Kanachu

Financial Results Briefing Materials for the Three Months Ended June 30, 2022

July 26, 2022

Kanagawa Chuo Kotsu Co., Ltd.

Summary of Financial Results for the Three Months Ended June 30, 2022

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Status of the General Passenger Automobile Traffic Business

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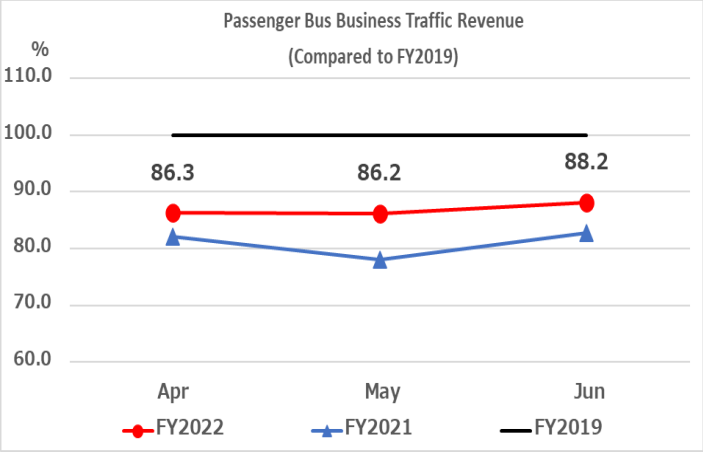
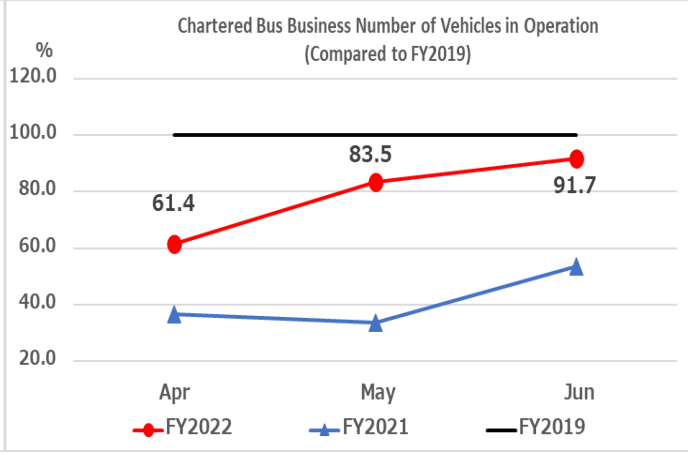
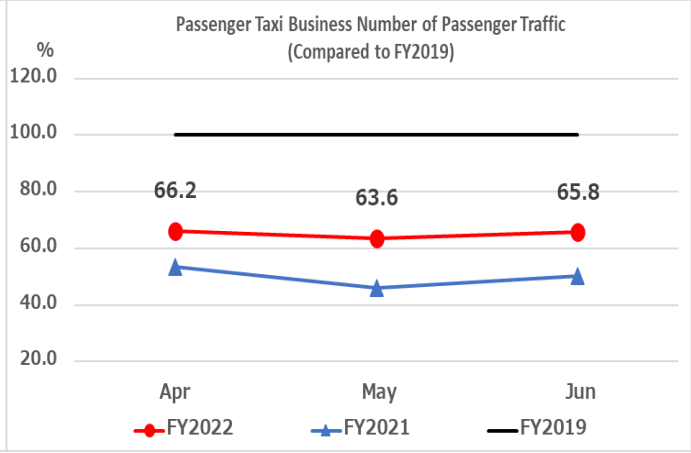
Status during the period and as of June 30, 2022	
■ The three months ended June 30, 2022 witnessed a moderate recovery trend following the lifting of the focused measures to prevent the spread of COVID-19 in March 2022. ■ While passenger demand has been recovering compared to the previous fiscal year, it still falls short of pre-COVID-19 levels (FY2019).	
Passenger bus business	■ Passenger demand is recovering mainly on weekdays and traffic revenue has recovered to nearly 90% of pre-COVID-19 levels.
Chartered bus business	■ Although the effects of the focused measures to prevent the spread of COVID-19, which were lifted in March 2022, remained until mid-May, the number of vehicles in operation for June recovered to 90% of pre-COVID-19 levels.
Passenger taxi business	■ Thanks to a certain level of recovery in night time demand reflecting the extended business hours of restaurants, the number of passenger traffic recovered to around 60% of pre-COVID-19 levels.

