Financial Highlights

1. INFORMATION OF EPS Co,Ltd & CONSOLIDATED SUBSIDIARIES 2008.3 (Interim)

(2007.10.1-2008.3.31)

(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-08	10,472 (23.6%)	1,741 (31.0%)	1,777 (31.4%)	895 (42.1%)
Mar-07	8,472 (19.2%)	1,329 (102.8%)	1,352 (105.8%)	630 (89.0%)
Sep-07	17,980 ー	2,980 ー	3,042 ー	1,384 ー

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Mar-08	10,019.36	10,003.30
Mar-07	7,052.63	7,048.95
Sep-07	15,485.66	15,474.39

Note : Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Mar-08	14,984	10,334	61.8%	103,668.79
Mar-07	12,808	9,065	63.4%	90,775.09
Sep-07	14,537	9,710	60.0%	97,517.76

(3) CONSOLIDATED CASH FLOW INFORMATION

(UNIT:JPY MILLION)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Ending balance of cash and cash equivalents
Mar-08	690	△ 300	△ 320	5,292
Mar-07	1,177	△ 132	△ 328	4,520
Sep-07	2,697	△ 605	△ 637	5,260

(4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 14 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-07	(Result)	1,700.00	2,600.00	4,300.00
Sep-08	(Projection)	2,400.00	2,600.00	5,000.00

3. INFORMATION OF CONSOLIDATED BUDGET 2008.09 (2007.10.1-2008.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-08	21,594 (20.1%)	3,488 (17.0%)	3,527 (15.9%)	1,705 (23.2%)

Budgeted net income per share : Sep-08 19,079.46 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. INFORMATION OF NON-CONSOLIDATED 2008.3 (2007.10.1-2008.3.31)

(UNAUDITED)

(1) OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales		Operating Income		Ordinary Income		Net Income	
Mar-08	6,280	(22.2%)	1,126	(26.7%)	1,251	(29.8%)	724	(48.4%)
Mar-07	5,138	(18.0%)	889	(50.3%)	964	(51.1%)	488	(32.9%)
Sep-07	10,891	ー	1,983	ー	2,105	ー	1,079	ー

Note : Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year.

	Net Income per Share (yen)
Mar-08	8,103.30
Mar-07	5,459.20
Sep-07	12,074.43

(2) FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Mar-08	11,175	8,004	71.6%	89,541.61
Mar-07	9,786	7,153	73.1%	80,022.49
Sep-07	10,663	7,588	71.2%	84,883.88

5. INFORMATION OF NON-CONSOLIDATED BUDGET 2008.09 (2007.10.1-2008.9.30)

(UNIT:JPY MILLION)

	Net sales		Operating Income		Ordinary Income		Net Income	
Sep-08	12,920	(18.6%)	2,244	(13.2%)	2,392	(13.6%)	1,289	(19.4%)

Budgeted net income per share : Sep-08 14,419.67 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.

Summary of Interim Financial Results

For the Six Months Ending September 2008

1. Management Results

(1) Analysis of management results

(Management results of the current period)

The Japanese economy in the current period was affected by a downside risk in the U.S. economy against the backdrop of the subprime lending issue, soaring crude oil prices, and trends in interest rates, and the outlook about its recovery trends has been adding to uncertainty. Under such circumstances, our CRO (Contract Research Organization) industry and the SMO (Site Management Organizations) industry, in which one of our consolidated subsidiaries EP-Mint Co., Ltd., operates, are continuing to grow in the process of reorganization, and the pre-clinical study industry, in which our LSG. Co., Ltd. Group operates, is also performing steadily. Additionally, in the software development industry, in which our All Right Software Inc. group operates, business is brisk in spite of a shortage of IT engineers.

The CRO business is operated mainly by the Company.

As regards the monitoring service of the Company, the Clinical Development Division has been favorably performing clinical trials in both development and post-marketing stages, centering on implementation of existing projects, acquisition of new projects and testing for anti-cancer, diabetes, and CNS(Central Nerves System) drugs. The sales for the current first-half, with the enormous progress of contract projects, increased substantially compared with the same period last year. The medical device development service also showed a strong performance and achieved a considerable growth in sales compared with the same period last year.

As for the registration & project management, data management and statistical analysis services, the Biometrics Division is showing a favorable performance in both implementation of existing projects and acquisition of new projects. In the medical writing and pharmacovigilance services, it is continuously making efforts to acquire more contracts, making an increase in turnover over the same period last year.

