

Flash Report (Consolidated Basis)

Results for fiscal year ended March 31, 2008 (April 1, 2007 through March 31, 2008)

Company Name: **INTAGE Inc.** Stock listing: The Second Section of the Tokyo Stock Exchange

Code number: 4326 URL <http://www.intage.co.jp>

Representative: Norio Taori, President and Representative Director

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Date of the General Meeting of the Shareholders: June 24, 2008

Planned filing of an annual security report: June 24, 2008

Planned start of dividend payments: June 25, 2008

(Figures less than ¥1 million have been omitted.)

1. Consolidated Performance

(1) Operating Results

Years ended March 31

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2008	33,104	7.5	3,314	13.1	3,316	14.1	1,765	8.5
2007	30,800	7.0	2,930	12.1	2,905	12.2	1,626	19.5

	Net income per share	Net income per share after dilution	Return on equity	Recurring profit-to-total assets ratio	Operating income-to-operating revenues ratio
	Yen	Yen	%	%	%
2008	170.10	—	18.6	16.0	10.0
2007	157.58	—	20.0	15.2	9.5

(Reference) Gain (loss) on investment by equity method: Year ended March 31, 2008: —, Year ended March 31, 2007: —

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2008	21,261	10,288	47.9	994.41
2007	20,272	9,034	43.4	851.35

(Reference) Total shareholders' equity: March 31, 2008: ¥ million, March 31, 2007: 8,788 million

(3) Cash Flows

Years ended March 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Cash and cash equivalent at end of year
	Million of yen	Million of yen	Million of yen	Million of yen
2008	2,247	(1,033)	(546)	3,394
2007	2,042	(1,902)	9	2,721

2. Dividends

Years ended/ending March 31

Record date	Dividends per share			Total amount of dividends (for the entire fiscal year)	Payout ratio	Dividends-to-net assets ratio
	Interim dividends	Year-end dividends	Total			
	Yen	Yen	Yen	Million of yen	%	%
2008	0.00	40.00	40.00	409	23.5	4.3
2007	0.00	30.00	30.00	309	19.0	3.9
2009 (Forecast)	0.00	50.00	50.00		25.8	

Note: Year-end dividends during the fiscal year ended March 31, 2008: Ordinary dividend: ¥34.00, Commemorative dividend: ¥6.00

3. Forecasts for Fiscal Year ending March 31, 2009

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	16,151	6.9	1,439	3.4	1,426	3.0
Fiscal year	35,231	6.4	3,575	7.9	3,568	7.6

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	777	7.0	75.90
Fiscal year	1,985	12.5	193.79

4. Other

- (1) Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None
- (2) Changes in accounting rules, procedures or method of presentation relating to the preparation of the consolidated financial statements (Matters included in changes to significant items that form the basis for preparation of the consolidated financial statements).
 - a. Changes in accordance with revisions to accounting standards: Yes
 - b. Other changes: None
- (3) Number of Shares Outstanding (Common stock)
 - a. Number of shares outstanding at fiscal year-end:

2008:	10,404,000 shares	2007:	10,330,000 shares
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 - b. Number of treasury stocks at fiscal year-end:

2008:	157,109 shares	2007:	7,109 shares
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(Reference) Flash Report (Non-Consolidated Basis)

Results for fiscal year ended March 31, 2008

1. Non-Consolidated Performance

(1) Operating Results

Years ended March 31

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2008	26,143	2.9	2,222	15.5	2,337	19.5	1,419	22.6
2007	25,412	5.8	1,924	20.5	1,956	22.3	1,158	26.3

	Net income per share	Net income per share after dilution
	Yen	Yen
2008	136.78	—
2007	112.21	—

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2008	18,168	8,097	44.6	790.26
2007	17,076	7,044	41.3	682.42

2. Forecasts for Fiscal Year ending March 31, 2009

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	12,458	3.3	1,094	11.4	1,130	3.1
Fiscal year	27,128	3.8	2,503	12.6	2,534	8.4

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	698	1.4	68.18
Fiscal year	1,508	6.2	147.19

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements. Please refer to p. 4 of "1. Operating Results, (1) Analysis of Operating Results" for information on performance forecast and other related matters.

1. OPERATING RESULTS

(1) Analysis of Operating Results

1) Overview of Fiscal 2007 (ended March 31, 2008)

The Japanese economy grew steadily during the first half of fiscal 2007, with continued strong capital expenditures on the back of healthy corporate earnings and greater exports. Areas of uncertainty over the future of the economy emerged, however, including slowdown in the U.S. economy arising from the subprime loan fallout, fluctuations in stock and foreign exchange markets, and rising prices for oil and other raw materials.

In the information services industry to which the INTAGE Group belongs, monthly sales increased from the previous fiscal year, according to the Survey of Selected Service Industries prepared by the Ministry of Economy, Trade and Industry (METI). The marketing research field—the principal business sector of the INTAGE Group—is also experiencing strong growth driven by Internet research, according to Research Industry Statistics 2007 from the Japan Marketing Research Association (JMRA).

In this operating environment, the INTAGE Group fused its marketing research and system solution functions, and worked to improve customer satisfaction by providing solutions required by clients, with the aim of “Realizing the Intelligence Provider Business through Concerted Action as ‘Team INTAGE’”.

