Disclaimer: This document is an English translation of a part 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.

Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

October 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 filing semi-annual securities report: November 13, 2024
Scheduled date of commencing dividend payments: November 21, 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 Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)

(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, 2024	59,271	4.2	5,078	32.4	5,253	30.9	4,635	80.7
September 30, 2023	56,885	13.6	3,836	52.2	4,013	47.5	2,564	32.4

(Note) Comprehensive income: Six months ended September 30, 2024: ¥3,432 million [(39.6)%]
Six months ended September 30, 2023: ¥5,684 million [326.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	377.76	–
September 30, 2023	209.01	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	156,742	62,644	36.5
As of March 31, 2024	159,191	59,706	34.3

(Reference) Equity: As of September 30, 2024: ¥57,236 million
As of March 31, 2024: ¥54,604 million

(Note) Accounting Standard for Current Income Taxes (ASBJ Statement No. 27 (revised 2022), October 28, 2022) and other standards have been applied from the beginning of the six months ended September 30, 2024. Figures for the fiscal year ended March 31, 2024 are retrospectively restated to reflect these accounting standards.

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, 2024	–	20.00	–	40.00	60.00
Fiscal year ending March 31, 2025	–	40.00			
Fiscal year ending March 31, 2025 (Forecast)			–	40.00	80.00

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

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
Full year	116,600	(0.4)	6,150	(18.2)	6,270	(19.1)	4,310	32.1	351.22

(Note) Revision to the financial results forecast announced most recently: Yes

For revision to the consolidated financial results forecast, please refer to the “Notice Concerning Revision to the Financial Results Forecast” and “Financial Results Briefing Materials for the Six Months Ended September 30, 2024” announced today (October 30, 2024).

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

(2) Accounting methods adopted particularly for the preparation of semi-annual 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: Yes
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, 2024:	12,600,000 shares
March 31, 2024:	12,600,000 shares

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

September 30, 2024:	328,582 shares
March 31, 2024:	328,498 shares

3) Average number of shares during the period:

Six months ended September 30, 2024:	12,271,430 shares
Six months ended September 30, 2023:	12,271,584 shares

* Semi-annual financial results reports are exempt from review conducted 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.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,370	3,100
Notes and accounts receivable - trade, and contract assets	10,690	9,390
Merchandise and finished goods	12,809	12,595
Work in process	38	59
Raw materials and supplies	701	689
Other	2,506	2,701
Allowance for doubtful accounts	(41)	(18)
Total current assets	30,075	28,518
Non-current assets		
Property, plant and equipment		
Buildings and structures	92,652	95,005
Vehicles	41,741	40,709
Land	62,816	62,785
Other	20,546	18,919
Accumulated depreciation	(111,277)	(109,539)
Total property, plant and equipment	106,478	107,880
Intangible assets	932	940
Investments and other assets		
Investment securities	19,068	16,952
Other	2,650	2,477
Allowance for doubtful accounts	(14)	(27)
Total investments and other assets	21,704	19,402
Total non-current assets	129,115	128,223
Total assets	159,191	156,742
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,674	6,720
Short-term borrowings	14,776	16,101
Current portion of bonds payable	5,000	5,000
Income taxes payable	1,163	1,024
Provision for bonuses	2,402	2,183
Other	17,329	16,901
Total current liabilities	49,346	47,931
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term borrowings	18,333	15,997
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	3,667	3,601
Other	13,134	11,564
Total non-current liabilities	50,138	46,166
Total liabilities	99,484	94,097

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	3,160	3,160
Capital surplus	723	723
Retained earnings	44,635	48,780
Treasury shares	(938)	(938)
Total shareholders' equity	47,580	51,725
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,954	5,443
Remeasurements of defined benefit plans	70	67
Total accumulated other comprehensive income	7,024	5,511
Non-controlling interests	5,101	5,408
Total net assets	59,706	62,644
Total liabilities and net assets	159,191	156,742

