

Summary of Financial Results (Consolidated)

for the Second Quarter of Fiscal 2009 Ending March 31, 2010

November 11, 2009

Listed Company Name:	ESPEC CORP.
Securities Code:	6859
Listed Stock Exchange :	Tokyo, Osaka Stock Exchanges, First Section
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Representative:	Nobuyoshi Shin, President
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Planned Date of Filing of Quarterly Report:	November 12, 2009
Interim dividends payment beginning day:	December 9, 2009
U.S. GAAP Accounting Standard	Not Adopted

(Rounded off to nearest million yen)

1. Consolidated financial results for the 2nd quarter of fiscal 2009, ending March 31, 2010 (April 1, 2009 ~ September 30, 2009)

(1) Consolidated operating results (cumulative) (% figures are rates of change in comparison to the same period last year)

	Net Sales		Operating Income		Ordinary Income		Quarterly Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six months ended September 30, 2009	9,433	(48.7)	(1,289)	-	(1,229)	-	(1,365)	-
Six months ended September 30, 2008	18,402	-	564	-	743	-	371	-

	Net Income Per Share	Net Income Per Share, Diluted
	(Yen)	(Yen)
Six months ended September 30, 2009	(57.53)	-
Six months ended September 30, 2008	15.64	15.64

(2) Financial Standing

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity Per Share of Common Stock
	¥ million	¥ million	%	(Yen)
As of September 30, 2009	35,364	28,054	78.9	1,175.22
As of March 31, 2009	38,719	29,212	75.0	1,224.12

(Reference) Shareholders' Equity Six month ended September 30, 2009 ¥27,889million As of March 31, 2009 ¥29,050 million

2. Dividends

	Dividend Per Share		
	End of 2 nd Quarter	Term-end	Annual
Year ended March 31, 2009	(Yen) 9.00	(Yen) 5.00	(Yen) 14.00
Year ended March 31, 2010	5.00		
Year ended March 31, 2010 (forecast)		3.00	8.00

(Note) Has there been a correction in the dividend forecast this quarter: Yes

3. Forecast of Consolidated Operating Results for Fiscal 2009 Ending March 31, 2010 (April 1, 2009 ~ March 31, 2010)

(% figures for the whole term are rates of change in comparison to last year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	(Yen)
Full-term	24,000	(31.3)	(1,100)	-	(950)	-	(1,500)	-	(63.21)

(Note) Has there been a correction in the consolidated results forecast this quarter: Yes

4. Other

(1) Transfers of important subsidiaries during this quarter (transfers of specified subsidiaries entailing changes in the scope of consolidation): No
New (Company name:) Excluded (Company name:)(2) Application of simplified accounting methods and special accounting methods in the creation of quarterly consolidated financial statements: Yes
(Note) For details, see "4. Other (2)" under "Qualitative information/ financial statements, etc." on p.3.

(3) Changes in the principles, procedures, and presentation methods, etc., of accounting methods related to the creation of quarterly consolidated financial statements (matters described in changes to important items fundamental to the creation of quarterly consolidated financial statements)

- 1) Changes associated with the revision of accounting standards: No
- 2) Changes other than those in 1): No

(4) Number of outstanding shares (ordinary shares)

- 1) Number of outstanding shares at end of term (including treasury stock):
Six months ended September 30, 2009 23,781,394 shares As of March 31, 2009: 23,781,394 shares
- 2) Quantity of treasury stock at end of term:
Six months ended September 30, 2009 50,036 shares As of March 31, 2009: 49,746 shares
- 3) Average number of shares during the term (consolidated quarter)
Six months ended September 30, 2009 23,731,410 shares Six months ended September 30, 2008: 23,722,266 shares

* Explanation of appropriate use of results forecasts and other matters of note

Statements concerning the future such as the results forecasts, etc., included in this document are based on currently available information and certain assumptions judged reasonable and actual results, etc., may differ due to various factors. The consolidated results forecast and dividend forecast announced on May 15, 2009 have been revised as described in the "Notice of Revisions of Financial Forecasts and Dividend Forecasts", released today.

1. Qualitative information concerning consolidated operating results

During the consolidated 2nd quarter period under review, despite signs of a recovery in economic conditions, such as a recovery in rates of operation and moves towards increased production in certain sectors of the manufacturing industry, in terms of capital investment companies are continuing to make very stringent selections of investment projects, including at automotive and electronics manufacturers, which make up the company's main customer base.

As a result of these circumstances, both orders and sales saw major falls in comparison to the same quarter in the previous fiscal year. In terms of profits, despite implementing economic rationalization measures and making reductions in fixed costs in excess of the plan, these efforts were unable to absorb the impact of falling sales and unfortunately the company suffered both an operating loss and a quarterly net loss.

