



Restar Corporation

FY24 3Q (Apr 2024 – Dec 2024) Consolidated Financial Results

Feb 12, 2025

<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** FY24 3Q Consolidated Financial Highlights P4
- 2** FY24 Consolidated Financial Forecast and Dividend Outlook P11



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Business Highlights

Net sales increased due to **the acquisition of a consolidated subsidiary, growth in sales of consumer products such as high-function cameras and PC-related products** in the devices business, and **improved performance in the EMS business**. While operating income decreased due to **a delayed recovery in the industrial equipment market and the sharp appreciation of the yen in the devices business and lower income in the eco-solution business**, despite **an increase in income in the EMS business**, Net income attributable to owners of the parent **increased due to tax effect** from liquidation of a consolidated subsidiary.

(Unit: million)

Net sales

¥416,820
(+ 11.2% YoY)

- **The addition of consolidated subsidiaries** (Restar WPG Corporation in July 2023 and Restar Embedded Solutions Corporation in January 2024 and Restar Dexerials Hong Kong Limited in July 2024 and PCI Holdings, INC. in September 2024)
- Sales growth of **consumer products such as high-performance camera** and **PC-related applications** in the devices business
- **The EMS business** performance improved following **the installation of our products in new smartphone models**

Operating profit

¥10,063
((11.1%) YoY)

- **Higher profit** mainly in **the EMS business**
- Lower gross profit caused by **the sharp appreciation of the yen** over the period from August to September, **poorer sales mix due to the slow recovery of the industrial equipment market** in the devices business
- Intensified competition in the market for electricity supply and demand adjustment in the eco-solution business

Profit Attributable to Owners of Parent

¥5,386
(+ 12.9% YoY)

- 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**



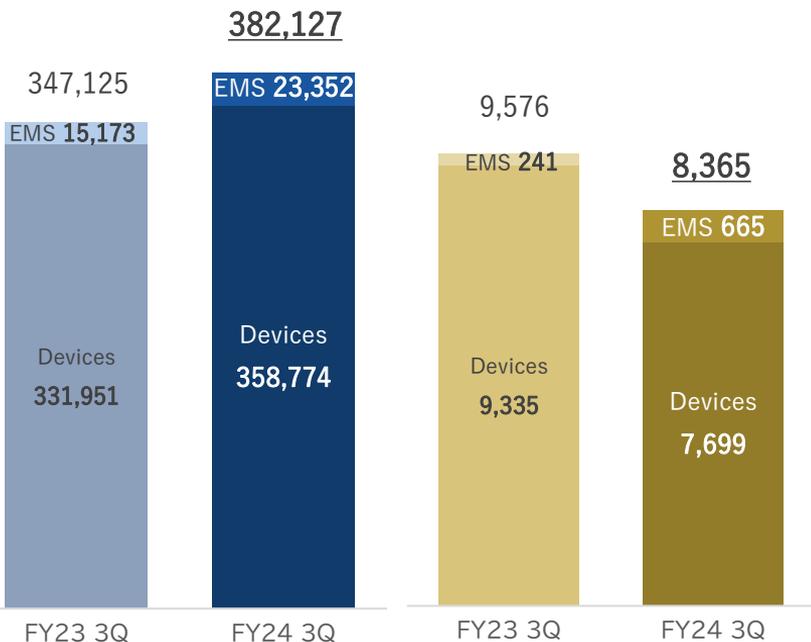
(Unit: million yen)

| | FY23 3Q | | FY24 3Q | | YoY | |
|--|---------|----------------|----------------|----------------|---------|---------|
| | Amount | % of Net Sales | Amount | % of Net Sales | Growth | Change |
| Net Sales | 374,882 | — | 416,820 | — | 41,937 | 11.2% |
| Gross Profit | 33,462 | 8.9% | 34,484 | 8.3% | 1,021 | 3.1% |
| SG &A | 22,145 | 5.9% | 24,421 | 5.9% | 2,275 | 10.3% |
| Operating Profit | 11,316 | 3.0% | 10,063 | 2.4% | (1,253) | (11.1%) |
| Ordinary Profit | 6,220 | 1.7% | 6,662 | 1.6% | 441 | 7.1% |
| Profit Attributable to Owners of Parent | 4,773 | 1.3% | 5,386 | 1.3% | 613 | 12.9% |

Net Sales

(Unit: million yen)

Segment Profit



EMS

Sales increased due to the effects of our products being installed in new smartphone models and continued strong sales of applications for tablets and other consumer products.

