Securities ID code: 6859

ESPEC CORP. Results Briefing

FY2024 (Fiscal Year Ended March 31, 2025)

May 26, 2025

Representative Director and President
Satoshi Arata

Reference materials

- Company Profile & Business Overview
- Sustainability Initiatives

FY2024 Full-Year Results

FY2024 Full-Year Financial Summary

Orders received, net sales, and profit all reached record highs, mainly due to continued investment in the domestic EV and battery markets and enhanced domestic production capacity.

Achieved medium-term management targets ahead of schedule and announced a new medium-term management plan.

	Year on Year		Comparison with Forecasts (Revised in Mar. 2025)	
Orders Received	○	Increased in all segments, particularly increasing in environmental test chambers in the Equipment Business and laboratory testing services in the Service Business	○	Slightly above forecast in all segments
Net Sales	○	Increased in all segments, particularly increasing in environmental test chambers in the Equipment Business and laboratory testing services in the Service Business	○	Slightly above forecast in all segments
Operating Profit	○	Increased substantially due to sales growth and cost of sales ratio improvement, despite increase in SG&A	○	Slightly above forecast due to increase in net sales
Profit Attributable to Owners of Parent	○	Significant increase in operating profit and gains from the sale of cross-held shares	○	Slightly above forecast mainly due to increase in operating profit

■ In dividend per share, the year-end dividend increased by ¥15 from initial plan (announced on March 7, 2025)
Dividend forecast for the year: interim ¥35, year-end ¥60, annual ¥95

Summary of Profits and Losses

(Millions of yen)

	FY2023 Results	FY2024 Initial Forecasts	FY2024 Revised Forecasts (Mar. 2025)	FY2024 Results	Year on Year	Comparison with Initial Forecasts	Comparison with March Forecasts
Orders Received	62,290	63,000	66,700	67,514	+8.4%	+7.2%	+1.2%
Net Sales	62,126	65,000	66,500	67,288	+8.3%	+3.5%	+1.2%
Cost of Net Sales Cost of Sales Ratio	40,132 64.6%	42,400 65.2%	42,800 64.4%	43,300 64.4%	+7.9% 0.2 pt improvement	+2.1% 0.8 pt improvement	+1.2% ±0 pt
Gross Profit Profit Ratio	21,994 35.4%	22,600 34.8%	23,700 35.6%	23,987 35.6%	+9.1% 0.2 pt improvement	+6.1% 0.8 pt improvement	+1.2% ±0 pt
SG&A	15,408	15,600	16,400	16,460	+6.8%	+5.5%	+0.4%
Operating Profit	6,585	7,000	7,300	7,526	+14.3%	+7.5%	+3.1%
Ordinary Profit	6,919	7,200	7,600	7,793	+12.6%	+8.2%	+2.5%
Profit Attributable to Owners of Parent	4,969	5,200	5,800	6,003	+20.8%	+15.4%	+3.5%
ROE	10.0%	9.6%	10.5%	11.0%	+1.0 pt	+1.4 pt	+0.5 pt

Performance by Segment

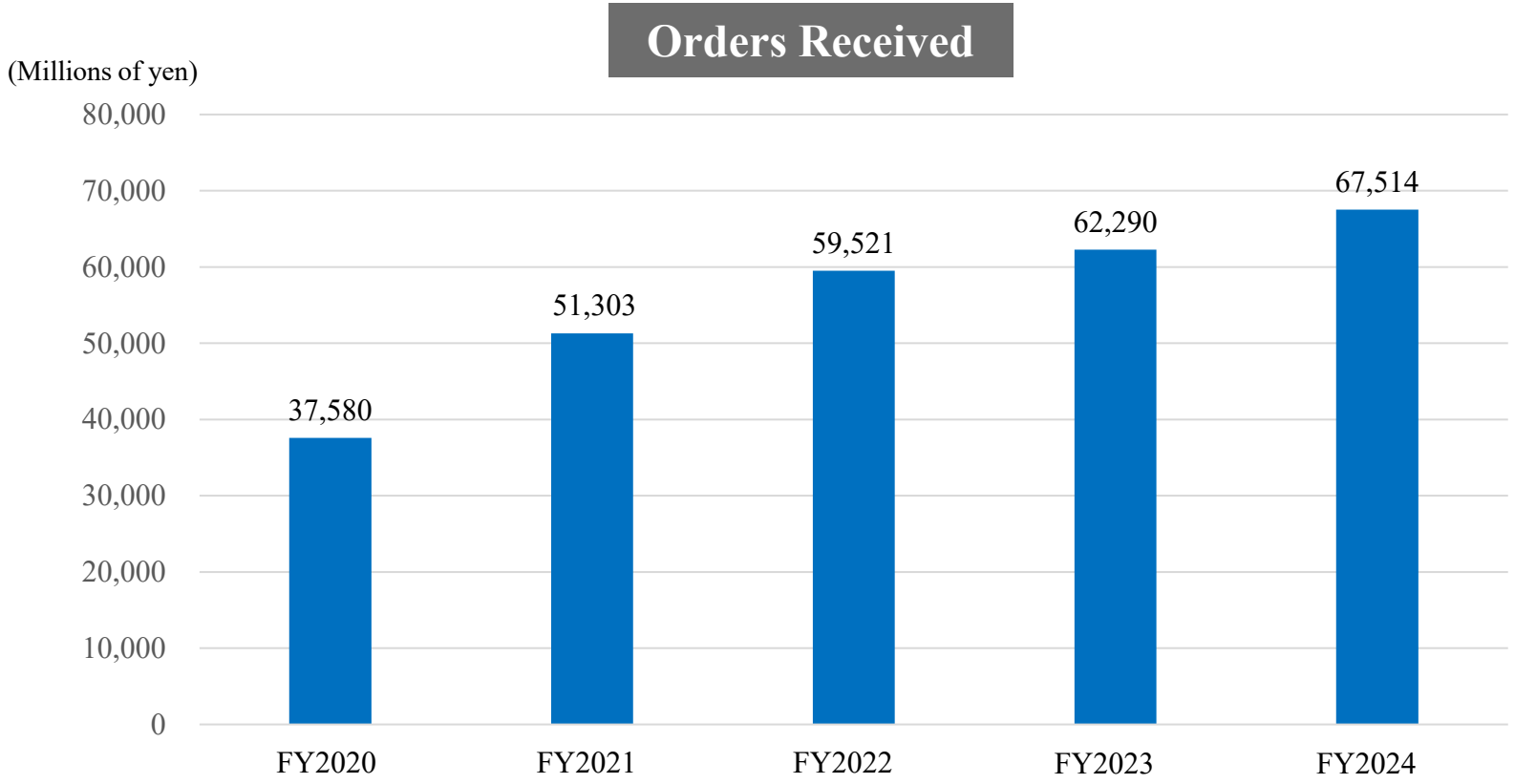
(Millions of yen)

		FY2023 Results	FY2024 Initial Forecasts	FY2024 Revised Forecasts (Mar. 2025)	FY2024 Results	Year on Year	Comparison with Initial Forecasts	Comparison with March Forecasts
Equipment Business	Orders Received	53,565	53,700	56,600	57,283	+6.9%	+6.7%	+1.2%
	Net sales	53,518	56,000	56,900	57,507	+7.5%	+2.7%	+1.1%
	Operating profit	5,848	6,180	6,400	6,610	+13.0%	+7.0%	+3.3%
Service Business	Orders Received	7,634	8,000	8,400	8,532	+11.8%	+6.7%	+1.6%
	Net sales	7,536	7,900	8,300	8,425	+11.8%	+6.7%	+1.5%
	Operating profit	681	800	800	793	+16.4%	-0.8%	-0.8%
Other Business	Orders Received	1,453	1,700	2,100	2,170	+49.3%	+27.7%	+3.4%
	Net sales	1,455	1,500	1,700	1,758	+20.8%	+17.2%	+3.4%
	Operating profit	51	20	100	126	+146.3%	+533.5%	+26.7%
Elimination	Orders Received	-363	-400	-400	-472	-	-	-
	Net sales	-383	-400	-400	-403	-	-	-
	Operating profit	3	0	0	-4	-	-	-
Total	Orders Received	62,290	63,000	66,700	67,514	+8.4%	+7.2%	+1.2%
	Net Sales	62,126	65,000	66,500	67,288	+8.3%	+3.5%	+1.2%
	Operating profit	6,585	7,000	7,300	7,526	+14.3%	+7.5%	+3.1%

Orders Received in FY2024

■ Orders received marked a new record high for the fourth consecutive fiscal year.

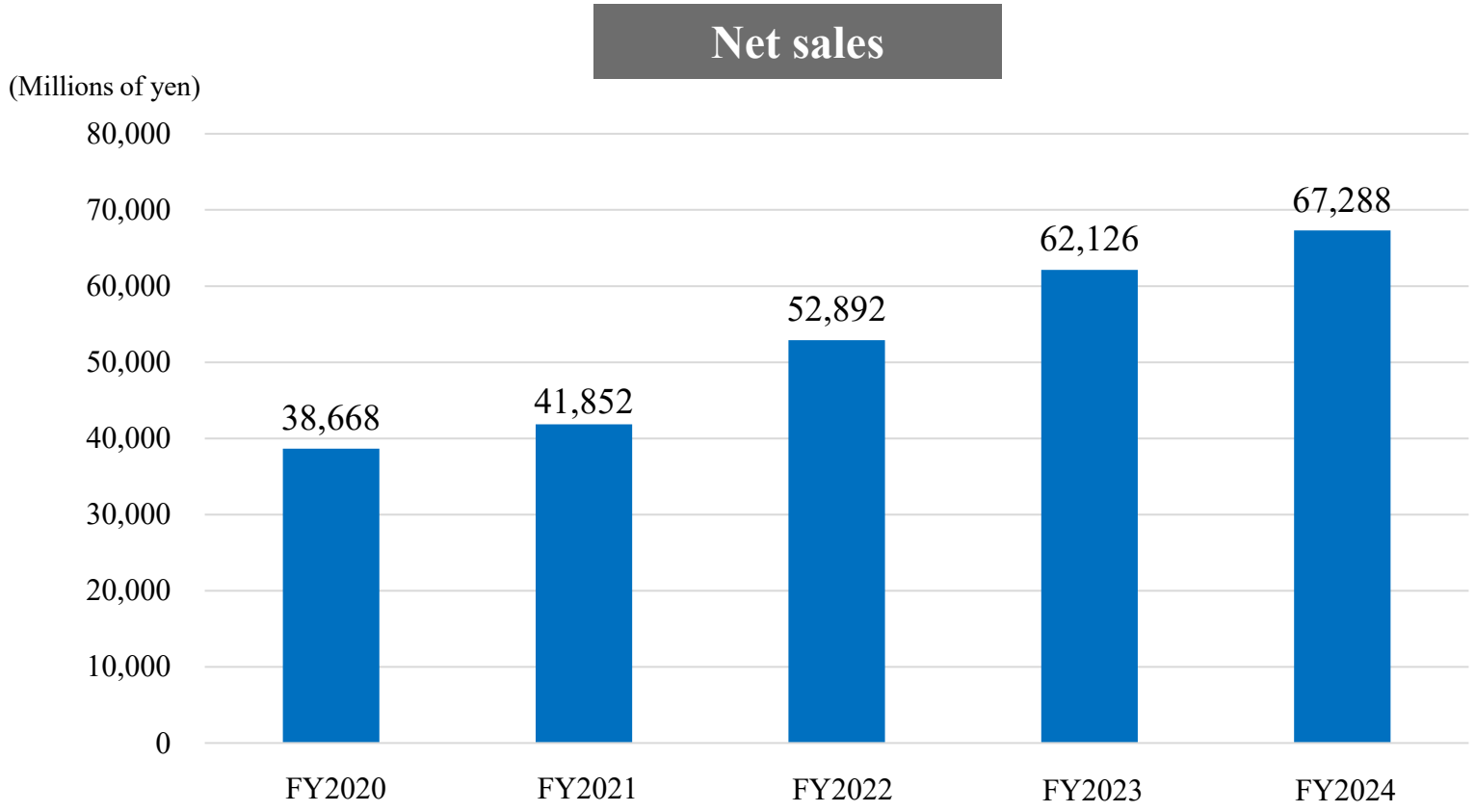
Orders increased particularly in Japan, as well as North America and China; remained flat in South Korea and Taiwan, and decreased in Southeast Asia and Europe.



Net Sales in FY2024

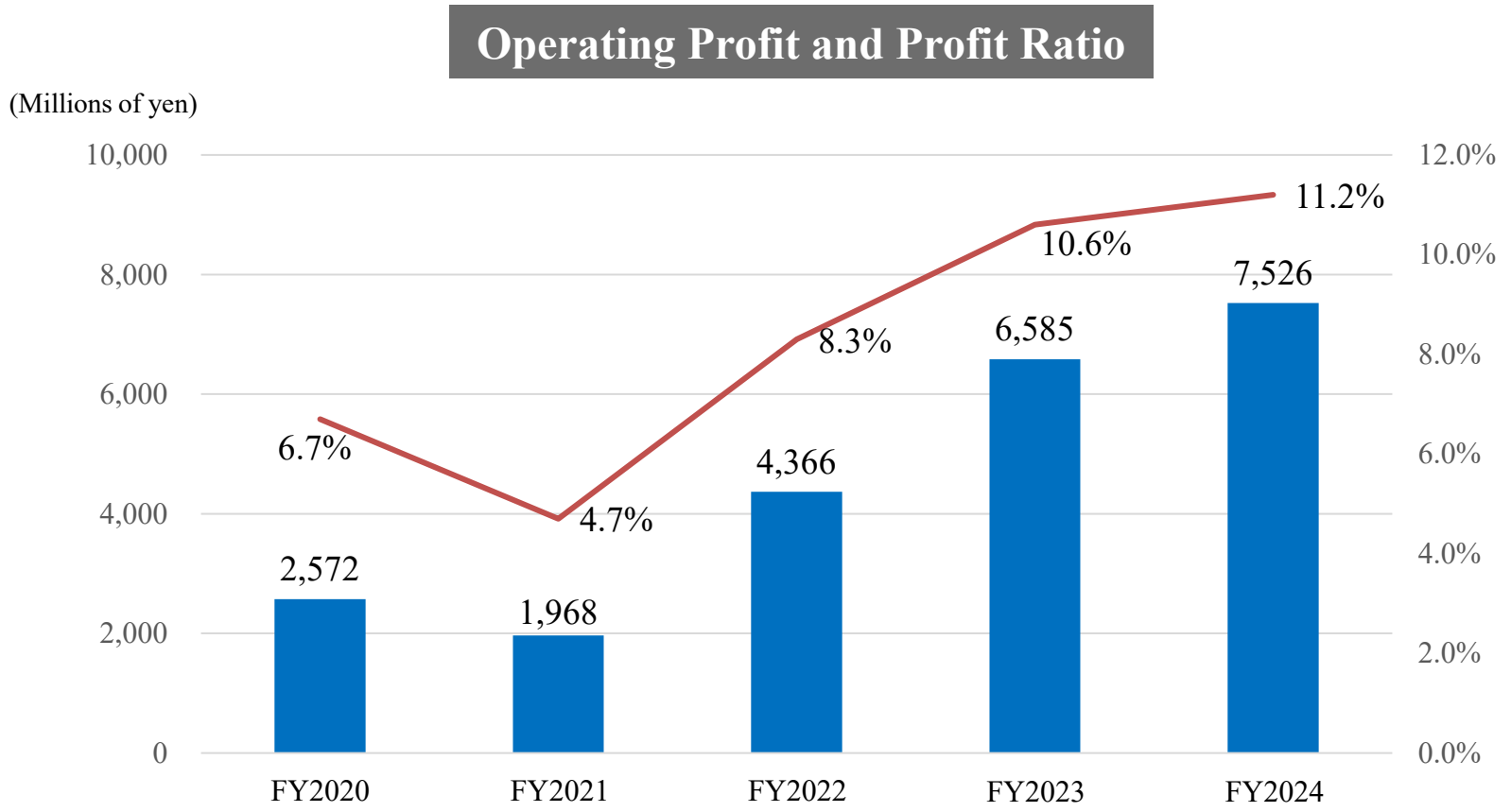
■ Net sales renewed record highs for the third consecutive fiscal year.

Sales increased particularly in Japan and North America, as well as Southeast Asia, South Korea, and Taiwan; were level year on year in China, and decreased in Europe.



