



# Financial Results Overview First Half of FY2021

**GIKEN LTD.**

〈stock code : 6289〉

## **( 1 ) Construction Machinery Segment**

- Change in preference for use of 900mm Hat Sheet Pile from 600mm U Sheet Pile in permanent domestic public works leads to strong sales of F301-900 pilers for Hat Sheet Pile.

## **( 2 ) Press-in Construction Segment**

- Implant methodologies were embraced for critical restoration, disaster prevention and mitigation works including levee upgrades, river revetments and wharves, seismic reinforcement of bridge piers, and roadway extensions and rehabilitation. However decline in large-scale works leads revenue decrease.

# Overview – 3 year Trend

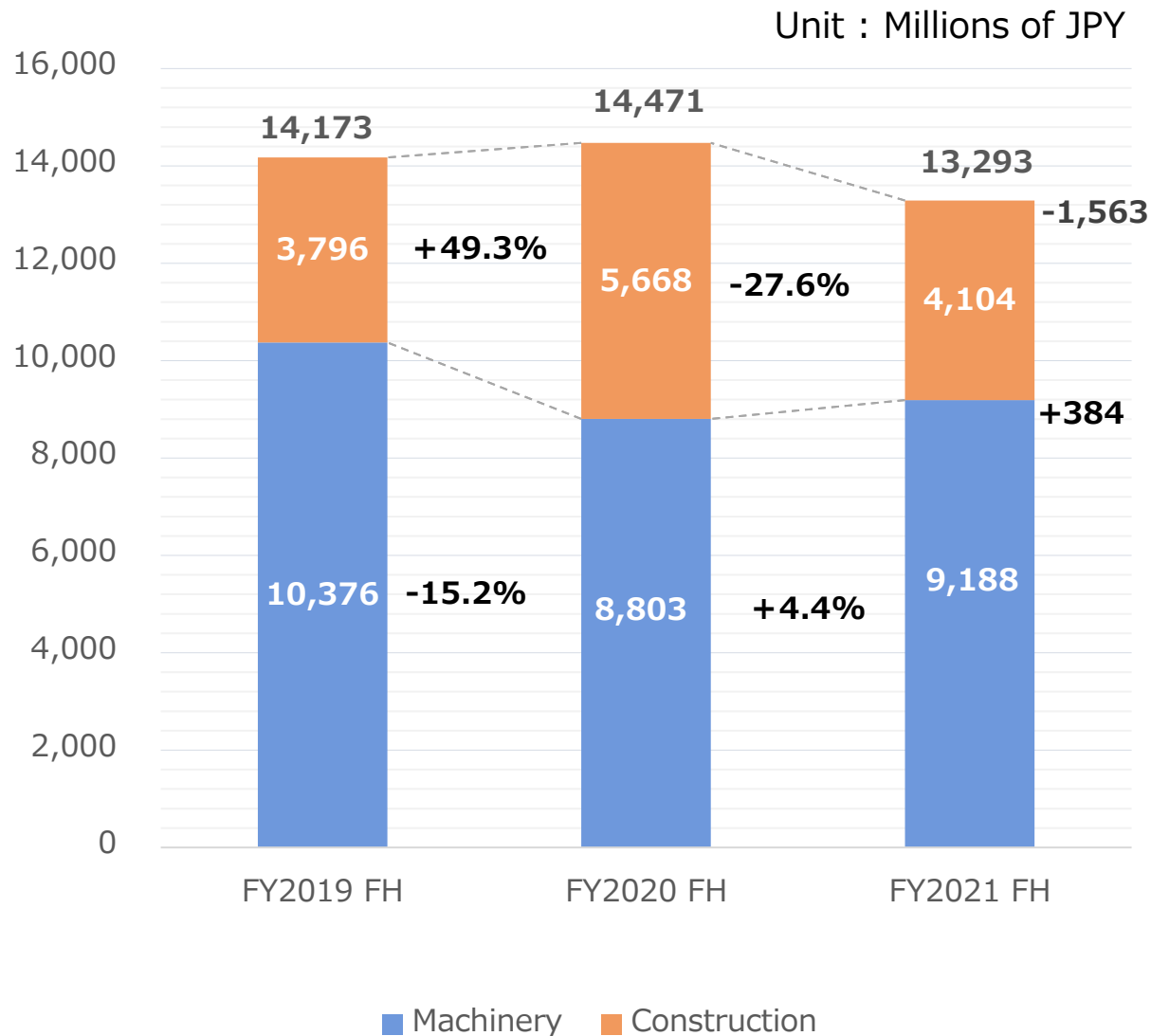


Unit : Millions of JPY

	FY 2 0 1 9	FY 2 0 2 0		FY 2 0 2 1	
	FH Actual	FH Actual	YoY	FH Actual	YoY
<b>Net Sales</b>	<b>14,173</b>	<b>14,471</b>	<b>+2.1%</b>	<b>13,293</b>	<b>-8.1%</b>
<b>Operating Profit</b>	<b>3,209</b>	<b>2,491</b>	<b>-22.4%</b>	<b>2,169</b>	<b>-12.9%</b>
<b>Ordinary Profit</b>	<b>3,253</b>	<b>2,532</b>	<b>-22.2%</b>	<b>2,220</b>	<b>-12.3%</b>
<b>Profit*</b>	<b>2,284</b>	<b>1,688</b>	<b>-26.1%</b>	<b>1,446</b>	<b>-14.3%</b>
<b>Profit per share (JPY)</b>	<b>84.71</b>	<b>61.88</b>	<b>-27.0%</b>	<b>52.85</b>	<b>-14.6%</b>

※Profit attributable to owners of parent

# Overview – Sales Result by Segment



◇ **Machinery Segment  
+384M JPY**

Sales of F301-900 for 900mm Hat Sheet Pile increased.

