

Securities ID code:6859

Results Briefing
for the Fiscal Year Ended March 31, 2022

ESPEC CORP.

May 25, 2022

Financial Result for the Fiscal Year Ended March 31, 2022

Orders received were strong mainly in electronics-related products and reached record highs.

Net sales failed to grow due to an electronic component shortage, and profit decreased due to procurement costs and selling, general and administrative expenses.

Year on Year

Comparison with Forecasts (Revised in February, 2022)

■ Orders Received	○ Increased substantially in the Equipment Business (mainly environmental test chambers)	○ Continued strong performance in the Equipment Business (mainly environmental test chambers)
■ Net Sales	○ Increased in the Equipment Business (mainly environmental test chambers) and Service Business	○ Equipment Business fell slightly short, but was in line with forecast
■ Operating Profit	× Decreased due to a rise in procurement costs and an increase in selling, general and administrative expenses in line with an increase of orders received	× Below forecast due to a deterioration in the cost-of-sales ratio and an increase in selling, general and administrative expenses.
■ Ordinary Profit, Profit Attributable to Owners of Parent	× Decreased due to the decrease in operating profit	○ In line with forecast through gain on sale of investment securities, etc.

■ Looking at the dividend per share, the annual dividend forecast is ¥60, with an interim dividend of ¥18 and a year-end dividend of ¥42, as initially planned.

Summary of Profits and Losses

(Millions of yen)

	FY 2020 Results	FY2021 Forecast (February, 2022)	FY 2021 Results	Year on Year	Against forecast
Orders Received	37,580	50,800	51,303	+36.5%	+1.0%
Net Sales	38,668	42,200	41,852	+8.2%	-0.8%
Cost of Net Sales	25,255	27,900	27,849	+10.3%	-0.2%
Cost Ratio	65.3%	66.1%	66.5%	1.2pt deterioration	0.4pt deterioration
Gross Profit	13,412	14,300	14,003	+4.4%	-2.1%
SG&A	10,839	11,900	12,034	+11.0%	+1.1%
Operating Profit	2,572	2,400	1,968	-23.5%	-18.0%
Ordinary Profit	2,840	2,600	2,322	-18.2%	-10.7%
Profit Attributable to Owners of Parent	1,961	1,900	1,905	-2.8%	+0.3%

From July 2021, ESPEC THERMAL TECH SYSTEM CORP. has been included in the scope of consolidation.

Performance by Segment

(Millions of yen)

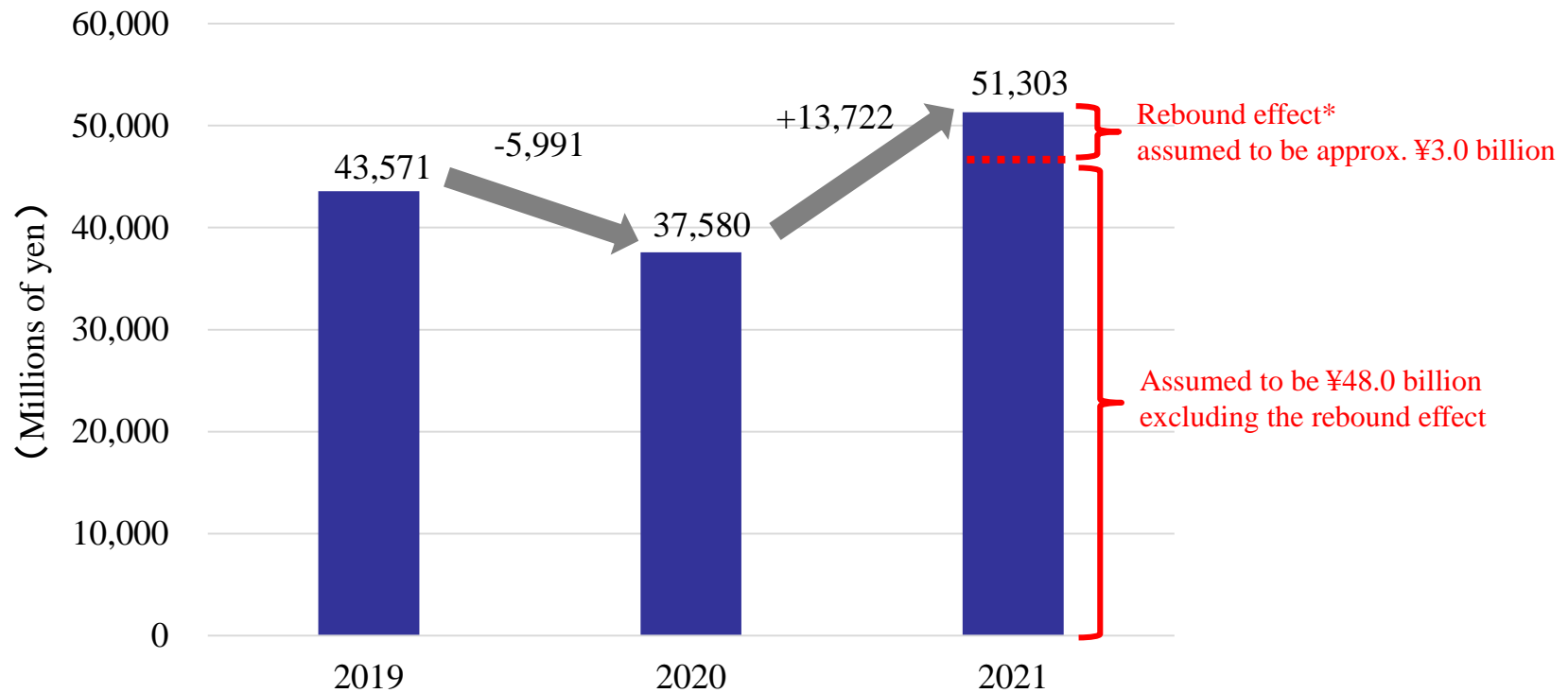
Segment		FY 2020 Results	FY2021 Forecast (February, 2022)	FY 2021 Results	Year on Year	Against forecast
Equipment Business	Orders Received	30,755	43,450	43,535	+41.6%	+0.2%
	Net Sales	30,669	35,000	34,518	+12.6%	-1.4%
	Operating Profit	2,062	1,920	1,370	-33.5%	-28.6%
Service Business	Orders Received	6,153	6,450	6,771	+10.0%	+5.0%
	Net Sales	6,063	6,400	6,407	+5.7%	+0.1%
	Operating Profit	446	550	618	+38.5%	+12.4%
Other Business	Orders Received	976	1,200	1,265	+29.6%	+5.4%
	Net Sales	2,241	1,100	1,188	-47.0%	+8.0%
	Operating profit	60	-70	-23	-	-
Elimination	Orders Received	-304	-300	-269	-	-
	Net Sales	-305	-300	-261	-	-
	Operating Profit	3	0	2	-	-
Total	Orders Received	37,580	50,800	51,303	+36.5%	+1.0%
	Net Sales	38,668	42,200	41,852	+8.2%	-0.8%
	Operating Profit	2,572	2,400	1,968	-23.5%	-18.0%

From July 2021, ESPEC THERMAL TECH SYSTEM CORP. has been included in the scope of consolidation.

