

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 28, 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 of ordinary general meeting of shareholders: June 17, 2022
 Scheduled date to file Securities Report: June 17, 2022
 Scheduled date to commence dividend payments: June 1, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

((Amounts less than one million yen are rounded down))

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	10,542	5.8	2,628	17.9	2,535	19.2	1,731	18.8
Year ended March 31, 2021	9,968	8.7	2,228	20.3	2,127	17.0	1,456	16.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	40.80	–	18.7	18.5	24.9
Year ended March 31, 2021	34.14	–	17.5	17.1	22.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	14,361	9,743	67.8	229.92
As of March 31, 2021	13,115	8,789	67.0	205.94

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	2,905	(2,262)	(1,686)	5,172
Year ended March 31, 2021	2,328	(377)	(1,271)	6,216

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	6.00	–	8.00	14.00	597	41.0	7.2
Year ended March 31, 2022	–	7.00	–	11.00	18.00	762	44.1	8.3
Year ending March 31, 2023 (Forecast)	–	10.50	–	11.50	22.00		49.3	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	5,460	6.9	1,250	4.4	1,250	9.0	844	7.1	19.92
Full year	11,200	6.2	2,820	7.3	2,800	10.4	1,890	9.2	44.60

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	1,020,845 shares	As of March 31, 2021	720,845 shares
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Average number of shares during the period

Year ended March 31, 2022	42,431,680 shares	Year ended March 31, 2021	42,679,155 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	6,216	5,172
Notes and accounts receivable - trade	1,693	1,795
Inventories	460	312
Other	196	157
Allowance for doubtful accounts	(4)	(14)
Total current assets	8,563	7,422
Non-current assets		
Property, plant and equipment		
Property for rental	868	874
Accumulated depreciation	(837)	(836)
Property for rental, net	31	37
Buildings and structures	1,210	1,211
Accumulated depreciation	(478)	(515)
Buildings and structures, net	732	695
Land	1,022	1,022
Leased assets	3,738	4,093
Accumulated depreciation	(1,462)	(1,724)
Leased assets, net	2,275	2,368
Other	265	268
Accumulated depreciation	(249)	(227)
Other, net	16	40
Total property, plant and equipment	4,078	4,164
Intangible assets	53	140
Investments and other assets		
Investment securities	53	2,329
Other	369	304
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	420	2,632
Total non-current assets	4,552	6,938
Total assets	13,115	14,361

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	499	458
Electronically recorded obligations - operating	559	567
Lease liabilities	730	810
Income taxes payable	378	523
Other	371	394
Total current liabilities	2,539	2,753
Non-current liabilities		
Lease liabilities	1,570	1,590
Other	215	273
Total non-current liabilities	1,786	1,864
Total liabilities	4,326	4,617
Net assets		
Shareholders' equity		
Share capital	425	425
Capital surplus	2,399	2,399
Retained earnings	6,393	7,486
Treasury shares	(460)	(722)
Total shareholders' equity	8,758	9,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31	154
Total accumulated other comprehensive income	31	154
Total net assets	8,789	9,743
Total liabilities and net assets	13,115	14,361

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	9,968	10,542
Cost of sales	5,288	5,313
Gross profit	4,679	5,229
Selling, general and administrative expenses	2,451	2,601
Operating profit	2,228	2,628
Non-operating income		
Dividend income	1	21
Insurance claim income	1	–
Gain on sale of non-current assets	–	3
Other	6	4
Total non-operating income	8	29
Non-operating expenses		
Interest expenses	43	48
Share of loss of entities accounted for using equity method	66	74
Total non-operating expenses	109	122
Ordinary profit	2,127	2,535
Extraordinary income		
Gain on sale of investment securities	14	20
Total extraordinary income	14	20
Profit before income taxes	2,141	2,555
Income taxes - current	692	827
Income taxes - deferred	(7)	(2)
Total income taxes	684	824
Profit	1,456	1,731
Profit attributable to owners of parent	1,456	1,731

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,456	1,731
Other comprehensive income		
Valuation difference on available-for-sale securities	10	122
Total other comprehensive income	10	122
Comprehensive income	1,467	1,853
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,467	1,853
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	425	2,399	5,457	(460)	7,821	20	20	7,842
Changes during period								
Dividends of surplus			(520)		(520)			(520)
Profit attributable to owners of parent			1,456		1,456			1,456
Purchase of treasury shares								-
Net changes in items other than shareholders' equity						10	10	10
Total changes during period	-	-	936	-	936	10	10	947
Balance at end of period	425	2,399	6,393	(460)	8,758	31	31	8,789

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	425	2,399	6,393	(460)	8,758	31	31	8,789
Changes during period								
Dividends of surplus			(638)		(638)			(638)
Profit attributable to owners of parent			1,731		1,731			1,731
Purchase of treasury shares				(261)	(261)			(261)
Net changes in items other than shareholders' equity						122	122	122
Total changes during period	-	-	1,092	(261)	831	122	122	954
Balance at end of period	425	2,399	7,486	(722)	9,589	154	154	9,743

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,141	2,555
Depreciation	836	905
Increase (decrease) in allowance for doubtful accounts	(2)	10
Interest and dividend income	(1)	(21)
Interest expenses	43	48
Loss (gain) on sale of property, plant and equipment	–	(3)
Loss (gain) on sale of investment securities	(14)	(20)
Share of loss (profit) of entities accounted for using equity method	66	74
Decrease (increase) in trade receivables	(60)	(118)
Decrease (increase) in inventories	(32)	147
Increase (decrease) in trade payables	24	(33)
Other, net	68	75
Subtotal	3,070	3,620
Interest and dividends received	1	21
Interest paid	(43)	(48)
Income taxes paid	(698)	(688)
Net cash provided by (used in) operating activities	2,328	2,905
Cash flows from investing activities		
Purchase of property, plant and equipment	(375)	(62)
Proceeds from sale of property, plant and equipment	–	4
Purchase of intangible assets	(23)	(124)
Purchase of investment securities	–	(2,102)
Proceeds from sale of investment securities	17	22
Other, net	3	(1)
Net cash provided by (used in) investing activities	(377)	(2,262)
Cash flows from financing activities		
Purchase of treasury shares	–	(261)
Repayments of lease liabilities	(751)	(785)
Dividends paid	(520)	(640)
Net cash provided by (used in) financing activities	(1,271)	(1,686)
Net increase (decrease) in cash and cash equivalents	680	(1,044)
Cash and cash equivalents at beginning of period	5,536	6,216
Cash and cash equivalents at end of period	6,216	5,172