Financial Results Briefing Materials
For the Fiscal Year Ended March 31, 2024

April 30, 2024

Kanagawa Chuo Kotsu Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2024

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Topics for the Fiscal Year Ended March 31, 2024

◆ Fares were revised for the passenger automobile business in 2023: in July for the passenger bus business and in November for the passenger taxi business.

Financial Results for the Fiscal Year Ended March 31, 2004

[Compared to the previous fiscal year]

◆ Net sales increased compared to the previous fiscal year (+12.7%) driven by the passenger automobile business and the automobile sales business.

- Passenger demand improvement with the downgrading of COVID-19 to a Class 5 infectious disease, as well as fare revision, contributed to the sales increase.
- 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.

◆ Operating profit increased (+73.8%) due to the increase in revenue. Profits increased in all segments.

◆ Profits increased at each income level.

- Ordinary profit (+57.8%) and profit attributable to owners of parent (+183.9%)
- The following extraordinary losses were posted.
  - ▸ Dismantling costs associated with construction works for rebuilding bus offices and rental facilities
  - ▸ Impairment losses (on the resource recycling business, the real estate rental business, etc.)

◆ Management indicators in the previous medium-term management plan (FY2021 – FY2023) were achieved.

- Operating profit margin ..... 6.4% (Indicator: 6.0% or higher)
- Net interest-bearing debt to EBITDA ratio ..... 4.4 times (Indicator: 5.0 times or lower)

[Compared to the Forecast]

◆ The results exceeded both the initial figures announced in April 2023 and the revised figures announced in March 2024, and increases were reported in both revenue and profits.

◆ Annual dividends were 60 yen per share compared to the initial forecast of 40 yen.

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Consolidated Financial Results Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2025

- Consolidated financial results forecast: Compared to the fiscal year ended March 31, 2024, a decrease in net sales is expected due to a decrease in the number of new vehicles sold in the automobile sales business. A decrease in operating profit is expected as a result of improving the compensation for employees and depreciation associated with an increase in capital investment. An increase in profit attributable to owners of parent is expected due to a reactionary decline in extraordinary losses.
- Dividend forecast: Annual dividends of 80 yen per share are planned

Consolidated Statement of Income

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(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease	Fiscal year ended March 31, 2024 Financial results forecast (Announced April 2023)	Increase/decrease
Net sales	**117,067**	**103,865**	**13,201 [12.7%]**	**109,500**	**7,567 [6.9%]**
Passenger automobile business	54,967	49,236	5,731	53,860	1,107
Real estate business	6,130	5,907	222	7,090	(959)
Automobile sales business	37,387	29,022	8,364	29,140	8,247
Other businesses	29,385	27,871	1,513	29,890	(504)
Remeasurements	(10,803)	(8,173)	(2,630)	(10,480)	(323)
Operating profit	**7,516**	**4,323**	**3,192 [73.8%]**	**4,790**	**2,726 [56.9%]**
Passenger automobile business	3,027	633	2,393	1,370	1,657
Real estate business	2,570	2,499	71	2,420	150
Automobile sales business	1,176	723	452	380	796
Other businesses	954	684	270	1,040	(85)
Remeasurements	(211)	(217)	5	(420)	208
Ordinary profit	**7,747**	**4,910**	**2,837 [57.8%]**	**4,770**	**2,977 [62.4%]**
Profit attributable to owners of parent	**3,262**	**1,149**	**2,113 [183.9%]**	**3,040**	**222 [7.3%]**
Basic earnings per share	**265.88 yen**	**93.65 yen**	**172.23 yen**	**247.73 yen**	**18.15 yen**

Depreciation	5,251	5,873	(622)
Capital expenditures	7,431	8,793	(1,362)
EBITDA (Operating profit + Depreciation)	12,767	10,197	2,570

Non-operating Income/Loss and Extraordinary Income/Losses

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(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease	Comments
Non-operating income	744	1,000	(256)	Subsidy income: (387) Dividend income: +113
Non-operating expenses	512	414	98	Interest expense: +49 Other non-operating expenses: +49 (Expenses for closing stores, etc.)
Extraordinary income	169	446	(277)	Gain on sale of investment securities: (256) Gain on sale of non-current assets: (24)
Extraordinary losses	2,907	2,428	479	Loss on retirement of non-current assets: +512 Impairment losses: (105)

