

Securities ID code: 6859

**ESPEC CORP.**  
Financial Results for FY2025  
(Fiscal Year Ended March 31, 2026)

May 25, 2026  
President  
Satoshi Arata

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FY2025 Full-Year Results

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Forecast for FY2026

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Revision of the Medium-Term Management Plan

Reference materials

- Company Profile & Business Overview
- Sustainability Initiatives

## Key Points of Results for the Fiscal Year Ended March 31, 2026

### ■ Full-Year Results for FY2025

- Announced the Medium-Term Management Plan PROGRESSIVE PLUS 2027 (FY2025–2027)
- Orders received and net sales were strong, mainly in target markets (AI semiconductors, satellite communications), and reached record highs.
- On the profit side, declines were mainly due to deterioration in profitability in the China market and in laboratory testing services, as well as an increase in SG&A expenses, leading to revisions to the targets of the medium-term management plan.

### ■ Forecast for FY2026

- As an important year toward achieving the revised targets of the medium-term management plan, maintain orders received at a high level, and aim for record-high net sales and operating profit, with both revenue and profit increasing. Steadily execute the growth strategy while strengthening the financial strategy and implementing “management conscious of cost of capital and share price.”
- While there are concerns about a slowdown in the global economy due to the impact of heightened tensions in the Middle East, at this point we view the direct impact as limited. It is difficult to forecast future impacts, and we will continue to monitor the situation.

### ■ Revision of the Medium-Term Management Plan

- Based on the full year results for FY2025 and progress on the strategy, we will revise net sales upward from the initial plan and revise profits downward; however, by implementing various improvements, we will steadily achieve an operating profit ratio of 12% (record high). We will promote the establishment of a lean, sustainable, and highly profitable earnings model with an eye to the future.
- ROE will be maintained at 12.0% or higher through strengthened financial capital strategy.

I am Satoshi Arata, President of ESPEC CORP.

Today, I would like to walk you through the key points of our FY2025 results.

At the beginning of FY2025, we announced our Medium-Term Management Plan covering FY2025 through FY2027. For the full year, orders received and net sales both performed strongly, driven mainly by our target markets, and reached record highs.

On the profit side, declines were due to deterioration in profitability in the China market and laboratory testing services, as well as an increase in SG&A expenses. As a result, we unfortunately revised the targets in our medium-term management plan.

Looking at our full-year plan for FY2026, we see this as a important year toward achieving the revised targets of our medium-term management plan. We aim to maintain orders received at a high level while also targeting record-high net sales and operating profit through continued growth in both revenue and earnings.

In addition, we will steadily execute our growth strategies while strengthening financial strategies and practice “management conscious of cost of capital and share price.”

While there are concerns about a slowdown in the global economy due to the impact of heightened tensions in the Middle East, at this point, we view the direct impact as limited.

It is difficult to forecast future impacts, and we will continue to monitor the situation.

Regarding the revision of our medium-term management plan, based on the full-year results for FY2025 and progress on the strategy, we revised our net sales forecast upward from the original plan, while revising our profit targets downward.

Going forward, we will continue implementing a wide range of improvement initiatives to steadily achieve our record-high operating profit ratio of 12%, while also building what we describe as a “lean, sustainable, and highly profitable earnings model” with an eye toward the future.

As for ROE, we are maintaining our target of 12% or higher.

# FY2025 Full-Year Results

Let me now move on to our full-year results for FY2025.

# FY2025 Full-Year Financial Summary

- In terms of orders received, they remained strong in the AI semiconductor field in Japan, Southeast Asia, and Taiwan, and expanded significantly in the satellite communications field in North America. They exceeded the previous fiscal year and the revised forecast, reaching a record high.
- In terms of net sales, Japan, North America, and Southeast Asia performed strongly, exceeding the previous fiscal year and the revised forecast, reaching a record high.
- In terms of operating profit, although profitability improvements for custom products progressed, it fell below the previous fiscal year and the revised forecast due to deterioration in profitability in the China market and laboratory testing services, and an increase in SG&A expenses.

		Year on Year	Comparison with Forecasts (Revised on 2025/11/13)	
Orders Received	Increase	Orders increased in Equipment Business (environmental test chambers) and Other Business, while Service Business (laboratory testing services) declined.	Above	Orders exceeded in Equipment Business (environmental test chambers) and Other Business, while Service Business (laboratory testing services) fell short.
Net Sales	Increase	Sales increased in Equipment Business (environmental test chambers were about the same as last year, while semiconductor-related equipment increased) and Other Business, while Service Business declined due to a decrease in laboratory testing services and was about the same as last year.	Above	Equipment Business and Other Business exceeded; Service Business, mainly laboratory testing services, fell short.
Operating Profit	Decrease	Equipment Business saw higher revenue, but was in line with the previous fiscal year due to increased SG&A expenses; Service Business decreased due to a decline in laboratory testing services revenue and an increase in depreciation; Other Business increased.	Below	Equipment Business fell short mainly due to deteriorating profitability in the China market and increased SG&A expenses; Service Business fell short mainly due to insufficient net sales in laboratory testing services; Other Business exceeded.
Profit Attributable to Owners of Parent	Unchanged	Although gain on sale of investment securities was recorded, results were below the previous fiscal year due to the recording of an impairment loss on laboratory testing services facilities	Above	In line with forecasts due to the recording of gain on sale of investment securities.

■ Shareholder returns    Dividend forecast: Interim ¥45, Year-end ¥70, Annual ¥115    Payout ratio: 42.5%  
 Ongoing share purchases by the Company: November 14, 2025 to July 31, 2026; up to 900,000 shares (4.05% of total shares outstanding), up to ¥3.5 billion  
 → In FY2025, 550,000 shares and approximately ¥1.9 billion were executed    Total payout ratio: 75.3%

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To summarize our FY2025 results, orders received reached a record high, exceeding both the previous year and our revised forecast. In AI semiconductors, demand remained strong in Japan, Southeast Asia, and Taiwan, while satellite communications expanded significantly in North America.

Net sales also reached a record high, supported by strong performance in Japan, North America, and Southeast Asia. On the profit side, although profitability of custom products continued to improve, profitability deteriorated in the China market due to intensified competition amid the deflationary economy. In addition, profitability in laboratory testing services declined due to lower revenue caused by customers scaling back investment and revising development plans in response to slowing EV demand, as well as higher depreciation expenses. Furthermore, SG&A expenses increased, mainly as a result of higher order volumes, and operating profit came in below both the previous year and our revised forecast.

Compared with the previous year, orders received increased in the Equipment Business, particularly environmental test chambers, as well as in the Other Business segment, while laboratory testing services in the Service Business declined. In terms of net sales, semiconductor-related equipment in the Equipment Business increased, while environmental test chambers were mostly unchanged year on year, due to a higher proportion of long lead-time projects. In the Service Business, laboratory testing services declined, while the Other Business segment posted growth.

As mentioned earlier, operating profit decreased. Current net profit was below the previous year's level. Although we recorded gains on the sale of investment securities, we also recognized impairment losses on a portion of our laboratory testing service facilities for EV batteries.

Compared with our revised forecast, orders received and net sales exceeded expectations in the Equipment Business and the Other Business segment, while laboratory testing services in the Service Business fell short of plan. Operating profit also came in below the revised forecast, as we had assumed a certain level of recovery in the China market and in laboratory testing services that did not materialize as we expected.

In terms of shareholder returns, we have been conducting share buybacks since last November, bringing our total payout ratio to 75.3%.

## Summary of Profits and Losses

(Millions of yen)	FY2024 Results	FY2025 Initial Forecasts	FY2025 Revised Forecasts (Revised in Nov. 2025)	FY2025 Results	Year on Year	Comparison with Initial Forecasts	Comparison with Revised Forecasts
Orders Received	67,514	66,000	69,000	72,596	+7.5%	+10.0%	+5.2%
Net Sales	67,288	68,000	68,000	70,034	+4.1%	+3.0%	+3.0%
Cost of Sales	43,300	42,600	43,800	45,739	+5.6%	+7.4%	+4.4%
Cost Ratio	64.4%	62.6%	64.4%	65.3%	+0.9pt	+2.7pt	+0.9pt
Gross Profit	23,987	25,400	24,200	24,295	+1.3%	-4.4%	+0.4%
Profit Ratio	35.6%	37.4%	35.6%	34.7%	-0.9pt	-2.7pt	-0.9pt
SG&A	16,460	16,900	16,600	17,210	+4.6%	+1.8%	+3.7%
Operating Profit	7,526	8,500	7,600	7,084	-5.9%	-16.7%	-6.8%
Profit Ratio	11.2%	12.5%	11.2%	10.1%	-1.1pt	-2.4pt	-1.1pt
Ordinary Profit	7,793	8,650	7,750	7,473	-4.1%	-13.6%	-3.6%
Profit Attributable to Owners of Parent	6,003	6,190	5,800	5,879	-2.1%	-5.0%	+1.4%
ROE	11.0%	11.0%	10.0%	10.0%	-1.0pt	-1.0pt	±0pt

This slide shows our profit and loss results.

