

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE THIRD QUARTER ENDED JUNE 30, 2010

(2009.10.1-2010.06.30)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Jun-10	21,572 (25.8%)	3,407 (24.3%)	3,416 (23.4%)	1,799 (73.3%)
Jun-09	17,142 (—)	2,741 (—)	2,768 (—)	1,038 (—)

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Jun-10	10,062.35	10,054.05
Jun-09	11,613.55	11,605.83

- Note : 1 Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year.
2 As each share of common stock has been split into 2 shares as of 1st April 2010, net income and diluted net income per share as of Jun-2010 shows the amount based on as if share split were considered to be effective on 1st October 2009 retroactively, in spite that Sep-2009 shows before split.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Jun-10	18,675	13,871	64.7%	67,592.77
Sep-09	17,306	12,107	63.2%	122,278.26

- Notes : 1 Total shareholders' Equity, valuation and translation adjustments as of :
Jun-10 12,086 Million yen Sep-09 10,931 Million yen
2 As each share of common stock has been split into 2 shares as of 1st April 2010, shareholders' equity per share as of Jun-2010 shows the amount after split, in spite that Sep-2009 shows before split.

(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
Jun-10	1,713	△ 1,000	△ 682	6,841
Jun-09	1,035	△ 133	△ 689	5,824

(4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 18 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-09	(Result)	2,800.00	3,200.00	6,000.00
Sep-10	(Result)	3,200.00	—	4,900.00
	(Projection)	—	1,700.00	

- Note : As each share of common stock has been split into 2 shares as of 1st April 2010, above projected year end dividend shows the amount after this split, in spite that interim dividend remains before split. For your guidance, the total amount of projected year end dividend per share remains unchanged from previous our projection which was announced in November 2009, before split.

3. INFORMATION OF CONSOLIDATED BUDGET 2010.09 (2009.10.1-2010.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-10	29,438 (24.9%)	4,222 (5.3%)	4,245 (4.8%)	2,070 (20.8%)

Budgeted net income per share : Sep-10 11,581.19 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.
3 As each share of common stock has been split into 2 shares as of 1st April 2010, above budgeted net income per share shows the amount based on as if share split were considered to be effective on 1st October 2009 retroactively.

4. OTHER INFORMATION

(1) Total number of shares issued and outstanding as of :

Jun-10 180,800 shares Sep-09 90,400 shares

(2) Common stock for treasury as of :

Jun-10 1,980 shares Sep-09 1,000 shares

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

Jun-10 178,807 shares Jun-09 89,400 shares

- Note : As each share of common stock has been split into 2 shares as of 1st April 2010, above numbers of shares as of June-2010 shows after split, in spite that Sep-2009 shows before split.

CONSOLIDATED BALANCE SHEETS
June 30, 2010 and September 30, 2009

(UNAUDITED)

(IN THOUSANDS,JPY)

	June 30.2010	September 30.2009
ASSETS		
CURRENT ASSETS		
Cash and time deposits	7,044,680	6,607,331
Notes and accounts receivable	5,226,002	5,211,905
Inventories and products	286,186	231,824
Works in progress	449,286	253,598
Others	1,063,837	1,140,119
Allowance for doubtful accounts	△ 2,168	△ 2,108
Total current assets	14,067,824	13,442,670
FIXED ASSETS		
Tangible Assets	575,801	445,165
Intangible Assets	913,008	364,189
Investments and other assets ;		
Investment securities	619,744	881,700
Deposits	1,178,663	1,012,144
Others	1,320,660	1,160,990
Total investments and other assets	3,119,069	3,054,836
Total fixed assets	4,607,879	3,864,190
TOTAL ASSETS	18,675,704	17,306,861
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	246,993	204,226
Short-term debt	242,500	150,000
Current portion of long-term debt	50,000	200,000
Income taxes payable	480,947	944,772
Provision for bonuses	634,871	1,145,169
Provision for loss on order received	115,200	75,650
Others	2,370,769	1,899,275
Total current liabilities	4,141,281	4,619,093
LONG-TERM LIABILITIES		
Provision for employees' retirement benefits	350,575	307,137
Provision for directors' retirement benefits	269,188	247,397
Others	43,040	25,378
Total long-term liabilities	662,803	579,912
TOTAL LIABILITIES	4,804,085	5,199,006
NET ASSETS		
Shareholders' equity		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,100	1,825,431
Retained earnings	8,884,920	7,657,862
Common stock for treasury	△ 318,223	△ 321,437
Total shareholders' equity	12,268,049	11,037,108
Valuation and translation adjustments		
Unrealized gain (or △loss) on available-for-sale securities	△ 117,946	△ 39,782
Deferred gain (or △loss) on hedges	—	△ 2
Foreign currency translation adjustments	△ 63,163	△ 65,647
Total valuation and translation adjustments	△ 181,109	△ 105,431
Share option in consolidated subsidiary	6,528	—
Minority interests	1,778,151	1,176,178
TOTAL NET ASSETS	13,871,618	12,107,854
TOTAL LIABILITIES AND NET ASSETS	18,675,704	17,306,861

