



FY2017 Financial Result

April 27, 2018

Sekisui Plastics Co., Ltd.

(First Section of Tokyo Stock Exchange, Code Number: 4228)

FY2017 Financial Results

(Unit: billions of yen)

	FY2016 Results (A)	FY2017 Plan (*) (B)	FY2017 Results (C)	YoY		Against Plan	
				(C)-(A)	Change %	(C)-(B)	Change %
Net sales	102.4	112.8	112.1	9.7	109%	-0.7	99%
(Overseas sales)	17.1	19.3	19.4	2.3	114%	0.1	101%
(Overseas sales ratio)	16.7%	17.1%	17.3%				
Operating income	5.4	6.3	5.3	-0.1	98%	-1.0	84%
(Operating income ratio)	5.3%	5.6%	4.7%				
Recurring income	5.1	6.2	5.2	0.1	102%	-1.0	83%
Net income attributable to owners of the parent	3.4	4.1	3.4	0	101%	-0.7	84%
ROE	5.7%	6.5%	5.5%				

* Figures announced in November 2017

◆ On YoY, sales and recurring/Net incomes increased (record highs), but did not reached against the plan.

- Industry Segment: While it grew in the fields of Automobile Components and Home Appliance/ IT field, sales expansion of strategic merchandise was delayed.
- Human Life Segment: While the increase in raw fuel prices continued, changes in the selling unit prices have been delayed.
- Fixed costs for upfront investments could not be covered.

FY2017 Results: Industry Segment

(Unit: billion JPY)

	FY2016 Results (A)	FY2017 Plan (*) (B)	FY2017 Results (C)	YoY		Against Plan	
				(C)-(A)	Change %	(C)-(B)	Change %
Net sales	40.2	46.6	46.0	5.8	114%	-0.6	99%
Operating income (Operating income ratio)	2.6 6.5%	3.7 7.9%	3.2 6.9%	0.6	122%	-0.5	86%
Recurring income	2.0	3.2	2.8	0.8	141%	-0.4	88%

* Figures announced in November 2017

- ◆ Demand for PIOCELAN has been in good shape for use in LCD panel transportation material applications in the Home Appliance/IT field in Taiwan and China. Also, demand for TECHPOLYMER recovered for use in LCD panels in the Light Diffusion field. However; both demand slowed down partially.
- ◆ It grew in the Automotive field since uses of PIOCELAN as a components has been increased and also it has also been used for large vehicles such as trucks.
- ◆ Expanding sales of strategic merchandises was delayed in the industrial material business.

FY2017 Results: Human Life Segment

(Unit: billion JPY)

	FY2016 Results (A)	FY2017 Plan (*) (B)	FY2017 Results (C)	YoY		Against Plan	
				(C)-(A)	Change %	(C)-(B)	Change %
Net sales	62.2	66.2	66.1	3.9	106%	-0.1	100%
Operating income	4.7	5.1	4.4	-0.3	94%	-0.7	87%
(Operating income ratio)	7.5%	7.6%	6.7%				
Recurring income	3.8	4.2	3.5	-0.3	93%	-0.7	84%

* Figures announced in November 2017

- ◆ Increase in raw fuel prices continued and , changes in the selling unit prices have been delayed.
- ◆ The sales volume was lower than the forecast due to poor demand in the year end, etc.
- ◆ Agriculture/fishery field remained sluggish under the influence of inclement weather.
- ◆ Food container field was strong since demand for microwave-safe containers increased.
- ◆ Construction materials/civil engineering field was also healthy, driven by private-sector projects and acceleration of infrastructure maintenance.

(Unit: Yen per share)

FY2016			FY2017		
Interim*	Yea-end	Total*	Interim	Year-end (prospect)	Total (prospect)
(12.0)	12.0	(24.0)	12.0	15.0	27.0
Consolidated payout ratio: 32.9%			Consolidated payout ratio: 35.8%		

* Converted value after the stock consolidation in October 2016(two shares into one)

The FY2017 year-end dividend **will amount to 15.0 yen per share.**

◆ Status of Acquisition of Treasury Stock

FY2016: Acquisition of 875,000 treasury stocks resulted the total return ratio of 54%.

