



Operating Results for FY2024 3Q



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

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1. Results of FY2024 3Q

Summary of Consolidated Financial Results for FY2024 1Q



Millions of yen	Fiscal year	FY2023 3Q	FY2024 3Q	Change	Percentage
Net sales		90,311	96,642	+ 6,330	+7.0%
Operating profit		2,161	3,792	+ 1,630	+75.4%
Ordinary profit		2,686	4,174	+ 1,487	+55.4%
Profit attributable to owners of parent		1,454	3,885	+ 2,431	+167.2%
Special Purpose Vehicles Business: Orders Received		65,620	82,538	+ 16,918	+25.8%
Special Purpose Vehicles Business: Order Backlogs		83,173	92,315	+ 9,142	+11.0%

FY2024 3Q
Key points of consolidated operating results

- ✓ **Net sales increased due to significant recovery in the special purpose vehicle business**
- ✓ **Compared with the previous period, sales and income increased in all segments**
- ✓ **Improved supply of truck chassis in Japan and the effect of price revisions for finished goods have been realized, resulting in improved profit margins**

Quarterly Trends in Consolidated Financial Results



(Accumulation period)

Fiscal year Millions of yen	FY2023				FY2024			Change (Year-on-year)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Amount	Percentage
Net sales	26,091	59,570	90,311	128,026	28,626	64,007	96,642	+ 6,330	+7.0%
Special Purpose Vehicles	22,313	51,153	76,964	107,115	24,741	55,104	82,574	+ 5,610	+7.3%
Overseas figures	2,321	5,110	7,764	10,182	2,062	4,486	6,425	△ 1,339	△17.2%
Environmental Equipment and Systems	2,301	5,332	8,311	13,821	2,163	5,271	8,475	+ 163	+2.0%
Car Parking Systems	1,619	3,371	5,472	7,699	1,886	3,965	6,067	+ 595	+10.9%
Operating profit	△ 87	1,311	2,161	4,825	931	2,740	3,792	+ 1,630	+75.4%
Special Purpose Vehicles	△ 240	743	1,262	2,451	733	2,064	3,071	+ 1,809	+143.4%
Overseas figures	156	402	554	773	101	299	372	△ 182	△32.9%
Environmental Equipment and Systems	200	691	1,074	2,644	197	714	1,319	+ 244	+22.7%
Car Parking Systems	145	342	551	780	191	424	674	+ 123	+22.4%

2. Results by Segment



As of FY2024 3Q

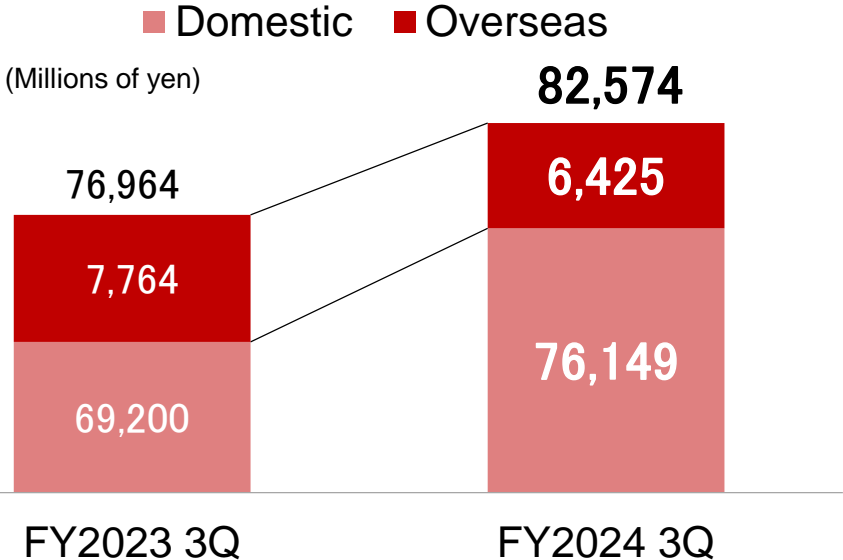
Net sales

↗ While production volume decreased from the previous period, the share of net sales increased due to price revisions for finished goods

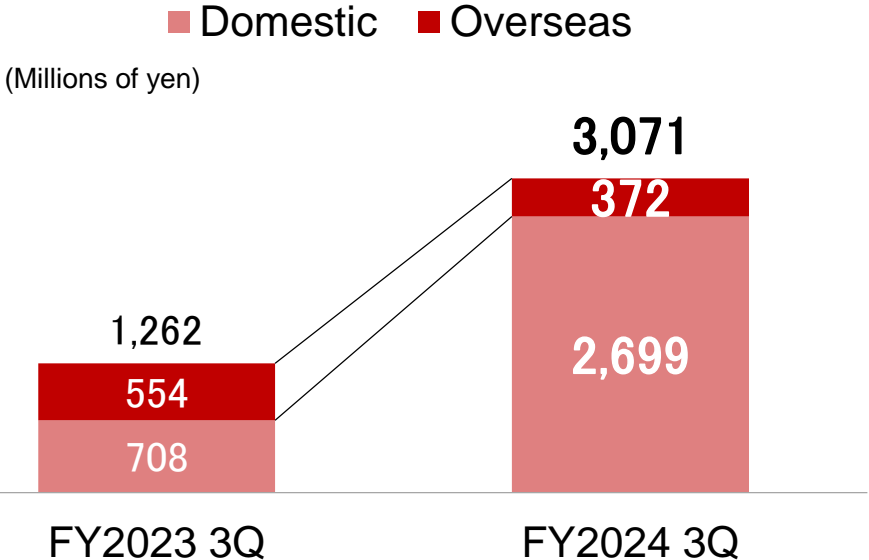
Operating profit

↗ Profitability improved due to price revisions for finished goods
↗ Improved supply of truck chassis both in Kyokuto and NIPPON TREX contributed significantly to operating profit

Net sales Compared to previous period +7.3%

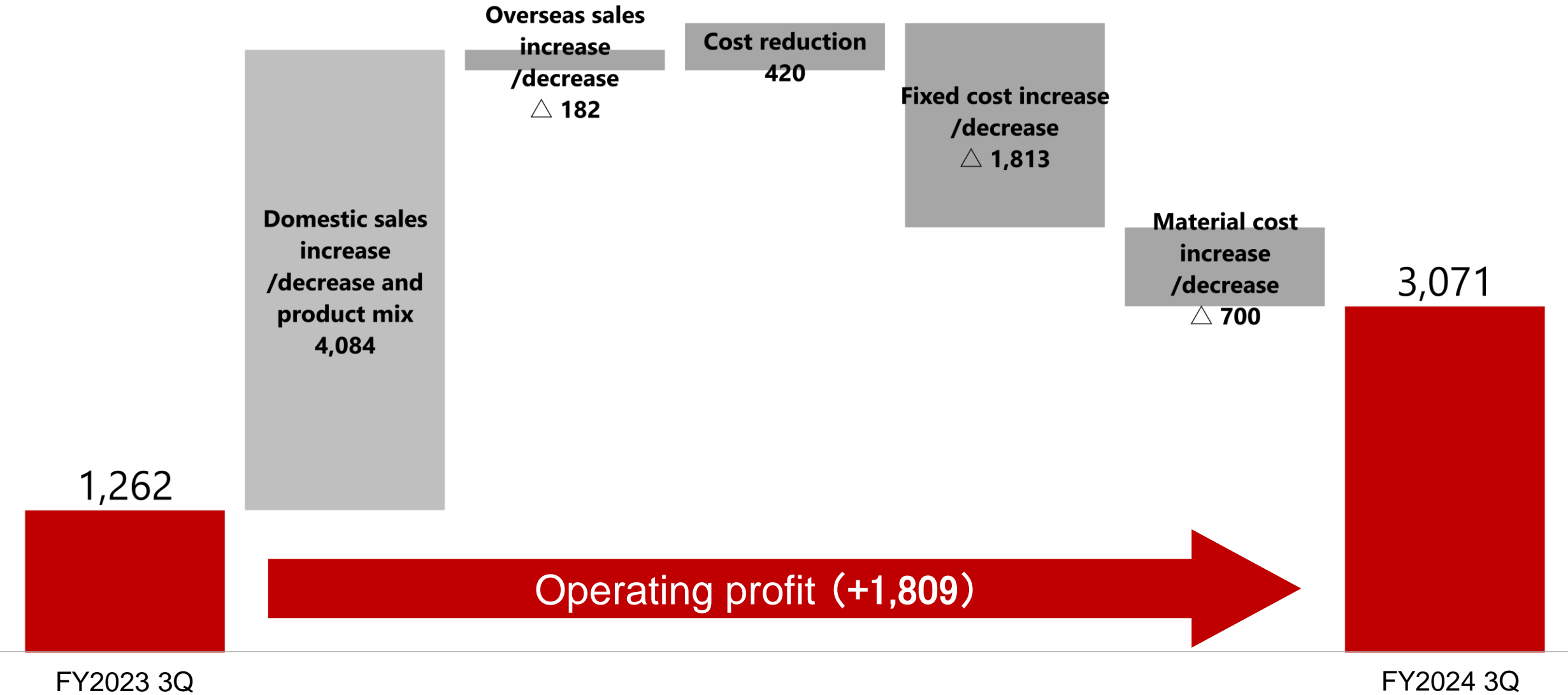


Operating profit Compared to previous period +143.4%



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

(Millions of yen)



