

Financial Highlights

1. CONSOLIDATED FINANCIAL RESULTS OF EPS GROUP FOR THE SECOND QUARTER ENDED MARCH 31, 2011

(2010.10.1-2011.3.31)
(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Mar-11	15,291 (5.3%)	1,987 (Δ 18.7%)	1,994 (Δ 18.8%)	716 (Δ 44.6%)
Mar-10	14,516 (24.2%)	2,443 (24.3%)	2,456 (24.0%)	1,293 (130.5%)

	Net Income per Share (yen)	Net Income per Share,diluted (yen)
Mar-11	4,009.41	4,003.09
Mar-10	14,463.85	14,452.46

- 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 had been split into 2 shares as of 1st April 2010, net income and diluted net income per share as of Mar-2011 show the amount after split, in spite that Mar-2010 show before split.

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Net assets	Shareholders' Equity ratio (%)	Shareholders' Equity per share (yen)
Mar-11	20,573	14,770	62.8%	72,235.04
Sep-10	20,650	14,347	60.7%	70,149.39

- Notes :1 Total shareholders' Equity, valuation and translation adjustments as of :
Mar-11 12,917 Million yen Sep-10 12,544 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
Mar-11	Δ 680	Δ 605	245	6,776
Mar-10	926	Δ 752	Δ 398	6,614

(4) CONSOLIDATED SUBSIDIARIES

- Consolidated subsidiaries : 21 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-10	(Result)	3,200.00	1,900.00	5,100.00
Sep-11	(Result)	1,600.00	—	3,500.00
	(Projection)	—	1,900.00	

- Note : As each share of common stock had been split into 2 shares as of 1st April 2010, interim dividend for 2010 shows before split.

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

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-11	32,919 (11.8%)	4,633 (4.9%)	4,650 (4.6%)	2,201 (0.5%)

Budgeted net income per share : 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 number of shares issued and outstanding as of :
Mar-11 180,800 shares Sep-10 180,800 shares
- (2) Common stock for treasury as of :
Mar-11 1,974 shares Sep-10 1,974 shares
- (3) Average number of shares outstanding during the period as of :
Mar-11 178,826 shares Mar-10 89,400 shares

- Note : As each share of common stock had been split into 2 shares as of 1st April 2010, average number of shares as of Mar-2011 shows after split, in spite that Mar-2010 shows before split.

CONSOLIDATED BALANCE SHEETS
March 31, 2011 and September 30, 2010

(UNAUDITED)

(IN THOUSANDS,JPY)

	March 31.2011	September 30.2010
ASSETS		
CURRENT ASSETS		
Cash and time deposits	6,789,291	7,956,839
Notes and accounts receivable	6,592,113	5,954,040
Inventories and products	345,941	317,270
Works in progress	413,085	337,675
Others	1,218,724	1,495,954
Allowance for doubtful accounts	△ 5,603	△ 6,459
Total current assets	15,353,553	16,055,320
FIXED ASSETS		
Tangible Assets	1,133,767	714,020
Intangible Assets	947,975	840,439
Investments and other assets ;		
Investment securities	513,904	585,816
Deposits	1,195,048	1,179,445
Others	1,428,853	1,275,596
Total investments and other assets	3,137,806	3,040,858
Total fixed assets	5,219,550	4,595,318
TOTAL ASSETS	20,573,104	20,650,639
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	269,965	238,683
Short-term debt	815,000	185,000
Current portion of long-term debt	5,500	—
Income taxes payable	666,304	1,353,483
Provision for bonuses	818,287	1,443,761
Provision for loss on order received	140,700	145,000
Others	2,026,623	2,253,900
Total current liabilities	4,742,380	5,619,828
LONG-TERM LIABILITIES		
Long-term debt	54,500	—
Provision for employees' retirement benefits	389,069	364,582
Provision for directors' retirement benefits	256,297	279,874
Asset retirement obligations	255,120	—
Others	104,937	39,090
Total long-term liabilities	1,059,924	683,547
TOTAL LIABILITIES	5,802,305	6,303,376
NET ASSETS		
Shareholders' equity		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,826,300	1,826,300
Retained earnings	9,648,527	9,277,109
Common stock for treasury	△ 317,258	△ 317,258
Total shareholders' equity	13,032,821	12,661,403
Valuation and translation adjustments		
Unrealized gain (or △loss) on available-for-sale securities	△ 31,885	△ 946
Deferred gain (or △loss) on hedges	—	—
Foreign currency translation adjustments	△ 83,433	△ 115,922
Total valuation and translation adjustments	△ 115,319	△ 116,869
Share option in consolidated subsidiary	3,264	6,528
Minority interests	1,850,032	1,796,201
TOTAL NET ASSETS	14,770,798	14,347,262
TOTAL LIABILITIES AND NET ASSETS	20,573,104	20,650,639

