

2012  
**Business Report**

October 1, 2011 to September 30, 2012





**Yan Hao**, Chairman and Representative Director  
of EPS Corporation

Yan Hao was born in 1962 in Jiangsu Province, China. In 1979, he entered Tianjin University. In 1981, he attended the University of Yamanashi as a government-sponsored exchange student from China. He graduated from the Department of Computer Science and Engineering at the University of Yamanashi. After completing a master's program at the University of Yamanashi graduate school, he went on to specialize in medical statistics in a doctoral program at the University of Tokyo graduate school, pursuing research and the handling of clinical studies. In 1991, while studying at the University of Tokyo graduate school, he established a contract research organization, the present EPS Corporation, and became President and Representative Director. In October 2012, he became Chairman and Representative Director. In 2001, the company was listed on the JASDAQ market and in September 2006, it was listed on the First Section of the Tokyo Stock Exchange.

I would like to extend our sincere wishes for the continued health and success of all our shareholders and investors.

Japan continued to experience economic uncertainty during the period under review, owing to worsening relations with neighboring countries, yen appreciation, fiscal and monetary issues in Europe and employment insecurity. Under these circumstances, the EPS Group pursued the restructuring of its businesses, including CRO and IT, and succeeded in expanding services, streamlining operations and strengthening its financial base.

As a result of these efforts, consolidated business performance improved steadily during the period, as sales and ordinary income recorded steady growth, and we achieved our best performance to date.

With the spirit of “keiou kairai” (carrying forward the achievements of our predecessors and opening the way to the future), we restructured our operations into five businesses—three domestic (CRO, SMO and CSO) and two overseas (Global Research and China Business)—to clarify accountability for each business. We will strive to achieve even further growth under these new structures.

By pushing forward with our business operations, we will continue contributing to the development of the healthcare industry through the creation of valuable solutions, and we ask for your continued support and encouragement in these endeavors.

December 2012

## Providing a Full Range of Services in Pharmaceutical Product Development

		Established	Representative	Full-time employees
 <p><b>Contract Research Organization</b></p> <ul style="list-style-type: none"> <li>• Support for research and development by pharmaceutical companies (including generic drug manufacturers) and medical device manufacturers</li> <li>• Conduct of post-marketing surveillance</li> <li>• Support for safety information management</li> <li>• Pharmaceutical and medical IT service</li> </ul>	 <b>EPS Corporation</b> .....	1991	Yan Hao	1,534
	 <b>EPMate Co., Ltd.</b> .....	2005	Yasuo Kiba	108
	 <b>EMS Co., Ltd.</b> .....	2010	Hiroaki Abe	52
	 <b>LSG Corporation</b> .....	2002	Takeshi Tadano	99
	 <b>e-Trial Co., Ltd.</b> .....	2006	Satoru Kono	35
 <p><b>Site Management Organization</b></p> <ul style="list-style-type: none"> <li>• Site operations support for clinical studies on drugs and medical devices and clinical research conducted by medical institutions</li> <li>• Recruiting medical institutions to participate in clinical studies and support for review of institutions</li> </ul>	 <b>EP-Mint Co., Ltd.</b> .....	1999	Hidetaka Ando	686
 <p><b>Contract Sales Organization</b></p> <ul style="list-style-type: none"> <li>• Support for business operations of pharmaceutical companies</li> <li>• Call center business</li> </ul>	 <b>Pharma Network Co., Ltd.</b> .....	1997	Ezura Kataoka	363
	 <b>Medical Line Co., Ltd.</b> .....	2006	Junichi Nishizuka	250
 <p><b>Global Research</b></p> <ul style="list-style-type: none"> <li>• Support for global clinical trials</li> </ul>	 <b>EPS INTERNATIONAL Co., Ltd.</b> .....	2011	Yan Hao	—
	 <b>EPS Global Research, Inc.</b> .....	2012	Dan Weng	—
 <ul style="list-style-type: none"> <li>• Innovative drug development</li> <li>• Research and development of generic drugs</li> <li>• Pharmaceutical and medical BPO services</li> <li>• Selling of medical devices</li> </ul>	 <b>EPS China Co., Ltd.</b> .....	2008	Xia Xiang Ming	159
	 <b>EPI (Suzhou) Co., Ltd.</b> .....	2011	Hao Yunshan	—

## We are undergoing management restructuring and moving toward greater growth in the global market.

On October 1, 2012, the EPS Group was restructured into domestic and overseas businesses in an aim to promote appropriate business strategies while responding quickly to changes in the management environment both in Japan, where we have an established business base, and in other countries, where we are aiming for growth.

