

Summarized Translation

Financial Results Overview (First Half of the 25th Term)

May 20th, 2015
EPS Holdings, Inc.

Regarding the handling of this document

The earnings estimates and future predictions described in this document are made by our company based on the available information at the time of the creation of the document, and contain potential risks and uncertainties. Therefore, due to various factors such as change in business environment, it is possible that actual earnings results may differ greatly from the future outlook mentioned or described herein.

We have approached the creation of this document with caution, to ensure correctness. However, it is not a guarantee of completeness. Our company cannot be held liable for any problems or damages arising as a result of the information in this document. We appreciate your understanding.

■ For inquiries about this document
EPS Holdings, Inc.
Corporate Planning Office
e-mail : ir@eps.co.jp

Contents

1. **Financial Results Overview** (First Half of the 25th Term)
2. **Full Year Estimates**
3. **Future Business Strategies**
 - **Mid-term Targets**
 - **EKISHIN Business**

President & COO Shinro Tashiro

Contents

- 1. Financial Results Overview (First Half of the 25th Term)**
2. Full Year Estimates
3. Future Business Strategies
 - Mid-term Targets
 - EKISHIN Business

The 25th Business Segment of EPS Group



First Half of The 25th Term Earnings Conditions (Consolidated)

(UNIT:JPY MILLION)

	24 th First Half Results	Budget	25 th First Half Results	Ratio for Budget(%)	Y o Y(%)
Net Sales	19,852	21,396	22,052	103.1%	111.1%
Operating Income (%)	1,923 (9.7%)	1,728 (8.1%)	2,439 (11.1%)	141.1%	126.8%
Ordinary Income (%)	1,978 (10.0%)	1,554 (7.3%)	2,508 (11.4%)	161.4%	126.8%
Net Income (%)	896 (4.5%)	651 (3.0%)	984 (4.5%)	151.2%	109.8%

- Sales of the four segments, including CRO Business (Japan), CSO Business (Japan), Global Research Business and EKISHIN Business, increased, allowed overall sales to rise by 11.1% year-on-year and exceed estimates.
- Operating income increased by 26.8% year-on-year and exceeded estimates by 141.1% on the back of the strong rise in profits of CRO Business (Japan) mainly.
- Ordinary income also increased by large margins of 26.8% year-on-year and 161.4% from estimates substantially.

First Half of The 25th Term Segment Earnings Conditions

Net Sales by Business Segment

(UNIT:JPY MILLION)

		24 th First Half Results	Budget	25 th First Half Results	Ratio for Budget(%)	Y o Y(%)
Japan Business	CRO	11,640	12,000	12,415	103.5%	106.7%
	SMO	3,166	3,300	3,127	94.8%	98.8%
	CSO	2,859	3,140	3,372	107.4%	118.0%
Overseas Business	GR	1,070	1,148	1,197	104.3%	111.9%
	EKISHIN	1,577	1,945	2,013	103.5%	127.6%

First Half of The 25th Term Segment Earnings Conditions

Operating Income by Business Segment

(UNIT:JPY MILLION)

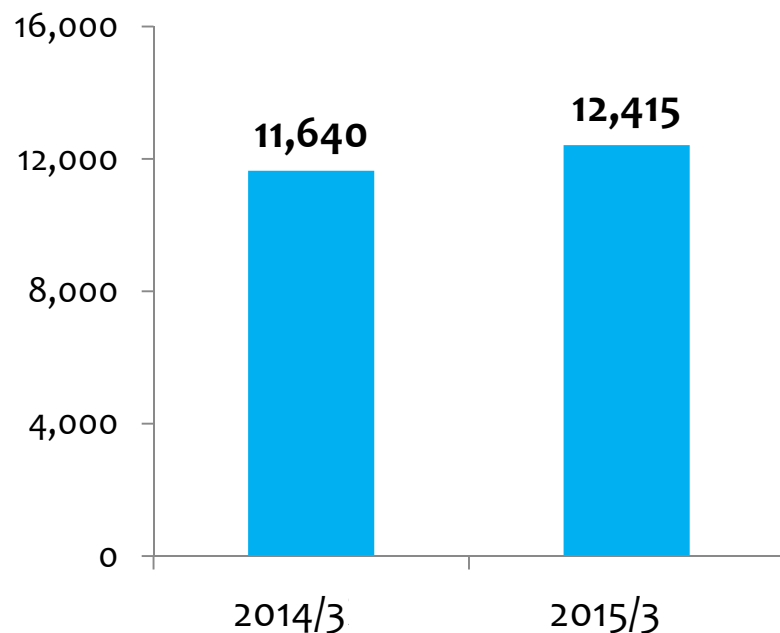
		24 th First Half results	Budget	25 th First Half results	Operating Income ratio	Ratio for Budget(%)	Y o Y(%)
Japan Business	CRO	1,681	1,955	2,862	23.1%	146.4%	- ※
	SMO	475	415	317	10.1%	76.4%	66.7%
	CSO	120	172	208	6.2%	120.9%	173.4%
Overseas Business	GR	-158	-67	-149	-	-	-
	EKISHIN	-172	-80	-122	-	-	-

※ The EPS Group implemented a holding company structure from January 1, 2015. In terms of operating income above, expenses associated with the holding company, which are not allocated to each segment, are disclosed. Because the previous term's earnings data for CRO Business (Japan) contained an equivalent amount of expenses that were associated with the holding company, we do not display year-on-year changes for this data.

CRO Business (Japan)

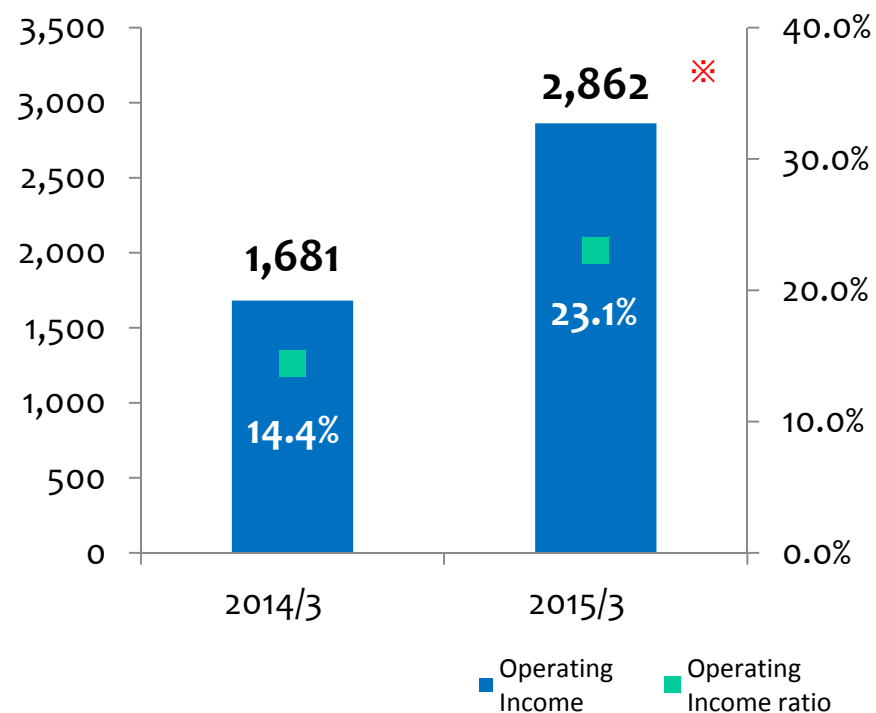
(UNIT:JPY MILLION)

