

enplas

Business Report 2009

From April 1, 2008 to March 31, 2009

Enplas Corporation

TSE Code: 6961



Enplas Corporate Philosophy

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
3. 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

1. 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

1. 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.

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To Our Shareholders



The world economy has been rapidly worsening its degree of confusion, lead by financial crisis caused by so called sub-prime loan issue of last year. As for our business environment, facing a sudden slump in consumption, we are forced to reduce production sharply mainly in line with inventory adjustments.

The Engineering Plastics Business, having relatively steady historical order trend, went into slowdown, while orders have been reduced drastically since last October in the Plastic Optics Business where cost reduction activity has been employed extensively, the LED Devices Business where constitutional conversion was underway, and the Semiconductor Peripherals Business focusing on forefront developments.

Under these circumstances, judging that business condition will be stagnant for a long term, we have implemented a profitability improvement measure and a structural reform. In the profitability improvement measure, the corporate structure was streamlined and extensive reduction in expenditure was enacted. In the structural reform, abolishment and merge on our business locations are put into effect towards optimization of the business scale. Also, emphasize

is made to reinforce our production capability in response to lower cost needs, as well as strengthening capability of our linkage to new business, through reorganization of Business Units into new Functional Headquarters. Moreover, from now on, we promote further standardization of operation and thorough common-sharing of information, in order to put into effect constant remedies for business quality and productivity improvements.

Anticipating that severe business environment shall prevail for some time with continuation of business uncertainty, we are committed to overcome these difficult times, all Enplas' staff in unison, through enhancement of our Customer Value, under our corporate climate of Creation and Challenge, being our core technology of precision processing technology we have cultivated since our foundation.

I appreciate your continuing support.

June 2009

Daisuke Yokota
President



Review of Operations

Throughout the current consolidated fiscal year, the sluggish economic state of the developed countries deteriorated drastically as a result of the global financial crisis stemming from the United States. The impact of this crisis has been felt in the emerging countries and this impact has extended to the actual economy worldwide, as can be seen in the sharp drops in the stock markets, heightened volatility in foreign exchange rates, and wild fluctuations in the prices of crude oil and raw materials. These changes have turned the business environment the Group is faced with upside down and we are forced to face unprecedented challenges.

The business environment for the electronics parts industry that the Group belongs to continues to be extremely harsh, as it has received the full brunt of drastic inventory adjustments and the sharp decrease in demand for capital expenditures throughout the entire global market.

Faced with these harsh conditions, the Group took measures in an attempt to quickly recover earning power by leveraging the Group's core Engineering Plastics Business as a driver to promote global expansion, restructuring the Semiconductor Peripherals Business, and restructuring and marketing new products in the LED Devices Business, and reducing production costs for the Plastic Optics Business by moving the center of production from Japan to overseas. However, these measures were not enough to make up for drops in orders received due to the large impact of sudden adjustments in production and inventories in all business segments as well as postponements in the development of new products.

As a result, net sales were 20,796 million yen (down 28.6%) on a consolidated basis. In terms of profits, the Group posted a 2,008 million yen operating loss (compared to 796 million yen in operating

income the previous fiscal year) and an ordinary loss of 1,721 million yen (compared to 763 million yen in ordinary income the previous fiscal year) due to a decrease in sales and the deterioration of the cost of sales margin. The Company also posted an extraordinary loss of 5,321 million yen as a result of an impairment loss of 2,595 million yen in property, plant and equipment from the closure of operations in the Yaita Plant after the transfer of production facilities overseas, a provision for loss on plant closing of 757 million yen, and incurred a business restructuring expense of 1,219 million yen that included a payment of a special additional retirement benefit when an early retirement program was carried out. The Company was not profitable for the second year in a row, suffering a net loss of 7,188 million yen (compared to a net loss of 1,164 million yen the previous fiscal year).