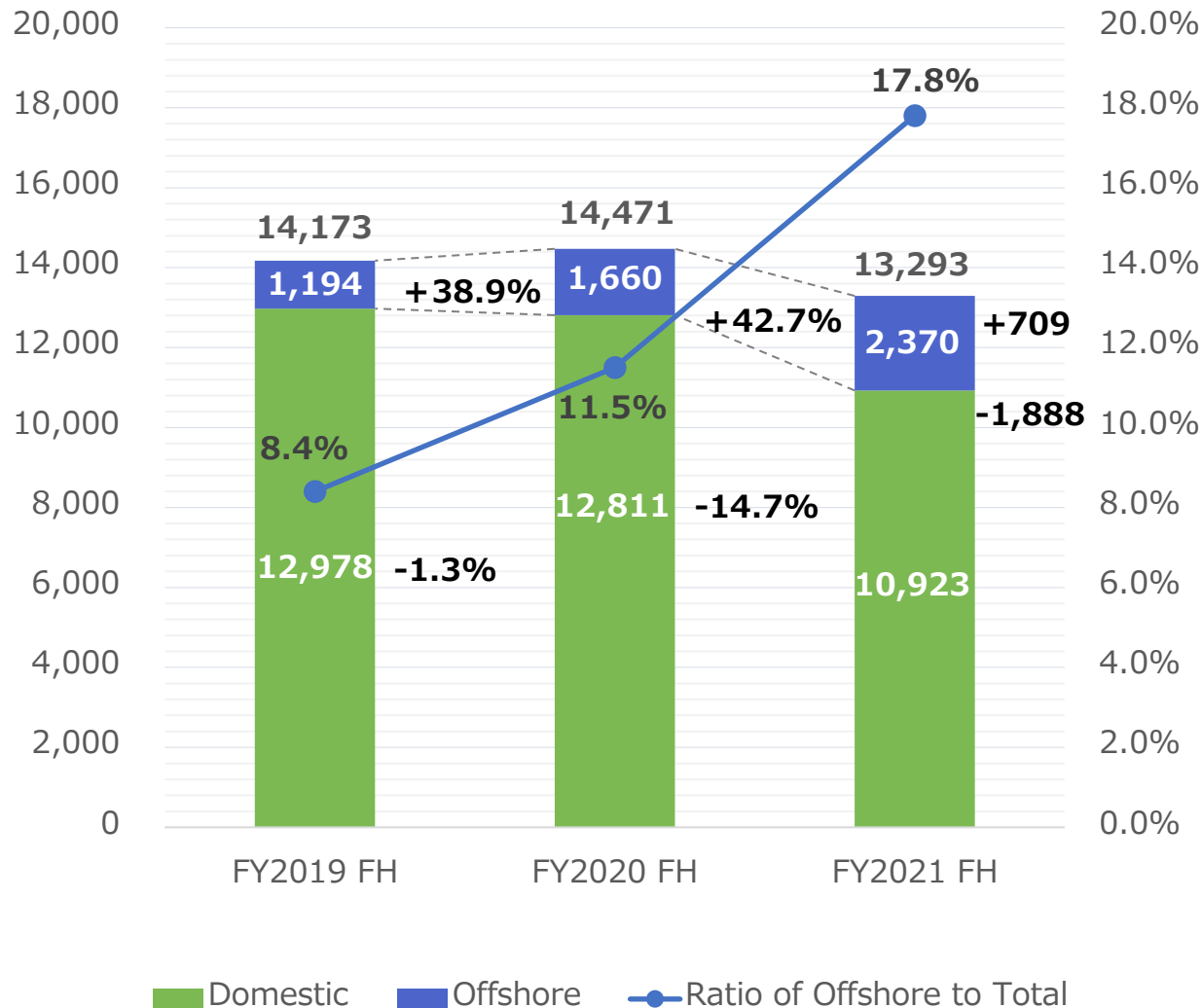
◇ **Construction Segment  
–1,563M JPY**

Increased adoption of Implant methodologies for critical restoration & mitigation works. Decreased sales due to decline in large-scale projects.

# Overview – Sales Result Domestic and Offshore



Unit : Millions of JPY



## ◇ Domestic Sales – 1,888M JPY

Decrease in sales due to decline in large-scale works in the construction segment.

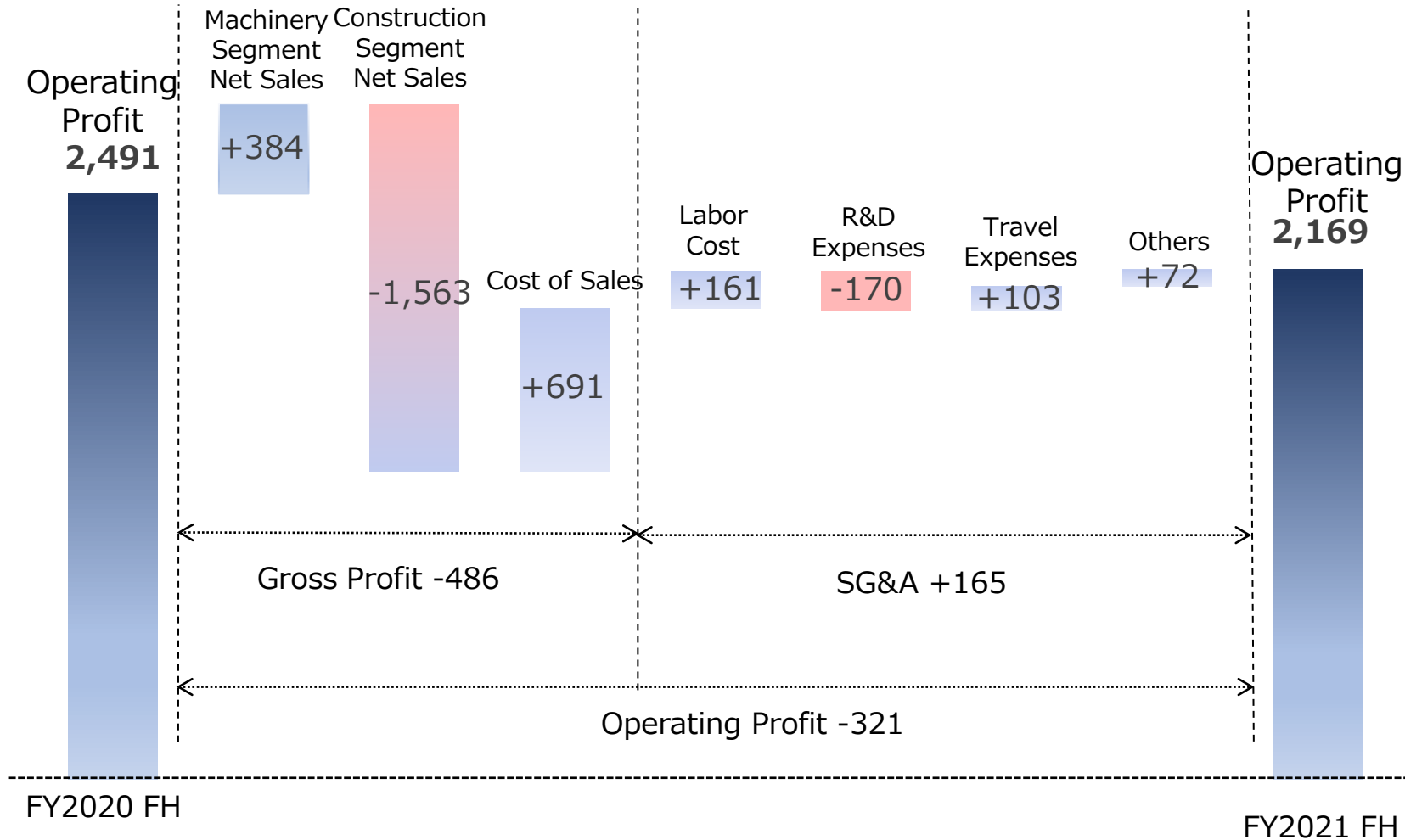
## ◇ Offshore Sales + 709M JPY

Increase in product sales for North and South America.

