

# Operating Results for FY2024



Anniversary  
Thanks to you  
Create the Future with you

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

|  |          |
|--|----------|
| 1. Results of FY2024                       | P3 ~ 5   |
| 2. Results by Segment                      | P6 ~ 14  |
| 3. Full-Year Forecast for FY2025           | P15 ~ 21 |
| 4. New Medium-term Management Plan 2025-27 | P22 ~ 63 |

[ Creating The Future As One (Ⅱ) ]

# 1. Results of FY2024

# Summary of Consolidated Financial Results for FY2024

| <b>Fiscal year</b><br><b>Millions of yen</b>       | <b>FY2023</b> | <b>FY2024</b> | <b>Change</b> | <b>Percentage</b> |
|--|---------------|---------------|---------------|-------------------|
| Net sales  | 128,026       | 140,449       | + 12,423      | +9.7%             |
| Operating profit                                   | 4,825         | 6,656         | + 1,831       | +38.0%            |
| Ordinary profit                                    | 5,617         | 6,890         | + 1,273       | +22.7%            |
| Profit attributable to owners of parent            | 3,501         | 5,820         | + 2,319       | +66.2%            |
| Special Purpose Vehicles Business: Orders Received | 84,989        | 111,644       | + 26,655      | +31.4%            |
| Special Purpose Vehicles Business: Order Backlogs  | 77,553        | 95,309        | + 17,756      | +22.9%            |

- FY2025**
- Key points of consolidated operating results**
- ✓ **Net sales exceeded the previous year's record**
  - ✓ **Operating profit increased 38% to 6.65 billion yen due to improved profit margin in the special purpose vehicles business**
  - ✓ **Profit attributable to owners of parent increased 66% to 5.82 billion yen partly due to a gain on sale of cross-shareholdings**
  - ✓ **Both orders received and order backlogs increased due to steady growth in the special purpose vehicles market, which is the core business**

# Quarterly Trends in Consolidated Financial Results

(Accumulation period)

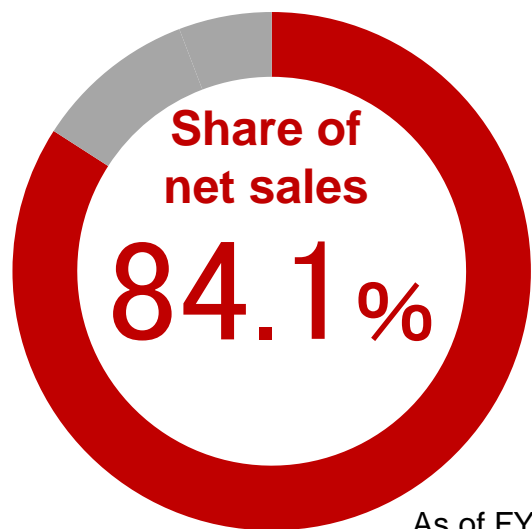
| Fiscal year<br>Millions of yen |                                     | FY2023 |        |        |         | FY2024 |        |        |         | Change(Year-on-year) |            |
|--------------------------------|-------------------------------------|--------|--------|--------|---------|--------|--------|--------|---------|----------------------|------------|
|                                |                                     | 1Q     | 2Q     | 3Q     | 4Q      | 1Q     | 2Q     | 3Q     | 4Q      | Amount               | Percentage |
| Net sales                      | Net sales                           | 26,091 | 59,570 | 90,311 | 128,026 | 28,626 | 64,007 | 96,642 | 140,449 | + 12,423             | +9.7%      |
|                                | Special Purpose Vehicles            | 22,313 | 51,153 | 76,964 | 107,115 | 24,741 | 55,104 | 82,574 | 118,708 | + 11,593             | +10.8%     |
|                                | Overseas figures                    | 2,321  | 5,110  | 7,764  | 10,182  | 2,062  | 4,486  | 6,425  | 12,080  | + 4,316              | +18.6%     |
|                                | Environmental Equipment and Systems | 2,301  | 5,332  | 8,311  | 13,821  | 2,163  | 5,271  | 8,475  | 14,193  | + 371                | +2.7%      |
|                                | Car Parking Systems                 | 1,619  | 3,371  | 5,472  | 7,699   | 1,886  | 3,965  | 6,067  | 8,187   | + 487                | +6.3%      |
| Operating profit               | Operating profit                    | △ 87   | 1,311  | 2,161  | 4,825   | 931    | 2,740  | 3,792  | 6,656   | + 1,831              | +38.0%     |
|                                | Special Purpose Vehicles            | △ 240  | 743    | 1,262  | 2,451   | 733    | 2,064  | 3,071  | 4,676   | + 2,224              | +90.7%     |
|                                | Overseas figures                    | 156    | 402    | 554    | 773     | 101    | 299    | 372    | 488     | △ 66                 | △36.9%     |
|                                | Environmental Equipment and Systems | 200    | 691    | 1,074  | 2,644   | 197    | 714    | 1,319  | 2,772   | + 127                | +4.8%      |
|                                | Car Parking Systems                 | 145    | 342    | 551    | 780     | 191    | 424    | 674    | 847     | + 66                 | +8.5%      |

**FY2025**

## Key Points by Segment

- ✓ Compared with the previous year, sales and income increased in all segments
- ✓ Productivity improved due to effects of price revisions for finished goods, improved supply of truck chassis, etc.
- ✓ Overseas sales rose due to the addition of STG to the Group
- ✓ Operating profit in the environmental equipment and systems business reached a record high

## 2. Results by Segment



## Net sales

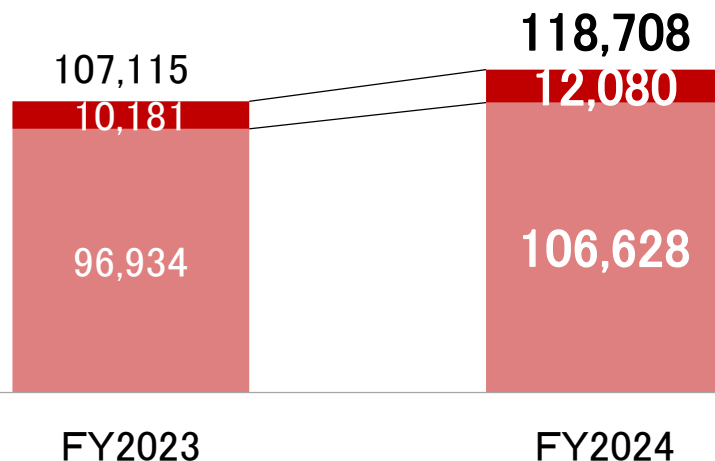
- ↗ Price revisions for finished goods contributed to the increase, while the production volume decreased slightly from the previous year
- ↗ Addition of Australian STG to the Group also drove the increase

## Operating profit

- ↗ Profitability improved due to price revisions for finished goods
- ↗ Improved supply of truck chassis increased productivity

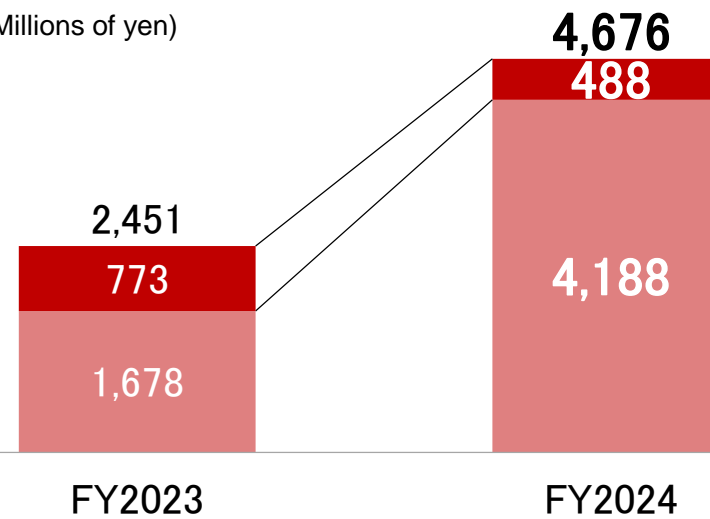
Net sales Compared to previous period  
**+10.8%**

■ Domestic ■ Overseas  
(Millions of yen)



Operating profit Compared to previous period  
**+90.7%**

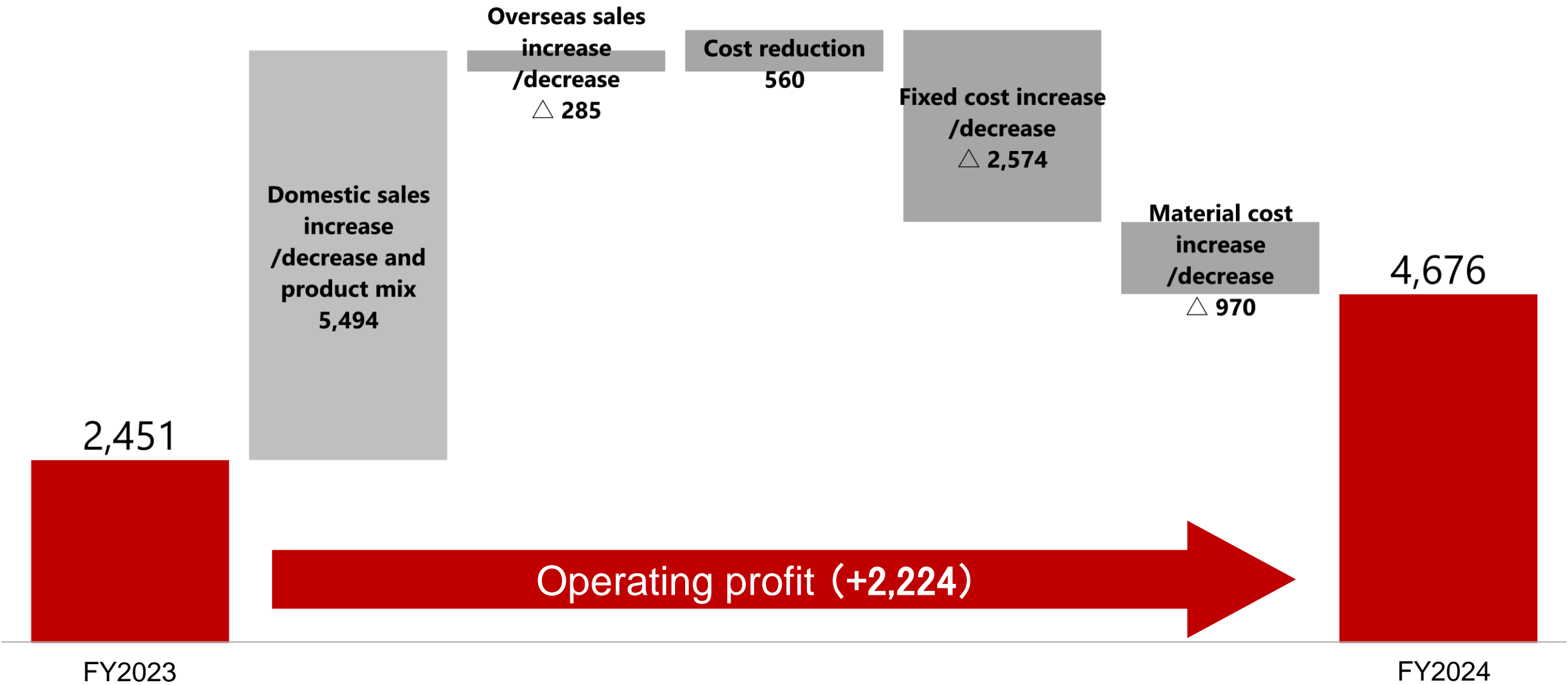
■ Domestic ■ Overseas  
(Millions of yen)



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



(Millions of yen)

