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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 27, 2023

Company name: Kanagawa Chuo Kotsu Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 9081
URL: https://www.kanachu.co.jp/
Representative: Masayuki Imai, Representative Director and President
Contact: Daisuke Murayama, IR Manager, Corporate Strategy Department
Phone: +81-463-22-8894
Scheduled date of filing quarterly securities report: November 13, 2023
Scheduled date of commencing dividend payments: November 22, 2023
Availability of supplementary explanatory materials on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 - September 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2023	56,885	13.6	3,836	52.2	4,013	47.5	2,564	32.4
September 30, 2022	50,091	4.2	2,520	534.1	2,720	135.0	1,937	182.8

(Note) Comprehensive income: Six months ended September 30, 2023: ¥5,684 million [326.6%]
Six months ended September 30, 2022: ¥1,332 million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	209.01	–
September 30, 2022	157.90	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2023	154,767	58,315	34.5
As of March 31, 2023	150,568	52,879	32.0

(Reference) Equity: As of September 30, 2023: ¥53,420 million
As of March 31, 2023: ¥48,235 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2024	–	20.00			
Fiscal year ending March 31, 2024 (Forecast)			–	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% 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
Full year	109,500	5.4	4,790	10.8	4,770	(2.9)	3,040	164.5	247.73

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Changes in significant subsidiaries during the period under review
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None
Newly included: – ( ), Excluded: – ( )

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

September 30, 2023:	12,600,000 shares
March 31, 2023:	12,600,000 shares

2) Total number of treasury shares at the end of the period:

September 30, 2023:	328,498 shares
March 31, 2023:	328,383 shares

3) Average number of shares during the period:

Six months ended September 30, 2023:	12,271,584 shares
Six months ended September 30, 2022:	12,271,724 shares

* These quarterly consolidated financial results are outside the scope of quarterly review 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	2,829	2,999
Notes and accounts receivable - trade, and contract assets	9,499	9,694
Merchandise and finished goods	9,165	11,161
Work in process	74	51
Raw materials and supplies	527	547
Other	3,139	2,502
Allowance for doubtful accounts	(29)	(42)
Total current assets	25,205	26,915
Non-current assets		
Property, plant and equipment		
Buildings and structures	93,558	93,705
Vehicles	39,841	39,961
Land	62,818	62,841
Other	22,051	20,915
Accumulated depreciation	(111,111)	(111,869)
Total property, plant and equipment	107,158	105,555
Intangible assets	932	967
Investments and other assets		
Investment securities	14,649	18,767
Other	2,637	2,574
Allowance for doubtful accounts	(14)	(13)
Total investments and other assets	17,271	21,329
Total non-current assets	125,363	127,851
Total assets	150,568	154,767
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,474	7,190
Short-term borrowings	18,079	15,281
Income taxes payable	856	935
Provision for bonuses	2,230	2,051
Other	14,811	17,293
Total current liabilities	43,452	42,752
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	16,471	15,495
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	3,797	3,752
Other	13,965	14,447
Total non-current liabilities	54,236	53,698
Total liabilities	97,689	96,451

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	3,160	3,160
Capital surplus	723	723
Retained earnings	41,429	43,749
Treasury shares	(938)	(938)
Total shareholders' equity	44,375	46,694
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,768	6,641
Remeasurements of defined benefit plans	91	85
Total accumulated other comprehensive income	3,860	6,726
Non-controlling interests	4,643	4,894
Total net assets	52,879	58,315
Total liabilities and net assets	150,568	154,767

