



Financial Results Briefing Materials
for the Fiscal Year Ended March 31, 2023

April 27, 2023

Kanagawa Chuo Kotsu Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2023

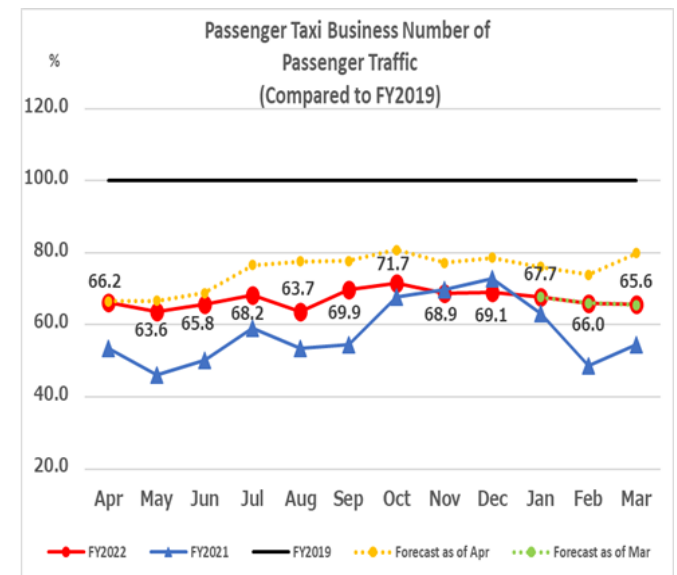
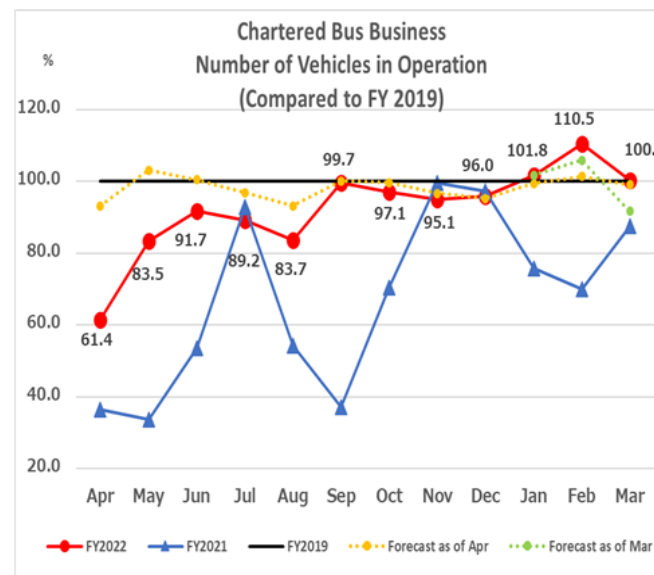
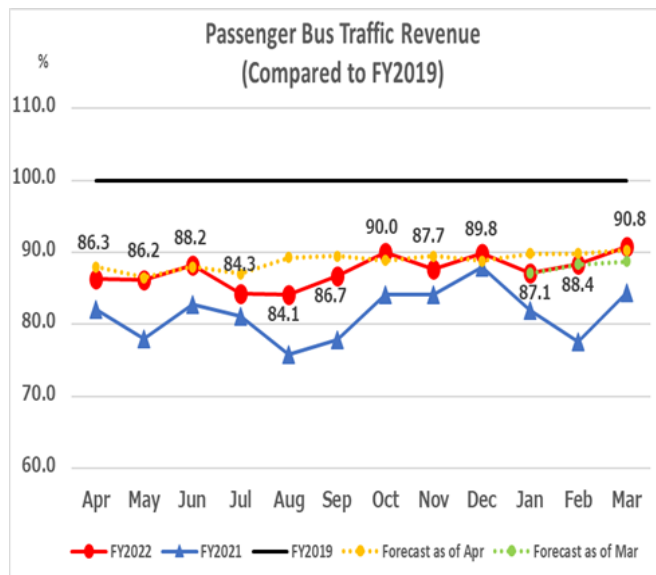
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Status during the period and as of March 31, 2023

- Although passenger demand was temporarily decreased due to the so-called “7th Wave” (from July) and “8th Wave” (from November) during the period, the demand was roughly on a recovery trend.
- While passenger demand has been recovering compared to the previous fiscal year, it fell short of pre-COVID-19 levels (FY2019).