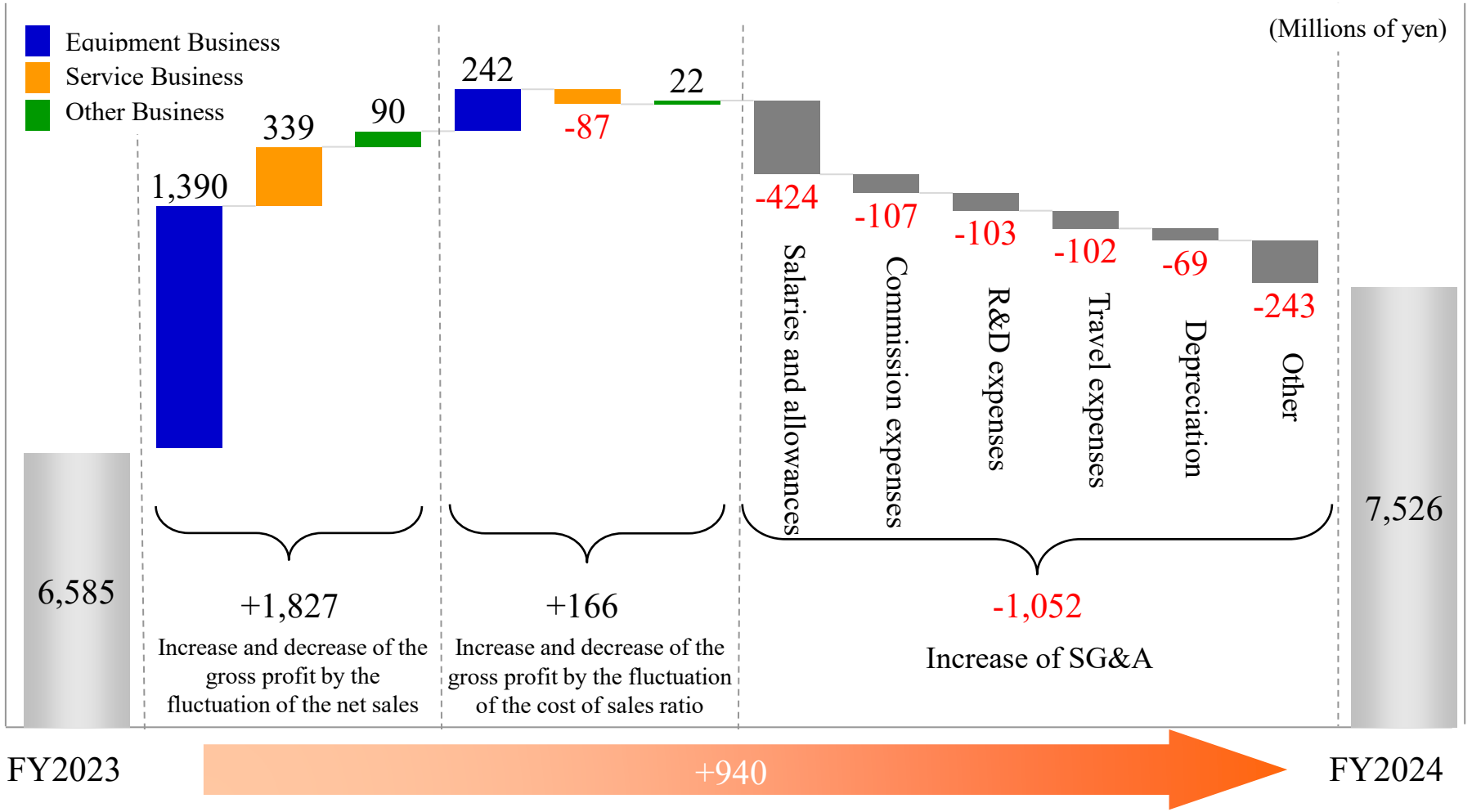
Operating Profit and Profit Ratio in FY2024

■ Operating profit renewed record highs for the second consecutive fiscal year.
Profitability improved due to sales growth and cost of sales ratio improvement



Analysis of Operating Profit Increase and Decrease Factors

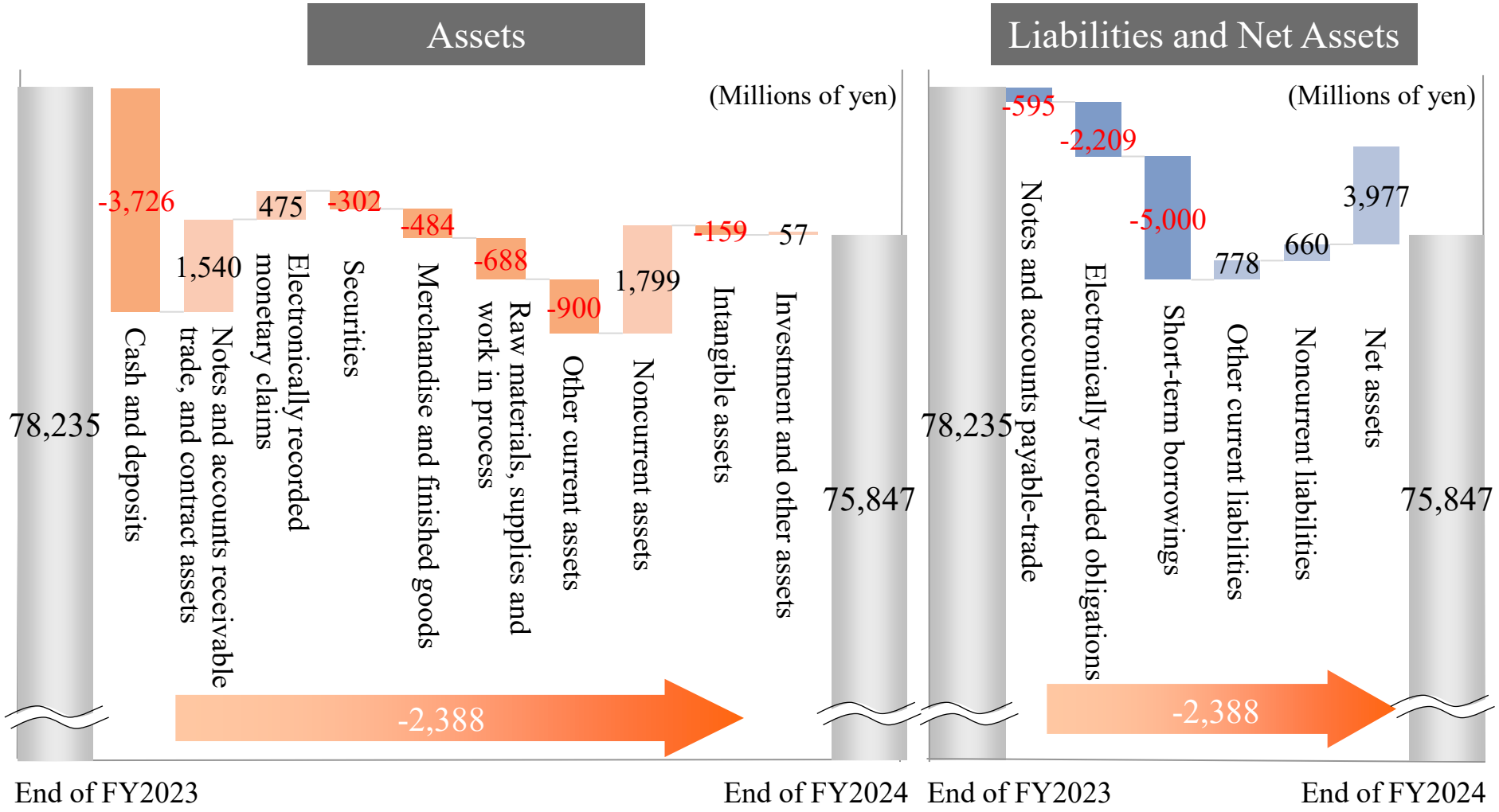
■ Profit increased mainly due to sales increase in the Equipment and Service Businesses and improved cost of sales ratio in Equipment Business.



* Totals have been calculated using the gross profit margin.

Statement of Assets and Liabilities

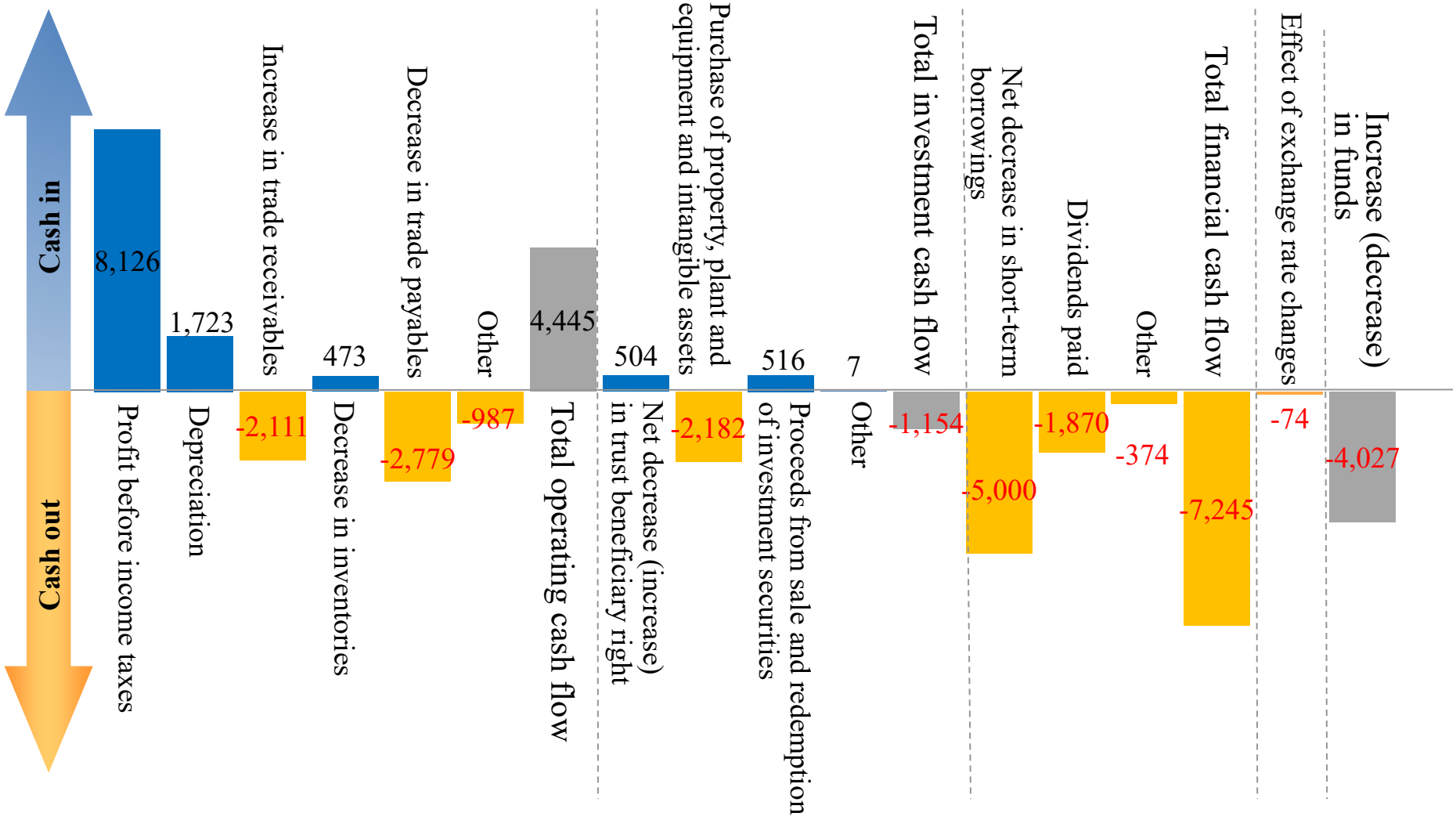
■ Although there was an increase in trade receivables due to expanded sales and an increase in fixed assets from capital investments, the repayment of short-term borrowings resulted in total assets decrease of approximately ¥2.4 billion.



Statements of Cash Flows

■ Operating CF resulted in a cash inflow of approximately ¥4.4 billion, but capital investment and repayment of short-term borrowings led to a net cash decrease of about ¥4.0 billion.

(Millions of yen)



Equipment Business

(Millions of yen)

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Operating Profit	5,848	6,180	6,400	6,610	+13.0%	+7.0%	+3.3%
Profit Ratio	10.9%	11.0%	11.2%	11.5%	+0.6 pt	+0.5 pt	+0.3 pt

Environmental Test Chambers

■ Domestically, orders received and net sales for both versatile standardized products and customized products increased year on year.

■ Overseas, orders received increased mainly in North America and China, while Southeast Asia declined, resulting in levels roughly on par with the previous year.
Net sales increased in Southeast Asia, North America, and South Korea; China was level year on year, while Europe declined, leading to an overall result similar to the prior year.

Energy Device Equipment

■ For large-scale EV battery projects, investment declined, leading to a year on year decrease in both orders and sales, primarily in Japan.

Semiconductor Equipment

■ Orders received increased year on year due to large-scale server-related projects, but net sales dropped significantly due to the impact of memory-related investment restraint.

Service Business

(Millions of yen)

	FY2023 Results	FY2024 Initial Forecasts	FY2024 Revised Forecasts (Mar. 2025)	FY2024 Results	Year on Year	Comparison with Initial Forecasts	Comparison with March Forecasts
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Net sales	7,536	7,900	8,300	8,425	+11.8%	+6.7%	+1.5%
Operating profit	681	800	800	793	+16.4%	-0.8%	-0.8%
Profit Ratio	9.0%	10.1%	9.6%	9.4%	+0.4 pt	-0.7 pt	-0.2 pt

After-Sales Service and Engineering

■ Orders received and net sales both increased year on year as preventative maintenance services and repair services were solid.

Laboratory Testing Services and Facility Rentals

■ Enhanced testing equipment for EV batteries contributed to year on year increases in both orders and sales.

Other Business

(Millions of yen)

	FY2023 Results	FY2024 Initial Forecasts	FY2024 Revised Forecasts (Mar. 2025)	FY2024 Results	Year on Year	Comparison with Initial Forecasts	Comparison with March Forecasts
Orders Received	1,453	1,700	2,100	2,170	+49.3%	+27.7%	+3.4%
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Operating profit Profit Ratio	51 3.5%	20 1.3%	100 5.9%	126 7.2%	+146.3% +3.7 pt	+533.5% +5.9 pt	+26.7% +1.3 pt

Environmental Conservation, Plant Production Systems

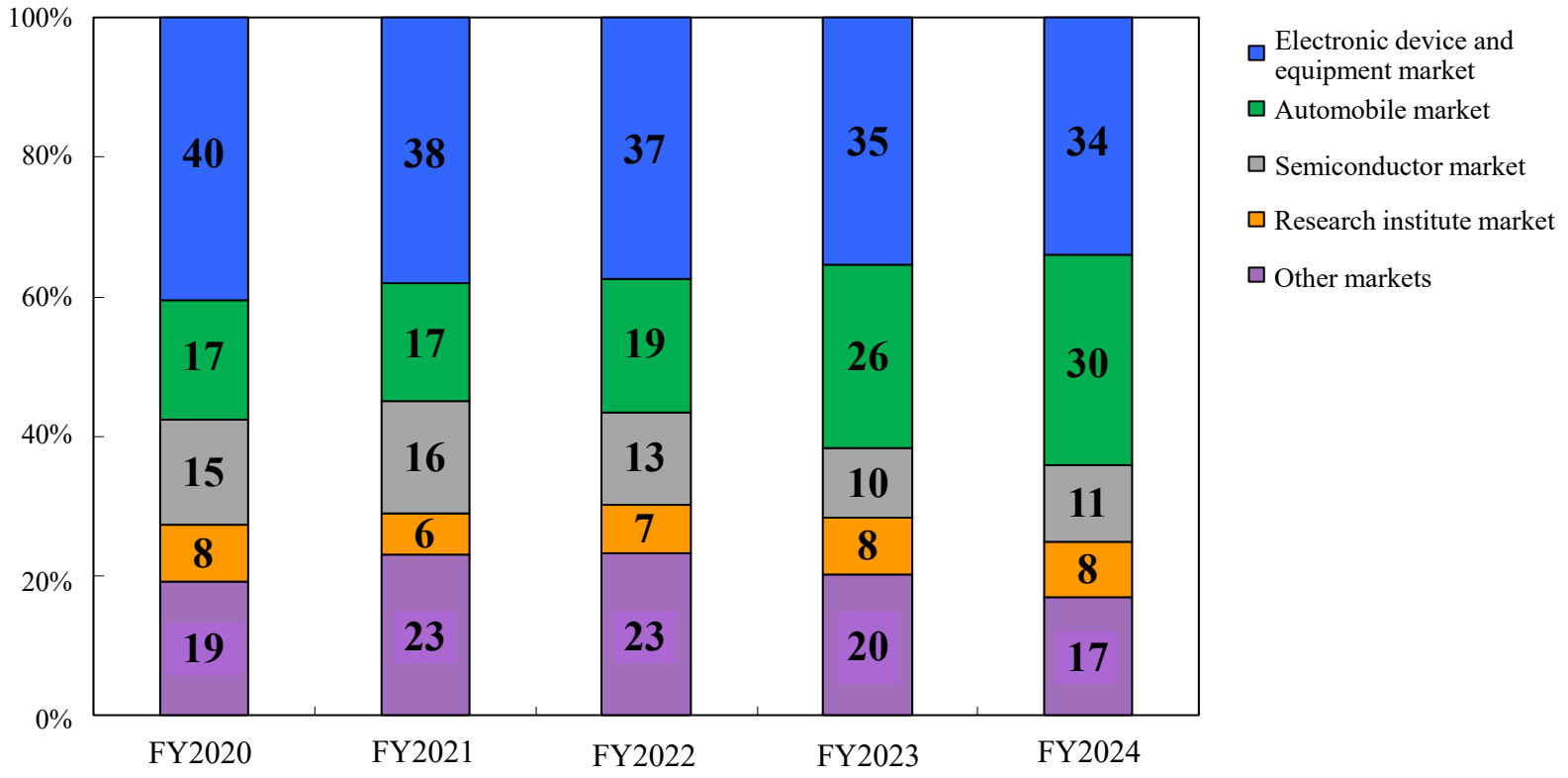
■ Steady progress was made in waterfront and forest creation projects, along with large-scale orders for plant research devices and plant factories, resulting in year on year increases in both orders and sales.

■ Supplied aquaponics systems (a circular production system combining hydroponics and land-based aquaculture) and plant seedlings/materials for greening the venue of the Expo 2025 Osaka, Kansai, Japan.

Sales by Market

■ The Electronic device and equipment market remained at the same level as the previous year. Sales related to EV and battery applications progressed, increasing the share of the automobile market, including car electronics.

Non-consolidated (Equipment Business)

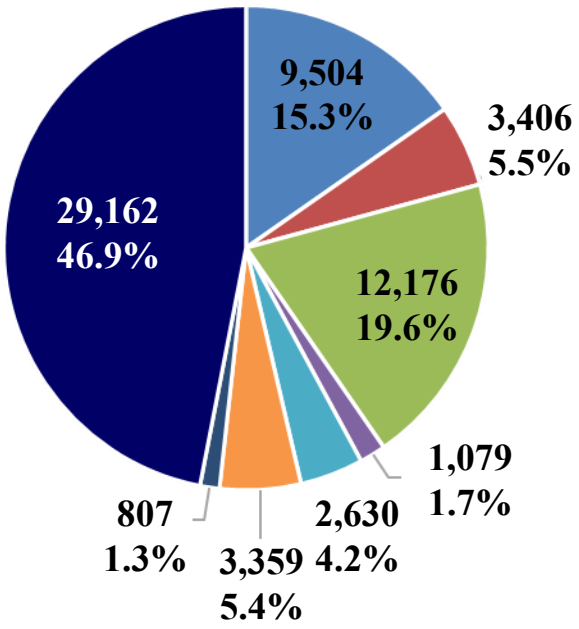


Sales by Region

■ Sales in Japan increased, raising the domestic share, while overseas growth was driven mainly by higher sales in North America.

