

Financial Highlights

1. INFORMATION OF EPS Co,Ltd & CONSOLIDATED SUBSIDIARIES 2008.09

(2007.10.1-2008.9.30)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-08	21,182 (17.8 %)	3,487 (17.0 %)	3,562 (17.1 %)	1,708 (23.4 %)
Sep-07	17,980 (17.8 %)	2,980 (52.2 %)	3,042 (53.7 %)	1,384 (28.3 %)

	Net Income per Share (yen)	Net Income per Share, diluted (yen)	Return on Shareholders' equity(%)	Ordinary income to total assets(%)	Operating income to net sales(%)
Sep-08	19,110.92	19,074.29	18.4	23.2	16.5
Sep-07	15,485.66	15,474.39	16.9	22.9	16.6

Notes: 1 Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year.
2 Average number of shares issued and outstanding during the period :
Sep-08 89,399 shares Sep-07 89,398 shares

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Sep-08	16,181	10,949	60.8	110,067.48
Sep-07	14,537	9,710	60.0	97,517.76

Note : Total shareholders' Equity as of :
Sep-08 9,840 Million yen Sep-07 8,717 Million yen

(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
Sep-08	1,995	△ 1,061	△ 542	5,638
Sep-07	2,697	△ 605	△ 637	5,260

(4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 14 companies
Associated companies by equity accounting method : 4 companies

2.OVERALL SITUATION OF DIVIDEND DISTRIBUTION

(UNIT:JPY)

		Cash Dividends per share			Total dividend amount (Million Yen)	Dividend ratio to net income (%)	Dividend ratio to shareholders' equity (%)
		Interim Dividend	Year end Dividend	Annual			
Sep-07	(Result)	1,700.00	2,600.00	4,300.00	384	27.8	4.7
Sep-08	(Result)	2,400.00	3,000.00	5,400.00	482	28.3	5.2
Sep-09	(Projection)	2,800.00	3,200.00	6,000.00	—	29.4	—

3. INFORMATION OF CONSOLIDATED BUDGET 2009.09 (2008.10.1-2009.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-09	11,844 (13.1 %)	1,622 (△ 6.8 %)	1,649 (△ 7.2 %)	725 (△ 19.0 %)
Sep-09	25,013 (18.1 %)	3,784 (8.5 %)	3,835 (7.7 %)	1,827 (7.0 %)

Budgeted net income per share : Mar-09 8,116.70 yen
Sep-09 20,440.64 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 shares issued and outstanding as of :
 Sep-08 90,400 shares Sep-07 90,400 shares
- (2) Common stock for treasury as of :
 Sep-08 1,000 shares Sep-07 1,002 shares

5. INFORMATION OF NON-CONSOLIDATED 2008.09

(1) OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-08	13,108 (20.4 %)	2,442 (23.1 %)	2,610 (24.0 %)	1,360 (26.1 %)
Sep-07	10,891 (14.9 %)	1,983 (25.0 %)	2,105 (26.5 %)	1,079 (10.1 %)

	Net Income per Share (yen)	Net Income per Share, diluted (yen)
Sep-08	15,220.18	15,203.86
Sep-07	12,074.43	—

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

(2) FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Sep-08	12,159	8,400	69.1	93,967.76
Sep-07	10,663	7,588	71.2	84,883.88

Note : Total shareholders' Equity as of :
 Sep-08 8,400 Million yen Sep-07 7,588 Million yen

6. INFORMATION OF NON-CONSOLIDATED BUDGET 2009.09 (2008.10.1-2009.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-09	7,004 (11.5 %)	1,196 (6.3 %)	1,312 (4.9 %)	629 (Δ 13.1 %)
Sep-09	14,670 (11.9 %)	2,603 (6.6 %)	2,756 (5.6 %)	1,409 (3.6 %)

Budgeted net income per share :
 Mar-09 7,041.74 yen
 Sep-09 15,763.20 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 Financial Results

For the year 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 world-wide financial crisis against the backdrop of the subprime lending issue in U.S., soaring crude oil prices, and trends in interest rates, and the outlook about its economy trends has been in severe stage. 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, demands of IT engineers are slightly downward due to mainly completion of system integration and reduction in investments by major financial institutions.

