

## 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		465,000	13,000	12,000	7,000	232.80	100.00	-
FY03/2022	YoY	23.4%	21.6%	18.0%	46.9%	-	-	-
FY03/2023CoE	YoY	16.4%	71.3%	78.8%	17.5%	-	-	-
Consolidated Q1 to Q3 (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q3 FY03/2022		296,260	6,062	5,520	5,416	-	-	-
Q1 to Q3 FY03/2023		367,930	12,976	10,652	5,893	-	-	-
Q1 to Q3 FY03/2023	YoY	24.2%	114.0%	93.0%	8.8%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Executive Summary (7 April 2023)


#### Synergy amongst Operations

Restar Holdings, which is one of the major electronics trading houses, is going for a long-term growth by means of making progress for its operations as the Electronics Value Platformer to accommodate all manner of stakeholder needs. The Company has an aspect that it runs subsidiaries in charge of diverse operations as a holding company, while looking to a future benefit from synergy amongst all those operations, including the existing mainstay ones. By the way, the Company is keen on development of operations in Japan (some 60% of sales) as well as those of overseas (some 40%), mainly in Southeast Asia and China at the same time. Meanwhile, sales and earnings have surged for Q1 to Q3 FY03/2023 and full-year prospective operating profit, assumed in Company forecasts, has been almost achieved. On top of add-ons by yen's depreciation, sales were buoyant particularly for merchandises associated with industrial equipment and in-car equipment, which is mentioned as the key drivers. Nevertheless, the Company suggests that the supply-demand situation for semiconductors has begun to show a mixed sentiment sector to sector and this has led to a situation that it suffers from its inventory accumulated. In our estimate, days for inventory turnover stood at 52 as of the beginning of the fiscal year versus 63 as of the end of Q3. Given this, the Company is taking a cautious stance with respect to trading for Q4 (January to March).

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## 2.0 Company Profile

### The Electronics Value Platformer

<b>Company Name</b>	Restar Holdings Corporation <a href="#">Company Website</a> <a href="#">IR Information</a> <a href="#">Share price (Japanese)</a>	 <b>Restar Holdings Corporation</b>
<b>Established</b>	1 October 2009	
<b>Listing</b>	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 3156) 1 October 2009: Tokyo Stock Exchange 1st section	
<b>Capital</b>	¥4,383m (as of the end of December 2022)	
<b>No. of Shares</b>	30,072,643 shares, including 4,443 treasury shares (as of the end of Dec. 2022)	
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Established by merger between UKC Holdings and Vitec Holdings in April 2019</li> <li>● Consolidated PALTEK as wholly owned subsidiary since Q2 FY03/2022</li> <li>● Focus on expansion of total power generation of mega-solar power stations</li> </ul>	
<b>Segments</b>	I . Semiconductors & Electronic Components (sale of devices / operations of EMS) II . Procurement (provision of supply chain management as services) III. Electronic Equipment (sale and installation of electronic / system equipment) IV. Environmental Energy (energy / sale of power / vegetable factory)	
<b>Representatives</b>	Representative Director, CEO: Kunihiro Konno Representative Director : Tadahito Takahashi and Tomoharu Asaka	
<b>Shareholders</b>	KMF Corporation 17.79%, S-GRANT, Co. Ltd. 9.63%, The Master Trust Bank of Japan, T. 8.68% (as of the end of September 2022, but for treasury shares)	
<b>Head Office</b>	Shinagawa-ku, Tokyo, JAPAN	
<b>No. of Personnel</b>	Consolidated: 2,850, Unconsolidated:108 (as of the end of December 2022)	

Source: Company Data

## 3.0 Management Principles and Future Perspective

### Helping Society Evolve

The Company's management principles set “we help society evolve by leveraging information and technology to create and deliver new value and services” as Mission, while aiming to become “the Electronics Value Platformer” that accommodates all manner of stakeholder needs at the same time, which is advocated as Vision. Further, the principles put “through collaboration, we reflect diverse points of view as we create new cultures and values,” etc. as Value.

#### Management Principles of the 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”

##### Value

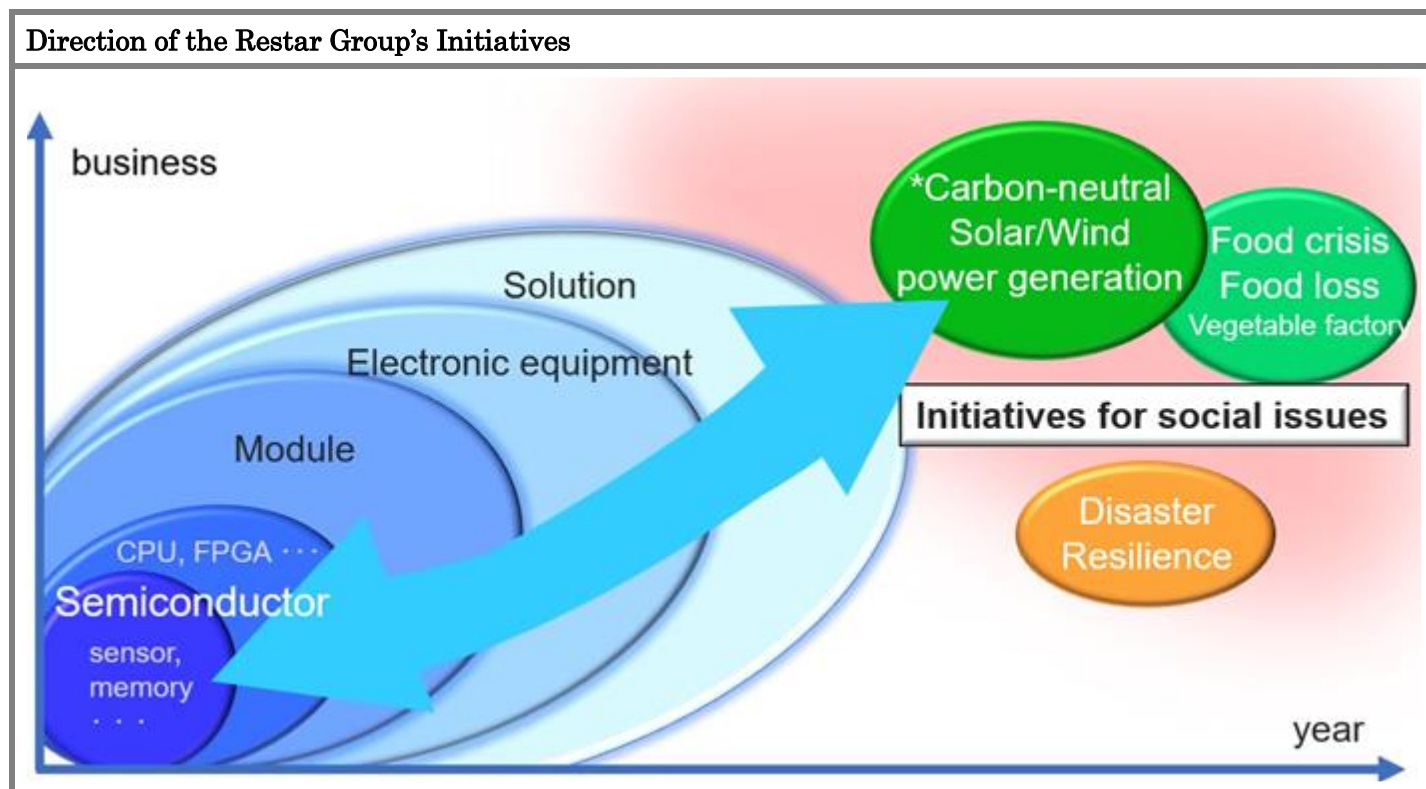
- Through collaboration, we reflect diverse points of view as we create new cultures and values.
- Through innovative ideas and passion, we take on challenges and aim for higher targets.
- By expanding our business arena to encompass the entire world, we contribute to sustainable social evolution.

Source: Company Data

For the Company, the underlying trend of earnings as a whole is almost all accounted for by performance on the Semiconductors & Electronic Components side (sale of devices / operations of EMS) and the Procurement side (provision of supply chain management as services), but the Company also has an aspect that it runs subsidiaries in charge of diverse operations as a holding company, while looking to a future benefit from synergy amongst all those operations, including the existing mainstay ones. In fact, the Company suggests that there are some projects to become commercially viable in the near future.

In terms of the actual results for Q1 to Q3 FY03/2023, the Semiconductors & Electronic Components side (sale of devices / operations of EMS) accounted for 71.4% of sales for the Company as a whole and 85.7% of segment profit. At the same time, the Procurement side (provision of supply chain management as services), which has a similar nature of business model as in the former, accounted for 21.7% of sales and 19.0% of segment profit. Thus, the former and the latter, collectively, accounted for 93.1% of sales and 104.6% of segment profit.

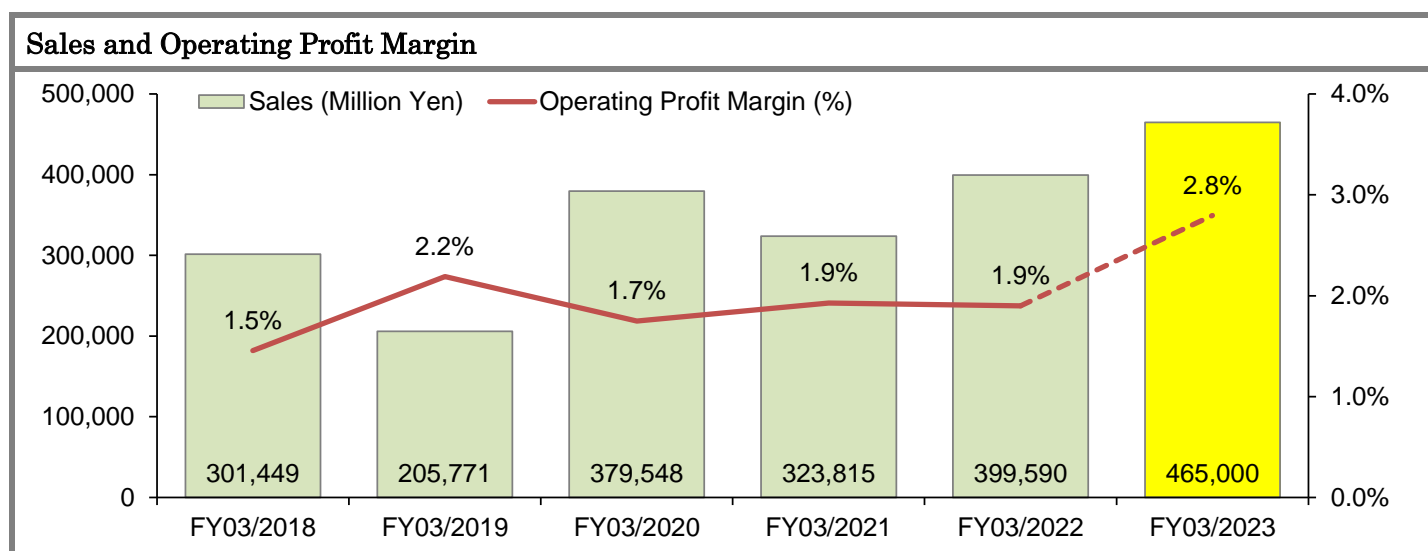
On the Semiconductors & Electronic Components side (sale of devices / operations of EMS), the mainstay operations are of sale of devices, having accounted for 93.4% of sales out of total on this side. Meanwhile, for sale of devices, the Company basically deals in semiconductors, electronic components, batteries and chemical materials, being mostly exposed to semiconductors, comprising sensors, memories, microcontrollers, FPGA, etc.



