

**Securities ID code: 6859**

# **ESPEC CORP. Results Briefing**

**FY2024 (Fiscal Year Ended March 31, 2025)**

May 26, 2025

Representative Director and President

**Satoshi Arata**

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# **FY2024 Full-Year Results**

# FY2024 Full-Year Financial Summary

Orders received, net sales, and profit all reached record highs, mainly due to continued investment in the domestic EV and battery markets and enhanced domestic production capacity.

Achieved medium-term management targets ahead of schedule and announced a new medium-term management plan.

|  | Year on Year |   | Comparison with Forecasts<br>(Revised in Mar. 2025) |  |
|--|--------------|---|---|--|
| <b>Orders Received</b>                         | ○            | Increased in all segments, particularly increasing in environmental test chambers in the Equipment Business and laboratory testing services in the Service Business | ○   | Slightly above forecast in all segments                            |
| <b>Net Sales</b>                               | ○            | Increased in all segments, particularly increasing in environmental test chambers in the Equipment Business and laboratory testing services in the Service Business | ○   | Slightly above forecast in all segments                            |
| <b>Operating Profit</b>                        | ○            | Increased substantially due to sales growth and cost of sales ratio improvement, despite increase in SG&A   | ○   | Slightly above forecast due to increase in net sales               |
| <b>Profit Attributable to Owners of Parent</b> | ○            | Significant increase in operating profit and gains from the sale of cross-held shares   | ○   | Slightly above forecast mainly due to increase in operating profit |

- In dividend per share, the year-end dividend increased by ¥15 from initial plan (announced on March 7, 2025)  
Dividend forecast for the year: interim ¥35, year-end ¥60, annual ¥95

# Summary of Profits and Losses

(Millions of yen)

|  | FY2023 Results  | FY2024 Initial Forecasts | FY2024 Revised Forecasts (Mar. 2025) | FY2024 Results  | Year on Year                | Comparison with Initial Forecasts | Comparison with March Forecasts |
|--|-----------------|--------------------------|--------------------------------------|-----------------|-----------------------------|-----------------------------------|---------------------------------|
| Orders Received                          | 62,290          | 63,000                   | 66,700                               | 67,514          | +8.4%                       | +7.2%                             | +1.2%                           |
| Net Sales                                | 62,126          | 65,000                   | 66,500                               | 67,288          | +8.3%                       | +3.5%                             | +1.2%                           |
| Cost of Net Sales<br>Cost of Sales Ratio | 40,132<br>64.6% | 42,400<br>65.2%          | 42,800<br>64.4%                      | 43,300<br>64.4% | +7.9%<br>0.2 pt improvement | +2.1%<br>0.8 pt improvement       | +1.2%<br>±0 pt                  |
| Gross Profit<br>Profit Ratio             | 21,994<br>35.4% | 22,600<br>34.8%          | 23,700<br>35.6%                      | 23,987<br>35.6% | +9.1%<br>0.2 pt improvement | +6.1%<br>0.8 pt improvement       | +1.2%<br>±0 pt                  |
| SG&A                                     | 15,408          | 15,600                   | 16,400                               | 16,460          | +6.8%                       | +5.5%                             | +0.4%                           |
| Operating Profit                         | 6,585           | 7,000                    | 7,300                                | 7,526           | +14.3%                      | +7.5%                             | +3.1%                           |
| Ordinary Profit                          | 6,919           | 7,200                    | 7,600                                | 7,793           | +12.6%                      | +8.2%                             | +2.5%                           |
| Profit Attributable to Owners of Parent  | 4,969           | 5,200                    | 5,800                                | 6,003           | +20.8%                      | +15.4%                            | +3.5%                           |
| ROE                                      | 10.0%           | 9.6%                     | 10.5%                                | 11.0%           | +1.0 pt                     | +1.4 pt                           | +0.5 pt                         |

# Performance by Segment

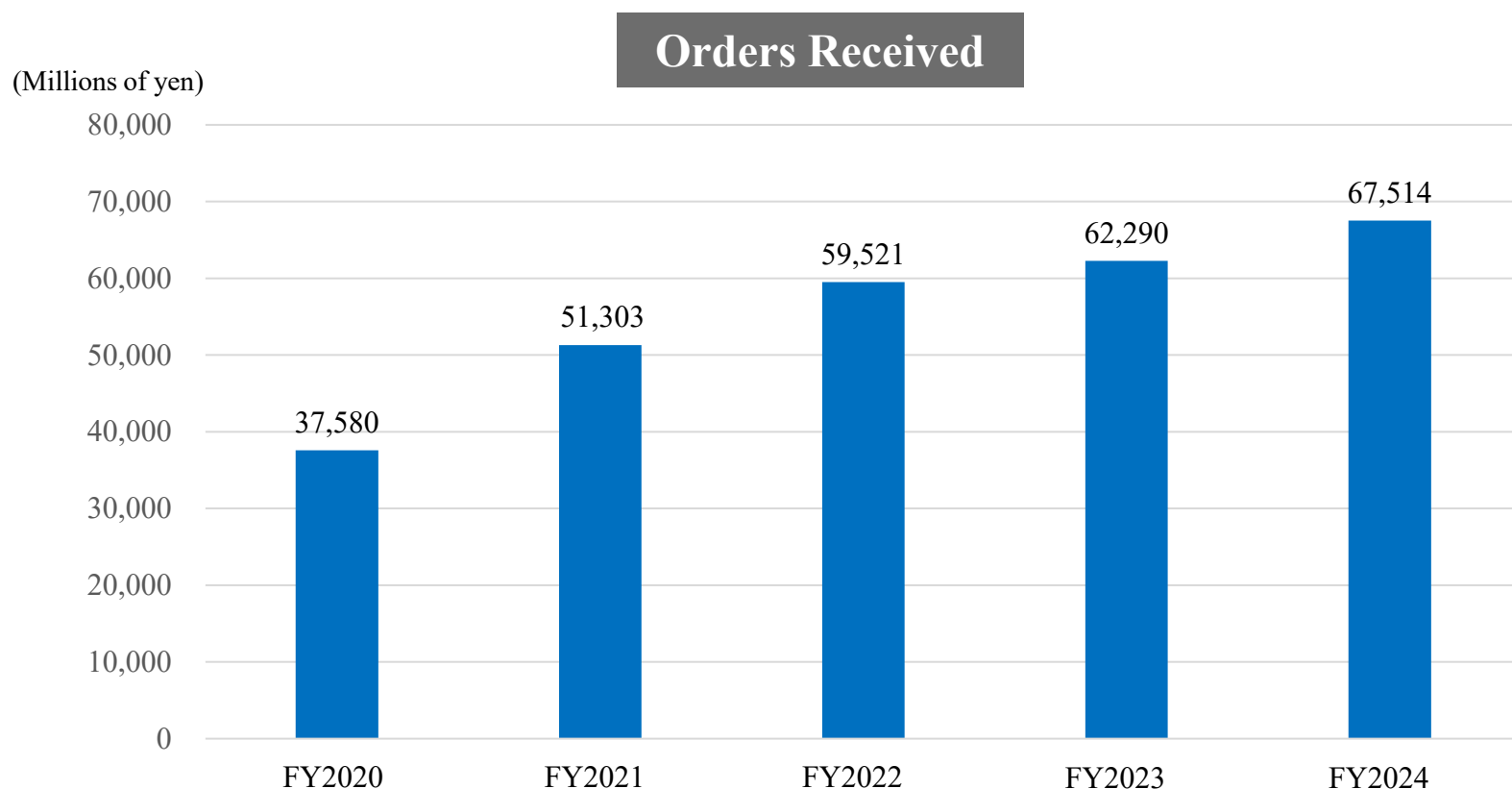
(Millions of yen)

