



FY2023 (Apr 2023 – Mar 2024) Consolidated Financial Results Medium-Term Management Plan

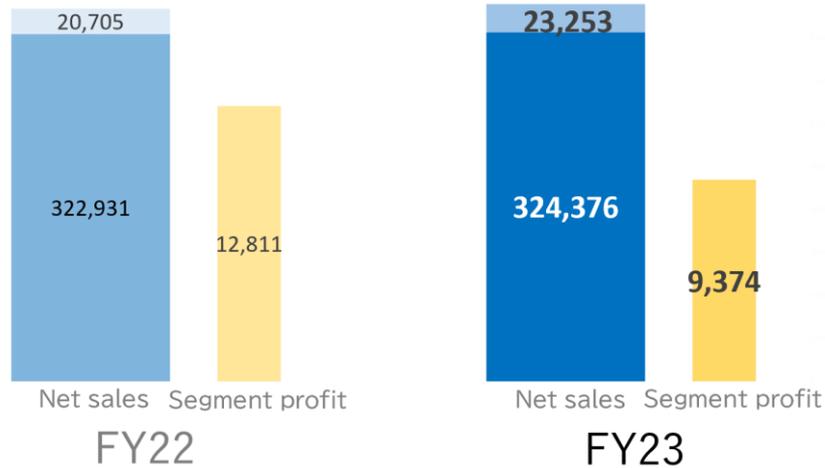
May 29, 2024
Restar Corporation



FY2023 (April 2023 – March 2024) Consolidated Financial Highlights

Million yen	Full year FY22 (Ended March 2023)		Full year FY23 (Ended March 2024)		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	Change (%)
Net Sales	487,129	–	512,484	–	25,354	5.2%
Gross Profit	40,484	8.3%	45,270	8.8%	4,786	11.8%
SG&A	26,061	5.3%	29,340	5.7%	3,278	12.6%
Operating Profit	14,423	3.0%	15,931	3.1%	1,507	10.5%
Ordinary Profit	12,043	2.5%	9,690	1.9%	(2,353)	(19.5%)
Profit Attributable to Owners of Parent	7,085	1.5%	7,004	1.4%	(80)	(1.1%)

(Million yen)



Devices

Sales slightly increased, due to strong sales for in-vehicle devices and the contribution of TSUZUKI EMBEDDED SOLUTIONS CO., LTD. as a consolidated subsidiary, although sales of industrial equipment, PCs and communication equipment weakened

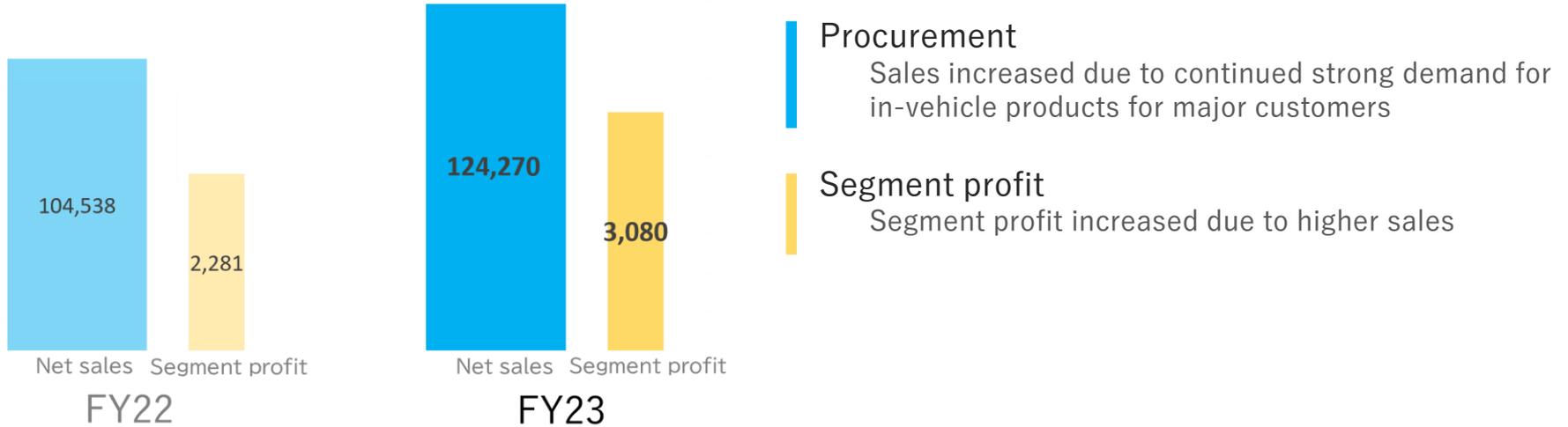
EMS

Sales increased due to the expansion of the mainstay smartphone and in-vehicle displays to new customers

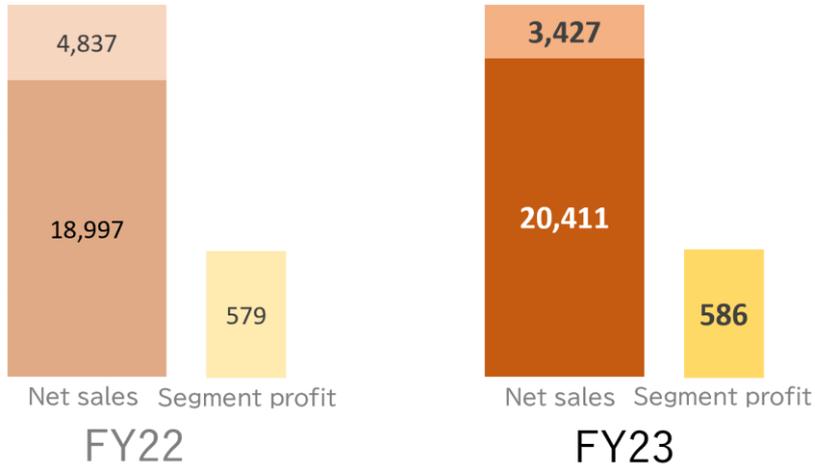
Segment profit

Segment profit decreased due to decline in gross profit caused by foreign exchange rate trends, 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 customers in sales in the devices business

(Million yen)



(Million yen)



Electronic Equipment

Sales increased mainly due to growth in medical and company-use products

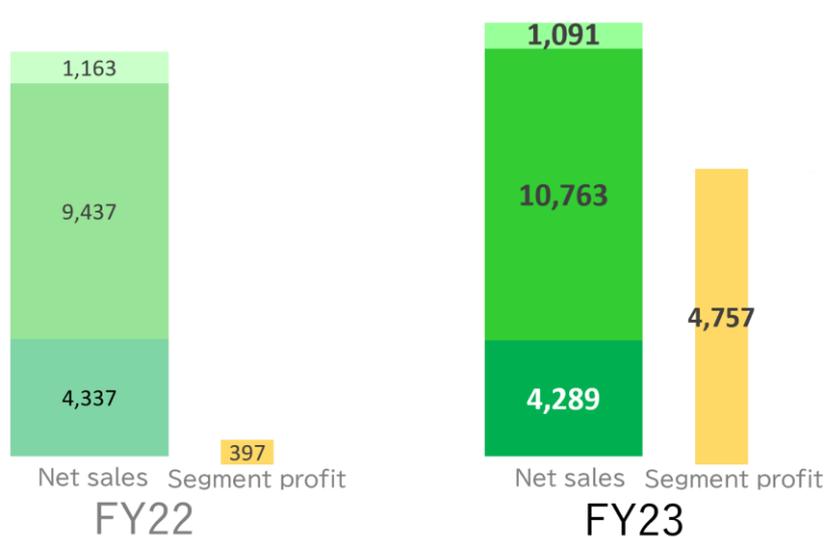
System Equipment

Sales decreased due to the absence of special demand for Individual Number authentication related devices in the same period of the previous year, despite increased sales of overseas-made payment terminals

