

Restar Holdings Corporation

3Q FY 2020 (Apr 2020 – Dec 2020)
Consolidated Financial Presentation

February 12, 2021



3Q FY 2020 (Apr 2020 – Dec 2020)
Accumulated Consolidated Financial Results



Financial Highlights

(Million yen)

(*1)

	3Q FY 2019 (Accumulated Total)		3Q FY 2020 (Accumulated Total)		YoY	
	¥	% of Net Sales	¥	% of Net Sales	Increase/decrease	%
	Net Sales	294,618	—	234,827	—	△59,790
Gross Profit	19,428	6.6%	19,163	8.2%	△264	△1.4%
SGA	14,364	4.9%	14,279	6.1%	△85	△0.6%
Operating Profit	5,063	1.7%	4,884	2.1%	△179	△3.5%
Ordinary Profit	7,240	2.5%	4,346	1.9%	△2,893	△40.0%
Profit Attributable to Owners of Parent	5,779	2.0%	7,267	3.1%	1,488	25.8%

Net Sales : Decrease compared to the previous year by stagnant production on a global scale and sluggish demand among consumers

Gross Profit : Increase through improving the product mix etc.

Operating Profit : Improving operating profit ratio with controlling SGA expenses

Ordinary Profit/Profit Attributable to Owners of Parent :

- In the previous year, investment gain on equity method (non-operating income) was appropriated
- In this term, profit before tax and below increase by gain of 3.8 billion yen on sale of investment securities (extraordinary income) related to the above

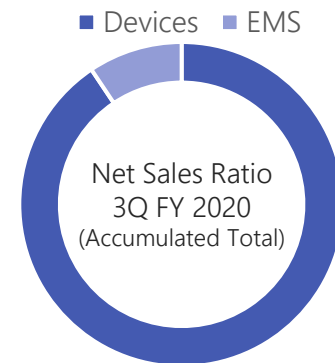


Semiconductor/Electronic Components

(*2)

(Million yen)

	3Q FY 2019	3Q FY 2020	YoY	
	(Accumulated Total)	(Accumulated Total)	Increase/decrease	%
	¥	¥		%
Net Sales	215,954	165,540	△50,414	△23.3%
Segment Profit	3,601	5,557	1,955	54.3%



■ Devices

- Net sales decrease due to production adjustment of automotive-related materials, shrinking demand for consumer products and so on although moderate recovery can be seen

■ EMS

- Net sales decrease by the impact (additional) of changing accounting period in the previous year and shrinking demand of parts/modules for smartphones, etc.

* Segment profit

- Segment profit increase by contributing to income by launching new businesses and controlling SGA expenses
- * Hereafter, we will promote the acquisition of high value-added projects such as system proposals/recurring revenue business



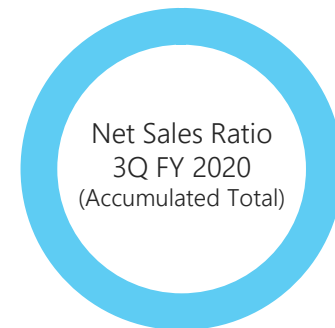
Procurement

(*3)

(Million yen)

	3Q FY 2019	3Q FY 2020	YoY	
	(Accumulated Total)	(Accumulated Total)	Increase/decrease	%
	¥	¥		
Net Sales	57,207	52,007	△5,199	△9.1%
Segment Profit	332	△158	△491	—

■ Procurement



■ Procurement

- Net sales decrease due to the impact of reducing the production of customers and development delay in new transactions
- Although gross profit improved, segment profit declined significantly due to lower sales

* Expecting a recovery in demand for major customers and promoting various initiatives to further expand procurement functions



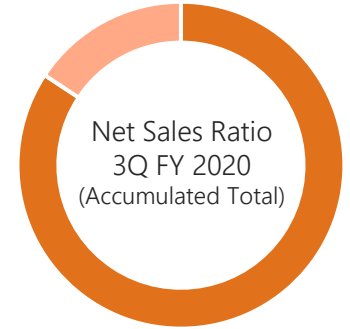
Electronic Equipment

- Electronic Equipment
- System Equipment

(*4)