< Net Sales >



(UNIT:JPY MILLION)

< Operating Income >



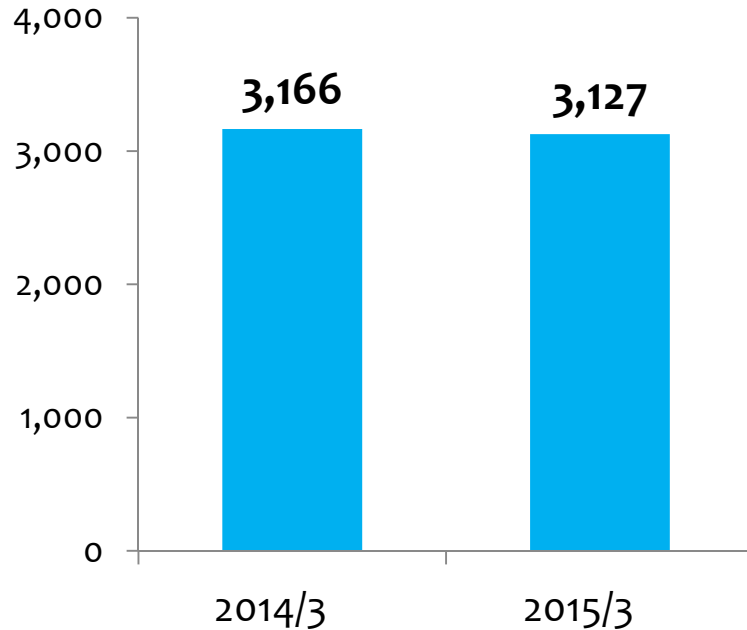
- A favorable trend of Monitoring services in CRO Business (Japan) and a strong recovery of data management services allowed both sales and operating income to grow.

※Operating income in the current term doesn't include expenses associated with the holding company.

SMO Business (Japan)

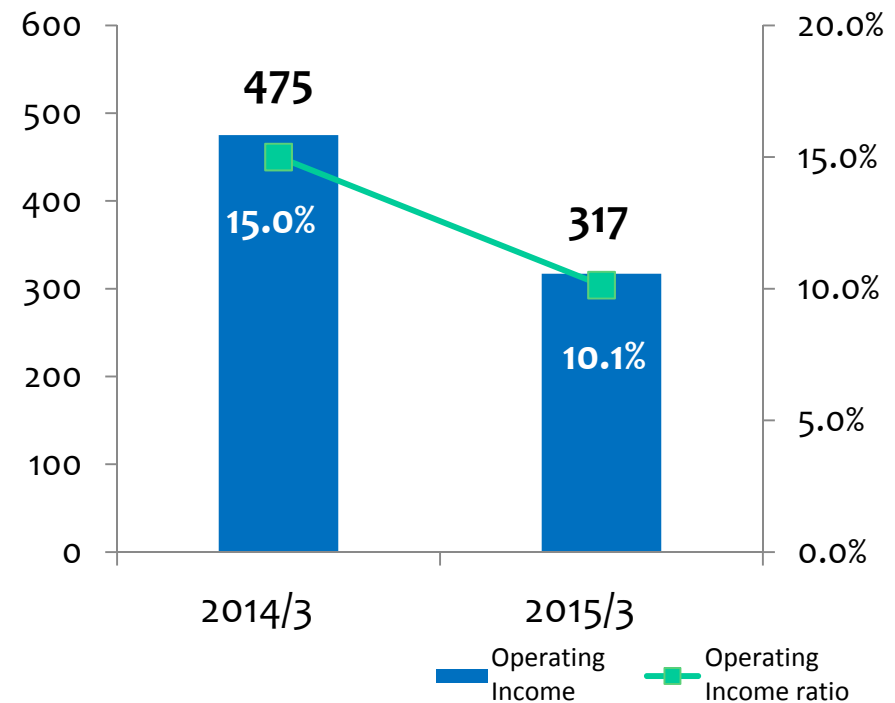
(UNIT:JPY MILLION)

< Net Sales >



(UNIT:JPY MILLION)

< Operating Income >

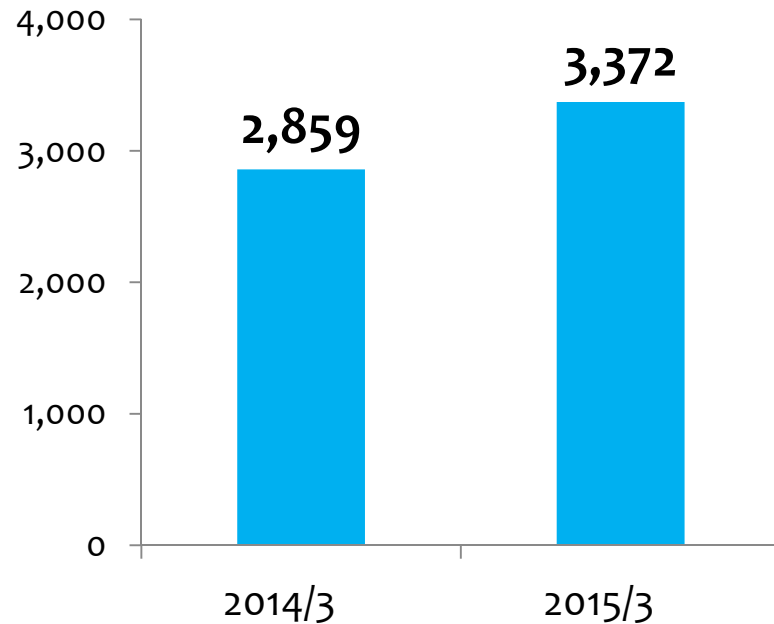


- While wins of trended in line with expectations, delays in patient registrations resulted in a slight decline in sales from the previous year.
- Despite improvements in operational efficiency, operating income fell year-on-year due to increases in anticipatory investments for human resources and other expenses.

