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August 29, 2022

Company Name	Restar Holdings Corporation (Code: 3156 Tokyo Stock Exchange Prime Market)
Name of Representative	Tomoharu Asaka, Representative Director
Contact Information	Susumu Nishima, Corporate Executive Officer (Tel.: 03-3458-4619)

Notice Concerning Formulation of Recurrence Prevention Measures

As described in the “Notice Concerning the Receipt of the Investigation Report by the Special Investigation Committee” dated July 28, 2022, we received an investigation report from the Special Investigation Committee stating that there has been a compliance violation at one of our overseas subsidiaries in transactions with a local company run by a relative of an employee (hereinafter referred to as this “Case”). We have sincerely taken the recommendations for measures to prevent recurrence suggested in the investigation report, and have been examining specific measures to prevent recurrence.

We hereby inform that the Board of Directors has resolved to take measures, etc., to prevent the recurrence of similar incidents at a meeting held today.

Description

1. Measures to prevent recurrence

- (1) Establishment of an appropriate internal control system at overseas subsidiaries
 - i In addition to clarifying the principle of prohibition of transactions involving conflicts of interest by employees in related regulations, such as rules of employment, we have introduced company-wide rules to confirm in advance the relationship with an employee in charge of transactions (including whether the relevant supplier is a close relative of such employee) in supplier audits, and are working to prevent the recurrence of transactions involving conflicts of interest by employees.
 - ii By enhancing the Compliance Manual in light of the details of this Case, we will ensure that all employees, including officers and employees, are fully aware that conflicts of interest are violations of compliance. Moreover, we regularly send out messages about compliance from management to raise awareness of compliance throughout the company.

iii We will strengthen the functions of the monitoring department. Specifically, we will strengthen the personnel structure of the Internal Audit Office and shorten the period of audit rotation for all audit targets. In addition, the Audit and Supervisory Committee, the Internal Audit Office, and the Internal Control Office will discuss the degree of importance in selecting targets for audits, and place importance not only on the scale of business but also on a risk-based perspective. As to companies for which information gathered from various meeting bodies and other sources indicate that there has been a change that has a significant impact on the level of risk, we will review the degree of importance each time even during the fiscal year and change the audit plan as necessary.

(2) Positioning of overseas subsidiaries in the Group and outlining the control system

We will review again the positioning of the organization of each subsidiary and the details of its business operations, and reestablish a more appropriate reporting line. Specifically, taking into account the organizational position of the subsidiary involved in this Case and the details of its business operations, we will develop regulations to ensure a more appropriate reporting line and strengthen group governance.

(3) Reporting system for when a compliance violation is detected

We will strive to reform the way internal information is shared and the awareness through education in suspicious compliance cases. As a response to suspected compliance violations, we will once again thoroughly implement the management of the Compliance Committee in accordance with regulations. Furthermore, we will establish the way internal information is shared in accordance with the nature of suspicious compliance, and if there is a possibility of a case involving financial settlements, we will promptly share the information with the accounting department and ensure that persons involved are fully informed, including providing education to them.

(4) Awareness reform and education of the Group officers and employees and those in charge of accounting

We will promote re-education of officers and employees in the accounting department as well as all employees in relation to the Standard for Handling Fraud Risk in Audits. Through re-education, we will, as an organization, improve the awareness reform of our financial settlement operations related to addressing fraud risks.

2. Voluntary return of officer remuneration, etc.

At the meeting of our Board of Directors held today, an offer was made for the voluntary return of remuneration. Since this Case was related to the financial results for the fiscal year ended March 2022, the positions described below are those as of March 31, 2022.

One Representative Director:

10% of the monthly officers' remuneration for two months

Two Directors (Full-time Audit and Supervisory Committee Members):

10% of the monthly officers' remuneration for one month

We deeply apologize to our shareholders, investors, market participants, business partners, and all other

stakeholders for causing great concern and inconvenience. Going forward, we will strive to regain the trust of our stakeholders by promptly implementing measures to prevent recurrence.