

2Q FY2024 (Apr 2024 – Sep 2024) Consolidated Financial Results and Progress of the Medium-Term Management Plan

Nov 22, 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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Agenda

1. 2Q FY2024 Consolidated Financial Highlights

Susumu Nishima, Senior Corporate Executive Officer

2. Overview and Progress of the Medium-Term Management Plan

Takuto Sakakibara, General Manager of Corporate Planning Division

3. IT&Sler-BU

Masato Tozawa, Senior Corporate Executive Officer

4. Devices-BU

Masahiro Shibata, Senior Corporate Executive Officer

5. Questions and Answers

1. 2Q FY2024

Consolidated Financial Highlights

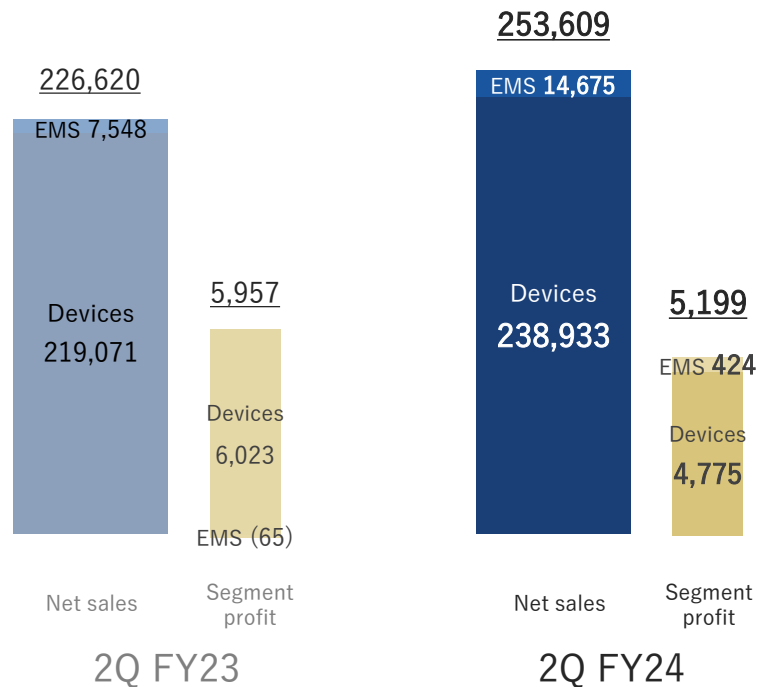
Susumu Nishima, Senior Corporate Executive Officer

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%

Devices Business Unit/System Business Unit

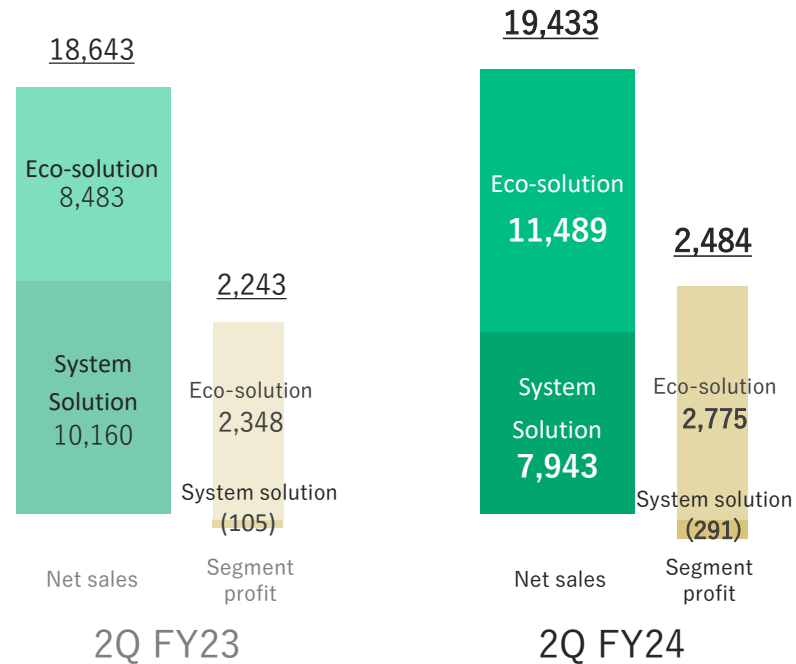
Devices Business Unit

(Million yen)



System Business Unit

(Million yen)



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
Assets		
Current Assets	234,350	226,717
Non-current Assets	57,353	65,022
Total Assets	291,704	291,739
Liabilities and Net Assets		
Current Liabilities	180,132	148,591
Non-current Liabilities	20,547	41,373
Net Assets	91,024	101,775
Total Liabilities and Net Assets	291,704	291,739
Capital Adequacy Ratio	28.9%	30.9%



(unit: million yen)

Cash and Cash Equivalents at Beginning of Period	39,771
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■ Cash Flows from Operating Activities	20,352
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> Main factors: Decrease in inventories, accounts receivable and bad debts

■ Cash Flows from Investing Activities	(1,925)
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> Main factors: Purchase of property, plant and equipment, proceeds from redemption of investment securities

■ Cash Flows from Financing Activities	(14,275)
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> 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
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Cash and Cash Equivalents at End of Period	44,210
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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	Devices Business Unit	505,900	253,609	50.1%
	Devices	477,900	238,933	49.9%
	EMS	28,000	14,675	52.4%
	System Business Unit	41,400	19,433	46.9%
	System Solution	22,500	7,943	35.3%
	Eco-solution	18,900	11,489	60.7%
	IT&Sler Business Unit	12,700	—	—
	Consolidated	560,000	273,042	48.7%
Operating Profit	Devices Business Unit	12,000	5,199	43.3%
	Devices	11,100	4,775	43.0%
	EMS	900	424	47.1%
	System Business Unit	4,600	2,484	54.0%
	System Solution	700	(291)	—
	Eco-solution	3,900	2,775	71.1%
	IT&Sler Business Unit	500	—	—
	Corporate and Adjustment	(1,100)	(857)	—
	Consolidated	16,000	6,826	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 2nd quarter-end
60 yen