Source: Company Data(\*Carbon-neutral: net zero carbon emission)

Further, the Company sometimes creates added value higher by means of assembling purchased semiconductors, electronic components, etc. in line with needs of customers for sale to them in the form of modules. The Company intends to focus on the development of such operations that create a higher degree of added value, while mentioning that progress will be made for development of new customers and new suppliers as it makes progress in the development of such operations. At the same time, modules are to be followed by electronic equipment and then solutions in line with the Company's consistent focus on operations that create a higher degree of added value.

More importantly, the Company is promoting initiatives for social issues, e.g., “carbon-neutral,” “food crisis / food loss” and “disaster resilience” at the same time. With respect to “carbon-neutral,” the Company is looking to the operations of energy (renewal power generation) on the Environmental Energy side being contributing. With respect to “food crisis / food loss,” the Company is looking to the operations of vegetable factory (production and sale of vegetables) also on the Environmental Energy side being contributing. Meanwhile, with respect to “disaster resilience”, the Company is looking to the operations of sale and installation of electronic equipment on the Electronic Equipment side (sale and installation of electronic / system equipment) being contributing. The Company refers to a case example that electronic equipment of large-size LED has been installed in the disaster prevention room of the new Shibuya-ku municipal building after comprehensive services by the Company, including those of design, installation and repair & maintenance as a system as well as procurement of components, etc. at the same time. The Company hopes to similarly provide local governments nationwide across the board with electronic equipment that addresses various aspects of disaster prevention.



Source: Company Data, WRJ Calculation

### Basic Sustainability Policy

On 12 September 2022, the Company announced that it had formulated its Basic Sustainability Policy, while having had revealed its measures to strengthen promotion of various sustainability activities going forward. The objective of formulating this policy is to enhance the resolutions of ESG (environment, social and corporate governance) issues from a perspective of sustainability. The Company has a strategy to address them as a unit by means of integrating management as a whole. According to the Company, the identification of materialities based on the basic policy has been completed, while the proactive approach to climate change will be strengthened as a corporate entity. In other words, by linking business activities and social contributions in an interactive manner, the Company aims to realize a sustainable society, while striving to enhance own corporate value at the same time.

## Sustainability Initiatives

～ Promoting the Following Three Initiatives in Line with the Basic Policy～

### Measurement and Reduction of CO2 Emissions

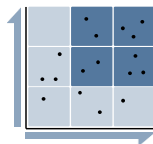


Leveraging Group Synergies



### Completed Identification of 5 Materialities

- Protect the Lives of All People
- Create an Environmentally Thoughtful Society
- Utilize Diverse Human Resources
- Create a Better Society through Innovations
- Build a Sustainable Supply Chain



### TCFD Compliant

#### **RISK**

✓
✓
✓
✓
✓

#### **OPPORTUNITY**

•
•
•
•
•

Developing Measures to Address Climate Change

**Promoting Sustainability Activities Based on Specific KPIs, etc.**

Source: Company Data

The materialities identified are “protect the lives of all people,” “create an environmentally thoughtful society,” “utilize diverse human resources,” “create a better society through innovations” and “build a sustainable supply chain.” Meanwhile, the Company is to actively promote sustainability activities based on specific KPIs, etc., with the aim of addressing all those issues.

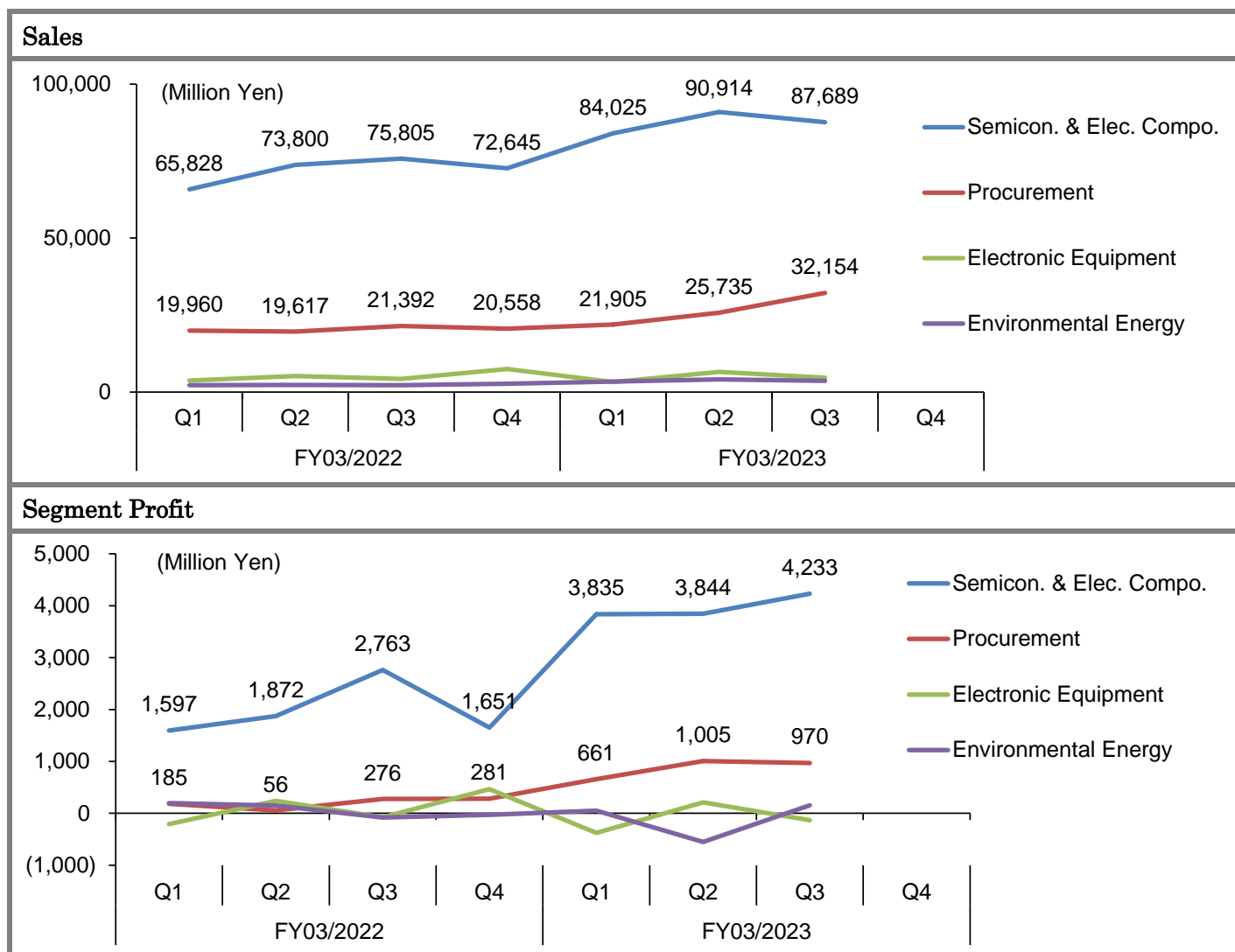
## Company History

Date	Events
May 2009	USC Corporation (hereafter, USC) and Kyoshin Technosonic Co., Ltd. (hereafter, Kyoshin Technosonic) agreeing to integrate management through the establishment of a joint holding company (share transfer) and entering into a merger agreement
October 2009	USC and Kyoshin Technosonic establishing a joint holding company, UKC Holdings Co., Ltd., through a share transfer (listed on Tokyo Stock Exchange 1st section)
October 2010	CU TECH CORPORATION and its subsidiary Dongguan CU Tech Electronics Corporation becoming subsidiaries through acquisition of the shares
October 2011	Corporate name changing to UKC ELECTRONICS CORPORATION after merger between USC and Kyoshin Technosonic with the latter as a surviving company
April 2015	Acquiring rights and duties related to the business of Semiconductors & Electronic Components of UKC ELECTRONICS CORPORATION through an absorption-type company split and UKC ELECTRONICS CORPORATION changing its corporate name to UKC Techno-Solution Corporation
May 2018	Making LSI Techno Inc. a subsidiary by acquisition of the shares and changing its corporate name to UKC System Engineering Corporation
June 2018	Transitioning to a company with audit & supervisory committee
April 2019	UKC Holdings Co., Ltd. and Vitec Holdings Co., Ltd. integrating management and beginning operations with a new corporate name of Restar Holdings Corporation in the current location after moving of the head office
April 2020	Transitioning to Innovative Management on a group basis
June 2021	Making PALTEK CORPORATION a subsidiary (wholly owned on 2 September 2021)
April 2022	Listing onto Tokyo Stock Exchange Prime Market

## 4.0 Recent Trading and Prospects

### Q1 to Q3 FY03/2023

For Q1 to Q3 FY03/2023, sales came in at ¥367,930m (up 24.2% YoY), operating profit ¥12,976m (up 114.0%), recurring profit ¥10,652m (up 93.0%) and profit attributable to owners of parent ¥5,893m (up 8.8%), while operating profit margin 3.5% (up 1.5% points).



