



# Financial Results Overview FY2021

**GIKEN LTD.**

**<stock code : 6289>**

## (1) Construction Machinery Segment

- Development by the private sector has progressed, such as redevelopment of the Metropolitan area and the Kinki area due to the World Expo in Osaka. With customers' capital investment appetite showing a recovery trend, sales of standard equipment such as the 400 mm U-type sheet piler increased reflecting replacement demand.
- The piles used for permanent work of public civil engineering works in Japan shifted from 600 mm U-type sheet pile to 900 mm hat-type sheet pile. Silent Piler F301-900 for 900 mm hat-type sheet piles showed strong sales.

## (2) Press-in Construction Segment

- Overseas, wharf rehabilitation works at Port of Dakar in Senegal, which was suspended due to the spread of COVID-19, resumed after about one year, and was completed in March.
- The number of large-scale projects has decreased, as the Great East Japan Earthquake recovery projects and disaster prevention works for the potential Nankai Trough earthquake have come to an end for the time being.

# Overview – 3 year Trend

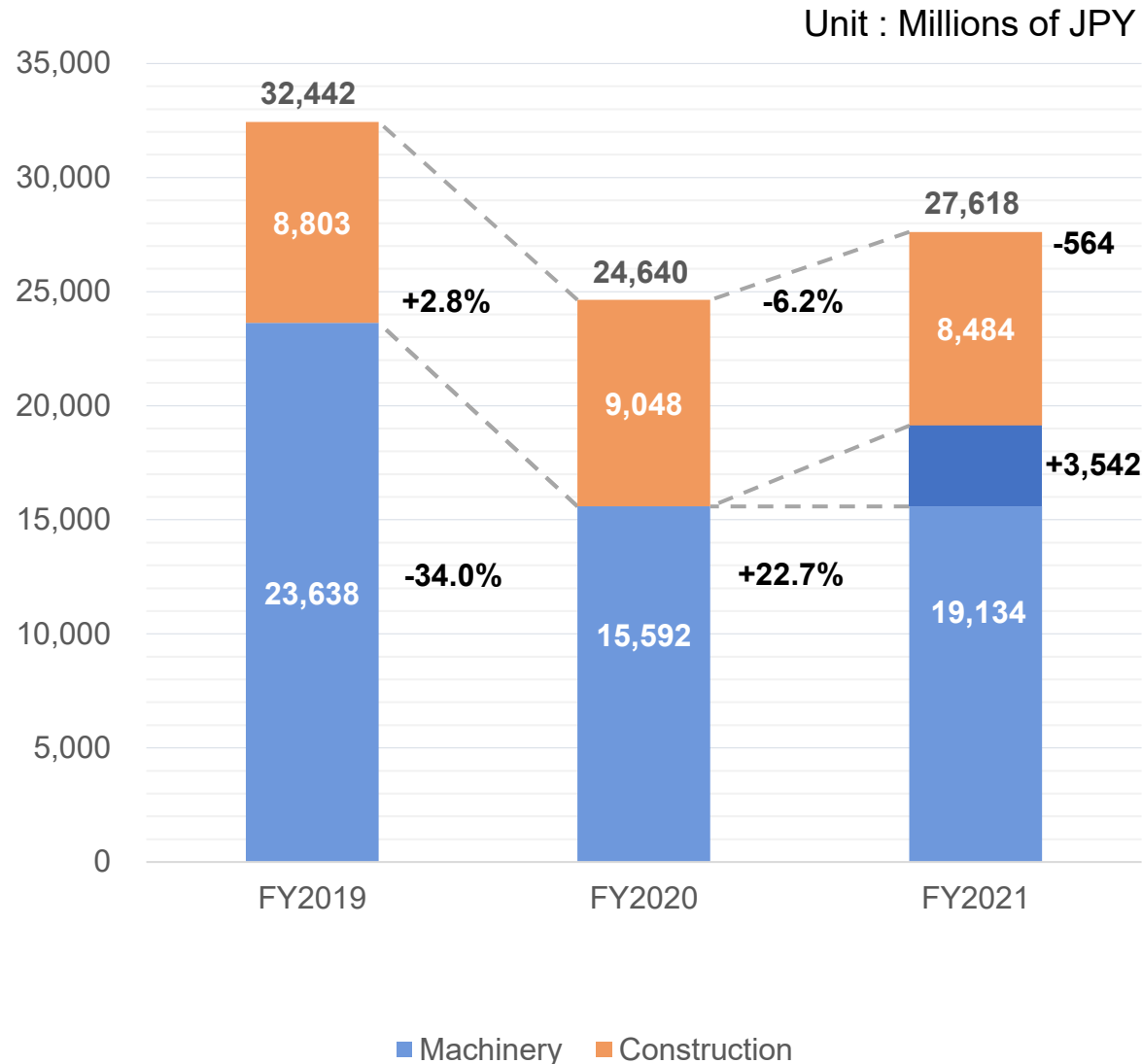


Unit : Millions of JPY

	FY2019	FY2020		FY2021	
			YoY		YoY
<b>Net sales</b>	<b>32,442</b>	<b>24,640</b>	<b>-24.0%</b>	<b>27,618</b>	<b>+12.1%</b>
<b>Operating Profit</b>	<b>6,689</b>	<b>2,498</b>	<b>-62.6%</b>	<b>3,997</b>	<b>+59.9%</b>
<b>Ordinary Profit</b>	<b>6,761</b>	<b>2,792</b>	<b>-58.7%</b>	<b>4,161</b>	<b>+49.0%</b>
<b>Net Profit<sup>※</sup></b>	<b>4,571</b>	<b>1,400</b>	<b>-69.4%</b>	<b>3,073</b>	<b>+119.4%</b>
<b>Profit per share (JPY)</b>	<b>168.80</b>	<b>51.28</b>	<b>-69.6%</b>	<b>112.22</b>	<b>+118.8%</b>
<b>ROE</b>	<b>12.7%</b>	<b>3.7%</b>	<b>-9.0pts</b>	<b>8.0%</b>	<b>+4.3pts</b>

\*Net Profit attributable to owners of GIKEN LTD.

# Overview – Sales Result by Segment



## ◇ Construction Machinery Segment

**Up 3,542M JPY**

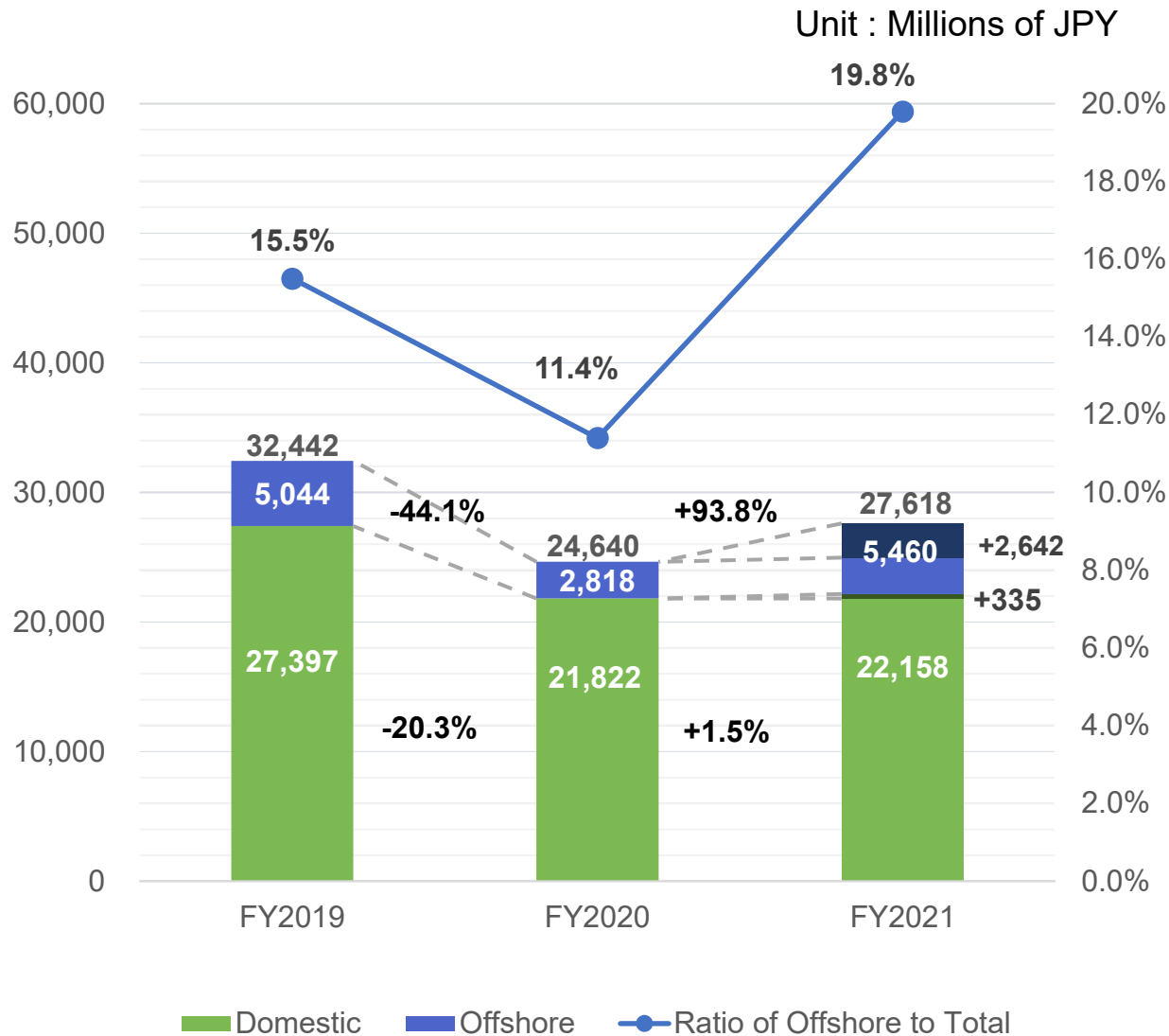
- Sales of standard equipment increased thanks to replacement demand.
- Sales of F301-900 for 900 mm hat-type sheet piles increased.

