

Restar Holdings Corporation

2Q FY2023 (Apr 2023 – Sep 2023)
Consolidated Financial Presentation

Nov 14, 2023



2Q FY2023 Consolidated Financial Highlights



Highlights

Net sales increased due to steady growth in procurement, environmental energy, and electronic devices and components businesses

Operating income decreased due to the difference in foreign exchange rate trends and special factors

- Net sales
Sales increased due to steady growth in the Procurement business, the Environmental energy business, and the Electronic Equipment Business despite lower sales in the Semiconductor and electronic components business (+2.3% YoY)
- Operating profit
Decrease due to lower sales in the Devices business, differences in foreign exchange rate trends compared to the previous year, inventory write-downs and allowance for doubtful accounts for customers, and the absence of special demand in the same period of the previous year (-16.0% YoY)
- Ordinary profit
Decrease due partly to higher interest expenses resulting from higher interest rates (-53.3% YoY)
- Net profit attributable to shareholders of the parent company
Decrease due partly to lower recurring profit (-27.0% YoY)



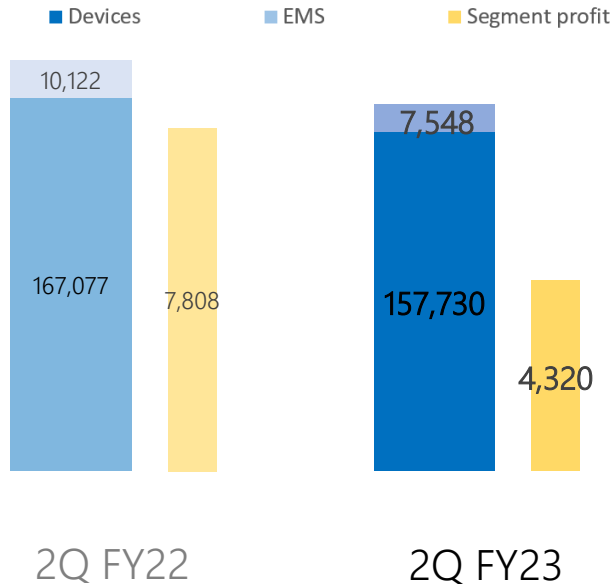
FY23 Consolidated results

Million yen	2Q FY22		2Q FY23		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	Change (%)
Net Sales	239,795	—	245,264	—	5,469	2.3%
Gross Profit	20,822	8.7%	22,019	9.0%	1,196	5.7%
SG & A	12,376	5.2%	14,920	6.1%	2,543	20.6%
Operating Profit	8,445	3.5%	7,098	2.9%	(1,347)	(16.0%)
Ordinary Profit	8,474	3.5%	3,955	1.6%	(4,518)	(53.3%)
Profit Attributable to Owners of Parent	4,613	1.9%	3,367	1.4%	(1,246)	(27.0%)



Semiconductor and Electronic Components Business

(Million yen)



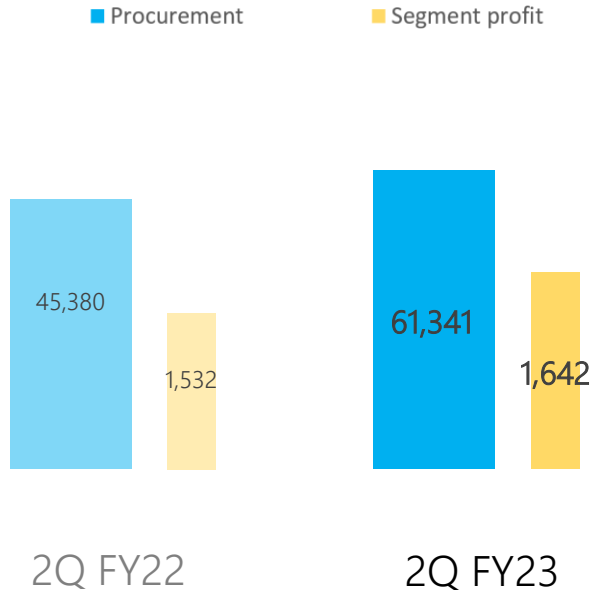
【Points】

- Devices
Sales declined due to a decrease in sales for servers, PCs and communication equipment although sales for industrial equipment and in-vehicle devices continued growing
- EMS
Despite the increased sales for in-vehicle displays, sales declined due to the sluggishness in the mainstay smartphone/tablet business
- Segment profit
Segment profit decreased due to decline in sales in the devices business, the impact of foreign exchange rates caused by differences in the range of fluctuations in the yen's depreciation, the absence of special demand in the same period of the previous year, as well as inventory write-downs and allowance for doubtful accounts, and a sales decrease in the EMS business



Procurement Business

(Million yen)



