Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 3156
June 12, 2025
(Date of commencement of measures for electronic provision: June 3, 2025)

To our shareholders:

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

Notice of Convocation of the 6th Ordinary General Meeting of Shareholders

Restar Corporation (hereinafter referred to as "the Company") will hold its 6th 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 6th 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 Thursday, June 26, 2025 (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 Thursday, June 26, 2025 (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 Friday, June 27, 2025 (JST)
(Reception desk is scheduled to open at 9:30 a.m.)
2. **Venue:** Restar Building 3F
10-9, Konan 2-chome, Minato-ku, Tokyo
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 16th Fiscal Year (April 1, 2024 to March 31, 2025)
2. Report on the Non-consolidated Financial Statements for the 16th Fiscal Year (April 1, 2024 to March 31, 2025)

Matters to be resolved:

Proposal No. 1: Election of Seven Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

Proposal No. 2: Election of Two Directors Who are Audit and Supervisory Committee Members

Proposal No. 3: Determination of Remuneration under a Restricted Stock Unit Plan for Executive Directors

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 6th 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 Thursday, June 26, 2025 (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 Thursday, June 26, 2025 (JST).

How to Complete Your Voting Rights Exercise Form

Proposal No. 3
If you vote for the proposal, please tick the column "Agree."
If you vote against the proposal, please tick the column "Disagree."

Proposal No. 1 and Proposal No. 2
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.

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.)

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: Election of Seven 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 five Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire. (A Director Mr. Hideya Yamaguchi resigned on March 31, 2025.)
Therefore, the Company proposes that seven Directors be elected, by increasing two Directors to further strengthen the management structure.
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	Gender	Positions within the Company	
1	Kunihiro Konno	Male	Representative Director Chairman and President	Reelection
2	Shinichi Hayashi	Male	–	New election
3	Hiroaki Konno	Male	Representative Executive Director	Reelection
4	Masahiro Shibata	Male	Senior Corporate Executive Officer	New election
5	Susumu Nishima	Male	Senior Corporate Executive Officer	New election
6	Kiyoshi Togawa	Male	Director	Reelection
7	Jin-hyuk Yun	Male	Outside Director	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

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and responsibilities within the Company</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">1</td><td>Kunihiro Konno
(July 15, 1940)
Reelection

Records of attendance at Board of Directors meetings: 21/21 (100%)</td><td>Apr. 1987 Established VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.)
President, VITEC CO., LTD.
Nov. 1996 Senior Vice President, Member of the Board and Counselor (soudanyaku), VITEC CO., LTD.
June 2003 Special Advisor, VITEC CO., LTD.
June 2012 Chairman, VITEC CO., LTD.
Apr. 2013 Chairman & President, VITEC CO., LTD.
Jan. 2018 President, VITEC GLOBAL ELECTRONICS CO., LTD. (currently Restar Electronics Corporation)
Apr. 2018 Chairman & Representative Director, Vitec Vegetable Factory Co., Ltd.
Aug. 2018 Chairman & Member of the Board, Vitec Vegetable Factory Co., Ltd.
Apr. 2019 Representative Director Chairman and CEO, the Company
Apr. 2020 Representative Director and CEO, the Company
June 2023 Representative Director Chairman, President and CEO, the Company
Apr. 2024 Representative Director Chairman and President, the Company (present post)
[Significant concurrent positions outside the Company]
None</td><td>3,225</td></tr>
<tr><td colspan="3">[Reasons for nomination]
Mr. Kunihiro Konno has worked in the electronics industry for many years and has managerial experience and achievements. Going forward, the Company expects that he will appropriately perform his duties in the overall management of the Group and appropriately conduct management and supervision of the Group.

[Special interest between the candidate and the Company]
There are no significant conflicts of interest.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and responsibilities within the Company</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">2</td><td>Shinichi Hayashi
(March 27, 1964)
New election

Records of attendance at Board of Directors meetings: -/-</td><td>Apr. 1988 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
Apr. 2006 Representative Director President, Matsushita Techno Trading Co., Ltd.
Apr. 2011 General Manager, Companywide Central Contract Center, Procurement Division, Panasonic Corporation
Jan. 2016 Representative Director President, Panasonic Manufacturing Philippines Corporation and Representative Director President, Panasonic Philippines Corporation
Apr. 2019 General Manager, Beauty and Personal Care Business Division, Appliances Company, Panasonic Corporation
Oct. 2021 Vice President and General Manager, Beauty and Personal Care Business Division, Living Appliances and Solutions Company, Panasonic Corporation
Oct. 2022 Vice President, Living Appliances and Solutions Company, Panasonic Corporation
Chief Strategy Officer (CSO)
Apr. 2025 Advisor, the Company (present post)
[Significant concurrent positions outside the Company]
None</td><td>6,000</td></tr>
<tr><td colspan="3">[Reasons for nomination]
Mr. Shinichi Hayashi has broad knowledge and experience regarding global business operation, as well as business investments and business governance. Going forward, the Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.
[Special interest between the candidate and the Company]
There are no significant conflicts of interest.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions and responsibilities within the Company</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">3</td><td>Hiroaki Konno
(January 9, 1973)
Reelection

Records of attendance at Board of Directors meetings: 21/21 (100%)</td><td colspan="2">Apr. 1997 Joined Asahi Fire & Marine Insurance Co. Ltd. (currently Rakuten General Insurance Co., Ltd.)
June 2009 Corporate Auditor, VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.)
Apr. 2013 Joined VITEC CO., LTD.
Apr. 2017 Corporate Officer, VITEC CO., LTD. Managing Director, VITEC GREEN ENERGY CO., LTD.
Apr. 2018 Representative Director and President, VITEC ENESTA CO., LTD.
Apr. 2019 Corporate Officer, the Group
Apr. 2020 Corporate Executive Officer, the Company
Apr. 2022 Senior Corporate Executive Officer, the Company
Apr. 2023 Representative Director and President, RESTAR COMMUNICATIONS Corporation
June 2023 Representative Executive Director, the Company
Apr. 2024 Representative Executive Director, System Business Unit Management, the Company (present post)
[Significant concurrent positions outside the Company]
None</td><td>29,731
* In addition to the above, there are shares held in the name of Executive Stock Ownership Plan.</td></tr>
<tr><td colspan="4">[Reasons for nomination]
Mr. Hiroaki Konno has broad knowledge and experience regarding the fields of electronic equipment solutions and renewable energy generation, which he gained through involvement in the management of System Solution Business and Eco-Solution Business. Going forward, the Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.
[Special interest between the candidate and the Company]
There are no significant conflicts of interest.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
4	Masahiro Shibata (December 26, 1972) New election Records of attendance at Board of Directors meetings: -/-	Apr. 1995 Joined USC Co., Ltd. (the Company) Apr. 2013 Managing Director, UKC ELECTRONICS (Singapore) PTE.LTD. (Currently RESTAR ELECTRONICS SINGAPORE PTE.LTD.) Sep. 2017 Managing Director, UKC ELECTRONICS (H.K) CO., LTD. (Currently RESTAR ELECTRONICS HONG KONG CO., LTD.) Sep. 2019 President, UKC ELECTNICS (H.K) CO., LTD. (Currently RESTAR ELECTRONICS HONG KONG CO., LTD.) Apr. 2023 Corporate Officer, Restar Electronics Corporation July 2023 Senior Corporate Executive Officer, Restar Electronics Corporation Apr. 2024 Senior Corporate Executive Officer, Devices Business Unit Management, the Company (present post) [Significant concurrent positions outside the Company] None	0 * In addition to the above, there are shares held in the name of Executive Stock Ownership Plan.
	[Reasons for nomination] Mr. Masahiro Shibata has broad knowledge and experience regarding the electronics field, after having engaged in business operation in Japan and overseas. Going forward, the Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses. [Special interest between the candidate and the Company] There are no significant conflicts of interest.		
5	Susumu Nishima (February 18, 1968) New election Records of attendance at Board of Directors meetings: -/-	Apr. 1990 Joined Kawatetsu Leasing Co., Ltd. (currently Tokyo Century Corporation) May 1995 Joined Vitec Co., Ltd. (VITEC HOLDINGS CO., LTD.) June 2003 Joined Honda Trading Corporation Sep. 2012 Joined Misumi Group Inc. May 2015 Joined Vitec Co., Ltd. (VITEC HOLDINGS CO., LTD.) Apr. 2019 Corporate Officer, General Manager, Finance Department, the Company June 2019 Outside Director, Digital Media Professionals Inc. (present post) July 2021 Corporate Officer, General Manager, Corporate Planning Department, and General Manager, DX Promotion Department, the Company Apr. 2022 Corporate Executive Officer, the Company Apr. 2024 Senior Corporate Executive Officer, Corporate Head Office Officer, the Company (present post) [Significant concurrent positions outside the Company] Outside Director, Digital Media Professionals Inc.	3,000 * In addition to the above, there are shares held in the name of Executive Stock Ownership Plan.
	[Reasons for nomination] Mr. Susumu Nishima has broad knowledge and experience through having served in accounting and finance divisions and corporate strategy divisions of the Group. Going forward, the Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses. [Special interest between the candidate and the Company] There are no significant conflicts of interest.		

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and responsibilities within the Company</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">6</td><td>Kiyoshi Togawa
(May 21, 1948)
Reelection

Records of attendance at Board of Directors meetings: 21/21 (100%)</td><td>Apr. 1971 Joined Hitachi Chemical Co., Ltd. (currently Resonac Corporation)
Apr. 2000 Executive Officer, Manager, International Business Promotion Office, Hitachi Chemical Co., Ltd.
Apr. 2004 Vice President and Executive Officer, General Manager, Marketing & Sales Operations, Hitachi Chemical Co., Ltd.
Apr. 2007 Senior Vice President and Executive Officer, General Manager, Marketing & Sales Operations, Hitachi Chemical Co., Ltd.
Oct. 2007 Global Director, NPO Semiconductor Equipment Material International, San Jose, California
Apr. 2010 Senior Vice President and Executive Officer, General Manager, Corporate Business Strategy Headquarters and Manager, Group Company Office, Hitachi Chemical Co., Ltd.
June 2015 Outside Director, SWCC SHOWA HOLDINGS CO., LTD. (currently SWCC Corporation)
Sep. 2017 Outside Auditor, the Company
June 2018 Outside Director (Audit and Supervisory Committee Member), the Company
June 2024 Outside Director, the Company
Jan. 2025 Director, the Company (present post)
[Significant concurrent positions outside the Company]
None</td><td>0
* In addition to the above, there are shares held in the name of Executive Stock Ownership Plan.</td></tr>
<tr><td colspan="3">[Reasons for nomination]
Mr. Kiyoshi Togawa has broad knowledge and experience in performing the central role in an organizational reform, which he gained through engagement in enhancing human resource development and reforming corporate cultures, in addition to many years of management in the business field. Going forward, the Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.
[Special interest between the candidate and the Company]
There are no significant conflicts of interest.</td></tr>
<tr><td rowspan="2">7</td><td>Jin-hyuk Yun
(October 6, 1953)
Reelection
Outside
Independent

Records of attendance at Board of Directors meetings: 17/17 (100%)</td><td>Apr. 1979 Joined Samsung Electronics Co., Ltd.
Apr. 2006 Vice President, Mobile Display Division Manager, in charge of LCD, Samsung Electronics Co., Ltd.
Apr. 2009 Vice President and Division Manager, Samsung Mobile Display Co., Ltd. (currently Samsung Display Co., Ltd.)
Apr. 2010 Representative Director, Samsung Japan Corporation
Apr. 2012 Representative Director and President, S-1CORPORATION
Apr. 2013 Chairman, Korea Industrial Technology Protection Association
Jan. 2018 Advisor, S-1CORPORATION
Apr. 2020 Advisor (part-time), the Company
Jun. 2024 Outside Director, the Company (present post)
[Significant concurrent positions outside the Company]
None</td><td>0</td></tr>
<tr><td colspan="3">[Reasons for nomination and summary of expected roles]
Mr. Jin-hyuk Yun has wide-ranging knowledge and experience cultivated over many years as a business manager in business strategy planning and device business at a global company. Going forward, the Company expects that he will appropriately perform his duties and provide supervision and advice from an independent and objective perspective, with this knowledge and experience he possesses.
[Special interest between the candidate and the Company]
There are no significant conflicts of interest.</td></tr>
</table>

(Notes)

1. Mr. Jin-hyuk Yun is a candidate for Outside Director. His term of office as Outside Director will have been one year at the conclusion of this General Meeting of Shareholders
2. The Company has concluded a liability limitation contract with Mr. Jin-hyuk Yun 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. If the reelection of Mr. Jin-hyuk Yun is approved, the Company plans to renew the aforementioned contract with him.
3. The Company has notified the Tokyo Stock Exchange that Mr. Jin-hyuk Yun 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.
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. Each of the candidates will be included as insured persons under the insurance contract.