Year-end
60 yen

Total
120 yen

2. Overview and Progress of the Medium-Term Management Plan

Takuto Sakakibara,
General Manager of Corporate Planning Division

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

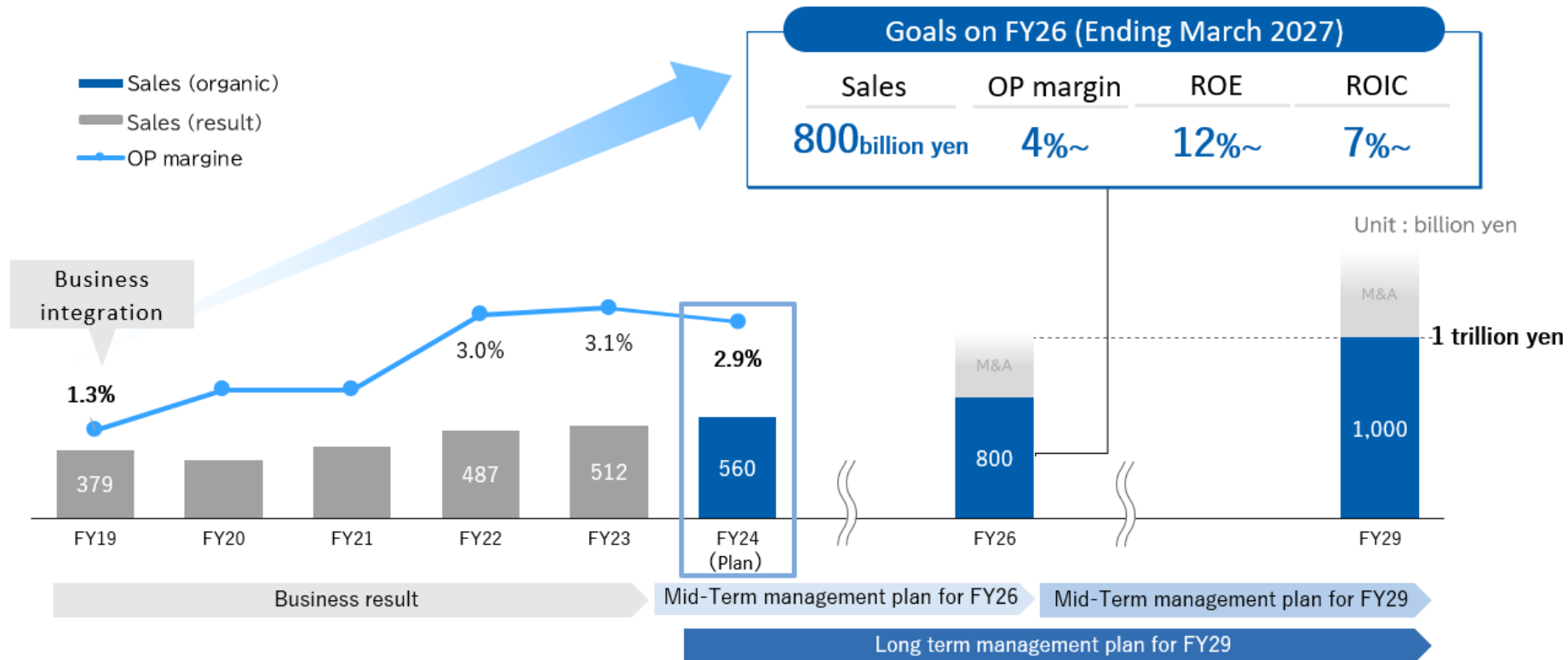
Pursuit of
business synergies

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

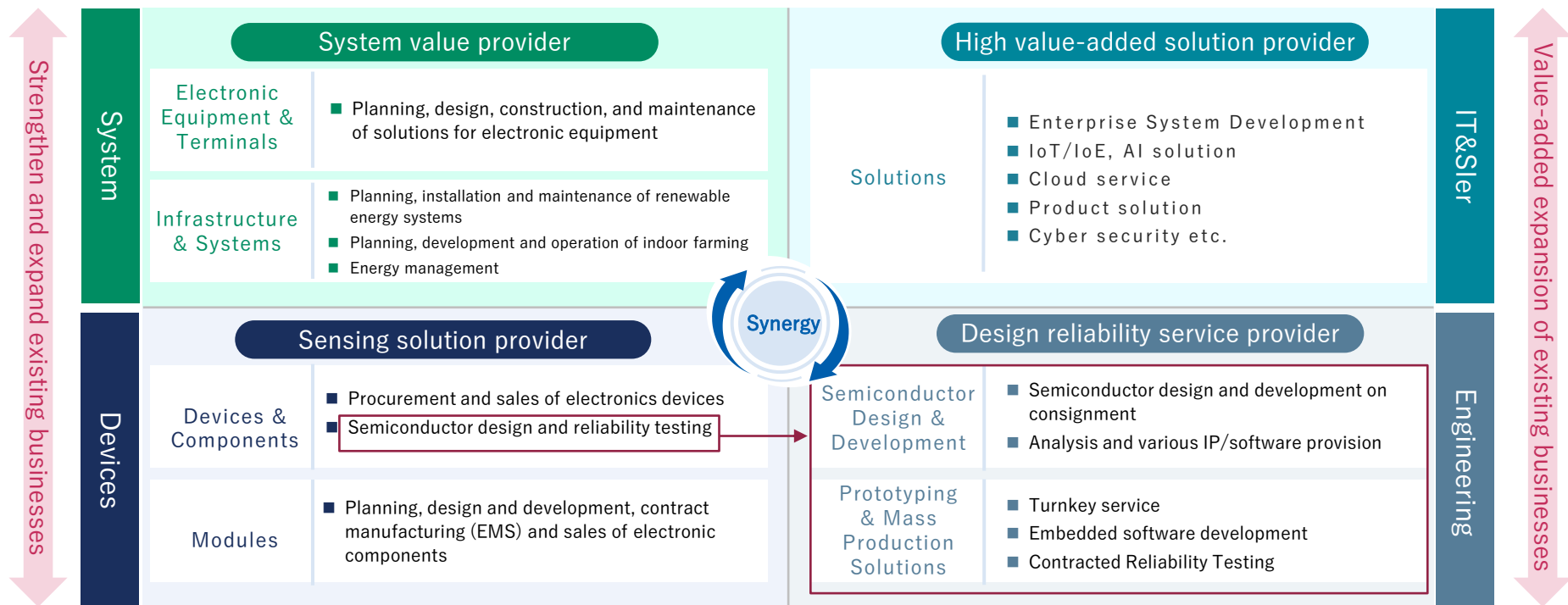
Medium-term management plan goals

- 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



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

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	2. Expansion of business base	3. Strategic partnership
Aim	Expansion of customers in the Asian region beyond a Japanese-centric base	Expand line cards to leverage strengths and strengthen business functions	Business reinforcement and obtaining new business opportunities

alliance			
<ul style="list-style-type: none"> Strengthening JVs with mega-distributors (Japan, Hong Kong, Germany) Expanding sales of strategic products to foreign companies and domestic sales of excellent overseas 	<ul style="list-style-type: none"> Collaboration to strengthen sales network in Asia Collaboration in opto-semiconductor related fields in Japan and overseas 	<ul style="list-style-type: none"> Business collaboration for regional development Corporate Venture Capital (CVC) 	<ul style="list-style-type: none"> Collaboration on mass market strategies Expansion of customer base and sales network Expansion of Product Portfolio Reinforcement of technical collaboration and system Promotion of EMS Coordination

M&A		
<ul style="list-style-type: none"> Expansion into the industrial equipment field using FPGAs Expansion of customer base 	<ul style="list-style-type: none"> Expansion of power supply products and handling of ARM development tools Expansion of customer base 	<ul style="list-style-type: none"> Biz expansion for manufacturing industry through market deepening/expansion Expansion of quality and quantity of technical resources Deployment to Sler upstream processes Reinforcement of management base and economies of scale

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

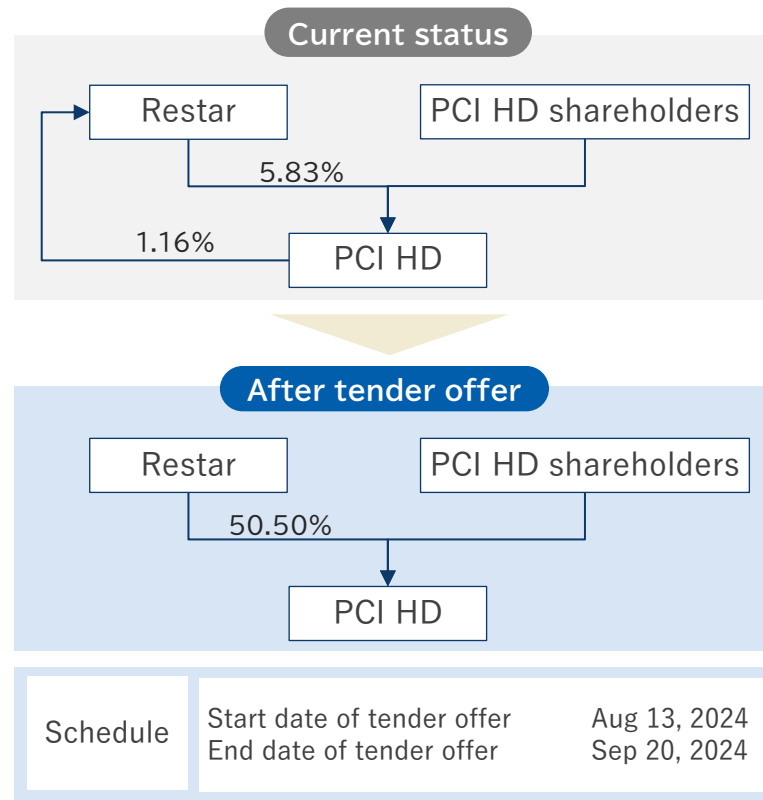


On August 9, 2024, the Board of Directors resolved a tender offer for shares of PCI Holdings,INC.(hereafter PCI HD), listed on the Tokyo Stock Exchange Standard Market, and the new capital and business alliance agreement.

