

# Financial Highlights

## 1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

(2016.10.1-2016.12.31)  
(UNAUDITED)

### (1) CONSOLIDATED OPERATING RESULTS

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Dec-16	14,511 ( 25.7% )	1,876 ( 3.1% )	2,058 ( 7.1% )	876 ( Δ 20.8% )
Dec-15	11,548 ( 9.9% )	1,820 ( 114.4% )	1,921 ( 109.0% )	1,105 ( 201.4% )

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Dec-16	19.01	—
Dec-15	29.24	—

Note : 1 Comprehensive income

Dec-16 2,174 Million yen ( 92.6% ) Dec-15 1,129 Million yen ( 5.8% )

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-16	57,730	41,072	66.1%
Sep-16	52,530	34,364	64.3%

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

Dec-16 38,154 Million yen Sep-16 33,801 Million yen

### (3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 43 companies  
Affiliated companies by equity accounting method : 5 companies

## 2.OVERALL SITUATION OF DIVIDEND DISTRIBUTION

( UNIT:JPY )

		Cash Dividends per share		
		Interim Dividend	Year end Dividend	Annual
Sep-16	(Result)	10.00	15.00	25.00
Sep-17	(Projection)	10.00	12.00	22.00

Notes : 1 The FY2016 interim dividend of 10 yen per share includes the 2 yen per share 25th anniversary commemorative dividend.

2 The FY2016 year-end dividend of 15 yen per share includes the special dividend of 5 yen per share.

## 3. INFORMATION OF CONSOLIDATED BUDGET 2017.09 (2016.10.1-2017.9.30)

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-17	28,400 ( 10.7% )	3,200 ( Δ 15.7% )	3,200 ( Δ 18.7% )	1,700 ( Δ 32.6% )
Sep-17	58,000 ( 10.1% )	6,500 ( 4.4% )	6,500 ( Δ 1.4% )	3,500 ( Δ 11.7% )

Budgeted net income per share : Mar-17 36.87 yen  
Sep-17 75.90 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-16 46,311,389 shares Sep-16 46,311,389 shares

### (2) Common stock for treasury as of :

Dec-16 242,484 shares Sep-16 1,703,017 shares

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

Dec-16 46,096,822 shares Dec-15 37,814,433 shares

CONSOLIDATED BALANCE SHEETS  
December 31, 2016 and September 30, 2016

(UNAUDITED)

(IN MILLIONS, JPY)

	December 31.2016	September 30.2016
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and time deposits	16,796	16,027
Notes and accounts receivable	12,216	12,071
Investment securities	569	599
Inventories and products	1,146	1,120
Works in progress	2,444	2,131
Others	4,030	4,429
Allowance for doubtful accounts	△ 51	△ 47
Total current assets	37,152	36,333
FIXED ASSETS		
Tangible Assets	3,994	2,886
Intangible Assets	8,833	7,261
Investments and other assets ;		
Investment securities	3,959	1,670
Deposits	1,639	1,669
Others	3,052	3,612
Allowance for doubtful accounts	△ 899	△ 905
Total investments and other assets	7,751	6,047
Total fixed assets	20,578	16,196
TOTAL ASSETS	57,730	52,530
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable	982	1,404
Short-term debt	465	265
Current portion of long-term debt	774	774
Income taxes payable	141	1,531
Provision for bonuses	1,052	2,515
Provision for loss on order received	127	21
Others	8,322	6,883
Total current liabilities	11,866	13,395
LONG-TERM LIABILITIES		
Long-term debt	2,351	2,544
Provision for director's retirement benefits	270	263
Net defined benefit liability	1,267	1,247
Asset retirement obligations	465	460
Others	436	254
Total long-term liabilities	4,791	4,770
TOTAL LIABILITIES	16,658	18,165
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	3,888	3,888
Additional paid-in capital	13,614	12,107
Retained earnings	19,603	19,398
Common stock for treasury	△ 289	△ 2,014
Total shareholders' equity	36,816	33,379
Accumulated other comprehensive income (or △loss)		
Unrealized gain (or △loss) on available-for-sale securities	211	△ 56
Foreign currency translation adjustments	1,367	730
Remeasurements of defined benefit plans	△ 240	△ 252
Total accumulated other comprehensive income (or △loss)	1,337	422
Non-controlling interests	2,918	563
TOTAL NET ASSETS	41,072	34,364
TOTAL LIABILITIES AND NET ASSETS	57,730	52,530

