



Operating Results for FY2025 2Q



Anniversary
Thanks to you
Create the Future with you

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

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1. Disposition by the Japan Fair Trade Commission

Our company and our subsidiary, NIPPON TREX Co., Ltd., were subjected to an on-site inspection by the Japan Fair Trade Commission (JFTC) on November 12, 2024, on suspicion of forming a cartel regarding the sale of the “upper bodies” we manufacture. Since then, we have fully cooperated with the JFTC’s investigation. On September 25, 2025, our company and NIPPON TREX Co., Ltd. received a cease and desist order and a surcharge payment order from the JFTC based on the Antimonopoly Act in relation to this case.

Impact on Financial Results

- In FY2025 2Q, the above-mentioned losses related to the Antimonopoly Act were recorded as extraordinary losses. There are no changes to the consolidated earnings forecast and dividend forecast for the fiscal year ending March 31, 2026, as a result of this matter.

Action Plans

- Our group takes this violation of the Antimonopoly Act very seriously. We are reviewing our recurrence prevention and compliance frameworks. Furthermore, as part of our efforts to eliminate legal violations, our officers and employees are working together to advance the following action plans.

Action Plans

Initiatives to Eliminate Legal Violations	Progress of Actions
Have the Board of Directors pass a resolution to not conduct any actions that violate the Act going forward.	Completed (September 2025)
Establish a risk management committee chaired by the Representative Director, President, CEO.	Scheduled to be implemented during FY2025
Prepare a roadmap aimed at improving the structure to comply with the Act in order to prevent the reoccurrence of violations.	Completed (October 2025)
Have the Representative Director, President, CEO relay messages from management citing the need to enforce compliance to all Group directors and other officers and employees.	Completed (September 2025)
Establish action guidelines and internal regulations for complying with the Act (including disciplinary regulations, leniency regulations and contact rules) and ensure awareness of them among directors and other officers and employees.	Scheduled to be implemented in December 2025
Prepare a compliance manual, etc.	Scheduled to be implemented in December 2025
Have a survey team consisting of an outside attorney and the legal affairs division administer a questionnaire survey to all sales-related persons, etc. on the presence of any actions that run the risk of violating the Act.	Scheduled to be implemented during FY2025
Regularly implement education and training on compliance with the Act for all directors and other officers and employees.	Scheduled to be implemented in December 2025
Ensure awareness of whistleblowing systems based on the Whistleblower Protection Act and recommend usage of the systems.	Scheduled to be implemented during FY2025
Perform regular internal audits and reinforce the internal audit structure.	Scheduled to be implemented during FY2026
Conduct regular evaluations and updates on the above measures to prevent the reoccurrence of violations.	Scheduled to be implemented in FY2025 or later

2. Results of FY2025 2Q

Summary of Consolidated Financial Results for FY2025 2Q



Millions of yen	Fiscal year	FY2024 2Q	FY2025 2Q	Change	Percentage
Net sales		64,007	74,180	+ 10,172	+15.9%
Operating profit		2,740	3,701	+ 960	+35.1%
Ordinary profit		2,672	3,688	+ 1,015	+38.0%
Profit attributable to owners of parent		3,068	(1,485)	(4,554)	–
Special Purpose Vehicles Business: Orders Received		49,515	60,363	+ 10,848	+21.9%
Special Purpose Vehicles Business: Order Backlogs		82,784	103,363	+ 20,579	+24.9%

FY2025 2Q
Key points of consolidated operating results

- ✓ **Net sales, operating profit, and ordinary profit increased**
- ✓ **Operating profit benefited from the impact of productivity improvements and price revisions**
- ✓ **Profit reflected the recording of losses related to the violation of the Antimonopoly Act**
- ✓ **Both orders received and order backlogs remained at high levels**

Quarterly Trends in Consolidated Financial Results

Fiscal year Millions of yen		FY2024	FY2025	Change (Year-on-year)	
		2Q	2Q	Amount	Percentage
Net sales	Net sales	64,007	74,180	+ 10,172	+15.9%
	Special Purpose Vehicles	55,104	63,781	+ 8,676	+15.7%
	Overseas figures	4,486	8,777	+ 4,291	+95.7%
	Environmental Equipment and Systems	5,271	6,617	+ 1,346	+25.5%
	Car Parking Systems	3,965	4,081	+ 116	+2.9%
Operating profit	Operating profit	2,740	3,701	+ 960	+35.1%
	Special Purpose Vehicles	2,064	2,903	+ 838	+40.6%
	Overseas figures	299	141	(158)	(52.8%)
	Environmental Equipment and Systems	714	1,046	+ 331	+46.4%
	Car Parking Systems	424	473	+ 49	+11.6%

FY2025 2Q Key Points by Segment

- ✓ Net sales increased in all segments
- ✓ Operating profit in the special purpose vehicle business stagnated overseas, but remained strong in Japan
- ✓ Overseas, STG, which became a group company last fiscal year, contributed to an increase in net sales

3. Results by Segment



As of FY2025 2Q

Net sales



Domestic

Revenue increased due to further progress of both strong trailer sales and the effects of price revisions for each product



Overseas

Revenue increased by making STG a group company

Operating profit



Domestic

Profit increased significantly due to improved profit margins from price revisions



Overseas

Profit decreased due to market stagnation in various countries

India: Revision of the tax system

Indonesia: Regulatory tightening in the mining market

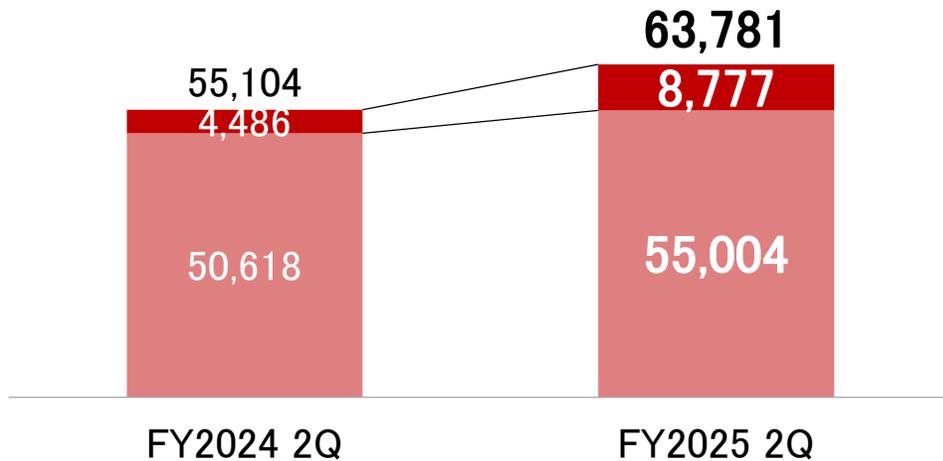
Australia: Construction delays due to prolonged adverse weather

Net sales Compared to previous period

(Millions of yen)

