

Restar Holdings Corporation

3Q FY2023 (Apr 2023 – Dec 2023)
Consolidated Financial Presentation

Feb 13, 2024



3Q FY2023

Consolidated Financial Highlights



Highlights

Sales increased due to strong growth in automotive applications in the procurement business. Operating profit decreased due to special factors, in addition to a decrease in gross profit on sales of inventory due to the slowing trend in the depreciation of the yen

- Net sales
Net sales increased due to strong sales in the Procurement Business and the Environmental Energy Business and higher sales in the Electronic Equipment Business with the recovery of the market, despite a decrease in sales in the Semiconductor and Electronic Components Business (+1.9% YoY)
- Operating profit
Decrease due to lower sales in the Semiconductor and Electronic Components 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 (-12.7% YoY)
- Ordinary profit
Decrease due partly to higher interest expenses resulting from higher interest rates (-41.5% YoY)
- Net profit attributable to shareholders of the parent company
Decrease due partly to lower recurring profit (-18.7% YoY)



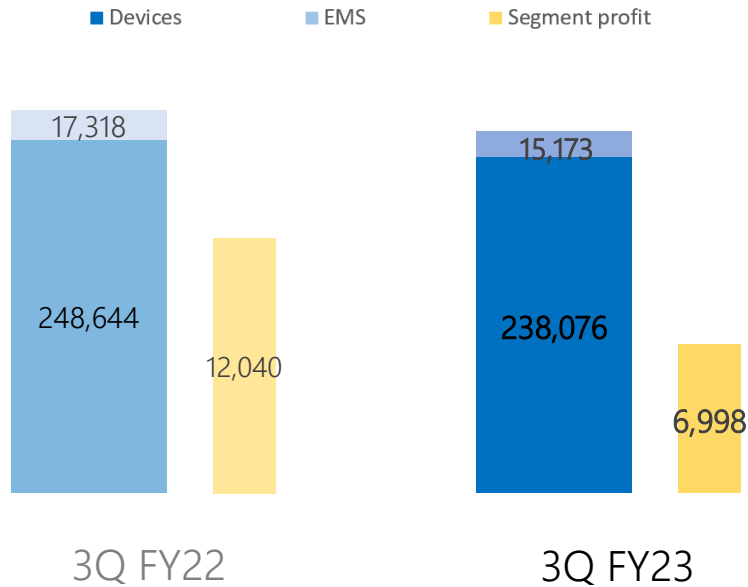
FY23 Consolidated results

| Million yen | 3Q FY22 | | 3Q FY23 | | YoY | |
|---|---------|----------------|---------|----------------|---------|------------|
| | Amount | % of Net Sales | Amount | % of Net Sales | Growth | Change (%) |
| Net Sales | 367,930 | — | 374,882 | — | 6,952 | 1.9% |
| Gross Profit | 31,841 | 8.7% | 33,462 | 8.9% | 1,620 | 5.1% |
| SG & A | 18,874 | 5.1% | 22,145 | 5.9% | 3,270 | 17.3% |
| Operating Profit | 12,967 | 3.5% | 11,316 | 3.0% | (1,650) | (12.7%) |
| Ordinary Profit | 10,642 | 3.5% | 6,220 | 1.7% | (4,421) | (41.5%) |
| Profit Attributable to Owners of Parent | 5,873 | 1.9% | 4,773 | 1.3% | (1,100) | (18.7%) |



Semiconductor and Electronic Components Business

(Million yen)