|                       |                  | FY2023<br>Results | FY2024 Initial<br>Forecasts | FY2024<br>Revised<br>Forecasts<br>(Mar. 2025) | FY2024<br>Results | Year on Year | Comparison<br>with Initial<br>Forecasts | Comparison<br>with March<br>Forecasts |
|-----------------------|------------------|-------------------|-----------------------------|---|-------------------|--------------|---|---------------------------------------|
| Equipment<br>Business | Orders Received  | 53,565            | 53,700                      | 56,600  | 57,283            | +6.9%        | +6.7%                                   | +1.2%                                 |
|                       | Net sales        | 53,518            | 56,000                      | 56,900  | 57,507            | +7.5%        | +2.7%                                   | +1.1%                                 |
|                       | Operating profit | 5,848             | 6,180                       | 6,400   | 6,610             | +13.0%       | +7.0%                                   | +3.3%                                 |
| Service<br>Business   | Orders Received  | 7,634             | 8,000                       | 8,400   | 8,532             | +11.8%       | +6.7%                                   | +1.6%                                 |
|                       | Net sales        | 7,536             | 7,900                       | 8,300   | 8,425             | +11.8%       | +6.7%                                   | +1.5%                                 |
|                       | Operating profit | 681               | 800                         | 800   | 793               | +16.4%       | -0.8%                                   | -0.8%                                 |
| Other<br>Business     | Orders Received  | 1,453             | 1,700                       | 2,100   | 2,170             | +49.3%       | +27.7%                                  | +3.4%                                 |
|                       | Net sales        | 1,455             | 1,500                       | 1,700   | 1,758             | +20.8%       | +17.2%                                  | +3.4%                                 |
|                       | Operating profit | 51                | 20                          | 100   | 126               | +146.3%      | +533.5%                                 | +26.7%                                |
| Elimination           | Orders Received  | -363              | -400                        | -400  | -472              | -            | -                                       | -                                     |
|                       | Net sales        | -383              | -400                        | -400  | -403              | -            | -                                       | -                                     |
|                       | Operating profit | 3                 | 0                           | 0   | -4                | -            | -                                       | -                                     |
| Total                 | Orders Received  | 62,290            | 63,000                      | 66,700  | 67,514            | +8.4%        | +7.2%                                   | +1.2%                                 |
|                       | Net Sales        | 62,126            | 65,000                      | 66,500  | 67,288            | +8.3%        | +3.5%                                   | +1.2%                                 |
|                       | Operating profit | 6,585             | 7,000                       | 7,300   | 7,526             | +14.3%       | +7.5%                                   | +3.1%                                 |

# Orders Received in FY2024

■ Orders received marked a new record high for the fourth consecutive fiscal year.

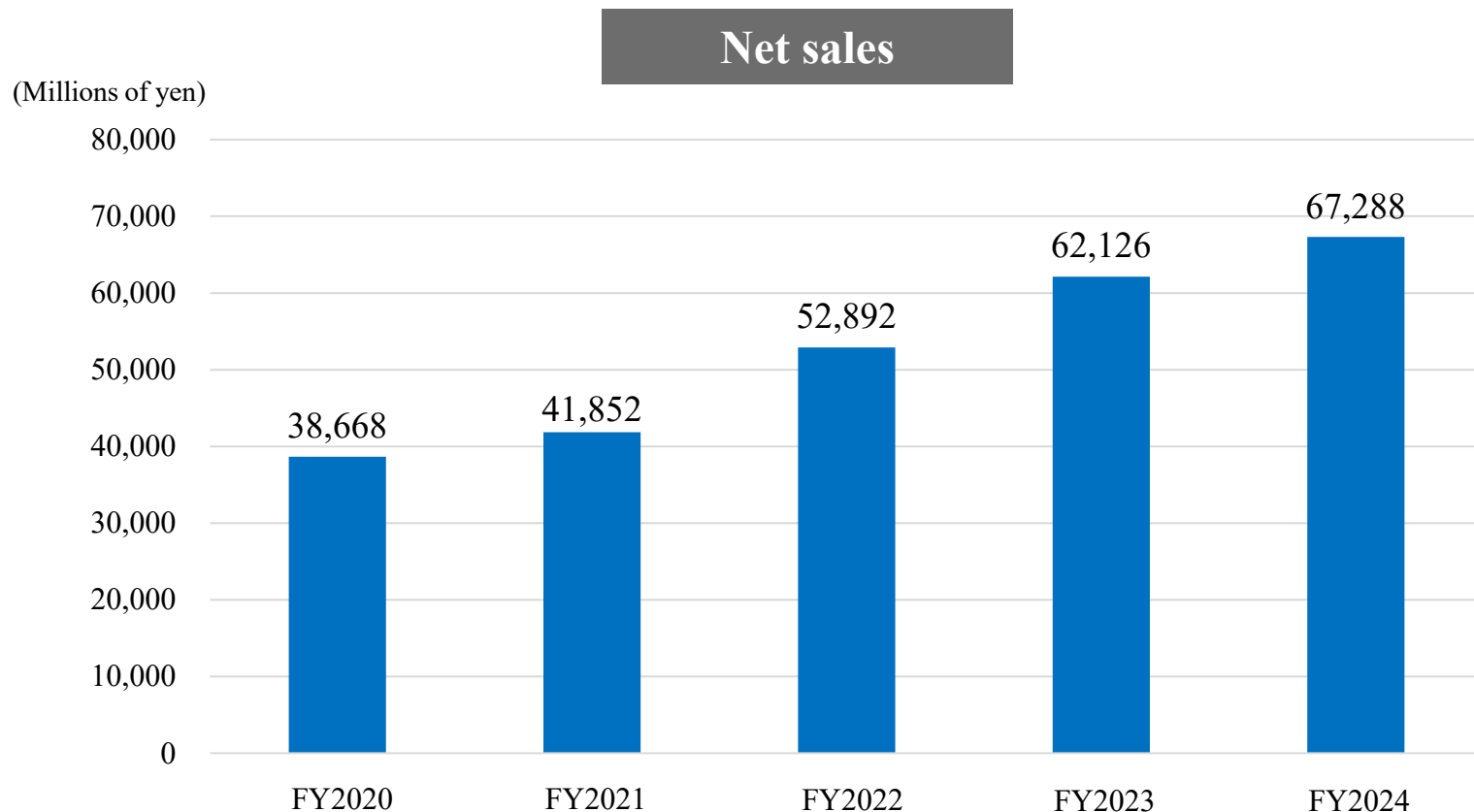
Orders increased particularly in Japan, as well as North America and China; remained flat in South Korea and Taiwan, and decreased in Southeast Asia and Europe.



