Financial Accounting Standards Foundation Member

Summary of Financial Results (Consolidated)
for the Third Quarter of Fiscal 2012 Ending March 31, 2013
[under Japanese GAAP]

February 8, 2013

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
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Planned Date of Filing of Quarterly Report:	February 13, 2013
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 8, 2013 at 14:00. (GMT+9)

(Rounded off to nearest million yen)

1. Consolidated financial results for the 3rd quarter of fiscal 2012 ending March 31, 2013 (April 1, 2012 ~ December 31, 2012)

(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	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
First nine months ended December 31, 2012	21,127	(2.5)	1,225	45.9	1,382	39.7	591	(23.3)
First nine months ended December 31, 2011	21,662	11.2	839	(16.5)	989	(19.1)	771	(39.0)

(Note) Statements of comprehensive income First nine months ended December 31, 2012 683 Million Yen [2.6 %]
First nine months ended December 31, 2011 665 Million Yen [(27.6) %]

	Net Income Per Share	Net income Per Share, Diluted
	Yen	Yen
First nine months ended December 31, 2012	25.45	-
First nine months ended December 31, 2011	32.90	-

(2) Consolidated financial standing

	Total Assets	Net assets	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	Yen
As of December 31, 2012	38,116	29,268	76.2	1,248.78
As of March 31, 2012	38,628	29,050	74.8	1,242.02

(Reference) Shareholders' equity As of December 31, 2012 29,046 Million Yen
As of March 31, 2012 28,889 Million Yen

2. Dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Term-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	-	5.00	-	13.00	18.00
Fiscal year ended March 31, 2013	-	7.00			
Fiscal year ending March 31, 2013 (forecast)			-	8.00	15.00

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

3. Forecast of consolidated operating results for fiscal 2012 ending March 31, 2013 (April 1, 2012 ~ March 31, 2013)

(% 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
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Fiscal year ending March 31, 2013	32,000	0.3	1,900	3.9	2,100	1.1	1,300	(32.6)	55.89

(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: Yes
3) Changes in accounting estimates: Yes
4) Restatements of financial statements: No

(Note) For details, see "Changes in accounting policies; changes in accounting estimates; restatements of financial statements" on p 4.

(4) Number of outstanding shares (Ordinary shares)

1) Number of outstanding shares at end of term (Including treasury stock):	As of December 31, 2012	23,781,394 shares	As of March 31, 2012	23,781,394 shares
2) Quantity of treasury stock at end of term:	As of December 31, 2012	521,350 shares	As of March 31, 2012	521,022 shares
3) Average number of shares during the term (Consolidated quarter):	First nine months ended December 31, 2012	23,260,173 shares	First nine months ended December 31, 2011	23,460,489 shares

* 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.

Index of Attached Material

1. Qualitative Information concerning Consolidated Financial Results

(1) Qualitative information concerning the consolidated operating results

During the first three quarters of fiscal 2012, the year ending March 31, 2013, the Japanese economy was underpinned by reconstruction demand following the March 2011 earthquake. However, the economic outlook remained uncertain due to the protracted appreciation of the yen, the slowdown of overseas economies, and worsening relations between Japan and China. At the same time, some signs of hope for economic recovery are also apparent–Japan’s new government has implemented measures to tackle deflation and to correct the high yen, while China’s economic slowdown appears to have bottomed out.

Of the company’s main customers, automotive manufacturers continued to invest aggressively in development, while the trend of expanding capital expenditures among manufacturers in the rechargeable battery and smartphone supply chain showed signs of weakening. Home appliance manufacturers maintained a deeply cautious stance as they continued to postpone capital expenditures.

In this environment, the Company focused on strengthening sales activities in the growing green technology market, encouraging existing customers to buy a new energy-saving model that had been launched on the market last fiscal year in exchange for their old one, and expanding sales of individually-ordered products such as walk-in type temperature and humidity chambers, for which capital expenditure has been relatively strong, and customized products. In overseas markets, the Company continued working to expand sales centered on China and other Asian countries.

