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Reference

Sustainability Initiatives

ESPEC CORP.
May 25, 2026

Guided by our corporate philosophy,
“THE ESPEC MIND,” ESPEC will help to solve social and
environmental issues through businesses centered on
environmental creation technology, with the aim of achieving
sustainable growth.

Corporate Philosophy

Our important values that have been passed on since our inception
“THE ESPEC MIND” (Excerpt)

The Origin

Aim for better value exchange as a public institution

Mission

Provide more certain Seikankyo (living environment) via environmental creation technology

Style

Progressive, Reliable, Open, Fair

Declaration

What ESPEC promises society

“compliance, ” “ culture, ” “ human rights, ” “ the environment, ”
“education/enlightenment. ”

Sustainability Policy and Materiality

Looking toward sustainable growth, we formulated a sustainability policy, and identified materiality (important issues) that must be addressed in order to produce social and economic value.

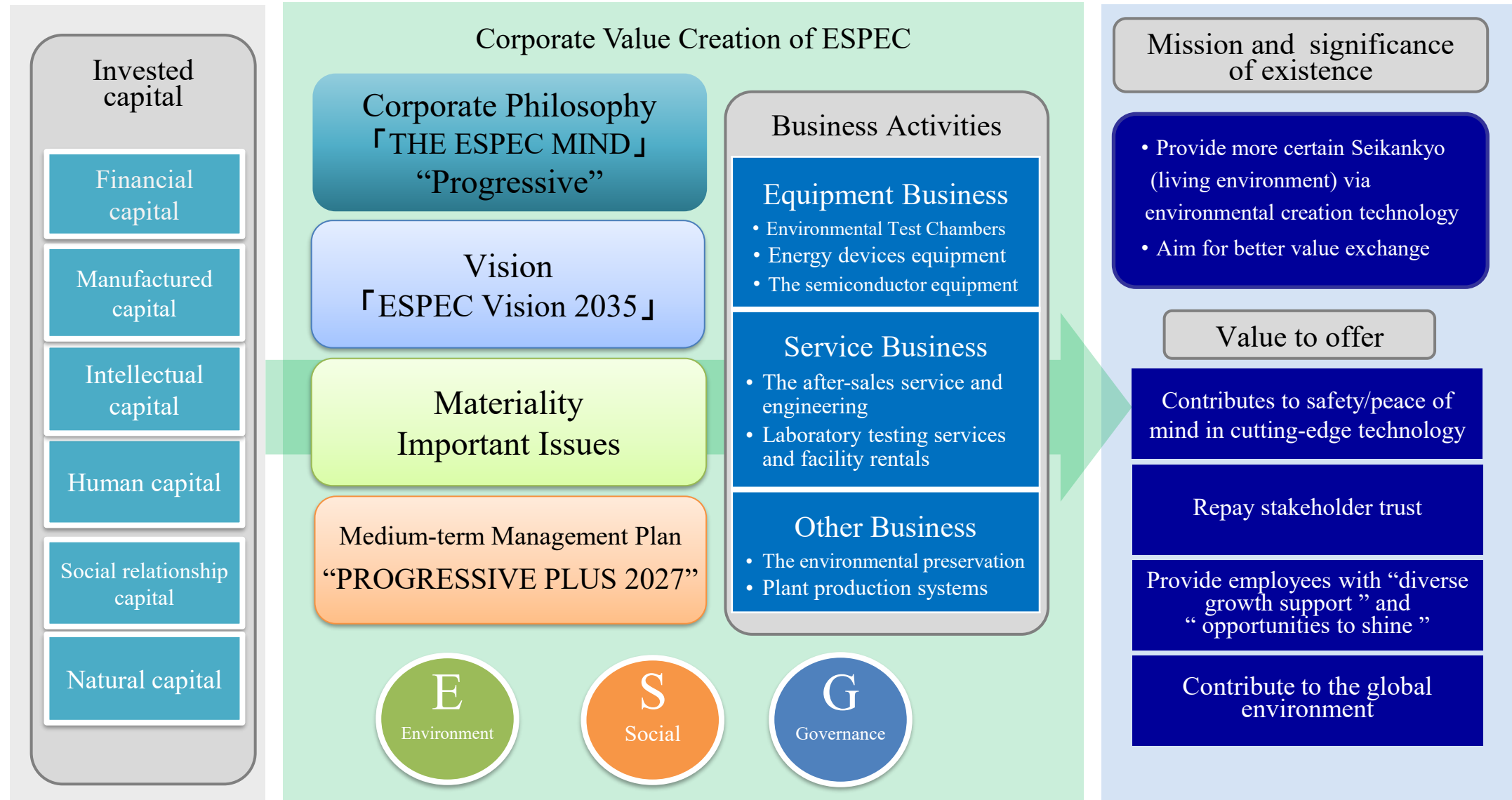
Sustainability Policy

- By putting our corporate philosophy (THE ESPEC MIND) into practice, we are working to create and improve both social value and economic value.
- By maintaining a good exchange of value with our stakeholders, we are aiming for continuing growth.
- Based on ESPEC Vision 2035, we will contribute to solutions for the global environment and social issues through our business activities, centering on Environmental Creation Technology.
- We will engage in active disclosure of information related to sustainability.

Materiality

- | | |
|---|--|
| - Solve social challenges through global business | - Securing and cultivating diverse human resources |
| - Provide products and services with responsibility | - Respect for human rights |
| - Be environmentally friendly | - Use of digital technologies |
| | - Enhancement of group governance |

Corporate Value Creation Process



Equipment Business

Contribute to the development of advanced technologies
through the supply of products and services leveraging environmental creation technology

- Supply products and services that contribute to the development of advanced technologies to solve social and environmental issues

● Environmental Test Chamber

Supply environmental test chambers that artificially replicate environmental factors such as temperature and humidity, thereby ensuring the reliability of products

● Energy Device Equipment

Supply evaluation systems for secondary batteries and fuel cells installed in eco cars

● Semiconductor Equipment

Supply products such as burn-in chambers and systems for semiconductor inspection and measurement and evaluation systems



Temperature & Humidity Chamber
"Platinous J series"



Drive-In Chamber for Vehicle Testing



Burn-In chamber
for semiconductor inspection



Secondary Battery Charge-Discharge
Evaluation System

Service Business

Contribute to the development of advanced technologies through the supply of products and services leveraging environmental creation technology

- Supply products and services that contribute to the development of advanced technologies to solve social and environmental issues

