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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



April 27, 2023

Company name: Kanagawa Chuo Kotsu Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9081

URL: <https://www.kanachu.co.jp/>

Representative: Masayuki Imai, Representative Director and President

Contact: Daisuke Murayama, IR Manager, Corporate Strategy Department

Phone: +81-463-22-8894

Scheduled date of ordinary general meeting of shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 29, 2023

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	103,865	6.2	4,323	328.6	4,910	89.8	1,149	(37.5)
March 31, 2022	97,777	7.5	1,008	–	2,586	–	1,838	–

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥213 million [–%]

Fiscal year ended March 31, 2022: ¥(1,445) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	93.65	–	2.4	3.3	4.2
March 31, 2022	149.79	–	3.7	1.7	1.0

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2023: ¥(19) million

Fiscal year ended March 31, 2022: ¥(1) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	150,568	52,879	32.0	3,930.67
As of March 31, 2022	146,906	53,160	33.2	3,971.82

(Reference) Equity: As of March 31, 2023: ¥48,235 million

As of March 31, 2022: ¥48,741 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	4,891	(6,518)	843	2,621
March 31, 2022	11,753	(4,237)	(6,726)	3,404

2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	–	20.00	–	20.00	40.00	490	26.7	1.0
Fiscal year ended	–	20.00	–	20.00	40.00	490	42.7	1.0
March 31, 2023								
Fiscal year ending	–	20.00	–	20.00	40.00		16.1	
March 31, 2024 (Forecast)								

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
First half	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	53,100	6.0	2,050	(18.7)	2,060	(24.3)	1,250	(35.5)	101.86
	109,500	5.4	4,790	10.8	4,770	(2.9)	3,040	164.5	247.73

*** Notes:**

- (1) Changes in significant subsidiaries during the fiscal year under review
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None
Newly included: – (), Excluded: – ()
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (3) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the year (including treasury shares):
March 31, 2023: 12,600,000 shares
March 31, 2022: 12,600,000 shares

2) Total number of treasury shares at the end of the year:
March 31, 2023: 328,383 shares
March 31, 2022: 328,243 shares

3) Average number of shares during the year:
Fiscal year ended March 31, 2023: 12,271,675 shares
Fiscal year ended March 31, 2022: 12,271,895 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	46,469	3.5	2,359	–	2,500	215.1	1,477	67.8
March 31, 2022	44,895	12.0	(57)	–	793	–	880	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2023	120.37	–
March 31, 2022	71.72	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	95,798	30,261	31.6	2,465.94
As of March 31, 2022	98,117	30,467	31.1	2,482.70

(Reference) Equity: As of March 31, 2023: ¥30,261 million

As of March 31, 2022: ¥30,467 million

<Reasons for differences in non-consolidated financial results between the fiscal years>

The reason for the difference from the previous corresponding period in ordinary profit for the fiscal year ended March 31, 2023 is mainly due to increased sales resulting from recovery in passenger demand of the Passenger bus business.

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

(Notes for the forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of preparation of this document and certain assumptions deemed reasonable, and actual results may differ significantly from these forecasts due to various factors.

(Means to obtain the supplementary explanatory materials)

The supplementary explanatory materials have been disclosed on the TDnet at a later date.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	3,604	2,829
Notes and accounts receivable - trade, and contract assets	7,910	9,499
Merchandise and finished goods	3,509	9,165
Work in process	62	74
Raw materials and supplies	464	527
Other	2,914	3,139
Allowance for doubtful accounts	(34)	(29)
Total current assets	18,431	25,205
Non-current assets		
Property, plant and equipment		
Buildings and structures	90,744	93,558
Machinery and equipment	6,220	6,378
Vehicles	39,921	39,841
Land	62,072	62,818
Leased assets	9,496	8,528
Construction in progress	1,048	306
Other	6,842	6,838
Accumulated depreciation	(107,799)	(111,111)
Total property, plant and equipment	108,547	107,158
Intangible assets	840	932
Investments and other assets		
Investment securities	15,921	14,649
Deferred tax assets	1,212	1,276
Other	1,959	1,360
Allowance for doubtful accounts	(6)	(14)
Total investments and other assets	19,086	17,271
Total non-current assets	128,475	125,363
Total assets	146,906	150,568

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,479	7,474
Short-term borrowings	10,220	18,079
Lease liabilities	1,480	2,054
Income taxes payable	643	856
Provision for bonuses	1,972	2,230
Other	12,251	12,757
Total current liabilities	32,047	43,452
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	21,423	16,471
Lease liabilities	4,561	2,538
Deferred tax liabilities	2,990	2,809
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	3,878	3,797
Long-term guarantee deposits	4,348	3,835
Other	4,493	4,781
Total non-current liabilities	61,698	54,236
Total liabilities	93,746	97,689
Net assets		
Shareholders' equity		
Share capital	3,160	3,160
Capital surplus	723	723
Retained earnings	40,771	41,429
Treasury shares	(937)	(938)
Total shareholders' equity	43,717	44,375
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,601	3,768
Deferred gains or losses on hedges	311	–
Remeasurements of defined benefit plans	109	91
Total accumulated other comprehensive income	5,023	3,860
Non-controlling interests	4,419	4,643
Total net assets	53,160	52,879
Total liabilities and net assets	146,906	150,568

