Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE SECOND QUARTER ENDED MARCH 31, 2014

(2013.10.1-2014.3.31) (UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income	
Mar-14	19,852 (8.9%)	1,923 (10.5%)	1,978 (20.7%)	896 (33.4%)	
Mar-13	18,237 (5.2%)	1,741 (△ 36.7%)	1,638 (△ 37.7%)	671 (△ 43.2%)	

	Net Income per Share (yen)	Net Income per Share, diluted (yen)
Mar-14	25.27	* –
Mar-13	18.78	_

Note: 1 Comprehensive income

Mar-14 1,220 Million yen (Δ19.0%) Mar-13 1,505 Million yen (Δ10.8%)

- 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 (%)
Mar-14	33,700	20,389	52.9%
Sep-13	30,323	20,060	57.7%

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

Mar-14 17,843 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	_		
Can 14	(Result)	800.00	_			
Sep-14	(Projection)	_	10.00	ı		

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

					(UNIT.JFT WILLION)	
	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 :

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

(2) Common stock for treasury as of :

Mar-14 730,200 shares Sep-13 394,800 shares

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

Mar-14 35,476,883 shares Mar-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 March 31, 2014 and September 30, 2013

(UNAUDITED)

ASSETS CURRENT ASSETS Cash and time deposits Notes and accounts receivable Investment securities Interpolation Inte	(IN THOUGANDO IDV)		(UNAUDITED)
CURRENT ASSETS 10,474,905 Cash and time deposits 11,270,926 7,516,328 Notes and accounts receivable investment securities 504,006 171,768 Investment securities 504,006 171,768 Investment securities 884,836 643,114 Works in progress 609,304 480,997 Others 2,298,88 2,594,884 Allowance for doubtful accounts A 25,196 ∆ 22,771 Total current assets 23,489,529 21,867,224 FIXED ASSETS C865,770 2,590,022 Intending Die Assets intangible Assets 1,449,99 1,410,862 Investments and other assets 1,849,97 1,067,676 Deposits 1,706,592 1,624,702 Others 1,824,752 1,763,247 Total investments and other assets 5,380,342 4,455,626 Total fixed assets 10,211,112 8,456,510 TOTAL ASSETS 33,700,642 30,323,735 LIABILITIES 2000 1,000 CURRENT LIABILITIES 1,000,447	(IN THOUSANDS,JPY)		
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Inventories 834,818 643,114 Works in progress 699,304 48,999 Others 699,304 48,999 Others 699,304 48,999 Others 699,304 48,999 All Allowance for doubtful accounts 2,292,688 2,594,884 Allowance for doubtful accounts 23,495,529 21,657,224 FIXED ASSETS	Notes and accounts receivable	7,952,962	7,516,328
Works in progress 609,304 488,997 Others 2,294,688 A,594,848 A,504,848 A	Investment securities	504,006	171,766
Others 2,292,688 2,594,884 Allowance for doubtful accounts Δ 25,196 Δ 22,771 Total current assets 23,489,529 21,867,224 FIXED ASSETS Tangible Assets Intangible Assets Intangible Assets 2,144,999 1,410,862 Investment securities 1,848,997 1,067,676 Deposits 1,706,592 1,624,702 Others 1,824,752 1,763,247 1,765,922 1,624,702 Total investments and other assets 5,380,342 4,455,626 Total fixed assets 10,211,112 8,456,510 TOTAL ASSETS 33,700,642 30,323,735 LIABILITIES Current portion of long-term debt 1,440,000 1,700,000 Current portion of long-term debt 4,44,000 444,000 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 1,061,353 815,640 Provision for bonuses 1,232,453 2,000 2,000 Total current liabilities 3,536,97	Inventories	884,836	643,114
Allowance for doubtful accounts	Works in progress	609,304	488,997
Total current assets 23,489,529 21,867,224	Others	2,292,688	2,594,884
FIXED ASSETS	Allowance for doubtful accounts	△ 25,196	Δ 22,771
FIXED ASSETS	Total current assets		
Tangible Assets Integrated Assets Investments and other assets; Investments and other assets; Investment securities 2,144,999 1,410,862 Investment securities 1,848,997 1,067,676 Deposits 1,706,592 1,624,702 Others 1,824,752 1,763,247 Total investments and other assets 5,380,342 4,455,626 Total fixed assets 10,211,112 8,456,510 TOTAL ASSETS 33,700,642 30,323,735 LIABILITIES CURRENT LIABILITIES 709,487 CURRENT LIABILITIES 1,060,818 709,487 Accounts payable 1,060,818 709,487 Short-term debt 4,44,000 444,000 Income taxes payable 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 Provision for long-term debt 5,000 20,000 Others 3,3536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES 3,006,074 2,856,000 Long-term debt 7,0705 657,361			
