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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

April 30, 2024

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 ordinary general meeting of shareholders: June 27, 2024
Scheduled date of commencing dividend payments: June 28, 2024
Scheduled date of filing annual securities report: June 27, 2024
Availability of supplementary explanatory materials on financial results: Available
Schedule of 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 Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(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, 2024	117,067	12.7	7,516	73.8	7,747	57.8	3,262	183.9
March 31, 2023	103,865	6.2	4,323	328.6	4,910	89.8	1,149	(37.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥6,886 million [–%]
Fiscal year ended March 31, 2023: ¥213 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, 2024	265.88	–	6.4	5.0	6.4
March 31, 2023	93.65	–	2.4	3.3	4.2

(Reference) Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended March 31, 2024: ¥8 million
Fiscal year ended March 31, 2023: ¥(19) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	159,191	59,272	34.0	4,414.38
As of March 31, 2023	150,568	52,879	32.0	3,930.67

(Reference) Equity: As of March 31, 2024: ¥54,171 million
As of March 31, 2023: ¥48,235 million

(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, 2024	9,671	(5,792)	(3,331)	3,169
March 31, 2023	4,891	(6,518)	843	2,621

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, 2023	–	20.00	–	20.00	40.00	490	42.7	1.0
Fiscal year ended March 31, 2024	–	20.00	–	40.00	60.00	736	22.6	1.4
Fiscal year ending March 31, 2025 (Forecast)	–	40.00	–	40.00	80.00		27.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% 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	56,200	(1.2)	2,990	(22.1)	2,940	(26.8)	2,690	4.9	219.21
Full year	113,300	(3.2)	4,520	(39.9)	4,420	(43.0)	3,600	10.3	293.36

*** 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: None
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, 2024: 12,600,000 shares
March 31, 2023: 12,600,000 shares

2) Total number of treasury shares at the end of the year:
March 31, 2024: 328,498 shares
March 31, 2023: 328,383 shares

3) Average number of shares during the year:
Fiscal year ended March 31, 2024: 12,271,546 shares
Fiscal year ended March 31, 2023: 12,271,675 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(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, 2024	50,323	8.3	4,002	69.7	4,646	85.8	2,633	78.3
March 31, 2023	46,469	3.5	2,359	–	2,500	215.1	1,477	67.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	214.60	–
March 31, 2023	120.37	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	101,470	34,217	33.7	2,788.33
As of March 31, 2023	95,798	30,261	31.6	2,465.94

(Reference) Equity: As of March 31, 2024: ¥34,217 million
As of March 31, 2023: ¥30,261 million

<Reasons for differences in non-consolidated financial results between the fiscal years>

The reason for the difference from the previous corresponding period in ordinary profit and net income for the fiscal year ended March 31, 2024 is mainly due to increased sales resulting from fare revision in the passenger bus business.

* 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	2,829	3,370
Notes and accounts receivable - trade, and contract assets	9,499	10,690
Merchandise and finished goods	9,165	12,809
Work in process	74	38
Raw materials and supplies	527	701
Other	3,139	2,506
Allowance for doubtful accounts	(29)	(41)
Total current assets	25,205	30,075
Non-current assets		
Property, plant and equipment		
Buildings and structures	93,558	92,652
Machinery and equipment	6,378	5,868
Vehicles	39,841	41,741
Land	62,818	62,816
Leased assets	8,528	5,994
Construction in progress	306	2,031
Other	6,838	6,651
Accumulated depreciation	(111,111)	(111,277)
Total property, plant and equipment	107,158	106,478
Intangible assets	932	932
Investments and other assets		
Investment securities	14,649	19,068
Deferred tax assets	1,276	1,343
Other	1,360	1,307
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	17,271	21,704
Total non-current assets	125,363	129,115
Total assets	150,568	159,191

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,474	8,674
Short-term borrowings	18,079	14,776
Current portion of bonds payable	–	5,000
Lease liabilities	2,054	1,912
Income taxes payable	856	1,163
Provision for bonuses	2,230	2,402
Other	12,757	15,417
Total current liabilities	43,452	49,346
Non-current liabilities		
Bonds payable	20,000	15,000
Long-term borrowings	16,471	18,333
Lease liabilities	2,538	1,315
Deferred tax liabilities	2,809	3,864
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	3,797	3,667
Long-term guarantee deposits	3,835	3,601
Other	4,781	4,787
Total non-current liabilities	54,236	50,572
Total liabilities	97,689	99,918
Net assets		
Shareholders' equity		
Share capital	3,160	3,160
Capital surplus	723	723
Retained earnings	41,429	44,201
Treasury shares	(938)	(938)
Total shareholders' equity	44,375	47,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,768	6,954
Remeasurements of defined benefit plans	91	70
Total accumulated other comprehensive income	3,860	7,024
Non-controlling interests	4,643	5,101
Total net assets	52,879	59,272
Total liabilities and net assets	150,568	159,191