FY2023

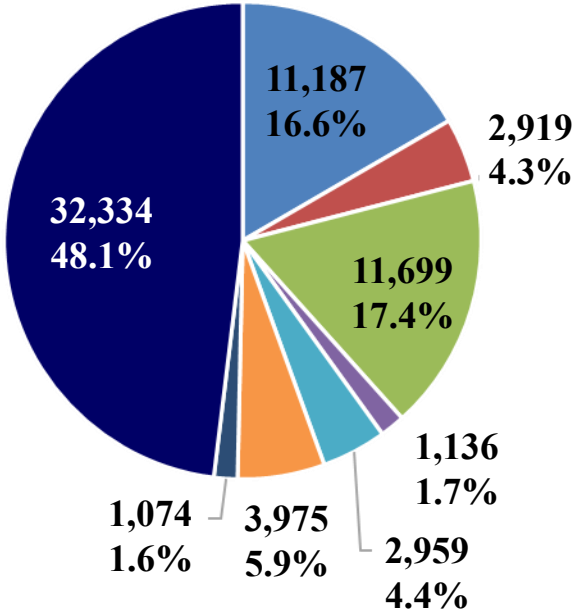
Overseas sales ratio: 53.1%



Total: ¥62,126 million
Overseas sales: ¥32,964 million

FY2024

Overseas sales ratio: 51.9%



Total: ¥67,288 million
Overseas sales: ¥34,953 million

Main Initiatives for ESG in FY2024

■ E (Environment)

Promote global warming countermeasures and biodiversity conservation activities under the 8th Medium-Term Plan on the Environment (FY2022–2025)

- Launch environmentally friendly products, including constant temperature and humidity chambers using low-GWP refrigerants
- Hold three tree-planting events under the ESPEC's 50-Year Forest initiative by April 2024, planting a total of 12,000 trees

■ S (Society)

- Expand educational programs, develop next-generation executive talent, and design a new personnel evaluation system
- Conduct training sessions and company-wide events to deepen understanding of the corporate philosophy
- Conduct engagement surveys, formulate and implement action plans through executive officers and division heads

■ G (Governance)

- Enhance internal control system of the whole Group
- Establish Sustainable Procurement Guidelines

Basic Policy on Dividends and Results

Basic Policy on Dividends

* May 15, 2025, announced revision to the Basic Policy on Dividends (p. 44)

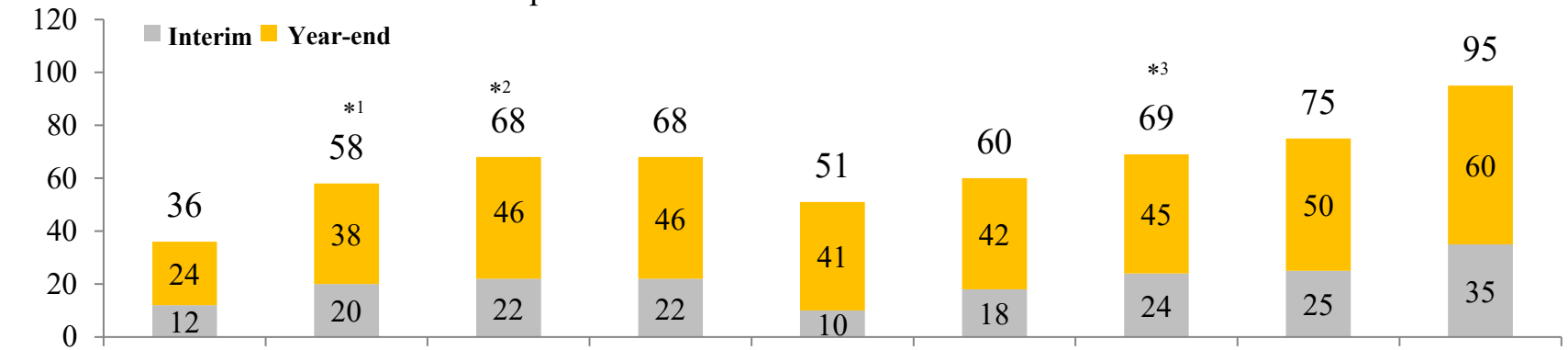
In addition to a dividend payout ratio of 30%, we will add dividends with 1/3 of the excess funds as a baseline.

While reflecting a necessary level of internal reserves, we flexibly implement acquisition of treasury shares.

* We will maintain stable dividends of ¥20 per year regardless of profit levels but will conduct a reevaluation in the event that we record a loss for two consecutive periods.

Dividend per Share and Dividend Payout Ratio/Total Return Ratio

For FY2024, year-end dividend increased by ¥15 from initial forecast (announced on March 7, 2025), with the annual dividend expected to be ¥95



	16	17	18	19	20	21	22	23	24
Dividend payout ratio:	36.8%	40.1%	36.2%	55.2%	59.4%	70.7%	45.9%	33.0%	34.5%
Total return ratio:	36.8%	40.1%	36.2%	55.2%	59.4%	126.9%	78.9%	33.0%	34.5%

(FY)

(Underlined sections indicate share repurchases by the Company)

*1. Includes a dividend of ¥2 (interim dividend of ¥1 and year-end dividend of ¥1) to commemorate the 70th anniversary of our foundation in FY2017.
*2. FY2018 was an irregular 15-month fiscal period for overseas consolidated subsidiaries. The dividend payout ratio for a 12-month period is 39% (reference).
*3. Includes a dividend of ¥4 (interim dividend of ¥2 and year-end dividend of ¥2) to commemorate the 75th anniversary of our foundation in FY2022.

TOPICS 1

Start of "Aichi Next-Generation Mobility Test Lab" service
Responding to testing demand for automotive batteries and EV/automation modules

■ Aichi xEV Battery Safety Test & Certification Center

- Opened in February 2025 as one of Japan's largest dedicated automotive battery testing facilities
- Equipped with state-of-the-art testing systems to support larger and higher-capacity automotive batteries
- Supports various testing standards such as the UN ECE-R100 regulation for safety testing

Aichi xEV Battery Safety Test & Certification Center
(Tokoname City, Aichi Pref.)

■ Toyota Test Center

- Expanded functions of the Toyota Testing Center, the Company's largest integrated test center (service began in April 2025)
- Supports the larger size of test samples such as e-Axles, PCUs, and ECUs
- Newly enhanced services to recreate usage environments for EV/automation modules under operating conditions for evaluation and measurement

Toyota Test Center (Toyota City, Aichi Pref.)

TOPICS 2

Responding to testing demand in AI and autonomous driving fields **Rapid-Rate Thermal Cycle Chamber**

- In April 2025, a high-performance model capable of controlling specimen temperature at 20 K/min was added to the lineup of rapid-rate thermal cycle chambers
- Complies with international standards such as semiconductor package reliability test standards and standards for electronics and automotive markets, and comes standard with low-GWP* refrigerant “R-449A”

Rapid-Rate Thermal Cycle Chamber (TCC-151W-20)

Launched low temperature (& humidity) chambers **Platinous J Series ECO Type with low-GWP refrigerant**

- In November 2024, launched the ECO Type in the Platinous J Series, the global standard model for environmental test chambers
- Proprietary refrigeration technology reduces power consumption by up to 70% compared to conventional models, contributing to the reduction of greenhouse gas emissions by adopting low-GWP* refrigerant “R-449A”

low temperature (& humidity) chambers
Platinous J Series ECO Type

* Metric for expressing the warming potential of greenhouse gases relative to carbon dioxide. The smaller the value, the lower the environmental impact.

TOPICS 3

-70°C Ultra-Low Temperature Shock Freezer for delicious rapid freezing

- In April 2025, launched the “Ultra-Low Temperature Shock Freezer” capable of freezing food rapidly at -70°C, preserving freshness even for perishable items
- Enables freezing in a low airflow environment, preventing food from drying out, and allows a seamless process from freezing to thawing and reheating in a single unit

Ultra-Low Temperature Shock Freezer

First domestic launch by COSMOPIA HIGHTECH of a rapid temperature change device using low-GWP refrigerant

- In October 2024, COSMOPIA HIGHTECH, part of our Group, launched the first domestic rapid temperature change device equipped with low-GWP* refrigerant “R-473A”
- Complies with international test standards and contributes to the reduction of greenhouse gas emissions

Rapid Temperature Change Device Premium Excellent Series (EC-28PXHH)

* Metric for expressing the warming potential of greenhouse gases relative to carbon dioxide. The smaller the value, the lower the environmental impact.

External Recognition

■ ESG-Related Evaluations

- Included in the ESG index “FTSE Blossom Japan Sector Relative Index”
- Rated “B” score for the fifth consecutive year in the CDP Climate Change Survey, “B-” score for Water Security

  Selected as Supplier Engagement Leader for two consecutive years, the Top Rank in the Supplier Engagement Ratings
- Selected for the second consecutive year as an Asia-Pacific Climate Leader by the Financial Times in the UK and German data provider Statista
- Received a 3.5-star rating in the NIKKEI Sustainable Management Survey, SDGs Edition
- Received a 3-star rating in the NIKKEI Sustainable Management Survey, Smart Work Edition

■ IR Website Evaluations

- Selected as a Commendation Award of the Internet IR Award of Daiwa IR
- Selected as a “GRADE AAA” company website in the Nikko Investor Relations’ All-Japanese Listed Companies’ Website Ranking
- Awarded a Bronze Prize in the Gomez IR Website Ranking 2024

  (17th in its industry)
- Awarded as an excellent company in the Gomez ESG Website Ranking

Medium-Term Management Plan

PROGRESSIVE PLUS 2027

Implementation period: FY2025–2027

Impact of and Response to U.S. Reciprocal Tariff Policies

- The Company has a subsidiary in the U.S., with over 80% of production conducted locally. Exports from Japan account for only a few percent of consolidated net sales, and there is little trade between the U.S. and China. Therefore, the direct impact is minimal.

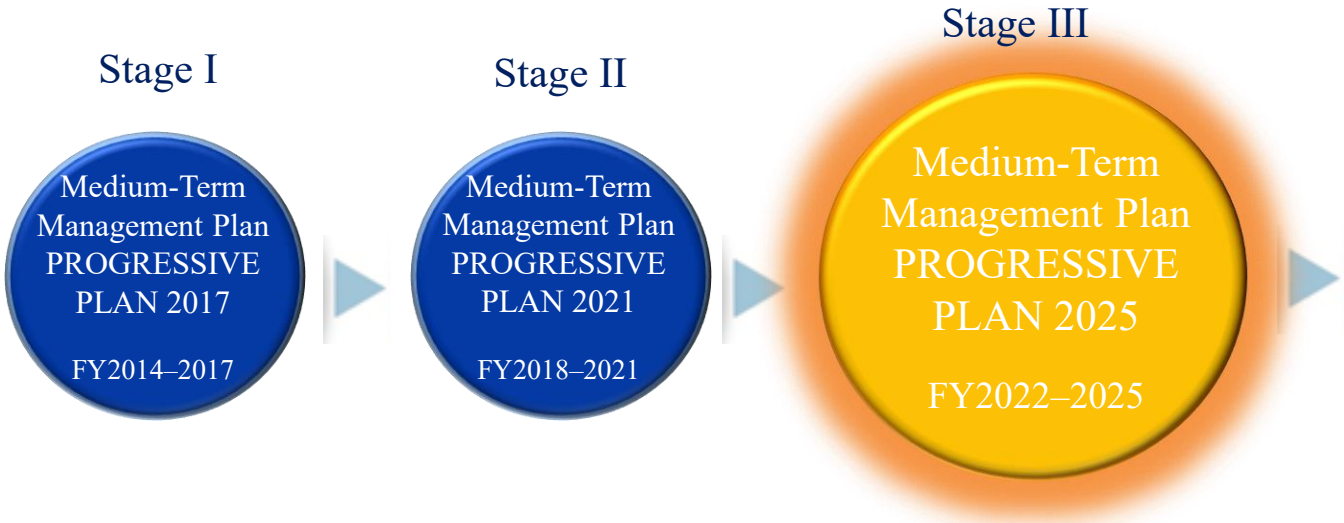
- As an indirect impact, investment may be restrained due to a global economic slowdown, but investment in advanced technology development is expected to continue.

- The Company will continue to closely monitor the business impact and respond appropriately by leveraging the global capabilities of the ESPEC Group, including production bases in the U.S., China, and Japan, and service functions in Southeast Asia.

PROGRESSIVE PLAN 2025 Early Achievement

Implemented a Medium-Term Management Plan divided into four-year stages (Stage I to III) in working toward the realization of ESPEC Vision 2025.

The Stage III plan, “PROGRESSIVE PLAN 2025,” achieved its targets in FY2024, one year ahead of schedule.



ESPEC Vision 2025

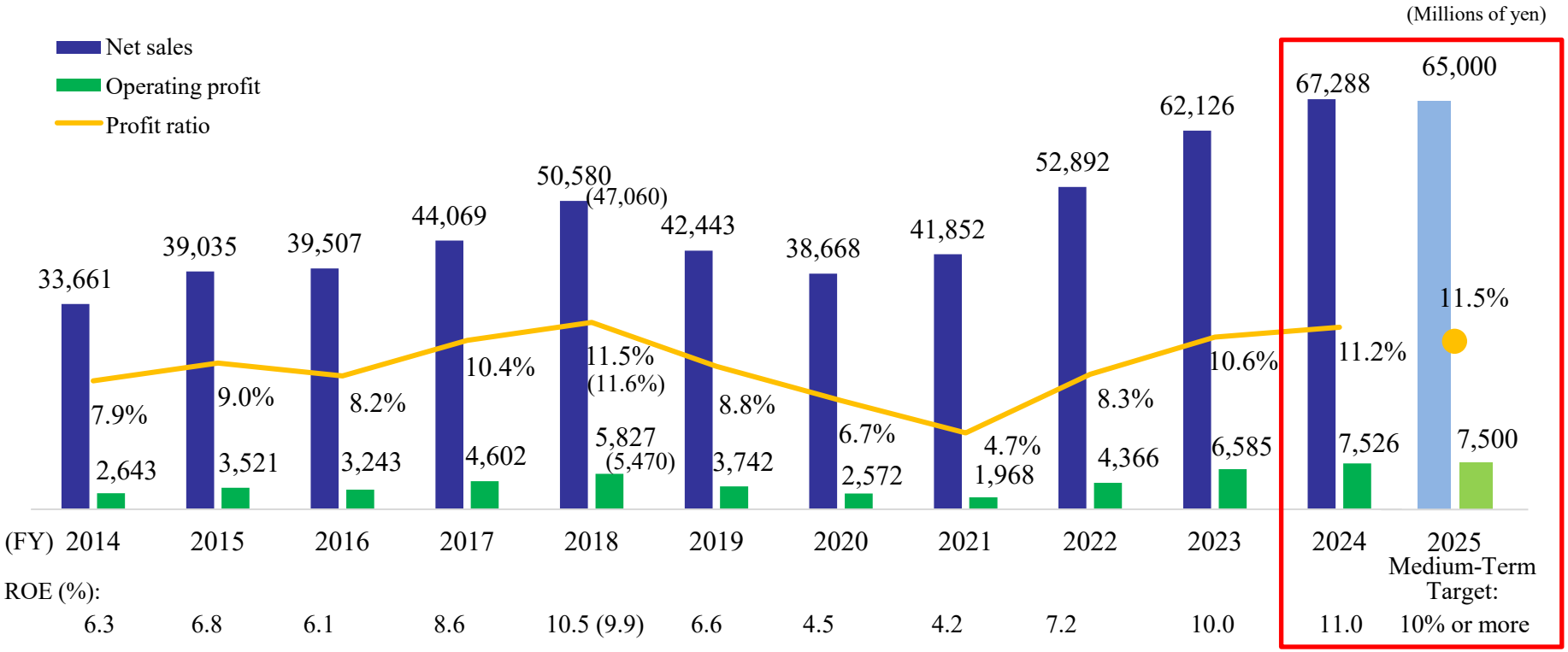
Corporate Vision

- ESPEC, a company integrating "environment" on a global scale
- A company that contributes to safety / peace of mind in cutting-edge technology
- A growing company full of creativity and vitality

	FY2025 Medium-Term Targets	FY2024 Results
Net sales	¥65.0 billion	¥67.2 billion
Operating profit	¥7.5 billion	¥7.5 billion
Operating profit Ratio	11.5%	11.2%
ROE	10.0% or more	11.0%

PROGRESSIVE PLAN 2025 Targets and Results

Stage I PROGRESSIVE PLAN 2017	Stage II PROGRESSIVE PLAN 2021	**Stage III PROGRESSIVE PLAN 2025**



* FY2018 was an irregular 15-month fiscal period for overseas consolidated subsidiaries. “( )” figures showing values based on a 12-month accounting period.

PROGRESSIVE PLAN 2025 Results and Challenges

Strategy	Result	Summary/Management Challenges
Equipment Business	• Orders received for development and production applications in the EV and battery sectors • Improved domestic competitiveness of customized products • Expand new products for advanced technology fields • Acquisition of refrigeration control technology through M&A	• Targets achieved by capturing testing demand in the EV and battery sectors, responding to procurement difficulties, implementing price increases, and enhancing production capacity • On the other hand, challenges remain in improving quality for sustainable growth, such as enhancing added value, increasing manufacturing efficiency, and strengthening human capital
Service Business	• Expanded preventative maintenance services • Growing demand for EV battery safety testing (opening of Aichi Next-Generation Mobility Test Lab and expansion of testing facilities in Tochigi)	
Global	• China: Secured profits by strengthening activities in the EV and IoT sectors • South Korea: Expanded orders from global companies and laboratory testing institutions • North America: Expanded orders in the automotive and satellite communications sectors	
New Business	• Expanded contract measurement services for semiconductors and launched new food machinery products	
Manufacturing Innovation and DX	• Increased domestic production capacity	
Organizational Development Human Resource Development	• Expanded educational programs and developed next-generation executive talent • Improved engagement	
Management Foundation Strengthening	• Strengthened Group governance • Execution of the Medium-Term Environmental Plan	

Recognition of the Operating Environment Toward 2027 (SWOT Analysis)

	Plus Factors	Minus Factors
Internal Environment	[Strengths] • Top shares (Global: 30%, Japan: 60% or more) • Brand strength in the environmental testing industry • Track record of long-term, continuous deliveries to global companies and strong trust • Extensive product lineup and customization capabilities • Global production, sales, and service structure (Japan*, U.S.*, China*, South Korea*, Germany, Thailand, and Vietnam) * Presence of production functions	[Weaknesses] • Decline in operational efficiency due to rapid order expansion • Product development aligned with advanced technology development • Delays in passing on technical skills due to labor shortages • Lag in DX
External Environment	[Opportunities] • Growing global demand for testing due to ongoing development in advanced technologies such as AI semiconductors, autonomous driving, and satellite communications • Increase in outsourcing of testing operations and equipment management due to labor shortages and increasing complexity of testing	[Threats] • Global economic slowdown caused by U.S.-China tensions • Intensifying price competition with Chinese and Taiwanese companies • Slowdown in investments in EVs and batteries • Tightening of environmental regulations • Soaring material costs due to inflation

PROGRESSIVE PLUS 2027 Basic Policy and Targets

Establishing a lean, sustainable, and highly profitable earnings model

Aiming to continuously increase our value as a corporate group by becoming a “lean enterprise,” which we will achieve through quality improvements and profit growth.

