

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE FIRST QUARTER ENDED DECEMBER 31, 2014

(2014.10.1-2014.12.31)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Dec-14	10,511 (16.4%)	849 (83.4%)	919 (110.9%)	366 (256.0%)
Dec-13	9,027 (5.5%)	463 (Δ 48.2%)	435 (Δ 49.0%)	103 (Δ 67.3%)

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Dec-14	10.35	—
Dec-13	2.90	—

Note : 1 Comprehensive income

Dec-14 1,067 Million yen (84.0%) Dec-13 580 Million yen (Δ 26.8%)

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 2013 retroactively.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)
Dec-14	33,411	21,894	58.7%
Sep-14	34,689	21,230	54.5%

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

Dec-14 19,622 Million yen Sep-14 18,917 Million yen

(3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 36 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-14	(Result)	800.00	10.00	—
Sep-15	(Projection)	8.00	10.00	18.00

Note : As each share of common stock has been split into 100 shares as of 1st April 2014, above year end dividend of FY2014 shows the amount after this split, in spite that interim dividend remains before split.

For reference purpose only, if such share split becomes effective as at 1st October 2013 retroactively, dividend distribution for FY2014 may become as follows,

Sep-14 (Result) Annual: 18.00 (Interim Dividend: 8.00, Year end Dividend: 10.00)

3. INFORMATION OF CONSOLIDATED BUDGET 2015.09 (2014.10.1-2015.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-15	21,396 (7.8%)	1,728 (Δ 10.1%)	1,554 (Δ 21.4%)	651 (Δ 27.4%)
Sep-15	44,120 (5.6%)	4,625 (3.0%)	4,327 (2.0%)	1,937 (6.0%)

Budgeted net income per share : Mar-15 17.12 yen
Sep-15 50.93 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-14 36,160,000 shares Sep-14 36,160,000 shares

(2) Common stock for treasury as of :

Dec-14 681,300 shares Sep-14 699,900 shares

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

Dec-14 35,469,833 shares Dec-13 35,527,800 shares

CONSOLIDATED BALANCE SHEETS
December 31, 2014 and September 30, 2014

(UNAUDITED)

(IN MILLIONS,JPY)

	December 31.2014	September 30.2014
ASSETS		
CURRENT ASSETS		
Cash and time deposits	9,133	10,680
Notes and accounts receivable	8,493	8,613
Investment securities	1,206	1,067
Inventories	1,186	813
Works in progress	925	695
Others	2,138	2,702
Allowance for doubtful accounts	△ 27	△ 25
Total current assets	23,055	24,547
FIXED ASSETS		
Tangible Assets	2,937	2,771
Intangible Assets	2,216	2,205
Investments and other assets ;		
Investment securities	1,999	1,938
Deposits	1,479	1,504
Others	2,025	2,025
Allowance for doubtful accounts	△ 303	△ 303
Total investments and other assets	5,201	5,165
Total fixed assets	10,355	10,142
TOTAL ASSETS	33,411	34,689
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	1,054	1,040
Short-term debt	715	715
Current portion of long-term debt	444	444
Income taxes payable	223	1,757
Provision for bonuses	374	1,130
Provision for loss on order received	11	41
Others	4,469	4,009
Total current liabilities	7,290	9,137
LONG-TERM LIABILITIES		
Long-term debt	2,635	2,746
Provision for director's retirement benefits	218	241
Net defined benefit liability	776	761
Asset retirement obligations	380	352
Others	215	218
Total long-term liabilities	4,226	4,320
TOTAL LIABILITIES	11,517	13,458
NET ASSETS		
Shareholders' equity		
Common stock	1,875	1,875
Additional paid-in capital	1,826	1,826
Retained earnings	14,679	14,670
Common stock for treasury	△ 632	△ 653
Total shareholders' equity	17,747	17,718
Accumulated other comprehensive income (or △loss)		
Unrealized gain (or △loss) on available-for-sale securities	△ 239	△ 262
Foreign currency translation adjustments	2,108	1,461
Remeasurements of defined benefit plans	5	1
Total accumulated other comprehensive income (or △loss)	1,874	1,199
Minority interests	2,271	2,312
TOTAL NET ASSETS	21,894	21,230
TOTAL LIABILITIES AND NET ASSETS	33,411	34,689