## ◇ Press-in Construction Segment

**Down 564M JPY**

The number of large-scale projects has decreased, as the Great East Japan Earthquake recovery projects and disaster prevention works for the potential Nankai Trough earthquake have come to an end for the time being.

# Overview – Sales Result Domestic and Overseas



◇ **Domestic sales**  
**Up 335M JPY**

Product sales increased.

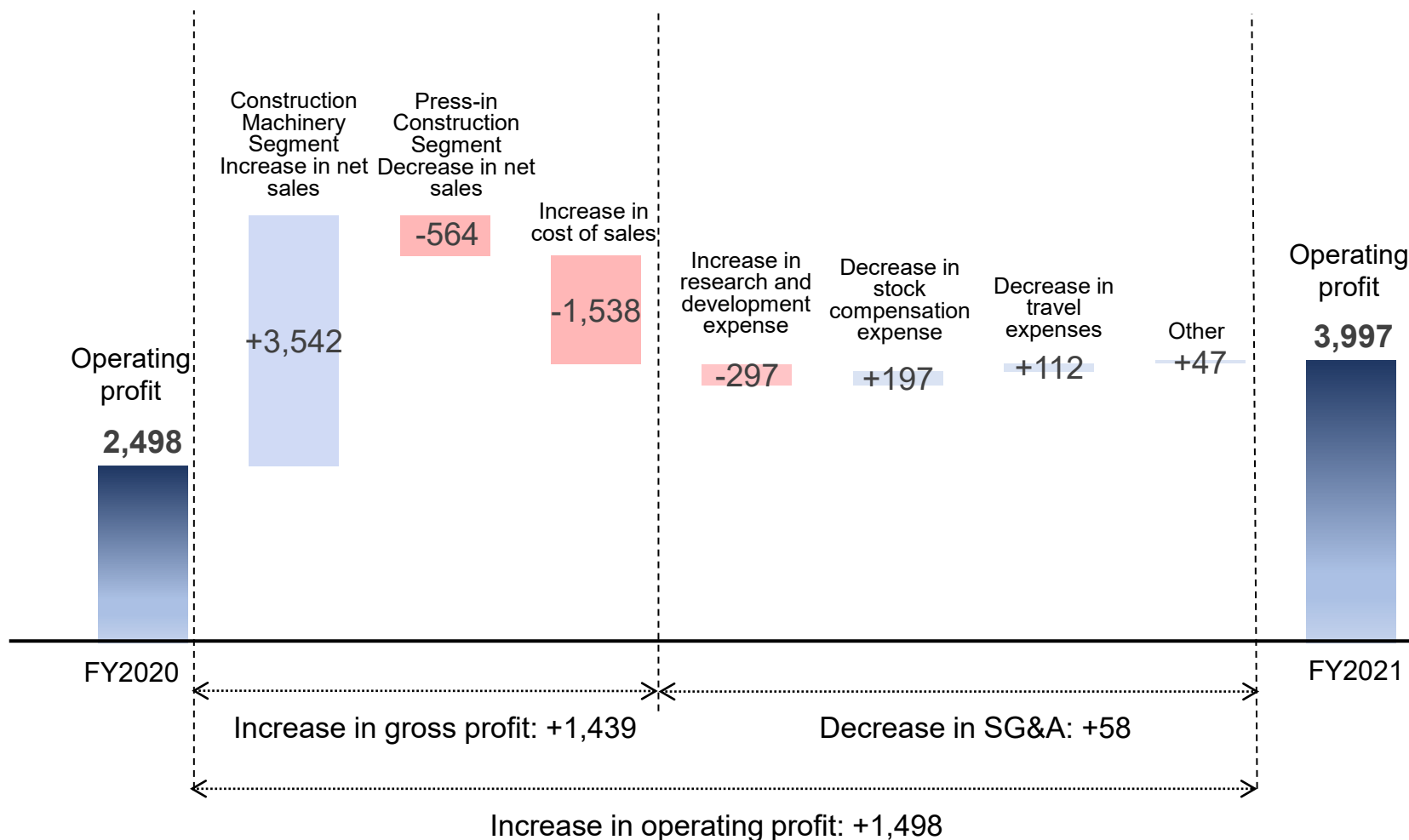
◇ **Overseas sales**  
**Up 2,642M JPY**

- Large-scale special purpose equipment was sold to Brazil.
- Sales of press-in works increased in Australia.
- The Senegal project resumed and was completed.

