



# Operating Results for FY2024 1Q



Kyokuto Kaihatsu Kogyo Co., Ltd.  
**TSE Prime: 7226**

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# 1. Overview of Kyokuto Kaihatsu Kogyo

## Special Purpose Vehicles Business



Manufacture, mounting, sale, and repair of special purpose vehicles and other transportation equipment, and manufacture and sale of parts thereof.  
Manufacture and sale of trailers, truck bodies, etc.



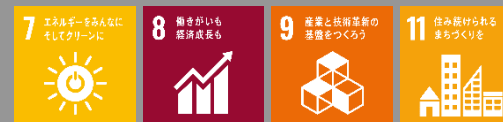
## Environmental Equipment and Systems Business



Manufacture, sale, and repair of environmental improvement/maintenance equipment and facilities, and manufacture and sale of parts thereof.  
Operation and management of environmental improvement/maintenance equipment and facilities.



## Car Parking Systems Business



Manufacture, installation, sale and repair of multi-story parking equipment and systems.  
Business management of parking lots (pay-and-display parking lots).



## Kyokuto Kaihatsu Kogyo Co., Ltd.

As of June 30, 2024

Consolidated subsidiaries 11 companies

⊙ Affiliated companies accounted for by the equity method 6 companies

○ Affiliated companies not accounted for by the equity method 3 companies

### Special Purpose Vehicles Business

NIPPON TREX
FE-AUTO
Shinko Automobile
Hokuriku Heavy Industries
Inoue Motor ⊙
Kyushu Tokusyu Motors ○

### Environmental Equipment and Systems Business

Kyokuto Service Engineering
Kyokuto Service Engineering Hokkaido
Mori Plant ⊙
Eco Facility Funabashi ⊙
Eco Facility Nishinomiya ○

### Car Parking Systems Business

Kyokuto Kaihatsu Parking
Sasashima Live Parking ⊙
F.E.E.

Overseas Sites

KYOKUTO KAIHATSU(KUNSHAN) MACHINERY
KYOKUTO SPECIAL AUTOMOBILES TRADING(SHANGHAI) ⊙
SATRAC ENGINEERING
KYOKUTO INDOMOBIL MANUFACTURING INDONESIA
KYOKUTO INDOMOBIL DISTRIBUTOR INDONESIA ⊙
KYOKUTO AUSTRALIA ○

# Our Strengths

- ◆ **Wide variety of models and lineups** as the general manufacturer in the No.1 position in terms sales of special purpose vehicles
- ◆ Great number of products with **high market share** in our lineup
- ◆ **Technical capabilities** that can meet diverse customer needs
- ◆ **Aggressive efforts to develop new technologies** such as electrification technology, AI and IoT
- ◆ Dynamic **overseas expansion**
- ◆ **Extensive track record** of delivering recycling plants to over 200 locations in Japan and **strong at stock-type (recurring) business**
- ◆ **Initiatives in new fields** such as biomass plants



⇒ **Stable player in the field of “social-infrastructure-supporting products,” albeit a niche market**

## 2. Results of FY2024 1Q

# Summary of Consolidated Financial Results for FY2024 1Q



Millions of yen	Fiscal year	FY2023 1Q	FY2024 1Q	Change	Percentage
Net sales		26,091	28,626	+ 2,534	+9.7%
Operating profit		- 87	931	+ 1,018	-
Ordinary profit		419	1,292	+ 873	+208.2%
Profit attributable to owners of parent		220	820	+ 599	+272.0%
Special Purpose Vehicles Business: Orders Received		21,632	25,892	+ 4,260	+19.7%
Special Purpose Vehicles Business: Order Backlogs		84,294	84,842	+ 548	+0.7%

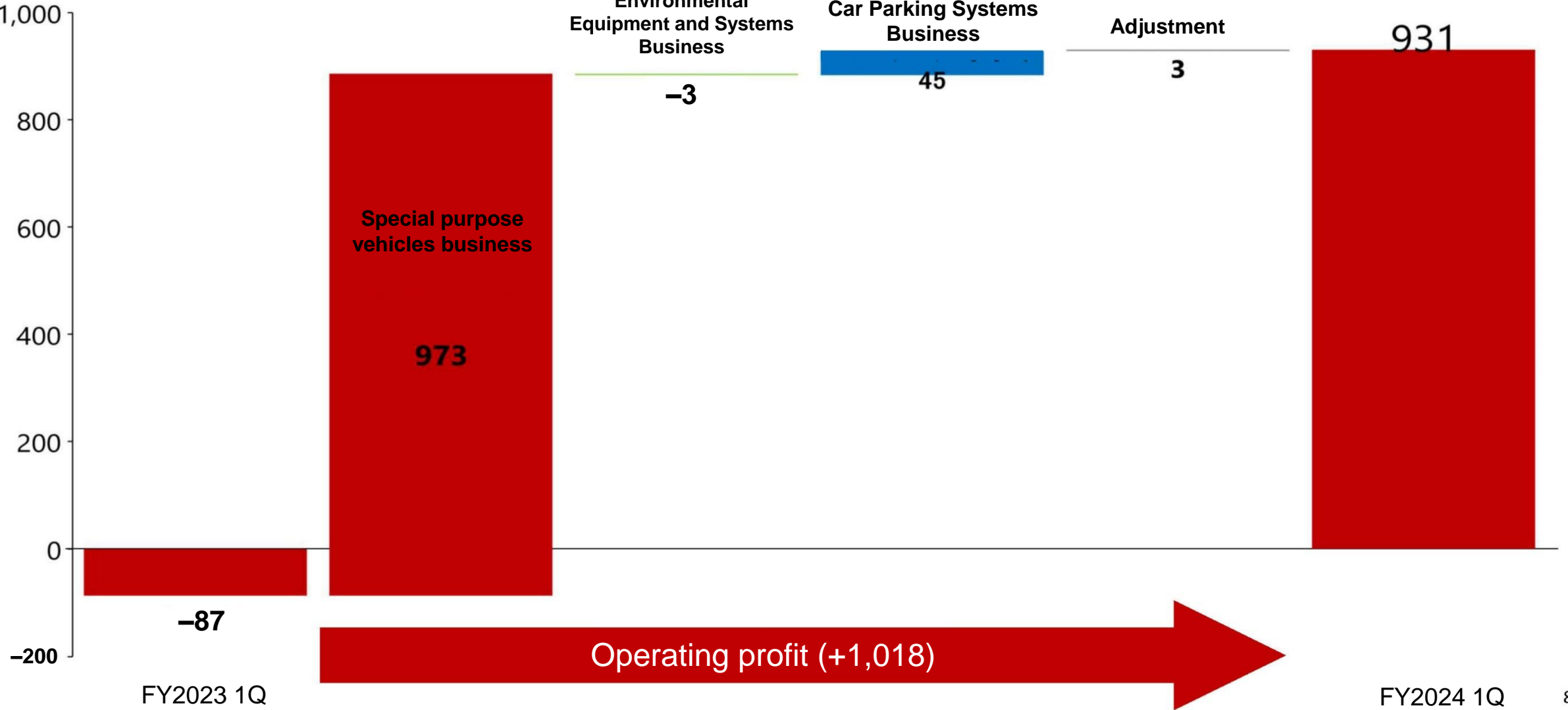
<b>FY2024 1Q</b>  <b>Key points of consolidated operating results</b>	<b>✓ Special Purpose Vehicles Business</b>	<b>Productivity was enhanced as chassis delivery delays were improving                      + Effect of product price revisions                      ⇒ Both net sales and profit grew</b>
	<b>✓ Environmental Equipment and Systems Business</b>	<b>Both net sales and profit were on a level similar as the previous year</b>
	<b>✓ Car Parking Systems Business</b>	<b>Both net sales and profit increased</b>



# Factors Causing Increase / Decrease in Consolidated Operating Profit (by segment)



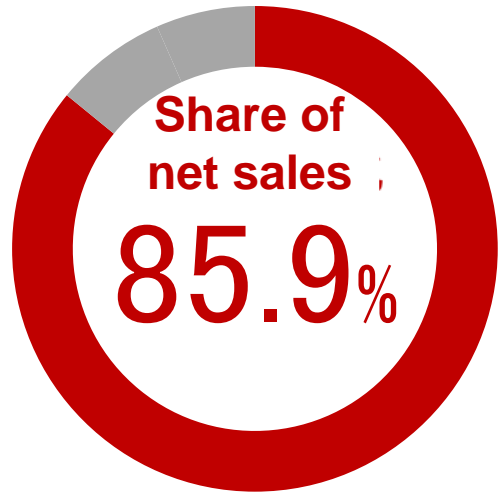
(Millions of yen)



FY2023 1Q

FY2024 1Q

## **3. Results by Segment**



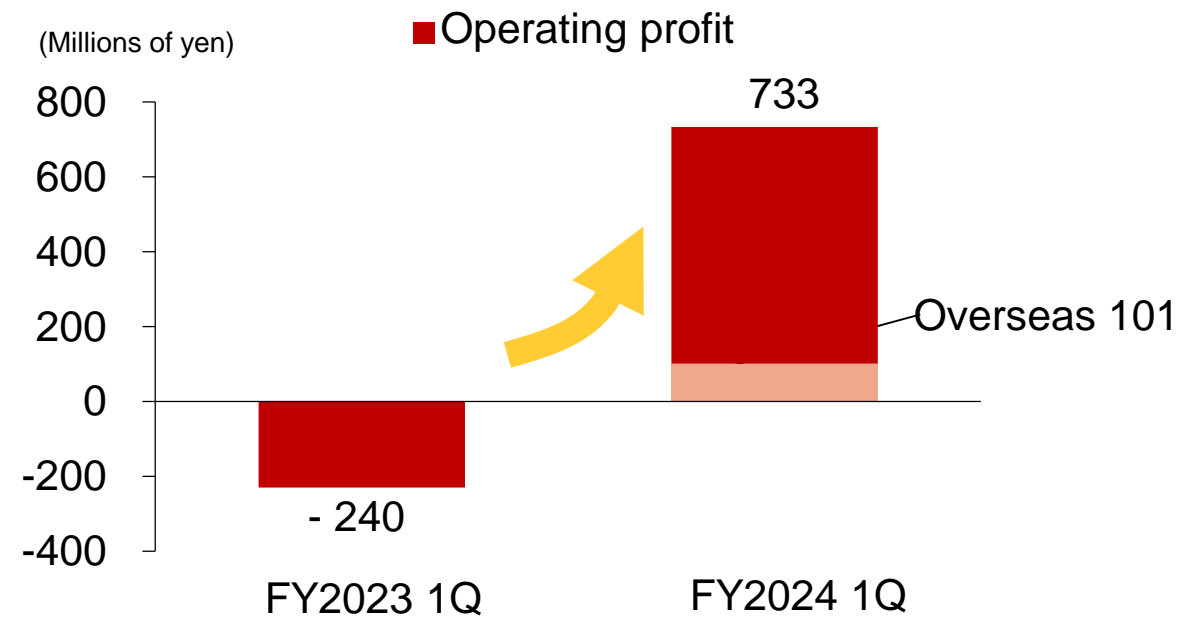
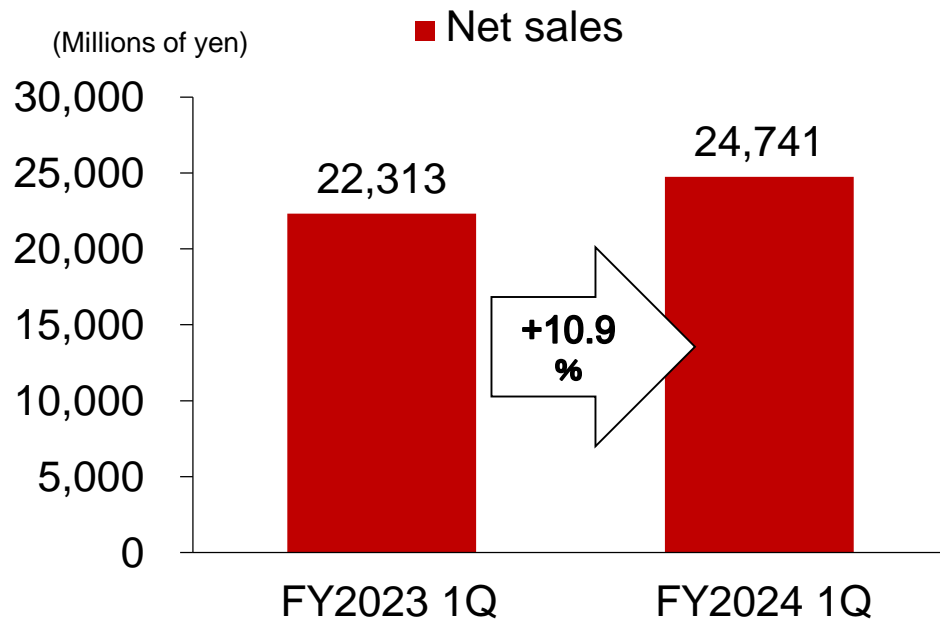
As of FY2024 1Q

## Net sales (+10.9%)

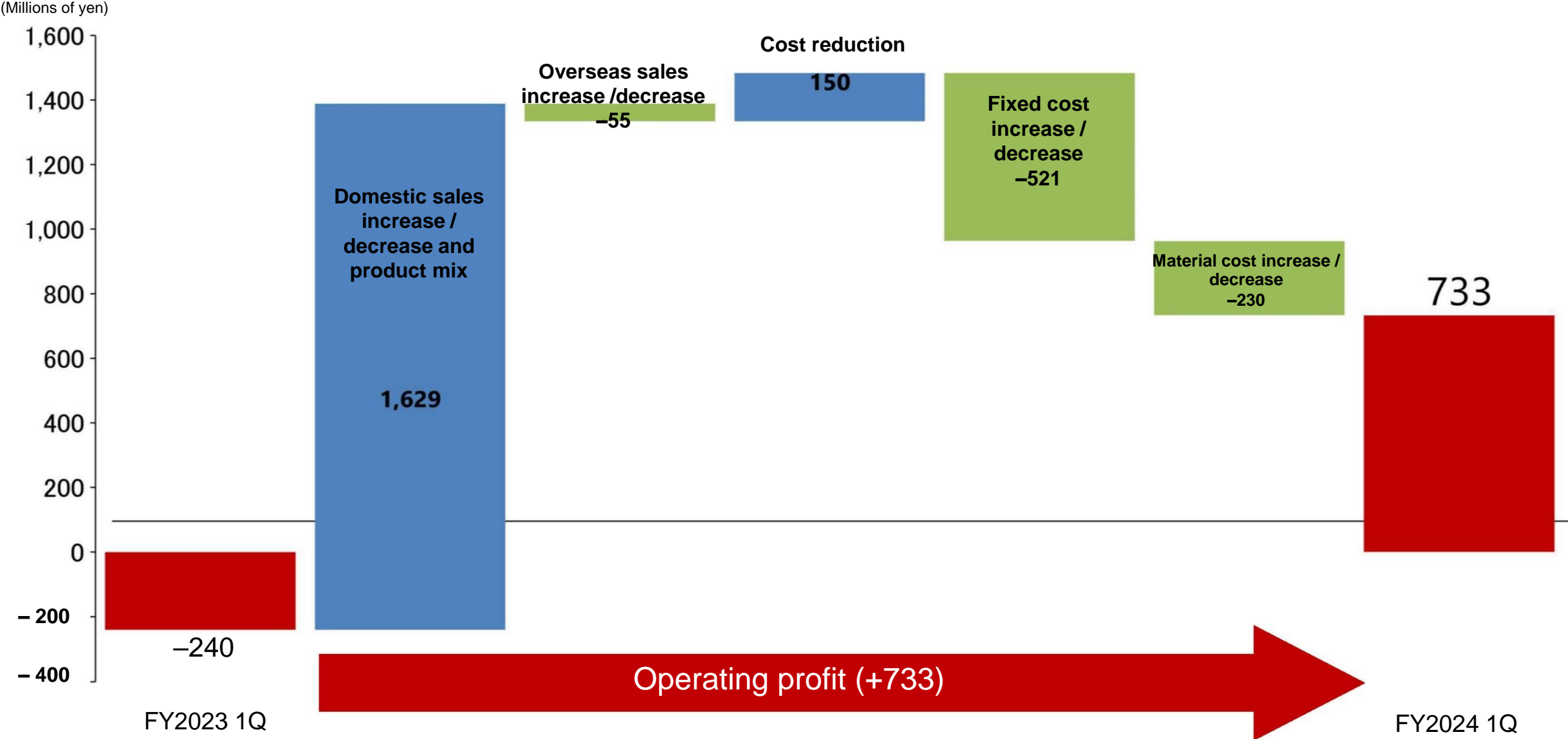
- ↗ Supply of truck chassis in Japan was improving ⇒ Productivity rose
- ↗ Increase in the wake of product price revisions

