

Restar Holdings Corporation

2Q FY2021 (Apr 2021 – Sep 2021)

Consolidated Financial Presentation

Nov 11, 2021



2Q FY2021 (Apr 2021 – Sep 2021) Consolidated Financial Highlights



Financial Highlights

million yen	2Q FY20		2Q FY21		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	% Growth
Net Sales	147,320	—	192,616	—	45,296	30.7%
Gross Profit	12,360	8.4%	13,913	7.2%	1,553	12.6%
SG & A	9,347	6.3%	10,495	5.4%	1,147	12.3%
Operating Profit	3,012	2.0%	3,417	1.8%	405	13.5%
Ordinary Profit	2,757	1.9%	3,240	1.7%	482	17.5%
Profit Attributable to Owners of Parent	1,983	1.3%	3,956	2.1%	1,972	99.4%

Net sales : Increase in demand for components for various products such as consumer electronics and in-vehicle equipment, especially due to strong demand for semiconductors

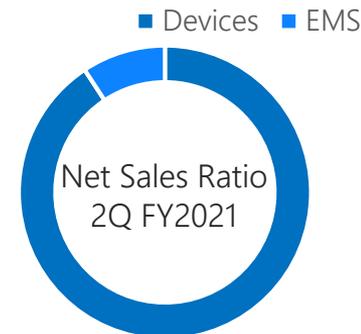
Operating profit and ordinary profit : Increase due to gross profit growth from net sales increase and managing SG&A expenses

Profit attributable to owners of parent : Increase due to gain on negative goodwill of 1,934 million yen posted as extraordinary income as a result of making PALTEK Corporation a wholly owned subsidiary



Semiconductor/Electronic Components

million yen	2Q FY20	2Q FY21	YoY	
	Amount	Amount	Growth	% Growth
Net Sales	102,050	140,702	38,651	37.9%
Segment profit	3,253	3,469	216	6.6%



■ Devices

Net sales increase due to higher demand for consumer and automotive equipment, server-related equipment

■ EMS

Net sales increase due to higher orders for smartphones

■ Segment profit

Increase due to higher sales in devices and EMS business

□ Forthcoming efforts

Business expansion by strengthening system proposal capabilities through further modularization with a core competence of PALTEK *FPGA technology, and aim to get high-value-added projects

*FPGA (field-programmable gate array) : Design can be changed by development engineers as many times as necessary. A type of integrated circuit that can be used in a wide range of applications, from communications and industrial equipment to home appliances.



Procurement

million yen	2Q FY20	2Q FY21	YoY	
	Amount	Amount	Growth	% Growth
Net Sales	33,077	40,128	7,050	21.3%
Segment profit (loss)	(141)	241	382	-



■ Procurement

Net sales to the Panasonic Group increased due to higher demand for industrial, automotive and PC components, etc.

■ Segment profit

Increase due to improvement of gross profit on yen depreciation and reduction expenses in SG&A

□ Forthcoming efforts

Expand added values in procurement functions and win new orders

Electronic Equipment

million yen	2Q FY20	2Q FY21	YoY	
	Amount	Amount	Growth	% Growth
Net Sales	8,561	9,130	568	6.6%
Segment profit	71	33	(38)	(53.1%)



■ Electronic Equipment

Net sales increase due to large-scale broadcasting-related equipment sales, and steady demand for shooting equipment and conference systems

■ System Equipment

Net sales decrease mainly due to lower shipments of cashless payment terminals on lower demand of vending machines for offices despite higher sales of personal identification equipment for so called "my number" as personal identification numbers

■ Segment profit :

Decrease due to net sales decrease on System Equipment

□ Forthcoming efforts

Electronic Equipment : Focusing on large-scale LED business projects for corporations, and promote initiatives for educational institutions and local governments

System Equipment : Expand production and sales of personal identification number-related devices, and developing new products

Environmental Energy

■ Energy ■ PPS ■ Vegetable Factory

million yen	2Q FY20	2Q FY21	YoY	
	Amount	Amount	Growth	% Growth
Net Sales	5,181	4,539	(642)	(12.4%)
Segment profit	220	346	125	56.9%



■ Energy

Net sales increase due to growth of solar and wind power generation in Japan and new solar power generation in Taiwan

■ Power producer and supplier (PPS)

Net sales decrease due to lower demand from private sectors because of continuation of telework

■ Vegetable Factory

Net sales slightly decrease due to an impact of fire accident at Kazuno plant while focusing on major convenience stores and food services on eat-in/to-go