In Japan, our operations revolve around three businesses: CRO, SMO and CSO.

Our previous IT business, which mainly provided services related to clinical trials, was integrated into the CRO business to improve operational efficiency. The CRO and SMO businesses continue to drive the Group's earnings. To achieve further growth in these areas, we are making up-front investments and revising our business models.

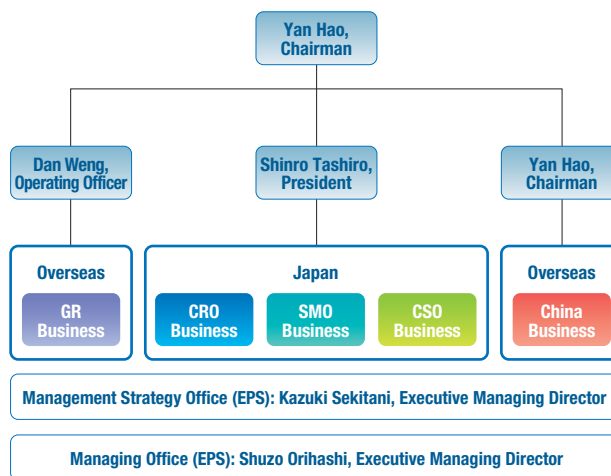
Our global operations revolve around the GR business, handled by Global Research Company (GRC), and the Chinese business, which is undertaken by the newly established China Business Company (CBC). GRC aims to meet the growing need for global clinical trials, while CBC provides a variety of services in the healthcare field.

We have renewed our management setup with this business restructuring. Yan Hao, Chairman, prepares business strategies and plans for the Group and confirms their progress status while supervising support for GR

business and Chinese business. President Tashiro supervises three businesses in Japan, and Dan Weng, an operating officer, supervises the GR business abroad. Executive managing directors, Sekitani and Orihashi, strengthen the horizontal and vertical cooperation by managing the group in a cross-sectional manner.

We will continue to enlarge our business operations and play a role as the leader of the industry.

### New Management Setup of the EPS Group





Japan

### Support for clinical studies by pharmaceutical companies

Our company has established a system to handle all CRO services, from pre-clinical studies to post-marketing surveillance, and supports the development of pharmaceutical products.

EPMate Co., Ltd., offers dispatch-style CRO services, and LSG provides services related to pre-clinical studies. Both companies support clinical trials by pharmaceutical companies in Japan in the business categories in which they operate. e-Trial Co., Ltd., the former IT Business that was integrated into the CRO Business in Japan following business restructuring, aids in the computerization and streamlining clinical studies through data collection and management systems.

We are building up a full-service system from planning to approval application of pharmaceutical products to enable more comprehensive outsourcing in the development of pharmaceutical products. The company also aims to establish a leading position in the industry as a CRO that provides full support for the development of pharmaceutical products, medical devices, bio-ventures and the handling of investigator-initiated clinical trials.



Japan

### Support for clinical studies by medical institutions

EP-Mint, which develops support services for clinical studies by medical institutions, has grown into Japan's third-largest SMO. The company aims to become the SMO industry leader by strengthening its branch office management system and promoting the expansion of its operations while improving sales and cost management.



Japan

### Development of medical representative (MR) dispatch services and call center services

Pharma Network aims to make further advances with a focus on providing MR services, MR dispatch services, and MR education and training services.

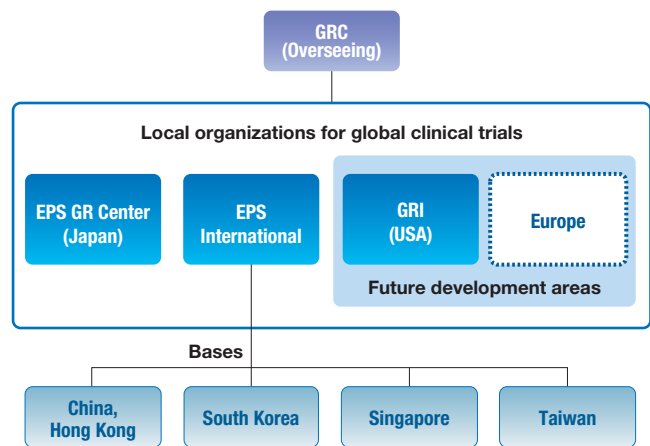
Medical Line develops highly professional call center services centered on pharmacists specialized in the medical, pharmaceutical and healthcare industries.