INTAGE’s basic principle for the subject fiscal year was “Accomplishing the Internet Shift and Advancing to the Next Stage,” through which we strengthened the earnings structure of the customer research field by designing new research systems and restructuring the research process. We also made efforts to enhance responsiveness to clients through such measures as clarification of strategies by industry and bolstering sales capabilities with the aim of establishing trust as a business partner, and nurturing new growth drivers with the establishment of the Incubation Center.

On January 22, 2008, with the support of many shareholders and business partners, INTAGE successfully listed on the Second Section of the Tokyo Stock Exchange.

As a result, consolidated net sales for fiscal 2007 amounted to ¥33,104 million (up 7.5% year on year). Earnings also rose sufficiently to absorb greater business expenses stemming from the transfer of the head office. As well, sales increased and there were positive effects from continued cuts in expenses. Operating income totaled ¥3,314 million (up 13.1%), with ordinary income of ¥3,316 million (up 14.1%) and net income of ¥1,765 million (up 8.5%).

Results by business segment were as follows.

a. Marketing Research and Consulting

In the panel research sector, both revenue and earnings rose as the SRI (nationwide retailer panel research) business posted increased sales and earnings following the cessation of a competitor’s retail panel research business at the end of October 2007. The “personal eye” (individual consumer panel research) business also recorded a substantial increase in sales.

In the custom research sector, sales increased with growth in Internet research, and the addition of TM Marketing Inc. as a consolidated subsidiary.

As a result, sales in the Marketing Research and Consulting segment amounted to ¥21,795

million (up 9.9% year on year), with operating income of ¥2,914 million (up 21.5%).

b. System Solutions

In the system solutions business, INTAGE focused on a continued shift to high-value-added business intelligence model of operations, the strengthening of collaboration with the marketing research and consulting segment, and expansion in integrated solutions. However, the profitability of certain large-scale development projects deteriorated.

As a result, sales in the System Solutions segment amounted to ¥6,702 million (down 3.3% year on year), with the segment posting an operating loss of ¥39 million (compared to operating income of ¥94 million the previous fiscal year).

c. Medical Solutions (to be called "Drug Development Contracting" as of fiscal 2008)

In the Contract Research Organization (CRO) business, sales for data management and analysis services increased significantly, while monitoring services also rose. The Site Management Organization (SMO) business, however, fell behind in acquiring clinical trial sites and clients, leading to reduced sales and diminished profitability.

As a result, sales in the Medical Solutions segment amounted to ¥4,606 million (up 13.8% year on year), with operating income of ¥439 million (up 0.5%).

2) Forecast for Fiscal 2008 (ending March 31, 2009)

In the Marketing Research and Consulting segment, for the panel research sector the INTAGE Group anticipates that sales and earnings in its SRI retailer panel research business will continue the rise from the previous fiscal year following the cessation of similar services by a major competitor. In the custom research sector the Company will increase revenue by continuing to shift toward Internet research, and pursuing both high-end and high-speed research (i.e. research with high degrees of difficulty, or that must be completed quickly).

In the System Solutions segment, we will encourage a shift from a contract business structure to providing a solutions-based function.

In the drug development contracting segment, for the CRO business we expect to realize greater revenue and earnings by establishing a total solutions structure stretching from development strategies to pharmaceutical and application consulting, as well as by moving into new business fields such as establishing a clinical research contract structure for anticancer drugs. For the SMO business, we will improve earnings by seeking greater revenue through a deepening of the interrelationship with ASKLEP MEDIO Inc. (established through a spin-off into a separate company of INTAGE's SMO business) as a subsidiary of ASKLEP Inc.

In accordance with this outlook, for fiscal 2008 the INTAGE Group forecasts net sales of ¥35,231 million (up 6.4% year on year), operating income of ¥3,575 million (up 7.9%), recurring profit of ¥3,568 million (up 7.6%), and net income of ¥1,985 million (up 12.5%).

Note: Results forecasts are based on information available at the time of preparation. They include various indeterminate factors, and actual results may differ from these projections.

(2) Analysis of Financial Position

Cash Flows

Cash and cash equivalents (“cash”) at March 31, 2008 totaled ¥3,394 million, an increase of ¥673 million from the end of the previous fiscal year. This was the result of ¥2,247 million in cash provided by operating activities, against ¥1,033 million in cash used in investing activities, and ¥546 million in cash used in financing activities.

Cash Flow from Operating Activities

Cash provided by operating activities amounted to ¥2,247 million, an increase of ¥205 million from the previous fiscal year. This was due mainly to a decline in increase in notes and accounts receivable—trade, and an increase in income before income taxes and minority interests.

Cash Flow from Investing Activities

Cash used in investing activities amounted to ¥1,033 million, a decrease of ¥868 million from the previous fiscal year. This was due mainly to expenditures for the acquisition of subsidiary shares made during the previous fiscal year.

Cash Flow from Financing Activities

Cash used in financing activities amounted to ¥546 million, compared to ¥9 million in cash provided in the previous fiscal year (difference of ¥555 million). This was due mainly to a decline in proceeds from long-term bank loans, and payments for acquisition of treasury stock made during the subject fiscal year.

(Reference) Trends in cash flow indices are shown below:

Years ended March 31

	2006	2007	2008
Equity ratio (%)	41.5	43.4	47.9
Equity ratio, based on market value (%)	166.0	142.3	81.0
Cash flow/Interest-bearing debt (%)	202.8	185.2	168.5
Interest coverage ratio	55.7	76.4	47.0

Equity ratio=total shareholders' equity/total assets

Equity ratio based on market value: Total market value of stocks/total assets

Cash flow/Interest-bearing debt: interest-bearing debt/operating cash flows

Interest coverage ratio: operating cash flows/interest payments

*1. All indices are calculated on a consolidated basis.