## Operating profit (turned profitable)

- ↗ Profitability improved through product price revisions



# Factors Causing Increase / Decrease in Consolidated Operating Profit (Special Purpose Vehicles Business)



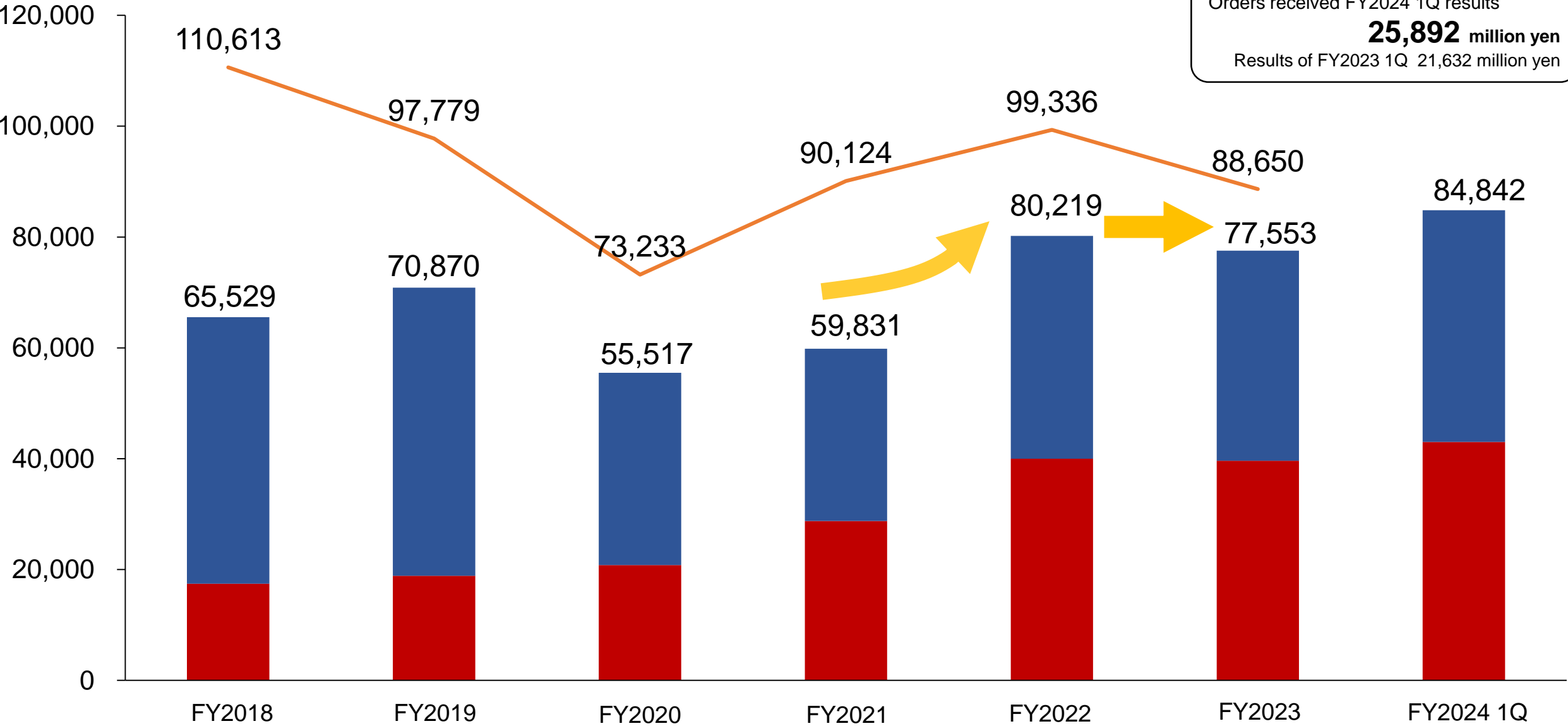
# Special Purpose Vehicles Business: Orders Received and Backlog



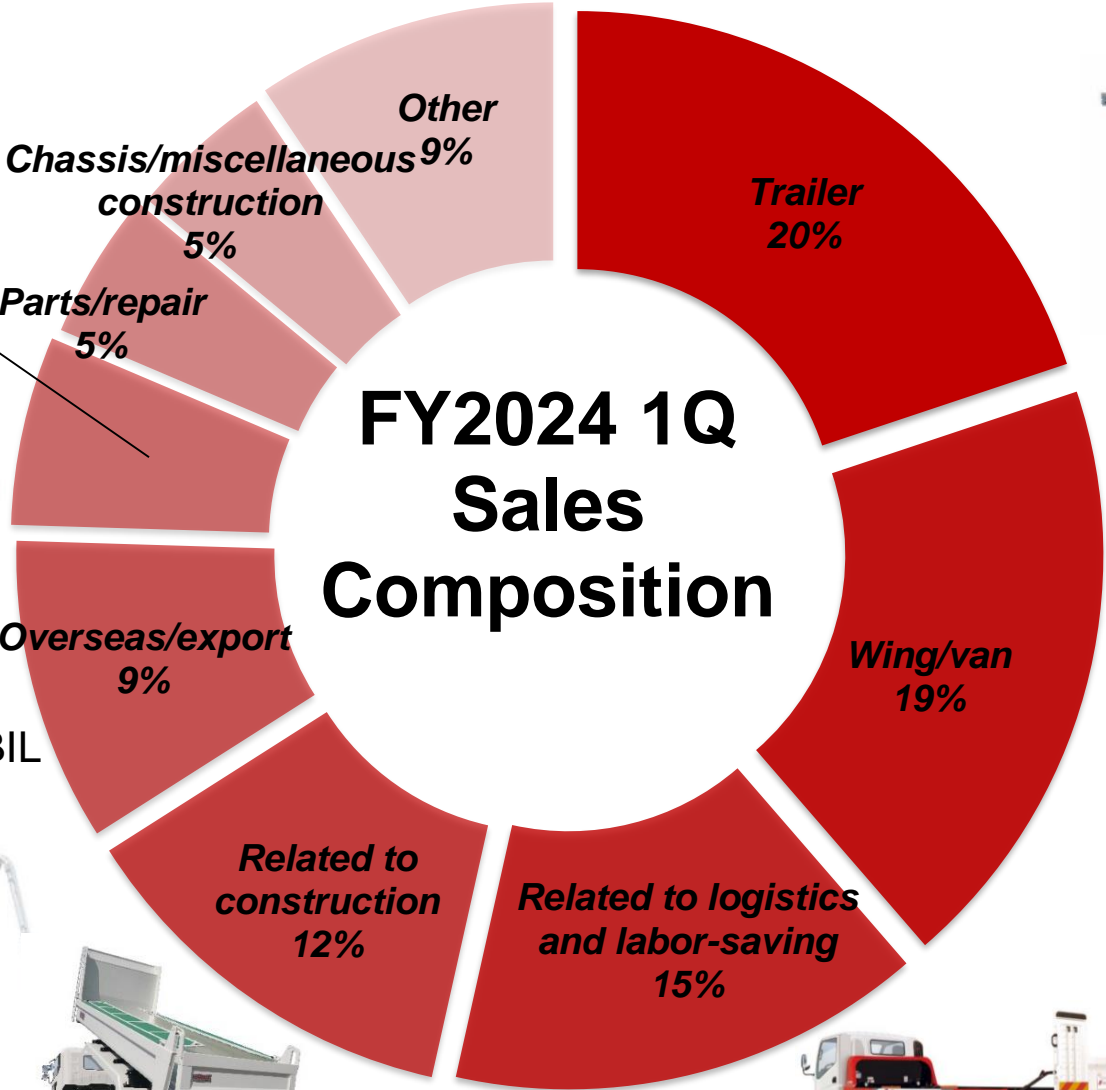
■ KYOKUTO Order backlog ■ TIREX Order backlog — Total of orders received

(Millions of yen)

Orders received FY2024 1Q results  
**25,892 million yen**  
 Results of FY2023 1Q 21,632 million yen



## FY2024 1Q Sales Composition



Related to the environment/welfare/work and others 6%



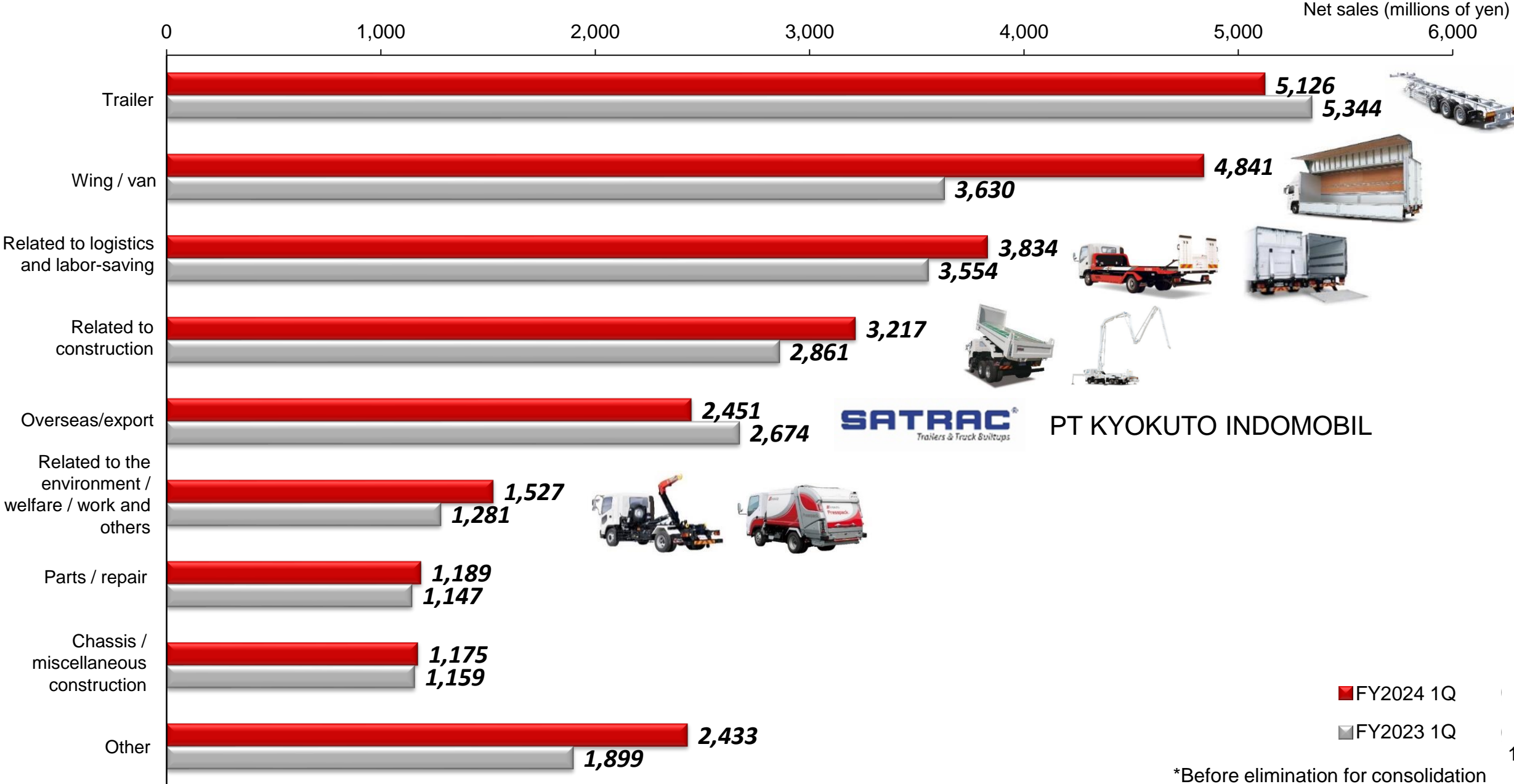
**SATRAC**  
Trailers & Truck Builtups

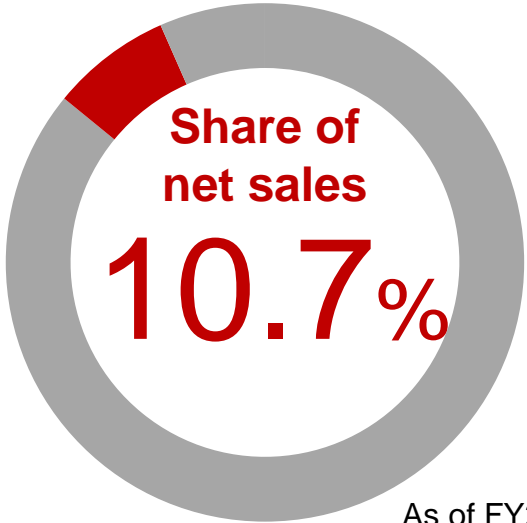
PT KYOKUTO INDOMOBIL



\*Before elimination for consolidation

# Special Purpose Vehicles Business: Net Sales by Product





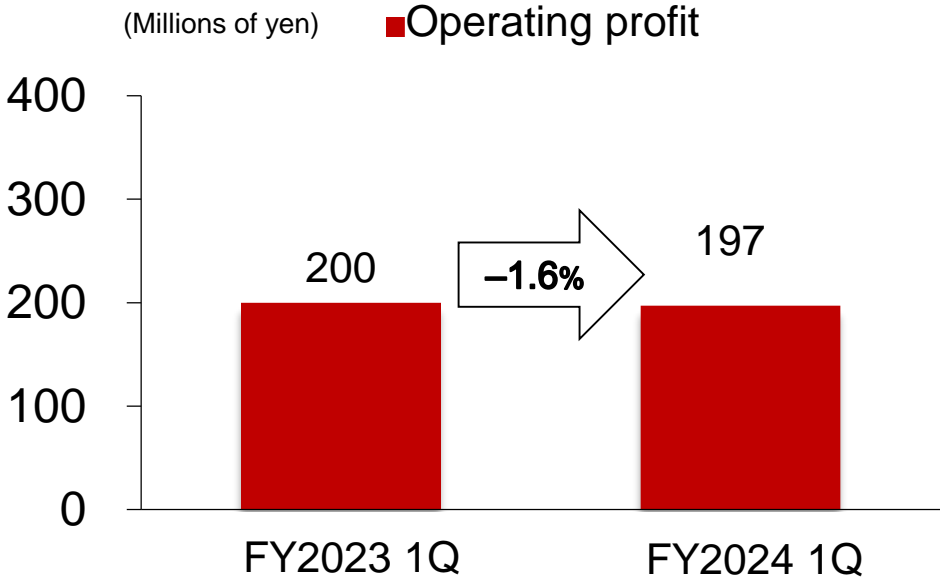
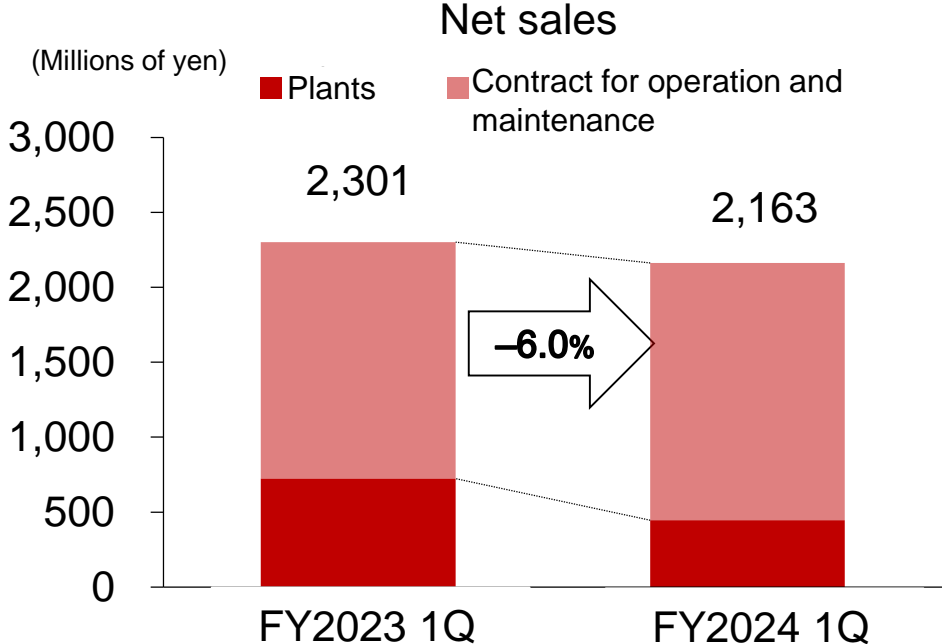
As of FY2024 1Q

