Securities ID code: 6859

ESPEC CORP.

Financial Results for Q1 of FY2026
(Fiscal Year Ending March 31, 2027)

August 21, 2026

FY2026 First Quarter Financial Summary

- In terms of orders received, orders were strong in the AI semiconductor field and satellite communications field, the target markets of the medium-term management plan, while Europe and South Korea also recovered. Orders received increased substantially compared with the same period last year and the forecast.
- While net sales increased from the same period last year, the timing of recording sales from large orders for environmental test chambers and energy device equipment was postponed to Q2 due to customers' circumstances, causing net sales to fall below forecast.
- In terms of operating profit, although SG&A expenses increased in line with growth in orders received, operating profit increased year on year due to higher revenue, but fell below forecast mainly due to the postponement of the timing of recording sales in the Equipment Business.

	Year on Year		Comparison with Forecasts	
Orders Received	Increase	Orders increased in the Equipment Business (environmental test chambers, energy device equipment), while orders decreased in the Service Business (laboratory testing services) and the Other Business.	Above	Orders exceeded forecast in the Equipment Business (across all product categories) and the Other Business, but fell short in the Service Business, mainly due to laboratory testing services.
Net Sales	Increase	Net sales increased in the Equipment Business (environmental test chambers) and the Other Business but decreased in the Service Business (laboratory testing services).	Below	All businesses were below forecast. The Equipment Business fell short of forecast mainly because the timing of recording sales from large orders was postponed to Q2, while laboratory testing services in the Service Business fell short.
Operating Profit	Increase	Operating profit rose in the Equipment Business due to higher revenue but declined in the Service Business mainly due to lower revenue from laboratory testing services. The loss in the Other Business narrowed.	Below	Operating profit fell short of forecast mainly due to the postponement of the timing of recording sales in the Equipment Business to Q2, and lower revenue from laboratory testing services.
Profit Attributable to Owners of Parent	Increase	Profit increased due to higher operating profit.	Below	Profit fell below forecast because operating profit fell short of forecast.

■ Shareholder returns Dividend forecast: Interim ¥45, Year-end ¥70, Annual ¥115 Payout ratio: 41.2%
Share repurchases by the Company: Completed the acquisition of 900,000 shares for ¥3.2 billion from November 14, 2025 to July 30, 2026
Announced the repurchase of up to 1,300,000 shares (6.07% of total shares outstanding) for a total of up to ¥6.0 billion from August 7, 2026 to July 31, 2027

Summary of Profits and Losses

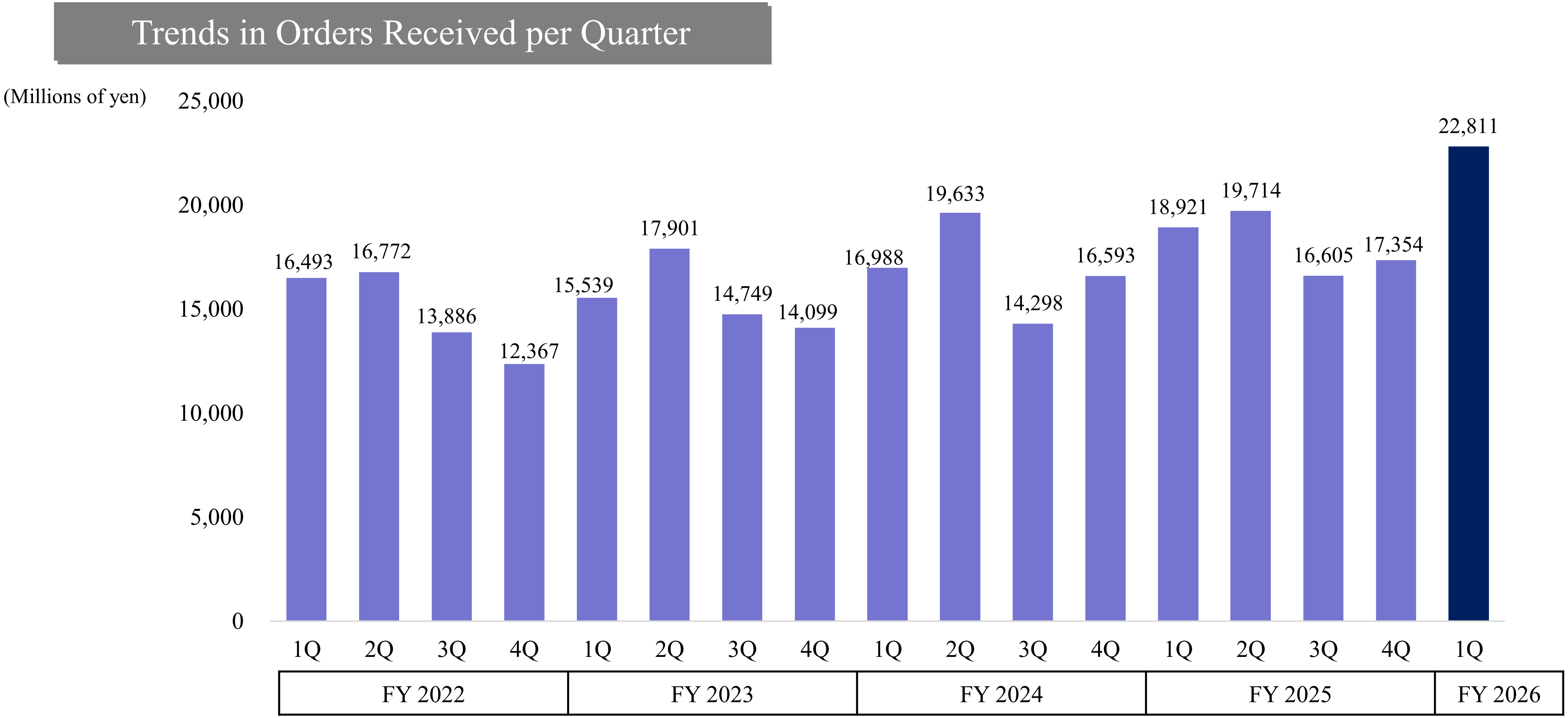
(Millions of yen)	FY2025 1Q Results	FY2026 1Q Results	Year on Year
Orders Received	18,921	22,811	+20.6%
Net Sales	12,323	13,922	+13.0%
Cost of Sales	8,125	9,187	+13.1%
Cost Ratio	65.9%	66.0%	+0.1pt
Gross Profit	4,197	4,735	+12.8%
Profit Ratio	34.1%	34.0%	-0.1pt
SG&A	3,862	4,353	+12.7%
SG&A Ratio	31.3%	31.3%	±0pt
Operating Profit	335	382	+14.1%
Profit Ratio	2.7%	2.7%	±0pt
Ordinary Profit	344	527	+53.1%
Profit Ratio	2.8%	3.8%	+1.0pt
Profit Attributable to Owners of Parent	107	155	+43.9%
Profit Ratio	0.9%	1.1%	+0.2pt

