

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.



April 30, 2025

Company name: Kanagawa Chuo Kotsu Co., Ltd.
Representative: Masayuki Imai,
Representative Director and President
Code number: 9081 (Prime Market, Tokyo Stock Exchange)
Contact: Daisuke Murayama,
IR Manager, Corporate Strategy Department
(Phone: +81-463-22-8894)

Notice Concerning Progress of the “Kanachu Group Medium-term Management Plan (FY2024 – FY2026)”

Kanagawa Chuo Kotsu Co., Ltd. (the “Company”) hereby announces the progress of its “Kanachu Group Medium-term Management Plan (FY2024 – FY2026),” which was announced in April 2024.

1. Long-term Vision “Vision 2030 NEXT Kanachu”

Looking to bring to reality our vision, which is “To continue meeting the diverse needs of our customers, we will flexibly respond to the changing times and continue to take on the challenge of creating new services,” in April 2023 the Group announced “Vision 2030 NEXT Kanachu: Aspiring to be a local value-creating company,” the final year of which is set as FY2030.

This long-term vision sets forth three policies, namely, “**to create local value,**” “**to rebuild our business portfolio,**” and “**to promote sustainability management.**”

2. Progress of the “Kanachu Group Medium-term Management Plan (FY2024– FY2026)”

In April 2024, we launched our Medium-term Management Plan for the three-year period ending in FY2026, positioning it as the first stage of a “Leap Forward Phase” toward the realization of our long-term vision, and addressing the following three priority issues and three key strategies.

(1) Three priority issues and three key strategies

1) Realize sustainable mobility services

The Company conducted AI on-demand bus field trials in the Tenjincho area of Fujisawa City from June 2024, and autonomously driven bus field trials at the south exit of Hiratsuka Station from December 2024 to January 2025.

We will continue efforts to realize “sustainable mobility services” through ongoing field trials of autonomously driven buses and AI on-demand buses.

2) Strengthen the real estate-related domain

Together with the high-level utilization of Company-held assets at the Fujisawa Bridge site and other areas, and promoting “Besel” series detached houses, mainly in the Shonan area, we also worked to consolidate and strengthen our building management business.

In addition to continuing high-level utilization of Company-held assets, we will enter into business collaborations for condominiums and bolster the brokerage business, and push to expand the building management business.

3) Contribute to “enriching lives”

In our pursuit of safety and security, we are further striving to prevent accidents by introducing a transmitter-type drive recorder and a hazardous behavior detection system. Moreover, we participated in traffic safety classes and other local events in our operating area, and aimed to co-create with the local community by concluding a comprehensive cooperation agreement with Meiji Yasuda Life Insurance Company with goals including regional revitalization.

We will continue to contribute to “enriching lives” by expanding on the subcontracting of Kanachu Sports Design’s elementary school swimming initiative and by participating in area events to revitalize the local community.

4) Environmental strategy

In addition to deploying five EV buses to achieve the intermediary goal of the Kanachu Group carbon neutrality roadmap (a 35% reduction in CO₂ emissions in FY2030 compared to FY2013 levels), the Company worked toward realizing a sustainable society by having conducted publicity by establishing an environmental preservation promotion logo and also participated in the Kanagawa Prefecture’s Forest Regeneration Partnership Program.

We will continue to deploy EVs in our passenger taxi business, while also persisting to introduce EV buses as we endeavor to achieve carbon neutrality.

5) Human resources strategy

Having announced our Health Management Declaration in March 2024, we worked to improve the health of our employees. In addition, with the intent of alleviating the shortage of drivers, we tackled various initiatives, including to improve compensation and the workplace environment, as well as to develop a customer harassment policy.

We remain committed to creating a workplace where diverse human resources can thrive, and we will also endeavor to increasingly employ workers.

6) Digital strategy

With an eye toward digitizing customer contact points and routine operations, we worked to improve productivity and operational efficiency by introducing a vehicle dispatch system in the passenger taxi business as well as an operational recording system in the passenger bus business. In addition, we promoted the development of IT infrastructure, keeping information security enhancement in mind.

We will continue to expand cashless payment in the passenger bus business, as well as improve the IT infrastructure and security measures of Group companies.

(2) Numerical plans

Results in FY2024 amounted to operating profit of 7.3 billion yen and profit of 5.0 billion yen, exceeding plans due to lower depreciation in the passenger automobile business and higher unit sales prices in the automobile sales business.

