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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 10, 2022

Company name: Restar Holdings Corporation

Stock exchange listing: Tokyo

Code number: 3156

URL: <https://www.en.restargp.com/>

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Scheduled date of filing quarterly securities report: November 14, 2022

Scheduled date of commencing dividend payments: December 5, 2022

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 Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 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	%
Six months ended September 30, 2022	239,795	24.5	8,450	147.3	8,479	161.7	4,632	17.1
September 30, 2021	192,616	30.7	3,417	13.5	3,240	17.5	3,956	99.4

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 2,797 million [ (17.9) %]

Six months ended September 30, 2021: ¥ 3,407 million [ 48.4 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	154.05	153.02
September 30, 2021	131.59	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2022	279,042	83,277	28.3	2,629.89
March 31, 2022	241,958	81,657	32.1	2,580.33

(Reference) Equity: As of September 30, 2022: ¥ 79,076 million

As of March 31, 2022: ¥ 77,586 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, 2022	-	45.00	-	55.00	100.00
Fiscal year ending March 31, 2023	-	40.00			
Fiscal year ending March 31, 2023 (Forecast)			-	60.00	100.00

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

(Note) Breakdown of the 2nd quarter-end dividend for the fiscal year ended March 31, 2022:

Ordinary dividend 40.00 yen

Commemorative dividend 5.00 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	465,000	16.4	13,000	71.3	12,000	78.8	7,000	17.5	232.80

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

\* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

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: No

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, 2022: 30,072,643 shares

March 31, 2022: 30,072,643 shares

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

September 30, 2022: 4,336 shares

March 31, 2022: 4,317 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 30,068,318 shares

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

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

In the first half of the fiscal year under review, the Japanese economy showed signs of gradual normalization in economic activity following the relaxation of restrictions on activities with the lull in the spread of COVID-19.

Nevertheless, the outlook for the global economy remained uncertain due to soaring raw material prices caused by the prolonged Russian invasion of Ukraine, rising commodity prices due to inflation, and the rapid depreciation of the yen because of the widening Japan-U.S. interest rate gap.

Under these circumstances, while creating internal synergies, the Group invested in venture companies through corporate venture capital to promote the creation of new businesses with external partners. In addition, we implemented capital investment in solar power generation using green finance with the aim of “creating an environmentally friendly society,” which is one of the priority issues to be addressed by the Company (materiality). In order to achieve sustainable growth in the future, we will promote various initiatives and strive to expand our business operations.

#### (Overview of Consolidated Operating Results)

(Million yen)	Six months ended September 30, 2021	Six months ended September 30, 2022	Change (%)
Net sales	192,616	239,795	24.5%
Operating profit	3,417	8,450	147.3%
Ordinary profit	3,240	8,479	161.7%
Profit attributable to owners of parent	3,956	4,632	17.1%

#### • Performance Highlights

Consolidated net sales for the first half of the fiscal year under review increased. This was due to the continued strong performance in the Semiconductor and Electronic Components Business and the Procurement Business owing to firm demand for industrial equipment and in-vehicle equipment despite unsteady demand-supply conditions for semiconductors. The consolidation of PALTEK Corporation (“PALTEK”) also contributed to the increase in sales. In terms of profit, mainly owing to an increase in gross profit due to sales growth and the effect of depreciation of the yen, operating profit and ordinary profit increased. Profit attributable to owners of parent also increased, despite extraordinary losses of ¥725 million, including special survey costs, etc., of ¥422 million and loss on valuation of investment securities of ¥269 million.

As a result, net sales for the first half of the fiscal year under review were ¥239,795 million, up 24.5% year-on-year, operating profit was ¥8,450 million, up 147.3% year-on-year, ordinary profit was ¥8,479 million, up 161.7% year-on-year, and profit attributable to owners of parent was ¥4,632 million, up 17.1% year-on-year.

