



Financial Results Briefing Materials for the Fiscal Year Ended March 31, 2022
and the Progress of
the “Kanachu Group Medium-term Management Plan (FY2021 – FY2023)”

April 27, 2022
Kanagawa Chuo Kotsu Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2022



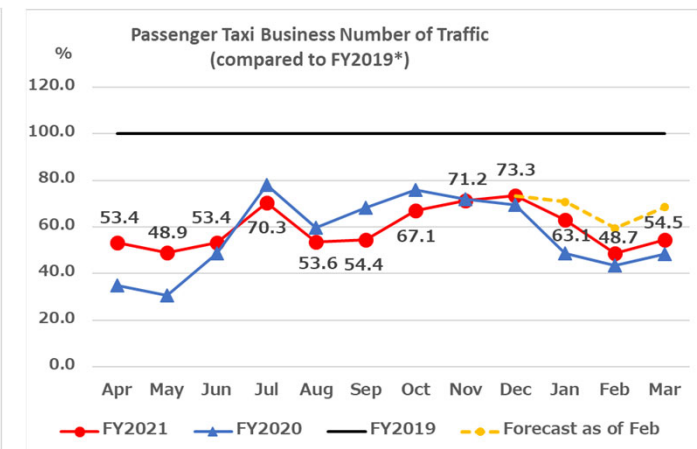
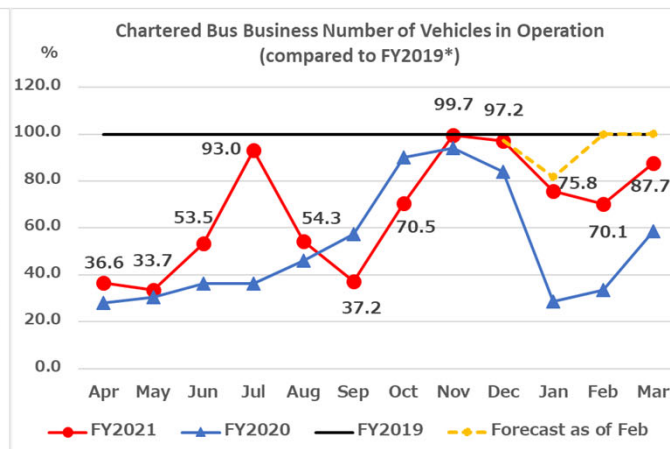
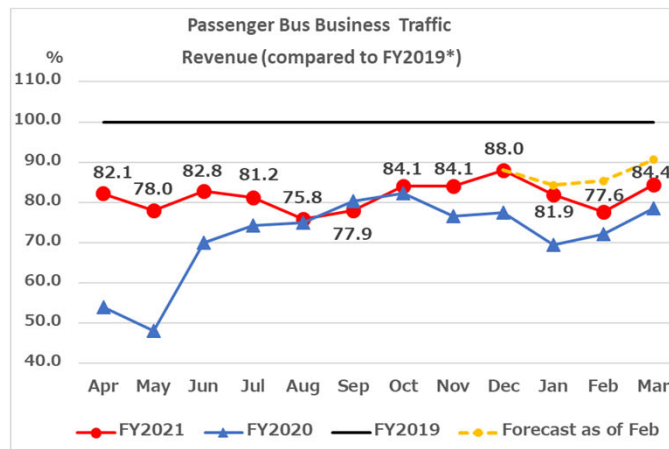
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Status during the period and as of March 31, 2022

- Throughout the period, a harsh business environment prevailed and passenger demand waxed and waned, as travel and economic activities were restricted due to the issues of the declaration of a state of emergency and the application of focused measures to prevent the spread of COVID-19 in the Group's business area.
- In the second half of the year, while the so-called "5th Wave of COVID-19" ended and the declaration of the state of emergency was lifted at the end of September leading to an upturn in passenger demand, there was a resurgence in COVID-19 from January and demand significantly declined due to the "6th Wave."
- Since the end of the focused measures to prevent the spread of COVID-19 in March, passenger demand has once again been on a recovery trend.

Passenger bus business	<ul style="list-style-type: none"> ■ Passenger demand waxed and waned reflecting the increase and decrease of new cases of COVID-19. ■ Passenger demand declined due to the "6th Wave" but transportation revenue in March recovered to more than 80 % of pre-COVID-19 levels.
Chartered bus business	<ul style="list-style-type: none"> ■ We transported Tokyo Olympics/Paralympics personnel during the summer season. ■ Due to the recovery in demand by student organizations, the number of vehicles in operation at one time recovered to pre-COVID-19 levels, but cancellations and postponements increased due to the "6th Wave." Demand recovered to about 90 % of pre-COVID-19 levels in March.
Passenger taxi business	<ul style="list-style-type: none"> ■ Some recovery has been seen in daytime demand but with no recovery in night time demand, operations were hit by the "6th Wave" and the number of passenger traffic is only about 50 % of pre-COVID-19 levels.

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



(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease
Net sales	97,777	90,915	6,862 [7.5%]
General passenger automobile traffic business	45,016	40,379	4,636
Real estate business	7,774	6,487	1,286
Automobile sales business	26,692	26,120	571
Other businesses	25,648	25,773	(125)
Remeasurements	(7,354)	(7,846)	491
Operating profit	1,008	(5,940)	6,949 (一)
General passenger automobile traffic business	(3,357)	(9,138)	5,781
Real estate business	3,058	2,713	345
Automobile sales business	881	501	380
Other businesses	590	269	320
Remeasurements	(165)	(286)	121
Ordinary profit (loss)	2,586	(5,354)	7,941 (一)
Profit (loss) attributable to owners of parent	1,838	(8,516)	10,354 (一)
Basic earnings per share	149.79yen	(693.97) yen	843.76yen
Depreciation	6,608	7,070	(462)
Capital expenditures	6,125	7,698	(1,573)
EBITDA (Operating profit + Depreciation)	7,617	1,129	6,487

Fiscal year ended March 31, 2022 Financial results forecast (Announced February 2022)	Increase/decrease
97,300	477 [0.5%]
45,910	(893)
7,720	54
25,680	1,012
25,200	448
(7,210)	(144)
1,190	(181) [(15.2%)]
(2,910)	(447)
2,980	78
780	101
480	110
(140)	(25)
2,620	(33) [(1.3%)]
2,080	(241) [(11.6%)]
169.49yen	(19.70)yen

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease	Comments
Non-operating income	1,982	1,143	839	Grant income: +807 *1
Non-operating expenses	404	557	(152)	Interest expenses: (55) Amortization of bond issuance costs: (46)
Extraordinary income	1,222	1,130	92	Grant income: (855) *1 Gain on sale of investment securities: +511 Gain on sale of non-current assets: +304
Extraordinary loss	959	2,511	(1,551)	Impairment losses: (1,274) Extraordinary loss due to closing and other: (654) *2 Loss on retirement of non-current assets: +318

- ※1 Grant income including the “Employment adjustment subsidy” during the period covered by the declaration of the state of emergency was reported under “Extraordinary income” in the previous fiscal year in light of its urgent and temporary nature but it was reported under non-operating income in the current fiscal year.
- ※2 Fixed costs including personnel expenses, depreciation, and rent expenses incurred during temporary closings due to the declaration of the state of emergency were reported under extraordinary loss in the previous fiscal year in light of their urgent and temporary nature but they were reported under “Cost of sales” and “Selling, general and administrative expenses” in the current fiscal year.

