



Construction Revolution



Third Quarter of FY2024 (September 2023 to May 2024)



GIKEN LTD. Financial Results Overview

July 10 , 2024

<stock code: 6289>

Forward-Looking Statements Disclaimer

Except for historical facts, certain information provided in this document, such as our and our group's current policies and management strategies, contains "forward-looking statements" based on currently available information, including statements about the future. These statements, which are based on estimates, projections, or risky assumptions, involve uncertainties that could cause results to differ materially from those anticipated in the statements.

Such risks and uncertainties include general domestic and international economic conditions, such as national economic conditions, industrial and market conditions, interest rates, commodity prices, and exchange rate fluctuations.

We are not obligated to update or revise "forward-looking statements" provided in this document, even in the event of new information or future developments.

This document has been translated into English. In case of any difference in meaning between the original Japanese text and the English translation, the Japanese text shall prevail.

Financial Results Overview for the Third Quarter of FY2024

Financial Results Trend

Unit: Millions of JPY

	FY2022	FY2023		FY2024	
	First Nine Months Actual	First Nine Months Actual	YoY	First Nine Months Actual	YoY
Net sales	20,768	21,196	+2.1%	22,133	+4.4%
Gross profit (Gross Margin)	8,195 (39.5%)	7,951 (37.5%)	-3.0%	8,363 (37.8%)	+5.2%
Operating profit (Operating Profit Margin)	3,174 (15.3%)	2,176 (10.3%)	-31.4%	2,837 (12.8%)	+30.4%
Ordinary profit	3,315	2,253	-32.0%	3,132	+39.0%
Profit^{※1}	2,200	223^{※2}	-89.9%	2,218	+894.5%
Profit Per Share	JPY 80.05	JPY 8.11	-89.9%	JPY 82.78	+920.7%

※1 Profit: Net income attributable to GIKEN LTD.

※2 An extraordinary losses of JPY1,367M for loss on a liquidation of subsidiaries and associates was recorded for the 3Q of FY 2023.

Domestic and Overseas Sales Comparison

Unit: Millions of JPY

	FY2022	FY2023		FY2024	
	First Nine Months Actual	First Nine Months Actual	YoY	First Nine Months Actual	YoY
Net sales	20,768	21,196	+2.1%	22,133	+4.4%
Domestic Sales	16,834	18,044	+7.2%	19,351	+7.2%
Overseas Sales	3,934	3,151	-19.9%	2,782	-11.7%
Overseas Ratio	18.9%	14.9%	-4.0%pt	12.6%	-2.3%pt

(Note) The number of overseas consolidated subsidiaries decreased by one in June 2023.

Net Sales and Operating Profit – Comparison with Previous Year

Results for first
nine months of
FY2023

Results for first
nine months of
FY2024

Unit: Millions
of JPY

21,196

22,133

6,548

6,980

14,648

15,153

2,176

2,837

■ Construction Machinery
Segment Net Sales

■ Press-in Work Segment Net
Sales

▨ Operating profit

[Factors in sales changes]

- Construction Machinery Segment
 - Overseas product sales increased significantly.
 - Spikes in construction material prices, etc. affected sales of large-scale specialized machinery.
- Press-in Work Segment
 - Project orders steadily received for projects related to post-disaster reconstruction, national resilience strengthening, etc.
 - The number of overseas consolidated subsidiaries decreased by one in June 2023.

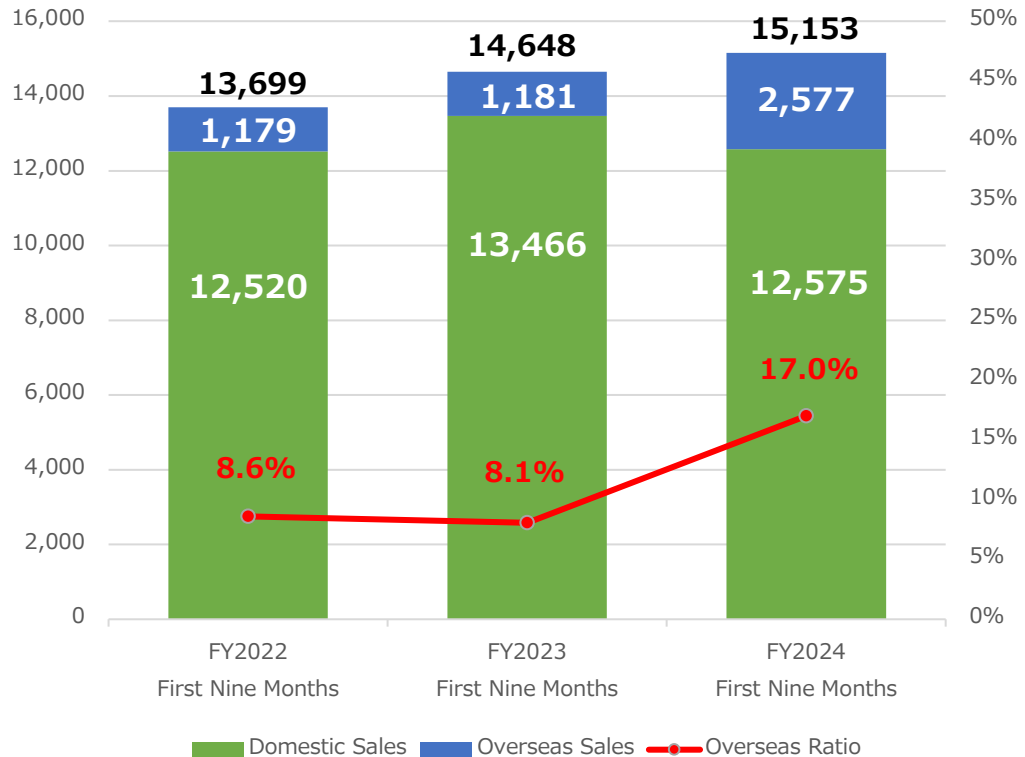
[Factors in operating profit changes]