■ Target markets: AI semiconductors, autonomous driving, satellite communications

■ Medium-term target for FY2027: Net sales ¥70 billion

Operating profit ¥10.5 billion

Operating profit ratio 15.0%

Profit ¥7.6 billion

ROE 12.0% or more

* Expected rate (U.S. dollars) ¥145

PROGRESSIVE PLUS 2027 Three Strategies

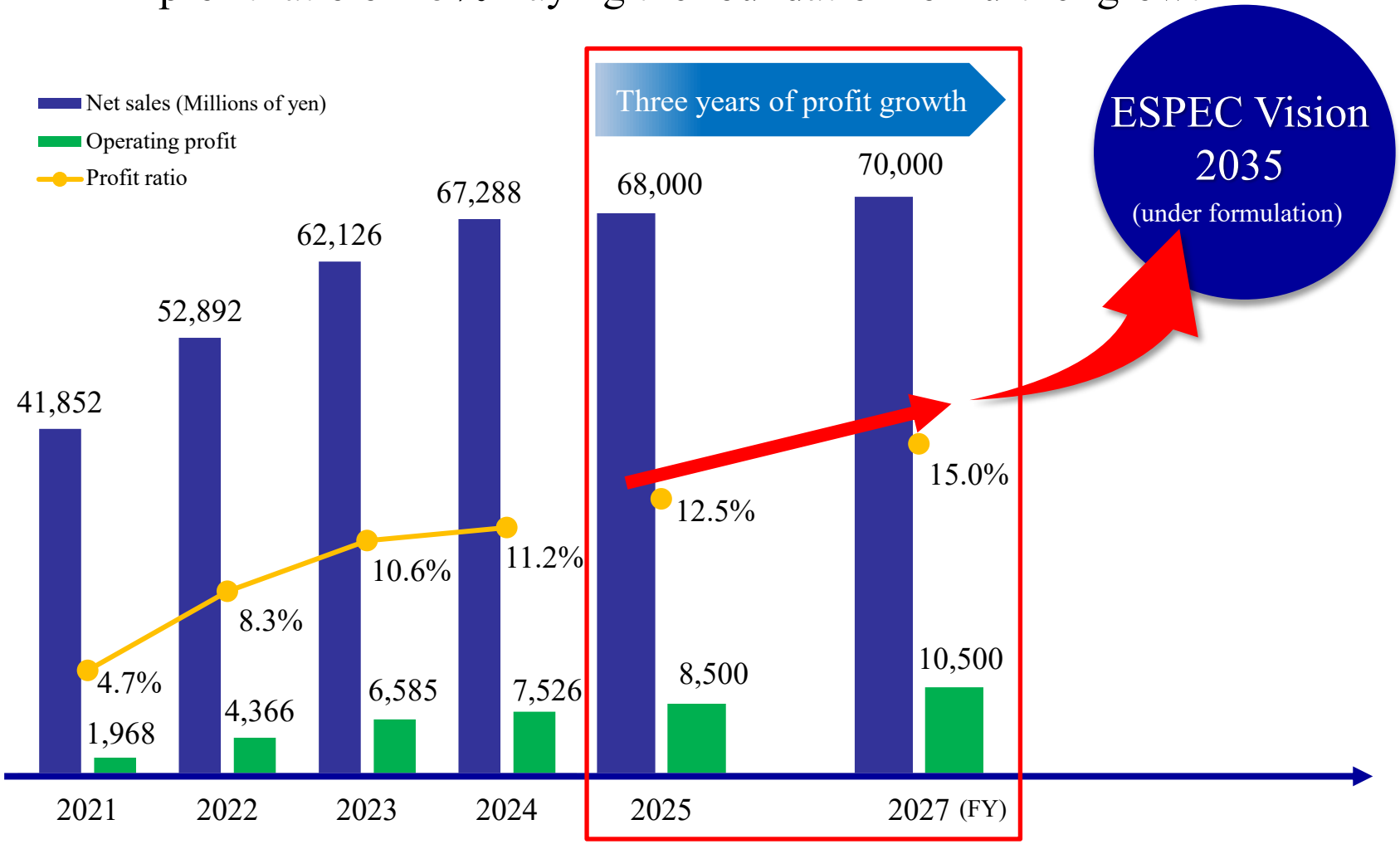
To enhance corporate value, the Company will execute business strategies, financial capital strategies, and non-financial strategies, along with proactive growth investments and shareholder returns.

Increase Corporate Value

1. Business Strategies	2. Financial Capital Strategies	3. Non-financial Strategies
•Equipment Business strategy •Global strategy •Monozukuri (manufacturing) strategy •Service Business strategy •New business strategy	•Financial capital strategy •IR strategy	•Human capital •Environment •Group governance

PROGRESSIVE PLUS 2027 Positioning

A three-year period looking ahead to the next decade, aiming for an operating profit ratio of 15% Laying the foundation for further growth



Target Markets

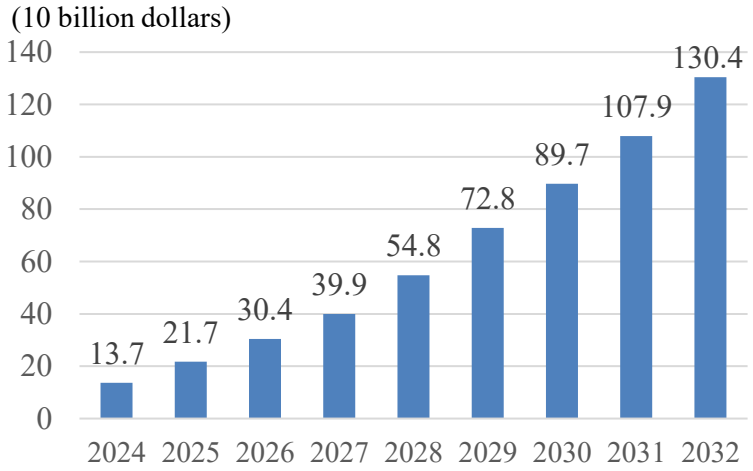
- Expected slowdown in investments in EVs and batteries
- AI semiconductors, autonomous driving, and satellite communications, where testing demand is expected to increase with the practical application of advanced technologies, will be the target markets

■ Targeted advanced technology fields and the value provided by ESPEC
"Ensuring quality such as high reliability and durability for the practical application of advanced technologies"

AI Semiconductors	Contributing to solving technical challenges associated with higher integration of semiconductors and performance improvements in sensors used in autonomous driving
Autonomous Driving	
Satellite Communications	Supporting the development of commercial satellite communications in the U.S. Supporting the development of small satellite communications by private companies in Japan

Testing Demand in the AI Semiconductor and Server Market

As generative AI spreads across society, development is accelerating in advanced technology fields such as semiconductors, data centers, storage, electronic components, and electronic materials.
With growing data transmission volumes and faster speeds, AI semiconductors are becoming more high-performance and densely integrated. As a result, a high level of reliability as digital infrastructure is required, and demand for various testing services is expected to increase.



<Trends in the Global AI Market Size>

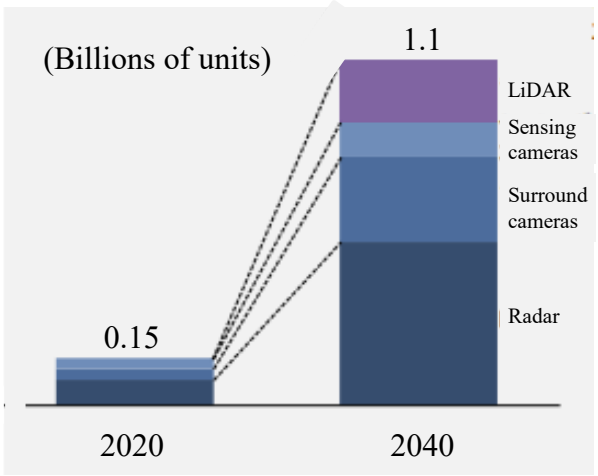
Source: Ministry of Internal Affairs and Communications, 2024 White Paper on Information and Communications

<Market Challenges and Testing Demand>

	Servers	Semiconductors (GPU, Memory, Logic)	Electronic Components (Condensers, Connectors)	Electronic Materials (Substrate Materials, Insulators)
Market Challenges	High heat generation (heat dissipation measures), fine wiring, 3D packaging, package reliability (thermal shock)			
Testing Demand	Durability (environmental resistance) evaluation Reliability evaluation	Screening (inspection) Reliability evaluation Package bondability evaluation	Quality evaluation Reliability evaluation Electrical characteristic evaluation	Reliability evaluation Material characteristic evaluation Thermal processing (insulating film formation)

Testing Demand in Autonomous Driving Market

Active development by automotive manufacturers aiming for vehicle electrification and intelligence, including software-defined vehicles (SDVs*).
In sensors used in autonomous driving, such as integrated ECUs, onboard camera modules, and LiDAR, which are critical electronic devices tied to human safety, demand for testing aimed at ensuring higher reliability and durability is expected to increase.



<Sensor Units Installed in Autonomous Vehicles>

Source: Ministry of Economy, Trade and Industry – Manufacturing Industries Bureau, Market Size Projections

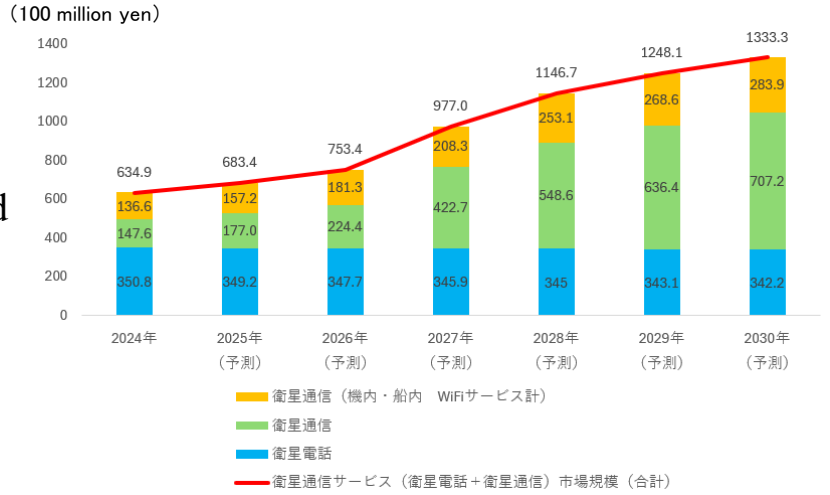
* SDV: Software Defined Vehicle

<Market Challenges and Testing Demand>

	Integrated ECUs	Modules for Autonomous Driving (E.g., Onboard Camera Modules)	Sensing Devices (E.g., Image Sensors, LiDAR)
Market Challenges	Adaptation to diverse weather conditions such as climate change, improved recognition and processing capabilities in autonomous driving systems, improved precision and reliability of sensors		
Testing Demand	Durability (environmental resistance) evaluation Reliability evaluation Thermal management evaluation	Certification testing (standards compliance testing) Durability (environmental resistance) evaluation Reliability evaluation	Screening (inspection) Reliability evaluation

Testing Demand in the Satellite Communications Market

Targeting the commercial satellite communications technologies under development by private companies in the U.S. and Japan.
Use and adaptation of consumer-grade components is expected to increase since satellite communications play a vital role in bridging the digital divide and serving as emergency communications infrastructure during disasters. As satellite communication technologies move toward practical implementation, testing demand is expected to grow to ensure durability and reliability under extreme conditions.



<Domestic Satellite Communications Services Market Size Trends>

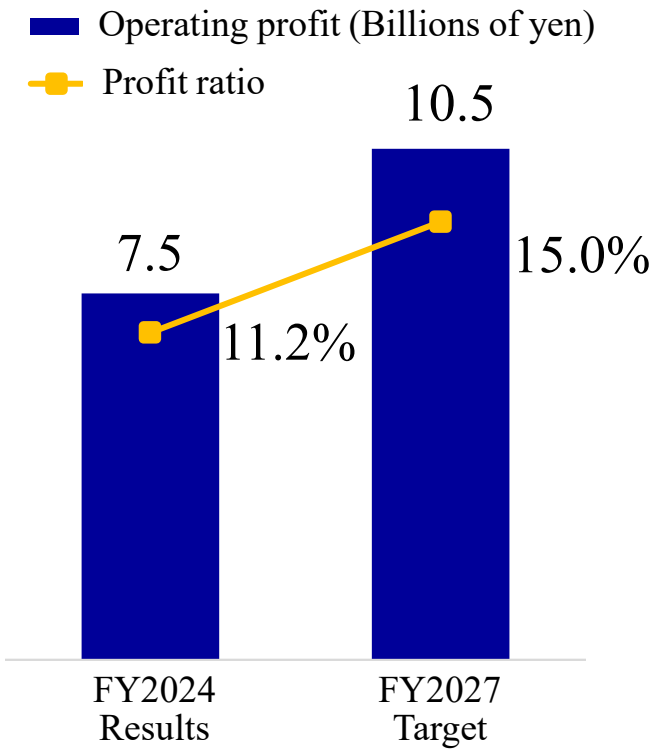
Source: Yano Research Institute Ltd. Research Material

<Market Challenges and Testing Demand>

	Satellites Low Earth Orbit (LEO) Satellites	Satellite-Mounted Equipment (Power Supply, Communications, Attitude Control)	Satellite-Mounted Components (Semiconductors, Solar Panels, Batteries)
Market Challenges	Ensure reliability capable of long-term use (approximately 15 years) under harsh space environments (temperature, vibration, pressure, shock), and to achieve lower satellite manufacturing costs		
Testing Demand	Durability (environmental resistance) evaluation Reliability evaluation	Durability (environmental resistance) evaluation Reliability evaluation Long-life testing	Screening (inspection) Reliability evaluation Electrical and material characteristic evaluation

Image of Achieving the FY2027 Operating Profit Target

- Offset the slowdown in investment for EVs and batteries by capturing demand in the fields of AI semiconductors, autonomous driving, and satellite communications
- Improve gross profit margin through enhanced product value and more efficient manufacturing, especially environmental test chambers, in the Equipment Business
- Expand operating profit in the Services Business, mainly through increased sales from laboratory testing services



FY2024: ¥7.5 billion
→ FY2027: ¥10.5 billion +¥3.0 billion

■ Increase Factors
(1) Increase of the gross profit by the increase of the net sales: approx. ¥1.0 billion
(2) Increase of the gross profit by the improvement of cost of sales ratio: approx. ¥3.0 billion

■ Decrease Factors
Increase of SG&A: approx. -¥1.0 billion

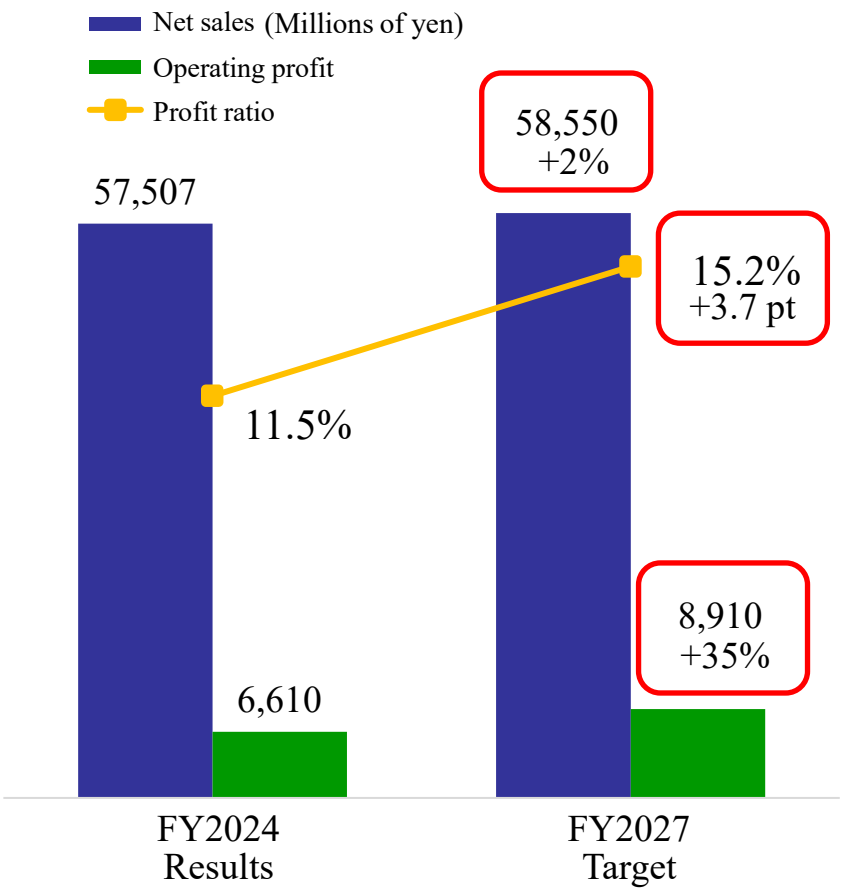
Medium-Term Management Targets by Business Segment

(Millions of yen)

	Business Segment	FY2024 Results	FY2027 Targets	Growth Rate
Net sales	Equipment Business	57,507	58,550	+1.8%
	Service Business	8,425	10,200	+21.1%
	Other Business	1,758	1,800	+2.4%
	Elimination	-403	-550	-
	Total	67,288	70,000	+4.0%
Operating profit Profit Ratio	Equipment Business	6,610 11.5%	8,910 15.2%	+34.8% +3.7 pt
	Service Business	793 9.4%	1,500 14.7%	+88.9% +5.3 pt
	Other Business	126 7.2%	90 5.0%	-29.0% -2.2 pt
	Elimination	-4	0	-
	Total	7,526 11.2%	10,500 15.0%	+39.5%

1-1. Equipment Business Strategy

Medium-Term Management Targets

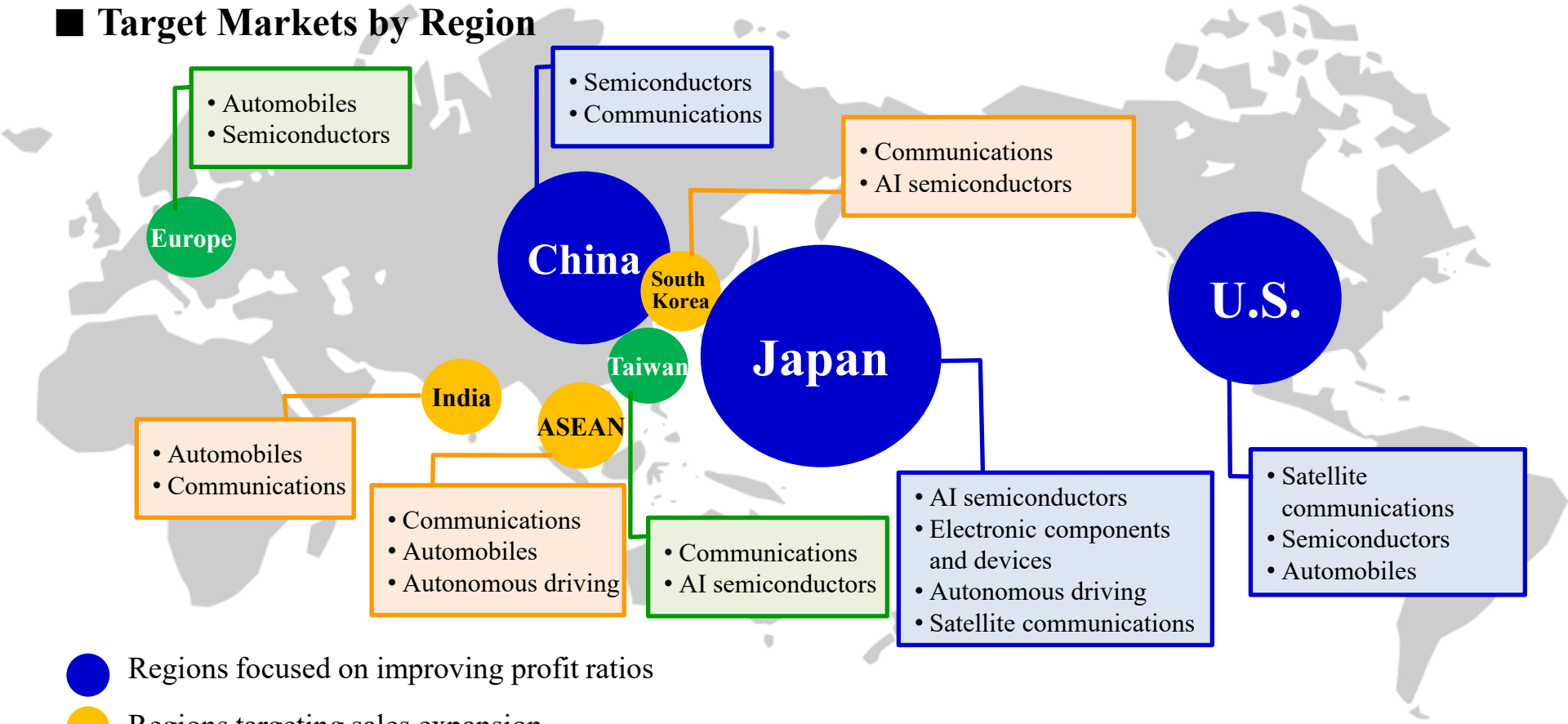


- In environmental test chambers, compensate for the slowdown in investment related to EVs and batteries by capturing testing demand in target markets through a wide-ranging product lineup, strong customization capabilities, and new product development, thereby maintaining high sales levels
- Expand R&D investment to capture new testing needs and focus on expanding the product lineup
- Aim for a 35% increase in operating profit and a profit ratio of 15% or higher by improving gross profit margin through enhancing product value and manufacturing efficiency