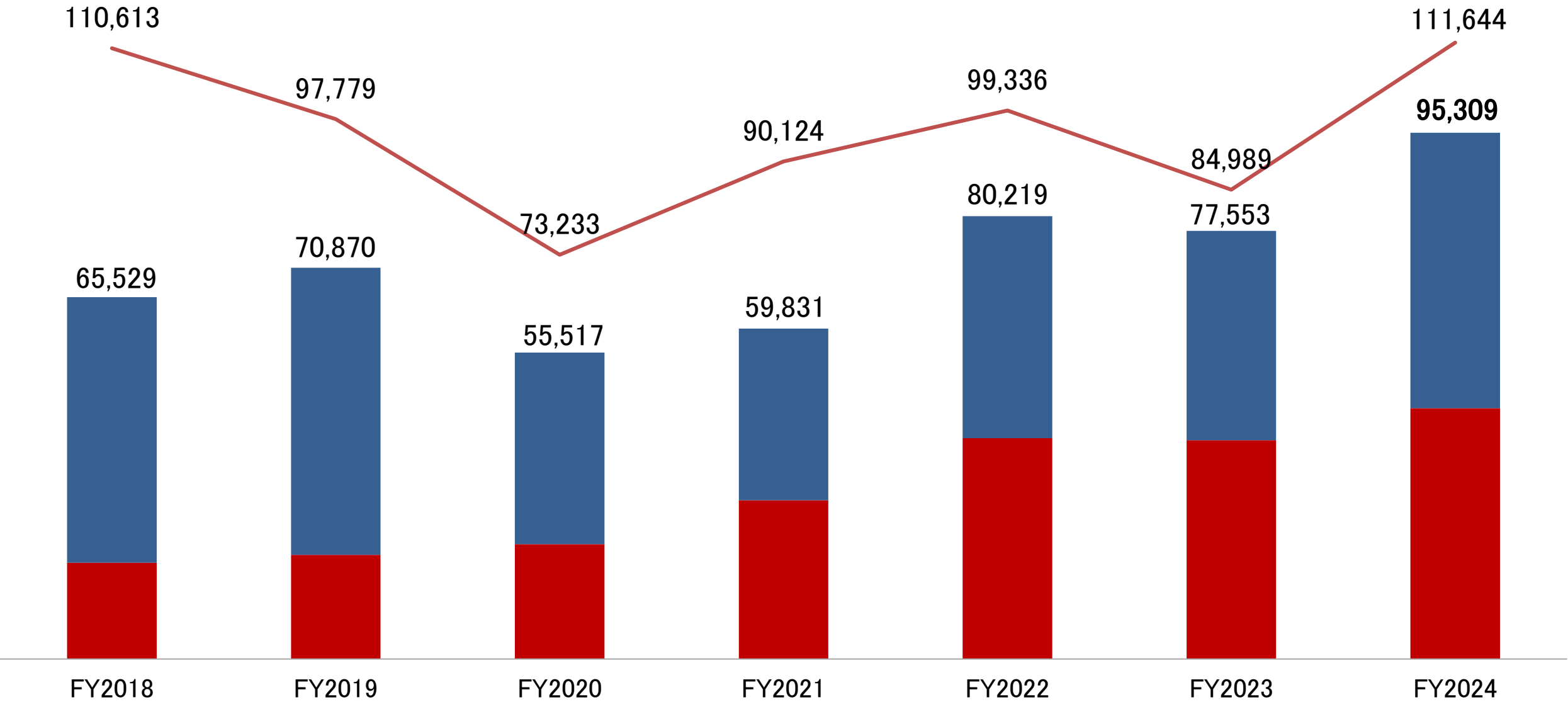


# Special Purpose Vehicles Business: Orders Received and Backlog

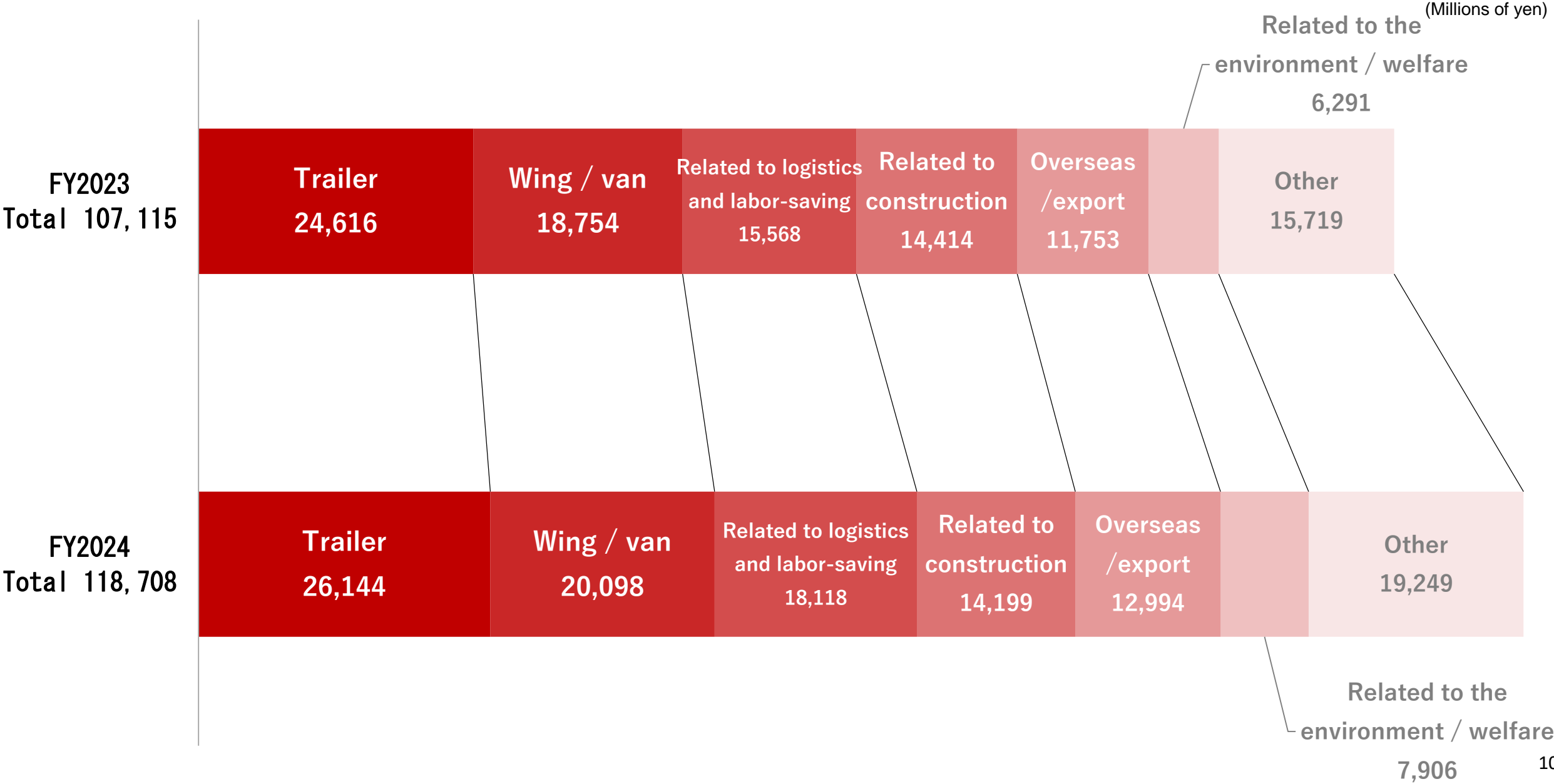


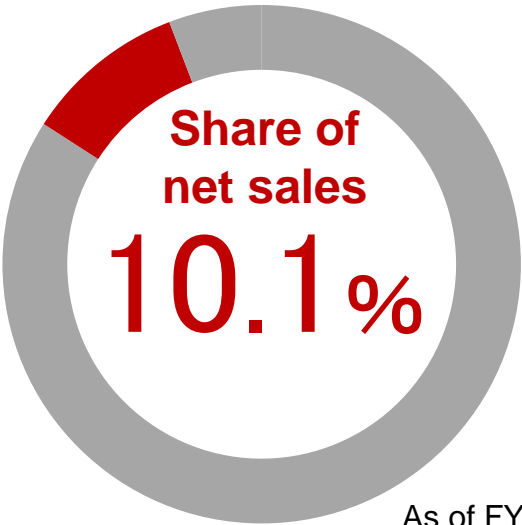
(Millions of yen)

KYOKUTO Order backlog    TREX Order backlog    Total of orders received



# Special Purpose Vehicles Business: Sales Composition





Net sales

- Plant construction: Construction of projects from backlog continued (FY2024: 1 project completed)
- New orders were received (FY2024: 3 orders in total)
- Stock-type business such as contracts for operation and maintenance was prioritized

Operating profit

- Stock-type business greatly contributed to achieving a record-high operating profit

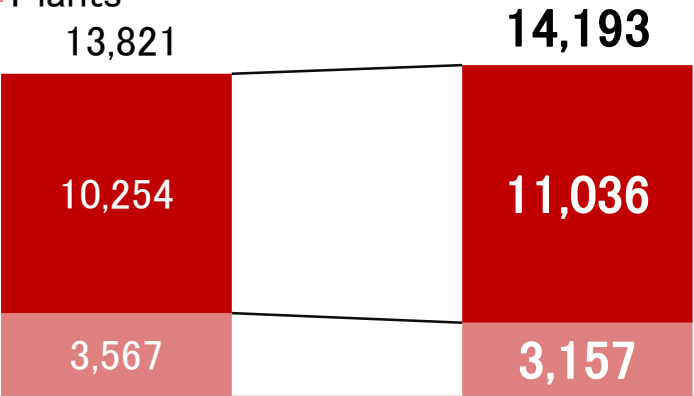
Net sales

Compared to previous period  
+2.7%

(Millions of yen)

Contract for operation and maintenance

Plants



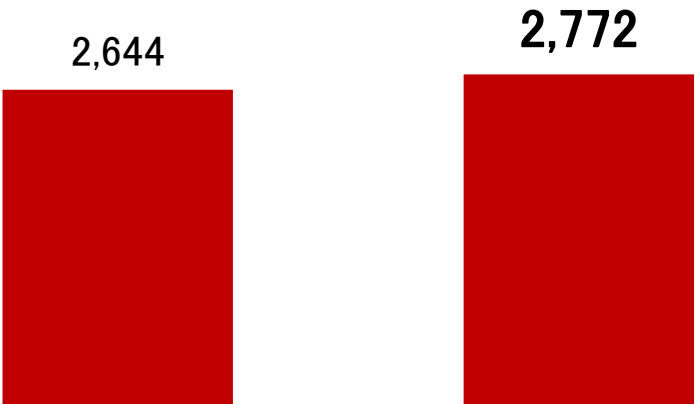
FY2023

FY2024

Operating profit

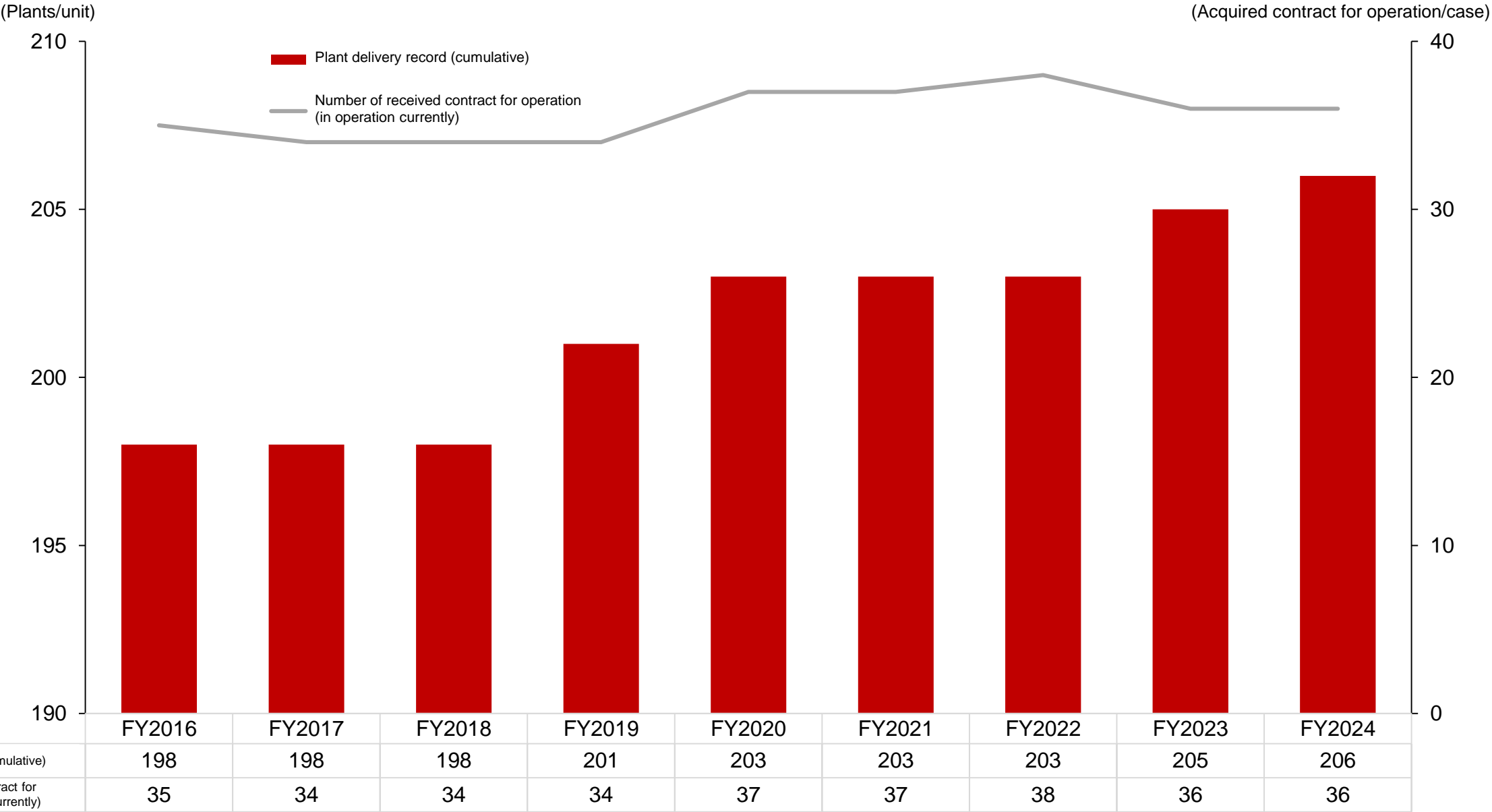
Compared to previous period  
+4.8%

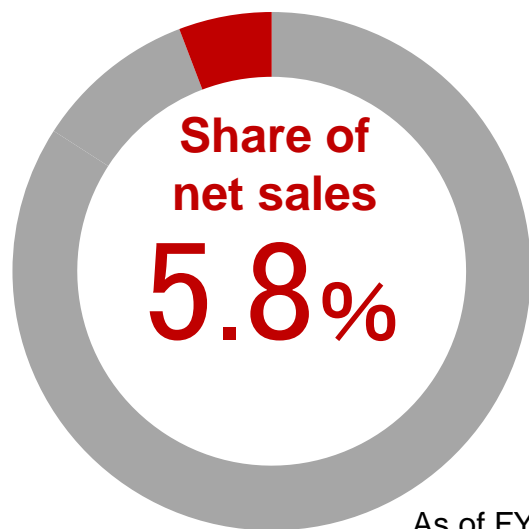
(Millions of yen)



FY2023

FY2024





## Net sales

- ↗ New and renovated properties increased toward the second half of the fiscal year
- ↗ Sales of over 8,000 million yen were achieved for the first time since FY2013

## Operating profit

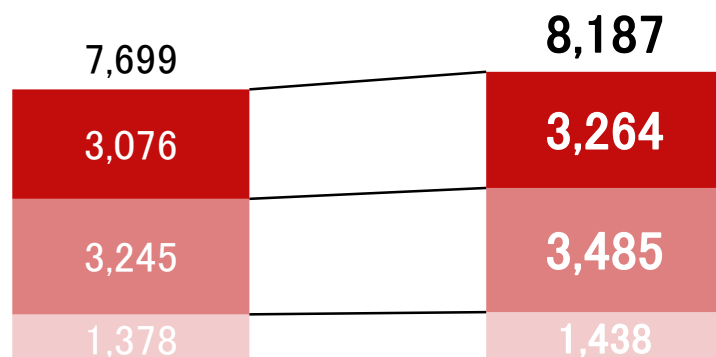
- ➡ Stock-type business of multi-story parking systems such as renovation and maintenance was prioritized
- ↗ Pay-and-display parking achieved a record-high operating profit

## Net sales

**Compared to previous period  
+6.3%**

(Millions of yen)

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



FY2023

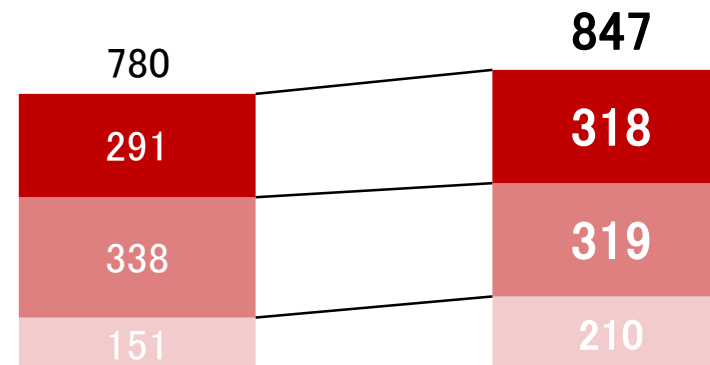
FY2024

## Operating profit

**Compared to previous period  
+8.5%**

(Millions of yen)