- Gross profit increased in the Construction Machinery Segment, driven by sales increases and first-half sale of products with high gross margins.
- Selling, general and administrative expenses decreased thanks to downsized U.S. operations.

Trend of Net Sales by Segment

Construction Machinery

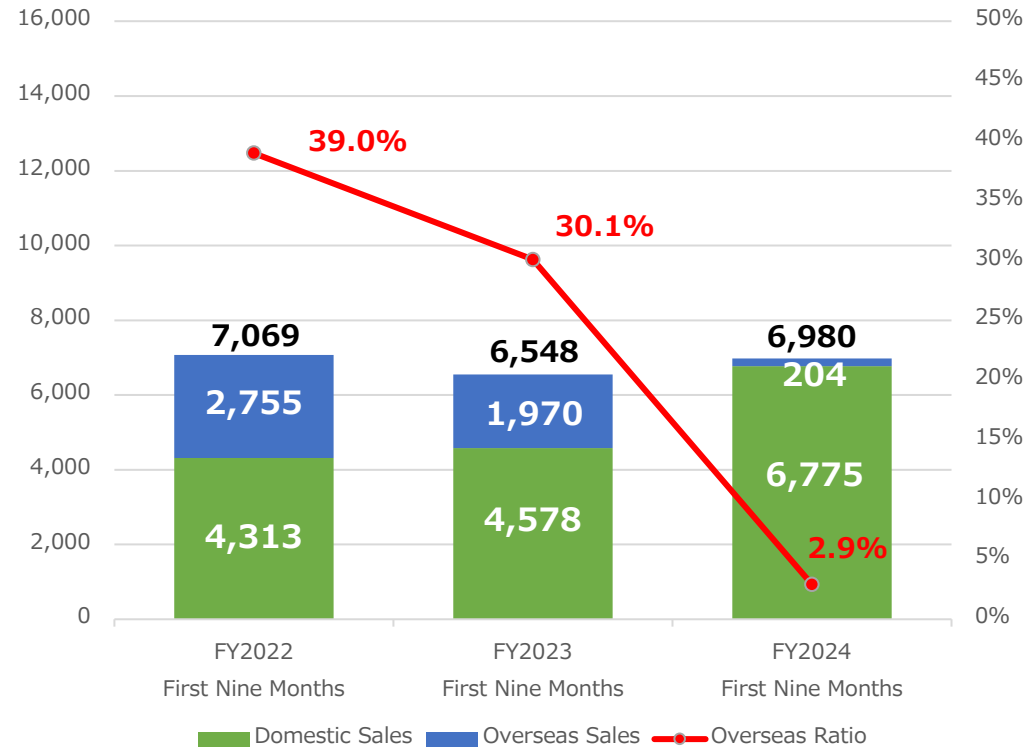
Unit: Millions of JPY



- [Factors in sales changes: 3Q (During the applicable 3 months)]
- Domestic:
- Solid sales for general machinery such as F112, a new hard-ground press-in machine.
 - Spikes in construction material prices, etc. affected sales of large-scale specialized machinery.
- Overseas:
- Delivered general machinery products to Macao's largest foundation work company, thanks to increased demand for pollution-free construction methods associated with urbanization, etc.
 - Delivered general machinery products to a user in Taiwan.
 - Delivered a hard-ground press-in machine for an ODA project in Indonesia.
 - Posted product sales in Brazil.