Passenger bus business	■ Although passenger demand dropped due to the “7th Wave” and “8th Wave,” the impact of COVID-19 is gradually diminishing, and traffic revenue has recovered to about 90% of pre-COVID-19 levels.
Chartered bus business	■ Due to a pick-up in demand by student groups, etc., and the acquisition of contracted transportation, the number of vehicles in operation recovered to pre-COVID-19 levels.
Passenger taxi business	■ Despite the recovery mainly in night time demand reflecting the extended business hours of restaurants, the recent number of passenger traffic has only recovered to just below 70% of pre-COVID-19 levels, partially due to the effects of a decrease in the number of driving professionals.

*Pre-COVID-19 levels: FY2019 results (FY2018 results for February and March)



(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease
Net sales	103,865	97,777	6,088 [6.2%]
General passenger automobile traffic business	49,236	45,016	4,220
Real estate business	5,907	7,774	(1,866)
Automobile sales business	29,022	26,692	2,329
Other businesses	27,871	25,648	2,223
Remeasurements	(8,173)	(7,354)	(818)
Operating profit	4,323	1,008	3,314 [328.6%]
General passenger automobile traffic business	633	(3,357)	3,991
Real estate business	2,499	3,058	(559)
Automobile sales business	723	881	(158)
Other businesses	684	590	93
Remeasurements	(217)	(165)	(52)
Ordinary profit	4,910	2,586	2,323 [89.8%]
Profit attributable to owners of parent	1,149	1,838	(689) [(37.5%)]
Basic earnings per share	93.65 yen	149.79 yen	(56.14) yen
Depreciation	5,873	6,608	(734)
Capital expenditures	8,793	6,125	2,668
EBITDA (Operating profit + Depreciation)	10,197	7,617	2,580

Fiscal year ended March 31, 2023 Financial results forecast (Announced April 2022)	Increase/decrease
100,600	3,265 [3.2%]
51,170	(1,933)
7,330	(1,422)
22,610	6,412
27,220	651
(7,730)	(443)
4,780	(456) [(9.5%)]
1,350	(716)
2,500	(0)
400	323
730	(45)
(200)	(17)
4,750	160 [3.4%]
3,690	(2,540) [(68.9%)]
300.69 yen	(207.04) yen

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Non-operating income	1,000	1,982	(981)	Subsidy income: (971)
Non-operating expenses	414	404	9	Share of loss of entities accounted for using equity method : +17
Extraordinary income	446	1,222	(776)	Subsidy income: (261) Gain on sale of investment securities: (255) Gain on sale of non-current assets: (214)
Extraordinary losses	2,428	959	1,468	Impairment losses: +2,056 * Loss on retirement of non-current assets: (315) Loss on tax purpose reduction entry of non-current assets: (256)

* In the fiscal year ended March 31, 2023, impairment losses of 1,993 million yen were recorded as extraordinary losses for non-current assets owned by Kanachu Taxi Co., Ltd., which engages in the passenger taxi business.

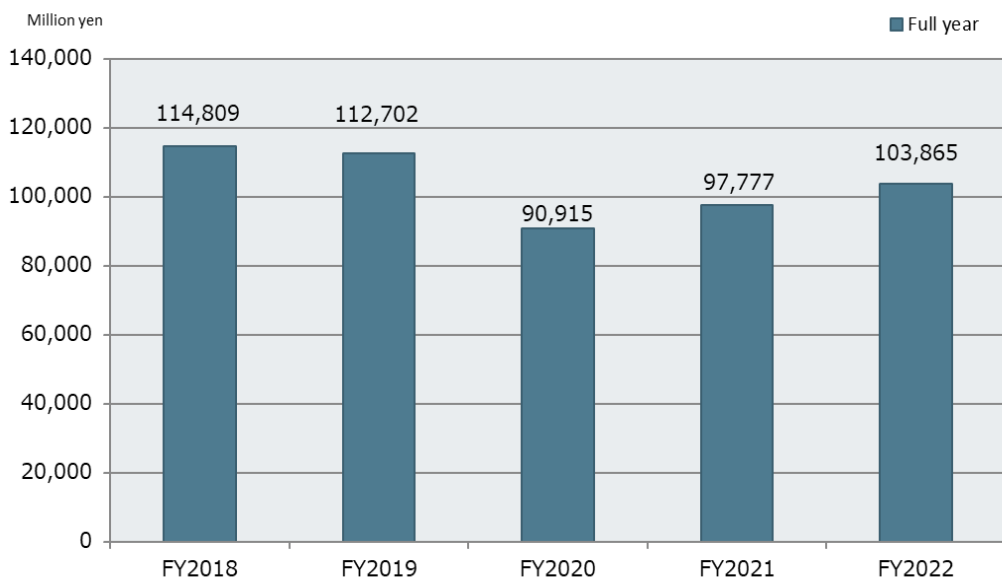
(Million yen)

