

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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: February 14, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	8,152	2.5	1,990	0.7	2,033	6.3	1,294	(1.2)
Nine months ended December 31, 2021	7,955	5.8	1,976	16.6	1,913	18.0	1,309	19.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	30.54		–	
Nine months ended December 31, 2021	30.86		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	14,535	10,126	69.7
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	–	10.50	–		
Year ending March 31, 2023 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	42,379,155 shares	Nine months ended December 31, 2021	42,449,188 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	5,172	6,437
Notes and accounts receivable - trade	1,795	1,731
Inventories	312	390
Other	157	408
Allowance for doubtful accounts	(14)	(2)
Total current assets	7,422	8,966
Non-current assets		
Property, plant and equipment		
Leased assets, net	2,368	2,099
Other, net	1,796	1,752
Total property, plant and equipment	4,164	3,851
Intangible assets	140	123
Investments and other assets		
Investment securities	2,329	1,488
Other	304	115
Allowance for doubtful accounts	(1)	(8)
Total investments and other assets	2,632	1,594
Total non-current assets	6,938	5,569
Total assets	14,361	14,535
Liabilities		
Current liabilities		
Accounts payable - trade	458	504
Income taxes payable	523	249
Other	1,771	2,060
Total current liabilities	2,753	2,814
Non-current liabilities		
Lease liabilities	1,590	1,334
Other	273	259
Total non-current liabilities	1,864	1,594
Total liabilities	4,617	4,408
Net assets		
Shareholders' equity		
Share capital	425	3,000
Capital surplus	2,399	–
Retained earnings	7,486	7,694
Treasury shares	(722)	(722)
Total shareholders' equity	9,589	9,972
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	154	153
Total accumulated other comprehensive income	154	153
Total net assets	9,743	10,126
Total liabilities and net assets	14,361	14,535

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, 2021	Nine months ended December 31, 2022
Net sales	7,955	8,152
Cost of sales	4,036	4,088
Gross profit	3,919	4,063
Selling, general and administrative expenses	1,943	2,073
Operating profit	1,976	1,990
Non-operating income		
Dividend income	21	106
Gain on sale of investment securities	–	182
Other	7	5
Total non-operating income	28	294
Non-operating expenses		
Interest expenses	35	37
Share of loss of entities accounted for using equity method	56	196
Taxes and dues	–	18
Total non-operating expenses	91	251
Ordinary profit	1,913	2,033
Extraordinary income		
Gain on sale of investment securities	20	–
Total extraordinary income	20	–
Extraordinary losses		
Loss on valuation of investment securities	–	60
Total extraordinary losses	–	60
Profit before income taxes	1,934	1,973
Income taxes - current	615	669
Income taxes - deferred	8	9
Total income taxes	624	679
Profit	1,309	1,294
Profit attributable to owners of parent	1,309	1,294

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,309	1,294
Other comprehensive income		
Valuation difference on available-for-sale securities	23	(0)
Total other comprehensive income	23	(0)
Comprehensive income	1,333	1,293
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,333	1,293
Comprehensive income attributable to non-controlling interests	—	—