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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]

April 27, 2022

Company name: Kanagawa Chuo Kotsu Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 9081
URL: https://www.kanachu.co.jp/
Representative: Yasunori Hori, Representative Director and President
Contact: Daisuke Murayama, IR Manager, Business Strategy Division
Phone: +81-463-22-8894
Scheduled date of ordinary general meeting of shareholders: June 29, 2022
Scheduled date of commencing dividend payments: June 30, 2022
Scheduled date of filing annual securities report: June 29, 2022
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: None

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	97,777	7.5	1,008	–	2,586	–	1,838	–
March 31, 2021	90,915	(19.3)	(5,940)	–	(5,354)	–	(8,516)	–

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥(1,964) million [–%]
Fiscal year ended March 31, 2021: ¥(4,463) 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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	149.79	–	3.7	1.7	1.0
March 31, 2021	(693.97)	–	(16.0)	(3.4)	(6.5)

(Reference) Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended March 31, 2022: ¥(1) million
Fiscal year ended March 31, 2021: ¥(15) million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. since the beginning of the fiscal year under review, and the figures related to the fiscal year ended March 31, 2022 are based on figures after applying the Accounting Standard for Revenue Recognition, etc.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	146,906	53,160	33.2	3,971.82
As of March 31, 2021	159,058	55,156	31.9	4,140.66

(Reference) Equity: As of March 31, 2022: ¥48,741 million
As of March 31, 2021: ¥50,813 million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. since the beginning of the fiscal year under review, and the figures related to the fiscal year ended March 31, 2022 are based on figures after applying the Accounting Standard for Revenue Recognition, etc.

(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, 2022	11,753	(4,237)	(6,726)	3,404
March 31, 2021	40	(6,257)	6,640	2,614

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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2021	–	0.00	–	20.00	20.00	245	–	0.5
Fiscal year ended March 31, 2022	–	20.00	–	20.00	40.00	490	26.7	1.0
Fiscal year ending March 31, 2023 (Forecast)	–	20.00	–	20.00	40.00		13.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	48,500	0.9	2,610	556.7	2,620	126.3	1,850	169.9	150.75
Full year	100,600	2.9	4,780	373.8	4,750	83.6	3,690	100.7	300.69

*** 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: Yes
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, 2022: 12,600,000 shares
March 31, 2021: 12,600,000 shares

2) Total number of treasury shares at the end of the year:
March 31, 2022: 328,243 shares
March 31, 2021: 328,038 shares

3) Average number of shares during the year:
Fiscal year ended March 31, 2022: 12,271,895 shares
Fiscal year ended March 31, 2021: 12,271,962 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	44,895	12.0	(57)	–	793	–	880	–
March 31, 2021	40,085	(23.7)	(5,454)	–	(5,853)	–	(7,428)	–

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	71.72	–
March 31, 2021	(605.29)	–

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. since the beginning of the fiscal year under review, and the figures related to the fiscal year ended March 31, 2022 are based on figures after applying the Accounting Standard for Revenue Recognition, etc.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	98,117	30,467	31.1	2,482.70
As of March 31, 2021	106,507	33,501	31.5	2,729.89

(Reference) Equity: As of March 31, 2022: ¥30,467 million
As of March 31, 2021: ¥33,501 million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. since the beginning of the fiscal year under review, and the figures related to the fiscal year ended March 31, 2022 are based on figures after applying the Accounting Standard for Revenue Recognition, etc.

* 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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	2,814	3,604
Notes and accounts receivable - trade	8,589	–
Notes and accounts receivable - trade, and contract assets	–	7,910
Merchandise and finished goods	5,338	3,509
Work in process	27	62
Raw materials and supplies	435	464
Other	3,892	2,914
Allowance for doubtful accounts	(42)	(34)
Total current assets	21,057	18,431
Non-current assets		
Property, plant and equipment		
Buildings and structures	89,140	90,744
Machinery and equipment	5,959	6,220
Vehicles	40,510	39,921
Land	62,945	62,072
Leased assets	10,433	9,496
Construction in progress	1,443	1,048
Other	6,644	6,842
Accumulated depreciation	(105,336)	(107,799)
Total property, plant and equipment	111,743	108,547
Intangible assets	976	840
Investments and other assets		
Investment securities	21,855	15,921
Deferred tax assets	1,333	1,212
Other	2,105	1,959
Allowance for doubtful accounts	(13)	(6)
Total investments and other assets	25,280	19,086
Total non-current assets	138,000	128,475
Total assets	159,058	146,906

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,924	5,479
Short-term borrowings	13,392	10,220
Lease liabilities	1,595	1,480
Income taxes payable	470	643
Provision for bonuses	2,131	1,972
Other	12,269	12,251
Total current liabilities	36,783	32,047
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	22,816	21,423
Lease liabilities	5,991	4,561
Deferred tax liabilities	4,799	2,990
Provision for retirement benefits for directors (and other officers)	22	2
Retirement benefit liability	4,045	3,878
Long-term guarantee deposits	4,834	4,348
Other	4,608	4,493
Total non-current liabilities	67,118	61,698
Total liabilities	103,902	93,746
Net assets		
Shareholders' equity		
Share capital	3,160	3,160
Capital surplus	602	723
Retained earnings	39,443	40,771
Treasury shares	(937)	(937)
Total shareholders' equity	42,268	43,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,385	4,601
Deferred gains or losses on hedges	62	311
Remeasurements of defined benefit plans	97	109
Total accumulated other comprehensive income	8,545	5,023
Non-controlling interests	4,342	4,419
Total net assets	55,156	53,160
Total liabilities and net assets	159,058	146,906

