

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

Securities code: 3156

June 11, 2026

(Date of commencement of measures for electronic provision: June 4, 2026)

To our shareholders:

Shinichi Hayashi
Representative Director
Restar Corporation
10-9, Konan 2-chome, Minato-ku, Tokyo

Notice of Convocation of the 7th Ordinary General Meeting of Shareholders

Restar Corporation (hereinafter referred to as “the Company”) will hold its 7th Ordinary General Meeting of Shareholders as explained below.

We have adopted measures for the electronic provision of information for this General Meeting of Shareholders. The matters to be provided in electronic format (the “Electronic Provision Measures Matters”) are posted on the Internet website shown below as “Notice of Convocation of the 7th Ordinary General Meeting of Shareholders.”

The Company’s website:

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

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

Tokyo Stock Exchange website:

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

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

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

[Exercising voting rights in writing]

Please indicate your approval or disapproval of each of the proposals on the enclosed form and return it to the Company no later than 5:30 p.m. on Thursday, June 25, 2026 (JST).

[Exercising voting rights via the Internet]

Please access our designated voting website (<https://evote.tr.mufg.jp/>) and enter the login ID and temporary password printed on the enclosed form for exercising voting rights and follow the on-screen instructions to enter your approval or disapproval of each of the proposals no later than 5:30 p.m. on Thursday, June 25, 2026 (JST).

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

- 1. Date and Time:** 10:00 a.m. on Friday, June 26, 2026 (JST)
(Reception desk is scheduled to open at 9:30 a.m.)
- 2. Venue:** Restar Building 3F
10-9, Konan 2-chome, Minato-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports on the Consolidated Financial Statements from the Accounting Auditor and the Audit and Supervisory Committee for the 17th Fiscal Year (April 1, 2025 to March 31, 2026)
2. Report on the Non-consolidated Financial Statements for the 17th Fiscal Year (April 1, 2025 to March 31, 2026)

Matters to be resolved:

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

4. Instructions on Exercising Voting Rights

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

5. Instructions on the Acceptance of Questions Beforehand

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

- The paper copy (Notice of Convocation of the 7th Ordinary General Meeting of Shareholders) sent to shareholders doubles as the paper copy of the Electronic Provision Measures Matters based on shareholders’ requests for the delivery of documents. The following items are not included in this paper copy, in accordance with the provisions of applicable laws and regulations, as well as Article 16 of the Company’s Articles of Incorporation. As such, this paper copy only presents part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.
 - Notes to the Consolidated Financial Statements
 - Notes to the Non-consolidated Financial Statements
- In the event of revisions to the Electronic Provision Measures Matters, the details of the revisions will be made available on each website on which the Electronic Provision Measures Matters are posted.

Instructions on Exercising Your Voting Rights

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

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

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

Exercise of Voting Rights in Writing by Postal Mail

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

Deadline for the exercise of voting rights: Received by 5:30 p.m. on Thursday, June 25, 2026 (JST).

Exercise of Voting Rights via the Internet

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

Deadline for the exercise of voting rights: 5:30 p.m. on Thursday, June 25, 2026 (JST).

How to Complete Your Voting Rights Exercise Form

Proposal No. 3

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

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

Proposals No. 1 and Proposal No. 2

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

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

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

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

Instructions on Exercising Your Voting Rights via the Internet

By Scanning the QR Code

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

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

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

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

By Entering Login ID and Temporary Password

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

1. Access the website for exercising voting rights.

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

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

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

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

Reference Materials for the General Meeting of Shareholders

Proposals and reference matters

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

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

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

The candidates for Director are as follows.

Candidate No.	Name	Gender	Positions within the Company	
1	Kunihiro Konno	Male	Representative Director Chairman, CEO	Reelection
2	Shinichi Hayashi	Male	Representative Director President, COO	Reelection
3	Hiroaki Konno	Male	Director and Senior Corporate Executive Officer	Reelection
4	Masahiro Shibata	Male	Director and Corporate Executive Officer	Reelection
5	Kiyoshi Togawa	Male	Director and Corporate Executive Officer	Reelection
6	Susumu Nishima	Male	Director and Executive Officer	Reelection
7	Jin-hyuk Yun	Male	Outside Director	Reelection Outside Independent

Reelection: Candidate for reelection as Director

Outside: Candidate for Outside Director

Independent: Independent Director

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
1	<p style="text-align: center;">Kunihiro Konno (July 15, 1940) Reelection</p> <p>Records of attendance at Board of Directors meetings: 15/16 (94%)</p>	<p>Apr. 1987 Established VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.) President, VITEC CO., LTD.</p> <p>Nov. 1996 Senior Vice President, Member of the Board and Counselor (<i>soudanyaku</i>), VITEC CO., LTD.</p> <p>June 2003 Special Advisor, VITEC CO., LTD.</p> <p>June 2012 Chairman, VITEC CO., LTD.</p> <p>Apr. 2013 Chairman & President, VITEC CO., LTD.</p> <p>Jan. 2018 President, VITEC GLOBAL ELECTRONICS CO., LTD. (currently Restar Electronics Corporation)</p> <p>Apr. 2018 Chairman & Representative Director, Vitec Vegetable Factory Co., Ltd.</p> <p>Aug. 2018 Chairman & Member of the Board, Vitec Vegetable Factory Co., Ltd.</p> <p>Apr. 2019 Representative Director Chairman and CEO, the Company</p> <p>Apr. 2020 Representative Director and CEO, the Company</p> <p>June 2023 Representative Director Chairman, President and CEO, the Company</p> <p>Apr. 2024 Representative Director Chairman and President, the Company</p> <p>Nov. 2024 Trustee, Incorporated Educational Institution Senshu University (present post)</p> <p>June 2025 Representative Director Chairman, CEO, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] Trustee, Senshu University</p>	3,225
<p>[Reasons for nomination] Mr. Kunihiro Konno has worked in the electronics industry for many years and has managerial experience and achievements. The Company expects that he will appropriately perform his duties in the overall management of the Group and appropriately conduct management and supervision of the Group.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
2	<p style="text-align: center;">Shinichi Hayashi (March 27, 1964) Reelection</p> <p>Records of attendance at Board of Directors meetings: 13/13 (100%)</p>	<p>Apr. 1988 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)</p> <p>Apr. 2006 Representative Director President, Matsushita Techno Trading Co., Ltd.</p> <p>Apr. 2011 General Manager, Companywide Central Contract Center, Procurement Division, Panasonic Corporation</p> <p>Jan. 2016 Representative Director President, Panasonic Manufacturing Philippines Corporation and Representative Director President, Panasonic Philippines Corporation</p> <p>Apr. 2019 Director, Beauty and Personal Care Business Division, Appliances Company, Panasonic Corporation</p> <p>Oct. 2021 Vice President and General Manager, Beauty and Personal Care Business Division, Living Appliances and Solutions Company, Panasonic Corporation</p> <p>Oct. 2022 Vice President, Living Appliances and Solutions Company, Panasonic Corporation Chief Strategy Officer (CSO)</p> <p>Apr. 2025 Advisor, the Company</p> <p>June 2025 Representative Director President, COO, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	8,123
<p>[Reasons for nomination] Mr. Shinichi Hayashi has broad knowledge and experience regarding global business operation, as well as business investments and business governance. The Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
3	<p style="text-align: center;">Hiroaki Konno (January 9, 1973) Reelection</p> <p>Records of attendance at Board of Directors meetings: 14/16 (88%)</p>	<p>Apr. 1997 Joined Asahi Fire & Marine Insurance Co. Ltd. (currently Rakuten General Insurance Co., Ltd.)</p> <p>June 2009 Corporate Auditor, VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.)</p> <p>Apr. 2013 Joined VITEC CO., LTD.</p> <p>Apr. 2017 Corporate Officer, VITEC CO., LTD. Managing Director, VITEC GREEN ENERGY CO., LTD.</p> <p>Apr. 2018 Representative Director and President, VITEC ENESTA CO., LTD.</p> <p>Apr. 2019 Corporate Officer, the Group</p> <p>Apr. 2020 Corporate Executive Officer, the Company</p> <p>Apr. 2022 Senior Corporate Executive Officer, the Company</p> <p>Apr. 2023 Representative Director and President, RESTAR COMMUNICATIONS Corporation</p> <p>June 2023 Representative Executive Director, the Company</p> <p>Apr. 2024 Representative Executive Director, System Business Unit Management, the Company</p> <p>June 2025 Director and Senior Corporate Executive Officer, System Business Unit Management, the Company</p> <p>July 2025 Director and Senior Corporate Executive Officer, System Business Unit Management, the Company and Representative Director President, V-Power Co., Ltd. (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	32,284
<p>[Reasons for nomination] Mr. Hiroaki Konno has broad knowledge and experience regarding the fields of electronic equipment solutions and renewable energy generation, which he gained through involvement in the management of system solution business and eco-solution business. The Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
4	<p style="text-align: center;">Masahiro Shibata (December 26, 1972) Reelection</p> <p>Records of attendance at Board of Directors meetings: 13/13 (100%)</p>	<p>Apr. 1995 Joined USC Co., Ltd. (the Company)</p> <p>Apr. 2013 Managing Director, UKC ELECTRONICS (Singapore) PTE.LTD. (Currently RESTAR ELECTRONICS SINGAPORE PTE.LTD.)</p> <p>Sep. 2017 Managing Director, UKC ELECTRONICS (H.K) CO., LTD. (Currently RESTAR ELECTRONICS HONG KONG CO., LTD.)</p> <p>Sep. 2019 President, UKC ELECTRONICS (H.K) CO., LTD. (Currently RESTAR ELECTRONICS HONG KONG CO., LTD.)</p> <p>Apr. 2023 Corporate Officer, Restar Electronics Corporation</p> <p>July 2023 Senior Corporate Executive Officer, Restar Electronics Corporation</p> <p>Apr. 2024 Senior Corporate Executive Officer, Devices Business Unit Management, the Company</p> <p>June 2025 Director and Corporate Executive Officer, Devices Business Unit Management, the Company</p> <p>Jan. 2026 Director and Corporate Executive Officer, Devices Business Unit Management, the Company and Representative Director President, Restar WPG Corporation (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	804
<p>[Reasons for nomination] Mr. Masahiro Shibata has broad knowledge and experience regarding the electronics field, after having engaged in business operation in Japan and overseas. The Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
5	<p data-bbox="357 622 523 712">Kiyoshi Togawa (May 21, 1948) Reelection</p> <p data-bbox="272 752 608 808">Records of attendance at Board of Directors meetings: 16/16 (100%)</p>	<p data-bbox="616 259 1243 315">Apr. 1971 Joined Hitachi Chemical Co., Ltd. (currently Resonac Corporation)</p> <p data-bbox="616 322 1243 400">Apr. 2000 Executive Officer, Manager, International Business Promotion Office, Hitachi Chemical Co., Ltd.</p> <p data-bbox="616 407 1243 486">Apr. 2004 Vice President and Executive Officer, General Manager, Marketing & Sales Operations, Hitachi Chemical Co., Ltd.</p> <p data-bbox="616 492 1243 571">Apr. 2007 Senior Vice President and Executive Officer, General Manager, Marketing & Sales Operations, Hitachi Chemical Co., Ltd.</p> <p data-bbox="616 577 1243 656">Oct. 2007 Global Director, NPO Semiconductor Equipment Material International, San Jose, California</p> <p data-bbox="616 663 1243 775">Apr. 2010 Senior Vice President and Executive Officer, General Manager, Corporate Business Strategy Headquarters and Manager, Group Company Office, Hitachi Chemical Co., Ltd.</p> <p data-bbox="616 781 1243 837">June 2015 Outside Director, SWCC SHOWA HOLDINGS CO., LTD. (currently SWCC Corporation)</p> <p data-bbox="616 844 1243 878">Sep. 2017 Outside Auditor, the Company</p> <p data-bbox="616 884 1243 918">June 2018 Outside Director (Audit and Supervisory Committee Member), the Company</p> <p data-bbox="616 925 1243 958">June 2024 Outside Director, the Company</p> <p data-bbox="616 965 1243 999">Jan. 2025 Director, the Company</p> <p data-bbox="616 1005 1243 1039">June 2025 Director and Executive Officer, the Company</p> <p data-bbox="616 1046 1243 1102">Apr. 2026 Director and Corporate Executive Officer, Corporate Head Office Management, the Company (present post)</p> <p data-bbox="616 1108 1243 1142">[Significant concurrent positions outside the Company]</p> <p data-bbox="616 1149 1243 1182">None</p>	402
<p data-bbox="280 1193 528 1227">[Reasons for nomination]</p> <p data-bbox="280 1234 1406 1379">Mr. Kiyoshi Togawa has broad knowledge and experience in performing the central role in an organizational reform, having engaged in enhancing human resource development and reforming corporate cultures, in addition to many years of management in the business field. The Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.</p> <p data-bbox="280 1386 842 1420">[Special interest between the candidate and the Company]</p> <p data-bbox="280 1426 711 1442">There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
6	Susumu Nishima (February 18, 1968) Reelection Records of attendance at Board of Directors meetings: 13/13 (100%)	<p>Apr. 1990 Joined Kawatetsu Leasing Co., Ltd. (currently Tokyo Century Corporation)</p> <p>May 1995 Joined Vitec Co., Ltd. (VITEC HOLDINGS CO., LTD.)</p> <p>June 2003 Joined Honda Trading Corporation</p> <p>Sep. 2012 Joined Misumi Group Inc.</p> <p>May 2015 Joined Vitec Co., Ltd. (VITEC HOLDINGS CO., LTD.)</p> <p>Apr. 2019 Corporate Officer, General Manager, Finance Department, the Company</p> <p>June 2019 Outside Director, Digital Media Professionals Inc.</p> <p>July 2021 Corporate Officer, General Manager, Corporate Planning Department, and General Manager, DX Promotion Department, the Company</p> <p>Apr. 2022 Corporate Executive Officer, the Company</p> <p>Apr. 2024 Senior Corporate Executive Officer, Corporate Head Office Officer, the Company</p> <p>June 2025 Director and Executive Officer, Corporate Head Office Management, the Company</p> <p>Apr. 2026 Director and Executive Officer, Corporate Head Office Officer, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	15,609
<p>[Reasons for nomination] Mr. Susumu Nishima has broad knowledge and experience through having served in accounting and finance divisions and corporate strategy divisions of the Group. The Company expects that he will appropriately perform his duties and appropriately conduct management and supervision of the Group, with this knowledge and experience he possesses.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			
7	Jin-hyuk Yun (October 6, 1953) Reelection Outside Independent Records of attendance at Board of Directors meetings: 16/16 (100%)	<p>Apr. 1979 Joined Samsung Electronics Co., Ltd.</p> <p>Apr. 2006 Vice President, Mobile Display Division Manager, in charge of LCD, Samsung Electronics Co., Ltd.</p> <p>Apr. 2009 Vice President and Division Manager, Samsung Mobile Display Co., Ltd. (currently Samsung Display Co., Ltd.)</p> <p>Apr. 2010 Representative Director, Samsung Japan Corporation</p> <p>Apr. 2012 Representative Director and President, S-1CORPORATION</p> <p>Apr. 2013 Chairman, Korea Industrial Technology Protection Association</p> <p>Jan. 2018 Advisor, S-1CORPORATION</p> <p>Apr. 2020 Advisor (part-time), the Company</p> <p>Jun. 2024 Outside Director, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] None</p>	0
<p>[Reasons for nomination and summary of expected roles] Mr. Jin-hyuk Yun has wide-ranging knowledge and experience cultivated over many years as a business manager in business strategy planning and device business at a global company. The Company expects that he will appropriately perform his duties and provide supervision and advice from an independent and objective perspective, with this knowledge and experience he possesses.</p> <p>[Special interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

