

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

Company name: CTS Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4345 URL <https://www.cts-h.co.jp>
 Representative: Representative Director and President Taizo Yokoshima
 Operating Officer Accounting & Finance
 Inquiries: Manager Makio Kitahara TEL 0268-26-3700
 Scheduled date to file Quarterly Securities Report: February 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	7,955	5.8	1,976	16.6	1,913	18.0	1,309	19.5
Nine months ended December 31, 2020	7,519	9.6	1,694	22.6	1,622	19.1	1,096	17.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	30.86		–	
Nine months ended December 31, 2020	25.68		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	14,159	9,223	65.1
As of March 31, 2021	13,115	8,789	67.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	6.00	–	8.00	14.00
Year ending March 31, 2022	–	7.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	11.00	18.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,600	6.3	2,550	14.4	2,460	15.6	1,720	18.1	40.54

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	43,400,000 shares	As of March 31, 2021	43,400,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	1,020,845 shares	As of March 31, 2021	720,845 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	42,449,188 shares	Nine months ended December 31, 2020	42,679,155 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	6,216	5,645
Notes and accounts receivable - trade	1,693	1,839
Inventories	460	444
Other	196	420
Allowance for doubtful accounts	(4)	(15)
Total current assets	8,563	8,334
Non-current assets		
Property, plant and equipment		
Leased assets, net	2,275	2,431
Other, net	1,802	1,790
Total property, plant and equipment	4,078	4,222
Intangible assets	53	151
Investments and other assets		
Other	422	1,452
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	420	1,451
Total non-current assets	4,552	5,824
Total assets	13,115	14,159
Liabilities		
Current liabilities		
Notes and accounts payable - trade	499	478
Income taxes payable	378	298
Other	1,661	2,252
Total current liabilities	2,539	3,029
Non-current liabilities		
Lease obligations	1,570	1,659
Other	215	247
Total non-current liabilities	1,786	1,907
Total liabilities	4,326	4,936
Net assets		
Shareholders' equity		
Share capital	425	425
Capital surplus	2,399	2,399
Retained earnings	6,393	7,065
Treasury shares	(460)	(722)
Total shareholders' equity	8,758	9,168
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31	54
Total accumulated other comprehensive income	31	54
Total net assets	8,789	9,223
Total liabilities and net assets	13,115	14,159

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	7,519	7,955
Cost of sales	4,055	4,036
Gross profit	3,463	3,919
Selling, general and administrative expenses	1,769	1,943
Operating profit	1,694	1,976
Non-operating income		
Dividend income	1	21
Other	4	7
Total non-operating income	5	28
Non-operating expenses		
Interest expenses	31	35
Share of loss of entities accounted for using equity method	46	56
Total non-operating expenses	78	91
Ordinary profit	1,622	1,913
Extraordinary income		
Gain on sale of investment securities	–	20
Total extraordinary income	–	20
Profit before income taxes	1,622	1,934
Income taxes - current	524	615
Income taxes - deferred	1	8
Total income taxes	525	624
Profit	1,096	1,309
Profit attributable to owners of parent	1,096	1,309

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,096	1,309
Other comprehensive income		
Valuation difference on available-for-sale securities	18	23
Total other comprehensive income	18	23
Comprehensive income	1,114	1,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,114	1,333
Comprehensive income attributable to non-controlling interests	—	—