

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE FIRST QUARTER ENDED DECEMBER 31, 2012

(2012.10.1-2012.12.31)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Dec-12	8,554 (4.3%)	893 (Δ 17.2%)	855 (Δ 18.7%)	314 (Δ 43.1%)
Dec-11	8,200 (15.8%)	1,079 (29.3%)	1,051 (22.6%)	553 (155.8%)

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Dec-12	1,759.97	—
Dec-11	3,095.56	—

Note : 1 Comprehensive income

Dec-12 791 Million yen (18.0%) Dec-11 671 Million yen (127.5%)

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

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)
Dec-12	25,963	18,301	61.7%
Sep-12	26,647	18,436	58.6%

Note : Total shareholders' Equity, valuation and translation adjustments as of :

Dec-12 16,027 Million yen Sep-12 15,608 Million yen

(3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 21 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-12	(Result)	1,600.00	1,900.00	3,500.00
Sep-13	(Projection)	1,600.00	2,000.00	3,600.00

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 number of shares issued and outstanding as of :

Dec-12 180,800 shares Sep-12 180,800 shares

(2) Common stock for treasury as of :

Dec-12 1,974 shares Sep-12 1,974 shares

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

Dec-12 178,826 shares Dec-11 178,826 shares

(4) Our board of directors has resolved that each share of common stock will be split into 2 shares as of 1st April 2013, in order for the purpose of creating effective environment for investors in stock exchange market. For reference purpose only, if such share split becomes effective as at 1st October 2012 retroactively, projected dividend distribution and projected net income per share for the period ending September 2013 may become as follows

Projected dividend distribution

(UNIT:JPY)

		Projected cash dividends per share		
		Interim Dividend	Year end Dividend	Annual
Sep-13	(Projection)	800.00	1,000.00	1,800.00

Projected net income per share

		Mar-13	Sep-13
Sep-13	(Projection)	3,128.17	7,992.06

CONSOLIDATED BALANCE SHEETS
December 31, 2012 and September 30, 2012

(UNAUDITED)

(IN THOUSANDS, JPY)

	December 31.2012	September 30.2012
ASSETS		
CURRENT ASSETS		
Cash and time deposits	9,858,219	10,576,625
Notes and accounts receivable	6,924,019	7,320,867
Inventories and products	415,838	415,319
Works in progress	865,463	506,388
Others	1,426,403	1,728,188
Allowance for doubtful accounts	△ 4,486	△ 4,050
Total current assets	19,485,458	20,543,338
FIXED ASSETS		
Tangible Assets	2,130,451	1,881,401
Intangible Assets	908,100	814,248
Investments and other assets ;		
Investment securities	605,113	587,383
Deposits	1,311,964	1,287,155
Others	1,522,839	1,533,884
Total investments and other assets	3,439,917	3,408,423
Total fixed assets	6,478,469	6,104,074
TOTAL ASSETS	25,963,927	26,647,412
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	232,119	252,027
Short-term debt	1,430,000	15,000
Current portion of long-term debt	100,000	100,000
Income taxes payable	79,938	1,455,156
Provision for bonuses	333,257	1,094,398
Provision for loss on order received	24,000	108,000
Others	3,579,647	3,292,666
Total current liabilities	5,778,962	6,317,248
LONG-TERM LIABILITIES		
Long-term debt	750,000	800,000
Provision for employees' retirement benefits	550,247	515,997
Provision for directors' retirement benefits	250,646	241,664
Asset retirement obligations	301,543	274,805
Others	30,683	61,355
Total long-term liabilities	1,883,122	1,893,822
TOTAL LIABILITIES	7,662,085	8,211,071
NET ASSETS		
Shareholders' equity		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,826,300
Retained earnings	12,376,610	12,401,651
Common stock for treasury	△ 317,258	△ 317,258
Total shareholders' equity	15,760,904	15,785,945
Accumulated other comprehensive income (or △loss)		
Unrealized gain (or △loss) on available-for-sale securities	50,194	△ 57,555
Foreign currency translation adjustments	216,138	△ 120,366
Total accumulated other comprehensive income (or △loss)	266,333	△ 177,921
Minority interests	2,274,605	2,828,317
TOTAL NET ASSETS	18,301,842	18,436,341
TOTAL LIABILITIES AND NET ASSETS	25,963,927	26,647,412

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the First quarter ended December 31 2012 and 2011

(UNAUDITED)

(IN THOUSANDS,JPY)