# Overview – Operating Profit



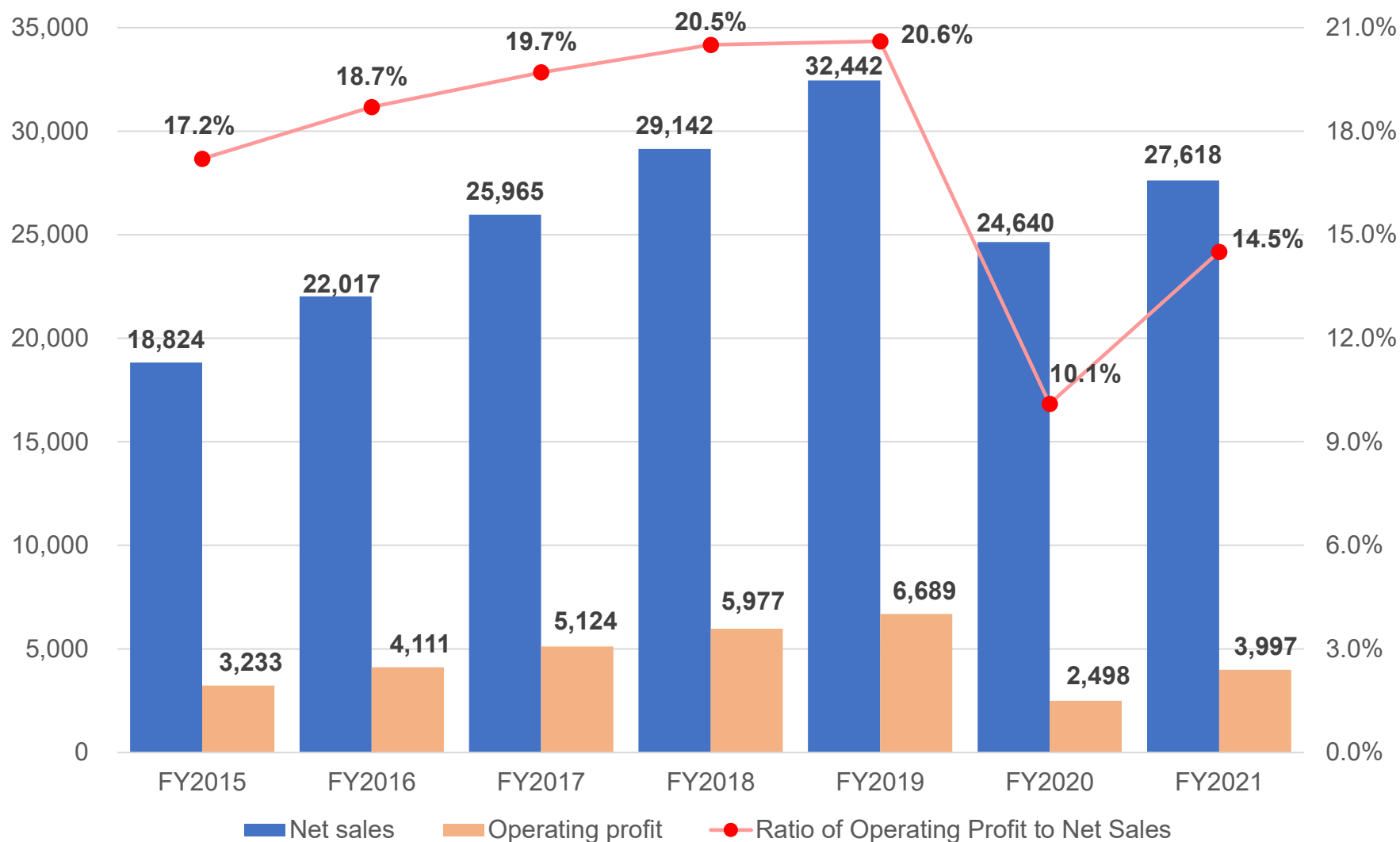
Unit : Millions of JPY



# Overview – Operating Profit to Net Sales

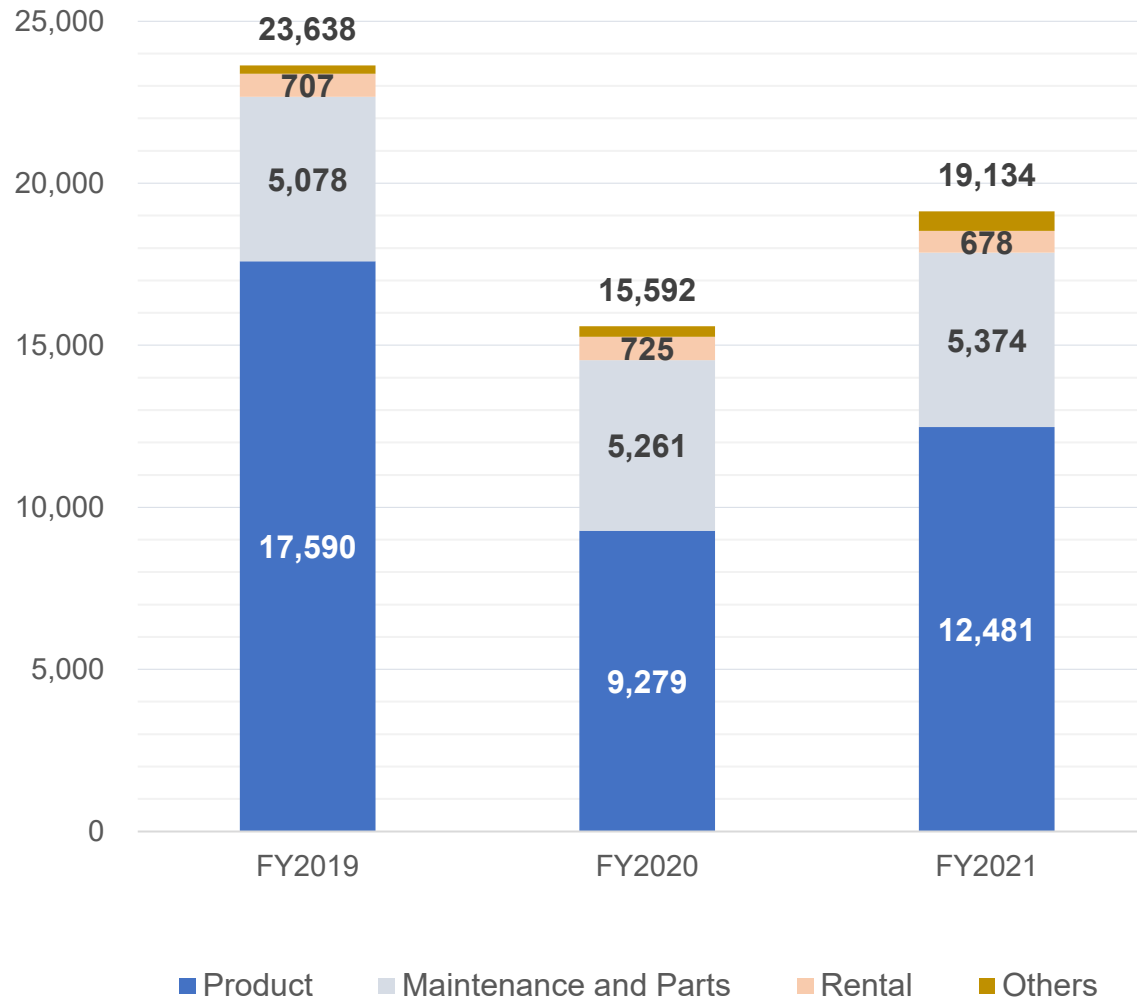


Unit : Millions of JPY



# Overview – Sales by Category: Construction Machinery Segment (1)

Unit : Millions of JPY

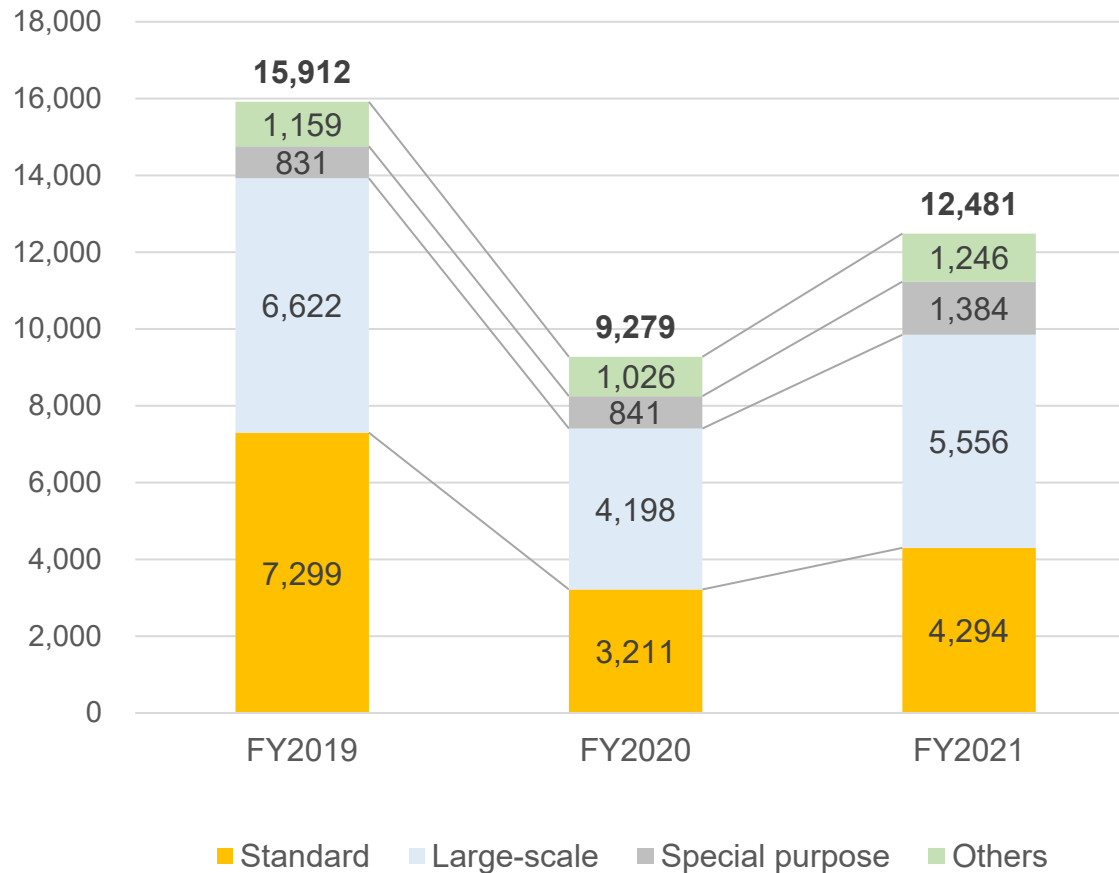


- Customers' appetite for capital investment recovered thanks to an increase in private sector development, leading to growth of sales of products.
- With an increase of the number of Giken machinery operated in the market, sales of maintenance service and parts performed strongly.



