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## Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 12, 2021

Company name: Restar Holdings Corporation

Stock exchange listing: Tokyo

Code number: 3156

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

Representative: Rintaro Miyoshi

Representative Director

Contact: Hirofumi Kitao

General Manager of Accounting Department

Phone: 03-3458-4618 (Main)

Scheduled date of Annual General Meeting of Shareholders: June 22, 2021

Scheduled date of commencing dividend payments: June 08, 2021

Scheduled date of filing annual securities report: June 23, 2021

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

#### (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	%
Fiscal year ended March 31, 2021	323,815	(14.7)	6,238	(6.0)	5,689	(37.0)	4,054	(29.1)
March 31, 2020	379,548	84.5	6,637	47.2	9,025	115.0	5,722	161.0

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 5,026 million [ 10.2%]  
Fiscal year ended March 31, 2020: ¥ 4,561 million [ 705.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	134.85	-	5.6	2.9	1.9
March 31, 2020	190.33	-	8.3	4.8	1.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ 187 million  
Fiscal year ended March 31, 2020: ¥ 3,982 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2021	190,385	76,258	38.6	2,441.16
March 31, 2020	197,053	73,768	35.7	2,340.78

(Reference) Equity: As of March 31, 2021: ¥ 73,401 million  
As of March 31, 2020: ¥ 70,384 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	20,198	13,440	(15,337)	40,203
March 31, 2020	16,591	(16,386)	2,683	21,195

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	35.00	-	45.00	80.00	2,405	42.0	3.3
March 31, 2021	-	35.00	-	50.00	85.00	2,555	63.0	3.6
Fiscal year ending March 31, 2022 (Forecast)	-	40.00	-	45.00	85.00		51.1	

(Note) Breakdown of the year-end dividend for the fiscal year ended 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, 2022 (April 01, 2021 to March 31, 2022)

(% 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	8.1	6,500	4.2	7,000	23.0	5,000	23.3	166.29

\* Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

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

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

March 31, 2021: 30,072,643 shares

March 31, 2020: 30,072,643 shares

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

March 31, 2021: 4,186 shares

March 31, 2020: 4,005 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 30,068,567 shares

Fiscal Year ended March 31, 2020: 30,068,733 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
Current assets		
Cash and deposits	21,195	40,203
Notes and accounts receivable - trade	66,491	60,913
Electronically recorded monetary claims - operating	5,286	4,694
Merchandise and finished goods	32,885	27,654
Work in process	1,552	1,162
Raw materials and supplies	1,134	1,126
Other	6,119	11,210
Allowance for doubtful accounts	(727)	(830)
Current assets	133,937	146,133
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,264	4,997
Accumulated depreciation	(2,630)	(2,992)
Buildings and structures, net	3,633	2,005
Machinery, equipment and vehicles	6,318	6,012
Accumulated depreciation	(2,061)	(2,644)
Machinery, equipment and vehicles, net	4,257	3,368
Tools, furniture and fixtures	2,778	2,761
Accumulated depreciation	(2,043)	(2,224)
Tools, furniture and fixtures, net	734	536
Leased assets	14,401	15,074
Accumulated depreciation	(4,665)	(5,685)
Leased assets, net	9,735	9,388
Land	2,048	2,101
Construction in progress	32	2,002
Property, plant and equipment	20,442	19,404
Intangible assets		
Goodwill	7,400	6,332
Other	5,928	5,227
Intangible assets	13,329	11,560
Investments and other assets		
Investment securities	22,186	4,497
Deferred tax assets	325	1,054
Bad debts	9,493	9,657
Other	7,637	8,609
Allowance for doubtful accounts	(10,299)	(10,531)
Investments and other assets	29,343	13,288
Non-current assets	63,116	44,252
<b>Assets</b>	<b>197,053</b>	<b>190,385</b>

(Million yen)

