



# **FY2015 Business Plan Presentation**

**April 30, 2014**

**Enplas Corporation**

**Daisuke Yokota, President**

- *“fiscal 2013” or “FY2013” refers to the year ending March 31, 2013.*
- *“fiscal 2014” or “FY2014” refers to the year ending March 31, 2014.*
- *“fiscal 2015” or “FY2015” refers to the year ending March 31, 2015.*

# Agenda

## ■ FY2014

**Management Policy**

**Business Results**

**Actions Implemented**

## ■ FY2015

**Management Policy**

**Business Strategy**

**Business Trend and Strategy for Each Segment**

**Business Forecast for FY2015**

## ■ Materials for Reference

# **FY2014 Management policy**

**■ Growth by continuously seeking new products and new business opportunities**

**■ Pursue cutting-edge technology**

**■ Strengthen the global management foundation**

# ▶▶▶ FY2014 Business Results

(100 Million-yen)

	FY2014 Results	FY2013 Results	Change
<u>Net Sales</u>	395.2	262.4	50.6%
<u>COGS Ratio</u>	46.0%	55.9%	△9.9 <sub>pt</sub>
<u>Operating Income</u>	123.8	45.5	171.9%
<u>Ordinary Income</u>	129.1	49.3	161.0%
<u>Net Income</u>	91.3	56.3	61.4%
<u>Comprehensive Income</u>	98.7	68.4	43.6%
<u>Net Income Per Share</u>	629.42 <sub>yen</sub>	397.69 <sub>yen</sub>	231.73 <sub>yen</sub>
<u>Dividends Per Share</u>	70.00 <sub>yen</sub>	40.00 <sub>yen</sub>	30.00 <sub>yen</sub>

# Quarterly Results

(100 Million-yen)

	FY2014				FY2013
	4Q	3Q	2Q	1Q	4Q
<u>Net Sales</u>	<b>101.1</b>	<b>92.5</b>	<b>91.9</b>	<b>109.6</b>	<b>75.6</b>
<u>COGS Ratio</u>	<b>44.5%</b>	<b>46.6%</b>	<b>49.5%</b>	<b>44.0%</b>	<b>53.9%</b>
<u>Operating Income</u>	<b>31.5</b>	<b>27.3</b>	<b>24.0</b>	<b>40.9</b>	<b>15.0</b>
<u>Ordinary Income</u>	<b>31.1</b>	<b>30.5</b>	<b>25.3</b>	<b>42.1</b>	<b>16.9</b>
<u>Net Income</u>	<b>21.3</b>	<b>17.7</b>	<b>20.2</b>	<b>32.0</b>	<b>21.9</b>
<u>Net Income Per Share</u>	<b>146.44<sub>yen</sub></b>	<b>121.96<sub>yen</sub></b>	<b>139.25<sub>yen</sub></b>	<b>222.20<sub>yen</sub></b>	<b>153.08<sub>yen</sub></b>

# FY2014 Segment Results

(100 Million-yen)

	FY2014 Results	FY2013 Results	Change
<b><u>Engineering Plastic Business</u></b>	<b>122.1</b>	<b>110.5</b>	10.5%
COGS Ratio	70.3%	73.3%	△3.0 <sub>pt</sub>
Operating Income	<b>0.2</b>	△1.9	–
<b><u>Semiconductor Peripherals Business</u></b>	<b>63.9</b>	<b>53.9</b>	18.6%
COGS Ratio	54.1%	59.0%	△4.9 <sub>pt</sub>
Operating Income	<b>9.2</b>	<b>5.4</b>	70.5%
<b><u>Plastic Optical Business</u></b>	<b>209.1</b>	<b>97.9</b>	113.5%
COGS Ratio	29.4%	34.6%	△5.2 <sub>pt</sub>
Operating Income	<b>114.3</b>	<b>42.0</b>	171.7%
<u>Net Sales</u>	<b>395.2</b>	<b>262.4</b>	50.6%
COGS Ratio	46.0%	55.9%	△9.9 <sub>pt</sub>
Operating Income	<b>123.9</b>	<b>45.5</b>	172.1%

