

Summary of Financial Results (Consolidated)
for the Third Quarter of Fiscal 2007 Ending March 31, 2008

Listed Company Name:	ESPEC CORP.
Company Code:	6859
Exchanges Listed:	Tokyo, Osaka Stock Exchanges, First Section
Homepage:	http://www.espec.co.jp
Representative:	Nobuyoshi Shin, President and Representative Director
Contact:	Nobuyosi Hiro, Managing Executive Officer of Administration
Tel:	+81-6-6358-4741
U.S. GAAP Accounting Standard:	Not Adopted

1.Preparation of Summary Third-Quarter Fiscal 2007 Results

Simplification of Accounting Methods:	Yes.We use simplified methods for estimating corporate and other taxes and calculating the accounts whose values are immaterial to the total operating results and financial position of the company.
Changes in Consolidated Accounting Methods from the Most Recent Fiscal Year:	No.
Changes in the Scope of Consolidation and Application of Equity Method	No.

2. Consolidated Financial Results for the Third Quarter of Fiscal 2007 Ending March 31, 2008

(1) Operating Results

Millions of Yen-Except Per Share Data and Percentages

	Nine months ended December 31, 2007		Nine months ended December 31, 2006	Year Ended March 31, 2007
		change		
Net Sales	28,445	0.8	28,226	42,595
Operating Income	1,694	-22.3	2,180	3,930
Ordinary Income	1,746	-26.0	2,360	4,094
Income before Income Taxes	974	-57.9	2,313	3,994
Net Income	661	-47.7	1,266	2,523
Net Income Per Share (Yen)	27.95		53.67	106.94
Net income Per Share , Diluted (Yen)	27.89		53.27	106.19
Net Income to Shareholders' Equity(%)	-		-	8.3
Ordinary Income to Total Assets (%)	-		-	9.2
Operating Income to Net Sales(%)	-		-	9.2

(Notes)

1 The percentages for net sales, operating income, ordinary income, income before income taxes, net income indicates the increase/decrease from preceding period.

Results of Operations

Third-quarter sales rose 0.8% from a year earlier to 28,455 million yen thanks to growth in the Environmental Test Business and Other Businesses, which offset a heavy drop in the Electronic Device Business. Operating income declined 22.3% from a year earlier to 1,694 million yen owing primarily to a sharp decline in profitability in the Electronic Device Business. Due in part to special losses, including impairment losses recorded in the interim period, quarterly net profit declined 47.7% from a year earlier to 661 million yen.

* Environmental Test Business

Sales in the Environmental Test Business grew on the back of buoyant growth in sales of Temperature and Humidity Chambers and Walk-in type Temperature and Humidity Chambers driven by rapidly expanding demand from automobile and electronics manufacturers, but profits fell owing to higher selling and administrative expenses.

In the Commissioned Test/Rental Business, aggressive action to meet testing needs in the strongly growing automobile market (especially for new testing facilities) resulted in growth in both sales and profits.

As a consequence, sales grew 4.5% from a year earlier to 20,994 million yen, while operating income declined 3.3% from a year earlier to 1,769 million yen.

* Electronic Device Business

Despite the overall tone of recovery in orders fuelled by the materialization of capital investment by LCD manufacturers, plans for which had previously been halted or postponed due to weakening conditions in the LCD market, sales in the FPD Device System Business shrank in year-on-year terms. On the profit front, an operating loss was registered owing to a deterioration of the cost rate due to lower sales.

In the Semiconductor-related Equipment Business, suppressed capital investment by semiconductor manufacturers caused business conditions to remain severe. Shrugging off the burden on profits of the Semiconductor Cleaning Device Business, which we withdrew from in October, both sales and profits grew year on year, due in part to the contribution to results of the entry of backlog orders for DRAM burn-in systems received the previous term.

As a result, sales in the Electronic Device Business as a whole shrank 12.7% from a year earlier to 6,953 million yen, and an operating loss of 96 million yen was registered (compared with operating income of 418 million yen a year earlier).

* Other Businesses

In Other Businesses, business resources are being injected into growth fields that offer synergies with existing businesses, and we are pursuing the development and creation of new businesses that can grow into future profit-earners. This business segment also includes the Environment-related Engineering Business.

As a result of solid growth in forest recovery and waterfront recovery demand in the Environment-related Engineering Business, sales in this segment rose 47.5% from a year earlier to 724 million yen, while operating income came to 21 million yen (compared with an operating loss of 67 million yen a year earlier).

Due to the correlation with customers spending patterns, Group sales and profits tend to be concentrated in the second and fourth quarters.