	As of March 31, 2023	As of March 31, 2022	Increase/decrease	Comments
Current assets	25,205	18,431	6,774 [36.8%]	Merchandise and finished goods: +5,655 Notes and accounts receivable - trade, and contract assets: +1,589
Non-current assets	125,363	128,475	(3,112) [(2.4%)]	Accumulated depreciation: (3,312) Investment securities: (1,272) Buildings and structures: +2,813
Total assets	150,568	146,906	3,662 [2.5%]	
Current liabilities	43,452	32,047	11,404 [35.6%]	Short-term borrowings: +7,858 Notes and accounts payable - trade: +1,995
Non-current liabilities	54,236	61,698	(7,461) [(12.1%)]	Long-term borrowings: (4,952) Lease liabilities: (2,022)
Total liabilities	97,689	93,746	3,943 [4.2%]	
Total net assets	52,879	53,160	(280) [(0.5%)]	Valuation difference on available-for-sale securities: (833) Retained earnings: +658
Total liabilities and net assets	150,568	146,906	3,662 [2.5%]	
Net assets per share	3,930.67 yen	3,971.82 yen	(41.15) yen	
Equity ratio	32.0%	33.2%	(1.2)P	
Balance of interest-bearing debt (Borrowings, bonds and lease liabilities)	59,143	57,686	1,457	Borrowings: +2,906 Lease liabilities: (1,449)

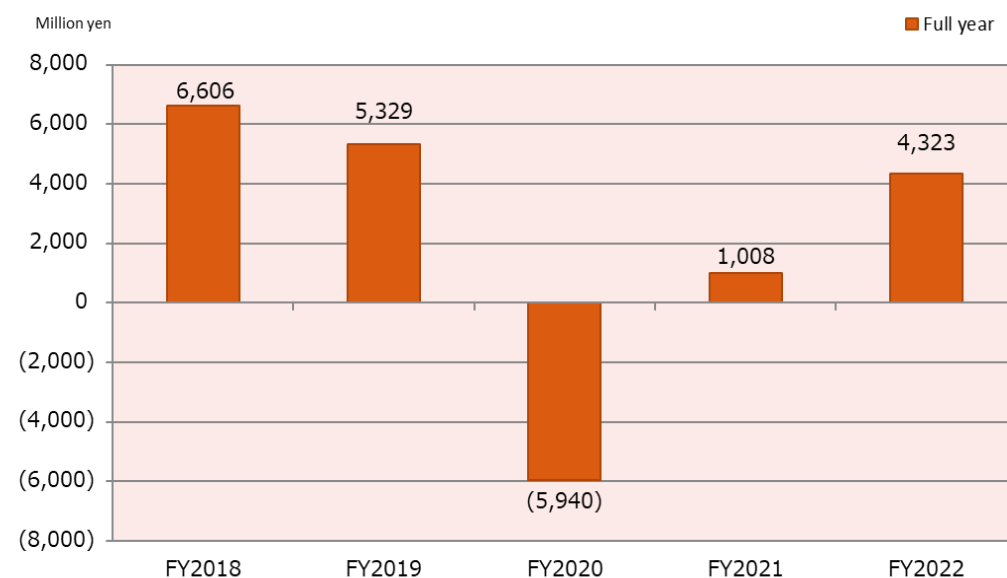
(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Cash flows from operating activities	4,891	11,753	(6,861) [(58.4%)]	Decrease (increase) in inventories: (7,428) Decrease (increase) in trade receivables: (2,252) Increase (decrease) in trade payables: +3,425
Cash flows from investing activities	(6,518)	(4,237)	(2,281) [(53.8%)]	Purchase of non-current assets: (1,439) Proceeds from sale of investment securities: (646)
Cash flows from financing activities	843	(6,726)	7,569 [112.5%]	Net increase (decrease) in short-term borrowings: +11,838 Proceeds from long-term borrowings: (3,200) Repayments of long-term borrowings: (1,167)
Net increase (decrease) in cash and cash equivalents	(783)	789	(1,573) [(199.2%)]	
Cash and cash equivalents at end of period	2,621	3,404	(783) [(23.0%)]	
Free cash flows	(1,626)	7,516	(9,142) [(121.6%)]	