Consolidated Balance Sheet

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(Million yen)

	As of March 31, 2024	As of March 31, 2023	Increase/Decrease	Comments
Current assets	30,075	25,205	4,869 [19.3%]	Merchandise and finished goods: +3,643 Notes and accounts receivable - trade, and contract assets: +1,190
Non-current assets	129,115	125,363	3,752 [3.0%]	Investment securities: +4,418 Property, plant and equipment: (679) (Accumulated depreciation, etc.)
Total assets	**159,191**	**150,568**	**8,622 [5.7%]**	
Current liabilities	49,346	43,452	5,893 [13.6%]	Current portion of bonds payable: +5,000 Other current liabilities: +2,659 (Accounts payable for facilities, etc.) Short-term borrowings (3,303)
Non-current liabilities	50,572	54,236	(3,664) [(6.8%)]	Bonds payable: (5,000) Long-term borrowings: +1,862
Total liabilities	**99,918**	**97,689**	**2,229 [2.3%]**	
Total net assets	**59,272**	**52,879**	**6,392 [12.1%]**	Valuation difference on available-for-sale securities: +3,185 Retained earnings: +2,771
Total liabilities and net assets	**159,191**	**150,568**	**8,622 [5.7%]**	

Net assets per share	**4,414.38 yen**	**3,930.67 yen**	**483.71 yen**	
Equity ratio	**34.0%**	**32.0%**	**2.0P**	
Balance of interest-bearing debt (Borrowings, bonds and lease liabilities)	**56,338**	**59,143**	**(2,805)**	Borrowings: (1,441) Lease liabilities: (1,364)

Consolidated Statements of Cash Flows

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(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease	Comments
Cash flows from operating activities	9,671	4,891	4,780 [97.7%]	Profit before income taxes: +2,080 Decrease (increase) in inventories: +1,862
Cash flows from investing activities	(5,792)	(6,518)	725 [11.1%]	Purchase of non-current assets: +1,816 Proceeds from sale of non-current assets: (955)
Cash flows from financing activities	(3,331)	843	(4,175) [(495.1%)]	Net increase (decrease) in short-term borrowings: (11,613) Proceeds from long-term borrowings: +7,900
Net increase (decrease) in cash and cash equivalents	547	(783)	1,330 [169.9%]	
Cash and cash equivalents at end of period	3,169	2,621	547 [20.9%]	
Free cash flows	3,879	(1,626)	5,506 [338.5%]	

Trends in Net Sales and Profits

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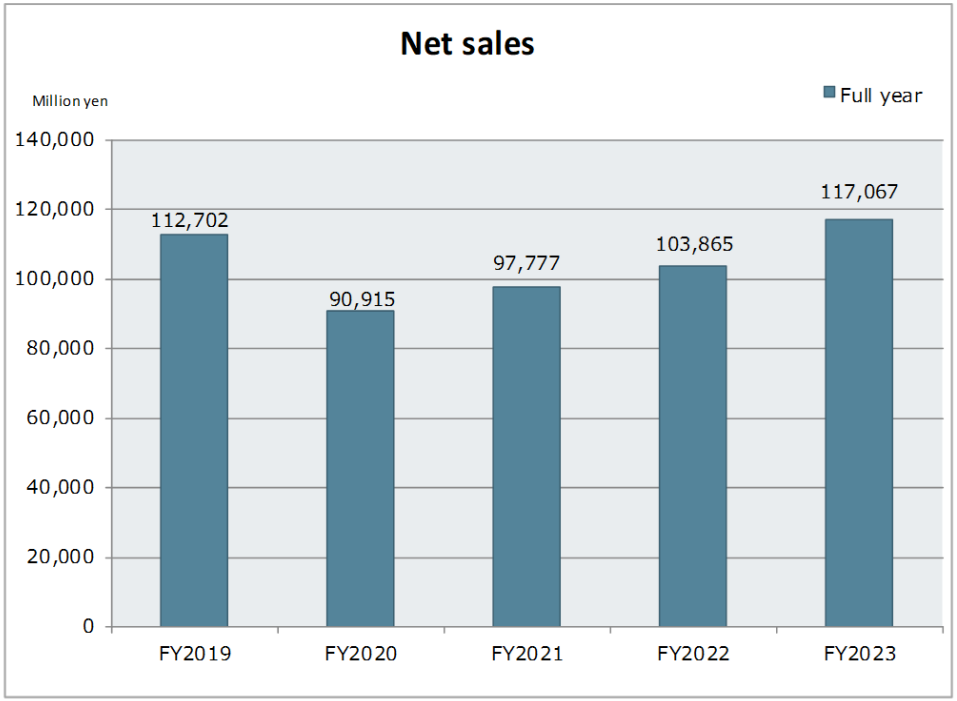