*2. Total market capitalization was calculated by multiplying the closing stock price at the end of the term by the total amount of outstanding stock at the end of the term (excluding treasury stock).

*3. “Operating cash flows” refers to cash flows used in operating activities.

*4. “Interest-bearing debt” refers to all debts listed in the consolidated balance sheets on which the Company pays interest. “Interest payments” denotes interest payments as reflected in the consolidated cash flow statements.

(3) Basic Policy on Earnings Distribution

The INTAGE Group's basic policy is to distribute earnings in consideration of the balance between dividends and retained earnings, based on the consolidated results that reflect the success of the Group's management. INTAGE considers the return of earnings to shareholders to be one of its highest management priorities, and has paid dividends at a consolidated payout ratio of around 20%.

Retained earnings are used for investment to continually enhance the Group's growth and earnings capacity. Our aim is to provide greater returns to shareholders through efforts to enhance performance.

As previously announced, INTAGE plans to pay a year-end dividend of ¥40 per share, which includes a commemorative dividend of ¥6 per share.

In its basic policy on earnings distribution going forward, INTAGE will strive to achieve a consolidated payout ratio of around 25%.

(4) Operational Risks

Among the matters pertaining to the business overview and financial overview described in the Annual Securities Report, the following could have a material impact on the decisions of investors. Forward-looking statements in this section are based on the assumptions and beliefs of the management of the INTAGE Group as of March 31, 2008.

1) Information Management

Owing to the nature of the business of the information services industry in which the INTAGE Group operates, the Group handles large volumes of diverse information relating to companies and individuals. Since long before the Personal Information Protection Law went into effect in April 2005, the INTAGE Group has exercised adequate care in information management by means of measures including application of the PrivacyMark personal information protection system and the establishment of a dedicated organization for information management and the ongoing construction of an Information Security Management System (ISMS).

Nevertheless, the unauthorized disclosure of such information would result in the loss of public trust in the INTAGE Group and could adversely affect the INTAGE Group's business performance.

2) Disproportionate Dependence on Second-Half Performance

The business performance of the INTAGE Group is disproportionately weighted toward the second half of the fiscal year. This imbalance is attributable to three main factors: in the Marketing Research and Consulting business, research required by corporations for the preparation of the following year's marketing plans is concentrated toward the end of the fiscal year; completion and delivery periods for reports commissioned by governmental agencies are concentrated toward the end of the fiscal year; and, in the System Solutions business, a high proportion of systems development contracts stipulate delivery at the fiscal year-end.

Consequently, the slippage of fiscal year-end sales into the following fiscal year could adversely affect the INTAGE Group's business performance.

3) Business Investment

The INTAGE Group actively makes up-front investments with a view to securing growth, increasing competitive advantage, and expanding its business domain. Management makes investment decisions on the basis of sufficient deliberation of factors including the prospects for investment recovery.

However, it is difficult to accurately forecast results and profits commensurate with those upfront investments, and demand could fail to develop in line with forecasts. For this reason, the inability to achieve results and profits commensurate with investment within a certain period of time could adversely affect the INTAGE Group's business performance.

4) Business Risk

a. In the INTAGE Group's mainstay Marketing Research and Consulting operation, the panel research that heretofore has supported growth and profits are approaching the limits of market share potential. To secure further growth potential the Group is introducing new products and working to increase added value through a shift from data provision to solutions provision. Should these efforts fail to develop as anticipated, it could adversely affect the INTAGE Group's business performance.

In the custom research sector, the INTAGE Group has made an Internet shift a critical business strategy and is investing to achieve further growth. However, competition in this sector is intensifying, and the results of competition could adversely affect the INTAGE Group's business performance.

b. In the System Solutions operation, although the integrated solutions business involving the integration of research and solutions is gradually delivering results, it has not reached the scale necessary to contribute to the INTAGE Group's profits. INTAGE plans to continue to devote effort to this segment and develop integrated solutions into a major business. However, should considerable time be required to transform the business structure, this could adversely affect the INTAGE Group's business performance.

c. The Medical Solutions operation is at times greatly affected by trends in the pharmaceuticals industry. Should the market lessen as a result of factors such as a reduction in the number of clients due to mergers among pharmaceutical companies or a decrease in new drug development or clinical testing in Japan, this could adversely affect the INTAGE Group's business performance.

Also, as this is a business that could be affected by regulations such as the Pharmaceutical Affairs Law, regulatory trends could adversely affect the INTAGE Group's business performance.

5) Office Integration and Relocation

The INTAGE Group opened new offices in the Akihabara district of Tokyo in November 2005 for the purpose of realizing an office environment to support future growth and activating communications by reducing physical distance to and from clients. A series of relocation projects was completed with extraordinary smoothness and efficiency.

The Group expects the true value of the office integration and relocation to be demonstrated over a long period of time and anticipates being able to absorb the increase in costs associated with opening the new offices by maintaining the trend of higher revenue and earnings.

However, should business performance fail to develop as planned, inability to absorb the increase in costs could adversely affect the INTAGE Group's business performance.

