

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 29, 2021

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
 Operating Officer Accounting & Finance Manager Makio Kitahara TEL 0268-26-3700
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: December 1, 2021
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	5,107	5.1	1,197	18.9	1,146	19.3	788	21.8
Six months ended September 30, 2020	4,861	8.6	1,007	23.5	961	19.8	647	17.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	18.56		-	
Six months ended September 30, 2020	15.17		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	13,858	9,014	65.0
As of March 31, 2021	13,115	8,789	67.0

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, 2021	-	6.00	-	8.00	14.00
Year ending March 31, 2022	-	7.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	10.00	17.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	10,600	6.3	2,400	7.7	2,300	8.1	1,600	9.8	37.66

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: Yes
- 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, 2021	43,400,000 shares	As of March 31, 2021	43,400,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	1,020,845 shares	As of March 31, 2021	720,845 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, 2021	42,484,205 shares	Six months ended September 30, 2020	42,679,155 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	6,216	5,376
Notes and accounts receivable - trade	1,693	1,829
Inventories	460	577
Other	196	464
Allowance for doubtful accounts	(4)	(4)
Total current assets	8,563	8,242
Non-current assets		
Property, plant and equipment		
Leased assets, net	2,275	2,240
Other, net	1,802	1,781
Total property, plant and equipment	4,078	4,021
Intangible assets	53	159
Investments and other assets		
Other	422	1,436
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	420	1,434
Total non-current assets	4,552	5,616
Total assets	13,115	13,858
Liabilities		
Current liabilities		
Notes and accounts payable - trade	499	566
Income taxes payable	378	378
Other	1,661	2,138
Total current liabilities	2,539	3,083
Non-current liabilities		
Lease obligations	1,570	1,524
Other	215	236
Total non-current liabilities	1,786	1,760
Total liabilities	4,326	4,843
Net assets		
Shareholders' equity		
Share capital	425	425
Capital surplus	2,399	2,399
Retained earnings	6,393	6,840
Treasury shares	(460)	(722)
Total shareholders' equity	8,758	8,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31	70
Total accumulated other comprehensive income	31	70
Total net assets	8,789	9,014
Total liabilities and net assets	13,115	13,858

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, 2020	Six months ended September 30, 2021
Net sales	4,861	5,107
Cost of sales	2,690	2,633
Gross profit	2,170	2,474
Selling, general and administrative expenses	1,163	1,276
Operating profit	1,007	1,197
Non-operating income		
Dividend income	0	0
Rental income from land and buildings	1	1
Other	2	3
Total non-operating income	4	5
Non-operating expenses		
Interest expenses	19	22
Share of loss of entities accounted for using equity method	30	33
Total non-operating expenses	50	56
Ordinary profit	961	1,146
Extraordinary income		
Gain on sale of investment securities	–	20
Total extraordinary income	–	20
Profit before income taxes	961	1,167
Income taxes - current	313	373
Income taxes - deferred	0	5
Total income taxes	313	378
Profit	647	788
Profit attributable to owners of parent	647	788

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	647	788
Other comprehensive income		
Valuation difference on available-for-sale securities	7	39
Total other comprehensive income	7	39
Comprehensive income	655	827
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	655	827
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	961	1,167
Depreciation	410	432
Increase (decrease) in allowance for doubtful accounts	(0)	0
Interest and dividend income	(0)	(0)
Interest expenses	19	22
Loss (gain) on sale of investment securities	–	(20)
Share of loss (profit) of entities accounted for using equity method	30	33
Decrease (increase) in trade receivables	(117)	(150)
Decrease (increase) in inventories	(124)	(116)
Increase (decrease) in trade payables	251	295
Other, net	(70)	(144)
Subtotal	1,360	1,520
Interest and dividends received	0	0
Interest paid	(19)	(22)
Income taxes paid	(410)	(350)
Net cash provided by (used in) operating activities	930	1,147
Cash flows from investing activities		
Purchase of property, plant and equipment	(98)	(21)
Purchase of intangible assets	(21)	(14)
Purchase of investment securities	–	(992)
Proceeds from sale of investment securities	–	22
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(119)	(1,006)
Cash flows from financing activities		
Purchase of treasury shares	–	(261)
Repayments of lease obligations	(374)	(378)
Dividends paid	(264)	(342)
Net cash provided by (used in) financing activities	(639)	(981)
Net increase (decrease) in cash and cash equivalents	171	(840)
Cash and cash equivalents at beginning of period	5,536	6,216
Cash and cash equivalents at end of period	5,708	5,376