

Restar Holdings Corporation

1Q FY2023 (Apr 2023 – Jun 2023)
Consolidated Financial Presentation

Aug 10, 2023



1Q FY2023 Consolidated Financial Highlights



Highlights

Net sales increased due to [steady growth in sales \(Procurement, Electronic Equipment, and Environmental Energy\)](#) despite the strength and weakness of each segment
Operating income [decreased due to special factors and the difference in exchange rate trends compared to the previous year](#)

- Net sales
Consolidated net sales for the first quarter of the fiscal year under review increased. This was due mainly to an [expansion of new transactions in the Procurement Business and the firm Electronic Equipment Business, owing to the improved demand-supply conditions for semiconductors](#), despite a decrease in sales of the EMS Business due to the sluggishness in the [smartphone and tablet business](#) (up 6.2% year-on-year)
- Operating profit
Operating profit decreased due to [the difference in exchange rate trends, inventory write-downs for specific customer, allowance for doubtful accounts, and the absence of special demand year on year in the devices business](#), and a sales decrease in the EMS business (down 32.3% year-on-year)
- Ordinary profit
Decrease due partly to higher interest expenses resulting from rising interest rates (down 52.3% year-on-year)
- Net profit attributable to shareholders of the parent company
Decrease due partly to decrease in ordinary income (down 69.3% year-on-year)



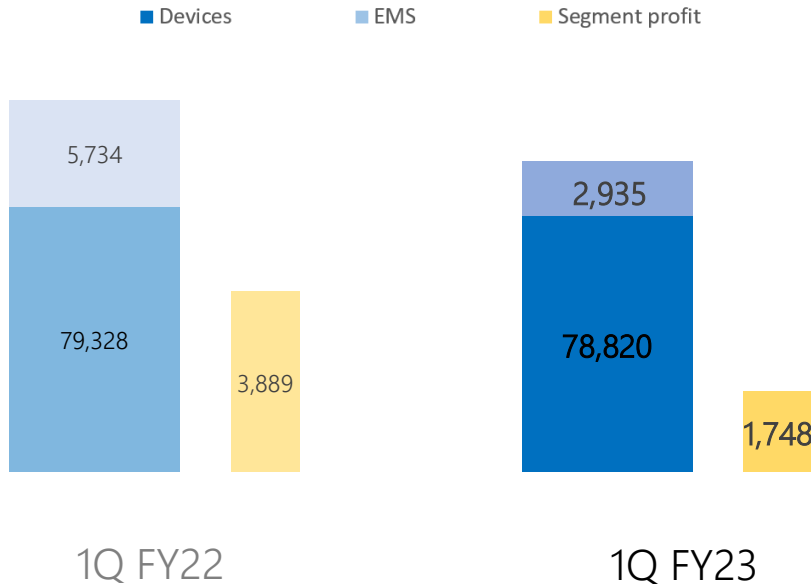
FY23 Consolidated results

Million yen	1Q FY22		1Q FY23		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	Change (%)
Net Sales	112,552	—	119,563	—	7,011	6.2%
Gross Profit	10,173	9.0%	9,889	8.3%	(284)	(2.8%)
SG & A	6,100	5.4%	7,133	6.0%	1,032	16.9%
Operating Profit	4,072	3.6%	2,755	2.3%	(1,317)	(32.3%)
Ordinary Profit	3,678	3.3%	1,752	1.5%	(1,925)	(52.3%)
Profit Attributable to Owners of Parent	2,230	2.0%	683	0.6%	(1,546)	(69.3%)



Semiconductor and Electronic Components Business

(Million yen)



