

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE SECOND QUARTER ENDED MARCH 31, 2009

(2008.10.1-2009.3.31)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-09	11,687 (—)	1,966 (—)	1,980 (—)	561 (—)
Mar-08	10,472 (23.6%)	1,741 (31.0%)	1,777 (31.4%)	895 (42.1%)

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Mar-09	6,275.55	6,270.32
Mar-08	10,019.36	10,003.30

- Note : 1 Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year.
2 Percentage for current period is not prepared because quarterly accounting standards, as defined and published by Accounting Standards Board of Japan, are applied for the first time from this year.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Mar-09	15,598	11,008	63.7%	111,101.75
Sep-08	16,181	10,949	60.8%	110,067.48

(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-09	911	△ 162	△ 406	5,942
Mar-08	690	△ 300	△ 320	5,292

(4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 15 companies
Affiliated companies by equity accounting method : 4 companies

2.OVERALL SITUATION OF DIVIDEND DISTRIBUTION

(UNIT:JPY)

		Cash Dividends per share		
		Interim Dividend	Year end Dividend	Annual
Sep-08	(Result)	2,400.00	3,000.00	5,400.00
Sep-09	(Result)	2,800.00	—	6,000.00
	(Projection)	—	3,200.00	

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

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-09	25,013 (18.1%)	3,784 (8.5%)	3,835 (7.7%)	1,827 (7.0%)

Budgeted net income per share : Sep-09 20,440.64

- 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-09 90,400 shares Sep-08 90,400 shares

(2) Common stock for treasury as of :

Mar-09 1,000 shares Sep-08 1,000 shares

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

Mar-09 89,400 shares Mar-08 89,398 shares

Financial Highlights

CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE SECOND QUARTER ENDED MARCH 31, 2009

1. Qualitative Information on Consolidated Operating Results

As the Japanese economy in the current second quarter period (from 1 October 2008 to 31 March 2009) was affected by the “once-in-100 years” global economic downturn, the economy is deteriorating as characterized by employment insecurity and other related factors against the backdrop of rapid decline of corporate sector’s performance. Even under such circumstances, the 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 as the impact of economic downturn has remained minimal. The pre-clinical study industry, in which our LSG. Co., Ltd. Group operates, is also performing steadily. However, in the software development industry, in which our All Right Software Inc. Group operates, the significant impact of economic downturn has softened the demand.

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, high blood pressure and CNS (Central Nerves System) drugs. The sales has steadily increased compared with the same period in previous year.

As for the data management service, statistical analysis service and pharmacovigilance service, the Biometrics Division is vigorously pushing forward with both implementation of existing projects and acquisition of new projects. For each service, the sales have increased compared with the same period in previous year.

In registration and project management service, acquisition of new projects has been vigorously pursued, however, sales have become minor decrease compared with the same period in previous year.

Also, the data center service that had been mainly working on post-marketing surveillance and other contracts reviewed its structure in the first quarter, leading to the flexible structure where contracted projects can be accepted according to their size. The sales for this service have achieved a large increase compared with the same period in previous year with the great contribution from the Special Drug Use Survey contracted during the last consolidated fiscal year.

The Clinical Coordination Center, which provides new business planning and associated services, now incorporates medical device development service as a result of the structural review and will continue to vigorously push forward with new business acquisition.

On the non-consolidated basis, sales have steadily developed in almost all departments and sales increase due to steady development of contracted projects, costs saving efforts and other factors has led to a significant increase in income as well as profit compared to the same period in previous year.

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. Although sales have increased, costs of forward investment, such as labor costs have also increased. EP-Mate Co., Ltd., engaged in the staff dispatching service (dispatched CRO business) for pharmaceutical companies, saw an unchanged turn-over, however, the costs of new staff recruitment have increased.

Moreover, EP-Medical Co., Ltd., providing a MR(Medical Representatives) dispatching service (CSO business), has been improving its performance through executing big projects contracted during the previous consolidated fiscal year and also winning new contracts which has led to a large increase in sales and profit.