Segment profit

increased slightly, mainly due to an improved product mix

(Million yen)



Energy

Sales remained strong owing partly to new operation of solar power generation in Japan and overseas, but decreased slightly due to lower sales of facilities and equipment

		4Q FY22	4Q FY23	YoY	
Energy Sales (incl. sales to PPS)		5,428	5,459	31	0.6%
	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 increased owing mainly to the solid demand from the government sector

Vegetable Factory

Sales decreased slightly owing to lower sales to convenience stores and the impact of the Noto Peninsula Earthquake on operations despite an expansion in sales mainly to major supermarkets

Segment profit

Segment profit increased significantly largely due to stable electricity purchase prices in the PPS business and the contribution of owned power sources

Consolidated Balance Sheet



Million yen	As of March 31, 2023	As of March 31, 2024
Assets		
Current Assets	210,816	235,822
Non-current Assets	58,611	57,642
Total Assets	269,427	293,464
Liabilities and Net Assets		
Current Liabilities	162,439	182,267
Non-current Liabilities	21,892	20,172
Net Assets	85,095	91,024
Total Liabilities and Net Assets	269,427	293,464
Capital Adequacy Ratio	30.0%	28.7%

(unit: million yen)

Cash and Cash Equivalents at Beginning of Period	31,984
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■ Cash Flows from Operating Activities	15,460
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> Main factors: Profit before income taxes, and decreases in inventories, accounts payable

■ Cash Flows from Investing Activities	(7,099)
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> Main factors: Purchase of property, plant and equipment, proceeds from sales of property, plant and equipment, purchase of investments in subsidiaries resulting in change in scope of consolidation

■ Cash Flows from Financing Activities	(2,310)
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> Main factors: Net increase of short-term borrowings, proceeds from long-term borrowings, dividends paid, repayments of long-term borrowings

■ Effect of Exchange Rate Change on Cash and Cash Equivalents	1,437
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■ Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	298
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Cash and Cash Equivalents at End of Period	39,771
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Million yen	Full year FY23	Full year FY24	YoY
Net Sales	512,484	560,000	9.3%
Operating Profit	15,930	16,000	0.4%
Ordinary Profit	9,690	10,500	8.4%
Profit Attributable to Owners of Parent	7,004	8,000	14.2%

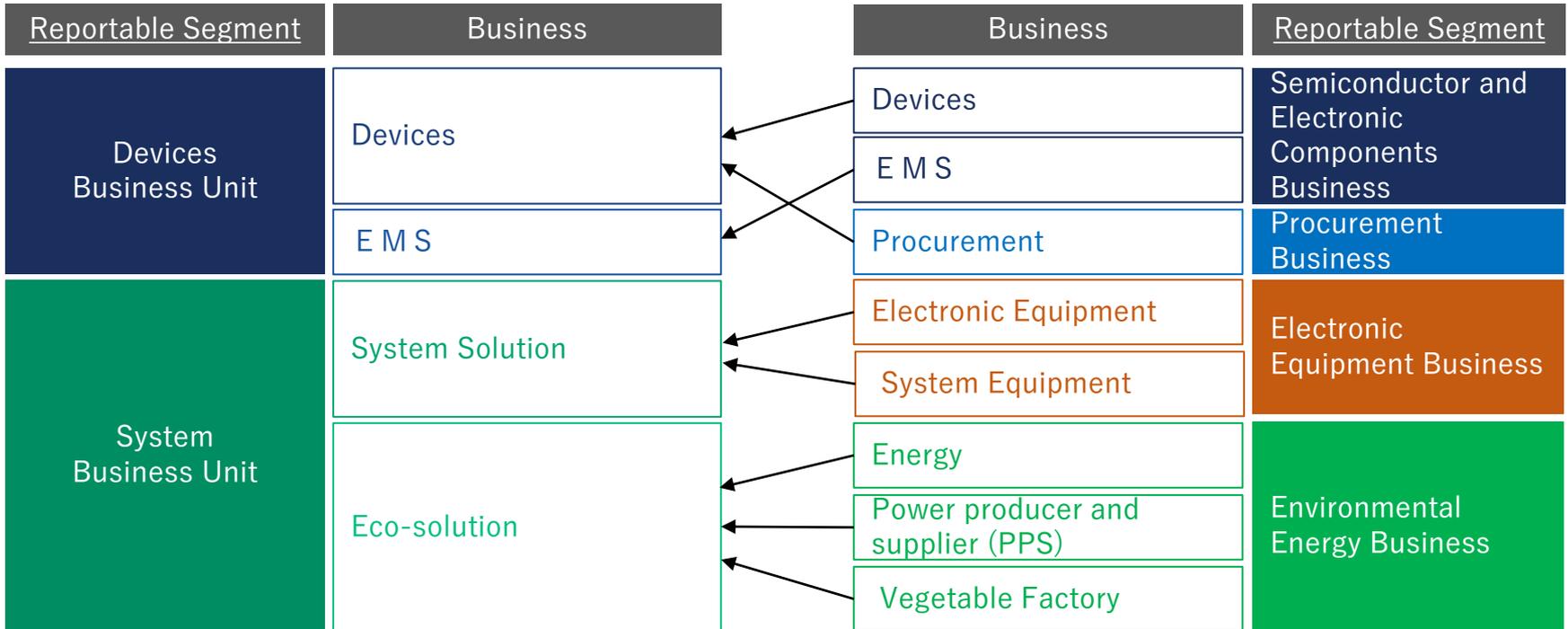
■ Points for FY24 forecast

- Net sales, operating income and net income attributable to shareholders of the parent company are expected to reach record highs

April 2024, Disclosed segments before and after restructuring

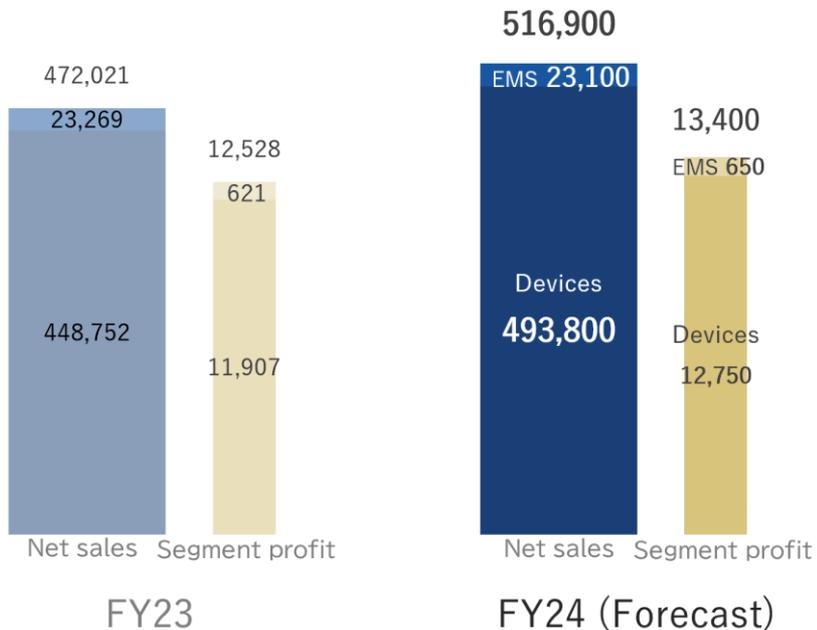
After Business Restructuring (April 1, 2024~)

