

enplas

Business Report 2011

From April 1, 2010 to March 31, 2011

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 and Investors



We would like to express our sincere sympathies to everyone affected by the Great East Japan Earthquake, and we sincerely hope for the fastest-possible recovery of all regions.

During the fiscal year under review, ended March 31, 2011, the political and economical environment we faced appeared unstable. Nevertheless, the world economy began to show signs of recovery from the drastic economic downturn, as Asian emerging markets such as China drove economic growth throughout the world. Although the economic recovery improved our business environment, the occurrence of the Great East Japan Earthquake in March 2011, as well as the economic turmoil that followed, rendered unpredictable the timing of our return to a growth track.

In this challenging situation, we reorganized our sales division and engineering division by integrating them into a business division, to accelerate the speed of our decision-making. In addition, we acquired full ownership of a joint venture in Shanghai and converted it into a wholly owned subsidiary to cultivate a deeper presence in the Chinese market. We also completed our withdrawal from unprofitable businesses, and succeeded in achieving increases in both sales and profits.

Moreover, we decided to establish a subsidiary in Indonesia to expand our business.

We will continue to offer satisfying services and value as rapidly as possible, by boosting our competitiveness, and by creating new technologies, new markets and new applications.

It is our basic policy to return the fruits of our business activities to shareholders, and we aim, in principle, to pay stable dividends. Accordingly, in view of our earnings forecast for the fiscal year under review and thereafter, we set the year-end dividend at 7.5 yen per share and the dividend for the full business year at 15.0 yen per share.

All the staff at our company will strive to create new value with a sense of unity, and live up to our shareholders' trust and expectation. We aim to achieve the sustainable growth of our company.

We appreciate your continuing support.

June 2011

Daisuke Yokota
President



Review of Operations

During this consolidated fiscal year under review, the Japanese economy faced many problems, such as an unstable global situation, a decline in market demand after economic stimulus packages came to an end, and ongoing stagnation in employment and income. Nevertheless, the economy appeared to show signs of economic improvement.

Subsequently, however, the Great East Japan Earthquake occurred on March 11, 2011, and the economic turmoil that followed negatively impacted the Japanese economy. At this stage, it is very difficult to assess the outlook in terms of how the economy and competition will develop.

In the electronics parts industry to which the Enplas Group belongs, the market is moving slowly toward renewed growth. However, we face an uncertain market environment, with risks including yen appreciation, weak capital investment, and negative effects of the earthquake.

To overcome this challenging business environment, the Group worked to strengthen its global competitiveness. In our core division, the Engineering Plastics Business, we sought to develop a global customer base, by offering valuable services for customers, and by extending our global sales activities. In

the Semiconductor Peripherals Business, we strived to achieve business growth by reinforcing our technological advantage and cost-competitiveness. And in the Plastic Optics Business, we sought to propose a value for our strategic customers, to reinforce our optical design capability, and to develop cutting-edge new products. At the same time, we completed our withdrawal from unprofitable businesses.

As a result of the above actions, consolidated net sales during the fiscal year under review amounted to 20,984 million yen (up 15.2% year on year). In terms of profitability, efforts to cut costs by increasing production efficiency resulted in operating income of 1,325 million yen (up 94.0%), ordinary income of 1,241 million yen (up 89.7%), and net income of 306 million yen (up 19.3%).

Management Policy for the 50th Term, Ended March 2011

1. Provide satisfying services and value
2. Strengthen the global business foundation
3. Confirm and foster Enplas' DNA

Consolidated Business Results

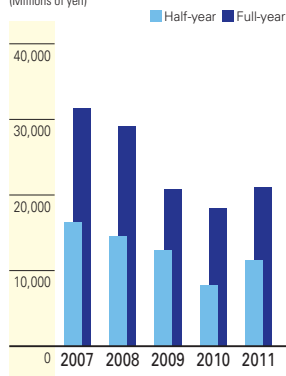
For the years ended March 31

(Millions of yen)

