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Securities code: 3156

June 12, 2024

(Date of commencement of measures for electronic provision: June 5, 2024)

To our shareholders:

Tomoharu Asaka  
Representative Director  
**Restar Corporation**  
10-9, Konan 2-chome, Minato-ku, Tokyo

## **Notice of Convocation of the 5th Ordinary General Meeting of Shareholders**

Restar Corporation (hereinafter referred to as “the Company”) will hold its 5th Ordinary General Meeting of Shareholders as explained below.

We have adopted measures for the electronic provision of information for this General Meeting of Shareholders. The matters to be provided in electronic format (the “Electronic Provision Measures Matters”) are posted on the Internet website shown below as “Notice of Convocation of the 5th Ordinary General Meeting of Shareholders.”

The Company’s website:

<https://www.en.restargp.com/ir/stock-related/#ir-stock-general-meeting>

This information is also posted on the Internet website shown below.

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the Tokyo Stock Exchange website shown above, enter the Company’s name or securities code to search, and click “Basic information” then “Documents for public inspection/PR information” to view the Electronic Provision Measures Matters.

If you plan not to attend the meeting, you can exercise your voting rights using either of the following methods, so please exercise your voting rights after reviewing the Reference Materials for the General Meeting of Shareholders listed in the Electronic Provision Measures Matters.

### **[Exercising voting rights in writing]**

Please indicate your approval or disapproval of each of the proposals on the enclosed form and return it to the Company no later than 5:30 p.m. on Wednesday, June 26, 2024 (JST).

### **[Exercising voting rights via the Internet]**

Please access our designated voting website (<https://evote.tr.mufg.jp/>) and enter the login ID and temporary password printed on the enclosed form for exercising voting rights and follow the on-screen instructions to enter your approval or disapproval of each of the proposals no later than 5:30 p.m. on Wednesday, June 26, 2024 (JST).

In addition, if using the Internet to exercise your voting rights, we request that you kindly check “Instructions on Exercising Your Voting Rights via the Internet” in “Instructions on Exercising Your Voting Rights” on pages 3 and 4.

- 1. Date and Time:** 10:00 a.m. on Thursday, June 27, 2024 (JST)  
(Reception desk is scheduled to open at 9:30 a.m.)
- 2. Venue:** Seminar Room, Restar Building 3F  
10-9, Konan 2-chome, Minato-ku, Tokyo  
(As of August 21, 2023, the Company has relocated its head office from Shinagawa-ku, Tokyo to Minato-ku, Tokyo, and the venue for the General Meeting of Shareholders has been changed as stated above. When attending, please refer to the Ordinary General Meeting of Shareholders venue guide map at the end of the document and be careful not to make any mistakes.)

**3. Agenda:**

**Matters to be reported:**

1. Business Report, Consolidated Financial Statements and Audit Reports on the Consolidated Financial Statements from the Accounting Auditor and the Audit and Supervisory Committee for the 15th Fiscal Year (April 1, 2023 to March 31, 2024)
2. Report on the Non-consolidated Financial Statements for the 15th Fiscal Year (April 1, 2023 to March 31, 2024)

**Matters to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Six Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Three Directors Who are Audit and Supervisory Committee Members
- Proposal No. 4:** Election of One Substitute Director Who is an Audit and Supervisory Committee Member

**4. Instructions on Exercising Voting Rights**

Please refer to “Instructions on Exercising Your Voting Rights” on pages 3 to 4.

**5. Instructions on the Acceptance of Questions Beforehand**

On the Company’s website (<https://www.restargp.com/>), please click CONTACT, go to Inquiries on IR -> click “inquiry,” and submit your question.

- The paper copy (Notice of Convocation of the 5th Ordinary General Meeting of Shareholders) sent to shareholders doubles as the paper copy of the Electronic Provision Measures Matters based on shareholders’ requests for the delivery of documents. The following items are not included in this paper copy, in accordance with the provisions of applicable laws and regulations, as well as Article 16 of the Company’s Articles of Incorporation. As such, this paper copy only presents part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.
  - Notes to the Consolidated Financial Statements
  - Notes to the Non-consolidated Financial Statements
- In the event of revisions to the Electronic Provision Measures Matters, the details of the revisions will be made available on each website on which the Electronic Provision Measures Matters are posted.

## Instructions on Exercising Your Voting Rights

The right to vote at the General Meeting of Shareholders is an important right for shareholders.

Please review the Reference Materials for the General Meeting of Shareholders included in the Electronic Provision Measures Matters and exercise your voting rights.

There are two options to exercise your voting rights as shown below.

### **Exercise of Voting Rights in Writing by Postal Mail**

Please indicate your for or against the proposals on the enclosed voting rights exercise form and return it to us by postal mail without a postage stamp. If you do not indicate your vote on a proposal, it will be treated as a vote “for” that proposal.

Deadline for the exercise of voting rights: Received by 5:30 p.m. on Wednesday, June 26, 2024 (JST).

### **Exercise of Voting Rights via the Internet**

Please access the website for exercising voting rights (<https://evote.tr.mufg.jp/>) using a PC or smartphone, enter the login ID and temporary password provided on the enclosed voting rights exercise form, and follow the instructions on the screen to indicate your vote for or against the proposals.

Deadline for the exercise of voting rights: 5:30 p.m. on Wednesday, June 26, 2024 (JST).

## How to Complete Your Voting Rights Exercise Form

Proposal No. 1 and Proposal No. 4

If you vote for the proposal, please tick the column “Agree.”

If you vote against the proposal, please tick the column “Disagree.”

Proposal No. 2 and Proposal No. 3

If you vote for all candidates, please tick the column “Agree.”

If you vote against all candidates, please tick the column “Disagree.”

If you vote for some of the candidates, please tick the column “Agree” and enter the number(s) of the candidate whom you disagree with.

If you exercise your voting rights both in writing (by postal mail) and via the Internet, the exercise of voting rights via the Internet will be taken as a valid exercise of voting rights. If you exercise your voting rights more than once via the Internet, the last vote will be treated as a valid exercise of voting rights.

## Instructions on Exercising Your Voting Rights via the Internet

### **By Scanning the QR Code**

You can log in to the website for exercising voting rights without entering your login ID and temporary password as provided on your voting rights exercise form.

1. Scan the QR code on the bottom right of your voting rights exercise form.

\* QR code is a registered trademark of DENSO WAVE INCORPORATED.

2. Please follow the instructions on the screen to indicate your vote for or against the proposals.

### **By Entering Login ID and Temporary Password**

Website for Exercising Voting Rights URL: <https://evote.tr.mufg.jp/>

1. Access the website for exercising voting rights.

2. Enter the “login ID and temporary password” provided on your voting rights exercise form.

3. Please follow the instructions on the screen to indicate your vote for or against the proposals.

If you have any questions about how to operate your PC or smartphone to exercise your voting right via the Internet, please contact below.

<p>Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation Help Desk at 0120-173-027 (Toll-free within Japan / from 9:00 a.m. to 9:00 p.m.)</p>
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Institutional investors may use the platform for the electronic exercise of voting rights for institutional investors operated by ICJ, Inc.

## Reference Materials for the General Meeting of Shareholders

### Proposals and reference matters

#### Proposal No. 1: Appropriation of Surplus

1. Reason for the appropriation of surplus

In order to make up for the deficit in retained earnings brought forward, improve financial standing, and ensure the flexibility and agility of future capital policy, the Company proposes the appropriation of surplus.

Specifically, pursuant to the provisions of Article 452 of the Companies Act, the deficit will be covered by transferring other capital surplus to retained earnings brought forward. As a result, the Company's amount of retained earnings brought forward after the transfer will be 0 yen.

This proposal relates to a transfer of account items within net assets on the non-consolidated balance sheet, therefore there are no changes in the amount of net assets of the Company. In addition, the total number of shares issued will not change, therefore there will be no impact on shareholders' number of shares held or net assets per share.

2. Matters related to the appropriation of surplus

(1) Item under retained earnings to be reduced and said amount

Other capital surplus 790,157,264 yen

(2) Item under retained earnings to be increased and said amount

Retained earnings brought forward 790,157,264 yen

(3) Effective date of appropriation of surplus

June 28, 2024

**Proposal No. 2:** Election of Six Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

At the conclusion of this General Meeting of Shareholders, the terms of office of all four Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire. Therefore, the Company proposes that six Directors be elected.

This proposal has been reviewed by the Audit and Supervisory Committee and the candidates for Director herein proposed have been deemed to be suitable.

The candidates for Director are as follows.

Candidate No.	Name	Positions and responsibilities within the Company	
1	Kunihiro Konno	Chairman and President	Reelection
2	Hideya Yamaguchi	Representative Director and Vice President	Reelection
3	Tomoharu Asaka	Representative Director and Vice President	Reelection
4	Hiroaki Konno	Representative Executive Director	Reelection
5	Kiyoshi Togawa	Outside Director (Audit and Supervisory Committee Member)	New election Outside Independent
6	Jin-hyuk Yun	–	New election Outside Independent

Reelection: Candidate for reelection as Director

New election: Candidate for new election as Director

Outside: Candidate for Outside Director

Independent: Independent Director

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
1	Kunihiro Konno (July 15, 1940) Reelection	<p>Apr. 1987 Established VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.) President, VITEC CO., LTD.</p> <p>Nov. 1996 Senior Vice President, Member of the Board and Counselor (<i>soudanyaku</i>), VITEC CO., LTD.</p> <p>June 2003 Special Advisor, VITEC CO., LTD.</p> <p>June 2012 Chairman, VITEC CO., LTD.</p> <p>Apr. 2013 Chairman &amp; President, VITEC CO., LTD.</p> <p>Jan. 2018 President, VITEC GLOBAL ELECTRONICS CO., LTD. (currently Restar Electronics Corporation)</p> <p>Apr. 2018 Chairman &amp; Representative Director, Vitec Vegetable Factory Co., Ltd.</p> <p>Aug. 2018 Chairman &amp; Member of the Board, Vitec Vegetable Factory Co., Ltd.</p> <p>Apr. 2019 Chairman and CEO, the Company</p> <p>Apr. 2020 Representative Director and CEO, the Company</p> <p>June 2023 Chairman, President and CEO, the Company</p> <p>Apr. 2024 Chairman and President, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	3,225
<p>[Reasons for nomination] Mr. Kunihiro Konno has worked in the electronics industry for many years. With his managerial experience and achievements, the Company believes that he will be able to continue to appropriately perform his duties as a Director in the overall management of the Group.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
2	Hideya Yamaguchi (April 21, 1959) Reelection	<p>Apr. 1982      Joined TOSHIBA CORPORATION</p> <p>Apr. 2000      Vice President, Toshiba Europe Electronic Components, Inc.</p> <p>June 2005      Vice President, Toshiba America Electronic Components, Inc.</p> <p>June 2012      President, Toshiba America Electronic Components, Inc.</p> <p>June 2016      President and CEO, TOSHIBA DEVICE CORPORATION</p> <p>Oct. 2019      Managing Executive Officer, the Company Executive Vice President, Restar Electronics Corporation</p> <p>Apr. 2020      Senior Managing Executive Vice President, Restar Electronics Corporation</p> <p>Oct. 2020      Senior Corporate Executive Officer, the Company President, Restar Electronics Corporation</p> <p>June 2021      Representative Director, the Company</p> <p>June 2022      Deputy Chief Executive Officer, the Company</p> <p>June 2023      Representative Director, Vice President and COO, the Company</p> <p>Apr. 2024      Representative Director and Vice President, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	5,977
<p>[Reasons for nomination] Mr. Hideya Yamaguchi has worked in the electronics industry for many years. With his knowledge and managerial experience, the Company believes that he, as an officer in charge of global expansion and new business promotion of the Group, will be able to appropriately perform his duties as a Director.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			
3	Tomoharu Asaka (January 28, 1952) Reelection	<p>Apr. 1974      Joined Sumitomo Corporation</p> <p>May 2001      CFO, Sumitomo Corporation Europe Limited</p> <p>June 2006      Representative Director and President, Sumitomo Shoji Financial Management Co., Ltd.</p> <p>June 2009      Full-time Corporate Auditor, Sumisho Computer Systems Corporation (currently SCSK Corporation)</p> <p>Oct. 2011      Full-time Corporate Auditor, SCSK Corporation</p> <p>June 2013      Full-time Corporate Auditor, JIEC Co., Ltd.</p> <p>July 2017      Advisor, the Company</p> <p>June 2018      Director (Full-time Audit and Supervisory Committee Member), the Company</p> <p>June 2022      Representative Director, the Company</p> <p>June 2023      Representative Director, Vice President and CFO in charge of Corporate Office, the Company</p> <p>Apr. 2024      Representative Director and Vice President, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	5,048
<p>[Reasons for nomination] Mr. Tomoharu Asaka has abundant experience at general trading companies, specialist knowledge mainly concerning accounting and finance, and experience as a corporate auditor. The Company believes that he, as the manager in charge of corporate operations, will be able to appropriately perform his duties as a Director on the path to expanding its business in the future.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
4	Hiroaki Konno (January 9, 1973) Reelection	<p>Apr. 1977      Joined Asahi Fire &amp; Marine Insurance Co. Ltd. (currently Rakuten General Insurance Co., Ltd.)</p> <p>June 2009      Corporate Auditor, VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.)</p> <p>Apr. 2013      Joined VITEC CO., LTD.</p> <p>Apr. 2017      Corporate Officer, VITEC CO., LTD. Managing Director, VITEC GREEN ENERGY CO., LTD.</p> <p>Apr. 2018      Representative Director and President, VITEC ENESTA CO., LTD.</p> <p>Apr. 2019      Executive Officer, the Group</p> <p>Apr. 2020      Corporate Executive Officer, the Company</p> <p>Apr. 2022      Senior Corporate Executive Officer, the Company</p> <p>Apr. 2023      Representative Director and President, RESTAR COMMUNICATIONS Corporation</p> <p>June 2023      Representative Executive Director, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	31,326
<p>[Reasons for nomination] Mr. Hiroaki Konno has extensive management experience and broad knowledge regarding the Group's environmental energy business. The Company believes that he, as a chief of systems business unit of the Group, will be able to appropriately perform his duties as a Director.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			



Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
5	Kiyoshi Togawa (May 21, 1948) New election Outside Independent	<p>Apr. 1971      Joined Hitachi Chemical Co., Ltd. (currently Resonac Corporation)</p> <p>Apr. 2000      Executive Officer, Manager, International Business Promotion Office, Hitachi Chemical Co., Ltd.</p> <p>Apr. 2004      Vice President and Executive Officer, General Manager, Marketing &amp; Sales Operations, Hitachi Chemical Co., Ltd.</p> <p>Apr. 2007      Senior Vice President and Executive Officer, General Manager, Marketing &amp; Sales Operations, Hitachi Chemical Co., Ltd.</p> <p>Apr. 2010      Senior Vice President and Executive Officer, General Manager, Corporate Business Strategy Headquarters and Manager, Group Company Office, Hitachi Chemical Co., Ltd.</p> <p>Mar. 2013      Representative, VISTOM Marketing (present post) Outside Director, SWCC SHOWA HOLDINGS CO., LTD. (currently SWCC Corporation)</p> <p>Sept. 2017      Outside Auditor, the Company</p> <p>June 2018      Outside Director (Audit and Supervisory Committee Member), the Company (present post)</p> <p>[Significant concurrent positions outside the Company] Representative, VISTOM Marketing</p>	0
<p>[Reasons for nomination and summary of expected roles] Mr. Kiyoshi Togawa has been nominated due to his wide-ranging experience and outstanding insights accumulated in his managerial roles in sales and management strategy at a manufacturer of functional materials and cutting-edge components and systems, and as a university lecturer, which the Company expects him to use to provide opinions regarding management supervision, auditing, and business strategies from an objective and neutral perspective, leading to a further strengthening of the Company's corporate governance and business growth.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			
6	Jin-hyuk Yun (October 6, 1953) New election Outside Independent	<p>Apr. 1979      Joined Samsung Electronics Co., Ltd.</p> <p>Apr. 2006      Vice President, Mobile Display Division Manager, in charge of LCD, Samsung Electronics Co., Ltd.</p> <p>Apr. 2009      Vice President and Division Manager, Samsung Mobile Display Co., Ltd. (currently Samsung Display Co., Ltd.)</p> <p>Apr. 2010      Representative Director, Samsung Japan Corporation</p> <p>Apr. 2012      Representative Director and President, S-1CORPORATION</p> <p>Apr. 2013      Chairman, Korea Industrial Technology Protection Association</p> <p>Jan. 2018      Advisor, S-1CORPORATION</p> <p>Apr. 2020      Advisor (part-time), the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	0
<p>[Reasons for nomination and summary of expected roles] Mr. Jin-hyuk Yun has been nominated due to his wide-ranging management experience and global perspective cultivated over many years as a business manager in business strategy planning and device business at a global company, which the Company expects him to use to provide opinions regarding management supervision, global strategies, and business strategies from an objective and neutral perspective, leading to a further strengthening of the Company's corporate governance and business growth.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

- (Notes) 1. Mr. Kiyoshi Togawa and Mr. Jin-hyuk Yun are candidates for Outside Director.  
2. Mr. Kiyoshi Togawa is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company,

and at the conclusion of this General Meeting of Shareholders, his term of office as Outside Director who is an Audit and Supervisory Committee Member will have been six years. Furthermore, his records of attendance have been 22/22 (100%) at Board of Directors meetings for this fiscal year and 16/16 (100%) at Audit and Supervisory Committee meetings.

3. If the election of Mr. Kiyoshi Togawa and Mr. Jin-hyuk Yun as Outside Directors is approved, the Company plans to conclude liability limitation contracts with them pursuant to Article 427, Paragraph 1 of the Companies Act such that their liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act.
4. The Company has notified the Tokyo Stock Exchange that Mr. Kiyoshi Togawa is being designated as an Independent Director according to the rules of the said exchange. If his election is approved, the Company plans for his appointment as Independent Director to continue. Furthermore, the Company's criteria for determining independence of Outside Directors is appended for your reference.
5. Mr. Jin-hyuk Yun meets the requirements for independence according to the rules of the Tokyo Stock Exchange. If his election is approved, the Company plans to notify the aforementioned exchange that he is being designated as an Independent Director. Furthermore, the Company's criteria for determining the independence of Outside Directors is appended for your reference.
6. The Company has entered into a Directors and Officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers attorneys' fees in relation to litigations and damage payments to be borne by insured persons arising from third party litigations. Each of the candidates will be included as insured persons under the insurance contract.

