



September 14, 2009

Precision System Science, Co., Ltd.

**PSS is to enlarge cooperation with Nippon Pulse Motor Co., Ltd. (NPM)
by investing in a NPM subsidiary, NPS Co., Ltd., which becomes
a PSS equity method applied company.**

PSS and Nippon Pulse Motor Co., Ltd. (NPM: Niroki Hashidate, president; Bunkyo, Tokyo) have concluded the agreement that PSS would acquire minority shares of NPS Co., Ltd. (NPS: Hiroshi Ishiyama, president; Odate, Akita), a subsidiary of NPM, from NPM on September 14, 2009. As a result, NPS has become a PSS equity method applied company, which would be jointly managed by PSS and NPM under the management agreement.

NPS (NPM until February 1, 2008) has been recognized as a strategic subcontract partner, to which PSS has consigned manufacturing of major OEM products. As an effort to establish and strengthen product management/control for stable manufacturing and cost reduction, PSS purchases 53,440 NPS shares (33.4% of outstanding shares) for 134,561,920 yen (2,518 yen per share) from NPM. The shares are evaluated by the independent institution, using DCF method and adjusted book value method.

By investing in NPS shares, PSS is entitled to appoint a NPS director and jointly manage NPS with NPM. The expansion of cooperation between two companies through the deal is mutually beneficial to the both parties as PSS is able to strengthen the close relationship between marketing, receiving orders, development and production, and to establish a structure for stable manufacturing of high quality and cost competitive products for precise response to the market needs, while NPM is able to liquidate its asset and seek more consistent NPS operation as well as more efficient utilization of facilities.

Summary of Agreements

1. The purpose of expanding cooperation with NPM by acquiring minority share of NPS:
 - PSS seeks to establish and strengthen production management/control and cost reduction.

2. The outline of developing cooperation with NPM by acquiring minority share of NPS:
 - PSS purchases 53,440 shares of NPS from NPM for ¥134,561,920 (¥2,518 per share) which is 33.4% of NPS outstanding shares.
 - PSS and NPM enter into the Shareholders Agreement as well as the Management Agreement in that PSS appoints a director in NPS and manages it jointly with NPM.

3. Profile of NPS

- (1) Company name: NPS Co., Ltd.
- (2) President: Hiroshi Ishiyama
- (3) Address: 40-16 Maeda, Hanaoka-cho, Odate, Akita, Japan
- (4) The date of foundation: February 1, 2008
- (5) The description of business: Manufacturing of electric parts, device, medical related instruments, etc.

- (6) Fiscal year closing: April 30
- (7) Employees: 48 (As of April 30, 2009)
- (8) Head quarters: Odate, Akita, Japan
- (9) Paid in capital: ¥80,000,000-
- (10) Total outstanding share: 160,000 Shares
- (11) Shareholders and their ownership:

(Before PSS acquisition)

NPM	159,200 Shares	(99.5%)
Hiroshi Ishiyama	800 Shares	(0.5%)

(After PSS acquisition)

NPM	105,760 Shares	(66.1%)
PSS	53,440 Shares	(33.4%)
Hiroshi Ishiyama	800 Shares	(0.5%)

(12) The latest business results:

(Unit: thousand yen)

	Three months ended in April 30, 2008 *	Twelve months ended in April 30, 2009
Sales	275,172	1,000,895
Gross Profit	223,056	49,423
Operating Income	40,742	907
Ordinary Income	40,808	1,729
Net Income	40,126	1,149
Total Asset	767,145	636,165
Net Capital	621,611	403,204
Dividend per Share	-	1,372**

* As NPS Co., Ltd. was founded on February 1, 2008, there were only three months in fiscal period ended in April 30, 2008.

** Of the payment of the dividend, ¥1,250 per share was resolved in special NPS shareholders meeting in April 23, 2009.

4. The company profile of NPM

(1) Company name: Nippon Pulse Motor Co., Ltd.

(2) President: Hiroki Hashidate

(3) Address: 4 -1- 4 Bunkyo, Tokyo

(4) The date of foundation: May 1, 1952

(5) The description of business: Manufacturing and sales of precise small motors, motor drivers, controllers, electronics parts and automation instruments, etc.

(6) Capital: ¥140,000,000-

(7) Relationship with PSS: PSS has neither human nor capital relationship with NPM.

5. Time schedule

September 14, 2009: PSS Board meeting resolution

September 14, 2009: NPS shares transfer completion

6. Financial outlook:

NPS becomes a PSS equity method applied affiliate.

There is no change in PSS consolidated financial outlook for the fiscal year ended June 30, 2009 due to this deal.