Before Business Restructuring(April 1, 2019~March 31, 2024)



Devices Business Unit

(Million yen)



Future initiatives

EMS

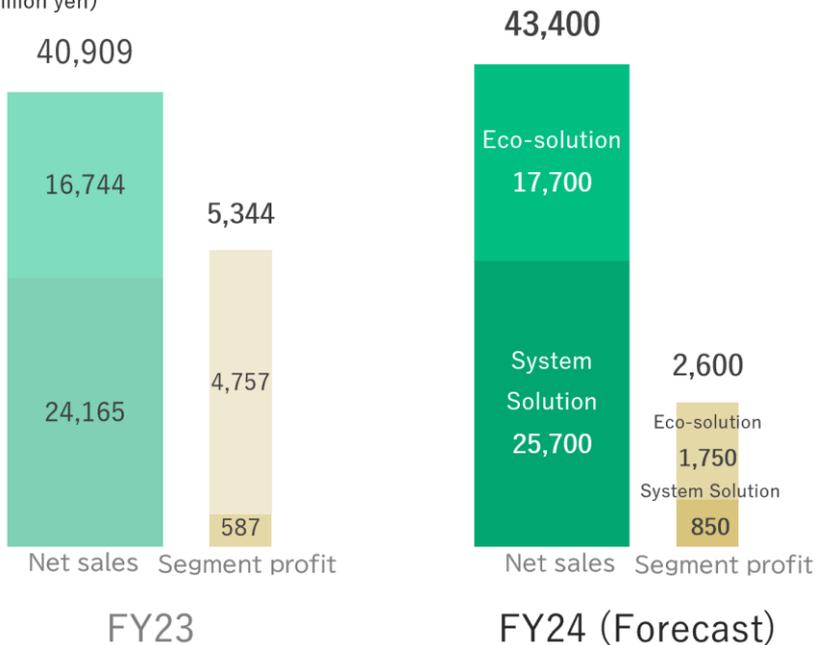
- Selection of production lines
- Rationalize through concentration and expand new businesses such as automotive

Devices

- Further accelerate Group synergies and a cross-selling strategy
- Promote initiatives to cultivate deeper customer relationships in the industrial equipment and in-vehicle markets, expand new businesses, and expand globally
- Develop Group synergies based on supply chain management services
- Expand business areas by providing value added

System Business Unit

(Million yen)



Future initiatives

Eco-solution

- Expand Power Purchase Agreement (PPA) business
- Build and provide energy management systems utilizing storage batteries
- Secure stable power sources
- Respond to power system reforms
- Increase production efficiency and profitability

System Solution

- Address challenge of new business model
- Expand total solution provider functions
- Develop new business areas utilizing payment terminals
- Develop new markets through in-house development of authentication terminals and payment devices

Dividend forecast for the fiscal year ending March 31, 2025



	Dividends per share (¥)		
	2nd quarter-end	Year-end	Total
Forecast FY2024 (Ending March 31, 2025)	60.00	60.00	120.00
FY2023 (Ended March 31, 2024)	55.00	60.00	115.00

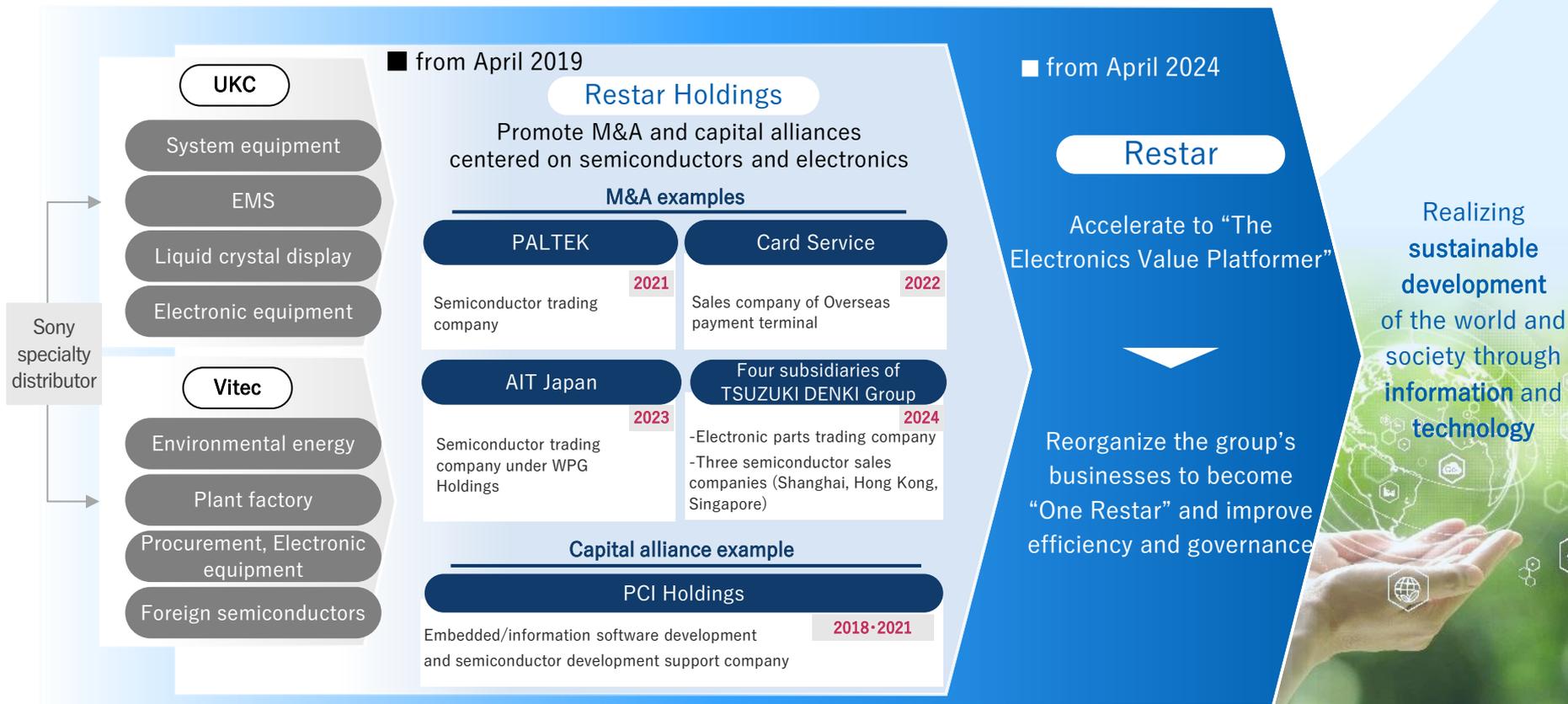


Medium-Term Management Plan

1. Company Profile (Group history and management philosophy)
2. Medium-term management plan
 - ① Basic policies of the Medium-term management plan
 - ② Medium-term management plan goals
 - ③ Four aimed business in the Medium-term management plan
 - ④ Priority measures for four businesses
 - ⑤ Information platform infrastructure
3. Actions toward achieving management conscious of cost of capital and stock prices
4. Capital policy in the Medium-term management plan
 - ① Cash allocation
 - ② Shareholder return policy
5. Human capital management