+15.7%

■ Domestic ■ Overseas

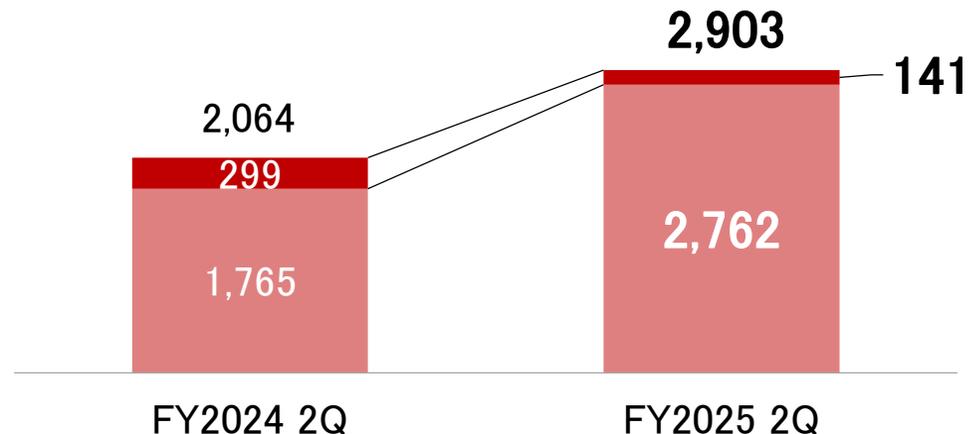


Operating profit Compared to previous period

(Millions of yen)

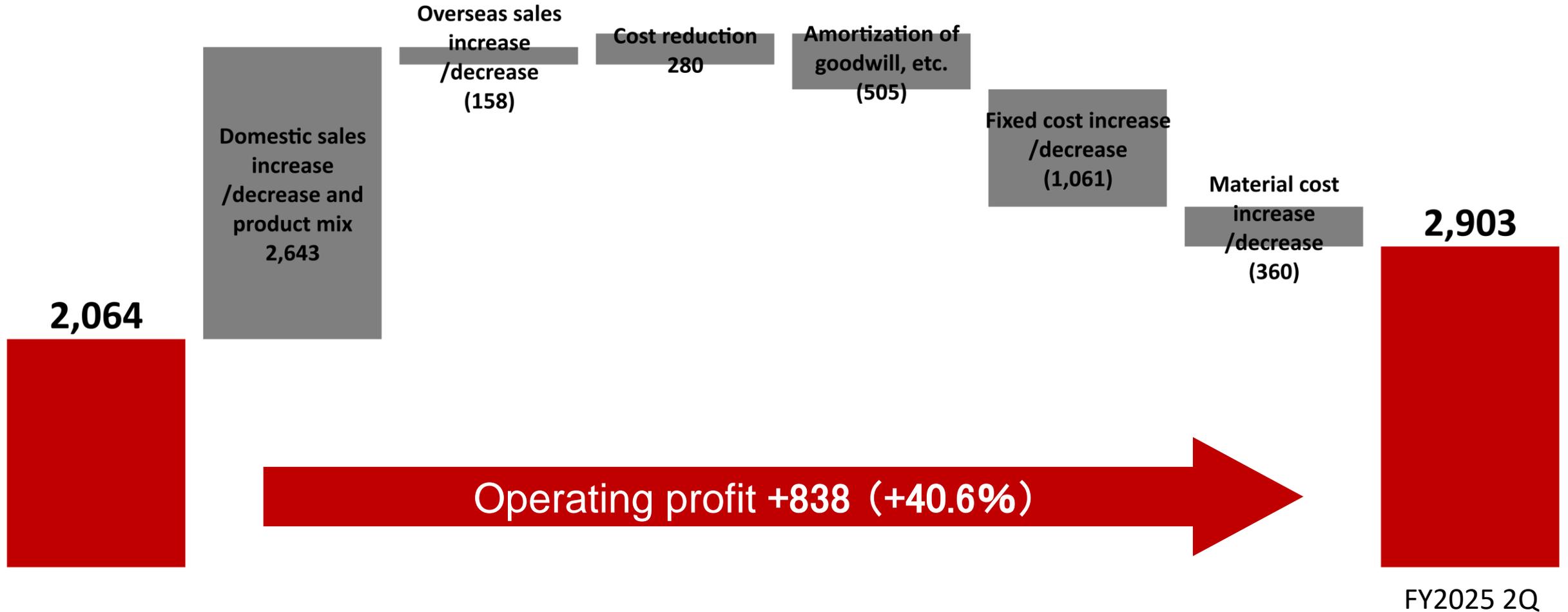
+40.6%

■ Domestic ■ Overseas



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

(Millions of yen)



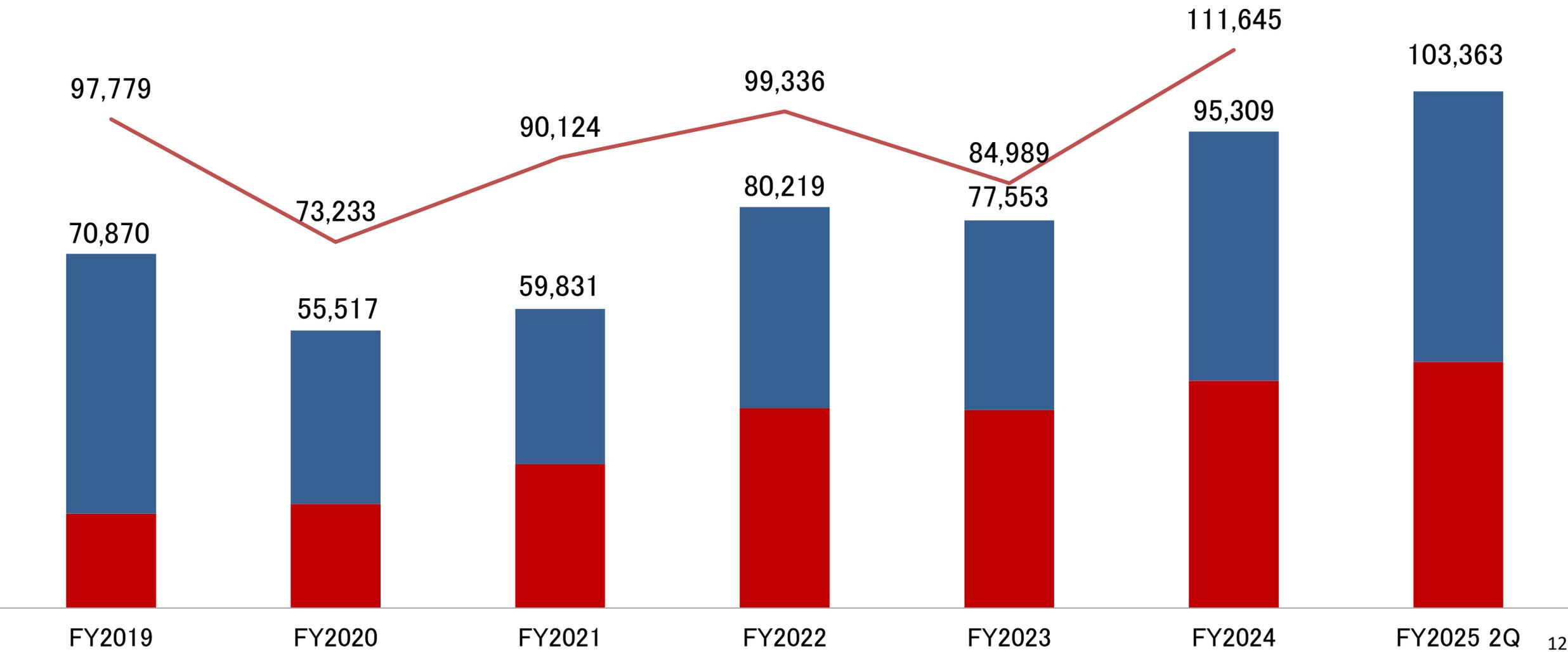
Special Purpose Vehicles Business: Orders Received and Backlog