Devices

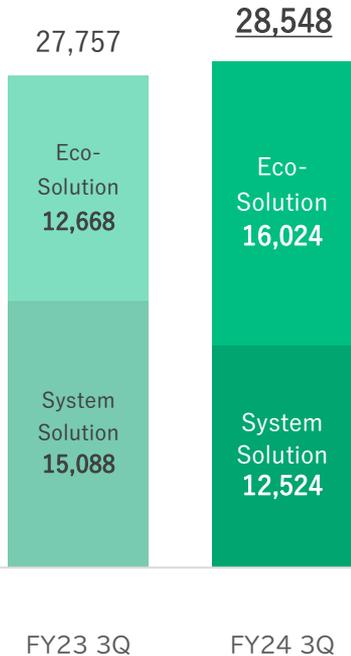
Sales increased due to the addition of consolidated subsidiaries (Restar WPG Corporation in July 2023, Restar Embedded Solutions Corporation in January 2024 and Restar Dexerials Hong Kong Limited in July 2024) and sales growth of consumer products such as high-performance camera and PC-related applications.

Segment Profit

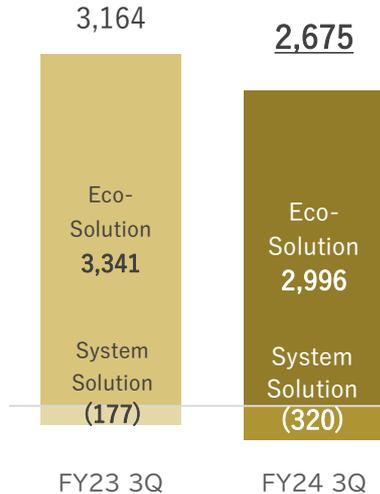
Although the EMS business saw an increase in profit, segment profit declined due to lower gross profit caused by the sharp appreciation of the yen over the period from August to September, the poorer sales mix due to the slow recovery of the industrial equipment market, and other factors in the devices business.

Net Sales

(Unit: million yen)



Segment Profit



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

While business for corporate customers grew backed by office relocation needs and other factors, sales of system equipment for broadcasting and payment terminals remained slow. 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 declined mainly due to lower profit in the system solution business and intensified competition in the market for electricity supply and demand adjustment in the eco-solution business.

- On September 27, 2024, the PCI Group became a consolidated subsidiary of Restar Group, which is the foundation of the new BU “IT & Sler Business Unit” of the four Business Unit structure, a pillar of the medium-term management plan.
- Further deepening and expanding the market by strengthening technical resources and accelerating the development of upstream processes such as planning and proposals, based on the PCI Group's strengths in software development, solution development and maintenance and other information service businesses.

Net Sales

¥6,144 million

Segment Profit

¥227 million

IT&SIer

Since September 27, 2024, when the PCI Group became a consolidated subsidiary, an inventory of technologies for the purpose of service commercialization has been carried out, services and products that can be utilized within both groups have been selected, and sales activities have been promoted by utilizing the respective customer bases.

Consolidated Balance Sheet



Assets: Increases in accounts receivable – trade, deferred tax assets, electronically recorded monetary claims – operating and goodwill, decreases in merchandise and finished goods and other current assets

Liabilities: Decrease in short-term borrowings, an increase in long-term borrowings and Notes and accounts payable – trade

| (Unit: million yen) | As of March 31, 2024 | As of December 30, 2024 | Growth |
|---|----------------------|-------------------------|--------------|
| Assets | | | |
| Current Assets | 234,350 | 233,258 | (1,092) |
| Non-current Assets | 57,353 | 67,268 | 9,914 |
| Total Assets | 291,704 | 300,526 | 8,822 |
| Liabilities and Net Assets | | | |
| Current Liabilities | 180,132 | 159,862 | (20,270) |
| Non-current Liabilities | 20,547 | 41,896 | 21,349 |
| Net Assets | 91,024 | 98,768 | 7,743 |
| Total Liabilities and Net Assets | 291,704 | 300,526 | 8,822 |
| Capital Adequacy Ratio*1 | 28.9% | 28.8% (30.5%) | — |
| Net Debt to Equity Ratio*2 | 0.8x | 0.7x | — |