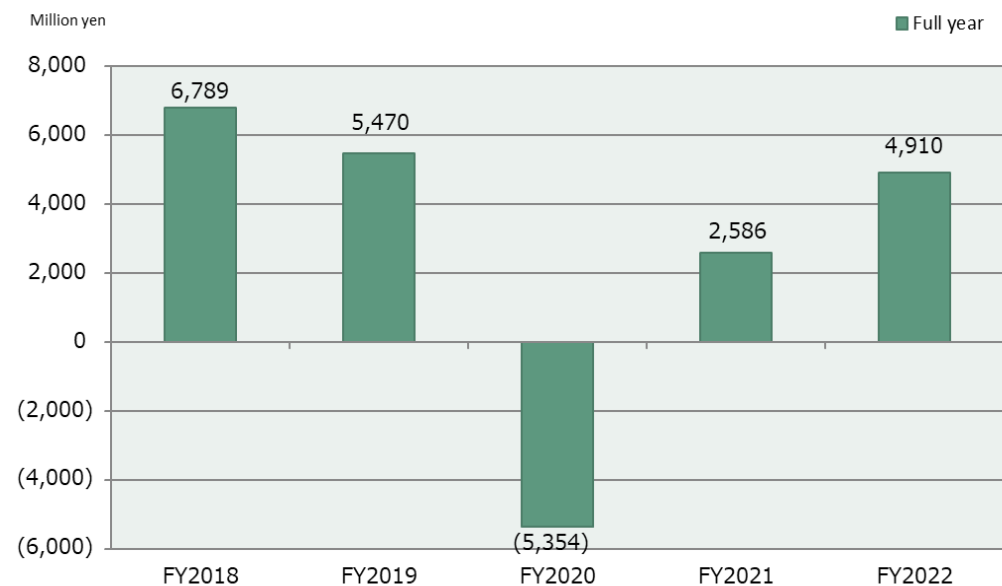
Net sales



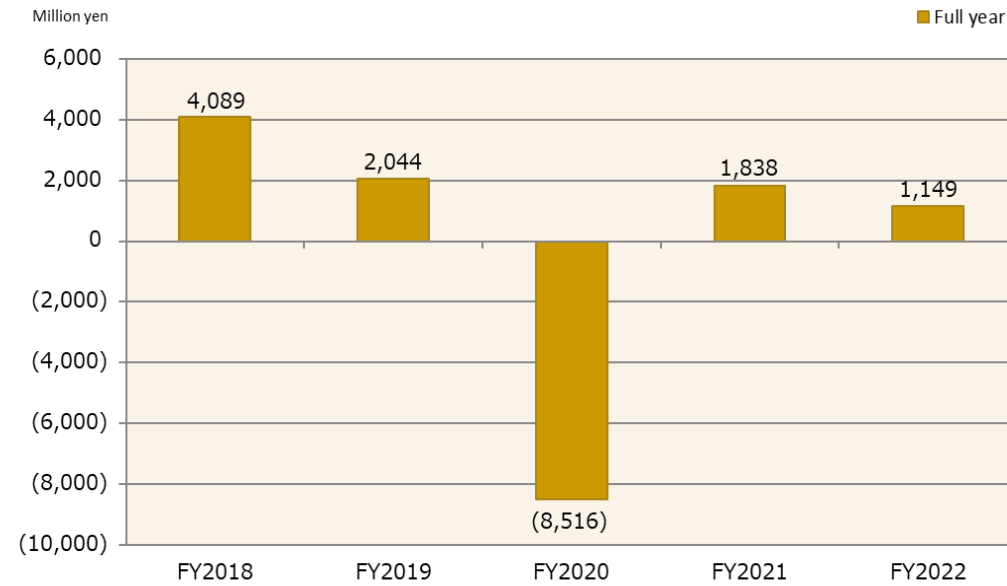