(Millions of yen)

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

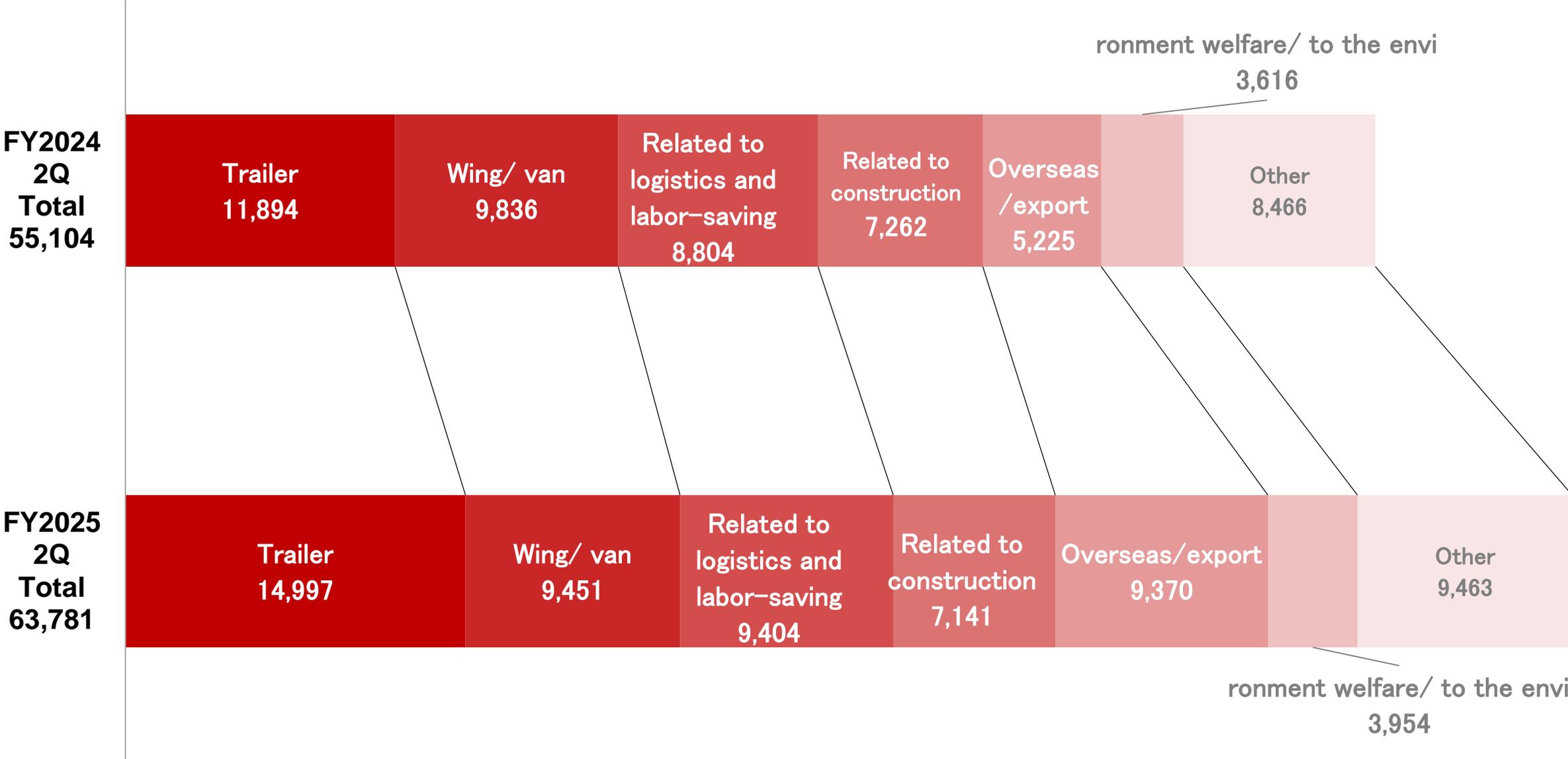
Orders received FY2025 2Q results
60,363 million yen
 Results of FY2024 2Q 49,515million yen

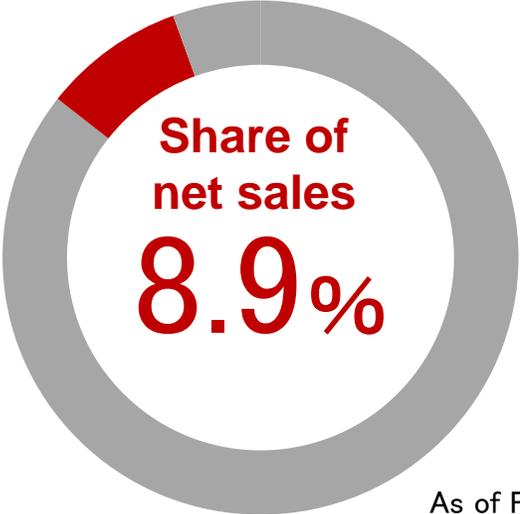


Special Purpose Vehicles Business: Sales Composition



(Millions of yen)





Net sales

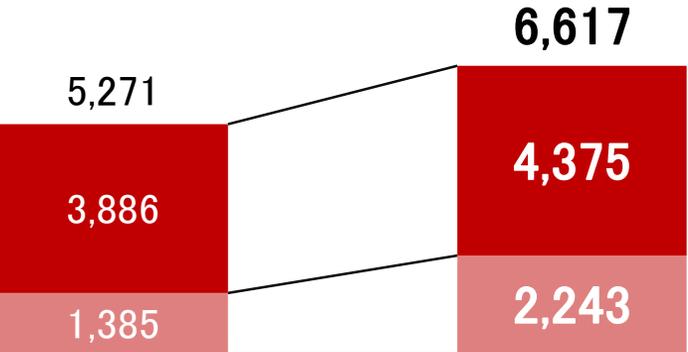
- ↗ Plant construction: Construction of projects from backlog continued
- ↗ Biogas Plant (Hokkaido) were completed

Operating profit

- ↗ Profit increased due to the delivery of new plants
- ↗ Stock-type business such as contracts for operation and maintenance remained strong

