



FY2017 Second-Quarter Results

October 20, 2016
Enplas Corporation

- *“fiscal 2016” or “FY2016” refers to the year ending March 31, 2016.*

- *“fiscal 2017” or “FY2017” refers to the year ending March 31, 2017.*

Agenda

- FY2017 Management Policy
- FY2017 2nd Quarter Results
- FY2017 2nd Quarter Results Overview
- FY2017 Plan (Consolidated)
- Trend and Business Strategy by Segment

Operational Excellence

Specification Technology

Multiple Growth

- ◆ **Invest in innovation**
(enter new markets, develop new products, and create new markets)
- **Strengthen marketing function**
- **Develop strategic products**
 - 1) **Create an advantage through innovation**
 - 2) **Strong intellectual property**
 - 3) **Support from customers**
- **Strengthen technology evaluation**

▶▶▶ FY2017 Second Quarter Business Results

(100 million yen)

	FY2017	FY2016		FY2017
	1 st Half Results	1 st Half Results	Change	Half-year Plan
Net Sales	159.0	194.4	△18.2%	170.0
COGS Ratio	52.5%	46.1%	6.4pt	51.7%
Operating Income	20.8	52.3	△60.2%	25.0
Ordinary Income	19.0	53.6	△64.5%	25.0
Net Income	35.3	37.6	△6.3%	17.0
Comprehensive Income	16.2	33.9	△52.1%	—
Net Income Per Share	274.91 yen	282.23 yen	△7.32yen	132.84 yen

▶▶▶ FY2017 Second Quarter Results by Segment

(100 million yen)

	FY2017	FY2016	Change	FY2017
	1st Half	1st Half		Half-year Plan
Engineering Plastic Business	61.2	65.4	△6.4%	64.0
COGS Ratio	66.9%	65.1%	1.8 _{pt}	-
Operating Income	△0.6	3.3	-	-
Semiconductor Peripherals Business	45.9	42.7	7.5%	48.0
COGS Ratio	50.9%	46.3%	4.6 _{pt}	-
Operating Income	5.9	8.6	△31.7%	-
Plastic Optics Business	51.8	86.2	△39.9%	58.0
COGS Ratio	37.0%	31.4%	5.6 _{pt}	-
Operating Income	15.6	40.3	△61.3%	-
Net Sales	159.0	194.4	△18.2%	170.0
COGS Ratio	52.5%	46.1%	6.4 _{pt}	51.7%
Operating Income	20.8	52.3	△60.2%	25.0

Quarterly Results

(100 million yen)

	FY2017		FY2016		
	2Q	1Q	4Q	3Q	2Q
Net Sales	82.7	76.2	91.8	101.1	97.7
COGS Ratio	53.2%	51.7%	48.3%	44.2%	47.1%
Operating Income	11.1	9.6	17.7	29.1	25.0
Ordinary Income	10.8	8.1	15.2	29.3	25.6
Net Income	27.7	7.5	△2.0	20.5	18.3
Net Income Per Share	216.60yen	58.32yen	△16.63yen	159.93yen	139.48yen

Quarterly Results by Segment

(100 million yen)