<Investigation> Orders Received in FY2021

■ Orders received reached record highs partly because of a rebound effect from FY2020

Orders Received (Consolidated)



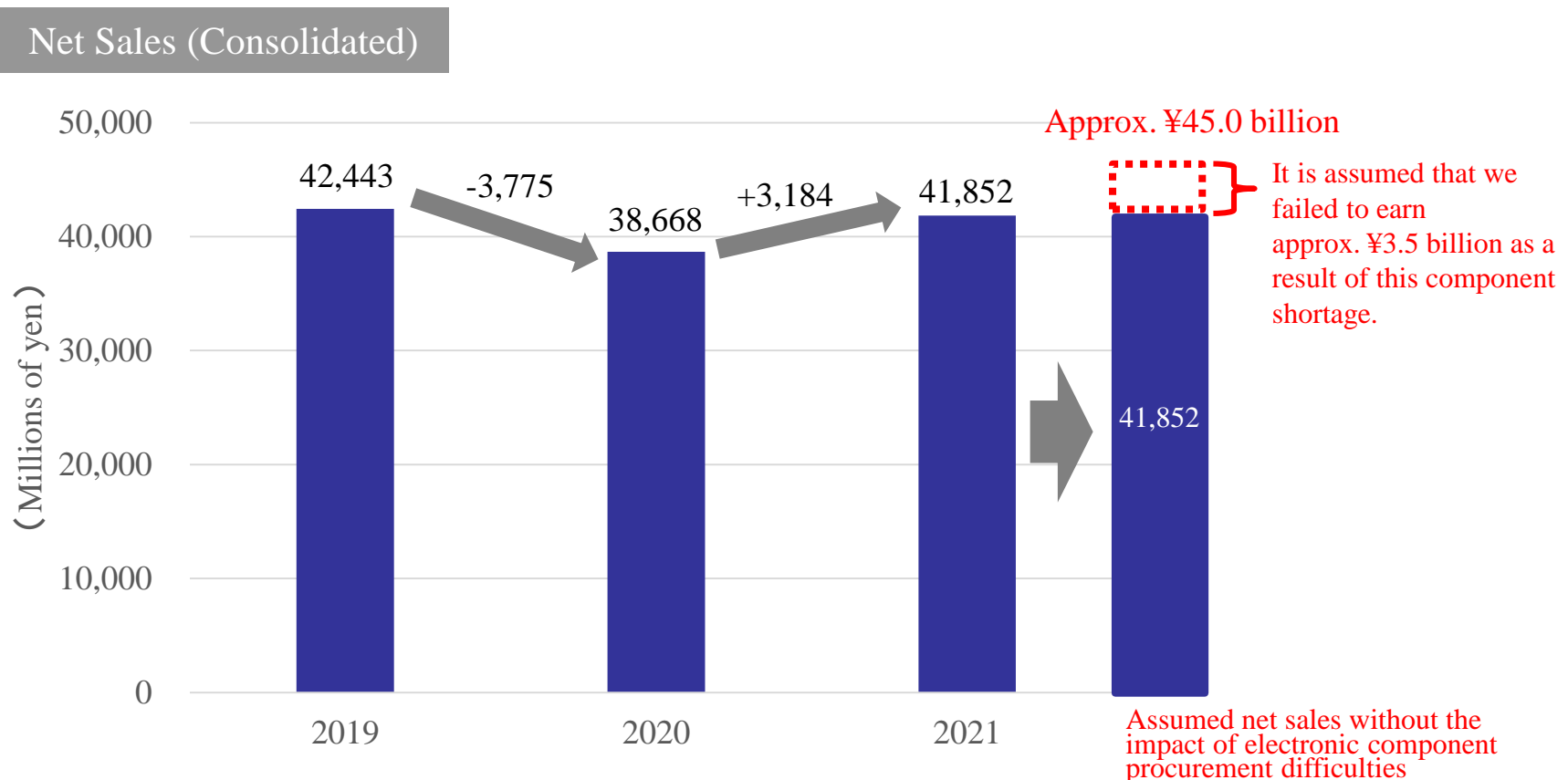
*Rebound effect

The amount assuming that investments planned in FY2020 were implemented in FY2021

<Investigation> Net Sales in FY2021

■ Prolonging of production lead times due to electronic component procurement difficulties.

Due to a global shortage of semiconductors and electronic components, production could not be completed. ESPEC strengthened its procurement capabilities, selected alternatives, and made design changes, but its efforts were not enough to overcome the component shortage.



Operating Profit in FY 2021

■ Reasons why operating profit decreased greatly despite an increase in sales

Surging prices
of procured materials

Surging prices of electronic components and component materials, costs of making design changes to alternatives

Decline in productivity

Changed production processes to shorten production lead times

Increase in selling, general
and administrative expenses

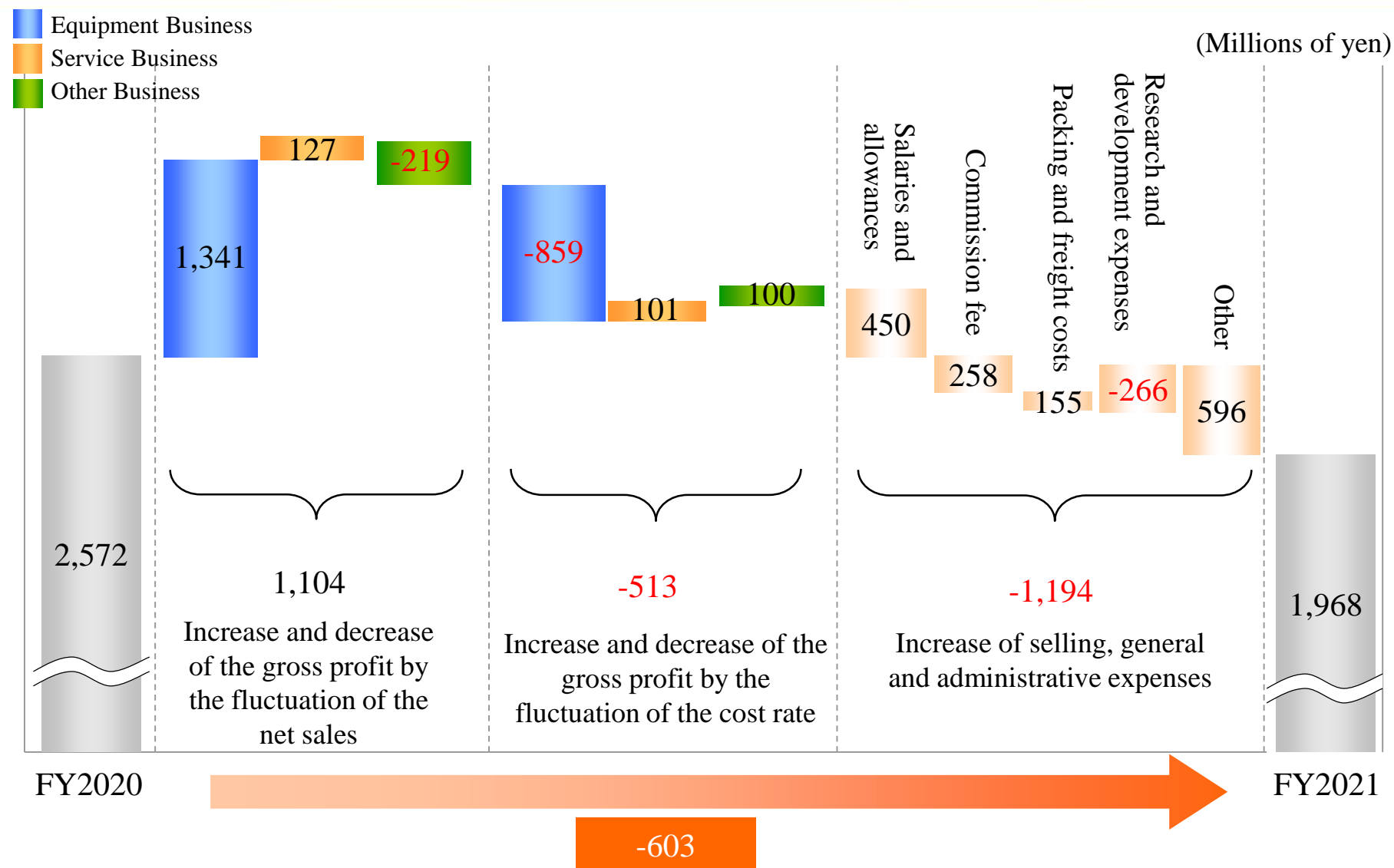
Increases in quotations and activity expenses
due to booming orders received

