Financial Results Briefing Materials for the Nine Months Ended December 31, 2022

February 7, 2023

Kanagawa Chuo Kotsu Co., Ltd.

Summary of Financial Results for the Nine Months Ended December 31, 2022

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Status of the General Passenger Automobile Traffic Business

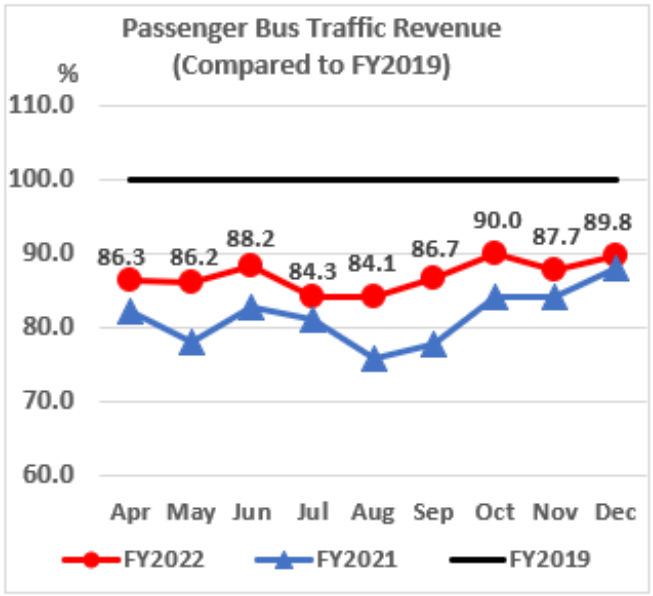
Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

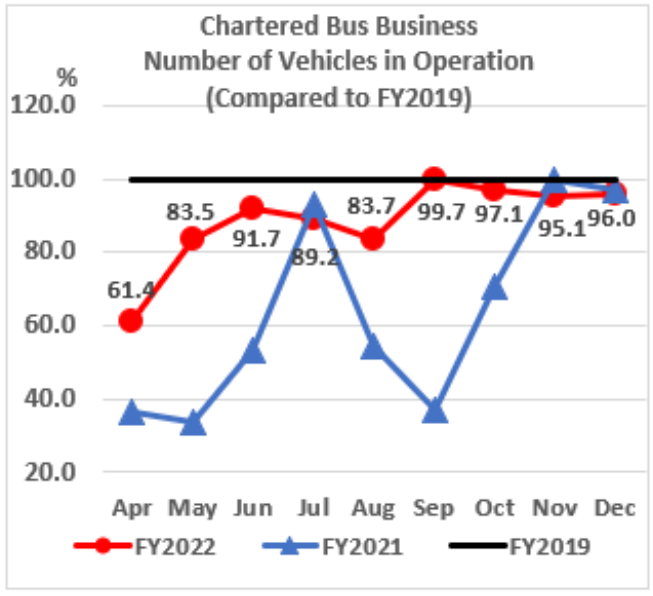
Status during the period and as of December 31, 2022

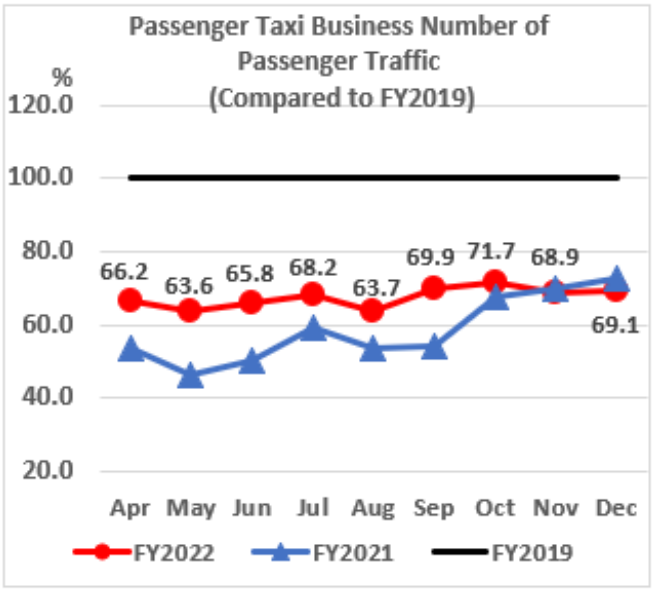
- Although passenger demand was on a recovery trend following the containment of the so-called “7th Wave (from July),” the demand once again decreased in the third quarter due to the “8th Wave (from November).”
- While passenger demand has been recovering compared to the previous fiscal year, it still falls short of pre-COVID-19 levels (FY2019).

