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## Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 11, 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 Corporate Officer

Phone: +81-3-3458-4618

Scheduled date of Annual General Meeting of Shareholders: June 21, 2022

Scheduled date of commencing dividend payments: June 7, 2022

Scheduled date of filing annual securities report: June 22, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes (For analysts and institutional investors)

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

#### (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, 2022	399,590	23.4	7,485	20.0	6,731	18.3	5,964	47.1
March 31, 2021	323,815	(14.7)	6,238	(6.0)	5,689	(37.0)	4,054	(29.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 6,085 million [ 23.9%]

Fiscal year ended March 31, 2021: ¥ 4,912 million [ 7.7%]

	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, 2022	198.35	197.54	7.9	3.1	1.9
March 31, 2021	134.85	-	5.6	2.9	1.9

(Reference) Share of profit of entities accounted for using equity method: Fiscal year ended March 31, 2022: ¥ 192 million

Fiscal year ended March 31, 2021: ¥ 187 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, 2022	241,958	81,674	32.1	2,580.56
March 31, 2021	190,385	76,258	38.6	2,441.16

(Reference) Equity: As of March 31, 2022: ¥ 77,593 million

As of March 31, 2021: ¥ 73,401 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, 2022	(27,308)	(15,954)	34,955	33,438
March 31, 2021	20,133	13,542	(15,337)	40,203

## 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, 2021	-	35.00	-	50.00	85.00	2,555	63.0	3.6
March 31, 2022	-	45.00	-	55.00	100.00	3,006	50.4	4.0
Fiscal year ending March 31, 2023 (Forecast)	-	40.00	-	50.00	90.00		45.1	

(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

Breakdown of the year-end dividend for the fiscal year ended 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, 2023 (April 1, 2022 to March 31, 2023)

(% 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	445,000	11.4	8,500	13.6	7,500	11.4	6,000	0.6	199.55

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: PALTEK CORPORATION )

Exclusion: - (Company name: )

(2) 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

(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, 2022: 30,072,643 shares

March 31, 2021: 30,072,643 shares

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

March 31, 2022: 4,317 shares

March 31, 2021: 4,186 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 30,068,405 shares

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

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	40,203	33,438
Notes and accounts receivable - trade	61,307	-
Notes and accounts receivable - trade, and contract assets	-	80,166
Electronically recorded monetary claims - operating	4,299	5,068
Merchandise and finished goods	27,654	51,820
Work in process	1,162	1,097
Raw materials and supplies	1,126	1,554
Other	11,210	13,367
Allowance for doubtful accounts	(830)	(913)
<b>Total current assets</b>	<b>146,133</b>	<b>185,599</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	4,997	5,353
Accumulated depreciation	(2,992)	(3,280)
Buildings and structures, net	2,005	2,072
Machinery, equipment and vehicles	6,012	10,878
Accumulated depreciation	(2,644)	(3,193)
Machinery, equipment and vehicles, net	3,368	7,685
Tools, furniture and fixtures	2,761	2,822
Accumulated depreciation	(2,224)	(2,317)
Tools, furniture and fixtures, net	536	505
Leased assets	15,074	15,152
Accumulated depreciation	(5,685)	(6,626)
Leased assets, net	9,388	8,525
Land	2,101	2,195
Construction in progress	2,002	5,815
<b>Total property, plant and equipment</b>	<b>19,404</b>	<b>26,800</b>
<b>Intangible assets</b>		
Goodwill	6,332	6,618
Other	5,227	4,743
<b>Total intangible assets</b>	<b>11,560</b>	<b>11,362</b>
<b>Investments and other assets</b>		
Investment securities	4,497	4,566
Deferred tax assets	1,054	1,454
Bad debts	9,657	10,675
Long-term prepaid expenses	5,012	8,651
Other	3,596	4,523
Allowance for doubtful accounts	(10,531)	(11,675)
<b>Total investments and other assets</b>	<b>13,288</b>	<b>18,196</b>
<b>Total non-current assets</b>	<b>44,252</b>	<b>56,358</b>
<b>Total assets</b>	<b>190,385</b>	<b>241,958</b>