Surging logistics costs

■ Reasons why operating profit decreased greatly compared to figures announced in February

- Sales on a consolidated basis was unable to record due to logistical delays in the Chinese business
- Material costs surged higher than expected in the North American business

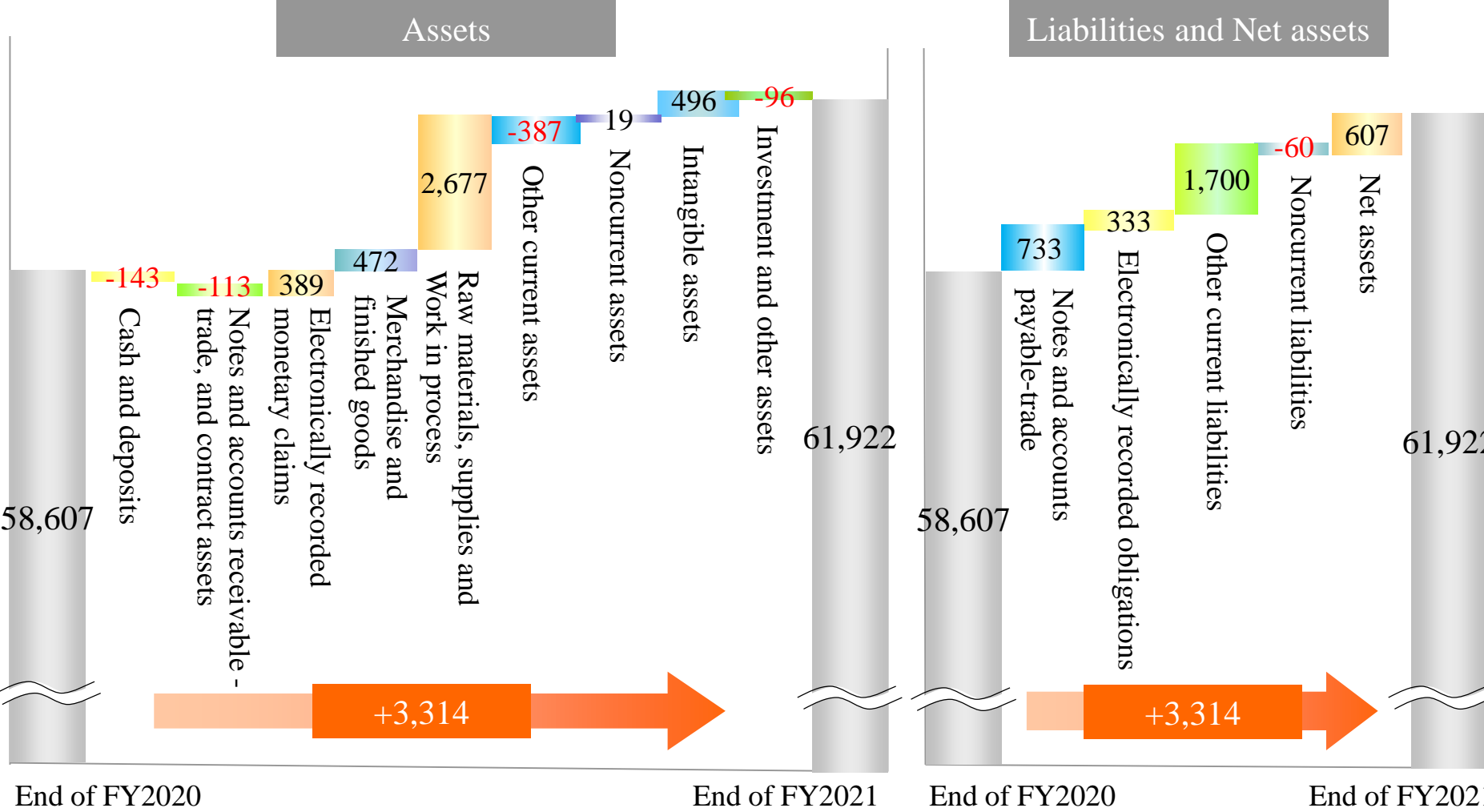
Analysis of Operating Profit Increase and Decrease Factor



*Totals have been calculated using the gross profit per net sales rate.

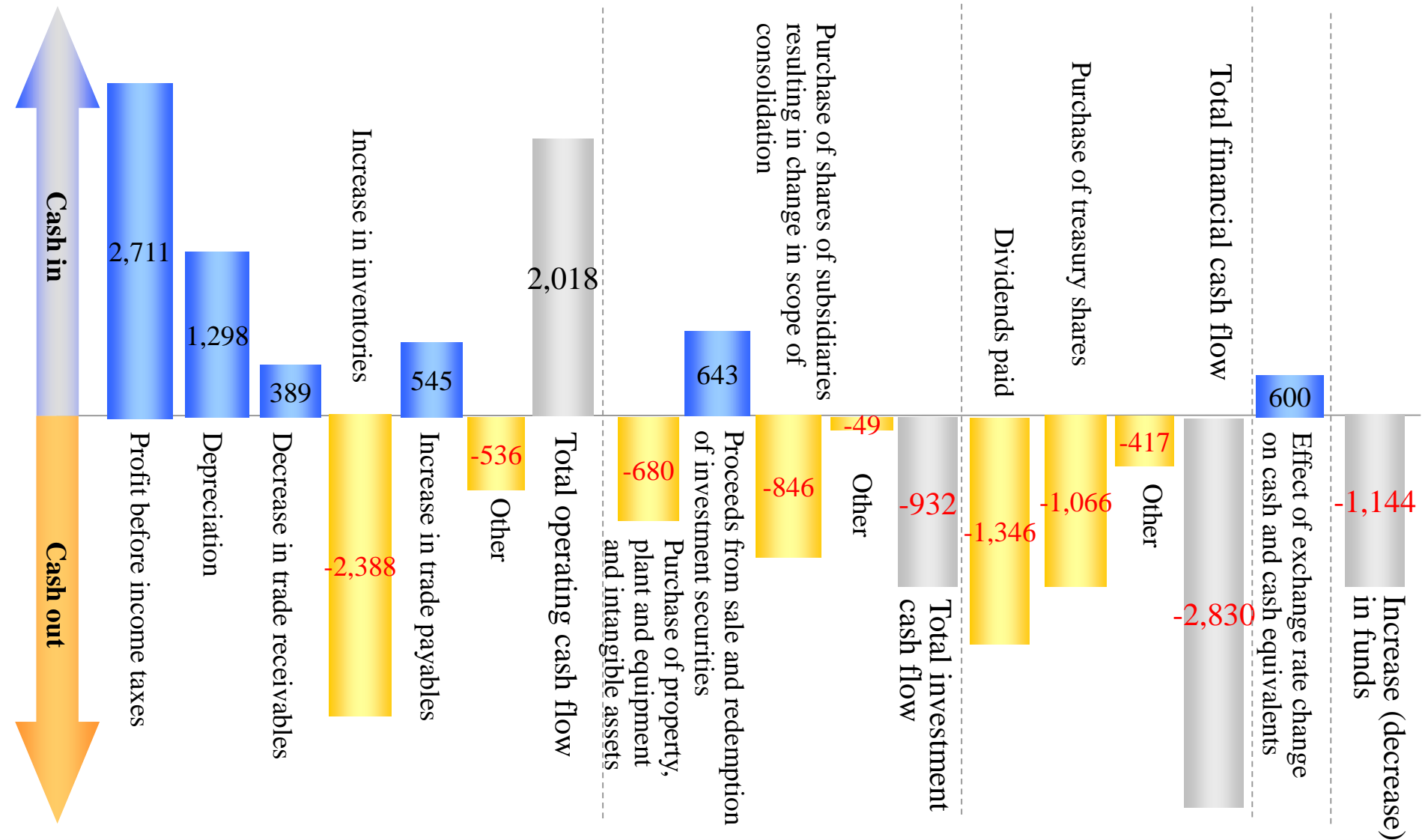
Statement of Assets and Liabilities

(Millions of yen)