- (Notes)
1. Mr. Jin-hyuk Yun is a candidate for Outside Director. His term of office as Outside Director will have been two years at the conclusion of this General Meeting of Shareholders
 2. The Company has concluded a liability limitation contract with Mr. Jin-hyuk Yun pursuant to Article 427, Paragraph 1 of the Companies Act such that his liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. If the reelection of Mr. Jin-hyuk Yun is approved, the Company plans to renew the aforementioned contract with him.
 3. The Company has notified the Tokyo Stock Exchange that Mr. Jin-hyuk Yun is being designated as an Independent Director according to the rules of the said exchange. If his election is approved, the Company plans for his appointment as Independent Director to continue. Furthermore, the Company's criteria for determining independence of Outside Directors is appended for your reference.
 4. The Company has entered into a Directors and Officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers attorneys' fees in relation to litigations and damage payments to be borne by insured persons arising from third party litigations. Each of the candidates will be included as insured persons under the insurance contract.

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

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

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

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

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

Reelection: Candidate for reelection as Director

Outside: Candidate for Outside Director

Independent: Independent Director

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
1	Takenori Konno (May 22, 1970) Reelection Records of attendance at Board of Directors meetings: 16/16 (100%) Records of attendance at Audit and Supervisory Committee meetings: 16/16 (100%)	Apr. 1996 Joined KAGA ELECTRONICS CO., LTD. Apr. 2006 Joined Infonics Co., Ltd. Oct. 2009 Joined PTT Co., Ltd. (currently Restar Supply Chain Solution Corporation) Oct. 2011 Joined iSECO Co., Ltd. (VITEC DEVICE CO., LTD.) Apr. 2012 Joined VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.) Apr. 2020 General Manager, Business Development Department, the Company June 2024 Director (Audit and Supervisory Committee Member), the Company (present post) [Significant concurrent positions outside the Company] None	25,008
	[Reasons for nomination] Mr. Takenori Konno has abundant experience as a device business sales manager of the Group and as a manager of new business development, open innovation, etc. The Company believes that he will be able to leverage this experience to perform his role in auditing and supervising management. [Special interest between the candidate and the Company] There are no significant conflicts of interest.		

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company		Number of shares of the Company owned
2	Seno Tezuka (January 9, 1948) Reelection Outside Independent Records of attendance at Board of Directors meetings: 16/16 (100%) Records of attendance at Audit and Supervisory Committee meetings: 16/16 (100%)	Mar. 1972 Apr. 1974 July 1992 June 2013 June 2015 June 2016 Apr. 2019	Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Registered as certified public accountant Representative Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Retired from Deloitte Touche Tohmatsu LLC Outside Director (Audit and Supervisory Committee Member), VITEC CO., LTD. (VITEC HOLDINGS CO., LTD.) Outside Auditor, Yakult Honsha Co., Ltd. Outside Director (Audit and Supervisory Committee Member), the Company (present post) [Significant concurrent positions outside the Company] Certified public accountant	0
[Reasons for nomination and summary of expected roles] Mr. Seno Tezuka possesses expert knowledge, experience, and the like as a certified public accountant and is expected to provide appropriate opinions from an objective and neutral standpoint, and the Company believes that he will further strengthen the corporate governance of the Company. Although he has not previously been directly involved in corporate management other than as an Outside Officer, for the reasons stated above he is deemed able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member. [Special interest between the candidate and the Company] There are no significant conflicts of interest.				
3	Reiko Date (December 21, 1951) Reelection Outside Independent Records of attendance at Board of Directors meetings: 16/16 (100%) Records of attendance at Audit and Supervisory Committee meetings: 16/16 (100%)	Apr. 1983 Apr. 1995 Jan. 2001 Jan. 2005 Jan. 2011 June 2020 June 2025	Joined ODS Co., Ltd. Managing Director, ODS Co., Ltd. Joined DAIWA SEIKI CORPORATION Representative Director and President, DAIWA SEIKI CORPORATION Joined Nanbu Plastics Co., Ltd. Outside Director (Audit and Supervisory Committee Member), the Company (present post) Statutory Auditor, Incorporated Educational Institution Tachibana Gakuen (present post) [Significant concurrent positions outside the Company] Statutory Auditor, Incorporated Educational Institution Tachibana Gakuen	0
[Reasons for nomination and summary of expected roles] Ms. Reiko Date has been nominated due to her wealth of experience and insight gained from many years of practical and managerial experience in consultancy business for management and marketing as well as in the manufacturing industry, which the Company expects her to apply to supervising and auditing the management from an objective and neutral standpoint, leading to a further strengthening of the Company's corporate governance. [Special interest between the candidate and the Company] There are no significant conflicts of interest.				

- (Notes)
- Mr. Seno Tezuka and Ms. Reiko Date are candidates for Outside Director.
 - Mr. Seno Tezuka is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this General Meeting of Shareholders, his term of office as Outside Director who is an Audit and Supervisory Committee Member will have been seven years and two months.
 - Ms. Reiko Date is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this General Meeting of Shareholders, her term of office as Outside Director who is an Audit and Supervisory Committee Member will have been six years.
 - The Company has concluded liability limitation contracts with Mr. Takenori Konno, Mr. Seno Tezuka and Ms. Reiko Date pursuant to Article 427, Paragraph 1 of the Companies Act such that their liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. If the reelection of Mr. Takenori Konno, Mr. Seno Tezuka, and Ms. Reiko Date is approved, the Company plans to renew the aforementioned contracts with them.

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

Proposal No. 3: Election of One Substitute Director Who is an Audit and Supervisory Committee Member

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

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

Name	Gender	Positions within the Company	
Shigeji Sugimoto	Male	-	Outside Independent

Outside: Candidate for Outside Director

Independent: Independent Director

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

[Reasons for nomination and summary of expected roles]

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

[Special interest between the candidate and the Company]

There are no significant conflicts of interest.

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

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

The knowledge particularly expected of the Directors of the Company is as follows.

* Up to five fields in which candidates are expected to contribute are indicated for each person.
The table below does not present all the knowledge and experience possessed by each person.

Name	Expertise and experience expected of Directors by the Company							
	Group Management Strategy	Global Management	Technology Strategy	Finance /Accounting	Organization Human Resources	ESG Sustainability	Corporate Governance	Legal Risk Management
Directors (excluding Directors who are Audit and Supervisory Committee Members)								
Kunihiro Konno	Male	○	○	○	○			
Shinichi Hayashi	Male	○	○	○		○	○	
Hiroaki Konno	Male	○	○	○		○		
Masahiro Shibata	Male	○	○	○		○		
Kiyoshi Togawa	Male	○	○			○		○
Susumu Nishima	Male				○	○	○	○
Jin-hyuk Yun	Male Outside Independent	○	○	○				○
Directors who are Audit and Supervisory Committee Members								
Toshiyuki Suzuki	Male				○	○	○	○
Takenori Konno	Male					○	○	○
Seno Tezuka	Male Outside Independent	○			○		○	○
Reiko Date	Female Outside Independent	○				○	○	○
Sachiko Kasano	Female Outside Independent	○				○	○	○
Sum		9	6	5	4	8	5	7

[Reference: Criteria for determining independence]

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

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

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

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

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

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

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

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

Business Report

(April 1, 2025–March 31, 2026)

1. Overview of the Corporate Group

(1) Business Status for the Fiscal Year Under Review

1) Business Progress and Results

During the fiscal year under review, the Japanese economy experienced a moderate recovery, with signs of a pickup in capital investment and an upward trend in wages. Meanwhile, there is concern regarding a potential economic downturn stemming from the impact of ongoing price hikes on consumer spending as well as changes and increased uncertainty in U.S. trade policy. In addition, the outlook remains uncertain due to geopolitical risks, including the rapidly deteriorated situation in the Middle East and in other regions, and exchange rate fluctuations.

In the semiconductor market, while demand for electric vehicles (EVs) remained sluggish, there were also signs of recovery in demand for industrial equipment applications, in addition that AI-related products performed well.

Under these circumstances, the Company has established a management structure in which Kunihiro Konno, who served as Representative Director Chairman and President, has assumed responsibility as Representative Director Chairman, CEO since June 2025, and leads the entire Group, while Shinichi Hayashi, who serves as Representative Director President, COO, promotes the further growth and deepening of existing businesses. We will promote various measures aiming to establish a structure with four business units (BU) based on the Medium-term Management Plan for the period until the fiscal year ending March 31, 2027, and work to further expand our business and improve profitability.

Furthermore, in October 2025, our consolidated subsidiary, ViMOS Technologies GmbH (currently RESTAR FRAMOS Technologies GmbH), acquired the agency business for semiconductor products manufactured by Sony Semiconductor Solutions Corporation from FRAMOS GmbH, and also acquired shares in FRAMOS Technologies Inc. (currently RESTAR FRAMOS Technologies Inc.). This acquisition secures the sales rights for these products in Europe and the US, enabling us to expand our line card in these regions. We will accelerate cross-selling with the strong products of the Group, aiming to expand business, particularly in the industrial equipment sector, and strengthen global sales.

We also established a specialized organization to drive and accelerate data-driven management toward our vision of “Electronics Value Platformer.” We will integrate and accumulate information that exists within the Group to build an information platform in order to get the management structure and profitability visualized and optimized. Furthermore, by conducting advanced analyses based on multifaceted data—including information from markets and business partners outside our group—we aim to elevate our traditional trading functions and create added value for our customers through the development of new business ventures.

In addition, in March 2026 we were recognized as one of “KENKO Investment for Health Outstanding Organizations 2026 (in the Large Enterprise Category),” which are selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. Based on our belief that “People are our greatest asset,” we view the health and happiness of our employees as the foundation of our corporate growth, and promote the creation of an environment in which each and every employee can work with pride and a sense of security from a managerial perspective. We will continue our efforts to build an environment in which employees can play an active role over the long term, such as providing various types of health support and expanding measures to support work-life balance, and further promote health management to sustainably increase corporate value.

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

Net sales

630,905 million yen

Year-on-year change

Up 12.5%

Operating profit

16,739 million yen

Year-on-year change

Up 18.1%

Ordinary profit

13,762 million yen
Year-on-year change
Up 44.0%

Profit attributable to owners of parent
7,691 million yen
Year-on-year change
Up 2.9%

- Financial Highlights

During the fiscal year under review, sales increased for five consecutive periods following the consolidation of subsidiaries through M&A and the joint ventures established in the previous fiscal year, and growth in commercial products, especially for high-function cameras and PC-related equipment, as well as for data centers for generative AI. In terms of profit, operating profit increased due to strong sales for data centers and the automotive application sector, as well as a recovery in the industrial equipment application sector, despite a decrease in profit due to intensifying competition in the supply-demand adjustment market within the new power sector in the eco-solution business. Ordinary profit increased due to a reduction in funding costs and other factors, in addition to an increase in operating profit. Profit attributable to owners of parent also increased, resulting in record highs for net sales and profit at all stages.

As a result, net sales for the fiscal year under review were 630,905 million yen, up 12.5% year on year, operating profit was 16,739 million yen, up 18.1% year on year, ordinary profit was 13,762 million yen, up 44.0% year on year, and profit attributable to owners of parent was 7,691 million yen, up 2.9% year on year.

- Devices Business Unit (hereinafter, “Devices BU”)

In the second half of the fiscal year, the devices business saw strong performance in products, particularly those for data centers used for generative AI. Additionally, the consolidation of subsidiaries established as joint ventures in the previous consolidated fiscal year (Restar Dexerials Hong Kong Limited in July 2024, Restar Dexerials Korea Corporation in January 2025, and Restar Dexerials Taiwan Corporation in February 2025) contributed to sales. In addition, sales increased due to the strong performance of consumer products, particularly high-performance cameras and PC-related equipment, as well as the launch of new businesses for automotive applications and signs of recovery in the industrial equipment applications. In the EMS business, sales fell due mainly to the loss of the effects of our products being installed in new smartphone models in the previous fiscal year. Segment profit increased due to higher sales and an improved sales mix in the devices business.

As a result, the Devices BU recorded net sales of 555,863 million yen, up 12.2% year on year, and segment profit of 14,669 million yen, up 30.8% year on year.

