

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE FIRST QUARTER ENDED DECEMBER 31, 2015

(2015.10.1-2015.12.31)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Dec-15	11,548 (9.9%)	1,820 (114.4%)	1,921 (109.0%)	1,105 (201.4%)
Dec-14	10,511 (16.4%)	849 (83.4%)	919 (110.9%)	366 (256.0%)

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Dec-15	29.24	—
Dec-14	10.35	—

Note : 1 Comprehensive income

Dec-15 1,129 Million yen (5.8%) Dec-14 1,067 Million yen (84.0%)

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-15	38,866	24,364	61.7%
Sep-15	39,387	23,590	59.0%

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

Dec-15 23,996 Million yen

Sep-15 23,219 Million yen

(3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries :

38 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-15	(Result)	8.00	10.00	18.00
Sep-16	(Projection)	10.00	10.00	20.00

Note : The FY2016 interim dividend projection of 10 yen per share includes the 2 yen per share of 25th anniversary commemorative dividend.

3. INFORMATION OF CONSOLIDATED BUDGET 2016.09 (2015.10.1-2016.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-16	24,500 (11.1%)	2,200 (Δ 9.8%)	2,150 (Δ 14.3%)	1,250 (27.0%)
Sep-16	51,700 (14.4%)	4,730 (Δ 13.7%)	4,650 (Δ 13.3%)	2,270 (4.9%)

Budgeted net income per share : Mar-16 27.59 yen
Sep-16 50.10 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-15 38,426,113 shares

Sep-15 38,426,113 shares

(2) Common stock for treasury as of :

Dec-15 599,580 shares

Sep-15 626,280 shares

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

Dec-15 37,814,433 shares

Dec-14 35,469,833 shares

CONSOLIDATED BALANCE SHEETS
December 31, 2015 and September 30, 2015

(UNAUDITED)

(IN MILLIONS,JPY)

ASSETS	December 31.2015	September 30.2015
CURRENT ASSETS		
Cash and time deposits	13,128	13,968
Notes and accounts receivable	9,711	9,913
Investment securities	469	762
Inventories	1,032	958
Works in progress	1,163	823
Others	3,305	3,279
Allowance for doubtful accounts	△ 67	△ 66
Total current assets	<u>28,744</u>	<u>29,640</u>
FIXED ASSETS		
Tangible Assets	2,996	3,010
Intangible Assets	1,521	1,616
Investments and other assets ;		
Investment securities	2,004	1,916
Deposits	1,534	1,551
Others	2,873	2,457
Allowance for doubtful accounts	△ 806	△ 806
Total investments and other assets	<u>5,605</u>	<u>5,119</u>
Total fixed assets	<u>10,122</u>	<u>9,746</u>
TOTAL ASSETS	<u>38,866</u>	<u>39,387</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	769	894
Short-term debt	1,815	615
Current portion of long-term debt	704	704
Income taxes payable	268	2,454
Provision for bonuses	767	1,707
Provision for loss on order received	18	21
Others	5,509	4,654
Total current liabilities	<u>9,851</u>	<u>11,052</u>
LONG-TERM LIABILITIES		
Long-term debt	3,002	3,178
Provision for director's retirement benefits	226	230
Net defined benefit liability	742	724
Asset retirement obligations	398	390
Others	282	222
Total long-term liabilities	<u>4,651</u>	<u>4,745</u>
TOTAL LIABILITIES	<u>14,502</u>	<u>15,797</u>
NET ASSETS		
Shareholders' equity		
Common stock	1,875	1,875
Additional paid-in capital	3,593	3,593
Retained earnings	16,985	16,260
Common stock for treasury	△ 543	△ 572
Total shareholders' equity	<u>21,910</u>	<u>21,155</u>
Accumulated other comprehensive income (or △loss)		
Unrealized gain (or △loss) on available-for-sale securities	135	65
Foreign currency translation adjustments	1,940	1,990
Remeasurements of defined benefit plans	8	7
Total accumulated other comprehensive income (or △loss)	<u>2,085</u>	<u>2,063</u>
Minority interests	368	370
TOTAL NET ASSETS	<u>24,364</u>	<u>23,590</u>
TOTAL LIABILITIES AND NET ASSETS	<u>38,866</u>	<u>39,387</u>