6) Personnel Recruitment

As the INTAGE Group engages in many highly specialized business processes, the recruitment and development of personnel is an important matter.

Accordingly, INTAGE has formulated a personnel development plan to improve the personnel recruitment, development, and evaluation structure and personnel utilization measures in keeping with the policy, and is continuously reviewing the plan. Furthermore, the Group is implementing measures to develop the next generation of leaders as an important management priority.

Nevertheless, should personnel development fail to progress satisfactorily, it could adversely affect the INTAGE Group's business performance.

7) The Situation in China

The INTAGE Group engages in marketing research operations in China through consolidated subsidiary INTAGE Marketing Consulting (Shanghai) Co., Ltd.

Nevertheless, changes in legal regulations governing the Group's business in China or circumstances in which political factors affect business operation could adversely affect the INTAGE Group's business performance.

8) Management Issues

The INTAGE Group maintains the Management Systems Committee to respond to various management issues. Furthermore, INTAGE newly established the Internal Control Implementation Committee in April 2006 and is placing particular emphasis on reinforcement of the compliance structure.

Nevertheless, should these mechanisms fail to function adequately and inadequate inculcation of the spirit of compliance at the individual employee level occur, it could adversely affect the INTAGE Group's business performance.

9) Systems Failure

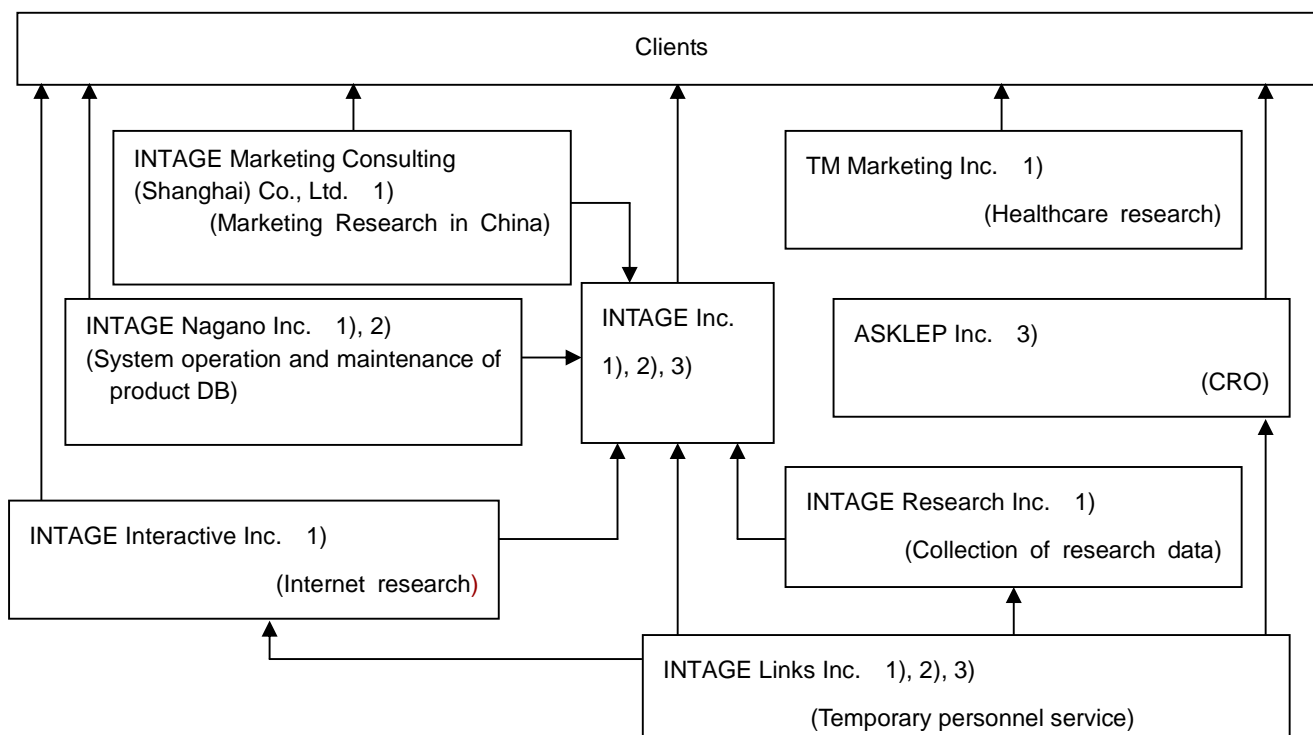
The Company's data center is manned around the clock, and the management system incorporates thorough security measures including the installation of surveillance cameras and information control at the time of entrance and exit by means of electronic key cards. Furthermore, all possible measures have been taken to ensure stable operation around the clock, 365 days a year, including an earthquake-resistant structure, fire-extinguishing equipment, and power supply redundancy.

Nevertheless, the inability to use the Company's facilities or networks due to unexpected serious events such as the occurrence of system or hardware failure, a malicious computer virus, a hacker attack, a large-scale power outage, an earthquake of unexpected magnitude, or fire, flooding, or accident could adversely affect the INTAGE Group's business performance.

2. STATUS OF THE CORPORATE GROUP

The INTAGE Group consists of INTAGE Inc. (the Company), seven consolidated subsidiaries and one affiliate. Its main businesses are marketing research and consulting, system solutions, and medical solutions.

The organization of the INTAGE Group as of March 31, 2008, is as follows.



