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Consolidated Financial Results for the Six Months Ended September 30, 2020 [Japanese GAAP]

November 12, 2020

Company name: Restar Holdings Corporation

Stock exchange listing: Tokyo

Code number: 3156

URL: <https://www.restargp.com/>

Representative: Rintaro Miyoshi

Representative Director

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Scheduled date of filing quarterly securities report: November 13, 2020

Scheduled date of commencing dividend payments: December 4, 2020

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

(1) Consolidated Operating Results

(% 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	%
Six months ended September 30, 2020	147,320	(27.4)	3,012	(15.0)	2,757	(51.5)	1,983	(56.7)
September 30, 2019	202,984	94.7	3,541	45.2	5,690	121.5	4,584	123.2

(Note) Comprehensive income: Six months ended September 30, 2020: ¥ 2,296 million [(43.2)%]
Six months ended September 30, 2019: ¥ 4,039 million [355.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	65.98	-
September 30, 2019	152.47	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2020	183,994	74,682	38.9
March 31, 2020	197,053	73,768	35.7

(Reference) Equity: As of September 30, 2020: ¥ 71,508 million
As of March 31, 2020: ¥ 70,384 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	35.00	-	45.00	80.00
Fiscal year ending March 31, 2021	-	35.00			
Fiscal year ending March 31, 2021 (Forecast)			-	50.00	85.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of the year-end dividend for the fiscal year ending March 31, 2021 :

Ordinary dividend	35.00 yen
Special dividend	15.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 1, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	350,000	(7.8)	6,000	(9.6)	6,000	(33.5)	8,000	39.8	266.02

(Note) Revision to the financial results forecast announced most recently: Yes

(Disclaimer)

Statements made in this release about our future performance such as financial forecast etc. are disclosed based on currently available information and reasonable discretion. Actual results could differ materially from those discussed in forward-looking statements.

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2020: 30,072,643 shares

March 31, 2020: 30,072,643 shares

2) Total number of treasury shares at the end of the period:

September 30, 2020: 4,054 shares

March 31, 2020: 4,005 shares

3) Average number of shares during the period:

Six months ended September 30, 2020: 30,068,610 shares

Six months ended September 30, 2019: 30,068,796 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of September 30,2020
Assets		
Current assets		
Cash and deposits	21,195	19,244
Notes and accounts receivable - trade	66,491	55,247
Electronically recorded monetary claims - operating	5,286	3,916
Merchandise and finished goods	32,885	32,805
Work in process	1,552	1,108
Raw materials and supplies	1,134	1,105
Other	6,119	6,072
Allowance for doubtful accounts	(727)	(683)
Total current assets	133,937	118,817
Non-current assets		
Property, plant and equipment		
Leased assets	14,401	14,665
Accumulated depreciation	(4,665)	(5,222)
Leased assets, net	9,735	9,443
Other	※ 2 10,707	※ 2 12,874
Total property, plant and equipment	20,442	22,317
Intangible assets		
Goodwill	7,400	7,136
Other	5,928	5,590
Total intangible assets	13,329	12,727
Investments and other assets		
Investment securities	22,186	21,884
Bad debts	9,493	9,240
Other	7,962	9,080
Allowance for doubtful accounts	(10,299)	(10,072)
Total investments and other assets	29,343	30,132
Total non-current assets	63,116	65,177
Total assets	197,053	183,994

(Million yen)

	As of March 31,2020	As of September 30,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	42,826	33,652
Short-term borrowings	50,083	※ 1 45,469
Current portion of long-term borrowings	411	2,513
Income taxes payable	1,079	538
Provision for bonuses	694	668
Other	8,336	8,175
Total current liabilities	103,432	91,017
Non-current liabilities		
Long-term borrowings	4,765	2,872
Lease obligations	9,603	9,225
Retirement benefit liability	329	147
Other	5,153	6,050
Total non-current liabilities	19,852	18,294
Total liabilities	123,285	109,312
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	35,453	35,453
Retained earnings	28,949	29,627
Treasury shares	(7)	(7)
Total shareholders' equity	68,779	69,457
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	252	424
Deferred gains or losses on hedges	(51)	(124)
Foreign currency translation adjustment	1,498	1,771
Remeasurements of defined benefit plans	(94)	(19)
Total accumulated other comprehensive income	1,604	2,051
Non-controlling interests	3,384	3,174
Total net assets	73,768	74,682
Total liabilities and net assets	197,053	183,994

