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 Date of Board Meeting on Approval of Financial Results were May 21, 2003  
 This consolidated financial statements is not based on the generally accepted accounting principles in USA.  
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**SUMMARY OF FINANCIAL RESULTS (CONSOLIDATED)**  
**OF ESPEC CORP.**  
**FOR THE FISCAL 2002 ENDED MARCH 31, 2003**

Fiscal 2003: April 1, 2003 - March 31, 2004  
 Fiscal 2002: April 1, 2002 - March 31, 2003  
 Fiscal 2001: April 1, 2001 - March 31, 2002

**I. CONSOLIDATED OPERATING RESULTS AND RELATED DATA FOR FISCAL 2002**

(1) Consolidated Operating Results

(Millions of Yen, Millions of U.S. dollars,  
 except per share figures)

	<b>Fiscal 2002</b>	Fiscal 2001	% change 2002/2001	<b>Fiscal 2002</b>
Net sales	<b>¥26,737</b>	¥27,283	<b>△2.0</b>	<b>\$222.44</b>
Operating income	<b>¥1,184</b>	¥907	<b>30.6</b>	<b>\$9.85</b>
Ordinary income	<b>¥1,211</b>	¥1,138	<b>6.4</b>	<b>\$10.07</b>
Net income	<b>¥189</b>	¥54	<b>245.4</b>	<b>\$1.57</b>
Net income per share (in yen, US \$)	<b>¥8.03</b>	¥2.33	<b>344.6</b>	<b>\$0.07</b>
Net income per share - diluted (in yen, US \$)	-	¥2.62	-	-
Net income to shareholders' equity	<b>0.8%</b>	0.2%	-	<b>0.8%</b>
Ordinary income to total assets	<b>3.6%</b>	3.0%	-	<b>3.6%</b>
Ordinary income to net sales	<b>4.5%</b>	4.2%	-	<b>4.5%</b>

**(Notes)**

- 1 Equity method investment profit and loss for: Fiscal 2002= 105 Million Yen, Fiscal 2001= 114 Million Yen
- 2 Number of shares during the period (consolidated) for:  
 Fiscal 2002 = 23,125,106 shares, Fiscal 2001 = 23,477,210 shares
- 3 Changes in accounting policy has been made.
- 4 The percentages for net sales, operating income, ordinary income, net income indicates the increase/decrease from preceding period.
- 5 US dollar amounts are converted from yen, for convenience only, at the rate of US \$1= 120.20 yen.

## (2) Consolidated Financial Standing

(Millions of yen, Millions of U.S. dollars)

	Fiscal 2002	Fiscal 2001	Fiscal 2002
Total Assets	¥31,959	¥34,969	\$265.88
Shareholder's Equity	¥23,782	¥24,336	\$197.85
Shareholder's Equity Ratio	74.4%	69.6%	74.4%
Shareholders' equity per share of common stock (in yen)	¥1,045.93	¥1,047.03	\$8.70

(Note) Number of shares issued and outstanding as of the end the period (consolidated) for:  
Fiscal 2002 = 22,734,266 shares, Fiscal 2001 = 23,243,511 shares

## (3) Consolidated Status On Cash Flows

(Millions of yen, Millions of U.S. dollars)

	Fiscal 2002	Fiscal 2001	Fiscal 2002
Cash flows from operating activities	¥2,457	¥1,331	\$20.44
Cash flows from investing activities	△¥242	△¥616	△\$2.01
Cash flows from financing activities	△¥3,684	△¥431	△\$30.65
Cash and cash equivalents at end of year	¥4,392	¥5,879	\$36.54

## (4) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries : 7

Number of non-consolidated subsidiaries accounted for by equity method: Nil

Number of affiliated companies accounted for by equity method: 3

## (5) Changes in the Scope of Consolidation and Application of Equity Method

Consolidation (New) : 2, (Exception) : 1, Equity Method (New) : Nil, (Exception) : Nil

## II. FORECAST OF CONSOLIDATED OPERATING RESULTS FOR FISCAL 2003

	FISCAL 2003 1ST HALF, ENDING SEPTEMBER 30,2003 Yen(Millions)	FISCAL 2003, ENDING MARCH 31, 2004 Yen(Millions)
Net sales	¥13,500	¥29,000
Ordinary income	¥600	¥2,000
Net income	¥300	¥1,000

(Reference) Forecast of Net Income Per Share (full term) is ¥43.24

※Cautionary Statements : Statements made in this flash summary report (the "Report") regarding ESPEC CORP.'s plans, assumptions, forecasts and other statements that are not historical facts, are forward-looking statements about the future performance of the ESPEC CORP. based on management's assumptions in light of information available at the time of publication, and involve risks, factors and uncertainties that could cause ESPEC CORP.'s actual results to differ materially from those presented in this Report. For reference, the related issues about this forecast section are described on page 7 to 10 of the Japanese version of this Report.