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales		
Operating revenue-passenger automobile	49,030	54,767
Sales in real estate business	5,898	6,120
Sales in other businesses	48,936	56,179
Total net sales	103,865	117,067
Cost of sales		
Traffic expenses-passenger automobile	43,285	46,162
Cost of sales in real estate business	2,613	2,712
Cost of sales in other businesses	40,023	46,845
Total cost of sales	85,921	95,720
Gross profit	17,943	21,346
Selling, general and administrative expenses		
Selling expenses	9,023	8,940
General and administrative expenses	4,595	4,888
Total selling, general and administrative expenses	13,619	13,829
Operating profit	4,323	7,516
Non-operating income		
Dividend income	289	402
Subsidy income	572	184
Other	138	156
Total non-operating income	1,000	744
Non-operating expenses		
Interest expenses	339	389
Other	74	123
Total non-operating expenses	414	512
Ordinary profit	4,910	7,747
Extraordinary income		
Gain on sale of non-current assets	112	88
Subsidy income	39	60
Gain on sale of investment securities	264	8
Other	29	13
Total extraordinary income	446	169
Extraordinary losses		
Loss on sale of non-current assets	18	13
Loss on retirement of non-current assets	257	770
Loss on tax purpose reduction entry of non-current assets	41	68
Impairment losses	2,108	2,002
Other	2	51
Total extraordinary losses	2,428	2,907
Profit before income taxes	2,928	5,009
Income taxes - current	1,294	1,770
Income taxes - deferred	267	(414)
Total income taxes	1,561	1,355
Profit	1,366	3,654
Profit attributable to non-controlling interests	217	391
Profit attributable to owners of parent	1,149	3,262

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	1,366	3,654
Other comprehensive income		
Valuation difference on available-for-sale securities	(825)	3,253
Deferred gains or losses on hedges	(311)	–
Remeasurements of defined benefit plans, net of tax	(15)	(20)
Total other comprehensive income	(1,153)	3,232
Comprehensive income	213	6,886
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(14)	6,426
Comprehensive income attributable to non-controlling interests	227	460

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,160	723	40,771	(937)	43,717
Changes during period					
Dividends of surplus			(490)		(490)
Profit attributable to owners of parent			1,149		1,149
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	658	(0)	657
Balance at end of period	3,160	723	41,429	(938)	44,375

	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	4,601	311	109	5,023	4,419	53,160
Changes during period						
Dividends of surplus						(490)
Profit attributable to owners of parent						1,149
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(833)	(311)	(18)	(1,163)	224	(938)
Total changes during period	(833)	(311)	(18)	(1,163)	224	(280)
Balance at end of period	3,768	–	91	3,860	4,643	52,879

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,160	723	41,429	(938)	44,375
Changes during period					
Dividends of surplus			(490)		(490)
Profit attributable to owners of parent			3,262		3,262
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	2,771	(0)	2,771
Balance at end of period	3,160	723	44,201	(938)	47,146

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,768	91	3,860	4,643	52,879
Changes during period					
Dividends of surplus					(490)
Profit attributable to owners of parent					3,262
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	3,185	(21)	3,163	457	3,621
Total changes during period	3,185	(21)	3,163	457	6,392
Balance at end of period	6,954	70	7,024	5,101	59,272

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,928	5,009
Depreciation	5,873	5,251
Impairment losses	2,108	2,002
Increase (decrease) in provision for bonuses	258	172
Increase (decrease) in allowance for doubtful accounts	3	11
Increase (decrease) in retirement benefit liability	(110)	(143)
Interest and dividend income	(290)	(404)
Interest expenses	339	389
Share of loss (profit) of entities accounted for using equity method	19	(8)
Loss (gain) on sale and retirement of non-current assets	80	(60)
Loss on tax purpose reduction entry of non-current assets	41	68
Loss (gain) on sale of investment securities	(263)	(6)
Decrease (increase) in trade receivables	(1,574)	(1,199)
Decrease (increase) in inventories	(5,647)	(3,784)
Increase (decrease) in trade payables	1,982	1,208
Increase (decrease) in accrued consumption taxes	(644)	777
Increase (decrease) in guarantee deposits received	(512)	(234)
Decrease (increase) in guarantee deposits	591	46
Other, net	777	2,028
Subtotal	5,961	11,124
Interest and dividends received	297	411
Interest paid	(340)	(388)
Income taxes refund (paid)	(1,026)	(1,476)
Net cash provided by (used in) operating activities	4,891	9,671
Cash flows from investing activities		
Payments into time deposits	(207)	(209)
Proceeds from withdrawal of time deposits	200	215
Purchase of non-current assets	(7,927)	(6,110)
Proceeds from sale of non-current assets	1,128	173
Payments for asset retirement obligations	–	(137)
Purchase of investment securities	(3)	(3)
Proceeds from sale of investment securities	309	242
Proceeds from redemption of investment securities	11	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	13	–
Short-term loan advances	(85)	(0)
Proceeds from collection of short-term loans receivable	45	40
Long-term loan advances	(2)	(2)
Proceeds from collection of long-term loans receivable	0	0
Net cash provided by (used in) investing activities	(6,518)	(5,792)

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,224	(4,389)
Repayments of lease liabilities	(1,569)	(1,398)
Proceeds from long-term borrowings	400	8,300
Repayments of long-term borrowings	(4,717)	(5,352)
Purchase of treasury shares	(0)	(0)
Dividends paid	(490)	(489)
Dividends paid to non-controlling interests	(2)	(2)
Net cash provided by (used in) financing activities	843	(3,331)
Net increase (decrease) in cash and cash equivalents	(783)	547
Cash and cash equivalents at beginning of period	3,404	2,621
Cash and cash equivalents at end of period	2,621	3,169