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Deposits Others 1,706,592 1,824,702 1,763,247 Others Others 1,824,752 1,763,247 Total investments and other assets 5,380,342 4,455,626 Total fixed assets 10,211,112 8,456,510 TOTAL ASSETS 33,700,642 30,323,735 LIABILITIES CURRENT LIABILITIES Accounts payable Accounts payable Short-term debt 1,515,000 170,000 1,060,818 709,447 10,000 170,			
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Total investments and other assets Total fixed assets Total current portion of long-term debt Accounts payable Accounts payable Accounts payable Accounts payable Accounts payable Income taxes payable Income (or Δloss) Income (or Δlo		1,706,592	1,624,702
Total fixed assets TOTAL ASSETS 33,700,642 30,323,735 LIABILITIES CURRENT LIABILITIES Accounts payable Accounts payable Short-term debt Accounts payable			1,763,247
TOTAL ASSETS 33,700,642 30,323,735 LIABILITIES CURRENT LIABILITIES Accounts payable 1,060,818 709,487 Short-term debt 1,515,000 170,000 Current portion of long-term debt 444,000 144,000 Income taxes payable 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 Provision for loss on order received 52,000 20,000 Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES Long-term debt 7,070,5 657,361 Provision for directors' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 723,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 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 14,024,629 13,485,740 Common stock for treasury A68,869 A 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Unrealized gain (or △loss) on available-for-sale securities Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or △loss) Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	Total investments and other assets	5,380,342	4,455,626
TOTAL ASSETS 33,700,642 30,323,735 LIABILITIES CURRENT LIABILITIES Accounts payable 1,060,818 709,487 Short-term debt 1,515,000 170,000 Current portion of long-term debt 444,000 Income taxes payable 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 Provision for loss on order received 52,000 20,000 Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES Long-term debt 7,070,5 657,361 Provision for directors' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 723,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 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 14,024,629 13,485,740 Common stock for treasury A68,869 A317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Unrealized gain (or △loss) on available-for-sale securities Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or △loss) Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	Total Conditional	40.044.440	0.450.540
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LIABILITIES Accounts payable 1,060,818 709,487 Short-term debt 1,515,000 170,000 Current portion of long-term debt 444,000 444,000 Income taxes payable 1,061,353 815,640 Provision for bouses 1,132,453 1,032,416 Provision for loss on order received 52,000 20,000 Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES 8,802,598 6,108,935 Long-term debt 3,006,074 2,856,000 Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Common stock 1,875,251 1,875,251 Additional paid-in capital 1,826,300	TOTAL ASSETS	33,700,642	30,323,735
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Short-term debt Current portion of long-term debt 1,515,000 170,000 Current portion of long-term debt Income taxes payable 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 Provision for loss on order received 52,000 20,000 Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES 2006,074 2,856,000 Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 210,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Common stock 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 <td></td> <td></td> <td></td>			
Current portion of long-term debt Income taxes payable Income taxes payable 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 Provision for loss on order received 52,000 20,000 Others 3,556,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES Long-term debt Provision for employees' retirement benefits Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity Common stock Additional paid-in capital Retained earnings Additional paid-in capital Retained earnings Additional paid-in capital Accumulated other comprehensive income (or △loss) Unrealized gain (or △loss) on available-for-sale securities Poreign currency translation adjustments Poreign currency translation provides Poreign currency translatio	• •		