FY2017: Acquisition of 568,000 treasury stocks resulted the total return ratio of 54%.

【Plan Period】

FY2016 - FY2018

【Plan Name】

Make Innovations 60

Implement “**Business Portfolio Transformation**” and
“**Earnings Structure Reform**” based on the 100-Year Vision

【Action Guideline】

- Make Business Model Innovations

Toward the 60th Anniversary of Establishment -

With imagination, accelerate the innovations

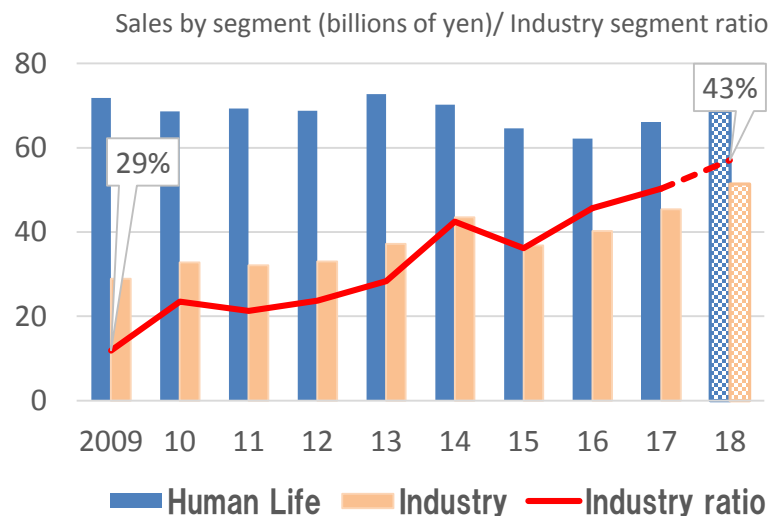
Innovate and visualize thought, action and structure by all the members

Key Measures

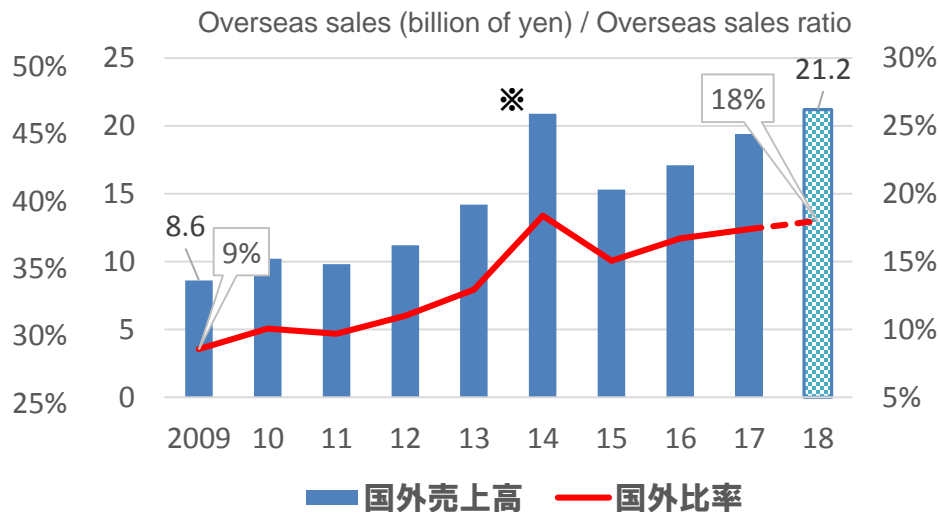
Make Innovations 60 Key Measures

(1) Business portfolio transformation

(expansion of business/customer bases)



- Expansion of industrial field
- Speed-up of the global sales expansion



FY2014: Global Group company had 15-month account closing.

(2) Speed-up of the business model transformation

- Increase awareness of corporate brands
- Strengthen development of processing business
- Strengthen of Proposal Sales



M&A of Yamakyu Co., Ltd.



