

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

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: February 14, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	8,243	1.1	2,132	7.2	2,122	4.4	1,424	10.1
Nine months ended December 31, 2022	8,152	2.5	1,990	0.7	2,033	6.3	1,294	(1.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	33.62		–	
Nine months ended December 31, 2022	30.54		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	15,684	11,427	72.9
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)				12.50	22.50

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	11,000	1.9	2,800	4.0	2,770	1.8	1,930	9.7	45.54

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2023	42,379,155 shares	Nine months ended December 31, 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	6,272	6,242
Notes and accounts receivable - trade	1,672	1,663
Inventories	366	315
Other	401	603
Allowance for doubtful accounts	(2)	(2)
Total current assets	8,710	8,822
Non-current assets		
Property, plant and equipment		
Leased assets, net	1,916	1,912
Other, net	1,754	1,823
Total property, plant and equipment	3,671	3,736
Intangible assets	113	157
Investments and other assets		
Investment securities	2,140	2,651
Other	112	325
Allowance for doubtful accounts	(7)	(8)
Total investments and other assets	2,245	2,968
Total non-current assets	6,031	6,861
Total assets	14,741	15,684
Liabilities		
Current liabilities		
Accounts payable - trade	481	358
Income taxes payable	499	227
Other	1,764	2,143
Total current liabilities	2,745	2,730
Non-current liabilities		
Lease liabilities	1,183	1,141
Other	230	385
Total non-current liabilities	1,413	1,526
Total liabilities	4,159	4,256
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Retained earnings	8,159	8,673
Treasury shares	(722)	(722)
Total shareholders' equity	10,437	10,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	144	476
Total accumulated other comprehensive income	144	476
Total net assets	10,582	11,427
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)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	8,152	8,243
Cost of sales	4,088	3,975
Gross profit	4,063	4,268
Selling, general and administrative expenses	2,073	2,135
Operating profit	1,990	2,132
Non-operating income		
Dividend income	106	107
Gain on sale of investment securities	182	–
Other	5	10
Total non-operating income	294	118
Non-operating expenses		
Interest expenses	37	32
Share of loss of entities accounted for using equity method	196	89
Taxes and dues	18	–
Other	–	7
Total non-operating expenses	251	128
Ordinary profit	2,033	2,122
Extraordinary losses		
Loss on valuation of investment securities	60	–
Total extraordinary losses	60	–
Profit before income taxes	1,973	2,122
Income taxes - current	669	683
Income taxes - deferred	9	14
Total income taxes	679	697
Profit	1,294	1,424
Profit attributable to owners of parent	1,294	1,424

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,294	1,424
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	331
Total other comprehensive income	(0)	331
Comprehensive income	1,293	1,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,293	1,756
Comprehensive income attributable to non-controlling interests	—	—