Income taxes payable 1,061,353 815,640 Provision for bonuses 1,132,453 1,032,416 Provision for loss on order received 52,000 20,000 Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES 3,006,074 2,856,000 Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Common stock 1,875,251 1,875,251 1,875,251 Additional paid-in- capital 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 2,686,869 △ 317,258 Total shareholders' equity 17,039,312 16,870,		1,515,000	170,000
Provision for bonuses 1,132,453 1,032,416 Provision for loss on order received 52,000 20,000 Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES 3,006,074 2,856,000 Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 16,870,034 Accumulated other comprehensive income (or △loss) Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989	Current portion of long-term debt	444,000	444,000
Provision for loss on order received Others \$2,000 20,000 Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES Long-term debt Provision for employees' retirement benefits 3,006,074 2,856,000 Provision for directors' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 2,000,003 Common stock for treasury Δ686,869 Δ317,258 2,375,003 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Δ185,496 Δ108,881 <td>Income taxes payable</td> <td>1,061,353</td> <td>815,640</td>	Income taxes payable	1,061,353	815,640
Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES 3,006,074 2,856,000 Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ686,869 Δ317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Δ185,496 Δ108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 <td>Provision for bonuses</td> <td>1,132,453</td> <td>1,032,416</td>	Provision for bonuses	1,132,453	1,032,416
Others 3,536,973 2,917,392 Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES 3,006,074 2,856,000 Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury 468,689 △ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or △loss) 803,795 615,828<	Provision for loss on order received		20,000
Total current liabilities 8,802,598 6,108,935 LONG-TERM LIABILITIES	Others		
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Long-term debt 3,006,074 2,856,000 Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 2 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 20,389,263 ∆ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or △loss) 803,795 615,828 Minority interests 2,546,155 2,575,101			
Provision for employees' retirement benefits 710,705 657,361 Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Common stock 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 16,870,034 Accumulated other comprehensive income (or Δloss) 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964			
Provision for directors' retirement benefits 223,474 249,452 Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 33,311,378 10,262,770 NET ASSETS Shareholders' equity 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 20,000,000 20,000,000 Common stock for treasury Δ 686,869 Δ 317,258 20,000,000 </td <td></td> <td></td> <td></td>			
Asset retirement obligations 342,891 327,474 Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 2 Common stock 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Unrealized gain (or △loss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or △loss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964		710,705	
Others 225,635 63,547 Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 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 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Unrealized gain (or △loss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or △loss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964		223,474	249,452
Total long-term liabilities 4,508,780 4,153,835 TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity 20,060,964 1,875,251 1,875,251 Additional paid-in capital Additional Paid-in Common stock for treasury A 686,869 A 317,258 13,485,740 A 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or △loss) Unrealized gain (or △loss) on available-for-sale securities A 185,496 A 108,881 A 185,496 A 108,881 A 108,881 Foreign currency translation adjustments Proteign currency translation adjustments income (or △loss) 989,292 F 24,710 724,710 Total accumulated other comprehensive income (or △loss) 803,795 615,828 615,828 Minority interests Income (or △loss) 2,546,155 2,575,101 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	Asset retirement obligations	342,891	327,474