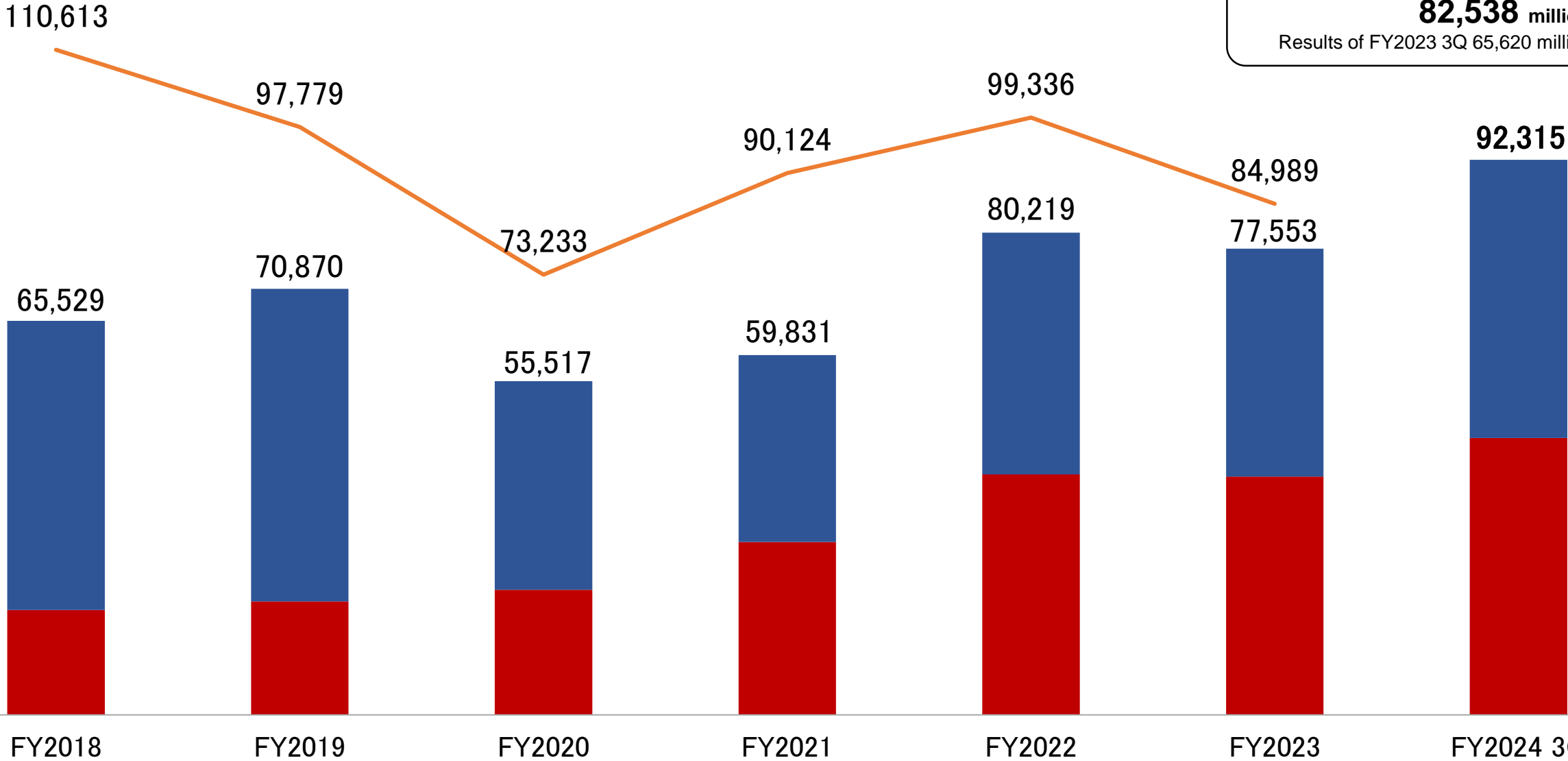
Special Purpose Vehicles Business: Orders Received and Backlog



(Millions of yen)

KYOKUTO Order backlog TREX Order backlog Total of orders received

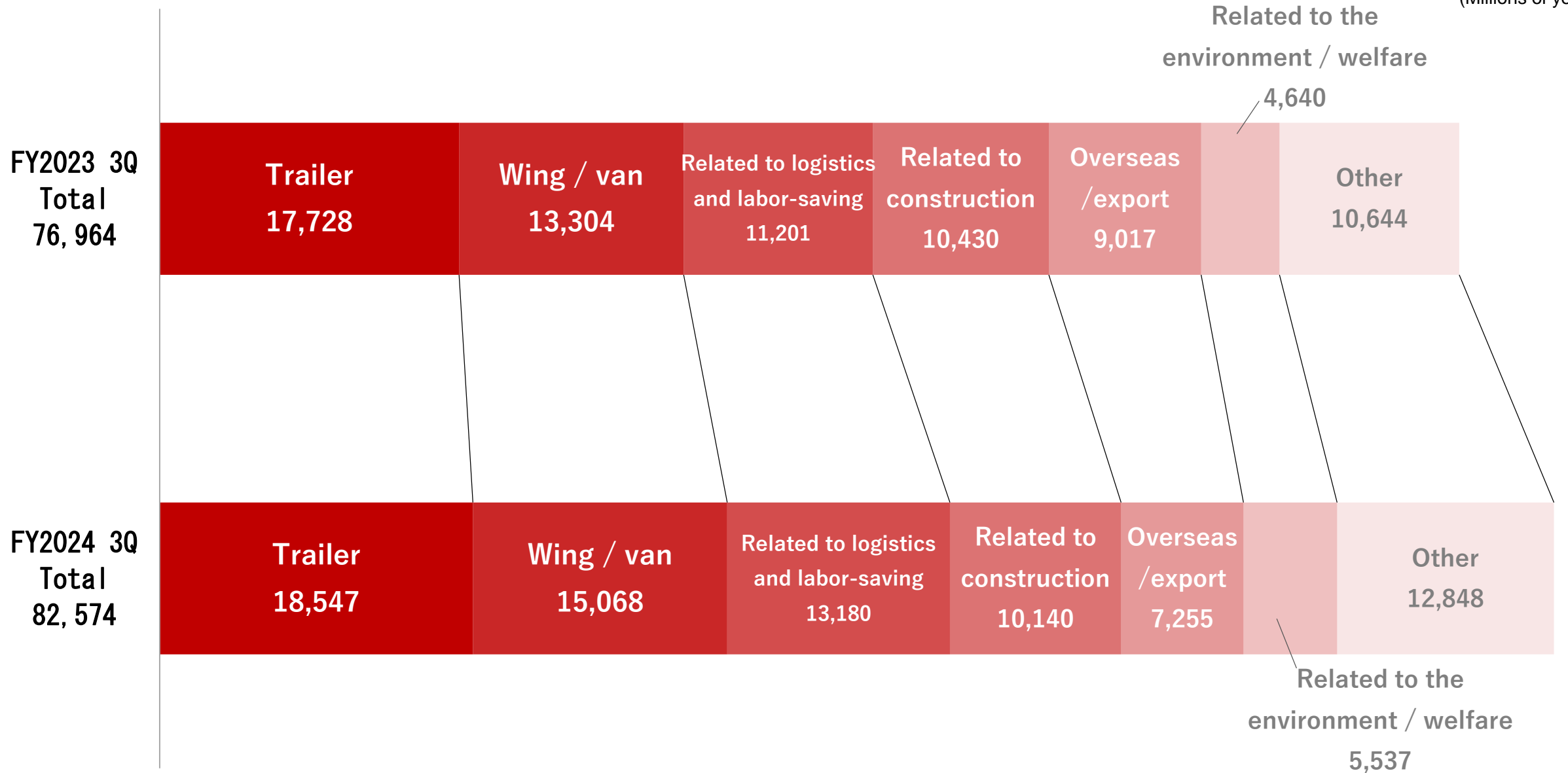
Orders received FY2024 3Q results
82,538 million yen
Results of FY2023 3Q 65,620 million yen

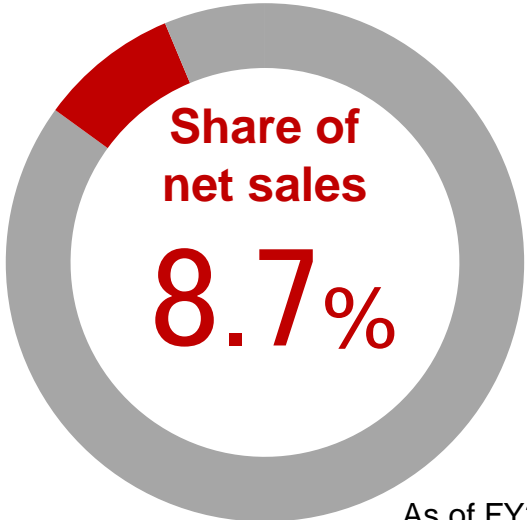


Special Purpose Vehicles Business: Sales Composition



(Millions of yen)