Press-in Work

Unit: Millions of JPY

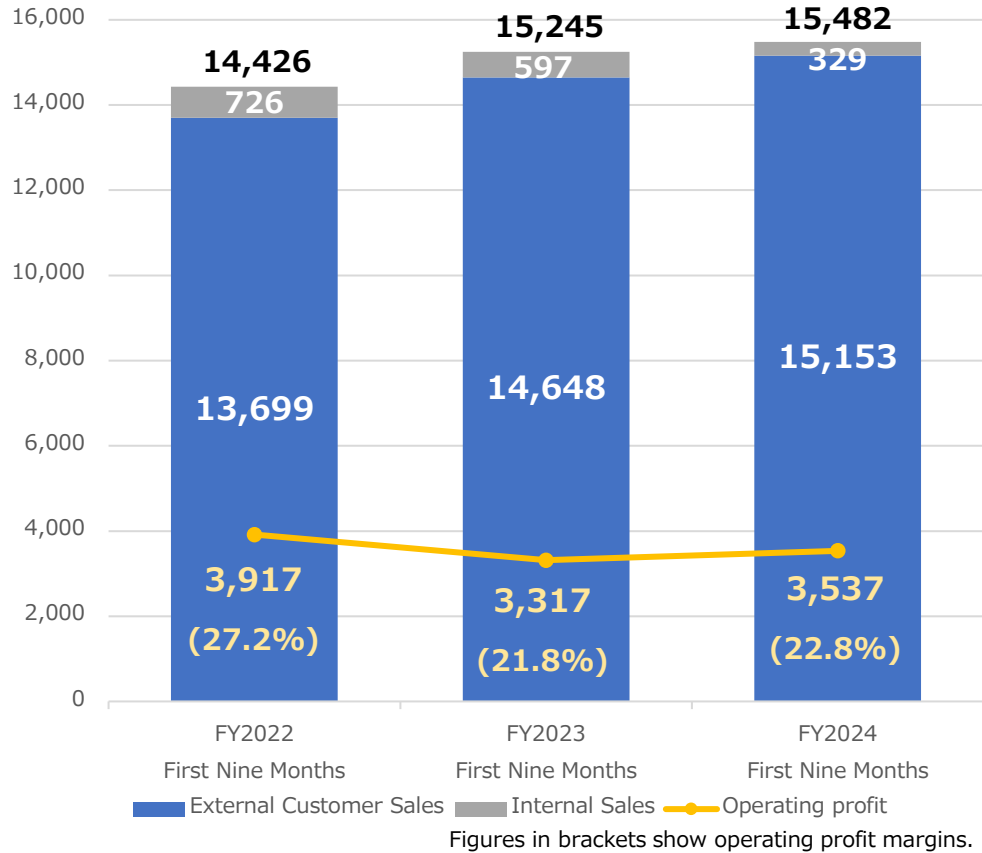


- [Factors in sales changes: 3Q (During the applicable 3 months)]
- Domestic:
- Project orders steadily received for projects related to post-disaster reconstruction, national resilience strengthening, etc.
- Overseas:
- Sales decreased in Oceania due to a decrease of one consolidated subsidiary in June 2023.

