

Securities ID code: 6859

# ESPEC CORP.

## Results Briefing for the Six Months Ended September 30, 2025

November 21, 2025

Satoshi Arata

Representative Director and President

# Financial Result for the Six Months Ended September 30, 2025

- Test demand for electronic components and devices related to AI semiconductors remained strong, and investment in satellite communications was robust in North America. Orders received reached a record high, but due to many large products and multi-unit projects with long delivery lead times, net sales were roughly unchanged year on year.
- Profitability for custom products continued to improve, but profit declined year on year due to weaker profitability in laboratory testing services caused by slowing EV demand and intensified competition in China.
- We revised our full-year forecast based on the first-half results. The dividend forecast remains unchanged, and we announced a share repurchase in line with our shareholder return policy.

	Year on Year	Comparison with Initial Forecasts
Orders Received	✓ Orders increased particularly in the Equipment Business (environmental test chambers) and the Other Business	✓ The Equipment Business (mainly environmental test chambers) and the Other Business exceeded expectations.
Net Sales	↔ In the Equipment Business, semiconductor equipment increased, but environmental test chambers decreased due to many long delivery lead-time projects. Energy device equipment also declined. In the Service Business, sales were roughly unchanged year on year because laboratory testing services did not grow.	✗ In the Equipment Business, semiconductor equipment increased, but environmental test chambers decreased due to many long delivery lead-time projects. In the Service Business, laboratory testing services mainly fell short.
Operating Profit	✗ Declined due to delayed net sales and a worsening cost-of-sales ratio.	✗ Fell short due to lower-than-expected net sales and a deteriorated cost-of-sales ratio.
Profit Attributable to Owners of Parent	✗ Decreased due to lower operating profit.	✗ Fell short due to lower-than-expected operating profit.

- Dividend forecast (Interim: ¥45, Year-end: ¥70, Annual ¥115)

# Forecasts for FY2025

( Millions of yen)

	FY2024	FY2025						
	Full Year Results	Initial Forecasts			1H Results	Forecast (revised 11/13)		
		1H	2H	Full year		2H	Full year	Year on Year
Orders Received	67,514	33,500	32,500	66,000	38,636	30,364	69,000	+2.2%
Net Sales	67,288	31,000	37,000	68,000	30,322	37,678	68,000	+1.1%
Gross Profit	23,987	11,500	13,900	25,400	10,554	13,646	24,200	+0.9%
Profit Ratio	35.6%	37.1%	37.6%	37.4%	34.8%	36.2%	35.6%	±0pt
SG&A	16,460	8,150	8,750	16,900	7,947	8,653	16,600	+0.8%
SG&A Ratio	24.5%	26.3%	23.6%	24.9%	26.2%	23.0%	24.4%	-0.1pt
Operating profit	7,526	3,350	5,150	8,500	2,607	4,993	7,600	+1.0%
Profit Ratio	11.2%	10.8%	13.9%	12.5%	8.6%	13.3%	11.2%	±0pt
Ordinary Profit	7,793	3,450	5,200	8,650	2,704	5,045	7,750	-0.6%
Profit Ratio	11.6%	11.1%	14.1%	12.7%	8.9%	13.4%	11.4%	-0.2pt
Profit Attributable to Owners of Parent	6,003	2,500	3,690	6,190	1,912	3,887	5,800	-3.4%
Profit Ratio	8.9%	8.1%	10.0%	9.1%	6.3%	10.3%	8.5%	-0.4pt
Basic Earnings per Share (yen)	274.97	114.51	169.02	283.53	87.49	177.61	265.10	-3.6%
ROE	11.0%	-	-	11.0%	-	-	10.0%	-1.0pt

# Approach to Full-Year Fiscal 2025 Forecast

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- Orders received remain strong, especially in AI semiconductors and satellite communications in North America, the target markets of the medium-term management plan, leading to an upward revision in the full-year forecast.
- Net sales were left unchanged from the initial plan, as conversion of order backlog is progressing and stronger sales of standard products with shorter delivery lead times are expected to increase revenue.
- In profit, the Equipment Business is expected to improve margins and China should recover, but laboratory testing services affected by slowing EV demand is unlikely to rebound, resulting in a downward revision.

# FY2025 1H Summary of Profits and Losses

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	36,621	33,500	38,636	+5.5%	+15.3%
Net Sales	30,464	31,000	30,322	-0.5%	-2.2%
Cost of Net Sales Cost Ratio	19,326 63.4%	19,500 62.9%	19,767 65.2%	+2.3% +1.8pt	+1.4% +2.3pt
Gross Profit	11,137	11,500	10,554	-5.2%	-8.2%
SG&A	7,841	8,150	7,947	+1.3%	-2.5%
Operating Profit Profit Ratio	3,296 10.8%	3,350 10.8%	2,607 8.6%	-20.9% -2.2pt	-22.2% -2.2pt
Ordinary Profit	3,398	3,450	2,704	-20.4%	-21.6%
Profit Attributable to Owners of Parent	2,452	2,500	1,912	-22.0%	-23.5%

# FY2025 1H Performance by Segment

(Millions of yen)

