Source: Document disclosed on December 19th, 2018 in accordance with the Tokyo Stock Exchange regulations

December 19th, 2018
Sekisui Plastics Co., Ltd.

Notice of the Acquisition of Proseat Group

This is to notify that, by resolution of the Board of Directors, Sekisui Plastics Co., Ltd. (hereinafter "Sekisui Plastics") has concluded a share purchase agreement to acquire 75 percent share of Proseat GmbH & Co. KG and seven other Proseat companies, an automotive parts maker with operations in six European countries (hereinafter "Proseat Group").

1. Background and Objective of the Acquisition

a) Background of the acquisition

In "Make Innovations 60," the mid-term management plan for fiscal 2016 to fiscal 2018, business portfolio transformation was established as the first high-priority policy. Sekisui Plasitics is working to increase the sales ratio in the industry segment and to accelerate global sales expansion. Sekisui Plastics is investing actively centering on the automobile sector and the home appliance/IT sector and is continuing to expand its business operations.

In relation to automotive parts, Piocelan (polystyrene/polyolefin hybrid resin foam), one of the company's mainline products, is being steadily adopted by Japanese automobile companies in Japan and in the Americas as seat core material and as lower-limb impact absorption material.

b) Objective of the Acquisition

Proseat Group is composed of eight companies in six European countries (Germany, France, the United Kingdom, Spain, the Czech Republic, and Poland) and is building on leading position as Europe's largest independent automotive parts (seat-use cushion material, trim parts such as headrests and armrests, and foamed molding) manufacturer to European automobile companies.

By taking over the Proseat Group, Sekisui Plastics will accelerate the sales of its mainline product Piocelan in the European automotive parts market and will promote the sale of all of the automotive parts of the Proseat Group to Japanese automobile companies through its sales channels.

The automobile industry is undergoing a major transformation as represented by self-driving cars and new energy vehicles. With regard to automotive parts, the need for materials that contribute to a reduced environmental burden, such as weight reduction and thermal insulation, is increasing. Through this transaction, by integrating the differing technologies of Sekisui Plastics and the Proseat Group and by closely partnering with global automobile companies, Sekisui Plastics will further strengthen its capacities for making proposals, for development, and for providing products that precisely match society's needs for existing automotive parts and for light-weight structural parts used in electric and other new energy vehicles.

2. Acquisition Summary (Share of voting rights before and after acquisition and acquisition price)

a) Share of voting rights before transfer	0%
b) Share of voting rights after transfer	75%
c) Acquisition price*	Proseat Group common stock: 30.5 million euros (about 4 billion yen) Other expenses (estimate): 3.8 million euros (about 0.5 billion yen) Total (estimate): 34.3 million euros (about 4.5 billion yen)

* Calculations assume 1 euro = 130 yen

3. Summary of Acquiring Company

(1)	Name	Sekisui Plastics Europe GmbH (hereinafter "SPEG")
(2)	Location	Prinzregentenplatz 7,81675 München,Germany
(3)	Name and position of representative	Managing Director Makoto Kimatsuka
(4)	Business lines	Management and administration of group companies
(5)	Capital stock	30 thousand Euro
(6)	Date of founding	November 28th, 2018
(7)	Major shareholders and shareholding ratios	Sekisui Plastics Co., Ltd. (100%)

* SPEG, currently 100 percent owned subsidiary of Sekisui Plastics, will acquire 100 percent outstanding share of eight companies of the Proseat Group, and Recticel will acquire 25 percent share of SPEG at the same time. As a result, Sekisui Plastics will hold 75 percent equity interest in the Proseat Group.

4. Summary of Companies Transferred through the Acquisition

a) Proseat GmbH & Co. KG

(1)	Name	Proseat GmbH & Co. KG	
(2)	Location	Hessenring 32, 64546 Mörfelden-Walldorf, German	
(3)	Name and position of representative	President & CEO　Stefan Hünermann	
(4)	Business lines	Management and administration of group companies, manufacture of automotive parts	
(5)	Date of founding	September 21st, 2004	
(6)	Major shareholders and shareholding ratios *	Recticel NV/SA　（Belgium）100%	
(7)	Relationship with Sekisui Plastics	Capital relationship	There are no pertinent matters to be recorded.
		Personal relationship	There are no pertinent matters to be recorded.
		Business relationship	There are no pertinent matters to be recorded.