■ Company profile

	PCI Holdings,INC.
Listed market	Tokyo Stock Exchange Standard Market (code 3918)
- Share capital - Net sales - Fiscal year end	- 2,091 million yen(As of Sep 30,2024) - Approx. 25.0 billion yen(ended Sep 2024) - Sep 30
Business line	Information services including software development (embedded systems/enterprise system),development and maintenance of self-developed solutions and dispatch of IT engineers
- Establishment - Number of employees	- Apr 2005 - Consolidated: 1,597 (Mar 31,2024)
Main subsidiaries	PCI Solutions INC. SORD CORPORATION PRIVATECH Inc. Three other companies

■ Tender offer





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"

1. Synergies through the collaborative relationship after the tender offer		<ul style="list-style-type: none">① Expansion of the business for the manufacturing industry through market deepening/expansion② Expansion of quality and quantity of technical resources③ Development into Sler upstream processes by strengthening planning and proposal capabilities④ Reinforcement of management base and scale merits
2. New capital and business alliance (the old capital and business alliance contracted on June 27,2018 terminated)	Purpose	<ul style="list-style-type: none">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.② Effective utilization of management resources of both companies, as well as creation, promotion, and acceleration of "IT&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 industry③ 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 companies④ The goal is for both companies to become a leading group in the restructuring of the IT industry
	Main contents	<ul style="list-style-type: none">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.② Strengthen PRIVATECH's business by extending FAE support to Devices-BU, consolidating semiconductor design and reliability related businesses, and splitting and integrating businesses③ Collaborate with System-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 companies④ Build our platform infrastructure and utilize PCI Solutions' functionality through our group IT department functions

Corporate actions taken this fiscal year

■ From April 2024

- Implement [business restructuring](#) to unify the group, reorganize the business structure, and improve operational efficiency.
- [Establishment of the foundation for a 4BU structure](#) by making PCI HD a consolidated subsidiary
- [Multiple capital and business alliances](#) based on growth strategies
- [Subordinated loans](#) based on financial strategy
- [Share buybacks](#) to implement flexible capital and management strategies

Implement management and business measures based on prompt management decisions to achieve the goals of the Medium-Term Management Plan

3. IT&SIer-BU

Masato Tozawa, Senior Corporate Executive Officer

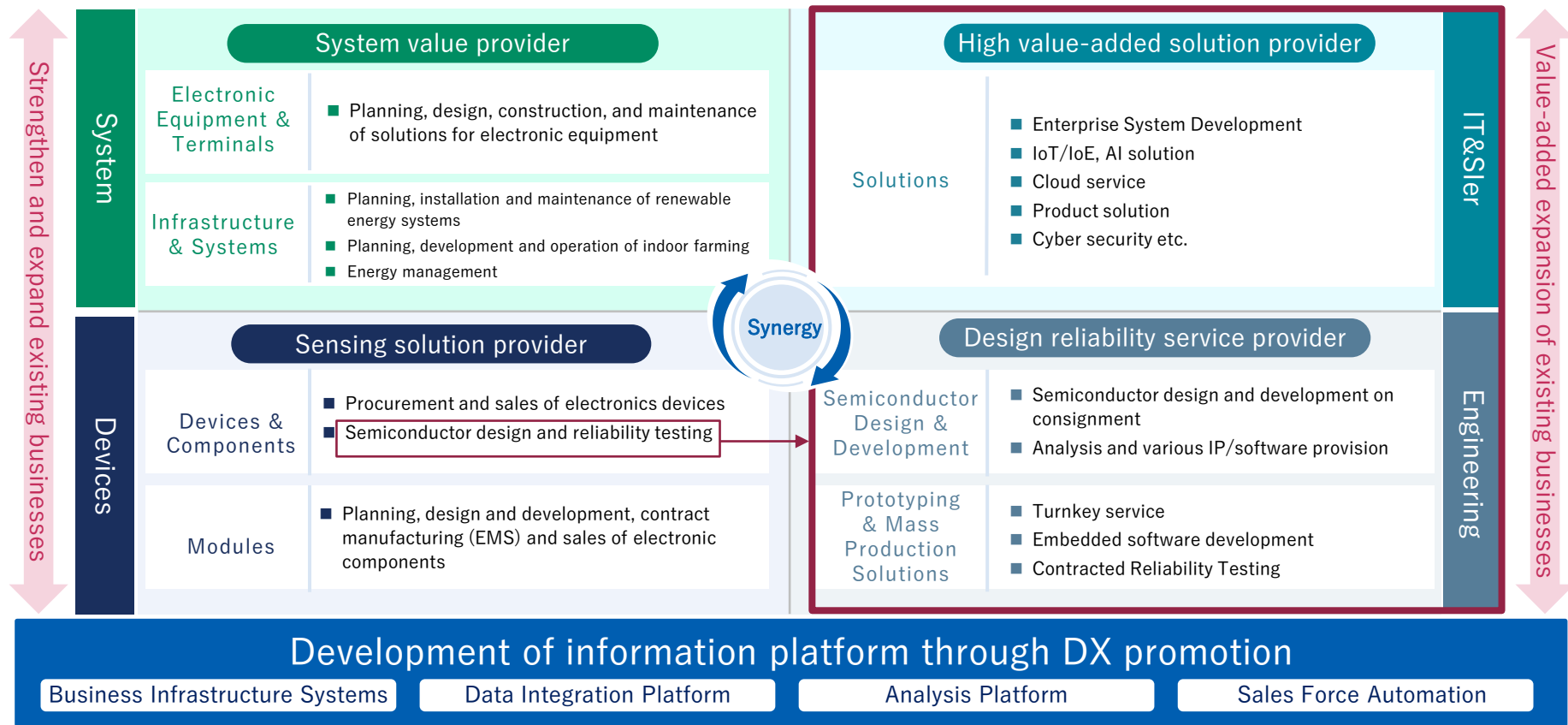
New Structure of PCI Holdings,INC.

- PCI HD plans to change its management structure, effective December 20, 2024
- Renewed management structure to realize synergies from the integration with Restar Group as soon as possible and accelerate the improvement of corporate value
- Masato Tozawa, our Senior Managing Executive Officer, is scheduled to assume the position of President and Representative Director from December 20, 2024

Identity	Masato Tozawa
Date of Birth	June 1, 1957
Brief personal record	<p>Apr. 1981 Joined Fujitsu Limited</p> <p>Apr. 1999 General Manager, Sales Support Dept., West Japan Sales Div.</p> <p>Nov. 2001 General Manager, Software Service Planning & Management Division, Marketing Headquarters, Japan</p> <p>Jun. 2007 Director and General Manager of Corporate Planning Office, Fujitsu Business Systems Limited (currently Fujitsu Japan Ltd.)</p> <p>Jun. 2008 Deputy General Manager, President Office, Fujitsu Limited</p> <p>Jun. 2010 General Manager, Solution Business Planning Dept.</p> <p>Jun. 2012 Director, Executive Officer, Managing Director, TSUZUKI DENKI CO., LTD.</p> <p>Jul. 2021 President and Representative Director, TSUZUKI EMBEDDED SOLUTIONS</p> <p>Jan. 2024 Managing Executive Officer of Restar Holdings Corporation</p> <p>Apr. 2024 Senior Managing Executive Officer (to present)</p>