# Quarter Results

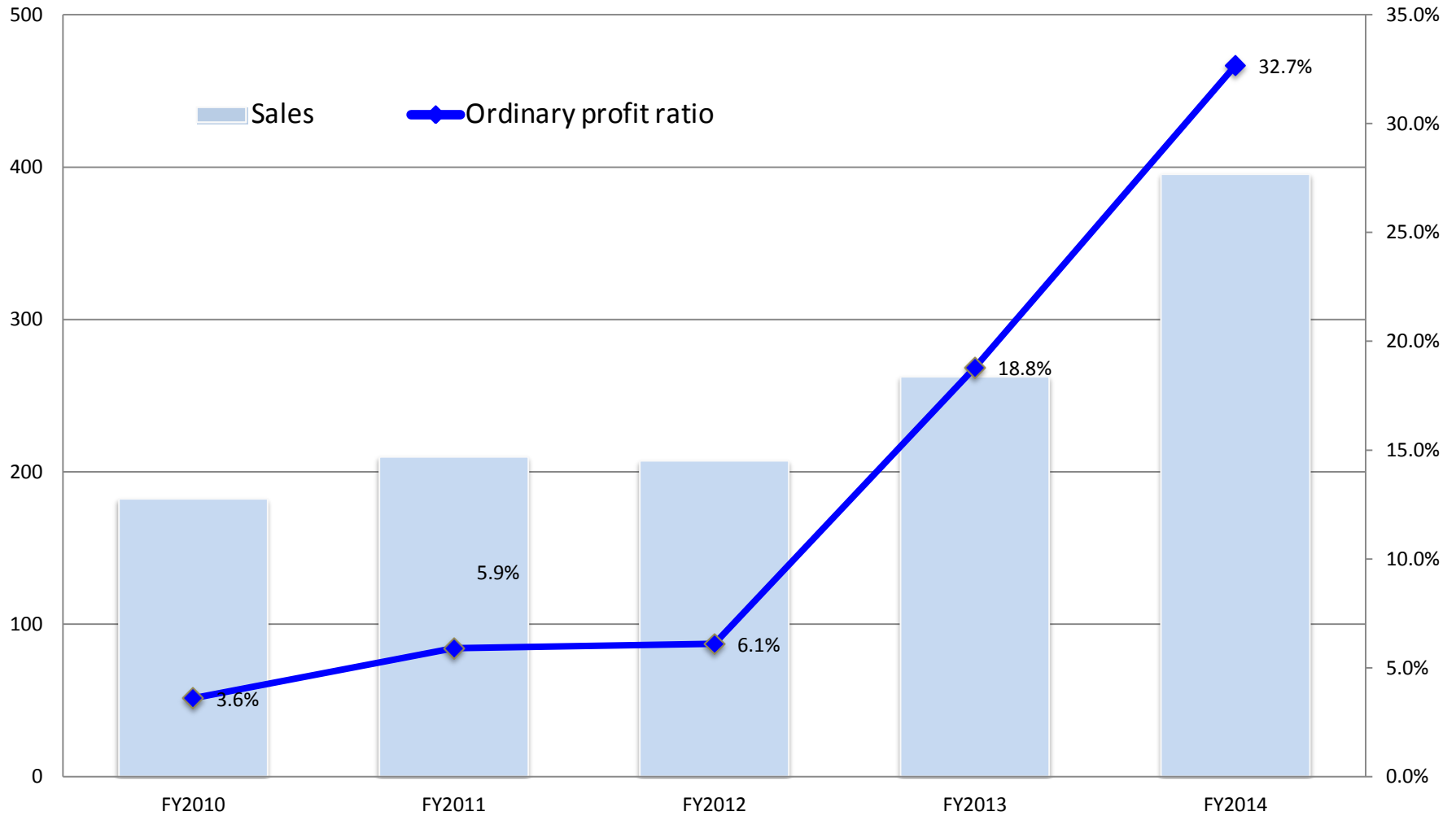
(100 Million-yen)

	FY2014				FY2013
	4Q	3Q	2Q	1Q	4Q
<b><u>Engineering Plastic Business</u></b>	<b>30.6</b>	<b>30.3</b>	<b>30.8</b>	<b>30.3</b>	<b>29.0</b>
COGS Ratio	70.1%	68.7%	72.9%	69.5%	72.6%
Operating Income	<b>△0.4</b>	<b>0.2</b>	<b>△0.9</b>	<b>1.4</b>	<b>△0.3</b>
<b><u>Semiconductor Peripherals Business</u></b>	<b>16.4</b>	<b>14.8</b>	<b>15.6</b>	<b>16.9</b>	<b>14.9</b>
COGS Ratio	55.7%	54.5%	54.5%	51.6%	55.7%
Operating Income	<b>1.7</b>	<b>2.0</b>	<b>2.0</b>	<b>3.4</b>	<b>2.0</b>
<b><u>Plastic Optical Business</u></b>	<b>54.0</b>	<b>47.3</b>	<b>45.4</b>	<b>62.2</b>	<b>31.7</b>
COGS Ratio	26.7%	30.0%	31.9%	29.5%	36.0%
Operating Income	<b>30.2</b>	<b>25.1</b>	<b>22.9</b>	<b>36.0</b>	<b>13.3</b>
<b><u>Net Sales</u></b>	<b>101.1</b>	<b>92.5</b>	<b>91.9</b>	<b>109.6</b>	<b>75.6</b>
COGS Ratio	44.5%	46.6%	49.5%	44.0%	53.9%
Operating Income	<b>31.5</b>	<b>27.3</b>	<b>24.0</b>	<b>40.9</b>	<b>15.0</b>