Consolidated Financial Statements

1 . Consolidated Balance Sheet

(Millions of Yen)

Title of Account	Fiscal 2002 (ending on 2003.03.31)		Fiscal 2001 (ending on 2002.03.31)		Increase/Decrease
	Amount	Proportion	Amount	Proportion	
( Assets )		%		%	
Current Assets	19,302	60.4	20,899	59.8	1,596
Cash & Deposits	3,881		5,893		2,012
Notes & Trade Receivable	11,362		11,261		101
Marketable Securities	666		111		555
Inventory Assets	2,260		2,704		443
Deferred Tax Asset	614		443		170
Others	601		535		65
Provision for Doubtful Debts	85		51		34
Fixed Assets	12,656	39.6	14,070	40.2	1,413
Tangible Fixed Assets	8,449	26.4	8,849	25.3	400
Building & Structure	3,337		3,577		239
Machinery & Transp. Vehicle	162		204		42
Tools, Furniture & Fixtures	615		741		126
Land	4,334		4,326		8
Intangible Fixed Assets	548	1.7	469	1.3	79
Invested Property etc.	3,658	11.5	4,751	13.6	1,093
Investment in Securities	1,972		2,586		613
Deferred Tax Asset	485		693		208
Other Investments	1,416		1,748		332
Provision for Doubtful Debts	216		277		61
TOTAL ASSETS	31,959	100.0	34,969	100.0	3,010

(Millions of Yen)

Title of Account	Fiscal 2002 (ending on 2003.03.31)		Fiscal 2001 (ending on 2002.03.31)		Increase/Decrease
	Amount	Proportion	Amount	Proportion	
(LIABILITIES)		%		%	
Current Liabilities	7,001	21.9	9,362	26.8	2,360
Notes & Trade Payable	4,926		3,901		1,025
Short term loan	306		6		300
CB with scheduled redemption in 1 year			3,527		3,527
Corporate Tax Payable	199		52		147
Accrued Bonuses	411		489		77
Provision for Product Guarantee	245		291		46
Others	912		1,094		182
Long term Liabilities	1,021	3.2	1,121	3.2	99
Provision for Retirement Benefit	500		592		91
Consolidation Adjustment	3		5		1
Others	516		523		6
Total Liabilities	8,023	25.1	10,483	30.0	2,460
(Minorities' Equity)					
Minority Shareholders' Equity	153	0.5	149	0.4	4
(SHAREHOLDERS' EQUITY)					
Share Capital	6,778	21.2	-	-	6,778
Capital Reserve	7,020	22.0	-	-	7,020
Consolidated Surplus	10,639	33.3	-	-	10,639
Other Security Appraisal Variance	117	0.4	-	-	117
Currency Exchange Adjustment	164	0.5	-	-	164
Treasury Stock	375	1.2	-	-	375
Total Capital	23,782	74.4	-	-	23,782
Share Capital		-	6,778	19.4	6,778
Capital Reserve		-	7,020	20.1	7,020
Consolidated Surplus		-	10,804	30.9	10,804
Other Security Appraisal Variance		-	86	0.2	86
Currency Exchange Adjustment		-	15	0.1	15
Treasury Stock		-	164	0.5	164
Total Capital		-	24,336	69.6	24,336
Total Of Liabilities • Minority Shareholders' Equity • Capital	31,959	100.0	34,969	100.0	3,010

## 2 . CONSOLIDATED PROFIT &amp; LOSS STATEMENT

(Millions of Yen)