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

Individually, EPS International Co., Ltd., is progressing in execution of contracted

projects which has led to increase in sales and profit compared with the same period in previous year. EPS International (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 consolidated fiscal year, however, is also facing difficulties and as a result, sales and profit have decreased compared with the same period in previous year. EPS Singapore has been smoothly performing contracts acquired in the previous consolidated fiscal year while promoting new customer acquisition activities on its own and achieved a large increase in sales and profit. ADM Korea Inc., providing a clinical trials contract service in Korea, is improving a structure for joint contracts in Korea and is seeing an increases in sales compared with the same period in previous year. However, profit has decreased despite the increase in sales due to rise in costs of forward investment including facility costs and labor costs. Furthermore, the Taiwan Branch of EPS International Co., Ltd. has started executing contracts and its performance is improving.

Additionally, the Company established EPS China Co., Ltd. in December 2008, a wholly-owned subsidiary of the Company in Suzhou, Jiangsu Province of China with the purpose of supervising various businesses of Group companies in China as well as expanding the CRO, IT and drug discovery businesses.

Consequently, our consolidated net sales for the CRO business amounted to ¥8,553 million, up 17.5% compared with the same period in previous year, and consolidated operating income was ¥1,709 million, up 39.5% on the same basis.

The SMO business is operated by EP-Mint Co., Ltd.

EP-Mint Co., Ltd. has been continuously working towards 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, however, there has been some delay in the progress of contracted projects.

Consequently, in our SMO business, consolidated net sales amounted to ¥1,633 million, down 9.3% compared with the same period in previous year and the consolidated operating income of ¥207 million, down 46.3% on the same basis.

The pre-clinical study business is operated by LSG Corporation Group.

Within the LSG Group, Simian Conservation Breeding & Research Center, Inc., a

subsidiary, is engaged in sales of laboratory animals to new customers and the whole Group is making cost saving efforts.

Consequently, our pre-clinical study businesses posted the consolidated net sales of ¥532million ,down 13.3% compared with the same period in previous year and consolidated operating income of ¥37million ,up 590.5% on the same basis.

The software development business is operated by All Right Software Inc Group. All Right Software Inc. acquired through business transfer from Digital Technology Co., Ltd. on October 2008, the software development business and visual communication business mainly merchandising TV conference system. Although the company is vigorously pushing forward with winning new contracts while streamlining the company structure after acquisition and pursuing synergy effect with existing businesses, it is facing difficulties with impact of economic downturn, together with All Right Software Beijing Co., Ltd. and Qingdao Tidever Software Co., Ltd.

Consequently, in our software development business, the consolidated net sales amounted to ¥1,013 million ,up 19.9% compared with the same period in previous year and the consolidated operating income was ¥5 million ,down 95.0% on the same basis.

After deducting inter-segmental transactions from the segmental figures shown above, the consolidated net sales amounted to ¥11,687 million ,up 11.6% compared with the same period in previous year, the consolidated operating income was ¥1,966 million ,up 12.9% on the same basis and the consolidated ordinary income was ¥1,980 million ,up 11.4% on the same basis, showing an increase in sales and profit. When posting the reversal of deferred tax assets to deferred income tax, in addition to posting the impairment loss on goodwill and devaluation loss on investment securities to the extraordinary loss by the Company, the quarterly net income has reached ¥561 million ,down 37.4% on the same basis.

The percentage changes compared with the same period during the previous year are stated for reference, as quarterly accounting standards are defined and published by Accounting Standards Boards of Japan are applied for the first time from this fiscal year.

2. Qualitative Information on the Consolidated Financial Status

Total assets at the end of the current quarter amount to ¥15,598 million, down by ¥582 million from the end of the previous consolidated fiscal year.

Current assets total ¥12,044 million, a decrease by ¥263 million. While cash and cash equivalents increased by ¥303 million, investment securities decreased by ¥400 million due to redemption and other current assets also decreased by ¥100 million. Fixed assets total ¥3,553 million, a decrease by ¥319 million. While deposits increased by ¥115 million, investment securities decreased by ¥243 million due to posting of devaluation loss and unrealised loss in market value evaluation as well as other assets also decreased by ¥206 million.