The Clinical coordination Center, which provides new business planning and associated services, reported slightly increase sales figures compared with the same period last year as its post-marketing clinical trials for an anti-cancer drug having been tested over a long period of time are drawing to an end.

On the non-consolidated basis, the valuation loss on investment securities is reported as extraordinary loss. However, the Company achieved a significant increase in both sales and profits compared with the same period last year with a marked increase in sales owing to smooth progress in contract projects as well as its efforts to reduce expenses.

As regards our consolidated subsidiaries in Japan, e-trial Co., Ltd., which was established for the purpose of acquiring clinical trial contracts using the EDC system, is continuously striving to acquire new contract orders and smoothly improving its performance. EP-Mate Co., Ltd., engaged in the staff dispatching service (dispatched CRO business) for pharmaceutical companies, also increased its turnover.

Moreover, EP-Medical Co., Ltd., providing a MR dispatching service (CSO business), has been improving its performance continuously adding dispatched MRs to implement a big project contracted during the previous period and deal with new contracts.

On the other hand, as for our overseas CRO business, EPS International Co., Ltd., together with its group companies, is continuing to improve a system to deal with the increase demand for CRO services relating to clinical trials across borders (especially those in Asia).

Individually, EPS International Co., Ltd., is facing an uphill battle due to delayed execution of a schedule contract, and EPS China Co., Ltd., is making efforts to acquire new orders while conducting operations in the finishing stage of a big project carried on since the previous period. EPS Singapore has been smoothly performing contracts acquired in the previous period while promoting new customer acquisition activities on its own. ADM Korea Inc., providing a clinical trials contract service in Korea, is improving a structure for joint contracts in Korea and thus expanding its scale and activities. Furthermore, the Taiwan Branch of EPS International Co., Ltd. is also working on improving structure for joint contracts.

Consequently, our consolidated net sales for the CRO business amounted to ¥7,282 million, up 26.9% compared with the same period in previous year, and consolidated operating income ¥1,225 million, up 22.6% on the same basis, posting a significant increase in both sales and profits.

The SMO business is operated by EP-Mint Co., Ltd.
EP-Mint Co., Ltd. has been continuously improving its performance underpinned by strong orders with improved sales and expenses management effectiveness by enhancing the branch-based management system, centering on the site-supporting business by the clinical administration in cooperation with local trial sites, in addition to its CRC service.

Consequently, in our SMO business, we achieved significant growth in both sales and profits with consolidated net sales of ¥1,801 million (up 14.5% compared with the same period in previous year) and the consolidated operating income of ¥386 million (up 46.3% on the same basis).

The pre-clinical study business is operated by LSG Corporation Group.
LSG Co., Ltd. is facing an uphill battle in performance due to the delay in the scheduled shipment of laboratory animals for the client's reason.

Consequently, in our pre-clinical study business, both sales and profits decreased, posting the consolidated net sales of ¥614 million (down 5.1% compared with the same period in previous year) and consolidated operating income of ¥5million (down 64.5% on the same basis).

The software development business is operated by All Right Software Inc Group.
All Right Software Inc. is continuing to promote a business making use of Chinese IT engineers and remarkably growing in its contract SE service relating to backbone systems for financial institutions and major companies.

Consequently, in our software development business, the consolidated net sales amounted to ¥845 million (up 40.3% compared with the same period in previous year) and the consolidated operating income ¥117 million (up 165.3% on the same basis), posting a significant increase in both sales and profits

After deducting inter-segmental transactions from the segmental figures shown above, the consolidated net sales amounted to ¥10,472 million (up 23.6% compared with the same period in previous year),the consolidated operating income ¥1,741 million (up 31.0% on the same basis), the consolidated ordinary income ¥1,777 million (up 31.4% on the same basis), and the interim net income ¥895 million (up 42.1% on the same basis), resulting in a significant increase in both sales and profits.

(Outlook for the current year)

The future Japanese economy is expected to be directly and indirectly affected by the impact of downside factors such as the U.S. subprime lending issue and the soaring crude oil prices with continuing uncertainties about overseas economies and trends of interest rates.

Our CRO business is operated mainly by the Clinical Development Division, responsible for monitoring and clinical development concerning medical devices, etc., and the Biometrics Division, responsible for services such as data management, statistical analysis, registration & project management, medical writing, pharmacovigilance, together with the Clinical Coordination Center, in charge of new business planning and associated services, and the Business Development Division, which engages in information collection and order receiving activities. In addition to acquisition of new contracts, we will further focus on monitoring and data management services to achieve our full-year profit plan by enhancing the operating rate and reducing expenses.