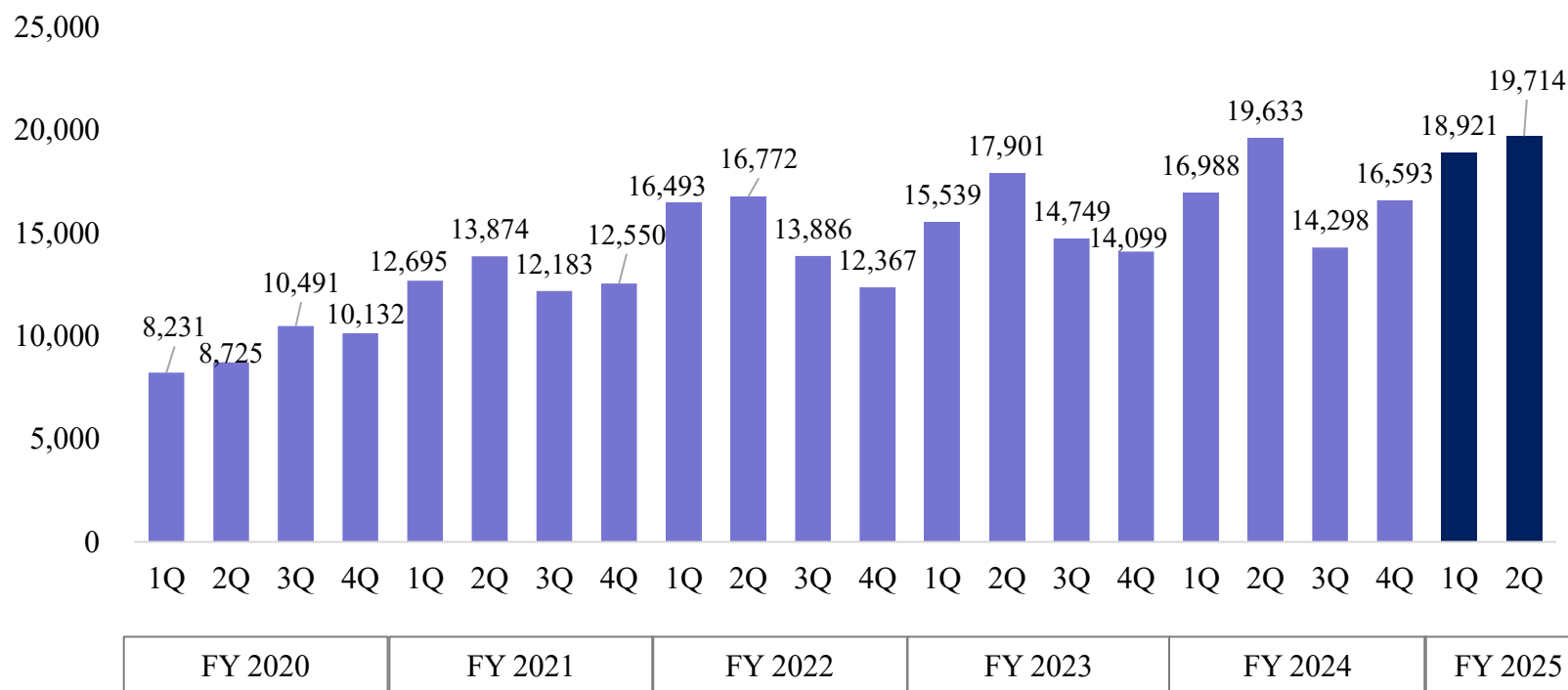
		FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Equipment Business	Orders Received	31,868	28,430	33,127	+3.9%	+16.5%
	Net Sales	26,469	26,420	25,887	-2.2%	-2.0%
	Operating Profit	3,013	2,910	2,551	-15.3%	-12.3%
Service Business	Orders Received	4,176	4,520	4,224	+1.2%	-6.5%
	Net Sales	3,701	4,210	3,780	+2.1%	-10.2%
	Operating Profit	324	490	56	-82.4%	-88.4%
Other Business	Orders Received	808	800	1,500	+85.6%	87.6%
	Net Sales	521	600	880	+68.7%	46.8%
	Operating Profit	-31	-50	-2	-	-
Elimination	Orders Received	-232	-250	-215	-	-
	Net Sales	-227	-230	-226	-	-
	Operating Profit	-10	0	1	-	-
Total	Orders Received	36,621	33,500	38,636	+5.5%	+15.3%
	Net Sales	30,464	31,000	30,322	-0.5%	-2.2%
	Operating Profit	3,296	3,350	2,607	-20.9%	-22.2%

# Orders Received in FY2025 1H

Although orders received were initially expected to decline year on year, in the target markets, AI semiconductor-related demand remained strong, satellite communications expanded beyond expectations in North America, and investment in semiconductors and electronics was robust in Southeast Asia. As a result, first-half orders received reached a record high for the fifth consecutive year.

## Trends in orders received per quarter

(Millions of yen)



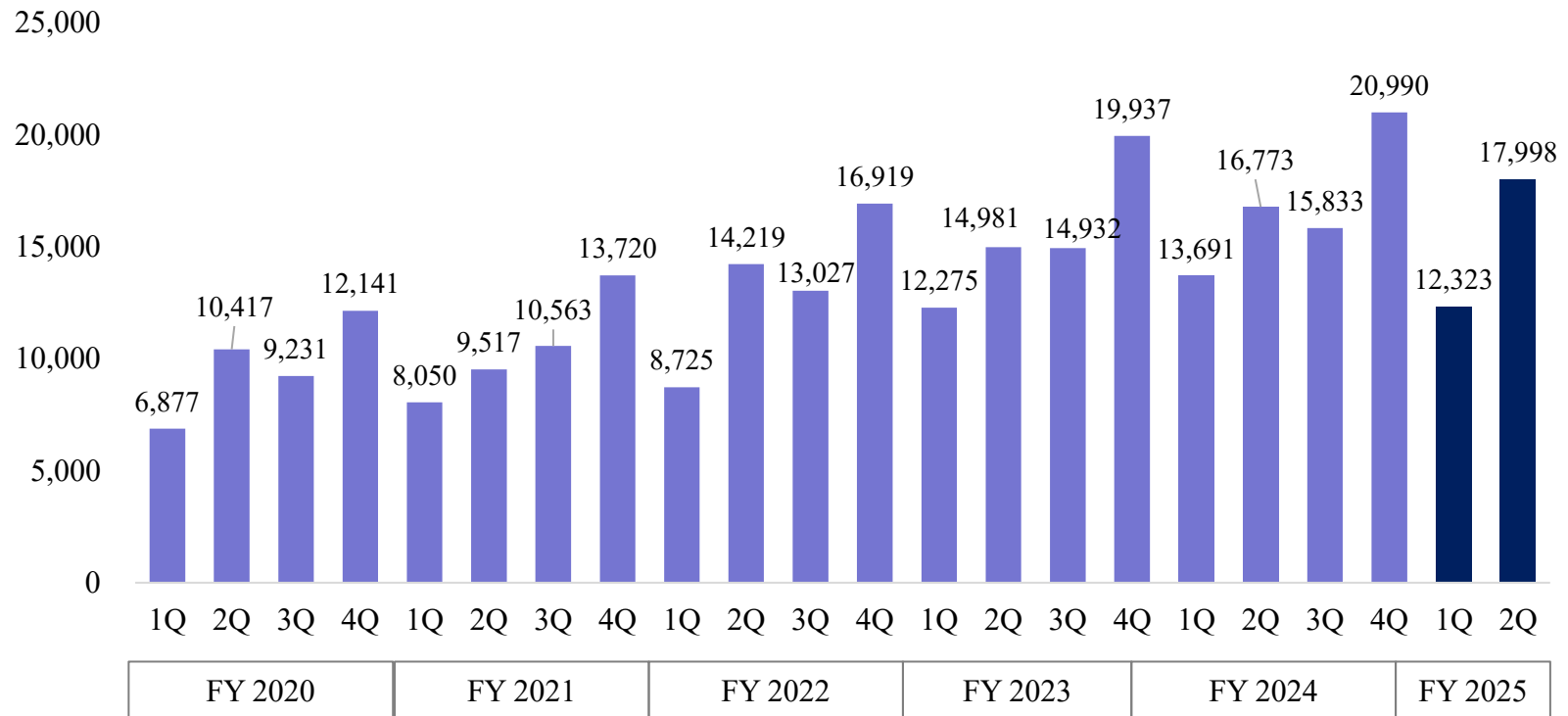
# Net Sales in FY2025 1H

Due in an increase in long delivery lead-time projects, sales were concentrated in Q2.