**Net sales (-6.0%)**

- ➔ Plant construction: Continuation of construction of projects from backlog
- ➔ Focus on stock-type business of winning contracts for maintenance and operation

**Operating profit (-1.6%)**

- ➔ Stayed on a level similar as FY2023 1Q





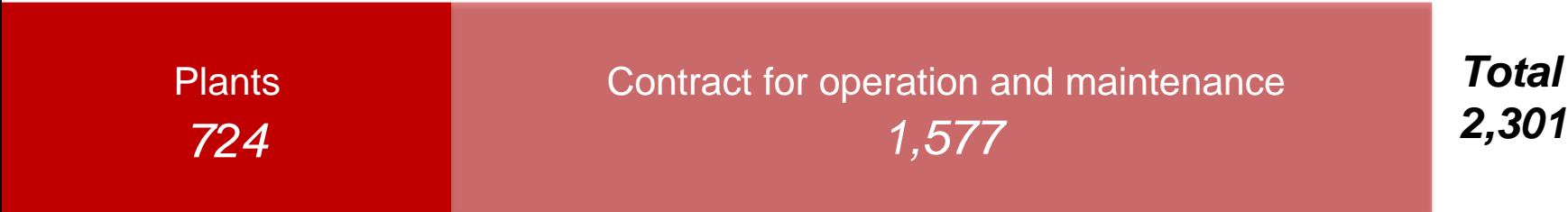
# Environmental Equipment and Systems Business: Comparison in Net Sales



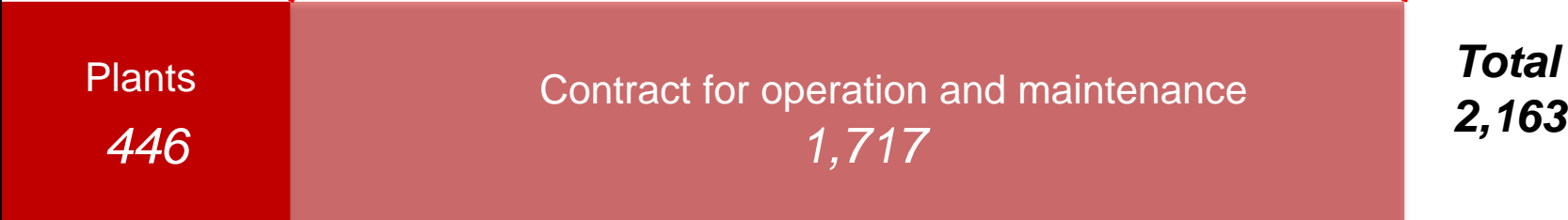
Net sales (millions of yen)

0 500 1,000 1,500 2,000 2,500 3,000

FY2023 1Q



FY2024 1Q

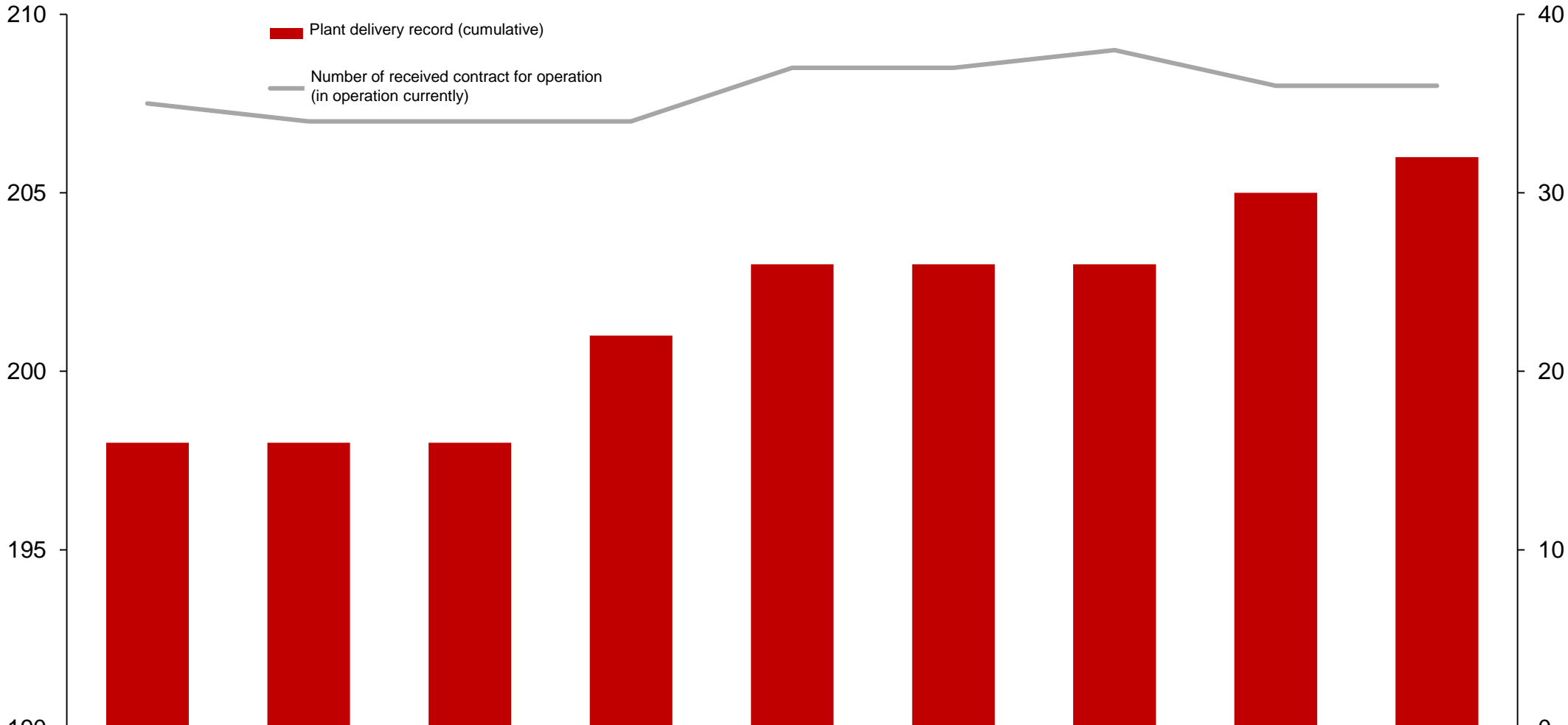


# Environmental Equipment and Systems Business: Trend of Results

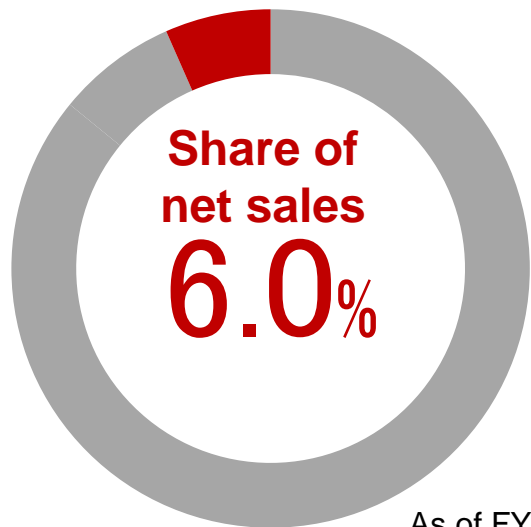


(Plants/unit)

(Acquired contract for operation/case)



Plant delivery record (cumulative)	198	198	198	201	203	203	203	205	206
Number of received contract for operation (in operation currently)	35	34	34	34	37	37	38	36	36



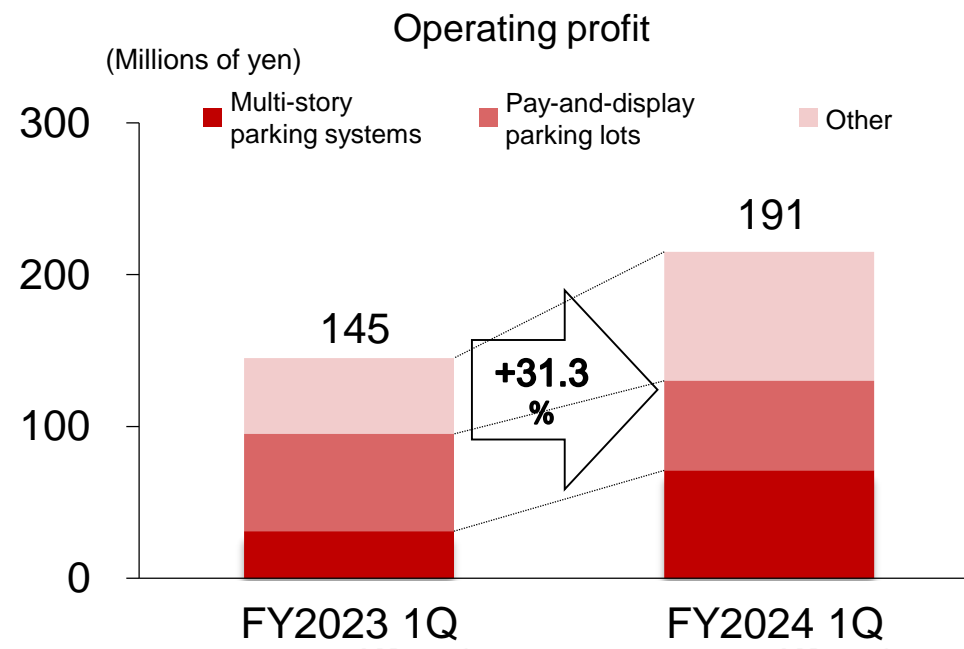
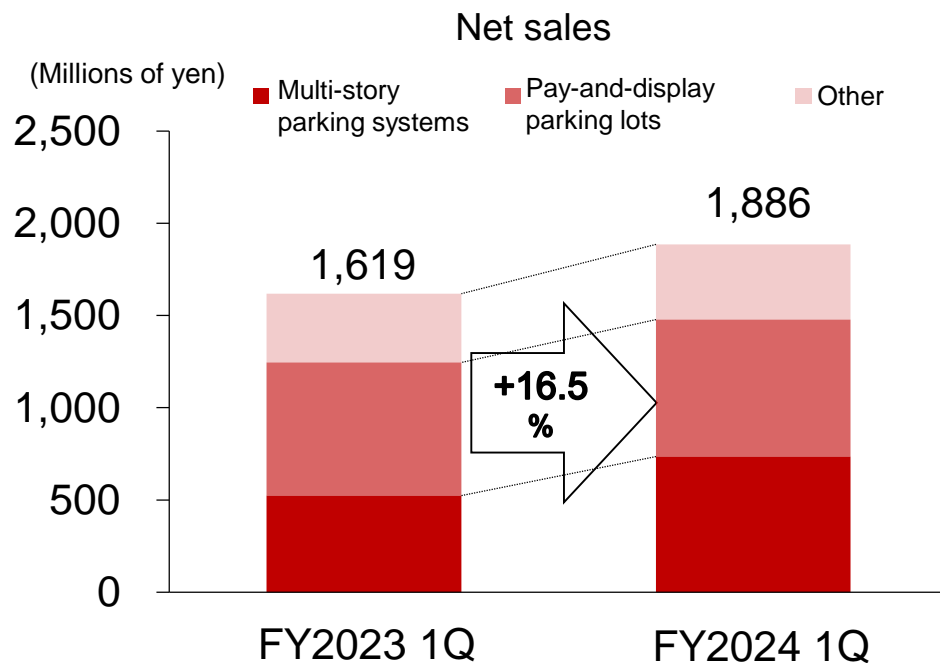
As of FY2024 1Q

## Net sales (+16.5%)

- ↗ In multi-story parking systems, both new orders and maintenance contracts increased significantly
- ↗ Net sales of pay-and-display parking lots increased slightly as the operational rate continued recovering from the previous year

## Operating profit (+31.3%)

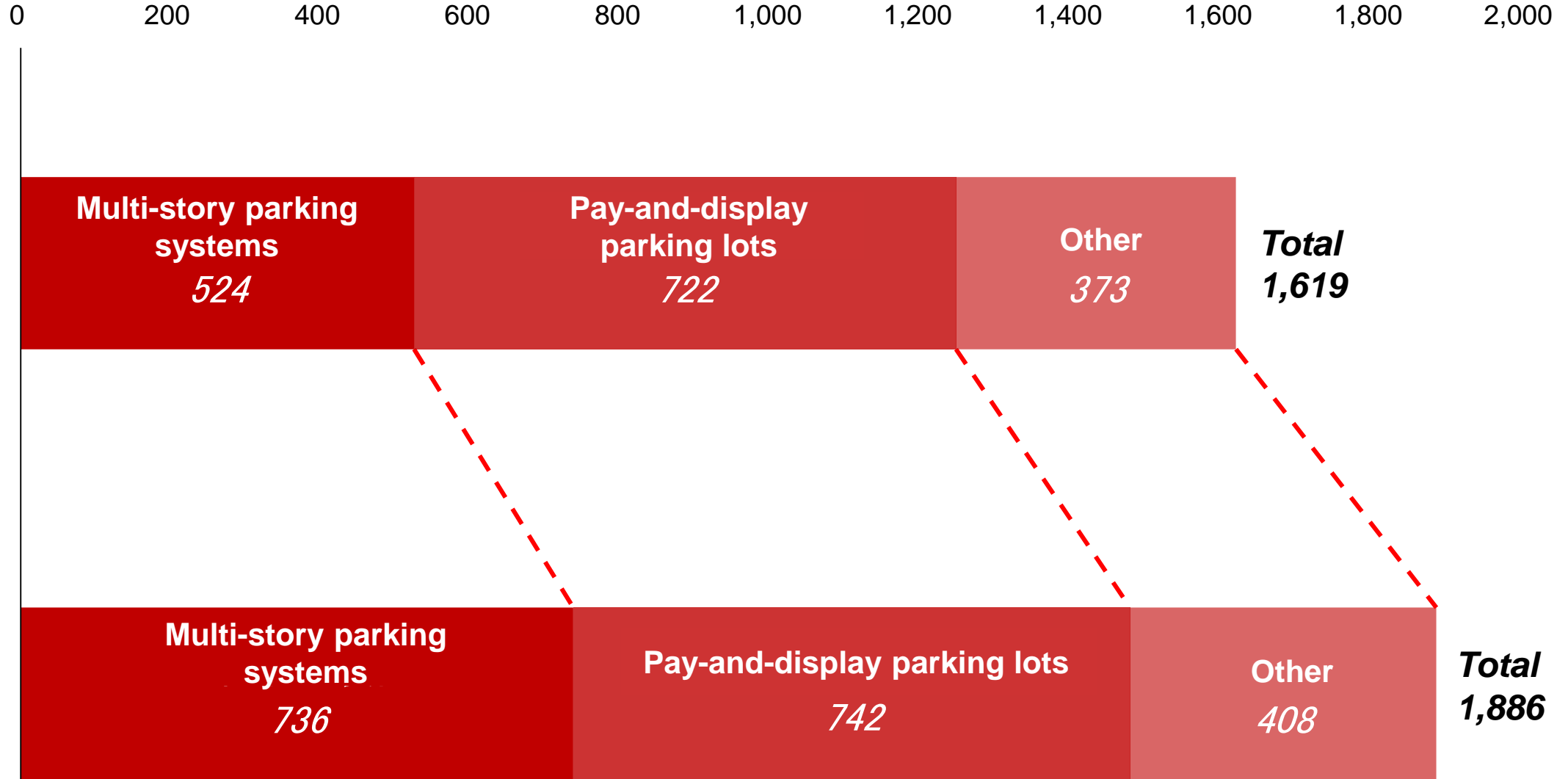
- ↗ The stock-type business (renovation and maintenance) of multi-story parking systems made a massive contribution, raising overall profits



