

Enplas Corporation

(Securities code:6961)



Working for a Better **Tomorrow**

Business Report 2014

April 1, 2013 to March 31, 2014

enplas

Contents

- 01. Corporate Philosophy
- 02. To Our Shareholders
- 04. Trends in the Consolidated Performance
- 05. Outline by Businesses
- 07. Special Report:
Semiconductor Peripherals Business
- 08. Consolidated Financial Outline
- 09. Corporate Profile / Stock Information
- 10. Global Network Domestic Network
- Appendix. Global Network Overseas Network



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.

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.



President, Daisuke Yokota 

 Please speak about management performance for this term (53rd term).

In our core Engineering Plastics Business, the operating results of printer parts remained the same due to a worldwide drop in demand but automobile parts were healthy because of increased automobile production. Semiconductors continued to see favorable market growth due to the increased usage of smartphones and tablets, and both our test socket sales and automotive related burn-in socket sales were favorable. In addition, with the influence of the weak Yen, sales and operating income both exceeded those of last year. With the acceleration of LED-backlit LCD TV's adopting cost effective direct backlight sources, sales of our light diffusing lens increased greatly and we achieved rapid business growth. The result of this is that for the consolidated term, both sales and profit exceeded the previous year and we set new records in operating income, ordinary income, and net income.

 During the last fiscal year Enplas has seen significant overseas development. Please elaborate on the specific strategies that were implemented.

In order to grow amid intense global competition, we actively invested in promoting our global growth strategy as part of our fundamental management policy, "strengthen the global management base", in order to create a system to speedily provide solutions to every customer in the world. In the semiconductor peripherals business, in order to make management decisions quickly, while being at the center of the market and accurately understanding customer needs, we transferred the headquarter function of our domestic subsidiary Enplas Semiconductor Peripheral Corporation to Singapore. In conjunction with this, we established a 100%-owned Singapore company in the Philippines. Also, in Europe where the development centers for main players in the semiconductor market for in-vehicle, cell phones and smartphones are concentrated, we listened directly to the customers and took over the burn-in socket and test socket businesses from the European

To Our Shareholders

sales agent (including the rights to sell in Europe and the shares for this company's 2 subsidiaries (Germany & Italy)), aiming to build a framework that allows for developing solutions quickly. As part of acquiring this business, we reopened the Netherlands subsidiary, and strengthened our marketing structure to cover the worldwide market. Lastly, for our new bio and optical business, we established a new company and started business on the west coast of the U.S. where influential customers are concentrated.

Please tell us about the steps taken this term (54th term).

Our Group's mid-term management strategy is to respond quickly to the change in the management environment and to establish high profit business. Aiming to realize a "global Enplas", we strengthened our corporate governance structure by adding 2 outside directors who have an abundance of global experience to take part in management planning. From a global point of view, we will respond with flexibility and speed to the changes in the external environment, and continue to provide the world market with a creative value that is based on core technology.

For the 54th term, our employees from around the globe must work together to achieve the following management objectives.

- ① Not to overemphasize any one business and

Management Policy for the 54th Term, Ended March 2015

- ① Pursuing Sustainable growth with well balanced
- ② Reshaping the Global Enplas

construct a management base that is balanced, and aim for balanced, sustainable growth.

- ② To aim for an even greater growth stage, we will address the necessary challenges, solve varied problems and move forward.

Tell us about the redistribution of profits.

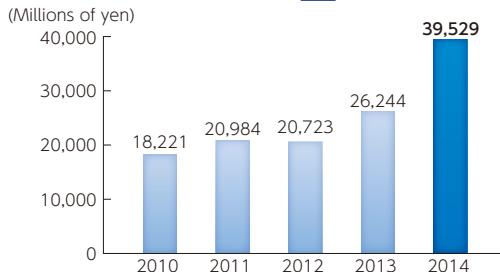
Through sound and steady management, our company has maintained a solid financial structure. It is our fundamental policy to distribute profits to our shareholders in a clear manner and we set the dividends based on the future earnings forecasts with a goal of stable distribution. We have invested our internal reserves with a mid- to long-term outlook on manufacturing equipment, research and development, information systems, and M&A for new business development and believe that these investments will eventually be distributed to our shareholders through improved profitability in the future. Further, regarding dividends, for this term we distributed interim dividends of ¥30 per share, and term-end dividends were ¥40 per share, making the full year dividend ¥70 per share.

