



# 1Q FY2024 (Apr 2024 – Jun 2024) Consolidated Financial Results

Aug 9, 2024

Restar Corporation

<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. Please refrain from using this material and data without permission.

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# 1Q FY2024 Consolidated Financial Highlights

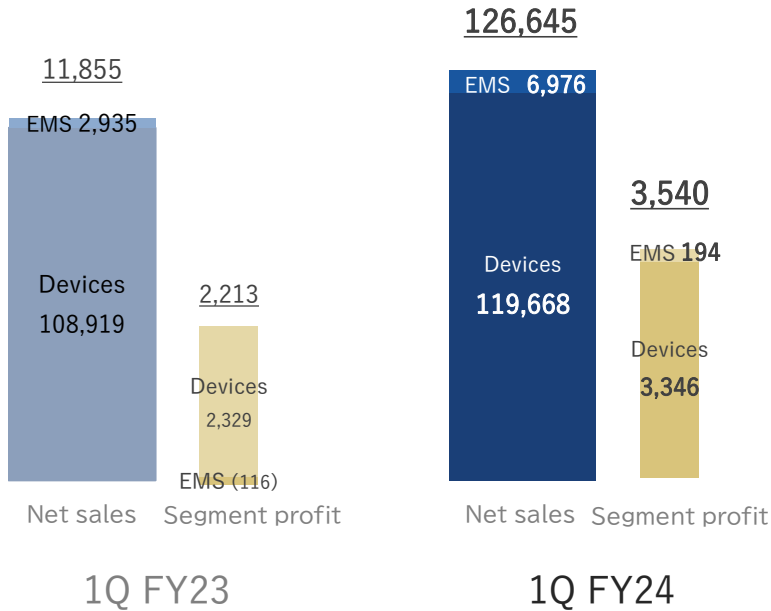
Net sales increased due to [sales growth in automotive applications](#), in addition to [improved performance in the EMS business as the smartphone market recovered, and consolidation of subsidiaries in the devices business](#), while operating profit increased due to [sales growth in the Devices Business Unit](#), profit attributable to owners of parent increased due in [part to tax effect accompanying the business organization implemented](#).

- Net sales  
Increased mainly due to [sales growth in automotive applications](#), in addition to improved performance in the EMS business as the smartphone market recovered, and consolidation of subsidiaries (Restar WPG Corporation in July 2023 and Restar Embedded Solutions Corporation in January 2024). (+13.3% YoY)
- Operating profit  
Increased mainly due to [sales growth in the Devices Business Unit](#). (+67.8% YoY)
- Ordinary profit  
Increased due to the same reasons as for operating profit. (+101.4% YoY)
- Profit Attributable to Owners of Parent  
Increased due in part to [tax effect accompanying the business organization implemented in April 2024](#). (+340.8% YoY)



Million yen	1Q FY23		1Q FY24		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	Change (%)
Net Sales	119,563	-	135,425	-	15,861	13.3%
Gross Profit	9,889	8.3%	12,264	9.1%	2,375	24.0%
SG&A	7,133	6.0%	7,640	5.6%	506	7.1%
Operating Profit	2,755	2.3%	4,624	3.4%	1,868	67.8%
Ordinary Profit	1,752	1.5%	3,530	2.6%	1,777	101.4%
Profit Attributable to Owners of Parent	683	0.6%	3,013	2.2%	2,329	340.8%

(Million yen)



## EMS

Sales increased due to growth in sales for mainstay smartphones applications.

