



**Consolidated Financial Results**  
**for the Fiscal Year Ended August 31, 2024 [JGAAP]**

October 11, 2024

Company Name: GIKEN LTD.  
 Stock Exchange Listing: Tokyo  
 Securities Code: 6289 (URL <https://www.giken.com>)  
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 Scheduled date of Ordinary General Meeting of Shareholders: November 26, 2024  
 Scheduled date to commence dividend payments: November 27, 2024  
 Scheduled date to submit the Annual Securities Report: November 27, 2024  
 Availability of supplementary briefing material on annual results: Yes  
 Holding of Annual Results Briefing Session: Yes

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

## (1) Consolidated Results of Operations (% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended August 31, 2024	29,481	0.7	3,324	11.4	3,582	17.1	2,437	187.9
Year ended August 31, 2023	29,272	(3.6)	2,983	(35.3)	3,060	(36.7)	846	(73.8)

(Note) Comprehensive income: Year ended August 31, 2024: ¥2,875 million [225.3%]  
 Year ended August 31, 2023: ¥883 million [(74.8)%]

	Profit per share	Fully diluted profit per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended August 31, 2024	90.99	—	6.1	7.2	11.3
Year ended August 31, 2023	30.82	—	2.1	5.8	10.2

(Reference) Equity in earnings of affiliated companies: Year ended August 31, 2024: ¥ – million  
 Year ended August 31, 2023: ¥ – million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	48,129	40,446	84.0	1,511.02
As of August 31, 2023	51,388	39,544	77.0	1,452.90

(Reference) Equity: As of August 31, 2024: ¥40,446 million As of August 31, 2023: ¥39,544 million

## (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended August 31, 2024	3,139	55	(2,501)	6,070
Year ended August 31, 2023	2,039	(156)	(1,975)	5,147

## 2. Dividends

	Annual cash dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended August 31, 2023	—	20.00	—	20.00	40.00	1,094	129.8	2.7
Year ended August 31, 2024	—	20.00	—	22.00	42.00	1,124	46.2	2.8
Year ending August 31, 2025 (Forecast)	—	22.00	—	22.00	44.00		45.3	

## 3. Earnings Forecast of Consolidated Financial Results for Fiscal Year Ending August 31, 2025 (from September 1, 2024 to August 31, 2025) (% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	15,700	1.1	2,550	5.5	2,600	0.4	1,900	2.7	70.98
Full year	30,000	1.8	3,500	5.3	3,600	0.5	2,600	6.7	97.13

## \* Notes

(1) Significant changes in the scope of consolidation during the period (changes in specific subsidiaries involving changes in the scope of consolidation): None

Newly included: - (Name) -, Excluded: - (Name) -

(2) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to the revision of accounting standards: Not applicable

2) Changes in accounting policies other than 1): Not applicable

3) Changes in accounting estimates: Not applicable

4) Restatements: Not applicable

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):	As of August 31, 2024	28,194,728 shares	As of August 31, 2023	28,194,728 shares
2) Total number of treasury shares at the end of the period:	As of August 31, 2024	1,427,022 shares	As of August 31, 2023	977,118 shares
3) Average number of shares during the period:	Year ended August 31, 2024	26,787,641 shares	Year ended August 31, 2023	27,474,392 shares

## (Reference) Summary of the Non-consolidated Financial Results

Overview of the Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

## (1) Non-consolidated Results of Operation

(% indicates changes from the previous corresponding term)

	Net sales		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended August 31, 2024	19,405	(7.5)	2,321	(22.1)	1,682	96.5
Year ended August 31, 2023	20,982	(2.0)	2,978	(35.2)	856	(74.4)

	Profit per share	Fully diluted profit per share
	Yen	Yen
Year ended August 31, 2024	62.81	—
Year ended August 31, 2023	31.16	—

## (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	42,963	36,407	84.7	1,360.13
As of August 31, 2023	45,821	36,685	80.1	1,347.86

(Reference) Equity: As of August 31, 2024: ¥36,407 million As of August 31, 2023: ¥36,685 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Explanation on the appropriate use of earnings forecasts, and other special notes

The forecast figures stated above are the prospects based on information currently available and contain largely uncertain elements.