Please give us a final thought.

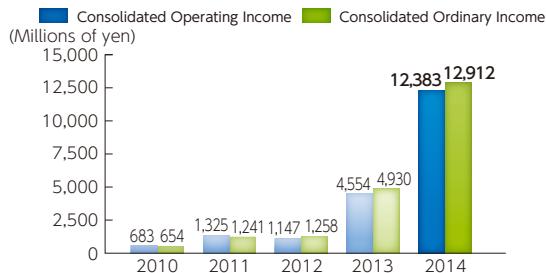
We have endeavored to develop "high precision, high performance and high quality" products that only our company can make and will provide products and services that our customers will appreciate. We aim to become an innovation company that provides new creative value to the world. Going forward, we look forward to working for you so that we will have even more support and encouragement from all of our shareholders.

Trends in the Consolidated Performance

1 Consolidated Sales



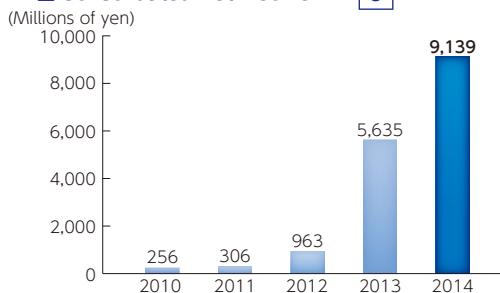
2 Consolidated Operating Income / Consolidated Ordinary Income



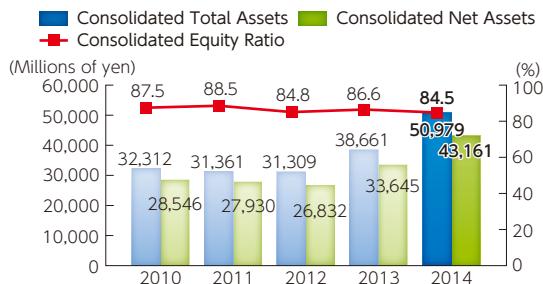
Point 1

Consolidated sales for this term were ¥39,529 million (an increase of 50.6% compared to the previous year).

3 Consolidated Net Income



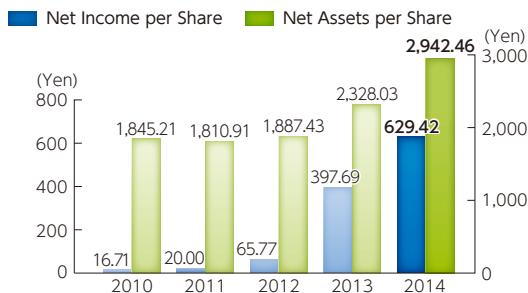
4 Consolidated Total Assets/Consolidated Net Assets/Consolidated Equity Ratio



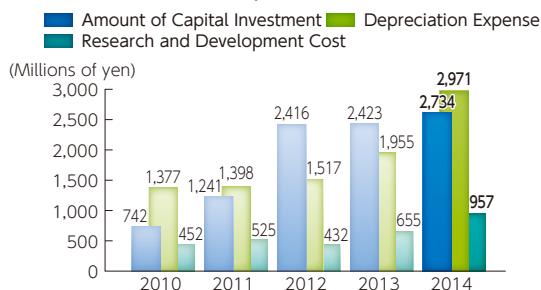
Point 2

Consolidated operating income was ¥12,383 million (an increase of 171.9% compared to the previous year), and the consolidated ordinary income was ¥12,912 million (an increase of 161.9% compared to the previous year).

Net Income per Share / Net Assets per Share



Amount of Capital Investment/Depreciation Expense/Research and Development Cost



Point 3

Consolidated net income was ¥9,139 million (an increase of 62.2% compared to the previous year).

Point 4

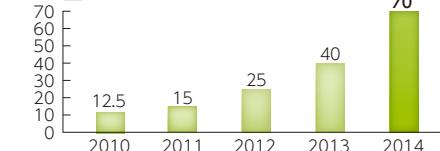
Consolidated net assets were ¥43,161 million (an increase of 28.3% compared to the previous year), and the capital-to-asset ratio was 84.5% (a decrease of 2.1% compared to the previous year).