# Overview – Operating Profit



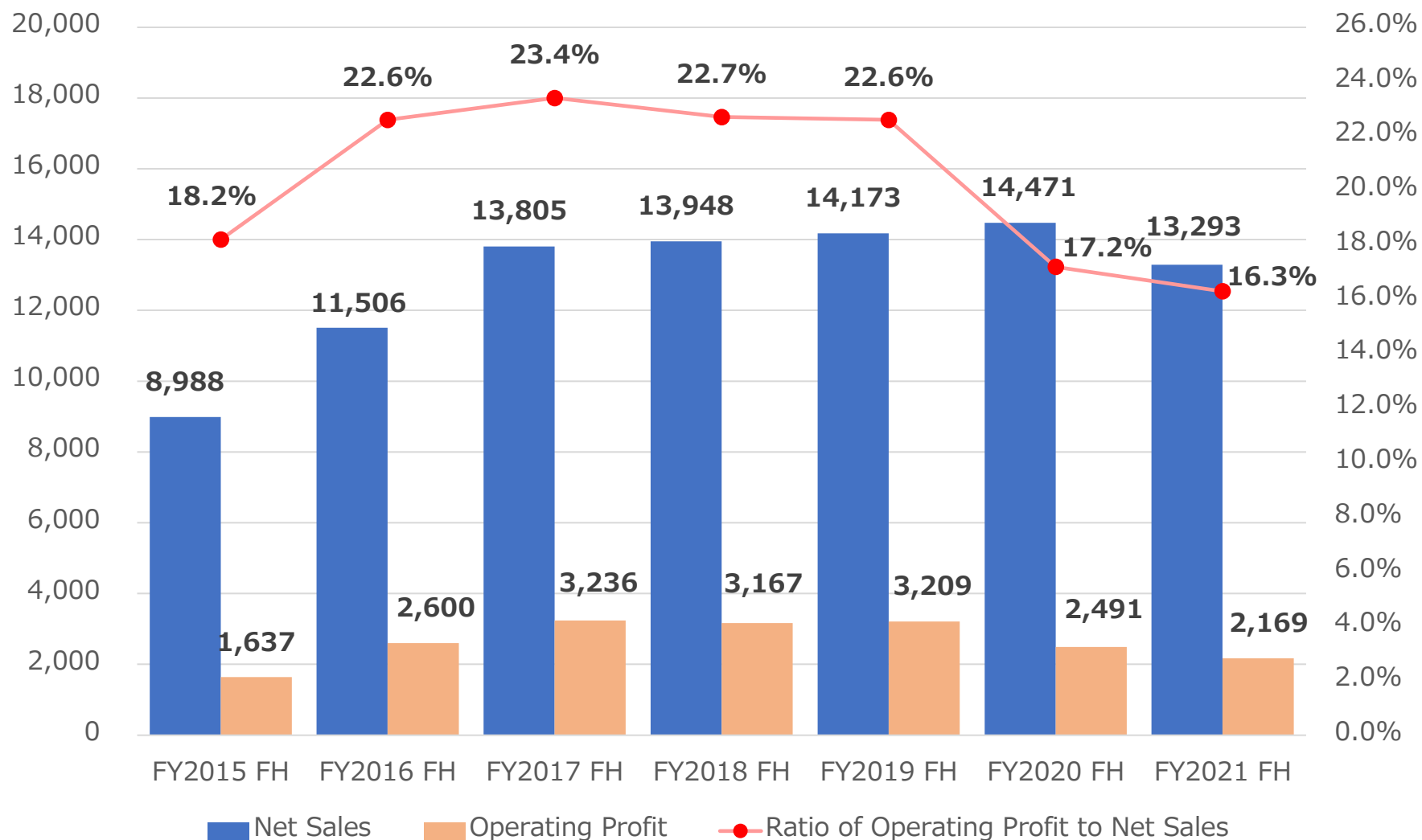
Unit : Millions of JPY



# Overview – Operating Profit to Net Sales

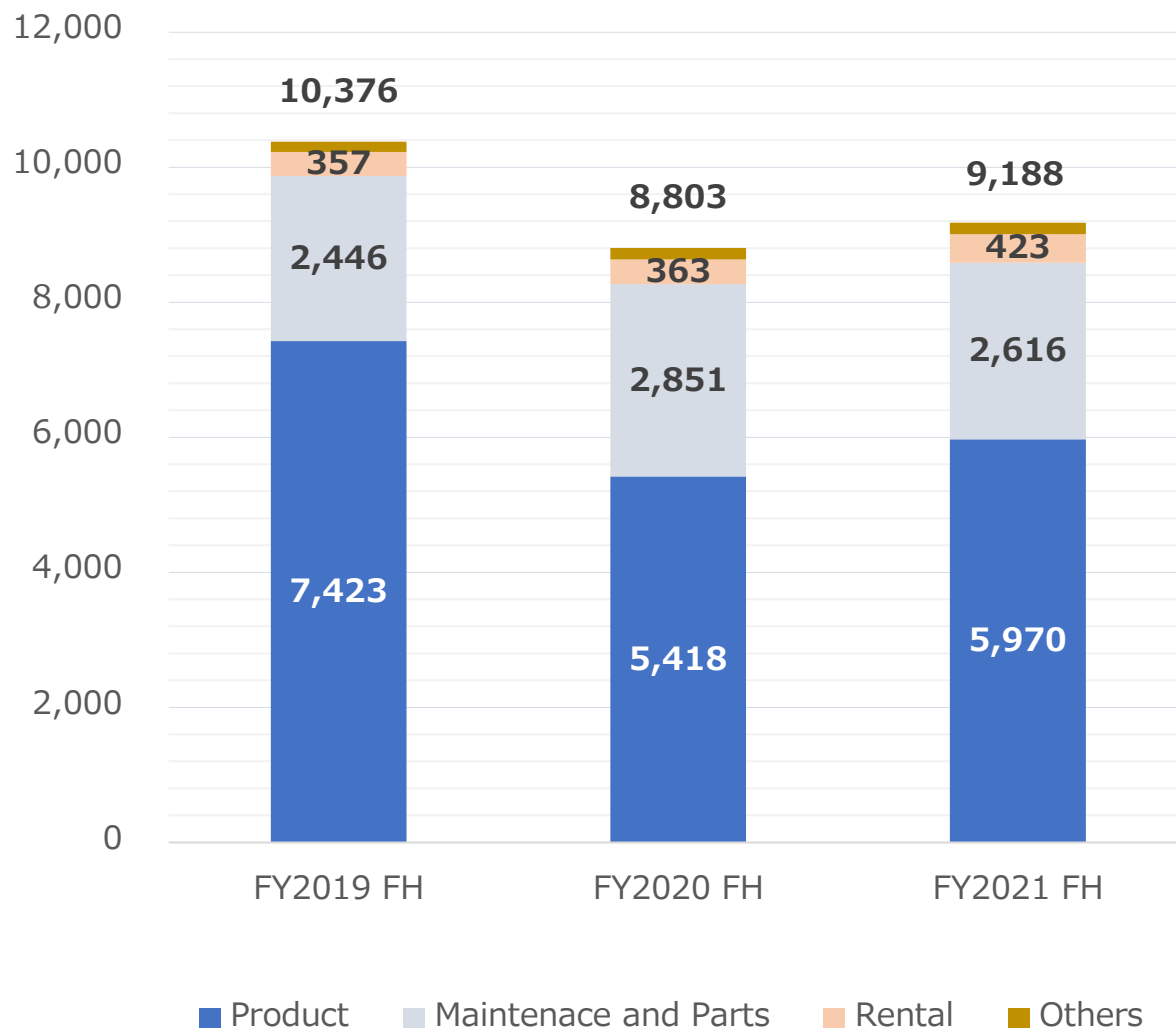


Unit : Millions of JPY



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

Unit : Millions of JPY

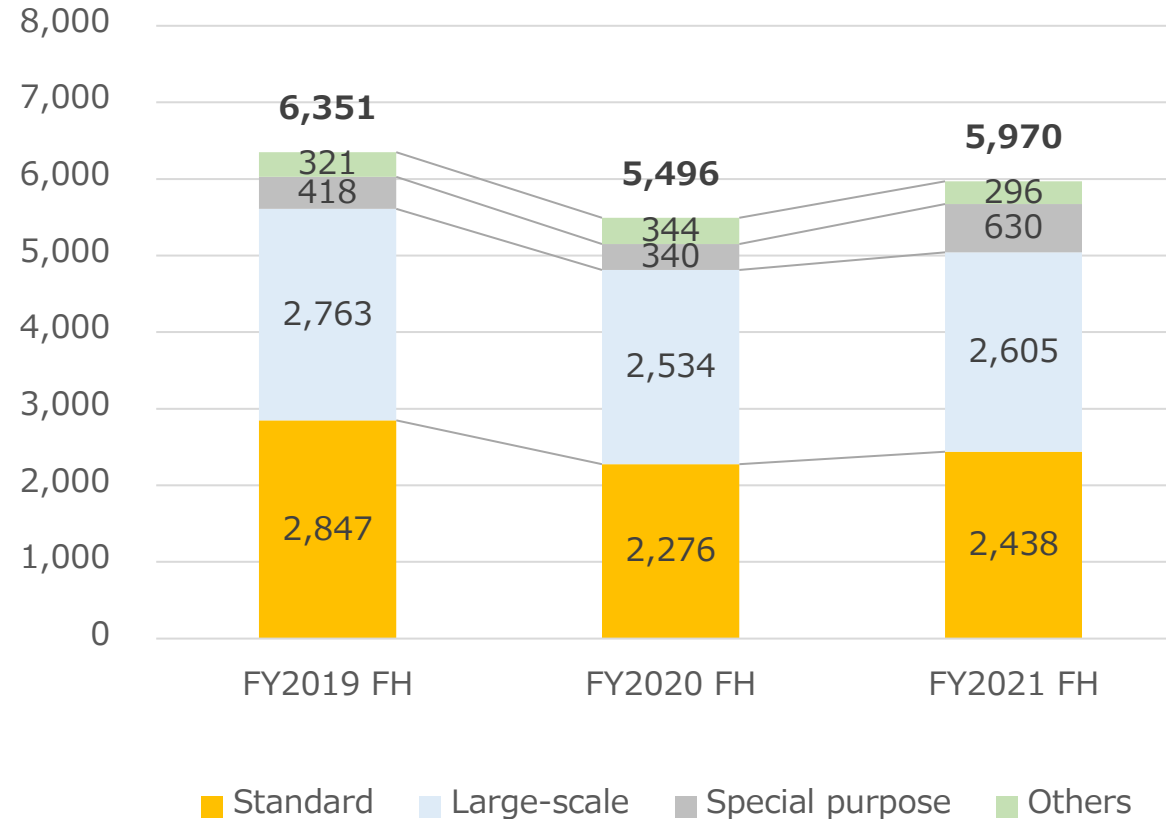


Product sales increased. Sales of F301-900 for 900mm Hat Sheet Pile were strong.



## Sales by Product Categories

Unit : Millions of JPY