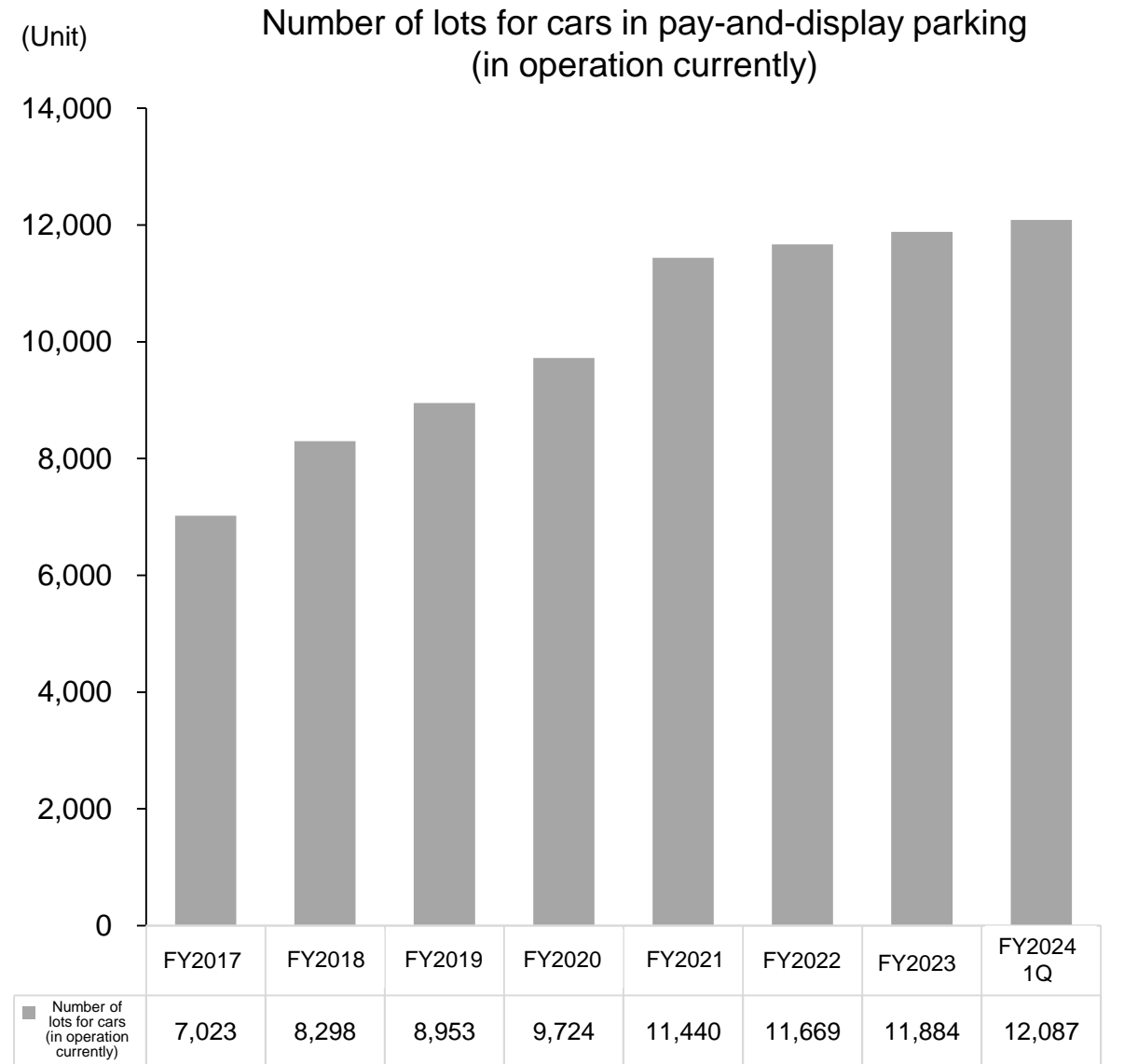
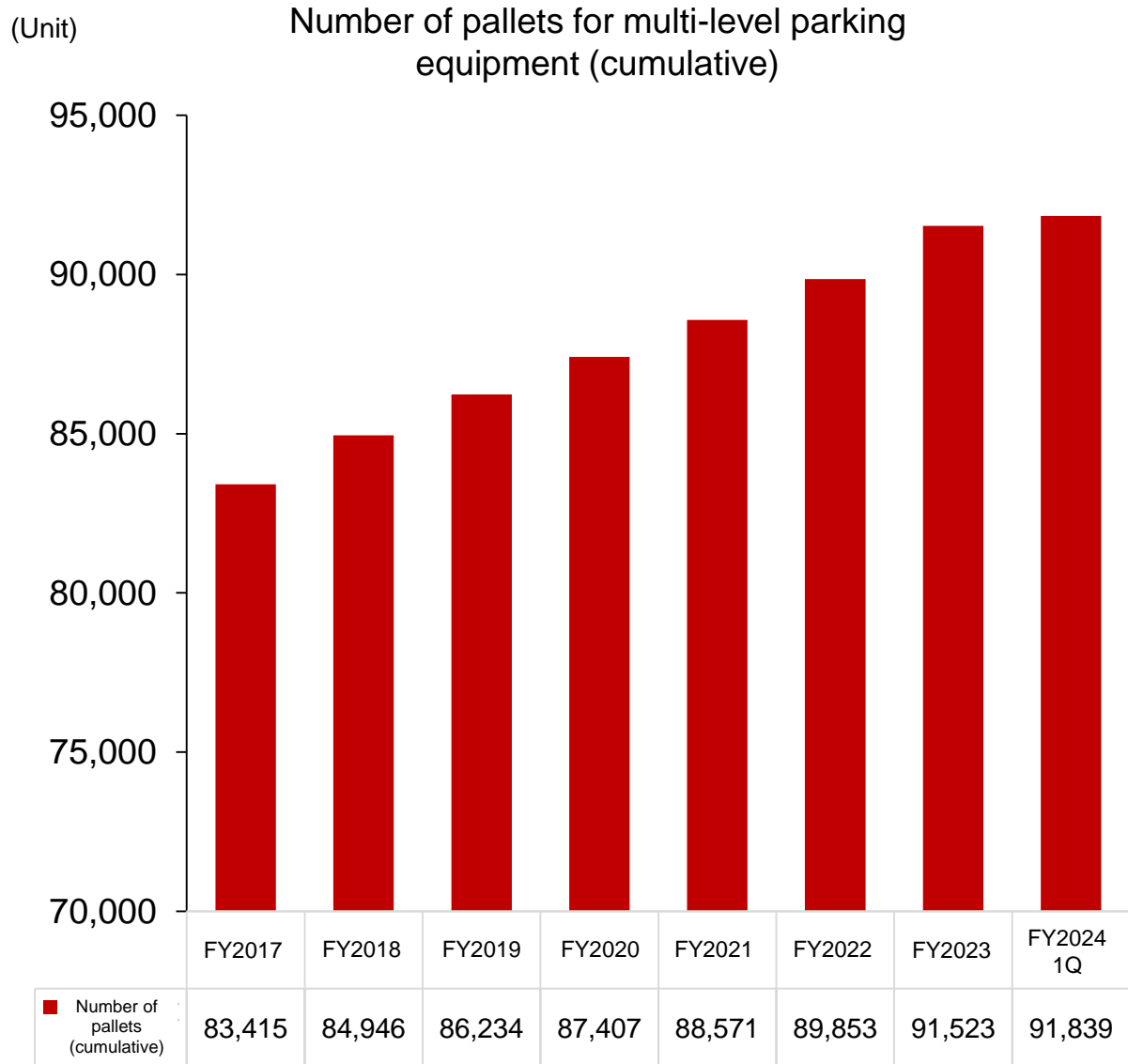
# Car Parking Systems Business: Comparison in Net Sales



Net sales (millions of yen)



# Car Parking Systems Business: Trend in Results



## **4. Full-Year Forecast for FY2024**

# FY2024: Consolidated Results Forecast



Fiscal year Millions of yen	FY2023	FY2024		Change	(Percentage)
		Announced in May	Announced in August	Vs. Numbers announced in May	
Net sales	128,026	134,000	134,000	-	-
Operating profit	4,825	6,300	6,300	-	-
Ordinary profit	5,617	6,500	6,500	-	-
Profit attributable to owners of parent	3,501	4,400	5,700	+ 1,300	+29.5%

**FY2024:  
Consolidated Results  
Forecast**

**Revised from the forecast announced in May 2024**

Profit attributable to owners of parent: **5,700 million yen**

**FY2024:  
Dividend Forecast**

**Revised from the forecast announced in May 2024**

Dividend per share

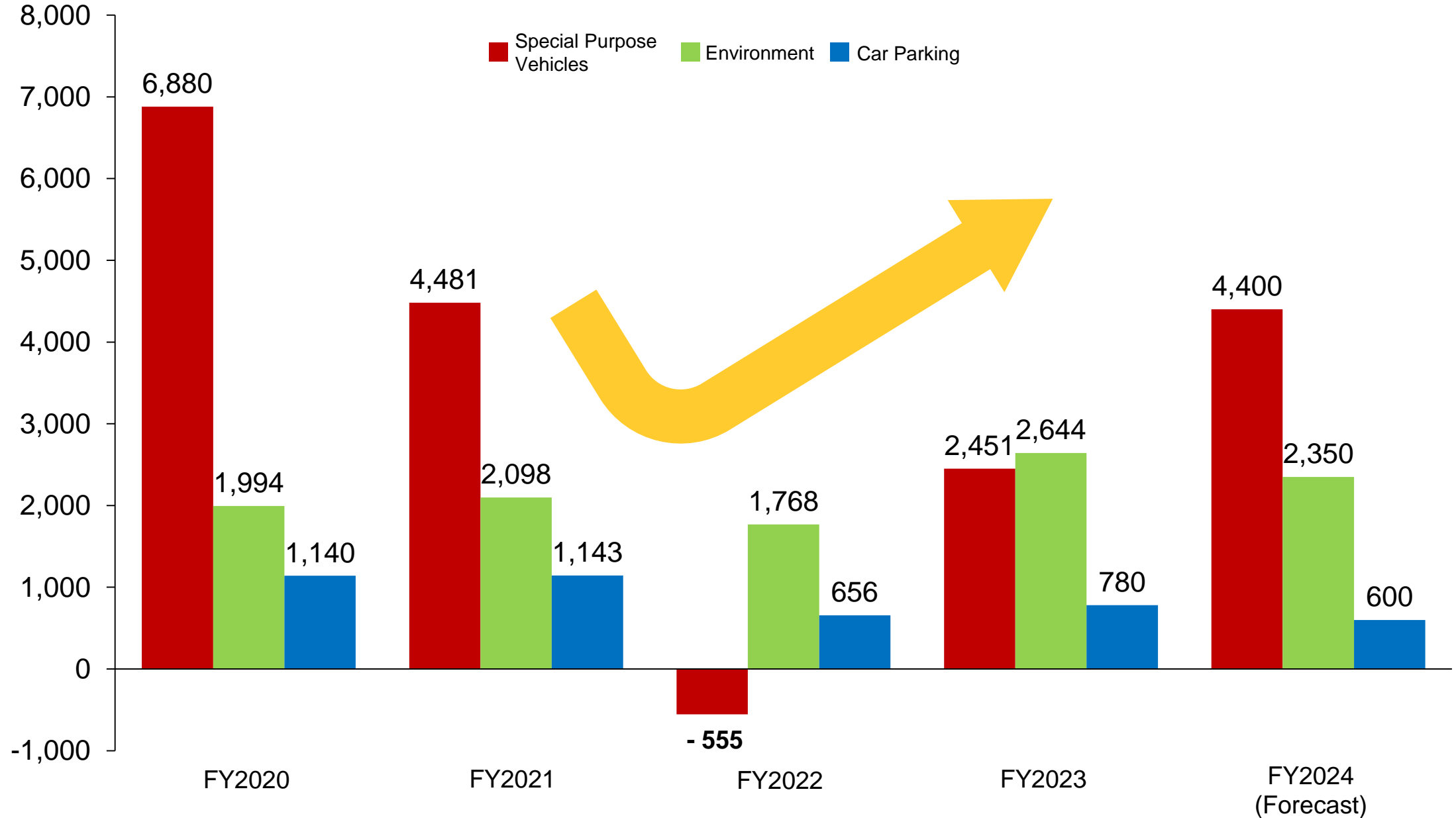
Interim dividend: **75 yen** and

year-end dividend: **75 yen** (each up 17 yen from the previously announced 58 yen) **Total: 150 yen**

# Trend in Consolidated Operating Profit (by Segment)



(Millions of yen)



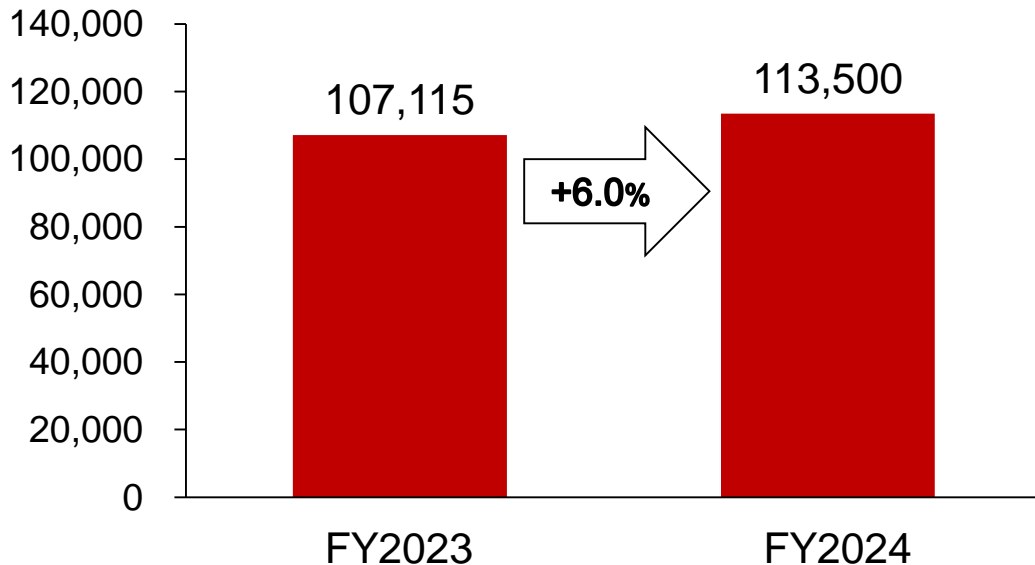


## Special Purpose Vehicles Business

- Both orders and backlogs remained at high levels  
(Backlogs: KYOKUTO: approx. 43,000 million yen and TRENKOR: approx. 41,800 million yen.  
Total: approx. 84,800 million yen)
- The supply of truck chassis in Japan is returning to normal gradually.
- The effects of multiple product price revisions, implemented since April 2022, on operating results have been showing up gradually from the current fiscal year.
- Prices of various goods, including raw materials and energy, remain high.