【Points】

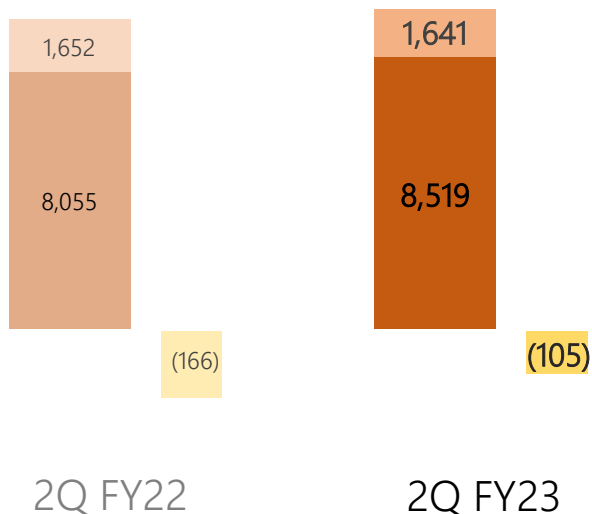
- Procurement
Sales increased due to the expansion of handled products and solid sales of in-vehicle products
- Segment profit
Segment profit increased due to higher sales



Electronic Equipment Business

(Million yen)

■ Electronic Equipment ■ System Equipment ■ Segment loss



【Points】

- **Electronic Equipment**
Sales increased due to growth in medical products and an increase in education-related demand
- **System Equipment**
Sales decreased slightly due to a fall in special demand for Individual Number authentication related devices, despite increased sales of overseas-made payment terminals and other products
- **Segment Loss**
Segment profit improved due to a better product mix

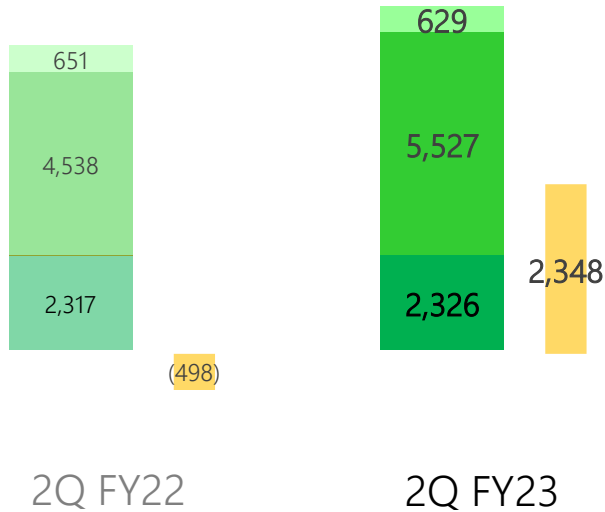


Environmental Energy Business

(Million yen)

■ Energy
■ Vegetable Factory

■ Power producer and supplier
■ Segment profit(loss)



【Points】

- Energy

Remained strong due to the expansion of power generation at overseas solar power plants and the domestic power purchase agreement (PPA) business

		2Q FY22	2Q FY23	YoY	
Energy Sales (incl. sales to PPS)		2,971	3,002	31	1.0%
Solar Power MW	Japan	151	151	0	0.0%
	Overseas	32	34	3	7.9%
	Total	183	185	3	1.4%

- Power producer and supplier (PPS)

Sales increased owing mainly to the demand from the government sector.

- Vegetable Factory

Sales decreased slightly despite efforts to increase the yield of conventional varieties while working on high-value-added vegetables

- Segment profit

Segment profit increased owing to the contribution by owned power sources in the PPS business, the firm energy business and improved profit of the vegetable factory



Consolidated Balance Sheet

Assets: Increase in cash and deposits, accounts receivable, inventories, etc.

Liabilities: Decrease in notes and accounts payable, etc.

Million yen	As of March 31, 2023	As of September 30, 2023
Assets		
Current Assets	210,816	228,791
Non-current Assets	58,611	57,490
Total Assets	269,427	286,282
Liabilities and Net Assets		
Current Liabilities	162,439	176,459
Non-current Liabilities	21,892	21,246
Net Assets	85,095	88,575
Total Liabilities and Net Assets	269,427	286,282
Capital Adequacy Ratio	30.0%	28.7%



Cash Flow

(unit: million yen)

Cash and Cash Equivalents at Beginning of Period 31,984

■ Cash Flows from Operating Activities (977)

> Main factors : Increase in accounts receivable, decrease in inventories and accounts payable

■ Cash Flows from Investing Activities 2,142

> Main factors : Proceeds from sales of property, plant and equipment and payments for acquisition of property, plant and equipment

■ Cash Flows from Financing Activities 4,313

> Main factors : Increase short-term borrowings, dividend paid repayments long-term borrowings

■ Effect of Exchange Rate Change on Cash and Cash Equivalents 1,220

Cash and Cash Equivalents at End of Period 38,982



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

Million yen	FY23 Full year	2Q FY23	Progress rate
Net Sales	500,000	245,264	49.0%
Operating Profit	10,000	7,098	70.9%
Ordinary Profit	7,000	3,955	56.5%
Profit Attributable to Owners of Parent	7,000	3,367	48.1%

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.



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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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