

Greeting from the President



During the fiscal year, Enplas found itself in an environment in which the Asian economy continued to expand and the degree of true globalization deepened, but uncertainty (about the future) grew as exchange rates were volatile and the price of raw materials jumped. Our company is active in the electronics parts industry, and within this industry, the speed at which product lifecycles shorten and production spreads globally with accelerated spread of the digital technology, and the business environment remained harsh due to fiercer price competition.

Under these conditions, we designated Engineering Plastics Product Business as our core business and are promoting greater globalization. We also actively strove to develop products and reduce costs by strengthening core technology for Plastic Optics Business and developed cutting-edge products for Semiconductor Peripherals Business. On the other hand, the makeup of Display Devices Business was transformed by promoting development activities with the goal of the strengthening our products.

Although the business environment is expected to remain demanding, we will work to strengthen our company so that it can rapidly and flexibly respond to changes in global market needs and the business environment.

Furthermore, we will work not only to strength our production and R&D capabilities in order to increase the competitiveness of our products but also to augment our ability to conduct proposal-based sales. Efforts are also being made to increase society's faith in the company through all our corporate activities, and these efforts include further improving product quality. As a company that has developed competitiveness and an ability to grow in order to achieve sustainable corporate growth, we are aiming to transform the company into one that can contribute to the creation of a prosperous society by undertaking the efforts mentioned above and implementing rapid management on a global scale.

Your continued support will be greatly appreciated.

A handwritten signature in black ink, appearing to read 'Daisuke Yokota'.

Daisuke Yokota,
President

July 2008

Management Policies

1. Basic management policies

The Enplas group has carried out a product strategy supported by engineering plastics and created using its proprietary technologies and designs based on the following management philosophies: (1) creating high-value-added products from engineering plastics by pursuing and utilizing state-of-art technologies to respond to the needs of the global market, (2) establishing a solid management structure that can respond to any changes from a global perspective, (3) challenging creative objectives, and (4) fostering customer satisfaction and fulfilling lives of their employees under a bond of trust, and contributing to social development.

We designated the current consolidated fiscal year as a year to put the group on a new growth trajectory by the 50-year anniversary of the founding of Enplas, which we will celebrate in four years. We set a basic management policy that incorporates the following points: (1) establish "New Global" Management Strategic Organization, (2) establish global production system by innovation and concentration of basic technologies, (3) enlarge "de-facto top" products with acceleration of advanced technology, quality, and intellectual property, (4) develop new businesses, and (5) establish internal control system for improving corporate value. In order to realize an eternal growth, the whole group is working together to actively and boldly create an integrated global management body that can achieve rapid decision making and centralized management.

2. Target management benchmark

The Enplas group is working to facilitate group solidarity by continuing to set a management benchmark for a consolidated per share net income for each fiscal year. To reach the 100-yen mark again in the early stage and increase share of the profit for shareholders, the whole group is engaged in the critical strategies based on the basic management policies.

3. Medium- to long-term management strategies

The group has set managing operations in a highly-profitable manner on a global scale, which increases selection and concentration of each business segment and can rapidly respond to changes in the business environment, as the medium-term business strategy. The basic policy includes the following points: (1) rapidly returning each business, particularly Engineering Plastics Product Business, to a growth trajectory, (2) creating “Global Enplas” through truly global management, (3) creating a foundation for new corporate growth based on the group’s core technology, and (4) reforming the corporate culture and implementing rapid management. In addition the group will develop its business activities with the goal of flexibly and rapidly responding to market conditions that are expected to continue to be volatile in the future and providing creative value to global markets.

4. The issues to be dealt with by Enplas

The group is moving forward to rapidly regain its ability to generate profits by expanding its operation globally, driven by Engineering Plastics Product Business which is the group’s core business, developing the Semiconductor Peripherals Business strengthening the group’s production capability, creating a production system for Display Devices Business and reducing production costs in the Plastic Optics Business. The group considers the following issues as business challenges that must be resolved to implement the measures described above, and actively work to improve its profitability: (1) strengthening and developing new businesses, (2) strengthening global cost competitiveness, (3) realizing rapid management (response), (4) creating an internal control system, (5) developing and securing top human resources to resolve these issues.

5. Other important corporate management matters

Not applicable.

Review of Operations for the Year

Business results

(1) Performance overview in this consolidated fiscal year

Although the Japanese economy during the current consolidated fiscal year was on a recovery trend as a result of an increase in both capital expenditures and consumer spending as companies recorded firm earnings, there was growing uncertainty about various issues including the prolonged U.S. subprime mortgage crisis, strong volatility in foreign exchange rates, and inflation due to jumps in the price of crude oil and raw materials.

The group is part of the electronics parts industry, and in this industry, there was further acceleration in globalization as production moved to China and Southeast Asia and product life cycles were shortened as a result of innovation and expansion of digital technology. The business environment also remained severe as price competition intensified.

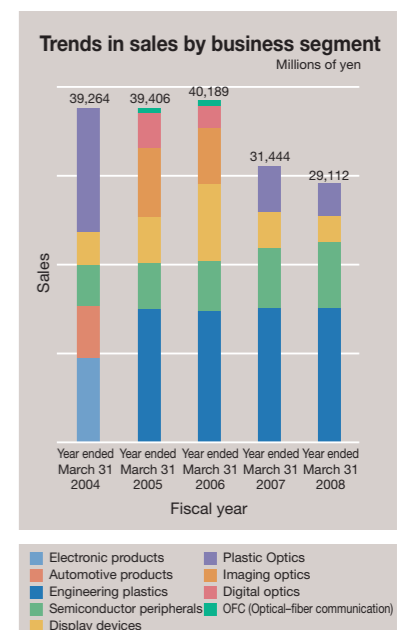
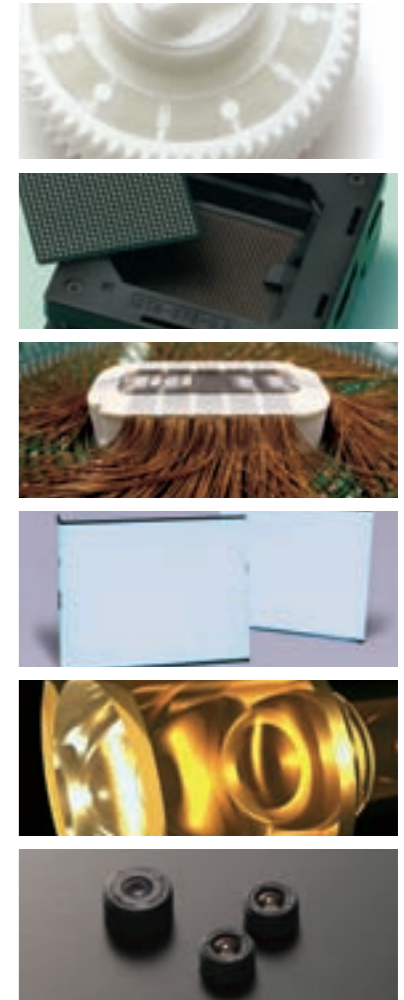
Under these conditions, the group moved forward with expanding the global market, building a global production system through concentration and rebuilding the foundation of its core technology, and creating new businesses, particularly in previously developed fields. In Engineering Plastics Product Business, the group launched full operation of the production subsidiary Guangzhou Enplas Mechatronics Co., Ltd., which was established in the Chinese province of Guangzhou, in June and strengthened its production system for the Chinese market. In the Semiconductor Peripherals Business, the group made aggressive investments and strengthen its production and development system to meet market demands with the goal of expanding business. On the other hand, orders continued to fall in both Plastic Optics and Display Devices Business, which were strongly affected by revisions to the business strategy undertaken for several reasons such as fiercer price competition.