CSO Business (Japan)

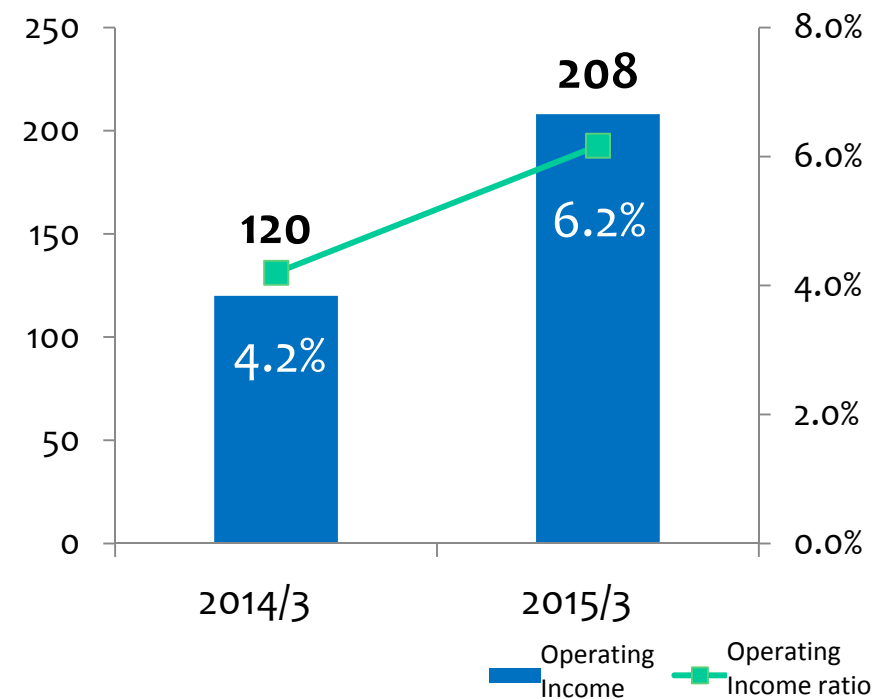
(UNIT:JPY MILLION)

< Net Sales >



(UNIT:JPY MILLION)

< Operating Income >

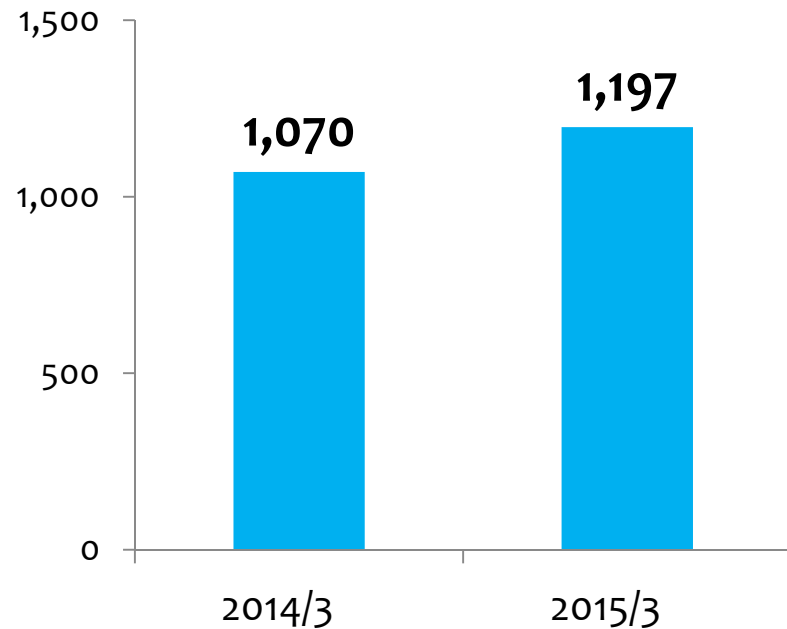


- Successful efforts to fortify our office network and strengthen our hiring function allowed sales to grow from the previous year.
- In PMS (Post market survey) division, implementation of restructuring, including improvement of operational efficiency and cost reduction allowed operating income to increase by a large margin.

Global Research Business

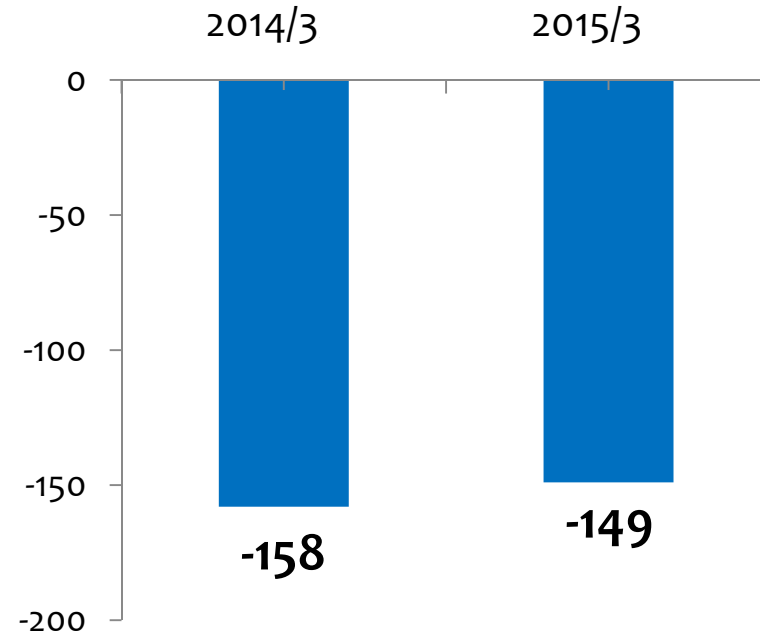
(UNIT:JPY MILLION)

< Net Sales >



(UNIT:JPY MILLION)

< Operating Income >

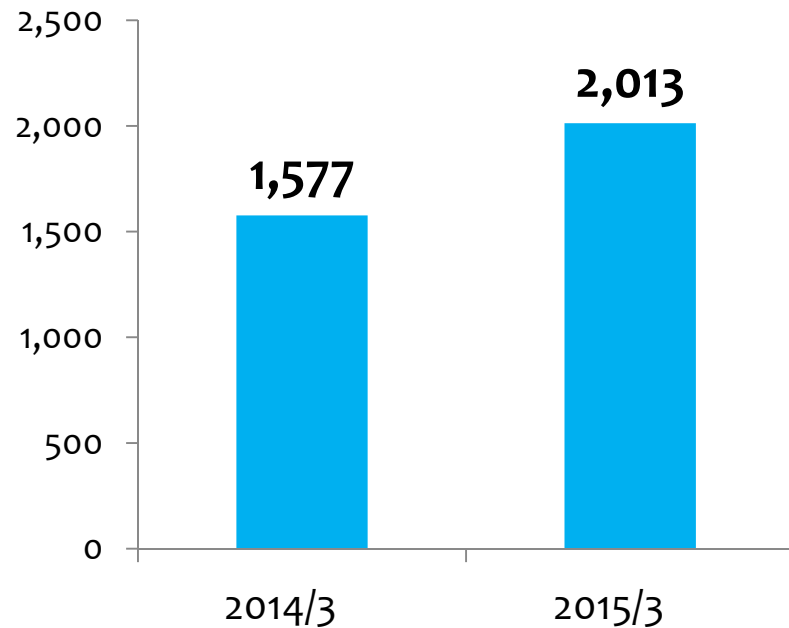


- Sales rose on the back of contributions from large projects in Japan and Asia, and steady progress in projects currently being conducted.
- Improvement of operating loss was limited despite ongoing efforts to reduce costs.

