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Securities code: 3156  
August 10, 2022

To our shareholders:

Tomoharu Asaka  
Representative Director  
**Restar Holdings Corporation**  
6-5, Higashi Shinagawa 3-chome, Shinagawa-ku, Tokyo

## Notice of the Adjourned Meeting for the 3rd Ordinary General Meeting of Shareholders

Restar Holdings Corporation (hereinafter referred to as “the Company”) will hold an adjourned meeting for the 3rd Ordinary General Meeting of Shareholders (hereinafter referred to as “the Adjourned Meeting”) as explained below. Currently we believe that we are at a crucial stage in the effort toward completely and thoroughly containing the spread of the novel coronavirus disease (COVID-19). Based on this, after careful consideration, the Company has decided that it is necessary to significantly reduce the scale of the Adjourned Meeting.

As a result, the Company will hold the Adjourned Meeting at the Head Office of the Company, and to mitigate the risk of infections, the distance between each seat will be increased at the venue. We will therefore only have 20 seats available. Seats will be offered on a first-come-first-served basis, and we may restrict entry if the number of visitors exceeds the number of seats available. We humbly ask for the patience and understanding of all shareholders in this regard.

If you attend on the day, please bring the enclosed “Attendance Form for the Adjourned Meeting for the 3rd Ordinary General Meeting of Shareholders” with you and submit it at the reception desk.

As the Adjourned Meeting is part of the 3rd Ordinary General Meeting of Shareholders held on June 30, 2022, shareholders who may attend the meeting are the same as those who were entitled to exercise their voting rights at the 3rd Ordinary General Meeting of Shareholders.

- 1. Date and Time:** 10:00 a.m. on Thursday, August 25, 2022 (JST)  
(Reception desk is scheduled to open at 9:30 a.m.)
- 2. Venue:** Floor B1, Head Office Building, Restar Holdings Corporation  
6-5, Higashi Shinagawa 3-chome, Shinagawa-ku, Tokyo

### 3. Agenda:

#### Matters to be reported:

1. Report on the 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 13th Fiscal Year (April 1, 2021 to March 31, 2022)
2. Report on the Non-consolidated Financial Statements for 13th Fiscal Year (April 1, 2021 to March 31, 2022)

### 4. Instructions on the Acceptance of Questions Beforehand

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

- In the event of revisions to the Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, the revised documents will be made available on the Company’s website.
- Of the documents to be provided with this Notice, the “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website in accordance with the provisions of applicable laws and regulations, as well as Article 16 of the Company’s Articles of Incorporation and therefore are not provided in the Appendix. As such, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the Appendix are parts of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor respectively to prepare their audit reports.

The Company’s website (<https://www.restargp.com/>)

## Adjourned Meeting for the 3rd Ordinary General Meeting of Shareholders

As stated in the “Notice Concerning the Establishment of the Special Investigation Committee and the Policy of Holding the Adjourned Meeting for the 3rd Ordinary General Meeting of Shareholders” dated on June 6, 2022, the Company informed that it would report to shareholders on the matters to be reported, among the agenda items, “Report on the 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 13th Fiscal Year (April 1, 2021 to March 31, 2022)” and “Report on the Non-consolidated Financial Statements for 13th Fiscal Year (April 1, 2021 to March 31, 2022)” of the 3rd Ordinary General Meeting of Shareholders held on June 30, 2022 (hereinafter referred to as “the OGM”) at an adjourned meeting of the OGM (hereinafter referred to as “the Adjourned Meeting”).

As notified in the “Notice Concerning the Receipt of the Investigation Report of the Special Investigation Committee” dated on July 28, 2022, the Company received the investigation report from the special investigation committee. In addition, the Company received the auditors’ reports on audits performed under the Companies Act from the Company’s Accounting Auditor as an unqualified opinion on July 29, 2022. Subsequently, the methods and results of the audits performed by the Accounting Auditor were acknowledged to be appropriate by the Audit and Supervisory Committee. Accordingly, all the closing-related processes for the fiscal year ended March 31, 2022 have been completed.

In line with this, the Company hereby notifies you that it will hold the Adjourned Meeting based on the approval at the OGM held on June 30, 2022 for the request for shareholders to leave the decision on date, time, and venue for the Adjourned Meeting entirely to the Board of Directors.

We sincerely apologize to all shareholders for any inconvenience and concern that it may cause.

All Representative Directors  
Restar Holdings Corporation

(Appendix)

# Business Report

(April 1, 2021–March 31, 2022)

## 1. Overview of the Corporate Group

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

#### 1) Business Progress and Results

In the fiscal year under review, the Japanese economy remained unpredictable as a series of COVID-19 waves restricted economic activities. In developed countries, economic activities showed some signs of recovery to a normal level thanks to increasing vaccination coverage. The global economy, however, has been suffered from disrupted supply chains and skyrocketing prices of raw materials and natural resources due to limited production activities primarily in China and Southeast Asia, as well as the warfare in Ukraine.

Under the circumstances, we have increased the synergy between businesses within the Group and implemented measures to strengthen the business foundations to meet diversifying customer needs and to expand the businesses. In May 2021, the Company offered a take-over bid, and wholly owned PALTEK CORPORATION (hereinafter referred to as “PALTEK”) in order to expand the businesses of semiconductor and electronic components. In the System Equipment Business, in February 2022, we acquired full ownership in CARDSERVICE Inc., which has a top market share by expanding sales of foreign-made payment terminals in Japan, in order to further strengthen the business foundation.

Amid growing needs for contribution to a sustainable society, the Group which operates in diverse business fields strives to solve social issues such as increasing renewable energy power generation. We will unite the Group companies and optimize each of their businesses, actively deploy co-creation business and expand new businesses in line with the vision of the Group, “Global (in view and scale) / Social Contribution / Collaboration and Innovation.”

Net sales

399,590 million yen

Year-on-year change

Up 23.4 %

Ordinary profit

6,711 million yen

Year-on-year change

Up 18.0%

Operating profit

7,588 million yen

Year-on-year change

Up 21.6%

Profit attributable to owners of parent

5,957 million yen

Year-on-year change

Up 46.9%

#### • Financial Highlights

During the fiscal year under review, while demand and supply of semiconductors were tightened, the Company captured positive demand of customers for consumer equipment and on-board equipment in the Semiconductor and Electronic Components Business and the Procurement Business, which resulted in overall sales growth. On the other hand, sales of the Electronic Equipment Business were affected by difficulties in procurement of some products and parts because of the shortage of semiconductors for various products. In terms of profit, the gross profit increased due to an increase in revenue, and both operating profit and ordinary profit increased through controlling selling, general and administrative expenses.

Profit attributable to owners of parent also increased due to extraordinary income of 1,936 million yen posted as gain on negative goodwill as we wholly owned PALTEK and its affiliate companies.

As a result of the above, in the fiscal year under review, we recorded net sales of 399,590 million yen (up 23.4% year on year), operating profit of 7,588 million yen (up 21.6% year on year), ordinary profit of 6,711 million yen (up 18.0% year on year) and profit attributable to owners of parent of 5,957 million yen (up 46.9% year on year).

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others were applied from the beginning of the current fiscal year. For more details, please refer to “Notes to Consolidated Financial Statements, 2. Notes on Changes in Accounting Policies (Application of Accounting Standard for Revenue Recognition).”

- Semiconductor and Electronic Components Business

The Devices Business recorded an increase in revenue as higher demand for consumer equipment, on-board equipment and industrial equipment, as well as servers continued. The EMS Business recorded an increase in revenue due to increased orders for smartphones and tablets as well as a greater number of on-board components as those products got higher functionalities. The segment profit increased due to higher revenue in the Device Business.