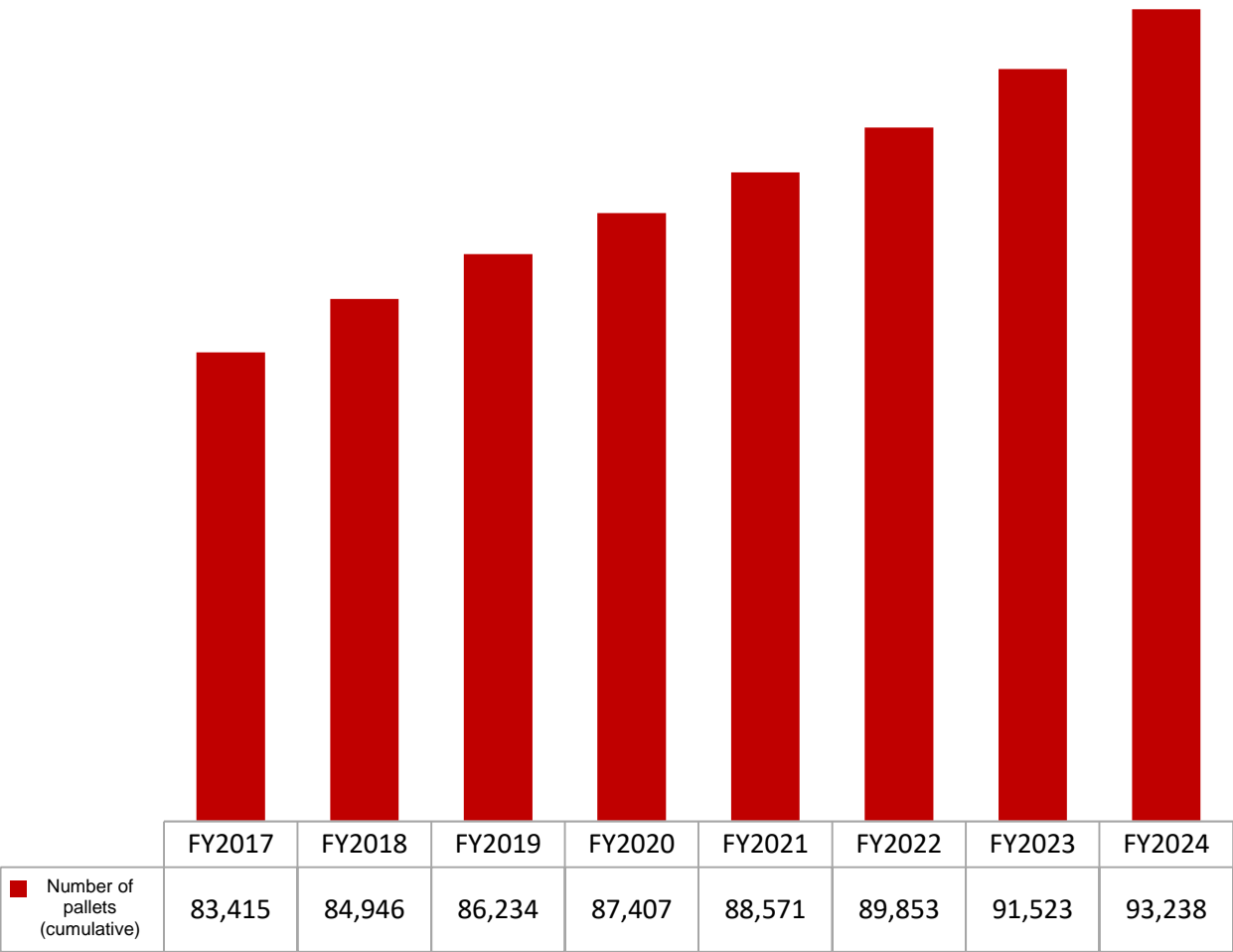
■ Other   ■ Pay-and-display parking lots   ■ Multi-story parking systems



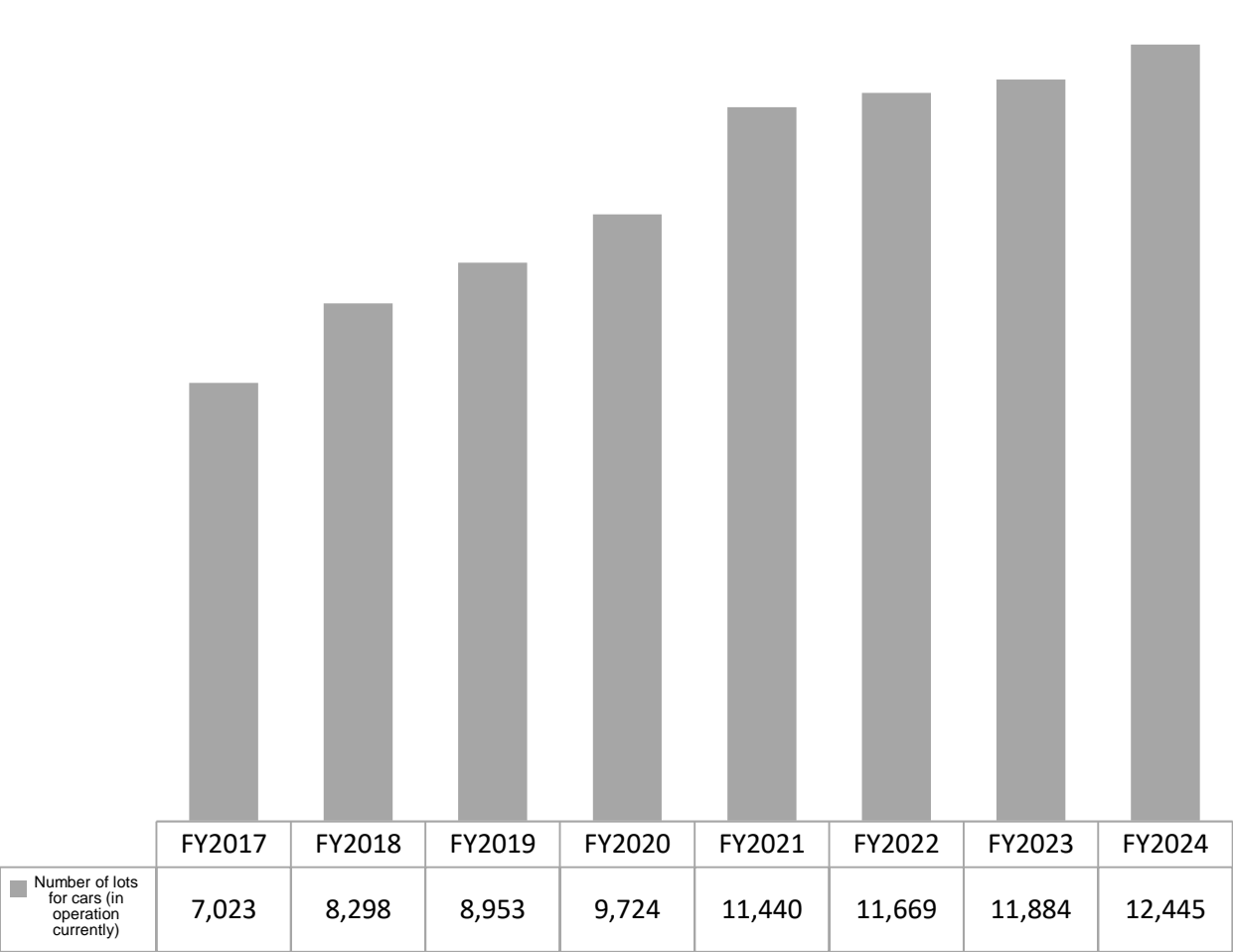
FY2023

FY2024

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



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



## **3. Full-Year Forecast for FY2025**

| Fiscal year<br>Millions of yen          | FY2024<br>(Results) | FY2025<br>(Forecast) | Change   | Percentage |
|---|---------------------|----------------------|----------|------------|
| Net sales                               | 140,449             | 168,000              | + 27,551 | +19.6%     |
| Operating profit                        | 6,656               | 9,600                | + 2,944  | +44.2%     |
| Ordinary profit                         | 6,890               | 9,500                | + 2,610  | +37.9%     |
| Profit attributable to owners of parent | 5,820               | 6,500                | + 680    | +11.7%     |

- Dividend per share

Interim dividend: **70 yen**

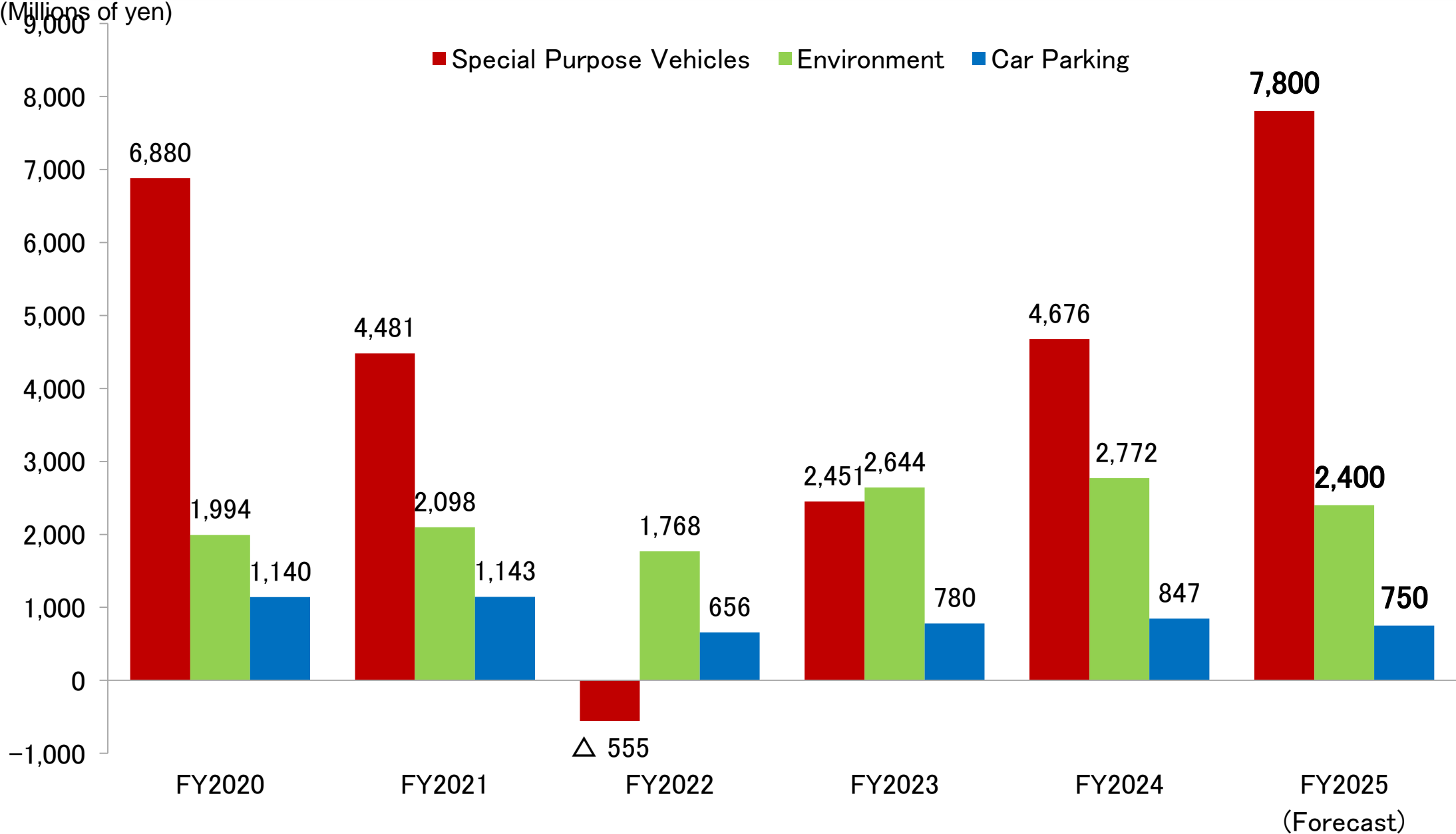
## FY2025: Dividend Forecast

and year-end dividend: **70 yen**    **Total: 140 yen**

- DOE: approximately 4.9% (estimated)

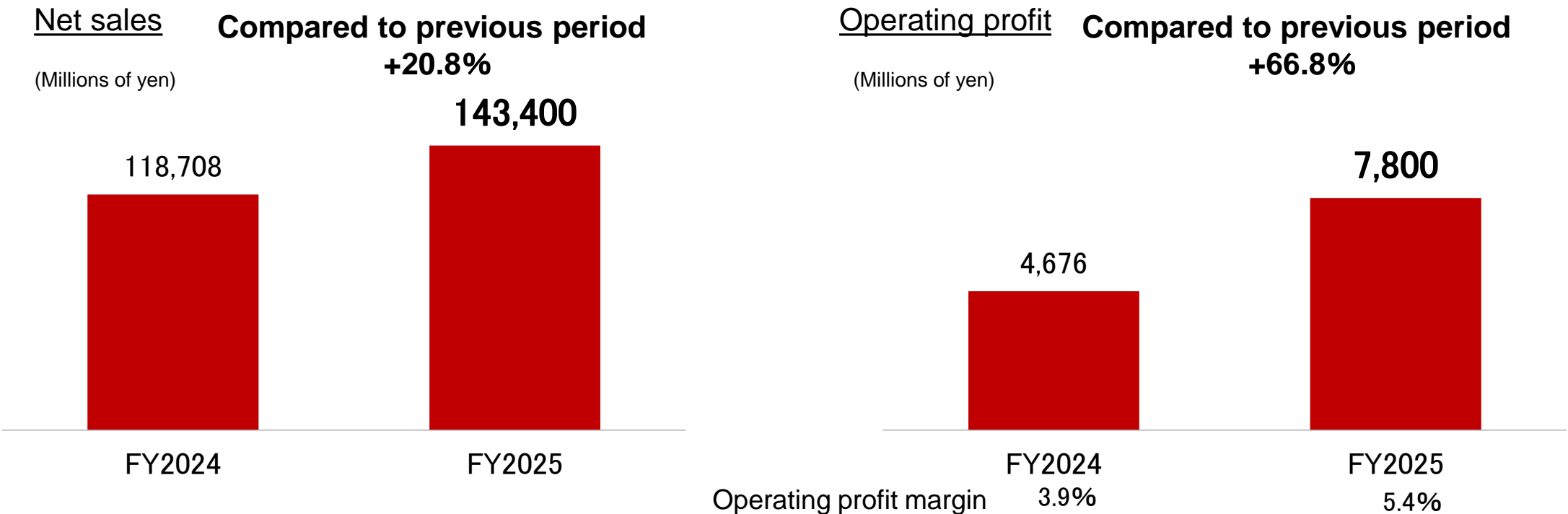
\* Calculated based on the consolidated balance sheets as of March 31, 2025