- System Business Unit (hereinafter, “System BU”)

The system solution business remained strong on the back of increased demand from a recovery in live events, the acquisition of large studio relocation projects, and successful bidding in new projects in the public sector. However, sales declined mainly due to weak sales of payment terminals and other system equipment. In the eco-solution business, higher sales in the start of operations at new solar power plants contributed positively to revenue, but declining revenue in the electricity retail business within the new power sector and intensifying competition in the supply-demand adjustment market led to a net decline in revenue. Segment profit declined primarily due to lower revenue in the eco-solution business.

As a result, the System BU recorded net sales of 48,860 million yen, down 7.2% year on year, and segment profit of 3,164 million yen, down 24.6% year on year.

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

By leveraging the technological capabilities of the PCI Group and utilizing the Group’s customer base, while promoting proposal activities aimed at winning business opportunities, we are also winning new business opportunities for manufacturers such as precision equipment manufacturers and industrial equipment manufacturers. We also worked to strengthen the Group’s engineering function in cooperation with the Devices BU, resulting in net sales of 26,181 million yen and segment profit of 1,245 million yen.

The Company will continue its efforts to generate synergies with the Devices BU and the System BU.

2) Capital Investments

Total capital investment conducted across the Group during the fiscal year under review amounted to 6,538 million yen, with the majority constituting business assets in the energy business.

3) Procurement of Funds

A total of borrowings and bonds of the Group as of the end of the fiscal year under review amounted to 119,435 million yen.

In addition, we have continuously implemented Group financing to improve capital efficiency within the Group. We have terminated our commitment line agreement for syndicated loans upon its expiration at the end of the fiscal year under review to optimize financial costs.

(2) Trends in Assets and Income

1) Trends in Group Assets and Income

Net sales (Million yen)

14th fiscal year (ended in March 2023)	487,129
15th fiscal year (ended in March 2024)	512,484
16th fiscal year (ended in March 2025)	561,001
17th fiscal year (ended in March 2026)	630,905

Profit attributable to owners of parent (Million yen)

14th fiscal year (ended in March 2023)	7,085
15th fiscal year (ended in March 2024)	7,004
16th fiscal year (ended in March 2025)	7,473
17th fiscal year (ended in March 2026)	7,691

Total assets/Net assets (Million yen)

	Total assets	Net assets
14th fiscal year (ended in March 2023)	269,427	85,095
15th fiscal year (ended in March 2024)	291,704	91,024
16th fiscal year (ended in March 2025)	310,022	100,061
17th fiscal year (ended in March 2026)	349,551	109,504

Earnings per share (Yen)

14th fiscal year (ended in March 2023)	235.64
15th fiscal year (ended in March 2024)	232.95
16th fiscal year (ended in March 2025)	256.59
17th fiscal year (ended in March 2026)	273.56

Net assets per share (Yen)

14th fiscal year (ended in March 2023)	2,686.31
15th fiscal year (ended in March 2024)	2,800.38
16th fiscal year (ended in March 2025)	3,051.16
17th fiscal year (ended in March 2026)	3,309.73

(Million yen, unless otherwise specified)

Category	14th fiscal year (ended March 31, 2023)	15th fiscal year (ended March 31, 2024)	16th fiscal year (ended March 31, 2025)	17th fiscal year (ended March 31, 2026) (Fiscal year under review)
Net sales	487,129	512,484	561,001	630,905
Profit attributable to owners of parent	7,085	7,004	7,473	7,691
Earnings per share (yen)	235.64	232.95	256.59	273.56
Total assets	269,427	291,704	310,022	349,551
Net assets	85,095	91,024	100,061	109,504
Net assets per share (yen)	2,686.31	2,800.38	3,051.16	3,309.73

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

2) Trends in Company Assets and Income

Net sales or operating revenue (Million yen)

14th fiscal year (ended in March 2023)	6,579
15th fiscal year (ended in March 2024)	10,870
16th fiscal year (ended in March 2025)	219,945
17th fiscal year (ended in March 2026)	258,277

Profit (Million yen)

14th fiscal year (ended in March 2023)	(917)
15th fiscal year (ended in March 2024)	827
16th fiscal year (ended in March 2025)	18,934
17th fiscal year (ended in March 2026)	6,170

Total assets/Net assets (Million yen)

	Total assets	Net assets
14th fiscal year (ended in March 2023)	127,582	40,867
15th fiscal year (ended in March 2024)	152,188	37,413
16th fiscal year (ended in March 2025)	212,202	60,159
17th fiscal year (ended in March 2026)	251,507	63,385

Earnings per share (Yen)

14th fiscal year (ended in March 2023)	(30.51)
15th fiscal year (ended in March 2024)	27.51
16th fiscal year (ended in March 2025)	650.10
17th fiscal year (ended in March 2026)	219.46

Net assets per share (Yen)

14th fiscal year (ended in March 2023)	1,359.15
15th fiscal year (ended in March 2024)	1,244.28
16th fiscal year (ended in March 2025)	2,139.55
17th fiscal year (ended in March 2026)	2,254.29

(Million yen, unless otherwise specified)

Category	14th fiscal year (ended March 31, 2023)	15th fiscal year (ended March 31, 2024)	16th fiscal year (ended March 31, 2025)	17th fiscal year (ended March 31, 2026) (Fiscal year under review)
Net sales or operating revenue	6,579	10,870	219,945	258,277
Profit	(917)	827	18,934	6,170
Earnings per share (yen)	(30.51)	27.51	650.10	219.46
Total assets	127,582	152,188	212,202	251,507
Net assets	40,867	37,413	60,159	63,385
Net assets per share (yen)	1,359.15	1,244.28	2,139.55	2,254.29

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

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

1) Parent Company

Not applicable.

2) Significant Subsidiary Companies

Company name	Capital	Company's voting rights ratio	Primary business
PALTEK Corporation	310 million yen	100.0%	Sales of semiconductors for electronic devices, communications devices, and industrial devices, design software and electronic devices
Restar Supply Chain Solution Corporation	308 million yen	80.0%	Procurement trading services
CU TECH CORPORATION	8,828 million Korean won	69.4%	Contract manufacturing service for electronic devices (EMS)
Vitec Vegetable Factory Co., Ltd.	2,520 million yen	76.8%	Fully closed plant factory
PCI Holdings, Inc.	2,091 million yen	51.0%	Engineering business, product/device business, ICT solution business

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

Not applicable.

(4) Issues to Be Addressed

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

Future priority initiatives are as follows.

Reportable Segment	Business	Initiatives
Devices Business Unit	Devices	<ul style="list-style-type: none"> • Further accelerate Group synergies and a cross-selling strategy • Cultivate customers in the industrial equipment and automotive markets and expand new business • Promote initiatives for global expansion • Develop Group synergies based on supply chain management services • Expand business areas by providing added value
	EMS	<ul style="list-style-type: none"> • Rationalize production lines • Selection through concentration and expand new businesses such as automotive
System Business Unit	System Solution	<ul style="list-style-type: none"> • Create Group synergies centered on data centers and build regional digital infrastructure • Transition the revenue structure from a transaction-based business model to a recurring-revenue business model • Improve productivity and quality through AI adoption and organizational reform • Expand the deployment of authentication terminals to medical institutions and develop new markets, amid the widespread adoption of Individual Number Cards • Develop the retail market through in-house development of identity verification terminals
	Eco-solution	<ul style="list-style-type: none"> • Integrated development of EPC (Engineering, Procurement, and Construction) and O&M (Operation and Maintenance) services for utility-scale battery storage systems • Generate revenue from the electricity market through aggregation services • Improve production efficiency and profitability in plant factories
IT & Sier Business Unit	IT & Sier	<ul style="list-style-type: none"> • Software development, design/manufacture of industrial PCs/development/maintenance of in-house solutions • Information services such as design and testing of semiconductors

(5) Principal Business (As of March 31, 2026)

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

Reportable Segment	Business	Business Description
Devices Business Unit	Devices	<ul style="list-style-type: none">• Sales of semiconductors, electronic components, and related products in Japan and overseas; system proposals with a variety of line card combinations; provision of high-value-added solutions and technical support specializing in liquid crystal systems and overseas suppliers; design and manufacturing; LSI design development and support; and reliability test service• Operation and proposal of optimal supply chain management through global procurement/trading for electronics and entrustment service for related operations
	EMS	<ul style="list-style-type: none">• Electronics manufacturing service for electronic components, modules, etc., with cutting-edge technology, procurement, production management and quality assurance at our factories
System Business Unit	System Solution	<ul style="list-style-type: none">• Proposal, design, construction, and maintenance of solutions for video, audio, and communications in various fields such as broadcasting, business, education, medical care/life sciences, and public facilities• Development and manufacture of cashless payment terminals that combine its basic digital and communications technologies with near-field communication (NFC) technologies and sales of overseas-made payment terminals; application development; development, manufacture, and sales of Individual Number authentication-related devices
	Eco-solution	<ul style="list-style-type: none">• Community coexistence-based operation and management services for the introduction and popularization of renewable energy from its own solar power stations (in Japan and overseas) and wind power stations, etc.• Electric power supply to public facilities and private-sector companies primarily using renewable energy, and electric power consulting including local production and consumption of the power for community revitalization• Production and sales, as well as system consulting, of vegetables made in completely closed vegetable factories to commercial and retail markets including convenience stores, supermarkets, and food service chains
IT & Sier Business Unit	IT & Sier	<ul style="list-style-type: none">• Software development, industrial PC design and manufacturing, inhouse solution development and maintenance• Semiconductor design and testing, and other information service businesses

(6) Principal Business Locations (As of March 31, 2026)

1) The Company

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

2) Subsidiaries

PALTEK Corporation	Headquarters (Minato-ku, Tokyo), Nagoya Sales Office (Nagoya City, Aichi), West Japan Branch (Osaka City, Osaka), Fukuoka Sales Office (Fukuoka City, Fukuoka)
Restar Supply Chain Solution Corporation	Head Office (Minato-ku, Tokyo), Osaka Sales Office (Suita City, Osaka)
CU TECH CORPORATION	Head Office (Pyeongtaek City, Gyeonggi-Do, South Korea)
Vitec Vegetable Factory Co., Ltd.	Head Office (Minato-ku, Tokyo)
PCI Holdings, Inc.	Head Office (Minato-ku, Tokyo)

(7) Employees (As of March 31, 2026)**1) Corporate Group Employees**

Business division	Employees (persons)		YoY Change (persons)	
Devices BU	2,191	[20]	(143)	[(57)]
System BU	495	[150]	(23)	[25]
IT & Sier BU	1,683	[38]	70	[(8)]
Companywide	268	[-]	78	[-]
Total	4,637	[208]	(18)	[(40)]

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 business division and who are registered under the Restar Group management division.

3. The counting method has been changed as of the fiscal year under review, such that the contract and entrusted employees who had previously been included with the temporary workers have now been grouped under employees.

2) Company Employees

Employees (persons)	YoY change (persons)	Average age (years)	Average years of service (years)
1,234 [-]	90 [-]	44.9	13.1

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

2. The counting method has been changed as of the fiscal year under review, such that the contract and entrusted employees who had previously been included with the temporary workers have now been grouped under employees.

(8) Major Lenders (As of March 31, 2026)

Lender	Amount borrowed (Million yen)
MUFG Bank, Ltd.	20,306
Mizuho Bank, Ltd.	18,621
Sumitomo Mitsui Banking Corporation	17,304

(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, 2026)

1) Total Number of Shares Authorized to be Issued **57,000,000 shares**

2) Total Number of Shares Issued **30,072,643 shares**

(Note) This includes 1,954,914 treasury shares.

3) Number of Shareholders **10,496 persons**

4) Major Shareholders (Top ten)

Shareholder name	Number of shares held (Thousand shares)	Percentage of shares held (%)
KMF Corporation	6,588	23.4
Retirement Benefit Trust (SONY Group) of Mizuho Trust & Banking Co., Ltd., Trustee: Custody Bank of Japan, Ltd.	2,951	10.4
The Master Trust Bank of Japan, Ltd. (Trust account)	2,161	7.6
SBI Holdings, Inc.	1,000	3.5
MUFG Bank, Ltd.	818	2.9
Restar Employee Shareowners Association	724	2.5
Mizuho Bank, Ltd.	692	2.4
Shinko Shoji Co., Ltd.	550	1.9
STATE STREET BANK AND TRUST COMPANY 505223	511	1.8
Custody Bank of Japan, Ltd. (Trust Account)	450	1.6

Notes: 1. The Company holds 1,954,914 treasury shares, but is excluded from the list of major shareholders above.

2. The percentage of shares held is calculated after deducting 1,954,914 treasury shares..

5) Other Important Stock-related Matters

Not applicable.

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

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

(3) Company Officers

1) Directors (As of March 31, 2026)

Position in the Company	Name	Responsibilities, significant concurrent positions
Representative Director Chairman, CEO	Kunihiro Konno	Incorporated Educational Institution Senshu University
Representative Director President, COO	Shinichi Hayashi	
Director and Senior Corporate Executive Officer	Hiroaki Konno	System Business Unit Management
Director and Corporate Executive Officer	Masahiro Shibata	Devices Business Unit Management
Director and Executive Officer	Susumu Nishima	Corporate Head Office Management
Director and Executive Officer	Kiyoshi Togawa	
Director	Jin-hyuk Yun	
Director (Full-time Audit and Supervisory Committee Member)	Toshiyuki Suzuki	
Director (Full-time Audit and Supervisory Committee Member)	Takenori Konno	
Director (Audit and Supervisory Committee Member)	Seno Tezuka	Certified Public Accountant
Director (Audit and Supervisory Committee Member)	Reiko Date	Statutory Auditor, Incorporated Educational Institution Tachibana Gakuen
Director (Audit and Supervisory Committee Member)	Sachiko Kasano	Attorney at law, SHIOMIZAKA Outside Director, Socionext Inc. Outside Statutory Auditor, PRAP Japan, Inc.

