

Consolidated Financial Summary

for the FY 2019 ended March 31, 2020

Listed company name: Restar Holdings Corporation

Listed code: 3156 URL: <https://www.restargp.com/>

Representative: Rintaro Miyoshi, Representative Director

Responsible person for inquiries: Hirofumi Kitao, General Manager of Accounting Department Tel: +86-3-3458-4618 (main)

Scheduled filling date of annual securities report: June 23, 2020 Scheduled date of dividend payment: June 9, 2020

Supplemental materials prepared for the financial results: Yes

Holding of the financial results meeting: No

1. Consolidated Financial Results for the FY 2019 (April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2019 ended March 31, 2020	379,548	84.5	6,637	47.2	9,025	115.0	5,722	161.0
FY 2018 ended March 31, 2019	205,771	△31.7	4,508	2.8	4,198	7.4	2,192	3.0

(Note) Comprehensive Income: FY 2019 4,561 Million Yen (705.7%) FY 2018 566 Million Yen (△84.2%)

	Profit per share	Diluted profit per share	Return on equity	Return on assets	Operating profit on sales
	Yen	Yen	%	%	%
FY 2019 ended March 31, 2020	190.33	—	8.3	4.8	1.7
FY 2018 ended March 31, 2019	139.69	—	5.6	3.9	2.2

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2020	197,053	73,768	35.7	2,340.78
March 31, 2019	97,361	38,858	39.4	2,446.29

(Reference) Equity: As of March 31, 2020 70,384 Million Yen
As of March 31, 2019 38,397 Million Yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of year
	Million yen	Million yen	Million yen	Million yen
March 31, 2020	16,591	△16,386	2,683	21,195
March 31, 2019	10,067	△1,199	△13,133	12,961

2. Dividends

	Annual Dividends					Total Dividends	Payout ratio	Net Assets dividend yield
	1Q-end	1H-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2018	–	62.50	–	37.50	100.00	1,569	71.6	4.0
FY 2019	–	35.00	–	45.00	80.00	2,405	42.0	3.3
FY 2020 (Forecast)	–	35.00	–	35.00	70.00		–	

(Note) Revision to the forecast for dividends announced most recently: No

Disclaimer: This document is a reference translation of the Japanese original. And it does not contain or constitute any guarantee and the Company will not compensate any losses and/or damages caused by actions taken based on it. In the case that there is any discrepancy between the Japanese original and this document, the Japanese original is assumed to be official.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	13,511	21,195
Notes and accounts receivable - trade	※ 2 46,786	65,946
Electronically recorded monetary claims - operating	※ 2 3,797	5,831
Merchandise and finished goods	19,154	32,885
Work in process	1,095	1,552
Raw materials and supplies	734	1,134
Advance payments - trade	769	218
Other	3,218	6,260
Allowance for doubtful accounts	△776	△727
Total current assets	88,289	134,297
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,276	※ 4 6,264
Accumulated depreciation	△1,278	△2,630
Buildings and structures, net	998	3,633
Machinery, equipment and vehicles	2,524	※ 4 6,318
Accumulated depreciation	△1,406	△2,061
Machinery, equipment and vehicles, net	1,118	4,257
Tools, furniture and fixtures	2,215	※ 4 2,778
Accumulated depreciation	△1,542	△2,043
Tools, furniture and fixtures, net	672	734
Leased assets	552	14,401
Accumulated depreciation	△239	△4,665
Leased assets, net	312	9,735
Other	117	2,081
Total property, plant and equipment	3,219	20,442
Intangible assets		
Goodwill	130	7,400
Other	286	5,928
Total intangible assets	416	13,329
Investments and other assets		
Investment securities	※ 1 3,901	※ 1 21,827
Deferred tax assets	143	325
Bad debts	9,774	9,493
Other	2,130	7,637
Allowance for doubtful accounts	△10,515	△10,299

Total investments and other assets	5,434	28,984
Total non-current assets	9,071	62,756
Total assets	97,361	197,053