1-2. Global Strategy

Leverage the Group's overall strengths to establish competitive advantages in each region

■ Target Markets by Region



- Regions focused on improving profit ratios
- Regions targeting sales expansion
- Regions aiming to capture demand in advanced technology fields

1-3. Monozukuri (manufacturing) Strategy

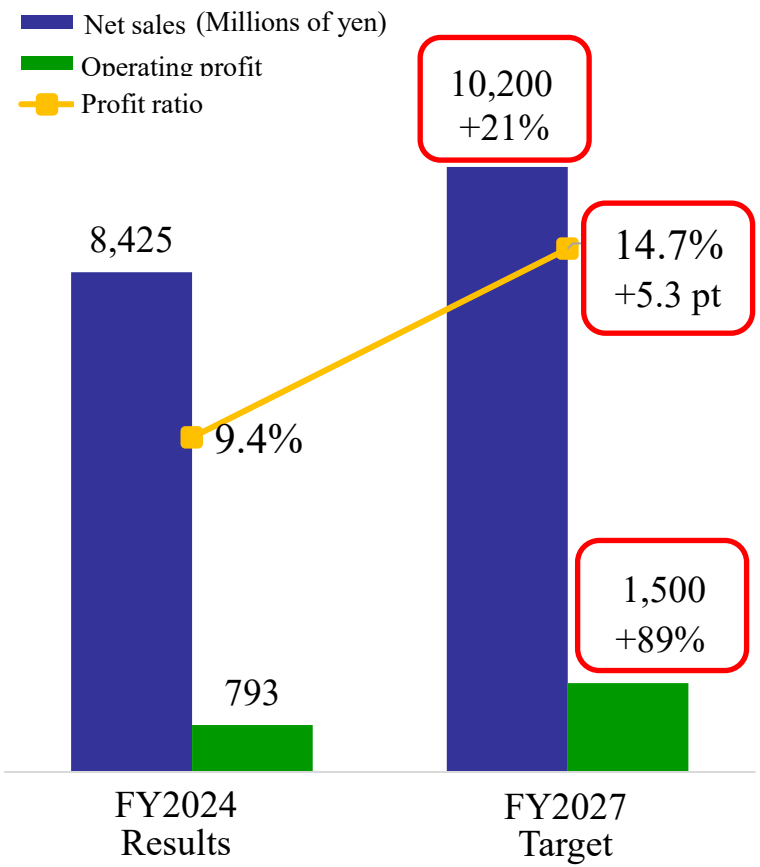
Proactively driving labor-saving and automation at the Fukuchiyama Plant (Kyoto Pref.) by leveraging AI and IoT to enhance manufacturing efficiency

- Optimization of the value chain by connecting all processes through digital technologies
- Shortening product lead times by expanding in-house production
- Renovation into a factory that maximizes human potential through DX

■ Value Chain Optimization Through Process Reform

1-4. Service Business Strategy

Medium-Term Management Targets



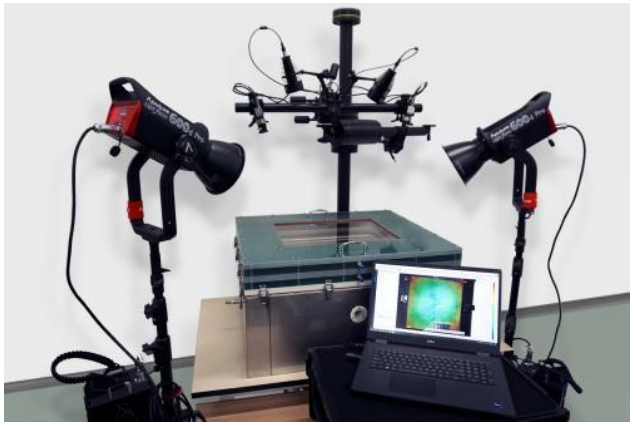
- In laboratory testing services, expand sales centering on the “Aichi Next-Generation Mobility Test Lab,” opened in February 2025
- In after-sales service, enhance services such as remote monitoring of equipment using IT and digital technologies to improve profitability
- In overall Service Business, aim to increase operating profit by growing sales by 21% and achieving a profit ratio of 14.7%

1-5. New Business Strategy

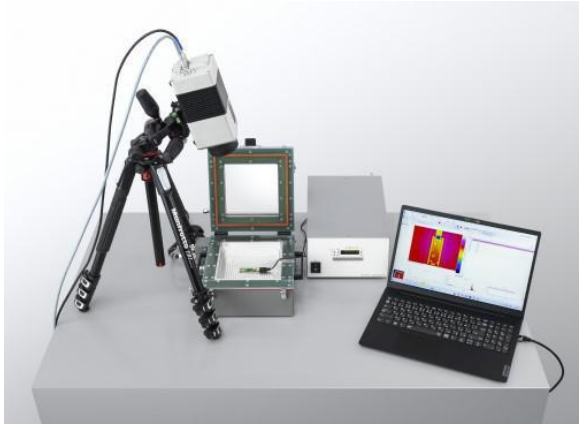
Creation of new businesses to serve as future revenue pillars

■ Expansion of thermal solution services (commissioned thermal measurement and CAE analysis services)

Contribute to shortening customers' development timelines
Support improved accuracy in thermal design and thermal analysis CAE* for semiconductor packages, mounted substrates, etc., in advanced technology fields such as AI semiconductors and autonomous driving



Thermal Dependent Warpage Measurement System



Thermal Image Analysis System

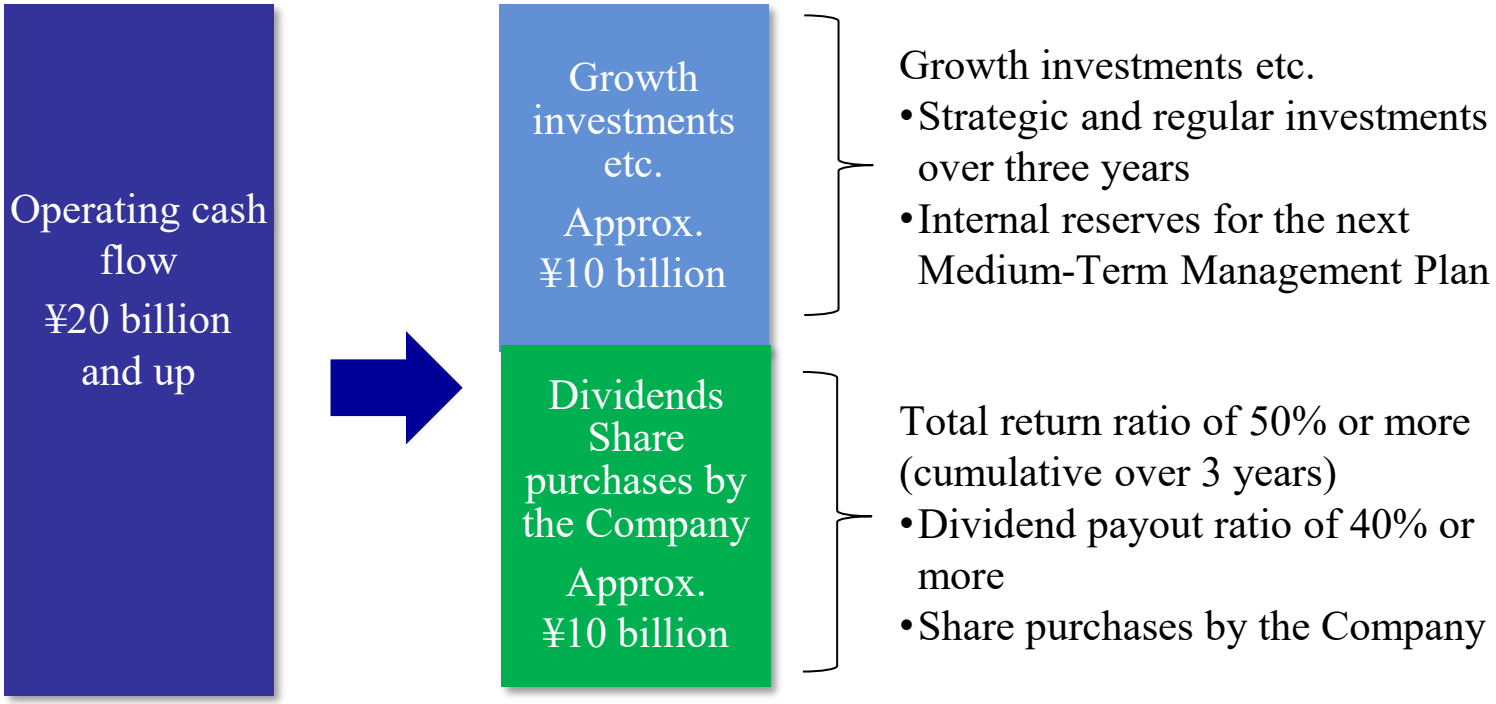
* CAE (Computer Aided Engineering) refers to technologies that support product design and development using computers

2-1. Financial Capital Strategy

Cash Allocation Policy

Proactively allocate cash generated over three years to growth investments and shareholder returns

■ Implement shareholder returns with a total return ratio of 50% (cumulative over 3 years) or more through dividends and share purchases by the Company



[Cash Allocation Image]

2-2. Investment Plans

	FY2022–2024 (3 years) Results	FY2025–2027 (3 years) Plans	Growth Rate Over 3 Years
Regular Investment	¥3.5 billion	¥2.5 billion	-29%
Strategic Investment	¥6.0 billion	¥7.0 billion	+17%
Total Growth Investment	¥9.5 billion	¥9.5 billion	-
R&D Expenses	¥3.6 billion	¥4.8 billion	+33%
Education Investment	¥360 million	¥430 million	+19%

2-3. Shareholder Return Policy

Disclosed on May 15, 2025

With the formulation of the Medium-Term Management Plan PROGRESSIVE PLUS 2027, the basic policy on dividends was revised and the name of the policy was changed to clarify the policy of strengthening shareholder returns, not only through dividends but also including acquisition of treasury shares.

Shareholder Return Policy

- The Company recognizes that the return of profits to shareholders is an important management priority, and that constantly raising enterprise value is the key element in ensuring improved shareholder returns. Accordingly, the Company's basic policy is to determine return of profits to shareholders in consideration of continuity and the consolidated dividend payout ratio.

- Specifically, we have decided on a consolidated dividend payout ratio of 40% or more and will be purchasing treasury shares in a flexible manner.

- During the period of the Medium-Term Management Plan PROGRESSIVE PLUS 2027 (FY2025–2027), we will ensure a total return ratio of 50% or more, cumulative over three years, and will not reduce dividends.

2-4. Management Conscious of Cost of Capital and Share Price

Disclosed on May 15, 2025

Under the Medium-Term Management Plan PROGRESSIVE PLUS 2027
ROE target is raised from 10% to 12% or higher, and initiatives are strengthened

Policies

- Aim to achieve (net sales of ¥70.0 billion, operating profit of ¥10.5 billion, an operating profit ratio of 15.0%, profit of ¥7.6 billion and ROE of 12.0% or more) under the Medium-Term Management Plan 2027
- Generate cash through improvement of the profit ratio and optimization of total assets
- Carry out growth investment and shareholder returns proactively based on the three-year cash allocation

Main Initiatives

(1) Increase profitability	Implement a growth strategy targeting the AI semiconductors, autonomous driving, and satellite communications fields, strengthen profitability
(2) Financial strategies Shareholder returns	Optimize inventories and reduce trade receivable, and return profits based on the Shareholder Return Policy
(3) Enhance IR activities	Enhance dialogue with shareholders and investors to raise stock market assessments and strengthen management

3. Non-financial Strategies (ESG)

	Main Initiatives	Medium-Term Management Plan Targets
Environment	• Promote global warming prevention and biodiversity conservation under the 8th Medium-term Plan on the Environment (FY2022–2025) • Formulate the 8th Medium-term Plan on the Environment Plus II (FY2026–2027)	• Greenhouse gas emissions (compared to FY2019) Scope 1+2: 55% reduction in FY2025, 60% reduction in FY2030 Scope 3: 10% reduction in FY2025, 30% reduction in FY2030
Society	Strengthening human capital • Talent acquisition and development • Promote open communication • Create employee job satisfaction and improve engagement • Diversity & inclusion	• Ratio of female managers: 20% or more • Engagement survey: B score • Promote employee health and assurance of safety • Introduction of stock compensation system
Governance	• Strengthen Group governance and risk management • Prevent harassment • Stable procurement and sustainability-oriented procurement	• Reconstruction of BCP and enhancement of information security • Penetration of the Group's corporate philosophy, code of conduct, and code of ethics • Formulate human rights policy

FY2025 Plan

Key Points of FY2025 Plan

- As the first year of the Medium-Term Management Plan PROGRESSIVE PLUS 2027, implement growth strategies
- Execute growth investment (enhancing manufacturing efficiency and new product development) and shareholder returns
- Orders received are expected to decline in investment related to EVs and batteries (mainly for production), but demand in AI semiconductors, autonomous driving, and satellite communications markets will be captured to maintain a high level
- Aim to update record-high business performance by reducing order backlog through shorter product lead times and improving profitability through cost improvements and cost reductions

FY2025 Recognition of the Operating Environment

Although the global economic outlook is uncertain, investment in advanced technology development will continue.

Equipment Business	Environmental Test Chambers	Japan: Investment related to EVs and batteries (mainly for production) is expected to decline, but investment in AI semiconductors and autonomous driving holds firm. China: Automotive-related investments are sluggish, but semiconductor-related investments have potential. ASEAN: Investment related to EVs and batteries is sluggish. North America: Satellite communications are strong, and investment related to AI semiconductors is expected. Europe: Weak performance due to the slowing European economy.
	Energy Device Equipment	Domestic charge-discharge testing chambers remain level year on year.
	Semiconductor Equipment	Investment related to memory is gradually recovering.
Service Business	After-Sales Service Laboratory Testing Services and Facility Rentals	After-sales service: Steady progress through expansion of maintenance contracts. Laboratory testing services: Brisk for EV battery safety testing.
Other Business	Environmental Conservation Plant Production Systems	Although the previous year's special demand related to the Expo has dissipated, plant factories remain steady.

Forecasts for FY2025

(Millions of yen)

	FY2024	FY2025 Forecasts			
	Full Year Results	1H	2H	Full Year	Year on Year
Orders Received	67,514	33,500	32,500	66,000	-2.2%
Net sales	67,288	31,000	37,000	68,000	+1.1%
Gross Profit	23,987	11,500	13,900	25,400	+5.9%
Profit Ratio	35.6%	37.1%	37.6%	37.4%	+1.8 pt
SG&A	16,460	8,150	8,750	16,900	+2.7%
SG&A Ratio	24.5%	26.3%	23.6%	24.9%	+0.4 pt
Operating profit	7,526	3,350	5,150	8,500	+12.9%
Profit Ratio	11.2%	10.8%	13.9%	12.5%	+1.3 pt
Ordinary Profit	7,793	3,450	5,200	8,650	+11.0%
Profit Ratio	11.6%	11.1%	14.1%	12.7%	+1.1 pt
Profit Attributable to Owners of Parent	6,003	2,500	3,690	6,190	+3.1%
Profit Ratio	8.9%	8.1%	10.0%	9.1%	+0.2 pt
Basic Earnings per Share (yen)	274.97	114.51	169.02	283.53	+3.1%
ROE	11.0%	-	-	11.0%	±0 pt

Segment Financial Forecasts

(Millions of yen)

		FY2024	FY2025 Forecasts			
		Full Year Results	1H	2H	Full Year	Year on Year
Equipment Business	Orders Received	57,283	28,430	27,070	55,500	-3.1%
	Net sales	57,507	26,420	31,180	57,600	+0.2%
	Operating profit	6,610	2,910	4,430	7,340	+11.0%
Service Business	Orders Received	8,532	4,520	4,680	9,200	+7.8%
	Net sales	8,425	4,210	4,990	9,200	+9.2%
	Operating profit	793	490	590	1,080	+36.0%
Other Business	Orders Received	2,170	800	1,000	1,800	-17.1%
	Net sales	1,758	600	1,100	1,700	-3.3%
	Operating profit	126	-50	130	80	-36.9%
Elimination	Orders Received	-472	-250	-250	-500	-
	Net sales	-403	-230	-270	-500	-
	Operating profit	-4	0	0	0	-
Total	Orders Received	67,514	33,500	32,500	66,000	-2.2%
	Net sales	67,288	31,000	37,000	68,000	+1.1%
	Operating profit	7,526	3,350	5,150	8,500	+12.9%

FY2025 Assumed Exchange Rate

■ Assumed Exchange Rate

	FY2023	FY2024		FY2025
	Full Year Results	1H Results	Full Year Results	Full Year Assumption
U.S. dollar (yen)	144.59	152.77	152.62	145
Euro (yen)	156.74	166.05	163.87	160
Yuan (yen)	20.13	21.16	21.11	20

FY2025 exchange rate sensitivity * Impact of ¥1 depreciation (Millions of yen)

	Net sales	Operating profit
U.S. dollar	+74	+11
Euro	+15	+10
Yuan	+518	+95

FY2025 Investment Plans

(Millions of yen)

	FY2024	FY2025 Forecasts			
	Full Year Results	1H	2H	Full Year	Year on Year
Capital Expenditures	3,690	920	1,670	2,590	-29.8%
Depreciation	1,716	960	1,030	1,990	+15.9%
R&D Expenses	1,343	1,010	820	1,830	+36.2%

Main investments

- Enhancement of production facilities at the Fukuchiyama Plant
- Increased production capacity at domestic subsidiaries (Office relocation)

Main R&D activities

- Expand product lineup in advanced technology fields (Model changes and additions for mainstay products)
- Expand environmentally friendly products such as low-GWP refrigerant

Shareholder Return Policy and FY2025 Dividend Forecast

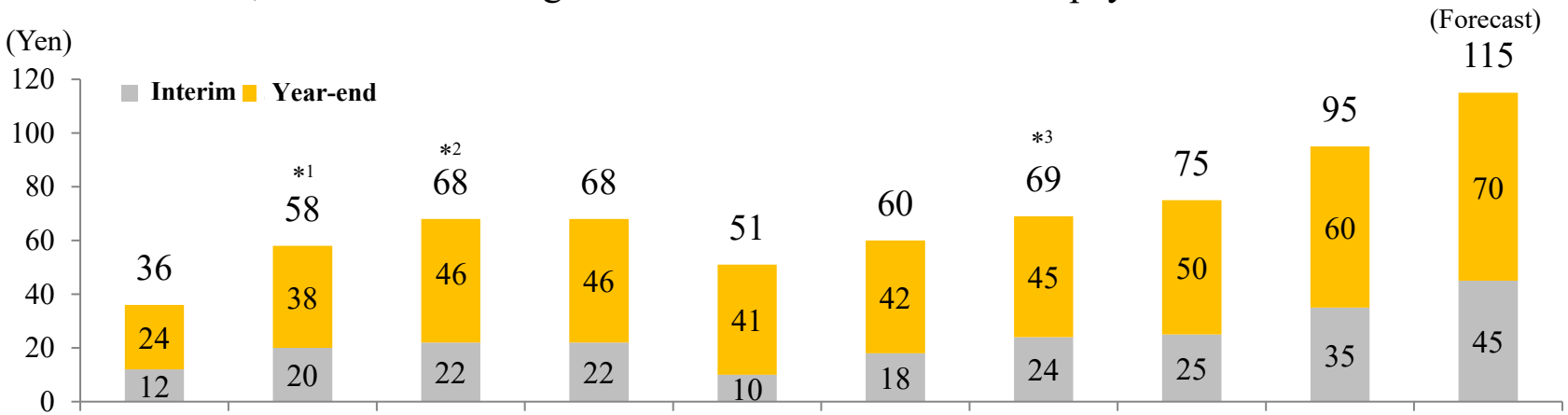
Shareholder Return Policy

Set the consolidated dividend payout ratio at 40% or more, and flexibly carry out acquisition of treasury shares.