First-half net sales were roughly unchanged year on year.

## Trends in net sales per quarter

(Millions of yen)





# Analysis of Operating Profit Increase and Decrease Factors

In the Equipment Business, net sales were delayed due to more long delivery lead-time projects, and although profitability for custom products improved, intensified competition in China led to lower profit.

In the Service Business, laboratory testing services did not grow, worsening the cost-of-sales ratio and reducing profit.

SG&A increased due to R&D spending aimed at growth and activity costs tied to order expansion.

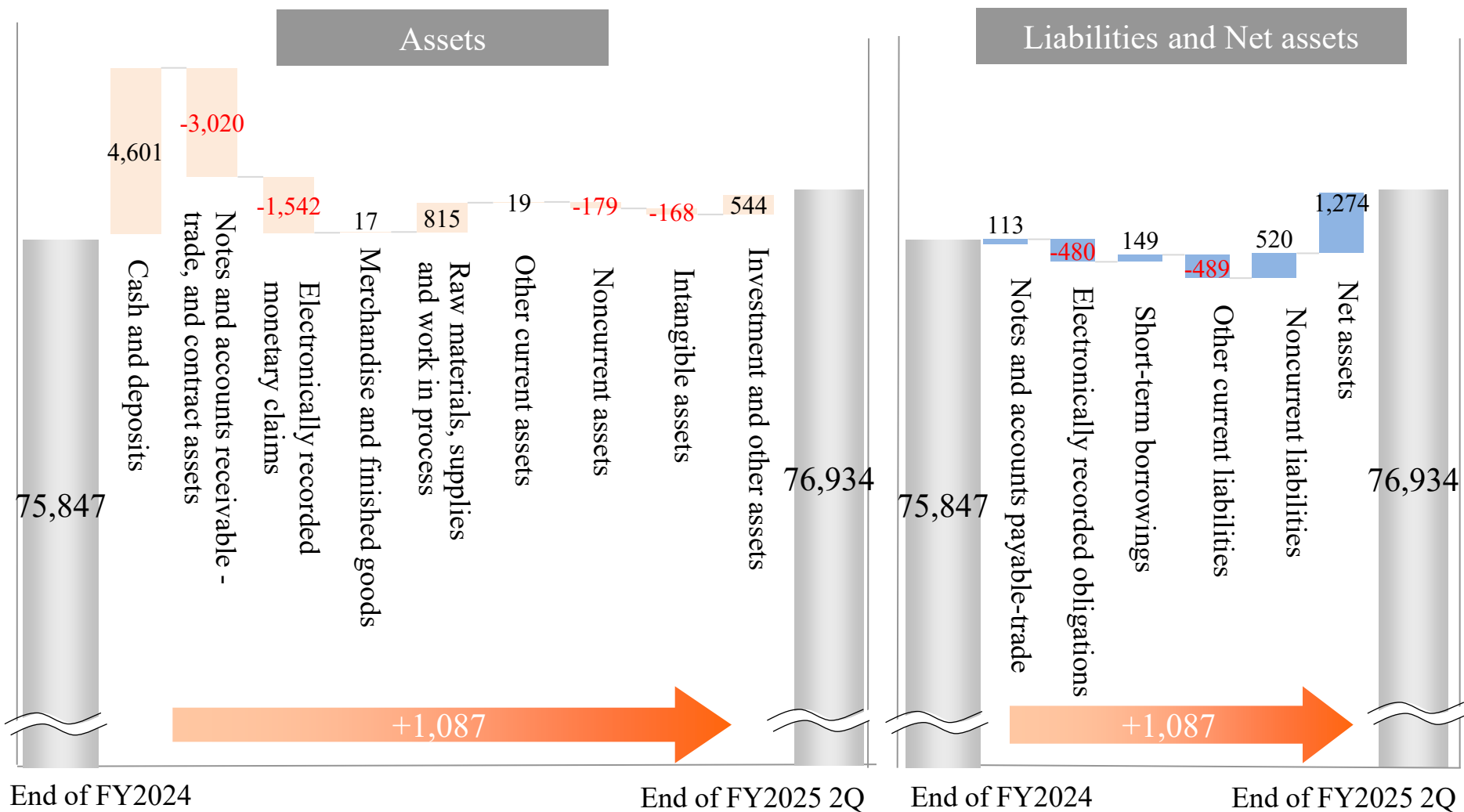


\*Totals have been calculated using the gross profit per net sales rate.

# Statement of Assets and Liabilities

As accounts receivable were collected, cash and deposits increased, and higher order backlog led to more inventories. Total assets increased by roughly ¥1.1 billion.

