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June 25, 2025

Company name: ZUIKO Corporation
Representative: Toyoshi Umebayashi, President & CEO
Listing: Tokyo Stock Exchange Prime Market
Securities code: 6279
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**Notice Regarding the basic agreement on the acquisition
of the spunlace nonwoven fabric business by the subsidiary**

ZUIKO CORPORATION (the "Company") announces that it has resolved, at Board of Directors held on June 25, 2025, "COTEX CORPORATION (the "COTEX"), a wholly owned consolidated subsidiary of the Company, enters into a basic agreement to acquire the spunlace nonwoven fabric business operated by UNITIKA LTD. (Head office: Osaka City, Osaka) and commences a new business.

The business transfer agreement has not yet been concluded, and terms and conditions are currently under discussion. The conclusion of the business transfer agreement will be followed by prompt announcement.

1. Reasons and objectives for acquisition of business

In the Fourth Medium-Term Business Plan, which started in the fiscal year ending February 2026, the Company has set the goal of "expand our business portfolio by accelerating new businesses" and is proactively taking on new business fields where the Company expects to generate synergies with the technologies the Company have cultivated in our hygiene products manufacturing machinery business and our existing business areas.

The Company established COTEX in 2024, and have been working on developing function and manufacturing of cotton products, which are widely used as a raw material for hygiene products. Meanwhile, UNITIKA LTD. started manufacturing spunlace nonwoven fabric in 1993 and is one of the top manufacturers in Japanese cotton spunlace nonwoven fabric market, with its strengths in nonwoven fabric products that are gentle on the skin with excellent moisture absorption, water absorption, and water retention.

Through this business acquisition, the Company will not only manufacture existing cotton products, but will also enter the business of manufacturing and selling spunlace nonwoven fabrics made from cotton. In addition to continuing sales to existing customers in the transferred business, the Company will expand sales and improve profitability by promoting cotton spunlace nonwoven fabric as a material for hygiene products to domestic and overseas hygiene products manufacturers, which are our group's main customers. The Company will also work to increase the added value of the products by researching and developing highly

processable cotton spunlace nonwoven fabric as a material for hygiene products.

2. Overview of business acquisition

(1) Details of the business to be acquired	Manufacture and sale of spunlace nonwoven fabrics
(2) Operating results of the acquired business (fiscal year ended March 31, 2025)	Net sales: approximately 4,000 million yen
(3) Items and accounts of assets and liabilities of the business to be acquired	The items and amounts of assets and liabilities to be acquired will be determined during discussions leading up to the conclusion of the business transfer agreement.
(4) Acquisition price and settlement method	The acquisition price and payment method will be determined during discussions leading up to the conclusion of the business transfer agreement.
(5) Amount and details of special expenditure for the start of the project	There are no specific expenditures planned at this time.

3. Overview of the company transferring the business

(1) Name	UNITIKA LTD.	
(2) Location	Osaka Center Bldg., 4-1-3 Kyutaromachi, Chuo-ku, Osaka-shi, Osaka, Japan	
(3) Job title and name of representative	Minoru Fujii, President & representative director	
(4) Description of business	Polymers, Performance materials, Industrial Fibers & Textiles	
(5) Capital	100 million yen	
(6) Date of establishment	June 19, 1889	
(7) Net Assets	16,233 million yen (fiscal year ended March 31, 2025)	
(8) Total Assets	149,430 million yen (fiscal year ended March 31, 2025)	
(9) Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (Trust Account): 10.28% MUFG Bank, Ltd.: 4.08% Employee stock ownership plan of Unitika Group: 2.93% BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC): 1.54% BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD: 1.53%	
(10) Relationship between the Company and said company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Related party relationship	Not applicable

4. Overview of the company acquiring the business

(1) Name	COTEX CORPORATION
(2) Location	Tsurajima 110-35, Tsurajima-cho, Kurashiki City, Okayama, Japan
(3) Job title and name of representative	Toyoshi Umebayashi, President & CEO
(4) Description of business	Manufacture and sale of cotton products
(5) Capital	10 million yen
(6) Major shareholders and ownership ratios	ZUIKO CORPORATION: 100.0%

5. Schedule of transfer

(1) Conclusion of basic agreement	June 25, 2025
(2) Conclusion of business transfer agreement	Early August 2025 (planned)
(3) Date of business transfer	December 2025 (planned)
(4) Date of commencement of business	December 2025 (planned)

6. Overview of accounting procedures

This business transfer is expected to be considered an "acquisition" under the accounting standards for business combinations. The impact of this treatment will be examined after the details of the business transfer agreement are finalized.

7. Future outlook

The impact of this matter on our financial forecasts for the fiscal year ending February 20, 2026 is currently being examined. In case of any issues that require disclosure in the future, notification will be issued accordingly.