Distribution of Profits

The dividend per share is 70 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 70 yen based on the future earnings forecasts with stable redistribution on our mind.

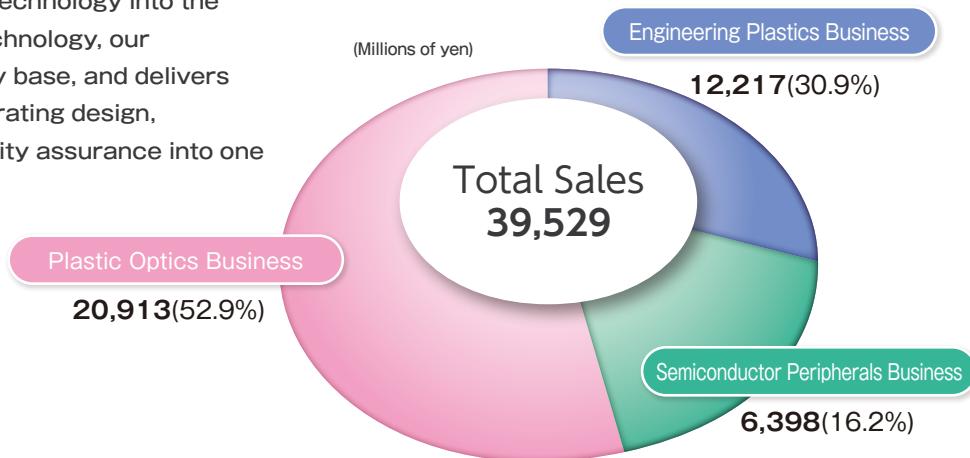
Dividends



Outline by Businesses

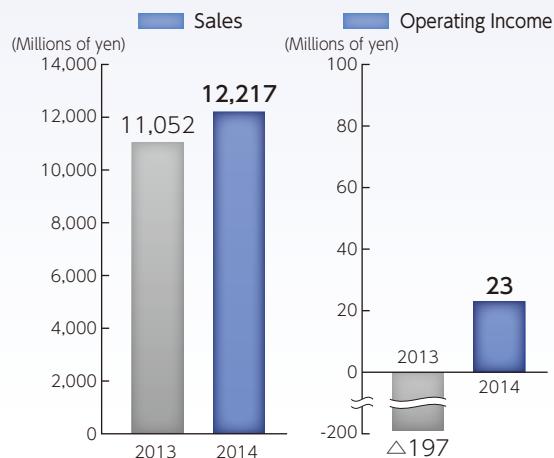
Breakdown of Sales by Business Segment The term ended March 2014 (from April 1, 2013 to March 31, 2014)

Each of our business merges the cutting-edge optics and electronics technology into the engineering plastics technology, our fundamental technology base, and delivers reliable quality by integrating design, manufacturing and quality assurance into one system.



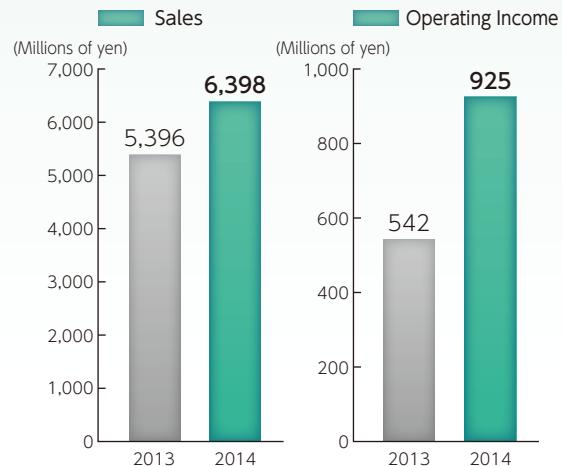
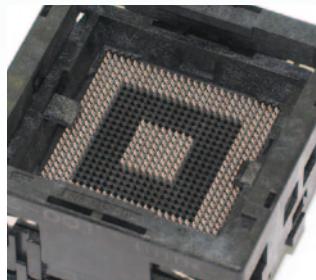
Engineering Plastics Business

The sales of printer parts have remained the same amid a global decline in demand, automotive part sales have remained strong due to increased global auto production. With the influence of the weak Yen and production cost reduction efforts, sales for this term were ¥12,217 million (an increase of 10.5% compared to the previous year), and segment operating income was ¥23 million (last term segment operating loss was ¥197 million).