■ Segment profit

Increase due to profit growth in energy business and improved profitability in PPS and vegetable factory business

□ Forthcoming efforts

Expanding renewable energy-related businesses and actively promoting initiatives for regional revitalization using microgrids (small-scale power grids), and developing new products and improving production efficiency on the vegetable factory business



Consolidated Balance Sheet

Mainly due to consolidation of PALTEK, increase in accounts receivable, inventories, and increase of short-term borrowings

(unit: million yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current Assets	146,133	165,640
Non-current Assets	44,252	51,093
Total Assets	190,385	216,734
Liabilities and Net Assets		
Current Liabilities	94,095	119,621
Non-current Liabilities	20,031	19,167
Net Assets	76,258	77,944
Total Liabilities and Net Assets	190,385	216,734
Capital Adequacy Ratio	38.6%	34.8%



Cash Flow

(unit: million yen)

Cash and Cash Equivalents at Beginning of Period	40,203
■ Cash Flows from Operating Activities	(7,711)
> Main factors : Increase in trade receivables and inventories	
■ Cash Flows from Investing Activities	(8,853)
> Main factors : Payment for property, plant and equipment and purchase of shares of subsidiaries resulting in change in scope of consolidation	
■ Cash Flows from Financing Activities	8,583
> Main factors : Increase short-term borrowings and repayments long-term borrowings and dividend paid	
■ Effect of Exchange Rate Change on Cash and Cash Equivalents	115
Cash and Cash Equivalents at End of Period	32,337



Full-Year Forecast and Progress

million yen	FY21 Full-Year Forecast	2Q FY21	Progress Rate
Net Sales	350,000	192,616	55.0%
Operating Profit	6,500	3,417	52.6%
Ordinary Profit	7,000	3,240	46.3%
Profit Attributable to Owners of Parent	5,000	3,956	79.1%

No change on the forecast disclosed on May 12, 2021.



Dividends Policy

Focus on financial stability based on consolidated full-year forecasts

- Improve a return to our shareholders by dividends payment as well as considering shares buyback
- Continue to review appropriate capital allocation along with positive strategic investment
- Aim to increase corporate value through further profit growth and improved capital efficiency



Notice of Dividend Increase

Interim dividend : Dividend increased as commemorative dividend

In commemoration of the business integration with PALTEK and the listing of CU TECH on the KOSDAQ, we have decided to increase the commemorative dividend of ¥5.00 per share in addition to the ordinary dividend of ¥40.00 per share for the dividend of surplus with a record date of September 30, 2021, announced on May 12, 2021. As a result, the Company's annual dividend forecast is 90 yen per share (interim dividend of 45 yen including commemorative dividend of 5 yen, and year-end dividend of 45 yen).

	Dividends per share (¥)		
	2nd quarter-end	Year-end	Total
Previous Forecast (May 12, 2021)	40.00	45.00	85.00 (Ordinary dividend 85.00)
Revised Forecast (Nov 11, 2021)	45.00 (Ordinary dividend 40.00) (Commemorative dividend 5.00)	45.00	90.00 (Ordinary dividend 85.00) (Commemorative dividend 5.00)