### Special Purpose Models

- Clear Piler
- Zero Piler
- GRB System, others

### Large-scale Models

- Gyro Piler
- Tubular Piler, others

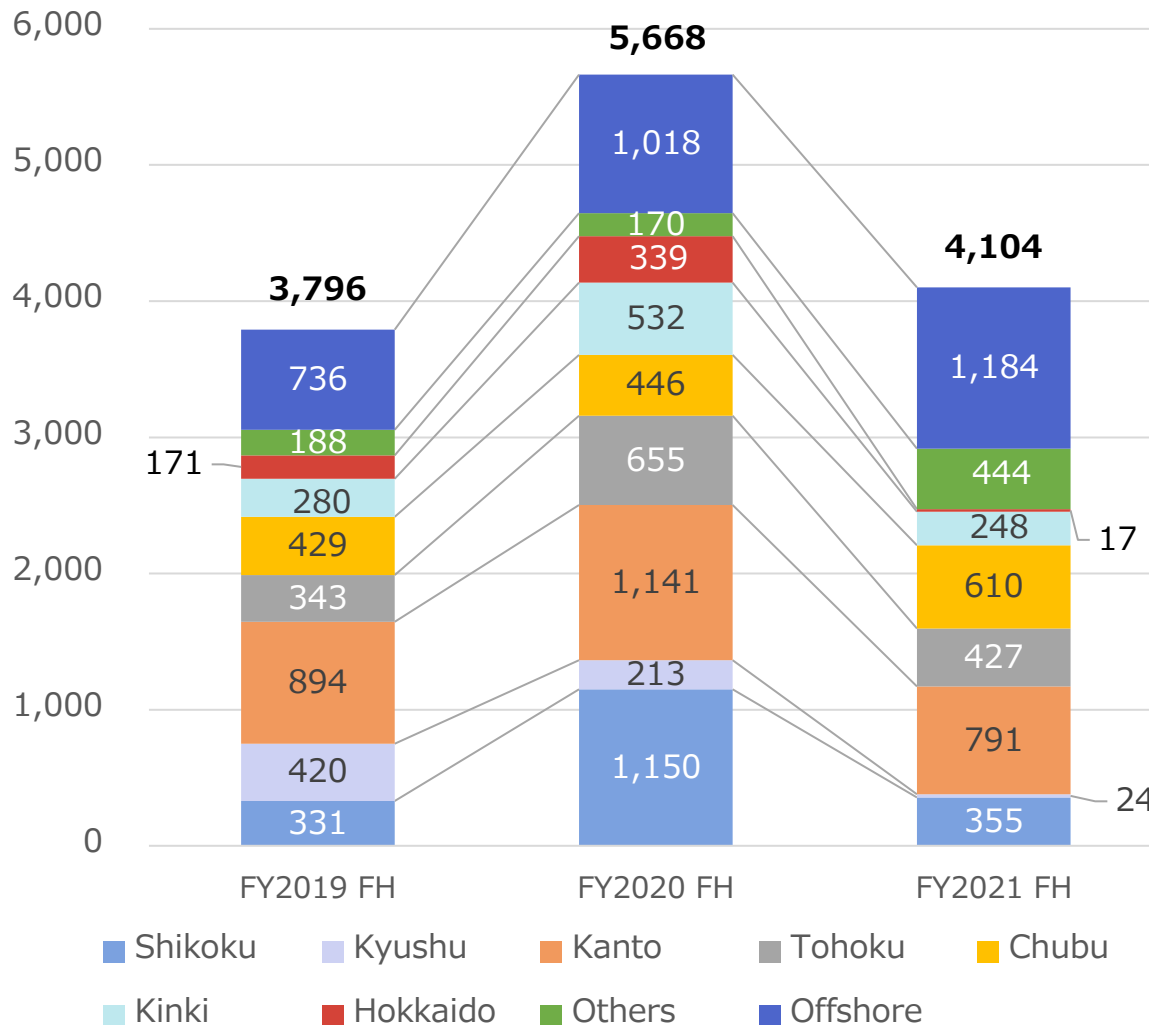
### Standard Models

- 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 landslide prevention in Kyushu, levee reinforcement work in Shikoku, and river revetment upgrades and quays in Kanto, despite increased adoption of Implant methodologies for critical restoration and disaster prevention & mitigation works.