As regards our domestic consolidated subsidiaries, e-Trial Co., Ltd., will continuously strive to acquire new orders centering on EDC based contracts from pharmaceutical companies and medical research facilities.

EP-Mate Co., Ltd., a dispatched CRO service provider, will continue to expand its business with focus on the Company and pharmaceutical companies. EP-Medical Con., Ltd., providing CSO services including MR dispatching, is concentrating on performing existing contracts of a relatively substantial scale acquired during the previous fiscal year and securing employees to deal with newly acquired contracts.

As for our overseas businesses, EPS International Co., Ltd., together with its group companies, will continue to improve the system for clinical trial contracts across borders. Individually, EPS International Co., Ltd, will strive to recover delayed orders and acquire new orders. On a group basis, it will endeavor to acquire new clinical trial contracts mainly in Asia for the improvement of its overseas contract clinical trial services, continuously pursuing the synergy effect of its collaboration with EPS China Co., Ltd., EPS Singapore and ADM Korea Inc., as well as its Taiwan Branch.

EP-Mint Co, Ltd., which engages in an SMO business, will continue to work on maintaining its high operating rate and acquiring new orders by strengthening its structure to acquire contracts and enhancing branch-based management system.

LSG Co., Ltd., a pre-clinical study agent, will expedite the delayed shipment of laboratory animals according to its plan and endeavor to acquire new orders.

All Right Software Inc., a software developer, will continue to promote contract SE services and offshore software development and to acquire more contracts for communication-, finance-, and network-related software development, making use of Chinese IT engineers.

Accordingly, the Company does not revise its full consolidated forecast for the fiscal year ending September 2008 announced on April 25, 2008.

(2) Analysis on consolidated financial status

(i) Analysis on status of assets, liabilities, net assets, and cash flow status

The changes in the financial position for the current interim accounting period from the end of the previous consolidated fiscal year are as follows:

Current assets for the current interim accounting period increased by ¥571 million to ¥11,525 million due to an increase of ¥211 million in notes and accounts receivable, of ¥300 million in investment securities, and of ¥97 million in inventories. Fixed assets decreased by ¥123 million due to an increase of ¥41 million in tangible fixed assets through purchase, of ¥53 million in others in intangible fixed assets, and of ¥149 million in others in investments and other assets, respectively, in contrast to a decrease of ¥357 million in investment securities through sales and valuation loss on investment securities, etc. Consequently, the total assets at the end of the current consolidated interim period increased by ¥447 million to ¥14,984 million compared with the previous consolidated fiscal year.

As regards liabilities, accounts payable increased by ¥85 million, short-term debt increased by ¥50 million due to new borrowing, provision for bonuses increased by ¥184 million, and provison for directors retirement benefits increased by ¥39 million, respectively, in contrast to a decrease of ¥226 million in income taxes payable, of ¥204 million in other current assets, and of ¥105 million in long-term debt as the result of payment thereof, respectively. Consequently, total liabilities at the end of the current consolidated interim period decreased by ¥176 million to ¥4,650 million compared with the previous consolidated fiscal year.

The net assets at the end of the current consolidated interim period increased by ¥624 million to ¥10,334 due to an increase of ¥659 million in retained earnings and of ¥74 million in minority interests, respectively, in contrast to a decrease of ¥75 million in unrealized gain on available-for-sale securities and of ¥33 million in foreign currency translation adjustments.

(ii) Analysis on consolidated cash flow status

The cash and cash equivalents at the end of the current consolidated interim period increased by ¥32 million to ¥5,292 million, with the effect of exchange rates changes added, due to an increase in the net cash flow provided by operating activities by ¥690 million, a decrease in the net cash flow used in investing activities by ¥300 million, and a decrease in the net cash flow used in financing activities by ¥ 320 million.

(Cash Flow in Operating Activities)

The capital inflow acquired as a result of operating activities decreased by ¥486 million to ¥690 million compared with the same period in previous year. The decrease in the income is mainly due to an increase of ¥99million in inventories (an increase of ¥120 million compared with the same period in previous year), a decrease by ¥244 million in other current liabilities (increase of ¥391 million on the same basis), and the payments of ¥1, 058 million for income taxes (an increase of ¥701 million on the same basis), despite income before taxes of ¥1,699 million (an increase of ¥554 million on the same basis) and an increase in provision for bonuses by ¥186 million (an increase of ¥ 171 million on the same basis).

