

September 28, 2015

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**Notice Concerning the Business Integration of EPS Holdings, Inc. and Sogo Rinsho HD Holdings Co., Ltd.
Through a Share-For-Share Exchange**

EPS Holdings, Inc. (hereinafter referred to as "EPSHD") and Sogo Rinsho Holdings Co., Ltd. (hereinafter referred to as "Sogo Rinsho HD") will integrate their businesses according to a resolution made on September 28, 2015 by their respective Boards of Directors. The merger will be effective (according to plans) January 1, 2016, with EPSHD as the full parent company and Sogo Rinsho HD as the full subsidiary through a share-for-share exchange (hereinafter referred to as "share exchange"). This document is to notify the share exchange agreement reached between the two companies.

Execution of the share exchange shall be contingent upon approval at the Annual General Meeting of Shareholders for EPSHD to be held on December 22, 2015 and the Extraordinary Meeting of Shareholders for Sogo Rinsho HD to be held on December 17, 2015, and after passage of the legal waiting period according to the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade, Article 10, Clause 2, and only if measures to block the share exchange are not taken by the Fair Trade Commission.

Prior to the effective date of the share exchange, the stock of Sogo Rinsho HD is planned to be delisted from Section 1 of the Tokyo Stock Exchange (hereinafter referred to as "TSE Section 1") on December 28, 2015 (with the last trading day on December 25, 2015).

In addition, after the business integration, organizational restructuring is planned for the SMO Business operated by Sogo Rinsho HD. The details and schedule for this restructuring are as yet undetermined and will be disclosed as they are decided.

1. Purpose of the share exchange and organizational restructuring

Pharmaceutical companies in the medical products industry are the main Group customers of both EPSHD and Sogo Rinsho HD. In recent years, this industry has faced difficulty generating new drugs, has experienced more stringent approval requirements for new drugs, and has seen restructuring of the health care system, all of which have brought an operating environment that is continually challenging. Pharmaceutical companies are increasingly outsourcing tasks under an environment of rising R&D costs and expiring patents for revenue-driving drugs, while the companies work to optimize their operating structures and for faster and more efficient product development.

As its operating environment transforms in terms of drug and medical device development, EPSHD has set a basic management policy to "We will contribute to the advancement of the healthcare industry by providing high value added solutions to our clients." Within Japan, EPSHD operates its CRO Business,*1 SMO Business,*2 and CSO Business.*3

Outside Japan, the company operates Global Research Business*4 involved in clinical trials and EKISHIN Business.* 5 The CRO Business is operated under EPS Co., Ltd. Since its establishment, it has expanded the size of its business as a leading company. In addition to each outsource service line for clinical trials, EPS Co., Ltd. provides full-line and comprehensive services from planning to drug approval applications. The SMO Business is operated under EP Mint Co., Ltd., whose mission is to support the suitable and smooth progress of tasks related to clinical trials conducted by medical institutions. The company is heavily involved in the therapeutic areas of intractable diseases such as cancer, circulatory system diseases, and neurosurgical diseases, as well as many projects related to high blood pressure, hyperlipemia, diabetes and other lifestyle diseases. The company keeps growing with an aim to be a trusted partner for clinical trials. It is making efforts to accelerate business performance by expanding its alliances with superior medical institutions and through management, execution, and facilitation of operational services pertinent to clinical trials, by strengthening project management, and by reinforcing its sales structure with full deployment of proposal-based sales approach.

EPSHD changed to a holding company structure on January 1, 2015. In terms of overall Group management, this change promotes independent management for each business segment and helps enhance clarity of authority and responsibility, as well as back-up systems, which helps build a management structure that maximizes overall corporate value for the Group.

Sogo Rinsho HD, on the other hand, has proclaimed a management philosophy of "contributing to development of health care through on-site support based on responsibility and a high ethical sense," while also working toward realizing a long-term management vision of becoming "a company supporting comprehensive health care services." The company is working to expand the scale of its core SMO Business and peripheral businesses, and is working to start new business ventures.