(Million yen)

	3Q FY 2019	3Q FY 2020	YoY	
	(Accumulated Total)	(Accumulated Total)	Increase/decrease	%
	¥	¥		
Net Sales	15,498	12,315	△3,182	△20.5%
Segment Profit	372	148	△224	△60.2%



■ Electronic Equipment

- Net sales decrease due to projects review for broadcasting/measuring equipment and delivery delay, while education-related sales increase continuously and steadily by the spread of online classes

■ System Equipment

- Demand of cashless payment terminal (contactless IC terminal) increase steadily

* Business expansion for new normal, acquisition of digitization projects for public-sector organizations/enterprises and promote the development of new terminals utilizing technologies such as contactless communication

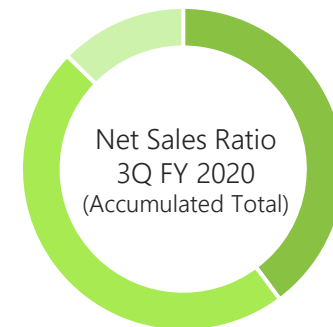
Environmental Energy

■ Energy ■ PPS ■ Vegetable Factory

(*5)

(Million yen)

	3Q FY 2019	3Q FY 2020	YoY	
	(Accumulated Total)	(Accumulated Total)	Increase/decrease	%
	¥	¥		
Net Sales	8,114	7,127	△986	△12.2%
Segment Profit	410	△32	△442	—



■ Energy

- Solar power generation in Japan and overseas remained strong and wind power generation also started selling steadily, while parts sales decreased

■ Power producer and supplier

- We will promote development with an emphasis on profitability, while net sales are decreasing due to a shrinkage of electricity demand for the government-related

■ Vegetable Factory

- Demand for convenience store is expanding, but price competition is intensifying
- Also, mainly for food restaurant industry, a shrinkage of demand can be seen

* We will continue to promote various initiatives toward the activation of renewable energy and strengthen best efforts to optimize production in vegetable factory business



Consolidated Balance Sheet

(Million yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current Assets	133,937	137,996
Non-current Assets	63,116	48,737
Total Assets	197,053	186,733
Liabilities and Net Assets		
Current Liabilities	103,432	89,343
Non-current Liabilities	19,852	18,125
Net Assets	73,768	79,263
Total Liabilities and Net Assets	197,053	186,733
Capital Adequacy Ratio	35.7%	40.8%



Full-Year Forecast and Progress Rate

(Million yen)

	3Q FY 2020 (Accumulated Total)	FY 2020 Full-Year Forecast	Progress Rate
	¥	¥	
Net Sales	234,827	350,000	67.1%
Operating Profit	4,884	6,000	81.4%
Ordinary Profit	4,346	6,000	72.4%
Profit Attributable to Owners of Parent	7,267	8,000	90.8%

- Continue structural reform of each business
- Further accelerate a growth strategy positively including business alliances and a promotion of new business expansion
- Strengthen the development of various digitalization promotion
- Make further progress of various efforts directly linked to the solution of social issues (IoT business/promotion of renewable energy/stable food supply)

*There is no change in the full-year financial forecast of FY 2020. (released on November 12, 2020)



Dividends Policy

Focus on financial stability based on consolidated full-year forecasts

- Improve a return to our shareholders by considering purchase of treasury shares, dividends increase and so on
- Continue to review appropriate capital allocation along with positive strategic investment
- Keep aim for increasing enterprise value through improvement of capital efficiency and expansion of profit

	Dividends per share (¥)		
Period	2nd quarter-end	Year-end	Total
Dividends Forecast (FY 2020)	35.00	50.00 (Ordinary dividend 35.00) (Special dividend 15.00)	85.00 (Ordinary dividend 70.00) (Special dividend 15.00)