For FY2025 and beyond, the Company plans to grow steadily toward the FY2030 target, although profit will temporarily decline due to an increased burden of depreciation.

(Million yen)

	FY2024 (Initial plans)	FY2024 (Actual)	FY2025 (Initial plans)	FY2025 (Forecast)	FY2026 (Initial plans)	FY2026 (Projections)
Net sales	113,300	118,149	115,000	119,700	122,000	126,700
Operating profit	4,520	7,388	4,800	4,870	6,000	6,000
Ordinary profit	4,420	7,745	4,500	4,650	5,600	5,600
Profit attributable to owners of parent	3,600	5,083	2,500	2,520	3,600	3,600
Operating profit margin	4.0%	6.3%	4.2%	4.1%	4.9%	4.7%
EBITDA	10,370	12,974	11,600	11,460	13,600	13,400
Net interest-bearing debt	77,140	61,876	84,000	74,340	92,600	78,400
Net interest-bearing debt/EBITDA ratio	7.4x	4.8x	7.2x	6.5x	6.8x	5.8x
Return on Equity (ROE)	6.5%	9.1%	4.4%	4.3%	6.0%	6.0%
Capital investments	20,350	13,509	10,500	15,800	18,600	11,100

(Reference) Numerical plans by segment

1) Passenger automobile business

(Million yen)

	FY2024 (Initial plans)	FY2024 (Actual)	FY2025 (Initial plans)	FY2025 (Forecast)	FY2026 (Initial plans)	FY2026 (Projections)
Net sales	56,790	57,219	57,100	57,640	57,700	58,600
Operating profit	1,790	2,799	1,700	1,700	2,100	2,300
Operating profit margin	3.2%	4.9%	3.0%	2.9%	3.6%	3.9%
Capital investments	13,190	11,326	6,900	8,890	6,700	7,000

(Difference from initial plans)

- Higher net sales owing to increased passenger demand, although the increase in operating profit is slight on account of increased personnel expenses due to efforts taken to improve compensation.
- Capital investments increase due to revisions to plans for vehicle purchases.

2) Real estate business

(Million yen)

	FY2024 (Initial plans)	FY2024 (Actual)	FY2025 (Initial plans)	FY2025 (Forecast)	FY2026 (Initial plans)	FY2026 (Projections)
Net sales	7,420	6,723	7,900	7,590	12,400	12,100
Operating profit	1,800	2,179	1,800	1,640	2,300	2,100
Operating profit margin	24.3%	32.4%	22.8%	21.6%	18.5%	17.4%
Capital investments	1,720	963	2,400	2,250	8,700	2,700

(Difference from initial plans)

- Decrease in both revenue and profit on account of revised condominium plans and repair expenses.
- Capital investments fluctuate due to revision of plan timing for new lease properties.

3) Automobile sales business

(Million yen)

	FY2024 (Initial plans)	FY2024 (Actual)	FY2025 (Initial plans)	FY2025 (Forecast)	FY2026 (Initial plans)	FY2026 (Projections)
Net sales	33,660	38,586	34,100	38,780	34,600	37,900
Operating profit	410	1,405	400	770	500	800
Operating profit margin	1.2%	3.6%	1.2%	2.0%	1.4%	2.1%
Capital investments	960	812	100	170	100	100

(Difference from initial plans)

- Revenue and profit increase owing to revisions to sales plans.

4) Other businesses

(Million yen)

	FY2024 (Initial plans)	FY2024 (Actual)	FY2025 (Initial plans)	FY2025 (Forecast)	FY2026 (Initial plans)	FY2026 (Projections)
Net sales	29,800	30,788	28,200	28,330	29,200	28,900
Operating profit	970	1,375	1,000	1,090	1,100	1,000
Operating profit margin	3.3%	4.5%	3.5%	3.8%	3.8%	3.5%
Capital investments	4,900	737	1,100	4,640	3,100	1,300

(Difference from initial plans)

- Fluctuation in capital investments due to the timing deviation for office and plant relocation work in the commercial vehicle customization business.

3. Target management indicators

In order to ensure financial soundness and to engage in management with steady profit growth and cost of capital in mind, we have established the following management indicators as our target values and aim to realize our long-term vision.

Management indicators		FY2026 (Planned)	(Reference) FY2030 (targets)
Profit growth	Operating profit	6.0 billion yen	7.6 billion yen+ (Record high profit)
Ensure financial soundness	Net interest-bearing debt/EBITDA ratio	6x range	5x range
Management conscious of capital cost	Return on Equity (ROE)	6% level	7% level