



Summary of Financial Results (Consolidated)
for the Third Quarter of Fiscal 2011 Ending March 31, 2012
[under Japanese GAAP]

February 13, 2012

Listed Company Name: ESPEC CORP.
Listed Stock Exchange: Tokyo, Osaka Stock Exchanges, First Section
Securities Code: 6859
Homepage: <http://www.espec.co.jp>
Representative: Masaaki Ishida, President
Contact: Nobuyoshi Hiro, Managing Director
Tel: +81-6-6358-4741
Planned Date of Filing of Quarterly Report: February 14, 2012
Dividends Payment Beginning Day: -
Preparing Supplementary Material on Quarterly Financial Results: No
Holding Quarterly Financial Results Presentation Meeting: No
*The original disclosure in Japanese was released on February 13, 2012 at 16:00. (GMT+9)

(Rounded off to nearest million yen)

1. Consolidated financial results for the 3rd quarter of fiscal 2011 ending March 31, 2012 (April 1, 2011 ~ December 31, 2011)
(1) Consolidated operating results (cumulative)

(% figures are rates of change in comparison to the same period last year)

	Net Sales		Operating Income		Ordinary Income		Quarterly Net Income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
First nine months ended December 31, 2011	21,662	11.2	839	(16.5)	989	(19.1)	771	(39.0)
First nine months ended December 31, 2010	19,477	34.9	1,006	-	1,223	-	1,264	-

(Note) Statements of comprehensive income First nine months ended December 31, 2011 ¥665million [(27.6)%]
First nine months ended December 31, 2010 ¥919million [-%]

	Net Income Per Share		Net income Per Share, Diluted	
	Yen		Yen	
First nine months ended December 31, 2011	32.90		-	
First nine months ended December 31, 2010	53.41		-	

(2) Consolidated financial standing

	Total Assets		Net assets		Shareholders' Equity Ratio		Shareholders' Equity Per Share of Common Stock	
	¥ millions		¥ millions		%	Yen		
As of December 31, 2011	36,313		27,894		76.3	1,180.49		
As of March 31, 2011	37,905		27,580		72.4	1,169.00		

(Reference) Shareholders' equity As of December 31, 2011 ¥27,694 million
As of March 31, 2011 ¥27,425 million

2. Dividends

	Annual dividends				
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Term-end	Annual
Fiscal year ended March 31, 2011	-	5.00	-	10.00	15.00
Fiscal year ended March 31, 2012	-	5.00			
Fiscal year ending March 31, 2012 (forecast)			-	10.00	15.00

(Note) Has there been a correction in the dividend forecast this quarter: No

3. Forecast of consolidated operating results for fiscal 2011 ending March 31, 2012 (April 1, 2011 ~ March 31, 2012)

(% figures for the whole term are rates of change in comparison to last year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
Fiscal year ending March 31, 2012	31,500	6.5	1,300	(6.6)	1,450	(13.9)	1,400	(15.4)	59.67

(Note) Has there been a correction in the results forecast this quarter: No

4. Others

(1) Transfers of important subsidiaries during this quarter (transfers of specified subsidiaries entailing changes in the scope of consolidation):

No

New (Company name:) Excluded (Company name:)

(2) Application of special accounting methods in the creation of quarterly consolidated financial statements: Yes

(Note) For details, see "2. (2)" under "Application of special accounting methods in the creation of quarterly consolidated financial statements" on p.4.

(3) Changes in accounting policies; changes in accounting estimates; restatements of financial statements

1) Changes in accounting policies due to amendment of accounting standards: No

2) Changes in accounting policies other than above: No

3) Changes in accounting estimates: No

4) Restatements of financial statements: No

(4) Number of outstanding shares (Ordinary shares)

1) Number of outstanding shares at end of term (Including treasury stock):

As of December 31, 2011	23,781,394 shares	As of March 31, 2011	23,781,394 shares
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2) Quantity of treasury stock at end of term:

As of December 31, 2011	321,002 shares	As of March 31, 2011	320,872 shares
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3) Average number of shares during the term (Consolidated quarter):

First nine months ended December 31, 2011	23,460,489 shares	First nine months ended December 31, 2010	23,671,056 shares
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* Indication regarding execution of quarterly procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the quarterly review procedures were used in accordance with the Financial Instruments and Exchange Act.