During the period of the Medium-Term Management Plan PROGRESSIVE PLUS 2027 (FY2025–2027), the total return ratio cumulative over the three-year period will be 50% or more, and no dividend reductions will be made.

Dividend per Share and Dividend Payout Ratio/Total Return Ratio

For FY2025, we are forecasting an annual ¥115 and a dividend payout ratio of 40.6%.



	16	17	18	19	20	21	22	23	24	25	(FY)
Dividend payout ratio:	36.8%	40.1%	36.2%	55.2%	59.4%	70.7%	45.9%	33.0%	34.5%	40.6%	
Total return ratio:	36.8%	40.1%	36.2%	55.2%	59.4%	126.9%	78.9%	33.0%	34.5%	-	

(Underlined sections indicate share repurchases by the Company)

*1. Includes a dividend of ¥2 (interim dividend of ¥1 and year-end dividend of ¥1) to commemorate the 70th anniversary of our foundation in FY2017.

*2. FY2018 was an irregular 15-month fiscal period for overseas consolidated subsidiaries. The dividend payout ratio for a 12-month period is 39% (reference).

*3. Includes a dividend of ¥4 (interim dividend of ¥2 and year-end dividend of ¥2) to commemorate the 75th anniversary of our foundation in FY2022.

Main Initiatives in FY2025

Equipment Business

- Shortening product lead times by digesting order backlog and expanding in-house production
- Development and expanded sales of high value-added products that meet testing needs in target markets

Service Business

After-sales service: Expansion of sales of the “super support service plan” and maintenance contract services

Laboratory testing services: Expansion of sales at “Aichi Next-Generation Mobility Test Lab”

Area Strategy

Japan: Strengthen sales activities in the AI semiconductor and autonomous driving fields, acquisition of replacement demand

U.S.: Expand sales in the satellite communications and AI semiconductors fields

China: Expand sales in advanced technology fields such as semiconductors and communications

FY2025 Main ESG Initiatives

■ E (Environment)

- Promote the 8th Medium-Term Plan on the Environment (FY2022–2025)
- Global warming countermeasure:
  Reduce CO_2 emissions in business activities such as change to low-GWP refrigerant and manufacturing
- Biodiversity conservation activities:
  Contribute through environmental conservation projects, promote conservation activities through the management of “ESPEC’s 50-Year Forest”

■ S (Society)

- Development of human capital strategy, human resource development
- Promote internal communication, enhance employee health and safety, implement engagement surveys
- Develop female managers, promote and retain employment of persons with disabilities

■ G (Governance)

- Reconstruction of BCP
- Formulate human rights policy

Securities ID code:6859

Reference

Company Presentation and Business Overview

ESPEC CORP.
May 26, 2025

Company Profile

Industry-leading manufacturer of environmental test chambers

Name	ESPEC CORP.
Head Office	3-5-6, Tenjinbashi, Kita-ku, Osaka
Representative	Representative Director and President Satoshi Arata
Established	July 25, 1947
Incorporated	January 13, 1954
Paid-up Capital	¥6,895 million
Issued shares	23,781,394 Shares
Employees	1,860 (consolidated)
Main Business	Manufacture and Sales of Environmental Test Chambers, Energy Device Equipment, Semiconductor Equipment and Plant Factory. After-sales Service, Laboratory Testing Services and others.

Head Office

Share of Environmental Test Chambers

Over 30% worldwide, Over 60% domestic

* Market shares are ESPEC estimates

(As of March 31, 2025)

Global Network

Consolidated Subsidiaries
13 companies
(Global 9 companies,
Domestic 4 companies)

Global Network
50 locations
44 companies

Business Facilities in Japan: 16
Domestic Agencies in Japan: 46

EUROPE

●ESPEC EUROPE GmbH
-ESPEC IKLIM KABINLERİ SATIS VE MUHENDISLIK LIMITED SIRKETI

U.S.A.

●ESPEC NORTH AMERICA, INC *

ASIA

●SHANGHAI ESPEC ENVIRONMENTAL EQUIPMENT CORP. *
●ESPEC ENVIRONMENTAL EQUIPMENT (SHANGHAI) CO., LTD.
●ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD. *
●ESPEC TEST TECHNOLOGY (SHANGHAI) CO., LTD.
●ESPEC (CHINA) LIMITED
●ESPEC KOREA CORP. *
●ESPEC ENGINEERING (THAILAND) CO.,LTD
-ESPEC ENGINEERING VIETNAM CO., LTD.

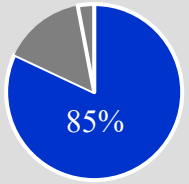
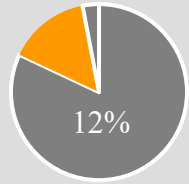
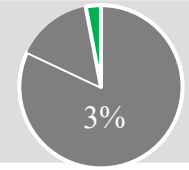
JAPAN

ESPEC CORP. *
●ESPEC ASSIST CORP.
●ESPEC MIC CORP.
●ESPEC THERMAL TECH SYSTEM CORP. *
●COSMOPIA HIGHTECH CORP. *

●: Consolidated Subsidiaries
- : Non-consolidated Subsidiaries

*Denotes company with production functions.

Summary of ESPEC Business (Per Market / Use)

		Main Products	Market	Use	Sales Composition (FY2024)
Equipment Business	Environmental Test Chambers	•Temperature & humidity chamber •Thermal shock chamber •Bench-top type temperature & humidity chamber •HAST chamber •Walk-in type temperature & humidity chamber •Combined temperature & humidity chamber •HALT & HASS test chamber •FPD equipment	•Electronic component and equipment market •Automobile market •Semiconductor market •Pharmaceuticals, Cosmetics, Foods market •LCD and Organic Electro-Luminescence market	•For R & D •For credibility and evaluation •For production and inspection	
	Energy Device Equipment	•LIB charge-discharge cycle evaluation equipment •LIB safety evaluation system •Fuel cells evaluation system	•Next generation automobile market •Secondary batteries market •Fuel cells market	•For R & D •For credibility and evaluation •For safety evaluation •For production	
	Semiconductor Equipment	•Burn-in system •Semiconductor evaluation system	•Semiconductor market •Automobile market	•For production and inspection •For development and evaluation	
Service Business	After-sales Service and Engineering	•After-sales service •Construction around equipment	•Electronic component and equipment market •Automobile market •Semiconductor market	—	
	Laboratory Testing Services and Facility Rentals	•Laboratory testing services •Resale • Equipment rental •Calibration		•For R & D •For credibility and evaluation	
Other Business	Environmental Conservation	Reforestation (Tree planting), Waterfront biotope restoration, Urban greening			
	Plant Production Systems	Plant factory, Equipment for growing plants			

History of Environmental Test

What is Environmental Test

Test to analyze and evaluate effects of environmental factors such as temperature, humidity, pressure, and vibration on various industrial products like electronic components in order to ensure product quality.

1950s
The environmental test was JIS-standardized in Japan for consumer products.


1970s–1990s
"Reliability" and "quality control" became important issues in product development. Demand increased dramatically due to a rapid shift toward computerization and the use of electronic components.



Present
Demand is expanding in the development fields of IoT and next-generation automobiles against the backdrop of digitalization and decarbonization.

1961 Japan's First Environmental Test Chamber

Low Temperature & Humidity Chamber
"Lucifer"

Worldwide Market Share No.1

Over 60% domestic

Over 30% worldwide

Consecutively selected as a winner of
Ministry of Economy, Trade and Industry (METI)
"Global Niche Top Companies Selection 100"
(FY 2013, FY 2020)

Temperature & Humidity Chamber
"Platinous J series"

* Market shares are ESPEC estimates

Transition in Business

Expanding business based on the “environmental creation technology” refined during the course of developing environmental test chambers

Growth of ESPEC

Home appliances

Integrated circuit

Large scale integration

LCD

PC

Surface mount package

Smartphones

IoT, Next-generation automobiles

Eco cars such as EVs, HVs, and PHVs

Storage of electricity generation of electricity

1947 Founded | 1961 | 1975 | 1985 | 1995 | 2005 | 2015 | Present

Business expansion

1961 Environmental test chambers developed

1982 Launching of the semiconductor equipment business

1986 Launching of the FPD Equipment business

1994 Launching of the measurement system business

2011 Launching of the energy device equipment business

2015 Launching of battery safety testing business

ESPEC's Strengths

Top Market Share

Share of Environmental Test Chambers:
Over 30% worldwide, Over 60% domestic (ESPEC estimates)

First in Japan to develop environmental test chambers, rapidly established a brand in Japan and overseas and have held the top market share for many years

Technological Capabilities Product and Service Capabilities

- Developed a variety of products with high quality and meeting customer requirements
- Production technology capabilities that enable high-mix, low-volume production
- Total solutions for environmental tests, including products, laboratory testing services and technical support, and after-sales service capabilities

Global Structure

Provide products globally that comply with the needs of respective countries through an extensive global network

- Consolidated subsidiaries: 13 (9 overseas, 4 domestic)
- Overseas production bases: North America 1 company,
  China 2 companies, South Korea 1 company
- Overseas network: 50 locations (countries or territories), 44 companies

Equipment Business: Usage Case with Environmental Test Chambers

Ensure reliability of new technologies and new products
by repeatedly testing each component, module and finished product

In-vehicle parts/electrical components
・ECU
・Inverter
・Converter
・Sensor
・Motor
etc.

Automotive Batteries
・Lithium-ion battery
・All solid-state battery
etc.

Electric Vehicle (EV) image

Representative Examples for Environmental Testing

Device	Process/Test Condition		Our Products
【Power Device】 	Inspection	■Thermal shock test: －40℃⇔＋125℃	Thermal shock chamber
		■High temperature exposure: ＋175℃、＋85℃	(Compact size) Oven
		■Burn-in test	Burn-in chamber
【In-vehicle Sensor】 	Inspection	■Temperature cycle test of printed circuit board: －40℃⇔＋110℃	Temperature & humidity chamber (Platinous) /Oven
		■ Temperature characteristic test after soldering: Linear change between -30℃ and +85℃	Burn-in chamber, Rapid-rate thermal cycle chamber
	Evaluation	■ Thermal shock test : －30℃⇔RT⇔＋80℃、－55℃⇔＋155℃	Thermal shock chamber
【CCD／CMOS】 	Production	■ Diffusion Test: +150℃	Compact size Oven
		■ Drying after cleaning: +85℃	Clean Oven
	Evaluation	■Screening: ＋85℃	Temperature chamber (Platinous)／Burn-in chamber
	Inspection	■Temperature and humidity test: ＋85℃／＋85%rh、＋60℃／90%rh	Temperature & humidity chamber (Platinous)
		■Acceleration test: ＋120℃／100%rh	HAST chamber
		■ Thermal shock test : －40℃⇔＋125℃、－20℃⇔＋85℃	Thermal shock chamber

Equipment Business: Main New Products

Release Date	Name of product	Features
Apr. 2025	Ultra-Low-Temperature Shock Freezer	•Preservation of perishable food freshness through rapid freezing to an ultra-low temperature of -70° C •Automatically completes the entire process of food freezing, storing, defrosting and reheating
Apr. 2025	Rapid-Rate Thermal Cycle Chamber High-Performance Model	•Capable of specimen temperature ramp control at a rate of 20K/min •Complies with semiconductor package reliability test standards and international standards for electronics and automotive markets, among others
Jan. 2025	Expansion of Commissioned Measurement Services (Thermal Dependent Warpage Measurement Service / Thermal Image Analysis Service)	•Thermal Dependent Warpage Measurement System: Supports reflow oven temperature environment (up to 260°C) and large substrate sizes •Thermal Image Analysis System: High-speed, high-precision thermal image analysis
Nov. 2024	Low Temperature (& Humidity) Chamber Featuring R-449A low GWP* refrigerant Platinous J Series ECO Type	•Offers up to a 70% reduction in power consumption compared to current models through proprietary refrigeration technology.
Oct. 2024	Rapid-Rate Thermal Cycle Chamber Premium Excellent Series (EC-28PXHH) Featuring R-473A, R449A Low GWP* Refrigerant	•Launched by COSMOPIA HIGHTECH CORP., a group company. •Capable of rapid temperature change testing in compliance with international testing standards.
Jan. 2024	Thermal Dependent Warpage Measurement System	•Visualize the warpage deformation of semiconductor packages and mounting substrates in a thermal environment. •Contributes to solving bonding defect issues in mounting substrates caused by increased power consumption or heat generation.

*GWP：Global Warming Potential. The smaller the value, the less environmental impact.

Equipment Business: New Product Introduction 1

For the automotive fields

■Walk-In Type Temperature (& Humidity) Chamber for High-Power Series

Feature:

- Compliant with IEC International Standards and German Automotive industry standard LV124
  (Can perform rapid temperature change testing at 3K/minute with the specimens inside.)
- Low GWP coolant (R-449A) as standard equipment

Walk-In Type Temperature (& Humidity) Chamber for High-Power Series

(Released in Feb. 2020)

■ Walk-In Type Temperature (& Humidity) Chamber for Drive-In Series

Features:

- Closely recreates various weather environments in a large space of approximately 500 ㎥ accommodating two vehicles to perform actual vehicle testing
- Multiple environmental factors can be recreated simultaneously, including temperature and humidity, sunlight, rain, snow, fog, and wind

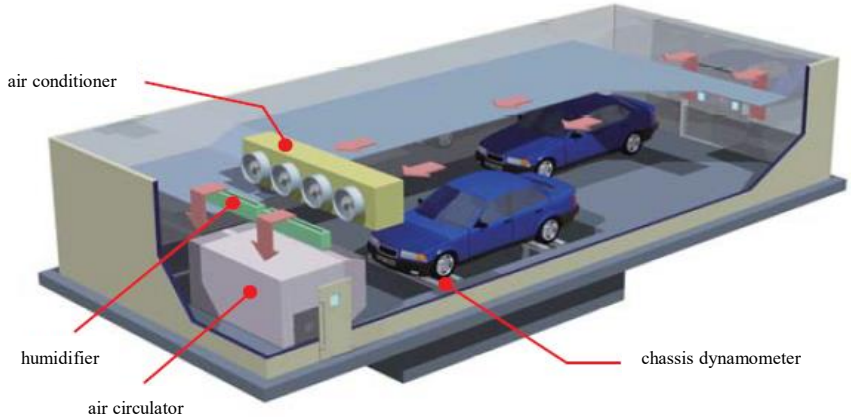


Image of vehicle test

Walk-In Type Temperature (& Humidity) Chamber for Drive-In Series

Equipment Business: New Product Introduction 2

For the semiconductor and electronic component fields

(Expansion in Jan. 2025)

■Commissioned Measurement Services

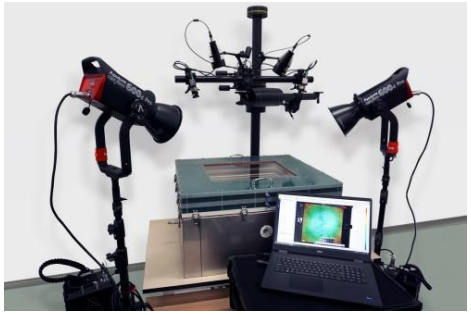
Contribute to improving the accuracy of thermal analysis CAE and heat dissipation design of semiconductor packages, mounting substrates, etc.

●Thermal Dependent Warpage Measurement Service

- Visualize the warpage deformation of semiconductor packages and mounting substrates
- Supports reflow oven temperature environment (-40℃ to +260 ℃)
- Supports large substrate sizes up to 300 mm

●Thermal Image Analysis Service

- Visualize the temperature distribution of specimens under constant temperature environment (-40 ℃ to +100 ℃)



Thermal Dependent Warpage Measurement Service

(Released in Mar. 2023)

■Burn-In Chamber Support for High Heat Generation Load

- Expanded the Burn-In Chamber which has permissible heat generation load by four times (compared to the Company's existing devices) under temperatures from -20 ℃ to 150 ℃.
- Enables precise temperature control even when semiconductors are in a state of high heat.
- Inspection volumes increased significantly, contributes to shorter inspection times.

Burn-In Chamber Support for High Heat Generation Load

Equipment Business: Examples of Products Delivered 1

(Delivered in Jul. 2018)

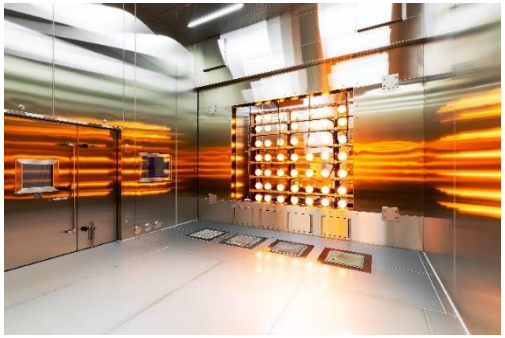
■Walk-in Type Temperature (& Humidity) Chamber, for building materials

Uses:

Reproduce the environment inside apartments (temperature and humidity) and outdoors (weather such as rain, snow, and sunlight), conduct performance evaluations and durability tests of building materials for sash, balcony, etc.