As a result of the above, sales were 290,725 million yen (up 29.0% year on year), and segment profit was 7,883 million yen (up 17.3% year on year).

- Procurement Business

The Procurement Business recorded an increase in revenue due to increased sales to the Panasonic Group centering on the sale of industrial and personal computer components, and on-board equipment. In addition, the business with newly acquired customers other than the Panasonic Group developed strongly, which contributed to the increase as well. Segment profit increased due to revenue growth and special demand associated with semiconductor shortage as well as improvement in gross profit due to depreciation of yen.

As a result of the above, net sales was 84,446 million yen (up 17.2% year on year) and segment profit was 798 million yen.

- Electronic Equipment Business

The Electronic Equipment Business recorded an increase in revenue due to delivery of large-scale broadcasting and video production-related projects, and rising demand for conference systems. The System Equipment Business recorded a decrease in revenue mainly due to decreased demand for cashless payment terminals associated with lower demand of vending machines for offices despite the launch of a new product, the personal authentication equipment for my-number cards, and an impact on shipments due to disrupted supply chain. The segment loss was recorded due to an increase in investment costs for expanding sales of the Electronic Equipment Business and a decrease in profit in the System Equipment Business.

As a result of the above, net sales was 21,000 million yen (up 4.6% year on year) and segment profit was 426 million yen (down 47.9% year on year).

- Environmental Energy Business

The Energy Business recorded an increase in revenue thanks to growth in solar and windmill power generation in Japan and increase in solar power generated by increased solar farms in Taiwan. The Power Producer and Supplier Business recorded a decrease in revenue due to lower private-sector demand mainly for offices. The Vegetable Factory Business recorded a decrease in revenue due to declining demand for convenience stores and decrease in shipments in the Kazuno Factory which had a fire accident in August 2021. Segment profit, however, returned to the black due to an increase in profit in the Energy Business, and improvement of profit and loss in the Vegetable Factory Business.

As a result of the above, net sales was 9,437 million yen (up 0.7% year on year), and segment profit was 236 million yen.

## 2) Capital Investments

Total capital investment conducted across the Group during the fiscal year under review amounted to 11,487 million yen, with the majority constituting business assets in the energy business.

## 3) Procurement of Funds

In order to procure flexible, stable, and efficient funding for business development, the Group renewed our commitment line agreement for a 65.0 billion yen syndicated loan arranged by MUFG Bank, Ltd. We

are also implementing Group financing and are working to reduce and stabilize the cost of raising operating funds capital within the Group.

## (2) Trends in Assets and Income

### 1) Trends in Group Assets and Income

Net sales (Million yen)

|   |         |
|---|---------|
| 10th fiscal year<br>(ended in March 2019) | 205,771 |
| 11th fiscal year<br>(ended in March 2020) | 379,548 |
| 12th fiscal year<br>(ended in March 2021) | 323,815 |
| 13th fiscal year<br>(ended in March 2022) | 399,590 |

Profit attributable to owners of parent (Million yen)

|   |       |
|---|-------|
| 10th fiscal year<br>(ended in March 2019) | 2,192 |
| 11th fiscal year<br>(ended in March 2020) | 5,722 |
| 12th fiscal year<br>(ended in March 2021) | 4,054 |
| 13th fiscal year<br>(ended in March 2022) | 5,957 |

Total assets/Net assets (Million yen)

|   | Total assets | Net assets |
|---|--------------|------------|
| 10th fiscal year<br>(ended in March 2019) | 97,361       | 38,858     |
| 11th fiscal year<br>(ended in March 2020) | 197,053      | 73,768     |
| 12th fiscal year<br>(ended in March 2021) | 190,385      | 76,258     |
| 13th fiscal year<br>(ended in March 2022) | 241,958      | 81,657     |

Earnings per share (Yen)

|   |        |
|---|--------|
| 10th fiscal year<br>(ended in March 2019) | 139.69 |
| 11th fiscal year<br>(ended in March 2020) | 190.33 |
| 12th fiscal year<br>(ended in March 2021) | 134.85 |
| 13th fiscal year<br>(ended in March 2022) | 198.12 |

Net assets per share (Yen)

|   |          |
|---|----------|
| 10th fiscal year<br>(ended in March 2019) | 2,446.29 |
| 11th fiscal year<br>(ended in March 2020) | 2,340.78 |
| 12th fiscal year<br>(ended in March 2021) | 2,441.16 |
| 13th fiscal year<br>(ended in March 2022) | 2,580.33 |

(Million yen, unless otherwise specified)

| Category                                   | 10th fiscal year<br>(ended March<br>31, 2019) | 11th fiscal year<br>(ended March<br>31, 2020) | 12th fiscal year<br>(ended March<br>31, 2021) | 13th fiscal year<br>(ended March<br>31, 2022)<br>(Fiscal year<br>under review) |
|--|---|---|---|--|
| Net sales                                  | 205,771                                       | 379,548                                       | 323,815                                       | 399,590  |
| Profit attributable to<br>owners of parent | 2,192   | 5,722   | 4,054   | 5,957  |
| Earnings per share (yen)                   | 139.69  | 190.33  | 134.85  | 198.12   |
| Total assets                               | 97,361  | 197,053                                       | 190,385                                       | 241,958  |
| Net assets                                 | 38,858  | 73,768  | 76,258  | 81,657   |
| Net assets per share (yen)                 | 2,446.29                                      | 2,340.78                                      | 2,441.16                                      | 2,580.33   |

Notes: 1. Earnings per share is calculated based on the average number of shares during the period. The average number of shares is calculated after deducting treasury shares.

2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others have been applied from the beginning of the 13th fiscal year, and the key management indicators, etc. for the 13th fiscal year are those after the application of the said accounting standard and others.

## 2) Trends in Company Assets and Income

### Net sales and operating revenue (Million yen)

|   |         |
|---|---------|
| 10th fiscal year<br>(ended in March 2019) | 119,857 |
| 11th fiscal year<br>(ended in March 2020) | 6,536   |
| 12th fiscal year<br>(ended in March 2021) | 21,963  |
| 13th fiscal year<br>(ended in March 2022) | 4,322   |

### Profit (Million yen)

|   |       |
|---|-------|
| 10th fiscal year<br>(ended in March 2019) | 1,429 |
| 11th fiscal year<br>(ended in March 2020) | 2,525 |
| 12th fiscal year<br>(ended in March 2021) | 7,760 |
| 13th fiscal year<br>(ended in March 2022) | (569) |

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

|   | Total assets | Net assets |
|---|--------------|------------|
| 10th fiscal year<br>(ended in March 2019) | 72,486       | 26,420     |
| 11th fiscal year<br>(ended in March 2020) | 96,813       | 42,234     |
| 12th fiscal year<br>(ended in March 2021) | 97,528       | 47,998     |
| 13th fiscal year<br>(ended in March 2022) | 121,044      | 44,493     |

## Earnings per share (Yen)

|   |         |
|---|---------|
| 10th fiscal year<br>(ended in March 2019) | 91.04   |
| 11th fiscal year<br>(ended in March 2020) | 83.98   |
| 12th fiscal year<br>(ended in March 2021) | 258.10  |
| 13th fiscal year<br>(ended in March 2022) | (18.93) |

## Net assets per share (Yen)

|   |          |
|---|----------|
| 10th fiscal year<br>(ended in March 2019) | 1,682.80 |
| 11th fiscal year<br>(ended in March 2020) | 1,404.60 |
| 12th fiscal year<br>(ended in March 2021) | 1,596.30 |
| 13th fiscal year<br>(ended in March 2022) | 1,479.75 |

