



# 2Q FY2024 (Apr 2024 – Sep 2024) Consolidated Financial Results

Nov 14, 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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# 2Q FY2024 Consolidated Financial Highlights

Net sales increased mainly due to [the addition of consolidated subsidiaries, sales growth in the devices business](#) mainly for high-performance consumer camera applications, PC-related products, and automotive applications, [and an improved performance in the EMS business](#), operating profit declined due to [lower sales of products for industrial equipment in the devices business, and the sharp appreciation of the yen](#), profit attributable to owners of parent [increased due to a tax effect related to the liquidation](#)

➤ Net sales

Increased mainly due to [the addition of consolidated subsidiaries\\* sales growth in the devices business](#) mainly for high-performance consumer camera applications, PC-related products, and automotive applications, and an improved performance in the EMS business following the recovery in the smartphone market. (+11.3% YoY)

➤ Operating profit

Declined due to [lower sales of products for industrial equipment in the devices business, and the sharp appreciation of the yen over the period from August to September, despite higher sales mainly in the EMS and eco-solutions businesses.](#)((3.8%) YoY)

➤ Ordinary profit

Increased mainly due to [a decrease in foreign exchange losses.](#) (+16.8% YoY)

➤ Profit Attributable to Owners of Parent

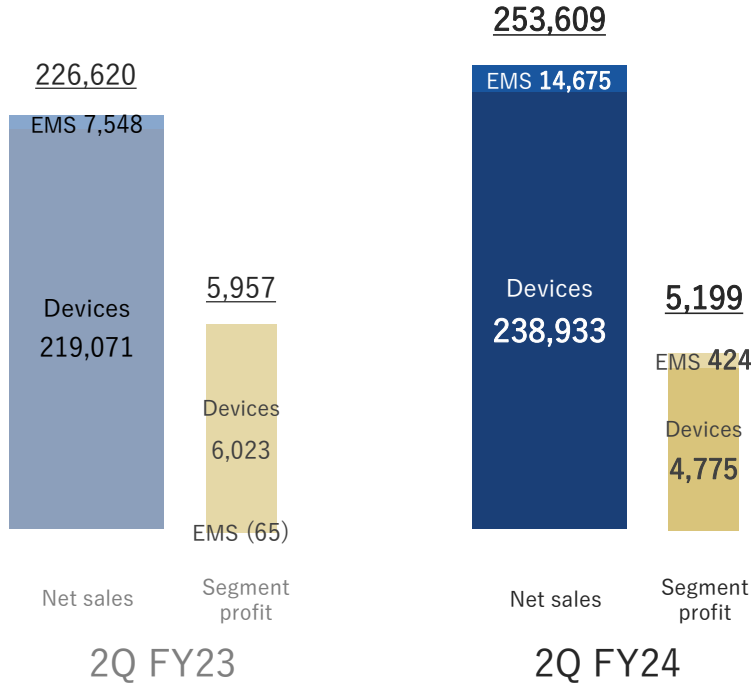
Despite recording a loss on liquidation of a subsidiary following the Company's resolution to dissolve the consolidated subsidiary in September 2024, profit attributable to owners of parent [increased partly due to a tax effect related to the liquidation.](#) (+30.4% YoY)

\*Restar WPG Corporation in July 2023, Restar Embedded Solutions Corporation in January 2024 and Restar Dexerials Hong Kong Limited in July 2024



Million yen	2Q FY23		2Q FY24		YoY	
	Amount	% of Net Sales	Amount	% of Net Sales	Growth	Change (%)
Net Sales	245,264	-	273,042	-	27,778	11.3%
Gross Profit	22,019	9.0%	22,425	8.2%	405	1.8%
SG&A	14,920	6.1%	15,598	5.7%	677	4.5%
Operating Profit	7,098	2.9%	6,826	2.5%	(272)	(3.8%)
Ordinary Profit	3,955	1.6%	4,621	1.7%	666	16.8%
Profit Attributable to Owners of Parent	3,367	1.4%	4,391	1.6%	1,024	30.4%

(Million yen)



## EMS

Sales increased due to continued strong sales for mainstay smartphone applications

