

Restar Holdings (3156)

Consolidated Fiscal Year (Million Yen)	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2021	323,815	6,238	5,689	4,054	134.85	85.00	2,441.16
FY03/2022	399,590	7,485	6,731	5,964	198.35	100.00	2,580.56
FY03/2023CoE	445,000	8,500	7,500	6,000	199.55	90.00	-
FY03/2022	YoY	23.4%	20.0%	18.3%	47.1%	-	-
FY03/2023CoE	YoY	11.4%	13.6%	11.4%	0.6%	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (13 May 2022)


Increasing Sales and Earnings

On 11 May 2022, Restar Holdings, which is one of the major electronics trading companies and is developing own business as The Electronics Value Platformer, released its FY03/2022 results. It has been revealed that the Company is in the direction of continuing to increase sales and earnings. For the mainstay Semiconductors & Electronic Components (72.1% of sales and 85.3% of segment profit in FY03/2022) where it mainly sells devices represented by semiconductors, electronic components, batteries, chemical materials as well as running operations of EMS, the Company forecasts assume sales associated with special emergency demand projects carrying high margin accompanying semiconductor shortages are not to reappear, but looking to a major improvement in earnings for FY03/2023 from Electronic Equipment where it mainly sells broadcasting/video-related equipment as well as system equipment. At the same time, the Company is also looking to a contribution to own earnings from Environmental Energy where the main operations are of renewable energy generation to propel decarbonization, while other operations in this segment are of “power producer and supplier (PPS)” and vegetable factory. Elsewhere, the Company forecasts assume an inevitable adjustment in earnings for Procurement where it takes on supply chain management on behalf of customers represented by Panasonic Group. The Company has benefited from add-on earnings due to yen’s depreciation for FY03/2022, which is not assumed to reappear at the moment, while it is assumed that the Company will suffer from non-reappearance of sales associated with special emergency demand projects carrying high margin accompanying semiconductor shortages also in this segment. We are to attend upcoming online results briefing scheduled for Tuesday, 31 May 2022, which is to be followed by our interview with management. In light of information from both, we are planning to launch our first Company Report in Japanese and English.

IR Representative: PR, CSR and IR Department (81-(0)3-3458-4618 / irpr@restargp.com)