TOTAL LIABILITIES 13,311,378 10,262,770 NET ASSETS Shareholders' equity Common stock Additional paid-in capital Additional paid-in capital Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Foreign currency translation adjustments Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	Others	225,635	63,547
NET ASSETS Shareholders' equity 1,875,251 1,875,251 Common stock 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	Total long-term liabilities	4,508,780	4,153,835
NET ASSETS Shareholders' equity 1,875,251 1,875,251 Common stock 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964			
Shareholders' equity 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	TOTAL LIABILITIES	13,311,378	10,262,770
Shareholders' equity 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	NET ASSETS		
Common stock 1,875,251 1,875,251 Additional paid-in capital 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964			
Additional paid-in capital 1,826,300 1,826,300 Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964		1.875.251	1.875.251
Retained earnings 14,024,629 13,485,740 Common stock for treasury Δ 686,869 Δ 317,258 Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or Δloss) Unrealized gain (or Δloss) on available-for-sale securities Δ 185,496 Δ 108,881 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964			
Common stock for treasury Δ 686,869 Δ 317,258Total shareholders' equity17,039,31216,870,034Accumulated other comprehensive income (or \triangle loss) Unrealized gain (or \triangle loss) on available-for-sale securities Foreign currency translation adjustments Total accumulated other comprehensive income (or \triangle loss) Δ 185,496 989,292 Δ 108,881Total accumulated other comprehensive income (or \triangle loss)803,795615,828Minority interests TOTAL NET ASSETS2,546,155 20,389,2632,575,101 			
Total shareholders' equity 17,039,312 16,870,034 Accumulated other comprehensive income (or \triangle loss) Unrealized gain (or \triangle loss) on available-for-sale securities Foreign currency translation adjustments Total accumulated other comprehensive income (or \triangle loss) Minority interests TOTAL NET ASSETS 16,870,034 16,870,034 16,870,034 16,870,034 185,496 \triangle 185,496 899,292 724,710 803,795 615,828 2,575,101 20,389,263 20,060,964	-		
Accumulated other comprehensive income (or \triangle loss) Unrealized gain (or \triangle loss) on available-for-sale securities Foreign currency translation adjustments Total accumulated other comprehensive income (or \triangle loss) Minority interests TOTAL NET ASSETS	· · · · · · · · · · · · · · · · · · ·		
Unrealized gain (or \triangle loss) on available-for-sale securities Foreign currency translation adjustments Total accumulated other comprehensive income (or \triangle loss) Minority interests TOTAL NET ASSETS $\Delta 185,496 \\ 989,292 \\ 724,710$ $803,795 \\ 615,828$ $2,546,155 \\ 20,389,263 \\ 20,060,964$	rotal offatoriolation oquity	11,000,012	10,010,001
available-for-sale securities Δ 163,496 Δ 108,681 Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	Accumulated other comprehensive income (or △loss	s)	
Foreign currency translation adjustments 989,292 724,710 Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests 2,546,155 2,575,101 TOTAL NET ASSETS 20,389,263 20,060,964	Unrealized gain (or △loss) on	A 195 406	۸ 100 001
Total accumulated other comprehensive income (or Δloss) 803,795 615,828 Minority interests TOTAL NET ASSETS 2,546,155 2,575,101 20,389,263 20,060,964	available-for-sale securities	△ 105,490	Δ 100,001
income (or △loss) Minority interests TOTAL NET ASSETS income (or △loss) 2,546,155 2,575,101 20,389,263 20,060,964	Foreign currency translation adjustments	989,292	724,710
Minority interests TOTAL NET ASSETS 2,546,155 2,575,101 20,389,263 20,060,964	Total accumulated other comprehensive	902 705	615 929
TOTAL NET ASSETS 20,389,263 20,060,964	income (or △loss)	003,733	010,020
TOTAL NET ASSETS 20,389,263 20,060,964	Minority interests	2 5/6 155	2 575 101
TOTAL LIABILITIES AND NET ASSETS 30,700,642 30,323,735	TOTAL NET AGETO	20,303,203	20,000,304
	TOTAL LIABILITIES AND NET ASSETS	30,700,642	30,323,735