*Pre-COVID-19 levels: FY2019 results







Consolidated Statement of Income

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(Million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Increase/decrease
Net sales	**24,722**	**23,686**	**1,036 [4.4%]**
General passenger automobile traffic business	12,539	11,231	1,308
Real estate business	1,752	1,893	(140)
Automobile sales business	5,840	6,130	(290)
Other businesses	6,481	6,070	411
Remeasurements	(1,891)	(1,638)	(252)
Operating profit	**1,448**	**145**	**1,303 [893.7%]**
General passenger automobile traffic business	403	(899)	1,303
Real estate business	735	704	30
Automobile sales business	210	212	(2)
Other businesses	119	146	(26)
Remeasurements	(19)	(18)	(1)
Ordinary profit	**1,698**	**725**	**972 [134.1%]**
Profit attributable to owners of parent	**1,392**	**478**	**913 [191.0%]**
Basic earnings per share	**113.47 yen**	**38.99 yen**	**74.48 yen**
Depreciation	1,542	1,658	(115)
EBITDA (Operating profit + Depreciation)	2,991	1,803	1,187

Non-operating Income/Loss and Extraordinary Income/Loss

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(Million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Increase/decrease	Comments
Non-operating income	357	686	(329)	Subsidy income: (341)
Non-operating expenses	107	106	1	Share of loss of entities accounted for using equity method: +5 Interest expenses: (4)
Extraordinary income	2	102	(100)	Subsidy income: (80) Gain on sale of non-current assets: (14)
Extraordinary loss	19	221	(202)	Loss on retirement of non-current assets: (89) Loss on tax purpose reduction entry of non-current assets: (79) Impairment losses: (28)

Consolidated Balance Sheet

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(Million yen)

	As of June 30, 2022	As of March 31, 2022	Increase/decrease	Comments
Current assets	19,187	18,431	756 [4.1%]	Merchandise and finished goods: +910
Non-current assets	128,932	128,475	457 [0.4%]	Property, plant and equipment: +1,625 Investment securities: (887)
Total assets	**148,120**	**146,906**	**1,213 [0.8%]**	
Current liabilities	34,646	32,047	2,598 [8.1%]	Provision for bonuses: +1,064 Short-term borrowings: +896
Non-current liabilities	59,719	61,698	(1,979) [(3.2%)]	Long-term borrowings: (888) Deferred tax liabilities: (541) Lease liabilities: (455)
Total liabilities	**94,366**	**93,746**	**619 [0.7%]**	
Total net assets	**53,754**	**53,160**	**593 [1.1%]**	Retained earnings: +1,147 Valuation difference on available-for-sale securities: (611)
Total liabilities and net assets	**148,120**	**146,906**	**1,213 [0.8%]**	

Net assets per share	**4,014.36 yen**	**3,971.82 yen**	**42.54 yen**	
Equity ratio	**33.3%**	**33.2%**	**0.1P**	
Balance of interest-bearing debt (Borrowings, bonds and lease liabilities)	**57,313**	**57,686**	**(372)**	Borrowings: +8 Lease liabilities: (380)

Trends in Net Sales and Profits

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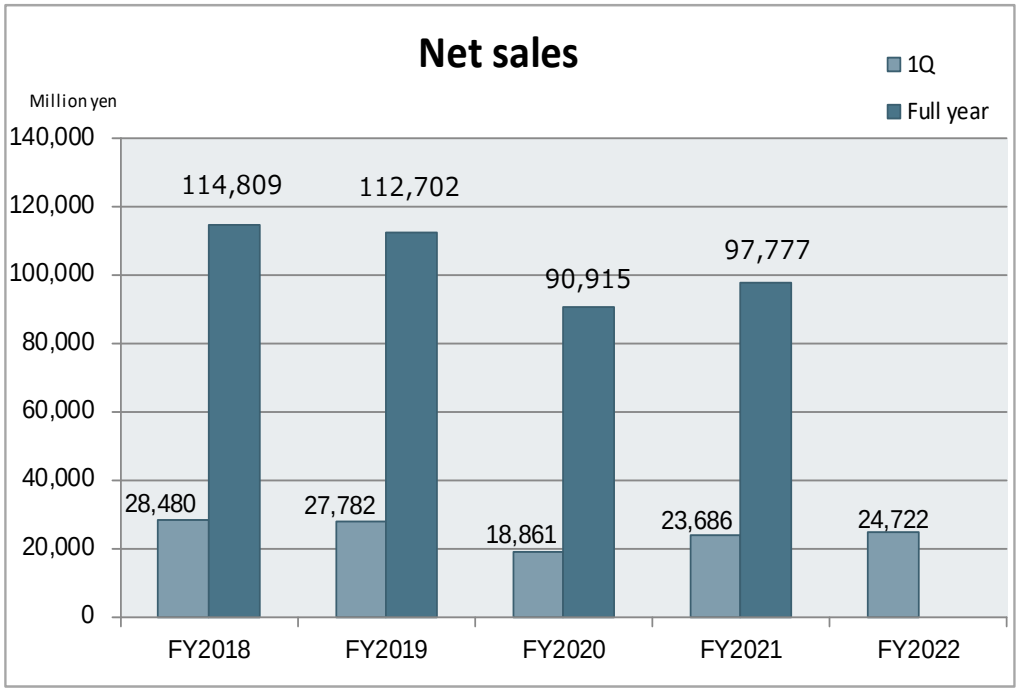