(Million yen, unless otherwise specified)

| Category                           | 10th fiscal year<br>(ended March<br>31, 2019) | 11th fiscal year<br>(ended March<br>31, 2020) | 12th fiscal year<br>(ended March<br>31, 2021) | 13th fiscal year<br>(ended March<br>31, 2022)<br>(Fiscal year<br>under review) |
|------------------------------------|---|---|---|--|
| Net sales and operating<br>revenue | 119,857                                       | 6,536   | 21,963  | 4,322  |
| Profit                             | 1,429   | 2,525   | 7,760   | (569)  |
| Earnings per share (yen)           | 91.04   | 83.98   | 258.10  | (18.93)  |
| Total assets                       | 72,486  | 96,813  | 97,528  | 121,044  |
| Net assets                         | 26,420  | 42,234  | 47,998  | 44,493   |
| Net assets per share (yen)         | 1,682.80                                      | 1,404.60                                      | 1,596.30                                      | 1,479.75   |

- Notes: 1. Earnings per share is calculated based on the average number of shares during the period. The average number of shares is calculated after deducting treasury shares.
2. On April 1, 2019, the Company shifted to a pure holding company structure by conducting an absorption-type company split and moving the semiconductor and electronic components business to its wholly owned subsidiary Restar Electronics Corporation, the successor company in the absorption-type company split. This resulted in a significant fluctuation in the Company's assets and profit figures in the 11th fiscal year compared to the 10th fiscal year. Also, regarding net sales and operating revenue, the data for net sales is displayed for the 10th fiscal year and data for operating revenue is displayed from the 11th fiscal year onwards.
3. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied from the beginning of the 13th fiscal year, and the key management indicators, etc. for the 13th fiscal year are those after the application of the said accounting standard and others.

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

## 1) Parent Company

Not applicable.

## 2) Significant Subsidiary Companies

| Company name                             | Capital           | Company's voting rights ratio | Primary business  |
|--|-------------------|-------------------------------|---|
| Restar Electronics Corporation           | 310 million yen   | 100.0%                        | Device sales, LSI design development and support, reliability testing                   |
| Restar Castec Corporation                | 301 million yen   | 90.0%                         | Development, manufacturing, and sale of contactless payment and certification terminals |
| Restar Communications Corporation        | 400 million yen   | 100.0%                        | Sale, design, construction, and maintenance of electronic components                    |
| Restar Supply Chain Solution Corporation | 308 million yen   | 80.0%                         | Procurement trading services  |
| V-Power Co., Ltd.                        | 40 million yen    | 82.5%                         | Brokering the supply and sale of electricity, consulting services                       |
| Vitec Enesta Co., Ltd.                   | 50 million yen    | 100.0%                        | Power generation using renewable sources  |
| Vitec Vegetable Factory Co., Ltd.        | 2,520 million yen | 60.8%                         | Fully closed plant factory  |
| CU TECH CORPORATION                      | 8,828 million won | 69.4%                         | Contract manufacturing service for electronic devices (EMS)                             |

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

Not applicable.



#### (4) Issues to Be Addressed

Based on the Group’s mission, “we help society evolve by leveraging information and technology to create and deliver new value and services,” we are aiming to become an “Electronics Value Platformer” by promoting inter-business synergies and active cooperation with external partners, developing diverse businesses, growing our technological domain, and expanding the sustainable scale of our business. Our future focus is set at accelerating the promotion of proactive growth strategies and new business expansion, including business alliances, in addition to structural reform of each business segment. The Group will strive to expand our business by driving numerous efforts forward to solve social issues such as IoT business, promotion of renewable energy, stable food supply, and solution proposals for local governments. The main issues for each of our business segments are described below.

| Business division                                 | Business                    | Key challenges  |
|---|-----------------------------|---|
| Semiconductors and Electronic Components Business | Devices<br>Other            | Realize growth strategy and accelerate change (transform business model, expand new growth areas and high value-added businesses, and promote strategic co-creation with partners)  |
|   | EMS                         | Deepen installation business, expand EMS business areas (new approaches to the home appliance field), and penetrate new growth businesses   |
| Procurement Business                              | Procurement                 | Contribute to creating synergies between businesses, respond to customer needs, expand business fields, expand the procurement business toward customers in growth industries, and strengthen relationships with outside partners   |
| Electronic Equipment Business                     | Electronic Equipment        | Establish more foundations of high added value (expand current video and audio business, create new businesses, ensure comprehensive, and strengthen system proposals)  |
|   | System Equipment            | Create synergy between businesses and co-creation with outside partners, expand businesses of payment terminals and the My Number Card, cultivate the biological authentication business, and expand entry and exit management terminal systems                                   |
| Environmental Energy Business                     | Energy                      | Strengthen non-FIT strategies and FIP strategies (solar power business), expand overseas solar power generation business, increase other renewable energies (small wind turbine power business and farming photovoltaic power business), and contribute to deploying smart cities |
|   | Power Producer and Supplier | Expand support business to realize local production for local consumption of area-wide energy (build a mechanism), and strengthen energy solution services for businesses in the era of price increase of natural resources   |
|   | Vegetable Factory           | Improve sales and rate of profit, further improve productivity, strengthen business foundations, establish plant sales, establish a scheme of consulting business, and promote development of highly value-added products   |

**(5) Principal Business (As of March 31, 2022)**

The Group's reportable segments are based on business categorizations that facilitate the allocation of management resources and evaluation of corporate performance. We have four reportable segments that suit our expanding business: Semiconductors and Electronic Components Business; Procurement Business; Electronic Equipment Business; and Environmental Energy Business.

| Reportable segment                                | Business                    | Main business activities  |
|---|-----------------------------|---|
| Semiconductors and Electronic Components Business | Devices                     | Selling of semiconductors, electronic components, and other related products in Japan and overseas, proposing systems that utilize a combination of various line cards, providing high value-added solutions and superior technical support for liquid crystal systems and overseas suppliers, designing and manufacturing by commissioning, offering LSI design development and support and reliability testing consignment services |
|   | EMS                         | Providing contract manufacturing services for electronic components and modules that boast cutting-edge installation technology in own factories, as well as procurement, production management, and quality assurance services   |
|   | Other                       | Other   |
| Procurement Business                              | Procurement                 | Building optimal supply chain management using global procurement and trading for electronics and entrustment services for procurement-related operations   |
| Electronic Equipment Business                     | Electronic Equipment        | Providing solutions for video, sound, telecommunications, and measurement in a wide range of fields, including broadcasting, businesses, education, medical and life sciences, public facilities, factory automation, security, and electronic measuring instruments, etc. as well as design, construction, and maintenance engineering   |
|   | System Equipment            | Developing, manufacturing, and selling cashless payment terminals, security terminals, and My Number personal authentication products that combine core technologies such as basic digital and communication technologies with near-field communication (NFC) technology  |
| Environmental Energy Business                     | Energy                      | Offering local operation and management services to encourage the introduction and spread of renewable energy through own solar power plants (inside and outside Japan) and wind power plants, etc.   |
|   | Power Producer and Supplier | Supplying electricity centered on renewable energy to public institutions, private companies, general households, and other users, brokering energy purchases, and providing electric power consulting services on local power generation for local consumption schemes designed to promote regional revitalization   |
|   | Vegetable Factory           | Producing and selling vegetables grown in a completely closed vegetable factories for commercial customers, such as convenience stores, supermarkets, and restaurant chains, etc. and the retail market as well as system consulting services   |