2.0 Company Profile

The Electronics Value Platformer

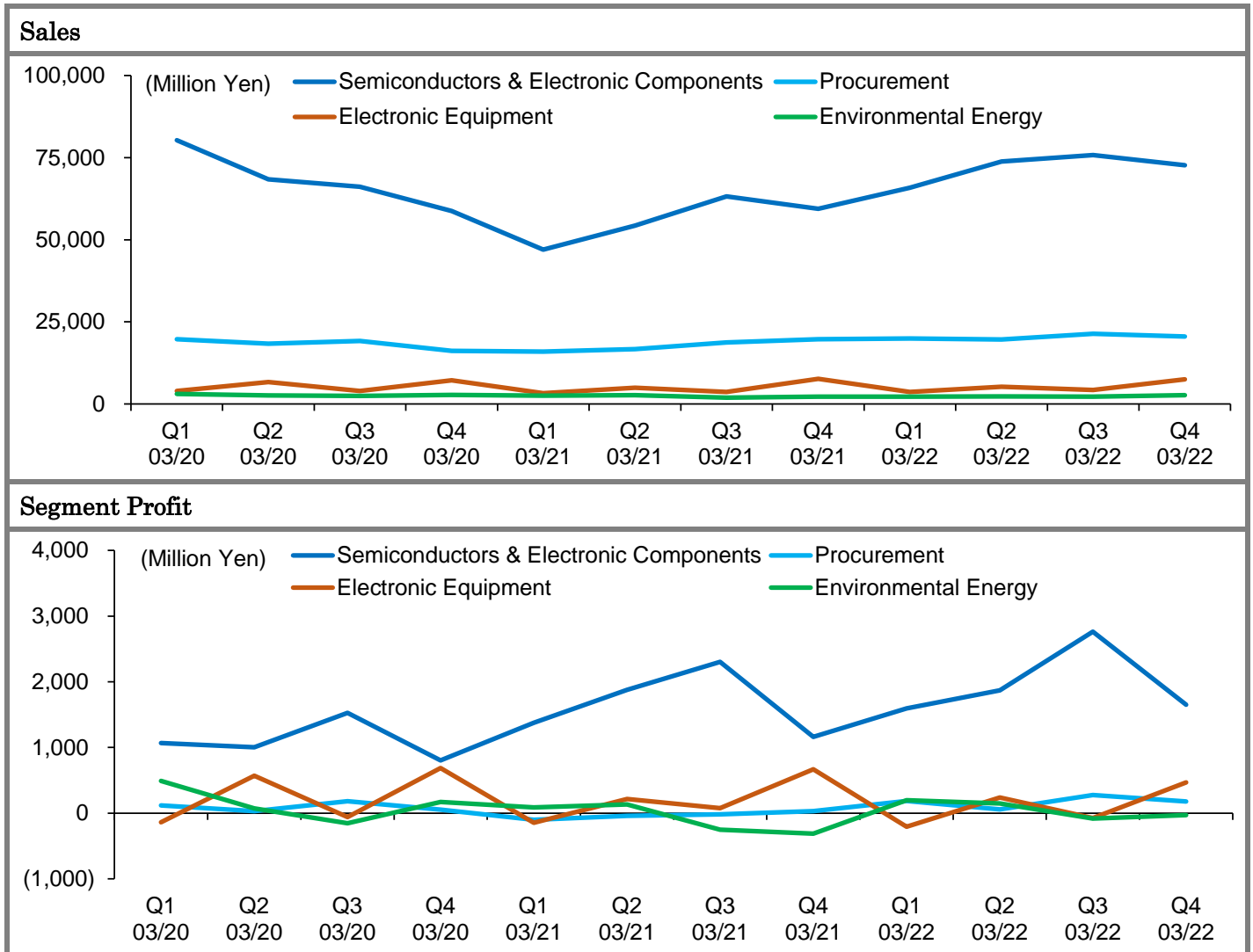
Company Name	Restar Holdings Corporation Company Website IR Information Share price (Japanese)	 Restar Holdings Corporation
Established	1 October 2009	
Listing	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 3156) 1 October 2009: Tokyo Stock Exchange TSE1	
Capital	¥4,383m (as of the end of March 2022)	
No. of Shares	30,072,643 shares, including 4,317 treasury shares (as of the end of March 2022)	
Main Features	<ul style="list-style-type: none"> ● Established by merger between UKC Holdings and Vitec Holdings in April 2019 ● Consolidated PALTEK as wholly owned subsidiary on 2 September 2021 ● Consistently expanding own mega-solar power generation 	
Segments	I . Semiconductors & Electronic Components II . Procurement III. Electronic Equipment IV. Environmental Energy	
Representatives	Representative Director, CEO: Kunihiro Konno Representative Director: Tadahito Takahashi, Jun Ozaki, Junichi Kaji, Takechiyo Tanaka, Rintaro Miyoshi and Hideya Yamaguchi	
Shareholders	KMF Corporation 17.12%, S-GRANT, CO. LTD. 8.29%, The Master Trust Bank of Japan, T. 8.28% (as of the end of September 2021, but for treasury shares)	
Head Office	Shinagawa-ku, Tokyo, JAPAN	
No. of Personnel	Consolidated: 3,146, Parent: 93 (as of the end of December 2021)	

Source: Company Data

3.0 Recent Trading and Prospects

FY03/2022

In FY03/2022, sales came in at ¥399,590m (up 23.4% YoY), operating profit ¥7,485m (up 20.0%), recurring profit ¥6,731m (up 18.3%) and profit attributable to owners of parent ¥5,964m (up 47.1%), while operating profit margin 1.9% (down 0.1% point). At the extraordinary level, the Company saw a gain of ¥1,936m on negative goodwill arising from consolidation of PALTEK CORPORATION as wholly owned subsidiary, which is the reason why profit attributable to owners of parent surged. By the way, this is not to reappear and thus being a factor vice versa for FY03/2023.