Performance by Segment

(Millions of yen)		FY2025 1Q Results	FY2026 1Q Results	Year on Year
Equipment Business	Orders Received	15,755	20,341	+29.1%
	Net Sales	10,344	11,963	+15.7%
	Operating Profit	418	480	+14.8%
	Profit Ratio	4.0%	4.0%	±0pt
Service Business	Orders Received	2,266	2,077	-8.3%
	Net Sales	1,832	1,763	-3.8%
	Operating Profit	-41	-74	-
	Profit Ratio	-2.3%	-4.2%	-1.9pt
Other Business	Orders Received	1,025	531	-48.1%
	Net Sales	256	330	+29.1%
	Operating Profit	-41	-20	-
	Profit Ratio	-16.4%	-6.2%	+10.2pt
Elimination	Orders Received	-125	-139	-
	Net Sales	-109	-134	-
	Operating Profit	-0	-3	-
Total	Orders Received	18,921	22,811	+20.6%
	Net Sales	12,323	13,922	+13.0%
	Operating Profit	335	382	+14.1%
	Profit Ratio	2.7%	2.7%	±0pt

Trends in Orders Received per Quarter

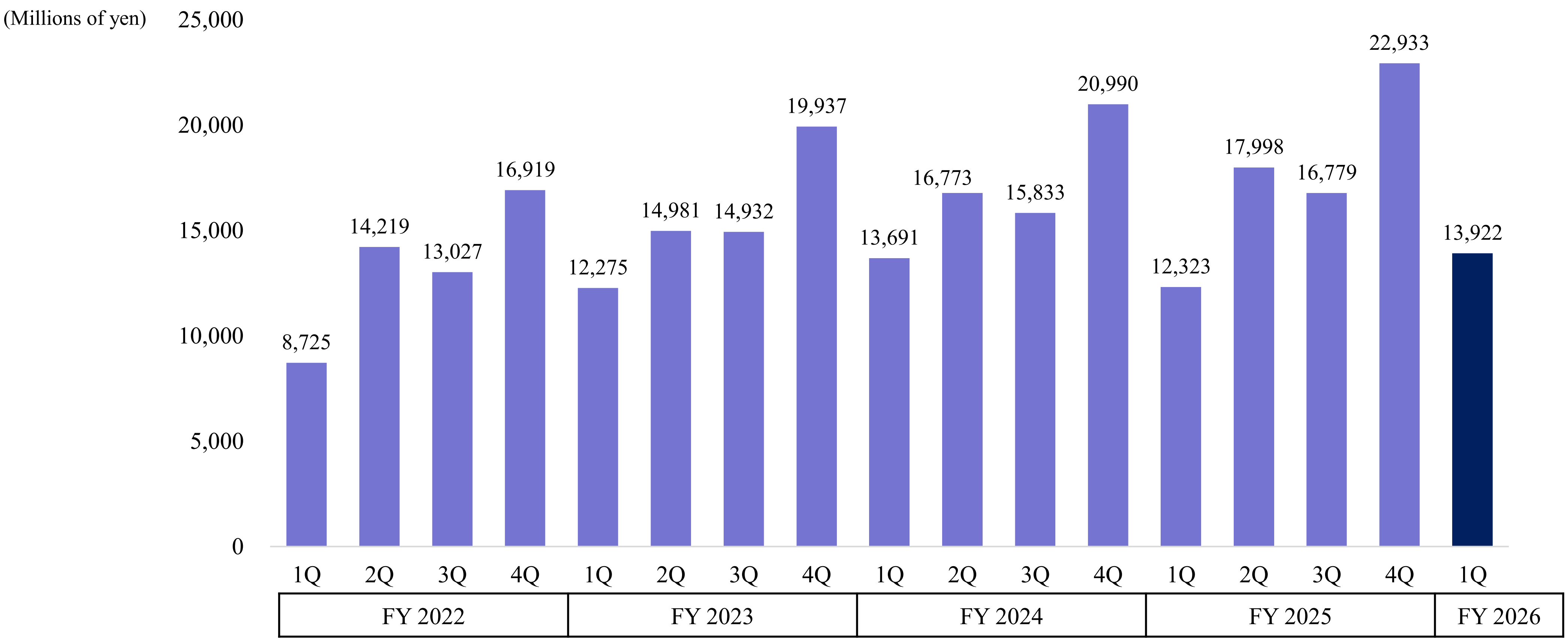
Orders received were strong in the AI semiconductor field and satellite communications field (up approx. 20% year on year in the target markets). By area, North America and China performed strongly, while Europe and South Korea also recovered. Quarterly orders received increased significantly, exceeding ¥20.0 billion for the first time.