● After-sales Service and Engineering

Conduct product maintenance and preventive maintenance so that customers can use systems with peace of mind.



Technical support using IT

● Laboratory Testing Services

Provide laboratory testing services based on technologies and testing expertise developed through environmental tests.



Capable of performing various safety tests for secondary batteries compliant with United Nations regulations and other standards
Battery Safety Testing Center

Environmental Conservation Business

Contribute to biodiversity conservation

Environmental conservation business to restore the natural environment, including reforestation (tree planting) that contributes to biodiversity and CO2 fixation, waterfront biotope restoration to restore natural rivers, and grassland creation using native species.



A forest restored along the approach to Rinno-ji Temple in Sendai



Waterfront biotope restoration on the Sumida River Terrace in Tokyo

Plant Production Systems Business

Contribute to a stable food supply to address global warming and extreme weather

Provide plant factories and research devices that can efficiently produce vegetables by controlling temperature, light, and other factors, as well as systems such as aquaponics that circulate water and nutrients to grow vegetables and fish together.



Plant factory using deep sea water
Produce and sell vegetables
high in minerals



Experimental System for Analyzing
Responses of Dryland Plants to Climate Change
(Arid Land Research Center, Tottori University)

Products and Services that Contribute to Resolving Environmental and Energy Issues

- Product lineup to evaluate the performance and durability of secondary batteries, fuel cells, solar batteries and power devices



Secondary Battery Charge-Discharge Evaluation System



Fuel Cells Evaluation System



Temperature Cycle Test System for Solar Battery Modules



Power Cycle Test System for Power Device

- xEV Battery Safety Test & Certification Center compliant with United Nations regulations on the safety of automotive secondary batteries

- In October 2014, entered into business alliance with TÜV SÜD Japan Ltd., a third-party certification agency
- In September 2015, opened in Utsunomiya City, Tochigi Prefecture, and in February 2025, opened in Tokoname City, Aichi Prefecture



Tochigi xEV Battery Safety Test & Certification Center

- Laboratory testing services using 100% renewable energies (domestic)

Environment Targets / Mid-term Plan on the Environment

Environment Targets for FY2030

Reduce greenhouse gas emissions by 60% for SCOPE 1+2, 30% for SCOPE 3 (compared with FY2019 levels)

■ In July 2023, received Science Based Targets (SBT) certification from the international SBT Initiative*

*SBT Initiative

An international initiative that encourages firms to set scientifically-grounded targets for reducing greenhouse gas emissions so that the goals of the Paris Agreement may be achieved. Jointly managed by CDP, which is an NGO involved in environmental information disclosure, UNGC (United Nations Global Compact), WRI (World Resources Institute), and WWF (World Wide Fund for Nature).