# Net Sales in FY2024

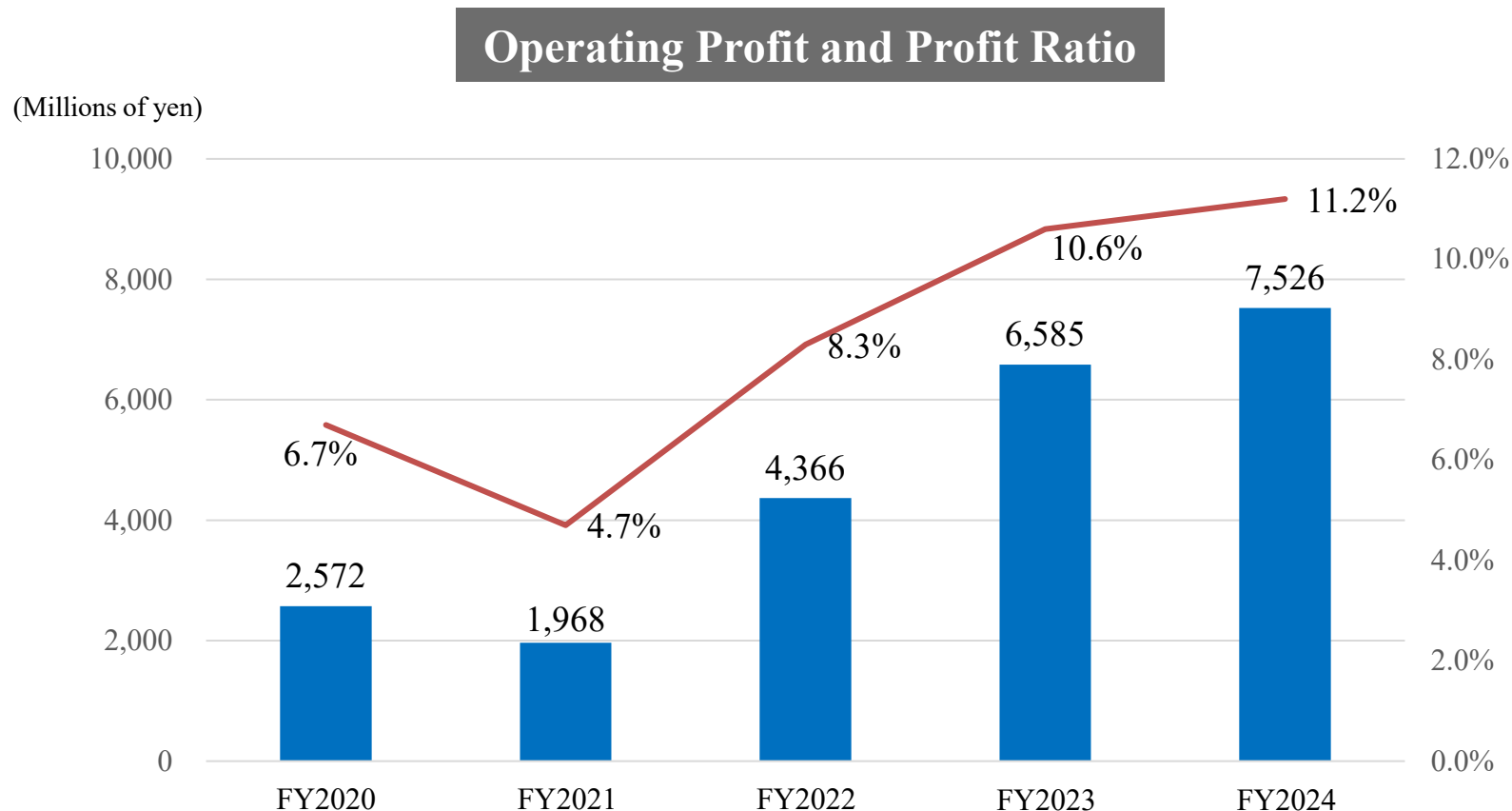
■ Net sales renewed record highs for the third consecutive fiscal year.

Sales increased particularly in Japan and North America, as well as Southeast Asia, South Korea, and Taiwan; were level year on year in China, and decreased in Europe.