Despite these efforts, the consolidated results for the first three quarters of the fiscal year were down from the same period in the previous fiscal year. The amount of orders-received decreased 2.3% year on year to ¥24,065 million and net sales declined 2.5% to ¥21,127 million. On the earnings front, the Company implemented measures such as improving the cost-of-sales ratio and reducing selling, general and administrative expenses. Consequently, operating income increased 45.9% year on year to ¥1,225 million, while net income decreased 23.3% year on year to ¥591 million, due to an increase in income taxes.

	Previous consolidated 3rd quarter (Fiscal 2011) (Million Yen)	This consolidated 3rd quarter (Fiscal 2012) (Million Yen)	Change (%)
Orders-Received	24,624	24,065	(2.3)
Net Sales	21,662	21,127	(2.5)
Operating Income	839	1,225	45.9
Ordinary Income	989	1,382	39.7
Quarterly net Income	771	591	(23.3)

[Equipment Business]

In environmental test chambers, in Japan the Company saw higher sales of new products and orders for walk-in type temperature and humidity chambers compared with the same period in the previous fiscal year, but many of its main customers continued to postpone capital expenditure Turning to overseas markets, the Company boosted sales mainly in China and other Asian countries, resulting in steady growth in exports and favorable performance at the Company's overseas affiliates. Consequently, overall orders-received and net sales of environmental test chambers increased compared with the first three quarters of fiscal 2011.

In semiconductor equipment, although evaluation systems performed well, orders-received and net sales both decreased from the high levels recorded in the first three quarters of fiscal 2011.

In FPD equipment, although the Company won orders for clean ovens from Japanese manufacturers and others, orders-received decreased sharply from the high level recorded in the first three quarters of fiscal 2011. Net sales were on par with the same period of the previous year.

In energy devices equipment, the parent company ESPEC CORP. faced challenging market conditions as a result of stagnant capital expenditures, despite efforts to win orders and raise market recognition by expanding the product range and holding demonstration trials for rechargeable battery manufacturers. In addition, the Company's subsidiary ESPEC TECHNO CORP. posted a decline in net sales compared with the first three quarters of fiscal 2011. Overall, energy devices equipment saw orders-received fall short of target, although increasing in year-on-year terms. Net sales decreased compared with the same period of fiscal 2011.

As a result, the Equipment Business as a whole saw orders-received fall 4.1% year on year to ¥19,255 million, and net sales decrease 4.0% to ¥16,892 million. Operating income increased 28.2% to ¥950 million, mainly reflecting the beneficial impact of launching new products and reducing the cost-of-sales ratio.

	Previous consolidated 3rd quarter (Fiscal 2011) (Million Yen)	This consolidated 3rd quarter (Fiscal 2012) (Million Yen)	Change (%)
Orders-Received	20,080	19,255	(4.1)
Net Sales	17,593	16,892	(4.0)
Operating Income	741	950	28.2

[Service Business]

In after-sales service and engineering, both orders-received and net sales decreased year on year, mainly reflecting cost cutting by customers.

In commissioned tests and facility rentals, mainstay test consulting saw growth in the automobile market, while product resale performed favorably. Consequently, both orders-received and net sales increased year on year.

As a result, the Service Business on the whole recorded orders-received of ¥3,905 million, down 2.9% from the same period last year. Net sales decreased 0.3% to ¥3,673 million. Operating income rose 41.0% to ¥417 million, mainly reflecting changes in the sales mix.

	Previous consolidated 3rd quarter (Fiscal 2011) (Million Yen)	This consolidated 3rd quarter (Fiscal 2012) (Million Yen)	Change (%)
Orders-Received	4,022	3,905	(2.9)
Net Sales	3,686	3,673	(0.3)
Operating Income	296	417	41.0

[Other Business]

The environmental engineering business, which includes forest creation, performed favorably, while a large order was received in the plant factory business. As a result, the Other Business on the whole posted orders-received of ¥1,011 million, an increase of 64.2% from the same period of fiscal 2011, when performance weakened due to the impact of the earthquake. Net sales amounted to ¥663 million, an increase of 40.8%. As for earnings, the segment posted an operating loss of ¥142 million, albeit an improvement from the operating loss posted in the first three quarters of fiscal 2011.