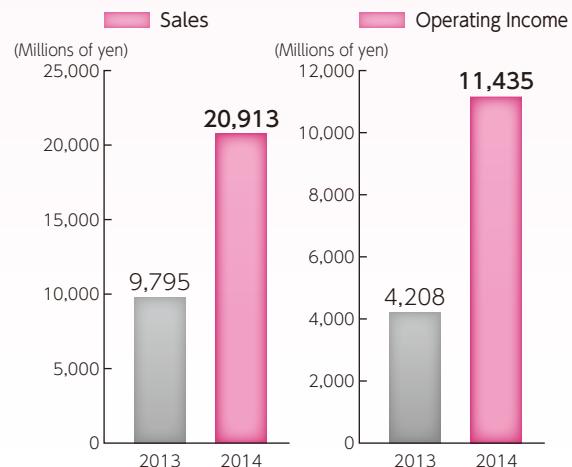
Semiconductor Peripherals Business

Overseas vehicle related use saw improvement in the second half from the first half and orders remained flat, but the accumulated total sales still increased over the previous year. Test socket sales also increased over the previous year and with accelerated overseas procurement and the impact of the weak Yen, this term's sales were ¥6,398 million (an increase of 18.6% compared to the previous year), and segment operating income was ¥925 million (an increase of 70.5% compared to the previous year).



Plastic Optics Business

In emerging nation markets, more LED-backlit LCD TV models have employed the cost effective direct backlight types, and our LED diffusing lens, which is our core product, has been adopted in more models. With optical communication related lenses, we saw an increase in orders as the demand for smartphones increased with emerging nations at the center moving the server market favorably. The results this term were sales of ¥20,913 million (an increase of 113.5% compared to the previous year), and segment operating income of ¥11,435 million (an increase of 171.7% compared to the previous year).

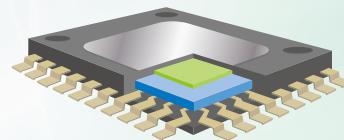


We will introduce our semiconductor peripherals business in an easy-to-understand manner from the businesses in Enplas Corporation.

With our superior development ability, our proprietary high-performance resin practical technology, and our solid quality assurance, Enplas Corporation has contributed to the development and mass production of semiconductors and supported the global expansion of the semiconductor industry.

What is a semiconductor?

It is a material that has properties in between a "conductor" through which electricity flows easily and an "insulator" through which electricity does not pass. But, in general, this term is not used in referring to semiconductor itself, rather it is used for the multi-function IC (integrated circuit) where the resistor materials are placed on the circuit board of the semiconductor material. IC is built-in to all electronics including PCs, cell phones, digital cameras, automobiles, and planes, and it is indispensable for modern technology.



Inside the black semiconductor packaging there is an IC chip that creates diodes and transistors on a piece of silicon with wires between these functioning as an electronic circuit.

Processes to the completion of semiconductors

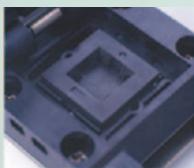


What does the Semiconductor Peripherals Business make?

"Burn-in Sockets", "Test Sockets"

Before being shipped, every semiconductor undergoes performance testing. The jig used in this inspection is called a "Test Sockets". In the burn-in test, the semiconductor's IC package is inserted into the jig and a electric current is passed through to the test stability of the device. The jig used in this is called a "Burn-in Sockets".

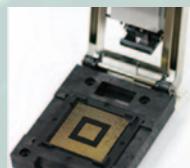
At Enplas Corporation, we combine the core technology of engineering plastics with other technologies such as electrical engineering to manufacture "Burn-in sockets" and "Test sockets". We have contributed to the development and mass production of semiconductors for CPU for server and PC use, in-vehicle use, and smartphones use and we support the global expansion of the semiconductor industry.



