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## Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: Restar Corporation  
 Listing: Tokyo  
 Securities code: 3156  
 URL: <https://www.en.restargp.com/>  
 Representative: Tomoharu Asaka Representative Director Vice President  
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 Scheduled date to commence dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	135,425	13.3	4,624	67.8	3,530	101.4	3,013	340.8
June 30, 2023	119,563	6.2	2,755	(32.3)	1,752	(52.3)	683	(69.3)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 3,976 million [ 152.5%]  
 Three months ended June 30, 2023: ¥ 1,574 million [ (23.1)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	100.22	99.98
June 30, 2023	22.74	22.41

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	283,241	93,183	30.3	2,858.52
March 31, 2024	291,704	91,024	28.9	2,800.38

(Reference) Equity: As of June 30, 2024: ¥ 85,949 million  
 As of March 31, 2024: ¥ 84,201 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	55.00	-	60.00	115.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		60.00	-	60.00	120.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	560,000	9.3	16,000	0.4	10,500	8.4	8,000	14.2	266.06

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - (Company name: )  
 Excluded: 3 (Company name: Restar Electronics Corporation )  
 (Company name: Restar Communications Corporation )  
 (Company name: Vitec Enesta Co., Ltd. )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 30,072,643 shares  
 March 31, 2024: 30,072,643 shares

2) Number of treasury shares at the end of the period:

June 30, 2024: 4,680 shares  
 March 31, 2024: 4,680 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 30,067,963 shares  
 Three months ended June 30, 2023: 30,068,063 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

\* Proper use of earnings forecasts, and other special matters

## (1) Explanation of Operating Results

Forward-looking statements in the text are based on judgments made as of the end of the first quarter of the current consolidated fiscal year.

During the first quarter of the fiscal year under review, the Japanese economy experienced a trend of moderate recovery, mainly due to improvements in the employment and income environment and an expansion in inbound demand, despite the impact of price increases. Meanwhile, the outlook remained uncertain due to geopolitical risks including the worsening situation in the Middle East and the prolonged conflict between Russia and Ukraine, and the prospect of continued price increases, the interest rate trends in Europe, the United States, and Japan, and the outlook for the Chinese economy in terms of the economic environment. In the semiconductor market, despite signs of a recovery in capital investment trends, demand for various products remains mixed.

Under these circumstances, on April 1, 2024, the Company implemented an absorption-type merger with Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd. with Restar Holdings Corporation as the surviving company. Through the transition from a pure holding company to an operating company as the new Restar Corporation, the Company will promote the optimal allocation of management resources and reform of the profit structure with the aim of further strengthening the Group and expanding its business over the medium to long term. In May 2024, the Company announced its first Medium-Term Management Plan since the business integration in 2019. Under the basic policies aimed at growth through the fiscal year ending March 31, 2027, we will establish a structure with four business units and work to further expand our business and improve profitability to achieve the goals of the Medium-Term Management Plan.

We will continue to pursue M&A and capital alliances in Japan and overseas in addition to Group synergies aiming to be “The Electronics Value Platformer” that accommodates all manner of stakeholder needs in order to realize the sustainable development of the world and society leveraging information and technology and to enhance our corporate value.

### (Overview of Consolidated Operating Results)

(Million yen)	Three months ended June 30, 2023	Three months ended June 30, 2024	Change (%)
Net sales	119,563	135,425	13.3%
Operating profit	2,755	4,624	67.8%
Ordinary profit	1,752	3,530	101.4%
Profit attributable to owners of parent	683	3,013	340.8%

#### - Performance Highlights

Consolidated net sales for the first quarter of the fiscal year under review 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). Operating profit increased mainly due to sales growth in the Devices Business Unit, and ordinary profit also increased. Profit attributable to owners of parent increased due in part to tax effect accompanying the business organization implemented in April 2024.

As a result, net sales for the first three months of the fiscal year under review were ¥135,425 million, up 13.3% year on year, operating profit was ¥4,624 million, up 67.8% year on year, ordinary profit was ¥3,530 million, up 101.4% year on year, and profit attributable to owners of parent was ¥3,013 million, up 340.8% year on year.

(Operating Results by Reportable Segment)

The Group has two reportable segments; the Devices Business Unit and the System Business Unit, following the business reorganization in April 2024.

