



Financial Results Briefing Materials
for the Six Months Ended September 30, 2022

October 24, 2022
Kanagawa Chuo Kotsu Co., Ltd.

Summary of Financial Results for the Six Months Ended September 30, 2022

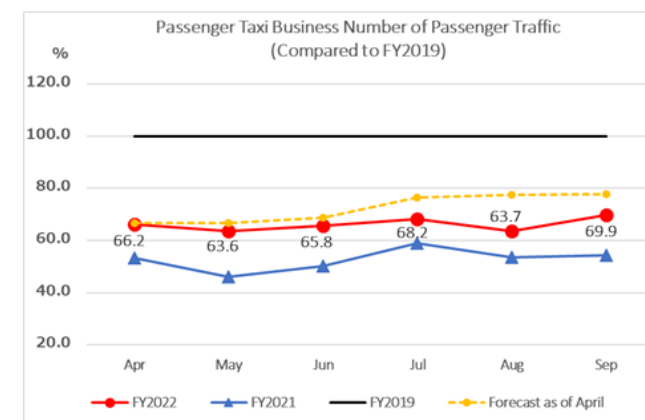
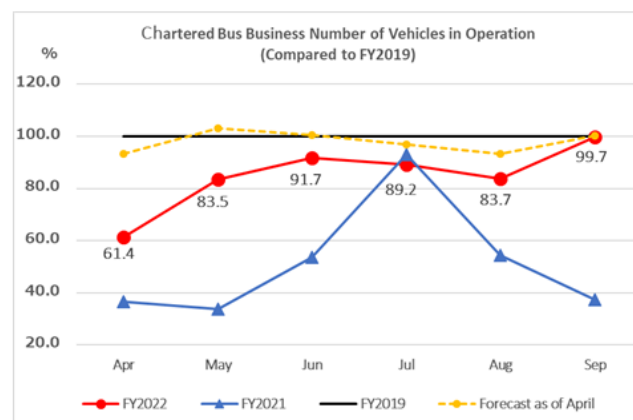
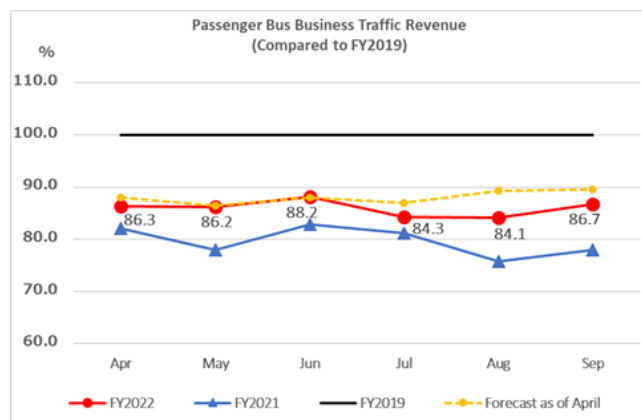
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Status during the period and as of September 30, 2022

- Although passenger demand witnessed a moderate recovery trend following the lifting of the focused measures to prevent the spread of COVID-19 in March 2022, the demand once again decreased in the second quarter due to the so-called “7th Wave.”
- While passenger demand has been recovering compared to the previous fiscal year, it still falls short of pre-COVID-19 levels (FY2019).

Passenger bus business	■ Although passenger demand dropped due to the “7th Wave,” recent traffic revenue has recovered to nearly 90% of pre-COVID-19 levels.
Chartered bus business	■ Due to a pick-up in demand for educational trip, etc. and the acquisition of contracted transportation, the recent number of vehicles in operation roughly recovered to pre-COVID-19 levels.
Passenger taxi business	■ Thanks to recovery mainly in night time demand reflecting the extended business hours of restaurants, the recent number of passenger traffic recovered to around 70% of pre-COVID-19 levels.

