

Restar Holdings Corporation

FY2022 (Apr 2022 – Mar 2023)
Consolidated Financial Presentation

May 12, 2023



FY2022 (Apr 2022 – Mar 2023) Consolidated Financial Highlights



Highlights

1. Sales, operating profit, recurring profit and net profit attributable to shareholders of the parent company, [all results are the best record ever achieved since the business integration in fiscal year 2019](#)
2. [Results exceeded the upward revision](#) announced on 10 November 2022
3. As a result of the good performance, [the year-end dividend for the year ended 31 March 2023 was increased](#)
 - Net sales
This was due to the strong performance in the Semiconductor and Electronic Components Business and the Procurement business mainly owing to firm demand for industrial equipment and in-vehicle equipment despite continued unsteady demand-supply conditions for semiconductors (up 21.9% year-on-year)
 - Operating profit
It increased mainly owing to an increase in gross profit due to the depreciation of the yen and sales growth (up 90.1% year-on-year)
 - Ordinary profit
It grew despite interest expenses due to rising interest rates and a foreign exchange due to the strong yen in the latter half of the period (up 79.4% year-on-year)
 - Net profit attributable to shareholders of the parent company
The one-time factor of recording of extraordinary income as gain on bargain purchase relating to the consolidation of PALTEK CORPORATION and its affiliates in the same period of the previous fiscal year did not exist. In addition, the Company recorded extraordinary losses, such as special survey costs, etc., and loss on valuation of investment securities, and extraordinary losses from impairment losses in the vegetable factory business for the fiscal year under review. However, profit attributable to owners of parent also increased (up 18.9% year-on-year)



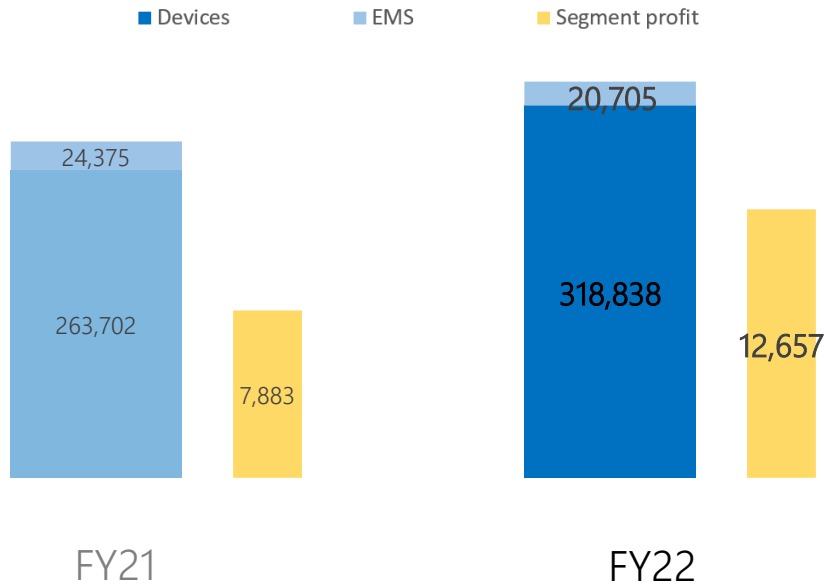
FY22 Consolidated results

Million yen	Full year FY21		Full year FY22		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	Change (%)
Net Sales	399,590	—	487,129	—	87,538	21.9%
Gross Profit	30,183	7.6%	40,484	8.3%	10,301	34.1%
SG & A	22,595	5.7%	26,061	5.3%	3,466	15.3%
Operating Profit	7,588	1.9%	14,423	3.0%	6,834	90.1%
Ordinary Profit	6,711	1.7%	12,043	2.5%	5,332	79.4%
Profit Attributable to Owners of Parent	5,957	1.5%	7,085	1.5%	1,127	18.9%



Semiconductor and Electronic Components Business

(Million yen)



【Points】

- Devices

Although consumer products and other products entered an adjustment phase, sales for industrial equipment and in-vehicle equipment remained firm. Sales also increased due to sales growth at PALTEK CORPORATION and progress in the development of new products and customers