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	44,878	51,581
Short-term borrowings	36,601	75,305
Current portion of long-term borrowings	2,661	1,184
Lease liabilities	1,215	1,233
Income taxes payable	1,162	3,291
Provision for bonuses	679	1,030
Other	6,896	5,702
Total current liabilities	94,095	139,329
Non-current liabilities		
Long-term borrowings	5,602	7,805
Lease liabilities	8,696	7,757
Deferred tax liabilities	2,110	2,070
Provision for retirement benefits for directors (and other officers)	-	90
Retirement benefit liability	180	359
Other	3,441	2,872
Total non-current liabilities	20,031	20,954
Total liabilities	114,127	160,284
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	35,453	36,651
Retained earnings	30,646	33,754
Treasury shares	(7)	(8)
Total shareholders' equity	70,476	74,780
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	678	371
Deferred gains or losses on hedges	(56)	192
Foreign currency translation adjustment	2,342	2,278
Remeasurements of defined benefit plans	(38)	(30)
Total accumulated other comprehensive income	2,925	2,812
Share acquisition rights	9	65
Non-controlling interests	2,847	4,015
Total net assets	76,258	81,674
Total liabilities and net assets	190,385	241,958

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	323,815	399,590
Cost of sales	298,693	369,510
Gross profit	25,122	30,080
Selling, general and administrative expenses	18,883	22,595
Operating profit	6,238	7,485
Non-operating income		
Interest income	40	56
Dividend income	27	35
Gain on valuation of investment securities	144	109
Share of profit of entities accounted for using equity method	187	192
Gain on investments in silent partnerships	55	198
Other	268	287
Total non-operating income	724	878
Non-operating expenses		
Interest expenses	740	660
Foreign exchange losses	171	488
Commission for syndicated loans	160	171
Other	201	312
Total non-operating expenses	1,273	1,633
Ordinary profit	5,689	6,731
Extraordinary income		
Gain on sale of investment securities	3,918	77
Gain on bargain purchase	-	1,936
Insurance claim income	-	183
Other	18	-
Total extraordinary income	3,936	2,198
Extraordinary losses		
Loss on fire	-	165
Loss on termination of retirement benefit plan	459	-
Loss on valuation of investment securities	49	179
Impairment losses	4,580	-
Other	201	47
Total extraordinary losses	5,291	392
Profit before income taxes	4,334	8,536
Income taxes - current	1,848	2,803
Income taxes - deferred	(1,095)	(186)
Total income taxes	752	2,617
Profit	3,581	5,919
Loss attributable to non-controlling interests	(472)	(44)
Profit attributable to owners of parent	4,054	5,964

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	3,581	5,919
Other comprehensive income		
Valuation difference on available-for-sale securities	428	(307)
Deferred gains or losses on hedges	(2)	253
Foreign currency translation adjustment	832	217
Remeasurements of defined benefit plans, net of tax	40	1
Share of other comprehensive income of entities accounted for using equity method	32	-
Total other comprehensive income	1,331	165
Comprehensive income	4,912	6,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,375	5,799
Comprehensive income attributable to non-controlling interests	(462)	285

Consolidated Statements of Changes in Net Assets

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
Changes during period					
Dividends of surplus			(2,405)		(2,405)
Profit attributable to owners of parent			4,054		4,054
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation		(0)	48		48
Changes in ownership interest of subsidiaries					-
Increase/decrease in surplus due to sale of shares in consolidated subsidiaries					-
Capital increase of consolidated subsidiaries					-
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
Changes during period								
Dividends of surplus								(2,405)
Profit attributable to owners of parent								4,054
Purchase of treasury shares								(0)
Change in scope of consolidation								48
Changes in ownership interest of subsidiaries								-
Increase/decrease in surplus due to sale of shares in consolidated subsidiaries								-
Capital increase of consolidated subsidiaries								-
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



For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,383	35,453	30,646	(7)	70,476
Changes during period					
Dividends of surplus			(2,856)		(2,856)
Profit attributable to owners of parent			5,964		5,964
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation					-
Changes in ownership interest of subsidiaries		56			56
Increase/decrease in surplus due to sale of shares in consolidated subsidiaries		389			389
Capital increase of consolidated subsidiaries		750			750
Net changes in items other than shareholders' equity					
Total changes during period	-	1,197	3,107	(0)	4,304
Balance at end of period	4,383	36,651	33,754	(8)	74,780