Notes:

1. Arrows represent the flow of services and data.
2. Business segments are as follows
 - 1) Marketing Research and Consulting
 - 2) System Solutions
 - 3) Medical Solutions
3. INTAGE Links Inc. became INTAGE Associates Inc. on April 1, 2008.

3. MANAGEMENT POLICIES

(1) Basic Policy on Management

The corporate mission of the INTAGE Group is to “contribute to the advancement of society and the enrichment of consumers’ lives through the comprehensive support of our clients’ business success.” We aim to be a corporate group that creates highly-processed, intelligent information, with a vision of being the “Intelligence Provider.”

With an understanding of integrated marketing acquired over many years, we combine our research techniques, system development technology, industry and service knowledge, consulting abilities and other specialties to create “intelligence,” the type of information that is extremely valuable for decision-making. By providing “intelligence” we help resolve the business issues faced by our clients, as well as propose new business models.

(2) Management Indices

The INTAGE Group’s fundamental goal is to achieve growth and profitability, and it conducts its corporate management with the aim of continually enhancing sales and its operating margin. From a shareholder-oriented standpoint, we also consider net income per share to be an important indicator.

(3) Medium- to Long-Term Management Strategies

The INTAGE Group has formulated its three-year, Ninth Medium-Term Management Plan covering the period from fiscal 2008 through fiscal 2010 (April 2008 through March 2011).

The INTAGE Group will mark the 50th anniversary of its founding in fiscal 2010, the final year of this business plan. We have designated these three years as “Transition to a business model for the next 50 years (NEXT 50)” and set a basic policy of “Establish industry-specific platforms to realize a full-fledged intelligence provider business—Foundation of ‘NEXT 50’”.

The priority issues of the medium-term business plan are a) Establish new business models by creating industry-specific platforms; b) Strengthen existing businesses through reform of business processes; 4) Pursue marketing innovations; d) Strengthen technological platforms; e) Enhance personnel and human resource strategies; and f) Strengthen Group management capabilities. We will seek to establish a foundation for sustainable growth in order to transition to NEXT 50.

(4) Issues to Be Addressed in Fiscal 2008 (ending March 31, 2009)

During fiscal 2008, the INTAGE Group will work to clarify industry-specific strategies and establish new business models. In pursuit of industry-specific strategies, we reorganized our Marketing Division into three industry-specific units. To pursue the development of new business models, based on a policy of creating industry-specific platforms we expanded the Incubation Center, establishing the Business Development Division. We will undertake measures to strengthen the foundation of existing businesses in order to further encourage the shift toward Internet research.

In terms of management issues, we will enhance personnel and human resource strategies with the aim of securing and developing human resources appropriate to a sustainable company. Full compliance with the Financial Instruments and Exchange Law will also be required from the next fiscal year. The INTAGE Group will take steps to strengthen its internal controls, and will proactively pursue

an integrated management system.

INTAGE will also restructure and newly establish affiliated companies in order to optimize its Group formation. INTAGE Associates Inc. will assume the role of shared services center for the Group, seeking to improve the efficiency of expanding Group management. ASKLEP Medio Inc. (established through a spin-off into a separate company of INTAGE's SMO business), will as a subsidiary of ASKLEP Inc. enhance the strategic consistency of the drug development contracting business, and develop the business further.

INTAGE Thailand Co., Ltd. will follow INTAGE Marketing Consulting (Shanghai) Co., Ltd. as the Group's second overseas location, helping to establish its position as the "Intelligence Provider for Asia."

The INTAGE Group will make a concerted effort as a Group to enhance performance, and stabilize its business foundations.

(5) Implementation and Operating Status of Internal Control Structures

Please see the INTAGE Group's report on corporate governance to be published later.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

At March 31

	2007		2008		Change from the previous year
	Thousands of yen	%	Thousands of yen	%	Thousands of yen
ASSETS					
Current assets:					
1. Cash and deposits	2,802,390		3,480,530		678,139
2. Note and accounts receivable—trade	6,223,200		6,453,783		230,582
3. Marketable securities	36,652		—		(36,652)
4. Inventories	1,582,267		1,681,863		99,596
5. Deferred tax assets	763,404		727,805		(35,598)
6. Other current assets	335,819		310,241		(25,578)
Less allowance for doubtful accounts	(1,352)		(2,810)		(1,458)
Total current assets	11,742,382	57.9	12,651,413	59.5	909,030
Fixed assets:					
1. Property and equipment					
(1) Buildings and structures	1,823,167		1,917,383		94,216
(2) Equipment and fixtures	441,233		429,963		(11,269)
(3) Land	2,050,234		1,998,156		(52,078)
(4) Construction in progress	—		345		345
Net property and equipment	4,314,635	21.3	4,345,848	20.4	31,213
2. Intangible fixed assets					
(1) Goodwill	1,175,782		1,091,106		(84,675)
(2) Other intangible assets	858,092		988,356		130,264
Total intangible fixed assets	2,033,875	10.0	2,079,463	9.8	45,588
3. Investments and other assets					
(1) Investment in securities	210,800		208,393		(2,407)
(2) Deferred income tax	1,110,671		1,042,512		(68,158)
(3) Other	860,537		942,791		82,253
(4) Allowance for doubtful accounts	—		(8,505)		(8,505)
Total investments and other assets	2,182,010	10.8	2,185,192	10.3	3,182
Total fix assets	8,530,520	42.1	8,610,505	40.5	79,985
Total assets	20,272,903	100.0	21,261,918	100.0	989,015