EKISHIN Business

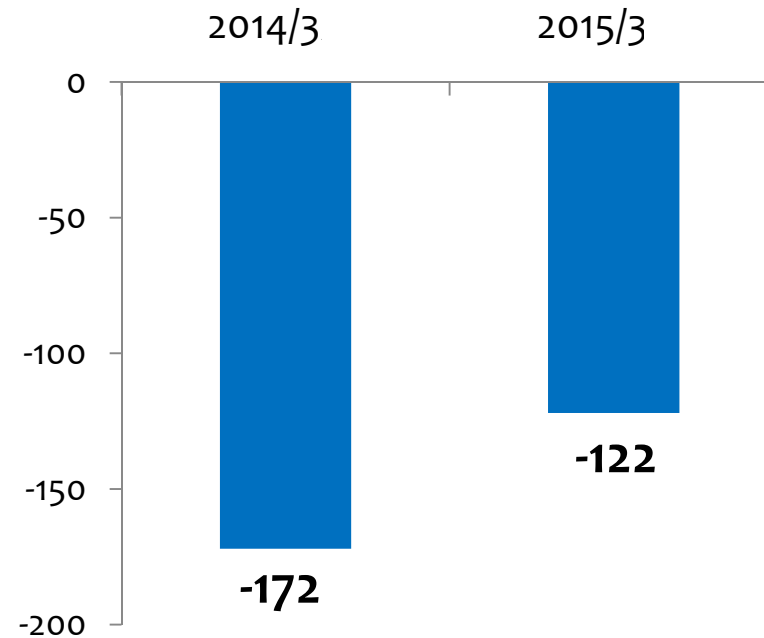
(UNIT:JPY MILLION)

< Net Sales >



(UNIT:JPY MILLION)

< Operating Income >



- Sales rose by thanks to the strong sales of medical equipment.
- Ongoing efforts to restrain costs allowed operating loss to be smaller from the previous term.

First Half of The 25th Term Business Segment Orders

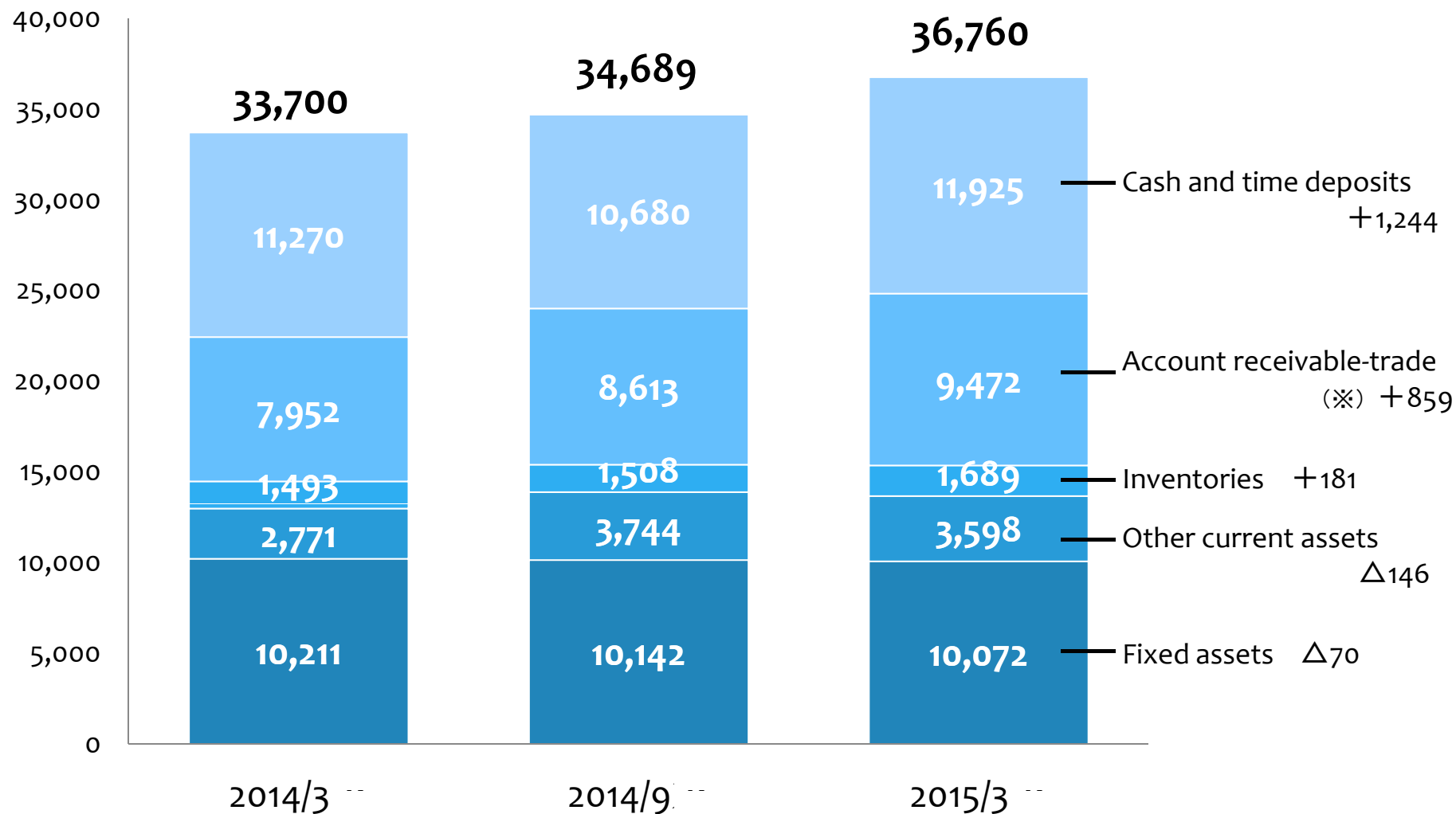
(UNIT:JPY MILLION)

	New Order	Y o Y (%)	Backlog	Y o Y (%)
CRO Business (Japan)	15,927	106.4%	37,942	105.3%
Monitoring	9,495	96.5%	20,746	99.7%
Data Management	5,218	139.6%	15,300	119.6%
CRO Others	1,213	87.6%	1,894	77.6%
SMO Business (Japan)	3,743	116.2%	8,668	112.5%
CSO Business (Japan)	2,981	108.7%	4,381	108.6%
Global Research Business	2,766	258.3%	5,521	176.9%
EKISHIN Business	1,979	111.9%	28	9.9%
Others	471	72.8%	128	81.5%
Total	27,870	114.1%	56,670	110.3%

- CRO Business (Japan) saw 6.4% and 5.3% increases in new orders and order backlog respectively on the back of favorable trends in data management services.
- SMO Business (Japan) recorded a 16.2% year-on-year increase in orders on the back of efforts to strengthen the marketing structure including proposal based marketing.
- Strengthened company wide marketing efforts allowed CSO Business (Japan) to record growth in new orders and order backlog rose of 8.7% and 8.6% respectively.
- Global Research Business was able to record 158.3% and 76.9% year-on-year growth in new orders and order backlog respectively.
- Because of the short time from orders to booking of sales in our EKISHIN Business, we only provide data for the sake of reference.