As of FY2024 3Q

Net sales

- ➡ Plant construction: Construction of projects from backlog was steady
- ➡ Contracts for operation and maintenance: Steadily increased

Operating profit

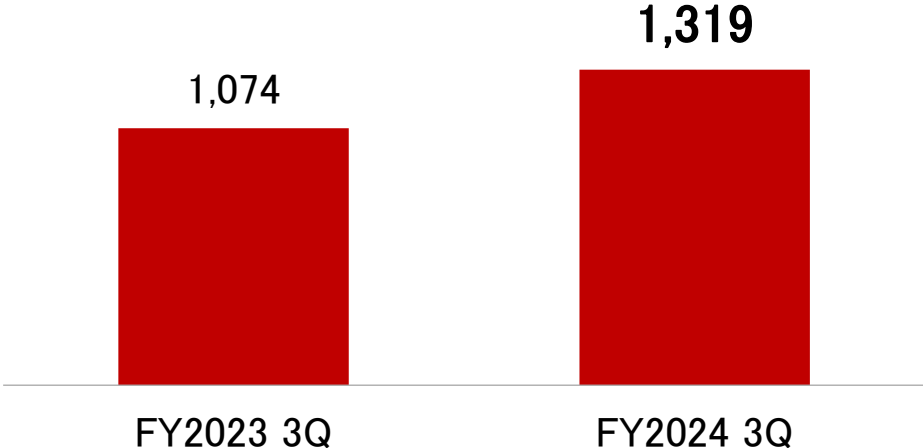
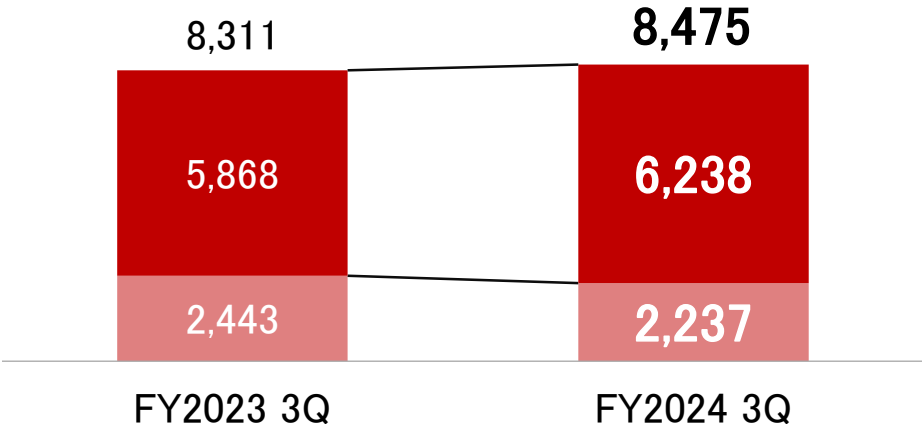
- ↗ Significant increase in profit due to increase in stock-type business such as contracts for operation and maintenance

Net sales Compared to previous period
+2.0%

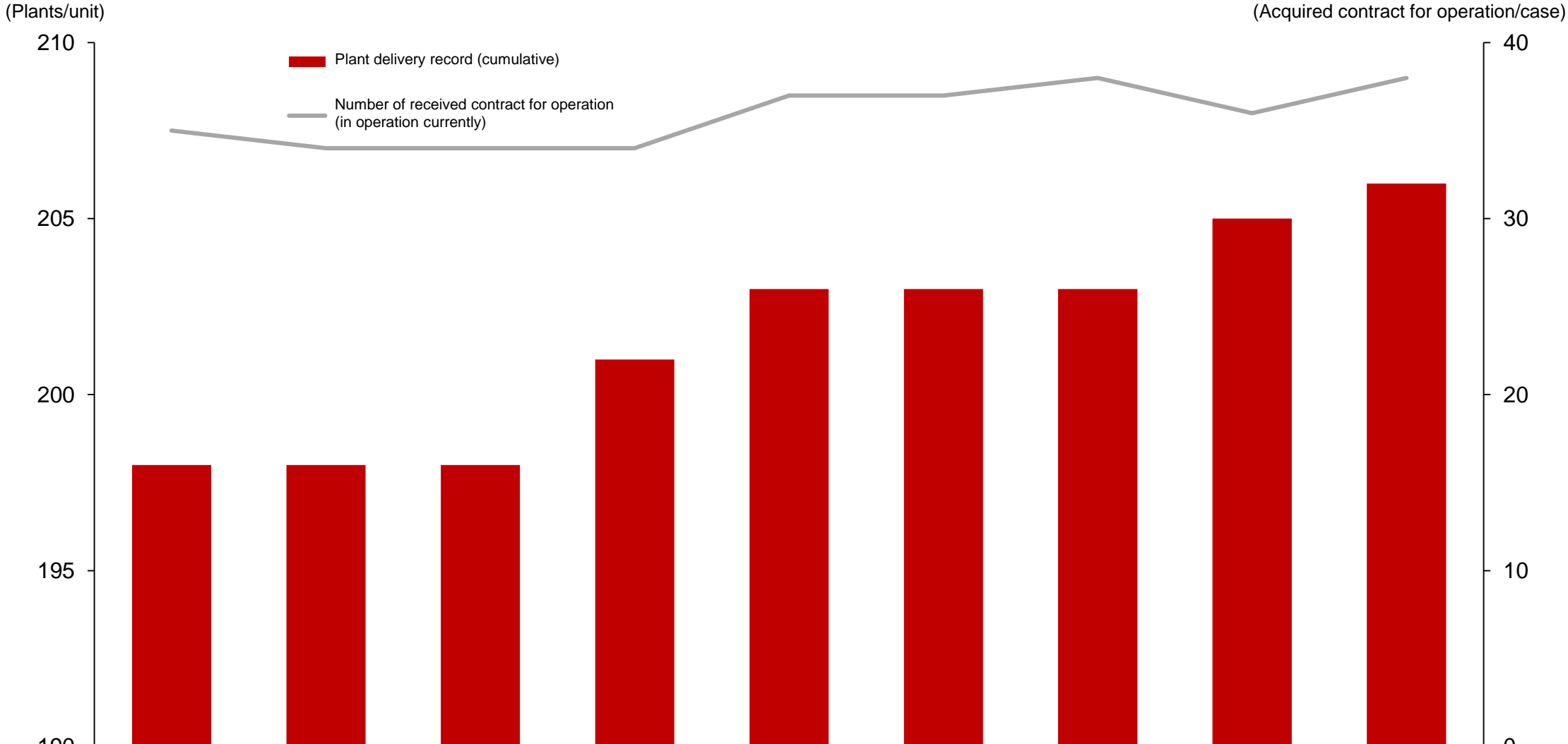
Operating profit Compared to previous period
+22.7%

■ Contract for operation and maintenance ■ Plants
(Millions of yen)

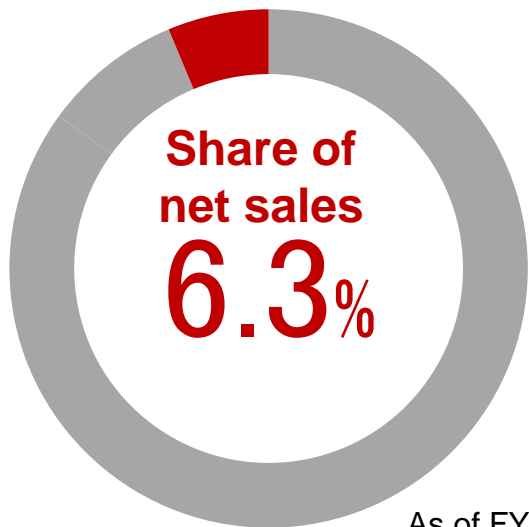
(Millions of yen)



Environmental Equipment and Systems Business: Trend of Results



	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (forecast)
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	38



As of FY2024 3Q

Net sales

- ↗ Renovation and maintenance of multi-story parking systems was strong
- ↗ Parts sales were also strong
- ↗ Pay-and-display parking was particularly strong during the year-end and New Year holidays