**Proposal No. 3:** Election of Three Directors Who are Audit and Supervisory Committee Members

At the conclusion of this General Meeting of Shareholders, the terms of office of Directors who are Audit and Supervisory Committee Members, Mr. Tatsuichi Naruse, Mr. Seno Tezuka, Mr. Kiyoshi Togawa, and Ms. Reiko Date will expire. Therefore, the Company proposes that three Directors who are Audit and Supervisory Committee Members be elected.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows.

Candidate No.	Name	Positions and responsibilities within the Company	
1	Takenori Konno	–	New election
2	Seno Tezuka	Outside Director (Audit and Supervisory Committee Member)	Reelection Outside Independent
3	Reiko Date	Outside Director (Audit and Supervisory Committee Member)	Reelection Outside Independent

Reelection: Candidate for reelection as Director

New election: Candidate for new election as Director

Outside: Candidate for Outside Director

Independent: Independent Director

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
1	Takenori Konno (May 22, 1970) New election	Apr. 1996      Joined KAGA ELECTRONICS CO., LTD. Apr. 2006      Joined Infonics Co., Ltd. Oct. 2009      Joined PTT Co., Ltd. (currently Restar Supply Chain Solution Corporation) Oct. 2011      Joined iSECO Co., Ltd. (VITEC DEVICE CO., LTD.) Apr. 2012      Joined VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.) Apr. 2020      General Manager, Business Development Department, the Company [Significant concurrent positions outside the Company] None	24,407
	[Reasons for nomination] Mr. Takenori Konno has abundant experience as a device business sales manager of the Group and as a manager of new business development, open innovation, etc. The Company believes that he will be able to leverage this experience to perform his role in auditing and supervising management. [Special interest between the candidate and the Company] There are no significant conflicts of interest.		

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
2	Seno Tezuka (January 9, 1948) Reelection Outside Independent	<p>Mar. 1972      Joined Tohmatsu Awoki &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Apr. 1974      Registered as certified public accountant</p> <p>July 1992      Representative Partner, Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 2013      Retired from Deloitte Touche Tohmatsu LLC</p> <p>June 2015      Outside Director (Audit and Supervisory Committee Member), VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.)</p> <p>June 2016      Outside Auditor, Yakult Honsha Co., Ltd. (present post)</p> <p>Apr. 2019      Outside Director (Audit and Supervisory Committee Member), the Company (present post)</p> <p>[Significant concurrent positions outside the Company] Certified public accountant Outside Auditor, Yakult Honsha Co., Ltd.</p>	0
<p>[Reasons for nomination and summary of expected roles] Mr. Seno Tezuka possesses expert knowledge, experience, and the like as a certified public accountant and is expected to provide appropriate opinions from an objective and neutral standpoint, and the Company believes that he will further strengthen the corporate governance of the Company. Although he has not previously been directly involved in corporate management other than as an Outside Officer, for the reasons stated above he is deemed able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			
3	Reiko Date (December 21, 1951) Reelection Outside Independent	<p>Apr. 1983      Joined ODS Co., Ltd.</p> <p>Apr. 1995      Managing Director, ODS Co., Ltd.</p> <p>Jan. 2001      Joined DAIWA SEIKI CORPORATION</p> <p>Jan. 2005      Representative Director and President, DAIWA SEIKI CORPORATION</p> <p>Jan. 2011      Joined Nanbu Plastics Co., Ltd.</p> <p>June 2020      Outside Director (Audit and Supervisory Committee Member), the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	0
<p>[Reasons for nomination and summary of expected roles] Ms. Reiko Date has been nominated due to her wealth of experience and insight gained from many years of practical and managerial experience in consultancy business for management and marketing as well as in the manufacturing industry, which the Company expects her to apply to supervising and auditing the management from an objective and neutral standpoint, leading to a further strengthening of the Company's corporate governance.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

- (Notes)
1. Mr. Seno Tezuka and Ms. Reiko Date are candidates for Outside Director.
  2. Mr. Seno Tezuka is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this General Meeting of Shareholders, his term of office as Outside Director who is an Audit and Supervisory Committee Member will have been five years and two months. Furthermore, his records of attendance have been 22/22 (100%) at Board of Directors meetings for this fiscal year and 16/16 (100%) at Audit and Supervisory Committee meetings.
  3. Ms. Reiko Date is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this General Meeting of Shareholders, her term of office as Outside Director who is an Audit and Supervisory Committee Member will have been four years. Furthermore, her records of attendance have been 22/22 (100%) at Board of Directors meetings for this fiscal year and 16/16 (100%) at Audit and Supervisory Committee meetings.
  4. The Company has concluded liability limitation contracts with Mr. Seno Tezuka and Ms. Reiko Date pursuant to Article 427, Paragraph 1 of the Companies Act such that their liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. If the reelection of Mr. Seno Tezuka and Ms. Reiko Date is approved, the Company plans to renew the aforementioned contracts with them. If the election of Mr. Takenori Konno is approved, the Company plans to newly conclude the contract with

him.

5. The Company has notified the Tokyo Stock Exchange that Mr. Seno Tezuka and Ms. Reiko Date are being designated as Independent Directors according to the rules of the said exchange. If the reelection of Mr. Seno Tezuka and Ms. Reiko Date is approved, the Company plans for their appointment as Independent Directors to continue. Furthermore, the Company's criteria for determining independence of Outside Directors is appended for your reference.
6. The Company has entered into a Directors and Officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers attorneys' fees in relation to litigations and damage payments to be borne by insured persons arising from third party litigations. Each of the candidates will be included as insured persons under the insurance contract.

**Proposal No. 4:** Election of One Substitute Director Who is an Audit and Supervisory Committee Member

In preparation for the event that the number of Directors who are Audit and Supervisory Committee Members falls below the requirements set by law, the Company proposes that one substitute Auditor be elected in advance. The election is valid only before assumption of office and may be cancelled by resolution of the Board of Directors with the consent of the Audit and Supervisory Committee. Moreover, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows.

Name	Positions and responsibilities within the Company	
Shigeji Sugimoto	–	Outside Independent

Outside: Candidate for Outside Director

Independent: Independent Director

Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
Shigeji Sugimoto (July 1, 1951) Outside Independent	<p>Apr. 1974      Joined Tohmatsu Awoki &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Apr. 1978      Registered as certified public accountant</p> <p>July 1989      Partner, Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Dec. 2015      Retired from Deloitte Touche Tohmatsu LLC</p> <p>Jan. 2016      Established Shigeji Sugimoto Certified Public Accountant Office (present post)</p> <p>May 2016      Outside Audit &amp; Supervisory Board Member, AEON Fantasy Co., LTD. (present post)</p> <p>June 2016      Outside Audit &amp; Supervisory Board Member, AEON Bank, Ltd. (present post)</p> <p>                    Outside Audit &amp; Supervisory Board Member, NIPPON STEEL &amp; SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION) (present post)</p> <p>June 2018      Substitute Audit and Supervisory Committee Member, VITEC HOLDINGS CO., LTD.</p> <p>June 2020      Outside Audit &amp; Supervisory Board Member, OSAKA STEEL CO., LTD. (present post)</p> <p>[Significant concurrent positions outside the Company] Certified public accountant</p>	0

[Reasons for nomination and summary of expected roles]

Mr. Shigeji Sugimoto possesses expert knowledge, experience, and an objective perspective in overall accounting, cultivated through his time at an auditing firm and as a certified public accountant, and the Company believes that he will be able to use such knowledge and experience to perform his role in auditing and supervising management.

[Special interest between the candidate and the Company] There are no significant conflicts of interest.

- (Notes)
1. Mr. Shigeji Sugimoto is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
  2. If Mr. Shigeji Sugimoto assumes the position of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to conclude a liability limitation contract with him pursuant to Article 427, Paragraph 1 of the Companies Act such that his liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act.
  3. Mr. Shigeji Sugimoto meets the requirements for independence according to the rules of the Tokyo Stock Exchange. If he assumes the position of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to notify the aforementioned exchange that he is being designated as an Independent Director. Furthermore, the Company's criteria for determining the independence of Outside Directors is appended for your reference.
  4. The Company has entered into a Directors and Officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers attorneys' fees in relation to litigations and damage payments to be borne by insured persons arising from third party litigations. The candidate will be included as an insured person under the insurance contract.

[Reference: Composition of Directors (After this General Meeting of Shareholders)]

The expertise and experience of the Directors (including Directors who are Audit and Supervisory Committee Members) of the Company are as follows.

Name	Expertise and experience expected of Directors by the Company							
	Group Management Strategy M&A	Global Management	Business Strategy	Finance/Accounting	Organization Human Resources	ESG Sustainability	Corporate Governance	Legal Risk Management
Directors (excluding Directors who are Audit and Supervisory Committee Members)								
Kunihiro Konno	●	●			●	●		
Hideya Yamaguchi	●	●	●			●		
Tomoharu Asaka	●			●	●	●		●
Hiroaki Konno	●		●			●		
Kiyoshi Togawa Outside Independent			●		●	●	●	
Jin-hyuk Yun Outside Independent		●				●	●	
Directors who are Audit and Supervisory Committee Members								
Toshiyuki Suzuki				●		●	●	
Takenori Konno						●	●	●
Seno Tezuka Outside Independent				●		●	●	●
Reiko Date Outside Independent					●	●	●	
Sachiko Kasano Outside Independent						●	●	●

[Reference: Criteria for determining independence]

In cases in which the Company determines that an Outside Director or a candidate for Outside Director does not fall into any of the following categories, it considers the Outside Director or candidate for Outside Director to have independence from the Company.

1. A person who is a business executive<sup>\*1</sup> of the Company or of an affiliate of the Company (collectively, “the Group”), or who has within the past 10 years been a business executive of the Group;
2. A major customer of the Group<sup>\*2</sup>, or a business executive of the same;
3. A person for whom the Group is a major customer<sup>\*3</sup>, or a business executive of the same;
4. A major lender of the Group<sup>\*4</sup>, or a business executive of the same;
5. A shareholder, or business executive of the same, who holds 10% or more of the total voting rights of the Company, either directly or indirectly;
6. A business executive of a company of which 10% or more of the total voting rights are held by the Group, either directly or indirectly;
7. A person belonging to an audit corporation that is a Financial Auditor to the Company or to consolidated subsidiaries of the Company;
8. A person such as a consultant, certified public accountant, lawyer, etc. that offers specialist services and receives large sums<sup>\*5</sup> of money or other assets, excluding officer’s remuneration, from the Group (in cases where the person receiving said assets is a corporate, a union or other organization, a person belonging to said organization);
9. A person receiving large sums of money in donations or subsidies from the Group (in cases where the person receiving said donations or subsidies is a corporate, a union or other organization, operating officer belonging to said organization);
10. A business executive of a company at which a business executive of the Group serves as an Outside Director or Outside Auditor;
11. A person falling into any of categories 2 to 8 within the past 3 years; and,
12. In cases where a person falling into any of categories 1 to 8 or 11 is a significant person<sup>\*6</sup>, the spouse of that person and their relatives up to the second degree of kinship.

\*1: A “business executive” shall mean an Executive Director, Operating Officer or Executive Officer, or any other person or employee, of a corporation or other organization.

\*2: A “major customer of the Group” shall mean a person who has paid an amount equivalent to 2% or more of the Company’s annual consolidated net sales to the Group in the most recent business year.

\*3: A “person for whom the Group is a major customer” shall mean a person that has received an amount equivalent to 2% or more of their annual consolidated net sales from the Group in the most recent business year.

\*4: A “major lender of the Group” shall mean a person who has provided financing equivalent to 2% or more of the consolidated total assets of the Group at the end of the most recent business year.

\*5: “Large sums” shall mean 10 million yen or more annually in the case of an individual, and 2% or more of annual consolidated net sales or total income in the case of an organization, such as a corporation or a union.

\*6: A “significant person” shall mean a member of upper management, such as an Executive Director, Operating Officer, Executive Officer or General Manager, and in the case of organizations other than companies, persons belonging to said organization.



# Business Report

(April 1, 2023–March 31, 2024)

## 1. Overview of the Corporate Group

### (1) Business Status for the Fiscal Year Under Review

#### 1) Business Progress and Results

In the fiscal year under review, the Japanese economy saw moderate improvement due to the reclassification of COVID-19 as a Category V Infectious Disease, the further easing of restrictions on the economy, and the recovery of inbound demand. Moreover, soaring energy and resource prices were also calming down. However, the outlook remained uncertain due to exchange rate fluctuations, the economic slowdown in China, the prolonged conflict between Russia and Ukraine, and the increasingly tense situation in the Middle East. Under these circumstances, with the aim of accelerating global expansion to meet diversifying customer needs, the Company made AIT Japan Inc., which had been a subsidiary of WPG Holdings Limited (headquarters: Taipei, Taiwan), a world-class semiconductor trading company, into a consolidated subsidiary in July 2023. Moreover, in January 2024, the Company made TSUZUKI EMBEDDED SOLUTIONS CO., LTD., TSUZUKI DENSAN TRADING (SHANGHAI) CO., LTD., TSUZUKI DENSAN HONG KONG CO., LTD., and TSUZUKI DENSAN SINGAPORE PTE. LTD., which are group companies of TSUZUKI DENKI CO., LTD., into wholly owned subsidiaries in order to aim for further growth by leveraging synergies with the Group. In addition, in February 2024, the Company and Dexerials Corporation entered into a share transfer agreement and shareholders' agreement for the purpose of converting a company into a joint venture, and worked to expand a strategic partnership. The Company will implement strategic measures for medium- to long-term growth and aim to further expand sales and improve earnings.

Net sales

512,484 million yen

Year-on-year change

Up 5.2%

Operating profit

15,931 million yen

Year-on-year change

Up 10.5%

Ordinary profit

9,690 million yen

Year-on-year change

Down 19.5%

Profit attributable to owners of parent

7,004 million yen

Year-on-year change

Down 1.1%

#### • Financial Highlights

During the fiscal year under review, net sales reached a record high mainly due to strong performance in the Procurement Business, as well as the conversion of TSUZUKI EMBEDDED SOLUTIONS CO., LTD. (currently Restar Embedded Solutions Corporation) into a consolidated subsidiary in the Semiconductor and Electronic Components Business. Operating profit reached a record high due to increases caused by sales growth and contributions from the Environmental Energy Business. On the other hand, ordinary profit decreased because of increases in borrowings and interest expenses due to rising interest rates. However, profit attributable to owners of parent remained almost unchanged due to the recording of extraordinary income such as sales of non-current assets and cross-shareholdings.

As a result of the above, in the fiscal year under review, we recorded net sales of 512,484 million yen (up 5.2% year on year), operating profit of 15,931 million yen (up 10.5% year on year), ordinary profit of 9,690 million yen (down 19.5% year on year), and profit attributable to owners of parent of 7,004 million yen (down 1.1% year on year).

#### • Semiconductor and Electronic Components Business

In the Devices Business, while sales for on-board equipment remained firm, sales for industrial equipment, PCs, and communications equipment decreased, but revenue increased slightly due to the conversion of

TSUZUKI EMBEDDED SOLUTIONS CO., LTD. (currently Restar Embedded Solutions Corporation) into a consolidated subsidiary. In the EMS Business, revenue increased due to the expansion of sales of our mainstay smartphones and on-board displays to new customers. Segment profit decreased due to a decline in gross profit caused by exchange rate fluctuations in the Device Business, the absence of special demand present in the same period of the previous year, as well as inventory write-downs and allowance for doubtful accounts related to specific customers.

As a result, the Semiconductor and Electronic Components Business recorded net sales of 347,629 million yen (up 1.2% year on year) and segment profit of 9,374 million yen (down 26.8% year on year).

- Procurement Business

In the Procurement Business, revenue increased due to continued strong demand for on-board products for major customers. Segment profit increased due to higher revenue.

As a result, the Procurement Business recorded net sales of 124,270 million yen (up 18.9% year on year) and segment profit of 3,080 million yen (up 35.0% year on year).

- Electronic Equipment Business

In the Electronic Equipment Business, revenue increased mainly due to growth in sales of medical and corporate equipment. In the System Equipment Business, although there was an increase in sales of overseas made payment terminals, we recorded a decrease in revenue due to the absence of special demand for products related to personal authentication for My-Number cards present in the same period of the previous year. Segment profit increased slightly, mainly due to improved product mix.

As a result, the Electronic Equipment Business recorded net sales of 23,839 million yen (up 0.0% year on year) and segment profit of 586 million yen (up 1.3% year on year).

- Environmental Energy Business

Although the Energy Business performed well due to new solar power generation operations in Japan and overseas, revenue decreased slightly due to a decline in equipment sales. Revenue in the Power Producer and Supplier (PPS Business) remained firm due to the solid demand mainly from government sectors. In the Vegetable Factory Business, although sales expanded mainly for major commercial supermarkets, revenue decreased slightly due to a decrease in sales to convenience stores and the impact of the Noto Peninsula Earthquake on operations. Segment profit increased significantly, mainly due to stable electricity purchase prices in the PPS Business, as well as contributions from owned power supplies.

As a result, the Environmental Energy Business recorded net sales of 16,744 million yen (up 10.8% year on year) and segment profit of 4,757 million yen (11.9 times more year on year).

## 2) Capital Investments

Total capital investment conducted across the Group during the fiscal year under review amounted to 4,376 million yen, with the majority constituting business assets in the energy business.

## 3) Procurement of Funds

In order to procure flexible, stable, and efficient funding for business development, the Group renewed our commitment line agreement for a 75,000 million yen syndicated loan arranged by MUFG Bank, Ltd. We are also implementing Group financing and are working to reduce and stabilize the cost of raising operating funds capital within the Group.