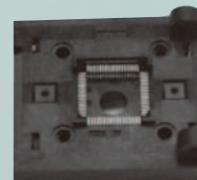
Micro Pitch "Burn-in Socket" (0.3 mm Pitch)



Thermal LGA "Burn-in Socket"



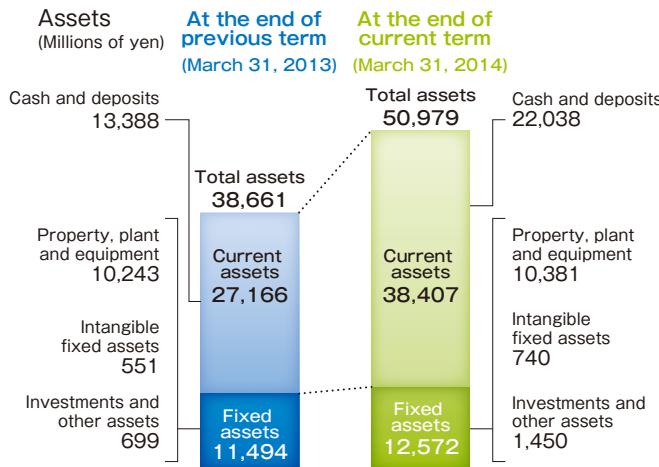
Multi-pin BGA "Burn-in Socket"



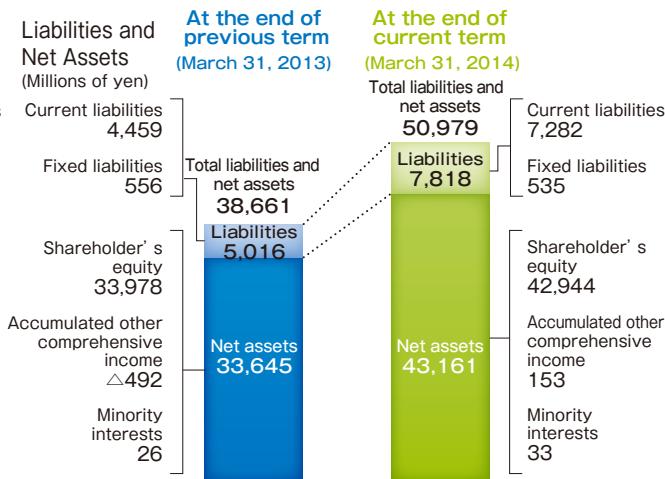
H-type Test Socket

Consolidated Financial Outline

Outline of the Consolidated Balance Sheet



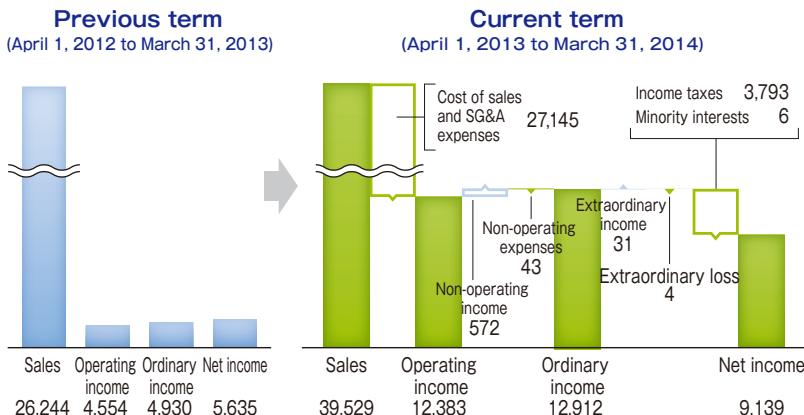
Main factors in the increase in total assets are increases in cash and deposits by ¥8,649 million, securities by ¥2,600 million, property, plant and equipment by ¥137 million, intangible assets by ¥188 million, and investments and other assets by ¥751 million.



Main factors in the increase in total liabilities and net assets are increases in retained earnings by ¥8,415 million and foreign currency translation adjustment by ¥684 million.

