

Restar Holdings Corporation

FY2022 (Apr 2022 – Sep 2022)
Consolidated Financial Presentation

Nov 10, 2022



2Q FY2022

Consolidated Financial Highlights



Financial Highlights

million yen	2Q FY21		2Q FY22		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	Change (%)
Net Sales	192,616	—	239,795	—	47,178	24.5%
Gross Profit	13,913	7.2%	20,822	8.7%	6,909	49.7%
SG & A	10,495	5.4%	12,371	5.2%	1,876	17.9%
Operating Profit	3,417	1.8%	8,450	3.5%	5,033	147.3%
Ordinary Profit	3,240	1.7%	8,479	3.5%	5,238	161.7%
Profit Attributable to Owners of Parent	3,956	2.1%	4,632	1.9%	675	17.1%

■ Net sales

Increased 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.

■ Operating profit and ordinary profit

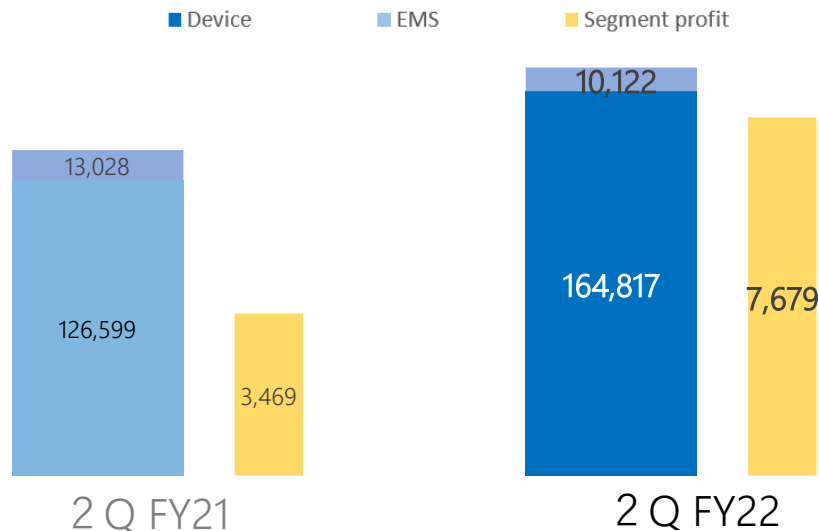
Mainly owing to an increase in gross profit due to sales growth and the effect of depreciation of the yen.

■ Profit attributable to owners of parent

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.



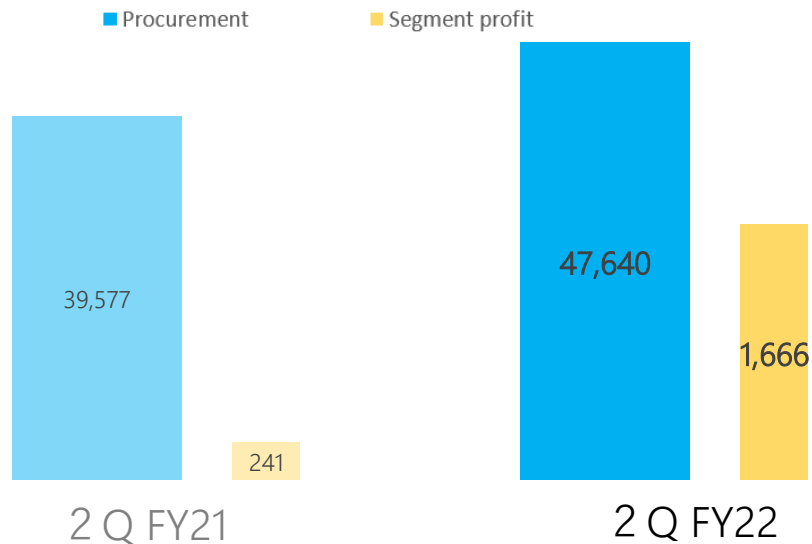
Semiconductor and Electronic Components Business



【Points】

- Device
Sales increased due to higher demand for industrial equipment and in-vehicle equipment, sales contribution from new projects and the consolidation of PALTEK.
- EMS
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 income
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.

