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Securities identification code: 6859
May 31, 2018

To our shareholders:

Masaaki Ishida
President
ESPEC CORP.
3-5-6 Tenjinbashi, Kita-ku, Osaka

NOTICE OF THE 65TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 65th Ordinary General Meeting of Shareholders of ESPEC CORP. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or electronic means (Internet), in which case we ask you to please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

Guide to Voting

For those attending the General Meeting of Shareholders

[Submit at the venue reception]

Please submit the enclosed voting form at the venue reception on the day of the General Meeting of Shareholders.

For those not attending the General Meeting of Shareholders

[By post]

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it by postal mail to reach us by no later than 5:00 p.m., on Thursday, June 21, 2018 (Japan Standard Time).

[Online]

Please access the dedicated voting site (<https://soukai.mizuho-tb.co.jp/>) from a computer, smartphone, or other device using the login ID and temporary password printed on the enclosed voting form and follow the instructions on screen to register your approval or disapproval of the proposals by no later than 5:00 p.m., Thursday, June 21, 2018 (Japan Standard Time).

1. Date and Time: Friday, June 22, 2018 at 10:00 a.m. (Japan Standard Time)

2. Venue: Yae Room 5th floor, Imperial Hotel, Osaka
1-8-50 Temmabashi, Kita-ku, Osaka

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 65th Term (from April 1, 2017 to March 31, 2018), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 65th Term (from April 1, 2017 to March 31, 2018)

Items to be resolved:

Proposal 1: Appropriation of surplus

Proposal 2: Election of seven (7) Directors

Proposal 3: Election of two (2) Audit & Supervisory Board Members

Proposal 4: Introduction of performance-linked share-based remuneration system for Directors, etc.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of surplus

In addition to recognizing that returning profits to our shareholders is one of our major management challenges, the Company also considers increased shareholder value to be rooted in the perpetual expansion of corporate value, and as such makes it its basic policy to set dividends in light of continuity and dividend payout ratio.

Based on the basic policy described above, the Company would like to set the year-end dividends as follows:

Matters related to year-end dividends

(1) Allocation of dividend property and total amount thereof

38 yen per common share of the Company

Total amount of dividends: 868,609,966 yen

Further, the Company paid an interim dividend of 20 yen, so the dividend for the entire fiscal year is 58 yen per share.

(2) Effective date of distribution of dividends of surplus

June 25, 2018

Proposal 2: Election of seven (7) Directors

The term of all five (5) current Directors expires at the close of this General Meeting of Shareholders. In order to further strengthen the executive management team, the Company proposes to elect seven (7) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career Summary, Position and Responsibilities (Significant concurrent positions outside the Company)	Number of Company shares held
1	Masaaki Ishida (November 26, 1954)	Apr. 1977 Joined the Company June 2008 Director June 2009 Managing Director Apr. 2011 President (present position) (Significant concurrent positions outside the Company) Chairman, ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD. Director, ESPEC (CHINA) LIMITED	71,868 shares
		Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company's operations in the fields of research and development, quality assurance and international operations, etc. Since 2011 he has been demonstrating leadership and leading the Group's growth strategy in his role as President. Further, on the Board of Directors, in addition to appropriately managing proceedings as Chairman, he draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.	
2	Taneo Shimada (October 15, 1957)	Apr. 1981 Joined the Company June 2009 Director June 2012 Managing Director (present position) (Significant concurrent positions outside the Company) Representative Director, ESPEC KOREA CORP. Managing Director, ESPEC SOUTH EAST ASIA SDN. BHD. Representative Director, ESPEC ENGINEERING (THAILAND) CO., LTD.	38,087shares
		Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company's operations in the fields of sales, after-sales service and international operations, etc., and is currently promoting growth strategy as the Group's Chief Marketing Officer. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.	
3	Kunikazu Ishii (May 27, 1958)	Apr. 1981 Joined the Company June 2009 Director June 2012 Managing Director (present position) (Significant concurrent positions outside the Company) Director, ESPEC NORTH AMERICA, INC.	29,372 shares
		Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company's operations in the fields of technology and test consulting services, etc., and is currently promoting growth strategy as the Group's Chief Technical Officer. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.	