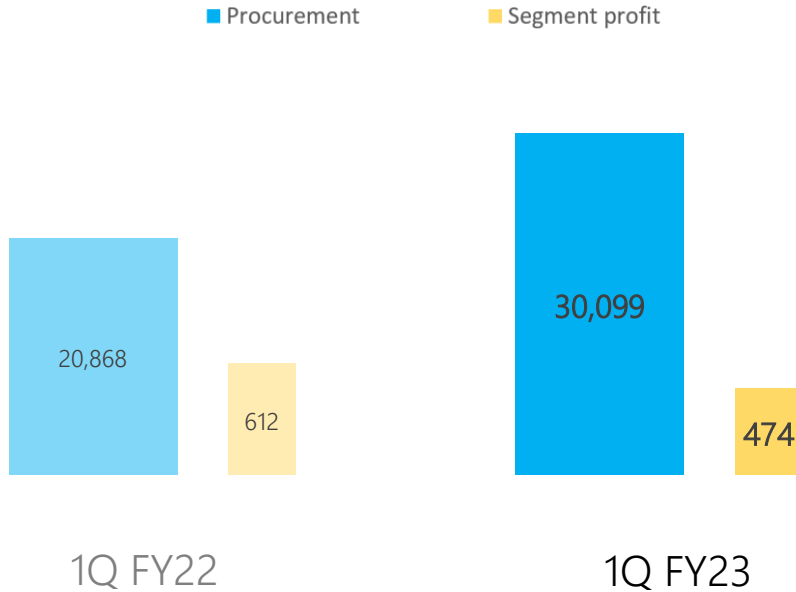
【Points】

- Devices
Sales declined slightly due to a decrease in sales for servers and office equipment, although sales for industrial equipment and in-vehicle devices grew
- EMS
Despite the expansion of the business for in-vehicle displays, sales declined due to the sluggishness in the mainstay smartphone/tablet business
- Segment profit
Segment profit decreased due to the difference in exchange rate trends, in addition to inventory write-downs and allowance for doubtful accounts, and the absence of special demand year on year in the devices business, and a sales decrease in the EMS business



Procurement Business

(Million yen)



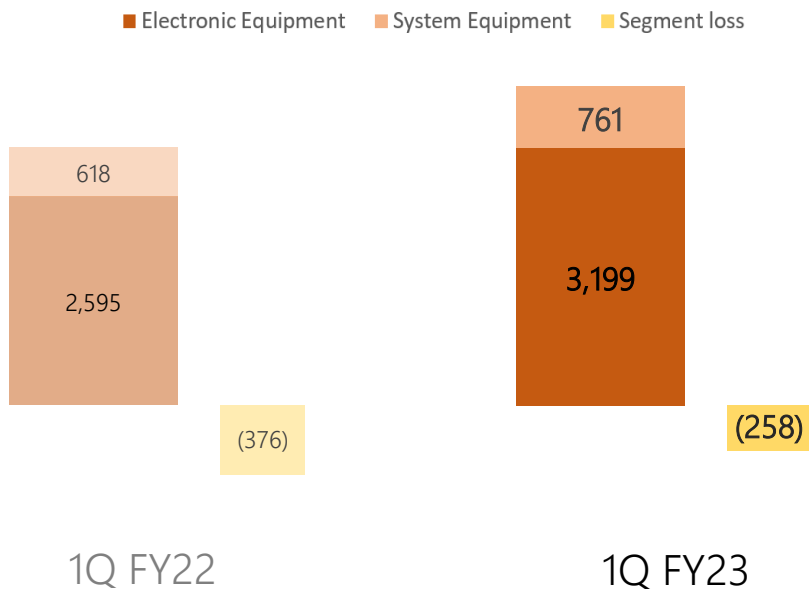
【Points】

- Procurement
Sales increased due to the expansion of new and existing transactions
- Segment profit
Segment profit decreased due to exchange rate fluctuations.



Electronic Equipment Business

(Million yen)



