

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2021  
(Based on Japanese GAAP)**

April 30, 2021

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 Manager Makio Kitahara TEL 0268-26-3700  
 Scheduled date of ordinary general meeting of shareholders: June 18, 2021  
 Scheduled date to file Securities Report: June 18, 2021  
 Scheduled date to commence dividend payments: June 1, 2021  
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	9,968	8.7	2,228	20.3	2,127	17.0	1,456	16.7
Year ended March 31, 2020	9,172	6.5	1,852	16.5	1,818	16.6	1,248	17.1

	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, 2021	34.14	–	17.5	17.1	22.4
Year ended March 31, 2020	29.24	–	16.7	15.3	20.2

(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, 2021	13,115	8,789	67.0	205.94
As of March 31, 2020	11,720	7,842	66.9	183.75

(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, 2021	2,328	(377)	(1,271)	6,216
Year ended March 31, 2020	1,973	(420)	(2,259)	5,536

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, 2020	–	6.00	–	6.20	12.20	520	41.7	7.0
Year ended March 31, 2021	–	6.00	–	8.00	14.00	597	41.0	7.2
Year ending March 31, 2022 (Forecast)	–	7.00	–	8.00	15.00		40.0	

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
Six months ending September 30, 2021	5,000	2.8	1,050	4.2	1,000	4.0	700	8.1	16.40
Full year	10,600	6.3	2,400	7.7	2,300	8.1	1,600	9.8	37.50

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	43,400,000 shares	As of March 31, 2020	43,400,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	720,845 shares	As of March 31, 2020	720,845 shares
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Average number of shares during the period

Year ended March 31, 2021	42,679,155 shares	Year ended March 31, 2020	42,679,155 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	5,536	6,216
Notes and accounts receivable - trade	1,630	1,693
Inventories	427	460
Other	233	196
Allowance for doubtful accounts	(6)	(4)
Total current assets	7,822	8,563
Non-current assets		
Property, plant and equipment		
Property for rental	858	868
Accumulated depreciation	(832)	(837)
Property for rental, net	26	31
Buildings and structures	942	1,210
Accumulated depreciation	(451)	(478)
Buildings and structures, net	490	732
Land	949	1,022
Leased assets	3,733	3,738
Accumulated depreciation	(1,849)	(1,462)
Leased assets, net	1,883	2,275
Other	260	265
Accumulated depreciation	(240)	(249)
Other, net	19	16
Total property, plant and equipment	3,370	4,078
Intangible assets	52	53
Investments and other assets		
Other	476	422
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	475	420
Total non-current assets	3,898	4,552
Total assets	11,720	13,115

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	464	499
Electronically recorded obligations - operating	569	559
Lease obligations	690	730
Income taxes payable	361	378
Other	400	371
Total current liabilities	2,487	2,539
Non-current liabilities		
Lease obligations	1,216	1,570
Other	173	215
Total non-current liabilities	1,390	1,786
Total liabilities	3,878	4,326
<b>Net assets</b>		
Shareholders' equity		
Share capital	425	425
Capital surplus	2,399	2,399
Retained earnings	5,457	6,393
Treasury shares	(460)	(460)
Total shareholders' equity	7,821	8,758
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20	31
Total accumulated other comprehensive income	20	31
Total net assets	7,842	8,789
<b>Total liabilities and net assets</b>	<b>11,720</b>	<b>13,115</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	9,172	9,968
Cost of sales	5,036	5,288
Gross profit	4,136	4,679
Selling, general and administrative expenses	2,283	2,451
Operating profit	1,852	2,228
Non-operating income		
Dividend income	1	1
Rental income from land and buildings	2	2
Insurance claim income	13	1
Other	3	3
Total non-operating income	20	8
Non-operating expenses		
Interest expenses	37	43
Share of loss of entities accounted for using equity method	17	66
Total non-operating expenses	54	109
Ordinary profit	1,818	2,127
Extraordinary income		
Gain on sale of investment securities	9	14
Total extraordinary income	9	14
Profit before income taxes	1,827	2,141
Income taxes - current	583	692
Income taxes - deferred	(3)	(7)
Total income taxes	579	684
Profit	1,248	1,456
Profit attributable to owners of parent	1,248	1,456

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,248	1,456
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	10
Total other comprehensive income	(14)	10
Comprehensive income	1,233	1,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,233	1,467
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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	4,721	(460)	7,085	34	34	7,120
Changes during period								
Dividends of surplus			(512)		(512)			(512)
Profit attributable to owners of parent			1,248		1,248			1,248
Net changes in items other than shareholders' equity						(14)	(14)	(14)
Total changes during period	–	–	735	–	735	(14)	(14)	721
Balance at end of period	425	2,399	5,457	(460)	7,821	20	20	7,842

Fiscal year ended March 31, 2021

(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	5,457	(460)	7,821	20	20	7,842
Changes during period								
Dividends of surplus			(520)		(520)			(520)
Profit attributable to owners of parent			1,456		1,456			1,456
Net changes in items other than shareholders' equity						10	10	10
Total changes during period	–	–	936	–	936	10	10	947
Balance at end of period	425	2,399	6,393	(460)	8,758	31	31	8,789

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,827	2,141
Depreciation	817	836
Increase (decrease) in allowance for doubtful accounts	(1)	(2)
Interest and dividend income	(1)	(1)
Interest expenses	37	43
Loss (gain) on sale of investment securities	(9)	(14)
Share of loss (profit) of entities accounted for using equity method	17	66
Decrease (increase) in trade receivables	(89)	(60)
Decrease (increase) in inventories	336	(32)
Increase (decrease) in trade payables	(572)	24
Other, net	153	68
Subtotal	2,515	3,070
Interest and dividends received	1	1
Interest paid	(37)	(43)
Income taxes paid	(505)	(698)
Net cash provided by (used in) operating activities	1,973	2,328
Cash flows from investing activities		
Purchase of property, plant and equipment	(56)	(375)
Purchase of intangible assets	(29)	(23)
Proceeds from sale of investment securities	25	17
Purchase of shares of subsidiaries and associates	(348)	–
Other, net	(11)	3
Net cash provided by (used in) investing activities	(420)	(377)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,000)	–
Repayments of lease obligations	(748)	(751)
Dividends paid	(511)	(520)
Net cash provided by (used in) financing activities	(2,259)	(1,271)
Net increase (decrease) in cash and cash equivalents	(706)	680
Cash and cash equivalents at beginning of period	6,243	5,536
Cash and cash equivalents at end of period	5,536	6,216