

Translation

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

July 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: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 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	%
Three months ended June 30, 2023	2,597	0.4	566	6.5	584	10.4	388	9.7
Three months ended June 30, 2022	2,587	5.4	531	0.2	529	4.5	354	1.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	9.17	–
Three months ended June 30, 2022	8.36	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	14,358	10,645	74.1
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	–				
Year ending March 31, 2024 (Forecast)		10.00	–	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
Six months ending September 30, 2023	5,500	4.6	1,230	2.6	1,200	3.4	840	8.1	19.82
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 three months ended June 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 June 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 June 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)

Three months ended June 30, 2023	42,379,155 shares	Three months ended June 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 June 30, 2023
Assets		
Current assets		
Cash and deposits	6,272	5,727
Notes and accounts receivable - trade	1,672	1,570
Inventories	366	271
Other	401	309
Allowance for doubtful accounts	(2)	(2)
Total current assets	8,710	7,876
Non-current assets		
Property, plant and equipment		
Leased assets, net	1,916	1,813
Other, net	1,754	1,750
Total property, plant and equipment	3,671	3,564
Intangible assets	113	174
Investments and other assets		
Investment securities	2,140	2,373
Other	112	378
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	2,245	2,743
Total non-current assets	6,031	6,482
Total assets	14,741	14,358
Liabilities		
Current liabilities		
Accounts payable - trade	481	407
Income taxes payable	499	159
Other	1,764	1,746
Total current liabilities	2,745	2,314
Non-current liabilities		
Lease liabilities	1,183	1,090
Other	230	308
Total non-current liabilities	1,413	1,398
Total liabilities	4,159	3,712
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Retained earnings	8,159	8,061
Treasury shares	(722)	(722)
Total shareholders' equity	10,437	10,338
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	144	306
Total accumulated other comprehensive income	144	306
Total net assets	10,582	10,645
Total liabilities and net assets	14,741	14,358

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, 2022	Three months ended June 30, 2023
Net sales	2,587	2,597
Cost of sales	1,369	1,326
Gross profit	1,218	1,270
Selling, general and administrative expenses	686	704
Operating profit	531	566
Non-operating income		
Dividend income	59	58
Other	1	1
Total non-operating income	60	59
Non-operating expenses		
Interest expenses	13	10
Share of loss of entities accounted for using equity method	31	31
Taxes and dues	18	–
Total non-operating expenses	63	41
Ordinary profit	529	584
Profit before income taxes	529	584
Income taxes - current	159	178
Income taxes - deferred	14	17
Total income taxes	174	195
Profit	354	388
Profit attributable to owners of parent	354	388

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	354	388
Other comprehensive income		
Valuation difference on available-for-sale securities	(35)	162
Total other comprehensive income	(35)	162
Comprehensive income	318	550
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	318	550
Comprehensive income attributable to non-controlling interests	—	—