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May 26, 2023

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| 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.: 03-3458-4618) |

Notice Concerning Decision on Basic Policy for Transition from a Pure Holding Company to an Operating Company through a Merger with the Company's Consolidated Subsidiaries

The Company hereby announces that at a meeting of the Board of Directors held today, it resolved on the basic policy for transitioning from a pure holding company to an operating company through an absorption-type merger with its wholly-owned domestic subsidiaries, primarily Restar Electronics Corporation (“REC”), Restar Communications Corporation (“RCC”), and Vitec Enesta Co., Ltd. (“VET”), in which the Company will be the surviving company (“the Merger”) as follows.

As the Merger is a simplified absorption-type merger involving consolidated subsidiaries, certain disclosures and details have been omitted.

Details

1. Reasons and Objectives for Determining the Basic Policy

Since the management integration in April 2019, the Restar Group has pursued business based on the spin-off structure in which the Company is a pure holding company under the vision of “We aim to be “the Electronics Value Platformer” that accommodates all manner of stakeholder needs” with a Group-wide mission that is “We help society evolve by leveraging information and technology to create and deliver new value and services.” The post-integration merger of businesses has proceeded smoothly, and there has also been progress in business expansion, including the implementation and realization of inter-business synergies, a key strategy, in various areas.

On the other hand, function overlap and human resource shortages have also become apparent, and we believe that it is important to optimize the Group's organization and transform its earnings structure to respond to the rapidly changing business environment surrounding the Group.

In order to further accelerate efforts to increase corporate value and to start a growth phase to realize the Company's vision based on a medium- to long-term future orientation, it is essential to restructure the business through the Merger, and the basic policy has been decided to study the optimal structure for each business and function.

The Group will optimize the allocation of human resources and other management resources, transform its earnings structure, speed up decision-making, manage businesses flexibly, and expand businesses through M&A, with the aim of increasing the Group's corporate value over the medium to long term.

We will continue to consider the restructuring of the business with a target date of April 1, 2024, including the absorption-type merger of other wholly-owned domestic subsidiaries. The new structure of the Group aimed at optimizing management resources and maximizing business synergies will be disclosed once it has been determined.

2. Summary of the Merger
 (1) Schedule for the Merger

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|-----------------------------|--|
| May 26, 2023 (today) | Resolution by Board of Directors on basic policy |
| August 29, 2023 (scheduled) | Resolution by Board of Directors on conclusion of absorption-type merger agreement (determination of companies involved in the absorption-type merger) |
| August 29, 2023 (scheduled) | Conclusion of absorption-type merger agreement |
| April 1, 2024 (scheduled) | Effectuation of absorption-type merger |

Note: Since the Merger falls under the category of a simplified merger as defined in Article 796, Paragraph 2 of the Companies Act and the three wholly-owned subsidiaries fall under the category of a short-form merger as defined in Article 784, Paragraph 1 of the same Act, the Merger will be conducted without obtaining the approval of a general meeting of shareholders of the surviving and dissolving companies for the merger agreement.

(2) Method of the Merger

The Merger is an absorption-type merger in which the Company will be the surviving company and its wholly-owned subsidiaries, primarily REC, RCC, and VET, will be the dissolving companies.

(3) Details of Allotment Related to the Merger

The Merger will be conducted with wholly-owned subsidiaries, and no new shares will be issued and no money, etc. will be delivered.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Merger

Not applicable.

3. Overview of the Companies Involved in the Merger Under the Basic Policy (as of March 31, 2023)

| | Surviving company | Dissolving company |
|--|---|---|
| (1) Name | Restar Holdings Corporation | Restar Electronics Corporation |
| (2) Address | 3-6-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo | 2-10-9 Konan, Minato-ku, Tokyo |
| (3) Name and title of representative | Tomoharu Asaka, Representative Director | Hideya Yamaguchi, President |
| (4) Business details | Holding company | Sale of electronic components |
| (5) Capital | 4,383 million yen | 310 million yen |
| (6) Date of establishment | October 1, 2009 | May 1, 2015 |
| (7) Number of issued shares | 30,072,643 shares | 10,000 shares |
| (8) Fiscal year-end | March | March |
| (9) Major shareholders and shareholding ratios | KMF Co., Ltd. 20.03% | Restar Holdings Corporation 100% |
| (10) Recent operating results and financial position | | |
| Fiscal year-end | Fiscal year ended March 31, 2023 (consolidated) | Fiscal year ended March 31, 2023 (non-consolidated) |
| Net assets | 85,095 million yen | 21,220 million yen |
| Total assets | 269,427 million yen | 79,013 million yen |
| Net assets per share | 2,686.31 yen | 2,122,087 yen |
| Net sales | 487,129 million yen | 189,545 million yen |
| Operating profit | 14,423 million yen | 5,960 million yen |
| Ordinary profit | 12,043 million yen | 6,878 million yen |
| Profit attributable to owners of parent | 7,085 million yen | 4,991 million yen |
| Basic earnings per share | 236 yen | 499,132 yen |

| | Dissolving company | |
|--------------------------------------|---|--|
| (1) Name | Restar Communications Corporation | Vitec Enesta Co., Ltd. |
| (2) Address | Osaki MT Building, 5-9-11 Kita-Shinagawa, Shinagawa-ku, Tokyo | 3-6-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo |
| (3) Name and title of representative | Jun Ozaki, President | Hiroaki Konno, President |
| (4) Business details | Sale of electronic equipment | Power generation business |
| (5) Capital | 400 million yen | 50 million yen |

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| (6) Date of establishment | May 12, 2004 | February 4, 2015 |
| (7) Number of issued shares | 10,000 shares | 2,000 shares |
| (8) Fiscal year-end | March | March |
| (9) Major shareholders and shareholding ratios | Restar Holdings Corporation 100% | Restar Holdings Corporation 100% |
| (10) Recent operating results and financial position | | |
| Fiscal year-end | Fiscal year ended March 31, 2023 (non-consolidated) | Fiscal year ended March 31, 2023 (non-consolidated) |
| Net assets | 2,475 million yen | 2,390 million yen |
| Total assets | 11,384 million yen | 26,958 million yen |
| Net assets per share | 247,500 yen | 1,195,295 yen |
| Net sales | 19,545 million yen | 4,660 million yen |
| Operating profit | 587 million yen | 1,016 million yen |
| Ordinary profit | 625 million yen | 1,000 million yen |
| Profit attributable to owners of parent | 457 million yen | 690 million yen |
| Basic earnings per share | 45,753 yen | 345,327 yen |

Note: Figures for the fiscal year ended March 31, 2023 for REC, RCC, and VET are unaudited.

4. Status of the Company after the Merger

There will be no change in the title and name of the representative, capital, and fiscal year-end as a result of the Merger. The Company's trade name, head office address, and business details will be as described in "Notice of Change in the Company's Trade Name and Partial Amendment of the Articles of Incorporation (Trade Name, Purpose, and Head Office Relocation)" dated today.

5. Future Outlook

Since the Merger is a merger with the Company's wholly-owned consolidated subsidiaries, the impact on the Company's consolidated financial results will be immaterial.

The companies to be merged in the business restructuring will be disclosed again after being decided.