Actual results may differ from the forecast figures above, depending on various factors such as changes in business conditions.

Please refer to page 4 of the attached material for the above forecasts.

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## 1. Overview of Business Results, etc.

### (1) Overview of Business Results for the Current Fiscal Year

Under the Mid-Term Management Plan, which concluded in the fiscal year ended August 31, 2024, the GIKEN Group had worked on specific initiatives to establish the foundation for future growth. Although the initial numerical targets were revised due to the impact of sharp rises in material prices and other factors, we made steady progress in our work to lay the foundation for growth, providing new construction methods in Japan as well as overseas and promoting the electrification and automation of machinery to cope with social issues such as carbon neutrality and a shrinking labor force.

In terms of the domestic business environment during the fiscal year ended August 31, 2024, construction investment remained solid in both public and private sectors, supporting companies to maintain solid levels of capital investment. However, the business environment remained severe for the construction industry as elevated prices of raw materials and construction supplies and rising labor costs put pressure on profits. In our business, higher costs and the resulting reduction in the scale of public works projects had a sizeable impact on the users' appetite for capital investments.

In domestic activities to disseminate our method, we worked to promote the Implant Method\*<sup>1</sup> mainly for the strengthening of national resilience, including recovery and reconstruction from natural disasters, and prevention and mitigation of future disasters. As a result, the number of projects in which the press-in method was adopted increased steadily. These included river improvement work against flooding, tsunami and storm surges, repair work on roads damaged by torrential rains, restoration of dilapidated river embankments, garrison construction as part of defense facility reinforcement, and quay wall construction at the base port for an offshore wind power generation facility.

As a part of our activities for the reconstruction work following the 2024 Noto Peninsula Earthquake, we opened a temporary office (Noto Recovery Support Office) in Kanazawa city, Ishikawa prefecture. As a result of the activities of the office, Group company GIKEN SEKO CO., LTD. received an order for an abutment reinforcement work for emergency reconstruction of the Noto Ohashi bridge on the Noto Satoyama Kaido road, which was reduced to one lane as a result of a collapse. GIKEN SEKO used GYRO PILER and the GRB System to contribute to the early recovery of a two-way traffic. We aim to continue contributing to the recovery based on Ishikawa Prefecture's "creative" recovery program, which covers a period until the end of fiscal 2032.

In the undergrounding work for the Nihonbashi section of the Metropolitan Expressway, which forms the centerpiece of the project to renew the expressway system, the Gyropress Method was chosen for the construction of temporary embankments for the river widening work, which began in June. The adoption of the method is a testament to the strength of our technology to install tubular piles in a space-saving, vibration- and noise-free manner at sites where existing bridges and buildings are in close proximity. The plans for this project, slated for completion in fiscal 2035, includes piling work below the existing bridge girders. We aim to continue proposing various construction method technologies and work toward their adoption.

In overseas business where we aim for further growth, we began specific efforts with an aim to establish a business model that accelerates market expansion mainly in Europe and Asia, where a market is beginning to take shape, for the goal of ensuring stable growth of the press-in construction market. For other regions, in order to review our strategies for the press-in construction market from the market creation phase, we conducted market research and detailed analysis, and based on this analysis, we studied the ideal business model and ways to disseminate construction methods, etc., and worked on initiatives aimed at business expansion.

In Europe, we focused on activities to promote our construction methods in Italy, which we regard as promising markets, along with the Netherlands, Germany, and the United Kingdom, where market formation is progressing. As a result, we successfully sold our products to a local specialty construction company in Italy. This company had a high opinion of the development capabilities of our Group, ability to propose construction methods and technologies, and user support system. After its visit to RED HILL 1967 last year, it deepened confidence in the potential of our press-in technology to find widespread use, and made the decision to buy our products. It is also a member of the European version of GTOSS\*<sup>2</sup>, which launched in June. We aim to strengthen the technical support as GIKEN Group.