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

For the six months ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales		
Operating revenue-passenger automobile	27,201	29,177
Sales in real estate business	2,830	3,229
Sales in other businesses	26,852	26,864
Total net sales	56,885	59,271
Cost of sales		
Traffic expenses-passenger automobile	23,114	23,753
Cost of sales in real estate business	1,019	1,510
Cost of sales in other businesses	22,275	22,193
Total cost of sales	46,409	47,456
Gross profit	10,475	11,814
Selling, general and administrative expenses		
Selling expenses	4,271	4,163
General and administrative expenses	2,368	2,572
Total selling, general and administrative expenses	6,639	6,736
Operating profit	3,836	5,078
Non-operating income		
Dividend income	226	237
Subsidy income	104	84
Other	66	100
Total non-operating income	397	422
Non-operating expenses		
Interest expenses	163	188
Other	57	59
Total non-operating expenses	220	247
Ordinary profit	4,013	5,253
Extraordinary income		
Gain on sale of non-current assets	7	53
Subsidy income	36	168
Other	16	—
Total extraordinary income	61	222
Extraordinary losses		
Loss on retirement of non-current assets	151	194
Loss on tax purpose reduction entry of non-current assets	44	165
Impairment losses	128	57
Other	7	13
Total extraordinary losses	332	430
Profit before income taxes	3,742	5,044
Income taxes - current	929	975
Income taxes - deferred	23	(830)
Total income taxes	953	144
Profit	2,789	4,900
Profit attributable to non-controlling interests	224	264
Profit attributable to owners of parent	2,564	4,635

Semi-annual Consolidated Statements of Comprehensive Income

For the six months ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	2,789	4,900
Other comprehensive income		
Valuation difference on available-for-sale securities	2,900	(1,469)
Remeasurements of defined benefit plans, net of tax	(5)	1
Total other comprehensive income	2,895	(1,467)
Comprehensive income	5,684	3,432
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,430	3,122
Comprehensive income attributable to non-controlling interests	253	309

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,742	5,044
Depreciation	2,604	2,615
Impairment losses	128	57
Increase (decrease) in provision for bonuses	(178)	(219)
Increase (decrease) in allowance for doubtful accounts	11	(9)
Increase (decrease) in retirement benefit liability	(48)	(64)
Interest and dividend income	(228)	(239)
Interest expenses	163	188
Share of loss (profit) of entities accounted for using equity method	8	15
Loss (gain) on sale and retirement of non-current assets	(4)	(37)
Loss on tax purpose reduction entry of non-current assets	44	165
Loss (gain) on sale of investment securities	(8)	—
Decrease (increase) in trade receivables	(203)	1,299
Decrease (increase) in inventories	(1,989)	215
Increase (decrease) in trade payables	(274)	(1,954)
Increase (decrease) in accrued consumption taxes	658	(564)
Increase (decrease) in guarantee deposits received	(157)	(68)
Decrease (increase) in guarantee deposits	(1)	52
Other, net	3,056	1,123
Subtotal	7,322	7,617
Interest and dividends received	235	239
Interest paid	(140)	(156)
Income taxes refund (paid)	(854)	(1,106)
Net cash provided by (used in) operating activities	6,562	6,594
Cash flows from investing activities		
Payments into time deposits	(106)	(206)
Proceeds from withdrawal of time deposits	104	207
Purchase of non-current assets	(1,659)	(4,850)
Proceeds from sale of non-current assets	8	89
Payments for asset retirement obligations	—	(108)
Purchase of investment securities	(1)	(2)
Proceeds from sale of investment securities	9	—
Short-term loan advances	(2)	(4)
Proceeds from collection of short-term loans receivable	—	0
Long-term loan advances	(1)	(2)
Proceeds from collection of long-term loans receivable	0	0
Net cash provided by (used in) investing activities	(1,651)	(4,875)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,997)	765
Repayments of lease liabilities	(721)	(485)
Proceeds from long-term borrowings	800	—
Repayments of long-term borrowings	(2,576)	(1,776)
Purchase of treasury shares	(0)	(0)
Dividends paid	(245)	(488)
Dividends paid to non-controlling interests	(2)	(2)
Net cash provided by (used in) financing activities	(4,742)	(1,987)
Net increase (decrease) in cash and cash equivalents	168	(268)
Cash and cash equivalents at beginning of period	2,621	3,169
Cash and cash equivalents at end of period	2,789	2,900