



Establishment of a New Clinical Development Company (China Business)

We would like to announce that, following a meeting of the board of directors on August 1, 2013, it has been agreed as part of our China business strategy that we will establish EPS Medical Technology (Nantong) Co., Ltd.

1. Background

We have focused on China as an important base for expanding our business overseas, and have gradually scaled up our business in the country. EPS (China) Co., Ltd., which heads our China business, has taken the lead in initiating business in the fields of medical equipment sales, drug development, generics, and BPO in China. Hereafter we intend to restructure our China headquarters to build a business structure capable of both strengthening existing businesses and seizing various new business opportunities. We aim to further develop our role as a bridge between the healthcare industries of Japan and China, and further widen the scope of the business to make it the main source of profit within our China operations.

2. Purpose of the new company

As we expect growing demand in China for drug development support services, we will establish EPS Medical Technology (Nantong) Co., Ltd. with the aim of creating a business model which incorporates pre-clinical and “central laboratory” services in addition to clinical development of new drugs and statistical analysis of clinical data. Our drug development support services in China were previously centered on Shanghai. With the establishment of the new company, we hope to create a one-stop solution provider for customers with a wide range of needs, and to further widen the scope of our business.

3. Outline of the new company

Name	益新（南通）医药科技有限公司
English name	EPS Medical Technology (Nantong) Co., Ltd.
Address	Nantong National Economic Development Zone, Jiangsu province, China
Representative	Yan Hao
Business description	Clinical development of new drugs, Statistical analysis of clinical data, etc.
Capital	US\$10 million
Date of establishment	August 2013
Fiscal year end	December
Ownership ratio	EPS Corporation 100%

4. Outlook

At present, the effect of this decision on the consolidated business performance for this term is expected to be negligible. In the event that a significant effect on performance is anticipated, we will make timely announcements.