(Cash Flow in Investing Activities)

The capital outflow resulting from investing activities increased by ¥168 million to ¥300 million compared with the same period in previous year. The increase in the payments is mainly due to the payments of ¥134 million for the purchase of tangible and intangible assets (an increase of ¥52 million on the same basis), of ¥300 million for the purchase of investment securities (an increase of ¥60 million on the same basis), and of ¥24 million for collection of deposits (a decrease of ¥120 million on the same basis), despite the income of ¥100 million from redemption at maturity of investment securities.

(Cash Flow in Financing Activities)

The capital outflow resulting from financing activities decreased by ¥7 million to ¥320 million compared with the same period in previous year. The decrease in the payments is mainly due to the payment of ¥261 million for dividends including those for minority stock holders (an increase of ¥40 million on the same basis), despite an income of ¥50 million by a short-term debt.

The Company's cash flow index is as follows:

	Fiscal year ended 9/ 2004	Fiscal year ended 9/ 2005	Fiscal year ended 9/2006	Fiscal year ended 9/ 2007	Interim period ended 3/ 2008
Shareholders' equity Ratio (%)	63.6	62.9	64.2	60.0	61.8
Shareholders' equity Ratio at Market Price (%)	380.7	292.8	189.6	230.0	288.8
Cash flow -Interest bearing debt ratio	0.1	-	0.7	0.2	0.8
Interest Coverage ratio (times)	205.4	-	65.6	171.3	119.1

Shareholders' equity ratio: Shareholders' equity / Total assets
Shareholder's equity ratio at market price : Total market value of shares / Total assets
Cash flow - Interest bearing debt ratio: Interest bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payment

Note:

1. Each index is calculated using the consolidated financial values.
2. The total market value of shares is calculated based on the number of shares issued at the end of each period excluding common stock for treasury.
3. The cash flow uses net cash flow in operating activities in the consolidated cash flow statement of each period.
4. The interest-bearing debt includes all debts of which interest is being paid among debts that are posted on the consolidated balance sheet. In addition, interest paid posted in the consolidated cash flow statement is used for interest payment.
5. The shareholders' equity ratio is calculated as (total of net assets – minority interests) / total assets from the fiscal year ended September 2006.

(3) Basic profit distribution policy and dividend for the current year

The Company considers it an important management agenda to improve the profit return to the shareholders while reinforcing the business structure for the enhancement of profitability. As for profit distribution, we basically intend to distribute the profit steadily considering the improvement of our financial infrastructure to respond to rapid market change, with yearly target dividend payout ratio set to 30%.

The Company intends to continue to pay out dividends twice a year as interim and year-end dividends even after the implementation of the Corporate law.

(4) Risks in businesses and others

The following describes items among those related to the status of business, finances, and others of our Group that may have any possibilities toaffect the investor's judgment significantly. The items in the description concerning the future are based on the present evaluation by our Group. It is also our policy to avoid risks from arising and respond to the realization of risk after confirming whether there may be a possibility of a risk.

1) High dependence on a particular industry

As our Group is mainly engaged in CRO business, SMO business, and pre-clinical business that acquire contracts from drug development organizations for services related to management and administration of clinical trials (investigation and search), the amount of sales is highly dependent on the pharmaceutical industry.
Under such circumstances, if there is an industrial reorganization such as M&A of pharmaceutical companies, a decrease in the absolute number of pharmaceutical companies who are our main clients, in addition to an increase in joint developments in view of cost-effectiveness, may have any possibilities to affect the business performance of our Group.

2) Securing of human resources

Our Group implements the CRO business and the SMO business that are our present core businesses by collaboration between personnel having knowledge and experience in each of area of expertise such as medicinal science, pharmaceutical science, statistics, and IT technology,etc. Consequently, we consider securing and training of human resources and the retention of such human resources to the Company is a primary importance.
As the CRO business and the SMO business involve direct interviews with the doctor in charge of the clinical trials and the clinical trial volunteer, the businesses are based on human capital. In order to maintain and improve our services in accordance with an increase in the number of contracts, it is necessary for our Group to secure human resources that meet the required performance of the Group.
The Group has secured excellent human resources that possess adaptable potential from inside and outside the industry, so that there has been no difficulties up to the present. However, there is a possibility that the securing of human resources required by the Group will not be implemented as planned in the future.
If the market to which our Group belongs is to expand and competition is to intensify, the competition to secure human resources between competitors will also increase, and then there would be any possibilities that Company's human resources to emigrate to other companies. Therefore, if securing of human resources does not proceed as planned, it may have any possibilities to affect the business performance of the Group.