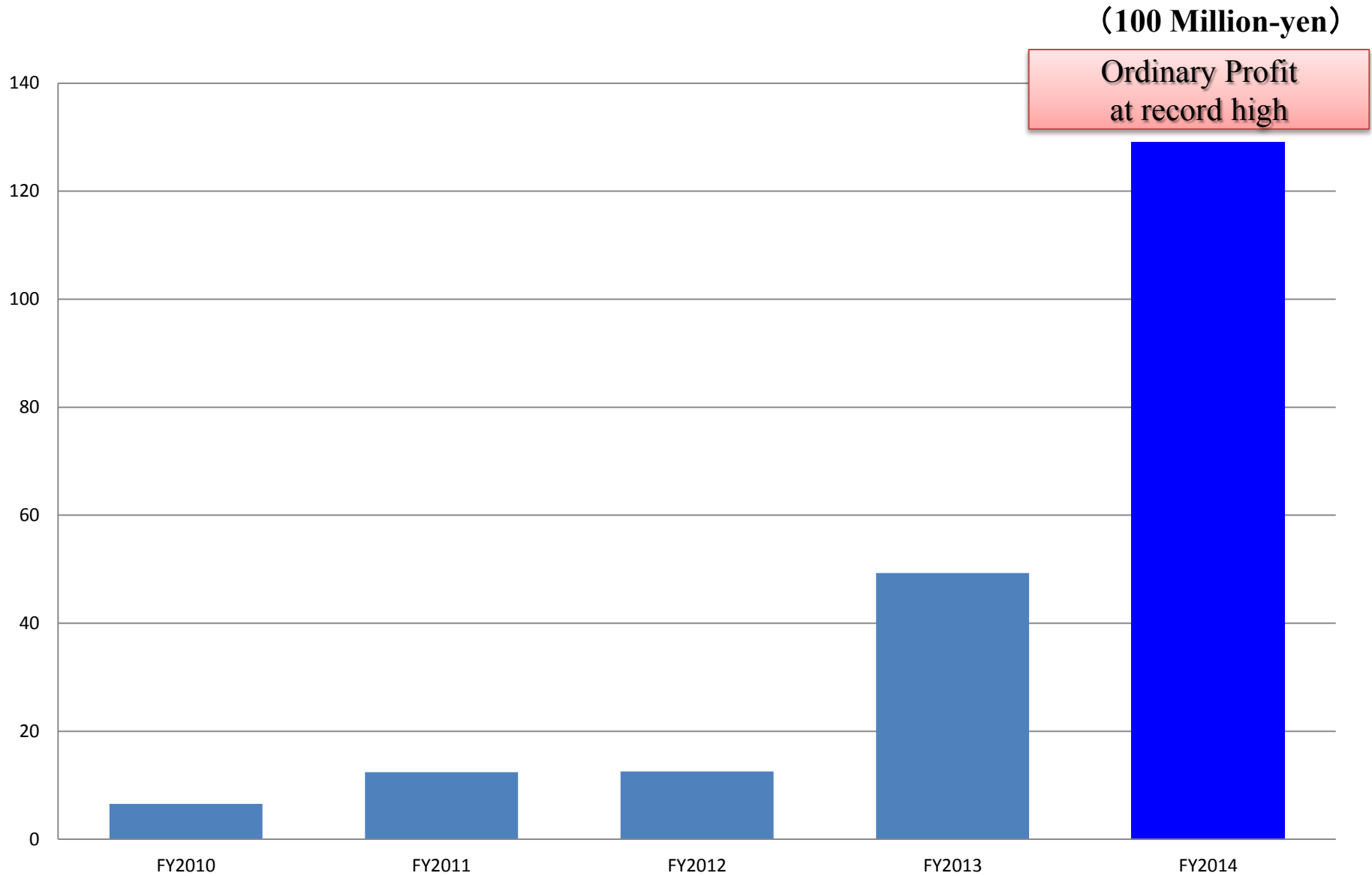


# 》》》 Sales and Ordinary Profit ratio

(100 Million-yen)