Effective from the first quarter of the fiscal year under review, the business segments to be included as reportable have been changed, and comparisons and analysis for the first quarter of the fiscal year under review are based on the new segments.

(1) Devices Business Unit

Reportable Segment	Business	Business Description
Devices Business Unit	Devices	<ul style="list-style-type: none"><li>• Sales of semiconductors, electronic components, and related products in Japan and overseas; system proposals with a variety of line card combinations; provision of high-value-added solutions and technical support specializing in liquid crystal systems and overseas suppliers; design and manufacturing; LSI design development and support; and reliability test service</li><li>• Operation and proposal of optimal supply chain management through global procurement/trading for electronics and entrustment service for related operations</li></ul>
	EMS	Electronics manufacturing service for electronic components, modules, etc., with cutting-edge technology, procurement, production management and quality assurance at our factories

(Million yen)	Three months ended June 30, 2023	Three months ended June 30, 2024	Change (%)
Net sales	111,855	126,645	13.2%
Devices	108,919	119,668	9.9%
EMS	2,935	6,976	137.7%
Segment profit	2,213	3,540	60.0%

- Performance Overview

In the devices business, sales increased. This was 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. In the EMS business, sales increased due to growth in sales for mainstay smartphones applications. Segment profit increased due to higher sales in the devices and EMS businesses.

As a result, the Devices Business Unit recorded net sales of ¥126,645 million, up ¥13.2% year on year, and segment profit of ¥3,540 million, up 60.0% year on year.

(2) System Business Unit

Reportable Segment	Business	Business Description
System Business Unit	System Solution	<ul style="list-style-type: none"> <li>• Proposal, design, construction, and maintenance of solutions for video, audio, and communications in various fields such as broadcasting, business, education, medical care/life sciences, and public facilities</li> <li>• Development and manufacture of cashless payment terminals that combine our basic digital and communications technologies with near-field communication (NFC) technologies and sales of overseas made payment terminals; application development; development, manufacture, and sales of Individual Number authentication-related devices</li> </ul>
	Eco-solution	<ul style="list-style-type: none"> <li>• Community coexistence-based operation and management services for the introduction and popularization of renewable energy from our own solar power stations (in Japan and overseas) and wind power stations, etc.</li> <li>• Electric power supply to public facilities and private-sector companies primarily using renewable energy, and electric power consulting including local production and consumption of the power for community revitalization</li> <li>• Production and sale, as well as system consulting, of vegetables made in completely closed vegetable factories to commercial and retail markets including convenience stores, supermarkets, and food service chains</li> </ul>

(Million yen)	Three months ended June 30, 2023	Three months ended June 30, 2024	Change (%)
Net sales	7,708	8,780	13.9%
System Solution	3,960	3,402	(14.1%)
Eco-solution	3,747	5,378	43.5%
Segment profit	907	1,404	54.7%

- Performance Overview

In the system solution business, sales decreased. This was due to weak sales mainly for system equipment, such as broadcasting and access control terminals. In the eco-solution business, 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. 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. As a result, the System Business Unit recorded net sales of ¥8,780 million, up 13.9% year on year, and segment profit of ¥1,404 million, up 54.7% year on year.

## (2) Explanation of Financial Position

### Assets, Liabilities and Net Assets

Total assets at the end of the first quarter of the fiscal year under review decreased by ¥8,462 million from the end of the previous fiscal year to ¥283,241 million. This was mainly due to a decrease in notes receivable - trade and accounts receivable - trade of ¥1,352 million, an increase in electronically recorded monetary claims - operating of ¥1,333 million, a decrease in merchandise and finished goods of ¥5,122 million, and a decrease in accounts receivable included in other under current assets of ¥3,620 million.

Liabilities decreased by ¥10,620 million from the end of the previous fiscal year to ¥190,058 million. This was mainly due to a decrease of ¥2,488 million in notes and accounts payable - trade, a decrease of ¥18,724 million in short-term borrowings, and an increase of ¥10,320 million in long-term borrowings.

Net assets increased by ¥2,158 million from the end of the previous fiscal year to ¥93,183 million. This was mainly due to an increase in retained earnings resulting from profit attributable to owners of parent of ¥3,013 million, and a decrease in capital surplus resulting from dividends of ¥1,706 million.