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Net sales	202,984	147,320
Cost of sales	189,637	134,960
Gross profit	13,347	12,360
Selling, general and administrative expenses	※ 9,805	※ 9,347
Operating profit	3,541	3,012
Non-operating income		
Interest income	85	19
Dividend income	19	14
Share of profit of entities accounted for using equity method	2,980	239
Gain on investments in silent partnership	167	118
Other	158	154
Total non-operating income	3,411	546
Non-operating expenses		
Interest expenses	870	411
Foreign exchange losses	138	125
Other	252	264
Total non-operating expenses	1,262	800
Ordinary profit	5,690	2,757
Extraordinary income		
Gain on step acquisition	—	18
Total extraordinary income	—	18
Extraordinary losses		
Early retirement costs	86	—
Loss on termination of retirement benefit plan	—	194
Total extraordinary losses	86	194
Profit before tax	5,604	2,581
Income tax expense	1,035	722
Profit	4,568	1,859
Loss attributable to non-controlling interests	(15)	(124)
Profit attributable to owners of parent	4,584	1,983

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Profit (loss)	4,568	1,859
Other comprehensive income		
Valuation difference on available-for-sale securities	(91)	281
Deferred gains or losses on hedges	(26)	(72)
Foreign currency translation adjustment	(327)	290
Remeasurements of defined benefit plans, net of tax	2	78
Share of other comprehensive income of entities accounted for using equity method	(86)	(141)
Other comprehensive income	(529)	436
Comprehensive income	4,039	2,296
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,063	2,426
Comprehensive income attributable to non-controlling interests	(24)	(130)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Cash flows from operating activities		
Profit before income taxes	5,604	2,581
Depreciation	1,407	1,299
Amortization of goodwill	281	283
Amortization of intangible assets	271	271
Early retirement costs	86	—
Loss on termination of retirement benefit plan	—	194
Increase (decrease) in retirement benefit liability	(31)	(55)
Increase (decrease) in allowance for doubtful accounts	(52)	31
Interest and dividend income	(104)	(33)
Interest expenses	870	411
Foreign exchange losses (gains)	(791)	99
Share of loss (profit) of entities accounted for using equity method	(2,980)	(239)
Gain on investments in silent partnership	(167)	(118)
Gain on step acquisitions	—	(18)
Decrease (increase) in trade receivables	(642)	11,539
Decrease (increase) in bad debts	30	4
Decrease (increase) in inventories	4,100	716
Increase (decrease) in trade payables	(1,636)	(8,395)
Decrease (increase) in advance payments - trade	465	(72)
Other, net	(1,184)	238
Subtotal	5,527	8,736
Interest and dividends received	132	478
Interest paid	(824)	(422)
Income taxes paid	(2,113)	(1,645)
Income taxes refund	455	—
Net cash provided by (used in) operating activities	3,177	7,146
Cash flows from investing activities		
Purchase of property, plant and equipment	(404)	(1,598)
Proceeds from sales of property, plant and equipment	47	43
Purchase of long-term prepaid expenses	(631)	(71)
Purchase of investment securities	(3)	(3)
Proceeds from sales of investment securities	20	—
Purchase of shares of subsidiaries and associates	(10,720)	(647)
Proceeds from withdrawal of time deposits	550	—
Collection of long-term loans receivable	16	15
Payments of guarantee deposits	(177)	(352)
Proceeds from refund of guarantee deposits	258	14
National subsidies received	157	—
Payments for asset retirement obligations	(89)	—
Proceeds from liquidation of subsidiaries	44	303
Other, net	(213)	(142)
Net cash provided by (used in) investing activities	(11,146)	(2,438)

(Million yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,974	(3,841)
Repayments of long-term borrowings	(222)	(127)
Repayments of lease obligations	(575)	(935)
Dividends paid	(1,092)	(1,353)
Dividends paid to non-controlling interests	(42)	(76)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	600	—
Other, net	11	(195)
Net cash provided by (used in) financing activities	7,653	(6,530)
Effect of exchange rate change on cash and cash equivalents	216	(362)
Net increase (decrease) in cash and cash equivalents	(99)	(2,185)
Cash and cash equivalents at beginning of period	12,961	21,195
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)	—
Increase in cash and cash equivalents resulting from newly consolidated subsidiary	—	234
Cash and cash equivalents at end of period	* 18,280	19,244