Balance Sheets (ASSETS)

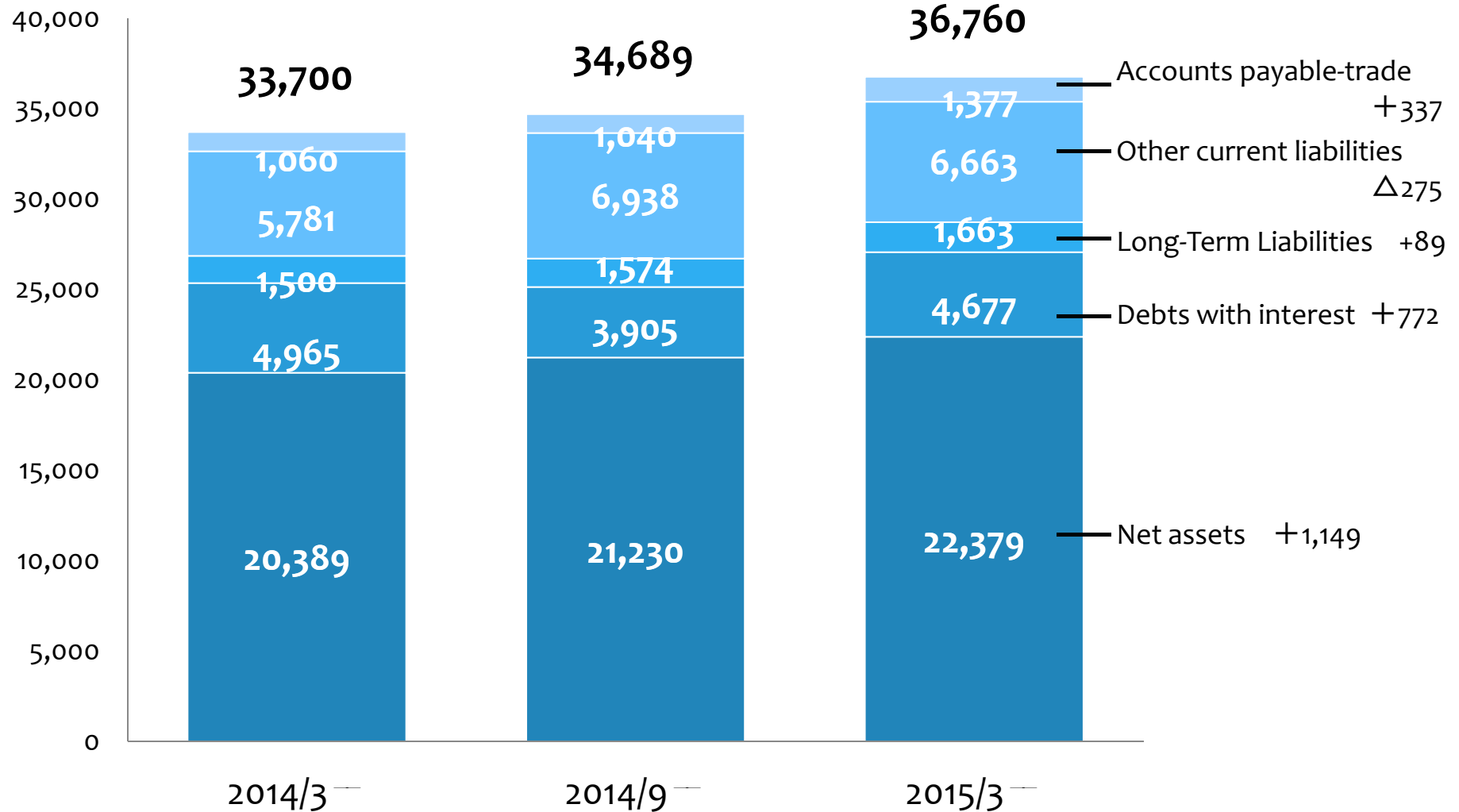
(UNIT:JPY MILLION)



※Account receivable-trade include only notes and accounts receivable.

Balance Sheets (LIABILITIES/NET ASSETS)

(UNIT:JPY MILLION)



Cash Flows

(UNIT:JPY MILLION)

	24 th First Half Results	25 th First Half Results	Fluctuation
Operating Activities	2,509	567	△ 1,942
Investing Activities	△ 2,267	△ 718	1,549
Financing Activities	716	362	△ 354
Effect Of Exchange Difference On Cash & Cash Equivalents	136	221	85
Net Increase (Decrease) In Cash And Cash Equivalents	1,093	433	△ 660
Beginning Of Balance, Cash And Cash Equivalents	10,629	11,692	1,063
Ending Of Balance, Cash And Cash Equivalents	11,723	12,126	403

Contents

1. Financial Results Overview (First Half of the 25th Term)
2. **Full Year Estimates**
3. Future Business Strategies
 - Mid-term Targets
 - EKISHIN Business

The 25th Full Year Earnings Estimates (Consolidated)

No changes
to our data

(UNIT:JPY MILLION)

	24 th Results	25 th Budget	Y o Y(%)
Net Sales	41,800	44,120	105.6%
Operating Income (%)	4,491 (10.7%)	4,625 (10.5%)	103.0%
Ordinary Income (%)	4,242 (10.1%)	4,327 (9.8%)	102.0%
Net Income (%)	1,828 (4.4%)	1,937 (4.4%)	106.0%

- Sales expected to steadily expand
- Operating income expected to gradually grow
 - Organization and strategy to be fortified in the current term

The 25th Full Year Earnings Estimates (By Business Segment)

No changes
to our data

(UNIT:JPY MILLION)

		Net Sales	Y o Y(%)	Operating Income	Operating Income ratio (%)	Y o Y(%)
Japan Business	CRO	24,833	102.7%	4,612	18.6%	-
	SMO	6,800	108.2%	950	14.0%	105.4%
	CSO	6,500	108.8%	350	5.4%	135.1%
Overseas Business	GR	2,226	101.6%	-50	-	-
	EKISHIN	4,050	115.5%	0	-	-

Note: Operating incomes of each business segments above show the numbers before subtracting allocation costs resulting from holding structure transformation

- We have made no changes to our full year estimates at this time
- We will continue to monitor conditions within each of our business segments closely

Strategies in The 25th Term (By Business Segment – Japan)

CRO Business (Japan)

- Strict cost of sales control, business expansion based upon obtaining of new clients
- Secure new resources, optimize system by reviewing and leveraging resources in Group-wide
- Expand synergies derived from EPS Associates

SMO Business (Japan)

- Improve customer satisfaction through project progress management
- Expand facilities in the oncology area, cultivate CRCs
- Fortify unity of group operations through delisting, conversion to 100% owned subsidiary

CSO Business (Japan)

- Fortify, introduce new services including a service that integrates MRs and call centers
- Aggressive market launch, deployment of highly unique services to ensure high competitiveness