## (2) Trends in Assets and Income

### 1) Trends in Group Assets and Income

Net sales (Million yen)

12th fiscal year (ended in March 2021)	323,815
13th fiscal year (ended in March 2022)	399,590
14th fiscal year (ended in March 2023)	487,129
15th fiscal year (ended in March 2024)	512,484

Profit attributable to owners of parent (Million yen)

12th fiscal year (ended in March 2021)	4,054
13th fiscal year	5,957

(ended in March 2022)	
14th fiscal year (ended in March 2023)	7,085
15th fiscal year (ended in March 2024)	7,004

Total assets/Net assets (Million yen)

	Total assets	Net assets
12th fiscal year (ended in March 2021)	190,385	76,258
13th fiscal year (ended in March 2022)	241,958	81,657
14th fiscal year (ended in March 2023)	269,427	85,095
15th fiscal year (ended in March 2024)	291,704	91,024

Earnings per share (Yen)

12th fiscal year (ended in March 2021)	134.85
13th fiscal year (ended in March 2022)	198.12
14th fiscal year (ended in March 2023)	235.64
15th fiscal year (ended in March 2024)	232.95

Net assets per share (Yen)

12th fiscal year (ended in March 2021)	2,441.16
13th fiscal year (ended in March 2022)	2,580.33
14th fiscal year (ended in March 2023)	2,686.31
15th fiscal year (ended in March 2024)	2,800.38

(Million yen, unless otherwise specified)

Category	12th fiscal year (ended March 31, 2021)	13th fiscal year (ended March 31, 2022)	14th fiscal year (ended March 31, 2023)	15th fiscal year (ended March 31, 2024) (Fiscal year under review)
Net sales	323,815	399,590	487,129	512,484
Profit attributable to owners of parent	4,054	5,957	7,085	7,004
Earnings per share (yen)	134.85	198.12	235.64	232.95
Total assets	190,385	241,958	269,427	291,704
Net assets	76,258	81,657	85,095	91,024
Net assets per share (yen)	2,441.16	2,580.33	2,686.31	2,800.38

Note: Earnings per share are calculated based on the average number of shares during the period. The average number of shares is calculated after deducting treasury shares.

## 2) Trends in Company Assets and Income

### Operating revenue (Million yen)

12th fiscal year (ended in March 2021)	21,963
13th fiscal year (ended in March 2022)	4,322
14th fiscal year (ended in March 2023)	6,579
15th fiscal year (ended in March 2024)	10,870

### Profit (Million yen)

12th fiscal year (ended in March 2021)	7,760
13th fiscal year (ended in March 2022)	(569)
14th fiscal year (ended in March 2023)	(917)
15th fiscal year (ended in March 2024)	827

### Total assets/Net assets (Million yen)

	Total assets	Net assets
12th fiscal year (ended in March 2021)	97,528	47,998
13th fiscal year (ended in March 2022)	121,044	44,493
14th fiscal year (ended in March 2023)	127,582	40,867
15th fiscal year (ended in March 2024)	152,188	37,413

Earnings per share (Yen)

12th fiscal year (ended in March 2021)	258.10
13th fiscal year (ended in March 2022)	(18.93)
14th fiscal year (ended in March 2023)	(30.51)
15th fiscal year (ended in March 2024)	27.51

Net assets per share (Yen)

12th fiscal year (ended in March 2021)	1,596.30
13th fiscal year (ended in March 2022)	1,479.75
14th fiscal year (ended in March 2023)	1,359.15
15th fiscal year (ended in March 2024)	1,244.28

(Million yen, unless otherwise specified)

Category	12th fiscal year (ended March 31, 2021)	13th fiscal year (ended March 31, 2022)	14th fiscal year (ended March 31, 2023)	15th fiscal year (ended March 31, 2024) (Fiscal year under review)
Operating revenue	21,963	4,322	6,579	10,870
Profit	7,760	(569)	(917)	827
Earnings per share (yen)	258.10	(18.93)	(30.51)	27.51
Total assets	97,528	121,044	127,582	152,188
Net assets	47,998	44,493	40,867	37,413
Net assets per share (yen)	1,596.30	1,479.75	1,359.15	1,244.28

Note: Earnings per share are calculated based on the average number of shares during the period. The average number of shares is calculated after deducting treasury shares.

**(3) Important Information about the Parent Company and its Subsidiaries**

## 1) Parent Company

Not applicable.

## 2) Significant Subsidiary Companies

Company name	Capital	Company's voting rights ratio	Primary business
Restar Electronics Corporation	310 million yen	100.0%	Device sales, LSI design development and support, reliability testing consignment services
CU TECH CORPORATION	8,828 million won	69.4%	Contract manufacturing service for electronic devices (EMS)
Restar Supply Chain Solution Corporation	308 million yen	80.0%	Procurement trading services
Restar Communications Corporation	400 million yen	100.0%	Sale, design, construction, and maintenance of electronic components
CARDSERVICE Inc.	301 million yen	67.3%	Manufacturing, sale, and application development of payment terminals and manufacturing and sale of access control devices and facial recognition devices
Vitec Enesta Co., Ltd.	50 million yen	100.0%	Power generation using renewable sources
V-Power Co., Ltd.	40 million yen	82.5%	Brokering the supply and sale of electricity, consulting services
Vitec Vegetable Factory Co., Ltd.	2,520 million yen	74.8%	Fully closed plant factory

Note: On April 1, 2024, the Company carried out an absorption-type merger with Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., with Restar Holdings Corporation as the surviving company, and the company name was changed to Restar Corporation.

## 3) Specified Wholly Owned Subsidiaries at the End of the Fiscal Year Under Review

Not applicable.

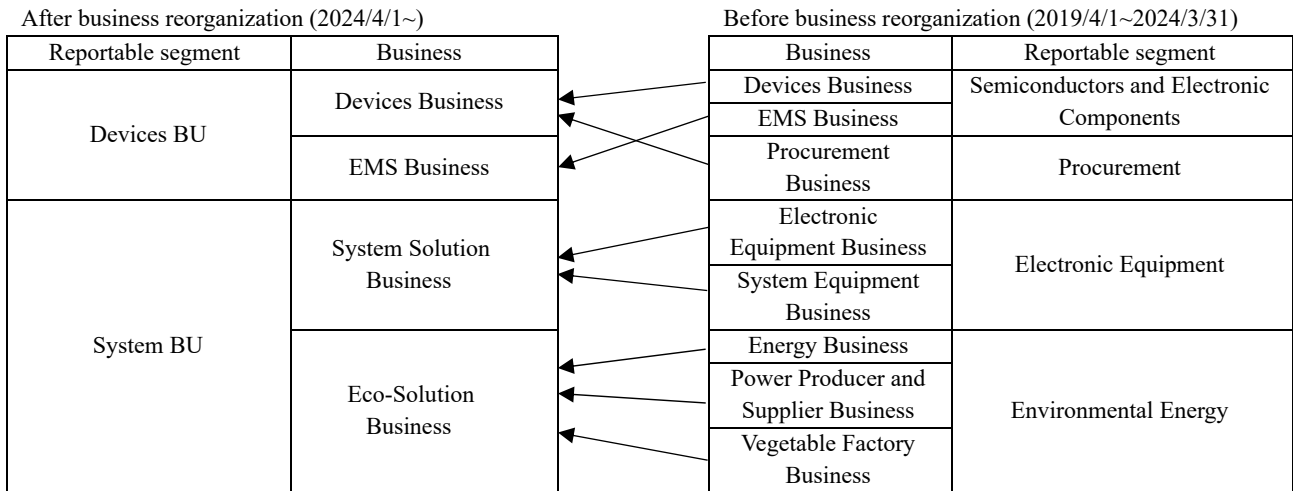
**(4) Issues to Be Addressed**

Based on the Group’s mission, “we help society evolve by leveraging information and technology to create and deliver new value and services,” we are aiming to become an “Electronics Value Platformer” by promoting inter-business synergies and active cooperation with external partners, developing diverse businesses, growing our technological domain, and expanding the sustainable scale of our business.

On April 1, 2024, the Company carried out an absorption-type merger with Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., with Restar Holdings Corporation as the surviving company, and started anew as “Restar Corporation.” The Company had four reportable segments, “Semiconductors and Electronic Components Business,” “Procurement Business,” “Electronic Equipment Business,” and “Environmental Energy Business,” but as of April 1, 2024, the Company reorganized its group businesses and will promote future initiatives in the following reportable segments and businesses.

Reportable segment	Business	Initiatives
Devices Business Unit (hereinafter “Device BU”)	Devices Business	<ul style="list-style-type: none"> <li>• Further accelerate Group synergies and a cross-selling strategy</li> <li>• Cultivate deeper customer relationships and expand new businesses in the industrial equipment and on-board equipment markets</li> <li>• Promote initiatives for global expansion</li> <li>• Expand Group synergies based on supply chain management services</li> <li>• Expand business areas by providing added value</li> </ul>
	EMS Business	<ul style="list-style-type: none"> <li>• Rationalize production lines</li> <li>• Concentration and selection, and expansion of new businesses such as on-board equipment</li> </ul>
System Business Unit (hereinafter “System BU”)	System Solution Business	<ul style="list-style-type: none"> <li>• Take on the challenge of new business models</li> <li>• Expand the functions of a total solution provider</li> <li>• Develop new business areas using payment terminals</li> <li>• Develop new markets through in-house development of authentication terminals and payment devices</li> </ul>
	Eco-Solution Business	<ul style="list-style-type: none"> <li>• Expand the Power Purchase Agreement (PPA) business</li> <li>• Build and provide a new energy management system using storage batteries</li> <li>• Secure stable power sources</li> <li>• Respond to power system reforms</li> <li>• Improve production efficiency and profitability</li> </ul>

Note: Changes in reportable segments and business names are as follows.





**(5) Principal Business (As of March 31, 2024)**

The Group's reportable segments are based on business categorizations that facilitate the allocation of management resources and evaluation of corporate performance. We have four reportable segments: Semiconductors and Electronic Components; Procurement; Electronic Equipment; and Environmental Energy. As stated in (4) Issues to Be Addressed, the reportable segments and businesses have been changed as of April 1, 2024.

Reportable segment	Business	Main business activities
Semiconductors and Electronic Components	Devices Business	Selling of semiconductors, electronic components, and other related products in Japan and overseas, proposing systems that utilize a combination of various line cards, providing high value-added solutions and superior technical support for liquid crystal systems and overseas suppliers, designing and manufacturing by commissioning, offering LSI design development and support and reliability testing consignment services
	EMS Business	Providing contract manufacturing services for electronic components and modules that boast cutting-edge installation technology in own factories, as well as procurement, production management, and quality assurance services
Procurement	Procurement Business	Proposing and operating optimal supply chain management using global procurement and trading for electronics and entrustment services for related operations
Electronic Equipment	Electronic Equipment Business	Providing solutions for video, sound, and telecommunications in a wide range of fields, including broadcasting, businesses, education, medical care, public and government offices, etc. as well as design, construction, and maintenance
	System Equipment Business	Developing and manufacturing cashless payment terminals that combine core technologies such as basic digital communication technologies with near-field communication (NFC) technology, selling overseas terminals, developing applications, and developing, manufacturing and selling products related to personal authentication for my-number cards
Environmental Energy	Energy Business	Offering local operation and management services to encourage the introduction and spread of renewable energy through own solar power plants (inside and outside Japan)
	Power Producer and Supplier Business	Retail electricity business using renewable energy and power generation business using natural gas-fired power plants with a low environmental impact (CO2 emission coefficient). Consulting business on local power generation for local consumption.
	Vegetable Factory Business	Producing and selling vegetables grown in completely closed vegetable factories for commercial customers, such as convenience stores, supermarkets, restaurant chains, etc., and the retail market as well as system consulting services

**(6) Principal Business Locations (As of March 31, 2024)**

Restar Corporation	Head Office (Minato-ku, Tokyo)
Restar Electronics Corporation	Head Office (Minato-ku, Tokyo), Osaka Office (Osaka City, Osaka), Tohoku Sales Office (Osaki City, Miyagi), Iwaki Sales Office (Iwaki City, Fukushima), Nishi-Tokyo Sales Office (Tachikawa City, Tokyo), Matsumoto Sales Office (Matsumoto City, Nagano), Chubu Sales Office (Nagoya City, Aichi), Fukuoka Office (Fukuoka City, Fukuoka), Atsugi Office (Atsugi City, Kanagawa), Oita Office (Kunisaki City, Oita), Kumamoto Office (Kikuchi-gun, Kumamoto), Kagoshima Office (Kirishima City, Kagoshima)
CU TECH CORPORATION	Head Office (Pyeongtaek City, Gyeonggi-Do, South Korea)
Restar Supply Chain Solution Corporation	Head Office (Minato-ku, Tokyo), Osaka Sales Office (Suita City, Osaka)
Restar Communications Corporation	Head Office (Minato-ku, Tokyo), Tohoku Office (Sendai City, Miyagi), Shinetsu Office (Matsumoto City, Nagano), Tokai Office (Nagoya City, Aichi), Kinki Office (Osaka City, Osaka), Kyushu Office (Fukuoka City, Fukuoka), Akasaka Technical Center (Chiyoda-ku, Tokyo)
CARDSERVICE Inc.	Head Office (Minato-ku, Tokyo), Horidomecho Office (Chuo-ku, Tokyo)
Vitec Enesta Co., Ltd.	Head Office (Minato-ku, Tokyo)
V-Power Co., Ltd.	Head Office (Minato-ku, Tokyo), Nishi-Nihon Sales Office (Osaka City, Osaka)
Vitec Vegetable Factory Co., Ltd.	Head Office (Minato-ku, Tokyo)

Note: On April 1, 2024, the Company carried out an absorption-type merger with Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., with Restar Holdings Corporation as the surviving company, and the company name was changed to Restar Corporation. Accordingly, the principal business locations of Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd. have been integrated into Restar Corporation's business location.

**(7) Employees (As of March 31, 2024)****1) Corporate Group Employees**

Business division	Employees (persons)		YoY Change (persons)	
Semiconductor and electronics components business	2,550	[284]	630	[(51)]
Procurement business	96	[17]	(66)	[(16)]
Electronic equipment business	382	[9]	73	[(2)]
Environment energy business	86	[93]	(8)	[(19)]
Companywide	118	[12]	2	[(3)]
Total	3,232	[415]	631	[(91)]

Notes: 1. The number of employees represents the number of full-time employees. Temporary workers are displayed separately in square brackets.

2. The number of employees displayed under the companywide category represents employees who cannot be classified under a specific category and who are registered under the Restar Holdings Group management division.

**2) Company Employees**

Employees (persons)	YoY change (persons)	Average age (years)	Average years of service (years)
118 [12]	2 [(3)]	42.8	8.0

Notes: The number of employees represents the number of full-time employees. Temporary workers are displayed separately in square brackets.

**(8) Major Lenders** (As of March 31, 2024)

Lender	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	62,162
Mizuho Bank, Ltd.	7,132
MUFG Bank, Ltd.	5,852

**(9) Other Important Matters Relating to the Current State of the Corporate Group**

Not applicable.

## 2. Company Information

### (1) Status of Shares (As of March 31, 2024)

1) Total number of shares authorized to be issued **57,000,000 shares**

2) Total number of shares issued **30,072,643 shares**

(Note) This includes 4,680 treasury shares.

3) Number of shareholders **8,936 persons**

### 4) Major shareholders (Top ten)

Shareholder name	Number of shares held (Thousand shares)	Percentage of shares held (%)
KMF Corporation	6,026	20.04
S-GRANT.CO., LTD.	2,897	9.63
The Master Trust Bank of Japan, Ltd. (Trust account)	2,237	7.44
Retirement Benefit Trust (SONY Group 003) of Mizuho Trust & Banking Co., Ltd., Trustee: Custody Bank of Japan, Ltd.	2,234	7.43
MUFG Bank, Ltd.	818	2.72
Retirement Benefit Trust (SONY Group 008) of Mizuho Trust & Banking Co., Ltd., Trustee: Custody Bank of Japan, Ltd.	717	2.38
CITY INDEX ELEVENTH CO., Ltd.	704	2.34
Mizuho Bank, Ltd.	692	2.30
Restar Holdings Employee Shareowners Association	655	2.18
Custody Bank of Japan, Ltd. (Trust account)	584	1.94

Notes: 1. The percentage of shares held is calculated after deducting 4,680 treasury shares.

2. Regarding the 2,234 thousand shares owned by the Retirement Benefit Trust (SONY Group 003) of Mizuho Trust & Banking Co., Ltd., Trustee: Custody Bank of Japan, Ltd., the Company receives notice from Mizuho Trust & Banking Co., Ltd. about any decisions by Sony Group Corporation to exercise voting rights through the securities trust agreement.

3. Regarding the 717 thousand shares owned by the Retirement Benefit Trust (SONY Group 008) of Mizuho Trust & Banking Co., Ltd., Trustee: Custody Bank of Japan, Ltd., the Company receives notice from Mizuho Trust & Banking Co., Ltd. About any decisions by Sony Group Corporation to exercise voting rights through the securities trust agreement.

### 5) Other Important Stock-related Matters

Not applicable.

## (2) Matters Relating to Share Acquisition Rights, Etc.

- 1) Share Acquisition Rights Held by Company Officers on the Final Day of the Fiscal Year Under Review Granted as Compensation for the Execution of Duties  
Not applicable.
- 2) Share Acquisition Rights Granted to Employees, etc. During the Fiscal Year Under Review in Recognition of the Execution of Duties  
Not applicable.

## (3) Company Officers

### 1) Directors (As of March 31, 2024)

Position in the Company	Name	Responsibilities, significant concurrent positions
Chairman, President and CEO	Kunihiro Konno	
Representative Director, Vice President and COO	Hideya Yamaguchi	President, Restar Electronics Corporation
Representative Director, Vice President and CFO in charge of Corporate Operations	Tomoharu Asaka	
Representative Executive Director	Hiroaki Konno	Representative Director and President, Vitec Enesta Co., Ltd. Representative Director and President, Restar Communications Corporation
Director (Full-time Audit and Supervisory Committee Member)	Tatsuichi Naruse	
Director (Full-time Audit and Supervisory Committee Member)	Toshiyuki Suzuki	
Director (Audit and Supervisory Committee Member)	Seno Tezuka	Certified Public Accountant Outside Auditor, Yakult Honsha Co., Ltd.
Director (Audit and Supervisory Committee Member)	Kiyoshi Togawa	Representative, VISTOM Marketing
Director (Audit and Supervisory Committee Member)	Reiko Date	
Director (Audit and Supervisory Committee Member)	Sachiko Kasano	Attorney at law, SHIOMIZAKA Outside Board Director, Socionext Inc. Outside Statutory Auditor, PRAP Japan, Inc.