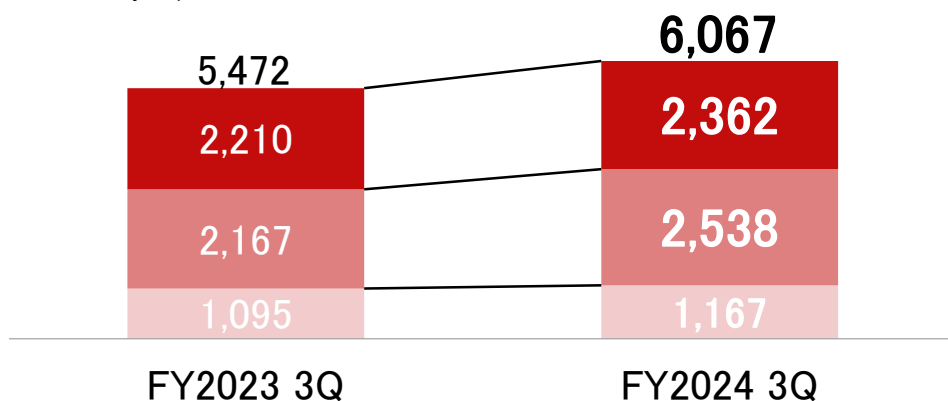
Operating profit

- ↗ Significant increase in profit due to sales growth in stock-type business

Net sales Compared to previous period
+10.9%

■ Other ■ Multi-story parking systems ■ Pay-and-display parking lots

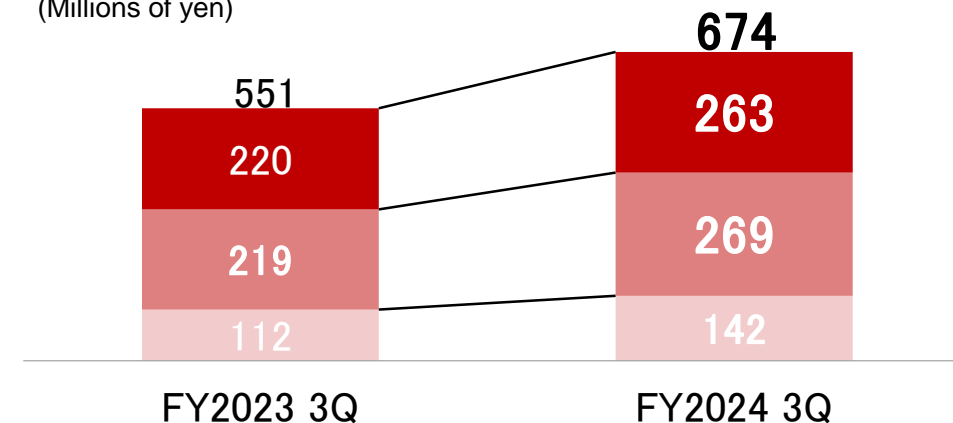
(Millions of yen)



Operating profit Compared to previous period
+22.4%

■ Other ■ Multi-story parking systems ■ Pay-and-display parking lots

(Millions of yen)



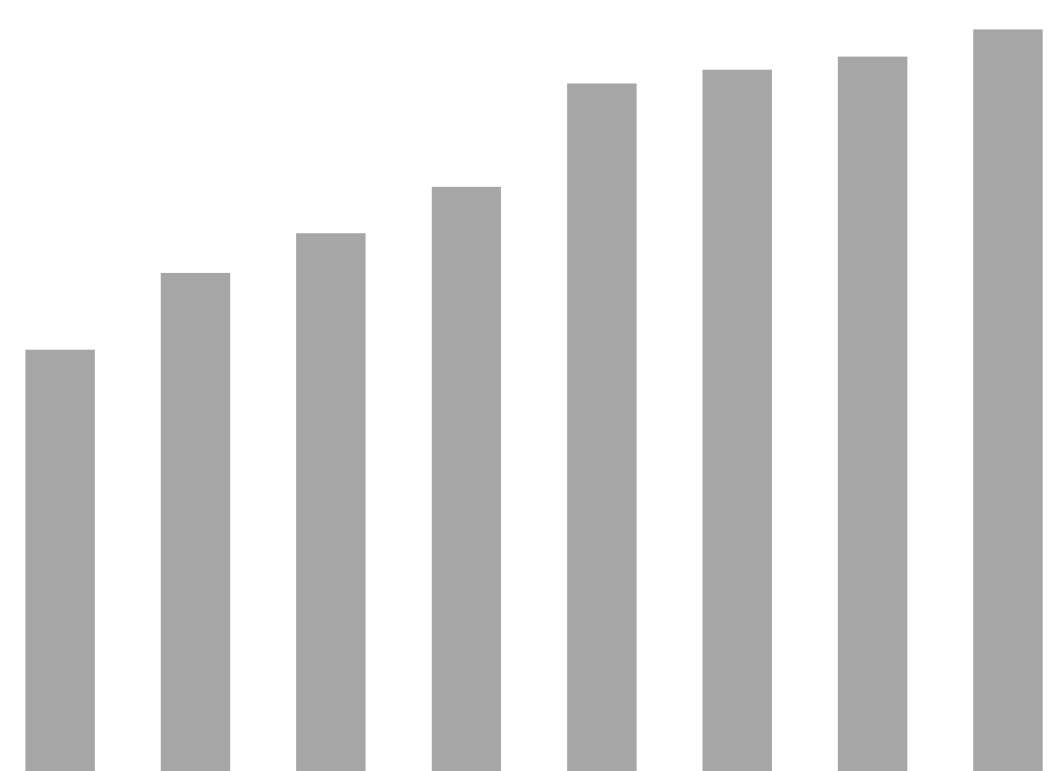
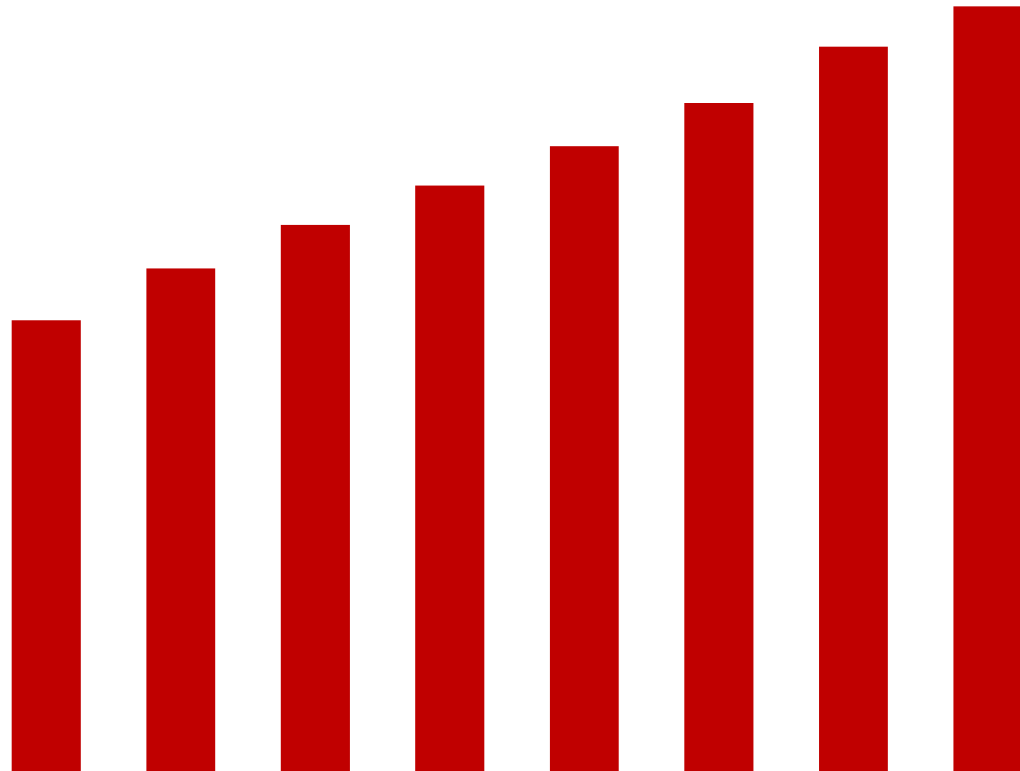
Car Parking Systems Business: Trend in Results



(Unit)

Number of pallets for multi-level parking equipment
(cumulative)

Number of lots for cars in pay-and-display parking
(in operation currently)



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 3Q
Number of pallets (cumulative)	83,415	84,946	86,234	87,407	88,571	89,853	91,523	92,717

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 3Q
Number of lots for cars (in operation currently)	7,023	8,298	8,953	9,724	11,440	11,669	11,884	12,336

3. Full-Year Forecast for FY2024

FY2024: Consolidated Results Forecast



Fiscal year Millions of yen	FY2023 (Results)	FY2024 (Forecast)		Change Vs. Numbers announced in August	Percentage
		Announced in August	Announced in February		
Net sales	128,026	134,000	138,000	+ 4,000	+3.0%
Operating profit	4,825	6,300	6,700	+ 400	+6.3%
Ordinary profit	5,617	6,500	7,000	+ 500	+7.7%
Profit attributable to owners of parent	3,501	5,700	6,000	+ 300	+5.3%