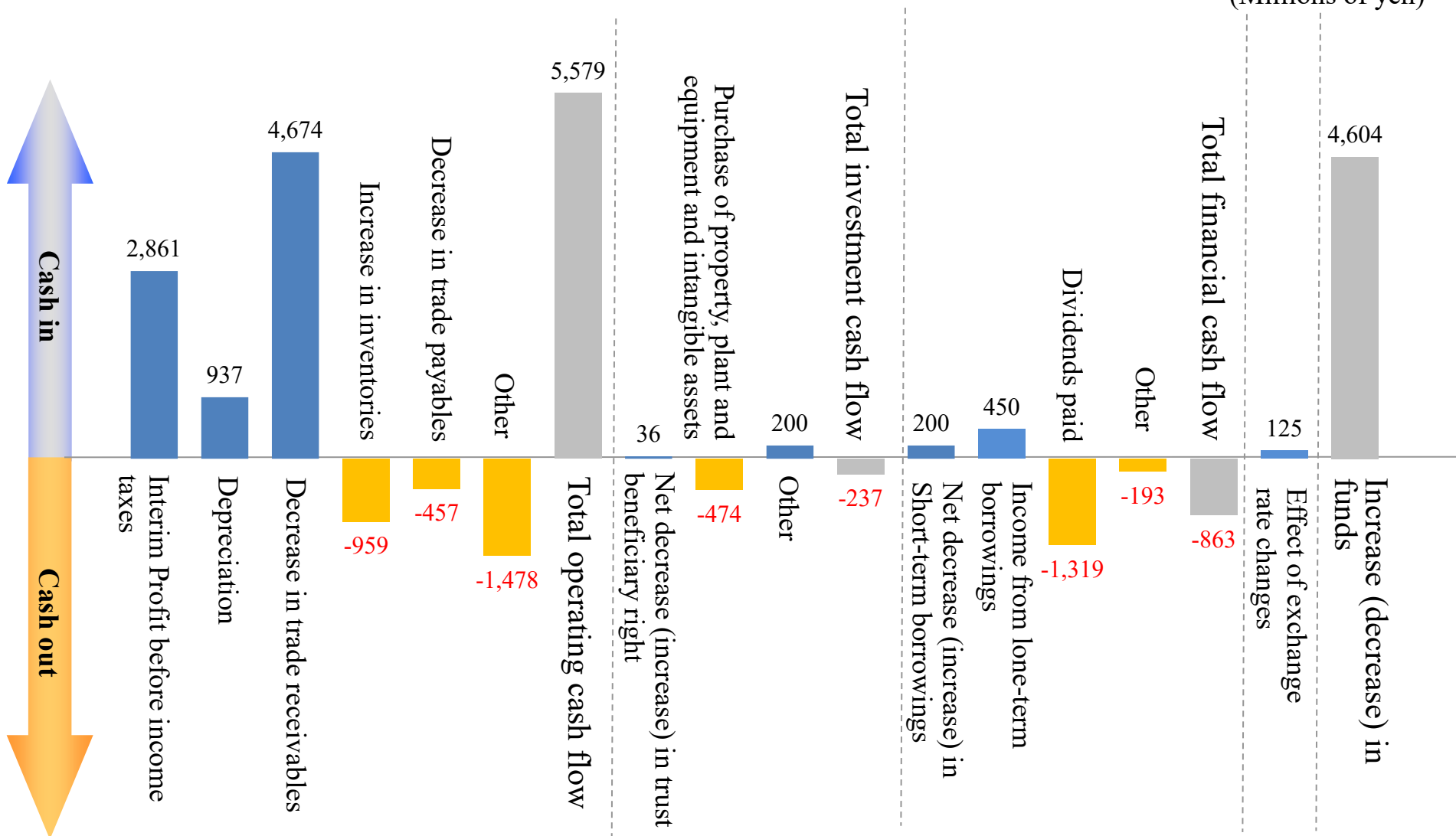
(Millions of yen)



# Statements of Cash Flows

Cash increased by approximately ¥4.6 billion due mainly to recognizing profit before income taxes and a reduction in trade receivables.

(Millions of yen)



# Equipment Business

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	31,868	28,430	33,127	+3.9%	+16.5%
Net Sales	26,469	26,420	25,887	-2.2%	-2.0%
Operating Profit	3,013	2,910	2,551	-15.3%	-12.3%
Profit Ratio	11.4%	11.0%	9.9%	-1.5pt	-1.1pt

## Environmental Test Chambers

- In Japan, highly versatile standard products saw increases both in orders received and net sales year on year. Although orders received for custom products decreased compared to the previous year when EV and battery-related demand was strong, net sales increased due to solid AI semiconductor-related demand.
- Overseas, orders received increased significantly in North America and Southeast Asia compared with last year, but net sales decreased due to many long delivery lead-time projects.

## Energy Device Equipment

- Investment in EV batteries has peaked, leading to a significant 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.

# Service Business

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	4,176	4,520	4,224	+1.2%	-6.5%
Net Sales	3,701	4,210	3,780	+2.1%	-10.2%
Operating Profit	324	490	56	-82.4%	-88.4%
Profit Ratio	8.8%	11.6%	1.5%	-7.3pt	-10.1pt

## 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

- Orders received decreased year on year due to restrained investment and changes in development plans associated with slowing EV demand, while net sales were roughly unchanged.

# Other Business

(Millions of yen)

	FY 2024 1H Results	FY 2025 1H Forecasts	FY 2025 1H Results	Year on Year	Comparison with Forecasts
Orders Received	808	800	1,500	+85.6%	+87.6%
Net Sales	521	600	880	+68.7%	+46.8%
Operating Profit	-31	-50	-2		
Profit Ratio	-5.9%	-8.3%	-0.3%	-	-

