

**Notices for Business Policy Initiatives for Current Fiscal Term (24th Term)
and Future Outlook**

The announcement for business policy initiatives for the current fiscal term and future outlook for EPS Group is as follows.

1. Business Policy Initiatives for Current Fiscal Term

In response to rapid changes in business environment related to the pharmaceutical and medical device industries in recent years, as well as to ensure sustained growth for the company after 20 years in business, we have reviewed our management structure and established a new foundation for future developments. Among them, we have decided to restructure our businesses and strengthen the management structure of individual businesses.

Recognizing that this will be a tipping point in our management operations, we have especially positioned this fiscal term as our “new year start”, by clarifying the responsibilities and authorities of each business segments to promote self-management and achieving clarifications and executions of different functions across the Group.

In addition, based on the experiences and lessons of the previous fiscal term, our priority for this fiscal term is to achieve the planned target figures steadily, while also giving sufficient consideration with regard to our medium-term management plan.

2. Clarification of Business Segments

Business segments have been clarified, as follows:

| Business Segment | Company Name | Business Outline |
|-------------------------------|--|--|
| Domestic CRO Business | EPS Corporation | Holding Company Functions CRO General Operation |
| | EPMate Co., Ltd. | CRO Dispatch-type Operation |
| | e-Trial Co., Ltd. | IT-based CRO Operation (EDC,etc) |
| Domestic SMO Business | EP-Mint Co., Ltd. | SMO Overall Operations |
| Domestic CSO Business | EP-PharmaLine Co., Ltd. | MR Contract Operation Drug-related Call Center Operations |
| GR (Global Research) Business | EPS International Holdings Co., Ltd. | GR Operation Management |
| | EPS International Co., Ltd. | CRO General Operation (China) |
| | EPS Global Research, Inc. | CRO General Operation (America) |
| | EPS Global Research Pte. Ltd. (former) Gleneagles CRC Pte Ltd | CRO/SMO General Operation (Asia) |

| | | |
|------------------|-------------------------|--------------------------------------|
| EKISHIN Business | EPS EKISHIN Co., Ltd. | EKISHIN Operation Management (Japan) |
| | EPS China Co., Ltd. | EKISHIN Operation Management (China) |
| BPO Operation | EPI Japan Co., Ltd. | BPO Operation Service (Japan) |
| | EPS Suzhou Co., Ltd. | BPO Operation Service (China) |
| | EMS Co., Ltd. | BPO Operation Service (Japan) |
| | EPS Yamanashi Co., Ltd. | BPO Operation Service (Japan) |
| Other | EPBiz Co., Ltd. | Shared Service |
| | LSG Co., Ltd. | Non-Clinical Trial Related Operation |

3. Group Management Structure

In order to clarify the management and corporate functions of each business segment across the Group, we will promote our group operations with responsibilities and authorities of the following management teams:

(1) Operating Department

| | |
|------------------|---|
| Domestic CRO | Tanaka, Managing Officer, EPS Corporation |
| Domestic SMO | Ando, President, EP-Mint Co., Ltd. |
| Domestic CSO | Nishizuka, President, EP-PharmaLine Co., Ltd. |
| GR Business | Weng, President, EPS International Holdings Co., Ltd. |
| EKISHIN Business | Yan, President, EPS EKISHIN Co., Ltd. |
| BPO Operation | Abe, Corporate Officer, EPS Corporation |

(2) Corporate Function

| | |
|-----------------------------------|---|
| Corporate Strategy Division | Sekitani, Managing Officer, EPS Corporation |
| Corporate Administration Division | Orihashi, Managing Officer, EPS Corporation |

4. Future Business Outlook

(1) Business Theme

We will expand our future business based on the following five themes:

- ① Aim to be No.1 in CRO+SMO domestically
- ② Aim to be a leading company in CSO domestically
- ③ Aim to be a leading company for Global Research in Asia Pacific
- ④ Promote EKISHIN Operation as new engines of growth
- ⑤ Promote efficiency through BPO

(2) Quantitative Targets (Fiscal Year September 2018)

We aim for consolidated net sales of 60-75 billion yen and operating income of 7-10 billion yen by fiscal year September 2018. For the breakdown, based on an average growth rate of 10% for 35 billion yen sales in fiscal year September 2014, we aim for 52 billion yen by fiscal year September 2018 for our three domestic operations. For our two overseas operations, based on an average growth rate of 25% for 6 billion yen in



fiscal year September 2014, we aim for 15 billion yen by fiscal year September 2018.

Please see below for more details.

(Units: 100 million yen, %)

| | Fiscal Year September 2014 | | | Fiscal Year September 2018 | | |
|------------------|----------------------------|------------------|------------------|----------------------------|---------------------------|---------------------------|
| | Net Sales | Operating income | Operating Margin | Net Sales | Average Sales Growth Rate | Operating Margin or value |
| Domestic CRO | 232.3 | 34.7 | 14.9% | 300.0~350.0 | 6.6%~10.8% | 15.0~16.5% |
| Domestic SMO | 65.0 | 9.0 | 13.8% | 80.0~100.0 | 5.3%~11.4% | 13.5~15.0% |
| Domestic CSO | 57.0 | 1.1 | 1.9% | 80.0~100.0 | 8.8%~15.1% | 7.0~10.0% |
| GR Business | 25.0 | -0.4 | - | 45.0~60.0 | 15.8%~24.5% | 5.0~10.0% |
| EKISHIN Business | 36.0 | -0.5 | - | 80.0~120.0 | 22.1%~35.1% | 5.0~10.0% |
| BPO Operation* | 6.2 | 0.6 | 10.0% | 15.0~20.0 | 24.8%~34.1% | 5.0% |
| Consolidated | 409.6 | 41.1 | 10.0% | 600.0~750.0 | 10.0%~16.3% | 70~100 |

* BPO Operation does not include sales from inter-segments.