1. Company Profile (Group history)

- In addition to implementing M&A and capital alliances in Japan and overseas, pursue group synergies to become an “The Electronics Value Platformer” that accommodates all manner and achieve sustainable development of the world and society through information and technology



1. Company Profile (Management philosophy)



2. ① Basic policies of the Medium-term management plan

Aim to be

“The Electronics Value Platformer” with a scale of 1 trillion yen that accommodates all manner of stakeholder needs

1

Growth of existing businesses

Strengthening the value chain and profitability through partnerships

- Expand capabilities and increase profitability by strengthening partnerships with manufacturers/peer companies
- Account planning & efficient sales expansion

2

Expansion of business areas

Commercialization of “Engineering” and “IT & Sler”

- Create synergies with existing businesses and expand added value by acquiring hardware and software technology and development capabilities

3

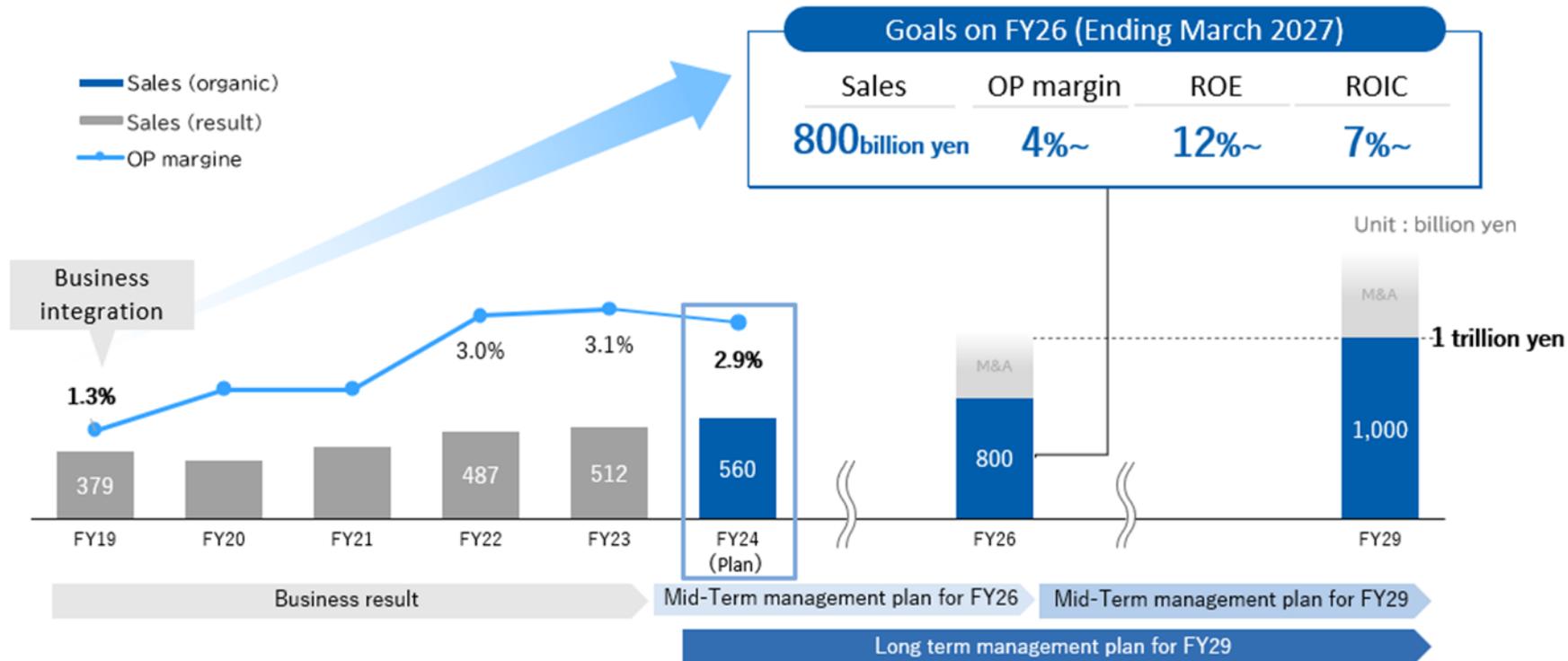
Pursuit of business synergies

Building a platform to connect all kinds of commercial products, information, and technology

- Internal and external information platform through driving IT/DX
- Maximize opportunities by centralizing information
- Creation and efficient execution of strategies to maximize client value

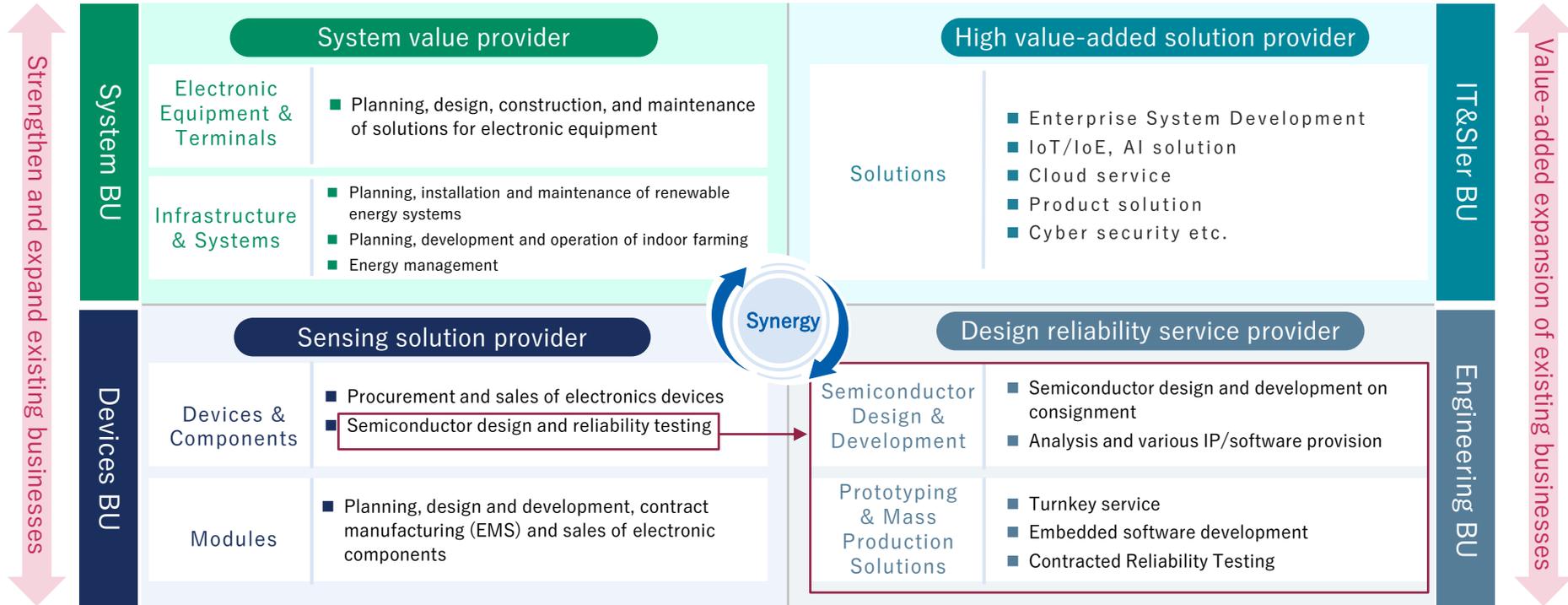
2. ② Medium-term management plan goals

- In the mid-term management plan through March 2027, expand business by adding new businesses in addition to organic growth of existing businesses while maintaining financial discipline