(Reference)

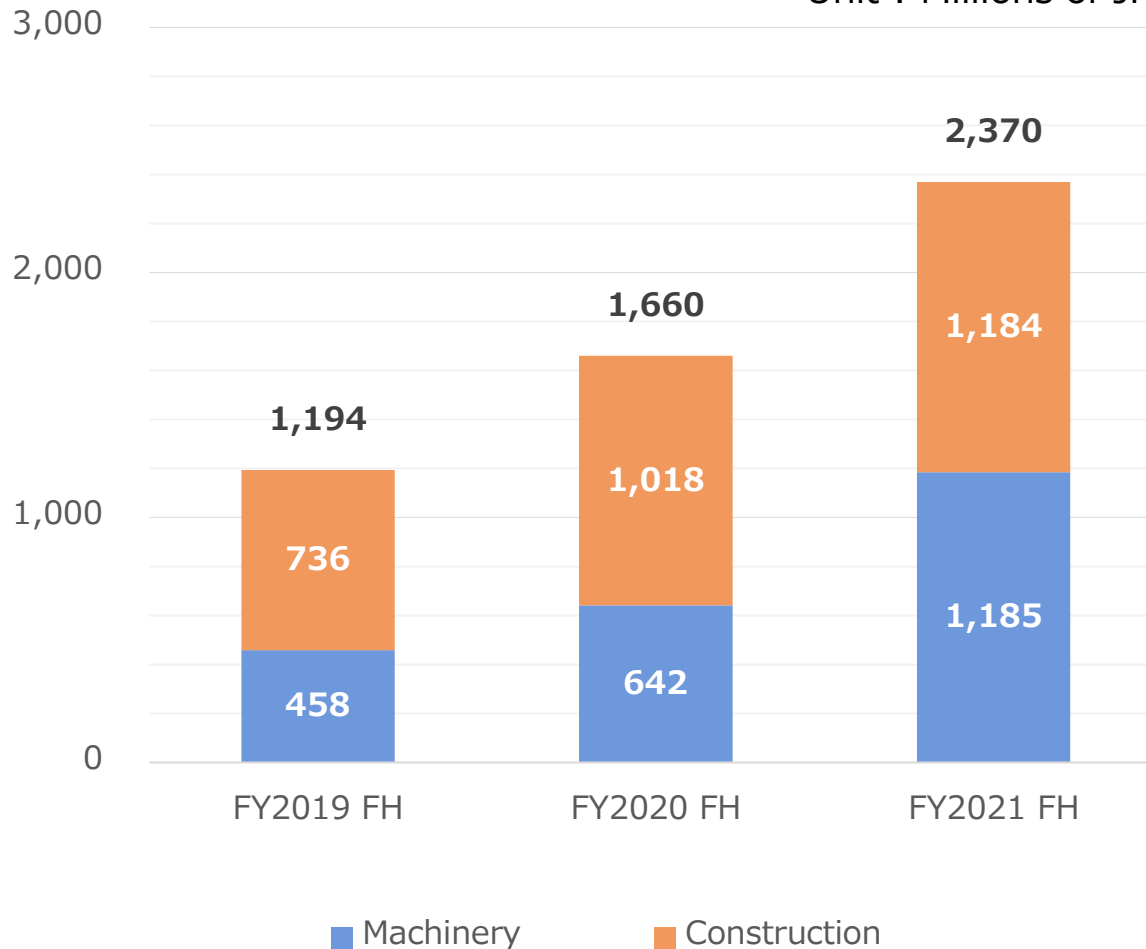
The sum of adoption of Implant methodology from Apr, 2011 to Feb, 2021  
1,132 projects

# Overview – Offshore Sales by Segment

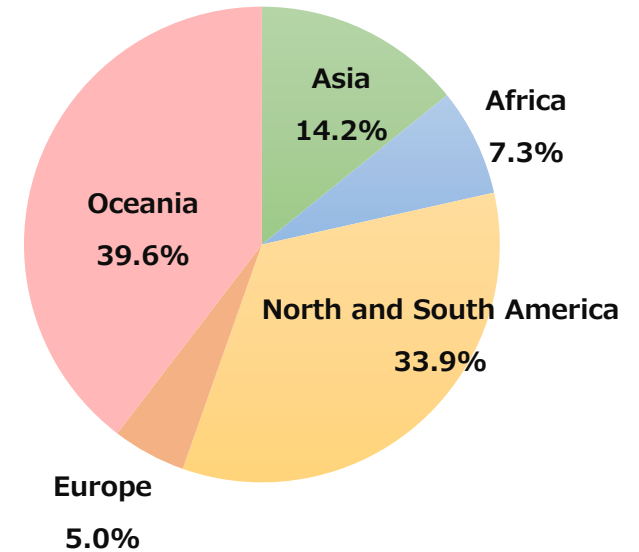


## Offshore Sales

Unit : Millions of JPY



## Ratio by Region



# Overview – Consolidated Balance Sheet



Unit : Millions of JPY

	FY2020	FY2021 FH	Growth Comparison
<b>Assets</b>			
Current Assets	25,477	25,301	-175
Non-current Assets	24,231	24,768	536
<b>Assets</b>	<b>49,708</b>	<b>50,069</b>	<b>360</b>
<b>Liabilities</b>			
Current Liabilities	9,493	9,296	-197
Non-current Liabilities	1,803	1,663	-140
<b>Liabilities</b>	<b>11,297</b>	<b>10,959</b>	<b>-338</b>
<b>Net Assets</b>			
Shareholder's Equity	37,999	38,520	521
Valuation and Translation Adjustment	-447	-360	86
Share Acquisition Right	503	567	64
Non-controlling Interests	355	382	26
<b>Net Assets</b>	<b>38,411</b>	<b>39,110</b>	<b>699</b>
<b>Liabilities and Net Assets</b>	<b>49,708</b>	<b>50,069</b>	<b>360</b>

Cash and deposit + 1,264M JPY  
 Finished goods - 1,079M JPY  
 Raw materials and Stock account - 250M JPY

Property, plant and equipment + 240M JPY  
 Investments and other assets + 333M JPY

Trade notes and accounts payable + 321M JPY  
 Electronically recorded obligations - 1,412M JPY  
 Income taxes payable + 382M JPY  
 Advances received + 547M JPY

Accumulated earnings + 488M JPY

# Overview – Consolidated Cash Flow Statement



Unit : Millions of JPY

	FY2020 FH	FY2021 FH	Growth Comparison
CF from Operating Activities	3,050	3,770	720
CF from Investing Activities	-1,126	-1,229	-103
CF from Financing Activities	-814	-1,304	-489
Cash and Cash Equivalents at BOY	4,920	5,324	403
Cash and Cash Equivalents at EOY	6,027	6,598	571

## ◇ CF from Operating Activities Growth Comparison +720M JPY

- This results were affected by decline in payment of income taxes and increase of refund of income taxes.

## ◇ CF from Investing Activities FY2021 – 1,229M JPY

- Purchase of property, plant and equipment – 1,218M JPY

## ◇ CF from Financing Activities FY2021 – 1,304M JPY

- Cash dividends paid – 952M JPY
- Net increase in short-term loans payable – 283M JPY

# Forecast FY2021

# Forecast – Consolidated Results



Unit : Millions of JPY

	FY2020 Actual	Forecast for FY2021			
		FH Actual	FH Forecast	Full year Forecast	YoY
Net sales	24,640	13,293	13,906	27,200	+10.4%
Operating profit	2,498	2,169	1,680	3,850	+54.1%
Ordinary profit	2,792	2,220	1,679	3,900	+39.7%
Profit <sup>※</sup>	1,400	1,446	1,253	2,700	+92.7%
Profit per share (JPY)	51.28	52.85	45.79	98.64	+92.4%