## Sales by Product Categories

Unit : Millions of JPY



### Special Purpose Models

- Clear Piler
- Zero Piler
- GRB System, others

### Large-scale Models

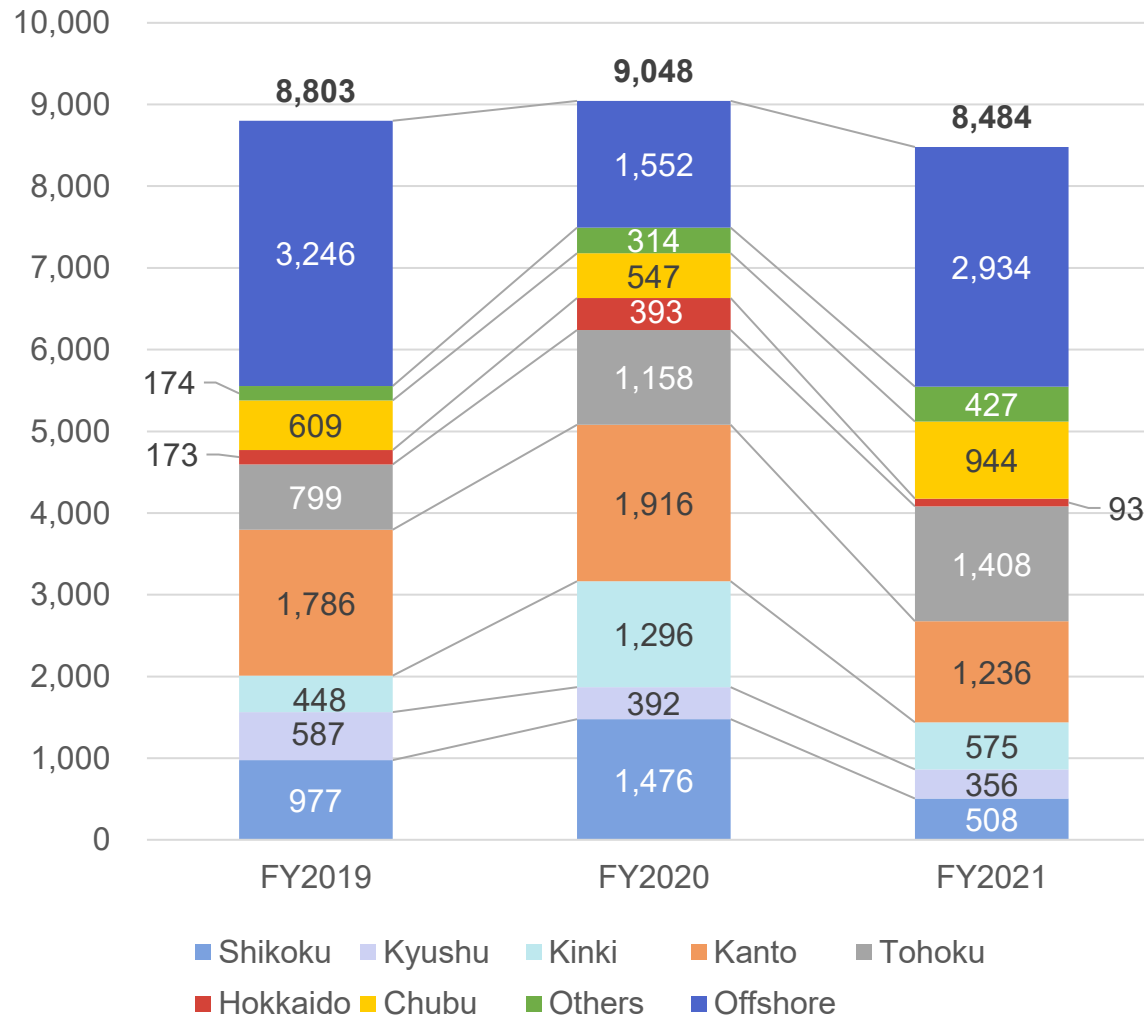
- Models handling 900 mm hat-type sheet piles
- Gyro Piler
- Tubular Piler, others

### Standard Models

- Models handling 400 mm U-type sheet piles
- and others

# Overview – Sales by Category: Press-in Construction Segment

Unit : Millions of JPY



## Domestic sales decreased

- Sales declined with a decrease in large-scale works such as levee construction in Shikoku and Kinki and river revetment repair works in Kanto, even as the implant method is being increasingly adopted for disaster prevention and mitigation works and disaster restoration works.

## Overseas sales increased

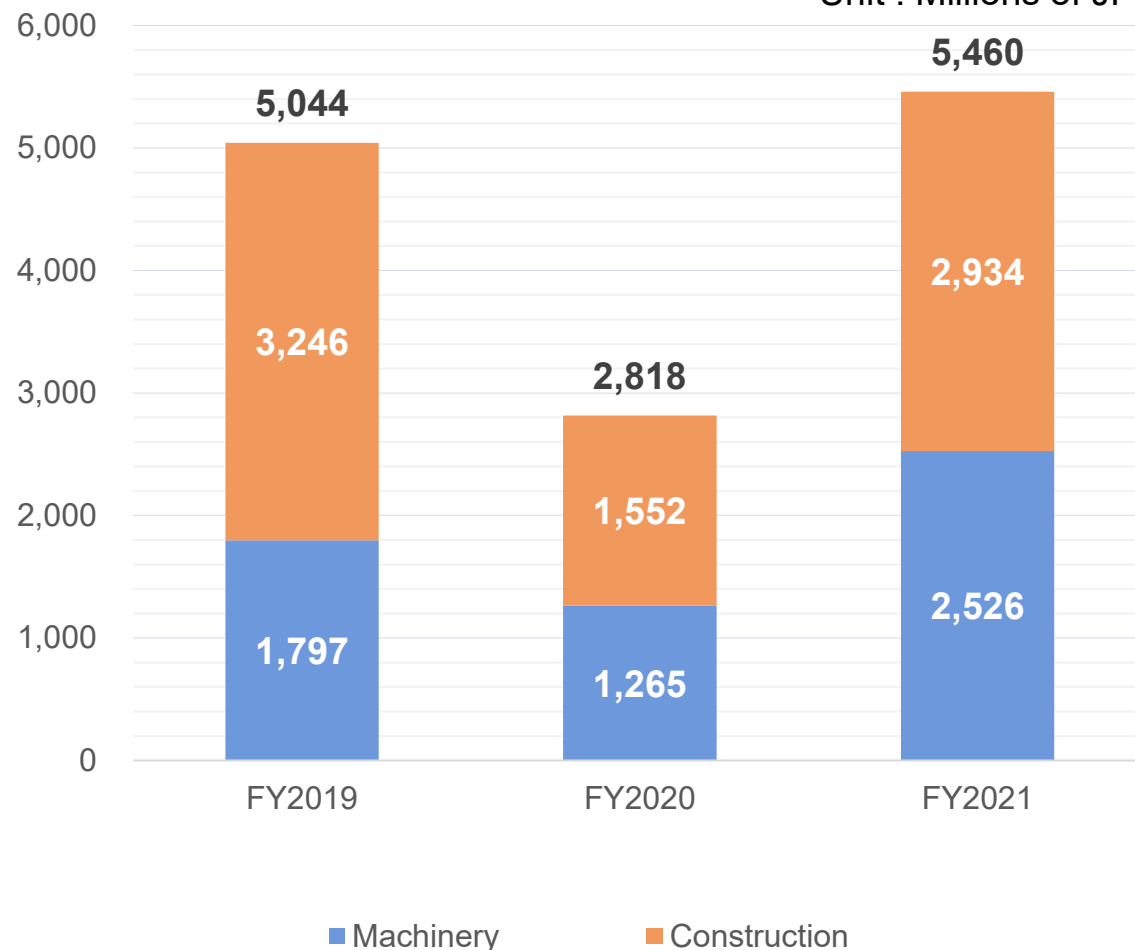
- The wharf rehabilitation works at the port of Dakar in Senegal resumed and was completed.
- Increase in sales in Oceania.

