# **Financial Highlights**

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

(2015.10.1-2016.3.31) (UNAUDITED)

### (1) CONSOLIDATED OPERATING RESULTS

	Net sales	Operating Income	Ordinary Income	Net Income	
Mar-16	25,650 ( 16.3% )	3,794 ( 55.6% )	3,937 ( 57.0% )	2,524(156.4%)	
Mar-15	22,052 ( 11.1% )	2,439 ( 26.8% )	2,508 ( 26.8% )	984(9.8%)	

	Net Income per Share	Net Income per Share,
	(yen)	diluted (yen)
Mar-16	61.06	—
Mar-15	26.89	-

#### Note: 1 Comprehensive income

Mar-16 2,050 Million yen (32.7%) Mar-15 1,545 Million yen (26.7%) 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'		
	Total Assets	Net assets	Equity ratio (%)		
Mar-16	52,627	34,370	64.5%		
Sep-15	39,387	23,590	59.0%		

Notes : Total shareholders' equity, valuation and translation adjustments as of : Mar-16 33,939 Million yen Sep-15 23,219 Million yen

### (3) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : Affiliated companies by equity accounting method : 46 companies

5 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			
Son 16	(Result)	10.00	—				
Sep-16	(Projection)	—	10.00	_			

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

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

				( UNIT: JPY MILLION )		
	Net sales	Operating Income	Ordinary Income	Net Income		
Sep-16	52,500 ( 16.1%	) 5,225 ( △ 4.7% )	5,500 ( 2.6% )	3,000 ( 38.7% )		

Budgeted net income per share : Sep-16 67.32 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-16 46,311,389 shares Sep-15 38,426,113 shares
  (2) Common stock for treasury as of :
- Mar-16 1,749,301 shares Sep-15 626,280 shares
- (3) Average number of shares outstanding during the period as of : Mar-16 41,340,709 shares Mar-15 36,612,716 shares

( UNIT: JPY MILLION )

### CONSOLIDATED BALANCE SHEETS March 31, 2016 and September 30, 2015

(UNAUDITED)

(IN MILLIONS, JPY)		(UNAUDITED)
	March 31.2016	September 30.2015
ASSETS		September 30.2013
CURRENT ASSETS Cash and time deposits	16 910	12.069
Notes and accounts receivable	16,810 11,492	13,968 9,913
Investment securities	641	9,913 762
Inventories	1,224	958
Works in progress	2,254	823
Others	3,835	3,279
Allowance for doubtful accounts	5,055 ∆ 66	5,279 △ 66
Total current assets	36,191	29,640
FIXED ASSETS Tangible Assets	2 01/	3 010
Intangible Assets	2,914 7,800	3,010 1,616
Investments and other assets ;	7,000	1,010
Investment and other assets ,	2,047	1,916
Deposits	1,681	1,551
Others	2,894	2,457
Allowance for doubtful accounts	∆ 902	△ 806
Total investments and other assets	5,721	5,119
Total fixed assets	16,435	9,746
TOTAL ASSETS	52,627	39,387
LIABILITIES CURRENT LIABILITIES		
Accounts payable	1,132	894
Short-term debt	1,725	615
Current portion of long-term debt	720	704
Income taxes payable	1,578	2,454
Provision for bonuses	1,874	1,707
Provision for loss on order received	25	21
Others	6,428	4,654
Total current liabilities	13,485	11,052
LONG-TERM LIABILITIES		
Long-term debt	3,023	3,178
Provision for directors' retirement benefits	239	230
Net defined benefit liability	754	724
Asset retirement obligations	446	390
Others	308	222
Total long-term liabilities	4,771	4,745
TOTAL LIABILITIES	18,256	15,797
		10,707
NET ASSETS Shareholders' equity		
Common stock	3,888	1,875
Additional paid-in capital	12,115	3,593
Retained earnings	18,404	16,260
Common stock for treasury	∆ 2,064	△ 572
Total shareholders' equity	32,342	21,155
Accumulated other comprehensive income (or $\triangle$ lo	ee)	
Unrealized gain (or △loss) on	-	05
available-for-sale securities	41	65
Foreign currency translation adjustments	1,535	1,990
Remeasurements of defined benefit plans	20	7
Total accumulated other comprehensive income (or ∆loss)	1,597	2,063
Non controlling interacto	400	070
Non-controlling interests TOTAL NET ASSETS	<u> </u>	<u> </u>
		20,000
TOTAL LIABILITIES AND NET ASSETS	52,627	39,387

# CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME For the Second quarter ended March 31 2016 and 2015 (UNAUDITED)

(IN MILLIONS, JPY)

NET SALES         25,650         22,052           COST OF SALES         17,443         15,695           Gross profit         8,206         6,356           SELLING, GENERAL AND ADMINISTRATIVE EXPENSES         4,412         3,917           Operating income         3,794         2,439           OTHER INCOME (ΔEXPENSES)         11         Λ<16           Interest income         24         48           Interest expenses         Δ17         Λ<16           Gain on consumption tax filing         193         111           Provision for allowance for doubtful accounts         Δ 95         Δ<151           Foreign exchang gain or loss (Aloss)         Δ 27         Δ 44           Gain on sales of investment securities         196         -           Gain on sales of investment securities         48         -           Others net         103         Δ.113           Other income (Δ expenses)-net         388         Δ 232           Income before income taxes         4,182         2,207           INCOME TAXES         1,576         1,306           Current         1,576         1,306           Deferred         66         Δ 7           PROFIT         2,539         908 <th></th> <th>Second quarter ended March 31.2016</th> <th>Second quarter ended March 31.2015</th>		Second quarter ended March 31.2016	Second quarter ended March 31.2015
Gross profit         8,206         6,356           SELLING, GENERAL AND ADMINISTRATIVE EXPENSES Operating income         3,794         2,439           OTHER INCOME (ΔEXPENSES) Interest income         24         48           Interest income         24         48           Gain on comsumption tax filing         193         111           Provision for allowance for doubtful accounts         A95         Δ 151           Foreign exchange gain or loss (Δloss)         Δ 27         Δ 44           Gain on sales of investment securities         196         -           Gain on sales of investment securities         193         411           Others net         103         Δ 113           Other income (Δexpenses)-net         1388         Δ 232           Income taxes         4,182         2,207           INCOME TAXES         1,576         1,306           Current         1,576         1,306           PROFIT         2,539         908           OTHER COMPREHENSIVE INCOME         2,539 <td>NET SALES</td> <td>25,650</td> <td>22,052</td>	NET SALES	25,650	22,052
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES     4.412     3.917       Operating income     3.794     2.439       OTHER INCOME (AEXPENSES)     Interest income     24     48       Interest income     24     48       Interest expenses     A 17     A 16       Gain on consumption tax filing     193     111       Provision for allowance for doubtful accounts     A 95     A 151       Foreign exchange gain or loss (A loss)     A 27     A 44       Gain on sales of investment securities     196     -       Gain on sales of investment securities     196     -       Gain on step acquisitions     48     -       Other income (Aexpenses)-net     388     A 232       Income before income taxes     4,182     2,207       Income before income taxes     4,182     2,207       Income taxes     4,182     2,207       Income taxes     4,182     2,207       Income taxes     4,182     2,207       PROFIT     1,576     1,306       Deferred     66     A 7       Total     1,643     1,298       PROFIT     2,539     908       OTHER COMPREHENSIVE INCOME     2,539     908       OTHER COMPREHENSIVE INCOME     A 423     571 <t< td=""><td>COST OF SALES</td><td>17,443</td><td>15,695</td></t<>	COST OF SALES	17,443	15,695
Operating income         3,794         2,439           OTHER INCOME (ΔEXPENSES) Interest income         24         48           Interest income         24         48           Interest expenses         Δ 17         Δ 16           Gain on comsumption tax filing         193         111           Provision for allowatch for doubful accounts         Δ 95         Δ 151           Foreign exchange gain or loss (Δloss)         Δ 27         Δ 44           Gain or loss of equity in associated companies (Δ loss)         Δ 37         Δ 66           Gain on step acquisitions         48         -           Others- net         103         Δ 113           Other income (Δexpenses)-net         388         Δ 222           Income before income taxes         4,182         2,207           INCOME TAXES         1,576         1,306           Current         1,576         1,306           Deferred         66         Δ 7           Total         1,643         1,298           PROFIT         2,539         908           OTHER COMPREHENSIVE INCOME         Δ 23         Δ 18           PROFIT ATTRIBUTABLE TO OWNERS OF PARENT         2,539         908           OTHER COMPREHENSIVE INCOME <td< td=""><td>Gross profit</td><td>8,206</td><td>6,356</td></td<>	Gross profit	8,206	6,356
