

Financial Highlights

1. INFORMATION OF EPS Co,Ltd & CONSOLIDATED SUBSIDIARIES 2010.09

(2009.10.1-2010.9.30)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-10	29,451 (25.0%)	4,415 (10.2%)	4,443 (9.7%)	2,191 (27.9%)
Sep-09	23,568 (11.3%)	4,008 (14.9%)	4,050 (13.7%)	1,713 (0.3%)

	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-10	12,255.44	12,241.68	18.7	23.4	15.0
Sep-09	19,162.75	19,149.73	16.5	24.2	17.0

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-10 178,811 shares Sep-09 89,400 shares
3 As each share of common stock has been split into 2 shares as of 1st April 2010, above net income and diluted net income per share as of September 2010 show the amount based on as if share split were considered to be effective on 1st October 2009 retroactively, in spite that September 2009 show before split.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Sep-10	20,650	14,347	60.7	70,149.39
Sep-09	17,306	12,107	63.2	122,278.26

Notes: 1 Total shareholders' Equity and valuation and translation adjustments as of :
Sep-10 12,544 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, above shareholders' equity per share as of September 2010 shows after split, in spite that September 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
Sep-10	3,003	△ 1,175	△ 806	7,805
Sep-09	2,062	△ 277	△ 750	6,607

(4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 18 companies
Associated companies by equity accounting method : 3 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-09	(Result)	2,800.00	3,200.00	6,000.00	536	31.3	5.2
Sep-10	(Result)	3,200.00	1,900.00	5,100.00	625	28.6	5.3
Sep-11	(Projection)	1,600.00	1,900.00	3,500.00	—	28.4	—

Note : As each share of common stock has been split into 2 shares as of 1st April 2010, above year end dividend as of September 2010 and projected dividend in 2011 show the amount after this split. Dividend ratio to net income and Dividend ratio to shareholders' equity for September 2010 show the figures based on as if share split were considered to be effective on 1st October 2009 retroactively.

3. INFORMATION OF CONSOLIDATED BUDGET 2011.09 (2010.10.1-2011.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-11	15,534 (7.0%)	1,617 (△ 33.8%)	1,622 (△ 34.0%)	671 (△ 48.1%)
Sep-11	32,919 (11.8%)	4,633 (4.9%)	4,650 (4.6%)	2,201 (0.5%)

Budgeted net income per share : Mar-11 3,753.83 yen
Sep-11 12,308.68 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-10 180,800 shares Sep-09 90,400 shares

(2) Common stock for treasury as of :

Sep-10 1,974 shares Sep-09 1,000 shares

5. INFORMATION OF NON-CONSOLIDATED 2010.09

(1) OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-10	17,948 (16.5%)	3,922 (17.2%)	4,066 (15.9%)	2,252 (42.2%)
Sep-09	15,403 (17.5%)	3,347 (37.1%)	3,507 (34.3%)	1,583 (16.4%)

	Net Income per Share (yen)	Net Income per Share, diluted (yen)
Sep-10	12,596.13	12,591.06
Sep-09	17,715.12	—

Notes: 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, above net income and diluted net income per share as of September 2010 show the amount based on as if share split were considered to be effective on 1st October 2009 retroactively, in spite that September 2009 show before split.

(2) FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Sep-10	15,383	11,186	72.7	62,554.15
Sep-09	13,035	9,462	72.6	105,841.81

Notes: 1 Total shareholders' Equity as of :
Sep-10 11,186 Million yen Sep-09 9,462 Million yen
2 As each share of common stock has been split into 2 shares as of 1st April 2010, above shareholders' equity per share as of September 2010 shows after split, in spite that 2009 shows before split.

6. INFORMATION OF NON-CONSOLIDATED BUDGET 2011.09 (2010.10.1-2011.9.30)

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-11	9,083 (3.5%)	1,519 (Δ 27.6%)	1,619 (Δ 26.2%)	823 (Δ 34.6%)
Sep-11	19,210 (7.0%)	3,860 (Δ 1.6%)	4,002 (Δ 1.6%)	2,223 (Δ 1.3%)

Budgeted net income per share :
Mar-11 4,603.38 yen
Sep-11 12,435.71 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.