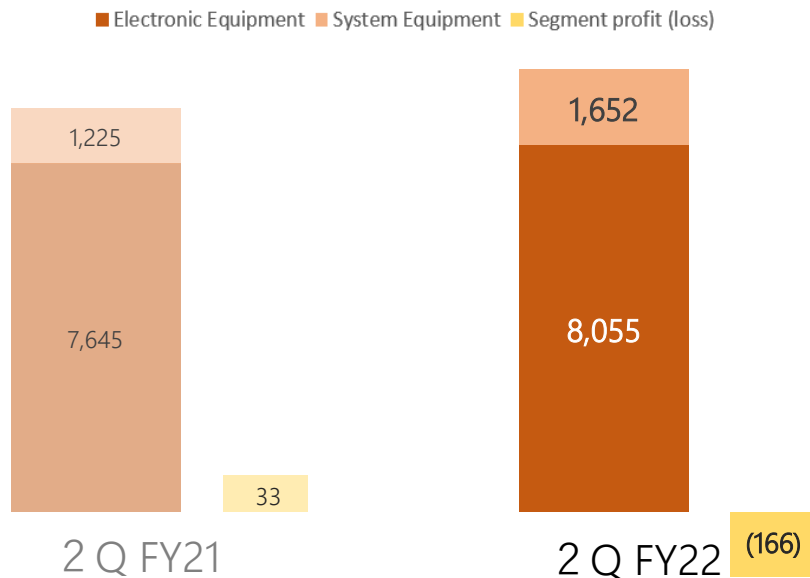
Procurement Business



【Points】

- Procurement
Sales increased as sales to the Panasonic Group remained strong, and transactions with new customers other than the Panasonic Group were also successful.
- Segment income
Increased due to the effect of depreciation of the yen.

Electronic Equipment Business



【Points】

- **Electronic Equipment**
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.
- **System Equipment**
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 Loss**
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.

Environmental Energy Business

【Points】

- Energy

Sales increased due to growth in power generation from new solar and wind power stations in Japan and overseas.

		21FY Q1	22FY Q1	YoY	
Energy Sales (incl. sales to PPS)		2,603	2,971	368	14.1%
Solar Power MW	Japan	146	151	5	3.4%
	Overseas	18	32	14	77.9%
	Total	164	183	19	11.6%

- Power producer and supplier (PPS)

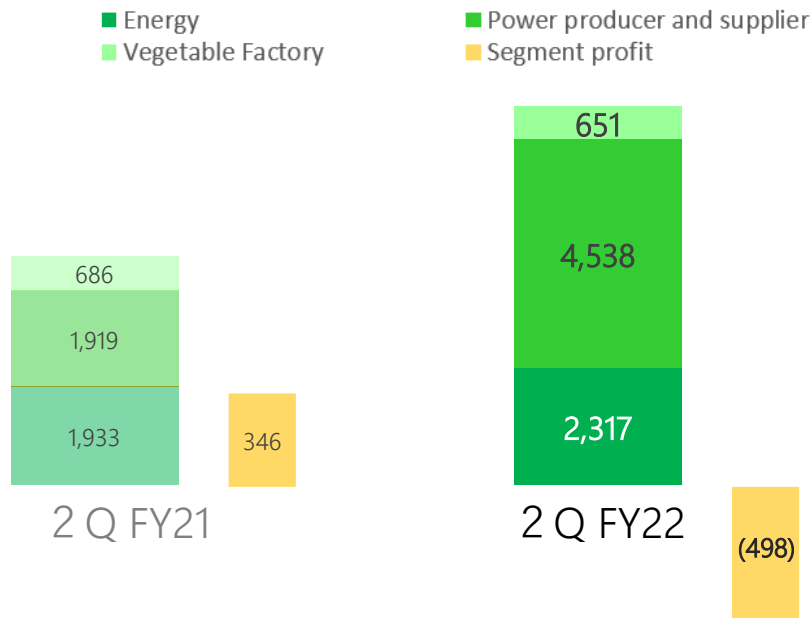
Sales increased due to an increase in demand for electric power, mainly in the public sector.