OTHER INCOME ( $\Delta$ EXPENSES) Interest income2448Interest expenses $\Delta$ 17 $\Delta$ 16Gain on consumption tax filing193111Provision for allowance for doubtful accounts $\Delta$ 95 $\Delta$ 151Foreign exchange gain or loss ( $\Delta$ loss) $\Delta$ 27 $\Delta$ 44Gain or sales of investment securities196-Gain on satep acquisitions48-Others-net103 $\Delta$ 113Other income ( $\Delta$ expenses)-net388 $\Delta$ 232Income before income taxes4,1822,207INCOME TAXES1,5761,306Current1,5761,306Deferred66 $\Delta$ 7Total1,6431,298PROFIT2,539908OTHER COMPREHENSIVE INCOME423571Qurrent currency translation adjustments $\Delta$ 423574Remeasurements of define benefit plans128Share of other comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637Comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637Comprehensive income attributable to : Owners of the parent2,0581,603	SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	4,412	3,917
Interest income2448Interest expenses $\land$ 17 $\land$ 16Gain on consumption tax filing193111Provision for allowance for doubtful accounts $\land$ 95 $\land$ 151Foreign exchange gain or loss ( $\bigtriangleup$ loss) $\land$ 27 $\land$ 44Gain or loss of equity in associated companies ( $\bigtriangleup$ loss) $\land$ 37 $\land$ 66Gain on sales of investment securities196-Gain on step acquisitions48-Others- net103 $\land$ 113Other income ( $\bigtriangleup$ expenses)-net388 $\land$ 232Income before income taxes4,1822,207INCOME TAXES1,6431,298Current1,6431,298PROFIT2,539908PROFIT2,539908PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME423571Qurrealized gain (or $\bigtriangleup$ loss) on available-for-sale securities $\land$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\land$ 5475Total $\land$ 488 $6$ 637COMPREHENSIVE INCOME2,0501,545Comprehensive income e attributable to : Owners of the parent2,0581,603	Operating income	3,794	2,439
$\begin{tabular}{ c c c c c c } eq:linear_l$	OTHER INCOME ( $\triangle$ EXPENSES)		
Gain on consumption tax filing193111Provision for allowance for doubtiful accounts $\triangle$ 95 $\triangle$ 151Foreign exchange gain or loss ( $\triangle$ loss) $\triangle$ 27 $\triangle$ 44Gain or loss of equity in associated companies ( $\triangle$ loss) $\triangle$ 37 $\triangle$ 66Gain on sales of investment securities196-Gain on step acquisitions48-Others- net103 $\triangle$ 113Other income ( $\triangle$ expenses)-net388 $\triangle$ 232Income before income taxes4,1822,207INCOME TAXESCurrent1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908PROFIT2,539908PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOMEUnrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 23 $\triangle$ 18Foreign currency translation adjustments $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488637COMPREHENSIVE INCOMETotal $\triangle$ 488637COMPREHENSIVE INCOMETotal $\triangle$ 488637COMPREHENSIVE INCOMETotal $\triangle$ 488637COMPREHENSIVE INCOME<	Interest income	24	48
Provision for allowance for doubtful accounts $\Delta$ 95 $\Delta$ 151Foreign exchange gain or loss ( $\Delta$ loss) $\Delta$ 27 $\Delta$ 44Gain or loss of equity in associated companies ( $\Delta$ loss) $\Delta$ 37 $\Delta$ 66Gain on sales of investment securities196-Gain on step acquisitions48-Others- net103 $\Delta$ 113Other income ( $\Delta$ expenses)-net388 $\Delta$ 232Income before income taxes4,1822,207INCOME TAXES1,5761,306Deferred66 $\Delta$ 7Total1,6431,298PROFIT2,539908PROFIT2,539908OTHER COMPREHENSIVE INCOME423 $\Delta$ 18Foreign currency translation adjustments $\Delta$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\Delta$ 54637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	Interest expenses	Δ 17	∆ 16