**(6) Principal Business Locations (As of March 31, 2022)**

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

**(7) Employees (As of March 31, 2022)**

## 1) Corporate Group Employees

| Business division                                 | Employees (persons) |       | YoY Change (persons) |        |
|---|---------------------|-------|----------------------|--------|
| Semiconductor and electronics components business | 2,181               | [275] | 297                  | [171]  |
| Procurement business                              | 162                 | [33]  | (16)                 | [8]    |
| Electronic equipment business                     | 297                 | [4]   | 26                   | [(1)]  |
| Environment energy business                       | 96                  | [120] | 1                    | [(22)] |
| Companywide                                       | 95                  | [15]  | 11                   | [4]    |
| Total   | 2,831               | [447] | 319                  | [160]  |

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

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

## 2) Company Employees

| Employees (persons) | YoY change (persons) | Average age (years) | Average years of service (years) |
|---------------------|----------------------|---------------------|----------------------------------|
| 95 [15]             | 11 [(4)]             | 44.0                | 10.1                             |

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

**(8) Major Lenders (As of March 31, 2022)**

| Lender                              | Amount borrowed (million yen) |
|-------------------------------------|-------------------------------|
| Mizuho Bank, Ltd.                   | 27,127                        |
| MUFG Bank, Ltd.                     | 25,865                        |
| Sumitomo Mitsui Banking Corporation | 12,147                        |

**(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, 2022)

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

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

(Note) This includes 4,317 treasury shares.

3) Number of shareholders **8,390 persons**

### 4) Major shareholders (Top ten)

| Shareholder name  | Number of shares held<br>(Thousand shares) | Percentage of shares held<br>(%) |
|---|--|----------------------------------|
| KMF Corporation   | 5,150                                      | 17.12                            |
| S-GRANT.CO., LTD.   | 2,897                                      | 9.63                             |
| The Master Trust Bank of Japan, Ltd. (Trust account)  | 2,555                                      | 8.49                             |
| Retirement Benefit Trust (SONY Group 003) of Mizuho Trust & Banking Co., Ltd., Re trustee: Custody Bank of Japan, Ltd.      | 2,234                                      | 7.43                             |
| MUFG Bank, Ltd.   | 818  | 2.72                             |
| Custody Bank of Japan, Ltd. (Trust account)   | 727  | 2.42                             |
| Retirement Benefit Trust (SONY Group 008) of Mizuho Trust & Banking Co., Ltd. Re trustee: Custody Bank of Japan, Ltd.       | 717  | 2.38                             |
| Mizuho Bank, Ltd.   | 692  | 2.30                             |
| Retirement Benefit Trust (Kiraboshi Bank, Ltd.) of Mizuho Trust & Banking Co., Ltd. Re trustee: Custody Bank of Japan, Ltd. | 623  | 2.07                             |
| Restar Holdings Employee Shareowners Association  | 522  | 1.73                             |

Notes: 1. The percentage of shares held is calculated after deducting 4,317 treasury shares.

2. Regarding the 2,234 thousand shares owned by the Retirement Benefit Trust (SONY Group 003) of Mizuho Trust & Banking Co., Ltd., Re trustee: Custody Bank of Japan, Ltd., the Company receives notice from Mizuho Trust & Banking Co., Ltd. about any decisions by Sony Group Corporation to exercise voting rights through the securities trust agreement.
3. Regarding the 717 thousand shares owned by the Retirement Benefit Trust (SONY Group 008) of Mizuho Trust & Banking Co., Ltd., Re trustee: Custody Bank of Japan, Ltd., the Company receives notice from Mizuho Trust & Banking Co., Ltd. About any decisions by Sony Group Corporation to exercise voting rights through the securities trust agreement.
4. Regarding the 623 thousand shares owned by the Retirement Benefit Trust (Kiraboshi Bank, Ltd.) of Mizuho Trust & Banking Co., Ltd. Re trustee: Custody Bank of Japan, Ltd., the Company receives notice from Mizuho Trust & Banking Co., Ltd. about any decisions by Kiraboshi Bank, Ltd. to exercise voting rights through the securities trust agreement.

### 5) Other Important Stock-related Matters

Not applicable.

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

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

**(3) Company Officers**

## 1) Directors (As of March 31, 2022)

| Position in the Company                                     | Name               | Responsibilities, significant concurrent positions   |
|---|--------------------|--|
| Representative Director and CEO                             | Kunihiro Konno     |  |
| Representative Director                                     | Tadahito Takahashi |  |
| Representative Director                                     | Jun Ozaki          | President, Restar Communications Corporation   |
| Representative Director                                     | Junichi Kaji       | President, Vitec Vegetable Factory Co., Ltd.   |
| Representative Director                                     | Takechiyo Tanaka   |  |
| Representative Director                                     | Rintaro Miyoshi    |  |
| Representative Director                                     | Hideya Yamaguchi   | President, Restar Electronics Corporation<br>President, Restar Castec Corporation  |
| Director (Full-time Audit and Supervisory Committee Member) | Tatsuichi Naruse   |  |
| Director (Full-time Audit and Supervisory Committee Member) | Tomoharu Asaka     |  |
| Director (Audit and Supervisory Committee Member)           | Haruka Matsuyama   | Lawyer, Hibiya Park Law Offices<br>Outside Director, T&D Holdings, Inc.<br>External Audit & Supervisory Board Member, MITSUI & CO., LTD. |
| Director (Audit and Supervisory Committee Member)           | Kiyoshi Togawa     | Representative, VISTOM Marketing<br>Outside Director, SWCC SHOWA HOLDINGS CO., LTD.  |
| Director (Audit and Supervisory Committee Member)           | Seno Tezuka        | Certified Public Accountant<br>Outside Auditor, Yakult Honsha Co., Ltd.  |
| Director (Audit and Supervisory Committee Member)           | Reiko Date         |  |
| Director (Audit and Supervisory Committee Member)           | Miki Suzuki        | Partner, KOHWA SOHGOH LAW OFFICES<br>Part-time Lecturer, Keio University Law School  |

- Notes:
1. Directors (Audit and Supervisory Committee members) Ms. Haruka Matsuyama, Mr. Kiyoshi Togawa, Mr. Seno Tezuka, Ms. Reiko Date and Ms. Miki Suzuki are Outside Directors.
  2. 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 Ms. Haruka Matsuyama, Mr. Kiyoshi Togawa and Mr. Seno Tezuka, Ms. Reiko Date and Ms. Miki Suzuki have been designated as Independent Directors according to the stock exchange rules.
  4. The name of Ms. Haruka Matsuyama on the family register is Haruka Kato.
  5. Mr. Tatsuichi Naruse and Mr. Tomoharu Asaka 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.

2) Summary of Agreement on Limitation of Liability

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

3) Summary of the Directors and Officers Liability Insurance Policy

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

However, any damages incurred as 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 determined separately according to job position. Variable remuneration is based on the business results which a person achieved in a single fiscal year (performance-linked remuneration). The performance-linked remuneration for a single fiscal year is designed to fluctuate at a payment rate defined by the degree of achievement of business targets of the entire Group, the degree of achievement of business fields controlled by officers in charge, and the degree of achievement of specific individual targets. The amount to be paid is deliberated and decided at the Group Nomination and Remuneration Committee. On the other hand, Directors who are Audit and Supervisory Committee Members independent of business execution duties as well as Outside Directors only receive fixed remuneration given the fact that offering a variable remuneration component would not be appropriate. To ensure transparency and objectivity in determining the amount of remuneration for each Director, the Group Nomination and Remuneration Committee, which is delegated by the Board of Directors, deliberates and determines the remuneration for each Director responsible for business execution, excluding Directors who are Audit and Supervisory Committee Members. The Group Nomination and Remuneration Committee is chaired by Ms. Reiko Date, Director (Outside) who is an Audit and Supervisory Committee Member, and its members are Mr. Kiyoshi Togawa, Director (Outside) who is an Audit and Supervisory Committee Member, and Mr. Kunihiko Konno, Representative Director and CEO. The Board of Directors judges that the content of Director remuneration is being determined in line with its decision policy because the deliberations and decisions of the remuneration are entrusted to the Group Nomination and Remuneration Committee, over two thirds of which consists of Directors (Outside) who are Audit and Supervisory Committee Members independent of business execution duties. The amount of remuneration for Directors who are Audit and Supervisory Committee Members is determined by the Audit and Supervisory Committee.

