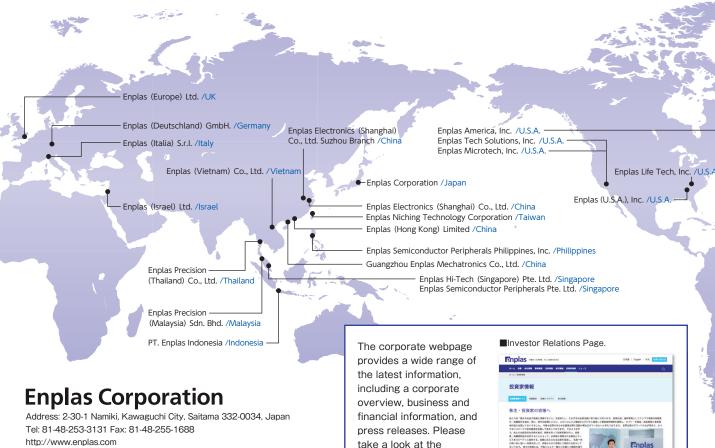
# Global Network

## Overseas Network

The "Enplas" group is in business 24 hours a day through our global network with locations in Asia, North America and Europe. Through our global network, we build partnerships based on trust with top



VEGETABLE

corporate webpage.

>enplas.co.jp/english

#### Global network based on client trust and superior technology.

manufacturers in various industrial arenas from planning and development stages.



# **Enplas Corporation**

(Securities code:6961)

Working for a Better Tomorrow

Business Report 2018 April 1, 2017 to March 31, 2018





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#### **Corporate Mission**

Based on ties of trust, and keeping our solid management footing that allows us to respond to any changes with confidence, we strive to:

- 1. Offer products and services that satisfy our customers.
- 2. Nurture and maintain a high level of motivation among employees through appraisal and recognition of capabilities and achievements, and
- Enhance the value of our business to meet the expectations of shareholders.

By fulfilling the ideals set forth in our mission statement, we are confident that our contributions to society will help build a better, more prosperous world for all.

#### **Business Domain**

Enplas will continue pursuing cutting-edge technology and offering creative value to the global market, based on advanced expertise cultivated in the field of engineering plastics.

#### Management Philosophy

- We pursue greater competitive and growth capabilities by providing outstanding technology and reliable products.
- 2. We ensure steady corporate development by maintaining a sound financial position.
- 3. We aim to provide consistent quality in all our corporate activities.

#### Guiding Principles for Our Employees

- We seek to challenge ourselves by setting creative goals and pursuing them enthusiastically.
- 2. We value a sense of gratitude and an attitude to learn from others.
- 3. We make a clear distinction between public and private affairs and act in a fair and direct manner.



# **Enplas**

# To Our Shareholders

We have advanced and utilized the overall technology of engineering plastics since the establishment of our company, and constantly strive for higher precision, higher functionality, and higher quality. We will contribute to the advancement of our society by providing our customers with high quality products and services that they appreciate.

# Q: Can you describe business performance during the 57th term?

Total consolidated sales for this term were 33,288 million yen (up 0.9% YOY), while operating income was 4,368 million yen (up 5.2% YOY). Ordinary income was 3,846 million yen (down 5.7% YOY). Profit attributable to owners of parent was 2,536 million yen (down 50.8% YOY). Major reasons for these changes included a rebound from gains on sale of fixed assets and a reversal of a provision for loss on litigation, both recorded as extraordinary income in the previous term, which resulted in a decrease of 2,286 million yen.

The business performance of each segment is outlined below.

In the Engineering Plastics Business, strong sales of automotive parts centered on the domestic market, supported by strong market conditions, helped secure new orders and boost sales. Although orders received from major customers grew, printer parts exhibited disappointing performance due to the maturation of the printer market.

In the Semiconductor Peripherals Business, sales for automotive uses remained strong. In particular, orders received from leading customers in North America recovered. Sales grew in the China and Taiwan markets. In the area of optical communication lenses in the Plastic Optics Business, the server market demonstrated strength in response to the growth of cloud services. Sales of high-end products grew. At the same time, sales of LED diffusing lenses were slow due to the impact of lower sales volumes of existing main products and falling unit prices, despite a focus on securing orders for new products through proactive sales activities intended to propose solutions.

