Securities ID code: 6859

ESPEC CORP.

Results Briefing for the Six Months Ended September 30, 2025

November 21, 2025

Satoshi Arata

Representative Director and President

I am Satoshi Arata, Representative Director and President of ESPEC.

I would like to walk you through our financial highlights.

Financial Result for the Six Months Ended September 30, 2025

- Test demand for electronic components and devices related to AI semiconductors remained strong, and investment in satellite communications was robust in North America. Orders received reached a record high, but due to many large products and multi-unit projects with long delivery lead times, net sales were roughly unchanged year on year.
- Profitability for custom products continued to improve, but profit declined year on year due to weaker profitability in laboratory testing services caused by slowing EV demand and intensified competition in China.
- We revised our full-year forecast based on the first-half results. The dividend forecast remains unchanged, and we announced a share repurchase in line with our shareholder return policy.

	Year on Year		Comparison with Initial Forecasts	
Orders Received	✓	Orders increased particularly in the Equipment Business (environmental test chambers) and the Other Business	✓	The Equipment Business (mainly environmental test chambers) and the Other Business exceeded expectations.
Net Sales	↔	In the Equipment Business, semiconductor equipment increased, but environmental test chambers decreased due to many long delivery lead-time projects. Energy device equipment also declined. In the Service Business, sales were roughly unchanged year on year because laboratory testing services did not grow.	×	In the Equipment Business, semiconductor equipment increased, but environmental test chambers decreased due to many long delivery lead-time projects. In the Service Business, laboratory testing services mainly fell short.
Operating Profit	×	Declined due to delayed net sales and a worsening cost-of-sales ratio.	×	Fell short due to lower-than-expected net sales and a deteriorated cost-of-sales ratio.
Profit Attributable to Owners of Parent	×	Decreased due to lower operating profit.	×	Fell short due to lower-than-expected operating profit.

• Dividend forecast (Interim: ¥45, Year-end: ¥70, Annual ¥115)

To begin with, looking at the first half of the fiscal year ending March 31, 2026, orders received hit an all-time high. Demand for testing in our target markets, particularly electronic components and devices for AI semiconductors, remained strong, and investment in satellite communications in North America also continued to grow.

Net sales were roughly unchanged from the same period last year, mainly because many of the orders we handled involved large-scale products and multi-unit projects with long delivery lead times.

On the profit side, results unfortunately declines year-on-year and fell short of our expectations. Profitability for custom products continued to improve, as planned. However, our laboratory testing services were affected by the slowdown in EV-related demand and were unable to grow revenue.

In addition, fierce competition in China weighed on profitability.

Given this first-half performance, we have revised our full-year forecast. We have not made any changes on dividends. In line with our shareholder return policy, we have also announced a share repurchase.

Year on year, orders received increased, especially in the Equipment Business and Other Business.

In net sales in the Equipment Business, semiconductor equipment performed well, but environmental test chamber and energy device equipment declined. Sales in the Service Business were about the same as last year. Operating profit decreased due to delayed net sales and a worsening cost-of-sales ratio.

Compared with our initial forecast, orders received exceeded expectations in both the Equipment Business and Other Business. In the Equipment Business, net sales of semiconductor equipment increased, but sales of environmental test chambers decreased. Moreover, our laboratory testing services fell below our forecast. As a result, operating profit came in below our initial forecast due to lower-than-expected net sales and a deteriorated cost-of-sales ratio.

Forecasts for FY2025

(Millions of yen)

	FY2024	FY2025						
	Full Year Results	Initial Forecasts			1H Results	Forecast (revised 11/13)		
		1H	2H	Full year		2H	Full year	Year on Year
Orders Received	67,514	33,500	32,500	66,000	38,636	30,364	69,000	+2.2%
Net Sales	67,288	31,000	37,000	68,000	30,322	37,678	68,000	+1.1%
Gross Profit	23,987	11,500	13,900	25,400	10,554	13,646	24,200	+0.9%
Profit Ratio	35.6%	37.1%	37.6%	37.4%	34.8%	36.2%	35.6%	±0pt
SG&A	16,460	8,150	8,750	16,900	7,947	8,653	16,600	+0.8%
SG&A Ratio	24.5%	26.3%	23.6%	24.9%	26.2%	23.0%	24.4%	-0.1pt
Operating profit	7,526	3,350	5,150	8,500	2,607	4,993	7,600	+1.0%
Profit Ratio	11.2%	10.8%	13.9%	12.5%	8.6%	13.3%	11.2%	±0pt
Ordinary Profit	7,793	3,450	5,200	8,650	2,704	5,045	7,750	-0.6%
Profit Ratio	11.6%	11.1%	14.1%	12.7%	8.9%	13.4%	11.4%	-0.2pt
Profit Attributable to Owners of Parent	6,003	2,500	3,690	6,190	1,912	3,887	5,800	-3.4%
Profit Ratio	8.9%	8.1%	10.0%	9.1%	6.3%	10.3%	8.5%	-0.4pt
Basic Earnings per Share (yen)	274.97	114.51	169.02	283.53	87.49	177.61	265.10	-3.6%
ROE	11.0%	-	-	11.0%	-	-	10.0%	-1.0pt

Our full-year forecast is shown here.
We revised our outlook for orders received and profit but left net sales unchanged from our initial plans.
I will explain the rationale for the revision on the next page.

At the end of the first half, our order backlog stood at ¥36.0 billion, an increase of about ¥2.4 billion compared with the end of the first half in the previous fiscal year.

Approach to Full-Year Fiscal 2025 Forecast

- Orders received remain strong, especially in AI semiconductors and satellite communications in North America, the target markets of the medium-term management plan, leading to an upward revision in the full-year forecast.
- Net sales were left unchanged from the initial plan, as conversion of order backlog is progressing and stronger sales of standard products with shorter delivery lead times are expected to increase revenue.
- In profit, the Equipment Business is expected to improve margins and China should recover, but laboratory testing services affected by slowing EV demand is unlikely to rebound, resulting in a downward revision.