Foreign exchange gain or loss ( $\triangle$ loss) $\triangle$ 27 $\triangle$ 44Gain or loss of equity in associated companies ( $\triangle$ loss) $\triangle$ 37 $\triangle$ 66Gain on sales of investment securities196-Gain on step acquisitions48-Others- net103 $\triangle$ 113Other income ( $\triangle$ expenses)-net388 $\triangle$ 232Income before income taxes4,1822,207INCOME TAXES4,1822,207Current1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908PROFIT2,539908OTHER COMPREHENSIVE INCOME $\triangle$ 423571Quity endot $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 4488637COMPREHENSIVE INCOME $\triangle$ 4488637COMPREHENSIVE INCOME $\triangle$ 4488637Comprehensive income attributable to : $\triangle$ 551,603Order comprehensive income of associates in equity method $\triangle$ 4488637Comprehensive income attributable to : $\bigcirc$ 50501,545	Gain on comsumption tax filing	193	111
Gain or loss of equity in associated companies ( $\triangle$ loss) $\triangle$ 37 $\triangle$ 66Gain on sales of investment securities196-Gain on step acquisitions48-Others- net103 $\triangle$ 113Other income ( $\triangle$ expenses)-net388 $\triangle$ 232Income before income taxes4,1822,207INCOME TAXES2,207Current1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908PROFIT2,539908OTHER COMPREHENSIVE INCOME14 $\triangle$ 76Unrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 23 $\triangle$ 18Foreign currency translation adjustments $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 54775Total $\triangle$ 4488637COMPREHENSIVE INCOME $2,050$ 1,545Comprehensive income of associates in equity method $\triangle$ 54637Comprehensive income of associates in equity method $\triangle$ 54637Comprehensive income attributable to : Owners of the parent2,0581,603	Provision for allowance for doubtful accounts	<b>△ 95</b>	∆ 151
Gain on sales of investment securities196-Gain on step acquisitions48-Others- net103 $\triangle$ 113Other income ( $\triangle$ expenses)-net388 $\triangle$ 232Income before income taxes4,1822,207INCOME TAXES482,207Current1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,539908OTHER COMPREHENSIVE INCOME128Unrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 23 $\triangle$ 18Foreign currency translation adjustments $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488637COMPREHENSIVE INCOME2,0501,545	Foreign exchange gain or loss ( $ riangle$ loss)	△ 27	∆ 44
Gain on step acquisitions48-Others- net103 $\triangle$ 113Other income ( $\triangle$ expenses)-net388 $\triangle$ 232Income before income taxes4,1822,207INCOME TAXES4,1822,207Current1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908PROFIT2,539908PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME423571Question of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 5475Total $\triangle$ 488637COMPREHENSIVE INCOME $\triangle$ 5475Comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488637Comprehensive income attributable to : $\bigcirc$ 0581,603	Gain or loss of equity in associated companies ( $\Delta$ loss)	∆ 37	∆ 66
Others net103 $\triangle$ 113Other income ( $\triangle$ expenses)-net388 $\triangle$ 232Income before income taxes4,1822,207INCOME TAXES4,1822,207Current1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908Profit attributable to non-controlling interests14 $\triangle$ 76PROFIT2,539908PROFIT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME $\triangle$ 423571Qurrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 4488 $\widehat{637}$ COMPREHENSIVE INCOME $2,050$ 1,545Comprehensive income attributable to : Owners of the parent $2,058$ 1,603	Gain on sales of investment securities	196	_
Other income ( $\triangle$ expenses)-net388 $\triangle$ 232Income before income taxes4,1822,207INCOME TAXES Current1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,539908PROFIT2,539908OTHER COMPREHENSIVE INCOME Unrealized gain (or $\triangle$ loss) on available-for-sale securities Foreign currency translation adjustments Remeasurements of defined benefit plans $\Delta$ 23 $\Delta$ 18Share of other comprehensive income of associates in equity method Total $\Delta$ 547575COMPREHENSIVE INCOME Comprehensive income attributable to : Owners of the parent $\Delta$ 20581,603		48	_
Income before income taxes4,1822,207INCOME TAXES Current1,5761,306Deferred66 $\Delta$ 7Total1,6431,298PROFIT2,539908Profit attributable to non-controlling interests14 $\Delta$ 76PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME $\Delta$ 423 $\Delta$ 18Unrealized gain (or $\Delta$ loss) on available-for-sale securities $\Delta$ 23 $\Delta$ 18Foreign currency translation adjustments $\Delta$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603			
INCOME TAXES Current1,5761,306Deferred66 $\triangle$ 7Total1,6431,298PROFIT2,539908Profit attributable to non-controlling interests14 $\triangle$ 76PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME $\triangle$ 423 $\triangle$ 71Unrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 423 $\triangle$ 75Foreign currency translation adjustments $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488 $$ 637COMPREHENSIVE INCOME $2,050$ 1,545Comprehensive income attributable to : Owners of the parent2,0581,603			