*There is no change in the full-year dividends forecast of FY 2020. (released on November 12, 2020)



Electronics Value Platformer

Solving our customers' issues by electronics

Create an innovative
business

Information × Technology
Improve added value

Businesses Synergies

Various business
activities

1. An initiative for Society 5.0

~ Started joint pre-marketing with IBM Japan

2. Solving social issues through business activities

~ Our efforts for sustainable development of the world

1. An initiative for Society 5.0 ① (*6)

Started joint pre-marketing with IBM Japan
for the service of data acquisition, accumulation, analyze and visualization at various sites



Supporting on-site work in a wide range of fields

Prevention/Maintenance



Monitoring system



Anomaly detection



Disaster risk measurement



CO2 measurement

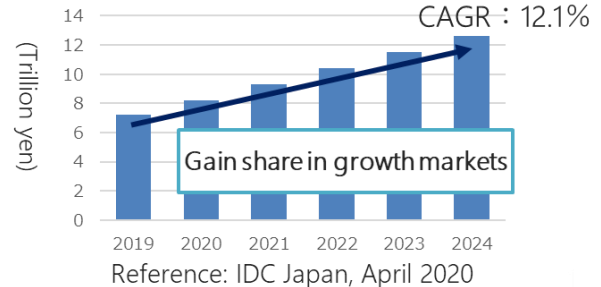


Supporting management of corporate assets

Here is the press release (in Japanese) about this business >

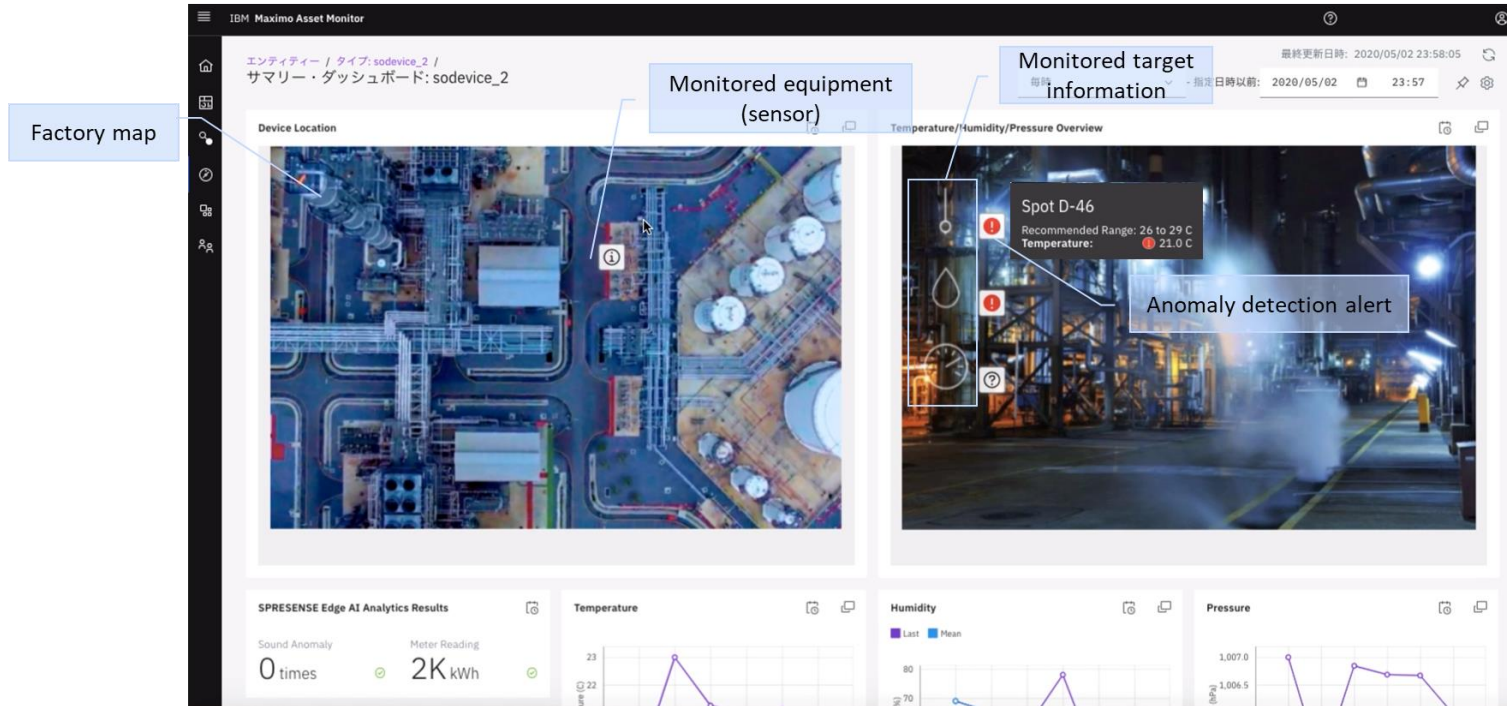
<https://www.restargp.com/news/1535/>

Japan IoT Market Spending Forecast



1. An initiative for Society 5.0 ②

Maximo Asset Monitor : Dashboard image



Real-time visualization of data acquired by sensors

2. Solving social issues through business activities

Restar Group contributes continuous development all over the world by real involvement in SDGs activity.

Our aim is to create business opportunities while contributing to society by connecting SDGs implementation to actual business.

Specific businesses

Related SDGs



Supply of clean energy

As of the end of January 2021

53 mega solar plants, approx. 140 MW power generation

We supply electricity produced by our own mega solar/wind power plants in Japan. Through spread/expansion of renewable energy, we contribute to the realization of a low-carbon/sustainable decentralized society.



Creation of new business schemes

In collaboration with partner companies, we have established an operation scheme for the manufacture and supply of medical gowns. Received an appreciation letter from the Ministry of Economy, Trade and Industry for contributing to the prevention of the spread of COVID-19.



Video solution for medical settings

