

# Financial Highlights

## 1. INFORMATION OF EPS Co,Ltd & CONSOLIDATED SUBSIDIARIES 2012.09

(2011.10.1-2012.9.30)  
(UNAUDITED)

### (1) CONSOLIDATED OPERATING RESULTS

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-12	35,202 ( 9.9% )	5,174 ( 7.7% )	5,091 ( 6.3% )	2,207 ( 1.7% )
Sep-11	32,040 ( 8.8% )	4,803 ( 8.8% )	4,790 ( 7.8% )	2,170 ( Δ 1.0% )

Note : Comprehensive income  
Sep-12 2,601 Million yen ( 12.7% ) Sep-11 2,309 Million yen ( 1.5% )

	Net Income per Share (yen)	Net Income per Share, diluted (yen)	Return on Shareholders' equity(%)	Ordinary income to total assets(%)	Operating income to net sales(%)
Sep-12	12,343.40	—	14.9	20.3	14.7
Sep-11	12,137.09	12,128.34	16.4	21.7	15.0

Notes: 1 Percentages for net sales, operating income, ordinary income, net income and comprehensive income indicate growth ratio to previous year.

2 Average number of shares issued and outstanding during the period :  
Sep-12 178,826 shares Sep-11 178,826 shares

### (2) CONSOLIDATED FINANCIAL INFORMATION

( UNIT:JPY MILLION )

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Sep-12	26,647	18,436	58.6	87,280.51
Sep-11	23,399	16,424	59.7	78,072.16

Note : Total shareholders' Equity and valuation and translation adjustments as of :  
Sep-12 15,608 Million yen Sep-11 13,961 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
Sep-12	4,038	Δ 945	Δ 1,101	10,663
Sep-11	1,514	Δ 1,342	700	8,627

### (4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 23 companies  
Associated companies by equity accounting method : 4 companies

## 2.OVERALL SITUATION OF DIVIDEND DISTRIBUTION

( UNIT:JPY )

		Cash Dividends per share			Total dividend amount (Million Yen)	Dividend ratio to net income (%)	Dividend ratio to shareholders' equity (%)
		Interim Dividend	Year end Dividend	Annual			
Sep-11	(Result)	1,600.00	1,900.00	3,500.00	625	28.8	4.7
Sep-12	(Result)	1,600.00	1,900.00	3,500.00	625	28.4	4.2
Sep-13	(Projection)	1,600.00	2,000.00	3,600.00	—	22.5	—

## 3. INFORMATION OF CONSOLIDATED BUDGET 2013.09 (2012.10.1-2013.9.30)

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-13	19,041 ( 9.8% )	2,189 ( Δ 20.4% )	2,189 ( Δ 16.8% )	1,118 ( Δ 5.4% )
Sep-13	40,717 ( 15.7% )	5,492 ( 6.1% )	5,506 ( 8.2% )	2,858 ( 29.5% )

Budgeted net income per share : Mar-13 6,256.34 yen  
Sep-13 15,984.11 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 shares issued and outstanding as of :

Sep-12 180,800 shares    Sep-11 180,800 shares

(2) Common stock for treasury as of :

Sep-12 1,974 shares    Sep-11 1,974 shares

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

Sep-12 178,826 shares    Sep-11 178,826 shares

#### 5. INFORMATION OF NON-CONSOLIDATED 2012.09

(1) OPERATING RESULTS

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-12	20,752 ( 13.4% )	3,660 ( Δ 0.3% )	3,751 ( Δ 1.4% )	2,244 ( 15.8% )
Sep-11	18,301 ( 2.0% )	3,672 ( Δ 6.4% )	3,803 ( Δ 6.5% )	1,938 ( Δ 13.9% )

	Net Income per Share (yen)	Net Income per Share, diluted (yen)
Sep-12	12,553.71	—
Sep-11	10,842.17	—

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

(2) FINANCIAL INFORMATION

( UNIT:JPY MILLION )

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Sep-12	19,474	14,061	72.2	78,633.48
Sep-11	17,190	12,437	72.4	69,552.90

Note : Total shareholders' Equity as of :

Sep-12 14,061 Million yen

Sep-11 12,437 Million yen

#### 6. INFORMATION OF NON-CONSOLIDATED BUDGET 2013.09 (2012.10.1-2013.9.30)

( UNIT:JPY MILLION )

	Net sales	Ordinary Income	Net Income
Mar-13	11,085 ( 10.0% )	1,707 ( Δ 16.3% )	1,067 ( Δ 11.8% )
Sep-13	23,170 ( 11.7% )	3,931 ( 4.8% )	2,431 ( 8.3% )

Budgeted net income per share : Mar-13 5,971.78 yen

Sep-13 13,594.60 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.