As a result, while Semiconductor Peripherals Business recorded a year-on-year increase in sales, those for Engineering Plastics Product Business were flat, and Plastic Optics Business and Display Devices Business recorded substantial declines in sales. Overall, consolidated sales were 29,112 million yen (down fell 7.4% year on year).

Sales	29,112 million yen	(Down 7.4% year over year)
Operating income	796 million yen	(Down 62.0% year over year)
Ordinary income	763 million yen	(Down 64.9% year over year)
Net income	(1,164) million yen	(Down —% year over year)
Net income per share	(62.82) yen	(Down 63.69 yen year over year)
Capital investment	2,715 million yen	
Depreciation	2,757 million yen	
Experimental research	1,238 million yen	

As for income, the group strived to reduce fixed costs and cost of sales through greater productivity, however, consolidated operating income totaled 796 million yen (down 62.0% year on year) and consolidated ordinary income was 763 million yen (down 64.9% year on year) as a result of major declines in sales in both Display Devices business and Plastic Optics business.

The group recorded a net loss of 1,164 million yen for numerous reasons including the posting of 419 million yen in impairment losses on fixed assets for Plastic Optics business.



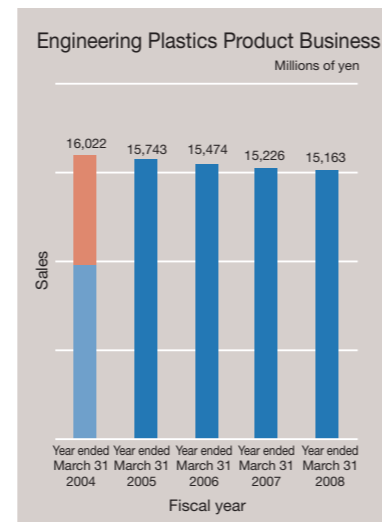
(2) Sales by Business Segment

a. Engineering Plastics Product Business

Sales 15,163 million yen (down 0.4% year-on-year).

As for Engineering Plastics Product Business, our core business, we worked to aggressively expand sales of automotive products both within and outside of Japan by strengthening sales and fully launching operation of Guangzhou Enplas Mechatronics Co., Ltd., while also striving to expand the size of the market by creating a production system that is globally competitive. However, there was a visible decline in (sales of) electronic device related products, resulting in consolidated sales were 15,163 million yen (down 0.4% year-on-year).

By further accelerating our full global expansion, we are working to broaden the business fields and to horizontally expand our production technology capabilities within the automobile, OA, and other markets. The provision of the same high quality throughout the world will also become the engine of growth for the group.

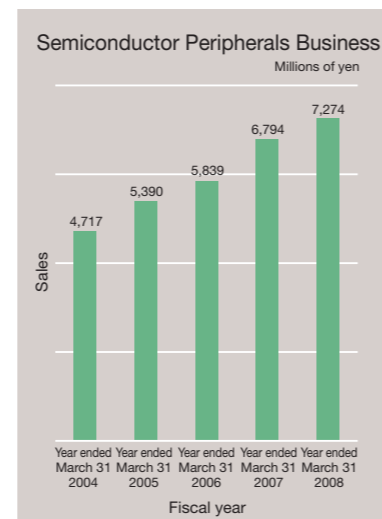


b. Semiconductor Peripherals Business

Sales 7,274 million yen (up 7.1% year on year)

Consolidated sales were 7,274 million yen (up 7.1% year on year) a result of strengthening the group's global sales system and actively investing in strategic products.

At the same that the company is striving to improve its business development abilities by strengthening its R&D abilities through the Technical Development Center and conducting more leading research into ultrafine terminal technology, Enplas is working to strengthen and expand its existing businesses, is developing its wafer-level solution business, and is increasing its market share of the semiconductor peripheral products market.

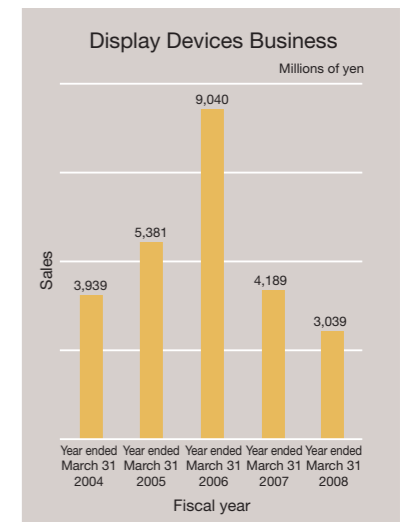


c. Display Devices Business

Sales 3,039 million yen (down 27.5% year on year)

Although we aggressively expanded our proprietary highly-efficient and advanced light guide panel business throughout the world, consolidated sales were 3,039 million yen (down 27.5% year on year) for various reasons including delays in introducing new products and fierce price competition.

The group is actively aiming to capture business opportunities in the Chinese market, which is a growth market, and to build a system to capture full-scale businesses and strengthen its superiority in the light guide panel (LGP) technology that support LED, and is developing new products and businesses for the FDP market.

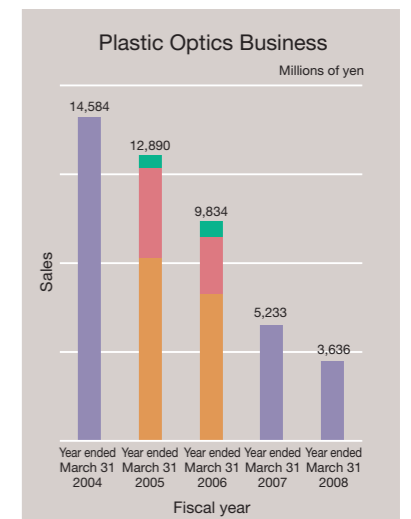


d. Plastic Optics Business

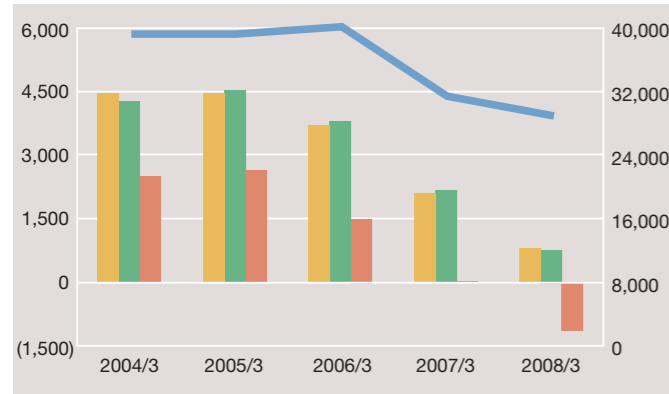
Sales 3,636 million yen (down 30.5% year on year)

While the group implemented measures to build a highly-profitable structure through the promotion of the development of core technology and the development and sales of original products, consolidated sales were 3,636 million yen (down 30.5% year on year) for various reasons including the delayed introduction of new products.