- Vegetable Factory

Sales decreased slightly because of mass production of new products delayed despite increases in supermarket sales and food service demand.

- Segment Loss

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.



Consolidated Balance Sheet

Increase in accounts receivable due to increase in sales,
increase in inventories, and increase in short-term loans payable

(unit: million yen)	As of March 31, 2022	As of September 30, 2022
Assets		
Current Assets	185,525	221,493
Non-current Assets	56,432	57,548
Total Assets	241,958	279,042
Liabilities and Net Assets		
Current Liabilities	139,346	171,467
Non-current Liabilities	20,954	24,297
Net Assets	81,657	83,277
Total Liabilities and Net Assets	241,958	279,042
Capital Adequacy Ratio	32.1%	28.3%



Cash Flow

(unit: million yen)

Cash and Cash Equivalents at Beginning of Period	33,438
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■ Cash Flows from Operating Activities	(16,251)
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> Main factors : Increase in inventories and trade receivables

■ Cash Flows from Investing Activities	(875)
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> Main factors : Proceeds from sales of property, plant and equipment and payments for acquisitions, principally

■ Cash Flows from Financing Activities	10,658
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> Main factors : Increase short-term borrowings and repayments long-term borrowings and dividend paid

■ Effect of Exchange Rate Change on Cash and Cash Equivalents	1,546
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Cash and Cash Equivalents at End of Period	28,517
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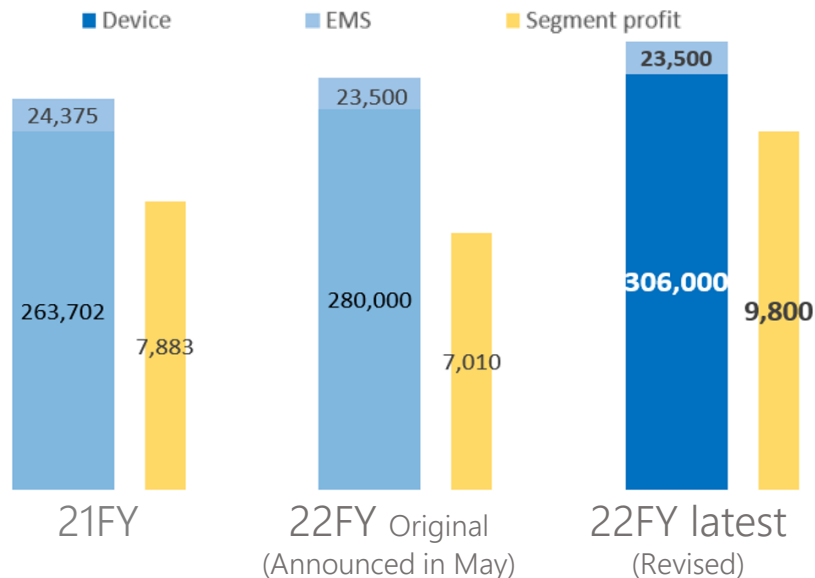
Forecasts and progress for the full year ending March 31, 2022

■ Full-year forecasts was revised on November 10, 2022.

Million	Previous Forecast (Announced on May 11, 2022)	Revised Forecast (Announced on Nov 10, 2022)	Change (%)	2 Q FY22	Progress Rate
Net Sales	445,000	465,000	4.5%	239,795	51.5%
Operating Profit	8,500	13,000	41.2%	8,450	65.0%
Ordinary Profit	7,500	12,000	46.7%	8,479	70.6%
Profit Attributable to Owners of Parent	6,000	7,000	16.7%	4,632	66.1%

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.

