

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	7,588	6,711	5,957	198.12	100.00	2,580.33
FY03/2023CoE	445,000	8,500	7,500	6,000	199.55	90.00	-
FY03/2022	YoY	23.4%	21.6%	18.0%	46.9%	-	-
FY03/2023CoE	YoY	11.4%	12.0%	11.8%	0.7%	-	-
Consolidated Quarter (Million Yen)	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY03/2022	91,692	1,307	1,278	2,520	-	-	-
Q2 FY03/2022	100,924	2,110	1,962	1,436	-	-	-
Q3 FY03/2022	103,644	2,645	2,280	1,460	-	-	-
Q4 FY03/2022	103,330	1,526	1,191	541	-	-	-
Q1 FY03/2023	112,552	4,067	3,673	2,236	-	-	-
Q1 FY03/2023	YoY	22.8%	211.0%	187.4%	(11.3%)	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (22 August 2022)


Tripled Operating Profit

On 10 August 2022, Restar Holdings, which is one of the largest electronics trading companies, released its Q1 FY03/2023 results. It has been revealed that the Company saw operating profit roughly tripled over the same period of the previous year due to surging earnings in the mainstay segment of Semiconductors & Electronic Components. Mainly selling devices comprising semiconductors, electronic components, batteries and chemical materials, the segment of Semiconductors & Electronic Components (74.4% of sales and 91.9% of segment profit) had an aspect that it saw net increase in sales and earnings in terms of changes over the same period of the previous year due to consolidation of PALTEK CORPORATION, while having benefited from ongoing strengths in demand for merchandises associated with automotive equipment and industrial equipment. On top of this, the Company also benefited from an occurrence and booking of sales for new semiconductor-related special demand project, carrying high gross profit margin, as it did for FY03/2022, having resulted in a major improvement in gross profit margin for the Company as a whole. Meanwhile, the Company saw sales and earnings substantially increased also in the segment of Procurement to provide supply chain management as services, driven by consistently firm demand from the mainstay customer of the Panasonic Group and increased add-ons stemming from the Company's successful measure to horizontally develop new customers. We are to have an online interview with the Company, while planning to report more in-depth based on the content.