Proposal No. 2: Election of Two 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. Toshiyuki Suzuki and Ms. Sachiko Kasano will expire. Therefore, the Company proposes that two 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	Gender	Positions and responsibilities within the Company	
1	Toshiyuki Suzuki	Male	Director (Audit and Supervisory Committee Member)	Reelection
2	Sachiko Kasano	Female	Outside Director (Audit and Supervisory Committee Member)	Reelection Outside Independent

Reelection: Candidate for reelection as Director
Outside: Candidate for Outside Director
Independent: Independent Director

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions and responsibilities within the Company</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">1</td><td>Toshiyuki Suzuki
(October 23, 1962)
Reelection

Records of attendance at Board of Directors meetings: 21/21 (100%)

Records of attendance at Audit and Supervisory Committee meetings: 16/16 (100%)</td><td>June 1987
Apr. 2010
Apr. 2012
June 2015

Apr. 2017
Oct. 2018
Apr. 2019
Apr. 2020
Apr. 2023
Jun. 2023</td><td>Joined VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.)
Corporate Officer, VITEC CO., LTD.
Corporate Executive Officer, VITEC CO., LTD.
Director, VITEC HOLDINGS CO., LTD.
President, VITEC GLOBAL ELECTRONICS CO., LTD.
Managing Director, VITEC HOLDINGS CO., LTD.
Senior Managing Director, VITEC HOLDINGS CO., LTD.
Director and Managing Executive Officer, Restar Electronics Corporation
Assistant to the President, Restar Electronics Corporation
Assistant to the Audit and Supervisory Committee, the Company
Director (Audit and Supervisory Committee Member), the Company (present post)
[Significant concurrent positions outside the Company]
None</td><td>24,400</td></tr>
<tr><td colspan="4">[Reasons for nomination]
Mr. Toshiyuki Suzuki has many years of management experience in the electronics industry and broad knowledge and experience cultivated in the risk management field in Japan and overseas. Going forward, the Company expects that he will appropriately perform his duties and play his role in supervising and auditing management appropriately, with this knowledge and experience he possesses.
[Special interest between the candidate and the Company]
There are no significant conflicts of interest.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and responsibilities within the Company</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">2</td><td>Sachiko Kasano
(April 14, 1977)
Reelection
Outside
Independent

Records of attendance at Board of Directors meetings: 21/21 (100%)

Records of attendance at Audit and Supervisory Committee meetings: 15/16 (93.8%)</td><td>Oct. 2001 Registered as an attorney at law
Joined Miyakezaka Sogo Law Offices
Jan. 2011 Partner, Miyakezaka Sogo Law Offices
Jan. 2016 Established Kasumimon Sogo Law Offices (currently SHIOMIZAKA) (present post)
June 2021 Outside Auditor, Socionext Inc.
March 2022 Outside Board Director (Audit & Supervisory Committee Member), Socionext Inc. (present post)
June 2023 Outside Director (Audit and Supervisory Committee Member), the Company (present post)
Outside Board Director, Socionext Inc. (present post)
Nov. 2023 Outside Statutory Auditor, PRAP Japan, Inc. (present post)
[Significant concurrent positions outside the Company]
Attorney at law, SHIOMIZAKA
Outside Board Director, Socionext Inc.
Outside Statutory Auditor, PRAP Japan, Inc.</td><td>0</td></tr>
<tr><td colspan="3">[Reasons for nomination and summary of expected roles]
Ms. Sachiko Kasano has extensive, highly professional knowledge and experience as an attorney at law. Going forward, the Company expects that she will appropriately perform her duties and play her role in supervising and auditing management appropriately from an independent and objective perspective, with this knowledge and experience she possesses.
[Special interest between the candidate and the Company]
There are no significant conflicts of interest.</td></tr>
</table>

(Notes)
1. Ms. Sachiko Kasano is a candidate for Outside Director.
2. Ms. Sachiko Kasano 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 two years.
3. The Company has concluded liability limitation contracts with Mr. Toshiyuki Suzuki and Ms. Sachiko Kasano 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. Toshiyuki Suzuki and Ms. Sachiko Kasano is approved, the Company plans to renew the aforementioned contracts with them.
4. The Company has notified the Tokyo Stock Exchange that Ms. Sachiko Kasano is being designated as an Independent Director according to the rules of the said exchange. If the reelection of Ms. Sachiko Kasano is approved, the Company plans for her appointment as an Independent Director to continue. Furthermore, the Company's criteria for determining independence of Outside Directors is appended for your reference.
5. 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.

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

The knowledge particularly expected of the Directors of the Company is as follows.
◎: Indicates primary skills.
○: Indicates secondary skills.
* The table below does not present all the knowledge and experience possessed by each person.

Name		Expertise and experience expected of Directors by the Company									
		Group Management Strategy M&A	Global Management	Business Strategy	Industry-related knowledge and experience	Technology 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	Male	◎	○		○	◎	◎	○		○	
Shinichi Hayashi	Male	◎	◎	○	○	○			◎	○	
Hiroaki Konno	Male	○	○	◎	○	○			○		
Masahiro Shibata	Male	○	○	◎	○	○					
Susumu Nishima	Male	○	○				◎		○	○	◎
Kiyoshi Togawa	Male		○		○			◎	○	○	
Jin-hyuk Yun	Male Outside Independent		◎		○	○					
Directors who are Audit and Supervisory Committee Members											
Toshiyuki Suzuki	Male						○		○	◎	
Takenori Konno	Male								○	◎	○
Seno Tezuka	Male Outside Independent	○					◎			○	○
Reiko Date	Female Outside Independent				○			◎		○	○
Sachiko Kasano	Female 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[*1] 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[*2], or a business executive of the same;
3. A person for whom the Group is a major customer[*3], or a business executive of the same;
4. A major lender of the Group[*4], 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[*5] 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[*6], 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.

Proposal No. 3: Determination of Remuneration under a Restricted Stock Unit Plan for Executive Directors

Based on approval at an Extraordinary General Meeting of Shareholders held on November 27, 2018, the Company determined that the total amount of remuneration for Directors responsible for business execution should be capped at 500 million yen per annum. In this proposal, the Company seeks approval to introduce a new restricted stock unit plan as a new stock remuneration system for the Company's Directors responsible for business execution (hereinafter, "Eligible Directors") in order to provide them an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders and them, separately from the above-mentioned amount of remuneration.
The number of Eligible Directors of the Company is currently four. If Proposal No. 1 is approved as proposed, the number of Eligible Directors will be six.
The plan is a stock remuneration plan under which Eligible Directors shall be granted points every year in accordance with a rule stipulated by the Company. Each such point is equivalent to one share of the Company's common stock (hereinafter, "the Company's Shares"), and when Eligible Directors lose their position as the Company's Director or other positions specified by the Company's Board of Directors (hereinafter, "Retire"), they receive the delivery of the Company's Shares, according to the total number of points they have at the time immediately after the loss of the positions (hereinafter, "Retirement").
In the delivery of shares, the Company shall grant monetary compensation receivables for delivering the Company's Shares to Eligible Directors as in-kind contribution, and Eligible Directors shall make in-kind contribution to the Company all the monetary compensation receivables, and the Company's Shares shall either be issued or disposed of by the Company (Note 1) (Note 2).
However, from the perspective of securing funds for tax payment by Eligible Directors, a portion of shares to be delivered may be paid in cash.
The maximum number of total points the Company grants to Eligible Directors under the plan shall be up to 35,000 points per year (equivalent to 35,000 shares of the Company's Shares) (Note 3).

(Note 1) However, if an Eligible Director Retires from the position due to death, the Company shall deliver cash to heir(s) who will be successor(s) to the Eligible Director, in place of delivering the Company's Shares. If, prior to Retirement of Eligible Directors, a matter of a merger agreement whereby the Company becomes a dissolving company; a share exchange agreement or a share transfer plan whereby the Company becomes a wholly owned subsidiary of another company; an incorporation-type company split plan or an absorption-type company split agreement whereby the Company is the split company (limited to a split-off-type company split); share consolidation whereby the Company becomes subject to control by specific shareholders; acquisition of shares subject to class-wide call; or, a demand for a cash-out (hereinafter, the "Reorganization") has been granted approval (limited to the case where the effective date of the Reorganization is scheduled prior to the date of delivery of the Company's Shares under the plan) by a General Meeting of Shareholders of the Company (or the Company's Board of Directors in cases where approval by a General Meeting of Shareholders is not required with respect to the Reorganization), the Company provides Eligible Directors with cash, in place of delivering the Company's Shares.

(Note 2) A Board of Directors meeting for the purpose of granting monetary compensation receivables and for issuance or disposal of the Company's Shares (hereinafter, "Board Meeting for Delivery"), shall be held in a month in which the retirement date belongs.

(Note 3) However, in the case that the Company's Shares become subject to a stock split (including a gratis allotment of the Company's shares), a share consolidation, or any other event equivalent thereto requiring an adjustment of the total number of points on or after the date of resolution of this proposal, such total number may be adjusted within a reasonable range.

This proposal is to submit a resolution for a specific calculation method for a portion of remuneration, of which amount is not yet determined. A calculation formula to be resolved in this proposal shall be an upper limit for the amount of such undetermined remuneration, and actual operation shall be delegated to the Board of Directors within that maximum range (Note 4). Details of the delivery to each Eligible Director shall be determined by the Board of Directors.

(Note 4) A calculation formula subject to resolution is to compute the number of shares and the amount of monetary compensation receivables, assuming that each Eligible Director is continuously granted 35,000 points per year according to the plan, which is an upper limit of the total number of points to be granted to Eligible

Directors (equivalent to 35,000 shares of the Company's Shares) through to the Retirement of Eligible Directors. As a matter of practice, each Eligible Director shall be delivered shares and monetary compensation receivables in accordance with [Calculation method of the number of shares, amount of monetary compensation receivables and points under the plan] as explained below.

[Calculation method of the number of shares, amount of monetary compensation receivables and points under the plan]

(1) Calculation method of the number of shares and amount of monetary compensation receivables

The number of shares and the amount of monetary compensation receivables to be granted or delivered to each Eligible Director shall be calculated as follows:

The number of shares to be granted to Eligible Directors
= Number of accumulated points ((i) below)

The amount of monetary compensation receivables to be delivered to Eligible Directors
= Number of accumulated points ((i) below) x Amount to be paid in for shares under the plan ((ii) below)

(i) A total number of points an Eligible Director has immediately after his/her Retirement (hereinafter, "Number of Accumulated Points")

(ii) An amount to be paid in for shares under the plan. The amount to be paid in shall be the closing price of the Company's Shares on the Tokyo Stock Exchange on the business day immediately prior to the date of Board Meeting for Delivery (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day; hereinafter, "the Company's Shares Closing Price") (Note 5) (Note 6).

(Note 5) However, if an Eligible Director Retires from the position due to death, the multiplier shall be the Company's Shares Closing Price on the date of retirement of the Eligible Director, in place of the amount specified in (ii) above. If, prior to Retirement of the Eligible Director, a matter regarding Reorganization has been granted approval by a General Meeting of Shareholders of the Company (or the Company's Board of Directors in cases where approval by a General Meeting of Shareholders is not required with respect to the Reorganization), the multiplier shall be the Company's Shares Closing Price on the date of such approval, in place of the amount specified in (ii) above.

(Note 6) However, if it is reasonably judged that the Company's Shares Closing Price is particularly favorable to Eligible Directors, Board Meeting for Delivery may adopt the higher of the Company's Shares Closing Price or an average of the closing prices of the Company's shares on the Tokyo Stock Exchange for five business days from the day following the Board Meeting for Delivery.

(2) Calculation method of the Number of Accumulated Points

The Company shall grant to Eligible Directors a number of points to be determined by the Board of Directors (hereinafter, "Points") within the range of 35,000 points per year (an aggregate number of points for all Eligible Directors), and the Points shall be accumulated until the Retirement of Eligible Directors (Note 7).

(Note 7) In the case that the Company's Shares become subject to a stock split (including a gratis allotment of the Company's shares), a share consolidation, or any other event equivalent thereto requiring an adjustment of the number of points after the grant of Points, such number of Points may be adjusted within a reasonable range. However, in the event of any of the following cases, Eligible Directors shall forfeit their Points.

The Company, as a general rule, shall deliver to Eligible Directors the Company's Shares in a number that corresponds to the number of Points, as calculated by converting each such point to one share of the Company's Shares (however, from the perspective of securing funds for tax payment by Eligible Directors, a portion of shares to be delivered may be paid in cash) at the time of Retirement of Eligible Directors.

However, in the case of events specified below, Eligible Directors shall forfeit the Points as set forth below, and shall not receive the delivery of the Company's Shares pertaining to the forfeited Points.

(i) When an Eligible Director Retires from the position without any reasons deemed justifiable by the Company's Board of Directors, the Eligible Director shall naturally forfeit all the Points that have been granted.

(ii) Even if an Eligible Director Retires from the position due to reasons deemed justifiable by the Company's Board of Directors, the Eligible Director shall forfeit Points for which one year has not elapsed since they were granted at the time of his or her Retirement.