Current1,5761,306Deferred66 $\Delta$ 7Total1,6431,298PROFIT2,539908Profit attributable to non-controlling interests14 $\Delta$ 76PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME2,539908Unrealized gain (or $\Delta$ loss) on available-for-sale securities $\Delta$ 23 $\Delta$ 18Foreign currency translation adjustments $\Delta$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	Income before income taxes	4,182	2,207
Deferred $66$ $\Lambda$ 7Total1,6431,298PROFIT2,539908Profit attributable to non-controlling interests14 $\Lambda$ 76PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME $\Lambda$ 18Unrealized gain (or $\Delta$ loss) on available-for-sale securities $\Lambda$ 23 $\Lambda$ 18Foreign currency translation adjustments $\Lambda$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\Lambda$ 5475Total $\Lambda$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	INCOME TAXES		
Total1,6431,298PROFIT2,539908Profit attributable to non-controlling interests14 $\triangle$ 76PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME2,539908Unrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 23 $\triangle$ 18Foreign currency translation adjustments $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	Current	1,576	1,306
PROFIT2,539908Profit attributable to non-controlling interests14 $\Delta$ 76PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME2,539908Unrealized gain (or $\Delta$ loss) on available-for-sale securities $\Delta$ 23 $\Delta$ 18Foreign currency translation adjustments $\Delta$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	Deferred	66	∆ 7
Profit attributable to non-controlling interests14 $\Delta$ 76PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME2,539908Unrealized gain (or $\Delta$ loss) on available-for-sale securities $\Delta$ 23 $\Delta$ 18Foreign currency translation adjustments $\Delta$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	Total	1,643	1,298
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT2,524984PROFIT2,539908OTHER COMPREHENSIVE INCOME423Δ 18Unrealized gain (or Δloss) on available-for-sale securitiesΔ 23Δ 18Foreign currency translation adjustmentsΔ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity methodΔ 5475TotalΔ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603		2,539	
PROFIT2,539908OTHER COMPREHENSIVE INCOME $\Delta$ 23 $\Delta$ 18Unrealized gain (or $\Delta$ loss) on available-for-sale securities $\Delta$ 23 $\Delta$ 18Foreign currency translation adjustments $\Delta$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	C C		
OTHER COMPREHENSIVE INCOMEUnrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 23 $\triangle$ 18Foreign currency translation adjustments $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	2,524	984
Unrealized gain (or $\triangle$ loss) on available-for-sale securities $\triangle$ 23 $\triangle$ 18Foreign currency translation adjustments $\triangle$ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method $\triangle$ 5475Total $\triangle$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	PROFIT	2,539	908
Foreign currency translation adjustments△ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity method△ 5475Total△ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	OTHER COMPREHENSIVE INCOME		
Foreign currency translation adjustmentsΔ 423571Remeasurements of defined benefit plans128Share of other comprehensive income of associates in equity methodΔ 5475TotalΔ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	Unrealized gain (or $\Delta$ loss) on available-for-sale securities	∆ <b>23</b>	∆ 18
Share of other comprehensive income of associates in equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603		∆ <b>42</b> 3	571
equity method $\Delta$ 5475Total $\Delta$ 488637COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,058		12	8
COMPREHENSIVE INCOME2,0501,545Comprehensive income attributable to : Owners of the parent2,0581,603	-	∆ <b>54</b>	75
Comprehensive income attributable to : Owners of the parent <b>2,058</b> 1,603	Total	<b>△ 488</b>	637
Owners of the parent         2,058         1,603	COMPREHENSIVE INCOME	2,050	1,545
Owners of the parent         2,058         1,603	Comprehensive income attributable to :		
Non-controlling interests $\triangle$ 7 $\triangle$ 57	-	2,058	1,603
	Non-controlling interests	∆ 7	∆ 57