	Previous consolidated 3rd quarter (Fiscal 2011) (Million Yen)	This consolidated 3rd quarter (Fiscal 2012) (Million Yen)	Change (%)
Orders-Received	615	1,011	64.2
Net Sales	471	663	40.8
Operating loss	(197)	(142)	-

* 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 third quarter consolidated accounting period were ¥38,116 million, a decrease of ¥512 million over the end of the previous consolidated fiscal year. Major factors included a decrease of ¥2,759 million in notes and accounts receivable-trade, an increase of ¥1,600 million in short-term investment securities, and an increase of ¥497 million in work in process. Liabilities were ¥8,848 million, a decrease of ¥729 million against the end of the previous consolidated fiscal year. Major factors included a decrease in notes and accounts payable-trade of ¥313 million, and a decrease in other current liabilities of ¥311 million. Net assets were ¥29,268 million, an increase of ¥217 million against the end of the previous fiscal year. Major factors included an increase of ¥126 million in retained earnings and an increase of ¥75 million due to foreign currency translation adjustment.

(3) Qualitative information concerning the consolidated operating forecasts

The outlook has remained uncertain given that a large number of ESPEC's major customers have adopted an increasingly cautious approach to capital expenditures. Considering these circumstances, the Company has not revised its full-year consolidated performance forecasts for fiscal 2012, which were announced on November 13, 2012.

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 (Consolidated) for Fiscal 2011 Ended March 31, 2012, 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) Changes in accounting policies; changes in accounting estimates; restatements of financial statements

Change in accounting policy

(Change in the depreciation of property, plant and equipment)

Hitherto, the Company and its domestic subsidiaries have applied the declining-balance method to calculate the depreciation of property, plant and equipment (excluding lease assets). The depreciation of buildings acquired on or after April 1, 1998 has been calculated using the declining-balance method. However, structures attached to buildings acquired on or after April 1, 1998 have been calculated using the straight-line method. From the first quarter under review, the Company will change to the straight-line method.

This change is intended to respond to changes in the Company's operating environment. Looking ahead, in domestic markets the Company aims for sustained growth centered on customer demand for facility updates. In overseas markets, the Company will take advantage of this policy to further strengthen on-site production systems, and re-examine the depreciation method required by the facility usage method. Investment will be focused on maintaining and updating current facilities to enable long-term usage. Investment benefits are projected to contribute to the long-term stability of earnings.

For these reasons, the Company judges that it is more reasonable to calculate depreciation by the straight-line method to allocate acquisition costs equally over the useful life of property, plant and equipment.

As a result of this change, depreciation expenses for the first three quarters of fiscal 2012 were reduced by ¥161 million compared to the method applied hitherto. Operating income, ordinary income and income before income taxes all increased ¥152 million.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2012	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	7,357	7,040
Notes and accounts receivable-trade	13,215	10,455
Short-term investment securities	2,300	3,901
Merchandise and finished goods	368	593
Work in process	1,179	1,677
Raw materials and supplies	1,038	1,154
Other	2,046	2,387
Allowance for doubtful accounts	(11)	(5)
Total current assets	27,494	27,204
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,021	3,028
Land	4,407	4,398
Other, net	695	1,048
Total property, plant and equipment	8,124	8,476
Intangible assets	253	213
Investments and other assets	2,755	2,222
Total noncurrent assets	11,134	10,912
Total assets	38,628	38,116
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,837	4,523
Income taxes payable	128	339
Provision for bonuses	385	145
Provision for directors' bonuses	2	1
Provision for product warranties	273	253
Other	2,418	2,107
Total current liabilities	8,046	7,371
Noncurrent liabilities		
Provision for retirement benefits	23	25
Provision for directors' retirement benefits	44	22
Asset retirement obligations	51	51
Other	1,412	1,377
Total noncurrent liabilities	1,531	1,476
Total liabilities	9,578	8,848
Net assets		
Shareholders' equity		
Capital stock	6,895	6,895
Capital surplus	7,172	7,172
Retained earnings	16,869	16,995
Treasury stock	(360)	(360)
Total shareholders' equity	30,577	30,704
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	227	182
Revaluation reserve for land	(741)	(741)
Foreign currency translation adjustment	(1,174)	(1,098)
Total valuation and translation adjustments	(1,687)	(1,657)
Minority interests	160	221
Total net assets	29,050	29,268
Total liabilities and net assets	38,628	38,116