"Flying Fish Box" developed with Nippon Express Co., Ltd.

Key Measures

Make Innovations 60 Key Measures

(3) Strengthening of development capabilities by transforming the development promotion system

Participated in international plastic exhibitions



Being used for In-Flight Meats in the international flights



- Transfer theme of New Business Application Development Center.
- Utilize domestic and foreign exhibitions.
- Strengthen information gathering for strategic merchandise development.

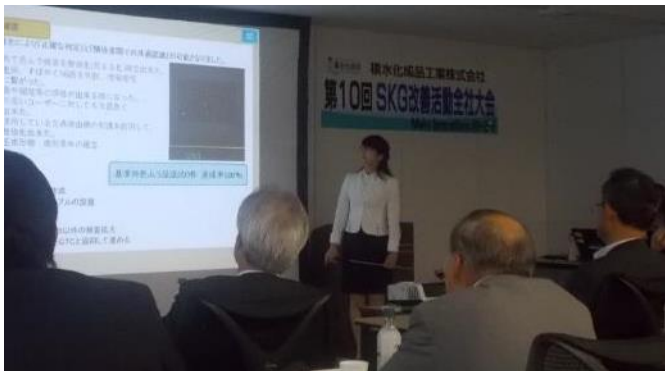
Used by a major drone company



(4) Enhancement of competitiveness to build a high-profitability structure

- Wide-region logistics reform (20% reduction against FY2016)
- Development of energy saving / productivity

SKG-KAIZEN (Improvement) presentation meeting



(5) Personnel portfolio transformation / human resource development

- Human resource development by Sekisui Plastics-Juku
- Sharing of ideal group talent

SK-Juku Completion ceremony



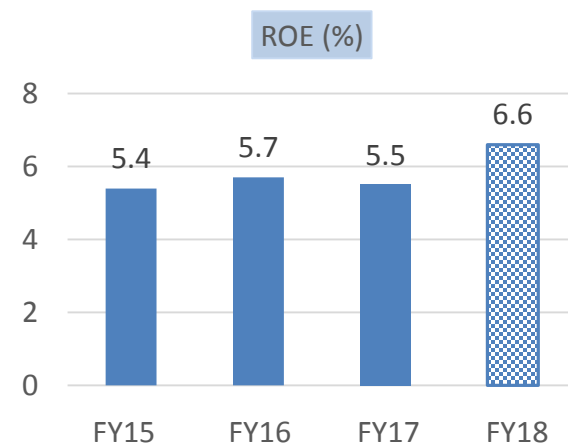
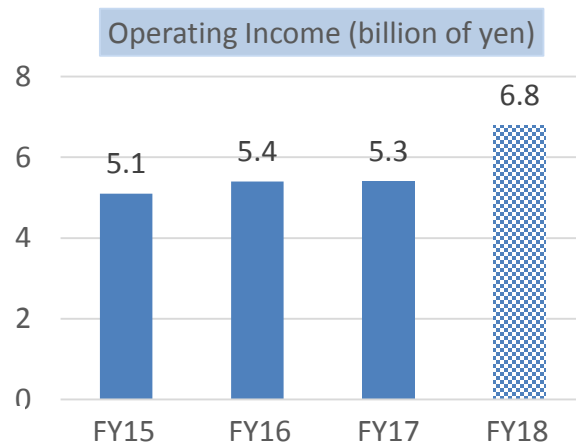
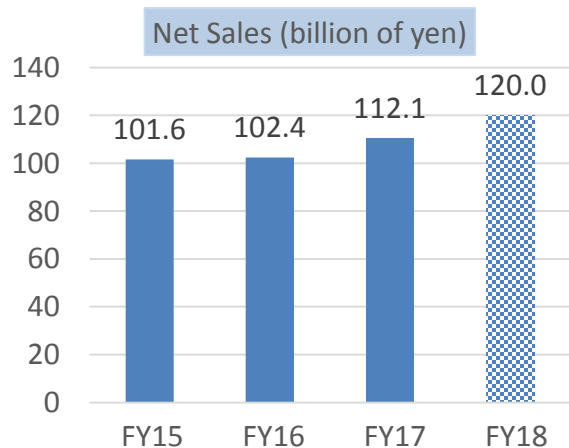
The "Zen-in Keiei" card