# Operating Profit and Profit Ratio in FY2024

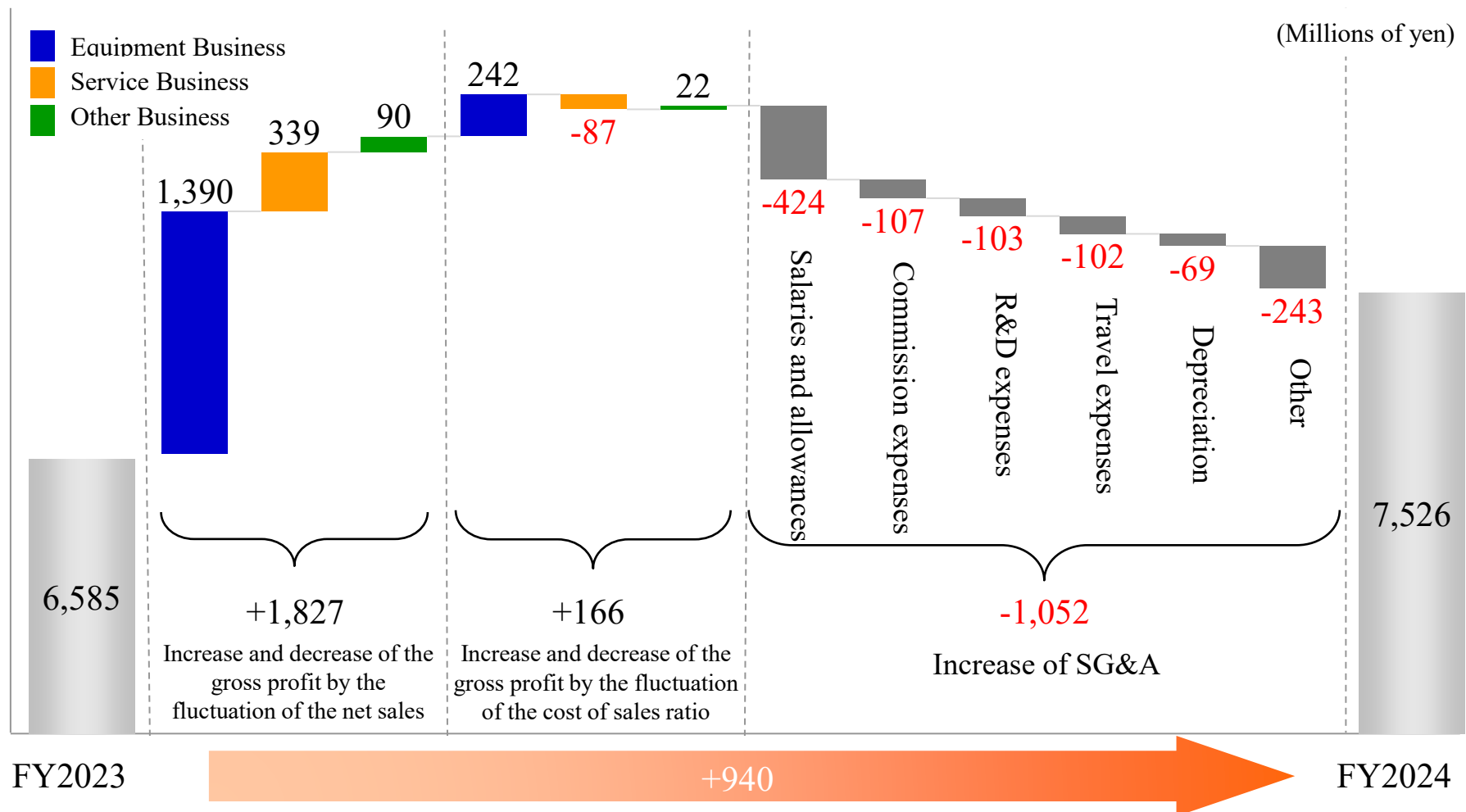
- Operating profit renewed record highs for the second consecutive fiscal year.  
Profitability improved due to sales growth and cost of sales ratio improvement





# Analysis of Operating Profit Increase and Decrease Factors

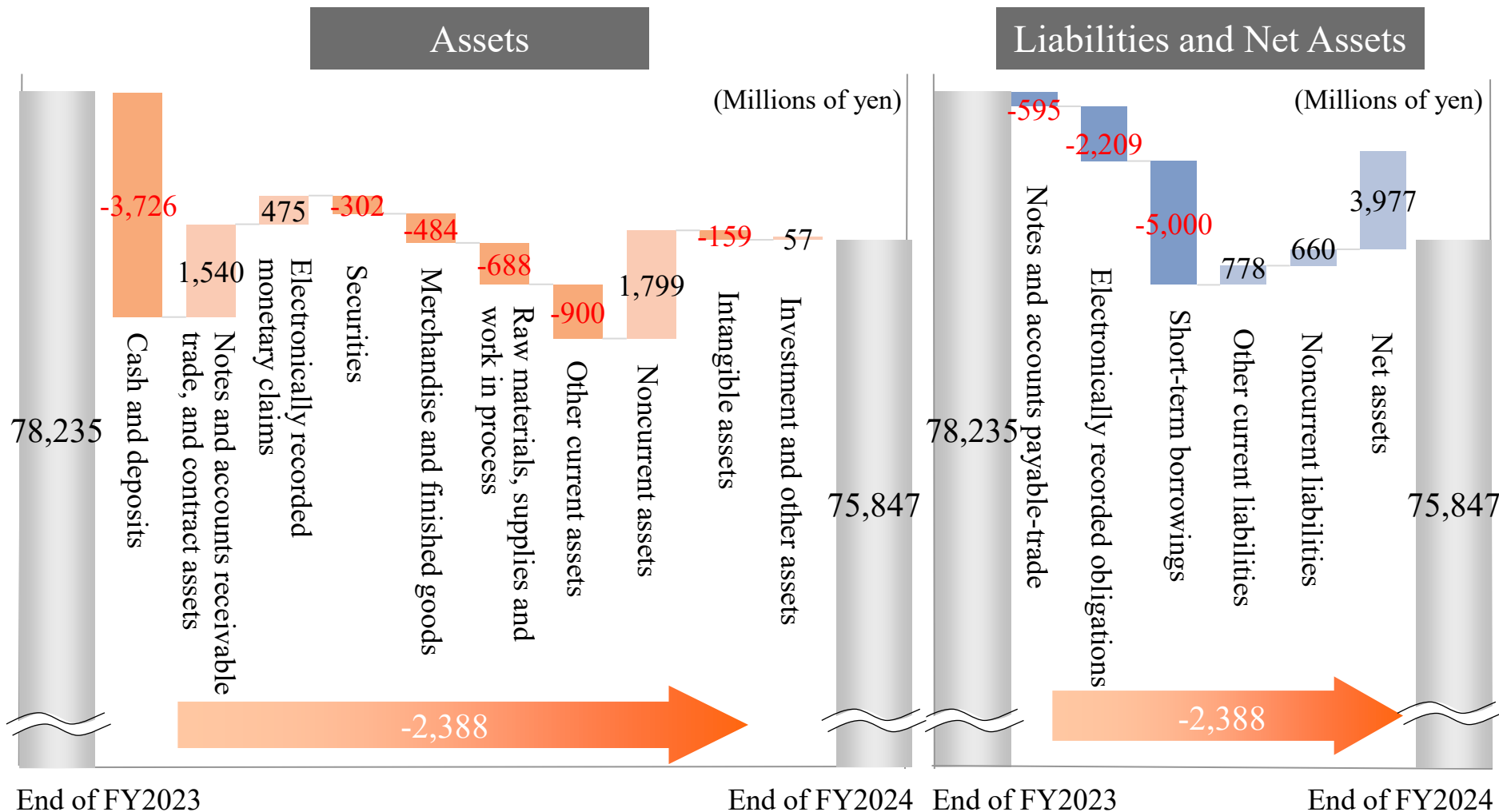
■ Profit increased mainly due to sales increase in the Equipment and Service Businesses and improved cost of sales ratio in Equipment Business.