Source: Company Data, WRJ Calculation

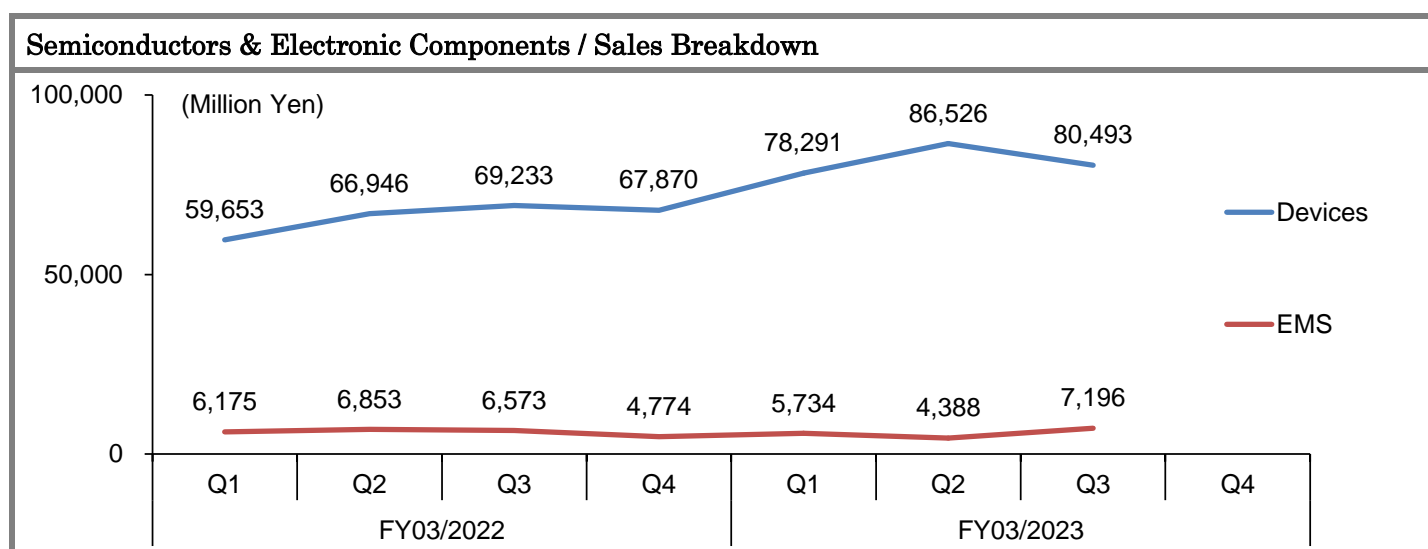
For Q1 to Q3, yen's depreciation had a significant impact on the Company's performance as a whole. At the beginning of the fiscal year, the assumed rate of exchange for FY03/2023 was ¥115 per US dollar, while the actual rate of exchange for Q1 to Q3 was ¥136 per US dollar. For Q1 to Q3, the Company saw operating profit increased by ¥6,913m over the same period of the previous year, of which some ¥4,000m or more is said to have accounted for by the gap of exchange rate between the above-mentioned assumption and the actual results. By segment, the Semiconductors & Electronic Components side (sale of devices / operations of EMS) had an impact of some ¥3,000m or more and the Procurement side (provision of supply chain management as services) had an impact of some ¥1,000m or more, according to the Company. In other words, the two segments, collectively, account for almost everything in this aspect as well.



Meanwhile, the Company saw profit attributable to owners of parent increased rather marginally due to the fact of extraordinary balance having deteriorated by no less than ¥2,700m (¥1,973m to minus ¥727m). During the same period of the previous year, the Company saw gain of ¥1,934m on negative goodwill resulting from the consolidation of PALTEK CORPORATION and its affiliated companies, which did not reappear. On top of this, the Company saw extraordinary loss of ¥831m. By the way, PALTEK CORPORATION has been consolidated from Q2 FY03/2022. In other words, sales and earnings on the Semiconductors & Electronic Components side (sale of devices / operations of EMS) saw some net add-ons for Q1 FY03/2023 to a corresponding extent.

### **Semiconductors & Electronic Components (71.4% of sales, 85.7% of segment profit)**

For Q1 to Q3 FY03/2023, the Semiconductor & Electronic Components side (sale of devices / operations of EMS), saw sales of ¥262,628m (up 21.9%), segment profit of ¥11,912m (up 91.1%) and segment profit margin of 4.5% (up 1.6% points). Sale of devices (semiconductors, electronic components, batteries, chemical materials, etc.) saw sales of ¥245,310m (up 25.3%) and operations of EMS sales of ¥17,318m (down 11.7%).



Source: Company Data, WRJ Calculation

With respect to the mainstay sale of devices, the Company saw earnings increased by firm sales of merchandises mainly associated with industrial equipment and in-car equipment, while the effect of yen's depreciation was a major contributor to earnings as mentioned earlier. According to the Company, yen's depreciation had an impact to increase earnings for the existing operations as well as for PALTEK CORPORATION at the same time. In the first place, the latter is inclined to see a major swing of short-term earnings due to short-term fluctuations of exchange rate. The impact of yen's depreciation is said to have increased segment profit by some ¥3,000m or more, of which some ¥2,000m is said to have been accounted for by the existing operations and ¥1,000m or more by PALTEK CORPORATION, albeit being rather small in the size of its operations.

## PALTEK CORPORATION

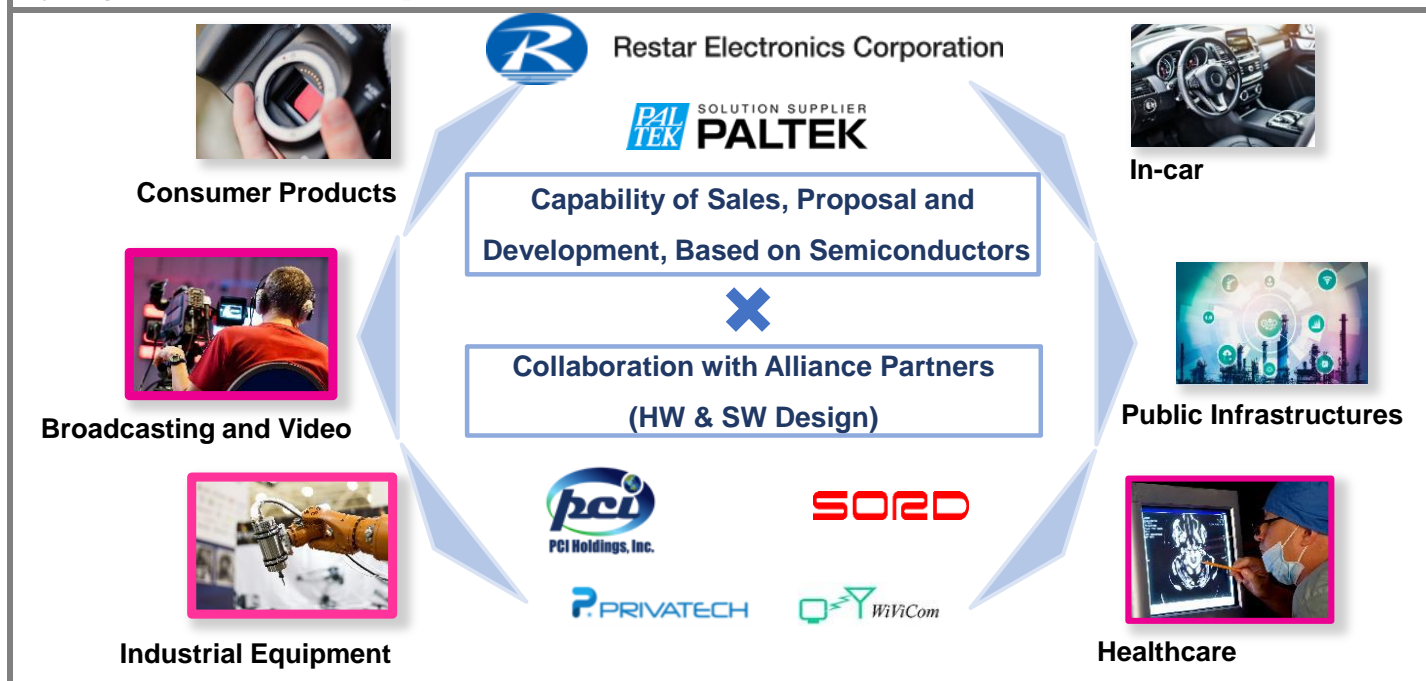


Since its establishment in 1982, PALTEK has been selling semiconductors and related products as well as providing contract design services to Japanese electronics manufacturers. PALTEK has technology resources for FPGA that are highly competitive in the semiconductor industry.

### Synergies from Integration of Management

- ◆ Expansion of Technology Proposal with FPGA
- ◆ Enhancement of New Product Lineup
- ◆ Development of New Sales Channels for Industrial Equipment, etc.
- ◆ Spread into Extensive Ranges of Business
- ◆ Rationalization, Operational Efficiency Improvement & Strengthening of the Business Bases

### Synergies in the Restar Group



Source: Company Data



PALTEK CORPORATION has become the Company's subsidiary since 3 June 2021, when the tender offer was settled, while having contributed to the Company's consolidated accounts since Q2 FY03/2022. Thus, this subsidiary brought in some net add-ons in sales and earnings for the actual results of Q1 FY03/2023 in terms of year-on-year changes on the Semiconductors & Electronic Components side. The Company suggests that PALTEK CORPORATION is heavily involved with operations to import semiconductors from suppliers overseas for sale in Japan and thus this subsidiary has a strong tendency to see cost of sales lowered due to its business structure, when yen gets depreciated drastically in a short term, which is mentioned as the background for a substantial effect of yen's depreciation for Q1 to Q3.

Right from the start, PALTEK CORPORATION is an electronics trading company, founded in 1982, being based in Yokohama, currently running operations to sell semiconductors such as FPGA and related products to electronics-related manufacturers based in Japan, while providing services to be entrusted with design of internal logic circuit and substrate of FPGA as its competitive edge. By the way, according to the Company's definition, "FPGA (field-programmable gate array) " refers to "a type of integrated circuits that can be used in a wide range of applications such as telecommunications, industrial equipment and data centers" with "a capability for design to be changed by development engineers as many times as necessary after the manufacturing." Meanwhile, as synergies to be created from integration of management this time, the Company raises "expansion of technology proposal with FPGA," "enhancement of new product lineup," "development of new sales channels for industrial equipment, etc.," "spread into extensive ranges of business" and "rationalization, operational efficiency improvement & strengthening of the business bases."

Meanwhile, with respect to sale of devices (semiconductors, electronic components, batteries, chemical materials, etc.) for Q3 (October to December), it is suggested that contribution from so-called "special demand for semiconductors" has fallen off. According to the Company, "special demand for semiconductors" began for Q3 (October to December) FY03/2022 against a backdrop of supply-demand crunch of semiconductors in those days, while having had been persisting by Q2 (July to September) FY03/2023. In other words, it appears that supply-demand situation of semiconductors has started to experience a relaxing most recently. "Special demand for semiconductors" is of "special demand," generated for semiconductors during the relevant period due to supply-demand crunch of semiconductors. In those days, there used to be some cases that the Company suffered from exhaustion of inventory at own regular suppliers with no short-term prospects for replenishment, even when there was an absolute need for some specific semiconductors in some specific users or the Company's customers.

In light of this, the Company implemented measures of collecting so-called distribution inventory scattered from here to breakfast for the sake of responding to such customer needs of procurement, i.e., "special demand." For all those operations, there was an aspect that the Company created added value more than usually, having naturally resulted in gross profit margin higher, according to the Company. Meanwhile, what is cited as the characteristics of "special demand for semiconductors" is that there is a considerably strong tendency that each project is of one-off event and it is too difficult to reasonably estimate whether there will be any project or not for the future, while the same applied to estimating the size of each project beforehand. As a result, it is suggested that FY03/2023 initial Company forecasts did not assume any project of "special demand for semiconductors" to take place, while having had taken place for Q1 (April to June) and Q2 (July to September) in the actual results due to the supply-demand crunch of semiconductors during each period. Still, the Company suggests that the supply-demand situation for semiconductors has begun to show a mixed sentiment sector to sector to date.