※Profit attributable to owners of parent

## (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

### ◎ **Customer's conservative 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

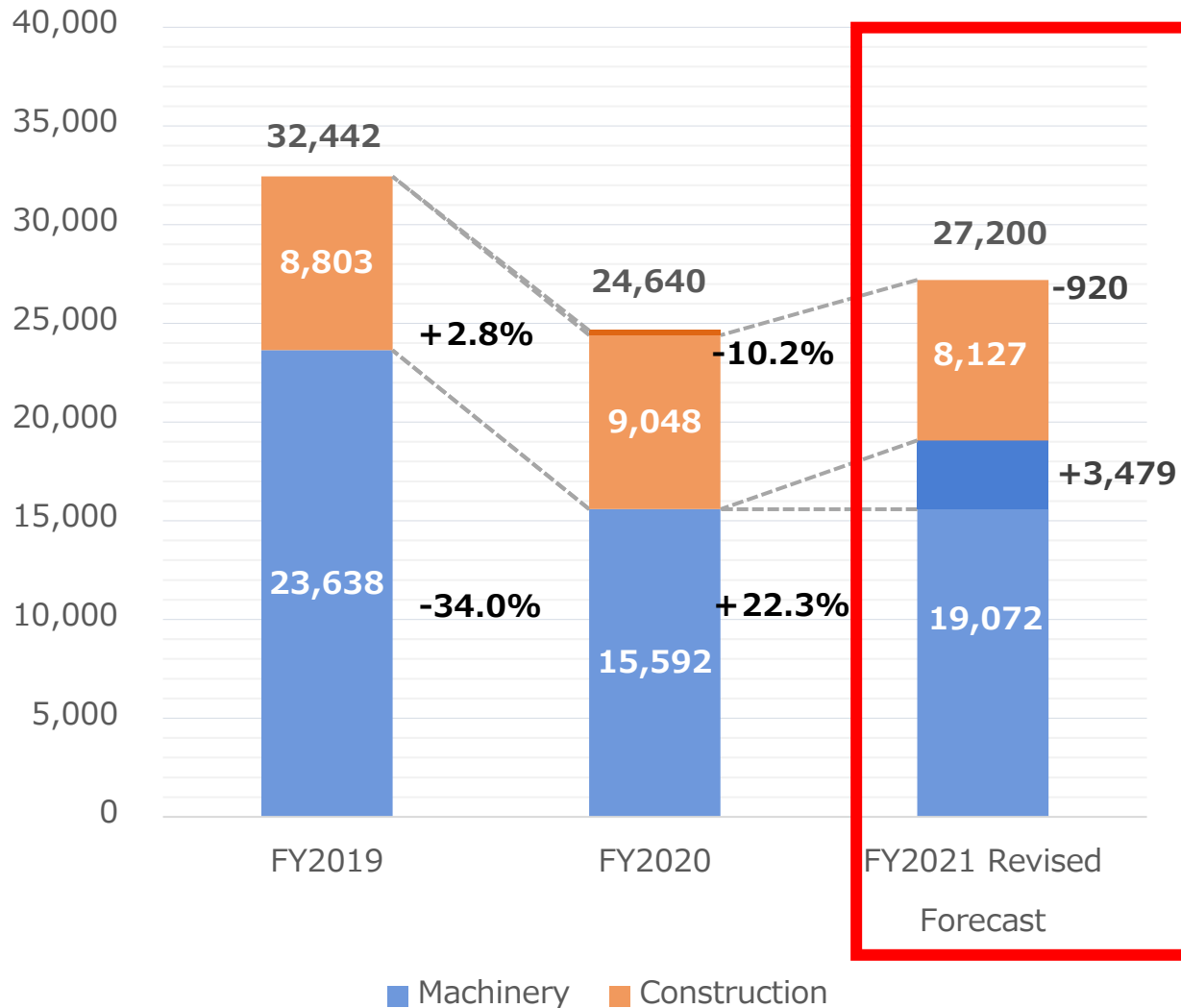
#### ◎ Focus on 'total package' solutions and accelerate the take-up of Press-in methodologies globally

- Continuous press-in method proposed for construction of barrier walls for the mining industry in Brazil
- Adoption of Press-in method to canal revetment rehabilitation and protection works, and railway business
- Acceleration of the take-up of Press-in methodologies in northern China through the newly assigned distributor
- Rehabilitation works for 3rd wharf at the port of Dakar, Senegal (ODA project) expected to be completed

# Forecast – Sales by Segment



Unit : Millions of JPY



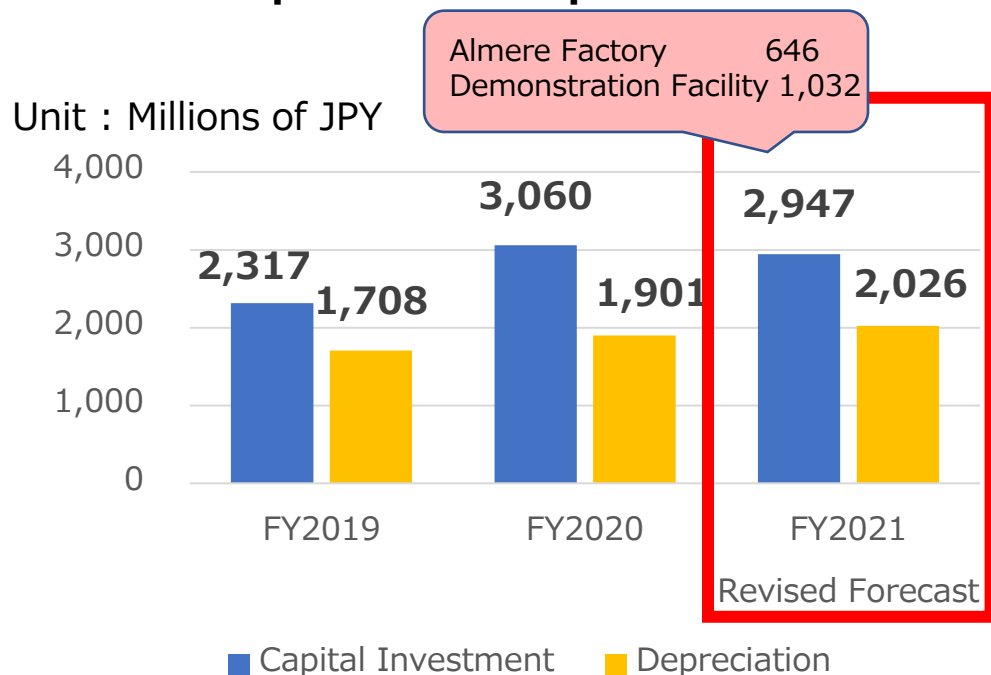
## ◇ Machinery Segment +3,479M JPY

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

## ◇ Construction Segment -920M JPY

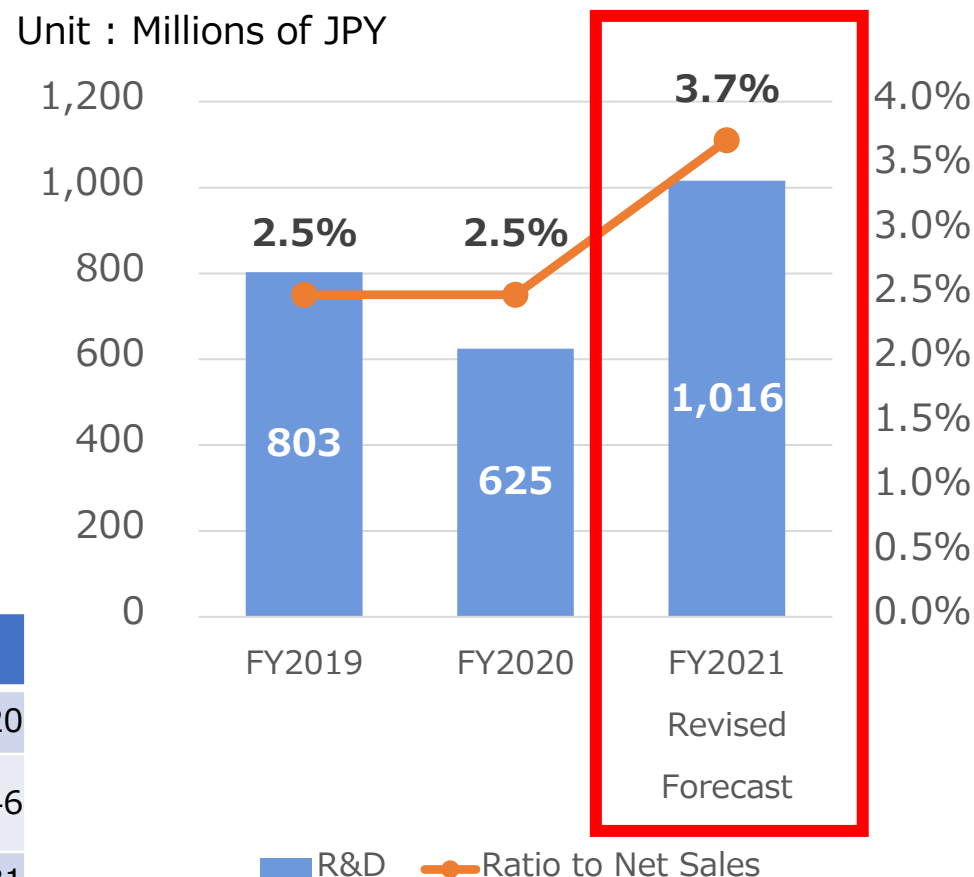
Projected decrease due to decline in large-scale works.