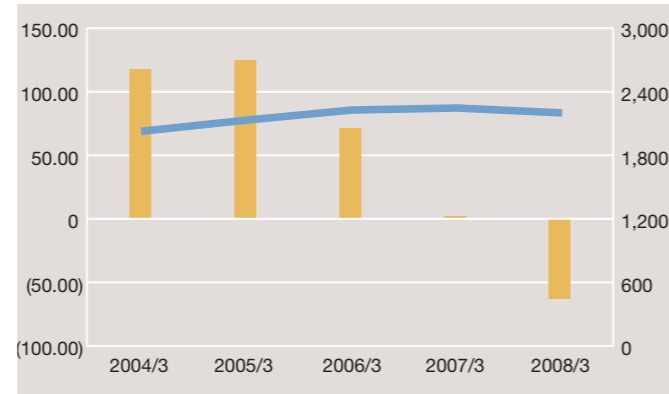
The group will rebuild its management system so that it could immediately respond to changes in the business environment in the sensor, pick-up, and communication fields, actively work to develop high-value added products, establish a global production system, and create a foundation for sustainable growth.



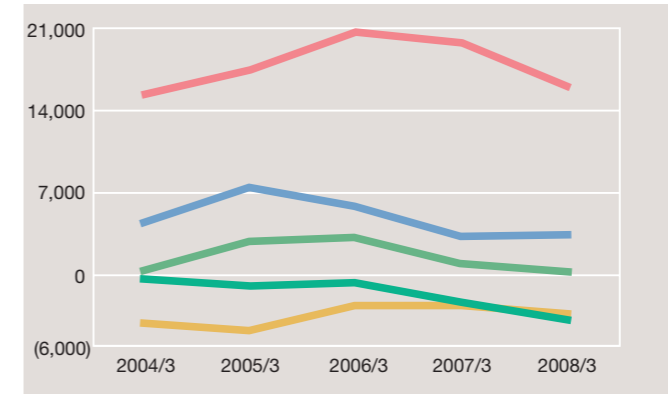
Financial Overview



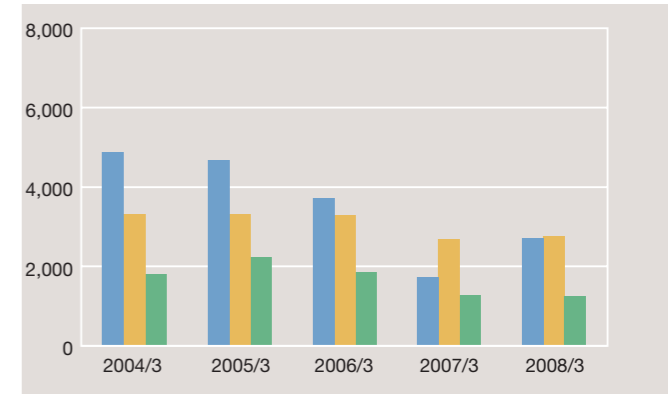
	(Millions of yen)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Sales	39,264	39,406	40,189	31,444	29,112
Operating income	4,479	4,439	3,694	2,094	796
Ordinary income	4,268	4,530	3,832	2,173	763
Net income for the year	2,503	2,647	1,506	17	(1,164)



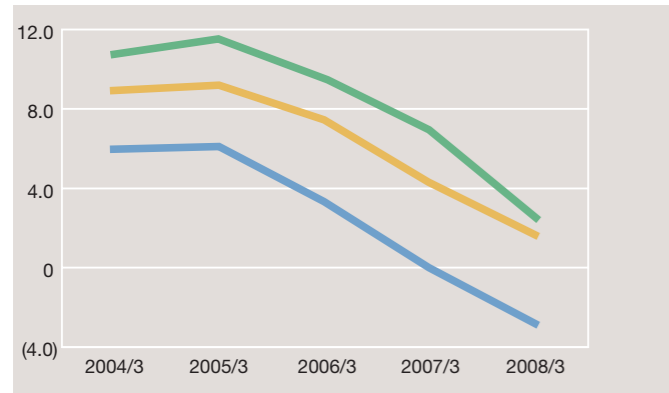
	(Yen)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Net income per share	117.38	124.90	70.81	0.87	(62.82)
Shareholders' equity per share	2,026.11	2,131.87	2,227.19	2,246.51	2,200.09



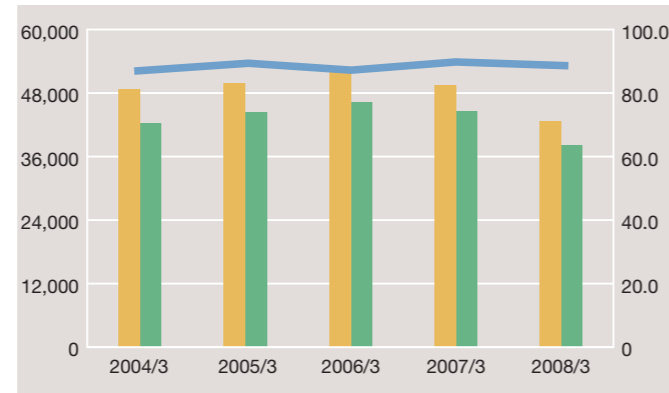
	(Millions of yen)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Cash flow from operating activities	4,566	7,525	5,877	3,407	3,467
Cash flow from investing activities	(4,102)	(4,594)	(2,571)	(2,407)	(3,218)
Cash flow from financial activities	(365)	(915)	(593)	(2,282)	(3,739)
Cash and cash equivalents at end of year	15,413	17,518	20,655	19,761	16,073
Free cash flow	464	2,931	3,305	999	249



	(Millions of yen)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Capital investment	4,889	4,666	3,695	1,732	2,715
Depreciation	3,310	3,284	3,310	2,715	2,757
Experimental research	1,800	2,211	1,862	1,297	1,238