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

2.0 Company Profile

The Electronics Value Platformer

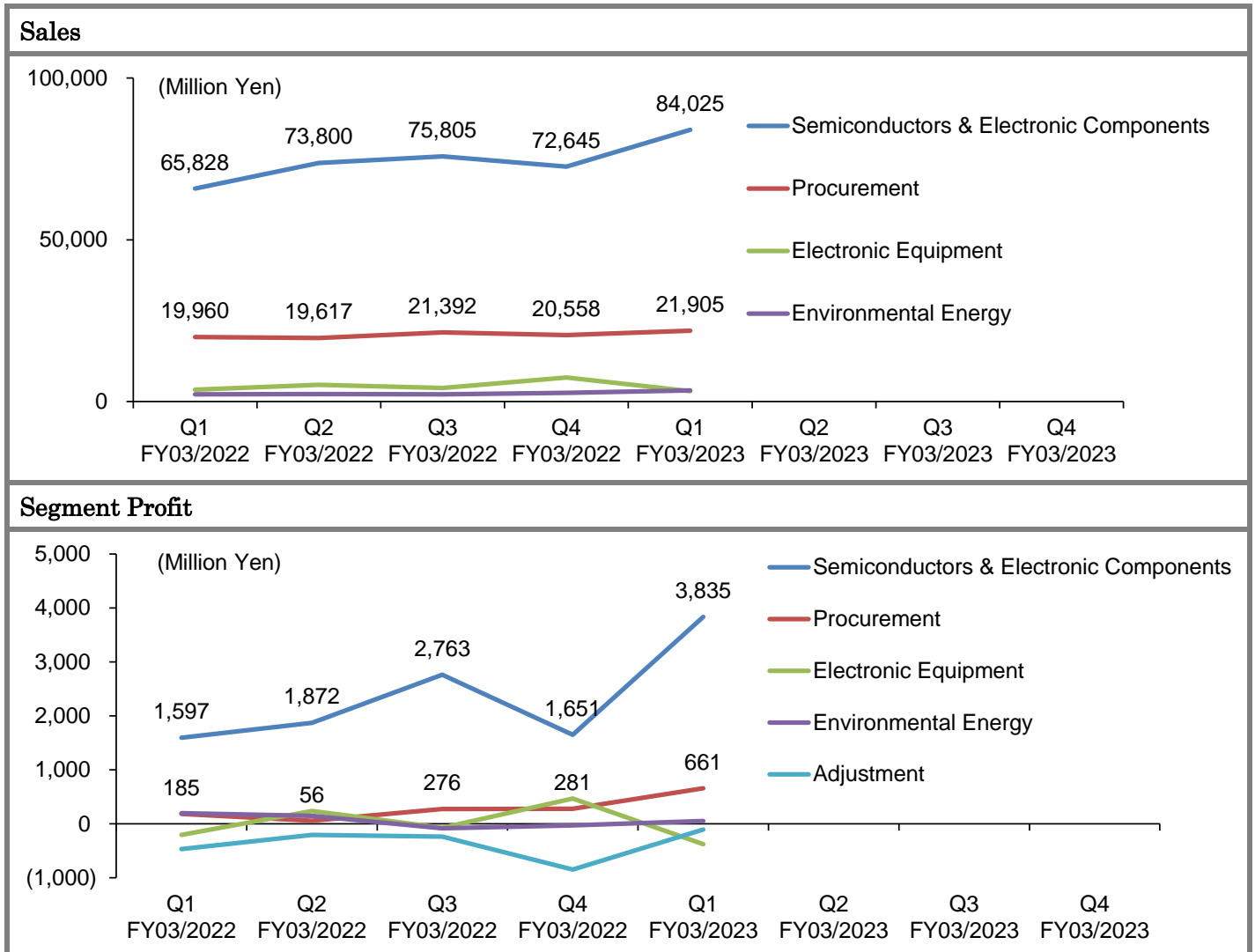
Company Name	Restar Holdings Corporation Company Website IR Information Share price (Japanese)	 Restar Holdings Corporation
Established	1 October 2009	
Listing	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 3156) 1 October 2009: Tokyo Stock Exchange TSE1	
Capital	¥4,383m (as of the end of June 2022)	
No. of Shares	30,072,643 shares, including 4,317 treasury shares (as of the end of June 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 capacity of mega-solar power generation facilities 	
Segments	I . Semiconductors & Electronic Components II . Procurement III. Electronic Equipment IV. Environmental Energy	
Representatives	Representative Director, CEO: Kunihiro Konno Representative Director: Tadahito Takahashi and Tomoharu Asaka	
Shareholders	KMF Corporation 17.12%, S-GRANT, CO. LTD. 9.63%, The Master Trust Bank of Japan, T. 8.49% (as of the end of March 2022, but for treasury shares)	
Head Office	Shinagawa-ku, Tokyo, JAPAN	
No. of Personnel	Consolidated: 2,831, Parent: 95 (as of the end of March 2022)	

Source: Company Data

3.0 Recent Trading and Prospects

Q1 FY03/2023

For Q1 FY03/2023, sales came in at ¥112,552m (up 22.8% YoY), operating profit ¥4,067m (up 211.0%), recurring profit ¥3,673m (up 187.4%) and profit attributable to owners of parent ¥2,236m (down 11.3%). At the extraordinary level, the Company did not see reappearance for extraordinary gain of ¥1,709m (on negative goodwill arisen from the consolidation of PALTEK CORPORATION) that occurred in the same period of the previous year, having resulted in a factor to lower profit attributable to owners of parent to a corresponding extent.