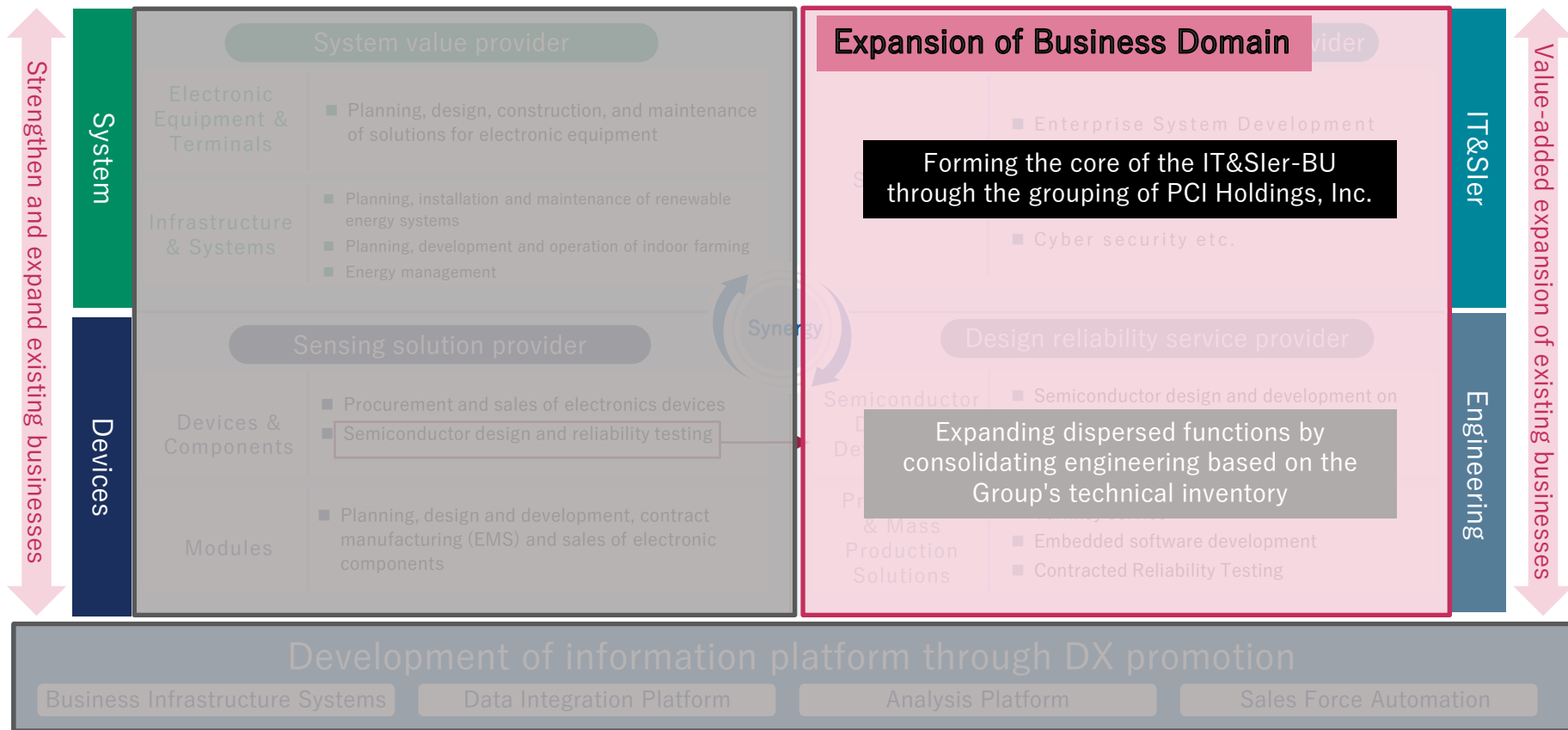
Four aimed business in the Medium-term management plan

- 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



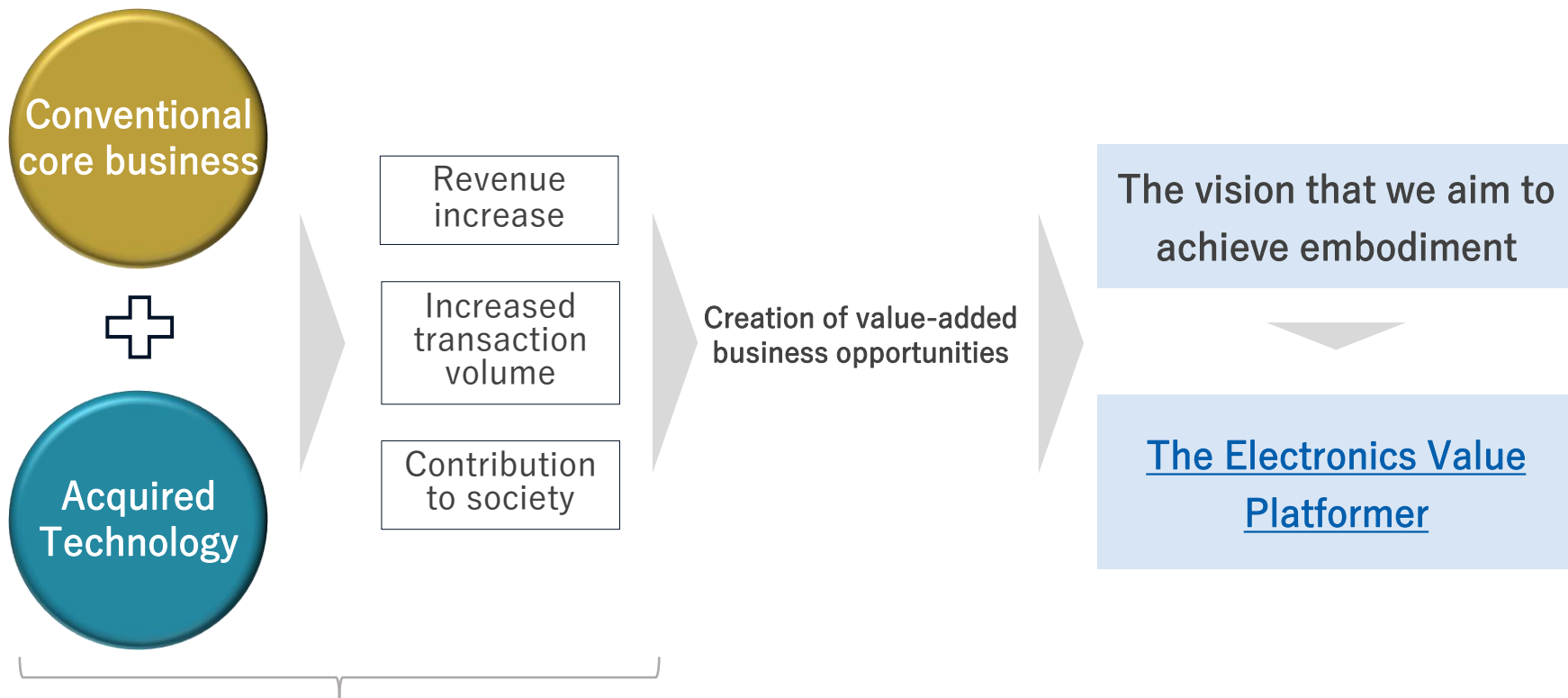
Transformation of PCI HD into a group company to achieve the desired image

- The Company will execute the three pillars of its medium-term management plan: "Growth of Existing Businesses," "Expansion of Business Domains," and "Pursuit of Business Synergies, by changing the business model, the range of solutions to customer issues will greatly expand = To become an "the Electronics Value Platformer"