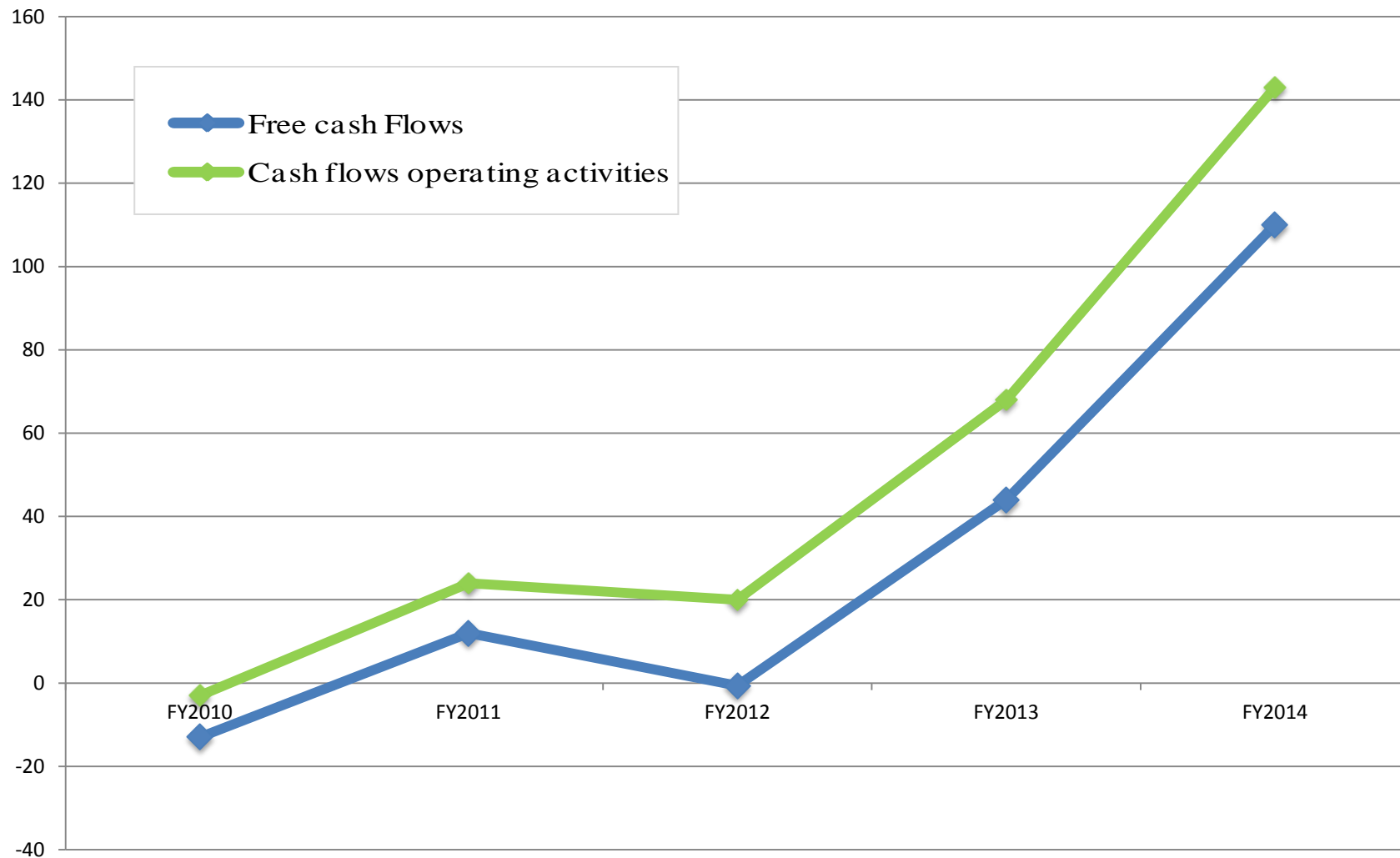


# ▶▶▶ Ordinary Profit



# ▶▶▶ Cash flows

(100 Million-yen)



## FY2014 Actions Implemented

- ◆ **Headquarters function transferred to Singapore for Enplas Semiconductor Peripheral Corporation**  
**Established Enplas Semiconductor Peripherals Pte. Ltd.**
- ◆ **Acquired NIKAD Electronics Limited(UK), a sales agent of semiconductor business.**  
**Resumed operation of Enplas (Europe) B.V.**  
**Gained subsidiary of Enplas (Deutschland)GmbH,**  
**Enplas (Italia)S.r.l.**
- ◆ **Strengthened Marketing Function of Bio and Optical Fiber Communication Business**  
**Established Enplas Microtech, Inc**



***Strategic Investment aimed at promoting global growth***

## Return to stockholders

### ◆ Cancellation of Treasury Stock

Total number of treasury shares prior to cancellation :  
5,585,977 shares (28.0%)

Number of shares to be cancelled :  
2,000,000 shares ( 9.9% )

Total number of treasury shares after cancellation :  
3,585,977 shares (19.7%)