# Trend in Consolidated Operating Profit (by Segment)



Special Purpose Vehicles Business

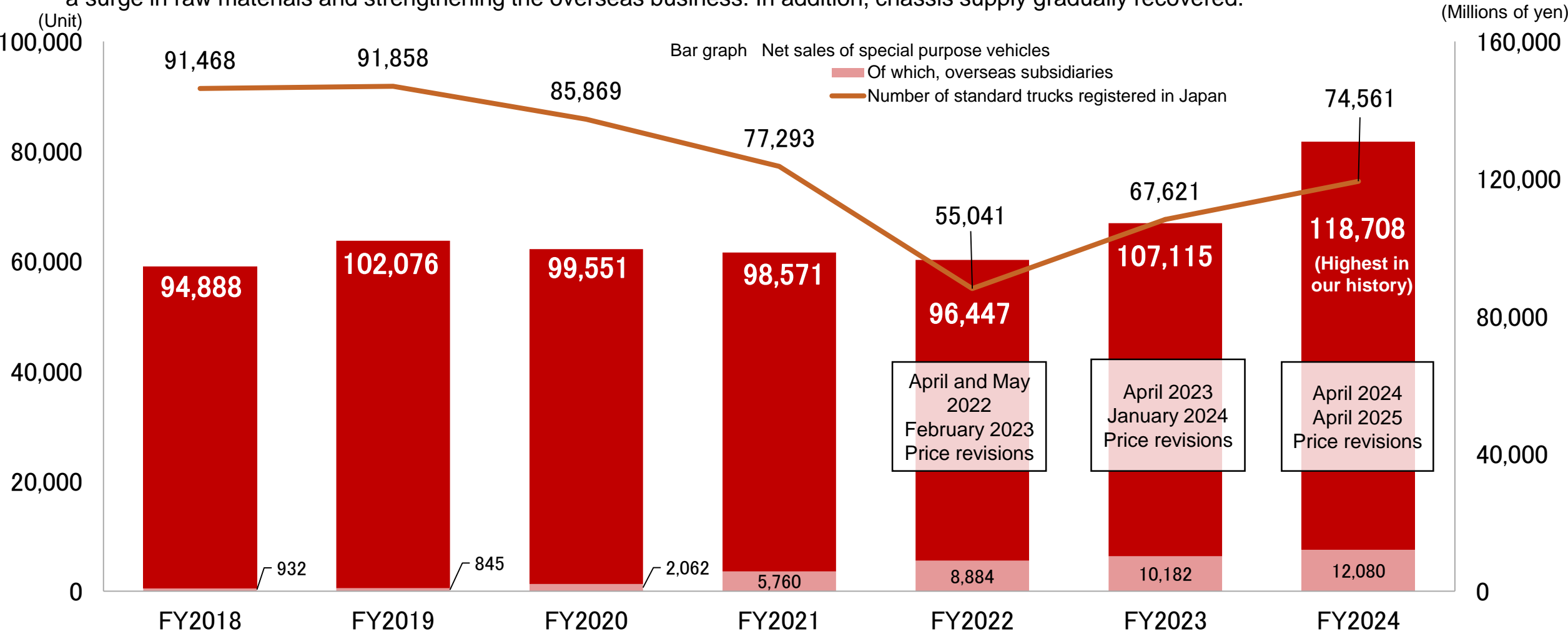
- Price revisions for finished goods led to higher sales (\*some of the prices have been revised again from April 1, 2025)
- Productivity and profitability improve due to large-scale capital investments
- Completion of the second plant in India (Chennai) and addition of Australian STG to the Group contribute to the Company’s performance
- Both orders and backlogs remained at high levels (Backlogs: KYOKUTO: approx. 45,453 million yen and TREX: approx. 49,856 million yen. Total: approx. 95,309 million yen) \*As of March 31



# 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

- Introduction of new technologies contributes to increased added value and differentiation from competitors
- Maximum leverage of group-wide collaboration and resources enhances proposal and cost-saving capabilities
- Biomass-related business that was newly launched to help achieve carbon neutrality starts full operation
- Plant construction work continues to be prioritized (8 projects in progress: Hokkaido, Tokyo, Saitama, Ishikawa, Hyogo, Oita, etc.)

### Net sales

(Millions of yen)

### Compared to previous period

**+22.3%**

**17,500**

14,193

FY2024

FY2025

### Operating profit

(Millions of yen)

### Compared to previous period

**-13.4%**

**2,400**

2,772

Plant construction  
completed: 1 site

Plant construction  
completed: 2 sites

FY2024

FY2025

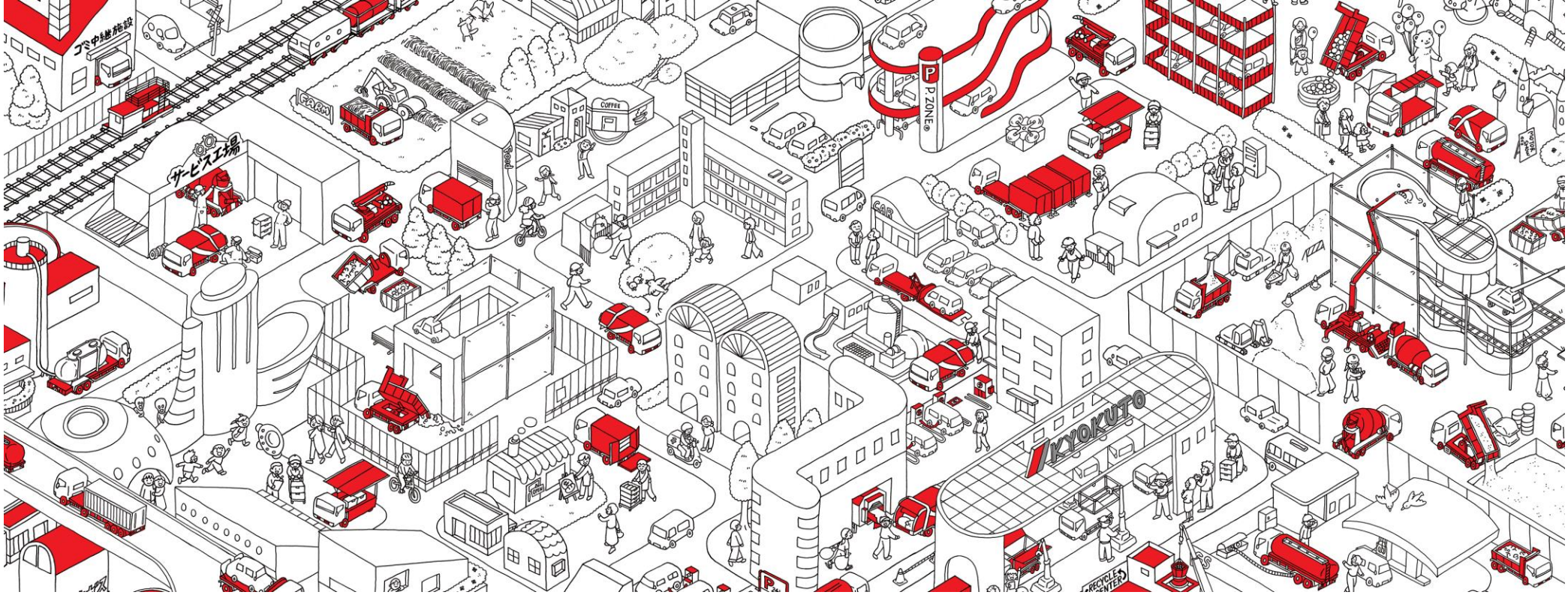
Operating profit margin

19.5%

13.7%

- **Multi-story parking systems** : Stock-type business such as renovation and maintenance increases its sales, securing stable earnings
- **Pay-and-display parking lots** : Early monetization is pursued through enhancing functionality of “Charge-mo<sup>®</sup>” and acquiring new customers





Designing a better **future** for **towns** and **everyday** living

Kyokuto Kaihatsu Group

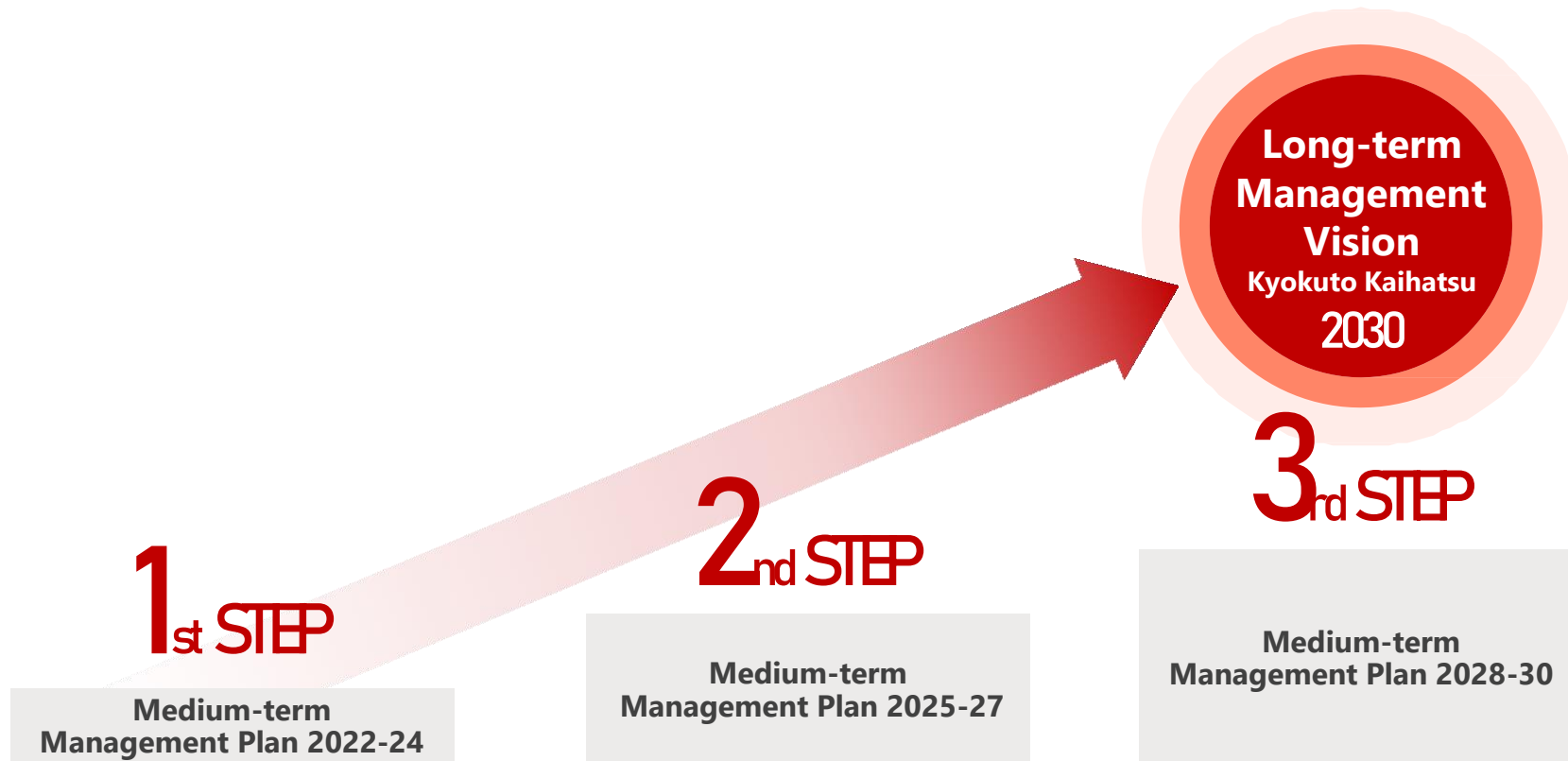
# Medium-term Management Plan

2025 - 27

Creating The Future As One (II)

1

# Long-term Management Vision



## Long-term Management Vision - **Kyokuto Kaihatsu 2030** -

Kyokuto Kaihatsu Group aims to become a leading global integrated infrastructure manufacturer, contributing to the realization and advancement of a sustainable society, based on the core values we have carefully cultivated since our founding: technological expertise, trust, and the spirit of harmony and cooperation.



Outstanding  
Technical Capabilities

Solid Quality

We view the various social and environmental changes surrounding our group as opportunities, and by driving both domestic profit expansion and overseas business growth, we will continue to deliver value to all stakeholders as a global integrated infrastructure manufacturer shaping the future of society.

## Business Results Vision

Net Sales

# 200

 billion yen
Operating  
Income  
Ratio

# 10%

ROE

# 10%

## Long-Term Business Strategies



### Special Purpose Vehicle Business

\*Including overseas business.

Net Sales

# 173

 billion yen

- Establishing strong sales, technological, production, and service capabilities to provide high added value.
- Accelerating the development of solutions-oriented products through effective use of the Technical Center.
- Improving productivity through the optimal placement of products and equipment, as well as continuous improvement activities.
- Building a production system that balances improved profit margins with CO2 emission reduction.
- Expanding overseas business primarily in India, Indonesia, and Australia, and contributing to social development.
- Establishing a global supply system by utilizing production bases in China and the Philippines.



### Environmental Equipment and Systems Business

Net Sales

# 20

 billion yen

- Establishing a solid position in the industry as a manufacturer specializing in recycling facilities.
- Incorporating waste transfer facilities and next-generation recycling plants.
- Operating and managing waste disposal facilities that are safe, stable, and provide reassurance to the local community.
- Establishing a stable revenue base for biomass-related businesses that contribute to a carbon-neutral society.



### Car Parking Systems Business

Net Sales


# 10

 billion yen





- Expanding high-value-added mechanical multi-story parking system products.
- Improving customer satisfaction and securing greater profits through the strengthening of the renewal and service departments.
- Expanding the time-limited parking business through the development of new areas and strengthening relationships with existing landowners.
- Flexible business strategy development for new mobility.

