

V Financial Highlights

1. INFORMATION OF EPS Co,Ltd & CONSOLIDATED SUBSIDIARIES 2006.09

(2005.10.1-2006.9.30)

(UNAUDITED)

(1) CONSOLIDATED OPERATING RESULTS

(UNIT:JPYMILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-06	15,257 (17.3%)	1,958 (9.2%)	1,979 (9.3%)	1,079 (4.2%)
Sep-05	13,004 (19.0%)	1,793 (27.1%)	1,811 (23.6%)	1,126 (47.0%)

	Net Income per Share (yen)	Return on Stockholders' equity (%)	Ordinary income to total assets (%)	Ordinary income to net sales (%)
Sep-06	12,300.92	15.8	18.4	13.0
Sep-05	13,070.99	19.8	20.1	13.9

Notes:

- Average number of shares issued and outstanding during the period :
 Sep-06 87,724 shares Sep-05 86,204 shares
- Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year

(2) CONSOLIDATED FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Stockholders' Equity	Stockholders' Equity ratio (%)	Stockholders' Equity per share (yen)
Sep-06	11,973	7,689	64.2	86,012.96
Sep-05	9,545	6,000	62.9	69,772.18

Note : Total shares issued and outstanding as of :

Sep-06 89,398 shares Sep-05 86,000 shares

(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-06	1,357	1,139	1,609	3,792
Sep-05	290	138	751	1,946

(4) CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries : 14 companies
 Associated companies by equity accounting method : 3 companies

2. INFORMATION OF CONSOLIDATED BUDGET 2007.09 (2006.10.1-2007.9.30)

(UNIT:JPY MILLION)

	Sales	Ordinary Income	Net Income
Mar-07	8,182	729	371
Sep-07	17,700	2,400	1,267

Budgeted net income per share : 14,177.14 yen

Note: Above figures may differ from actual results as uncertain various factors may affect future earnings.

1. INFORMATION OF NON-CONSOLIDATED 2006.09 (2005.10.1-2006.9.30)

(UNAUDITED)

(1) OPERATING RESULTS

(UNIT:JPY MILLION)

	Net sales	Operating Income	Ordinary Income	Net Income
Sep-06	9,479 (20.0%)	1,587 (38.8%)	1,664 (36.3%)	980 (20.5%)
Sep-05	7,896 (12.6%)	1,142 (10.9%)	1,221 (10.5%)	813 (23.1%)

	Net Income per Share (yen)	Return on Stockholders' equity (%)	Ordinary income to total assets (%)	Ordinary income to net sales (%)
Sep-06	11,171.96	16.1	20.2	17.6
Sep-05	9,433.09	15.7	17.8	15.5

Notes:

- Average number of shares issued and outstanding during the period :
 Sep-06 87,724 shares Sep-05 86,204 shares
- Percentages for net sales, operating income, ordinary income, and net income indicate growth ratio to previous year

(2) OVERALL SITUATION OF DIVIDEND DISTRIBUTION

(UNIT:JPY)

	Cash Dividends per share		
	Total	Interim Dividend per share	Year end Dividend per share
Sep-06	3,300	1,000	2,300
Sep-05	2,700	1,000	1,700

Note : Total shares issued and outstanding as of :
 Sep-06 89,398 shares Sep-05 86,000 shares

(3) FINANCIAL INFORMATION

(UNIT:JPY MILLION)

	Total Assets	Stockholders' Equity	Stockholders' Equity ratio (%)	Stockholders' Equity per share (yen)
Sep-06	9,365	6,890	73.6	77,072.49
Sep-05	7,088	5,320	75.1	61,865.47

2. INFORMATION OF NON-CONSOLIDATED BUDGET 2007.09 (2006.10.1-2007.9.30)

(UNIT:JPY MILLION)

	Sales	Ordinary Income	Net Income
Mar-07	4,890	531	322
Sep-07	10,852	1,750	1,031

(UNIT:JPY)

	Total	Interim Dividend per share	Year end Dividend per share
Mar-07	-	1,200	-
Sep-07	3,500	-	2,300

Budgeted net income per share : 11,535.09 yen

Note: Above figures may differ from actual results as uncertain various factors may affect future earnings.