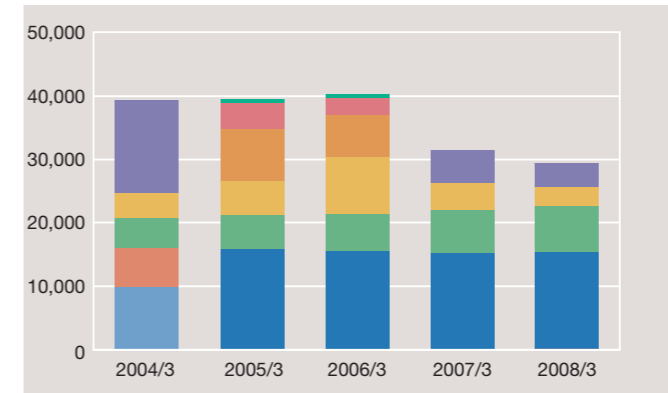


	(%)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Return on equity (ROE)	6.0	6.1	3.3	0.0	(2.8)
Return on assets (ROA)	9.0	9.2	7.5	4.3	1.7
Ordinary income to net sales	10.9	11.5	9.5	6.9	2.6



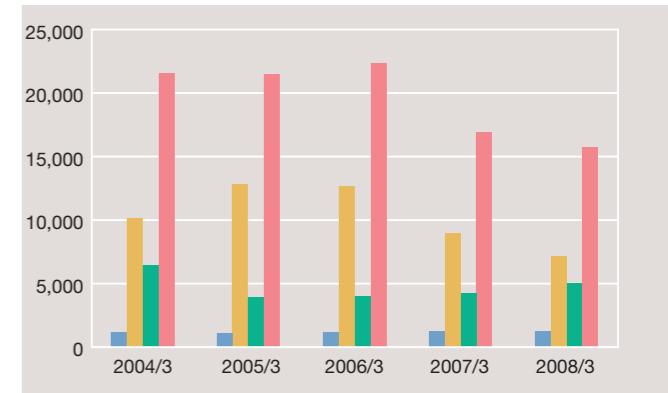
	(Millions of yen)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Total assets	48,617	49,756	52,319	49,409	42,863
Total shareholders' equity	42,310	44,264	46,154	44,494	38,351
Shareholders' equity ratio (%)	87.0	89.0	88.2	89.6	89.0

Sales by Business Segment



	(Millions of yen)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Electronic products	9,903	-	-	-	-
Ratio (%)	25.2	-	-	-	-
Automotive products	6,118	-	-	-	-
Ratio (%)	15.6	-	-	-	-
Engineering plastics	-	15,743	15,474	15,226	15,163
Ratio (%)	-	39.9	38.5	48.4	52.1
Semiconductor peripherals	4,717	5,390	5,839	6,794	7,274
Ratio (%)	12.0	13.7	14.5	21.6	25.0
Display devices	3,939	5,381	9,040	4,189	3,039
Ratio (%)	10.0	13.7	22.5	13.3	10.4
Plastic Optics	14,584	-	-	5,233	3,636
Ratio (%)	37.2	-	-	16.7	12.5
Imaging optics	-	8,195	6,601	-	-
Ratio (%)	-	20.8	16.4	-	-
Digital optics	-	4,111	2,550	-	-
Ratio (%)	-	10.4	6.4	-	-
OFC (Optical-fiber communication)	-	583	683	-	-
Ratio (%)	-	1.5	1.7	-	-
Total	39,264	39,406	40,189	31,444	29,112

Sales by Geographical Segment



	(Millions of yen)				
FY	2004/3	2005/3	2006/3	2007/3	2008/3
Europe	1,168	1,110	1,151	1,260	1,233
Asia	10,120	12,840	12,638	9,007	7,216
North America	6,409	3,937	4,029	4,280	4,966
Japan	21,565	21,518	22,370	16,896	15,696

Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31, 2008 and 2007

	Thousands of yen	
	Current fiscal year (As of March 31, 2008)	Previous fiscal year (As of March 31, 2007)
ASSETS		
Current assets:	¥ 27,053,800	¥ 32,084,367
Cash and bank deposits	12,512,567	19,773,737
Notes receivable	276,997	356,340
Accounts receivable	6,593,567	7,381,673
Marketable securities	4,491,639	504,505
Inventories	1,684,235	1,629,359
Deferred tax assets	261,337	969,348
Other	1,239,660	1,476,723
Allowance for doubtful receivables	(6,205)	(7,320)
Fixed assets:	15,809,918	17,324,893
Property, plant and equipment	13,561,365	14,447,535
Buildings and structures	5,798,519	6,372,153
Machinery and equipment, and transportation equipment	2,557,023	2,715,015
Furniture and fixtures	1,349,794	1,504,277
Land	3,555,537	3,597,426
Construction in progress	300,490	258,662
Intangible fixed assets	420,186	442,833
Leasehold	45,500	45,500
Software	359,570	320,974
Goodwill	4,444	65,173
Other	10,671	11,185
Investments and other assets	1,828,366	2,434,524
Marketable and investment securities	1,235,717	1,915,966
Deferred tax assets	230,081	110,783
Other	427,447	472,065
Allowance for doubtful receivables	(64,880)	(64,290)
Total assets	¥ 42,863,719	¥ 49,409,261

	Thousands of yen	
	Current fiscal year (As of March 31, 2008)	Previous fiscal year (As of March 31, 2007)
LIABILITIES AND SHAREHOLDERS' EQUITY		
(Liabilities)		
Current liabilities:	¥ 3,667,045	¥ 4,050,318
Accounts payable	1,644,919	1,657,391
Income taxes payable	285,427	460,087
Accrued bonuses to employees	460,989	518,229
Accrued bonuses to directors	14,500	46,750
Other	1,261,208	1,367,860
Fixed liabilities:	845,496	864,346
Liability for retirement benefits	47,046	27,890
Reserve for directors' retirement	364,525	346,632
Deferred tax liabilities	426,555	463,001
Other	7,369	26,821
Total liabilities	4,512,541	4,914,665
(Net assets)		
(Shareholders' equity)		
Capital stock	8,080,454	8,080,454
Capital surplus	10,975,889	10,975,889
Retained earnings	25,416,988	26,869,055
Treasury stock	(5,879,373)	(2,443,601)
Total Shareholders' equity	38,593,958	43,481,798
(Unrealized gain)		
Difference in valuation of other marketable securities	213,180	439,595
Foreign currency translation adjustments	(669,459)	347,533
Net unrealized gain	(456,279)	787,129
Minority interests	213,498	225,668
Total net assets	38,351,177	44,494,596
Total liabilities and net assets	¥ 42,863,719	¥ 49,409,261

Notes:

	As of March 31, 2008	As of March 31, 2007
Accumulated depreciation for property, plant and equipment (thousands of yen)	19,496,750	21,127,239