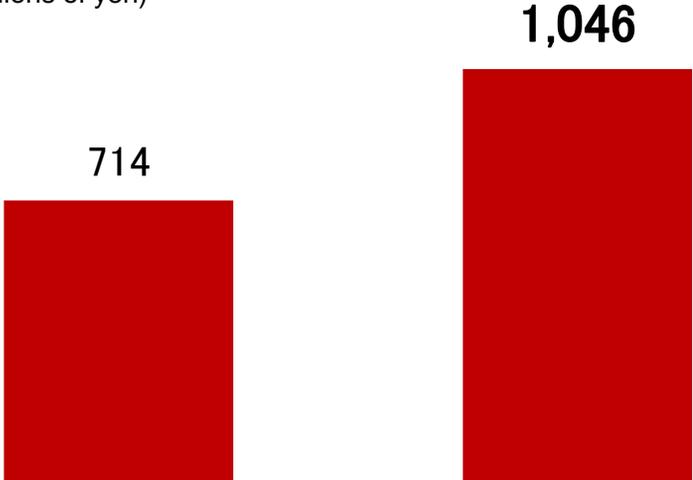
Net sales Compared to previous period +25.5%

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



Operating profit Compared to previous period +46.4%

(Millions of yen)





As of FY2025 2Q

Net sales

- ↗ The operational rate of pay-and-display parking lots increased due to increases in car travel and non-contracted parking demand caused by the extreme heat
- ↗ Sales increased at locations along the railway line near the Expo site
- ↗ Orders received for multistory parking systems were strong, particularly with an increase in renovation projects

Operating profit

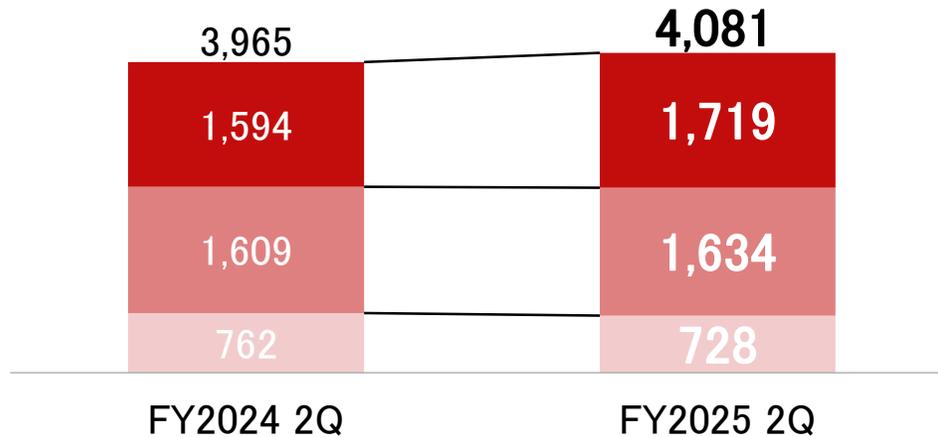
- ↗ Profit margins improved through a review of the pay-and-display parking pricing structure
- ➡ Stock-type business of multi-story parking systems such as renovation and maintenance was prioritized

Net sales Compared to previous period

(Millions of yen)

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

+2.9%

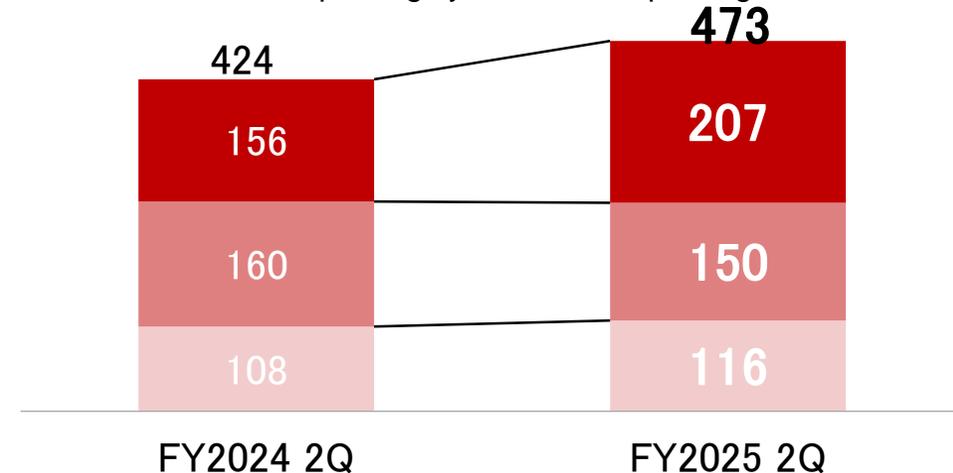


Operating profit Compared to previous period

(Millions of yen)

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

+11.6%



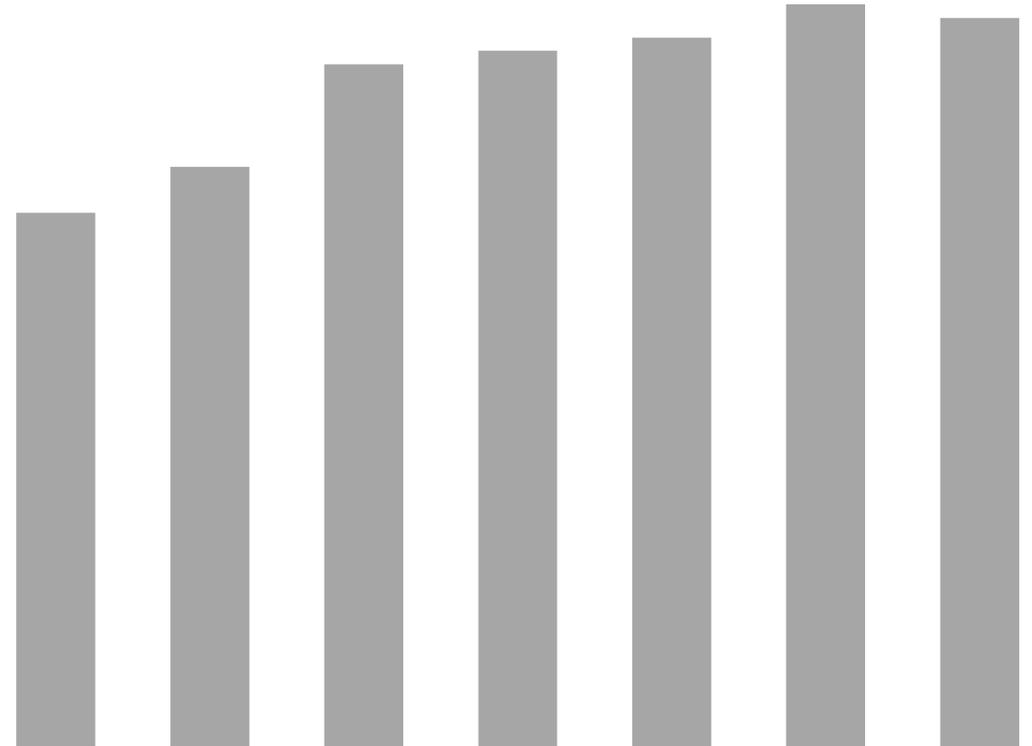
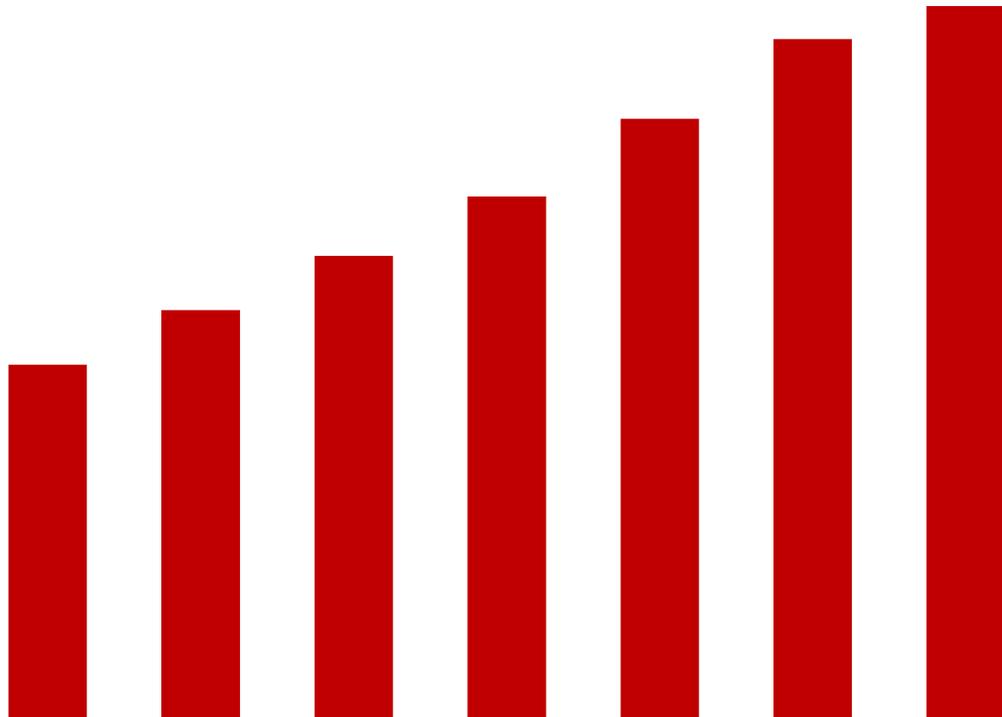
Car Parking Systems Business: Trend in Results