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005 (UNAUDITED)

(IN THOUSANDS, JPY)

ASSETS:	CURRENT ASSETS	2006	2005
	Cash and cash equivalents	3,792,223	1,946,862
	Notes and accounts receivable	3,607,909	3,695,254
	Inventories	339,862	218,801
	Deferred tax assets	252,655	267,989
	Pocket through expense	145,275	99,413
	Others	264,222	264,627
	Allowance for doubtful accounts	1,411	1,237
	Total current assets	8,400,737	6,491,710
	FIXED ASSETS		
	Tangible Assets ;		
	Leasehold improvements	344,453	301,797
	Accumulated depreciation	180,245	155,734
	Furniture and fixtures	203,274	183,032
	Accumulated depreciation	131,006	116,945
	Others	133,053	85,953
	Accumulated depreciation	54,723	46,228
	Total property and equipment	314,805	251,874
	Intangible Assets ;		
	Goodwill	315,666	-
	Others	67,993	107,090
	Total intangible assets	383,660	107,090
	Investments and other assets ;		
	Investment securities	1,275,110	1,358,169
	Long-term loans receivable	45,617	51,547
	Deposits	666,687	641,653
	Time deposits and banking arrangements other than cash equivalents	500,000	500,000
	Deferred tax assets	188,142	15,796
	Others	198,961	127,768
	Total investments and other assets	2,874,519	2,694,936
	Total fixed assets	3,572,985	3,053,902
	TOTAL ASSETS	11,973,723	9,545,612
LIABILITIES:	CURRENT LIABILITIES		
	Accounts payable	182,795	157,906
	Current portion of long-term debt	213,200	86,824
	Income taxes payable	375,282	608,911
	Provision for bonuses	422,541	370,813
	Others	1,171,583	978,387
	Total current liabilities	2,365,403	2,202,842
	LONG-TERM LIABILITIES		
	Long-term debt	670,000	-
	Provision for employee's retirement benefits	227,604	205,545
	Provision for director's retirement benefits	130,499	122,335
	Deferred tax liabilities	4,258	128,788
	Others	5,825	49,504
	Total long-term liabilities	1,038,188	506,174
	TOTAL LIABILITIES	3,403,591	2,709,017
	NET ASSETS		
	Common stock	1,875,251	1,325,250
	Additional paid-in capital	1,825,298	1,275,300
	Retained earnings	4,180,774	3,336,628
	Common stock for treasury	322,080	321,251
	Unrealized gain on available-for-sale securities	89,590	366,394
	Foreign currency translation adjustments	40,552	18,085
	TOTAL SHAREHOLDERS' EQUITY	7,689,386	6,000,407
	Minority interests	880,745	836,187
	TOTAL NET ASSETS	8,570,131	6,836,595
	TOTAL LIABILITIES AND NET ASSETS	11,973,723	9,545,612

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2006 AND 2005
(UNAUDITED)

(IN THOUSANDS,JPY)	2006	2005
NET SALES	15,257,985	13,004,141
COST OF SALES	<u>10,892,074</u>	<u>9,155,319</u>
Gross profit	4,365,911	3,848,821
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>2,407,205</u>	<u>2,054,850</u>
Operating income	<u>1,958,705</u>	<u>1,793,970</u>
OTHER INCOME (EXPENSES)		
Interest income	27,690	20,134
Interest expenses	(20,682)	(2,890)
Gain on cancellation of life insurance	10,919	12,327
Service fee income	3,317	4,410
Gain on consumption tax filing	7,988	-
Incentive on re-investment in overseas subsidiaries	7,711	-
Payment to the Association for employment of persons with disabilities	(3,050)	(4,200)
Foreign exchange loss	(3,884)	(16,032)
Equity in losses of associated companies	(9,213)	-
Expense for treasury stock acquisition	-	(2,159)
Amortization of consolidated adjustment account	-	(56,032)
Gain on sales of property and equipment	995	1,075
Gain on sale of investments in securities	-	606,114
Gain on decrease of shares in associated company	4,001	-
Loss on sales and disposal of property and equipment	(14,743)	(27,265)
Office removal expenses of consolidated subsidiary	-	(25,556)
Loss on liquidation of consolidated subsidiary	-	(48,541)
Loss on devaluation of investment in securities	(87,593)	-
Impairment loss	(3,635)	-
Loss on devaluation of software	(28,083)	-
Other- net	<u>(9,830)</u>	<u>(18,453)</u>
Other income (expenses)-net	<u>(118,093)</u>	<u>442,929</u>
Income before income taxes and minority interests	<u>1,840,612</u>	<u>2,236,900</u>
INCOME TAXES		
Current	782,199	907,384
Deferred	<u>(89,728)</u>	<u>106,069</u>
Total	<u>692,470</u>	<u>1,013,454</u>
MINORITY INTERESTS	<u>69,055</u>	<u>96,673</u>
NET INCOME	<u><u>1,079,085</u></u>	<u><u>1,126,771</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