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 period, with the enormous progress of contract projects, increased substantially compared with the last year. The medical device development service also showed a favorably performance, however its sales growth is slow down compared with the last year.

As for the 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 compared with the last year.

As for the registration & project management, we have worked toward acquiring new projects. However, turnover in increase is slow compared with the last year.

The Clinical coordination Center, which provides new business planning and associated services, reported an increase in sales figures compared with the last year as for acquisition of new projects, though its post-marketing clinical trials for an anti-cancer drug having been tested over a long period of time has finished. We received a large-scale post-marketing clinical trial (drug for treatment of rheumatism) in the current consolidated fiscal year, and we will start work on this project from the next period

On the non consolidated basis, 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 last year, with a marked

increase in sales owing to smooth progress in contract projects as well as 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 temporary staffing service (dispatched CRO business) for pharmaceutical companies, also increased its turnover. However, its profit has decreased due to securing of human resource and its incidental expenses showed up.

Moreover, EP-Medical Co., Ltd., providing a MR dispatching service (CSO business), has been performing significant increase in both sales and profits adding dispatched MRs to implement a large-scale projects contracted during the previous period and to 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 for dealing with an increasing 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 large-scale project carried on since the previous period. Ever progressing System Pte. Ltd. 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 ¥15,233 million, up 24.3% on a year to year basis, and consolidated operating income ¥2,661 million, up 23.4% 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 sales and achieving results in expenses management 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 growth in both sales and profits with consolidated net sales of ¥3,500 million (up 3.7 %on a year to year basis) and the consolidated operating income of ¥695 million (up 8.0% 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 a decline in sales of laboratory animals in the first half which could not be offset in the second half.

Consequently, in our pre-clinical study business, both sales and profits decreased, posting the consolidated net sales of ¥1,092million (down 13.3% on a year to year basis) and consolidated operating loss of ¥ 1 million (77 million yen profit in the previous period).

The software development business is operated by All Right Software Group.

All Right Software Inc. has affiliated Qingdao Tidever Software Co.,Ltd (Qingdao,China) as a group company by receiving 33.4% of proprietary rights. All Right Software Inc. is also continuing to reinforce a business utilizing Chinese IT engineers and remarkably making growth 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 ¥1,499 million (up 19.9% on a year to year basis) and the consolidated operating income ¥136 million (up 52.1% on the same basis).

After deducting inter-segmental transactions from the segmental figures shown above, the consolidated net sales amounted to ¥21,182 million (up 17.8% on a year to year basis), the consolidated operating income ¥3,487 million (up 17.0% on the same basis), the consolidated ordinary income ¥3,562 million (up 17.1% on the same basis), and the net income ¥1,078 million (up 23.4% on the same basis), resulting in a significant increase in both sales and profits.

(Outlook for the next period)

As it is assumed that the Japanese economy will remain under worldwide strong recession triggered subprime loan bankruptcy in U.S. and fluctuation of currency exchange rate, it cannot make any predication in the future.

Our CRO business is mainly composed of the Clinical Development Division engaging in clinical development and monitoring, and Biometrics Division engaging in the data management, post-marketing surveillance data center, statistical analysis, registration and progress management, off-shore data management office, medical writing, pharmacovigilance services, etc., supplemented by the Clinical Coordination Center engaging in new business planning and associated services and medical devices, the Business Development Division engaging in information collection and order reception. In addition to acquiring new contracts, we will forces on monitoring and data management services for achieving the full-year profit plan, by enhancing operating rate, reducing expenses and collaborating with subsidiaries in China through off-shore data management office which newly set up.

As for our consolidated subsidiaries, E-Trial Co., Ltd, will continuously strive to win new projects from pharmaceutical companies and medical research institutions, using EDC system.

