

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 11, 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: +81-3-3458-4618
 Scheduled date of filing quarterly securities report: November 12, 2021
 Scheduled date of commencing dividend payments: December 3, 2021
 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, 2021 (April 1, 2021 to September 30, 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	%
Six months ended September 30, 2021	192,616	30.7	3,417	13.5	3,240	17.5	3,956	99.4
September 30, 2020	147,320	(27.4)	3,012	(15.0)	2,757	(51.5)	1,983	(56.7)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 3,407 million [48.4%]
 Six months ended September 30, 2020: ¥ 2,296 million [(43.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	131.59	-
September 30, 2020	65.98	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2021	216,734	77,944	34.8
March 31, 2021	190,385	76,258	38.6

(Reference) Equity: As of September 30, 2021: ¥ 75,381 million
 As of March 31, 2021: ¥ 73,401 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, 2021	-	35.00	-	50.00	85.00
Fiscal year ending March 31, 2022	-	45.00			
Fiscal year ending March 31, 2022 (Forecast)			-	45.00	90.00

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

(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

Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2022 :

Ordinary dividend 40.00 yen

Commemorative dividend 5.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 1, 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

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: PALTEK CORPORATION)

Exclusion: - (Company name:)

(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: Yes

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, 2021: 30,072,643 shares

March 31, 2021: 30,072,643 shares

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

September 30, 2021: 4,217 shares

March 31, 2021: 4,186 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 30,068,444 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	40,203	32,337
Notes and accounts receivable - trade	61,307	-
Notes and accounts receivable - trade, and contract assets	-	73,382
Electronically recorded monetary claims - operating	4,299	4,141
Merchandise and finished goods	27,654	40,635
Work in process	1,162	1,194
Raw materials and supplies	1,126	1,457
Other	11,210	13,359
Allowance for doubtful accounts	(830)	(872)
Total current assets	146,133	165,635
Non-current assets		
Property, plant and equipment		
Leased assets	15,074	15,172
Accumulated depreciation	(5,685)	(6,226)
Leased assets, net	9,388	8,946
Other	10,015	16,019
Total property, plant and equipment	19,404	24,966
Intangible assets		
Goodwill	6,332	6,069
Other	5,227	4,994
Total intangible assets	11,560	11,063
Investments and other assets		
Investment securities	4,497	4,852
Bad debts	9,657	9,762
Other	9,664	11,215
Allowance for doubtful accounts	(10,531)	(10,762)
Total investments and other assets	13,288	15,068
Total non-current assets	44,252	51,098
Total assets	190,385	216,734

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,878	57,543
Short-term borrowings	36,601	51,127
Current portion of long-term borrowings	2,661	447
Income taxes payable	1,162	1,205
Provision for bonuses	679	911
Other	8,112	8,385
Total current liabilities	94,095	119,621
Non-current liabilities		
Long-term borrowings	5,602	5,424
Lease obligations	8,696	8,203
Retirement benefit liability	180	314
Other provisions	-	157
Other	5,552	5,068
Total non-current liabilities	20,031	19,167
Total liabilities	114,127	138,789
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	35,453	35,475
Retained earnings	30,646	33,100
Treasury shares	(7)	(8)
Total shareholders' equity	70,476	72,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	678	493
Deferred gains or losses on hedges	(56)	(44)
Foreign currency translation adjustment	2,342	2,018
Remeasurements of defined benefit plans	(38)	(37)
Total accumulated other comprehensive income	2,925	2,430
Share acquisition rights	9	38
Non-controlling interests	2,847	2,525
Total net assets	76,258	77,944
Total liabilities and net assets	190,385	216,734