Strategies in The 25th Term (By Business Segment – Overseas)

GR Business

- Obtaining, execution of new global clinical trials
 - ✓ Strengthen marketing in Japan, Asia, and Pacific regions
 - ✓ Leverage our regional coverage spanning over 10 countries
- Strengthen integrated operations of GR services through implementation of an intermediate holding company

EKISHIN Business

- Expand medical equipment sales
- Strengthen investment management through licensing out of pharmaceutical development rights
- Develop non-clinical trial materials trading firm function
- Strengthen integrated operations of EKISHN business through an intermediate holding company

Contents

1. Financial Results Overview (First Half of the 25th Term)
2. Full Year Estimates
3. **Future Business Strategies**
 - **Mid-term Targets**
 - EKISHIN Business

Mid-term Term Business Strategy

<Goal Three Years Forward>

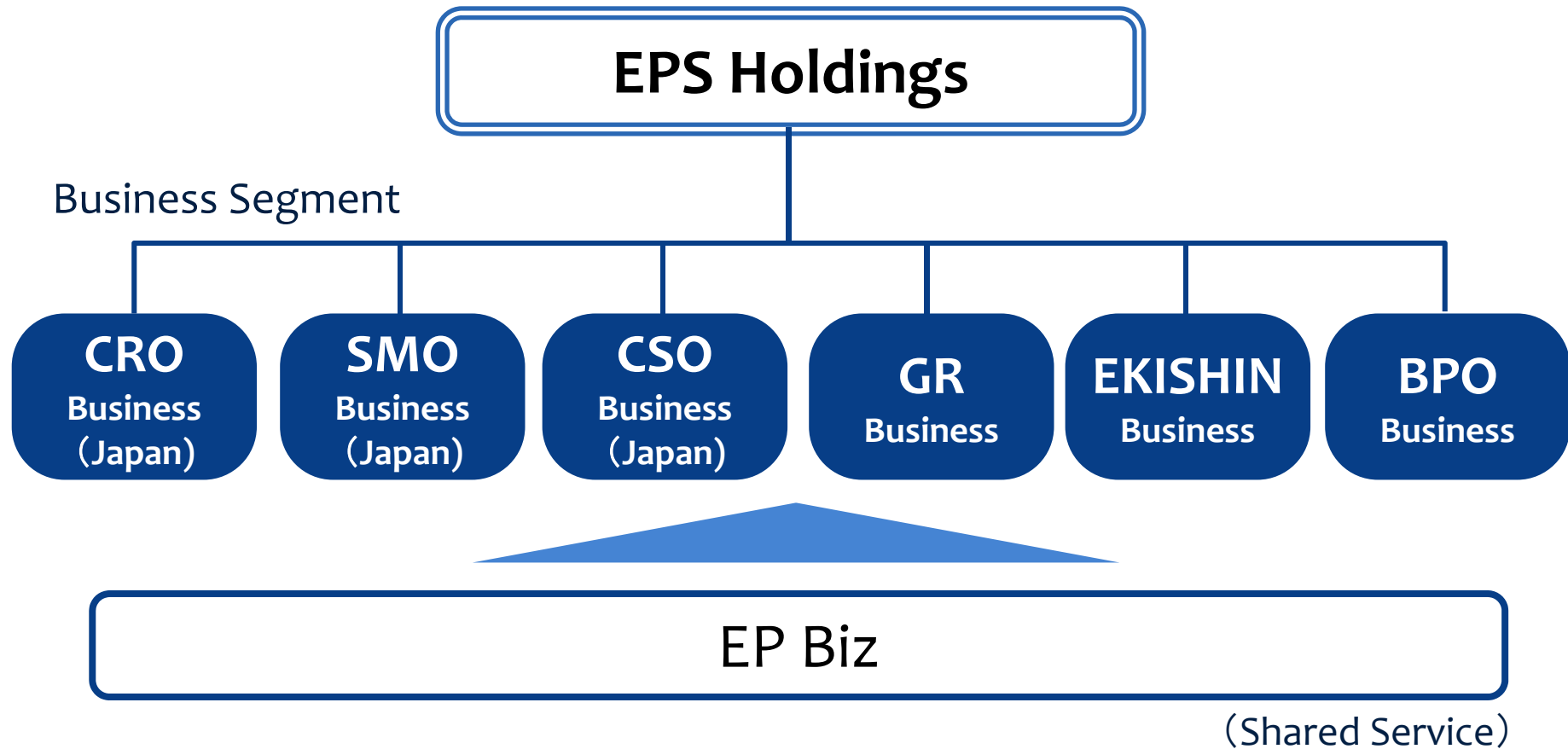
- Establish a business structure that can achieve sustainable growth within Japan
- Become an Asian and global CRO services provider originated in Japan
- Become a specialist health care trading firm connecting Japan to China and South East Asia

<Various Business Segments: Themes of Our Mid-term Business Strategy>

- CRO (Japan): Become overwhelming industry leader
- SMO (Japan): Become overwhelming industry leader
- CSO (Japan): Become the leading company with unique services
- Global Research: Become an Asian and global CRO services provider originated in Japan
- EKISHIN: Become a specialist health care trading firm connecting Japan to China and South East Asia
- Overall Group: Establish Group management, optimize administrative division