\* Totals have been calculated using the gross profit margin.

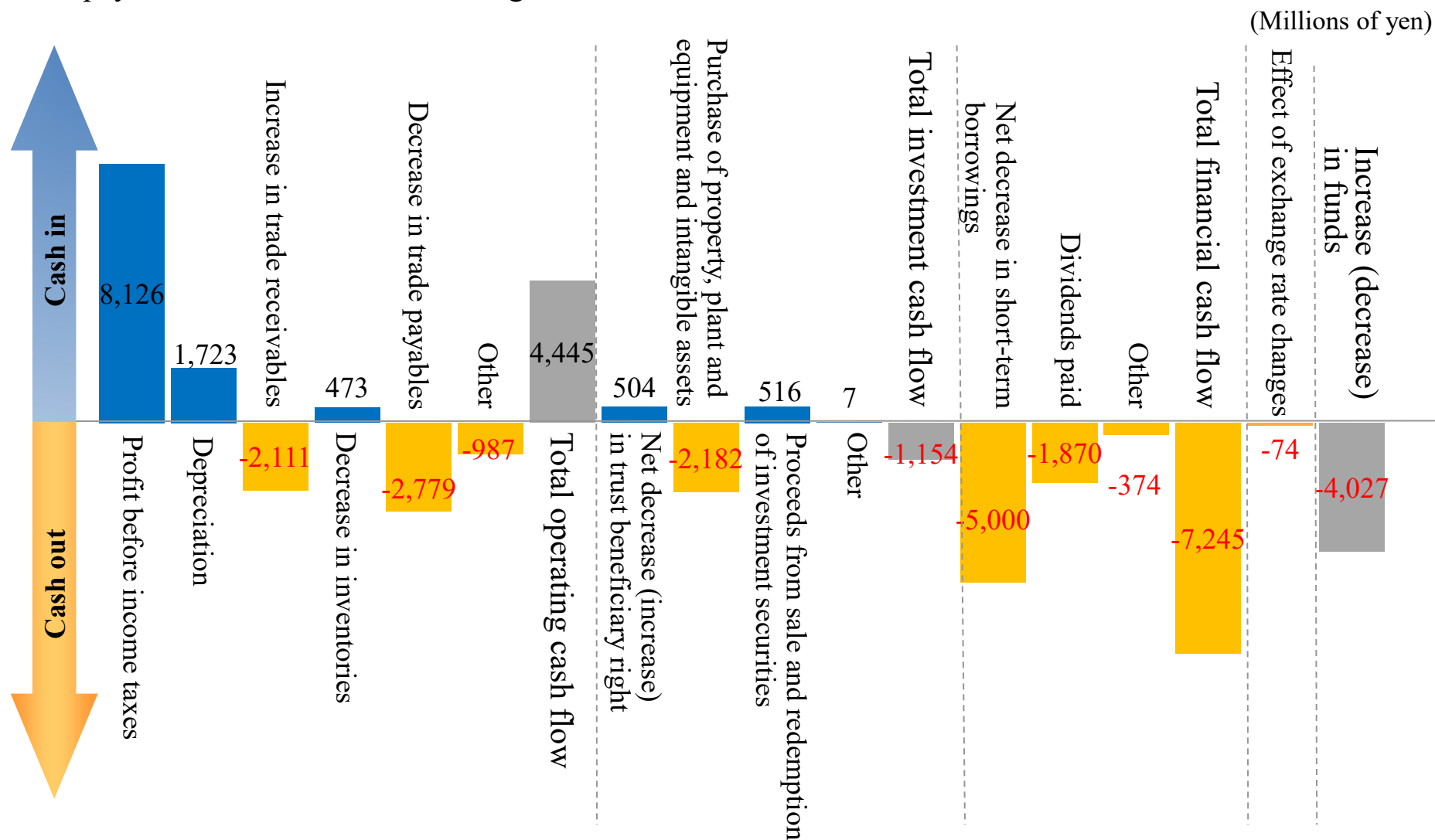
# Statement of Assets and Liabilities

■ Although there was an increase in trade receivables due to expanded sales and an increase in fixed assets from capital investments, the repayment of short-term borrowings resulted in total assets decrease of approximately ¥2.4 billion.



# Statements of Cash Flows

- Operating CF resulted in a cash inflow of approximately ¥4.4 billion, but capital investment and repayment of short-term borrowings led to a net cash decrease of about ¥4.0 billion.



# Equipment Business

(Millions of yen)

|                  | FY2023 Results | FY2024 Initial Forecasts | FY2024 Revised Forecasts (Mar. 2025) | FY2024 Results | Year on Year | Comparison with Initial Forecasts | Comparison with March Forecasts |
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| Orders Received  | 53,565         | 53,700                   | 56,600                               | 57,283         | +6.9%        | +6.7%                             | +1.2%                           |
| Net sales        | 53,518         | 56,000                   | 56,900                               | 57,507         | +7.5%        | +2.7%                             | +1.1%                           |
| Operating Profit | 5,848          | 6,180                    | 6,400                                | 6,610          | +13.0%       | +7.0%                             | +3.3%                           |
| Profit Ratio     | 10.9%          | 11.0%                    | 11.2%                                | 11.5%          | +0.6 pt      | +0.5 pt                           | +0.3 pt                         |

## Environmental Test Chambers

- Domestically, orders received and net sales for both versatile standardized products and customized products increased year on year.
- Overseas, orders received increased mainly in North America and China, while Southeast Asia declined, resulting in levels roughly on par with the previous year.  
Net sales increased in Southeast Asia, North America, and South Korea; China was level year on year, while Europe declined, leading to an overall result similar to the prior year.