Management Policy for the 48th Term, ending March, 2009

1. Enplas Group growth drawn by Enplas' nucleus business, the Engineering Plastics Business
2. Reinstatement and reinforcement of Enplas Group business to growth track
3. Construction of the Development Vision and intensification, bringing up of new business
4. Strengthening of global cost competitiveness
5. Premeditative Human Resources upbringing
6. Practice of quick management
7. Building up of Internal Control System

Consolidated Business Results

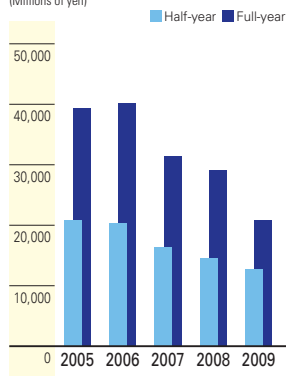
For the years ended March 31

(Millions of yen)

	2005		2006		2007		2008		2009	
	Half-year	Full-year	Half-year	Full-year	Half-year	Full-year	Half-year	Full-year	Half-year	Full-year
For the year:										
Net sales	20,785	39,406	20,368	40,189	16,343	31,444	14,498	29,112	12,643	20,796
Operating income (loss)	2,596	4,439	2,046	3,694	1,157	2,094	522	796	(294)	(2,008)
Ordinary income (loss)	2,738	4,530	2,124	3,832	1,196	2,173	542	763	(106)	(1,721)
Net income (loss)	1,760	2,647	766	1,506	(141)	17	(1,221)	(1,164)	(1,094)	(7,188)
At year-end:										
Total assets	49,789	49,756	51,100	52,319	49,965	49,409	46,516	42,863	40,358	32,500
Net assets	43,720	44,264	44,986	46,154	45,102	44,494	40,985	38,351	36,558	28,521
Per share data (Yen):										
Net income (loss) per share	84.50	124.90	36.98	70.81	(6.90)	0.87	(63.95)	(62.82)	(64.47)	(435.52)
Net assets per share	2,103.76	2,131.87	2,172.69	2,227.19	2,214.68	2,246.51	2,197.63	2,200.09	2,166.22	1,832.50
Dividend per share	12.00	24.00	12.00	22.00	10.00	20.00	5.00	10.00	5.00	10.00

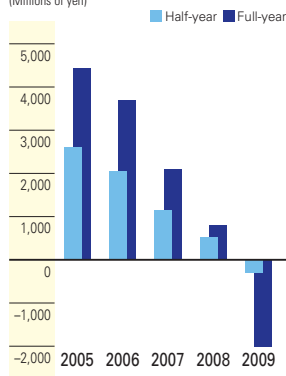
Net sales

(Millions of yen)



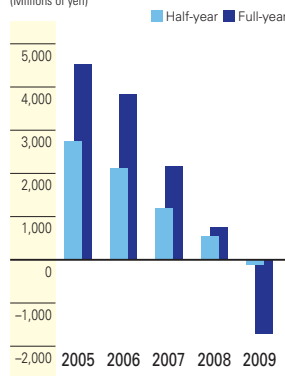
Operating income (loss)

(Millions of yen)



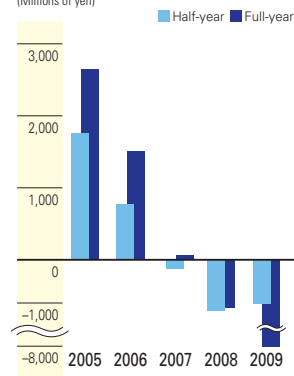
Ordinary income (loss)

(Millions of yen)



Net income (loss)

(Millions of yen)





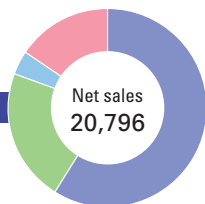
Segment Information

Breakdown of Sales by Product

2009

(Millions of yen)

(From April 1, 2008 to March 31, 2009)



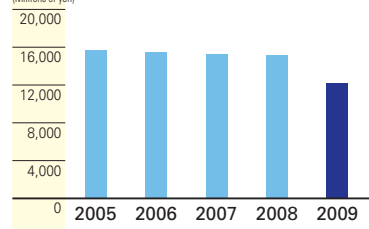
■ Engineering Plastics Business	12,248 (58.9%)
■ Semiconductor Peripherals Business	4,543 (21.8%)
■ LED Devices Business	821 (4.0%)
■ Plastic Optics Business	3,183 (15.3%)

Engineering Plastics Business

We took great efforts to promote increased sales to existing customers by expanding our operations structure on a global scale. We also acquired a new automotive products business, and enhanced our cost competitiveness for products including molds. However, due to adjustments in production and inventories that occurred on a global scale, the number of orders for our main products, OA equipment and automotive products decreased. As a result sales for the current fiscal year were 12,248 million yen (down 19.2% year on year).