EP-Mate Co., Ltd. engaging in the dispatched CRO services will aim for full-scale business development mainly for the Company and pharmaceutical companies. EP-Medical Co., Ltd., providing CSO services including MR dispatching, will enhance sales, concentrating on performing existing substantial scale contracts acquired during the previous fiscal year, and on acquiring new contracts.

As for overseas businesses, EPS International Co., Ltd. will continue to take a leadership in developing the system for the contract of multi-national clinical trials, and its group companies such as EPS China Co., Ltd., Ever progressing System Pte. Ltd., ADM Korea Inc., as well as the Taiwan Branch of EPS International will pursue the synergetic effect through collaboration to enhance their overseas clinical trial contract services, focusing on winning new clinical trial contract mainly in Asia.

EP-Mint Co., Ltd., engaging in the SMO business will continue to improve the reinforcement of the system for winning contracts and to develop branch-based management system, working towards maintaining its high operating rate and acquiring new projects

LSG Corporation, engaging in the pre-clinical study business, intends to increase its agency revenue through the increased contracts with new partners such as overseas per-clinical study institutions, and to expand its operation in new fields such as supply of experimental animals and special animal feeds.

All Right Software Inc., a software developer, has acquired a software developing business and a video communication system business by a business transfer from Digital Technology Inc., as of October 1, 2008, and pursue a synergy effect with these businesses. In addition, All Right Software Inc. will continue to utilize Chinese IT engineers to strengthen offshore software development with All Right Software Beijing Inc. and Qingdao Tidever Software Co.,Ltd. that are group companies, and to promote SE service contacts, offshore software development, and acquisition of new software development contracts in communication, finance, and network fields.

Accordingly, the full consolidated budget for the fiscal year ending September 2009 is as follows:

On a consolidated basis

(UNIT: JPY Million)

	Net Sales	operating income	Ordinary Income	Net Income
Sep-08	21,182	3,487	3,562	1,708
Sep-09	25,013	3,784	3,835	1,827
Changes	3,831	297	273	119
year-to-year rate	18.1%	8.5%	7.7%	7.0%

On a non-consolidated basis

(UNIT: JPY Million)

	Net Sales	operating income	Ordinary Income	Net Income
Sep-08	13,108	2,442	2,610	1,360
Sep-09	14,670	2,603	2,756	1,409
changes	1,562	161	146	49
year-to-year rate	11.9%	6.6%	5.6%	3.6%

(2) Analysis on Consolidated Financial Status

1) Analysis on status of assets, liabilities, net assets

The following describes the changes of the financial statuses during the current consolidated fiscal year since the end of the previous consolidated fiscal year

The current assets for the current consolidated accounting period increased to 12,307 million yen by 1,353 million yen, with the increases by 378 million yen in cash and cash equivalents, 475 million yen in notes and accounts receivables, 300 million yen in investment securities, and 216 million yen in deferred income tax assets respectively. The fixed assets increased to 3,873 million yen by 290 million yen, despite of the decreases by 241 million yen due to maturity and valuation loss in investment securities, with the increases by 104 million yen in intangible fixed assets and 149 million yen in deposits, and 248 million yen in deferred income tax assets (long term). Consequently, the total assets at the end of the current consolidated fiscal year were 16,181 million yen, an increase by 1,643 million yen compared to the previous consolidated fiscal year

As for liabilities, the increases by 150 million yen in short-term debts, and 438 million yen in provision for bonuses, and the decreases by 205 million yen in long-term debts by repayment, compared to the previous consolidated fiscal year. As a result, total liabilities at the end of the current consolidated fiscal year were 5,232 million yen, an increase by 405 million yen compared with the previous consolidated fiscal year.

As for net assets, the net assets of 10,949 million yen in the current consolidated fiscal year, an increase by 1,238 million yen, with the increases by 1,257 million yen in retained earnings, compared to the total net assets of the previous consolidated fiscal year.

