



November 8, 2021

Company name: ZUKEN Inc.
Representative: Jinya Katsube,
President and Representative Director
Stock code: 6947
Listing: Tokyo Stock Exchange, First Section
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Announcement of Extraordinary Income and Losses

The Board of Directors of Zuken Inc. approved resolutions on November 8, 2021 to sell part of investment securities and conduct a buyout of the defined benefit pension plans of consolidated subsidiaries as follows.

1. Extraordinary income (gain on sale of investment securities)

- (1) Reason for sale of investment securities
Reduction of stock holdings associated with business relationships
- (2) Stock sold
One issue listed on the U.S. NASDAQ stock market
- (3) Time of sale
Zuken plans to sell this stock by the end of March 2022 (tentative)
- (4) Gain on sale
5.6 billion yen (tentative)

2. Extraordinary losses (retirement benefit expenses)

- (1) Summary
Zuken will conduct a buyout of the defined benefit pension plans of Zuken Limited and Zuken UK Limited, which are consolidated subsidiaries in the United Kingdom, and transfer the pension plan to an insurance company. Due to changes in the British economy, these pension plans have had an effect regarding accounting and finance on the Zuken Group. The buyout of these plans will greatly reduce uncertainty and risk exposure involving the management of pension plan assets, a decline in the financial soundness of these plans and other potential problems.

* A defined benefit pension plan buyout entails the transfer of all or part of a pension plan by making insurance premium payments to an insurance company or other company. Following the buyout, the insurance company or other company is responsible for managing pension plan assets.
- (2) Effect of the buyout on earnings
This buyout is expected to result in retirement benefit expenses of approximately 3.2 billion yen in extraordinary losses in the consolidated statement of income for the fiscal year ending in March 2022.

3. Outlook

Information about the effect of this extraordinary income and loss on results of operations is provided in the release dated today titled "Revision to Earnings Forecast."