Sales

(Millions of yen)



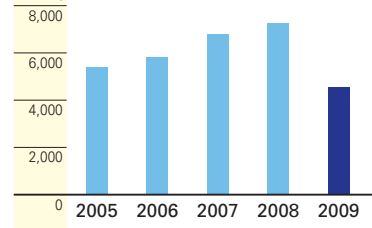
Semiconductor Peripherals Business

We made efforts to actively promote our strategically developed products on the market and expand our operations globally to gain more market share, while continuing to develop ultrafine processing technologies and cutting-edge elemental technologies. However, there was a major global slump in the semiconductor industry, hesitation toward capital expenditures, freezes and delays in new product development, and drops in sales prices became more pronounced due to intensified global competition. Due to these factors, sales were 4,543 million yen

for the current fiscal year (down 37.5% year on year).

Sales

(Millions of yen)



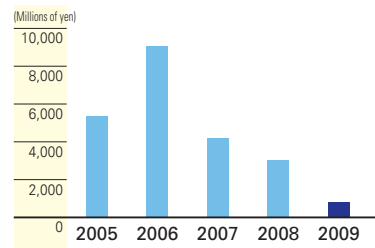
LED Devices Business (formerly Display Devices Business)

We have been active in developing and promoting on the market our proprietary highly efficient and advanced thin light guide panel business, while also actively promoting new LED-related businesses. However demand for new products was sluggish and there was a big drop in orders for existing products due to intensified cost competition, resulting in sales of 821 million yen for the current fiscal year (down 73.0% year on year).

Note that the consolidated subsidiary, Enplas Display Device Corporation, which had been the main force in the former liquid crystal display business, was liquidated to conserve

and consolidate business resources. It has been merged together with our LED Devices Business to establish a more efficient structure for business and development.

Sales

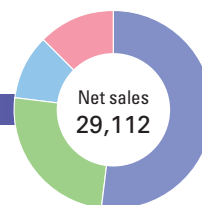


Breakdown of Sales by Product

2008

(Millions of yen)

(From April 1, 2007 to March 31, 2008)



Engineering Plastics Business	15,163 (52.1%)
Semiconductor Peripherals Business	7,274 (25.0%)
Display Devices Business	3,039 (10.4%)
Plastic Optics Business	3,636 (12.5%)

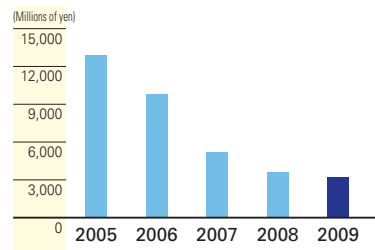
Plastic Optics Business

We made concerted efforts at focusing our marketing activities on strategic customers through strengthening our business structure, staying at the forefront of our core technologies, expanding sales of our differentiated products, and being more cost competitive. Thanks to these efforts over the mid-term it is expected that we should be able to expand the market for our products. However due to adjustments in production and inventories that occurred from a global economic downturn, sales for the current fiscal year were 3,183 million yen (down 12.5% year on year).

Note that it has been decided to close operations of the Yaita Plant, the main plant for the Plastic Optics Business, in order to conserve

and consolidate business resources. Production facilities have been moved to Enplas (Vietnam) Co., Ltd. in Vietnam, a subsidiary responsible for manufacturing and sales.

Sales





Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

March 31, 2009 and 2008	2009	2008	Increase (decrease)
ASSETS			
Current assets	21,166,120	27,053,800	(5,887,680)
Fixed assets	11,334,350	15,809,918	(4,475,568)
Property, plant and equipment	9,525,479	13,561,365	(4,035,885)
Intangible fixed assets	375,510	420,186	(44,676)
Investments and other assets	1,433,359	1,828,366	(395,006)
Total assets	32,500,470	42,863,719	(10,363,248)
LIABILITIES			
Current liabilities	3,589,246	3,667,045	(77,798)
Fixed liabilities	389,815	845,496	(455,681)
Total liabilities	3,979,061	4,512,541	(533,479)
NET ASSETS			
Shareholders' equity	29,438,415	38,593,958	(9,155,542)
Unrealized gain	(1,102,980)	(456,279)	(646,701)
Minority interests	185,973	213,498	(27,524)
Total net assets	28,521,408	38,351,177	(9,829,768)
Total liabilities and net assets	32,500,470	42,863,719	(10,363,248)