FY2024: Dividend Forecast

Revised from the forecast announced in August 2024

Dividend per share

Interim dividend: **75 yen**

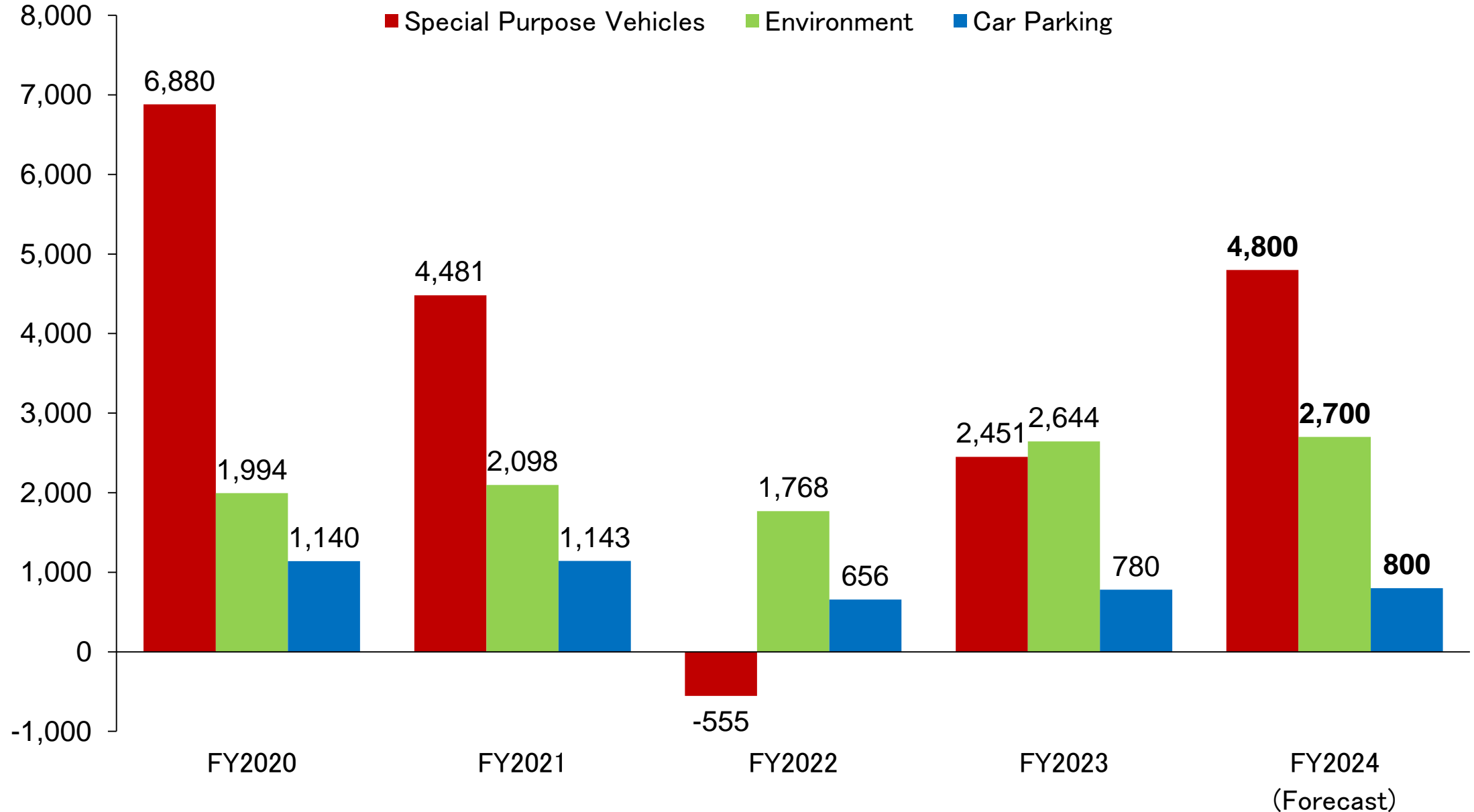
and year-end dividend: **83 yen** (up 8 yen from the previously announced 75 yen)

Total: 158 yen

Trend in Consolidated Operating Profit (by Segment)



(Millions of yen)

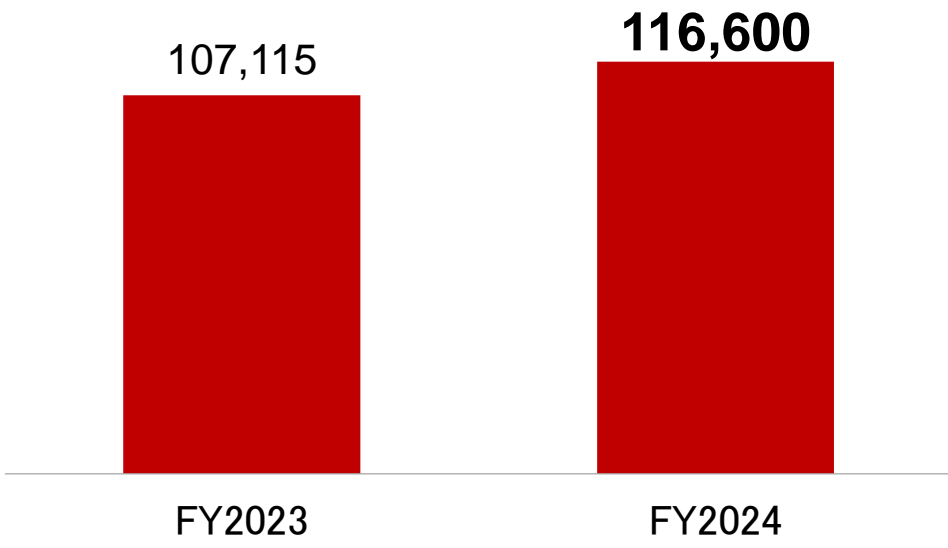


Special Purpose Vehicles Business

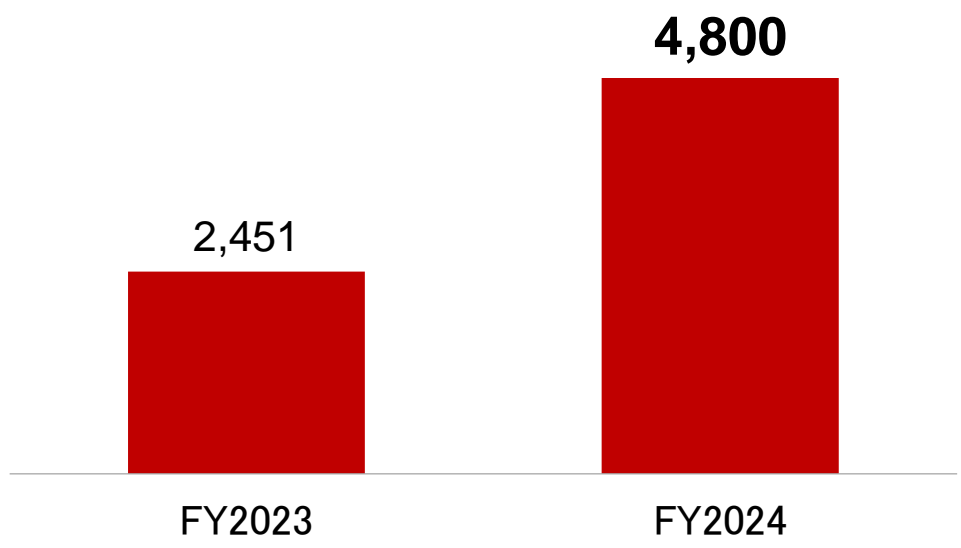
- Both orders and backlogs remained at high levels
 (Backlogs: KYOKUTO: approx. 46,046 million yen and TRENKOR: approx. 46,269 million yen.
 Total: approx. 92,315 million yen) *As of December 31

- Improved supply of truck chassis in Japan
- Effects of product price revisions
- Adding Australian STG to the Group

Net sales Compared to previous period
 (Millions of yen) **+8.9%**



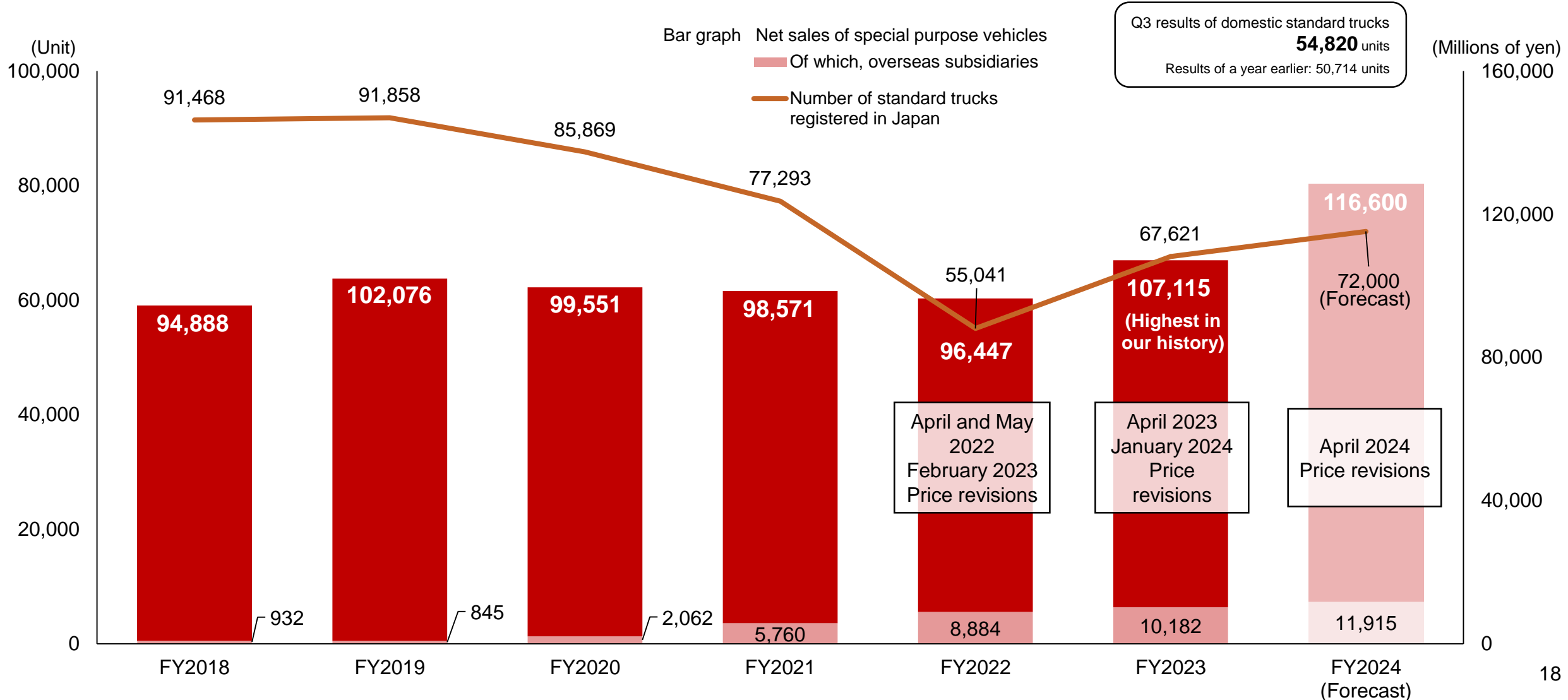
Operating profit Compared to previous period
 (Millions of yen) **+95.8%**