- EMS

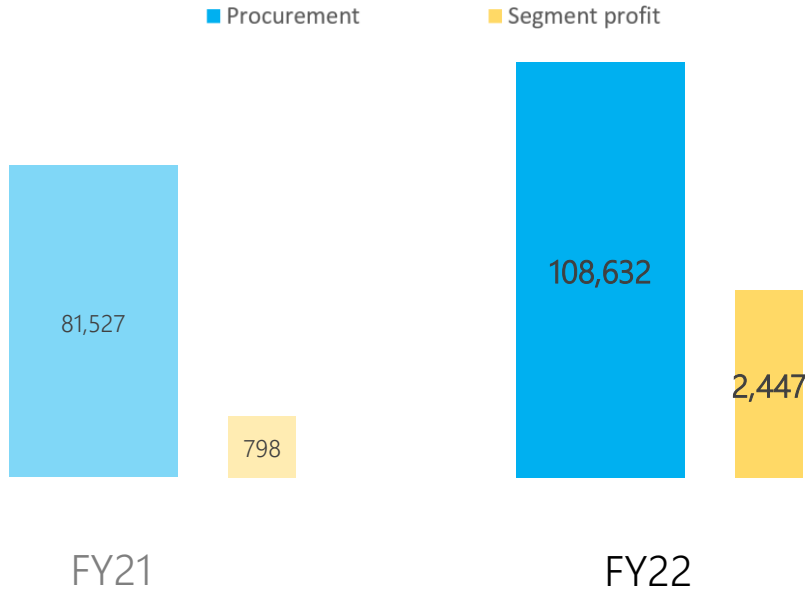
Despite the expandability of the new business for in-vehicle related products, sales declined due to the sluggishness in the mainstay smartphone business

- Segment profit

Segment profit increased mainly due to sales growth in the depreciation of the yen and the device business, despite a decrease in profit in the EMS business

Procurement Business

(Million yen)

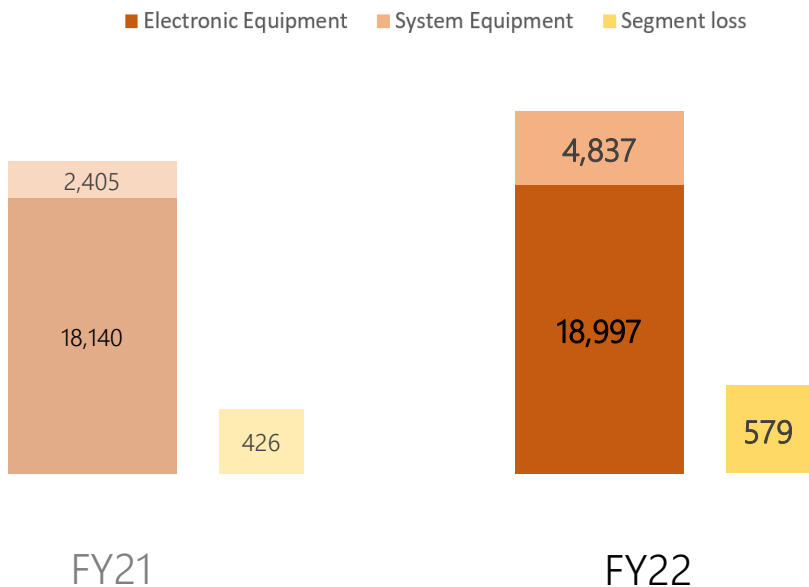


【Points】

- Procurement
Sales increased due to the continued expansion of new transactions both for the Panasonic Group and for companies other than the Panasonic Group
- Segment profit
Segment profit increased owing to the curbing of the depreciation of the yen and the increase in sales , as well as SG&A expenses

Electronic Equipment Business

(Million yen)



