

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 Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 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
 Inquiries: Manager Makio Kitahara TEL 0268-26-3700
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	7,519	9.6	1,694	22.6	1,622	19.1	1,096	17.4
Nine months ended December 31, 2019	6,859	5.1	1,382	14.5	1,362	15.1	934	15.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	25.68	–
Nine months ended December 31, 2019	21.89	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	13,201	8,436	63.9
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	Yen	Yen	Yen	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)				7.70	13.70

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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2020	42,679,155 shares	Nine months ended December 31, 2019	42,679,155 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	5,536	5,811
Notes and accounts receivable - trade	1,630	1,688
Inventories	427	453
Other	233	617
Allowance for doubtful accounts	(6)	(4)
Total current assets	7,822	8,566
Non-current assets		
Property, plant and equipment		
Leased assets, net	1,883	2,369
Other, net	1,486	1,748
Total property, plant and equipment	3,370	4,117
Intangible assets	52	57
Investments and other assets		
Other	476	461
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	475	459
Total non-current assets	3,898	4,634
Total assets	11,720	13,201
Liabilities		
Current liabilities		
Notes and accounts payable - trade	464	493
Income taxes payable	361	198
Other	1,660	2,180
Total current liabilities	2,487	2,872
Non-current liabilities		
Lease obligations	1,216	1,655
Other	173	236
Total non-current liabilities	1,390	1,891
Total liabilities	3,878	4,764
Net assets		
Shareholders' equity		
Share capital	425	425
Capital surplus	2,399	2,399
Retained earnings	5,457	6,032
Treasury shares	(460)	(460)
Total shareholders' equity	7,821	8,397
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20	39
Total accumulated other comprehensive income	20	39
Total net assets	7,842	8,436
Total liabilities and net assets	11,720	13,201

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	6,859	7,519
Cost of sales	3,796	4,055
Gross profit	3,063	3,463
Selling, general and administrative expenses	1,680	1,769
Operating profit	1,382	1,694
Non-operating income		
Dividend income	1	1
Rental income from land and buildings	1	1
Other	3	3
Total non-operating income	7	5
Non-operating expenses		
Interest expenses	27	31
Share of loss of entities accounted for using equity method	–	46
Total non-operating expenses	27	78
Ordinary profit	1,362	1,622
Extraordinary income		
Gain on sales of investment securities	9	–
Total extraordinary income	9	–
Profit before income taxes	1,371	1,622
Income taxes - current	432	524
Income taxes - deferred	4	1
Total income taxes	437	525
Profit	934	1,096
Profit attributable to owners of parent	934	1,096

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	934	1,096
Other comprehensive income		
Valuation difference on available-for-sale securities	3	18
Total other comprehensive income	3	18
Comprehensive income	937	1,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	937	1,114
Comprehensive income attributable to non-controlling interests	—	—