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

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

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

Regarding the determination of remuneration amounts for individual officers, in order to ensure the transparency and objectivity of remuneration decisions, the remuneration for individual directors responsible for business execution, excluding directors who serve as Audit and Supervisory Committee members, is deliberated and determined by the Group Nomination and Remuneration Committee under delegation of the Board of Directors. The Group Nomination and Remuneration Committee is chaired by Ms. Reiko Date, Director (Outside) who is an Audit and Supervisory Committee Member, and its members are Mr. Kiyoshi Togawa, Director (Outside) who is an Audit and Supervisory Committee Member, and Mr. Kunihiro Konno, Representative Director and CEO. The Board of Directors judges that the content of Director remuneration is being determined in line with its decision policy because the deliberations and decisions of the remuneration are entrusted to the Group Nomination and Remuneration Committee, over two thirds of which consists of Directors (Outside) 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<br>[of which, amount for Outside Directors] | 285<br>[0]                       | 237<br>[0]   | 48<br>[0]                             | -                               | 8<br>[0]                              |
| Directors who are Audit and Supervisory Committee Members<br>[of which, amount for Outside Directors]   | 45<br>[18]                       | 45<br>[18]   | -                                     | -                               | 7<br>[5]                              |
| Total<br>[of which, amount for Outside Directors]   | 330<br>[18]                      | 282<br>[18]  | 48                                    | -                               | 15<br>[5]                             |

Note: The above includes one Director (excluding Audit and Supervisory Committee Members) who retired during the fiscal year under review.

5) Matters Pertaining to Outside Officers

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

- Outside Director (Audit and Supervisory Committee Member) Ms. Haruka Matsuyama is a Lawyer, Hibiya Park Law Offices, and serves as an Outside Director for T&D Holdings, Inc., and an External Audit & Supervisory Board Member for MITSUI & CO., LTD. The Company has no special relationship with any of these companies.
- Outside Director (Audit and Supervisory Committee Member) Mr. Kiyoshi Togawa is the Representative of VISTOM Marketing and serves as an Outside Director at SWCC SHOWA HOLDINGS CO., LTD. The Company has no special relationship with either of these companies.
- Outside Director (Audit and Supervisory Committee Member) Mr. Seno Tezuka is a Certified Public Accountant and an Outside Auditor at Yakult Honsha Co., Ltd. The Company has no special relationship with this company.
- Outside Director (Audit and Supervisory Committee Member) Ms. Reiko Date has no significant concurrent positions.
- Outside Director (Audit and Supervisory Committee Member) Ms. Miki Suzuki is a Partner of KOHWA SOHGOH LAW OFFICES and Part-time Lecturer, Keio University Law School. The Company has no special relationship with any of these companies.



ii. Principal Activities in the Fiscal Year Under Review

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

|  | Board of Directors Meetings<br>(held 19 times) |                    | Audit and Supervisory<br>Committee Meetings<br>(held 16 times) |                    |
|--|--|--------------------|--|--------------------|
|  | Number of<br>attendances                       | Attendance<br>rate | Number of<br>attendances                                       | Attendance<br>rate |
| Director (Audit and Supervisory<br>Committee Member)<br>Haruka Matsuyama | 19/19  | 100%               | 16/16  | 100%               |
| Director (Audit and Supervisory<br>Committee Member)<br>Kiyoshi Togawa   | 19/19  | 100%               | 16/16  | 100%               |
| Director (Audit and Supervisory<br>Committee Member)<br>Seno Tezuka      | 18/19  | 95%                | 15/16  | 94%                |
| Director (Audit and Supervisory<br>Committee Member)<br>Reiko Date       | 19/19  | 100%               | 16/16  | 100%               |
| Director (Audit and Supervisory<br>Committee Member)<br>Miki Suzuki      | 14/14  | 100%               | 13/13  | 100%               |

Note: Ms. Miki Suzuki has attended all 14 meetings of the Board of Directors and attended all 13 meetings of the Audit and Supervisory Committee held since taking up the position of Director.

- b. Summary of remarks made in Board of Directors and Audit and Supervisory Committee Meetings and summary of duties executed in relation to expected roles
- Outside Director (Audit and Supervisory Committee Member) Ms. Haruka Matsuyama has contributed appropriate and necessary comments at Board of Directors and Audit and Supervisory Committee meetings based on her advanced expertise and broad insight as a lawyer. She has served as an accurate advisor to the management of the Company.
  - Outside Director (Audit and Supervisory Committee Member) Mr. Kiyoshi Togawa has contributed necessary comments at Board of Directors and Audit and Supervisory Committee meetings based on his extensive experience and outstanding insight as a sales manager for a functional materials and leading cutting-edge parts and systems manufacturer. He has served as an accurate advisor to the management of the Company and also as a member of the Group Nomination and Remuneration Committee.
  - 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 and expressed opinions from an objective standpoint based on his expertise and experience as a certified public accountant. He has served as an accurate advisor to the management of the Company.
  - Outside Director (Audit and Supervisory Committee Member) Ms. Reiko Date has contributed appropriate and necessary comments at Board of Directors and Audit and Supervisory Committee meetings and as a chair of the Group Nomination and Remuneration Committee based on the experience and insight gained through her involvement in practical activities and management in management and marketing consulting and manufacturing industries. She has served as an accurate advisor to the management of the Company.
  - Outside Director (Audit and Supervisory Committee Member) Ms. Miki Suzuki has contributed appropriate and necessary comments at Board of Directors and Audit and Supervisory Committee meetings based on a high level of her expertise and extensive insights as a lawyer. She has served as an accurate advisor to the management of the Company.

**(4) Accounting Auditor**

## 1) Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

## 2) Accounting Auditor's Remuneration, etc.

| Category                  | Remuneration based on audit services<br>(million yen) | Remuneration based on non-audit services<br>(million yen) |
|---------------------------|---|---|
| The Company               | 118   | -   |
| Consolidated subsidiaries | 36  | -   |
| Total                     | 155   | -   |

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

2. The Audit and Supervisory Committee agreed on the amount of remuneration for the accounting auditor after conducting necessary verifications regarding the content of the accounting auditor's audit plans, the performance of duties relating to accounting audits, and whether the basis for calculating remuneration estimates, etc. were appropriate.
3. Of the Company's significant subsidiaries, some subsidiaries located outside of Japan are audited by auditing firms other than the Company's accounting auditor (including persons or entities with similar qualifications in the relevant foreign country).

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

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

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

**(5) Overview of Systems to Ensure the Appropriateness of Business Affairs and the Operational Status of Those Systems (As of March 31, 2022)**

Based on legal and regulatory requirements, the Articles of Incorporation, and 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]

- In accordance with the Group Compliance Regulations, the Compliance Committee meets on a regular basis and conducts awareness-building activities.