## Sustainability Vision



### [Environment] Manufacturing Vision

| CO <sub>2</sub> Emissions: -38% <sup>*1</sup><br>(Compared to 2013)   | New Environmental Standards Compliance Label (Gold Label) Certification Acquisition Rate: 100% <sup>*2</sup>  | Waste Recycling Rate during Production: Over 99% <sup>*3</sup>   |
|---|---|--|
| <br><b>Decarbonization</b><br>Towards achieving carbon neutrality by 2050, we will promote efforts to decarbonize products, services, and manufacturing processes. | <br><b>Product Recycling</b><br>Promoting acquisition of the Japan Automobile Body Industry Association's new environmental standard certification (Gold Label) and working to improve the recyclability of our products. | <br><b>Resource Recycling</b><br>We aim to reduce waste generated from business activities while promoting recycling and drive the group's efforts toward achieving zero emissions. |

### [People] Society Creation Vision

| Eliminating Harassment  | Improving Employee Engagement <sup>*4</sup>  |
|---|--|
| <br><b>Human Rights</b><br>Promoting the creation of an environment and systems that protect diversity and human rights, ensuring that no harassment occurs at any stage of the business process.  | <br><b>Employee Engagement</b><br>Promoting the creation of an organization where employees resonate with the group's vision and direction, are motivated to contribute toward its achievement, and are supported in enhancing their individual abilities. |
| Eliminating occupational accidents and promoting employee health  | Percentage of women in management positions (Assistant Manager level and above): 4% <sup>*5</sup>  |
| <br><b>Safety and Health</b><br>Improving risks related to workplace safety, hygiene, and employee health, and promoting the creation of a work environment where everyone can work safely and securely while fully demonstrating their abilities. | <br><b>Diversity</b><br>Promoting the creation of a creative workplace where all employees embrace differences and diversity and make the most of each other's strengths.  |

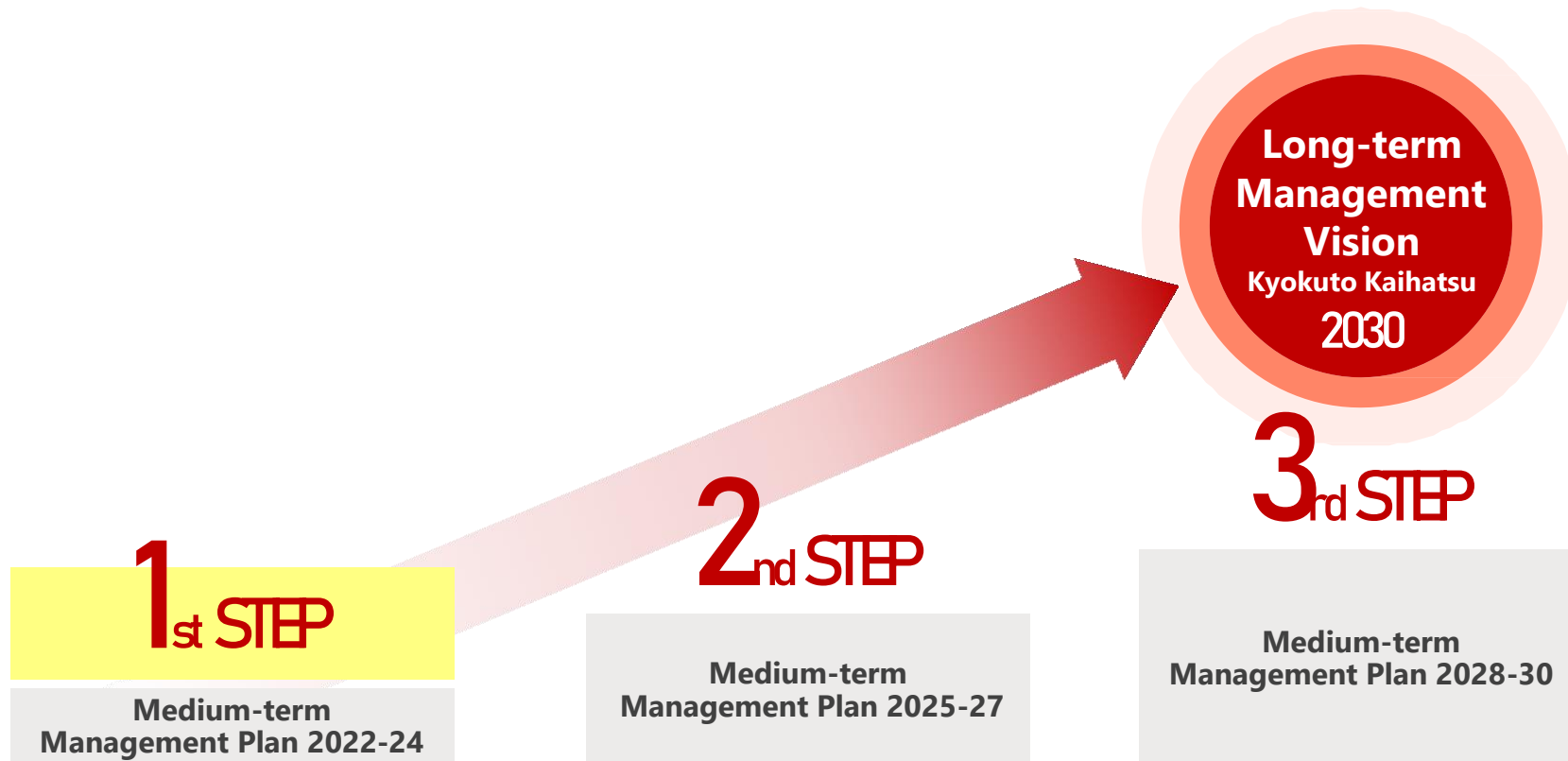
### [Governance] Organizational vision

| Enhancing risk management frameworks and developing a Business Continuity Management (BCM) system.   |
|--|
| <br><b>Risk Response</b><br>Identifying risks related to business continuity and working to strengthen risk response systems and enhance organizational capability through a management system based on the PDCA cycle. |
| Sustainable Procurement Promotion  |
| <br><b>Sustainable Procurement</b><br>To realize a sustainable society, we consider not only cost but also the environmental and human impact when selecting materials and energy used in our products and services.  |

<sup>\*1</sup> Total emissions compared to the fiscal year 2019 for the group consolidated (domestic). <sup>\*2</sup> Gold Label: A certification defined by the Japan Automobile Manufacturers Association, with one of the certification requirements being a "material recycling rate of 95% for products. Scope: New products of Kyokuto Kaihatsu Kogyo Industry and Nippon Trex that are applicable to the subcommittee of the Japan Automobile Manufacturers Association. Other products will comply with the Gold Label requirements. <sup>\*3</sup> Scope: Kyokuto Kaihatsu Kogyo Industry and Nippon Trex. <sup>\*4</sup> Evaluation based on the results of the employee engagement survey. <sup>\*5</sup> Fiscal year 2023 performance: 1.9%.

# II

## Review on the previous Medium-term Management Plan



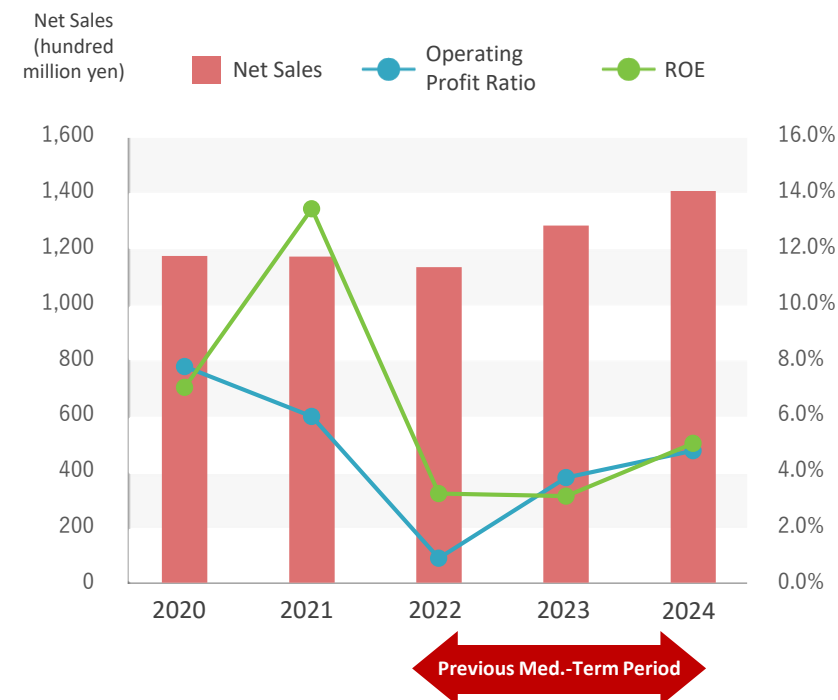
In the previous Medium-Term Management Plan 2022–24, positioned as the first step toward realizing the long-term management vision “Kyokuto Kaihatsu 2030,” we focused on two key themes: “proactive investment for further growth” and “strengthening group synergies,” while laying the foundation for our evolution into a global company contributing to a sustainable future.

|  | FY2024<br>Performance Targets | FY2024<br>Actual              |
|--|-------------------------------|-------------------------------|
| Net Sales  | Over 140 bil. yen             | 140 bil. yen                  |
| Op. Profit Ratio                                 | Over 7%                       | 4.7%                          |
| ROE  | 6%                            | 5.0%                          |
| CO <sub>2</sub> Emission Reduction <sup>*1</sup> | More than a 10% reduction     | 18.2% reduction <sup>*2</sup> |
| Recycling Rate <sup>*3</sup>                     | Over 99%                      | 97.5%                         |

\*1. Compared to FY2020 unit values for Kyokuto Kaihatsu Kogyo, Nippon Trex, and Kyokuto Kaihatsu Parking

\*2. There is a possibility of revisions based on the result of third-party verification

\*3. Scope: Kyokuto Kaihatsu Kogyo and Nippon Trex



In terms of performance, the supply of domestic truck chassis in our core special-purpose vehicle business, which had slowed due to the impact of the COVID-19 pandemic, gradually recovered. As a result of price revisions and productivity improvement initiatives, net sales reached record highs consecutively in both FY2023 and FY2024, achieving the sales target.

Regarding non-financial KPI's, we established a Sustainability Committee and implemented company-wide management of materiality. As a result, the CO<sub>2</sub> reduction target was achieved; however, the recycling rate fell short of the target due to ongoing improvements at some production sites.

## [ Investment ]

In addition to investments aimed at strengthening business capabilities such as development, production, and service, we have actively carried out ESG investments to contribute to employee safety and security, as well as environmental impact reduction.

|                     | 3 Year Plan            | 3 Year Actual   |
|---------------------|------------------------|---|
| Growth Investments  | 30 bil. yen<br>or more | <p>Approx. <b>31.6 bil. yen</b></p> <ul style="list-style-type: none"> <li>- Construction of Technical Center</li> <li>- Construction of a second plant in Indonesia</li> <li>- Automation line at Kyokuto Kaihatsu Kogyo Yokohama Plant</li> <li>- New service factories and facility renewals</li> <li>- Installation of solar panels at multiple locations</li> </ul> <ul style="list-style-type: none"> <li>- Construction of a new plant for SATRAC in India</li> <li>- New plant for NIPPON TREX</li> <li>- New building at Kyokuto Kaihatsu Kogyo Fukuoka Plant</li> <li>- Seismic reinforcement work for buildings</li> </ul> <p>etc.</p> |
| New M&A investments | Approx.<br>10 bil. yen | <p>Approx. <b>10.5 bil. yen</b></p> <ul style="list-style-type: none"> <li>- Integration of Kyushu Special Motors into the group</li> <li>- Integration of the Australian sales agency (currently Kyokuto Australia) into the group</li> <li>- Integration of STG Global into the group</li> </ul>  |

## Reference: Major investment projects Photos

### Technical center (Under Construction)

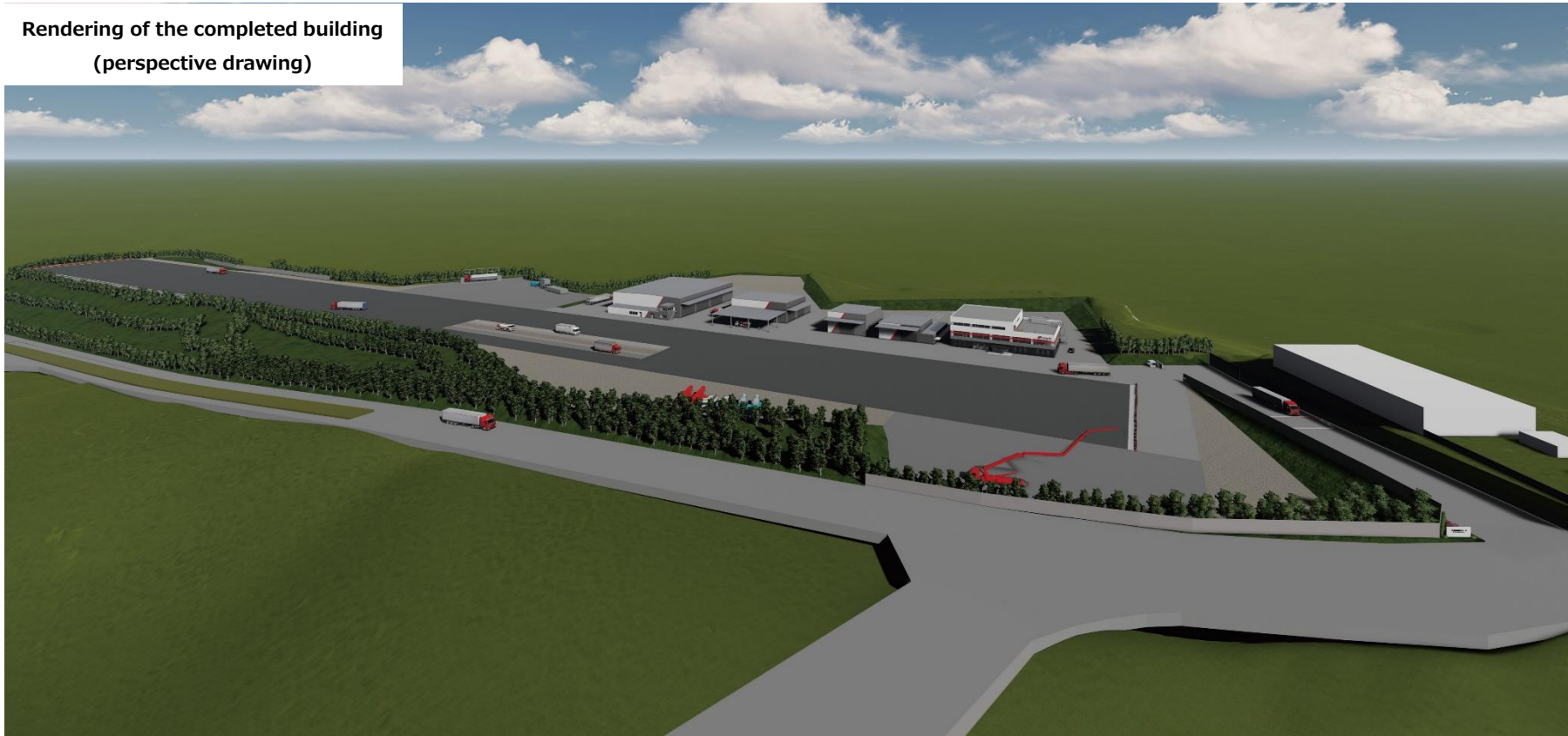
Drone Photography (as of March 31, 2025)