- Notes:
1. Directors (Audit and Supervisory Committee Members) Mr. Seno Tezuka, Mr. Kiyoshi Togawa, Ms. Reiko Date and Ms. Sachiko Kasano are Outside Directors.
  2. Directors (Audit and Supervisory Committee Members) Mr. Seno Tezuka is a qualified certified public accountant with considerable knowledge of finance and accounting.
  3. The Company has notified the Tokyo Stock Exchange that Directors (Audit and Supervisory Committee Members) Mr. Seno Tezuka, Mr. Kiyoshi Togawa, Ms. Reiko Date and Ms. Sachiko Kasano have been designated as Independent Directors according to the stock exchange rules.
  4. Mr. Tatsuichi Naruse and Mr. Toshiyuki Suzuki have been selected as full-time Audit and Supervisory Committee Members in order to improve the effectiveness of audits and strengthen audit and supervisory functions by enhancing information gathering and ensuring sufficient cooperation with the Company's internal audit division.
  5. Director (Audit and Supervisory Committee Member) Ms. Sachiko Kasano's name on the family register is Sachiko Yanai.
  6. On April 1, 2024, the Company carried out an absorption-type merger with Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., with Restar Holdings Corporation as the surviving company, and the company name was changed to Restar Corporation.

2) Summary of Agreement on Limitation of Liability

The Company and each of its Directors (excluding executive directors) have signed a contract limiting liability for damages under Article 423 Paragraph 1 of the Companies Act according to the provisions under Article 427 Paragraph 1 of the same act. Under the contract, the maximum liability for any damages is set at the minimum liability stipulated in Article 425 Paragraph 1 of the Companies Act.

3) Summary of the Directors and Officers Liability Insurance Policy

The Company has concluded a directors and officer liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers Directors and Executive Officers of the Company and its subsidiaries. The insured persons do not bear the insurance premiums. The insurance contract covers any costs relating to disputes or compensation damages incurred by the insured persons in relation to corporate lawsuits, third-party lawsuits, or shareholder representative lawsuits, etc.

However, any damages incurred as a result of criminal acts, etc. committed by insured persons are not eligible for compensation in order to ensure that the appropriateness of the insured persons' execution of duties is not compromised.

4) Remuneration, etc. of Directors

i. Policy for Determining Remuneration Amounts for Individual Directors or Calculation Method

At the Board of Directors meeting held on March 26, 2021, the Company resolved the basic policy regarding the details of remuneration, etc. for individual Directors. Regarding the Company's policy for determining the amount of remuneration for Directors and how that remuneration is calculated, remuneration is determined following deliberation in the Group Nomination and Remuneration Committee based on the roles and responsibilities of each officer, their achievements to date, and the scale of the markets they manage. The remuneration of Directors who are responsible for business execution consists of a fixed and a variable remuneration component. Fixed remuneration is determined separately according to a job position. Variable remuneration is based on the business results that a person achieved in a single fiscal year (performance-linked remuneration). The performance-linked remuneration for a single fiscal year is designed to fluctuate at a payment rate defined by the degree of achievement of business targets of the entire Group, the degree of achievement of business fields controlled by officers in charge, and the degree of achievement of specific individual targets. The amount to be paid is deliberated and decided at the Group Nomination and Remuneration Committee. On the other hand, Directors who are Audit and Supervisory Committee Members independent of business execution duties as well as Outside Directors only receive fixed remuneration given the fact that offering a variable remuneration component would not be appropriate.

To ensure transparency and objectivity in determining the amount of remuneration for each Director, the Group Nomination and Remuneration Committee, which is delegated by the Board of Directors, deliberates and determines the remuneration for each Director responsible for business execution, excluding Directors who are Audit and Supervisory Committee Members. The Group Nomination and Remuneration Committee is chaired by Ms. Reiko Date, Director (Outside) who is an Audit and Supervisory Committee Member, and its members are Mr. Kiyoshi Togawa, Director (Outside) who is an Audit and Supervisory Committee Member, and Mr. Kunihiro Konno, Chairman, President and CEO. The Board of Directors judges that the content of Director remuneration is being determined in line with its decision policy because the deliberations and decisions of the remuneration are entrusted to the Group Nomination and Remuneration Committee, over two-thirds of which consists of Outside Directors who are Audit and Supervisory Committee Members independent of business execution duties. The amount of remuneration for Directors who are Audit and Supervisory Committee Members is determined by the Audit and Supervisory Committee.

ii. Matters Concerning Resolutions by the Ordinary General Meeting of Shareholders Relating to the Remuneration, etc. of Company Officers

Regarding remuneration amounts for Directors, the Company determined that the total amount of remuneration for Directors responsible for business execution should be capped at 500 million yen per annum at an Extraordinary General Meeting of Shareholders held on November 27, 2018 and determined that the total amount of remuneration for Directors who are Audit and Supervisory Committee Members should be capped at 100 million yen at the Ordinary General Meeting of Shareholders held on June 26, 2018. The Company has five Directors who are responsible for business execution and seven Directors who are Audit and Supervisory Committee Members, all of whom are eligible for remuneration payments, etc. based on these payment quotas.

iii. Matters Pertaining to the Delegation of Authority for Determining the Content of Remuneration, etc. for Individual Directors

Regarding the determination of remuneration amounts for individual officers, in order to ensure the transparency and objectivity of remuneration decisions, the remuneration for individual directors responsible for business execution, excluding directors who serve as Audit and Supervisory Committee members, is

deliberated and determined by the Group Nomination and Remuneration Committee under delegation of the Board of Directors. The Group Nomination and Remuneration Committee is chaired by Ms. Reiko Date, Director (Outside) who is an Audit and Supervisory Committee Member, and its members are Mr. Kiyoshi Togawa, Director (Outside) who is an Audit and Supervisory Committee Member, and Mr. Kunihiro Konno, Chairman, President and CEO. The Board of Directors judges that the content of Director remuneration is being determined in line with its decision policy because the deliberations and decisions of the remuneration are entrusted to the Group Nomination and Remuneration Committee, over two-thirds of which consists of Outside Directors who are Audit and Supervisory Committee Members independent of business execution duties. The amount of remuneration for Directors who are Audit and Supervisory Committee Members is determined by the Audit and Supervisory Committee.

iv. Remuneration, etc. of Company Officers and Outside Officers for the Fiscal Year Under Review

Type of officer	Total remuneration (Million yen)	Total amount by type of remuneration (Million yen)			Number of eligible officers (persons)
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors excluding Audit and Supervisory Committee Members [of which, amount for Outside Directors]	198 [0]	198 [0]	-	-	5 [0]
Directors who are Audit and Supervisory Committee Members [of which, amount for Outside Directors]	43 [17]	43 [17]	-	-	7 [5]
Total [of which, amount for Outside Directors]	242 [17]	242 [17]	-	-	12 [5]

5) Matters Pertaining to Outside Officers

i. Significant Concurrent Positions in Other Companies and the Company's Relationship with Those Organizations

- Outside Director (Audit and Supervisory Committee Member) Mr. Seno Tezuka is a Certified Public Accountant and an Outside Auditor at Yakult Honsha Co., Ltd. The Company has no special relationship with this company.
- Outside Director (Audit and Supervisory Committee Member) Mr. Kiyoshi Togawa is the Representative of VISTOM Marketing. The Company has no special relationship with this company.
- Outside Director (Audit and Supervisory Committee Member) Ms. Reiko Date has no significant concurrent positions.
- Outside Director (Audit and Supervisory Committee Member) Ms. Sachiko Kasano is an attorney at law of SHIOMIZAKA, Outside Board Director of Socionext Inc., and Outside Statutory Auditor of PRAP Japan, Inc. The Company has no special relationship with any of these companies.

ii. Principal Activities in the Fiscal Year Under Review

a. Attendance at the Board of Directors and Audit and Supervisory Committee Meetings

	Board of Directors Meetings (held 22 times)		Audit and Supervisory Committee Meetings (held 16 times)	
	Number of attendances	Attendance rate	Number of attendances	Attendance rate
Outside Director (Audit and Supervisory Committee Member) Seno Tezuka	22/22	100%	16/16	100%
Outside Director (Audit and Supervisory Committee Member) Kiyoshi Togawa	22/22	100%	16/16	100%
Outside Director (Audit and Supervisory Committee Member) Reiko Date	22/22	100%	16/16	100%
Outside Director (Audit and Supervisory Committee Member) Sachiko Kasano	18/18	100%	13/13	100%

Note: Regarding Outside Director (Audit and Supervisory Committee Member) Ms. Sachiko Kasano, attendance after her appointment on June 29, 2023 is listed.

b. Summary of remarks made in Board of Directors and Audit and Supervisory Committee Meetings and summary of duties executed in relation to expected roles

- Outside Director (Audit and Supervisory Committee Member) Mr. Seno Tezuka has contributed appropriate and necessary comments at Board of Directors and Audit and Supervisory Committee meetings from an objective standpoint based on his expertise and experience as a certified public accountant. He has served as an accurate advisor to the management of the Company.
- Outside Director (Audit and Supervisory Committee Member) Mr. Kiyoshi Togawa has contributed support for the Company's business management related to sales strategies. He has served as an accurate advisor to the management of the Company and a member of the Group Nomination and Remuneration Committee based on his extensive experience and outstanding insight as a sales manager for a functional materials and leading cutting-edge parts and systems manufacturer.
- Outside Director (Audit and Supervisory Committee Member) Ms. Reiko Date has contributed appropriate and necessary comments at Board of Directors and Audit and Supervisory Committee meetings and as a chair of the Group Nomination and Remuneration Committee based on the experience and insight gained through her involvement in practical activities and management in management and marketing consulting and manufacturing industries. She has served as an accurate advisor to the management of the Company.
- Outside Director (Audit and Supervisory Committee Member) Ms. Sachiko Kasano has contributed appropriate and necessary comments at the Board of Directors and Audit and Supervisory Committee meetings based on a high level of her expertise and extensive insights as a lawyer. She has served as an accurate advisor to the management of the Company.



#### (4) Accounting Auditor

1) Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

2) Accounting Auditor's Remuneration, etc.

Category	Remuneration based on audit services (million yen)	Remuneration based on non-audit services (million yen)
The Company	219	-
Consolidated subsidiaries	17	-
Total	237	-

Notes: 1. Given that the amount of accounting auditor remuneration in the contract between the Company and the accounting auditor is not categorized into auditing based on the Companies Act and auditing based on the Financial Instruments and Exchange Act, it cannot be substantially classified, so we have displayed a total amount for these activities in the remuneration as the accounting auditor for the fiscal year under review.

2. The Audit and Supervisory Committee agreed on the amount of remuneration for the accounting auditor after conducting necessary verifications regarding the content of the accounting auditor's audit plans, the performance of duties relating to accounting audits, and whether the basis for calculating remuneration estimates, etc. were appropriate.

3. Of the Company's significant subsidiaries, some subsidiaries located outside of Japan are audited by auditing firms other than the Company's accounting auditor (including persons or entities with similar qualifications in the relevant foreign country).

3) Policy on Determination of Dismissal or Non-reappointment of Accounting Auditor

The Audit and Supervisory Committee will prepare a proposal for submission to the Ordinary General Meeting of Shareholders for the dismissal or non-reappointment of the Company's accounting auditor if the committee judges that the said auditor has been seriously hindered in the performance of its duties or there is no prospect for improvement, such as when the accounting auditor is suspended from performing accounting by the supervisory authority.

In addition, if the Audit and Supervisory Committee judges that the accounting auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act and that there is no prospect of improvement, it will dismiss the accounting auditor based on the consent of all Directors who are Audit and Supervisory Committee Members.

#### (5) Overview of Systems to Ensure the Appropriateness of Business Affairs and the Operational Status of Those Systems (As of March 31, 2024)

Based on legal and regulatory requirements, the Articles of Incorporation, and the Code of Conduct, the Company has established a basic policy for building an internal control system as explained below to ensure the appropriateness of business operation and continue to update and operate that system.

1) System to Ensure Business Execution by Directors and Employees Complies with Laws and Regulations and the Articles of Incorporation

1. We shall establish the Restar Group Code of Conduct to ensure all Directors and employees act in compliance with laws, regulations, the Company's Articles of Incorporation, rules, and corporate ethics and ensure that all Directors and employees comply thoroughly with these rules.
2. We shall establish the Compliance Committee as a system for ensuring compliance with the Restar Group Code of Conduct, and strive to respond appropriately.
3. We shall seek to quickly grasp any violations of the Restar Group Code of Conduct by establishing and operating an internal reporting system, and to build a framework that enables us to resolve problems promptly.
4. We shall sever any relationships with antisocial forces and build systems to enable us to respond resolutely to any unreasonable demands, etc.

[Overview of operational status]

- The Company positions the Restar Group Code of Conduct as the basis for the Group's officers and employees to determine how to engage in corporate activity. The Code of Conduct also stipulates the blocking of all relationships with antisocial forces. The Company aims to ensure that it is thoroughly understood throughout the Group by posting it on the official website and intranet, as well as implementing training and other initiatives.

- In accordance with the Group Compliance Regulations, which sets forth fundamental matters concerning compliance in the Group, the Company holds regular meetings of the Compliance Committee to deliberate and decide on various measures to promote compliance in the Group.
- In accordance with the Group Whistleblowing System Operation Regulations, the Company has established a whistleblowing consultation point and created a framework to accept a broad range of inquiries and reports from employees and trading partners.

2) System for Storing and Managing Information Pertaining to the Execution of Duties by Directors

Information pertaining to the execution of duties by Directors shall be appropriately stored and managed in accordance with the Company's Information and Document Management Regulations.

[Overview of operational status]

We have established the Information and Document Management Regulations and set the required period for storing documents to store and manage them. The minutes from the Ordinary General Meeting of Shareholders and Board of Directors meetings are properly created, stored, and provided.

3) Regulations and Other Systems for Managing Loss Risk

In accordance with the Risk Management Regulations, the Company and its subsidiaries identify, evaluate, and respond to risks in each division, and hold various committees and meetings to monitor those risks. We have also established a system for reporting to the Board of Directors, etc. of the parent company according to the degree of importance.

[Overview of operational status]

- We have positioned risk management as part of our internal control activities and any serious risks are regularly reported by internal control committees in each company at the meetings of the Internal Control Committee of the parent company and, where necessary, those of the Board of Directors.

4) System to Ensure Directors Perform Their Duties Efficiently

1. Regularly and, when necessary, special meetings of the Board of Directors of each company shall be held as a way of ensuring Directors of the Company and its subsidiaries perform their duties efficiently. We will also ensure the efficiency of the execution of duties by deliberating important matters in various committees in advance before raising them to the decision-making body.
2. With regard to business execution based on decisions made in the Board of Directors, the immediate managers will execute that business within the scope of their authority according to the Division of Organizational and Business Affairs Regulations and the Administrative Authority Regulations.

[Overview of operational status]

- Various specialist committees (human resources, financial affairs, investment, etc.) have been established under the Board of Directors to conduct preliminary deliberations and seek to improve efficiency. We seek to improve efficiency by delegating authority to each specialist committee to serve as the resolution body on some items.
- We have established the Board of Directors Regulations for the Company and its significant subsidiaries, and the Company's Administration Department and Group Audit and Supervisory Committee Member Liaison Committee confirms that Board of Directors meetings take place on a regular basis.
- We have the Division of Organizational and Business Affairs Regulations and Administrative Authority Regulations, and execute business based on these rules.

5) System for Ensuring the Appropriateness of Operations in the Corporate Group Consisting of the Company and its Subsidiaries

In order to ensure the appropriateness of operations at the Company and its subsidiaries, in addition to submitting decisions for approval and reporting to the Company in accordance with the Group Regulations for the Management of Subsidiary Companies, resolutions made by the Board of Directors at significant subsidiary companies and important reports shall be reported to the Company's Board of Directors on a monthly basis. In addition, the Internal Audit Office shall conduct internal audits of subsidiaries to ensure the appropriateness of business operations at subsidiary companies.

[Overview of operational status]

- The Company has created Regulations for the Management of Group Companies and Regulations on Administrative Authority, and any important matters relating to the management of subsidiary companies are subject to prior approval by the Company or are required to be reported to the Company. Any decisions made by the Board of Directors at significant subsidiaries, or any other items that require reporting, are reported to the Company's Board of Directors.
- The Audit and Supervisory Committee, the Internal Audit Office, and the accounting auditor work together and conduct audits of the Company and its subsidiaries based on mutual audit plans.

6) System Concerning Employees Assigned to Assist with Audit and Supervisory Committee Duties, Ensuring the Independence of Those Persons from Other Directors, and Ensuring the Effectiveness of Directions Given to Those Employees

1. The Company, in consultation with the Audit and Supervisory Committee, shall assign employees to assist with Audit and Supervisory Committee duties. In addition, the Audit and Supervisory Committee may submit request for investigations to the Internal Audit Office as necessary.
2. When requesting an investigation, as long as the investigation is within the scope of assisting with Audit and Supervisory Committee duties, the Audit and Supervisory Committee shall have the authority to command and order the Internal Audit Office to perform the investigation, while directors and other employees shall not have such authority.
3. We shall determine how the Internal Audit Office will cooperate with the Audit and Supervisory Committee in the Internal Audit Office Regulations.
  - The Internal Audit Office shall thoroughly consult with the Audit and Supervisory Committee in advance when formulating audit plans.
  - The results of audits shall be reported to the representative director in charge and to the Audit and Supervisory Committee and the Internal Control Committee.

[Overview of operational status]

- Employees are assigned to assist and conduct work based on resolutions of the Audit and Supervisory Committee.
- The relationship between the Internal Audit Office and the Audit and Supervisory Committee is stipulated in the Internal Audit Office Regulations. The Internal Audit Office has been reporting directly to the Audit and Supervisory Committee as a way of enhancing the mobility and efficiency of its operations.
- The way the Internal Audit Office communicates and coordinates with the Audit and Supervisory Committee and reports audits are stipulated in the Internal Audit Office Regulations. The Internal Audit Office and Audit and Supervisory Committee exchange information at their regular monthly meetings.

7) System for Directors and Employees to Report to the Audit and Supervisory Committee

Directors, executive officers, and employees of the Company and directors, executive officers, employees, and auditors of subsidiary companies should report to the Audit and Supervisory Committee if they discover any of the following items:

- Matters resolved or reported by the Board of Directors of subsidiary companies.
- Facts that cause or could cause significant damage to the Company
- Acts that violate or could violate laws, regulations, or the Company's Articles of Incorporation, etc. and that cause or may cause considerable damage to the Company.
- Other important matters that affect the Company's business performance.
- Matters where the Audit and Supervisory Committee requested the submission of reports and materials.

[Overview of operational status]

- Audit and Supervisory Committee members are also members of the Board of Directors so they obtain important information by attending Board of Directors meetings. They also gain a firm grasp of different situations through regular meetings with representative directors and regular interviews with directors.
- The Audit and Supervisory Committee is one of the reporting destinations under the Whistleblowing System Operation Regulations.