Regarding the assumptions behind the full-year forecast, although momentum in orders received is expected to moderate, demand in key target markets under our medium-term management plan, especially AI semiconductors and satellite communications in North America, remains firm. We have therefore revised our full-year target for orders received upward.

Net sales remain unchanged. We expect revenue to progress as we convert our order backlog into sales, and we plan to strengthen sales of standard products with shorter delivery lead times to boost in-period results.

For profit, we expect margins in the Equipment Business to improve, not only for custom products but also for standard products as sales expand.
We also aim to improve profitability in China, where earnings deteriorated in the first half, by introducing more competitive products and reinforcing sales activities. For laboratory testing services, we will expand into strong-performing fields other than batteries. However, we believe it will be difficult to fully recover the decline seen in the first half, and therefore revised the forecast downward.

FY2025 1H Summary of Profits and Losses

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	36,621	33,500	38,636	+5.5%	+15.3%
Net Sales	30,464	31,000	30,322	-0.5%	-2.2%
Cost of Net Sales Cost Ratio	19,326 63.4%	19,500 62.9%	19,767 65.2%	+2.3% +1.8pt	+1.4% +2.3pt
Gross Profit	11,137	11,500	10,554	-5.2%	-8.2%
SG&A	7,841	8,150	7,947	+1.3%	-2.5%
Operating Profit Profit Ratio	3,296 10.8%	3,350 10.8%	2,607 8.6%	-20.9% -2.2pt	-22.2% -2.2pt
Ordinary Profit	3,398	3,450	2,704	-20.4%	-21.6%
Profit Attributable to Owners of Parent	2,452	2,500	1,912	-22.0%	-23.5%

Let me go into more detail on first-half results.

Compared with the same period last year, orders received increased 5.5% while net sales decreased 0.5%.
The cost-of-sales ratio worsened by 1.8 points, and SG&A rose 1.3%.
Operating profit fell 20.9% year on year.

Compared with our initial forecast, orders received rose significantly, by 15.3%. However, because many projects had long delivery lead times, net sales decreased by 2.2%.
Although SG&A was kept lower than expected, the cost-of-sales ratio worsened by 2.3 points, resulting in operating profit dropping 22.2%, well below our initial projection.

FY2025 1H Performance by Segment

(Millions of yen)

		FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Equipment Business	Orders Received	31,868	28,430	33,127	+3.9%	+16.5%
	Net Sales	26,469	26,420	25,887	-2.2%	-2.0%
	Operating Profit	3,013	2,910	2,551	-15.3%	-12.3%
Service Business	Orders Received	4,176	4,520	4,224	+1.2%	-6.5%
	Net Sales	3,701	4,210	3,780	+2.1%	-10.2%
	Operating Profit	324	490	56	-82.4%	-88.4%
Other Business	Orders Received	808	800	1,500	+85.6%	87.6%
	Net Sales	521	600	880	+68.7%	46.8%
	Operating Profit	-31	-50	-2	-	-
Elimination	Orders Received	-232	-250	-215	-	-
	Net Sales	-227	-230	-226	-	-
	Operating Profit	-10	0	1	-	-
Total	Orders Received	36,621	33,500	38,636	+5.5%	+15.3%
	Net Sales	30,464	31,000	30,322	-0.5%	-2.2%
	Operating Profit	3,296	3,350	2,607	-20.9%	-22.2%

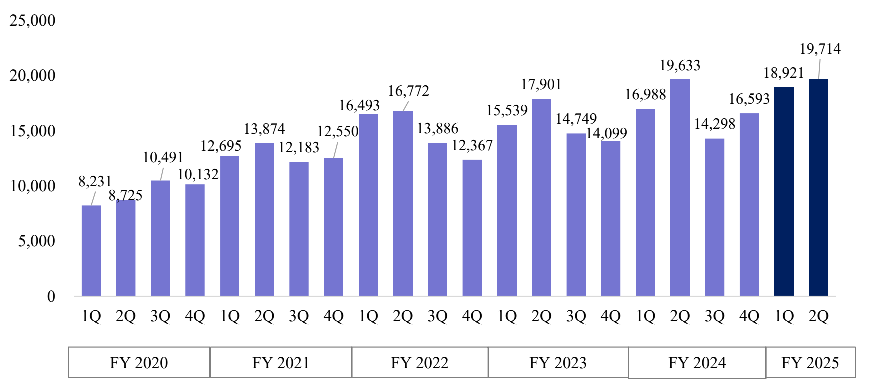
Here are the results by segment.

Orders Received in FY2025 1H

Although orders received were initially expected to decline year on year, in the target markets,
AI semiconductor-related demand remained strong, satellite communications expanded beyond expectations in North America, and investment in semiconductors and electronics was robust in Southeast Asia.
As a result, first-half orders received reached a record high for the fifth consecutive year.

Trends in orders received per quarter

(Millions of yen)



For the first-half orders received in fiscal 2025, we had expected a decline year on year, assuming a slowdown in the EV battery market that has driven our performance so far. However, AI semiconductor-related demand, which is one of our main target markets, remained strong, and investment in satellite communications, especially in North America, expanded far beyond expectations. In Southeast Asia as well, investment in semiconductors and electronics remained strong, allowing us to achieve a first-half record for the fifth consecutive year.

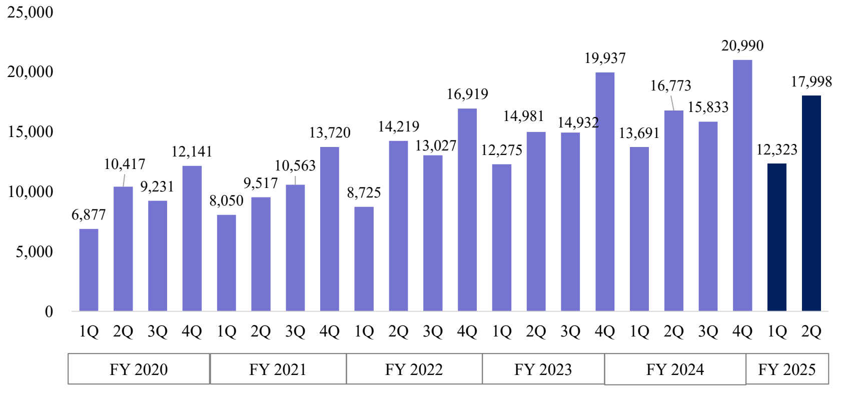
Exchange rate movements had a negative impact of roughly ¥600 million year on year.