Operating profit

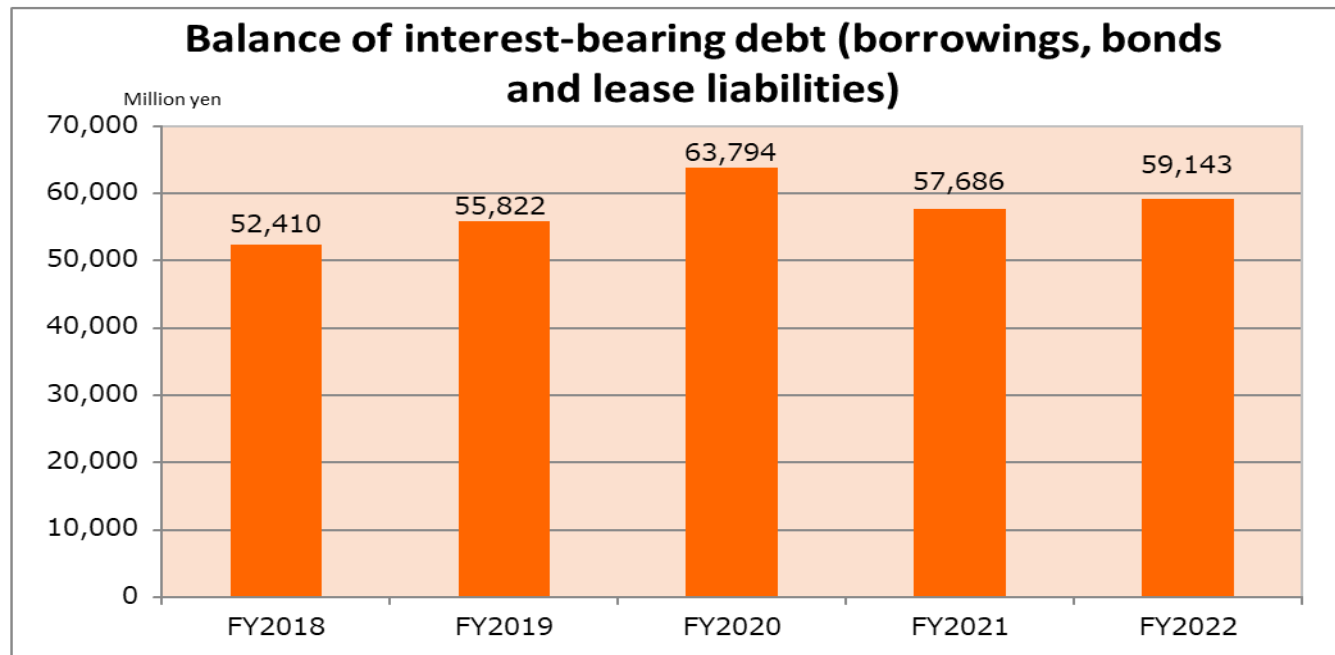
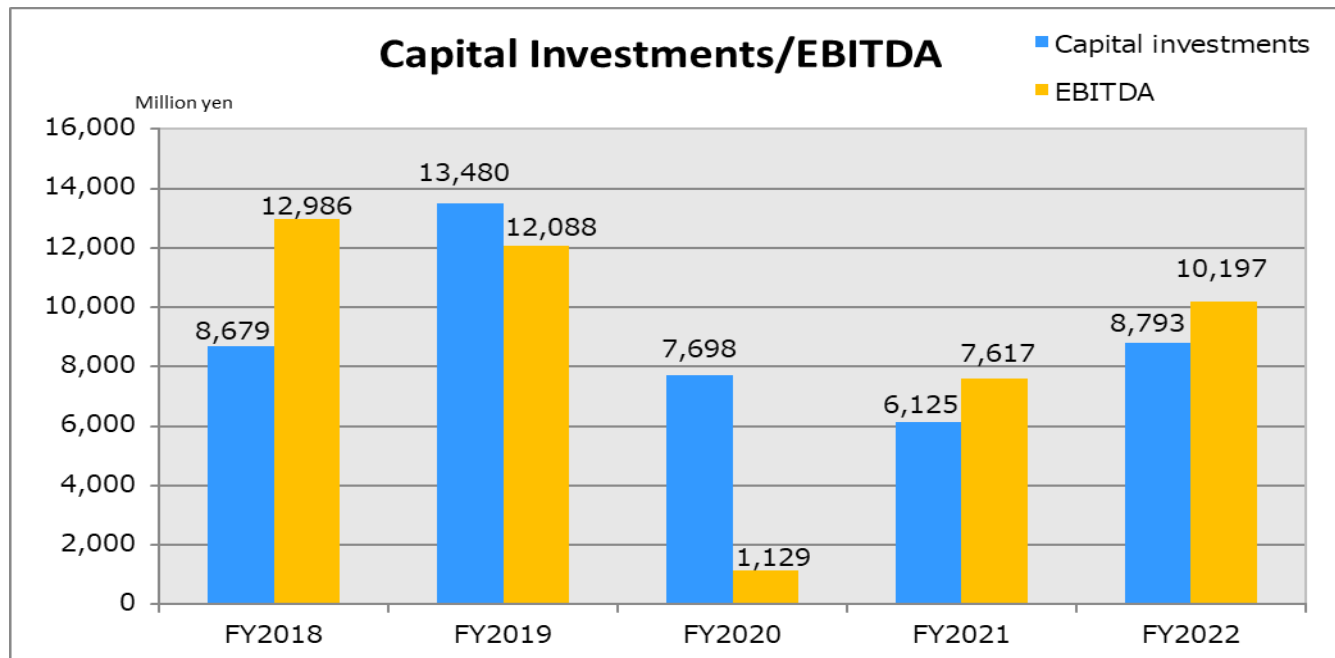


