# Financial Results Briefing Materials for the Three Months Ended June 30, 2023

July 27, 2023

Kanagawa Chuo Kotsu Co., Ltd.

# Summary of Financial Results for the Three Months Ended June 30, 2023

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# Summary

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## Financial Results for the Three Months Ended June 30, 2023

◆Net sales increased compared to the previous fiscal year (+11.1%) driven by the passenger automobile business and the automobile sales business.
Passenger demand improved with the downgrading of COVID-19 to a Class 5 infectious disease.
Thanks to the alleviation of the semiconductor shortage and the ensuing recovery in production by the manufacturers, the number of new vehicles sold, mainly trucks, increased.

◆Due to the increase in revenue, profits increased at each income level, and operating profit was secured in all segments.
Operating profit (+22.3%) and profit attributable to owners of parent (+10.6%)

◆The equity ratio was 33.3% (+1.3P compared to the end of the previous fiscal year) and financial conditions steadily improved
(Reference: The equity ratio was 36.3% at the end of FY2018).

## Consolidated Financial Results Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2024

The consolidated financial results forecast and dividend forecast remain unchanged from the figures announced in April 2023.

◆Consolidated financial results forecast: Mostly progressing as planned

◆Dividend forecast: Annual dividends of 40 yen per share are planned

From the 1st quarter of the fiscal year ending March 31, 2024, the reportable segment, previously known as “General passenger automobile traffic business,” has been renamed “Passenger automobile business.”

| Former name |
|---|
| General passenger automobile traffic business |
| Passenger bus business |
| Chartered bus business |
| Passenger taxi business |

| New name |
|---|
| Passenger automobile business |
| Passenger bus business |
| Chartered bus business |
| Passenger taxi business |

# Consolidated Statement of Income

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(Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease |
|---|---|---|---|
| **Net sales** | **27,468** | **24,722** | **2,745 [11.1%]** |
| Passenger automobile business | 13,213 | 12,539 | 673 |
| Real estate business | 1,345 | 1,752 | (407) |
| Automobile sales business | 8,161 | 5,840 | 2,320 |
| Other businesses | 6,709 | 6,481 | 227 |
| Remeasurements | (1,960) | (1,891) | (68) |
| **Operating profit** | **1,772** | **1,448** | **323 [22.3%]** |
| Passenger automobile business | 589 | 403 | 186 |
| Real estate business | 699 | 735 | (36) |
| Automobile sales business | 365 | 210 | 155 |
| Other businesses | 148 | 119 | 29 |
| Remeasurements | (31) | (19) | (11) |
| **Ordinary profit** | **2,017** | **1,698** | **319 [18.8%]** |
| **Profit attributable to owners of parent** | **1,539** | **1,392** | **147 [10.6%]** |
| **Basic earnings per share** | **125.46 yen** | **113.47 yen** | **11.99 yen** |
| Depreciation | 1,297 | 1,542 | (245) |
| EBITDA (Operating profit + Depreciation) | 3,069 | 2,991 | 78 |

# Non-operating Income/Loss and Extraordinary Income/Losses

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(Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease | Comments |
|---|---|---|---|---|
| Non-operating income | 352 | 357 | (4) | Subsidy income: (42)<br>Dividend income: +49 |
| Non-operating expenses | 107 | 107 | 0 | |
| Extraordinary income | 37 | 2 | 34 | Subsidy income: +36 |
| Extraordinary losses | 101 | 19 | 81 | Loss on retirement of non-current assets: +46<br>Loss on tax purpose reduction entry of non-current assets: +35 |