- Notes:
1. Director Mr. Jin-hyuk Yun and Directors (Audit and Supervisory Committee Members) Mr. Seno Tezuka, Ms. Reiko Date and Ms. Sachiko Kasano are Outside Directors.
 2. Director (Audit and Supervisory Committee Member) Mr. Seno Tezuka is a qualified certified public accountant with considerable knowledge of finance and accounting.
 3. The Company has notified the Tokyo Stock Exchange that Director Mr. Jin-hyuk Yun and Directors (Audit and Supervisory Committee Members) Mr. Seno Tezuka, Ms. Reiko Date and Ms. Sachiko Kasano have been designated as Independent Directors according to the stock exchange rules.
 4. Mr. Toshiyuki Suzuki and Mr. Takenori Konno have been selected as full-time Audit and Supervisory Committee Members in order to improve the effectiveness of audits and strengthen audit and supervisory functions by enhancing information gathering and ensuring sufficient cooperation with the Company's internal audit division.
 5. Director (Audit and Supervisory Committee Member) Ms. Sachiko Kasano's name on the family register is Sachiko Yanai.
 6. Effective April 1, 2026, Director responsibilities have been changed as follows.
 - Mr. Susumu Nishima's position has been changed from Director and Executive Officer, Corporate Head Office Management to Director and Executive Officer, Corporate Head Office Officer.
 - Mr. Kiyoshi Togawa's position has been changed from Director and Executive Officer to Director and Corporate Executive Officer, Corporate Head Office Management.

2) Summary of Agreement on Limitation of Liability

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

3) Summary of the Directors and Officers Liability Insurance Policy

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

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

4) Remuneration, etc. of Directors

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

Regarding the Company's policy for determining the amount of remuneration for Directors and how that remuneration is calculated, remuneration is determined following deliberation in the Group Nomination and Remuneration Committee based on the roles and responsibilities of each officer, their achievements to date, and the scale of the markets they manage. The remuneration of Directors who are responsible for business execution consists of a fixed and a variable remuneration component. Fixed remuneration is paid monthly in a fixed amount, which is determined separately according to a job position. Variable remuneration is paid once every fiscal year, based on the business results that a person achieved in a single fiscal year (performance-linked remuneration). The performance-linked remuneration for a single fiscal year is designed to fluctuate at a payment rate defined by the degree of achievement of business targets of the entire Group, the degree of achievement of business fields controlled by officers in charge, and the degree of achievement of specific individual targets. The amount to be paid is deliberated and decided at the Group Nomination and Remuneration Committee. On the other hand, Directors who are Audit and Supervisory Committee Members independent of business execution duties as well as Outside Directors only receive fixed remuneration given the fact offering a variable remuneration component would not be appropriate. With regard to the restricted stock unit plan for executive Directors, eligible Directors are granted points every year in accordance with a rule stipulated by the Company. Each such point is equivalent to one share of the Company's common stock, and the total number of points shall not exceed 35,000 points per year. When eligible Directors lose their position as the Company's Director or other positions specified by the Company's Board of Directors, they receive the delivery of the Company's shares, according to the total number of points they have at the time immediately after the loss of the positions.

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

Regarding remuneration amounts for Directors, the Company determined that the total amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) should be capped at 500 million yen per annum at an Extraordinary General Meeting of Shareholders held on November 27, 2018 and determined that the total amount of remuneration for Directors who are Audit and Supervisory Committee Members should be capped at 100 million yen at the Ordinary General Meeting of Shareholders held on June 26, 2018. The Company has eight Directors (excluding Directors who are Audit and Supervisory Committee Members) and five Directors who are Audit and Supervisory Committee Members, all of whom are eligible for remuneration payments, etc. based on these payment quotas. Regarding stock-based remuneration, the introduction of a restricted stock unit plan was approved at the 6th Ordinary General Meeting of Shareholders held on June 27, 2025. As of the closing of said Ordinary General Meeting of Shareholders, six Directors were eligible.

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

Regarding the determination of remuneration amounts for individual officers, in order to ensure the transparency and objectivity of remuneration decisions, the remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee Members), is deliberated and determined by the Group Nomination and Remuneration Committee under delegation of the Board of Directors. The Group Nomination and Remuneration Committee is chaired by Ms. Reiko Date, Director (Outside) who is an Audit and

Supervisory Committee Member, and its members are Ms. Sachiko Kasano, Director who is an Audit and Supervisory Committee Member, and Mr. Kunihiko Konno, Representative Director Chairman, CEO. The Board of Directors judges that the content of Director remuneration is being determined in line with its decision policy because the decisions on the remuneration are entrusted to the Board of Directors after deliberations by the Group Nomination and Remuneration Committee, over two-thirds of which consists of Outside Directors who are Audit and Supervisory Committee Members independent of business execution duties. The amount of remuneration for Directors who are Audit and Supervisory Committee Members is determined by the Audit and Supervisory Committee. In order to enhance awareness of the need to improve the Company's performance each fiscal year, the performance-linked remuneration uses the Company's overall profit, operating profit margin, and free cash flow as performance metrics linked to the targets set out in the Medium-Term Management Plan. Each of the item is weighted, with payments made when the target values for each item are met. The aforementioned performance metrics were selected following a comprehensive evaluation from multiple perspectives on how to achieve the management targets outlined in the Medium-Term Management Plan. The performance-linked remuneration amounts are calculated by multiplying fixed remuneration amounts by a certain percentage. The performance-linked remuneration for the fiscal year under review is calculated based on the financial results for the fiscal year ended March 31, 2026, with key performance metrics including a profit of 7,691 million yen, an operating profit margin of 2.7%, and free cash flow of negative 8,838 million yen.

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

Type of officer	Total remuneration (Million yen)	Total amount by type of remuneration (Million yen)			Number of eligible officers (persons)
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors excluding Audit and Supervisory Committee Members [of which, amount for Outside Directors]	349 [8]	258 [8]	66 [0]	25 [0]	8 [1]
Directors who are Audit and Supervisory Committee Members [of which, amount for Outside Directors]	44 [13]	44 [13]	-	-	5 [3]
Total [of which, amount for Outside Directors]	393 [21]	302 [21]	66 [0]	25 [0]	13 [4]

5) Matters Pertaining to Outside Officers

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

- Outside Director Mr. Jin-hyuk Yun has no significant concurrent positions.
- Outside Director (Audit and Supervisory Committee Member) Mr. Seno Tezuka is a certified public accountant. He has no significant concurrent positions.
- Outside Director (Audit and Supervisory Committee Member) Ms. Reiko Date is a Statutory Auditor for Incorporated Educational Institution Tachibana Gakuen. She has no significant concurrent positions.
- Outside Director (Audit and Supervisory Committee Member) Ms. Sachiko Kasano is an attorney at law of SHIOMIZAKA, Outside Director of Socionext Inc., and Outside Statutory Auditor of PRAP Japan, Inc. The Company has no special relationship with any of these companies.

ii. Principal Activities in the Fiscal Year Under Review

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

	Board of Directors Meetings (held 16 times)		Audit and Supervisory Committee Meetings (held 16 times)	
	Number of attendances	Attendance rate	Number of attendances	Attendance rate
Outside Director Jin-hyuk Yun	16/16	100%	–	–
Outside Director (Audit and Supervisory Committee Member) Seno Tezuka	16/16	100%	16/16	100%
Outside Director (Audit and Supervisory Committee Member) Reiko Date	16/16	100%	16/16	100%
Outside Director (Audit and Supervisory Committee Member) Sachiko Kasano	16/16	100%	16/16	100%

Note: 1. In addition to the number of Board of Directors Meetings mentioned above, there were four instances of written resolutions, which, in accordance with Article 370 of the Companies Act and Article 26 of the Company's Articles of Incorporation, are considered Board resolutions.

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

- Outside Director Mr. Jin-hyuk Yun has contributed appropriate and necessary comments at Board of Directors meetings based on his wide-ranging knowledge and experience cultivated over many years as a business manager in business strategy planning and device business at a global company. He has served as an accurate advisor to the management of the Company.
- Outside Director (Audit and Supervisory Committee Member) Mr. Seno Tezuka has contributed appropriate and necessary comments at Board of Directors and Audit and Supervisory Committee meetings based on his extensive, highly professional knowledge and experience as a certified public accountant. He has served as an accurate advisor to the management of the Company.
- Outside Director (Audit and Supervisory Committee Member) Ms. Reiko Date has contributed appropriate and necessary comments at Board of Directors and Audit and Supervisory Committee meetings and as a chair of the Group Nomination and Remuneration Committee based on her knowledge and experience in both practical activities and management in marketing consulting and manufacturing industries. She has served as an accurate advisor to the management of the Company.
- Outside Director (Audit and Supervisory Committee Member) Ms. Sachiko Kasano has contributed appropriate and necessary comments at Board of Directors, Audit and Supervisory Committee and the Group Nomination and Remuneration Committee meetings based on her extensive, highly professional knowledge and experience as an attorney at law. She has served as an accurate advisor to the management of the Company.

(4) Accounting Auditor

1) Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

2) Accounting Auditor's Remuneration, etc.

Category	Remuneration based on audit services (Million yen)	Remuneration based on non-audit services (Million yen)
The Company	213	—
Consolidated subsidiaries	21	—
Total	234	—

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 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, 2026)

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

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

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

[Overview of operational status]

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

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

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

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

[Overview of operational status]

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

3) Regulations and Other Systems for Managing Loss Risk

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

[Overview of operational status]

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

4) System to Ensure Directors Perform Their Duties Efficiently

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

[Overview of operational status]

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

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

In order to ensure the appropriateness of operations at the Company and its subsidiaries, in addition to submitting decisions for approval and reporting to the Company in accordance with the Regulations for the Management of Group 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 division 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 Administrative Authority Regulations, 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 division, 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 division, 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 division to perform the investigation, while directors and other employees shall not have such authority.
3. We shall determine how the internal audit division will cooperate with the Audit and Supervisory Committee in the Internal Audit Office Regulations.
 - The internal audit division 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 division and the Audit and Supervisory Committee is stipulated in the Internal Audit Office Regulations. The internal audit division 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 division communicates and coordinates with the Audit and Supervisory Committee and reports audits are stipulated in the Internal Audit Office Regulations. The internal audit division 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 been submitted suggesting that the whistleblower has not been protected.

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

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

[Overview of operational status]

- The Audit and Supervisory Committee Regulations stipulate that any expenses incurred by Audit and Supervisory Committee Members in the execution of their duties shall be borne by the Company.

10) Other Systems for Ensuring the Effective Conducting of Audits by the Audit and Supervisory Committee

In order to ensure that the audits conducted by the Audit and Supervisory Committee are conducted effectively, the Audit and Supervisory Committee shall work closely with the Accounting Auditor and meet with Directors and Executive Officers of the Company and directors and other officers at subsidiary companies, when necessary, in order to confirm management policies and exchange opinions on risks and issues surrounding the Company.

[Overview of operational status]

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

11) System for Ensuring the Reliability of Financial Reporting and Other Appropriate Internal Controls

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

[Overview of operational status]

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

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

Not applicable.

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

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

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

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

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

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

Based on these policies, we have comprehensively taken the aforementioned policies into consideration and will pay a year-end dividend of 68 yen per share for the fiscal year under review, which, together with the interim dividend of 60 yen per share, will result in an annual dividend of 128 yen per share. As a result, DOE for the fiscal year under review will be 4.0%.

(Reference) Trends in dividend per share

(Yen)

	The 15th fiscal year (From April 1, 2023 to March 31, 2024)		The 16th fiscal year (From April 1, 2024 to March 31, 2025)		The 17th fiscal year (From April 1, 2025 to March 31, 2026)	
	2Q	Year-end	2Q	Year-end	2Q	Year-end
Dividend per share	55	60	60	60	60	68
Total	115		120		128	

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2026)

(Million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	280,536	Current liabilities	181,046
Cash and deposits	44,930	Notes and accounts payable – trade	90,329
Notes receivable – trade	88	Short-term borrowings	68,515
Accounts receivable – trade	144,255	Current portion of long-term borrowings	5,994
Electronically recorded monetary claims – operating	7,140	Lease liabilities	1,576
Contract assets	495	Income taxes payable	1,796
Merchandise and finished goods	64,071	Contract liabilities	2,721
Work in process	1,130	Provision for bonuses	2,011
Raw materials and supplies	2,514	Provision for bonuses for directors (and other officers)	73
Other	16,159	Other	8,026
Allowance for doubtful accounts	(250)	Non-current liabilities	59,001
Non-current assets	68,984	Bonds payable	10,000
Property, plant and equipment	30,517	Long-term borrowings	34,885
Buildings and structures	4,451	Lease liabilities	5,827
Machinery, equipment and vehicles	14,815	Deferred tax liabilities	2,869
Tools, furniture and fixtures	829	Provision for director’s stock-based compensation	25
Leased assets	7,399	Retirement benefit liability	1,591
Land	1,191	Other	3,800
Construction in progress	1,829	Total liabilities	240,047
Intangible assets	14,569	(Net assets)	
Goodwill	5,772	Shareholders’ equity	83,697
Other	8,796	Share capital	4,383
Investments and other assets	23,898	Capital surplus	30,474
Investment securities	4,579	Retained earnings	54,238
Deferred tax assets	6,282	Treasury shares	(5,398)
Bad debts	4,874	Accumulated other comprehensive income	9,364
Long-term prepaid expenses	7,739	Valuation difference on available-for-sale securities	327
Other	5,460	Deferred gains or losses on hedges	5
Allowance for doubtful accounts	(5,038)	Foreign currency translation adjustment	8,872
Deferred assets	30	Remeasurements of defined benefit plans	159
Bond issuance costs	30	Share acquisition rights	131
		Non-controlling interests	16,310
		Total net assets	109,504
Total assets	349,551	Total liabilities and net assets	349,551

Consolidated Statement of Income (April 1, 2025–March 31, 2026)

(Million yen)