Consolidated Statements of Income

(Thousands of yen)

For the years ended March 31, 2009 and 2008	2009	2008	Increase (decrease)
Net sales	20,796,671	29,112,914	(8,316,242)
Cost of goods sold	15,888,002	20,641,945	(4,753,943)
Gross profit	4,908,669	8,470,969	(3,562,299)
Selling, general and administrative expenses	6,917,051	7,674,318	(757,266)
Operating income (loss)	(2,008,382)	796,651	(2,805,033)
Non-operating income	319,962	339,266	(19,304)
Non-operating expenses	32,948	372,059	(339,111)
Ordinary income (loss)	(1,721,367)	763,858	(2,485,225)
Extraordinary gains	52,000	210,861	(158,861)
Extraordinary losses	5,321,669	557,718	4,763,951
Income (loss) before income taxes and minority interests	(6,991,037)	417,001	(7,408,038)
Income taxes—current	241,812	791,764	(549,951)
Income taxes—deferred	(33,092)	753,961	(787,054)
Minority interests in earnings	(11,126)	35,966	(47,093)
Net income (loss)	(7,188,630)	(1,164,691)	(6,023,939)

Consolidated Statements of Shareholders' Equity Changes

(Thousands of yen)

For the years ended March 31, 2009 and 2008		2009	2008
Shareholders' equity	Capital stock		
	At beginning of year	8,080,454	8,080,454
	Change of items during fiscal year		
	Total changes during current fiscal year	—	—
	At end of year	8,080,454	8,080,454
	Capital surplus		
	At beginning of year	10,975,889	10,975,889
	Change of items during fiscal year		
	Total changes during current fiscal year	—	—
	At end of year	10,975,889	10,975,889
	Retained earnings		
	At beginning of year	25,416,988	26,869,055
	Effect of changes in accounting policies applied to foreign subsidiaries	5,361	—
	Change of items during fiscal year		
	Cash dividends	(170,567)	(289,784)
	Net loss	(7,188,630)	(1,164,691)
	Increase from the change of scope of consolidation	(2,714)	2,408
	Total changes during current fiscal year	(7,361,913)	(1,452,067)
	At end of year	18,060,436	25,416,988
	Treasury stock		
At beginning of year	(5,879,373)	(2,443,601)	
Change of items during fiscal year			
Purchase of treasury stock	(1,798,990)	(3,435,772)	
Total changes during current fiscal year	(1,798,990)	(3,435,772)	
At end of year	(7,678,364)	(5,879,373)	
Total shareholders' equity			
At beginning of year	38,593,958	43,481,798	
Effect of changes in accounting policies applied to foreign subsidiaries	5,361	—	
Change of items during fiscal year			
Cash dividends	(170,567)	(289,784)	
Net loss	(7,188,630)	(1,164,691)	
Purchase of treasury stock	(1,798,990)	(3,435,772)	
Increase from the change of scope of consolidation	(2,714)	2,408	
Total changes during current fiscal year	(9,160,904)	(4,887,840)	
At end of year	29,438,415	38,593,958	
Unrealized gain	Difference in valuation of other marketable securities		
	At beginning of year	213,180	439,595
	Change of items during fiscal year		
	Changes (net) during fiscal year except in shareholders' equity	(109,179)	(226,414)
	Total changes during current fiscal year	(109,179)	(226,414)
	At end of year	104,000	213,180
	Foreign currency translation adjustments		
	At beginning of year	(669,459)	347,533
	Change of items during fiscal year		
	Changes (net) during fiscal year except in shareholders' equity	(537,521)	(1,016,993)
Total changes during current fiscal year	(537,521)	(1,016,993)	
At end of year	(1,206,981)	(669,459)	

(Thousands of yen)