Trends in Orders Received per Quarter

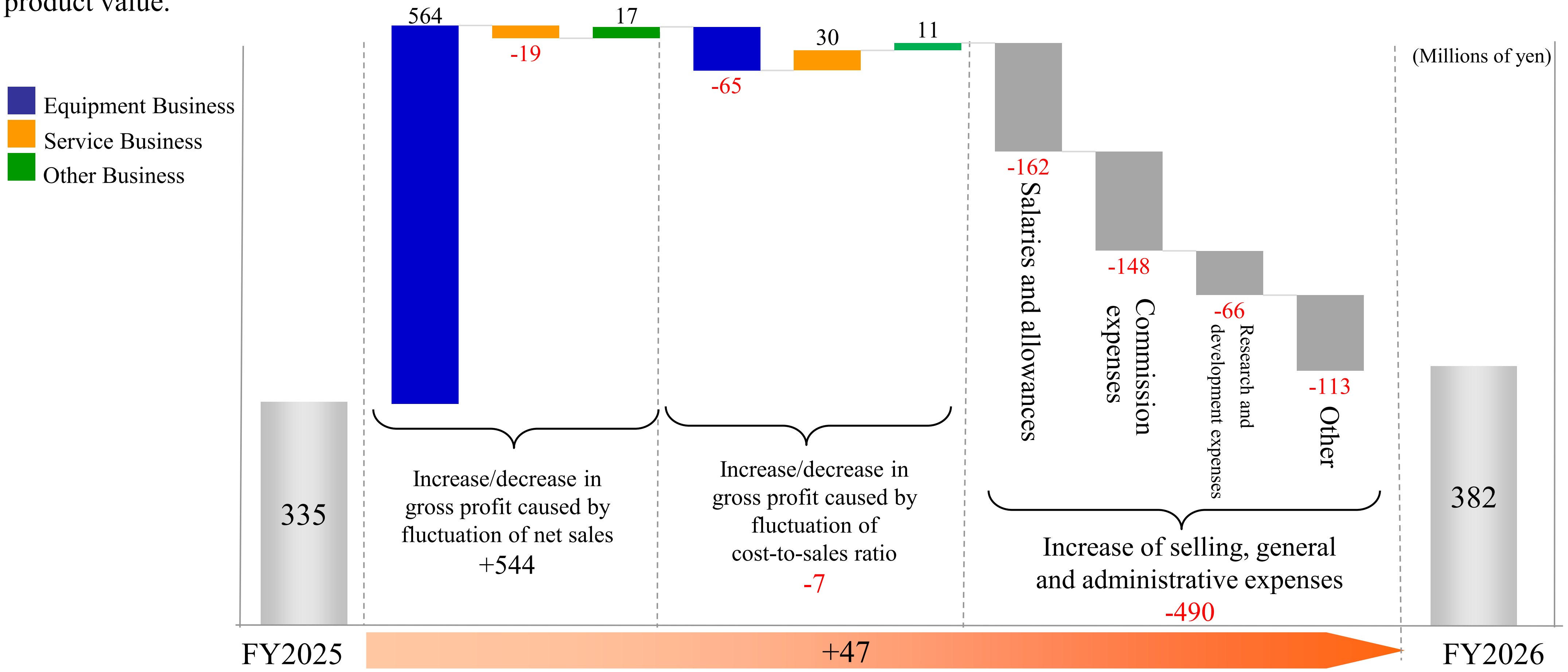
Net sales increased year on year, despite the postponement of the timing of recording sales from large orders for environmental test chambers and energy device equipment to Q2, mainly due to customers' circumstances.

Trends in Net Sales per Quarter



Analysis of Operating Profit Increase and Decrease Factors

- In the Equipment Business, operating profit increased due to higher revenue, although the cost of sales ratio deteriorated primarily in the China market.
- In the Service Business, operating profit decreased due to lower revenue from laboratory testing services, although profitability improved by revising technical support fees for after-sales services.
- SG&A expenses increased due to higher activity costs resulting from growth in orders received and expanded R&D expenses aimed at enhancing product value.



*Totals have been calculated using the gross profit margin

Equipment Business

(Millions of yen)	FY2025 1Q Results	FY2026 1Q Results	Year on Year
Orders Received	15,755	20,341	+29.1%
Net Sales	10,344	11,963	+15.7%
Operating Profit Profit Ratio	418 4.0%	480 4.0%	+14.8% ±0pt

Environmental Test Chambers

- In Japan, orders received for highly versatile standardized products and customized products remained mostly unchanged from the same period last year. Net sales decreased due to the postponement of the timing of recording sales from large orders to Q2.
- Overseas, orders received significantly increased year on year in North America and China, and also increased in Europe, South Korea, and Southeast Asia. Net sales increased in North America, China, Southeast Asia, and Taiwan, but decreased in South Korea.

Energy Device Equipment

- Orders received increased year on year as orders were acquired for EV battery charge-discharge evaluation systems.
  Net sales decreased due to the postponement of the timing of recording sales from large orders to Q2.

Semiconductor Equipment

- Although testing demand was firm, orders received and net sales both decreased in Q1.

Service Business

(Millions of yen)	FY2025 1Q Results	FY2026 1Q Results	Year on Year
Orders Received	2,266	2,077	-8.3%
Net Sales	1,832	1,763	-3.8%
Operating Profit Profit Ratio	-41 -2.3%	-74 -4.2%	- -1.9pt

After-Sales Service and Engineering

- Both preventive maintenance services and repair services remained firm, 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 the impact of restrained investment and changes in development plans in the automotive sector.

Other Business

(Millions of yen)	FY2025 1Q Results	FY2026 1Q Results	Year on Year
Orders Received	1,025	531	-48.1%
Net Sales	256	330	+29.1%
Operating Profit Profit Ratio	-41 -16.4%	-20 -6.2%	- +10.2pt

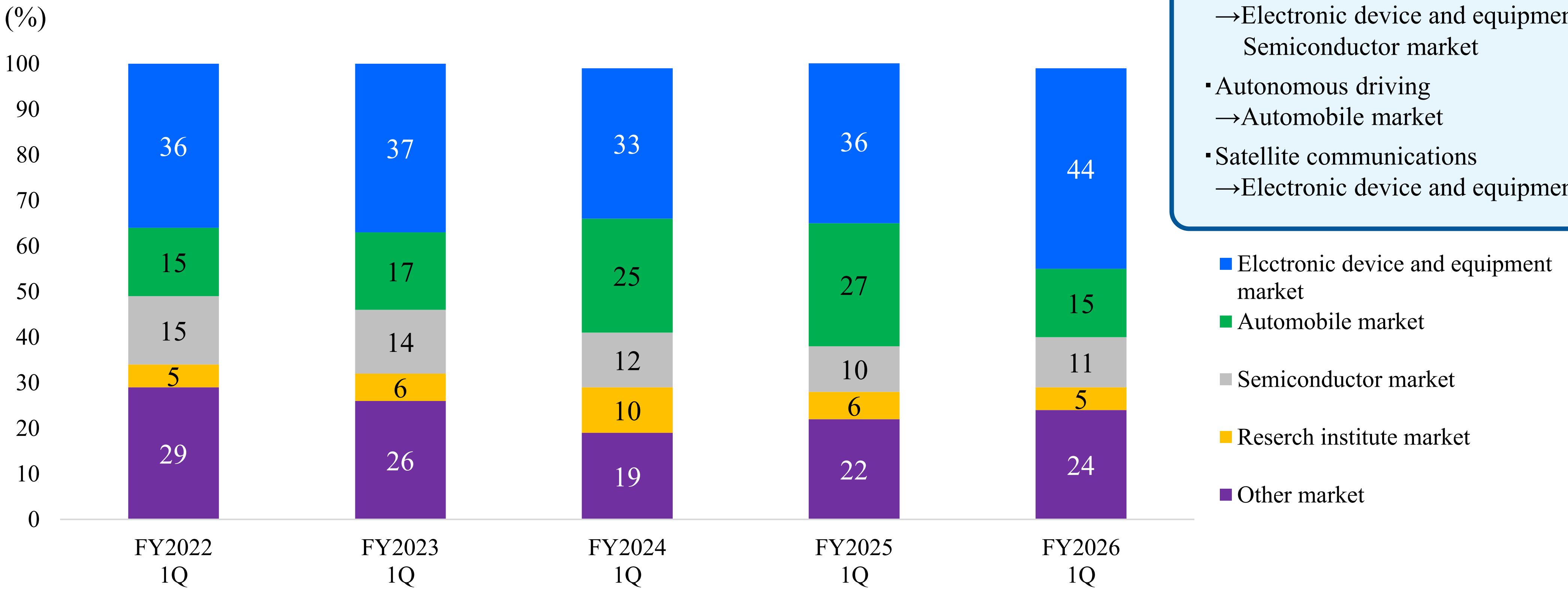
Environmental Conservation and Plant Production Systems

- Orders received decreased compared with the same period of the previous fiscal year, when there were large orders for plant factories. Net sales increased due to the recording of sales from plant factory orders received in the previous fiscal year.