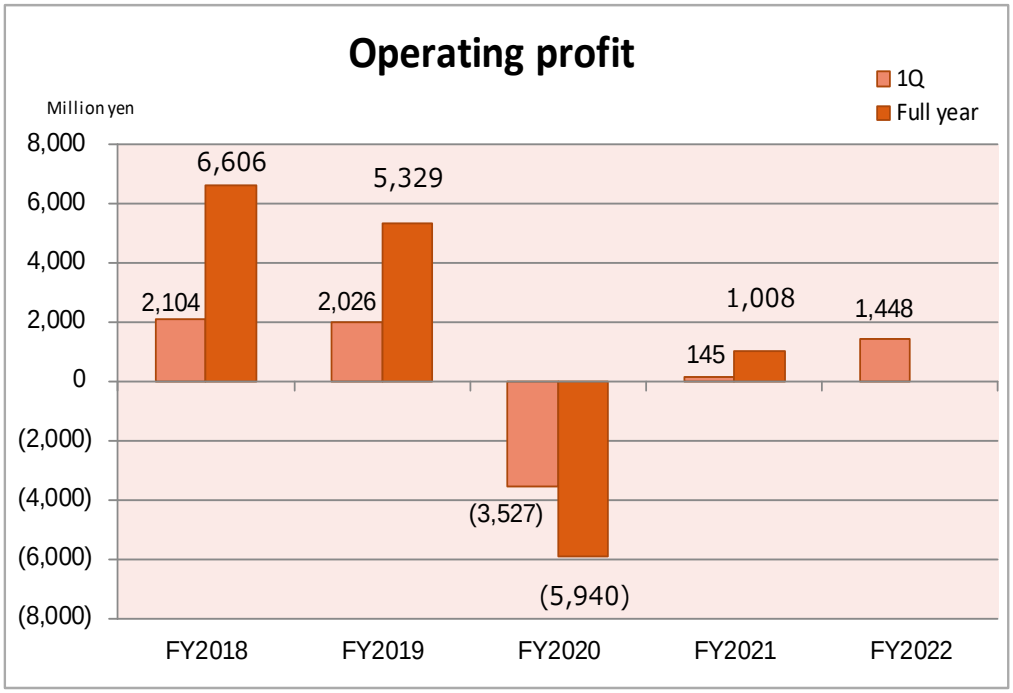

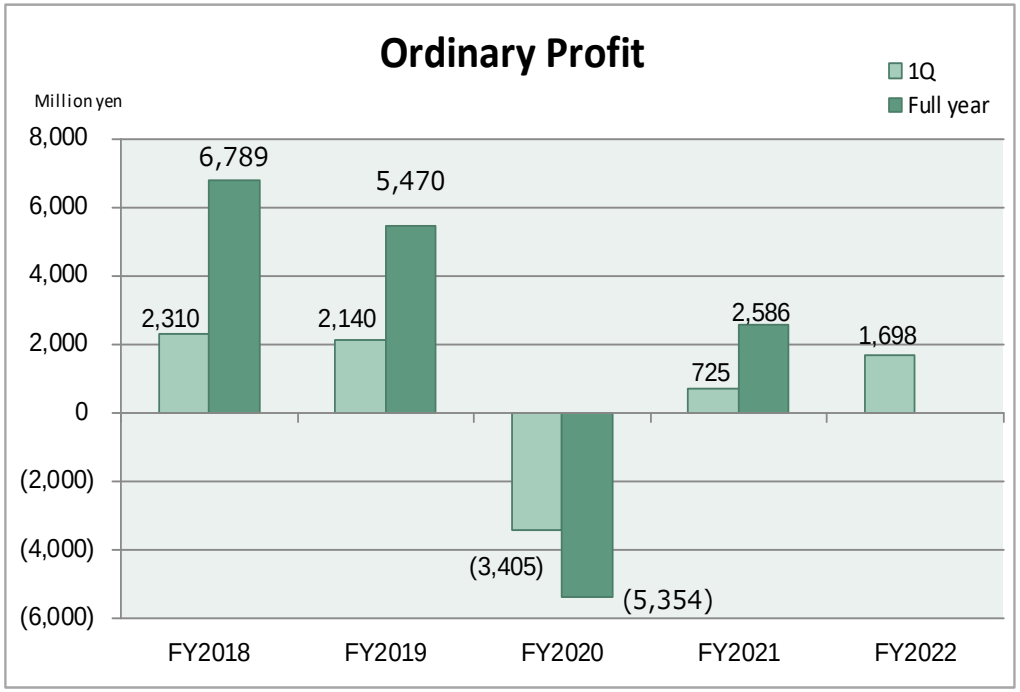

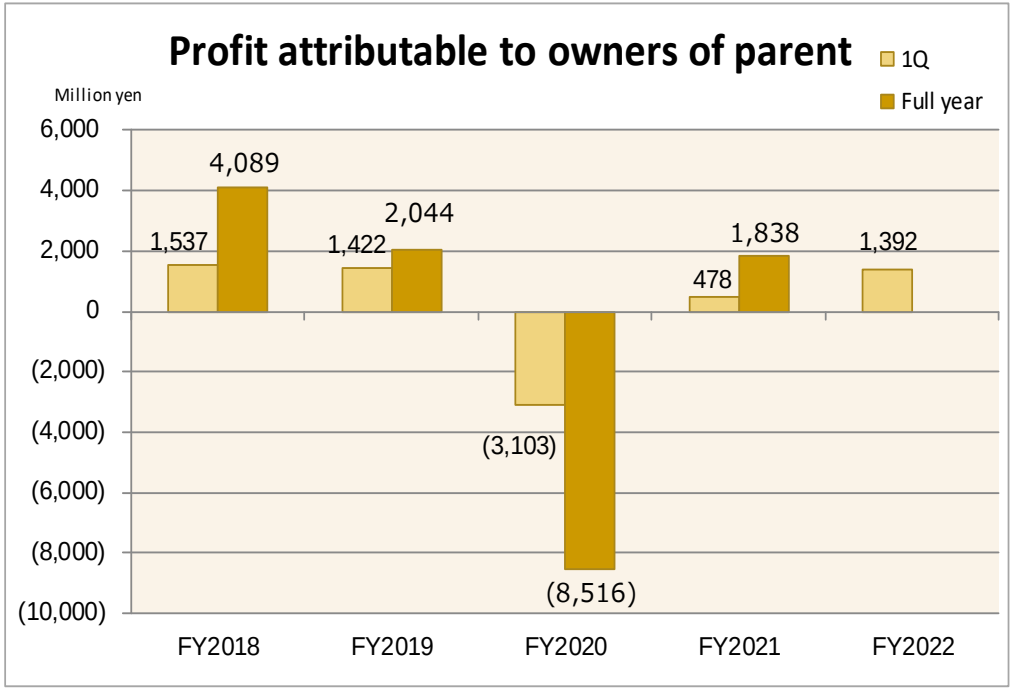

Scope of the Consolidated Financial Results (As of June 30, 2022)

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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.

Segment Information (General Passenger Automobile Traffic Business)

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(Million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Increase/decrease	Comments
Net sales	12,539	11,231	1,308 [11.6%]	Passenger bus business: +666 Chartered bus business: +175 Passenger taxi business: +466
Operating profit	403	(899)	1,303 [—]	Passenger bus business: +783 Chartered bus business: +88 Passenger taxi business: +431

[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 and the focused measures to prevent the spread of COVID-19 in the previous fiscal year.

Segment Information (Real Estate Business)

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(Million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Increase/decrease	Comments
Net sales	1,752	1,893	(140) [(7.4%)]	Rental business: (0) Sales business: (139)
Operating profit	735	704	30 [4.4%]	Rental business: +20 Sales business: +10

[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 a decrease in revenue due to the decrease in the number of detached houses for sale under the sales plan and an increase in profits due to a decrease in selling expenses such as advertising expenses.

Segment Information (Automobile Sales Business)

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(Million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Increase/decrease	Comments
Net sales	5,840	6,130	(290) [(4.7%)]	Commercial vehicle sales business: (422) Import car sales business: +132
Operating profit	210	212	(2) [(1.2%)]	Commercial vehicle sales business: (1) Import car sales business: (0)

[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, revenue declined due to the decrease in the number of trucks and buses sold, despite the strong performance in the automobile maintenance business.

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.

*Reference: Number of new vehicles sold

(Number of vehicles sold)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Increase/decrease
Trucks	289	359	(70)
Buses	6	9	(3)
Import cars	116	123	(7)

Segment Information (Other businesses)

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(Million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2021	Increase/decrease	Comments
Net sales	6,481	6,070	411 [6.8%]	Distribution business: +246 Services business (revitalization of resources, others): +148
Operating profit	119	146	(26) [(18.3%)]	Distribution business: (20)

[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 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.

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

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(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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