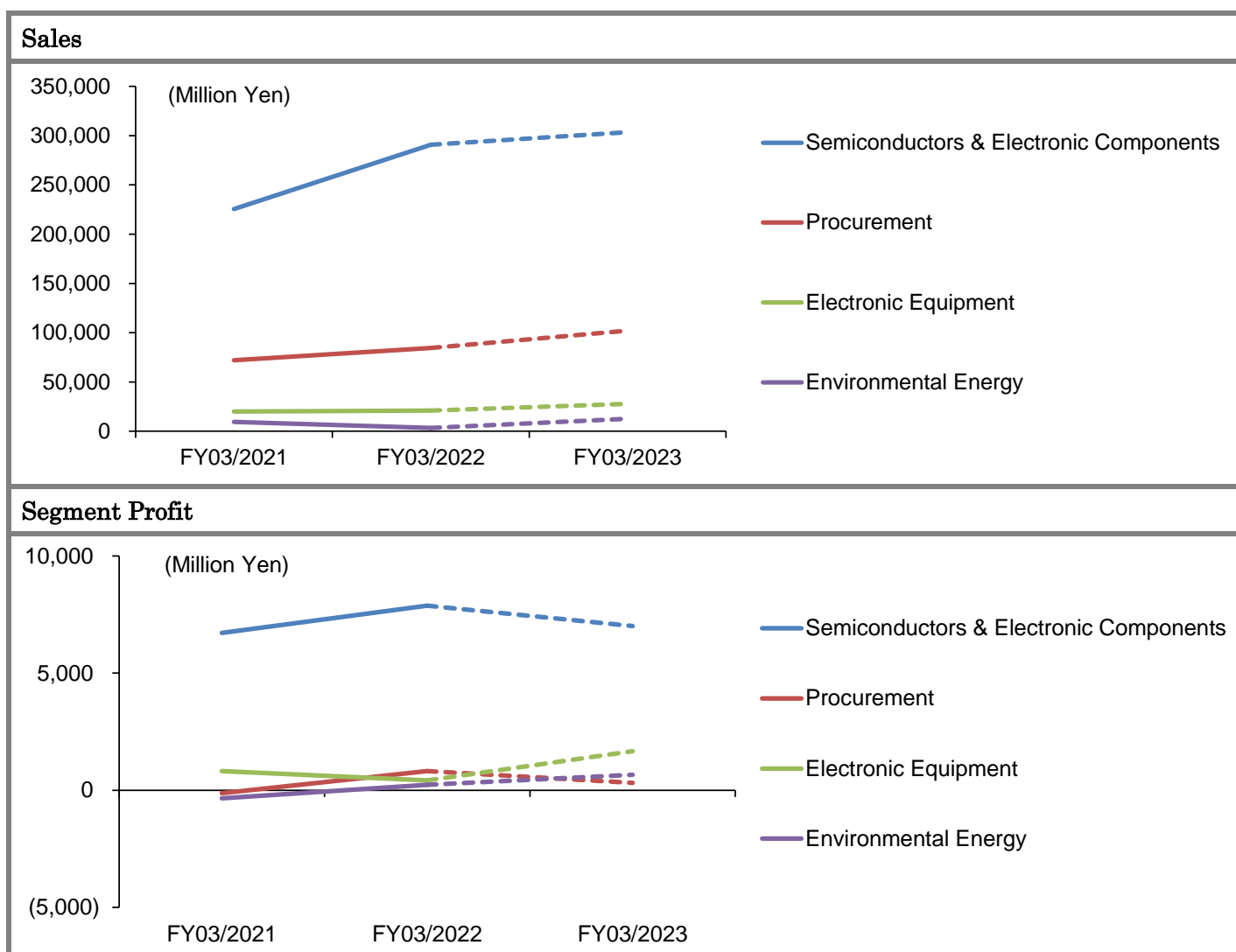


Source: Company Data, WRJ Calculation

By segment, Semiconductors & Electronic Components, where the Company mainly sells devices represented by semiconductors, electronic components, batteries, chemical materials as well as running operations of EMS, saw sales of ¥288,095m (up 28.7%), segment profit of ¥7,883m (up 17.3%) and segment profit margin of 2.7% (down 0.3% points), having accounted for 72.1% of sales for the Company as a whole and 85.3% for segment profit. Demand for devices has picked up sharply across the board by domain, including consumer electronics, in-car, industrial equipment and server-related, having created an effect on increased sales, which drove earnings most substantially, according to the Company. Meanwhile, going forward, the Company says that it will strive to further enhance added value in own operations by means of propelling modularizations and solution proposals based on own expertise merchandises. At the same time, the Company is also keen on expanding scale of business in the focused domains represented by industrial equipment and in-car.