### (Operating Results by Reportable Segment)

The Group has four reportable segments for the allocation of management resources and evaluation of business performance. These four segments are the Semiconductor and Electronic Components Business, the Procurement Business, the Electronic Equipment Business, and the Environmental Energy Business.

#### 1) Semiconductor and Electronic Components Business

Reportable Segment	Business	Business Description
Semiconductor and Electronic Components Business	Devices	Sales of semiconductors, electronic components and related products in Japan and overseas; system proposals with a variety of line card combinations; provision of high-value-added solutions and technical support that excels at liquid crystal systems and overseas suppliers; design and manufacturing; LSI design development and support; and reliability test service
	EMS	Electronics manufacturing service for electronic components, modules, etc. with cutting-edge technology, procurement, production management and quality assurance at our factories

(Million yen)	Six months ended September 30, 2021	Six months ended September 30, 2022	Change (%)
Net sales	139,628	174,939	25.3%
Devices	126,599	164,817	30.2%
EMS	13,028	10,122	(22.3%)
Segment profit	3,469	7,679	121.3%

#### • Performance Overview

In the devices business, sales increased due to higher demand for industrial equipment and in-vehicle equipment, sales contribution from new projects and the consolidation of PALTEK. In the EMS business, sales declined, due to the significant impact of the decrease in demand for products for use in smartphones, despite higher demand for laptops with OLED display and increase in sales due to new orders for in-vehicle equipment. Segment profit increased mainly due to sales growth in the devices business and the effect of depreciation of the yen although profit decreased in the EMS business due to sales declined.

As a result, the Semiconductor and Electronic Components Business recorded net sales of ¥174,939 million, up 25.3% year-on-year, and segment profit of ¥7,679 million, up 121.3% year-on-year.

#### 2) Procurement Business

Reportable Segment	Business	Business Description
Procurement Business	Procurement	Proposal of optimal supply chain management through global procurement/trading for electronics and entrustment service for related operations

(Million yen)	Six months ended September 30, 2021	Six months ended September 30, 2022	Change (%)
Net sales	39,577	47,640	20.4%
Segment profit	241	1,666	590.3%

#### • Performance Overview

In the procurement business, sales increased as sales to the Panasonic Group remained strong, and transactions with new customers other than the Panasonic Group were also successful. Segment profit increased due to the effect of depreciation of the yen.

As a result, the Procurement Business recorded net sales of ¥47,640 million, up 20.4% year-on-year, and segment profit of ¥1,666 million, up 590.3% year-on-year.

### 3) Electronic Equipment Business

Reportable Segment	Business	Business Description
Electronic Equipment Business	Electronic equipment	Video, audio, communications, and measurement solutions, design and construction, and maintenance engineering in various fields such as broadcasting, business, education, medical care/life sciences, public facilities, factory automation, security, and electronic measuring instruments
	System equipment	Development, manufacture, and sales of cashless payment terminals, security terminals and Individual Number authentication related devices that combine our basic digital and communications technologies with near-field communication (NFC) technologies as well as development of application software.

(Million yen)	Six months ended September 30, 2021	Six months ended September 30, 2022	Change (%)
Net sales	8,870	9,707	9.4%
Electronic equipment	7,645	8,055	5.4%
System equipment	1,225	1,652	34.8%
Segment profit (loss)	33	(166)	—

#### • Performance Overview

In the electronic equipment business, sales increased due to growth in sales of products for use in the medical sector and new projects, despite delays in large-scale projects and system deliveries owing to ongoing semiconductor shortages. In the system equipment business, sales increased, due to the increase in sales of overseas made payment terminals resulting from the consolidation of Cardservice Inc. and higher demand for entry and exit security terminals for offices. Segment profit decreased, despite an increase in sales, and the segment recorded a loss because of an increase in expenses from additional man-hours in the electronic equipment business and higher procurement costs resulting from the effect of depreciation of the yen.

As a result, the Electronic Equipment Business recorded net sales of ¥9,707 million, up 9.4% year-on-year, and segment loss of ¥166 million.

