

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE THIRD QUARTER ENDED JUNE 30, 2014

(2013.10.1-2014.6.30)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Jun-14	30,188 (13.0%)	2,872 (60.3%)	2,978 (84.9%)	1,176 (201.4%)
Jun-13	26,723 (4.3%)	1,791 (Δ 51.2%)	1,611 (Δ 55.1%)	390 (Δ 76.3%)

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Jun-14	33.17	—
Jun-13	10.91	—

Note : 1 Comprehensive income

Jun-14 1,413 Million yen (Δ 8.6%) Jun-13 1,546 Million yen (Δ 25.8%)

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

3 As each share of common stock has been split into 100 shares as of 1st April 2014, above net income per share shows the amount based on as if share split were considered to be effective on 1st October 2012 retroactively.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)
Jun-14	32,104	20,089	55.1%
Sep-13	30,323	20,060	57.7%

Notes : Total shareholders' equity, valuation and translation adjustments as of :

Jun-14 17,677 Million yen Sep-13 17,485 Million yen

(3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 35 companies
Affiliated companies by equity accounting method : 3 companies

2. OVERALL SITUATION OF DIVIDEND DISTRIBUTION

(UNIT:JPY)

		Cash Dividends per share		
		Interim Dividend	Year end Dividend	Annual
Sep-13	(Result)	1,600.00	1,000.00	—
Sep-14	(Result)	800.00	—	—
	(Projection)	—	10.00	

Note : As each share of common stock has been split into 2 shares as of 1st April 2013, and 100 shares as of 1st April 2014, above year end dividend shows the amount after each split.
For reference purpose only, if such share splits become effective as at 1st October 2012 retroactively, dividend distribution for each fiscal year may become as follows,

Sep-13 (Result) Annual: 18.00 (Interim Dividend: 8.00, Year end Dividend: 10.00)

Sep-14 (Result) Interim: 8.00

Sep-14 (Projection) Year end: 10.00

3. INFORMATION OF CONSOLIDATED BUDGET 2014.09 (2013.10.1-2014.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-14	40,961 (9.0%)	4,110 (17.5%)	4,150 (17.2%)	2,006 (17.3%)

Budgeted net income per share : Sep-14 56.09 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.

3 As each share of common stock has been split into 100 shares as of 1st April 2014, above budgeted net income per share shows the amount based on as if share split were considered to be effective on 1st October 2013 retroactively.

4. OTHER INFORMATION

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

Jun-14 36,160,000 shares Sep-13 36,160,000 shares

(2) Common stock for treasury as of :

Jun-14 708,700 shares Sep-13 394,800 shares

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

Jun-14 35,451,300 shares Jun-13 35,765,200 shares

Note : As each share of common stock has been split into 100 shares as of 1st April 2014, above each number of shares shows the amount based on as if share split were considered to be effective on 1st October 2012 retroactively.

CONSOLIDATED BALANCE SHEETS
June 30, 2014 and September 30, 2013

(UNAUDITED)

(IN THOUSANDS,JPY)

	June 30.2014	September 30.2013
ASSETS		
CURRENT ASSETS		
Cash and time deposits	9,869,883	10,474,905
Notes and accounts receivable	7,570,495	7,516,328
Investment securities	605,651	171,766
Inventories	765,865	643,114
Works in progress	926,202	488,997
Others	2,130,717	2,594,884
Allowance for doubtful accounts	△ 23,640	△ 22,771
Total current assets	21,845,177	21,867,224
FIXED ASSETS		
Tangible Assets	2,671,164	2,590,022
Intangible Assets	2,175,538	1,410,862
Investments and other assets ;		
Investment securities	1,810,893	1,067,676
Deposits	1,668,278	1,624,702
Others	1,933,386	1,763,247
Total investments and other assets	5,412,559	4,455,626
Total fixed assets	10,259,262	8,456,510
TOTAL ASSETS	32,104,439	30,323,735
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	879,753	709,487
Short-term debt	715,000	170,000
Current portion of long-term debt	444,000	444,000
Income taxes payable	661,398	815,640
Provision for bonuses	393,417	1,032,416
Provision for loss on order received	47,000	20,000
Others	4,427,779	2,917,392
Total current liabilities	7,568,348	6,108,935
LONG-TERM LIABILITIES		
Long-term debt	2,895,074	2,856,000
Provision for employees' retirement benefits	746,528	657,361
Provision for directors' retirement benefits	233,118	249,452
Asset retirement obligations	353,426	327,474
Others	218,935	63,547
Total long-term liabilities	4,447,083	4,153,835
TOTAL LIABILITIES	12,015,431	10,262,770
NET ASSETS		
Shareholders' equity		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,826,300
Retained earnings	14,018,265	13,485,740
Common stock for treasury	△ 663,176	△ 317,258
Total shareholders' equity	17,056,641	16,870,034
Accumulated other comprehensive income (or △loss)		
Unrealized gain (or △loss) on available-for-sale securities	△ 272,737	△ 108,881
Deferred gain (or △loss) on hedges	△ 0	—
Foreign currency translation adjustments	893,992	724,710
Total accumulated other comprehensive income (or △loss)	621,254	615,828
Minority interests	2,411,112	2,575,101
TOTAL NET ASSETS	20,089,008	20,060,964
TOTAL LIABILITIES AND NET ASSETS	32,104,439	30,323,735