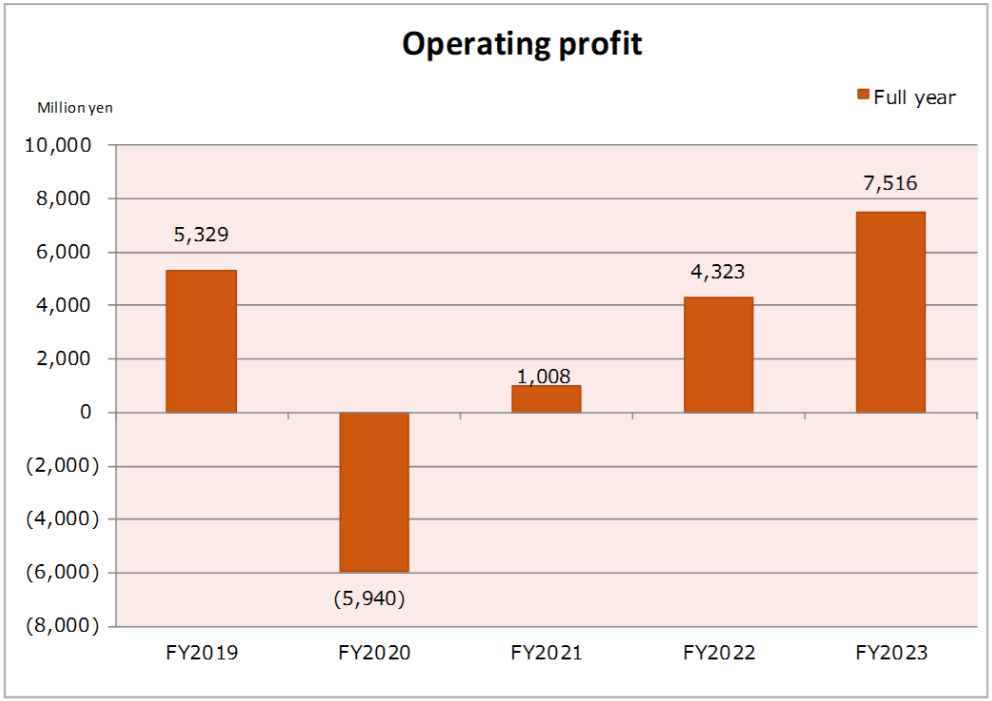

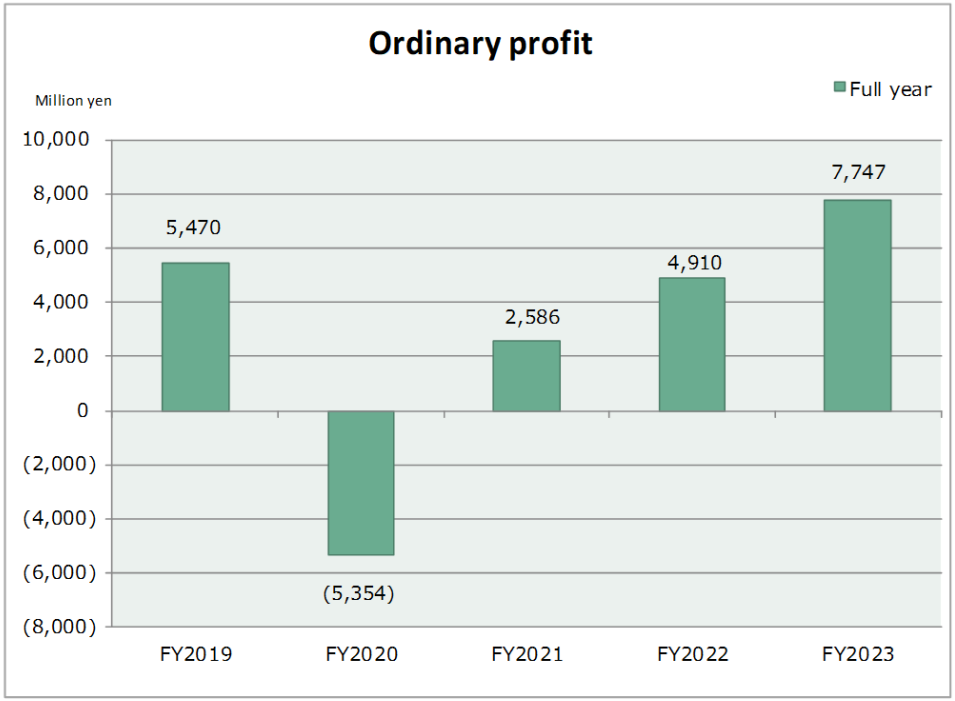