# Consolidated Balance Sheet

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(Million yen)

| | As of June 30, 2023 | As of March 31, 2023 | Increase/decrease | Comments |
|---|---|---|---|---|
| Current assets | 26,121 | 25,205 | 915<br>[3.6%] | Merchandise and finished goods: +1,732<br>Notes and accounts receivable - trade, and contract assets: (507) |
| Non-current assets | 126,311 | 125,363 | 948<br>[0.8%] | Investment securities: +1,795<br>Accumulated depreciation: (763) |
| **Total assets** | **152,433** | **150,568** | **1,864<br>[1.2%]** | |
| Current liabilities | 43,751 | 43,452 | 298<br>[0.7%] | Other current liabilities: +1,428（Unearned revenue, etc.)<br>Provision for bonuses: +1,216<br>Notes and accounts payable - trade: (1,990) |
| Non-current liabilities | 53,122 | 54,236 | (1,113)<br>[(2.1%)] | Long-term borrowings: (888) |
| **Total liabilities** | **96,874** | **97,689** | **(815)<br>[(0.8%)]** | |
| **Total net assets** | **55,559** | **52,879** | **2,679<br>[5.1%]** | Retained earnings: +1,294<br>Valuation difference on available-for-sale securities: +1,249 |
| **Total liabilities and net assets** | **152,433** | **150,568** | **1,864<br>[1.2%]** | |

| | | | | |
|---|---|---|---|---|
| **Net assets per share** | **4,137.68 yen** | **3,930.67 yen** | **207.01 yen** | |
| **Equity ratio** | **33.3%** | **32.0%** | **1.3P** | |
| **Balance of interest-bearing debt (Borrowings, bonds and lease liabilities)** | **57,587** | **59,143** | **(1,556)** | Borrowings: (1,152)<br>Lease liabilities: (404) |

# Trends in Net Sales and Profits

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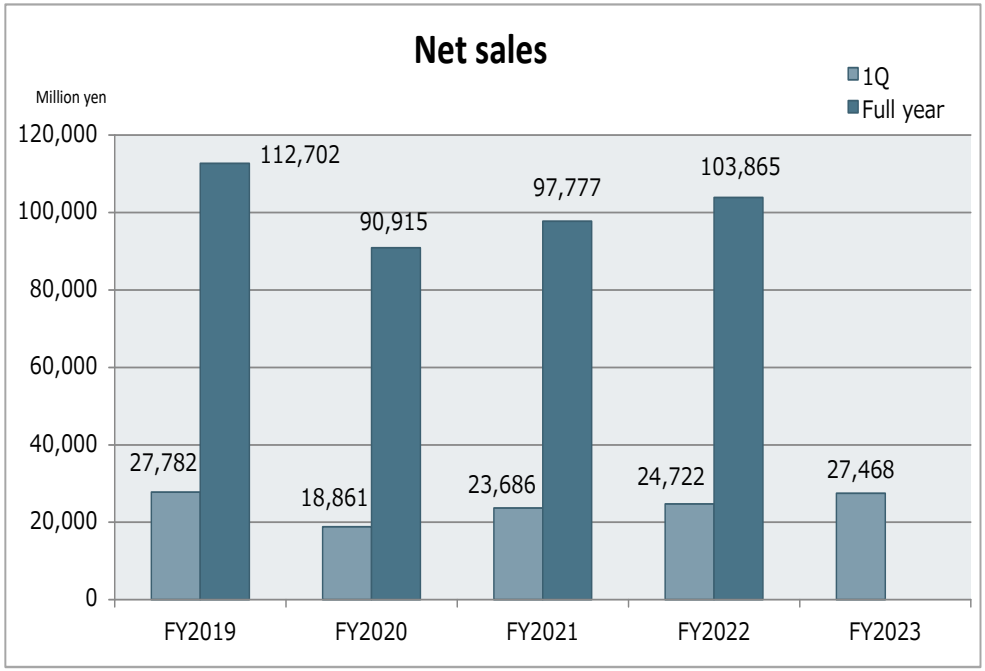