Semiconductor and Electronic Components Business



【Points】

- Device
Despite the weak supply-demand balance in the first half, sales of industrial and in-vehicle equipment as well as new projects contributed to the strong performance.
- EMS
Despite changes in the production mix, sales are expected to be almost in line with the plan at the beginning of the fiscal year.
- Segment income
Increase compared to initial plan due to sales increase in devices business and effect of yen depreciation, etc.

Business Overview

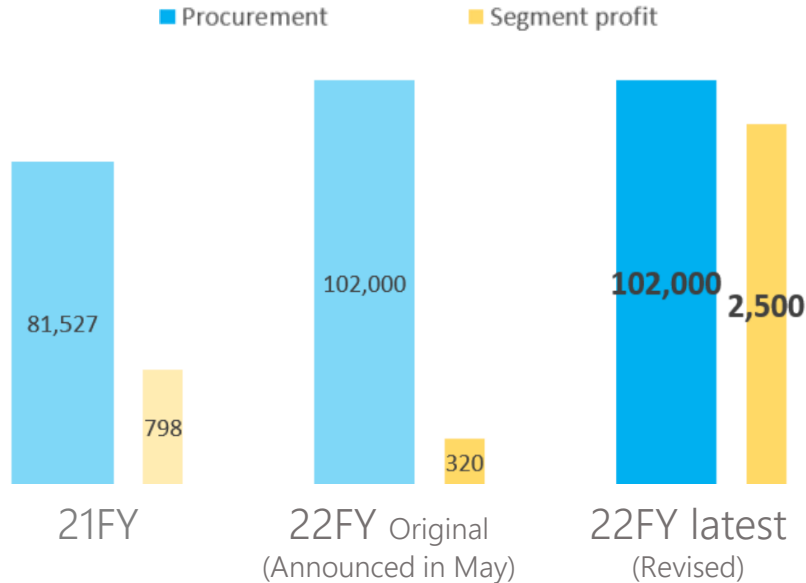
Devices

- Expanding image sensing systems for industrial equipment and other applications by leveraging our strength in commercial products.
- Further value-added expansion through modularization and development of system solutions.
- FPGA demand remains strong.

EMS

- Contract manufacturing of OLED modules for smartphones and tablets.
- Focus on OLED modules for automotive and other new projects.

Procurement Business



【 Points 】

- Procurement
Sales expected to be in line with initial plan
- Segment income
Increase compared to the initial plan due to the positive effect of yen depreciation in the first half of the fiscal year

Business Overview

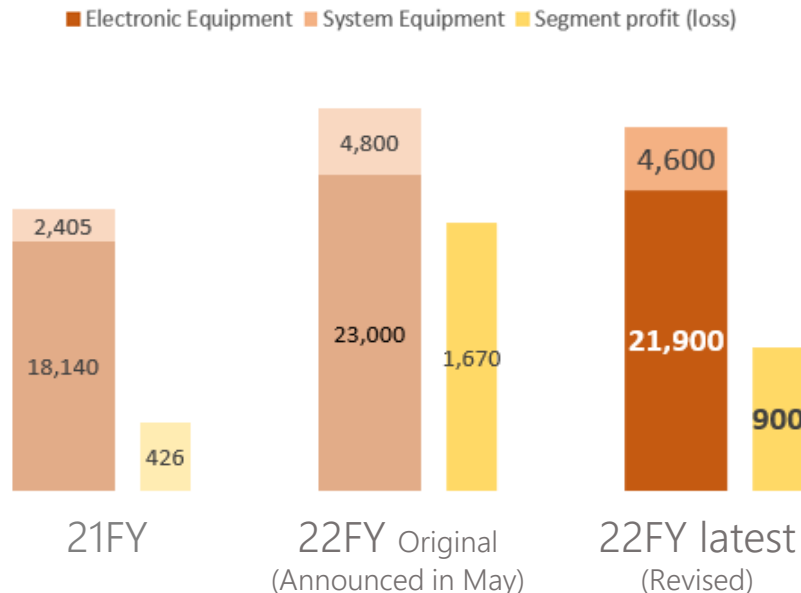
Procurement

- While the procurement SCM business for the Panasonic Group is the mainstay of our business, we are expanding our procurement business for other customers.
- Contribute to the expansion of the Group's sales by leveraging various procurement networks based on our expertise in the trading company function.
- Focus on developing new procurement services for the Group's customers.

