

Review of Business Performance

Management results for the current term

Though the Japanese economy in this consolidated fiscal year has causes for concern such as the trends in US economy and crude oil prices, and raised interest, the corporate earnings still maintain strength on upward trends in capital investment and personal consumption, leading to a mild increase in business. In such circumstances, the CRO (Contract Research Organization) business to which EPS Co., Ltd belongs to and the SMO (Site Management Organization) business in which EP-Mint Co., Ltd., our consolidated subsidiary, is operating are growing through restructuring, with the pre-clinical study business in which LSG Corporation is developing its business maintaining a steady performance. Also, the software development business in which All Right Software Inc. is operating is

booming in spite of the shortage of IT engineers.

The CRO business is mainly operated by EPS Co., Ltd.

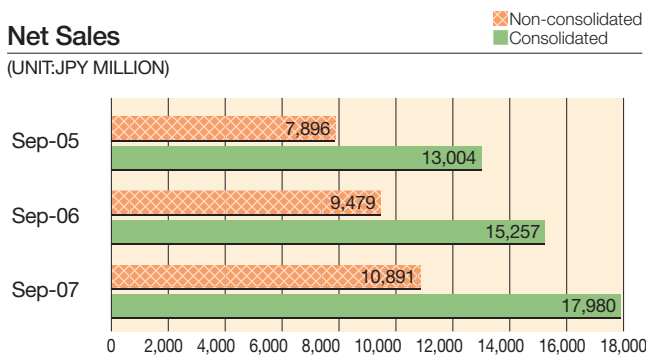
Our monitoring business is developing favorably in both development stage trials and post-marketing clinical trials, with focus on performance of existing projects, acquisition of new projects, and trials of drugs for cancers, diabetes and central nerves, under the control of the Clinical Development Division. In the medical device development business, the business assignment in the previous consolidated fiscal year contributed to the significant growth in sales compared to the previous consolidated fiscal year.

In the services of registration, progress management, data management and statistics analysis businesses, the

Change of Business Performance

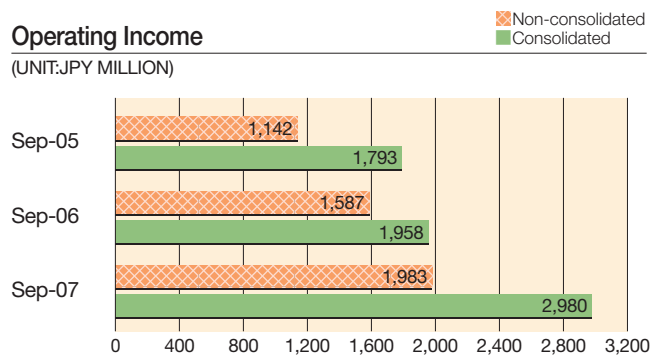
Net Sales

(UNIT:JPY MILLION)



Operating Income

(UNIT:JPY MILLION)



Biometrics Division is also doing well in both performance of the existing projects and acquisition of new projects. In this consolidated fiscal year, the operating rate has increased due to the development of the system to respond to contract projects flexibly, increase in cases of existing projects and acquisition of new projects. We are pushing hard to win orders for medical writing and pharmacovigilance businesses, whose sales has grown compared to the previous consolidated fiscal year.

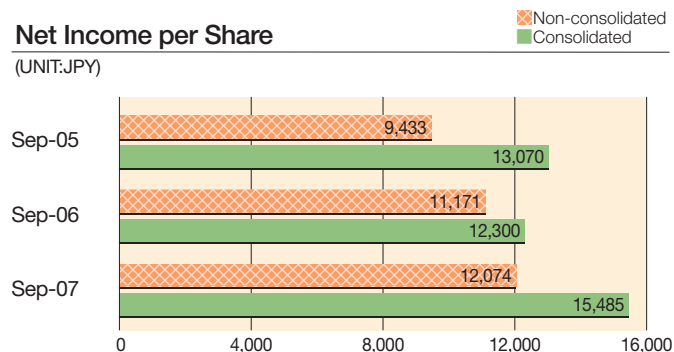
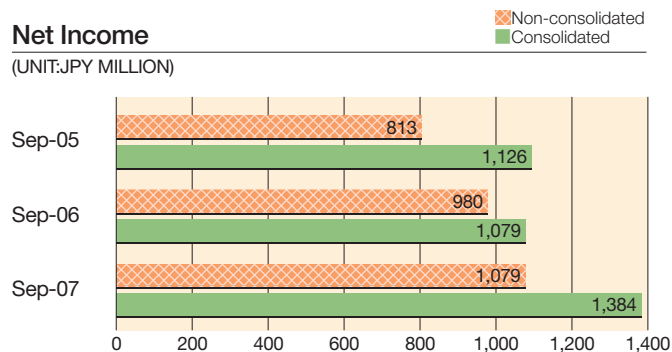
The Clinical Coordination Center which plans and offers services for new projects engages in performance of existing projects and acquisition of new projects, recording a significant increase in its sales compared to the previous consolidated fiscal year.