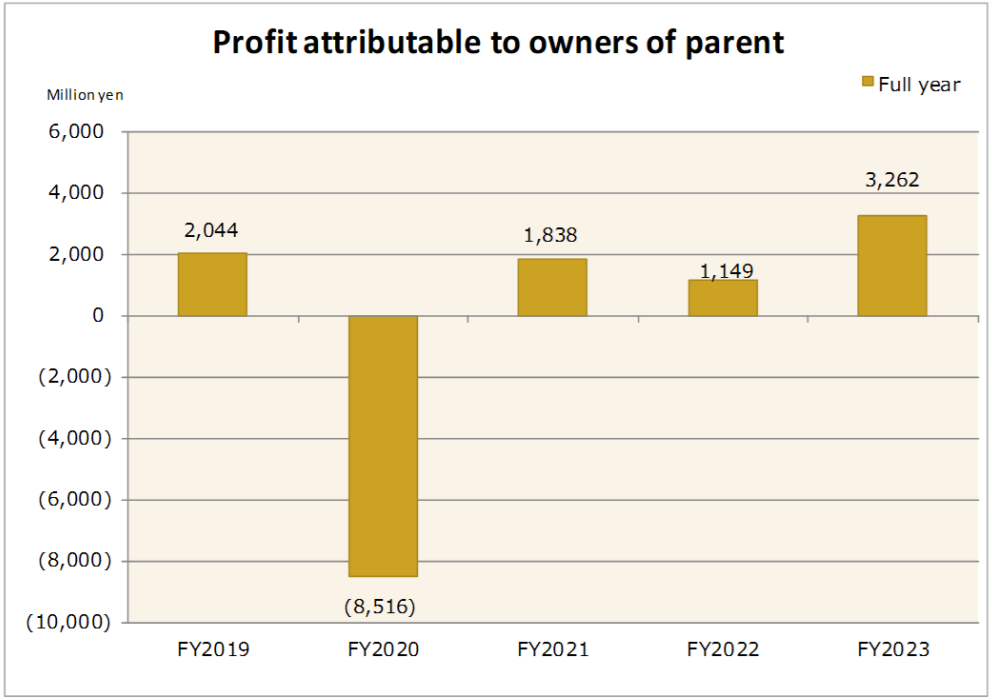

Trends in Capital Investments/EBITDA and Interest-bearing Debt