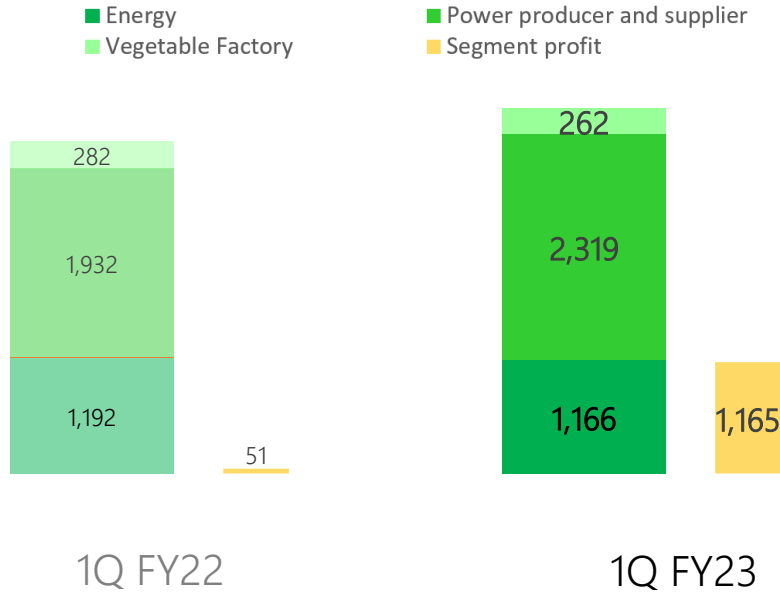
【Points】

- **Electronic Equipment**
Sales increased mainly owing to a recovery in demand for public events, and an increase in demand for video and sound equipment and ICT-related equipment following the relocation and renovation of offices
- **System Equipment**
Sales increased owing to an increase in sales of overseas-made payment terminals and access control terminals for offices, following the recovery of the component procurement of supply chain
- **Segment Loss**
Segment profit improved due to higher sales



Environmental Energy Business

(Million yen)



【Points】

- Energy

Power generation from solar power stations in Japan and overseas remained firm

	1Q FY22	1Q FY23	YoY		
Energy Sales (incl. sales to PPS)	1,546	1,516	(31)	(2)	
Solar Power MW	Japan	148	151	2	1.7%
	Overseas	27	34	8	29.8%
	Total	175	185	10	6.0%

- Power producer and supplier (PPS)

Sales increased owing mainly to the contribution of owned power sources

- Vegetable Factory

Sales declined slightly due to lower-than-expected sales of new products in mass production, though business to supermarkets expanded

- Segment profit

Segment profits increased owing to a sales increase in the PPS business and the firm energy business



Consolidated Balance Sheet

Assets: Increase in accounts receivable, inventories, etc.,

Liabilities: Increase in short-term loans payable

Million yen	As of March 31, 2023	As of June 30, 2023
Assets		
Current Assets	210,816	219,454
Non-current Assets	58,611	60,001
Total Assets	269,427	279,456
Liabilities and Net Assets		
Current Liabilities	162,439	173,077
Non-current Liabilities	21,892	21,807
Net Assets	85,095	84,571
Total Liabilities and Net Assets	269,427	279,456
Capital Adequacy Ratio	30.0%	28.6%



Forecasts and progress for the full year ending March 31, 2024

Million yen	FY23 Full year	1Q FY23	Progress rate
Net Sales	500,000	119,563	23.9%
Operating Profit	10,000	2,755	27.5%
Ordinary Profit	7,000	1,752	25.0%
Profit Attributable to Owners of Parent	7,000	683	9.7%

There is no change to the full-year earnings forecast announced on May 12, 2023



Shareholder Return Policy

Focus on financial stability based on consolidated earnings forecasts

- 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
Forecast for the year ending March 31, 2024	55.00	60.00	115.00