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales		
Operating revenue-general passenger automobile traffic	40,176	44,812
Sales in real estate business	6,433	7,763
Sales in other businesses	44,305	45,201
Total net sales	90,915	97,777
Cost of sales		
Traffic expenses-general passenger automobile traffic	44,193	43,229
Cost of sales in real estate business	2,949	3,847
Cost of sales in other businesses	36,236	36,819
Total cost of sales	83,379	83,896
Gross profit	7,535	13,880
Selling, general and administrative expenses		
Selling expenses	9,002	8,400
General and administrative expenses	4,472	4,471
Total selling, general and administrative expenses	13,475	12,872
Operating profit (loss)	(5,940)	1,008
Non-operating income		
Dividend income	249	261
Subsidy income	736	1,544
Other	156	176
Total non-operating income	1,143	1,982
Non-operating expenses		
Interest expenses	411	356
Other	145	48
Total non-operating expenses	557	404
Ordinary profit (loss)	(5,354)	2,586
Extraordinary income		
Gain on sale of non-current assets	22	327
Subsidy income	209	301
Gain on sale of investment securities	8	519
Grant income	885	–
Other	5	73
Total extraordinary income	1,130	1,222
Extraordinary losses		
Loss on sale of non-current assets	0	3
Loss on retirement of non-current assets	254	573
Loss on tax purpose reduction entry of non-current assets	157	297
Impairment losses	1,325	51
Extraordinary loss due to closing and other	654	–
Other	118	34
Total extraordinary losses	2,511	959
Profit (loss) before income taxes	(6,735)	2,849
Income taxes - current	770	895
Income taxes - deferred	743	(127)
Total income taxes	1,513	767
Profit (loss)	(8,249)	2,082
Profit attributable to non-controlling interests	266	243
Profit (loss) attributable to owners of parent	(8,516)	1,838

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit (loss)	(8,249)	2,082
Other comprehensive income		
Valuation difference on available-for-sale securities	3,351	(4,315)
Deferred gains or losses on hedges	341	249
Remeasurements of defined benefit plans, net of tax	93	18
Total other comprehensive income	3,786	(4,047)
Comprehensive income	(4,463)	(1,964)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,777)	(2,203)
Comprehensive income attributable to non-controlling interests	314	238

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,160	689	48,205	(937)	51,117
Changes during period					
Dividends of surplus			(245)		(245)
Profit (loss) attributable to owners of parent			(8,516)		(8,516)
Purchase of treasury shares					–
Change in ownership interest of parent due to transactions with non-controlling interests		(87)			(87)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(87)	(8,761)	–	(8,848)
Balance at end of period	3,160	602	39,443	(937)	42,268

	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	5,076	(278)	8	4,806	4,633	60,556
Changes during period						
Dividends of surplus						(245)
Profit (loss) attributable to owners of parent						(8,516)
Purchase of treasury shares						–
Change in ownership interest of parent due to transactions with non-controlling interests						(87)
Net changes in items other than shareholders' equity	3,309	341	88	3,739	(290)	3,448
Total changes during period	3,309	341	88	3,739	(290)	(5,400)
Balance at end of period	8,385	62	97	8,545	4,342	55,156

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 (loss) 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 (loss) 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

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(6,735)	2,849
Depreciation	7,070	6,608
Impairment losses	1,325	51
Increase (decrease) in provision for bonuses	(371)	(159)
Increase (decrease) in allowance for doubtful accounts	(45)	(14)
Increase (decrease) in retirement benefit liability	(110)	(141)
Interest and dividend income	(250)	(263)
Interest expenses	411	356
Share of loss (profit) of entities accounted for using equity method	15	1
Loss (gain) on sale and retirement of non-current assets	57	(247)
Loss on tax purpose reduction entry of non-current assets	157	297
Loss (gain) on sale of investment securities	(8)	(519)
Decrease (increase) in trade receivables	1,193	678
Decrease (increase) in inventories	784	1,781
Increase (decrease) in trade payables	(504)	(1,442)
Increase (decrease) in accrued consumption taxes	(759)	1,426
Increase (decrease) in guarantee deposits received	(478)	(485)
Other, net	25	835
Subtotal	1,776	11,611
Interest and dividends received	257	271
Interest paid	(401)	(355)
Proceeds from insurance income	–	473
Income taxes refund (paid)	(1,592)	(247)
Net cash provided by (used in) operating activities	40	11,753
Cash flows from investing activities		
Payments into time deposits	(200)	(200)
Proceeds from withdrawal of time deposits	200	200
Purchase of non-current assets	(6,210)	(6,487)
Proceeds from sale of non-current assets	48	1,300
Payments for asset retirement obligations	(57)	(61)
Purchase of investment securities	(3)	(2)
Proceeds from sale of investment securities	8	956
Short-term loan advances	(40)	(6)
Proceeds from collection of short-term loans receivable	0	66
Long-term loan advances	(5)	(4)
Proceeds from collection of long-term loans receivable	3	1
Net cash provided by (used in) investing activities	(6,257)	(4,237)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,452)	(4,613)
Repayments of lease liabilities	(1,773)	(1,631)
Proceeds from long-term borrowings	16,900	3,600
Repayments of long-term borrowings	(8,047)	(3,550)
Proceeds from issuance of bonds	9,953	–
Redemption of bonds	(5,000)	–
Purchase of treasury shares	–	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(688)	(37)
Dividends paid	(246)	(490)
Dividends paid to non-controlling interests	(3)	(2)
Net cash provided by (used in) financing activities	6,640	(6,726)
Net increase (decrease) in cash and cash equivalents	423	789
Cash and cash equivalents at beginning of period	2,191	2,614
Cash and cash equivalents at end of period	2,614	3,404