## ◎ Capital Investment and Depreciation Expense



Breakdown	FY2019	FY2020	Revised Forecast
Machines for Rent and Demonstration	996	1,501	820
Acquisition and Maintenance of Offices and Factories	602	1,004	646
Others	719	555	1,481
<b>Total</b>	<b>2,317</b>	<b>3,060</b>	<b>2,947</b>

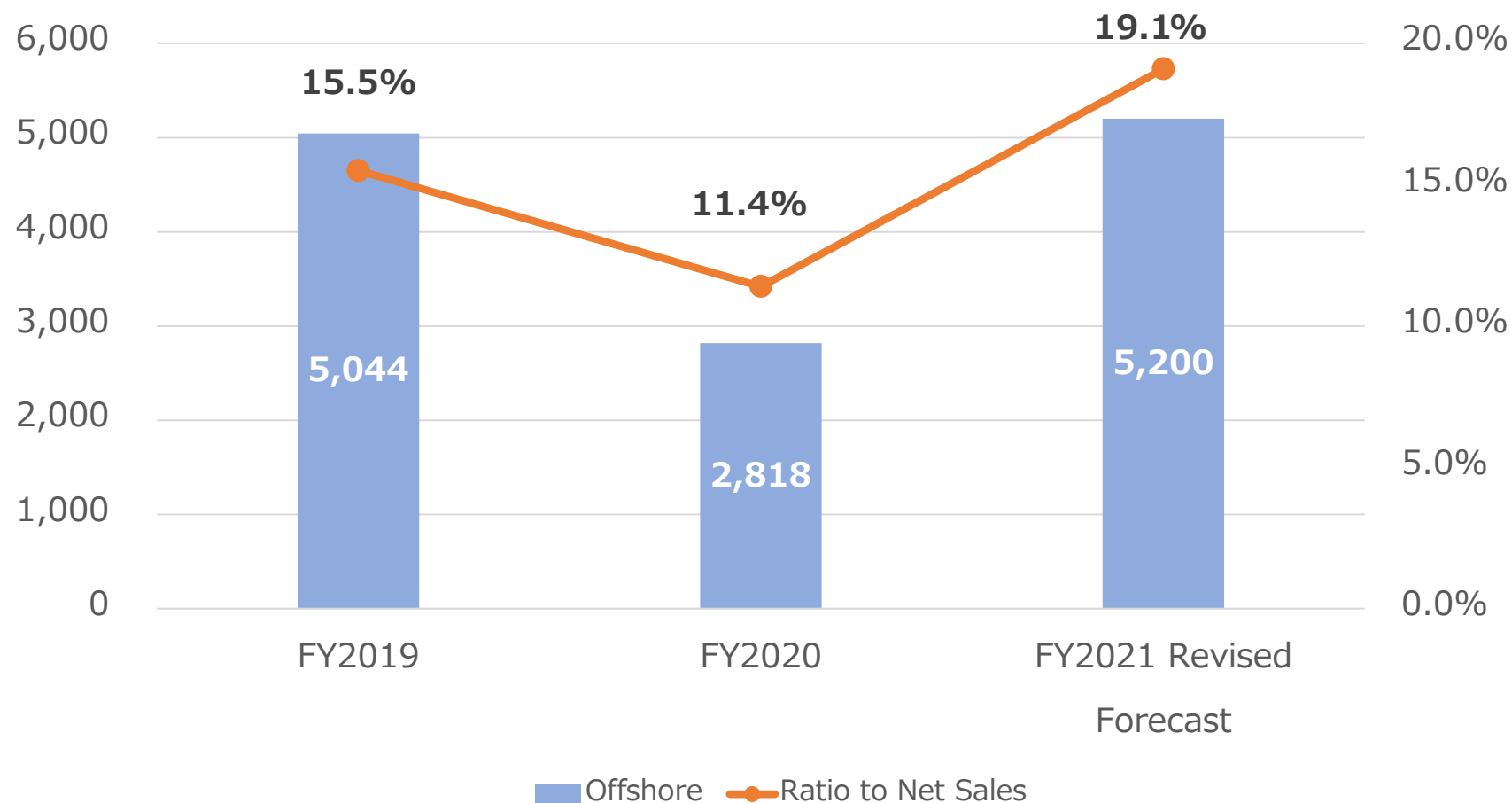
## ◎ Research and Development Expense



# Forecast – Offshore Sales Trend



Unit : Millions of JPY

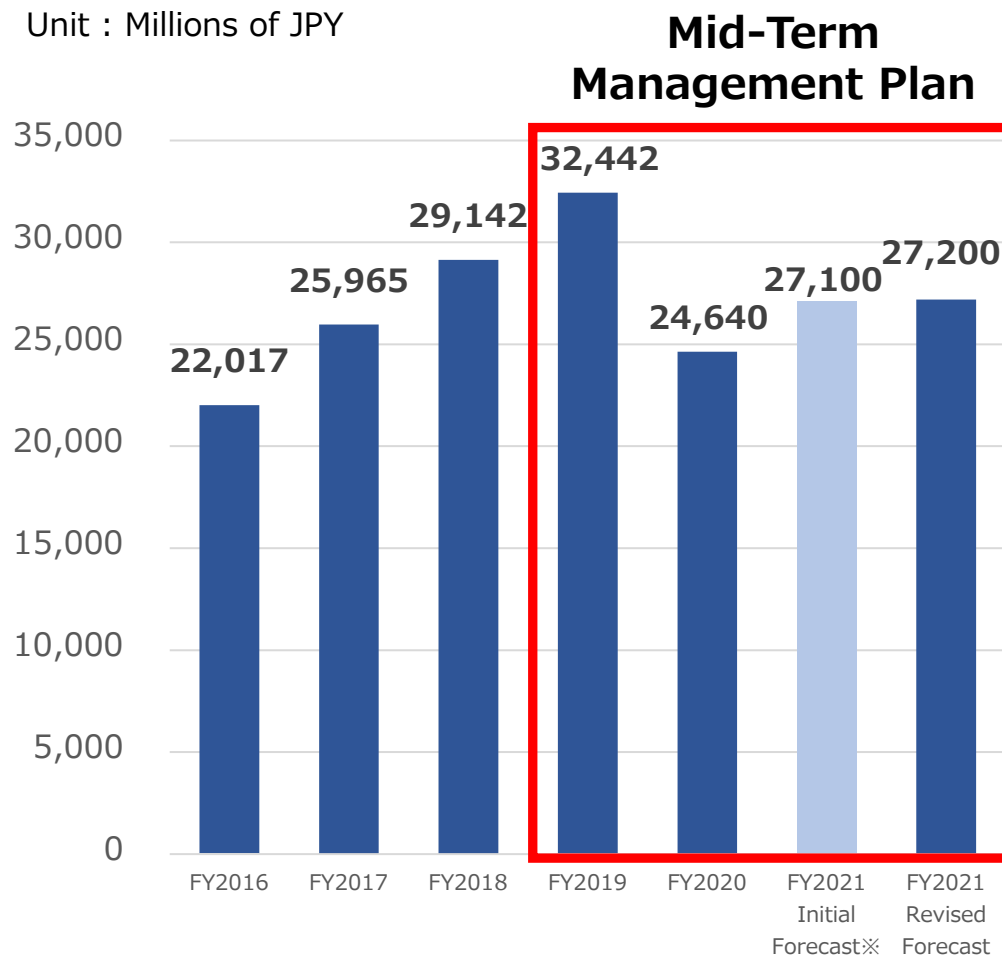


# Forecast – Outcomes Mid-Term Management Plan



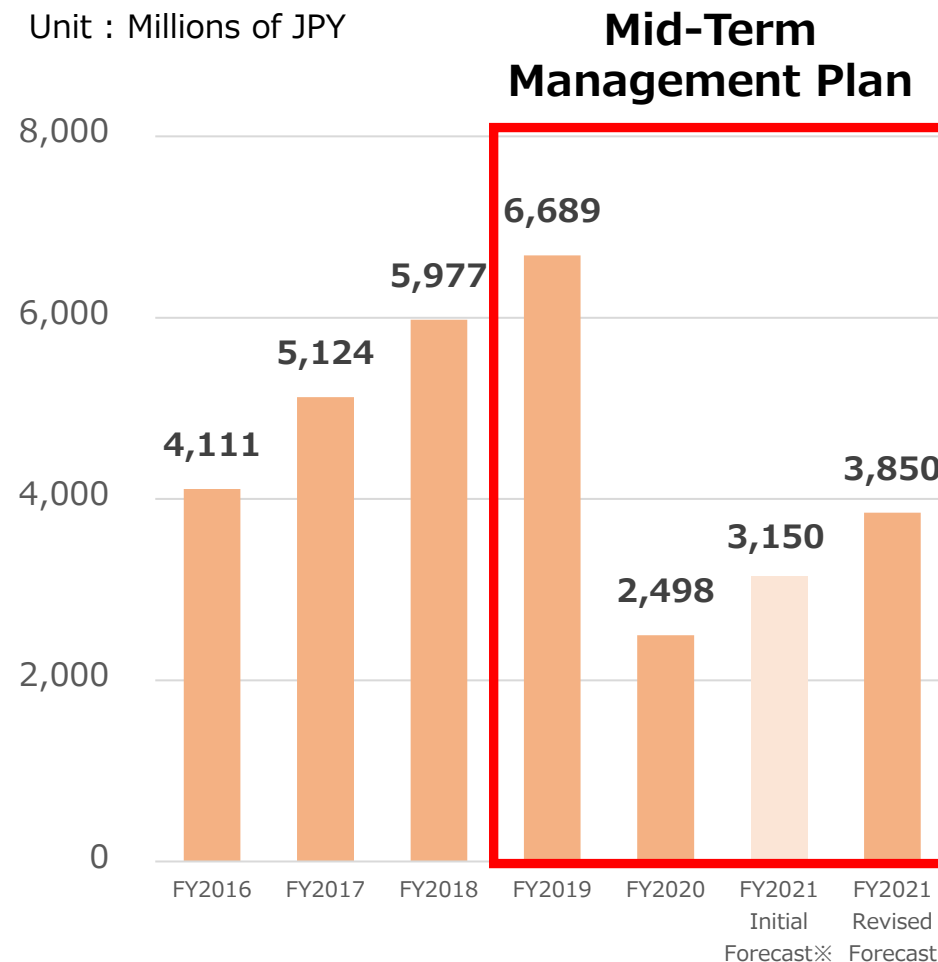
## 【Net Sales】

Unit : Millions of JPY