Thus, while revenues and profits in both the Engineering Plastics and Semiconductor Peripherals businesses rose from the previous year, ordinary income fell due to lower profits in the Plastic Optics Business and the effects of exchange rates.

# Consolidated Performance

#### Q: Can you discuss your fundamental management policy for the 58th term?

The Enplas Group adopted the following fundamental management policy for the 58th term, with the goal of achieving further growth.

#### **Organic Growth**

The Group's business areas of Engineering Plastics, Semiconductor Peripherals, and Plastic Optics are industries subject to dramatic changes in market conditions as new technologies are introduced day after day. We expect future developments to remain difficult to project, due in part to concerns about US and China trade policies and effects of monetary policies in various countries. Given these conditions, to promote organic growth, we will stress enhancements in our ability to propose solutions to customers. We will do so by improving our production structures and establishing state-of-the-art evaluation technologies, investing to achieve sustained growth, and rapidly commercializing various newly developed technologies and products.

#### Q: Can you say something about the **Engineering Plastics Business?**

The Engineering Plastics Business manufactures and sells products for use in office machines, information and telecommunications devices, audio-visual devices, precision instruments, home appliances, automotive devices, and bioscience applications, with a focus on high-precision gears. At this time, sales in the Engineering Plastics Business's main product lines of automotive and printer parts remain relatively stable. We have invested proactively in recent years in the biosciences field and in creating new businesses.

### Q: Can you discuss the Semiconductor **Peripherals Business?**

The Semiconductor Peripherals Business manufactures and

sells IC test sockets and burn-in sockets, both of which are tools for semiconductor reliability testing.

Since we trade with semiconductor manufacturers around the world, this business is highly susceptible to the effects of exchange rates and experiences fluctuations from quarter to guarter due to the timing of sales deals. Nevertheless, overall, sales have continued to grow over the course of the year.

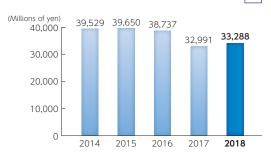
#### Q: How about the Plastic Optics Business?

The Plastic Optics Business manufactures and sells optical communication lenses and LED diffusing lenses.

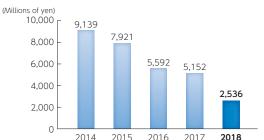
Sales of optical communication lenses are growing steadily from year to year, backed by favorable headwinds generated by the booming server market. While sales of LED diffusing lenses have declined in recent years, the Plastic Optics Business is continuing to pursue activities to secure orders for diverse new products with the goal of stabilizing its businesses. These activities involve proposing solutions to customers.

#### Q: Do you have any specific messages you would like to send to shareholders?

Based on the high-precision fine machining technologies accumulated since our founding, we plan to help build a prosperous society by tackling the challenge of developing high value-added products no one else can provide and providing products and services that satisfy the needs of our customers. To date, we've succeeded in creating new markets by taking the initiative and outdoing the competition in developing new products and improving our mass production technologies. In the future, we plan to continue strengthening corporate value by promoting the development of new markets based on proactive new business development, let alone achieving growth in existing markets. Moving forward, we look forward to continuing support and encouragement from all our shareholders.

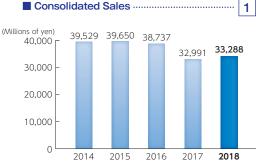


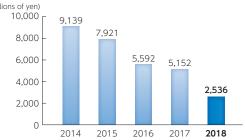




#### ■ Net Income per Share / Net Assets per Share









#### ■ Consolidated Operating Income **Consolidated Ordinary Income**



#### ■ Consolidated Total Assets/Consolidated Net Assets/ Consolidated Equity Ratio Consolidated Total Assets Consolidated Net Assets



## Amount of Capital Investment/Depreciation Expense/



#### Point 1

Consolidated sales for this term were 33,288 million ven (up 0.9% YOY).