Net Sales in FY2025 1H

Due in an increase in long delivery lead-time projects, sales were concentrated in Q2.
First-half net sales were roughly unchanged year on year.

Trends in net sales per quarter

(Millions of yen)

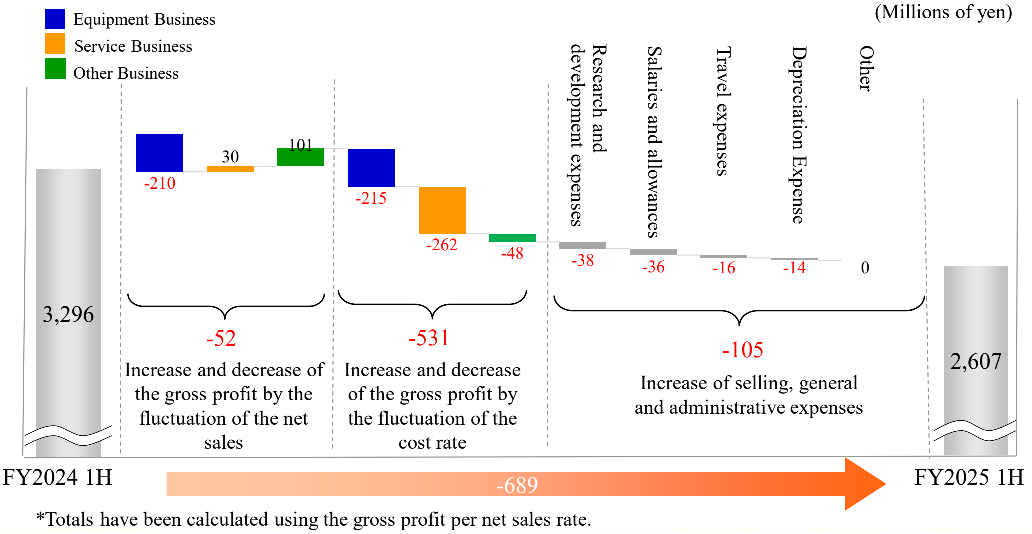


As for net sales, the increase in long delivery lead-time projects led to a slow start in the first quarter, but sales concentrated in the second quarter, resulting in first-half sales that were roughly the same as last year.

Exchange rate movements had a negative impact of about ¥400 million.

Analysis of Operating Profit Increase and Decrease Factors

In the Equipment Business, net sales were delayed due to more long delivery lead-time projects, and although profitability for custom products improved, intensified competition in China led to lower profit.
In the Service Business, laboratory testing services did not grow, worsening the cost-of-sales ratio and reducing profit.
SG&A increased due to R&D spending aimed at growth and activity costs tied to order expansion.



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

Here is the breakdown of changes in operating profit.
In the Equipment Business, sales were delayed due to an increase in long delivery lead-time projects, and although profitability for custom products continued to improve, intensified competition in China resulted in lower profit.

In the Service Business, laboratory testing services revenue did not grow, and rising depreciation expenses and increased staffing costs could not be absorbed, worsening the cost-of-sales ratio and leading to lower profit.

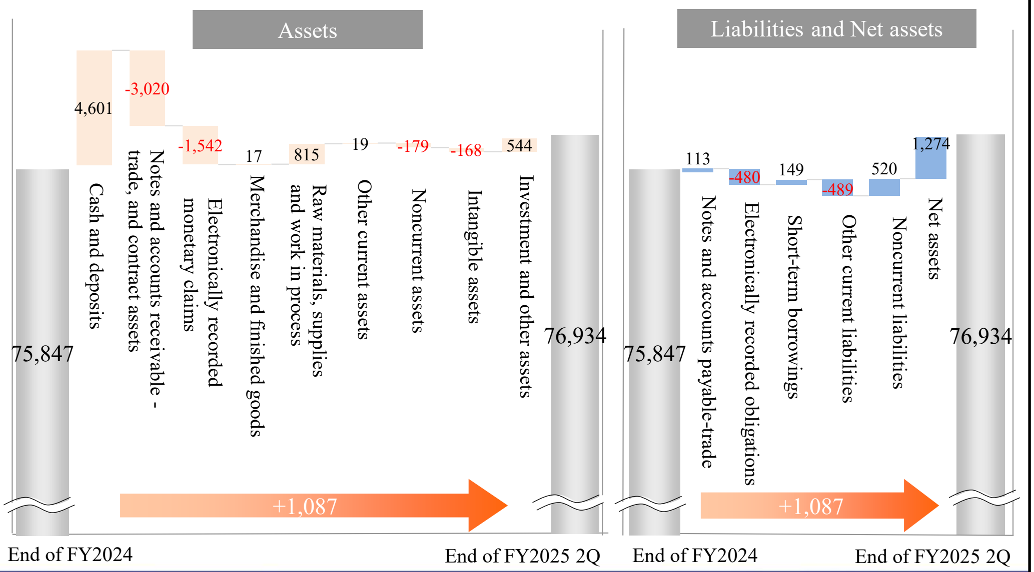
SG&A increased due to R&D spending aimed at growth and activity costs tied to order expansion.

As a result, operating profit decreased by ¥680 million year on year.