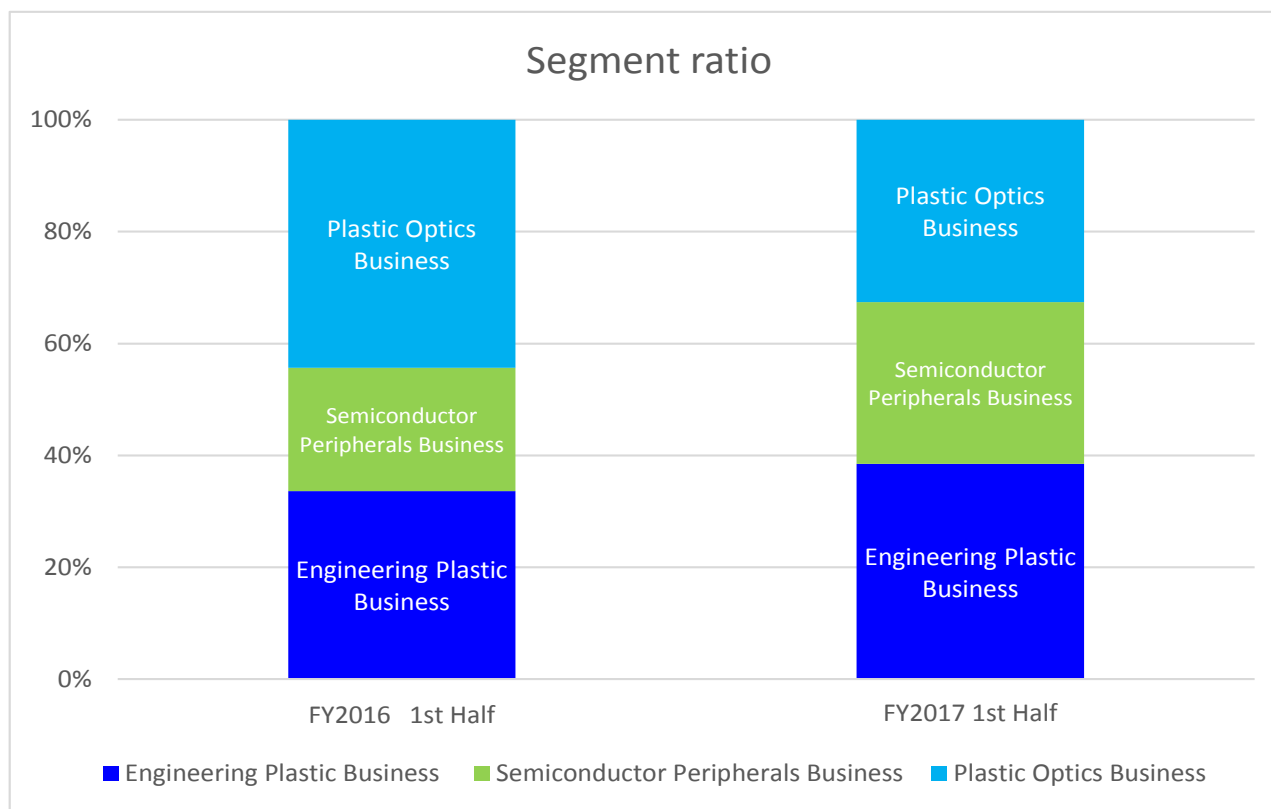
	FY2017		FY2016		
	2Q	1Q	4Q	3Q	2Q
Engineering Plastic Business	30.6	30.5	33.0	31.4	32.7
COGS Ratio	67.3%	66.5%	65.8%	63.5%	65.4%
Operating Income	△0.5	△0.1	1.7	1.6	1.3
Semiconductor Peripherals Business	25.3	20.5	22.8	23.5	22.3
COGS Ratio	51.5%	50.1%	48.7%	46.5%	47.5%
Operating Income	3.7	2.1	4.1	4.8	4.3
Plastic Optics Business	26.7	25.1	35.9	46.1	42.6
COGS Ratio	38.7%	35.1%	31.9%	29.8%	32.8%
Operating Income	7.9	7.6	11.8	22.6	19.2
Net Sales	82.7	76.2	91.8	101.1	97.7
COGS Ratio	53.2%	51.7%	48.3%	44.2%	47.1%
Operating Income	11.1	9.6	17.7	29.1	25.0

Second Quarter Overview

◆ COGS Ratio

FY2017 1st Half	FY2016 1st Half	Change
52.5%	46.1%	6.4_{pt}

- **Plastic Optics Business sales decreased by 3.4 billion yen**
- **Strong yen had negative impact on sales**



Second Quarter Overview

◆ Average Exchange Rate (US\$)

FY2017 1st Half	FY2016 1st Half	Change
106.38 _{yen}	121.47 _{yen}	Δ15.09 _{yen}

◆ SGA

(100 million yen)

FY2017 1st Half	FY2016 1st Half	Change
54.6	52.4	2.2

◆ Retirement benefit accounting discount rate 1.13%→0.03%

◆ Extra-ordinary Income

➤ 1.4 billion yen gain on sale of land

➤ 800 million yen gain on litigation reserve release

➤➤➤ Actions Implemented as of FY2017 Second Quarter

◆ **Development of global management**

- **Enplas (Europe) Ltd. merged with a Enplas (Europe) B.V.**
- **Establishment of Paris branch (plan)**
- **Consolidated Enplas Microtech, Inc., Enplas Tech Solutions, Inc., and the west coast business strategy office in one location.**
- **Improve productivity of Enplas (Vietnam) Co., Ltd.**

◆ **Launched a redesigned website**

- **Launched redesigned website on July 28, 2016.**
- **Redesigned website to accommodate various browsing environments.**

»» FY2017 Plan (Consolidated)

FY2017 Revised Plan

(100 million yen)

	FY2017		FY2017	FY2016
	Revised Plan	Original Plan	1 st Half Results	Full Year
Sales	320.0	340.0	159.0	387.3
COGS Ratio	52.5%	51.7%	52.5%	46.1%
Operating Income	42.0	50.0	20.8	99.3
Ordinary Income	40.0	50.0	19.0	98.2
Net Income	49.0	34.0	35.3	56.0
Net Income Per Share	382.90_{yen}	265.69_{yen}	274.91_{yen}	427.64_{yen}