CONSOLIDATED BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011  
(UNAUDITED)

(IN THOUSANDS,JPY)

ASSETS

CURRENT ASSETS

	2012	2011
Cash and time deposits	10,576,625	8,639,979
Notes and accounts receivable	7,320,867	6,968,466
Inventories and products	415,319	379,976
Works in progress	506,388	467,760
Deferred tax assets	761,027	729,031
Others	967,161	696,263
Allowance for doubtful accounts	△ 4,050	△ 3,998
Total current assets	<u>20,543,338</u>	<u>17,877,479</u>

FIXED ASSETS

Tangible Assets ;

Building and leasehold improvements	2,053,367	883,572
Accumulated depreciation	△ 485,428	△ 464,040
Furniture and fixtures	630,907	553,020
Accumulated depreciation	△ 430,758	△ 355,687
Other tangible assets	282,141	958,601
Accumulated depreciation	△ 168,827	△ 142,935
Total property and equipment	<u>1,881,401</u>	<u>1,432,529</u>

Intangible Assets ;

Goodwill	479,484	553,851
Others	334,763	307,174
Total intangible assets	<u>814,248</u>	<u>861,025</u>

Investments and other assets ;

Investment securities	587,383	459,200
Deposits	1,287,155	1,266,543
Time deposits and banking arrangements other than cash equivalents	500,000	500,000
Deferred tax assets	340,055	344,210
Others	693,829	658,525
Total investments and other assets	<u>3,408,423</u>	<u>3,228,479</u>

Total fixed assets

<u>6,104,074</u>	<u>5,522,035</u>
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TOTAL ASSETS

<u>26,647,412</u>	<u>23,399,514</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	<b>252,027</b>	286,066
Short-term debt	<b>15,000</b>	15,000
Current portion of long-term debt	<b>100,000</b>	100,000
Income taxes payable	<b>1,455,156</b>	1,331,746
Provision for bonuses	<b>1,094,398</b>	965,596
Provision for loss on order received	<b>108,000</b>	112,700
Others	<b>3,292,666</b>	2,247,035
Total current liabilities	<b><u>6,317,248</u></b>	<u>5,058,144</u>

LONG-TERM LIABILITIES

Long-term debt	<b>800,000</b>	900,000
Provision for employee's retirement benefits	<b>515,997</b>	418,490
Provision for director's retirement benefits	<b>241,664</b>	267,753
Asset retirement obligations	<b>274,805</b>	245,232
Others	<b>61,355</b>	85,553
Total long-term liabilities	<b><u>1,893,822</u></b>	<u>1,917,030</u>

TOTAL LIABILITIES

**8,211,071**      6,975,174

NET ASSETS

Shareholders' equity		
Common stock	<b>1,875,251</b>	1,875,251
Additional paid-in capital	<b>1,826,300</b>	1,826,300
Retained earnings	<b>12,401,651</b>	10,820,222
Common stock for treasury	<b>Δ 317,258</b>	Δ 317,258
Total shareholders' equity	<b><u>15,785,945</u></b>	<u>14,204,516</u>
Accumulated other comprehensive income (or Δloss)		
Unrealized gain (or Δloss) on available-for-sale securities	<b>Δ 57,555</b>	Δ 62,593
Foreign currency translation adjustments	<b>Δ 120,366</b>	Δ 180,589
Total accumulated other comprehensive income (or Δloss)	<b><u>Δ 177,921</u></b>	<u>Δ 243,183</u>
Minority interests	<b>2,828,317</b>	2,463,006
TOTAL NET ASSETS	<b><u>18,436,341</u></b>	<u>16,424,339</u>
TOTAL LIABILITIES AND NET ASSETS	<b><u><u>26,647,412</u></u></b>	<u><u>23,399,514</u></u>