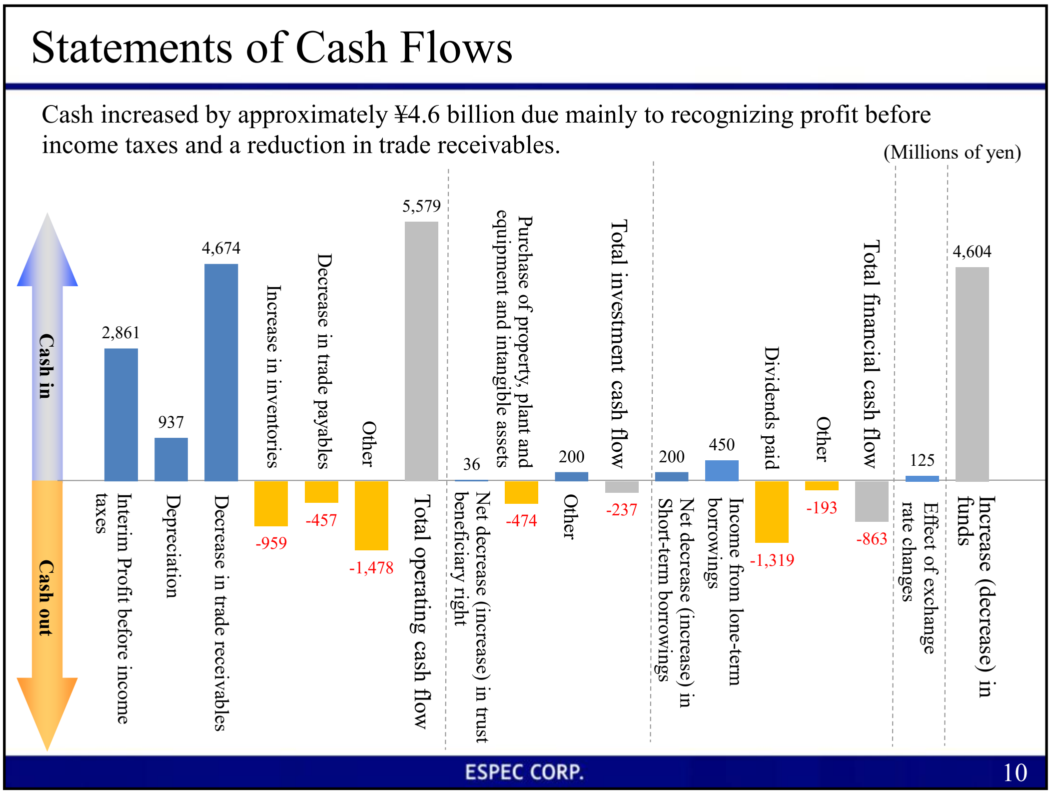
Statement of Assets and Liabilities

As accounts receivable were collected, cash and deposits increased, and higher order backlog led to more inventories. Total assets increased by roughly ¥1.1 billion.

(Millions of yen)



Our asset and liability position is shown here.



As you can see in our cash flow chart, cash increased by about ¥4.6 billion from the end of the previous fiscal year to approximately ¥17.3 billion.

Equipment Business

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	31,868	28,430	33,127	+3.9%	+16.5%
Net Sales	26,469	26,420	25,887	-2.2%	-2.0%
Operating Profit Profit Ratio	3,013 11.4%	2,910 11.0%	2,551 9.9%	-15.3% -1.5pt	-12.3% -1.1pt

Environmental Test Chambers

- In Japan, highly versatile standard products saw increases both in orders received and net sales year on year. Although orders received for custom products decreased compared to the previous year when EV and battery-related demand was strong, net sales increased due to solid AI semiconductor-related demand.
- Overseas, orders received increased significantly in North America and Southeast Asia compared with last year, but net sales decreased due to many long delivery lead-time projects.

Energy Device Equipment

- Investment in EV batteries has peaked, leading to a significant year-on-year decline in both orders received and net sales.

Semiconductor Equipment

- Orders received declined year on year, but net sales increased significantly due to recognizing revenue from a consolidated order for electronic components for AI servers.

Next, I would like to go over each segment in more detail.

In the Equipment Business segment, orders received increased year on year, driven by strong demand for environmental test chambers related to satellite communications in North America and AI semiconductors in Japan. However, net sales decreased, and operating profit also declined.

The performance by product group is shown here.

Service Business

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	4,176	4,520	4,224	+1.2%	-6.5%
Net Sales	3,701	4,210	3,780	+2.1%	-10.2%
Operating Profit Profit Ratio	324 8.8%	490 11.6%	56 1.5%	-82.4% -7.3pt	-88.4% -10.1pt

After-Sales Service and Engineering

- Both preventive maintenance services and repair services remained strong, with increases in both orders received and net sales year on year.

Laboratory Testing Services and Facility Rentals

- Orders received decreased year on year due to restrained investment and changes in development plans associated with slowing EV demand, while net sales were roughly unchanged.

Moving to the Service Business, after-sales service and engineering performed well, but profitability in laboratory testing services deteriorated, causing a significant decrease in operating profit.

Other Business

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	808	800	1,500	+85.6%	+87.6%
Net Sales	521	600	880	+68.7%	+46.8%
Operating Profit Profit Ratio	-31 -5.9%	-50 -8.3%	-2 -0.3%	-	-

Environmental Conservation, Plant Production Systems

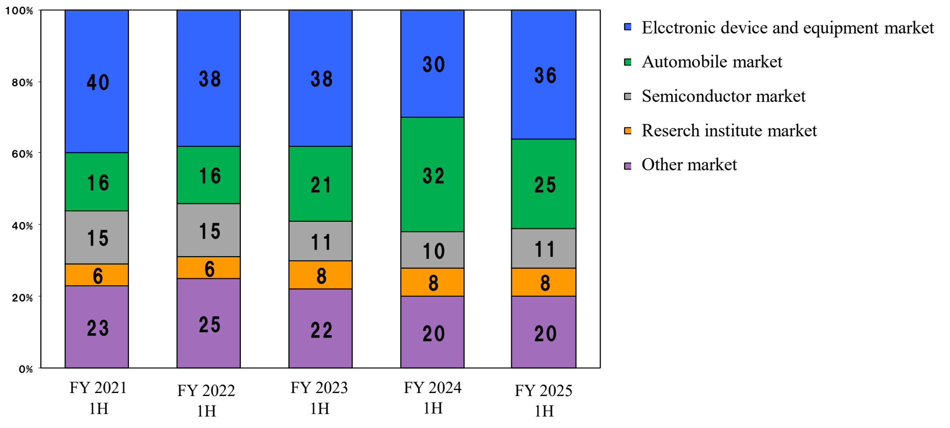
- We secured a large plant factory project, and plant research equipment and forest development projects also remained strong.