### ◆ Dividend increase ( Full-year dividend )

FY2013 : 40.00yen → FY2014 : 70.00yen ( estimate )

# »» Business Strategy for FY2015

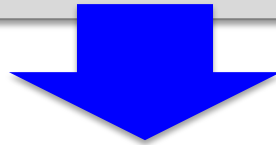
# Review FY2014 and FY2015 Business mission

## FY2014 Results

- ◆ Continued growth of plastic optics business
- ◆ Implemented global management system
- ◆ Developed new products with improved profitability

## Risk

- ◆ Fluctuation in the value of the yen will significantly affect profits
- ◆ Overemphasise of a single business segment may reduce progress on other business strategies



**It is imperative to build a well balance management foundation**

# **FY2015 Management policy**

■ Pursuing Sustainable growth with well balanced

■ Reshaping the Global Enplas



# FY2015 Business Strategy

Developing new businesses with greater speed

Promote the development of elemental technology

Strengthen competitiveness of global manufacturing

Strengthen global management

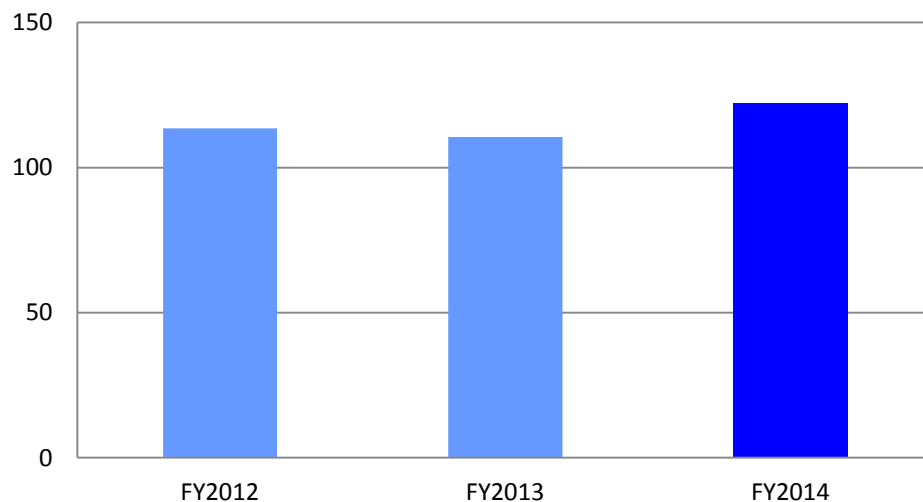


## Business Trends and Strategies for each Segment

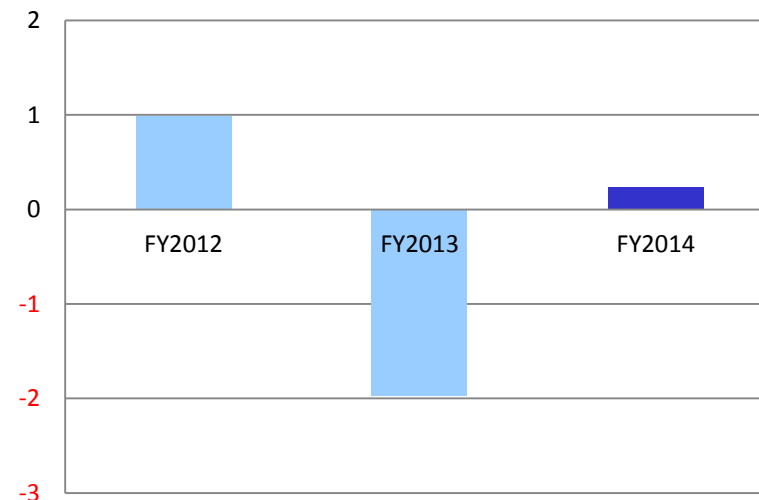
# Engineering Plastic Business

(100 Million-yen)

### Sales



### Operating Income



**FY2015**

**Sales Plan: 13 billion-yen**

**(FY2014 Total: 12.2 billion-yen)**



# Engineering Plastic Business

## Market Trend

OA	<ul style="list-style-type: none"><li>▪ Shift to paperless due to penetration of tablets and smartphones in advanced countries</li><li>▪ Increase demand for printer composite machines, however Ink-jet printer use is in decline</li></ul>
Automotive Motorcycles	<ul style="list-style-type: none"><li>▪ Increased number of sales in US and China from the previous year, however sales in Europe and India declined</li><li>▪ Growth in the emerging markets (esp. Asia)</li><li>▪ Accelerating Growth of Motorcycle Fuel Injection Systems</li></ul>