Ordinary profit



Profit attributable to owners of parent





Kanagawa Chuo Kotsu Group: 19 subsidiaries and 3 affiliates

Including 19 consolidated subsidiaries

2 affiliates accounted for by the equity method (Oyama Kanko Dentetsu Co., Ltd. and Odakyu Insurance Service Co., Ltd.)

<Major consolidated subsidiaries>

■ General Passenger Automobile Traffic Business

Kanagawa Chuo Kotsu Co., Ltd., Kanachu Taxi Co., Ltd., and Kanachu Kanko Co., Ltd.

■ Real Estate Business

Kanagawa Chuo Kotsu Co., Ltd., Kanachu Taxi Co., Ltd., and CAR T.E.C.H.JIN-CHU

■ Automobile Sales Business

Kanagawa Mitsubishi Fuso Truck and Bus Sales and Kanachu Sagami Yanase Co., Ltd.

■ Other businesses

Kanagawa Chuo Kotsu Co., Ltd., KANACHUSHOJI Co., Ltd., Kanachu Sports Design, ADVEL Co., Ltd., KANACHU INFORMATION SYSTEM Co., Ltd., and YOKOHAMA BUIL SYSTEM Co., Ltd.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	49,236	45,016	4,220 [9.4%]	Passenger bus business: +2,602 Chartered bus business: +436 Passenger taxi business: +1,180
Operating profit	633	(3,357)	3,991 [—]	Passenger bus business: +2,798 Chartered bus business: +153 Passenger taxi business: +1,038
Assets	53,624	60,171	(6,547)	
Depreciation	3,674	4,534	(859)	
Impairment losses	1,993	—	1,993	
Capital expenditures	3,586	2,336	1,249	

Fiscal year ended March 31, 2023 Financial results forecast (Announced April 2022)	Increase/decrease
51,170	(1,933) [(3.8%)]
1,350	(716) [(53.0%)]

[Compared to the previous fiscal year]

Increases were reported in both revenue and profits due to the contribution by a reduction in fixed costs, in addition to the improved passenger demand as a reaction to the declaration of the state of emergency and the focused measures to prevent the spread of COVID-19 in the previous fiscal year.

[Compared to the Forecast (announced in April 2022)]

Decreases in both revenue and profits were reported due to a slow recovery in passenger demand affected by the so-called “7th Wave” and “8th Wave.”

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	5,907	7,774	(1,866) [(24.0%)]	Rental business: +43 Sales business: (1,910)
Operating profit	2,499	3,058	(559) [(18.3%)]	Rental business: (184) Sales business: (375)
Assets	44,309	38,909	5,400	
Depreciation	937	968	(31)	
Impairment losses	6	0	6	
Capital expenditures	4,943	997	3,946	

Fiscal year ended March 31, 2023 Financial results forecast (Announced April 2022)	Increase/decrease
7,330	(1,422) [(19.4%)]
2,500	(0) [(0.0%)]

[Compared to the previous fiscal year]

The rental business reported an increase in revenue due to the contribution by the rise in the occupancy rate and new rental properties and a decrease in profits due to the increase in opening-related expenses and repair expenses.

The sales business reported decreases in both revenue and profits due to the completion of sales of condominiums and a decrease in the number of new units for sale under the sales plan.