(UNAUDITED)

(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 Sep 2005	1,325,250	1,275,300	3,336,628	321,251	5,615,927
Changes during the period					
Issuance of new stocks	550,001	549,998			1,100,000
Cash dividends			232,508		232,508
Net income			1,079,085		1,079,085
Acquisition of treasury stock				1,041	1,041
Retirement of treasury stock			212	212	-
Others			2,219		2,219
Net increase/decrease in valuation, translation adjustment and minority interest					
Total changes during the period	550,001	549,998	844,145	829	1,943,316
Balance at 30 Sep 2006	1,875,251	1,825,298	4,180,774	322,080	7,559,243

	Evaluation and translation adjustment			Total Stockholders' equity	Minority interest	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total evaluation and translation adjustments			
Balance at 30 Sep 2005	366,394	18,085	384,480	6,000,407	836,187	6,836,595
Changes during the period						
Issuance of new stocks				1,100,000		1,100,000
Cash dividends				232,508		232,508
Net income				1,079,085		1,079,085
Acquisition of treasury stock				1,041		1,041
Retirement of treasury stock				-		-
Others				2,219		2,219
Net increase/decrease in valuation, translation adjustment and minority interest	276,803	22,466	254,337	254,337	44,557	209,780
Total changes during the period	276,803	22,466	254,337	1,688,979	44,557	1,733,536
Balance at 30 Sep 2006	89,590	40,552	130,142	7,689,386	880,745	8,570,131

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005 (UNAUDITED)

(IN THOUSANDS,JPY)

	2006	2005
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	1,840,612	2,236,900
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	133,848	71,087
Impairment loss	3,635	-
Increase in provision for bonuses	50,769	25,007
Amortization of consolidated adjustment account	15,802	63,794
Loss on liquidation of consolidated subsidiary	-	48,541
Gain on sale of investments in securities	-	606,114
Loss on devaluation of investments in securities	87,593	-
Increase in allowance for retirement benefits for employees	22,058	30,308
Increase in allowance for retirement benefits for directors	8,163	7,500
Interest and dividends income	28,890	20,134
Interest expense	20,682	2,890
Loss on sales and disposal of property and equipment	14,743	27,265
Changes in operating assets and liabilities:		
Decrease in accounts receivable-trade (Increase)	92,792	891,401
Increase in inventories	109,861	52,292
Increase in accounts payable -trade (Decrease)	24,351	97,806
Increase in pocket through expense	45,255	6,979
Increase in other current liabilities (Decrease)	182,905	369,093
Others , Net	43,109	44,104
Subtotal	2,357,062	513,577
Interest and dividends received	27,986	17,774
Interest paid	20,682	2,890
Income taxes paid	1,006,887	818,838
Net cash provided by (used in) operating activities	1,357,478	290,377
INVESTING ACTIVITIES:		
Proceeds from sales of investments securities	-	702,161
Disbursements for purchase of tangible fixed assets	146,885	102,425
Disbursements for purchase of intangible fixed assets	25,686	11,659
Payment for insurance reserve fund	45,897	40,918
Payment for purchase of investments securities	477,290	389,623
Payment for deposit for rent office and others	82,086	114,557
Payment for acquisition of goodwill	340,000	-
Others , Net	21,192	95,678
Net cash provided by (used in) investing activities	1,139,038	138,654
FINANCING ACTIVITIES:		
Proceeds from borrowing short-term debt	-	520,000
Proceeds from borrowing long-term debt	1,092,000	-
Proceeds from issuance of bonds	1,997,743	-
Proceeds from issuance of common stock to minority stock holders	14,055	33,000
Disbursements for repayments of short-term debt	-	520,000
Disbursements for repayments of finance leases	43,678	-
Disbursements for repayment of long-term debt	295,624	277,264
Disbursements for redemption of bonds	900,000	-
Disbursement for acquisition of treasury stock	1,041	323,410
Dividends paid	231,444	171,155
Dividends paid for minority stock holders	18,794	12,475
Others , Net	4,018	-
Net cash provided by (used in) financing activities	1,609,198	751,304
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	17,722	9,791
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,845,361	893,236
BEGINNING OF BALANCE,CASH AND CASH EQUIVALENTS	1,946,862	2,394,225
INCREASE IN CASH AND CASH EQUIVALENTS BY MERGER OF CONSOLIDATED SUBSIDIARY	-	445,873
ENDING OF BALANCE,CASH AND CASH EQUIVALENTS	3,792,223	1,946,862