(Unit)

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

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



■ Number of pallets (cumulative)

■ Number of lots for cars (in operation currently)

4. Full-Year Forecast for FY2025

FY2025: Consolidated Results Forecast



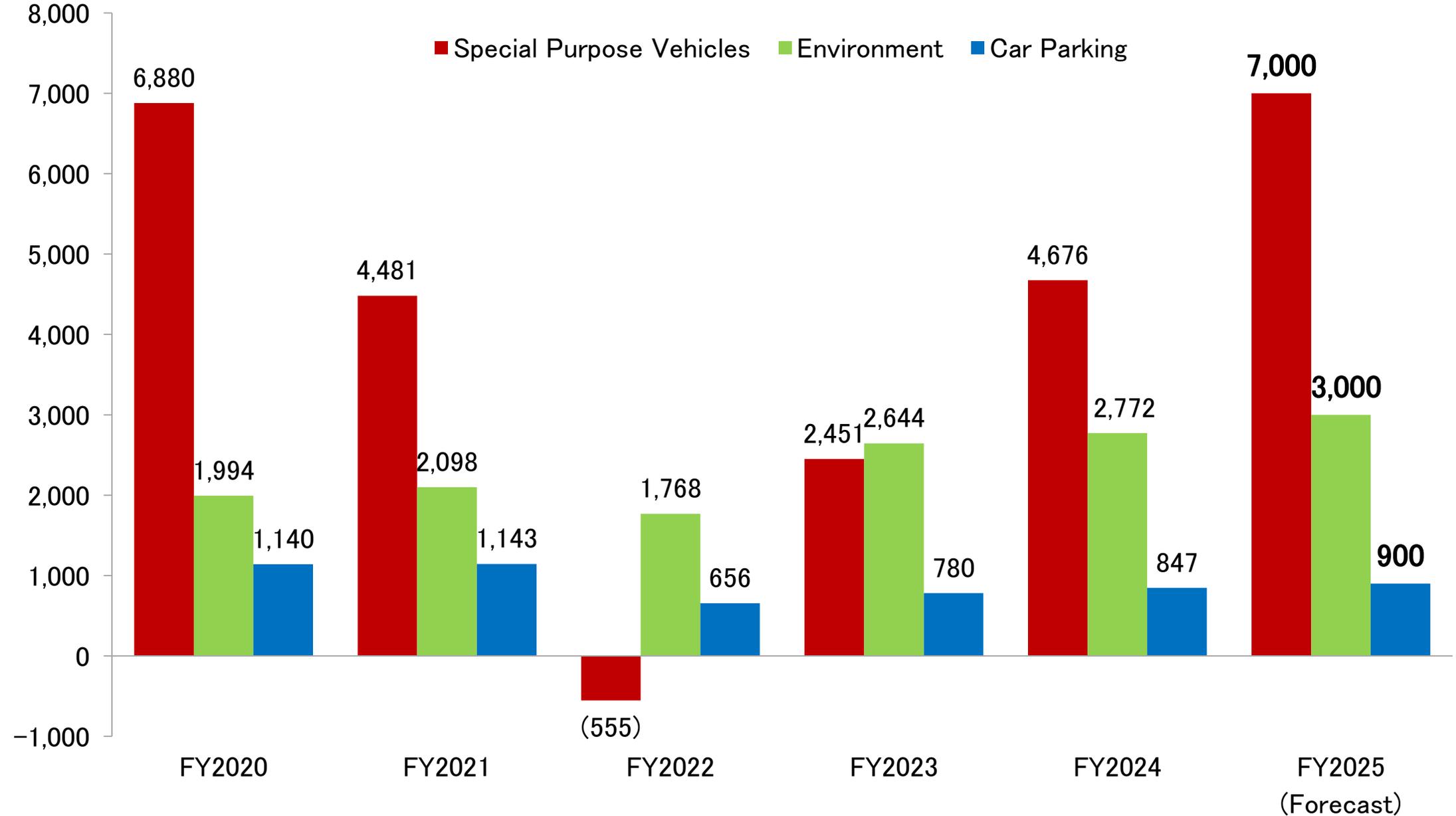
Fiscal year Millions of yen	FY2024 (Results)	FY2025 (Forecast)	Change	Percentage
Net sales	140,449	168,000	+ 27,551	+19.6%
Operating profit	6,656	9,600	+ 2,944	+44.2%
Ordinary profit	6,890	9,500	+ 2,610	+37.9%
Profit attributable to owners of parent	5,820	2,645	(3,175)	(54.6%)

- FY2025:** ✓ No revision from the figures announced on July 8, 2025
- Dividend Forecast** ✓ No change in annual dividend forecast

Trend in Consolidated Operating Profit (by Segment)