	First quarter ended December 31.2012	First quarter ended December 31.2011
NET SALES	8,554,354	8,200,797
COST OF SALES	5,977,335	5,441,935
Gross profit	2,577,018	2,758,862
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,683,707	1,679,349
Operating income	893,311	1,079,512
OTHER INCOME (ΔEXPENSES)		
Interest income	4,837	1,781
Interest expenses	Δ 5,498	Δ 6,773
Foreign exchange gain or loss (Δloss)	Δ 42,262	Δ 23,611
Gain on sale of investment securities	24,464	6,171
Gain or loss of equity in associated companies (Δ loss)	Δ 17,228	Δ 5,810
Impairment Loss on investment securities	Δ 166,440	—
Others- net	21,975	68,302
Other income (Δexpenses)-net	Δ 180,153	40,059
Income before income taxes and minority interests	713,158	1,119,572
INCOME TAXES		
Current	48,358	154,925
Deferred	342,613	340,204
Total	390,972	495,129
Income before minority interests	322,185	624,442
MINORITY INTERESTS	7,457	70,875
NET INCOME	314,727	553,567
Income before minority interests	322,185	624,442
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or Δloss) on available-for-sale securities	107,749	4,470
Foreign currency translation adjustments	349,521	39,751
Share of other comprehensive income of associates in equity method	12,466	2,434
Total	469,737	46,656
COMPREHENSIVE INCOME	791,923	671,098
Comprehensive income attributable to :		
Parent shareholders	758,983	608,423
Minority interests	32,939	62,675

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
For the First quarter ended December 31 2012

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2012.12 <2012.10.1-2012.12.31>			
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO(Domestic)				
Monitoring	4,683,972	131.5%	16,852,227	108.2%
Data Management	1,908,979	104.0%	12,999,408	96.3%
CRO others	772,179	64.4%	1,335,369	84.8%
TOTAL OF CRO	7,365,131	111.6%	31,187,005	101.7%
SMO(Domestic)	953,308	33.8%	7,088,388	89.2%
CSO(Domestic)	1,103,875	39.3%	3,517,108	64.5%
Global Research	222,332	73.8%	2,320,327	78.7%
China Business	27,383	889.8%	105,495	89.5%
TOTAL	9,672,031	77.2%	44,218,325	93.8%

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2012.12 <2012.10.1-2012.12.31>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO(Domestic)		
Monitoring	2,799,508	112.7%
Data Management	1,921,565	105.6%
CRO others	633,443	88.2%
TOTAL OF CRO	5,354,517	106.6%
SMO(Domestic)	1,489,161	109.3%
CSO(Domestic)	1,386,197	87.4%
Global Research	298,710	138.1%
China Business	25,767	195.8%
TOTAL	8,554,354	104.3%

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION

For the First quarter ended December 31 2012 and 2011

(UNAUDITED)

FY 2013 (2012.10.1-2012.12.31)

(IN THOUSANDS, JPY)

	CRO (Domestic)	SMO (Domestic)	CSO (Domestic)	Global Research	China Business	Total	Eliminations/ Corporate	Consolidation
SALES								
Sales to customers	5,354,517	1,489,161	1,386,197	298,710	25,767	8,554,354	—	8,554,354
Intersegment sales	71,516	1,600	16,302	15,857	44,915	150,192	(150,192)	—
Total	5,426,033	1,490,761	1,402,499	314,568	70,683	8,704,546	(150,192)	8,554,354
Operating income	970,659	20,064	63,461	(35,631)	(126,758)	891,794	1,517	893,311

* Operating income of 1,517 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.

* From FY2013, segment definition has been changed to 5 categories of "CRO(Domestic)", "SMO(Domestic)", "CSO(Domestic)",

"Global Research" and "China business", as newly setting up "Global Research" and "China business" segments which were belonged to "CRO" business in previous year. Reclassified segment information of the same period in previous year is as follows:

FY 2012 (2011.10.1-2011.12.31)

(IN THOUSANDS, JPY)

	CRO (Domestic)	SMO (Domestic)	CSO (Domestic)	Global Research	China Business	Total	Eliminations/ Corporate	Consolidation
SALES								
Sales to customers	5,023,279	1,362,466	1,585,622	216,270	13,158	8,200,797	—	8,200,797
Intersegment sales	37,866	—	5,265	15,207	32,584	90,924	(90,924)	—
Total	5,061,145	1,362,466	1,590,887	231,478	45,743	8,291,721	(90,924)	8,200,797
Operating income	897,197	100,098	231,693	5,985	(157,715)	1,077,259	2,253	1,079,512

* Operating income of 2,253 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.