There is no change to the full-year earnings forecast announced on May 12, 2023



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

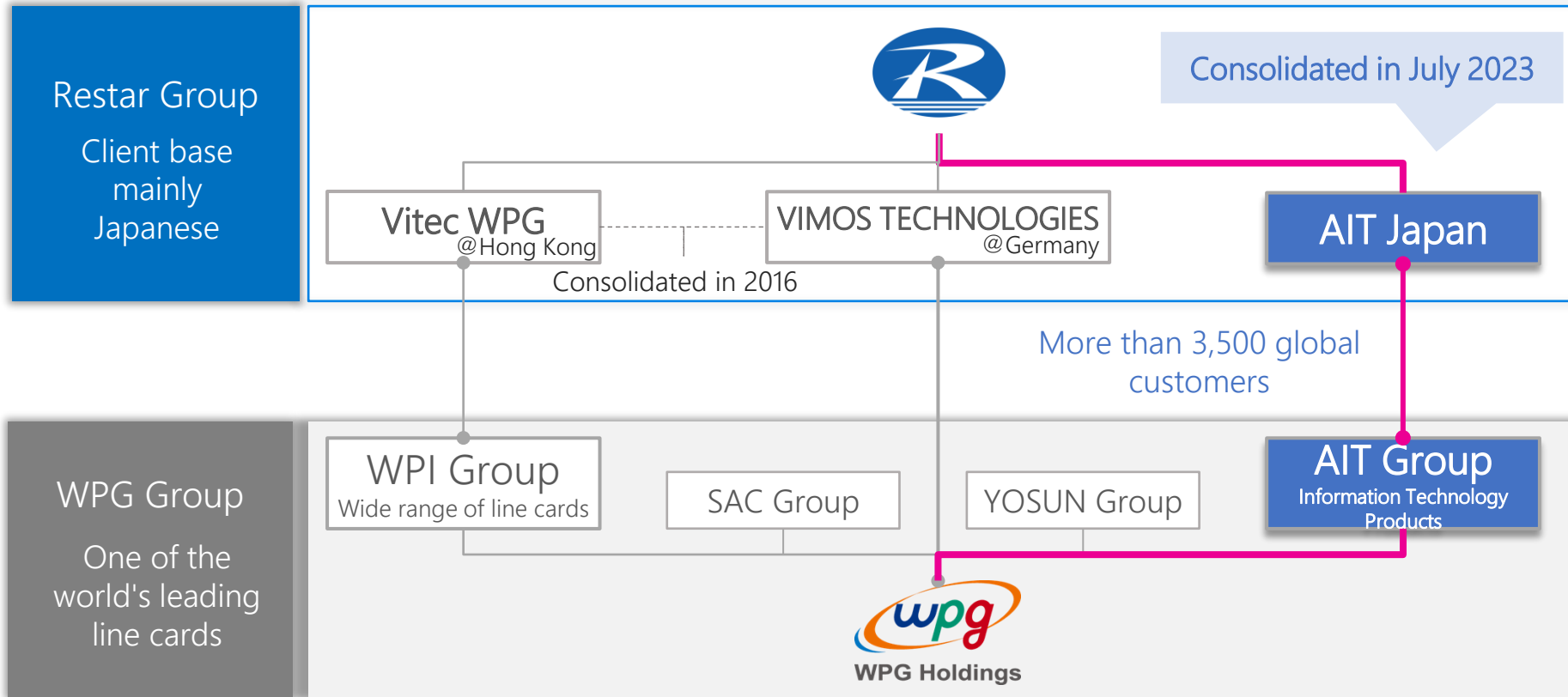
Businesses Synergies

Various business
activities

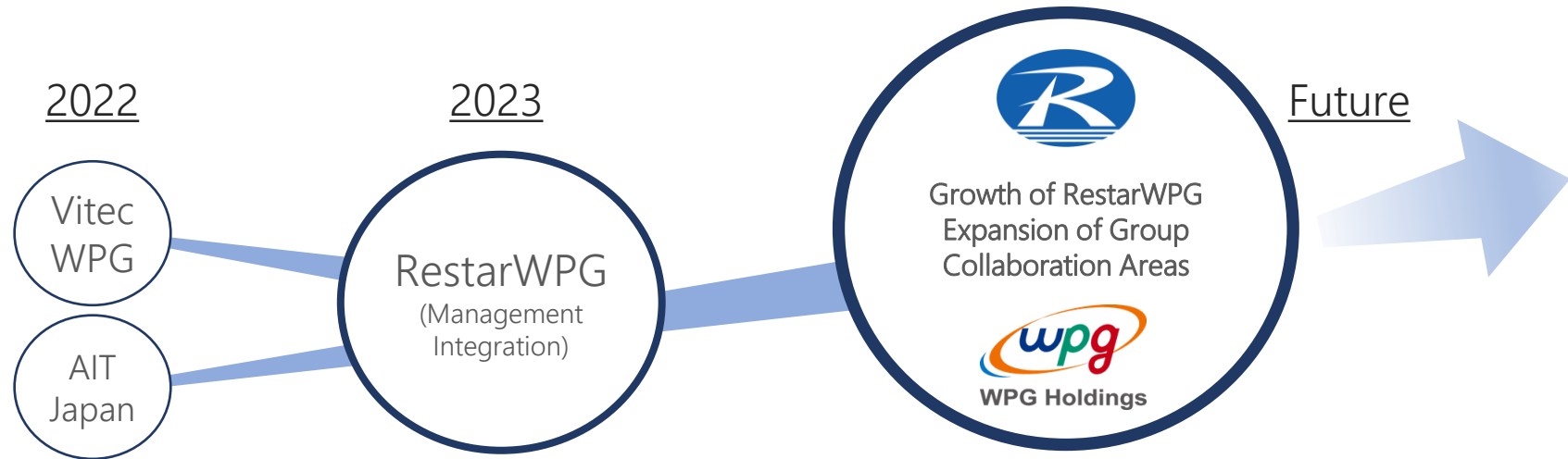
< Business Topics >

1. Strengthen ties with WPG Group, one of the world's leading semiconductor trading companies
2. IoT and DX services to municipalities: Signed a Collaboration Agreement with Arita Town, Saga Prefecture