Importance of IT&Sler and Engineering

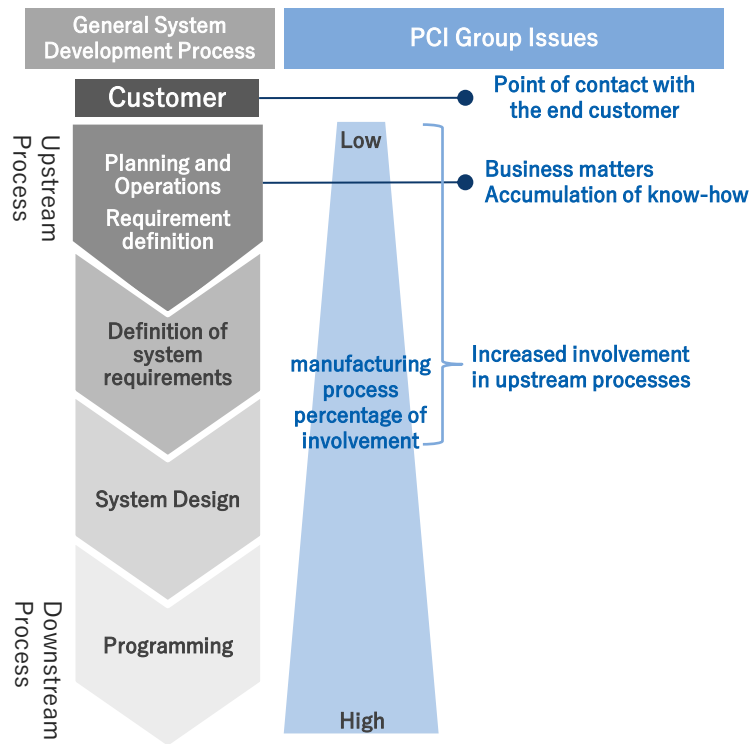
- Acquire the necessary functions to create diverse businesses that cannot be handled by conventional functions alone



Acquire customers within customers by adding IT&Sler and engineering technologies to the core business Devices-BU and System-BU

Leverage software development capabilities

- Expand and strengthen the PCI Group's software development to more upstream processes by leveraging Restar Group's extensive customer base

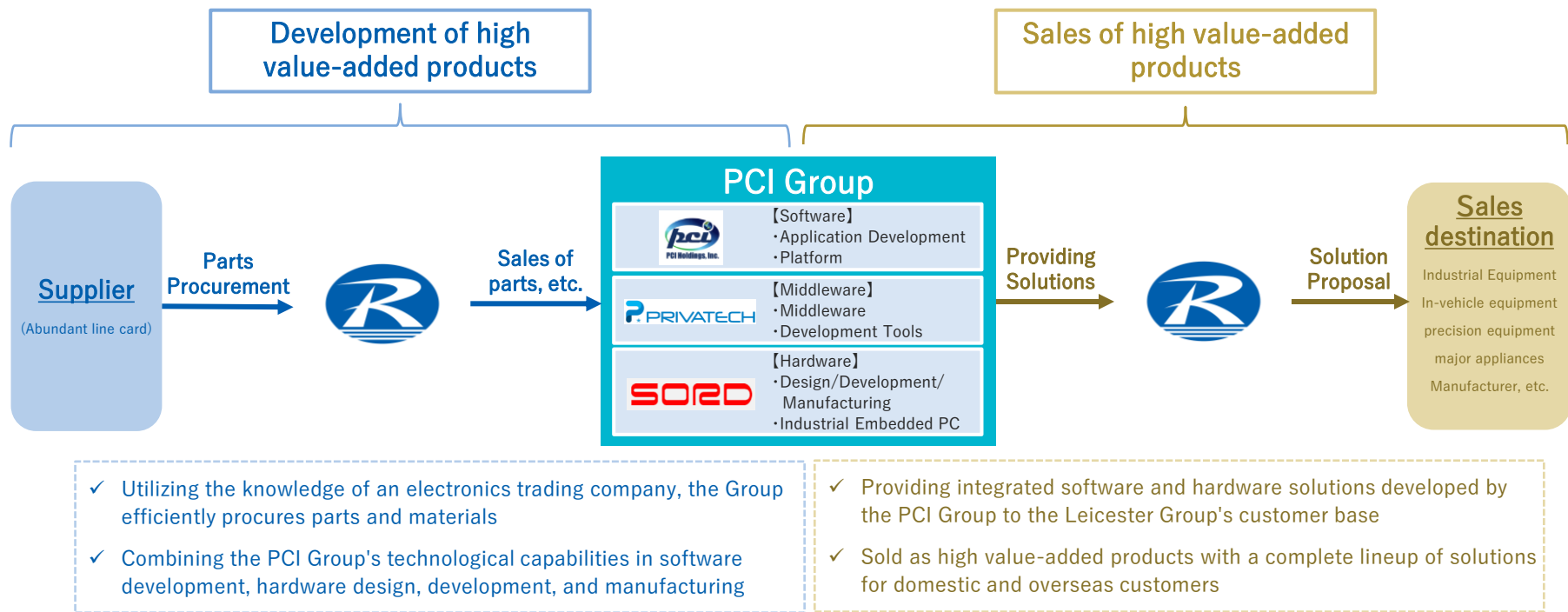


Synergies from capital and business alliance

- Leverage the Restar Group's customer base**
 - Take advantage of the Restar Group's direct connections to a blue-chip client base Direct access to Restar Group's blue-chip client base
- Strengthening technical resources and areas**
 - Acquire human resources by leveraging the Group's strengths and Expansion of technological areas through effective utilization of group's technological resources
- Expansion into upstream processes by strengthening planning and proposal capabilities**
 - By realization of ① and ② above,
 - Improvement of solution proposal capability
 - Increase in direct business opportunities for customers acceleration of development into upstream processes such as planning and proposal

Provide high value-added products

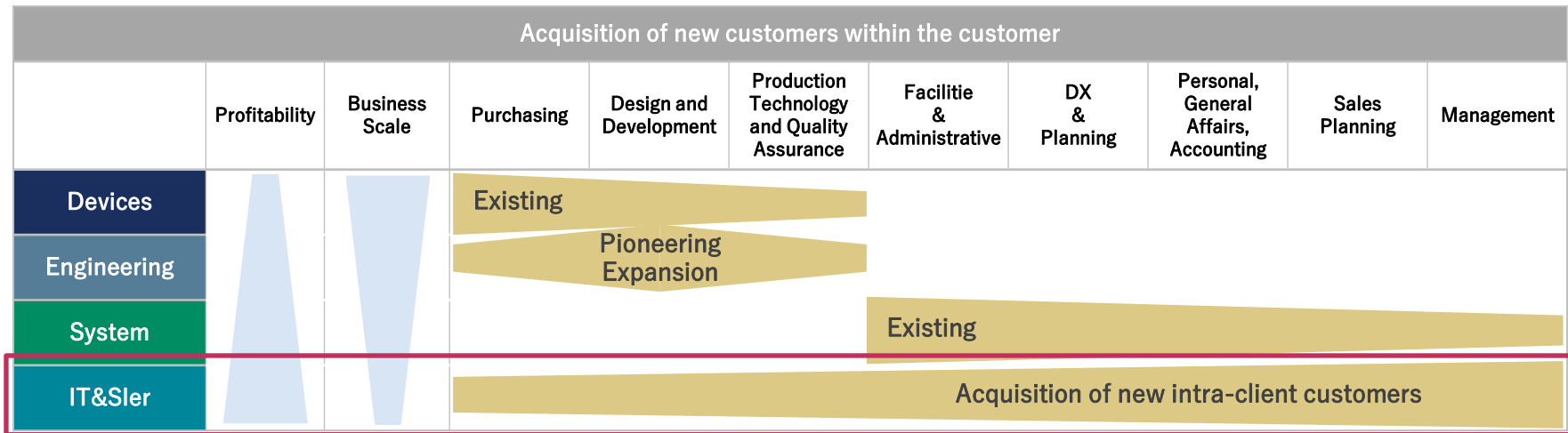
- The Restar Group, an electronics trading company, procures components, and the PCI Group's software and hardware technology is used to develop high-value-added products, which are then sold to major domestic and overseas customers connected to the Restar Group