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

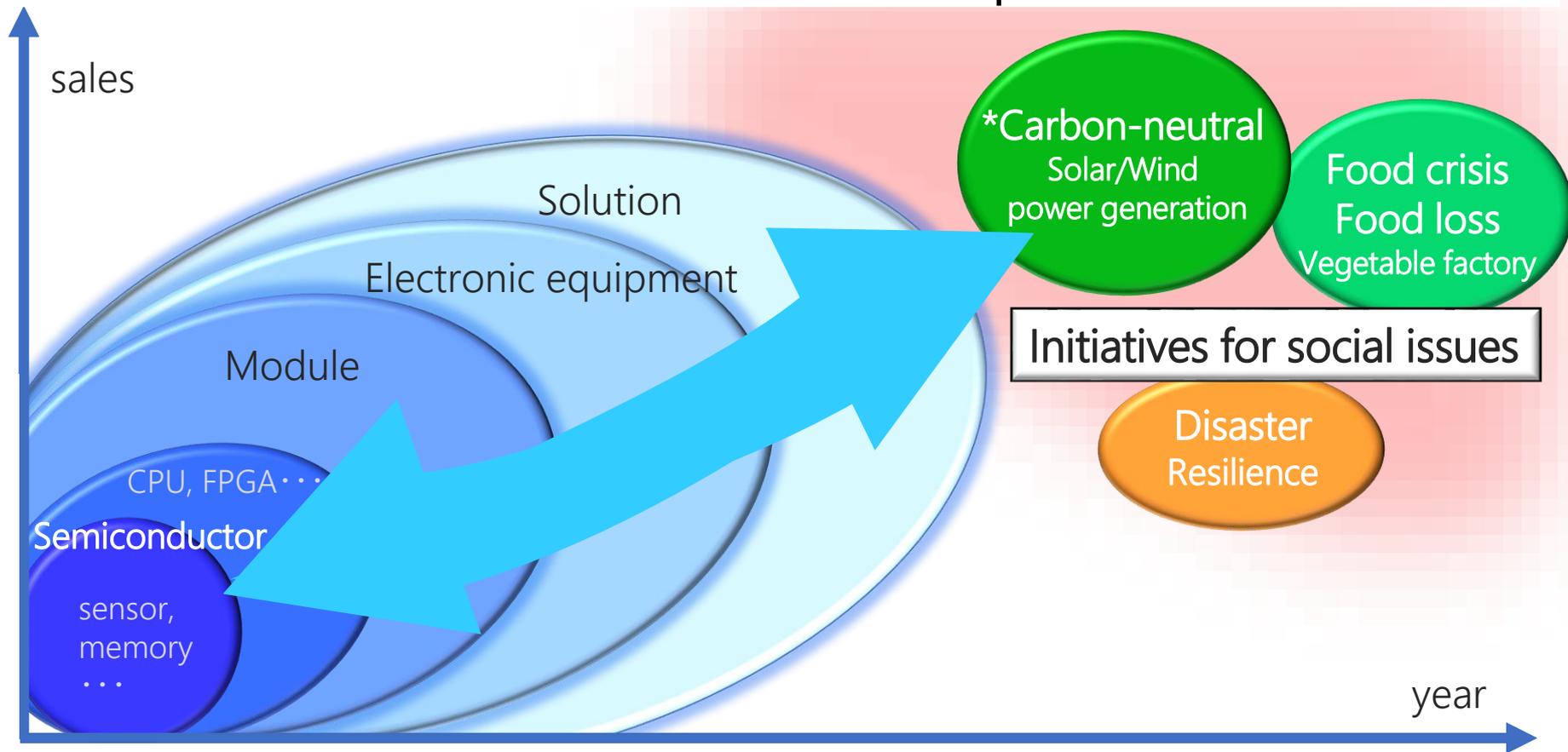
We aim to be “the Electronics Value Platformer” that accommodates all manner of stakeholder needs.
“Global (in view and scale)” “ Social Contribution”
“Collaboration and Innovation”

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.



Direction of the Restar Group's initiatives



Restar Group Vision and Priorities

The Electronics Value Platformer

Solving our customers' issues by electronics

Create an innovative
business

Information × Technology
Improve added value

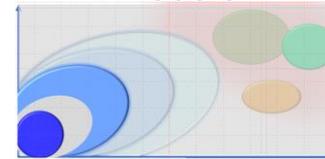
Businesses Synergies

Various business
activities

< Business Topics >

1. CU TECH (EMS business) listed on Korea Exchange
2. Creating new added value through synergy with PALTEK
3. Status of renewable energy business initiatives
4. Operation of an AI-based character reception system





1. CU TECH (EMS business) listed on Korea Exchange

Listed on October 8 at Korea Exchange(KOSDAQ)

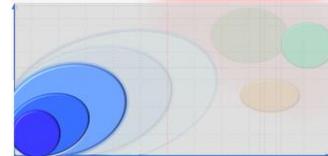


Public offering and selling price was 6,000 won (approx. 560 yen), and initial price raised to 12,000 won (approx. 1,120 yen) with high expectations



EMS of modules for smartphones, PCs and others

In addition to expanding business in Korea and boosting employee motivation, it will also play a symbolic role in Japan-Korea economic cooperation



2. Creating new added value through synergy with PALTEK



Restar Electronics Corporation

Competitive battery product line

From small batteries to storage battery systems for home and industrial use



Real-time simulator with FPGA

FPGA : Flexibility, Sustainability, Reversibility, Adaptability



FPGA can be customized to provide optimal simulators for a variety of batteries

Virtualization of charging and discharging based on battery characteristics, simulation of variable factors such as installed environment and conditions

Contribution to model-based development

Value for customers

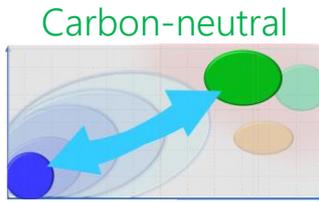
Shorten development time
Project cost reduction