((Million yen))

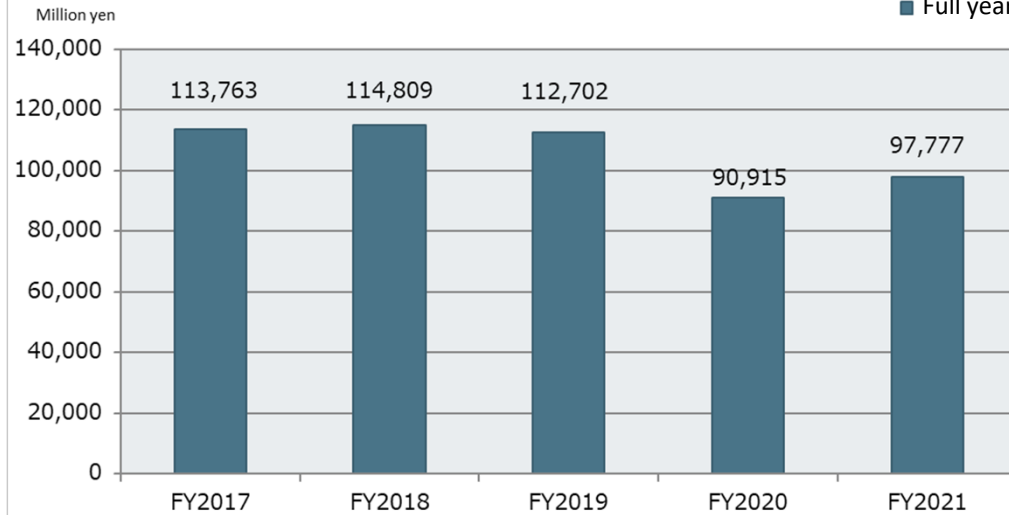
	As of March 31, 2022	As of March 31, 2021	Increase/decrease	Comments
Current assets	18,431	21,057	(2,626) [(12.5%)]	Merchandise and finished goods (1,828)
Non-current assets	128,475	138,000	(9,525) [(6.9%)]	Investment securities (5,933) Property, plant and equipment (3,195)
Total assets	146,906	159,058	(12,151) [(7.6%)]	
Current liabilities	32,047	36,783	(4,736) [(12.9%)]	Short-term borrowings (3,171) Notes and accounts payable - trade (1,445)
Non-current liabilities	61,698	67,118	(5,419) [(8.1%)]	Deferred tax liabilities (1,808) Lease liabilities (1,429) Long-term borrowings (1,392)
Total liabilities	93,746	103,902	(10,155) [(9.8%)]	
Total net assets	53,160	55,156	(1,995) [(3.6%)]	Valuation difference on available-for-sale securities (3,783) Retained earnings +1,328
Total liabilities and net assets	146,906	159,058	(12,151) [(7.6%)]	
Net assets per share	3,971.82yen	4,140.66yen	(168.84) yen	
Equity ratio	33.2%	31.9%	1.3P	
Balance of interest-bearing debt (Borrowings, bonds and lease liabilities)	57,686	63,794	(6,108)	

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease	Comments
Cash flows from operating activities	11,753	40	11,713 (+)	Profit before income taxes +9,585 Increase (decrease) in accrued consumption taxes +2,185
Cash flows from investing activities	(4,237)	(6,257)	2,020 [32.3%]	Proceeds from sale of non-current assets +1,252 Proceeds from sale of investment securities +948
Cash flows from financing activities	(6,726)	6,640	(13,366) (-)	Proceeds from long-term borrowings (13,300)
Net increase (decrease) in cash and cash equivalents	789	423	366 [86.5%]	
Cash and cash equivalents at end of period	3,404	2,614	789 [30.2%]	