Orders received increased 7.5% year on year, and net sales grew 4.1%.

The cost of sales ratio worsened by 0.9 percentage points, while SG&A expenses increased 4.6%.  
As a result of these factors, operating profit declined 5.9%.

Compared with our revised forecast, orders received increased 5.2% and net sales increased 3.0%.  
The cost of sales ratio worsened by 0.9 percentage points, while SG&A expenses increased 3.7%.  
Due to these factors, operating profit came in 6.8% lower than the revised forecast.

## Performance by Segment

(Millions of yen)		FY2024 Results	FY2025 Initial Forecasts	FY2025 Revised Forecasts (Revised in Nov. 2025)	FY2025 Results	Year on Year	Comparison with Initial Forecasts	Comparison with Revised Forecasts
Equipment Business	Orders Received	57,283	55,500	58,640	62,216	+8.6%	+12.1%	+6.1%
	Net Sales	57,507	57,600	57,560	59,468	+3.4%	+3.2%	+3.3%
	Operating Profit	6,610	7,340	6,980	6,606	-0.1%	-10.0%	-5.3%
Service Business	Orders Received	8,532	9,200	8,520	8,294	-2.8%	-9.8%	-2.6%
	Net Sales	8,425	9,200	8,640	8,327	-1.2%	-9.5%	-3.6%
	Operating Profit	793	1,080	500	228	-71.2%	-78.9%	-54.4%
Other Business	Orders Received	2,170	1,800	2,340	2,529	+16.5%	+40.5%	+8.1%
	Net Sales	1,758	1,700	2,300	2,747	+56.3%	+61.6%	+19.4%
	Operating Profit	126	80	120	239	+88.7%	+198.9%	+99.7%
Elimination	Orders Received	-472	-500	-500	-442	-	-	-
	Net Sales	-403	-500	-500	-507	-	-	-
	Operating Profit	-4	0	0	10	-	-	-
Total	Orders Received	67,514	66,000	69,000	72,596	+7.5%	+10.0%	+5.2%
	Net Sales	67,288	68,000	68,000	70,034	+4.1%	+3.0%	+3.0%
	Operating Profit	7,526	8,500	7,600	7,084	-5.9%	-16.7%	-6.8%

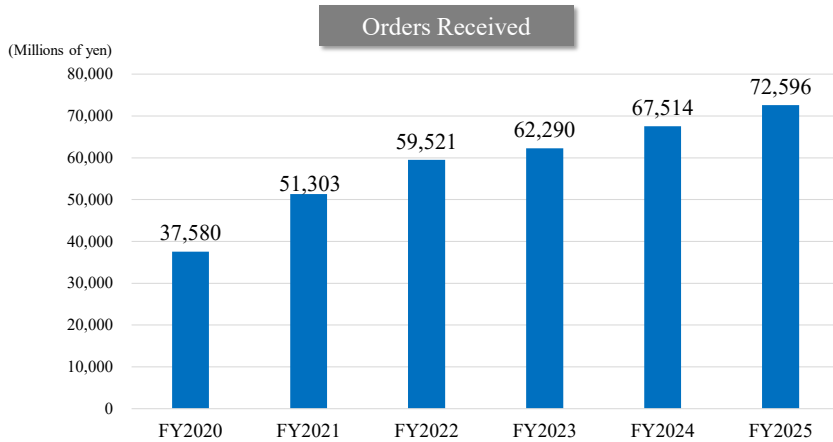
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Here are the results by segment.

## Orders Received in FY2025

Orders received marked a new record high for the fifth consecutive fiscal year. North America, Southeast Asia, and Taiwan increased; China and Europe remained flat; Japan and Korea decreased.

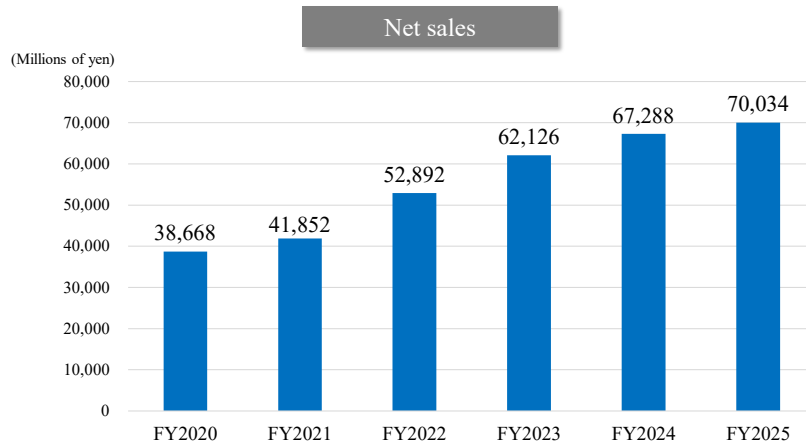


Next, regarding orders received, we achieved a record high for the fifth consecutive year, totaling ¥72,596 million.

By region, North America, Southeast Asia, and Taiwan increased; China and Europe remained flat; Japan and South Korea decreased.

## Net Sales in FY2025

Net sales renewed record highs for the fourth consecutive fiscal year. Japan, North America, Southeast Asia, and Taiwan increased; China remained flat; Europe and Korea decreased.



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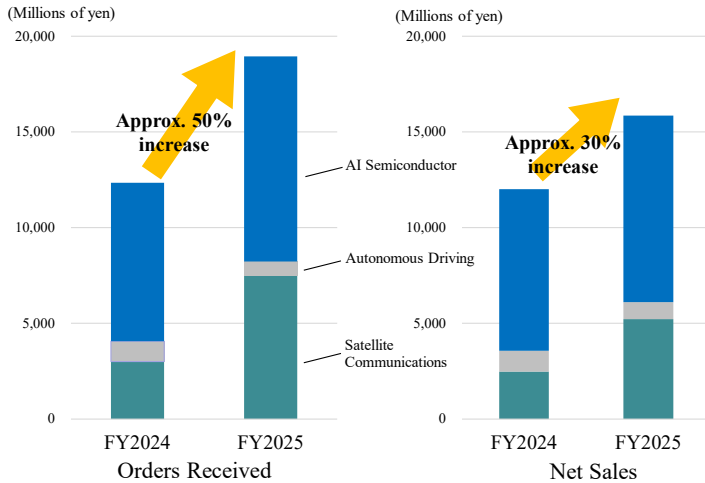
Net sales reached record highs for the fourth consecutive fiscal year, totaling ¥70,034 million.

Sales increased particularly in Japan and North America, as well as Southeast Asia and Taiwan, while China remained flat and Europe and South Korea declined.

## FY2025 Development Status of Target Markets

Orders received in target markets (AI semiconductors, autonomous driving, and satellite communications) increased by approximately 50%, while net sales increased by approximately 30%.

AI semiconductors increased in Japan, Southeast Asia, and Taiwan, satellite communications increased significantly in North America, and no major fluctuations were seen in autonomous driving.



	Test Targets	Products Provided
AI Semiconductor Field	AI servers Semiconductors Electronic components (HDDs, SSDs etc.) Electronic materials	Temperature & Humidity Chambers Walk-In Chambers High-power Temperature & Humidity Chambers Rapid-rate Thermal Cycle Chambers Thermal Shock Chambers Highly Accelerated Stress Test Systems HDD Inspection Systems Burn-In Chamber Evaluation System
Autonomous Driving Field	Integrated ECUs Sensing devices	Temperature & Humidity Chambers Walk-In Chambers High-power Temperature & Humidity Chambers Bench-top Type Temperature (& Humidity) Chambers Thermal Shock Chambers
Satellite Communications Field	Low earth orbit (LEO) satellites Satellite-mounted components	HALT Test Systems Temperature & Humidity Chambers Walk-In Chambers Altitude Temperature Chamber High-power Temperature & Humidity Chambers Thermal Shock Chambers Bench-top Type Temperature (& Humidity) Chambers

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In our medium-term management plan, target markets, orders received in AI semiconductors, autonomous driving, and satellite communications increased approximately 50% year on year.