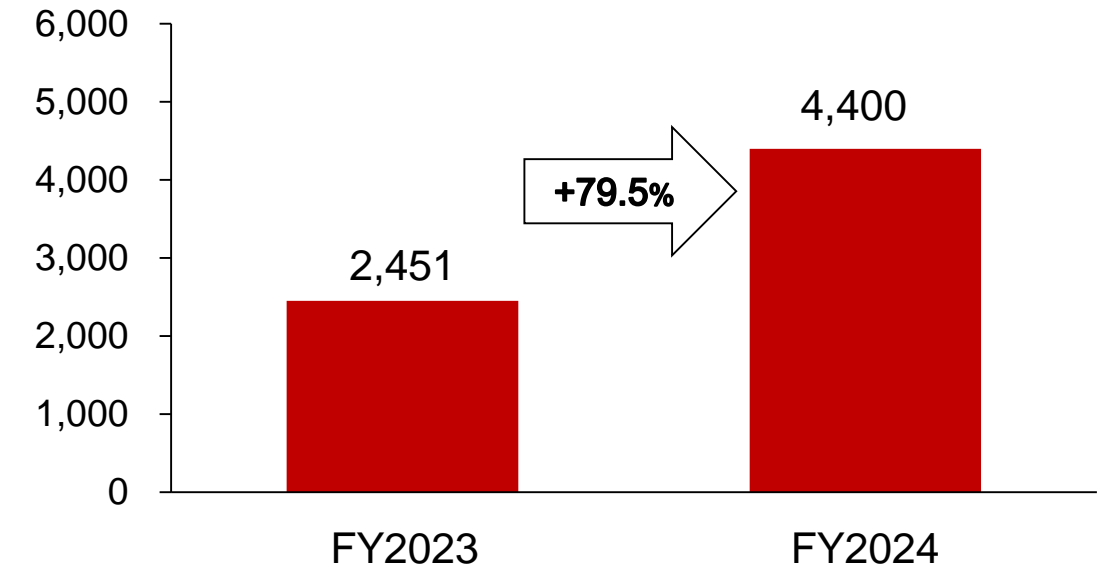
(Millions of yen)

■ Net sales



(Millions of yen)

■ Operating profit



Operating profit margin

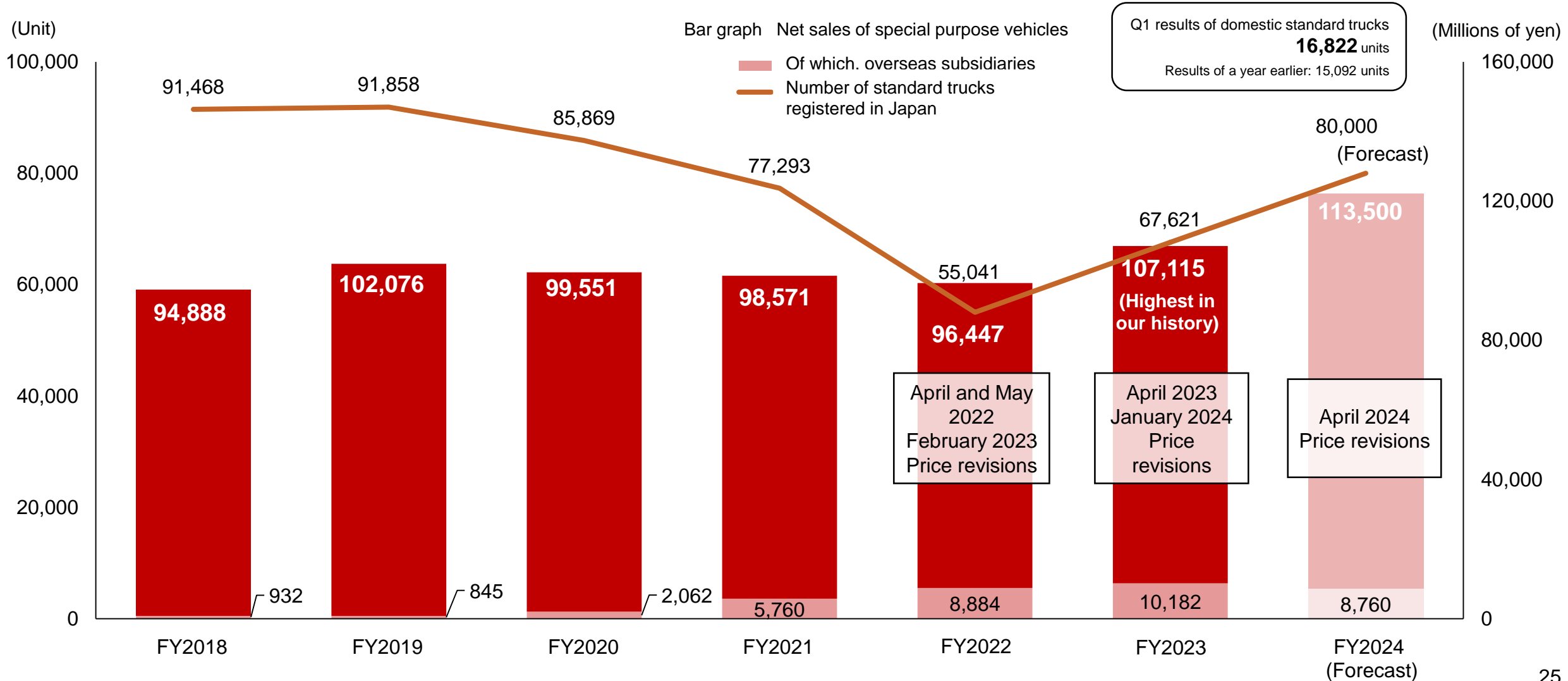
2.3%

3.9%

# Truck Market and Net Sales trend of Special Purpose Vehicles Business

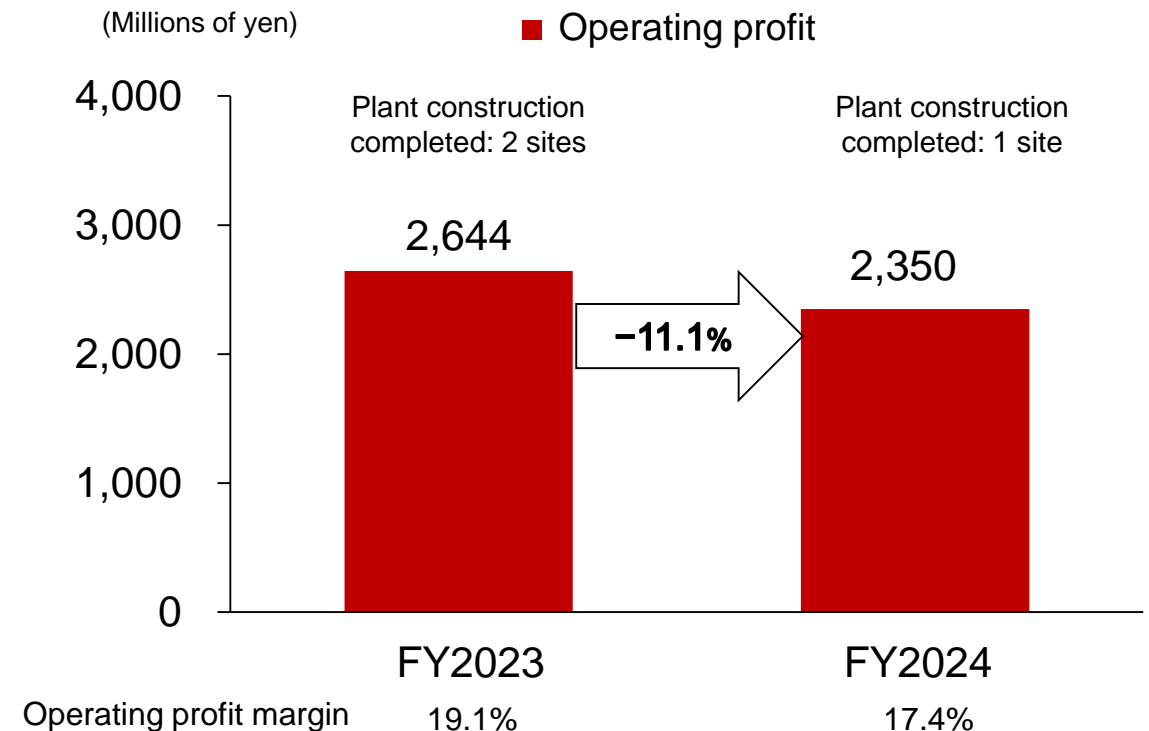
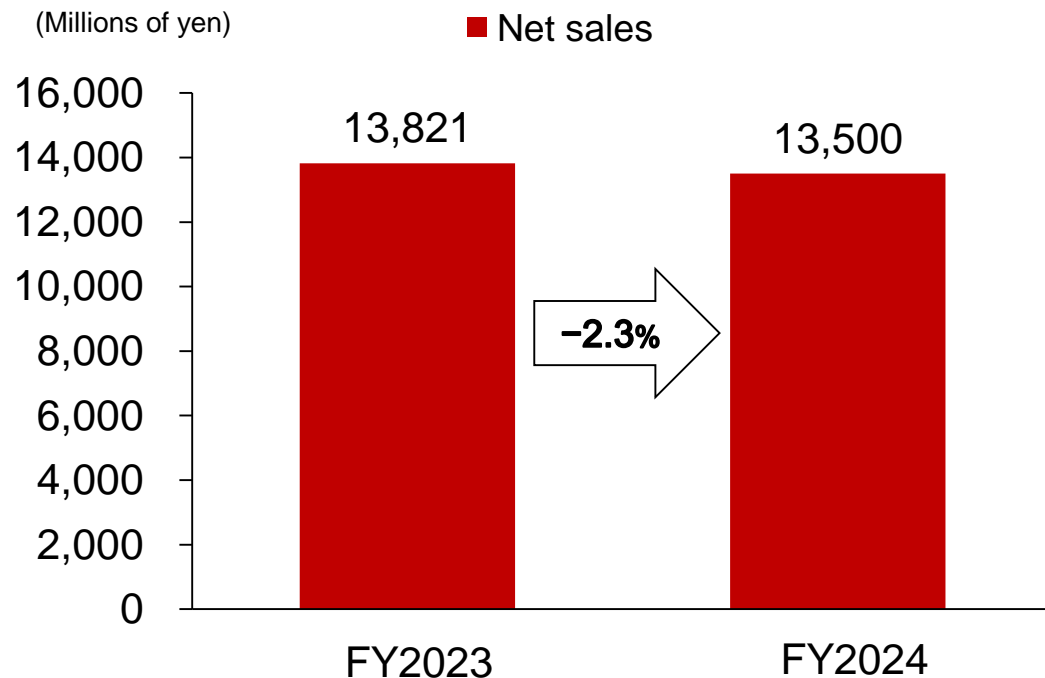


While the truck market has remained stagnant temporarily due in large part to the pandemic, semiconductor shortages, and chassis manufacturers' misconduct related to vehicle certification, we have managed to secure sales through revising product selling prices to offset a surge in raw materials and strengthening the overseas business.



## Environmental Equipment and Systems Business

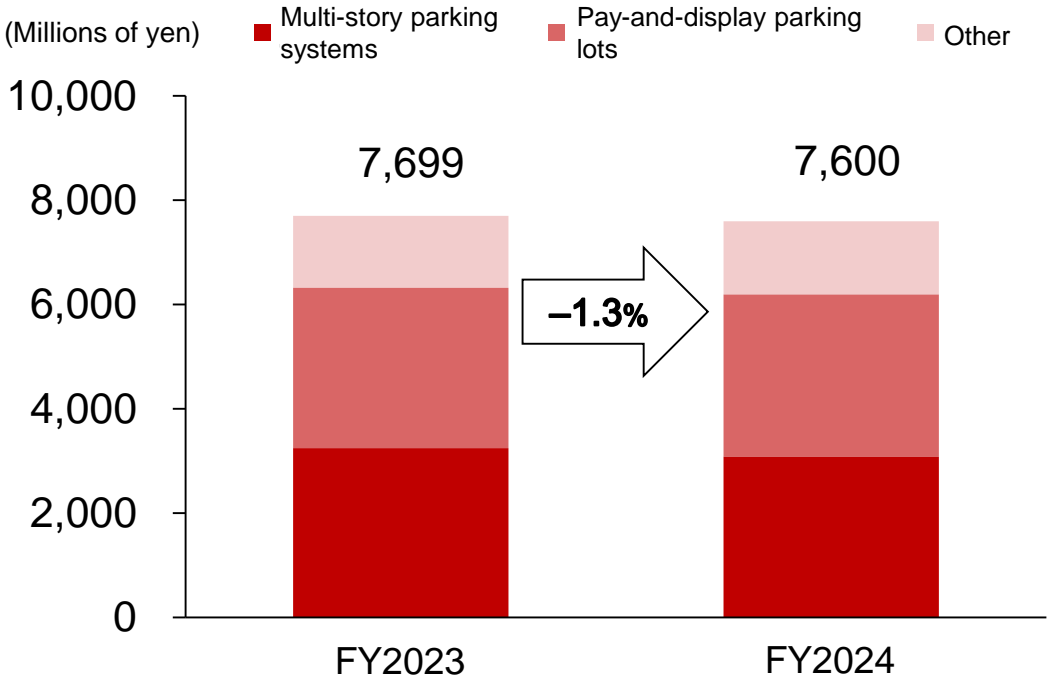
- A new plant is expected to be completed by the end of the current fiscal year, leading net sales to the level of the previous fiscal year.
- Stock-type business of winning contracts for operation, maintenance remains firm.
- Efforts to capture new projects are also being made.
- Construction in progress: Total of 6 projects (Hokkaido, Tokyo, Saitama, Nagano, Hyogo, Kagoshima)



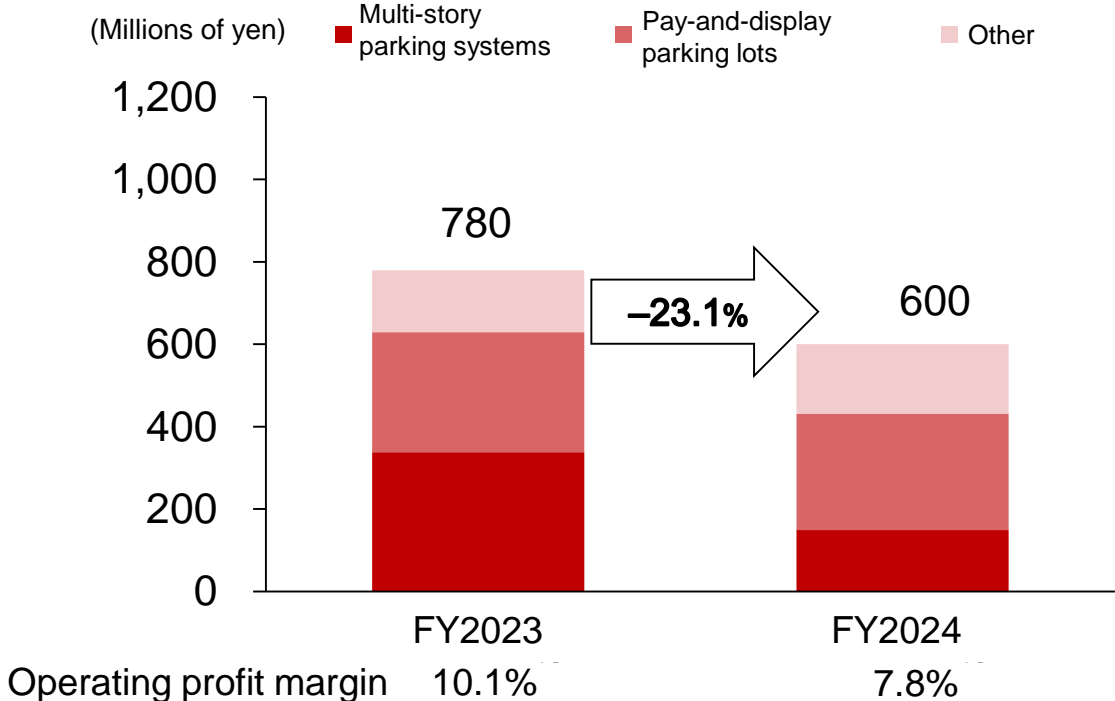
## Car Parking Systems Business

- **Multi-story parking systems** : Strengthen stock-type business such as renovation and maintenance.
- **Pay-and-display parking lots** : Secure earnings by increasing the number of business sites and parking lots, and revising prices  
Expand and reinforce response to EVs by introducing the new service “Charge-mo”

Net sales



Operating profit



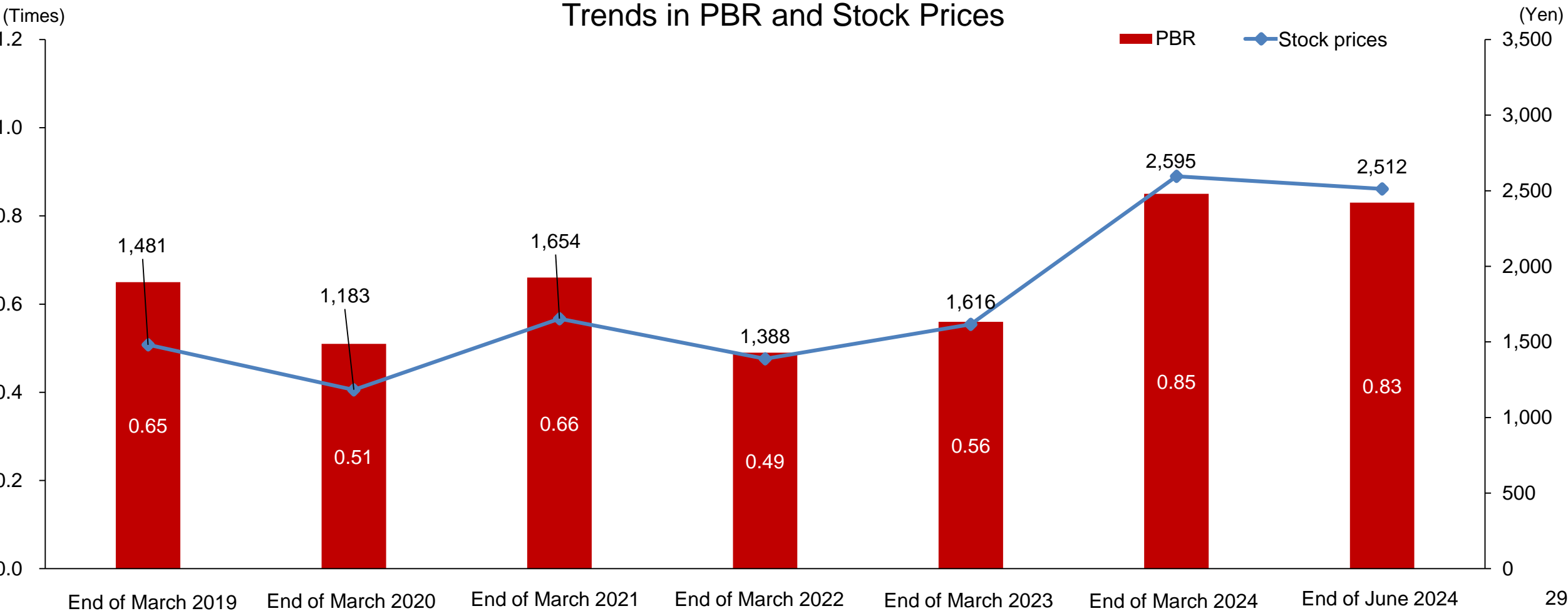
# 5. Initiatives for Enhancement of Corporate Value

# Recognition of Current Status of Corporate Value Enhancement



As a result of continuing to engage in sustainable enhancement of corporate value, PBR improved to 0.83× (as of the end of March 2024).