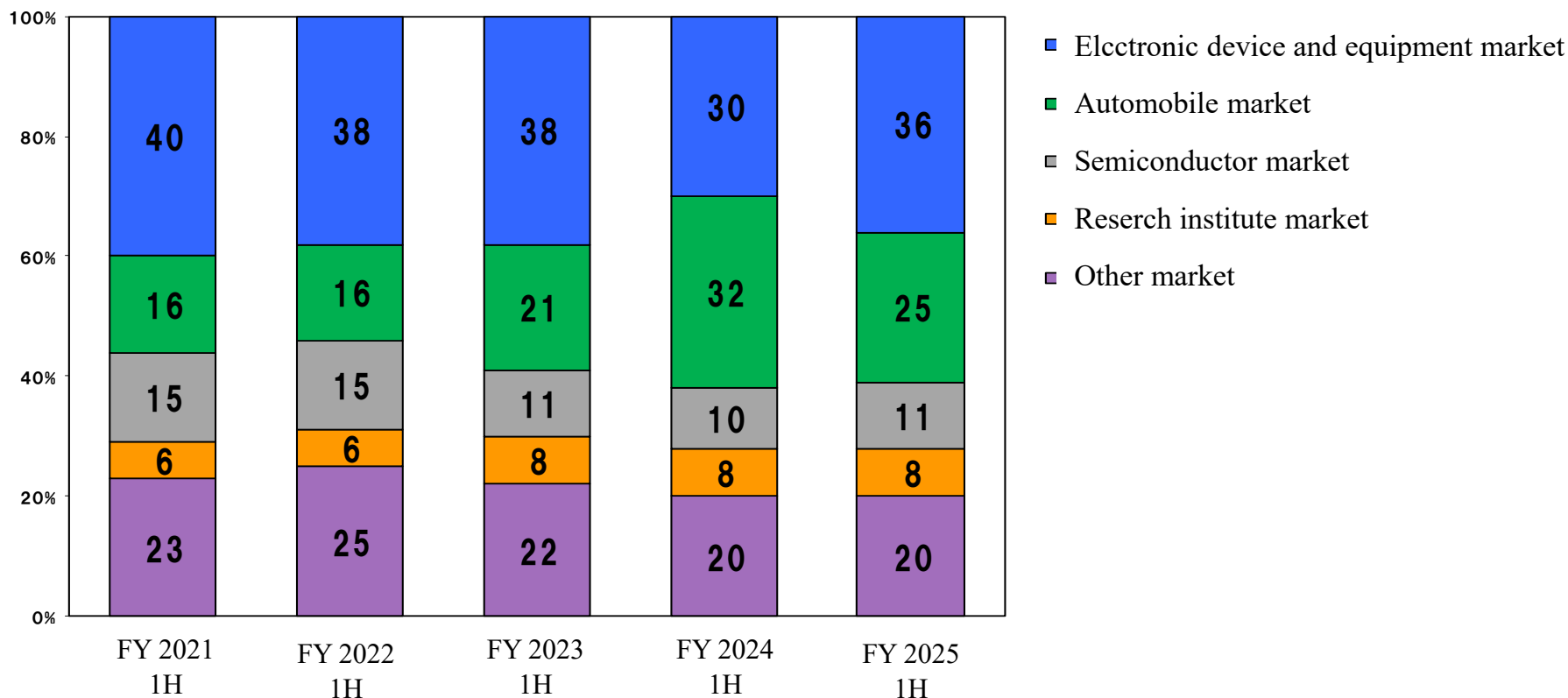
## Environmental Conservation, Plant Production Systems

- We secured a large plant factory project, and plant research equipment and forest development projects also remained strong.

# Sales by Market

In the electronic device and equipment market, and semiconductor market, testing demand related to AI semiconductors increased, raising the sales share. In the automobile market, investment related to EVs and batteries has paused, resulting in a lower sales share.

## Non-Consolidated (Equipment Business)



# Sales by Region

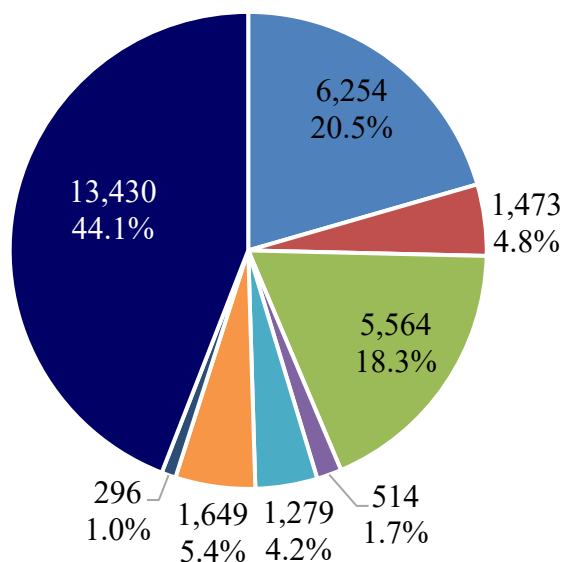
Net sales increased in Japan, Southeast Asia and India, Taiwan, and South Korea.

In North America, despite strong orders, net sales declined due to many long delivery lead-time projects.

In China, net sales were roughly unchanged.

1H FY 2024

Overseas sales ratio: 55.9%

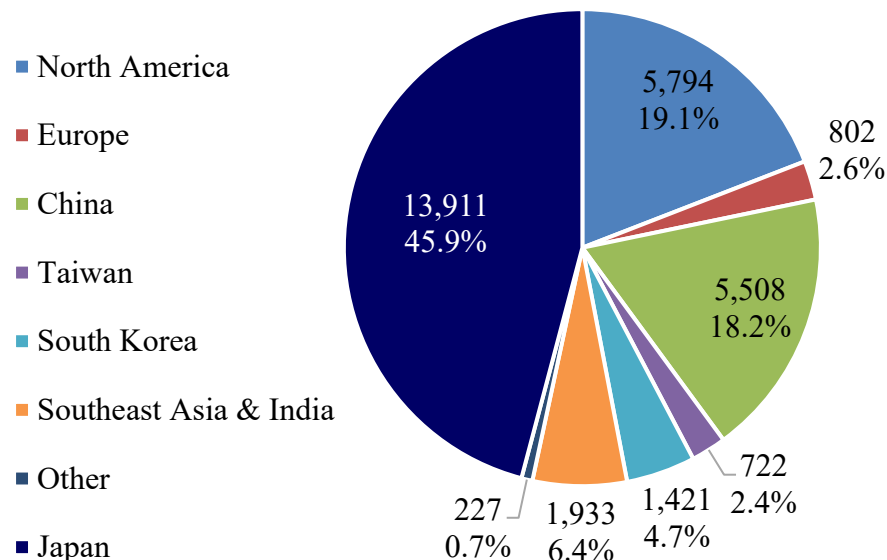


Total: 30,464 million yen

Overseas sales: 17,033 million yen

1H FY 2025

Overseas sales ratio: 54.1%



Total: 30,322 million yen

Overseas sales: 16,410 million yen



- In the first year of the medium-term management plan PROGRESSIVE PLUS 2027 (FY2025 to FY2027), market development in target fields, Formulation of Investment plan for more efficient manufacturing, and new product development are progressing as planned.
- In line with our shareholder return policy, we announced a share repurchase on November 13.
- Through steady execution of our growth strategy and continued strengthening of profitability initiatives, we aim to achieve our basic policy of establishing a lean, sustainable, and highly profitable earnings model.