In Asia, we delivered in June the second GYRO PILER to a major user in Singapore who is a member of the Asian version of GTOSS, following the first delivery in August last year. The company decided to introduce the equipment after deepening understanding of the superiority of the method by visiting a Tokyo construction site. Targeting Singapore as a starting point, our Group aims to work with this company to promote the formation of a market for the Gyropress Method to capture the demand increases driven by infrastructure and urban development projects in Southeast Asia.

In the United States, where we are restructuring our market-formation strategy, we first launched the North American version of GTOSS in June, aiming to strengthen the foundation of the existing market and increase customer loyalty. In this context, we delivered a tubular sheet pile press-in machine (CLP200A) to a major user who is a GTOSS member. It was our first delivery of the low head room press-in machine in North America. We also conducted market research and decided to work toward expanding new press-in markets.

Under such circumstances, for the current consolidated fiscal year, net sales were 29,481 million yen (an increase of 0.7% from the previous fiscal year), operating profit was 3,324 million yen (an increase of 11.4%), ordinary profit was 3,582 million yen (an increase of 17.1%), and profit attributable to owners of parent was 2,437 million yen (an increase of 187.9%). Furthermore, an extraordinary loss of 1,367 million yen for loss on liquidation of subsidiaries and associates has been recorded for the fiscal year ended August 31, 2023 due to a dissolution of a consolidated subsidiary.

The performance by segment are as follows.

(i) Construction Machinery Segment

In Japan, sales remained favorable for the SILENT PILER F112, which is equipped with the flywheel-type pile auger for hard grounds as a standard feature. In the overseas business, sales of products for the North American market contributed to an increase in net sales. On the other hand, reflecting small sales of large-scale models with high gross margins and increased selling, general and administrative expenses, net sales increased 0.9% from a year earlier to 20,940 million yen while the profit of this segment decreased 0.9% from a year earlier to 4,624 million yen, amid a decreasing construction volume affected by a spike in material unit prices.

(ii) Press-in Work Segment

While our methods were adopted steadily, construction projects proceeded on track. These included foundation work for water gates under a Great East Japan Earthquake reconstruction project (Iwate Prefecture), an expressway-widening work (Aichi Prefecture), and construction of waterproof walls at a power plant (Gifu Prefecture). Net sales totaled 8,540 million yen (an increase of 0.2% from the previous fiscal year) while the profit came to 1,161 million yen (an increase of 32.7%) for the Press-in Work segment, as orders remained solid for development-oriented projects\*<sup>3</sup> in Japan.

- \*1 A construction method to build Implant Structures, which are resistant to earthquakes, tsunamis, floods, and other external forces, by pressing deeply into the ground structural members with high rigidity and quality.
- \*2 A comprehensive support system that helps improve on-site productivity by providing member users with products and know-how, such as technological services.
- \*3 Development-oriented projects are construction projects using our developed products or methods that we have not yet made generally available.

(2) Overview of Financial Position for the Current Fiscal Year

(i) Assets, Liabilities and Net Assets

Total assets as of the end of the current consolidated fiscal year decreased by 3,258 million yen compared to the end of the previous consolidated fiscal year to 48,129 million yen. Current assets decreased by 1,147 million yen to 24,271 million yen and non-current assets decreased by 2,110 million yen to 23,858 million yen from the end of the previous consolidated fiscal year.

The decrease in current assets was mainly due to a combined decrease of 2,301 million yen in notes and accounts receivable-trade, and contract assets, although there were increases of 736 million yen in finished goods and 262 million yen in cash and deposits.

The decrease in non-current assets was mainly due to decreases of 722 million yen in property, plant and equipment, such as machinery, equipment and vehicles, and 1,330 million yen in investments and other assets.

Total liabilities at the end of the current consolidated fiscal year decreased by 4,160 million yen compared to the end of the previous consolidated fiscal year to 7,683 million yen. Current liabilities decreased by 4,083 million yen to 7,312 million yen and non-current liabilities decreased by 77 million yen to 370 million yen from the end of the previous consolidated fiscal year.

The decrease in current liabilities was mainly due to decreases of 2,107 million yen in electronically recorded obligations-operating and 834 million yen in notes and accounts payable-trade.

The decrease in non-current liabilities was mainly due to a decrease of 108 million yen in long-term borrowings.