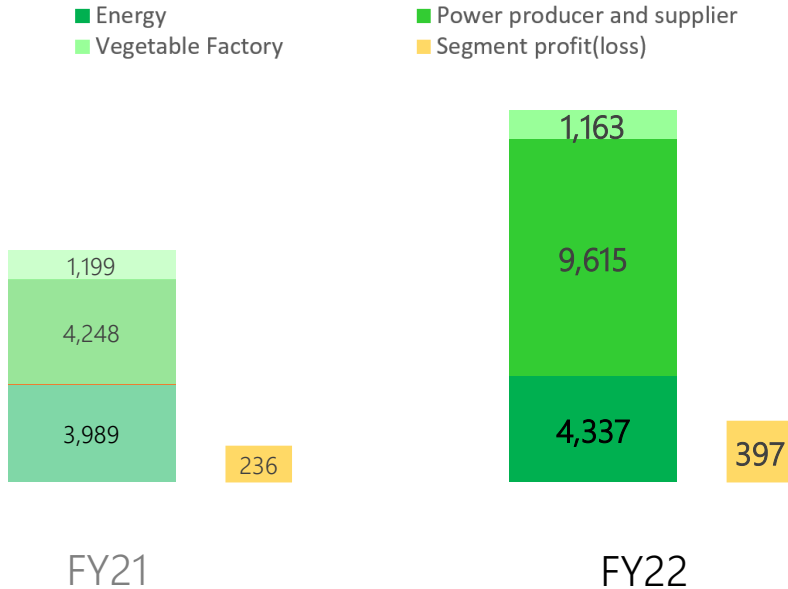
【Points】

- **Electronic Equipment**
Although equipment procurement difficulties continued due to a shortage of semiconductors, sales increased due to a gradual recovery in market conditions, including sales of ICT-related equipment and LED vision systems as a result of office relocations and renovations
- **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 Individual Number authentication related devices and access control terminals for offices
- **Segment Loss**
Segment profit increased mainly due to higher sales



Environmental Energy Business

(Million yen)



【Points】

- Energy

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

	Q4 FY21	Q4 FY22	YoY	
Energy Sales (incl. sales to PPS)	5,225	5,428	204	3.9%
Solar Power MW	Japan	147	151	4 2.5%
	Overseas	24	34	10 39.1%
	Total	172	185	13 7.6%

- Power producer and supplier (PPS)

Sales increased significantly due to a sharp rise in the fuel cost adjustment

- Vegetable Factory

Sales declined slightly due to an increase in shipments of some products, although there was a decline in sales due to a review of sales destinations and delays in mass production of new products

- Segment profit(loss)

Segment profits increased due to solid performance in the energy business and the contribution from the operation of company-owned thermal power plants to PPS business, despite losses due to the impact of higher electricity costs in the vegetable factory business



Consolidated Balance Sheet

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

Million yen	As of March 31, 2022	As of March 31, 2023
Assets		
Current Assets	185,525	209,142
Non-current Assets	56,432	58,611
Total Assets	241,958	267,754
Liabilities and Net Assets		
Current Liabilities	139,346	160,766
Non-current Liabilities	20,954	21,892
Net Assets	81,657	85,095
Total Liabilities and Net Assets	241,958	267,754
Capital Adequacy Ratio	32.1%	30.2%



Cash Flow

(unit: million yen)

Cash and Cash Equivalents at Beginning of Period	33,438
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■ Cash Flows from Operating Activities	(664)
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> Main factors : profit before income taxes, increase in non-cash item depreciation and amortization, inventories and trade payables

■ Cash Flows from Investing Activities	(5,304)
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> Main factors : Proceeds from plant and equipment, payments for acquisitions, sales of property and payments into time deposits

■ Cash Flows from Financing Activities	3,713
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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	800
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Cash and Cash Equivalents at End of Period	31,984
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Notice of Dividend Increase

Year-end dividend: Dividend Increased due to good performance

- 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 (Nov 10, 2022)	40.00	60.00	100.00
Revised Forecast (May 12, 2023)	40.00	<u>75.00</u>	<u>115.00</u>

For further details, please refer to the Notice of Revised Dividend Forecast for the Year Ended 31 March 2023, which was separately disclosed today. The year-end dividend will be funded from capital surplus. The percentage reduction in net assets is currently being calculated and will be disclosed at the time of the decision on the dividend from retained earnings.