CONSOLIDATED STATEMENTS OF INCOME
For the Second quarter ended March 31 2011 and 2010
(UNAUDITED)

(IN THOUSANDS,JPY)

	Second quarter ended March 31.2011	Second quarter ended March 31.2010
NET SALES	15,291,843	14,516,843
COST OF SALES	10,548,207	9,735,533
Gross profit	4,743,635	4,781,310
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,755,766	2,337,616
Operating income	1,987,868	2,443,694
OTHER INCOME (EXPENSES)		
Interest income	4,141	11,250
Interest expenses	△ 3,459	△ 5,279
Foreign exchange gain or loss (△loss)	△ 22,818	△ 29,608
Gain on cancellation of insurance	10,001	14,682
Refund of insurance surrender	13,611	25,320
Loss on sales and disposal of property and equipment	△ 29,615	△ 6,566
Loss on devaluation of investment in securities	—	△ 45,174
Impairment loss on goodwill	—	△ 10,000
Loss on adjustment for changes of accounting standard for asset retirement obligations	△ 125,400	—
Others- net	10,418	68,371
Other income (expenses)-net	△ 143,121	22,996
Income before income taxes and minority interests	1,844,747	2,466,690
INCOME TAXES		
Current	634,451	1,027,226
Deferred	392,802	81,554
Total	1,027,254	1,108,781
Income before minority interests	817,493	1,357,909
MINORITY INTERESTS	100,506	64,840
NET INCOME	716,986	1,293,068

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Second quarter ended March 31 2011 and 2010
(UNAUDITED)

(IN THOUSANDS,JPY)

	Second quarter ended March 31.2011	Second quarter ended March 31.2010
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	1,844,747	2,466,690
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	215,484	195,145
Impairment loss on goodwill	—	10,000
Increase (ΔDecrease) in provision for bonuses	Δ 627,898	Δ 95,283
Increase (ΔDecrease) in allowance for retirement benefits for employees	24,487	Δ 1,079
Increase (ΔDecrease) in allowance for retirement benefits for directors	Δ 23,576	Δ 8,173
Interest and dividends income	Δ 5,491	Δ 12,600
Interest expense	3,459	5,279
Loss on devaluation of investment in securities	—	45,174
Gain (or Δloss) on sales and disposal of property and equipment (-net)	29,615	6,566
Changes in operating assets and liabilities:		
Decrease (ΔIncrease) in accounts receivable-trade	Δ 598,536	Δ 653,330
Decrease (ΔIncrease) in inventories and products	Δ 108,601	Δ 109,299
Increase (ΔDecrease) in accounts payable -trade	10,682	60,995
Increase (ΔDecrease) in other current liabilities	Δ 319,022	77,088
Others , Net	184,297	Δ 175,566
Subtotal	<u>629,646</u>	<u>1,811,607</u>
Interest and dividends received	6,599	14,179
Interest paid	Δ 3,459	Δ 5,279
Income taxes paid	Δ 1,313,374	Δ 894,388
Net cash provided by (used in) operating activities	<u>Δ 680,589</u>	<u>926,118</u>
INVESTING ACTIVITIES:		
Payments for time deposits	Δ 12,483	Δ 203,858
Proceeds from maturity of time deposits	150,858	150,497
Disbursements for purchase of tangible fixed assets	Δ 361,690	Δ 91,640
Disbursements for purchase of intangible fixed assets	Δ 5,291	Δ 91,009
Payment for deposit for rent office and others	Δ 41,738	Δ 79,385
Purchase of investments in subsidiaries resulting in change in scope of consolidation	Δ 126,817	Δ 402,041
Payments for investments in capital	Δ 100,000	—
Payment for acquisition of business	—	Δ 71,000
Others , Net	Δ 108,781	35,843
Net cash provided by (used in) investing activities	<u>Δ 605,943</u>	<u>Δ 752,594</u>
FINANCING ACTIVITIES:		
Proceeds from borrowing of short-term debt	2,015,000	170,000
Disbursements for repayment of short-term debt	Δ 1,385,000	Δ 150,000
Disbursements for repayment of long-term debt	Δ 38,100	Δ 100,000
Proceeds from stock issuance to minority shareholders	1,000	—
Dividends paid	Δ 339,366	Δ 285,968
Dividends paid for minority shareholders	Δ 24,104	Δ 18,078
Others , Net	15,796	Δ 14,350
Net cash provided by (used in) financing activities	<u>245,225</u>	<u>Δ 398,396</u>
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	11,883	26,090
NET INCREASE IN CASH AND CASH EQUIVALENTS	Δ 1,029,423	Δ 198,781
BEGINNING OF BALANCE,CASH AND CASH EQUIVALENTS	7,805,981	6,607,331
INCREASE IN CASH AND CASH EQUIVALENTS BY MERGER OF CONSOLIDATED SUBSIDIARY	—	205,600
ENDING OF BALANCE,CASH AND CASH EQUIVALENTS	<u>6,776,557</u>	<u>6,614,150</u>