3) The effect of decline in stock prices

The Group owns stocks that are marketable and that are non-marketable. If there is a great decline in stock prices, there will be impairment or loss on revaluation of marketable stocks, and if the real value of the issuing company significantly drops, there will be impairment in non-marketable stocks. Consequently, it may have any possibilities to affect the business performance of the Group.

2. Status of the Corporate Group

As there has not been major changes from “Business of Our Group” and “Status of our Group Companies” in our recent business report (issued Februay 15, 2008), refer to such report.

3. Management Policy

(1) Basic Management Policy of Our Group

Our Group has managed our businesses, setting it our basic management philosophy to provide services that will satisfy our customers by pursuing, implementing, and establishing a business style to fulfill contracting missions of high efficiency and high quality, while maintaining corporate compliance.

We are committed to managing our businesses to be “Ever Progressing System” as the Company name suggests, for the purpose of further expanding our business and playing a role as the industry leader under the above management philosophy.

(2) Target Management Index

Our Group set the management targets as below:

- Sales growth rate approximately 15%
- Ordinary profit rate approximately 13 to 15%

Our Group is promoting the following management strategies to achieve the above targets.

(3) Mid and Long-Term Management Strategies

Our Group has managed our businesses, setting it our basic management philosophy to provide services that will satisfy our customers by pursuing, implementing, and establishing a business style to fulfill contracting missions of high efficiency and high quality, while maintaining corporate compliance.

We are committed to managing our businesses to be “Ever Progressing System” as the Company name suggests, for the purpose of further expanding our business and playing a role as the industry leader under the above management philosophy. Our Group has adopted the following specific management strategies.

1) Establishment of CRO business

In order to respond to full-scale outsourcing of the development of pharmaceutical products, we will not only manage clinical trials but also promote the building of a full-service system ranging from planning to pharmaceutical applications.

Furthermore, we aim at establishing our leading position in this industry as the CRO which can provide total support for the development of pharmaceutical products including development of medical devices and specified health foods as well as active response to bio-ventures and doctor-led clinical trials.

2) Promotion of SMO business

As the clinical trial support service for medical institutions expands, EP-Mint Co., Ltd., our consolidated subsidiary, promotes reinforcement of branch-based management system, to achieve more effective management of sales and expenses, and expanding its scope of the SMO business, with the aim of being raked as top 3 in the industry.

3) Promotion of overseas business

EPS International Co., Ltd. will continue to take a leading role in responding to the shift to international simultaneous clinical development and decisions of the ICH[1] and pursue a synergy effect through collaboration between its Group companies and branches, continue to develop the system for contracts of multi-national clinical trials, and improve clinical contract services in overseas (especially East Asia).

4) Entry into drug discovery business

In Japan, we intend to engage in the drug discovery business through capital investment, consulting, and contracting of development services under a partnership with bio-ventures, rather than being directly involved in the business alone.

In China, we plan to develop our own drug discovery business through collaboration with bio-ventures utilizing our local subsidiaries.

5) Reinforcement of group management

Currently, the EPS group is composed of the Company and 14 consolidated subsidiaries, belonging to the industry related to the development of pharmaceutical products.

We consider it essential to recruit, develop, and effectively allocate human resources in expanding our scope of business. We also intend to reinforce the group management by pursing the synergy effect of launching new business promotion and M&A.

Note: 1. ICH (International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use) is a conference held by administrative authorities of Japan, US, and EU to promote harmonization of standard of approval for pharmaceutical products.

(4) Agendas to be addressed by the Company

As the outsourcing from customers and their international diversification is expected to increase in the future, the entire Group will work together and improve the quality through reinforcement of QC/QA divisions, compliance with standardized operating procedures, and enhanced skills through education and training.

As a part of such efforts, our divisions and departments that handle clinical trial information (CRO services including pharmaceutical products, medical devices, and specified health foods, etc.) have obtained ISO 27001 certification (valid until December 8, 2009) from the international certification institution. We will continue to develop our system to enhance the security of information management and to win more trust from our customers.

Furthermore, in order to respond to increasingly intensive cost competition, we will establish the process management system ranging from receipt of orders to delivery, improving the efficiency of our business.