## Business Strategy

Development of new strategic products

Create products that add value for customers and expand sales

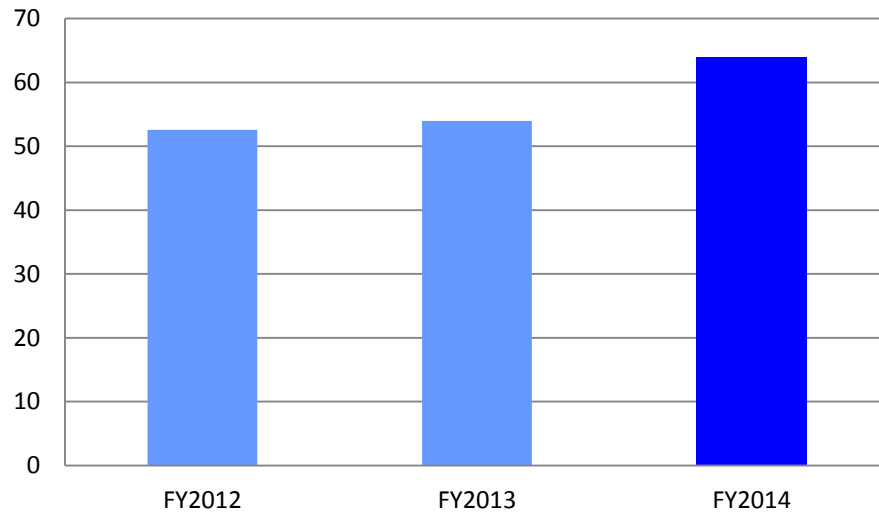
Build up global production system

Promote structural reform for business, increase profitability by proposing new product solutions to customers

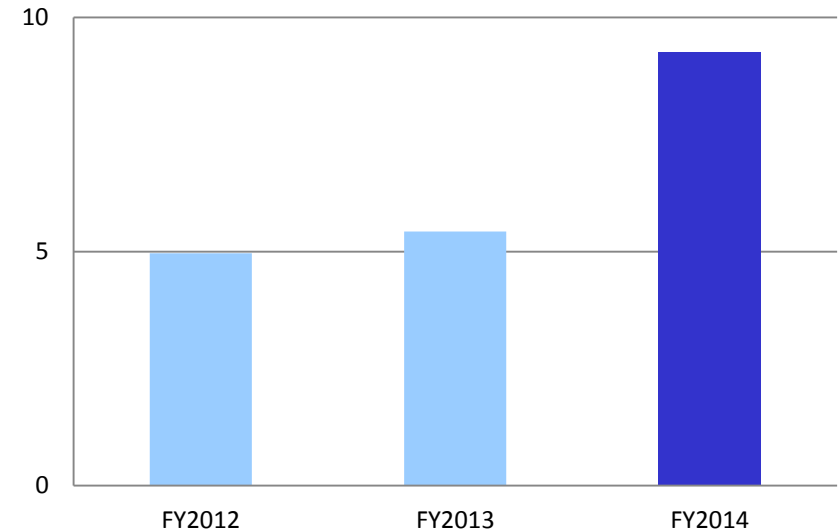
# Semiconductor Peripherals Business

(100Million-yen)

## Sales



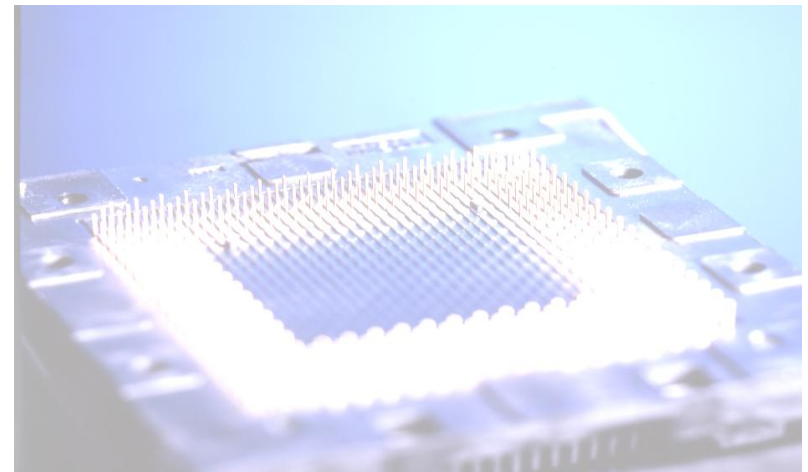
## Operating Income



**FY2015**

**Sales Plan: 7.4 billion-yen**

**(FY2014 Total: 6.3 billion-yen)**



# ▶▶▶ Semiconductor Peripherals Business

## Market Trend

- The market for semiconductors remains strong led by smartphones and tablets, however, PC semiconductor sales continue to decline
- The memory industry is showing improvement after an industry consolidation
- Growing sales to US and Asia, however the Japanese market remains weak