* Explanation of appropriate use of results forecasts and other matters of note

Statements concerning the future such as the results forecasts, etc., included in this document are based on currently available information and certain assumptions judged reasonable and actual results, etc., may differ due to various factors. Please refer to "Qualitative information concerning the consolidated operating forecasts" on page 4 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information concerning Consolidated Financial Results

(1) Qualitative information concerning the consolidated operating results

During the first nine months of fiscal 2011, the year ending March 31, 2012, Japan saw its economic activity continue to face a challenging situation. The domestic economy had been steadily moving toward a recovery after having come to a standstill due to the Great East Japan Earthquake. However, Japan's economy has been hit by the extended deflation, the yen's protracted appreciation, the worsening economic conditions in Europe and North America, and the flooding in Thailand. The global economy was moving toward a gradual recovery, supported by sustained growth in emerging countries. However, the turmoil of fiscal instability in Europe and slowing economic growth in China have strengthened concerns about a potential standstill in the recovery of economic conditions.

As regards the Company's main customers, the earthquake, its aftermath and uncertainties about the future have caused some of them to revise or postpone their investment plans. However, favorable market conditions saw smartphone- and rechargeable battery-related makers continue to pursue assertive capital investments. In addition, R&D investments continued to be firm for electronic component and electronic equipment makers, and within the automotive industry. Under these circumstances, the Company continued to endeavor to expand sales in favorable markets and launched the new and superbly energy efficient Platinous J Series of temperature and humidity chambers in the market, with a policy of encouraging existing customers to buy a new model in exchange for their old one. The Company also strengthened its sales activities centered on China and other emerging Asian countries, where the environmental testing market is expanding. As a result, on a consolidated basis, the amount of orders-received in the first three quarters of fiscal 2011 rose 4.4% year on year to ¥24,624 million, and net sales increased 11.2% to ¥21,662 million. On the earnings front, the Company incurred higher fixed costs and other expenses. Consequently, operating income decreased 16.5% year on year to ¥839 million, and net income declined 39.0% year on year to ¥771 million.

	Previous consolidated 3 rd quarter (Fiscal 2010) (¥ millions)	This consolidated 3 rd quarter (Fiscal 2011) (¥ millions)	Change (%)
Orders-Received	23,592	24,624	4.4
Net Sales	19,477	21,662	11.2
Operating Income	1,006	839	(16.5)
Ordinary Income	1,223	989	(19.1)
Quarterly net Income	1,264	771	(39.0)

[Equipment Business]

In environmental test chambers, in Japan the Company won more orders for temperature and humidity chambers for R&D applications centered on battery related and other favorable markets. Turning to overseas markets, the Company continued to obtain favorable orders at affiliates in China and there were business orders in relation to the flooding in Thailand for replacing equipment. The result was a substantial increase in orders-received and net sales, compared with the same three quarters in fiscal 2010.

In semiconductor equipment, business was firm for burn-in systems for semiconductor makers and for evaluation systems, but business was better in the same period in the previous year. As a result, orders-received and net sales both decreased compared with the first three quarters of fiscal 2010.

In FPD equipment, the Company received orders for clean ovens for small LCD panels from Taiwan and Japanese manufacturers. The result was a substantial increase in orders-received compared with the same period of fiscal 2010. However, sales in FPD equipment declined on the same period last year because the Company plans to book the sales of many orders-received projects in the next fiscal year.

In energy devices equipment, the Company's subsidiary ESPEC TECHNO CORP. saw firm business primarily with inspection equipment for rechargeable batteries in the period under review. However, although the parent company ESPEC CORP. received an increase in business inquiries for its manufacturing equipment for rechargeable batteries, the orders-received were not as many as planned. Consequently, both orders-received and net sales fell short of initial targets. As a result, the Equipment Business as a whole saw orders-received rise 6.3% to ¥20,080 million, and net sales increase by 13.4% to ¥17,593 million, compared with the first three quarters of fiscal 2010. Operating income fell 13.6% from the same period last year to ¥741 million, mainly due to an increase in fixed costs.

	Previous consolidated 3 rd quarter (Fiscal 2010) (¥ millions)	This consolidated 3 rd quarter (Fiscal 2011) (¥ millions)	Change (%)
Orders-Received	18,882	20,080	6.3
Net Sales	15,509	17,593	13.4
Operating Income	858	741	(13.6)

[Service Business]

In after-sales service and engineering, orders-received decreased compared with the first three quarters of fiscal 2010, mainly due to the earthquake and its aftermath, while net sales increased, partly due to orders carried over from the previous fiscal year.

In commissioned tests and facility rentals, the Company received firm orders from automobile-related manufacturers, its major customers in this sector. Consequently, both orders-received and net sales increased from the same period in fiscal 2010.

As a result, the Service Business on the whole recorded orders-received of ¥4,022 million, up 1.9% from the same period last year. Net sales increased 5.3% to ¥3,686 million. Buoyed by higher sales and other factors, operating income rose 20.6% to ¥296 million from the same period last year.

	Previous consolidated 3 rd quarter (Fiscal 2010) (¥ millions)	This consolidated 3 rd quarter (Fiscal 2011) (¥ millions)	Change (%)
Orders-Received	3,946	4,022	1.9
Net Sales	3,500	3,686	5.3
Operating Income	245	296	20.6

[Other Business]

In the Other Business, operations in the environmental engineering business and in the plant factory business stagnated due mainly to the fact that government, public offices and customers froze their budgets in the aftermath of the earthquake.