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2008.3 <2007.10.1-2008.3.31> (IN THOUSANDS, JPY)			
	AMOUNT OF ORDER ENTRY	year-to-year comparison (%)	ORDER BACKLOG	year-to-year comparison (%)
CRO				
Monitoring	2,179,513	51.6	8,256,749	112.3
Data Management	2,586,422	100.9	5,185,361	109.8
CRO others	1,187,086	179.1	626,204	272.6
TOTAL OF CRO	5,953,022	79.9	14,068,315	114.3
SMO	3,492,427	212.0	3,599,276	195.8
Preclinical Service	671,687	102.8	174,926	109.3
System Development	688,770	86.0	373,172	87.7
TOTAL	10,805,906	102.4	18,215,690	123.7

* These figures are expressed by sales price.
* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2008.3 <2007.10.1-2008.3.31> (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO		
Monitoring	3,562,904	130.0
Data Management	2,762,335	118.7
CRO others	947,797	143.7
TOTAL OF CRO	7,273,037	127.0
SMO	1,793,782	116.3
Preclinical Service	612,510	95.5
System Development	793,373	141.4
TOTAL	10,472,704	123.6

INDUSTRY SEGMENT

(UNAUDITED)

2008 (2007.10.1-2008.3.31) (IN THOUSANDS, JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	7,273,037	1,793,782	612,510	793,373	10,472,704	—	10,472,704
Intersegment sales	9,885	7,637	2,070	52,306	71,899	(71,899)	—
Total	7,282,923	1,801,420	614,580	845,679	10,544,603	(71,899)	10,472,704
Operating expenses	6,057,359	1,414,450	609,194	727,909	8,808,912	(77,401)	8,731,511
Operating income	1,225,564	386,970	5,386	117,769	1,735,691	5,502	1,741,193

2007 (2006.10.1-2007.3.31) (IN THOUSANDS, JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	5,727,454	1,541,827	641,605	561,163	8,472,051	—	8,472,051
Intersegment sales	10,674	31,538	5,823	41,495	89,531	(89,531)	—
Total	5,738,129	1,573,366	647,428	602,659	8,561,583	(89,531)	8,472,051
Operating expenses	4,738,707	1,308,814	632,252	558,269	7,238,043	(95,238)	7,142,804
Operating income	999,422	264,552	15,176	44,389	1,323,540	5,706	1,329,246

2007 (2006.10.1-2007.9.30) (IN THOUSANDS, JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	12,232,620	3,315,293	1,251,190	1,181,770	17,980,875	—	17,980,875
Intersegment sales	21,501	60,617	8,251	69,118	159,488	(159,488)	—
Total	12,254,122	3,375,910	1,259,441	1,250,889	18,140,364	(159,488)	17,980,875
Operating expenses	10,096,860	2,732,511	1,182,427	1,161,162	15,172,962	(172,817)	15,000,144
Operating income	2,157,261	643,399	77,014	89,726	2,967,402	13,328	2,980,730

CONSOLIDATED STATEMENTS OF CASH FLOWS
For Six months ended March 31 2008, 2007 and the year ended September 30, 2007
(UNAUDITED)

(IN THOUSANDS,JPY)

	Six months ended March 31.2008	Six months ended March 31.2007	Year ended September 30.2007
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	1,699,417	1,144,808	2,722,197
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	105,609	83,232	171,336
Increase in provision for bonuses	186,144	15,127	226,430
Increase in allowance for retirement benefits for employees	6,536	8,966	30,844
Increase in allowance for retirement benefits for directors	39,285	11,061	24,524
Interest and dividends income	△ 21,472	△ 18,593	△ 39,569
Interest expense	5,733	8,152	15,771
Gain on sale of investments in securities and subsidiaries	△ 35,913	△ 41,161	△ 51,186
Loss on devaluation of investments in securities	113,145	210,630	345,918
Changes in operating assets and liabilities:			
Increase in accounts receivable-trade	△ 219,809	△ 190,296	△ 511,143
Decrease in inventories(△Increase)	△ 99,996	20,778	△ 71,298
Increase in accounts payable -trade	87,562	26,713	16,734
Increase in other current liabilities(△Decrease)	△ 244,963	202,427	667,652
Others , Net	26,404	43,148	△ 141,456
Subtotal	1,647,683	1,524,996	3,406,754
Interest and dividends received	22,476	18,349	37,797
Interest paid	△ 5,800	△ 8,157	△ 15,749
Compensation for office removal	85,000	−	−
Income taxes paid	△ 1,058,633	△ 357,553	△ 731,149
Net cash provided by (used in) operating activities	690,726	1,177,635	2,697,652
INVESTING ACTIVITIES:			
Disbursements for purchase of tangible fixed assets	△ 113,511	△ 72,756	△ 178,665
Disbursements for purchase of intangible fixed assets	△ 21,181	△ 9,869	△ 37,714
Payment for purchase of investments securities	△ 300,614	△ 239,872	△ 439,793
Proceeds from sales of investments in securities and subsidiaries	71,669	75,161	95,186
Proceeds from maturity of investment securities	100,000	−	−
Payment for deposit for rent office and others	△ 49,407	△ 50,730	△ 197,211
Collection for deposit for rent office and others	24,374	145,130	173,885
Others , Net	△ 12,060	20,501	△ 20,696
Net cash provided by (used in) investing activities	△ 300,731	△ 132,434	△ 605,009
FINANCING ACTIVITIES:			
Proceeds from borrowing short-term debt	50,000	−	−
Disbursements for repayment of long-term debt	△ 107,700	△ 106,600	△ 263,200
Dividends paid	△ 231,480	△ 205,217	△ 357,397
Dividends paid for minority stock holders	△ 30,508	△ 15,813	△ 15,813
Others , Net	△ 776	△ 776	△ 1,553
Net cash provided by (used in) financing activities	△ 320,465	△ 328,406	△ 637,964
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	△ 37,504	11,452	13,178
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,025	728,245	1,467,856
BEGINNING OF BALANCE,CASH AND CASH EQUIVALENTS	5,260,080	3,792,223	3,792,223
ENDING OF BALANCE,CASH AND CASH EQUIVALENTS	5,292,105	4,520,469	5,260,080