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
For the First quarter ended December 31 2016 and 2015  
(UNAUDITED)

(IN MILLIONS, JPY)

	First quarter ended December 31.2016	First quarter ended December 31.2015
NET SALES	14,511	11,548
COST OF SALES	9,883	7,784
Gross profit	4,628	3,763
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,752	1,943
Operating income	1,876	1,820
OTHER INCOME (ΔEXPENSES)		
Interest income	14	14
Interest expenses	Δ 23	Δ 8
Foreign exchange gain or loss (Δloss)	177	12
Loss on change in equity	Δ 215	-
Others- net	14	83
Other income (Δexpenses)-net	Δ 33	101
Income before income taxes	1,842	1,921
INCOME TAXES		
Current	163	262
Deferred	606	547
Total	769	810
PROFIT	1,073	1,111
Profit attributable to non-controlling interests	197	5
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	876	1,105
PROFIT	1,073	1,111
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or Δloss) on available-for-sale securities	267	70
Foreign currency translation adjustments	705	Δ 84
Remeasurements of defined benefit plans	11	1
Share of other comprehensive income of associates in equity method	116	29
Total	1,101	17
COMPREHENSIVE INCOME	2,174	1,129
Comprehensive income attributable to :		
Owners of the parent	1,791	1,127
Non-controlling interests	383	1

**STATEMENT OF ORDER ENTRY AND SALES BY ITEMS**  
For the First quarter ended December 31 2016

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2016.12 <2016.10.1-2016.12.31>			
	AMOUNT OF ORDER ENTRY (IN MILLIONS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN MILLIONS, JPY)	year-to-year comparison (%)
<b>CRO</b>				
Monitoring	3,638	120.2%	18,871	101.5%
Data Management	1,789	85.9%	16,341	102.3%
CRO others	667	78.6%	2,152	79.9%
TOTAL OF CRO	6,096	102.2%	37,365	100.2%
<b>SMO</b>	2,506	161.3%	18,441	203.5%
<b>CSO</b>	1,944	295.9%	6,786	121.3%
<b>Global Research Business</b>	1,221	77.4%	7,222	116.1%
<b>China Business</b>	1,795	174.4%	156	80.1%
<b>Others</b>	72	99.6%	11	140.6%
TOTAL	13,635	125.6%	69,983	119.9%

\* These figures are expressed by sales price.

\* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2016.12 <2016.10.1-2016.12.31>	
	AMOUNT OF SALES (IN MILLIONS, JPY)	year-to-year comparison (%)
<b>CRO</b>		
Monitoring	3,530	93.6%
Data Management	2,161	125.7%
CRO others	493	87.5%
TOTAL OF CRO	6,185	102.2%
<b>SMO</b>	3,431	190.9%
<b>CSO</b>	2,053	118.7%
<b>Global Research Business</b>	1,050	103.0%
<b>China Business</b>	1,719	196.6%
<b>Others</b>	71	98.7%
TOTAL	14,511	125.7%

\* These above figures do not include the consumption tax.

**INDUSTRY SEGMENT INFORMATION**  
For the First quarter ended December 31 2016 and 2015

(UNAUDITED)

FY 2017 (2016.10.1-2016.12.31)

(IN MILLIONS, JPY)

	CRO	SMO	CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>									
Sales to customers	6,185	3,431	2,053	1,050	1,719	71	14,511	—	14,511
Intersegment sales	602	9	11	7	4	335	970	(970)	—
Total	6,787	3,440	2,064	1,058	1,723	406	15,482	(970)	14,511
Operating income	1,560	364	111	(101)	174	26	2,136	(260)	1,876

\* Operating income of (260) million yen under "Eliminations/ Corporate" consists of elimination of inter-segment and non-attributable corporate expenses related to the company.

FY 2016 (2015.10.1-2015.12.31)

(IN MILLIONS, JPY)

	CRO	SMO	CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>									
Sales to customers	6,053	1,797	1,729	1,020	874	72	11,548	—	11,548
Intersegment sales	462	23	6	10	4	270	776	(776)	—
Total	6,516	1,820	1,736	1,030	878	342	12,325	(776)	11,548
Operating income	1,657	267	50	120	(82)	4	2,018	(198)	1,820

\* Operating income of (198) million yen under "Eliminations/ Corporate" consists of elimination of inter-segment and non-attributable corporate expenses related to the company.