Statements of Cash Flows

(Millions of yen)



Equipment Business

(Millions of yen)

	FY 2020 results	FY2021 Forecast (February, 2022)	FY 2021 Results	Year on Year	Against forecast
Orders Received	30,755	43,450	43,535	+41.6%	+0.2%
Net Sales	30,669	35,000	34,518	+12.6%	-1.4%
Operating Profit	2,062	1,920	1,370	-33.5%	-28.6%
Profit Ratio(%)	6.7%	5.5%	4.0%		

Environmental Test Chambers

- In Japan, both highly versatile standardized products and customized products, mainly in electronics, were strong. Orders received increased year on year, and net sales were on par with the previous year.
- Overseas, both orders received and net sales increased year on year as the segment performed well, mainly focused on electronics and automobiles. Increases were particularly notable in China, North America, and Europe.

Energy Device Equipment

- Orders received and net sales both increased year on year and orders were acquired for evaluation systems for secondary batteries due to recovery in automotive-related investment.

Semiconductor Equipment

- Orders received increased while investment related to memory and automobiles continued and net sales decreased year on year.

Service Business

(Millions of yen)

	FY 2020 results	FY2021 Forecast (February, 2022)	FY 2021 Results	Year on Year	Against forecast
Orders Received	6,153	6,450	6,771	+10.0%	+5.0%
Net Sales	6,063	6,400	6,407	+5.7%	+0.1%
Operating Profit	446	550	618	+38.5%	+12.4%
Profit Ratio(%)	7.4%	8.6%	9.7%		

After-Sales Service and Engineering

- Both orders received and net sales increased year on year due to a strong performance in preventive maintenance services, such as maintenance agreements.

Laboratory Testing Services and Facility Rentals

- Both orders received and net sales increased year on year, as laboratory testing services performed well.

Other Business

(Millions of yen)

	FY 2020 results	FY2021 Forecast (February, 2022)	FY 2021 Results	Year on Year	Against forecast
Orders Received	976	1,200	1,265	+29.6%	+5.4%
Net Sales	2,241	1,100	1,188	-47.0%	+8.0%
Operating Profit Profit Ratio(%)	60 2.7%	-70 -6.4%	-23 -2.0%	-	-

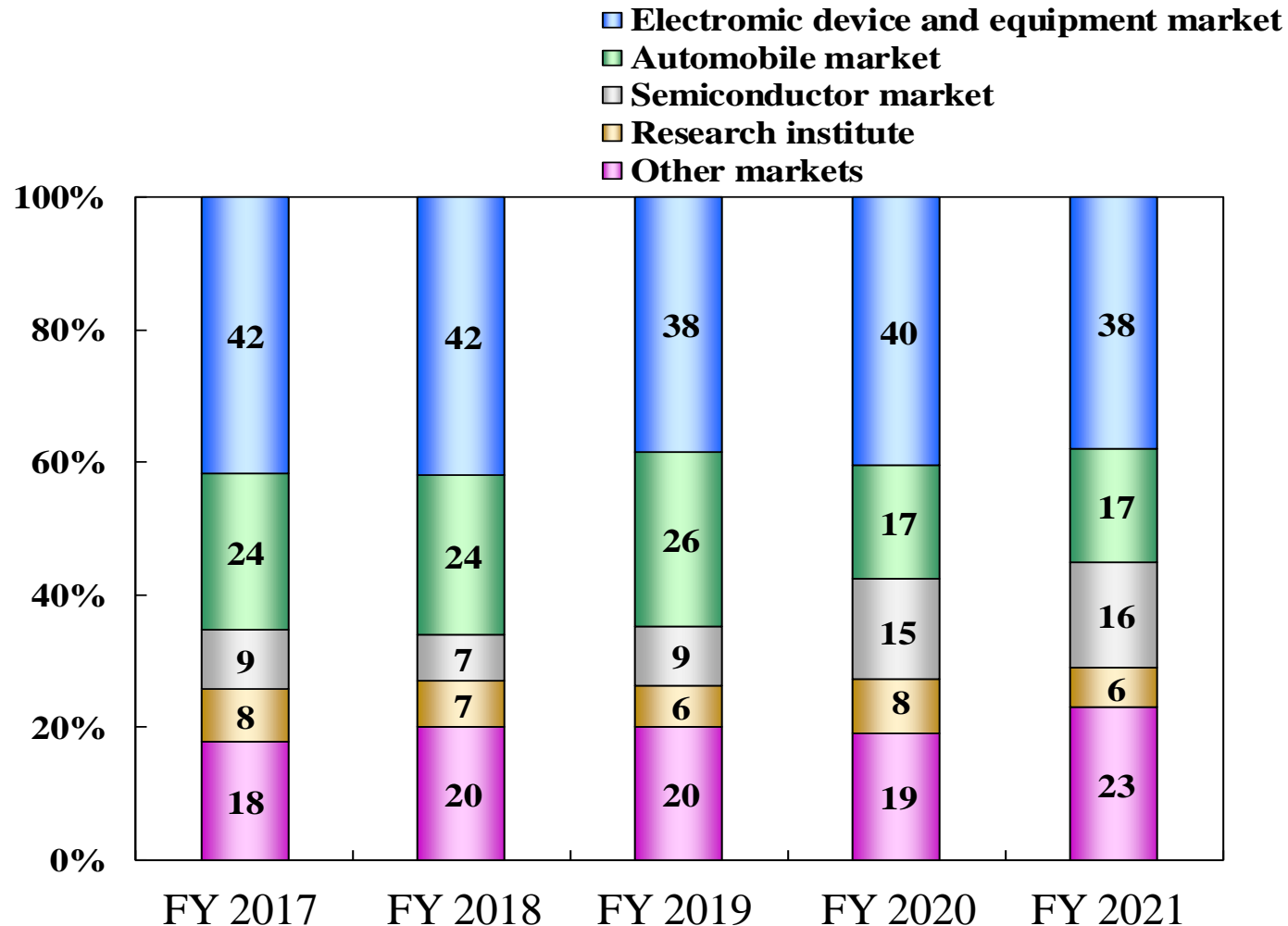
Environmental Preservation, Plant Production Systems

- Orders received increased for forest and waterside creation, and plant factories.

Net sales decreased because there was a large plant factory project in the same period of the previous fiscal year.