8) System to Ensure Any Person Who Has Submitted a Report to the Audit and Supervisory Committee Is Not Treated Disadvantageously as a Result

The Company and its subsidiaries shall establish systems to ensure that persons who report to the Audit and Supervisory Committee are not treated unfavorably as a result of having submitted such reports.

[Overview of operational status]

- The Whistleblowing System Operation Regulations have been established to protect whistleblowers. No reports have to be submitted suggesting that the whistleblower has not been protected.

9) Matters Regarding the Prepayment or Reimbursement of Expenses Incurred During the Execution of Duties by Audit or Supervisory Committee Members (Limited to Those Related to the Execution of Audit and Supervisory Committee Duties), or Policy on Processing Expenses or Debts Incurred During the Execution of Other Such Duties

The Company shall establish a system regarding the procedure for prepayment of expenses that will be incurred during the execution of duties by Audit and Supervisory Committee members or for the reimbursement of costs already incurred as well as the processing of other expenses or debt incurred during the execution of those duties, and a system for ensuring the swift payment of those expenses when a request is submitted by an Audit and Supervisory Committee member.

[Overview of operational status]

- The Audit and Supervisory Committee Regulations stipulate that any expenses incurred by Audit and

Supervisory Committee members in the execution of their duties shall be borne by the Company.

- 10) Other Systems for Ensuring the Effective Conducting of Audits by the Audit and Supervisory Committee  
In order to ensure that the audits conducted by the Audit and Supervisory Committee are conducted effectively, the Audit and Supervisory Committee shall work closely with the accounting auditor and meet with directors and executive officers of the Company and directors and other officers at subsidiary companies, when necessary, in order to confirm management policies and exchange opinions on risks and issues surrounding the Company.

[Overview of operational status]

- The Audit and Supervisory Committee formulates and implements an annual communication plan based on its auditing plans, etc. The committee exchanges opinions after receiving reports from the accounting auditor, such as Audit Plans, Quarterly Reviews, and Response to Key Audit Matters (KAM).

- 11) System for Ensuring the Reliability of Financial Reporting and Other Appropriate Internal Controls  
In order to ensure the reliability of financial reporting and to effectively and appropriately disclose the Internal Control Report, the Company shall commit to continuously develop, operate, and evaluate internal controls related to financial reporting and take corrective action if any deficiencies are detected. In addition, the Internal Control Committee shall be established and operated to ensure the execution of business affairs for the other three purposes mentioned in the Four Internal Control Objectives (the effectiveness and efficiency of business operations, compliance with applicable laws and regulations, and the safeguarding of assets), and to actively strengthen Group governance systems.

[Overview of operational status]

- Based on the Basic Internal Control Regulations and the Internal Control Management Regulations, the Company and its eight significant subsidiaries have established Internal Control Committees to implement self-cleaning and improvement activities. The Internal Control Committee meetings are held at the parent company and the committee reports to the Company on a regular basis.
- In order to ensure the reliability of financial reporting, we have stipulated the scope of evaluations, evaluation methods, correction of deficiencies, and reporting requirements in the above-mentioned regulations based on the internal control reporting system (J-SOX). The Internal Control Office conducts evaluations, provides feedback on any uncovered deficiencies, and guides their correction.

#### **(6) Basic Policy Relating to the Control of the Company**

Not applicable.

#### **(7) Policy on Determining Dividend Payments, etc. from Surplus Funds**

The basic policy for shareholder returns during the period of the Company's Medium-term Management Plan, which ends in the fiscal year ending March 31, 2027, is as follows.

- Considering the balance between enhancing stable shareholder returns, actively investing in growth areas, and financial soundness
- Consolidated dividend on equity ratio (DOE) of 4% or more
- Implementing stable and continuous increases in dividends
- Flexible share buybacks for surplus funds

\* DOE (Dividend on Equity):  $\text{Dividend on equity ratio} = \text{Dividend amount} \div \text{Shareholders' equity} = \text{Dividend yield} \times \text{PBR}$

Since this is based on shareholders' equity, there is less impact on profit fluctuations in comparison to the payout ratio, resulting in stable dividends. The Company will treat DOE as an important indicator and provide shareholder returns so that all shareholders can hold Company shares for the long term with peace of mind.

The Articles of Incorporation stipulate that each item in Article 459, Paragraph 1 of the Companies Act concerning dividend payments, etc. from surplus funds shall be determined by resolution of the Board of Directors not by resolution of the Ordinary General Meeting of Shareholders, unless otherwise provided for by existing laws or regulations. The purpose of these provisions is to return profits to shareholders in a flexible manner by giving the Board of Directors authority regarding dividends of surplus, etc.

## Consolidated Financial Statements

### Consolidated Balance Sheet (As of March 31, 2024)

(Million yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>234,350</b>	<b>Current liabilities</b>	<b>180,132</b>
Cash and deposits	39,919	Notes and accounts payable – trade	55,846
Notes receivable – trade	417	Short-term borrowings	96,993
Accounts receivable – trade	88,940	Current portion of long-term borrowings	5,130
Electronically recorded monetary claims – operating	16,043	Lease liabilities	1,967
Contract assets	49	Income taxes payable	3,864
Merchandise and finished goods	68,158	Contract liabilities	147
Work in process	980	Provision for bonuses	1,334
Raw materials and supplies	1,632	Provision for bonuses for directors (and other officers)	120
Other	18,334	Other	14,728
Allowance for doubtful accounts	(124)	<b>Non-current liabilities</b>	<b>20,547</b>
<b>Non-current assets</b>	<b>57,353</b>	Long-term borrowings	7,352
<b>Property, plant and equipment</b>	<b>28,538</b>	Lease liabilities	6,845
Buildings and structures	2,243	Deferred tax liabilities	1,867
Machinery, equipment and vehicles	11,811	Retirement benefit liability	1,582
Tools, furniture and fixtures	891	Other	2,898
Leased assets	8,481	<b>Total liabilities</b>	<b>200,679</b>
Land	1,217	<b>(Net assets)</b>	
Construction in progress	3,893	<b>Shareholders' equity</b>	<b>81,677</b>
<b>Intangible assets</b>	<b>9,490</b>	Share capital	4,383
Goodwill	5,460	Capital surplus	33,841
Other	4,029	Retained earnings	43,461
<b>Investments and other assets</b>	<b>19,324</b>	Treasury shares	(9)
Investment securities	4,062	<b>Accumulated other comprehensive income</b>	<b>2,524</b>
Deferred tax assets	2,338	Valuation difference on available-for-sale securities	304
Bad debts	11,665	Deferred gains or losses on hedges	(1)
Long-term prepaid expenses	8,646	Foreign currency translation adjustment	2,263
Other	4,438	Remeasurements of defined benefit plans	(42)
Allowance for doubtful accounts	(11,827)	<b>Share acquisition rights</b>	<b>123</b>
		<b>Non-controlling interests</b>	<b>6,699</b>
		<b>Total net assets</b>	<b>91,024</b>
<b>Total assets</b>	<b>291,704</b>	<b>Total liabilities and net assets</b>	<b>291,704</b>

### Consolidated Statement of Income (April 1, 2023–March 31, 2024)

(Million yen)

Description	Amount
<b>Net sales</b>	<b>512,484</b>
<b>Cost of sales</b>	<b>467,212</b>
<b>Gross profit</b>	<b>45,271</b>
<b>Selling, general and administrative expenses</b>	<b>29,340</b>
<b>Operating profit</b>	<b>15,931</b>
<b>Non-operating income</b>	<b>1,216</b>
Interest income	255
Dividend income	43
Insurance claim income	494
Share of profit of entities accounted for using equity method	94
Gain on investments in silent partnerships	112
Other	216
<b>Non-operating expenses</b>	<b>7,458</b>
Interest expenses	3,835
Loss on sale of receivables	1,366
Foreign exchange losses	617
Loss on valuation of investment securities	554
Commission for syndicated loans	225
Other	857
<b>Ordinary profit</b>	<b>9,690</b>
<b>Extraordinary income</b>	<b>2,838</b>
Gain on sale of non-current assets	1,882
Gain on sale of investment securities	883
Insurance claim income	39
Other	32
<b>Extraordinary losses</b>	<b>528</b>
Loss on valuation of investment securities	34
Impairment losses	352
System failure response expenses	86
Other	55
<b>Profit before income taxes</b>	<b>12,000</b>
Income taxes – current	4,945
Income taxes – deferred	(620)
<b>Profit</b>	<b>7,675</b>
Profit attributable to non-controlling interests	671
<b>Profit attributable to owners of parent</b>	<b>7,004</b>

## Consolidated Statements of Changes in Shareholders' Equity

(April 1, 2023–March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance (April 1, 2023)	4,383	36,095	37,976	(8)	78,446
Changes during period					
Dividends of surplus		(2,255)	(1,653)		(3,908)
Profit attributable to owners of parent			7,004		7,004
Purchase of treasury shares				(0)	(0)
Changes due to new consolidation		1	134		135
Net changes in items other than shareholders' equity					
Total changes during period	—	(2,253)	5,485	(0)	3,230
Balance (March 31, 2024)	4,383	33,841	43,461	(9)	81,677

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance (April 1, 2023)	631	1	1,721	(28)	2,325	113	4,210	85,095
Changes during period								
Dividends of surplus								(3,908)
Profit attributable to owners of parent								7,004
Purchase of treasury shares								(0)
Changes due to new consolidation			32		32			168
Net changes in items other than shareholders' equity	(326)	(2)	509	(13)	166	10	2,489	2,665
Total changes during period	(326)	(2)	541	(13)	198	10	2,489	5,929
Balance (March 31, 2024)	304	(1)	2,263	(42)	2,524	123	6,699	91,024

## Notes to Consolidated Financial Statements

### I. Significant Matters as the Basis for Preparation of Consolidated Financial Statements

#### (1) Scope of consolidation

##### 1) Number and names of consolidated subsidiaries

- Number of consolidated subsidiaries: 51
- Names of major consolidated subsidiaries:  
Restar Electronics Corporation  
CU TECH CORPORATION  
Restar Supply Chain Solution Corporation  
Restar Communications Corporation  
CARDSERVICE Inc.  
Vitec Enesta Co., Ltd.  
V-Power Co., Ltd.  
Vitec Vegetable Factory Co., Ltd.

- Increase and decrease in consolidated subsidiaries during the fiscal year under review are as follows:  
(Increase)

##### Due to acquisition of shares:

AIT Japan Inc.

(Company name changed to Restar WPG Corporation on January 1, 2024)

TSUZUKI EMBEDDED SOLUTIONS CO., LTD.

(Company name changed to Restar Embedded Solutions Corporation on January 9, 2024)

TSUZUKI DENSAN TRADING (SHANGHAI) CO., LTD.

(Company name changed to RUIZEDA DENSAN TRADING (SHANGHAI) CO., LTD. on January 9, 2024)

TSUZUKI DENSAN HONG KONG CO., LTD.

(Company name changed to RUISHIDA DENSAN HONG KONG CO., LTD. on January 9, 2024)

TSUZUKI DENSAN SINGAPORE PTE. LTD.

(Company name changed to RESTAR EMBEDDED SOLUTIONS SINGAPORE PTE. LTD. on January 9, 2024)

##### Due to increased importance:

RESTAR ELECTRONICS VIETNAM CO., LTD.

Kyoshin Communications Shikoku Co., LTD.

TAC SYSTEM, INC.

##### (Decrease)

##### Due to completion of liquidation:

UW Technologies Co., Ltd.

VGEL (SHENZHEN) CO., LTD.

##### 2) Names of major non-consolidated subsidiaries, etc.

- Names of major non-consolidated subsidiaries:  
FMC Co., Ltd.  
WiViCom Co., Ltd.  
CS Logistics Co., Ltd.
- Reason for exclusion from the scope of consolidation:  
All of these non-consolidated subsidiaries are small in scale, and their combined total assets, net sales, profit (loss) (amount corresponding to equity interest), and retained earnings (amount corresponding to equity interest) do not have a material impact on the consolidated financial statements.

#### (2) Application of the equity method

##### 1) Number and names of associates accounted for using equity method

- Number of associates accounted for using equity method: 2
- Names of major associates:



Privatech Inc.

2) Names of non-consolidated subsidiaries and associates not accounted for using equity method

- Names of major companies, etc.:  
(Non-consolidated subsidiaries)  
FMC Co., Ltd.  
WiViCom Co., Ltd.  
CS Logistics Co., Ltd.
- Reason for not applying equity method  
The exclusion from the scope of equity method accounting of these non-consolidated subsidiaries and associates not accounted for using equity method has a negligible impact on the consolidated financial statements in terms of profit (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), etc. and they are also not significant in total.

(3) Matters relating to accounting policies

1) Basis and method for valuation of significant assets

(a) Securities

Available-for-sale securities

- Securities other than shares and other securities without a market price  
Securities other than shares and other securities without a market price are stated at fair value (valuation differences are recognized directly in net assets, and the cost of such securities sold is calculated using the moving average method).
- Shares and other securities without a market price  
Shares and other securities without a market price are stated at cost using the moving average method. Meanwhile, investments in investment partnerships, etc. are stated at the net amount equivalent to equity interests based on the most recent financial statements of the partnership.

(b) Derivatives

Derivatives are stated at fair value.

(c) Inventories

- Merchandise and finished goods  
Merchandise and finished goods are mainly stated at cost using the moving average method (in which the carrying amount is written down in case of a decline in profitability).
- Work in process  
Consignment products  
Consignment products are stated at cost using the specific identification method (in which the carrying amount is written down in case of a decline in profitability).
- Other manufactured products  
Other manufactured products are stated at cost using the moving average method (in which the carrying amount is written down in case of a decline in profitability).
- Raw materials and supplies  
Raw materials and supplies are mainly stated at cost using the moving average method (in which the carrying amount is written down in case of a decline in profitability).

2) Depreciation/amortization methods for significant depreciable/amortizable assets

(a) Property, plant and equipment (excluding leased assets)

At the Company and its consolidated subsidiaries in Japan, items of property, plant and equipment (excluding leased assets) are depreciated using the declining balance method. Meanwhile, at foreign subsidiaries, such items are mainly depreciated using the straight-line basis. However, buildings (excluding accompanying facilities) acquired by the Company and its consolidated subsidiaries in Japan on and after April 1, 1998 and accompanying facilities and structures acquired by them on or after April 1, 2016 are depreciated on a straight-line basis.

(b) Intangible assets (excluding goodwill)

Intangible assets (excluding goodwill) are amortized on a straight-line basis.

Software for internal use by the Company and its consolidated subsidiaries in Japan is amortized on a straight-line basis over the period available for internal use (five years).

(c) Leased assets

Leased assets arising from finance lease transactions that transfer ownership

- Leased assets arising from finance lease transactions that transfer ownership are depreciated by the

same depreciation method applied to non-current assets owned by the Group.

Leased assets arising from finance lease transactions that do not transfer ownership

- Leased assets arising from finance lease transactions that do not transfer ownership are depreciated using the straight-line method over the lease term with no residual value (or the guaranteed residual value if it is specified in the lease contract).

- 3) Standard for significant provisions
- (a) Allowance for doubtful accounts  
To provide for potential credit losses on trade receivables, the Company and its consolidated subsidiaries in Japan record allowance for doubtful accounts at an estimated unrecoverable amount calculated based on the historical rate of credit loss for general receivables and determined in consideration of recoverability of individual receivables for doubtful accounts and certain other receivables. Foreign consolidated subsidiaries record allowance for doubtful accounts at an estimated unrecoverable amount mainly for specific receivables.
- (b) Provision for bonuses  
To provide for payment of bonuses to employees, provision for bonuses is recorded at an amount of estimated future bonus payments that is attributable to the fiscal year under review.
- (c) Provision for bonuses for directors (and other officers)  
To provide for payment of bonuses to directors and other officers, provision for bonuses for directors (and other officers) is recorded at an amount of estimated bonus payments for the fiscal year under review.
- 4) Standard for revenues and expenses  
Revenue from sale of products or merchandise is mainly derived from wholesale sales or sales from manufacturing. The Group has a performance obligation to deliver product or merchandise under contracts with customers. The performance obligation is deemed to be satisfied at a point in time at which product or merchandise is delivered to the customer and the customer obtains control of the promised product or merchandise, and revenue is recognized upon the delivery of the product or merchandise. Meanwhile, the Group recognizes revenue upon shipment if the period from the time of shipment to the time when control of the product or merchandise is transferred to the customer is normal. For transactions in which the Group acts as an agent in the sale of products to a customer, the Group recognizes revenue at the net amount calculated by deducting the amount paid to third parties from the gross amount of consideration. Revenue from maintenance service is mainly derived from the maintenance of products or merchandise. The Group has a performance obligation to provide the maintenance service under maintenance contracts with customers. The maintenance contracts are transactions where the performance obligation is satisfied over time, and revenue is recognized based on progress toward complete satisfaction of the performance obligation. The Group recognizes revenue from construction contracts as the Group satisfies the performance obligation over time, except for very-short-term construction contracts. In some circumstances, the Group may not be able to reasonably measure the progress of satisfaction of performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognizes revenue using the cost recovery method. The Group recognizes revenue from very-short-term construction contracts when the performance obligation is completely satisfied.
- 5) Accounting procedures for retirement benefits
- (a) Attribution method for projected retirement benefits  
In calculating retirement benefit obligations, the benefit formula basis is used to attribute the projected amount of retirement benefits to periods up to the end of the fiscal year under review.
- (b) Accounting procedures for actuarial gains and losses and prior service cost  
Prior service cost is amortized using the straight-line method over a certain number of years (mainly 10 years) within the average remaining service years of employees at the time of recognition. Actuarial gains and losses are amortized on a pro-rata basis using the straight-line method over a certain number of years (mainly 10 years) within the average remaining service years of employees from the fiscal year following the respective fiscal year of recognition.
- (c) Accounting procedures for unrecognized actuarial gains and losses and unrecognized prior service cost  
Unrecognized actuarial gains and losses and unrecognized prior service cost are recorded, after adjustment for tax effects, in remeasurements of defined benefit plans under accumulated other comprehensive income in net assets.
- (d) Application of the simplified method  
Some consolidated subsidiaries that fall under the categories of smaller companies and others use the

simplified method to calculate retirement benefit liability and retirement benefit expenses using the amount of retirement benefits required to be paid for voluntary retirement at the end of the fiscal year under review.