FY03/2023 Company Forecasts

FY03/2023 Company forecasts (announced on 11 May 2022) are going for prospective sales of ¥445,000m (up 11.4% YoY), operating profit of ¥8,500m (up 13.6%), recurring profit of ¥7,500m (up 11.4%) and profit attributable to owners of parent of ¥6,000m (up 0.6%), while operating profit margin of 1.9% (up 0.0% point). At the same time, Company forecasts are going for prospective annual dividend of ¥90.00 per share, implying payout ratio of 45.9%.



Source: WRJ Calculation based on data of [Consolidated Financial Presentation \(FY03/2022\)](#)

The Company suggests that Company forecasts are going for increase in sales and decrease in earnings for the mainstay Semiconductors & Electronics Components. As mentioned earlier, this is because Company forecasts currently assume that sales associated with special emergency demand projects carrying high margin accompanying semiconductor shortages are not to reappear.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	03/2021	03/2021	03/2021	03/2021	03/2022	03/2022	03/2022	03/2022	03/2022	
Sales	68,663	147,320	234,827	323,815	91,692	192,616	296,260	399,590		+75,775
Cost of Sales	62,970	134,960	215,664	298,693	85,452	178,703	274,107	369,510		+70,817
Gross Profit	5,693	12,360	19,163	25,122	6,240	13,913	22,153	30,080		+4,958
SG&A Expenses	4,676	9,347	14,279	18,883	4,932	10,495	16,090	22,595		+3,712
Operating Profit	1,016	3,012	4,884	6,238	1,307	3,417	6,062	7,485		+1,247
Non Operating Balance	65	(255)	(538)	(549)	(29)	(177)	(542)	(754)		(205)
Recurring Profit	1,081	2,757	4,346	5,689	1,278	3,240	5,520	6,731		+1,042
Extraordinary Balance	(173)	(176)	3,663	(1,355)	1,709	1,748	1,973	1,805		+3,160
Profit before Income Taxes	908	2,581	8,009	4,334	2,987	4,988	7,493	8,536		+4,202
Total Income Taxes	268	722	911	752	545	1,091	2,080	2,617		+1,865
NP Belonging to Non-Controlling SHs	(105)	(124)	(170)	(472)	(79)	(59)	(4)	(44)		+428
Profit Attributable to Owners of Parent	745	1,983	7,267	4,054	2,520	3,956	5,416	5,964		+1,910
Sales YoY	(35.8%)	(27.4%)	(20.3%)	(14.7%)	+33.5%	+30.7%	+26.2%	+23.4%		-
Operating Profit YoY	(37.8%)	(15.0%)	(3.5%)	(6.0%)	+28.7%	+13.5%	+24.1%	+20.0%		-
Recurring Profit YoY	(72.9%)	(51.5%)	(40.0%)	(37.0%)	+18.1%	+17.5%	+27.0%	+18.3%		-
Profit Attributable to Owners of Parent YoY	(79.0%)	(56.7%)	+25.8%	(29.1%)	+238.0%	+99.4%	(25.5%)	+47.1%		-
