

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 31, 2020

Company name: CTS Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4345 URL <http://www.cts-h.co.jp>
 Representative: Representative Director and President Taizo Yokoshima
 Operating Officer Accounting & Finance
 Inquiries: Manager Makio Kitahara TEL 0268-26-3700
 Scheduled date to file Quarterly Securities Report: August 12, 2020
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	2,260	5.6	438	18.9	413	13.9	275	12.4
Three months ended June 30, 2019	2,139	8.8	368	18.8	362	20.4	245	20.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	6.47		–	
Three months ended June 30, 2019	5.75		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	11,629	7,858	67.6
As of March 31, 2020	11,720	7,842	66.9

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, 2020	–	6.00	–	6.20	12.20
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	6.00	–	6.70	12.70

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	4,500	0.5	820	0.5	760	(5.3)	530	(3.9)	12.42
Full year	9,600	4.7	1,920	3.6	1,790	(1.6)	1,230	(1.4)	28.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (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, 2020	43,400,000 shares	As of March 31, 2020	43,400,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2020	720,845 shares	As of March 31, 2020	720,845 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	42,679,155 shares	Three months ended June 30, 2019	42,679,155 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	5,536	5,374
Notes and accounts receivable - trade	1,630	1,550
Inventories	427	498
Other	233	327
Allowance for doubtful accounts	(6)	(5)
Total current assets	7,822	7,745
Non-current assets		
Property, plant and equipment		
Leased assets, net	1,883	1,870
Other, net	1,486	1,480
Total property, plant and equipment	3,370	3,350
Intangible assets	52	67
Investments and other assets		
Other	476	466
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	475	465
Total non-current assets	3,898	3,883
Total assets	11,720	11,629
Liabilities		
Current liabilities		
Notes and accounts payable - trade	464	510
Income taxes payable	361	62
Other	1,660	1,775
Total current liabilities	2,487	2,348
Non-current liabilities		
Lease obligations	1,216	1,231
Other	173	190
Total non-current liabilities	1,390	1,422
Total liabilities	3,878	3,770
Net assets		
Shareholders' equity		
Share capital	425	425
Capital surplus	2,399	2,399
Retained earnings	5,457	5,468
Treasury shares	(460)	(460)
Total shareholders' equity	7,821	7,833
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20	25
Total accumulated other comprehensive income	20	25
Total net assets	7,842	7,858
Total liabilities and net assets	11,720	11,629

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, 2019	Three months ended June 30, 2020
Net sales	2,139	2,260
Cost of sales	1,214	1,243
Gross profit	925	1,016
Selling, general and administrative expenses	556	578
Operating profit	368	438
Non-operating income		
Dividend income	1	0
Rental income from land and buildings	0	0
Other	1	0
Total non-operating income	2	2
Non-operating expenses		
Interest expenses	8	9
Share of loss of entities accounted for using equity method	–	17
Total non-operating expenses	8	27
Ordinary profit	362	413
Profit before income taxes	362	413
Income taxes - current	108	126
Income taxes - deferred	8	10
Total income taxes	117	137
Profit	245	275
Profit attributable to owners of parent	245	275

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	245	275
Other comprehensive income		
Valuation difference on available-for-sale securities	2	4
Total other comprehensive income	2	4
Comprehensive income	248	280
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	248	280
Comprehensive income attributable to non-controlling interests	—	—