

# Financial Highlights

## 1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE THIRD QUARTER ENDED JUNE 30, 2011

(2010.10.1-2011.6.30)  
(UNAUDITED)

### (1) CONSOLIDATED OPERATING RESULTS

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Jun-11	23,220 ( 7.6% )	3,095 ( Δ 9.2% )	3,091 ( Δ 9.5% )	1,242 ( Δ 30.9% )
Jun-10	21,572 ( 25.8% )	3,407 ( 24.3% )	3,416 ( 23.4% )	1,799 ( 73.3% )

  

	Net Income per Share (yen)	Net Income per Share, diluted (yen)
Jun-11	6,947.47	6,936.93
Jun-10	10,062.35	10,054.05

Note : Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year.

### (2) CONSOLIDATED FINANCIAL INFORMATION

( UNIT:JPY MILLION )

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Jun-11	20,579	15,077	63.9%	73,493.11
Sep-10	20,650	14,347	60.7%	70,149.39

Notes :1 Total shareholders' Equity, valuation and translation adjustments as of :  
Jun-11 13,142 Million yen Sep-10 12,544 Million yen

### (3) CONSOLIDATED CASH FLOW INFORMATION

( UNIT:JPY MILLION )

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Ending balance of cash and cash equivalents
Jun-11	Δ 152	Δ 1,020	186	6,817
Jun-10	1,713	Δ 1,000	Δ 682	6,841

### (4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 20 companies  
Affiliated companies by equity accounting method : 4 companies

## 2. OVERALL SITUATION OF DIVIDEND DISTRIBUTION

( UNIT:JPY )

		Cash Dividends per share		
		Interim Dividend	Year end Dividend	Annual
Sep-10	(Result)	3,200.00	1,900.00	5,100.00
Sep-11	(Result)	1,600.00	—	3,500.00
	(Projection)	—	1,900.00	

Note : As each share of common stock had been split into 2 shares as of 1st April 2010, interim dividend for 2010 shows before split.

## 3. INFORMATION OF CONSOLIDATED BUDGET 2011.09 (2010.10.1-2011.9.30)

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-11	32,919 ( 11.8% )	4,633 ( 4.9% )	4,650 ( 4.6% )	2,201 ( 0.5% )

Budgeted net income per share : Sep-11 12,308.68 yen

Notes :1 Above figures may differ from actual results as uncertain various factors may affect future earnings.  
2 Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year.

## 4. OTHER INFORMATION

### (1) Total number of shares issued and outstanding as of :

Jun-11 180,800 shares Sep-10 180,800 shares

### (2) Common stock for treasury as of :

Jun-11 1,974 shares Sep-10 1,974 shares

### (3) Average number of shares outstanding during the period as of :

Jun-11 178,826 shares Jun-10 178,807 shares

CONSOLIDATED BALANCE SHEETS  
June 30, 2011 and September 30, 2010

(UNAUDITED)

(IN THOUSANDS,JPY)

	June 30.2011	September 30.2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and time deposits	6,830,560	7,956,839
Notes and accounts receivable	6,271,621	5,954,040
Inventories and products	325,435	317,270
Works in progress	614,142	337,675
Others	1,144,938	1,495,954
Allowance for doubtful accounts	△ 4,020	△ 6,459
Total current assets	15,182,678	16,055,320
<b>FIXED ASSETS</b>		
Tangible Assets	1,249,465	714,020
Intangible Assets	849,613	840,439
Investments and other assets ;		
Investment securities	507,573	585,816
Deposits	1,261,949	1,179,445
Others	1,527,758	1,275,596
Total investments and other assets	3,297,280	3,040,858
Total fixed assets	5,396,360	4,595,318
<b>TOTAL ASSETS</b>	<b>20,579,038</b>	<b>20,650,639</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	213,796	238,683
Short-term debt	15,000	185,000
Current portion of long-term debt	100,000	—
Income taxes payable	248,914	1,353,483
Provision for bonuses	301,124	1,443,761
Provision for loss on order received	182,900	145,000
Others	2,539,430	2,253,900
Total current liabilities	3,601,165	5,619,828
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	900,000	—
Provision for employees' retirement benefits	405,178	364,582
Provision for directors' retirement benefits	249,937	279,874
Asset retirement obligations	246,809	—
Others	98,691	39,090
Total long-term liabilities	1,900,616	683,547
<b>TOTAL LIABILITIES</b>	<b>5,501,781</b>	<b>6,303,376</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,826,300
Retained earnings	9,892,183	9,277,109
Common stock for treasury	△ 317,258	△ 317,258
Total shareholders' equity	13,276,477	12,661,403
Valuation and translation adjustments		
Unrealized gain (or △loss) on available-for-sale securities	△ 33,992	△ 946
Foreign currency translation adjustments	△ 100,005	△ 115,922
Total valuation and translation adjustments	△ 133,998	△ 116,869
Share option in consolidated subsidiary	—	6,528
Minority interests	1,934,777	1,796,201
<b>TOTAL NET ASSETS</b>	<b>15,077,256</b>	<b>14,347,262</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>20,579,038</b>	<b>20,650,639</b>