(iii) If a matter regarding Reorganization has been granted approval by a General Meeting of Shareholders of the

Company (or the Company's Board of Directors in cases where approval by a General Meeting of Shareholders is not required with respect to the Reorganization), Eligible Directors shall forfeit Points for which one year has not elapsed since they were granted at the time when the Reorganization is approved.

(iv) If an Eligible Director Retires from the position due to death, the Eligible Director shall, with regard to the Points granted in the fiscal year in which the retirement date belongs, forfeit the prorated number of Points corresponding to the remaining number of months in the fiscal year.

(v) In addition to above (i) through (iv), if an Eligible Director engaged in certain improper conducts, or falls under any other reasons specified by the Board of Directors, the Eligible Director shall forfeit such number of Points as determined by the Company's Board of Directors.

At the Board of Directors meeting held on March 26, 2021, the Company determined the basic policy regarding the details of remuneration, etc. for individual Directors. Conditional upon approval for this proposal, the Company intends to amend the said policy for consistency with this proposal. The contents of this proposal are necessary and reasonable for granting remuneration, etc. for individual Directors in accordance with the policy after the amendment. In addition, as mentioned earlier, the amount of cash to be delivered shall be set within a range that is not particularly favorable to the recipients, and a dilution rate shall be also minor. Furthermore, to ensure fairness and transparency in the procedures, this proposal was deliberated by 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 Company therefore deems the contents of this proposal appropriate.

Business Report

(April 1, 2024–March 31, 2025)

1. Overview of the Corporate Group

(1) Business Status for the Fiscal Year Under Review

1) Business Progress and Results

During the fiscal year under review, the Japanese economy experienced moderate recovery with signs of a pickup and regain in the second half of the year in capital investment as the employment and income environment improved and inbound demand expanded. Meanwhile, the outlook remained uncertain due to concerns over the slowdown of the global economy caused by trends in U.S. customs policies, global geopolitical risks and exchange rate fluctuations caused by interest rate trends in Japan and overseas.

In the semiconductor market, demand for products showed mixed trends. There were signs of recovery in demand for generative AI-related products, but demand for electric vehicles (EVs) and industrial equipment applications remained sluggish and did not lead to a recovery in overall market demand.

Under these circumstances, in May 2024, the Company announced its first Medium-Term Management Plan since the business integration in 2019. It has set basic policies for growth through the fiscal year ending March 31, 2027, and aims to establish a structure with four Business Units. The Company will work to further expand our business and improve profitability and promote measures to achieve the goals of the Medium-Term Management Plan. On September 27, 2024, the Company made PCI Holdings, INC. (Hereinafter referred to as “PCI Group”.) a consolidated subsidiary. It will serve as the foundation of the new IT & SIer Business Unit of the four Business Units structure, a key component of the Medium-Term Management Plan. Based on PCI Group’s strengths in information service businesses, including software development, solution development and maintenance, the Company will upgrade its technical resources by leveraging each company’s strengths, and accelerate the development to upstream processes, such as planning and proposals, in an effort to further deepen and expand the market.

For the purpose of expanding the line card of chemical products in the devices business and strengthening marketing in sales expansion of material-based products, a joint venture with Dexerials Corporation, namely, Restar Dexerials Hong Kong Limited, began operating as a consolidated subsidiary of the Company on July 1, 2024. In addition, Restar Dexerials Korea Corporation and Restar Dexerials Taiwan Corporation began operating as consolidated subsidiaries of the Company on January 2, 2025, and February 3, 2025, respectively, to strive to further expand sales. Meanwhile, on October 1, 2024, the Company repurchased its own shares and, on October 31, 2024, resolved to enter into a capital and business alliance with Shinko Shoji Co., Ltd. and to dispose of its own shares through a third-party allotment. Through this alliance, as part of the Company’s long tail strategy, we share each other’s management resources such as scale, financial strength, products, personnel resources and technology capabilities, all of which enable us to expand our customer base, sales network, and product portfolio. We are working to develop a cooperative base to further cultivate the mass market and strengthen our technical and proposal expertise.

In order to establish a system to stably procure funds necessary to expand its business, the Company borrowed funds through a hybrid loan (subordinated loan) in August 2024 and procured funds in February 2025 from regional banks participating in the Kyushu-Okinawa Banking Alliance Semiconductor Solution. In addition, the Company is promoting efforts to diversify fund-raising methods to maintain financial discipline and enhance financial stability by issuing the first series of unsecured notes in March 2025.

The Company will continue to pursue M&A and capital alliances in Japan and overseas in addition to Group synergies aiming to be “The Electronics Value Platformer” that accommodates all manner of stakeholder needs in order to realize the sustainable development of the world and society leveraging information and technology and to enhance its corporate value.

Net sales
561,001 million yen
Year-on-year change
Up 9.5%

Operating profit
14,174 million yen
Year-on-year change
Down 11.0%

Ordinary profit
9,559 million yen

Year-on-year change
Down 1.3%

Profit attributable to owners of parent
7,473 million yen
Year-on-year change
Up 6.7%

- Financial Highlights

Consolidated net sales for the fiscal year under review reached a record high as last year, mainly due to an increase in revenue resulting from the addition of consolidated subsidiaries through M&A and establishment of joint ventures, sales growth of consumer products in the devices business such as high-performance cameras and mobile devices, and an improved performance in the EMS business following the installation in new smartphone models. Although some increase was realized thanks to higher net sales, operating profit declined due to factors including the following: lower gross profit in the device business caused by the sharp appreciation of the yen over the period from August to September, lower gross profit margin brought by poorer sales mix due to the slow recovery of the industrial equipment market, and decrease in profit in the eco-solution business. Ordinary profit slightly declined mainly due to a decrease in operating profit, despite the lower interest expense brought by changes in currencies for some borrowings. Despite recording a loss on liquidation of a subsidiary following the Company's resolution to dissolve the consolidated subsidiary in September 2024, profit attributable to owners of parent reached a record high, partly due to a tax effect related to the liquidation.
As a result, net sales for the fiscal year under review were 561,001 million yen, up 9.5% year on year, operating profit was 14,174million yen, down 11.0% year on year, ordinary profit was 9,559 million yen, down 1.3% year on year, and profit attributable to owners of parent was 7,473 million yen, up 6.7% year on year.

- Devices Business Unit (hereinafter, "Devices BU")

In the devices business, while the recovery of the industrial equipment market has been slow, sales increased. This was due to the addition of consolidated subsidiaries (Restar WPG Corporation in July 2023, Restar Embedded Solutions Corporation in January 2024, Restar Dexerials Hong Kong Limited in July 2024, Restar Dexerials Korea Corporation in January 2025, and Restar Dexerials Taiwan Corporation in February 2025) and sales growth of consumer products such as high-performance cameras and mobile devices. In the EMS business, sales increased due to the effects of our products being installed in new smartphone models and continued strong sales of applications for tablets and other consumer products. Although some increase was realized thanks to higher net sales, segment profit declined mainly due to lower gross profit in the devices business caused by the sharp appreciation of the yen over the period from August to September and lower gross profit margin brought by poorer sales mix due to the slow recovery of the industrial equipment market.
As a result, the Devices BU recorded net sales of 505,085 million yen, up 7.0% year on year, and segment profit of 11,205 million yen, down 10.2% year on year.

- System Business Unit (hereinafter, "System BU")

In the system solution business, while business for corporate customers continued to grow backed by office relocation needs and other factors, sales of system equipment for broadcasting and payment terminals remained slow. Additionally, the overall decline in revenue was influenced by the transfer of the image sensing business area to the devices business as part of efforts to strengthen the sensor-related business. In the eco-solution business, sales increased owing to an expansion of power sales destinations in the power producer and supplier business, an expansion of solar power generation in Japan and overseas, and an increase in the number of new contracts in the power purchase agreement (PPA) business. Segment profit declined due to intensified competition in the market for electricity supply and demand adjustment in the eco-solution business, despite some profit increase in the system solution business.
As a result, the System BU recorded net sales of 42,835 million yen, up 5.5% year on year, and segment profit of 4,205 million yen, down 21.3% year on year.

- IT & SIer Business Unit (hereinafter, IT & SIer BU")

PCI Group became a consolidated subsidiary of the Company on September 27, 2024, recording net sales of 13,079 million yen and segment profit of 468 million yen.
We have taken inventory of technologies used to commercialize services, select services and products that can be utilized within both Groups. The PCI Group will leverage its technological capabilities to promote sales activities for new projects and areas by leveraging each Group's customer base, efficiently manage costs, and focus on allocating resources to profitable businesses and efficiently manage assets. The Company will continue its efforts to generate synergies with the Devices BU and the System BU.

2) Capital Investments

Total capital investment conducted across the Group during the fiscal year under review amounted to 3,849 million yen, with the majority constituting business assets in the energy business.

3) Procurement of Funds

During the fiscal year under review (April 1, 2024–March 31, 2025), the Group procured funds through borrowings and issuance of bonds. A total of borrowings and bonds of the Group as of the end of the fiscal year under review amounted to 106,650 million yen. We are also implementing Group financing and are working to reduce and stabilize the cost of raising operating funds capital within the Group.

(1) 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 Mizuho Bank, Ltd.

(2) The Company raised 10,000 million yen through a syndicated subordinated term loan arranged by SBI Shinsei Bank, Limited to procure funds for growth strategy investment.

(3) The Company issued domestic straight bonds amounting to 10,000 million yen in March 2025 to procure funds for repaying borrowings, of which details are shown below.
The first series of unsecured bonds: 10,000 million yen (Annual interest rate: 2.145%; Redemption date: March 21, 2028)

(2) Trends in Assets and Income

1) Trends in Group Assets and Income

Net sales (Million yen)

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
16th fiscal year (ended in March 2025)	561,001

Profit attributable to owners of parent (Million yen)

13th fiscal year (ended in March 2022)	5,957
14th fiscal year (ended in March 2023)	7,085
15th fiscal year (ended in March 2024)	7,004
16th fiscal year (ended in March 2025)	7,473

Total assets/Net assets (Million yen)

	Total assets	Net assets
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
16th fiscal year (ended in March 2025)	310,022	100,061

Earnings per share (Yen)

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
16th fiscal year (ended in March 2025)	256.59

Net assets per share (Yen)

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
16th fiscal year (ended in March 2025)	3,051.16

(Million yen, unless otherwise specified)

Category	13th fiscal year (ended March 31, 2022)	14th fiscal year (ended March 31, 2023)	15th fiscal year (ended March 31, 2024)	16th fiscal year (ended March 31, 2025) (Fiscal year under review)
Net sales	399,590	487,129	512,484	561,001
Profit attributable to owners of parent	5,957	7,085	7,004	7,473
Earnings per share (yen)	198.12	235.64	232.95	256.59
Total assets	241,958	269,427	291,704	310,022
Net assets	81,657	85,095	91,024	100,061
Net assets per share (yen)	2,580.33	2,686.31	2,800.38	3,051.16

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

Net sales or operating revenue (Million yen)

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
16th fiscal year (ended in March 2025)	219,945

Profit (Million yen)

13th fiscal year (ended in March 2022)	(569)
14th fiscal year (ended in March 2023)	(917)
15th fiscal year (ended in March 2024)	827
16th fiscal year (ended in March 2025)	18,934

Total assets/Net assets (Million yen)

	Total assets	Net assets
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
16th fiscal year (ended in March 2025)	212,202	60,159

Earnings per share (Yen)

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
16th fiscal year (ended in March 2025)	650.10

Net assets per share (Yen)

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
16th fiscal year (ended in March 2025)	2,139.55

(Million yen, unless otherwise specified)

Category	13th fiscal year (ended March 31, 2022)	14th fiscal year (ended March 31, 2023)	15th fiscal year (ended March 31, 2024)	16th fiscal year (ended March 31, 2025) (Fiscal year under review)
Net sales or operating revenue	4,322	6,579	10,870	219,945
Profit	(569)	(917)	827	18,934
Earnings per share (yen)	(18.93)	(30.51)	27.51	650.10
Total assets	121,044	127,582	152,188	212,202
Net assets	44,493	40,867	37,413	60,159
Net assets per share (yen)	1,479.75	1,359.15	1,244.28	2,139.55

Note: The item that has been presented as "Operating revenue" until the 15th fiscal year is presented as "Net sales or operating revenue" following the transition from a pure holding company to an operating company through a merger with the Company's consolidated subsidiaries in the 16th fiscal year.

(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
PALTEK Corporation	310 million yen	100.0%	Sales of semiconductors for electronic devices, communications devices, and industrial devices, design software and electronic devices
Restar Embedded Solutions Corporation	350 million yen	100.0%	Sales, maintenance and support of ICT products, electronic devices, electronic components and other embedded products; sales of office supplies
Restar Supply Chain Solution Corporation	308 million yen	80.0%	Procurement trading services
CU TECH CORPORATION	8,828 million Korean won	69.4%	Contract manufacturing service for electronic devices (EMS)
Vitec Vegetable Factory Co., Ltd.	2,520 million yen	76.8%	Fully closed plant factory
PCI Holdings, Inc.	2,091 million yen	51.1%	Engineering business, product/device business, ICT solution business

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

Not applicable.