Passenger bus business	■ Although passenger demand dropped due to the “7th Wave” and “8th Wave,” the impact of COVID-19 is gradually diminishing, and recent 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 recent number of vehicles in operation roughly 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, due to the effects of the “8th Wave”

*Pre-COVID-19 levels: FY2019 results







Consolidated Statement of Income

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Increase/decrease
Net sales	**76,876**	**73,268**	**3,607 [4.9%]**
General passenger automobile traffic business	37,404	34,384	3,019
Real estate business	4,324	5,779	(1,455)
Automobile sales business	20,601	19,555	1,046
Other businesses	20,312	18,995	1,317
Remeasurements	(5,766)	(5,446)	(320)
Operating profit	**4,157**	**1,518**	**2,638 [173.8%]**
General passenger automobile traffic business	1,098	(2,070)	3,168
Real estate business	2,047	2,326	(278)
Automobile sales business	638	826	(188)
Other businesses	449	553	(103)
Remeasurements	(76)	(117)	40
Ordinary profit	**4,525**	**2,918**	**1,606 [55.1%]**
Profit attributable to owners of parent	**2,951**	**1,951**	**999 [51.2%]**
Basic earnings per share	**240.52 yen**	**159.03 Yen**	**81.49 yen**

Depreciation	4,455	4,956	(500)
EBITDA (Operating profit + Depreciation)	8,613	6,475	2,137

Non-operating Income/Loss and Extraordinary Income/Loss

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Increase/decrease	Comments
Non-operating income	669	1,706	(1,036)	Subsidy income: (1,028)
Non-operating expenses	301	305	(4)	Interest expenses: (13)
Extraordinary income	6	476	(470)	Gain on sale of non-current assets: (319) Subsidy income: (80)
Extraordinary loss	254	468	(214)	Loss on retirement of non-current assets: (105) Loss on tax purpose reduction entry of non-current assets: (78)

Consolidated Balance Sheet

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

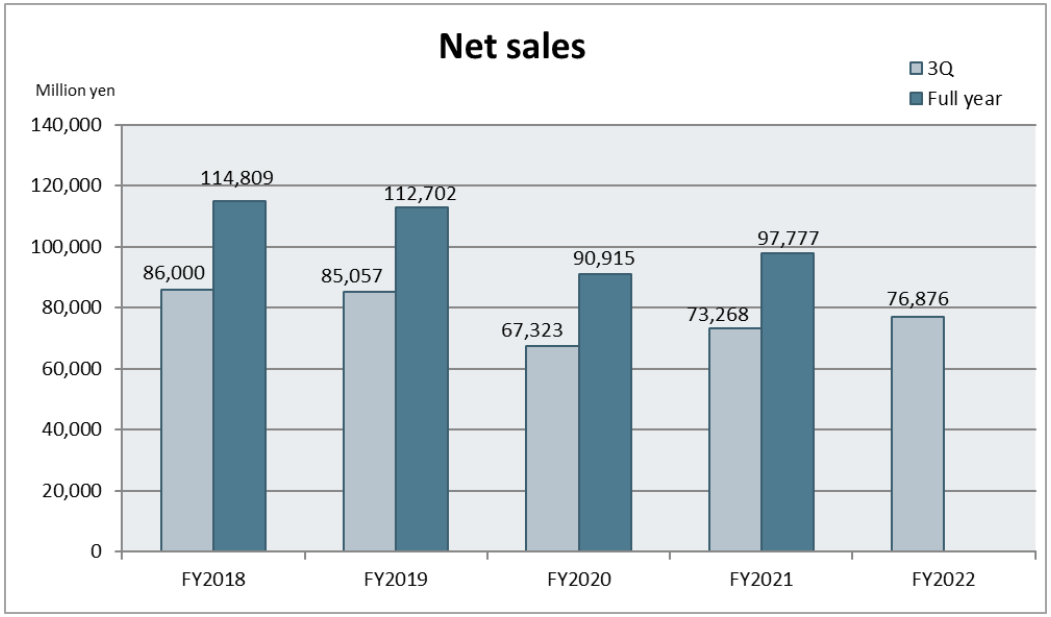
(Million yen)