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2010 AND 2009
(UNAUDITED)

(IN THOUSANDS,JPY)	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7,956,839	6,607,331
Notes and accounts receivable	5,954,040	5,211,905
Inventories and products	317,270	231,824
Works in progress	337,675	253,598
Deferred tax assets	934,367	645,892
Others	561,586	494,226
Allowance for doubtful accounts	△ 6,459	△ 2,108
Total current assets	<u>16,055,320</u>	<u>13,442,670</u>
FIXED ASSETS		
Tangible Assets ;		
Leasehold improvements	521,652	444,596
Accumulated depreciation	△ 265,275	△ 224,094
Furniture and fixtures	513,181	385,317
Accumulated depreciation	△ 325,510	△ 252,448
Others	391,680	167,856
Accumulated depreciation	△ 121,707	△ 76,061
Total property and equipment	<u>714,020</u>	<u>445,165</u>
Intangible Assets ;		
Goodwill	597,949	159,358
Others	242,490	204,830
Total intangible assets	<u>840,439</u>	<u>364,189</u>
Investments and other assets ;		
Investment securities	585,816	881,700
Deposits	1,179,445	1,012,144
Time deposits and banking arrangements other than cash equivalents	500,000	500,000
Deferred tax assets	304,854	314,360
Others	470,742	346,629
Total investments and other assets	<u>3,040,858</u>	<u>3,054,836</u>
Total fixed assets	<u>4,595,318</u>	<u>3,864,190</u>
TOTAL ASSETS	<u>20,650,639</u>	<u>17,306,861</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	238,683	204,226
Short-term debt	185,000	150,000
Current portion of long-term debt	—	200,000
Income taxes payable	1,353,483	944,772
Provision for bonuses	1,443,761	1,145,169
Provision for loss on order received	145,000	75,650
Others	2,253,900	1,899,275
Total current liabilities	<u>5,619,828</u>	<u>4,619,093</u>
LONG-TERM LIABILITIES		
Provision for employee's retirement benefits	364,582	307,137
Provision for director's retirement benefits	279,874	247,397
Others	39,090	25,378
Total long-term liabilities	<u>683,547</u>	<u>579,912</u>
TOTAL LIABILITIES	<u>6,303,376</u>	<u>5,199,006</u>
NET ASSETS		
Shareholders' equity		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,825,431
Retained earnings	9,277,109	7,657,862
Common stock for treasury	△ 317,258	△ 321,437
Total shareholders' equity	<u>12,661,403</u>	<u>11,037,108</u>
Valuation and translation adjustments		
Unrealized gain (or △loss) on available-for-sale securities	△ 946	△ 39,782
Deferred gain (or △loss) on hedges	—	△ 2
Foreign currency translation adjustments	△ 115,922	△ 65,647
Total valuation and translation adjustments	<u>△ 116,869</u>	<u>△ 105,431</u>
Share option in consolidated subsidiary	6,528	—
Minority interests	1,796,201	1,176,178
TOTAL NET ASSETS	<u>14,347,262</u>	<u>12,107,854</u>
TOTAL LIABILITIES AND NET ASSETS	<u>20,650,639</u>	<u>17,306,861</u>

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009
(UNAUDITED)

(IN THOUSANDS, JPY)	2010	2009
NET SALES	29,451,046	23,568,503
COST OF SALES	19,970,311	16,031,681
Gross profit	9,480,734	7,536,821
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,065,531	3,528,477
Operating income	4,415,203	4,008,344
OTHER INCOME (EXPENSES)		
Interest income	17,890	25,570
Interest expenses	Δ 8,782	Δ 9,720
Gain on cancellation of life insurance	22,197	6,132
Service fee income	6,108	5,829
Gain or loss of equity in associated companies (Δ loss)	9,999	5,107
Gain on sales of property and equipment	—	697
Foreign exchange gain or loss (Δ loss)	Δ 40,008	Δ 7,446
Dividends income	5,187	7,675
Gain on sale of investment securities	288	53,695
Gain on change in equity by merger of consolidated subsidiary	34,961	—
Refund of insurance surrender	25,320	—
Subsidy in consolidated subsidiaries	23,660	—
Loss on sales and disposal of property and equipment	Δ 17,382	Δ 28,583
Loss on devaluation of investment securities	Δ 284,141	Δ 173,746
Impairment loss on goodwill	Δ 10,000	Δ 125,666
Others- net	5,195	Δ 14,843
Other income (expenses)-net	Δ 209,505	Δ 255,298
Income before income taxes and minority interests	4,205,698	3,753,045
INCOME TAXES		
Current	2,156,891	1,729,771
Deferred	Δ 249,539	219,840
Total	1,907,352	1,949,611
MINORITY INTERESTS	106,939	90,283
NET INCOME	2,191,407	1,713,150

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

(UNAUDITED)

