



Summary of Financial Results (Consolidated)
for the Third Quarter of Fiscal 2014 Ending March 31, 2015
[under Japanese GAAP]

January 30, 2015

| | |
|--|---|
| Listed Company Name: | ESPEC CORP. |
| Listed Stock Exchange: | Tokyo Stock Exchanges, First Section |
| Securities Code: | 6859 |
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| Planned Date of Filing of Quarterly Report: | February 13, 2015 |
| Dividends Payment Beginning Day: | - |
| Preparing Supplementary Material on Quarterly Financial Results: | No |
| Holding Quarterly Financial Results Presentation Meeting: | No |

*The original disclosure in Japanese was released on January 30, 2015 at 14:00. (GMT+9)

(Rounded off to nearest million yen)

1. Consolidated financial results for the 3rd quarter of fiscal 2014 ending March 31, 2015 (April 1, 2014 ~ December 31, 2014)
(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 Yen | % | Million Yen | % | Million Yen | % | Million Yen | % |
| First nine months ended December 31, 2014 | 21,483 | 2.6 | 1,374 | 34.5 | 1,685 | 33.4 | 1,249 | 60.2 |
| First nine months ended December 31, 2013 | 20,934 | (0.9) | 1,021 | (16.6) | 1,263 | (8.6) | 780 | 31.8 |

(Note) Statements of comprehensive income First nine months ended December 31, 2014 1,646 Million Yen [5.2 %]
First nine months ended December 31, 2013 1,564 Million Yen [129.1 %]

| | Net Income Per Share | Net income Per Share, Diluted |
|--|----------------------|----------------------------------|
| | Yen | Yen |
| First nine months ended December 31, 2014 | 53.72 | - |
| First nine months ended December 31, 2013 | 33.54 | - |

(2) Consolidated financial standing

| | Total Assets | Net assets | Shareholders' Equity Ratio | Shareholders' Equity Per Share |
|-------------------------|--------------|-------------|-------------------------------|-----------------------------------|
| | Million Yen | Million Yen | % | Yen |
| As of December 31, 2014 | 43,269 | 34,055 | 78.0 | 1,451.23 |
| As of March 31, 2014 | 43,031 | 32,811 | 75.6 | 1,399.52 |

(Reference) Shareholders' equity As of December 31, 2014 33,754 Million Yen
As of March 31, 2014 32,552 Million Yen

2. Dividends

| | Annual dividends | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|----------|--------|
| | End of 1 st quarter | End of 2 nd quarter | End of 3 rd quarter | Term-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2014 | - | 7.00 | - | 13.00 | 20.00 |
| Fiscal year ended March 31, 2015 | - | 7.00 | | | |
| Fiscal year ending March 31, 2015 (forecast) | | | - | 13.00 | 20.00 |

(Note) Has there been a correction in the dividend forecast this quarter: No

3. Forecast of consolidated operating results for fiscal 2014 ending March 31, 2015 (April 1, 2014 ~ March 31, 2015)

(% 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 Yen | % | Million Yen | % | Million Yen | % | Million Yen | % | Yen |
| Fiscal year ending March 31, 2015 | 33,000 | 2.8 | 2,300 | 10.7 | 2,400 | 1.3 | 1,600 | 1.9 | 68.79 |

(Note) Has there been a correction in the results forecast this quarter: No

4. Others

(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 special accounting methods in the creation of quarterly consolidated financial statements: Yes

(Note) For details, see "2. (2)" under "Application of special accounting methods in the creation of quarterly consolidated financial statements" on p.4.

(3) Changes in accounting policies; changes in accounting estimates; restatements of financial statements

1) Changes in accounting policies due to amendment of accounting standards: Yes

2) Changes in accounting policies other than above: No

3) Changes in accounting estimates: No

4) Restatements of financial statements: No

(Note) For details, see "2. (3)" under "Changes in Accounting Policies, Estimates and Restatement of Revisions" on p.4.