8th Mid-Term Plan on the Environment Plus II (FY2026–2027)

Reduce greenhouse gas emissions by 57% for SCOPE 1+2 (compared with FY2019 levels)

<Priority Themes>

- Strengthen measures to address global warming (CO2 reduction)
- Promote biodiversity conservation
- Promote resource circulation and strengthen chemical substance management
- Enhance disclosed information

Biodiversity Preservation Initiatives 1

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

The site has a forest of approximately 30,000 trees comprising native plant species, planted and grown by employees; rooftop green space using plant species native to the northern Rokko region on the roof of the technology development building; and a biotope made up of two ponds and a stream. In October 2023, certified as “Natural Symbiosis Site by the Ministry of the Environment”. In August 2024, it was registered as an OECM* in the international database.

In April 2026, received the the Prime Minister's Award for Distinguished Service in the 2026 Greenery Promotion Campaign.



Certificate of the Prime Minister's Award for Distinguished Service in the 2026 Greenery Promotion Campaign

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

Biodiversity Preservation Initiatives 2

Biodiversity conservation activities “ESPEC’s 50-Year Forest”

- In November 2022, started the forest creation for “ESPEC’s 50-Year Forest” using the “corporate forests” system under the Ministry of Agriculture, Forestry and Fisheries in Sanda City, Hyogo Prefecture
- Held a total of three tree-planting festivals by April 2024.
- Approximately 400 employees and others participated in planting a total of 12,000 trees over the past two years



The 3rd Tree-Planting Festival
Seeds were selected based on carbon fixation and biodiversity functions.

ESPEC Foundation for Earth Environment Research and Technologies

- Provides funding support every year for research, technology development on global environmental conservation
- Grants totaling ¥173.9 million have been provided to a total of 344 groups over the past 27 years since the Foundation was established in 1977



28th award ceremony

Initiatives to Maximize Human Resources

Improving the quality of corporate culture and organizational management

- Round-up Training Course, Direct Communication sessions, Company-wide event, 1 on 1 meetings, address people with “san” rather than their job titles
- Engagement surveys, personnel assessments, and 360° Surveys
- A performance evaluation system that fosters ambition and growth

Individual growth support

- Career training
- Support for language study
- Recurrent education
- Remote learning

Company

- Diverse growth support
- Providing opportunities to shine

Enhancing corporate value

Sharing the joy of growth
Employees and management joining together in vigorous activity

Employees

- Independent growth
- Work satisfaction

Management strategy-linked human resources development

- Training of next-generation management
- Global human resources
- DX personnel and digital personnel

Diversity and inclusion Ensuring employee health and safety

- Promoting the utilization of women and senior citizen employees
- Health promotion, mental healthcare
- Increasing the rate of disability hires
- Implementation of human rights and harassment education

Contributions to Society

ESPEC Smile Club: a donation system featuring employee participation

- Donated to an organization that conducts CSR activities related to children and medical care through the matching gift system in which the Company matches donations made by employees.
- In April 2026, we donated a total of 1,403,900 yen to Japan Heart*, a specified nonprofit corporation.

* Japan Heart: An international medical NGO founded in Japan that provides free medical services both domestically and abroad.



Vegetables harvested at a plantation staffed by workers with disabilities were donated to children's cafeterias

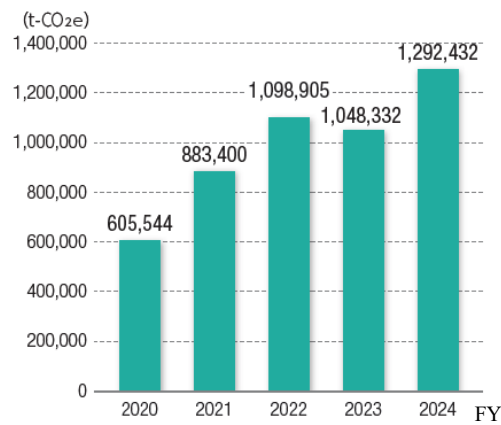
- Periodically donated vegetables harvested at ESPEC Smile Farm*, a plantation staffed by workers with disabilities, to local children's cafeterias

* Opened in November 2021 in a rental farm operated by a company that supports employment of people with disabilities. 4 individuals were hired to work at ESPEC Smile Farm, specifically 3 staff members with disabilities and 1 farm foreman.