## Business Strategy

Promote development of differential technology

Strengthen global support system for customers

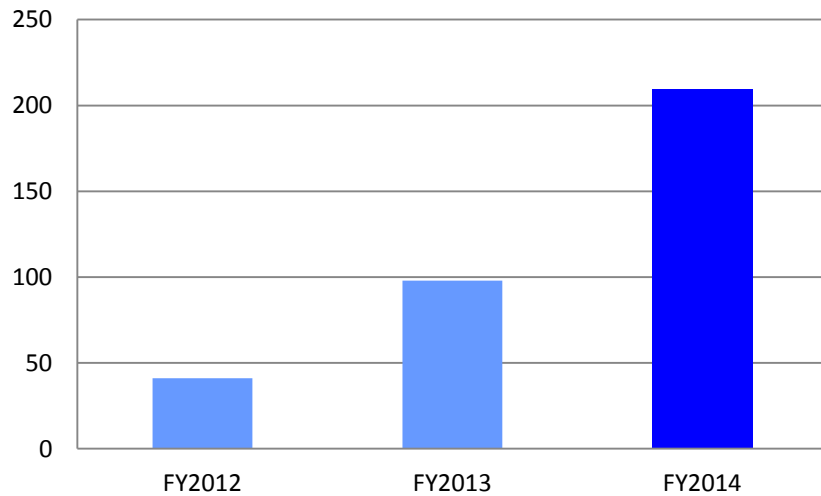
Expand sales to Europe and Taiwan

**Gain new markets and customers by strengthening global management**

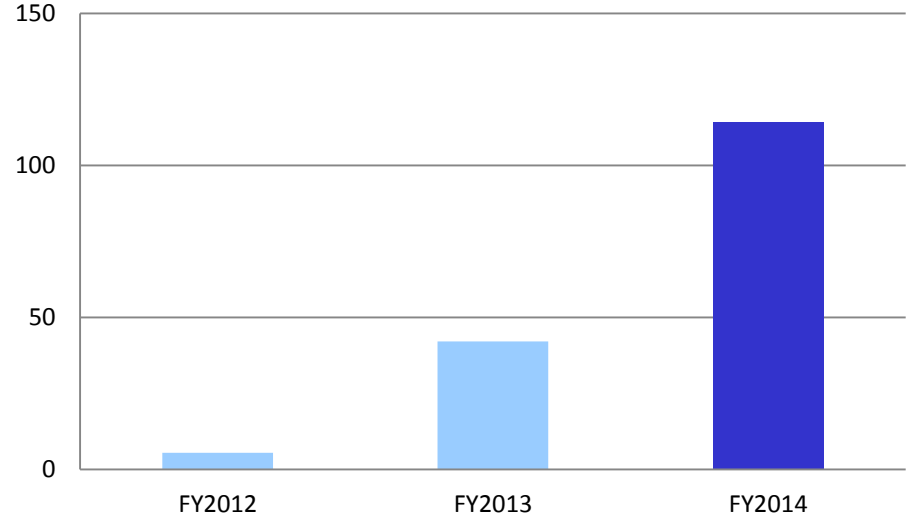
# Plastic Optics Business

(100 Million-yen)

## Sales



## Operating Income



**FY2015**

**Sales Plan: 21 billion-yen**

**(FY2014 Total: 20 billion-yen)**



# Plastic Optics Business

## Market Trend

- In 2013, shipments for LCD TVs increased, however, revenue decreased
- The market for cost effective direct-lit LED TVs continued to grow
- Accelerating development of 4K TVs

## Business Strategy

Speedy and steady supply to existing customers (Quantity, Quality)

Promote differentiation strategy by strengthening manufacturing engineering system

Promote Enplas's brand in China

**Develop new markets by strengthening global production system,  
development of elemental technology**



# ▶▶▶ New business development

## LED

Develop new products and penetrate into new markets

## Optical communication

Promote differentiated strategic products

## Bio

Strengthen the marketing system and develop strategic products

# »» Business forecast

# Business forecast for FY2015

(100Million-yen)

	FY2015 Full-year Plan	FY2014 Results
<u>Net Sales</u>	420.0	395.2
<u>COGS Ratio</u>	44.8%	46.0%
<u>Operating Income</u>	140.0	123.8
<u>Ordinary Income</u>	140.0	129.1
<u>Net Income</u>	98.0	91.3
<u>Net Income Per Share</u>	669.08 <sub>yen</sub>	629.42 <sub>yen</sub>

# FY2015 Plan by Segment

(100 Million-yen)

