

Notice Concerning Extraordinary Losses, Reversal of Deferred Tax Assets and Revision of Earnings Forecast

Enplas Corporation ("Enplas", head office: Saitama, president: Daisuke Yokota) announces that Enplas expects to record extraordinary losses and reverse deferred tax assets for the fiscal year ending March 31, 2020. Consequently, Enplas has revised the consolidated earnings forecast for the fiscal year ending March 31, 2020 as announced on October 18, 2019, as follows.

1. Details of extraordinary losses

In June 2017, Enplas's consolidated subsidiary, Enplas America, Inc., converted Polylinks Inc. (currently Enplas Life Tech, Inc., Hereinafter "ELT") into its wholly owned subsidiary through acquisition of all Polylinks shares in order to expand the Bio Science business.

However, as a result of examining the collectability based on ELT's latest performance, it is expected that a portion of the goodwill generated at the time of the acquisition of ELT's shares will be posted as an impairment loss of 959 million yen.

2. Details of reversing deferred tax assets

As a result of estimating the current taxable income in the future and carefully examining the possibility of recovering deferred tax assets, Enplas expects to reverse deferred tax assets of 306 million yen.

3. Revision of the consolidated earnings forecast of the fiscal year ending March 31, 2020

| | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Earnings per share |
|---|-------------|------------------|-----------------|---|--------------------|
| | Million yen | Million yen | Million yen | Million yen | Yen |
| Previous forecast (A) | 32,000 | 2,000 | 2,000 | 1,800 | 146.11 |
| Revised forecast (B) | 31,400 | 2,160 | 2,150 | 490 | 39.46 |
| Difference (B-A) | △600 | 160 | 150 | △1,310 | |
| Rate of change (%) | △1.88 | 8.00 | 7.50 | △72.78 | |
| <Reference> Results for the fiscal year ended March 31, 2019 | 31,281 | 1,735 | 1,877 | 332 | 26.03 |

4. Reason for the revision

As a result of item 1 and 2 above, profit attributable to owners of parent are expected to be lower than the previous forecast. There is no change in the year-end dividend forecast, and we expect to pay a dividend of 15.0 yen per share as announced on April 19, 2019.

Notice:

1. This announcement contains forward-looking statements. These forward-looking statements are based on Enplas's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Enplas's actual results, financial position or cash flows to be materially different from any future results, financial position or cash flows expressed or implied by these forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Enplas's latest Annual Securities Report and Quarterly Securities Report, and Enplas undertakes no obligation to publicly update or revise any forward-looking statements.
2. The official version of this announcement was published in Japanese. An unofficial English translation is provided for the convenience of overseas investors. For any discrepancies between the Japanese and English versions, the Japanese version shall prevail.