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011**  
**(UNAUDITED)**

(IN THOUSANDS,JPY)	2012	2011
NET SALES	35,202,880	32,040,340
COST OF SALES	<u>23,551,266</u>	<u>21,742,576</u>
Gross profit	11,651,613	10,297,763
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>6,476,958</u>	5,493,802
Operating income	<u>5,174,654</u>	<u>4,803,961</u>
OTHER INCOME (EXPENSES)		
Interest income	12,163	7,041
Interest expenses	△ 23,758	△ 13,099
Foreign exchange gain or loss (△ loss)	△ 105,558	△ 40,089
Gain on cancellation of life insurance	24,636	16,868
Service fee income	7,726	6,925
Gain on sale of investment securities	10,980	3,560
Gain or loss of equity in associated companies (△ loss)	△ 17,224	△ 25,979
Subsidy in consolidated subsidiaries	62,997	—
Dividends income	7,693	7,693
Loss on abandonment of system development	△ 61,413	—
Impairment Loss on investment securities	△ 31,054	△ 6,665
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	△ 125,400
Loss on change in subsidiaries' equity	△ 57,447	△ 51,098
Others- net	11,251	△ 51,874
Other income (expenses)-net	<u>△ 159,007</u>	<u>△ 272,117</u>
Income before income taxes and minority interests	5,015,647	4,531,843
INCOME TAXES		
Current	2,332,291	1,899,729
Deferred	154,195	202,875
Total	<u>2,486,486</u>	<u>2,102,604</u>
Income before minority interests	<u>2,529,161</u>	<u>2,429,238</u>
MINORITY INTERESTS	<u>321,840</u>	<u>258,812</u>
NET INCOME	<u>2,207,320</u>	<u>2,170,426</u>
Income before minority interests	<u>2,529,161</u>	<u>2,429,238</u>
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or △loss) on available-for-sale securities	5,038	△ 61,646
Foreign currency translation adjustments	66,234	△ 57,928
Share of other comprehensive income of associates in equity method	1,523	△ 392
Total	<u>72,796</u>	<u>△ 119,968</u>
COMPREHENSIVE INCOME	<u>2,601,957</u>	<u>2,309,270</u>
Comprehensive income attributable to parent shareholders	2,272,582	2,042,778
Comprehensive income attributable to minority interests	329,375	266,492

**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**  
 FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011  
 (UNAUDITED)

(IN THOUSANDS, JPY)	2012	2011
<b>Shareholders' equity</b>		
Common stock		
Balance at beginning of the year	1,875,251	1,875,251
Changes during the period		
Net changes during the period	—	—
Balance at ending of the year	<b>1,875,251</b>	1,875,251
Additional paid-in capital		
Balance at beginning of the year	1,826,300	1,826,300
Changes during the period		
Net changes during the period	—	—
Balance at ending of the year	<b>1,826,300</b>	1,826,300
Retained earnings		
Balance at beginning of the year	10,820,222	9,277,109
Changes during the period		
Cash dividends	△ 625,891	△ 625,891
Net income	2,207,320	2,170,426
Change of scope of consolidation	—	4,376
Change of scope of equity method	—	△ 5,799
Net changes during the period	<b>1,581,429</b>	1,543,112
Balance at ending of the year	<b>12,401,651</b>	10,820,222
Common stock for treasury		
Balance at beginning of the year	△ 317,258	△ 317,258
Changes during the period		
Net changes during the period	—	—
Balance at ending of the year	<b>△ 317,258</b>	△ 317,258
<b>Total of shareholders' equity</b>		
Balance at beginning of the year	14,204,516	12,661,403
Changes during the period		
Cash dividends	△ 625,891	△ 625,891
Net income	2,207,320	2,170,426
Change of scope of consolidation	—	4,376
Change of scope of equity method	—	△ 5,799
Net changes during the period	<b>1,581,429</b>	1,543,112
Balance at ending of the year	<b>15,785,945</b>	14,204,516
<b>Accumulated other comprehensive income (or △loss)</b>		
Unrealized gain (or △loss) on available-for-sale securities		
Balance at beginning of the year	△ 62,593	△ 946
Changes during the period		
Net increase (△decrease) during the period other than shareholders' equity	5,038	△ 61,646
Net changes during the period	<b>5,038</b>	△ 61,646
Balance at ending of the year	<b>△ 57,555</b>	△ 62,593
Foreign currency translation adjustments		
Balance at beginning of the year	△ 180,589	△ 115,922
Changes during the period		
Net increase (△decrease) during the period other than shareholders' equity	60,222	△ 64,667
Net changes during the period	<b>60,222</b>	△ 64,667
Balance at ending of the year	<b>△ 120,366</b>	△ 180,589