■ Medium-term target for FY2027

Net sales: ¥70.0 billion

Operating profit: ¥10.5 billion

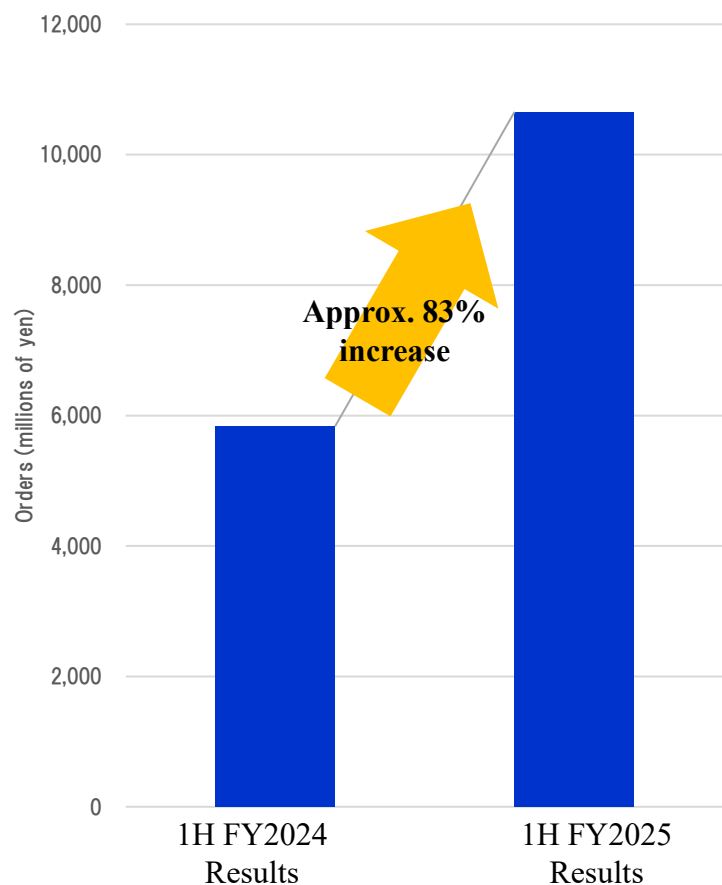
Operating profit ratio: 15.0%

Profit: ¥7.6 billion

ROE: 12.0% or more

# Test Demand and Market Development in Medium-Term Management Plan Target Markets

Orders received in target markets (AI semiconductors, autonomous driving services, satellite communications), increased approximately 83% year on year. AI semiconductor performed well in Japan and Southeast Asia, while satellite communications expanded in North America.



Orders Received in Target Markets

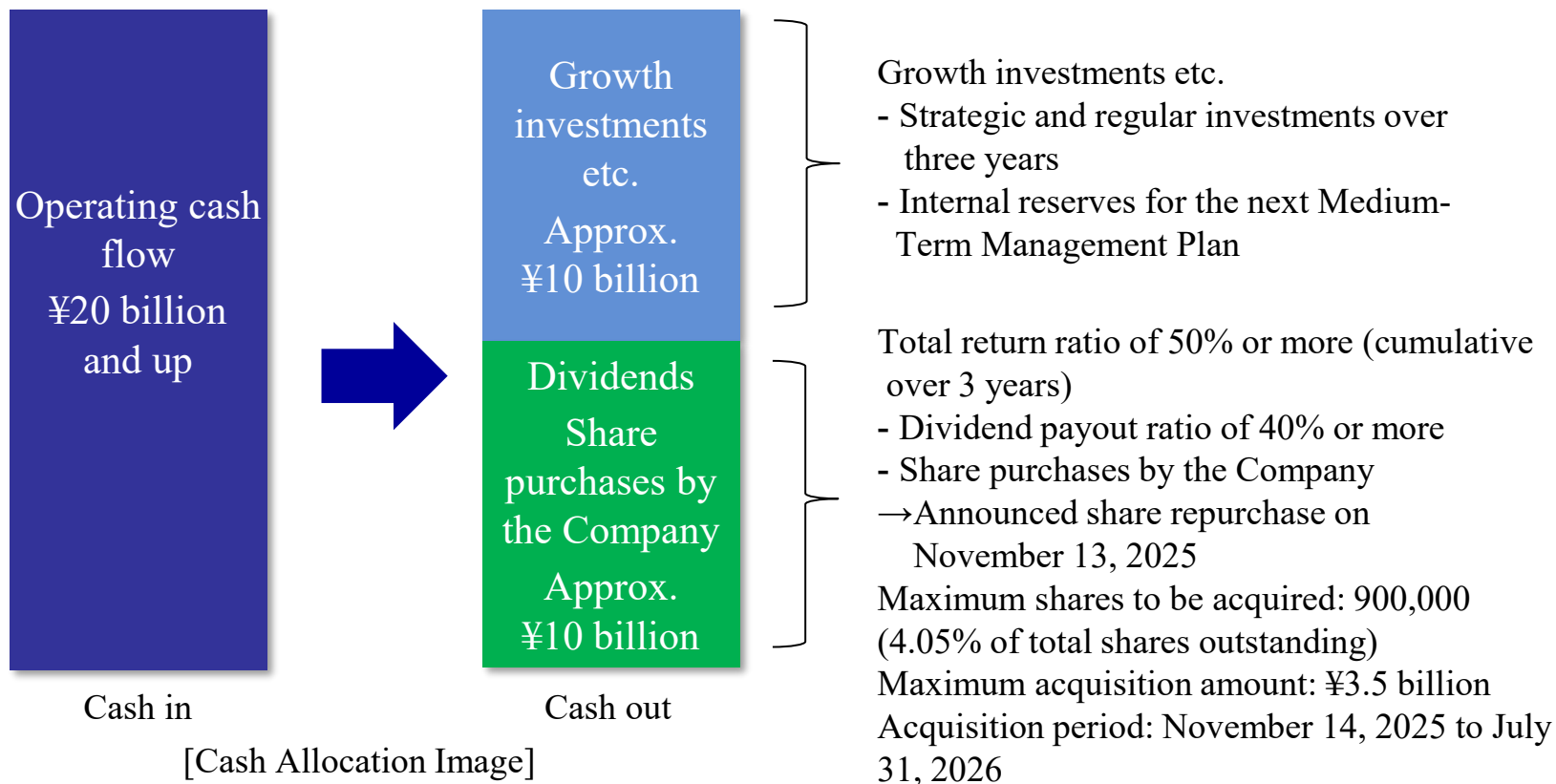
Market	Test Targets	Products Provided
AI semiconductors	AI servers Semiconductors Electronic components and materials HDDs and SSDs	High-power temperature & humidity chambers Rapid-rate thermal cycle chambers Temperature & humidity chambers Thermal shock chambers Highly accelerated stress test systems HDD inspection systems Measurement systems
Autonomous driving	Integrated ECUs Sensing devices	High-power temperature & humidity chambers Temperature & humidity chambers Bench-top type temperature (& humidity) chambers Thermal shock chambers
Satellite communications	Small satellites Satellite on-board components	HALT test systems High-power temperature & humidity chambers Thermal shock chambers Constant-pressure temperature & humidity chambers