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	※ 2 25,130	42,826
Short-term borrowings	※ 3 28,095	50,083
Current portion of long-term borrowings	—	411
Lease obligations	95	1,166
Income taxes payable	456	1,079
Provision for bonuses	531	694
Other	3,568	7,169
Total current liabilities	57,878	103,432
Non-current liabilities		
Long-term borrowings	—	4,765
Lease obligations	221	9,603
Deferred tax liabilities	46	2,258
Provision for retirement benefits for directors (and other officers)	46	—
Retirement benefit liability	195	329
Other	114	2,894
Total non-current liabilities	624	19,852
Total liabilities	58,502	123,285
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	5,871	35,453
Retained earnings	25,409	28,949
Treasury shares	△6	△7
Total shareholders' equity	35,657	68,779
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	894	252
Deferred gains or losses on hedges	—	△51
Foreign currency translation adjustment	1,874	1,498
Remeasurements of defined benefit plans	△29	△94
Total accumulated other comprehensive income	2,739	1,604
Share acquisition rights	6	—
Non-controlling interests	454	3,384
Total net assets	38,858	73,768
Total liabilities and net assets	97,361	197,053

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	205,771	379,548
Cost of sales	※ 1 190,257	※ 1 353,897
Gross profit	15,513	25,651
Selling, general and administrative expenses	※ 2 11,005	※ 2 19,013
Operating profit	4,508	6,637
Non-operating income		
Interest income	71	99
Dividend income	170	45
Gain on valuation of investment securities	3	—
Foreign exchange gains	319	—
Share of profit of entities accounted for using equity method	—	3,982
Other	64	495
Total non-operating income	630	4,622
Non-operating expenses		
Interest expenses	859	1,519
Loss on transfer of receivables	—	268
Foreign exchange losses	—	75
Other	80	370
Total non-operating expenses	940	2,234
Ordinary profit	4,198	9,025
Extraordinary income		
Gain on sales of investment securities	—	※ 3 50
Total extraordinary income	—	50
Extraordinary losses		
Loss on liquidation of business	※ 4 314	—
Early retirement costs	※ 5 793	※ 5 86
Head Office relocation transfer expenses	※ 6 50	—
Related business loss	※ 7 93	※ 7 544
Loss on valuation of investment securities	—	※ 8 109
Loss on termination of retirement benefit plan	—	※ 9 316
Total extraordinary losses	1,252	1,057
Profit before income taxes	2,946	8,018
Income taxes - current	733	1,997
Income taxes - deferred	△32	324
Total income taxes	701	2,321
Profit	2,245	5,697
Profit attributable to non-controlling interests	52	△25
Profit attributable to owners of parent	2,192	5,722

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	2,245	5,697
Other comprehensive income		
Valuation difference on available-for-sale securities	△472	△643
Deferred gains or losses on hedges	–	△51
Foreign currency translation adjustment	△1,194	△358
Remeasurements of defined benefit plans, net of tax	△12	△49
Share of other comprehensive income of entities accounted for using equity method	–	△32
Total other comprehensive income	※ △1,679	※ △1,136
Comprehensive income	566	4,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	513	4,587
Comprehensive income attributable to non-controlling interests	52	△26

(3) Consolidated Statement of Changes to Shareholders' Equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,383	5,871	24,668	△5	34,918
Changes during period					
Dividends of surplus		—	△1,451		△1,451
Profit attributable to owners of parent			2,192		2,192
Purchase of treasury shares				△0	△0
Change in scope of consolidation					
Increase by merger					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	740	△0	739
Balance at end of period	4,383	5,871	25,409	△6	35,657

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,366	3,069	△16	4,419	—	431	39,768
Changes during period							
Dividends of surplus							△1,451
Profit attributable to owners of parent							2,192
Purchase of treasury shares							△0
Change in scope of consolidation							
Increase by merger							
Net changes in items other than shareholders' equity	△472	△1,194	△12	△1,679	6	22	△1,650
Total changes during period	△472	△1,194	△12	△1,679	6	22	△910
Balance at end of period	894	1,874	△29	2,739	6	454	38,858