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the Third quarter ended June 30 2014 and 2013

(UNAUDITED)

(IN THOUSANDS,JPY)

	Third quarter ended June 30.2014	Third quarter ended June 30.2013
NET SALES	30,188,624	26,723,103
COST OF SALES	21,509,552	19,902,253
Gross profit	8,679,071	6,820,850
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,806,576	5,029,061
Operating income	2,872,495	1,791,788
OTHER INCOME (ΔEXPENSES)		
Interest income	35,201	17,373
Interest expenses	Δ 25,936	Δ 16,377
Foreign exchange gain or loss (Δloss)	Δ 355	Δ 207,376
Gain on cancellation of insurance	33,543	24,628
Gain on change in subsidiaries' equity	16,191	—
Impairment loss on investment securities	Δ 26,087	Δ 282,543
Others- net	63,891	Δ 25,941
Other income (Δexpenses)-net	96,448	Δ 490,236
Income before income taxes and minority interests	2,968,944	1,301,552
INCOME TAXES		
Current	1,239,646	475,741
Deferred	334,600	448,469
Total	1,574,246	924,211
Income before minority interests	1,394,698	377,340
MINORITY INTERESTS	218,400	Δ 12,891
NET INCOME	1,176,297	390,232
Income before minority interests	1,394,698	377,340
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or Δloss) on available-for-sale securities	Δ 163,856	14,315
Deferred gain (or Δloss) on hedges	Δ 1	—
Foreign currency translation adjustments	213,596	1,144,377
Share of other comprehensive income of associates in equity method	Δ 30,660	10,251
Total	19,078	1,168,944
COMPREHENSIVE INCOME	1,413,776	1,546,285
Comprehensive income attributable to :		
Parent shareholders	1,181,724	1,427,382
Minority interests	232,052	118,903

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
For the Third quarter ended June 30 2014

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2014.06 <2013.10.1-2014.6.30>			
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN THOUSANDS, JPY)	year-to-year comparison (%)
Domestic CRO				
Monitoring	11,293,066	152.1%	18,772,077	129.8%
Data Management	6,233,894	119.5%	13,561,390	108.6%
CRO others	2,193,554	112.1%	2,686,445	141.0%
TOTAL OF CRO	19,720,515	135.1%	35,019,913	121.4%
Domestic SMO	4,431,394	120.3%	7,420,116	104.6%
Domestic CSO	4,497,970	97.8%	4,312,361	102.0%
Global Research Operation	1,270,527	84.8%	2,989,424	106.4%
EKISHIN Operation	2,629,067	173.1%	269,143	162.9%
Others	1,012,974	106.9%	151,203	114.0%
TOTAL	33,562,449	125.0%	50,162,163	115.9%

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2014.06 <2013.10.1-2014.6.30>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	year-to-year comparison (%)
Domestic CRO		
Monitoring	9,894,010	124.8%
Data Management	5,470,684	95.3%
CRO others	1,618,560	153.3%
TOTAL OF CRO	16,983,255	115.3%
Domestic SMO	4,231,408	100.4%
Domestic CSO	4,286,415	102.7%
Global Research Operation	1,278,793	117.8%
EKISHIN Operation	2,420,585	159.4%
Others	988,165	98.1%
TOTAL	30,188,624	113.0%

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION

For the Third quarter ended June 30 2014 and 2013

(UNAUDITED)

FY 2014 (2013.10.1-2014.6.30)

(IN THOUSANDS, JPY)

	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Operation	EKISHIN Operation	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	16,983,255	4,231,408	4,286,415	1,278,793	2,420,585	988,165	30,188,624	—	30,188,624
Intersegment sales	628,629	572,039	64,379	185,183	46,821	596,831	2,093,883	(2,093,883)	—
Total	17,611,884	4,803,447	4,350,794	1,463,976	2,467,407	1,584,997	32,282,508	(2,093,883)	30,188,624
Operating income	2,513,355	740,334	168,880	(291,025)	(188,381)	(89,586)	2,853,576	18,919	2,872,495

* Operating income of 18,919 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.

* These above figures under "Others" consist of the figures of "BPO" and "Other business".

* From FY2014, segment definition has been changed to 7 categories of "Domestic CRO", "Domestic SMO", "Domestic CSO", "Global Research Operation", "EKISHIN Operation", "BPO" and "Other business", as newly setting up "BPO" and "Other business" segments which belonged to "CRO (Domestic)" and "China business" in previous year. In addition, "China business" has changed its segment name to "EKISHIN Operation".

Reclassified segment information of the same period in previous year is as follows:

FY 2013 (2012.10.1-2013.6.30)

(IN THOUSANDS, JPY)

	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Operation	EKISHIN Operation	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	14,726,303	4,213,364	4,172,100	1,085,753	1,518,561	1,007,019	26,723,103	—	26,723,103
Intersegment sales	312,173	3,069	46,570	75,162	59,105	358,478	854,559	(854,559)	—
Total	15,038,476	4,216,434	4,218,670	1,160,915	1,577,667	1,365,498	27,577,663	(854,559)	26,723,103
Operating income	1,949,393	177,596	13,630	(73,708)	(299,247)	15,935	1,783,600	8,188	1,791,788

* Operating income of 8,188 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.

* These above figures under "Others" consist of the figures of "BPO" and "Other business".