2. ③ Four aimed business in the Medium-term management plan

- Transform into a platformer that solves all issues for customers and suppliers by converting information into value.
- Transformed from a semiconductor trading company to a provider of services combining hardware and software



Development of information platform through DX promotion

Business Infrastructure Systems

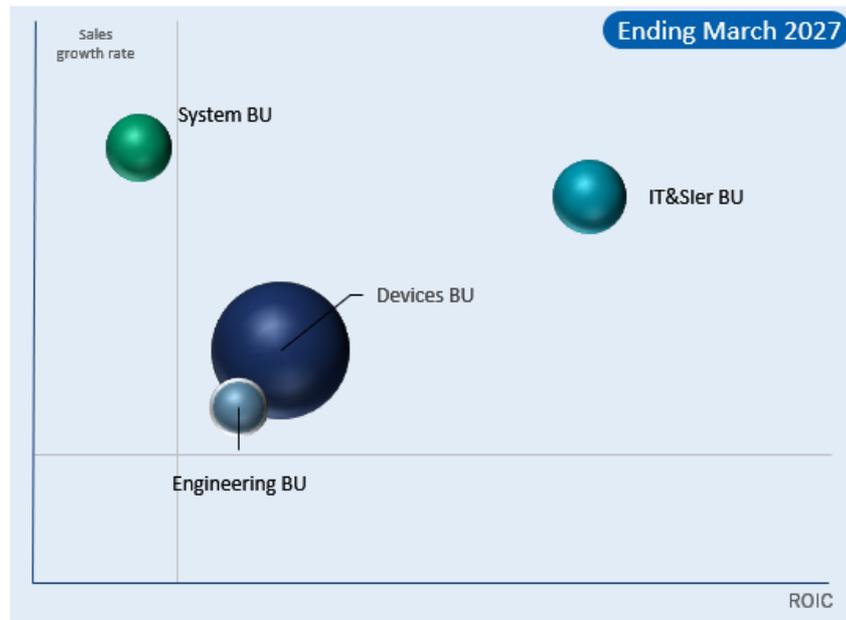
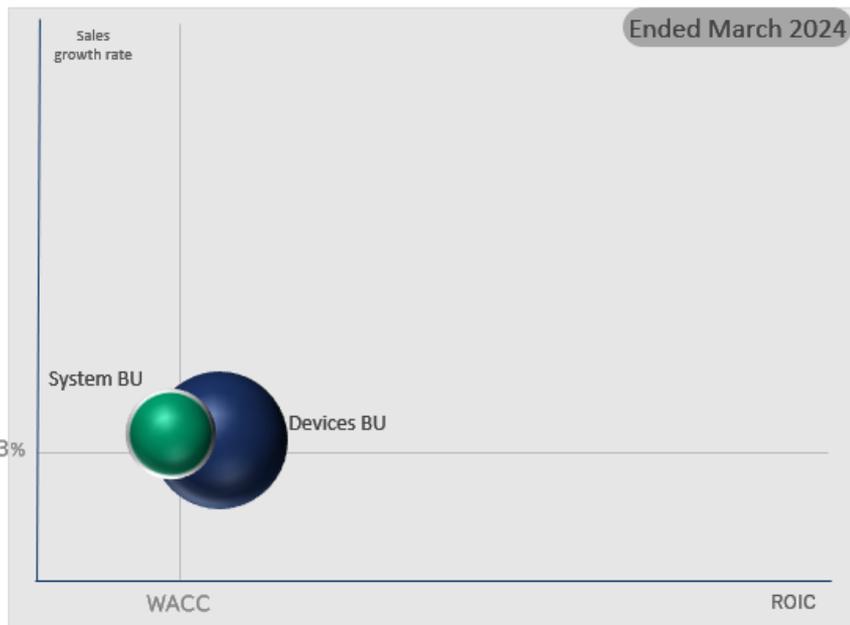
Data Integration Platform