[Compared to the Forecast (announced in April 2022)]

The rental business reported increases in both revenue and profits due to the rise in the occupancy rate and decrease in repair expenses, among others.

The sales business reported decreases in both revenue and profits due to the shortfall in the sales plan for detached houses and residential land sales.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	29,022	26,692	2,329 [8.7%] +1,738 Import car sales business: +591	Commercial vehicle sales business: +1,738 Import car sales business: +591
Operating profit	723	881	(158) [(17.9%)] (49) Import car sales business: (108)	Commercial vehicle sales business: (49) Import car sales business: (108)
Assets	23,373	19,024	4,349	
Depreciation	490	468	22	
Impairment losses	—	—	—	
Capital expenditures	273	420	(146)	

Fiscal year ended March 31, 2023 Financial results forecast (Announced April 2022)	Increase/decrease
22,610	6,412 [28.4%]
400	323 [80.9%]

[Compared to the previous fiscal year]

In the commercial automobile sales business, revenue increased due to an increase in the number of trucks and buses sold and vehicles serviced, but profits decreased due to the increase in purchase unit prices.

In the import car sales business, revenue increased due to the strong performance in new vehicle sales, but profits decreased due to the decrease in the number of used cars sold and the increase in purchase unit prices.

[Compared to the Forecast (announced in April 2022)]

The commercial automobile sales business saw increases in both revenue and profits due to an increase in the number of trucks and buses sold and the number of vehicles serviced.

The import car sales business reported increases in both revenue and profits thanks to higher sales unit prices, despite a decrease in the number of new vehicles sold and used cars sold.

*Reference: Number of new vehicles sold

(Number of vehicles sold)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease
Trucks	1,648	1,624	24
Buses	127	67	60
Import cars	526	498	28

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	27,871	25,648	2,223 [8.7%]	Distribution business: +738 Food service and amusement business: +732 Services business:(Hotel business, etc.): +496 Leisure and sports business: +280 Building management business: (241)
Operating profit	684	590	93 [15.9%]	Services business:(Hotel business, etc.): +102 Food service and amusement business: +42 Building management business: (66)
Assets	35,535	38,258	(2,723)	
Depreciation	771	637	133	
Impairment losses	108	51	56	
Capital expenditures	493	2,679	(2,186)	

Fiscal year ended March 31, 2023 Financial results forecast (Announced April 2022)	Increase/decrease
27,220	651 [2.4%]
730	(45) [(6.2%)]

[Compared to the previous fiscal year]

The distribution business reported an increase in revenue due to rising sales unit prices of fuel and the increase in orders received for the installation work of air-conditioning equipment.

The food service and amusement business reported increases in both revenue and profits due to recovery from the impact of COVID-19, the new opening of Doutor Coffee Shop, business acquisition, and other factors.

The hotel business reported increases in both revenue and profits due to recovery from the impact of COVID-19.

The leisure and sports business reported an increase in revenue due to recovery from the impact of COVID-19 and the contribution throughout the year by the shops opened in the previous fiscal year.

The building management business reported decreases in both revenue and profits due to the decrease in orders received for facility repair work and other factors.

[Compared to the Forecast (announced in April 2022)]

The distribution business reported an increase in revenue due to rising sales unit prices of fuel and the increase in orders received for the installation work of air-conditioning equipment.

The food service and amusement business reported an increase in revenue due to business acquisition of Doutor Coffee Shop and other factors.

The building management business reported an increase in revenue due to the increase in orders received for facility repair work and other factors.

The leisure and sports business reported decreases in both revenue and profits due to failure to meet the membership growth target and a rise in utilities costs.

Financial Results Forecast for the Fiscal Year Ending March 31, 2024
(Announced on April 27, 2023)

Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024

(Million yen)

	FY ending March 31, 2024 Financial results forecast	FY ended March 31, 2023	Increase/decrease
Net sales	109,500	103,865	5,634 [5.4%]
General passenger automobile traffic business	53,860	49,236	4,623
Real estate business	7,090	5,907	1,182
Automobile sales business	29,140	29,022	117
Other businesses	29,890	27,871	2,018
Remeasurements	(10,480)	(8,173)	(2,306)
Operating profit (loss)	4,790	4,323	466 [10.8%]
General passenger automobile traffic business	1,370	633	736
Real estate business	2,420	2,499	(79)
Automobile sales business	380	723	(343)
Other businesses	1,040	684	355
Remeasurements	(420)	(217)	(202)
Ordinary profit	4,770	4,910	(140) [(2.9%)]
Profit (loss) attributable to owners of parent	3,040	1,149	1,890 [164.5%]
Basic earnings per share	247.73 yen	93.65 yen	154.08 yen
Depreciation	5,590	5,873	(283)
Capital expenditures	14,210	8,793	5,416
EBITDA (Operating profit + Depreciation)	10,380	10,197	182