FY2017 Plan by Segment

(100 million yen)

	FY2017		FY2017	FY2016
	Revised Plan	Original Plan	1 st Half Results	Full Year
Engineering Plastic Business	122.0	132.0	61.2	129.9
Semiconductor Peripherals Business	95.0	100.0	45.9	89.0
Plastic Optics Business	103.0	108.0	51.8	168.3

▶▶▶ FY2017 Revised Plan (Reference)

(100 million yen)

	FY2017		FY2017	FY2016
	Revised Plan	Original Plan	1 st Half Results	Full Year
<u>Capital expenditures</u>	68.0	68.0	54.6	21.5
<u>Depreciation</u>	23.0	27.0	11.3	27.0
<u>R&D</u>	11.0	11.0	5.2	11.0

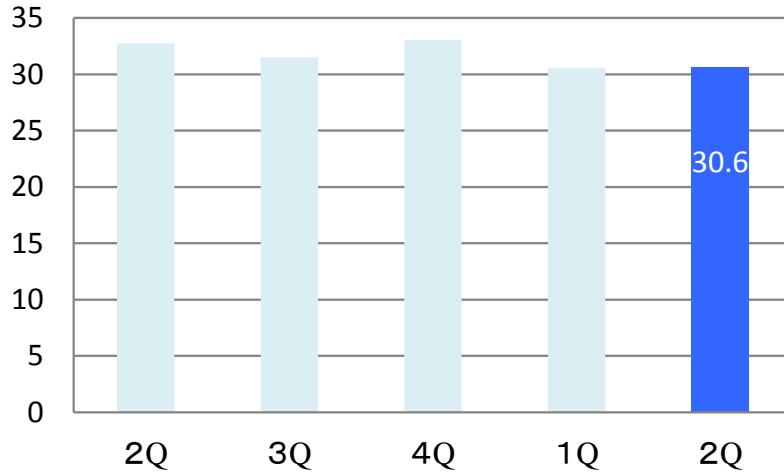


Business Trend and Strategy for Each Segment

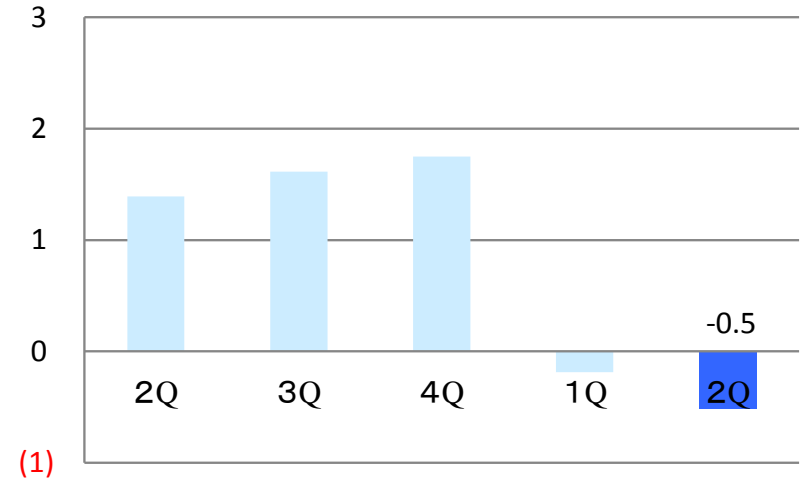
Engineering Plastic Business

(100 million yen)

Sales



Operating Income



- Strengthen ability to offer specification based solutions to customers
- Develop a thorough product strategy
- Establish a high efficiency global production system

FY2017

Sales Plan: 12.2 billion yen

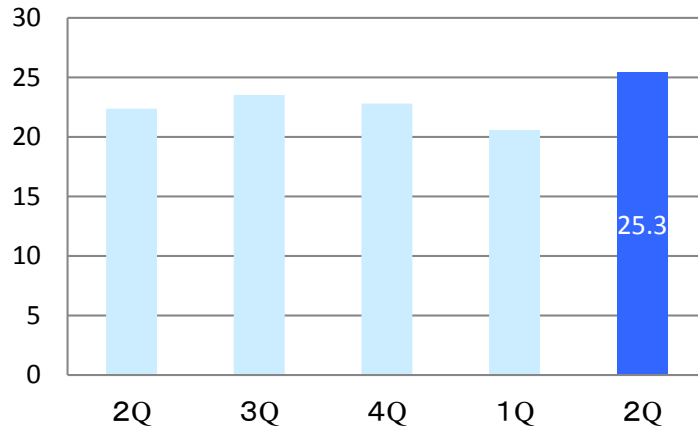
(FY2017 1st Half : 6.12 billion yen)



