

Summary of Financial Results (Consolidated)

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

February 10, 2010

Listed Company Name:	ESPEC CORP.
Securities Code:	6859
Listed Stock Exchange :	Tokyo, Osaka Stock Exchanges, First Section
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Planned Date of Filing of Quarterly Report:	February 12, 2010
U.S. GAAP Accounting Standard	Not Adopted

(Rounded off to nearest million yen)

1. Consolidated financial results for the 3rd quarter of fiscal 2009, ending March 31, 2010 (April 1, 2009 ~ December 31, 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	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Nine months ended December 31, 2009	14,443	(43.9)	(1,675)	-	(1,533)	-	(3,113)	-
Nine months ended December 31, 2008	25,739	-	346	-	418	-	(2)	-

	Net Income Per Share	Net Income Per Share, Diluted
	Yen	Yen
Nine months ended December 31, 2009	(131.21)	-
Nine months ended December 31, 2008	(0.11)	-

(2) Financial Standing

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity Per Share of Common Stock
	¥ millions	¥ millions	%	Yen
As of December 31, 2009	34,021	25,984	75.9	1,088.09
As of March 31, 2009	38,719	29,212	75.0	1,224.12

(Reference) Shareholders' Equity As of December 31, 2009 ¥25,821million As of March 31, 2009 ¥29,050 million

2. Dividends

	Dividend per share				
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Term-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	-	9.00	-	5.00	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: No

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
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
Full-term	24,000	(31.3)	(1,100)	-	(950)	-	(3,100)	-	(130.63)

(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):
As of December 31, 2009 23,781,394 shares As of March 31, 2009: 23,781,394 shares
- 2) Quantity of treasury stock at end of term:
As of December 31, 2009 50,120 shares As of March 31, 2009: 49,746 shares
- 3) Average number of shares during the term (consolidated quarter)
Nine months ended December 31, 2009 23,731,375 shares Nine months ended December 31, 2008: 23,725,431 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 announced on November 11, 2009 have been revised as described in the "Notice of Recording of Extraordinary Loss, Reversal of Deferred Tax Assets and Revisions of Financial Forecasts", released today.

1. Qualitative information concerning consolidated operating results

During the consolidated third quarter period under review, despite signs of a recovery in economic conditions, the overall business outlook remained murky. And industrial enterprises, including automotive and electronics manufacturers, which make up the company's main customer base, were still hesitant to resume capital investments. Under these circumstances, our business environment remained severe.

As a result of these circumstances, both orders and sales saw major falls in comparison to the same quarter of the previous fiscal year. In terms of profits, despite promoting profit structure reforms, including a reduction of fixed costs, improvements in cost percentages, etc., which have produced certain favorable results, the company was unable to absorb the impacts of the reduced sales, and unfortunately operating losses grew as a result. Furthermore, as indicated in the "Notice of Recording of Extraordinary Loss, Reversal of Deferred Tax Assets and Revisions of Financial Forecasts," issued today (February 10, 2010), the company suffered a quarterly net loss due to the recording of an extraordinary loss from the elimination and consolidation of offices and the reversal of deferred tax assets.

	Previous Consolidated 3 rd Quarter (56 th Term) (¥ millions)	Current Consolidated 3 rd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	27,632	16,528	(40.2)
Sales	25,739	14,443	(43.9)
Operating Income(Loss)	346	(1,675)	-
Ordinary Income(Loss)	418	(1,533)	-
Quarterly net Loss	(2)	(3,113)	-

<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 focusing on energy-saving improvement proposals for delivered products. Furthermore, we have promoted the acquisition of orders for products with customized specifications in new energy markets and an expansion of the customer base in non-electronics markets. In overseas markets, besides enhancing sales of the new "Environmental Stress Chamber AR Series," which complies with international standards, we actively promoted sales activities, particularly in Asia.

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

	Previous Consolidated 3 rd Quarter (56 th Term) (¥ millions)	Current Consolidated 3 rd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	20,763	13,904	(33.0)
Sales	19,549	12,345	(36.9)
Operating Income(Loss)	584	(1,150)	-

<Electronic Device Business>

In the FPD Device System Business, a greater emphasis placed this year on profitability has led to a major drop in orders against the same quarter of the previous year. In terms of sales, there has also been a major decrease because despite some actions in part of projects ordered in the previous year, but put on hold as instructed by customers, which have not been fully realized or recorded as sales, resulting in an operating loss.

In regards to the Semiconductor System Business, despite the favorable performance in the secondary cell evaluation System of ESPEC TECHNO CORP., sales of burn-in System remained low, meaning that orders and sales have seen falls against the same quarter of the previous year, leading to an operating loss.

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

	Previous Consolidated 3 rd Quarter (56 th Term) (¥ millions)	Current Consolidated 3 rd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	6,247	2,285	(63.4)
Sales	5,724	1,677	(70.7)
Operating Loss	(195)	(493)	-

<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 of the previous fiscal year thanks to increased sales of plant production systems. However, in terms of profits, expenses increased due to strategic investments, including sales promotion efforts to expand sales of the plant production systems, resulting in an operating loss.