2) Analysis on consolidated cash flow status

As for the cash and cash equivalents (hereinafter referred to as "capitals") for the current consolidated fiscal year, the cash inflow generated through operating activities reached 1,995 million yen, while the cash outflow incurred through investing and financing activities were 1,061 million yen and 542 million yen respectively. As a result, the capitals for the current consolidated fiscal year reached 5,638 million yen (increase by 378 million yen compared to the previous consolidated fiscal year) with the addition of the exchange difference related to the capitals.

(Cash flow from operating activities)

The capitals acquired through operating activities reached 1,995 million yen, a decrease by 702 million yen compared to

the previous consolidated fiscal year.

The decrease of inflow is mainly attributable to the current net income before income taxes reaching 3,204 million yen (increase 482 million yen compared to the previous consolidated fiscal year), increase 438 million yen in provision for bonuses (increase 211 million yen compared to the previous consolidated fiscal year), and inflow 76 million yen in other operating activities (increase 180 million yen compared to the previous consolidated fiscal year) and inflow 93 million yen in compensation for office removal and decreases outflow 160 million yen in other current liabilities (increase 828 million yen compared to the previous consolidated fiscal year), and out flow 1,731 million yen in corporate income tax payment (increase 1,000 million yen compared to the previous consolidated fiscal year)

(Cash flow from investing activities)

The capital outflow by investing activities was 1,061 million yen, a increase by 456 million yen compared to the previous consolidated fiscal year. This increase of the outflow is mainly 24 million yen inflow of collection of deposits for rent offices and others in current consolidated fiscal year (decrease 149 million yen compared to the previous consolidated fiscal year), and outflow 812 million yen in purchasing investment securities (increase 472 million yen compared to the previous consolidated fiscal year), despite of 200 million yen inflow in proceeds from maturity of investment securities

(Cash flow from financing activities)

The Capital outflow by financing activities was 542 million yen, a decrease by 94 million yen compared to the previous consolidated fiscal year.

This is mainly due to the repayment of 214 million yen for long-term loan in current consolidated fiscal year (decrease 48 million yen compared to the previous consolidated fiscal year), and outflow 477 million yen in payment of dividends to shareholders and minority stockholders (increase 104 million yen compared to the previous consolidated fiscal year), despite of inflow 150 million yen in short-term debt by new loan.

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	Fiscal year ended 9/ 2008
Shareholders' equity Ratio (%)	63.6	62.9	64.2	60.0	60.8
Shareholders' equity Ratio at Market Price (%)	380.7	292.8	189.6	230.0	182.9
Cash flow -Interest bearing debt ratio	0.1	-	0.7	0.2	0.3
Interest Coverage ratio (times)	205.4	-	65.6	171.3	181.6

Shareholders' equity ratio: Capital / Total assets

Shareholders' 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 provided 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.

(1) Basic profit distribution policy and dividend for the current and next period

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.

(JPY)

	Interim Dividend	Year end Dividend	Annual
Current period	2,400	3,000	5,400
Next period (forecast)	2,800	3,200	6,000

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 on February 15, 2008), please 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.

In the above statement, the future target management index are based on prescribed assumption reasonably judged by the Company at present, and any of each index are not guaranteed by the Company as such index may differ from actual results.

(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 establishment of a full-service system ranging from planning to pharmaceutical applications.

Furthermore, we also aim to establish 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, an specified health foods as well as active response to bio-venture-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, achieving more effective management of sales and expenses, and expanding its scope of SMO business with the aim of being ranked as top 3 in the industry.

3) Promotion of overseas business

EPS International Co., Ltd. will continue to take a leading rule in responding to the shift to international simultaneous clinical development and decisions of the ICH* 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).

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

4) Entry into drug discovery

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

In China, we plan to develop our own strategy in drug discovery and development 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 that belong 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 pursuing the synergetic effect of launching new business promotion and M&A.

(4) Agendas to be addressed by the Company

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

As a part of these efforts, our divisions and departments handling clinical trial information (CRO services including pharmaceutical products, medical devices and specified health foods, etc.) have been awarded ISO 27001 certification (valid until December 8, 2009) by 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 promptly establish the process management system ranging from receipt of orders to delivery, improving the efficiency of our business.