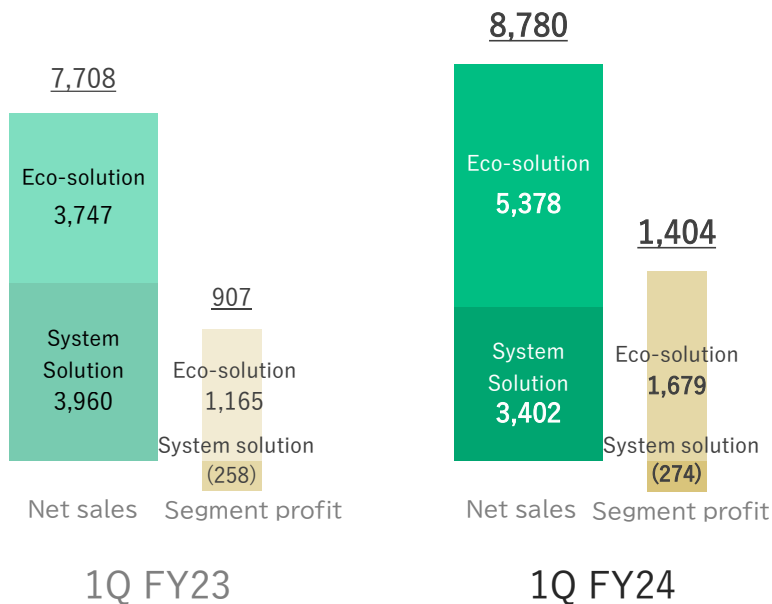
## Devices

Sales increased due to strong sales for automotive applications and consumer devices and the addition of consolidated subsidiaries (Restar WPG Corporation in July 2023 and Restar Embedded Solutions Corporation in January 2024) although sales of products for industrial equipment remained weak. Demand for automotive product also remained strong in global procurement/trading.

## Segment profit

Segment profit increased due to higher sales in the devices and EMS businesses.

(Million yen)



## Eco-solution

Sales increased owing to strong sales of electricity in addition to an expansion of solar power generation in Japan, and an increase in the number of new contracts in the power purchase agreement (PPA) business.

## System Solution

Sales decreased due to weak sales mainly for system equipment, such as broadcasting and access control terminals.

## Segment profit

Segment profit increased due to the contribution of owned power sources by the eco-solution business, despite a decrease in income due to lower sales in the system solution business.

# Consolidated Balance Sheet



Assets: An increase in electronically recorded monetary claims – operating, a decrease in notes receivable - trade and accounts receivable – trade, and a decrease of merchandise and finished goods

Liabilities: A decrease in notes and accounts payable – trade, a decrease of short-term borrowings- trade and an increase in long-term borrowings

Million yen	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current Assets	234,350	225,679
Non-current Assets	57,353	57,561
<b>Total Assets</b>	<b>291,704</b>	<b>283,241</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities	180,132	159,406
Non-current Liabilities	20,547	30,651
Net Assets	91,024	93,183
<b>Total Liabilities and Net Assets</b>	<b>291,704</b>	<b>283,241</b>
<b>Capital Adequacy Ratio</b>	<b>28.9%</b>	<b>30.3%</b>

## Forecasts and progress for the full year ending March 31, 2025



Million yen	FY24 Full year	1Q FY24	Progress rate
	Amount	Amount	
Net Sales	560,000	135,425	24.1%
Operating Profit	16,000	4,624	28.9%
Ordinary Profit	10,500	3,530	33.6%
Profit Attributable to Owners of Parent	8,000	3,013	37.6%

■ There is no change to the full-year earnings forecast announced on May 13, 2024.



# Progress of Business Performance by Business Unit



Million yen		FY24 Full year	1Q FY24	Progress rate
		Amount	Amount	
Net Sales	<b>Devices business unit</b>	516,900	<b>126,655</b>	24.5%
	Devices	493,800	119,678	24.2%
	EMS	23,100	6,976	30.2%
	<b>System business unit</b>	43,400	<b>8,784</b>	20.2%
	System Solution	25,700	3,406	13.3%
	Eco-solution	17,700	5,378	30.4%
	Corporate and Adjustment	(300)	(14)	-
	<b>Consolidated</b>	560,000	<b>135,425</b>	24.2%
Operating Profit	<b>Devices business unit</b>	13,400	<b>3,540</b>	26.4%
	Devices	12,750	3,346	26.3%
	EMS	650	194	29.9%
	<b>System business unit</b>	2,600	<b>1,404</b>	54.0%
	System Solution	850	(274)	-
	Eco-solution	1,750	1,679	96.0%
	Corporate and Adjustment	0	(321)	-
	<b>Consolidated</b>	16,000	<b>4,624</b>	28.9%

## ■ 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

the 2<sup>nd</sup> quarter-end  
60 yen

Year-end  
60 yen

Total  
120 yen

# Management Philosophy of 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

Values

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.

Aim to be

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

Create an innovative business

Information ×  
Technology  
Improve added value

Group Synergies

Diversified Business Development

## Business Topics (Period: May - August 2024)

1. Tender offer for PCI Holdings, INC. and capital and business alliance
2. New large-scale solar power plant- Solar sharing for beekeeping and cultivation of nectar plants - Value-added