(4) Issues to Be Addressed

Based on its management philosophy of "We help society evolve by leveraging information and technology to create and deliver new value and services", the Group aims to be “the Electronics Value Platformer” and is promoting synergies between businesses, active co-creation with external partners, diverse business development, expansion in technological areas and sustainable scale expansion.

Future priority initiatives are as follows.

Reportable Segment	Business	Initiatives
Devices Business Unit	Devices	・ Further accelerate Group synergies and a cross-selling strategy ・ Cultivate customers in the industrial equipment and automotive markets and expand new business ・ Promote initiatives for global expansion ・ Develop Group synergies based on supply chain management services ・ Expand business areas by providing value added
	EMS	・ Rationalize of production lines ・ Selection through concentration and expand new businesses such as automotive
System Business Unit	System Solution	・ Address challenge of new business model ・ Expand total solution provider functions ・ Develop new business areas utilizing payment terminals ・ Develop new markets through in-house development of authentication terminals and payment devices
	Eco-solution	・ Expand Power Purchase Agreement (PPA) business ・ Build and provide energy management systems utilizing storage batteries ・ Secure stable power sources ・ Respond to power system reforms ・ Increase production efficiency and profitability
IT & SIer Business Unit	–	・ Software development, design/manufacture of industrial PCs/development/maintenance of in-house solutions ・ Information services such as design and testing of semiconductors

(5) **Principal Business** (As of March 31, 2025)

The Group has three reportable segments: the Devices Business Unit and the System Business Unit, which were established as reportable segments following the business reorganization in April 2024, as well as the IT & SIer Business Unit, which was added when PCI Group became a consolidated subsidiary of the Company in September 2024.

Reportable Segment	Business	Business Description
Devices Business Unit	Devices	・ Sales of semiconductors, electronic components, and related products in Japan and overseas; system proposals with a variety of line card combinations; provision of high-value-added solutions and technical support specializing in liquid crystal systems and overseas suppliers; design and manufacturing; LSI design development and support; and reliability test service ・ Operation and proposal of optimal supply chain management through global procurement/trading for electronics and entrustment service for related operations
	EMS	・ Electronics manufacturing service for electronic components, modules, etc., with cutting-edge technology, procurement, production management and quality assurance at our factories
System Business Unit	System Solution	・ Proposal, design, construction, and maintenance of solutions for video, audio, and communications in various fields such as broadcasting, business, education, medical care/life sciences, and public facilities ・ Development and manufacture of cashless payment terminals that combine its basic digital and communications technologies with near-field communication (NFC) technologies and sales of overseas-made payment terminals; application development; development, manufacture, and sales of Individual Number authentication-related devices
	Eco-solution	・ Community coexistence-based operation and management services for the introduction and popularization of renewable energy from its own solar power stations (in Japan and overseas) and wind power stations, etc. ・ Electric power supply to public facilities and private-sector companies primarily using renewable energy, and electric power consulting including local production and consumption of the power for community revitalization ・ Production and sales, as well as system consulting, of vegetables made in completely closed vegetable factories to commercial and retail markets including convenience stores, supermarkets, and food service chains
IT & SIer Business Unit	–	・ Software development, industrial PC design and manufacturing, inhouse solution development and maintenance ・ Semiconductor design and testing, and other information service businesses

(6) **Principal Business Locations** (As of March 31, 2025)

1) The Company

Head Office	Head Office (Minato-ku, Tokyo)
Branches	Osaka Branch (Osaka City, Osaka), Shikoku Branch (Takamatsu City, Kagawa)
Sales offices	Tohoku Sales Office (Osaki City, Miyagi), Iwaki Sales Office (Iwaki City, Fukushima), Rikkoukai Sales Office (Shinagawa-ku, Tokyo), Nishi-Tokyo Sales Office (Tachikawa City, Tokyo), Akasaka Technical Center (Chiyoda-ku, Tokyo), Logistics Center (Yokohama City, Kanagawa), Shinetsu Sales Office (Matsumoto City, Nagano), Matsumoto Sales Office (Matsumoto City, Nagano), Tokai Sales Office (Nagoya City, Aichi), Chubu Sales Office (Nagoya City, Aichi), Matsuyama Sales Office (Matsuyama City, Ehime), Kyushu Sales Office (Fukuoka City, Fukuoka), Fukuoka Sales Office (Fukuoka City, Fukuoka),
Offices	Atsugi Office (Atsugi City, Kanagawa), Oita Office (Kunisaki City, Oita), Kumamoto Office (Kikuchi-gun, Kumamoto), Kagoshima Office (Kirishima City, Kagoshima)

2) Subsidiaries

PALTEK Corporation	Headquarters (Minato-ku, Tokyo), West Japan Branch (Osaka City, Osaka), Fukuoka Sales Office (Fukuoka City, Fukuoka) Singapore Branch (Republic of Singapore), Logistic Center (Yokohama City, Kanagawa)
Restar Embedded Solutions Corporation	Head Office (Minato-ku, Tokyo)
Restar Supply Chain Solution Corporation	Head Office (Minato-ku, Tokyo), Osaka Sales Office (Suita City, Osaka)
CU TECH CORPORATION	Head Office (Pyeongtaek City, Gyeonggi-Do, South Korea)
Vitec Vegetable Factory Co., Ltd.	Head Office (Minato-ku, Tokyo)
PCI Holdings, Inc.	Head Office (Minato-ku, Tokyo)

(7) Employees (As of March 31, 2025)

1) Corporate Group Employees

Business division	Employees (persons)		YoY Change (persons)	
Devices BU	2,269	[215]	(377)	[(86)]
System BU	435	[135]	(33)	[33]
IT & SIer BU	1,613	[46]	1,613	[46]
Companywide	166	[24]	48	[12]
Total	4,483	[420]	1,251	[5]

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 Group management division.

2) Company Employees

Employees (persons)	YoY change (persons)	Average age (years)	Average years of service (years)
1,021 [123]	903 [111]	45.2	12.0

Note: 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, 2025)

Lender	Amount borrowed (Million yen)
Mizuho Bank, Ltd.	15,711
MUFG Bank, Ltd.	14,081
Sumitomo Mitsui Banking Corporation	11,292

(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, 2025)

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 1,954,690 treasury shares.

3) Number of shareholders **9,759 persons**

4) Major shareholders (Top ten)

Shareholder name	Number of shares held (Thousand shares)	Percentage of shares held (%)
KMF Corporation	6,480	23.04
Retirement Benefit Trust (SONY Group) of Mizuho Trust & Banking Co., Ltd., Retrustee: Custody Bank of Japan, Ltd.	2,951	10.49
The Master Trust Bank of Japan, Ltd. (Trust account)	2,339	8.32
SBI Holdings, Inc.	1,000	3.55
MUFG Bank, Ltd.	818	2.91
Restar Employee Shareowners Association	724	2.57
Mizuho Bank, Ltd.	692	2.46
Shinko Shoji Co., Ltd.	550	1.95
Custody Bank of Japan, Ltd. (Trust account)	548	1.95
CANON ELECTRONICS INC.	404	1.43

Notes: 1. The Company holds 1,954,690 treasury shares, but is excluded from the list of major shareholders above.
2. The percentage of shares held is calculated after deducting 1,954,690 treasury shares..

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, 2025)

Position in the Company	Name	Responsibilities, significant concurrent positions
Chairman and President	Kunihiro Konno	
Representative Director and Vice President	Hideya Yamaguchi	
Representative Director and Vice President	Tomoharu Asaka	Corporate Head Office Management
Representative Executive Director	Hiroaki Konno	System Business Unit Management
Director	Kiyoshi Togawa	
Director	Jin-hyuk Yun	
Director (Full-time Audit and Supervisory Committee Member)	Toshiyuki Suzuki	
Director (Full-time Audit and Supervisory Committee Member)	Takenori Konno	
Director (Audit and Supervisory Committee Member)	Seno Tezuka	Certified Public Accountant
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. Director Mr. Jin-hyuk Yun and Directors (Audit and Supervisory Committee Members) Mr. Seno Tezuka, Ms. Reiko Date and Ms. Sachiko Kasano are Outside Directors.
2. Director (Audit and Supervisory Committee Member) 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 Director Mr. Jin-hyuk Yun and Directors (Audit and Supervisory Committee Members) Mr. Seno Tezuka, Ms. Reiko Date and Ms. Sachiko Kasano have been designated as Independent Directors according to the stock exchange rules.
4. Mr. Toshiyuki Suzuki and Mr. Takenori Konno 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. Director Mr. Kiyoshi Togawa was appointed to an Executive Director of the Company on January 6, 2025, and thus no longer satisfies requirements for an outside officer.
7. Mr. Hideya Yamaguchi resigned as Representative Director and Vice President on March 31, 2025.

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 officers 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

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 paid monthly in a fixed amount, which is determined separately according to a job position. Variable remuneration is paid once every fiscal year, 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 offering a variable remuneration component would not be appropriate.

To ensure transparency and objectivity in determining the amount of remuneration for each Director, the Board of Directors determines the remuneration, including the proportion of the fixed remuneration and variable remuneration, for each Director responsible for business execution, excluding Directors who are Audit and Supervisory Committee Members, after the deliberations by the Group Nomination and Remuneration Committee, which is delegated by 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 Ms. Sachiko Kasano (Mr. Kiyoshi Togawa until January 2025), Director (Outside) who is an Audit and Supervisory Committee Member, and Mr. Kunihiro Konno, Chairman and President. The Board of Directors judges that the content of Director remuneration is being determined in line with the decision policy because the decisions are entrusted to the Board of Directors after the deliberations by 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 (excluding Directors who are Audit and Supervisory Committee Members) 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 six Directors (excluding Directors who are Audit and Supervisory Committee Members) 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 (excluding Directors who are 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 Ms. Sachiko Kasano (Mr. Kiyoshi Togawa until January 2025), Director who is an Audit and Supervisory Committee Member, and Mr. Kunihiro Konno, Chairman and President. The Board of Directors judges that the content of Director remuneration is being determined in line with its decision policy because the decisions on the remuneration are entrusted to the Board of Directors after deliberations by 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]	211 [9]	211 [9]	-	-	6 [2]
Directors who are Audit and Supervisory Committee Members [of which, amount for Outside Directors]	43 [13]	43 [13]	-	-	7 [4]
Total [of which, amount for Outside Directors]	254 [23]	254 [23]	-	-	13 [6]

Note: Mr. Kiyoshi Togawa had been an Outside Director (Audit and Supervisory Committee Member) until the conclusion of the 5th Ordinary General Meeting of Shareholders held on June 27, 2024, and was appointed to an Outside Director at the said General Meeting of Shareholders. He was appointed to an Executive Director on January 6, 2025, and thus no longer satisfies requirements for an outside officer.

5) Matters Pertaining to Outside Officers

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

- Outside Director Mr. Kiyoshi Togawa has no significant concurrent positions. He was appointed to an Executive Director on January 6, 2025, and thus no longer satisfies requirements for an outside officer.
- Outside Director Mr. Jin-hyuk Yun has no significant concurrent positions.
- Outside Director (Audit and Supervisory Committee Member) Mr. Seno Tezuka is a certified public accountant. He has no significant concurrent positions.
- 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 21 times)		Audit and Supervisory Committee Meetings (held 16 times)	
	Number of attendances	Attendance rate	Number of attendances	Attendance rate
Outside Director Kiyoshi Togawa	21/21	100%	3/3	100%
Outside Director Jin-hyuk Yun	17/17	100%	-	-
Outside Director (Audit and Supervisory Committee Member) Seno Tezuka	21/21	100%	16/16	100%
Outside Director (Audit and Supervisory Committee Member) Reiko Date	21/21	100%	16/16	100%
Outside Director (Audit and Supervisory Committee Member) Sachiko Kasano	21/21	100%	15/16	93.8%

Note: 1. Regarding Mr. Jin-hyuk Yun, attendance after his appointment on June 27, 2024 is listed.

2. Mr. Kiyoshi Togawa had been an Outside Director (Audit and Supervisory Committee Member) until the conclusion of the 5th Ordinary General Meeting of Shareholders held on June 27, 2024, and was appointed to an Outside Director at the said General Meeting of Shareholders. He was appointed to an Executive Director on January 6, 2025, and thus no longer satisfies requirements for an outside officer.