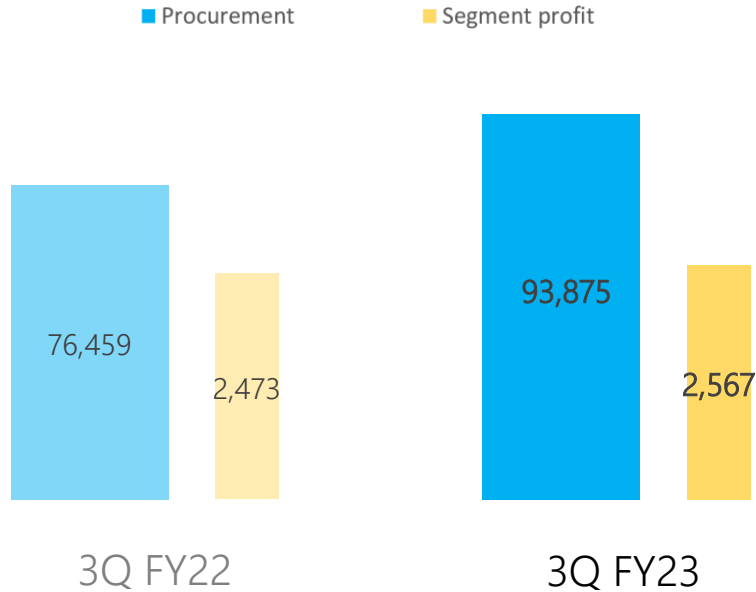
【Points】

- Devices
Sales declined due to a decline in net sales for servers, PCs, and communications equipment, despite strong sales for in-vehicle devices due to recovery in new car production
- EMS
Sales declined due to the slow sales for the mainstay smartphones and tablets
- Segment profit
Segment profit decreased due to a decrease in sales in the devices business, a decrease in gross profit from inventory sales due to the moderation of 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 related to specific customers, and a decrease in sales in the EMS business



Procurement Business

(Million yen)



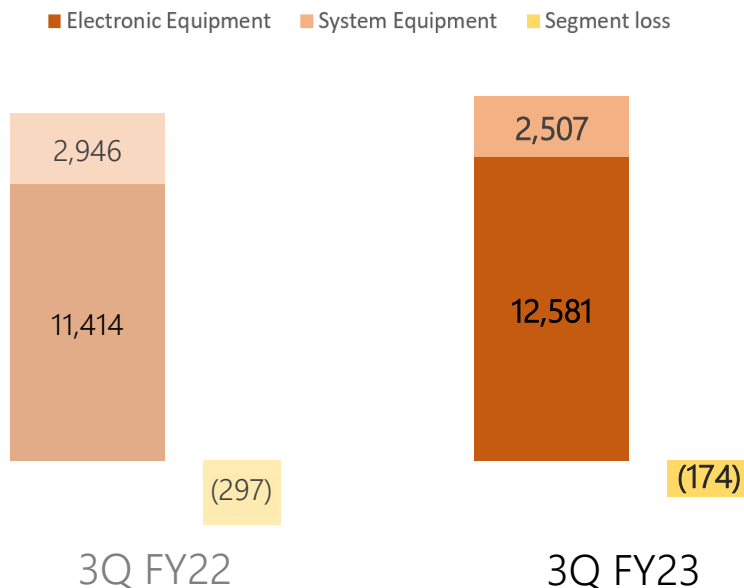
【Points】

- Procurement
Sales increased due to strong demand for in-vehicle products for major customers
- Segment profit
Segment profit increased due to higher sales



Electronic Equipment Business

(Million yen)



【Points】

- **Electronic Equipment**
Sales increased due to an increase in capital investment in medical products and corporate video and sound equipment
- **System Equipment**
Sales decreased due to a fall in special demand in the previous financial year 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

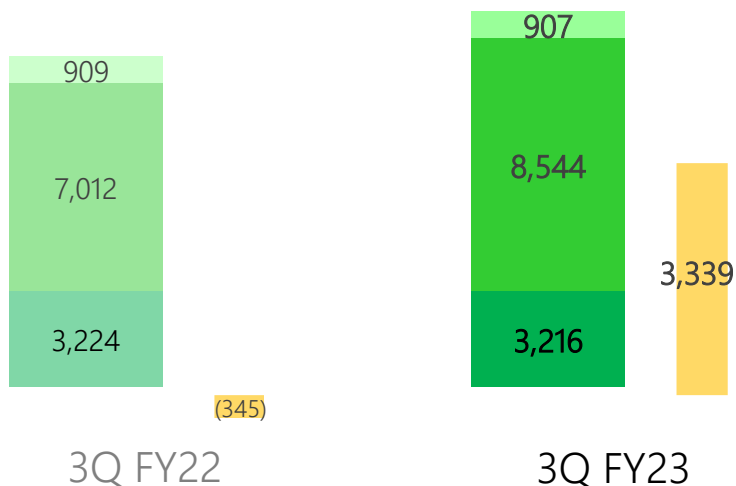


Environmental Energy Business

(Million yen)

