

**Company Name:** Fukuvi Chemical Industry Co. Ltd.  
**President and CEO:** Seiichiro Yagi  
 (Code: 7871 Tokyo and Nagoya Stock Exchange Second Section)  
**Press Contact:** Hisashi Shibata, Planning Director  
 (Tel: 0776-38-8451)  
 Shigeki Kubo, Public Relations and Investor Relations Manager  
 (Tel: 0776-38-8415)

## Business Transfer Notification

This press release is to announce the transfer of business relating to phenolic foam boards currently held by Sekisui Chemical Co., Ltd. Environment & Lifeline Company (Head office: Osaka) to Fukuvi Chemical Industry Co., Ltd. on August 24<sup>th</sup>, 2018.

### Details

#### 1. Reason for business transfer and establishment of subsidiary

Sekisui Chemical Co., Ltd. Environment & Lifeline Company determined that the manufacture and sale of their phenolic foam insulation boards will be best handled as part of the Fukuvi Group, by making use of the full strengths and established sales channels of the Fukuvi Group. Business relating to sales will be handled by Fukuvi, while a subsidiary company is planned to be created to handle manufacturing. The expected date of the establishment of this new subsidiary is January 1<sup>st</sup>, 2019.

#### 2. New Subsidiary Outline

|                              |   |
|------------------------------|---|
| <b>Name</b>                  | Fukuvi Okayama Co., Ltd.  |
| <b>Location</b>              | Okayama Prefecture, Okayama City, Higashi Ku 150-4  |
| <b>Representatives</b>       | Seiichiro Yagi Chairman and Representative Director<br>Tomohito Murai President and Representative Director |
| <b>Business</b>              | Manufacture of phenolic foam insulation boards  |
| <b>Capital</b>               | 100 million yen   |
| <b>Date of Establishment</b> | October 1, 2018   |
| <b>Majority Shareholder</b>  | Fukuvi Chemical Industry Co., Ltd. 100%   |

#### 3. Overview of Transferring Business

In December 2007 Sekisui Chemical Co., Ltd. launched a high performance phenolic foam insulation product called "Fenova Board". This product has high-class insulation performance and fire-protection capabilities, and is manufactured mainly for home use. It is produced wholly at their subsidiary factory in Okayama.

#### 4. Impact on Business Performance and Future Prospects

The impact of this business transfer on consolidated business results for the fiscal year ending March 31, 2018 is minor.