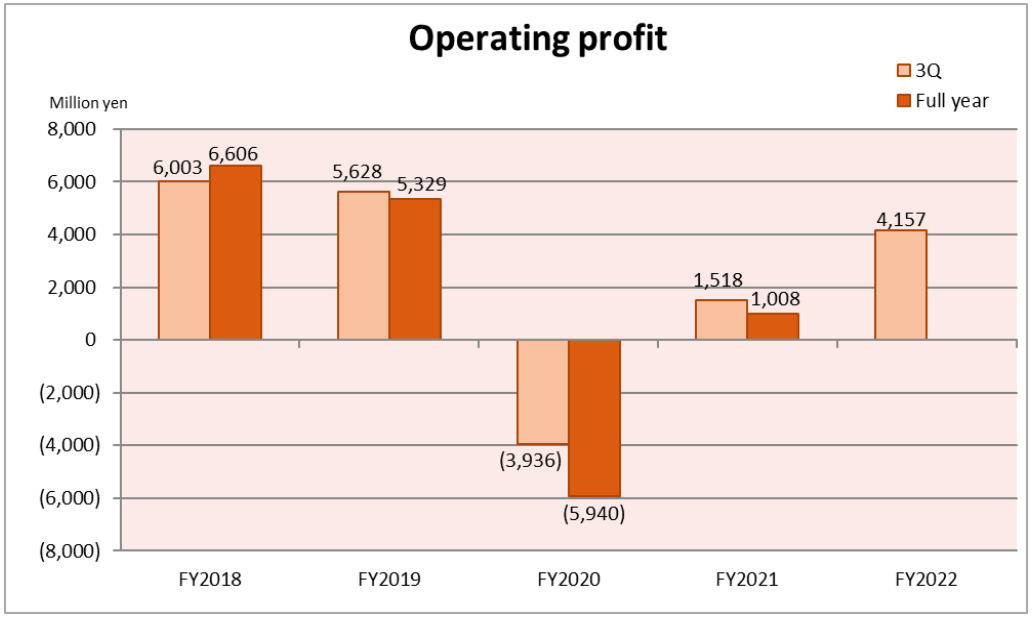
	As of December 31, 2022	As of March 31, 2022	Increase/decrease	Comments
Current assets	21,873	18,431	3,442 [18.7%]	Merchandise and finished goods: +3,109
Non-current assets	127,091	128,475	(1,384) [(1.1%)]	Accumulated depreciation: (2,807) Investment securities: (779) Land: +1,950
Total assets	**148,964**	**146,906**	**2,058 [1.4%]**	
Current liabilities	37,367	32,047	5,320 [16.6%]	Short-term borrowings: +3,781 Other current liabilities: +2,023 (Unearned revenue, etc.)
Non-current liabilities	56,575	61,698	(5,122) [(8.3%)]	Long-term borrowings: (3,464) Lease liabilities: (1,479)
Total liabilities	**93,943**	**93,746**	**197 [0.2%]**	
Total net assets	**55,021**	**53,160**	**1,860 [3.5%]**	Retained earnings: +2,460 Valuation difference on available-for-sale securities: (502)
Total liabilities and net assets	**148,964**	**146,906**	**2,058 [1.4%]**	

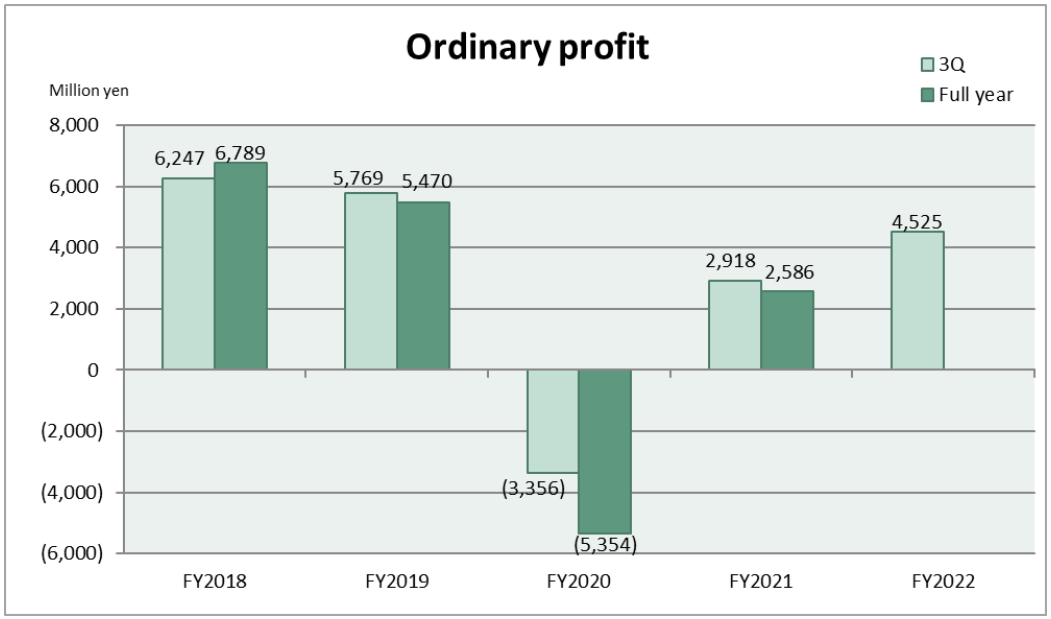
Net assets per share	**4,109.38 yen**	**3,971.82 yen**	**137.56 yen**	
Equity ratio	**33.9%**	**33.2%**	**0.7P**	
Balance of interest-bearing debt (Borrowings, bonds and lease liabilities)	**56,884**	**57,686**	**(801)**	Lease liabilities: (1,119) Borrowings: +317