Overall therefore, in the Other Business, orders-received fell 28.8% from the fiscal 2010 first three quarters to ¥615 million.

Net sales declined 17.2% to ¥471 million. As regards earnings, the segment posted an operating loss of ¥197 million.

	Previous consolidated 3 rd quarter (Fiscal 2010) (¥ millions)	This consolidated 3 rd quarter (Fiscal 2011) (¥ millions)	Change (%)
Orders-Received	865	615	(28.8)
Net Sales	569	471	(17.2)
Operating loss	(100)	(197)	-

* There are marked seasonal fluctuations in the Group's performance based on quarterly sales because of a strong trend towards contractual deliveries occurring in the 2nd and 4th consolidated quarters as a result of customers' budget implementation.

(2) Qualitative information concerning the consolidated financial standing

Total assets at the end of the 3rd quarter consolidated accounting period were ¥36,313 million, a decrease of ¥1,592 million against the end of the previous consolidated fiscal year. Major factors included a decrease in cash and deposits of ¥2,485 million, a decrease in notes and accounts receivable-trade of ¥971 million, an increase in short-term investment securities of ¥1,000 million and an increase in inventories of ¥696 million. Liabilities were ¥8,418 million, a decrease of ¥1,906 million against the end of the previous consolidated fiscal year. Major factors included a decrease in notes and accounts payable-trade of ¥1,084 million, a decrease in short-term and long-term loans payable of ¥358 million and a decrease in provision for bonuses of ¥221 million. Net assets were ¥27,894 million, an increase of ¥313 million against the end of the previous fiscal year. Major factors included an increase in retained earnings of ¥419 million, an increase in revaluation reserve for land of ¥88 million and a decrease in foreign currency translation adjustment of ¥173 million.

(3) Qualitative information concerning the consolidated operating forecasts

On October 28, 2011, the Company revised up its consolidated performance forecasts for the first half of fiscal 2011, but the Company, however, kept its full-year performance forecasts for fiscal 2011 unrevised. This was because the Company's performance was at risk of fluctuating in the second half due to the stronger yen, uncertainties surrounding economic trends overseas, and business conditions in Japan.

The Company will not revise its full-year performance forecasts for fiscal 2011. This is because the consolidated business performance during the first three quarters has proceeded roughly in line with targets, and because it is assumed that there will be no exceptional change to the aforementioned risk of fluctuation in the Company's performance.

Moreover, as regards important risks that may impact on actual performance, although there is no change to the Business Risks section on page 6 of the Summary of Financial Results for the year ended March 31, 2011, the factors that impact on performance are not limited to these.

2. Summary Information (Other)

(1) Transfers of important subsidiaries during this quarter

No applicable

(2) Application of special accounting methods in the creation of quarterly consolidated financial statements

For tax expenses, the Company has adopted the method of reasonably estimating the effective tax rate after applying tax effect accounting to net income before taxes for the current consolidated fiscal year, and then multiplying quarterly net income before taxes by the relevant estimated effective tax rate. However, when the tax expenses calculated using the relevant estimated effective tax rate are notably irrational, tax expenses shall be calculated using the statutory effective tax rate.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(¥ millions)

	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets		
Cash and deposits	8,511	6,026
Notes and accounts receivable-trade	12,090	11,118
Short-term investment securities	1,300	2,300
Merchandise and finished goods	225	584
Work in process	1,527	1,839
Raw materials and supplies	1,039	1,064
Other	1,982	2,392
Allowance for doubtful accounts	(11)	(8)
Total current assets	26,666	25,318
Noncurrent assets		
Property, plant and equipment		
Building and structure, net	3,166	3,059
Land	4,413	4,408
Other, net	650	675
Total property, plant and equipment	8,230	8,143
Intangible assets	285	253
Investments and other assets	2,723	2,597
Total noncurrent assets	11,239	10,994
Total assets	37,905	36,313
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,654	4,570
Short-term loans payable	210	20
Income taxes payable	62	75
Provision for bonuses	366	145
Provision for directors' bonuses	7	5
Provision for product warranties	188	188
Other	2,046	1,920
Total current liabilities	8,535	6,924
Noncurrent liabilities		
Long-term loans payable	168	-
Provision for retirement benefits	42	22
Provision for directors' retirement benefits	44	44
Asset retirement obligations	49	50
Other	1,484	1,376
Total noncurrent liabilities	1,789	1,494
Total liabilities	10,325	8,418
Net assets		
Shareholders' equity		
Capital stock	6,895	6,895
Capital surplus	7,172	7,172
Retained earnings	15,294	15,714
Treasury stock	(202)	(202)
Total shareholders' equity	29,160	29,580
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	166	95
Deferred gains or losses on hedges	(5)	-
Revaluation reserve for land	(828)	(739)
Foreign currency translation adjustment	(1,067)	(1,240)
Total Accumulated other comprehensive income	(1,734)	(1,885)
Minority interests	155	199
Total net assets	27,580	27,894
Total liabilities and net assets	37,905	36,313