Sales by Market

In the electronic device and equipment market, testing demand related to AI semiconductors remained strong, resulting in a substantial increase.
The automobile market declined significantly due to the postponement of recording sales from large orders to a later period.

Non-consolidated (Equipment Business)



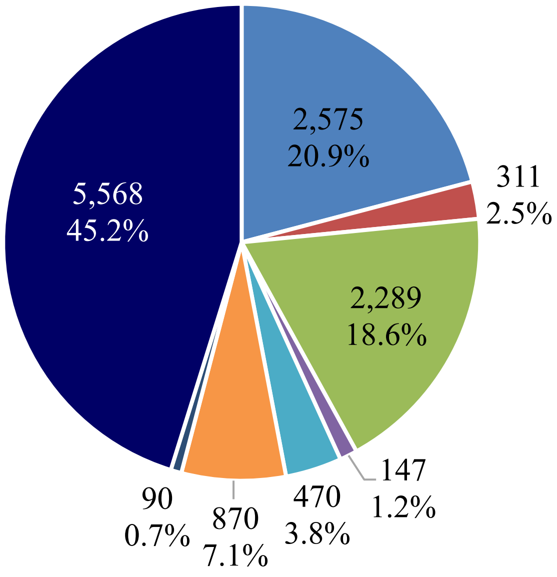
【Relevance to the Target Market】
- AI semiconductors
  →Electronic device and equipment market, Semiconductor market
- Autonomous driving
  →Automobile market
- Satellite communications
  →Electronic device and equipment market

Sales by Region

Net sales increased in North America, China, Southeast Asia & India, Europe, and Taiwan, and decreased in Japan and South Korea.

FY2025 1Q

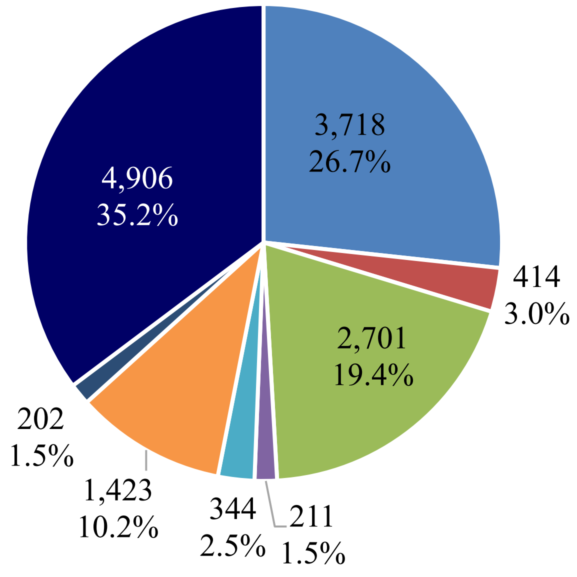
Overseas sales ratio：54.8%



Total : 12,323 million yen
Overseas : 6,754 million yen
Domestic : 5,568 million yen

FY2026 1Q

Overseas sales ratio：64.8%



Total : 13,922 million yen
Overseas : 9,016 million yen
Domestic : 4,906 million yen

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)

Forecasts for FY2026

(Millions of yen)

	FY2025	FY2026				
	Full Year Results	1Q Results	Forecasts			
			1H	2H	Full Year	Year on Year
Orders Received	72,596	22,811	35,800	34,200	70,000	-3.6%
Net Sales	70,034	13,922	33,800	39,200	73,000	+4.2%
Cost of Sales Cost Ratio	45,739 65.3%	9,187 66.0%	21,650 64.1%	24,950 63.6%	46,600 63.8%	+1.9% -1.5pt
Gross Profit Profit Ratio	24,295 34.7%	4,735 34.0%	12,150 35.9%	14,250 36.4%	26,400 36.2%	+8.7% +1.5pt
SG&A SG&A Ratio	17,210 24.6%	4,353 31.3%	9,000 26.6%	9,400 24.0%	18,400 25.2%	+6.9% +0.6pt
Operating Profit Profit Ratio	7,084 10.1%	382 2.7%	3,150 9.3%	4,850 12.4%	8,000 11.0%	+12.9% +0.9pt
Ordinary Profit Profit Ratio	7,473 10.7%	527 3.8%	3,250 9.6%	4,850 12.4%	8,100 11.1%	+8.4% +0.4pt
Profit Attributable to Owners of Parent Profit Ratio	5,879 8.4%	155 1.1%	2,300 6.8%	3,580 9.1%	5,880 8.1%	+0.0% -0.3pt
Basic Earnings per Share (yen)	270.39	7.32	108.93	170.02	278.95	+3.2%
ROE	10.0%	-	-	-	10.0%	±0pt

Segment Financial Forecasts for FY2026

(Millions of yen)		FY2025	FY2026				
		Full year results	1Q Results	Forecasts			
				1H	2H	Full Year	Year on Year
Equipment Business	Orders Received	62,216	20,341	30,700	28,750	59,450	-4.4%
	Net Sales	59,468	11,963	29,350	33,200	62,550	+5.2%
	Operating Profit	6,606	480	3,010	4,060	7,070	+7.0%
	Profit Ratio	11.1%	4.0%	10.3%	12.2%	11.3%	+0.2pt
Service Business	Orders Received	8,294	2,077	4,500	4,700	9,200	+10.9%
	Net Sales	8,327	1,763	4,070	5,080	9,150	+9.9%
	Operating Profit	228	-74	190	650	840	+268.0%
	Profit Ratio	2.7%	-4.2%	4.7%	12.8%	9.2%	+6.5pt
Other Business	Orders Received	2,529	531	850	1,050	1,900	-24.9%
	Net Sales	2,747	330	630	1,220	1,850	-32.7%
	Operating Profit	239	-20	-50	140	90	-62.4%
	Profit Ratio	8.7%	-6.2%	-7.9%	11.5%	4.9%	-3.8pt
Elimination	Orders Received	-442	-139	-250	-300	-550	-
	Net Sales	-507	-134	-250	-300	-550	-
	Operating Profit	10	-3	0	0	0	-
Total	Orders Received	72,596	22,811	35,800	34,200	70,000	-3.6%
	Net Sales	70,034	13,922	33,800	39,200	73,000	+4.2%
	Operating profit	7,084	382	3,150	4,850	8,000	+12.9%
	Profit Ratio	10.1%	2.7%	9.3%	12.4%	11.0%	+0.9pt