On the non-consolidated basis, the valuation loss on

investment securities is reported as extraordinary loss. However, the sales of each division rose steadily, posting increases in both profit and revenue compared to the previous consolidated fiscal year due to increased sales, enhanced operating rate associated with more efficient services, and cost saving efforts.

As for our consolidated subsidiaries, e-Trial Co., Ltd, which was established in the previous consolidated fiscal year to contract EDC-based clinical trials in Japan, concentrates on winning new contracts, improving its performance steadily. EP-Mate Co., Ltd, which dispatches staff to pharmaceutical companies (dispatched CRO services), is also improving its results favorably.

EPMedical Co., Ltd, which dispatches MRs (CSO services), has increased the number of MRs to be dispatched



through acquisition of new projects, though it has incurred prior investment expenses.

The overseas CRO business was succeeded by EPS International Co., Ltd. (Voting right ratio 100%) which was established in April 2007 through the company split to provide rapid, professional and appropriate services to customers in response to the increasing demand for clinical trials in overseas (especially Asia) with each passing year. The subsidiary is promoting with overseas subsidiaries the development of the system to correspond to the increase in demand for CRO businesses associated with clinical trials across the countries.

In this overseas subsidiary group, EPS China Co., Ltd., though ending of the large-scale project contracted in China, its profit and revenue are on the rise compared to the previous consolidated fiscal year. Ever Progressing System Pte. Ltd. has reduced its profit and revenue compared to the previous consolidated fiscal year in spite of its efforts to acquire new customers independently. ADM Korea Inc. has joined the Group since this consolidated fiscal year and is operating contract clinical trial services in Korea (an associate subject to equity method, located in Seoul, South Korea; capitalized at 153 million won (approximately 19 million yen); voting right ratio: 35.0%). The associate is developing the system for joint contract projects in Korea. EPS International Co., Ltd. established its Taiwan Branch in July 2007 to develop the system for joint

contract projects there.

EPLUS Co., Ltd. has become a 100% subsidiary through the transfer of proprietary right from Sosei Group Corporation in June 2007.

As a result, the consolidated sales of the CRO business reached 12,254 million yen (increase of 18.9% compared to the previous consolidated fiscal year) and the consolidated operating profit was 2,157 million yen (increase of 25.8% on the same basis), leading to a steady increase of profit and revenue.

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

EP-Mint Co., Ltd, while continuing to engage in the CRC business, is developing the internal organization after the merger with focus on the site support business for clinical trial bureaus in cooperation with local medical organizations, making available the management system according to branch with the result of enhanced sales and cost management.

Sogo Mediplus Co., Ltd., an associate subject to equity method established on November 1, 2005 to promote the partnership with Sogo Clinical Holdings Co., Ltd (Voting right ratio of EP-Mint: 20%, the same of Sogo Clinical Holdings: 80%), has terminated its role and completed liquidation on July 31, 2007.

As a result, the consolidated sales of the SMO business was 3,375 million yen (increase of 13.2% compared to the

previous consolidated fiscal year) with the consolidated operating profit of 643 million yen (increase of 624.8% on the same basis), achieving a significant increase in profit and revenue.

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

LSG Corporation has been an uphill struggle under the influence of the group reorganization of overseas pre-clinical study contractors in the previous consolidated fiscal year, though the agent service for new overseas pre-clinical study contractors is looking up.

As a result, the consolidated sales of the pre-clinical study business reached 1,259 million yen (increase of 5.2% compared to the previous consolidated fiscal year) with the consolidated operating profit of 77 million yen (increase of 7.0% on the same basis), leading to enhanced profit and revenue.

The software development business is operated by the All Right Software Inc. Group.

All Right Software Inc. continues to promote the business using Chinese IT engineers, and the contract SE service for the backbone system for financial institutions and major companies is growing significantly.

As a result, the consolidated sales of the software development business reached 1,250 million yen (increase

of 35.7% compared to the previous consolidated fiscal year) with the consolidated operating profit of 89 million yen (increase of 33.5 % on the same basis), leading to a significant increase in profit and revenue.

The above-mentioned consolidated sales and operating profits by segment include those for the internal transactions between segments. Therefore, after deducting them, the current consolidated sales was 17,980 million yen (increase of 17.8% compared to the previous consolidated fiscal year) with the consolidated operating profit of 2,980 million yen (increase of 52.2% on the same basis) and the consolidated ordinary profit of 3,042 million yen (increase of 53.7% on the same basis), leading to a significant increase in profit and revenue. Despite the extraordinary loss of 345 million yen due to the valuation loss on investment securities, the current consolidated net profit was 1,384 million yen (increase of 28.3% on the same basis) resulting in enhanced profit and revenue.

