FY2017 Third-Quarter Results

January 25, 2017

Enplas Corporation

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Notes

- *"fiscal 2016" or "FY2016" refers to the year ending March 31, 2016.*

- *"fiscal 2017" or "FY2017" refers to the year ending March 31, 2017.*

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Agenda

- FY2017 Management Policy
- FY2017 3rd Quarter Results
- FY2017 3rd Quarter Results Overview
- FY2017 Plan（Consolidated）
- Business Trends and Strategies by Segment

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FY2017 Management Policy

Operational Excellence

Specification Technology

Multiple Growth

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FY2017 Business Strategy

◆Invest in innovation
（enter new markets, develop new products, and create new markets）

- Strengthen marketing function
- Develop strategic products
  - 1）Create an advantage through innovation
  - 2）Strong intellectual property
  - 3）Support from customers
- Strengthen technology evaluation

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FY2017 Third Quarter Business Results

（100 million yen）

	FY2017	FY2016		FY2017	
	9M/3Q Results	9M/3Q Results	Change	Half-year Plan	Full-year Plan
Net Sales	249.4	295.5	-15.6%	170.0	320.0
COGS Ratio	53.2%	45.4%	7.8 pts	51.7%	52.5%
Operating Income	35.1	81.5	-56.9%	25.0	42.0
Ordinary Income	35.9	82.9	-56.7%	25.0	40.0
Net Income	47.9	58.1	-17.6%	17.0	49.0
Comprehensive Income	51.4	55.0	-6.5%	—	—
Net Income Per Share	373.05 yen	441.08 yen	-68.03 yen	132.84 yen	382.90 yen

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FY2017 Third Quarter Results by Segment

（100 million yen）

	FY2017 9M/3Q Results	FY2016 9M/3Q Results	Change
Engineering Plastic Business	**92.4**	**96.9**	-4.6%
COGS Ratio	67.3%	64.6%	2.7 pts
Operating Income	**-1.7**	**4.9**	—
Semiconductor Peripherals Business	**76.8**	**66.2**	15.9%
COGS Ratio	53.7%	46.4%	7.3 pts
Operating Income	**10.5**	**13.5**	-21.8%
Plastic Optics Business	**80.1**	**132.3**	-39.5%
COGS Ratio	36.6%	30.9%	5.7 pts
Operating Income	**26.3**	**63.0**	-58.3%
Net Sales	**249.4**	**295.5**	-15.6%
COGS Ratio	53.2%	45.4%	7.8 pts
Operating Income	**35.1**	**81.5**	-56.9%

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Quarterly Results

（100 million yen）

	FY2017			FY2016	
	3Q	2Q	1Q	4Q	3Q
Net Sales	90.3	82.7	76.2	91.8	101.1
COGS Ratio	54.5%	53.2%	51.7%	48.3%	44.2%
Operating Income	14.2	11.1	9.6	17.7	29.1
Ordinary Income	16.8	10.8	8.1	15.2	29.3
Net Income	12.6	27.7	7.5	-2.0	20.5
Net Income Per Share	98.13 yen	216.60 yen	58.32 yen	-16.63 yen	159.93 yen

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Quarterly Results by Segment

（100 million yen）

	FY2017			FY2016	
	3Q	2Q	1Q	4Q	3Q
Engineering Plastic Business	**31.2**	**30.6**	**30.5**	**33.0**	**31.4**
COGS Ratio	67.9%	67.3%	66.5%	65.8%	63.5%
Operating Income	**-1.0**	**-0.5**	**-0.1**	**1.7**	**1.6**
Semiconductor Peripherals Business	**30.8**	**25.3**	**20.5**	**22.8**	**23.5**
COGS Ratio	57.9%	51.5%	50.1%	48.7%	46.5%
Operating Income	**4.6**	**3.7**	**2.1**	**4.1**	**4.8**
Plastic Optics Business	**28.2**	**26.7**	**25.1**	**35.9**	**46.1**
COGS Ratio	36.0%	38.7%	35.1%	31.9%	29.8%
Operating Income	**10.6**	**7.9**	**7.6**	**11.8**	**22.6**
Net Sales	**90.3**	**82.7**	**76.2**	**91.8**	**101.1**
COGS Ratio	54.5%	53.2%	51.7%	48.3%	44.2%
Operating Income	**14.2**	**11.1**	**9.6**	**17.7**	**29.1**

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Third Quarter Overview

◆Average Exchange Rate (US$)