Of this total, the AI semiconductor field accounted for 56% and grew by approximately 1.3 times compared with the previous year.

In FY2025, orders for electronic components and semiconductors increased in Japan and Southeast Asia, while orders for AI servers expanded mainly in Taiwan.

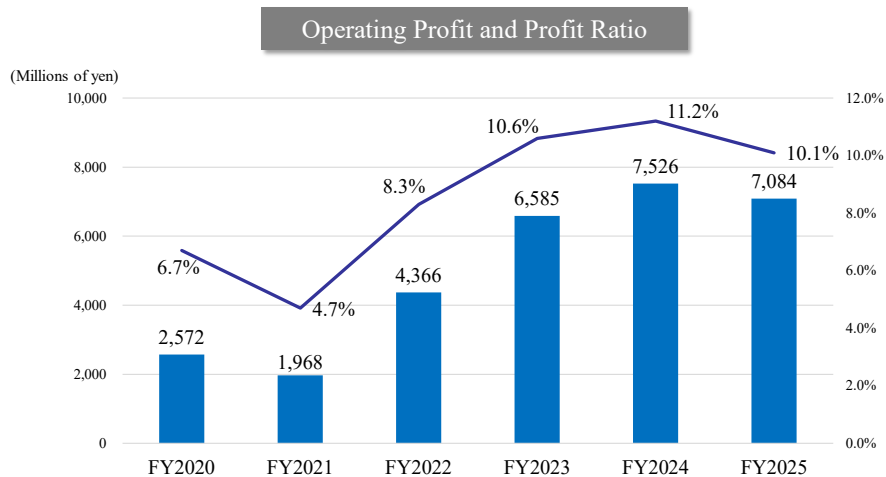
The satellite communications field accounted for 40% of the total and increased approximately 2.5 times year on year.

This was driven primarily by a significant increase in demand for small satellite testing in North America.

Net sales in these target markets increased approximately 30% year on year.

## Operating Profit and Profit Ratio in FY2025

Operating profit decreased and the profit ratio declined, although there was an effect from higher revenue, due to a worsening cost of sales ratio and an increase in SG&A expenses.

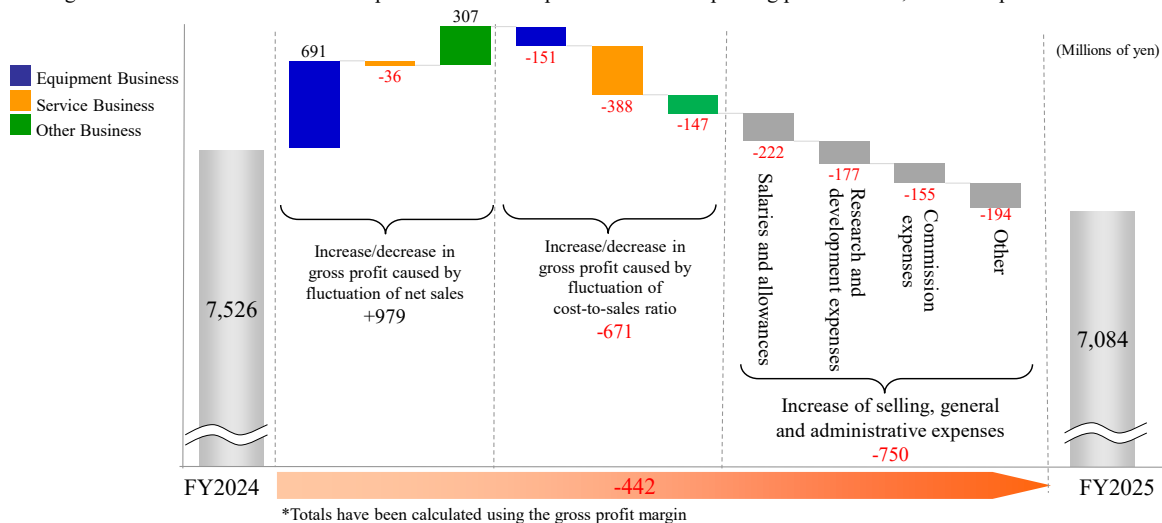


Turning to operating profit, although higher sales had a positive impact, profit declined due to the worsening cost of sales ratio and higher SG&A expenses, resulting in an operating profit of ¥7,084 million.

The profit ratio came to 10.1%.

## Analysis of Operating Profit Increase and Decrease Factors

- In the Equipment Business, there were effects from higher revenue and improved profitability of custom products; however, profitability deteriorated due to intensified competition driven by the deflationary economy in the China market.
- The Service Business saw a decline in profits due to reduced laboratory testing services revenue and rising depreciation expenses.
- Due to growth in orders received and an expansion of R&D expenses aimed at improving product value, SG&A expenses increased.



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Here is the breakdown of changes in operating profit.

In the Equipment Business, although higher sales and improved profitability of custom products contributed positively, profitability deterioration in the China market led to a worsening cost of sales ratio.

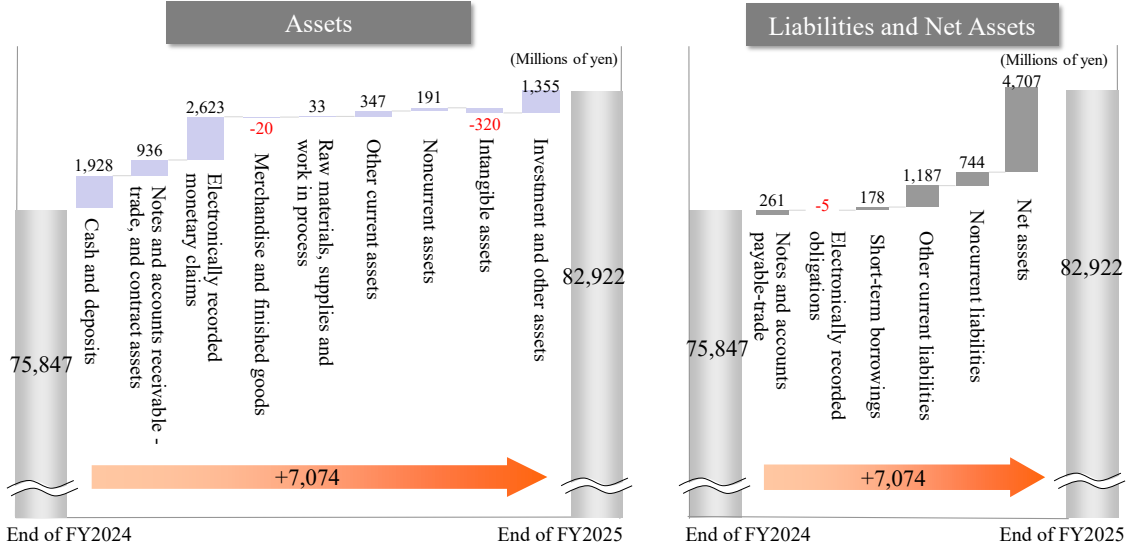
The Service Business saw a decline in profits due to reduced laboratory testing services revenue and rising depreciation expenses.

SG&A expenses increased due to higher operating costs associated with growing order volumes, as well as expanded R&D expenses.

As a result, operating profit decreased by ¥442 million year on year.