No.	Name (Date of birth)	Career Summary, Position and Responsibilities (Significant concurrent positions outside the Company)	Number of Company shares held
4	New candidate Kazuhiro Suehisa (November 26, 1963)	Apr. 1987 Joined the Company	3,459 shares
		Apr. 2011 General Manager, Custom Design Department 2, Design Headquarters	
Apr. 2014 Chief Officer, Custom Equipment Headquarters (present position)			
Apr. 2016 Executive Officer			
Apr. 2018 Senior Executive Officer (present position)			
Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company's operations in the fields of product development and design, etc., and is currently promoting growth strategy as the Chief Officer of Custom Equipment Headquarters. He has been nominated as a candidate having been deemed capable of drawing on his wealth of experience and achievements to fulfill his role as Director.			
5	New candidate Satoshi Arata (October 7, 1966)	Apr. 1991 Joined the Company	3,299 shares
		Apr. 2003 Technical Advisor, SHANGHAI ESPEC ENVIRONMENTAL EQUIPMENT CORP.	
Jan. 2011 Director, GUANGZHOU ESPEC ENVIRONMENTAL EQUIPMENT CO., LTD.			
Oct. 2014 President, ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD.			
Apr. 2017 Executive Officer General Manager, China Business Office (present position)			
Apr. 2018 Senior Executive Officer (present position)			
(Significant concurrent positions outside the Company) Chairman, SHANGHAI ESPEC ENVIRONMENTAL EQUIPMENT CORP. Chairman, ESPEC ENVIRONMENTAL EQUIPMENT (SHANGHAI) CO., LTD. Director, ESPEC (CHINA) LIMITED			
Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company's operations in the fields of the China business, etc., and is currently promoting growth strategy as the General Manager of China Business Office. He has been nominated as a candidate having been deemed capable of drawing on his wealth of experience and achievements gained through management at the Company's subsidiaries in China to fulfill his role as Director in the future.			
6	Hiroyuki Nagano (October 20, 1955) Candidate for Outside Director Candidate for Independent Officer	Apr. 1978 Joined Matsushita Electric Industrial Co., Ltd. (now Panasonic Corporation)	442 shares
		Apr. 2009 President, Panasonic Plasma Display Co., Ltd.	
Apr. 2012 Specially Appointed Professor, Department of Management of Industry and Technology, Graduate School of Engineering, Osaka University			
Apr. 2013 Professor, Institute for Research Promotion and Collaboration, University of Hyogo (present position)			
June 2016 Director, the Company (present position)			
Reasons for nomination as a candidate for Outside Director: In addition to his wealth of insight and experience gained through company management and research into industry-academia collaboration, etc., the candidate is considered to be highly independent and to present no risk of conflict of interest with general shareholders, and has therefore been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Outside Director.			