- In accordance with the Whistleblowing System Operation Regulations, we operate a compliance hotline and a whistleblowing hotline for people outside the Company.
  - The Restar Group Code of Conduct clearly states that all relationships with antisocial forces must be blocked.
- 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 Internal Control Committee of the parent company.
- 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 Corporate Planning Department and Group Audit and Supervisory Committee Member Liaison Committee confirms that Board of Directors meetings take place on a regular basis.
  - We have the Division of Organizational and Business Affairs Regulations and Administrative Authority Regulations, and execute business based on these rules.
- 5) System for Ensuring the Appropriateness of Operations in the Corporate Group Consisting of the Company and its Subsidiaries  
In order to ensure the appropriateness of operations at the Company and its subsidiaries, in addition to submitting decisions for approval and reporting to the Company in accordance with the Group Regulations for the Management of Subsidiary Companies, resolutions made by the Board of Directors at significant subsidiary companies and important reports shall be reported to the Company's Board of Directors on a monthly basis. In addition, the Internal Audit Office shall conduct internal audits of subsidiaries to ensure the appropriateness of business operations at subsidiary companies.  
[Overview of operational status]
- The Company has created Regulations for the Management of Group Companies and Regulations on Administrative Authority, and any important matters relating to the management of subsidiary companies are subject to prior approval by the Company or are required to be reported to the Company. Any decisions made by the Board of Directors at significant subsidiaries, or any other items that require reporting, are reported to the Company's Board of Directors.
  - The Audit and Supervisory Committee, the Internal Audit Office, and the accounting auditor work

together and conduct audits of the Company and its subsidiaries based on mutual audit plans.

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

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

[Overview of operational status]

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

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

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

[Overview of operational status]

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

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

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

[Overview of operational status]

The Whistleblowing System Operation Regulations have been established to protect whistleblowers. No reports have to 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 eight significant subsidiaries have established Internal Control Committees to implement self-cleaning and improvement activities. The Internal Control Committee meetings are held at the parent company and the committee reports to the Company on a regular basis.
- In order to ensure the reliability of financial reporting, we have stipulated the scope of evaluations, evaluation methods, correction of deficiencies, and reporting requirements in the above-mentioned regulations based on the internal control reporting system (J-SOX). In the fiscal year under review, we set the evaluation scope, conducted evaluations at the Internal Control Office, provided feedback on any uncovered deficiencies, and guided 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 Company focuses on ensuring financial stability based on its consolidated earnings forecasts for the current fiscal year and also strives to improve returns to shareholders by paying dividends and considering acquiring treasury stock, etc. In addition to pursuing aggressive strategic investment and rationalization investment to promote future growth, we continuously review the appropriate allocation of capital to promote shareholder returns and strive to further enhance corporate value by expanding profits and improving capital efficiencies.

Based on the above considerations, we are scheduled to pay an annual dividend of 90 yen (ordinary dividend) for the year ending March 31, 2023 (forecast), split between an interim dividend of 40 yen per share and a year-end dividend of 50 yen per share.

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

## Consolidated Financial Statements

### Consolidated Balance Sheet (As of March 31, 2022)

(Million yen)

| Description   | Amount         | Description   | Amount         |
|---|----------------|---|----------------|
| <b>(Assets)</b>                                     |                | <b>(Liabilities)</b>                                  |                |
| <b>Current assets</b>                               | <b>185,525</b> | <b>Current liabilities</b>                            | <b>139,346</b> |
| Cash and deposits                                   | 33,438         | Notes and accounts payable - trade                    | 51,581         |
| Notes receivable - trade                            | 454            | Short-term borrowings                                 | 75,305         |
| Accounts receivable - trade                         | 79,318         | Current portion of long-term borrowings               | 1,184          |
| Electronically recorded monetary claims - operating | 5,068          | Lease liabilities                                     | 1,233          |
| Contract assets                                     | 392            | Income taxes payable                                  | 1,891          |
| Merchandise and finished goods                      | 51,751         | Contract liabilities                                  | 133            |
| Work in process                                     | 1,097          | Provision for bonuses                                 | 1,065          |
| Raw materials and supplies                          | 1,554          | Other provisions                                      | 206            |
| Other   | 13,362         | Other   | 6,744          |
| Allowance for doubtful accounts                     | (913)          | <b>Non-current liabilities</b>                        | <b>20,954</b>  |
| <b>Non-current assets</b>                           | <b>56,432</b>  | Long-term borrowings                                  | 7,805          |
| <b>Property, plant and equipment</b>                | <b>26,862</b>  | Lease liabilities                                     | 7,757          |
| Buildings and structures                            | 2,072          | Deferred tax liabilities                              | 2,070          |
| Machinery, equipment and vehicles                   | 7,612          | Retirement benefit liability                          | 359            |
| Tools, furniture and fixtures                       | 505            | Other provisions                                      | 90             |
| Leased assets                                       | 8,525          | Other   | 2,872          |
| Land  | 2,200          | <b>Total liabilities</b>                              | <b>160,301</b> |
| Construction in progress                            | 5,947          | <b>(Net assets)</b>                                   |                |
| <b>Intangible assets</b>                            | <b>11,362</b>  | <b>Shareholders' equity</b>                           | <b>74,773</b>  |
| Goodwill  | 6,618          | Share capital   | 4,383          |
| Other   | 4,743          | Capital surplus                                       | 36,651         |
| <b>Investments and other assets</b>                 | <b>18,207</b>  | Retained earnings                                     | 33,747         |
| Investment securities                               | 4,566          | Treasury shares                                       | (8)            |
| Deferred tax assets                                 | 1,454          | <b>Accumulated other comprehensive income</b>         | <b>2,812</b>   |
| Bad debts   | 10,675         | Valuation difference on available-for-sale securities | 371            |
| Long-term prepaid expenses                          | 8,662          | Deferred gains or losses on hedges                    | 192            |
| Other   | 4,635          | Foreign currency translation adjustment               | 2,278          |
| Allowance for doubtful accounts                     | (11,786)       | Remeasurements of defined benefit plans               | (30)           |
|   |                | <b>Share acquisition rights</b>                       | <b>65</b>      |
|   |                | <b>Non-controlling interests</b>                      | <b>4,005</b>   |
|   |                | <b>Total net assets</b>                               | <b>81,657</b>  |
| <b>Total assets</b>                                 | <b>241,958</b> | <b>Total liabilities and net assets</b>               | <b>241,958</b> |

## Consolidated Statement of Income (April 1, 2021–March 31, 2022)

(Million yen)

| Description   | Amount         |
|---|----------------|
| <b>Net sales</b>  | <b>399,590</b> |
| <b>Cost of sales</b>  | <b>369,407</b> |
| <b>Gross profit</b>   | <b>30,183</b>  |
| <b>Selling, general and administrative expenses</b>           | <b>22,595</b>  |
| <b>Operating profit</b>                                       | <b>7,588</b>   |
| <b>Non-operating income</b>                                   | <b>878</b>     |
| Interest income   | 56             |
| Dividend income   | 35             |
| Gain on valuation of investment securities                    | 109            |
| Share of profit of entities accounted for using equity method | 192            |
| Gain on investments in silent partnerships                    | 198            |
| Other   | 287            |
| <b>Non-operating expenses</b>                                 | <b>1,755</b>   |
| Interest expenses   | 660            |
| Foreign exchange losses                                       | 488            |
| Commission for syndicated loans                               | 171            |
| Loss on sale of receivables                                   | 86             |
| Other   | 348            |
| <b>Ordinary profit</b>  | <b>6,711</b>   |
| <b>Extraordinary income</b>                                   | <b>2,198</b>   |
| Gain on sale of investment securities                         | 77             |
| Gain on bargain purchase                                      | 1,936          |
| Insurance claim income  | 183            |
| <b>Extraordinary losses</b>                                   | <b>373</b>     |
| Loss on fire  | 165            |
| Loss on valuation of investment securities                    | 179            |
| Other   | 27             |
| <b>Profit before income taxes</b>                             | <b>8,536</b>   |
| Income taxes - current  | 2,820          |
| Income taxes - deferred                                       | (186)          |
| <b>Profit</b>   | <b>5,902</b>   |
| Loss attributable to non-controlling interests                | (54)           |
| <b>Profit attributable to owners of parent</b>                | <b>5,957</b>   |