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2008 AND 2007
(UNAUDITED)

(IN THOUSANDS,JPY)

ASSETS	2008	2007
CURRENT ASSETS		
Cash and cash equivalents	5,638,984	5,260,080
Notes and accounts receivable	4,601,623	4,126,574
Investment securities	500,492	200,012
Inventories	562,056	437,696
Deferred tax assets	607,790	391,347
Others	400,242	540,529
Allowance for doubtful accounts	△ 3,288	△ 1,523
Total current assets	<u>12,307,901</u>	<u>10,954,717</u>
FIXED ASSETS		
Tangible Assets ;		
Leasehold improvements	420,635	383,711
Accumulated depreciation	△ 211,667	△ 200,747
Furniture and fixtures	282,876	238,233
Accumulated depreciation	△ 179,497	△ 143,660
Others	177,777	175,931
Accumulated depreciation	△ 70,929	△ 77,075
Total property and equipment	<u>419,193</u>	<u>376,393</u>
Intangible Assets ;		
Goodwill	179,666	247,666
Others	201,784	97,410
Total intangible assets	<u>381,451</u>	<u>345,077</u>
Investments and other assets ;		
Investment securities	832,702	1,074,612
Deposits	831,360	681,724
Time deposits and banking arrangements other than cash equivalents	500,000	500,000
Deferred tax assets	569,486	320,997
Others	349,142	293,724
Allowance for doubtful accounts	△ 10,000	△ 10,000
Total investments and other assets	<u>3,072,691</u>	<u>2,861,059</u>
Total fixed assets	<u>3,873,335</u>	<u>3,582,530</u>
TOTAL ASSETS	<u>16,181,236</u>	<u>14,537,247</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	233,212	201,903
Short-term debt	150,000	—
Current portion of long-term debt	205,700	214,300
Income taxes payable	1,070,965	1,063,181
Provision for bonuses	1,088,414	649,722
Provision for loss on order received	57,000	—
Others	1,722,684	1,861,952
Total current liabilities	<u>4,527,976</u>	<u>3,991,058</u>
LONG-TERM LIABILITIES		
Long-term debt	200,000	405,700
Provision for employee's retirement benefits	282,215	258,448
Provision for director's retirement benefits	209,060	155,023
Others	12,840	16,722
Total long-term liabilities	<u>704,115</u>	<u>835,895</u>
TOTAL LIABILITIES	<u>5,232,092</u>	<u>4,826,953</u>
NET ASSETS		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,825,431	1,825,298
Retained earnings	6,463,232	5,205,599
Common stock for treasury	△ 321,437	△ 322,080
Unrealized gain on available-for-sale securities	△ 36,111	66,076
Deferred gain on hedges	3	485
Foreign currency translation adjustments	33,661	67,262
Total shareholders' equity	<u>9,840,032</u>	<u>8,717,892</u>
Minority interests	1,109,111	992,401
TOTAL NET ASSETS	<u>10,949,144</u>	<u>9,710,293</u>
TOTAL LIABILITIES AND NET ASSETS	<u>16,181,236</u>	<u>14,537,247</u>

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(UNAUDITED)