## Semiconductors & Electronic Components / Case Examples of Applications

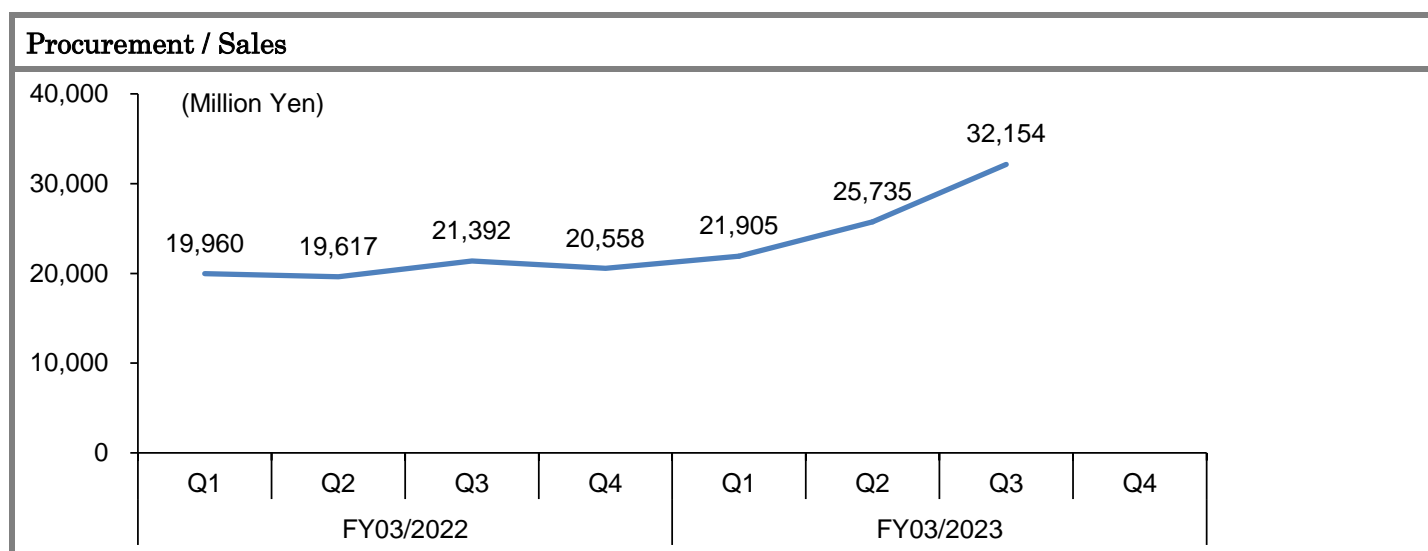
Sale of Devices	Operations of EMS
	
<p><b>Automobiles: technical supports for camera monitoring systems, object position detecting sensors, etc.</b></p>	<p><b>Smartphones: mounting FPCs for OLEDs</b></p>

Source: Company Data

With respect to operations of EMS for Q1 to Q3, the Company suggests that it suffered from earnings decreased as a result of sales lower, while also suggesting that the impact on earnings on the Semiconductors & Electronic Components side as a whole was just insignificant. The operations here are carried out in the Company's subsidiary based in South Korea (CU TECH CORPORATION), which is mainly involved with those of manufacturing modules for smartphones and tablets on order and sell them to local customers through its operating bases in South Korea, China (Dongguan) and Vietnam. One of the reasons cited for the decline in sales for Q1 to Q3 is that demand slowed down for the mainstay domain of smartphones. Meanwhile, the Company says that it has acquired IATF 16949 certification, an international standard for quality management systems specific to the automotive industry, through the said subsidiary based in South Korea. For Q1 to Q3, the Company began operations associated with in-car displays based on the said standard, but the impact has remained not substantial enough yet to make up for the sluggish demand associated with the mainstay smartphones, according to the Company. More importantly, however, the Company is looking to a situation for such operations to gradually prevailing as a drive for growth from a long-term perspective.

### Procurement (21.7% of sales, 19.0% of segment profit)

For Q1 to Q3 FY03/2023, the Procurement side (provision of supply chain management as services) saw sales of ¥79,794m (up 30.9%), segment profit of ¥2,636m (up 409.0%) and segment profit margin of 3.3% (up 2.5% points). In addition to firm sales to the mainstay Panasonic Group, the Company is steadily developing new customers outside of the Panasonic Group. The Company suggests that sales associated with customers but for the Panasonic Group have increased up to no less than some 20% of total. Meanwhile, the Company notes that substantially improved segment profit margin is attributable to a reduction of SG&A expenses and an increase in gross profit margin as a result of yen's depreciation.



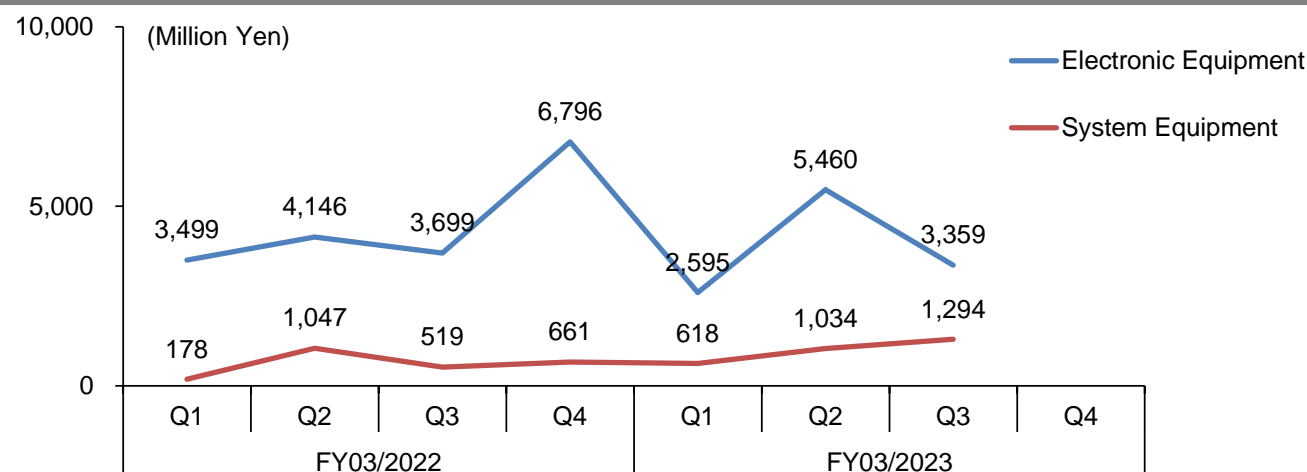
Source: Company Data, WRJ Calculation

On the Procurement side, where the Company provides supply chain management as services, sales are booked on a gross basis. In other words, sales here comprise those of corresponding to added value (gross profit) created by the services provided by the Company and cost of purchased merchandises, having had resulted in low segment profit margin, i.e., 0.5% for FY03/2020, minus 0.2% for FY03/2021 and 1.0% for FY03/2022. In contrast, the Company saw 3.3% for the actual results of Q1 to Q3 as above-mentioned, which is a level far higher. However, the Company suggests that the level is just marginally better than those of the past years, if it were not for the benefit from yen's depreciation. By the way, the Company notes that the benefit of yen's depreciation has a lot to do with evaluation of inventory. That is to say, there were not a few merchandises amongst those of having had been sold for Q1 to Q3, whose cost of sales came down during the period from purchasing in foreign currency to booking of sales to a corresponding extent of yen's depreciation during the relevant period.

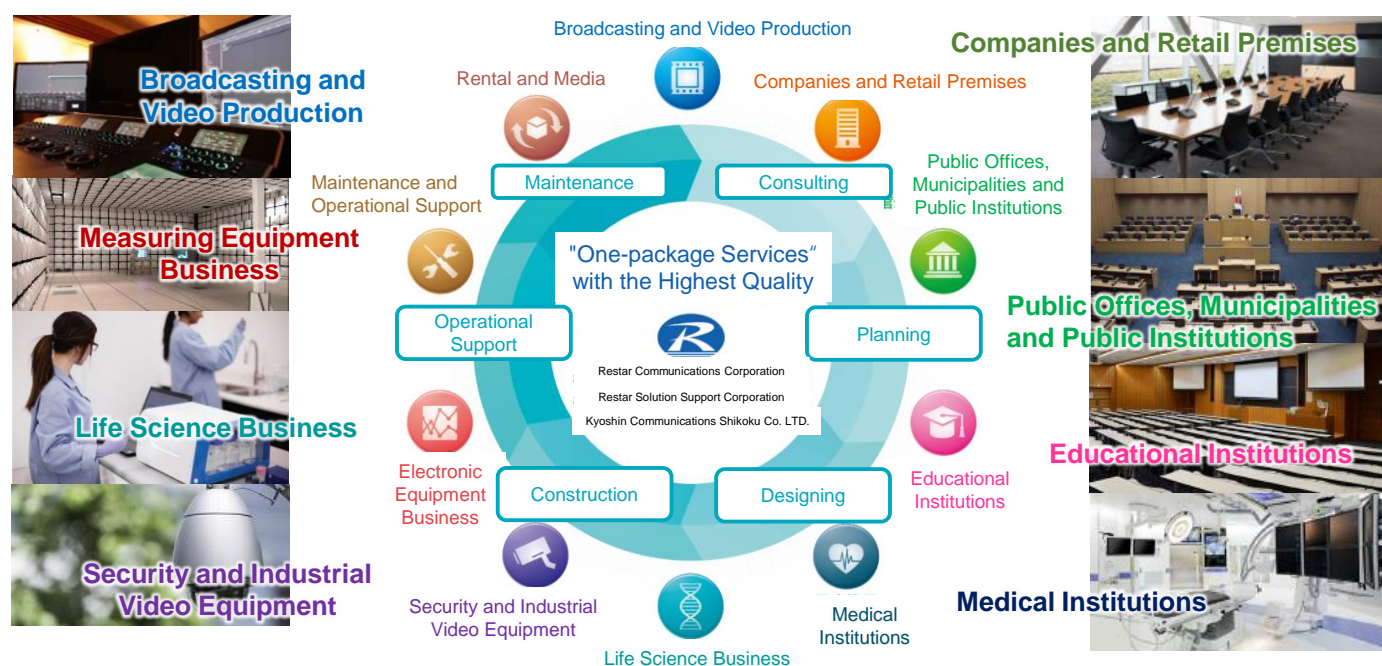
### Electronic Equipment (3.9% of sales / minus 2.1% of segment profit)

For Q1 to Q3 FY03/2023, the Electronic Equipment side (sale and installation of electronic / system equipment) saw sales of ¥14,361m (up 9.7%), segment profit of minus ¥297m (versus minus ¥42m during the same period of the previous year) and segment profit margin of minus 2.1% (down 1.7% points). Meanwhile, for the actual results of Q1 to Q3, sales of electronic equipment came in at ¥11,414m (up 0.6% / 79.5% of total) and sales of system equipment came in at ¥2,946m (up 69.0% / 20.5%).