Walk-in Type Temperature (& Humidity) Chambers, for use for building materials

Temperature (& Humidity) Chambers are movable so that building materials for testing can be easily changed



Furnished with irradiation equipment and watering (rain) equipment, to reproduce an outdoor weather environment

Equipment Business: Examples of Products Delivered 2

(Delivered in Mar. 2016)

■Smart System Research Facility, Fukushima Renewable Energy Institute, AIST (Koriyama city, Fukushima)

Product delivered:

Large Walk-in Type Temperature & Humidity Chamber

Uses:

Performance and safety evaluation for large power conditioners for solar power generation
Supports heat generation loads of 100 kw and large weights (21 tons)

Large Walk-in Type Temperature & Humidity Chamber

■National Laboratory for advanced energy storage technologies (NLAB), National Institute of Technology and Evaluation (Nanko, Osaka City)

Product delivered:

1. Walk-in Type Temperature & Humidity Chamber for charge-discharge testing
2. External short-circuit testing equipment (energy devices equipment)

Uses:

1. Evaluate the performance of storage batteries by repeatedly charging and discharging them
2. Evaluate safety by confirming that storage batteries will not catch fire or rupture if they short circuit

Walk-in Type Temperature & Humidity Chamber for charge-discharge testing

Equipment Business: Usage Case with Energy Device Equipment

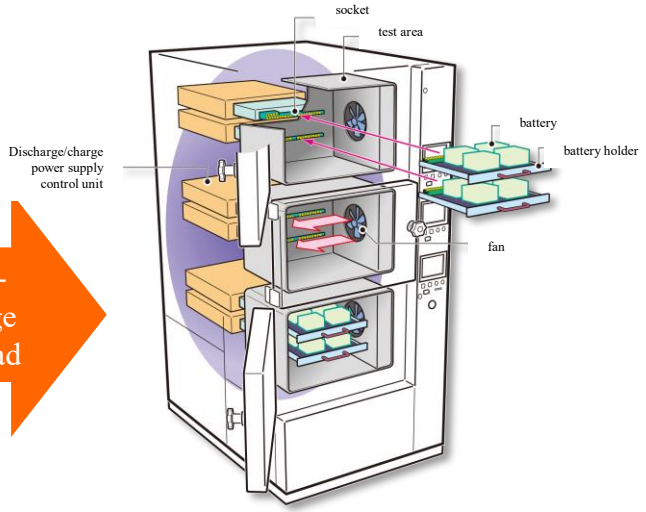
Charge-discharge Cycle Evaluation Equipment

Equipment for ensuring the reliability and safety of lithium-ion secondary batteries for next-generation vehicles (e.g., hybrid and electric vehicles)

Secondary Battery Charge-Discharge Evaluation System

Secondary Batteries

Charge-discharge cycle load



Checking the charge-discharge characteristics of secondary batteries

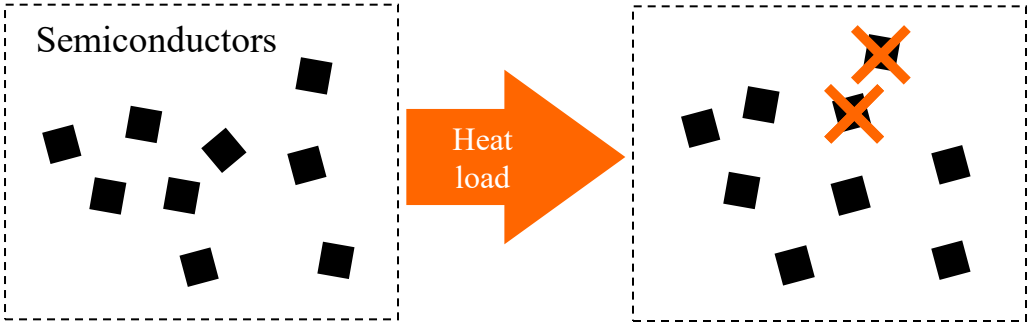
Evaluating the performance and life of secondary batteries

Equipment Business: Usage Case with Semiconductor Equipment

Screening

Eliminate defective products to maintain initial-period quality at the final inspection stage of semiconductor device manufacturing

Burn-In Chamber

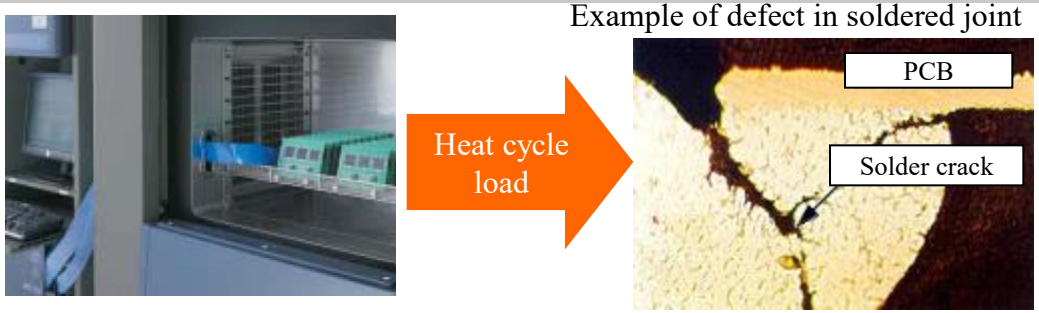


Elimination of latent early failures

Reliability Evaluation

Used to evaluate basic failure patterns to ensure reliability in the development of new technologies

Conductor Resistance Evaluation System



Electrical evaluation of reliability of joints in electronic parts

Service Business

After–Sales Service and Engineering

Preventive maintenance of products, maintenance service, and the upgrading/improvement and installation/relocation of products

■ Speedy response via one of the most extensive networks in Japan

■ Launching services by utilizing the network function mounted in the equipment

Laboratory Testing Services and Facility Rentals

Laboratory testing, analysis, and evaluation; consulting; equipment rental; sales of used products; calibration of test equipment, etc.

■ The company has Five laboratory testing centers in Japan, one in Thailand, two in China.
(Japan: Utsunomiya, Toyota, Kariya, Tokoname and Kobe, Thailand, China: Shanghai, Suzhou)

• The centers are also recognized as official calibration facilities under the Japan Calibration Service System (JCSS).

Tochigi xEV Battery Safety Test & Certification Center
(within the Utsunomiya Technocomplex)

■ xEV Battery Safety Test & Certification Center provides one-stop testing and certification service for automotive secondary battery safety compliant with United Nations regulations

• In October 2014, entered into business alliance with TÜV SÜD Japan Ltd., a third-party certification agency

• In September 2015, opened in Utsunomiya City, Tochigi Prefecture, and in February 2025, opened in Tokoname City, Aichi Prefecture

■Acquire ISO/IEC 17025* test facility certification in the three fields of automobiles, trains and airplanes.

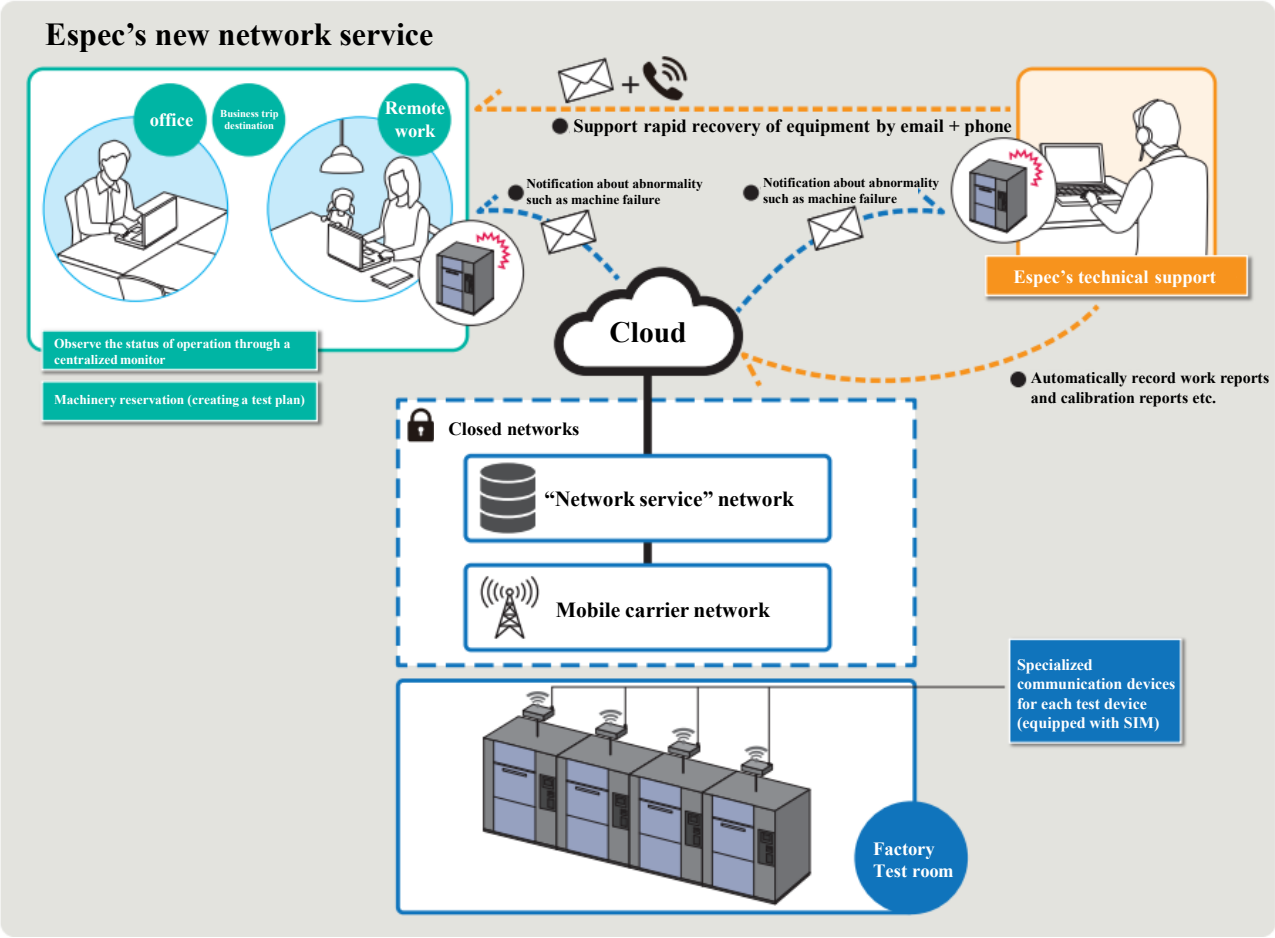
■**First in Japan** The Toyota Test Center addressing all test items set forth by the LV124 German Automotive Manufacturer Testing Standards.

* ISO/IEC 17025: An international standard in which an authoritative third-party organization certifies whether a test facility or calibration organization is capable of producing accurate measurements or calibration results.

Service Business: After–Sales Service

(Started in Apr. 2022)

"Network service" utilizing mobile communications and cloud computing.
Eases the burden on customers' tests and machinery management, and reduces equipment downtime.



Service Business: Laboratory Testing Services

First Compliant with United Nations Regulations in the World

Tochigi xEV Battery Safety Test & Certification Center

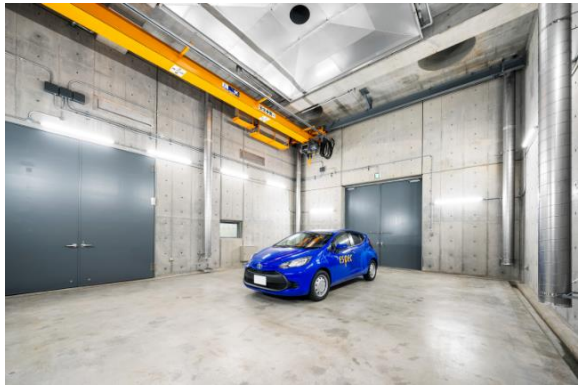
- In September 2015, opened in Utsunomiya Technocomplex.
- Provide a one-stop service to support the implementation of 9 safety tests and applications for certification by agencies, as stipulated by UN ECE R100-2. Part II, a United Nations regulation.

Aichi xEV Battery Safety Test & Certification Center, One of Japan's Largest Dedicated Automotive Rechargeable Battery Testing Centers

- Opened in February 2025 at the Tokoname site of Aichi Next Generation Mobility Test Lab.
- Supports larger and higher capacity automotive rechargeable batteries with cutting-edge testing facilities.

Crush Testing Equipment
(No. 1 Safety Test Room)

No. 2 Safety
Test Room



A safety testing room that
can accommodate one car

Service Business: Laboratory Testing Services

First Testing Facility in Japan Compatible with All German Automotive Manufacturer Testing Standards

- In September 2019, Toyota Test Center became compatible with all test items set forth by the LV124 German Automotive Manufacturer Testing Standards.
- In April 2025, functions were expanded to simulate the usage environment while EV and automation modules are in operation, and services were newly enhanced for conducting evaluation and measurement.

Toyota Test Center

First Commissioned Testing Service in Japan Powered 100% by Renewable Energies

- Since April 2021, commissioned testing services at five test centers across Japan (Utsunomiya, Toyota, Kariya, Kobe, Tochigi xEV Battery Safety Test & Certification Center and Aichi xEV Battery Safety Test & Certification Center) have been provided using renewable energies.
- Contributing to the reduction of CO2 emissions in customers' supply chains.

GREEN POWER

Test reports from tests conducted at ESPEC's testing centers receive the Green Power logo to clearly indicate zero CO2 emissions during testing.

Other Business

Environmental Preservation

■Reforestation (Tree planting)

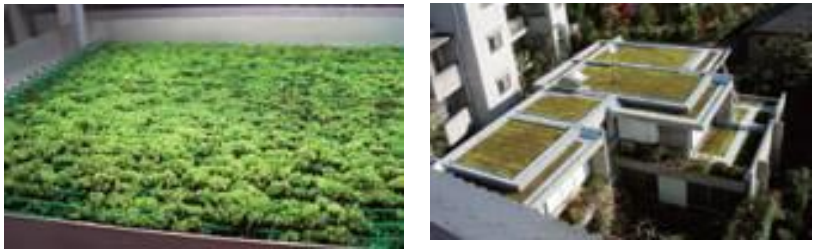
Recovery of local forest by selecting species and planting out seedlings using potential natural vegetation data.

■Waterfront biotope restoration

Reconstruction of natural environment, development of vegetative revetments, and water quality improvement using aquatic plants.

■Urban greening

Provision of roof and wall greening systems that use moss to effectively alleviate heat island effect.



Plant Production Systems

Provision of various cultivation environments employing advanced environmental control technologies to control light, temperature, humidity, carbon dioxide, etc.

Plant factory

Phyto-toron

Other Business: Plant Production Systems

Joint Development with NARO Cultivation Environment Emulator

- Obtained a patent jointly with the National Agriculture and Food Research Organization (NARO) and others in October 2022.
- Precisely reproduces seasonal carbon dioxide concentration, temperature, humidity, etc.
- Contributes to development of crop production technologies adapted to climate change.

Cultivation Environment Emulator

* ESPEC MIC Corp. jointly obtained the patent with the National Agriculture and Food Research Organization (NARO), Riken and the Agri Open Innovation Institute.

Produced a high value-added vegetables using deep sea water

- Production and sales of vegetables high in minerals with the use of deep sea water at a plant factory near Haneda Airport.

Interior of the plant factory and factory-produced vegetables “mineraleaf”

ESPEC MIC CORP. Started Joint Research at Kawasui Kawasaki Aquarium Using Aquaponics

In June 2023, ESPEC MIC CORP. started joint research with Kawasui Kawasaki Aquarium and the Laboratory of Tropical Crop Science, College of Bioresource Sciences, Nihon University on a demonstration experiment on a material circulation system using aquaponics.

*What is aquaponics?

A system that combines hydroponics and land-based cultivation. Bodily waste from fish is decomposed by microorganisms and used as a source of nutrients needed to grow plants. This enables vegetables to be grown either without using chemical fertilizers or reducing the amount of their use. Has attracted attention in recent years as a farming method considerate of the environment.

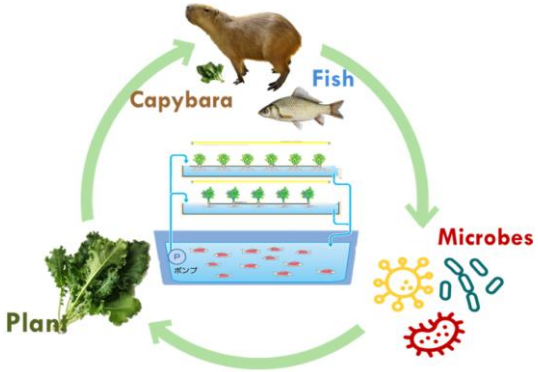


Diagram of a material circulation system using aquaponics

Uses capybara wastewater fermented with microorganisms to cultivate water spinach

Other Business: Examples of Products Delivered

■Arid Land Research Center, Tottori University

(Delivered in Mar. 2016)

Products delivered:

Experimental System for Analyzing Responses of Dryland plants to Climate Changes (2 units)
(Simulates the climates of arid lands, including high temperature, low humidity, strong sunlight, and high winds)

Uses:

Plant cultivation experiments and experiments to develop efficient water-usage technologies in arid lands, research to solve issues facing arid lands

Experimental System for Analyzing Responses of Dryland plants to Climate Changes

Experiment in progress
(Testing wheat for drought stress)

Introduction to ESPEC's All Weather Simulation Chamber (in the Kobe R&D Center)

(Mar. 2021)

Opened the world's first All Weather Simulation Chamber
Encouraging open innovation and strengthening environmental creation technology

Replicates dynamic climate environments with high-precision control and variation of seven environmental factors (temperature, humidity, snow, fog, rain, sunlight and wind)

■ All Weather Simulation Chamber

Test chamber: Width 6 m x Depth 9 m x Height 3 m
A black coating is applied to suppress the diffuse reflection of light.

■ Examples of tests in dynamic environments

(1)Tests to replicate the change from sleet to snow

Snow with different amounts of water content can be replicated, including snowfall at temperatures around 0℃, which is close to snowfall in a natural environment. By controlling the snow quality and temperature, the laboratory replicates the change from sleet to snow. The laboratory can confirm the performance of automated driving sensors for which snow accretion has become a problem.

(2)Experiment to replicate the change from rain to fog

The laboratory controls the thickness, temperature and humidity of fog and replicates the change from rain to fog. The laboratory can confirm the performance of automated driving sensors in response to the effects of fog.

Securities ID code:6859

Reference

Sustainability Initiatives

ESPEC CORP.
May 26, 2025

About ESPEC's Sustainability

Guided by our corporate philosophy,
"THE ESPEC MIND," ESPEC will help to solve social and environmental issues through businesses centered on environmental creation technology, with the aim of achieving sustainable growth.

Corporate Philosophy

Our important values that have been passed on since our inception

“THE ESPEC MIND” (Excerpt)

The Origin Aim for better value exchange as a public institution

Mission Provide more certain Seikankyo (living environment) via environmental creation technology

Style Progressive, Reliable, Open, Fair

Declaration What ESPEC promises society

“compliance, ” “ culture, ” “ human rights, ” “ the environment, ” “education/enlightenment. ”

Sustainability Policy and Materiality

Looking toward sustainable growth, we formulated a sustainability policy, and identified materiality (important issues) that must be addressed in order to produce social and economic value.