(IN THOUSANDS,JPY)	2008	2007
NET SALES	21,182,869	17,980,875
COST OF SALES	<u>14,378,094</u>	<u>12,046,656</u>
Gross profit	6,804,774	5,934,218
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>3,317,311</u>	<u>2,953,488</u>
Operating income	<u>3,487,463</u>	<u>2,980,730</u>
OTHER INCOME (EXPENSES)		
Interest income	42,224	38,069
Interest expenses	△ 10,920	△ 15,771
Gain on cancellation of life insurance	14,014	16,746
Service fee income	4,363	6,056
Gain or loss on consumption tax filing(△ loss)	△ 3,273	14,618
Equity in gain or loss of associated companies (△ loss)	11,722	△ 5,708
Gain on sales of property and equipment	1,992	584
Gain on sale of investments in securities and subsidiaries	35,913	51,186
Compensation for office removal	8,650	61,080
Loss on sales and disposal of property and equipment	△ 30,495	△ 61,266
Loss on devaluation of investment in securities	△ 360,787	△ 345,918
Others- net	<u>3,411</u>	<u>△ 18,210</u>
Other income (expenses)-net	<u>△ 283,182</u>	<u>△ 258,533</u>
Income before income taxes and minority interests	<u>3,204,281</u>	<u>2,722,197</u>
INCOME TAXES		
Current	1,726,381	1,409,739
Deferred	<u>△ 395,445</u>	<u>△ 255,795</u>
Total	<u>1,330,936</u>	<u>1,153,944</u>
MINORITY INTERESTS	<u>164,847</u>	<u>183,865</u>
NET INCOME	<u><u>1,708,497</u></u>	<u><u>1,384,387</u></u>

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 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			△ 446,990		△ 446,990
Net income			1,708,497		1,708,497
Sale of Common stock for treasury		133		642	776
Others			△ 3,873		△ 3,873
Net increase/decrease in valuation, translation adjustment and minority interest					
Total changes during the period	—	133	1,257,633	642	1,258,409
Balance at 30 September 2008	1,875,251	1,825,431	6,463,232	△ 321,437	9,842,478

	Evaluation and translation adjustment				Total Shareholders' equity	Minority interest	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					△ 446,990		△ 446,990
Net income					1,708,497		1,708,497
Sale of Common stock for treasury					776		776
Others					△ 3,873		△ 3,873
Net increase/decrease in valuation, translation adjustment and minority interest	△ 102,187	△ 481	△ 33,600	△ 136,269	△ 136,269	116,710	△ 19,558
Total changes during the period	△ 102,187	△ 481	△ 33,600	△ 136,269	1,122,140	116,710	1,238,850
Balance at 30 September 2008	△ 36,111	3	33,661	△ 2,445	9,840,032	1,109,111	10,949,144

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			△ 357,592		△ 357,592
Net income			1,384,387		1,384,387
Others			△ 1,970		△ 1,970
Net increase/decrease in valuation, translation adjustment and minority interest					
Total changes during the period	—	—	1,024,824	—	1,024,824
Balance at 30 September 2007	1,875,251	1,825,298	5,205,599	△ 322,080	8,584,068

	Evaluation and translation adjustment				Total Shareholders' equity	Minority interest	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 2006	89,590	—	40,552	130,142	7,689,386	880,745	8,570,131
Changes during the period							
Cash dividends					△ 357,592		△ 357,592
Net income					1,384,387		1,384,387
Others					△ 1,970		△ 1,970
Net increase/decrease in valuation, translation adjustment and minority interest	△ 23,514	485	26,709	3,681	3,681	111,655	115,337
Total changes during the period	△ 23,514	485	26,709	3,681	1,028,505	111,655	1,140,161
Balance at 30 September 2007	66,076	485	67,262	133,823	8,717,892	992,401	9,710,293

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(UNAUDITED)

(IN THOUSANDS,JPY)