## Consolidated Statements of Changes in Shareholders' Equity (April 1, 2021–March 31, 2022)

(Million yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance (April 1, 2021)  | 4,383                | 35,453          | 30,646            | (7)             | 70,476                     |
| Changes during period  |                      |                 |                   |                 |                            |
| Dividends of surplus   |                      |                 | (2,856)           |                 | (2,856)                    |
| Profit attributable to owners of parent                                |                      |                 | 5,957             |                 | 5,957                      |
| Purchase of treasury shares  |                      |                 |                   | (0)             | (0)                        |
| Changes in ownership interest of subsidiaries                          | –                    | 56              | –                 | –               | 56                         |
| Increase in surplus due to sale of shares of consolidated subsidiaries | –                    | 389             | –                 | –               | 389                        |
| Capital increase of consolidated subsidiaries                          | –                    | 750             | –                 | –               | 750                        |
| Net changes in items other than shareholders' equity                   |                      |                 |                   |                 |                            |
| Total changes during period  | –                    | 1,197           | 3,100             | (0)             | 4,297                      |
| Balance (March 31, 2022)   | 4,383                | 36,651          | 33,747            | (8)             | 74,773                     |

|  | 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, 2021)  | 678   | (56)                               | 2,342                                   | (38)                                    | 2,925  | 9                        | 2,847                     | 76,258           |
| Changes during period  |   |                                    |   |   |  |                          |                           |                  |
| Dividends of surplus   |   |                                    |   |   |  |                          |                           | (2,856)          |
| Profit attributable to owners of parent                                |   |                                    |   |   |  |                          |                           | 5,957            |
| Purchase of treasury shares  |   |                                    |   |   |  |                          |                           | (0)              |
| Changes in ownership interest of subsidiaries                          |   |                                    |   |   |  |                          |                           | 56               |
| Increase in surplus due to sale of shares of consolidated subsidiaries |   |                                    |   |   |  |                          |                           | 389              |
| Capital increase of consolidated subsidiaries                          |   |                                    |   |   |  |                          |                           | 750              |
| Net changes in items other than shareholders' equity                   | (307)   | 248                                | (63)                                    | 8                                       | (113)  | 55                       | 1,158                     | 1,100            |
| Total changes during period  | (307)   | 248                                | (63)                                    | 8                                       | (113)  | 55                       | 1,158                     | 5,398            |
| Balance (March 31, 2022)   | 371   | 192                                | 2,278                                   | (30)                                    | 2,812  | 65                       | 4,005                     | 81,657           |

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheet (As of March 31, 2022)

(Million yen)

| Description  | Amount         | Description   | Amount         |
|--|----------------|---|----------------|
| <b>(Assets)</b>  |                | <b>(Liabilities)</b>  |                |
| <b>Current assets</b>  | <b>76,518</b>  | <b>Current liabilities</b>                                    | <b>73,417</b>  |
| Cash and deposits  | 9,621          | Short-term borrowings   | 68,238         |
| Accounts receivable - trade                                  | 136            | Short-term borrowings from subsidiaries and associates        | 3,337          |
| Short-term loans receivable from subsidiaries and associates | 64,055         | Current portion of long-term borrowings                       | 142            |
| Current portion of long-term loans receivable                | 31             | Accounts payable - other                                      | 345            |
| Prepaid expenses   | 84             | Accrued expenses  | 29             |
| Accounts receivable - other                                  | 2,837          | Income taxes payable  | 1,137          |
| Other  | 5              | Deposits received   | 17             |
| Allowance for doubtful accounts                              | (254)          | Provision for bonuses   | 113            |
| <b>Non-current assets</b>                                    | <b>44,526</b>  | Provision for bonuses for directors (and other officers)      | 48             |
| <b>Property, plant and equipment</b>                         | <b>2,548</b>   | Other   | 7              |
| Buildings  | 828            | <b>Non-current liabilities</b>                                | <b>3,132</b>   |
| Machinery and equipment                                      | 0              | Long-term borrowings  | 858            |
| Tools, furniture and fixtures                                | 40             | Deferred tax liabilities                                      | 76             |
| Leased assets  | 2              | Provision for loss on business of subsidiaries and associates | 2,107          |
| Land   | 1,677          | Provision for retirement benefits                             | 37             |
| <b>Intangible assets</b>                                     | <b>6,000</b>   | Asset retirement obligations                                  | 39             |
| Software   | 127            | Other   | 14             |
| Software in progress   | 81             | <b>Total liabilities</b>                                      | <b>76,550</b>  |
| Goodwill   | 5,771          | <b>(Net assets)</b>   |                |
| Other  | 20             | <b>Shareholders' equity</b>                                   | <b>43,955</b>  |
| <b>Investments and other assets</b>                          | <b>35,976</b>  | <b>Share capital</b>  | <b>4,383</b>   |
| Investment securities  | 2,203          | <b>Capital surplus</b>  | <b>35,770</b>  |
| Shares of subsidiaries and associates                        | 31,317         | Legal capital surplus   | 1,383          |
| Investments in capital of subsidiaries and associates        | 631            | Other capital surplus   | 34,386         |
| Long-term loans receivable from subsidiaries and associates  | 18,511         | <b>Retained earnings</b>                                      | <b>3,810</b>   |
| Guarantee deposits   | 146            | Other retained earnings                                       | 3,810          |
| Other  | 276            | Retained earnings brought forward                             | 3,810          |
| Allowance for doubtful accounts                              | (17,109)       | <b>Treasury shares</b>  | <b>(7)</b>     |
|  |                | <b>Valuation and translation adjustments</b>                  | <b>537</b>     |
|  |                | <b>Valuation difference on available-for-sale securities</b>  | <b>380</b>     |
|  |                | <b>Deferred gains or losses on hedges</b>                     | <b>157</b>     |
|  |                | <b>Total net assets</b>                                       | <b>44,493</b>  |
| <b>Total assets</b>  | <b>121,044</b> | <b>Total liabilities and net assets</b>                       | <b>121,044</b> |

## Non-Consolidated Statement of Income (April 1, 2021 - March 31, 2022)

(Million yen)

| Description   | Amount         |
|---|----------------|
| <b>Operating revenue</b>                              | <b>4,322</b>   |
| <b>Operating expenses</b>                             | <b>3,442</b>   |
| <b>Operating profit</b>                               | <b>879</b>     |
| <b>Non-operating income</b>                           | <b>357</b>     |
| Interest income                                       | 197            |
| Dividend income                                       | 35             |
| Gain on investments in silent partnerships            | 83             |
| Other   | 41             |
| <b>Non-operating expenses</b>                         | <b>2,997</b>   |
| Interest expenses                                     | 227            |
| Foreign exchange losses                               | 992            |
| Commission for syndicated loans                       | 156            |
| Provision of allowance for doubtful accounts          | 1,545          |
| Other   | 75             |
| <b>Ordinary loss</b>                                  | <b>(1,759)</b> |
| <b>Extraordinary income</b>                           | <b>940</b>     |
| Gain on sale of investment securities                 | 19             |
| Gain on sale of shares of subsidiaries and associates | 921            |
| <b>Extraordinary losses</b>                           | <b>179</b>     |
| Loss on valuation of investment securities            | 179            |
| <b>Loss before income taxes</b>                       | <b>(999)</b>   |
| Income taxes - current                                | (359)          |
| Income taxes - deferred                               | (70)           |
| <b>Loss</b>   | <b>(569)</b>   |