6) Other significant matters for preparation of consolidated financial statements

(a) Matters concerning the fiscal years, etc. of consolidated subsidiaries

Consolidated subsidiaries whose fiscal year ends on December 31:

Restar-SBI Innovation Investment Limited Partnership  
Restar WPG Corporation  
RESTAR ELECTRONICS (SHANGHAI) CO., LTD.  
RESTAR ELECTRONICS (SHENZHEN) CO., LTD.  
RUIZEDA DENSAN TRADING (SHANGHAI) CO., LTD.  
CU TECH CORPORATION  
Dongguan CU Tech Electronics Corporation  
CU TECH VIETNAM CO., LTD.  
Lavinics Co., Ltd.  
VITEC WPG Limited  
ViMOS Technologies GmbH

In preparing the consolidated financial statements, financial statements based on the provisional settlement of accounts as of the consolidated balance sheet date are used for ten consolidated subsidiaries out of those listed above. Meanwhile, for Restar-SBI Innovation Investment Limited Partnership, financial statements as of the balance sheet date of the company are used for consolidated accounting as the difference between the company's balance sheet date and the consolidated balance sheet date does not exceed three months.

In addition, necessary adjustments are made to reflect significant transactions occurred during the period from these balance sheet dates to the consolidated balance sheet date.

(b) Accounting policy for translating significant foreign currency-denominated assets and liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the consolidated balance sheet date, and translation adjustments are recognized in profit or loss. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rates at the foreign subsidiaries' balance sheet dates, and their revenues and expenses are translated into Japanese yen at the average exchange rates during the periods. Translation adjustments of foreign subsidiaries are included in foreign currency translation adjustment in net assets.

(c) Significant hedge accounting methods

• Hedge accounting method

Hedging activities are principally accounted for under the deferral hedge accounting. The designation hedge accounting is applied to forward exchange contracts that fulfill the requirements for the designation method.

• Hedging instruments and hedged items

Hedging instruments: forward exchange contracts and currency swaps

Hedged items: receivables and payables denominated in foreign currencies

• Hedge policy

Forward exchange contracts and currency swaps are entered into to hedge the risks associated with fluctuations in exchange rates on transactions denominated in foreign currencies.

• Method for assessing the effectiveness of hedges

Hedge effectiveness is not assessed for forward exchange contracts and currency swaps.

(d) Amortization method and period of goodwill

Goodwill is amortized by the straight-line method over a reasonable period not exceeding 20 years.

(e) Application of the group tax sharing system

The Group has applied the group tax sharing system.

(f) Unit of presentation

Amounts presented herein are rounded down to the nearest million yen.

## II. Notes on Accounting Estimates

(Valuation of goodwill in the System Equipment Business)

- (1) Amount recorded on the consolidated financial statements for the fiscal year under review

Goodwill: 609 million yen

This information was identified as a disclosure item in view of the risk of a material impact on the consolidated financial statements for the following fiscal year.

- (2) Information concerning the details of significant accounting estimates for the identified item

- 1) Calculation method

Goodwill arose at the time when the Company gained control over its consolidated subsidiaries.

Goodwill arising from business combinations represents the expected future excess earnings power through business development of the acquired company at the time when the Company gained control. It is recorded in an amount equal to the difference between acquisition cost and the fair value of the acquired company's identifiable assets and liabilities as of the date of the business combination, and is steadily amortized using the straight-line method over the effective period of this expected future excess earnings power.

As a general rule, goodwill is grouped by business unit, which is in line with the managerial accounting classifications on which profit and loss are continuously monitored. In the System Equipment Business, goodwill is grouped by the business units in existence at the time when the Company gained control.

In the case where there is an indication that goodwill may be impaired, we compare the undiscounted future cash flows based on business plans approved by management with the carrying amount. If it is determined that impairment losses should be recognized, the carrying amount is reduced to the recoverable amount, and the amount of the reduction is recognized as impairment losses under extraordinary losses.

In our System Equipment Business, as a result of comparing business plans at the time of acquisition with results, the Group identified an indication of impairment as the cash flows anticipated at the time of purchase had not been realized. However, no impairment losses were recognized because the total undiscounted future cash flows based on future business plans exceeded the carrying amount of the asset group, including goodwill.

- 2) Key assumptions

If we identify an indication that goodwill may be impaired, we determine whether to recognize impairment losses by estimating the total undiscounted future cash flows. We estimate the undiscounted future cash flows used to recognize impairment based on business plans approved by management.

The key assumptions of the business plans used in accounting estimates include factors such as estimated market growth and estimated sales to major customers.

- 3) Impact on the consolidated financial statements for the following fiscal year

Factors such as market growth and estimated sales to major customers, which are key assumptions of the business plans used in accounting estimates, are subject to change due to technological innovation, changing customer needs, the launch of new products, etc. Therefore, if the conditions or assumptions upon which cash flows were estimated change, we may need to recognize an impairment loss on goodwill.

## III. Notes to Consolidated Balance Sheet

- (1) Accumulated depreciation of plant, property and equipment: 17,968 million yen

- (2) Loan commitment agreements

In order to finance working capital efficiently, the Company has entered into a loan commitment agreement with banks. The balance of undrawn loan commitments under these agreements is as follows:

Total loan commitments	75,000 million yen
Drawn commitments	47,926 million yen
Undrawn commitments	27,073 million yen

- (3) Advanced depreciation of non-current assets due to acceptance of national subsidies

The advanced depreciation of non-current assets due to acceptance of national subsidies totaled 90 million

yen, which is deducted from the cost to calculate the consolidated balance sheet amount of the assets. This amount consisted of machinery and equipment of 90 million yen.

(4) Assets pledged as collateral and secured liabilities  
(Assets pledged as capital)

	(Million yen)
Buildings and structures	0
Machinery, equipment and vehicles	0
Tools, furniture and fixtures	0
<u>Total</u>	<u>0</u>
(Collateral liabilities)	
Current portion of long-term borrowings	37
Long-term borrowings	278
<u>Total</u>	<u>315</u>

(5) Amounts of receivables and contract assets arising from contracts with customers

	(Million yen)
Notes receivable – trade	417
Accounts receivable – trade	88,940
Electronically recorded monetary claims - operating	16,043
Contract assets	49
<u>Total</u>	<u>105,449</u>

#### IV. Notes to Consolidated Statement of Income

(Revenue from contracts with customers)

Net sales are not presented separately for revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers are presented in “VIII. Notes on Revenue Recognition, (1) Disaggregation of revenue from contracts with customers.”

(Impairment losses)

In the fiscal year under review, the Group recorded impairment losses of 352 million yen for the asset groups shown below. As a general rule, goodwill is grouped by business unit, which is in line with the managerial accounting classifications on which profit and loss are continuously monitored, and business assets are grouped by the smallest unit that generates cash flows, with assets for each company as the basic unit.

Location	Use	Business segment	Class	Impairment losses (Million yen)
Incheon Metropolitan City, Republic of Korea	Other	Devices	Goodwill	59
Minato-ku, Shinagawa-ku, Tokyo	Other	Electronic Equipment	Goodwill	133
	Business assets	Electronic Equipment	Buildings and structures	0
			Tools, furniture and fixtures	2
			Software	0
			Subtotal	3
Oga City, Akita	Business assets	Environmental Energy (power generation business)	Machinery, equipment and vehicles	81
			Land	0
			Long-term prepaid expenses	4
			Subtotal	85

Happo Town, Akita	Business assets	Environmental Energy (power generation business)	Machinery, equipment and vehicles	30
			Long-term prepaid expenses	3
			Subtotal	33
Minato-ku, Tokyo	Business assets	Environmental Energy (vegetable factory business)	Software	0
Nanao City, Ishikawa	Business assets	Environmental Energy (vegetable factory business)	Machinery, equipment and vehicles	14
			Tools, furniture and fixtures	0
			Subtotal	14
Nakanoto Town, Kashima District, Ishikawa	Business assets	Environmental Energy (vegetable factory business)	Machinery, equipment and vehicles	2
Satsumasendai City, Kagoshima	Business assets	Environmental Energy (vegetable factory business)	Machinery, equipment and vehicles	4
			Tools, furniture and fixtures	0
			Subtotal	5
Kazuno City, Akita	Business assets	Environmental Energy (vegetable factory business)	Machinery, equipment and vehicles	12
Total				352

In the fiscal year under review, given the negative cash flow generated from operating activities in some businesses, we have recognized impairments on larger units including goodwill and reduced the carrying amount to the recoverable amount. The higher of the value in use or the net realizable value has been taken as the recoverable amount.

The goodwill in the EMS business, which is part of the Device segment, was generated at the time of the business acquisition of an overseas subsidiary. As a result of implementing an impairment test based on the International Financial Reporting Standards for this overseas subsidiary, we reduced the carrying amount to the recoverable amount, because the revenue anticipated at the time of the business acquisition could no longer be expected. The higher of value in use or fair value after deducting disposal costs is taken as the recoverable amount. The fair value after deducting disposal costs was evaluated to be zero, as sale or similar disposal was not effectively possible. Value in use was calculated by discounting future cash flows based on the business plan using a discount rate of 11.91%.

The goodwill in the Electronic Equipment Business, which is part of the Electronic Equipment segment, was recorded in anticipation of excess earnings power expected to arise at the time of the absorption-type merger with VITEC HOLDINGS CO., LTD. However, as the originally anticipated revenue could no longer be expected in the fiscal year under review, we reduced the carrying amount to the recoverable amount. Value in use was evaluated to be zero as future cash flows could not be expected.

The business assets in the Vegetable Factory Business, which is part of the Environmental Energy segment, are grouped based on the entire Vegetable Factory Business as a single business unit, given the business characteristics of the Vegetable Factory Business, in which revenues and expenditures are considered for the business as a whole. Net realizable value in the Vegetable Factory Business was evaluated to be zero, as sale or similar disposal was not effectively possible, and value in use was evaluated with memorandum value, as no future cash flows could be expected.

The business assets in the power generation business, which is part of the Environmental Energy segment, are mainly grouped by power plant. In the fiscal year under review, cash flow generated from operating activities for some wind power generation assets continue to be negative, and as improvement is expected to continue to be difficult going forward, we reduced the carrying amount to the recoverable amount. The higher of value in use or the net realizable value is taken as the recoverable amount. The net realizable value was evaluated to be zero, as sale or similar disposal was not effectively possible. Value in use was calculated by discounting future cash flows based on the business plan using a discount rate of 11.86%.

(System failure response expenses)

We have recorded system failure response expenses related to unauthorized access to the servers of the Company and some of its subsidiaries. The main breakdown includes investigation and analysis expenses for external specialists.



## V. Notes to Consolidated Statements of Changes in Shareholders' Equity

### (1) Number of issued shares (shares)

Class of shares	Number of shares at the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares at the end of the fiscal year under review
Common stock	30,072,643	–	–	30,072,643

### (2) Number of treasury shares (shares)

Class of shares	Number of shares at the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares at the end of the fiscal year under review
Common stock	4,568	112	–	4,680

Note: The increase of 112 treasury shares was due to purchases of shares less than one unit.

### (3) Dividends

#### 1) Dividends paid

Dividend resolved at the Board of Directors meeting held on May 26, 2023

- Class of shares: common stock
- Total dividends: 2,255 million yen
- Dividend per share: 75.0 yen
- Record date: March 31, 2023
- Effective date: June 30, 2023

Dividend resolved at the Board of Directors meeting held on November 14, 2023

- Class of shares: common stock
- Total dividends: 1,653 million yen
- Dividend per share: 55.0 yen
- Record date: September 30, 2023
- Effective date: December 5, 2023

#### 2) Dividends for which the record date falls in the fiscal year under review, but the effective date falls in the following fiscal year

Dividend resolved at the Board of Directors meeting held on May 28, 2024

- Class of shares: common stock
- Source of dividends: capital surplus
- Total dividends: 1,804 million yen
- Dividend per share: 60.0 yen
- Record date: March 31, 2024
- Effective date: June 27, 2024

## VI. Notes on Financial Instruments

### (1) Status of financial instruments

#### 1) Policies on financial instruments

The Group raises necessary funds through securitization of receivables and bank borrowings. The Group's policy is to use derivatives to hedge against risks described below and not to enter into speculative transactions.

#### 2) Nature and risks of financial instruments

Notes receivable-trade, accounts receivable-trade, and electronically recorded monetary claims-operating, which are trade receivables, are exposed to business partners' credit risk. In addition, trade receivables denominated in foreign currencies arising from our global operations are exposed to the risk of exchange rate fluctuations. As a general rule, the Group uses forward exchange contracts to hedge the net position of trade payables denominated in foreign currencies.

Investment securities are mainly composed of shares and other securities related to business and capital alliance, and shares are exposed to the risk of market price fluctuations.

Notes payable-trade and accounts payable-trade, which are trade payables, are due within one year. Certain trade payables denominated in foreign currencies are exposed to the risk of exchange rate fluctuations, but the risk is constantly within the balance of accounts receivable in the same currency. Lease liabilities under finance lease transactions are mainly intended to finance capital expenditures.

Derivatives entered into by the Group include forward exchange contracts and currency swaps, which are used to hedge against the risk of exchange rate fluctuations associated with trade receivables and payables denominated in foreign currencies. For more details on hedging accounting, including hedging instruments and hedged items, hedge policies, and methods for assessing the effectiveness of hedges, please refer to I. (3) Matters relating to accounting policies, 6) (c) Significant hedge accounting methods discussed above.

#### 3) Risk management system for financial instruments

At the Group's individual operating companies, the administration manager of a sales department manages paid-in amounts and outstanding balances of trade and other receivables from business partners, and in cooperation with a credit management department, works to early identify and mitigate concerns over collection arising from the deterioration in financial conditions of business partners and other reasons, in accordance with the credit management rules established by each operating company. Also, the credit management department monitors the financial conditions of individual business partners on a monthly basis, and, if there are any doubts about their credibility, requests each sales department to report about the business partners.

As a general rule, the Company uses forward exchange contracts and currency swaps to hedge against exchange rate risk, identified by currency on a monthly basis, associated with its trade receivables and payables denominated in foreign currencies.

(2) Fair value of financial instruments

The consolidated balance sheet amount and fair value of financial instruments as of March 31, 2024 and their differences are as follows:

(Million yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Investment securities (*2)	2,416	2,416	—
(2) Bad debts	11,665		
Allowance for doubtful accounts (*3)	(11,665)		
	—	—	—
(3) Investments and other assets			
Other (distressed receivables)	161		
Allowance for doubtful accounts (*3)	(161)		
	—	—	—
Total assets	2,416	2,416	—
(1) Long-term borrowings (*4)	12,482	12,407	(75)
(2) Lease liabilities (*4)	8,813	8,504	(308)
Total liabilities	21,296	20,912	(384)
Derivatives (*5)	(101)	(101)	—

(\*1) Notes on “Cash and deposits,” “Notes receivable-trade,” “Accounts receivable-trade,” “Electronically recorded monetary claims-operating,” “Notes and accounts payable-trade,” “Short-term borrowings,” and “Income taxes payable” are omitted because their fair value approximates the carrying amount as they are settled in cash and in a short period of time.

(\*2) Consolidated balance sheet amount of shares and other securities without a market price

Category	Consolidated balance sheet amount
Unlisted shares	1,646

They are not included in “(1) Investment securities.”

(\*3) The figures exclude the amount of allowance for doubtful accounts individually recorded in bad debts and other (distressed receivables) under investments and other assets.

(\*4) The figures include the amount of current portion of long-term borrowings and current portion of lease liabilities.

(\*5) Net receivables and payables arising from derivatives are presented on a net basis, and net payables are presented in parentheses.

(3) Breakdown of financial instruments by each fair value level

The fair value of financial instruments is classified into the following three levels depending on the observability and significance of the inputs used for fair value measurement.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured using unobservable inputs

If multiple inputs that have a significant impact on fair value measurement are used, the fair value is classified as the level that is least significant to the fair value measurement from among the levels into which each of the inputs is classified.

1) Financial instruments recorded at fair value on the consolidated balance sheet

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	1,820	–	–	1,820
Debt instruments	–	–	595	595
Total assets	1,820	–	595	2,416
Derivatives				
Currency-related	–	(101)	–	(101)
Total liabilities	–	(101)	–	(101)

2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	12,407	–	12,407
Lease liabilities	–	8,504	–	8,504
Total liabilities	–	20,912	–	20,912

Note: Explanation of valuation techniques and inputs used for fair value measurement

Investment securities:

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1. As debt instruments are valued using significant unobservable inputs, their fair value is classified as Level 3.

Derivatives:

The fair value of currency swaps and forward exchange contracts are measured using the discounted cash flow method based on observable inputs, such as interest rates and exchange rates, and is classified as Level 2.

Long-term borrowings and lease liabilities:

The fair value of these items is measured using the discounted cash flow method based on the sum of principal and interest, remaining maturities, and an interest rate reflecting credit risk, and is classified as Level 2.

## VII. Per Share Information

(1)	Net assets per share:	2,800.38 yen
(2)	Basic earnings per share:	232.95 yen
(3)	Diluted earnings per share:	231.91 yen

## VIII. Notes on Revenue Recognition

### (1) Disaggregation of revenue from contracts with customers

(Million yen)

	Reporting segment					Total
	Semiconductor and electronic components	Procurement	Electronic equipment	Environmental energy	Total	
Device	324,376	–	–	–	324,376	324,376
EMS	23,253	–	–	–	23,253	23,253
Procurement	–	124,270	–	–	124,270	124,270
Electronic equipment	–	–	20,411	–	20,411	20,411
System equipment	–	–	3,427	–	3,427	3,427
Energy	–	–	–	4,289	4,289	4,289
Power producer and supplier	–	–	–	10,763	10,763	10,763
Vegetable factory	–	–	–	1,091	1,091	1,091
Revenue from contracts with customers	347,629	124,270	23,839	16,143	511,883	511,883
Other revenue	–	–	–	600	600	600
Sales to external customers	347,629	124,270	23,839	16,744	512,484	512,484

### (2) Information that provides a basis for understanding revenue from contracts with customers

Information that provides a basis for understanding revenue is as stated in “I. Significant Matters as the Basis for Preparation of Consolidated Financial Statements, (3) Matters relating to accounting policies, 4) Standard for revenues and expenses.”

## IX. Other Notes

(Business combinations)

(Business combination through acquisition of shares)

On June 21, 2023, the Company resolved to underwrite a capital increase by third-party allotment of AIT Japan Inc. (headquarters: Shinagawa-ku, Tokyo; “AITJ”), a subsidiary of WPG Holdings Limited (headquarters: Taipei, Taiwan; “WPG”). The payment was completed on July 21, 2023, and the company became a consolidated subsidiary of the Company on the same date.