	2008	2007
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	3,204,281	2,722,197
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	148,816	109,352
Amortization of goodwill	68,789	61,983
Increase in provision for bonuses	438,322	226,430
Increase in allowance for retirement benefits for employees	23,766	30,844
Increase in allowance for retirement benefits for directors	54,036	24,524
Interest and dividends income	△ 45,254	△ 39,569
Interest expense	10,920	15,771
Gain on sale of investments in securities and subsidiaries	△ 35,913	△ 51,186
Loss on devaluation of investments in securities	360,787	345,918
Loss on sales and disposal of property and equipment	30,495	61,266
Changes in operating assets and liabilities:		
Increase in accounts receivable-trade	△ 481,773	△ 511,143
Increase in inventories	△ 140,573	△ 71,298
Increase in accounts payable -trade	34,259	16,734
Increase in other current liabilities (△Decrease)	△ 160,376	667,652
Others , Net	85,499	△ 202,723
Subtotal	<u>3,596,082</u>	<u>3,406,754</u>
Interest and dividends received	47,678	37,797
Interest paid	△ 10,984	△ 15,749
Compensation for office removal	93,650	—
Income taxes paid	△ 1,731,249	△ 731,149
Net cash provided by (used in) operating activities	<u>1,995,178</u>	<u>2,697,652</u>
INVESTING ACTIVITIES:		
Disbursements for purchase of tangible fixed assets	△ 215,834	△ 178,665
Disbursements for purchase of intangible fixed assets	△ 116,191	△ 37,714
Payment for purchase of investments securities	△ 812,148	△ 439,793
Proceeds from sales of investments securities and subsidiaries	71,669	95,186
Proceeds from maturity of investment securities	200,000	—
Payment for deposit for rent office and others	△ 175,406	△ 197,211
Collection of deposits for rent office and others	24,474	173,885
Payment for insurance reserve fund	△ 60,472	△ 52,289
Others , Net	22,860	31,592
Net cash provided by (used in) investing activities	<u>△ 1,061,050</u>	<u>△ 605,009</u>
FINANCING ACTIVITIES:		
Proceeds from borrowing short-term debt	150,000	—
Disbursements for repayment of long-term debt	△ 214,300	△ 263,200
Dividends paid	△ 447,392	△ 357,397
Dividends paid to minority stock holders	△ 30,508	△ 15,813
Others , Net	△ 777	△ 1,553
Net cash provided by (used in) financing activities	<u>△ 542,978</u>	<u>△ 637,964</u>
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	△ 12,244	13,178
NET INCREASE IN CASH AND CASH EQUIVALENTS	378,904	1,467,856
BEGINNING OF BALANCE, CASH AND CASH EQUIVALENTS	<u>5,260,080</u>	<u>3,792,223</u>
ENDING OF BALANCE, CASH AND CASH EQUIVALENTS	<u>5,638,984</u>	<u>5,260,080</u>

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2008.09 <2007.10.1-2008.9.30> (In Thousands, JPY)			
	AMOUNT OF ORDER ENTRY	year-to-year comparison (%)	ORDER BACKLOG	year-to-year comparison (%)
CRO				
Monitoring	10,142,884	103.9	12,473,050	129.4
Data Management	13,169,508	227.7	12,652,399	236.0
CRO others	2,302,493	154.3	682,742	176.5
TOTAL OF CRO	25,614,885	150.3	25,808,192	167.7
SMO	3,746,449	88.4	3,456,723	108.0
Preclinical Service	1,087,560	89.2	115,001	99.4
System Development	1,282,948	87.0	352,168	73.7
TOTAL	31,731,844	132.4	29,732,085	155.0

* These figures are expressed by sales price.

* These above figures do not include consumption tax.

(2) RESULT OF SALES

DIVISION	2008.09 <2007.10.1-2008.9.30> (In Thousands, JPY)	year-to-year comparison (%)
CRO		
Monitoring	7,309,976	122.0
Data Management	5,878,383	119.8
Others	2,006,665	150.7
TOTAL OF CRO	15,195,024	124.2
SMO	3,490,979	105.3
Preclinical Service	1,088,309	87.0
System Development	1,408,555	119.2
TOTAL	21,182,869	117.8

INDUSTRY SEGMENT

FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(UNAUDITED)

2008 (2007.10.1-2008.9.30)

(In Thousands,JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	15,195,024	3,490,979	1,088,309	1,408,555	21,182,869	—	21,182,869
Intersegment sales	38,343	9,315	4,140	90,869	142,668	(142,668)	—
Sales total	15,233,368	3,500,295	1,092,449	1,499,425	21,325,537	(142,668)	21,182,869
Operating expenses	12,571,491	2,805,135	1,093,806	1,362,948	17,833,382	(137,976)	17,695,405
Operating income	2,661,876	695,159	(1,357)	136,476	3,492,155	(4,691)	3,487,463

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)	—
Sales 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