### 4) Environmental Energy Business

Reportable Segment	Business	Business Description
Environmental Energy Business	Energy	Community coexistence-based operation and management services for the introduction and popularization of renewable energy from our own solar power stations (in Japan and overseas) and wind power stations, etc.
	Power producer and supplier (PPS)	Electric power supply to public facilities, private-sector companies, households, etc. primarily using renewable energy, and electric power consulting including local production and consumption of the power for community revitalization
	Vegetable factory	Production and sale, as well as system consulting, of vegetables made in completely closed vegetable factories to commercial and retail markets including convenience stores, supermarkets, and food service chains

(Million yen)	Six months ended September 30, 2021	Six months ended September 30, 2022	Change (%)
Net sales	4,539	7,506	65.4%
Energy	1,933	2,317	19.8%
Power producer and supplier (PPS)	1,919	4,538	136.4%
Vegetable factory	686	651	(5.0)
Segment profit (loss)	346	(498)	—

#### • Performance Overview

In the energy business, sales increased due to growth in power generation from new solar and wind power stations in Japan and overseas. Sales in the power producer and supplier (PPS) business increased due to an increase in demand for electric power, mainly in the public sector. In the vegetable factory business, sales decreased slightly because of mass production of new products delayed despite increases in supermarket sales and food service demand. Segment profit decreased significantly, impacted by soaring power procurement prices due to high natural resources prices in the

PPS business, and the segment recorded a loss although profit increased in the energy business due to the stable performance of business expansion.

As a result, the Environmental Energy Business recorded net sales of ¥7,506 million, up 65.4% year-on-year, and segment loss of ¥498 million.

## (2) Analysis of Financial Position

### 1) Assets, Liabilities and Net Assets

Total assets at the end of the first half of the fiscal under review increased by ¥37,083 million from the end of the previous fiscal year to ¥279,042 million. This was mainly due to a decrease of ¥4,921 million in cash and deposits, an increase of ¥18,519 million in accounts receivable - trade, and an increase of ¥18,574 million in inventories.

Liabilities increased by ¥35,463 million from the end of the previous fiscal year to ¥195,765 million. This was mainly due to an increase of ¥7,752 million in notes and accounts payable - trade and an increase of ¥19,434 million in short-term borrowings.

Net assets increased by ¥1,619 million from the end of the previous fiscal year to ¥83,277 million. This was mainly due to profit attributable to owners of parent of ¥4,632 million, dividends from retained earnings of ¥1,653 million, a decrease of ¥274 million in capital surplus, and a decrease of ¥2,270 million in foreign currency translation adjustment.

### 2) Analysis of Cash Flows

Cash and cash equivalents ("cash") for the first half of the fiscal year under review amounted to ¥28,517 million.

Cash flows and their main factors in the first half of the fiscal year under review were as follows.

#### (Cash flows from operating activities)

Cash and cash equivalents ("cash") used in operating activities totaled ¥16,251 million, compared with cash used of ¥7,711 million in the previous fiscal year. This was mainly due to profit before income taxes of ¥7,836 million, and increases of ¥13,607 million in trade receivables, ¥15,699 million in inventories, and ¥3,003 million in trade payables.

#### (Cash flows from investing activities)

Cash used in investing activities totaled ¥875 million, compared with cash used of ¥8,853 million in the previous fiscal year. This was mainly due to proceeds from sale of property, plant and equipment of ¥2,770 million and purchase of property, plant and equipment of ¥2,433 million.

#### (Cash flows from financing activities)

Cash provided by financing activities totaled ¥10,658 million, compared with cash provided of ¥8,583 million in the previous fiscal year. This was mainly due to ¥11,243 in net increase of short-term borrowings, ¥3,699 in proceeds from long-term borrowings, ¥1,653 million in dividends paid, ¥600 million in purchase of shares of subsidiaries not resulting in change in scope of consolidation, ¥559 million in repayments of lease liabilities, and ¥1,124 million in repayments of long-term borrowings.