### Electronic Equipment / Sales Breakdown



### Electronic Equipment / Targeting to Become the Leader of Vision and Sound



Source: Company Data, WRJ Calculation

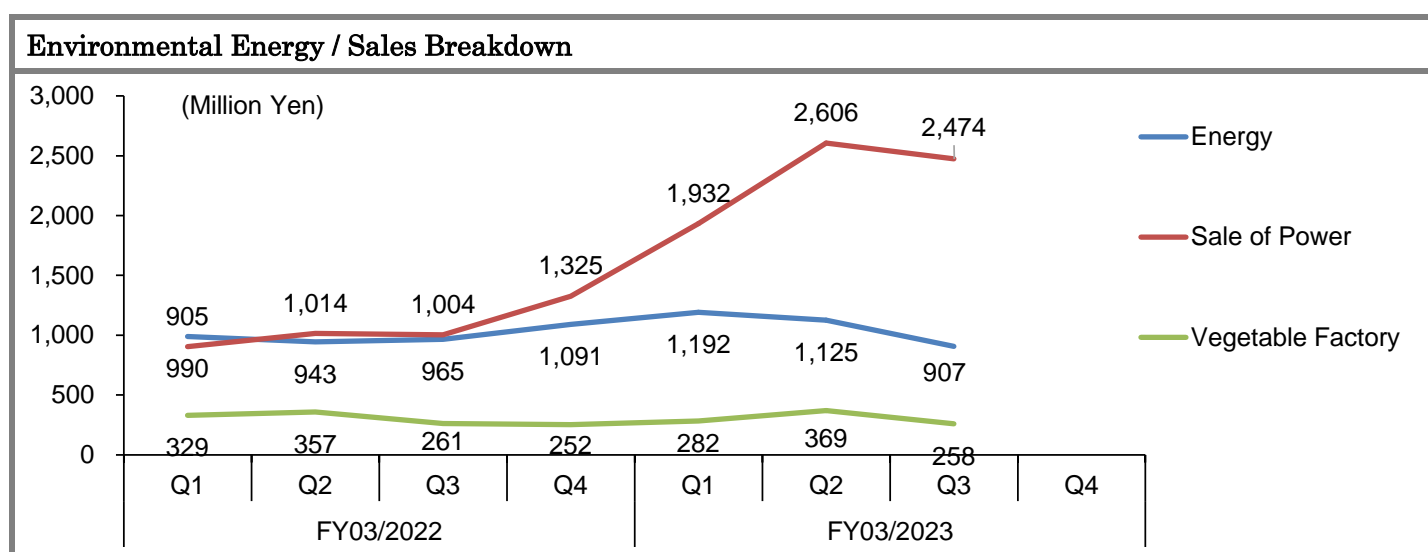


Sales of the mainstay electronic equipment, for which the Company advocates “targeting to become the leader of vision and sound,” have remained almost unchanged over the same period of the previous year due to the ongoing procurement difficulties caused by the shortage of semiconductors, which has delayed the delivery of large-size projects, etc. There was an increase in sales due to the delivery of systems on the occasion of office relocations and growth in sales associated with healthcare, having roughly compensated for decrease in sales as a result of the above-mentioned procurement difficulties, but no more than that. Meanwhile, with respect to system equipment, sales have surged. On top of benefiting from sales of overseas-made payment terminals through Cardservice Inc. newly acquired as consolidated subsidiary, the Company has steadily captured increase in demand for access control terminals for office use and products related to personal identification number authentication.

System equipment is small in terms of sales, but surging sales have brought in an increases in sales on the Electronic Equipment side as a whole. Still, the Company was forced to suffer from increased loss on this side as a whole. The Company notes that purchasing cost was on the rise for system equipment as a result of yen’s depreciation and that it has suffered from unexpected increase in costs for electronic equipment due to an occurrence of additional person-hours required for installation of electronic equipment for a specific project. Consequently, it is suggested that costs have increased faster than sales.

### Environmental Energy (3.0% of sales / minus 2.5% of segment profit)

For Q1 to Q3 FY03/2023, the Environmental Energy side (energy / sale of power / vegetable factory) saw sales of ¥11,146m (up 64.7%), segment profit of minus ¥345m (versus ¥265m during the same period of the previous year) and segment profit margin of minus 3.1% (down 7.0% points). For the actual results of Q1 to Q3, sales of energy (renewable power generation) came in at ¥3,224m (up 11.3% / 28.9% of total), while sales of sale of power (electric power retailing) came in at ¥7,012m (up 139.9% / 62.9%) and sales of vegetable factory (production and sale of vegetables) came in at ¥909m (down 4.0% / 8.2%). With respect to energy (renewable power generation), the Company is exposed to operations to sell electric power to sale of power (electric power retailing) in addition to external sales and sales of the former and the latter, collectively, came in at ¥4,098m (up 7.3%).



Source: Company Data, WRJ Calculation

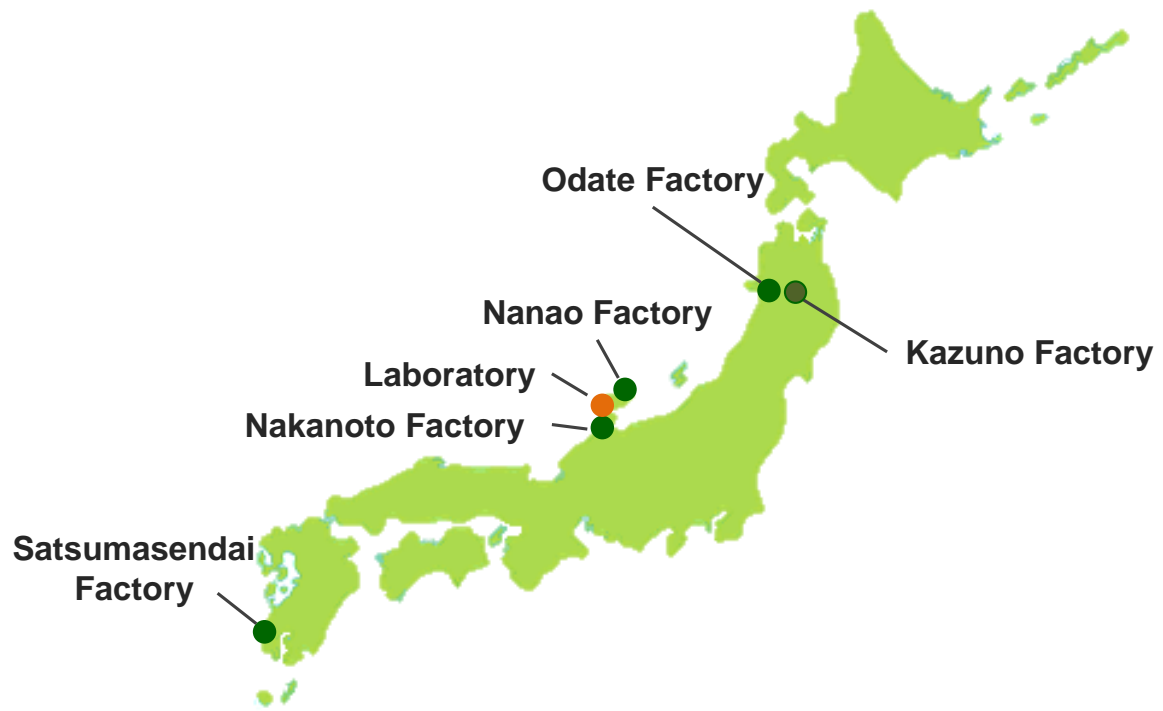
With respect to energy (renewable power generation), the Company is mainly running mega-solar power stations. Sales for Q1 to Q3 have increased in response to increased total power generation as a result of startup of utilization in new facilities of solar-power and wind-power generation in Japan and overseas. For the total power generation by the mainstay mega-solar power stations, the Company says that it saw 184 MW (up 9.4%), comprising 151 MW (up 2.5%) in Japan and 33 MW (up 58.7%) overseas. The Company also says that energy (renewable power generation) is consistently seeing a strength in earnings at the same time. Meanwhile, it is suggested that the total power generation inevitably suffers from a marginal decrease for Q3 (October to December) and Q4 (January to March) due to less sunshine during the relevant periods. Thus, the Company notes that this is one of the reasons why sales of energy (renewable power generation) for Q3 (October to December) declined on a quarter on quarter basis.



With respect to sale of power (electric power retailing), the Company is running operations as a power producer and supplier (PPS). For Q1 to Q3, sales have grown 2.4 times over the same period of the previous year due to continuous capturing of increasing demand for electric power in public offices and other customers. On the other hand, the Company has been forced to post a significant loss due to the steep rise in power procurement prices since the beginning of the fiscal year, which basically accounts for everything of having fallen into the red on the Environmental Energy side as a whole. According to the Company, sales were increasing, while negative marginal profit ratio was just simply persisting in a sense, for Q1 to Q2, but it has begun to make progress in negotiations to raise power selling prices with customers from the beginning of Q3 (October to December). In other words, the Company suggests that the marginal profit ratio has started to make a move from negative to positive to date and the Company is now trying to return to profitability for sale of power (electric power retailing) as soon as possible by means of making a further progress in negotiations to raise power selling prices with customers.

With respect to vegetable factory (production and sale of vegetables), the Company runs five locations of completely closed vegetable factory in Japan as the key operations, where it grows vegetables, represented by green leaf lettuce, for sale. For the actual results of Q1 to Q3, sales have stagnated as it suffered from delays in shipment of new products, while having been re-examining sale destination at the same time. The Company says that it has gradually begun shipping new products, while it appears that re-examining of sale destination is still going on. Meanwhile, it was inevitable to have suffer from deterioration in earnings, given sales decreased. Further, the Company also suffered from a rise in power charges, being exposed to power consumption in the factories.