## Energy Device Equipment

- For large-scale EV battery projects, investment declined, leading to a year on year decrease in both orders and sales, primarily in Japan.

## Semiconductor Equipment

- Orders received increased year on year due to large-scale server-related projects, but net sales dropped significantly due to the impact of memory-related investment restraint.

# Service Business

(Millions of yen)

|                  | FY2023 Results | FY2024 Initial Forecasts | FY2024 Revised Forecasts (Mar. 2025) | FY2024 Results | Year on Year | Comparison with Initial Forecasts | Comparison with March Forecasts |
|------------------|----------------|--------------------------|--------------------------------------|----------------|--------------|-----------------------------------|---------------------------------|
| Orders Received  | 7,634          | 8,000                    | 8,400                                | 8,532          | +11.8%       | +6.7%                             | +1.6%                           |
| Net sales        | 7,536          | 7,900                    | 8,300                                | 8,425          | +11.8%       | +6.7%                             | +1.5%                           |
| Operating profit | 681            | 800                      | 800                                  | 793            | +16.4%       | -0.8%                             | -0.8%                           |
| Profit Ratio     | 9.0%           | 10.1%                    | 9.6%                                 | 9.4%           | +0.4 pt      | -0.7 pt                           | -0.2 pt                         |

## After-Sales Service and Engineering

- Orders received and net sales both increased year on year as preventative maintenance services and repair services were solid.

## Laboratory Testing Services and Facility Rentals

- Enhanced testing equipment for EV batteries contributed to year on year increases in both orders and sales.

# Other Business

(Millions of yen)

|                  | FY2023 Results | FY2024 Initial Forecasts | FY2024 Revised Forecasts (Mar. 2025) | FY2024 Results | Year on Year | Comparison with Initial Forecasts | Comparison with March Forecasts |
|------------------|----------------|--------------------------|--------------------------------------|----------------|--------------|-----------------------------------|---------------------------------|
| Orders Received  | 1,453          | 1,700                    | 2,100                                | 2,170          | +49.3%       | +27.7%                            | +3.4%                           |
| Net sales        | 1,455          | 1,500                    | 1,700                                | 1,758          | +20.8%       | +17.2%                            | +3.4%                           |
| Operating profit | 51             | 20                       | 100                                  | 126            | +146.3%      | +533.5%                           | +26.7%                          |
| Profit Ratio     | 3.5%           | 1.3%                     | 5.9%                                 | 7.2%           | +3.7 pt      | +5.9 pt                           | +1.3 pt                         |

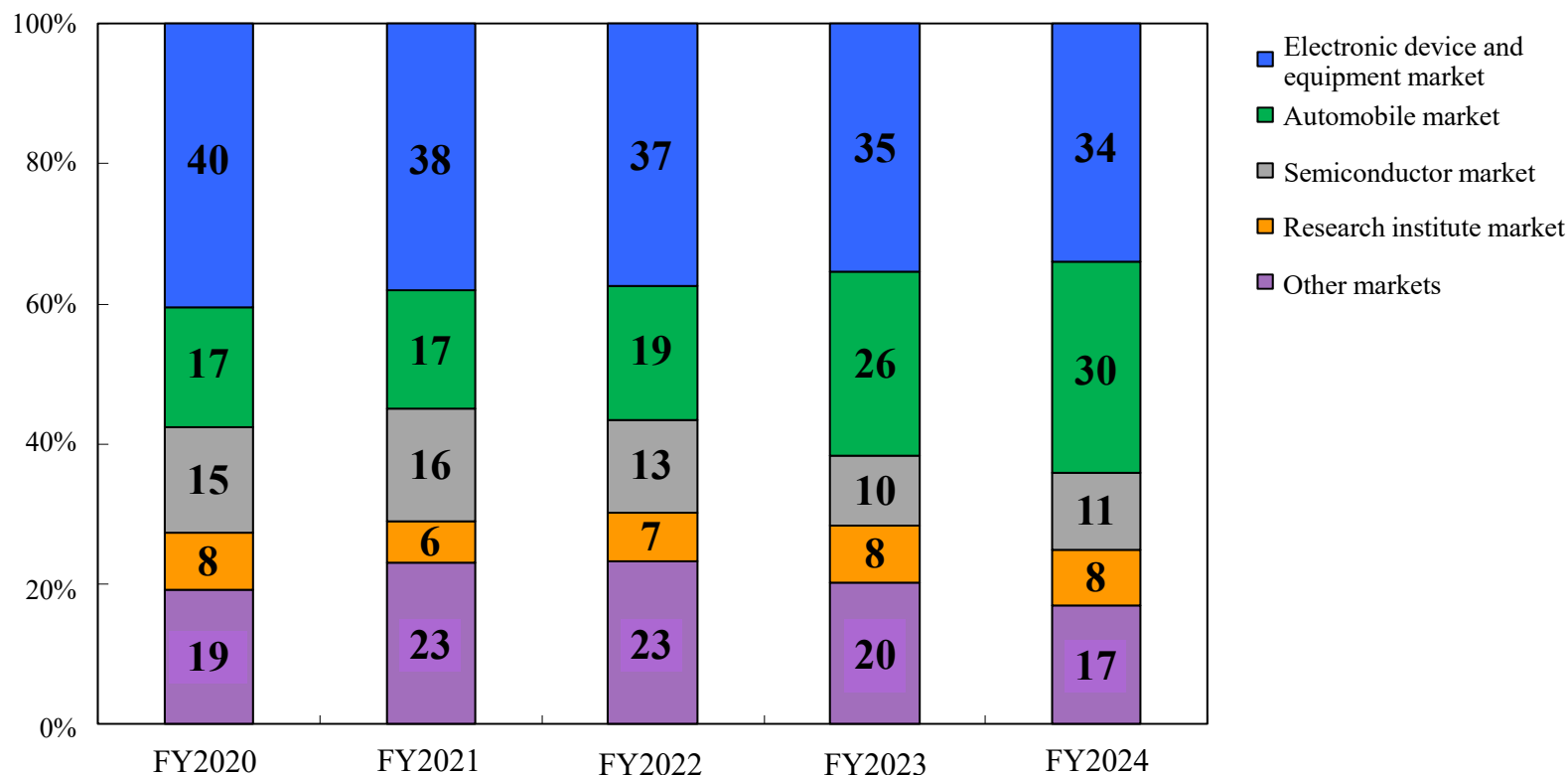
## Environmental Conservation, Plant Production Systems

- Steady progress was made in waterfront and forest creation projects, along with large-scale orders for plant research devices and plant factories, resulting in year on year increases in both orders and sales.
- Supplied aquaponics systems (a circular production system combining hydroponics and land-based aquaculture) and plant seedlings/materials for greening the venue of the Expo 2025 Osaka, Kansai, Japan.

