



(Translation)

January 31, 2017

Company Name	EPS Holdings, Inc.
Representative	Yan Hao, Chairman &CEO
Stock Code	4282, TSE First Section
Contact	Shuzo Orihashi, Director & Executive Corporate Officer
e-mail	ir@eps.co.jp

Announcement of Reorganization of Group Companies in the CPO Business Segment

EPS Holdings, Inc. (hereinafter referred to as “the Company”) resolved at the meeting of its Board of Directors today, to conduct a reorganization of group companies in the CPO(*1) business segment accompanied by the merger of the Company’s fully-owned consolidated subsidiaries, EPI Japan Co., Ltd. (hereinafter referred to as “EPI”) and J-CRSU Co., Ltd. (hereinafter referred to as “J-CRSU”) on April 1st 2017. Details are as follows;

1. Objective of the Reorganization

EPS group has basic philosophy of “We will contribute to advancement of the healthcare industry by providing high-value-added solutions to our clients.”, and developing business in 6 segments.

In the CPO Segment, which is the newest of the 6 segments and established in Oct, 2016, we have been developing business mainly by EPI, which was reorganized by separating the clinical research division of EPS, and J-CRSU, which was established inheriting the business of Non-Profit Organization.

We have decided to merge EPI and J-CRSU, as the future images of two companies are overlapping, and the specialty business has complementary relationship.

EPI and J-CRSU will be integrated by absorption-type merger, and EPI (which will change its name as EP-CRSU, hereinafter referred as the “New Company”) become the surviving company.

Object of this merger are as follows;

- ✓ Secure the necessary scale to meet diversifying needs of customers.
- ✓ Hire experienced human resources and build a management system in the Clinical Research business (including Investigator initiated clinical trial), to provide highly specialized services.
- ✓ Stabilize the management base, increase efficiency, and strengthen management skills by establishing a core company in the CPO business.
- ✓ Strengthen the management foundation for growth of business over the medium to

long term.

Promote and develop clinical research, one of the growth engines of our business, mainly by New Company, to achieve the medium-term management plan.

(*1: CPO: Clinical Process Outsourcing. CRO Business specialized for Clinical Research.)

2. Outline of the Merger

- (1) Date of the merger (effective date)
April 1, 2017 (Scheduled)
- (2) Method of the merger
J-CRSU will be dissolved by the absorption-type merger method, and with EPI being the surviving company.
- (3) Allocation resulting from the merger
As this is an absorption-type merger with the Company's fully-owned consolidated subsidiary, no shares will be allotted through the Merger and no consideration will be paid with respect to the Merge.
- (4) Treatment of the dissolving company's stock options and bonds with stock options associated with the Merger
Not applicable.

3. Outline of the Merging Companies

	Surviving company	Company to be merged
①Registered trade name	EPI Japan Co., Ltd.	J-CRSU Co., Ltd.
②Location of Head Office	6-19,Ogawamachi,Shinjuku-ku,Tokyo	6-19,Ogawamachi,Shinjuku-ku,Tokyo
③Title and name of Representative	Representative Director Takehisa Yamada	Representative Director Takehisa Yamada
④Business description	Operations related to Clinical Research and Investigator initiated clinical trial, as follows; <ul style="list-style-type: none"> ✓ Carry out planning ✓ Support an operation ✓ Information gathering ✓ Data management and provision ✓ Consulting 	Operations related to Medical Research Involving Human Subjects, as follows; <ul style="list-style-type: none"> ✓ Carry out planning ✓ Support an operation ✓ Information gathering ✓ Data management and provision ✓ Consulting
⑤Capital	100 million Yen	100 million Yen
⑥Date established	December 27,2013	October 21, 2015

⑦Fiscal year end	September 30	September 30
⑧Employees	78 (December, 2016)	92 (December, 2016)
⑨ Principal shareholder, and stockholding ratio	The Company 100%	The Company 100%

4. Post-merger status (Plan)

Registered trade name	EP- CRSU Co., Ltd.
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By this merger, there will be no change of the head office location, a title and the name of representative director, business description, capital, and an accounting period and principal shareholder (and stockholding ratio).

5. Future Outlook

There will be no impact on the Company's consolidated financial results since the merger is a merger between the wholly owned subsidiaries of the Company.