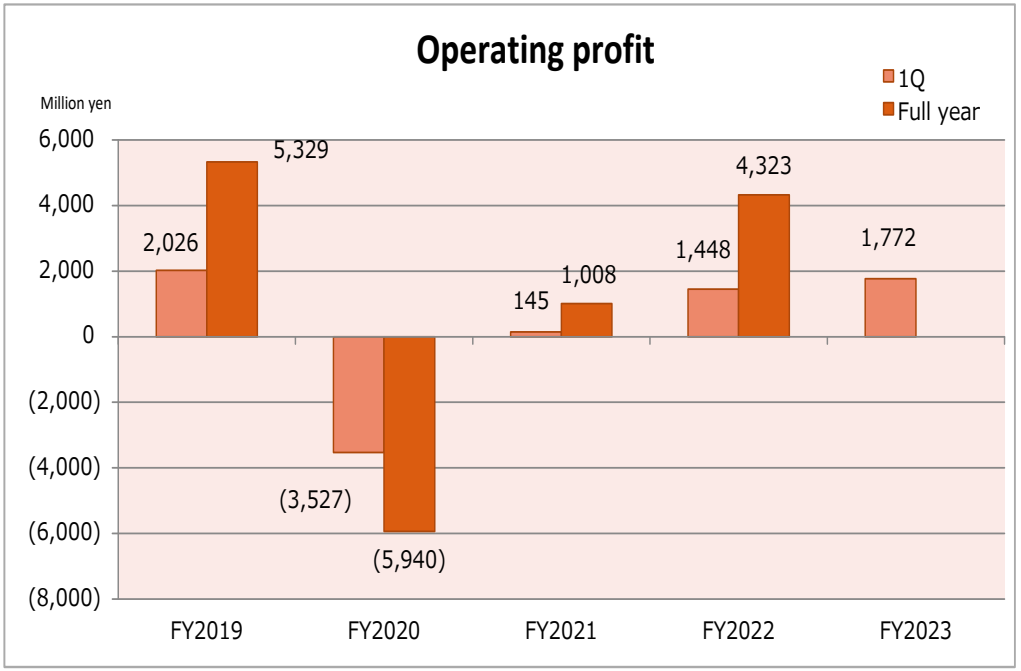


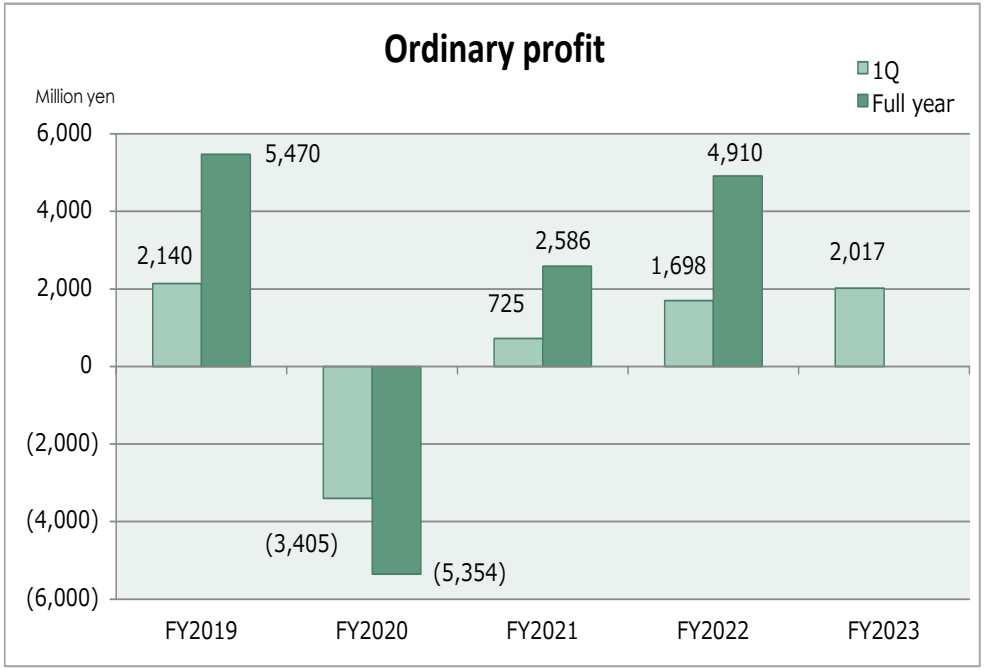


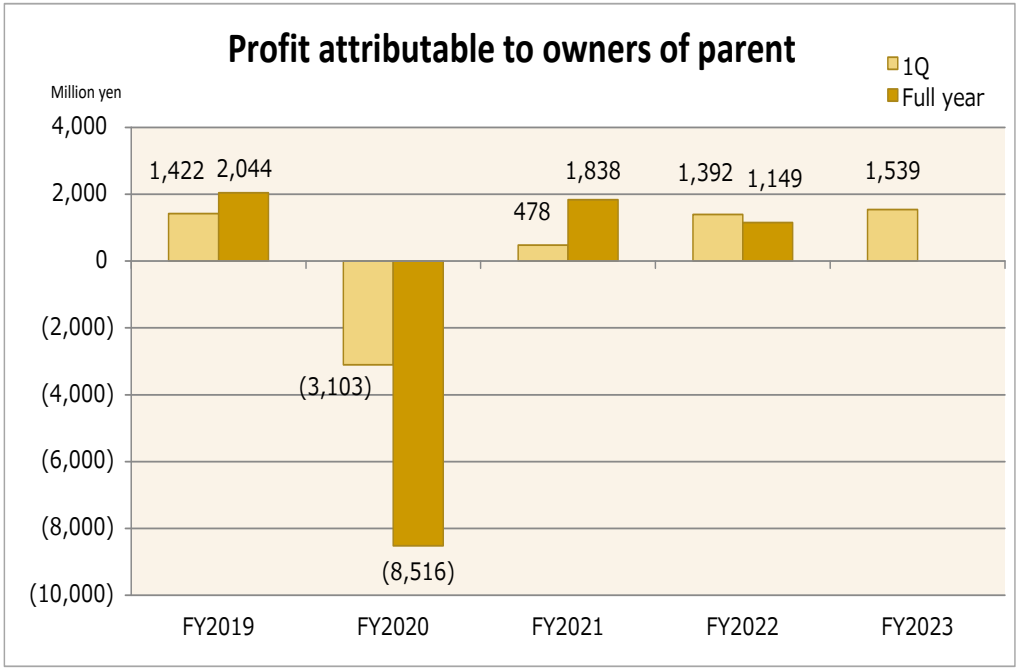

# Scope of the Consolidated Financial Results (As of June 30, 2023)

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Kanagawa Chuo Kotsu Group: 18 subsidiaries and 3 affiliates
Including 18 consolidated subsidiaries and
2 affiliates accounted for by the equity method (Oyama Kanko Dentetsu Co., Ltd. and Odakyu Insurance Service Co., Ltd.)

<Major consolidated subsidiaries>

- Passenger Automobile 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 (Passenger Automobile Business)

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(Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease | Comments |
|---|---|---|---|---|
| Net sales | 13,213 | 12,539 | 673<br>[5.4%] | Passenger bus business: +525<br>Chartered bus business: +78<br>Passenger taxi business: +69 |
| Operating profit | 589 | 403 | 186<br>[46.2%] | Passenger bus business: +38<br>Chartered bus business: +34<br>Passenger taxi business: +61 |

[Compared to the previous fiscal year]

In the passenger bus business, increases were reported in both revenue and profits due to improved passenger demand, mainly among passengers with commuting passes, despite an increase in personnel expenses as a result of improving the benefits of the bus drivers.

In the chartered bus business, both revenue and profits increased thanks to improved travel demand and the full-year contribution by the contracted transportation captured in the previous fiscal year.

In the passenger taxi business, both revenue and profits increased reflecting improved passenger demand, mainly among nighttime passengers.