Sales by Market

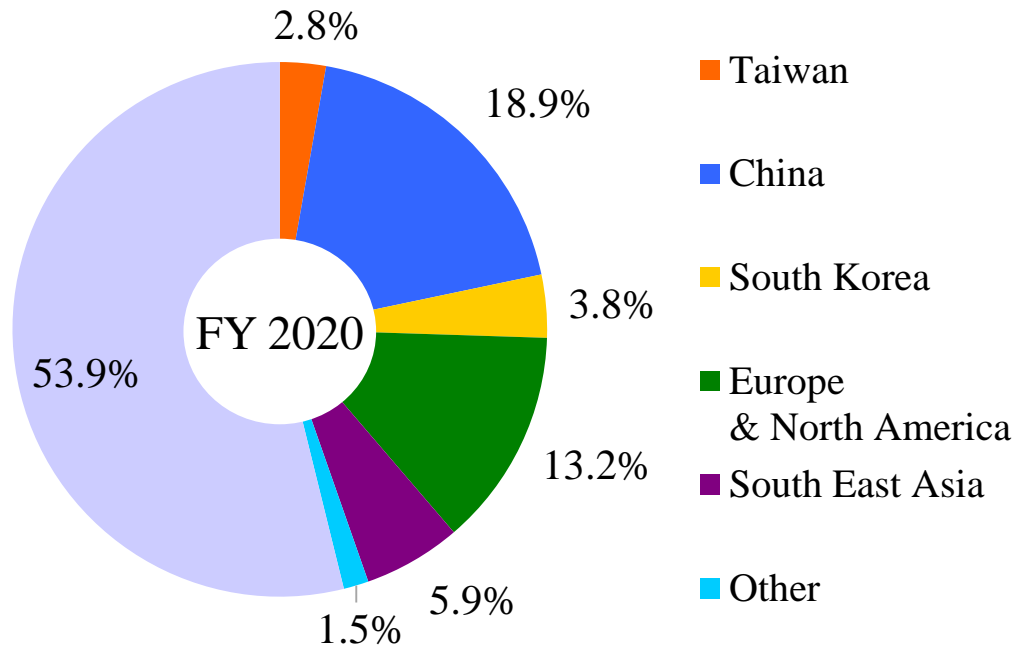
Non-consolidated (Equipment business)



Sales by Region

FY 2020

Overseas sales ratio: 46.1%

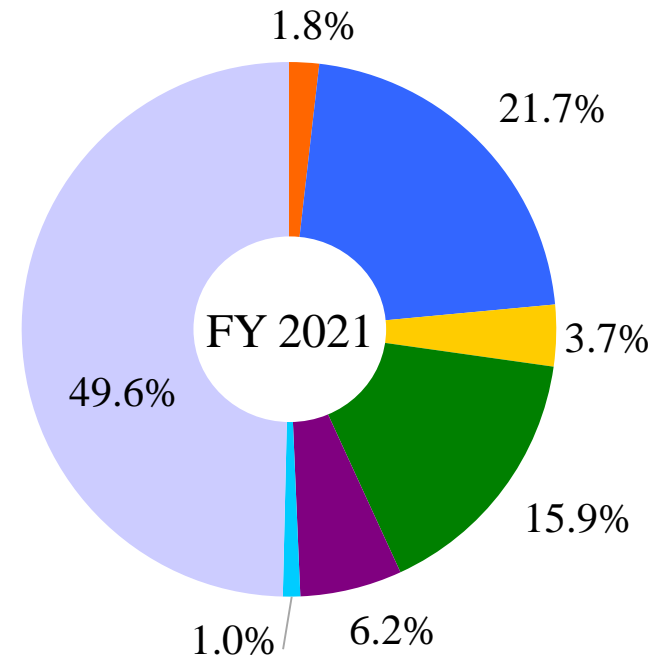


Total: 38,668 million yen

Overseas sales: 17,845 million yen

FY 2021

Overseas sales ratio: 50.4%



Total: 41,852 million yen

Overseas sales: 21,080 million yen

Although the business environment will remain uncertain and difficult to predict, we will make a full commitment to normalizing product delivery times, and achieve profitability of strong orders received.

Forecasts for Fiscal 2022

(Millions of yen)

	FY 2021	FY 2022			
	Full Year Results	First half forecasts	Second half forecasts	Full year forecasts	Year on Year
Orders-received	51,303	24,000	26,000	50,000	-2.5%
Net sales	41,852	23,500	26,500	50,000	+19.5%
Gross profit	14,003	8,350	9,650	18,000	+28.5%
Profit ratio (%)	33.5%	35.5%	36.4%	36.0%	
SG&A	12,034	6,400	6,600	13,000	+8.0%
SG&A ratio (%)	28.8%	27.2%	24.9%	26.0%	
Operating profit	1,968	1,950	3,050	5,000	+153.9%
Profit ratio(%)	4.7%	8.3%	11.5%	10.0%	
Ordinary profit	2,322	2,000	3,100	5,100	+119.6%
Profit ratio(%)	5.5%	8.5%	11.7%	10.2%	
Profit attributable to owners of parent	1,905	1,300	2,300	3,600	+88.9%
Profit ratio (%)	4.6%	5.5%	8.7%	7.2%	
Capital expenditures	910	1,200	640	1,840	+102.2%
Depreciation expenses	1,253	670	710	1,380	+10.1%
R&D expenditures	1,035	730	600	1,330	+28.5%
Basic earnings per share(yen)	84.89	58.11	102.81	160.92	+89.6%

Recognition of the Operating Environment

- Predicts that orders will continue to be strong, mainly in cutting-edge technology fields like IoT and next-generation automobiles.
- Electronic component shortages and the prolonging of lockdowns in China are a cause for concern.

Equipment Business	Environmental Test Chambers	<p>Japan: Investment is active, mainly in electronic components and semiconductor procurement. Orders related to EV and automated driving continuing toward recovery.</p> <p>China: Investment is active, mainly in semiconductors, electronic components and EV procurement. The impact from the prolonging of lockdowns is a cause for concern.</p> <p>ASEAN: Expect gradual recovery mainly in semiconductors.</p> <p>North America: Investment is active, mainly in EV and semiconductor procurement.</p> <p>Europe: Investment is active, mainly in automated driving and EV procurement.</p>
	Energy Device Equipment	Forecasts recovery primarily in products for secondary batteries.
	Semiconductor Equipment	Investment will continue, mainly for IoT-oriented products.
Service Business	After-sales Service and Engineering, Laboratory Testing Services and Facility Rentals	<p>After-sales Service and Engineering: Expect similar level of demand as in the previous fiscal year.</p> <p>Laboratory Testing Services: Testing demand continuing in advanced cutting-edge technology fields.</p>
Other Business	Environmental Preservation, Plant Production Systems	Forecasts recovery in both the environmental preservation and plant factory businesses.

Segment Financial Forecasts

(Millions of yen)

		FY 2021	FY 2022			
		Full Year Results	First half forecasts	Second half forecasts	Full year forecasts	Year on Year
Equipment Business	Orders-Received	43,535	20,200	21,700	41,900	-3.8%
	Net sales	34,518	20,000	22,100	42,100	+22.0%
	Operating profit	1,370	1,850	2,770	4,620	+237.0%
Service Business	Orders-Received	6,771	3,200	3,400	6,600	-2.5%
	Net sales	6,407	3,100	3,400	6,500	+1.4%
	Operating profit	618	150	200	350	-43.4%
Other Business	Orders-Received	1,265	750	1,050	1,800	+42.2%
	Net sales	1,188	550	1,150	1,700	+43.1%
	Operating profit	-23	-50	80	30	-
Elimination	Orders-Received	-269	-150	-150	-300	-
	Net sales	-261	-150	-150	-300	-
	Operating profit	2	0	0	0	-
Total	Orders-Received	51,303	24,000	26,000	50,000	-2.5%
	Net sales	41,852	23,500	26,500	50,000	+19.5%
	Operating profit	1,968	1,950	3,050	5,000	+153.9%

Main Initiatives in FY2022

Equipment Business

- Enhance product lineup to address testing demand in cutting-edge technology fields
- Globally develop customized products through overseas market launch of large-scale products
- Launch products for the European market
- Strengthen sales with a focus on global customers

Service Business

After-sales Service and Engineering: Expand preventative maintenance services through “super support service plan,” a new service