No.	Name (Date of birth)	Career Summary, Position and Responsibilities (Significant concurrent positions outside the Company)	Number of Company shares held
7	Toshiya Kosugi (July 30, 1958) Candidate for Outside Director Candidate for Independent Officer	<p>Apr. 1982 Joined Nippon Electric Company, Limited</p> <p>Aug. 1991 Joined McKinsey & Company</p> <p>Oct. 1992 Manager, Personnel & General Affairs Department, Uniden Corporation</p> <p>Aug. 1994 Director, Human Resources Division, Apple Computer, Inc., Sr. Director, Apple Japan</p> <p>May 2010 Representative, Truth, Human Science and Management Organization Laboratory LLC (present position)</p> <p>June 2015 Outside Director, D-CIRCLE inc. (present position)</p> <p>Apr. 2016 Project Professor, Graduate School of Science and Technology, Keio University (present position)</p> <p>June 2017 Director, the Company (present position) Outside Director, Fukuoka Financial Group, Inc. / The Bank of Fukuoka, Ltd. (present position)</p>	200 shares
<p>Reasons for nomination as a candidate for Outside Director: In addition to his wealth of insight and experience gained through company management and research into organization management and human resources development at a company, etc., the candidate is considered to be highly independent and to present no risk of conflict of interest with general shareholders, and has therefore been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Outside Director.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Kazuhiro Suehisa and Satoshi Arata are new candidates for Director.
 3. It has been two (2) years since Hiroyuki Nagano was appointed as an Outside Director of the Company.
 4. It has been one (1) year since Toshiya Kosugi was appointed as an Outside Director of the Company.
 5. The Company has appointed Hiroyuki Nagano and Toshiya Kosugi to the position of Independent Officer, a position required by the Tokyo Stock Exchange, and plans to renew their appointment as Independent Officers provided that this proposal is passed and they assume office as Outside Directors.
 6. The Company has entered into a limited liability agreement with Hiroyuki Nagano and Toshiya Kosugi to ensure that they can fulfill their expected roles, and plans to renew the said agreement provided that this proposal is passed and they assume office as Outside Directors. The summary of the limited liability agreement is as follows:
 - If the said Outside Director incurs liability for damages arising out of failure to perform his duties, his liability shall be limited to the minimum amount provided for in Article 425, paragraph 1 of the Companies Act.
 - The above limitation shall only apply when it is recognized that the Outside Director performed the duties giving rise to such liability in good faith and with no gross negligence.

(Reference) Criteria for the Independence of Outside Directors

- (1) The candidate is not a business executor of the ESPEC Group.
- (2) The candidate is not an entity for which the ESPEC Group is a major business partner, or a business executor of said entity.
- (3) The candidate is not a major business partner of the ESPEC Group, or a business executor of said major business partner.
- (4) The candidate is not a recipient of substantial compensation monetarily or in other assets from the ESPEC Group as a consultant, accounting professional, or legal professional (or an employee of corporations, cooperatives and other organizations receiving such compensation), apart from compensation as a director or audit & supervisory board member.
- (5) The candidate was not until recently in infringement of items (1) through (4) above.
- (6) The candidate has no next of kin who was in infringement of items (1) through (5) above.
- (7) The candidate is not a next of kin to an important business executor of the ESPEC Group.
- (8) The candidate is not a next of kin to a person who was until recently in infringement of item (7) above.

Proposal 3: Election of two (2) Audit & Supervisory Board Members

The terms of Audit & Supervisory Board Members Takaaki Oda and Masahiko Tsutsumi expires at the close of this General Meeting of Shareholders. As such, the Company proposes to elect two (2) Audit & Supervisory Board Members.

Furthermore, the Company has received the approval of the Audit & Supervisory Board concerning this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career Summary and Position (Significant concurrent positions outside the Company)		Number of Company shares held
1	New candidate Yoshito Imaishi (August 3, 1963)	Apr. 1986	Joined the Company	5,000 shares
		Apr. 2007	General Manager, Finance & Accounting Department	
		Apr. 2018	Consultant, Corporate Control Headquarters (present position)	
Reason for nomination as candidate for Audit & Supervisory Board Member: He has been nominated as a candidate having been deemed capable of fulfilling his role as Audit & Supervisory Board Member because of his wealth of accumulated experience and knowledge gained through his professional experience as General Manager of the Company's Finance and Accounting Department and as Audit & Supervisory Board Member of ESPEC TEST SYSTEM CORP.				
2	Masahiko Tsutsumi (April 27, 1954) Candidate for Outside Audit & Supervisory Board Member Candidate for Independent Officer	Apr. 1978	Joined Auditing Firm Chuo Accounting Office	1,083 shares
		Feb. 1981	Registered as a certified public accountant	
		Feb. 1994	Launched Tsutsumi Certified Public Accountant Office (present position)	
		June 2005	Outside Audit & Supervisory Board Member, TOYO SHUTTER CO., LTD. (present position)	
		June 2014	Audit & Supervisory Board Member, the Company (present position)	
Reasons for nomination as an Outside Audit & Supervisory Board Member: In addition to his wealth of insight and experience gained as a certified public accountant, the candidate is considered to be highly independent and to present no risk of conflict of interest with general shareholders, and has therefore been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Outside Audit & Supervisory Board Member.				