Net assets as of the end of the current consolidated fiscal year increased by 901 million yen compared to the end of the previous consolidated fiscal year to 40,446 million yen. This was mainly due to an increase of 464 million yen in shareholders' equity. The equity ratio increased to 84.0% from 77.0% at the end of the previous consolidated fiscal year due to the decrease in total assets. Net assets per share increased from 1,452.90 yen at the end of the previous consolidated fiscal year to 1,511.02 yen at the end of the current fiscal year.

(ii) Cash Flow

Cash and cash equivalents (hereinafter "cash") at the end of the current consolidated fiscal year increased by 922 million yen from the end of the previous consolidated fiscal year to 6,070 million yen. The status of each cash flow is as follows.

(Cash Flow from Operating Activities)

Net cash provided by operating activities increased by 1,099 million yen from the previous consolidated fiscal year to 3,139 million yen. This was mainly due to profit before income taxes of 2,771 million yen.

(Cash Flow from Investing Activities)

Net cash provided by investing activities amounted to 55 million yen (an expenditure of 156 million yen in the previous consolidated fiscal year). This was mainly due to proceeds from withdrawal of time deposits of 5,870 million yen and payments into time deposits of 5,210 million yen.

(Cash Flow from Financing Activities)

Net cash used in financing activities increased by 526 million yen from the previous consolidated fiscal year to 2,501 million yen. This was mainly due to dividends paid of 1,078 million yen.

	Year ended August 31, 2022	Year ended August 31, 2023	Year ended August 31, 2024
Shareholders' equity ratio (%)	74.5	77.0	84.0
Market value-based shareholders' equity ratio (%)	163.7	107.5	99.2
Interest-bearing debt to cash flow ratio (%)	24.3	40.8	11.6
Interest coverage ratio (times)	407.2	39.0	539.9

(Note) Equity ratio: Equity divided by total assets

Market value-based shareholders' equity ratio: market capitalization divided by total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt divided by operating cash flows

Interest coverage ratio: operating cash flow divided by interest payment

1. All indicators are calculated using consolidated financial data.
2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares outstanding (after deducting treasury shares) at the end of the period.
3. Operating cash flows represent the cash flows from operating activities indicated in the consolidated statements of cash flows. Interest-bearing debt includes all liabilities reported in the consolidated balance sheet, on which interest is paid. The interest payment represents the interest paid indicated in the consolidated statement of cash flows.

### (3) Outlook on the Next Fiscal Year

For the Construction Machinery Segment, we expect solid infrastructure investments in Japan in areas including measures to strengthen national resilience Noto peninsula earthquake reconstruction work and restoration related projects, expressways, and ports. On the other hand, we will need to remain alert on the impacts of spikes in prices of steel materials, production materials, etc.. In overseas business, we will develop our business infrastructure by focusing resources on regions where markets are beginning to take shape.

In the Press-in Work Segment, we expect adoption of development-oriented projects to be firm in projects including construction and renovation of national highways and expressways, river basin flood control, railroad grade crossing, maintaining facilities in power plants.

In such a business environment, for the next consolidated fiscal year (ending August 31, 2025), we expect consolidated net sales of 30,000 million yen (an increase of 1.8% from the previous consolidated fiscal year), operating profit of 3,500 million yen (an increase of 5.3%), ordinary profit of 3,600 million yen (an increase of 0.5%), and profit attributable to owners of parent of 2,600 million yen (an increase of 6.7%).

### (4) Basic Policy on Profit Distribution, and Dividends for the Current and Next Fiscal Years

The Company has regarded the stable distribution of profits to its shareholders as a top priority. Its basic policy is to appropriately distribute profits in line with its earnings as well as to enhance internal reserves for long-term business development. We aim for a consolidated dividend payout ratio of 40%.

As for the year-end dividend for the fiscal year ended August 31, 2024, we decided, after considering the financial results and financial position for the year, to increase the year-end dividend by 2 yen per share from the previous forecast. We plan to propose this measure at the general meeting of shareholders for approval.

This will increase the year-end dividend for the current fiscal year under review to 22 yen per share and the annual dividend to 42 yen per share, combined with the interim dividend of 20 yen per share already paid.