At March 31

	2007		2008		Change from the previous year
	Thousands of yen	%	Thousands of yen	%	Thousands of yen
LIABILITIES					
Current liabilities:					
1. Accounts payable—trade	1,811,473		1,815,750		4,276
2. Short-term bank loans	2,399,396		2,787,420		388,024
3. Current portion of redemption of corporate bonds	—		1,000,000		1,000,000
4. Income taxes payable	871,694		794,676		(77,018)
5. Accrued employee's bonuses	1,271,464		1,361,118		89,654
6. Allowance for loss on cancellation of contracts	37,000		38,000		1,000
7. Allowance for point program	—		9,300		9,300
8. Other current liabilities	1,268,127		1,159,221		(108,906)
Total current liabilities	7,659,155	37.8	8,965,486	42.2	1,306,330
Long-term liabilities:					
1 Corporate bonds	1,000,000		—		(1,000,000)
2 Long-term borrowings	382,420		—		(382,420)
3 Retirement benefits	2,160,866		1,979,073		(181,792)
4 Retirement allowance for directors	35,300		29,000		(6,300)
5 Other long-term liabilities	189		—		(189)
Total long-term liabilities	3,578,775	17.6	2,008,073	9.4	(1,570,701)
Total liabilities	11,237,931	55.4	10,973,560	51.6	(264,371)
NET ASSETS					
Shareholders' equity:					
1. Common stock	1,681,400		1,681,400		—
2. Capital surplus	1,125,788		1,336,688		210,900
3. Retained earnings	5,947,657		7,403,581		1,455,924
4. Treasury stock, at cost	(7,406)		(247,406)		(240,000)
Total shareholders' equity	8,747,439	43.2	10,174,263	47.9	1,426,824
Valuation and translation adjustments:					
1. Unrealized gains on securities, net of taxes	41,285		13,409		(27,876)
2. Foreign currency translation adjustments	(346)		1,960		2,306
Total valuation and translation adjustments	40,938	0.2	15,369	0.1	(25,569)
Minority interests	246,593	1.2	98,725	0.4	(147,867)
Total net assets	9,034,971	44.6	10,288,358	48.4	1,253,387
Total liabilities and net assets	20,272,903	100.0	21,261,918	100.0	989,015

(2) Consolidated Statements of Income

Years ended March 31

	2007		2008		Change from the previous year
	Thousands of yen	%	Thousands of yen	%	Thousands of yen
Net sales	30,800,039	100.0	33,104,564	100.0	2,304,525
Cost of sales:	21,958,959	71.3	22,755,051	68.7	796,091
Gross profit	8,841,079	28.7	10,349,513	31.3	1,508,434
Selling, general and administrative expenses:	5,910,347	19.2	7,034,793	21.3	1,124,445
Operating income	2,930,731	9.5	3,314,720	10.0	383,988
Non-operating revenues:					
1. Interests	1,281		3,599		2,317
2. Dividends	2,390		8,130		5,740
3. Insurance benefit received and dividends	24,561		23,186		(1,375)
4. Commission fee	4,828		4,672		(155)
5. Gain on redemption of corporate bonds			7,048		7,048
6. Subsidies			11,142		11,142
7. Others	7,199		11,099		3,899
Total	40,260	0.1	68,877	0.2	28,616
Non-operating expenses:					
1. Interests expenses	27,299		44,467		17,167
2. Commission fee	10,600		8,360		(2,240)
3. Loss on disposal of equipment and fixtures	18,117		3,923		(14,193)
4. Others	9,614		10,390		775
Total	65,632	0.2	67,141	0.2	1,509
Recurring profit	2,905,360	9.4	3,316,456	10.0	411,095

	2007		2008		Change from the previous year
	Thousands of yen	%	Thousands of yen	%	Thousands of yen
Extraordinary gain:					
1. Dividends of liquidated marketable securities	1,653		—		(1,653)
2. Gain on sales of property and equipment	—		5,893		5,893
3. Gain on the sale of investment securities	—		15,540		15,540
4. Gain on amortization of prior service cost	171,525		—		(171,525)
5. Gain on recovery of doubtful accounts	8,000		—		(8,000)
Total	181,179	0.6	21,433	0.1	(159,745)
Extraordinary loss:					
1. Removal expenses	—		14,454		14,454
2. Loss on sales of property and equipment	—		3,091		3,091
3. Special retirement benefit	—		11,836		11,836
4. Loss on impairment	102,515		—		(102,515)
Total	102,515	0.3	29,382	0.1	(73,133)
Income before income taxes	2,984,023	9.7	3,308,507	10.0	324,483
Income taxes and enterprise taxes	1,307,254	4.2	1,347,757	4.1	40,503
Adjustment for income taxes	(24,681)	(0.1)	122,882	0.4	147,563
Minority interests	74,731	0.3	72,256	0.2	(2,475)
Net income	1,626,719	5.3	1,765,611	5.3	138,891

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2007

(Thousands of yen)