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Yoshito Imaishi is a new candidate for Audit & Supervisory Board Member.
 3. It has been four (4) years since Masahiko Tsutsumi was appointed as an Audit & Supervisory Board Member of the Company.
 4. The Company has appointed Masahiko Tsutsumi to the position of Independent Officer, a position required by the Tokyo Stock Exchange, and plans to renew his appointment as an Independent Officer provided that this proposal is passed and he assumes office as Outside Audit & Supervisory Board Member. Please refer to page 6 for "Criteria for the Independence of Outside Directors."
 5. The Company has entered into a limited liability agreement with Masahiko Tsutsumi to ensure that he can fulfill his expected role, and plans to renew the said agreement provided that this proposal is passed and he assumes office as an Outside Audit & Supervisory Board Member. The summary of the limited liability agreement is as follows:
 - If the said Outside Audit & Supervisory Board Member incurs liability for damages arising out of failure to perform his duties, his liability shall be limited to the minimum amount provided for in Article 425, paragraph 1 of the Companies Act.
 - The above limitation shall only apply when it is recognized that the Outside Audit & Supervisory Board Member performed the duties giving rise to such liability in good faith and with no gross negligence.

Proposal 4: Introduction of performance-linked share-based remuneration system for Directors, etc.

1. Reasons for the proposal

The Company requests approval of the introduction of a new performance-linked share-based remuneration system called “Board Benefit Trust (BBT)” for the Company’s Directors (excluding Outside Directors, hereinafter referred to as “Directors”) and Executive Officers (hereinafter, “Directors, etc.” shall be used to collectively refer to Directors and Executive Officers who do not serve concurrently as Directors) (the “System”).

The purpose of this proposal is to heighten awareness toward contributing to the medium- to long-term improvement in the business performance and enhancement of corporate value, by clarifying the linkage between remuneration for Directors, etc. and the business performance and stock value of the Company.

In order to provide the Company’s Directors with new share-based remuneration, the Company requests approval of the amount of remuneration, etc., separately from the remuneration for Directors which was approved at the 55th Ordinary General Meeting of Shareholders held on June 24, 2008 (300 million yen or less per annum (of which 25 million yen or less per annum was for Outside Directors)). Details of the System shall be determined by the Board of Directors within the framework of 2 below.

At present, three (3) Directors are eligible for the System. However, there will be five (5) eligible Directors if Proposal 2 is approved and adopted in its original form.

2. The amount of remuneration and reference information for the System

(1) Outline of the System

The System is a performance-linked share-based remuneration system under which the Company shares are acquired through a trust using funds contributed by the Company (hereinafter, the trust established under the System shall be referred to as the “Trust”), and the Directors, etc. are provided with the Company shares and the money equivalent to the market value of the Company shares (hereinafter referred to as the “Company shares, etc.”) through the Trust in accordance with the Regulations for Delivery of Shares to Officers stipulated by the Company. In principle, Directors, etc. will receive the Company shares, etc. at the time of their retirement.

(2) Persons eligible for the System

Directors (excluding Outside Directors) and Executive Officers of the Company

(3) Trust period

From August 2018 (planned) to the termination of the Trust. No specific date will be established for the termination of the Trust, and the Trust will continue as long as the System is maintained. The System will be terminated upon the delisting of the Company shares, abolition of the Regulations for Delivery of Shares to Officers, etc.

(4) Amount of the Trust (amount of remuneration, etc.)