CONSOLIDATED STATEMENTS OF INCOME
For the Third quarter ended June 30 2010 and 2009
(UNAUDITED)

(IN THOUSANDS,JPY)

	Third quarter ended June 30.2010	Third quarter ended June 30.2009
NET SALES	21,572,378	17,142,641
COST OF SALES	14,629,242	11,792,320
Gross profit	6,943,135	5,350,321
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,535,229	2,608,900
Operating income	3,407,906	2,741,420
OTHER INCOME (EXPENSES)		
Interest income	14,303	20,729
Interest expenses	Δ 7,155	Δ 7,466
Foreign exchange gain or loss (Δloss)	Δ 51,012	Δ 7,026
Gain on cancellation of insurance	16,792	—
Gain on sale of investments in securities	—	52,842
Gain on change in equity by merger of consolidated subsidiary	34,961	—
Refund of insurance surrender	25,320	—
Loss on sales and disposal of property and equipment	Δ 12,643	Δ 18,166
Loss on devaluation of investment in securities	Δ 46,120	Δ 108,513
Impairment loss on goodwill	Δ 10,000	Δ 125,666
Others- net	48,411	11,079
Other income (expenses)-net	12,858	Δ 182,188
Income before income taxes and minority interests	3,420,764	2,559,232
INCOME TAXES		
Current	1,286,351	836,208
Deferred	268,033	628,301
Total	1,554,385	1,464,509
MINORITY INTERESTS	67,161	56,470
NET INCOME	1,799,218	1,038,251

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Third quarter ended June 30 2010 and 2009
(UNAUDITED)

(IN THOUSANDS,JPY)