For the years ended March 31, 2009 and 2008		2009	2008
Unrealized gain	Net unrealized gain		
	At beginning of year	(456,279)	787,129
	Change of items during fiscal year		
	Changes (net) during fiscal year except in shareholders' equity	(646,701)	(1,243,408)
Total changes during current fiscal year	(646,701)	(1,243,408)	
At end of year	(1,102,980)	(456,279)	
Minority interests	At beginning of year	213,498	225,668
	Change of items during fiscal year		
	Changes (net) during fiscal year except in shareholders' equity	(27,524)	(12,169)
	Total changes during current fiscal year	(27,524)	(12,169)
At end of year	185,973	213,498	
Total net assets	At beginning of year	38,351,177	44,494,596
	Effect of changes in accounting policies applied to foreign subsidiaries	5,361	—
	Change of items during fiscal year		
	Cash dividends	(170,567)	(289,784)
	Net loss	(7,188,630)	(1,164,691)
	Purchase of treasury stock	(1,798,990)	(3,435,772)
	Increase from the change of scope of consolidation	(2,714)	2,408
	Changes (net) during fiscal year except in shareholders' equity	(674,226)	(1,255,578)
	Total changes during current fiscal year	(9,835,130)	(6,143,418)
	At end of year	28,521,408	38,351,177

Consolidated Statements of Cash Flows

(Thousands of yen)

For the years ended March 31, 2009 and 2008	2009	2008	Increase (decrease)
Cash flows from operating activities	1,686,426	3,467,590	(1,781,164)
Cash flows from investing activities	(1,776,309)	(3,218,103)	1,441,794
Cash flows from financing activities	(1,986,001)	(3,739,934)	1,753,933
Effect of exchange rate changes on cash and cash equivalents	(114,251)	(371,023)	256,772
Net decrease in cash and cash equivalents	(2,190,135)	(3,861,471)	1,671,335
Cash and cash equivalents at beginning of year	16,073,835	19,761,588	(3,687,752)
Cash and cash equivalents of the newly consolidated subsidiaries	—	182,719	(182,719)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(9,000)	9,000
Cash and cash equivalents at end of year	13,883,700	16,073,835	(2,190,135)



Corporate Profile (As of June 26, 2009)

Corporate Profile

Corporation Name	Enplas Corporation
Address	2-30-1 Namiki, Kawaguchi City, Saitama 332-0034 Japan
Established	February 21, 1962
Capital	8,080,450 thousand yen

Board of Directors

President	Daisuke Yokota
Director	Takashi Sakai
Director	Noboru Sugawara
Director	Yutaka Kikuchi
Director	Daizo Kobayashi
Director	Kuniyasu Sasakura
Corporate Auditor	Koichi Sakashita
Auditor	Sadao Suzuki
Auditor	Sakae Ochiai



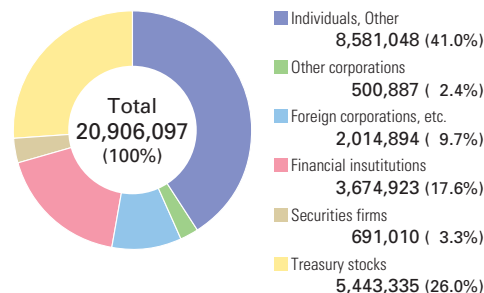
Stock Information (As of March 31, 2009)

Stock Information

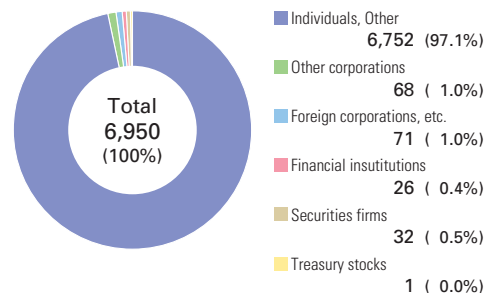
Total Number of Authorized Shares	62,400,000
Shares of Common Stock Issued	20,906,097
Number of Shareholders	6,950