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the First quarter ended December 31 2014 and 2013

(UNAUDITED)

(IN MILLIONS,JPY)

	First quarter ended December 31.2014	First quarter ended December 31.2013
NET SALES	10,511	9,027
COST OF SALES	7,690	6,642
Gross profit	<u>2,821</u>	<u>2,384</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,972	1,921
Operating income	<u>849</u>	<u>463</u>
OTHER INCOME (ΔEXPENSES)		
Interest income	22	9
Interest expenses	Δ 7	Δ 8
Penalty income	70	—
Foreign exchange gain or loss (Δloss)	Δ 38	Δ 33
Gain or loss of equity in associated companies (Δ loss)	Δ 46	Δ 30
Impairment loss on investment securities	Δ 3	—
Others- net	70	51
Other income (Δexpenses)-net	<u>66</u>	<u>Δ 10</u>
Income before income taxes and minority interests	915	452
INCOME TAXES		
Current	227	24
Deferred	314	317
Total	<u>541</u>	<u>342</u>
Income before minority interests	<u>374</u>	<u>109</u>
MINORITY INTERESTS	7	6
NET INCOME	<u>366</u>	<u>103</u>
Income before minority interests	374	109
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or Δloss) on available-for-sale securities	23	Δ 58
Deferred gain (or Δloss) on hedges	Δ 0	—
Foreign currency translation adjustments	585	505
Remeasurements of defined benefit plans	4	—
Share of other comprehensive income of associates in equity method	79	23
Total	<u>693</u>	<u>470</u>
COMPREHENSIVE INCOME	<u>1,067</u>	<u>580</u>
Comprehensive income attributable to :		
Parent shareholders	1,041	547
Minority interests	25	32

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
For the First quarter ended December 31 2014

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2014.12 <2014.10.1-2014.12.31>			
	AMOUNT OF ORDER ENTRY (IN MILLIONS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN MILLIONS, JPY)	year-to-year comparison (%)
Domestic CRO				
Monitoring	2,874	123.0%	17,551	116.6%
Data Management	2,052	128.2%	14,457	113.8%
CRO others	133	11.6%	1,470	56.1%
TOTAL OF CRO	5,059	99.5%	33,478	110.2%
Domestic SMO	1,621	85.2%	8,211	106.5%
Domestic CSO	1,426	120.5%	4,518	117.5%
Global Research Business	2,408	250.8%	5,787	133.0%
China Business	1,058	124.2%	100	66.9%
Others	306	101.3%	124	100.3%
TOTAL	11,881	115.4%	52,222	112.1%

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2014.12 <2014.10.1-2014.12.31>	
	AMOUNT OF SALES (IN MILLIONS, JPY)	year-to-year comparison (%)
Domestic CRO		
Monitoring	3,159	113.2%
Data Management	1,864	123.7%
CRO others	493	112.3%
TOTAL OF CRO	5,517	116.4%
Domestic SMO	1,451	102.6%
Domestic CSO	1,671	116.0%
Global Research Business	547	148.8%
China Business	1,008	132.4%
Others	315	103.7%
TOTAL	10,511	116.4%

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION
For the First quarter ended December 31 2014 and 2013

(UNAUDITED)

FY 2015 (2014.10.1-2014.12.31)

(IN MILLIONS, JPY)

	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	5,517	1,451	1,671	547	1,008	315	10,511	—	10,511
Intersegment sales	239	7	8	16	5	209	487	(487)	—
Total	5,756	1,458	1,680	564	1,013	525	10,998	(487)	10,511
Operating income	917	28	120	(103)	(84)	(38)	840	8	849

* Operating income of 8 million 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".

FY 2014 (2013.10.1-2013.12.31)

(IN MILLIONS, JPY)

	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	4,738	1,414	1,439	368	761	303	9,027	—	9,027
Intersegment sales	167	86	19	16	20	195	506	(506)	—
Total	4,906	1,501	1,459	384	782	499	9,533	(506)	9,027
Operating income	484	148	59	(122)	(118)	6	456	6	463

* Operating income of 6 million 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".