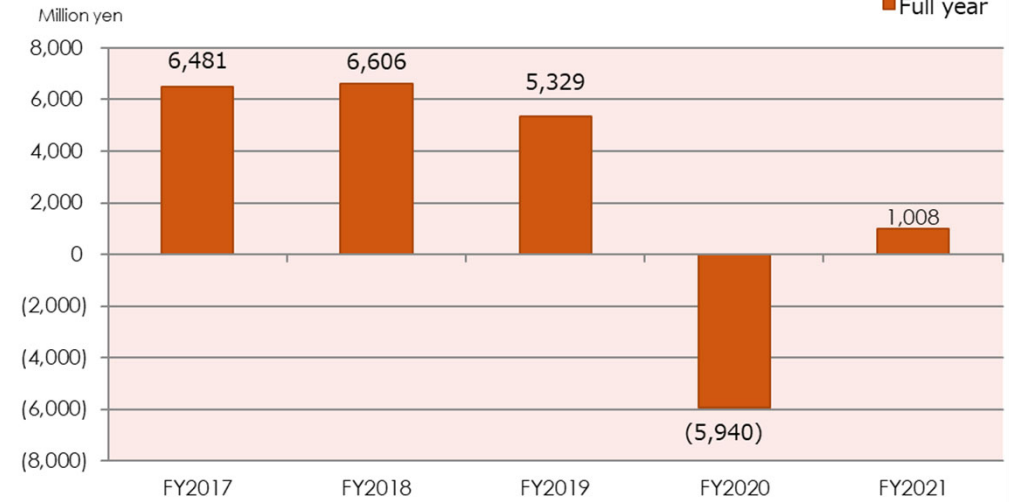
Net sales

■ Full year



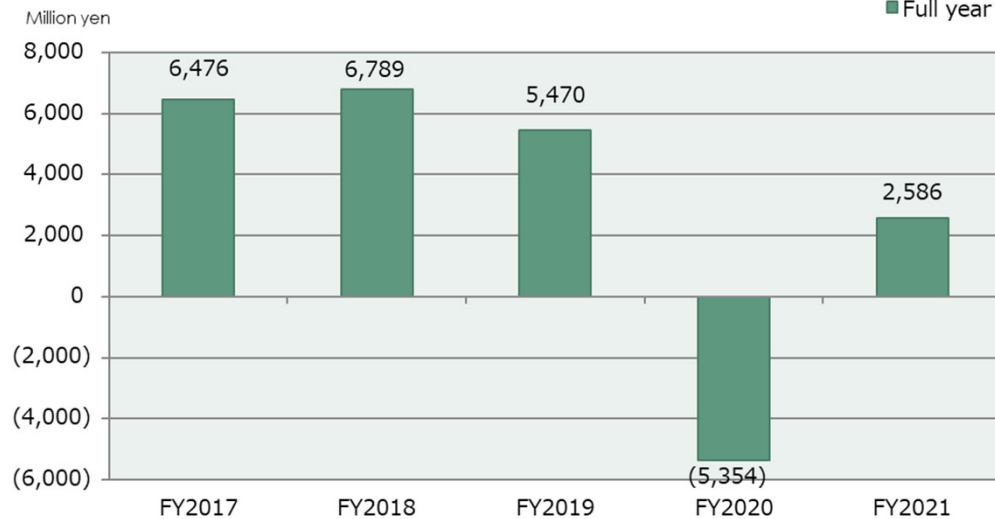
Operating profit

■ Full year



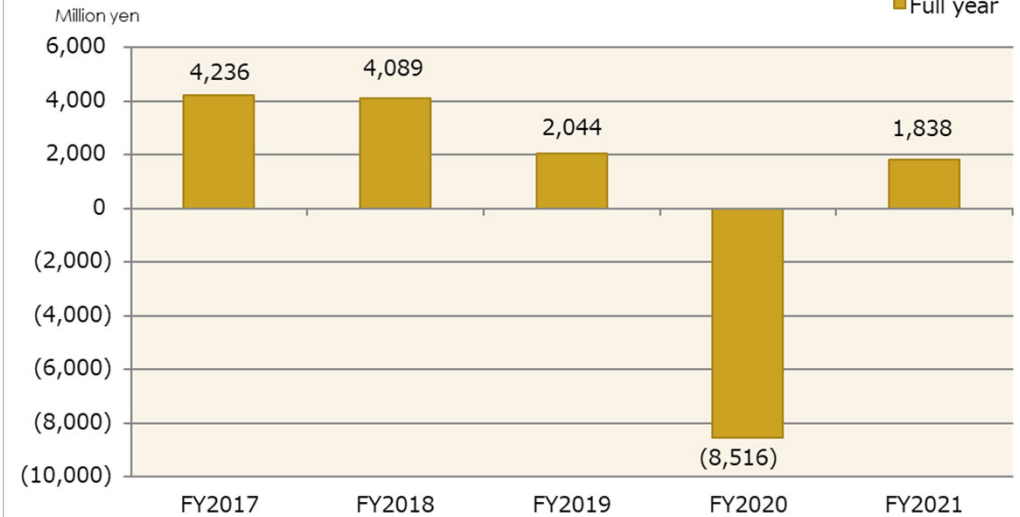
Ordinary profit

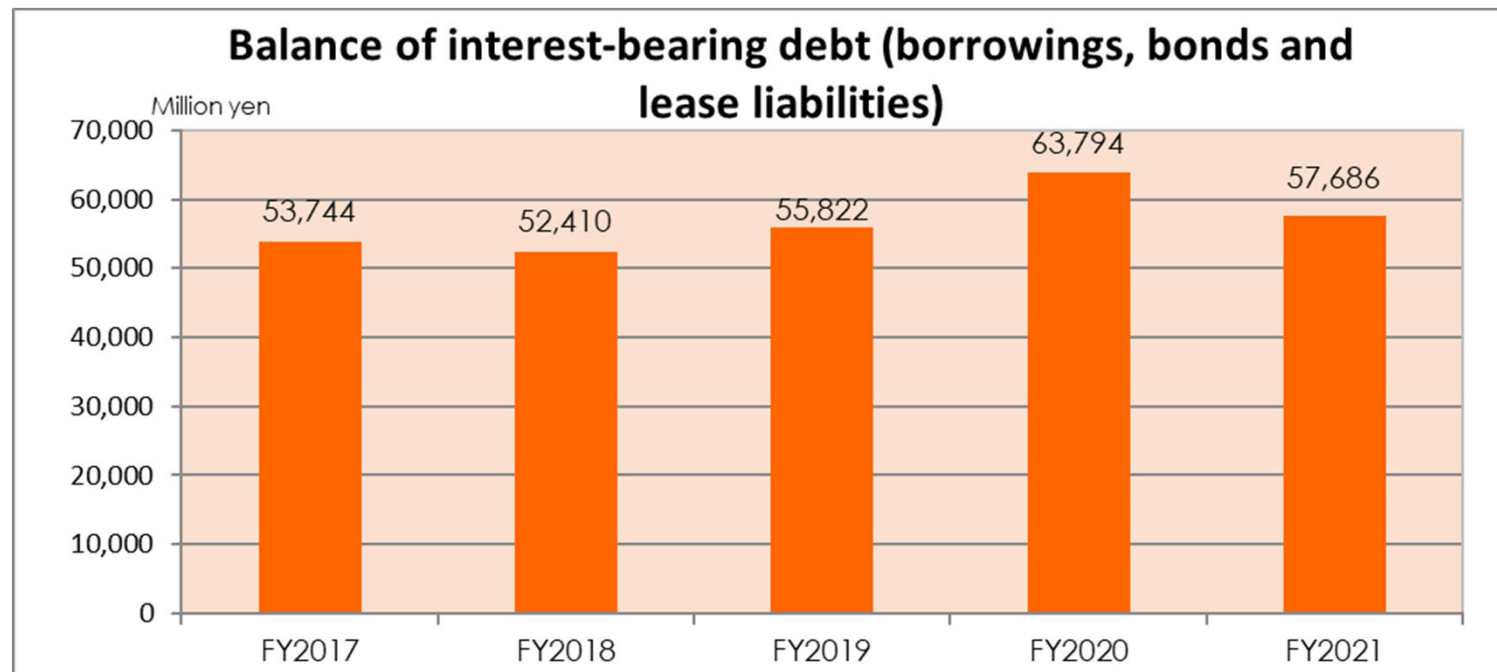
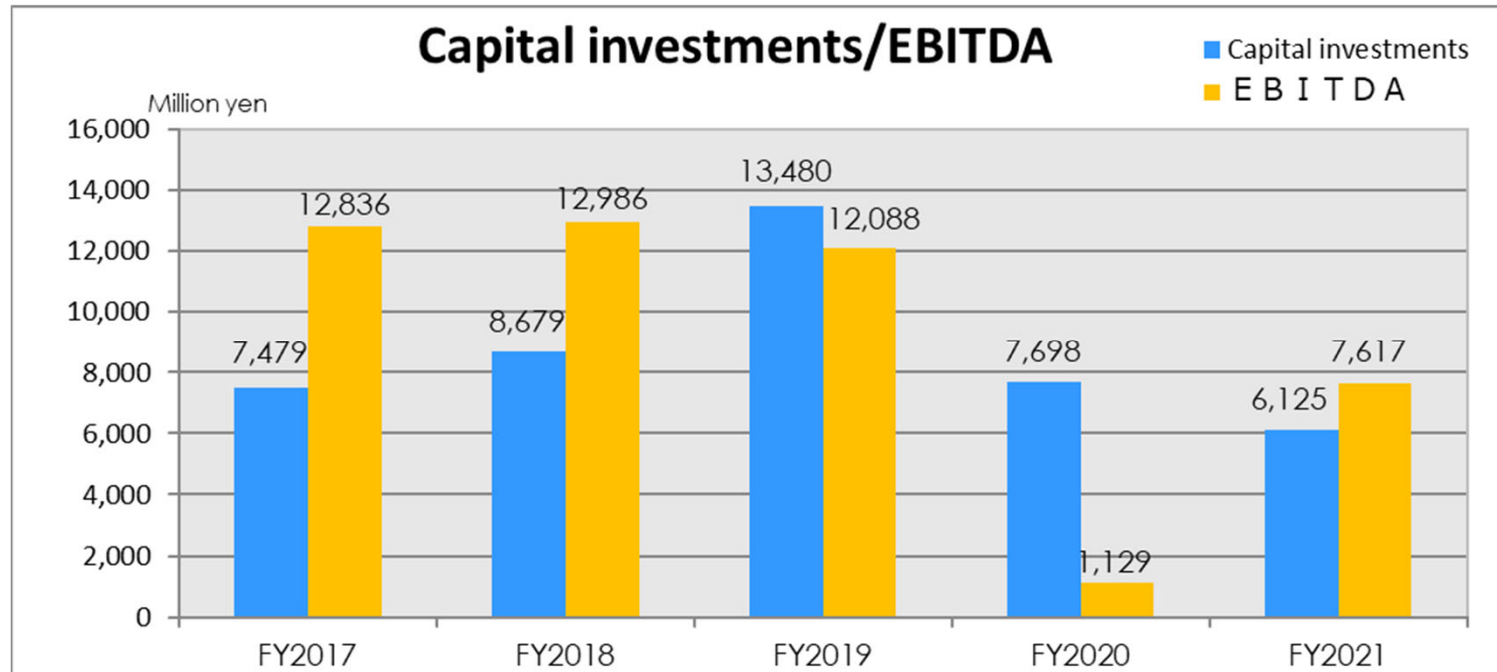
■ Full year