	2007		2008		2009		2010		2011	
	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	16,343	31,444	14,498	29,112	12,643	20,796	8,022	18,221	11,338	20,984
Operating income (loss)	1,157	2,094	522	796	(294)	(2,008)	(324)	683	975	1,325
Ordinary income (loss)	1,196	2,173	542	763	(106)	(1,721)	(327)	654	912	1,241
Net income (loss)	(141)	17	(1,221)	(1,164)	(1,094)	(7,188)	(440)	256	289	306
At year-end:										
Total assets	49,965	49,409	46,516	42,863	40,358	32,500	30,782	32,312	31,704	31,361
Net assets	45,102	44,494	40,985	38,351	36,558	28,521	27,440	28,546	27,957	27,930
Per share data (Yen):										
Net income (loss) per share	(6.90)	0.87	(63.95)	(62.82)	(64.47)	(435.52)	(28.57)	16.71	18.89	20.00
Net assets per share	2,214.68	2,246.51	2,197.63	2,200.09	2,166.22	1,832.50	1,778.23	1,845.21	1,815.86	1,810.91
Dividend per share	10.00	20.00	5.00	10.00	5.00	10.00	5.00	12.50	7.50	15.00

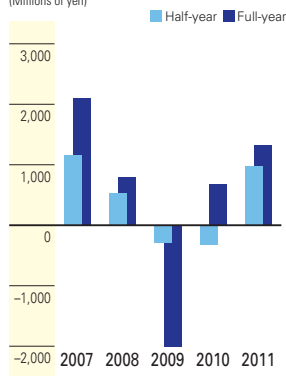
Net sales

(Millions of yen)



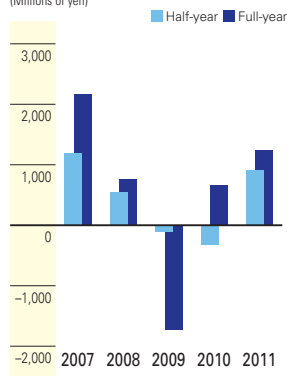
Operating income (loss)

(Millions of yen)



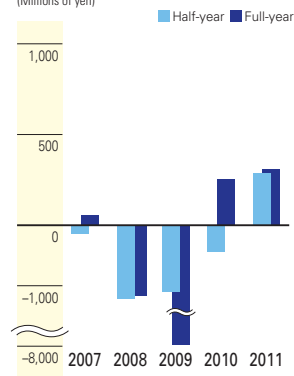
Ordinary income (loss)

(Millions of yen)



Net income (loss)

(Millions of yen)





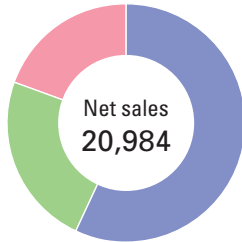
Segment Information

Breakdown of Sales by Product

2011

(Millions of yen)

(From April 1, 2010 to March 31, 2011)



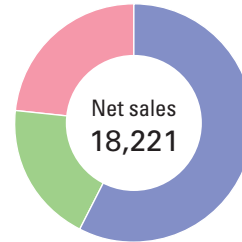
■ Engineering Plastics Business	11,997 (57.2%)
■ Semiconductor Peripherals Business	4,928 (23.5%)
■ Plastic Optics Business (including former LED Devices Business)	4,058 (19.3%)

Breakdown of Sales by Product

2010

(Millions of yen)

(From April 1, 2009 to March 31, 2010)



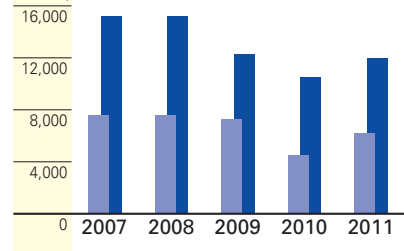
■ Engineering Plastics Business	10,498 (57.6%)
■ Semiconductor Peripherals Business	3,490 (19.2%)
■ Plastic Optics Business (including former LED Devices Business)	4,233 (23.2%)

Engineering Plastics Business

We reinforced our proposal activities for customers by expanding our global sales organization, strived to develop differentiated technology, and implemented cost reductions by enhancing production in Asian countries. As a result, net sales for the fiscal year under review were 11,997 million yen (up 14.3% year on year), with segment income of 649 million yen.