## Locations of Vegetable Factory



Source: Company Data

## Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	Net Chg.
<b>Sales</b>	<b>91,692</b>	<b>192,616</b>	<b>296,260</b>	<b>399,590</b>	<b>112,552</b>	<b>239,795</b>	<b>367,930</b>	-	<b>+71,670</b>
Cost of Sales	85,452	178,703	274,107	369,407	102,379	218,972	336,088	-	+61,981
Gross Profit	6,240	13,913	22,153	30,183	10,173	20,822	31,841	-	+9,688
SG&A Expenses	4,932	10,495	16,090	22,595	6,105	12,371	18,865	-	+2,775
<b>Operating Profit</b>	<b>1,307</b>	<b>3,417</b>	<b>6,062</b>	<b>7,588</b>	<b>4,067</b>	<b>8,450</b>	<b>12,976</b>	-	<b>+6,914</b>
Non Operating Balance	(29)	(177)	(542)	(877)	(394)	29	(2,324)	-	(1,782)
<b>Recurring Profit</b>	<b>1,278</b>	<b>3,240</b>	<b>5,520</b>	<b>6,711</b>	<b>3,673</b>	<b>8,479</b>	<b>10,652</b>	-	<b>+5,132</b>
Extraordinary Balance	1,709	1,748	1,973	1,825	(107)	(643)	(727)	-	(2,700)
Profit before Income Taxes	2,987	4,988	7,493	8,536	3,566	7,836	9,925	-	+2,432
Total Income Taxes	545	1,091	2,080	2,634	1,301	3,033	3,641	-	+1,561
NP Belonging to Non-Controlling SHs	(79)	(59)	(4)	(54)	28	170	391	-	+395
<b>Profit Attributable to Owners of Parent</b>	<b>2,520</b>	<b>3,956</b>	<b>5,416</b>	<b>5,957</b>	<b>2,236</b>	<b>4,632</b>	<b>5,893</b>	-	<b>+477</b>
Sales YoY	+33.5%	+30.7%	+26.2%	+23.4%	+22.8%	+24.5%	+24.2%	-	-
Operating Profit YoY	+28.7%	+13.5%	+24.1%	+21.6%	+211.0%	+147.3%	+114.0%	-	-
Recurring Profit YoY	+18.1%	+17.5%	+27.0%	+18.0%	+187.4%	+161.7%	+93.0%	-	-
Profit Attributable to Owners of Parent YoY	+238.0%	+99.4%	(25.5%)	+46.9%	(11.3%)	+17.1%	+8.8%	-	-
Gross Profit Margin	6.8%	7.2%	7.5%	7.6%	9.0%	8.7%	8.7%	-	+1.2%
SG&A Ratio	5.4%	5.4%	5.4%	5.7%	5.4%	5.2%	5.1%	-	(0.3%)
Operating Profit Margin	1.4%	1.8%	2.0%	1.9%	3.6%	3.5%	3.5%	-	+1.5%
Recurring Profit Margin	1.4%	1.7%	1.9%	1.7%	3.3%	3.5%	2.9%	-	+1.0%
Profit Attributable to Owners of Parent Margin	2.7%	2.1%	1.8%	1.5%	2.0%	1.9%	1.6%	-	(0.2%)
Total Income Taxes / Profit before Income Taxes	18.2%	21.9%	27.8%	30.9%	36.5%	38.7%	36.7%	-	+8.9%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	Net Chg.
<b>Sales</b>	<b>91,692</b>	<b>100,924</b>	<b>103,644</b>	<b>103,330</b>	<b>112,552</b>	<b>127,243</b>	<b>128,135</b>	-	<b>+24,491</b>
Cost of Sales	85,452	93,251	95,404	95,300	102,379	116,593	117,116	-	+21,712
Gross Profit	6,240	7,673	8,240	8,030	10,173	10,649	11,019	-	+2,779
SG&A Expenses	4,932	5,563	5,595	6,505	6,105	6,266	6,494	-	+899
<b>Operating Profit</b>	<b>1,307</b>	<b>2,110</b>	<b>2,645</b>	<b>1,526</b>	<b>4,067</b>	<b>4,383</b>	<b>4,526</b>	-	<b>+1,881</b>
Non Operating Balance	(29)	(148)	(365)	(335)	(394)	423	(2,353)	-	(1,988)
<b>Recurring Profit</b>	<b>1,278</b>	<b>1,962</b>	<b>2,280</b>	<b>1,191</b>	<b>3,673</b>	<b>4,806</b>	<b>2,173</b>	-	<b>(107)</b>
Extraordinary Balance	1,709	39	225	(148)	(107)	(536)	(84)	-	(309)
Profit before Income Taxes	2,987	2,001	2,505	1,043	3,566	4,270	2,089	-	(416)
Total Income Taxes	545	546	989	554	1,301	1,732	608	-	(381)
NP Belonging to Non-Controlling SHs	(79)	20	55	(50)	28	142	221	-	+166
<b>Profit Attributable to Owners of Parent</b>	<b>2,520</b>	<b>1,436</b>	<b>1,460</b>	<b>541</b>	<b>2,236</b>	<b>2,396</b>	<b>1,261</b>	-	<b>(199)</b>
Sales YoY	+33.5%	+28.3%	+18.4%	+16.1%	+22.8%	+26.1%	+23.6%	-	-
Operating Profit YoY	+28.7%	+5.7%	+41.3%	+12.7%	+211.0%	+107.7%	+71.1%	-	-
Recurring Profit YoY	+18.1%	+17.1%	+43.5%	(11.3%)	+187.4%	+145.0%	(4.7%)	-	-
Profit Attributable to Owners of Parent YoY	+238.0%	+16.0%	(72.4%)	-	(11.3%)	+66.9%	(13.6%)	-	-
Gross Profit Margin	6.8%	7.6%	8.0%	7.8%	9.0%	8.4%	8.6%	-	+0.6%
SG&A Ratio	5.4%	5.5%	5.4%	6.3%	5.4%	4.9%	5.1%	-	(0.3%)
Operating Profit Margin	1.4%	2.1%	2.6%	1.5%	3.6%	3.4%	3.5%	-	+1.0%
Recurring Profit Margin	1.4%	1.9%	2.2%	1.2%	3.3%	3.8%	1.7%	-	(0.5%)
Profit Attributable to Owners of Parent Margin	2.7%	1.4%	1.4%	0.5%	2.0%	1.9%	1.0%	-	(0.4%)
Total Income Taxes / Profit before Income Taxes	18.2%	27.3%	39.5%	53.1%	36.5%	40.6%	29.1%	-	(10.4%)

Source: Company Data, WRJ Calculation

## Segmented Information (Cumulative / Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		Net Chg.
Semiconductors & Electronic Components	65,828	139,628	215,433	288,078	84,025	174,939	262,628	-		+47,195
Procurement	19,960	39,577	60,969	81,527	21,905	47,640	79,794	-		+18,825
Electronic Equipment	3,678	8,870	13,089	20,546	3,214	9,707	14,361	-		+1,272
Environmental Energy	2,224	4,539	6,768	9,437	3,407	7,506	11,146	-		+4,378
<b>Sales</b>	<b>91,692</b>	<b>192,616</b>	<b>296,260</b>	<b>399,590</b>	<b>112,552</b>	<b>239,795</b>	<b>367,930</b>	-		<b>+71,670</b>
Semiconductors & Electronic Components	1,597	3,469	6,232	7,883	3,835	7,679	11,912	-		+5,680
Procurement	185	241	517	798	661	1,666	2,636	-		+2,119
Electronic Equipment	(206)	33	(42)	426	(376)	(166)	(297)	-		(255)
Environmental Energy	198	346	265	236	51	(498)	(345)	-		(610)
<b>Segment Profit</b>	<b>1,775</b>	<b>4,091</b>	<b>6,973</b>	<b>9,344</b>	<b>4,172</b>	<b>8,682</b>	<b>13,905</b>	-		<b>+6,932</b>
Adjustment	(467)	(673)	(910)	(1,756)	(104)	(231)	(928)	-		(18)
<b>Operating Profit</b>	<b>1,307</b>	<b>3,417</b>	<b>6,062</b>	<b>7,588</b>	<b>4,067</b>	<b>8,450</b>	<b>12,976</b>	-		<b>+6,914</b>
Semiconductors & Electronic Components	2.4%	2.5%	2.9%	2.7%	4.6%	4.4%	4.5%	-		+1.6%
Procurement	0.9%	0.6%	0.8%	1.0%	3.0%	3.5%	3.3%	-		+2.5%
Electronic Equipment	(5.6%)	0.4%	(0.3%)	2.1%	(11.7%)	(1.7%)	(2.1%)	-		(1.7%)
Environmental Energy	8.9%	7.6%	3.9%	2.5%	1.5%	(6.6%)	(3.1%)	-		(7.0%)
<b>Segment Profit Margin</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>3.7%</b>	<b>3.6%</b>	<b>3.8%</b>	-		<b>+1.4%</b>
Adjustment	(0.5%)	(0.3%)	(0.3%)	(0.4%)	(0.1%)	(0.1%)	(0.3%)	-		+0.1%
<b>Operating Profit Margin</b>	<b>1.4%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>3.6%</b>	<b>3.5%</b>	<b>3.5%</b>	-		<b>+1.5%</b>

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		Net Chg.
Semiconductors & Electronic Components	65,828	73,800	75,805	72,645	84,025	90,914	87,689	-		+11,884
Procurement	19,960	19,617	21,392	20,558	21,905	25,735	32,154	-		+10,762
Electronic Equipment	3,678	5,192	4,219	7,457	3,214	6,493	4,654	-		+435
Environmental Energy	2,224	2,315	2,229	2,669	3,407	4,099	3,640	-		+1,411
<b>Sales</b>	<b>91,692</b>	<b>100,924</b>	<b>103,644</b>	<b>103,330</b>	<b>112,552</b>	<b>127,243</b>	<b>128,135</b>	-		<b>+24,491</b>
Semiconductors & Electronic Components	1,597	1,872	2,763	1,651	3,835	3,844	4,233	-		+1,470
Procurement	185	56	276	281	661	1,005	970	-		+694
Electronic Equipment	(206)	239	(75)	468	(376)	210	(131)	-		(56)
Environmental Energy	198	148	(81)	(29)	51	(549)	153	-		+234
<b>Segment Profit</b>	<b>1,775</b>	<b>2,316</b>	<b>2,882</b>	<b>2,371</b>	<b>4,172</b>	<b>4,510</b>	<b>5,223</b>	-		<b>+2,341</b>
Adjustment	(467)	(206)	(237)	(846)	(104)	(127)	(697)	-		(460)
<b>Operating Profit</b>	<b>1,307</b>	<b>2,110</b>	<b>2,645</b>	<b>1,526</b>	<b>4,067</b>	<b>4,383</b>	<b>4,526</b>	-		<b>+1,881</b>
Semiconductors & Electronic Components	2.4%	2.5%	3.6%	2.3%	4.6%	4.2%	4.8%	-		+1.2%
Procurement	0.9%	0.3%	1.3%	1.4%	3.0%	3.9%	3.0%	-		+1.7%
Electronic Equipment	(5.6%)	4.6%	(1.8%)	6.3%	(11.7%)	3.2%	(2.8%)	-		(1.0%)
Environmental Energy	8.9%	6.4%	(3.6%)	(1.1%)	1.5%	(13.4%)	4.2%	-		+7.8%
<b>Segment Profit Margin</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.8%</b>	<b>2.3%</b>	<b>3.7%</b>	<b>3.5%</b>	<b>4.1%</b>	-		<b>+1.3%</b>
Adjustment	(0.5%)	(0.2%)	(0.2%)	(0.8%)	(0.1%)	(0.1%)	(0.5%)	-		(0.3%)
<b>Operating Profit Margin</b>	<b>1.4%</b>	<b>2.1%</b>	<b>2.6%</b>	<b>1.5%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.5%</b>	-		<b>+1.0%</b>