(2) Financial Standing

Millions of Yen-Except Per Share Data and Percentages

	As of December 31, 2007	As of December 31, 2006	As of March 31, 2007
Total Assets	42,353	42,155	45,357
Net assets	30,867	30,207	31,536
Shareholders, Equity Ratio(%)	72.4	71.2	69.1
Shareholders, Equity Per Share of Common Stock(Yen)	1,293.94	1,270.93	1,327.87

(3)Status On Cash Flows

Millions of Yen-Except Per Share Data and Percentages			
	Nine months ended December 31, 2007	Nine months ended December 31, 2006	Year Ended March 31, 2007
Cash Flow from Operating Activities	1,187	(188)	1,829
Cash Flow from Investing Activities	-593	(1,328)	(1,760)
Cash Flow from Financing Activities	-490	(628)	(652)
Cash and Cash Equivalents at End of Year	5,668	3,946	5,538

3. Forecast of Consolidated Operating Results for Fiscal 2007 Ending March 31, 2008

Millions of Yen-Except Per Share Data		
	Fiscal 2007 Ending March 31, 2008 (projected)	Fiscal 2007 Ending March 31, 2007 (actual)
Net sales	40,000	42,595
Operating Income	2,300	3,930
Ordinary Income	2,200	4,094
Income before Income Taxes	950	3,994
Net Income	600	2,523
Net Income Per Share(Yen)	25.36	106.94

This material includes current descriptions of plans and business forecast of our company. The future plans and anticipated figures are planned and estimated by us based on the currently available information. The actual accomplishment is subject to various future conditions and factors and may differ from these plans. This material shall not affirm or guarantee the realization of such plans.

Performance forecast

At present, we maintain our original performance forecast for the entire fiscal 2007 unchanged.

4 . Consolidated Financial Statements
 (1) Consolidated Balance Sheets

Millions of yen

	As of December 31, 2006		As of December 31, 2007		As of March 31, 2007	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Assets		%		%		%
Current assets	24,884	59.0	26,328	62.2	28,433	62.7
Cash & deposits	3,671		5,236		4,143	
Notes & trade receivable	14,516		14,209		17,984	
Marketable securities					699	
Inventory assets	4,707		4,236		3,207	
Other current assets	1,997		2,673		2,412	
Allowance for doubtful receivables	(8)		(28)		(13)	
Fixed assets	17,271	41.0	16,025	37.8	16,924	37.3
Tangible fixed assets	10,290	24.4	10,110	23.9	10,042	22.1
Building & structure	4,051		4,488		4,331	
Land	4,528		4,515		4,524	
Others	1,710		1,107		1,187	
Intangible fixed assets	1,914	4.5	1,333	3.1	1,911	4.2
Investments and other assets	5,065	12.0	4,580	10.8	4,971	11.0
Investment securities	3,207		2,875		3,285	
Others	2,036		1,953		1,867	
Allowance for doubtful receivables	(178)		(248)		(182)	
Total	42,155	100.0	42,353	100.0	45,357	100.0

Millions of yen

	As of December 31, 2006		As of December 31, 2007		As of March 31, 2007	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Liabilities		%		%		%
Current liabilities	10,172	24.1	9,228	21.8	12,174	26.8
Notes & trade payable	6,801		6,615		7,770	
Short-term borrowing	426		444		430	
Accrued bonuses	241		231		595	
Provision for product guarantee	288		258		274	
Others	2,414		1,678		3,103	
Long-term liabilities	1,775	4.2	2,257	5.3	1,647	3.6
Long-term debt	499		438		478	
Liability for retirement benefit	403		250		359	
Others	871		1,567		808	
Total liabilities	11,948	28.3	11,486	27.1	13,821	30.5
Net assets						
Shareholders' equity						
Common stock	6,834	16.2	6,884	16.3	6,837	15.1
Capital surplus	7,111	16.9	7,161	16.9	7,115	15.7
Retained earnings	15,789	37.5	17,166	40.5	17,048	37.6
Treasury stock	(51)	(0.1)	(52)	(0.1)	(51)	(0.1)
Total shareholders' equity	29,683	70.4	31,159	73.6	30,949	68.2
Unrealized gain (loss)						
Unrealized gain (loss) on land	(29)	(0.0)	(797)	(1.9)	(32)	(0.1)
Unrealized gain (loss) on available-for-sale-securities	343	0.8	313	0.7	374	0.8
Foreign currency translation adjustments	3	0.0	(8)	(0.0)	64	0.1
Total unrealized gain (loss)	317	0.8	(491)	(1.2)	406	0.9
Minority interests	206	0.5	198	0.5	179	0.4
Total net assets	30,207	71.7	30,867	72.9	31,536	69.5
Total liabilities and net assets	42,155	100.0	42,353	100.0	45,357	100.0