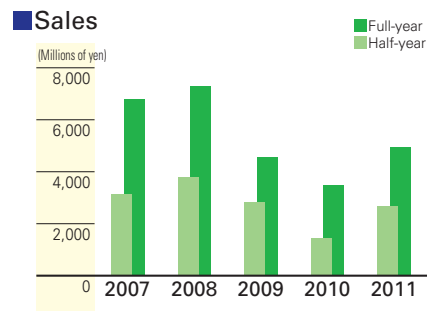
Sales

(Millions of yen)



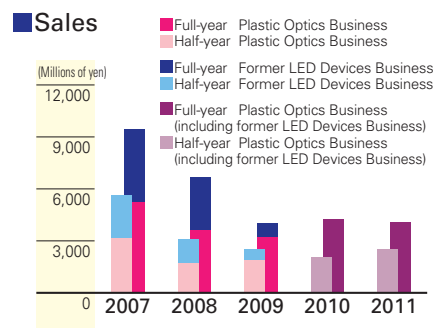
Semiconductor Peripherals Business

We achieved business growth by promoting product development, maintaining close relationships with our customers, establishing technological advantages, and strengthening cost-competitiveness. This, together with recovery in the semiconductor market, resulted in net sales for the year of 4,928 million yen (up 41.2%), with segment income of 619 million yen.



Plastic Optics Business (including the former LED Devices Business)

We enhanced our production system and established a competitive advantage through original optical designs, and strived to develop cutting-edge products. The withdrawal from unprofitable businesses contributed to our results, net sales for the year of 4,058 million yen (down 4.1%), and segment income of 56 million yen.





Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

March 31, 2011 and 2010	2011	2010
ASSETS		
Current assets	20,529,001	21,106,511
Fixed assets	10,832,379	11,206,313
Property, plant and equipment	8,699,819	8,868,187
Intangible fixed assets	897,336	928,907
Investments and other assets	1,235,222	1,409,218
Total assets	31,361,381	32,312,825
LIABILITIES		
Current liabilities	2,389,259	3,426,931
Fixed liabilities	1,042,026	339,791
Total liabilities	3,431,285	3,766,722
NET ASSETS		
Shareholders' equity	29,359,710	29,283,466
Accumulated other comprehensive income	(1,613,319)	(1,011,059)
Subscription rights to shares	165,221	72,055
Minority interests	18,483	201,640
Total net assets	27,930,095	28,546,102
Total liabilities and net assets	31,361,381	32,312,825

Consolidated Statements of Income

(Thousands of yen)

For the years ended March 31, 2011 and 2010	2011	2010
Net sales	20,984,353	18,221,548
Cost of goods sold	13,231,238	11,998,172
Gross profit	7,753,114	6,223,375
Selling, general and administrative expenses	6,427,716	5,540,112
Operating income	1,325,398	683,263
Non-operating income	125,710	145,454
Non-operating expenses	210,028	174,555
Ordinary income	1,241,079	654,162
Extraordinary gains	135,298	145,717
Extraordinary losses	658,266	177,199
Income before income taxes and minority interests	718,112	622,681
Income taxes—current	521,952	314,530
Income taxes—deferred	(132,819)	23,594
Income before minority interests	328,979	—
Minority interests in earnings	22,537	27,689
Net income	306,441	256,866

Consolidated Statements of Changes in Shareholders' Equity

(Thousands of yen)