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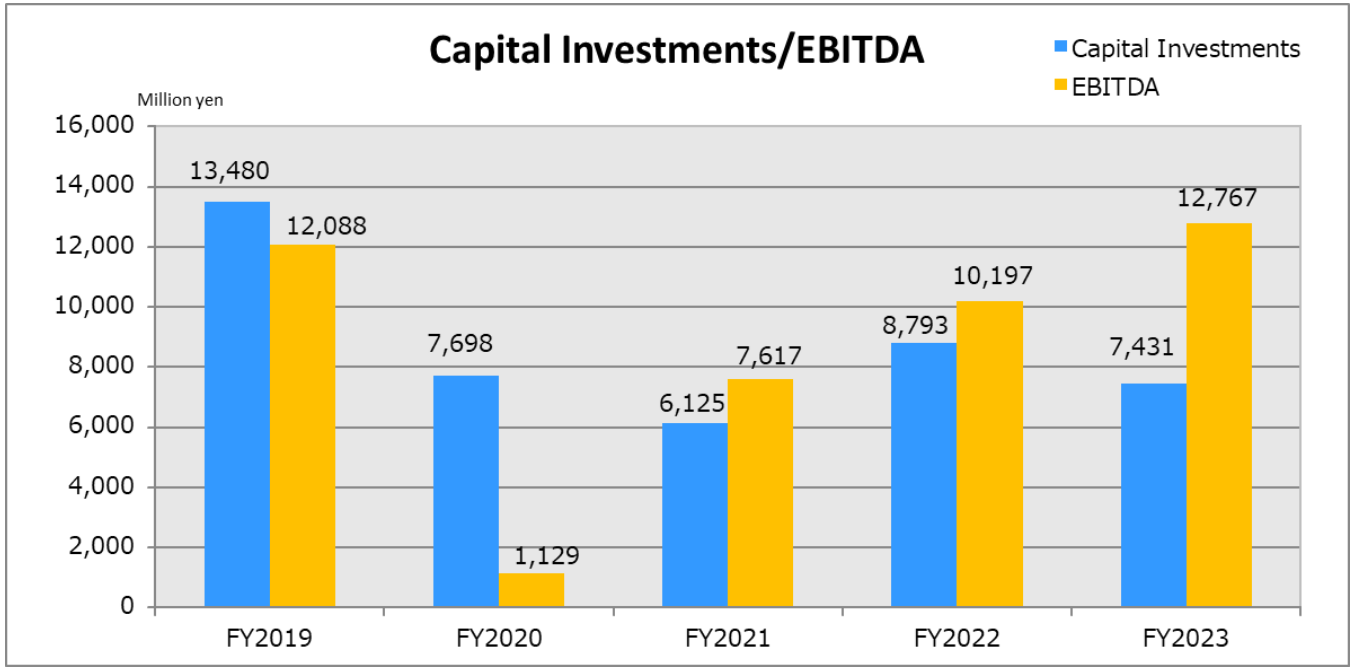