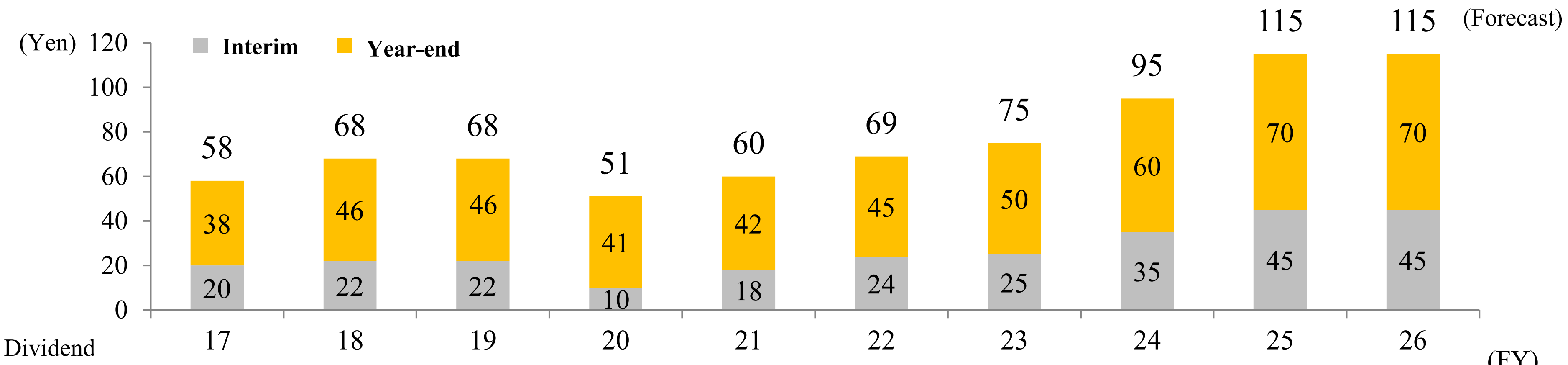
Shareholder Return Policy and FY2026 Dividend Forecast

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 dividend of ¥115 and a dividend payout ratio of 41.2%. On August 6, 2026, we announced a share repurchase (we plan to acquire up to 1,300,000 shares, representing 6.07% of total shares outstanding, for a total of up to ¥6.0 billion, from August 7, 2026 to July 31, 2027). * The FY2026 dividend payout ratio does not take into account the impact of this share repurchase.



	17	18	19	20	21	22	23	24	25	26
Dividend payout ratio:	40.1%	36.2%	55.2%	59.4%	70.7%	45.9%	33.0%	34.5%	42.5%	41.2%
Total payout ratio:	40.1%	36.2%	55.2%	59.4%	126.9%	78.9%	33.0%	34.5%	75.3%	-

(Underlined sections indicate share repurchases by the Company)

Basic policy on treasury share cancellation

The upper limit on treasury share holdings is set at approximately 10% of total shares outstanding, and in principle, any portion exceeding this limit will be cancelled.

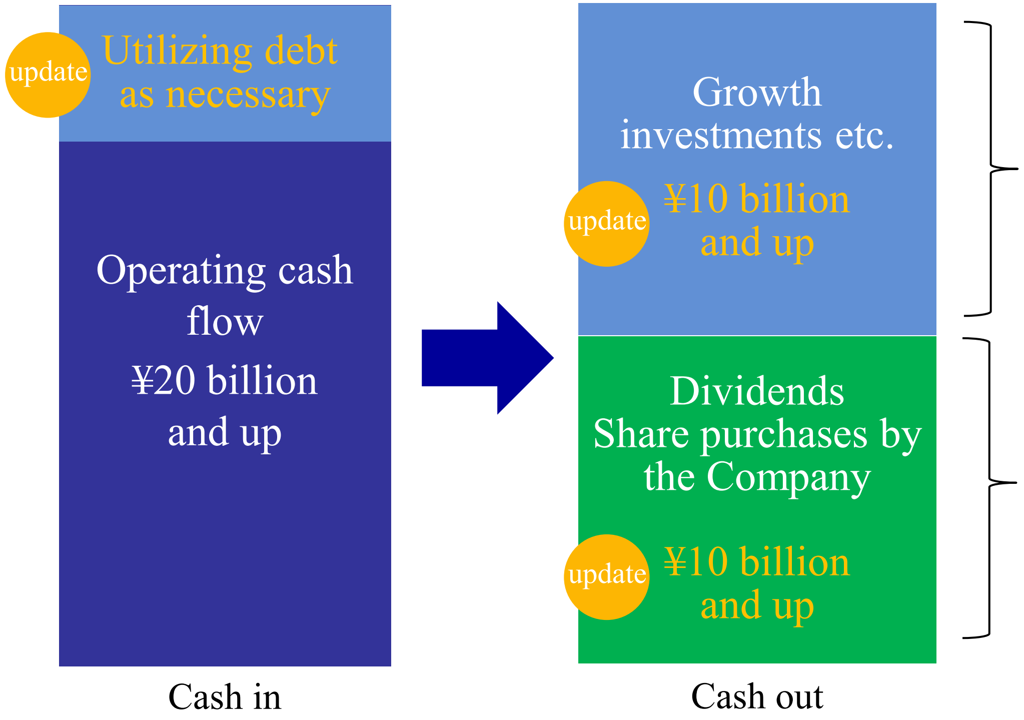
Cash Allocation (FY2025–FY2027)

Cash Allocation Policy

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

※Updated in May 2026

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.



Growth investments etc.
- Strategic and regular investments over three years
- Internal reserves for the next Medium-Term Management Plan

Total return ratio of 50% or more (cumulative over 3 years)
- Dividend payout ratio of 40% or more
- Share repurchase
- No dividend reduction

Main Business Initiatives in FY2026

Equipment Business

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

Global 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.

Service Business

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

Laboratory testing services: Securing orders for semiconductors, as well as aerospace-related equipment, and improving profitability.