Sogo Rinsho HD, since its establishment "in the trenches" in the health care industry in 1989, has grown its business as a pioneer in the SMO industry and has been a leader in industry development. Its core SMO Business has grown primarily around Sogo Rinsho Science Co., Ltd., but also alongside Asmo Clinical Pharmacology Laboratories Ltd. and JBS Co., Ltd. This growth includes 24 business sites across Japan, alliances with approximately 3,500 medical institutions (in large part highly specialized clinics across Japan), which is the largest number in the industry, and with specific expertise in the fields of orthopedic surgery and lifestyle-related diseases. The company also has a presence in the therapeutic areas of central nervous system disorders, which is a field that has shown significant growth in recent years, and the company is actively working to support clinical trials in advanced medical treatments in alliances with major university hospitals and central hub hospitals. The company is also actively working to improve customer satisfaction by enhancing CRC*6 education and training, thoroughly ensuring quality assurance, and bolstering management of projects process progress.

Also, in peripheral businesses, the company has preceded other companies in the field of central nervous system disorders, through clinical trials with psychological evaluation projects.*7 These projects use psychologists to conduct evaluations, operated by Sogo Rinsho Science Co., Ltd., and are winning trust particularly with companies with overseas ownership. Regarding the CRO Business, Sogo Rinsho Medefi Co., Ltd. provides services lending support to clinical research and is steadily growing its business. Furthermore, on September 1, 2015, Sogo Rinsho M Care Co., Ltd. was established, marking the start of initiatives toward developing business in the mental health care field.

The groups of both companies concluded a capital and business alliance agreement in March 2013 intended to assist with supplementing and cooperating in their business endeavors in implementing clinical trials and clinical research mainly in the SMO Business. Specifically, subsidiaries of both companies developing SMO Business are complementing each other in their key regions, disease fields, and types of medical institutions they ally with, which is a business relationship that allows greater breadth of proposals to customers and increased competitive strength leading to further business development. However, the client pharmaceutical companies are increasingly demanding not only higher quality of pharmaceutical product development support, but also lower price and greater speed of SMO's services. In order to improve the speed and efficiency of clinical trials, there is an increasing call for providing comprehensive management while maintaining the independence of both CRO and SMO. To meet these growing needs of the clients, both of the company groups in recent years share growing awareness of the needs to train CRCs to be more competent, and to promote computerization for more efficient and precise operations, as well as to create and provide services by business expansion in integrated effort of the group as a whole.

This business integration between EPSHD and Sogo Rinsho HD is intended to handle the business environment in the

industry and to stimulate earnest consideration of the objectives of the companies. After the integration, the companies will work to expand the scope of their business to achieve further growth as a leading company in the market, wielding their CRO Business and the industry's largest number of CRC (1,000 strong) in the their SMO Business. To that end, both companies hereby consent to the conclusion of this share exchange agreement.

After the business integration, EPSHD will pursue further improvement and strengthening of the group's operations, while also working to further improve corporate value as a group. Through the share exchange, EPSHD will strive to meet the expectations of its shareholders, including Sogo Rinsho HD shareholders who will become owners of EPSHD shares.

Notes on abbreviations used:

*1 CRO: Abbreviation for Contract Research Organization. An organization that contracts to carry out drug development tasks. Includes organizations (or individuals) who take on contracts from pharmaceutical companies, etc. to handle various tasks related to operations and management for carrying out pharmaceutical companies' clinical trials.

*2 SMO: Abbreviation for Site Management Organization. A support organization offering facilities for clinical trials. Includes organizations (or individuals) who take on contracts from pharmaceutical companies, etc. to handle some of the tasks related to carrying out pharmaceutical companies' clinical trials.

*3 CSO: Abbreviation for Contract Sales Organization. An organization that contracts to carry out marketing and sales tasks for pharmaceutical products. Organizations (or individuals) who take on contracts from pharmaceutical companies providing or gathering information on the appropriate use (efficacy, side effects, etc.) of pharmaceutical products through medical representatives (MRs) who represent pharmaceutical companies in sales and marketing tasks, or work on behalf of pharmaceutical companies, visiting medical institutions.

*4: Global Research Business: A business involved with overseas clinical trials. They carry out CRO Business in China, Hong Kong, Taiwan, South Korea, Singapore, and elsewhere.

*5 EKISHIN Business: A specialized trading company in the Japan-China healthcare industry and comprised of three segments: a medical device business, a pharmaceuticals business, and a peripheral support business. As a bridge between Japan and China promoting projects with pharmaceutical and healthcare companies, EPS carries out consulting and comprehensive market survey services concerning business development and will leverage its growing network in the Chinese market going forward to respond to industry needs in the two countries.