Consolidated Statements of Income

Years ended March 31, 2008 and 2007

	Thousands of yen	
	Current fiscal year (From April 1, 2007, to March 31, 2008)	Previous fiscal year (From April 1, 2006, to March 31, 2007)
Net sales	¥ 29,112,914	¥ 31,444,441
Cost of goods sold	20,641,945	21,756,793
Gross profit	8,470,969	9,687,647
Selling, general and administrative expenses	7,674,318	7,593,575
Operating income	796,651	2,094,072
Non-operating income	339,266	308,214
Interest income	224,599	215,197
Other	114,667	93,017
Non-operating expenses	372,059	228,740
Foreign exchange loss	303,532	138,166
Amortization of goodwill	21,159	49,728
Other	47,366	40,845
Ordinary income	763,858	2,173,546
Extraordinary gains	210,861	157,448
Gain on sales of fixed assets	78,626	68,530
Gain on sales of marketable and investment securities	2,348	34,166
Gain from compensation	-	24,718
Proceeds from retirement of obligation	22,071	-
Compensation received	95,000	-
Other	12,814	30,032
Extraordinary losses	557,718	1,427,431
Loss on retirement of fixed assets	78,289	218,378
Loss due to impairment of fixed assets	419,550	556,061
Loss on retirement of inventories	-	254,725
Production system restructuring cost	-	229,260
Other	59,878	169,006
Income before income taxes and minority interests	417,001	903,563
Income taxes—current	791,764	920,290
Income taxes—deferred	753,961	(100,966)
Minority interests in earnings	35,966	66,576
Net income	¥ (1,164,691)	¥ 17,663

(Notes) The following assets were recognized as “Loss due to impairment of fixed assets” in the group.

(Thousands of yen)

Purpose	Location	Type	Depletion
Production facilities, etc.	Yaita City, Tochigi Prefecture	- Machinery and equipment	276,229
		- Vehicle and transport equipment	175
		- Tools and instruments	128,665
	Sub-total		405,070
	Kawaguchi City, Saitama Prefecture	- Machinery and equipment	958
		- Vehicle and transport equipment	1,053
		- Tools and instruments	5,082
	Sub-total		7,093
	Thailand	- Machinery and equipment	3,657
		- Tools and instrument	2,299
Sub-total		5,957	
Other	- Tools and instruments	1,428	
Sub-total		1,428	
Total		419,550	

Our Group uses a grouping method based on business segments, as the basic unit, so as to recognize individual cash flows generally independent of the cash flows from other assets or asset groups.

For the current fiscal year, with regard to the asset group whose cash flows from operating activities have consecutive negative results, the book value of such assets are written down to their collectible amount. The deducted amounts are recorded as “Loss due to impairment of fixed assets” (419,550 thousand yen) under “Extraordinary losses”.

The collectible amount for the above asset group was measured on a realization value basis.

Consolidated Statements of Shareholders' Equity Changes

Years ended March 31, 2007 and 2008

(Thousands of yen)

	Shareholders' equity					Unrealized gain			Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity	Difference in valuation of other marketable securities	Foreign currency translation adjustments	Net unrealized gain		
Balance as of March 31, 2007	8,080,454	10,975,889	26,869,055	(2,443,601)	43,481,798	439,595	347,533	787,129	225,668	44,494,596
Change of items during fiscal year										
Cash dividends			(289,784)		(289,784)					(289,784)
Net income			(1,164,691)		(1,164,691)					(1,164,691)
Purchase of treasury stock				(3,435,772)	(3,435,772)					(3,435,772)
Increase from the change of scope of consolidation			2,408		2,408					2,408
Changes (net) during fiscal year except in shareholders' equity						(226,414)	(1,016,993)	(1,243,408)	(12,169)	(1,255,578)
Total changes during current fiscal year			(1,452,067)	(3,435,772)	(4,887,840)	(226,414)	(1,016,993)	(1,243,408)	(12,169)	(6,143,418)
Balance as of March 31, 2008	8,080,454	10,975,889	25,416,988	(5,879,373)	38,593,958	213,180	(669,459)	(456,279)	213,498	38,351,177

1. Outstanding shares

Share type	At the end of previous consolidated fiscal year	Increase	Decrease	At the end of current consolidated fiscal year
Common stock (shares)	20,906,097	-	-	20,906,097

2. Treasury stock

Share type	At the end of previous consolidated fiscal year	Increase	Decrease	At the end of current consolidated fiscal year
Common stock (shares)	1,200,462	2,371,000	-	3,571,462

The number of shares in treasury stock has increased due to market buying.

3. Dividends

(1) Dividends paid

Discussed at	Share type	Dividend per share (Yen)	Total dividends (Thousands of yen)	Record date	Effective date
Board meeting held in May 31, 2007	Common stock	10	197,056	March 31, 2007	June 7, 2007
Board meeting held in October 26, 2007	Common stock	5	92,728	September 30, 2007	December 3, 2007

(2) Dividends for which the record date falls in the current fiscal year and the effective date being the next fiscal year
Discussion is scheduled as follows.

Discussion at	Share type	Dividend source	Dividend per share (Yen)	Total dividends (Thousands of yen)	Record date	Effective date
Board meeting held on May 30, 2008	Common stock	Retained earning	5	86,673	March 31, 2008	June 6, 2008

Consolidated Statements of Cash Flows

Years ended March 31, 2007 and 2008

Thousands of yen

	Current fiscal year (From April 1, 2007, to March 31, 2008)	Previous fiscal year (From April 1, 2006, to March 31, 2007)
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 417,001	¥ 903,563
Depreciation cost	2,757,484	2,715,705
Depreciation loss on fixed assets	419,550	556,061
Gain on sales of property, plant and equipment	(78,626)	(68,420)
Loss on sales of property, plant and equipment	5,481	34,931
Loss on retirement of property, plant and equipment	78,289	209,583
Gain on sales of marketable securities	(90)	(322)
Gain on sales of investment securities	(2,348)	(34,166)
Devaluation loss on investment securities	6,516	-
Production system restructuring cost	-	229,260
Loss on lease cancellation	-	43,630
Devaluation loss on memberships	8,150	927
Loss on sales of memberships	40	-
Gain on sales of memberships	(1,476)	(14,380)
Decrease in allowance for doubtful receivables	(177)	(592)
Decrease in reserve for bonuses	(53,768)	-
Compensation received	(95,000)	-
Increase (decrease) in reserve for directors' bonus	(32,250)	46,750
Increase (decrease) in reserve for directors' retirement benefits	17,892	(9,188)
Increase (decrease) in liability for retirement benefits	19,156	(35,701)
Interest and dividend income	(240,106)	(235,898)
Foreign exchange loss	9,001	138,181
Decrease in notes and accounts receivable-trade	606,609	294,863
Decrease (increase) in inventories	(144,861)	687,305
Decrease in notes and accounts payable-trade	(213)	(380,498)
Other	215,621	(393,278)
Subtotal	3,911,875	4,688,315
Interest and dividends received	253,941	225,935
Proceeds from compensation received	95,000	-
Income taxes paid	(793,226)	(1,507,140)
Net cash provided by operating activities	3,467,590	3,407,109
Cash flows from investing activities:		
Payments into time deposits	(1,038,731)	(357)
Payments for purchase of marketable securities	(1,100)	(506,795)
Proceeds from sales and redemption of marketable securities	501,190	-
Payments for purchase of investment securities	(6,680)	(7,222)
Proceeds from sales of investment securities	5,454	50,496
Payments for acquisition of property, plant and equipment	(2,715,621)	(1,732,625)
Proceeds from sales of property, plant and equipment	101,072	192,953
Payments for acquisition of shares of subsidiaries	(23,044)	(241,708)
Payments for loans	(11,600)	(1,783)
Proceeds from collection of loans	4,765	5,079
Decrease in other investments	(33,808)	(165,346)
Net cash used in investing activities	(3,218,103)	(2,407,307)
Cash flows from financing activities:		
Payments for purchase of treasury stock	(3,435,772)	(1,870,690)
Payments for dividends by Enplas	(289,673)	(410,172)
Payments for dividends to minority interests	(21,249)	(2,007)
Proceeds from stock issuance to minority shareholders	6,762	-
Net cash used in financing activities	(3,739,934)	(2,282,870)
Effect of exchange rate changes on cash and cash equivalents	(371,023)	389,371
Net decrease in cash and cash equivalents	(3,861,471)	(893,696)
Cash and cash equivalents at beginning of year	19,761,588	20,655,285
Cash and cash equivalents of the newly consolidated subsidiaries	182,719	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(9,000)	-
Cash and cash equivalents at end of year	¥ 16,073,835	¥ 19,761,588