(2) Consolidated Statements of Income

Millions of yen

	Nine months ended December 31, 2006		Nine months ended December 31, 2007		Year ended March 31, 2007	
	Amount	Proportion %	Amount	Proportion %	Amount	Proportion %
Net sales	28,226	100.0	28,455	100.0	42,595	100.0
Cost of sales	18,485	65.5	18,955	66.6	27,743	65.1
Gross profit	9,740	34.5	9,500	33.4	14,851	34.9
Selling, general and administrative expenses	7,560	26.8	7,805	27.4	10,921	25.6
Operating income	2,180	7.7	1,694	6.0	3,930	9.2
Non-operating income	305	1.1	395	1.4	369	0.7
Interest received	28		26		36	
Dividends received	28		112		34	
Investment profit by equity method	149		144		165	
Others	98		111		134	
Non-operating expenses	124	0.4	343	1.2	205	0.5
Interest paid	26		23		34	
Foreign currency exchange loss	30		24		34	
Non-operating commission	11		6		13	
Loss on disposals of property, plant and equipment	30		57		67	
Others	25		230		55	
Ordinary income	2,360	8.4	1,746	6.1	4,094	9.6
Extraordinary income	10	0.0	109	0.4	131	0.3
Extraordinary loss	58	0.2	881	3.1	231	0.5
Income before income taxes and minority interests	2,313	8.2	974	3.4	3,994	9.4
Income taxes current	1,020	3.6	292	0.0	1,422	3.3
deferred					25	0.1
Minority interests in net income of subsidiaries	26	0.1	20	0.1	(24)	0.1
Net income	1,266	4.5	661	2.3	2,523	5.9

(3) Consolidated Statements of Cash Flows

Millions of yen

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Year ended March 31, 2007
Operating activities			
Income before income taxes and minority interests	2,313	974	3,994
Depreciation and amortization	716	821	976
Impairment loss on fixed assets	6	432	11
Loss on devaluation of securities	6		93
provision for doubtful receivables	(3)	124	4
Decrease in liability for retirement benefits	(124)	(193)	(168)
Interest and dividends received	(57)	(138)	(70)
Interest paid	26	23	34
Income from sale of marketable securities	(10)	(11)	(3)
Investment income from equity method	(149)	(144)	(165)
Increase/decrease in trade receivables	2,182	3,637	(1,262)
Increase/decrease in inventories	(1,522)	(1,081)	(80)
Increase/decrease in trade payables	(1,146)	(1,131)	(189)
Bonuses to directors and corporate auditors	(50)		(50)
Others	(831)	(772)	254
Sub-total	1,354	2,541	3,379
Proceeds from receipt of interest and dividends	150	193	153
Payments for interest	(26)	(22)	(32)
Payments for corporate tax etc.	(1,667)	(1,524)	(1,670)
Net cash provided by operating activities	(188)	1,187	1,829
Investing activities			
Deposits of time deposit	(141)	(5)	(145)
Repayments of time deposit	9	211	12
Purchases of marketable securities			
Proceeds from sales and redemptions of marketable securities	168		168
Purchases of tangible and intangible fixed assets	(921)	(949)	(1,368)
Purchases of investment securities	(893)	(57)	(1,037)
Proceeds from sales and redemptions of investment securities	598	135	604
Purchases of subsidiaries stock	(153)		(51)
Loans to unconsolidated subsidiaries	(7)	(3)	(7)
Collects loans for unconsolidated subsidiaries	10	2	33
Others	3	74	31
Net cash provided by investing activities	(1,328)	(593)	(1,760)
Financing activities			
Proceeds from short-term bank loans	660	686	773
Repayments of short-term bank loans	(717)	(646)	(856)
Proceeds from long-term debt	20		20
Repayments of long-term debt	(41)	(50)	(44)
Dividends paid	(519)	(543)	(519)
Dividends paid to minority shareholders	(1)	(28)	(1)
Purchases of treasury stock	(0)	(0)	(1)
Disposal of treasury stock	0	0	0
Issuance of common stock	20	92	27
Others	(50)	0	(50)
Net cash provided by financing activities	(628)	(490)	(652)
Effect of foreign currency translation adjustments on cash and cash equivalents	16	26	47
Net decrease in cash and cash equivalents	(2,128)	130	(535)
Cash and cash equivalents, beginning of year	5,762	5,538	5,762
Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	311		311
Cash and cash equivalents, end of year	3,946	5,668	5,538