Continuing the effort toward achieving PBR 1× at an early stage remains an important management issue of the Company.



# Long-term Management Vision

## Long-term Management Vision

### - Kyokuto Kaihatsu 2030 -

Step-up strategy following three steps

#### 1st STEP

- Strengthening synergies among group companies
- Aggressive investment for growth
- Strengthen R&D systems for responding to social issues
- Steady progress toward the realization and development of a sustainable society

TERM : FY2022-24

#### 2nd STEP

- Business development and expansion that fully utilize the comprehensive strengths of the Group
- Demonstrate strong influence through both high productivity and quality
- Active response to social issues

TERM : FY2025-27

#### 3rd STEP

- Achievement of both “outstanding technology” and “solid quality”
- Realization of stable and efficient income
- Further expansion of business activities and social contribution areas

TERM : FY2028-30

#### Final target value

##### Sustainability Vision<sup>\*1</sup>

- CO<sub>2</sub> emissions reduction: Minus**38%**<sup>\*2</sup>
- Recycling rate: **Maintain99.0%** or more (Zero waste for landfill)

\*1: Details will be posted in “Environmental Vision 2030” to be released at a later date.  
\*2: Compared with the emission intensity of Kyokuto Kaihatsu Kogyo, Nippon Trex, and Kyokuto Kaihatsu Parking for FYE March 2013

##### Management Performance Vision

- Consolidated net sales : **200 billion yen**
- Consolidated operating profit margin : **10% or more**
- ROE : **10 %**

#### Consolidated Performance Targets

- <Targets for FY ending March 2025
- Consolidated net sales :  
**140 billion yen or more**  
(including the growth of new M&As)
  - Consolidated operating profit margin :  
**7% or more**
  - ROE : **6 %**

#### Shareholder Returns

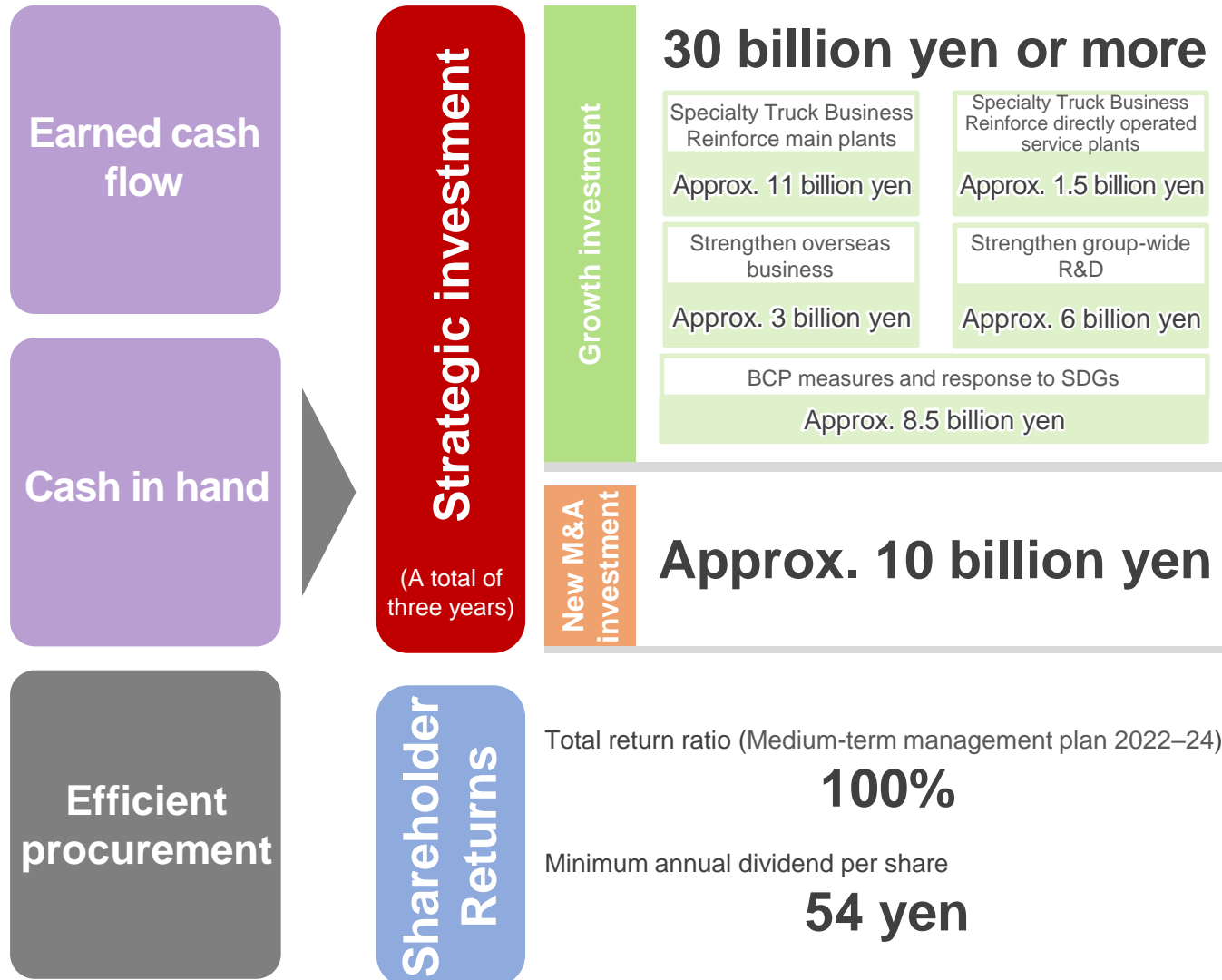
- Total return ratio (Medium-term management plan 2022–24)
- 100%**
- Minimum annual dividend per share
- 54 yen**

# Medium-term Management Plan (Cash Allocation)



◆ Being conscious of our assessment by a wide range of stakeholders and the need to enhance corporate value, we are pushing forward with appropriate cash allocation

## Medium-term Management Plan 2022–24 — Creating The Future As One

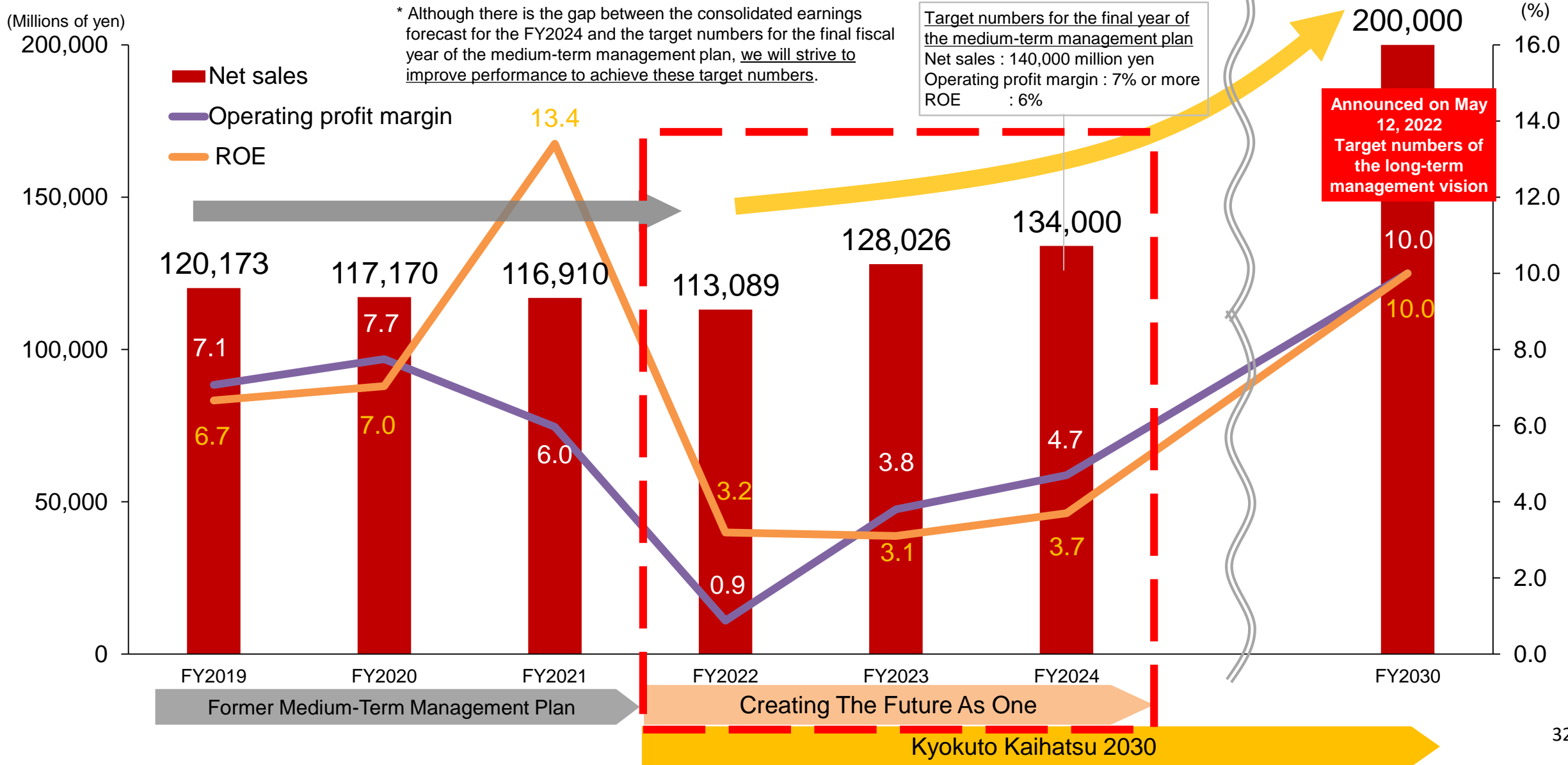


Cumulative results through FYE  
March 2024: **23.2 billion yen**



# Progress in Medium-Term Management Plan

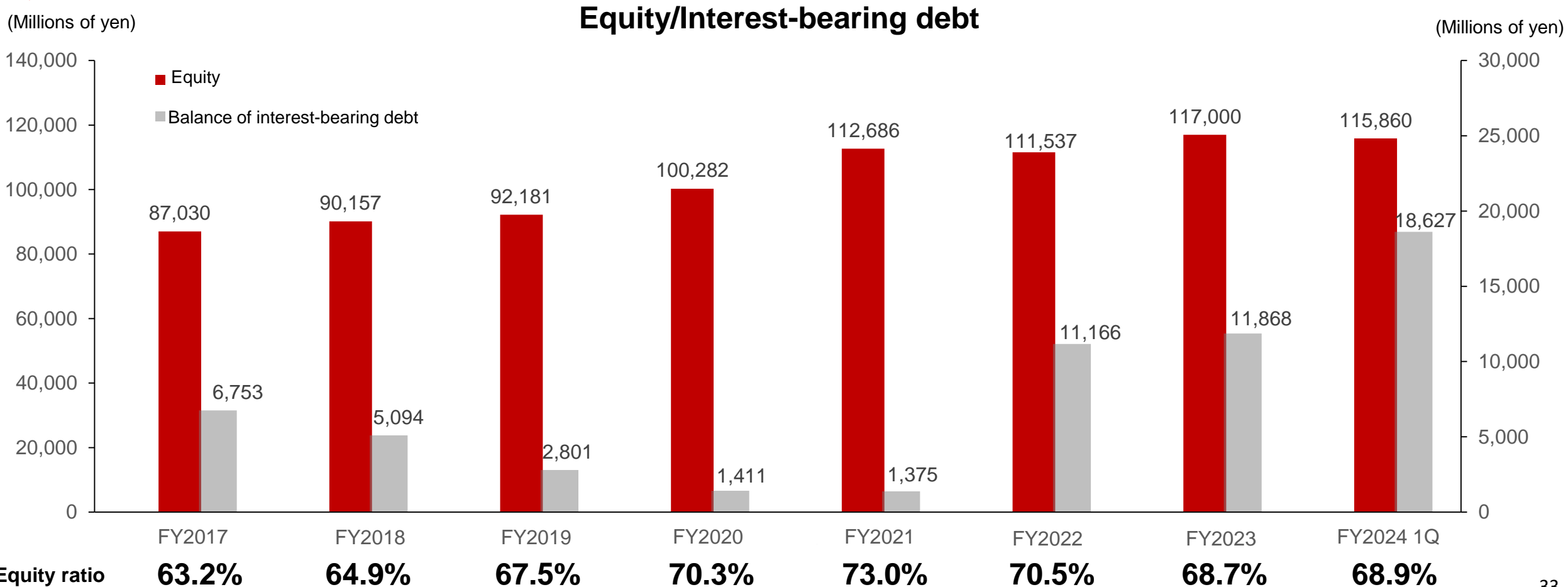
## Net sales, operating profit margin, and ROE targets



# Calculation of Cost of Capital, etc. and Improvement of Balance Sheet

- ◆ Our recognition is: Cost of capital at approx. 7% and WACC at approx. 6%.
- ◆ We will take measures, such as utilizing interest-bearing liabilities, to improve capital efficiency, and in this way we will further lower the cost of capital and WACC
  - Equity ratio in FY2024 1Q is 68.9% (68.7% at the end of FY2023).