(IN THOUSANDS,JPY)	2010	2009
Shareholders' equity		
Common stock		
Balance at beginning of the year	1,875,251	1,875,251
Changes during the period		
Net changes during the period	—	—
Balance at ending of the year	<u>1,875,251</u>	<u>1,875,251</u>
Additional paid-in capital		
Balance at beginning of the year	1,825,431	1,825,431
Changes during the period		
Sale of common stock for treasury	868	—
Net changes during the period	<u>868</u>	<u>—</u>
Balance at ending of the year	<u>1,826,300</u>	<u>1,825,431</u>
Retained earnings		
Balance at beginning of the year	7,657,862	6,463,232
Changes during the period		
Cash dividends	△ 572,160	△ 518,520
Net income	<u>2,191,407</u>	<u>1,713,150</u>
Net changes during the period	<u>1,619,247</u>	<u>1,194,630</u>
Balance at ending of the year	<u>9,277,109</u>	<u>7,657,862</u>
Common stock for treasury		
Balance at beginning of the year	△ 321,437	△ 321,437
Changes during the period		
Sale of common stock for treasury	4,178	—
Net changes during the period	<u>4,178</u>	<u>—</u>
Balance at ending of the year	<u>△ 317,258</u>	<u>△ 321,437</u>
Total of shareholders' equity		
Balance at beginning of the year	11,037,108	9,842,478
Changes during the period		
Cash dividends	△ 572,160	△ 518,520
Net income	2,191,407	1,713,150
Sale of common stock for treasury	5,047	—
Net changes during the period	<u>1,624,294</u>	<u>1,194,630</u>
Balance at ending of the year	<u>12,661,403</u>	<u>11,037,108</u>
Valuation and translation adjustments		
Unrealized gain (or △loss) on available-for-sale securities		
Balance at beginning of the year	△ 39,782	△ 36,111
Changes during the period		
Net increase (△decrease) during the period other than shareholders' equity	38,836	△ 3,671
Net changes during the period	<u>38,836</u>	<u>△ 3,671</u>
Balance at ending of the year	<u>△ 946</u>	<u>△ 39,782</u>
Deferred gain (or △loss) on hedges		
Balance at beginning of the year	△ 2	3
Changes during the period		
Net increase (△decrease) during the period other than shareholders' equity	2	△ 5
Net changes during the period	<u>2</u>	<u>△ 5</u>
Balance at ending of the year	<u>—</u>	<u>△ 2</u>
Foreign currency translation adjustments		
Balance at beginning of the year	△ 65,647	33,661
Changes during the period		
Net increase (△decrease) during the period other than shareholders' equity	△ 50,275	△ 99,308
Net changes during the period	<u>△ 50,275</u>	<u>△ 99,308</u>
Balance at ending of the year	<u>△ 115,922</u>	<u>△ 65,647</u>

Total of valuation and translation adjustments		
Balance at beginning of the year	Δ 105,431	Δ 2,445
Changes during the period		
Net increase (Δdecrease) during the period other than shareholders' equity	Δ 11,437	Δ 102,986
Net changes during the period	Δ 11,437	Δ 102,986
Balance at ending of the year	Δ 116,869	Δ 105,431
Share option in consolidated subsidiary		
Balance at beginning of the year	—	—
Changes during the period		
Net increase (Δdecrease) during the period other than shareholders' equity	6,528	—
Net changes during the period	6,528	—
Balance at ending of the year	6,528	—
Minority interests		
Balance at beginning of the year	1,176,178	1,109,111
Changes during the period		
Net increase (Δdecrease) during the period other than shareholders' equity	620,022	67,066
Net changes during the period	620,022	67,066
Balance at ending of the year	1,796,201	1,176,178
TOTAL NET ASSETS		
Balance at beginning of the year	12,107,854	10,949,144
Changes during the period		
Cash dividends	Δ 572,160	Δ 518,520
Net income	2,191,407	1,713,150
Sale of common stock for treasury	5,047	—
Net increase (Δdecrease) during the period other than shareholders' equity	615,113	Δ 35,919
Net changes during the period	2,239,408	1,158,710
Balance at ending of the year	14,347,262	12,107,854

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009
(UNAUDITED)

(IN THOUSANDS,JPY)