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	42,826	44,878
Short-term borrowings	50,083	36,601
Current portion of long-term borrowings	411	2,661
Lease obligations	1,166	1,215
Income taxes payable	1,079	1,162
Provision for bonuses	694	679
Other	7,169	6,896
Current liabilities	103,432	94,095
Non-current liabilities		
Long-term borrowings	4,765	5,602
Lease obligations	9,603	8,696
Deferred tax liabilities	2,258	2,110
Retirement benefit liability	329	180
Other	2,894	3,441
Non-current liabilities	19,852	20,031
Liabilities	123,285	114,127
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	35,453	35,453
Retained earnings	28,949	30,646
Treasury shares	(7)	(7)
Shareholders' equity	68,779	70,476
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	252	678
Deferred gains or losses on hedges	(51)	(56)
Foreign currency translation adjustment	1,498	2,342
Remeasurements of defined benefit plans	(94)	(38)
Accumulated other comprehensive income	1,604	2,925
Share acquisition rights	-	9
Non-controlling interests	3,384	2,847
Net assets	73,768	76,258
Liabilities and net assets	197,053	190,385

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	379,548	323,815
Cost of sales	353,897	298,693
Gross profit	25,651	25,122
Selling, general and administrative expenses	19,013	18,883
Operating profit	6,637	6,238
Non-operating income		
Interest income	99	40
Dividend income	45	27
Share of profit of entities accounted for using equity method	3,982	187
Other	495	468
Total non-operating income	4,622	724
Non-operating expenses		
Interest expenses	1,519	740
Loss on sale of receivables	268	-
Foreign exchange losses	75	171
Other	370	361
Total non-operating expenses	2,234	1,273
Ordinary profit	9,025	5,689
Extraordinary income		
Gain on sale of investment securities	50	3,918
Other	-	18
Total extraordinary income	50	3,936
Extraordinary losses		
Loss on termination of retirement benefit plan	316	459
Early retirement costs	86	-
Related business loss	544	-
Loss on valuation of investment securities	109	49
Impairment losses	-	4,580
Other	-	201
Total extraordinary losses	1,057	5,291
Profit before income taxes	8,018	4,334
Income taxes - current	1,997	1,848
Income taxes - deferred	324	(1,095)
Total income taxes	2,321	752
Profit	5,697	3,581
Loss attributable to non-controlling interests	(25)	(472)
Profit attributable to owners of parent	5,722	4,054

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	5,697	3,581
Other comprehensive income		
Valuation difference on available-for-sale securities	(643)	428
Deferred gains or losses on hedges	(51)	110
Foreign currency translation adjustment	(358)	832
Remeasurements of defined benefit plans, net of tax	(49)	40
Share of other comprehensive income of entities accounted for using equity method	(32)	32
Total other comprehensive income	(1,136)	1,444
Comprehensive income	4,561	5,026
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,587	5,489
Comprehensive income attributable to non-controlling interests	(26)	(462)

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2020

(Million 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 (loss) 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 (loss) attributable to owners of parent								5,722
Purchase of treasury shares								(0)
Change in scope of consolidation								136
Increase by merger								29,420
Net changes in items other than shareholders' equity	(641)	(51)	(376)	(65)	(1,134)	(6)	2,930	1,788
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

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,383	35,453	28,949	(7)	68,779
Cumulative effects of changes in accounting policies					-
Restated balance	4,383	35,453	28,949	(7)	68,779
Changes during period					
Dividends of surplus			(2,405)		(2,405)
Profit (loss) attributable to owners of parent			4,054		4,054
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation		(0)	48		48
Increase by merger					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	1,697	(0)	1,697
Balance at end of period	4,383	35,453	30,646	(7)	70,476

	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	252	(51)	1,498	(94)	1,604	-	3,384	73,768
Cumulative effects of changes in accounting policies								-
Restated balance	252	(51)	1,498	(94)	1,604	-	3,384	73,768
Changes during period								
Dividends of surplus								(2,405)
Profit (loss) attributable to owners of parent								4,054
Purchase of treasury shares								(0)
Change in scope of consolidation								48
Increase by merger								-
Net changes in items other than shareholders' equity	426	(5)	843	55	1,320	9	(537)	793
Total changes during period	426	(5)	843	55	1,320	9	(537)	2,490
Balance at end of period	678	(56)	2,342	(38)	2,925	9	2,847	76,258



## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,018	4,334
Depreciation	2,594	2,636
Amortization of goodwill	562	566
Amortization of intangible assets	543	543
Impairment losses	-	4,580
Early retirement costs	86	-
Business-related loss expenses	544	-
Loss on termination of retirement benefit plan	316	459
Increase (decrease) in allowance for doubtful accounts	(155)	124
Interest and dividend income	(144)	(68)
Interest expenses	1,519	740
Foreign exchange losses (gains)	(691)	360
Share of loss (profit) of entities accounted for using equity method	(3,982)	(187)
Decrease (increase) in trade receivables	5,456	6,004
Decrease (increase) in bad debts	90	16
Increase (decrease) in trade payables	(1,555)	1,586
Decrease (increase) in inventories	7,900	6,294
Loss (gain) on valuation of investment securities	109	49
Loss (gain) on sale of investment securities	(50)	(52)
Loss (gain) on sale of shares of subsidiaries and associates	-	(3,865)
Increase (decrease) in retirement benefit liability	(9)	(35)
Other, net	(333)	(399)
Subtotal	20,821	23,688
Interest and dividends received	144	866
Interest paid	(1,519)	(756)
Income taxes refund	455	514
Income taxes paid	(3,310)	(4,114)
Net cash provided by (used in) operating activities	16,591	20,198
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(964)	(3,940)
Proceeds from sale of property, plant and equipment	66	77
Purchase of long-term prepaid expenses	(1,881)	(804)
Purchase of investment securities	(28)	(6)
Proceeds from sale of investment securities	113	121
Purchase of shares of subsidiaries and associates	(13,533)	(647)
Proceeds from sale of shares of subsidiaries and associates	-	20,979
Net decrease (increase) in short-term loans receivable	(771)	56
Proceeds from collection of long-term loans receivable	31	29
Proceeds from liquidation of subsidiaries	152	343
Proceeds from withdrawal of time deposits	550	-
Decrease (increase) of trust beneficiary right	-	(2,100)
Payments for asset retirement obligations	(89)	-
National subsidies received	157	-
Other, net	(188)	(667)
Net cash provided by (used in) investing activities	(16,386)	13,440

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	5,828	(14,075)
Proceeds from long-term borrowings	-	3,100
Repayments of long-term borrowings	(375)	(447)
Repayments of lease obligations	(1,187)	(1,103)
Payment for liquidation of debts	(328)	(328)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,144)	(2,405)
Dividends paid to non-controlling interests	(42)	(76)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	940	-
Other, net	(6)	-
Net cash provided by (used in) financing activities	2,683	(15,337)
Effect of exchange rate change on cash and cash equivalents	(72)	467
Net increase (decrease) in cash and cash equivalents	2,815	18,769
Cash and cash equivalents at beginning of period	12,961	21,195
Increase in cash and cash equivalents resulting from merger	5,891	-
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	238
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(473)	-
Cash and cash equivalents at end of period	21,195	40,203

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
Current assets		
Cash and deposits	6,643	19,104
Accounts receivable - trade	58	153
Beneficial interests in receivables trust	-	2,100
Short-term loans receivable from subsidiaries and associates	38,993	38,057
Current portion of long-term loans receivable	-	58
Prepaid expenses	112	76
Accounts receivable - other	1,738	3,190
Other	114	77
Allowance for doubtful accounts	(201)	(143)
Total current assets	47,459	62,675
Non-current assets		
Property, plant and equipment		
Buildings	1,887	1,882
Accumulated depreciation	(987)	(1,021)
Buildings, net	900	861
Machinery and equipment	25	25
Accumulated depreciation	(24)	(24)
Machinery and equipment, net	1	1
Tools, furniture and fixtures	237	171
Accumulated depreciation	(204)	(129)
Tools, furniture and fixtures, net	33	42
Leased assets	36	25
Accumulated depreciation	(26)	(19)
Leased assets, net	9	5
Land	1,677	1,677
Total property, plant and equipment	2,622	2,587
Intangible assets		
Software	281	146
Software in progress	-	27
Goodwill	7,301	6,265
Other	20	20
Total intangible assets	7,604	6,460
Investments and other assets		
Investment securities	1,966	2,449
Shares of subsidiaries and associates	36,739	22,137
Long-term loans receivable from subsidiaries and associates	15,888	16,689
Guarantee deposits	131	155
Other	53	49
Allowance for doubtful accounts	(15,651)	(15,675)
Total investments and other assets	39,127	25,805
Total non-current assets	49,354	34,853
Total assets	96,813	97,528

(Million yen)