(4) Number of outstanding shares (Ordinary shares)

1) Number of outstanding shares

at end of term

(Including treasury stock):

| | | | |
|--|-------------------|--|-------------------|
| As of December 31, 2014 | 23,781,394 shares | As of March 31, 2014 | 23,781,394 shares |
| As of December 31, 2014 | 521,935 shares | As of March 31, 2014 | 521,715 shares |
| First nine months ended December 31, 2014 | 23,259,581 shares | First nine months ended December 31, 2013 | 23,259,838 shares |

2) Quantity of treasury stock at
end of term:

3) Average number of shares
during the term

(Consolidated quarter):

* Indication regarding execution of quarterly procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the quarterly review procedures were used in accordance with the Financial Instruments and Exchange Act.

* 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. Please refer to "Description of consolidated operating forecasts and other forward-looking information" on page 4 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information concerning Consolidated Financial Results

(1) Description of operating results

During the first three quarters of fiscal 2014, the year ending March 31, 2015, the Japanese economy continued on an overall recovery trend, underpinned mainly by expansion in the U.S. economy and increased competitiveness among Japanese companies due to the yen's depreciation. However, the situation was clouded by concerns over the global economic impact of the slowdown in the European economy, geopolitical risks in the Middle East and other factors.

Of the Company's main customers, automotive manufacturers continued to invest aggressively, while investment activity improved among electronics-related manufacturers.

In this environment, the Company strengthened marketing activities in the U.S., China and Southeast Asia, and focused on winning more orders in the green technology market, primarily eco-cars.

As a result, in the consolidated results for the first three quarters of fiscal 2014, the amount of orders-received increased 9.7% year on year to ¥26,056 million and net sales increased 2.6% to ¥21,483 million. On the earnings front, operating income increased 34.5% year on year to ¥1,374 million and net income rose 60.2% year on year to ¥1,249 million.

| | Previous consolidated 3 rd quarter (Fiscal 2013) (Million Yen) | This consolidated 3 rd quarter (Fiscal 2014) (Million Yen) | Change (%) |
|----------------------|---|---|------------|
| Orders-Received | 23,757 | 26,056 | 9.7 |
| Net Sales | 20,934 | 21,483 | 2.6 |
| Operating Income | 1,021 | 1,374 | 34.5 |
| Ordinary Income | 1,263 | 1,685 | 33.4 |
| Quarterly net Income | 780 | 1,249 | 60.2 |

Performance by Segment

This consolidated 3rd quarter (Fiscal 2014)

| | Orders-Received (Million Yen) | Net Sales (Million Yen) | Operating Income (Loss) (Million Yen) |
|--------------------|----------------------------------|----------------------------|--|
| Equipment Business | 21,157 | 16,968 | 1,131 |
| Service Business | 4,137 | 3,869 | 288 |
| Other Business | 938 | 806 | (45) |
| Elimination | (177) | (160) | 0 |
| Total | 26,056 | 21,483 | 1,374 |

[Equipment Business]

In environmental test chambers, with investment demand improving in Japan, the Company saw strong business for highly versatile standardized products. Overseas, exports increased from the same period a year earlier, primarily to China and Europe. As a result, both orders-received and net sales of environmental test chambers on the whole increased year on year during the first three quarters of fiscal 2014.

In energy devices equipment, both orders-received and net sales increased from the same period the year before, atop orders the Company won for the Charge-discharge Evaluation System for secondary batteries, and firm sales of power device evaluation systems.

In semiconductor equipment, orders-received were mostly unchanged from the same period last year owing to orders received from certain semiconductor and automotive-related manufacturers. However, net sales fell in comparison to strong performance in the first three quarters of the previous fiscal year.

In FPD equipment, the Company has been working to selectively win orders on the basis of profitability; however, there were few large business deals in the nine months under review. Orders-received increased slightly, while net sales declined in comparison to the same period a year ago.