We will continue to promote services that correspond precisely to the needs of our customers and aim to establish a firm industry position.

**GR Business** Overseas **Global support for clinical studies**

In addition to our local offices, we have established Global Research Company (GRC) to oversee these operations and support global clinical trials. In Asia, Shanghai-based EPS International Co., Ltd., develops the CRO business in China, Hong Kong, Taiwan, South Korea, Singapore and other Asian countries in collaboration with its group companies and EPS's Global Research Center. To accommodate a growing number of inquiries concerning the implementation of global clinical trials from our customers in Japan, the United States and Europe, we have established a new company in the United States with a view to developing our CRO business in the United States and Europe (See column).

**Operation System of GR Business**



We aim to become a global CRO that covers all regions of Japan, the United States, Europe and Asia through collaboration and M&A activities.

**Column**

**Establishment of a New Company in the United States**

We formed a new company in Princeton, New Jersey, in the United States on June 27, 2012. The company handles sales and public relations activities related to CRO services in the United States and Europe and will serve as our base for further consolidation of activities in the United States and Europe.

**Overview of the New Company**

- Company Name: EPS Global Research, Inc.
- Representative: Dan Weng
- Description of Business: Sales activities about CRO business and CRO contract business
- Amount of Investment: US\$100,000 (100% by EPS Corporation)



China  
Business

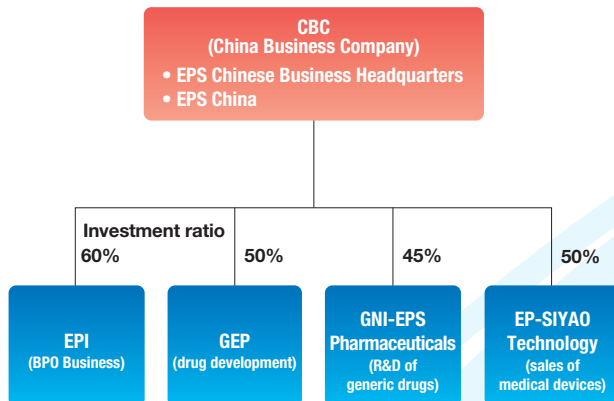
Overseas

### Support for business operations by both Japanese and Chinese companies

Our group promotes Chinese business bridging Japan and China, serving as a trading company specialized in healthcare. CBC, which consists of EPS China Co., Ltd., and our Chinese Business Division, builds systems to lead Group companies in the Chinese Business.

EPI (Suzhou) Co., Ltd., provides BPO services for pharmaceutical and healthcare companies. GNI-EPG Pharmaceuticals, Inc. (GEP), supports development of new drugs to treat liver diseases. EP-SIYAO (Changzhou) Technology Co., Ltd. (see column), engages in the research and development of generic drugs. In November 2012, we also added EPI (Suzhou) Co., Ltd., to the Group to expand our business to the sales of medical devices.

#### System to Promote Chinese business



In addition, we contribute to the development of the healthcare business both in China and Japan by establishing the Tsinghua University Health and Science Fund in collaboration with Tsinghua University to support research in the field of healthcare and provide training at Suzhou EPS Vocational Training School of Service for the development of human resources.

We will continue to respond to the needs of both Chinese and Japanese companies by utilizing the network we have fostered in the Chinese market.

#### Column

#### Establishment of a New Company in China

On June 18, 2012, we established a joint company (equity-method affiliate) with Jiangsu-based Changzhou Fourth Pharmaceutical Co., Ltd. The Changzhou Fourth Pharmaceutical Group has acquired certification including GMP and ISO 14001 and has an advantage in drugs to treat gastrointestinal diseases. We promote the development of pharmaceutical products to meet needs both from China and Japan by utilizing the Group's infrastructure and human resources.

#### Overview of the Joint Company

- Company Name: EP-SIYAO (Changzhou) Technology Co., Ltd.
- Capital: RMB10 million
- Investment Ratio: 55% by Changzhou Fourth Pharmaceutical Co., Ltd., 45% by EPS China Co., Ltd.



## CRO Business

The development of our CRO businesses centers on EPS. Among monitoring services, clinical studies focused on anticancer drugs and therapeutic drugs for problems affecting the central nervous system delivered satisfactory results, and sales increased from the preceding fiscal year.