# Overview – Overseas Sales by Segment

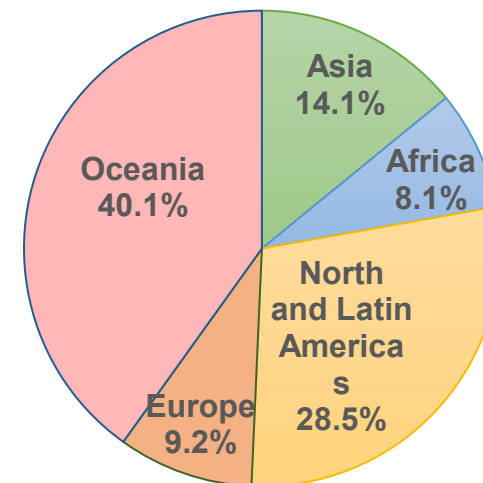


## Overseas Sales

Unit : Millions of JPY



## Net Sales Distribution by Region



# Overview – Consolidated Balance Sheet



Unit : Millions of JPY

Account title	FY2020	FY2021	YoY change
<b>Assets</b>			
<b>Current Assets</b>	<b>25,477</b>	<b>26,907</b>	<b>1,430</b>
<b>Non-current Assets</b>	<b>24,231</b>	<b>24,759</b>	<b>527</b>
<b>Assets</b>	<b>49,708</b>	<b>51,667</b>	<b>1,958</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>	<b>9,493</b>	<b>10,527</b>	<b>1,033</b>
<b>Non-current Liabilities</b>	<b>1,803</b>	<b>1,594</b>	<b>-209</b>
<b>Liabilities</b>	<b>11,297</b>	<b>12,122</b>	<b>824</b>
<b>Net Assets</b>			
<b>Shareholder's Equity</b>	<b>37,999</b>	<b>39,253</b>	<b>1,254</b>
<b>Accumulated Other Comprehensive Income</b>	<b>-447</b>	<b>-145</b>	<b>302</b>
<b>Share Acquisition Right</b>	<b>503</b>	<b>0</b>	<b>-503</b>
<b>Non-controlling Interests</b>	<b>355</b>	<b>435</b>	<b>79</b>
<b>Net Assets</b>	<b>38,411</b>	<b>39,544</b>	<b>1,133</b>
<b>Liabilities and Net Assets</b>	<b>49,708</b>	<b>51,667</b>	<b>1,958</b>

**Increase in cash and deposits  
3,707M JPY**  
**Decrease in inventories  
-3,016M JPY**

**Increase in advances received  
909M JPY**

# Overview – Consolidated Cash Flow Statement



Unit : Millions of JPY

Category	FY2020	FY2021	Growth Comparison
CF from Operating Activities	3,263	7,768	4,505
CF from Investing Activities	-1,892	-5,337	-3,444
CF from Financing Activities	-953	-2,197	-1,243
Cash and Cash Equivalents at BOY	4,920	5,324	403
Cash and Cash Equivalents at EOY	5,324	5,666	342

◇ **CF from Operating Activities**  
**YoY change +4,505M JPY**

- Increased due to profit before income tax and a decline in inventories.

◇ **CF from Investing Activities**  
**FY2021 -5,337M JPY**

- Payments into term deposits -3,356M JPY
- Purchase of property, plant and equipment -2,080M JPY

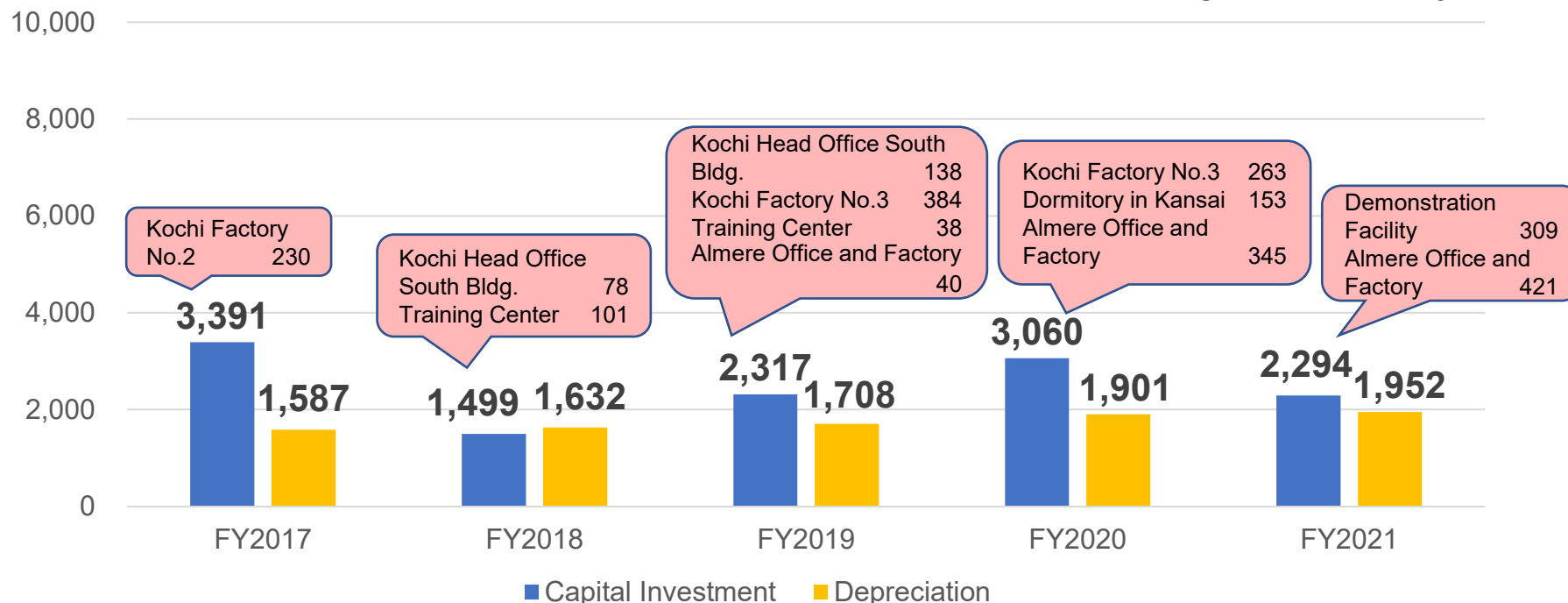
◇ **CF from Financing Activities**  
**FY2021 -2,197M JPY**

- Cash dividends paid -1,914M JPY
- Decrease in short-term borrowings -170M JPY
- Repayment of long-term borrowings -140M JPY