Expand the Group's value-added offerings by further extending and strengthening the value chain

Creating opportunities by leveraging customer base

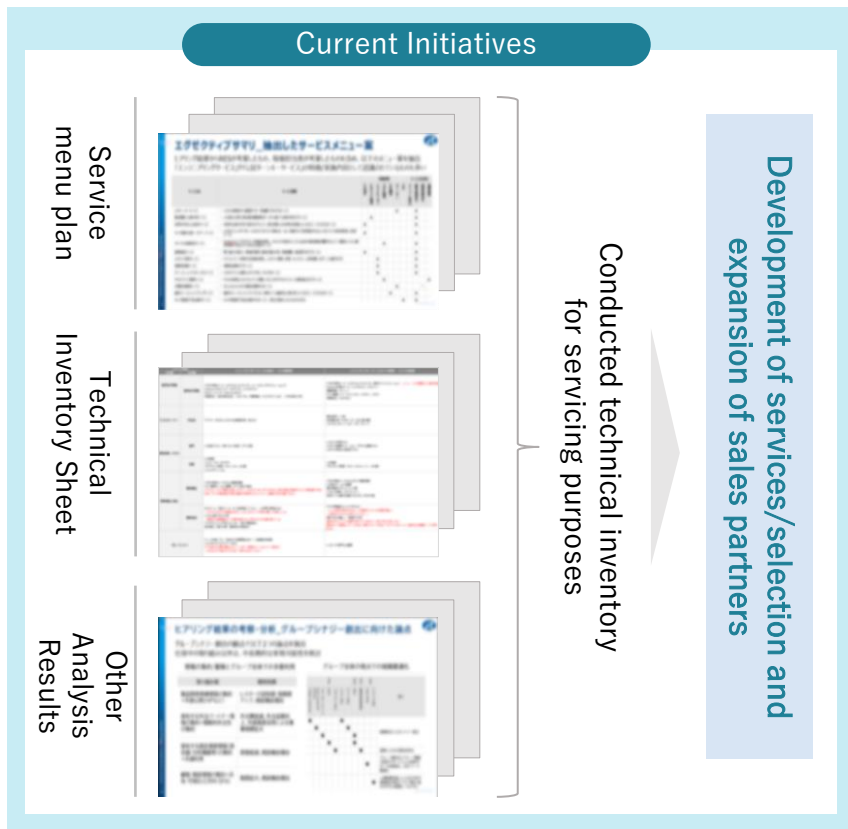
- Identification of customer issues at Restar Group customers
- Solution proposals based on group synergies
- Creating opportunities by acquiring customers within customers



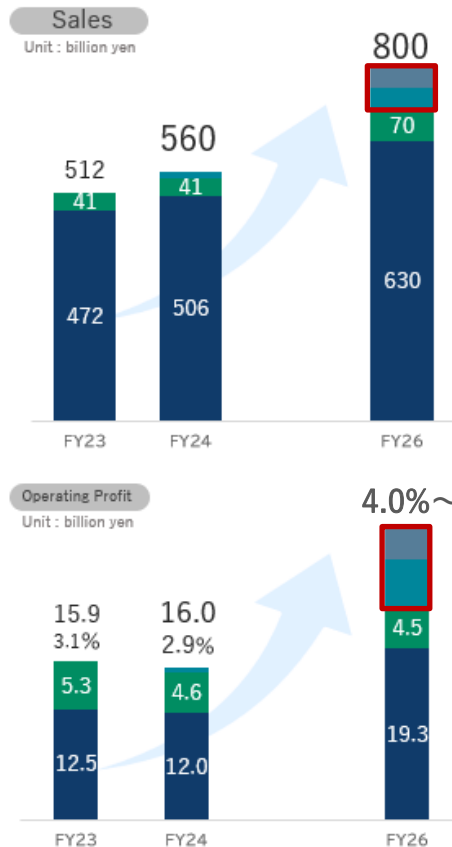
Gain profitable business by expanding intra-client customer base

Promotion of business strategy for IT&Sler and Engineering

- Assume the following roles, **subject to the results of the technical inventory of** the Restar Group being conducted since May 2024



Acquisition
of
new functions



4. Devices-BU

Masahiro Shibata, Senior Corporate Executive Officer

Priority Business Measures (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

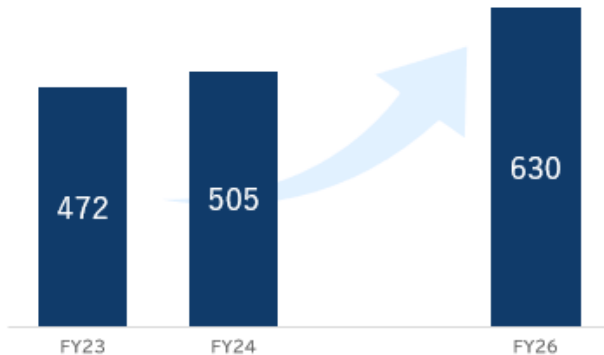
- Strengthen and expand the business base by strengthening the supply chain with our strong assets such as customer base, commercial products, and sales network
- Creating added value and expanding business areas through strategic partnerships

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

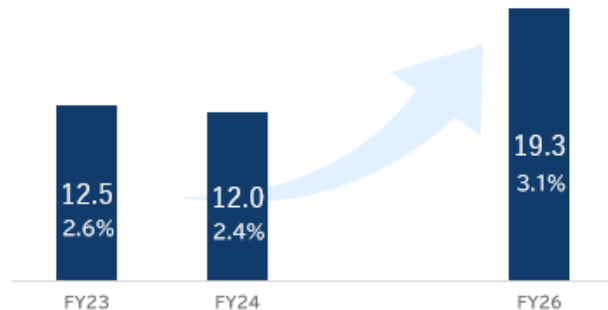
Sales

Unit : billion yen



Operating Profit

Unit : billion yen



Approach to the semiconductor manufacturing equipment market

- Approaches to the Manufacturing Industry -

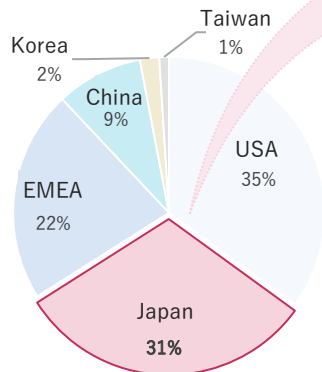
1. Growth market

Semiconductor Market (WW)

Global Semiconductor Market Size Forecast



2. High global market share



3. Diverse clientele

- ◆ Equipment exists for each semiconductor manufacturing process, and customers and products exist for each manufacturing process



Expand business opportunities by leveraging the strengths of the devices business

Industrial PC Board Business

Industrial Camera Business

Full-fledged investment of resources



- We have the Formation of a Strategic Partnership with Dexerials Corporation(Headquarters: Shimotsuke City, Tochigi) with the aim of expanding our line card of chemical products and strengthening marketing in order to expand sales of materials
- Restar Dexerials Hong Kong Limited began sales operations as a consolidated subsidiary of our company on July 1, 2024
- In the future, we will establish a joint venture company to expand sales in Asia and expand the in-vehicle related business based in North America (Detroit)