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 Mr. Kiyoshi Togawa has contributed appropriate and necessary comments at Board of Directors, Audit and Supervisory Committee and the Group Nomination and Remuneration Committee meetings based on his broad knowledge and experience in performing the central role in an organizational reform, which he gained through engagement in enhancing human resource development and reforming corporate cultures, in addition to many years of management in the business field. He has served as an accurate advisor to the management of the Company. He was appointed to an Executive Director on January 6, 2025, and ceased to be an Outside Director of the Company as he no longer satisfies requirements for an outside officer.
- Outside Director Mr. Jin-hyuk Yun has contributed appropriate and necessary comments at Board of Directors meetings based on his wide-ranging knowledge and experience cultivated over many years as a business manager in business strategy planning and device business at a global company. He has served as an accurate advisor to the management of the Company.
- 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 based on his extensive, highly professional knowledge 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) 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 her knowledge and experience in both practical activities and management in 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 Board of Directors, Audit and Supervisory Committee and the Group Nomination and Remuneration Committee meetings based on her extensive, highly professional knowledge and experience as an attorney at law. 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	182	6
Consolidated subsidiaries	21	−
Total	203	6

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. Remuneration based on non-audit services primarily pertains to the preparation of a comfort letter for the issuance of bonds.
4. 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, 2025)

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 Control and Audit Department 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 Control and Audit Department, 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 Control and Audit Department 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 Control and Audit Department to perform the investigation, while directors and other employees shall not have such authority.
   3. We shall determine how the Control and Audit Department will cooperate with the Audit and Supervisory Committee in the Internal Audit Office Regulations.
   - The Control and Audit Department 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 Control and Audit Department and the Audit and Supervisory Committee is stipulated in the Internal Audit Office Regulations. The Control and Audit Department 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 Control and Audit Department communicates and coordinates with the Audit and Supervisory Committee and reports audits are stipulated in the Internal Audit Office Regulations. The Control and Audit Department 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 been 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 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): Dividend on equity ratio = Dividend amount ÷ Shareholders' equity = Dividend yield x 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.

Based on these policies, we have comprehensively taken the aforementioned policies into consideration and will pay a year-end dividend of 60 yen per share for the fiscal year under review, which, together with the interim dividend of 60 yen per share, will result in an annual dividend of 120 yen per share. As a result, DOE for the fiscal year under review will be 4.1%.

(Reference) Trends in dividend per share (Yen)

	The 4th fiscal year (From April 1, 2022 to March 31, 2023)		The 5th fiscal year (From April 1, 2023 to March 31, 2024)		The 6th fiscal year (From April 1, 2024 to March 31, 2025)	
	2Q	Year-end	2Q	Year-end	2Q	Year-end
Dividend per share	40	75	55	60	60	60
Total	115		115		120	

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2025)

(Million yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
Current assets	**240,568**	**Current liabilities**	**145,150**
Cash and deposits	44,417	Notes and accounts payable – trade	71,724
Notes receivable – trade	308	Short-term borrowings	52,539
Accounts receivable – trade	113,713	Current portion of long-term borrowings	3,668
Electronically recorded monetary claims – operating	13,430	Lease liabilities	2,465
Contract assets	586	Income taxes payable	1,080
Merchandise and finished goods	53,647	Contract liabilities	1,799
Work in process	1,108	Provision for bonuses	1,803
Raw materials and supplies	1,800	Provision for bonuses for directors (and other officers)	8
Other	11,692	Other	10,061
Allowance for doubtful accounts	(136)	**Non-current liabilities**	**64,810**
		Bonds payable	10,040
Non-current assets	**69,407**	Long-term borrowings	40,343
Property, plant and equipment	**30,384**	Lease liabilities	6,255
Buildings and structures	3,938	Deferred tax liabilities	3,161
Machinery, equipment and vehicles	12,167	Retirement benefit liability	1,245
Tools, furniture and fixtures	884	Other	3,764
Leased assets	8,629	**Total liabilities**	**209,961**
Land	1,127	**(Net assets)**	
Construction in progress	3,636	**Shareholders' equity**	**79,377**
Intangible assets	**14,009**	Share capital	4,383
Goodwill	5,907	Capital surplus	30,470
Other	8,101	Retained earnings	49,921
Investments and other assets	**25,013**	Treasury shares	(5,397)
Investment securities	3,477	**Accumulated other comprehensive income**	**6,415**
Deferred tax assets	8,185	Valuation difference on available-for-sale securities	(124)
Bad debts	4,558	Deferred gains or losses on hedges	(4)
Long-term prepaid expenses	8,211	Foreign currency translation adjustment	6,291
Other	5,318	Remeasurements of defined benefit plans	253
Allowance for doubtful accounts	(4,736)	**Share acquisition rights**	**151**
Deferred assets	**46**	**Non-controlling interests**	**14,117**
Bond issuance costs	46	**Total net assets**	**100,061**
Total assets	**310,022**	**Total liabilities and net assets**	**310,022**

Consolidated Statement of Income (April 1, 2024–March 31, 2025)

(Million yen)

Description	Amount
Net sales	**561,001**
Cost of sales	**513,301**
Gross profit	**47,700**
Selling, general and administrative expenses	**33,526**
Operating profit	**14,174**
Non-operating income	**1,082**
Interest income	313
Dividend income	45
Insurance claim income	170
Share of profit of entities accounted for using equity method	36
Gain on investments in silent partnerships	116
Other	400
Non-operating expenses	**5,696**
Interest expenses	2,581
Loss on sale of receivables	1,185
Foreign exchange losses	955
Commission for syndicated loans	567
Other	406
Ordinary profit	**9,559**
Extraordinary income	**365**
Gain on sale of non-current assets	12
Insurance claim income	53
Gain on bargain purchase	153
Gain on step acquisitions	16
Gain on liquidation of subsidiaries	130
Extraordinary losses	**4,632**
Impairment losses	136
Loss on liquidation of subsidiaries	4,481
Other	14
Profit before income taxes	**5,293**
Income taxes – current	2,270
Income taxes – deferred	(5,711)
Profit	**8,734**
Profit attributable to non-controlling interests	1,261
Profit attributable to owners of parent	**7,473**

Consolidated Statements of Changes in Shareholders' Equity

(April 1, 2024–March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance (April 1, 2024)	4,383	33,841	43,461	(9)	81,677
Changes during period					
Deficit disposition		(790)	790		—
Dividends of surplus		(1,804)	(1,804)		(3,608)
Profit attributable to owners of parent			7,473		7,473
Purchase of treasury shares				(6,907)	(6,907)
Disposal of treasury shares		(60)		1,518	1,458
Purchase of treasury shares of consolidated subsidiaries		97			97
Purchase of shares of consolidated subsidiaries		(813)			(813)
Net changes in items other than shareholders' equity					
Total changes during period	—	(3,370)	6,459	(5,388)	(2,300)
Balance (March 31, 2025)	4,383	30,470	49,921	(5,397)	79,377

	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, 2024)	304	(1)	2,263	(42)	2,524	123	6,699	91,024
Changes during period								
Deficit disposition								—
Dividends of surplus								(3,608)
Profit attributable to owners of parent								7,473
Purchase of treasury shares								(6,907)
Disposal of treasury shares								1,458
Purchase of treasury shares of consolidated subsidiaries								97
Purchase of shares of consolidated subsidiaries								(813)
Net changes in items other than shareholders' equity	(428)	(3)	4,027	295	3,890	27	7,417	11,336
Total changes during period	(428)	(3)	4,027	295	3,890	27	7,417	9,036
Balance (March 31, 2025)	(124)	(4)	6,291	253	6,415	151	14,117	100,061

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: 58
- Names of major consolidated subsidiaries:
  PALTEK Corporation
  Restar Embedded Solutions Corporation
  Restar Supply Chain Solution Corporation
  CU TECH CORPORATION
  Vitec Vegetable Factory Co., Ltd.
  PCI Holdings, Inc.
- Increase and decrease in consolidated subsidiaries during the fiscal year under review are as follows:
  (Increase)
  Due to acquisition of shares:
  Dexerials Hong Kong Limited
  (Company name changed to Restar Dexerials Hong Kong Limited on July 1, 2024)
  PCI Holdings, Inc.
  PCI Solutions INC.
  Institute of PCI Solutions Inc.
  SORD CORPORATION
  Personal Joho System, Inc.
  Nihon System Research
  Privatech Inc.
  Dexerials Korea Corporation
  (Company name changed to Restar Dexerials Korea Corporation on January 2, 2025)
  Dexerials Taiwan Corporation
  (Company name changed to Restar Dexerials Taiwan Corporation on February 3, 2025)

  (Decrease)
  Due to absorption-type merger:
  Restar Electronics Corporation
  Restar Communications Corporation
  Vitec Enesta 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: 1
- Names of major associates:
  Kokuho System Co., Ltd.

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.

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). In addition, customer-related assets are amortized on a straight-line basis over the effective period of the said assets (six to 16 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) Accounting for deferred assets
   - Bond issuance costs are amortized evenly over a bond redemption period.

4) 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.

5) Standard for revenues and expenses
   (Products and merchandise)
   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.

   (Construction and development)
   Revenue from construction or system development is derived from installation of equipment and systems based on commissioned contracts, quasi-mandate contracts or dispatch contracts; development of system software, application software and embedded software; and semiconductor design transactions, and the Group recognizes revenue as the Group satisfies the performance obligation over time. In the estimation of the progress of satisfaction of performance obligation, as a general rule, the Group applies the cost-to-cost method (a method whereby the ratio of actual cost accrued to the estimated total cost is deemed as the progress as of the fiscal year-end). 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 contracts when the performance obligation is completely satisfied.
   In transactions based on quasi-mandate contracts or dispatch contracts, the performance obligation is to provide a certain work to customers, and performance obligation is deemed to be satisfied over time because customers can receive benefits as the Group provides that work. In the estimation of the progress of satisfaction of performance obligation, the Group applies a method whereby the progress is measured based on indices such as man-hours or hours worked on a service provided, depending on the contents of a contract.

   (Services)
   Revenue from services is mainly derived from the maintenance of products or merchandise, and various IT business support services. The Group has a performance obligation to provide the service under

contracts with customers. The 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.

6) 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.

7) 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

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 nine 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.

PCI Holdings, Inc., which was converted into a consolidated subsidiary on September 30, 2024 being the deemed acquisition date, has changed its fiscal year end to March 31 from the fiscal year under review. In line with this change in fiscal year end, a six-month period from October 1, 2024 to March 31, 2025 has been consolidated for the fiscal year under review.

(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
  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. The Company does not conduct derivative transactions for speculative purposes.
- Method for assessing the effectiveness of hedges
  Hedge effectiveness is not assessed for forward exchange contracts.

(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 changes in accounting policies

(Application of “Accounting Standard for Current Income Taxes” and other standards)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27 on October 28, 2022) and “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28 on October 28, 2022) from the beginning of the fiscal year under review. This change in accounting policies has no impact on the consolidated financial statements.

(Application of “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules”)

The Company has applied the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (Practical Solution No. 46, March 22, 2024) from the beginning of the fiscal year under review. The impact of this change in accounting policies on the consolidated financial statements is immaterial.

III. Notes on Accounting Estimates

(Valuation of goodwill and customer-related assets in IT & SIer Business)

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

In the consolidated balance sheet as of the end of the fiscal year under review, amounts of goodwill and "other" (customer-related assets) recorded under intangible assets following the acquisition of PCI Holdings, Inc. are as follows.

(Million yen)

	As of March 31, 2025
Goodwill	857
"Other" under intangible assets	3,862

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

1) Calculation method

Goodwill that the Company acquired following the business combination with PCI Holdings, Inc. represents the expected future excess earnings power through business development of the acquired company, and 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. Customer-related assets are calculated as a present value of excess earnings expected to be generated from ongoing business relationships with existing customers. Goodwill and customer-related assets are steadily amortized using the straight-line method over the effective period of their expected future excess earnings power.

As a general rule, goodwill and customer-related assets are grouped by business unit, which is in line with the managerial accounting classifications on which profit and loss are continuously monitored. In the IT & SIer Business, they are grouped by business unit in existence at the time when the Company gained control.

In the case where there is an indication that goodwill and customer-related assets may be impaired, we compare the undiscounted future cash flows based on business plans approved by management with the actual 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.

We judged that there was no indication of impairment on goodwill and customer-related assets as of the end of the fiscal year under review.

2) Key assumptions

If we identify an indication that goodwill and customer-related assets may by 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, etc. Therefore, if the conditions or assumptions upon which cash flows were estimated change, we may need to recognize an impairment loss on goodwill and customer-related assets.

(Recoverability of deferred tax assets)

(1) Amount recorded on the consolidated financial statements for the fiscal year under review: 8,185 million yen

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

The Group judges recoverability of deferred tax assets based on estimated future taxable income and scheduling of temporary differences, etc. and calculates an amount of deferred tax assets to be recorded within a range of possible reductions in the amount of future tax liabilities. Regarding the estimated future taxable income, the timing of future taxable income generated and its amount are calculated based on future business plans approved by management. The said estimate may be affected by changes in uncertain future economic conditions and other factors, and the timing of actual taxable income generated and its amount may differ from the estimate, which may have a material impact on the amount of deferred tax assets in the consolidated financial statements for the following fiscal year.