Outline of the Consolidated Profit and Loss Statement

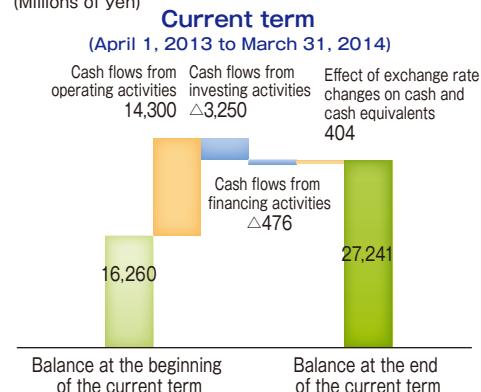
(Millions of yen)



Consolidated sales were ¥39,529 million (an increase of 50.6% compared to the previous year), consolidated operating income was ¥12,383 million (an increase of 171.9% compared to the previous year), consolidated ordinary income was ¥12,912 million (an increase of 161.9% compared to the previous year), and consolidated net income was ¥9,139 million (an increase of 62.2% compared to the previous year).

Outline of the Statement of the Consolidated Cash Flow

(Millions of yen)



Cash and cash equivalents for this term was ¥27,241 million, an increase of ¥10,981 million from the previous term.

Corporate Profile/Stock Information/Memorandum for Shareholders

(As of June 27, 2014)

Corporate Profile

Corporation Name : Enplas Corporation
Address : 2-30-1 Namiki, Kawaguchi City,
Saitama 332-0034, Japan
Established : February 21, 1962
Capital : 8,080,450,000 yen

Board of Directors

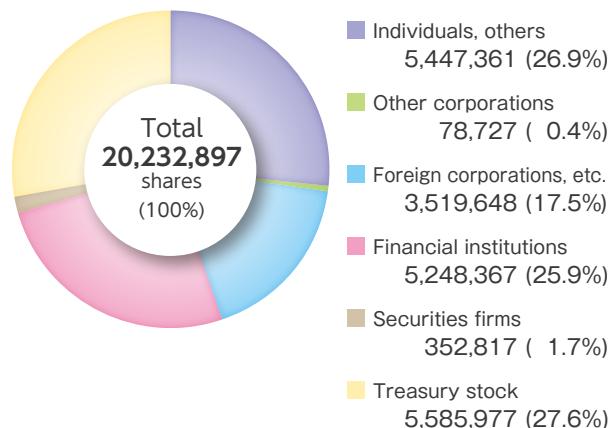
President : Daisuke Yokota
Director : Takashi Sakai
Director : Yutaka Kikuchi
Director : Ryoji Maruyama
Director : Ichiro Hasegawa
Director : Shigeo Kutsuzawa
Director : Craig G. Naylor
Director : Yoong Yoon Liong
Corporate Auditor : Haruki Teshima
Corporate Auditor : Yoshio Tamiya
Auditor : Takeshi Danbara
Auditor : Sakae Ochiai

(As of March 31, 2014)

Stock Information

Total Number of Authorized Shares : 62,400,000
Shares of Common Stock Issued : 20,232,897
Number of Shareholders : 5,813

■ Distribution of Shares by Shareholders



Memorandum for Shareholders

Fiscal year : April 1 to March 31 of the year following
Annual meeting of shareholders : June of each year
Shareholder registry administrator : Tokyo Securities Transfer Agent Co., Ltd.
The administrative duties will be carried out by all branches within Japan, including the head branch, of the Mitsui-Sumitomo Trust Bank Ltd.
Method of public notice : Electronic notification (<http://www.enplas.com>).
If public notification by this method is not possible, the public notification will appear on the Nikkei newspaper.
The balance sheet and the profit and loss statement are disclosed to the public via EDINET (<http://info.edinet-fsa.go.jp/>) in place of the mandatory financial statement.
Stock Listing : Tokyo Stock Exchange, Inc., First section

Global Network

Domestic Network

Headquarters

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

Kanuma Plant

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

Nagoya Office

3F, Matsuoka Building, 2-45-7 Meieki, Nakamura-ku, Nagoya City, Aichi 450-0002 Japan

Group Companies in Japan

Enplas Laboratories, Inc.

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

QMS Co., Ltd.

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

■ Nishi-nihon office

9F, MF Shin-Osaka Building, 2-14-4 Miyahara, Yodogawa-ku, Osaka City, Osaka 532-0003 Japan

Enplas Semiconductor Peripherals, Corp.