*6 CRC: Abbreviation for Clinical Research Coordinator, which means a clinical trial coordinator. Under the guidance of medical doctors in charge of clinical trials, CRCs support the trials in ways that do not require medical judgments (helping acquire informed consent, posting and managing case report forms, acting as a contact point for clinical research associates, offering support to trial participants, and helping with management within the team involved with the trial).

*7 Psychological evaluation business: Work that involves carrying out psychological evaluations of trial participants, carried out by clinical psychologists, given the necessity for psychological evaluations in clinical trials in area of the central nervous system, etc. Also involves counseling tasks and psychological support for maintaining health, since clinical psychologists treat patients in psychiatric and psychosomatic medicine departments.

2. Share exchange overview

(1) Share exchange schedule

Date for approval by Board of Directors (both companies)	September 28, 2015
Date of conclusion of the share exchange agreement (both companies)	September 28, 2015
Record date for General Meeting of Shareholders (EPSHD)	September 30, 2015

Date of public notice of the record date for the Extraordinary Meeting of Shareholders (Sogo Rinsho HD)	October 16, 2015 (planned)
Extraordinary Meeting of Shareholders record date (Sogo Rinsho HD)	October 31, 2015 (planned)
Meeting of Shareholders to approve the share exchange (Sogo Rinsho HD)	December 17, 2015 (planned)
Meeting of Shareholders to approve the share exchange (EPSHD)	December 22, 2015 (planned)
Last trading day (Sogo Rinsho HD)	December 25, 2015 (planned)
Delisting day (Sogo Rinsho HD)	December 28, 2015 (planned)
Date of execution of the share exchange	January 1, 2016 (planned)

*1 The above schedule is subject to change by consent of both companies.

(2) Method of share exchange

The share exchange will be conducted between EPSHD as the full parent company and Sogo Rinsho HD as the full subsidiary. The share exchange will be executed effective on January 1, 2016 after approval by both companies of the share exchange agreement at the EPSHD General Meeting of Shareholders scheduled for December 22, 2015 and the Sogo Rinsho HD Extraordinary Meeting of Shareholders scheduled for December 17, 2015.

(3) Details of share allotment through the share exchange

	EPSHD (share exchange full parent company)	Sogo Rinsho HD (share exchange full subsidiary)
Share exchange ratio	1	0.39
New shares issued through the share exchange	7,764,610 shares of common stock (planned)	

Note 1: Share exchange ratio

0.39 shares of EPSHD stock shall be allotted for each common share of Sogo Rinsho HD stock. However, shares of EPSHD stock shall not be allotted to the 647,100 shares of Sogo Rinsho HD common stock currently held by EPSHD.

Note 2: New shares issued through the share exchange

At the time of the share exchange, EPSHD shall issue 0.39 new shares of new EPSHD common stock for each share of Sogo Rinsho HD stock held by Sogo Rinsho HD shareholders (excluding EPSHD) immediately before (hereinafter referred to as the "base time") EPSHD acquires all of the issued shares of Sogo Rinsho HD (excluding the shares of Sogo Rinsho HD already held by EPSHD).

With regard to the stock held up to the record date (including treasury shares acquired through share purchases relating to claims by dissenting shareholders based on the Companies Act, Article 785, paragraph 1 regarding exercise of this share exchange), Sogo Rinsho HD shall, according to decision by its Board of Directors meeting the day before the effective date of the share exchange, cancellation all of its stock on the record date.

Also, the number of new shares issued by EPSHD through this share exchange shall be calculated based on the number of shares Sogo Rinsho HD has issued as of July 31, 2015 (21,548,000 shares total) and the number of treasury shares held by Sogo Rinsho HD (991,643 shares). The number of new share warrants issued due to the deletion of Sogo Rinsho HD treasury shares and due to share issuance by Sogo Rinsho HD may be revised due to exercise, etc. of new share warrants by holders of said warrants.

Note 3: Treatment of odd-lot shares

Sogo Rinsho HD shareholders with odd-lot shares (shares less than 100 shares) of EPSHD through this share exchange shall be allowed to use the program(s) explained below with regard to EPSHD shares after the execution date of the

share exchange. Note that the sale of odd-lot shares on financial exchange markets is not possible.

1 Purchase program for odd-lot shares (sale of shares less than 100 shares)

Based on the Companies Act, Article 192, paragraph 1, holders of odd-lot shares of EPSHD shall be allowed to have those shares purchased by EPSHD.