For the next fiscal year, we forecast a full-year dividend of 44 yen per share, consisting of an interim dividend of 22 yen and a year-end dividend of 22 yen.

We will use our internal reserves to strengthen our financial position, as well as for capital investment and development investment to achieve sustainable growth as a development-oriented company.

## 2. Basic Policy regarding Selection of Accounting Standards

The Group's policy is to adopt the Japanese standards for a while in order to secure the comparability of consolidated financial statements with domestic companies. Carefully watching future developments concerning IFRS adoption, we will work to establish a system to properly handle this matter.

## 3. Consolidated Financial Statements and Principal Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2023	As of August 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,917	10,180
Notes and accounts receivable-trade, and contract assets	6,144	3,843
Electronically recorded monetary claims-operating	1,335	1,383
Finished goods	3,654	4,391
Work in process	1,416	1,418
Costs on construction contracts in progress	52	45
Raw materials and supplies	2,488	2,619
Other	414	393
Allowance for doubtful accounts	(5)	(3)
Total current assets	25,419	24,271
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,256	8,608
Accumulated depreciation	(3,684)	(3,836)
Buildings and structures, net	4,571	4,772
Machinery, equipment and vehicles	12,553	12,294
Accumulated depreciation	(9,035)	(9,511)
Machinery, equipment and vehicles, net	3,518	2,782
Land	9,699	9,730
Construction in progress	1,047	836
Other	1,548	1,617
Accumulated depreciation	(1,200)	(1,276)
Other, net	348	341
Total property, plant and equipment	19,185	18,463
Intangible assets	182	125
Investments and other assets		
Investment securities	2,054	1,854
Deferred tax assets	1,901	2,017
Retirement benefit asset	—	13
Other	2,664	1,929
Allowance for doubtful accounts	(19)	(545)
Total investments and other assets	6,601	5,270
Total non-current assets	25,969	23,858
Total assets	51,388	48,129

(Millions of yen)

	As of August 31, 2023	As of August 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,708	874
Electronically recorded obligations-operating	2,107	—
Short-term borrowings	453	94
Income taxes payable	145	519
Contract liabilities	4,158	3,239
Provision for bonuses	652	828
Other provisions	4	0
Other	2,165	1,756
Total current liabilities	11,396	7,312
Non-current liabilities		
Long-term borrowings	314	205
Retirement benefit liability	4	—
Other	129	165
Total non-current liabilities	447	370
Total liabilities	11,844	7,683
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,958	8,958
Capital surplus	10,118	10,128
Retained earnings	21,244	22,602
Treasury shares	(880)	(1,783)
Total shareholders' equity	39,440	39,905
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	62	75
Foreign currency translation adjustment	(29)	390
Remeasurements of defined benefit plans	70	75
Total accumulated other comprehensive income	103	541
Total net assets	39,544	40,446
Total liabilities and net assets	51,388	48,129



(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Net sales	29,272	29,481
Cost of sales	18,563	18,613
Gross profit (loss)	10,709	10,867
Selling, general and administrative expenses	7,725	7,543
Operating profit (loss)	2,983	3,324
Non-operating income		
Interest income	2	12
Dividend income	24	32
Gain on sales of scraps	5	13
Rental income from real estate	69	72
Insurance claim income	10	0
Surrender value of insurance policies	—	71
Outsourcing service income	25	50
Other	33	64
Total non-operating income	170	317
Non-operating expenses		
Interest expenses	55	2
Rental expenses on real estate	17	18
Foreign exchange losses	8	13
Commission expenses	3	10
Fiduciary obligation expenses	—	9
Other	8	3
Total non-operating expenses	93	58
Ordinary profit (loss)	3,060	3,582
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	1,367	—
Provision of allowance for doubtful accounts	—	523
Impairment loss	115	206
Loss on abandonment of non-current assets	—	81
Total extraordinary losses	1,483	811
Profit (loss) before income taxes	1,577	2,771
Income taxes-current	938	924
Income taxes - refund	—	(467)
Income taxes-deferred	(223)	(123)
Total income taxes	715	333
Profit (loss)	861	2,437
Profit (loss) attributable to non-controlling interests	14	—
Profit (loss) attributable to owners of parent	846	2,437