**➔ Enhance shareholder returns and capital investment and improve capital efficiency while curtailing the growth of capital**

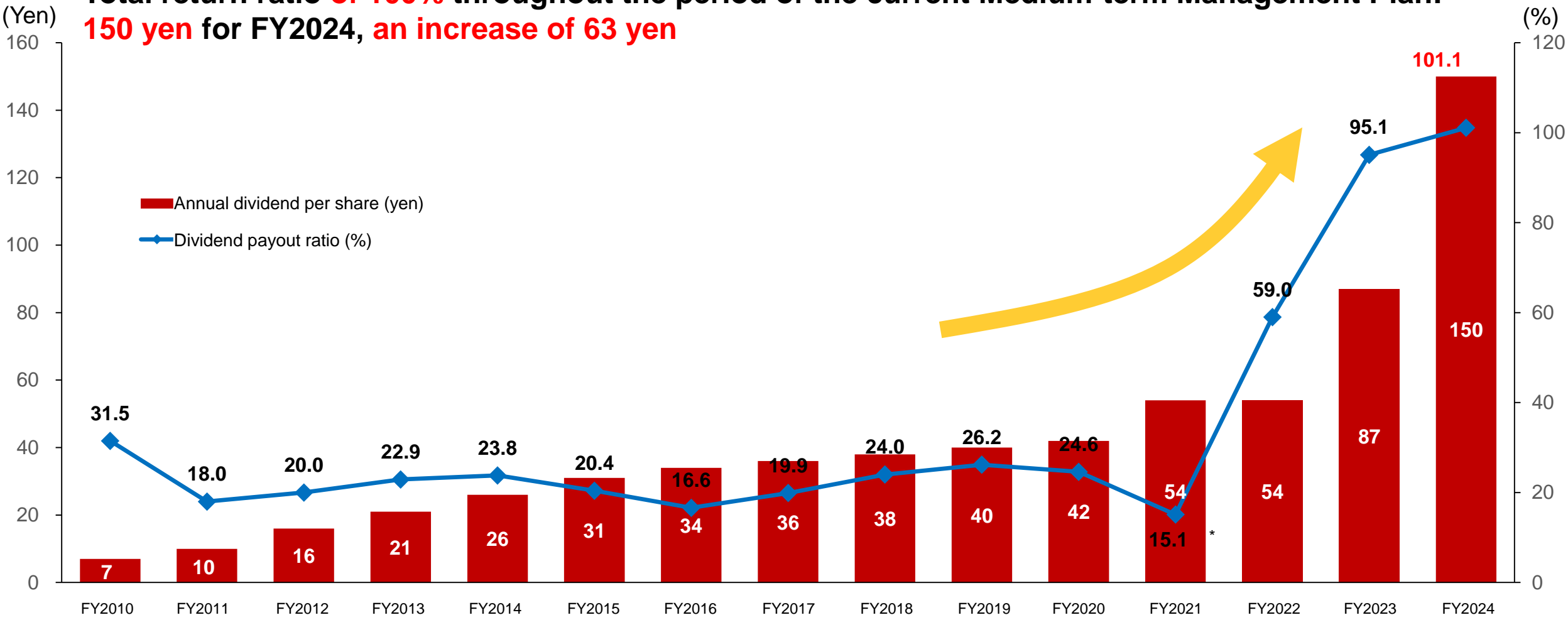


# Stepping up Shareholder Returns



Shareholder return policy: Minimum annual dividend of 54 yen per share + Flexible purchase of treasury shares.

Total return ratio of 100% throughout the period of the current Medium-term Management Plan:  
**150 yen** for FY2024, an increase of 63 yen



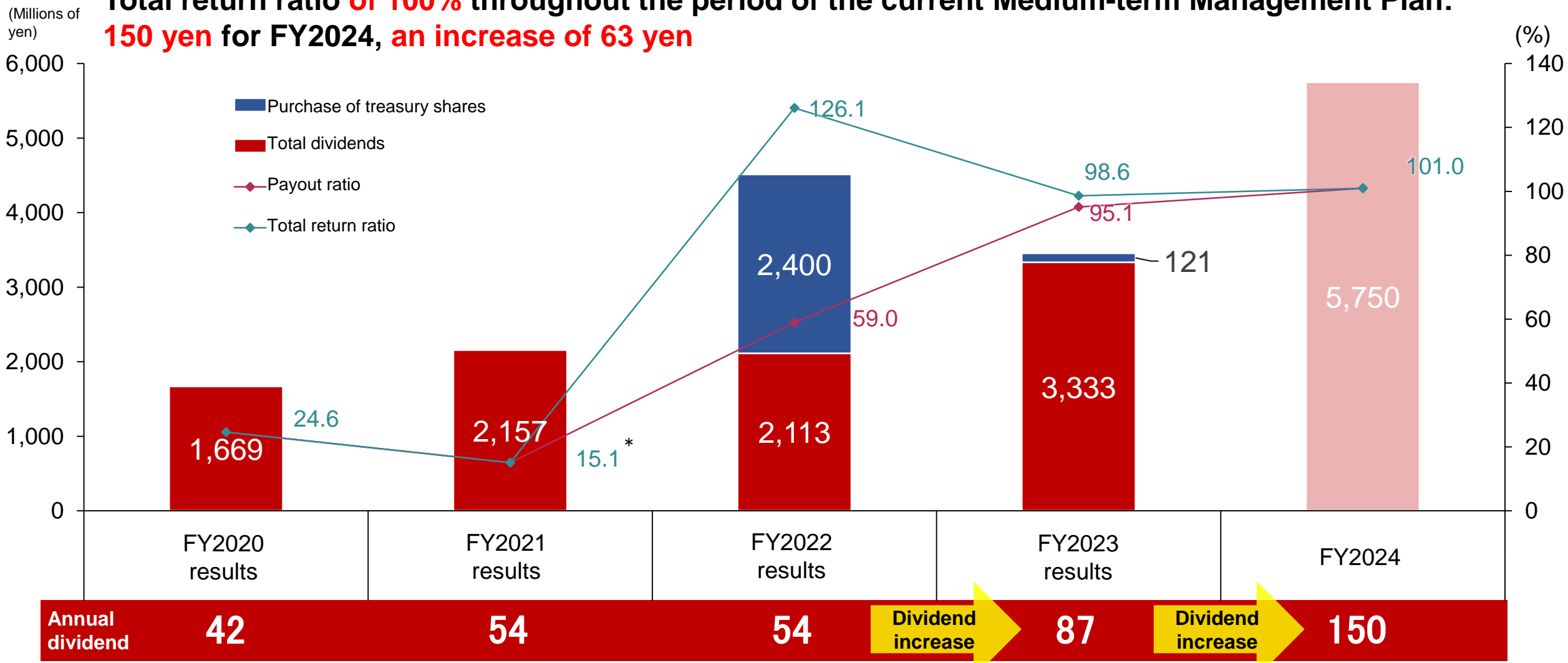
\*Excluding extraordinary income (gain on sale of land): 42.2%

# Stepping up Shareholder Returns



Shareholder return policy: Minimum annual dividend of 54 yen per share + Flexible purchase of treasury shares.

Total return ratio of **100%** throughout the period of the current Medium-term Management Plan:  
**150 yen** for FY2024, an increase of 63 yen



\*Excluding extraordinary income (gain on sale of land): 42.2%

Current forecast (as of August 7)

# 6. TOPICS

The Tohoku Branch of Kyokuto Kaihatsu Kogyo was reopened after renovation on April 23, after being relocated, expanded and having Tohoku Branch of NIPPON TREX and Sendai Service Center, which is a service plant directly managed by FE-AUTO, attached to it.

Solar panels have been installed on its roof, a first for a sales base of the Group company, in an effort to address environmental issues such as reducing CO<sub>2</sub> emissions through the use of green energy.

Additionally, the service center attached to it is equipped with a long testing equipment for self-weighing scales in addition to work lanes that handle a wide range of models including KYOKUTO's large products and NIPPON TREX's trailers.

(News release, April 23, 2024)



Tohoku Branch of Kyokuto Kaihatsu Kogyo and NIPPON TREX  
FE-AUTO Sendai Service Center

## [Facility Overview]

Name Tohoku Branch of Kyokuto Kaihatsu Kogyo and NIPPON TREX  
FE-AUTO Sendai Service Center

Location 4-2-38 Ogimachi, Miyagino-ku, Sendai-shi, Miyagi Prefecture

Area Site area: 3,012 m<sup>2</sup> / Gross floor area: 1,196 m<sup>2</sup>

Number of service lanes 18.5 m × 5 lanes (4 lanes for work base and 1 lane for paint work)

\*In addition, a long testing equipment for self-weighing scales: 18.5 m × 1 lane (max. capacity 30 tons)

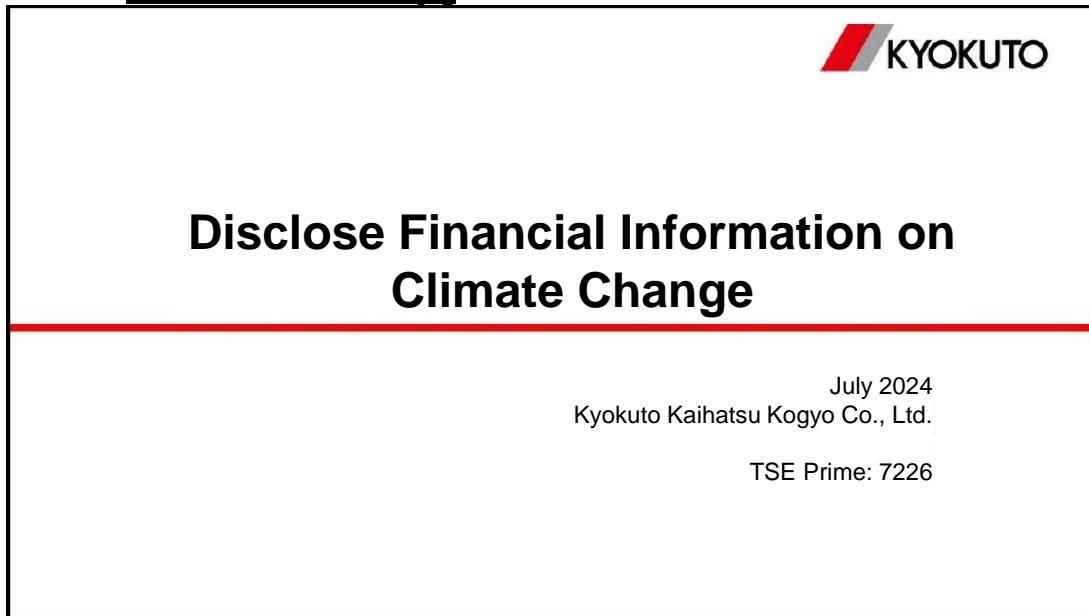


Service work building of Sendai Service Center

Disclose financial information on the Company's website regarding its response to climate change, in accordance with the TCFD framework.

(July 31, 2024: [https://www.kyokuto.com/csr/pdf/csr\\_climate01.pdf](https://www.kyokuto.com/csr/pdf/csr_climate01.pdf))

⇒ Comply with [Supplemental Principle 3.1.(3) of the Corporate Government Code: Initiatives, etc. on Sustainability]



\*Selected as a constituent of the FTSE Blossom Japan Sector Relative Index, a leading ESG investment index, for the third consecutive year.



**FTSE Blossom  
Japan Sector  
Relative Index**

**We will continue to step up its ESG initiatives and contribute to the realization of a sustainable society.**

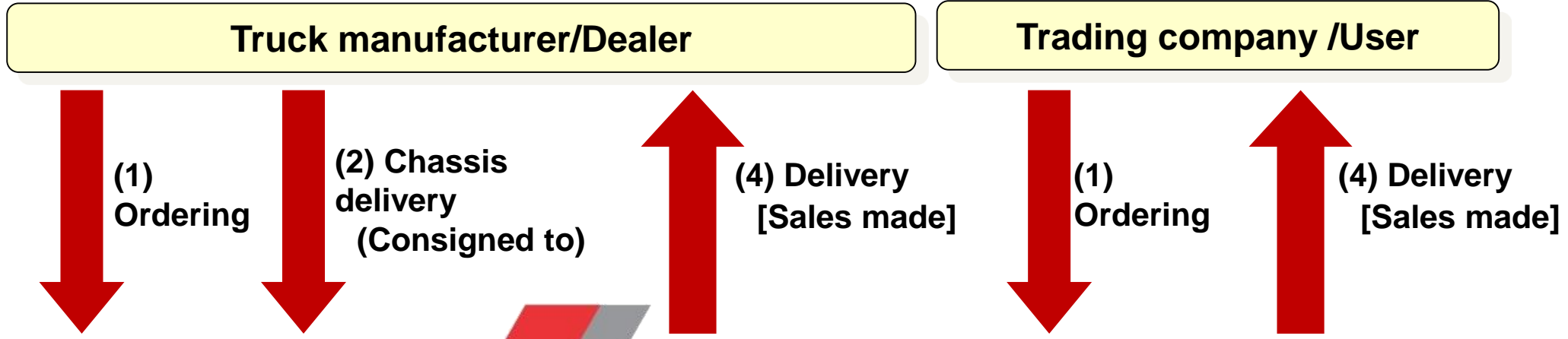
**For Reference: Supplementary Data**



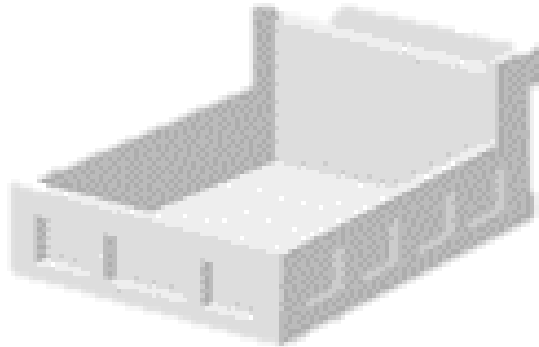
# Overview of Special Purpose Vehicles Business



\*In case of mounting on trucks

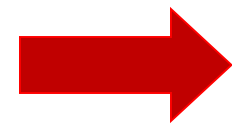


Truck undercarriage (chassis)



Body

(3) Mounting



Completion

\*Kyokuto purchases chassis for some products, such as concrete pump trucks.

# Group's Main Products

<Figures represent market share. Survey by the Company (as of the end of June 2024)>

Red: Product with No. 1 market share  
Blue: Product with No. 2 market share



Concrete pump truck (74.4%)



Pneumatic bulk carrier (41.5%)



Single-car carrier truck (37.9%)



Tank truck/Sprinkler truck (25.1%)



Trailer (43.3%)



Dump truck (32.7%)



Refuse truck (22.1%)



Container carrier truck (22.6%)



Wing body truck (20.9%)

# Domestic Production Network



**Miki Plant**  
(Miki City, Hyogo Prefecture)

- Concrete pump truck
- Refuse truck
- Tank truck
- In-house production of functional components



**Fukuoka Plant**  
(Iizuka City, Fukuoka Prefecture)

- Dump truck
- Van



**Nagoya Plant**  
(Komaki City, Aichi Prefecture)

- Dump truck
- Pneumatic bulk carrier
- Tailgate lifter
- Sprinkler truck/Tank truck



**NIPPON TREX Head Office**  
(Toyokawa City, Aichi Prefecture)

- Trailer
- Van



**NIPPON TREX Otowa Office**  
(Toyokawa City, Aichi Prefecture)

- Wing body truck



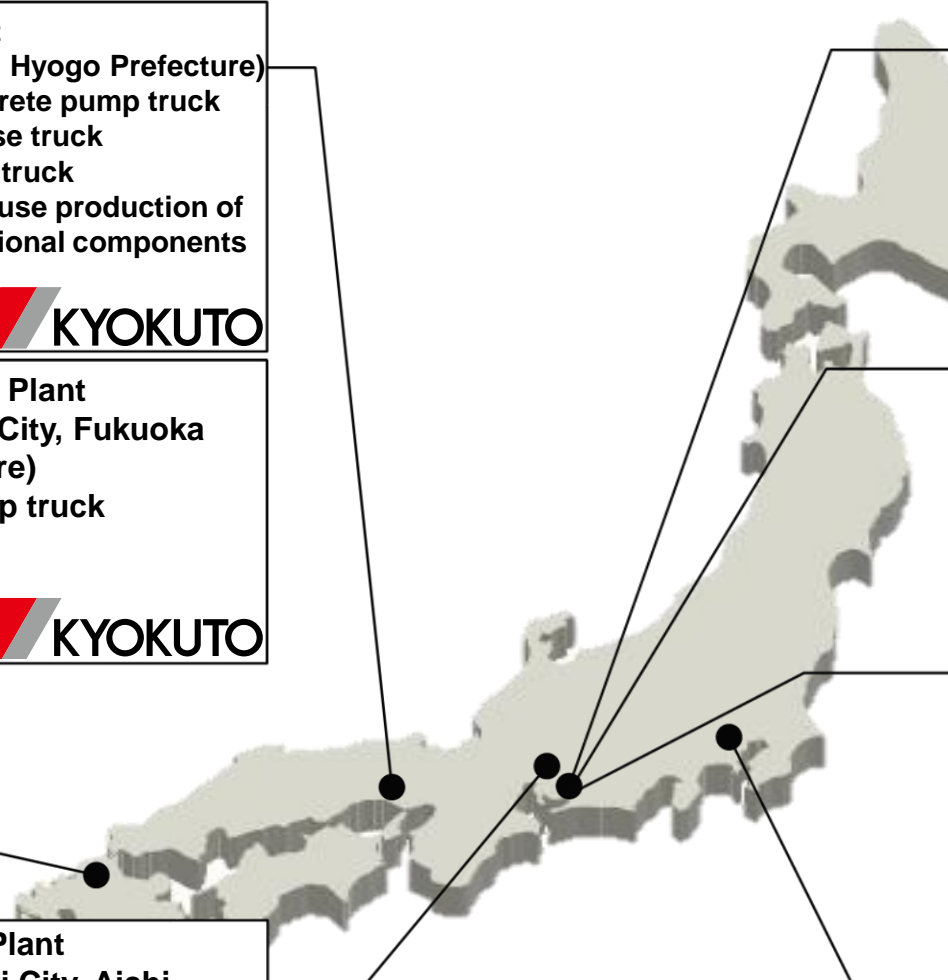
**NIPPON TREX Mitsu Office**  
(Toyokawa City, Aichi Prefecture)