# Financial Capital Strategy (FY2025~FY2027)

## Cash Allocation Policy

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

- Implement shareholder returns with a total return ratio of 50% (cumulative over 3 years) or more through dividends and share purchases by the Company



# Shareholder Return Policy and FY2025 Dividend Forecast

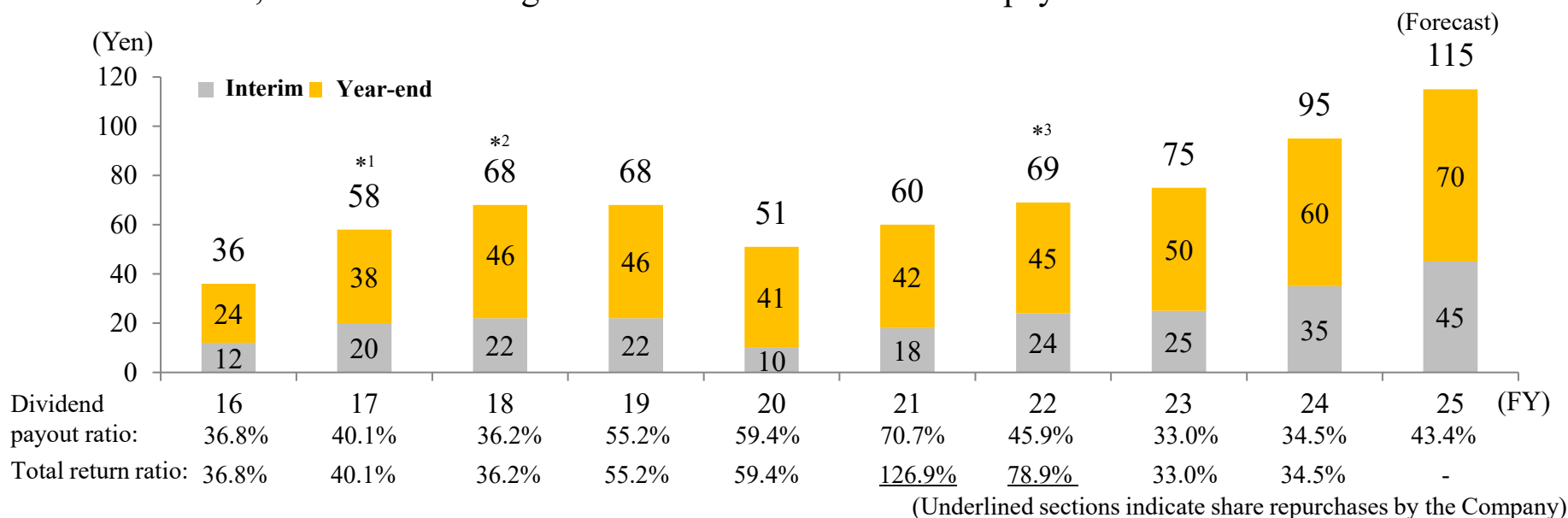
## Shareholder Return Policy

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 FY2025, we are forecasting an annual ¥115 and a dividend payout ratio of 43.4%.



\*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.

# FY2025 Recognition of the Operating Environment

We aim to secure orders globally, focusing on AI semiconductors and satellite communications, the target markets of the medium-term management plan.

Equipment Business	Environmental Test Chambers	<p>Japan: Investment for EV and battery use (mainly production-related) is declining, while AI semiconductor-related investment remains firm.</p> <p>China: Automotive-related demand remains sluggish, while semiconductors and electronics remain firm.</p> <p>ASEAN: Semiconductors and electronics are performing well.</p> <p>India: Semiconductor-related demand is strong, and four-wheel and two-wheel automotive markets are also solid.</p> <p>North America: Strong demand, centered on satellite communications.</p> <p>Europe: Sluggish due to economic slowdown.</p>
	Energy Device Equipment	Sluggish due to EV battery-related investment having peaked.
	Semiconductor Equipment	Demand for memory remains soft, while burn-in systems and measurement systems for AI servers remain strong.
Service Business	After-Sales Service Laboratory Testing Services and Facility Rentals	<p>After-Sales Support: Strong performance driven by expansion of maintenance contracts.</p> <p>Laboratory Testing Services: EV battery-related testing has leveled off, while environmental testing for electrification and autonomous driving modules outside the battery field remains firm.</p>
Other Business	Environmental Conservation Plant Production Systems	Plant cultivation equipment, including plant factories and plant research systems, remains firm.

# Segment Financial Forecasts

(Millions of yen)

		FY 2024	FY 2025	FY 2025			
		Full Year Results	Full Year Initial Forecasts	1H Results	Forecasts (revised 11/13)		
					2H	Full Year	Year on Year
Equipment Business	Orders-Received	57,283	55,500	33,127	25,513	58,640	+2.4%
	Net sales	57,507	57,600	25,887	31,672	57,560	+0.1%
	Operating profit	6,610	7,340	2,551	4,428	6,980	+5.6%
	Profit Ratio	11.5%	12.7%	9.9%	14.0%	12.1%	+0.6pt
Service Business	Orders-Received	8,532	9,200	4,224	4,295	8,520	-0.2%
	Net sales	8,425	9,200	3,780	4,859	8,640	+2.5%
	Operating profit	793	1,080	56	443	500	-37.0%
	Profit Ratio	9.4%	11.7%	1.5%	9.1%	5.8%	-3.6pt
Other Business	Orders-Received	2,170	1,800	1,500	840	2,340	+7.8%
	Net sales	1,758	1,700	880	1,419	2,300	+30.8%
	Operating profit	126	80	-2	123	120	-5.5%
	Profit Ratio	7.2%	4.7%	-0.3%	8.6%	5.2%	-2.0pt
Elimination	Orders-Received	-472	-500	-215	-285	-500	-
	Net sales	-403	-500	-226	-273	-500	-
	Operating profit	-4	0	1	-2	0	-
Total	Orders-Received	67,514	66,000	38,636	30,364	69,000	+2.2%
	Net sales	67,288	68,000	30,322	37,678	68,000	+1.1%
	Operating profit	7,526	8,500	2,607	4,993	7,600	+1.0%
	Profit Ratio	11.2%	12.5%	8.6%	13.3%	11.2%	±0pt