Electronic Equipment Business

【 Points 】

- Electronic Equipment
Although the sales structure, which is heavily weighted toward the second half of the fiscal year due to seasonal factors, remains unchanged, sales declined slightly from the initial plan, partly due to the postponement of sales opportunities caused by the shortage of semiconductors and other factors
- System Equipment
Forecasts remain almost unchanged from the initial plan.
- Segment income
Decrease compared to initial plan due partly to increase in import purchase cost by yen depreciation



Business Overview

Electronic Equipment

- Tac System, which has strength in the audio domain, has been integrated into Restar Group to strengthen business through integrated video and audio solutions.
- Development of new products for the new normal.
- Cardservice Inc., which holds 40% of the domestic market share for payment terminals, and Restar Castec Corp. fully integrated on November 1 to promote synergies.
- Expanding business in the cashless payment and My number business areas.

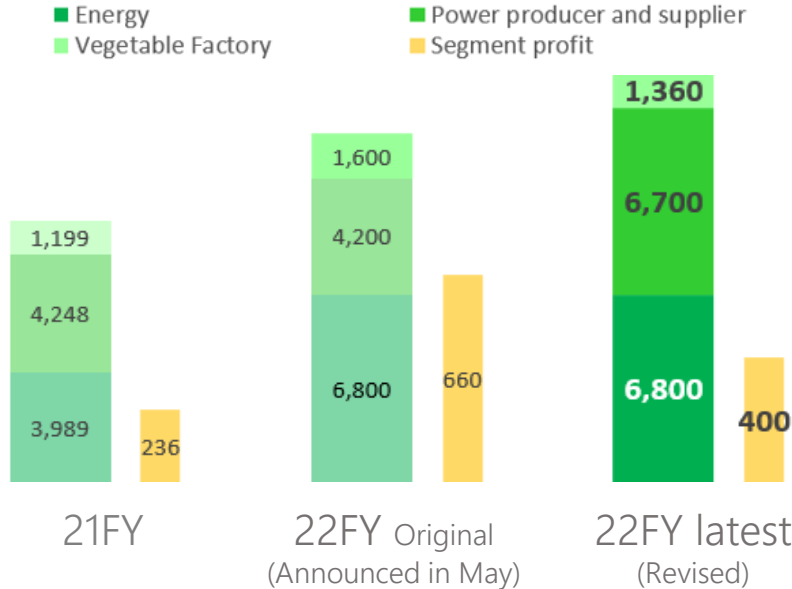
System Equipment



Environmental Energy Business

【 Points 】

- Energy
No change from the plan at the beginning of the period
- Power producer and supplier (PPS)
Sales increased compared to the initial plan, partly due to an upswing in the first half of the fiscal year
- Vegetable Factory
Sales decreased compared to the initial plan due to the review of business contents, etc.
- Segment income
Decrease in income compared to the initial plan, mainly due to the negative impact of high resource prices in the new electric power business and lower sales in the plant factory business



Business Overview

Energy

- Owns approximately 151MW of solar power generation in Japan (more than 60 sites), plans to increase capacity in the future, including small-scale wind power generation, and is also developing agricultural land sharing.

PPS

- Own power supply and reduce the risk of power procurement
- Offering carbon-neutral services to meet the decarbonization needs of customers.

Vegetable Factory

- Cultivation and sales of vegetables such as green leaf lettuce at five fully enclosed plant factories in Japan.
- Promote value-added product development and local production for local consumption.