Provided that this proposal is approved, the Company will introduce the System for four (4) fiscal years from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2022 (hereinafter referred as to “Initial Eligibility Period,” and the Initial Eligibility Period and each of four (4) fiscal years following the Initial Eligibility Period shall be referred to as the “Eligibility Period”), as well as each subsequent Eligibility Period. In addition, the Company will contribute the following amount of money to the Trust as funds for acquisition of the Company shares in order to provide the Company shares, etc. to Directors, etc.

First, at the start of the Trust period in (3) above, the Company will contribute up to 412 million yen (of which 300 million yen is for Directors) to the Trust as funds required for the Initial Eligibility Period.

After the end of the Initial Eligibility Period, in principle, the Company will make an additional contribution of up to 412 million yen (of which 300 million yen is for Directors) to the Trust for each Eligibility Period until the termination of the System. However, in the case of such additional contributions, if there is any Company shares remaining in the trust asset (excluding those equivalent to the points granted to Directors, etc. for each Eligibility Period up to the latest such period and whose Delivery is not yet complete) and/or money (the “Remaining Shares, etc.”), the

total amount of such Remaining Shares, etc. (for the Company shares, the book value on the last day of the immediate preceding Eligibility Period) and the trust money additionally paid by the Company is to be within the limit of 412 million yen (of which 300 million yen is for Directors).

The Company will disclose its decision of additional contribution in a timely and appropriate manner.

(5) Method of acquiring the Company shares and number of Shares to be acquired

The acquisition of the Company shares by the Trust will be carried out through the stock exchange market or by underwriting the disposition of the Company's treasury stock using funds contributed to the Trust per (4) above.

For the Initial Eligibility Period, a maximum of 320 thousand shares shall be acquired without delay after the establishment of the Trust.

The Company will disclose details of acquisition of the Company shares by the Trust in a timely and appropriate manner.

(6) Calculation method for the number of the Company shares, etc. to be provided to Directors, etc.

For each fiscal year, a certain number of points will be granted to Directors, etc. based on their position and achievement of performance, pursuant to the Regulations for Delivery of Shares to Officers. The total number of points granted to Directors, etc. for each fiscal year shall not exceed 80 thousand points (of which 60 thousand points are for Directors). This was determined to be appropriate based on a comprehensive consideration of the current level of remuneration paid to officers, and the trend and estimates in the number of Directors, etc.

Furthermore, at the time of the provision of Company shares, etc. as described in (7) below, each point granted to Directors, etc. will be converted into one share of the Company's common stock (provided, however, that if after approval of this proposal, there is a stock split, share allotment without contribution or share consolidation, etc., in regard to the Company shares, adjustments will be reasonably made to the maximum number of points and the number of points already granted, or the conversion ratio, according to the relevant ratio).

In principle, the number of points for Directors, etc. that will serve as the basis for the provision of the Company shares, etc. per (7) below shall be the number of points granted to the said Directors, etc. by the time of their retirement (hereinafter referred to as "Confirmed Points").

(7) Provision of the Company shares, etc.

Retired Directors, etc., who satisfy the beneficiary requirements stipulated in the Regulations for Delivery of Shares to Officers, will, in principle, receive the number of the Company shares from the Trust based on the number of "Confirmed Points" set forth per (6) above by completing the prescribed beneficiary confirmation procedures. However, for a certain portion of points, money equivalent to the market value of the Company shares will be paid in lieu of the provision of the Company shares, if Directors, etc. fulfill the requirements stipulated in the Regulations for Delivery of Shares to Officers. In order to pay such money, the Trust may sell the Company shares.

(8) Exercise of voting rights

Pursuant to the instructions of the trust administrator, voting rights for the Company shares in the Trust shall not be exercised. Under this method, it is intended to ensure the neutrality to the Company's management with regard to the exercise of voting rights for the Company shares.