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

Quarterly Consolidated Statements of Income
(First nine months ended December 31, 2012)

(Million Yen)

	First nine months ended December 31, 2011	First nine months ended December 31, 2012
Net sales	21,662	21,127
Cost of sales	14,549	13,751
Gross profit	7,113	7,376
Selling, general and administrative expenses		
Salaries and allowances	1,820	1,824
Provision for bonuses	42	43
Provision for product warranties	163	146
Provision for directors' bonuses	5	1
Other	4,241	4,135
Selling, general and administrative expenses	6,273	6,150
Operating Income	839	1,225
Non-operating income		
Interest income	16	17
Dividends income	46	46
Gain on sales of securities	2	0
Equity in earnings of affiliates	119	50
Other	66	64
Non-operating income	251	179
Non-operating expenses		
Interest expenses	7	0
Loss on sales of securities	4	1
Foreign exchange losses	76	-
Commission fee	10	8
Other	3	11
Non-operating expenses	101	22
Ordinary income	989	1,382
Extraordinary income		
Gain on sales of noncurrent assets	0	3
Gain on sales of investment securities	20	-
Extraordinary income	21	3
Extraordinary loss		
Loss on sales of noncurrent assets	0	0
Loss on retirement of noncurrent assets	8	5
Loss on valuation of investment securities	93	9
Loss on sales of investments in capital of subsidiaries and affiliates	-	11
Extraordinary loss	102	26
Income before income taxes	907	1,359
Income taxes-current	85	705
Income before minority interests	822	653
Minority interests in income	50	61
Net income	771	591

Quarterly Consolidated Statements of Comprehensive Income
(First nine months ended December 31, 2012)

(Million Yen)

	First nine months ended December 31, 2011	First nine months ended December 31, 2012
Income before minority interests	822	653
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(71)	(45)
Deferred gains or losses on hedges, net of tax	5	-
Revaluation reserve for land, net of tax	88	-
Foreign currency translation adjustment, net of tax	(161)	6
Share of other comprehensive income of associates accounted for using equity method	(17)	68
Other comprehensive income	(156)	29
Comprehensive income	665	683
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	621	622
Comprehensive income attributable to minority interests	44	60

(3) Notes on the assumption of a going concern

Not applicable

(4) Notes on significant changes in shareholder s' equity

Not applicable

(5) Segment information

Ⅰ Previous 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 (Million Yen)	Adjustment *1 (Million Yen)	Carried amount on quarterly consolidated statements of income *2 (Million Yen)
	Equipment Business (Million Yen)	Service Business (Million Yen)	Other Business (Million Yen)			
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.

Not applicable

Ⅱ This consolidated 3rd quarter (From April 1, 2012 to December 31, 2012)

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

	Reportable segment			Total (Million Yen)	Adjustment *1 (Million Yen)	Carried amount on quarterly consolidated statements of income *2 (Million Yen)
	Equipment Business (Million Yen)	Service Business (Million Yen)	Other Business (Million Yen)			
Net Sales						
(1) Sales to external customers	16,892	3,572	662	21,127	-	21,127
(2) Internal sales or transfers between segments	-	100	1	102	(102)	-
Total	16,892	3,673	663	21,229	(102)	21,127
Segment income (loss)	950	417	(142)	1,225	(0)	1,225

*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.

Not applicable

3. Information related to changes about reporting segment

(Change in the depreciation of property, plant and equipment)

As shown in “Change in accounting policy,” hitherto, the Company and its domestic subsidiaries have applied the declining-balance method to calculate the depreciation of property, plant and equipment (excluding lease assets), and with the exception of buildings acquired on or after April 1, 1998 (excluding the plant and equipment attached to the buildings). From the first quarter of fiscal 2012, the Company has changed the depreciation method to the straight-line method.

This change had the effect of increasing segment operating income for the first three quarters of fiscal 2012 by ¥56 million in the Equipment Business, ¥94 million in the Service Business, while decreasing the segment operating loss for the first three quarters of fiscal 2012 in the Other Business by ¥1 million, compared to the method applied hitherto.

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

Not applicable