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For Six months ended March 31, 2008 and 2007

(UNAUDITED)

2008

(IN THOUSANDS,JPY)

	Attributable to equity holders of the Company				
	Common stock	Additional paid-in capital	Retained earnings	Common stock for treasury	Sub total
Balance at 30 September 2007	1,875,251	1,825,298	5,205,599	△ 322,080	8,584,068
Changes during the period					
Cash dividends			△ 232,434		△ 232,434
Net income			895,710		895,710
Others			△ 3,873		△ 3,873
Net increase/decrease in evaluation, translation adjustment and minority					
Total changes during the period	－	－	659,402	－	659,402
Balance at 31 March 2008	1,875,251	1,825,298	5,865,001	△ 322,080	9,243,470

	Evaluation and translation adjustment				Total Shareholders' equity	Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain on Hedges	Foreign currency translation adjustments	Total evaluation and translation adjustments			
Balance at 30 September 2007	66,076	485	67,262	133,823	8,717,892	992,401	9,710,293
Changes during the period							
Cash dividends					△ 232,434		△ 232,434
Net income					895,710		895,710
Others					△ 3,873		△ 3,873
Net increase/decrease in evaluation, translation adjustment and minority	△ 75,592	△ 485	△ 33,434	△ 109,512	△ 109,512	74,382	△ 35,130
Total changes during the period	△ 75,592	△ 485	△ 33,434	△ 109,512	549,889	74,382	624,271
Balance at 31 March 2008	△ 9,516	－	33,827	24,311	9,267,782	1,066,783	10,334,565

2007

(IN THOUSANDS,JPY)

	Attributable to equity holders of the Company				
	Common stock	Additional paid-in capital	Retained earnings	Common stock for treasury	Sub total
Balance at 30 September 2006	1,875,251	1,825,298	4,180,774	△ 322,080	7,559,243
Changes during the period					
Cash dividends			△ 205,615		△ 205,615
Net income			630,491		630,491
Others			△ 1,970		△ 1,970
Net increase/decrease in evaluation, translation adjustment and minority					
Total changes during the period	－	－	422,905	－	422,905
Balance at 31 March 2007	1,875,251	1,825,298	4,603,680	△ 322,080	7,982,149

	Evaluation and translation adjustment			Total Shareholders' equity	Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total evaluation and translation adjustments			
Balance at 30 September 2006	89,590	40,552	130,142	7,689,386	880,745	8,570,131
Changes during the period						
Cash dividends				△ 205,615		△ 205,615
Net income				630,491		630,491
Others				△ 1,970		△ 1,970
Net increase/decrease in evaluation, translation adjustment and minority	△ 18,702	21,521	2,818	2,818	69,261	72,080
Total changes during the period	△ 18,702	21,521	2,818	425,724	69,261	494,986
Balance at 31 March 2007	70,888	62,073	132,961	8,115,111	950,006	9,065,118

CONSOLIDATED STATEMENTS OF INCOME

For Six months ended March 31 2008, 2007 and the year ended September 30, 2007

(UNAUDITED)