# Statement of Assets and Liabilities

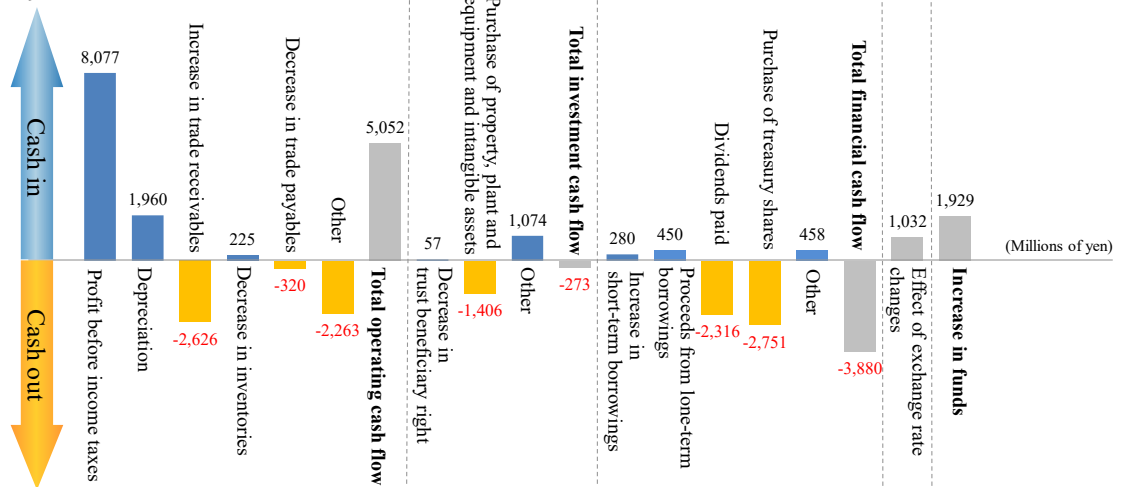
Total assets increased by approximately ¥7.0 billion due to increased trade receivables associated with sales growth, increased cash and deposits, and an increase in investment securities due to a rise in the fair value of shares held.



Next, turning to assets, total assets increased by approximately ¥7.0 billion due to increased trade receivables associated with sales growth, increased cash and deposits, and an increase in investment securities due to a rise in the fair value of shares held.

# Statements of Cash Flows

- Operating CF resulted in a cash inflow of ¥5.0 billion, reflecting profit before income taxes and cash outflows from an increase in trade receivables associated with higher net sales, etc.
- Investing CF resulted in a cash outflow of ¥270 million, mainly due to expenditures for the acquisition of fixed assets, despite proceeds from the sale of investment securities, etc.
- Financing CF resulted in a cash outflow of ¥3.8 billion, mainly due to dividend payments and the acquisition of treasury shares; funds increased by approximately ¥1.9 billion.



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As for cash flow, as shown on the slide, operating cash flow resulted in a cash inflow of ¥5.0 billion, investing cash flow resulted in a cash outflow of ¥273 million, and financing cash flow resulted in a cash outflow of ¥3.8 billion.

As a result, cash and cash equivalents increased by approximately ¥1.9 billion from the end of the previous fiscal year to around ¥14.6 billion.

## Equipment Business

(Millions of yen)	FY2024 Results	FY2025 Initial Forecasts	FY2025 Revised Forecasts	FY2025 Results	Year on Year	Comparison with Initial Forecasts	Comparison with Revised Forecasts
Orders Received	57,283	55,500	58,640	62,216	+8.6%	+12.1%	+6.1%
Net Sales	57,507	57,600	57,560	59,468	+3.4%	+3.2%	+3.3%
Operating Profit	6,610	7,340	6,980	6,606	-0.1%	-10.0%	-5.3%
Profit Ratio	11.5%	12.7%	12.1%	11.1%	-0.4pt	-1.6pt	-1.0pt

### Equipment Business

- In Japan, decreases in both orders received and net sales were seen year on year, due to a slowdown in investment related to EV and battery applications.
- Overseas, orders received significantly increased year on year in North America and Southeast Asia. However, net sales were mostly unchanged year on year, as there were many orders with long lead times, such as large-scale products and bulk orders of multiple units, in addition to decreased sales in Europe and South Korea due to economic slowdown.
- In China, despite intensified competition due to the deflationary economy, orders received and net sales were about the same as last year.

### Energy Device Equipment

- A slowdown in investment in EV batteries has led to a 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 an analysis by segment.

In the Equipment Business, orders received increased mainly due to expanded penetration into target markets for environmental test chambers, while net sales increased primarily from large-scale AI server projects for semiconductor-related equipment.

However, operating profit was in line with the previous fiscal year.

The performance by product group is shown here.

## Service Business

Although we worked to improve profitability by revising technical fees for after-sales services, profit declined and the profit ratio fell significantly due to decreased revenue from laboratory testing services and increased depreciation.

(Millions of yen)	FY2024 Results	FY2025 Initial Forecasts	FY2025 Revised Forecasts	FY2025 Results	Year on Year	Comparison with Initial Forecasts	Comparison with Revised Forecasts
Orders Received	8,532	9,200	8,520	8,294	-2.8%	-9.8%	-2.6%
Net Sales	8,425	9,200	8,640	8,327	-1.2%	-9.5%	-3.6%
Operating Profit	793	1,080	500	228	-71.2%	-78.9%	-54.4%
Profit Ratio	9.4%	11.7%	5.8%	2.7%	-6.7pt	-9.0pt	-3.1pt

### 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

- In laboratory testing services, orders received and net sales both decreased year on year due to restrained customer investment and changes in development plans associated with slowing EV demand.

Moving to the Service Business, after-sales service and engineering remained solid. However, due to the decline in laboratory testing services, both orders received and net sales recorded a decreased year on year.

On the profit side, although we revised technical fees in after-sales service and worked to improve profitability, profits declined overall due to weaker laboratory testing service performance.

## Other Business

(Millions of yen)	FY2024 Results	FY2025 Initial Forecasts	FY2025 Revised Forecasts	FY2025 Results	Year on Year	Comparison with Initial Forecasts	Comparison with Revised Forecasts
Orders Received	2,170	1,800	2,340	2,529	+16.5%	+40.5%	+8.1%
Net Sales	1,758	1,700	2,300	2,747	+56.3%	+61.6%	+19.4%
Operating Profit Profit Ratio	126 7.2%	80 4.7%	120 5.2%	239 8.7%	+88.7% +1.5pt	+198.9% +4.0pt	+99.7% +3.5pt

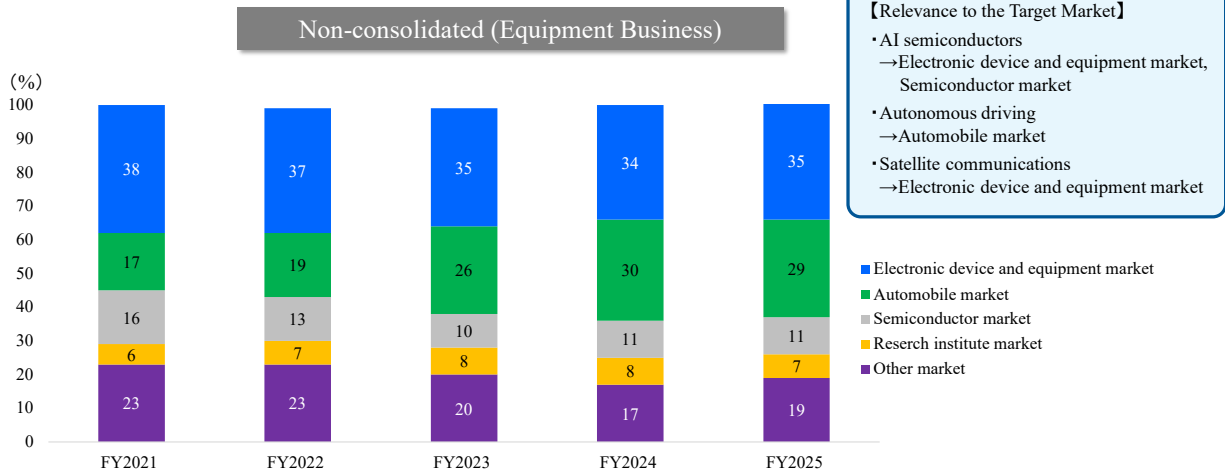
### Environmental Conservation, Plant Production Systems

- We secured large orders in the area of plant factories, and orders associated with renovation work on green spaces. Orders received and net sales both increased year on year.

In the Other Business segment, we secured large orders in the area of plant factories, and orders associated with renovation work on green spaces, resulting in increases in both orders received and net sales, along with a significant increase in operating profit.

# Sales by Market

In the electronic device and equipment market, testing demand related to AI semiconductors remained strong, raising the sales share.  
 In the automobile market, sales composition was about the same as last year due to recognition of EV and battery-related sales from orders in the previous fiscal year.



Here is the market-based sales composition for ESPEC on a non-consolidated basis.

The upper-right section indicates where our target markets, AI semiconductors, autonomous driving, and satellite communications, are categorized within these market segments.