	Third quarter ended June 30.2010	Third quarter ended June 30.2009
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	3,420,764	2,559,232
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	299,670	203,305
Impairment loss on goodwill	10,000	125,666
Increase (ΔDecrease) in provision for bonuses	Δ 510,299	Δ 663,460
Increase (ΔDecrease) in allowance for retirement benefits for employees	3,327	12,515
Increase (ΔDecrease) in allowance for retirement benefits for directors	2,684	20,948
Interest and dividends income	Δ 17,003	Δ 23,429
Interest expense	7,155	7,466
Gain (or Δloss) on sale of investments in securities (-net)	—	Δ 52,842
Loss on devaluation of investment in securities	46,120	108,513
Gain (or Δloss) on sales and disposal of property and equipment (-net)	12,643	17,462
Changes in operating assets and liabilities:		
Decrease (ΔIncrease) in accounts receivable-trade	240,751	506,272
Decrease (ΔIncrease) in inventories and products	Δ 241,360	Δ 107,891
Increase (ΔDecrease) in accounts payable -trade	6,785	Δ 18,760
Increase (ΔDecrease) in other current liabilities	290,614	209,935
Others , Net	Δ 146,987	Δ 171
Subtotal	<u>3,424,868</u>	<u>2,904,761</u>
Interest and dividends received	19,840	28,631
Interest paid	Δ 7,155	Δ 7,466
Income taxes paid	Δ 1,723,568	Δ 1,890,809
Net cash provided by (used in) operating activities	<u>1,713,983</u>	<u>1,035,117</u>
INVESTING ACTIVITIES:		
Payments for time deposits	Δ 204,058	—
Proceeds from maturity of time deposits	150,497	—
Disbursements for purchase of tangible fixed assets	Δ 158,251	Δ 142,694
Disbursements for purchase of intangible fixed assets	Δ 105,266	Δ 28,058
Payment for purchase of investments securities	—	Δ 113,519
Proceeds from sales and maturity of investments securities	—	460,892
Payment for deposit for rent office and others	Δ 159,925	Δ 115,672
Purchase of investments in subsidiaries resulting in change in scope of consolidation	Δ 402,041	—
Proceeds from purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	—	72,975
Payment for acquisition of business	Δ 71,000	Δ 213,753
Others , Net	Δ 50,732	Δ 53,587
Net cash provided by (used in) investing activities	<u>Δ 1,000,779</u>	<u>Δ 133,418</u>
FINANCING ACTIVITIES:		
Proceeds from borrowing of short-term debt	220,000	—
Disbursements for repayment of short-term debt	Δ 157,500	—
Disbursements for repayment of long-term debt	Δ 150,000	Δ 155,700
Proceeds from capital increase by minority stockholders	—	9,942
Dividends paid	Δ 559,578	Δ 510,659
Dividends paid for minority stock holders	Δ 18,078	Δ 31,661
Others , Net	Δ 17,739	Δ 1,165
Net cash provided by (used in) financing activities	<u>Δ 682,896</u>	<u>Δ 689,244</u>
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	Δ 1,578	Δ 26,864
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,729	185,591
BEGINNING OF BALANCE,CASH AND CASH EQUIVALENTS	6,607,331	5,638,984
INCREASE IN CASH AND CASH EQUIVALENTS BY MERGER OF CONSOLIDATED SUBSIDIARY	205,600	—
ENDING OF BALANCE,CASH AND CASH EQUIVALENTS	<u>6,841,661</u>	<u>5,824,575</u>

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
For the Third quarter ended June 30 2010

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2010.06 <2009.10.1-2010.6.30>			
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO				
Monitoring	4,719,915	116.1	9,285,863	86.1
Data Management	5,494,535	85.3	13,686,872	98.3
CRO others	4,490,803	254.7	3,695,570	470.4
TOTAL OF CRO	14,705,254	119.8	26,668,305	104.6
SMO	3,702,299	119.4	4,834,535	116.6
Preclinical Service	657,905	94.3	112,863	348.6
System Development	1,079,370	82.1	210,630	68.0
TOTAL	20,144,830	115.9	31,826,335	106.2

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2010.06 <2009.10.1-2010.6.30>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO		
Monitoring	6,359,674	110.6
Data Management	6,528,474	126.2
CRO others	3,952,449	238.1
TOTAL OF CRO	16,840,598	133.8
SMO	2,970,803	123.2
Preclinical Service	632,767	81.1
System Development	1,128,208	82.6
TOTAL	21,572,378	125.8

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION

For the Third quarter ended June 30 2010 and 2009

(UNAUDITED)

2010 (2009.10.1-2010.6.30)

(IN THOUSANDS, JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	16,840,598	2,970,803	632,767	1,128,208	21,572,378	—	21,572,378
Intersegment sales	15,066	2,265	3,105	93,813	114,250	(114,250)	—
Total	16,855,665	2,973,068	635,872	1,222,022	21,686,629	(114,250)	21,572,378
Operating income	3,095,118	460,616	(25,505)	(130,810)	3,399,419	8,486	3,407,906

2009 (2008.10.1-2009.6.30)

(IN THOUSANDS, JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	12,585,600	2,410,734	780,199	1,366,107	17,142,641	—	17,142,641
Intersegment sales	16,239	—	3,105	50,207	69,552	(69,552)	—
Total	12,601,839	2,410,734	783,304	1,416,314	17,212,194	(69,552)	17,142,641
Operating income	2,445,541	308,945	31,636	(53,429)	2,732,693	8,726	2,741,420