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	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	Net Chg.
Cash & Deposit	34,222	32,337	33,286	33,438	39,828	28,517	30,066	-	(3,220)
Accounts Receivables	74,610	77,523	83,901	84,840	93,422	102,967	93,871	-	+9,970
Inventory	37,173	43,286	51,372	54,402	68,785	73,476	80,471	-	+29,099
Other	12,493	12,489	12,191	12,845	20,055	16,533	21,662	-	+9,471
<b>Current Assets</b>	<b>158,498</b>	<b>165,635</b>	<b>180,750</b>	<b>185,525</b>	<b>222,090</b>	<b>221,493</b>	<b>226,070</b>	-	<b>+45,320</b>
Tangible Assets	20,399	24,966	26,915	26,862	28,624	27,055	27,444	-	+529
Intangible Assets	11,296	11,063	10,806	11,362	11,628	11,320	10,941	-	+135
Investments & Other Assets	14,521	15,068	14,908	18,207	18,924	19,172	20,086	-	+5,178
<b>Fixed Assets</b>	<b>46,217</b>	<b>51,098</b>	<b>52,630</b>	<b>56,432</b>	<b>59,177</b>	<b>57,548</b>	<b>58,473</b>	-	<b>+5,843</b>
<b>Total Assets</b>	<b>204,715</b>	<b>216,734</b>	<b>233,380</b>	<b>241,958</b>	<b>281,268</b>	<b>279,042</b>	<b>284,543</b>	-	<b>+51,163</b>
Accounts Payables	52,068	57,543	57,159	51,581	58,881	59,333	56,612	-	(547)
Short Term Debt	42,207	51,574	65,114	76,489	104,714	95,932	99,718	-	+34,604
Other	12,948	10,504	11,686	11,276	14,488	16,202	19,451	-	+7,765
<b>Current Liabilities</b>	<b>107,223</b>	<b>119,621</b>	<b>133,959</b>	<b>139,346</b>	<b>178,083</b>	<b>171,467</b>	<b>175,781</b>	-	<b>+41,822</b>
Long Term Debt	5,593	5,424	5,223	7,805	8,533	11,488	11,848	-	+6,625
Lease Debt	8,445	8,203	7,982	7,757	7,644	7,439	7,249	-	(733)
Other	5,739	5,540	5,354	5,392	5,433	5,370	5,447	-	+93
<b>Fixed Liabilities</b>	<b>19,777</b>	<b>19,167</b>	<b>18,559</b>	<b>20,954</b>	<b>21,610</b>	<b>24,297</b>	<b>24,544</b>	-	<b>+5,985</b>
<b>Total Liabilities</b>	<b>127,001</b>	<b>138,789</b>	<b>152,519</b>	<b>160,301</b>	<b>199,694</b>	<b>195,765</b>	<b>200,326</b>	-	<b>+47,807</b>
<b>Shareholders' Equity</b>	<b>71,512</b>	<b>72,951</b>	<b>74,170</b>	<b>74,773</b>	<b>75,082</b>	<b>78,519</b>	<b>78,426</b>	-	<b>+4,256</b>
Other	6,202	4,993	6,691	6,884	6,492	4,758	5,791	-	(900)
<b>Net Assets</b>	<b>77,714</b>	<b>77,944</b>	<b>80,861</b>	<b>81,657</b>	<b>81,574</b>	<b>83,277</b>	<b>84,217</b>	-	<b>+3,356</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>204,715</b>	<b>216,734</b>	<b>233,380</b>	<b>241,958</b>	<b>281,268</b>	<b>279,042</b>	<b>284,543</b>	-	<b>+51,163</b>
Equity Capital	74,097	75,381	76,878	77,586	77,499	79,076	79,758	-	+2,880
Interest Bearing Debt	47,800	56,998	70,337	84,294	113,247	107,420	111,566	-	+41,229
Net Debt	13,578	24,661	37,051	50,856	73,419	78,903	81,500	-	+44,449
Equity Ratio	36.2%	34.8%	32.9%	32.1%	27.6%	28.3%	28.0%	-	-
Net Debt Equity Ratio	18.3%	32.7%	48.2%	65.5%	94.7%	99.8%	102.2%	-	-
ROE (12 months)	8.1%	8.2%	2.9%	7.9%	7.5%	8.6%	8.2%	-	-
ROA (12 months)	3.0%	3.1%	3.3%	3.1%	3.7%	4.8%	4.6%	-	-
Days for Inventory Turnover	40	42	49	52	61	58	63	-	-
Quick Ratio	102%	92%	87%	85%	75%	77%	71%	-	-
Current Ratio	148%	138%	135%	133%	125%	129%	129%	-	-

Source: Company Data, WRJ Calculation

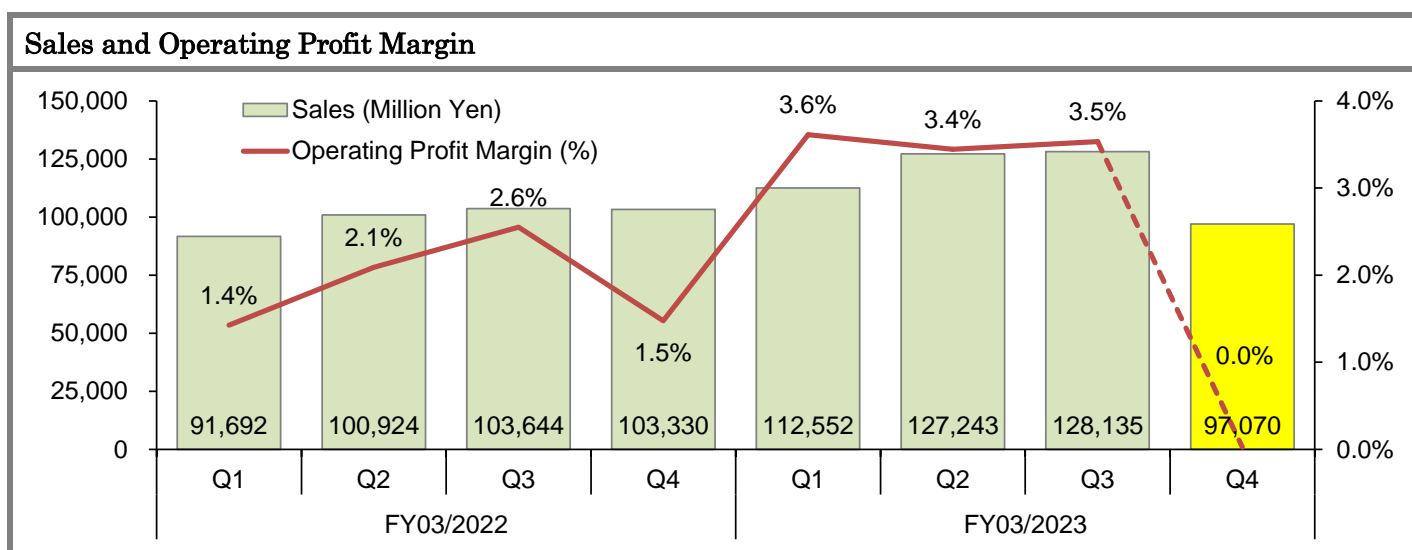
## Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	Net Chg.
Operating Cash Flow	-	(7,711)	-	(26,625)	-	(16,251)	-	-	-
Investing Cash Flow	-	(8,853)	-	(16,167)	-	(875)	-	-	-
<b>Operating CF and Investing CF</b>	<b>-</b>	<b>(16,564)</b>	<b>-</b>	<b>(42,792)</b>	<b>-</b>	<b>(17,126)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financing Cash Flow	-	8,583	-	34,488	-	10,658	-	-	-

Source: Company Data, WRJ Calculation

### FY03/2023 Company Forecasts

FY03/2023 Company forecasts (announced on 10 November 2022) have remained unchanged, going for prospective sales of ¥465,000m (up 16.4% YoY), operating profit of ¥13,000m (up 71.3%), recurring profit of ¥12,000m (up 78.8%) and profit attributable to owners of parent of ¥7,000m (up 17.5%), while operating profit margin of 2.8% (up 0.9% points). At the same time, Company forecasts have remained also unchanged for planned annual dividend, going for ¥100.00 per share (ordinary dividend only: ¥40.00 as of the end of Q2 and ¥60.00 as of the end of Q4), implying payout ratio of 43.0%. The planned dividend has remained unchanged also in term of comparison with the actual results for FY03/2022, i.e., ¥100.00 per share, comprising ¥85.00 of ordinary dividend, ¥5.00 of commemorative dividend and ¥10.00 of special dividend. Thus, as far as ordinary dividend is concerned, the Company is going for an increase of ¥15.00.



Source: Company Data, WRJ Calculation

Compared with initial Company forecasts (announced on 11 May 2022), prospective sales have been upgraded by ¥20,000m (4.5%) and by ¥4,500m (52.9%) for operating profit. By the way, planned annual dividend has been upgraded by ¥10.00 from ¥90.00 to ¥100.00 as above-mentioned. Meanwhile, the Company suggests that the reason for the upgrade is that the actual results for Q1 to Q2 were significantly better than assumptions (undisclosed) of initial Company forecasts as well as that there is an aspect of having upgraded full-year Company forecasts to a corresponding extent. Consequently, it appears that assumptions for H2 have effectively unchanged from those of initial Company forecasts.

More importantly, the Company saw a high rate of progress in the actual results for Q1 to Q3 in terms of comparison with assumptions in the current full-year Company forecasts, i.e., 79.1% in sales and 99.8% in operating profit, implying a considerably high rate of progress for earnings. The Company suggests that the effect of yen's depreciation tended to rather accelerate for Q3 (October to December), which appears to have significantly contributed to the performance. Still, the Company is taking a cautious stance with respect to trading for Q4 (January to March). The Company suggests that the supply-demand situation for semiconductors has begun to show a mixed sentiment sector to sector and this has led to a situation that it suffers from its inventory accumulated. In our estimate, days for inventory turnover stood at 52 as of the beginning of the fiscal year versus 63 as of the end of Q3.