2 Purchase program for additional shares when holding odd-lot shares (acquiring 100 share lots)

Based on the Companies Act, Article 194, paragraph 1, and based on the EPSHD Article of Incorporation, holders of odd-lot shares of EPSHD shall be allowed to request to purchase common shares from EPSHD in order to raise their odd-lot shares to one share unit (which is equal to 100 shares).

Note 4: Treatment of fractional shares (less than a whole share)

Sogo Rinsho shareholders who acquire fractional shares of EPSHD stock through this share exchange shall, according to the Companies Act, Article 234, and other relevant laws and regulations, receive the proceeds of the sale of the total number of fractional shares (rounded to zero if the total fractional shares does not equal 1 share), said sale being of the equivalent number of EPSHD shares.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights accompanying this share exchange

If this share exchange is approved at the Sogo Rinsho HD Extraordinary Meeting of Shareholders to be held on December 17, 2015, and the EPSHD General Meeting of Shareholders to be held on December 22, 2015, Sogo Rinsho HD shall freely acquire and delete all stock acquisition rights issued by Sogo Rinsho HD on the date separately stipulated by the Sogo Rinsho HD Board of Directors by the day before the share exchange is executed.

However, if Sogo Rinsho HD freely acquires stock acquisition rights issued on November 27, 2014, Sogo Rinsho HD shall pay compensation to parties from whom the stock acquisition rights are acquired, per approval by the Sogo Rinsho HD Extraordinary Meeting of Shareholders scheduled for December 17, 2015.

Note that Sogo Rinsho HD has not issued bonds with stock acquisition rights.

3. Reasons, etc. for the decided allotment through the share exchange

(1) Basis and reasons for the decided allotment

As indicated in the "Purpose of the Share Exchange and Organizational Restructuring" in (1) above, EPSHD and Sogo Rinsho HD concluded a capital and business alliance agreement in March 2013, and they have discussed the objectives of cooperative relationship and capital policy measures. As the business environment surrounding both companies grows increasingly challenging, the share exchange was considered, starting around July 2015, as the groups of both companies were increasingly aware of the need to rally within the group to generate and provide services by expanding business. Earnest discussion followed on several occasions, about the industry environment and the objectives of both companies. As a result, they made a decision for this business integration through a share exchange, which is intended to help the companies be a yet stronger leader in the CRO and SMO Businesses and further boost future corporate value.

The share exchange ratio indicated in 2. (3) above, is, as will be indicated in (4) below, based on share exchange ratio calculations to be performed by third party institutions. EPSHD has selected Mizuho Securities and Sogo Rinsho HD has selected SMBC Nikko Securities for this. Both companies have received share exchange ratio calculations and advice submitted by these third party analysts. Both companies performed due diligence on the other party. All these results have been taken into consideration, along with the financial conditions, business performance trends, stock price trends, etc. of both companies. Deliberation and negotiation has been carefully carried out. As a result, both companies finally determined and agreed that the share exchange ratio indicated in 2. (3) above was appropriate and in the interest of the shareholders of each company.

(2) Matters concerning calculations

1. Names of analyst institutions and their relationship with the merging parties

Mizuho Securities and SMBC Nikko Securities are both third parties independent of EPSHD and Sogo Rinsho HD, with no conflicts of interest toward either company and no material interest that should be described regarding this share exchange.

2. Overview of calculations

For the valuation model regarding the market value of EPSHD shares on Section 1 of the Tokyo Stock Exchange, Mizuho Securities carried out calculations using the market price valuation and the discounted cash flow (DCF) model to assess the value of future business operations of EPSHD. With the average market price method, September 25, 2015 was used as the calculation base date. Various stock market conditions during the period under consideration were taken into account, looking at the 1-month (August 26 to September 25, 2015), 3-month (June 26 to September 25, 2015), and 6-month (March 26 - September 25, 2015) periods prior to the calculation base date. The simple average closing price of the stock on the TSE (Section 1) was used. In the financial forecasts assumed in the DCF model calculations, there were no fiscal years with significant expected changes in earnings. Also, the financial forecasts are not predicated upon the share exchange being executed. And, with regard to Sogo Rinsho HD, which is listed on Section 1 of the TSE, the average market price method, since the company has a public stock price, and the DCF method, which reflects future business activity in the valuation price, were used for calculations. With the average market price method, September 25, 2015 was used as the calculation base date. Various stock market conditions during the period under consideration were taken into account, looking at the 1-month (August 26 to September 25, 2015), 3-month (June 26 to September 25, 2015), and 6-month (March 26 - September 25, 2015) periods prior to the calculation base date. The simple average closing price of the stock on the TSE (Section 1) was used. In the financial forecasts assumed in the DCF model calculations, there were no fiscal years with significant expected changes in earnings. Also, the financial forecasts are not predicated upon the share exchange being executed.

