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Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]

February 10, 2022

Company name: Restar Holdings Corporation
 Stock exchange listing: Tokyo
 Code number: 3156
 URL: <https://www.en.restargp.com/>
 Representative: Rintaro Miyoshi Representative Director
 Contact: Hirofumi Kitao General Manager of Accounting Department
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 Scheduled date of filing quarterly securities report: February 14, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 1, 2021 to December 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	%
Nine months ended December 31, 2021	296,260	26.2	6,062	24.1	5,520	27.0	5,416	(25.5)
December 31, 2020	234,827	(20.3)	4,884	(3.5)	4,346	(40.0)	7,267	25.8

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥ 5,265 million [(35.1)%]
 Nine months ended December 31, 2020: ¥ 8,111 million [51.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	180.15	179.34
December 31, 2020	241.70	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2021	233,380	80,861	32.9
March 31, 2021	190,385	76,258	38.6

(Reference) Equity: As of December 31, 2021: ¥ 76,878 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)				55.00	100.00

(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 year-end dividend for the fiscal year ending March 31, 2022:

Ordinary dividend 45.00 yen

Special dividend 10.00 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	400,000	23.5	7,000	12.2	6,000	5.5	6,000	48.0	199.54

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2021: 30,072,643 shares

March 31, 2021: 30,072,643 shares

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

December 31, 2021: 4,267 shares

March 31, 2021: 4,186 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 30,068,428 shares

Nine months ended December 31, 2020: 30,068,595 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of December 31,2021
Assets		
Current assets		
Cash and deposits	40,203	33,286
Notes and accounts receivable - trade	61,307	-
Notes and accounts receivable - trade, and contract assets	-	77,421
Electronically recorded monetary claims - operating	4,299	6,480
Merchandise and finished goods	27,654	48,666
Work in process	1,162	1,572
Raw materials and supplies	1,126	1,134
Other	11,210	13,044
Allowance for doubtful accounts	(830)	(854)
Total current assets	146,133	180,750
Non-current assets		
Property, plant and equipment		
Leased assets	15,074	15,159
Accumulated depreciation	(5,685)	(6,418)
Leased assets, net	9,388	8,740
Other	10,015	18,174
Total property, plant and equipment	19,404	26,915
Intangible assets		
Goodwill	6,332	5,937
Other	5,227	4,868
Total intangible assets	11,560	10,806
Investments and other assets		
Investment securities	4,497	4,675
Bad debts	9,657	10,032
Other	9,664	11,260
Allowance for doubtful accounts	(10,531)	(11,059)
Total investments and other assets	13,288	14,908
Total non-current assets	44,252	52,630
Total assets	190,385	233,380

(Million yen)

	As of March 31,2021	As of December 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,878	57,159
Short-term borrowings	36,601	64,567
Current portion of long-term borrowings	2,661	547
Income taxes payable	1,162	2,023
Provision for bonuses	679	527
Other	8,112	9,133
Total current liabilities	94,095	133,959
Non-current liabilities		
Long-term borrowings	5,602	5,223
Lease obligations	8,696	7,982
Retirement benefit liability	180	336
Other provisions	-	157
Other	5,552	4,859
Total non-current liabilities	20,031	18,559
Total liabilities	114,127	152,519
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	35,453	36,587
Retained earnings	30,646	33,207
Treasury shares	(7)	(8)
Total shareholders' equity	70,476	74,170
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	678	459
Deferred gains or losses on hedges	(56)	23
Foreign currency translation adjustment	2,342	2,248
Remeasurements of defined benefit plans	(38)	(22)
Total accumulated other comprehensive income	2,925	2,708
Share acquisition rights	9	50
Non-controlling interests	2,847	3,932
Total net assets	76,258	80,861
Total liabilities and net assets	190,385	233,380

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Net sales	234,827	296,260
Cost of sales	215,664	274,107
Gross profit (loss)	19,163	22,153
Selling, general and administrative expenses	14,279	16,090
Operating profit (loss)	4,884	6,062
Non-operating income		
Interest income	33	46
Dividend income	40	33
Share of profit of entities accounted for using equity method	204	132
Gain on investments in silent partnerships	63	145
Other	175	216
Non-operating income	517	575
Non-operating expenses		
Interest expenses	588	481
Foreign exchange losses	173	383
Other	292	252
Non-operating expenses	1,054	1,118
Ordinary profit (loss)	4,346	5,520
Extraordinary income		
Gain on sale of investment securities	3,865	-
Gain on bargain purchase	-	1,934
Gain on step acquisitions	18	-
Gain on sale of shares of subsidiaries and associates	-	77
Insurance claim income	-	161
Extraordinary income	3,884	2,174
Extraordinary losses		
Loss on fire	-	172
Loss on termination of retirement benefit plan	222	-
Other	-	29
Extraordinary losses	222	202
Profit (loss) before income taxes	8,009	7,493
Income taxes	911	2,080
Profit (loss)	7,097	5,412
Profit (loss) attributable to non-controlling interests	(170)	(4)
Profit (loss) attributable to owners of parent	7,267	5,416

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

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Profit	7,097	5,412
Other comprehensive income		
Valuation difference on available-for-sale securities	298	(219)
Deferred gains or losses on hedges	141	78
Foreign currency translation adjustment	488	(12)
Remeasurements of defined benefit plans, net of tax	52	6
Share of other comprehensive income of entities accounted for using equity method	32	-
Total other comprehensive income	1,013	(146)
Comprehensive income	8,111	5,265
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,297	5,148
Comprehensive income attributable to non-controlling interests	(186)	116