## FY03/2023 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY03/2023CoE	11-May-22	Q4 Results	445,000	8,500	7,500	6,000
FY03/2023CoE	10-Aug-22	Q1 Results	445,000	8,500	7,500	6,000
FY03/2023CoE	10-Nov-22	Q2 Results	465,000	13,000	12,000	7,000
		Amount of Gap	20,000	4,500	4,500	1,000
		Rate of Gap	4.5%	52.9%	60.0%	16.7%
FY03/2023CoE	9-Feb-23	Q3 Results	465,000	13,000	12,000	7,000
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY03/2023CoE	11-May-22	Q4 Results	445,000	8,500	7,500	6,000
FY03/2023CoE	9-Feb-23	Q3 Results	465,000	13,000	12,000	7,000
		Amount of Gap	20,000	4,500	4,500	1,000
		Rate of Gap	4.5%	52.9%	60.0%	16.7%
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY03/2023CoE	11-May-22	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2023CoE	10-Aug-22	Q1 Results	-	-	-	-
Q1 to Q2 FY03/2023Act	10-Nov-22	Q2 Results	239,795	8,450	8,479	4,632
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY03/2023CoE	11-May-22	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2023Act	10-Nov-22	Q2 Results	239,795	8,450	8,479	4,632
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY03/2023CoE	11-May-22	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2023CoE	10-Aug-22	Q1 Results	-	-	-	-
Q3 to Q4 FY03/2023CoE	10-Nov-22	Q2 Results	225,205	4,550	3,521	2,368
Q3 to Q4 FY03/2023CoE	9-Feb-23	Q3 Results	225,205	4,550	3,521	2,368
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q3 to Q4 FY03/2023CoE	11-May-22	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2023CoE	9-Feb-23	Q3 Results	225,205	4,550	3,521	2,368
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-

Source: Company Data, WRJ Calculation

## 5.0 Financial Statements

### Income Statement

Income Statement	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
<b>Sales</b>	<b>301,449</b>	<b>205,771</b>	<b>379,548</b>	<b>323,815</b>	<b>399,590</b>	<b>465,000</b>	<b>+65,410</b>
Cost of Sales	285,678	190,257	353,897	298,693	369,407	-	-
Gross Profit	15,771	15,513	25,651	25,122	30,183	-	-
SG&A Expenses	11,386	11,005	19,013	18,883	22,595	-	-
<b>Operating Profit</b>	<b>4,384</b>	<b>4,508</b>	<b>6,637</b>	<b>6,238</b>	<b>7,588</b>	<b>13,000</b>	<b>+5,412</b>
Non Operating Balance	(476)	(310)	2,388	(549)	(877)	(1,000)	(123)
<b>Recurring Profit</b>	<b>3,908</b>	<b>4,198</b>	<b>9,025</b>	<b>5,689</b>	<b>6,711</b>	<b>12,000</b>	<b>+5,289</b>
Extraordinary Balance	(642)	(1,252)	(1,007)	(1,355)	1,825	-	-
Profit before Income Taxes	3,266	2,946	8,018	4,334	8,536	-	-
Total Income Taxes	1,098	701	2,321	752	2,634	-	-
longing to Non-Controlling SHs	38	52	(25)	(472)	(54)	-	-
<b>Profit Attributable to Owners of Parent</b>	<b>2,129</b>	<b>2,192</b>	<b>5,722</b>	<b>4,054</b>	<b>5,957</b>	<b>7,000</b>	<b>+1,043</b>
Sales YoY	-	(31.7%)	+84.5%	(14.7%)	+23.4%	+16.4%	-
Operating Profit YoY	-	+2.8%	+47.2%	(6.0%)	+21.6%	+71.3%	-
Recurring Profit YoY	-	+7.4%	+115.0%	(37.0%)	+18.0%	+78.8%	-
Profit Attributable to Owners of Parent YoY	-	+3.0%	+161.0%	(29.1%)	+46.9%	+17.5%	-
Profit Margin	5.2%	7.5%	6.8%	7.8%	7.6%	-	-
Ratio	3.8%	5.3%	5.0%	5.8%	5.7%	-	-
Operating Profit Margin	1.5%	2.2%	1.7%	1.9%	1.9%	2.8%	+0.9%
Operating Profit Margin	1.3%	2.0%	2.4%	1.8%	1.7%	2.6%	+0.9%
Profit Attributable to Owners of Parent Margin	0.7%	1.1%	1.5%	1.3%	1.5%	1.5%	+0.01%
Total Income Taxes / Profit before Income Taxes	33.6%	23.8%	28.9%	17.4%	30.9%	-	-

Source: Company Data, WRJ Calculation

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### Segmented Information

Segmented Information	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
Semiconductors & Electronic Components	-	185,287	273,530	223,896	288,078	-	-
Procurement	-	-	73,376	71,101	81,527	-	-
Electronic Equipment	-	20,483	21,753	19,444	20,546	-	-
Environmental Energy	-	-	10,883	9,370	9,437	-	-
Adjustment	-	-	4	2	-	-	-
<b>Sales</b>	<b>301,449</b>	<b>205,771</b>	<b>379,548</b>	<b>323,815</b>	<b>399,590</b>	<b>465,000</b>	<b>+65,410</b>
Semiconductors & Electronic Components	-	3,955	4,406	6,719	7,883	-	-
Procurement	-	-	386	(127)	798	-	-
Electronic Equipment	-	739	1,060	818	426	-	-
Environmental Energy	-	-	580	(344)	236	-	-
<b>Segment Profit</b>	<b>-</b>	<b>4,694</b>	<b>6,434</b>	<b>7,065</b>	<b>9,344</b>	<b>-</b>	<b>-</b>
Adjustment	-	(186)	203	(826)	(1,756)	-	-
<b>Operating Profit</b>	<b>4,384</b>	<b>4,508</b>	<b>6,637</b>	<b>6,238</b>	<b>7,588</b>	<b>13,000</b>	<b>+5,412</b>
Semiconductors & Electronic Components	-	2.1%	1.6%	3.0%	2.7%	-	-
Procurement	-	-	0.5%	(0.2%)	1.0%	-	-
Electronic Equipment	-	3.6%	4.9%	4.2%	2.1%	-	-
Environmental Energy	-	-	5.3%	(3.7%)	2.5%	-	-
<b>Segment Profit Margin</b>	<b>-</b>	<b>2.3%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-</b>	<b>-</b>
Adjustment	-	(0.1%)	0.1%	(0.3%)	(0.4%)	-	-
<b>Operating Profit Margin</b>	<b>1.5%</b>	<b>2.2%</b>	<b>1.7%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>2.8%</b>	<b>+0.9%</b>

Source: Company Data, WRJ Calculation



## Balance Sheet

Balance Sheet	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
Cash & Deposit	18,162	13,511	21,195	40,203	33,438	-	-
Accounts Receivables	62,165	50,583	71,777	65,606	84,840	-	-
Inventory	22,459	20,983	35,571	29,942	54,402	-	-
Other	4,640	3,212	5,394	10,382	12,845	-	-
<b>Current Assets</b>	<b>107,426</b>	<b>88,289</b>	<b>133,937</b>	<b>146,133</b>	<b>185,525</b>	-	-
Tangible Assets	3,100	3,219	20,442	19,404	26,862	-	-
Intangible Assets	263	416	13,329	11,560	11,362	-	-
Investments & Other Assets	5,353	5,434	29,343	13,288	18,207	-	-
<b>Fixed Assets</b>	<b>8,717</b>	<b>9,071</b>	<b>63,116</b>	<b>44,252</b>	<b>56,432</b>	-	-
<b>Total Assets</b>	<b>116,144</b>	<b>97,361</b>	<b>197,053</b>	<b>190,385</b>	<b>241,958</b>	-	-
Accounts Payables	32,554	25,130	42,826	44,878	51,581	-	-
Short Term Debt	37,818	28,095	50,494	39,262	76,489	-	-
Other	4,966	4,653	10,112	9,955	11,276	-	-
<b>Current Liabilities</b>	<b>75,338</b>	<b>57,878</b>	<b>103,432</b>	<b>94,095</b>	<b>139,346</b>	-	-
Long Term Debt	-	-	4,765	5,602	7,805	-	-
Lease Debt	199	221	9,603	8,696	7,757	-	-
Other	837	403	5,484	5,733	5,392	-	-
<b>Fixed Liabilities</b>	<b>1,036</b>	<b>624</b>	<b>19,852</b>	<b>20,031</b>	<b>20,954</b>	-	-
<b>Total Liabilities</b>	<b>76,375</b>	<b>58,502</b>	<b>123,285</b>	<b>114,127</b>	<b>160,301</b>	-	-
<b>Shareholders' Equity</b>	<b>34,918</b>	<b>35,657</b>	<b>68,779</b>	<b>70,476</b>	<b>74,773</b>	-	-
Other	4,850	3,201	4,989	5,782	6,884	-	-
<b>Net Assets</b>	<b>39,768</b>	<b>38,858</b>	<b>73,768</b>	<b>76,258</b>	<b>81,657</b>	-	-
<b>Total Liabilities &amp; Net Assets</b>	<b>116,144</b>	<b>97,361</b>	<b>197,053</b>	<b>190,385</b>	<b>241,958</b>	-	-
Equity Capital	39,337	38,397	70,384	73,401	77,586	-	-
Interest Bearing Debt	37,818	28,095	55,259	44,864	84,294	-	-
Net Debt	19,656	14,584	34,064	4,661	50,856	-	-
Equity Ratio	33.9%	39.4%	35.7%	38.6%	32.1%	-	-
Net Debt Equity Ratio	50.0%	38.0%	48.4%	6.4%	65.5%	-	-
ROE (12 months)	5.6%	5.6%	8.3%	5.6%	7.9%	-	-
ROA (12 months)	3.3%	3.9%	4.8%	2.9%	3.1%	-	-
Days for Inventory Turnover	29	40	37	37	54	-	-
Quick Ratio	107%	111%	90%	112%	85%	-	-
Current Ratio	143%	153%	129%	155%	133%	-	-

Source: Company Data, WRJ Calculation

## Cash Flow Statement

Cash Flow Statement	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
Operating Cash Flow	(3,793)	10,067	16,591	20,133	(26,625)	-	-
Investing Cash Flow	(176)	(1,199)	(16,386)	13,542	(16,167)	-	-
<b>Operating CF and Investing CF</b>	<b>(3,969)</b>	<b>8,868</b>	<b>205</b>	<b>33,675</b>	<b>(42,792)</b>	-	-
Financing Cash Flow	2,247	(13,133)	2,683	(15,337)	34,488	-	-

Source: Company Data, WRJ Calculation

## Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act FY 03/2018	Cons.Act FY 03/2019	Cons.Act FY 03/2020	Cons.Act FY 03/2021	Cons.Act FY 03/2022	Cons.CoE FY 03/2023	YoY Net Chg.
No. of Shares FY End (thousand shares)	15,700	15,700	30,073	30,073	30,073	-	-
Earnings (thousand shares)	15,696	15,692	30,064	30,063	30,068	-	-
Treasury Shares FY End (thousand shares)	3	4	4	4	4	-	-
Earnings per Share	135.64	139.69	190.33	134.85	198.12	232.80	-
Earnings per Share (fully diluted)	-	-	-	-	197.31	-	-
Book Value per Share	2,506.08	2,446.29	2,340.78	2,441.16	2,580.33	-	-
Dividend per Share	60.00	100.00	80.00	85.00	100.00	100.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act FY 03/2018	Cons.Act FY 03/2019	Cons.Act FY 03/2020	Cons.Act FY 03/2021	Cons.Act FY 03/2022	Cons.CoE FY 03/2023	YoY Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings per Share	135.64	139.69	190.33	134.85	198.12	232.80	-
Book Value per Share	2,506.08	2,446.29	2,340.78	2,441.16	2,580.33	-	-
Dividend per Share	60.00	100.00	80.00	85.00	100.00	100.00	-
Payout Ratio	44.2%	71.6%	42.0%	63.0%	50.5%	43.0%	-

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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