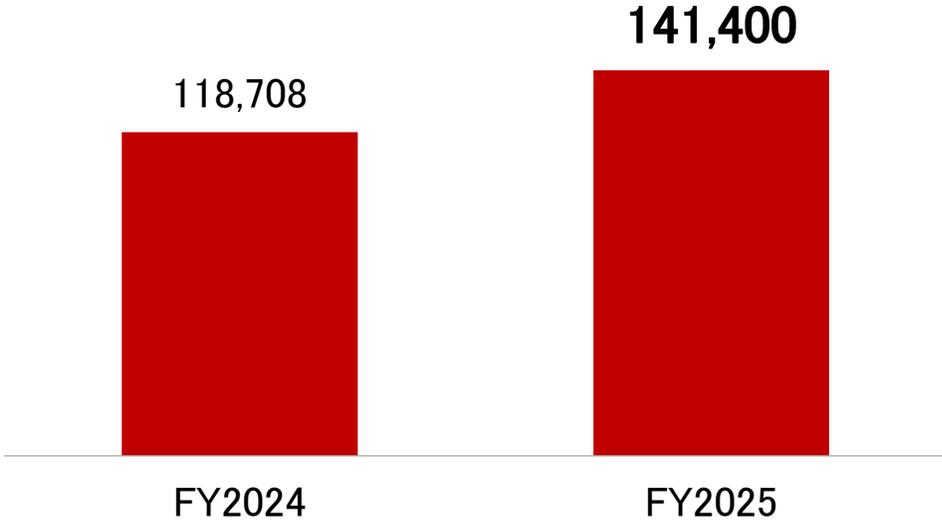
(Millions of yen)



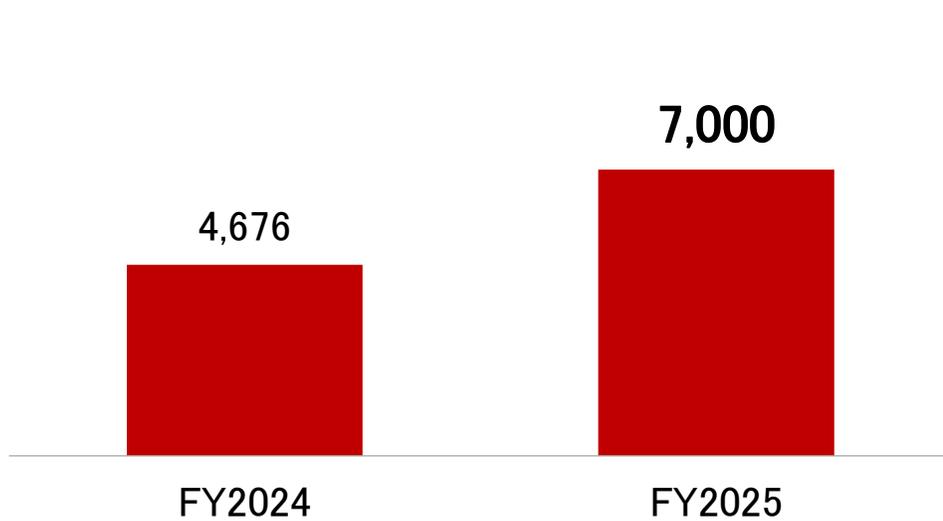
Special Purpose Vehicles Business

- 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) contributes to the Company's performance
- Both orders and backlogs remained at high levels (Backlogs: KYOKUTO: approx. 49,248 million yen and TRENKOR: approx. 54,115 million yen. Total: approx. 103,363 million yen) *As of September 30

Net sales Compared to previous period
(Millions of yen) **+19.1%**



Operating profit Compared to previous period
(Millions of yen) **+49.7%**



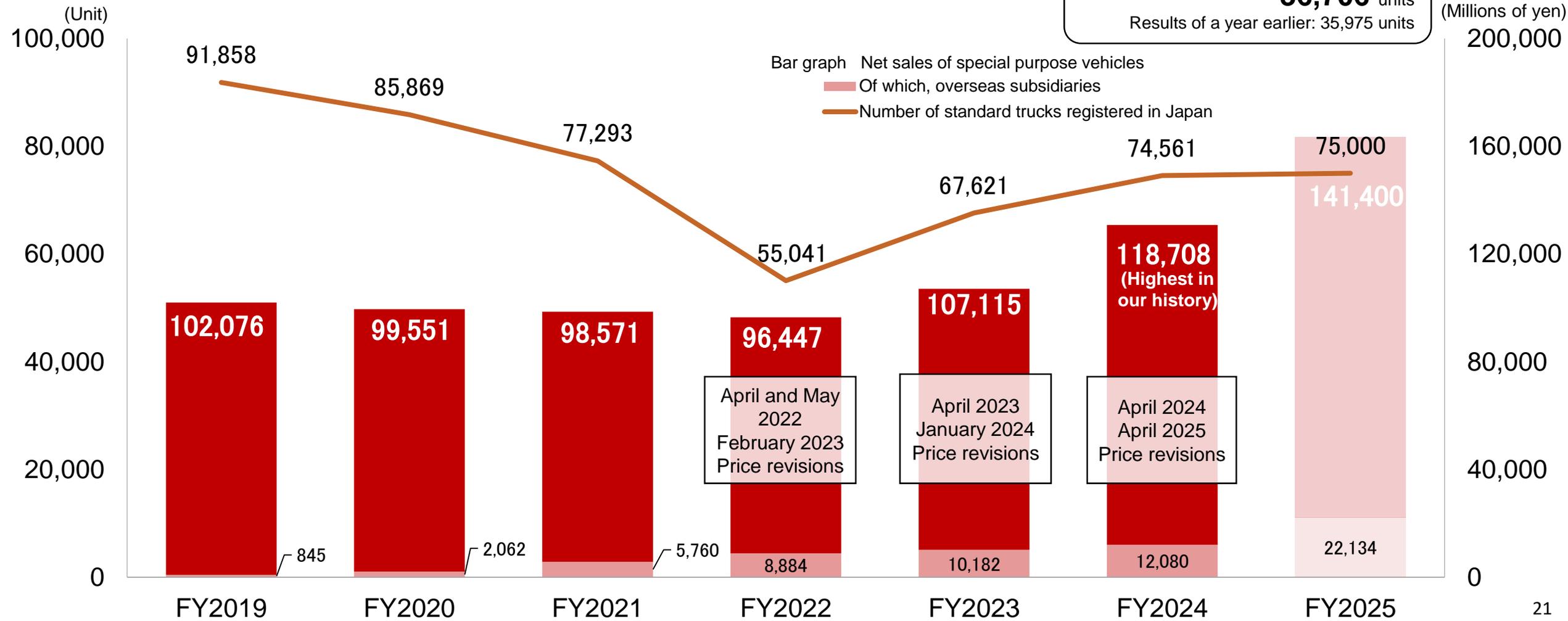
Operating profit margin **3.9%** (FY2024) **5.0%** (FY2025)

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.

