

**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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# **FY2025 Plan**

# Key Points of FY2025 Plan

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- As the first year of the Medium-Term Management Plan PROGRESSIVE PLUS 2027, implement growth strategies
- Execute growth investment (enhancing manufacturing efficiency and new product development) and shareholder returns
- Orders received are expected to decline in investment related to EVs and batteries (mainly for production), but demand in AI semiconductors, autonomous driving, and satellite communications markets will be captured to maintain a high level
- Aim to update record-high business performance by reducing order backlog through shorter product lead times and improving profitability through cost improvements and cost reductions

# FY2025 Recognition of the Operating Environment

Although the global economic outlook is uncertain, investment in advanced technology development will continue.

Equipment Business	Environmental Test Chambers	<p>Japan: Investment related to EVs and batteries (mainly for production) is expected to decline, but investment in AI semiconductors and autonomous driving holds firm.</p> <p>China: Automotive-related investments are sluggish, but semiconductor-related investments have potential.</p> <p>ASEAN: Investment related to EVs and batteries is sluggish.</p> <p>North America: Satellite communications are strong, and investment related to AI semiconductors is expected.</p> <p>Europe: Weak performance due to the slowing European economy.</p>
	Energy Device Equipment	Domestic charge-discharge testing chambers remain level year on year.
	Semiconductor Equipment	Investment related to memory is gradually recovering.
Service Business	After-Sales Service Laboratory Testing Services and Facility Rentals	<p>After-sales service: Steady progress through expansion of maintenance contracts.</p> <p>Laboratory testing services: Brisk for EV battery safety testing.</p>
Other Business	Environmental Conservation Plant Production Systems	Although the previous year's special demand related to the Expo has dissipated, plant factories remain steady.

# Forecasts for FY2025

(Millions of yen)

	FY2024	FY2025 Forecasts			
	Full Year Results	1H	2H	Full Year	Year on Year
Orders Received	67,514	33,500	32,500	66,000	-2.2%
Net sales	67,288	31,000	37,000	68,000	+1.1%
Gross Profit	23,987	11,500	13,900	25,400	+5.9%
Profit Ratio	35.6%	37.1%	37.6%	37.4%	+1.8 pt
SG&A	16,460	8,150	8,750	16,900	+2.7%
SG&A Ratio	24.5%	26.3%	23.6%	24.9%	+0.4 pt
Operating profit	7,526	3,350	5,150	8,500	+12.9%
Profit Ratio	11.2%	10.8%	13.9%	12.5%	+1.3 pt
Ordinary Profit	7,793	3,450	5,200	8,650	+11.0%
Profit Ratio	11.6%	11.1%	14.1%	12.7%	+1.1 pt
Profit Attributable to Owners of Parent	6,003	2,500	3,690	6,190	+3.1%
Profit Ratio	8.9%	8.1%	10.0%	9.1%	+0.2 pt
Basic Earnings per Share (yen)	274.97	114.51	169.02	283.53	+3.1%
ROE	11.0%	-	-	11.0%	±0 pt

# Segment Financial Forecasts

(Millions of yen)

		FY2024	FY2025 Forecasts			
		Full Year Results	1H	2H	Full Year	Year on Year
Equipment Business	Orders Received	57,283	28,430	27,070	55,500	-3.1%
	Net sales	57,507	26,420	31,180	57,600	+0.2%
	Operating profit	6,610	2,910	4,430	7,340	+11.0%
Service Business	Orders Received	8,532	4,520	4,680	9,200	+7.8%
	Net sales	8,425	4,210	4,990	9,200	+9.2%
	Operating profit	793	490	590	1,080	+36.0%
Other Business	Orders Received	2,170	800	1,000	1,800	-17.1%
	Net sales	1,758	600	1,100	1,700	-3.3%
	Operating profit	126	-50	130	80	-36.9%
Elimination	Orders Received	-472	-250	-250	-500	-
	Net sales	-403	-230	-270	-500	-
	Operating profit	-4	0	0	0	-
Total	Orders Received	67,514	33,500	32,500	66,000	-2.2%
	Net sales	67,288	31,000	37,000	68,000	+1.1%
	Operating profit	7,526	3,350	5,150	8,500	+12.9%

# FY2025 Assumed Exchange Rate

## ■ Assumed Exchange Rate

	FY2023	FY2024		FY2025
	Full Year Results	1H Results	Full Year Results	Full Year Assumption
U.S. dollar (yen)	144.59	152.77	152.62	145
Euro (yen)	156.74	166.05	163.87	160
Yuan (yen)	20.13	21.16	21.11	20

FY2025 exchange rate sensitivity \* Impact of ¥1 depreciation (Millions of yen)

	Net sales	Operating profit
U.S. dollar	+74	+11
Euro	+15	+10
Yuan	+518	+95

# FY2025 Investment Plans

(Millions of yen)