Profit attributable to owners of parent

■ Full year





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, 2022	Fiscal year ended March 31, 2021	Increase/decrease	Comments
Net sales	45,016	40,379	4,636 [11.5%]	Passenger bus business + 4,017 Chartered bus business + 292 Passenger taxi business + 327
Operating profit	(3,357)	(9,138)	5,781 (-)	Passenger bus business + 5,053 Chartered bus business + 101 Passenger taxi business + 626
Assets	60,171	62,251	(2,079)	
Depreciation	4,534	5,103	(568)	
Impairment losses	-	544	(544)	
Capital expenditures	2,336	3,000	(663)	

Fiscal year ended March 31, 2022 Financial results forecast (Announced February 2022)	Increase/decrease
45,910	(893) [(1.9%)]
(2,910)	(447) (-)

[Compared to the previous fiscal year]

Passenger demand improved and increases were reported in both revenue and profits, due also to the reaction to the declaration of the state of emergency in the previous fiscal year.

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

Decreases in both revenue and profits reported due to the extension of the focuses measures against the spread of COVID-19, which was applied in January, in response to the so-called "6th Wave"

* Reference: Number of passengers in the passenger bus business

(Million persons)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease (%)
Passengers without commuting passes	130	121	7.8%
Passengers with commuting passes	54	53	1.7%
Total	184	174	5.9%

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease	Comments
Net sales	7,774	6,487	1,286 [19.8%]	Sales business + 1,358 Rental business (71)
Operating profit	3,058	2,713	345 [12.7%]	Sales business + 341 Rental business + 4
Assets	38,909	40,990	(2,081)	
Depreciation	968	989	(21)	
Impairment losses	0	202	(202)	
Capital expenditures	997	365	631	

Fiscal year ended March 31, 2022 Financial results forecast (Announced February 2022)	Increase/decrease
7,720	54 [0.7%]
2,980	78 [2.6%]

[Compared to the previous fiscal year]

The sales business reported increases in both revenue and profits due to the increases in the number of condominium units and detached houses sold. The rental business reported a decrease in revenue due to vacancies and decreased rent, despite the properties opening in the previous fiscal year contributing to full-year results, but profits increased due to a decrease in repair expenses, among others.

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

The sales business reported increases in both revenue and profits due to an increase in the number of condominium units sold. The rental business reported an increase in profits due to a decrease in repair expenses, among others.

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease	Comments
Net sales	26,692	26,120	571 [2.2%]	Commercial vehicle sales business (690) Import car sales business + 1,262
Operating profit	881	501	380 [75.9%]	Commercial vehicle sales business + 45 Import car sales business + 334
Assets	19,024	20,955	(1,931)	
Depreciation	468	373	94	
Impairment losses	-	120	(120)	
Capital expenditures	420	3,745	(3,324)	

Fiscal year ended March 31, 2022 Financial results forecast (Announced February 2022)	Increase/decrease
25,680	1,012 [3.9%]
780	101 [13.0%]

[Compared to the previous fiscal year]

In the commercial automobile sales business, revenue declined due to the decrease in the number of trucks and buses sold but profits increased due to the strong performance in the automobile maintenance business.

In the import car sales business, increases in both revenue and profits were reported due to an increase in the number of vehicles sold mainly of high-end vehicles while used car sales were also strong.

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

The commercial automobile sales business reported increases in both revenue and profits due to an increase in the number of trucks sold, among others.

The import car sales business reported increases in both revenue and profits due to an increase in sales of high-end models.

*Reference: Number of new vehicles sold

(Number of vehicles sold)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease
Trucks	1,624	1,857	(233)
Buses	67	73	(6)
Import cars	498	476	22

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase/decrease	Comments
Net sales	25,648	25,773	(125) [[0.5%]]	Food service and amusement business (428) Commercial vehicle customization business (279) Leisure and sports business + 458
Operating profit	590	269	320 [118.9%]	Leisure and sports business + 403 Food service and amusement business +112 Commercial vehicle customization business (137)
Assets	38,258	37,335	922	
Depreciation	637	604	33	
Impairment losses	51	458	(406)	
Capital expenditures	2,679	832	1,846	

Fiscal year ended March 31, 2022 Financial results forecast (Announced February 2022)	Increase/decrease
25,200	448 [1.8%]
480	110 [23.1%]

[Compared to the previous fiscal year]

In the food service and amusement business, revenue declined due to the closing of non-profitable stores including TSUTAYA but profits increased in reaction to the declaration of the state of emergency in the previous fiscal year.

In the commercial vehicle customization business, decreases in both revenue and profits were reported due to the decrease in the units of orders received as a result of the decline in production by the truck manufacturers.

In the leisure and sports business, increases in both revenue and profits were reported due to the increases in reaction to the closing of facilities in the previous fiscal year due to the declaration of the state of emergency.

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

In the building management business, increases in both revenue and profits were recorded due to an increase in orders received for facility work.

Financial Results Forecast for the Fiscal Year Ending March 31, 2023
(Announced on April 27, 2022)



Underlying assumptions (Outlook for the fiscal year ending March 31, 2023)

■ Impact of COVID-19

➤ While the impact of COVID-19, including the emergence of variants, will continue to a certain extent, social and economic activities are expected to get back to normal and passenger demand and consumption activities are expected to gradually recover.

General Passenger Automobile Traffic Business	➤ While passenger demand will make a modest recovery, performance is expected to remain at about 80% of pre-COVID-19 levels, due to the firm establishment of “New lifestyles” such as work-from-home (WFH), as a result of the impact of COVID-19.
Real Estate Business	➤ The impact of COVID-19 is expected to be minimal.
Automobile Sales Business	➤ In new vehicle sales, the number of vehicles sold is expected to fall below that of the previous fiscal year due to the ongoing delays in production delivery by the manufacturers, reflecting the semiconductor shortage.
Other Businesses	➤ While net sales will vary according to the characteristic of each business, the food service and amusement business is expected to recover to levels comparable to pre-COVID-19 levels, and the leisure and sport business to nearly 90% of pre-COVID-19 levels.

Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023

(Million yen)

	Fiscal ending March 31, 2023 Financial results forecast	Fiscal year ended March 31, 2022	Increase/decrease
Net sales	100,600	97,777	2,822 [2.9%]
General passenger automobile traffic business	51,170	45,016	6,153
Real estate business	7,330	7,774	(444)
Automobile sales business	22,610	26,692	(4,082)
Other businesses	27,220	25,648	1,571
Remeasurements	(7,730)	(7,354)	(375)
Operating profit (loss)	4,780	1,008	3,771 (+)
General passenger automobile traffic business	1,350	(3,357)	4,707
Real estate business	2,500	3,058	(558)
Automobile sales business	400	881	(481)
Other businesses	730	590	139
Remeasurements	(200)	(165)	(34)
Ordinary profit	4,750	2,586	2,163 [83.6%]
Profit (loss) attributable to owners of parent	3,690	1,838	1,851 [100.7%]
Basic earnings per share	300.69yen	149.79yen	150.90yen
Depreciation	6,010	6,608	(598)
Capital expenditures	13,230	6,125	7,104
EBITDA (Operating profit + Depreciation)	10,790	7,617	3,172

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2023 (General Passenger Automobile Traffic Business)

(Million yen)

	Fiscal ending March 31, 2023 Financial results forecast	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	51,170	45,016	6,153 [13.7%]	Passenger bus business + 3,398 Chartered bus business + 629 Passenger taxi business + 2,126
Operating profit	1,350	(3,357)	4,707 (—)	Passenger bus business + 3,141 Chartered bus business + 288 Passenger taxi business + 1,278
Depreciation	3,740	4,534	(794)	
Capital expenditures	4,270	2,336	1,933	

[Compared to the previous fiscal year]

Increases in both revenue and profits are expected due to the contribution by a reduction in fixed costs, in addition to the recovery in the number of passengers, which declined due to the impact of COVID-19.

* Reference: Number of passengers in the passenger bus business

(Million persons)

	Fiscal ending March 31, 2023 Financial results forecast	Fiscal year ended March 31, 2022	Increase/decrease (%)
Passengers without commuting passes	140	130	7.9%
Passengers with commuting passes	55	54	2.7%
Total	196	184	6.4%

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2023 (Real Estate Business)

(Million yen)

	Fiscal ending March 31, 2023 Financial results forecast	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	7,330	7,774	(444) [[5.7%]]	Sales business (449) Rental business +5
Operating profit	2,500	3,058	(558) [[18.3%]]	Sales business (286) Rental business (272)
Depreciation	960	968	(8)	
Capital expenditures	4,610	997	3,612	

[Compared to the previous fiscal year]

In the sales business, decreases in both revenue and profits are expected due to a decrease in the number of units sold, as the sales of the condominiums currently on sale will be completed.

In the rental business, while revenue is expected to increase through the contribution by new rental properties, despite the anticipated departure of tenants, profits will decrease due to increases in opening-related costs and repair expenses.

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2023 (Automobile Sales Business)

(Million yen)

	Fiscal ending March 31, 2023 Financial results forecast	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	22,610	26,692	(4,082) [(15.3%)]	Commercial vehicle sales business (3,080) Import car sales business (1,002)
Operating profit	400	881	(481) [(54.6%)]	Commercial vehicle sales business (218) Import car sales business (263)
Depreciation	490	468	21	
Capital expenditures	220	420	(200)	

[Compared to the previous fiscal year]

In commercial vehicle sales, decreases in both revenue and profits are expected due to a decline in truck sales and the demand for maintenance.

In import car sales, 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)

	Fiscal ending March 31, 2023 Financial results forecast	Fiscal year ended March 31, 2022	Increase/decrease
Trucks	1,256	1,624	(368)
Buses	90	67	23
Import cars	574	498	76

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2021 (Other Businesses)

(Million yen)

	Fiscal ending March 31, 2023 Financial results forecast	Fiscal year ended March 31, 2022	Increase/decrease	Comments
Net sales	27,220	25,648	1,571 [6.1%]	Services business (revitalization of resources, others) + 798 Food service and amusement business + 434 Leisure and sports business + 415
Operating profit	730	590	139 [23.6%]	Food service and amusement business + 70 Distribution business + 24 Leisure and sports business + 23
Depreciation	810	637	172	
Capital expenditures	4,110	2,679	1,430	

[Compared to the previous fiscal year]

In the resource revitalization business, an increase in revenue is expected due to the contribution by the full-year operation of the recycle plant, which opened in the previous fiscal year.

In the food service and amusement business and the leisure and sports business, increases in both revenue and profits are expected due to the opening of new stores and the recovery from the impact of COVID-19.

Progress of the “Kanachu Group Medium-term Management Plan (FY2021 – FY2023)”

■ The business environment surrounding the Group

Changes in demographics

- An aging society with a low birthrate
- A decline in the area's population
- The aging of employees, labor shortages

Establishment of new lifestyles

- Establishment of WFH, online classes and e-commerce
- Less opportunities to go out
- Housing demand in the Yokohama and Shonan areas

Technology advancement (DX)

- Opportunities for the creation of new services
- Realizing diverse workstyles
- Digitalization of business processes

Increasing awareness of ESG

- Initiatives toward carbon neutrality and sustainability
- Contributing to the achievement of the targets of SDGs
- Strengthening governance

■ Overview of the “Kanachu Group Medium-term Management Plan (FY2021 to FY2023)”

<Our vision for the Company>

“To continue meeting the diverse needs of our customers, we will flexibly respond to the changing times and continue to take on the challenge of creating new services.”

Priority issue No. 1 Building an infrastructure to support sustained growth

Priority measures

- (1) Initiatives to reform the cost structure (2) Strengthen financial/earnings bases (3) Build an encouraging workplace environment

Priority issue No. 2 Changes to mobility services

Priority measures

- (1) Create new mobility services
(2) Pursue “Reliability” and “Comfort”

Priority issue No. 3 Contribute to “enriching lives”