In the Other Business, we secured a large plant factory project, resulting in higher orders received and net sales.
Profit improved year on year, but the segment still posted an operating loss.

Sales by Market

In the electronic device and equipment market, and semiconductor market, testing demand related to AI semiconductors increased, raising the sales share. In the automobile market, investment related to EVs and batteries has paused, resulting in a lower sales share.

Non-Consolidated (Equipment Business)



Here is the market-based sales composition for ESPEC on a non-consolidated basis.
The blue part of the chart, the Electronic device and equipment Market, saw higher sales driven mainly by AI semiconductor demand, increasing its share by six points.

The green part, the Automobile market, saw a decline in sales due to slowing EV demand, with its share decreasing by seven points.

The gray part, the Semiconductor market, recorded steady sales, and its share increased by one point.

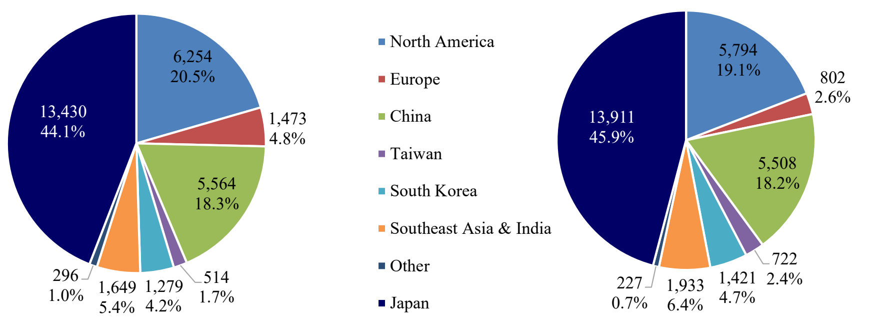
The orange part represents Research Institutions, including private, national, and public organizations as well as laboratory testing services organizations. Sales increased, but the share remained at 8%, the same as last year.

The very bottom in purple is Other Markets, which includes a wide range of industries such as chemicals, building materials, food, and cosmetics. This market typically accounts for around 20 to 25%.

Sales by Region

Net sales increased in Japan, Southeast Asia and India, Taiwan, and South Korea.
In North America, despite strong orders, net sales declined due to many long delivery lead-time projects.
In China, net sales were roughly unchanged.

1H FY 2024	1H FY 2025
Overseas sales ratio: 55.9%	Overseas sales ratio: 54.1%



Total: 30,464 million yen	Total: 30,322 million yen
Overseas sales: 17,033 million yen	Overseas sales: 16,410 million yen

Regarding sales composition by region, overseas sales accounted for 54.1%, a slight decrease year on year.

As for areas where sales increased, Japan saw growth despite lower EV battery-related demand, supported by firm AI semiconductor-related sales, resulting in higher sales and a higher share.

In Southeast Asia, semiconductor and electronics demand remained strong. In India, semiconductors and four-wheel and two-wheel markets also performed well, increasing both sales and share.

We recorded growth in Taiwan, supported by steady demand in server-related fields.

In North America, satellite communications were strong and orders received increased, but many long delivery lead-time projects resulted in lower net sales and a reduced share.

In Europe, economic stagnation led to a significant decline in net sales.

In China and South Korea, orders received were sluggish due to wait-and-see behavior related to tariffs. However, sales were flat year on year in China and increased in South Korea.

Progress of the Medium-Term Management Plan PROGRESSIVE PLUS 2027

- In the first year of the medium-term management plan PROGRESSIVE PLUS 2027 (FY2025 to FY2027), market development in target fields, Formulation of Investment plan for more efficient manufacturing, and new product development are progressing as planned.
- In line with our shareholder return policy, we announced a share repurchase on November 13.
- Through steady execution of our growth strategy and continued strengthening of profitability initiatives, we aim to achieve our basic policy of establishing a lean, sustainable, and highly profitable earnings model.

■ Medium-term target for FY2027
Net sales: ¥70.0 billion
Operating profit: ¥10.5 billion
Operating profit ratio: 15.0%
Profit: ¥7.6 billion
ROE: 12.0% or more

Now, we will be going over the progress of our medium-term management plan, PROGRESSIVE PLUS 2027, which began this fiscal year.

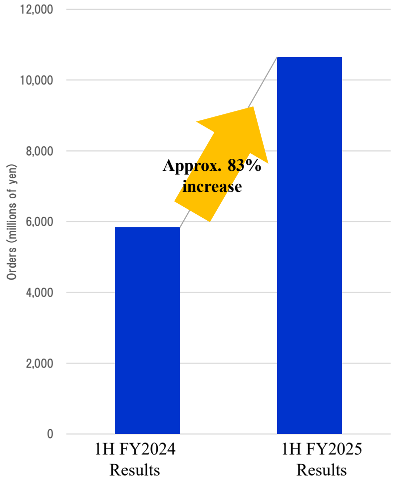
Although we have found ourselves revising our performance in this very first year, initiatives such as developing target markets, formulating investment plans for more efficient manufacturing, and developing new products are progressing as planned.

In terms of capital policy, we also announced a share repurchase based on the shareholder return policy revised in May 2025.

We will continue to focus on executing our growth strategy and strengthening profitability initiatives to achieve our basic policy of establishing a lean, sustainable, and highly profitable earnings model.

Test Demand and Market Development in Medium-Term Management Plan Target Markets

Orders received in target markets (AI semiconductors, autonomous driving services, satellite communications), increased approximately 83% year on year. AI semiconductor performed well in Japan and Southeast Asia, while satellite communications expanded in North America.