- Swap body truck

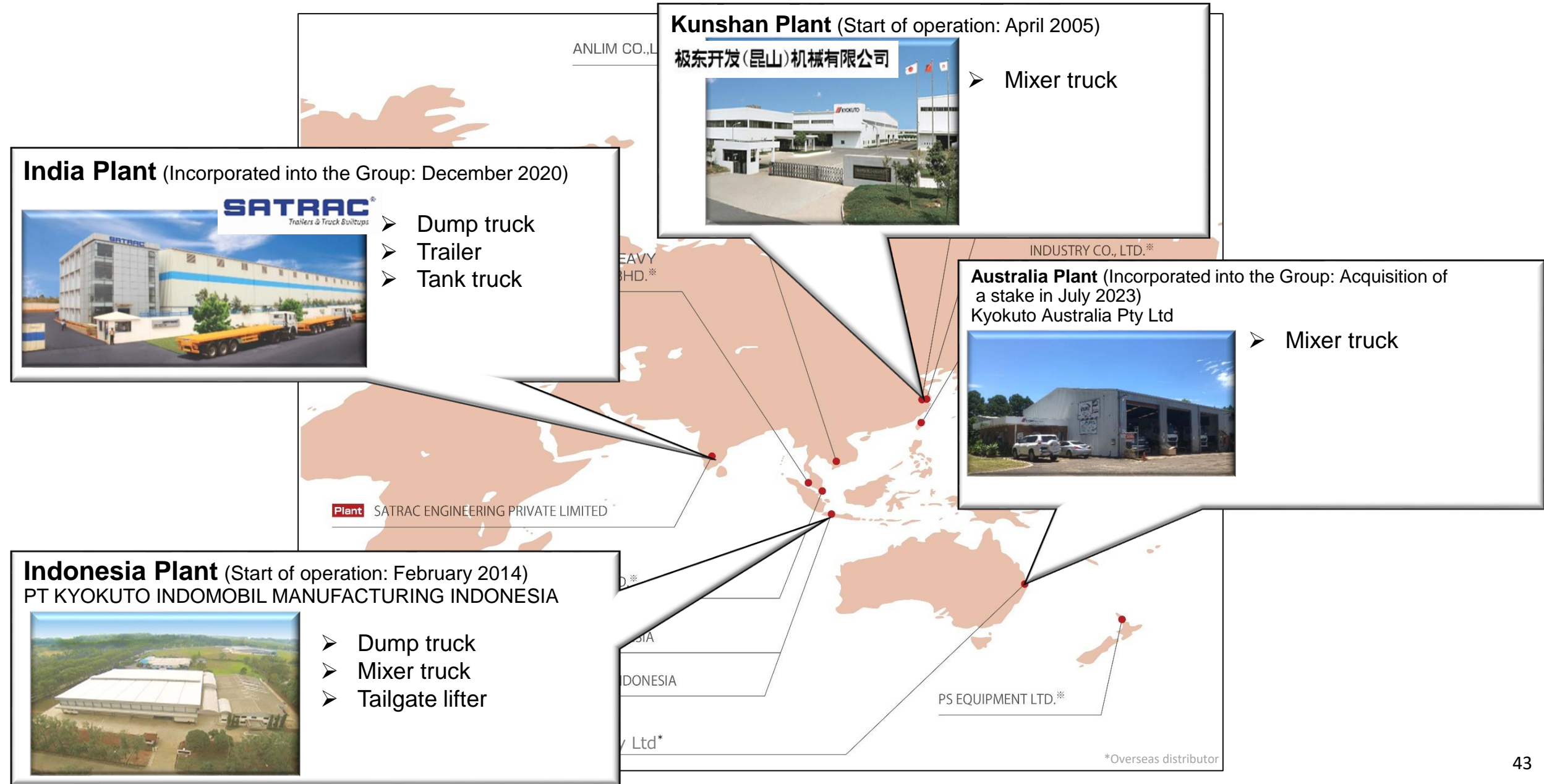


**Yokohama Plant**  
(Yamato City, Kanagawa Prefecture)

- Dump truck
- Container carrier truck
- Single-car carrier truck



# Overseas Production Network





Municipality

Broad-based association

Waste management-related companies



Plant construction and equipment installation



Contract for operation and maintenance

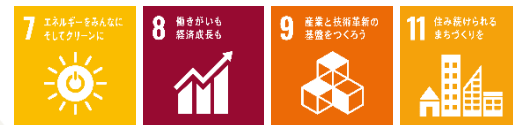


**Track record of deliveries to 205 locations nationwide**  
\*At the end of June 2024

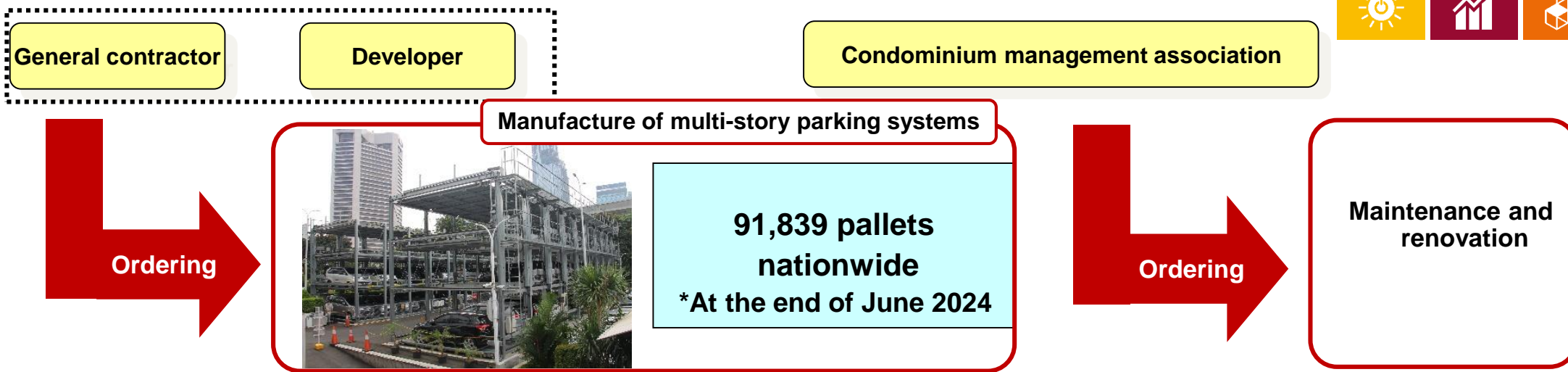


**The Group is contracted to operate facilities at 36 locations nationwide**  
\*At the end of June 2024

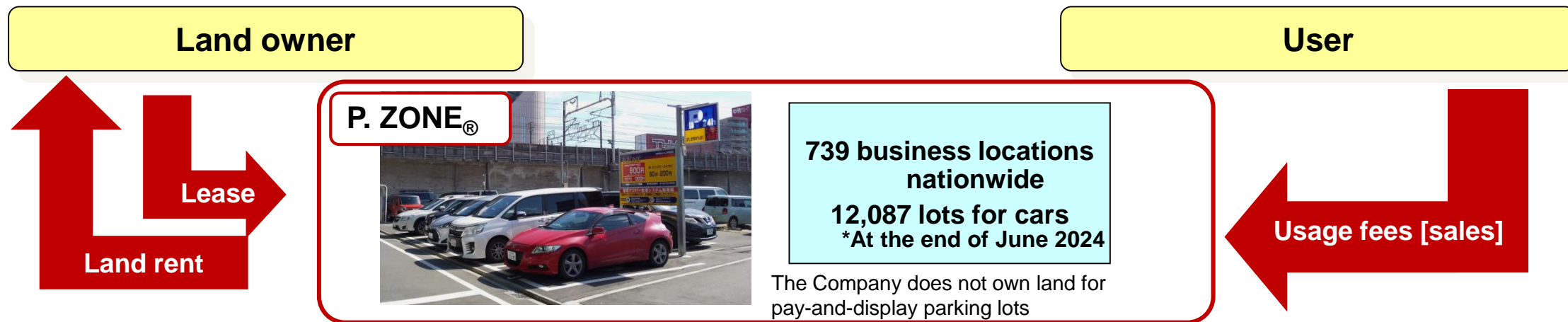
# Overview of Car Parking Systems Business



## [Multi-story parking systems]



## [Pay-and-display parking lots]



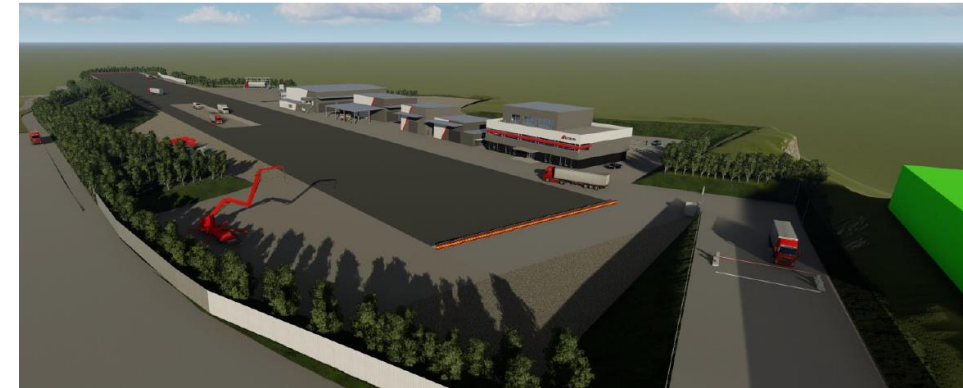
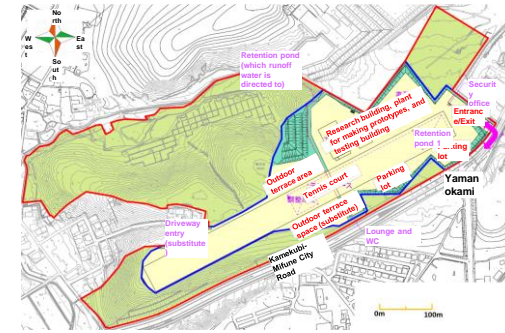
# Major Capital Investments and M&A



Business	Investment item	Investment details	Implementation period
	Construction of a technical center	Strengthen the R&D System The speed in developing new products will be roughly doubled.	FY2026 Planned to be completed
	SATRAC ENGINEERING PRIVATE LIMITED, India Construction of a plant in Chennai	Boost production capacity Increase market share by expanding sales channels	FY2025 Planned to be completed
	NIPPON TREX: Construction of a new plant	Boost production capacity: An increase of approx. 40%	FY2024 Planned to be completed
Special Purpose Vehicles	Yokohama Plant Automated line for small dump trucks	Boost production capacity: An increase of approx. 45%	Year 2024 To be completed in July
	Sendai Service Center Reopening after renovation	Reinforce the service system	Year 2024 Completed in April
	Himeji Service Center Reopening after renovation	Reinforce the service system	Year 2024 Completed in January
	Fukuoka Plant: Completion of a new plant building and a new office	Boost production capacity: An increase of approx. 30%	Year 2023 Completed in September
	Adding the Australian distributor to the Group	First base to expand into Australia and Oceania	Year 2023 Implemented in July
	Adding Kyushu Tokusyu Motors to the Group	Reinforce the service system	Year 2023 Implemented in April

## Construction of a technical center (to be completed in FY2026)

- ◆ The speed in developing new products will be roughly doubled.
- ◆ Reinforcement of an R&D system to address social issues/Proactive response to social issues
  - Shorten the development cycle
  - Respond to market needs swiftly
  - Make products lighter in weight and carbon neutral
  - Enhance the capability to adopt the IoT, AI and EV
- ◆ Determined initiative to improve quality
  - Install a test course for certification testing of trailers.
  - Response to regulations swiftly
- ◆ Strengthening synergies among group companies



Conceptual bird's-eye view

## Construction of a new plant in NIPPON TREX (to be completed in 2024)

\* Under construction in the compound of the head office

- ◆ Automation of key processes will increase production capacity by about 40%.
- ◆ Establishment of a safe working environment by reducing work at high places in the production process
- ◆ Become a more environmentally friendly plant
  - \* Reduce volatile organic compounds generated by coating of parts by approx. 6.3 tons a year.
  - \* Slash CO<sub>2</sub> emissions by about 3.2 tons a year by installing solar light power generation systems.



Conceptual presentation of the new plant



## SATRAC, India: Construction of a plant in Chennai (to be completed in FY2025)

SATRAC, a group company that posted record-high sales in the FY2023 due to high demand for specialty tracks in India, is constructing a new plant near the city of Chennai, in the state of Tamil Nadu, India, with the aim of capturing more contracts by boosting production capacity, and adding market share through expanding sales channels as well as starting exports of products in the future.



## Target values and progress

Long-term Management Vision Target: Cut 38% or more (FY2030)  
\*CO<sub>2</sub> emission factor compared with FY2013  
 Progress: Cut 22.3% (FY2023)

Medium-term Management Plan Target: Cut 10% or more (FY2024)  
\*CO<sub>2</sub> emission factor compared with FY2020  
 Progress: Cut 10.0% (FY2023)

### ◆ CO<sub>2</sub> emission reduction rate

#### Reservoir Solar at Miki Plant

- The facility nicknamed “Reservoir Solar” started operating in January, aimed at reducing electricity costs and CO<sub>2</sub> emissions at Miki Plant.
- The electricity generated by solar cell floats on a reservoir is transmitted to the plant via a 1-kilometer self-managed electricity line, and all the electricity is used to meet internal needs.
- Renewable energy accounts for about 40% of the electricity consumed at Miki Plant, and this effort reduces 1,000 tons of CO<sub>2</sub> emissions a year.
- Overview of Facility
  - Solar battery module Approx. 2,600 kW
  - Power conditioner Approx. 2,000 kW



Reservoir Solar (aerial view)

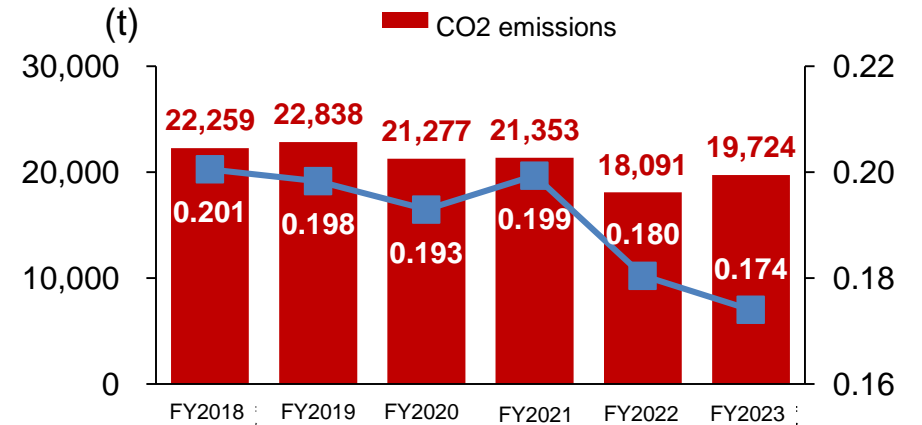
Solar battery floats

### ◆ Recycling rate

Progress in recycling rate 97.8% (FY2023)

Target 99.0% or more (FY2024)

\*Maintain a recycling rate equivalent to that in FY2021 of Kyokuto Kaihatsu Kogyo (99.5%).





## **AIMING TO BECOME A GLOBAL COMPANY WITH FLEXIBILITY TO ADAPT TO CHANGES**

AIMING TO BECOME A GLOBAL COMPANY WITH FLEXIBILITY TO ADAPT TO CHANGES

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The Kyokuto Kaihatsu Group supports the Sustainable Development Goals (SDGs).