

November 9, 2016

Sekisui Plastics Co., Ltd.

Notice regarding our investment in Yamakyu Co., Ltd.

We hereby announce that Sekisui Plastics Co., Ltd. (Head Office 2-4-4 Nishitenma, Kita-ku, Osaka; President: Masato Kashiwabara) has invested in Yamakyu Co., Ltd. (Tachikawa, Tokyo), which has advanced molding and processing technologies. This company is now our consolidated subsidiary as stated below in order to expand the business of our strategic merchandise, ST-LAYER (Carbon Fiber Reinforced Plastics / Foam Core Composite), in a speedy manner.

1. Purpose of Investment

As a leading company in the foam plastics segment, we would like to grow our sales of materials and products of higher-functional foam plastics and to expand our business by producing composite products with other materials.

Especially, we promote a business expansion of our new strategic merchandise, ST-LAYER in the fields of industrial materials, energy and automobiles. ST-LAYER is a structural component, which composite CFRP with a high-rigid heat-resistant foam core developed by Sekisui Plastics. In addition to its lightweight and high strength, it also has properties of vibration damping, rigidity and thermal/sound resistance.

By investing in Yamakyu Co., Ltd., which owns high-level molding/processing technologies and equipment, we will improve our technology for ST-LAYER. Therefore, we will accelerate business expansion by building a total molding/processing system from prototype to mass-production.

2. Outline of Investment

(1) Outline of the Investee Company

Name: Yamakyu Co., Ltd.

Representative: President Humio Kuroe

Capital: 55 million yen

Net Sales: Approximately 3,000 million yen

Head Office Address: 1-25-12 Akebono-cho, Tachikawa, Tokyo

Offices: Kanazawa Sales Office (Hakusan, Ishikawa) / R&D Center (Ayase, Kanagawa) / Niigata
Factory (Joetsu, Niigata)

Number of Employees: 80

Description of Business: Manufacturing and selling of automobile parts etc.

(2) Investment Details

Capital Contribution Ratio: 85.5% (transferred from existing shareholders)

Effective date: October 3, 2016