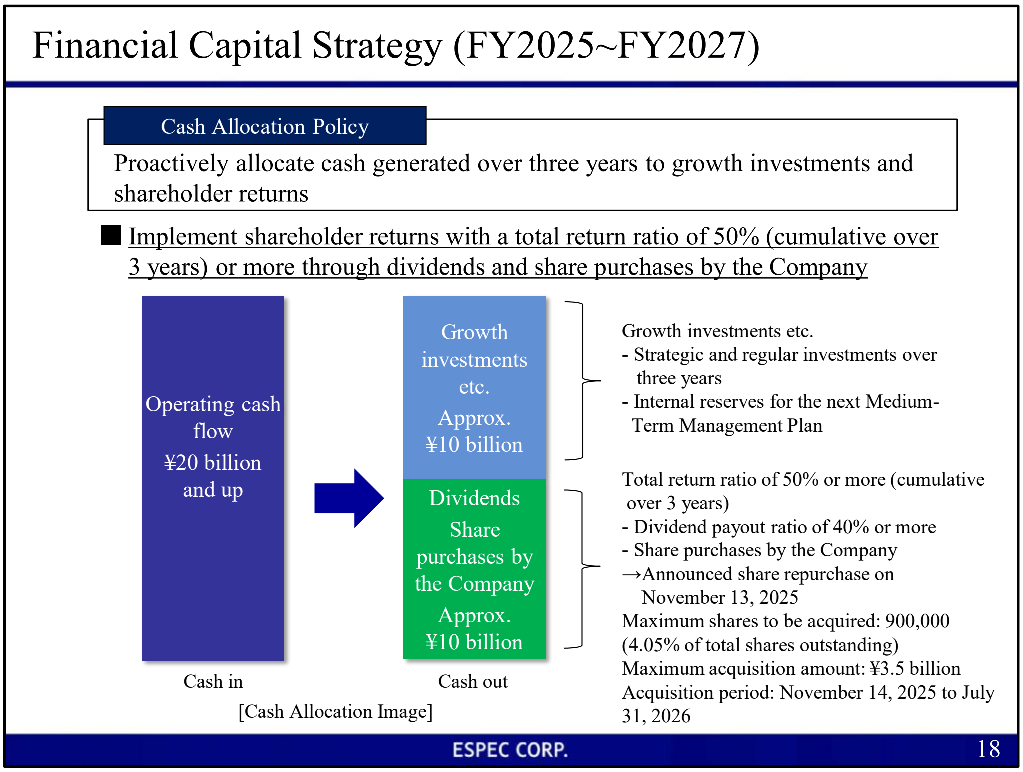
Orders Received in Target Markets

Market	Test Targets	Products Provided
AI semiconductors	AI servers Semiconductors Electronic components and materials HDDs and SSDs	High-power temperature & humidity chambers Rapid-rate thermal cycle chambers Temperature & humidity chambers Thermal shock chambers Highly accelerated stress test systems HDD inspection systems Measurement systems
Autonomous driving	Integrated ECUs Sensing devices	High-power temperature & humidity chambers Temperature & humidity chambers Bench-top type temperature (& humidity) chambers Thermal shock chambers
Satellite communications	Small satellites Satellite on-board components	HALT test systems High-power temperature & humidity chambers Thermal shock chambers Constant-pressure temperature & humidity chambers

In developing our target markets under the medium-term management plan, orders received in AI semiconductors, autonomous driving services, and satellite communications combined increased about 83% year on year.

AI semiconductor-related orders were about 1.2 times higher, with notable growth in semiconductors, electronic components, and electronic materials among test items.
Satellite communications grew roughly sixfold due to a surge in inspection demand for small satellites in North America.
Autonomous driving services has not shown major movement at this point.

Last fiscal year, AI semiconductors accounted for about 70% of our target market. However, due to the rapid expansion of the satellite communications market, the shares of AI semiconductors and satellite communications are now nearly equal.



Next, we will be going over capital policy. As part of our medium-term management plan and our commitment to achieving "management conscious of cost of capital and share price," we announced our cash allocation and shareholder return policies for the plan period in May.

Based on these policies, we announced the implementation of a share repurchase on November 13. The maximum number of shares to be acquired is 900,000, with an upper limit of ¥3.5 billion.
The acquisition period runs from November 14 until July 31 of next year.

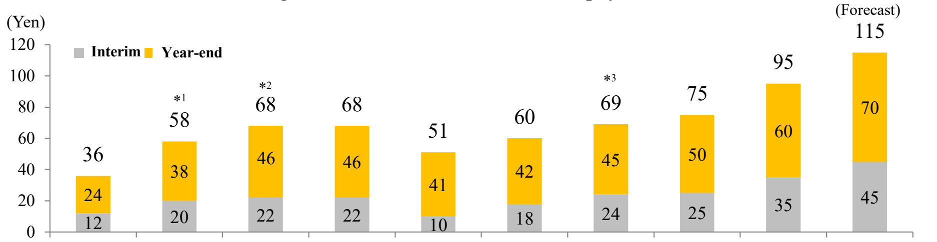
Shareholder Return Policy and FY2025 Dividend Forecast

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 43.4%.



	16	17	18	19	20	21	22	23	24	25 (FY)
Dividend payout ratio:	36.8%	40.1%	36.2%	55.2%	59.4%	70.7%	45.9%	33.0%	34.5%	43.4%
Total return ratio:	36.8%	40.1%	36.2%	55.2%	59.4%	126.9%	78.9%	33.0%	34.5%	-

(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.

Our dividend forecast for fiscal 2025 remains unchanged from our initial plans, with ¥45 for the interim dividend, ¥70 for the year-end dividend, and ¥115 for the full year.

FY2025 Recognition of the Operating Environment

We aim to secure orders globally, focusing on AI semiconductors and satellite communications, the target markets of the medium-term management plan.