*Pre-COVID-19 levels: FY2019 results



(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease
Net sales	50,091	48,058	2,032 [4.2%]
General passenger automobile traffic business	24,794	22,240	2,553
Real estate business	3,057	3,768	(710)
Automobile sales business	12,726	13,139	(413)
Other businesses	13,423	12,432	990
Remeasurements	(3,910)	(3,523)	(387)
Operating profit	2,520	397	2,122 [534.1%]
General passenger automobile traffic business	397	(1,989)	2,386
Real estate business	1,415	1,574	(158)
Automobile sales business	483	544	(60)
Other businesses	278	333	(55)
Remeasurements	(54)	(65)	10
Ordinary profit	2,720	1,157	1,563 [135.0%]
Profit attributable to owners of parent	1,937	685	1,252 [182.8%]
Basic earnings per share	157.90 yen	55.84 yen	102.06 yen
Depreciation	3,012	3,297	(285)
EBITDA (Operating profit + Depreciation)	5,532	3,695	1,837

Six months ended September 30, 2022 Financial results forecast (Announced April 2022)	Increase/decrease
48,500	1,591 [3.3%]
25,870	(1,075)
3,090	(32)
10,040	2,686
13,030	393
(3,530)	(380)
2,610	(89) [(3.4%)]
850	(452)
1,310	105
160	323
310	(31)
(20)	(34)
2,620	100 [3.9%]
1,850	87 [4.7%]
150.75 yen	7.15 yen

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease	Comments
Non-operating income	416	979	(563)	Subsidy income: (593)
Non-operating expenses	215	219	(4)	Interest expenses: (9)
Extraordinary income	3	258	(255)	Gain on sale of non-current assets: (102) Subsidy income: (80) Compensation income: (71)
Extraordinary loss	41	275	(234)	Loss on retirement of non-current assets: (120) Loss on tax purpose reduction entry of non-current assets: (79)

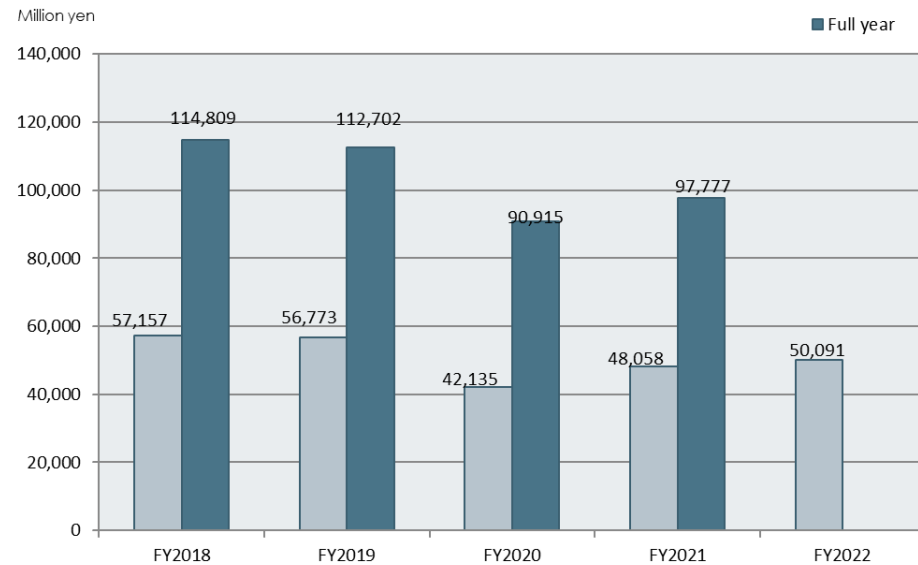
(Million yen)