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 30,2020	For the six months ended September 30,2021
Net sales	147,320	192,616
Cost of sales	134,960	178,703
Gross profit	12,360	13,913
Selling, general and administrative expenses	9,347	10,495
Operating profit	3,012	3,417
Non-operating income		
Interest income	19	28
Dividend income	14	13
Share of profit of entities accounted for using equity method	239	71
Gain on investments in silent partnerships	118	171
Other	154	138
Total non-operating income	546	423
Non-operating expenses		
Interest expenses	411	313
Foreign exchange losses	125	124
Other	264	162
Total non-operating expenses	800	600
Ordinary profit	2,757	3,240
Extraordinary income		
Gain on bargain purchase	-	1,934
Gain on step acquisitions	18	-
Total extraordinary income	18	1,934
Extraordinary losses		
Loss on fire	-	157
Loss on termination of retirement benefit plan	194	-
Other	-	29
Total extraordinary losses	194	186
Profit before income taxes	2,581	4,988
Income taxes	722	1,091
Profit	1,859	3,897
Loss attributable to non-controlling interests	(124)	(59)
Profit attributable to owners of parent	1,983	3,956

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

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	1,859	3,897
Other comprehensive income		
Valuation difference on available-for-sale securities	281	(185)
Deferred gains or losses on hedges	(72)	10
Foreign currency translation adjustment	290	(316)
Remeasurements of defined benefit plans, net of tax	78	1
Share of other comprehensive income of entities accounted for using equity method	(141)	-
Total other comprehensive income	436	(490)
Comprehensive income	2,296	3,407
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,426	3,461
Comprehensive income attributable to non-controlling interests	(130)	(53)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	2,581	4,988
Depreciation	1,299	1,142
Amortization of goodwill	283	263
Intangible assets	271	271
Loss on termination of retirement benefit plan	194	-
Increase (decrease) in retirement benefit liability	(55)	134
Increase (decrease) in allowance for doubtful accounts	31	146
Interest and dividend income	(33)	(42)
Interest expenses	411	313
Foreign exchange losses (gains)	99	282
Share of loss (profit) of entities accounted for using equity method	(239)	(71)
Loss (gain) on investments in silent partnerships	(118)	(171)
Loss (gain) on step acquisitions	(18)	-
Gain on bargain purchase	-	(1,934)
Decrease (increase) in trade receivables	11,539	(5,507)
Decrease (increase) in inventories	716	(8,814)
Increase (decrease) in trade payables	(8,395)	4,816
Decrease (increase) in accounts receivable - other	412	(2,960)
Increase (decrease) in accounts payable - other	(794)	(983)
Other, net	553	(673)
Subtotal	8,736	(8,801)
Interest and dividends received	478	45
Interest paid	(422)	(314)
Income taxes paid	(1,645)	(1,013)
Income taxes refund	-	2,371
Net cash provided by (used in) operating activities	7,146	(7,711)
Cash flows from investing activities		
Proceeds from redemption of beneficial interests in trust	-	2,100
Purchase of property, plant and equipment	(1,598)	(5,962)
Proceeds from sale of property, plant and equipment	43	29
Purchase of long-term prepaid expenses	(71)	-
Purchase of investment securities	(3)	(369)
Purchase of shares of subsidiaries and associates	(647)	-
Proceeds from sale of shares of subsidiaries and associates	-	24
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(4,094)
Proceeds from collection of long-term loans receivable	15	27
Payments of guarantee deposits	(352)	(196)
Proceeds from liquidation of subsidiaries	303	-
Other, net	(127)	(412)
Net cash provided by (used in) investing activities	(2,438)	(8,853)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,841)	13,398
Repayments of long-term borrowings	(127)	(2,391)
Repayments of lease obligations	(935)	(537)
Purchase of treasury shares	-	(0)
Dividends paid	(1,353)	(1,503)
Dividends paid to non-controlling interests	(76)	(15)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(170)
Payment for liquidation of debts	(195)	(195)
Net cash provided by (used in) financing activities	(6,530)	8,583
Effect of exchange rate change on cash and cash equivalents		
	(362)	115
Net increase (decrease) in cash and cash equivalents	(2,185)	(7,865)
Cash and cash equivalents at beginning of period	21,195	40,203
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	234	-
Cash and cash equivalents at end of period	19,244	32,337