3. Konno & Restar Foundation: Second Grant Presentation Ceremony Held

1. Strengthen ties with WPG Group, one of the world's leading semiconductor trading companies (1)



1. Strengthen ties with WPG Group, one of the world's leading semiconductor trading companies (2)



Restar Group

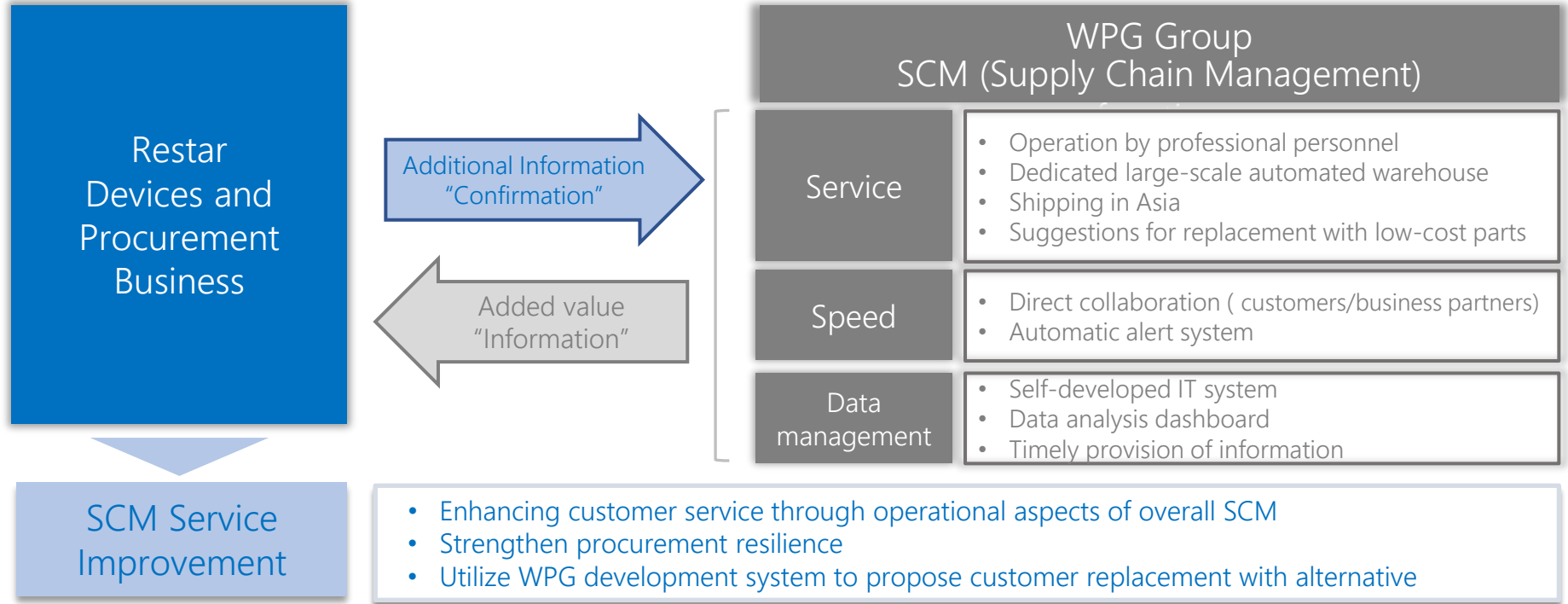
- Business expansion through cross-selling of AIT products and Restar's core products (automotive, consumer, etc.)
- Expansion of analog line cards
- Business creation by strengthening product marketing