	As of September 30, 2022	As of March 31, 2022	Increase/decrease	Comments
Current assets	20,198	18,431	1,767 [9.6%]	Merchandise and finished goods: +1,496
Non-current assets	127,538	128,475	(936) [(0.7%)]	Accumulated depreciation: (2,430) Investment securities: (828) Land: +1,950
Total assets	147,737	146,906	830 [0.6%]	
Current liabilities	35,846	32,047	3,798 [11.9%]	Short-term borrowings: +1,827 Other current liabilities: +1,648 (Unearned revenue, etc.)
Non-current liabilities	57,646	61,698	(4,051) [(6.6%)]	Long-term borrowings: (2,576) Lease liabilities: (1,045) Deferred tax liabilities: (399)
Total liabilities	93,493	93,746	(253) [(0.3%)]	
Total net assets	54,244	53,160	1,084 [2.0%]	Retained earnings: +1,692 Valuation difference on available-for-sale securities: (566)
Total liabilities and net assets	147,737	146,906	830 [0.6%]	
Net assets per share	4,049.01 yen	3,971.82 yen	77.19 yen	
Equity ratio	33.6%	33.2%	0.4P	
Balance of interest-bearing debt (Borrowings, bonds and lease liabilities)	56,175	57,686	(1,510)	Borrowings: (748) Lease liabilities: (762)

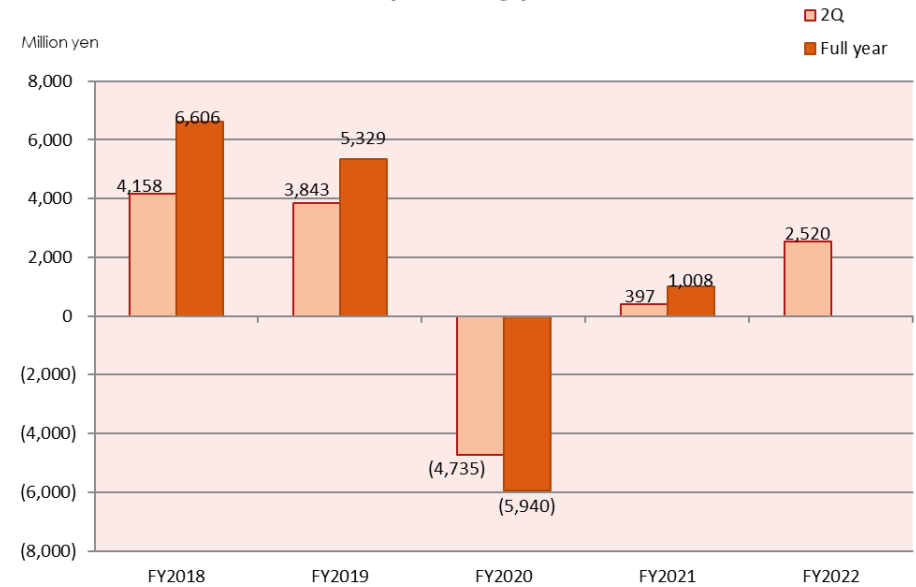
(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease	Comments
Cash flows from operating activities	5,384	6,924	(1,540) [(22.2%)]	Decrease (increase) in inventories: (1,993) Increase (decrease) in accrued consumption taxes: (1,267) Increase (decrease) in trade payables: +2,289
Cash flows from investing activities	(3,658)	(3,206)	(451) [(14.1%)]	Proceeds from sale of non-current assets: (345) Purchase of non-current assets: (129)
Cash flows from financing activities	(1,789)	(2,026)	236 [11.7%]	Net increase (decrease) in short-term borrowings: +4,714 Proceeds from long-term borrowings: (3,600) Repayments of long-term borrowings: (954)
Net increase (decrease) in cash and cash equivalents	(63)	1,691	(1,755) [(103.8%)]	
Cash and cash equivalents at end of period	3,341	4,306	(965) [(22.4%)]	
Free cash flows	1,725	3,717	(1,992) [(53.6%)]	