# Sales by Market

- The Electronic device and equipment market remained at the same level as the previous year. Sales related to EV and battery applications progressed, increasing the share of the automobile market, including car electronics.

## Non-consolidated (Equipment Business)

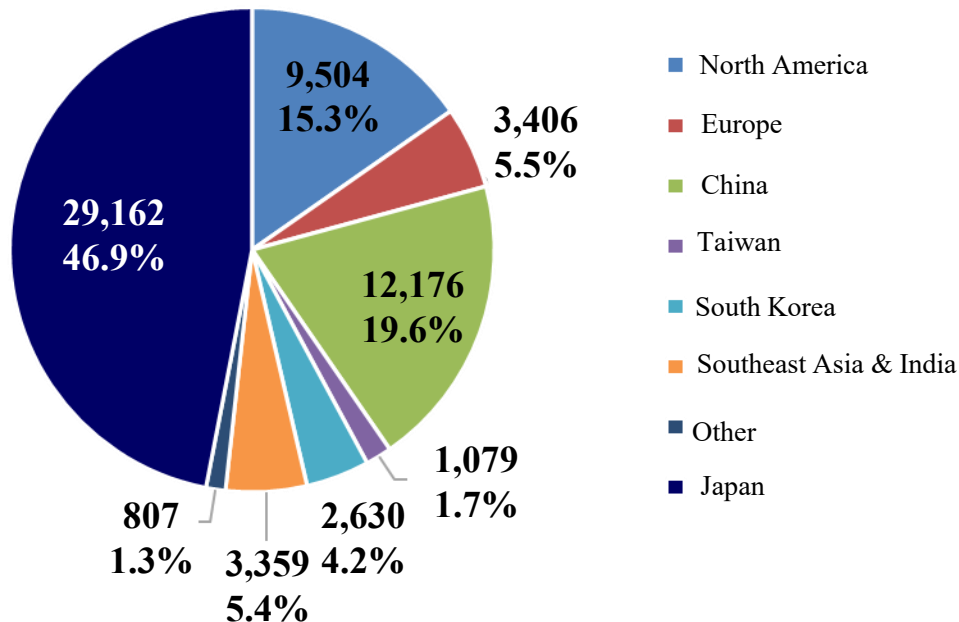


# Sales by Region

- Sales in Japan increased, raising the domestic share, while overseas growth was driven mainly by higher sales in North America.

FY2023

Overseas sales ratio: 53.1%

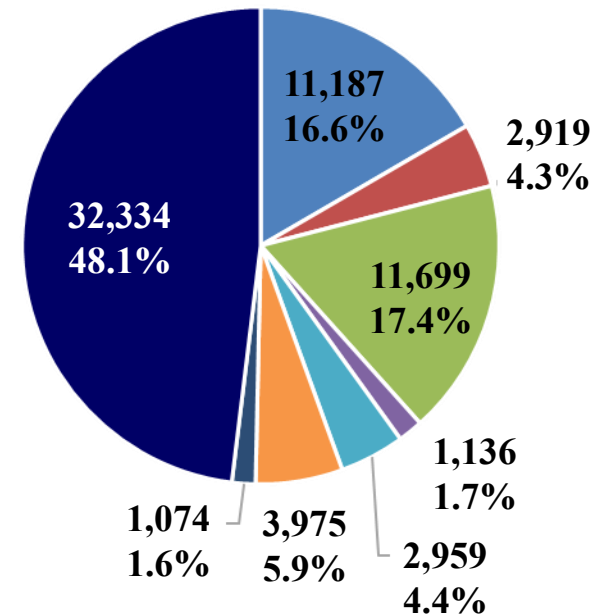


Total: ¥62,126 million

Overseas sales: ¥32,964 million

FY2024

Overseas sales ratio: 51.9%



Total: ¥67,288 million

Overseas sales: ¥34,953 million



# Main Initiatives for ESG in FY2024

## ■ E (Environment)

Promote global warming countermeasures and biodiversity conservation activities under the 8th Medium-Term Plan on the Environment (FY2022–2025)

- Launch environmentally friendly products, including constant temperature and humidity chambers using low-GWP refrigerants
- Hold three tree-planting events under the ESPEC's 50-Year Forest initiative by April 2024, planting a total of 12,000 trees

## ■ S (Society)

- Expand educational programs, develop next-generation executive talent, and design a new personnel evaluation system
- Conduct training sessions and company-wide events to deepen understanding of the corporate philosophy
- Conduct engagement surveys, formulate and implement action plans through executive officers and division heads

## ■ G (Governance)

- Enhance internal control system of the whole Group
- Establish Sustainable Procurement Guidelines

# Basic Policy on Dividends and Results

## Basic Policy on Dividends

\* May 15, 2025, announced revision to the Basic Policy on Dividends (p. 44)

