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Notice of Revisions of Financial and Dividend Forecasts for the Fiscal Year ending March 2008

Based primarily on recent business trends, ESPEC CORP. 'the Company' hereby revises the financial and dividend forecasts, which were announced on May 15, 2007 as shown below.

1. Revision of the forecast of consolidated results for the six-month period from April 1 to September 30, 2007

(Yen in millions, %)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Announced on May 15, 2007)	21,500	1,750	1,800	1,000
Revised forecast (B)	19,000	1,000	850	250
Difference (B-A)	(2,500)	(750)	(950)	(750)
Difference as percentage	(11.6)	(42.9)	(52.8)	(75.0)
(Reference) Results for the same period of the previous fiscal year ending March 2007	19,303	1,685	1,783	945

2. Revision of the forecast of consolidated results for the fiscal year from April 1, 2007 to March 31, 2008

(Yen in millions, %)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Announced on May 15, 2007)	45,000	4,300	4,400	2,700
Revised forecast (B)	40,000	2,300	2,200	600
Difference (B-A)	(5,000)	(2,000)	(2,200)	(2,100)
Difference as percentage	(11.1)	(46.5)	(50.0)	(77.8)
(Reference) Results for the previous fiscal year ending March 2007	42,595	3,930	4,094	2,523

(Reference) Estimated net income per share: 25.37 yen

3. Reasons for the revisions

During the six-month term under review, the Company has seen a rapid decline in orders received, due mainly to the sluggish LCD market which resulted in successive suspension and postponement of capital investment among LCD manufacturers, coupled with the reduction of capital investment among semiconductor manufacturers due to the decline in DRAM prices. Although the backlog of orders for DRAM burn-in systems received in the previous fiscal year somewhat contributed to the fiscal performance, the overall sales during the term are likely to fall below the initial forecast due to the decline in orders received. Operating income, too, is expected to be considerably lower than the initial forecast because of the decline in sales as well as increased costs resulting from the rise of raw material prices.

Starting from this fiscal year, ESPEC SEMITECHNOLOGY CORP., a subsidiary company engaged in the manufacture and sale of semiconductor cleaning devices, has reinforced its sales promotion efforts, but its sales results have remained sluggish to the extent that an improvement in performance cannot be anticipated. For this reason, we will fully impair the goodwill that accrued when we acquired the company in October 2005, and record an impairment loss of 429 million yen under special losses. ESPEC SEMITECHNOLOGY will be dissolved on October 15, 2007.

As both sales and income are likely to fall considerably below the initial forecast for the reasons mentioned above, we have revised the forecast downwardly.

In addition, the harsh environment of the LCD and semiconductor markets is expected to continue to adversely affect the Company's financial performance, so we have revised the annual forecast downwardly as shown above.

4. Revision of the dividend forecast

	(Yen)		
	Interim dividend	Year-end dividend	Annual dividend
Previous forecast (A) (Announced on May 15, 2007)	14.00	14.00	28.00
Revised forecast (B)	12.00	12.00	24.00
Difference (B-A)	(2)	(2)	(4)
Results for the previous fiscal year ending March 2007	11.00	11.00	22.00

* The interim and year-end dividends for the fiscal year ending March 2008 include a special dividend of 1 yen, which is provided to commemorate the 60th anniversary of ESPEC CORP.

5. Reason for the revision of the dividend forecast

One of our important management goals is to distribute a fair share of the Company's earnings to shareholders. In this light, we determine the amount of dividend upon consideration of the payout ratio on a consolidated basis. It is with regret that we have revised the dividend forecast as shown above, in line with the downward revisions of the financial results.

Note: It should be noted that the above financial and dividend forecasts were compiled based on the management's reasonable assessment of the information available at the time of the compilation, and may change due to factors that may arise in the future.