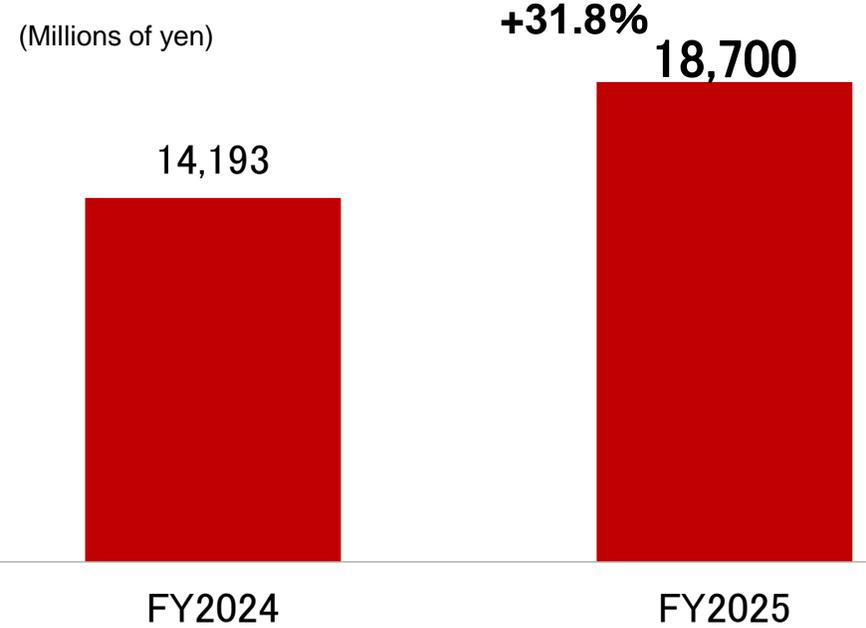
2Q results of domestic standard trucks
36,706 units
 Results of a year earlier: 35,975 units



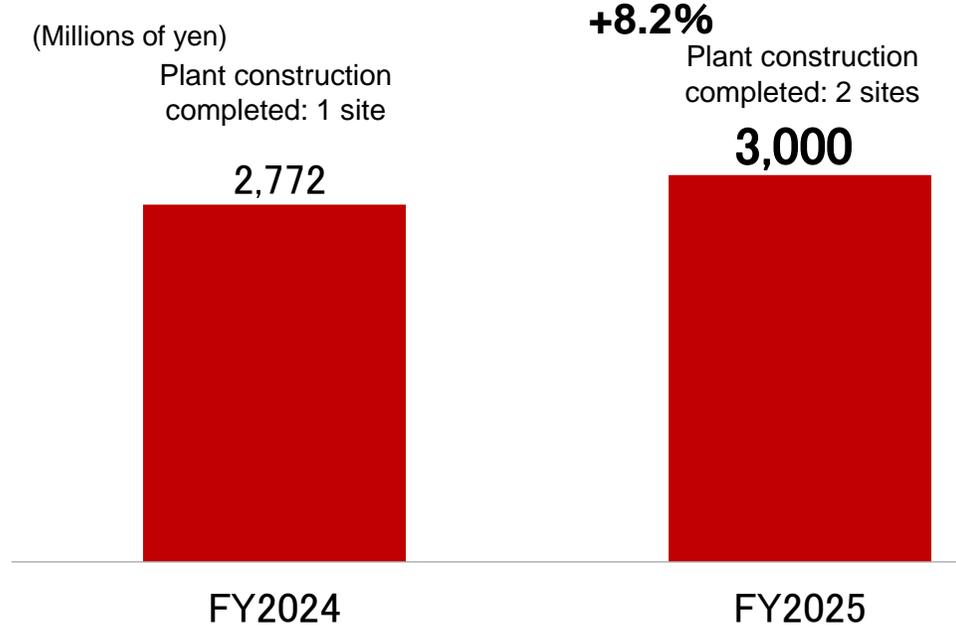
Environmental Equipment and Systems Business

- 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 (7 projects in progress: Tokyo, Saitama, Nagano, Ishikawa, Hyogo, Oita, etc.)

Net sales Compared to previous period



Operating profit Compared to previous period



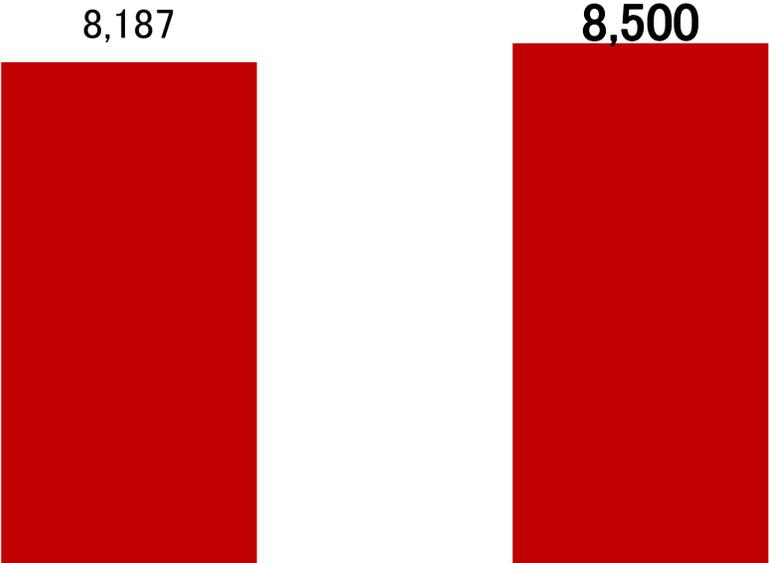
Operating profit margin FY2024 19.5% FY2025 16.0%

Car Parking Systems Business

- **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[®]” and acquiring new customers

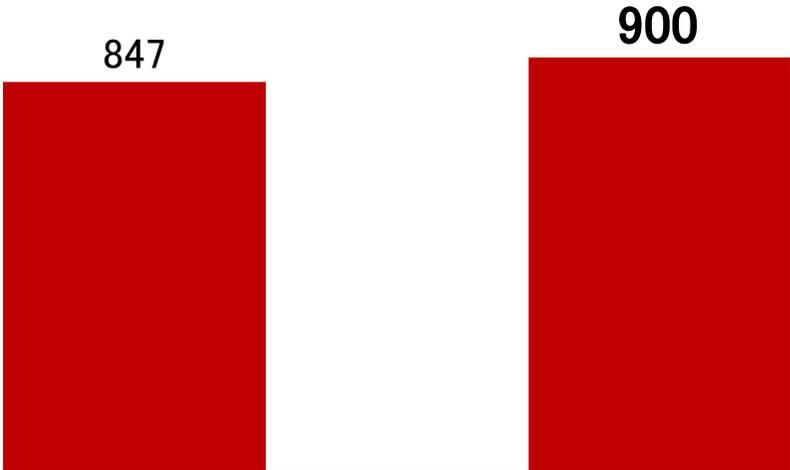
Net sales Compared to previous period
+3.8%

(Millions of yen)



Operating profit Compared to previous period
+6.3%

(Millions of yen)



FY2024

FY2025

Operating profit margin

FY2024

10.3%

FY2025

10.6%

5. Initiatives and Progress Toward Achieving the Medium-term Management Plan 2025 - 27

Medium-term Management Plan 2025-27

Our Strategic Priorities Moving Forward



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

Growth Investments	30 billion yen
New M&A investments	10 billion yen
Dividend	DOE (Dividend on Equity) Stable profit return of 4% or more