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

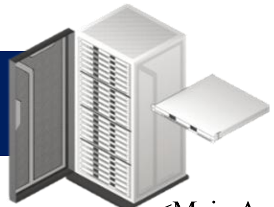
- Strengthening Group governance
- Implementing supply chain risk measures
- Strengthening risk management

【AI Semiconductor Market, Data centers】
Servers, Semiconductors, Electronic components, Electronic materials

As generative AI spreads throughout society, demand is increasing for environmental testing aimed at evaluating the reliability of AI servers and the semiconductors, storage devices, electronic components, and electronic materials that comprise them.

Data centers

AI Servers



<Main Customers>
- Server manufacturers
- High-performance computing (HPC) manufacturers

<Main Applications>
Durability (environmental resistance) evaluation
Reliability evaluation

For AI Servers:
Walk-in Temperature & Humidity Chamber for High Heat-generation Loads

Semiconductors, storage
GPUs, memory, logic

<Main Customers>
- Semiconductor manufacturers
- Foundries

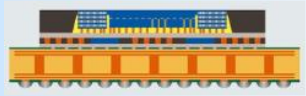
<Main Applications>
Accelerated stress testing
Screening (inspection)

Electronic components
Capacitors, semiconductor boards, power supplies

<Main Customers>
- Electronic component manufacturers
- Semiconductor board manufacturers

<Main Applications>
Electrical characteristic evaluation (conductivity, etc.)
Operational testing

Electronic materials
Board materials, insulating materials



<Main Customers>
- Material manufacturers
(base materials, resist materials, molding materials, etc.)

<Main Applications>
Material property evaluation
(moisture absorption, etc.)
Storage testing

Rapid-rate Thermal Cycle Chamber

Highly Accelerated Stress Test System (HAST Chamber)

Measurement & Evaluation System

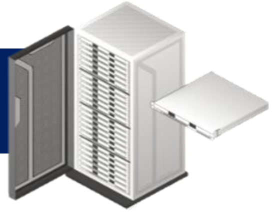
Burn-in Chamber

【AI Semiconductor Market, Data centers】
Optoelectronic Integration Technology (Co-Packaged Optics, CPO)

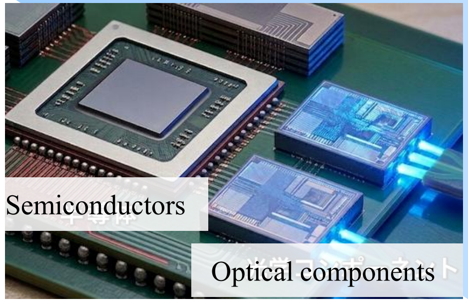
Co-packaged optics (CPO) integrates semiconductors and optical communication components on a common package substrate.
This technology is gaining attention for reducing server power consumption and increasing communication speeds.
Demand for environmental testing is also growing for the development and reliability evaluation of optical components and packaging technologies.

Data centers

AI Servers

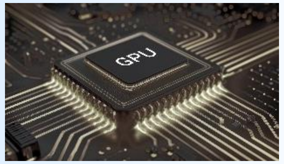


Optoelectronic Integration Technology (Co-Packaged Optics)



Semiconductors and optical components integrated on the same package substrate

Semiconductors
GPU・CPU



<Main Customers>
- Semiconductor manufacturers
- Foundries

<Main Applications>
Package reliability evaluations

Optical components
Modulators, detectors, connectors

<Major customers>
- Electronic component manufacturers
- Electric cable manufacturers

<Main Applications>
Durability evaluations (temperature and humidity)
Reliability evaluations

Thermal Shock Chambers

Rapid-rate Thermal Cycle Chambers

High-power Temperature & Humidity Chamber

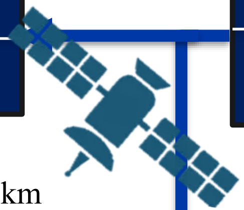
Bench-top Type Temperature (& Humidity) Chambers

【Satellite Communications Market】
Artificial satellites (Low earth orbit), Satellite-mounted equipment and components

In the field of commercial satellite communications technology led by private operators, demand is increasing for environmental testing to evaluate the reliability of low earth orbit (LEO) satellites and communication equipment, semiconductors, and electronic components installed in artificial satellites.

Artificial satellites

Low earth orbit (LEO) satellites



Altitude: Several hundred to 2,000 km
Ground coverage area: Radius of several hundred km

<Main Customers>
- Communications satellite manufacturers

<Main Applications>
Durability (environmental resistance) evaluation
Reliability evaluation

HALT/HASS Testing System

Satellite-mounted equipment

Power supplies, communication equipment, attitude control systems

<Main Customers>
- Power supply equipment manufacturers
- Communication equipment manufacturers
- Observation equipment manufacturers

<Main Applications>
Durability (environmental resistance) evaluation
Reliability evaluation

Satellite-mounted components

Semiconductors, solar panels, batteries

<Main Customers>
- Semiconductor manufacturers
- Electronic component manufacturers
- Battery manufacturers

<Main Applications>
Qualification testing
Screening (inspection)

Constant-pressure Temperature & Humidity Chamber MZ Series

Thermal Shock Chamber

High-power Temperature & Humidity Chamber

Walk-in Chamber

TOPICS 1

New Products for the AI Semiconductor Markets

AMR-SPM
Low-Current Conductor Reliability Evaluation System

- In July 2026, we launched the AMR-SPM Low-Current Conductor Reliability Evaluation System which detects minute resistance fluctuations at low currents.
- Supports the reliability evaluation of fine wiring and joints, including microvias and interposers, used in advanced packaging development.

AMR-SPM
Low-Current Conductor Reliability Evaluation System

AMI-SPM
Low-Voltage Insulation Reliability Evaluation System

- In July 2026, we launched the AMI-SPM Low-Voltage Insulation Reliability Evaluation System which detects insulation degradation in the low-voltage range with greater accuracy.
- Supports the application of low voltages of 10 V or less, used in advanced packages and evaluate insulation degradation occurring in the low-voltage range.