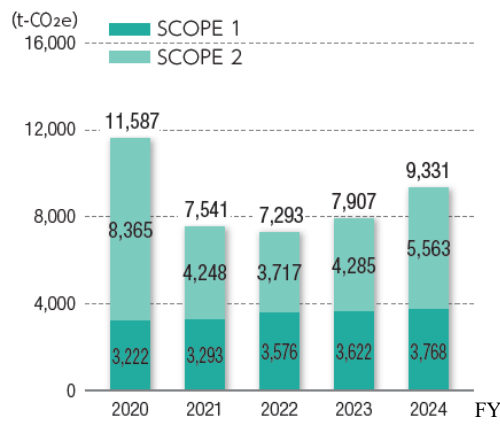
Non-Financial Data 1

Greenhouse gas emissions
Total of SCOPE 1 + 2 + 3 (consolidated*)

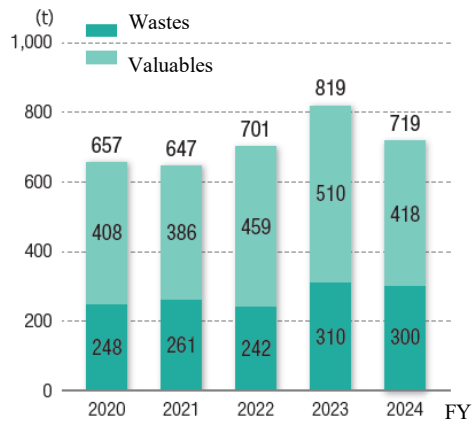


*Excludes the Cosmopia Hightech Corp., which was made a consolidated company in August 2023.

Greenhouse gas emissions
Total of SCOPE 1 + 2 (in-house emissions)(consolidated*)



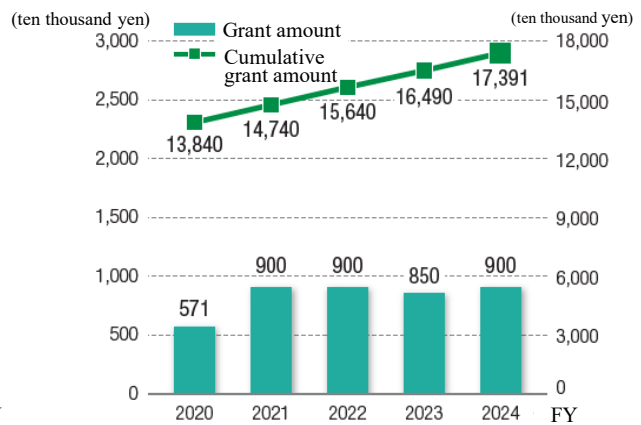
Total amount of Discharge (non-consolidated)



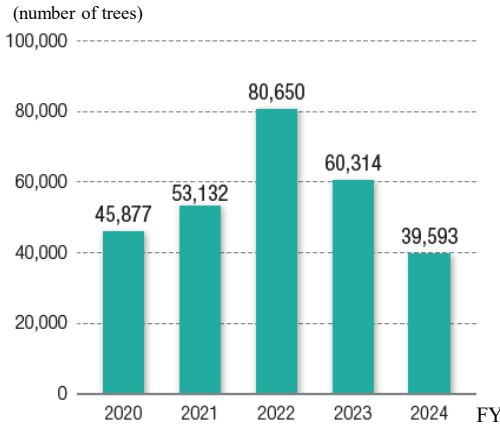
Certification acquisition rate for the Certification Test for Environmental Specialists (Eco Test) (non-consolidated)



Grants from the ESPEC Foundation for Earth Environment Research and Technologies



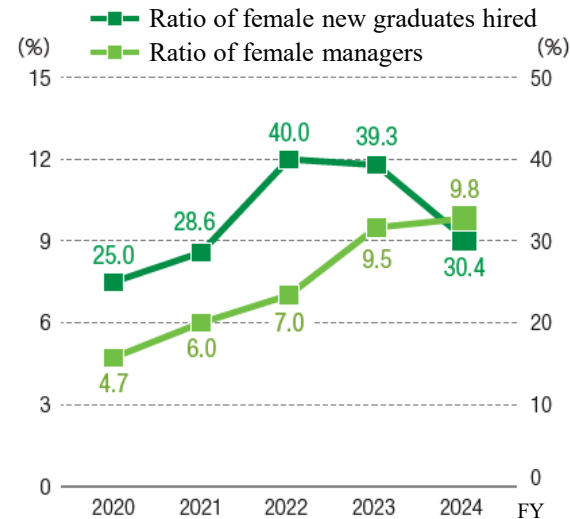
Number of trees planted through environmental preservation business



*Actual results for ESPEC MIC CORP.