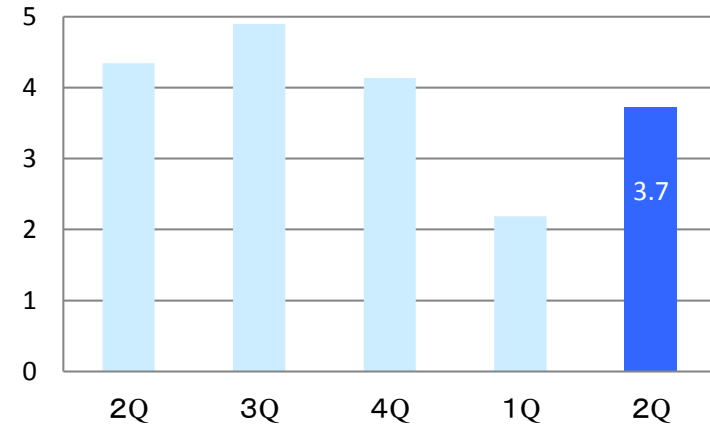
▶▶▶ Semiconductor Peripherals Business

(100 million yen)

Sales



Operating Income

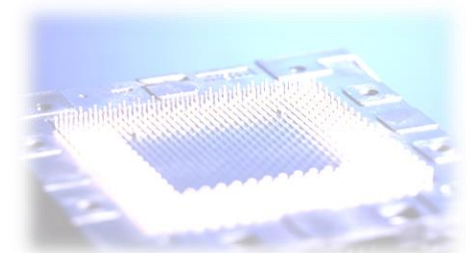


- Improve ability to adapt to changes in the business environment
- Strengthen global production system
- Develop competitive solutions
- Create competitive advantage based on speed

FY2017

Sales Plan: 9.5 billion yen

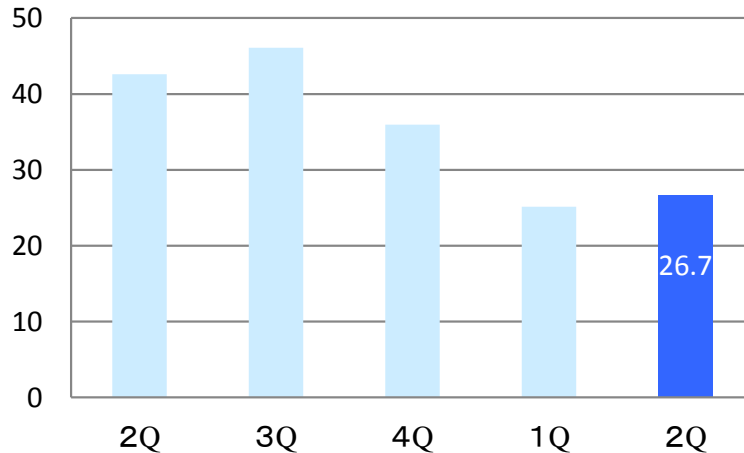
(FY2017 1st Half : 4.59 billion yen)



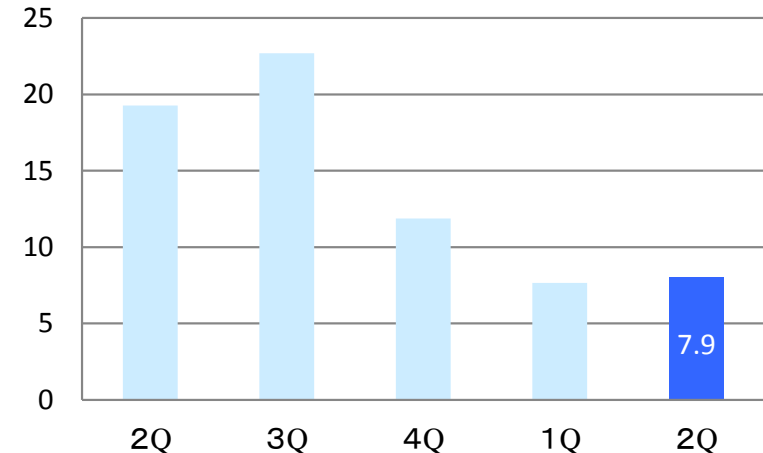
Plastic Optics Business

(100 million yen)

Sales



Operating Income



- Achieve stable growth by expanding customer base
- Revise production system
- Develop new products for the high-speed communications market

FY2017

Sales Plan: 10.3 billion yen

(FY2017 1st Half : 5.18 billion yen)





Enplas Corporation

**Financial Results for the Second Quarter of
the Year Ending March 31, 2017**

<http://www.enplas.co.jp/>

Any statements in this presentation which are not historical are future projections based on certain assumptions and executive judgments drawn from currently available information. Please note that actual performance may vary significantly from any particular projection due to various factors.

Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to Enplas's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously.

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