AMI-SPM
Low-Voltage Insulation Reliability Evaluation System

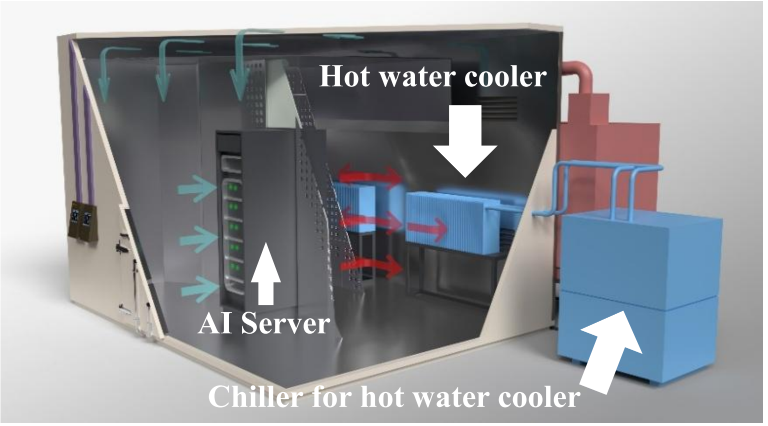
TOPICS 2

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

TOPICS 3

Kobe R&D Center, a hub for biodiversity preservation activities
Received the Prime Minister’s Award for Distinguished Service in the 2026 Greenery Promotion Campaign

- In April 2026, Kobe R&D Center received the Prime Minister’s Award for Distinguished Service in the 2026 Greenery Promotion Campaign.
- The site features a forest of approximately 30,000 native trees planted and nurtured by employees, rooftop green space featuring plant species native to the northern Rokko region on the roof of the Technology Development Building, and a biotope consisting of two ponds and a stream.
- In October 2023, the site was certified as a “Natural Symbiosis Site” by the Ministry of the Environment, and registered as an OECM in the international database*.

*OECM (Other Effective Area-based Conservation Measures): Areas outside protected areas that contribute to biodiversity conservation

External Recognition

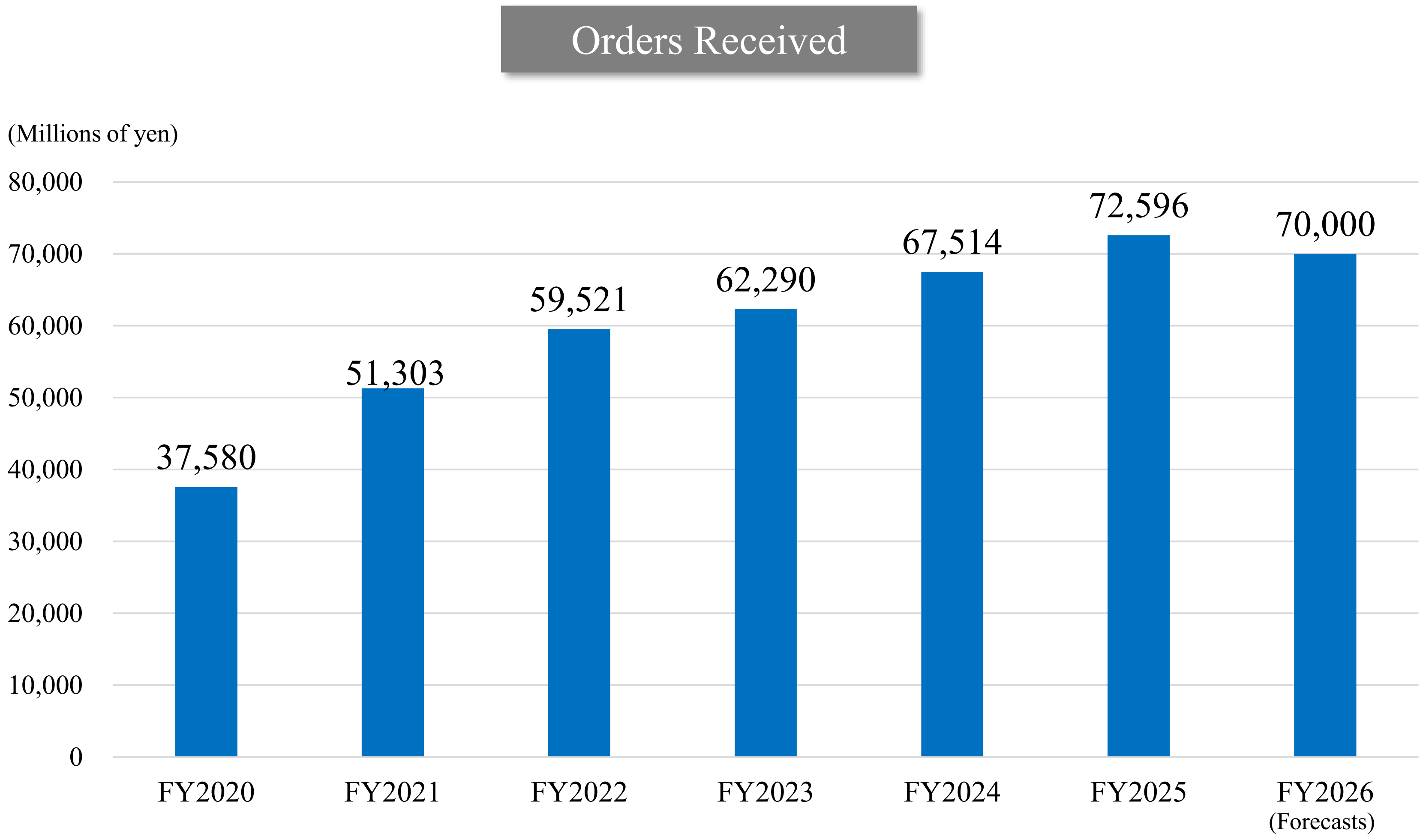
■ ESG-Related Evaluations

- Included in the ESG index "FTSE JPX 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"