As a result, the Equipment Business as a whole saw orders-received increase 10.9% to ¥21,157 million and net sales increase 0.6% to ¥16,968 million compared to the first three quarters of the previous fiscal year. In terms of profit, net income was ¥1,131 million, up 39.0% year on year due to changes in sales composition and other factors.

| | Previous consolidated 3 rd quarter (Fiscal 2013) (Million Yen) | This consolidated 3 rd quarter (Fiscal 2014) (Million Yen) | Change (%) |
|------------------|---|---|------------|
| Orders-Received | 19,086 | 21,157 | 10.9 |
| Net Sales | 16,860 | 16,968 | 0.6 |
| Operating Income | 814 | 1,131 | 39.0 |

[Service Business]

In after-sales service and engineering, orders-received decreased slightly while net sales increased year on year.

In commissioned tests and facility rentals, the core test consulting operation saw growth in the automobile market.

Consequently, both orders-received and net sales increased year on year.

As a result, the Company's Service Business on the whole recorded increases in orders-received and net sales of 4.2% to ¥4,137 million, and 10.6% to ¥3.869 million, respectively, compared to the first three quarters of the previous fiscal year. As a result operating income decreased 4.1% year on year to ¥288 million.

| | Previous consolidated 3 rd quarter (Fiscal 2013) (Million Yen) | This consolidated 3 rd quarter (Fiscal 2014) (Million Yen) | Change (%) |
|------------------|---|---|------------|
| Orders-Received | 3,969 | 4,137 | 4.2 |
| Net Sales | 3,497 | 3,869 | 10.6 |
| Operating Income | 300 | 288 | (4.1) |

[Other Business]

In the Other Business, strong performance in environmental engineering in reforestation (tree planting) and the plant factory business drove orders-received to increase 12.4% year on year to ¥938 million for the first three quarters of the fiscal year under review. Net sales increased 17.4% year on year to ¥806 million. As for earnings, the segment posted an operating loss of ¥45 million, however this was an improvement from the first three quarters of the previous fiscal year.

| | Previous consolidated 3 rd quarter (Fiscal 2013) (Million Yen) | This consolidated 3 rd quarter (Fiscal 2014) (Million Yen) | Change (%) |
|-----------------|---|---|------------|
| Orders-Received | 835 | 938 | 12.4 |
| Net Sales | 686 | 806 | 17.4 |
| Operating loss | (92) | (45) | - |

* There are marked seasonal fluctuations in the Group's performance based on quarterly sales because of a strong trend towards contractual deliveries occurring in the 2nd and 4th consolidated quarters as a result of customers' budget implementation.

(2) Description of financial position

Total assets at the end of the third quarter consolidated accounting period were ¥43,269 million, an increase of ¥238 million over the end of the previous consolidated fiscal year. Major factors included a decrease of ¥2,494 million in notes and accounts receivable-trade, an increase of ¥1,817 million in inventories and work in process, and an increase of ¥873 million in noncurrent assets. Liabilities were ¥9,213 million, a decrease of ¥1,006 million against the end of the previous consolidated fiscal year. Major factors included a decrease in notes and accounts payable-trade of ¥591 million, and a decrease of ¥187 million in income taxes payable, and a decrease in provision for bonuses of ¥215 million. Net assets were ¥34,055 million, an increase of ¥1,244 million against the end of the previous fiscal year. Major factors included an increase of ¥847 million in retained earnings, an increase of ¥294 million in valuation difference on available-for-sale securities, and an increase of ¥46 million due to foreign currency translation adjustment.

(3) Description of consolidated operating forecasts and other forward-looking information

Considering that there have been no major reasons for revising business forecasts at this time, the Company has not revised its full-term consolidated business forecasts for the fiscal year ending March 31, 2015, which were announced on May 14, 2014.

Moreover, as regards important risks that may impact on actual performance, although there is no change to the Business Risks section on page 6 of the Summary of Financial Results (Consolidated) for Fiscal 2013 Ended March 31, 2014, the factors that impact on performance are not limited to these.

