

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE THIRD QUARTER ENDED JUNE 30, 2013

(2012.10.1-2013.6.30)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Jun-13	26,723 (4.3%)	1,791 (Δ 51.2%)	1,611 (Δ 55.1%)	390 (Δ 76.3%)
Jun-12	25,629 (10.4%)	3,673 (18.7%)	3,590 (16.1%)	1,649 (32.8%)
	Net Income per Share (yen)	Net Income per Share,diluted (yen)		
Jun-13	1,091.10	—		
Jun-12	4,612.33	—		

Note : 1 Comprehensive income

Jun-13 1,546 Million yen (Δ 25.8%) Jun-12 2,084 Million yen (44.8%)

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 2 shares as of 1st April 2013, above net income per share shows amount based on as if share split were considered to be effective on 1st October 2011 retroactively.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)
Jun-13	26,469	18,818	62.0%
Sep-12	26,647	18,436	58.6%

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

Jun-13 16,409 Million yen Sep-12 15,608 Million yen

(3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 24 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-12	(Result)	1,600.00	1,900.00	3,500.00
Sep-13	(Result)	1,600.00	—	2,600.00
	(Projection)	—	1,000.00	

Note : As each share of common stock has been split into 2 shares as of 1st April 2013, above projected year end dividend shows the amount after this split, in spite that interim dividend remains before split. For your guidance, the total amount of projected year end dividend per share remains unchanged from previous our projection which was announced in November 2012, before split.

3. INFORMATION OF CONSOLIDATED BUDGET 2013.09 (2012.10.1-2013.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-13	37,834 (7.5%)	3,496 (Δ 32.4%)	3,396 (Δ 33.3%)	1,270 (Δ 42.5%)

Budgeted net income per share : Sep-13 3,550.94 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 2 shares as of 1st April 2013, above budgeted net income per share shows the amount based on as if share split were considered to be effective on 1st October 2012 retroactively.

4. OTHER INFORMATION

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

Jun-13 361,600 shares Sep-12 180,800 shares

(2) Common stock for treasury as of :

Jun-13 3,948 shares Sep-12 1,974 shares

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

Jun-13 357,652 shares Jun-12 178,826 shares

CONSOLIDATED BALANCE SHEETS

June 30, 2013 and September 30, 2012
(UNAUDITED)

(IN THOUSANDS,JPY)

	June 30.2013	September 30.2012
ASSETS		
CURRENT ASSETS		
Cash and time deposits	8,767,111	10,576,625
Notes and accounts receivable	6,054,207	7,320,867
Investment securities	406,689	100,016
Inventories and products	833,491	415,319
Works in progress	813,325	506,388
Others	1,734,633	1,628,172
Allowance for doubtful accounts	△ 5,108	△ 4,050
Total current assets	18,604,350	20,543,338
FIXED ASSETS		
Tangible Assets	2,526,071	1,881,401
Intangible Assets	1,396,430	814,248
Investments and other assets ;		
Investment securities	1,301,226	587,383
Deposits	1,542,656	1,287,155
Others	1,098,824	1,533,884
Total investments and other assets	3,942,707	3,408,423
Total fixed assets	7,865,209	6,104,074
TOTAL ASSETS	26,469,560	26,647,412
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	349,452	252,027
Short-term debt	1,230,000	15,000
Current portion of long-term debt	100,000	100,000
Income taxes payable	50,849	1,455,156
Provision for bonuses	309,138	1,094,398
Provision for loss on order received	47,000	108,000
Others	3,681,409	3,292,666
Total current liabilities	5,767,849	6,317,248
LONG-TERM LIABILITIES		
Long-term debt	700,000	800,000
Provision for employees' retirement benefits	614,783	515,997
Provision for directors' retirement benefits	271,147	241,664
Asset retirement obligations	259,189	274,805
Others	37,796	61,355
Total long-term liabilities	1,882,916	1,893,822
TOTAL LIABILITIES	7,650,766	8,211,071
NET ASSETS		
Shareholders' equity		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,826,300
Retained earnings	12,165,993	12,401,651
Common stock for treasury	△ 317,258	△ 317,258
Total shareholders' equity	15,550,287	15,785,945
Accumulated other comprehensive income (or △loss)		
Unrealized gain (or △loss) on available-for-sale securities	△ 43,239	△ 57,555
Foreign currency translation adjustments	902,467	△ 120,366
Total accumulated other comprehensive income (or △loss)	859,227	△ 177,921
Minority interests	2,409,279	2,828,317
TOTAL NET ASSETS	18,818,794	18,436,341
TOTAL LIABILITIES AND NET ASSETS	26,469,560	26,647,412

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the Third quarter ended June 30 2013 and 2012

(UNAUDITED)

(IN THOUSANDS,JPY)