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales		
Operating revenue-general passenger automobile traffic	44,812	49,030
Sales in real estate business	7,763	5,898
Sales in other businesses	45,201	48,936
Total net sales	97,777	103,865
Cost of sales		
Traffic expenses-general passenger automobile traffic	43,229	43,285
Cost of sales in real estate business	3,847	2,613
Cost of sales in other businesses	36,819	40,023
Total cost of sales	83,896	85,921
Gross profit	13,880	17,943
Selling, general and administrative expenses		
Selling expenses	8,400	9,023
General and administrative expenses	4,471	4,595
Total selling, general and administrative expenses	12,872	13,619
Operating profit	1,008	4,323
Non-operating income		
Dividend income	261	289
Subsidy income	1,544	572
Other	176	138
Total non-operating income	1,982	1,000
Non-operating expenses		
Interest expenses	356	339
Other	48	74
Total non-operating expenses	404	414
Ordinary profit	2,586	4,910
Extraordinary income		
Gain on sale of non-current assets	327	112
Subsidy income	301	39
Gain on sale of investment securities	519	264
Other	73	29
Total extraordinary income	1,222	446
Extraordinary losses		
Loss on sale of non-current assets	3	18
Loss on retirement of non-current assets	573	257
Loss on tax purpose reduction entry of non-current assets	297	41
Impairment losses	51	2,108
Other	34	2
Total extraordinary losses	959	2,428
Profit before income taxes	2,849	2,928
Income taxes - current	895	1,294
Income taxes - deferred	(127)	267
Total income taxes	767	1,561
Profit	2,082	1,366
Profit attributable to non-controlling interests	243	217
Profit attributable to owners of parent	1,838	1,149

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	2,082	1,366
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,795)	(825)
Deferred gains or losses on hedges	249	(311)
Remeasurements of defined benefit plans, net of tax	18	(15)
Total other comprehensive income	(3,527)	(1,153)
Comprehensive income	(1,445)	213
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,683)	(14)
Comprehensive income attributable to non-controlling interests	238	227

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,160	602	39,443	(937)	42,268
Cumulative effects of changes in accounting policies			(19)		(19)
Restated balance	3,160	602	39,424	(937)	42,249
Changes during period					
Dividends of surplus			(490)		(490)
Profit attributable to owners of parent			1,838		1,838
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		121			121
Net changes in items other than shareholders' equity					–
Total changes during period	–	121	1,347	(0)	1,468
Balance at end of period	3,160	723	40,771	(937)	43,717

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,385	62	97	8,545	4,342	55,156
Cumulative effects of changes in accounting policies						(19)
Restated balance	8,385	62	97	8,545	4,342	55,136
Changes during period						
Dividends of surplus						(490)
Profit attributable to owners of parent						1,838
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						121
Net changes in items other than shareholders' equity	(3,783)	249	12	(3,521)	76	(3,445)
Total changes during period	(3,783)	249	12	(3,521)	76	(1,976)
Balance at end of period	4,601	311	109	5,023	4,419	53,160

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,160	723	40,771	(937)	43,717
Changes during period					
Dividends of surplus			(490)		(490)
Profit attributable to owners of parent			1,149		1,149
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	658	(0)	657
Balance at end of period	3,160	723	41,429	(938)	44,375

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,601	311	109	5,023	4,419	53,160
Changes during period						
Dividends of surplus						(490)
Profit attributable to owners of parent						1,149
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(833)	(311)	(18)	(1,163)	224	(938)
Total changes during period	(833)	(311)	(18)	(1,163)	224	(280)
Balance at end of period	3,768	–	91	3,860	4,643	52,879

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,849	2,928
Depreciation	6,608	5,873
Impairment losses	51	2,108
Increase (decrease) in provision for bonuses	(159)	258
Increase (decrease) in allowance for doubtful accounts	(14)	3
Increase (decrease) in retirement benefit liability	(141)	(110)
Interest and dividend income	(263)	(290)
Interest expenses	356	339
Share of loss (profit) of entities accounted for using equity method	1	19
Loss (gain) on sale and retirement of non-current assets	(247)	80
Loss on tax purpose reduction entry of non-current assets	297	41
Loss (gain) on sale of investment securities	(519)	(263)
Decrease (increase) in trade receivables	678	(1,574)
Decrease (increase) in inventories	1,781	(5,647)
Increase (decrease) in trade payables	(1,442)	1,982
Increase (decrease) in accrued consumption taxes	1,426	(644)
Increase (decrease) in guarantee deposits received	(485)	(512)
Decrease (increase) in guarantee deposits	177	591
Other, net	657	777
Subtotal	11,611	5,961
Interest and dividends received	271	297
Interest paid	(355)	(340)
Proceeds from insurance income	473	–
Income taxes refund (paid)	(247)	(1,026)
Net cash provided by (used in) operating activities	11,753	4,891
Cash flows from investing activities		
Payments into time deposits	(200)	(207)
Proceeds from withdrawal of time deposits	200	200
Purchase of non-current assets	(6,487)	(7,927)
Proceeds from sale of non-current assets	1,300	1,128
Payments for asset retirement obligations	(61)	–
Purchase of investment securities	(2)	(3)
Proceeds from sale of investment securities	956	309
Proceeds from redemption of investment securities	–	11
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	13
Short-term loan advances	(6)	(85)
Proceeds from collection of short-term loans receivable	66	45
Long-term loan advances	(4)	(2)
Proceeds from collection of long-term loans receivable	1	0
Net cash provided by (used in) investing activities	(4,237)	(6,518)

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,613)	7,224
Repayments of lease liabilities	(1,631)	(1,569)
Proceeds from long-term borrowings	3,600	400
Repayments of long-term borrowings	(3,550)	(4,717)
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(37)	–
Dividends paid	(490)	(490)
Dividends paid to non-controlling interests	(2)	(2)
Net cash provided by (used in) financing activities	(6,726)	843
Net increase (decrease) in cash and cash equivalents	789	(783)
Cash and cash equivalents at beginning of period	2,614	3,404
Cash and cash equivalents at end of period	3,404	2,621