# CONSOLIDATED STATEMENTS OF CASH FLOWS For the Second quarter ended March 31 2016 and 2015 (UNAUDITED)

(IN MILLIONS, JPY)

	Second quarter ended March 31.2016	Second quarter ended March 31.2015
OPERATING ACTIVITIES:		
Income before income taxes	4,182	2,207
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	556	400
Increase (△Decrease) in provision for bonuses	90	92
Increase ( $\triangle$ Decrease) in net defined benefit liability	45	48
Increase ( $\triangle$ Decrease) in allowance for retirement benefits for directors	9	△ 26
Interest and dividends income	∆ 34	∆ 53
Interest expense	17	16
Gain (or loss) on sales of investment securities (-net)	∆ 196	—
Gain on step acquisitions	∆ 48	—
Changes in operating assets and liabilities:		
Decrease ( $\Delta$ Increase) in accounts receivable-trade	622	△ 838
Decrease (△Increase) in inventories	△ 333	△ 95
Increase ( $\triangle$ Decrease) in accounts payable -trade	277	256
Increase (△Decrease) in other current liabilities	55	107
Others , Net Subtotal	<u>∆ 253</u> 4,990	<u> </u>
Interest and dividends received	4,990	53
Interest and dividends received	 ∆ 18	53 ∆ 16
Income taxes paid	△ 18	∆ 1,686
Net cash provided by (used in) operating activities	2,481	567
INVESTING ACTIVITIES:		
Payments for time deposits	∆ 9	△ 39
Proceeds from maturity of time deposits	38	60
Payments for purchases of tangible fixed assets	△ 138	△ 196
Payments for purchases of intangible fixed assets	∆ 44	△ 80
Proceeds from sales of investment securities	314	-
Payments for deposit for rent office and others	∆ 46	△ 112
Purchase of investments in capital	∆ 392	∆ 3
Others , Net Net cash provided by (used in) investing activities	<u>28</u> ∆ 250	<u> </u>
FINANCING ACTIVITIES:	4.945	0.500
Proceeds from borrowing of short-term debt	4,045	2,520
Disbursements for repayment of short-term debt	△ 2,978	∆ 1,490
Proceeds from borrowing long-term debt Disbursements for repayment of long-term debt	230 ∆ 409	 ∆ 258
Payments for acquistion of common stock for treasury		
Proceeds from sale of common stock for treasury	∆ 1,010 61	∆ 1 45
Dividends paid	∆ 380	43 ∆ 358
Dividends paid to non-controlling shareholders	Δ 300 Δ 4	△ 64
Others, Net	∆ 22	△ 29
Net cash provided by (used in) financing activities	<u>∆ 468</u>	362
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	<u> </u>	221
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,624	433
BEGINNING OF BALANCE, CASH AND CASH EQUIVALENTS	14,692	11,692
INCREASE OF CASH AND CASH EQUIVALENTS DUE TO SHARE EXCHANGE	1,113	· _
ENDING OF BALANCE, CASH AND CASH EQUIVALENTS	17,430	12,126