*Reference: Number of passengers carried in the passenger bus business (Million persons)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease |
|---|---|---|---|
| Passengers without commuting passes | 36 | 35 | 0<br>[2.7%] |
| Passengers with commuting passes | 16 | 14 | 2<br>[13.8%] |
| Total | 53 | 50 | 3<br>[6.0%] |

# Segment Information (Real Estate Business)

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(Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease | Comments |
|---|---|---|---|---|
| Net sales | 1,345 | 1,752 | (407)<br>[(23.3%)] | Rental business: +60<br>Sales business: (467) |
| Operating profit | 699 | 735 | (36)<br>[(5.0%)] | Rental business: +13<br>Sales business: (49) |

[Compared to the previous fiscal year]

The rental business reported increases in both revenue and profits due to the full-year contribution by new rental properties which began operations in the previous fiscal year.

The sales business reported decreases in both revenue and profits due to the completed sales of condominiums in the previous fiscal year.

# Segment Information (Automobile Sales Business)

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(Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease | Comments |
|---|---|---|---|---|
| Net sales | 8,161 | 5,840 | 2,320 [39.7%] | Commercial vehicle sales business: +1,758<br>Import car sales business: +562 |
| Operating profit | 365 | 210 | 155 [74.0%] | Commercial vehicle sales business: +159<br>Import car sales business: (3) |

[Compared to the previous fiscal year]

In the commercial automobile sales business, both revenue and profits increased, as the number of new vehicles sold, mainly trucks, increased, thanks to the alleviation of the semiconductor shortage and the ensuing recovery in production by the manufacturers.

In the import car sales business, revenue increased due to the increase in the number of vehicles sold in the higher price range

*Reference: Number of new vehicles sold (Number of vehicles sold)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease |
|---|---|---|---|
| Trucks | 530 | 289 | 241 [83.4%] |
| Buses | 12 | 6 | 6 [100.0%] |
| Import cars | 128 | 116 | 12 [10.3%] |

# Segment Information (Other businesses)

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(Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Increase/decrease | Comments |
|---|---|---|---|---|
| Net sales | 6,709 | 6,481 | 227<br>[3.5%] | Food service and amusement business: +188<br>Building management business: +50 |
| Operating profit | 148 | 119 | 29<br>[24.8%] | Food service and amusement business: +22<br>Building management business: +17 |

[Compared to the previous fiscal year]

The food service and amusement business reported increases in both revenue and profits due to the full-year contribution of the stores of Doutor Coffee Shop, which was acquired in the previous fiscal year, and other factors.

The building management business reported increases in both revenue and profits as a result of new orders received for facility renewal work, and other factors.

# Financial Results Forecast for the Fiscal Year Ending March 31, 2024
# (Announced on April 27, 2023)

# Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024

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(Million yen)

| | | FY ending March 31, 2024 Financial results forecast | FY ended March 31, 2023 | Increase/decrease |
|---|---|---|---|---|
| **Net sales** | | **109,500** | **103,865** | **5,634 [5.4%]** |
| | Passenger automobile business | 53,860 | 49,236 | 4,623 |
| | Real estate business | 7,090 | 5,907 | 1,182 |
| | Automobile sales business | 29,140 | 29,022 | 117 |
| | Other businesses | 29,890 | 27,871 | 2,018 |
| | Remeasurements | (10,480) | (8,173) | (2,306) |
| **Operating profit** | | **4,790** | **4,323** | **466 [10.8%]** |
| | Passenger automobile business | 1,370 | 633 | 736 |
| | Real estate business | 2,420 | 2,499 | (79) |
| | Automobile sales business | 380 | 723 | (343) |
| | Other businesses | 1,040 | 684 | 355 |
| | Remeasurements | (420) | (217) | (202) |
| **Ordinary profit** | | **4,770** | **4,910** | **(140) [(2.9%)]** |
| **Profit attributable to owners of parent** | | **3,040** | **1,149** | **1,890 [164.5%]** |
| **Basic earnings per share** | | **247.73 yen** | **93.65 yen** | **154.08 yen** |
| Depreciation | | 5,590 | 5,873 | (283) |
| Capital expenditures | | 14,210 | 8,793 | 5,416 |
| EBITDA (Operating profit + Depreciation) | | 10,380 | 10,197 | 182 |

*The financial results forecast announced in April 2023 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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