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Announcement Concerning the Formulation of Our "Progressive Plan 2017" Medium-term Management Plan

ESPEC CORP. has formulated "ESPEC VISION 2025," a business vision with consolidated revenue and earnings targets for fiscal 2025 of net sales of over 60.0 billion yen, operating income of 6.0 billion yen or more, and an operating income ratio of at least 10%. Looking ahead, the Company will formulate medium-term management plans every four years (Stage I through Stage III) to make the vision a reality and work to achieve its objectives.

The Company has recently formulated Stage I, "Progressive Plan 2017," which will be in effect from fiscal 2014 through fiscal 2017. The plan is summarized below.

1. Targets for Consolidated Revenues and Earnings

The Company aims to achieve net sales of over 40.0 billion yen, operating income of at least 4.0 billion yen and an operating income ratio of 10% or more by fiscal 2017.

2. Three Directions for Growth

1) Strengthen Group alliances to increase sales in growing countries and regions

In ASEAN countries, where Japanese companies are currently transferring their development and production bases, the Company will strive to strengthen customer support by newly establishing service bases and commissioned testing centers, as well as to increase sales by reinforcing sales bases. In China, the Company will bolster production capacity at ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD., a new production subsidiary, and expand sales. The Company will also endeavor to expand sales in emerging countries such as Turkey and India.

2) Expand business domains targeting growing and strategic markets

In energy device market, centering on secondary batteries for automobiles, the Company will expand the product lineups and commissioned testing services. In the "food and drug markets," the Company will enhance products and services for pharmaceuticals, advance into the food and cosmetics field, and further progress in the medical testing field. The Company will also strive to develop new domains, such as the space and aerospace field.

3) Take the lead in the domestic environmental testing business

The Company will change and expand models for ESPEC's proprietary services like network services, as well as for standard products, to strengthen its competitive capabilities. In order to respond rapidly to the needs of cutting-edge technology development, we will move ahead with module standardization of custom products and expand our scope of support by cooperating with other companies.

3. Dividend Policy

The Company has a basic policy of deciding dividends in consideration of continuity and the consolidated dividend payout ratio. The Medium-term Management Plan aims to strengthen returns to shareholders and achieve a 40% dividend payout ratio by fiscal 2017.

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