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September 25, 2024

Company Name Restar Corporation
 (Code: 3156 Tokyo Stock Exchange Prime Market)
 Representative Tomoharu Asaka,
 Representative Director Vice
 President
 Contact Information Atsuki Ishida,
 Corporate Officer
 (Tel.: +81-3-3458-4618)

Notice Concerning Dissolution and Liquidation and Debt Waiver of Consolidated Subsidiary

Restar Corporation hereby announces as below that the meeting of its Board of Directors held today resolved to dissolve and liquidate the Company's consolidated subsidiary UKC Electronics (H.K.) Co., Limited. and to waive its claims against the company.

1. Reason for Dissolution and Liquidation

As announced in "Notice Concerning Impact of Accounting Treatment at the Company's Consolidated Subsidiary" dated July 18, 2017, UKC Electronics (H.K.) Co., Limited. has been working to collect accounts receivable from certain customers, including by recording allowances for doubtful accounts and through loans from the Company. Despite executing a property collateral interest related to the receivables, it has been determined that further collection is not feasible, and it was resolved to dissolve and liquidate UKC Electronics (H.K.) Co., Limited.

2. Outline of the Subsidiary

(1) Name	UKC Electronics (H.K.) Co., Limited.		
(2) Head office address	Unit 1118-21, Level 11, Tower 1, Grand Central Plaza, 138 Shatin Rural Committee Road, Shatin, NT Hong Kong		
(3) Title and name of representative	Hiroyuki Kashima, Managing Director		
(4) Main business details	Sale of electronic components		
(5) Capital	USD25 million		
(6) Date of establishment	May 16, 1991		
(7) Major shareholder and its ownership ratio	Restar Corporation: 100%		
(8) Relationship between Restar Corporation and the subsidiary	Capital	Restar Corporation holds 100% of the shares of the subsidiary.	
	Personnel	Restar Corporation dispatches six directors and one corporate auditor to the subsidiary.	
	Business transaction	Restar Corporation has lent funds to the subsidiary.	
	Applicability of related parties	The subsidiary is a consolidated subsidiary of Restar Corporation.	
(9) Operating results and financial position for the past three years (Thousand US dollars)			
Fiscal years ended	March 31, 2022	March 31, 2023	March 31, 2024
Net assets	(139,395)	(135,112)	(141,316)
Total assets	55,668	12,541	6,494
Net sales	124,690	8,522	—

Operating profit	1,481	(828)	(1,875)
Ordinary profit	1,269	(1,767)	(2,352)
Profit	2,493	4,999	(6,187)

3. Schedule for Dissolution and Liquidation

Resolution of Restar Corporation's Board of Directors on September 25, 2024

The necessary procedures will be carried out in accordance with local laws, and the liquidation process is scheduled to be completed once these procedures are completed. However, the specific date has not yet been determined.

4. Loss due to Dissolution and Future Outlook

The full amounts of trade receivables of USD149 million and debt guarantees of USD149 million were recorded as allowance for doubtful accounts in prior years, and the amount of debt waiver excluding property collateral is USD145 million (as the amount of debt waiver of USD145 million has already been recorded as allowance for doubtful accounts in prior years, it accounts for 0% of consolidated net assets for the fiscal year ended March 2024). In addition, as a result of the resolution to liquidate the subsidiary, we will record an extraordinary loss of approximately JPY4.4 billion as a loss on liquidation of a subsidiary due to the reversal of the foreign currency translation adjustment account related to the subsidiary, which is recorded in the net assets section of our consolidated balance sheets. However, due to the application of tax-effect accounting, income taxes will decrease by approximately JPY5.7 billion, and the impact on profit attributable to owners of parent will be approximately JPY1.3 billion. Meanwhile, based on consultation with the relevant departments in previous fiscal years, the liquidation of the subsidiary has already been factored into our published consolidated financial results forecast for the fiscal year ending March 2025.