### (1) Outline of the business combination

#### 1) Name of the acquired company and description of its business

Name of the acquired company: AIT Japan Inc.

Description of business: Sales of semiconductors and electronic components

#### 2) Main reason for the business combination

Under our management vision of “Global (in view and scale)/Social Contribution/Collaboration and Innovation,” the Company aims to be “the Electronics Value Platformer” that accommodates all manner of stakeholder needs through a wide range of business activities, including the provision of solutions for semiconductors and electronic components, the handling of video, audio, and communications equipment for broadcasters and the public, the development, manufacture, and sale of settlement and access systems utilizing NFC (Near Field Communication) technology, the planning and operation of solar and wind power plants and other renewable energy, and the operation of vegetable factories. Together with WPG, our most important partner in global expansion, the Company has engaged in sales and promotion activities rooted in local communities in Asia through VITEC WPG Limited (Hong Kong), a joint venture with the Company’s subsidiary and a WPG subsidiary, and in Europe through ViMOS Technologies GmbH (Germany), a joint venture with the Company’s subsidiary, a WPG subsidiary and a European semiconductor trading company’s subsidiary. Now, as we target the further growth of AITJ, the Company will strengthen the management and financial foundations of AITJ by underwriting a capital increase by third-party allotment. At the same time, we will also use AITJ as a hub for both groups to accelerate business expansion and collaboration with more than 3,500 trading partners, mainly major global manufacturer partners, with the aim of further enhancing our presence in the global market.

#### <Synergies Targeted by Making AITJ a Subsidiary>

- i. Enhancing the sales of AITJ products in the Japanese market, and cooperating in extending the Company’s products and services in the global market
- ii. Having AITJ as a key base to engage global and locally rooted business expansion
- iii. Provision of more efficient and superior services through access to AITJ’s global supply chain network

#### 3) Date of the business combination

July 21, 2023 (deemed acquisition date: July 1, 2023)

#### 4) Legal form of the business combination

Acquisition by underwriting a capital increase by third-party allotment

#### 5) Name of company after the business combination

Restar WPG Corporation

#### 6) Ratio of voting rights acquired

51.02%

#### 7) Basis for determining the acquiring company

The Company is the acquiring company because it acquired shares in exchange for cash.

(2) Period of operating results of the acquired company included in the consolidated financial statements  
From July 1, 2023 to March 31, 2024

(3) Acquisition cost of the acquired company and its breakdown by type of consideration

<u>Consideration for the acquisition</u>	Cash:	<u>1,378 million yen</u>
Acquisition cost	:	1,378 million yen

(4) Description and amount of major acquisition-related expenses

Advisory fees, etc.: 10 million yen

(5) Amount of goodwill recognized, reason for recognition, and amortization method and period

Not applicable.

(6) Amounts of assets acquired and liabilities assumed at the date of business combination and their main components

	(Million yen)
Current assets	2,691
<u>Non-current assets</u>	<u>1,344</u>
<u>Total assets</u>	<u>4,036</u>
Current liabilities	739
<u>Non-current liabilities</u>	<u>342</u>
<u>Total liabilities</u>	<u>1,081</u>

(Business combination through acquisition of shares)

At the Board of Directors meeting held on September 29, 2023, the Company resolved to acquire the shares of TSUZUKI EMBEDDED SOLUTIONS CO., LTD., TSUZUKI DENSAN TRADING (SHANGHAI) CO., LTD., TSUZUKI DENSAN HONG KONG CO., LTD., and TSUZUKI DENSAN SINGAPORE PTE. LTD. (hereinafter, collectively referred to as the “Target Companies”), which are group companies of TSUZUKI DENKI CO., LTD., and make them wholly owned subsidiaries, and thereby concluded a share transfer agreement with TSUZUKI DENKI CO., LTD. on the same date. The share transfer execution date was January 9, 2024, and the Company acquired all the shares of the Target Companies and made them into consolidated subsidiaries on the same date.

(1) Outline of the business combination

1) Names of the acquired companies and description of their business

i. Name of the acquired company: TSUZUKI EMBEDDED SOLUTIONS CO., LTD.

Description of business: Sales, maintenance and support of ICT products, electronic devices, electronic components and other embedded products; sales of office supplies

ii. Name of the acquired company: TSUZUKI DENSAN TRADING (SHANGHAI) CO., LTD.

Description of business: Sales of semiconductors, electronic components, and electronic equipment

iii. Name of the acquired company: TSUZUKI DENSAN HONG KONG CO., LTD.

Description of business: Sales of semiconductors, electronic components, and electronic equipment

iv. Name of the acquired company: TSUZUKI DENSAN SINGAPORE PTE. LTD.

Description of business: Sales of semiconductors, electronic components, security solutions, IoT solutions

2) Main reason for the business combination

Customers in the FA, production machinery, and on-board equipment markets, as well as a wide range of products and related services and technologies will be added to the Group, including power semiconductors for decarbonization and energy-saving products, GPUs, ASICs, and memory. Along with this expansion in scale, the Group will expand its cross-selling variations by further enhancing line cards without duplication. Also, it will be possible to supplement the Company’s strength in vision-related technologies, including Sony semiconductors and

equipment, as well as image-related AI. The Company decided to acquire the Target Companies based on the judgment that they will contribute to increasing the corporate value of the Group by leveraging the strengths of both the Company and the Target Companies and exercising synergies.

- 3) Date of the business combination  
January 9, 2024 (deemed acquisition date: January 1, 2024)
  - 4) Legal form of the business combination  
Share acquisition in exchange for cash
  - 5) Names of companies after the business combination  
Restar Embedded Solutions Corporation  
RUIZEDA DENSAN TRADING (SHANGHAI) CO., LTD.  
RUISHIDA DENSAN HONG KONG CO., LTD.  
RESTAR EMBEDDED SOLUTIONS SINGAPORE PTE. LTD.
  - 6) Ratio of voting rights acquired  
100%
  - 7) Basis for determining the acquiring company  
The Company is the acquiring company because it acquired shares in exchange for cash.
- (2) Period of operating results of the acquired companies included in the consolidated financial statements  
From January 1, 2024 to March 31, 2024
- (3) Acquisition cost of the acquired companies and breakdown by type of consideration
- |   |       |                    |
|---|-------|--------------------|
| <u>Consideration for the acquisition</u>                            | Cash: | 12,162 million yen |
| Acquisition cost  | :     | 12,162 million yen |
| Of which, Restar Embedded Solutions Corporation: 10,995 million yen |       |                    |
- (4) Description and amount of major acquisition-related expenses  
Due diligence fees, etc.: 70 million yen
- (5) Amount of goodwill recognized, reason for recognition, and amortization method and period
- 1) Amount of goodwill recognized  
123 million yen  
Of which, Restar Embedded Solutions Corporation: 111 million yen
  - 2) Reason for recognition  
Mainly due to expected future excess earnings power.
  - 3) Amortization method and period  
The goodwill will be amortized evenly over a period of eight years.
- (6) Amounts of assets acquired and liabilities assumed at the date of business combination and their main components
- 1) Restar Embedded Solutions Corporation  
(Million yen)
- |                                |               |
|--------------------------------|---------------|
| Current assets                 | 19,070        |
| <u>Non-current assets</u>      | <u>616</u>    |
| <u>Total assets</u>            | <u>19,687</u> |
| Current liabilities            | 7,955         |
| <u>Non-current liabilities</u> | <u>847</u>    |
| <u>Total liabilities</u>       | <u>8,803</u>  |



2) RUIZEDA DENSAN TRADING (SHANGHAI) CO., LTD.

(Million yen)

Current assets	774
Non-current assets	0
<u>Total assets</u>	<u>774</u>
Current liabilities	323
Non-current liabilities	–
<u>Total liabilities</u>	<u>323</u>

3) RUISHIDA DENSAN HONG KONG CO., LTD.

(Million yen)

Current assets	430
Non-current assets	0
<u>Total assets</u>	<u>431</u>
Current liabilities	62
Non-current liabilities	–
<u>Total liabilities</u>	<u>62</u>

4) RESTAR EMBEDDED SOLUTIONS SINGAPORE PTE. LTD.

(Million yen)

Current assets	523
Non-current assets	0
<u>Total assets</u>	<u>523</u>
Current liabilities	189
Non-current liabilities	0
<u>Total liabilities</u>	<u>189</u>

**X. Significant Subsequent Events**

Not applicable.

## Non-Consolidated Financial Statements

### Non-Consolidated Balance Sheet (As of March 31, 2024)

(Million yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>91,501</b>	<b>Current liabilities</b>	<b>106,591</b>
Cash and deposits	5,585	Short-term borrowings	85,609
Accounts receivable - trade	240	Short-term borrowings from subsidiaries and associates	18,648
Short-term loans receivable from subsidiaries and associates	81,968	Current portion of long-term borrowings	576
Current portion of long-term loans receivable from subsidiaries and associates	368	Accounts payable - other	1,346
Prepaid expenses	265	Accrued expenses	61
Accounts receivable - other	3,313	Income taxes payable	61
Other	36	Deposits received	19
Allowance for doubtful accounts	(276)	Provision for bonuses	96
<b>Non-current assets</b>	<b>60,686</b>	Other	171
<b>Property, plant and equipment</b>	<b>1,703</b>	<b>Non-current liabilities</b>	<b>8,184</b>
Buildings	1,286	Long-term borrowings	4,089
Tools, furniture and fixtures	339	Provision for loss on business of subsidiaries and associates	3,291
Leased assets	36	Provision for retirement benefits	70
Land	42	Asset retirement obligations	699
<b>Intangible assets</b>	<b>5,031</b>	Other	33
Software	237	<b>Total liabilities</b>	<b>114,775</b>
Software in progress	125	<b>(Net assets)</b>	
Goodwill	4,648	<b>Shareholders' equity</b>	<b>37,099</b>
Other	20	<b>Share capital</b>	<b>4,383</b>
<b>Investments and other assets</b>	<b>53,951</b>	<b>Capital surplus</b>	<b>33,515</b>
Investment securities	1,989	Legal capital surplus	1,383
Shares of subsidiaries and associates	46,036	Other capital surplus	32,131
Investments in capital of subsidiaries and associates	999	<b>Retained earnings</b>	<b>(790)</b>
Long-term loans receivable from subsidiaries and associates	25,227	Other retained earnings	(790)
Guarantee deposits	926	Retained earnings brought forward	(790)
Deferred tax assets	118	<b>Treasury shares</b>	<b>(8)</b>
Other	92	<b>Valuation and translation adjustments</b>	<b>313</b>
Allowance for doubtful accounts	(21,438)	<b>Valuation difference on available-for-sale securities</b>	<b>313</b>
		<b>Total net assets</b>	<b>37,413</b>
<b>Total assets</b>	<b>152,188</b>	<b>Total liabilities and net assets</b>	<b>152,188</b>

### Non-Consolidated Statement of Income (April 1, 2023 - March 31, 2024)

(Million yen)

Description	Amount
<b>Operating revenue</b>	<b>10,870</b>
<b>Operating expenses</b>	<b>4,617</b>
<b>Operating profit</b>	<b>6,253</b>
<b>Non-operating income</b>	<b>1,053</b>
Interest income	986
Dividend income	43
Gain on investments in silent partnerships	1
Other	22
<b>Non-operating expenses</b>	<b>10,349</b>
Interest expenses	3,310
Foreign exchange losses	3,134
Commission for syndicated loans	225
Provision of allowance for doubtful accounts	3,400
Loss on investments in investment partnerships	142
Provision for loss on business of subsidiaries and associates	124
Other	11
<b>Ordinary loss</b>	<b>(3,043)</b>
<b>Extraordinary income</b>	<b>2,794</b>
Gain on sale of investment securities	873
Gain on sale of non-current assets	1,856
Insurance claim income	39
Gain on liquidation of subsidiaries and associates	24
<b>Extraordinary losses</b>	<b>209</b>
Impairment losses	133
System failure response expenses	75
<b>Loss before income taxes</b>	<b>(458)</b>
Income taxes - current	(1,202)
Income taxes - deferred	(82)
<b>Profit</b>	<b>827</b>

## Non-Consolidated Statements of Changes in Shareholders' Equity

(April 1, 2023 - March 31, 2024)

(Million yen)

	Shareholders' equity						
	Capital	Capital surplus			Retained earnings	Treasury shares	Total shareholder's equity
		Legal capital surplus	Other capital surplus	Capital surplus	Other retained earnings Retained earnings brought forward		
Balance (April 1, 2023)	4,383	1,383	34,386	35,770	36	(8)	40,181
Changes during period							
Dividends of surplus			(2,255)	(2,255)	(1,653)		(3,908)
Profit					827		827
Purchase of treasury shares						(0)	(0)
Net changes in items other than shareholders' equity							
Total changes during the period	–	–	(2,255)	(2,255)	(826)	(0)	(3,081)
Balance (March 31, 2024)	4,383	1,383	32,131	33,515	(790)	(8)	37,099

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance (April 1, 2023)	685	685	40,867
Changes during period			
Dividends of surplus			(3,908)
Profit			827
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	(372)	(372)	(372)
Total changes during the period	(372)	(372)	(3,453)
Balance (March 31, 2024)	313	313	37,413

## Notes to Non-Consolidated Financial Statements

### I. Matters Relating to Significant Accounting Policies

- (1) Basis and method for valuation of assets
  - 1) Securities
    - (a) Shares of subsidiaries and associates  
Shares of subsidiaries and associates are stated at cost using the moving average method.
    - (b) Investments in capital of subsidiaries and associates  
Investments in limited liability partnerships are stated at the net amount equivalent to equity interests based on the financial statements specified in the respective partnership agreements.
    - (c) Available-for-sale securities
      - Securities other than shares and other securities without a market price  
Securities other than shares and other securities without a market price are stated at fair value (valuation differences are recognized directly in net assets, and the cost of such securities sold is calculated using the moving average method).
      - Shares and other securities without a market price  
Shares and other securities without a market price are stated at cost using the moving average method. Meanwhile, investments in investment partnerships, etc. are stated at the net amount equivalent to equity interests based on the most recent financial statements of the partnership.
  - 2) Derivatives  
Derivatives are stated at fair value.
- (2) Depreciation/amortization methods for non-current assets
  - 1) Property, plant and equipment (excluding leased assets)  
Items of property, plant and equipment (excluding leased assets) are depreciated using the declining balance method.  
However, accompanying facilities and structures acquired on or after April 1, 2016 are depreciated on a straight-line basis.
  - 2) Intangible assets  
Intangible assets are amortized on a straight-line basis. Software for internal use is amortized on a straight-line basis over the period available for internal use (five years).
  - 3) Leased assets  
Leased assets are depreciated using the straight-line method over the lease term with no residual value.
- (3) Standard for provisions
  - 1) Allowance for doubtful accounts  
To provide for potential credit losses on trade receivables, the Company records allowance for doubtful accounts at an estimated unrecoverable amount calculated based on the historical rate of credit loss for general receivables and determined in consideration of recoverability of individual receivables for doubtful accounts and certain other receivables.
  - 2) Provision for bonuses  
To provide for payment of bonuses to employees, provision for bonuses is recorded at an amount of estimated future bonus payments that is attributable to the fiscal year under review.
  - 3) Provision for bonuses for directors (and other officers)  
To provide for payment of bonuses to directors and other officers, provision for bonuses for directors (and other officers) is recorded at an amount of estimated bonus payments for the fiscal year under review.
  - 4) Provision for retirement benefits  
To provide for payments of retirement benefits to employees, the Company records an amount based on projected retirement benefits at the end of the fiscal year under review.  
Prior service cost is amortized using the straight-line method over a certain number of years (10 years) within the average remaining service years of employees at the time of recognition.  
Actuarial gains and losses are amortized on a pro-rata basis using the straight-line method over a certain number of years (10 years) within the average remaining service years of employees from the fiscal year following the respective fiscal year of recognition.
  - 5) Provision for loss on business of subsidiaries and associates  
To provide for losses expected to be incurred by subsidiaries and associates, provision for loss on business of subsidiaries and associates is recorded at an amount of estimated loss to be borne by the

Company.

(4) Standard for revenues and expenses

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021), and recognizes revenue when control of the promised goods or services is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company’s revenue consists of consulting fee income and dividend income from its subsidiaries. With regard to consulting fee income, the Company’s performance obligation is to provide entrusted services to its subsidiaries based on contract details. As the Company’s performance obligation is satisfied when the services are provided, revenue is recognized at that time. The Company recognizes revenue from dividend income on the effective date of dividend.

(5) Other accounting policies for preparation of non-consolidated financial statements

1) Accounting procedures for retirement benefits

Accounting procedures for unrecognized actuarial gains and losses and unrecognized prior service cost related to retirement benefits are different from those adopted for the consolidated financial statements.

2) Standards for translating foreign currency-denominated assets and liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the fiscal year-end, and exchange differences are recognized in profit or loss.

3) Hedge accounting

- Hedge accounting method

Hedging activities are principally accounted for under the deferral hedge accounting. The designation hedge accounting is applied to forward exchange contracts that fulfill the requirements for the designation method.

- Hedging instruments and hedged items

Hedging instruments: forward exchange contracts

Hedged items: receivables and payables denominated in foreign currencies

- Hedge policy

Forward exchange contracts are entered into to hedge the risks associated with fluctuations in exchange rates on transactions denominated in foreign currencies.

- Method for assessing the effectiveness of hedges

Hedge effectiveness is not assessed for forward exchange contracts.

4) Amortization method and period of goodwill

Goodwill is amortized by the straight-line method over a reasonable period not exceeding 20 years.

5) Application of the group tax sharing system

The Company has applied the group tax sharing system.

6) Unit of presentation

Amounts presented herein are rounded down to the nearest million yen.

## II. Notes on Accounting Estimates

(Valuation of shares of CARDSERVICE Inc.)

(1) Amount recorded on the non-consolidated financial statements for the fiscal year under review

Shares of CARDSERVICE Inc. included in shares of subsidiaries and associates: 2,626 million yen

This information was identified as a disclosure item in view of the risk of a material impact on the non-consolidated financial statements for the following fiscal year.