Analysis Platform

Sales Force Automation

2. ③ Four aimed business in the Medium-term management plan

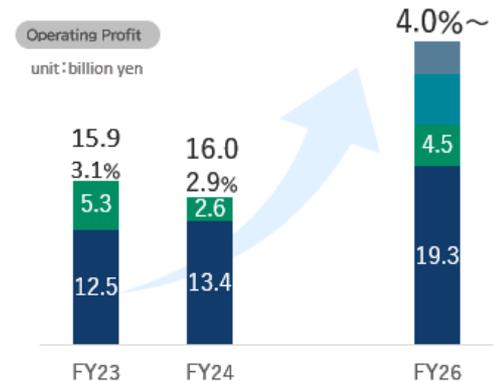
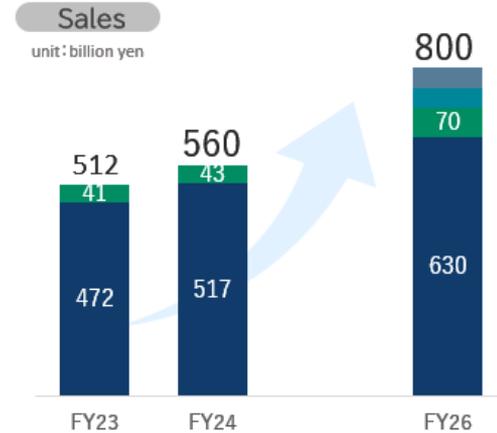
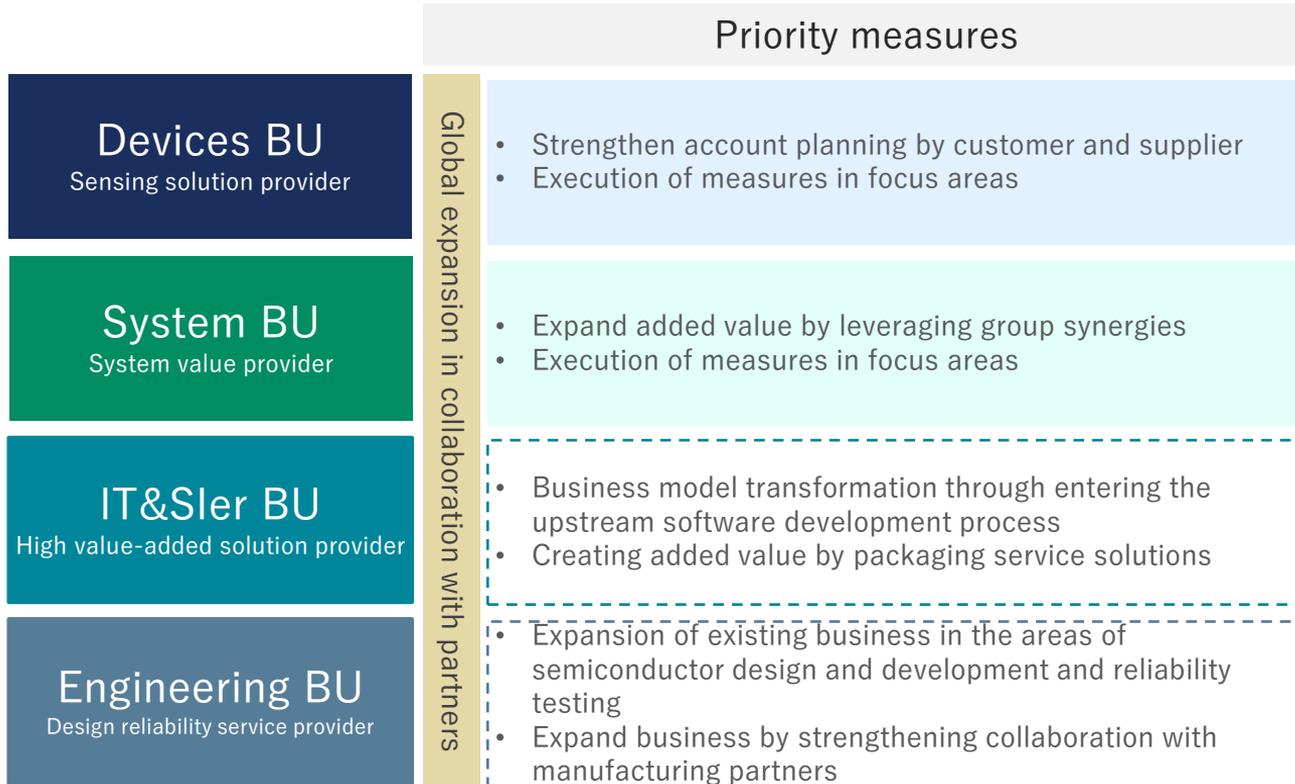
- Business portfolio management that emphasizes growth and capital efficiency in accordance with business characteristics
- Expand existing businesses, improve profitability, and expand focus on "IT&Sler" and "Engineering", which are new businesses



- (Remarks)
1. The size of the circles in the graph indicates the amount of operating income
 2. WACC is the level we consider appropriate

2. ④ Priority measures for four businesses

- Expand scale and improve profitability by implementing priority measures in four businesses



2. ④ Priority measures for four businesses (Growth strategy of Devices BU)

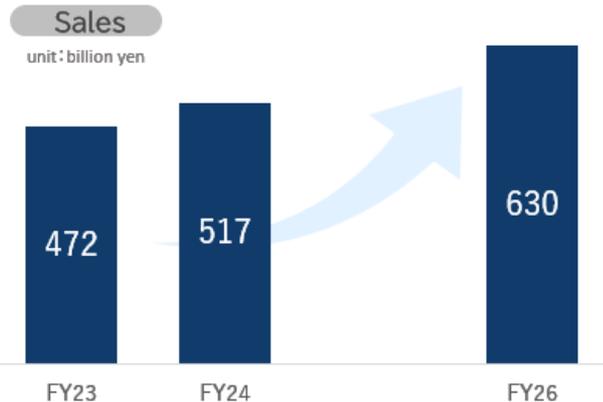
- Expand business and improve profitability by implementing measures for customer strategies and focus areas

1. Strengthen account planning by customer and supplier

- Strengthen and expand the business base by strengthening the supply chain with our strong assets such as customer base, commercial products, and sales network
- Creating added value and expanding business areas through strategic partnerships

2. Execution of measures in focus areas

- Industrial equipment area
 - Focus on the machine vision area (inspection process·quality control and other value added)
 - Improve profitability by strengthening FAEs for strategic products (sensor·FPGA·tool for ARM·EPS·MMS etc.)
- In-vehicle equipment area
 - Cross-selling of strategic commercial products in driving safety support, with the sensor area at the core
 - Obtaining orders at the design stage and upstream processes by taking advantage of our extensive line card and FAEs
- Global expansion
 - Sales expansion in the USA, Europe, Vietnam and India



2. ④ Priority measures for four businesses (Growth strategy of System BU)

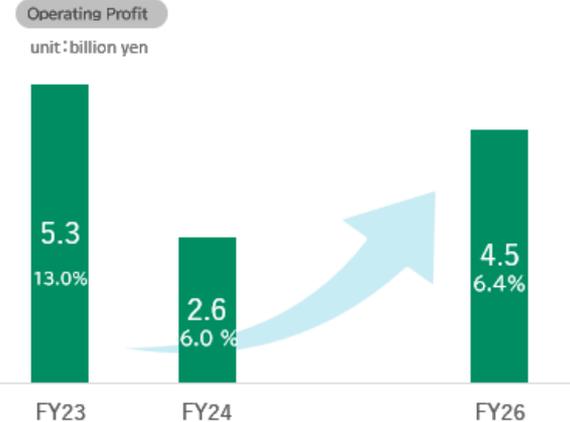
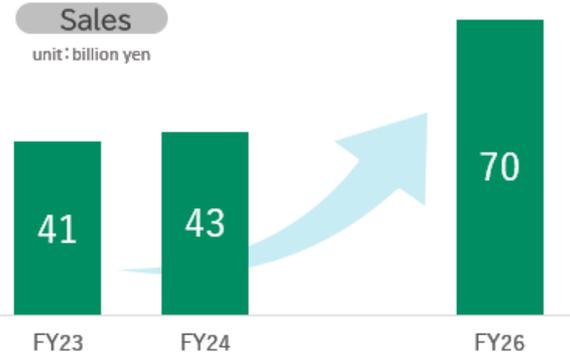
- Expand business by leveraging GX and DX, as well as group synergies and partner collaboration

1. Expand added value through group synergies

- Expand and strengthen business by leveraging the Group's customer base
- Establish a cross-functional maintenance and support system for the Group's various service systems
- Strengthen external sales of maintenance business and expand the scope of services
- Further development of the model of local energy production for local consumption

2. Execution of measures in focus areas

- Business for corporation
 - Expansion of office-related business
 - Expanding business for the retail industry
 - Building a stock-type business and providing related value-added services such as system operation and content
- Business for the Public (local government • education • medical • self-defense)
 - Development and provision of DX models that contribute to manpower savings
 - Promote regional GX by developing and providing renewable energy systems
 - Deepening and developing local businesses through collaboration with partners



2. ④ Priority measures for four businesses (M&A and Alliance strategy)

- Execute continuous M&A and alliance strategies that contribute to business expansion in growth markets, especially semiconductors, with the aim of achieving sustainable growth

1. Global expansion

Aim

Expansion of customers in the Asian region from a Japanese-centric customer base



2. Expansion of business base

Expand line cards to leverage strengths and strengthen business functions



3. Strategic partnership

Business reinforcement and obtaining new business opportunities

Achievements and aims



- Strengthening JVs with mega-distributor (Japan, Hong Kong, Germany)
- Expanding sales of strategic products to foreign companies and domestic sales of excellent overseas