Sustainability Policy

- By putting our corporate philosophy (THE ESPEC MIND) into practice, we are working to create and improve both social value and economic value.
- By maintaining a good exchange of value with our stakeholders, we are aiming for continuing growth.
- Based on ESPEC Vision 2025, we will contribute to solutions for the global environment and social issues through our business activities, centering on Environmental Creation Technology.
- We will engage in active disclosure of information related to sustainability.

Materiality

- Solve social challenges through global business
- Provide products and services with responsibility
- Be environmentally friendly
- Securing and cultivating diverse human resources
- Enhancement of group governance

Corporate Value Creation Process

Invested capital

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Social relationship capital
- Natural capital

Corporate Value Creation of ESPEC

Corporate Philosophy
「THE ESPEC MIND]
"Progressive"

Vision
「ESPEC Vision 2025」

Materiality
Important Issues

Medium-term Management Plan
"Progressive Plan 2025"

E Environment
S Social
G Governance

Our Business Activities

Equipment Business
- Environmental Test Chambers
- Energy devices equipment
- The semiconductor equipment

Service Business
- The after-sales service and engineering
- Laboratory testing services and facility rentals

Other Business
- The environmental preservation
- Plant production systems

Mission and significance of existence

- Provide more certain Seikankyo (living environment) via environmental creation technology
- Aim for better value exchange

Value to offer

- Contributes to safety/peace of mind in cutting-edge technology
- Repay stakeholder trust
- Provide employees with "diverse growth support " and " opportunities to shine "
- Contribute to the global environment

ESPEC's Business

Equipment Business

Contribute to the development of advanced technologies
through the supply of products and services leveraging environmental creation technology

- Supply products and services that contribute to the development of advanced technologies to solve social and environmental issues

●Environmental Test Chamber

Supply environmental test chambers that artificially replicate environmental factors such as temperature and humidity, thereby ensuring the reliability of products

●Energy Device Equipment

Supply evaluation systems for secondary batteries and fuel cells installed in eco cars

●Semiconductor Equipment

Supply products such as burn-in chambers and systems for semiconductor inspection and measurement and evaluation systems

Temperature & Humidity Chamber
"Platinous J series"

Drive-In Chamber for Vehicle Testing

Burn-In chamber
for semiconductor inspection

Secondary Battery Charge-Discharge
Evaluation System

ESPEC's Business

Service Business

Contribute to the development of advanced technologies
through the supply of products and services leveraging environmental creation technology

- Supply products and services that contribute to the development of advanced technologies to solve social and environmental issues

●After-sales Service and Engineering

Conduct product maintenance and preventive maintenance so that customers can use systems with peace of mind.

●Laboratory Testing Services

Provide laboratory testing services based on technologies and testing expertise developed through environmental tests.


Technical support using IT


Capable of performing various safety tests for secondary batteries compliant with United Nations regulations and other standards
Battery Safety Testing Center

ESPEC's Business

Environmental Conservation Business

Contribute to biodiversity conservation

Environmental conservation business to restore the natural environment, including reforestation (tree planting) that contributes to biodiversity and CO2 fixation, waterfront biotope restoration to restore natural rivers, and grassland creation using native species.

A forest restored along the approach to Rinno-ji Temple in Sendai

Waterfront biotope restoration on the Sumida River Terrace in Tokyo

Plant Production Systems Business

Contribute to a stable food supply to address global warming and extreme weather

Provide plant factories and research devices that can efficiently produce vegetables by controlling temperature, light, and other factors, as well as systems such as aquaponics that circulate water and nutrients to grow vegetables and fish together.

Plant factory using deep sea water
Produce and sell vegetables high in minerals

Experimental System for Analyzing Responses of Dryland Plants to Climate Change
(Arid Land Research Center, Tottori University)

Products and Services that Contribute to Resolving Environmental and Energy Issues

■ Product lineup to evaluate the performance and durability of secondary batteries, fuel cells, solar batteries and power devices

Secondary Battery Charge-Discharge Evaluation System

Fuel Cells Evaluation System

Temperature Cycle Test System for Solar Battery Modules

Power Cycle Test System for Power Device

■ xEV Battery Safety Test & Certification Center compliant with United Nations regulations on the safety of automotive secondary batteries

- In October 2014, entered into business alliance with TÜV SÜD Japan Ltd., a third-party certification agency
- In September 2015, opened in Utsunomiya City, Tochigi Prefecture, and in February 2025, opened in Tokoname City, Aichi Prefecture

Tochigi xEV Battery Safety Test & Certification Center
（Utsunomiya City, Tochigi Prefecture）

■ Laboratory testing services using 100% renewable energies (domestic)

Environment Targets / Mid-term Plan on the Environment

Environment Targets for FY2030

Reduce greenhouse gas emissions

by 60% for SCOPE 1+2, 30% for SCOPE 3 (compared with FY2019 levels)

In July 2023, received Science Based Targets (SBT) certification from the international SBT Initiative*

*SBT Initiative
An international initiative that encourages firms to set scientifically-grounded targets for reducing greenhouse gas emissions so that the goals of the Paris Agreement may be achieved. Jointly managed by CDP, which is an NGO involved in environmental information disclosure, UNGC (United Nations Global Compact), WRI (World Resources Institute), and WWF (World Wide Fund for Nature).

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The 8th Mid-Term Plan on the Environment (FY2022-FY2025)

Basic Policy: “Contributing through business with customers involved with developing green technologies”
Strengthening efforts toward combating global warming and conserving biodiversity

■Environment Targets for FY2025

- Reduce greenhouse gas emissions by 55% for SCOPE 1+2 and 10% for SCOPE 3 (compared with FY2019 levels)
- Contribution of 95t (total) of carbon fixation through 50,000 trees planted by ESPEC MIC Corp.
- Biodiversity conservation activities through the “ESPEC’s 50-Year Forest” in Sanda City, Hyogo Prefecture

Biodiversity Preservation Initiatives (1)

Kobe R&D Center, a hub for biodiversity preservation activities
ESPEC Bambi-no-Sato Certified as a “Natural Symbiosis Site” by the Ministry of the Environment

The site has a forest of approximately 30,000 trees comprising native plant species, planted and grown by employees; rooftop green space using plant species native to the northern Rokko region on the roof of the technology development building; and a biotope made up of two ponds and a stream.
Certified as “Natural Symbiosis Site” an Other Effective area-based Conservation Measures (OECM) site by the Ministry of the Environment in October 2023.

全国みどりの工場大賞
National Award for Greenery Factory

Received 2024 Minister of Economy, Trade and Industry Award, at the National Award for Greenery Factory sponsored by METI.

ABINC
Association for Business Innovation in harmony with Nature and Community

Acquired the FY 2022 ABINC Certification of the Association for Business Innovation in harmony with Nature and Community (ABINC)* .

Biodiversity Preservation Initiatives (2)

Biodiversity conservation activities “ESPEC’s 50-Year Forest”

- In November 2022, started the forest creation for “ESPEC’s 50-Year Forest” using the “corporate forests” system under the Ministry of Agriculture, Forestry and Fisheries in Sanda City, Hyogo Prefecture
- Held a total of three tree-planting festivals by April 2024.
- Approximately 400 employees and others participated in planting a total of 12,000 trees over the past two years

The 3rd Tree-Planting Festival
Seeds were selected based on carbon fixation and biodiversity functions.

ESPEC Foundation for Earth Environment Research and Technologies

- Provides funding support every year for research, technology development on global environmental conservation
- Grants totaling ¥164.9 million have been provided to a total of 327 groups over the past 26 years since the Foundation was established in 1977

27th award ceremony

Initiatives to Maximize Human Resources

Improving the quality of corporate culture and organizational management

- Round-up Training Course, Direct Communication sessions, Compay-wide event, 1 on 1 meetings, address people with “ san” rather than their job titles
- Engagement surveys, personnel assessments, and 360˚ Surveys
- A performance evaluation system that fosters ambition and growth

Individual growth support

- Career training
- Support for language study
- Recurrent education
- Remote learning

Company

- Diverse growth support
- Providing opportunities to shine

Enhancing corporate value

Sharing the joy of growth
Employees and management joining together in vigorous activity

Employees

- Independent growth
- Work satisfaction

Management strategy-linked human resources development

- Training of next-generation management
- Global human resources
- DX personnel and digital personnel

Diversity and inclusion Ensuring employee health and safety

- Promoting the utilization of women and senior citizen employees
- Health promotion, mental healthcare
- Increasing the rate of disability hires
- Implementation of human rights and harassment education

Contributions to Society

ESPEC Smile Club: a donation system featuring employee participation

- Donated to an organization that conducts CSR activities related to children and medical care through the matching gift system in which the Company matches donations made by employees.
- In April 2025, We donated a total of 907,700 yen to Save the Children Japan's "Gaza Strip, Palestinian Authority - Emergency Assistance" and "2024 Noto Peninsula Earthquake Emergency Child Support".

Vegetables harvested at a plantation staffed by workers with disabilities were donated to children's cafeterias

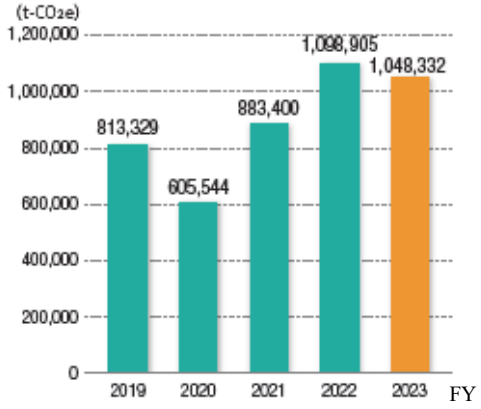
- Periodically donated vegetables harvested at ESPEC Smile Farm*, a plantation staffed by workers with disabilities, to local children's cafeterias

* Opened in November 2021 in a rental farm operated by a company that supports employment of people with disabilities. 4 individuals were hired to work at ESPEC Smile Farm, specifically 3 staff members with disabilities and 1 farm foreman.

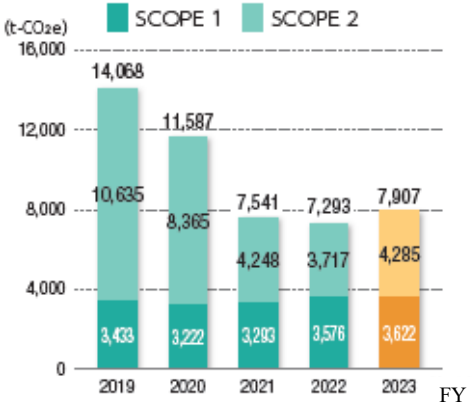
Employees picked vegetables as a team

Non-Financial Data (1)

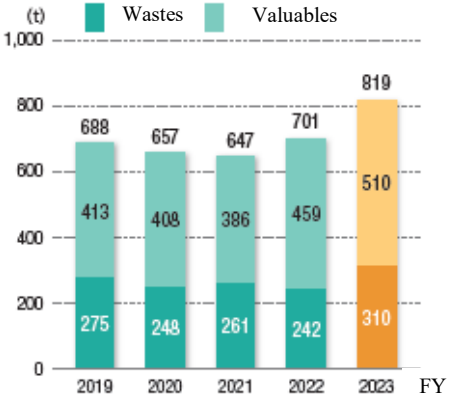
Greenhouse gas emissions
Total of SCOPE 1 + 2 + 3 (consolidated)



Greenhouse gas emissions
Total of SCOPE 1 + 2 (in-house emissions) (consolidated)

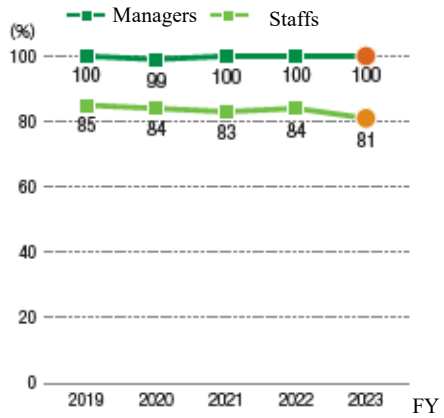


Total amount of Discharge (non-consolidated)

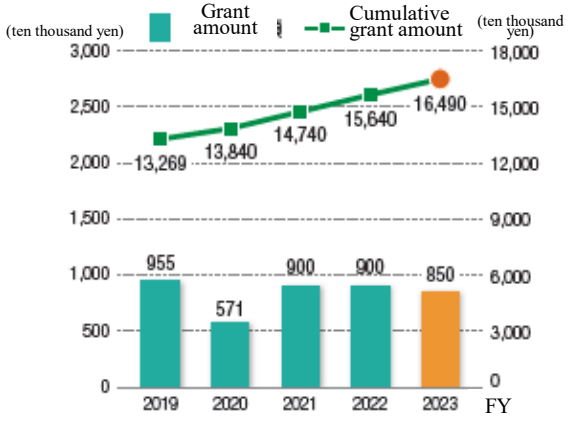


*Excludes the Cosmopia Hightech Corp., which was made a consolidated company in August 2023.

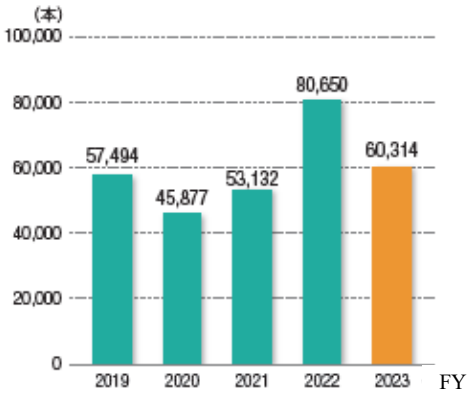
Certification acquisition rate for the Certification Test for Environmental Specialists (Eco Test) (non-consolidated)



Grants from the ESPEC Foundation for Earth Environment Research and Technologies



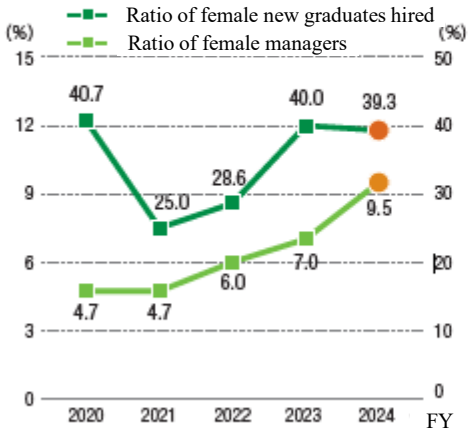
Number of trees planted through environmental preservation business



*Actual results for ESPEC MIC CORP.

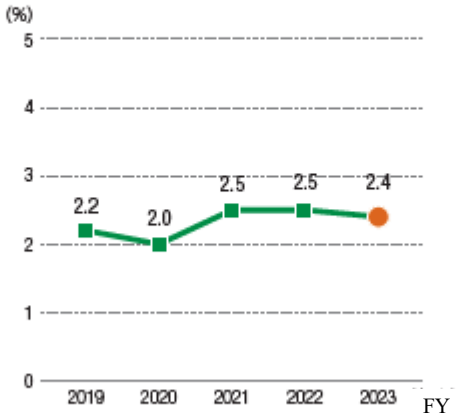
Non-Financial Data (2)

Ratio of female managers
Ratio of female new graduates hired
(non-consolidated)



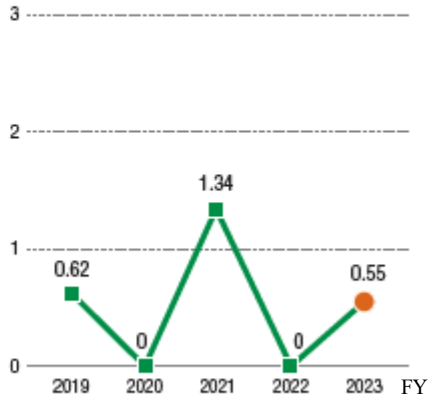
*As of beginning of each fiscal year

Percentage of employees with disabilities
(non-consolidated)



*As of the end of each fiscal year

Frequency rate* (non-consolidated)



*Number of accidents with sick leave
/total number of worked hours × million hours

Non-Financial Data (3)

		Unit	2020/3	2021/3	2022/3	2023/3	2024/3
Number of Employees*1	Consolidated total	Persons	1,512	1,526	1,628	1,691	1,775
Number of Employees*1	Non-consolidated total	Persons	786	780	770	778	790
	Male	Persons	673	658	643	636	633
	Female	Persons	113	122	127	142	157
Average years of service (Non-consolidated)		Years	17.4	19.2	19.1	17.2	17.0
Average age (Non-consolidated)		Years old	41.2	43.1	43.0	41.2	41.4
Turnover rate*2 (Non-consolidated)		%	2.4	2.3	1.6	1.4	3.3
Average overtime hours (Non-consolidated)		Hours	21.2	11.0	15.5	22.6	20.1
Average number of paid holidays taken (Non-consolidated)		%	73.4	65.8	69.1	75.1	74.3
Average wage difference between male and female (Non-consolidated)		%	-	-	-	70.3	72.5
Ratio of employees taking childcare leaves (Non-consolidated)	Male	%	7.0	12.5	30.8	13.3	52.9
	Female	%	None	100	100	100	100
Occupational accident (excluding cases without lost workdays) (Non-consolidated)		Cases	1	0	2	0	1
Percentage of health checkups (Non-consolidated)		%	100	100	100	100	100
Composition of Board of Directors*3 (Non-consolidated)	Ratio of independent outside*4	%	25	25	25	40	40
	Female ratio*4	%	0	0	0	20	20

*1 The number of employees is as of the end of each fiscal year.
*2 Retirees are excluded.
*3 The Company has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee in June 2022.
*4 The number of female directors (including executive officers) is as of the end of June of each fiscal year.

External Recognition

■ ESG-related recognition

- Included in the ESG index “FTSE Blossom Japan Sector Relative Index”
- Rated “B score” for the fifth consecutive year in the CDP Climate Change program, and “B- score” for Water Security

  Selected as “Supplier Engagement Leader” for two consecutive years, the top rank in the “CDP Supplier Engagement Ratings”
- Selected as an “Asia-Pacific Climate Leader” for the second year in a row by Financial Times (UK) and the German data provider Statista
- Rated 3.5 stars in the “Nikkei General Sustainability Survey’s SDGs Management category”
- Rated 3 stars in the “Nikkei General Sustainability Survey’s Smart Work Management category”

■ Evaluation of our IR website

- Selected for Commendation Award of the “Internet IR Award of Daiwa IR”
- Selected as a “GRADE AAA” company website in “Nikko Investor Relations’ All Japanese Listed Companies’ Website Ranking”
- Awarded a Bronze Prize in the “Gomez IR Website Ranking 2024” (Ranked 17th by industry type)
- Selected as a “Excellent” company in the “Gomez ESG Website Ranking”

These materials contain forward-looking statements, including the Company's present plans and forecasts of performance, that reflect the Company's plans and forecasts based on the information presently available.
These forward-looking statements are not guarantees of future performance, and plans, forecasts, and performance are subject to change depending on future conditions and various other factors.

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