



November 19, 2014

Press Release

Company Name: EPS Corporation

Names of the  
Representative: Chairman & CEO Yan Hao  
President & COO Shinro Tashiro  
(Code: 4282, TSE First Section)

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**Notification of Completion of a Company Split Agreement and Amendments  
to the Articles of Incorporation (firm name, project aims, etc.) to  
Accompany Conversion into a Holding Company**

On June 23, 2014, we officially announced our transition to a holding company in the press release “Notice of Establishment of a Split-Preparation Company to Accompany Conversion into a Holding Company”; however, at the board meeting held on November 19, 2014, we resolved to transfer the rights and obligations in relation to our Clinical Development Support Services business (Contact Research Organization project; CRO project) (hereafter, the “project”) to our wholly-owned subsidiary EPS successor preparatory company (hereafter, the “prep company”) effective as of January 1, 2015. We also completed the absorption-type company split agreement (hereafter, the “company split agreement”) with our subsidiary company, as stated in Section I below.

Furthermore, the effectuation of the company split requires the approval of the General Shareholders’ Meeting planned for December 19, 2014 and obtainment of the necessary licenses and approvals from the government and public agencies for the prep company.

Also, at the board meeting of November 19, 2014, we voted on amendments to the Articles of Incorporation (hereafter, the “Articles of Incorporation amendments”), such as changing the firm name to “EPS Holdings Ltd.” as well as altering the business aims to match the transition into a holding company, the details of which are stated in Section II below.

The amendments to the Articles of Incorporation require the approving vote of the General Shareholder’s Meeting scheduled for December 19, 2014.

In addition, this is a company split in which company departments will be inherited by the wholly-owned subsidiary, thus some disclosure items and details have been omitted.

## I. Transition to a Holding Company After Company Split

### 1. Background and Purpose of Transition to a Holding Company

Our group's goal is to execute our fundamental principle, "contribution to the advancement of the health industry through worthwhile solutions", to clarify and strengthen company management mechanisms, to promote and perfect group administration. Accompanying the recent expansion of our business scope, we consider the current term the "first year of group administration". We have promoted autonomous management in each business segment and we have discussed an appropriate group administration structure, which requires clarification of jurisdiction and duties as well as devising back-up structural expansion. In order to actualize the further growth of the EPS group, we believe we must capitalize on the specialities of each business segment and construct a management system which will maximize the worth of group as a whole. Thus, we decided on a policy of transitioning to a holding company with a series of structural reformations, including the company split.

### 2. Summary of Company Split

#### (1) Schedule of Company Split

Board of Directors' Meeting	November 19, 2014
Completion of Company Split Agreement	November 19, 2014
Record Date for the General Shareholders' Meeting	September 30, 2014
General Shareholders' Meeting	December 19, 2014 (tentative)
Effective Date of Company Split	January 1, 2015 (tentative)
Date of Allotment of Shares	January 1, 2015 (tentative)

#### (2) Type of Split

This is an absorption-type company split with EPS Corporation as the demerged company, and the prep company as the successor company.

#### (3) Details of Allotment Due to the Company Split

At the time of the company split, the prep company which will be the successor company will issue 1,000 shares, all of which will be allotted to the demerged company.

#### (4) Treatment of Share Warrants and WBs Accompanied by the Company Split

We have not issued share warrants or warrant bonds.

#### (5) There will be no relevant information on fluctuating capital stock.

#### (6) Rights and Obligations Succeeded to the Successor Company

After the company split, the prep company will inherit the rights and obligations endowed by the EPS Corporation, with the exception of some of the rights and obligations which will cause difficulty in the succession.

#### (7) Prospective Performance Obligations

We conclude that there will be no problems in the fulfillment of prospective financial obligations to be inherited by prep company following the effective date of the company split. Furthermore, the transfer of obligations shall be undertaken based on the concomitant assumption method.

### 3. Outline of Companies Involved in the Company Split

	Company to be Split (as of September 30, 2014)	Successor Company (as of July 1, 2014)
(1) Corporate Name	EPS Corporation	EPS International Holdings Co., Ltd.
(2) Business Contents	Clinical development support services, etc.	Clinical development support services, etc.
(3) Date of Incorporation	May 30, 1991	July 1, 2014
(4) Head Office Address	1-8 Tsukudo-cho, Shinjuku-ku, Tokyo	2-23 Shimomiyabi-cho, Shinjuku-ku, Tokyo
(5) Representatives	Chairman & CEO Yan Hao President & COO Shinro Tashiro	President & COO Sho Tanaka
(6) Capital	1,875 million yen	100 million yen
(7) Number of Outstanding Shares	36,160,000 shares	2,000 shares
(8) Fiscal Period End	September 30	September 30
(9) Number of Employees	4,148 (consolidated)	1
(10) Major Shareholders & Equity Ratio	Y And G Co., Ltd. 26.94% Goldman, Sachs & Co. Reg 5.79% Japan Trustee Services Bank, Ltd.(Trust Account) 5.52% The Master Trust Bank of Japan (Trust Account 4.85% BNP Paribas Sec Services Luxembourg / JASDEC / Aberdeen Global Client Assets 3.32%	EPS Corporation 100%
(11) Relation to the Corporation	Capital Ties	The demerged company holds all shares of the successor company
	Personal Ties	The director of the demerged company is also representative director of the prep company. Also, we plan to dispatch executives and transfer employees from the demerged company to the successor company.
	Business Ties	There are no major transactions taking place. In addition, the demerged company shall be entrusted with part of the successor company's management as well as administrative support.
(12) Operating Results & Financial Position		
	Company to be Split (As of September 2014 [consolidated])	Successor Company (As of July 1, 2014)
Net Assets	21,230 million yen	100 million yen