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME For the Second quarter ended March 31 2014 and 2013 (UNAUDITED)

(IN THOUSANDS,JPY)

	Second quarter ended March 31.2014	Second quarter ended March 31.2013
NET SALES	19,852,159	18,237,294
COST OF SALES	14,170,864	13,116,979
Gross profit	5,681,295	5,120,314
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,757,506	3,378,925
Operating income	1,923,789	1,741,389
OTHER INCOME (△EXPENSES)		
Interest income	24,278	11,521
Interest expenses	△ 16,917	△ 11,415
Foreign exchange gain or loss (△loss)	△ 11,979	△ 140,025
Gain on cancellation of life insurance	22,763	19,192
Gain or loss of equity in associated companies (\triangle loss)	△ 9,800	△ 26,260
Gain on change in subsidiaries' equity	16,191	_
Others- net	46,338	△ 140,833
Other income (△expenses)-net	70,875	Δ 287,820
Income before income taxes and minority interests	1,994,664	1,453,568
INCOME TAXES		
Current	987,919	615,035
Deferred	△ 9,621	192,791
Total	978,298	807,827
Income before minority interests	1,016,365	645,741
MINORITY INTERESTS	119,825	Δ 26,086
NET INCOME	896,540	671,828
Income before minority interests	1,016,365	645,741
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or △loss) on available-for-sale securities	△ 76,615	60,584
Foreign currency translation adjustments Share of other comprehensive income of associates in	300,419	787,737
equity method	Δ 19,822	11,737
Total	203,981	860,059
COMPREHENSIVE INCOME	1,220,347	1,505,801
Comprehensive income attributable to :		
Parent shareholders	1,084,507	1,447,166
Minority interests	135,839	58,634

CONSOLIDATED STATEMENTS OF CASH FLOWS For the Second quarter ended March 31 2014 and 2013 (UNAUDITED)

(IN THOUSANDS,JPY)

	Second quarter ended March 31.2014	Second quarter ended March 31.2013
OPERATING ACTIVITIES:		
Income before income taxes and minority interests Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:	1,994,664	1,453,568
Depreciation and amortization	344,029	277,775
Increase (△Decrease) in provision for bonuses	29,076	△ 205,836
Increase (\(\Decrease \)) in allowance for retirement benefits for employees	53,341	67,184
Increase (△Decrease) in allowance for retirement benefits for directors	△ 25,977	19,305
Interest and dividends income	△ 28,628	△ 12,742
Interest expense	16,917	11,415
Gain on change in subsidiaries' equity	△ 16,191	_
Changes in operating assets and liabilities:		
Decrease (△Increase) in accounts receivable-trade	△ 50,463	578,970
Decrease (△Increase) in inventories	△ 265,219	△ 295,104
Increase (△Decrease) in accounts payable -trade	308,415	63,770
Increase (Δ Decrease) in other current liabilities	498,529	△ 343,152
Others , Net	391,431	147,055
Subtotal	3,249,924	1,762,211
Interest and dividends received	28,628	12,536
Interest paid	△ 17,319	△ 11,433
Income taxes paid	<u>∆</u> 752,181	<u>∆ 1,405,171</u>
Net cash provided by (used in) operating activities	2,509,052	358,143
INIVECTING ACTIVITIES.		
INVESTING ACTIVITIES:	. 54 724	. 14 960
Payments for time deposits	∆ 51,734	△ 14,869
Proceeds from maturity of time deposits	18,059	14,627 △ 282,757
Payments for purchases of tangible fixed assets Payments for purchases of intangible fixed assets	∆ 236,991	Δ 262,757 Δ 123,282
Payments for purchases of investments securities	∆ 262,797 ∆ 860,829	Δ 123,262 Δ 911,956
Payments for deposit for rent office and others	∆ 138,625	Δ 91,209
Payments for purchases of investments in subsidiaries	△ 145,500	Δ 602,000
Payments for purchases of investments in capital of subsidiaries	Δ 33,320	_
Payments for acquisition of consolidated subsidiaries	△ 798,391	_
Others, Net	242,795	∆ 514,117
Net cash provided by (used in) investing activities	Δ 2,267,335	△ 2,525,565
FINANCING ACTIVITIES:		
Proceeds from borrowing of short-term debt	2,000,000	2,780,000
Disbursements for repayment of short-term debt	△ 655,000	△ 1,865,000
Proceeds from borrowing of long-term debt	400,000	_
Disbursements for repayment of long-term debt	△ 249,925	△ 50,000
Payments for acquistion of common stock for treasury	△ 399,745	△ 302
Proceeds from sale of common stock for treasury	30,084	
Dividends paid	△ 357,235	△ 339,794
Dividends paid for minority shareholders	△ 48,888	△ 56,929
Others , Net	Δ 3,240	△ 10,649
Net cash provided by (used in) financing activities	716,048	457,323
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	136,018	356,399
NET INCREASE IN CASH AND CASH EQUIVALENTS BEGINNING OF BALANCE, CASH AND CASH EQUIVALENTS	1,093,784	∆ 1,353,699
·	10,629,445	10,663,816
ENDING OF BALANCE, CASH AND CASH EQUIVALENTS	11,723,229	9,310,117

