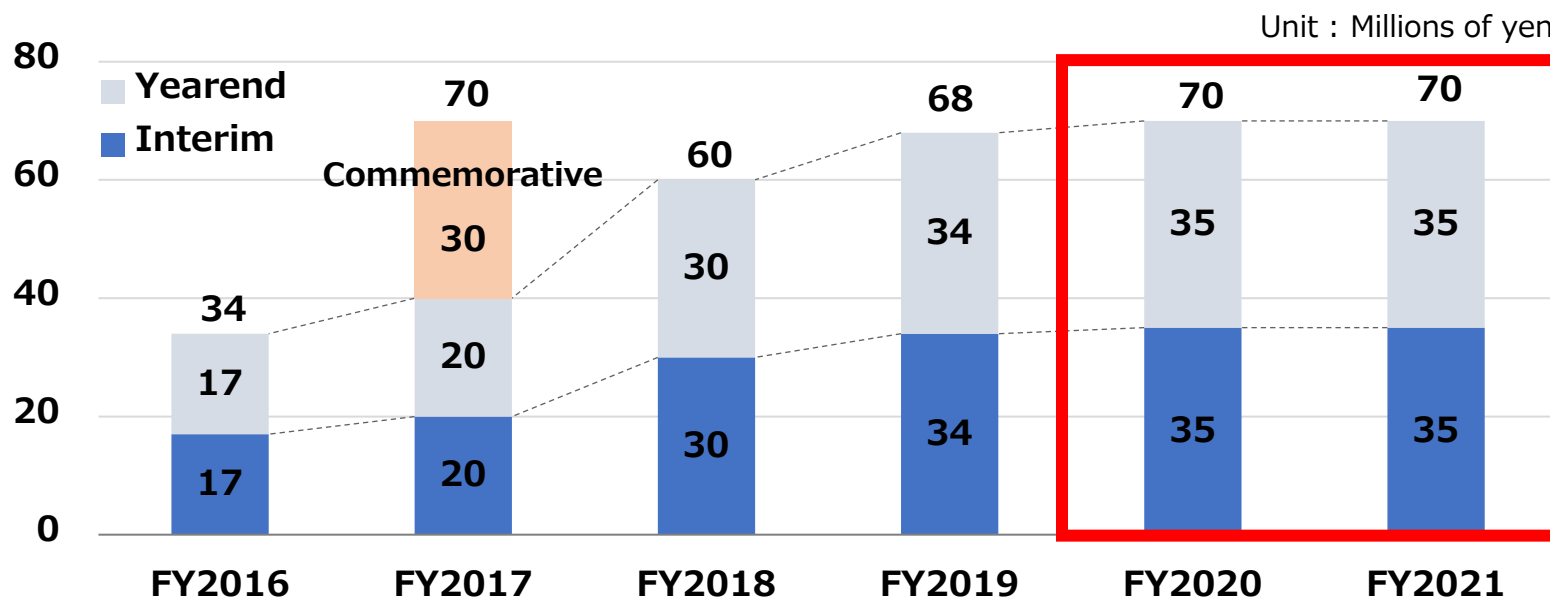
**FY2020**

End of Q2 ... 35 yen (Result)  
Year-end ... 35 yen (Forecast)



**FY2021 (Forecast)**

End of Q2 ... 35 yen  
Year-end ... 35 yen



	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Profit (Millions of yen)	2,725	3,671	4,151	4,571	1,400	2,100
Earnings Per share (yen)	110.55	146.35	155.75	168.80	51.28	76.74
Payout Ratio (%)	30.8	47.8	38.5	40.3	136.5	91.2
Dividend on Equity Ratio (%)	3.7	3.5	5.7	4.8	5.1	5.1

※FY2017 End of Q2...20 yen; Commemorative Dividend...10 yen (50 year anniversary)  
Year-end ...20 yen; Commemorative Dividend...20 yen (Listed on TSE First Section)