Description	Amount
Net sales	630,905
Cost of sales	577,291
Gross profit	53,613
Selling, general and administrative expenses	36,873
Operating profit	16,739
Non-operating income	1,212
Interest income	287
Dividend income	40
Insurance claim income	95
Share of profit of entities accounted for using equity method	38
Gain on investments in silent partnerships	64
Gain on derivatives	236
Other	450
Non-operating expenses	4,189
Interest expenses	2,919
Loss on sale of receivables	265
Foreign exchange losses	510
Commission for syndicated loans	88
Other	405
Ordinary profit	13,762
Extraordinary income	203
Gain on sale of investment securities	140
Gain on termination of retirement benefit plan	63
Extraordinary losses	988
Loss on valuation of investment securities	103
Impairment losses	574
Extra retirement payments	310
Profit before income taxes	12,977
Income taxes – current	2,613
Income taxes – deferred	1,457
Profit	8,906
Profit attributable to non-controlling interests	1,214
Profit attributable to owners of parent	7,691

Consolidated Statements of Changes in Shareholders' Equity

(April 1, 2025–March 31, 2026)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance (April 1, 2025)	4,383	30,470	49,921	(5,397)	79,377
Changes during period					
Dividends of surplus			(3,374)		(3,374)
Profit attributable to owners of parent			7,691		7,691
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares of consolidated subsidiaries		3			3
Purchase of shares of consolidated subsidiaries		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	3	4,317	(0)	4,320
Balance (March 31, 2026)	4,383	30,474	54,238	(5,398)	83,697

	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, 2025)	(124)	(4)	6,291	253	6,415	151	14,117	100,061
Changes during period								
Dividends of surplus								(3,374)
Profit attributable to owners of parent								7,691
Purchase of treasury shares								(0)
Disposal of treasury shares of consolidated subsidiaries								3
Purchase of shares of consolidated subsidiaries								(0)
Net changes in items other than shareholders' equity	451	9	2,580	(93)	2,948	(19)	2,192	5,122
Total changes during period	451	9	2,580	(93)	2,948	(19)	2,192	9,442
Balance (March 31, 2026)	327	5	8,872	159	9,364	131	16,310	109,504

Notes to Consolidated Financial Statements

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

(1) Scope of consolidation

1) Number and names of consolidated subsidiaries

- Number of consolidated subsidiaries: 56
- Names of major consolidated subsidiaries:
PALTEK Corporation
Restar Supply Chain Solution Corporation
CU TECH CORPORATION
Vitec Vegetable Factory Co., Ltd.
PCI Holdings, Inc.
- Increase and decrease in consolidated subsidiaries during the fiscal year under review are as follows:
(Increase)
Due to acquisition of shares:
FRAMOS Technologies Inc.
(Company name changed to RESTAR FRAMOS Technologies Inc. on October 1, 2025)

(Decrease)

Due to absorption-type merger:
VITEC GREEN ENERGY CO., LTD.

Due to absorption-type merger with the consolidated subsidiary as the surviving company:
Lavinics Co., Ltd.

Due to the completion of liquidation:
INFONICS (HONG KONG) LIMITED

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

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

(2) Application of the equity method

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

- Number of associates accounted for using equity method: 1
- Names of major associates:
Kokuho System Co., Ltd.

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

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

- (3) Matters relating to accounting policies
- 1) Basis and method for valuation of significant assets
 - (a) Securities

Available-for-sale securities

 - Securities other than shares and other securities without a market price

Securities other than shares and other securities without a market price are stated at fair value (valuation differences are recognized directly in net assets, and the cost of such securities sold is calculated using the moving average method).
 - Shares and other securities without a market price

Shares and other securities without a market price are stated at cost using the moving average method. Meanwhile, investments in investment partnerships, etc. are stated at the net amount equivalent to equity interests based on the most recent financial statements of the partnership.
 - (b) Derivatives

Derivatives are stated at fair value.
 - (c) Inventories
 - Merchandise and finished goods

Merchandise and finished goods are mainly stated at cost using the moving average method (in which the carrying amount is written down in case of a decline in profitability).
 - Work in process

Work in process is mainly stated at cost using the specific identification method (in which the carrying amount is written down in case of a decline in profitability).
 - Raw materials and supplies

Raw materials and supplies are mainly stated at cost using the moving average method (in which the carrying amount is written down in case of a decline in profitability).
 - 2) Depreciation/amortization methods for significant depreciable/amortizable assets
 - (a) Property, plant and equipment (excluding leased assets)

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

Intangible assets (excluding goodwill) are amortized on a straight-line basis. Software for internal use by the Company and its consolidated subsidiaries in Japan is amortized on a straight-line basis over the period available for internal use (five years). In addition, customer-related assets are amortized on a straight-line basis over the effective period of the said assets (six to 16 years).
 - (c) Leased assets

Leased assets arising from finance lease transactions that transfer ownership

 - Leased assets arising from finance lease transactions that transfer ownership are depreciated by the same depreciation method applied to non-current assets owned by the Group.

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

Bond issuance costs are amortized evenly over a bond redemption period.
 - 4) Standard for significant provisions
 - (a) Allowance for doubtful accounts

To provide for potential credit losses on trade receivables, the Company and its consolidated subsidiaries in Japan record allowance for doubtful accounts at an estimated unrecoverable amount calculated based on the historical rate of credit loss for general receivables and determined in consideration of recoverability of individual receivables for doubtful accounts and certain other receivables. Foreign consolidated subsidiaries record allowance for doubtful accounts at an estimated

unrecoverable amount mainly for specific receivables.

(b) Provision for bonuses

To provide for payment of bonuses to employees, provision for bonuses is recorded at an amount of estimated future bonus payments that is attributable to the fiscal year under review.

(c) Provision for bonuses for directors (and other officers)

To provide for payment of bonuses to directors and other officers, provision for bonuses for directors (and other officers) is recorded at an amount of estimated bonus payments for the fiscal year under review.

(d) Provision for director's stock-based compensation

To provide for the issuance of shares under the stock remuneration system for the Company's Directors who are responsible for business execution, a provision for the estimated amount of shares to be granted has been recorded based on the allocation regulations established by the Company and in accordance with points assigned to each Director.

5) Standard for revenues and expenses

(Products and merchandise)

Revenue from sale of products or merchandise is mainly derived from wholesale sales or sales from manufacturing. The Group has a performance obligation to deliver product or merchandise under contracts with customers. The performance obligation is deemed to be satisfied at a point in time at which product or merchandise is delivered to the customer and the customer obtains control of the promised product or merchandise, and revenue is recognized upon the delivery of the product or merchandise. Meanwhile, the Group recognizes revenue upon shipment if the period from the time of shipment to the time when control of the product or merchandise is transferred to the customer is normal.

For transactions in which the Group acts as an agent in the sale of products to a customer, the Group recognizes revenue at the net amount calculated by deducting the amount paid to third parties from the gross amount of consideration.

(Construction and development)

Revenue from construction or system development is derived from installation of equipment and systems based on commissioned contracts, quasi-mandate contracts or dispatch contracts; development of system software, application software and embedded software; and semiconductor design transactions, and the Group recognizes revenue as the Group satisfies the performance obligation over time. In the estimation of the progress of satisfaction of performance obligation, as a general rule, the Group applies the cost-to-cost method (a method whereby the ratio of actual cost accrued to the estimated total cost is deemed as the progress as of the fiscal year-end). In some circumstances, the Group may not be able to reasonably measure the progress of satisfaction of performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognizes revenue using the cost recovery method. The Group recognizes revenue from very-short-term contracts when the performance obligation is completely satisfied.

In transactions based on quasi-mandate contracts or dispatch contracts, the performance obligation is to provide a certain work to customers, and performance obligation is deemed to be satisfied over time because customers can receive benefits as the Group provides that work. In the estimation of the progress of satisfaction of performance obligation, the Group applies a method whereby the progress is measured based on indices such as man-hours or hours worked on a service provided, depending on the contents of a contract.

(Services)

Revenue from services is mainly derived from the maintenance of products or merchandise, and various IT business support services. The Group has a performance obligation to provide the service under contracts with customers. The contracts are transactions where the performance obligation is satisfied over time, and revenue is recognized based on progress toward complete satisfaction of the performance obligation.

6) Accounting procedures for retirement benefits

(a) Attribution method for projected retirement benefits

In calculating retirement benefit obligations, the benefit formula basis is used to attribute the

- projected amount of retirement benefits to periods up to the end of the fiscal year under review.
- (b) Accounting procedures for actuarial gains and losses and prior service cost
 Prior service cost is amortized using the straight-line method over a certain number of years (mainly 10 years) within the average remaining service years of employees at the time of recognition. Actuarial gains and losses are amortized on a pro-rata basis using the straight-line method over a certain number of years (mainly 10 years) within the average remaining service years of employees from the fiscal year following the respective fiscal year of recognition.
- (c) Accounting procedures for unrecognized actuarial gains and losses and unrecognized prior service cost
 Unrecognized actuarial gains and losses and unrecognized prior service cost are recorded, after adjustment for tax effects, in remeasurements of defined benefit plans under accumulated other comprehensive income in net assets.
- (d) Application of the simplified method
 Some consolidated subsidiaries that fall under the categories of smaller companies and others use the simplified method to calculate retirement benefit liability and retirement benefit expenses using the amount of retirement benefits required to be paid for voluntary retirement at the end of the fiscal year under review.
- 7) Other significant matters for preparation of consolidated financial statements
- (a) Matters concerning the fiscal years, etc. of consolidated subsidiaries
 Consolidated subsidiaries whose fiscal year ends on December 31:
 Restar-SBI Innovation Investment Limited Partnership
 Restar WPG Corporation
 RESTAR ELECTRONICS (SHANGHAI) CO., LTD.
 RESTAR ELECTRONICS (SHENZHEN) CO., LTD.
 RUIZEDA DENSAN TRADING (SHANGHAI) CO., LTD.
 CU TECH CORPORATION
 Dongguan CU Tech Electronics Corporation
 CU TECH VIETNAM CO., LTD.
 VITEC WPG Limited
- In preparing the consolidated financial statements, financial statements based on the provisional settlement of accounts as of the consolidated balance sheet date are used for eight consolidated subsidiaries out of those listed above. Meanwhile, for Restar-SBI Innovation Investment Limited Partnership, financial statements as of the balance sheet date of the company are used for consolidated accounting as the difference between the company's balance sheet date and the consolidated balance sheet date does not exceed three months.
- In addition, necessary adjustments are made to reflect significant transactions occurred during the period from these balance sheet dates to the consolidated balance sheet date.
- (b) Accounting policy for translating significant foreign currency-denominated assets and liabilities into Japanese yen
 Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the consolidated balance sheet date, and translation adjustments are recognized in profit or loss. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rates at the foreign subsidiaries' balance sheet dates, and their revenues and expenses are translated into Japanese yen at the average exchange rates during the periods. Translation adjustments of foreign subsidiaries are included in foreign currency translation adjustment in net assets.
- (c) Significant hedge accounting methods
- Hedge accounting method
 Hedging activities are principally accounted for under the deferral hedge accounting. The designation hedge accounting is applied to forward exchange contracts that fulfill the requirements for the designation method.
 - Hedging instruments and hedged items
 Hedging instruments: forward exchange contracts
 Hedged items: receivables and payables denominated in foreign currencies
 - Hedge policy

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

- Method for assessing the effectiveness of hedges
Hedge effectiveness is not assessed for forward exchange contracts.
- (d) Amortization method and period of goodwill
Goodwill is amortized by the straight-line method over a reasonable period not exceeding 20 years.
- (e) Application of the group tax sharing system
The Group has applied the group tax sharing system.
- (f) Unit of presentation
Amounts presented herein are rounded down to the nearest million yen.

II. Notes on Accounting Estimates

(Valuation of goodwill and customer-related assets in IT & Sier business)

- (1) Amount recorded on the consolidated financial statements for the fiscal year under review
The amounts of goodwill and “other” (customer-related assets) recorded under intangible assets in the consolidated balance sheet as of the end of the fiscal year under review for PCI Holdings, Inc. and its subsidiaries (hereinafter, “PCI Group”) are as follows.

(Million yen)	
	As of March 31, 2026
Goodwill	743
“Other” under intangible assets	3,494

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

1) Calculation method

Goodwill related to the PCI Group represents the expected future excess earnings power through business development of the PCI Group, and is recorded in an amount equal to the difference between acquisition cost and the fair value of the acquired company’s identifiable assets and liabilities as of the date of the business combination. Customer-related assets are calculated as a present value of excess earnings expected to be generated from ongoing business relationships with existing customers. Goodwill and customer-related assets are steadily amortized using the straight-line method over the effective period of their expected future excess earnings power.

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

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

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

2) Key assumptions

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

At the time of the acquisition of the PCI Group, the key assumptions in the business plans used to determine the acquisition cost and to measure customer-related assets included estimated market growth and estimated sales to major customers.

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

Factors such as market growth and estimated sales to major customers, which are key assumptions of

the business plans used in calculating the acquisition cost of PCI Group and the estimated intangible assets, are subject to change due to technological innovation, changing customer needs, etc., and may show indications of impairment if the conditions or assumptions upon which cash flows were estimated change. If an indication of impairment is identified and the undiscounted future cash flows fall below the carrying amount in determining whether to recognize an impairment loss, we may need to recognize an impairment loss on goodwill and customer-related assets.

(Recoverability of deferred tax assets)

- (1) Amount recorded on the consolidated financial statements for the fiscal year under review: 6,282 million yen
- (2) Information concerning the details of significant accounting estimates for the identified item

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

III. Notes to Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: 24,371 million yen

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

The advanced depreciation of non-current assets due to acceptance of national subsidies totaled 172 million yen, which is deducted from the cost to calculate the consolidated balance sheet amount of the assets. This amount consisted of machinery, equipment and vehicles of 172 million yen.