Operating profit margin 2.3% 4.1%

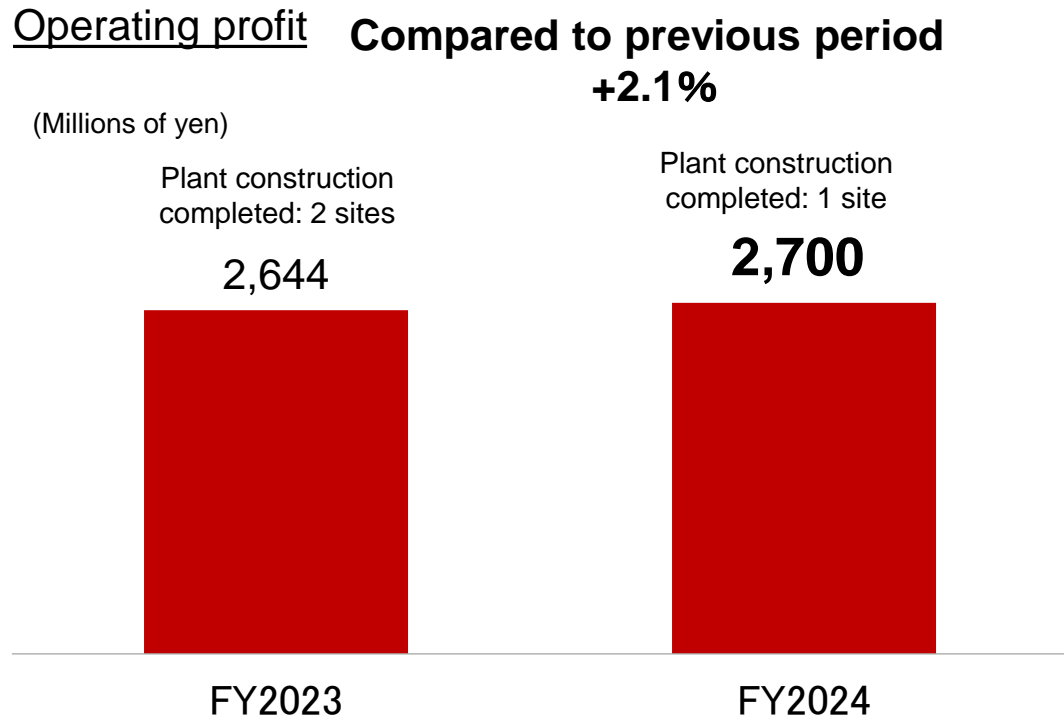
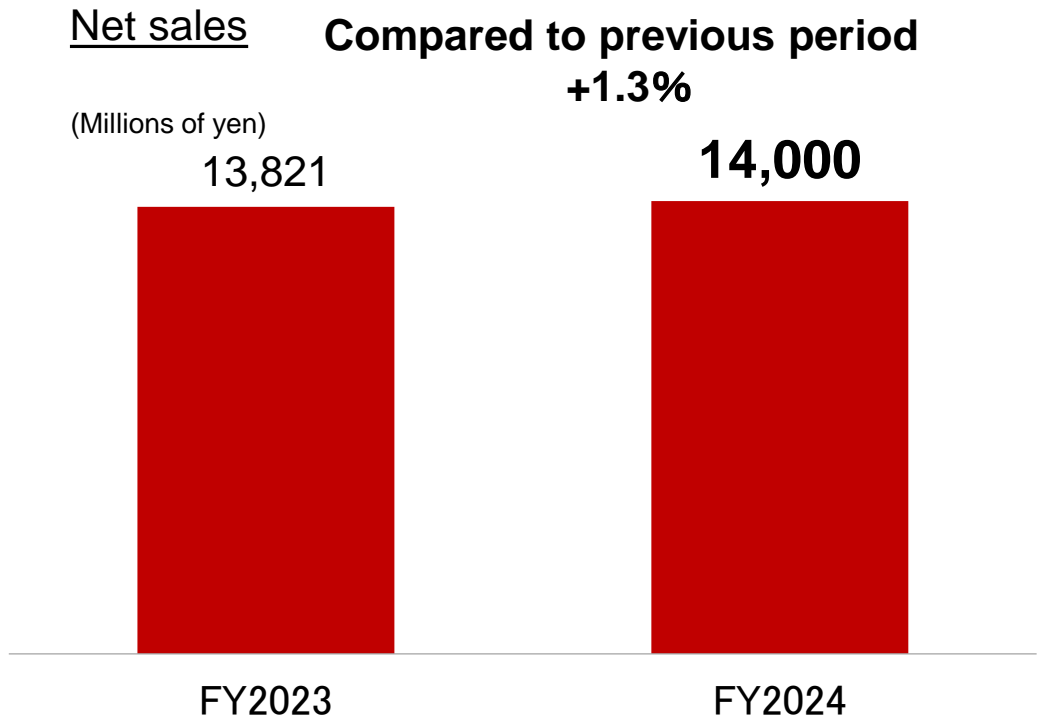
Truck Market and Net Sales trend of Special Purpose Vehicles Business

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. In addition, chassis supply gradually recovered.



Environmental Equipment and Systems Business

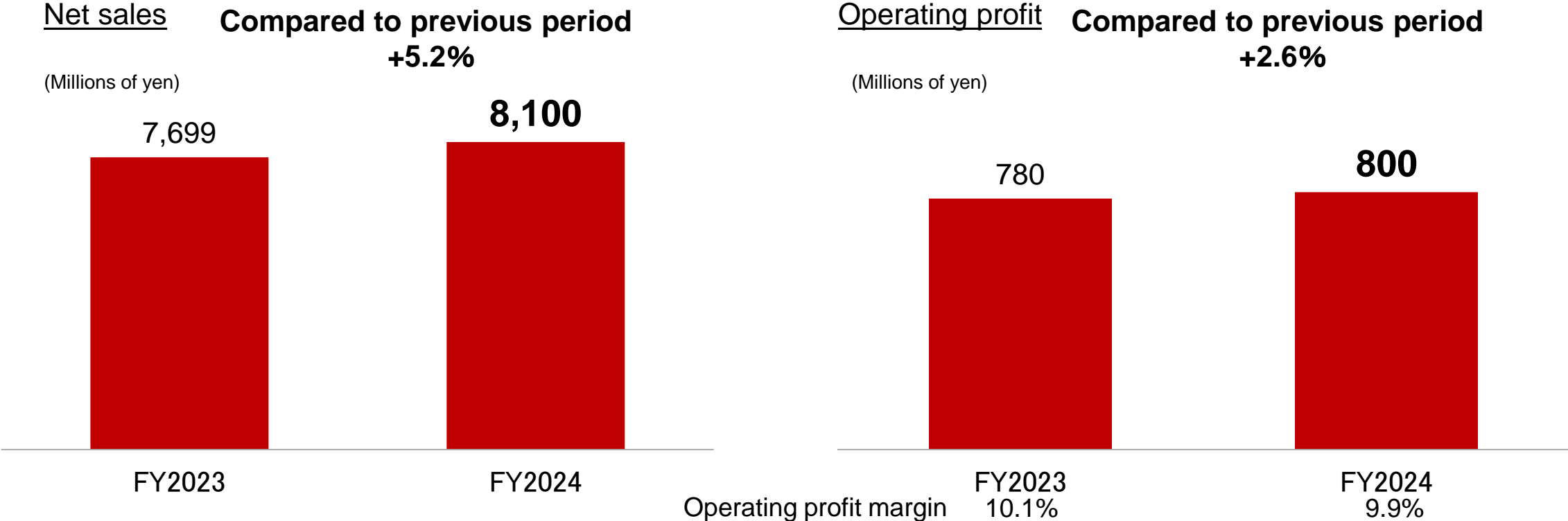
- Steady plant construction work (8 projects in progress: Hokkaido, Tokyo, Saitama, Ishikawa, Hyogo, Oita, etc.)
- Stock-type business such as contracts for operation and maintenance is also strong