Equipment Business	Environmental Test Chambers	Japan: Investment for EV and battery use (mainly production-related) is declining, while AI semiconductor-related investment remains firm. China: Automotive-related demand remains sluggish, while semiconductors and electronics remain firm. ASEAN: Semiconductors and electronics are performing well. India: Semiconductor-related demand is strong, and four-wheel and two-wheel automotive markets are also solid. North America: Strong demand, centered on satellite communications. Europe: Sluggish due to economic slowdown.
	Energy Device Equipment	Sluggish due to EV battery-related investment having peaked.
	Semiconductor Equipment	Demand for memory remains soft, while burn-in systems and measurement systems for AI servers remain strong.
Service Business	After-Sales Service Laboratory Testing Services and Facility Rentals	After-Sales Support: Strong performance driven by expansion of maintenance contracts. Laboratory Testing Services: EV battery-related testing has leveled off, while environmental testing for electrification and autonomous driving modules outside the battery field remains firm.
Other Business	Environmental Conservation Plant Production Systems	Plant cultivation equipment, including plant factories and plant research systems, remains firm.

Here is our current outlook for each segment.
We will continue working to secure orders globally, focusing on AI semiconductors and satellite communications, the key target markets in our medium-term management plan.

For environmental test chambers in Japan, although demand related to EVs and batteries is expected to decline, we anticipate steady investment in AI semiconductor-related fields.
In China, while automotive-related demand is expected to remain sluggish, semiconductors and electronics are likely to remain firm.
In ASEAN, we expect semiconductor and electronics demand to remain strong.
In India, semiconductor-related demand is expected to stay strong, and two-wheel and four-wheel automotive fields are also likely to perform well.
In North America, we expect continued strong performance, especially in satellite communications.
Europe is expected to remain sluggish due to the economic slowdown.

In energy device equipment, we expect a continued slowdown as investment related to EV batteries has passed its peak.
In semiconductor equipment, demand for memory is expected to remain soft, while burn-in systems and measurement systems for AI servers should continue performing well.

In laboratory testing services, EV battery-related testing is expected to level off, but environmental testing for electrification and autonomous driving modules outside the battery field should remain strong.

Segment Financial Forecasts

(Millions of yen)

		FY 2024	FY 2025	FY 2025			
		Full Year Results	Full Year Initial Forecasts	1H Results	Forecasts (revised 11/13)		
					2H	Full Year	Year on Year
Equipment Business	Orders-Received	57,283	55,500	33,127	25,513	58,640	+2.4%
	Net sales	57,507	57,600	25,887	31,672	57,560	+0.1%
	Operating profit	6,610	7,340	2,551	4,428	6,980	+5.6%
	Profit Ratio	11.5%	12.7%	9.9%	14.0%	12.1%	+0.6pt
Service Business	Orders-Received	8,532	9,200	4,224	4,295	8,520	-0.2%
	Net sales	8,425	9,200	3,780	4,859	8,640	+2.5%
	Operating profit	793	1,080	56	443	500	-37.0%
	Profit Ratio	9.4%	11.7%	1.5%	9.1%	5.8%	-3.6pt
Other Business	Orders-Received	2,170	1,800	1,500	840	2,340	+7.8%
	Net sales	1,758	1,700	880	1,419	2,300	+30.8%
	Operating profit	126	80	-2	123	120	-5.5%
	Profit Ratio	7.2%	4.7%	-0.3%	8.6%	5.2%	-2.0pt
Elimination	Orders-Received	-472	-500	-215	-285	-500	-
	Net sales	-403	-500	-226	-273	-500	-
	Operating profit	-4	0	1	-2	0	-
Total	Orders-Received	67,514	66,000	38,636	30,364	69,000	+2.2%
	Net sales	67,288	68,000	30,322	37,678	68,000	+1.1%
	Operating profit	7,526	8,500	2,607	4,993	7,600	+1.0%
	Profit Ratio	11.2%	12.5%	8.6%	13.3%	11.2%	±0pt

Here is our performance forecast for fiscal 2025 by segment.

In the Equipment Business, we revised orders received upward by ¥3.1 billion from the initial forecast.
Net sales are expected to be roughly in line with the initial plan.
Operating profit is kept in line with the initial forecast for the second half, but recovering the first-half decline will be difficult. For this reason, we project operating profit at negative ¥360 million.

In the Service Business, orders received and net sales have been revised downward, mainly for laboratory testing services.
As a result, operating profit has been significantly revised to negative ¥580 million.

In the Other Business, where we secured a major plant factory in the first half, orders received, net sales, and operating profit are all expected to exceed the initial forecast.

FY2025 Investment Plans

The medium-term management plan allocations remain unchanged, with ¥9.5 billion for growth investments and ¥4.8 billion for R&D over the three-year period.

(Millions of yen)

	FY2024	FY2025 Forecasts			
			Forecast (no revisions)		
	Full Year Results	1H Results	2H	Full Year	Year on Year
Capital Expenditures	3,690	719	1,871	2,590	-29.8%
Depreciation	1,716	927	1,063	1,990	+15.9%
R&D Expenses	1,343	730	1,100	1,830	+36.2%

FY2025

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

Our investment plans remain unchanged, with ¥9.5 billion allocated for growth investments and ¥4.8 billion for R&D over the three years of the medium-term management plan.

Our plans for fiscal 2025 are shown here.

FY2025 Assumed Exchange Rate

Assumed Exchange Rate

	FY2024		FY2025	
	1H Results	Full Year Results	1H Results	Full Year Assumption
U.S. dollar (yen)	152.77	152.62	146.03	145
Euro (yen)	166.05	163.87	168.05	160
Yuan (yen)	21.16	21.11	20.29	20

FY2025 exchange rate sensitivity

(Millions of yen)

	Net sales	Operating profit
U.S. dollar	+74	+11
Euro	+15	+10
Yuan	+51	+9

* Impact of a 1-yen depreciation of the Japanese yen (0.1-yen for the Chinese yuan)

Here are the assumed exchange rates and exchange rate sensitivities.