The blue part of the chart, the electronic device and equipment market, remained strong mainly due to AI semiconductor-related demand and accounted for 35% of sales.

The green part of the chart, the automobile market, accounted for 29%, roughly in line with the previous year, due to recognition of EV and battery-related sales received in the previous fiscal year.

The gray part of the chart, the semiconductor market, remained unchanged from the previous year at 11%.

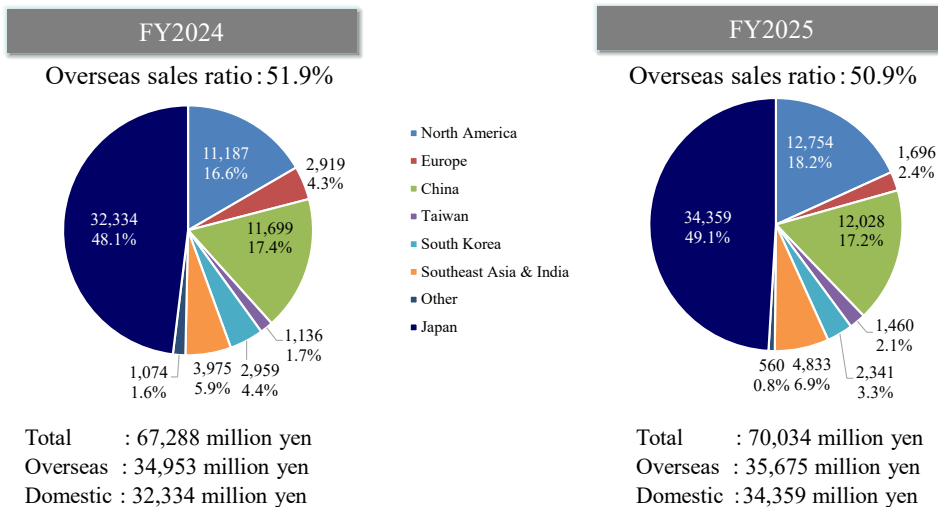
The orange part represents the research institution market, including private, national, and public organizations.

Sales in this category declined, accounting for 7% of the total.

Finally, the other markets category at the bottom includes a wide range of industries such as chemicals, construction materials, food products, and cosmetics, and accounted for 19%.

## Sales by Region

Net sales increased in Japan, North America, Southeast Asia & India, and Taiwan, while China was roughly unchanged from the same period last year.



Regarding sales composition by region, overseas sales accounted for 50.9%.

The regions where sales increased were Japan, North America, Southeast Asia & India, and Taiwan.

Although competition intensified in China, we were able to maintain sales at roughly the same level as the previous year.

The regions where sales declined were Europe and South Korea.

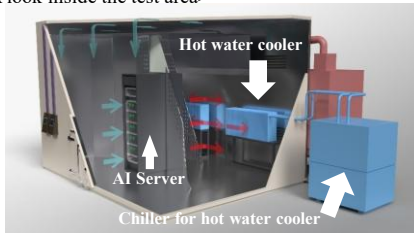
# TOPICS 1

## New Products for the AI Server Markets

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

- In December 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.

<A look inside the test area>



Newly developed air-conditioning system for improved energy and space savings



Walk-In Temperature & Humidity Chamber for High Heat-Generation Loads

Next, I would like to move on to the TOPICS section.

In December 2025, we launched two new Walk-in 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.
- 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 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.

# 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 sixth consecutive year in the CDP Climate Change Survey, Water Security receives “B” score for second consecutive year
- Selected as Supplier Engagement Leader for four consecutive years, the Top Rank in the Supplier Engagement Ratings
- 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 FY2026 Prime Minister’s Award for Contributors to the Green Promotion Campaign.
- 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

- Awarded a Silver Prize in the Gomez IR Website Ranking (5<sup>th</sup> in its industry)
- Awarded as an excellent company in the Gomez ESG Website Ranking
- 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

In addition, as shown here, we continue to receive strong external recognition. Most recently, our Kobe R&D Center received the Prime Minister’s Award for Contributors to the Green Promotion Campaign. We will make use of this recognition in our future initiatives.

# Forecast for FY2026

Next, I would like to explain our forecast for FY2026.

## Approach to FY2026 Forecast

- Recognizing FY2026 as an important year toward achieving the revised targets of the medium-term management plan, maintain orders received at a high level, and aim for record-high net sales and operating profit, as well as higher revenue and profit.
- We will further develop target markets, develop new products, and improve production efficiency, while also working to improve earnings in the China market and laboratory testing services.
- We will strengthen financial strategies and practice “management conscious of cost of capital and share price.”

### ■ Impact of the Deteriorating Situation in the Middle East

- Although there are concerns that rising tensions in the Middle East could slow the global economy, we currently believe the direct impact of higher component prices will be limited.
- We will monitor developments while also considering passing on higher component prices
- The future impact is difficult to predict, and We will continue to monitor the situation closely and respond appropriately.
- Current order trends have not been affected.

### < Production Risks and Countermeasures >

For components in short supply (product components and components used for manufacturing equipment maintenance, etc.), we have begun taking steps to avoid production stoppages, such as securing inventory and searching for alternative products. This is expected to result in a temporary increase in inventories.

We see FY2026 as a important year toward achieving the revised targets of our medium-term management plan. We will further develop target markets, develop new products, and improve production efficiency, while also working to improve earnings in the China market and laboratory testing services.

Regarding the impact of worsening situation in the Middle East, although there are concerns about a slowdown in the global economy, we currently believe the direct impact from higher component prices will be limited.

We are considering passing higher component prices on through pricing where appropriate. While the future impact remains difficult to predict, we will continue monitoring developments closely and respond appropriately.

At this point, current order trends have not been affected.

In terms of production-related risks and countermeasures, for components used in products and in maintenance of manufacturing equipment, we have already begun securing inventory and searching for alternative products for items expected to be in short supply in order to avoid production stoppages.

This is expected to result in a temporary increase in inventories.

## Forecasts for FY2026

( Millions of yen)	FY2025	FY2026 Forecasts			
	Full year results	1H	2H	Full Year	Year on Year
Orders received	72,596	35,800	34,200	70,000	-3.6%
Net sales	70,034	33,800	39,200	73,000	+4.2%
Gross profit	24,295	12,150	14,250	26,400	+8.7%
Profit ratio	34.7%	35.9%	36.4%	36.2%	+1.5pt
SG&A	17,210	9,000	9,400	18,400	+6.9%
SG&A ratio	24.6%	26.6%	24.0%	25.2%	+0.6pt
Operating profit	7,084	3,150	4,850	8,000	+12.9%
Profit ratio	10.1%	9.3%	12.4%	11.0%	+0.9pt
Ordinary profit	7,473	3,250	4,850	8,100	+8.4%
Profit ratio	10.7%	9.6%	12.4%	11.1%	+0.4pt
Profit attributable to owners of parent	5,879	2,300	3,580	5,880	+0.0%
Profit ratio	8.4%	6.8%	9.1%	8.1%	-0.3pt
Basic earnings per share (yen)	270.39	107.63	167.54	275.17	+1.8%
ROE	10.0%	-	-	10.0%	±0pt

Our FY2026 forecast is shown here.

Although we expect orders received to decline slightly year on year, we believe we can maintain a high level overall.

As for net sales, we plan to work through our order backlog while expanding sales in North America and Southeast Asia, and are targeting ¥73.0 billion, exceeding the previous year's result.

For operating profit, although SG&A expenses are expected to increase, we anticipate improved profitability in the China market and in laboratory testing services.

As a result, we are targeting ¥8.0 billion in operating profit, with a profit ratio of 11.0%, both above the previous year.

We are also forecasting an ROE of 10.0%.