## Devices

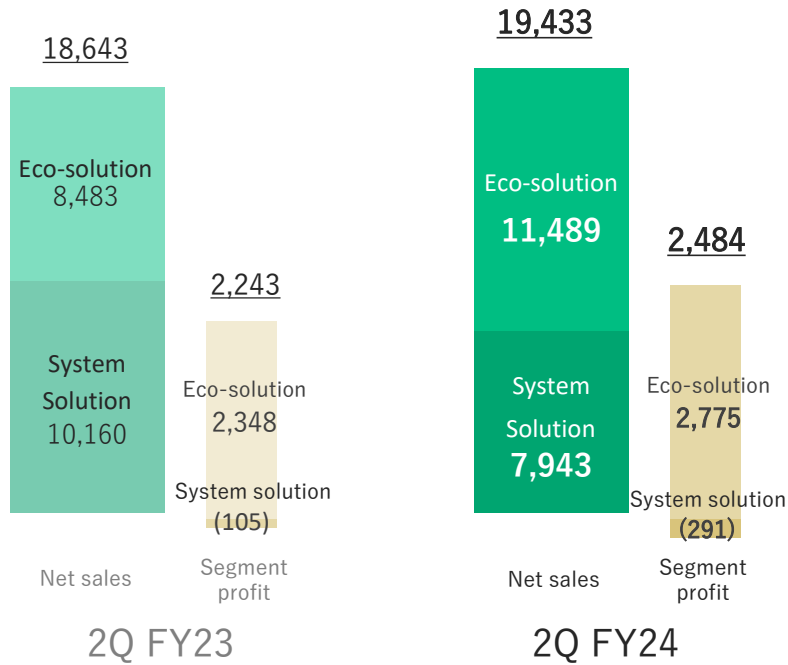
Sales increased due to the addition of consolidated subsidiaries (Restar WPG Corporation in July 2023, Restar Embedded Solutions Corporation in January 2024 and Restar Dexerials Hong Kong Limited in July 2024) and sales growth mainly for high-performance consumer camera applications, PC-related products and automotive applications, although the recovery of the industrial equipment market has been slow.

## Segment profit

Although the EMS business saw an increase in profit driven by higher sales, segment profit decreased due to weak sales of products for industrial equipment and the impact of the sharp yen appreciation from August to September.

# System Business Unit

(Million yen)



## Eco-solution

Sales increased owing to an expansion of power sales destinations in the power producer and supplier business, an expansion of solar power generation in Japan and overseas, and an increase in the number of new contracts in the power purchase agreement (PPA) business.

## System Solution

Sales decreased due to weak performance in system equipment for broadcasting and access control terminals, despite growth in corporate demand, such as office relocation needs. Additionally, the overall decline in revenue was influenced by the transfer of the image sensing business area to the devices business as part of efforts to strengthen the sensor-related business.

## Segment profit

Segment profit increased due to higher profit in the eco-solution business, despite a lower profit in the system solution business.

## Consolidated Balance Sheet

Assets: An increase in deferred tax assets, a decrease in merchandise and finished goods, accounts receivable, and allowance for doubtful accounts

Liabilities: A decrease in short-term borrowings, an increase in long-term borrowings

Million yen	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current Assets	234,350	226,717
Non-current Assets	57,353	65,022
<b>Total Assets</b>	<b>291,704</b>	<b>291,739</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities	180,132	148,591
Non-current Liabilities	20,547	41,373
Net Assets	91,024	101,775
<b>Total Liabilities and Net Assets</b>	<b>291,704</b>	<b>291,739</b>
Capital Adequacy Ratio	28.9%	30.9%

(unit: million yen)

Cash and Cash Equivalents at Beginning of Period	39,771
■ Cash Flows from Operating Activities	20,352
> Main factors: Decrease in inventories, accounts receivable and bad debts	
■ Cash Flows from Investing Activities	(1,925)
> Main factors: Purchase of property, plant and equipment, proceeds from redemption of investment securities	
■ Cash Flows from Financing Activities	(14,275)
> Main factors: Proceeds from long-term borrowings, expenditures due to net decrease in short-term borrowings	
■ Effect of Exchange Rate Change on Cash and Cash Equivalents	286
Cash and Cash Equivalents at End of Period	44,210





Million yen	FY24 Full year	2Q FY24	Progress rate
	Amount	Amount	
Net Sales	560,000	273,042	48.7%
Operating Profit	16,000	6,826	42.6%
Ordinary Profit	10,500	4,621	44.0%
Profit Attributable to Owners of Parent	8,000	4,391	54.8%

■ 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	2Q FY24	Progress rate
		Amount	Amount	
Net Sales	<b>Devices Business Unit</b>	505,900	253,609	50.1%
	Devices	477,900	238,933	49.9%
	EMS	28,000	14,675	52.4%
	<b>System Business Unit</b>	41,400	<b>19,433</b>	46.9%
	System Solution	22,500	7,943	35.3%
	Eco-solution	18,900	11,489	60.7%
	<b>IT&amp;Sler Business Unit</b>	12,700	—	—
	<b>Consolidated</b>	560,000	<b>273,042</b>	48.7%
Operating Profit	<b>Devices Business Unit</b>	12,000	5,199	43.3%
	Devices	11,100	4,775	43.0%
	EMS	900	424	47.1%
	<b>System Business Unit</b>	4,600	<b>2,484</b>	54.0%
	System Solution	700	(291)	—
	Eco-solution	3,900	2,775	71.1%
	<b>IT&amp;Sler Business Unit</b>	500	—	—
	Corporate and Adjustment	(1,100)	(857)	—
<b>Consolidated</b>	16,000	<b>6,826</b>	42.6%	

## ■ 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
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# 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.



**Restar Corporation**