EPS Group Management System

New organization from January 1, 2015

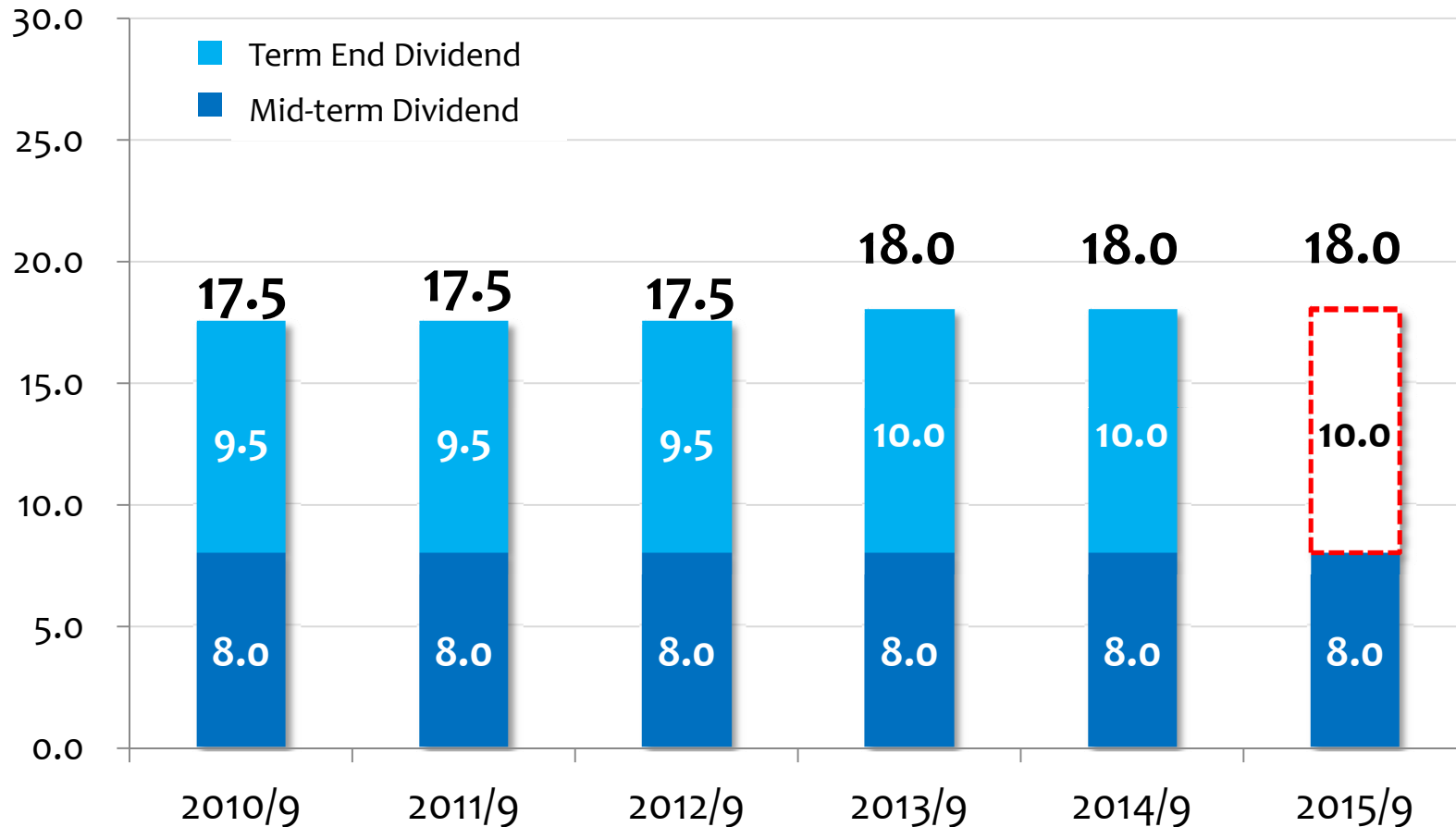


Objective of Transition to a Holding Company Structure

1. Establish independent and autonomous management structures for each business segment.
2. Promote improvements in efficiency and visibility of administrative function (Promotion of EP Biz's shared services).
3. Pursue new growth opportunities; cultivate human resources to become the next generation of managers.

Dividend Trends Per Share

(UNIT:JPY)



※The dividend conditions shown in the above graph reflects retroactive revised data that takes into considering the effect of a stock split.

We seek to maintain a stable level of dividend (over 30% payout ratio)

Mid-term Numerical Targets: Sales, Operating Income (Consolidated)

(UNIT:JPY MILLION)

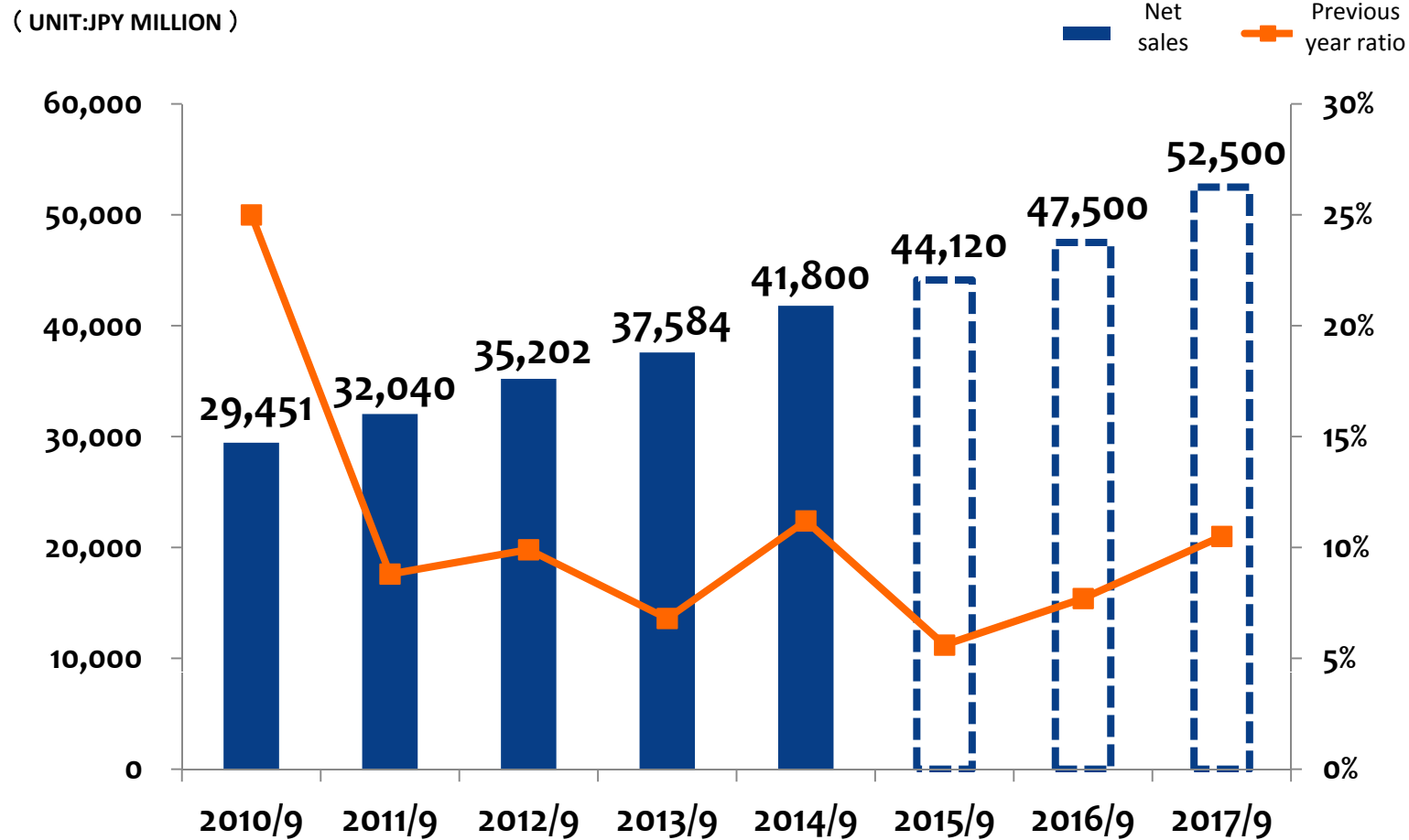
	2015	Y o Y(%)	2016	Y o Y(%)	2017	Y o Y(%)
Net Sales	44,120	105.6%	47,500	107.7%	52,500	110.5%
Operating Income	4,625	103.0%	5,500	118.9%	6,700	121.8%
Operating Income Ratio (%)	(10.5%)		(11.6%)		(12.8%)	

Mid-term Numerical Targets: Business Segment Sales

(UNIT:JPY MILLION)