#### Point 2

Consolidated operating income was 4.368 million ven (up 5.2% YOY), and the consolidated ordinary income was 3.846 million ven (down 5.7% YOY).

#### Point 3

Consolidated profit attributable to owners of parent was 2.536 million ven (down 50.8% YOY).

#### Point 4

Consolidated net assets were 52.258 million ven (up 2.9% YOY), and the capital-to-asset ratio was 90.8% (down 0.9 percentage points YOY).

The dividend per share is 80 yen

It is our fundamental policy to distribute the fruits of our management activities to our shareholders in a clear manner. We set the annual dividends per share including the interim dividends to 80 ven based on the future earnings forecasts with stable redistribution on our mind

4,000

3.000

2.000

1,000

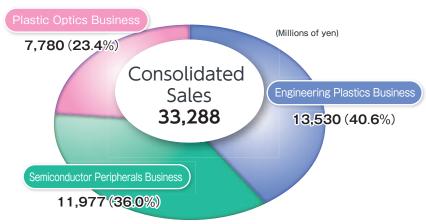


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# Outline by Businesses

#### Breakdown of Sales by Business Segment The term ended March 2018 (from April 1, 2017 to March 31, 2018)

Ever since the establishment of our company, we have made steady progress in improving precision and functions in the Engineering Plastics Business, our core business. At the same time, we have responded to the changing times by developing elemental technologies ranging from mechatronics domains to digital domains and expanding our business areas to include Semiconductor Peripherals and Plastic Optics. We intend to continue broadening our activity domains to include various industrial fields worldwide.

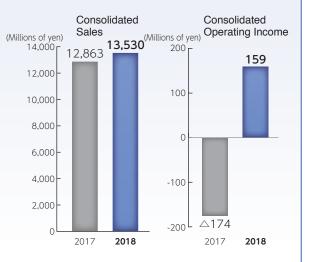


#### **Engineering Plastics Business**

Strong sales of automotive parts centered on the domestic market, supported by strong market conditions, helped secure new orders and sales growth. Although orders received from major customers grew, printer parts exhibited disappointing performance due to the maturation of the printer market. These developments resulted in consolidated sales for this term of 13,530 million yen (up 5.2%

YOY) and segment operating income of 159 million yen (vs. a segment operating loss of 174 million yen in the previous term).

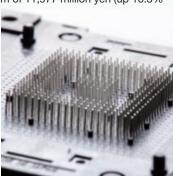


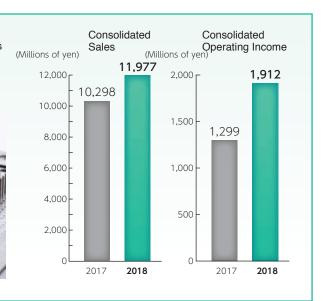


#### Semiconductor Peripherals Business

Sales for automotive uses remained strong, with recovery in orders received from major customers in North America. Sales also grew in the China and Taiwan markets. These developments resulted in consolidated sales for this term of 11,977 million yen (up 16.3%

YOY) and segment operating income of 1,912 million yen (up 47.1% YOY).





#### Plastic Optics Business

In the area of optical communication lenses, the server market demonstrated strength in response to the growth of cloud services.

Sales of high-end products grew. Sales of LED diffusing lenses were slow due to the impact of lower sales volumes of existing main products and falling unit prices, despite a focus on securing orders for new products through proactive sales activities intended to propose

solutions. These developments resulted in consolidated sales for this term of 7,780 million yen (down 20.8% YOY) and segment operating income of 2,296 million yen (down 24.1% YOY).





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# **Enplas Policies**



## **Quality Policy**

Earning customer trust and appreciation by supplying superior quality products and services worldwide

- 1. The quality policy applies globally to all Enplas entities and activities.
- 2. All Enplas entities have adopted ISO9001 as the fundamental framework of their quality management system
- 3. Based on the quality first policy, Enplas has made improvements across all business processes to manufacture and supply products that satisfy customers.
- 4. In addition to being monitored locally, quality is also monitored and supported by headquarters to maintain quality worldwide.