In liabilities, total liabilities at the end of current quarter amounted to ¥4,590 million, a decrease by ¥642 million mainly due to decrease in income taxes payable and provision for bonuses by ¥355 million and ¥260 million respectively.

Net assets at the end of current quarter totaled ¥11,008 million, an increase by ¥59 million. While retained earnings increased by ¥292 million, unrealized gain on available-for-sale securities, foreign currency translation adjustments and minority interests decreased by ¥144 million, ¥55 million and ¥33 million respectively.

As regards the status of cash flow, the cash flow in operating activities, inflow amounted to ¥911 million, consisting ¥1,733 million of net income before income taxes, ¥262 million gain by adjustments of mainly depreciation expenses, amortization and impairment loss, ¥107 million gain by adjustment of devaluation on investment securities, ¥257 million gain by decrease in bonus provisions and ¥1,045 million payment for income taxes.

As regards the cash flow in investing activities, the outflow of ¥162 million was recorded. While inflow of ¥411 million was received due to sales and redemption of investment securities, disbursements were made in acquisition of tangible and intangible assets, purchase of investment securities, payment for deposits and acquisition of business in amounts of ¥102 million, ¥113 million, ¥114 million and ¥213 million respectively.

As regards the cash flow in financial activities, the outflow was made for ¥406 million

consisting of disbursement of ¥105 million for repayment of long-term debts and ¥300 million for payment of dividends to shareholders as well as minority shareholders.

As a result of the above status, after adding the decrease of ¥38 million for effect of exchange difference on cash and cash equivalents, the cash and cash equivalents at the end of current quarter increased by ¥303 million to ¥5,942 million.

3. Qualitative Information on outlook of Consolidated Performance in current fiscal year

The Japanese economy is expected to experience continuing uncertain situations due to global recessions stemming from sub-prime loan crisis in the United States, fluctuation in currency exchange rates and other factors.

Our CRO business is mainly composed of the Clinical Development Division responsible for monitoring and Biometrics Division responsible for services such as data management, Data center for post-marketing surveillance, statistical analysis, registration & project management, off-shore businesses, medical writing, pharmacovigilance, supplemented by the Clinical Coordination Center, in charge of new business planning and associated services as well as clinical development in the area of medical devices 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, data management services and Data center to achieve our full-year profit plan by further enhancing the operating rate, reducing expenses and collaborating with subsidiaries in China through our newly set-up off-shore data management office.

As regards our 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 Co., Ltd., providing CSO services including MR dispatching, will aim to improve performance by executing projects contracted during the previous consolidated fiscal year and continuously pursuing to acquire new projects.

As for our overseas businesses, EPS International Co., Ltd., will play the main role in continuing the development of the structure for acquiring contracts of multinational clinical trials, and together with its group companies, EPS China Co., Ltd., EPS Singapore and ADM Korea Inc., as well as EPS International Taiwan Branch, will pursue the synergy effect of its collaboration , aim to enhance overseas clinical trial services, endeavor to execute contracted projects and acquire new contracts mainly in Asia.

EP-Mint Co, Ltd., which engages in 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., engaged in pre-clinical studies, intends to expand its operation by continuing to increase its agency revenue through greater number of contracts with the new partners, overseas pre-clinical trial institutions and adding a new growing field, such as laboratory animal supply and special feed.

All Right Software Inc., a software developer, will continue to proceed with streamlining the company structure, integrate existing and newly acquired businesses and pursue the synergy effect of software development business and visual communication business while making use of Chinese IT engineers . Together with the group companies, All Right Software (Beijing) Co, Ltd. and Qingdao Tidever Software Co., Ltd., it will promote SE service contracts and off-shore software development in communication-, finance-, and network-related fields, as well as vigorously push forward with winning new contracts for TV conference system.

Accordingly, the Company does not revise its full consolidated forecast for the fiscal year ending September 2009 announced on November 7, 2008.

