



May 8, 2024

Company name: ZUIKO Corporation
Representative: Toyoshi Umebayashi, President & CEO
Listing: Tokyo Stock Exchange Prime Market
Securities code: 6279
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Notice regarding acquisition of quota of Delta S.r.l.
as a subsidiary company

ZUIKO Corporation (henceforth ZUIKO) announces that it passed a resolution at its board of directors' meeting held on May 8, 2024, to conclude Sale and Purchase Agreement after discussing and negotiating the details for the final agreement to acquire 90% of quota of Delta S.r.l (henceforth Delta) to make it a subsidiary as announced in the "Notice regarding the basic agreement on the acquisition of Delta S.r.l. as a ZUIKO subsidiary" on February 26, 2024.

1. Reason for acquisition quota

In the third medium-term business plan, which includes the three years until the fiscal year ending February 2026, ZUIKO aims to improve the profitability of the hygiene products machinery business and is working to further develop overseas markets. The hygiene products machinery business develops and manufactures machines mainly for disposable diapers and sanitary napkins. The company faces the long-term possibility that the consumption of disposable diapers and sanitary napkins will decrease because of population decline in Japan and China, where more than half of the company's sales had arisen. To achieve sustainable growth, we intend to expand sales aggressively in regions where our sales revenue is not as high, such as Europe, India, and Africa.

Delta is a hygiene products machinery manufacturer established in Italy in 2002 and has a track record of sales to various countries including but not limited to the United States, and countries in Europe, South America, and Africa. Additionally, Delta develops products in a different price range complementing ZUIKO's product line up.

Therefore, the company believes that by welcoming Delta as a member of the ZUIKO group, the company can expand sales and contribute to the supply of products to a wider range of customers.

2. Overview of the subsidiary to be transferred:

(1)	Name	Delta S.r.l.
(2)	Location	Via Gerola, 34, 26010 Fiesco CR Italy
(3)	Title and name of Representative	Angelo Ghidelli, President & CEO

(4)	Description of Business	Manufacturer of converting machinery for disposable hygiene products		
(5)	Capital	80 thousand euros		
(6)	Date of establishment	April 26, 2002		
(7)	Major shareholder and ownership ratio	Angelo Ghidelli 100%		
(8)	Relationship between ZUIKO and said company	Capital relationship	No applicable matter.	
		Personal relationships	No applicable matter.	
		Business relationship	No applicable matter.	
(9)	The said company's operating results and financial position for the last three years (Thousands of euro)			
Fiscal Year		FY ending December 31,2020	FY ending December 31,2021	FY ending December 31,2022
Net Assets		1,377	1,393	1,428
Total Assets		14,184	13,694	9,594
Net sales		4,619	7,972	10,617
Operating Income		56	61	21
Net income		61	16	15

※Exchange rate 1 euro to 166.04 yen (as of May 7, 2024)

3. Full name of the other party to the acquisition of quota

(1)	Name	Angelo Ghidelli		
(2)	Address	Fiesco CR Italy		
(3)	Relationship between the company and said person	Capital relationship	No applicable matter.	
		Personal relationships	No applicable matter.	
		Business relationship	No applicable matter.	

4. Proportion of quota to be acquired, acquisition price and quota ownership before and after acquisition.

(1)	Proportion of quota before the transfer	—
(2)	Proportion of quota to be acquired through the transfer	90.0% (*)
(3)	Proportion of quota to be acquired through the capital contribution	0.0% (*)
(4)	Acquisition price	Acquisition value upon the transfer of quotas: 820 thousand euros Acquisition value through the capital contribution: 2,300 thousand euros Advisory expenses, etc. (estimate): 230 thousand euros Total (estimate): 3,350 thousand euros

(5)	Proportion of quota held after the transfer	90.0%
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(*) In the “Notice regarding the basic agreement on the acquisition of Delta S.r.l. as a ZUIKO subsidiary” announced on February 26, 2024, Proportion of quota to be acquired through the transfer and Proportion of quota to be acquired by the third-party allotment were supposed to be 23.7% and 66.3%, respectively. However, after the discussion, ZUIKO will acquire 90% of its quota through the transfer, and the proportion of quota will not be increased by the capital contribution.

5. Timeline of quota acquisition

(1)	Date of the Board of Directors meeting	May 8, 2024
(2)	Date of concluding Sale and Purchase Agreement	May 8, 2024
(3)	Date of implementing the quota transfer and capital contribution	May 2024 (planned)

6. Future Outlook

The impact of this acquisition on financial results for the fiscal year ending February 2025 is expected to be minimal. If any matters arise that should be disclosed in the future, they will be disclosed separately in a timely manner.