# 1.Tender offer for PCI Holdings, INC. and capital and business alliance ①

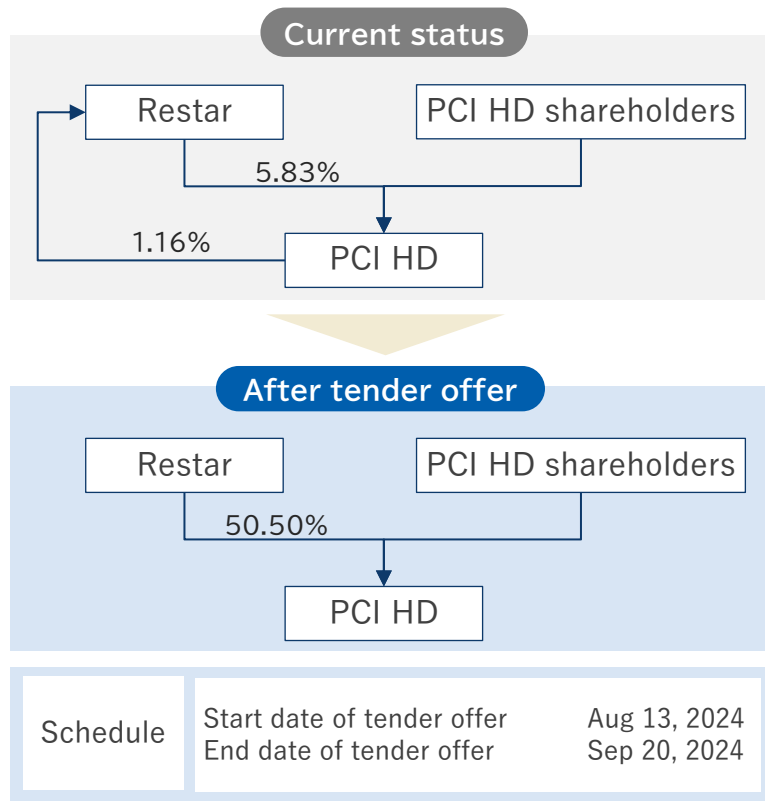


On August 9, 2024, the Company's Board of Directors resolved a tender offer for shares of PCI Holdings, INC.(hereafter PCI HD), listed on the Tokyo Stock Exchange Standard Market, and the new capital and business alliance agreement.

## ■ Company profile

 <b>PCI Holdings, INC.</b>	
Listed market	Tokyo Stock Exchange Standard Market (code 3918)
<ul style="list-style-type: none"> <li>- Share capital</li> <li>- Net sales</li> <li>- Fiscal year end</li> </ul>	<ul style="list-style-type: none"> <li>- 2,091 million yen(Mar 31,2023)</li> <li>- Approx. 28.4 billion yen(ended Sep 2023)</li> <li>- Sep 30</li> </ul>
Business line	Information services including software development (embedded systems/enterprise system),development and maintenance of self-developed solutions and dispatch of IT engineers
<ul style="list-style-type: none"> <li>- Establishment</li> <li>- Number of employees</li> </ul>	<ul style="list-style-type: none"> <li>- Apr 2005</li> <li>- Consolidated 1,621 (Sep 30,2023)</li> </ul>
Main subsidiaries	PCI Solutions INC. SORD CORPORATION PRIVATECH Inc. Three other companies

## ■ Tender offer



# 1.Tender offer for PCI Holdings, INC. and capital and business alliance ②



Among the basic policies set in our medium-term management plan, we will promote initiatives aimed at the commercialization of "IT & Sler" and "Engineering" as part of the "Expansion of Business Domain"