Partnership Structure



Disclosed on February 5, 2024:
Conclusion of joint venture agreement

51.0% (Investment Ratio) **49.0%**

**Restar Dexerials
Hong Kong Limited**

July 1, 2024:
Start of joint venture operations

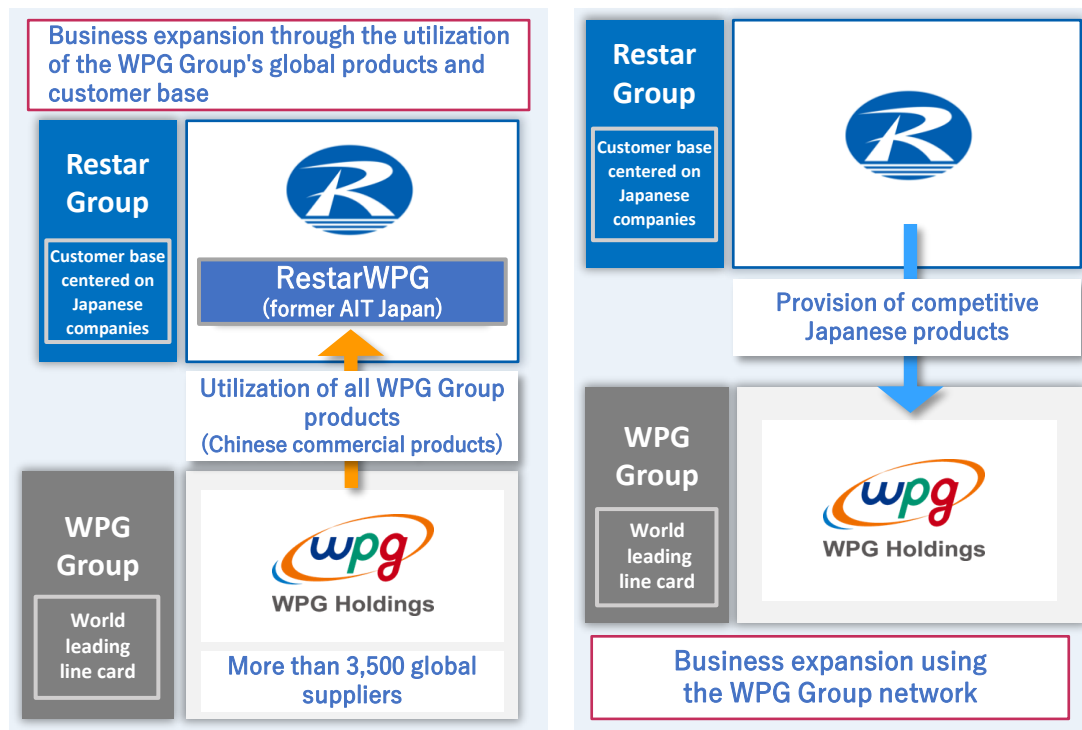
Dexerials

**Dexerials Taiwan
Corporation**

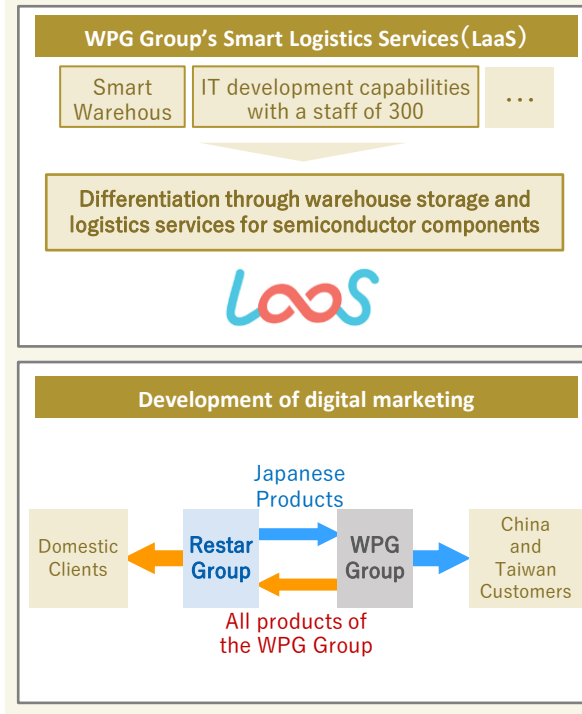
**Dexerials Korea
Corporation**

We plan to start business as a business company in the future in partnership with our company regarding sales functions.

Approach to the Device Business



Utilization of system infrastructure

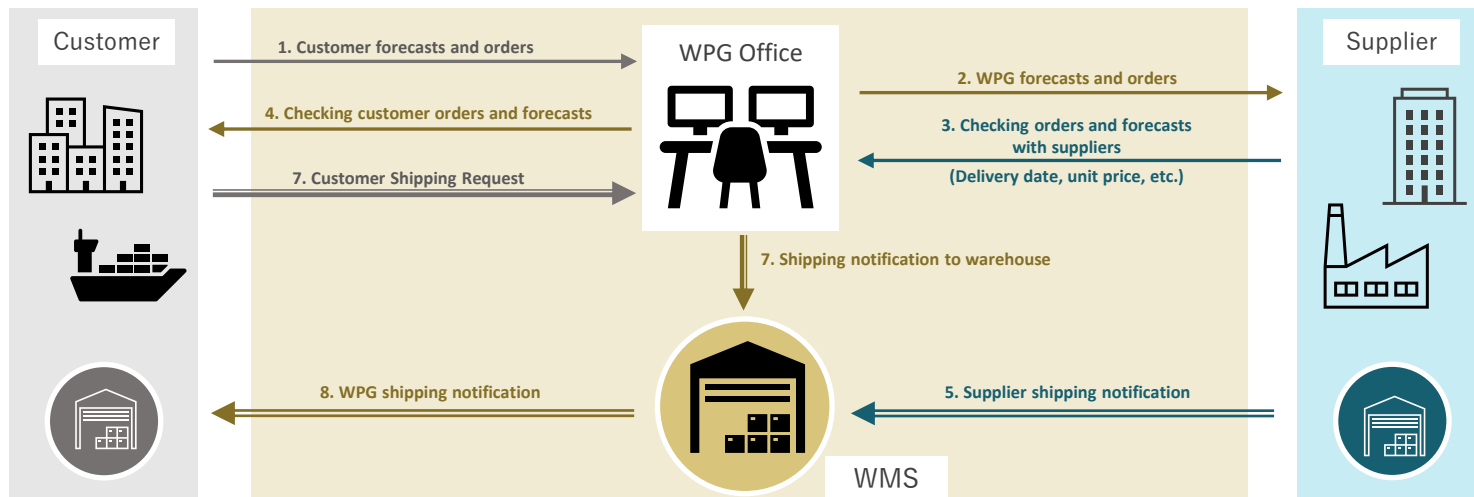


Expand devices business and utilize system infrastructure to increase efficiency and competitiveness

Global ▶ Strengthening cooperation with WPG Group semiconductor trading company②



- WPG Group's original logistics management system linked to the core system: Valuable information management and SCM(*) optimization as a semiconductor trading company
- To be introduced in Restar Singapore in the future



Information Value	<p>Share information in high speed two-way using our own system</p> <p>Real-time inventory information</p> <p>Optimization of the entire supply chain</p>
Logistics	<p>Accurate delivery</p> <p>Highly functional warehouse management system (WMS: Warehouse Management System)</p> <p>Establishment of JIT(**) distribution centers through the strengthening of customized demand services</p>

(*) Supply Chain Management, (**) Just In Time

On October 31, 2024, the Board of Directors resolved to enter into a capital and business alliance with Shinko Shoji, to dispose of treasury stock through a third-party allotment to Shinko Shoji, and to enter into an agreement stipulating this Capital and Business Alliance with Shinko Shoji Co., Ltd.

■ Company profile



Shinko Shoji Co., Ltd.

Listed market	Tokyo Stock Exchange Prime Market (Code 8141)
- Share capital	- 9,501 million yen(Sep 30,2024)
- Net sales	- Approx. 175.8 billion yen(ended Sep 2024)
- Fiscal year end	- Mar 31
Business line	Electronic components business, assembly business, other business
- Establishment	- Nov 1953
- Number of employees	- Consolidated: 656 (Mar 31,2024)

■ Disposal of Treasury Stock

Summary of disposition	Date of disposal	Nov 20, 2024
	Number of shares disposal	550,000 shares
	Disposal price	2,652 yen per share
	Disposal Method	All shares will be allocated to Shinko Shoji Co., Ltd. through a third-party allocation method

■ Purpose of the Capital and Business Alliance and Synergy Effects

■ Purpose of Business Alliance

In our Long-tail strategy, we aim to expand our customer base, sales network and product portfolio by sharing management resources such as scale, financial strength, products, personnel resources and technological capabilities, and to further strengthen our technological capabilities and proposal-making capabilities, including by cultivating the mass market.