Gross Profit Margin	8.3%	8.4%	8.2%	7.8%	6.8%	7.2%	7.5%	7.5%		(0.2%)
Sales to SG&A Expenses Ratio	6.8%	6.3%	6.1%	5.8%	5.4%	5.4%	5.4%	5.7%		(0.2%)
Operating Profit Margin	1.5%	2.0%	2.1%	1.9%	1.4%	1.8%	2.0%	1.9%		(0.1%)
Recurring Profit Margin	1.6%	1.9%	1.9%	1.8%	1.4%	1.7%	1.9%	1.7%		(0.1%)
Profit Attributable to Owners of Parent Margin	1.1%	1.3%	3.1%	1.3%	2.7%	2.1%	1.8%	1.5%		+0.2%
Total Income Taxes / Profit before Income Taxes	29.5%	28.0%	11.4%	17.4%	18.2%	21.9%	27.8%	30.7%		+13.3%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	03/2021	03/2021	03/2021	03/2021	03/2022	03/2022	03/2022	03/2022	03/2022	
Sales	68,663	78,657	87,507	88,988	91,692	100,924	103,644	103,330		+14,342
Cost of Sales	62,970	71,990	80,704	83,029	85,452	93,251	95,404	95,403		+12,374
Gross Profit	5,693	6,667	6,803	5,959	6,240	7,673	8,240	7,927		+1,968
SG&A Expenses	4,676	4,671	4,932	4,604	4,932	5,563	5,595	6,505		+1,901
Operating Profit	1,016	1,996	1,872	1,354	1,307	2,110	2,645	1,423		+69
Non Operating Balance	65	(320)	(283)	(11)	(29)	(148)	(365)	(212)		(201)
Recurring Profit	1,081	1,676	1,589	1,343	1,278	1,962	2,280	1,211		(132)
Extraordinary Balance	(173)	(3)	3,839	(5,018)	1,709	39	225	(168)		+4,850
Profit before Income Taxes	908	1,673	5,428	(3,675)	2,987	2,001	2,505	1,043		+4,718
Total Income Taxes	268	454	189	(159)	545	546	989	537		+696
NP Belonging to Non-Controlling SHs	(105)	(19)	(46)	(302)	(79)	20	55	(40)		+262
Profit Attributable to Owners of Parent	745	1,238	5,284	(3,213)	2,520	1,436	1,460	548		+3,761
Sales YoY	(35.8%)	(18.1%)	(4.5%)	+4.8%	+33.5%	+28.3%	+18.4%	+16.1%		-
Operating Profit YoY	(37.8%)	+4.6%	+23.0%	(14.0%)	+28.7%	+5.7%	+41.3%	+5.1%		-
Recurring Profit YoY	(72.9%)	(1.3%)	+2.5%	(24.8%)	+18.1%	+17.1%	+43.5%	(9.8%)		-
Profit Attributable to Owners of Parent YoY	(79.0%)	+19.3%	+342.2%	-	+238.0%	+16.0%	(72.4%)	-		-
Gross Profit Margin	8.3%	8.5%	7.8%	6.7%	6.8%	7.6%	8.0%	7.7%		+1.0%
Sales to SG&A Expenses Ratio	6.8%	5.9%	5.6%	5.2%	5.4%	5.5%	5.4%	6.3%		+1.1%
Operating Profit Margin	1.5%	2.5%	2.1%	1.5%	1.4%	2.1%	2.6%	1.4%		(0.1%)
Recurring Profit Margin	1.6%	2.1%	1.8%	1.5%	1.4%	1.9%	2.2%	1.2%		(0.3%)
Profit Attributable to Owners of Parent Margin	1.1%	1.6%	6.0%	(3.6%)	2.7%	1.4%	1.4%	0.5%		+4.1%
Total Income Taxes / Profit before Income Taxes	29.5%	27.1%	3.5%	-	18.2%	27.3%	39.5%	51.5%		-