■ Energy
■ Vegetable Factory

■ Power producer and supplier
■ Segment profit(loss)



【Points】

• Energy

Sales decreased slightly due to lower sales of facilities and equipment, although overseas solar power generation remained strong

| | 3Q FY22 | 3Q FY23 | YoY | |
|--------------------------------------|---------|---------|-----|------|
| Energy Sales (incl. sales to PPS) | 4,098 | 4,127 | 29 | 0.7% |

| Solar Power MW | Japan | 151 | 151 | 0 | - |
|----------------|----------|-----|-----|---|-------|
| | Overseas | 33 | 37 | 4 | 11.8% |
| | Total | 184 | 188 | 4 | 2.1% |

• Power producer and supplier (PPS)

Sales in the PPS business increased due to the solid demand from the government and private sectors

• Vegetable Factory

Sales were flat as we worked to expand sales, mainly to supermarkets

• Segment profit

Segment profit increased largely due to stable electricity purchase prices in the PPS business, increased profit in the energy business, and improved profit in the vegetable factory business



Consolidated Balance Sheet

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

Liabilities: Increase in short-term and long-term debt, decrease in lease obligations

| Million yen | As of March 31, 2023 | As of December 31, 2023 |
|----------------------------------|----------------------|-------------------------|
| Assets | | |
| Current Assets | 210,816 | 216,813 |
| Non-current Assets | 58,611 | 56,557 |
| Total Assets | 269,427 | 273,370 |
| Liabilities and Net Assets | | |
| Current Liabilities | 162,439 | 163,787 |
| Non-current Liabilities | 21,892 | 21,400 |
| Net Assets | 85,095 | 88,182 |
| Total Liabilities and Net Assets | 269,427 | 273,370 |
| Capital Adequacy Ratio | 30.0% | 30.0% |



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

■ Full-year forecast was revised on February 13, 2024

| Million | Previous Forecast (Announced on May 12, 2023) | Revised Forecast (Announced on Feb 13, 2024) | Change (%) | 3 Q FY23 | Progress Rate |
|--|--|---|------------|----------|---------------|
| Net Sales | 500,000 | 500,000 | – | 374,882 | 74.9% |
| Operating Profit | 10,000 | 14,000 | 40.0% | 11,316 | 80.8% |
| Ordinary Profit | 7,000 | 8,000 | 14.3% | 6,220 | 77.7% |
| Profit Attributable to Owners of Parent | 7,000 | 7,000 | – | 4,773 | 68.1% |

For details, please refer to the "Notice Concerning Revision of Consolidated Full-year Earnings Forecast for the Fiscal Year Ending March 2024" separately disclosed



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. Formation of partnership and joint venture with Dexerials Corporation
2. The Japan "Logistics 2024 Problem": Truck-driver-load-reduction service launched

1. Formation of partnership and joint venture with Dexerials Corporation①

Aim

Creation of new business opportunities for both companies globally through the combination of chemical products and an extensive sales network of semiconductors to enhance the business portfolio and optimize global management resources

Advantages for Restar

- Expanding the scale of sales
- Acquire new commercial products other than semiconductors
- Strengthen pipelines with customers
- Acquisition of human resources in the materials sector
- Expansion of new revenue opportunities

Formation of strategic partnerships



Dexerials

Advantages for Dexerials Corp.