For the years ended March 31, 2011 and 2010		2011	2010	
Shareholders' equity	Capital stock	At beginning of year	8,080,454	8,080,454
		At end of year	8,080,454	8,080,454
	Capital surplus	At beginning of year	10,021,143	10,975,889
		Retirement of treasury stock	—	(954,745)
		Total changes during current fiscal year	—	(954,745)
		At end of year	10,021,143	10,021,143
	Retained earnings	At beginning of year	18,146,534	18,060,436
		Cash dividends	(229,830)	(153,925)
		Change of scope of consolidation	—	(16,842)
		Net income	306,441	256,866
		Total changes during current fiscal year	76,611	86,097
		At end of year	18,223,145	18,146,534
	Treasury stock	At beginning of year	(6,964,665)	(7,678,364)
		Purchase of treasury stock	(367)	(241,046)
		Retirement of treasury stock	—	954,745
		Total changes during current fiscal year	(367)	713,698
		At end of year	(6,965,033)	(6,964,665)
	Total shareholders' equity	At beginning of year	29,283,466	29,438,415
		Cash dividends	(229,830)	(153,925)
Net income		306,441	256,866	
Purchase of treasury stock		(367)	(241,046)	
Change of scope of consolidation		—	(16,842)	
Total changes during current fiscal year		76,243	(154,948)	
	At end of year	29,359,710	29,283,466	
Accumulated other comprehensive income	Difference in valuation of other marketable securities	At beginning of year	197,067	104,000
		Changes (net) during fiscal year except in shareholders' equity	(128,018)	93,066
		Total changes during current fiscal year	(128,018)	93,066
		At end of year	69,049	197,067
	Foreign currency translation adjustments	At beginning of year	(1,208,126)	(1,206,981)
		Changes (net) during fiscal year except in shareholders' equity	(474,241)	(1,145)
		Total changes during current fiscal year	(474,241)	(1,145)
		At end of year	(1,682,368)	(1,208,126)
	Total accumulated other comprehensive income	At beginning of year	(1,011,059)	(1,102,980)
		Changes (net) during fiscal year except in shareholders' equity	(602,260)	91,921
Total changes during current fiscal year		(602,260)	91,921	
	At end of year	(1,613,319)	(1,011,059)	

(Thousands of yen)

For the years ended March 31, 2011 and 2010		2011	2010
Subscription rights to shares	At beginning of year	72,055	—
	Changes (net) during fiscal year except in shareholders' equity	93,166	72,055
	Total changes during current fiscal year	93,166	72,055
	At end of year	165,221	72,055
Minority interests	At beginning of year	201,640	185,973
	Purchase of shares of consolidated subsidiaries	(188,245)	—
	Changes (net) during fiscal year except in shareholders' equity	5,088	15,666
	Total changes during current fiscal year	(183,156)	15,666
	At end of year	18,483	201,640
Total net assets	At beginning of year	28,546,102	28,521,408
	Cash dividends	(229,830)	(153,925)
	Net income	306,441	256,866
	Purchase of treasury stock	(367)	(241,046)
	Change of scope of consolidation	—	(16,842)
	Purchase of shares of consolidated subsidiaries	(188,245)	—
	Changes (net) during fiscal year except in shareholders' equity	(504,006)	179,643
	Total changes during current fiscal year	(616,007)	24,694
	At end of year	27,930,095	28,546,102

Consolidated Statements of Cash Flows

(Thousands of yen)

For the years ended March 31, 2011 and 2010	2011	2010
Cash flows from operating activities	2,409,101	(377,641)
Cash flows from investing activities	(1,134,602)	(1,011,557)
Cash flows from financing activities	(237,770)	(398,092)
Effect of exchange rate changes on cash and cash equivalents	(207,061)	(72,609)
Net increase (decrease) in cash and cash equivalents	829,668	(1,859,901)
Cash and cash equivalents at beginning of year	12,019,663	13,883,700
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(4,135)
Cash and cash equivalents at end of year	12,849,331	12,019,663



Corporate Profile (As of June 29, 2011)