Title of Account	Fiscal 2002 (ending on 2003.03.31)		Fiscal 2001 (ending on 2002.03.31)		Increase/ Decrease
	Amount	Proportion	Amount	Proportion	
		%		%	
Sales	26,737	100.0	27,283	100.0	545
Cost of Goods Sold	19,247	72.0	19,840	72.7	593
Gross Profit on Sales	7,490	28.0	7,442	27.3	47
Sales and Administrative Expenses	6,305	23.6	6,535	24.0	229
Operating Income	1,184	4.4	907	3.3	277
Non-Operating Income	( 364)	1.4	( 428)	1.6	63
Interest Received	36		57		21
Dividends Received	15		50		34
Company Residence Rent Income	94		97		2
Investment Profit by Equity Method	105		114		9
Others	113		108		5
Non-Operating Expenses	( 337)	1.3	( 197)	0.7	140
Interest Paid	27		26		0
Loss on Securities Sold	163		107		56
Non Operating Commission	23		21		2
Others	122		41		81
Ordinary Profit	1,211	4.5	1,138	4.2	73
Extraordinary Loss	( 740)	2.8	( 875)	3.2	135
Director's Retirement Allowances	461				461
Devaluation of Investment Securities	238		743		504
Litigation Settlement Package	40				40
Provision for Doubtful Accounts			132		132
Net Profit Before Tax	471	1.7	263	1.0	208
Corporate, Resident & Business Tax	236	0.9	167	0.6	68
Corporate Tax etc. Adjustments	36	0.1	27	0.1	9
Minority Shareholders' Gain	9	0.0	13	0.1	3
NET PROFIT	189	0.7	54	0.2	134

### 3 . CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

Account Title	Fiscal 2002 (02.4.1-03.3.31)	Fiscal 2001 (01.4.1-02.3.31)
. Cash flows from Operating Activities		
Net income before adjustment of tax	471	263
Depreciation	648	706
Loss from Revaluation of Marketable Securities	234	743
Increase in Allowance for Doubtful Accounts	54	136
Decrease in Provision for Retirement Benefit	86	105
Interest Received and Dividends Received	52	107
Interest Paid	27	26
Loss from Sale of Marketable Securities	163	107
Investment Income from Equity Method	105	114
Payments for Directors' Bonus	11	35
Increase/Decrease in Trade Receivables	162	4,507
Increase/Decrease in Inventories	323	1,068
Increase/Decrease in Trade Payables	961	4,033
Others	195	553
Sub-Total	2,271	2,608
Proceeds from Receipt of Interest and Dividends	302	90
Payments for Interest	27	26
Payments for Corporate Tax etc	89	1,341
Net Cash Provided by Operating Activities	2,457	1,331
. Cash Flows from Investing Activities		
Payments for Purchase of Securities	57	200
Proceeds from Sale and Redemption of Securities	138	731
Payments for Purchase of Tangible・Intangible Fixed Assets	312	1,552
Disbursements due to Acquisition of Investment Securities	567	1,225
Proceeds from Sale and Redemption of Investment Securities	496	1,575
Others	59	54
Net Cash Provided by Investing Activities	242	616
. Cash Flows from Financing Activities		
Revenue from Short Term Loan	300	-
Disbursements due to redemption of Convertible Bond	3,527	-
Dividends Paid	231	234
Dividends Paid to Minority Shareholders	3	1
Disbursements due to Acquisition of Treasury Stock	210	165
Others	10	29
Net Cash Used in Financing Activities	3,684	431
. Effect of Exchange Rate Changes on Cash and Cash Equivalents	60	56
. Net Increase in Cash and Cash Equivalents	1,530	339
. Cash and Cash Equivalents at Beginning of Year	5,879	5,420
. Increase in Cash and Cash Equivalents due to New Consolidation	48	120
. Decrease in Cash and Cash Equivalents due to Exclusions from Consolidation	5	-
. Cash and Cash Equivalents at End of Year	4,392	5,879

#### 4 . SEGMENT INFORMATION

##### (1)Environmental Testing Business (Millions of Yen)

	Fiscal 2002	Fiscal 2001	% change
Orders Received	15,784	14,434	9.4
Net sales	15,095	16,586	9.0
Operating income	1,206	1,191	1.2

##### (2)Electronics Device Business (Millions of Yen)

	Fiscal 2002	Fiscal 2001	% change
Orders Received	7,602	5,321	42.9
Net sales	7,536	7,341	2.7
Operating income	306	450	-

##### (3)Environmental Engineering and Servicing Business (Millions of Yen)

	Fiscal 2002	Fiscal 2001	% change
Orders Received	5,271	4,897	7.6
Net sales	5,404	4,779	13.1
Operating income	298	166	79.4

##### (4)Forecast of Operating Results for Fiscal 2003 (Millions of Yen)

	Orders Received	Net sales	Operating income
Environmental Testing Business	17,700	17,500	1,900
Electronics Device Business	8,000	7,700	50
Environmental Engineering and Servicing Business	5,600	5,600	150
Eliminations	1,800	1,800	-
Total	29,500	29,000	2,000