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1 03/2021	Q1 to Q2 03/2021	Q1 to Q3 03/2021	Q1 to Q4 03/2021	Q1 03/2022	Q1 to Q2 03/2022	Q1 to Q3 03/2022	Q1 to Q4 03/2022	Q1 to Q4 03/2022	Net Chg.
Semiconductors & Electronic Components	46,953	101,288	164,473	223,896	65,828	139,628	215,433	288,095	288,095	+64,199
Procurement	15,916	32,635	51,388	71,101	19,960	39,577	60,969	81,527	81,527	+10,426
Electronic Equipment	3,246	8,211	11,834	19,444	3,678	8,870	13,089	20,546	20,546	+1,102
Environmental Energy	2,544	5,182	7,127	9,370	2,224	4,539	6,768	9,437	9,437	+67
Adjustment	2	2	2	2	0	0	0	(17)	(17)	(19)
Sales	68,663	147,320	234,827	323,815	91,692	192,616	296,260	399,590	399,590	+75,775
Semiconductors & Electronic Components	1,376	3,253	5,557	6,719	1,597	3,469	6,232	7,883	7,883	+1,164
Procurement	(102)	(141)	(158)	(127)	185	241	517	695	695	+822
Electronic Equipment	(144)	71	148	818	(206)	33	(42)	426	426	(392)
Environmental Energy	86	220	(32)	(344)	198	346	265	236	236	+580
Segment Profit	1,215	3,405	5,514	7,065	1,775	4,091	6,973	9,241	9,241	+2,176
Adjustment	(198)	(393)	(630)	(826)	(467)	(673)	(910)	(1,756)	(1,756)	(930)
Operating Profit	1,016	3,012	4,884	6,238	1,307	3,417	6,062	7,485	7,485	+1,247
Semiconductors & Electronic Components	2.9%	3.2%	3.4%	3.0%	2.4%	2.5%	2.9%	2.7%	2.7%	(0.3%)
Procurement	(0.6%)	(0.4%)	(0.3%)	(0.2%)	0.9%	0.6%	0.8%	0.9%	0.9%	+1.0%
Electronic Equipment	(4.4%)	0.9%	1.3%	4.2%	(5.6%)	0.4%	(0.3%)	2.1%	2.1%	(2.1%)
Environmental Energy	3.4%	4.2%	(0.4%)	(3.7%)	8.9%	7.6%	3.9%	2.5%	2.5%	+6.2%
Segment Profit Margin	1.8%	2.3%	2.3%	2.2%	1.9%	2.1%	2.4%	2.3%	2.3%	+0.1%
Adjustment	(0.3%)	(0.3%)	(0.3%)	(0.3%)	(0.5%)	(0.3%)	(0.3%)	(0.4%)	(0.4%)	(0.2%)
Operating Profit Margin	1.5%	2.0%	2.1%	1.9%	1.4%	1.8%	2.0%	1.9%	1.9%	(0.1%)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021	Q1 03/2022	Q2 03/2022	Q3 03/2022	Q4 03/2022	Q4 03/2022	Net Chg.
Semiconductors & Electronic Components	46,953	54,335	63,185	59,423	65,828	73,800	75,805	72,662	72,662	+13,239
Procurement	15,916	16,719	18,753	19,713	19,960	19,617	21,392	20,558	20,558	+845
Electronic Equipment	3,246	4,965	3,623	7,610	3,678	5,192	4,219	7,457	7,457	(153)
Environmental Energy	2,544	2,638	1,945	2,243	2,224	2,315	2,229	2,669	2,669	+426
Adjustment	2	0	0	0	0	0	0	(17)	(17)	(17)
Sales	68,663	78,657	87,507	88,988	91,692	100,924	103,644	103,330	103,330	+14,342
Semiconductors & Electronic Components	1,376	1,877	2,304	1,162	1,597	1,872	2,763	1,651	1,651	+489
Procurement	(102)	(39)	(17)	31	185	56	276	178	178	+147
Electronic Equipment	(144)	215	77	670	(206)	239	(75)	468	468	(202)
Environmental Energy	86	134	(252)	(312)	198	148	(81)	(29)	(29)	+283
Segment Profit	1,215	2,190	2,109	1,551	1,775	2,316	2,882	2,268	2,268	+717
Adjustment	(198)	(195)	(237)	(196)	(467)	(206)	(237)	(846)	(846)	(650)
Operating Profit	1,016	1,996	1,872	1,354	1,307	2,110	2,645	1,423	1,423	+69
Semiconductors & Electronic Components	2.9%	3.5%	3.6%	2.0%	2.4%	2.5%	3.6%	2.3%	2.3%	+0.3%
Procurement	(0.6%)	(0.2%)	(0.1%)	0.2%	0.9%	0.3%	1.3%	0.9%	0.9%	+0.7%
Electronic Equipment	(4.4%)	4.3%	2.1%	8.8%	(5.6%)	4.6%	(1.8%)	6.3%	6.3%	(2.5%)
Environmental Energy	3.4%	5.1%	(13.0%)	(13.9%)	8.9%	6.4%	(3.6%)	(1.1%)	(1.1%)	+12.8%
Segment Profit Margin	1.8%	2.8%	2.4%	1.7%	1.9%	2.3%	2.8%	2.2%	2.2%	+0.5%
Adjustment	(0.3%)	(0.2%)	(0.3%)	(0.2%)	(0.5%)	(0.2%)	(0.2%)	(0.8%)	(0.8%)	(0.6%)