# Overview – Capital Investment Expense



Unit : Millions of JPY



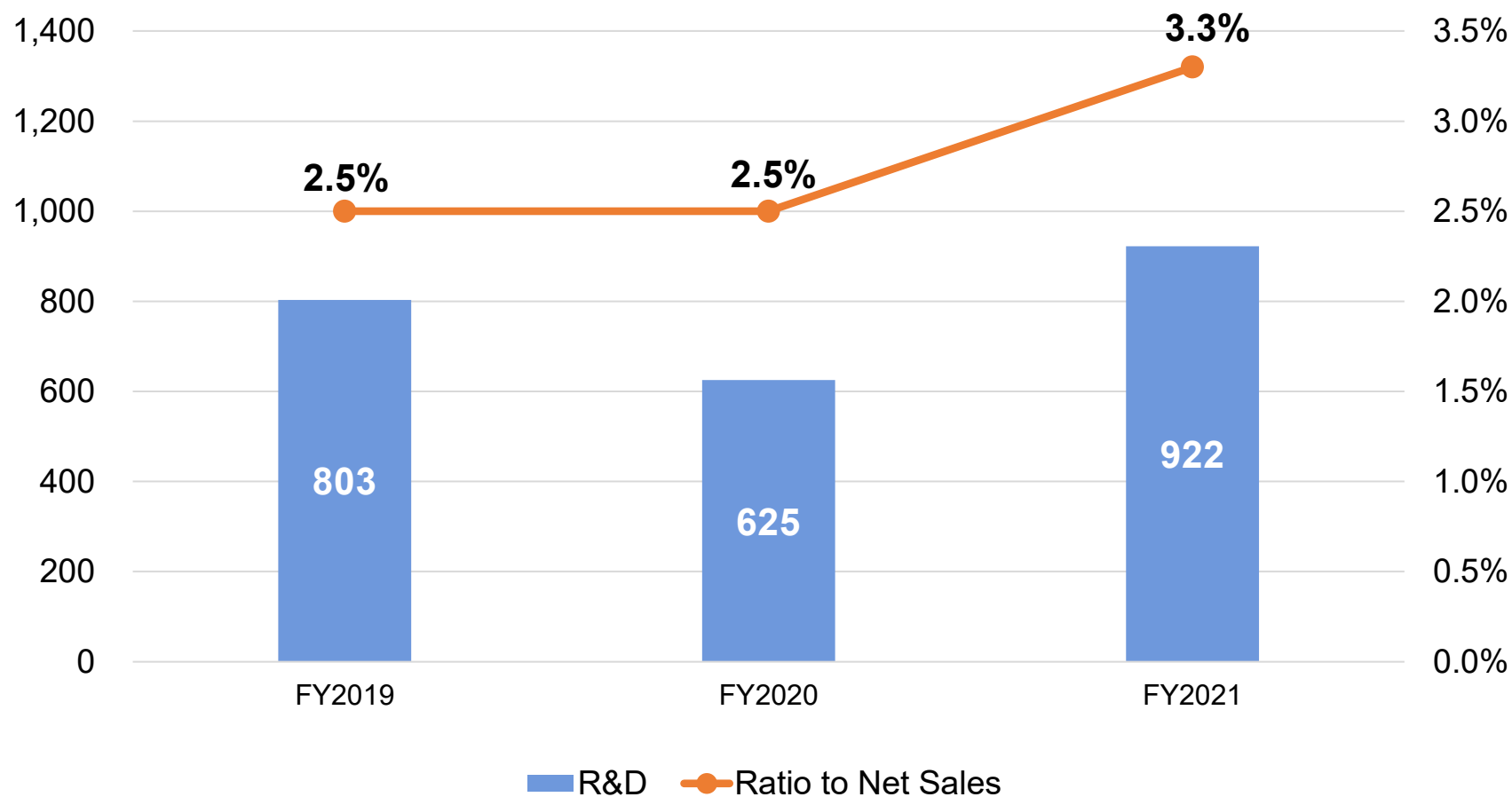
## Capital investment breakdown

	FY2017	FY2018	FY2019	FY2020	FY2021
Machines for Rent and Demonstration	2,485	707	996	1,501	1,220
Offices, Factories, Other Facilities	235	229	602	1,004	739
Others	671	563	719	555	335
<b>Total</b>	<b>3,391</b>	<b>1,499</b>	<b>2,317</b>	<b>3,060</b>	<b>2,294</b>

# Overview – Research and Development Expense



Unit : Millions of JPY



# FY2022 Forecast



# Forecast – Consolidated Results



Unit : Millions of JPY

	FY2021 Actual	Forecast for FY2022			
		1st half	2nd half	Full year	YoY
Net sales	27,618	14,000	16,000	30,000	+8.6%
Operating profit	3,997	2,270	2,230	4,500	+12.6%
Ordinary profit	4,161	2,300	2,250	4,550	+9.3%
Net Profit <sup>※</sup>	3,073	1,500	1,700	3,200	+4.1%
Profit per share (JPY)	112.22	54.7	61.99	116.69	+4.0%

※Net Profit attributable to owners of GIKEN LTD.

### (1) Domestic Trend

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

- Implant method has been increasingly adopted for river projects, disaster prevention of steep slopes, road disaster prevention, renovation of expressways, port development projects, aseismic measures for ponds, and anti-liquefaction measures for private-business plants.

#### ◎ **Recovery of customers' appetite for capital investment**

- Infrastructure development and other public works led by disaster prevention and mitigation as well as measures under the Fundamental Plan for National Resilience are expected to hold firm.
- Development by the private sector has progressed, such as redevelopment of the Metropolitan area and the Kinki area due to the World Expo in Osaka, and disaster prevention by businesses

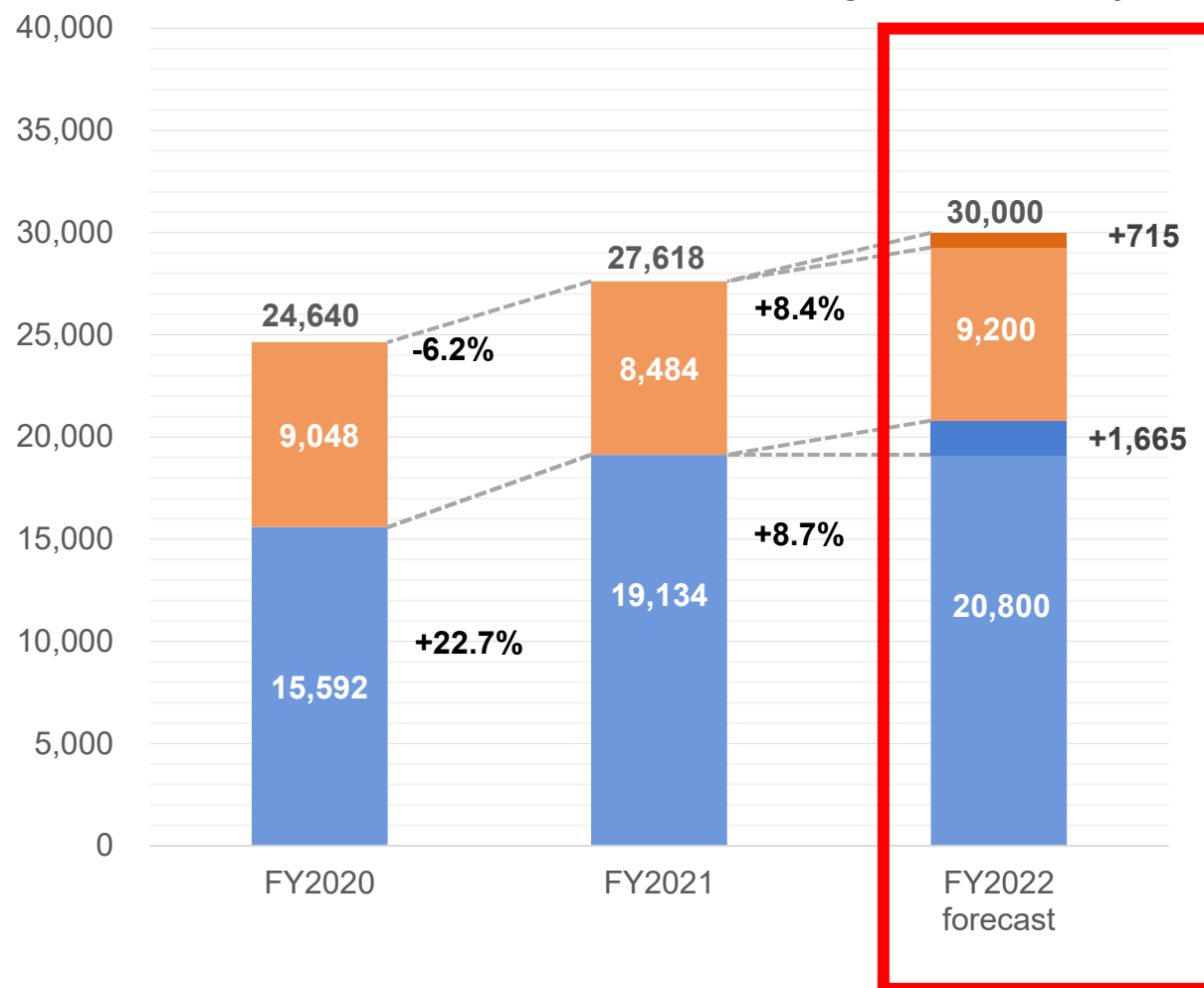
### (2) Overseas Trend

#### ◎ Focus on ‘total package’ solutions and accelerate the take-up of press-in methodologies globally

- In January 2022, pilot works will start for the canal revetment repair works in Amsterdam, the Netherland
- To strengthen construction method proposals to local businesses for disaster prevention works for a tailings dam in Brazil
- Full implementation of the large-scale construction project in Australia

# Forecast – Sales by Segment

Unit : Millions of JPY



■ Machinery ■ Construction

## ◇ Construction Machinery Segment

**Up 1,665M JPY**

Press-in machine sales are expected to grow led by increased adoption of the Implant Method both in Japan and overseas.