Laboratory Testing Services: Enhance testing services for cutting-edge technology fields

New Business

Strengthen initiatives toward market permeation in the pharmaceutical cold chain business or food machinery business

Main Initiatives for ESG in FY2022

■ E (Environment)

- Promote the 8th Medium-term Plan on the Environment (FY2022-2025)
- Global warming countermeasure: Change to low-GWP refrigerant
Reduce CO₂ emissions in business activities such as manufacturing
- Biodiversity conservation activities: Contributions through ESPEC MIC Corp.'s business
Promote conservation activities through company-managed forests

■ S (Society)

- Expand opportunities for employees (managers and general employees) to re-learn
- Promote active roles for diverse human resources including training female managers

■ G (Governance)

- April 1, 2022: Launched a new system to replace company presidents
- June 23, 2022: Scheduled to transition to a Company with Audit & Supervisory Committee
Objectives: Further enhance deliberation by the Board of Directors and enhance the company's audit functions

Investment Plans in FY2022

Strategic investment	340 million yen
Ordinary investment	1,500 million yen
Total	1,840 million yen

R&D expenditures	1,330 million yen
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Main investments

- Increasing production capacity and further efficiency
- Expanding laboratory testing equipment
- System overhaul of after-sales services

etc.

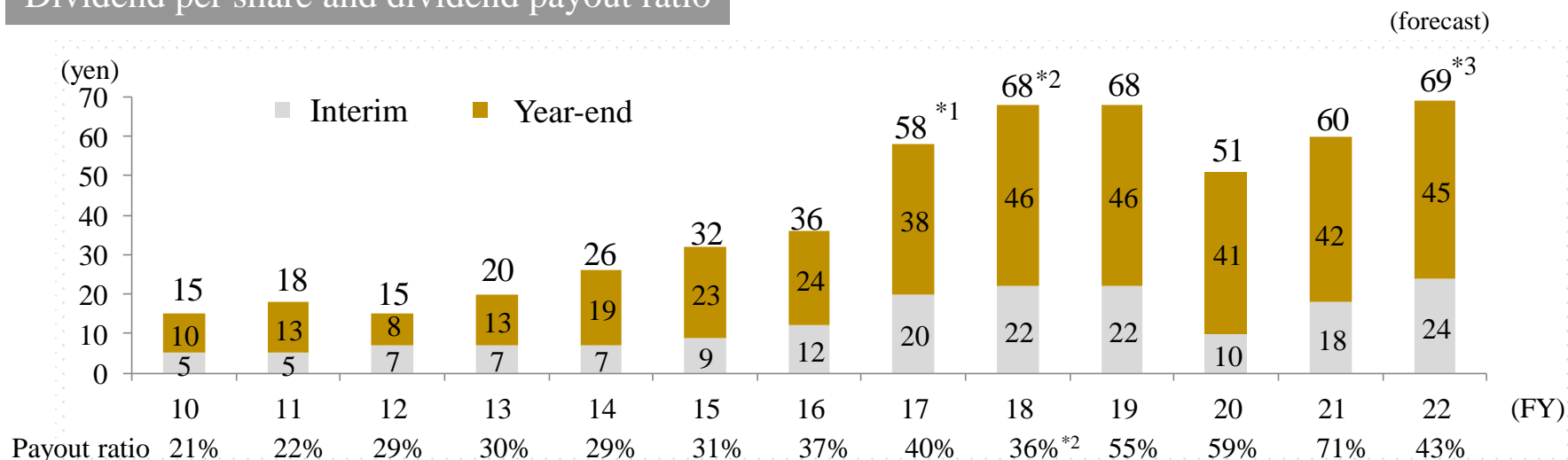
FY 2022 Dividend Forecast

Basic policy on profit distribution

Our basic policy is to determine dividends taking into account sustainability and the dividend payout ratio, and we revised our basic dividend policy as below at the Board of Directors meeting on May 13, 2022.

- In addition to a dividend payout ratio of 30%, we will add dividends with 1/3 of the excess amount of scheduled necessary funds as a baseline.
- We will maintain stable dividends of ¥20 per year regardless of profit levels, but will conduct a reevaluation in the event that we record a loss for two consecutive periods.
- While taking into account a necessary level of internal reserves, we flexibly implement acquisition of treasury shares.

Dividend per share and dividend payout ratio



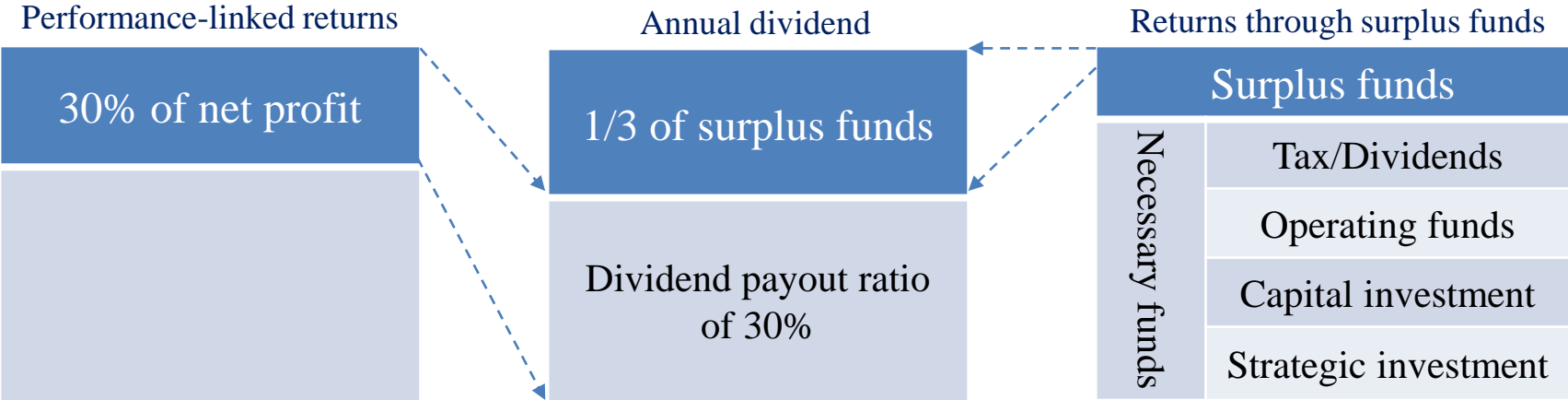
*1. Includes a dividend of ¥2 (interim dividend of ¥1 and year-end dividend of ¥1) to commemorate the 70th anniversary of our foundation in FY2017.

*2. FY2018 was an irregular 15-month fiscal period for overseas consolidated subsidiaries. The dividend payout ratio for a 12-month period is 39% (reference).

*3. Includes a dividend of ¥4 (interim dividend of ¥2 and year-end dividend of ¥2) to commemorate the 75th anniversary of our foundation in FY2022.

Basic Dividend Policy

Our basic policy is to determine dividends taking into account sustainability and the dividend payout ratio. In addition to a dividend payout ratio of 30%, we will add dividends with 1/3 of the excess amount of scheduled necessary funds as a baseline. While taking into account a necessary level of internal reserves, we flexibly implement acquisition of treasury shares.



*We will maintain stable dividends of ¥20 per year regardless of profit levels, but will conduct a reevaluation in the event that we record a loss for two consecutive periods.

Medium-term management plan “Progressive Plan 2025”

Plan Implementation Period FY2022-FY2025

Looking Back on “Progressive Plan 2021”

Basic Policy

Stable sustainable growth through strategic investment
and steady "improvement of quality“

- Promotion of globalization targeting growth areas and improvement of customization capabilities
- Lessening of fluctuations in business performance and development of businesses in new fields to achieve next-generation growth

- In FY2018, achieved record-high results and reached our operating profit target
- In FY2019 and FY2020, the operating environment worsened because of frictions between the U.S. and China and COVID-19.
- From the latter half of FY2020, orders received recovered, and reached record highs in FY2021, but did not result in earnings due to component procurement difficulties.