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income
(First nine months ended December 31, 2011)

(¥ millions)

	First nine months ended December 31, 2010	First nine months ended December 31, 2011
Net sales	19,477	21,662
Cost of sales	13,032	14,549
Gross profit	6,444	7,113
Selling, general and administrative expenses		
Salaries and allowances	1,594	1,820
Provision for bonuses	23	42
Provision for product warranties	97	163
Provision for directors' bonuses	2	5
Other	3,720	4,241
Selling, general and administrative expenses	5,438	6,273
Operating Income	1,006	839
Non-operating income		
Interest income	20	16
Dividends income	40	46
Gain on sales of securities	0	2
Amortization of negative goodwill	21	-
Equity in earnings of affiliates	130	119
Other	67	66
Non-operating income	280	251
Non-operating expenses		
Interest expenses	9	7
Loss on sales of securities	2	4
Foreign exchange losses	36	76
Other	15	13
Non-operating expenses	63	101
Ordinary income	1,223	989
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Gain on sales of investment securities	38	20
Reversal of allowance for doubtful accounts	4	-
Extraordinary income	42	21
Extraordinary loss		
Loss on sales of noncurrent assets	-	0
Loss on retirement of noncurrent assets	2	8
Loss on valuation of investment securities	65	93
Loss on adjustment for changes of accounting standard for asset retirement obligations	36	-
Other	1	-
Extraordinary loss	106	102
Income before income taxes	1,158	907
Taxes-current	(116)	85
Income before minority interests	1,275	822
Minority interests in income	11	50
Net income	1,264	771

Quarterly Consolidated Statements of Comprehensive Income
(First nine months ended December 31, 2011)

(¥ millions)

	First nine months ended December 31, 2010	First nine months ended December 31, 2011
Income before minority interests	1,275	822
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(72)	(71)
Deferred gains or losses on hedges, net of tax	(4)	5
Revaluation reserve for land	-	88
Foreign currency translation adjustment, net of tax	(231)	(161)
Share of other comprehensive income of associates accounted for using equity method	(47)	(17)
Other comprehensive income	(355)	(156)
Comprehensive income	919	665
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	921	621
Comprehensive income attributable to minority interests	(1)	44

(3) Notes on the assumption of a going concern

No applicable

(4) Segment information

I Previous consolidated 3rd quarter (From April 1, 2010 to December 31, 2010)

1. Information concerning the net sales and income or loss of each reportable segment

	Reportable segment			Total (¥ millions)	Adjustment *1 (¥ millions)	Carried amount on quarterly consolidated statements of income *2 (¥ millions)
	Equipment Business (¥ millions)	Service Business (¥ millions)	Other Business (¥ millions)			
Net Sales						
(1) Sales to external customers	15,508	3,408	560	19,477	-	19,477
(2) Internal sales or transfers between segments	0	92	9	101	(101)	-
Total	15,509	3,500	569	19,579	(101)	19,477
Segment income (loss)	858	245	(100)	1,003	2	1,006

*Notes:

1. "Adjustment" for segment income mainly represents eliminations of inter-segment transactions.

2. Segment income was reconciled with the operating income presented in the Quarterly Consolidated Statement of Income.

2. Information related to impairment loss on fixed assets, and goodwill, etc. for each reporting segment.

No applicable

II This consolidated 3rd quarter (From April 1, 2011 to December 31, 2011)

1. Information concerning the net sales and income or loss of each reportable segment

	Reportable segment			Total (¥ millions)	Adjustment *1 (¥ millions)	Carried amount on quarterly consolidated statements of income *2 (¥ millions)
	Equipment Business (¥ millions)	Service Business (¥ millions)	Other Business (¥ millions)			
Net Sales						
(1) Sales to external customers	17,593	3,599	469	21,662	-	21,662
(2) Internal sales or transfers between segments	-	86	2	89	(89)	-
Total	17,593	3,686	471	21,751	(89)	21,662
Segment income (loss)	741	296	(197)	839	(0)	839

*Notes:

1. "Adjustment" for segment income mainly represents eliminations of inter-segment transactions.

2. Segment income was reconciled with the operating income presented in the Quarterly Consolidated Statement of Income.

2. Information related to impairment loss on fixed assets, and goodwill, etc. for each reporting segment.

No applicable

(5) Notes in cases where marked changes have occurred in the value of shareholder equity

No applicable