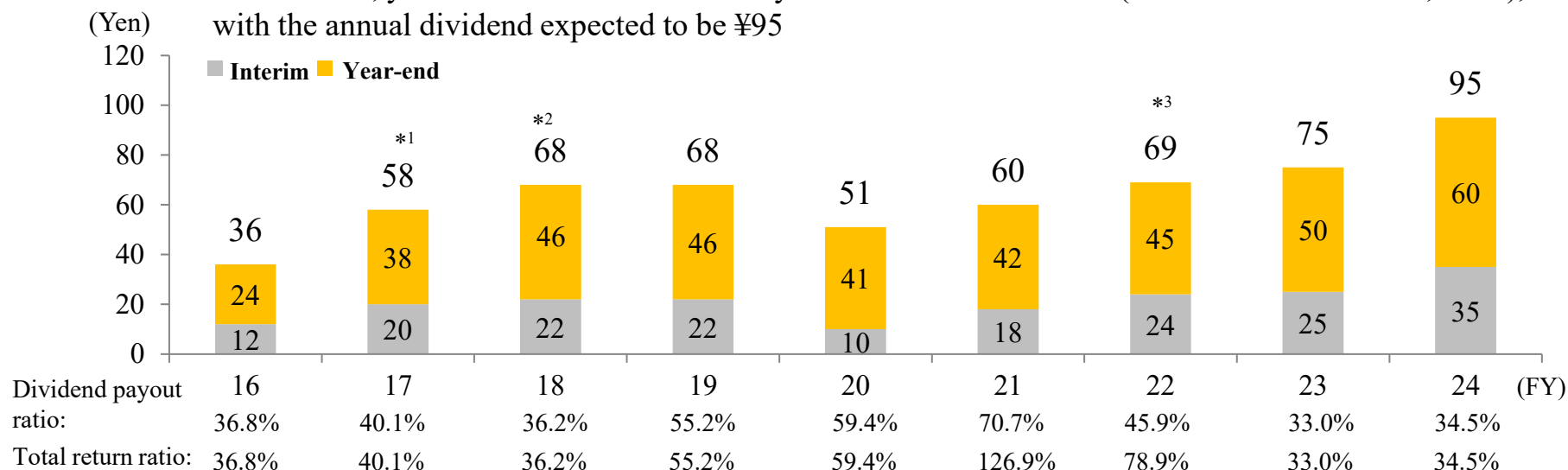
In addition to a dividend payout ratio of 30%, we will add dividends with 1/3 of the excess funds as a baseline.

While reflecting 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.

## Dividend per Share and Dividend Payout Ratio/Total Return Ratio

For FY2024, year-end dividend increased by ¥15 from initial forecast (announced on March 7, 2025), with the annual dividend expected to be ¥95



(Underlined sections indicate share repurchases by the Company)

\*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.

# TOPICS 1

## Start of “Aichi Next-Generation Mobility Test Lab” service Responding to testing demand for automotive batteries and EV/automation modules

### ■ Aichi xEV Battery Safety Test & Certification Center

- Opened in February 2025 as one of Japan’s largest dedicated automotive battery testing facilities
- Equipped with state-of-the-art testing systems to support larger and higher-capacity automotive batteries
- Supports various testing standards such as the UN ECE-R100 regulation for safety testing



Aichi xEV Battery Safety Test & Certification Center  
(Tokoname City, Aichi Pref.)

### ■ Toyota Test Center

- Expanded functions of the Toyota Testing Center, the Company’s largest integrated test center (service began in April 2025)
- Supports the larger size of test samples such as e-Axles, PCUs, and ECUs
- Newly enhanced services to recreate usage environments for EV/automation modules under operating conditions for evaluation and measurement



Toyota Test Center (Toyota City, Aichi Pref.)

# TOPICS 2

## Responding to testing demand in AI and autonomous driving fields **Rapid-Rate Thermal Cycle Chamber**

- In April 2025, a high-performance model capable of controlling specimen temperature at 20 K/min was added to the lineup of rapid-rate thermal cycle chambers
- Complies with international standards such as semiconductor package reliability test standards and standards for electronics and automotive markets, and comes standard with low-GWP\* refrigerant “R-449A”



Rapid-Rate Thermal Cycle Chamber (TCC-151W-20)

## Launched low temperature (& humidity) chambers **Platinous J Series ECO Type with low-GWP refrigerant**

- In November 2024, launched the ECO Type in the Platinous J Series, the global standard model for environmental test chambers
- Proprietary refrigeration technology reduces power consumption by up to 70% compared to conventional models, contributing to the reduction of greenhouse gas emissions by adopting low-GWP\* refrigerant “R-449A”



low temperature (& humidity) chambers  
Platinous J Series ECO Type

\* Metric for expressing the warming potential of greenhouse gases relative to carbon dioxide. The smaller the value, the lower the environmental impact.

# TOPICS 3

## **-70°C Ultra-Low Temperature Shock Freezer for delicious rapid freezing**

- In April 2025, launched the “Ultra-Low Temperature Shock Freezer” capable of freezing food rapidly at -70°C, preserving freshness even for perishable items
- Enables freezing in a low airflow environment, preventing food from drying out, and allows a seamless process from freezing to thawing and reheating in a single unit



Ultra-Low Temperature Shock Freezer

## **First domestic launch by COSMOPIA HIGHTECH of a rapid temperature change device using low-GWP refrigerant**

- In October 2024, COSMOPIA HIGHTECH, part of our Group, launched the first domestic rapid temperature change device equipped with low-GWP\* refrigerant “R-473A”
- Complies with international test standards and contributes to the reduction of greenhouse gas emissions



Rapid Temperature Change Device Premium Excellent Series  
(EC-28PXHH)

\* Metric for expressing the warming potential of greenhouse gases relative to carbon dioxide. The smaller the value, the lower the environmental impact.

# External Recognition

## ■ ESG-Related Evaluations

- Included in the ESG index “FTSE Blossom Japan Sector Relative Index”
- Rated “B” score for the fifth consecutive year in the CDP Climate Change Survey, “B” score for Water Security  
Selected as Supplier Engagement Leader for two consecutive years, the Top Rank in the Supplier Engagement Ratings
- Selected for the second consecutive year as an Asia-Pacific Climate Leader by the Financial Times in the UK and German data provider Statista
- Received a 3.5-star rating in the NIKKEI Sustainable Management Survey, SDGs Edition
- Received a 3-star rating in the NIKKEI Sustainable Management Survey, Smart Work Edition



**FTSE Blossom  
Japan Sector  
Relative Index**



## ■ IR Website Evaluations

- Selected as a Commendation Award of the Internet IR Award of Daiwa IR
- Selected as a “GRADE AAA” company website in the Nikko Investor Relations’ All-Japanese Listed Companies’ Website Ranking
- Awarded a Bronze Prize in the Gomez IR Website Ranking 2024 (17<sup>th</sup> in its industry)
- Awarded as an excellent company in the Gomez ESG Website Ranking



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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Sustainability Management Department

Yasutoshi Nakagawa (General Manager)

IR & Public Relations Group

Natsuko Okawa and Hana Kaigawa

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Quality is more than a word

ESPEC