	Third quarter ended June 30.2013	Third quarter ended June 30.2012
NET SALES	26,723,103	25,629,863
COST OF SALES	19,902,253	17,047,540
Gross profit	6,820,850	8,582,322
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,029,061	4,909,103
Operating income	1,791,788	3,673,218
OTHER INCOME (ΔEXPENSES)		
Interest income	14,038	8,082
Interest expenses	Δ 16,377	Δ 18,660
Foreign exchange gain or loss (Δloss)	Δ 207,376	Δ 98,917
Gain on cancellation of insurance	24,628	18,944
Gain on sale of investment securities	50,996	6,171
Impairment loss on investment securities	Δ 282,543	Δ 31,054
Business restructuring expense	Δ 78,310	—
Others- net	4,707	9,176
Other income (Δexpenses)-net	Δ 490,236	Δ 106,257
Income before income taxes and minority interests	1,301,552	3,566,961
INCOME TAXES		
Current	475,741	1,195,991
Deferred	448,469	479,218
Total	924,211	1,675,209
Income before minority interests	377,340	1,891,751
MINORITY INTERESTS	Δ 12,891	242,142
NET INCOME	390,232	1,649,608
Income before minority interests	377,340	1,891,751
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or Δloss) on available-for-sale securities	14,315	37,276
Foreign currency translation adjustments	1,144,377	151,437
Share of other comprehensive income of associates in equity method	10,251	3,619
Total	1,168,944	192,333
COMPREHENSIVE INCOME	1,546,285	2,084,085
Comprehensive income attributable to :		
Parent shareholders	1,427,382	1,819,364
Minority interests	118,903	264,721

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS

For the Third quarter ended June 30 2013

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2013.06 <2012.10.1-2013.6.30>			
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO(Domestic)				
Monitoring	7,423,025	97.7%	14,460,423	100.8%
Data Management	5,216,060	93.0%	12,487,744	95.7%
CRO others	2,885,249	132.7%	2,037,714	197.7%
TOTAL OF CRO	15,524,335	100.9%	28,985,882	102.0%
SMO(Domestic)	3,683,866	63.8%	7,094,743	89.7%
CSO(Domestic)	4,600,441	109.2%	4,227,771	106.1%
Global Research	1,497,790	211.8%	2,808,743	99.2%
China Business	1,536,920	3687.7%	165,178	127.9%
TOTAL	26,843,354	102.8%	43,282,319	100.0%

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2013.06 <2012.10.1-2013.6.30>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO(Domestic)		
Monitoring	7,930,365	102.3%
Data Management	5,740,310	94.9%
CRO others	2,044,168	91.3%
TOTAL OF CRO	15,714,843	98.0%
SMO(Domestic)	4,213,364	96.8%
CSO(Domestic)	4,172,100	93.5%
Global Research	1,085,753	147.2%
China Business	1,537,041	3,796.5%
TOTAL	26,723,103	104.3%

* These above figures do not include the consumption tax.

(UNAUDITED)

FY 2013 (2012.10.1-2013.6.30)

(IN THOUSANDS, JPY)

	CRO (Domestic)	SMO (Domestic)	CSO (Domestic)	Global Research	China Business	Total	Eliminations/ Corporate	Consolidation
SALES								
Sales to customers	15,714,843	4,213,364	4,172,100	1,085,753	1,537,041	26,723,103	—	26,723,103
Intersegment sales	425,246	3,069	46,570	75,162	150,642	700,690	(700,690)	—
Total	16,140,090	4,216,434	4,218,670	1,160,915	1,687,683	27,423,794	(700,690)	26,723,103
Operating income	1,987,504	177,596	13,630	(73,708)	(317,203)	1,787,820	3,968	1,791,788

* Operating income of 3,968 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.

* From FY2013, segment definition has been changed to 5 categories of "CRO(Domestic)", "SMO(Domestic)", "CSO(Domestic)", "Global Research" and "China business", as newly setting up "Global Research" and "China business" segments which were belonged to "CRO" business in previous year. Reclassified segment information of the same period in previous year is as follows:

FY 2012 (2011.10.1-2012.6.30)

(IN THOUSANDS, JPY)

	CRO (Domestic)	SMO (Domestic)	CSO (Domestic)	Global Research	China Business	Total	Eliminations/ Corporate	Consolidation
SALES								
Sales to customers	16,039,233	4,351,488	4,461,128	737,526	40,486	25,629,863	—	25,629,863
Intersegment sales	167,536	—	26,185	63,129	137,456	394,308	(394,308)	—
Total	16,206,769	4,351,488	4,487,313	800,656	177,943	26,024,172	(394,308)	25,629,863
Operating income	3,064,376	510,479	508,699	(36,351)	(380,327)	3,666,876	6,342	3,673,218

* Operating income of 6,342 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.