Optimal simulator
Purchase and operation costs reduction

Product quality improvement
robust testing including virtual failure



3. Status of renewable energy business initiatives (Japan)

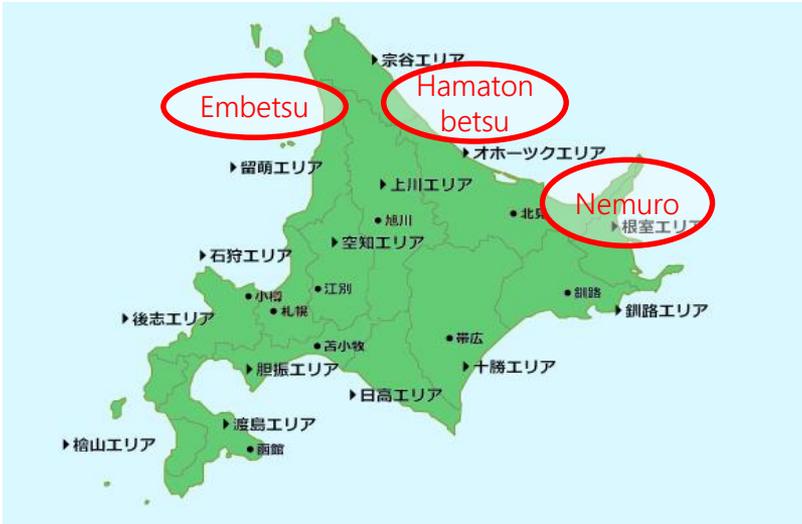


As of September 30, 2021

Solar power 57 locations about 146MW

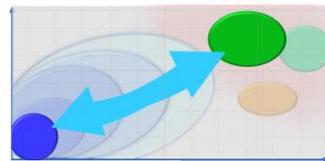
Wind power 38 units about 0.7MW → FY21 plan to add about 30 units

Operating wind power generation mainly in Hokkaido



Hybrid power plant with solar power





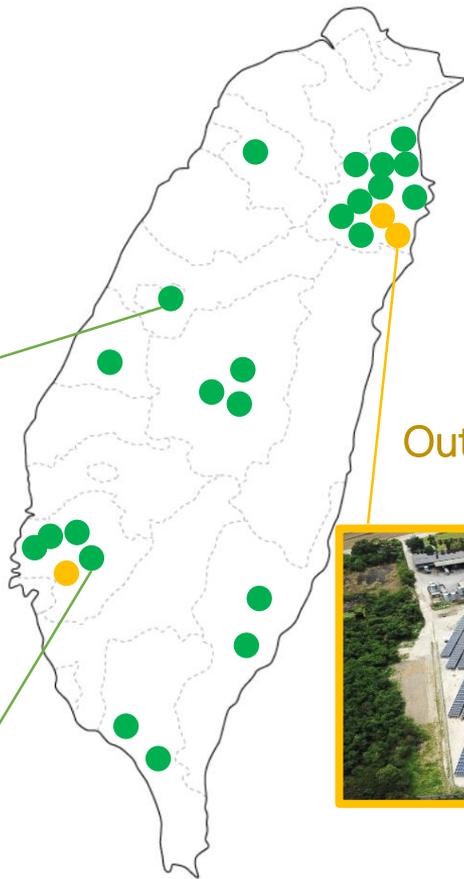
3. Status of renewable energy business initiatives (Taiwan)

As of September 30, 2021

26 locations about 18MW

FY21 : Plan to expand to about 36MW

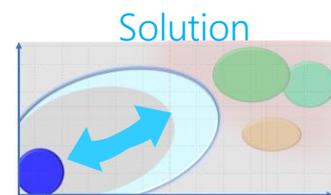
On the roof : 23 locations (about 14.6MW)



Out-field : 3 locations
(about 3.8MW)



4. Operation of an AI-based character reception system



Service launch in Aug 2021

Presented by Sony Music Solutions

Interactive Character Agent 『CHELULU』
～ Most feel-good interactive interface ～



Restar Electronics

Cloud service business operation for
face recognition, attribute analysis,
and personal authentication

Data maintenance, operation, log
management, and cost optimization



Sony Music Entertainment
the latest AI technology and
voice synthesis with
content creation

High precision face recognition
Dialogue scenario design tools
Speech recognition and synthesis technology
Touch-free interface functions

Technology provided by
Sony Network Communications

Personal authentication is used not only for security
but also for hospitality to realize rich communication

Co-creation business: New approaches to non-face-to-face and non-contact in post-corona



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