	Owners' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total
Balance at March 31, 2006	1,681,400	1,125,788	4,615,834	(7,171)	7,415,851
Change during the fiscal year					
Dividends from surplus (Note)	—	—	(268,397)	—	(268,397)
Directors' bonuses (Note)	—	—	(26,500)	—	(26,500)
Net income	—	—	1,626,719	—	1,626,719
Purchase of treasury stock	—	—	—	(234)	(234)
Net increase/decrease during the term under review except in shareholders' equity	—	—	—	—	—
Total	—	—	1,331,822	(234)	1,331,587
Balance at March 31, 2007	1,681,400	1,125,788	5,947,657	(7,406)	8,747,439

	Valuation and translation adjustments			Minority interests	Total net assets
	Valuation differences on other securities	Equity adjustment from foreign currency translation	Total		
Balance at March 31, 2006	42,509	(4,285)	38,223	168,058	7,622,133
Change during the fiscal year					
Dividends from surplus (Note)	—	—	—	—	(268,397)
Directors' bonuses (Note)	—	—	—	—	(26,500)
Net income	—	—	—	—	1,626,719
Purchase of treasury stock	—	—	—	—	(234)
Net increase/decrease during the term under review except in shareholders' equity	(1,223)	3,939	2,715	78,534	81,250
Total	(1,223)	3,939	2,715	78,534	1,412,837
Balance at March 31, 2007	41,285	(346)	40,938	246,593	9,034,971

Note: They are items in appropriation of earnings resolved in General Meeting of Shareholders held on June 2006.

Year ended March 31, 2008

(Thousands of yen)

	Owners' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total
Balance at March 31, 2007	1,681,400	1,125,788	5,947,657	(7,406)	8,747,439
Change during the fiscal year					
Issuance of new stocks	—	210,900	—	—	210,900
Dividends from surplus	—	—	(309,686)	—	(309,686)
Net income	—	—	1,765,611	—	1,765,611
Purchase of treasury stock	—	—	—	(240,000)	(240,000)
Net increase/decrease during the term under review except in shareholders' equity	—	—	—	—	—
Total	—	210,900	1,455,924	(240,000)	1,426,824
Balance at March 31, 2008	1,681,400	1,336,688	7,403,581	(247,406)	10,174,263

	Valuation and translation adjustments			Minority interests	Total net assets
	Valuation differences on other securities	Equity adjustment from foreign currency translation	Total		
Balance at March 31, 2007	41,285	(346)	40,938	246,593	9,034,971
Change during the fiscal year					
Issuance of new stocks	—	—	—	—	210,900
Dividends from surplus	—	—	—	—	(309,686)
Net income	—	—	—	—	1,765,611
Purchase of treasury stock	—	—	—	—	(240,000)
Net increase/decrease during the term under review except in shareholders' equity	(27,876)	2,306	(25,569)	(147,867)	(173,437)
Total	(27,876)	2,306	(25,569)	(147,867)	1,253,387
Balance at March 31, 2008	13,409	1,960	15,369	98,725	10,288,358

(4) Consolidated Statements of Cash Flows

Years ended March 31

	2007	2008	Change from the previous year
	Thousands of yen	Thousands of yen	Thousands of yen
Cash flows from operating activities:			
1. Income before income tax and minority interests	2,984,023	3,308,507	324,483
2. Depreciation	708,774	740,652	31,877
3. Impairment loss	102,515	—	(102,515)
4. Amortization of goodwill	71,644	279,625	207,981
5. Decrease in employee's retirement benefits	(376,729)	(181,792)	194,936
6. Decrease in directors' and statutory auditors' retirement benefits	—	(6,300)	(6,300)
7. Increase in accrued employees' bonuses	91,924	89,654	(2,270)
8. Increase in directors' bonuses	37,000	1,000	(36,000)
9. Decrease in allowance for doubtful accounts	(1,656)	9,963	11,619
10. Increase in allowance for point program	—	9,300	9,300
11. Interest and dividend income	(3,671)	(11,729)	(8,057)
12. Interest expenses	27,299	44,467	17,167
13. Removal expenses	—	4,074	4,074
14. Disposal of equipment and fixtures	18,117	3,923	(14,193)
15. Sales of shares of affiliates	—	3,091	3,091
16. Gain on sale of marketable securities	—	(5,893)	(5,893)
17. Gain on redemption of marketable securities	—	(7,048)	(7,048)
18. (Gain) loss on sale of marketable securities	—	(15,540)	(15,540)
19. Increase in notes and accounts receivable – trade	(723,051)	(209,984)	513,067
20. Decrease (increase) in inventories	(159,880)	(99,398)	60,481
21. Increase in accounts payable — trade	193,260	(9,554)	(202,815)
22. Increase in accrued consumption taxes	76,324	(33,967)	(110,292)
23. Directors bonuses	(26,500)	—	26,500
24. Other	54,422	(198,084)	(252,507)
Sub total	3,073,819	3,714,966	641,146
25. Proceeds from interests and dividend income	3,620	11,730	8,109
26. Payment of interests Interest expenses paid	(26,732)	(47,797)	(21,065)
27. Payment of income taxes Income taxes paid	(1,008,616)	(1,437,190)	(428,574)
28. Refund of income taxes	—	6,204	6,204
Cash flows from operating activities	2,042,092	2,247,912	205,820