(3) Assets pledged as collateral and secured liabilities

(Assets pledged as capital)

	(Million yen)
Buildings and structures	0
Machinery, equipment and vehicles	272
Tools, furniture and fixtures	0
<u>Total</u>	<u>272</u>

(Collateral liabilities)

	(Million yen)
Current portion of long-term borrowings	37
Long-term borrowings	204
<u>Total</u>	<u>241</u>

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

	(Million yen)
Notes receivable – trade	88
Accounts receivable – trade	144,107
Electronically recorded monetary claims – operating	7,140
Contract assets	495
<u>Total</u>	<u>151,832</u>

IV. Notes to Consolidated Statement of Income

(Revenue from contracts with customers)

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

(Impairment losses)

In the fiscal year under review, the Group recorded impairment losses of 574 million yen for the asset groups shown below. As a general rule, goodwill is grouped by business unit, which is in line with the managerial accounting classifications on which profit and loss are continuously monitored, and business assets are grouped by the smallest unit that generates cash flows, with assets for each company as the basic unit.

Location	Use	Business segment	Class	Impairment losses (Million yen)
Incheon Metropolitan City, Republic of Korea	Business assets, other	Devices BU (EMS business)	Machinery, equipment and vehicles	16
			Tools, furniture and fixtures	8
			Other intangible assets	96
			Goodwill	5
			Subtotal	126
Ninh Binh, Vietnam	Business assets	Devices BU (EMS business)	Machinery, equipment and vehicles	24
			Tools, furniture and fixtures	0
			Other intangible assets	0
			Subtotal	25
Minato-ku, Tokyo	Other	System BU (system solution business)	Goodwill	406
Nakanoto Town, Kashima-gun, Ishikawa	Business assets	System BU (eco-solution business)	Machinery, equipment and vehicles	8
			Construction in progress	8
			Subtotal	16
Total				574

Within the EMS business, which is part of the Devices BU, the carrying amounts of the goodwill and operating assets of the business arising from the acquisition of our Korean subsidiary were written down to their recoverable amounts, as cash flows from operating activities have remained negative, and following an impairment test conducted in accordance with International Financial Reporting Standards, it was determined that the revenues anticipated at the time of the business acquisition could no longer be expected. Since the recoverable amount based on value in use could not be estimated, the recoverable amount was determined as fair value after deducting disposal costs.

Within the EMS business, which is part of the Devices BU, we have identified indications of an impairment with regard to the business assets of our Vietnamese subsidiary, as cash flows from operating activities have remained negative. We implemented an impairment test based on the International Financial Reporting Standards, and consequently reduced the carrying amount to the recoverable amount, because the originally anticipated revenue could no longer be expected. The recoverable amount was calculated by discounting future cash flows based on the business plan approved by management using a discount rate of 12.74%.

Goodwill in the system solution business, which is part of the System BU, arose from the acquisition of control of CARDSERVICE Inc. After comparing the business plan for overseas cashless payment terminals at the time of acquisition with actual results, indications of impairment were identified because the cash flows anticipated at the time of acquisition have not been realized. In addition, in determining whether to recognize an impairment

loss, the total undiscounted future cash flows expected to be generated based on future business plans fell below the carrying amount of the asset group, including goodwill. Therefore, the carrying amount was reduced to its recoverable amount. The undiscounted future cash flows used in determining whether to recognize an impairment loss are estimated based on business plans approved by management, reflecting a certain degree of uncertainty. In addition, key assumptions in the business plans used in accounting estimates include estimated sales to major customers. As a result, the total undiscounted future cash flows based on these business plans was zero or less, and the recoverable amount has therefore been evaluated with memorandum value.

The business assets of the plant factories included in the eco-solution business, which is part of the System BU, are grouped by individual plant factory, as a system has been established to manage income and expenses on a factory-by-factory basis. Some plant factories identified indications of impairment due to continuously negative operating results. Since the total undiscounted future cash flows expected to be generated based on future business plans fell below the carrying amount of the asset group, the carrying amount was written down to the recoverable amount. Furthermore, the net realizable value was assessed as zero, as sale or similar disposal was not effectively possible, and since the total undiscounted future cash flows based on business plans were zero or less, the recoverable amount was evaluated with memorandum value.

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

(1) Number of issued shares (shares)

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

(2) Number of treasury shares (shares)

Class of shares	Number of shares at the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares at the end of the fiscal year under review
Common stock	1,954,690	224	–	1,954,914

Note: The increase of 224 treasury shares is due to the purchase of shares less than one unit.

(3) Dividends

1) Dividends paid

Dividend resolved at the Board of Directors meeting held on May 28, 2025

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

Dividend resolved at the Board of Directors meeting held on November 13, 2025

- Class of shares: common stock
- Total dividends: 1,687 million yen
- Dividend per share: 60.0 yen
- Record date: September 30, 2025
- Effective date: December 5, 2025

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

Dividend resolved at the Board of Directors meeting held on May 29, 2026

- Class of shares: common stock
- Source of dividends: retained earnings

- Total dividends: 1,912 million yen
- Dividend per share: 68.0 yen
- Record date: March 31, 2026
- Effective date: June 12, 2026

VI. Notes on Financial Instruments

(1) Status of financial instruments

1) Policies on financial instruments

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

2) Nature and risks of financial instruments

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

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

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

Derivatives entered into by the Group include forward exchange contracts, which are used to hedge against the risk of exchange rate fluctuations associated with trade receivables and payables denominated in foreign currencies, and commodity futures trading, which are used to hedge against the risk of electricity price fluctuations. For more details on hedging accounting, including hedging instruments and hedged items, hedge policies, and methods for assessing the effectiveness of hedges, please refer to I. (3) Matters relating to accounting policies, 7) (c) Significant hedge accounting methods discussed above.

3) Risk management system for financial instruments

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

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

(2) Fair value of financial instruments

The consolidated balance sheet amount and fair value of financial instruments as of March 31, 2026 and their differences are as follows:

(Million yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Accounts receivable - trade	144,255	144,247	(8)
(2) Investment securities (*2)	3,378	3,378	—
(3) Bad debts	4,874		
Allowance for doubtful accounts (*3)	(4,874)		
	—	—	—
(4) Investments and other assets			
Other (distressed receivables)	163		
Allowance for doubtful accounts (*3)	(163)		
	—	—	—
Total assets	147,633	147,625	(8)
(1) Bonds payable (*4)	10,040	9,893	(146)
(2) Long-term borrowings (*4)	40,879	40,580	(299)
(3) Lease liabilities (*4)	7,404	6,899	(504)
Total liabilities	58,324	57,373	(951)
Derivatives (*5)	(168)	(168)	—

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

(*2) Shares and other securities without a market price are not included in “(2) Investment securities.” The consolidated balance sheet amounts for these financial instruments are as follows

Category	Consolidated balance sheet amount (Million yen)
Unlisted shares (*1)	91
Shares of subsidiaries and associates (*1)	1,063
Investments in limited liability investment partnerships, etc. (*2)	46

(*1) Unlisted shares and shares of subsidiaries and associates are not subject to fair value disclosure according to Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).

(*2) Investments in limited liability investment partnerships are not subject to fair value disclosure according to Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

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

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

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

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

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

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

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

Level 3 fair value: Fair value measured using unobservable inputs

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

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

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	3,378	–	–	3,378
Total assets	3,378	–	–	3,378
Derivatives				
Currency-related	–	(168)	–	(168)
Total liabilities	–	(168)	–	(168)

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

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Accounts receivable - trade	–	144,247	–	144,247
Total assets	–	144,247	–	144,247
Bonds payable	–	9,893	–	9,893
Long-term borrowings	–	40,580	–	40,580
Lease liabilities	–	6,899	–	6,899
Total liabilities	–	57,373	–	57,373

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

Investment securities:

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Derivatives:

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

Accounts receivable - trade

The fair value of accounts receivable - trade is calculated by using the current value of each receivable, discounted by applying an interest rate that reflects the period until collection and accounts for credit risk, and is classified as Level 2 fair value.

Bonds payable

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

Long-term borrowings:

Among long-term borrowings, the fair value of variable-rate borrowings is based on their carrying amounts, as these reflect changes in interest rates. The fair value of fixed-rate borrowings is calculated using the discounted cash flow method based on the sum of principal and interest, remaining maturities, and an interest rate reflecting credit risk, and is classified as Level 2.

Lease liabilities:

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

VII. Per Share Information

(1)	Net assets per share:	3,309.73 yen
(2)	Basic earnings per share:	273.56 yen

VIII. Notes on Revenue Recognition

(1) Disaggregation of revenue from contracts with customers

(Million yen)

	Reporting segment							Total
	Devices BU			System BU			IT & Sler BU	
	Devices	EMS	Total	System Solution	Eco-Solution	Total		
Device	419,863	–	419,863	–	–	–	–	419,863
Procurement	113,942	–	113,942	–	–	–	–	113,942
EMS	–	22,057	22,057	–	–	–	–	22,057
Electronic equipment	–	–	–	29,624	–	29,624	–	29,624
System equipment	–	–	–	1,868	–	1,868	–	1,868
Energy	–	–	–	–	6,313	6,313	–	6,313
Power producer and supplier	–	–	–	–	9,517	9,517	–	9,517
Vegetable factory	–	–	–	–	1,180	1,180	–	1,180
IT & Sler	–	–	–	–	–	–	25,869	25,869
Revenue from contracts with customers	533,805	22,057	555,863	31,493	17,011	48,504	25,869	630,237
Other revenue	–	–	–	–	356	356	311	667
Sales to external customers	533,805	22,057	555,863	31,493	17,367	48,860	26,181	630,905

(2) Matters regarding changes in reporting segments

Effective July 1, 2025, the Company's consolidated subsidiary, Restar Embedded Solutions Corporation (hereinafter "Restar Embedded Solutions"), transferred all of its business operations, including the sales, maintenance, and support of embedded products such as ICT products, electronic devices, electronic components, and others, as well as the sale of office supplies to the Company. As a result of the integration of Restar Embedded Solutions' operations into the Company, we have reviewed our management segments and reclassified them into appropriate reporting segments based on business lines.

Consequently, while the businesses transferred to the Company were previously reported under "Devices BU," starting with the fiscal year under review, they have now been categorized separately under "Devices BU" and "System BU."

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

Information that provides a basis for understanding revenue is as stated in "I. Significant Matters as the Basis for Preparation of Consolidated Financial Statements, (3) Matters relating to accounting policies, 5) Standard for revenues and expenses."

(4) Information for understanding the amount of revenue for the fiscal year under review and subsequent fiscal years

1) Balance, etc., of contract assets and contract liabilities

(Million yen)

Receivables arising from contracts with customers (beginning balance)	127,451
Receivables arising from contracts with customers (ending balance)	151,336
Contract assets (beginning balance)	586
Contract assets (ending balance)	495
Contract liabilities (beginning balance)	1,799
Contract liabilities (ending balance)	2,721

Contract assets are mostly recognized as revenue based on the degree of progress in construction or system development contracts as measured at the end of a given fiscal year. However, they relate to the right to receive payment for work that has not yet been invoiced. Contract assets shall be reclassified as receivables arising from contracts with customers at the point when the Group's rights to compensation become unconditional.

Contract liabilities primarily relate to advance payments received from customers for services, and are reduced as revenue is recognized.

The amount of revenue recognized during the current fiscal year from performance obligations that were fulfilled (or partially fulfilled) in previous reporting periods is immaterial.

2) Transaction price allocated to the remaining performance obligations

The Group has no significant transactions with an expected contract term exceeding one year. Therefore, in the interest of practicality, information regarding remaining performance obligations has been omitted. Furthermore, there are no material amounts arising from contracts with customers that are not included in the transaction price.

IX. Other Notes

(Business combinations)

(Business acquisition by a consolidated subsidiary)

The Company's consolidated subsidiary, ViMOS Technologies GmbH (which changed its name to RESTAR FRAMOS Technologies GmbH following the completion of this transaction; the same applies hereinafter), entered into an agreement with FRAMOS GmbH on July 18, 2025, regarding the transfer of the latter's agency business for semiconductor products manufactured by Sony Semiconductor Solutions Corporation, and subsequently acquired said business effective October 1, 2025, pursuant to this agreement.

(1) Outline of the business acquisition

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

Name of the counterparty company: FRAMOS GmbH

Description of business: Development, manufacturing, and sales of electronic equipment/components, software, and technical services

2) Main reason for the business combination

Under the Company's Medium-Term Management Plan ending in the fiscal year ending March 31, 2027, the Devices BU is prioritizing: (i) Further expansion of our line card, (ii) Business expansion in the industrial equipment domain through partnerships, and (iii) Sales expansion in global markets.

FRAMOS GmbH has held distribution rights for said products in Europe and North America and has supplied these products to industrial equipment manufacturers and other customers. By acquiring these distribution rights and integrating them into the Group, the Company aims to accelerate cross-selling between these products and the Group's strong product portfolio and expand our business in the industrial equipment domains, while further reinforcing our global sales footprint.

3) Effective date of the business acquisition

October 1, 2025

4) Legal form of the business acquisition

Share acquisition in exchange for cash

5) Basis for determining the acquiring company

The Company's consolidated subsidiary, ViMOS Technologies GmbH, is the acquiring company because it acquired the business in exchange for cash.

(2) Period of operating results of the acquired company included in the consolidated financial statements
From October 1, 2025 to March 31, 2026

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

Consideration for the acquisition	Cash:	Euro 3,601 thousand (626 million yen)
Acquisition cost	:	Euro 3,601 thousand (626 million yen)

(Note) The acquisition cost reflects price adjustments made in accordance with the agreement.

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

Advisory fees, etc.: 100 million yen

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

1) Amount of goodwill recognized

646 million yen

Note that the amount of the goodwill has been provisionally calculated since the allocation of

acquisition costs had not been completed by the end of the fiscal year under review.

2) Reason for recognition

Mainly due to expected future excess earnings power by business development.

3) Amortization method and period

The goodwill will be amortized over a period of five years.