Total Assets	34,689 million yen	100 million yen
Net Assets Per Share	533.49 yen	50,000 yen
Sales	41,800 million yen	—
Operating Profit	4,491 million yen	—
Operating Income	4,242 million yen	—
Current Net Income	1,828 million yen	—
Net Earnings Per Share	51.54 yen	—

(Note 1) The demerged company is planned to change its name to “EPS Holdings Inc.” on the date of January 1, 2015.

(Note 2) The successor company is planned to change its name to “EPS Corporation” on the date of January 1, 2015.

(Note 3) The share indices were calculated with the stock split of 100 shares to each common stock carried out on April 1, 2014 taken into consideration. Also, the number of shares held by the Employee Stockholding Association Trust was subtracted from the total of weighted-average number of common shares outstanding and the number of shares issued at the end of the fiscal year.

(Note 4) The net assets and total assets regarding the prep company which will be the successor company pertain to the amount on its establishment on July 1, 2014, as it has yet to experience a fiscal year.

#### 4. Details of the Divisions Being Split

##### (1) Details of Operations of Divisions Being Split

EPS’s Clinical Development Support Service (CRO)

##### (2) Operating Results of the Divisions to be Split (as of September 2014)

	Division Being Split (a)	EPS (before division) (b)	Percentage (a/b)
Sales	22,369 million yen	22,475 million yen	99.5%

##### (3) Amounts of Assets and Liabilities to be Split (as of September 30, 2014)

Assets		Liabilities	
Item	Registered Value	Item	Registered Value
Current Assets	7,273 million yen	Current Liabilities	2,111 million yen
Fixed Assets	3,346 million yen	Fixed Liabilities	883 million yen
Total	10,619 million yen	Total	2,994 million yen

(Note) The amount of assets and liabilities being split are based on our balance sheet as of September 30, 2014. The actual amount of assets and liabilities being split will be added and subtracted from the above calculations after the effective date of the company split.

#### 5. The State Of Affairs After The Company Split

	Demerged Company	Successor Company
(1) Corporate Name	EPS International Holdings Co., Ltd.	EPS Corporation
(2) Head Office Address	1-8 Tsukudo-cho Shinjuku-ku, Tokyo	2-23 Shimomiyabi-cho Shinjuku-ku, Tokyo
(3) Representatives	Chairman & CEO Yan Hao President & COO Shinro Tashiro	President & COO Sho Tanaka
(4) Business Operations	Planning and managing group administration through possession of stock and equity, business management, etc.	Operations in clinical development support service, etc.
(5) Capital Stock	1,875 million yen	100 million yen
(6) Accounting Period	September 30	September 30

#### 6. Future Prospects

Because the prep company is our wholly-owned subsidiary, the company split will not have a considerable effect on consolidated performance. Regarding non-consolidated business performance, because we will become a holdings company after the company split, we will focus on dividends from our affiliated companies and revenue for administrative support. We also plan to focus our expenditures as a holdings company on the business administrative function of the company group.



Amendments to the Articles of Incorporation

(Changes are indicated by underlined text.)

Current Articles of Incorporation	Amended Articles of Incorporation
<p>(Firm Name) Article 1: The firm name is EPS Corporation.</p>	<p>(Firm Name) Article 1: The firm name is EPS Holdings, Inc.</p>
<p>(Objectives) Article 2: The objective of our firm is to <u>carry on the following operations.</u></p> <ol style="list-style-type: none"> <li>1. Research and development, clinical and nonclinical studies, examinations and design, drafts, information gathering, processing, and program sponsoring as well as consulting regarding the following goods:               <ol style="list-style-type: none"> <li>(1) medical supplies</li> <li>(2) medical equipment</li> <li>(3) nonmedical products</li> <li>(4) cosmetics</li> <li>(5) chemical reagents</li> <li>(6) medicines/agrochemicals/chemicals</li> <li>(7) commodities</li> <li>(8) beverages</li> <li>(9) food/fodder additives</li> <li>(10) daily necessities</li> </ol> </li> <li>2. Production, manufacturing, sales, importing/exporting as well as consulting regarding the goods mentioned in the above Paragraph.</li> <li>3. Production, manufacturing, sales, and importing/exporting of the various utensils and materials involved in the research and development, clinical and nonclinical studies mentioned in Paragraph 1.</li> <li>4. Sales, importing/exporting, maintenance as well as consulting for computers and their peripheral equipment, business machinery, communications equipment, and electronic goods</li> <li>5. Development, design, manufacturing, sales, importing/exporting, maintenance, and support as well as consulting for computer</li> </ol>	<p>(Objectives) Article 2: The objective of our firm is to <u>carry on each of the following operations in our company (including foreign offices.) In addition, directing and managing the business activities of the concerned companies through possession of stock and equities.</u></p> <p style="text-align: center;">(as currently)</p>