## Segment Financial Forecasts for FY2026

	(Millions of yen)	FY2025	FY2026 Forecasts			
		Full year results	1H	2H	Full Year	Year on Year
Equipment Business	Orders received	62,216	30,700	28,750	59,450	-4.4%
	Net sales	59,468	29,350	33,200	62,550	+5.2%
	Operating profit	6,606	3,010	4,060	7,070	+7.0%
	Profit ratio	11.1%	10.3%	12.2%	11.3%	+0.2pt
Service Business	Orders received	8,294	4,500	4,700	9,200	+10.9%
	Net sales	8,327	4,070	5,080	9,150	+9.9%
	Operating profit	228	190	650	840	+268.0%
	Profit ratio	2.7%	4.7%	12.8%	9.2%	+6.5pt
Other Business	Orders received	2,529	850	1,050	1,900	-24.9%
	Net sales	2,747	630	1,220	1,850	-32.7%
	Operating profit	239	-50	140	90	-62.4%
	Profit ratio	8.7%	-7.9%	11.5%	4.9%	-3.8pt
Elimination	Orders received	-442	-250	-300	-550	-
	Net sales	-507	-250	-300	-550	-
	Operating profit	10	0	0	0	-
Total	Orders received	72,596	35,800	34,200	70,000	-3.6%
	Net sales	70,034	33,800	39,200	73,000	+4.2%
	Operating profit	7,084	3,150	4,850	8,000	+12.9%
	Profit ratio	10.1%	9.3%	12.4%	11.0%	+0.9pt

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Here are the segment financial forecasts.

In the Equipment Business, while forecasting demand in the satellite communications field in North America remains difficult, and we expect orders received to decline from the sharply expanded level seen in FY2025, we believe AI semiconductor-related demand will remain solid and support continued high order levels overall. As shown here, we are planning for both higher sales and higher profits.

In the Service Business, we will focus on expanding maintenance contract services and improving profitability in laboratory testing services.

In the Other Business segment, we expect results to decline year on year, mainly due to the absence of the large-scale projects recorded in the previous fiscal year.

## FY2026 Recognition of the Operating Environment

We are expanding our global presence, focusing on AI semiconductors and satellite communications, the target markets of the medium-term management plan.

Equipment Business	Environmental Test Chambers	Japan : AI semiconductors remained firm, while EVs and batteries decreased. China : Semiconductors and electronics remained firm. Southeast Asia : Semiconductors and electronics are performing well. India : Automobiles and semiconductors remained firm. North America : Strong demand, centered on satellite communications. Europe : Recovery trend centered on aerospace and vehicle-mounted semiconductors.
	Energy Device Equipment	Sluggish in EV battery-related investment.
	Semiconductor Equipment	Demand for general-purpose memory semiconductors is sluggish, but demand for advanced semiconductors (CPU, GPU, HBM, etc.) is steady.
Service Business	After-Sales Service Laboratory Testing Services and Facility Rentals	After-sales service: Strong performance driven by expansion of maintenance contracts. Laboratory testing services: EV batteries are sluggish, while electrification modules other than EV batteries, autonomous driving modules and aerospace equipment are steady.
Other Business	Environmental Conservation Plant Production Systems	Plant production systems, including plant research devices, remain strong.

Here is our current outlook for each segment.

We are expanding our global presence, focusing on AI semiconductor- and satellite communications-related fields, the target markets of the medium-term management plan.

In environmental test chambers, we expect AI semiconductor-related investment in Japan to remain solid, while EV and battery-related demand is expected to continue declining.

In China, we expect semiconductor and electronics-related demand to remain firm.

In Southeast Asia, we expect semiconductor and electronics-related demand to perform well, while in India, we expect continued strength in the automotive and semiconductor sectors.

In North America, we expect continued strong performance, especially in satellite communications.

In Europe, we expect to see signs of recovery, particularly in the aerospace and vehicle-mounted semiconductor sectors.

We expect energy device equipment demand to remain weak.

As for semiconductor-related equipment, demand for general-purpose memory semiconductors remains sluggish, but we expect demand related to advanced semiconductors to stay firm.

After-sales service is expected to remain solid through the expansion of maintenance contracts.

In laboratory testing services, while EV battery-related demand remains weak, we expect demand related to electrification and autonomous driving modules, as well as aerospace equipment, to remain firm.

## FY2026 Assumed Exchange Rate

### Assumed Exchange Rate

	FY2024	FY2025		FY2026
	Full Year Results	1H Results	Full Year Results	Full Year Assumption
U.S. dollar (yen)	152.62	146.03	150.67	155
Euro (yen)	163.87	168.05	174.64	180
Yuan (yen)	21.11	20.29	21.22	22

### FY2026 exchange rate sensitivity (Millions of yen)

	Net sales	Operating profit
U.S. dollar	+97	+14
Euro	+15	+8
Yuan	+50	+6

\* 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.

# FY2026 Investment Plans

(Millions of yen)

	FY2025	FY2026 Forecasts			
	Full Year Results	1H	2H	Full Year	Year on Year
Capital Expenditures	2,004	1,390	2,530	3,920	+95.5%
Depreciation	1,957	1,000	1,080	2,080	+6.3%
R&D Expenses	1,521	1,060	1,010	2,070	+36.1%

## Main investments

- Fukuchiyama Plant renovation
- Expansion of production area at North American subsidiary

## Main R&D activities

- Expand product lineup for the AI semiconductors field (Model changes and lineup expansions for mainstay products)
- Expand environmentally friendly products

For capital expenditures, we are planning approximately ¥3.9 billion, nearly double what was set for the previous fiscal year. This will mainly be used for the renovation of our Fukuchiyama Plant in Japan to improve production efficiency, as well as expansion of production space at our North American subsidiary in response to the rapid growth of the satellite communications field.

For R&D expenses, we are planning ¥2.0 billion, approximately 1.3 times what was recorded in the previous fiscal year.

We will continue expanding our lineup of products for the AI semiconductor field and developing environmentally conscious products.

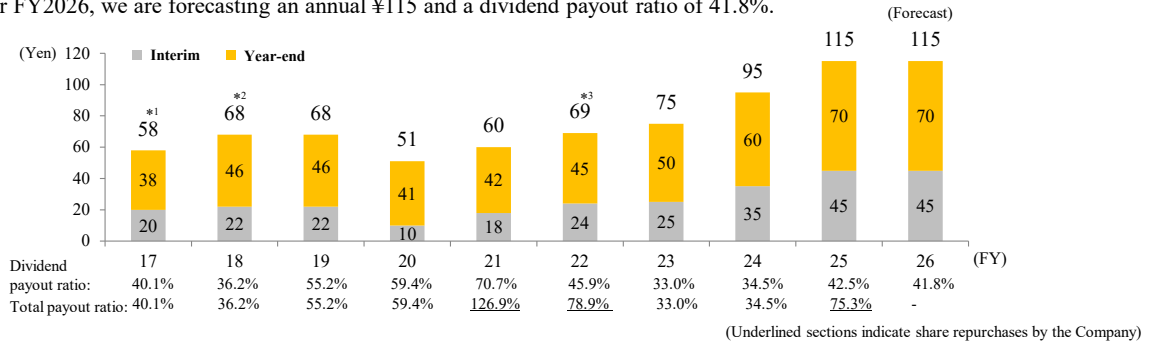
# Shareholder Return Policy and FY2026 Dividend Forecast

## 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 FY2026, we are forecasting an annual ¥115 and a dividend payout ratio of 41.8%.



\*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.

As for the FY2026 dividend forecast, we plan to maintain the same amounts as last year, with an interim dividend of ¥45, a year-end dividend of ¥70, and an annual dividend of ¥115.

# Main Initiatives in FY2026

## Equipment Business

- Exploration of new needs and acquisition of business opportunities in global markets.
- Development and market launch of high value-added products that meet testing requirements.
- Shortening of product lead times by improving ease of customization.

## Service Business

After-sales service : Expansion of maintenance contract services; cost reduction through improved utilization rates.

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

## Area Strategy

Japan : Strengthening sales activities in AI semiconductors and satellite communications, and capturing replacement-demand opportunities.

North America: Strengthening sales in satellite communications and driving earnings growth by increasing production capacity.

China : Strengthening sales in semiconductors, electronic components and devices.

Turning to our main initiatives for FY2026, in the Equipment Business, we will continue identifying new needs and business opportunities in global markets, while also developing and launching high-value-added products that meet testing requirements.

We will also work to shorten product lead times by improving ease of customization.

In after-sales service, we will focus on expanding maintenance contracts and reducing costs through improved utilization rates.

In laboratory testing services, as mentioned earlier, we will concentrate on securing orders in strong fields and continue improving profitability.

Our area strategies are shown here on the slide.