Sales of data management, statistical analysis, medical writing services, safety information services and registration and study progress management services increased from the previous year.

Due to the factors mentioned above, on a non-consolidated basis EPS experienced a revenue increase of more than 10% year on year and generated profit equivalent to the preceding year even after up-front investment costs, such as for recruitment.

Among consolidated subsidiaries in Japan, EPMate Co., Ltd., which offers dispatch-style CRO services,

expanded its business and saw an increase in revenues but profits decreased due to up-front recruiting costs.

On September 30, 2012, the analysis service division of SCG Co., Ltd., which develops CRO services for generic drugs and drug analysis services, was transferred to EPS to strengthen our sales force for on-site CRO services.

LSG Corporation, which provides pre-clinical services, strove to obtain new orders and experienced year-on-year increases in revenue and profits.

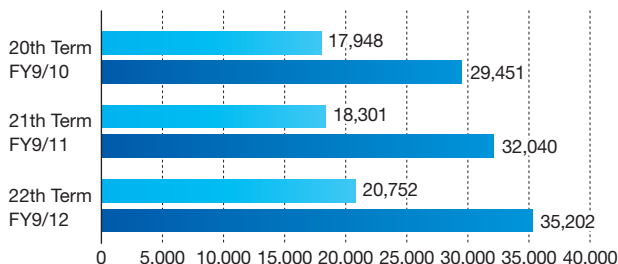
As for our overseas subsidiaries, EPS Global Research Center (Business) and EPS International Co., Ltd., play a leading role in strengthening the systems to provide services for clinical trials in China and other countries in the Asia-Pacific region. As part of these activities, EPS Singapore and EPS International (China) Co., Ltd., became 100% subsidiaries of EPS International in August and October 2012.

## Business Trends

### Net Sales

(Millions of yen)

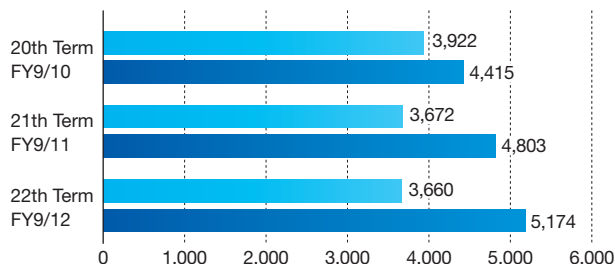
■ Non-consolidated ■ Consolidated



### Operating Income

(Millions of yen)

■ Non-consolidated ■ Consolidated





We are reinforcing our systems for order entry and business operations and aim to expand our business by clarifying responsibilities for promoting business operations.

Both EPS Singapore and EPS International (China) Co., Ltd., saw a significant increase in profit compared to the previous year, partly because of the effect of Group alignments, and EPS International (China) Co., Ltd., moved into the black.

EPS China Co., Ltd., which promotes our Chinese business, is transferring its business to Group company EPI (Suzhou) Co., Ltd., to consolidate our contract system.

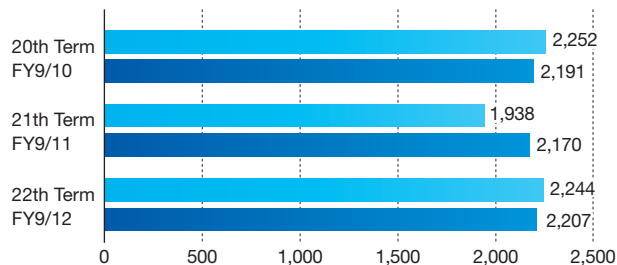
As the result of these factors, consolidated net sales for our CRO business amounted to ¥23,309 million (up 10.2% year on year) and consolidated operating income was ¥3,765 million (a 0.8% year-on-year increase).

## SMO Business

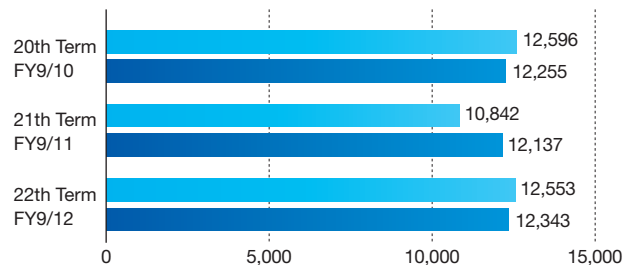
EP-Mint Co., Ltd., and Taipei-based Taiwan Total Management & Consulting Ltd. are developing our SMO businesses. EP-Mint merged with its subsidiary, S-Medical Service Inc., in April 2012 to boost its market share. This consolidation streamlined orders receipt and business operations, compensating for such up-front investments as the cost of the merger and recruiting and led to significant year-on-year increases in revenue and profits. In Taiwan, Taiwan Total Management & Consulting Ltd. focused on receiving new orders.