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Profit (loss)	861	2,437
Other comprehensive income		
Valuation difference on available-for-sale securities	43	13
Deferred gains or losses on hedges	(25)	—
Foreign currency translation adjustment	(63)	419
Remeasurements of defined benefit plans	67	5
Total other comprehensive income	22	437
Comprehensive income	883	2,875
(Breakdown)		
Comprehensive income attributable to owners of parent	902	2,875
Comprehensive income attributable to non-controlling interests	(18)	—

## (3) Consolidated Statements of Changes in Net Assets

Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,958	10,135	21,908	(305)	40,696
Changes during period					
Dividends of surplus			(1,512)		(1,512)
Profit (loss) attributable to owners of parent			846		846
Purchase of treasury shares				(575)	(575)
Disposal of treasury shares					
Gain on disposal of treasury shares					
Change in scope of consolidation		(16)	1		(15)
Net changes in items other than shareholders' equity					
Total changes during period	—	(16)	(664)	(575)	(1,256)
Balance at end of period	8,958	10,118	21,244	(880)	39,440

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18	8	14	3	44	514	41,256
Changes during period							
Dividends of surplus							(1,512)
Profit (loss) attributable to owners of parent							846
Purchase of treasury shares							(575)
Disposal of treasury shares							
Gain on disposal of treasury shares							
Change in scope of consolidation		6	(2)		3	(514)	(526)
Net changes in items other than shareholders' equity	43	(14)	(41)	67	55		55
Total changes during period	43	(8)	(43)	67	59	(514)	(1,711)
Balance at end of period	62	—	(29)	70	103	—	39,544

Fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,958	10,118	21,244	(880)	39,440
Changes during period					
Dividends of surplus			(1,079)		(1,079)
Profit (loss) attributable to owners of parent			2,437		2,437
Purchase of treasury shares				(925)	(925)
Disposal of treasury shares				21	21
Gain on disposal of treasury shares		9			9
Change in scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	—	9	1,357	(903)	464
Balance at end of period	8,958	10,128	22,602	(1,783)	39,905

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	62	—	(29)	70	103	—	39,544
Changes during period							
Dividends of surplus							(1,079)
Profit (loss) attributable to owners of parent							2,437
Purchase of treasury shares							(925)
Disposal of treasury shares							21
Gain on disposal of treasury shares							9
Change in scope of consolidation							
Net changes in items other than shareholders' equity	13	—	419	5	437	—	437
Total changes during period	13	—	419	5	437	—	901
Balance at end of period	75	—	390	75	541	—	40,446

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	1,577	2,771
Depreciation	1,829	1,584
Loss on liquidation of subsidiaries and associates	1,367	—
Impairment loss	115	206
Increase (decrease) in provision for bonuses	(93)	176
Increase (decrease) in retirement benefit liability	17	2
Increase (decrease) in provisions for maintenance of product's function	(4)	—
Interest and dividend income	(26)	(45)
Interest expenses	55	2
Foreign exchange losses (gains)	(144)	89
Decrease (increase) in trade receivables and contract assets	1,288	2,278
Decrease (increase) in inventories	(703)	(335)
Increase (decrease) in trade payables	841	(3,248)
Increase (decrease) in contract liabilities	(260)	(924)
Other, net	(142)	796
Subtotal	5,716	3,352
Interest and dividends received	34	35
Interest paid	(52)	(5)
Income taxes paid	(1,848)	(589)
Income taxes refund	—	346
Payments for performance of guarantee obligation	(1,810)	—
Net cash provided by (used in) operating activities	2,039	3,139
Cash flows from investing activities		
Payments into time deposits	(8,620)	(5,210)
Proceeds from withdrawal of time deposits	11,070	5,870
Purchase of property, plant and equipment	(1,781)	(1,240)
Purchase of investment securities	(800)	(100)
Other, net	(25)	736
Net cash provided by (used in) investing activities	(156)	55
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	297	(320)
Proceeds from long-term borrowings	—	280
Repayments of long-term borrowings	(167)	(427)
Purchase of treasury shares	(575)	(925)
Dividends paid	(1,512)	(1,078)
Other, net	(17)	(30)
Net cash provided by (used in) financing activities	(1,975)	(2,501)
Effect of exchange rate change on cash and cash equivalents	31	229
Net increase (decrease) in cash and cash equivalents	(60)	922
Cash and cash equivalents at beginning of period	5,598	5,147
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(390)	—
Cash and cash equivalents at end of period	5,147	6,070

## (5) Notes to Consolidated Financial Statements

## (Notes on Going Concern Assumption)

There is no relevant information.