(9) Handling of dividends

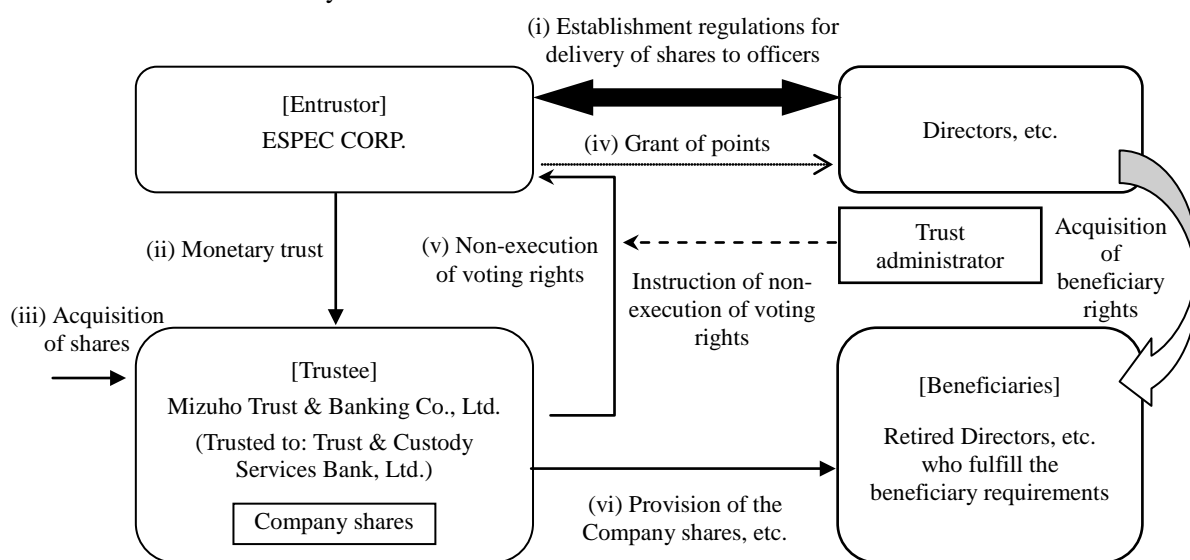
Dividends on the Company shares within the Trust will be received by the Trust and will be allocated for acquisition of the Company shares or trust fees paid to the trustee of the Trust. In the event of the termination of the Trust, dividends, etc. remaining within the Trust will be provided to Directors, etc. who are in office at that time, proportionally based on the number of points held by each Director.

(10) Handling upon termination of the Trust

The Trust will be terminated upon the occurrence of an event such as delisting of the Company shares or abolition of the Regulations for Delivery of Shares to Officers.

The Company shares in the residual assets of the Trust at the time of the Trust's termination will be acquired free of charge by the Company in its entirety and then be canceled by a resolution at a Board of Directors meeting. The money portion in the residual assets of the Trust at the time of the Trust's termination will be provided to the Company, excluding the amount paid to Directors pursuant to (9) above.

<Reference: Scheme of the System>



- (i) The Company will establish the Regulations for Delivery of Shares to Officers within the framework approved in this proposal.
- (ii) The Company will entrust the money within the scope approved under this proposal.
- (iii) Using the money entrusted in (ii), the Trust will acquire the Company shares through the stock exchange market or by underwriting the disposition of the Company's treasury stock.
- (iv) The Company will grant points to Directors, etc. pursuant to the Regulations for Delivery of Shares to Officers.
- (v) Pursuant to the instructions of the trust administrator independent from the Company, the Trust will not exercise voting rights for the Company shares in the Trust account.
- (vi) The Trust will provide to retired Directors, etc. who fulfill the beneficiary requirements stipulated in the Regulations for Delivery of Shares to Officers (hereinafter referred to as the "Beneficiaries") the Company shares based on the number of points granted to the said Beneficiaries. However, for a certain portion of points, money equivalent to the market value of the Company shares will be paid if Directors, etc. fulfill the requirements stipulated in the Regulations for Delivery of Shares to Officers.