	2010	2009
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	4,205,698	3,753,045
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	429,650	272,090
Impairment loss on goodwill	10,000	125,666
Increase(ΔDecrease) in provision for bonuses	299,521	60,924
Increase(ΔDecrease) in allowance for retirement benefits for employees	17,334	24,922
Increase(ΔDecrease) in allowance for retirement benefits for directors	13,371	38,336
Interest and dividends income	Δ 23,078	Δ 33,246
Interest expense	8,782	9,720
Gain (or loss) on sale of investments in securities (-net)	Δ 288	Δ 51,960
Loss on devaluation of investments in securities	284,141	173,746
Gain (or loss) on sales and disposal of property and equipment (-net)	17,382	27,886
Changes in operating assets and liabilities:		
Decrease (Δ increase) in accounts receivable-trade	Δ 492,149	Δ 621,311
Decrease (Δ increase) in inventories and products	Δ 183,056	55,143
Increase (Δ decrease) in accounts payable -trade	Δ 325	Δ 15,320
Increase (Δ decrease) in other current liabilities	175,321	119,948
Others , Net	Δ 29,867	Δ 8,251
Subtotal	4,732,440	3,931,339
Interest and dividends received	25,919	36,683
Interest paid	Δ 8,782	Δ 9,720
Income taxes paid	Δ 1,745,892	Δ 1,895,528
Net cash provided by (used in) operating activities	3,003,684	2,062,773
INVESTING ACTIVITIES:		
Payments for time deposits	Δ 203,298	—
Proceeds from maturity of time deposits	202,937	—
Disbursements for purchase of tangible fixed assets	Δ 360,948	Δ 162,555
Disbursements for purchase of intangible fixed assets	Δ 112,729	Δ 42,697
Payment for purchase of investments securities	—	Δ 239,339
Proceeds from sales and maturity of investment securities	—	560,892
Payment for deposit for rent office and others	Δ 169,577	Δ 187,968
Payment for insurance reserve fund	Δ 86,008	Δ 75,400
Payments for acquisition of business	Δ 71,000	Δ 213,753
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
Others , Net	27,051	10,253
Net cash provided by (used in) investing activities	Δ 1,175,614	Δ 277,594
FINANCING ACTIVITIES:		
Proceeds from borrowing short-term debt	220,000	—
Disbursements for repayment of short-term debt	Δ 215,000	—
Disbursements for repayment of long-term debt	Δ 200,000	Δ 205,700
Proceeds from capital increase by minority stockholders	—	9,942
Dividends paid	Δ 572,084	Δ 519,428
Dividends paid to minority stockholders	Δ 18,078	Δ 31,661
Others , Net	Δ 21,642	Δ 3,923
Net cash provided by (used in) financing activities	Δ 806,805	Δ 750,770
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	Δ 28,215	Δ 66,062
NET INCREASE (ΔDECREASE) IN CASH AND CASH EQUIVALENTS	993,049	968,346
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	7,805,981	6,607,331

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2010.09 <2009.10.1-2010.9.30>			
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	year-to-year comparison (%)	ORDER BACKLOG (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO				
Monitoring	8,087,117	127.3	10,020,295	91.7
Data Management	8,271,075	87.3	14,189,274	96.4
CRO others	6,165,069	280.1	3,999,248	582.8
TOTAL OF CRO	22,523,262	124.9	28,208,819	107.1
SMO	4,747,944	118.9	4,794,518	116.9
Preclinical Service	861,642	84.2	93,314	106.4
System Development	1,486,259	95.0	325,294	125.4
TOTAL	29,619,108	120.4	33,421,946	108.6

* These figures are expressed by sales price.

* These above figures do not include consumption tax.

(2) RESULT OF SALES

DIVISION	2010.09 <2009.10.1-2010.9.30>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	year-to-year comparison (%)
CRO		
Monitoring	8,992,443	113.8
Data Management	8,802,611	118.9
CRO others	5,323,037	242.2
TOTAL OF CRO	23,118,092	132.1
SMO	4,056,466	121.2
Preclinical Service	856,054	81.5
System Development	1,420,433	85.2
TOTAL	29,451,046	125.0

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

(UNAUDITED)

2010 (2009.10.1-2010.9.30)

(In Thousands,JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	23,118,092	4,056,466	856,054	1,420,433	29,451,046	—	29,451,046
Intersegment sales	25,627	2,265	4,140	129,465	161,498	(161,498)	—
Sales total	23,143,719	4,058,731	860,194	1,549,899	29,612,544	(161,498)	29,451,046
Operating expenses	19,184,884	3,452,266	853,460	1,713,029	25,203,640	(167,797)	25,035,842
Operating income	3,958,835	606,465	6,733	(163,130)	4,408,904	6,298	4,415,203

2009 (2008.10.1-2009.9.30)

(In Thousands,JPY)

	CRO	SMO	Preclinical Service	System Development	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	17,503,999	3,347,671	1,050,321	1,666,510	23,568,503	—	23,568,503
Intersegment sales	21,130	—	4,140	86,941	112,211	(112,211)	—
Sales total	17,525,130	3,347,671	1,054,461	1,753,451	23,680,715	(112,211)	23,568,503
Operating expenses	13,977,526	2,846,638	999,899	1,854,288	19,678,353	(118,194)	19,560,159
Operating income	3,547,603	501,032	54,562	(100,836)	4,002,362	5,982	4,008,344