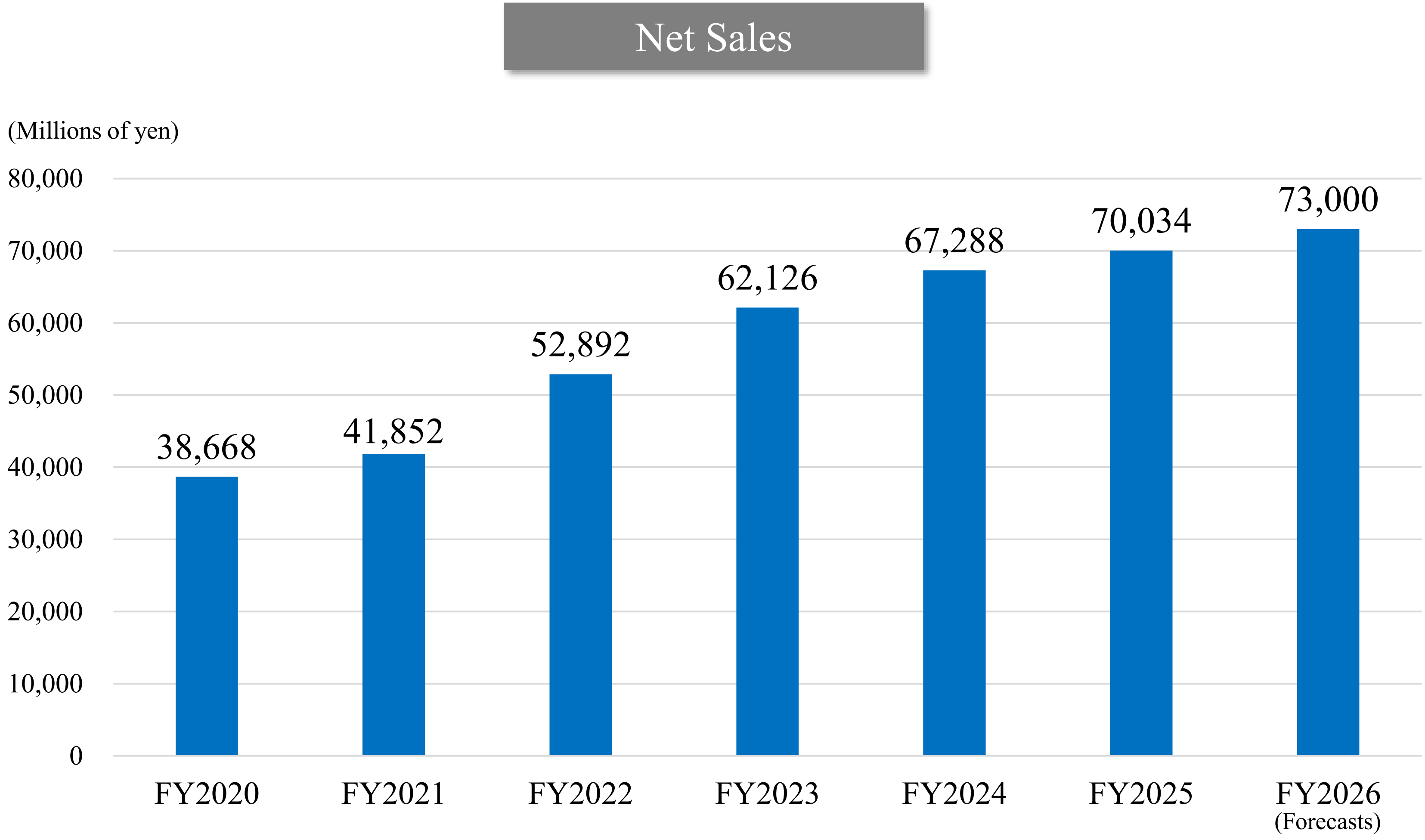
■ IR Website Evaluations

- Awarded a Silver Prize in the Gomez IR Website Ranking (5th in its industry)
- 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

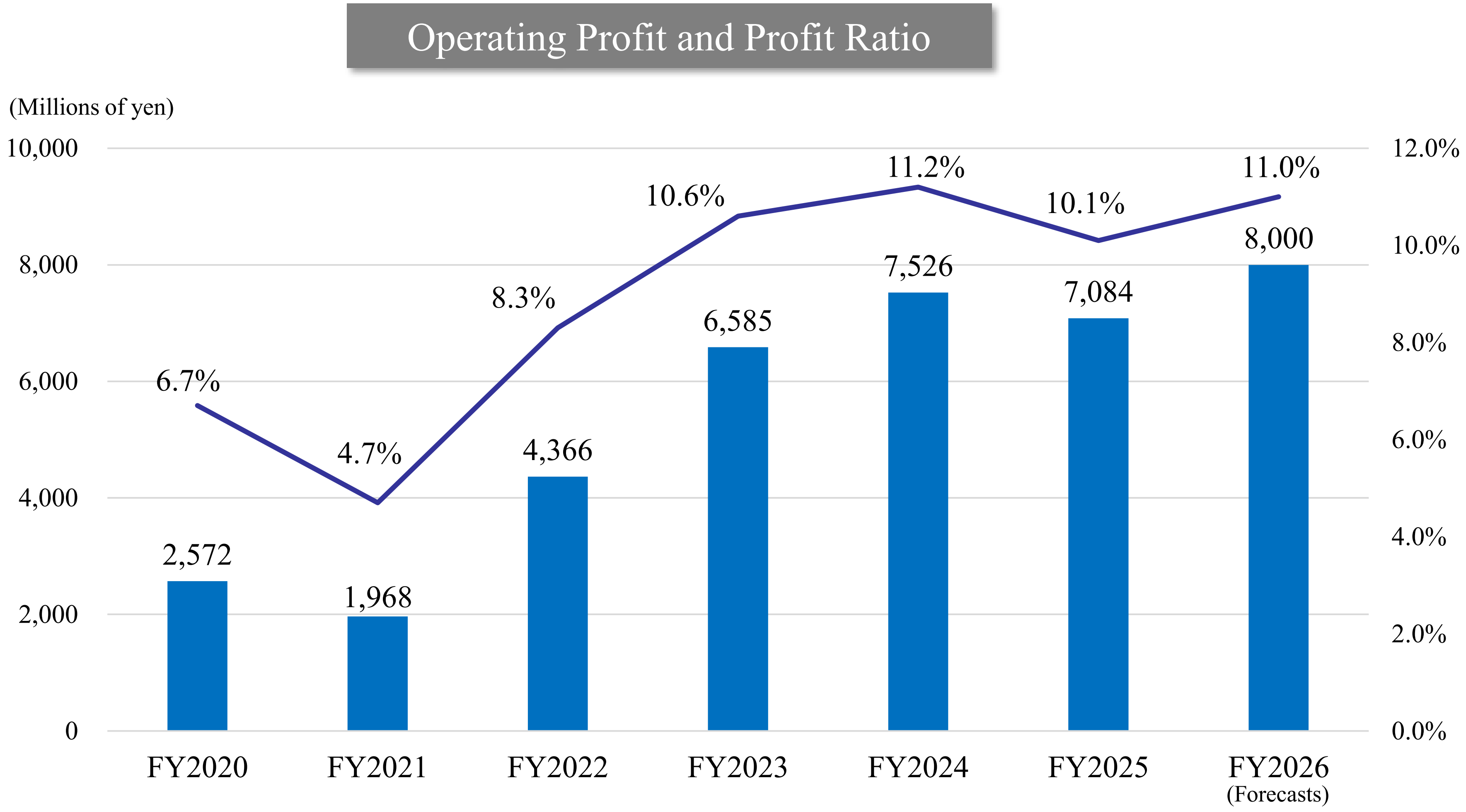
Trends in Orders Received



Trends in Net Sales



Trends in Operating Profit and Profit Ratio



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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