(IN THOUSANDS,JPY)	Six months ended March 31.2008	Six months ended March 31.2007	Year ended September 30.2007
NET SALES	10,472,704	8,472,051	17,980,875
COST OF SALES	7,099,353	5,747,242	12,046,656
Gross profit	3,373,351	2,724,809	5,934,218
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,632,157	1,395,562	2,953,488
Operating income	1,741,193	1,329,246	2,980,730
OTHER INCOME (EXPENSES)			
Interest income	20,122	17,993	38,069
Interest expenses	△ 5,733	△ 8,152	△ 15,771
Gain on cancellation of life insurance	5,900	9,604	16,746
Service fee income	2,076	3,694	6,056
Gain on consumption tax	―	6,617	14,618
Payment to the Association for employment of persons with disabilities	―	△ 2,800	△ 5,350
Foreign exchange gain or loss (△ loss)	5,069	△ 3,299	739
Equity in gain or loss of associated companies (△ loss)	5,974	△ 6,931	△ 5,708
Gain on sale of investments in securities and subsidiaries	35,913	41,161	51,186
Compensation for office removal	8,650	―	61,080
Compensation for termination of agency agreement	15,000	―	―
Loss on sale and disposal of property and equipment	△ 20,288	△ 28,561	△ 61,266
Loss on devaluation of investments in securities	△ 113,145	△ 210,630	△ 345,918
Allowance for doubtful accounts	―	△ 10,000	△ 10,000
Others- net	△ 1,316	6,864	△ 3,016
Other income (expenses)-net	△ 41,776	△ 184,438	△ 258,533
Income before income taxes and minority interests	1,699,417	1,144,808	2,722,197
INCOME TAXES			
Current	834,138	512,370	1,409,739
Deferred	△ 125,836	△ 67,065	△ 255,795
Total	708,302	445,305	1,153,944
MINORITY INTERESTS	95,404	69,012	183,865
NET INCOME	895,710	630,491	1,384,387

CONSOLIDATED BALANCE SHEETS
March 31 2008, 2007 and September 30, 2007

(UNAUDITED)

(IN THOUSANDS,JPY)

	March 31.2008	March 31.2007	September 30.2007
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5,292,105	4,520,469	5,260,080
Notes and accounts receivable	4,338,202	3,803,567	4,126,574
Investment securities	500,918	–	200,012
Inventories	535,560	334,238	437,696
Others	862,990	714,856	931,877
Allowance for doubtful accounts	△ 3,979	△ 1,813	△ 1,523
Total current assets	11,525,798	9,371,318	10,954,717
FIXED ASSETS			
Tangible Assets	417,716	331,980	376,393
Intangible Assets	364,085	357,374	345,077
Investments and other assets ;			
Investment securities	717,569	1,132,080	1,074,612
Deposits	705,233	572,495	681,724
Time deposits and banking arrangements other than cash equivalents	500,000	500,000	500,000
Others	764,393	552,889	614,722
Allowance for doubtful accounts	△ 10,000	△ 10,000	△ 10,000
Total investments and other assets	2,677,196	2,747,465	2,861,059
Total fixed assets	3,458,998	3,436,821	3,582,530
TOTAL ASSETS	14,984,797	12,808,139	14,537,247
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	287,764	210,726	201,903
Short-term debt	50,000	–	–
Current portion of long-term debt	212,300	213,200	214,300
Income taxes payable	837,172	532,174	1,063,181
Provision for bonuses	834,389	438,221	649,722
Others	1,657,540	1,395,953	1,861,952
Total current liabilities	3,879,166	2,790,275	3,991,058
LONG-TERM LIABILITIES			
Long-term debt	300,000	563,400	405,700
Provision for employee's retirement benefits	264,984	236,570	258,448
Provision for director's retirement benefits	194,309	141,561	155,023
Others	11,770	11,213	16,722
Total long-term liabilities	771,064	952,745	835,895
TOTAL LIABILITIES	4,650,231	3,743,021	4,826,953
NET ASSETS			
Common stock	1,875,251	1,875,251	1,875,251
Additional paid-in capital	1,825,298	1,825,298	1,825,298
Retained earnings	5,865,001	4,603,680	5,205,599
Common stock for treasury	△ 322,080	△ 322,080	△ 322,080
Unrealized gain on available-for-sale securities	△ 9,516	70,888	66,076
Deferred gain on hedges	–	–	485
Foreign currency translation adjustments	33,827	62,073	67,262
TOTAL SHAREHOLDERS' EQUITY	9,267,782	8,115,111	8,717,892
Minority interests	1,066,783	950,006	992,401
TOTAL NET ASSETS	10,334,565	9,065,118	9,710,293
TOTAL LIABILITIES AND NET ASSETS	14,984,797	12,808,139	14,537,247