# FY2025 Investment Plans

The medium-term management plan allocations remain unchanged, with ¥9.5 billion for growth investments and ¥4.8 billion for R&D over the three-year period. (Millions of yen)

	FY2024	FY2025 Forecasts			
	Full Year Results	1H Results	Forecast (no revisions)		
			2H	Full Year	Year on Year
Capital Expenditures	3,690	719	1,871	2,590	-29.8%
Depreciation	1,716	927	1,063	1,990	+15.9%
R&D Expenses	1,343	730	1,100	1,830	+36.2%

## FY2025

### Main investments

- Enhancement of production facilities at the Fukuchiyama Plant
- Increased production capacity at domestic subsidiaries (Office relocation)

### Main R&D activities

- Expand product lineup in advanced technology fields (Model changes and additions for mainstay products)
- Expand environmentally friendly products such as low-GWP refrigerant

# FY2025 Assumed Exchange Rate

## Assumed Exchange Rate

	FY2024		FY2025	
	1H Results	Full Year Results	1H Results	Full Year Assumption
U.S. dollar (yen)	152.77	152.62	146.03	145
Euro (yen)	166.05	163.87	168.05	160
Yuan (yen)	21.16	21.11	20.29	20

## FY2025 exchange rate sensitivity

(Millions of yen)

	Net sales	Operating profit
U.S. dollar	+74	+11
Euro	+15	+10
Yuan	+51	+9

\* Impact of a 1-yen depreciation of the Japanese yen (0.1-yen for the Chinese yuan)



# Main Initiatives in FY2025

## Equipment Business

- Converting order backlog into sales, strengthening sales of standard products, and continuing to improve profitability for custom products.
- Development and expanded sales of high value-added products that meet testing needs in target markets

## Service Business

After-sales service: Reviewing service fees and reducing costs through improved utilization.

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

## Area Strategy

- Japan: Strengthen sales activities in the AI semiconductor and autonomous driving fields, acquisition of replacement demand
- U.S.: Strengthening sales in satellite communications and increasing production capacity to translate strong orders into revenue.
- China: Improving profit levels through competitive product launches and stronger sales efforts in semiconductor and communications fields.

# Main ESG Initiatives in FY2025

## ■ E for Environment

- Advancing the 8<sup>th</sup> Mid-Term Plan on the Environment (FY2022 to FY2025)
- Global warming measures:  
Transitioning to low-GWP refrigerants and reducing CO<sub>2</sub> emissions from manufacturing and other operations.
- Biodiversity conservation activities:  
Contributing through environmental preservation projects and promoting conservation initiatives such as the ESPEC's 50-Year Forest.  
Disclosure of natural capital-related information based on TNFD recommendations.

## ■ S for Society

- Advancing human capital strategies and implementing a new personnel evaluation system.
- Strengthening internal communication, establishing a health-management declaration and policy, and conducting engagement surveys.
- Developing women leaders (female manager ratio at 9.8% in April 2025) and promoting and supporting stable employment of persons with disabilities.
- Introduction of a trust-based employee stock ownership incentive plan.

## ■ G for Governance

- Rebuilding the Business Continuity Plan (BCP).
- Establishing a human rights policy.

# TOPICS 1

## New Products for the AI Server Markets

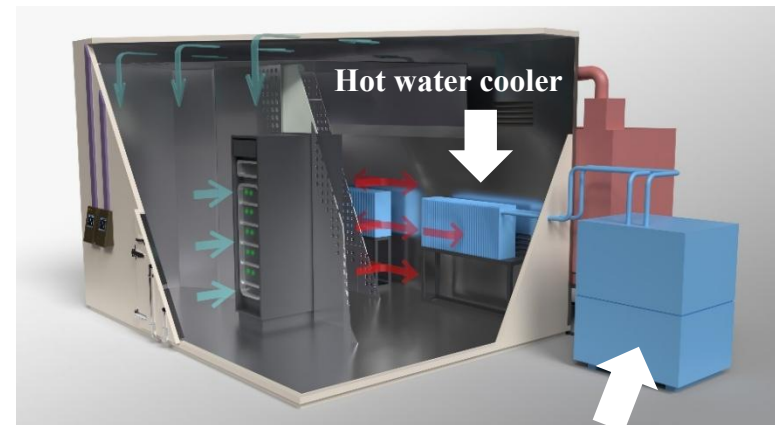
### ■ Walk-in Temperature & Humidity Chamber for High Heat-generation Loads

- In October 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.



Walk-In Temperature & Humidity Chamber

<A look inside the test area>



Chiller for hot water cooler

By combining a conventional air-conditioning system with a hot-water cooler, the system handles heat-generation loads over 60 kW even in humid conditions.

# 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, and 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.

## Start of “Aichi Next-Generation Mobility Test Lab” service Responding to testing demand for automotive batteries and EV/automation modules

### ■ Aichi xEV Battery Safety Test & Certification Center

- Opened in February 2025 as one of Japan’s largest dedicated automotive battery testing facilities
- Equipped with state-of-the-art testing systems to support larger and higher-capacity automotive batteries
- Supports various testing standards such as the UN ECE-R100 regulation for safety testing



Aichi xEV Battery Safety Test & Certification Center

### ■ Toyota Test Center

- Expanded functions of the Toyota Testing Center, the Company’s largest integrated test center (service began in April 2025)
- Supports the larger size of test samples such as e-Axles, PCUs, and ECUs
- Newly enhanced services to recreate usage environments for EV/automation modules under operating conditions for evaluation and measurement



Toyota Test Center

# 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 fifth consecutive year in the CDP Climate Change Survey, “B-” score for Water Security  
Selected as Supplier Engagement Leader for three consecutive years, the Top Rank in the Supplier Engagement Ratings
- Selected for the second consecutive year as an Asia-Pacific Climate Leader by the Financial Times in the UK and German data provider Statista
- 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 Minister of Economy, Trade and Industry’s Award as the National Award for Greenery Factory
- 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

- 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
- Awarded a Bronze Prize in the Gomez IR Website Ranking (17<sup>th</sup> in its industry)
- Awarded as an excellent company in the Gomez ESG Website Ranking



FTSE Blossom  
Japan Sector  
Relative Index



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.

INQUIRIES:

**ESPEC CORP.**

Sustainability Management Department

IR & Public Relations Group

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Quality is more than a word

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