## (Additional Information)

## (Litigation)

J Steel Group Pty Limited (hereinafter “J Steel”), a former consolidated subsidiary of the Company, arranged a guarantee provided by a financial institution for the performance of a construction contract J Steel won in Australia to the customer that placed the order (hereinafter the “Customer”). After the Customer exercised its rights and the bank fulfilled the guarantee in the fiscal year ended August 31, 2023, a contractual obligation arose for J Steel to pay 11 million Australian dollars (1,100 million yen) to the bank. As the Company had set a parent-company guarantee for the financial institution guarantee, it made the repayment in subrogation of 11 million Australian dollars (1,100 million yen) to the financial institution and booked the amount in “Other” under “Investments and other assets” on the consolidated balance sheets as a claim against J Steel. J Steel is currently undertaking legal action trying to recover the claimed amount from the Customer. The Company and J Steel signed an agreement whereby the subrogation amount will be returned to the Company if the amount is recovered and have agreed to cooperate in resolving the dispute. However, considering the way J Steel is addressing the dispute and other factors, we have determined that the likelihood of an early settlement has decreased and that continuing with this agreement would lead to a decrease in the amount we can recover as fees to professionals and other costs continue to accumulate.

Given these circumstances, we asked J Steel to terminate the agreement and exercised our rights to the claim afresh, and examined J Steel’s financial position and other factors. As a result, we set an allowance for doubtful accounts for the expected unrecoverable amount and recorded 523 million yen in provision of allowance for doubtful accounts under extraordinary losses.

(Note) The amount in parentheses was calculated using the exchange rate as of the last day of August 2024.

(Segment Information, etc.)

[Segment Information]

1. Overview of reportable segments

The Company's reportable segments are the units of the Company for which discrete financial information is available and for which the Board of Directors regularly conducts a review to determine allocation of management resources and assess performance.

The Company engages in business activities as a company coping with social problems caused by construction works home and abroad, by developing machines and new methodologies which make maximum use of the superiority of the Press-in Method.

Therefore, the Company consists of two reportable segments: "Construction Machinery Segment" and "Press-in Work Segment." The main products and services of each reportable segment are as follows:

Construction Machinery Segment • • • Development, manufacture, sale, rental and maintenance services of hydraulic press-in and extraction machines and auxiliary equipment

Press-in Work Segment • • • Press-in works and foundation works, and underground development

2. Method of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods applied for reportable segments are generally the same as those for consolidated financial statements preparation.

Segment income of reportable segments represents figures based on operating profit.

Internal sales and transfers between segments are based on prevailing market prices.

## 3. Information on the amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment and disaggregation of revenues

Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Reportable segments		Total	Adjusted amount (Notes 1, 3)	Posted amount to the consolidated financial statements (Notes 2)
	Construction Machinery	Press-in Work			
Net sales					
Japan	18,699	6,480	25,180	—	25,180
Other regions	2,053	2,038	4,092	—	4,092
Revenue from contracts with customers	20,752	8,519	29,272	—	29,272
Net sales to external customers	20,752	8,519	29,272	—	29,272
Intersegment net sales and transfer	523	276	800	(800)	—
Total	21,276	8,796	30,072	(800)	29,272
Segment profit	4,668	875	5,544	(2,560)	2,983
Segment assets	42,486	7,696	50,182	1,206	51,388
Other items					
Depreciation	1,475	91	1,566	263	1,829
Increased amount in property, plant and equipment and intangible assets	1,467	118	1,585	16	1,601

- (Notes)1. The segment income adjustment of negative 2,560 million yen includes inter-segment transaction eliminations of 27 million yen and corporate expenses not allocated to any reportable segment of negative 2,588 million yen. The corporate expenses are mainly general administrative expenses not belonging to any reportable segment.
2. Segment income is adjusted with operating profit presented in the consolidated statement of income.
3. The segment assets adjustment of 1,206 million yen includes inter-segment credit elimination of negative 1,472 million yen and corporate assets not allocated to any reportable segment of 2,678 million yen.



Fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

	Reportable segments		Total	Adjusted amount (Notes 1, 3)	(Millions of yen) Posted amount to the consolidated financial statements (Notes 2)
	Construction Machinery	Press-in Work			
Net sales					
Japan	17,266	8,220	25,486	—	25,486
Other regions	3,674	320	3,994	—	3,994
Revenue from contracts with customers	20,940	8,540	29,481	—	29,481
Net sales to external customers	20,940	8,540	29,481	—	29,481
Intersegment net sales and transfer	461	142	604	(604)	—
Total	21,402	8,683	30,085	(604)	29,481
Segment profit	4,624	1,161	5,786	(2,462)	3,324
Segment assets	39,865	7,834	47,700	429	48,129
Other items					
Depreciation	1,243	78	1,322	262	1,584
Increased amount in property, plant and equipment and intangible assets	1,268	68	1,337	9	1,347

- (Notes)1. The segment income adjustment of negative 2,462 million yen includes inter-segment transaction eliminations of 110 million yen and corporate expenses not allocated to any reportable segment of negative 2,572 million yen. The corporate expenses are mainly general administrative expenses not belonging to any reportable segment.
2. Segment income is adjusted with operating profit presented in the consolidated statement of income.
3. The segment assets adjustment of 429million yen includes inter-segment credit elimination of negative 1,802 million yen and corporate assets not allocated to any reportable segment of 2,232 million yen.

## [Relevant Information]

Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

## 1. Information by product and service

Information by product and service is omitted here since the same information is described as segment information.

## 2. Information by region

## (1) Net sales

(Millions of yen)

Japan	Other regions	Total
25,180	4,092	29,272

(Note) Major regions that belong to “Other regions” are as follows:

Europe, Asia, North America, South America, and Oceania

## (2) Property, plant and equipment

This information is omitted because more than 90% of the amount of property, plant and equipment stated in the consolidated balance sheet is located in Japan.

## 3. Information by major customer

(Millions of yen)

Customer name	Net sales	Name of related segment
ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.	3,146	Construction Machinery Segment

Fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

## 1. Information by product and service

Information by product and service is omitted here since the same information is described as segment information.

## 2. Information by region

## (1) Net sales

(Millions of yen)

Japan	Other regions	Total
25,486	3,994	29,481

(Note) Major regions that belong to “Other regions” are as follows:

Europe, Asia, North America, and South America

## (2) Property, plant and equipment

Information on property, plant and equipment is omitted since the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment stated in the consolidated balance sheet.

## 3. Information by major customer

(Millions of yen)

Customer name	Net sales	Name of related segment
ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.	3,404	Construction Machinery Segment

## [Information on Impairment Loss for Fixed Assets by Reportable Segment]

Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Construction Machinery	Press-in Work	Corporate and elimination	Total
Impairment losses	—	—	115	115

(Note) The amount of “Corporate and elimination” represents an impairment loss on corporate assets, which do not belong to any reportable segment.

Fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(Millions of yen)

	Construction Machinery	Press-in Work	Corporate and elimination	Total
Impairment losses	206	—	—	206

## [Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment]

There is no relevant information.

## [Information on Gain on Negative Goodwill by Reportable Segment]

There is no relevant information.

## (Per Share Information)

	Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)	Fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)
Net assets per share	1,452.90 Yen	1,511.02 Yen
Profit per share	30.82 Yen	90.99 Yen

(Note) The basis of calculation of profit per share is as follows:

	Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)	Fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)
Profit per share		
Profit attributable to owners of parent (millions of yen)	846	2,437
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent concerning common shares (millions of yen)	846	2,437
Average number of common shares during the fiscal year (shares)	27,474,392	26,787,641

## (Material Subsequent Events)

There is no relevant information.