

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 30, 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 of ordinary general meeting of shareholders: June 14, 2024
 Scheduled date to file Securities Report: June 14, 2024
 Scheduled date to commence dividend payments: May 29, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	11,090	2.7	2,865	6.4	2,785	2.3	1,858	5.7
Year ended March 31, 2023	10,797	2.4	2,691	2.4	2,722	7.4	1,758	1.6

	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, 2024	43.86	–	16.3	17.7	25.8
Year ended March 31, 2023	41.51	–	17.3	18.7	24.9

(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, 2024	16,710	12,230	73.2	288.61
As of March 31, 2023	14,741	10,582	71.8	249.70

(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, 2024	2,982	(553)	(1,749)	6,952
Year ended March 31, 2023	2,614	222	(1,736)	6,272

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, 2023	–	10.50	–	11.50	22.00	932	53.0	9.2
Year ended March 31, 2024	–	10.00	–	12.50	22.50	953	51.3	8.4
Year ending March 31, 2025 (Forecast)	–	12.50	–	12.50	25.00		53.5	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	5,750	7.6	1,320	4.4	1,250	0.2	840	0.8	19.82
Full year	12,000	8.2	3,000	4.7	2,950	5.9	1,980	6.5	46.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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:

No

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, 2024	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 March 31, 2024	1,020,845 shares	As of March 31, 2023	1,020,845 shares
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Average number of shares during the period

Year ended March 31, 2024	42,379,155 shares	Year ended March 31, 2023	42,379,155 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,272	6,952
Notes and accounts receivable - trade	1,672	1,749
Inventories	366	472
Other	401	365
Allowance for doubtful accounts	(2)	(3)
Total current assets	8,710	9,536
Non-current assets		
Property, plant and equipment		
Property for rental	880	920
Accumulated depreciation	(837)	(829)
Property for rental, net	43	91
Buildings and structures	1,216	1,216
Accumulated depreciation	(553)	(590)
Buildings and structures, net	662	625
Land	1,022	1,022
Leased assets	4,019	4,084
Accumulated depreciation	(2,102)	(2,308)
Leased assets, net	1,916	1,776
Other	265	294
Accumulated depreciation	(239)	(223)
Other, net	26	70
Total property, plant and equipment	3,671	3,586
Intangible assets	113	147
Investments and other assets		
Investment securities	2,140	3,180
Other	112	267
Allowance for doubtful accounts	(7)	(8)
Total investments and other assets	2,245	3,439
Total non-current assets	6,031	7,174
Total assets	14,741	16,710

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	481	641
Electronically recorded obligations - operating	592	654
Lease liabilities	767	768
Income taxes payable	499	492
Other	404	369
Total current liabilities	2,745	2,926
Non-current liabilities		
Lease liabilities	1,183	1,038
Other	230	515
Total non-current liabilities	1,413	1,553
Total liabilities	4,159	4,479
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Retained earnings	8,159	9,107
Treasury shares	(722)	(722)
Total shareholders' equity	10,437	11,385
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	144	845
Total accumulated other comprehensive income	144	845
Total net assets	10,582	12,230
Total liabilities and net assets	14,741	16,710

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	10,797	11,090
Cost of sales	5,350	5,385
Gross profit	5,447	5,704
Selling, general and administrative expenses	2,755	2,839
Operating profit	2,691	2,865
Non-operating income		
Dividend income	106	107
Gain on sale of investment securities	181	–
Other	6	11
Total non-operating income	293	118
Non-operating expenses		
Interest expenses	48	42
Share of loss of entities accounted for using equity method	197	148
Taxes and dues	18	–
Other	–	7
Total non-operating expenses	263	199
Ordinary profit	2,722	2,785
Extraordinary losses		
Loss on valuation of investment securities	60	–
Total extraordinary losses	60	–
Profit before income taxes	2,661	2,785
Income taxes - current	903	931
Income taxes - deferred	(0)	(5)
Total income taxes	902	926
Profit	1,758	1,858
Profit attributable to owners of parent	1,758	1,858

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,758	1,858
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	700
Total other comprehensive income	(9)	700
Comprehensive income	1,749	2,559
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,749	2,559
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(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	7,486	(722)	9,589	154	154	9,743
Changes during period								
Dividends of surplus			(911)		(911)			(911)
Profit attributable to owners of parent			1,758		1,758			1,758
Transfer from legal capital surplus to share capital	428	(428)			–			–
Transfer from other capital surplus to share capital	2,145	(1,970)	(174)		–			–
Net changes in items other than shareholders' equity						(9)	(9)	(9)
Total changes during period	2,574	(2,399)	672	–	847	(9)	(9)	838
Balance at end of period	3,000	–	8,159	(722)	10,437	144	144	10,582

Fiscal year ended March 31, 2024

(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	3,000	–	8,159	(722)	10,437	144	144	10,582
Changes during period								
Dividends of surplus			(911)		(911)			(911)
Profit attributable to owners of parent			1,858		1,858			1,858
Transfer from legal capital surplus to share capital					–			–
Transfer from other capital surplus to share capital					–			–
Net changes in items other than shareholders' equity						700	700	700
Total changes during period	–	–	947	–	947	700	700	1,648
Balance at end of period	3,000	–	9,107	(722)	11,385	845	845	12,230

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,661	2,785
Depreciation	945	968
Increase (decrease) in allowance for doubtful accounts	(5)	0
Interest and dividend income	(106)	(107)
Interest expenses	48	42
Loss (gain) on sale of property, plant and equipment	(1)	(7)
Loss (gain) on sale of investment securities	(181)	–
Loss (gain) on valuation of investment securities	60	–
Share of loss (profit) of entities accounted for using equity method	197	148
Decrease (increase) in trade receivables	30	(85)
Decrease (increase) in inventories	(53)	(106)
Increase (decrease) in trade payables	48	222
Other, net	(151)	(4)
Subtotal	3,492	3,856
Interest and dividends received	106	107
Interest paid	(48)	(42)
Income taxes paid	(936)	(938)
Net cash provided by (used in) operating activities	2,614	2,982
Cash flows from investing activities		
Purchase of property, plant and equipment	(55)	(136)
Proceeds from sale of property, plant and equipment	1	7
Purchase of intangible assets	(10)	(87)
Purchase of investment securities	(802)	(34)
Proceeds from sale of investment securities	1,097	–
Purchase of shares of subsidiaries and associates	(7)	(297)
Other, net	(1)	(5)
Net cash provided by (used in) investing activities	222	(553)
Cash flows from financing activities		
Repayments of lease liabilities	(825)	(838)
Dividends paid	(910)	(911)
Net cash provided by (used in) financing activities	(1,736)	(1,749)
Net increase (decrease) in cash and cash equivalents	1,100	679
Cash and cash equivalents at beginning of period	5,172	6,272
Cash and cash equivalents at end of period	6,272	6,952