*1 Figures in brackets () are rating figures taking into account hybrid loans (subordinated loans)

*2 Net Debt to Equity Ratio= (interest-bearing debt excluding lease obligations - cash and deposits) / equity

→ **Maintaining a stable level below 1.2 times**

(Calculated taking into account 50% equity on the rating for the ¥10 billion of hybrid loans (subordinated loans) raised in August 2024)



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(Unit: million yen)

| | FY23 full-year | FY24 full-year forecast | FY24 3Q | Progress rate |
|---|----------------|-------------------------|---------|---------------|
| | Amount | Amount | Amount | |
| Net Sales | 512,484 | 560,000 | 416,820 | 74.4% |
| Operating Profit | 15,930 | 16,000 | 10,063 | 62.8% |
| Ordinary Profit | 9,690 | 10,500 | 6,662 | 63.4% |
| Profit Attributable to Owners of Parent | 7,004 | 8,000 | 5,386 | 67.3% |

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

Progress of Business Performance by Business Unit



| (Unit: million yen) | | FY24 full-year forecast | FY24 3Q | Progress rate |
|---------------------|----------------------------------|-------------------------|----------------|---------------|
| | | Amount | Amount | |
| Net Sales | Devices Business Unit | 505,900 | 382,127 | 75.5% |
| | Devices | 477,900 | 358,774 | 75.0% |
| | EMS | 28,000 | 23,352 | 83.4% |
| | System Business Unit | 41,400 | 28,548 | 68.9% |
| | System Solution | 22,500 | 12,524 | 55.6% |
| | Eco-solution | 18,900 | 16,024 | 84.7% |
| | IT&Sler Business Unit | 12,700 | 6,144 | 48.3% |
| | Consolidated | 560,000 | 416,820 | 74.4% |
| Operating Profit | Devices Business Unit | 12,000 | 8,365 | 69.7% |
| | Devices | 11,100 | 7,699 | 69.3% |
| | EMS | 900 | 665 | 73.9% |
| | System Business Unit | 4,600 | 2,675 | 58.1% |
| | System Solution | 700 | (320) | — |
| | Eco-solution | 3,900 | 2,996 | 76.8% |
| | IT&Sler Business Unit | 500 | 227 | 45.4% |
| | Corporate and Adjustment | (1,100) | (1,205) | — |
| Consolidated | 16,000 | 10,063 | 62.8% | |

Shareholder Return Policy and Dividends Forecast

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.

FY24 Dividends Forecast

2nd quarter-end

¥60

Year-end

¥60

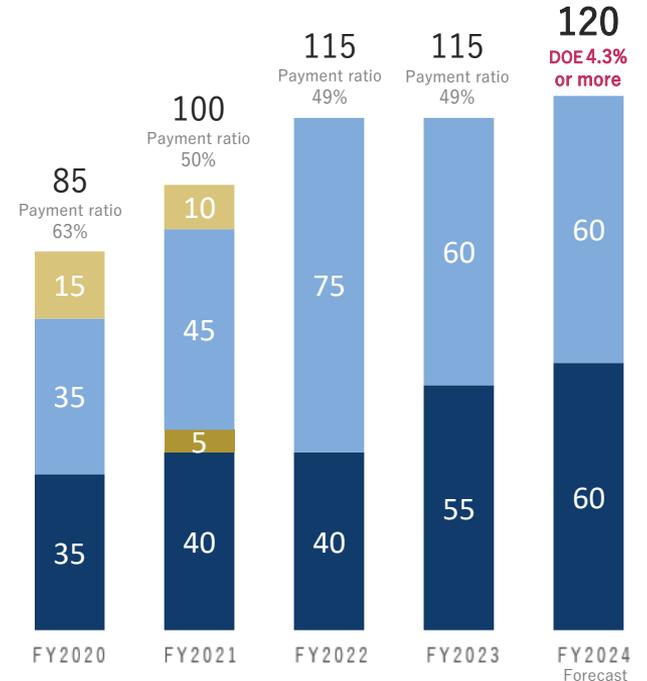
Total

¥120

Dividends per share

(Unit: yen)

■ 2nd quarter-end ■ Year-end ■ commemorative/special dividend



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.

“Solving issues around the world regarding electronics”



Restar Corporation