

# Financial Highlights

## 1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE SECOND QUARTER ENDED MARCH 31, 2015

(2014.10.1-2015.3.31)  
(UNAUDITED)

### (1) CONSOLIDATED OPERATING RESULTS

( UNIT:JPY MILLION )

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-15	22,052 ( 11.1% )	2,439 ( 26.8% )	2,508 ( 26.8% )	984 ( 9.8% )
Mar-14	19,852 ( 8.9% )	1,923 ( 10.5% )	1,978 ( 20.7% )	896 ( 33.4% )

	Net Income per Share (yen)	Net Income per Share, diluted (yen)
Mar-15	26.89	—
Mar-14	25.27	—

Note : 1 Comprehensive income

Mar-15 1,545 Million yen ( 26.7% ) Mar-14 1,220 Million yen ( Δ 19.0% )

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 (%)
Mar-15	36,760	22,379	59.8%
Sep-14	34,689	21,230	54.5%

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

Mar-15 21,966 Million yen

Sep-14 18,917 Million yen

### (3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries :

37 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	(Result)	8.00	—	—
	(Projection)	—	10.00	

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
Sep-15	44,120 ( 5.6% )	4,625 ( 3.0% )	4,327 ( 2.0% )	1,937 ( 6.0% )

Budgeted net income per share : 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 :

Mar-15 38,426,113 shares

Sep-14 36,160,000 shares

(2) Common stock for treasury as of :

Mar-15 666,452 shares

Sep-14 699,900 shares

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

Mar-15 36,612,716 shares

Mar-14 35,476,883 shares

CONSOLIDATED BALANCE SHEETS  
March 31, 2015 and September 30, 2014

(UNAUDITED)

(IN MILLIONS, JPY)

	March 31, 2015	September 30, 2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and time deposits	11,925	10,680
Notes and accounts receivable	9,472	8,613
Investment securities	240	1,067
Inventories	1,003	813
Works in progress	686	695
Others	3,385	2,702
Allowance for doubtful accounts	△ 27	△ 25
Total current assets	26,687	24,547
<b>FIXED ASSETS</b>		
Tangible Assets	2,927	2,771
Intangible Assets	1,852	2,205
Investments and other assets ;		
Investment securities	2,060	1,938
Deposits	1,522	1,504
Others	2,164	2,025
Allowance for doubtful accounts	△ 454	△ 303
Total investments and other assets	5,292	5,165
Total fixed assets	10,072	10,142
TOTAL ASSETS	36,760	34,689
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	1,377	1,040
Short-term debt	1,745	715
Current portion of long-term debt	444	444
Income taxes payable	1,339	1,757
Provision for bonuses	1,225	1,130
Provision for loss on order received	11	41
Others	4,087	4,009
Total current liabilities	10,229	9,137
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	2,488	2,746
Provision for directors' retirement benefits	215	241
Net defined benefit liability	797	761
Asset retirement obligations	381	352
Others	268	218
Total long-term liabilities	4,151	4,320
TOTAL LIABILITIES	14,381	13,458
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	1,875	1,875
Additional paid-in capital	3,593	1,826
Retained earnings	15,297	14,670
Common stock for treasury	△ 616	△ 653
Total shareholders' equity	20,148	17,718
Accumulated other comprehensive income (or △loss)		
Unrealized gain (or △loss) on available-for-sale securities	△ 280	△ 262
Foreign currency translation adjustments	2,089	1,461
Remeasurements of defined benefit plans	9	1
Total accumulated other comprehensive income (or △loss)	1,818	1,199
Minority interests	412	2,312
TOTAL NET ASSETS	22,379	21,230
TOTAL LIABILITIES AND NET ASSETS	36,760	34,689

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the Second quarter ended March 31 2015 and 2014

(UNAUDITED)

(IN MILLIONS, JPY)

	Second quarter ended March 31.2015	Second quarter ended March 31.2014
NET SALES	22,052	19,852
COST OF SALES	15,695	14,170
Gross profit	6,356	5,681
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,917	3,757
Operating income	2,439	1,923
OTHER INCOME (ΔEXPENSES)		
Interest income	48	24
Interest expenses	Δ 16	Δ 16
Gain on consumption tax filing	111	—
Provision for allowance for doubtful accounts	Δ 151	—
Foreign exchange gain or loss (Δloss)	Δ 44	Δ 11
Gain or loss of equity in associated companies (Δ loss)	Δ 66	Δ 9
Impairment loss on investment securities	Δ 6	—
Impairment loss	Δ 294	—
Others- net	188	85
Other income (Δexpenses)-net	Δ 232	70
Income before income taxes and minority interests	2,207	1,994
INCOME TAXES		
Current	1,306	987
Deferred	Δ 7	Δ 9
Total	1,298	978
Income before minority interests	908	1,016
MINORITY INTERESTS	Δ 76	119
NET INCOME	984	896
Income before minority interests	908	1,016
OTHER COMPREHENSIVE INCOME		
Unrealized gain (or Δloss) on available-for-sale securities	Δ 18	Δ 76
Foreign currency translation adjustments	571	300
Remeasurements of defined benefit plans	8	—
Share of other comprehensive income of associates in equity method	75	Δ 19
Total	637	203
COMPREHENSIVE INCOME	1,545	1,220
Comprehensive income attributable to :		
Parent shareholders	1,603	1,084
Minority interests	Δ 57	135

CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Second quarter ended March 31 2015 and 2014  
(UNAUDITED)

(IN MILLIONS, JPY)