* 49 percent share of Proseat GmbH & Co. KG, which had been owned by Woodbridge Group, which indidates Woodbridge Foam Corp. and its affiliates, would be fully purchased by Recticel prior to this transaction.

b) Summary of Proseat Mladá Boleslav

(1)	Name	Proseat Mladá Boleslav s.r.o	
(2)	Location	Mladá Boleslav – Plazy 115, Czech	
(3)	Name and position of representative	Executive Director　Stefan Hünermann	
(4)	Business lines	Manufacture of automotive parts	
(5)	Date of founding	December 3rd, 2003	
(6)	Major shareholders and shareholding ratios *	Recticel NV/SA（Belgium）100%	
(7)	Relationship with Sekisui Plastics	Capital relationship	There are no pertinent matters to be recorded.

	Personal relationship	There are no pertinent matters to be recorded.
	Business relationship	There are no pertinent matters to be recorded.

* 49 percent share of Proseat Mladá Boleslav, which had been owned by Woodbridge Group, would be fully purchased by Recticel prior to this transaction.

c) Summary of Proseat Schwarzheide GmbH

(1)	Name	Proseat Schwarzheide GmbH	
(2)	Location	Schipkauer Straße 1, 01987 Schwarzheide, Germany	
(3)	Name and position of representative	President & CEO　Stefan Hünermann	
(4)	Business lines	Manufacture of automotive parts	
(5)	Date of founding	April 10th, 2014	
(6)	Major shareholders and shareholding ratios	Proseat GmbH & Co. KG（Germany）100%	
(7)	Relationship with Sekisui Plastics	Capital relationship	There are no pertinent matters to be recorded.
		Personal relationship	There are no pertinent matters to be recorded.
		Business relationship	There are no pertinent matters to be recorded.

* Together with the three main companies listed above, the share of a total of eight companies will be acquired, including four companies in such countries as the United Kingdom and Spain.

5. Proseat Group's Consolidated Results and Consolidated Financial Situation for the Most Recent Two and half Years

(unit: million Euro)

(Fiscal Year ends in December)

Fiscal year	FY2016*	FY2017	First Half of FY2018
Consolidated total assets	159	155	167
Consolidated sales	261	293	162
Consolidated EBITDA	17	5	5

* Proseat SA/NV, out of this transaction, is included in the Consolidated Results and Consolidated Financial Situation for FY2016. It has no impact to consolidated sales and EBITDA since Proseat SA/NV has no operation in Manufacturing automotive parts or any business operations.

* The numbers are round down to the nearest decimal.

* The data above is not audited by accounting firm.

6. Summary of the Seller of this transaction

a)	Name	Recticel NV/SA
b)	Location	Olympiadenlaan 2, Brussels, Brussels Region 1140, Belgium
c)	Name and position of representative	Chief Executive Officer Olivier Chapelle
d)	Business lines	Foam molding using polyurethane
e)	Capital stock	136,941thousand Euro（as of June 30, 2018）

f)	Date of founding	July 19th, 1896	
g)	Net assets	254,694thousand Euro（as of June 30, 2018）	
h)	Total assets	775,528thousand Euro（as of June 30, 2018）	
i)	Major shareholders and shareholding ratios (As of November 30, 2018)	Compagnie du Bois Sauvage sa：28.1% Capfi Delen：3.9% BNP Paribas Investment Partners：3.0% KBC Asset Management n.v.：3.0%	
j)	Relationship with Sekisui Plastics	Capital relationship	There are no pertinent matters to be recorded.
		Personal relationship	There are no pertinent matters to be recorded.
		Business relationship	There are no pertinent matters to be recorded.
		Pertinent situation with related parties	There are no pertinent matters to be recorded.

* The shareholding ratios of "Major shareholders and shareholding ratios" are prepared based on the Recticel website, and the numbers are truncated beyond the second decimal point.
* Besides the above seller, share acquisition from three affiliates of Rectcel is planned. There are no pertinent matters to be recorded between Sekisui Plastics and these three companies with respect to capital relationships, personal relationships, business relationships, and related parties.

7. Schedule

a)	Board meeting resolution	December 18th, 2018
b)	Agreement date*	December 18th, 2018
c)	Share transfer date	By the end of March 2019 (Planned)

* Agreement has been held on December 18th, 2018 in Central European Time.

8. Future Outlook

The effect of this acquisition on consolidated results for the fiscal year ending in March 2019 is currently being examined. Should matters requiring disclosure arise, they will be disclosed promptly.

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