## Main ESG Initiatives in FY2026

### ■ E for Environment

- Advancing the 8th Mid-Term Plan on the Environment Plus II (FY2026–2027)  
Strengthening measures against global warming, promoting biodiversity conservation, promoting resource circulation and strengthening chemical substance management, and enhancing disclosed information (CDP, TCFD, TNFD)

### ■ S for Society

- Establishing a vision-realization-oriented HR system and promoting internal communication
- Introducing a work-sharing system and promoting health and productivity management
- Commencing operation of a stock compensation system for employees in management assistant positions

### ■ G for Governance

- Strengthening Group governance
- Implementing supply chain risk measures
- Strengthening risk management

As for our ESG initiatives, on the environmental side, we will move forward with the new Mid-Term Plan on the Environment launched this fiscal year.

On the social side, we will work to firmly establish the vision-realization-oriented human resources system introduced last year, while also strengthening internal communication to maximize our human capital.

We are also planning to introduce a work-sharing system and launch a stock compensation system for employees in management assistant positions.

In terms of governance, we will strengthen supply chain risk measures, group governance, and overall risk management.

# Revision of the Medium-Term Management Plan

Next, I would like to explain the revisions to our medium-term management plan.

## Targets Review of the Medium-Term Management Plan PROGRESSIVE PLUS 2027

	FY2027 Initial Forecasts	FY2027 Revised Forecasts	Variance	Reasons for the Revision
Net Sales	70 billion yen	76 billion yen	+6 billion yen	Net sales are progressing smoothly as we develop target markets, mainly in AI semiconductors and satellite communications. We expect expanded sales in the satellite communications field in North America and in the AI semiconductors field in Southeast Asia, development of the Indian market, and recovery in sales in the China and European markets.
Operating Profit	10.5 billion yen	9.1 billion yen	-1.4 billion yen	- Impact on earnings from investment to increase production capacity for rapidly expanding orders in North America - Delayed improvement in profitability in the China market and in laboratory testing services
Profit Ratio	15.0%	12.0%	-3.0pt	- Delay in the timing of realizing the effects of the growth strategy, enhancing product value and manufacturing efficiency
Profit Attributable to Owners of Parent	7.6 billion yen	6.7 billion yen	-0.9 billion yen	We will first steadily achieve an operating profit ratio of 12%, which is a record high level (11.6% in FY2018), and use this as a stepping stone to establish a lean, sustainable, high-profit business structure.
ROE	12.0%or more	12.0%or more	No changes	Further strengthen the financial capital strategy and maintain the initial target of 12.0% or more.

\* The expected rate (U.S. dollar) is changed from ¥145 to ¥155.

First, let me explain the reasons behind the revision of our targets.

We have revised net sales target upward from ¥70.0 billion to ¥76.0 billion.

Expansion into our target markets is progressing steadily, and in addition to sales growth in North America and Southeast Asia, we expect further development in the India market as well as recovery in the China and Europe markets.

On the other hand, we revised our operating profit target from ¥10.5 billion to ¥9.1 billion, and our profit ratio target from 15% to 12%.

While sales are expected to increase, particularly in North America, we also expect profitability to be impacted by investments to expand production capacity in response to rapidly growing order volumes. In addition, delays in profitability improvement in the China market and laboratory testing services, as well as slower-than-expected realization of the effects of our growth strategies, namely enhancing product value and enhancing manufacturing efficiency, are the reasons for this revision.

Looking back on the past year, I feel that our initiatives simply could not keep pace with the rapid changes in the business environment.

Through this medium-term management plan, our first priority is to steadily achieve a profit ratio of 12%, which would represent a record-high level, and use that as a foundation for building a lean, sustainable, and highly profitable earnings model.

As for our ROE target, we will further strengthen our financial and capital strategy and maintain our original target of 12% or higher.

There are no changes to our basic policy or the overall direction of our growth strategy.

## Revision of Targets by Business Segment

		FY2027 Initial Forecasts	FY2027 Revised Forecasts	Variance
Net Sales	Equipment Business	58,550	65,050	+6,500
	Service Business	10,200	9,650	-550
	Other Business	1,800	1,900	+100
	Elimination	- 550	- 600	-50
	Total	70,000	76,000	+6,000
Operating Profit Profit Ratio	Equipment Business	8,910 15.2%	7,720 11.9%	-1,190 -3.3pt
	Service Business	1,500 14.7%	1,250 13.0%	-250 -1.7pt
	Other Business	90 5.0%	130 6.8%	+40 +1.8pt
	Elimination	0	0	-
	Total	10,500 15.0%	9,100 12.0%	-1,400 -3.0pt

Targets by business segment can be seen here.

I will explain the progress of each growth strategy in the following slides.

## Equipment Business: Growth Strategy Progress

	Evaluation of FY2025		Issues and Future Initiatives
Development of target markets (AI semiconductors, autonomous driving, satellite communications)	On track	Orders received in FY2025 increased significantly by +50% year on year. AI semiconductors were steady mainly in Japan, Southeast Asia, and Taiwan (+30%), and satellite communications increased substantially mainly in North America (+150%). No major fluctuations in autonomous driving.	Launch of new products for the AI semiconductor sector, where global demand is expected to grow, and launch of new products for the satellite communications field.
Improvement in profitability of custom products	On track	In FY2025, improved to a level comparable to standard products, also due to the repeat effect.	Enhance profitability by acquiring orders for new needs and securing repeat orders
Enhancement of product value through new products and model changes	Needs attention	In FY2025, we launched products for the AI semiconductor field, but there were delays in the product development and market launch plan.	Execute the product development plan and launch into the market
Enhancement of manufacturing efficiency (in-house production, shortening lead time)	Needs attention	In FY2025, we formulated the Fukuchiyama Plant renovation plan, but operations will begin in the second half of FY2027.	Execute the Fukuchiyama Plant renovation plan, improve gross profit ratio, and shorten product lead time

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Regarding progress on the growth strategy for the Equipment Business, expansion into our target markets is progressing steadily, and going forward, we will launch new products for the AI semiconductor and satellite communications fields.

For orders received, we aim to maintain the high level achieved in FY2025 following significant growth.

Although visibility in the satellite communications remains somewhat uncertain, we believe there is still room for further growth and will continue working to expand sales.

As for improving profitability of custom products, repeat effects in FY2025 helped profitability improve to a level comparable with standard products.

Going forward, we will focus on improving profitability through acquiring orders tied to new customer needs and securing repeat orders.

Regarding efforts to enhance product value through new products and model changes, while we launched products for the AI semiconductor field in FY2025, there were delays in our product development and market launch plans.

Going forward, we will focus on the steady execution of these plans and on improving profitability through higher product value.

In terms of improving manufacturing efficiency, we formulated the Fukuchiyama Plant renovation plan in FY2025, but operations are now expected to begin in the second half of FY2027, later than originally planned.

We will continue moving forward with the renovation plan while also working to improve gross profit ratio and shorten product lead times.

## Service Business: Growth Strategy Progress

	Evaluation of FY2025		Issues and Future Initiatives
Expansion of laboratory testing services sales	Behind plan	In FY2025, revenue decreased due to customers' restraint on investment and changes to development plans accompanying the slowdown in EV demand. In addition, profitability deteriorated due to an increase in depreciation expense. Due to the recording of an impairment loss, depreciation expense from FY2026 onward is reduced.	Acquire orders in steady fields (electrification/automation modules, aerospace equipment)
Transforming after-sales service into a highly efficient business	Needs attention	In FY2025, we revised technical fees in October, and going forward, profitability is expected to improve.	Expand preventive maintenance services (Super Support Plan) and improve productivity through higher utilization rates

Regarding the progress of the growth strategy in the Service Business, although FY2025 was an extremely challenging business environment for expanding laboratory testing services sales, We will continue working to secure orders in solid fields such as autonomous driving services.

Regarding the after-sales service, we revised our technical fees in October of FY2025.

Going forward, we will further improve profitability through sales expansion and higher utilization rates.

