



March 8, 2016

Company Name	EPS Holdings, Inc.
Representative	Yan Hao, Chairman & CEO
Stock Code	4282, TSE First Section
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Announcement of Reorganization of Group Companies in the SMO Business Segment

At its meeting on March 8, 2016, the Board of Directors of EPS Holdings, Inc. (hereinafter, the Company) resolved to conduct a reorganization of group companies in the SMO business segment accompanied by the merger of consolidated subsidiaries as follows;

1. Objective of the Reorganization

As announced on September 28, 2015, by the means of share exchange as the effective date of January 1, 2016, Sogo Rinsho Holdings Co., Ltd. (hereinafter referred to as the "Sogo Rinsho HD") became the wholly owned subsidiary of the company.

As a result, the company occupied largest share in the SMO market in Japan. This time, in order to realize further growth as a leading company in the market, and also to build a management structure to maximize the corporate value, the Company decided to conduct a reorganization in SMO business segment.

2. Overview of the Reorganization

- The company will transfer the capital of EP-Mint Co., Ltd. (100% subsidiary of the Company) to Sogo Rinsho HD without consideration.
- Sogo Rinsho Science Co., Ltd. (100% subsidiary of Sogo Rinsho HD) and EP-Mint Co., Ltd., both are operating companies of the SMO Business Segment, will be realigned and merged.
- Sogo Rinsho HD will become immediate stock holding company in the SMO business segment.

3. Outline of the Merger

(1) Date of the merger (effective date)

May 1, 2016 (Scheduled)

(2) Method of the merger

Absorbing into one company, EP-Mint Co., Ltd as the continuing entity.

On the effective date of the merger, Sogo Rinsho Science Co., Ltd. will be dissolved.

(3) Allocation resulting from the merger

Since this is a merger between two of Sogo Rinsho HD's wholly owned subsidiaries, the shares and other assets of subsidiary to be dissolved will not be allocated.

4. Outline of the Merging Companies

	The Company Surviving Absorption-type Merger		
① Company name	EP-Mint Co., Ltd.		
② Address	1-8,Tsukudocho,Shinjuku-ku,Tokyo		
③ Representative	Representative Director Shinro Tashiro		
④ Business	SMO business		
⑤ Capital	478 million Yen		
⑥ Date of founding	December 24, 1999		
⑦ Date of annual accounts settlement	September 30		
⑧ Employees	877 (February 29, 2016)		
⑨ Principal shareholder, % owned	The Company 100% (EP-Mint will become Sogo Rinsho HD's wholly owned subsidiary company before the merger.)		
⑩ Relationship between the listed company and the company	Capital ties	The Company owns 100% of the outstanding shares	
	Human relations	Shinro Tashiro serves as the representative director of EPS Holdings, and the representative director of EP-Mint. Haruo Nishino serves as the director of EPS Holdings, and the director of EP-Mint.	
	Business relationship	The Company provides management assistance to EP-Mint. The Company borrows money from EP-Mint.	
⑪ Operating results and financial condition for the last three years of the Company			
Date of annual accounts settlement	2013/9	2014/9	2015/9
Net Assets (※1)	3,547	3,932	4,111
Total Assets (※1)	4,648	5,420	5,467
Net asset worth per share (※2)	922.84	1,023.20	1069.76
Net Sales (※1)	5,703	6,288	6,486
Operating Income (※1)	400	901	599
Ordinary income (※1)	407	910	612
Net Income (※1)	239	491	361
Net Income per Share (※2)	62.30	127.87	94.06
Dividends per share (※2)	55.00	35.00	47.00

(※1 : million JPY)(※2 : JPY)

	The Company Absorbed in Absorption-type Merger		
① Company name	Sogo Rinsho Science Co., Ltd.		
② Address	2-4-1,Nishi-Shinzyuku,Shinzyuku-ku,Tokyo		
③ Representative	Representative Director Koki Kawakubo		
④ Business	SMO Business		
⑤ Capital	80 million JPY		
⑥ Date of founding	August 1 , 2007		
⑦ Date of annual accounts settlement	July 31		
⑧ Employees	479 (February 29, 2016)		
⑨ Principal shareholder, % owned	Sogo Rinsho HD 100%		

5. Situation after the merger (Plan)

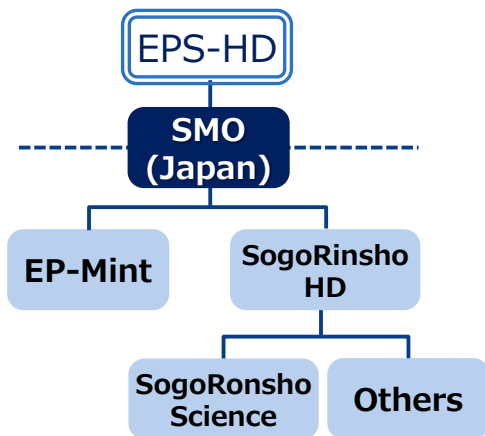
After the merger, the trade name of EP-Mint Co., Ltd. (surviving company) is scheduled to be changed. However, there will be no change of the head office location, a post and the name of representative director, business line, capital amount, an accounting period, a major shareholder and the ratio of its share.

6. Outlook Going Forward

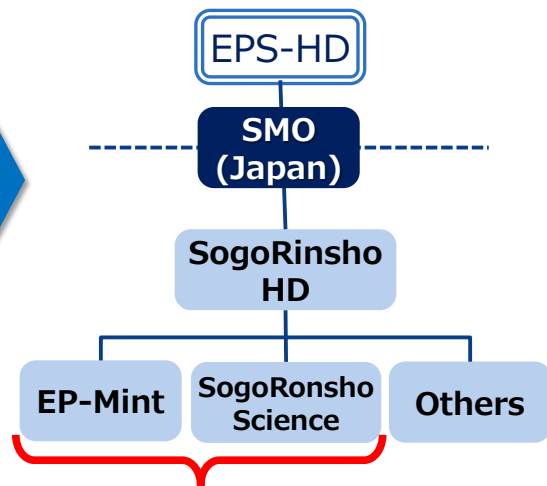
The impact of the merger on the performance of the Company will not be material.

[Reference]

As of January 1, 2016



Organizational restructuring
(As of May 1, 2016)



scheduled date of merger:
May 1, 2016