	FY2024	FY2025 Forecasts			
	Full Year Results	1H	2H	Full Year	Year on Year
Capital Expenditures	3,690	920	1,670	2,590	-29.8%
Depreciation	1,716	960	1,030	1,990	+15.9%
R&D Expenses	1,343	1,010	820	1,830	+36.2%

## Main investments

- Enhancement of production facilities at the Fukuchiyama Plant
- Increased production capacity at domestic subsidiaries (Office relocation)

## Main R&D activities

- Expand product lineup in advanced technology fields (Model changes and additions for mainstay products)
- Expand environmentally friendly products such as low-GWP refrigerant



# Shareholder Return Policy and FY2025 Dividend Forecast

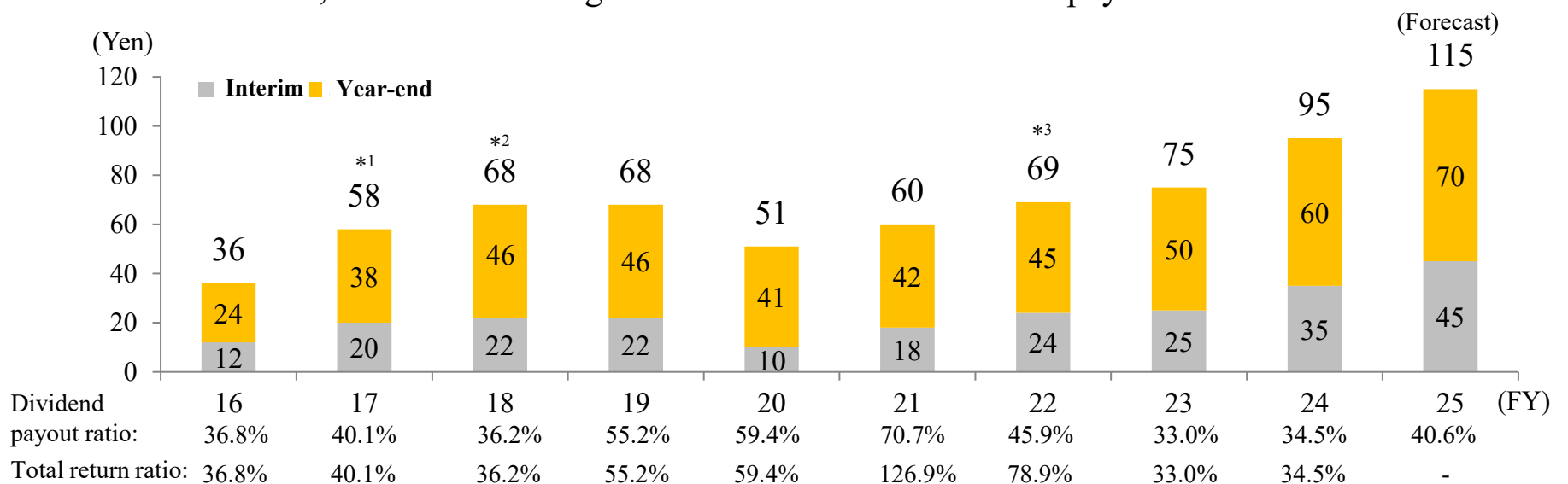
## Shareholder Return Policy

Set the consolidated dividend payout ratio at 40% or more, and flexibly carry out acquisition of treasury shares.

During the period of the Medium-Term Management Plan PROGRESSIVE PLUS 2027 (FY2025–2027), the total return ratio cumulative over the three-year period will be 50% or more, and no dividend reductions will be made.

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

For FY2025, we are forecasting an annual ¥115 and a dividend payout ratio of 40.6%.



\*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.

# Main Initiatives in FY2025

## Equipment Business

- Shortening product lead times by digesting order backlog and expanding in-house production
- Development and expanded sales of high value-added products that meet testing needs in target markets

## Service Business

After-sales service: Expansion of sales of the “super support service plan” and maintenance contract services

Laboratory testing services: Expansion of sales at “Aichi Next-Generation Mobility Test Lab”

## Area Strategy

Japan: Strengthen sales activities in the AI semiconductor and autonomous driving fields, acquisition of replacement demand

U.S.: Expand sales in the satellite communications and AI semiconductors fields

China: Expand sales in advanced technology fields such as semiconductors and communications

# FY2025 Main ESG Initiatives

## ■ E (Environment)

- Promote the 8th Medium-Term Plan on the Environment (FY2022–2025)
- Global warming countermeasure:  
Reduce CO<sub>2</sub> emissions in business activities such as change to low-GWP refrigerant and manufacturing
- Biodiversity conservation activities:  
Contribute through environmental conservation projects, promote conservation activities through the management of “ESPEC’s 50-Year Forest”

## ■ S (Society)

- Development of human capital strategy, human resource development
- Promote internal communication, enhance employee health and safety, implement engagement surveys
- Develop female managers, promote and retain employment of persons with disabilities

## ■ G (Governance)

- Reconstruction of BCP
- Formulate human rights policy

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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Quality is more than a word

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