CONSOLIDATED STATEMENTS OF INCOME  
For the Third quarter ended June 30 2011 and 2010  
(UNAUDITED)

(IN THOUSANDS,JPY)

	Third quarter ended June 30.2011	Third quarter ended June 30.2010
NET SALES	23,220,132	21,572,378
COST OF SALES	16,052,569	14,629,242
Gross profit	<u>7,167,563</u>	<u>6,943,135</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	4,072,401	3,535,229
Operating income	<u>3,095,162</u>	<u>3,407,906</u>
OTHER INCOME (EXPENSES)		
Interest income	5,361	14,303
Interest expenses	Δ 7,451	Δ 7,155
Foreign exchange gain or loss (Δloss)	Δ 31,645	Δ 51,012
Gain on cancellation of insurance	13,325	16,792
Refund of insurance surrender	13,611	25,320
Loss on sales and disposal of property and equipment	Δ 33,098	Δ 12,643
Gain or loss of equity in associated companies (Δ loss)	Δ 24,129	—
Loss on devaluation of investment in securities	—	Δ 46,120
Impairment loss on goodwill	—	Δ 10,000
Loss on adjustment for changes of accounting standard for asset retirement obligations	Δ 125,400	—
Others- net	Δ 17,930	83,373
Other income (expenses)-net	<u>Δ 207,357</u>	<u>12,858</u>
Income before income taxes and minority interests	<u>2,887,804</u>	<u>3,420,764</u>
INCOME TAXES		
Current	843,388	1,286,351
Deferred	597,892	268,033
Total	<u>1,441,281</u>	<u>1,554,385</u>
Income before minority interests	<u>1,446,523</u>	<u>1,866,379</u>
MINORITY INTERESTS	204,135	67,161
NET INCOME	<u><u>1,242,387</u></u>	<u><u>1,799,218</u></u>

CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Third quarter ended June 30 2011 and 2010  
(UNAUDITED)

(IN THOUSANDS,JPY)

	Third quarter ended June 30.2011	Third quarter ended June 30.2010
<b>OPERATING ACTIVITIES:</b>		
Income before income taxes and minority interests	2,887,804	3,420,764
<b>Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:</b>		
Depreciation and amortization	337,356	299,670
Impairment loss on goodwill	—	10,000
Increase (ΔDecrease) in provision for bonuses	Δ 1,130,476	Δ 510,299
Increase (ΔDecrease) in allowance for retirement benefits for employees	40,789	3,327
Increase (ΔDecrease) in allowance for retirement benefits for directors	Δ 15,745	2,684
Interest and dividends income	Δ 13,055	Δ 17,003
Interest expense	7,451	7,155
Loss on devaluation of investment in securities	—	46,120
Gain (or Δloss) on sales and disposal of property and equipment (-net)	33,098	12,643
<b>Changes in operating assets and liabilities:</b>		
Decrease (ΔIncrease) in accounts receivable-trade	Δ 443,302	240,751
Decrease (ΔIncrease) in inventories and products	Δ 312,220	Δ 241,360
Increase (ΔDecrease) in accounts payable -trade	Δ 18,846	6,785
Increase (ΔDecrease) in other current liabilities	247,471	290,614
Others , Net	136,966	Δ 146,987
Subtotal	<u>1,757,291</u>	<u>3,424,868</u>
Interest and dividends received	14,393	19,840
Interest paid	Δ 5,081	Δ 7,155
Income taxes paid	Δ 1,919,510	Δ 1,723,568
Net cash provided by (used in) operating activities	<u>Δ 152,907</u>	<u>1,713,983</u>
<b>INVESTING ACTIVITIES:</b>		
Payments for time deposits	Δ 25,144	Δ 204,058
Proceeds from maturity of time deposits	163,362	150,497
Disbursements for purchase of tangible fixed assets	Δ 561,904	Δ 158,251
Disbursements for purchase of intangible fixed assets	Δ 10,809	Δ 105,266
Payment for deposit for rent office and others	Δ 131,848	Δ 159,925
Payments for investments in capital	Δ 100,000	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	Δ 126,817	Δ 402,041
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	Δ 105,883	—
Payment for acquisition of business	—	Δ 71,000
Others , Net	Δ 121,252	Δ 50,732
Net cash provided by (used in) investing activities	<u>Δ 1,020,298</u>	<u>Δ 1,000,779</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from borrowing of short-term debt	2,060,000	220,000
Disbursements for repayment of short-term debt	Δ 2,230,000	Δ 157,500
Proceeds from borrowing of long-term debt	1,060,000	—
Disbursements for repayment of long-term debt	Δ 39,600	Δ 150,000
Proceeds from stock issuance to minority shareholders	21,000	—
Dividends paid	Δ 612,492	Δ 559,578
Dividends paid for minority shareholders	Δ 24,104	Δ 18,078
Others , Net	Δ 48,465	Δ 17,739
Net cash provided by (used in) financing activities	<u>186,338</u>	<u>Δ 682,896</u>
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	Δ 1,203	Δ 1,578
NET INCREASE IN CASH AND CASH EQUIVALENTS	Δ 988,071	28,729
BEGINNING OF BALANCE,CASH AND CASH EQUIVALENTS	7,805,981	6,607,331
INCREASE IN CASH AND CASH EQUIVALENTS BY MERGER OF CONSOLIDATED SUBSIDIARY	—	205,600
ENDING OF BALANCE,CASH AND CASH EQUIVALENTS	<u>6,817,909</u>	<u>6,841,661</u>