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

(April 1, 2021 - March 31, 2022)

(Million yen)

|  | Shareholders' equity |                       |                       |                 |  |                 | Total shareholder's equity |
|--|----------------------|-----------------------|-----------------------|-----------------|--|-----------------|----------------------------|
|  | Capital              | Capital surplus       |                       |                 | Retained earnings  | Treasury shares |                            |
|  |                      | Legal capital surplus | Other capital surplus | Capital surplus | Other retained earnings<br>Retained earnings brought forward |                 |                            |
| Balance (April 1, 2021)                              | 4,383                | 1,383                 | 34,386                | 35,770          | 7,235  | (7)             | 47,381                     |
| Changes during period                                |                      |                       |                       |                 |  |                 |                            |
| Dividends of surplus                                 |                      |                       |                       |                 | (2,856)  |                 | (2,856)                    |
| Loss   |                      |                       |                       |                 | (569)  |                 | (569)                      |
| Purchase of treasury shares                          |                      |                       |                       |                 |  | (0)             | (0)                        |
| Net changes in items other than shareholders' equity |                      |                       |                       |                 |  |                 |                            |
| Total changes during the period                      | -                    | -                     | -                     | -               | (3,425)  | (0)             | (3,425)                    |
| Balance (March 31, 2022)                             | 4,383                | 1,383                 | 34,386                | 35,770          | 3,810  | (7)             | 43,955                     |

|  | Valuation and translation adjustments                 |                                    |   | Total net assets |
|--|---|------------------------------------|---|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments |                  |
| Balance (April 1, 2021)                              | 687   | (71)                               | 616   | 47,998           |
| Changes during period                                |   |                                    |   |                  |
| Dividends of surplus                                 |   |                                    |   | (2,856)          |
| Loss   |   |                                    |   | (569)            |
| Purchase of treasury shares                          |   |                                    |   | (0)              |
| Net changes in items other than shareholders' equity | (307)   | 228                                | (78)  | (78)             |
| Total changes during the period                      | (307)   | 228                                | (78)  | (3,504)          |
| Balance (March 31, 2022)                             | 380   | 157                                | 537   | 44,493           |

## Auditor's Report

Accounting Auditor's Audit Report on the Consolidated Financial Statements

### INDEPENDENT AUDITOR'S REPORT

(English Translation)

July 29, 2022

To the Board of Directors  
Restar Holdings Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Dedicated Engagement Partner,  
Certified Public Accountant: Fukuyuki Nishiwaka (Seal)  
Dedicated Engagement Partner,  
Certified Public Accountant: Kenji Uta (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 Holdings Corporation (the "Company") for the fiscal year from April 1, 2021 to March 31, 2022.

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 Holdings Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

#### Basis for the Opinion

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

#### Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

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

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

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

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

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

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

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

#### Interest

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

## INDEPENDENT AUDITOR'S REPORT

(English Translation)

July 29, 2022

To the Board of Directors  
Restar Holdings Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Dedicated Engagement Partner,  
Certified Public Accountant: Fukuyuki Nishiwaka (Seal)  
Dedicated Engagement Partner,  
Certified Public Accountant: Kenji Uta (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 Holdings Corporation (the "Company") for the 13th fiscal year from April 1, 2021 to March 31, 2022.

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 safeguards that are in place to reduce or eliminate obstacles.

#### Interest

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



## **Audit Report** (English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 13th fiscal year from April 1, 2021 to March 31, 2022, and hereby submits the method and results of the audit.

### 1. Method and Contents of Audit

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

- i. In accordance with the Audit and Supervisory Committee's auditing standards established by the Audit and Supervisory Committee, and in accordance with the audit policies, audit plans, and assignment of duties, etc., each Audit and Supervisory Committee member endeavored to cooperate with the Company's internal control division, attend important meetings, received reports on the performance of duties from Directors and other employees and requested explanations as necessary, examined important approval/decision, and inspected the corporate affairs and assets at the Company's head office and principal places of business. With respect to subsidiaries, each Audit and Supervisory Committee member endeavored to communicate and exchange information with the Directors and Audit and Supervisory Committee members of subsidiary companies, and received business reports from the subsidiaries when necessary.
- ii. The Audit and Supervisory Committee monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations, as necessary. In addition, the Audit and Supervisory Committee was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), 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.

July 29, 2022

Audit and Supervisory Committee, Restar Holdings Corporation

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

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

(Reference)

Management Structure (As of July 27, 2022)

| Position in the Company                                     | Name               | Responsibilities, significant concurrent positions   |
|---|--------------------|--|
| Representative Director and CEO                             | Kunihiro Konno     |  |
| Representative Director                                     | Tadahito Takahashi |  |
| Representative Director                                     | Tomoharu Asaka     |  |
| Director (Full-time Audit and Supervisory Committee Member) | Tatsuichi Naruse   |  |
| Director (Full-time Audit and Supervisory Committee Member) | Rintaro Miyoshi    |  |
| Outside Director (Audit and Supervisory Committee Member)   | Seno Tezuka        | Concurrent positions:<br>Certified Public Accountant<br>Outside Auditor, Yakult Honsha Co., Ltd.   |
| Outside Director (Audit and Supervisory Committee Member)   | Kiyoshi Togawa     | Concurrent positions:<br>Representative, VISTOM Marketing<br>Outside Director, SWCC SHOWA HOLDINGS CO., LTD.   |
| Outside Director (Audit and Supervisory Committee Member)   | Reiko Date         |  |
| Outside Director (Audit and Supervisory Committee Member)   | Miki Suzuki        | Concurrent positions:<br>Partner, KOHWA SOHGOH LAW OFFICES<br>Part-time Lecturer, Keio University Law School   |
| Deputy Chief Executive Officer                              | Hideya Yamaguchi   | Devices Business and Procurement Business  |
| Senior Corporate Executive Officer                          | Jun Ozaki          | Electronic Equipment Business  |
| Senior Corporate Executive Officer                          | Junichi Kaji       | Vegetable Factory Business, Renewable Energy Business, and System Equipment Business   |
| Senior Corporate Executive Officer                          | Hiroaki Konno      | Energy Business  |
| Corporate Executive Officer                                 | Baek Young-Hyun    | EMS Business   |
| Corporate Executive Officer                                 | Yoshiaki Ooki      | Management Group<br>PR and IR, legal and compliance, administration, personnel affairs, internal controls, information systems, and DX promotion<br>IT/DX Promotion-PJ |
| Corporate Executive Officer                                 | Susumu Nishima     | Planning and Finance Group<br>Accounting, FP&A, finance, strategic investment, and corporate planning<br>IT/DX Promotion-PJ  |
| Corporate Officer   | Mitsuya Matsuura   | Human resources  |
| Corporate Officer   | Naoteru Takashima  | PR and IR, legal and compliance, and administration  |
| Corporate Officer   | Hirofumi Kitao     | Accounting, FP&A   |