Breakdown of Holdings by Shareholder Type

Number of Shares per Shareholder Type

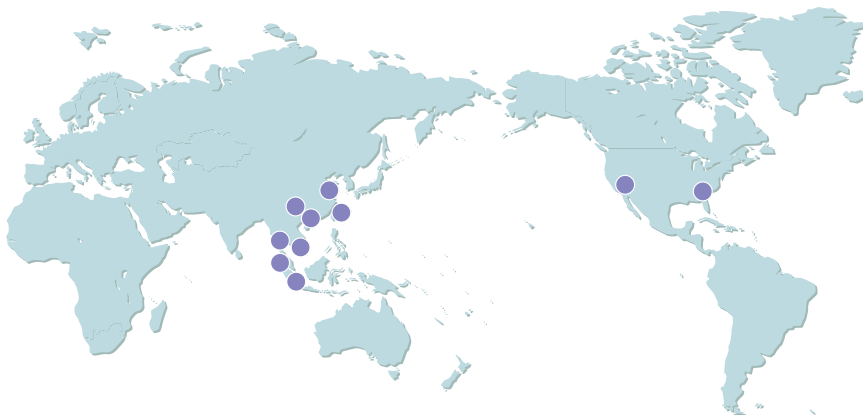
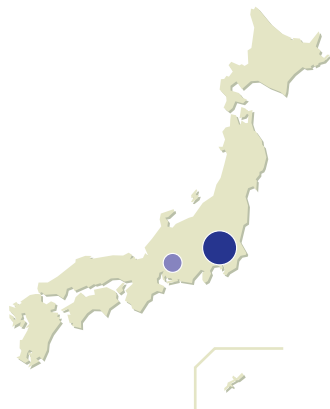


Number of Shareholders per Shareholder Type





Offices and Group Companies (As of March 31, 2009)



Operation Bases in Japan

Head Office

2-30-1 Namiki, Kawaguchi City, Saitama 332-0034 Japan

Kawaguchi Office

2-20-10 Yahei, Kawaguchi City, Saitama 332-0002 Japan

Kanuma Plant

7-2 Satsuki-cho, Kanuma City, Tochigi 322-0014 Japan

Nagoya Office

12F, Matsuoka Bldg., 2-45-7 Meieki, Nakamura-ku, Nagoya City, Aichi 450-0002 Japan

Affiliated Companies in Japan

Enplas Laboratories, Inc.

2-38-5 Namiki, Kawaguchi City, Saitama 332-0034 Japan

QMS Co., Ltd.

1-3-12 Kamiaki, Kawaguchi City, Saitama 333-0844 Japan

Enplas Semiconductor Peripheral Corporation

1-19-57 Kamiaki, Kawaguchi City, Saitama 330-0844 Japan

Enplas Seiki Corporation

827-3 Moro, Kanuma City, Tochigi 322-0026 Japan

Affiliated Companies Overseas

Enplas (U.S.A.), Inc.

1901 West Oak Circle, Marietta, Georgia 30062, U.S.A.

Enplas Tesco, Inc.

765 North Mary Avenue, Sunnyvale, CA 94085-2909, U.S.A.

Enplas Hi-Tech (Singapore) Pte. Ltd.

No. 28 Genting Lane, #07-03/04/05, Singapore 349585, Republic of Singapore

Enplas Precision (Malaysia) Sdn. Bhd.

No.9&9A Jalan Hasil 2, Kawasan Perindustrian, Jalan Hasil 81200 Johor Bahru, Malaysia

Enplas Precision (Thailand) Co., Ltd.

Hi-Tech Industrial Estate 104 Moo 1, Bhan Lain, Bang Pa-In, Ayutthaya 13160, Thailand

Enplas (Vietnam) Co., Ltd.

K-3 Plot, Thang Long Industrial Park, Dong Anh District, Hanoi, Vietnam

Enplas Hy-cad Electronic (Shanghai) Co., Ltd.

Floor 1, Standard Industrial Building 3, No.253 Ai Du Road, Shanghai Waigaoqiao Free Trade Zone, Shanghai 200131, P.R.C.

Guangzhou Enplas Mechatronics Co., Ltd.

Floor 1, Standard Building 1, Hexing Industry Park, 10 Yongsheng Road, Yong He Economic Zone, Guangzhou Economic & Technological Development District, Guangzhou City 511356, P.R.C.

Enplas Niching Technology Corporation

4F-1, No.27 Puding Road, Hsinchu City, 300 Taiwan, R.O.C.

Enplas (Hong Kong) Limited

Suite 515, 5/F World Commerce Centre, Harbour City, 11 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

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