FY23 Full-Year Forecast①

Million yen	Full year FY22	Full year FY23	YoY
Net Sales	487,129	500,000	2.6%
Operating Profit	14,423	10,000	(30.7%)
Ordinary Profit	12,043	7,000	(41.9%)
Profit Attributable to Owners of Parent	7,085	7,000	(1.2%)

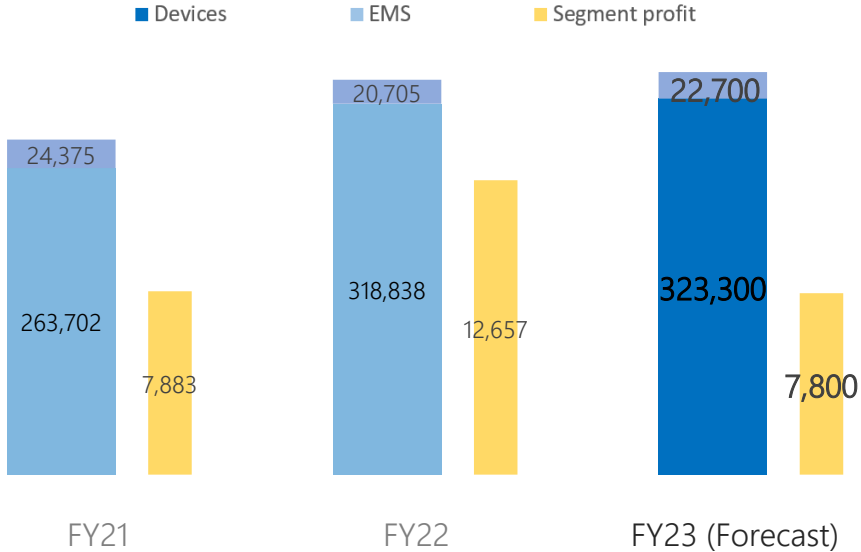
■ Points for FY23 forecast

- Although uncertainties of market continue, "Semiconductor/Electronic Components Business" & "Procurement Business" are expected to be stable trend.
- Sales in the "Electronic Equipment Business" and "Environmental Energy Businesses" are expected to increase in line with a recovery in market conditions.
- Operating profit is expected to decrease after excluding special factors such as foreign exchange effects.
- The extraordinary profit from the sale of the head office building is reflected in the full-year forecast.



FY23 Full-Year Forecast②

■ Semiconductor and Electronic Components Business



【 Points 】

- Devices
 - Business expansion in EV, IoT and AI-related fields
 - Acceleration of initiatives for global expansion
- EMS
 - Rationalization through concentration and selection of production lines
 - Expansion of new businesses such as automotive

Business overview

Devices

Recovery is expected in the second half of the year, while market trends are cautiously expected in the first half of the year

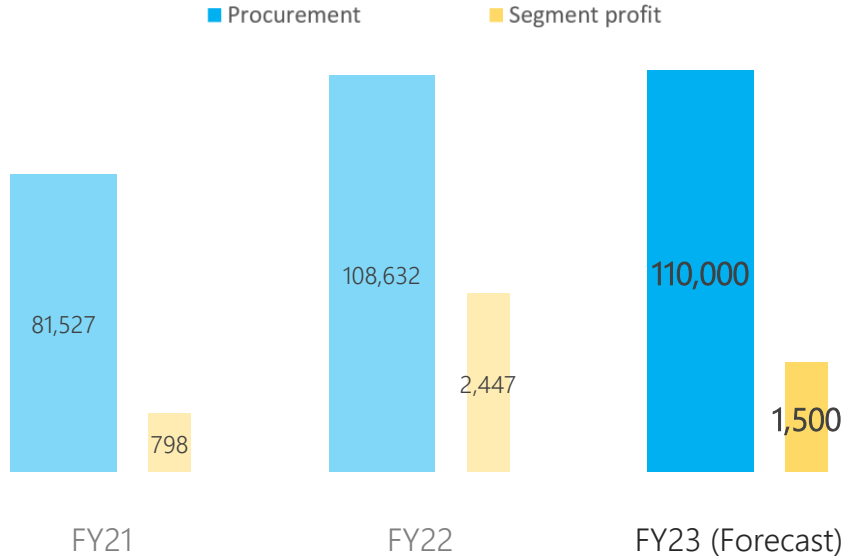
EMS

Continue weakness in the smartphone market but expanding business through in-vehicle products