Total accumulated other comprehensive income (or $\Delta$ loss)		
Balance at beginning of the year	$\Delta$ 243,183	$\Delta$ 116,869
Changes during the period		
Net increase ( $\Delta$ decrease) during the period other than shareholders' equity	<b>65,261</b>	$\Delta$ 126,313
Net changes during the period	<b>65,261</b>	$\Delta$ 126,313
Balance at ending of the year	<b><u><u><math>\Delta</math> 177,921</u></u></b>	<b><u><u><math>\Delta</math> 243,183</u></u></b>
Share option in consolidated subsidiary		
Balance at beginning of the year	—	6,528
Changes during the period		
Net increase ( $\Delta$ decrease) during the period other than shareholders' equity	—	$\Delta$ 6,528
Net changes during the period	—	$\Delta$ 6,528
Balance at ending of the year	<u>—</u>	<u>—</u>
Minority interests		
Balance at beginning of the year	<b>2,463,006</b>	1,796,201
Changes during the period		
Net increase ( $\Delta$ decrease) during the period other than shareholders' equity	<b>365,311</b>	666,805
Net changes during the period	<b>365,311</b>	666,805
Balance at ending of the year	<b><u><u>2,828,317</u></u></b>	<b><u><u>2,463,006</u></u></b>
TOTAL NET ASSETS		
Balance at beginning of the year	<b>16,424,339</b>	14,347,262
Changes during the period		
Cash dividends	$\Delta$ 625,891	$\Delta$ 625,891
Net income	<b>2,207,320</b>	2,170,426
Change of scope of consolidation	—	4,376
Change of scope of equity method	—	$\Delta$ 5,799
Net increase ( $\Delta$ decrease) during the period other than shareholders' equity	<b>430,572</b>	533,963
Net changes during the period	<b><u><u>2,012,002</u></u></b>	<b><u><u>2,077,076</u></u></b>
Balance at ending of the year	<b><u><u>18,436,341</u></u></b>	<b><u><u>16,424,339</u></u></b>

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011  
(UNAUDITED)

(IN THOUSANDS,JPY)

	2012	2011
<b>OPERATING ACTIVITIES:</b>		
Income before income taxes and minority interests	5,015,647	4,531,843
<b>Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:</b>		
Depreciation and amortization	495,882	472,604
Increase(ΔDecrease) in provision for bonuses	125,189	Δ 464,814
Increase(ΔDecrease) in allowance for retirement benefits for employees	97,506	54,102
Increase(ΔDecrease) in allowance for retirement benefits for directors	Δ 26,088	2,069
Interest and dividends income	Δ 19,857	Δ 14,735
Interest expense	23,758	13,099
Gain (or loss) on sale of investments in securities (-net)	Δ 10,980	3,984
Loss on devaluation of investments in securities	31,054	6,665
Gain (or loss) on sales and disposal of property and equipment (-net)	—	39,154
<b>Changes in operating assets and liabilities:</b>		
Decrease (Δ increase) in accounts receivable-trade	Δ 279,673	Δ 1,148,782
Decrease (Δ increase) in inventories and products	Δ 87,266	Δ 231,550
Increase (Δ decrease) in accounts payable -trade	Δ 33,739	54,113
Increase (Δ decrease) in other current liabilities	932,461	Δ 34,202
Others , Net	Δ 4,610	146,809
Subtotal	<u>6,259,284</u>	<u>3,430,362</u>
Interest and dividends received	17,828	16,060
Interest paid	Δ 18,573	Δ 5,536
Income taxes paid	Δ 2,220,329	Δ 1,926,386
Net cash provided by (used in) operating activities	<u>4,038,209</u>	<u>1,514,500</u>
<b>INVESTING ACTIVITIES:</b>		
Payments for time deposits	Δ 525,879	Δ 24,942
Proceeds from maturity of time deposits	485,154	163,261
Disbursements for purchase of tangible fixed assets	Δ 556,793	Δ 794,330
Disbursements for purchase of intangible fixed assets	Δ 135,519	Δ 85,440
Purchase of investments in subsidiaries	Δ 2,985	Δ 182,459
Payment for deposit for rent office and others	Δ 111,975	Δ 142,308
Payment for insurance reserve fund	Δ 110,823	Δ 99,109
Purchase of investments in subsidiaries resulting in change in scope of consolidation	Δ 52,945	Δ 126,817
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	29,309	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	—	Δ 105,883
Others , Net	36,578	55,932
Net cash provided by (used in) investing activities	<u>Δ 945,878</u>	<u>Δ 1,342,097</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from borrowing short-term debt	1,378,000	2,105,000
Disbursements for repayment of short-term debt	Δ 1,713,221	Δ 2,275,000
Proceeds from borrowing long-term debt	—	1,060,000
Disbursements for repayment of long-term debt	Δ 100,000	Δ 39,600
Proceeds from capital increase by minority stockholders	26,900	552,810
Dividends paid	Δ 625,144	Δ 626,006
Dividends paid to minority stockholders	Δ 48,123	Δ 24,104
Others , Net	Δ 20,062	Δ 53,045
Net cash provided by (used in) financing activities	<u>Δ 1,101,650</u>	<u>700,054</u>
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	45,392	Δ 50,694
NET INCREASE (ΔDECREASE) IN CASH AND CASH EQUIVALENTS	2,036,072	821,763
BEGINNING OF BALANCE, CASH AND CASH EQUIVALENTS	8,627,744	7,805,981
ENDING OF BALANCE, CASH AND CASH EQUIVALENTS	<u>10,663,816</u>	<u>8,627,744</u>