Main Initiatives in FY2025

Equipment Business

- Converting order backlog into sales, strengthening sales of standard products, and continuing to improve profitability for custom products.
- Development and expanded sales of high value-added products that meet testing needs in target markets

Service Business

After-sales service: Reviewing service fees and reducing costs through improved utilization.

Laboratory testing services: Expanding orders for electrification and autonomous driving modules, as well as aerospace-related equipment.

Area Strategy

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

U.S.: Strengthening sales in satellite communications and increasing production capacity to translate strong orders into revenue.

China: Improving profit levels through competitive product launches and stronger sales efforts in semiconductor and communications fields.

Our main initiatives for fiscal 2025 include accelerating the conversion of order backlog into sales and strengthening standard-product sales in the Equipment Business, while continuing to improve profitability for custom products.
We will also develop and strengthen sales of high-value-added products that match testing needs in our target markets.

In the Service Business, after-sales service will focus on reducing costs by reviewing service fees and improving utilization rates.
In laboratory testing services, we aim to expand orders related to electrification and autonomous driving modules, as well as aerospace equipment.

In our area strategy, we will continue strengthening sales activities in AI semiconductors and autonomous driving sectors in Japan, while also capturing replacement-demand opportunities.
In the United States, in addition to strengthening sales in satellite communications, we will expand production capacity so that strong orders can be fully converted into revenue.
In China, we will work to improve profit levels by introducing competitive products and enhancing sales efforts in the semiconductor and communications fields.
Specifically, we will expand sales of environmentally conscious products and models developed for the Chinese semiconductor and electronics markets.

Main ESG Initiatives in FY2025

■ E for Environment

- Advancing the 8th Mid-Term Plan on the Environment (FY2022 to FY2025)
- Global warming measures:
  Transitioning to low-GWP refrigerants and reducing CO_2 emissions from manufacturing and other operations.
- Biodiversity conservation activities:
  Contributing through environmental preservation projects and promoting conservation initiatives such as the ESPEC's 50-Year Forest.
  Disclosure of natural capital-related information based on TNFD recommendations.

■ S for Society

- Advancing human capital strategies and implementing a new personnel evaluation system.
- Strengthening internal communication, establishing a health-management declaration and policy, and conducting engagement surveys.
- Developing women leaders (female manager ratio at 9.8% in April 2025) and promoting and supporting stable employment of persons with disabilities.
- Introduction of a trust-based employee stock ownership incentive plan.

■ G for Governance

- Rebuilding the Business Continuity Plan (BCP).
- Establishing a human rights policy.

In ESG initiatives, under the "Environment" category, we disclosed nature-related information based on the TNFD recommendations.

Under "Social" initiatives, we implemented a new personnel evaluation system in April and worked on initiatives such as establishing our health management declaration and policy, and conducting engagement surveys.
In promoting diversity, the share of women in management positions reached 9.8% as of April 2025, showing steady progress.
In August, we introduced a trust-based employee stock ownership incentive plan.
We will continue focusing on strengthening human capital.

TOPICS 1

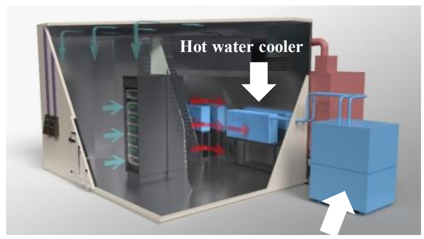
New Products for the AI Server Markets

■ Walk-in Temperature & Humidity Chamber for High Heat-generation Loads

- In October 2025, we launched two models designed to handle high heat-generation loads for AI server reliability testing.
- Our proprietary control system provides precise temperature and humidity control to support heat-generation loads of 30 kW and 60 kW generated by servers.
- Enables testing compliant with ASHRAE standards used for server reliability evaluation.

Walk-In Temperature & Humidity Chamber

<A look inside the test area>



Chiller for hot water cooler

By combining a conventional air-conditioning system with a hot-water cooler, the system handles heat-generation loads over 60 kW even in humid conditions.

Next, in TOPICS, this October we launched two new walk-in constant temperature and humidity chambers designed to handle high heat-generation loads for the AI server market.

TOPICS 2

New Products for AI Semiconductor and Autonomous Driving Markets

Highly Accelerated Stress Test System (HAST Chamber) EHS-222M-L

- In October 2025, we added the EHS-222M-L model, which supports testing of large substrates, to the Highly Accelerated Stress Test System (HAST Chamber) lineup.
- Capable of evaluating a large number of samples in a single test.
- Contributes to shorter development cycles and higher reliability for electronic components.

Highly Accelerated Stress Test System
EHS-222M-L

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

- 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

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

We also released new products for the AI semiconductor and autonomous driving markets, including a highly accelerated stress test system compatible with large substrates and a high-performance model of our rapid-rate thermal cycle chamber.

TOPICS 3

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

■ **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

Aichi xEV Battery Safety Test & Certification Center


Toyota Test Center

In February of this year, we opened the Aichi Next Generation Mobility Test Lab.
The Aichi xEV Battery Safety Test & Certification Center has seen some delays in customer investment, but the Toyota Test Center continues to perform well.

External Recognition

■ ESG-Related Evaluations

- Included in the ESG index "FTSE Blossom Japan Sector Relative Index"
  Included in the ESG index "S&P/JPX Carbo Efficient 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 three 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
- The Kobe R&D Center received the Minister of Economy, Trade and Industry's Award as the National Award for Greenery Factory
- Received the Platinum Kurumin certification from the Minister of Health, Labour and Welfare as a company supporting child-raising.
- Earned the "Three Star Certification" under the "Osaka City Leading Company in Women's Participation" and also certified as a "Company Promoting Ikumen"

■ 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 (17th in its industry)
- Awarded as an excellent company in the Gomez ESG Website Ranking

Lastly, we have received recognition from the institutions shown here.
We will make use of this recognition in our future initiatives.

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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This concludes my explanation.

Thank you for your attention.

Quality is more than a word

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