Priority measures

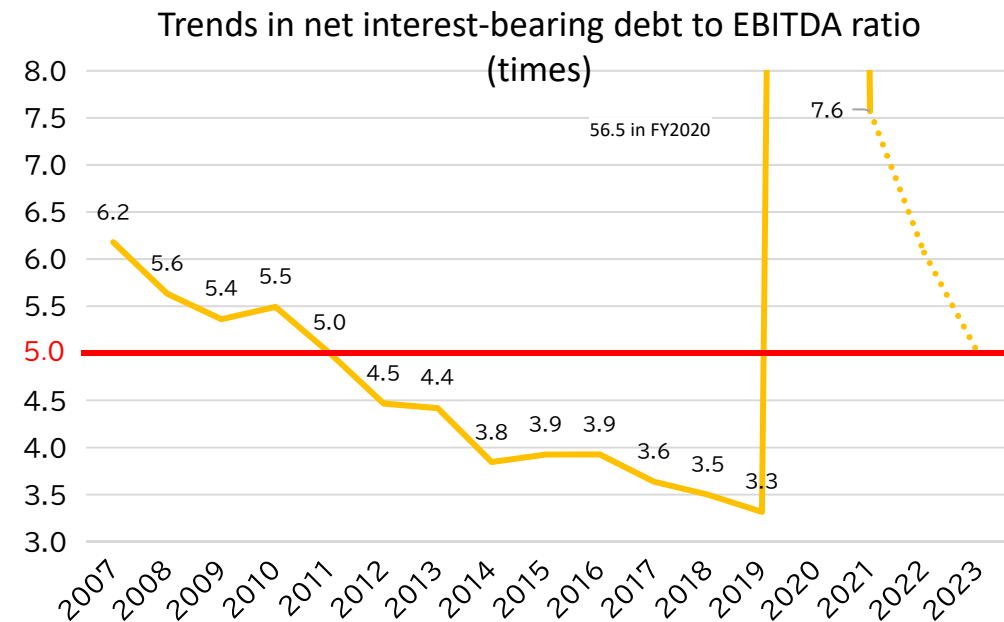
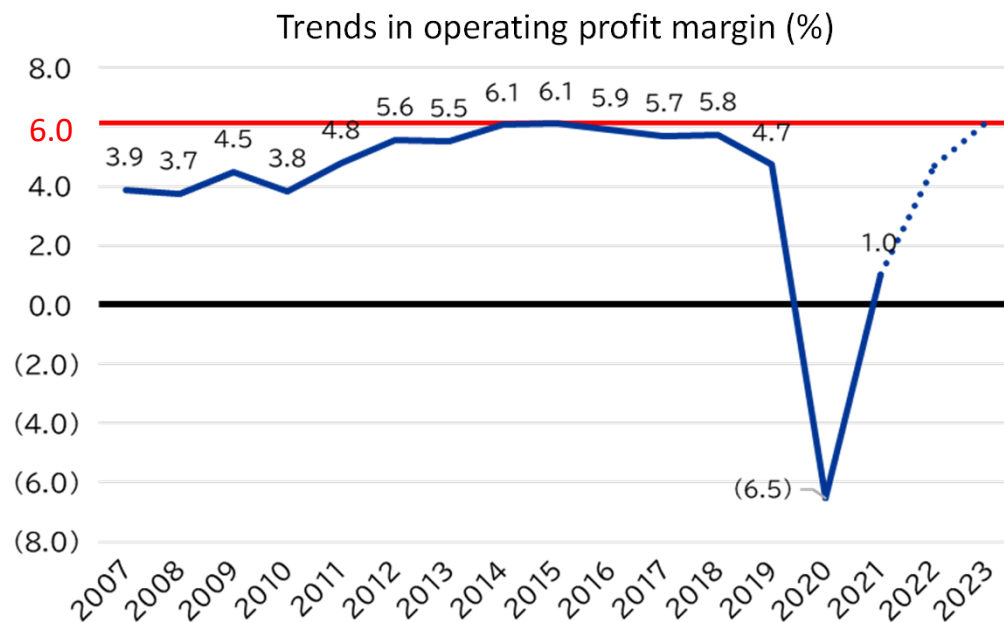
- (1) Initiatives toward SDGs
(2) Provide living services that are in line with the changes in lifestyles


Our management philosophy is

“The Kanachu Group helps its customers create “irreplaceable times” and “rich and comfortable lifestyles.””

To achieve sustainable management, we have positioned the three years of this Medium-term Management Plan as the “Period of Structural Reform ” and we will promote structural reforms that will allow us to generate profits even under a harsh business environment and aim to restore the operating profit margin and the net interest-bearing debt to EBITDA ratio to pre-COVID-19 levels by FY2023.

Management indicators	FY2023 (standards)
Operating profit margin	6.0% or higher
Net interest-bearing debt to EBITDA ratio	5 times or lower



Priority issue No. 1 Building an infrastructure to support sustained growth	Priority issue No. 2 Changes to mobility services	Priority issue No. 3 Contribute to “enriching lives”
(1) Initiatives to reform the cost structure	(1) Create new mobility services	(1) Initiatives toward SDGs
<ul style="list-style-type: none"> ■ Promote going cash-less ■ Digitalize business processes ■ Build an efficient regional public transportation network ■ Streamline the organization/operating structure 	<ul style="list-style-type: none"> ■ Promote MaaS <ul style="list-style-type: none"> • Collaborate with various types of mobility • Provide a new fare service • Collaborate with living services • Provide on-demand transport utilizing AI ■ Adopt next-generation vehicles such as EV buses ■ Commercialize autonomously-driven vehicles 	<p>Initiatives centered on SDG 11 “Make cities and human settlements inclusive, safe, resilient and sustainable”</p>  <p><Themes for the Company’s initiatives></p> <ul style="list-style-type: none"> ① Provide comfortable means of transport to people of the local communities ② Contribute to the preservation of the earth environment ③ Support healthy and cultural lives
(2) Strengthen financial/earnings bases	(2) Pursue “Reliability” and “Comfort”	(2) Provide living services that are in line with the changes in lifestyles
<ul style="list-style-type: none"> ■ Reduce interest-bearing debt (net interest-bearing debt to EBITDA ratio of 5 times or lower) ■ Raise profitability (operating profit margin of 6% or higher) ■ Strengthen the real estate business 	<ul style="list-style-type: none"> ■ Provide comfortable transport services <ul style="list-style-type: none"> • Provide seamless transport utilizing MaaS • Establish new bus routes in line with new customer needs • Promote micro-tourism ■ Ensure the safety of transportation <ul style="list-style-type: none"> • Promote initiatives for the safety of transportation • Manage operations utilizing IT devices, etc. 	<p>At the Kanachu Group, we will contribute to the development of the regional communities based on the following themes.</p> <ul style="list-style-type: none"> ■ City: Contribute to building reliable and comfortable cities ■ Housing: Provide comfortable housing that matches lifestyles ■ Living: Enhance the convenience of everyday life and create opportunities to go out
(3) Build an encouraging workplace environment		
<ul style="list-style-type: none"> ■ Promote operational reforms ■ Improve the workplace environment ■ Promote diversity and inclusion 		

Initiatives in FY2021

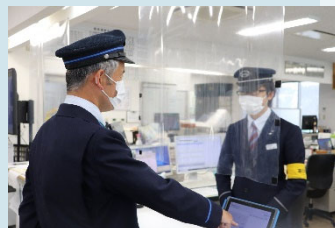
Future initiatives

Initiatives to reform the cost structure

- Promoted going cash-less
 - Adopted IC monetary formula commuting passes
 - Adopted mobile PASMO commuting passes



- Digitalized operation management
 - Adopted the roll-call support system and paperless roll-call ledger
 - Participated in automatic roll call experiments using robots



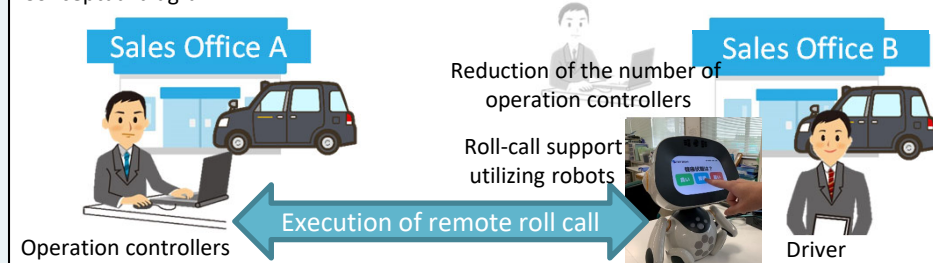
Executing roll calls using the roll-call support system and paperless roll-call ledgers