Owing to these efforts, our SMO business generated significant increases in revenue and profits, with consolidated net sales at ¥5,965 million (up 28.9% year on year) and consolidated operating income of ¥785 million (a 22.8% year-on-year increase).

**Net Income** (Millions of yen) ■ Non-consolidated ■ Consolidated



**Net Income per Share** (Yen) ■ Non-consolidated ■ Consolidated



### CSO Business

Developing our CSO businesses are Pharma Network Co., Ltd., which offers dispatch-style MR services, and Medical Line Co., Ltd., which provides call center services. Pharma Network recorded a year-on-year increase in revenue, as well as a significant profit increase due to reduced recruiting costs. Medical Line strove to acquire new contracts and boosted increase in revenue, but profit fell due to higher up-front investment and operational costs. Consequently, our CSO business experienced a significant increase in profit, with consolidated net sales of ¥5,892 million (up 8.4% year on year) and consolidated operating income of ¥599 million (up 48.4%).

### Pharmaceutical and Medical IT Businesses

e-Trial Co., Ltd., handles our pharmaceutical and medical IT businesses. Due to an increase in new contracts and the completion of a large-scale project, e-Trial posted a significant increase in revenues, but profits declined due to increase in labor costs. All Right Software (Beijing) Co., Ltd., is striving to reduce its costs but continues to face an uphill battle.

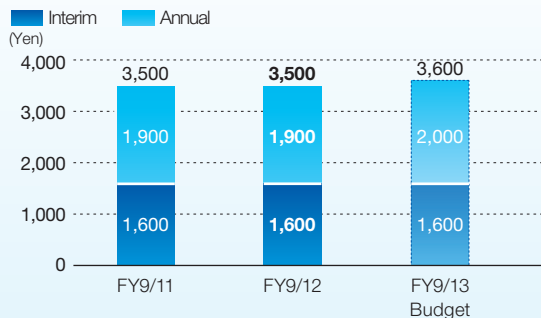
In addition to these factors, the separation of All Right Software Co., Ltd., and Qingdao Tidesoft Co., Ltd., which had been leading this area of business, from the EPS Group and the exclusion of these companies from our scope of consolidation in the third quarter of the preceding year had a substantial impact on operations. As a result,

our IT-related business experienced a significant decrease in revenues and profits, with consolidated net sales of ¥680 million (down 47.4% year on year) and consolidated operating income of ¥3 million (down 80.9%).

The consolidated net sales and operating income figures presented above for each business segment include intersegment transactions. After deducting these transactions, consolidated net sales came to ¥35,202 million (up 9.9% year on year), consolidated operating income was ¥5,174 million (up 7.7%), consolidated ordinary income came to ¥5,091 million (up 6.3%), and consolidated net income was ¥2,207 million (up 1.7%).

### Dividends

Dividends awarded for the year ended September 30, 2012, were ¥3,500 per share (interim: ¥1,600, year-end: ¥1,900). As always, we greatly appreciate the continued support of our shareholders.



## Consolidated Balance Sheets

(Thousands of yen)

	September 30, 2011	September 30, 2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and time deposits	8,639,979	10,576,625
Notes and accounts receivable	6,968,466	7,320,867
Inventories and products	379,976	415,319
Works in progress	467,760	506,388
Deferred tax assets	729,031	761,027
Others	696,263	967,161
Allowance for doubtful accounts	(3,998)	(4,050)
<b>Total current assets</b>	<b>17,877,479</b>	<b>20,543,338</b>
<b>FIXED ASSETS</b>		
Tangible Assets ;		
Building and leasehold improvements	883,572	2,053,367
Accumulated depreciation	(464,040)	(485,428)
Furniture and fixtures	553,020	630,907
Accumulated depreciation	(355,687)	(430,758)
Other tangible assets	958,601	282,141
Accumulated depreciation	(142,935)	(168,827)
<b>Total property and equipment</b>	<b>1,432,529</b>	<b>1,881,401</b>
Intangible Assets ;		
Goodwill	553,851	479,484
Others	307,174	334,763
<b>Total intangible assets</b>	<b>861,025</b>	<b>814,248</b>
Investments and other assets ;		
Investment securities	459,200	587,383
Deposits	1,266,543	1,287,155
Time deposits and banking arrangement other than cash equivalents	500,000	500,000
Deferred tax assets	344,210	340,055
Others	658,525	693,829
<b>Total investments and other assets</b>	<b>3,228,479</b>	<b>3,408,423</b>
<b>Total fixed assets</b>	<b>5,522,035</b>	<b>6,104,074</b>
<b>TOTAL ASSETS</b>	<b>23,399,514</b>	<b>26,647,412</b>