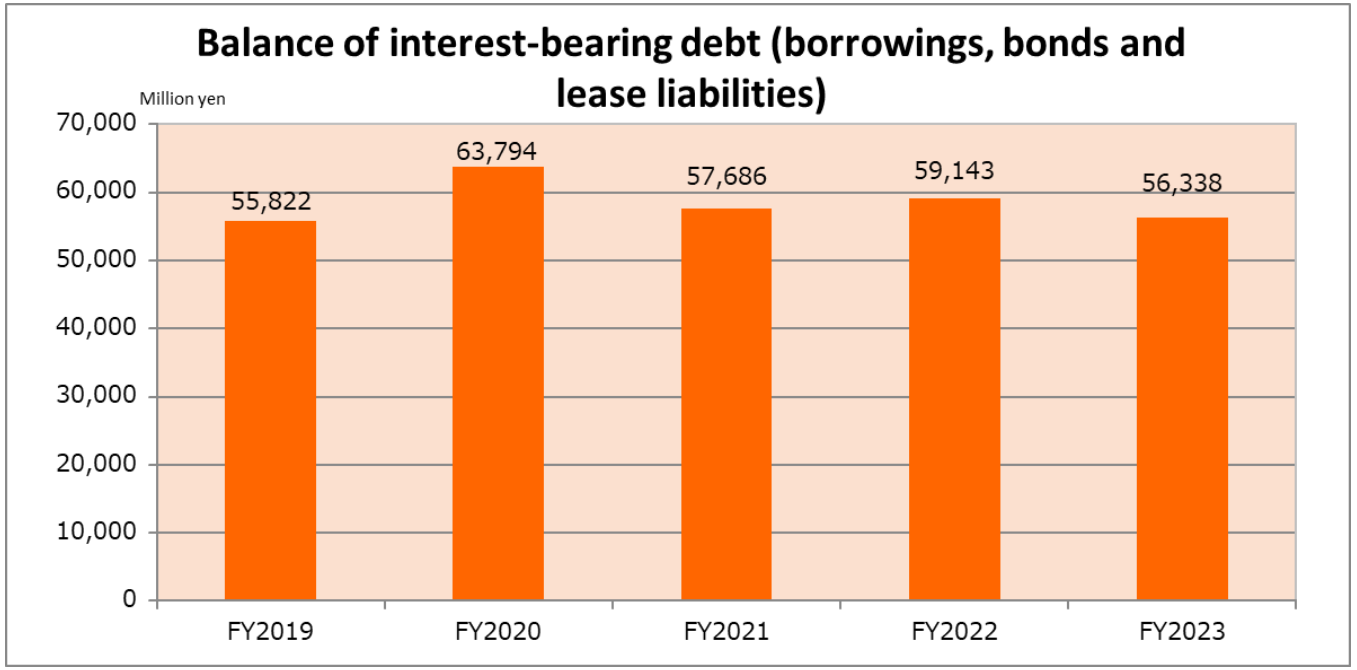

Scope of the Consolidated Financial Results (As of March 31, 2024)

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Kanagawa Chuo Kotsu Group: 18 subsidiaries and 2 affiliates
Including 18 consolidated subsidiaries and
1 affiliate accounted for by the equity method (Oyama Kanko Dentetsu 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)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease	Comments	Fiscal year ended March 31, 2024 Financial results forecast (Announced April 2023)	Increase/decrease
Net sales	54,967	49,236	5,731 [11.6%]	Passenger bus business: +4,811 Chartered bus business: +159 Passenger taxi business: +760	53,860	1,107 [2.1%]
Operating profit	3,027	633	2,393 [377.6%]	Passenger bus business: +1,975 Chartered bus business: +23 Passenger taxi business: +393	1,370	1,657 [121.0%]
Assets	56,033	53,624	2,409			
Depreciation	3,046	3,674	(628)			
Impairment losses	—	1,993	(1,993)			
Capital expenditures	5,548	3,586	1,961			

[Compared to the previous fiscal year]

In the passenger bus business, increases were reported in both revenue and profits due to improved passenger demand and fare revision, 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 in part to the increased orders received for group trip.

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

[Compared to the Forecast (announced in April 2023)]

In the passenger bus business, increases were reported in both revenue and profits with passenger demand exceeding expectations, mainly among passengers with commuting passes.

In the chartered bus business, both revenue and profits decreased due to delayed recovery in group trip and the increase in repair expenses of vehicles, despite continued demand for educational trip.

In the passenger taxi business, both revenue and profits increased due in part to the increase in the number of passenger traffic as a result of securing drivers through strengthened recruitment efforts and curbing the number of retirees.

Segment Information (Passenger Automobile Business)

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease rate
Passengers without commuting passes	139	137	1.4%
Passengers with commuting passes	63	56	13.0%
Total	202	193	4.8%

Segment Information (Real Estate Business)

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(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease	Comments	Fiscal year ended March 31, 2024 Financial results forecast (Announced April 2023)	Increase/decrease
Net sales	6,130	5,907	222 [3.8%]	Rental business: +235 Sales business: (12)	7,090	(959) [(13.5%)]
Operating profit	2,570	2,499	71 [2.8%]	Rental business: +132 Sales business: (61)	2,420	150 [6.2%]
Assets	47,624	44,309	3,315			
Depreciation	1,048	937	110			
Impairment losses	1,027	6	1,021			
Capital expenditures	1,434	4,943	(3,509)			

[Compared to the previous fiscal year]

The rental business reported increases in both revenue and profits due to the full-year contribution by “JIN-CHU Honfujisawa Distribution Center” and “ADVEL Akashicho Building,” of which rental began in the previous fiscal year.