### (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

Based on business trends, we have decided to revise the consolidated earnings forecast for the fiscal year ending March 31, 2023, which was announced on May 11, 2022. For details, please refer to the "Notice Concerning Revision of Consolidated Full-year Earnings Forecast for the Fiscal Year Ending March 2023 and Revision of Dividends of Surplus (Interim Dividend) and Dividend Forecast (Dividend Increase)" separately disclosed today.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	33,438	28,517
Notes receivable - trade	454	585
Accounts receivable - trade	79,318	97,838
Electronically recorded monetary claims - operating	5,068	4,544
Contract assets	392	459
Merchandise and finished goods	51,751	70,326
Work in process	1,097	1,185
Raw materials and supplies	1,554	1,965
Other	13,362	17,094
Allowance for doubtful accounts	(913)	(1,023)
<b>Total current assets</b>	<b>185,525</b>	<b>221,493</b>
Non-current assets		
Property, plant and equipment		
Leased assets	15,152	15,402
Accumulated depreciation	(6,626)	(7,069)
Leased assets, net	8,525	8,332
Other	18,337	18,723
<b>Total property, plant and equipment</b>	<b>26,862</b>	<b>27,055</b>
Intangible assets		
Goodwill	6,618	6,525
Other	4,743	4,794
<b>Total intangible assets</b>	<b>11,362</b>	<b>11,320</b>
Investments and other assets		
Investment securities	4,566	5,213
Deferred tax assets	1,454	1,693
Bad debts	10,675	12,630
Long-term prepaid expenses	8,662	8,565
Other	4,635	3,363
Allowance for doubtful accounts	(11,786)	(12,294)
<b>Total investments and other assets</b>	<b>18,207</b>	<b>19,172</b>
<b>Total non-current assets</b>	<b>56,432</b>	<b>57,548</b>
<b>Total assets</b>	<b>241,958</b>	<b>279,042</b>

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	51,581	59,333
Short-term borrowings	75,305	94,739
Current portion of long-term borrowings	1,184	1,193
Lease liabilities	1,233	1,313
Income taxes payable	1,891	3,284
Contract liabilities	133	173
Provision for bonuses	1,065	1,105
Other provisions	206	118
Other	6,744	10,205
<b>Total current liabilities</b>	<b>139,346</b>	<b>171,467</b>
<b>Non-current liabilities</b>		
Long-term borrowings	7,805	11,488
Lease liabilities	7,757	7,439
Deferred tax liabilities	2,070	2,064
Retirement benefit liability	359	438
Other provisions	90	90
Other	2,872	2,776
<b>Total non-current liabilities</b>	<b>20,954</b>	<b>24,297</b>
<b>Total liabilities</b>	<b>160,301</b>	<b>195,765</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,383	4,383
Capital surplus	36,651	36,377
Retained earnings	33,747	37,767
Treasury shares	(8)	(8)
<b>Total shareholders' equity</b>	<b>74,773</b>	<b>78,519</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	371	295
Deferred gains or losses on hedges	192	279
Foreign currency translation adjustment	2,278	8
Remeasurements of defined benefit plans	(30)	(27)
<b>Total accumulated other comprehensive income</b>	<b>2,812</b>	<b>556</b>
Share acquisition rights	65	91
Non-controlling interests	4,005	4,108
<b>Total net assets</b>	<b>81,657</b>	<b>83,277</b>
<b>Total liabilities and net assets</b>	<b>241,958</b>	<b>279,042</b>



