

Note: This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original,
the original shall prevail.



July 25, 2025

To whom it may concern

Company name: Tokushu Tokai Paper Co., Ltd.
Name of representative: Takashi Kimura,
President and Chief Executive Officer
(Securities code: 3708; TSE Prime Market)
Contact: Hiroyuki Ohnuma,
Managing Executive Officer
Specialty Materials Business HQ.
(Tel: +81-3-5219-1817)

Notice Concerning Acquisition of Business Goodwill and Inventories

Tokushu Tokai Paper Co., Ltd. (the "Company") hereby announces that it has entered into a basic agreement to receive Business Goodwill and Inventories of various functional papers from TOMOEGAWA CORPORATION. Details are as follows.

I. Reasons for Acquisition of Business Goodwill and Inventories

In order to realize growth in both the paper business and the environment-related business, the Company is working to stabilize the revenue base by strengthening the structure of its existing business, and to further promote the paper business by switching the product mix by introducing products into growth areas. As part of this, the Company have decided to take over the Business Goodwill and Inventories of TOMOEGAWA CORPORATION's functional paper (Sterile paper, Passbook paper, Card paper, Exchange paper, Impregnated paper).

II. Overview of Acquisition of Business Goodwill and Inventories

1. Conclusion of Contract

The Company has entered into a basic agreement with TOMOEGAWA CORPORATION with respect to acquisition of Business Goodwill and Inventories. For agreement on the transfer price and transfer date, separate agreement shall be executed for each type of functional paper. The conclusion of individual agreements is subject to the acquisition of agreements with individual business partners concerning the acquisition of business goodwill.

2. Scope of Acquisition of Business Goodwill and Inventories

(1) Business Goodwill

Anything related to a contract

(2) Inventories

Estimated sales volume for one year (to be determined for each customer)

3. Value and Settlement Method for Business Goodwill and Inventories

(1) Business Goodwill

Acquisition Price Approx. ¥350 million

However, the transfer price will be determined based on the conclusion of individual contracts for each type of special function paper.

Settlement Method Bank Transfer

(2) Inventories

Acquisition Price Book value as of the date of transfer under the Individual Agreement

Settlement Method Tbd

III. Overview of the Acquisition

(1)	Name	TOMOEGAWA CORPORATION	
(2)	Address	7th Floor, KYOBASHI TRUST TOWER 2-1-3 Kyobashi, Chuo-ku, Tokyo, Japan	
(3)	Title and name of the representative	Yoshio Inoue, President and CEO	
(4)	Business	*Manufacture, processing, import, export and sale of paper, non-woven fabrics and pulp and their composites with other materials *Manufacture, processing, import, export and sale of plastics and their composites with other materials *Manufacture, processing, import, export and sale of electrophotographic developers, Facsimile copy, printing and recording materials *Manufacture, processing, import, export and sale of electronic, electromagnetic, communications and battery components *Manufacture, processing, import, export and sale of magnetic recording cards and tapes, and information recording cards with integrated circuits *Import, export, and sale and purchase of raw materials of the above products	
(5)	Capital	¥2,122 million	
(6)	Date of Establishment	June 19, 1914	
(7)	Major Shareholders and Shareholding Ratio	TOPPAN Holdings Inc. 11.30% SAKAESHIGYO Co., Ltd. 6.94% INOUE Holdings Inc. 6.26% TOMOEGAWA CORPORATION Trading Partner Holding Company 5.24% Suzuyo&Co., Ltd. 4.94% Mitsui Chemicals, Inc. 4.83% Toshin Shigyo co., Ltd. 4.59%	
(8)	Relationship with the Company	Capital Relationship	Not applicable
		Human Capital	Not applicable
		Business Relationship	A Business Relationship

IV. Schedule

Date of Basic Agreement : July 25, 2025

Date of Individual Agreement : Tbd

Final Acquisition Deadline : July 25, 2030

V. Future Outlook

The Company plans to record goodwill if the conditions of the individual contract are met.
The Company will promptly disclose any impact on future results.

END