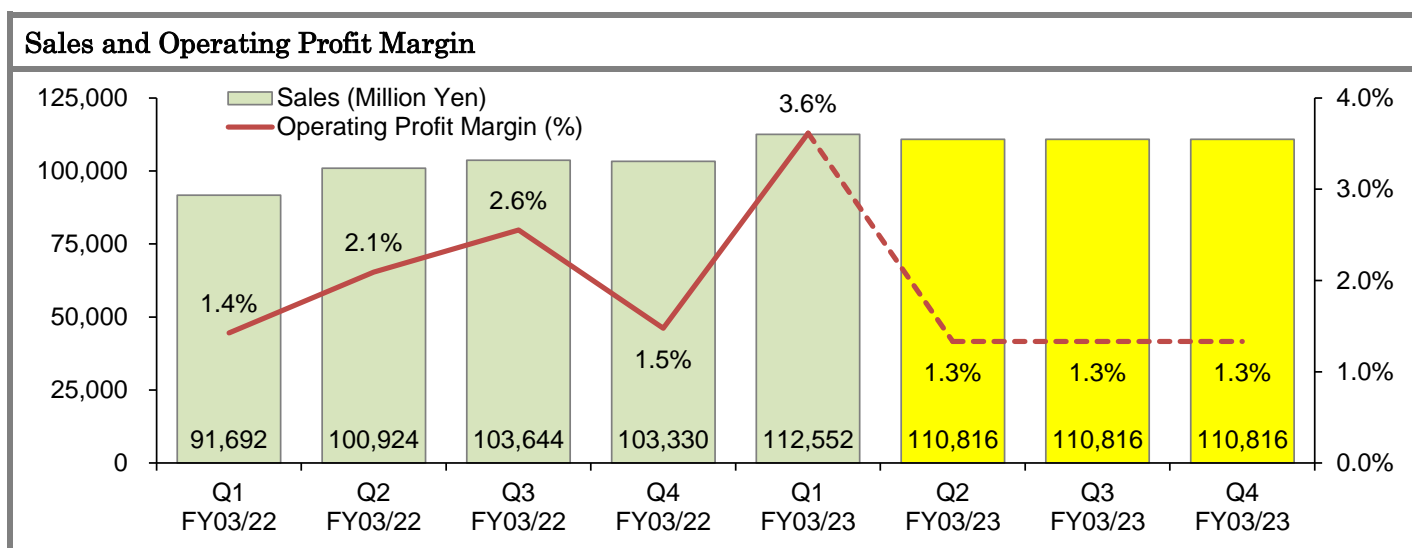
Source: Company Data, WRJ Calculation

Meanwhile, gross profit came in at ¥10,173m (up 63.0%) and SG&A expenses ¥6,105m (up 23.8%), implying gross profit margin of 9.0% (up 2.2% points) and sales to SG&A expenses ratio of 5.4% (up 0.05% points). Consequently, operating profit margin came in at 3.6% (up 2.2% points), having indicated a sharp rise. PALTEK CORPORATION, which has brought for net increase in sales and earnings, has an aspect to see lowered cost of sales, when yen gets depreciated. In light of this, this subsidiary appears to have seen gross profit margin of a high level. Further, the Company did benefit from an occurrence and booking of sales for new semiconductor-related special demand project, carrying high gross profit margin, in fact, although having not been assumed in Company forecasts. All those factors have significantly driven gross profit margin for the Company as a whole.

The segment of Semiconductors & Electronic Components saw sales of ¥84,025m (up 27.6%), segment profit of ¥3,835m (up 140.1%) and segment profit margin of 4.6% (up 2.1% points), while sales here comprised those of ¥78,291m (up 31.2%) for devices and ¥5,734m (down 7.1%) for EMS. Recent trading of devices, mainly comprising semiconductors, electronic components, batteries and chemical materials, is as has been discussed and the Company suggests that sales of EMS are on the decrease in line with slowing demand associated with smartphones.

FY03/2023 Company Forecasts

FY03/2023 Company forecasts (announced on 11 May 2022) have remained unchanged, going for prospective sales of ¥445,000m (up 11.4% YoY), operating profit of ¥8,500m (up 12.0%), recurring profit of ¥7,500m (up 11.8%) and profit attributable to owners of parent of ¥6,000m (up 0.7%), while operating profit margin of 1.9% (up 0.01% point). At the same time, Company forecasts have remained unchanged also for prospective annual dividend, going for ¥90.00 per share, implying payout ratio of 45.1%.



Source: Company Data, WRJ Calculation (Q2 / Q3 / Q4 FY03/2023: full-year Company forecasts after subtracting the actual results of Q1, pro rata)

The actual results for Q1 have achieved 25.3% of prospective sales of above-mentioned full-year Company forecasts and 47.8% for operating profit, implying that the recent trading is running ahead for earnings in particular. Meanwhile, there are some uncertainties, stemming from that the Company is increasingly exposed to changes in forex rate for earnings, that the degree of tightness is now rather alleviated than before in some aspects of supply-demand balance for semiconductors, etc. As far as we could gather, the Company will determine the magnitude of upgrade for Company forecasts for disclosure after assessing all those uncertainties.