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	-	30
Short-term borrowings	51,362	43,598
Current portion of long-term borrowings	100	2,214
Accounts payable - other	391	770
Accrued expenses	126	44
Income taxes payable	113	279
Deposits received	42	22
Provision for bonuses	67	73
Other	7	18
Total current liabilities	52,211	47,052
Non-current liabilities		
Long-term borrowings	2,176	-
Deferred tax liabilities	42	182
Provision for loss on business of subsidiaries and associates	-	2,127
Provision for retirement benefits	38	16
Asset retirement obligations	38	39
Other	71	112
Total non-current liabilities	2,367	2,478
<b>Total liabilities</b>	<b>54,578</b>	<b>49,530</b>
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus		
Legal capital surplus	1,383	1,383
Other capital surplus	34,386	34,386
Total capital surplus	35,770	35,770
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,880	7,235
Total retained earnings	1,880	7,235
Treasury shares	(7)	(7)
Total shareholders' equity	42,026	47,381
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	259	687
Deferred gains or losses on hedges	(52)	(71)
Total valuation and translation adjustments	207	616
<b>Total net assets</b>	<b>42,234</b>	<b>47,998</b>
<b>Total liabilities and net assets</b>	<b>96,813</b>	<b>97,528</b>

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Operating revenue	6,536	21,963
Operating expenses	(1,499)	15,993
Operating profit	8,036	5,970
Non-operating income		
Interest income	577	185
Dividend income	38	27
Other	44	48
Total non-operating income	660	262
Non-operating expenses		
Interest expenses	946	315
Foreign exchange losses	77	686
Commission expenses	138	160
Provision of allowance for doubtful accounts	4,507	32
Other	51	69
Total non-operating expenses	5,722	1,264
Ordinary profit	2,974	4,967
Extraordinary income		
Gain on sale of investment securities	50	52
Gain on sale of shares of subsidiaries and associates	379	7,036
Total extraordinary income	429	7,088
Extraordinary losses		
Provision for loss on business of subsidiaries and associates	-	2,127
Loss on termination of retirement benefit plan	70	118
Early retirement costs	14	-
Loss on valuation of investment securities	109	-
Loss on valuation of shares of subsidiaries and associates	565	1,201
Impairment losses	-	505
Total extraordinary losses	760	3,953
Profit before income taxes	2,643	8,102
Income taxes - current	(108)	364
Income taxes - deferred	226	(22)
Total income taxes	118	341
Profit	2,525	7,760

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2020

(Million yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Other retained earnings		
				Retained earnings brought forward		
Balance at beginning of period	4,383	1,383	18,250	1,499	(6)	25,510
Changes during period						
Dividends of surplus				(2,144)		(2,144)
Profit				2,525		2,525
Purchase of treasury shares					(0)	(0)
Increase by merger			29,420			29,420
Decrease by corporate division			(13,284)			(13,284)
Net changes in items other than shareholders' equity						
Total changes during period	-	-	16,135	381	(0)	16,516
Balance at end of period	4,383	1,383	34,386	1,880	(7)	42,026

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	903	-	903	6	26,420
Changes during period					
Dividends of surplus					(2,144)
Profit					2,525
Purchase of treasury shares					(0)
Increase by merger					29,420
Decrease by corporate division					(13,284)
Net changes in items other than shareholders' equity	(643)	(52)	(695)	(6)	(702)
Total changes during period	(643)	(52)	(695)	(6)	15,814
Balance at end of period	259	(52)	207	-	42,234

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Other retained earnings Retained earnings brought forward		
Balance at beginning of period	4,383	1,383	34,386	1,880	(7)	42,026
Changes during period						
Dividends of surplus				(2,405)		(2,405)
Profit				7,760		7,760
Purchase of treasury shares					(0)	(0)
Increase by merger						-
Decrease by corporate division						-
Net changes in items other than shareholders' equity						
Total changes during period	-	-	-	5,355	(0)	5,354
Balance at end of period	4,383	1,383	34,386	7,235	(7)	47,381

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	259	(52)	207	-	42,234
Changes during period					
Dividends of surplus					(2,405)
Profit					7,760
Purchase of treasury shares					(0)
Increase by merger					-
Decrease by corporate division					-
Net changes in items other than shareholders' equity	428	(19)	408	-	408
Total changes during period	428	(19)	408	-	5,763
Balance at end of period	687	(71)	616	-	47,998