We provide medical institutions with a system (non-contact panel) that records images in the operating room and operates the camera. Contributing to improving the quality of medical settings by providing video solutions for cutting-edge medical care.



Notes for the report on Consolidated Financial Presentation:

- (1) Amortization of goodwill and amortization of intangibles by merger are included in 3Q FY 2019 and 3Q FY 2020 (Accumulated Total). A foreign subsidiaries' financial period are changed from December 31, 2018, to March 31, 2019 : consolidated financial performance in FY 2019 includes these subsidiaries' between January and March.
- (2) Amortization of goodwill and amortization of intangibles by merger are included in 3Q FY 2019 and 3Q FY 2020 (Accumulated Total). A foreign subsidiaries' financial period are changed from December 31, 2018, to March 31, 2019 : consolidated financial performance in FY 2019 includes these subsidiaries' between January and March.
- (3) Amortization of goodwill and amortization of intangibles by merger are included in 3Q FY 2019 and 3Q FY 2020 (Accumulated Total).
- (4) Amortization of goodwill by merger are included in 3Q FY 2019 and 3Q FY 2020 (Accumulated Total).
- (5) Amortization of goodwill and amortization of intangibles by merger are included in 3Q FY 2019 and 3Q FY 2020 (Accumulated Total).
- (6) Society 5.0: A society that uses digital technology to achieve both economic development and solutions to social issues.



Management Principles of the Restar Group

Mission

We help society evolve by leveraging information and technology to create and deliver new value and services.

Vision

We aim to be “the Electronics Value Platformer” that accommodates all manner of stakeholder needs.
“Global (in view and scale)” “ Social Contribution”
“Collaboration and Innovation”

Value

- Through collaboration, we reflect diverse points of view as we create new cultures and values.
- Through innovative ideas and passion, we take on challenges and aim for higher targets.
- By expanding our business arena to encompass the entire world, we contribute to sustainable social evolution.



< Investor Relations Contact >

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Disclaimer

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The contents is informational only and does not constitute to the official.