- Make the fare collection box/fare payment machines more compact
- Reduce the number of sales counters for commuting passes

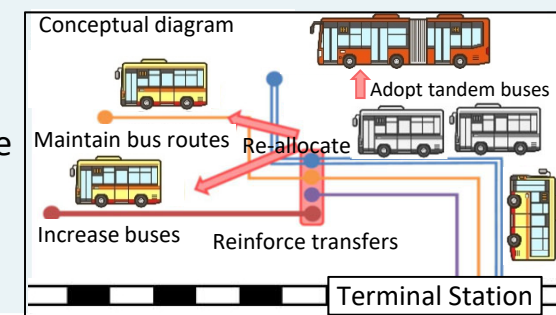
- Automatic and paperless preparation of daily logs of drivers of route buses
- Adopt automatic roll call utilizing robots and remote roll call between sales offices

Conceptual diagram



- Built an efficient regional public transportation network
 - Introduced tandem buses on the Sagami-hara Station West Exit to Hosei University route
 - Strengthened the cooperation between buses and taxis (Transfer of community buses, participation in on-demand transportation experiments, etc.)

- Introduce tandem buses on the Totsuka Bus Center to Dream Heights route (cooperate with City of Yokohama)
- Develop on-demand transportation



■ Streamlined the organization/operating structure

- Corporate reorganization of the Kanachu Taxi Group and consolidation of sales offices
- Reduced personnel at taxi-hailing centers (Promoted taxi apps)
- Terminated the highway bus reservation centers (Switched to Internet reservations)

- Consolidate bus sales offices (sales offices of the Company and the subsidiaries)
- Consolidate taxi sales offices and service/repair shops

Initiatives in FY2021

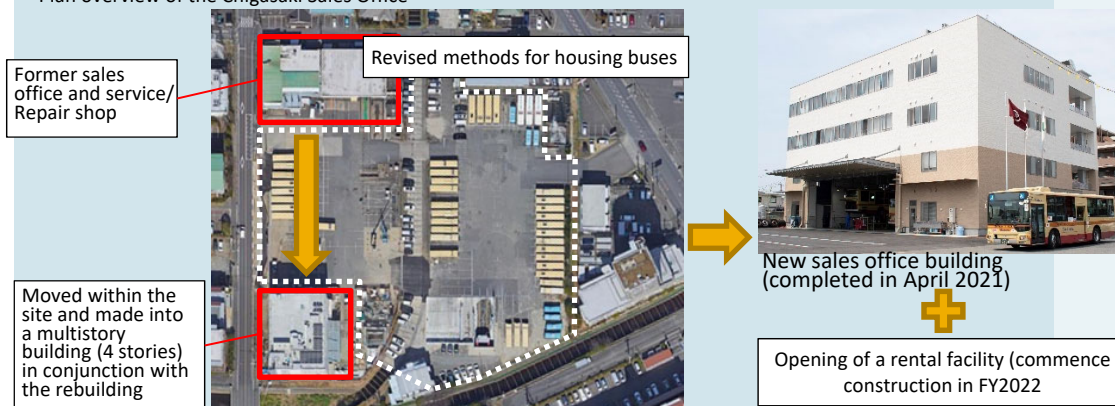
Future initiatives

Strengthen the earnings base

■ Strengthened the rental business

- Promoted rental plans in line with the rebuilding of the Group's head office and the reorganization of the business offices
- Commenced the leasing of the former site of the Shonan Branch (Hiratsuka) of Kanagawa Mitsubishi Fuso

Plan overview of the Chigasaki Sales Office



- Open the rental facilities at the site of the Company's Chigasaki sales office (a portion of the sales office)
- Open the rental facilities (residential/retail) at the former head office site (Hiratsuka) of ADVEL Co., Ltd.
- Open the rental facilities (logistics facilities) at the site adjacent to the head office of CAR T.E.C.H.JIN-CHU



Rental facilities at former ADVEL head office site (Conceptual rendering)



Rental facilities at the site adjacent to the CAR T.E.C.H.JIN-CHU head office site (Conceptual rendering)

■ Strengthened the sales business

- Sales of PREMIST Shonan Tsujido
- Sales of "Sky Grand" Isehara Hachimandai (1st series) detached houses



- Sales of PREMIST Shonan Tsujido and Isehara Hachimandai (2nd series)
- Expand the sales of condominiums and detached houses mainly in the Yokohama and Shonan areas



Built an encouraging workplace environment

- Acquired the "Worker-friendly workplace" certification for automobile traffic business operators (The Company, Kanagawa Chuo Kotsu East Co., Ltd, Kanagawa Chuo Kotsu West Co., Ltd, and Kanachu Taxi Co., Ltd.
- Reviewed operations and promoted workstyle reforms including building a WFM environment



Acquired the 1-star certification of the "Worker-friendly workplace" certification for automobile transportation business operators

- Promote diversity and inclusion
- Improve the workplace environment (rebuild the bus sales offices)

Initiatives in FY2021

Create new mobility services

■ Promoted MaaS

• MaaS initiatives so far:

Linked to “EMot” app of Odakyu Electric Railway Co., Ltd.



Major function	Participation status of the Group
Search for complex routes	<ul style="list-style-type: none"> Supports searches for the fares and routes of the Company's buses Offers real time route bus information Externally linked to the “Go” app for taxis
E-tickets	<ul style="list-style-type: none"> Participated in the Tanzawa-Oyama digital freepass Distributed bus tickets to users of commercial facilities at Machida Station
On-demand transportation	<ul style="list-style-type: none"> Participated in the experiments around Shin-Yurigaoka Station and Yamazaki Danchi in Machida.

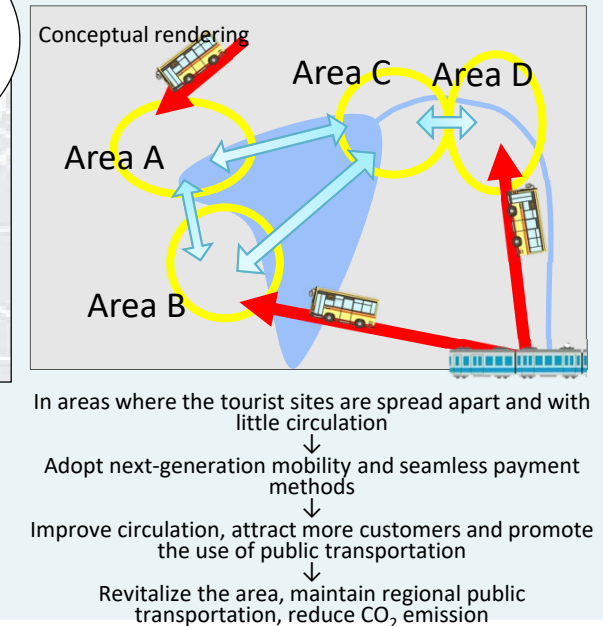
- Commenced sales of subscription tickets for a route bus linked to a new commercial facility in February 2022.