(2) Information concerning the details of significant accounting estimates for identified items

These shares of subsidiaries and associates are shares without a market price, and are carried on the non-consolidated balance sheet at acquisition cost. Where the actual value is deemed to have declined materially due to a deterioration in financial position, the carrying amount is reduced accordingly and the valuation difference is treated as a loss in the relevant fiscal year. However, where there is sufficient evidence of the recoverability of the actual value of the shares of the relevant subsidiary or associate based on the future business plan, the carrying amount is not reduced accordingly at the end of the fiscal year. As the relevant

shares were purchased for a substantially higher price than the value of net assets per share, reflecting excess earnings power, they will be impaired to the actual value if excess earnings power could no longer be expected.

Although the carrying amount for these shares of subsidiaries and associates is higher than the value of net assets per share, reflecting excess earnings power, the actual value is not considered to have declined materially from acquisition cost, and therefore no reduction has been recognized.

Factors such as market growth and estimated sales to major customers, which are key assumptions of the business plans used in accounting estimates, are subject to change due to technological innovation, changing customer needs, the launch of new products, etc. Therefore, if the conditions or assumptions on which the estimated value is based change, we may reduce the estimated value accordingly, and treat the valuation difference as a loss in the next fiscal year.

### III. Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of plant, property and equipment: 331 million yen

(2) Guarantee obligations

The Company has guaranteed borrowings from financial institutions and accounts payable as follows:

	(Million yen)
Restar Supply Chain Solution Corporation	41,574
Vitec Enesta Co., Ltd.	17,151
VITEC ENERGY TAIWAN CO., LTD	9,146
Restar Supply Chain Solution (Hong Kong) Company Limited	1,606
PALTEK Corporation	1,518
Restar Supply Chain Solution (Taiwan) Company Limited	1,247
RESTAR ELECTRONICS TAIWAN CO., LTD.	949
Restar Electronics Corporation	891
RESTAR ELECTRONICS (SHANGHAI) CO., LTD.	880
RESTAR ELECTRONICS HONG KONG CO., LTD.	674
Restar Device Corporation	484
Restar Embedded Solutions Corporation	418
RESTAR ELECTRONICS SINGAPORE PTE. LTD.	292
VITEC WPG LIMITED	75
RESTAR ELECTRONICS KOREA CORPORATION	14
Vitec Vegetable Factory Co., Ltd.	0

(3) Monetary receivables from and payables to subsidiaries and associates

1) Short-term monetary receivables:	1,675 million yen
2) Short-term monetary payables:	90 million yen

(4) Loan commitment agreements

In order to finance working capital efficiently, the Company has entered into a loan commitment agreement with banks. The balance of undrawn loan commitments under these agreements is as follows:

Total loan commitments	75,000 million yen
Drawn commitments	47,926 million yen
Undrawn commitments	27,073 million yen



#### IV. Notes to Non-Consolidated Statement of Income

##### (1) Transactions with subsidiaries and associates

	(Million yen)
1) Operating transactions	
Operating revenue:	10,869
2) Non-operating transactions	
Interest income:	986
Miscellaneous income:	13
Interest expenses:	440
Provision of allowance for doubtful accounts:	3,399

##### (2) Impairment losses

In the fiscal year under review, we have recorded an impairment loss of 133 million yen for the following assets. As a general rule, goodwill is grouped by business unit, which is in line with the managerial accounting classifications on which profit and loss are continuously monitored.

Location	Use	Class	Impairment losses (Million yen)
Minato-ku, Tokyo	Other	Goodwill	133
Total			133

The goodwill in the Electronic Equipment Business, which is part of the Electronic Equipment segment, was recorded in anticipation of excess earnings power expected to arise at the time of the absorption-type merger with VITEC HOLDINGS CO., LTD. However, as the originally anticipated revenue could no longer be expected in the fiscal year under review, we reduced the carrying amount to the recoverable amount. Value in use was evaluated to be zero as future cash flows could not be expected.

##### (3) System failure response expenses

We have recorded system failure response expenses related to unauthorized access to the servers of the Company. The main breakdown includes investigation and analysis expenses for external specialists.

#### V. Notes to Non-Consolidated Statement of Changes in Net Assets

##### Number of treasury shares (shares)

Class of shares	Number of shares at the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares at the end of the fiscal year under review
Common stock	4,568	112	–	4,680

Note: The increase of 112 treasury shares was due to purchases of shares less than one unit.

## VI. Tax Effect Accounting

### (1) Significant components of deferred tax assets and liabilities

	(Million yen)
Deferred tax assets:	
Allowance for doubtful accounts	6,645
Adjustments to carrying amount of investments, etc.	2,494
Loss on valuation of shares of subsidiaries and associates	623
Loss on valuation of investment securities	123
Provision for loss on business of subsidiaries and associates	1,007
Provision for bonuses	29
Provision for retirement benefits	21
Asset retirement obligations	213
Tax losses carried forward	704
Other	402
Subtotal of deferred tax assets	<u>12,266</u>
Valuation allowance for tax losses carried forward	(704)
Valuation allowance for total deductible temporary differences, etc.	<u>(11,117)</u>
Total deferred tax assets	443
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	(130)
Other	<u>(195)</u>
Total deferred tax liabilities	<u>(325)</u>
Net deferred tax assets	118

### (2) Accounting treatment of corporate and local income taxes and related tax effect accounting

The Group applies the group tax sharing system, and performs accounting and disclosure treatment of corporate and local income taxes and related tax effect accounting in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021).

## VII. Notes on Related Party Transactions

### Subsidiaries

(Million yen, unless otherwise stated)

Category	Company name	Share capital or investment in capital	Description of business or occupation	Ratio of voting rights holding (held) (%)	Relationship	Nature of transaction	Transaction amount	Account	Balance at end of period
Subsidiary	Restar Electronics Corporation	310	Sale of electronic components	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	36,144	Short-term loans receivable from subsidiaries and associates	44,497
						Receipt of interest (Note 2)	224	Accounts receivable-trade	147
						Borrowing of funds (Note 1)	9,677	Short-term borrowings from subsidiaries and associates	15,487
						Payment of interest (Note 2)	411	-	-
						Consulting fee income and outsourcing service income (Note 4)	1,398	-	-
						Lease revenue	197	-	-
Subsidiary	Restar Device Corporation	310	Sale of electronic components	(Holding) Direct 100	Entrusted business management	Lending of funds (Note 1)	1,816	Short-term loans receivable from subsidiaries and associates	2,165
						Receipt of interest (Note 2)	111	-	-
Subsidiary	Restar Embedded Solutions Corporation	350	Sale of ICT products, electronic equipment, etc.	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	2,666	Short-term loans receivable from subsidiaries and associates	2,000
						Receipt of interest (Note 2)	3	Accounts receivable-other	1
Subsidiary	PALTEK Corporation	310	Sale of semiconductors	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	20,741	Short-term loans receivable from subsidiaries and associates	11,000
						Receipt of interest (Note 2)	121	Accounts receivable-other	6

Category	Company name	Share capital or investment in capital	Description of business or occupation	Ratio of voting rights holding (held) (%)	Relationship	Nature of transaction	Transaction amount	Account	Balance at end of period
Subsidiary	Restar Supply Chain Solution Corporation	308	Procurement	(Holding) Direct 80	Entrusted business management Interlocking directorates	Debt guarantee (Note 3)	41,574	-	-
Subsidiary	Restar Communications Corporation	400	Sale of electronic equipment	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	2,850	Short-term loans receivable from subsidiaries and associates	3,400
						Receipt of interest (Note 2)	16	Accounts receivable-other	1
Subsidiary	RESTAR ELECTRONICS SINGAPORE PTE. LTD.	SGD 4,300 thousand USD 30,000 thousand	Sale of electronic components	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	2,028	Short-term loans receivable from subsidiaries and associates	1,286
						Receipt of interest (Note 2)	140	Accounts receivable-other	7
Subsidiary	UKC ELECTRONICS (H.K.) CO., LTD.	USD 25,262 thousand	Sale of electronic components	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	65	Long-term loans receivable from subsidiaries and associates	22,363
						Provision for allowance for doubtful accounts	3,355	Allowance for doubtful accounts	21,396

Category	Company name	Share capital or investment in capital	Description of business or occupation	Ratio of voting rights holding (held) (%)	Relationship	Nature of transaction	Transaction amount	Account	Balance at end of period
Subsidiary	Vitec Enesta Co., Ltd.	50	Solar power generation business	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	10,386	Short-term loans receivable from subsidiaries and associates	11,457
						Repayment of funds (Note 1)	268	Long-term loans receivable from subsidiaries and associates	2,864
						Receipt of interest (Note 2)	84	Current portion of long-term loans receivable from subsidiaries and associates	368
						Debt guarantee (Note 3)	17,151	–	–
Subsidiary	Restar Supply Chain Solution (Hong Kong) Company Limited	USD 1,000 thousand	Procurement	(Holding) Indirect 100	Entrusted business management	Debt guarantee (Note 3)	1,606	–	–
Subsidiary	VITEC ENERGY TAIWAN CO., LTD	TWD 300 million	Solar power generation business	(Holding) Indirect 100	Entrusted business management Interlocking directorates	Debt guarantee (Note 3)	9,146	–	–
Subsidiary	Ota Local Energy Co., Ltd.	34	Solar power generation business	(Holding) Indirect 100	Entrusted business management	Provision for loss on business of subsidiaries and associates	29	–	–
Subsidiary	Vitec Farm Nanao Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 23	Entrusted business management	Provision for loss on business of subsidiaries and associates	107	Provision for loss on business of subsidiaries and associates	1,502
Subsidiary	Vitec Farm Satsumasendai Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 45	Entrusted business management	Provision for loss on business of subsidiaries and associates	4	Provision for loss on business of subsidiaries and associates	358
Subsidiary	Vitec Farm Kazuno Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 43	Entrusted business management	Provision for loss on business of subsidiaries and associates	11	Provision for loss on business of subsidiaries and associates	983
Subsidiary	Vitec Farm Odate Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 47	Entrusted business management	Provision for loss on business of subsidiaries and associates	23	Provision for loss on business of subsidiaries and associates	338
Subsidiary	Vitec Agripower Co., Ltd.	2	Vegetable factory business	(Holding) Indirect 47	Entrusted business management	Provision for loss on business of subsidiaries and associates	16	Provision for loss on business of subsidiaries and associates	91

The transaction amounts do not include consumption and other taxes.

Notes: Transaction terms and policy for determining transaction terms

1. The interest rates for lending and borrowing of funds are reasonably determined with reference to market interest rates. As the transactions for short-term loans and borrowings are performed repetitively, their amounts shown above are the average balances during the period.
2. The interest rates for receipt and payment of interest are reasonably determined with reference to market interest rates, and their transaction amounts shown above are the annual cumulative amounts.
3. The debt guarantees have been provided for bank borrowings and other payables. The Company has received guarantee fees calculated based on the amount guaranteed.
4. The consulting fee income and outsourcing service income are reasonably determined by taking comprehensively into account, among other factors, the scale of business operations, business performance trends, and expenses incurred in rendering of services.

## VIII. Per Share Information

(1)	Net assets per share:	1,244.28 yen
(2)	Basic earnings per share:	27.51 yen

## IX. Notes on Revenue Recognition

Information that provides a basis for understanding revenue from contracts with customers Information that provides a basis for understanding revenue is as stated in “I. Matters Relating to Significant Accounting Policies, (4) Standard for revenues and expenses.”

## X. Significant Subsequent Events

Based on a resolution at the Board of Directors meeting held on August 29, 2023, the Company carried out an absorption-type merger with its wholly owned subsidiaries, Restar Electronics Corporation (“REC”), Restar Communications Corporation (“RCC”), and Vitec Enesta Co., Ltd. (“VET”), in which the Company will be the surviving company and REC, RCC, and VET will be the dissolving companies, with an effective date of April 1, 2024.

(1) Names of the combined companies and description of their business

- Name of the combined company: Restar Electronics Corporation  
Description of business: Sale of electronic components
- Name of the combined company: Restar Communications Corporation  
Description of business: Sale of electronic equipment
- Name of the combined company: Vitec Enesta Co., Ltd.  
Description of business: Power generation business

(2) Effective date of the merger

April 1, 2024

(3) Legal form of the business combination

Absorption-type merger in which the Company is the surviving company and REC, RCC, and VET are the dissolving companies.

(4) Name of company after the business combination

Restar Corporation

(5) Objective of the business combination

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 Group synergies, a key strategy, in various areas. On the other hand, organizational function overlap and human resource shortages have also become apparent.

Through this merger, the Group will optimize the allocation of human resources, organizations, 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.

(6) Allotment details related to merger

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

(7) Financial condition and operating results of the combined companies for the most recent fiscal year (fiscal year ended March 31, 2024)

1) Restar Electronics Corporation

	(Million yen)
Current assets	90,339
<u>Non-current assets</u>	<u>1,780</u>
<u>Total assets</u>	<u>92,119</u>
Current liabilities	70,353
<u>Non-current liabilities</u>	<u>393</u>
<u>Total liabilities</u>	<u>70,747</u>

2) Restar Communications Corporation

	(Million yen)
Current assets	9,774
<u>Non-current assets</u>	<u>1,651</u>
<u>Total assets</u>	<u>11,426</u>
Current liabilities	8,168
<u>Non-current liabilities</u>	<u>781</u>
<u>Total liabilities</u>	<u>8,949</u>

3) Vitec Enesta Co., Ltd.

	(Million yen)
Current assets	1,915
<u>Non-current assets</u>	<u>24,642</u>
<u>Total assets</u>	<u>26,558</u>
Current liabilities	14,120
<u>Non-current liabilities</u>	<u>10,269</u>
<u>Total liabilities</u>	<u>24,390</u>

(8) Overview of accounting procedures

Based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), transactions are accounted for as transactions under common control.

## Auditor's Report

Accounting Auditor's Audit Report on the Consolidated Financial Statements

### INDEPENDENT AUDITOR'S REPORT

(English Translation)

May 27, 2024

To the Board of Directors  
Restar Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Dedicated Engagement Partner,  
Certified Public Accountant: Konosuke Misawa (Seal)  
Dedicated Engagement Partner,  
Certified Public Accountant: Yosuke Naganuma (Seal)  
Dedicated Engagement Partner,  
Certified Public Accountant: Yuichiro Koga (Seal)

#### Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, and the notes to the consolidated financial statements of Restar Corporation (the "Company") (former company name: Restar Holdings Corporation) for the fiscal year from April 1, 2023 to March 31, 2024. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Restar Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

#### Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### Other Information

The other information comprises the information included in the business report and the supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors in development and management of the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare



the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan. The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and any countermeasures taken to eliminate obstacles or safeguards put in place to reduce obstacles to acceptable levels.

#### Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## INDEPENDENT AUDITOR'S REPORT

(English Translation)

May 27, 2024

To the Board of Directors  
Restar Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Dedicated Engagement Partner,  
Certified Public Accountant: Konosuke Misaka (Seal)  
Dedicated Engagement Partner,  
Certified Public Accountant: Yosuke Naganuma (Seal)  
Dedicated Engagement Partner,  
Certified Public Accountant: Yuichiro Koga (Seal)

### Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in shareholders' equity and the related notes, and the accompanying supplementary schedules of Restar Corporation (the "Company") (former company name: Restar Holdings Corporation) for the 15th fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

### Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### Emphasized Matter – Significant Subsequent Events

As stated in Significant Subsequent Events, the Company resolved at its Board of Directors meeting held on May 26, 2023 to conduct an absorption-type merger with its wholly owned subsidiaries, Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., and the merger took place on April 1, 2024.

This matter does not affect our opinion.

### Other Information

The other information comprises the information included in the business report and the supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors in development and management of the reporting process of the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and any countermeasures taken to eliminate obstacles or safeguards put in place to reduce obstacles to acceptable levels.

#### Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## Audit Report (English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 15th fiscal year from April 1, 2023 to March 31, 2024, and hereby submits the method and results of the audit.

### 1. Method and Contents of Audit

Regarding the content of resolutions taken by the Board of Directors on matters listed in Article 399-13, Paragraph 1, Items 1b and 1c of the Companies Act and the systems (internal control system) that have been established based on those resolutions, the Audit and Supervisory Committee received regular progress reports from Directors and employees on the establishment and operation of the system, asked for explanations when necessary, expressed opinions and conducted its audit using the methods described below.

- i. In accordance with the Audit and Supervisory Committee's auditing standards established by the Audit and Supervisory Committee, and in accordance with the audit policies, audit plans, and assignment of duties, etc., each Audit and Supervisory Committee member endeavored to cooperate with the Company's internal control division, attend important meetings, received reports on the performance of duties from Directors and other employees and requested explanations as necessary, examined important approval/decision, and inspected the corporate affairs and assets at the Company's head office and principal places of business. With respect to subsidiaries, each Audit and Supervisory Committee member endeavored to communicate and exchange information with the Directors and Audit and Supervisory Committee members of subsidiary companies, and received business reports from the subsidiaries when necessary.
- ii. The Audit and Supervisory Committee monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations, as necessary. In addition, the Audit and Supervisory Committee was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, November 16, 2021), etc. and requested explanations, as necessary.

Based on the above-described methods, the Audit and Supervisory Committee examined the business report and supplementary schedules and financial statements (balance sheet, statement of income, statement of changes in shareholders' equity, and the notes to the financial statements) and the supplementary schedules as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity, and the notes to the consolidated financial statements) for the fiscal year under review.

### 2. Results of Audit

#### (1) Results of Audit of Business Report, etc.

- i. We acknowledge that the business report and the supplementary schedules fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation.
- ii. We acknowledge that no misconduct or material fact constituting a violation of laws, regulations, or the Articles of Incorporation was found with respect to the Directors' performance of their duties.
- iii. We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter in the business report or the Directors' performance of their duties concerning the internal control systems that require mentioning.

#### (2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

We acknowledge that the methods and results of audits performed by the accounting auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

#### (3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audits performed by the accounting auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 28, 2024

Audit and Supervisory Committee, Restar Corporation

Full-Time Audit and Supervisory Committee Member	Tatsuichi Naruse	(Seal)
Full-Time Audit and Supervisory Committee Member	Toshiyuki Suzuki	(Seal)
Audit and Supervisory Committee Member	Seno Tezuka	(Seal)
Audit and Supervisory Committee Member	Kiyoshi Togawa	(Seal)
Audit and Supervisory Committee Member	Reiko Date	(Seal)

Audit and Supervisory Committee Member

Sachiko Kasano (Seal)

Note: Audit and Supervisory Committee members Mr. Seno Tezuka, Mr. Kiyoshi Togawa, Ms. Reiko Date and Ms. Sachiko Kasano are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.