Corporate site: [Link](#)

Dexerials

- Collaboration to strengthen sales network in Asia
- Collaboration in opto-semiconductor related fields in Japan and overseas

Corporate site: [Link](#)



- Capital and business alliance with SBI Group, which is pursuing a large-scale project with Taiwan's PSMC to reinstate semiconductor manufacturing in Japan
- Business collaboration for regional development

Corporate site: [Link](#)

PALTEK SOLUTION SUPPLIER

- Expansion into the industrial equipment field using FPGAs
- Expansion of customer base

Corporate site: [Link](#)

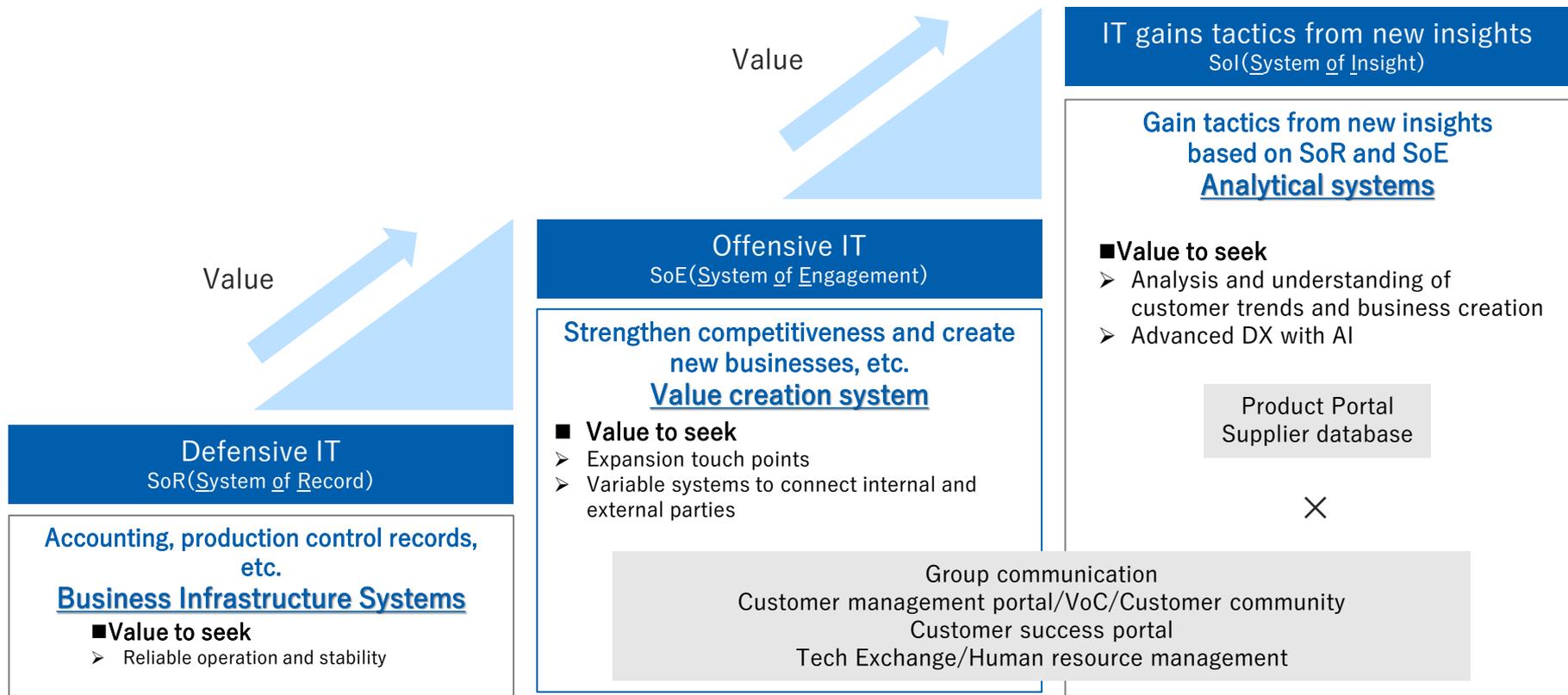
RESTAR EMBEDDED SOLUTIONS
(former TSUZUKI EMBEDDED SOLUTIONS)

- Expansion of power supply products and handling of ARM development tools
- Expansion of customer base

Corporate site: [Link](#)

2. ⑤ Information platform infrastructure

- In addition to “Defensive IT,” which requires reliable operation and stability, strengthening “Offensive IT” to accumulate customer information from touch points by leveraging the scale of the company
- Build a high-level business analysis system by combining product information handled by the Group with the technologies and services of partners and suppliers





3. Actions toward achieving management conscious of cost of capital and stock prices (status quo analysis 1)

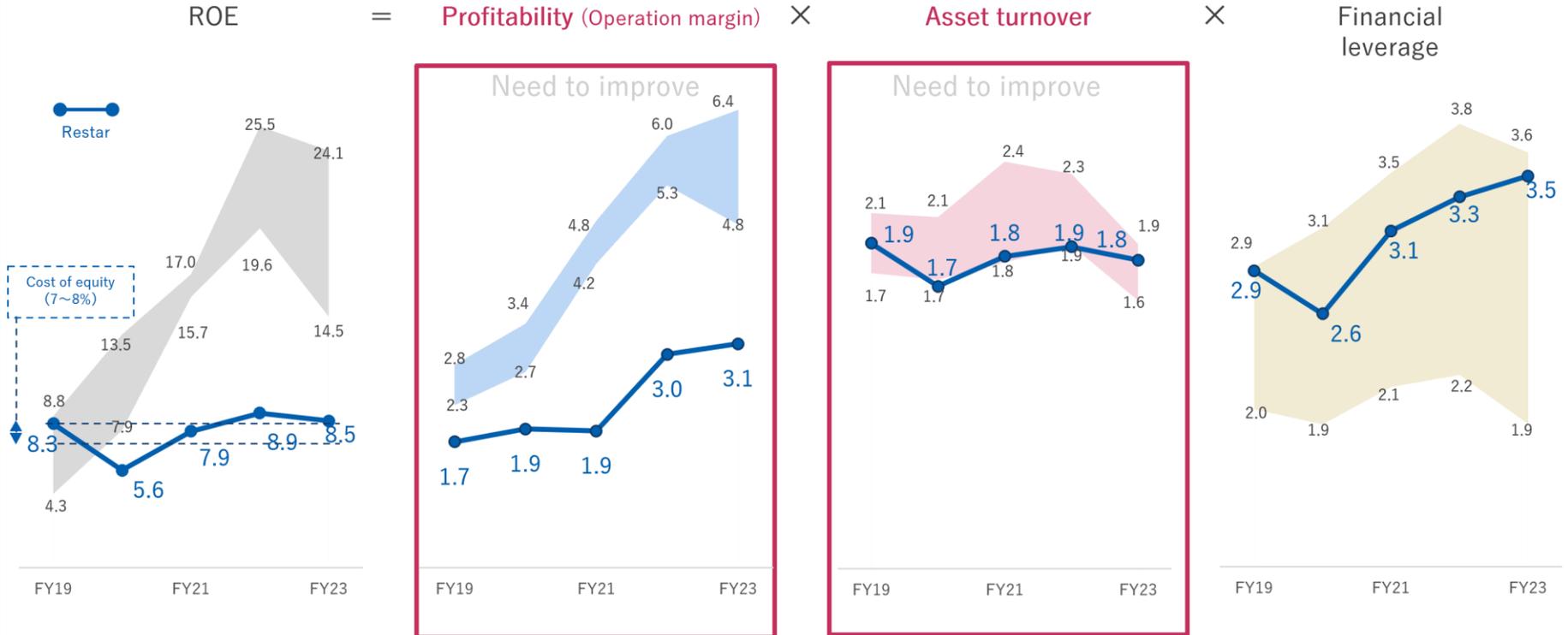
■ Stock price and PBR trends after April 2019 management integration



PBR recently exceeded 1x but overall remained between 0.5x and 1x.