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the First quarter ended December 31 2015 and 2014

(UNAUDITED)

(IN MILLIONS,JPY)

	First quarter ended December 31.2015	First quarter ended December 31.2014
NET SALES	11,548	10,511
COST OF SALES	7,784	7,690
Gross profit	<u>3,763</u>	<u>2,821</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,943	1,972
Operating income	<u>1,820</u>	<u>849</u>
OTHER INCOME (ΔEXPENSES)		
Interest income	14	22
Interest expenses	Δ 8	Δ 7
Gain on consumption tax filing	78	—
Gain or loss of equity in associated companies (Δ loss)	Δ 46	Δ 46
Others- net	63	98
Other income (Δexpenses)-net	<u>101</u>	<u>66</u>
Income before income taxes and minority interests	<u>1,921</u>	915
INCOME TAXES		
Current	262	227
Deferred	547	314
Total	<u>810</u>	<u>541</u>
Income before minority interests	<u>1,111</u>	<u>374</u>
MINORITY INTERESTS	5	7
NET INCOME	<u>1,105</u>	<u>366</u>
Income before minority interests	1,111	374
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or Δloss) on available-for-sale securities	70	23
Foreign currency translation adjustments	Δ 84	585
Remeasurements of defined benefit plans	1	4
Share of other comprehensive income of associates in equity method	29	79
Total	<u>17</u>	<u>693</u>
COMPREHENSIVE INCOME	<u>1,129</u>	<u>1,067</u>
Comprehensive income attributable to :		
Parent shareholders	1,127	1,041
Minority interests	1	25

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
For the First quarter ended December 31 2015

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2015.12 <2015.10.1-2015.12.31>			
	AMOUNT OF ORDER ENTRY (IN MILLIONS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN MILLIONS, JPY)	year-to-year comparison (%)
Domestic CRO				
Monitoring	3,028	105.4%	18,599	106.0%
Data Management	2,084	101.6%	15,979	110.5%
CRO others	774	582.7%	2,694	183.3%
TOTAL OF CRO	5,888	116.4%	37,274	111.3%
Domestic SMO	1,554	95.8%	9,063	110.4%
Domestic CSO	657	46.1%	5,592	123.8%
Global Research Business	1,578	65.6%	6,223	107.5%
China Business	1,029	97.2%	194	192.9%
Others	147	48.1%	8	6.5%
TOTAL	10,854	91.4%	58,356	111.7%

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2015.12 <2015.10.1-2015.12.31>	
	AMOUNT OF SALES (IN MILLIONS, JPY)	year-to-year comparison (%)
Domestic CRO		
Monitoring	3,594	113.8%
Data Management	1,719	92.3%
CRO others	554	112.4%
TOTAL OF CRO	5,869	106.4%
Domestic SMO	1,797	123.8%
Domestic CSO	1,729	103.5%
Global Research Business	1,020	186.3%
China Business	874	86.7%
Others	256	81.5%
TOTAL	11,548	109.9%

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION

For the First quarter ended December 31 2015 and 2014

(UNAUDITED)

FY 2016 (2015.10.1-2015.12.31)

(IN MILLIONS, JPY)

	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	5,869	1,797	1,729	1,020	874	256	11,548	—	11,548
Intersegment sales	462	23	6	10	4	328	835	(835)	—
Total	6,331	1,820	1,736	1,030	878	585	12,383	(835)	11,548
Operating income	1,722	267	50	120	(82)	(59)	2,018	(198)	1,820

* As we have become Holding Company as from 1 Jan, 2015, non-attributable corporate expenses related to the company are not distributed to each segment.

In this regard, operating income of Δ198 million yen under "Eliminations/ Corporate" consists of elimination of inter-segment and above non-attributable expenses.

* These above figures under "Others" consist of the figures of "CPO" and "Other business": BPO segment was renamed as CPO (Clinical Processing Outsourcing) as from this first quarter.

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)	1,094	(245)	849