2. Summary Information (Other)

(1) Transfers of important subsidiaries during this quarter

No applicable

(2) Application of special accounting methods in the creation of 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 income 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 Policies, Estimates and Restatement of Revisions

Change in accounting policy

(Accounting standard applied to retirement benefits)

With regard to Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012, hereinafter the "Retirement Benefits Accounting Standard") and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012, hereinafter the "Retirement Benefits Guidance") the Company has adopted the provisions of Article 35 of the Retirement Benefits Accounting Standard and Article 67 of the Retirement Benefits Guidance from the first quarter ended June 30, 2014. As a result, the Company revised its calculation method of retirement benefit obligations and service costs, and changed its method for attributing estimated retirement benefits to accounting periods from the straight-line method to the benefit formula method. At the same time, the method for determining the discount rate was changed to apply a single weighted-average discount rate reflecting the estimated period of benefit payments and amounts to be paid in each period. Formerly, this discount rate was based on a close approximation of the number of years the Company's employees had on average until retirement.

With regard to the adoption of the retirement benefit accounting standards, the Company has followed the transitional treatment in Article 37 of the Retirement Benefits Accounting Standard. Accordingly, the amounts that correspond to the effect of the change in retirement benefit accounting standards were added to, or deducted from, the starting balance of retained earnings for the first three quarters ended December 31, 2014.

The effect of this change on the consolidated financial statements for the first three quarter was negligible.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million Yen)

| | As of March 31, 2014 | As of December 31, 2014 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,954 | 8,839 |
| Notes and accounts receivable - trade | 12,868 | 10,373 |
| Securities | 4,401 | 4,401 |
| Merchandise and finished goods | 340 | 843 |
| Work in process | 952 | 2,008 |
| Raw materials and supplies | 1,226 | 1,484 |
| Other | 1,767 | 1,922 |
| Allowance for doubtful accounts | (7) | (5) |
| Total current assets | 30,503 | 29,868 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 3,186 | 3,260 |
| Land | 4,424 | 4,454 |
| Other, net | 1,646 | 1,808 |
| Total property, plant and equipment | 9,257 | 9,523 |
| Intangible assets | 246 | 320 |
| Investments and other assets | 3,022 | 3,556 |
| Total non-current assets | 12,527 | 13,400 |
| Total assets | 43,031 | 43,269 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 5,104 | 4,513 |
| Income taxes payable | 545 | 358 |
| Provision for bonuses | 360 | 144 |
| Provision for directors' bonuses | 6 | — |
| Provision for product warranties | 216 | 180 |
| Other | 2,264 | 2,180 |
| Total current liabilities | 8,497 | 7,377 |
| Non-current liabilities | | |
| Provision for directors' retirement benefits | 19 | 12 |
| Net defined benefit liability | 96 | 42 |
| Asset retirement obligations | 51 | 52 |
| Other | 1,554 | 1,728 |
| Total non-current liabilities | 1,721 | 1,836 |
| Total liabilities | 10,219 | 9,213 |

(Million Yen)

| | As of March 31, 2014 | As of December 31, 2014 |
|---|----------------------|-------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,895 | 6,895 |
| Capital surplus | 7,172 | 7,172 |
| Retained earnings | 18,838 | 19,685 |
| Treasury shares | (360) | (360) |
| Total shareholders' equity | 32,546 | 33,393 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 813 | 1,107 |
| Revaluation reserve for land | (743) | (743) |
| Foreign currency translation adjustment | 33 | 79 |
| Remeasurements of defined benefit plans | (97) | (82) |
| Total accumulated other comprehensive income | 5 | 361 |
| Minority interests | 258 | 300 |
| Total net assets | 32,811 | 34,055 |
| Total liabilities and net assets | 43,031 | 43,269 |

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income
(First nine months ended December 31, 2014)

(Million Yen)

