



Jan. 30, 2024

Company name: ZUIKO Corporation
Representative: Toyoshi Umebayashi, President & CEO
Listing: Tokyo Stock Exchange Prime Market
Securities code: 6279
Inquiries: Hajime Ninomiya,
General Manager
Corporate Strategy Department
Telephone: +81-72-648-2215

Notice of Business Acquisition by ZUIKO Subsidiary

ZUIKO Corporation is pleased to announce that its subsidiary, COTEX Corporation, will acquire the cotton manufacturing business of Teimen Corporation. The acquisition was resolved during the Board of Directors meeting held January 30, 2024.

This matter does not fall under the criteria for timely disclosure stipulated by the Tokyo Stock Exchange but is determined to be useful information and is therefore voluntarily disclosed.

1. Reason for acquisition of business

ZUIKO Corporation's Third Medium-Term Management Plan, which includes the three years until the fiscal year ending Feb. 2026, states the company's intention to enter new businesses where it can utilize its existing technologies and know-how in fields other than hygiene products machinery.

As a manufacturer of machinery for the production of hygiene products, ZUIKO Corporation has designed advanced converting machines and developed processing technologies that add value to products such as disposable diapers and feminine napkins. Teimen Corporation is one of the few domestic cotton product manufacturing companies that uses inherited traditional manufacturing methods to produce cotton products with superior softness, water absorbency, and water retention capabilities.

Through the acquisition of this business, ZUIKO Corporation aims to further add value to hygiene products by manufacturing and developing the function of cotton, a widely used natural material in hygiene, and pursue its use in other fields beside hygiene products.

2. Outline of the company transferring the business

(1) Name	Teimen Corporation
(2) Address	110-35 Tsurajima, Tsurajima-cho, Kurashiki City, Okayama Prefecture
(3) Job title/name of representative	Masayuki Kishimoto, President and Representative Director
(4) Description of Businesses	Manufacture and sale of cotton products
(5) Capital	JPY 10 million
(6) Date of establishment	Jun. 1951
(7) Relationship between ZUIKO and Teimen	There are no capital relationships, personal relationships, business relationships, etc. to be stated. Teimen is not a related party of ZUIKO.

※Descriptions of net assets, total assets, major shareholders, and shareholding ratio are omitted.

3. Overview of the acquired business

(1) Details of business acquisition	Cotton product manufacturing business
(2) Items of assets and liabilities of the relevant business	Property, plant and equipment such as land, buildings and machinery and equipment, and inventories (Cash and deposits, monetary claims and liabilities are not included in the scope of business transfer.)
(3) Acquisition price and settlement method	① Acquisition price We are privately held due to the intention of the counterparty. ② Settlement method We plan to settle cash with cash and deposits on hand.

4. Overview of ZUIKO Corporation subsidiary

(1) Name	COTEX Corporation
(2) Address	110-35 Tsurajima, Tsurajima-cho, Kurashiki City, Okayama Prefecture
(3) Job title/name of representative	Toyoshi Umebayashi, President and Representative Director
(4) Description of Businesses	Manufacture and sale of cotton products
(5) Capital	JPY10 million
(6) Date of Establishment	Jan. 23, 2024
(7) Major shareholders and shareholding ratio	ZUIKO Corporation 100%

5. Schedule of business acquisition

- (1) Conclusion of business transfer agreement: Feb. 1, 2024 (planned)
- (2) Effective date of business transfer: Feb. 21, 2024 (planned)

6. Future Outlook

The company believe this business acquisition will contribute to the improvement of ZUIKO Corporation's business performance over the medium to long term, but minimal impact on business performance in the fiscal year ending Feb. 2025 is expected. ZUIKO Corporation will promptly inform shareholders of any matters that should be announced regarding the impact on our business results.

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