WPG Group

- Access to Restar's customer base in the domestic market
- Expand business by increasing overseas sales of Restar's products
- Collaboration not only with the device market but also with Restar's environmental business and other diversified businesses



1. Strengthen ties with WPG Group, one of the world's leading semiconductor trading companies (3)

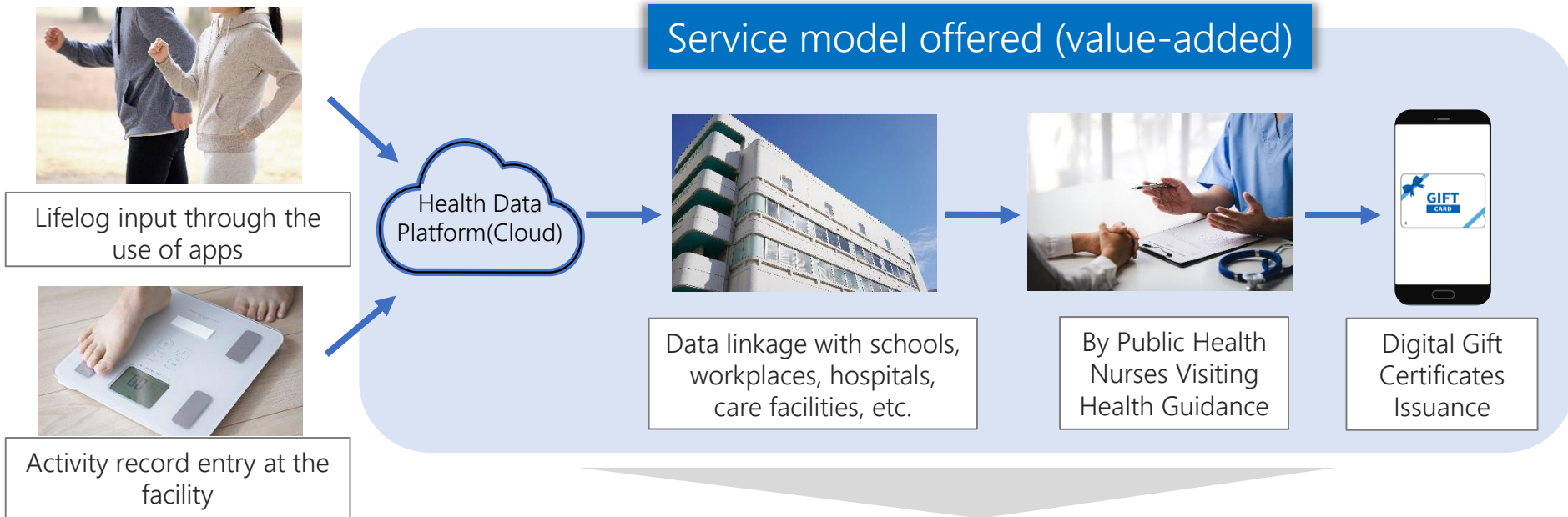


Expand SCM service business to new regions and customers



2. IoT and DX services to municipalities: Signed a Collaboration Agreement with Arita Town, Saga Prefecture

Cloud management of residents' health data, health promotion, and reduction of burden on public health nurses with DX (Digital Transformation)



Practicing the materiality of "Achieving a better society through innovation"

Click here to see the press release on this matter. > <https://pdf.irpocket.com/C3156/ba4w/ze5X/O48M.pdf>

3. Konno & Restar Foundation: Second Grant Presentation Ceremony Held

～ 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



Selective breeding



Industrial science

公益財団法人

Konno&レスター財団

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

Second grant (July 2023)

Plant factories/facility horticulture : 6
Marine aquaculture/land aquaculture: 4
Forestry sector : 2



The award winners and the Foundation's President Konno



Presentation ceremony

The second round of grants expanded in size and number to support researchers

< Investor Relations Contact >

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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.
war, terrorist activities, disasters and epidemics, etc.

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