

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 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, Operating Officer and General
 Manager,
 Inquiries: Accounting & Business Administrative Makio Kitahara TEL 0268-26-3700
 Department
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 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 six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	5,345	1.7	1,264	5.5	1,247	7.5	833	7.2
Six months ended September 30, 2022	5,258	2.9	1,198	0.1	1,160	1.2	777	(1.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	19.67		-	
Six months ended September 30, 2022	18.34		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	15,684	11,284	71.9
As of March 31, 2023	14,741	10,582	71.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	-	10.50	-	11.50	22.00
Year ending March 31, 2024	-	10.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	10.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	11,500	6.5	2,800	4.0	2,770	1.8	1,930	9.7	45.54

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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 September 30, 2023	43,400,000 shares	As of March 31, 2023	43,400,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,020,845 shares	As of March 31, 2023	1,020,845 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	42,379,155 shares	Six months ended September 30, 2022	42,379,155 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	6,272	6,314
Notes and accounts receivable - trade	1,672	1,765
Inventories	366	438
Other	401	469
Allowance for doubtful accounts	(2)	(2)
Total current assets	8,710	8,985
Non-current assets		
Property, plant and equipment		
Leased assets, net	1,916	1,786
Other, net	1,754	1,750
Total property, plant and equipment	3,671	3,536
Intangible assets	113	161
Investments and other assets		
Investment securities	2,140	2,651
Other	112	357
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	2,245	3,000
Total non-current assets	6,031	6,698
Total assets	14,741	15,684
Liabilities		
Current liabilities		
Accounts payable - trade	481	746
Income taxes payable	499	406
Other	1,764	1,822
Total current liabilities	2,745	2,975
Non-current liabilities		
Lease liabilities	1,183	1,048
Other	230	375
Total non-current liabilities	1,413	1,424
Total liabilities	4,159	4,399
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Retained earnings	8,159	8,505
Treasury shares	(722)	(722)
Total shareholders' equity	10,437	10,783
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	144	500
Total accumulated other comprehensive income	144	500
Total net assets	10,582	11,284
Total liabilities and net assets	14,741	15,684

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	5,258	5,345
Cost of sales	2,681	2,673
Gross profit	2,576	2,671
Selling, general and administrative expenses	1,378	1,407
Operating profit	1,198	1,264
Non-operating income		
Dividend income	59	58
Other	3	2
Total non-operating income	63	60
Non-operating expenses		
Interest expenses	25	21
Share of loss of entities accounted for using equity method	57	56
Taxes and dues	18	–
Total non-operating expenses	100	77
Ordinary profit	1,160	1,247
Profit before income taxes	1,160	1,247
Income taxes - current	380	409
Income taxes - deferred	3	4
Total income taxes	383	414
Profit	777	833
Profit attributable to owners of parent	777	833

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	777	833
Other comprehensive income		
Valuation difference on available-for-sale securities	(102)	356
Total other comprehensive income	(102)	356
Comprehensive income	674	1,189
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	674	1,189
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,160	1,247
Depreciation	469	470
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Interest and dividend income	(59)	(58)
Interest expenses	25	21
Share of loss (profit) of entities accounted for using equity method	57	56
Loss (gain) on sale of property, plant and equipment	(0)	–
Decrease (increase) in trade receivables	62	(86)
Decrease (increase) in inventories	(101)	(72)
Increase (decrease) in trade payables	296	310
Other, net	(160)	(111)
Subtotal	1,748	1,775
Interest and dividends received	59	58
Interest paid	(25)	(21)
Income taxes paid	(500)	(468)
Net cash provided by (used in) operating activities	1,282	1,344
Cash flows from investing activities		
Purchase of property, plant and equipment	(28)	(27)
Proceeds from sale of property, plant and equipment	0	–
Purchase of intangible assets	(9)	(73)
Purchase of shares of subsidiaries and associates	(7)	(297)
Other, net	(1)	(2)
Net cash provided by (used in) investing activities	(45)	(400)
Cash flows from financing activities		
Repayments of lease liabilities	(410)	(414)
Dividends paid	(465)	(487)
Net cash provided by (used in) financing activities	(876)	(902)
Net increase (decrease) in cash and cash equivalents	360	41
Cash and cash equivalents at beginning of period	5,172	6,272
Cash and cash equivalents at end of period	5,533	6,314