| | First nine months ended December 31, 2013 | First nine months ended December 31, 2014 |
|--|--|--|
| Net sales | 20,934 | 21,483 |
| Cost of sales | 13,753 | 13,483 |
| Gross profit | 7,180 | 8,000 |
| Selling, general and administrative expenses | | |
| Salaries and allowances | 1,938 | 2,052 |
| Provision for bonuses | 42 | 42 |
| Provision for product warranties | 113 | 121 |
| Provision for directors' bonuses | 2 | — |
| Other | 4,060 | 4,409 |
| Total selling, general and administrative expenses | 6,158 | 6,626 |
| Operating income | 1,021 | 1,374 |
| Non-operating income | | |
| Interest income | 23 | 35 |
| Dividend income | 51 | 60 |
| Foreign exchange gains | 114 | 181 |
| Other | 63 | 47 |
| Total non-operating income | 252 | 323 |
| Non-operating expenses | | |
| Interest expenses | 0 | 1 |
| Commission fee | 7 | 7 |
| Other | 3 | 4 |
| Total non-operating expenses | 11 | 13 |
| Ordinary income | 1,263 | 1,685 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 1 | 1 |
| Gain on sales of investment securities | 1 | — |
| Insurance income | — | 264 |
| Total extraordinary income | 2 | 265 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 2 | 0 |
| Loss on valuation of investment securities | — | 1 |
| Other | — | 0 |
| Total extraordinary losses | 2 | 1 |
| Income before income taxes and minority interests | 1,263 | 1,949 |
| Income taxes - current | 443 | 666 |
| Income before minority interests | 819 | 1,282 |
| Minority interests in income | 39 | 33 |
| Net income | 780 | 1,249 |

Quarterly Consolidated Statements of Comprehensive Income
(First nine months ended December 31, 2014)

(Million Yen)

| | First nine months ended December 31, 2013 | First nine months ended December 31, 2014 |
|---|--|--|
| Income before minority interests | 819 | 1,282 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 359 | 294 |
| Foreign currency translation adjustment | 384 | 54 |
| Remeasurements of defined benefit plans, net of tax | — | 15 |
| Total other comprehensive income | 744 | 363 |
| Comprehensive income | 1,564 | 1,646 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,495 | 1,605 |
| Comprehensive income attributable to minority interests | 69 | 41 |

(3) Notes to the quarterly consolidated financial statements

(Notes on the assumption of a going concern)

Not applicable

(Notes on significant changes in shareholder s' equity)

Not applicable

(Segment information)

I Previous consolidated 3rd quarter (From April 1, 2013 to December 31, 2013)

1. Information concerning the net sales and income or loss of each reportable segment

(Million Yen)

| | Reportable segment | | | Total | Adjustment *1 | Carried amount on quarterly consolidated statements of income *2 |
|---|-----------------------|---------------------|-------------------|--------|------------------|--|
| | Equipment Business | Service Business | Other Business | | | |
| Net Sales | | | | | | |
| (1) Sales to external customers | 16,860 | 3,395 | 678 | 20,934 | - | 20,934 |
| (2) Internal sales or transfers between segments | - | 102 | 8 | 111 | (111) | - |
| Total | 16,860 | 3,497 | 686 | 21,045 | (111) | 20,934 |
| Segment income (loss) | 814 | 300 | (92) | 1,021 | (0) | 1,021 |

*Notes:

1. "Adjustment" for segment income mainly represents eliminations of inter-segment transactions.

2. Segment income was reconciled with the operating income presented in the Quarterly Consolidated Statement of Income.

2. Information related to impairment loss on fixed assets, and goodwill, etc. for each reporting segment.

Not applicable

II This consolidated 3rd quarter (From April 1, 2014 to December 31, 2014)

1. Information concerning the net sales and income or loss of each reportable segment

(Million Yen)

| | Reportable segment | | | Total | Adjustment *1 | Carried amount on quarterly consolidated statements of income *2 |
|---|-----------------------|---------------------|-------------------|--------|------------------|--|
| | Equipment Business | Service Business | Other Business | | | |
| Net Sales | | | | | | |
| (1) Sales to external customers | 16,957 | 3,720 | 805 | 21,483 | - | 21,483 |
| (2) Internal sales or transfers between segments | 11 | 148 | 0 | 160 | (160) | - |
| Total | 16,968 | 3,869 | 806 | 21,644 | (160) | 21,483 |
| Segment income (loss) | 1,131 | 288 | (45) | 1,374 | 0 | 1,374 |

*Notes:

1. "Adjustment" for segment income mainly represents eliminations of inter-segment transactions.

2. Segment income was reconciled with the operating income presented in the Quarterly Consolidated Statement of Income.

2. Information related to impairment loss on fixed assets, and goodwill, etc. for each reporting segment.

Not applicable