IV. Notes to Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: 22,510 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	17,581	million yen
Undrawn commitments	57,418	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
Total	0

(Collateral liabilities)

	(Million yen)
Current portion of long-term borrowings	37
Long-term borrowings	241
Total	278

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

	(Million yen)
Notes receivable – trade	308
Accounts receivable – trade	113,713
Electronically recorded monetary claims – operating	13,430
Contract assets	586
Total	128,039

V. 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 "IX. 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 136 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.

<table>
<tr><th>Location</th><th>Use</th><th>Business segment</th><th>Class</th><th>Impairment losses (Million yen)</th></tr>
<tr><td>Incheon Metropolitan City, Republic of Korea</td><td>Other</td><td>Devices BU (EMS business)</td><td>Goodwill</td><td>52</td></tr>
<tr><td rowspan="3">Shinagawa-ku, Tokyo</td><td rowspan="3">Business assets</td><td rowspan="3">System BU (system solution business)</td><td>Buildings and structures</td><td>32</td></tr>
<tr><td>Tools, furniture and fixtures</td><td>14</td></tr>
<tr><td>Subtotal</td><td>46</td></tr>
<tr><td rowspan="3">Minato-ku, Tokyo</td><td rowspan="3">Business assets</td><td rowspan="3">System BU (eco-solution business)</td><td>Tools, furniture and fixtures</td><td>0</td></tr>
<tr><td>Software</td><td>1</td></tr>
<tr><td>Subtotal</td><td>2</td></tr>
<tr><td rowspan="5">Nanao City, Ishikawa</td><td rowspan="5">Business assets</td><td rowspan="5">System BU (eco-solution business)</td><td>Buildings and structures</td><td>0</td></tr>
<tr><td>Machinery, equipment and vehicles</td><td>0</td></tr>
<tr><td>Tools, furniture and fixtures</td><td>12</td></tr>
<tr><td>Construction in progress</td><td>0</td></tr>
<tr><td>Subtotal</td><td>13</td></tr>
<tr><td rowspan="4">Satsumasendai City, Kagoshima</td><td rowspan="4">Business assets</td><td rowspan="4">System BU (eco-solution business)</td><td>Buildings and structures</td><td>0</td></tr>
<tr><td>Machinery, equipment and vehicles</td><td>4</td></tr>
<tr><td>Tools, furniture and fixtures</td><td>15</td></tr>
<tr><td>Subtotal</td><td>20</td></tr>
<tr><td>Kazuno City, Akita</td><td>Business assets</td><td>System BU (eco-solution business)</td><td>Tools, furniture and fixtures</td><td>0</td></tr>
<tr><td colspan="4" align="right">Total</td><td>136</td></tr>
</table>

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 Devices BU, 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 10.31%.
The carrying amount of business assets in the system solution business, which is part of the System BU, was reduced to a memorandum value, as cash flow generated from operating activities by TAC SYSTEM, INC. continue to be negative, and as improvement is expected to continue to be difficult going forward.

The business assets in the eco-solution business, which is part of the System BU, are grouped based on the entire vegetable factory as a single business unit, given the business characteristics of the vegetable factory, in which revenues and expenditures are considered for the vegetable factory as a whole. Net realizable value in the vegetable factory 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.

(Gain on liquidation of subsidiaries)
We have recorded gain on liquidation of subsidiaries due to the realization of foreign currency translation adjustment associated with a consolidated subsidiary INFONICS (HONG KONG) LIMITED.

(Loss on liquidation of subsidiaries)
We have recorded loss on liquidation of subsidiaries due to the realization of foreign currency translation adjustment associated with a consolidated subsidiary UKC Electronics (H.K.) Co., Limited.

VI. 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	4,680	2,500,041	550,031	1,954,690

Note: The increase of 2,500,041 treasury shares was due to an increase of 2,500,000 shares following the acquisition through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) of the Tokyo Stock Exchange and an increase of 41 shares following purchases of shares less than one unit. The decrease of 550,031 treasury shares was due to a decrease of 550,000 shares through disposal of treasury shares and a decrease of 31 shares based on request to purchase additional shares up to the trading unit.

(3) Dividends

1) Dividends paid

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

- Class of shares: common stock
- Total dividends: 1,804 million yen
- Dividend per share: 60.0 yen
- Record date: March 31, 2024
- Effective date: June 28, 2024

Dividend resolved at the Board of Directors meeting held on November 13, 2024

- Class of shares: common stock
- Total dividends: 1,804 million yen
- Dividend per share: 60.0 yen
- Record date: September 30, 2024
- Effective date: December 5, 2024

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, 2025

- Class of shares: common stock
- Source of dividends: retained earnings
- Total dividends: 1,687 million yen
- Dividend per share: 60.0 yen
- Record date: March 31, 2025
- Effective date: June 13, 2025

VII. Notes on Financial Instruments

(1) Status of financial instruments

1) Policies on financial instruments

The Group raises necessary funds through securitization of receivables, bank borrowings and issuance of bonds. 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 option trading, which are used to hedge against the risk of exchange rate fluctuations associated with trade receivables and payables denominated in foreign currencies, and commodity futures trading, which are used to hedge against the risk of electricity price fluctuations. 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, 7) (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. Regarding electricity transactions, the Group uses commodity futures trading, among others, to hedge against the risk of electricity price fluctuations.

As a general rule, the Company uses forward exchange contracts and currency option trading 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, 2025 and their differences are as follows:

(Million yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Investment securities (*2)	2,080	2,080	–
(2) Bad debts	4,558		
Allowance for doubtful accounts (*4)	(4,558)		
	–	–	–
(3) Investments and other assets Other (distressed receivables)	178		
Allowance for doubtful accounts (*4)	(178)		
	–	–	–
Total assets	2,080	2,080	–
(1) Bonds payable (*5)	10,100	10,139	39
(2) Long-term borrowings (*5)	44,011	43,453	(558)
(3) Lease liabilities (*5)	8,720	8,284	(435)
Total liabilities	62,832	61,877	(954)
Derivatives (*6)	56	56	–

(*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	1,337

They are not included in "(1) Investment securities."

(*3) Notes on investments in investment partnerships, etc., which are stated in the consolidated balance sheet at the net amount equivalent to equity interests, are omitted. The consolidated balance sheet amount of such investments is 59 million yen.

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

(*5) The figures include the amount of current portion of bonds payable, current portion of long-term borrowings and current portion of lease liabilities.

(*6) 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	2,080	–	–	2,080
Total assets	2,080	–	–	2,080
Derivatives				
Currency-related	–	62	–	62
Commodity-related	–	(5)	–	(5)
Total liabilities	–	56	–	56

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
Bonds payable	–	10,139	–	10,139
Long-term borrowings	–	43,453	–	43,453
Lease liabilities	–	8,284	–	8,284
Total liabilities	–	61,877	–	61,877

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.

Derivatives:

The fair value of derivatives is based on prices quoted by counterparty financial institutions, etc., and is classified as Level 2.

Bonds payable

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.

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.

VIII. Per Share Information

(1)	Net assets per share:	3,051.16 yen
(2)	Basic earnings per share:	256.59 yen
(3)	Diluted earnings per share:	255.84 yen

IX. Notes on Revenue Recognition

(1) Disaggregation of revenue from contracts with customers

(Million yen)

	Reporting segment							Total
	Devices BU			System BU			IT & SIer BU	
	Device	EMS	Total	System Solution	Eco-Solution	Total		
Device	354,179	–	354,179	–	–	–	–	354,179
Procurement	122,116	–	122,116	–	–	–	–	122,116
EMS	–	28,789	28,789	–	–	–	–	28,789
Electronic equipment	–	–	–	19,690	–	19,690	–	19,690
System equipment	–	–	–	2,492	–	2,492	–	2,492
Energy	–	–	–	–	5,502	5,502	–	5,502
Power producer and supplier	–	–	–	–	13,498	13,498	–	13,498
Vegetable factory	–	–	–	–	1,303	1,303	–	1,303
IT & SIer	–	–	–	–	–	–	12,920	12,920
Revenue from contracts with customers	476,296	28,789	505,085	22,183	20,304	42,487	12,920	560,494
Other revenue	–	–	–	–	348	348	158	507
Sales to external customers	476,296	28,789	505,085	22,183	20,652	42,835	13,079	561,001

(2) Matters regarding changes in reporting segments

The Company had four reporting 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 starting from the first quarter of the fiscal year under review, business segments were reclassified into four businesses, "Devices Business," "EMS Business," "System Solution Business," and "Eco-Solution Business." These four businesses were divided into two reporting segments, "Devices Business Unit (BU)" and "System Business Unit (BU)."

In addition, from the second quarter of the fiscal year under review, "IT & SIer Business Unit (BU)" was newly added as a reporting segment as PCI Holdings, Inc. became a consolidated subsidiary of the Company on September 27, 2024.

(3) 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, 5) Standard for revenues and expenses."

X. Other Notes

(Business combinations)

(Business combination through acquisition: Dexerials Hong Kong Limited)

At the Board of Directors meeting held on February 5, 2024, the Company resolved to enter into a share transfer agreement and a shareholders' agreement with Dexerials Corporation (Headquarters: Shimotsuke-shi, Tochigi) aimed at converting Dexerials Hong Kong Limited into a joint venture, and concluded the both agreements on the same day. The share acquisition based on these agreements was completed on July 1, 2024, and following the conversion into a joint venture, Dexerials Hong Kong Limited became a consolidated subsidiary of the Company.

(1) Outline of the business combination

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

Name of the acquired company:	Dexerials Hong Kong Limited
Description of business:	Optical materials and components business, and electronic materials and components business

2) Main reason for the business combination

The Company believes that, to achieve further sustainable growth, it is essential to expand the product portfolio of its devices business. Under this belief, the Company is seeking to acquire new material products and expand new distribution channels. We believe that forming a strategic partnership with Dexerials will lead to enhancing the Group's line cards of chemical materials in its devices business and strengthening its marketing activities to increase its sales of material products. We aim to develop new business opportunities by developing sales channels in the automotive and photonics fields, as well as expand local business in Asia.

3) Date of the business combination

July 21, 2024

4) Legal form of the business combination

Share acquisition in exchange for cash

5) Name of company after the business combination

Restar Dexerials Hong Kong Limited

6) Ratio of voting rights acquired

Ratio of voting rights after acquisition: 51.0%

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, 2024 to March 31, 2025

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

Consideration for the acquisition	Cash:	USD 7,075 thousand (1,140 million yen)
Acquisition cost	:	USD 7,075 thousand (1,140 million yen)

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

Advisory fees, etc.: 33 million yen

(5) Amount of gain on bargain purchase, and reason for recognition

1) Amount of gain on bargain purchase

153 million yen

2) Reason for recognition

As the fair value of net assets in the company exceeded the acquisition cost at the time of the business combination, the difference between these values is recognized as gain on bargain purchase.

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

	(Million yen)
Current assets	3,687
Non-current assets	73
Total assets	3,761
Current liabilities	1,184
Non-current liabilities	39
Total liabilities	1,223

(Business combination through acquisition: PCI Holdings, Inc.)

At the Board of Directors meeting held on August 9, 2024, the Company resolved to acquire the ordinary shares of PCI Holdings, Inc. through a tender offer (the "Tender Offer") in accordance with the provisions of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments) with the aim of converting the said company into a consolidated subsidiary. The Tender Offer was implemented in an acquisition period from August 13, 2024 to September 20, 2024.

As a result of the Tender Offer, PCI Holdings, Inc. became a consolidated subsidiary of the Company on September 27, 2024 (the commencement date of settlement of the Tender Offer).

(1) Outline of the business combination

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

Name of the acquired company:PCI Holdings, Inc.

Description of business: Engineering Business, Product/Device Business, and ICT Solutions Business

2) Main reason for the business combination

The Company decided that in order to further enhance the corporate value of both companies through maximizing synergies based on accelerating the promotion of business collaboration, it would be necessary to eliminate the differences in business practices and corporate culture, which had been an issue, and to align their interests by becoming one and the same corporate group through the strengthening of the capital and business alliance, and thereby uniting the management resources of both companies and utilizing management resources as one entity, including the Company's abundant network of business partners in the manufacturing industry and other industries, as well as its scale and financial resources. Based on this belief, the Company conducted Tender Offer for the purpose of making the target company a consolidated subsidiary of the Company.

3) Date of the business combination

September 27, 2024 (deemed acquisition date: September 30, 2024)

4) Legal form of the business combination

Share acquisition in exchange for cash

5) Name of company after the business combination

PCI Holdings, Inc.