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the six months ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales		
Operating revenue-passenger automobile	24,691	27,201
Sales in real estate business	3,055	2,830
Sales in other businesses	22,344	26,852
Total net sales	50,091	56,885
Cost of sales		
Traffic expenses-passenger automobile	21,731	23,114
Cost of sales in real estate business	1,270	1,019
Cost of sales in other businesses	18,066	22,275
Total cost of sales	41,068	46,409
Gross profit	9,023	10,475
Selling, general and administrative expenses		
Selling expenses	4,279	4,271
General and administrative expenses	2,223	2,368
Total selling, general and administrative expenses	6,502	6,639
Operating profit	2,520	3,836
Non-operating income		
Dividend income	176	226
Subsidy income	145	104
Other	93	66
Total non-operating income	416	397
Non-operating expenses		
Interest expenses	171	163
Other	44	57
Total non-operating expenses	215	220
Ordinary profit	2,720	4,013
Extraordinary income		
Gain on sale of non-current assets	2	7
Subsidy income	–	36
Other	0	16
Total extraordinary income	3	61
Extraordinary losses		
Loss on retirement of non-current assets	29	151
Loss on tax purpose reduction entry of non-current assets	–	44
Impairment losses	10	128
Other	1	7
Total extraordinary losses	41	332
Profit before income taxes	2,683	3,742
Income taxes - current	582	929
Income taxes - deferred	29	23
Total income taxes	612	953
Profit	2,070	2,789
Profit attributable to non-controlling interests	132	224
Profit attributable to owners of parent	1,937	2,564

Quarterly Consolidated Statements of Comprehensive Income

For the six months ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	2,070	2,789
Other comprehensive income		
Valuation difference on available-for-sale securities	(560)	2,900
Deferred gains or losses on hedges	(168)	–
Remeasurements of defined benefit plans, net of tax	(8)	(5)
Total other comprehensive income	(738)	2,895
Comprehensive income	1,332	5,684
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,192	5,430
Comprehensive income attributable to non-controlling interests	139	253

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,683	3,742
Depreciation	3,012	2,604
Impairment losses	10	128
Increase (decrease) in provision for bonuses	(252)	(178)
Increase (decrease) in allowance for doubtful accounts	0	11
Increase (decrease) in retirement benefit liability	(57)	(48)
Interest and dividend income	(177)	(228)
Interest expenses	171	163
Share of loss (profit) of entities accounted for using equity method	20	8
Loss (gain) on sale and retirement of non-current assets	(0)	(4)
Loss on tax purpose reduction entry of non-current assets	–	44
Loss (gain) on sale of investment securities	–	(8)
Decrease (increase) in trade receivables	(442)	(203)
Decrease (increase) in inventories	(1,616)	(1,989)
Increase (decrease) in trade payables	639	(274)
Increase (decrease) in accrued consumption taxes	(497)	658
Increase (decrease) in guarantee deposits received	(102)	(157)
Decrease (increase) in guarantee deposits	406	(1)
Other, net	2,141	3,056
Subtotal	5,939	7,322
Interest and dividends received	184	235
Interest paid	(150)	(140)
Income taxes refund (paid)	(588)	(854)
Net cash provided by (used in) operating activities	5,384	6,562
Cash flows from investing activities		
Payments into time deposits	(100)	(106)
Proceeds from withdrawal of time deposits	100	104
Purchase of non-current assets	(3,657)	(1,659)
Proceeds from sale of non-current assets	2	8
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	–	9
Proceeds from redemption of investment securities	2	–
Short-term loan advances	(2)	(2)
Long-term loan advances	(1)	(1)
Proceeds from collection of long-term loans receivable	0	0
Net cash provided by (used in) investing activities	(3,658)	(1,651)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,606	(1,997)
Repayments of lease liabilities	(792)	(721)
Proceeds from long-term borrowings	–	800
Repayments of long-term borrowings	(2,354)	(2,576)
Purchase of treasury shares	(0)	(0)
Dividends paid	(245)	(245)
Dividends paid to non-controlling interests	(2)	(2)
Net cash provided by (used in) financing activities	(1,789)	(4,742)
Net increase (decrease) in cash and cash equivalents	(63)	168
Cash and cash equivalents at beginning of period	3,404	2,621
Cash and cash equivalents at end of period	3,341	2,789