## (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

### Consolidated earnings forecast for the current fiscal year

There is no change to the consolidated earnings forecast for the current fiscal year.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	39,919	39,639
Notes receivable - trade	417	343
Accounts receivable - trade	88,940	87,662
Electronically recorded monetary claims - operating	16,043	17,376
Contract assets	49	228
Merchandise and finished goods	68,158	63,035
Work in process	980	1,133
Raw materials and supplies	1,632	1,781
Other	18,334	14,605
Allowance for doubtful accounts	(124)	(129)
<b>Total current assets</b>	<b>234,350</b>	<b>225,679</b>
Non-current assets		
Property, plant and equipment		
Leased assets	16,684	17,065
Accumulated depreciation	(8,202)	(8,533)
Leased assets, net	8,481	8,531
Other	20,057	20,360
<b>Total property, plant and equipment</b>	<b>28,538</b>	<b>28,892</b>
Intangible assets		
Goodwill	5,460	5,317
Other	4,029	4,117
<b>Total intangible assets</b>	<b>9,490</b>	<b>9,434</b>
Investments and other assets		
Investment securities	4,062	3,617
Deferred tax assets	2,338	2,885
Bad debts	11,665	12,409
Long-term prepaid expenses	8,646	8,492
Other	4,438	4,405
Allowance for doubtful accounts	(11,827)	(12,576)
<b>Total investments and other assets</b>	<b>19,324</b>	<b>19,235</b>
<b>Total non-current assets</b>	<b>57,353</b>	<b>57,561</b>
<b>Total assets</b>	<b>291,704</b>	<b>283,241</b>

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	55,846	53,358
Short-term borrowings	96,993	78,269
Current portion of long-term borrowings	5,130	7,022
Lease liabilities	1,967	2,210
Income taxes payable	3,864	1,496
Contract liabilities	147	223
Provision for bonuses	1,334	812
Provision for bonuses for directors (and other officers)	120	-
Other	14,728	16,013
Total current liabilities	180,132	159,406
Non-current liabilities		
Long-term borrowings	7,352	17,673
Lease liabilities	6,845	6,565
Deferred tax liabilities	1,867	1,869
Retirement benefit liability	1,582	1,568
Other	2,898	2,975
Total non-current liabilities	20,547	30,651
Total liabilities	200,679	190,058
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	33,841	32,134
Retained earnings	43,461	46,475
Treasury shares	(9)	(9)
Total shareholders' equity	81,677	82,984
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	51
Deferred gains or losses on hedges	(1)	5
Foreign currency translation adjustment	2,263	2,940
Remeasurements of defined benefit plans	(42)	(30)
Total accumulated other comprehensive income	2,524	2,965
Share acquisition rights	123	114
Non-controlling interests	6,699	7,119
Total net assets	91,024	93,183
Total liabilities and net assets	291,704	283,241



Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	119,563	135,425
Cost of sales	109,674	123,161
Gross profit	9,889	12,264
Selling, general and administrative expenses	7,133	7,640
Operating profit	2,755	4,624
Non-operating income		
Interest income	53	61
Dividend income	16	35
Insurance claim income	126	45
Share of profit of entities accounted for using equity method	27	26
Gain on investments in silent partnerships	88	95
Other	47	64
Total non-operating income	359	329
Non-operating expenses		
Interest expenses	867	862
Loss on sale of receivables	268	371
Foreign exchange losses	3	6
Other	222	182
Total non-operating expenses	1,362	1,423
Ordinary profit	1,752	3,530
Extraordinary income		
Gain on sale of non-current assets	-	12
Gain on sale of investment securities	28	-
Total extraordinary income	28	12
Profit before income taxes	1,780	3,542
Income taxes	1,056	246
Profit	724	3,296
Profit attributable to non-controlling interests	40	282
Profit attributable to owners of parent	683	3,013

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	724	3,296
Other comprehensive income		
Valuation difference on available-for-sale securities	292	(253)
Deferred gains or losses on hedges	14	7
Foreign currency translation adjustment	529	915
Remeasurements of defined benefit plans, net of tax	14	10
Total other comprehensive income	850	680
Comprehensive income	1,574	3,976
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,293	3,454
Comprehensive income attributable to non-controlling interests	281	522