CONSOLIDATED BALANCE SHEETS
March 31 2009 and September 30, 2008

(UNAUDITED)

(IN THOUSANDS,JPY)

	March 31.2009	September 30.2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,942,388	5,638,984
Notes and accounts receivable	4,543,022	4,601,623
Investment securities	100,269	500,492
Inventories and products	244,452	234,108
Work in progress	309,901	327,948
Others	907,690	1,008,032
Allowance for doubtful accounts	△ 2,851	△ 3,288
Total current assets	12,044,872	12,307,901
FIXED ASSETS		
Tangible Assets	435,002	419,193
Intangible Assets	381,092	381,451
Investments and other assets ;		
Investment securities	588,885	832,702
Deposits	946,583	831,360
Others	1,202,147	1,408,628
Total investments and other assets	2,737,617	3,072,691
Total fixed assets	3,553,712	3,873,335
TOTAL ASSETS	15,598,585	16,181,236
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	259,875	233,212
Short-term debt	150,000	150,000
Current portion of long-term debt	200,000	205,700
Income taxes payable	715,805	1,070,965
Provision for bonuses	828,056	1,088,414
Provision for loss on order received	98,050	57,000
Others	1,714,151	1,722,684
Total current liabilities	3,965,938	4,527,976
LONG-TERM LIABILITIES		
Long-term debt	100,000	200,000
Provision for employees' retirement benefits	288,752	282,215
Provision for directors' retirement benefits	223,284	209,060
Others	12,041	12,840
Total long-term liabilities	624,078	704,115
TOTAL LIABILITIES	4,590,017	5,232,092
NET ASSETS		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,825,431	1,825,431
Retained earnings	6,756,066	6,463,232
Common stock for treasury	△ 321,437	△ 321,437
Unrealized gain (or △loss) on available-for-sale securities	△ 180,908	△ 36,111
Deferred gain (or △loss) on hedges	157	3
Foreign currency translation adjustments	△ 22,065	33,661
TOTAL SHAREHOLDERS' EQUITY	9,932,496	9,840,032
Minority interests	1,076,072	1,109,111
TOTAL NET ASSETS	11,008,568	10,949,144
TOTAL LIABILITIES AND NET ASSETS	15,598,585	16,181,236

CONSOLIDATED STATEMENTS OF INCOME
For the Second quarter ended March 31 2009 and 2008
(UNAUDITED)

(IN THOUSANDS,JPY)	Second quarter ended March 31.2009	Second quarter ended March 31.2008
NET SALES	11,687,577	10,472,704
COST OF SALES	7,966,361	7,099,353
Gross profit	3,721,215	3,373,351
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,754,850	1,632,157
Operating income	1,966,364	1,741,193
OTHER INCOME (EXPENSES)		
Interest income	15,841	20,122
Interest expenses	△ 5,519	△ 5,733
Foreign exchange gain (or △loss)	△ 7,063	5,069
Gain on sale of investments in securities	8,320	26,500
Loss on sales and disposal of property and equipment	△ 8,078	△ 20,288
Loss on devaluation of investment in securities	△ 107,548	△ 113,145
Impairment loss on goodwill	△ 125,666	—
Others- net	△ 3,027	45,698
Other income (△expenses)-net	△ 232,741	△ 41,776
Income before income taxes and minority interests	1,733,623	1,699,417
INCOME TAXES		
Current	698,104	834,138
Deferred	427,127	△ 125,836
Total	1,125,232	708,302
MINORITY INTERESTS	47,356	95,404
NET INCOME	561,034	895,710

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Second quarter ended March 31 2009 and 2008
(UNAUDITED)

(IN THOUSANDS,JPY)