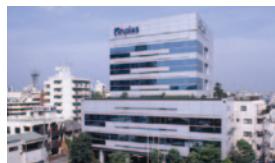
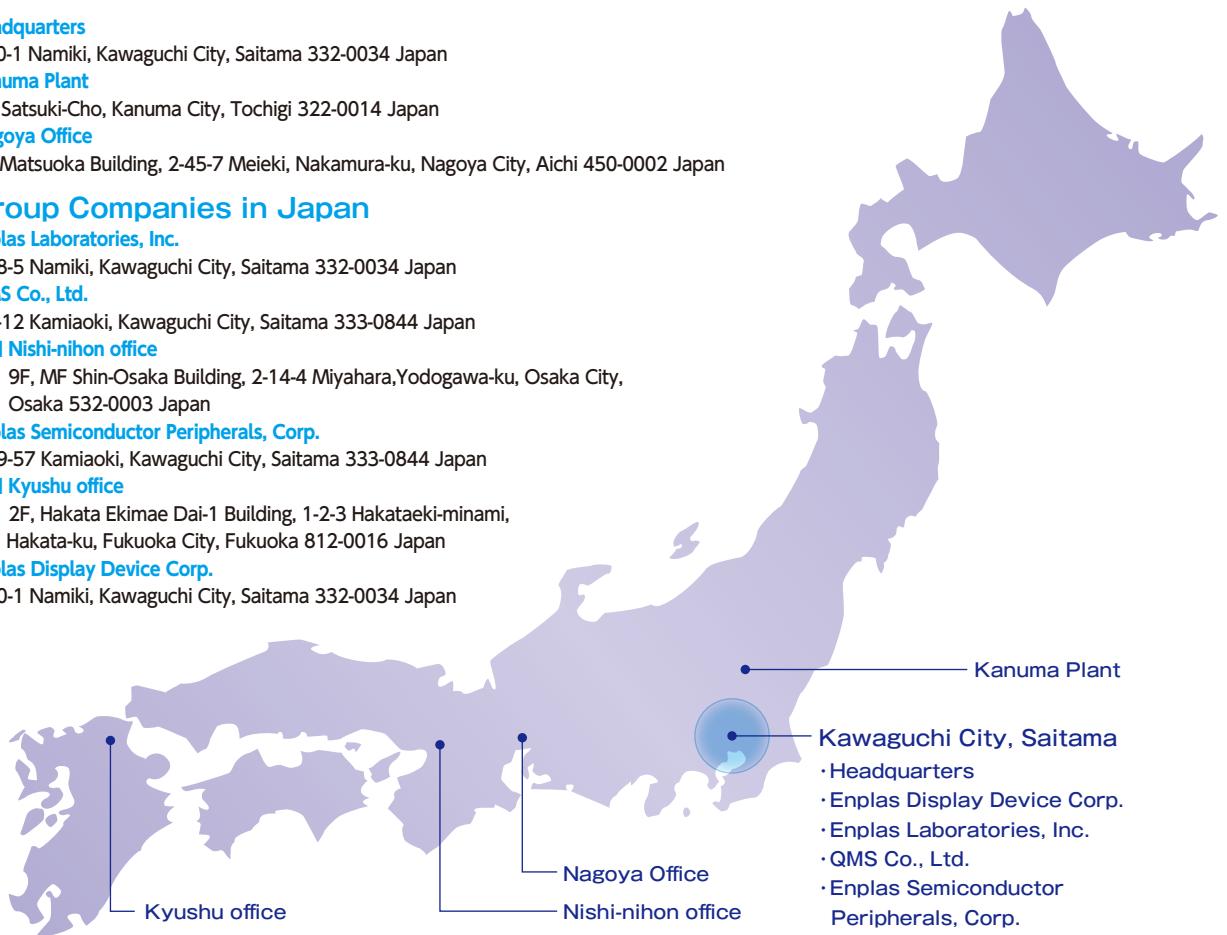
1-19-57 Kamiaoki, Kawaguchi City, Saitama 333-0844 Japan

■ Kyushu office

2F, Hakata Ekimae Dai-1 Building, 1-2-3 Hakataeki-minami, Hakata-ku, Fukuoka City, Fukuoka 812-0016 Japan

Enplas Display Device Corp.

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



Headquarters
Enplas Display Device Corp.