## Global Strategy Progress

	Evaluation of FY2025		Issues and Future Initiatives
Japan	On track	The automobile field decreased, but the targeted AI semiconductors field remained steady.	Launch new products centered on the AI semiconductors field and promote higher-efficiency manufacturing.
North America	On track	Orders received expanded significantly, centered on the satellite communications field.	Increase production capacity and shorten product lead time.
China	Behind plan	Due to intensified competition with local manufacturers, orders received and net sales were maintained, but profitability deteriorated.	With a policy of placing priority on securing share, maintain share through product launches for the domestic semiconductors field as well as custom responsiveness and service capabilities.
South Korea	Behind plan	Decreased due to an economic slowdown from the impact of tariffs.	Acquire orders in the AI semiconductors field and shorten product lead time.
Southeast Asia	On track	Centered on the AI semiconductors field, orders received expanded from Japanese-affiliated and foreign-capital (U.S., Korea, China) customer.	Develop new customers (semiconductors and automobile fields) and differentiate through service capabilities.
India	On track	Expanded orders received, centered on the semiconductors and automobile (four-wheel, two-wheel) fields.	Establish service bases within FY2026, and differentiate through service capabilities.
Taiwan	On track	Although this is an area where competition with local manufacturers is severe, we launched products for AI servers and acquired orders.	Develop competitive products and shorten product lead time.
Europe	Behind plan	Delayed launch of products compliant with environmental regulations.	Develop fields other than automobile (aerospace and semiconductors fields) and expand the lineup of products compliant with environmental regulations.

Turning to progress on our global strategy, starting with the regions marked as “On track,” expansion into target markets is progressing well in Japan, North America, Southeast Asia, and Taiwan.

In India, where we are aiming for further expansion, we secured orders mainly in the semiconductor and automotive fields.

During FY2026, we plan to establish a service base there and differentiate ourselves through stronger service capabilities.

Next, looking at the regions marked as “Behind plan,” in China, we maintained orders received and sales, but profitability deteriorated due to intensified competition with local manufacturers. Going forward, we will prioritize maintaining market share by introducing products for the domestic semiconductor field and leveraging our customization and service capabilities.

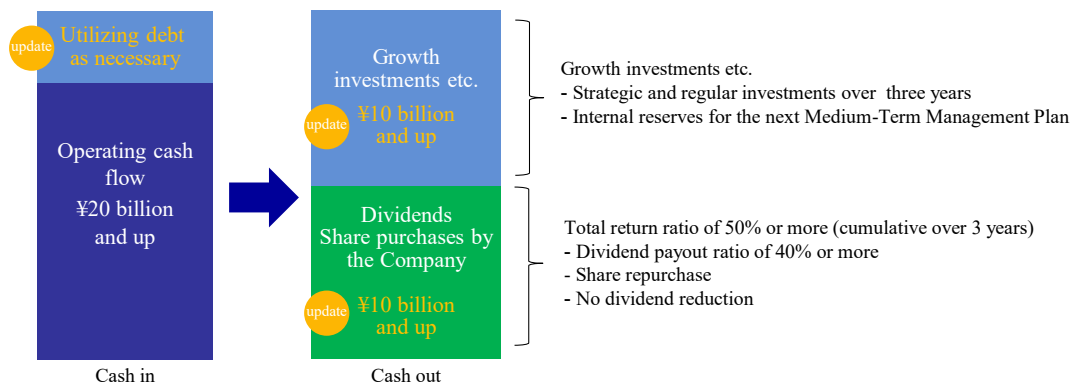
South Korea and Europe remain challenging markets due in part to economic slowdown, but we will continue pursuing orders in solid fields such as semiconductors, while also strengthening competitiveness through expanded product lineups and shorter lead times.

## Update of Cash Allocation (FY2025–FY2027)

### Cash Allocation Policy

Proactively allocate cash generated over three years to growth investments and shareholder returns

With an emphasis on capital efficiency, use debt as needed for growth investments and enhancing corporate value. As part of shareholder returns, we will also flexibly consider and execute share repurchases.



Next, regarding our capital policy, we have updated our cash allocation plan for the FY2025 to FY2027 medium-term management plan period.

Going forward, we will place greater emphasis on capital efficiency and use debt as needed for growth investments and enhancing corporate value.

As part of our shareholder returns, We will make flexible decisions regarding share repurchases and implement them as appropriate.

# Update on Measures to Realize Management Conscious of Cost of Capital and Stock Price

(strengthening the financial capital strategy)

Disclosed on May 14, 2026

Update on Measures to Realize Management Conscious of Cost of Capital and Stock Price.

Enhance capital profitability through strengthening the financial capital strategy, and aim to achieve the medium-term management plan target of ROE of 12% or more in FY2027.

## Policies

\* Underlining indicates the content updated in May 2026.

- Aim to achieve (net sales of ¥76.0 billion yen, operating profit of ¥9.1 billion yen, operating profit ratio of 12.0%, profit of ¥6.7 billion yen, and ROE of 12.0% or more) under the Medium-Term Management Plan “PROGRESSIVE PLUS 2027”
- Generate cash through improvement of the operating profit ratio and efficiency of total assets, while also utilizing debt as necessary
- Engage in balance sheet management with a focus on capital efficiency, using an equity-to-asset ratio of 70% or less and on-hand liquidity of within three months as indicators to control capital
- Aggressively invest in growth and return profits to shareholders based on the three-year cash allocation policy

## Main Initiatives

- |                            |  |
|----------------------------|--|
| (1) Increase profitability | Implement a growth strategy targeting the AI semiconductors, autonomous driving, and satellite communications fields, strengthen profitability |
| (2) Financial strategies   | Optimize inventories and reduce trade receivable, and control capital  |
| Shareholder returns        | Implement proactive shareholder returns based on the shareholder return policy (P.28)  |
| (3) Enhance IR activities  | Enhance dialogue with shareholders and investors to improve reputation in the stock market and strengthen management                           |

In addition, on May 14, we announced an update to our response policy toward realizing management conscious of cost of capital and share price.

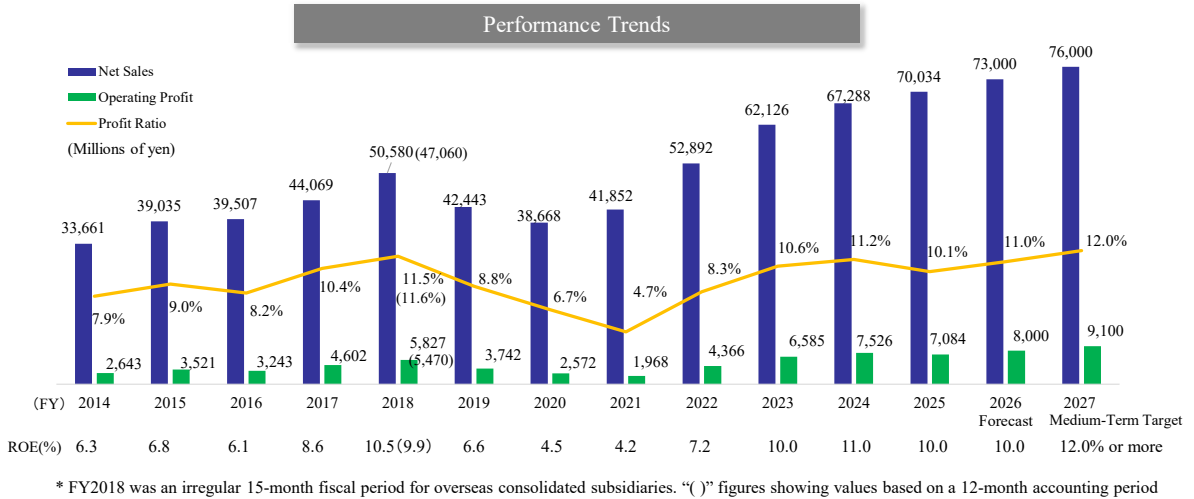
Up to now, we have prioritized stable business growth and focused on building a strong financial foundation while maintaining a high level of equity capital. Going forward, as part of balance sheet management focused on capital efficiency, we will carefully assess the level of equity capital required for business risks and growth investments, while managing our equity-to-asset ratio to remain within 70% for the time being.

We will also use “within three months” as our indicator for liquidity on hand.

By steadily advancing both our business growth strategy and our financial and capital strategy, while also strengthening IR activities, we aim to consistently generate ROE above our cost of equity and achieve sustainable growth in corporate value.

# Performance Trends

We will advance earnings improvement across the entire ESPEC Group, while also improving capital efficiency, and aim to establish a lean, sustainable, and highly profitable earnings model.



Finally, our long-term performance trends are shown here on the slide.

We will advance earnings improvement across the entire ESPEC Group, while also improving capital efficiency, and aim to establish a lean, sustainable, and highly profitable earnings model.

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 our presentation.

Thank you very much for your attention.

Quality is more than a word

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