FY2017 9M/3Q	FY2017 1st Half	Change
107.84 yen	106.38 yen	1.46 yen

＜Reference＞

FY2017 9M/3Q	FY2016 9M/3Q	Change
107.84 yen	121.45 yen	-13.61 yen

◆Non-operating profit and loss

（100 Million yen）

FY2017 3Q	FY2017 2Q	Change
2.5	-0.3	2.8

➢Foreign exchange gain of 280 million yen (2Q: Foreign exchange loss of 1 million yen)

➢Loss of 80 million yen on equity method investments (2Q: 50 million yen)

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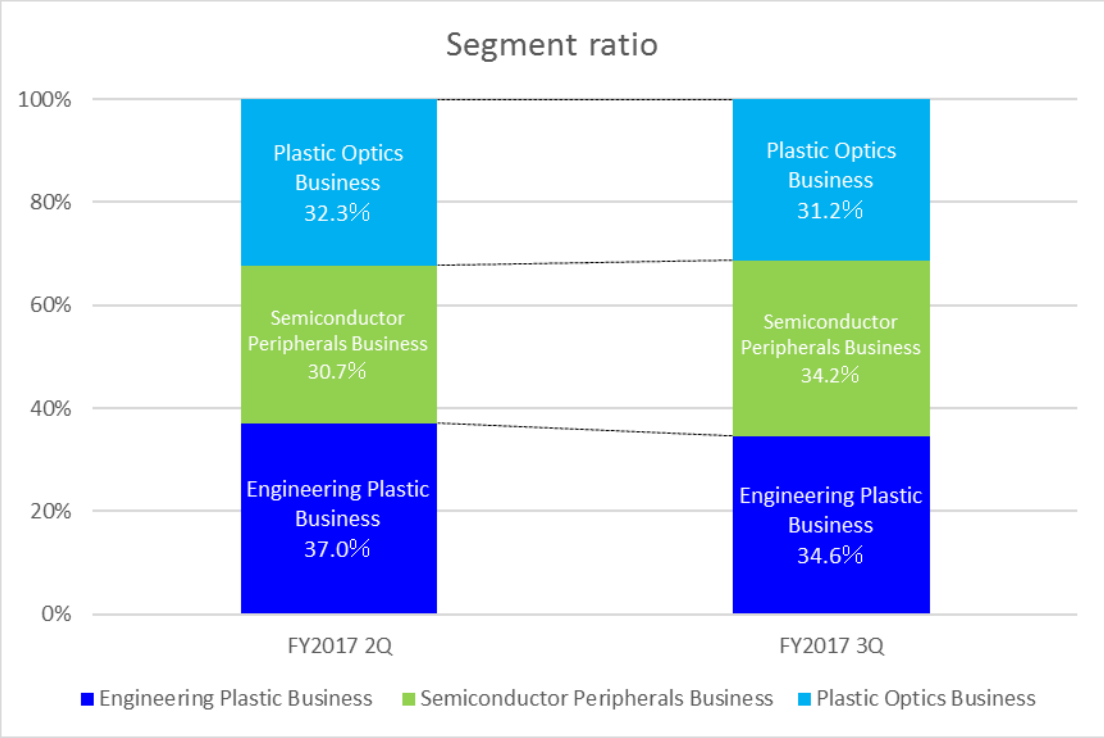
Third Quarter Overview

◆ COGS Ratio

FY2017 3Q	FY2017 2Q	Change
54.5%	53.2%	1.3 pts

- Impairment on illiquid inventory in Semiconductor Peripherals Business
- Changing sales mix



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Actions Implemented as of FY2017 Third Quarter

- **Development of global management**
  - Enplas (Europe) Ltd. merged with Enplas（Europe）B.V.
  - Started collaboration with investee corporation
- **Operational Excellence**
  - Optimization of global management
  - Operational standardization
- **Incentive system for employees**
  - Stock options for employees

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FY2017 Plan (Consolidated)

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FY2017 Plan

（100 million yen）

	FY2017 Full-year	FY2017 9M/3Q Results
Net Sales	320.0	249.4
COGS Ratio	52.5%	53.2%
Operating Income	42.0	35.1
Ordinary Income	40.0	35.9
Net Income	49.0	47.9
Net Income Per Share	382.90 yen	373.05 yen

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FY2017 Plan by Segment

（100 million yen）

	FY2017 Full-year	FY2017 9M/3Q Result
Engineering Plastic Business	**122.0**	**92.4**
Semiconductor Peripherals Business	**95.0**	**76.8**
Plastic Optics Business	**103.0**	**80.1**