#### STATEMENT OF ORDER ENTRY AND SALES BY ITEMS For the Second quarter ended March 31 2016

#### (UNAUDITED)

### (1) RESULT OF ORDER ENTRY

DIVISION	2016.03 <2015.10.1-2016.3.31>							
DIVISION	AMOUNT OF ORDER ENTRY (IN MILLIONS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN MILLIONS, JPY)	year-to-year comparison (%)				
Domestic CRO								
Monitoring	7,189	75.7%	18,751	90.4%				
Data Management	4,299	82.4%	15,096	98.7%				
CRO others	872	71.9%	2,078	109.7%				
TOTAL OF CRO	12,360	77.6%	35,926	94.7%				
Domestic SMO	4,404	117.6%	17,999	207.6%				
Domestic CSO	2,968	99.6%	6,107	139.4%				
Global Research Business	2,304	83.3%	5,900	106.9%				
China Business	1,997	100.9%	177	623.3%				
Others	1,058	224.5%	1,622	1264.4%				
TOTAL	25,092	90.0%	67,734	119.5%				

\* These figures are expressed by sales price.

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

#### (2) RESULT OF SALES

DIVISION	2016.03 <2015.10.1-2016.3.31>				
	AMOUNT OF SALES (IN MILLIONS, JPY )	year-to-year comparison (%)			
Domestic CRO					
Monitoring	7,147	108.5%			
Data Management	4,225	100.9%			
CRO others	1,173	102.1%			
TOTAL OF CRO	12,546	105.2%			
Domestic SMO	4,953	158.9%			
Domestic CSO	3,526	104.8%			
Global Research Business	2,068	176.6%			
China Business	1,859	92.9%			
Others	696	145.8%			
TOTAL	25,650	116.3%			

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

## INDUSTRY SEGMENT INFORMATION

For the Second guarter ended March 31 2016 and 2015

(IN MILLIONS IPV)

#### (UNAUDITED)

### EY 2016 (2015 10 1-2016 3 31)

(IN WILLIONS, JF T)									
	Domestic CRO	Domestic SMO	Domestic CSO	Global Research Business	China Business	Others	Total	Eliminations/ Corporate	Consolidation
SALES									
Sales to customers	12,546	4,953	3,526	2,068	1,859	696	25,650	_	25,650
Intersegment sales	896	51	13	30	9	711	1,712	(1,712)	_
Total	13,443	5,004	3,539	2,098	1,869	1,407	27,362	(1,712)	25,650
Operating income	3,631	419	124	219	(74)	(18)	4,302	(508)	3,794

\* Non-attributable corporate expenses related to the company are not distributed to each segment. In this regard, operating income of △508 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".

#### EV 2015 (2014 10 1 2015 2 21)

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
SALES									
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

\* Non-attributable corporate expenses related to the company are not distributed to each segment. In this regard, operating income of  $\Delta$ 559 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".