Notice of Dividend Increase

Year-end dividend: Dividend Increased due to earnings revision

- Improve returns to shareholders by paying dividends and considering share buybacks, etc.
- Proactive strategic investment and continuous review of appropriate capital allocation
- Aim to increase corporate value through further profit growth and improvement of capital efficiency

	Dividends per share (¥)		
	2nd quarter-end	Year-end	Total
Previous Forecast (May 11, 2022)	40.00	50.00	90.00
Revised Forecast (Nov 10, 2022)	40.00	60.00	100.00

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.



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.

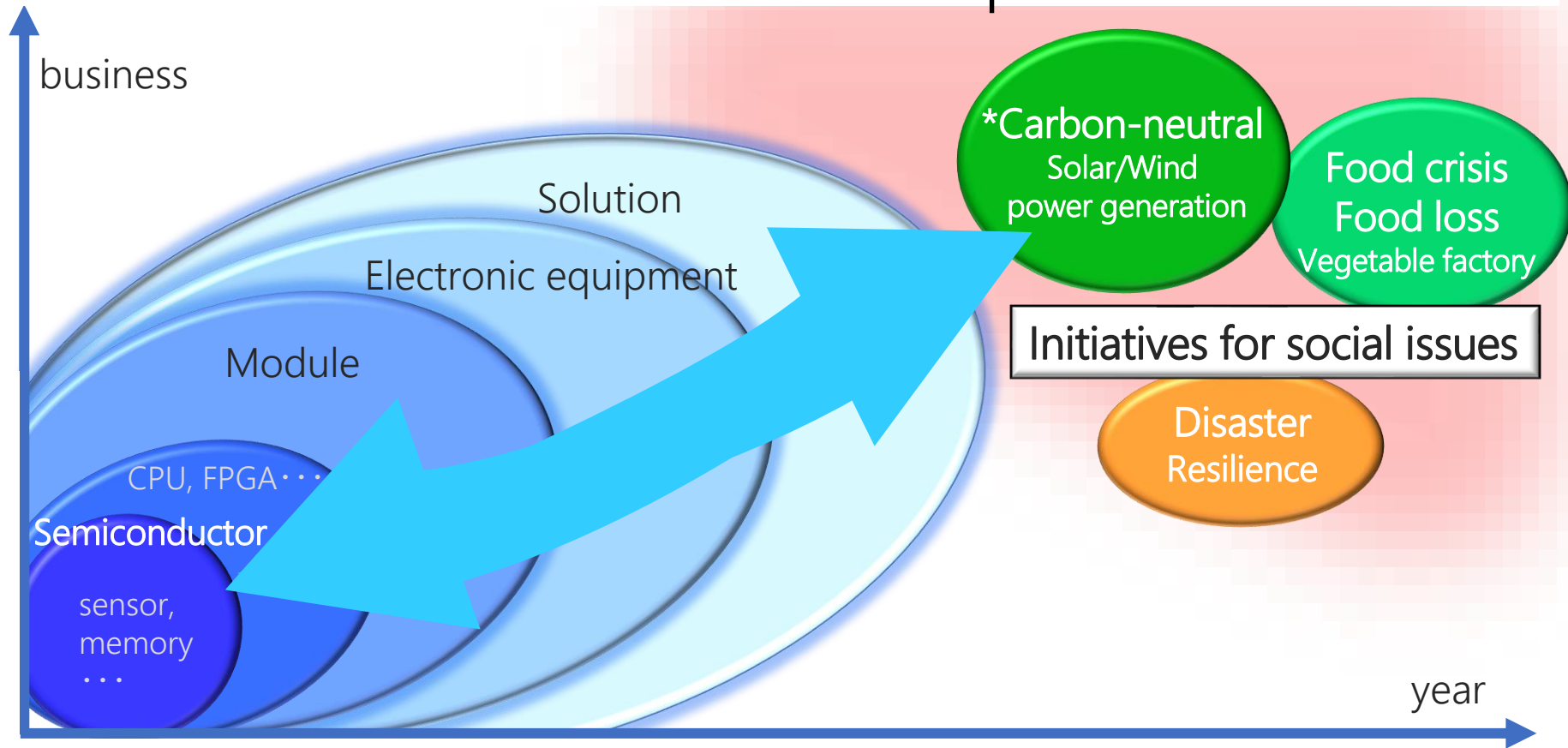
“Global (in view and scale)” “ Social Contribution”
“Collaboration and Innovation”