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 30,2021	For the six months ended September 30,2022
Net sales	192,616	239,795
Cost of sales	178,703	218,972
Gross profit	13,913	20,822
Selling, general and administrative expenses	10,495	12,371
Operating profit	3,417	8,450
Non-operating income		
Interest income	28	26
Dividend income	13	22
Foreign exchange gains	-	390
Share of profit of entities accounted for using equity method	71	70
Gain on investments in silent partnerships	171	133
Other	138	343
Total non-operating income	423	987
Non-operating expenses		
Interest expenses	313	673
Loss on sale of receivables	44	133
Foreign exchange losses	124	-
Other	118	152
Total non-operating expenses	600	959
Ordinary profit	3,240	8,479
Extraordinary income		
Surrender value of insurance policies	-	42
Gain on sale of investment securities	-	40
Gain on bargain purchase	1,934	-
Total extraordinary income	1,934	82
Extraordinary losses		
Loss on fire	157	-
Special survey costs, etc.	-	422
Loss on valuation of investment securities	-	269
Other	29	33
Total extraordinary losses	186	725
Profit before income taxes	4,988	7,836
Income taxes	1,091	3,033
Profit	3,897	4,803
Profit (loss) attributable to non-controlling interests	(59)	170
Profit attributable to owners of parent	3,956	4,632

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	3,897	4,803
Other comprehensive income		
Valuation difference on available-for-sale securities	(185)	(76)
Deferred gains or losses on hedges	10	82
Foreign currency translation adjustment	(316)	(2,014)
Remeasurements of defined benefit plans, net of tax	1	2
Total other comprehensive income	(490)	(2,005)
Comprehensive income	3,407	2,797
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,461	2,376
Comprehensive income attributable to non-controlling interests	(53)	421

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,988	7,836
Depreciation	1,142	1,333
Amortization of goodwill	263	334
Intangible assets	271	288
Increase (decrease) in retirement benefit liability	134	81
Increase (decrease) in allowance for doubtful accounts	146	(59)
Interest and dividend income	(42)	(49)
Interest expenses	313	673
Foreign exchange losses (gains)	282	2,497
Share of loss (profit) of entities accounted for using equity method	(71)	(70)
Loss (gain) on investments in silent partnerships	(171)	(133)
Gain on bargain purchase	(1,934)	-
Special investigation expenses, etc.	-	422
Decrease (increase) in trade receivables	(5,507)	(13,607)
Decrease (increase) in inventories	(8,814)	(15,699)
Increase (decrease) in trade payables	4,816	3,003
Decrease (increase) in accounts receivable - other	(2,960)	(2,516)
Increase (decrease) in provision for bonuses for directors (and other officers)	-	73
Increase (decrease) in accounts payable - other	(983)	2,414
Other, net	(673)	(494)
Subtotal	(8,801)	(13,671)
Interest and dividends received	45	34
Interest paid	(314)	(564)
Income taxes paid	(1,013)	(2,085)
Income taxes refund	2,371	36
Net cash provided by (used in) operating activities	(7,711)	(16,251)
<b>Cash flows from investing activities</b>		
Proceeds from redemption of beneficial interests in trust	2,100	-
Purchase of property, plant and equipment	(5,962)	(2,433)
Proceeds from sale of property, plant and equipment	29	2,770
Purchase of investment securities	(369)	(578)
Proceeds from sale of investment securities	-	121
Proceeds from sale of shares of subsidiaries and associates	24	-
Purchase of investments in non-consolidated subsidiary	-	(255)
Net decrease (increase) in short-term loans receivable	-	(270)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,094)	(306)
Proceeds from collection of long-term loans receivable	27	106
Payments of guarantee deposits	(196)	(139)
Other, net	(412)	110
Net cash provided by (used in) investing activities	(8,853)	(875)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13,398	11,243
Proceeds from long-term borrowings	-	3,699
Repayments of long-term borrowings	(2,391)	(1,124)
Repayments of lease liabilities	(537)	(559)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,503)	(1,653)
Dividends paid to non-controlling interests	(15)	(151)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(170)	(600)
Payment for liquidation of debts	(195)	(195)
Net cash provided by (used in) financing activities	8,583	10,658
Effect of exchange rate change on cash and cash equivalents	115	1,546
Net increase (decrease) in cash and cash equivalents	(7,865)	(4,921)
Cash and cash equivalents at beginning of period	40,203	33,438
Cash and cash equivalents at end of period	32,337	28,517