(Thousands of yen)

	September 30, 2011	September 30, 2012
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	286,066	252,027
Short-term debt	15,000	15,000
Current portion of long-term debt	100,000	100,000
Income taxes payable	1,331,746	1,455,156
Provision for bonuses	965,596	1,094,398
Provision for loss on order received	112,700	108,000
Others	2,247,035	3,292,666
<b>Total current liabilities</b>	<b>5,058,144</b>	<b>6,317,248</b>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	900,000	800,000
Provision for employee's retirement benefits	418,490	515,997
Provision for director's retirement benefits	267,753	241,664
Asset retirement obligations	245,232	274,805
Others	85,553	61,355
<b>Total long-term liabilities</b>	<b>1,917,030</b>	<b>1,893,822</b>
<b>TOTAL LIABILITIES</b>	<b>6,975,174</b>	<b>8,211,071</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,826,300
Retained earnings	10,820,222	12,401,651
Common stock for treasury	(317,258)	(317,258)
<b>Total shareholders' equity</b>	<b>14,204,516</b>	<b>15,785,945</b>
<b>Accumulated other comprehensive income (or loss)</b>		
Unrealized gain (or loss) on available-for-sale securities	(62,593)	(57,555)
Foreign currency translation adjustments	(180,589)	(120,366)
<b>Total accumulated other comprehensive income (or loss)</b>	<b>(243,183)</b>	<b>(177,921)</b>
<b>Minority interests</b>	<b>2,463,006</b>	<b>2,828,317</b>
<b>TOTAL NET ASSETS</b>	<b>16,424,339</b>	<b>18,436,341</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>23,399,514</b>	<b>26,647,412</b>

**Consolidated Statements of Income**

(Thousands of yen)

	For the years ended September 30, 2011	For the years ended September 30, 2012
<b>NET SALES</b>	<b>32,040,340</b>	<b>35,202,880</b>
COST OF SALES	21,742,576	23,551,266
<b>Gross profit</b>	<b>10,297,763</b>	<b>11,651,613</b>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,493,802	6,476,958
<b>Operating income</b>	<b>4,803,961</b>	<b>5,174,654</b>
Other income (expenses)-net	(272,117)	(159,007)
<b>Income before income taxes and minority interests</b>	<b>4,531,843</b>	<b>5,015,647</b>
<b>INCOME TAXES</b>		
Current	1,899,729	2,332,291
Deferred	202,875	154,195
Total	2,102,604	2,486,486
<b>Income before minority interests</b>	<b>2,429,238</b>	<b>2,529,161</b>
<b>MINORITY INTERESTS</b>	258,812	321,840
<b>NET INCOME</b>	<b>2,170,426</b>	<b>2,207,320</b>
<b>Income before minority interests</b>	<b>2,429,238</b>	<b>2,529,161</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>(119,968)</b>	<b>72,796</b>
<b>COMPREHENSIVE INCOME</b>	<b>2,309,270</b>	<b>2,601,957</b>
Comprehensive income attributable to parent shareholders	2,042,778	2,272,582
Comprehensive income attributable to minority interests	266,492	329,375

**Consolidated Statements of Net Assets**

(Thousands of yen)

	For the years ended September 30, 2011	For the years ended September 30, 2012
<b>Shareholders' equity</b>	<b>14,204,516</b>	<b>15,785,945</b>
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,826,300
Retained earnings	10,820,222	12,401,651
Common stock for treasury	(317,258)	(317,258)
<b>Accumulated other comprehensive income (or loss)</b>	<b>(243,183)</b>	<b>(177,921)</b>
Unrealized gain (or loss) on available-for-sale securities	(62,593)	(57,555)
Foreign currency translation adjustments	(180,589)	(120,366)
<b>Minority interests</b>	<b>2,463,006</b>	<b>2,828,317</b>
<b>TOTAL NET ASSETS</b>	<b>16,424,339</b>	<b>18,436,341</b>

## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the years ended September 30, 2011	For the years ended September 30, 2012
<b>OPERATING ACTIVITIES:</b>		
Income before income taxes and minority interests	4,531,843	5,015,647
<b>Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:</b>		
Depreciation and amortization	472,604	495,882
Increase (Decrease) in provision for bonuses	(464,814)	125,189
Increase (Decrease) in allowance for retirement benefits for employees	54,102	97,506
Increase (Decrease) in allowance for retirement benefits for directors	2,069	(26,088)
Interest and dividends income	(14,735)	(19,857)
Interest expense	13,099	23,758
Gain (or Loss) on sale of investments in securities (-net)	3,984	(10,980)
Loss on devaluation of investments in securities	6,665	31,054
Gain (or Loss) on sales and disposal of property and equipment (-net)	39,154	—
<b>Changes in operating assets and liabilities:</b>		
Decrease (Increase) in accounts receivable-trade	(1,148,782)	(279,673)
Decrease (Increase) in inventories and products	(231,550)	(87,266)
Increase (Decrease) in accounts payable-trade	54,113	(33,739)
Increase (Decrease) in other current liabilities	(34,202)	932,461
Others, Net	146,809	(4,610)
<b>Subtotal</b>	<b>3,430,362</b>	<b>6,259,284</b>
Interest and dividends received	16,060	17,828
Interest paid	(5,536)	(18,573)
Income taxes paid	(1,926,386)	(2,220,329)
<b>Net cash provided by (used in) operating activities</b>	<b>1,514,500</b>	<b>4,038,209</b>

(Thousands of yen)

	For the years ended September 30, 2011	For the years ended September 30, 2012
<b>INVESTING ACTIVITIES:</b>		
Payments for time deposits	(24,942)	(525,879)
Proceeds from maturity of time deposits	163,261	485,154
Disbursements for purchase of tangible fixed assets	(794,330)	(556,793)
Disbursements for purchase of intangible fixed assets	(85,440)	(135,519)
Purchase of investments in subsidiaries	(182,459)	(2,985)
Payment for deposit for rent office and others	(142,308)	(111,975)
Payment for insurance reserve fund	(99,109)	(110,823)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(126,817)	(52,945)
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	(105,883)	—
Others, Net	55,932	36,578
<b>Net cash provided by (used in) investing activities</b>	<b>(1,342,097)</b>	<b>(945,878)</b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from borrowing short-term debt	2,105,000	1,378,000
Disbursements for repayment of short-term debt	(2,275,000)	(1,713,221)
Proceeds from borrowing long-term debt	1,060,000	—
Disbursements for repayment of long-term debt	(39,600)	(100,000)
Proceeds from capital increase by minority stockholders	552,810	26,900
Dividends paid	(626,006)	(625,144)
Dividends paid to minority stockholders	(24,104)	(48,123)
Others, Net	(53,045)	(20,062)
<b>Net cash provided by (used in) financing activities</b>	<b>700,054</b>	<b>(1,101,650)</b>
<b>EFFECT OF EXCHANGE DIFFERENCE ON CASH &amp; CASH EQUIVALENTS</b>	<b>(50,694)</b>	<b>45,392</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>821,763</b>	<b>2,036,072</b>
<b>BEGINNING OF BALANCE, CASH AND CASH EQUIVALENTS</b>	<b>7,805,981</b>	<b>8,627,744</b>
<b>ENDING OF BALANCE, CASH AND CASH EQUIVALENTS</b>	<b>8,627,744</b>	<b>10,663,816</b>

Industry Segment

FY2012 (October 1, 2011 to September 30, 2012)

(Thousands of yen)

	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)	—
<b>Sales total</b>	<b>23,309,074</b>	<b>5,965,500</b>	<b>5,892,942</b>	<b>680,244</b>	<b>35,847,761</b>	<b>(644,880)</b>	<b>35,202,880</b>
<b>Operating income</b>	<b>3,765,197</b>	<b>785,350</b>	<b>599,721</b>	<b>3,366</b>	<b>5,153,635</b>	<b>21,018</b>	<b>5,174,654</b>
<b>Total Assets</b>	<b>18,855,922</b>	<b>4,926,930</b>	<b>2,647,509</b>	<b>370,220</b>	<b>26,800,582</b>	<b>(153,169)</b>	<b>26,647,412</b>

FY2011 (October 1, 2010 to September 30, 2011)

(Thousands of yen)