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
For the Second quarter ended March 31 2011

(UNAUDITED)

(1) RESULT OF ORDER ENTRY

DIVISION	2011.03 <2010.10.1-2011.3.31>	
	AMOUNT OF ORDER ENTRY (IN THOUSANDS, JPY)	ORDER BACKLOG (IN THOUSANDS, JPY)
CRO		
Monitoring	2,674,277	7,991,453
Data Management	2,847,107	13,057,197
CRO others	1,707,563	1,078,384
TOTAL OF CRO	7,228,948	22,127,035
SMO	2,914,056	5,428,763
CSO	3,164,401	4,271,771
IT	932,657	765,762
TOTAL	14,240,064	32,593,333

* These figures are expressed by sales price.

* These above figures do not include the consumption tax.

(2) RESULT OF SALES

DIVISION	2011.03 <2010.10.1-2011.3.31>	
	AMOUNT OF SALES (IN THOUSANDS, JPY)	
CRO		
Monitoring	4,703,120	
Data Management	3,979,184	
CRO others	1,285,845	
TOTAL OF CRO	9,968,150	
SMO	2,279,810	
CSO	2,442,502	
IT	601,379	
TOTAL	15,291,843	

* These above figures do not include the consumption tax.

INDUSTRY SEGMENT INFORMATION

For the Second quarter ended March 31 2011 and 2010

(UNAUDITED)

FY 2011 (2010.10.1-2011.3.31)

(IN THOUSANDS, JPY)

	CRO	SMO	CSO	IT	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	9,968,150	2,279,810	2,442,502	601,379	15,291,843	—	15,291,843
Intersegment sales	18,404	1,061	3,466	190,245	213,178	(213,178)	—
Total	9,986,555	2,280,872	2,445,969	791,625	15,505,021	(213,178)	15,291,843
Operating income	1,539,333	430,397	23,557	(8,454)	1,984,833	3,035	1,987,868

* From FY 2011, segment definition has been changed to management approach method due to adopting new Accounting standards in Japan, which our segments become 4 categories of "CRO", "SMO", "CSO" and "IT" accordingly.

For your information, revised segment information for previous second quarter is as follow if new segment definition are applied.

FY 2010 (2009.10.1-2010.3.31)

(IN THOUSANDS, JPY)

	CRO	SMO	CSO	IT	Total	Eliminations/ Corporate	Consolidation
SALES							
Sales to customers	9,599,195	2,040,977	2,004,993	871,676	14,516,843	—	14,516,843
Intersegment sales	15,730	2,265	660	164,352	183,008	(183,008)	—
Total	9,614,926	2,043,242	2,005,653	1,036,029	14,699,851	(183,008)	14,516,843
Operating income	2,102,160	401,704	(14,687)	(56,552)	2,432,625	11,068	2,443,694