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.
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Sales	91,692	192,616	296,260	399,590	112,552	-	-	-	-	+20,860
Cost of Sales	85,452	178,703	274,107	369,407	102,379	-	-	-	-	+16,927
Gross Profit	6,240	13,913	22,153	30,183	10,173	-	-	-	-	+3,933
SG&A Expenses	4,932	10,495	16,090	22,595	6,105	-	-	-	-	+1,173
Operating Profit	1,307	3,417	6,062	7,588	4,067	-	-	-	-	+2,760
Non Operating Balance	(29)	(177)	(542)	(877)	(394)	-	-	-	-	(365)
Recurring Profit	1,278	3,240	5,520	6,711	3,673	-	-	-	-	+2,395
Extraordinary Balance	1,709	1,748	1,973	1,825	(107)	-	-	-	-	(1,816)
Profit before Income Taxes	2,987	4,988	7,493	8,536	3,566	-	-	-	-	+579
Total Income Taxes	545	1,091	2,080	2,634	1,301	-	-	-	-	+756
NP Belonging to Non-Controlling SHs	(79)	(59)	(4)	(54)	28	-	-	-	-	+107
Profit Attributable to Owners of Parent	2,520	3,956	5,416	5,957	2,236	-	-	-	-	(284)
Sales YoY	+33.5%	+30.7%	+26.2%	+23.4%	+22.8%	-	-	-	-	-
Operating Profit YoY	+28.7%	+13.5%	+24.1%	+21.6%	+211.0%	-	-	-	-	-
Recurring Profit YoY	+18.1%	+17.5%	+27.0%	+18.0%	+187.4%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	+238.0%	+99.4%	(25.5%)	+46.9%	(11.3%)	-	-	-	-	-
Gross Profit Margin	6.8%	7.2%	7.5%	7.6%	9.0%	-	-	-	-	+2.2%
Sales to SG&A Expenses Ratio	5.4%	5.4%	5.4%	5.7%	5.4%	-	-	-	-	+0.05%
Operating Profit Margin	1.4%	1.8%	2.0%	1.9%	3.6%	-	-	-	-	+2.2%
Recurring Profit Margin	1.4%	1.7%	1.9%	1.7%	3.3%	-	-	-	-	+1.9%
Profit Attributable to Owners of Parent Margin	2.7%	2.1%	1.8%	1.5%	2.0%	-	-	-	-	(0.8%)
Total Income Taxes / Profit before Income Taxes	18.2%	21.9%	27.8%	30.9%	36.5%	-	-	-	-	+18.2%
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.
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Sales	91,692	100,924	103,644	103,330	112,552	-	-	-	-	+20,860
Cost of Sales	85,452	93,251	95,404	95,300	102,379	-	-	-	-	+16,927
Gross Profit	6,240	7,673	8,240	8,030	10,173	-	-	-	-	+3,933
SG&A Expenses	4,932	5,563	5,595	6,505	6,105	-	-	-	-	+1,173
Operating Profit	1,307	2,110	2,645	1,526	4,067	-	-	-	-	+2,760
Non Operating Balance	(29)	(148)	(365)	(335)	(394)	-	-	-	-	(365)
Recurring Profit	1,278	1,962	2,280	1,191	3,673	-	-	-	-	+2,395
Extraordinary Balance	1,709	39	225	(148)	(107)	-	-	-	-	(1,816)
Profit before Income Taxes	2,987	2,001	2,505	1,043	3,566	-	-	-	-	+579
Total Income Taxes	545	546	989	554	1,301	-	-	-	-	+756
NP Belonging to Non-Controlling SHs	(79)	20	55	(50)	28	-	-	-	-	+107
Profit Attributable to Owners of Parent	2,520	1,436	1,460	541	2,236	-	-	-	-	(284)
Sales YoY	+33.5%	+28.3%	+18.4%	+16.1%	+22.8%	-	-	-	-	-
Operating Profit YoY	+28.7%	+5.7%	+41.3%	+12.7%	+211.0%	-	-	-	-	-
Recurring Profit YoY	+18.1%	+17.1%	+43.5%	(11.3%)	+187.4%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	+238.0%	+16.0%	(72.4%)	-	(11.3%)	-	-	-	-	-
Gross Profit Margin	6.8%	7.6%	8.0%	7.8%	9.0%	-	-	-	-	+2.2%
Sales to SG&A Expenses Ratio	5.4%	5.5%	5.4%	6.3%	5.4%	-	-	-	-	+0.05%
Operating Profit Margin	1.4%	2.1%	2.6%	1.5%	3.6%	-	-	-	-	+2.2%
Recurring Profit Margin	1.4%	1.9%	2.2%	1.2%	3.3%	-	-	-	-	+1.9%
Profit Attributable to Owners of Parent Margin	2.7%	1.4%	1.4%	0.5%	2.0%	-	-	-	-	(0.8%)
Total Income Taxes / Profit before Income Taxes	18.2%	27.3%	39.5%	53.1%	36.5%	-	-	-	-	+18.2%