- Acquire a pipeline into the semiconductor industry
- Strengthening the customer base in the automotive and photonics sectors
- Transformation to a sustainable sales function and structure
- Improve efficiency of management resources (working capital, inventories)

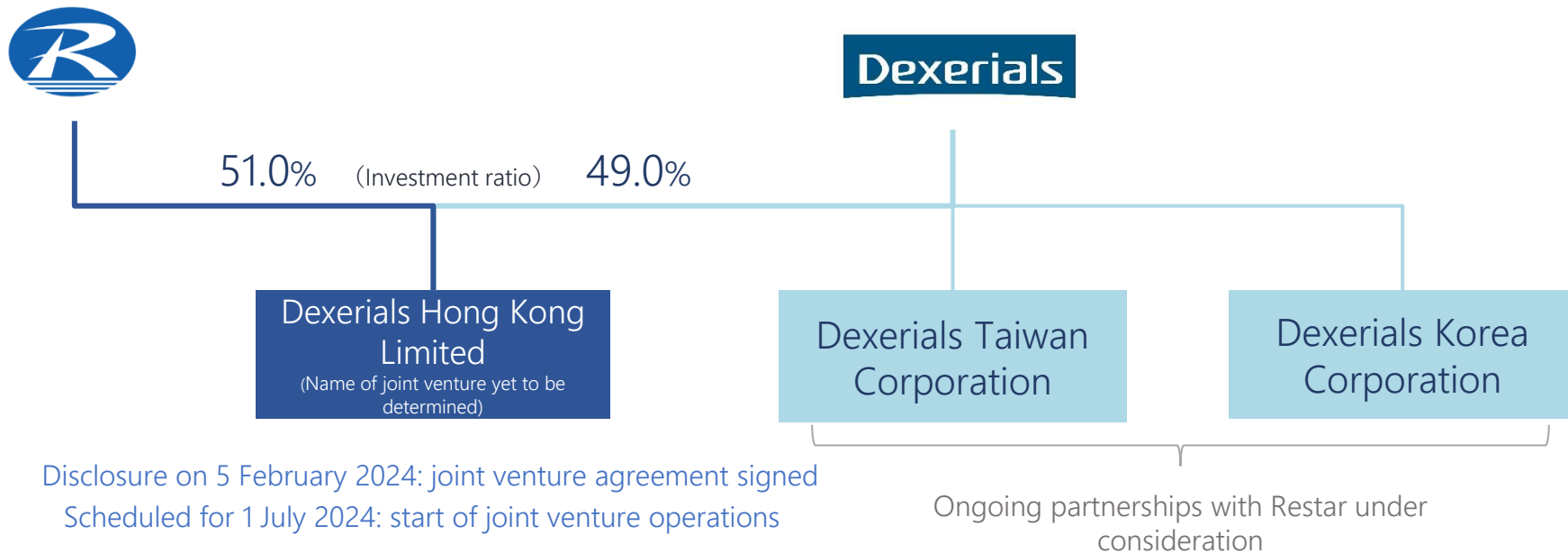
- Expanding the line card of chemical products in the device business and strengthening marketing in expanding material-based sales
- Develop sales channels in the automotive and photonics fields in the device business to create new business opportunities and expand local business in Asia

Click here to see the press release on this matter > [ba0898a6625ba8c369a73cf7837bc427.pdf \(restar.com\)](https://www.restar.com/press-releases/2023/04/20230427-01.pdf)



1. Formation of partnership and joint venture with Dexerials Corporation ②

Partnership Structure



Click here to see the press release on this matter > [ba0898a6625ba8c369a73cf7837bc427.pdf \(restargp.com\)](https://www.restargp.com/ba0898a6625ba8c369a73cf7837bc427.pdf)



2. The Japan “Logistics 2024 Problem”: Truck-driver-load-reduction service launched

Japan’s “logistics 2024 problem” arises from a shortage of truck drivers leading to excessive overtime and regulations curbing it taking effect in 2024

Building a solution business using edge AI technology in the logistics 2024 human resource shortage challenge

Sony Semiconductor Solutions Corporation
Edge AI sensing platform “AITRIOS™”



(Edge device)



(Loading and unloading area)

Number plate
detection/recognition

Detection data



API linkage

HACOBU Inc.
Truck booking service “MOVO Berth”



Automatic acquisition of actual
loading/unloading times

Verification decisions through
dedicated applications

Log: Wait-time
data



Client

Results data

Improved efficiency of
business processes

- Reduced driver waiting time
- Optimization of warehouse operations staffing
- Reduction of human error in unloading performance management



< 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.

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