	Second quarter ended March 31.2015	Second quarter ended March 31.2014
<b>OPERATING ACTIVITIES:</b>		
Income before income taxes and minority interests	2,207	1,994
<b>Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:</b>		
Depreciation and amortization	400	344
Increase (ΔDecrease) in provision for bonuses	92	29
Increase (ΔDecrease) in net defined benefit liability	48	—
Increase (ΔDecrease) in allowance for retirement benefits for directors	Δ 26	Δ 25
Interest and dividends income	Δ 53	Δ 28
Interest expense	16	16
Impairment loss on investment securities	6	—
Impairment loss	294	—
<b>Changes in operating assets and liabilities:</b>		
Decrease (ΔIncrease) in accounts receivable-trade	Δ 838	Δ 50
Decrease (ΔIncrease) in inventories	Δ 95	Δ 265
Increase (ΔDecrease) in accounts payable -trade	256	308
Increase (ΔDecrease) in other current liabilities	107	498
Others , Net	Δ 199	428
Subtotal	<u>2,217</u>	<u>3,249</u>
Interest and dividends received	53	28
Interest paid	Δ 16	Δ 17
Income taxes paid	Δ 1,686	Δ 752
Net cash provided by (used in) operating activities	<u>567</u>	<u>2,509</u>
<b>INVESTING ACTIVITIES:</b>		
Payments for time deposits	Δ 39	Δ 51
Proceeds from maturity of time deposits	60	18
Payments for purchases of tangible fixed assets	Δ 196	Δ 236
Payments for purchases of intangible fixed assets	Δ 80	Δ 262
Payments for purchases of investments securities	Δ 3	Δ 860
Payments for deposit for rent office and others	Δ 112	Δ 138
Others , Net	Δ 347	Δ 734
Net cash provided by (used in) investing activities	<u>Δ 718</u>	<u>Δ 2,267</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from borrowing of short-term debt	2,520	2,000
Disbursements for repayment of short-term debt	Δ 1,490	Δ 655
Disbursements for repayment of long-term debt	Δ 258	Δ 249
Payments for acquisition of common stock for treasury	Δ 1	Δ 399
Proceeds from sale of common stock for treasury	45	30
Dividends paid	Δ 358	Δ 357
Dividends paid for minority shareholders	Δ 64	Δ 48
Others , Net	Δ 29	396
Net cash provided by (used in) financing activities	<u>362</u>	<u>716</u>
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	221	136
NET INCREASE IN CASH AND CASH EQUIVALENTS	433	1,093
BEGINNING OF BALANCE,CASH AND CASH EQUIVALENTS	11,692	10,629
ENDING OF BALANCE,CASH AND CASH EQUIVALENTS	<u>12,126</u>	<u>11,723</u>

**STATEMENT OF ORDER ENTRY AND SALES BY ITEMS**  
For the Second quarter ended March 31 2015

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2015.03 <2014.10.1-2015.3.31>			
	AMOUNT OF ORDER ENTRY (IN MILLIONS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN MILLIONS, JPY)	year-to-year comparison (%)
<b>Domestic CRO</b>				
Monitoring	9,495	96.5%	20,746	99.7%
Data Management	5,218	139.6%	15,300	119.6%
CRO others	1,213	87.6%	1,894	77.6%
TOTAL OF CRO	15,927	106.4%	37,942	105.3%
<b>Domestic SMO</b>	3,743	116.2%	8,668	112.5%
<b>Domestic CSO</b>	2,981	108.7%	4,381	108.6%
<b>Global Research Business</b>	2,766	258.3%	5,521	176.9%
<b>China Business</b>	1,979	111.9%	28	9.9%
<b>Others</b>	471	72.8%	128	81.5%
TOTAL	27,870	114.1%	56,670	110.3%

\* These figures are expressed by sales price.

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

(2) RESULT OF SALES

DIVISION	2015.03 <2014.10.1-2015.3.31>	
	AMOUNT OF SALES (IN MILLIONS, JPY)	year-to-year comparison (%)
<b>Domestic CRO</b>		
Monitoring	6,584	102.9%
Data Management	4,187	111.7%
CRO others	1,149	108.8%
TOTAL OF CRO	11,921	106.4%
<b>Domestic SMO</b>	3,116	114.0%
<b>Domestic CSO</b>	3,363	119.7%
<b>Global Research Business</b>	1,171	123.7%
<b>China Business</b>	2,002	129.9%
<b>Others</b>	477	77.4%
TOTAL	22,052	111.1%

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

**INDUSTRY SEGMENT INFORMATION**  
For the Second quarter ended March 31 2015 and 2014

(UNAUDITED)

FY 2015 (2014.10.1-2015.3.31)

(IN MILLIONS, JPY)

	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>									
Sales to customers	11,921	3,116	3,363	1,171	2,002	477	22,052	—	22,052
Intersegment sales	494	11	9	25	10	604	1,155	(1,155)	—
Total	12,415	3,127	3,372	1,197	2,013	1,081	23,207	(1,155)	22,052
Operating income	2,862	317	208	(149)	(122)	(117)	2,998	(559)	2,439

\* 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 Δ559 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 "BPO" and "Other business".

FY 2014 (2013.10.1-2014.3.31)

(IN MILLIONS, JPY)

	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
<b>SALES</b>									
Sales to customers	11,201	2,734	2,810	947	1,541	616	19,852	—	19,852
Intersegment sales	438	432	48	123	36	408	1,487	(1,487)	—
Total	11,640	3,166	2,859	1,070	1,577	1,025	21,340	(1,487)	19,852
Operating income	1,681	475	120	(158)	(172)	(35)	1,911	12	1,923

\* Operating income of 12 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".