	Second quarter ended March 31.2009	Second quarter ended March 31.2008
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	1,733,623	1,699,417
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	136,690	105,609
Impairment loss on goodwill	125,666	—
Increase (ΔDecrease) in provision for bonuses	Δ 257,621	186,144
Increase in allowance for retirement benefits for employees	6,536	6,536
Increase in allowance for retirement benefits for directors	14,224	39,285
Interest and dividends income	Δ 17,191	Δ 21,472
Interest expense	5,519	5,733
Gain on sale of investments in securities	Δ 8,320	Δ 26,500
Loss on devaluation of investment in securities	107,548	113,145
Gain (or loss) on sales and disposal of property and equipment (net)	7,347	18,645
Changes in operating assets and liabilities:		
Decrease (ΔIncrease) in accounts receivable-trade	44,320	Δ 219,809
Decrease (ΔIncrease) in inventories	Δ 11,970	Δ 99,996
Increase (ΔDecrease) in accounts payable -trade	29,777	87,562
Increase (ΔDecrease) in other current liabilities	Δ 30,125	Δ 244,963
Others , Net	55,484	Δ 1,654
Subtotal	<u>1,941,509</u>	<u>1,647,683</u>
Interest and dividends received	21,542	22,476
Interest paid	Δ 5,519	Δ 5,800
Compensation for office removal	—	85,000
Income taxes paid	Δ 1,045,628	Δ 1,058,633
Net cash provided by (Δused in) operating activities	<u>911,904</u>	<u>690,726</u>
INVESTING ACTIVITIES:		
Disbursements for purchase of tangible fixed assets	Δ 87,018	Δ 113,511
Disbursements for purchase of intangible fixed assets	Δ 15,290	Δ 21,181
Payment for purchase of investments securities	Δ 113,519	Δ 300,614
Proceeds from sales and maturity of investments securities	411,770	148,000
Payment for deposit for rent office and others	Δ 114,841	Δ 49,407
Payments for acquisition of business	Δ 213,753	—
Others , Net	Δ 30,138	35,983
Net cash provided by (Δused in) investing activities	<u>Δ 162,792</u>	<u>Δ 300,731</u>
FINANCING ACTIVITIES:		
Disbursements for repayment of long-term debt	Δ 105,700	Δ 107,700
Dividends paid	Δ 268,851	Δ 231,480
Dividends paid for minority stock holders	Δ 31,661	Δ 30,508
Others , Net	Δ 776	49,223
Net cash provided by (Δused in) financing activities	<u>Δ 406,989</u>	<u>Δ 320,465</u>
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	Δ 38,718	Δ 37,504
NET INCREASE (ΔDECREASE) IN CASH AND CASH EQUIVALENTS	303,403	32,025
BEGINNING OF BALANCE,CASH AND CASH EQUIVALENTS	<u>5,638,984</u>	<u>5,260,080</u>
ENDING OF BALANCE,CASH AND CASH EQUIVALENTS	<u>5,942,388</u>	<u>5,292,105</u>

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2009.3 <2008.10.1-2009.3.31> (IN THOUSANDS, JPY)	
	AMOUNT OF ORDER ENTRY	ORDER BACKLOG
CRO		
Monitoring	3,471,476	12,074,687
Data Management	3,767,245	12,891,104
CRO others	1,126,933	664,423
TOTAL OF CRO	8,365,655	25,630,215
SMO	1,910,390	3,733,980
Preclinical Service	518,418	102,613
System Development	814,439	186,602
TOTAL	11,608,903	29,653,412

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2009.3 <2008.10.1-2009.3.31> (IN THOUSANDS, JPY)	
	CRO	
Monitoring	3,869,839	
Data Management	3,528,540	
CRO others	1,145,252	
TOTAL OF CRO	8,543,631	
SMO	1,633,133	
Preclinical Service	530,806	
System Development	980,005	
TOTAL	11,687,577	

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION

(UNAUDITED)

2009 (2008.10.1-2009.3.31)

(IN THOUSANDS, JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	8,543,631	1,633,133	530,806	980,005	11,687,577	—	11,687,577
Intersegment sales	10,290	—	2,070	33,830	46,190	(46,190)	—
Total	8,553,922	1,633,133	532,876	1,013,835	11,733,767	(46,190)	11,687,577
Operating income	1,709,323	207,910	37,195	5,936	1,960,366	5,998	1,966,364

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 income	1,225,564	386,970	5,386	117,769	1,735,691	5,502	1,741,193