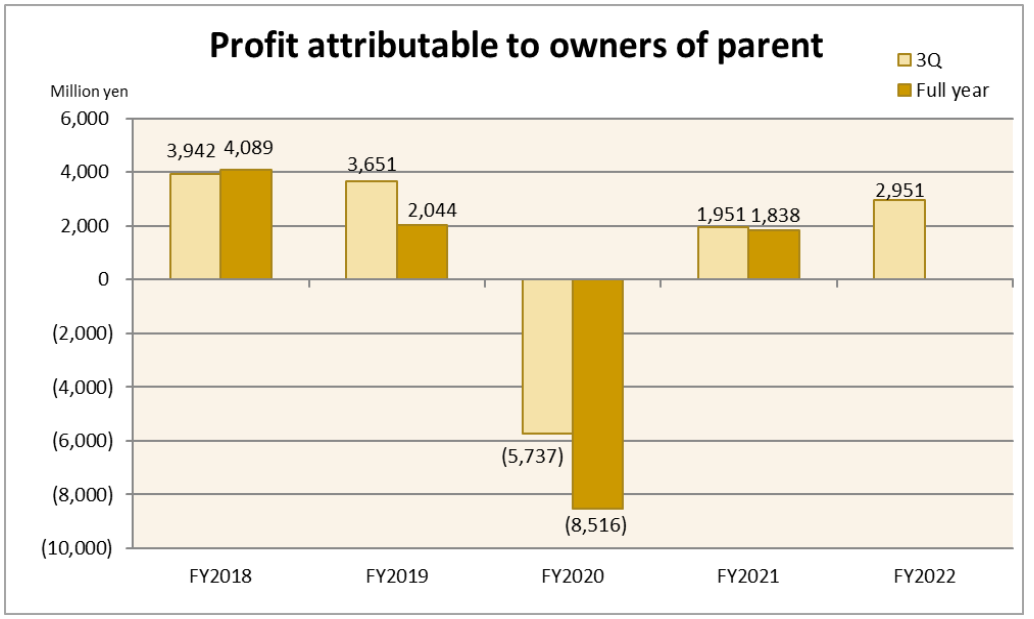
Trends in Net Sales and Profits

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.









Scope of the Consolidated Financial Results (As of December 31, 2022)

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

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)

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Increase/decrease	Comments
Net sales	37,404	34,384	3,019 [8.8%]	Passenger bus business: +1,877 Chartered bus business: +327 Passenger taxi business: +815
Operating profit	1,098	(2,070)	3,168 [–]	Passenger bus business: +2,242 Chartered bus business: +107 Passenger taxi business: +818

[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.

Segment Information (Real Estate Business)

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Increase/decrease	Comments
Net sales	4,324	5,779	(1,455) [(25.2%)]	Rental business: +11 Sales business: (1,466)
Operating profit	2,047	2,326	(278) [(12.0%)]	Rental business: +12 Sales business: (291)

[Compared to the previous fiscal year]

The rental business reported increases in both revenue and profits due to the rise in the occupancy rate and 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.

Segment Information (Automobile Sales Business)

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Increase/decrease	Comments
Net sales	20,601	19,555	1,046 [5.3%]	Commercial vehicle sales business: +523 Import car sales business: +523
Operating profit	638	826	(188) [(22.8%)]	Commercial vehicle sales business: (176) Import car sales business: (11)

[Compared to the previous fiscal year]

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

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.

*Reference: Number of new vehicles sold

(Number of vehicles sold)

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Increase/decrease
Trucks	1,150	1,226	(76)
Buses	54	30	24
Import cars	399	374	25

Segment Information (Other businesses)

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Increase/decrease	Comments
Net sales	20,312	18,995	1,317 [6.9%]	Distribution business: +694 Food service and amusement business: +583 Services business: (revitalization of resources, etc.): +405 Building management business: (178) Commercial vehicle customization business: (162)
Operating profit	449	553	(103) [(18.8%)]	Commercial vehicle customization business: (74) Building management business: (73) Food service and amusement business: +27

[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 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.

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

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.

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

Copyright 2023 Kanagawa Chuo Kotsu Co. ,Ltd. All Rights Reserved.

(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>

Corporate Strategy Department, in charge of IR
Kanagawa Chuo Kotsu Co., Ltd.
TEL: 0463-22-8894