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

	(Million yen)
Current assets	272
Non-current assets	0
<u>Total assets</u>	<u>273</u>
Current liabilities	293
Non-current liabilities	-
<u>Total liabilities</u>	<u>293</u>

(Acquisition of shares by a consolidated subsidiary)

The Company's consolidated subsidiary, ViMOS Technologies GmbH (which changed its name to RESTAR FRAMOS Technologies GmbH following the completion of this transaction; the same applies hereinafter), entered into an agreement with FRAMOS GmbH on July 18, 2025, regarding the acquisition of the shares of the latter's subsidiary FRAMOS Technologies Inc., and subsequently acquired all of the shares effective October 1, 2025, pursuant to this agreement.

(1) Outline of the business combination

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

Name of the acquired company: FRAMOS Technologies Inc.

Description of business: Sales of electronic equipment and provision of technical support services

2) Main reason for the business combination

See (Business combinations) (Business acquisition by a consolidated subsidiary) (1) 2) above.

3) Date of the business combination

October 1, 2025

4) Legal form of the business combination

Share acquisition in exchange for cash

5) Name of company after the business combination

RESTAR FRAMOS Technologies Inc.

6) Ratio of voting rights acquired

Ratio of voting rights after acquisition: 100.0% (equity ratio due to indirect ownership: 60.0%)

7) Basis for determining the acquiring company

The Company's consolidated subsidiary, ViMOS Technologies GmbH, is the acquiring company because it acquired shares in exchange for cash.

(2) Period of operating results of the acquired company included in the consolidated financial statements
From October 1, 2025 to March 31, 2026

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

Consideration for the acquisition	Cash:	Euro 5,454 thousand (947 million yen)
<hr/>		
Acquisition cost	:	Euro 5,454 thousand (947 million yen)

(Note) The acquisition cost reflects price adjustments made in accordance with the agreement.

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

Advisory fees, etc.: 124 million yen

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

1) Amount of goodwill recognized

397 million yen

Note that the amount of the goodwill has been provisionally calculated since the allocation of acquisition costs had not been completed by the end of the fiscal year under review.

2) Reason for recognition

Mainly due to expected future excess earnings power by business development.

3) Amortization method and period

Straight-line amortization over 6 years.

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

	(Million yen)
Current assets	771
Non-current assets	111
<hr/> Total assets	<hr/> 882
Current liabilities	229
Non-current liabilities	102
<hr/> Total liabilities	<hr/> 332

X. Significant Subsequent Events

Not applicable.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (As of March 31, 2026)

(Million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	158,303	Current liabilities	135,157
Cash and deposits	10,043	Accounts payable – trade	40,648
Notes receivable – trade	84	Electronically recorded obligations - operating	297
Accounts receivable – trade	79,092	Contract liabilities	1,235
Electronically recorded monetary claims – operating	5,735	Short-term borrowings	58,398
Contract assets	299	Short-term borrowings from subsidiaries and associates	25,398
Merchandise	27,686	Current portion of long-term borrowings	2,844
Work in process	647	Lease liabilities	1,216
Raw materials and supplies	14	Accounts payable - other	2,216
Short-term loans receivable from subsidiaries and associates	22,573	Accrued expenses	390
Prepaid expenses	1,294	Income taxes payable	1,060
Accounts receivable - other	10,351	Deposits received	74
Other	710	Provision for bonuses	893
Allowance for doubtful accounts	(230)	Provision for bonuses for directors (and other officers)	66
Non-current assets	93,173	Other	415
Property, plant and equipment	16,225	Non-current liabilities	52,963
Buildings	2,108	Bonds payable	10,000
Structures	819	Long-term borrowings	30,707
Machinery and equipment	5,729	Lease liabilities	5,361
Tools, furniture and fixtures	504	Provision for retirement benefits	732
Leased assets	6,585	Provision for loss on business of subsidiaries and associates	3,374
Land	379	Provision for director’s stock-based compensation	25
Construction in progress	99	Asset retirement obligations	2,085
Intangible assets	8,413	Other	676
Software	248	Total liabilities	188,121
Software in progress	2,689	(Net assets)	
Goodwill	3,837	Shareholders’ equity	63,058
Other	1,638	Share capital	4,383
Investments and other assets	68,534	Capital surplus	44,145
Investment securities	3,268	Legal capital surplus	1,383
Shares of subsidiaries and associates	48,167	Other capital surplus	42,762
Investments in capital of subsidiaries and associates	814	Retained earnings	19,927
Guarantee deposits	3,283	Other retained earnings	19,927
Long-term prepaid expenses	7,824	Retained earnings brought forward	19,927
Deferred tax assets	5,050	Treasury shares	(5,398)
Other	248	Valuation and translation adjustments	327
Allowance for doubtful accounts	(123)	Valuation difference on available-for-sale securities	327
Deferred assets	30	Total net assets	63,385
Bond issuance costs	30	Total liabilities and net assets	251,507
Total assets	251,507		

Non-Consolidated Statement of Income (April 1, 2025–March 31, 2026)

(Million yen)

Description	Amount
Net sales	258,277
Cost of sales	235,368
Gross profit	22,908
Selling, general and administrative expenses	18,062
Operating profit	4,846
Non-operating income	8,154
Interest income	710
Dividend income	2,353
Insurance claim income	15
Gain on investments in silent partnerships	64
Reversal of allowance for doubtful accounts	168
Consulting fee income	4,295
Other	547
Non-operating expenses	3,089
Interest expenses	2,411
Foreign exchange losses	109
Commission for syndicated loans	88
Provision for loss on business of subsidiaries and associates	118
Loss on investments in investment partnerships	145
Other	215
Ordinary profit	9,912
Extraordinary income	370
Gain on sale of investment securities	140
Gain on bargain purchase	100
Gain on liquidation of subsidiaries	39
Gain on extinguishment of tie-in shares	27
Other	63
Extraordinary losses	1,908
Loss on valuation of investment securities	103
Loss on valuation of shares of subsidiaries and associates	1,687
Extra retirement payments	118
Profit before income taxes	8,373
Income taxes - current	913
Income taxes - deferred	1,289
Profit	6,170

Non-Consolidated Statements of Changes in Shareholders' Equity

(April 1, 2025–March 31, 2026)

(Million yen)

	Shareholders' equity						
	Capital	Capital surplus			Retained earnings	Treasury shares	Total shareholder's equity
		Legal capital surplus	Other capital surplus	Capital surplus	Other retained earnings Retained earnings brought forward		
Balance (April 1, 2025)	4,383	1,383	42,762	44,145	17,130	(5,397)	60,262
Changes during period							
Dividends of surplus					(3,374)		(3,374)
Profit					6,170		6,170
Purchase of treasury shares						(0)	(0)
Net changes in items other than shareholders' equity							
Total changes during the period	–	–	–	–	2,796	(0)	2,796
Balance (March 31, 2026)	4,383	1,383	42,762	44,145	19,927	(5,398)	63,058

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance (April 1, 2025)	(102)	(102)	60,159
Changes during period			
Dividends of surplus			(3,374)
Profit			6,170
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	429	429	429
Total changes during the period	429	429	3,226
Balance (March 31, 2026)	327	327	63,385

Notes to Non-Consolidated Financial Statements

I. Matters Relating to Significant Accounting Policies

- (1) Basis and method for valuation of assets
 - 1) Securities
 - (a) Shares of subsidiaries and associates
Shares of subsidiaries and associates are stated at cost using the moving average method.
 - (b) Investments in capital of subsidiaries and associates
Investments in limited liability partnerships are stated at the net amount equivalent to equity interests based on the financial statements specified in the respective partnership agreements.
 - (c) Available-for-sale securities
 - Securities other than shares and other securities without a market price
Securities other than shares and other securities without a market price are stated at fair value (valuation differences are recognized directly in net assets, and the cost of such securities sold is calculated using the moving average method).
 - Shares and other securities without a market price
Shares and other securities without a market price are stated at cost using the moving average method. Meanwhile, investments in investment partnerships, etc. are stated at the net amount equivalent to equity interests based on the most recent financial statements of the partnership.
 - 2) Derivatives
Derivatives are stated at fair value.
 - 3) Inventories
 - (a) Merchandise
Merchandise is mainly stated at cost using the moving average method (in which the carrying amount is written down in case of a decline in profitability).
 - (b) Work in process
Work in process is stated using the individual cost method (in which the carrying amount is written down in case of a decline in profitability).
 - (c) Raw materials and supplies
Raw materials and supplies are stated at cost using the first-in first-out method (in which the carrying amount is written down in case of a decline in profitability).
- (2) Depreciation/amortization methods for non-current assets
 - 1) Property, plant and equipment (excluding leased assets)
Items of property, plant and equipment (excluding leased assets) are mainly depreciated using the declining balance method.
Buildings (excluding accompanying facilities) acquired on and after April 1, 1998 and accompanying facilities and structures acquired on or after April 1, 2016 are depreciated on a straight-line basis.
 - 2) Intangible assets
Intangible assets are amortized on a straight-line basis. The amortization period for patent rights is eight years. Software for internal use is amortized on a straight-line basis over the period available for internal use (five years). In addition, customer-related assets are amortized on a straight-line basis over the effective period of the said assets (eight to 16 years).
 - 3) Leased assets
 - (a) Leased assets arising from finance lease transactions that transfer ownership
Leased assets arising from finance lease transactions that transfer ownership are depreciated by the same depreciation method applied to non-current assets owned by the Company.
 - (b) Leased assets arising from finance lease transactions that do not transfer ownership
Leased assets are depreciated using the straight-line method over the lease term with no residual value.
- (3) Accounting for deferred assets
Bond issuance costs are amortized evenly over a bond redemption period.
- (4) Standard for provisions
 - 1) Allowance for doubtful accounts
To provide for potential credit losses on trade receivables, the Company records allowance for doubtful

accounts at an estimated unrecoverable amount calculated based on the historical rate of credit loss for general receivables and determined in consideration of recoverability of individual receivables for doubtful accounts and certain other receivables.

2) Provision for bonuses

To provide for payment of bonuses to employees, provision for bonuses is recorded at an amount of estimated future bonus payments that is attributable to the fiscal year under review.

3) Provision for bonuses for directors (and other officers)

To provide for payment of bonuses to directors and other officers, provision for bonuses for directors (and other officers) is recorded at an amount of estimated bonus payments for the fiscal year under review.

4) Provision for retirement benefits

To provide for payments of retirement benefits to employees, the Company records an amount based on projected retirement benefits at the end of the fiscal year under review.

Prior service cost is amortized using the straight-line method over a certain number of years (10 years) within the average remaining service years of employees at the time of recognition.

Actuarial gains and losses are amortized on a pro-rata basis using the straight-line method over a certain number of years (10 years) within the average remaining service years of employees from the fiscal year following the respective fiscal year of recognition.

5) Provision for loss on business of subsidiaries and associates

To provide for losses expected to be incurred by subsidiaries and associates, provision for loss on business of subsidiaries and associates is recorded at an amount of estimated loss to be borne by the Company.

6) Provision for director's stock-based compensation

To provide for the issuance of shares under the stock remuneration system for the Company's Directors who are responsible for business execution, a provision for the estimated amount of shares to be granted has been recorded based on the allocation regulations established by the Company and in accordance with points assigned to each Director.

(5) Standard for revenues and expenses

Revenue from sale of products is mainly derived from wholesale sales. The Company has a performance obligation to deliver product under contracts with customers. The performance obligation is deemed to be satisfied at a point in time at which product is delivered to the customer and the customer obtains control of the promised product, and revenue is recognized upon the delivery of the product. Meanwhile, the Company recognizes revenue upon shipment if the period from the time of shipment to the time when control of the product or merchandise is transferred to the customer is normal.

For transactions in which the Company acts as an agent in the sale of products to a customer, the Company recognizes revenue at the net amount calculated by deducting the amount paid to third parties from the gross amount of consideration.

Revenue from maintenance service is mainly derived from the maintenance of products. The Company has a performance obligation to provide the maintenance service under maintenance contracts with customers. The maintenance contracts are transactions where the performance obligation is satisfied over time, and revenue is recognized based on progress toward complete satisfaction of the performance obligation.

The Company recognizes revenue from construction contracts as the Company satisfies the performance obligation over time, except for very-short-term construction contracts. In some circumstances, the Company may not be able to reasonably measure the progress of satisfaction of performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognizes revenue using the cost recovery method. The Company recognizes revenue from very-short-term construction contracts when the performance obligation is completely satisfied.

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

1) Accounting procedures for retirement benefits

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

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

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the balance sheet date, and exchange differences are recognized in profit or loss.

- 3) Amortization method and period of goodwill
Goodwill is amortized by the straight-line method over a reasonable period not exceeding 20 years.
- 4) Application of the group tax sharing system
The Company has applied the group tax sharing system.
- 5) Unit of presentation
Amounts presented herein are rounded down to the nearest million yen.

II. Notes on Changes in Presentation Methods

(Notes related to balance sheets)

“Contract liabilities” (396 million yen in the previous fiscal year), which had been included in “Other” under “Current liabilities” in the previous fiscal year, has been presented separately from the fiscal year under review due to its increased quantitative materiality.

(Notes related to statements of income)

“Consulting fee income” (431 million yen in the previous fiscal year), which had been included in “Other” under “Non-operating income” in the previous fiscal year, has been presented separately from the fiscal year under review due to its increased quantitative materiality.

III. Notes on Accounting Estimates

(Recoverability of deferred tax assets)

- (1) Amount recorded on the non-consolidated financial statements for the fiscal year under review:
5,050 million yen
- (2) Information concerning the details of significant accounting estimates for the identified item
The Company judges recoverability of deferred tax assets based on estimated future taxable income and scheduling of temporary differences, etc. and calculates an amount of deferred tax assets to be recorded within a range of possible reductions in the amount of future tax liabilities. Regarding the estimated future taxable income, the timing of future taxable income generated and its amount are calculated based on future business plans approved by management. The said estimate may be affected by changes in uncertain future economic conditions and other factors, and the timing of actual taxable income generated and its amount may differ from the estimate, which may have a material impact on the amount of deferred tax assets in the non-consolidated financial statements for the following fiscal year.