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,383	5,871	25,409	△6	35,657
Cumulative effects of changes in accounting policies			△14		△14
Restated balance	4,383	5,871	25,395	△6	35,643
Changes during period					
Dividends of surplus			△2,144		△2,144
Profit attributable to owners of parent			5,722		5,722
Purchase of treasury shares				△0	△0
Change in scope of consolidation		161	△24		136
Increase by merger		29,420			29,420
Net changes in items other than shareholders' equity					
Total changes during period		29,581	3,553	△0	33,135
Balance at end of period	4,383	35,453	28,949	△7	68,779

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	894	–	1,874	△29	2,739	6	454	38,858
Cumulative effects of changes in accounting policies								△14
Restated balance	894	-	1,874	△29	2,739	6	454	38,844
Changes during period								
Dividends of surplus								△2,144
Profit attributable to owners of parent								5,722
Purchase of treasury shares								△0
Change in scope of consolidation								136
Increase by merger		4			4		2,336	31,762
Net changes in items other than shareholders' equity	△641	△55	△376	△65	△1,139	△6	593	△552
Total changes during period	△641	△51	△376	△65	△1,134	△6	2,930	34,924
Balance at end of period	252	△51	1,498	△94	1,604	–	3,384	73,768

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,946	8,018
Depreciation	744	2,594
Amortization of goodwill	29	562
Intangible assets	–	543
Loss on liquidation of business	314	–
Early retirement costs	793	–
Head office relocation loss cost	50	–
Business-related loss expenses	93	544
Loss on termination of retirement benefit plan	–	316
Loss (gain) on valuation of investment securities	–	109
Loss (gain) on sales of investment securities	–	△50
Increase (decrease) in allowance for doubtful accounts	△1,507	△155
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	–
Increase (decrease) in retirement benefit liability	△18	△9
Foreign exchange losses (gains)	844	△691
Share of loss (profit) of entities accounted for using equity method	–	△3,982
Interest and dividend income	△242	△144
Interest expenses	859	1,519
Decrease (increase) in trade receivables	11,355	5,456
Decrease (increase) in bad debts	1,132	90
Increase (decrease) in trade payables	△7,133	△1,555
Decrease (increase) in inventories	1,448	7,900
Decrease (increase) in advance payments - trade	△521	554
Other, net	180	△801
Subtotal	11,371	20,821
Interest and dividends received	236	144
Interest paid	△859	△1,519
Income taxes refund	492	–
Income taxes paid	△1,172	△2,854
Net cash provided by (used in) operating activities	10,067	16,591
Cash flows from investing activities		
Purchase of property, plant and equipment	△873	△964
Proceeds from sales of property, plant and equipment	1	66
Purchase of long-term prepaid expenses	–	△1,881
Purchase of investment securities	△363	△28
Proceeds from sales of investment securities	–	113

Purchase of shares of subsidiaries and associates	–	△13,533
Payments into time deposits	△950	–
Proceeds from withdrawal of time deposits	1,200	550
Net decrease (increase) in short-term loans receivable	–	△771
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△134	–
Collection of long-term loans receivable	–	31
Payments of guarantee deposits	△93	△316
Proceeds from refund of guarantee deposits	75	265
National subsidies received	–	157
Payments for asset retirement obligations	–	△89
Proceeds from liquidation of subsidiaries	–	152
Other, net	△60	△137
Net cash provided by (used in) investing activities	△1,199	△16,386

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△9,247	5,828
Repayments of long-term borrowings	△2,300	△375
Repayments of lease obligations	△99	△1,187
Purchase of treasury shares	△0	△0
Dividends paid	△1,455	△2,144
Dividends paid to non-controlling interests	△30	△42
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	940
Payment for liquidation of debts	—	△328
Other, net	—	△6
Net cash provided by (used in) financing activities	△13,133	2,683
Effect of exchange rate change on cash and cash equivalents	△137	△72
Net increase (decrease) in cash and cash equivalents	△4,401	2,815
Cash and cash equivalents at beginning of period	17,362	12,961
Increase in cash and cash equivalents resulting from merger	—	5,891
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	△473
Cash and cash equivalents at end of period	※ 12,961	※ 21,195