Below are results from each calculation method where the stock value of one EPSHD share is 1.

Method employed	Share exchange ratio calculations
Market price method	0.31–0.33
DCF method	0.30–0.43

In calculating the share exchange ratio, Mizuho Securities used information submitted by both companies, in addition to information publicly available. Mizuho Securities proceeded under the assumption that all of the submitted information, etc. was accurate and complete, though without performing its own independent verification of accuracy and completeness, and that there were no facts undisclosed that could significantly impact their calculations of the share exchange ratio. Also, EPSHD did not independently evaluate or appraise, nor hire a third party institution to evaluate or appraise, the assets and liabilities (including incidental liabilities) of Sogo Rinsho HD and related companies. Regarding both companies' financial overviews used for the calculations, it was assumed that information was logically prepared and written based on the best forecasts and judgments both companies could make at present, and that the resulting calculations reflect the information and economic conditions current as of September 25, 2015.

The resulting share exchange ratio calculations provided by Mizuho Securities are not an expression of the analyst's opinion on the fairness of the ratio for this share exchange.

EPSHD has confirmed the reasonability of the calculation results noted above by receiving explanations from Mizuho Securities on the valuation methods used for the share exchange ratio, and on the assumptions made, the process of the calculations, etc.

With regard to the other analyst company, SMBC Nikko Securities evaluated EPSHD using the average market price method, since the company is listed on the TSE (Section 1) and has a public stock price, and the DCF method, which reflects future business activity in the valuation price. With the average market price method, September 25, 2015 was used as the calculation base date. Various stock market conditions during the period under consideration were taken into account. The simple average closing price up to the calculation base date was used, counting from September 7, 2015 (the business day following the September 4 announcement by Sogo Rinsho HD of its Announcement of Revised Business Performance Forecasts), in addition to the simple average closing price for a 1-month period (from August 26, 2015 to the calculation base date), a 3-month period (June 26, 2015 to the calculation base date), and a 6-month period (March 26 to the calculation base date), all using a simple average of the closing stock prices. In the DCF model, financial forecasts used for the

calculations included no fiscal years with significant changes in earnings. Also, the financial forecasts are not predicated upon the share exchange being executed.

With regard to Sogo Rinsho HD, the average market price method was used, since the company is listed on the TSE (Section 1) and has a public stock price, and the DCF method, which reflects future business activity in the valuation price was also used. With the average market price method, September 25, 2015 was used as the criteria date for calculations. Various stock market conditions during the period under consideration were taken into account. The average closing price up to the calculation base date was used, counting from September 7, 2015 (the business day following the September 4 announcement by Sogo Rinsho HD of its Announcement of Revised Business Performance Forecasts), in addition to the average closing stock price for a 1-month period (from August 26 to the calculation base date), a 3-month period (June 26 to the calculation base date), and a 6-month period (March 26 to the criteria date for valuation calculations), all using an average of the closing stock prices. In the DCF model, financial forecasts used for the calculations included no fiscal years with significant changes in earnings. Also, the financial forecasts are not predicated upon the share exchange being executed.

Below are results from each calculation method where the stock value of one EPSHD share is 1.

Method employed	Share exchange ratio calculation results
Market price method	0.30–0.33
DCF method	0.30–0.43

In calculating the share exchange ratio, SMBC Nikko Securities used information submitted by both companies, in addition to information publicly available. SMBC Nikko Securities proceeded under the assumption that all of the submitted information, etc. was accurate and complete, though without performing its own independent verification of accuracy and completeness. Also, EPSHD did not independently evaluate or appraise, nor hire a third party institution to evaluate or appraise, the assets and liabilities (including incidental liabilities) of Sogo Rinsho HD and related companies. In SMBC Nikko Securities' calculation of the share exchange ratio, it was assumed that information was logically prepared and written based on the best forecasts and judgments both companies could make at present, and that the resulting calculations reflect the information and economic conditions current as of September 25, 2015.

