

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 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
 Director and Operating Officer Accounting & Finance Manager Makio Kitahara
 Inquiries: TEL 0268-26-3700
 Scheduled date to file Quarterly Securities Report: August 12, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	2,587	5.4	531	0.2	529	4.5	354	1.9
Three months ended June 30, 2021	2,456	8.7	530	21.2	506	22.5	347	26.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	8.36		–	
Three months ended June 30, 2021	8.17		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	13,750	9,596	69.8
As of March 31, 2022	14,361	9,743	67.8

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, 2022	–	7.00	–	11.00	18.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		10.50	–	11.50	22.00

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 three months ended June 30, 2022
 (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: No
- 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 June 30, 2022	43,400,000 shares	As of March 31, 2022	43,400,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,020,845 shares	As of March 31, 2022	1,020,845 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	42,379,155 shares	Three months ended June 30, 2021	42,589,255 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	5,172	4,940
Notes and accounts receivable - trade	1,795	1,677
Inventories	312	307
Other	157	180
Allowance for doubtful accounts	(14)	(2)
Total current assets	7,422	7,103
Non-current assets		
Property, plant and equipment		
Leased assets, net	2,368	2,184
Other, net	1,796	1,781
Total property, plant and equipment	4,164	3,965
Intangible assets	140	132
Investments and other assets		
Investment securities	2,329	2,278
Other	304	283
Allowance for doubtful accounts	(1)	(12)
Total investments and other assets	2,632	2,549
Total non-current assets	6,938	6,646
Total assets	14,361	13,750
Liabilities		
Current liabilities		
Accounts payable - trade	458	513
Income taxes payable	523	142
Other	1,771	1,819
Total current liabilities	2,753	2,475
Non-current liabilities		
Lease liabilities	1,590	1,421
Other	273	256
Total non-current liabilities	1,864	1,678
Total liabilities	4,617	4,153
Net assets		
Shareholders' equity		
Share capital	425	3,000
Capital surplus	2,399	–
Retained earnings	7,486	7,199
Treasury shares	(722)	(722)
Total shareholders' equity	9,589	9,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	154	118
Total accumulated other comprehensive income	154	118
Total net assets	9,743	9,596
Total liabilities and net assets	14,361	13,750

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	2,456	2,587
Cost of sales	1,290	1,369
Gross profit	1,165	1,218
Selling, general and administrative expenses	634	686
Operating profit	530	531
Non-operating income		
Dividend income	0	59
Other	1	1
Total non-operating income	2	60
Non-operating expenses		
Interest expenses	11	13
Share of loss of entities accounted for using equity method	15	31
Taxes and dues	–	18
Total non-operating expenses	27	63
Ordinary profit	506	529
Extraordinary income		
Gain on sale of investment securities	10	–
Total extraordinary income	10	–
Profit before income taxes	516	529
Income taxes - current	152	159
Income taxes - deferred	16	14
Total income taxes	169	174
Profit	347	354
Profit attributable to owners of parent	347	354

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	347	354
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(35)
Total other comprehensive income	(2)	(35)
Comprehensive income	345	318
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	345	318
Comprehensive income attributable to non-controlling interests	—	—