FY23 Full-Year Forecast③

■ Procurement Business



【 Points 】

- Expand business by providing new services and added value based on SCM

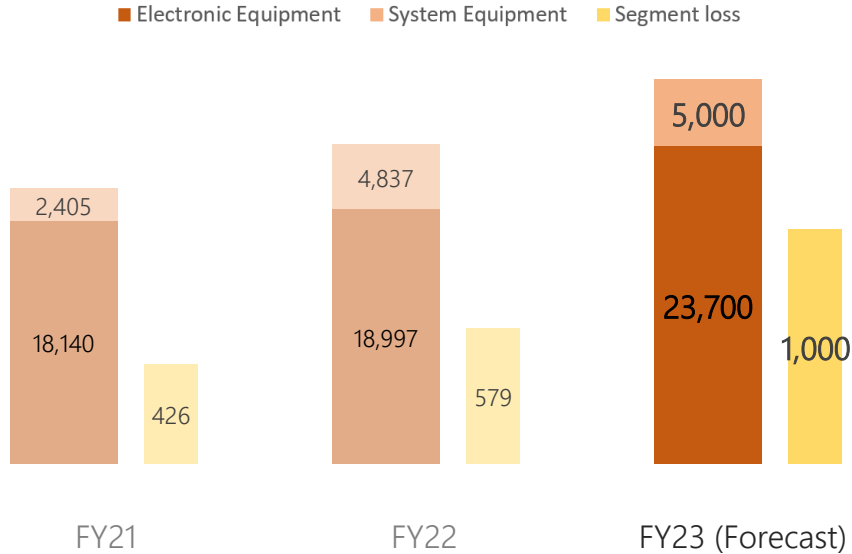
Business overview

Procurement

- Expand business by handling new components and developing new customers
- Creating customer value and expanding added value in supply chain management

FY23 Full-Year Forecast④

■ Electronic Equipment Business



【 Points 】

- Electronic Equipment
Increase market share by anticipating customer needs and creating added value
- System Equipment
Improve profitability by improving the product model mix

Business overview

Electronic Equipment

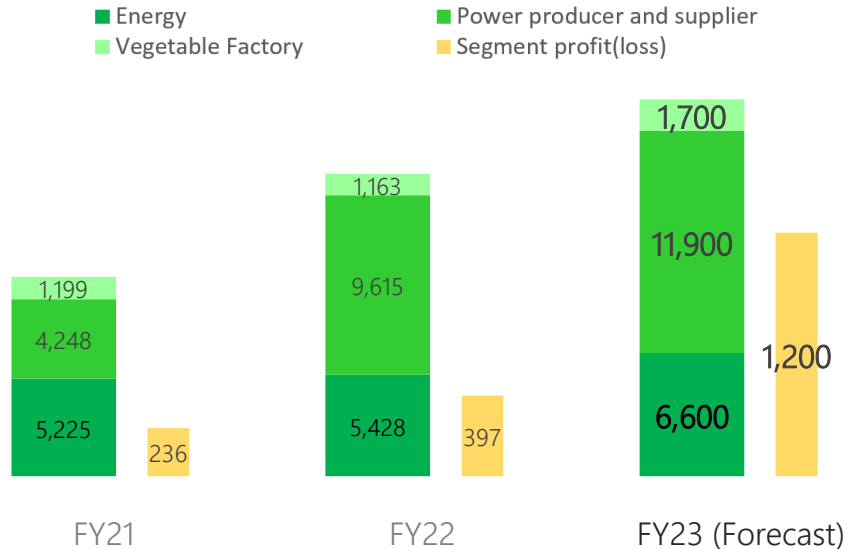
- Increase in revenue due to improved procurement of commercial products as a result of the recovery in the semiconductor market
- Securing orders in line with increased demand for office relocations, etc.