Sogo Rinsho HD has confirmed the logical merit of the calculation results noted above by receiving explanations from SMBC Nikko Securities on the valuation methods used for the share exchange ratio, and on the assumptions made, the process of the calculations, etc.

(3) Outlook for and reasons for delisting

Accompanying the share exchange, EPSHD shall become the full parent company of Sogo Rinsho HD as of January 1, 2016 (planned), which is the execution date of the merger. According to the delisting requirements of the TSE (Section 1), the common stock of Sogo Rinsho HD, which will become a full subsidiary company, is expected to be delisted from the exchange on December 28, 2015 (last trading day: December 25, 2015), following the specified procedures. After being delisted, Sogo Rinsho HD common stock will not be tradable on the TSE (Section 1). However, shareholders will be allotted shares of EPSHD common stock, traded on the TSE (Section 1) on the day the share exchange is executed. Although there is the possibility that some shareholders will only be allotted odd-lot shares (depending on the number of shares they held), shareholders with a full share lot or more will be allowed to continue trading shares on the TSE (Section 1), with ample liquidity expected. At the same time, shareholders who receive odd-lot shares of EPSHD stock through this share exchange will not be able to trade those odd-lots on financial securities exchanges. Those shareholders will, however, be able to make use of the Purchase Program for Odd-lot Shares, or the Purchase Program for Additional Shares. For handling details, see 2. (3) (Note 3) above. With regard to common shares of Sogo Rinsho HD, trading can be carried out as normal on the TSE (Section 1) until December 25, 2015, the expected last trading day.

(4) Measures to ensure fairness

In order to ensure the fairness of the share exchange, as described in 3. (1) above, EPSHD and Sogo Rinsho HD have each hired third party institutions to calculate the exchange ratio and have heeded the results of due diligence carried out with regard to the calculations for each company. As a result, agreement was reached, through deliberation and negotiation, to carry out the share exchange with the share exchange ratios indicated in 2. (3) above.

Neither EPSHD nor Sogo Rinsho HD received fairness opinions from the third party analysts with regard to the fairness of the share exchange ratios.

Also, EPSHD hired Mori, Hamada, Matsumoto Law Office as legal advisor for the share exchange. Sogo Rinsho HD hired Nagashima, Ono, Tsunematsu Law Office. Each company received legal advice regarding the procedures for the share exchange and the method and process of decision-making carried out by the Boards of Directors. Mori, Hamada, Matsumoto Law Office and Nagashima, Ono, Tsunematsu Law Office do not constitute related parties of the two companies, nor do they have any material interest with the two companies in the share exchange.

(5) Measures for avoiding conflicts of interest

Since no particular conflicts of interest arise between EPSHD and Sogo Rinsho HD, no specific measures have been taken.

4. Overview of the companies undergoing the share exchange

	EPSHD (consolidated) (share exchange full parent company)	Sogo Rinsho HD (consolidated) (share exchange fully subsidiary)
(1) Name	EPS Holdings, Inc.	Sogo Rinsho Holdings Co., Ltd.
(2) Address	1-8 Tsukudocho, Shinjuku-ku, Tokyo	2-4-1 Nishi Shinjuku, Shinjuku-ku, Tokyo
(3) Representative	Hao Yan, Representative Director	Noriyuki Tachikawa, President & Representative Director
(4) Business	Planning and management of the Group by holding stock and equity interests; management of Group company operations, etc.	Strategic formulation for Group companies operating SMO Businesses; control and management of Group companies
(5) Capital	1,875 million yen	1,364 million yen
(6) Established	May 30, 1991	December 20, 1989
(7) Shares issued	38,426,113 shares (as of June 30, 2015)	21,548,000 shares (as of July 31, 2015)
(8) Fiscal year end	Sept. 30	July 31
(9) No. of employees	(consolidated) 4,018	(consolidated) 603
(10) Major business partners	Pharmaceutical companies Medical institutions (hospitals, clinics)	Pharmaceutical companies Medical institutions (hospitals, clinics)
(11) Main financing banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.	Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation
(12) Major shareholders and their share ratios	Y&G, Ltd. 25.35% Goldman, Sachs & Co. Reg. 7.10% Japan Trustee Services Bank, Ltd. (trust account) 7.06% BNP Paribas Security Services Luxembourg/Jasdec/Aberdeen Global	Haruo Nishino 17.24% Yukihiro Sasaki 17.24% CAC Holdings Corporation 9.99% EPS Holdings, Inc. 3.00% Japan Trustee Services Bank, Ltd. (trust account) 2.60%