**STATEMENT OF ORDER ENTRY AND SALES BY ITEMS**  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2012.09 <2011.10.1-2012.9.30>			
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN THOUSANDS, JPY)	year-to-year comparison (%)
<b>CRO</b>				
Monitoring	11,272,999	65.9	17,079,321	99.8
Data Management	8,213,898	109.4	13,136,800	96.4
CRO others	3,042,069	90.2	1,069,817	99.3
TOTAL OF CRO	22,528,967	80.5	31,285,938	98.3
<b>SMO</b>	7,116,339	116.1	7,741,189	122.9
<b>CSO</b>	5,412,106	88.7	3,799,430	89.8
<b>IT</b>	455,896	52.3	278,397	178.6
TOTAL	35,513,308	86.4	43,104,956	101.4

\* These figures are expressed by sales price.

\* These above figures do not include consumption tax.

\* Year to year comparison for IT division decreased substantially, as last fiscal year included order entry of subsidiaries, which were excluded from our consolidation.

(2) RESULT OF SALES

DIVISION	2012.09 <2011.10.1-2012.9.30>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	year-to-year comparison (%)
<b>CRO</b>		
Monitoring	11,312,716	113.2
Data Management	8,700,029	107.8
CRO others	3,049,535	103.2
TOTAL OF CRO	23,062,281	109.7
<b>SMO</b>	5,962,855	128.8
<b>CSO</b>	5,844,340	107.8
<b>IT</b>	333,402	34.5
TOTAL	35,202,880	109.9

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

\* Year to year comparison for IT division decreased substantially, as last fiscal year included sales of subsidiaries, which were excluded from our consolidation.

**INDUSTRY SEGMENT**

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

(UNAUDITED)

2012 (2011.10.1-2012.9.30)

(In Thousands,JPY)

	CRO	SMO	CSO	IT	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>							
Sales to customers	23,062,281	5,962,855	5,844,340	333,402	35,202,880	—	35,202,880
Intersegment sales	246,792	2,645	48,601	346,842	644,880	(644,880)	—
Sales total	23,309,074	5,965,500	5,892,942	680,244	35,847,761	(644,880)	35,202,880
Operating income	3,765,197	785,350	599,721	3,366	5,153,635	21,018	5,174,654
Total Assets	18,855,922	4,926,930	2,647,509	370,220	26,800,582	(153,169)	26,647,412

2011 (2010.10.1-2011.9.30)

(In Thousands,JPY)

	CRO	SMO	CSO	IT	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>							
Sales to customers	21,022,690	4,627,026	5,423,134	967,489	32,040,340	—	32,040,340
Intersegment sales	130,723	2,433	14,351	326,714	474,222	(474,222)	—
Sales total	21,153,413	4,629,459	5,437,486	1,294,203	32,514,563	(474,222)	32,040,340
Operating income	3,735,236	639,683	404,172	17,668	4,796,761	7,199	4,803,961
Total Assets	16,720,353	4,183,334	2,325,976	346,076	23,575,741	(176,226)	23,399,514