	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	678	(56)	2,342	(38)	2,925	9	2,847	76,258
Changes during period								
Dividends of surplus								(2,856)
Profit attributable to owners of parent								5,964
Purchase of treasury shares								(0)
Change in scope of consolidation								-
Changes in ownership interest of subsidiaries								56
Increase/decrease in surplus due to sale of shares in consolidated subsidiaries								389
Capital increase of consolidated subsidiaries								750
Net changes in items other than shareholders' equity	(307)	248	(63)	8	(113)	55	1,168	1,110

Total changes during period	(307)	248	(63)	8	(113)	55	1,168	5,415
Balance at end of period	371	192	2,278	(30)	2,812	65	4,015	81,674

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,334	8,536
Depreciation	2,557	2,292
Impairment losses	4,580	-
Amortization of goodwill	566	526
Intangible assets	543	543
Loss on termination of retirement benefit plan	459	-
Increase (decrease) in retirement benefit liability	(35)	173
Increase (decrease) in allowance for doubtful accounts	124	25
Interest and dividend income	(68)	(89)
Interest expenses	740	577
Foreign exchange losses (gains)	360	1,000
Share of loss (profit) of entities accounted for using equity method	(187)	(192)
Loss (gain) on investments in silent partnerships	(21)	(198)
Gain on bargain purchase	-	(1,936)
Loss (gain) on sale of investment securities	(3,910)	(5)
Loss (gain) on valuation of investment securities	(95)	179
Decrease (increase) in trade receivables	6,004	(13,310)
Decrease (increase) in inventories	6,294	(22,655)
Decrease (increase) in bad debts	16	-
Increase (decrease) in trade payables	1,586	(1,151)
Decrease (increase) in accounts receivable - other	(2,333)	(459)
Other, net	2,256	(148)
Subtotal	23,772	(26,290)
Interest and dividends received	717	87
Interest paid	(756)	(479)
Income taxes paid	(4,114)	(2,856)
Income taxes refund	514	2,230
Net cash provided by (used in) operating activities	20,133	(27,308)

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3,000)	-
Proceeds from withdrawal of time deposits	3,000	-
Purchase of beneficial interests in trust	(2,300)	-
Proceeds from redemption of beneficial interests in trust	200	2,100
Purchase of property, plant and equipment	(3,884)	(11,227)
Proceeds from sale of property, plant and equipment	77	402
Purchase of long-term prepaid expenses	(804)	(1,284)
Purchase of investment securities	(1,003)	(735)
Proceeds from sale of investment securities	1,125	513
Purchase of shares of subsidiaries and associates	(647)	-
Proceeds from sale of shares of subsidiaries and associates	20,979	24
Net decrease (increase) in short-term loans receivable	56	80
Long-term loan advances	-	22
Proceeds from collection of long-term loans receivable	29	23
Payments of guarantee deposits	-	(138)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(5,753)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	34	-
Proceeds from liquidation of subsidiaries	343	-
Other, net	(662)	19
<b>Net cash provided by (used in) investing activities</b>	<b>13,542</b>	<b>(15,954)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(14,075)	38,084
Repayments of long-term borrowings	(447)	(4,517)
Proceeds from long-term borrowings	3,100	4,878
Repayments of lease liabilities	(1,103)	(1,105)
Payment for liquidation of debts	(328)	(328)
Dividends paid	(2,405)	(2,856)
Dividends paid to non-controlling interests	(76)	(76)
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(170)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	872
Other, net	-	176
<b>Net cash provided by (used in) financing activities</b>	<b>(15,337)</b>	<b>34,955</b>
Effect of exchange rate change on cash and cash equivalents	467	1,542
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>18,806</b>	<b>(6,764)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>21,195</b>	<b>40,203</b>
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	201	-
<b>Cash and cash equivalents at end of period</b>	<b>40,203</b>	<b>33,438</b>