Our Strategic Priorities Moving Forward

- 1 Helping solve social issues and creating value through high-value-added products and services
- 2 Improving productivity and strengthen income structures
- 3 Accelerating the growth of overseas business
- 4 Creating an attractive company through the promotion of sustainability management
- 5 Promoting capital policies to enhance corporate value

Wood Biomass Boiler Completed & Orders Received

- Completed the wood biomass boiler at Chugai Match Co., Ltd.
- Received an order for biomass boiler installation work at the Chiba Zoological Park



Wood biomass boiler at the Animal Science Museum, Chiba Zoological Park
Conceptual image of the exterior

Collaborative Implementation of Thermal Energy Supply Business

- Matsukawa Village, Kita-alps Forest owner's Association, and Kyokuto Kaihatsu concluded an agreement on the collaborative implementation of a thermal energy supply business through a public-private partnership



Agreement signing ceremony (May 9, 2025: Matsukawa Village Hall)

Launched “e Packer,” an Electric Garbage Truck Newly Introduced Full Maintenance Package

- A garbage truck whose operation is fully electric, from activating the compressor unit to driving
- Newly introduced dedicated full maintenance package for up to 10 years



“e Packer,” an electric garbage truck for BEV chassis

Establishment of the New Seibu Parts Center

- Merged the Chubu Parts Center and the Seibu Parts Center to further streamline parts supply system and improve service quality
- Full relocation after completing the transfer of parts is scheduled for January 2026



New Seibu Parts Center

Construction of the Chennai Plant of SATRAC in India

- Aim to significantly strengthen our production capacity with the launch of the new plant and increase our market share by expanding our sales channels
- Scheduled to be completed in FY2025



Panoramic view of the Chennai plant (under construction)

Construction of the Second Plant in Indonesia

- Meeting market needs for dump trucks for mining
- Increasing production capacity and strengthening product lineup
- Scheduled to be completed in 2026



Conceptual image of the Second Plant

Exhibited a Pavilion at KidZania Koshien

- Opened a “Special Purpose Vehicle Design Company” pavilion at the KidZania Koshien on Thursday, July 31, where visitors can design special-purpose vehicles
- Provided an opportunity for children to realize the fun and excitement of manufacturing by thinking and devising on their own, and to feel the depth and possibilities of “making things” through their experience at this pavilion



“Special Purpose Vehicle Design Company” pavilion

Selected in Major ESG Investment Indexes

- Selected as a constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index, which are investment indexes composed of Japanese companies with high ESG (Environmental, Social, and Governance) ratings
- We were selected for the FTSE Blossom Japan Index for the first time this time, and have been selected for the FTSE Blossom Japan Sector Relative Index for four consecutive years



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index

Shareholder Return Policy

To provide returns through stable and high-level dividends

Cumulative total for 3 years: over 15 billion yen

Stable profit returns with a dividend on equity (DOE) ratio of 4% or higher

While recording extraordinary losses as losses related to the violation of the Antimonopoly Act, **the dividend forecast remained unchanged**

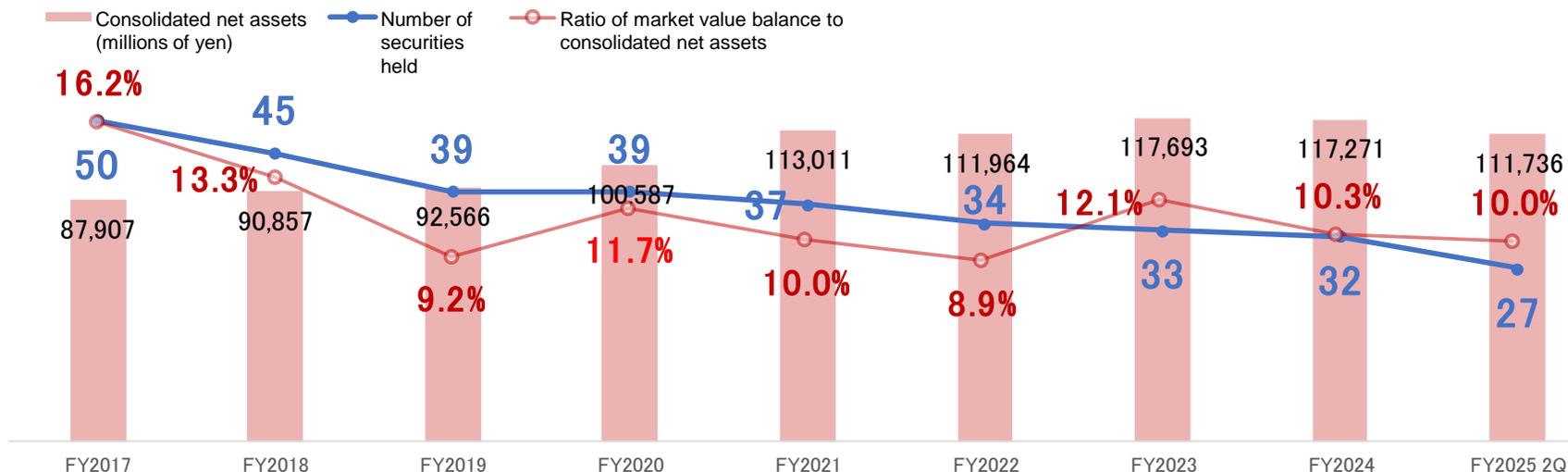
Interim dividend **70 yen** Year-end dividend **70 yen** Total **140 yen**

	FY2022 (actual)	FY2023 (actual)	FY2024 (actual)	FY2025 (forecast)
Annual dividend	54 yen	87 yen	158 yen	140 yen
Dividend on equity (DOE) ratio	-	-	-	4.9%

Reduction Policy

Continue efforts for reducing securities held by examining factors such as capital costs and contributions to business performance

Verify the reasonableness of holdings every year by considering the relationship with us and the degree of contribution to enhancing our corporate value



<Reduction results> since the end of March 2018



Number of holdings reduced
24 holdings
Approx.
7.8 billion yen* Sold

*Market value at the time of sale

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 3,556 non-consolidated 1,189 (as of September 30 , 2025)**

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.



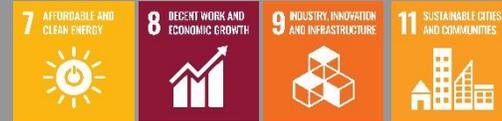
Environmental Equipment and Systems Business



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).



We have released 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>



- Clearly introducing the features of the Kyokuto Kaihatsu Group and its business strategies and processes for sustainable value creation
- In addition to messages from the Representative Director and President, and other responsible persons, it features special articles. They include: the voices of members of the Environmental Solutions Division, which is developing businesses for a carbon-neutral society, and an outside directors' (chairperson of the Nominating and Compensation Committee) meeting



Main Feature Articles



P05 Message from the President



P35 Sustainability Officer's Message



P43 Financial Officer's Message



P53 Special Feature: Biomass Business Interview



P73 Outside Directors' Meeting

The Integrated Report is available at the link below
<https://www.kyokuto.com/csr/csre.html>



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.