systems and software



<ol style="list-style-type: none"> <li>6. Development, design, manufacturing, sales, importing/exporting, maintenance and support as well as consulting for information network systems utilizing computers.</li> <li>7. Development, design, manufacturing, sales, importing/exporting, maintenance and support as well as consulting for systems regarding information gathering, processing, and provisioning services and telecommunications services which use the Internet and other networks.</li> <li>8. Clinical test support</li> <li>9. Outsourcing dispatch workers and (fee-charging) employment placement projects</li> <li>10. Projects related to training programs, seminars, lectures, and induction courses for human resources development</li> <li>11. Management consulting</li> <li>12. Marketing</li> <li>13. Publishing and printing</li> <li>14. Advertising &amp; publicity and running an advertising firm</li> <li>15. Trading, leasing and leasing mediation as well as management of real estate.</li> <li>16. Leasing and leasing mediation of properties</li> <li>17. Sales and importing/exporting of stationery, office supplies, and utensils</li> <li>18. Possession, investment, and trade of securities as well as other investments.</li> <li>19. Financing business</li> <li>20. Comprehensive leasing business</li> <li>21. Warehousing, shipping by truck, and freight forwarding business</li> <li>22. Interpreting and translation business</li> <li>23. Operation and management of medical, sanitary, amusement, eating/drinking, lodging, and non-medical treatment facilities</li> </ol>	<p>(as currently)</p>
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<p>24. Travel agencies based on the Travel Agency Act</p> <p>25. Damage insurance agency, insurance agency based on the Automobile Liability Insurance Act, and agency business related to life insurance</p> <p>26. Acquisition and transfer of different types of intangible property rights and intermediation thereof.</p> <p>27. Design, execution, and contracting for electric construction, telecommunications construction, and building construction</p> <p>28. All other work incidental to the above items.</p> <p style="text-align: center;">(newly established)</p>	<p style="text-align: center;">(as currently)</p> <p><u>② To do any and all other business incidental or relating to any of the foregoing items.</u></p>
<p>Article 3 - Article 8 (omitted)</p>	<p>Article 3 - Article 8 (as currently)</p>
<p>(Rights regarding shareholdings of less than one unit)</p> <p>Article 9: Shareholders may not exercise some or all rights, other than the following rights, with respect to its shares of less than one unit.</p> <ol style="list-style-type: none"> <li>1. Rights described under each Item of Article 189 Paragraph 2 of the Company Law</li> <li>2. Rights pertaining to application pursuant to the provision of Article 166 Paragraph 1 of the Company Law</li> <li>3. The right to receive an allotment of stock acquisition rights or to receive an allotment of shares to be offered.</li> </ol> <p style="text-align: center;">(newly established)</p>	<p>(Rights regarding shareholdings of less than one unit)</p> <p>Article 9: Shareholders may not exercise some or all rights, other than the following rights, with respect to its shares of less than one unit.</p> <ol style="list-style-type: none"> <li>1. Rights described under each Item of Article 189 Paragraph 2 of the Company Law</li> <li>2. Rights pertaining to application pursuant to the provision of Article 166 Paragraph 1 of the Company Law</li> <li>3. The right to receive an allotment of stock acquisition rights or to receive an allotment of shares to be offered.</li> <li>4. <u>The right to make the request set forth in the following article.</u></li> </ol>
<p style="text-align: center;">(newly established)</p>	<p><u>(Adding to holdings of shares less than one unit)</u></p> <p><u>Article 10: Shareholders holding shares less than one unit may, pursuant to the share handling regulations, request that the Company sell to the shareholder a number of shares that, together with shares constituting less than one unit held by the shareholder will constitute one unit.</u></p>
<p>Article 10 - Article 17 (provisions omitted)</p>	<p>Article 11 - Article 18 (as currently)</p>



<p>(Minutes)  Article 18: The gists of the proceedings and the actions taken at a general meeting of shareholders and other matters provided by relevant laws and regulations shall be recorded in the minutes, or recorded <u>and the Chairman and the Directors present shall affix their names and seals or put their electronic signatures thereon.</u></p>	<p>(Minutes)  Article 19: The gists of the proceedings and the actions taken at a general meeting of shareholders and other matters provided by relevant laws and regulations shall be recorded in the minutes.</p>
<p>Article 19 - Article 47 (provisions omitted)</p>	<p>Article 20 - Article 48 (as currently)</p>
<p>(newly established)</p>	<p><u>(Auxiliary Provisions)</u>  Article 1: <u>The amendments to Article 1 and Article 2, Article 9 Paragraph 4, the establishment of Article 10 as well as the renumbering of the articles which accompanies their new establishment will take effect as of January 1, 2015.</u>  Article 2: <u>The auxiliary provisions here are to be eliminated following the effect of the amendments to the Articles of Incorporation ordained in the preceding article of entry.</u></p>

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