	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)	—
<b>Sales total</b>	<b>21,153,413</b>	<b>4,629,459</b>	<b>5,437,486</b>	<b>1,294,203</b>	<b>32,514,563</b>	<b>(474,222)</b>	<b>32,040,340</b>
<b>Operating income</b>	<b>3,735,236</b>	<b>639,683</b>	<b>404,172</b>	<b>17,668</b>	<b>4,796,761</b>	<b>7,199</b>	<b>4,803,961</b>
<b>Total Assets</b>	<b>16,720,353</b>	<b>4,183,334</b>	<b>2,325,976</b>	<b>346,076</b>	<b>23,575,741</b>	<b>(176,226)</b>	<b>23,399,514</b>

## Stock Information

Authorized shares	648,000
Shares of common stock issued	180,800
Number of shareholders	2,735

### Principal Shareholders

Shareholder	Shares held	Percentage of total
Y&G Limited	33,520	18.53
Yan Hao	20,555	11.36
BBH FOR MATTHEWS ASIA DIVIDEND FUND	14,592	8.07
Japan Trustee Services Bank, Ltd.(Trust Account)	9,116	5.04
JP MORGAN CHASE BANK	5,498	3.04
Sumitomo Life Insurance Company	5,400	2.98
STATE STREET BANK AND TRUST COMPANY	5,155	2.85
PLEASANT VALLEY	4,976	2.75
The Master Trust Bank of Japan, Ltd.(Trust Account)	4,719	2.61
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	3,240	1.79

### Members of the Board and Statutory Auditors

(as at October 1, 2012)

Chairman & CEO	Yan Hao
President & COO	Shinro Tashiro
Directors	Shuzo Orihashi
Directors	Kazuki Sekitani
Directors	Yasuharu Tamai
Directors	Yoshinori Ando
Statutory auditors	Masaru Kuranaka
Statutory auditors	Koichi Shibuya
Statutory auditors	Haruo Funabashi

### Shareholder Breakdown

**Other Japanese corporations** 19.10%  
34,542 shares, 16 shareholders

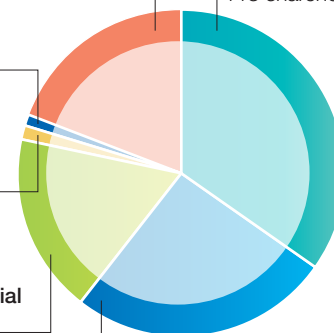
**Foreign shareholders**  
34.83%  
62,989 shares,  
113 shareholders

**Treasury stock** 1.09%  
1,974 shares

**Securities companies** 1.38%  
2,508 shares,  
18 shareholders

**Other Japanese financial institutions** 17.68%  
31,967 shares, 27 shareholders

**Individuals / Others** 25.89%  
46,820 shares, 2,560 shareholders





## Company Profile

**Corporate Name :** EPS Corporation

**Establishment :** May 1991

**Capital :** ¥1875.25 million

**Main Services :** CRO, SMO, CSO and IT business

**E-Mail :** info@eps.co.jp

**URL :** <http://www.eps.co.jp/en/index.html>

**Locations :** **CenterOffice**  
Tsuruya Bldg. 2-23 Shimomiyabicho, Shinjuku-ku, Tokyo 162-0822 TEL: +81-3-5684-7797

**Annex. 1**  
Sumitomo Fudosan Iidabashi Bldg. No.4 2-3-19 Koraku, Bunkyo-ku, Tokyo 112-0004

**Annex. 2**  
Iidabashi MF Bldg. 1-1 Shinogawamachi, Shinjuku-ku, Tokyo 162-0814

**Annex. 3**  
Acropolis TOKYO. 6-29 Shinogawamachi, Shinjuku-ku, Tokyo, 162-0814

**Annex. 5**  
KDX Iidabashi Bldg. 2-26 Shimomiyabicho, Shinjuku-ku, Tokyo, 162-0822

**Osaka Branch**  
Nissei Shin-osaka Bldg. 3-4-30 Miyahara, Yodogawa-ku, Osaka-shi, Osaka 532-0003

**Nagoya Branch**  
Horiuchi Bldg. 3-25-9 Meieki, Nakamura-ku, Nagoya-shi, Aichi 450-0002

**Tsuruse Laboratory**  
2662 Tsuruma, Fujimi-shi, Saitama 354-0021

## Forward-Looking Statements

The items in this report include descriptions of future plans and forecasts. Actual performances may differ substantially due to various factors.