Organization1 **Enplas Corporation** [The Scope of the Registration1





ISO 9001 CM001

1. Design, development, production and production management of precision plastic gears, plastic carburetor floats.

optical elements and other injection molded

engineering plastic precision products. 2. Design, development and production management of IC Sockets and Carriers.

#### **Environment**

#### **Environmental commitment.**

As the world population nears eight billion, the environmental stress to our planet is evident in terms of air and water polution and associated climate impact. The path that Enplas must follow with respect to environmental conservation is clear.

We believe that as a global enterprise it is a necessity for Enplay to obtain the ISO 14001 certification, a global standard for Environment Management Systems. In addition to having attained ISO 14001 certification, Enplas has developed an environmental manual based on ISO 14001 guidelines and made a 'Declaration of Compliance' in each section, including those which create fewer burdens to the environment. Our approach to environmental conservation is one conducted with strict self-discipline.

#### **Environmental Policy**

Enplas is actively engaged in environmental protection related activities across all aspects of the manufacturing process.

- 1. We set environmental targets, built a company-wide environmental management system in order to achieve them, and continually work for improvement.
- 2. Through the rationalization and improvement of the business, we will reduce of the environmental burden and promote energy conservation (reduction of power usage/ CO2 emissions)
- 3. We will promote the reduction and recycling of waste plastic.
- 4. In cooperation with suppliers we will strive to reduce the environmental impact of our supply chain.
- 5. We will comply with all environmental regulations and environmental agreements
- 6. We will strive to prevent the emission of pollution from our corporate activities.
- 7. As members of society, we will contribute to the protection of the environment.

[Registered Organization] Enplas Kanuma







[Scope of Registration] Development and manufacturing of plastic / composite material based

ISO 14001 REGISTERED

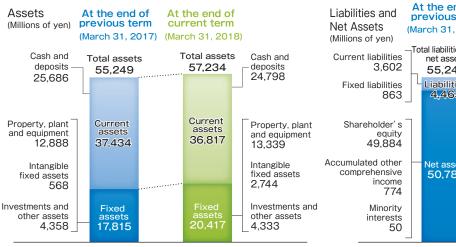
CM001

#### precision components. Registration Status

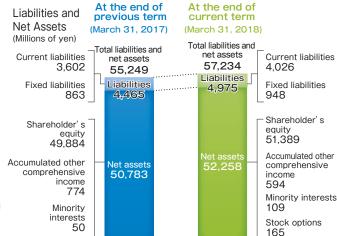
	Units and physical boundaries of the organization		Classification	Description of Business
	Enplas Corporation	Global Head Office	Self- Declaration	Development and manufacture of precision plastic components.
		Head Office	Self- Declaration	
		Kanuma Plant	Examination Registrations	
		Hamamatsucho Office	Self- Declaration	
	Domestic Group Companies	Enplas Laboratories, Inc.	Self- Declaration	
		Enplas Display Device Corporation	Self- Declaration	
		Enplas Semiconductor Peripheral Corporation	Self- Declaration	
		QMS Co., Ltd.	Self- Declaration	

# Consolidated Financial Outline

#### Outline of the Consolidated Balance Sheet



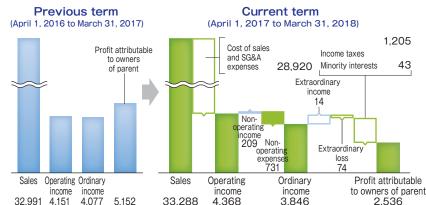
Total assets were 57,234 million yen, up 1,985 million yen from the previous term. While current assets decreased by 617 million ven. fixed assets increased by 2,602 million yen. Major factors driving the change included increases of 2,175 million yen in intangible fixed assets and 451 million yen in property, plant, and equipment.



Net assets were 52,258 million yen, up 1,475 million yen from the previous term. As a result, the equity ratio fell 0.9 percentage points from the end of the previous term to 90.8%.