Notes: Relations between the year-end balance of cash and cash equivalents and the accounts listed in the consolidated balance sheets

	(As of March 31, 2008)	(As of March 31, 2007)
Cash and bank deposits	12,512,567	19,773,737
Time deposits for which depositing period exceeds three months	(930,371)	(12,148)
Marketable securities	4,491,639	-
Cash and cash equivalents	16,073,835	19,761,588

(5) Material notes on the consolidated financial statements

1. Scope of consolidation

Since the importance of Guangzhou Enplas Mechatronics Co., Ltd., which was an unconsolidated subsidiary, has increased during the previous consolidated fiscal year, it has been included in the scope of consolidation from the current consolidated fiscal year.

In addition, Enplas (Korea) Inc. was newly established in the current consolidated fiscal year, and was included in the scope of consolidation.

However, Enplas (Europe) B.V. became a dormant company and is no longer material so it was excluded from the scope of consolidation starting in the current consolidated fiscal year. However, the statements of income of Enplas (Europe) B.V. for the period until the company became dormant were included in the consolidated figures.

2. Accounting for significant allowances and reserves

Accrued retirement benefits

Enplas and its consolidated subsidiaries record reserves equivalent to the amount that is expected to be generated at the end of the current consolidated fiscal year based on estimated retirement liabilities and pensions assets at the end of the current consolidated fiscal year in order to provide benefits to retired employees.

Actuarial differences are expensed as a lump in the following consolidated fiscal year.

Past service liabilities are expensed using a straight-line method over a set number of years (1 year) within the average remaining employment period for employees at the time the liability is generated.

(Additional information)

In November 2007, the company has moved from an approved retirement annuity system to a defined-benefit pension plan.

The past service liabilities resulting from this change will be accounted for using a straight-line method over 1 year, which will reduce operating income, ordinary income, and income before taxes and minority interest by 129,718 thousand yen respectively.

3. Changes in material notes on the consolidated financial statements

(Changes in the depreciation method for tangible fixed assets)

In accordance with the revised Corporate Tax Law, Enplas and its Japanese consolidated subsidiaries have changed the method of depreciation of tangible fixed assets acquired after April 1, 2007 to the method specified in the revised Corporate Tax Law from this consolidated fiscal year.

Therefore, operating income, ordinary income, and income before taxes and minority interest declined 258,034 thousand yen respectively, compared to the figures calculated using the depreciation method for the previous consolidated fiscal year.

The effects on segments are given in the relevant section.

(Additional information)

According to the amendment of the Corporate Tax Law, the Company and its Japanese consolidated subsidiaries apply the depreciation method before the revision of the Corporate Tax Law to depreciate the tangible fixed assets acquired on or before March 31, 2007. Specifically, when the depreciated value of a tangible fixed asset reaches 5% of its acquisition cost in a certain consolidated fiscal year, the difference between such residual value (5% of the acquisition cost) and the memorandum value of such asset is depreciated in an equal amount over 5 years, and the amount is included in the depreciation cost from the following consolidated fiscal year.

Therefore, operating income, ordinary income, and income before taxes and minority interests declined 40,374 thousand yen respectively.

The effect on segments is given in the relevant section.

4. Changes in presentation

(Balance sheet)

Negotiable certificates of deposit, which had been included in cash and bank deposits, are listed as marketable securities starting from the end of the current consolidated fiscal year accompanying revisions to the Consolidated Financial Statement Guidelines. The value of negotiable certificates of deposits totaled 4,200 million yen at the end of previous consolidated fiscal year and 2,000 million yen at the end of the current consolidated fiscal year.

Other notes were omitted since there was no material changes from the notes given in the most recent marketable security report submitted on June 28, 2007.

(6) Marketable securities

Previous consolidated fiscal year (as of March 31, 2007)

1. Other marketable securities with market values

(Thousands of yen)

Type	Acquisition cost	Book value on consolidated balance sheet	Difference
Stocks	297,797	1,035,373	737,576

2. Primary marketable securities with no fair market value

(Thousands of yen)

	Book value on consolidated balance sheet
(1) Shares in subsidiaries and affiliated companies	
Shares in subsidiaries	241,708
(2) Bonds to be held to maturity	504,505
(3) Other securities	
Unlisted stocks	612,300
Investments in limited liability investment partnerships and similar entities	26,583

3. Other marketable securities sold in the current consolidated fiscal year

(Thousands of yen)

Proceeds from sales	Gain on sales	Loss on sales
50,495	34,489	–

Current consolidated fiscal year (as of March 31, 2008)

1. Other marketable securities with fair market value

(Thousands of yen)

Type	Acquisition cost	Book value on consolidated balance sheet	Difference
Stocks	301,972	610,291	308,319

2. Primary marketable securities with no fair market value

(Thousands of yen)

	Book value on consolidated balance sheet
(1) Shares in subsidiaries and affiliated companies	
Shares in subsidiaries	2,325
(2) Bonds to be held to maturity	
Commercial paper	2,491,639
(3) Other securities	
Negotiable certificates of deposit	2,000,000
Unlisted stocks	611,459
Investments in limited liability investment partnerships and similar entities	11,641

3. Other marketable securities sold in the current consolidated fiscal year

(Thousands of yen)

Proceeds from sales	Gain on sales	Loss on sales
5,454	2,439	–

(7) Segment Information

1. Information by industry segment

The Enplas consolidated group operates as a specialized manufacturer engaged primarily in the manufacture and sales of various products using engineering plastics and composite materials. "Information by industry segment" has been omitted because there is no relevant data for disclosure for other industry segments according to the standards for disclosure.