The sales business reported decreases in both revenue and profits due to the completed sales of “PREMIST Shonan Tsujido” in Hatori, Fujisawa city in the previous fiscal year and an increase in expenses such as advertising expenses.

[Compared to the Forecast (announced in April 2023)]

The rental business reported increases in both revenue and profits due to the rise in rent for existing rental properties.

The sales business reported decreases in both revenue and profits due to shortfall in the sales plan for detached houses.

Segment Information (Automobile Sales Business)

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(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease	Comments
Net sales	37,387	29,022	8,364 [28.8%]	Commercial vehicle sales business: +7,146 Import car sales business: +1,218
Operating profit	1,176	723	452 [62.6%]	Commercial vehicle sales business: +416 Import car sales business: +36
Assets	24,974	23,373	1,600	
Depreciation	470	490	(20)	
Impairment losses	15	—	15	
Capital expenditures	364	273	90	

Fiscal year ended March 31, 2024 Financial results forecast (Announced April 2023)	Increase/decrease
29,140	8,247 [28.3%]
380	796 [209.5%]

[Compared to the previous fiscal year]

In the commercial vehicle sales business, both revenue and profits increased as the number of new vehicles sold, mainly trucks, and the number of vehicles serviced increased.

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

[Compared to the Forecast (announced in April 2023)]

The commercial vehicle sales business saw increases in both revenue and profits due to an increase in the number of trucks sold and the number of vehicles serviced.

In the import car sales business, both revenue and profits increased thanks to higher sales unit prices, despite a decrease in the number of new vehicles sold.

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease
Trucks	2,106	1,648	458
Buses	163	127	36
Import cars	526	526	—

Segment Information (Other businesses)

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(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Increase/decrease	Comments	Fiscal year ended March 31, 2024 Financial results forecast (Announced April 2023)	Increase/decrease
Net sales	29,385	27,871	1,513 [5.4%]	Distribution business: +683 Information services business: +417 Commercial vehicle customization business: +393	29,890	(504) [(1.7%)]
Operating profit	954	684	270 [39.4%]	Information services business: +123 Commercial vehicle customization business: +77 Distribution business: +30	1,040	(85) [(8.2%)]
Assets	32,903	35,535	(2,631)			
Depreciation	686	771	(84)			
Impairment losses	960	108	852			
Capital expenditures	316	493	(177)			

[Compared to the previous fiscal year]

The distribution business reported increases in both revenue and profits due to an increase in components sold such as a bus fare box.

The information services business reported increases in both revenue and profits thanks to an increase in sales of onboard equipment for buses such as a dashboard camera and other factors.

In the commercial vehicle customization business, both revenue and profits increased due to the recovery in production by manufacturers, which resulted in an increase in orders received, and other factors.

[Compared to the Forecast (announced in April 2023)]

The resource recycling business reported decreases in both revenue and profits due to decreased demand for recycled products on the side of business partners.

The leisure and sports business reported decreases in both revenue and profits due to a decrease in the number of new members.

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

Financial Results Forecast for the Fiscal Year Ending March 31, 2025
(Announced on April 30, 2024)

Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025

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(Million yen)

		FY ending March 31, 2025 Financial results forecast	FY ended March 31, 2024	Increase/decrease
Net sales		**113,300**	**117,067**	**(3,767) [(3.2%)]**
	Passenger automobile business	56,790	54,967	1,822
	Real estate business	7,420	6,130	1,289
	Automobile sales business	33,660	37,387	(3,727)
	Other businesses	29,800	29,385	414
	Remeasurements	(14,370)	(10,803)	(3,566)
Operating profit		**4,520**	**7,516**	**(2,996) [(39.9%)]**
	Passenger automobile business	1,790	3,027	(1,237)
	Real estate business	1,800	2,570	(770)
	Automobile sales business	410	1,176	(766)
	Other businesses	970	954	15
	Remeasurements	(450)	(211)	(238)
Ordinary profit		**4,420**	**7,747**	**(3,327) [(43.0%)]**
Profit attributable to owners of parent		**3,600**	**3,262**	**337 [10.3%]**
Basic earnings per share		**293.36 yen**	**265.88 yen**	**27.48 yen**

