



May 9, 2022

Company name: ZUKEN Inc.
Representative: Jinya Katsube,
President and Representative Director
Stock code: 6947
Listing: Tokyo Stock Exchange, Prime Market
Contact: Susumu Yoshida,
General Manager of Finance Department
Tel: +81-45-942-1511

Announcement of Determination of Extraordinary Losses (Retirement Benefit Expenses)

Regarding the “Announcement of Extraordinary Income and Losses” announced on November 8, 2021, Zuken Inc. hereby announces that the retirement benefit expenses of its UK subsidiary, which had not yet been determined, have been determined as follows.

1. Extraordinary losses (retirement benefit expenses)

(1) Summary

Zuken conducted a buyout of the defined benefit pension plans of Zuken Limited and Zuken UK Limited, which are consolidated subsidiaries in the United Kingdom, and transferred 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

As a result of this buyout, retirement benefit expenses of 3,509 million yen was recorded as extraordinary losses in the consolidated statement of income for the fiscal year ended in March 2022.

Zuken had initially estimated retirement benefit expenses of 3,200 million yen, but this amount increased due to the effect of foreign exchange rates and other factors.

2. Outlook

Information about the effect of this extraordinary loss on results of operations is provided in the earnings release dated today titled “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (FY2021).”