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



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 >

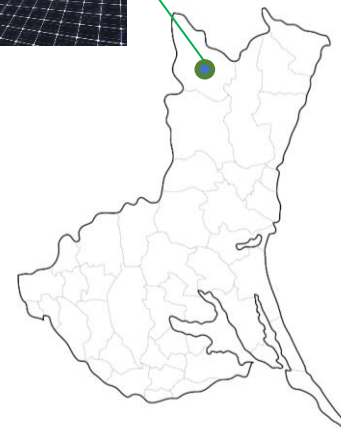
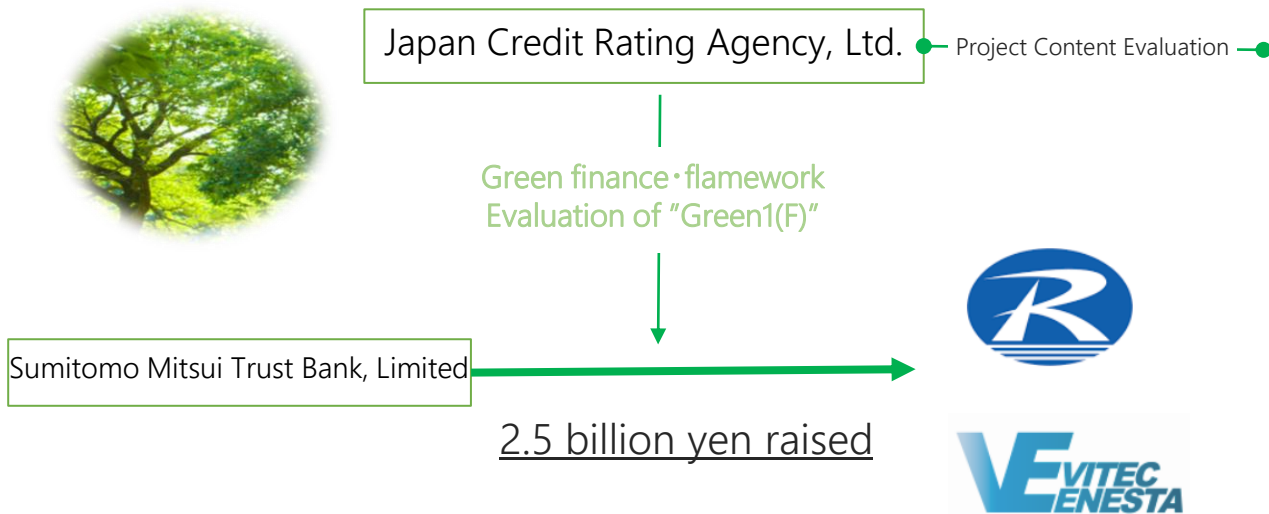
1. Restar Group CEATEC Exhibition
2. Investment in renewable energy through green loans
3. Konno & Restar foundation : First grant ceremony
4. Launch business matching service

1. CEATEC Exhibition : Introduction of solutions to social issues for local governments



As "the Electronics Value Platformer" proposing solutions to local governments facing social issues by "data linkage" rather than "data acquisition"

2. Investment in renewable energy through green loans



Overview of solar power plant in Daigo-city, Ibaraki

Location	Daigo-city, Ibaraki
Power Generation	13.5MW
Projected annual power generation	14,878,107kWh
Annual Co2 reduction	About 5,765t

One of the materialities "Creating an environmentally friendly society" is driven with externally evaluated funding

3. Initiatives of Konno&Restar foundation

一般財団法人

Konno&レスター財団

2. Social contribution: Joint establishment a foundation

～ Thoughts on Social Contribution ～

- To help develop technology in the agriculture, forestry and fisheries industries
- Broadly support the evolution of technology to solve issues related to food.
- Contributing to the sustainable development of global society