Management Targets and Actual Results in “Progressive Plan 2021”

(Millions of yen)

	Medium-term management plan 2017	Medium-term management plan 2021				
	FY 2017 Results	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Results	FY 2021 Initial Target
Net sales	44,069	50,580 47,060*	42,443	38,668	41,852	52,000
Operating profit	4,602	5,827 5,470*	3,742	2,572	1,968	5,200
Operating profit ratio	10.4%	11.5% 11.6%*	8.8%	6.7%	4.7%	10.0%
ROE	8.6%	10.5% 9.9%*	6.6%	4.5%	4.2%	8.5%
Overseas sales ratio	44.2%	51.0% 47.5%*	43.9%	46.1%	50.4%	50%
Reference: Exchange rate (U.S. dollars)	112 yen	110 yen	108 yen	106 yen	112 yen	110 yen (assumption)

*FY2018 was an irregular 15-month fiscal period for overseas consolidated subsidiaries. Reference figures showing a 12-month period have also been included.

Results and Management Issues in “Progressive Plan 2021”

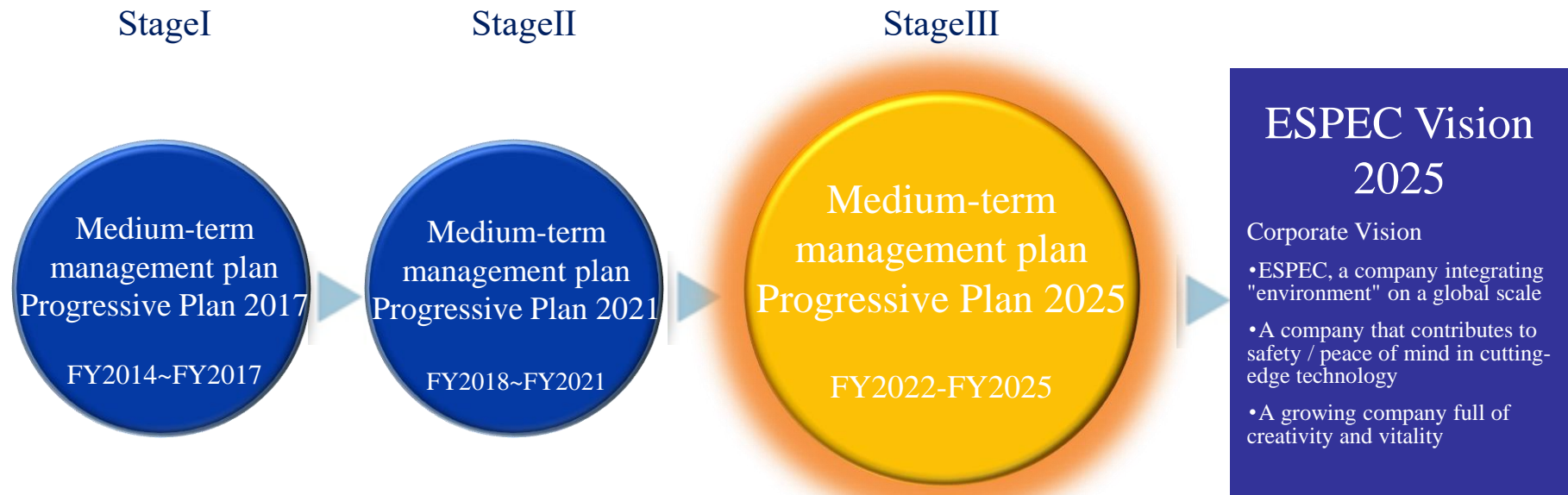
In the target market of cutting-edge technology fields, we increased orders received and net sales, and were able to build a business foundation on which to grow toward digitalization and a decarbonized society. One issue was strengthening our responsiveness amid rapid changes in the business environment.

Key Strategies	Results	Management Issues
Equipment Business <ul style="list-style-type: none"> •Expand revenues in automobile and IoT fields •Expand environmental factor technology •Develop businesses in new fields 	<ul style="list-style-type: none"> •Increased orders received in IoT field •Improved earnings of customized products •Promoted open innovation •Acquired fluid control technology through M&A •Launched products for vaccine cold chain 	<ul style="list-style-type: none"> •Taking initiative to seize demand in cutting-edge technology fields, and commercialization •Further promotion of globalization •Increasing sales of energy device equipment and semiconductor equipment •Making new businesses profitable •Stable procurement
Service Business <ul style="list-style-type: none"> •Develop a service menu •Expand the laboratory testing services business 	<ul style="list-style-type: none"> •Enhanced new services harnessing IT •Strengthened laboratory testing equipment, enhanced services 	
Global <ul style="list-style-type: none"> •Marketing Enhancement •Build an optimal worldwide manufacturing system 	<ul style="list-style-type: none"> •Expanded the Chinese business •Developed the European market •Strengthened systems for technological support in Southeast Asia •Increased production capacity (Japan, U.S.) 	
Management Base Strengthening •ESG <ul style="list-style-type: none"> •Promoting medium-term plan on the environment, contribution to the SDGs •Human Resource Development, diversity •Enhancement of corporate governance 	<ul style="list-style-type: none"> •Formulated a sustainability policy and identified important issues •Strengthened climate change countermeasures, and obtained a B score from the CDP •Strengthened educational systems, and promoted active roles for senior employees •Compatibility with the Corporate Governance Code 	<ul style="list-style-type: none"> •Promotion of sustainable management •Organizational activity and human resource training •Strengthening the Group’s governance

Positioning of “Progressive Plan 2025”

In order to achieve “ESPEC Vision 2025,” we have formulated and implemented medium-term management plans in cycles of four years for Stage I-III

The new medium-term management plan that begins in FY2022 is the final stage.
We will steadily implement strategies and aim to achieve our vision.



Overall Structure of “Progressive Plan 2025”

Basic Policy

Breaking through the inertia and the habits of individuals and workplaces and contributing to the practical application of advanced technologies.

- Aggressive investment in growth fields to provide products and services that contribute to the IoT and next-generation automobile markets.
- Improve the ability to respond to changes for business opportunities and unforeseen circumstances.

Management Strategy

1. Environmental Testing Business Strategy
 2. Global Strategy
 3. New Business Strategy
 4. Monozukuri (Manufacturing) Reform and DX Strategy
-
5. Organizational Development and Human Resources Development Strategy
 6. Management Base Strengthening Strategy (Environment/Society/Governance)

Management Targets in “Progressive Plan 2025”

	FY 2021 Results	FY 2025 Targets	Rate of Increase
Net sales	41.8 billion yen	55 billion yen	+30%
Operating Profit	1.9 billion yen	7 billion yen	+260%
Operating Profit Ratio	4.7%	12.7%	+8pt
ROE	4.2%	10%	+5.8pt

Reference

Exchange rate (USD) Actual FY2021 rate: ¥112, Assumed FY2025 rate: ¥115

Management Targets by Business Segment

(Millions of yen)

Item	Business Segment	FY2021 Results	FY 2025 Targets	Rate of Increase
Net Sales	Equipment Business	34,518	45,900	+30%
	Service Business	6,407	7,700	+20%
	Other Business	1,188	1,800	+50%
	Elimination	-261	-400	-
	Total	41,852	55,000	+30%
Operating Profit Profit Ratio(%)	Equipment Business	1,370 4.0%	5,950 13.0%	+330%
	Service Business	618 9.7%	1,000 13.0%	+60%
	Other Business	-23 -2.0%	50 2.8%	-
	Elimination	2	0	-
	Total	1,968 4.7%	7,000 12.7%	+260%

Key Markets (Cutting-Edge Technology Fields)



Digitalization and Decarbonization



IoT field

High-speed data transmission

Handheld devices, base stations

Cutting-edge semiconductors

High-speed graphic devices etc.