## Reference: Major investment projects Photos

### Technical center (Under Construction)

Rendering of the completed building  
(perspective drawing)



## Reference: Major investment projects Photos

New Office Building



SATRAC a plant in Chennai (Under Construction)



Yokohama Plant Automated line for small dump trucks



## Reference: Major investment projects Photos

Fukuoka Plant: New factory building and new office



New Tohoku Branch/Sendai Service Center



Himeji Service Center



NIPPON TREX a new plant (E plant )

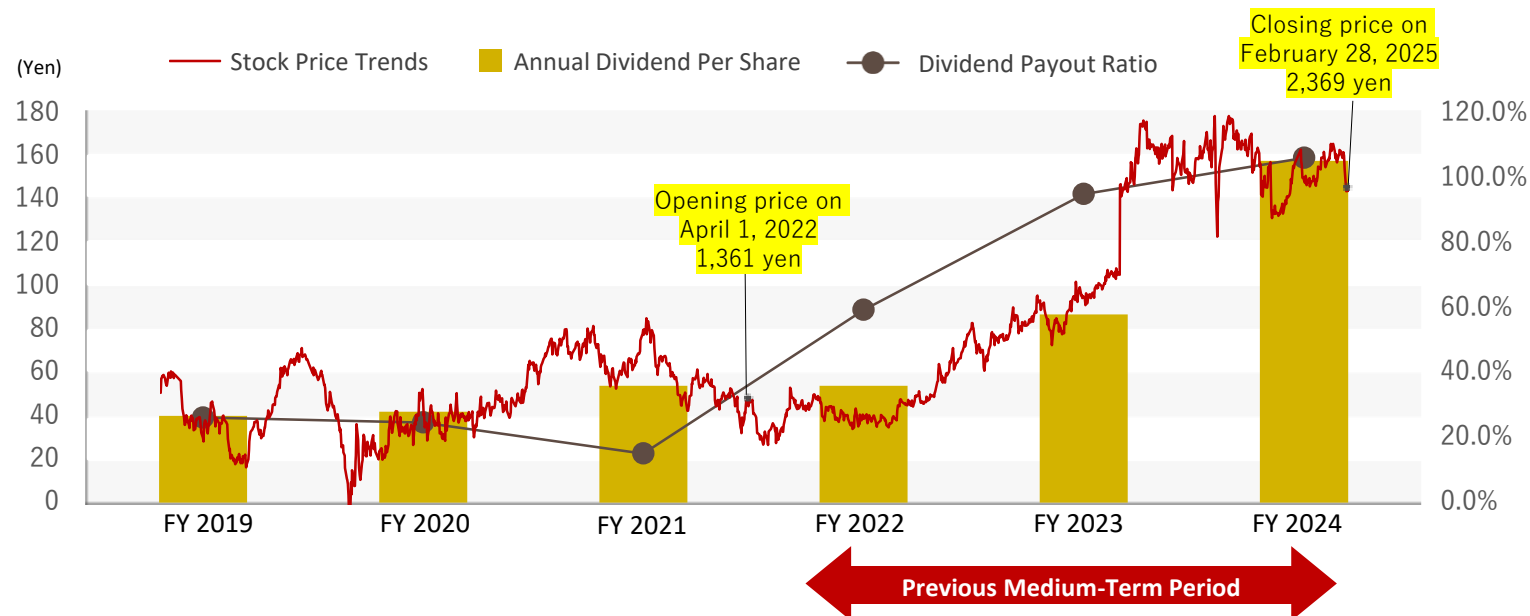


Reservoir Solar at Miki Plant



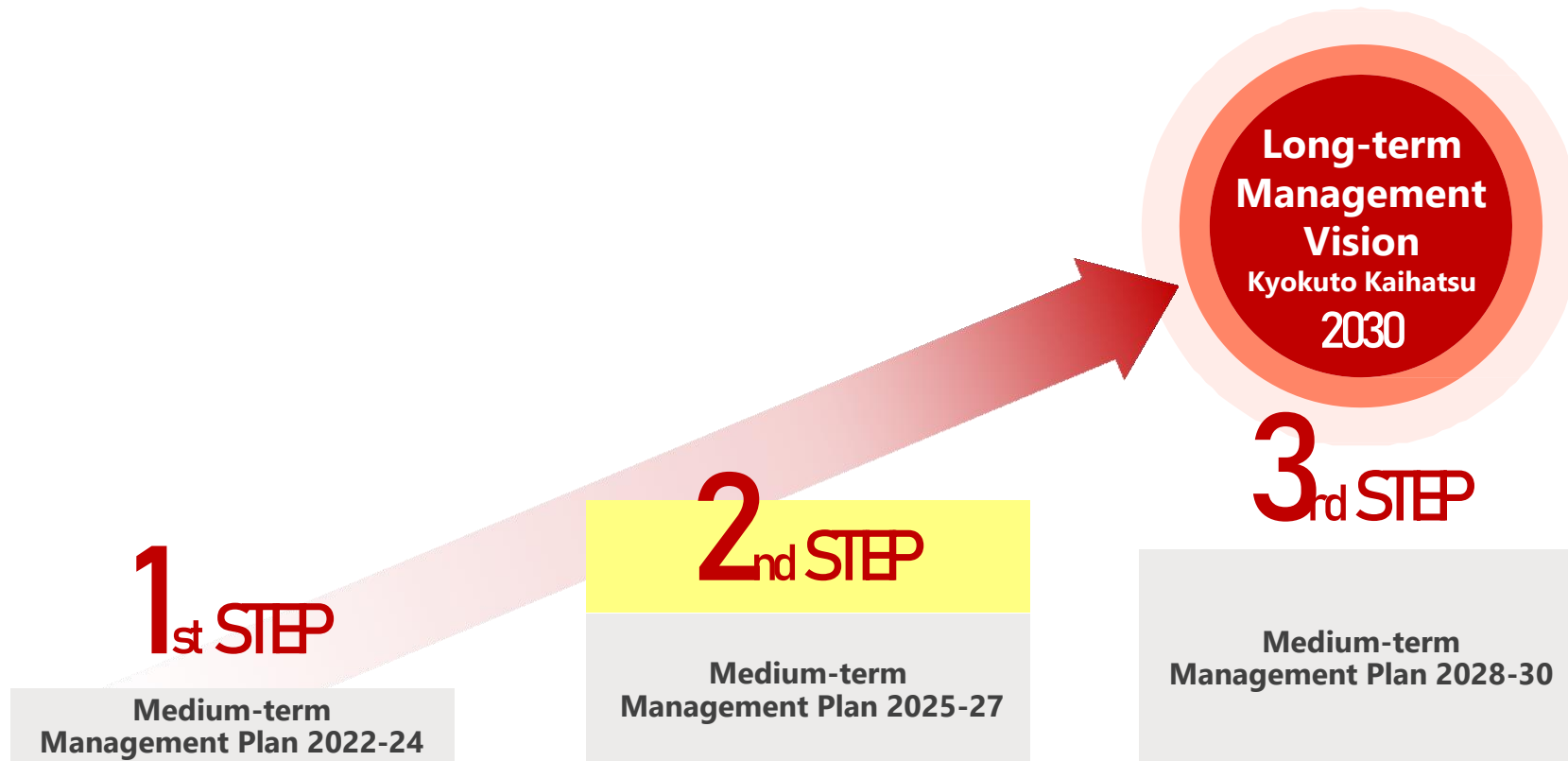
We continued to provide high-level returns, including the flexible repurchase of our own shares, which led to an increase in stock prices.

| Shareholder<br>Returns | 3 Year Plan  | 3 Year Actual                              |                 |                  |
|------------------------|--|--|-----------------|------------------|
|                        | Total Return Ratio<br><b>100%</b>                  | Total Return Ratio (Dividend Payout Ratio) |                 |                  |
|                        |  | FY 2022                                    | FY 2023         | FY 2024          |
|                        |  | 126.1% (59.0%)                             | 98.6% (95.1%)   | 104.1% (104.1%)  |
|                        | Annual Dividend Per Share<br><b>54 yen or over</b> | Annual Dividend Per Share                  |                 |                  |
|                        |  | FY 2022   54yen                            | FY 2023   87yen | FY 2024   158yen |





# New Medium-term Management Plan



Kyokuto Kaihatsu Group

**Medium-term  
Management Plan 2025 - 27**

Creating The Future As One (II)

Planning Period

**1 April 2025 ~ 31 March 2028****A three-year period of advancement  
beginning with our 70th anniversary**

In the current medium-term management plan, we aim to enhance corporate value by further strengthening group synergies, based on the results of the largest growth investments and various initiatives implemented during the previous medium-term management plan period. This will enhance both financial and non-financial aspects.

**Enhanced Corporate Value**

**Dramatically  
Changing Business  
Environment**

- Sales  
- ROE

- Profit  
- Shareholder  
Returns



- Environment  
- People

- Society  
- Governance

**Growing demands  
regarding non-  
financial factors**

- Further strengthening synergies within the group
- Results of the largest growth investments made under the previous medium-term management plan

As the second step toward realizing our long-term management vision, we will steadily move forward by focusing on the following five basic policies.

1

**Helping solve social issues and creating value through high-value-added products and services**

By leveraging the Group Technical Center and consolidating the expertise within the group, we will swiftly bring new products and services to market that respond to changing external environments and needs, thereby contributing to the development of a circular economy, the efficiency of logistics, and the realization of carbon neutrality.

2

**Improving productivity and strengthen income structures**

By realizing the effects of various investments made in the previous medium-term management plan and restructuring domestic and international production bases to maximize productivity, we will enhance group synergies further and achieve an improvement in profit margins.

3

**Accelerating the growth of overseas business**

We will establish a system that can timely provide high-quality products tailored to the diverse needs of each country, including the establishment and restructuring of production bases, and will further grow and expand our overseas business.

4

**Creating an attractive company through the promotion of sustainability management**

To be a corporate group that continues to contribute to a sustainable society, we will work together as a group to address materiality (key issues) in the areas of environment, people, society, and governance, aiming to improve stakeholder engagement, including that of our employees.

5

**Promoting capital policies to enhance corporate value**

To achieve an appropriate corporate valuation as a listed company on the Tokyo Stock Exchange Prime Market and realize corporate value, we will implement capital policies and cash allocations that prioritize investment efficiency.

## General



Japan's labor shortage continues



Raw material prices remain high and there are concerns that they will rise further



Increased risk of business continuity due to natural disasters, worsening working conditions due to rising temperatures



## Special Purpose Vehicle Business

- Domestic truck demand has recovered to a certain extent, and trailer demand is also strong, but has not yet reached pre-COVID levels
- Increasing demand for high-value-added, highly efficient transportation products to address driver shortages
- In addition to steady progress in the adoption of EVs and FCVs, advancements in CASE technologies are expanding the potential for developing new functions and products that were previously difficult to realize
- Cooperation with chassis manufacturers is becoming increasingly important to ensure efficient supply of truck chassis



## Overseas Business

- High levels of growth in truck demand are expected in India due to an increase in infrastructure development projects
- Truck demand recovers in Indonesia as economic activity recovers following national elections
- Although economic growth in Australia is slowing, the special-purpose vehicle sector continues to experience moderate growth



## Environmental Equipment and Systems Business

- Continued demand for bundled bidding projects with heat recovery facilities and for waste transfer stations associated with wide-area processing
- The bidding method for recycling facilities is shifting from the EPC model (design and construction) to the DBO model (design, construction, and long-term operational outsourcing)
- In addition to the expansion of decarbonization businesses (utilization of biomass resources), efforts toward a circular economy are accelerating

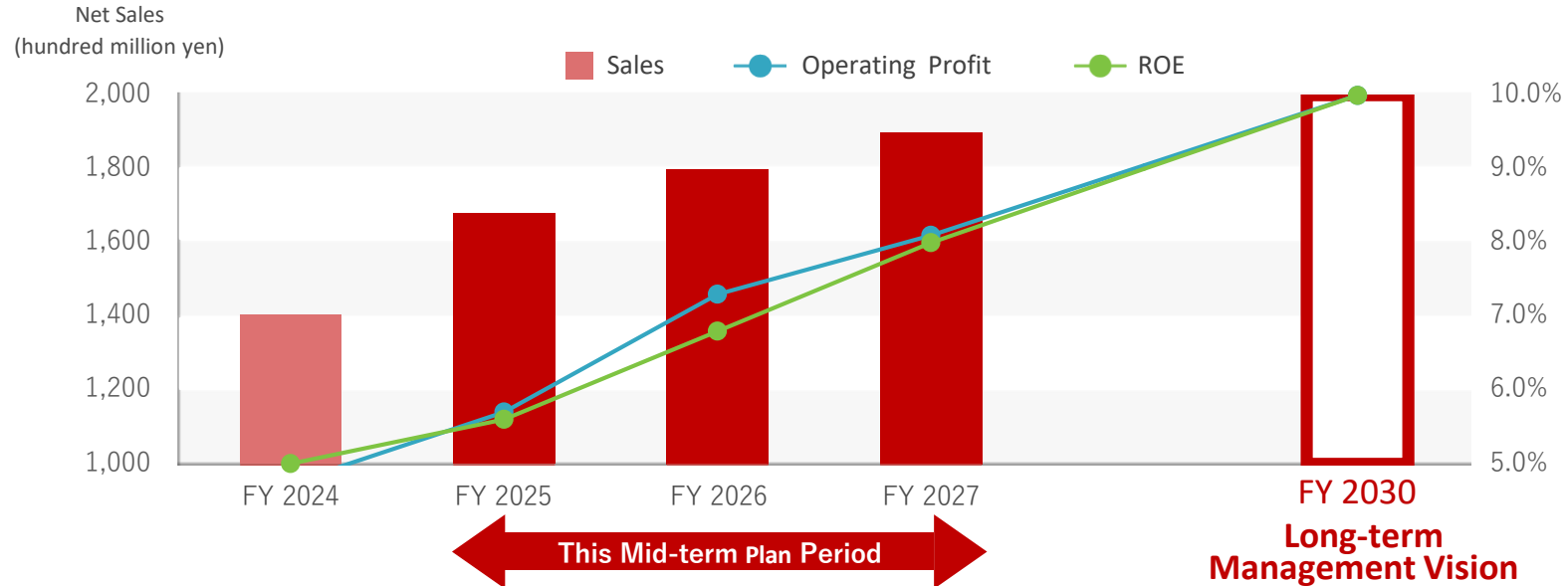


## Car Parking Systems Business

- While demand for two-level and multi-level mechanical parking systems remains flat, the proportion of renovation projects is increasing
- Demand for hourly parking and EV charging facilities is on the rise
- Progress in efforts to utilize AI and IoT for maintenance and to improve the efficiency of facility construction