	2007	2008	Change from the previous year
	Thousands of yen	Thousands of yen	Thousands of yen
Cash flows from investing activities:			
1. Payments for time deposits	(93,788)	(118,645)	(24,856)
2. Proceeds from time deposits	74,410	113,874	39,464
3. Payments for purchases of property and equipment	(195,543)	(340,964)	(145,421)
4. Proceeds from sales of property and equipment	—	68,971	68,971
5. Payments for purchases of investment securities	(1,564)	(87,940)	(86,376)
6. Proceeds from sale of marketable securities	—	65,540	65,540
7. Proceeds from redemption of marketable securities	—	37,048	37,048
8. Payments for loans	(2,000)	(2,800)	(800)
9. Proceeds from the loans collected	1,865	1,948	83
10. Payments for acquisition of intangible assets	(524,655)	(531,190)	(6,534)
11. Proceeds from sales of shares of affiliates	—	(204,259)	(204,259)
12. Payments for acquisition of subsidiary shares due to the change to the scope of consolidation	(820,485)	—	820,485
13. Payments for acquisition of business	(330,000)	(14,500)	315,500
14. Payments for security deposits	(12,401)	(5,370)	7,030
15. Proceeds from refund of security deposits	1,750	1,757	7
16. Other	328	(16,881)	(17,210)
Net cash used in investing activities	(1,902,084)	(1,033,412)	868,672
Cash flows from financing activities:			
1. Proceeds from short-term bank loans	4,960,000	8,880,000	3,920,000
2. Repayments of short-term bank loans	(4,387,000)	(8,270,016)	(3,883,016)
3. Proceeds from long-term bank loans	200,000	—	(200,000)
4. Repayments of long-term bank loans	(495,200)	(604,380)	(109,180)
5. Payments for acquisition of treasury stock	(234)	(240,000)	(239,765)
6. Dividends paid	(268,281)	(311,781)	(43,499)
Net cash used in financing activities	9,283	(546,177)	(555,460)
Effect of exchange rate changes on cash and cash equivalents	2,432	4,810	2,378
Net increase in cash and cash equivalents	151,723	673,133	521,409
Cash and cash equivalents at beginning of year	2,569,308	2,721,032	151,723
Cash and cash equivalents at end of year	2,721,032	3,394,165	673,133

(5) Segment Information

1. Business segment

Year ended March 31, 2007

(Thousands of yen)

	Thousands of yen					
	Marketing Research and Consulting	System Solutions	Medical Solutions	Total	Eliminations or corporation	Consolidation
Net sales and operating income						
Net sales						
(1) Net sales to third parties	19,824,520	6,929,029	4,046,489	30,800,039	—	30,800,039
(2) Intra-group net sales and transfers	—	—	—	—	(—)	—
Total	19,824,520	6,929,029	4,046,489	30,800,039	(—)	30,800,039
Operating expenses	17,425,747	6,834,394	3,609,164	27,869,307	(—)	27,869,307
Operating income	2,398,772	94,634	437,324	2,930,731	—	2,930,731
Assets, depreciation, and capital expenditures:						
Total assets	10,323,788	5,119,824	1,783,216	17,226,830	3,046,072	20,272,903
Depreciation	410,536	280,601	16,132	707,269	—	707,269
Capital expenditures	398,220	224,969	5,086	628,276	—	628,276

Notes: 1. The segments adopted below are those used for internal control purposes.

2 Major operations by segment

(1) Marketing Research and Consulting...panel research, custom research

(2) System Solutions.....System development, operation and maintenance management

(3) Medical Solutions.....CRO, SMO

3. Within assets, the main company-wide assets (¥3,046,072 thousand) included in Eliminations and Corporate are surplus operating funds from the parent company (cash and cash equivalents), long-term investment funds (investment securities) and funds related to the Corporate Administration Department.

Year ended March 31, 2008

(Thousands of yen)

	Thousands of yen					
	Marketing Research and Consulting	System Solutions	Medical Solutions	Total	Eliminations or corporation	Consolidation
Net sales and operating income						
Net sales						
(1) Net sales to third parties	21,795,354	6,702,315	4,606,893	33,104,564	—	33,104,564
(2) Intra—group net sales and transfers	—	—	—	—	(—)	—
Total	21,795,354	6,702,315	4,606,893	33,104,564	(—)	33,104,564
Operating expenses	18,880,557	6,741,830	4,167,456	29,789,844	(—)	29,789,844
Operating income	2,914,797	(39,514)	439,437	3,314,720	—	3,314,720
Assets, depreciation, and capital expenditures:						
Total assets	11,014,183	5,112,753	2,041,076	18,168,014	3,093,904	21,261,918
Depreciation	452,452	270,428	13,884	736,765	—	736,765
Capital expenditures	576,426	360,429	20,720	957,576	—	957,576

Notes: 1. The segments adopted below are those used for internal control purposes.

2 Major operations by segment

(1) Marketing Research and Consulting...panel research, custom research

(2) System Solutions.....System development, operation and maintenance management

(3) Medical Solutions.....CRO, SMO

3. Within assets, the main company-wide assets (¥3,093,904 thousand) included in Eliminations and Corporate are surplus operating funds from the parent company (cash and cash equivalents), long-term investment funds (investment securities) and funds related to the Corporate Administration Department.

2. Geographical segment information

For the fiscal years ended March 31, 2007 and 2008, geographical segment information is not disclosed because businesses within Japan occupied more than 90% of total sales (operating revenue) of all segments, and of total assets of all segments.

3. Overseas sales (Operating revenue)

For the fiscal years ended March 31, 2007 and 2008, overseas sales (operating revenue) is not disclosed because it was under 10% of consolidated sales (operating revenue).