Operating profit margin FY2023 19.1% FY2024 19.3%

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
Improve the EV charger “Charge-mo” to differentiate from competitors



4. Initiatives for Enhancement of Corporate Value

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

Earned cash flow

Cash in hand

Efficient procurement

Strategic investment
(A total of three years)

Shareholder Returns

30 billion yen or more

Growth investment

Specialty Truck Business Reinforce main plants Approx. 11 billion yen	Specialty Truck Business Reinforce directly operated service plants Approx. 1.5 billion yen
Strengthen overseas business Approx. 3 billion yen	Strengthen group-wide R&D Approx. 6 billion yen
BCP measures and response to SDGs Approx. 8.5 billion yen	

New M&A investment

Approx. 10 billion yen

Total return ratio (Medium-term management plan 2022–24)
100%

Minimum annual dividend per share
54 yen

State of progress

27.1 billion yen
(cumulative total through September 2024)

Growth investment

New NIPPON TREX plant Automated line at the Yokohama Plant New Fukuoka Plant Building	Sendai Service Center Himeji Service Center Renovation
SATRAC ENGINEERING Construction of a plant in Chennai	Construction of a technical center
Reservoir Solar at Miki Plant Solar panel installation at Fukuoka, Sendai, and Himeji New “e-Packer” electric garbage truck developed	

New M&A investment

Approx. 10.5 billion yen
(cumulative total through September 2024)

- Adding Kyushutokusyu Motors to the Group
- Adding the Australian distributor to the Group
- Adding STG to the Group

Strategic investment
(A total of three years)

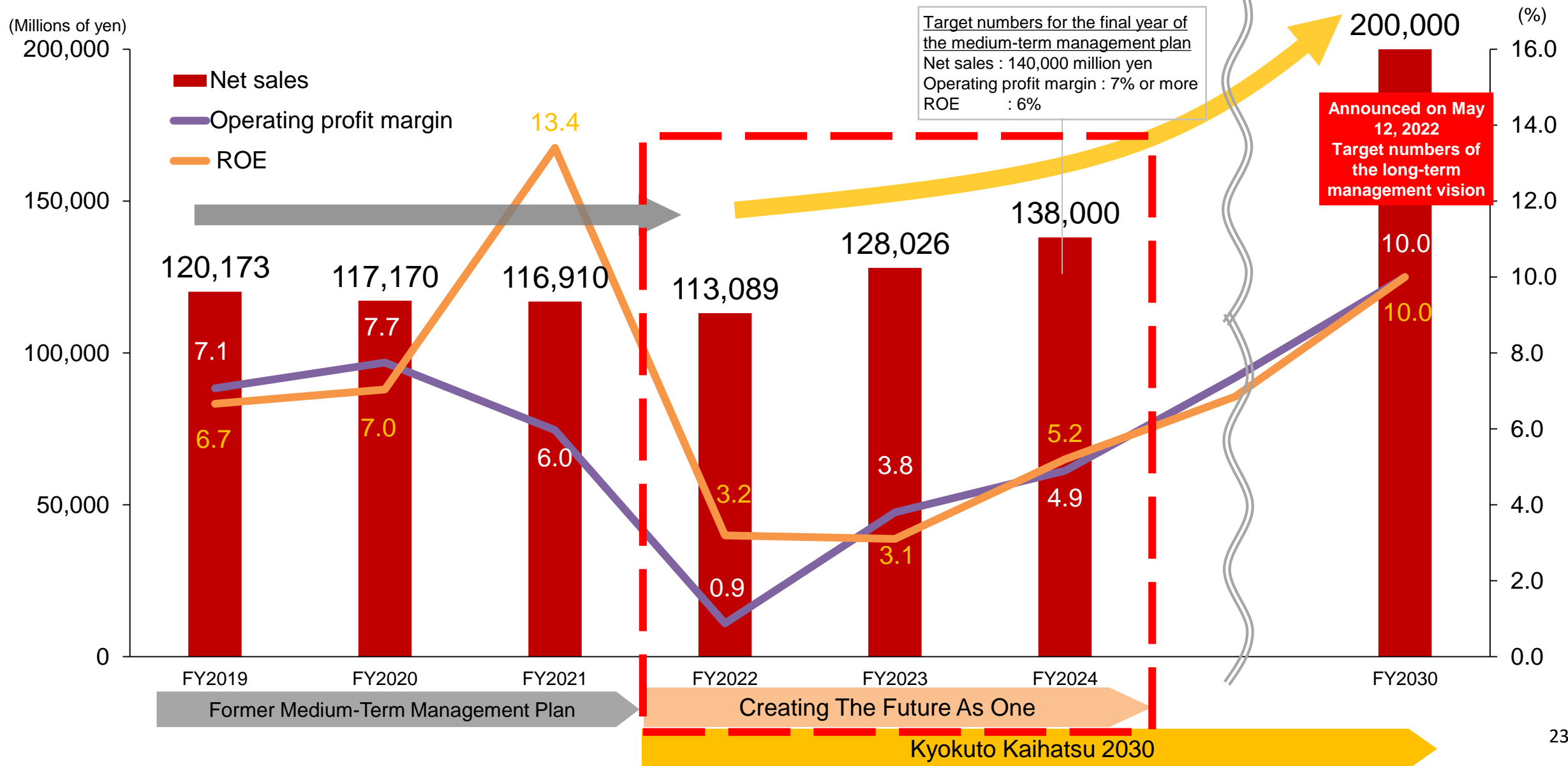
Shareholder returns

Total return ratio
Approx. 101%

Annual dividend per share
158 yen
(Revised in February)

Progress in Medium-Term Management Plan

Net sales, operating profit margin, and ROE targets



Stepping up Shareholder Returns

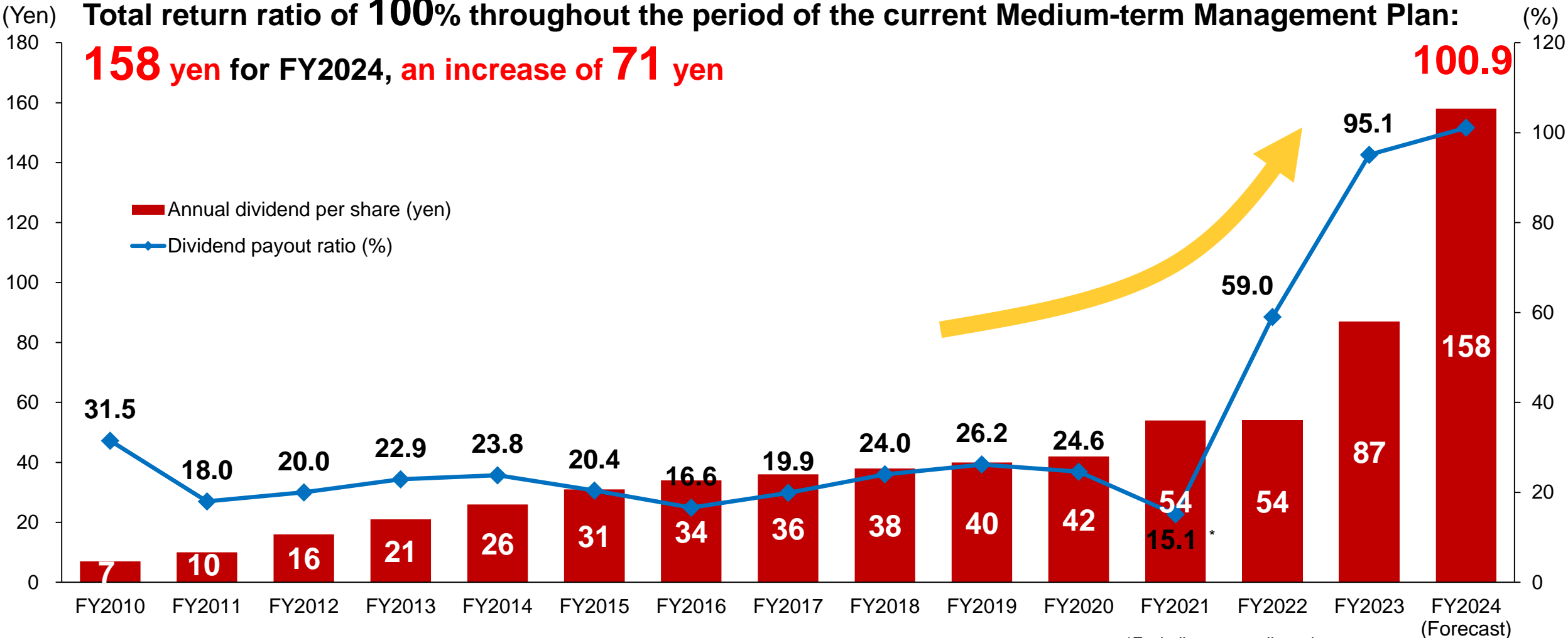


Shareholder return policy: Minimum annual dividend of **54** yen per share + Flexible purchase of treasury shares.

Total return ratio of **100%** throughout the period of the current Medium-term Management Plan:

158 yen for FY2024, an increase of **71 yen**

100.9



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

For Reference: Supplementary Data

Company Name : KYOKUTO KAIHATSU KOGYO CO.,LTD.

