

August 9, 2006

Name of Listed Company: Precision System Science Co., Ltd.  
(Code Number 7707)  
Head Office: 88 Kamihongo, Matsudo-shi, Chiba  
Contact: Jun Akimoto, Director and General Manager,  
Finance and Administration Division  
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**Establishment of “PSS Capital Co., Ltd.”, subsidiary wholly owned by PSS,  
and investment in the “Bio Contents LLP”**

Precision System Science Co., Ltd. (PSS) has established PSS Capital Co., Ltd. (PSSC), a subsidiary wholly owned by PSS, a company of which aim is to invest and incubate biotechnology business ventures.

PSS also has decided to invest total amount of 500 million yen (PSS: 450 million, PSSC 50 million) into Bio Contents LLP, managed and governed jointly by PSSC and Trans-Science Inc.\* (TS).

1. Background and Purpose of Establishment of PSSC and a Fund (LLP)

PSS has provided comprehensive solutions to the Bio sector, and has expanded its business based on its original patented technologies. Most notably, a patented technology encompassing magnetic beads handling, “Magtration® Technology”, has been acclaimed by major bio companies, such as the Roche Group and the Qiagen Group. PSS has applied Magtration® Technology to DNA extraction instruments and delivered more than 4,000 instruments worldwide through OEM supply partners. PSS is now expanding its business.

The combination of PSS’s instrument technology with OEM partners’ reagents technology has brought success in the sale of DNA extraction instruments. In another words, DNA extraction instruments are products which load OEM Partners’ content technology onto PSS’s infrastructure technology. Recently, Mitsubishi Kagaku Iatron Inc. has adopted a diagnostic system which loads clinical diagnostic reagents using Magtration® Technology. Applications of Magtration® Technology continues to develop. PSS’ strategy is to expand its business into the protein analysis reagent market.

A key point in these business expansions is the selection of content which shall be loaded onto PSS's infrastructure technology. Magtration®, Biostrand and backbone technology which PSS is now developing, share the same challenges. PSS has requested OEM partners to provide contents until now, thus, progress of products development depends on an OEM partner. Application of PSS technology is therefore restricted to business model of the OEM partner. By contrast, PSS now has information from research institutes, academics in universities, bio venture companies which have technology and contents that can be applied directly to the PSS's infrastructure technology.

An aim for the establishment of PSSC and the Fund (LLP) is to provide PSS's system technology to bio contents holders, support and incubate their business through providing financial and human resources, expand the scope of PSS's business and acquire capital gain. PSS will also support and incubate their business through providing financial and human resources. PSS believes that by contributing to the activation of bio industries, PSS will support early implementation of tailor made medical care and preventative medical care solutions through establishment of PSSC and the Fund.

## 2. Abstract of PSS Capital Co., Ltd.

Name of the Company	PSS Capital Co., Ltd.
Date of establishment	July 7, 2006
Address of the head office	88 Kamihongou, Matsudo-shi, Chiba
Representative	President / CEO Jun Akimoto
Capital Fund	30 million yen
Aim of business	Investment and consulting

### Directors of PSSC (As of July 7, 2006)

Name	Position, job title	remarks
Jun Akimoto	President / CEO	Double as a director of PSS
Masaaki Takahashi	Director	Double as a director of PSS
Misako Fukui	Director	Double as an employee of PSS

### Abstract of the Fund (LLP)

Name of the Fund	Bio Contents Limited Liability Partnership
Date of establishment	July 2006
Unlimited Liability Partner	Trans-Science Inc. President and CEO: Kiyoshi Inoue Address: Chiyoda-ku, Tokyo
	PSS Capital Co., Ltd. (wholly owned by PSS)

	President / CEO : Jun Akimoto Address: Matsudo-shi, Chiba
Total amount of the fund	1 billion yen (secured) -2.5 billion yen (expected) (The fund will seek additional investment in Capital call style) Trans-Science Inc. (Unlimited liability partner) 500 million yen PSS Capital Co., Ltd. (Unlimited liability partner) 50 million yen Precision System Science Co., Ltd. (Limited liability partner) 450 million yen
Investment term	10 years (may be extended for 2 years)
Investment target	Unlisted starting up companies which have biological material or biological information ("bio contents"); which will have industrial value when it will be loaded on instruments, such as measurement, sample process system.

Progress into applying high level analysis to human life has occurred with knowledge, gained from various genomic and proteomic research projects. For example, practical application of various biological material or biological phenomenon (bio contents), such as genetic diagnostic of inherited diseases or disorder, judgment of drug metabolism of anti cancer drug, stress or fatigue level measurement, have been investigated.

The Fund has as an aim to contribute to the improvement in the life of people thus society as a whole, through its products and services. With additional investment and incubation targeted unlisted companies possessing industrially valuable bio contents or technology, can be supported at an earlier stage in developing their business.

TS and PSSC will jointly manage the fund. TS is an independent venture capital company specialized in investment and incubation of bio venture business and has know-how and experience for managing funds, and networking in the industries. With technological expertise and networking from PSS identifying investment targets, screening and then providing hands-on assistances to commercialize the technology goals for success can be reached appropriately and efficiently.

TS and PSS group has committed to invest total sum of 1 billion yen, and are planning to seek investment from institutional investor and build up total amount of 2-2.5 billion funds.

End.

\*Brief explanation of Trans-Science, Inc.

Trans-Science, Inc. has coherent value chain method which search, evaluate and launch business of science and intellectual property. Trans-Science, Inc. offers hand-on incubation to venture companies which have sustainable growth potentiality in highly specialized new industrial area, such as bio, medical, healthcare, new material, energy and environment. Trans-Science, Inc. also offers strategic consultation for major business companies and public sector. In healthcare sector, where regulation is quickly relaxed, Trans-Science, Inc. offers strategic consultation on business reform and renovation of management for medical entities or hospitals

For detail, please see <http://trans-science.co.jp>

Name of the company	Trans-Science, Inc.
Date of Establishment	December 18, 2001
Address of the head office	Imperial Hotel Tower 8F, 1-1-1, Uchisaiwaicho Chiyoda-ku, Tokyo
Representative	President and CEO Kiyoshi Inoue
Capital Fund	338 million yen

End.