



PSS Press Release

Announcement on changes in financial forecasts (February 6, 2015)

Reflecting recent business activity, the financial forecasts for FY2015 announced on August 14, 2014 is adjusted as follow.

1. Revision of Consolidated Forecasts FY2015

For fiscal year ending June 30, 2015 (July 1, 2014 – June 30, 2015)

(Unit: Million yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	4,500	△400	△420	△440	△24.11
Revised Forecast (B)	5,000	△400	△330	△350	△19.18
Change (B-A)Amount	500	0	90	90	—
Change (B-A) %	11.1%	0%	—%	—%	—
(Cf.)Previous Fiscal year (FY2014)	3,921	△891	△826	611	33.53

2. The reason for previous Financial Forecasts on FY2015

(1) 500 Million JPY increasing Sales in FY2015; OEM products sales for QIAGEN &

Abbott Group is more than our expectation.

- **For QIAGEN Group;** The utility area of DNA auto extractors have expanded from R&D field to medical diagnostic field, as the QIAGEN molecular diagnostic system including our OEM products was authorized by USA FDA in last year. Especially, as QIAGEN has taken an active role in the fight against the spread of Ebola. As a result, additional our OEM products were required for the first six months ended December 31, 2014.
- **For Abbott Group;** Sales of two types of sample preparation system for ABBOTT was launched not only final developing version, but also first commercial version which has been installed with Consumable products (Plastic Tips and Container, Reagent)

(2) 90 Million JPY increasing ordinary income & net income in FY2015, although no increasing operating income in FY2015; Increasing developing cost & realized foreign exchange gain more than our estimation.

- **Operating income;** Although gross profit will be increased by increasing revenue more than our expectation, the increasing gross profit was offset by developing cost more than our estimation. As a result, operating income is no change.
- **Developing cost;** The main reason for developing cost more than our estimation have been the development of fully automated DNA testing products “geneLEAD^{XLII}” with DNA extraction reagent for ELITech Group as a OEM products. This development has been required additional time and labor force for software program modification and optimization until the end of FY2015.
- **Foreign exchange gain;** 77 million yen ordinary income was realized by foreign exchange gain more than our estimation for FY2015 2Q (From July 1,2014 to Dec 31,2014) and ordinary income was increased more than our expectation.

- **As for foreign exchange rate;** we estimate as 1US\$=115yen and 1Euro=130 yen from FY2015 3Q & 4Q (From Jan 1,2015 to June 30,2015).