Location of headquarters : Chuo-ku, Osaka, Japan

Founding date : June 1, 1955

Capital : 11,899,867,400 yen

Title and name of Representative : Representative Director, President, CEO Tatsuya Nunohara

Number of employees : consolidated 3,237 non-consolidated 1,133 (as of March 31, 2024)

Consolidated subsidiaries : 26 companies

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.



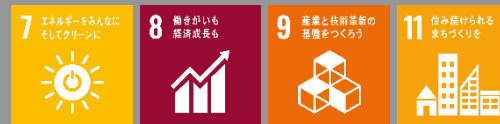
Environmental Equipment and Systems Business



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).



Overview of Special Purpose Vehicles Business

*In case of mounting on trucks



Truck manufacturer/Dealer

Trading company /User



(1) Ordering



(2) Chassis delivery
(Consigned to)



(4) Delivery
[Sales made]



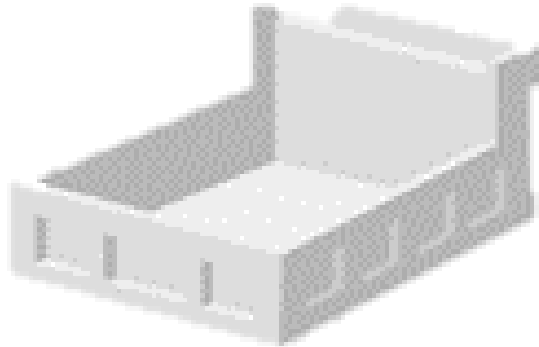
(1) Ordering



(4) Delivery
[Sales made]

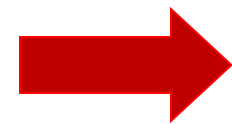


Truck undercarriage (chassis)



Body

(3) Mounting



Completion

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

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^{*1}

- CO₂ emissions reduction: Minus**38%**^{*2}
- 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**

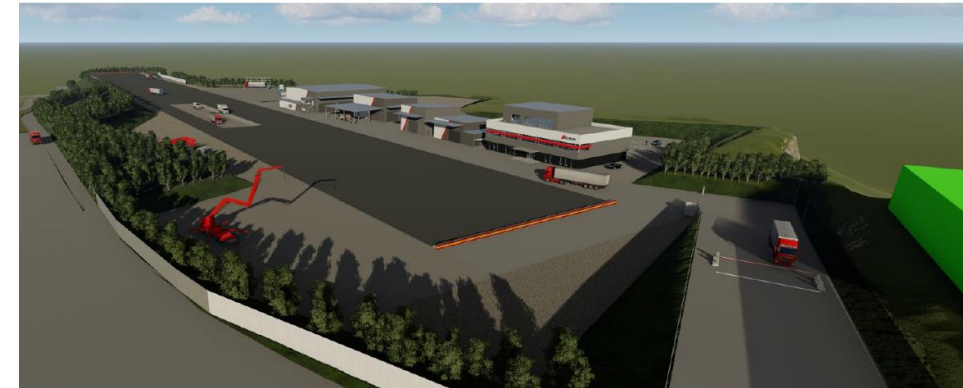
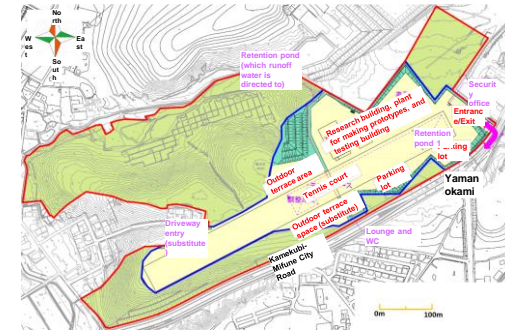
Major Capital Investments and M&A



Business	Investment item	Investment details	Implementation period
Special Purpose Vehicles	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
	Adding Australian STG to the Group	Expand business and business performance and strengthen global expansion	Year 2024 Implemented in November
	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 FY2024)

* 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 CO₂ 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.



Make STG a Group Company

We acquire shares of STG Global Holdings Pty Ltd (STG), an Australian Special Purpose Vehicles manufacturer, and make STG a Group Company.



STG

Reason for acquiring shares

- ✓ Cross selling, centered on Japan and Australia markets, by leveraging the product lineup of both highly complementary products.
- ✓ Acquiring platforms for the expansion of North America and Europe.
- ✓ Enhancing efficiency and profitability by utilizing and integrating the bases of both companies in Australia and China.
- ✓ It aims to contribute to quick and medium- to long-term consolidated results, and expand business and business performance and further strengthen global expansion.

[Outline of STG]

Name	STG Global Holdings Pty Ltd
Address	29-31 Evolution Drive, Dandenong South, VIC, 3175
Title and name of Representative	Chief Executive Officer: Ross William Yendle
Business	Manufacture and sales of Special Purpose Vehicles
Common stock	AUD 36,808 thousand (approx. ¥3,717 million))
Date of Establishment	2001 (became a holding company on September 28, 2022)

 **Aim to accelerate integrated management and maximize synergies moving forward**

[Main Products]



Suction-cut excavator



Water sprinkler truck/water truck



Garbage truck

◆ CO₂ emission reduction rate

Reservoir Solar at Miki Plant

- The facility nicknamed “Reservoir Solar” started operating in January, aimed at reducing electricity costs and CO₂ 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 CO₂ emissions a year.
- Overview of Facility
 - Solar battery module Approx. 2,600 kW
 - Power conditioner Approx. 2,000 kW

◆ 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%).

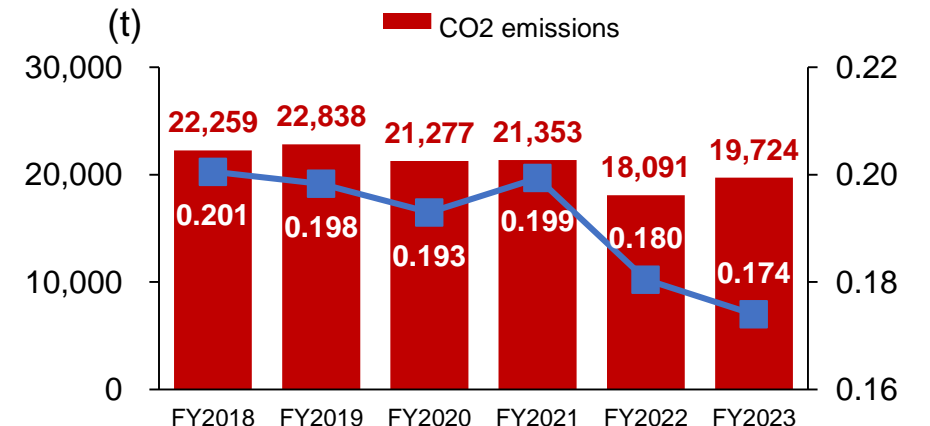
Target values and progress

Long-term Management Vision	Target: Cut 38% or more (FY2030) *CO ₂ emission factor compared with FY2013 Progress: Cut 22.3% (FY2023)
Medium-term Management Plan	Target: Cut 10% or more (FY2024) *CO ₂ emission factor compared with FY2020 Progress: Cut 10.0% (FY2023)



Reservoir Solar (aerial view)

Solar battery floats



TOPICS (1) Completion of Small Rear Dump Truck Body Automated Production Line at the Yokohama Plant



The automated production line for small rear dump truck bodies, which we had invested in at the Yokohama Plant (Yamato City, Kanagawa Prefecture), has been completed.

Following the automated production line for medium-sized rear dump truck bodies that has been in operation since September 2021, the plant has revamped its production line for small rear dump truck bodies, one of the plant's main products. The line has thoroughly pursued efficiency improvements, including adding automated welding robots. As a result, productivity has been improved by approximately 45% compared with the previous line.

It is difficult to automate production of special purpose vehicles because they are often manufactured by customization and come in a wide range of sizes, from large to small. Based on our experience in automating the production of medium- and small-sized rear dump truck bodies at the Yokohama Plant, we intend to promote automation to improve production efficiency in other processes as well. (News release, December 24, 2024)



[Equipment Overview]

Investment amount	Approx. 1.2 billion yen
Purpose	(1) Improve efficiency of production system (2) Automate production and improve efficiency/save labor
Number of robots	20

Small rear dump truck



Small Rear Dump Truck Body Automated Production Line

TOPICS (2) Order Receipt for Yufu City Refuse Transfer Station Construction Work

On September 24, 2024, we received an order from Yufu City, Oita Prefecture, for work to construct a refuse transfer station in Yufu City in fiscal 2024.

This project was planned because a new general waste treatment facility will be constructed farther away from Yufu City than the current one. This facility is designed to efficiently and economically transport combustible waste collected within Yufu City by first compacting it using our compactor (waste compacting equipment) and then transshipping it to a special vehicle (container carrier truck).

(News release, October 21, 2024)



[Facility Overview]

Order amount	1,696 million yen
Throughput	31.4 t/6 h

◀ Kyokuto compactor system (conceptual image)



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

The forecasts in this document are based on information available as of the date of its publication. Actual results may differ from projected numbers due to various factors that could occur in the future.

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