6) Ratio of voting rights acquired

Ratio of voting rights immediately before the business combination: 5.9%
Ratio of voting rights after the Tender Offer: 51.1%

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 October 1, 2024 to March 31, 2025

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

Consideration for the acquisition	Fair value of shares of the acquired company as of the business combination date that were held immediately before the business combination:	707 million yen
	Consideration for shares of the acquired company that were additionally acquired on the business combination date (cash):	5,420 million yen
Acquisition cost:		6,128 million yen

(4) Difference between acquisition cost and a total acquisition cost per transaction that led to the acquisition of the acquired company
Gain on step acquisitions: 16 million yen

(5) Description and amount of major acquisition-related expenses
Advisory fees, etc.: 254 million yen

(6) Amount of goodwill recognized, reason for recognition, and amortization method and period
1) Amount of goodwill recognized
914 million yen

2) Reason for recognition
Mainly due to expected future excess earnings power by business development.

3) Amortization method and period
The goodwill will be amortized evenly over a period of eight years.

(7) Of the acquisition cost, amounts allocated to intangible assets other than goodwill and their amortization period

Type	Amount	Weighted average amortization period
Customer-related assets	4,046 million yen	11 years
Total	4,046 million yen	11 years

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

	(Million yen)
Current assets	11,666
Non-current assets	6,268
Total assets	17,935
Current liabilities	5,091
Non-current liabilities	2,605
Total liabilities	7,697

(Business combination through acquisition: Dexerials Korea Corporation)
At the Board of Directors meeting held on September 25, 2024, the Company resolved to conclude a share transfer agreement and a shareholders' agreement with Dexerials Corporation (Headquarters: Shimotsuke-shi, Tochigi; hereinafter, "Dexerials") for the purpose of converting Dexerials Korea Corporation into a joint venture, and concluded the both agreements on the same day. The share acquisition based on these agreements was completed on January 2, 2025, and following the conversion into a joint venture, Dexerials Korea Corporation became a consolidated subsidiary of the Company.

(1) Outline of the business combination

1) Names of the acquired company and description of its business
Name of the acquired company: Dexerials Korea Corporation
Description of business: Optical materials and components business, and electronic materials and components business

2) Main reason for the business combination
The Company believes that, to achieve further sustainable growth, it is essential to expand the product portfolio of its devices business. Under this belief, the Company is seeking to acquire new material products and expand new distribution channels. We believe that forming a strategic partnership with Dexerials will lead to enhancing the Group's line cards of chemical materials in its devices business and strengthening its marketing activities to increase its sales of material products. The Company has already converted Restar Dexerials Hong Kong Limited (formerly Dexerials Hong Kong Limited) into a joint venture and commenced collaborative operation with the aim of developing new business opportunities by developing sales channels in the automotive and photonics fields, as well as expanding local business in Asia. As part of the establishment of the framework for collaboration, the Company made Dexerials Korea Corporation into a joint venture in Korea.

3) Date of the business combination
January 2, 2025 (deemed acquisition date: January 1, 2025)

4) Legal form of the business combination
Share acquisition in exchange for cash

5) Name of company after the business combination
Restar Dexerials Korea Corporation

6) Ratio of voting rights acquired
Ratio of voting rights after acquisition: 51.0%

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 January 1, 2025 to March 31, 2025

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

Consideration for the acquisition	Cash:	10,208,160,000 Korean won (1,101 million yen)
Acquisition cost	:	10,208,160,000 Korean won (1,101 million yen)

(4) Description and amount of major acquisition-related expenses
Advisory fees, etc.: 31 million yen

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

1) Amount of goodwill recognized
217 million yen

2) Reason for recognition
Mainly due to expected future excess earnings power by business development.

3) Amortization method and period
The goodwill will be amortized evenly over a period of five years.

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

	(Million yen)
Current assets	7,394
Non-current assets	2
Total assets	7,397
Current liabilities	5,662
Non-current liabilities	0
Total liabilities	5,663

(Business combination through acquisition: Dexerials Taiwan Corporation)
At the Board of Directors meeting held on September 25, 2024, the Company resolved to conclude a share transfer agreement and a shareholders' agreement with Dexerials Corporation (Headquarters: Shimotsuke-shi, Tochigi; hereinafter, "Dexerials") for the purpose of converting Dexerials Taiwan Corporation into a joint venture, and concluded the both agreements on the same day. The share acquisition based on these agreements was completed on February 3, 2025, and following the conversion into a joint venture, Dexerials Taiwan Corporation became a consolidated subsidiary of the Company.

(1) Outline of the business combination
1) Name of the acquired company and description of its business
Name of the acquired company: Dexerials Taiwan Corporation
Description of business: Optical materials and components business, and electronic materials and components business

2) Main reason for the business combination
The Company believes that, to achieve further sustainable growth, it is essential to expand the product portfolio of its devices business. Under this belief, the Company is seeking to acquire new material products and expand new distribution channels. We believe that forming a strategic partnership with Dexerials will lead to enhancing the Group's line cards of chemical materials in its devices business and strengthening its marketing activities to increase its sales of material products. The Company has already converted Restar Dexerials Hong Kong Limited (formerly Dexerials Hong Kong Limited) into a joint venture and commenced collaborative operation with the aim of developing new business opportunities by developing sales channels in the automotive and photonics fields, as well as expanding local business in Asia. As part of the establishment of the framework for collaboration, the Company made Dexerials Taiwan Corporation into a joint venture in Taiwan.

3) Date of the business combination
February 3, 2025 (deemed acquisition date: January 1, 2025)

4) Legal form of the business combination
Share acquisition in exchange for cash

5) Name of company after the business combination
Restar Dexerials Taiwan Corporation

6) Ratio of voting rights acquired
Ratio of voting rights after acquisition: 51.0%

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 January 1, 2025 to March 31, 2025

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

Consideration for the acquisition	Cash:	NTD126,990,000 (606 million yen)
Acquisition cost	:	NTD126,990,000 (606 million yen)

(4) Description and amount of major acquisition-related expenses
Advisory fees, etc.: 30 million yen

(5) Amount of goodwill recognized, reason for recognition, and amortization method and period
1) Amount of goodwill recognized
27 million yen

2) Reason for recognition
Mainly due to expected future excess earnings power by business development.

3) Amortization method and period
The goodwill will be amortized evenly over a period of five years.

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

	(Million yen)
Current assets	4,363
Non-current assets	54
Total assets	4,418
Current liabilities	3,188
Non-current liabilities	94
Total liabilities	3,283

XI. Significant Subsequent Events
Not applicable.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (As of March 31, 2025)

(Million yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
Current assets	115,873	**Current liabilities**	**95,969**
Cash and deposits	4,989	Notes payable – trade	332
Notes receivable – trade	142	Accounts payable – trade	35,639
Accounts receivable – trade	55,324	Short-term borrowings	42,275
Electronically recorded monetary claims – operating	8,785	Short-term borrowings from subsidiaries and associates	7,916
Contract assets	491	Current portion of long-term borrowings	2,844
Merchandise	18,801	Lease liabilities	2,197
Work in process	579	Accounts payable - other	3,054
Raw materials and supplies	0	Accrued expenses	379
Short-term loans receivable from subsidiaries and associates	20,887	Income taxes payable	13
Prepaid expenses	1,126	Deposits received	64
Accounts receivable - other	4,173	Provision for bonuses	659
Other	955	Other	593
Allowance for doubtful accounts	(384)		
Non-current assets	**96,282**	**Non-current liabilities**	**56,072**
Property, plant and equipment	**17,197**	Bonds payable	10,000
Buildings	2,279	Long-term borrowings	33,552
Structures	52	Lease liabilities	6,003
Machinery and equipment	4,031	Provision for retirement benefits	651
Tools, furniture and fixtures	555	Provision for loss on business of subsidiaries and associates	3,255
Leased assets	8,115	Asset retirement obligations	1,994
Land	349	Other	615
Construction in progress	1,813		
Intangible assets	**7,549**		
Software	262		
Software in progress	943	**Total liabilities**	**152,042**
Goodwill	4,198	**(Net assets)**	
Other	2,144	**Shareholders' equity**	**60,262**
Investments and other assets	**71,535**	**Share capital**	**4,383**
Investment securities	2,271	**Capital surplus**	**44,145**
Shares of subsidiaries and associates	49,923	Legal capital surplus	1,383
Investments in capital of subsidiaries and associates	935	Other capital surplus	42,762
Guarantee deposits	3,685	**Retained earnings**	**17,130**
Long-term prepaid expenses	8,182	Other retained earnings	17,130
Deferred tax assets	6,503	Retained earnings brought forward	17,130
Other	152	**Treasury shares**	**(5,397)**
Allowance for doubtful accounts	(119)	**Valuation and translation adjustments**	**(102)**
Deferred assets	**46**	**Valuation difference on available-for-sale securities**	**(102)**
Bond issuance costs	46	**Total net assets**	**60,159**
Total assets	**212,202**	**Total liabilities and net assets**	**212,202**

Non-Consolidated Statement of Income (April 1, 2024–March 31, 2025)

(Million yen)

Description	Amount
Net sales	**219,945**
Cost of sales	**201,443**
Gross profit	**18,501**
Selling, general and administrative expenses	**15,172**
Operating profit	**3,328**
Non-operating income	**6,589**
Interest income	460
Dividend income	4,084
Insurance claim income	161
Gain on investments in silent partnerships	116
Reversal of allowance for doubtful accounts	699
Reversal of provision for loss on business of subsidiaries and associates	35
Other	1,031
Non-operating expenses	**3,854**
Interest expenses	2,179
Foreign exchange losses	686
Commission for syndicated loans	567
Loss on investments in investment partnerships	168
Other	251
Ordinary profit	**6,063**
Extraordinary income	**6,703**
Gain on sale of investment securities	0
Gain on sale of shares of subsidiaries and associates	1,162
Gain on sale of non-current assets	13
Insurance claim income	53
Gain on extinguishment of tie-in shares	5,473
Extraordinary losses	**37**
Loss on valuation of shares of subsidiaries and associates	37
Profit before income taxes	**12,730**
Income taxes - current	(217)
Income taxes - deferred	(5,987)
Profit	**18,934**

Non-Consolidated Statements of Changes in Shareholders' Equity
(April 1, 2024–March 31, 2025)

(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, 2024)	4,383	1,383	32,131	33,515	(790)	(8)	37,099
Changes during period							
Deficit disposition			(790)	(790)	790		–
Dividends of surplus			(1,804)	(1,804)	(1,804)		(3,608)
Profit					18,934		18,934
Increase due to merger			13,284	13,284			13,284
Purchase of treasury shares						(6,907)	(6,907)
Disposal of treasury shares			(60)	(60)		1,518	1,458
Net changes in items other than shareholders' equity							
Total changes during the period	–	–	10,630	10,630	17,920	(5,388)	23,162
Balance (March 31, 2025)	4,383	1,383	42,762	44,145	17,130	(5,397)	60,262

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance (April 1, 2024)	313	313	37,413
Changes during period			
Deficit disposition			–
Dividends of surplus			(3,608)
Profit			18,934
Increase due to merger			13,284
Purchase of treasury shares			(6,907)
Disposal of treasury shares			1,458
Net changes in items other than shareholders' equity	(415)	(415)	(415)
Total changes during the period	(415)	(415)	22,746
Balance (March 31, 2025)	(102)	(102)	60,159

(Note) Increase due to merger:

Other capital surplus decreased by 13,284 million yen following the company split without consideration (business divestiture) conducted on April 1, 2019, whereby the Company became a company splitting in an absorption-type split, and its consolidated subsidiary Restar Electronics Corporation became a company succeeding in an absorption-type split. Then on April 1, 2024, an absorption-type merger was conducted whereby the Company became a company surviving an absorption-type merger and Restar Electronics Corporation became a company disappearing in an absorption-type merger. As the Company again took over the business that the Company had transferred to Restar Electronics Corporation in past years, the amount of other capital surplus which had been once reduced was increased by the same amount, following the absorption-type merger.

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.

3) Inventories

(a) 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).

(b) Work in process

Work in process is stated using the individual cost method (in which the carrying amount is written down in case of a decline in profitability).

(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 mainly depreciated using the declining balance method.

Buildings (excluding accompanying facilities) acquired on and after April 1, 1998 and 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. The amortization period for patent rights is eight years. Software for internal use is amortized on a straight-line basis over the period available for internal use (five years). In addition, customer-related assets are amortized on a straight-line basis over the effective period of the said assets (eight to 16 years).

3) Leased assets

(a) 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 Company.

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

Leased assets are depreciated using the straight-line method over the lease term with no residual value.

(3) Accounting for deferred assets

Bond issuance costs are amortized evenly over a bond redemption period.

(4) 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 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.

4) 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.

(5) Standard for revenues and expenses

Revenue from sale of products is mainly derived from wholesale sales. The Company has a performance obligation to deliver product under contracts with customers. The performance obligation is deemed to be satisfied at a point in time at which product is delivered to the customer and the customer obtains control of the promised product, and revenue is recognized upon the delivery of the product. Meanwhile, the Company 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 Company acts as an agent in the sale of products to a customer, the Company 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. The Company 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 Company recognizes revenue from construction contracts as the Company satisfies the performance obligation over time, except for very-short-term construction contracts. In some circumstances, the Company may not be able to reasonably measure the progress of satisfaction of performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognizes revenue using the cost recovery method. The Company recognizes revenue from very-short-term construction contracts when the performance obligation is completely satisfied.