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FY2017 Plan（Reference）

（100 million yen）

	FY2017		FY2016
	Full-year	9M/3Q Results	Results
Capital expenditures	62.0	57.2	21.5
Depreciation	23.0	17.4	27.0
R&D	11.0	8.1	11.0

※Capital expenditures plan changed

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Business Trends and Strategies by Segment

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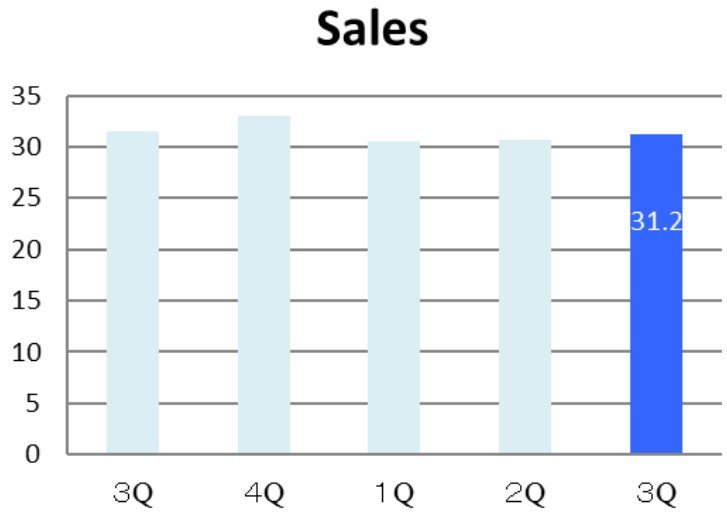
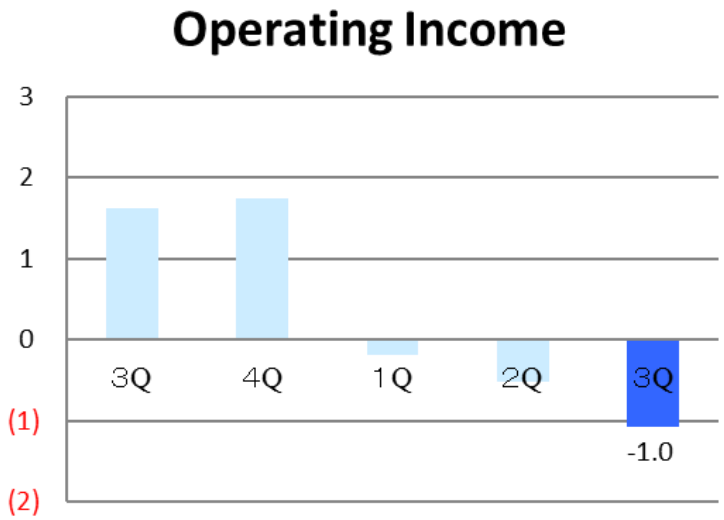
Engineering Plastic Business

（100 million yen）





- **Strengthen ability to offer specification based solutions to customers**
- **Develop a thorough product strategy**
- **Establish a high efficiency global production system**

FY2017

Sales Plan: 12.2 billion yen

（FY2017 9M/3Q: 9.24 billion yen）

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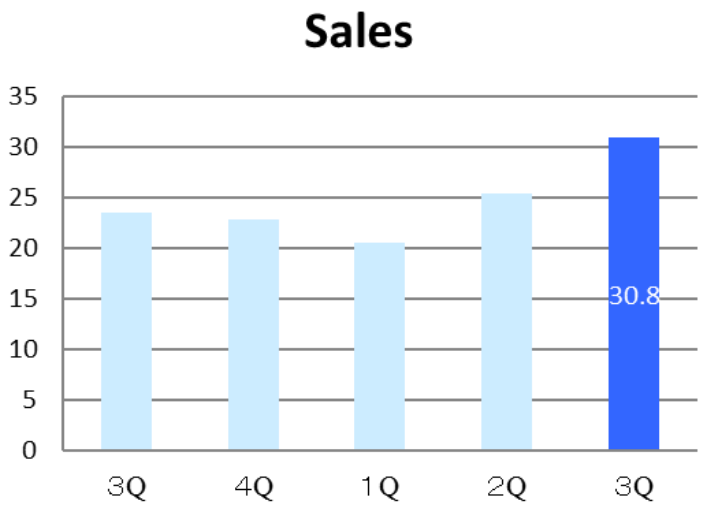
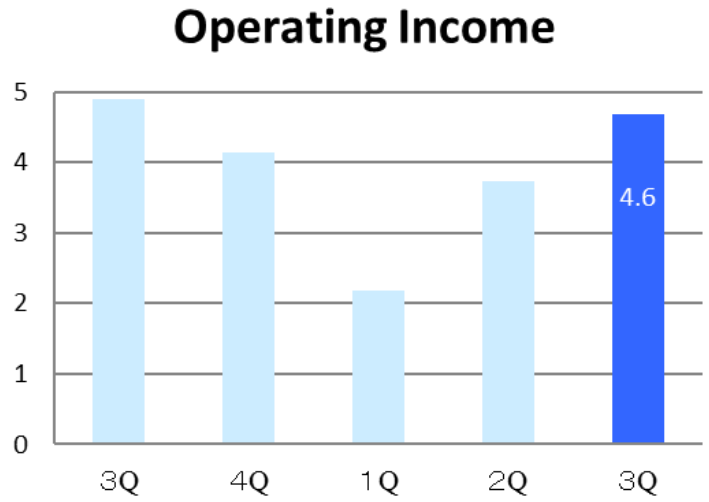
Semiconductor Peripherals Business