#### Outline of the Consolidated Profit and Loss Statement

(Millions of yen)

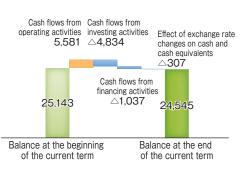


Consolidated sales were 33,288 million ven (up 0.9% YOY), consolidated operating income was 4,368 million yen (up 5.2% YOY), consolidated ordinary income was 3,846 million yen (down 5.7% YOY), and profit attributable to owners of parent was 2.536 million ven (down 50.8% YOY).

#### Outline of the Statement of the Consolidated Cash Flow

(Millions of ven)

**Current term** (April 1, 2017 to March 31, 2018)



Cash and cash equivalents for this term were 24.545 million yen, a decrease of 598 million yen from the end of the previous term.

# Corporate Profile/Stock Information / Memorandum for Shareholders

(As of June 22, 2018)

## Corporate Profile

Corporation Name : Enplas Corporation

: 2-30-1, Namiki, Kawaguchi City, Address

Saitama 332-0034, Japan

: February 21, 1962 Established Capital : 8.080.450.000 ven

#### **Directors and Executive Officers**

President : Daisuke Yokota

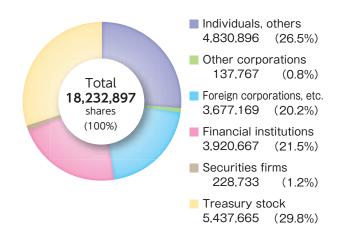
Member of the Board Senior Managing Executive Officer : Takashi Sakai Member of the Board : Toshimasa lue Member of the Board (Audit Committee): Yoong Yoon Liong Member of the Board (Audit Committee): Masanori Kazamaki Member of the Board (Audit Committee): Ichiro Hasegawa Managing Director, Executive Officer : Yutaka Kikuchi Managing Executive Officer : Yoshio Tamiya Managing Executive Officer : Shigeo Kutsuzawa Managing Executive Officer : Naoaki Takayama **Executive Officer** : Kiyotaka Hoshino **Executive Officer** : Shoii Miyasaka

(As of March 31, 2018)

#### Stock Information

Total Number of Authorized Shares : 62.400.000 Shares of Common Stock Issued : 18.232.897 Number of Shareholders 4.982

■ Distribution of Shares by Shareholders



#### Memorandum for Shareholders

: April 1 to March 31 of the year following Fiscal year

Annual general meeting of shareholders

**Executive Officer** 

: June of each year

Shareholder registry

: Tokyo Securities Transfer Agent Co., Ltd.

administrator

Agency services are available at the head office and branches within Japan of the Mitsui-Sumitomo Trust Bank I td

: Shigeya Fujita

Mailing address/contact information

: Address inquiries to: Administrative Center, Tokyo Securities Transfer Agent Co., Ltd., 8-4 Izumi 2-chome, Suginami, Tokyo 168-8522, Japan Toll-free: 0120-49-7009

Record date

: March 31 for voting at annual general meeting of shareholders

Method of public notice

: Electronic notification (http://www.enplas.com)

If public notification by this method is not possible, the public notification will appear in the Nikkei newspaper.

The balance sheet and the profit and loss statement are disclosed to the public in place of the mandatory financial statements via EDINET (http://info.edinet-fsa.go.jp/).

Stock Listing : Tokyo Stock Exchange, Inc., First section

# Global Network

# Domestic Network **Global Head Office** 9F, Shin-Marunouchi Center Building, 1-6-2 Marunouchi, Chiyoda-ku, Tokyo 2-30-1 Namiki, Kawaguchi City, Saitama Tokyo · Global Head Office · Single Cell Technology Corporation · Hamamatsucho Office Kanuma Plant Kawaguchi City, Saitama Headquarters · Enplas Display Device Corporation · Enplas Laboratories, Inc. ·QMS Co., Ltd. Nagova Office · Enplas Semiconductor Peripheral Corporation Nishi-nihon Office



Headquarters Enplas Display Device Corporation



Kanuma Plant



**Enplas Semiconductor** Peripheral Corporation



QMS Co., Ltd.



Enplas Laboratories, Inc.