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS For the Second quarter ended March 31 2014

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2014.03 <2013.10.1-2014.3.31>						
DIVISION	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN THOUSANDS, JPY)	year-to-year comparison (%)			
Domestic CRO							
Monitoring	9,841,297	141.9%	20,815,951	126.8%			
Data Management	3,739,070	93.7% 12,790,069		100.3%			
CRO others	1,385,147	84.3%	2,440,335	124.0%			
TOTAL OF CRO	14,965,515	119.1%	36,046,356	115.8%			
Domestic SMO	3,221,406	165.0%	7,707,385	113.8%			
Domestic CSO	2,743,500	91.4%	4,033,584	99.7%			
Global Research Operation	1,070,994	94.0%	3,121,680	112.3%			
EKISHIN Operation	1,769,938	240.7%	288,991	253.9%			
Others	647,826	96.5%	157,361	107.5%			
TOTAL	24,419,181	121.7%	51,355,361	114.1%			

^{*} These figures are expressed by sales price.

(2) RESULT OF SALES

DIVISION	2014.03 <2013.10.1-2014.3.31>				
3.775.57	AMOUNT OF SALES (IN THOUSANDS, JPY)	year-to-year comparison (%)			
Domestic CRO					
Monitoring	6,398,366	116.5%			
Data Management	3,747,181	88.2%			
CRO others	1,056,263	155.3%			
TOTAL OF CRO	11,201,812	107.5%			
Domestic SMO	2,734,151	97.6%			
Domestic CSO	2,810,723	102.0%			
Global Research Operation	947,005	125.4%			
EKISHIN Operation	1,541,608	196.0%			
Others	616,859	86.1%			
TOTAL	19,852,159	108.9%			

^{*} These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION

For the Second quarter ended March 31 2014 and 2013

(UNAUDITED)

FY 2014 (2013.10.1-2014.3.31)

(IN THOUSANDS, JPY)

(m mees are)									
	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Operation	EKISHIN Operation	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	11,201,812	2,734,151	2,810,723	947,005	1,541,608	616,859	19,852,159	_	19,852,159
Intersegment sales	438,533	432,629	48,833	123,043	36,355	408,574	1,487,969	(1,487,969)	_
Total	11,640,346	3,166,780	2,859,556	1,070,048	1,577,963	1,025,434	21,340,129	(1,487,969)	19,852,159
Operating income	1,681,546	475,600	120,209	(158,415)	(172,524)	(35,200)	1,911,214	12,574	1,923,789

^{*} Operating income of 12,574 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.

FY 2013 (2012.10.1-2013.3.31)

(IN THOUSANDS JPY)

(IN THOOSANDS, ST)									
	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Operation	EKISHIN Operation	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	10,423,437	2,800,579	2,754,845	755,170	786,651	716,609	18,237,294	_	18,237,294
Intersegment sales	174,573	2,230	32,040	56,124	44,839	217,475	527,282	(527,282)	_
Total	10,598,011	2,802,809	2,786,885	811,294	831,490	934,084	18,764,577	(527,282)	18,237,294
Operating income	1,871,665	56,703	32,375	(1,611)	(217,168)	(7,114)	1,734,849	6,539	1,741,389

^{*} Operating income of 6,539 thousand yen under "Eliminations/ Corporate" consists of elimination of inter-segment and other transactions.

^{*} These above figures do not include the consumption tax.

^{*} 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:

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