IV. Notes to Non-Consolidated Balance Sheet

- (1) Accumulated depreciation of property, plant and equipment: 11,971 million yen
- (2) Guarantee obligations

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

	(Million yen)
Restar Supply Chain Solution Corporation	24,939
VITEC ENERGY TAIWAN CO., LTD.	8,619
RESTAR ELECTRONICS SINGAPORE PTE. LTD.	5,823
Restar Device Corporation	2,910
PALTEK Corporation	1,875
Restar Supply Chain Solution (Taiwan) Company Limited	1,729
RESTAR ELECTRONICS KOREA CORPORATION	1,193
RESTAR ELECTRONICS (SHANGHAI) CO., LTD.	799
RESTAR ELECTRONICS CO.,LTD CO., LTD.	659
RESTAR ELECTRONICS HONG KONG CO., LTD.	464
Restar Supply Chain Solution (Hong Kong) Company Limited	145
Vitec Farm Satsumasendai Co., Ltd.	120
RESTAR FRAMOS Technologies GmbH	33

(3) National subsidies

The advanced depreciation of non-current assets related to government subsidies totaled 172 million yen, which is deducted from the cost and recorded on the balance sheet. This amount consisted of machinery and equipment of 172 million yen.

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

- | | |
|-------------------------------------|--------------------|
| 1) Short-term monetary receivables: | 25,274 million yen |
| 2) Short-term monetary payables: | 1,994 million yen |

V. Notes to Non-Consolidated Statement of Income

(1) Transactions with subsidiaries and associates

1) Operating transactions	(Million yen)
Net sales:	34,931
Cost of sales:	30,220
Selling, general and administrative expenses:	523
2) Non-operating transactions	(Million yen)
Interest income:	699
Dividend income:	2,317
Gain on investments in silent partnerships:	64
Reversal of allowance for doubtful accounts:	170
Consulting fee income:	4,295
Miscellaneous income:	465
Interest expenses:	410
Loss on investments in investment partnerships:	145
Gain on liquidation of subsidiaries:	39

(2) Gain on extinguishment of tie-in shares

Gain on extinguishment of tie-in shares results from an absorption-type merger in which the Company was the surviving company and VITEC GREEN ENERGY CO., LTD., the Company's wholly owned subsidiary, was the absorbed company.

(3) Loss on valuation of shares of subsidiaries and associates

Shares of the affiliate CARDSERVICE Inc., which operates the system solution business, which is part of the System BU, have no market price, and their carrying amount on the balance sheet is therefore based on their acquisition cost. If their actual value is deemed to have decreased significantly due to a deterioration in financial conditions, the Company will make an appropriate write-down, and the resulting valuation difference will be recognized as a loss for the fiscal year under review. Moreover, the Company acquired the shares at a price significantly higher than their net asset value per share, reflecting factors such as their excess earning power.

Based on the business plan for overseas cashless payment terminals, the Company reviewed the recoverability of the fair value of the shares in the affiliated company and determined that excess earning power could no longer be expected and that there was insufficient evidence to reasonably expect the fair value to be recovered. Consequently, the Company recorded a valuation loss of 683 million yen on shares in the affiliated company. After recognizing the loss on valuation of shares of subsidiaries and associates, the carrying amount of the company's shares on the balance sheet is 1,942 million yen. Note that the key assumptions in the business plan used to assess the recoverability of the fair value—such as estimated sales to major customers—are subject to change due to factors including technological innovations in cashless payments, shifts in customer needs, and the launch of new products.

In addition, at a domestic subsidiary engaged in the eco-solution business, which is part of the System BU, the fair value was found to have decreased significantly from the acquisition cost. Consequently, the carrying amount was written down to fair value, and a loss on valuation of shares of subsidiaries and associates of 1,003 million yen was recognized.

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

Number of treasury shares (shares)

Class of shares	Number of shares at the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares at the end of the fiscal year under review
Common stock	1,954,690	224	—	1,954,914

Note: The increase of 224 treasury shares is due to the purchase of shares less than one unit.

VII. Tax Effect Accounting

(1) Significant components of deferred tax assets and liabilities

	(Million yen)
Deferred tax assets:	
Business taxes payable	119
Allowance for doubtful accounts	111
Provision for bonuses	322
Provision for retirement benefits	239
Loss on valuation of investment securities	241
Asset retirement obligations	656
Provision for loss on business of subsidiaries and associates	1,062
Loss on valuation of inventories	86
Shares of subsidiaries and associates	1,400
Tax losses carried forward	4,078
Other	594
Subtotal of deferred tax assets	<u>8,913</u>
Valuation allowance for tax losses carried forward	(139)
Valuation allowance for total deductible temporary differences, etc.	(2,668)
Total deferred tax assets	<u>6,105</u>
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	(157)
Asset retirement obligations	(360)
Intangible assets identified due to business combination	(505)
Other	(30)
Total deferred tax liabilities	<u>(1,054)</u>
Net deferred tax assets	<u>5,050</u>

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

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

VIII. Notes on Related Party Transactions

Subsidiaries

(Million yen, unless otherwise stated)

Category	Company name	Share capital or investment in capital	Description of business or occupation	Ratio of voting rights holding (held) (%)	Relationship	Nature of transaction	Transaction amount	Account	Balance at end of period
Subsidiary	Restar Device Corporation	310	Sale of electronic components	(Holding) Direct 100	Entrusted business management	Lending of funds (Note 1)	4,697	Short-term loans receivable from subsidiaries and associates	8,704
						Receipt of interest (Note 1)	214	—	—
						Debt guarantee (Note 2)	2,910	—	—
Subsidiary	Restar WPG Corporation	305	Sale of electronic components	(Holding) Direct 51	Interlocking directorates	Borrowing of funds (Note 1)	1,607	Short-term borrowings from subsidiaries and associates	2,359
						Payment of interest (Note 1)	31	Current liabilities Other (Accrued interest)	1
Subsidiary	PALTEK Corporation	310	Sale of semiconductors	(Holding) Direct 100	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	4,947	Short-term loans receivable from subsidiaries and associates	6,718
						Consulting fee income (Note 3)	2,900	Accounts receivable - other	2,900
						Receipt of interest (Note 1)	302	Current liabilities Other (Accrued interest)	39
Subsidiary	Restar Embedded Solutions Corporation	350	—	(Holding) Direct 100	Business acquisition	Borrowing of funds (Note 1)	11,416	Short-term borrowings from subsidiaries and associates	11,416
						Payment of interest (Note 1)	54	Current liabilities Other (Accrued interest)	9
						Business acquisition (Note 4)			
						Total assets acquired	16,088	—	—
						Total liabilities assumed	4,961	—	—
						Acquisition consideration	11,027	—	—
						Gain on bargain purchase	100	—	—
Subsidiary	Restar Supply Chain Solution Corporation	308	Procurement	(Holding) Direct 80	Entrusted business management Interlocking directorates	Lending of funds (Note 1)	621	Short-term loans receivable from subsidiaries and associates	2,100
						Receipt of interest (Note 1)	46	Current liabilities Other (Accrued interest)	2

Category	Company name	Share capital or investment in capital	Description of business or occupation	Ratio of voting rights holding (held) (%)	Relationship	Nature of transaction	Transaction amount	Account	Balance at end of period
						Debt guarantee (Note 2)	24,939	—	—
Subsidiary	RESTAR ELECTRONICS (SHANGHAI) CO., LTD.	USD 1,200 thousand	Sale of electronic components	(Holding) Direct 100	Sale of merchandise	Net sales (Note 6)	7,374	Accounts receivable - trade	4,806
Subsidiary	RESTAR ELECTRONICS SINGAPORE PTE. LTD.	SGD 4,300 thousand USD 30,000 thousand	Sale of electronic components	(Holding) Direct 100	Sale of merchandise Procurement of merchandise	Net sales (Note 6)	9,550	Accounts receivable - trade	2,682
						Procurement (Note 6)	25,196	Accounts payable - trade	845
						Debt guarantee (Note 3)	5,823	—	—
Subsidiary	RESTAR ELECTRONICS KOREA CORPORATION	3,534 million KRW	Sale of electronic components	(Holding) Indirect 100	Borrowing of funds	Borrowing of funds (Note 1)	2,332	Short-term borrowings from subsidiaries and associates	3,197
						Payment of interest (Note 1)	105	Current liabilities Other (Accrued interest)	9
Subsidiary	RESTAR Supply Chain Solution (Hong Kong) Company Limited.	USD 1,000 thousand	Sale of electronic components	(Holding) Indirect 100	Sale of merchandise	Net sales (Note 6)	6,654	Accounts receivable - trade	3,031
Subsidiary	Restar Dexerials Korea Corporation	3,950 million KRW	Sale of electronic components	(Holding) Direct 51	Interlocking directorates	Net sales (Notes 5, 6)	235	Accounts receivable - trade	4,640
Subsidiary	VITEC ENERGY TAIWAN CO., LTD.	300 million NTD	Power generation business	(Holding) Direct 100	Interlocking directorates	Debt guarantee (Note 2)	8,619	—	—
Subsidiary	Vitec Farm Nanao Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 23	Entrusted business management	Provision for loss on business of subsidiaries and associates	54	Provision for loss on business of subsidiaries and associates	1,545
Subsidiary	Vitec Farm Satsumasendai Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 45	Entrusted business management	Provision for loss on business of subsidiaries and associates	18	Provision for loss on business of subsidiaries and associates	383
Subsidiary	Vitec Farm Kazuno Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 43	Entrusted business management	Provision for loss on business of subsidiaries and associates	37	Provision for loss on business of subsidiaries and associates	995
Subsidiary	Vitec Farm Odate Co., Ltd.	20	Vegetable factory business	(Holding) Indirect 49	Entrusted business management	Provision for loss on business of subsidiaries and associates	15	Provision for loss on business of subsidiaries and associates	365
Subsidiary	Vitec Agripower Co., Ltd.	2	Power generation business	(Holding) Indirect 47	Interlocking directorates	Reversal of provision for loss on business of subsidiaries and associates	7	Provision for loss on business of subsidiaries and associates	68

The transaction amounts do not include consumption and other taxes.

Notes: Transaction terms and policy for determining transaction terms

1. The interest rates for lending and borrowing of funds are reasonably determined with reference to market interest rates. As the transactions for short-term loans and borrowings are performed repetitively, their amounts shown above are the average balances during the period.
2. The debt guarantees have been provided for bank borrowings and other payables.
3. Consulting fee income is reasonably determined based on a comprehensive assessment of factors including business scale and performance trends.
4. Business acquisition is settled through negotiation based on the consideration calculated by the Company.
5. The sale of components to Restar Dexerials Korea Corporation is conducted with the Company acting as an agent, and the transaction amounts are shown on a net basis.
6. Prices and other transaction terms are determined in consideration of actual market conditions.

IX. Per Share Information

(1)	Net assets per share:	2,254.29 yen
(2)	Basic earnings per share:	219.46 yen

X. Notes on Revenue Recognition

Information that provides a basis for understanding revenue from contracts with customers

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

XI. Other Notes

(Business combinations)

(Business acquisition)

Based on a resolution at the Board of Directors meeting held on March 27, 2025, the Company decided to acquire a portion of the business operations of its wholly-owned subsidiary, Restar Embedded Solutions Corporation, effective July 1, 2025.

(1) Outline of the business acquisition

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

Name of the counterparty: Restar Embedded Solutions Corporation

Description of business: Sale of ICT products, electronic equipment, etc.

2) Main reason for the business acquisition

Since the management integration in April 2019, the Restar Group has pursued business based on the spin-off structure in which the Company is a pure holding company under the vision of “We aim to be ‘the Electronics Value Platformer’ that accommodates all manner of stakeholder needs” with a Groupwide mission that is “We help society evolve by leveraging information and technology to create and deliver new value and services.”

The post-integration merger of businesses has proceeded smoothly, and there has also been progress in business expansion, including the creation of Group synergies. On the other hand, organizational function overlap and human resource shortages have also become apparent.

Through this business acquisition, the Group will optimize the allocation of its management resources, including human resources and organizations, transform its earnings structure, speed up decision-making, and promote the flexible management of its businesses with the aim of increasing the Group’s corporate value over the medium to long term.

3) Date of business acquisition

July 1, 2025 (effective date)

4) Legal form of the business acquisition

Business acquisition for cash consideration (11,027 million yen)

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

1) Amount of gain on bargain purchase

100 million yen

2) Reason for recognition

As the net amount of assets acquired and liabilities assumed through the business acquisition exceeded the acquisition cost, the difference between these values is recognized as gain on bargain purchase.

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

Current assets	15,804 million yen
Non-current	283 million yen

assets	
Total assets	16,088 million yen
Current liabilities	4,922 million yen
Non-current liabilities	38 million yen
Total liabilities	4,961 million yen

XII. Significant Subsequent Events

Not applicable.

Audit Report (English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 17th fiscal year from April 1, 2025 to March 31, 2026, and hereby submits the method and results of the audit.

1. Method and Contents of Audit

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

- i. In accordance with the Audit and Supervisory Committee's auditing standards established by the Audit and Supervisory Committee, and in accordance with the audit policies, audit plans, and assignment of duties, etc., each Audit and Supervisory Committee Member endeavored to cooperate with the Company's internal control division, attended important meetings, received reports on the performance of duties from Directors and other employees and requested explanations as necessary, examined important approval/decision, and inspected the corporate affairs and assets at the Company's head office and principal places of business. With respect to subsidiaries, each Audit and Supervisory Committee Member endeavored to communicate and exchange information with the Directors and Audit and Supervisory Committee Members of subsidiary companies, and received business reports from the subsidiaries when necessary.
- ii. The Audit and Supervisory Committee monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations, as necessary. In addition, the Audit and Supervisory Committee was notified by the Accounting Auditor that it had established a "system to ensure that the performance of the duties of the Accounting Auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, March 12, 2024), etc. and requested explanations, as necessary.

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

2. Results of Audit

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

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

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

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

(3) Results of Audit of Consolidated Financial Statements

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

May 29, 2026

Audit and Supervisory Committee, Restar Corporation

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

Audit and Supervisory Committee Member

Sachiko Kasano (Seal)

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