Future initiatives

• Develop on-demand transportation



• Build tourism MaaS along the railways



■ Create next-generation mobility

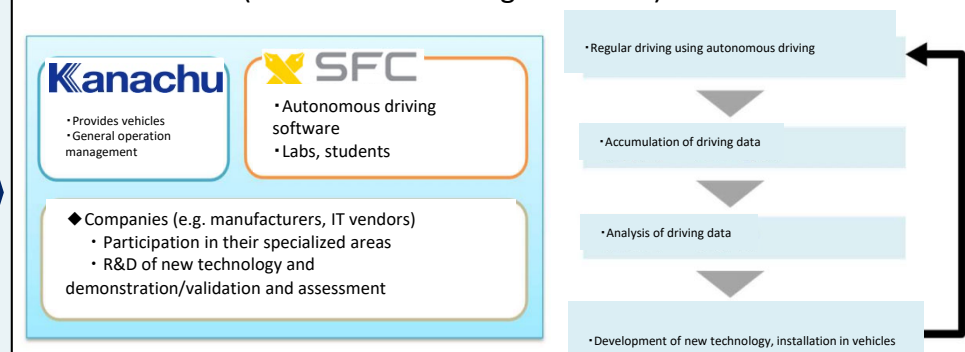
- The Company commenced a joint study with Keio Research Institute at SFC on campus loop, autonomously-driven shuttle buses.



Loop shuttle bus that connects SFC's main building zone and the Faculty for Nursing and Medical Care zone used in regular operations using autonomous driving

FY2021
Preparation period for autonomously driven buses (Vehicle modification and trial runs)

FY2022 - FY2024 (Autonomous driving level 2 – 3)



FY2025
Commercialize autonomous driving level 4

Initiatives in FY2021

Future initiatives

Pursue “Reliability” and “Comfort”

■ Provided comfortable transport services

- Thorough implemented measures to prevent infections (Antibacterial coating of taxis and disinfecting bus interiors)
- Promoted micro-tourism measures:
 - 1-day unlimited passes, campaigns for 1 accompanying person riding free on weekends and holidays
 - Tied up with the facilities and shops on the route, distributed “Let’s go out with Kanachu buses” pamphlets showing model routes with discount coupons
- →Updated the “Rakugo-type” announcements in the Oyama Cable Line
- Commenced the Sagami-Ono/Machida to Tokyo Disney Resort route.



Giving Kanachu Taxis antibacterial coating



Highway buses equipped with bathrooms and WIFI's on the Sagami Ono/Machida to Tokyo Disney Resort route



“Let’s go out with Kanachu buses” pamphlet distributed in the Atsugi and Hadano areas

■ Initiatives to improve safety

- Continued initiatives toward transportation safety under the Transportation Safety Management System
- Also commenced transportation disaster prevention management initiatives

Confirming safety by pointing and calling



- Establish new bus routes in line with new customer needs (Reorganization of university faculties, relocation of companies, opening of commercial facilities, and opening of highways, etc.)
- Support families raising children (Change the kids ride for 50 yen campaign, etc.)
- Provide new taxi serviced such as taxi commuter passes, coupon tickets, and share-ride services
- Promote the adoption of vehicles compliant with the barrier-free law

Business	Applicable vehicles	Adoption rate targeted by the government as of March 2026	Adoption rate as of March 2022	Plan for March 2026
Passenger bus	Non-step buses	Approx. 80%	65.4%	80.0%
Passenger taxi	Universal design taxis	25%	19.6%	67.6%

Non-step bus



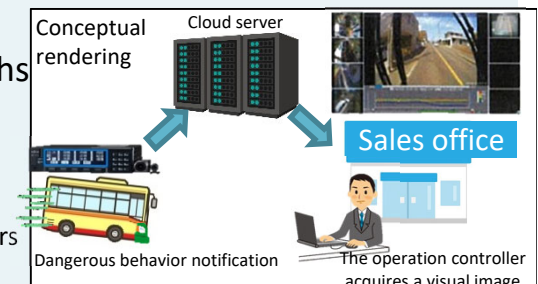
Universal design taxi



- Adopt transmitter-type drive recorders and digital tachographs on route buses

→ Utilize dangerous behavior notification functions in bus driver training

→ Maintain proper hours on duty of drivers



Initiatives in FY2021

Future initiative

Initiatives toward building sustainable cities

- Concluded a comprehensive partnership agreement with the Urban Renaissance Agency

Concluded a comprehensive partnership agreement in March 2022



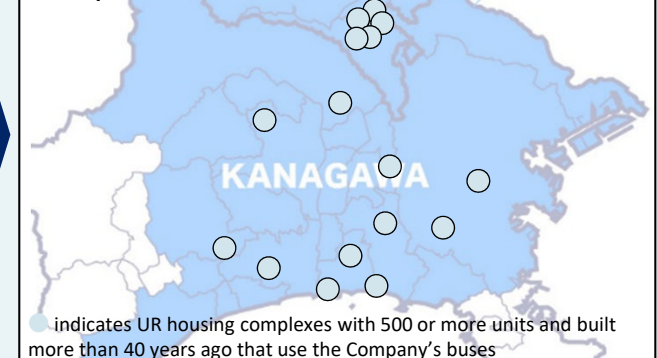
Promoted initiatives to revitalize the community at Hamamidaira Danchi (Housing Complex)



Scenes from events

- Commenced partnership with Hamamidaira Danchi (Housing Complex) in Chigasaki → Expand to other housing complexes

Expand to other housing complexes



Business area

Contribute to the preservation of the earth environment

- Opened the Oyama Material Recycling Center
Contributed to PET bottle-to-PET bottle recycling by commencing the manufacture of grade-A PET bottle flakes using used beverage PET bottles.



Grade-A PET bottle flakes

Oyama Material Recycling Center



- Initiatives to prevent global warming (saving energy)

- Adopt new EV buses
→ Verify the environment load and operation costs
- Switch to hybrid vehicles (Taxis)

- Contribute to a recycle-based society (saving resources)

- Promote the adoption of ultra-water-saving bus wash machines
- Use recycled parts of buses and taxis and sell recycled parts to other companies



Ultra-water-saving bus wash machines operating at the Chigasaki sales office

Initiatives in FY2021

Initiatives to solve social issues

- Registered as
KANAGAWA SDGs Partner



- Commenced the business of purchasing/reselling real estate
→Contributed to curbing the problem of vacant houses by encouraging the distribution of superior used houses.



Provided services that are in line with the changes in lifestyles

- Sold detached houses that embraced the new lifestyle, including lines encouraging hand-washing, coat closets, workspace, etc. and open houses using VR
- Provided new services such as laundry services and cleaning delivery



The Company's detached houses with coat closets (Left) and workspaces (Right) (Conceptual rendering)

Future initiatives

- Develop the business to prevent nursing care in old age and the corporate healthcare business
→Contribute to the health of the elderly and workers
- Subcontract swimming classes at schools
→Contribute to dealing with aging school facilities and reforming the workstyles of teachers



Business to prevent nursing care in old age



Corporate healthcare business

- The Hon-Atsugi School of the swimming and gym classes, which began in FY2021 will be offered to after-school daycare (scheduled to commence in FY2023)
- Open a tennis school at an outside facility



Gym class at Atsugi MIRAI Building (owned by the Company) which is scheduled to be offered to after-school daycare in FY2023



(Reference) A tennis school directly operated by the Company in Isehara

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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