（100 million yen）



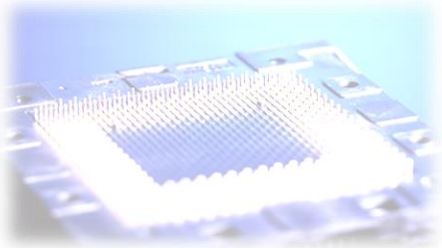


- **Improve ability to adapt to changes in the business environment**
- **Strengthen global production system**
- **Develop competitive solutions**
- **Create competitive advantage based on speed**

FY2017

Sales Plan: 9.5 billion yen

（FY2017 9M/3Q: 7.68 billion yen）



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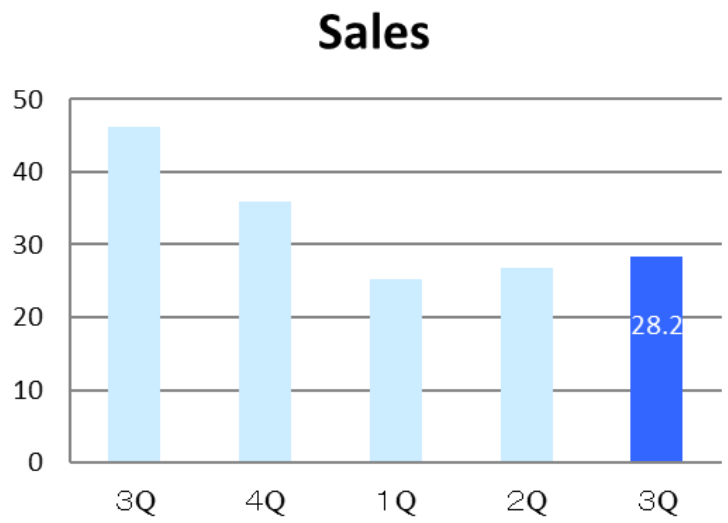
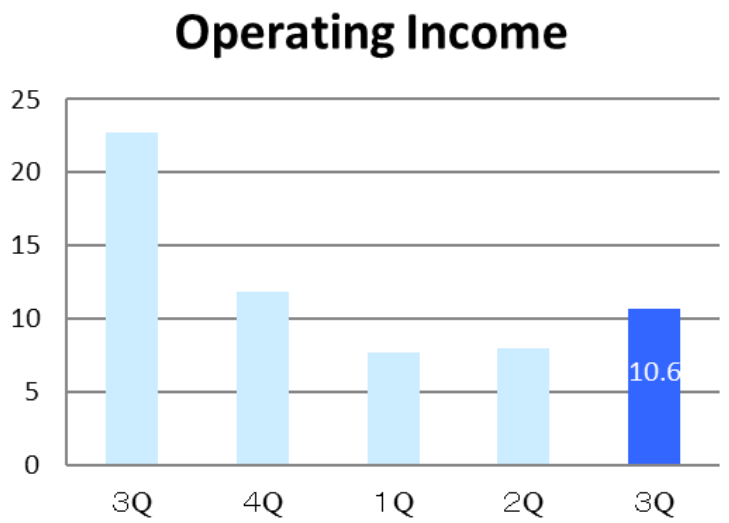
Plastic Optics Business

（100 million yen）





- **Achieve stable growth by expanding customer base**
- **Revise production system**
- **Develop new products for the high-speed communications market**

FY2017
Sales Plan: 10.3 billion yen
（FY2017 9M/3Q: 8.01 billion yen）

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Enplas Corporation

Financial Results for the Third Quarter of the Year Ending March 31, 2017

http://www.enplas.co.jp/

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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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