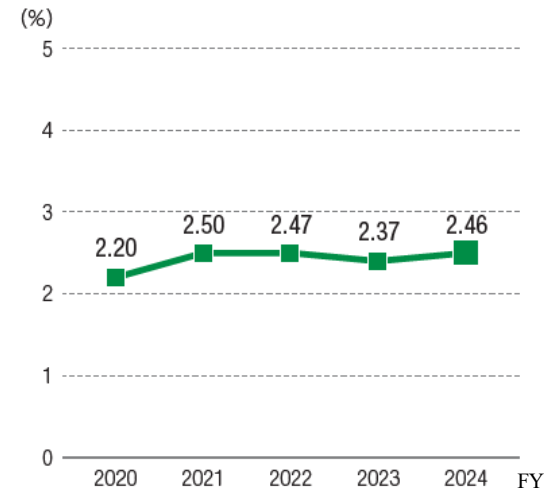
Non-Financial Data 2

Ratio of female managers
Ratio of female new graduates hired
(non-consolidated)



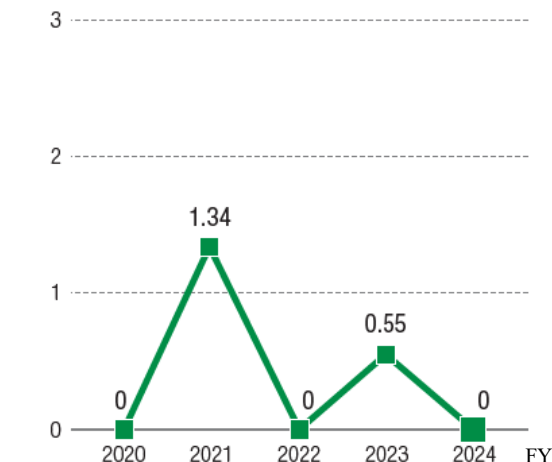
*As of beginning of each fiscal year

Percentage of employees with disabilities
(non-consolidated)



*As of the end of each fiscal year

Frequency rate*
(non-consolidated)



*Number of accidents with sick leave
/total number of worked hours × million hours

Non-Financial Data 3

		Unit	2021/3	2022/3	2023/3	2024/3	2025/3
Number of Employees*1 (Consolidated total)		Persons	1,526	1,628	1,691	1,775	1,860
Number of Employees*1 (Non-consolidated)	Male	Persons	658	643	636	633	663
	Female	Persons	122	127	142	157	175
	Total	Persons	780	770	778	790	838
Average years of service (Non-consolidated)		Years	19.2	19.1	17.2	17.0	15.3
Average age (Non-consolidated)		Years old	43.1	43.0	41.2	41.4	40.3
Turnover rate*2 (Non-consolidated)		%	2.3	1.6	1.4	3.3	2.3
Average overtime hours (Non-consolidated)		Hours	11.0	15.5	22.6	20.1	21.9
Average number of paid holidays taken (Non-consolidated)		%	65.8	69.1	75.1	74.3	77.8
Average wage difference between male and female (Non-consolidated)		%	-	-	70.3	72.5	73.5
Ratio of employees taking childcare leaves (Non-consolidated)	Male	%	12.5	30.8	13.3	52.9	56.0
	Female	%	100	100	100	100	100
Investment in employee education and development (Non-consolidated)		million yen	-	-	101	129	135
Occupational accident (excluding cases without lost workdays) (Non-consolidated)		Cases	0	2	0	1	0
Composition of Board of Directors*3 (Non-consolidated)	Ratio of independent outside*4	%	25	25	40	40	40
	Female ratio*4	%	0	0	20	20	20
Total number of reports to the internal hotlines (Non-consolidated)		Cases	0	0	0	1	0
Number of compliance issues (Non-consolidated)		Cases	2	1	3	2	2

*1 The number of employees is as of the end of each fiscal year.

*2 Retirees are excluded.

*3 The Company has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee in June 2022.

*4 The number of female directors (including executive officers) is as of the end of June of each fiscal year.

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 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)
- Awarded as an excellent company in the Gomez ESG Website Ranking
- 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



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