Corporate Profile

Corporation Name	Enplas Corporation
Address	2-30-1 Namiki, Kawaguchi City, Saitama 332-0034, Japan
Established	February 21, 1962
Capital	8,080,454 thousand yen

Board of Directors

President	Daisuke Yokota
Director	Takashi Sakai
Director	Noboru Sugawara
Director	Yutaka Kikuchi
Director	Ryoji Maruyama
Director	Daizo Kobayashi
Director	Yoshio Tamiya
Director	Kuniyasu Sasakura
Corporate Auditor	Haruki Teshima
Auditor	Takeshi Danbara
Auditor	Sakae Ochiai



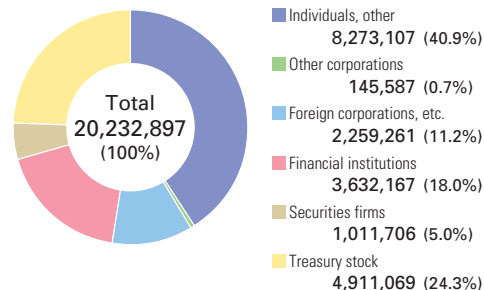
Stock Information (As of March 31, 2011)

Stock Information

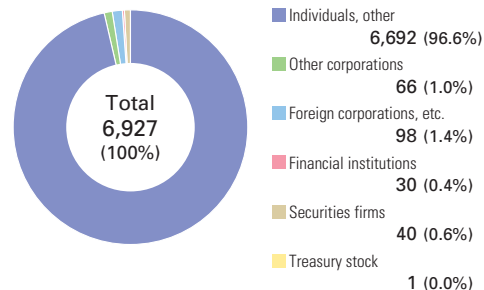
Total Number of Authorized Shares	62,400,000
Shares of Common Stock Issued	20,232,897
Number of Shareholders	6,927

Breakdown of Holdings by Shareholder Type

Number of Shares by Shareholder Type

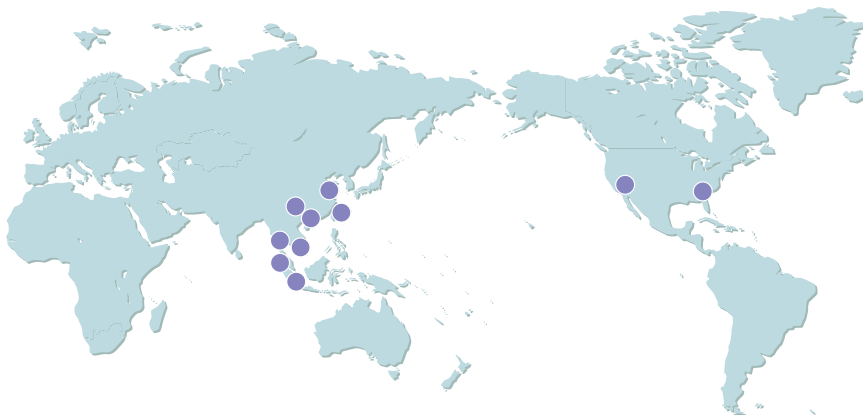
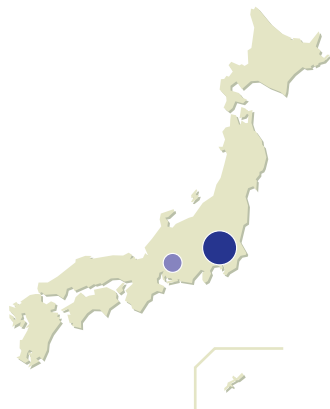


Number of Shareholders by Shareholder Type





Offices and Group Companies (As of March 31, 2011)



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

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
(It was resolved by a vote at the general meeting of shareholders held on May 31, 2011 that the company would be liquidated.)

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 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 S.A.R., P.R.C.

Enplas Corporation

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

Tel: 81-48-253-3131

Fax: 81-48-255-1688

<http://www.enplas.com>