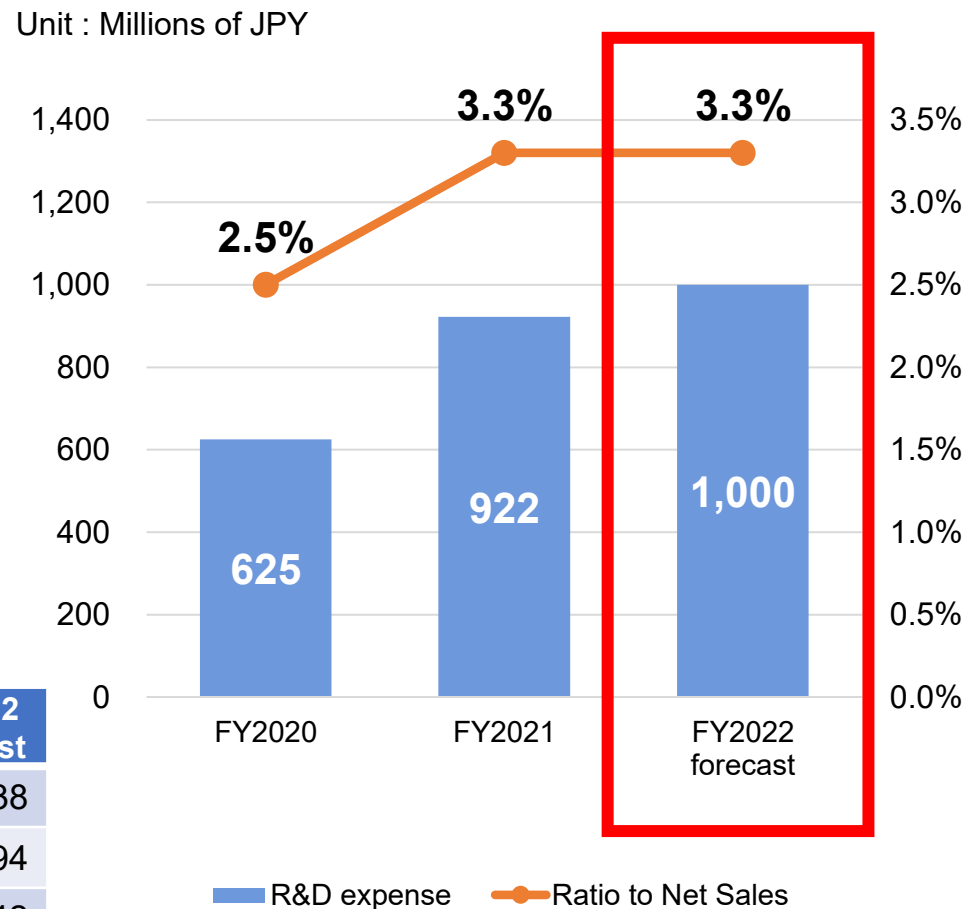
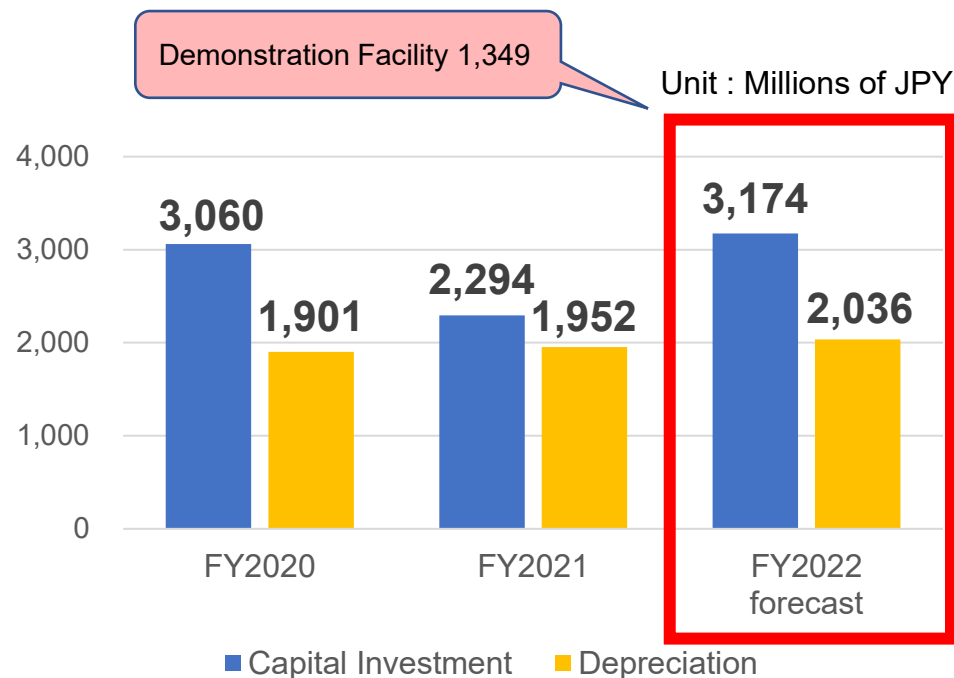
## ◇ Press-in Construction Segment

**Up 715M JPY**

Orders for Implant Method to remain steady.

# Forecast – Capital Investment, R&D Expenses

## ◎ Capital Investment and Depreciation Expenses ◎ R&D Expenses



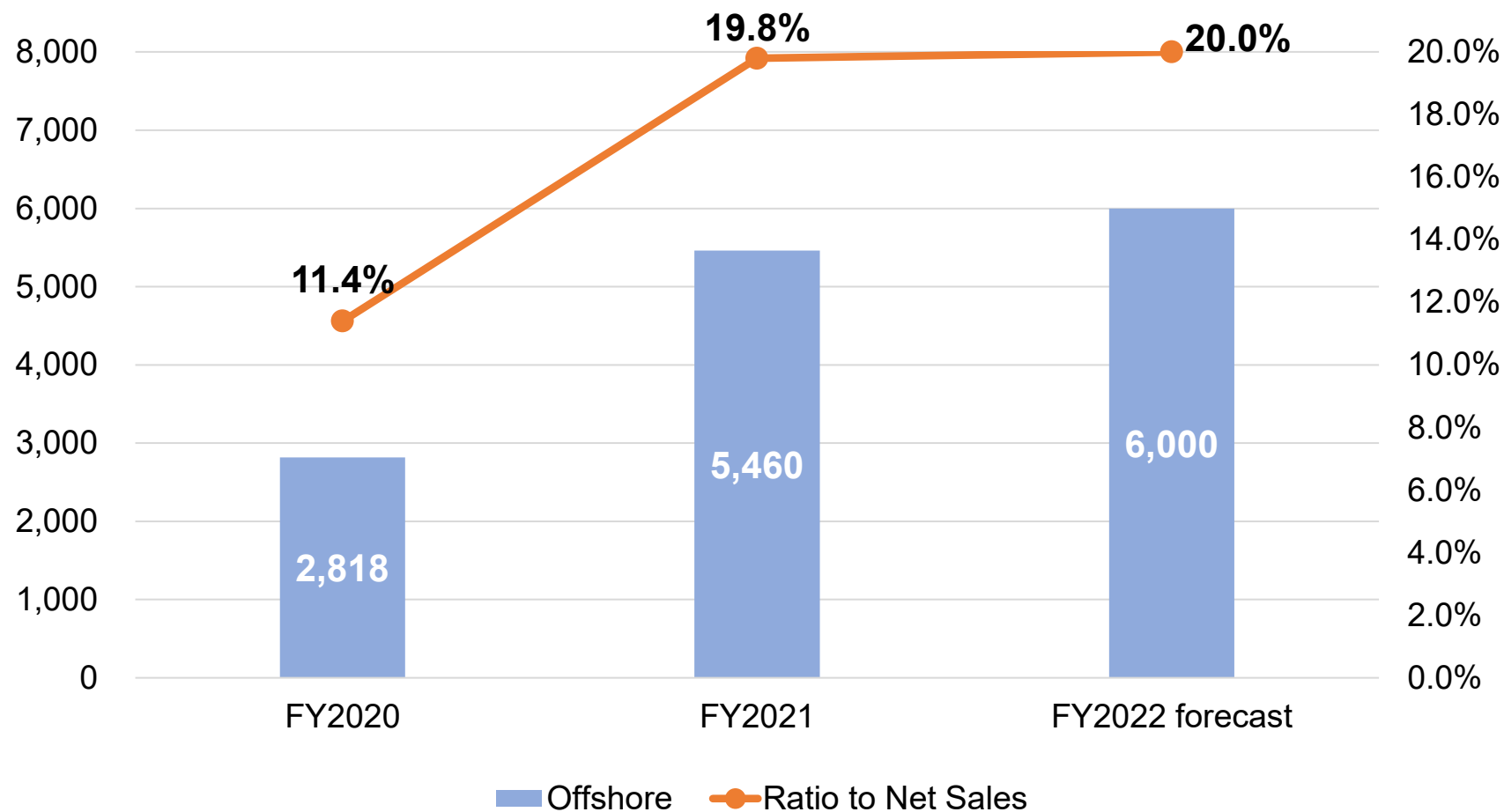
### Capital investment breakdown

	FY2020	FY2021	FY2022 forecast
Machines for Rent and Demonstration	1,501	1,220	1,338
Offices, Factories, Other Facilities	1,004	739	1,494
Others	555	335	342
<b>Total</b>	<b>3,060</b>	<b>2,294</b>	<b>3,174</b>