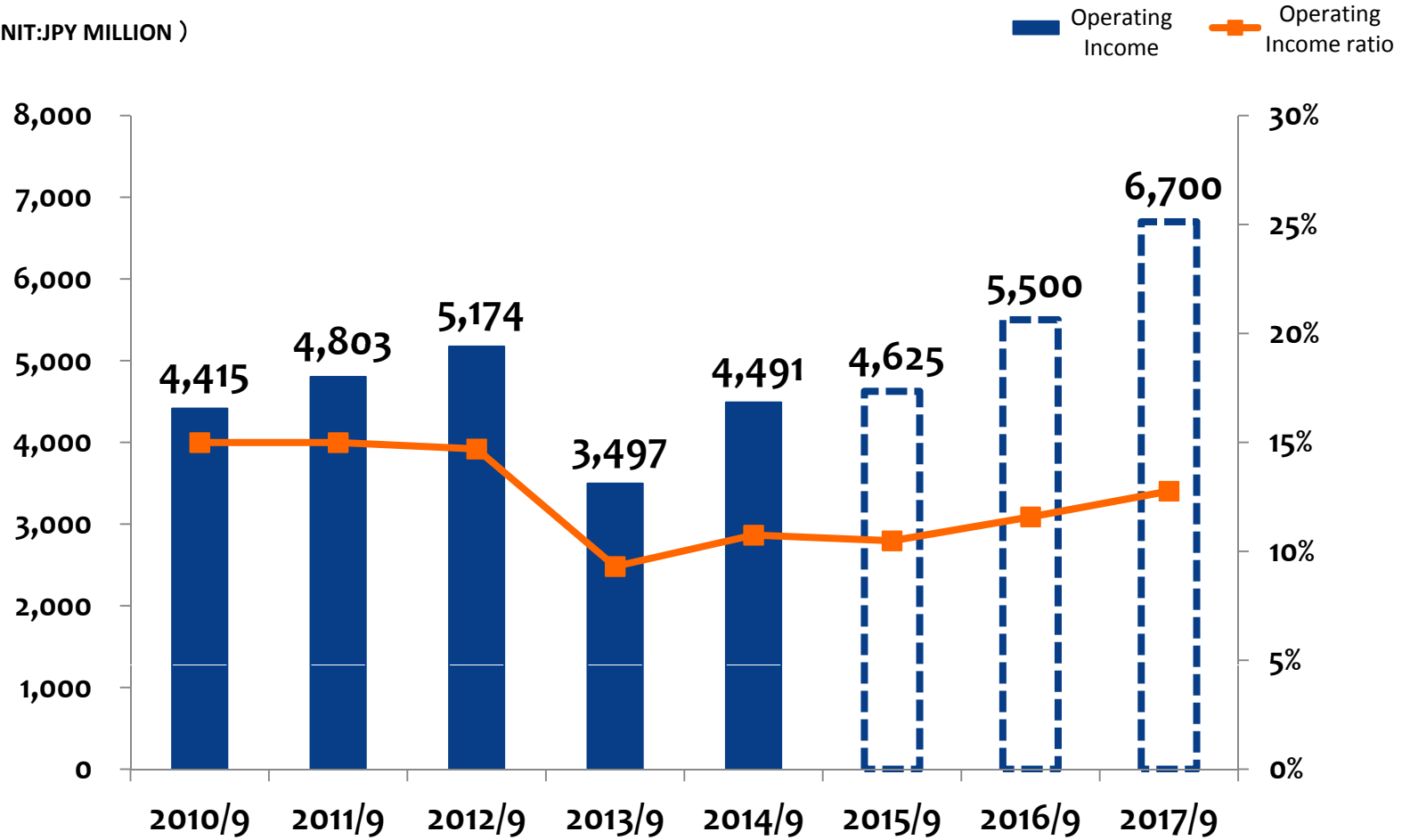
		2015	Y o Y(%)	2016	Y o Y(%)	2017	Y o Y(%)
Japan Business	CRO	24,833	102.7%	27,000	108.7%	29,700	110.0%
	SMO	6,800	108.2%	7,500	110.3%	8,300	110.7%
	CSO	6,500	108.8%	7,200	110.8%	8,000	111.1%
Overseas Business	GR	2,226	101.6%	2,400	107.8%	3,000	125.0%
	EKISHIN	4,050	115.5%	5,000	123.5%	7,000	140.0%

Sales Trend, Year-On-Year Change



Operating Income Trend, Operating Margin

(UNIT:JPY MILLION)



EKISHIN Business

EPS Holdings

Chairman & CEO Yan Hao

EKISHIN Business Overview

①

EPS Holdings



100%

EPS EKISHIN



100%

EPS (China)

Capital : 100 million yen

Representative : Yan Hao

Establishment : 1st October, 2013

Locations : Shinjuku-ku, Tokyo, Japan

Capital : 45 million dollar

Representative : Yan Hao

Establishment : 26th December, 2008

Locations : Suzhou, China



EKISHIN Business Overview ②

EPS EKISHIN (Operating Holding company)

- (1) LSG Service
(Research materials for use by laboratories)
- (2) C&L Service (Consulting)
- (3) Investment Management Service
(Increase value of business investments)
 - ① Investment Fund
(GEP New Drug Development)
 - ② EP-SIYAO(Changzhou) Technology
(Generic Drug Development)
 - ③ EPC Pharmaceutical Holding
(Pharmaceutical Product Distribution, Sales)
 - ④ Family Doctor Online
(Internet Sales, Market Research, Advertising)
 - ⑤ Others, Minor Investment Projects

EPS (China) (Pure Holding company)

- 1) Medical Device Manufacture, Sales
 - ET-Medical Technology (Suzhou)
 - ET-Medical Device (Nantong)
- 2) Other Services
 - Tenant Services (EP-Biz China)
 - Training, Seminar Services
(Suzhou EPS Vocational Training School)

With Regards to EKISHIN Business's Future Strategy

Business Management Supervision

- LSG Services Division + C&L Services Division
: Turn to Profits
- ET-Medical Technology (Suzhou)
+ ET-Medical Device (Nantong)
: Expand Sales, Grow Profits
- Tenant Management + Training Services
: Turn to Profits
- Administrative Division (Tokyo + Suzhou)
: Reduce Costs
- Investment Management (Non-Consolidated Company)
: Reduce non-operating loss, improve business value

1. Turn loss to profit at operating income level
2. Turn loss to profit at ordinary income level
3. Grow asset value

Diversify earnings of the medical Device business

Medical Device Sales

→ ET-Medical Technology (Suzhou)

+

Medical Device Manufacture

→ ET-Medical Device (Nantong)

Currently:
Primarily Device imports and sales

+

Future:
Add equipment manufacturing to expand sales, grow profits

Initial estimates (October 2014 to September 2015)
Units: Thousand Yen

ET-Medical Technology (Suzhou) Sales

Sales : 3,600,000

Operating Income : 140,000

Operating Income Margin : 3.7%





Thank you

<Contact> E-Mail; ir@eps.co.jp