In this medium-term management plan, we have set the following performance targets with a view toward realizing our long-term management vision.

|                  | FY2027 Target Value | Long-term Management Vision |
|------------------|---------------------|-----------------------------|
| Net Sales        | 190 billion yen     | 200 billion yen             |
| Op. Profit Ratio | 8%                  | 10%                         |
| ROE              | 8%                  | 10%                         |



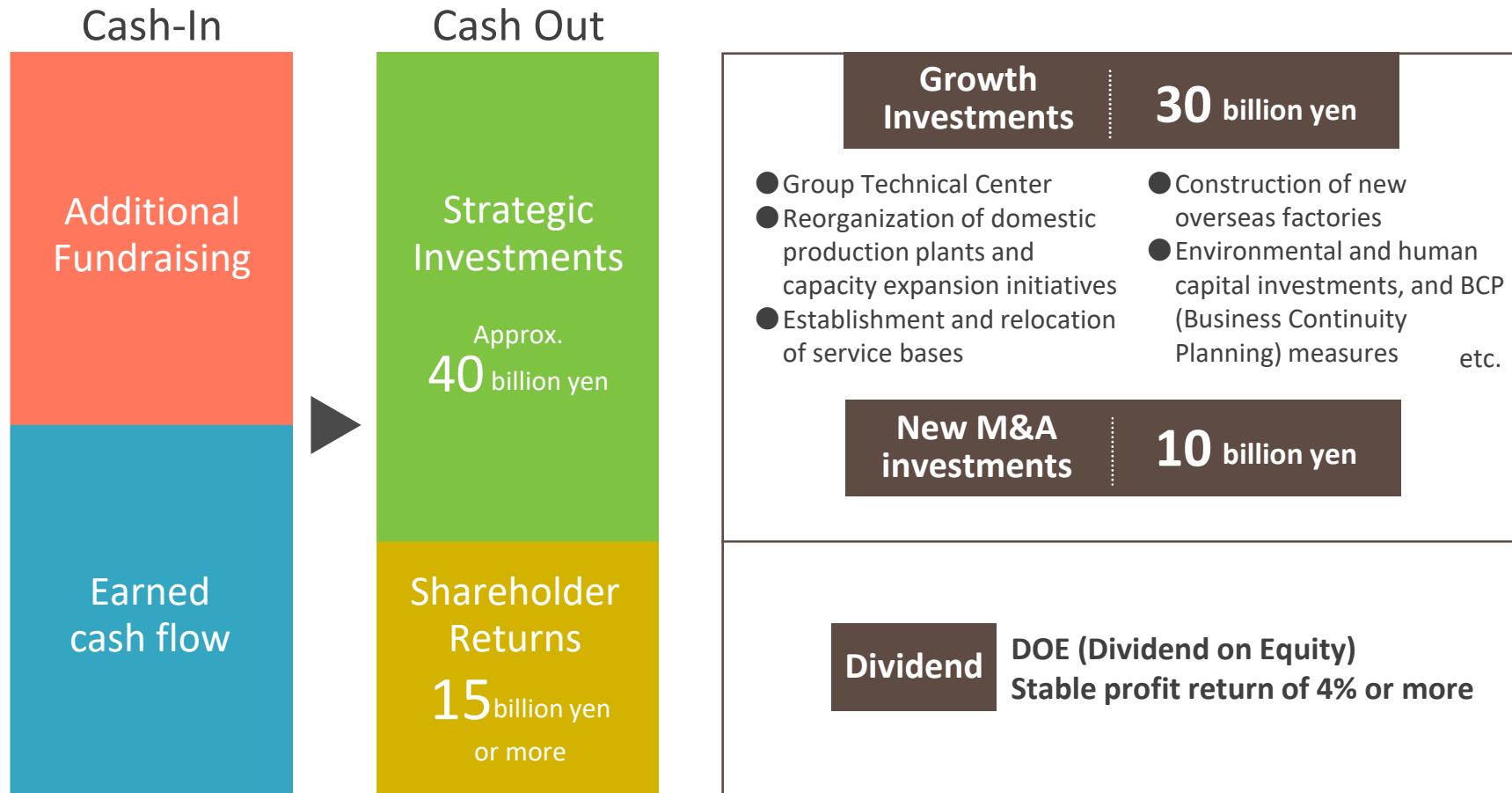
## Performance Targets by Business

|  |                        | FY2027 target value                   |
|--|------------------------|---------------------------------------|
| <b>Special Purpose Vehicle Business</b><br>( ) indicates Overseas Business | Net Sales              | 165.0 billion yen<br>(37 billion yen) |
|  | Operating Profit Ratio | 8.8%<br>(8.0%)                        |
| <b>Environmental Equipment and Systems Business</b>                        | Net Sales              | 20 billion yen                        |
|  | Operating Profit Ratio | 10.2%                                 |
| <b>Car Parking Systems Business*</b>                                       | Net Sales              | 8.5 billion yen                       |
|  | Operating Profit Ratio | 8.7%                                  |

\*Kyokuto Kaihatsu Parking (standalone basis)

## Cash allocation for Investment and Return

\*Each amount represents the total for a three-year period.



High dividends based on DOE [Dividend on Equity]

Stable × High Level

- Stable dividend payouts that are not affected by temporary fluctuations in business performance
- DOE level of 4% or more (TSE average: approx. 3%)

Medium-term Management Plan  
2022-24

Cumulative Dividend

Approx. **11** billion yen

Medium-term Management Plan  
2025-27

Cumulative Dividend

**15** billion yen  
or more



## Enhanced Corporate Value PBR\* of 1 or higher

\*(Price-to-Book Ratio)

Improvement of Return on Equity  
ROE 8% guideline



Enhancement of market and  
social valuation  
(Reduction of capital costs)  
Increase in PER



### Strengthening Profitability

- High Added Value
- Productivity Improvement
- Growth investments, mainly overseas



### Capital Efficiency Control

- Stable and proactive shareholder returns
- Control of equity ratio and debt-to-equity (D/E) ratio



### Promoting Sustainability Management

- Materiality Management
- Improved employee engagement
- Information disclosure and corporate PR promotion

The Kyokuto Kaihatsu Group practices sustainability management that meets the various needs and expectations of its stakeholders.

In this medium-term management plan, we will promote company-wide initiatives to address materiality (key issues), based on the management framework established during the previous medium-term management plan period.



We have **identified 16 materiality items** that represent high risks and high opportunities for the group, which are managed by the Sustainability Committee. After categorizing material issues into ESG (environment, people/society, governance) categories, we will formulate three-year plans for each materiality and achieve **progress through company-wide implementation**.

### Sustainability Committee

(Planning and monitoring of progress)



### Group Companies

(Implementation and reporting of various measures)

## Non-financial Items / Major Targets

|  | FY2027 target value   | Long-term Management Vision                      |
|--|---|--|
| CO <sub>2</sub> Emission Reduction <sup>*1</sup>   | Compared to the fiscal year 2013:<br><b>-28%</b>  | Compared to the fiscal year 2013:<br><b>-38%</b> |
| New Environmental Standards Compliance Label (Gold Label) Certification Acquisition Rate <sup>*2</sup> | <b>100%</b>   | <b>100%</b>                                      |
| Recycling Rate <sup>*3</sup>   | <b>Over 99%</b>   | <b>Over 99%</b>                                  |
| Percentage of women in management positions (assistant manager level and above) <sup>*1</sup>          | <b>3%</b>   | <b>3%</b>  |
| Reduction in total working hours   | Compared to the fiscal year 2024:<br><b>-5%</b>   | -  |
| Reduction in work-related accidents <sup>*3</sup>  | Lost-time injury frequency rate <sup>*4</sup> = 1.16<br>(2023 fiscal year manufacturing industry average: 1.29) | -  |

<sup>\*1</sup>. Scope: Domestic group companies <sup>\*2</sup>. Scope: New products of Kyokuto Kaihatsu Kogyo and Nippon Trex applicable to the subcommittee of the Japan Automobile Body Industry Association. Products other than these will comply with the Gold Label requirements. <sup>\*3</sup>. Scope: Kyokuto Kaihatsu Kogyo and Nippon Trex <sup>\*4</sup>. Frequency rate = (Number of lost-time injuries ÷ Total working hours) × 1,000,000

The CO<sub>2</sub> reduction target has been revised from the previous intensity-based metric (total emissions ÷ net sales) to a goal focused on reducing total emissions themselves. Additionally, the scope of management has been expanded from “Kyokuto Kaihatsu Kogyo, Nippon Trex, and Kyokuto Kaihatsu Parking” to include all domestic group companies. In addition, for non-financial items other than those mentioned above, the Group's Sustainability Committee will set KPIs (numerical indicators), roll them out throughout the company, and manage the progress of the plan.



## Establishing a framework to enhance the overall corporate value of the group

Led by the Management Headquarters of Kyokuto Kaihatsu Kogyo, we will establish a group governance system that enables the group to generate synergies and carry out business activities smoothly.



Establishing and strengthening governance-related regulations, rules, and frameworks



Creating a work environment where employees can work with peace of mind



Corporate PR and engagement with investors and shareholders



Improvement of internal systems and enhancement of information security levels

## Establishment of governance-related regulations / rules and organizational construction

- Building a governance system befitting a global company
- Reallocation of management resources through review of the business and product portfolios
- Strengthening group cash management, including formulating affiliate dividend policy and group inter-group financing rules
- Establishing short-term overseas dispatch programs for the development and acquisition of global talent and promoting local hiring of immediately effective personnel

## Creating a work environment where employees can work with peace of mind

- Creating an exciting and rewarding work environment for employees
- Creating a system to protect employees' lives from natural disasters (create an initial response manual for each business location)
- Education for all employees aimed at eliminating personnel issues such as harassment and mental health

## Corporate PR that contributes to improving corporate value and dialogue with investors and shareholders

- Promotion of branding initiatives (through expanded content to enhance brand awareness)
- Expanding contact points with Group Stakeholders  
(New exhibitions, events, factory tours, website renewal, etc.)
- Implementing measures to increase the number of shareholders, leading to improved stock liquidity
- Addressing each issue in the Corporate Governance Code (improving the effectiveness of the board of directors, etc.)
- Enhancement of disclosure content, including integrated reports, to improve external ratings on ESG

## Improvement of internal systems and enhancement of information security levels

- Modernization of aging internal systems and speeding up company-wide networks
- Conducting targeted email attack training and information security education



## Special Purpose Vehicle Business

**Fundamental review of the production system and pursuit of high added value across all areas of sales, production, and service.**

### POINT 01

In addition to further improving operational efficiency through the promotion of automation, etc., we will create a lean production system by reducing inventory and collaborating with chassis manufacturers.

### POINT 02

As Japan's top comprehensive special purpose vehicle manufacturer, we will fully utilize the resources within the group to achieve a competitive advantage over other companies.

### POINT 03

Accurately identify diversifying and increasingly sophisticated user needs, and swiftly introduce new technologies and products to the market that contribute to profitability

## Accelerating product development through the utilization of the Kyokuto Kaihatsu Group Technical Center

In June 2026, a new base that will serve as the core of Kyokuto Kaihatsu Group's technological development is scheduled for completion in Toyota City, Aichi Prefecture.

The facility will be fully equipped with a 600-meter test course, a road simulator, a large-scale vibration testing machine, and various hydraulic testing devices.

### Embodiment of "Shinka" (deepening of technology, evolution of the company, and true value of the business) through technology consolidation

Maximize R&D synergies by operating the company across the entire group, with Kyokuto Kaihatsu Kogyo and Nippon Trex at the core

Rapidly bring to market high-value-added products and services that address social issues and diversifying user needs

Rapid response to various laws and regulations, including in-house trailer certification testing

Profit contribution from shortening the development cycle of new products

## Acquiring outstanding technical capabilities and solid quality



Rendering of the completed building



Road Simulator

## Developing high-value-added products and services based on the challenges and needs of society and our customers

By understanding what society and our customers seek and the challenges they face, our group aims to enhance customer engagement by being the first to deliver high value-added, solutions-oriented products and services.

### Rapid introduction of high-value-added products and services

- Applying the latest technology and expanding products that utilize AI and IoT
- Promoting the electrification of special-purpose vehicles, such as developing mounting technologies for EV and FCV vehicles and converting railway vehicles to EV and hybrid vehicles
- Research into reducing the weight of bodywork in preparation for future increases in chassis weight
- Sales of high-value-added used cars that have been repaired and maintained at our group bases

### Building strong relationships with customers through selling experiences

- Strengthening the service network through the expansion of new service factories and training of existing service factories
- Strengthening customer support by providing our group's unique services and expanding maintenance packages
- Operating a driving school for existing and potential customers with the aim of popularizing trailers

## Increased productivity and profitability

We will significantly improve our operating profit margin by realizing the effects of various capital investments made during the previous medium-term management plan, as well as by investing in new equipment and systems aimed at automation and efficiency, and by creating synergies within the group.