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2024 (General Passenger Automobile Traffic Business)

(Million yen)

	FY ending March 31, 2024 Financial results forecast	FY ended March 31, 2023	Increase/decrease	Comments
Net sales	53,860	49,236	4,623 [9.4%]	Passenger bus business: +4,167 Chartered bus business: +213 Passenger taxi business: +243
Operating profit	1,370	633	736 [116.1%]	Passenger bus business: +506 Chartered bus business: +93 Passenger taxi business: +137
Depreciation	3,310	3,674	(364)	
Capital expenditures	8,050	3,586	4,463	

[Compared to the previous fiscal year]

Increases in both revenue and profits are expected due to the contribution by fare revision, in addition to the recovery in the number of passengers, which declined due to the so-called "7th Wave" and "8th Wave."

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2024 (Real Estate Business)

(Million yen)

	FY ending March 31, 2024 Financial results forecast	FY ended March 31, 2023	Increase/decrease	Comments
Net sales	7,090	5,907	1,182 [20.0%]	Rental business: +174 Sales business: +1,008
Operating profit	2,420	2,499	(79) [(3.2%)]	Rental business: (74) Sales business: (5)
Depreciation	1,050	937	112	
Capital expenditures	1,670	4,943	(3,273)	

[Compared to the previous fiscal year]

In the rental business, an increase in revenue is expected due to the contribution throughout the fiscal year by new rental properties opened in the previous fiscal year, but a decrease in profits is expected due to an increase in repair expenses.

In the sales business, an increase in revenue is expected due to an increase in the number of houses sold, but a decrease in profits is expected due to an increase in advertising expenses.

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2024 (Automobile Sales Business)

(Million yen)

	FY ending March 31, 2024 Financial results forecast	FY ended March 31, 2023	Increase/decrease	Comments
Net sales	29,140	29,022	117 [0.4%]	Commercial vehicle sales business: +1,075 Import car sales business: (958)
Operating profit	380	723	(343) [(47.5%)]	Commercial vehicle sales business: (222) Import car sales business: (121)
Depreciation	490	490	(0)	
Capital expenditures	200	273	(73)	

[Compared to the previous fiscal year]

In the commercial vehicle sales business, an increase in revenue is expected due to an increase in the number of trucks and buses sold, but a decrease in profits is expected due to a decline in the demand for maintenance.

In the import car sales business, despite an increase in the number of vehicles sold, unit prices will decline due to the model lineup and decreases in both revenue and profits are expected.

*Reference: Number of new vehicles sold

(Number of vehicles sold)

	FY ending March 31, 2024 Financial results forecast	FY ended March 31, 2023	Increase/decrease
Trucks	2,058	1,648	410
Buses	142	127	15
Import cars	554	526	28

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2024 (Other Businesses)

(Million yen)

	FY ending March 31, 2024 Financial results forecast	FY ended March 31, 2023	Increase/decrease	Comments
Net sales	29,890	27,871	2,018 [7.2%]	Distribution business: +1,035 Services business (revitalization of resources, etc.): +510 Commercial vehicle customization business: +374 Food service and amusement business: +303
Operating profit	1,040	684	355 [51.9%]	Commercial vehicle customization business: +131 Food service and amusement business: +78 Distribution business: +37
Depreciation	730	771	(41)	
Capital expenditures	4,620	493	4,126	

[Compared to the previous fiscal year]

In the distribution business, increases in both revenue and profits are expected due to the increase of sales of onboard equipment for passenger buses.

In the resource revitalization business, an increase in revenue is expected due to the production volume increase in the recycling plant.

In the commercial vehicle customization business, increases in both revenue and profits are expected due to the increase in the customization of container trucks.

In the food service and amusement business, increases in both revenue and profits are expected due to the contribution throughout the fiscal year by the shops acquired in the previous fiscal year.

The financial results 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.

<Inquiries>

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