

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

October 30, 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: November 13, 2020  
 Scheduled date to commence dividend payments: December 1, 2020  
 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, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	4,861	8.6	1,007	23.5	961	19.8	647	17.5
Six months ended September 30, 2019	4,478	4.4	815	9.4	802	10.4	551	11.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	15.17		-	
Six months ended September 30, 2019	12.92		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	12,600	8,232	65.3
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	-	6.00	-	-	-
Year ending March 31, 2021 (Forecast)	-	-	-	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
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 six months ended September 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 September 30, 2020	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 September 30, 2020	720,845 shares	As of March 31, 2020	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, 2020	42,679,155 shares	Six months ended September 30, 2019	42,679,155 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	5,536	5,708
Notes and accounts receivable - trade	1,630	1,746
Inventories	427	551
Other	233	519
Allowance for doubtful accounts	(6)	(5)
Total current assets	7,822	8,521
Non-current assets		
Property, plant and equipment		
Leased assets, net	1,883	2,005
Other, net	1,486	1,555
Total property, plant and equipment	3,370	3,560
Intangible assets	52	62
Investments and other assets		
Other	476	458
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	475	456
Total non-current assets	3,898	4,079
Total assets	11,720	12,600
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	464	674
Income taxes payable	361	261
Other	1,660	1,884
Total current liabilities	2,487	2,820
Non-current liabilities		
Lease obligations	1,216	1,350
Other	173	196
Total non-current liabilities	1,390	1,547
Total liabilities	3,878	4,368
<b>Net assets</b>		
Shareholders' equity		
Share capital	425	425
Capital surplus	2,399	2,399
Retained earnings	5,457	5,840
Treasury shares	(460)	(460)
Total shareholders' equity	7,821	8,204
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20	28
Total accumulated other comprehensive income	20	28
Total net assets	7,842	8,232
Total liabilities and net assets	11,720	12,600

**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, 2019	Six months ended September 30, 2020
Net sales	4,478	4,861
Cost of sales	2,549	2,690
Gross profit	1,928	2,170
Selling, general and administrative expenses	1,112	1,163
Operating profit	815	1,007
Non-operating income		
Dividend income	1	0
Rental income from land and buildings	1	1
Other	1	2
Total non-operating income	3	4
Non-operating expenses		
Interest expenses	16	19
Share of loss of entities accounted for using equity method	–	30
Total non-operating expenses	16	50
Ordinary profit	802	961
Extraordinary income		
Gain on sales of investment securities	9	–
Total extraordinary income	9	–
Profit before income taxes	811	961
Income taxes - current	259	313
Income taxes - deferred	0	0
Total income taxes	260	313
Profit	551	647
Profit attributable to owners of parent	551	647

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	551	647
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	7
Total other comprehensive income	(5)	7
Comprehensive income	545	655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	545	655
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	811	961
Depreciation	400	410
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Interest and dividend income	(1)	(0)
Interest expenses	16	19
Loss (gain) on sales of investment securities	(9)	–
Share of loss (profit) of entities accounted for using equity method	–	30
Decrease (increase) in trade receivables	(95)	(117)
Decrease (increase) in inventories	225	(124)
Increase (decrease) in trade payables	(524)	251
Other, net	(82)	(70)
Subtotal	739	1,360
Interest and dividends received	1	0
Interest paid	(16)	(19)
Income taxes paid	(270)	(410)
Net cash provided by (used in) operating activities	453	930
Cash flows from investing activities		
Purchase of property, plant and equipment	(14)	(98)
Purchase of intangible assets	(27)	(21)
Proceeds from sales of investment securities	25	–
Other, net	(1)	(0)
Net cash provided by (used in) investing activities	(18)	(119)
Cash flows from financing activities		
Repayments of lease obligations	(367)	(374)
Dividends paid	(255)	(264)
Net cash provided by (used in) financing activities	(623)	(639)
Net increase (decrease) in cash and cash equivalents	(188)	171
Cash and cash equivalents at beginning of period	6,243	5,536
Cash and cash equivalents at end of period	6,054	5,708