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July 29, 2022

Company Name	Restar Holdings Corporation (Code: 3156 Tokyo Stock Exchange Prime Market)
Name of Representative Contact Information	Tomoharu Asaka, Representative Director Susumu Nishima, Corporate Executive Officer (Tel.: 03-3458-4619)

(Correction/Numerical Data Correction) Partial Correction of
“Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]”

Restar Holdings Corporation (“the Company”) announced the correction to the “Fiscal Year 2021 (Apr 2021 – Mar 2022) Consolidated Financial Results [Japanese GAAP]” published on May 11, 2022, in its “(Correction/Numerical Data Correction) Partial Correction of ‘Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]’” dated May 20, 2022. In addition, we would like to inform you that we have made the following corrections. Moreover, since there were corrections in the numerical data as well, we will also send the corrected numerical data.

Description

1. Reasons for and contents of corrections

As described in “Notice Concerning the Establishment of the Special Investigation Committee and the Policy of Holding the Adjourned Meeting of the Ordinary General Meeting of Shareholders for the 13th Fiscal Year” released on June 6, 2022, an overseas subsidiary was engaged in transactions with a local company run by a relative of an employee that are suspected of constituting a compliance violation and that may involve a possible loss of earnings. Since the incident may have an impact on our consolidated financial statements, we established a special investigation committee consisting of members that include outside experts and conducted an investigation. Subsequently, we received the investigation report from the Special Investigation Committee as described in the “Notice Concerning the Receipt of the Investigation Report by the Special Investigation Committee” dated July 28, 2022. For the Investigation Report, please refer to the “Notice Concerning Publication of the Investigation Report of the Special Investigation Committee” published today.

Based on this Report and the results of the Company’s internal investigation, the Company decided to request the return of the loss of earnings (102 million yen in total) arising from transactions with the local company run by the relative of the employee, and recorded a claim to the employee (long-term loans receivable). The Company also performed accounting treatment to reduce the overstated cost of sales by the same amount (an increase in profit). In light of the situation where it is not possible to clearly estimate cash flows because an agreement has not yet been reached with the relevant employee regarding the repayment of such receivables, an allowance for doubtful accounts equal to the amount recorded as receivables was recorded as non-operating expenses. When requesting payment for the loss of earnings, the Company did not correct the consolidated financial statements for the previous fiscal year and the period from the first quarter to the third quarter of the fiscal year ended March 31, 2022 because the effect on the consolidated financial statements for the relevant periods was minimal, and accounted for it at once in the financial results for the fiscal year ended March 31, 2022.

In addition, during the course of audit, we found that some of the financial figures stated in the “Fiscal Year 2021 (Apr 2021 – Mar 2022) Consolidated Financial Results [Japanese GAAP]” were misclassified, and corrected them. Specifically, the Company reclassified 23 million yen in penalties for early repayment of long-

term borrowings to non-operating expenses instead of extraordinary losses, and corrected a valuation gain of 3 million yen, which had been excluded from the calculation, in the reclassification of loss on valuation of securities of subsidiaries from extraordinary losses to non-operating expenses due to their little significance.

(millions of yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Total assets	Net assets
Before correction (A) (May 11, 2022)	399,590	7,485	6,731	5,964	241,958	81,674
After correction (B)	399,590	7,588	6,711	5,957	241,958	81,657
Change (B - A)	-	102	-19	-6	-	-16
Rate of change (%)	-	1.3%	-0.2%	-0.1%	-	-0.0%

Despite the several corrections above, there are no changes to net sales (399,590 million yen), profit before income taxes (8,536 million yen), and total assets (241,958 million yen).

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

July 29, 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.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	399,590	23.4	<u>7,588</u>	<u>21.6</u>	<u>6,711</u>	<u>18.0</u>	<u>5,957</u>	<u>46.9</u>
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: ¥ 6,068 million [23.5 %]

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

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2022	<u>198.12</u>	<u>197.31</u>	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	<u>81,657</u>	32.1	<u>2,580.33</u>
March 31, 2021	190,385	76,258	38.6	2,441.16

(Reference) Equity: As of March 31, 2022: ¥ 77,586 million

As of March 31, 2021: ¥ 73,401 million

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
March 31, 2022	<u>(26,625)</u>	<u>(16,167)</u>	<u>34,488</u>	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	50.5	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	12.0	7,500	11.8	6,000	0.7	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
Assets		
Current assets		
Cash and deposits	40,203	33,438
Notes and accounts receivable - trade	61,307	-
Notes receivable - trade	-	454
Accounts receivable - trade	-	79,318
Electronically recorded monetary claims - operating	4,299	5,068
Contract assets	-	392
Merchandise and finished goods	27,654	51,751
Work in process	1,162	1,097
Raw materials and supplies	1,126	1,554
Other	11,210	13,362
Allowance for doubtful accounts	(830)	(913)
Total current assets	146,133	185,525
Non-current assets		
Property, plant and equipment		
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	10,798
Accumulated depreciation	(2,644)	(3,186)
Machinery, equipment and vehicles, net	3,368	7,612
Tools, furniture and fixtures	2,761	2,821
Accumulated depreciation	(2,224)	(2,316)
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	2,200
Construction in progress	2,002	5,947
Total property, plant and equipment	19,404	26,862
Intangible assets		
Goodwill	6,332	6,618
Other	5,227	4,743
Total intangible assets	11,560	11,362
Investments and other assets		
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	8,662
Other	3,596	4,635
Allowance for doubtful accounts	(10,531)	(11,786)
Total investments and other assets	13,288	18,207
Total non-current assets	44,252	56,432
Total assets	190,385	241,958

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
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	1,891
Contract liabilities	-	133
Provision for bonuses	679	1,065
Other provisions	-	206
Other	6,896	6,744
Total current liabilities	94,095	139,346
Non-current liabilities		
Long-term borrowings	5,602	7,805
Lease liabilities	8,696	7,757
Deferred tax liabilities	2,110	2,070
Retirement benefit liability	180	359
Other provisions	-	90
Other	3,441	2,872
Total non-current liabilities	20,031	20,954
Total liabilities	114,127	160,301
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	35,453	36,651
Retained earnings	30,646	33,747
Treasury shares	(7)	(8)
Total shareholders' equity	70,476	74,773
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	4,005
Total net assets	76,258	81,657
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	<u>369,407</u>
Gross profit	25,122	<u>30,183</u>
Selling, general and administrative expenses	18,883	22,595
Operating profit	6,238	<u>7,588</u>
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
Loss on sale of receivables	75	86
Foreign exchange losses	171	488
Commission for syndicated loans	160	171
Other	126	<u>348</u>
Total non-operating expenses	1,273	<u>1,755</u>
Ordinary profit	5,689	<u>6,711</u>
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	<u>27</u>
Total extraordinary losses	5,291	<u>373</u>
Profit before income taxes	4,334	8,536
Income taxes - current	1,848	<u>2,820</u>
Income taxes - deferred	(1,095)	(186)
Total income taxes	752	<u>2,634</u>
Profit	3,581	<u>5,902</u>
Loss attributable to non-controlling interests	(472)	<u>(54)</u>
Profit attributable to owners of parent	4,054	<u>5,957</u>

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	<u>5,902</u>
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	<u>6,068</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,375	<u>5,792</u>
Comprehensive income attributable to non-controlling interests	(462)	<u>275</u>