

(English Translation)
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In the event of any discrepancy, the Japanese version prevails.



May 13, 2024

Company name: ZUKEN Inc.
Representative: Jinya Katsube,
President and Representative Director
Stock code: 6947
Listing: Tokyo Stock Exchange, Prime Market
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Announcement of Non-Consolidated Extraordinary Loss

Zuken Inc. announced today that the non-consolidated financial statements for the fiscal year that ended on March 31, 2024 will include a provision of allowance for doubtful accounts relating to a consolidated subsidiary outside Japan as an extraordinary loss.

1. Extraordinary loss (Provision of allowance for doubtful accounts for subsidiaries and associates)

Zuken has decided to transfer part of the product development operations of Zuken Limited, a consolidated subsidiary in the United Kingdom, to Zuken in order to strengthen development capabilities involving existing products. Due to the expected decrease in the profitability of this subsidiary caused by this transfer, Zuken has made an addition of 1,599 million yen to the allowance for doubtful accounts for amounts owed to Zuken by this subsidiary.

2. Effect on results of operations

This allowance for doubtful accounts will be recorded only in the non-consolidated financial statements and will be eliminated during the preparation of the consolidated financial statements. As a result, there is no effect on consolidated results of operations.