- Strengthening cooperation between sales and factories by visualizing factory production schedules
- Timely understanding of costs through centralized management in a system
- Strengthening synergies in both procurement and supply by utilizing overseas bases
- Strengthening the quality inspection system
- Improving labor productivity by promoting production automation

Maintaining and improving  
quality and productivity



Customer

Data Linkage

Improving production efficiency by  
matching chassis delivery schedules  
with bodywork plans



Chassis  
Manufacturer

## Increased efficiency through reorganization of production items at production plants and consolidation of parts centers

Reorganizing production among Kyokuto Kaihatsu Kogyo's factories to improve productivity and operating profit margins. At the same time, the Chubu Parts Center and the Seibu Parts Center were merged to establish the New Seibu Parts Center.



**Miki Plant**

Improving productivity and quality



**Yokohama Plant**

Specializing in dump trucks and streamlining logistics



New Seibu Parts Center  
(Rendering)

**Integrate and newly establish the  
Chubu Parts Center with the Seibu Parts Center**

Improved efficiency through the introduction of the latest warehouse equipment



**Nagoya Plant**

Improving efficiency by utilizing the  
former parts center site

Production Restructuring

Production Restructuring

Parts Center Integration

Production  
Restructuring



## Overseas Business

**Business expansion through the enhancement of production sites and product lines, and the promotion of mutual cooperation between facilities**

### POINT 01

**Strengthen cooperation between the overseas sales department and each overseas local subsidiary and develop products that accurately meet the needs of users in the destination country, leading to increased sales.**

### POINT 02

**In India and Indonesia, we will proceed with the construction of new factories to meet strong demand and create future revenue sources.**

### POINT 03

**The Chinese base will act as a hub for the stable and inexpensive supply of parts and components for Japan and body units for overseas markets, contributing to improving the profit margins of both domestic and overseas businesses.**

## Expanding overseas business by utilizing the Group's global network



By completing the Chennai plant (scheduled for the end of 2025) and considering additional new sites, we aim to meet strong demand

### KYOKUTO INDOMOBIL



Second Plant (Next to the current Plant/Scheduled for completion in 2027)  
Mass production of side dump trailers

- Cross-selling between Kyokuto Kaihatsu Kogyo and STG
- The Kunshan plant will begin production of units and parts in cooperation with STG.



Accelerating efficiency and synergies through corporate integration and consolidation of Queensland bases

## Strengthening mutual cooperation among overseas bases contributes to business performance

- Rapid integration and consolidation of bases of newly formed STG and Kyokuto Australia
- Promote cross-selling of products from each country  
(Sales of SATRAC-made dump trucks to Australia, sales of STG products to Japan, etc.)
- Expanding supply of components and parts from China bases to group bases

## Construction of new factories in India and Indonesia

- Establishing a system to realize early results after the completion of the Chennai plant in India, and consider further new bases
- Smooth progress in construction of Indonesia's second plant and start of production during the current medium-term management plan

## Meeting demand in each country by expanding product lineup and improving quality

- Development of new models that meet the needs of each country and specification changes that contribute to improving productivity
- Develop new customers, including new destination countries, and consider partnering with overseas special equipment manufacturers
- Promoting product unitization that takes into account marine transport and installation ease
- Expanding overseas sales of railway vehicles



## Environmental Equipment and Systems Business

Establishing a solid position in the industry through the introduction of new technologies and construction methods, as well as strengthened collaboration within the group.

### POINT 01

In order to establish a solid position in the recycling facility industry, we will proactively introduce new technologies and construction methods to increase added value and differentiate ourselves from other companies.

### POINT 02

By maximizing inter-group collaboration and resource utilization, and enhancing proposal capabilities and cost competitiveness, we aim to prevent lost orders and achieve efficient order acquisition.

### POINT 03

As the 3rd pillar of our environmental business, we will make every effort to quickly launch a new business that will contribute to achieving carbon neutrality.

1st pillar: Construction of recycling facilities  
2nd pillar: Outsourced operation and maintenance

## Improving order success rate and adding value to facilities

- Actively introducing new technologies that improve facility safety and resource recycling technology
- Strengthening competitiveness by improving the reliability and differentiation of waste transfer facilities by utilizing knowledge gained from the first unit
- Improving convenience by building a monitoring and control system that utilizes AI and IoT

## Long-term and stable outsourced operation and management of environmental facilities

- Renewing and continuing long-term contracts by making proposals that meet customer needs
- Increase maintenance revenue through regular and large-scale repairs to extend the life of facilities
- Improve organizational capabilities for stable operation through ongoing safety training and fire drills

## Safe and reliable construction progress and proactive adoption of new construction methods

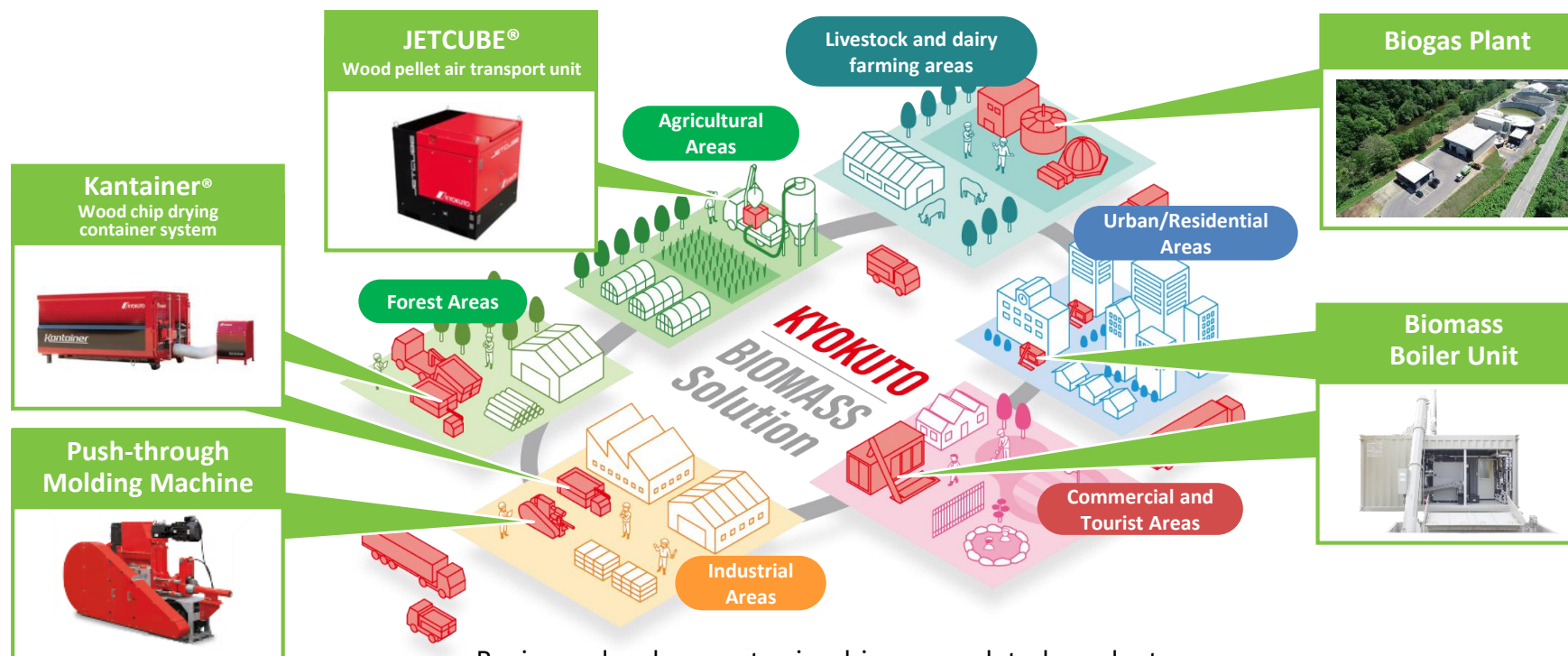
- Ensuring safe and reliable project progress through detailed construction planning, thorough quality and budget control, and strengthened communication among stakeholders.
- Actively introduce new construction methods to shorten construction time and strengthen cost competitiveness



Shinchubo Non-Combustible and Bulky Waste Treatment Facility Development Project  
(Scheduled for completion in 2027)

## Full-scale entry into new businesses that contribute to achieving carbon neutrality

- Sales of wood biomass boiler units and launch of thermal energy supply business
- Sales of push-and-push molding machines and Launch of the push-through molding machine sales business and the bio-briquette production and fuel sales business
- Actively participating in biogas plant and next-generation recycling plant construction projects
- Promoting M&A to develop new fields and expand business scale



Business development using biomass-related products



## Car Parking Systems Business

Responding flexibly to structural changes in mobility and achieving differentiation through the rapid deployment of proprietary technologies.

### POINT 01

In the mechanical parking system business, we aim to expand stock business revenue and build a stable profit-generating foundation by leveraging our strengths as a manufacturer in renovation and maintenance.

### POINT 02

In the hourly parking business, we aim to expand sales and ensure profits by developing prime locations that are chosen by customers and by differentiating our facilities.

### POINT 03

DX business will be established as a new source of revenue by expanding the functionality of services based on needs and developing new customers.

## Ensuring stable profits in the mechanical parking equipment business

- Increase installation opportunities for new properties and aim for stable profits by acquiring maintenance contracts
- Strengthen relationships with existing customers to win renewal construction projects
- Expand part replacement and repair service work through proactive repair proposals

## Development of hourly parking lot business sites and improved convenience

- Expand business locations that support convenient cashless, lockless, and machineless systems
- Secure highly profitable, high-quality new business locations and implement strategies to increase revenue at existing sites

## Product and service function enhancements

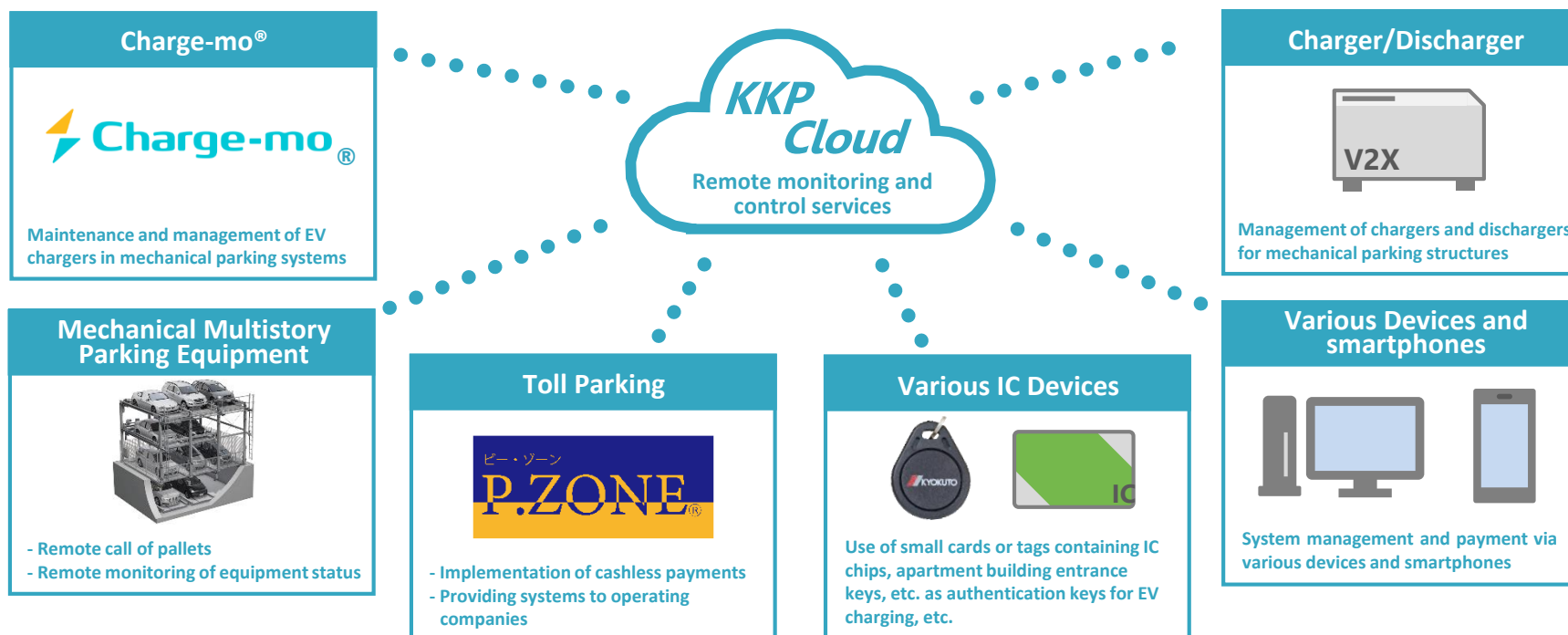
- Aim to achieve early profitability by expanding Charge-mo<sup>®</sup> functions and acquiring new customers
- Develop a remote monitoring system for mechanical multi-story parking equipment

## Development of high-value-added products and services suited to the future mobility society

### All-in-one service provided by KKP Cloud

Expand the scope of use of "KKP Cloud," which was built as a remote monitoring and control service for mechanical multi-story parking equipment, to provide different services. By collaborating and centralizing, we will improve customer convenience for Kyokuto Kaihatsu Parking products and services, including hourly parking lots.

- Acquire new customers, expand sales and profits, and monetize DX (digital transformation) initiatives
- Improved customer satisfaction through faster and more accurate maintenance responses



**For Reference: Supplementary Data**

# Company Profile



**Company Name** : KYOKUTO KAIHATSU KOGYO CO.,LTD.

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**Location of headquarters** : Chuo-ku, Osaka, Japan

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**Founding date** : June 1, 1955

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**Capital** : 11,899,867,400 yen

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

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**Number of employees** : consolidated 3, 481 non-consolidated 1,180 (as of March 31, 2025)

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**Consolidated subsidiaries** : 26 companies

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## 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.



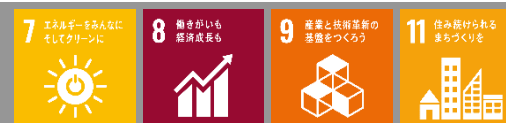
## Environmental Equipment and Systems Business

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).



# Announcement of a research report by Shared Research KYOKUTO

We are pleased to announce the release of a research report by Shared Research, Inc. to help investors better understand our company. We hope this will help you understand our business better.



<https://sharedresearch.jp/en/companies/7226>





### Cautionary Statement Regarding Forward-Looking Information

The statements in this document regarding management targets and future forecasts have been made by the Company based on information available at the time of publication of this document. As these are subject to change due to various factors, the stated targets and forecasts do not guarantee actual results or achievement. Please note that even if there are changes to the forward-looking information in this document, the Company is under no obligation to update such information. Additionally, the Company bears no responsibility for any damages that may arise as a result of using this document. Thank you for your understanding.