Depreciation	5,850	5,251	598
Capital expenditures	20,350	7,431	12,918
EBITDA (Operating profit + Depreciation)	10,370	12,767	(2,397)

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2025 (Passenger Automobile Business)

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(Million yen)

	FY ending March 31, 2025 Financial results forecast	FY ended March 31, 2024	Increase/decrease	Comments
Net sales	56,790	54,967	1,822 [3.3%]	Passenger bus business: +933 Chartered bus business: +274 Passenger taxi business: +615
Operating profit	1,790	3,027	(1,237) [(40.9%)]	Passenger bus business: (1,217) Chartered bus business: +129 Passenger taxi business: (149)
Depreciation	3,760	3,046	713	
Capital expenditures	13,190	5,548	7,641	

[Compared to the previous fiscal year]

An increases in revenue is expected due to the full-year contribution by fare revision implemented in the previous fiscal year, but a decrease in profits is expected due to an increase in personnel expenses as a result of improving the compensation and the increased depreciation associated with an increase in capital investment.

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2025 (Real Estate Business)

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(Million yen)

	FY ending March 31, 2025 Financial results forecast	FY ended March 31, 2024	Increase/decrease	Comments
Net sales	7,420	6,130	1,289 [21.0%]	Rental business: +83 Sales business: +1,206
Operating profit	1,800	2,570	(770) [(30.0%)]	Rental business: (773) Sales business: +3
Depreciation	990	1,048	(58)	
Capital expenditures	1,720	1,434	285	

[Compared to the previous fiscal year]

In the rental business, an increase in revenue is expected due to the contribution by newly opened properties, but a decrease in profits is expected due to an increase in repair expenses for existing rental properties.

In the sales business, an increase in revenue is expected due to an increase in the number of detached houses sold.

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2025 (Automobile Sales Business)

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(Million yen)

	FY ending March 31, 2025 Financial results forecast	FY ended March 31, 2024	Increase/decrease	Comments
Net sales	33,660	37,387	(3,727) [(10.0%)]	Commercial vehicle sales business: (2,784) Import car sales business: (943)
Operating profit	410	1,176	(766) [(65.1%)]	Commercial vehicle sales business: (616) Import car sales business: (150)
Depreciation	510	470	39	
Capital expenditures	960	364	595	

[Compared to the previous fiscal year]

In the commercial vehicles sales business, decreases in both revenue and profits are expected due to a decrease in the number of trucks sold and a decline in the demand for maintenance.

In the import car sales business, despite an increase in the number of vehicles sold, unit prices will decline due to the model lineup and decreases in both revenue and profits are expected.

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

	FY ending March 31, 2025 Financial results forecast	FY ended March 31, 2024	Increase/decrease
Trucks	1,940	2,106	(166)
Buses	247	163	84
Import cars	558	526	32

Financial Results Forecast by Segment for the Fiscal Year Ending March 31, 2025 (Other Business)

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(Million yen)

	FY ending March 31, 2025 Financial results forecast	FY ended March 31, 2024	Increase/decrease	Comments
Net sales	29,800	29,385	414 [1.4%]	Distribution business: +1,551 Services business (resource recycling, etc.): +255 Food service and amusement business: (861) Information services business: (214)
Operating profit	970	954	15 [1.6%]	Services business: +65 Commercial vehicle customization business: +56 Food service and amusement business: +46 Information services business: (137)
Depreciation	580	686	(106)	
Capital expenditures	4,900	316	4,583	

[Compared to the previous fiscal year]

In the distribution business, an increase in revenue is expected due to the increase of sales of onboard equipment for passenger buses.

In the resource recycling business, increases in both revenue and profits are expected due to the production volume increase in the recycling plant.

In the food service and amusement business, a decrease in revenue and an increase in profits are expected due to the closure of unprofitable stores in the previous fiscal year.

In the Information services business, decreases in both revenue and profits are expected due to a reactionary decline caused by alternatives for onboard equipment for buses, etc. , for which orders were received in the previous fiscal year.

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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