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 Net Chg.
	Q1 03/2022	Q1 to Q2 03/2022	Q1 to Q3 03/2022	Q1 to Q4 03/2022	Q1 03/2023	Q1 to Q2 03/2023	Q1 to Q3 03/2023	Q1 to Q4 03/2023		
Semiconductors & Electronic Components	65,828	139,628	215,433	288,078	84,025	-	-	-	-	+18,197
Procurement	19,960	39,577	60,969	81,527	21,905	-	-	-	-	+1,945
Electronic Equipment	3,678	8,870	13,089	20,546	3,214	-	-	-	-	(464)
Environmental Energy	2,224	4,539	6,768	9,437	3,407	-	-	-	-	+1,183
Sales	91,692	192,616	296,260	399,590	112,552	-	-	-	-	+20,860
Semiconductors & Electronic Components	1,597	3,469	6,232	7,883	3,835	-	-	-	-	+2,238
Procurement	185	241	517	798	661	-	-	-	-	+476
Electronic Equipment	(206)	33	(42)	426	(376)	-	-	-	-	(170)
Environmental Energy	198	346	265	236	51	-	-	-	-	(147)
Segment Profit	1,775	4,091	6,973	9,344	4,172	-	-	-	-	+2,397
Adjustment	(467)	(673)	(910)	(1,756)	(104)	-	-	-	-	+363
Operating Profit	1,307	3,417	6,062	7,588	4,067	-	-	-	-	+2,760
Semiconductors & Electronic Components	2.4%	2.5%	2.9%	2.7%	4.6%	-	-	-	-	+2.1%
Procurement	0.9%	0.6%	0.8%	1.0%	3.0%	-	-	-	-	+2.1%
Electronic Equipment	(5.6%)	0.4%	(0.3%)	2.1%	(11.7%)	-	-	-	-	(6.1%)
Environmental Energy	8.9%	7.6%	3.9%	2.5%	1.5%	-	-	-	-	(7.4%)
Segment Profit Margin	1.9%	2.1%	2.4%	2.3%	3.7%	-	-	-	-	+1.8%
Adjustment	(0.5%)	(0.3%)	(0.3%)	(0.4%)	(0.1%)	-	-	-	-	+0.4%
Operating Profit Margin	1.4%	1.8%	2.0%	1.9%	3.6%	-	-	-	-	+2.2%

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2022	Q2 03/2022	Q3 03/2022	Q4 03/2022	Q1 03/2023	Q2 03/2023	Q3 03/2023	Q4 03/2023		
Semiconductors & Electronic Components	65,828	73,800	75,805	72,645	84,025	-	-	-	-	+18,197
Procurement	19,960	19,617	21,392	20,558	21,905	-	-	-	-	+1,945
Electronic Equipment	3,678	5,192	4,219	7,457	3,214	-	-	-	-	(464)
Environmental Energy	2,224	2,315	2,229	2,669	3,407	-	-	-	-	+1,183
Sales	91,692	100,924	103,644	103,330	112,552	-	-	-	-	+20,860
Semiconductors & Electronic Components	1,597	1,872	2,763	1,651	3,835	-	-	-	-	+2,238
Procurement	185	56	276	281	661	-	-	-	-	+476
Electronic Equipment	(206)	239	(75)	468	(376)	-	-	-	-	(170)
Environmental Energy	198	148	(81)	(29)	51	-	-	-	-	(147)
Segment Profit	1,775	2,316	2,882	2,371	4,172	-	-	-	-	+2,397
Adjustment	(467)	(206)	(237)	(846)	(104)	-	-	-	-	+363
Operating Profit	1,307	2,110	2,645	1,526	4,067	-	-	-	-	+2,760
Semiconductors & Electronic Components	2.4%	2.5%	3.6%	2.3%	4.6%	-	-	-	-	+2.1%
Procurement	0.9%	0.3%	1.3%	1.4%	3.0%	-	-	-	-	+2.1%
Electronic Equipment	(5.6%)	4.6%	(1.8%)	6.3%	(11.7%)	-	-	-	-	(6.1%)
Environmental Energy	8.9%	6.4%	(3.6%)	(1.1%)	1.5%	-	-	-	-	(7.4%)
Segment Profit Margin	1.9%	2.3%	2.8%	2.3%	3.7%	-	-	-	-	+1.8%
Adjustment	(0.5%)	(0.2%)	(0.2%)	(0.8%)	(0.1%)	-	-	-	-	+0.4%
Operating Profit Margin	1.4%	2.1%	2.6%	1.5%	3.6%	-	-	-	-	+2.2%