2. Information by geographical segment

Current consolidated fiscal year (from April 1 2007 to March 31, 2008)

(Thousands of yen)

	Japan	North America	Asia	Europe	Total	Eliminations or entire company	Consolidated
Sales and operating income (loss)							
Sales							
(1) Sales to external customers	16,832,023	5,462,324	6,808,009	10,557	29,112,914	–	29,112,914
(2) Intersegment sales	4,664,475	4,637	99,125	–	4,768,238	(4,768,238)	–
Total	21,496,499	5,466,961	6,907,134	10,557	33,881,153	(4,768,238)	29,112,914
Operating expenses	21,263,910	5,032,344	6,192,560	76,731	32,565,547	(4,249,283)	28,316,263
Operating income (loss)	232,588	434,616	714,574	(66,173)	1,315,605	(518,954)	796,651
Assets	23,549,614	4,057,349	5,832,875	–	33,439,839	9,423,879	42,863,719

(Note) 1. Countries and regions are grouped together by geographical proximity.

2. Segments other than Japan include the following countries and regions.

(1) North America: United States

(2) Asia: Singapore, Malaysia, Thailand, South Korea, China, Taiwan, and Vietnam

(3) Europe: Netherland

3. Domestic intersegment sales consisted primarily of sales of molded products by the parent company to consolidated overseas subsidiaries. Foreign intersegment sales consisted primarily of sales of molded products by consolidated overseas subsidiaries to the parent company.

4. Unallocated operating expenses included in "Eliminations or entire company" totaled 609,105 thousand yen, consisting mainly of fundamental experimental and research expenses, corporate-image advertising expenses, and administrative expenses of the general affairs and accounting departments.

5. Assets included in "Eliminations or entire company" totaled 12,173,548 thousand yen, consisting mainly of surplus operating assets (cash and cash deposits), long-term investment funds (marketable and investment securities) and assets related to the company's administrative departments.

6. In accordance with the revised Corporate Tax Law, the Company and its Japanese consolidated subsidiaries have changed the method of depreciation of tangible fixed assets acquired after April 1, 2007 to the method specified in the revised Corporate Tax Law from this consolidated fiscal year. Therefore, operating income for "Japan" declined 258,034 thousand yen compared to the figures calculated using the depreciation method for the previous consolidated fiscal year.

7. According to the amendment of the Corporate Tax Law, the Company and its Japanese consolidated subsidiaries depreciate the tangible fixed assets acquired on or before March 31, 2007 in the following manner. When the depreciated value of a tangible fixed asset reaches 5% of its acquisition cost in a certain consolidated fiscal year, the difference between such residual value (5% of the acquisition cost) and the memorandum value of such asset is depreciated in an equal amount over 5 years, and the amount is included in the depreciation cost from the following consolidated fiscal year. Therefore, operating income for "Japan" declined 40,374 thousand yen.

Previous consolidated fiscal year (from April 1 2006 to March 31, 2007)

(Thousands of yen)

	Japan	North America	Asia	Europe	Total	Eliminations or entire company	Consolidated
Sales and operating income (loss)							
Sales							
(1) Sales to external customers	20,500,630	4,780,179	6,163,630	–	31,444,441	–	31,444,441
(2) Intersegment sales	3,870,873	33,953	139,323	56,365	4,100,516	(4,100,516)	–
Total	24,371,504	4,814,133	6,302,954	56,365	35,544,957	(4,100,516)	31,444,441
Operating expenses	22,837,063	4,473,229	5,591,543	106,895	33,008,731	(3,658,363)	29,350,368
Operating income (loss)	1,534,440	340,904	711,410	(50,529)	2,536,226	(442,153)	2,094,072
Assets	25,518,036	4,585,115	7,251,400	83,920	37,438,473	11,970,787	49,409,261

- (Note) 1. Countries and regions are grouped together by geographical proximity.
2. Segments other than Japan include the following countries and regions.
(1) North America: United States
(2) Asia: Singapore, Malaysia, Thailand, China, Taiwan, and Vietnam
(3) Europe: Netherland
3. Domestic intersegment sales consisted primarily of sales of molded products by the parent company to consolidated overseas subsidiaries. Foreign intersegment sales consisted primarily of sales of molded products by consolidated overseas subsidiaries to the parent company.
4. Unallocated operating expenses included in "Eliminations or entire company" totaled 514,819 thousand yen, mainly consisting of fundamental experimental and research expenses, corporate-image advertising expenses, and administrative expenses of the general affairs and accounting departments.
5. Assets included in "Eliminations of entire company" totaled 14,817,913 thousand yen, mainly consisting of surplus operating assets (cash and cash deposits), long-term investment funds (marketable and investment securities) and assets related to the company's administrative departments.
6. Beginning in the current consolidated fiscal year, "Accounting Guidelines for Directors' Bonus (Business Accounting Guideline No.4, November 29, 2005) has been applied. As a result of this change, the operating expenses included in "Japan" have increased by 25,750 thousand yen with the operating income decreasing by the same amount, and the operating expenses included in "Eliminations or entire company" have increased by 21,000 thousand yen with the operating income decreasing by the same amount.

3. Sales to overseas customers

Current consolidated fiscal year (from April 1 2007 to March 31, 2008)

(Thousands of yen)

	North America	Asia	Europe	Total
I Sales to overseas customers	4,966,535	7,216,380	1,233,072	13,415,989
II Consolidated sales	–	–	–	29,112,914
III Ratio of overseas customer sales to consolidated sales (%)	17.1	24.8	4.2	46.1

- (Note) 1. Countries and regions are grouped together by geographical proximity.
2. Segments other than Japan include the following countries and regions.
(1) North America: United States, Canada, etc.
(2) Asia: Singapore, Malaysia, Thailand, South Korea, China, Taiwan, etc.
(3) Europe: UK, France, Germany, etc.
3. Sales to overseas customers refer to the sales made by Enplas and its consolidated subsidiaries to countries or regions other than Japan.

Previous consolidated fiscal year (from April 1 2006 to March 31, 2007)

(Thousands of yen)

	North America	Asia	Europe	Total
I Sales to overseas customers	4,280,252	9,007,333	1,260,357	14,547,943
II Consolidated sales	–	–	–	31,444,441
III Ratio of overseas customer sales to consolidated sales (%)	13.6	28.7	4.0	46.3

- (Note) 1. Countries and regions are grouped together by geographical proximity.
2. Segments other than Japan include the following countries and regions.
(1) North America: United States, Canada, etc.
(2) Asia: Singapore, Malaysia, Thailand, China, Taiwan, etc.
(3) Europe: UK, France, Germany, etc.
3. Sales to overseas customers refer to the sales made by Enplas and its consolidated subsidiaries to countries or regions other than Japan.

