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Listed Stock Exchange:
Tokyo Stock Exchanges, First Section
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Announcement Concerning the Formulation of Our "Progressive Plan 2021" Medium-term Management Plan

ESPEC CORP. has formulated "ESPEC VISION 2025," a long-term business vision that aims to enable the Company to continue to grow in the years ahead. To make this vision a reality, the Company formulates medium-term management plans every four years (Stage I through Stage III), and works to achieve its objectives.

The Company has recently formulated its Stage II medium-term management plan "Progressive Plan 2021," which will be in effect from fiscal 2018 through fiscal 2021. The plan is summarized below.

1. Basic Policy

Stable sustainable growth through strategic investment and steady "improvement of quality":

- Promotion of globalization targeting growth areas and improvement of customization capabilities
- Lessening of fluctuations in business performance and development of businesses in new fields to achieve next-generation growth

2. Consolidated Financial Targets for Fiscal 2021

The Company aims to achieve net sales of over ¥52.0 billion, operating income of at least ¥5.2 billion, and an operating income ratio of 10% or more.

3. Medium-Term Management Strategy

(1) Business strategy in the Equipment Business segment

1) Expand revenues by strengthening customization capabilities that target automobile and IoT fields

2) Respond to diversifying and increasingly sophisticated test needs by expanding environmental factor technology

3) Develop businesses in new fields

(2) Business strategy in the Service Business segment

Develop a service menu that anticipates the potential needs of customers and expand the test consulting business

(3) Global strategy

1) Develop global marketing with Europe and the ASEAN region (including India) as core expansion areas and continue expansion in China and Korea

2) Build an optimal worldwide manufacturing system

Note: The above financial targets were compiled based on management's reasonable assessment of information available at the time of the compilation and are subject to change due to factors that may arise in the future.