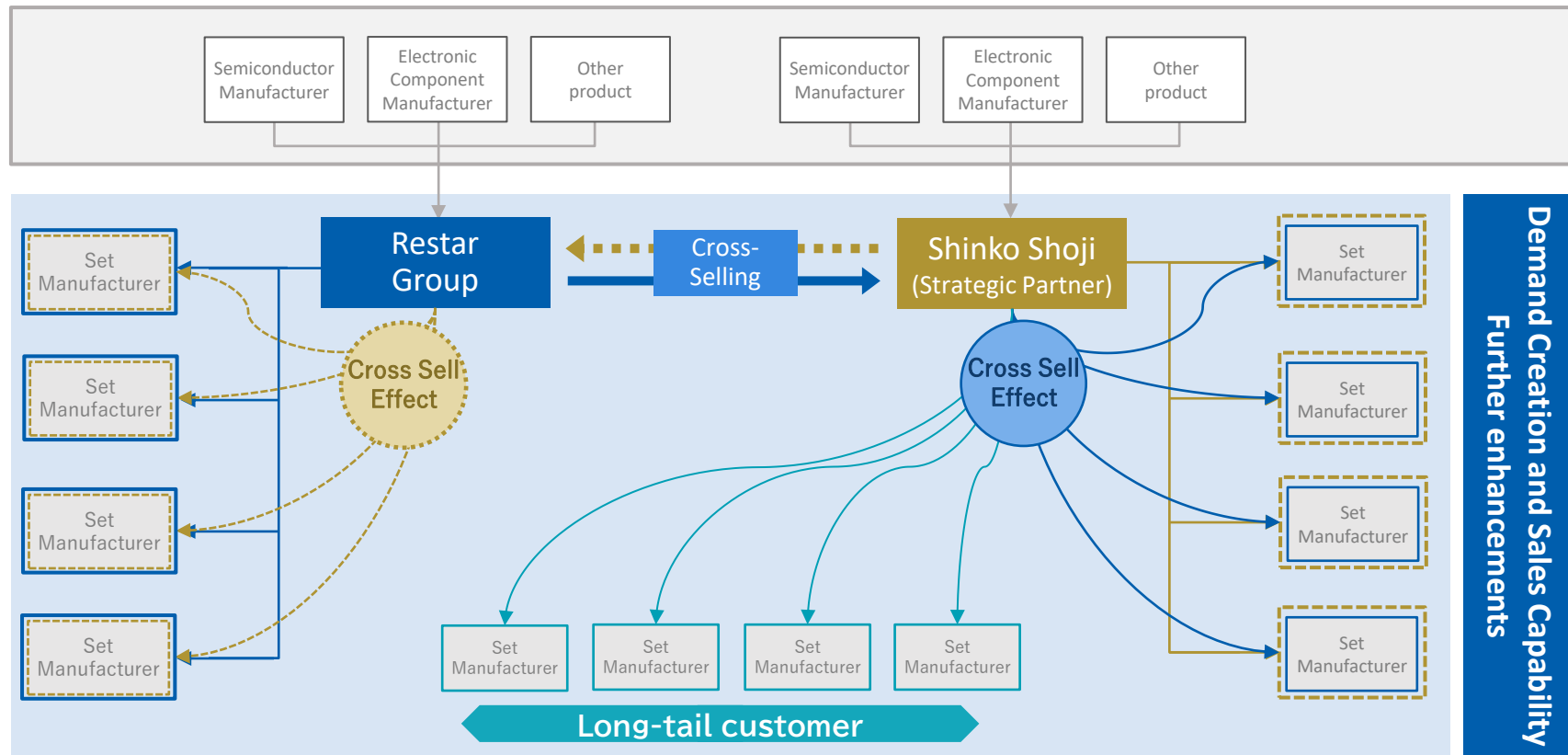
■ Cooperative measures and synergies

1. Expansion of customer base and sales network
2. Product Portfolio Expansion
3. Technical collaboration and system reinforcement
4. Strengthen ability to propose manufacturing-related solutions by promoting EMS coordination

Industrial Equipment/Automotive ▶ **Expand business by expanding sales network leveraging the strengths of both companies**



- Expansion of customer base and sales network through business alliance with Shinko Shoji Co.
- Improve competitiveness as a semiconductor trading company by strengthening sales, technology and proposal capabilities



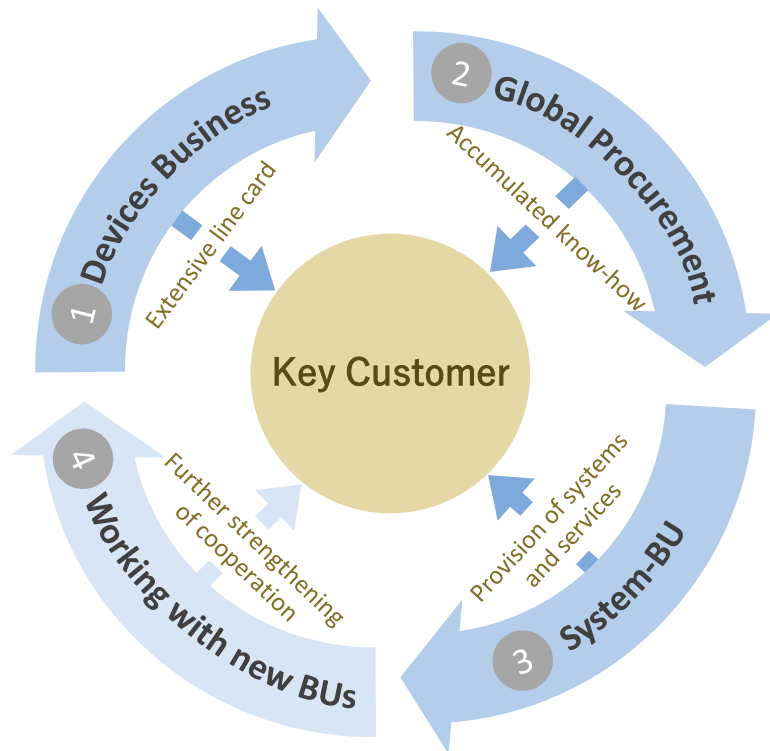
Strengthen relationships with priority customers and implement new initiatives

-Maximize business in both the Devices Business and global procurement-

Strategy

**Establish strong relationships with key customers,
Group's value-added offerings in practice**

- 1 We propose highly competitive devices from a manufacturing perspective, utilizing our extensive line card
- 2 We provide SCM value based on collaboration with key customers and utilizing our global procurement know-how
- 3 Deepen cooperation with System-BU to expand business areas
- 4 Further business through collaboration with new BUs
Aiming for expansion



1. Expand Camera Module Business

-Launch of the first OEM direct trading business-

■ State of progress

- Launched the first direct OEM business with a commercial vehicle manufacturer
 - ▶ Build direct relationships to acquire new business opportunities
 - ▶ Quality assurance is a new business model that includes partners.

Future Initiatives

1. Expansion of adopted car models
2. Lateral expansion to other companies (commercial vehicle manufacturers)

2. Model Mix Improvement

-Expanding Highly Profitable and Efficient Businesses-

■ State of progress

- Expansion from display stand-alone business to touch panel lamination business
- Cross-selling from display peripheral components to touch panels, touch ICs, cover glass, electrostatic dials, etc.
- Development of high value-added and highly profitable business by developing and proposing new display solutions

Future Initiatives

1. Expansion of high value-added business to new customers
2. Accelerate the development of display solutions by leveraging our installation experience



Restar Corporation