



October 30, 2017

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 Listed Stock Exchange:  
 Tokyo Stock Exchanges, First Section  
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## Notice of Difference between Consolidated Financial Forecast Figures and Financial Results for First Half, Revision of Consolidated Full-year Financial Forecast, Resolution of Dividend of Surplus (Interim), and Revision of Year-End Dividend Forecast

ESPEC CORP. hereby announces the following difference between the consolidated financial forecast figures for the first half of the fiscal year ending March 31, 2018 announced on May 12, 2017, and the financial results announced today. Moreover, at a Board of Directors meeting held on October 30, 2017, ESPEC CORP. resolved to revise the consolidated full-year financial forecast, distribute a dividend of surplus (interim) with the record date of September 30, 2017, and revise the year-end dividend forecast.

### Description

#### 1. Difference between financial forecast figures and financial results

Difference between consolidated financial forecast figures and financial results for the first half of the fiscal year ending March 31, 2018 (from April 1, 2017 to September 30, 2017)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income Per Share
Previous Forecast (A) (May 12, 2017)	Million Yen 17,500	Million Yen 1,200	Million Yen 1,250	Million Yen 850	Yen 37.19
Results (B)	18,396	1,625	1,691	1,165	51.01
Difference (B-A)	896	425	441	315	
Difference as Percentage (%) (Reference)	5.1	35.4	35.3	37.1	
Results for Previous Period (The first half of the fiscal year ending March 31, 2017)	17,250	1,009	833	512	22.47

Revision of consolidated financial forecast figures for fiscal 2017(from April 1, 2017 to March 31, 2018)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income Per Share
Previous Forecast (A) (May 12, 2017)	Million Yen 40,000	Million Yen 3,700	Million Yen 3,800	Million Yen 2,700	Yen 118.13
Revised Forecast (B)	44,000	4,400	4,500	3,200	139.99
Difference (B-A)	4,000	700	700	500	
Difference as Percentage (%)	10.0	18.9	18.4	18.5	
(Reference) Results for Previous Period (Fiscal Year Ended March 2017)	39,507	3,243	3,171	2,233	97.85

Reason for difference and revision

With regard to the consolidated results for the first half of the fiscal year ending March 31, 2018, net sales exceeded the previous forecast due to favorable sales of highly versatile standardized products and customized products for environmental test chambers in the Equipment Business. As regards earnings, operating income, ordinary income, and profit attributable to owners of parent all exceeded the previous forecast due to the higher net sales and improvement in the cost of sales ratio.

Also, the full-year consolidated financial forecast for fiscal 2017 will be revised upward in light of such factors as the results for the first half of the fiscal year and customers' capital investment trends.

2. Resolution of dividend of surplus (interim) and revision of year-end dividend forecast

Details of dividend of surplus (interim)

	Resolution	Most Recent Dividend Forecast (Announced on May 12, 2017)	Results for Previous Period
Record Date	September 30, 2017	September 30, 2017	September 30, 2016
Dividend per share	Yen 20.00 (Ordinary dividend: ¥19.00) (Commemorative dividend: ¥1.00)	Yen 15.00 (Ordinary dividend: ¥14.00) (Commemorative dividend: ¥1.00)	Yen 12.00
Total Dividend Amount	Million Yen 457		Million Yen 274
Effective Date	December 5, 2017		December 5, 2016
Source of Dividend	Retained earnings		Retained earnings

Revision of year-end dividend forecasts for fiscal 2017

	Cash Dividends Per Share		
	End of 2 <sup>nd</sup> Quarter	Year-end Dividend	Annual Dividend
Forecast Previously Announced (May 12, 2017)	Yen 15.00 (Ordinary dividend: ¥14.00) (Commemorative dividend: ¥1.00)	Yen 35.00 (Ordinary dividend: ¥34.00) (Commemorative dividend: ¥1.00)	Yen 50.00 (Ordinary dividend: ¥48.00) (Commemorative dividend: ¥2.00)
Forecast Announced Today	/	38.00 (Ordinary dividend: ¥37.00) (Commemorative dividend: ¥1.00)	58.00 (Ordinary dividend: ¥56.00) (Commemorative dividend: ¥2.00)
Results for The Current Fiscal Year	20.00 (Ordinary dividend: ¥19.00) (Commemorative dividend: ¥1.00)	/	/
(Reference) Results for Previous Period (Fiscal Year Ended March 2017)	12.00	24.00	36.00

Reasons for the revisions

The company decides dividends in consideration of continuity and consolidated dividend payout ratio, and we regard the return of profits to shareholders as one of our priority management challenges.

In light of the Company's results for the first half and the revision of the consolidated full-year financial forecast, the Company has decided to increase its interim dividend by 5 yen per share to 20 yen. Accordingly, the Company plans to increase the year-end dividend by 3 yen per share to 38 yen. As a result, the annual dividend forecast is now 58 yen per share.

Note: It should be noted that the above financial 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.