January 20, 2009

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Notice of Revisions of Financial Forecasts and Dividend Forecasts

Based primarily on recent business trends, ESPEC CORP. “the Company” hereby revises the financial forecasts and dividend forecasts previously announced (August 8, 2008) for the fiscal year ending March 2009 as shown below.

Description

1. Revision of the financial forecast
   (1) Revision of full-year consolidated performance forecast figures for the fiscal year ending March 2009 (From April 1, 2008 to March 31, 2009)

	Net sales	Operating income	Ordinary income	Net income	Net profit per share for the fiscal year
Previous forecast (A)	millions 40,000	millions 2,300	millions 2,400	millions 1,400	yen 59.00
Revised forecast (B)	35,000	(400)	(200)	(1,500)	(63.22)
Difference (B-A)	(5,000)	(2,700)	(2,600)	(2,900)	–––
Difference as percentage	(12.5)	–––	–––	–––	–––
(Reference) Results of previous fiscal year (Fiscal year ended March 2008)	40,918	3,129	2,971	1,216	51.36

   (2) Reasons for the revisions

The severity of the Group’s operating environment increased rapidly in the second half of the year including the significant worsening of corporate results among the Company’s main customers, LCD/ semiconductor manufacturers, automobile manufacturers and electronics manufacturers because of the global financial crisis and the advance of the strong yen. As a result, in addition to the worsening of electronic devices business, the orders and sales of the environmental test business, the Company’s core business, also decreased significantly and such impacts on the Company’s financial results are forecast to continue in the future as well. In terms of income, although the Company will work on improving earnings, including cost improvement activities and significant cost cutting, operating income and ordinary income both seem likely to decrease significantly due to the sudden decrease in sales in excess of what the Company anticipated and the impact of exchange rate fluctuations, etc. In addition, because an even more severe operating environment is anticipated in the future, the

Company plans to post business structure improvement costs due to activities such as the merger and disposal of places of business and selection of retained fixed assets aimed at a drastic improvement of the profit structure. Also, judging from the stagnant situation of the stock market, the company expects the generation of losses from the write-down of investment securities.

As a result of the above, there is a very severe outlook in terms of sales and income, with both set to fall significantly below the forecasts previously announced so the Company hereby revises the full-year consolidated performance forecast.

2. Revision of dividend forecasts

(1) Details of revision

	Cash Dividends per Share				
Record Date	End of 1Q	End of 2Q	End of 3Q	Year-end dividend	Annual dividend
	yen	yen	yen	yen	yen
Forecast previously announced	–	9.00	–	9.00	18.00
Forecast announced today	–	9.00	–	5.00	14.00
Results for the current fiscal year	–	9.00	–	–––	–––
Results for previous period (Fiscal year ended March 2008)	–	12.00	–	12.00	24.00

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

(2) 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. At the same time, we determine the amount of dividends using the payout ratio 30% on a consolidated basis as a rough indication.

As described above, we expect a current term net loss in the full-year consolidated results for the fiscal year ending March 2009, but because of our idea that the implementation of continuous dividends is important as a return of profits to shareholders, and although the value will decrease in comparison to the previous term, we have planned to pay a term-end dividend of ¥5. We hereby revise the dividend forecast as shown above.

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.