	Previous Consolidated 2 nd Quarter (56 th Term) (¥ millions)	Current Consolidated 2 nd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	20,555	10,480	(49.0)
Sales	18,402	9,433	(48.7)
Operating Income(Loss)	564	(1,289)	-
Ordinary Income(Loss)	743	(1,229)	-
Quarterly net Income(Loss)	371	(1,365)	-

<Environmental Test Business>

In the domestic market, we have worked hard to stimulate replacement demand through the launch of mainstay energy-saving models at the same time as promoting energy-savings improvements proposals for delivered products. Furthermore, we have focused on markets that have been performing well, such as new energy, and concentrated efforts on obtaining orders for products with customized specifications. In overseas markets, as well as launching sales of the new product "Environmental Stress Chamber AR series", which complies with international standards, we actively promoted sales activities, particularly in Asia and Europe.

However, reduced capital expenditure, particularly by Japanese automotive and electronics manufacturers, has led to a major reduction in both orders and sales against the same quarter in the previous fiscal year. In terms of profits, the impact of decreased sales led to an operating loss.

	Previous Consolidated 2 nd Quarter (56 th Term) (¥ millions)	Current Consolidated 2 nd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	14,651	8,733	(40.4)
Sales	13,937	8,186	(41.3)
Operating Income(Loss)	655	(856)	-

<Electronic Device Business>

In FPD Device Business, despite signs of a recovery in capital investment caused by an expansion in LCD demand in China, the careful selection by companies this year of orders that prioritize profitability has led to a major drop in orders against the same quarter in the previous year. In terms of sales, there has also been a major decrease as a result of delays to deliveries for projects ordered in the previous year, resulting in an operating loss.

In regard to Semi-Conductor Equipment Business, semi-conductor manufacturers are showing signs of a recovery in production; however postponements to capital investment are continuing to be made, meaning that orders and sales have seen major falls against the same quarter in the previous year, leading to an operating loss.

As a result, in Electronic Device Business overall both orders and sales saw major falls against the same quarter in the previous year. In terms of profits, the company made an operating loss as a result of the decline in sales.

	Previous Consolidated 2 nd Quarter (56 th Term) (¥ millions)	Current Consolidated 2 nd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	5,553	1,565	(71.8)
Sales	4,171	917	(78.0)
Operating Income(Loss)	(58)	(420)	-

<Other Businesses>

In other business, subsidiary ESPEC MIC Corp. promoted environmental engineering, such as forest and waterfront development and urban greening. Income rose in comparison to the same quarter in the previous fiscal year thanks to increased sales of plant production systems. However, in terms of profits, a similar level to the same quarter in the previous fiscal year was maintained.

	Previous Consolidated 2 nd Quarter (56 th Term) (¥ millions)	Current Consolidated 2 nd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	386	319	(17.3)
Sales	328	385	17.3
Operating Income(Loss)	(30)	(13)	-

*Within the Group, there is a strong tendency for contracted delivery deadlines to concentrate in the 2nd and 4th quarters of the consolidated fiscal year due to budget implementation by customers.

2. Qualitative information concerning consolidated financial positions

Total assets at the end of the 2nd quarter consolidated accounting period were ¥35,364 million, a decrease of ¥3,355 million against the end of the previous consolidated fiscal year. Major factors included an increase in cash and deposits of ¥732 million and a decrease of ¥3,899 million in notes and accounts receivable. Liabilities were ¥7,309 million, a decrease of ¥2,197 million against the end of the previous consolidated fiscal year. Major factors included a decrease in notes and accounts payable of ¥1,672 million and a decrease in other current liabilities of ¥220 million. Net assets were ¥28,054 million, a decrease of ¥1,158 million against the end of the previous fiscal year. Major factors included a decrease of ¥1,483 million in retained earnings, an increase of ¥172 million on the revaluation of securities and an increase of ¥152 million in foreign currency translation adjustment accounts.

3. Qualitative information concerning consolidated results forecasts

For details of the consolidated performance forecast and dividend forecast for the fiscal year ending March 31, 2010, please refer to the "Notice of Revisions of Financial Forecasts and Dividend Forecasts", released today(November 11, 2009).

4. Others

- (1) Transfers of important subsidiaries during the (1) period under review (transfers of specified subsidiaries entailing changes in the scope of consolidation)
No applicable
- (2) Application of simplified accounting methods and special accounting methods in preparing quarterly consolidated financial statements
 - [1] Simplified accounting methods
Not applicable
 - [2] Special accounting methods in preparing quarterly consolidated financial statements
For tax expenses, the Company has adopted the method of reasonably estimating the effective tax rate after applying tax effect accounting to net profits before taxes for the current consolidated fiscal year, and then multiplying quarterly net income before taxes by the relevant estimated effective tax rate. However, when the tax expenses calculated using the relevant estimated effective tax rate are notably irrational, tax expenses shall be calculated using the statutory effective tax rate.
- (3) Changes in accounting principles and procedures and presentation methods concerning quarterly consolidated financial statements
No applicable