Operating Profit Margin	1.5%	2.5%	2.1%	1.5%	1.4%	2.1%	2.6%	1.4%	1.4%	(0.1%)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021	Q1 03/2022	Q2 03/2022	Q3 03/2022	Q4 03/2022		
Cash & Deposit	18,955	19,244	38,848	40,203	34,222	32,337	33,286	33,438	(6,765)	
Accounts Receivables	59,007	59,163	61,126	65,606	74,610	77,523	83,901	85,234	+19,628	
Inventory	41,176	35,018	30,500	29,942	37,173	43,286	51,372	54,471	+24,529	
Other	5,133	5,392	7,522	10,382	12,493	12,489	12,191	12,456	+2,074	
Current Assets	124,271	118,817	137,996	146,133	158,498	165,635	180,750	185,599	+39,466	
Tangible Assets	21,597	22,317	23,246	19,404	20,399	24,966	26,915	26,800	+7,396	
Intangible Assets	13,064	12,727	12,386	11,560	11,296	11,063	10,806	11,362	(198)	
Investments & Other Assets	30,090	30,132	13,104	13,288	14,521	15,068	14,908	18,196	+4,908	
Fixed Assets	64,752	65,177	48,737	44,252	46,217	51,098	52,630	56,358	+12,106	
Total Assets	189,023	183,994	186,733	190,385	204,715	216,734	233,380	241,958	+51,573	
Accounts Payables	34,021	33,652	38,635	44,878	52,068	57,543	57,159	51,581	+6,703	
Short Term Debt	54,270	47,982	41,972	39,262	42,207	51,574	65,114	76,489	+37,227	
Other	8,762	9,383	8,736	9,955	12,948	10,504	11,686	11,259	+1,304	
Current Liabilities	97,053	91,017	89,343	94,095	107,223	119,621	133,959	139,329	+45,234	
Long Term Debt	2,940	2,872	2,870	5,602	5,593	5,424	5,223	7,805	+2,203	
Lease Debt	9,482	9,225	8,940	8,696	8,445	8,203	7,982	7,757	(939)	
Other	6,301	6,197	6,315	5,733	5,739	5,540	5,354	5,392	(341)	
Fixed Liabilities	18,723	18,294	18,125	20,031	19,777	19,167	18,559	20,954	+923	
Total Liabilities	115,776	109,312	107,469	114,127	127,001	138,789	152,519	160,284	+46,157	
Shareholders' Equity	68,217	69,457	73,689	70,476	71,512	72,951	74,170	74,780	+4,304	
Other	5,030	5,225	5,574	5,782	6,202	4,993	6,691	6,894	+1,112	
Net Assets	73,247	74,682	79,263	76,258	77,714	77,944	80,861	81,674	+5,416	
Total Liabilities & Net Assets	189,023	183,994	186,733	190,385	204,715	216,734	233,380	241,958	+51,573	
Equity Capital	70,046	71,508	76,144	73,401	74,097	75,381	76,878	77,593	+4,192	
Interest Bearing Debt	57,210	50,854	44,842	44,864	47,800	56,998	70,337	84,294	+39,430	
Net Debt	38,255	31,610	5,994	4,661	13,578	24,661	37,051	50,856	+46,195	
Equity Ratio	37.1%	38.9%	40.8%	38.6%	36.2%	34.8%	32.9%	32.1%	-	
Net Debt Equity Ratio	54.6%	44.2%	7.9%	6.4%	18.3%	32.7%	48.2%	65.5%	-	
ROE (12 months)	4.2%	5.7%	9.8%	5.6%	8.1%	8.2%	2.9%	7.9%	-	
ROA (12 months)	3.1%	3.2%	3.2%	2.9%	3.0%	3.1%	3.3%	3.1%	-	
Days for Inventory Turnover	60	44	34	33	40	42	49	52	-	
Quick Ratio	80%	86%	112%	112%	102%	92%	87%	85%	-	
Current Ratio	128%	131%	154%	155%	148%	138%	135%	133%	-	

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2021	Q1 to Q2 03/2021	Q1 to Q3 03/2021	Q1 to Q4 03/2021	Q1 03/2022	Q1 to Q2 03/2022	Q1 to Q3 03/2022	Q1 to Q4 03/2022		
Operating Cash Flow	-	7,146	-	20,133	-	(7,711)	-	(27,308)	(47,441)	
Investing Cash Flow	-	(2,438)	-	13,440	-	(8,853)	-	(15,954)	(29,394)	
Operating CF and Investing CF	-	4,708	-	33,573	-	(16,564)	-	(43,262)	(76,835)	
Financing Cash Flow	-	(6,530)	-	(15,337)	-	8,583	-	34,955	+50,292	

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of "IR Information" of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. "IR Information" of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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