

**Notice Concerning the Acquisition of Shares (i.e., Subsidiarization) in "SoflanWiz Co., Ltd.",
which Manufactures and Sells Urethane Products**

SEKISUI CHEMICAL CO., LTD. (Head office: Osaka City, Osaka Prefecture, President and Representative Director: Teiji Koge, hereinafter called "SEKISUI CHEMICAL") today signed a contract for the transfer of shares in order to receive all shares that have been issued by SoflanWiz Co., Ltd. (hereinafter called "SoflanWiz") with its owner, Toyo Tire & Rubber Co., Ltd. (Head office: Itami, Hyogo Prefecture; President and Representative Director: Takashi Shimizu).

SoflanWiz manufactures and sells rigid polyurethane stock solution and rigid polyurethane thermal insulation panels mainly for the construction industry, and holds the top share of the Japanese market for the amount of undiluted rigid urethane stock solution supplied. Through the acquisition the shares in SoflanWiz shares, SEKISUI CHEMICAL will thoroughly realize the synergistic effects of both parties, resulting in expanding the development and sales of fire-protection and non-flammable products, the market for which is expected to grow even more, and enlarging its business in "Building and Infrastructure", which is positioned as one of strategic fields for SEKISUI CHEMICAL's High Performance Plastics Company.

*FY2015. Source: " Poly-Urethane : Its Raw Material & Products · Worldwide Market 2016 ", Fuji Keizai Co., Ltd.

Notes

1. Background

SEKISUI CHEMICAL designates Building and Infrastructure as one of the four strategic fields for the High Performance Plastics Company in the medium-term management plan "SHIFT 2019 -Fusion-" (FY2017 to FY2019). In this strategic field, it is committed to expand business through efforts to increase its market share for the products, develop new products, and expand its overseas operations, centering on fire-protection and non-flammable materials, the market for which is expected to grow.

2. Purpose of Share Acquisition

Incorporating SoflanWiz, which has high technical skills and holds the top share and in the Japanese market for rigid urethane stock solution, into the SEKISUI CHEMICAL Group, SEKISUI CHEMICAL is aimed at expanding business in the field of Building and Infrastructure, which centers on SEKISUI CHEMICAL's non-flammable technology. Specifically, the following three effects are expected through the fusion and cooperation with SoflanWiz.

(1) Synergy to be produced in the business aspect through the cooperation

Rolling out non-flammable urethane products made by SEKISUI CHEMICAL, by using the powerful sales networks for urethane products that SoflanWiz has in the field of Building and Infrastructure, will make it possible to speed up the strengthening of the urethane business.

(2) Synergy to be produced in the R&D through collaboration

Fusing SoflanWiz's know-how in urethane formulation and processing technologies and technical service abilities with SEKISUI's technology for rendering urethane non-flammable and related materials technologies is aimed at promoting research and development (R&D).

(3) Complimentary synergy to be produced in the production aspect

The mutual use and complementation of manufacturing facilities and the joint purchase of raw materials with SoflanWiz will configure the optimal production system and reduce manufacturing costs.

3. SoflanWiz Overview

(1) Name: SoflanWiz Co., Ltd.

(2) Head office: 11th Floor, Dojima Plaza Building, Dojima 1-5-30, Kita-ku, Osaka

(3) Representative: Masaki Fukumoto

(4) Business details: The manufacturing and sales of rigid urethane stock solution and of thermal insulation panels for the farming and livestock industries, and the machining and management of thermal insulation materials for ultra-low temperatures

(5) Capital: 320 million yen

(6) Established: October 2008

(7) Main business bases: Sales: Osaka and Tokyo; Manufacturing: Atsugi, Akashi, Iwaki, and Thailand

(8) Latest business results: Net sales: 11.2 billion yen; operating profits: 1.53 billion yen (as of December 2016)

4. Schedule

July 28, 2017: Conclusion of Share Transfer

December 27, 2017: Execution of Share Transfer (Planned)

5. Impact on Business Results

The impact on SEKISUI CHEMICAL's consolidated business results for the fiscal year ending March 31, 2018 due to this acquisition is expected to be negligible, and there are no changes to the forecasts for the consolidated business results for the fiscal year, which was announced on April 27, 2017.

6. Addendum

The acquisition of these shares is subject to the approval of the relevant authorities.

Press Contact

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