Data storage

Memory devices, servers

Next-generation automobile fields

Electrification

Batteries, power semiconductors,
motors

Automation

Cameras, millimeter-wave radar,
LIDAR

Connectivity

In-vehicle network devices, displays

For complete coordination of environmental tests!

Capture demand for tests that are becoming more sophisticated through equipment, services and technology

Expanded advanced tests

High heat generation

Rapid temperate changes

Developing large sizes



1. Environmental Testing Business Strategy

Equipment Business Segment

Equipment Business

An essential presence for global cutting-edge technologies!

- 1 Expand product lineup in core cutting-edge technology fields (IoT, next-generation automobiles)
- 2 Strengthen competitiveness in customized products globally and develop new markets
- 3 Expand new environmental factor technologies through the promotion of open innovation

Medium-Term Management Targets

(Millions of yen)

	FY2021 Results	FY2025 Targets	Rate of Increase
Net Sales	34,518	45,900	+30%
Operating Profit Profit Ratio(%)	1,370 4.0%	5,950 13.0%	+330%

1. Environmental Testing Business Strategy

Service Business Segment

Service Business

Helping to relieve customers' troubles!

- 1 Transition to a full technical support business that solves customers' concerns
- 2 Expansion of tests for cutting-edge technology fields and sophistication of test technology

Medium-Term Management Targets

(Millions of yen)

	FY2021 Results	FY2025 Targets	Rate of Increase
Net Sales	6,407	7,700	+20%
Operating Profit	618	1,000	+60%
Profit Ratio(%)	9.7%	13.0%	

2. Global Strategy

Global Business

Contribute to the development of the world's cutting-edge technology fields!

1 Enhance marketing in China, South Korea, and Europe

	FY2021 Results	FY2025 Rate of Increase Targets
China	9 billion yen	+50%
South Korea	1.5 billion yen	+100%
Europe	1.8 billion yen	+50%

3. New Business Strategy

New Business

Establish new business pillars!

- 1 Establish a foundation for new business and venture into new fields

**Pharmaceutical cold
chain business**

**Food machinery
business**

**Thermal solutions
business**

Biodiversity business

4. Monozukuri (Manufacturing) Reform and DX Strategy

Monozukuri (Manufacturing) Reform

Manufacturing that will capture new demand before competitors!

- 1 Cutting-edge, customized manufacturing through digital technology

DX Strategy

Transformation of business models!

- 1 Strengthening customer connection points and accumulating and sharing internal information by utilizing data
- 2 Renewing business styles through digital technology

5. Organizational Development and Human Resources Development Strategy

6. Management Base Strengthening Strategy

Organizational Development and Human Resources Development

Becoming a growth company overflowing with creativity and vitality!

- 1 Promote the corporate philosophy internally and create an organization that develops autonomous employees
- 2 Promote leadership reforms and re-learning
- 3 DX, develop global human resources and promote activity of diverse employees

Management Base Strengthening

Creating a foundation to support sustainable growth!

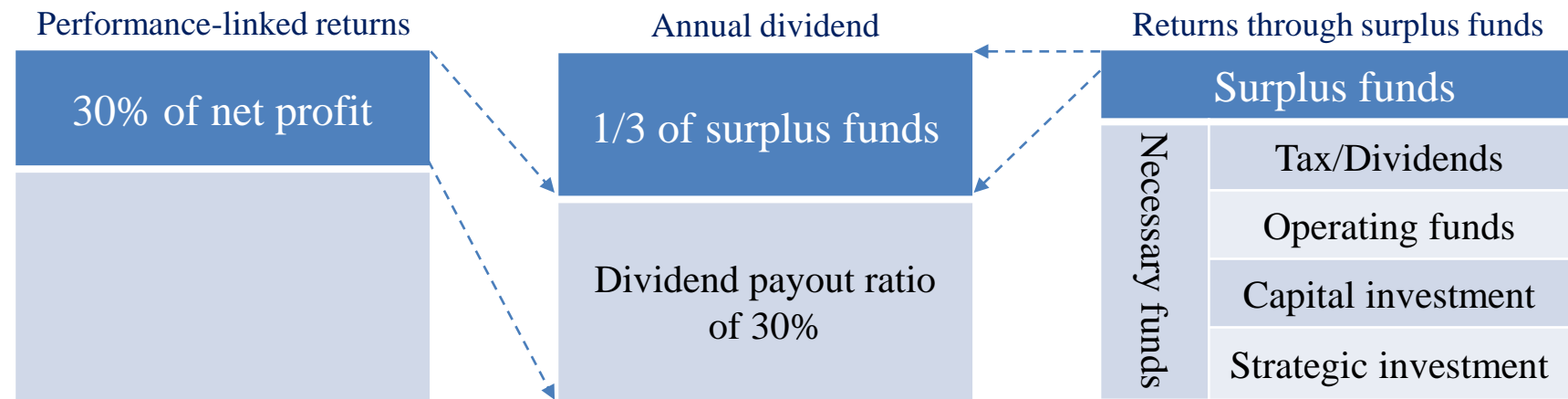
- 1 Increase the level of and quality systems and stable procurement
- 2 Corporate governance to support sustainable, sound growth
- 3 Achieve the goals of the 8th Medium-Term Plan on the Environment

Financial Strategy and Shareholder Returns

- We will strive to improve profitability and efficiency, and actively conduct growth investments (including M&A) aimed at sustainable growth
- Aim to improve the stability of the financial base and capital efficiency
Target: ROE of 10%
- While taking into account a necessary level of internal reserves, we flexibly implement acquisition of treasury shares

Basic Dividend Policy:

In addition to a dividend payout ratio of 30%, we will add dividends with 1/3 of the excess amount of scheduled necessary funds as a baseline.



*We will maintain stable dividends of ¥20 per year regardless of profit levels,
but will conduct a reevaluation in the event that we record a loss for two consecutive periods.

The 8th Mid-Term Plan on the Environment (FY2022-FY2025)

Basic Policy

Make contributions through business to customers who are developing green technology

Strengthen initiatives mainly through global warming countermeasures and biodiversity conservation activities

FY2025 Targets:

- SCOPE3 Reduce CO₂ emissions by 10% compared to FY2019
- SCOPE1+2 Reduce CO₂ emissions by 55% compared to FY2019
- ESPEC MIC Corp. will contribute 95t (total) of carbon fixation through 50,000 trees planted
- Biodiversity conservation activities through a Corporate Forest in Sanda City, Hyogo Prefecture

Investment Plan

	FY2018-2021 Results	FY2022-2025 Targets	Rate of increase
Strategic investment	4.35 billion yen	6.0-6.5 billion yen	+40-50%
Ordinary investment	1.8 billion yen	3.0-3.5 billion yen	+70-90%
Total	6.15 billion yen	9-10 billion yen	+50-60%
R&D expenditures	4.8 billion yen	6 billion yen	+25%
Investment in human resources	280 million yen	480 million yen	+70%

Main investment content

Increasing production capacity and further efficiency,
expanding laboratory testing equipment, expanding new services, M&A, etc.

These materials contain forward-looking statements, including the Company's present plans and forecasts of performance, that reflect the Company's plans and forecasts based on the information presently available. These forward-looking statements are not guarantees of future performance, and plans, forecasts, and performance are subject to change depending on future conditions and various other factors.

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