一般財団法人

Konno&レスター財団

Supporting projects : Research on innovative and advanced technologies in agriculture, forestry and fisheries

- ✓ Plant factory / facility gardening
- ✓ Marine aquaculture / land-based aquaculture
- ✓ Balanced forest production technology with environmental protection

Established on January 20, 2022, and start accepting applications for projects to be supported in February (<https://kr-fd.or.jp/> : Japanese only)



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(As previously reported 3Q FY2021 Consolidated Financial Presentation)

■ August 2022: Initial grant

8 grants totaling 9 million yen

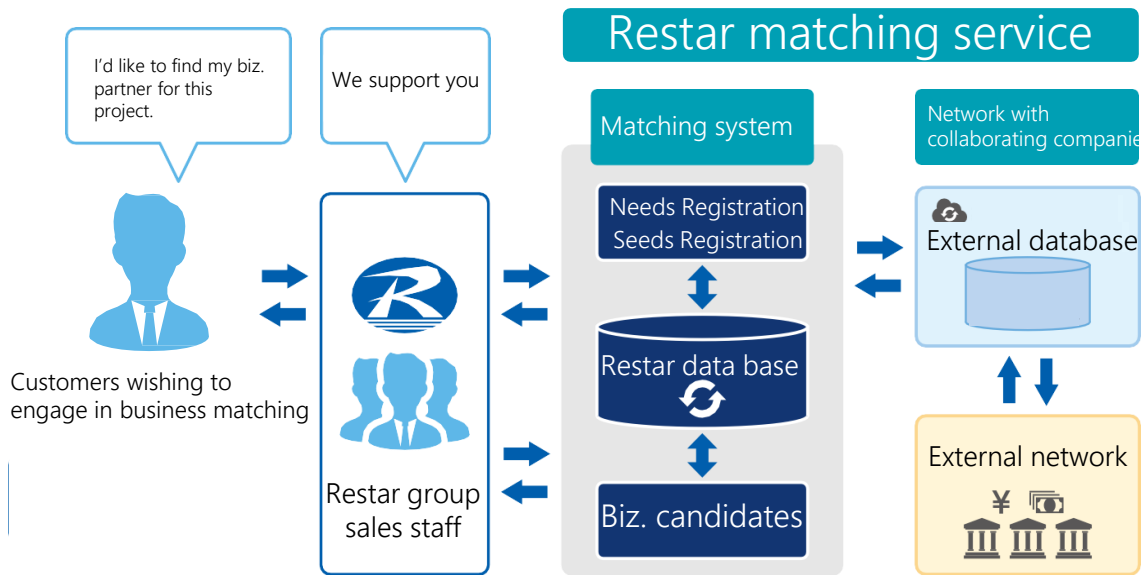
(6 projects from the general division, 2 projects from the Younger division)



Continuation of activities aimed at contributing to the development of technology in the agriculture, forestry, and fisheries industries, and contributing to the sustainable development of global society by providing broad support for the evolution of technology to solve issues related to safe and secure "food"

4. Launch business matching service

■ Business Matching Scheme



■ Aim

- Accelerate solving business issues
- Utilize business meetings for marketing
- Establish contacts and relationships with new companies
- Research and assess potential business areas
- Being matching candidates for other companies' issues

Leveraging the Restar Group's customer base to contribute to stakeholders and create business opportunities

< Investor Relations Contact >

IR・PR Department

E-mail : irpr@restargp.com

<Cautionary Statement Regarding Forward-Looking Statements>

Our current plans, forecasts, and strategies presented in this presentation are forward-looking statements about our future performance and are based on our judgment derived from the information currently available to us.

They are based on our judgment derived from the information currently available to us.

Actual results may differ from these projections due to changes in various external and internal factors.

Important factors that may affect actual results include, but are not limited to, global and Japanese economic trends, sharp fluctuations in foreign exchange rates, war and terrorist activities, disasters, and epidemics.
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