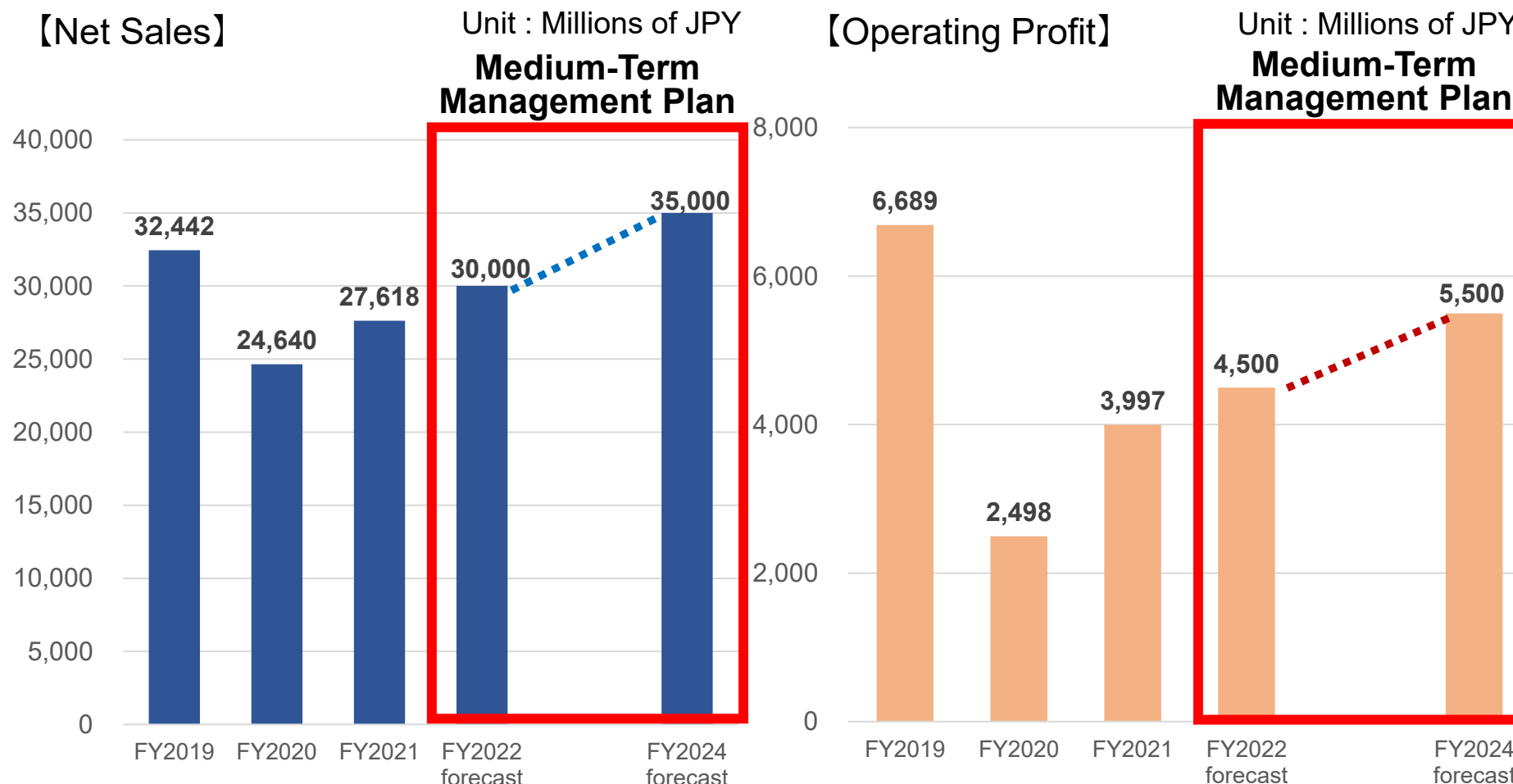
# Forecast – Overseas Sales Trend



Unit : Millions of JPY



# Forecast – Medium-Term Management Plan



- Net sales: record net sales
- Ratio of operating profit to net sales: 15.7%  
Active R&D investment and human resource investment for the future business expansion (100 billion yen in 10 years)  
R&D for electrification, automation, and rapid implementation will increase.

# Shareholder Return



# Shareholder Return

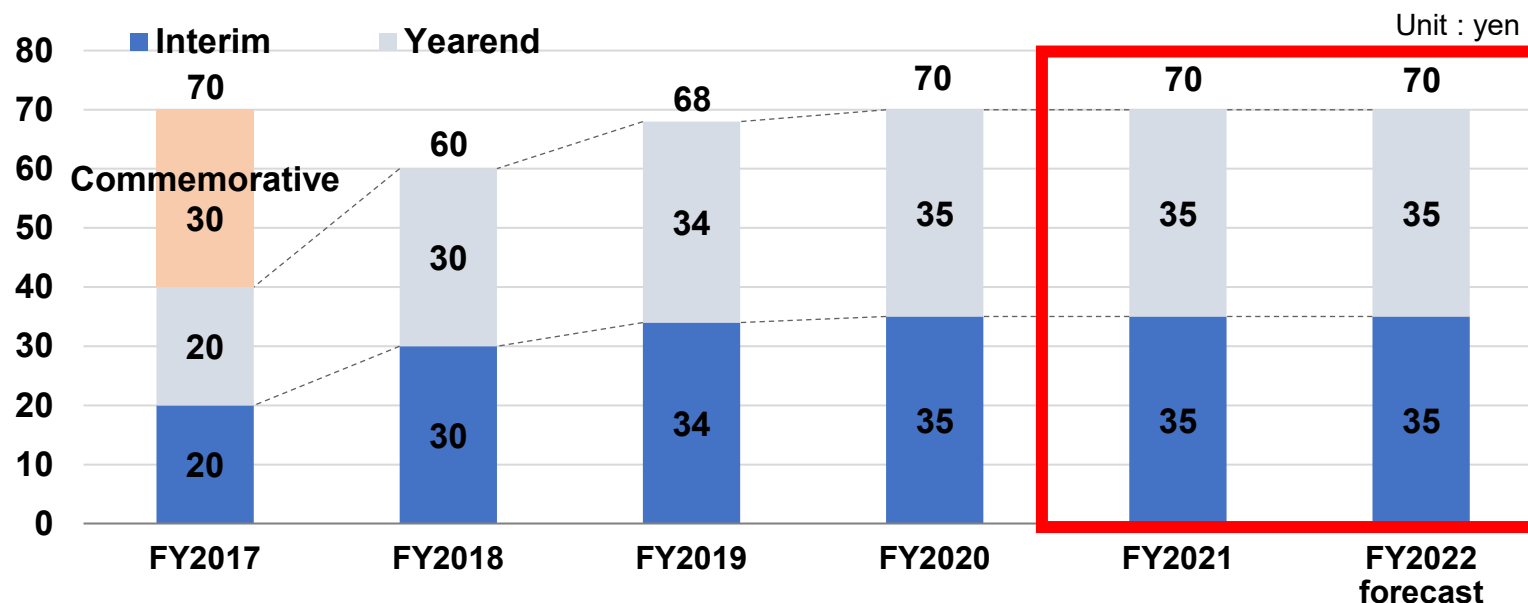


**FY2021**

**Interim dividend : 35 yen (result)**  
**Year-end dividend : 35 yen (forecast)**

**FY2022**

**Interim dividend : 35 yen**  
**Year-end dividend : 35 yen**



Profit (Millions of JPY)	3,671	4,151	4,571	1,400	3,073	3,200
Profit 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	60.0
Dividend on Equity Ratio (%)	3.5	5.7	4.8	5.1	5.0	4.8

\*FY2017

Interim dividend: 20 yen; commemorative dividend: 10 yen (50th anniversary)

Year-end dividend: 20 yen; commemorative dividend: 20 yen (listed on TSE First Section)