	FY2015 Full-year Plan	FY2014 Results
<u>Engineering Plastic Business</u>	130.0	122.1
<u>Semiconductor Peripherals Business</u>	74.0	63.9
<u>Plastic Optical Business</u>	216.0	209.1

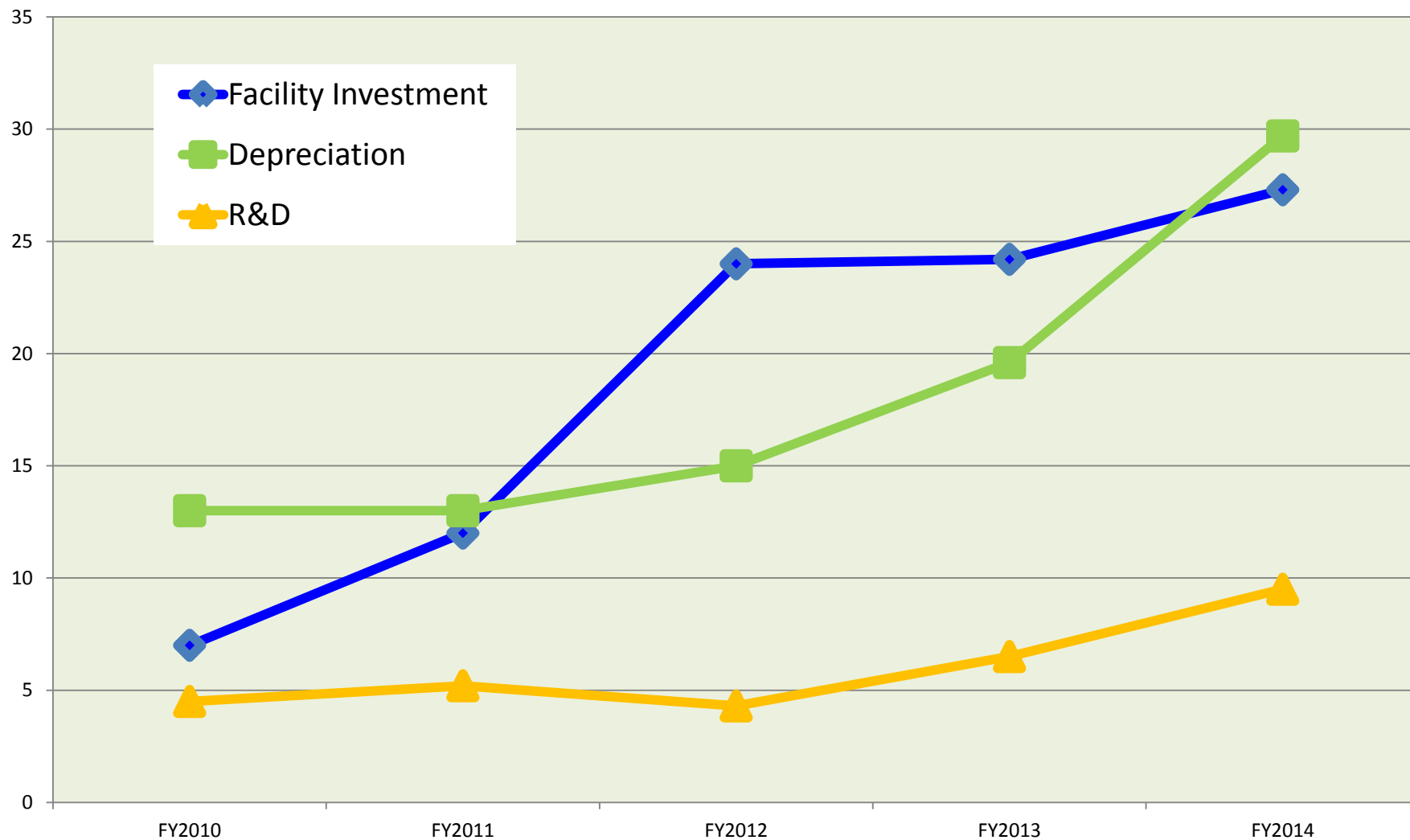
# FY2015 Plan

(100Million-yen)

	<b>FY2015 Full-year Plan</b>	<b>FY2014 Results</b>
<b><u>Facility Investment</u></b>	<b>30.0</b>	<b>27.3</b>
<b><u>Depreciation</u></b>	<b>30.0</b>	<b>29.7</b>
<b><u>R&amp;D</u></b>	<b>10.0</b>	<b>9.5</b>

# Facility Investment/ Depreciation / R&D

(100Million-yen)





# Enplas Corporation

Financial Results for the Fourth Quarter of  
the Year Ending March 31, 2014

<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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