Trend of Operating Profit by Segment

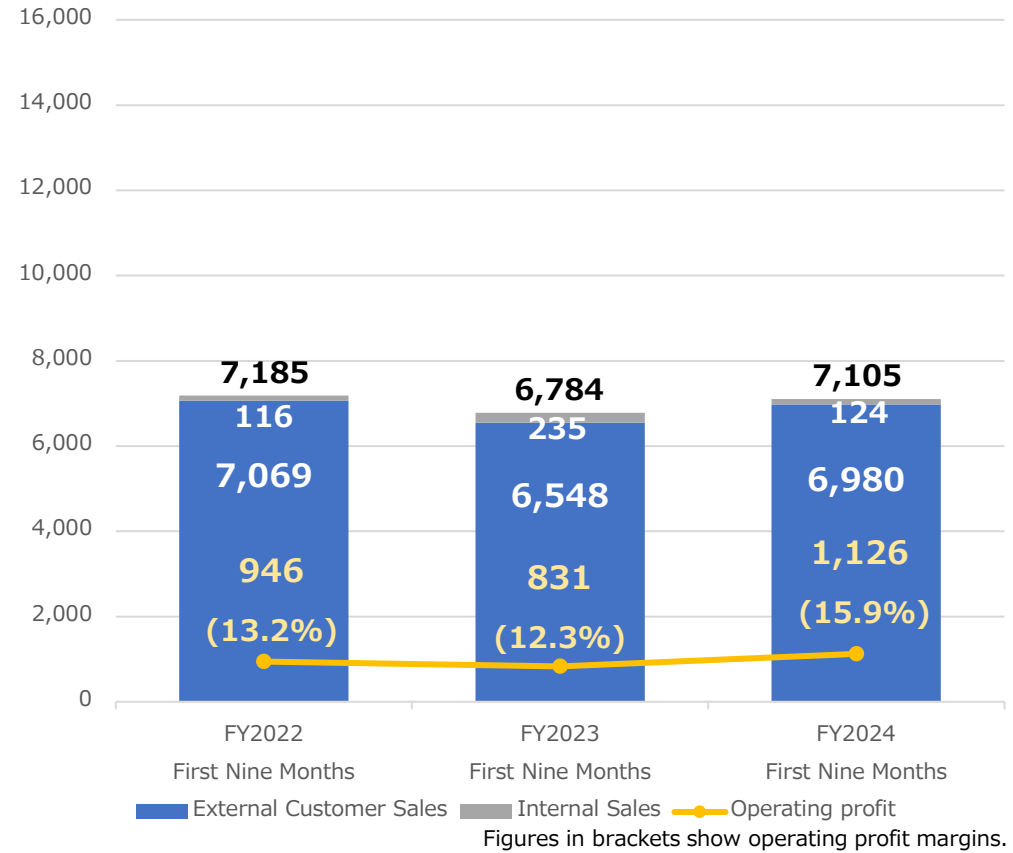
Construction Machinery

Unit: Millions of JPY



Press-in Work

Unit: Millions of JPY



[Factors in profit margin changes: 3Q (the applicable 3 months)]

- Product price revisions introduced in the previous fiscal year contributed to earnings.
- Sales decreased for large-scale specialized machinery with high gross margins.
- Decreasing in R&D expenses due to changes in development plan.

[Factors in profit margin changes: 3Q (the applicable 3 months)]

- Orders steadily received for high-gross margin projects.

Full-Year Forecast for FY2024

Forecast

Unit: Millions of JPY

	FY2024				
	1Q (Sep- Nov) Actual	2Q (Dec- Feb) Actual	3Q (Mar- May) Actual	4Q (Jun- Aug) Forecast	Full Year Forecast
Net sales	7,418	8,117	6,598	7,866	30,000
Operating profit	1,198	1,219	420	462	3,300
Ordinary profit	1,265	1,324	542	267	3,400
Profit*	872	977	368	181	2,400
Profit Per Share	JPY 32.49	JPY 36.52	JPY 13.76	JPY 6.91	JPY 89.68

* Profit: Net income attributable to GIKEN LTD.

Progress in Domestic and Overseas Operations

Progress of Overseas Projects

Adopted in reconstruction work for the Noto Satoyama Kaido expressway, which was damaged in the 2024 Noto Peninsula Earthquake.

Giken Seko built earth-retaining walls quickly, without closing the traffic.

The sheet piling work was conducted without traffic closure, thanks to the GRB™ system.



**Giken customers also won the contracts in some phases of this projects.
We could contributed for the early recovery.**

Establish Giken's business model in overseas

Building up press-in markets: Develop potential markets in response to the needs where we can serve through offering press-in technology based on Giken's expertise.

Growth of press-in industry: Expand the industry leading the press-in work through developing the press-in market and offering high added-value technology to address social issues.

Regions where market development is getting on track

■ Europe

- ✓ Market formation has been progressing in the Netherlands through a project of quay wall renovation for the World Heritage-listed canal in Amsterdam (shifted to commercialization phase), as well as a river embankment reinforcement work conducted as part of the Delta Program, among other projects.
- ✓ "GTOSS Europe," the European version of GTOSS, launched to strengthen our business foundation and improve customer loyalty in existing markets.
- ✓ Promotion of our method has been undertaken with our business partner Seika Sangyo GmbH (Head office: Germany).

■ Asia

- ✓ Market development in Thailand has been making steady progress mainly through river bank construction projects.
- ✓ In India, a new user we acquired in FY2022 is carrying out a construction project. Market research begun for the goal of expanding markets.
- ✓ Efforts in collaboration with partner company for market expansion in China progressing steadily.
- ✓ Market formation progressing in Taiwan, supported by increasing awareness about pollution from construction work.
- ✓ ODA market is expanding.

Other regions

■ North America

- ✓ Implementing market research and analysis for restructuring business strategy in each region with consideration of regional characteristics.
- ✓ "GTOSS North America," the North American version of GTOSS, launched

■ South America

- ✓ Aiming to develop business in Brazil, we are building the business plan (by the end of 2024) jointly with MITSUI & CO., LTD. supported by JICA, and are making technical proposals for infrastructure needed.

Building up markets which have steady growth in Europe and Asia through spreading the Giken's business model.

Applying this policy, we implemented our own actions overseas based on GIKEN's business model for accelerating overseas market expansion.

Progress of Overseas Projects

In April Taiwan, we gave a demonstration of the Hard Ground Press-in Method with “Flywheel Pile Auger”, in collaboration with AKTIO Corporation, a construction machinery rental giant company.



Expecting further adoptions in Northern Taiwan, where many areas have hard ground. Over 100 construction industry insiders participated.



Construction Revolution

Implant method change the Worldwide Construction