(8) Retirement Benefits Plan

1. Outline of adopted retirement benefits plan

The company and its domestic consolidated subsidiaries have set up an eligible retirement pension system and a lump sum retirement benefit system as a fixed benefit plan. We have moved from an approved retirement annuity system to a defined-benefit pension plan on November 1, 2007. In some cases, employees may be paid a premium on retirement benefits at the time of retirement. Some of our overseas subsidiaries have also set up a fixed benefit plan. In addition, some of our overseas subsidiaries have set up a defined contribution plan system.

2. Retirement benefit obligation

(Thousands of yen)

	Current fiscal year	Previous fiscal year
A. Retirement benefit obligation	(1,643,075)	(1,777,216)
B. Fair value of pension assets	1,901,853	1,840,834
C. Unfunded benefit obligation (A + B)	258,777	63,618
D. Unrecognized actuarial differences	(463,787)	(61,832)
E. Unrecognized past service liabilities	181,605	–
F. Net book value per consolidated balance sheet (C + D + E)	(23,404)	1,786
G. Prepaid pension expenses	23,641	29,676
H. Liability for retirement benefits (F - G)	(47,046)	(27,890)

(Note) Some subsidiaries adopt a simplified method to calculate their projected benefit obligation.

3. Retirement benefit expenses

(Thousands of yen)

	Current fiscal year	Previous fiscal year
A. Service cost	140,914	136,459
B. Interest expenses	34,986	34,290
C. Expected return on pension assets	(23,009)	(20,905)
D. Amortization of actuarial differences	(61,834)	2,909
E. Amortization of past service liabilities	129,718	—
F. Retirement benefit expenses (A + B + C + D + E)	220,775	152,753

(Note) The retirement benefit expenses of the consolidated subsidiaries that adopt the simplified method are included in "A. Service cost".

4. The basis for calculating retirement benefit obligation

	Current fiscal year	Previous fiscal year
A. Interperiod allocation method of estimated retirement benefits	Straight-line basis	Straight-line basis
B. Discount rate	2.0%	2.0%
C. Expected rate of return on pension assets	1.25%	1.25%
D. Number of years for amortization of actuarial differences	Process the cost as a lump in the following consolidated fiscal year	Process the cost as a lump in the following consolidated fiscal year
E. Number of years for amortization of past service liabilities	Straight-line method over one year	—

* The company and some of its domestic consolidated subsidiaries are participating in the Japan Die and Mold Industry Welfare Pension Fund, however, the relevant welfare fund system is subject to exceptions contained in Article 33 of the Practical Guidelines for Accounting for Employees' Retirement Benefits. Based on the premium contribution (total salary amount), the contribution of our company and some of domestic subsidiaries to the above fund's pension asset balance at the end of the previous consolidated fiscal year and the current consolidated fiscal year were 3,621,448 thousand yen and 3,331,424 thousand yen respectively.

(9) Per Share Information

	Current fiscal year	Previous fiscal year
Net asset per share	2,200.09 yen	2,246.51 yen
Net income per share	(62.82) yen	0.87 yen

Net income per share plus stock options is not mentioned here, as no dilutive stock options exist.

(Note) Basis for calculation of net income per share	Current fiscal year	Previous fiscal year
Net income (thousands of yen)	(1,164,691)	17,663
Amount not attributable to ordinary shareholders (thousands of yen)	—	—
Net income attributable to ordinary shareholders (thousands of yen)	(1,164,691)	17,663
Average number of ordinary shares during period (shares)	18,539,773	20,215,773
Non-dilutive stock options not included for the calculation of net income per share plus stock options	Share warrants as stock options 1,910	Share warrants as stock options 2,000

(10) Important Post-balance Sheet Events

Acquisition of treasury stock from the market

At the board of directors meeting held on April 28, 2008, a resolution was passed to purchase treasury stock in accordance with article 156 of the Company Law which is applied by a reinterpretation of article 165.3 of the same law.

Type of shares to purchase	Common
Number of shares to purchase	1 million (upper limit)
Total value of shares to purchase	1,500 million yen (upper limit)
Purchase period	April 30, 2008–June 30, 2008

(Disclosure omitted)

Notes related to items such as lease transactions, derivative transactions, stock options, tax effect accounting, business with related parties, and corporate integration have been omitted, as, in our view, these are not highly necessary for disclosure in the financial settlement results.

(11) Status of Production, Orders, and Sales

1. Production performance

(Thousands of yen)

Category	Fiscal year	Current consolidated fiscal year From April 1, 2007 to March 31, 2008	Previous consolidated fiscal year From April 1, 2006 to March 31, 2007
Engineering plastics products		17,629,556	16,762,470
Semiconductor peripherals products		7,084,857	6,778,825
Display devices products		3,005,309	4,191,988
Plastic optics products		4,224,513	5,748,744
Total		31,944,237	33,482,028

2. Orders status

(Thousands of yen)

Category	Fiscal year	Current consolidated fiscal year From April 1, 2007 to March 31, 2008	Previous consolidated fiscal year From April 1, 2006 to March 31, 2007
Engineering plastics products		15,166,840 1,272,766	15,299,004 1,268,929
Semiconductor peripherals products		7,087,373 722,018	6,816,489 909,038
Display devices products		2,958,365 114,120	3,831,454 194,872
Plastic optics products		3,603,433 230,592	4,590,769 263,559
Total		28,816,013 2,339,497	30,537,717 2,636,399

* The first figure... amount of orders accepted The second figure... backlog of unfilled orders

3. Sales results

(Thousands of yen)

Category	Fiscal year		Current consolidated fiscal year From April 1, 2007 to March 31, 2008		Previous consolidated fiscal year From April 1, 2006 to March 31, 2007		Increase/decrease	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Engineering plastics products	15,163,003	(%) 52.1	15,226,341	(%) 48.4	(63,337)	(%) (0.4)		
Semiconductor peripherals products	7,274,393	25.0	6,794,980	21.6	479,412	7.1		
Display devices products	3,039,117	10.4	4,189,300	13.3	(1,150,182)	(27.5)		
Plastic optics products	3,636,400	12.5	5,233,818	16.7	(1,597,418)	(30.5)		
Total	29,112,914	100.0	31,444,441	100.0	(2,331,526)	(7.4)		

Corporate Profile

Corporation Name Enplas Corporation
Representative Daisuke Yokota, President
Established February 21, 1962
Capital 8,080,450 thousand yen
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Number of Employees 342

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Director Kazuhiko Esaki
Director Takashi Sakai
Director Noboru Sugawara
Director Takeo Shimane
Corporate Auditor Koichi Sakashita
Auditor Hiroataka Nagase
Auditor Sadao Suzuki
Auditor Sakae Ochiai

Affiliated Companies Overseas

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