Kanuma Plant



Enplas Semiconductor
Peripherals, Corp.



QMS Co., Ltd.



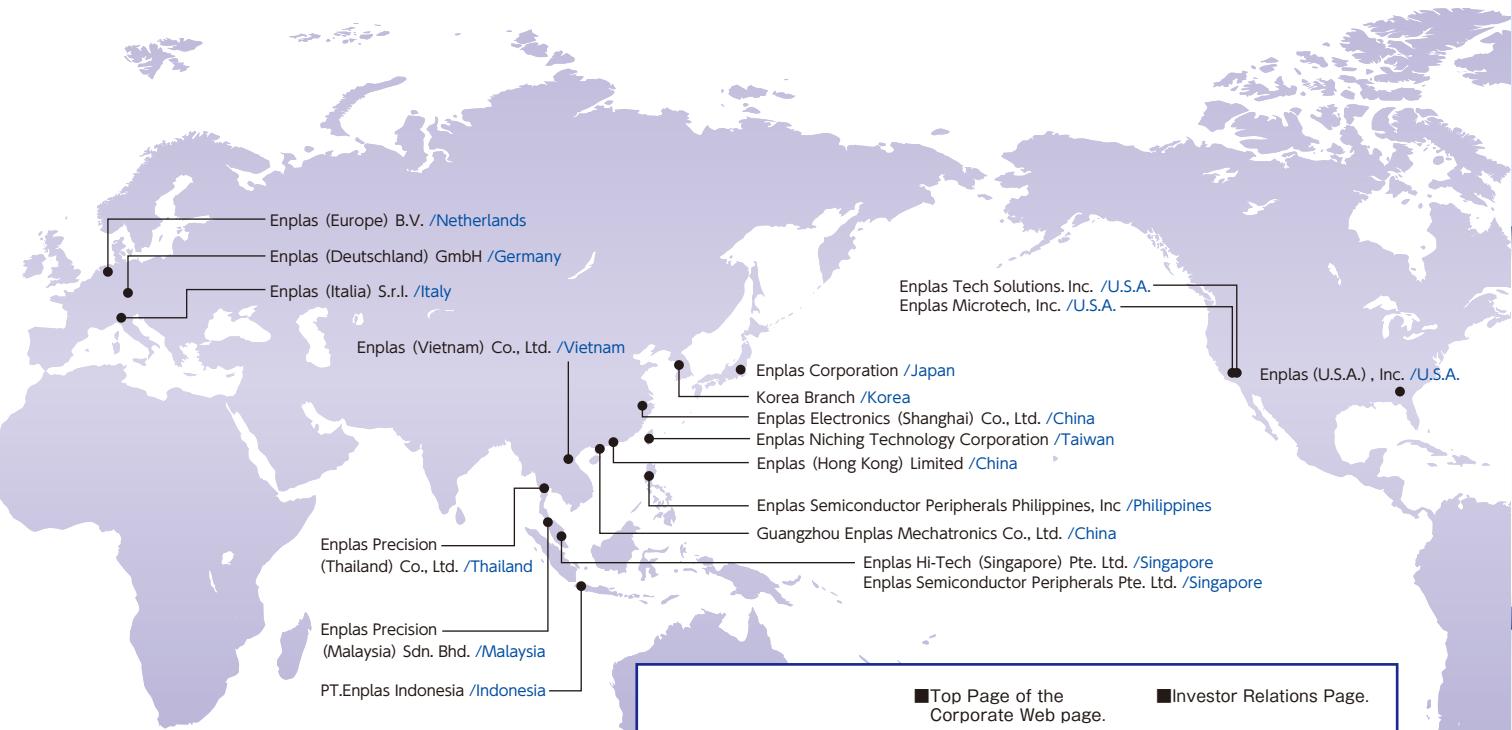
Enplas Laboratories, Inc.

Global Network

Overseas Network

Global network based on client trust and superior technology.

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 manufacturers in various industrial arenas from planning and development stages.



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>



Please take a look at the corporate web page which discloses latest information including the corporate overview, financial information, business operations, and press releases.

■ Top Page of the Corporate Web page.



▷ enplas.co.jp/english/

■ Investor Relations Page.



▷ enplas.co.jp/english/ir/