

EPS Holdings aims to build Japan-Sino bridge in pharma innovation

Having spent the latter half of 2020 providing the pharmaceutical industry with clinical trial services needed to develop a Covid-19 vaccine, Japan's EPS Holdings is focusing on China as the ideal market to grow its collaborative approach to healthcare R&D.



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Hao Yan, Chairman & CEO,
EPS Holdings

Japan, renowned as it is for its contribution to technological innovation in the manufacturing fields, has dominated high-tech industry for decades, and the leading research and development (R&D) that it provides for the international health and pharmaceutical segment is no different.

Although the country's market presence in this sector might have receded over recent times, with a shrinking population meaning fewer people today are paying for health insurance, its capacity to come up with new health and pharmaceutical solutions for the world market – where demand overall is growing – certainly has not.

"Even with these challenges in our own population, Japan continues to innovate in terms of healthcare. This is a true value of the Japanese market, so I doubt this will go away," says Hao Yan, Chairman & CEO of EPS Holdings, a Tokyo Stock Exchange-listed drug development Group headquartered in the Japanese capital.

"Not many countries can support what is necessary to create new drugs and undertake pharmaceutical R&D. The US,

UK, France, Germany and Switzerland all do so, but in Asia, Japan has traditionally been the only country that could do such things," explains Mr. Yan, whose company is involved largely in the area of clinical trials, data management, and statistical analysis for the medical sector. "Lately, China has also started to produce and conduct pharmaceutical R&D, but Japan is very powerful when it comes to delivering innovative, value-added solutions."

Unlike many industries, which have seen consumer demand fall off a cliff in 2020 due to the catastrophic impact of the Covid-19 pandemic, international healthcare and pharmaceuticals have experienced slightly different pressures this year. The unprecedented stress on the sector has brought various unique challenges, not least the race to develop an effective vaccine for a potential global market in record time.

As a business specializing in clinical trials, EPS Holdings can testify to this, having worked meticulously over recent months on one of many international Covid-19 vaccine projects that it hopes to roll out as a safe and proven treatment rapidly and efficaciously.

Although Covid is a challenge for all involved in the sector, it is also presenting opportunities. Even prior to the pandemic, Deloitte estimated that global healthcare spending was expected to rise at a compound annual growth rate (CAGR) of 5% in 2019-23; an estimation likely to be revised somewhat given the goings-on of this year.

Above all, says the EPS Holdings CEO, the pandemic has confirmed the undying importance of industry innovation and collaboration. So much so that the company – directly on the back of its Covid-19 work – will be altering its business model to encourage even more "co-creation" of drugs with its international partners and clients.

"Right now, whilst we can support clinical trials, we are looking

to continue improving our services by enhancing our efficiency and optimizing our success rates," says Mr. Han. "We also want to expand our client base outside of Japan, which currently is where much of our portfolio is. Though the Japanese market will always remain number one for us, it is not going to grow bigger than it is, so we are looking to expand our partnerships in Asia."

means providing clinical research services to the Chinese market. We have also set up a business to sell Japanese medical devices in China because Japan has a unique array of products backed with great research results. Expanding into China is difficult, but we want to be a bridge to accomplish this tricky task, not as a broker, but as a company doing real R&D on the ground."



The factory of Shanghai Huaxin in China.



First and foremost, the key target market is China; a growing international player in pharma development. And tasked with growing EPS Holdings' presence in the country and forging a stronger R&D connection between Japan and China – as well the wider Southeast Asia region – is the Group's Ekishin (EPS China) business. The company manufactures and sells medical devices and pharmaceuticals through subsidiaries based in Japan and China.

"There are two parts to the [Ekishin] business," explains the EPS Holdings CEO. "First, expanding our Contract Research Organization (CRO), which

In order to facilitate this process and complement the Group's wider expansion, the business recently established its *Souken Center*, an EPS research base in Japan. "We will market the products evaluated at the *Souken Center* as pharmaceuticals and medical devices in China," says Mr. Yan. "In doing so, EPS Holdings will play a central role in Japan and China working together in order to contribute to the development of the Asian healthcare industry."



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