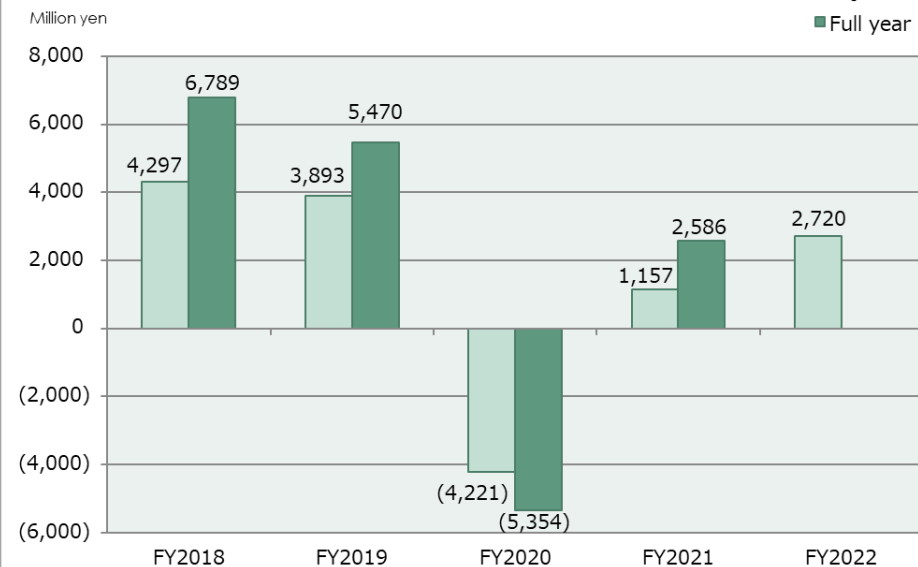
Net sales



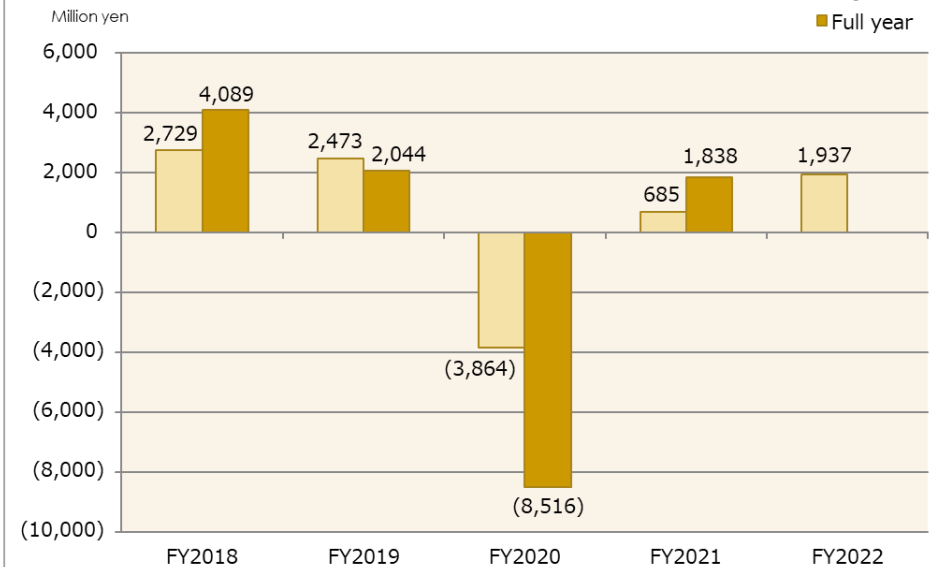
Operating profit



Ordinary profit



Profit attributable to owners of parent



Kanagawa Chuo Kotsu Group: 18 subsidiaries and 3 affiliates

Including 18 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)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease	Comments	Six months ended September 30, 2022 Financial results forecast (Announced April 2022)	Increase/decrease
Net sales	24,794	22,240	2,553 [11.5%]	Passenger bus business: +1,451 Chartered bus business: +281 Passenger taxi business: +819	25,870	(1,075) [(4.2%)]
Operating profit	397	(1,989)	2,386 [—]	Passenger bus business: +1,511 Chartered bus business: +109 Passenger taxi business: +766	850	(452) [(53.3%)]

[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 reported as passenger demand has not recovered due to the so-called “7th Wave.”