	Previous Consolidated 3 rd Quarter (56 th Term) (¥ millions)	Current Consolidated 3 rd Quarter (57 th Term) (¥ millions)	Change (%)
Orders	678	525	(22.5)
Sales	510	534	4.7
Operating Loss	(37)	(31)	-

*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 third quarter consolidated accounting period were ¥34,021 million, a decrease of ¥4,698 million against the end of the previous consolidated fiscal year. Major factors included a decrease of ¥4,569 million in notes and accounts receivable. Liabilities were ¥8,037 million, a decrease of ¥1,469 million against the end of the previous consolidated fiscal year. Major factors included a decrease in notes and accounts payable of ¥1,237 million and a decrease in provision for bonuses of ¥173 million. Net assets were ¥25,984 million, a decrease of ¥3,228 million against the end of the previous consolidated fiscal year. Major factors included a decrease of ¥3,351 million in retained earnings and an increase of ¥127 million on the valuation difference on available-for-sale securities.

3. Qualitative information concerning consolidated results forecasts

For details of the consolidated performance forecast for the fiscal year ending March 31, 2010, please refer to the "Notice of Recording of Extraordinary Loss, Reversal of Deferred Tax Assets and Revisions of Financial Forecasts", released today (February 10, 2010).

4. Others

- (1) Transfers of important subsidiaries during the 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 December 31, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	6,528	5,838
Notes and accounts receivable-trade	8,033	12,603
Short-term investment securities	2,300	1,500
Merchandise and finished goods	313	279
Work in process	2,354	1,915
Raw materials and supplies	1,027	1,090
Other	1,452	2,195
Allowance for doubtful accounts	(21)	(28)
Current assets	21,988	25,395
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,499	3,774
Land	4,429	4,429
Other, net	652	798
Property, plant and equipment	8,581	9,003
Intangible assets	482	681
Investments and other assets	2,968	3,639
Noncurrent assets	12,032	13,324
Assets	34,021	38,719
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,243	4,480
Short-term loans payable	414	550
Income taxes payable	42	76
Provision for bonuses	88	262
Provision for directors' bonuses	3	3
Provision for product warranties	101	194
Other	2,230	1,977
Current liabilities	6,124	7,545
Noncurrent liabilities		
Long-term loans payable	199	207
Provision for retirement benefits	75	80
Provision for directors' retirement benefits	46	59
Negative goodwill	34	58
Other	1,557	1,556
Noncurrent liabilities	1,913	1,961
Liabilities	8,037	9,506
Net assets		
Shareholders' equity		
Capital stock	6,895	6,895
Capital surplus	7,172	7,172
Retained earnings	13,343	16,694
Treasury stock	(53)	(53)
Shareholders' equity	27,359	30,710
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	112	(15)
Deferred gains or losses on hedges	(2)	-
Revaluation reserve for land	(824)	(824)
Foreign currency translation adjustment	(822)	(820)
Valuation and translation adjustments	(1,537)	(1,660)
Minority interests	162	162
Net assets	25,984	29,212
Liabilities and net assets	34,021	38,719

(2) Consolidated Statements of Income

(Consolidated 3rd quarter)

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net sales	25,739	14,443
Cost of sales	17,819	10,763
Gross profit	7,919	3,680
Selling, general and administrative expenses		
Salaries and allowances	2,023	1,657
Provision for bonuses	69	27
Provision for product warranties	136	59
Provision for directors' bonuses	19	3
Other	5,324	3,608
Selling, general and administrative expenses	7,573	5,355
Operating income(loss)	346	(1,675)
Non-operating income		
Interest income	46	30
Dividends income	53	47
Gain on sales of securities	-	0
Amortization of negative goodwill	25	23
Equity in earnings of affiliates	95	56
Other	84	55
Non-operating income	305	213
Non-operating expenses		
Interest expenses	34	20
Loss on sales of securities	8	15
Foreign exchange losses	168	19
Other	22	16
Non-operating expenses	233	71
Ordinary income(loss)	418	(1,533)
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Reversal of allowance for doubtful accounts	2	5
Extraordinary income	3	5
Extraordinary loss		
Loss on sales of noncurrent assets	1	0
Impairment loss	-	182
Loss on retirement of noncurrent assets	40	3
Loss on valuation of investment securities	140	160
Business structure improvement expenses	-	222
Other	2	1
Extraordinary loss	184	571
Quarterly net income(loss) before income taxes	237	(2,099)
Income taxes-current	231	1,014
Minority interests in income	8	0
Quarterly net loss	(2)	(3,113)

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

(4) Segment information

(Segment information by type of business)

Previous consolidated 3rd quarter(From April 1, 2008 to December 31, 2008)

	Environmental Test Business (¥ millions)	Electronic Device Business (¥ millions)	Other Business (¥ millions)	Total (¥ millions)	Elimination or Corporate (¥ millions)	Consolidated (¥ millions)
Sales						
(1) Sales to external customers	19,516	5,723	499	25,739	-	25,739
(2) Internal sales or transfers between segments	33	1	11	45	(45)	-
Total	19,549	5,724	510	25,785	(45)	25,739
Operating Income(Loss)	584	(195)	(37)	351	(5)	346

This consolidated 3rd quarter (From April 1, 2009 to December 31, 2009)

	Environmental Test Business (¥ millions)	Electronic Device Business (¥ millions)	Other Business (¥ millions)	Total (¥ millions)	Elimination or Corporate (¥ millions)	Consolidated (¥ millions)
Sales						
(1) Sales to external customers	12,323	1,594	525	14,443	-	14,443
(2) Internal sales or transfers between segments	21	82	9	113	(113)	-
Total	12,345	1,677	534	14,556	(113)	14,443
Operating Loss	(1,150)	(493)	(31)	(1,676)	1	(1,675)

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