STATEMENT OF ORDER ENTRY AND SALES BY ITEMS
 FOR THE YEAR ENDED SEPTEMBER 30, 2006
 (UNAUDITED)
 (1) RESULT OF ORDER ENTRY

DIVISION	2006.09 <2005.10.1-2006.9.30> (JPY thousand)			
	AMOUNT OF ORDER ENTRY	year-to-year comparison (%)	ORDER BACKLOG	year-to-year comparison (%)
CRO				
Data Management	4,295,950	103.8	4,121,784	108.5
Monitoring	4,213,504	88.4	5,871,389	89.7
Software development	984,368	133.4	185,457	412.0
Others	1,744,526	130.4	589,778	220.1
TOTAL OF CRO	11,238,349	102.4	10,768,408	101.1
SMO	3,134,016	116.8	1,732,881	112.6
Preclinical Service	1,172,474	88.6	148,282	88.3
TOTAL	15,544,840	103.7	12,649,572	102.3

* These figures are expressed by sales price.

* These above figures do not include consumption tax.

(2) RESULT OF SALES

DIVISION	2006.09 <2005.10.1-2006.9.30> (JPY thousand)	year-to-year comparison (%)
CRO		
Data Management	3,973,159	120.5
Monitoring	4,886,316	133.4
Software development	843,924	113.5
Others	1,422,739	106.6
TOTAL OF CRO	11,126,140	123.1
SMO	2,939,705	113.6
Preclinical Service	1,192,139	86.6
TOTAL	15,257,985	117.3

2005 (2004.10.1-2005.9.30)

(Unit: JPY THOUSAND)

	CRO	SMO	Preclinical Service	Total	Eliminations/ Corporate	Consolidation
SALES						
Sales to customers	9,038,313	2,588,444	1,377,383	13,004,141	-	13,004,141
Intersegment sales	34,388	8,628	4,140	47,157	(47,157)	-
Total	9,072,702	2,597,072	1,381,523	13,051,298	(47,157)	13,004,141
Operating expenses	7,768,857	2,330,694	1,164,199	11,263,751	(53,580)	11,210,170
Operating income	1,303,844	266,378	217,324	1,787,546	6,423	1,793,970

2006 (2005.10.1-2006.9.30)

(Unit: JPY THOUSAND)

	CRO	SMO	Preclinical Service	Total	Eliminations/ Corporate	Consolidation
SALES						
Sales to customers	11,126,140	2,939,705	1,192,139	15,257,985	-	15,257,985
Intersegment sales	25,568	42,738	4,735	73,042	(73,042)	-
Total	11,151,709	2,982,444	1,196,874	15,331,028	(73,042)	15,257,985
Operating expenses	9,363,803	2,893,671	1,124,926	13,382,401	(83,120)	13,299,280
Operating income	1,787,905	88,773	71,948	1,948,626	10,078	1,958,705