	Client Assets 4.14% The Master Trust Bank of Japan, Ltd. (trust account) 3.58%	Medical System Network Co., Ltd. 2.50% (as of July 31, 2015)
	(as of March 31, 2015)	

(13) Relationships between the parties	Capital relationship	EPSHD holds a 3.00% interest (total of 647,100 shares) in Sogo Rinsho HD. Sogo Rinsho HD holds a 1.04% interest (total of 400,000 shares) in EPSHD.
	Personnel relationship	Not applicable.
	Transactional relationship	There is no transactional relationship required to be stated between EPSHD and Sogo Rinsho HD. Also, there is no transactional relationship required to be stated between parties related to the two companies.
	Circumstances relevant to the related parties	Not applicable.

Fiscal year ending at the end of:	EPSHD (consolidated)			Sogo Rinsho HD (consolidated)		
	Sept. 2012	Sept. 2013	Sept. 2014	July 2103	July 2014	July 2015
Consolidated net assets	18,436	20,060	21,230	4,710	4,897	5,491
Consolidated total assets	26,647	30,323	34,689	7,455	7,187	7,873
Net assets Per Share (yen)	436.40	488.90	533.49	233.66	241.62	261.27
Consolidated sales	35,202	37,584	41,800	6,765	5,808	5,924
Consolidated operating income	5,174	3,497	4,491	1,141	672	674
Consolidated ordinary income	5,091	3,540	4,242	1,111	683	684
Net Profit attributable to the parent company	2,207	1,709	1,828	623	248	418
Consolidated Net Profit Per Share (yen)	61.71	47.81	51.54	31.63	12.70	20.96
Dividend Per Share (yen)	17.50	18.00	18.00	9.00	10.00	10.00 (planned)

(Units: million yen, unless otherwise stated)

Note 1: EPSHD's per share indicators take into account a 2 for 1 (on April 1, 2013) and a 100 for 1 (on April 1, 2014) share split.

Note 2: Sogo Rinsho HD's per share indicators take into account a 200 for 1 share split on July 1, 2013.

5. Status after the share exchange

	Share exchange full parent company
(1) Name	EPS Holdings, Inc.
(2) Address	1-8 Tsukudocho, Shinjuku-ku, Tokyo
(3) Representative	Hao Yan, Representative Director
(4) Business	Planning and management of the Group by holding stock and equity interests; management of Group company operations; strategic formulation for Group companies operating SMO Businesses; control and management of Group companies
(5) Capital	3,888 million yen (planned)

(6) Fiscal year end	Sept. 30
(7) Net assets	Yet to be determined
(8) Total assets	Yet to be determined

6. Overview of accounting procedures

As for the accounting treatment of the share exchange, the Accounting Standard for Business Combinations (ASBJ Statement No.21) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10) will be applied, where EPSHD is identified as the acquirer, and using the purchase method. The amount of goodwill (or negative goodwill) to arise in association with this share exchange is yet to be determined.

7. Future prospects

Through this share exchange, Sogo Rinsho HD is expected to become the full subsidiary of EPSHD. Its impacts on EPSHD's consolidated financial results are yet to be determined, and if a necessity for revising its operating results forecasts and matters to be disclosed arise, such matters will be promptly disclosed.

(Reference)

EPSHD's consolidated earnings forecast (announced August 3, 2015) and consolidated results for the previous fiscal period

(Units: million yen)

	Net Revenue	Operating Profit	Ordinary Profit	Net Profit for the period
Forecast results for the period (period ending Sept. 2015)	44,120	4,625	4,327	1,937
Results for the previous period (period ending Sept. 2014)	41,800	4,491	4,242	1,828

Sogo Rinsho HD's consolidated earnings forecast for the period (announced Sept. 10, 2015) and consolidated results for the previous period

(Units: million yen)

	Net Revenue	Operating Profit	Ordinary Profit	Net Profit for the period
Forecast results for the period (period ending July 2016)	6,181	840	858	512
Results for the previous period (period ending July 2015)	5,924	674	684	418