3. Actions toward achieving management conscious of cost of capital and stock prices (status quo analysis 2)

- ROE and DuPont analysis *Competitor comparison (colored areas are maximum to minimum values of the three companies) shows that profitability must be improved, and asset turnover must also be improved from current levels



*Competitor comparison : Top 3 companies with larger market capitalization than our company

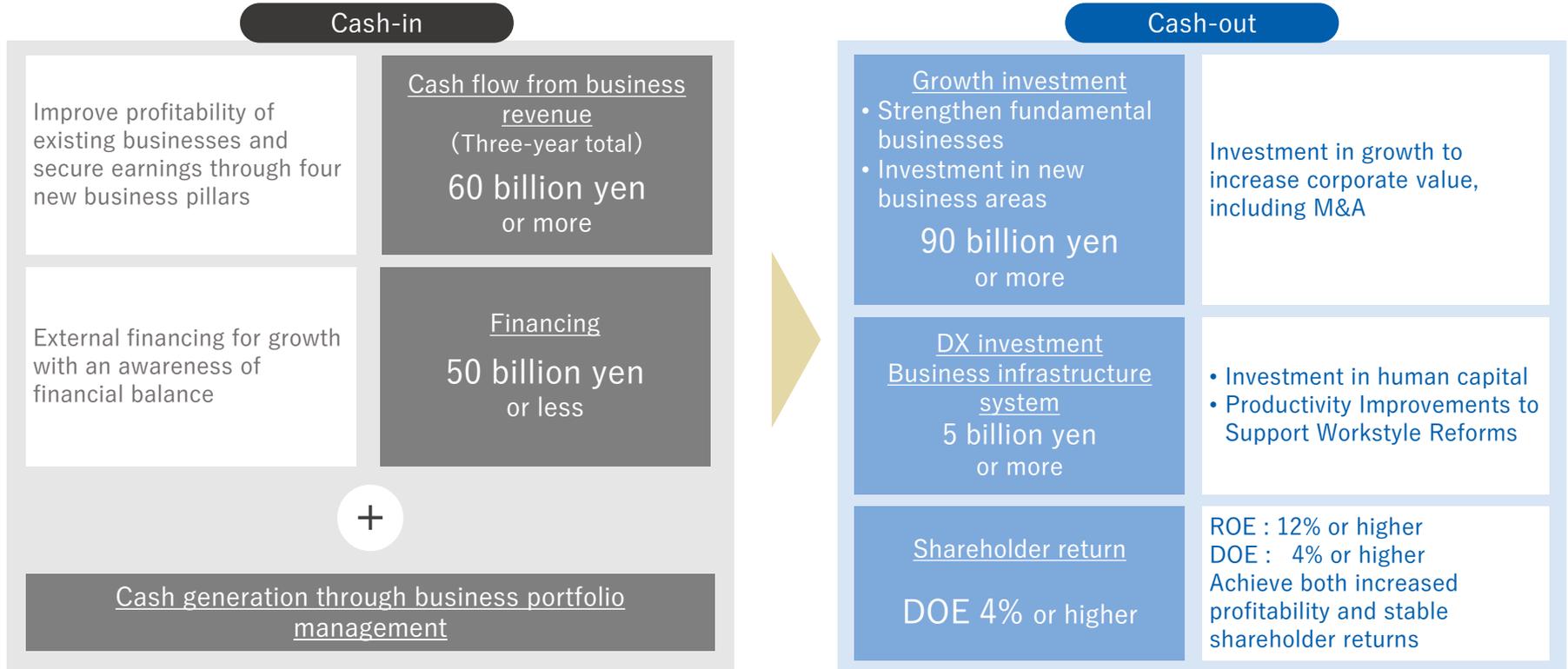
3. Actions toward achieving management conscious of cost of capital and stock prices (Target)

- Targeting ROE of 12% or higher in the fiscal year ending March 31, 2027, by improving profitability and capital efficiency



4. ① Cash allocation (through ending March 31, 2027)

- Generate cash flow through sustainable growth, and new investment to the businesses expansion including M&A strategies, while maintaining financial balance as well as attractive shareholder returns



4. ② Shareholder return policy

■ Basic policy for the period of the medium-term management plan ending March 31, 2027

- Consideration of balance between stable and enhanced shareholder returns, [proactive investment in growth areas](#), and financial soundness
- [*DOE 4% or higher](#)
- [Stable and continuous dividend increase](#)
- Flexible share buybacks for excess capital

*DOE(Dividend on Equity): = Dividend ÷ Equity = Dividend yield × PBR

Since the dividend is based on equity, it is less sensitive to fluctuations in earnings than the dividend payout ratio, and therefore, is more stable. We are committed to shareholder return, viewing DOE as an important indicator so that our shareholders can hold our shares for a long time with a sense of security.

Dividend forecast for the fiscal year ending March 31, 2025 (for reference)	the 2 nd quarter-end	Year-end	Total
	60 yen	60 yen	120 yen
Previous fiscal year result	55 yen	60 yen	115 yen

5. Human capital management

- Evolution of human capital management to encourage growth of employees who create value



Evolution of human capital strategy

Acquire and develop excellent human resources

Create a motivating work environment

Motivate employees to participate in management

Sustainable skills development

5. Human capital management

- Accelerate Diversity Equity & Inclusion to create an environment for continued growth as a group, and enhance corporate value through the development and acquisition of attractive human capital

Acquire and develop excellent human resources

- Hiring and developing diverse human resources globally to lead value creation
- Investment in human resources with a desire to grow
- Collaboration and respect for diversity with new colleagues in the group

Create a motivating work environment

- Visualization of duties and human resources to ensure that the right person is in the right place
- Reform the way of working by improving productivity through AI/DX
- Practice of health management that enables maximum performance with “company growth and employee happiness”



Motivate employees to participate in management

- Management development based on a medium- to long-term perspective and the introduction of incentives for a sustainable increase in the value of the company
- Designing a system and providing an environment where diverse and versatile human resources can play an active role
- Strengthening the human resource management infrastructure through three initiatives: “penetration of management philosophy,” “skills development,” and “creation of a supportive environment”

Sustainable skills development

- Enhanced system of secondment to partner companies, study abroad, intra-group transfers, etc.
- Continue to develop skills, acquire a high level of expertise, and cultivate a global mindset
- Providing entrepreneurial mindset through an internal application system

< 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, terrorist activities, disasters and epidemics, etc.

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