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of September 30, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	6,571	5,838
Notes and accounts receivable-trade	8,703	12,603
Short-term investment securities	1,900	1,500
Merchandise and finished goods	235	279
Work in process	2,089	1,915
Raw materials and supplies	1,044	1,090
Other	1,636	2,195
Allowance for doubtful accounts	(21)	(28)
Current assets	22,160	25,395
Noncurrent assets		
Property, plant and equipment, net		
Buildings and structures	3,731	3,774
Land	4,435	4,429
Other, net	777	798
Property, plant and equipment	8,944	9,003
Intangible assets	545	681
Investments and other assets	3,713	3,639
Noncurrent assets	13,204	13,324
Assets	35,364	38,719
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,808	4,480
Short-term loans payable	389	550
Income taxes payable	72	76
Provision for bonuses	251	262
Provision for directors' bonuses	2	3
Provision for product warranties	120	194
Other	1,757	1,977
Current liabilities	5,401	7,545
Noncurrent liabilities		
Long-term loans payable	214	207
Provision for retirement benefits	75	80
Provision for directors' retirement benefits	46	59
Negative goodwill	42	58
Other	1,528	1,556
Noncurrent liabilities	1,907	1,961
Liabilities	7,309	9,506
Net assets		
Shareholders' equity		
Capital stock	6,895	6,895
Capital surplus	7,172	7,172
Retained earnings	15,211	16,694
Treasury stock	(53)	(53)
Shareholders' equity	29,226	30,710
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	156	(15)
Deferred gains or losses on hedges	(1)	-
Revaluation reserve for land	(824)	(824)
Foreign currency translation adjustment	(668)	(820)
Valuation and translation adjustments	(1,336)	(1,660)
Minority interests	165	162
Net assets	28,054	29,212
Liabilities and net assets	35,364	38,719

(2) Consolidated Statements of Income

(Consolidated 2nd quarter)

Millions of yen

	Six months ended September 30, 2008	Six months ended September 30, 2009
Net sales	18,402	9,433
Cost of sales	12,646	7,103
Gross profit	5,755	2,330
Selling, general and administrative expenses		
Salaries and allowances	1,252	1,060
Provision for bonuses	163	79
Provision for product warranties	92	40
Provision for directors' bonuses	13	2
Other	3,670	2,436
Selling, general and administrative expenses	5,191	3,619
Operating income(loss)	564	(1,289)
Non-operating income		
Interest income	25	21
Dividends income	38	36
Gain on sales of securities	-	0
Amortization of negative goodwill	16	16
Equity in earnings of affiliates	62	19
Other	71	43
Non-operating income	214	137
Non-operating expenses		
Interest expenses	16	13
Loss on sales of securities	5	15
Foreign exchange losses	-	36
Other	13	11
Non-operating expenses	35	77
Ordinary income(loss)	743	(1,229)
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Reversal of allowance for doubtful accounts	0	5
Extraordinary income	0	5
Extraordinary loss		
Loss on sales of noncurrent assets	1	0
Loss on retirement of noncurrent assets	37	3
Loss on valuation of investment securities	81	98
Provision of allowance for doubtful accounts	-	1
Extraordinary loss	119	103
Quarterly net income(loss) before income taxes	625	(1,327)
Income taxes-current	242	44
Minority interests in income(loss)	11	(6)
Quarterly net income(loss)	371	(1,365)

(3) Notes on the assumption of a going concern
No applicable

(4) Segment information

(Segment information by type of business)

Previous consolidated 2nd quarter(From April 1, 2008 to September 30, 2008)

	Environmental Test Business (¥ million)	Electronic Device Business (¥ million)	Other Business (¥ million)	Total (¥ million)	Elimination or Corporate (¥ million)	Consolidated (¥ million)
Sales						
(1) Sales to external customers	13,910	4,170	321	18,402	-	18,402
(2) Internal sales or transfers between segments	27	1	6	35	(35)	-
Total	13,937	4,171	328	18,437	(35)	18,402
Operating Income(Loss)	655	(58)	(30)	566	(2)	564

This consolidated 2nd quarter (From April 1, 2009 to September 30, 2009)

	Environmental Test Business (¥ million)	Electronic Device Business (¥ million)	Other Business (¥ million)	Total (¥ million)	Elimination or Corporate (¥ million)	Consolidated (¥ million)
Sales						
(1) Sales to external customers	8,169	884	379	9,433	-	9,433
(2) Internal sales or transfers between segments	16	32	6	55	(55)	-
Total	8,186	917	385	9,488	(55)	9,433
Operating Loss	(856)	(420)	(13)	(1,290)	0	(1,289)

(5) Notes in cases where marked changes have occurred in the value of shareholder equity
No applicable