System Equipment

Developing existing products and new products in response to the loss of special demand for Individual Number authentication

FY23 Full-Year Forecast⑤

■ Environmental Energy Business



【Points】

- Energy
 - Continuous expansion of the renewable energy business
 - Realization of new business areas
- Power producer and supplier (PPS)
 - Promote and expand locally produced, locally consumed power supply business
- Vegetable Factory
 - Increase production efficiency and expand sales with profit

Business overview

Energy	Continue planned business expansion, including the expansion of solar power generation
Power producer and supplier (PPS)	Continue new initiatives such as responding to market prices for electricity and promoting of local power generation for local consumption of electricity
Vegetable Factory	Improve profitability through new product development and mass production



Shareholder Return Policy

Focus on financial stability based on consolidated earnings forecasts

- Improved returns to shareholders by paying dividends and considering a share buyback, 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
FY2023 (Ending March 31, 2024)	55.00	60.00	115.00



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.



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. Accelerating towards a decarbonized society: PPA service launched
2. Integration of the offices in the Tokyo metropolitan area: acceleration of group synergies
3. Key initiatives on each business in 2023

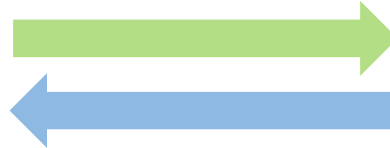
1. Accelerating towards a decarbonized society: PPA service launched

PPA (Power Purchase Agreement) service launched

Energy Business



Operation and maintenance services



electricity usage charge

company



- Operation and maintenance to maximize power generation efficiency
- Installation of power generation equipment on the sites of the company

- No initial investment or maintenance costs
- Reduce CO2 emissions by utilizing solar-generated electricity on site

Supporting the decarbonization efforts of customers

2. Integration of the offices in the Tokyo metropolitan area: acceleration of group synergies



2-10-9, Konan, Minato-ku, Tokyo

1st action : Relocation of operating companies in the Tokyo metropolitan area in Feb 2023

2nd action : Relocation of head office in the first half of FY2023

Office relocation and
consolidation

- New working style of Restar, switching to a principle based on going to office
- Acceleration further activated communication, empathy and sharing
- Resource optimization through office relocation and consolidation
- Smart building initiatives (creation of business models)
- More sustainable business environment for reduction of CO₂ emissions

3. Key initiatives on each business in 2023

	Commitment to growth	key initiatives
Devices	Focus on automotive, industrial machinery and new solutions	<ul style="list-style-type: none"> • Business expansion in EV, IoT and AI-related fields • Acceleration of initiatives for global expansion
EMS	Expanding the customer base and transforming the business structure	<ul style="list-style-type: none"> • Rationalization through concentration and selection of production lines • Expansion of new businesses such as automotive
Procurement	Co-creation of SCM with customers' procurement division	<ul style="list-style-type: none"> • Expand business by providing new services and added value based on SCM
Electronic equipment	Business structure transformation and business expansion utilizing group synergies	<ul style="list-style-type: none"> • Increase market share by anticipating customer needs and creating added value
System equipment	Strengthening efforts in the fintech business with a focus on payment terminals	<ul style="list-style-type: none"> • Improve profitability by improving the product model mix
Energy	Business expansion through the creation of synergies in the environmental business	<ul style="list-style-type: none"> • Continuous expansion of the renewable energy business • Realization of new business areas
Power producer and supplier (PPS)	Promoting the business of providing solutions for municipalities from electricity retailing	<ul style="list-style-type: none"> • Promote and expand locally produced, locally consumed power supply business
Vegetable factory	Strengthening the competitiveness of vegetable factory and the challenge of high value-added products	<ul style="list-style-type: none"> • Increase production efficiency and expand sales with profit

< Investor Relations Contact >

PR·IR Department

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<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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