<p>1. Synergies through the collaborative relationship after the tender offer</p>	<ul style="list-style-type: none"> <li>① Expansion of the business for the manufacturing industry through market deepening/expansion</li> <li>② Expansion of quality and quantity of technical resources</li> <li>③ Development into Sler upstream processes by strengthening planning and proposal capabilities</li> <li>④ Reinforcement of management base and scale merits</li> </ul>				
<p>2. New capital and business alliance (the old capital and business alliance contracted on June 27,2018 terminated)</p>	<table border="1"> <tr> <td data-bbox="347 371 415 720" style="writing-mode: vertical-rl; transform: rotate(180deg);">Purpose</td> <td data-bbox="415 371 1893 720"> <ul style="list-style-type: none"> <li>① Maintain PCI HD's independence as a listed company in accordance with the intent of each principle of the Corporate Governance Code and other listing rules, etc.</li> <li>② Effective utilization of management resources of both companies, as well as creation, promotion, and acceleration of "IT &amp; Sler" and "Engineering" business pillars based on PCI HD's core technological capabilities, based on our extensive accounts, scale, and financial strength, including those in the manufacturing industry.</li> <li>③ Through expansion of scale and improvement of profitability (technological capabilities), the two companies will pursue further synergies based on the relationship between the two companies, which has been continuously strengthened in the past, to increase the corporate value of the two companies and ultimately maximize shareholder returns of the two companies.</li> <li>④ The goal is for both companies to become a leading group in the restructuring of the IT industry.</li> </ul> </td> </tr> <tr> <td data-bbox="347 720 415 1031" style="writing-mode: vertical-rl; transform: rotate(180deg);">Main contents</td> <td data-bbox="415 720 1893 1031"> <ul style="list-style-type: none"> <li>① Strengthening the sales expansion structure of PCI Group SORD's products, mainly PALTEK and Restar Embedded Solutions with strengths in the industrial equipment/medical markets, etc.</li> <li>② Strengthen PRIVATECH's business by extending FAE support to Device BU, consolidating semiconductor design and reliability related businesses, and splitting and integrating businesses.</li> <li>③ Collaborate with Systems BU and businesses for smart solution and promote the use of PCI Solutions' technology and upstream process entry through collaboration with SBI Holdings and security companies.</li> <li>④ Build our platform infrastructure and utilize PCI Solutions' functionality through our group IT department functions.</li> </ul> </td> </tr> </table>	Purpose	<ul style="list-style-type: none"> <li>① Maintain PCI HD's independence as a listed company in accordance with the intent of each principle of the Corporate Governance Code and other listing rules, etc.</li> <li>② Effective utilization of management resources of both companies, as well as creation, promotion, and acceleration of "IT &amp; Sler" and "Engineering" business pillars based on PCI HD's core technological capabilities, based on our extensive accounts, scale, and financial strength, including those in the manufacturing industry.</li> <li>③ Through expansion of scale and improvement of profitability (technological capabilities), the two companies will pursue further synergies based on the relationship between the two companies, which has been continuously strengthened in the past, to increase the corporate value of the two companies and ultimately maximize shareholder returns of the two companies.</li> <li>④ The goal is for both companies to become a leading group in the restructuring of the IT industry.</li> </ul>	Main contents	<ul style="list-style-type: none"> <li>① Strengthening the sales expansion structure of PCI Group SORD's products, mainly PALTEK and Restar Embedded Solutions with strengths in the industrial equipment/medical markets, etc.</li> <li>② Strengthen PRIVATECH's business by extending FAE support to Device BU, consolidating semiconductor design and reliability related businesses, and splitting and integrating businesses.</li> <li>③ Collaborate with Systems BU and businesses for smart solution and promote the use of PCI Solutions' technology and upstream process entry through collaboration with SBI Holdings and security companies.</li> <li>④ Build our platform infrastructure and utilize PCI Solutions' functionality through our group IT department functions.</li> </ul>
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## 2. New large-scale solar power plant- Solar sharing for beekeeping and cultivation of nectar plants - Value-added

- The fifth and largest solar sharing\* power plant was established in Hitoyoshi City, Kumamoto Prefecture, in February of this year
- Nectar plant cultivation began in August 2024 and beekeeping is scheduled to begin this fall (VITEC AGRI-POWER CO., LTD., a qualified agricultural land holding corporation)

Solar power plants: 75 in Japan, 88 in Taiwan  
Total: 219 MW (as of June 30, 2024)

### Solar & wind power generation in Japan and Taiwan

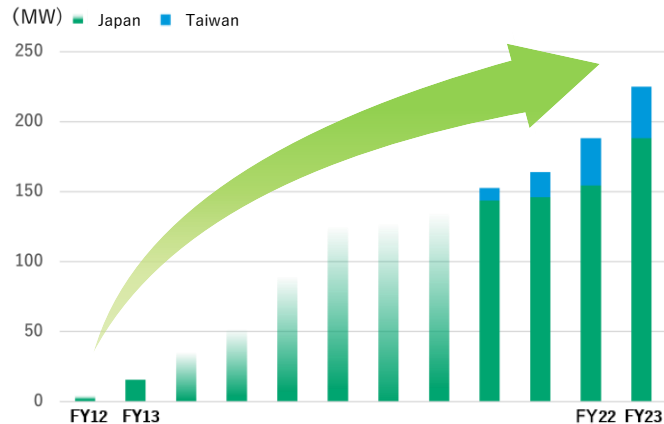


Photo: Solar panels (left) and nectar plants (hairy vetch) growing under the facility (right)

Through coordinated efforts to utilize renewable energy and idle farmland promoting environmental conservation and regional development.

\*solar sharing ▶ An initiative to install solar panels on farmland to generate electricity while farming under the solar panels.



**Restar Corporation**