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease	Comments
Net sales	3,057	3,768	(710) [(18.9%)]	Rental business: +2 Sales business: (712)
Operating profit	1,415	1,574	(158) [(10.1%)]	Rental business: +34 Sales business: (193)

Six months ended September 30, 2022 Financial results forecast (Announced April 2022)	Increase/decrease
3,090	(32) [(1.0%)]
1,310	105 [8.1%]

[Compared to the previous fiscal year]

The rental business reported an increase in profits due to the decrease in expenses including depreciation.

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 saw increases in both revenue and profits due to the acquisition of new tenants and a decrease in repair expenses and other costs.

In the sales business, while revenue decreased due to the decrease in the number of condominium units for sale under the sales plan, profits increased due to a decrease in selling expenses.

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease	Comments	Six months ended September 30, 2022 Financial results forecast (Announced April 2022)	Increase/decrease
Net sales	12,726	13,139	(413) [(3.1%)]	Commercial vehicle sales business: (627) Import car sales business: + 214	10,040	2,686 [26.8%]
Operating profit	483	544	(60) [(11.1%)]	Commercial vehicle sales business: (57) Import car sales business: (3)	160	323 [202.4%]

[Compared to the previous fiscal year]

Due to the continuing prolonged delays in delivery by automobile manufactures caused by the semiconductor shortage, the number of new vehicles sold decreased.

In the commercial automobile sales business, both revenue and profits decreased due to the decrease in the number of trucks sold, despite an increase in the number of vehicles serviced.

In the import car sales business, revenue increased due to the strong performance in used car sales, despite the decrease in the number of new vehicles sold.

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

The commercial automobile sales business saw increases in both revenue and profits due to increases in the number of trucks 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 decreases in the number of new vehicles sold and used car sold.

*Reference: Number of new vehicles sold

(Number of vehicles sold)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease
Trucks	685	869	(184)
Buses	34	22	12
Import cars	241	250	(9)

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2021	Increase/decrease	Comments
Net sales	13,423	12,432	990 [8.0%]	Distribution business: + 545 Food service and amusement business: + 365 Services business (revitalization of resources, etc.): + 293 Commercial vehicle customization business: (174)
Operating profit	278	333	(55) [(16.7%)]	Commercial vehicle customization business: (56) Distribution business: (7) Food service and amusement business: + 21

Six months ended September 30, 2022 Financial results forecast (Announced April 2022)	Increase/decrease
13,030	393 [3.0%]
310	(31) [(10.3%)]

[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 sales of automobile parts but a decrease in profits reflecting increased costs due to the soaring prices of natural resources.

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

The revitalization of resources business reported an increase in revenue due to the contribution throughout the year by the plastic bottle recycling facility, which opened in the previous fiscal year.

In the commercial vehicle customization business, decreases in both revenue and profits were reported due to the decrease in orders received mainly as a result of the supply shortage of commercial vehicles from manufacturers.

[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 sales of automobile parts but a decrease in profits reflecting increased costs due to the soaring prices of natural resources.

The leisure and sports business and the hotel business saw decreases in both revenue and profits as the number of guests has not recovered due to the so-called "7th Wave."

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



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

(Million yen)

	FY ending March 31, 2023 Financial Results forecast	FY 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 [373.8%]
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	300.69 yen	149.79 yen	150.90 yen
Depreciation	6,010	6,608	(598)
Capital expenditures	13,230	6,125	7,104
EBITDA (Operating profit + Depreciation)	10,790	7,617	3,172

*The financial results forecast announced in April 2022 has not been revised.

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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