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet	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.
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Cash & Deposit	34,222	32,337	33,286	33,438	39,828	-	-	-	-	+5,606
Accounts Receivables	74,610	77,523	83,901	84,840	93,422	-	-	-	-	+18,812
Inventory	37,173	43,286	51,372	54,402	68,785	-	-	-	-	+31,612
Other	12,493	12,489	12,191	12,845	20,055	-	-	-	-	+7,562
Current Assets	158,498	165,635	180,750	185,525	222,090	-	-	-	-	+63,592
Tangible Assets	20,399	24,966	26,915	26,862	28,624	-	-	-	-	+8,225
Intangible Assets	11,296	11,063	10,806	11,362	11,628	-	-	-	-	+332
Investments & Other Assets	14,521	15,068	14,908	18,207	18,924	-	-	-	-	+4,403
Fixed Assets	46,217	51,098	52,630	56,432	59,177	-	-	-	-	+12,960
Total Assets	204,715	216,734	233,380	241,958	281,268	-	-	-	-	+76,553
Accounts Payables	52,068	57,543	57,159	51,581	58,881	-	-	-	-	+6,813
Short Term Debt	42,207	51,574	65,114	76,489	104,714	-	-	-	-	+62,507
Other	12,948	10,504	11,686	11,276	14,488	-	-	-	-	+1,540
Current Liabilities	107,223	119,621	133,959	139,346	178,083	-	-	-	-	+70,860
Long Term Debt	5,593	5,424	5,223	7,805	8,533	-	-	-	-	+2,940
Lease Debt	8,445	8,203	7,982	7,757	7,644	-	-	-	-	(801)
Other	5,739	5,540	5,354	5,392	5,433	-	-	-	-	(306)
Fixed Liabilities	19,777	19,167	18,559	20,954	21,610	-	-	-	-	+1,833
Total Liabilities	127,001	138,789	152,519	160,301	199,694	-	-	-	-	+72,693
Shareholders' Equity	71,512	72,951	74,170	74,773	75,082	-	-	-	-	+3,570
Other	6,202	4,993	6,691	6,884	6,492	-	-	-	-	+290
Net Assets	77,714	77,944	80,861	81,657	81,574	-	-	-	-	+3,860
Total Liabilities & Net Assets	204,715	216,734	233,380	241,958	281,268	-	-	-	-	+76,553
Equity Capital	74,097	75,381	76,878	77,586	77,499	-	-	-	-	+3,402
Interest Bearing Debt	47,800	56,998	70,337	84,294	113,247	-	-	-	-	+65,447
Net Debt	13,578	24,661	37,051	50,856	73,419	-	-	-	-	+59,841
Equity Ratio	36.2%	34.8%	32.9%	32.1%	27.6%	-	-	-	-	-
Net Debt Equity Ratio	18.3%	32.7%	48.2%	65.5%	94.7%	-	-	-	-	-
ROE (12 months)	8.1%	8.2%	2.9%	7.9%	7.5%	-	-	-	-	-
ROA (12 months)	3.0%	3.1%	3.3%	3.1%	3.7%	-	-	-	-	-
Days for Inventory Turnover	40	42	49	52	61	-	-	-	-	-
Quick Ratio	102%	92%	87%	85%	75%	-	-	-	-	-
Current Ratio	148%	138%	135%	133%	125%	-	-	-	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow 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.
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Operating Cash Flow	-	(7,711)	-	(26,625)	-	-	-	-	-	-
Investing Cash Flow	-	(8,853)	-	(16,167)	-	-	-	-	-	-
Operating CF and Investing CF	-	(16,564)	-	(42,792)	-	-	-	-	-	-
Financing Cash Flow	-	8,583	-	34,488	-	-	-	-	-	-

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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