Quantitative Targets

(Unit: billion of yen)

	FY2016 Results (A)	FY2017 Results (B)	FY2018 Plan (C)	YoY		FY2018 Initial Plan (D)
				(C)-(B)	Change %	
Net sales	102.4	112.1	120.0	7.9	107%	124.0
(Overseas sales)	17.1	19.4	21.2	1.8	109%	25.0
(Overseas sales ratio)	16.7%	17.3%	17.7%			20.2%
Operating income	5.4	5.3	6.8	1.5	129%	7.7
(Operating income ratio)	5.3%	4.7%	5.7%			6.2%
Recurring income	5.1	5.2	6.6	1.5	128%	7.6
Net income attributable to owners of the parent	3.4	3.4	4.4	1.0	128%	5.0
(*) ROE	5.7%	5.5%	6.6%			7.8%



Industry: Quantitative targets / Key Measures

(Unit: billions of yen)

	FY2016 Results (A)	FY2017 Results (B)	FY2018 Plan (C)	YoY		FY2018 Initial Plan (D)
				(C)-(B)	Change %	
Net sales	40.2	46.0	51.4	5.4	112%	55.0
Operating income	2.6	3.2	4.7	1.5	148%	5.4
(Operating income ratio)	6.5%	6.9%	9.1%			9.8%
Recurring income	2.0	2.8	4.0	1.2	142%	4.8

◆ Global business expansion

Home Appliance/IT field: China / Taiwan
 Automotive field: Asia / Europe
 Medical/Health care fields: Europe / Americas

◆ Proactive input of new products & new goods
 (ST-LAYER, ELASTIL, TECHEATER)

◆ Customer development with existing products/goods and increase in in-store share
 (PIOCELAN, TECHPOLYMER, ST-gel)

(Unit: billions of yen)

	FY2016 Results (A)	FY2017 Results (B)	FY2018 Plan (C)	YoY		FY2018 Initial Plan (D)
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Net sales	62.2	66.1	68.6	2.5	104%	69.0
Operating income	4.7	4.4	4.8	0.4	109%	5.2
(Operating income ratio)	7.5%	6.7%	7.0%			7.5%
Recurring income	3.8	3.5	3.9	0.4	111%	4.2

- ◆ Increase in in-store shares of existing customers for beads/sheets
- ◆ Expansion of functional food containers (microwavable/freezable containers)
- ◆ Agriculture/fishery: import/export business (enhance to develop freshness preservation materials)
- ◆ Fabrication business: Development by regional representative companies and Group in Asia
- ◆ Cost reductions through energy-saving/productivity enhancing activities and wide-region logistics reform.

Status of Capital Investment

(Unit: billion JPY)

	FY2016 Results	FY2017 Results	FY2018 Plan	(Reference) 3 Years		
				Total	2nd Plan	Compare
Capital Investment	5.8	7.8	8.4	22.0	19.5	2.5
Depreciation Cost	3.6	4.1	4.9	12.6	12.6	0

[FY2018 - Major Facility Plan]

2nd Base in Thailand

New secondary work place at the Sekisui Plastics Gunma

Increase in TECHPOLYMER capacity

Full production of a plant for functional beads

[Reference: FY2017 - Major Construction Completion]

Increase in the extruder capacity in Japan

New warehouse and secondary work place in Taiwan

Functional Beads Establishment of a pilot plant

Development equipment for composite sheets



Thank you sincerely for your kind attention.

★ For any inquiries regarding the content, please contact
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★ For more information, please visit on our website.

URL: <http://www.sekisuiplastics.com/>

Forecasts and other forward-looking statements appearing in this report are based on company judgements formed from available information. Changing conditions in a variety of areas may cause substantial differences in the actual results.