## 【Operating Profit】

Unit : Millions of JPY



※Revised value on 9th Oct, 2021

# Shareholder Return

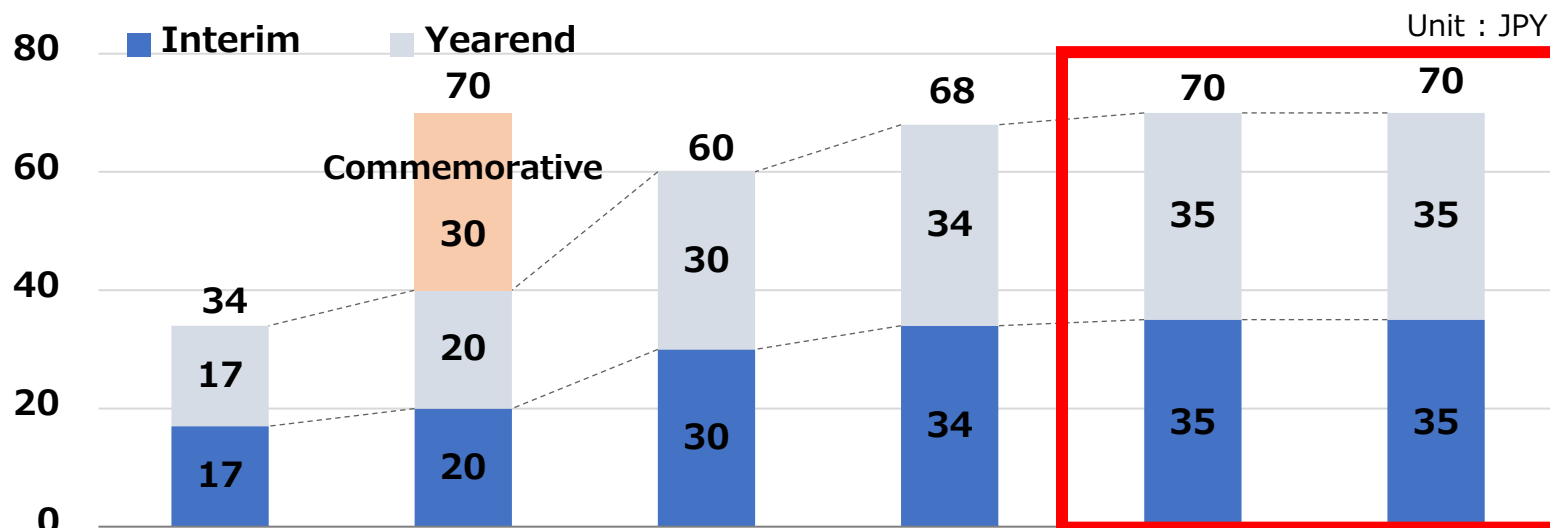
# Shareholder Return



**FY2020**  
 End of 2Q ... 35 JPY (Result)  
 Year-end ... 35 JPY (Result)

➔

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



	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Profit (Millions of JPY)	2,725	3,671	4,151	4,571	1,400	2,700
Profit per share (JPY)	110.55	146.35	155.75	168.80	51.28	98.64
Payout Ratio (%)	30.8	47.8	38.5	40.3	136.5	71.0
Dividend on Equity Ratio (%)	3.7	3.5	5.7	4.8	5.1	5.0

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