## STATEMENT OF ORDER ENTRY AND SALES BY ITEMS

For the Third quarter ended June 30 2011

(UNAUDITED)

### (1) RESULT OF ORDER ENTRY

DIVISION	2011.06 <2010.10.1-2011.6.30>	
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	ORDER BACKLOG (IN THOUSANDS, JPY)
<b>CRO</b>		
Monitoring	9,378,396	12,306,127
Data Management	4,901,239	13,367,760
CRO others	2,497,503	1,077,211
TOTAL OF CRO	16,777,139	26,751,100
<b>SMO</b>	4,469,028	5,701,779
<b>CSO</b>	4,450,683	4,125,449
<b>IT</b>	946,806	307,318
<b>TOTAL</b>	26,643,657	36,885,647

\* These figures are expressed by sales price.

\* These above figures do not include the consumption tax.

### (2) RESULT OF SALES

DIVISION	2011.06 <2010.10.1-2011.6.30>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	
<b>CRO</b>		
Monitoring	7,092,564	
Data Management	5,722,753	
CRO others	2,076,958	
TOTAL OF CRO	14,892,276	
<b>SMO</b>	3,561,767	
<b>CSO</b>	3,875,106	
<b>IT</b>	890,982	
<b>TOTAL</b>	23,220,132	

\* These above figures do not include the consumption tax.

## INDUSTRY SEGMENT INFORMATION

For the Third quarter ended June 30 2011 and 2010

(UNAUDITED)

**FY 2011 (2010.10.1-2011.6.30)**

(IN THOUSANDS, JPY)

	CRO	SMO	CSO	IT	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>							
Sales to customers	14,892,276	3,561,767	3,875,106	890,982	23,220,132	—	23,220,132
Intersegment sales	46,591	1,766	5,526	249,106	302,991	(302,991)	—
<b>Total</b>	14,938,867	3,563,534	3,880,633	1,140,089	23,523,124	(302,991)	23,220,132
Operating income	2,199,411	642,532	210,784	38,908	3,091,637	3,524	3,095,162

\* From FY 2011, segment definition has been changed to management approach method due to adopting new Accounting standards in Japan, which our segments become 4 categories of "CRO", "SMO", "CSO" and "IT" accordingly.

For your information, revised segment information for previous third quarter is as follow if new segment definition are applied.

**FY 2010 (2009.10.1-2010.6.30)**

(IN THOUSANDS, JPY)

	CRO	SMO	CSO	IT	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>							
Sales to customers	14,247,475	2,970,803	3,119,318	1,234,781	21,572,378	—	21,572,378
Intersegment sales	22,719	2,265	1,393	247,754	274,132	(274,132)	—
<b>Total</b>	14,270,195	2,973,068	3,120,711	1,482,536	21,846,511	(274,132)	21,572,378
Operating income	3,020,032	460,616	21,506	(110,843)	3,391,312	16,594	3,407,906