(6) 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

(a) 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.

(b) Hedging instruments and hedged items

Hedging instruments:	forward exchange contracts
Hedged items:	receivables and payables denominated in foreign currencies

(c) Hedge policy

Forward exchange contracts are entered into to hedge the risks associated with fluctuations in exchange rates on transactions denominated in foreign currencies. The Company does not conduct derivative transactions for speculative purposes.

(d) 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. Changes in Accounting Policies

(Application of "Accounting Standard for Current Income Taxes" and other standards)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27 on October 28, 2022) and "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 on October 28, 2022) from the beginning of the fiscal year under review. This change in accounting policies has no impact on the non-consolidated financial statements.

(Application of "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules")

The Company has applied the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (Practical Solution No. 46, March 22, 2024) from the beginning of the fiscal year under review. The impact of this change in accounting policies on the non-consolidated financial statements is immaterial.

III. Notes on Accounting Estimates

(Recoverability of deferred tax assets)

(1) Amount recorded on the non-consolidated financial statements for the fiscal year under review:
6,503 million yen

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

The Company judges recoverability of deferred tax assets based on estimated future taxable income and scheduling of temporary differences, etc. and calculates an amount of deferred tax assets to be recorded within a range of possible reductions in the amount of future tax liabilities. Regarding the estimated future taxable income, the timing of future taxable income generated and its amount are calculated based on future business plans approved by management. The said estimate may be affected by changes in uncertain future economic conditions and other factors, and the timing of actual taxable income generated and its amount may differ from the estimate, which may have a material impact on the amount of deferred tax assets in the non-consolidated financial statements for the following fiscal year.

IV. Additional information

(Changes in presentation following the transition from a pure holding company structure to an operating company structure)

Accounting items that have been presented as "Operating revenue" and "Operating expenses" until the previous fiscal year are presented as "Net sales," "Cost of sales" and "Selling, general and administrative expenses" as a result of the transition from a pure holding company to an operating company through a merger with the Company's consolidated subsidiaries in the fiscal year under review.

V. Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: 11,509 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	26,356
VITEC ENERGY TAIWAN CO., LTD	8,522
RESTAR ELECTRONICS SINGAPORE PTE. LTD.	5,554
Restar Embedded Solutions Corporation	3,026
RESTAR ELECTRONICS HONG KONG CO., LTD.	1,911
PALTEK Corporation	1,875
RESTAR ELECTRONICS KOREA CORPORATION	835
Restar Device Corporation	801
RESTAR ELECTRONICS (SHANGHAI) CO., LTD.	747
RESTAR ELECTRONICS TAIWAN CO., LTD.	604
Restar Supply Chain Solution (Hong Kong) Company Limited	476
Vitec Farm Satsumasendai Co., Ltd.	139
Restar Supply Chain Solution (Taiwan) Company Limited	30
Vitec Vegetable Factory Co., Ltd.	3

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

1) Short-term monetary receivables:	11,266	million yen
2) Short-term monetary payables:	6,926	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	17,581	million yen
Undrawn commitments	57,418	million yen

VI. Notes to Non-Consolidated Statement of Income

(1) Transactions with subsidiaries and associates

1) Operating transactions (Million yen)

Net sales:	23,724
Cost of sales	33,310
Selling, general and administrative expenses	242

2) Non-operating transactions (Million yen)

Interest income:	460
Miscellaneous income:	947
Interest expenses:	179
Reversal of allowance for doubtful accounts	699
Gain on sale of shares of subsidiaries and associates	1,162

(2) Gain on extinguishment of tie-in shares

Gain on extinguishment of tie-in shares consists of 5,448 million yen resulting from an absorption-type merger in which the Company became the surviving company and its wholly owned subsidiaries, Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., became the dissolving companies, and 25 million yen resulting from an absorption-type company split, whereby the Company became a succeeding company and Kyoshin Communications Shikoku Co., LTD., a subsidiary of the Company, became a split company.

VII. 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	4,680	2,500,041	550,031	1,954,690

Note: The increase of 2,500,041 treasury shares was due to an increase of 2,500,000 shares following the acquisition through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) of the Tokyo Stock Exchange and an increase of 41 shares following purchases of shares less than one unit. The decrease of 550,031 treasury shares was due to a decrease of 550,000 shares through disposal of treasury shares and a decrease of 31 shares based on request to purchase additional shares up to the trading unit.

VIII. Tax Effect Accounting

(1) Significant components of deferred tax assets and liabilities

	(Million yen)
Deferred tax assets:	
Allowance for doubtful accounts	157
Loss on valuation of investment securities	203
Provision for loss on business of subsidiaries and associates	1,027
Provision for bonuses	201
Provision for retirement benefits	205
Asset retirement obligations	637
Loss on valuation of inventories	62
Shares of subsidiaries and associates	1,879
Valuation difference on available-for-sale investment securities	40
Tax losses carried forward	5,250
Other	634
Subtotal of deferred tax assets	10,300
Valuation allowance for tax losses carried forward	(430)
Valuation allowance for total deductible temporary differences, etc.	(2,231)
Total deferred tax assets	7,638
Deferred tax liabilities:	
Asset retirement obligations	(379)
Intangible assets identified due to business combination	(656)
Other	(98)
Total deferred tax liabilities	(1,135)
Net deferred tax assets	6,503

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

The Company 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).

(3) Revisions in the amounts of deferred tax assets and deferred tax liabilities due to changes in corporate income tax rates

"Act Partially Amending the Income Tax Act" (Act No. 13 of 2025) was enacted in the Diet on March 31, 2025, whereby a special defense corporation tax will be imposed from a fiscal year starting on or after April 1, 2026.

In line with this, we changed the effective tax rate from 30.6% to 31.5% for the calculation of deferred tax assets and deferred tax liabilities relating to temporary differences expected to be eliminated in and after a fiscal year starting on or after April 1, 2026.

As a result of this change, deferred tax assets (after deducting deferred tax liabilities) increased by 126 million yen, income taxes – deferred decreased by 125 million yen, and valuation difference on available-for-sale securities increased by 1 million yen, for the fiscal year under review.

IX. 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	PALTEK Corporation	310	Sale of semiconductors	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	10,400	Short-term loans receivable from subsidiaries and associates	8,300
						Receipt of interest (Note 2)	104	Accounts receivable - other	11
Subsidiary	Restar Device Corporation	310	Sale of electronic components	(Holding) Direct 100	Entrusted business management	Lending of funds (Note 1)	2,873	Short-term loans receivable from subsidiaries and associates	2,810
						Receipt of interest (Note 2)	167	–	–
Subsidiary	Restar WPG Corporation	305	Sale of electronic components	(Holding) Direct 51	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	2,225	Short-term loans receivable from subsidiaries and associates	2,224
						Receipt of interest (Note 2)	1	Accrued expenses	2
Subsidiary	Restar Supply Chain Solution Corporation	308	Procurement	(Holding) Direct 80	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	2,020	Short-term loans receivable from subsidiaries and associates	3,896
						Receipt of interest (Note 2)	23	Accounts receivable - other	8
						Debt guarantee (Note 3)	26,356	–	–
Subsidiary	RESTAR ELECTRONICS SINGAPORE PTE. LTD.	SGD 4,300 thousand USD 30,000 thousand	Sale of electronic components	(Holding) Direct 100	Entrusted business management	Procurement (Note 4)	31,001	Accounts payable – trade	6,323
						Debt guarantee (Note 3)	5,554	–	–
Subsidiary	Restar Dexerials Korea Corporation	3,950 million KRW	Sale of optical materials and components, and electronic materials and components	(Holding) Direct 51	Entrusted business management Interlocking directorates	Net sales (Note 4) (Note 5)	47	Accounts receivable - trade	3,737
Subsidiary	UKC Electronics (H.K.) Co., Limited.	USD 46,262 thousand	Sale of electronic components	(Holding) Direct 100	Entrusted business management Lending of funds Interlocking directorates	Underwriting a capital increase (Note 6)	3,143	–	–
						Debt forgiveness (Note 7)	17,535	–	–
Subsidiary	Restar Embedded Solutions Corporation	350	Sale of ICT products, electronic equipment, etc.	(Holding) Direct 100	Entrusted business management Interlocking directorates	Debt guarantee (Note 3)	3,026	–	–
Subsidiary	VITEC ENERGY TAIWAN CO.,LTD.	300 million NTD	Power generation business	(Holding) Direct 100	Entrusted business management Interlocking directorates	Debt guarantee (Note 3)	8,522	–	–

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	V-Power Co., Ltd.	40	Power producer and supplier business	(Holding) Direct 100	Entrusted business management Interlocking directorates	Sale of shares of subsidiaries and associates (Note 8)	1,162	–	–
Subsidiary	Vitec Farm Nanao Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 23	Entrusted business management	Reversal of provision for loss on business of subsidiaries and associates	12	Provision for loss on business of subsidiaries and associates	1,490
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	6	Provision for loss on business of subsidiaries and associates	365
Subsidiary	Vitec Farm Kazuno Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 43	Entrusted business management	Reversal of provision for loss on business of subsidiaries and associates	26	Provision for loss on business of subsidiaries and associates	957
Subsidiary	Vitec Farm Odate Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 48	Entrusted business management	Provision for loss on business of subsidiaries and associates	11	Provision for loss on business of subsidiaries and associates	349
Subsidiary	Vitec Agripower Co., Ltd.	2	Power generation business	(Holding) Indirect 47	Entrusted business management Interlocking directorates	Reversal of provision for loss on business of subsidiaries and associates	15	Provision for loss on business of subsidiaries and associates	76

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. Prices and other transaction terms are determined in consideration of actual market conditions.
5. The sale of components to Restar Dexerials Korea Corporation was a transaction in which the Company acted as an agent. The transaction amount is presented on a net basis.
6. The Company underwrote in entirety a capital increase conducted by UKC Electronics (H.K.) Co., Limited.
7. The Company resolved to dissolve and liquidate UKC Electronics (H.K.) Co., Limited. in September 2024. The Company collected a portion of long-term loans receivable from the said company, and forgave the remaining amount of the loans receivable. As a result, allowance for doubtful accounts against the said company that had been recorded until the previous fiscal year was reversed, and a difference between the amount of debt forgiven, etc. is recorded as reversal of allowance for doubtful accounts amounting to 723 million yen under non-operating income.
8. Sale of shares is the transfer of shares of V-Power Co., Ltd. held by the Company upon the acquisition of treasury stock implemented by the said company. The transfer price was determined based on the results of a third party's calculation of the stock value.

X. Per Share Information

(1)	Net assets per share:	2,139.55	yen
(2)	Basic earnings per share:	650.10	yen

XI. 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."

XII. Other Notes

(Business combinations)

(Transactions under common control)

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

(2) Main reason for 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.

(3) Effective date of the business combination

April 1, 2024

(4) 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.

(5) Name of company after the business combination

Restar Corporation

(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)

Restar Electronics Corporation

	(Million yen)
Current assets	90,339
Non-current assets	3.039
Total assets	93,378
Current liabilities	70,353
Non-current liabilities	730
Total liabilities	71,083

Restar Communications Corporation

	(Million yen)
Current assets	9,774
Non-current assets	1,428
Total assets	11,203
Current liabilities	8,168
Non-current liabilities	781
Total liabilities	8,949

Vitec Enesta Co., Ltd.

	(Million yen)
Current assets	1,915
Non-current assets	26,254
Total assets	28,170
Current liabilities	14,120
Non-current liabilities	10,693
Total liabilities	24,814

(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 were accounted for as transactions under common control. As a result of the merger, gain on extinguishment of tie-in shares of 5,448 million yen was recorded under extraordinary income.

XIII. Significant Subsequent Events

Not applicable.

Auditor’s Report

Accounting Auditor’s Audit Report on the Consolidated Financial Statements

INDEPENDENT AUDITOR’S REPORT

(English Translation)

May 26, 2025

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”) for the fiscal year from April 1, 2024 to March 31, 2025.

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.
- The auditor plans and performs the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which is a basis for the audit opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing 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.

Accounting Auditor’s Audit Report on the Non-Consolidated Financial Statements

INDEPENDENT AUDITOR’S REPORT

(English Translation)

May 26, 2025

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 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”) for the 16th fiscal year from April 1, 2024 to March 31, 2025.
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.

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 and Supervisory Committee's Audit Report

Audit Report

(English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 16th fiscal year from April 1, 2024 to March 31, 2025, 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, attended 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, 2025

Audit and Supervisory Committee, Restar Corporation

Full-Time Audit and Supervisory Committee Member	Toshiyuki Suzuki	(Seal)
Full-Time Audit and Supervisory Committee Member	Takenori Konno	(Seal)
Audit and Supervisory Committee Member	Seno Tezuka	(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, 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.