

PSS Press Release

The English edition is digested translation of press release in Japanese

PSS Revises Earnings Forecast for the First Half and Full Fiscal Year 2012, ending June 30, 2012

Matsudo, Japan, February 7, 2012 --- Precision System Science, Co., Ltd (PSS) announced today that it revised the previous earnings forecast for the first half and full fiscal year, ending June 30, 2012. The previous forecast was disclosed on August 12, 2011.

1. Revision of Forecast

(1) Revised Forecast for the first half of FY 2011 (July 1, 2011 to December 31, 2011)

(unit: million yen)

	Net Sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	1,960	20	15	5	54.79yen
Revised Forecast (B)	1,722	(49)	(79)	(95)	(1,040.98yen)
Difference (B-A)	(238)	(69)	(94)	(100)	---
Difference (%)	(12.1%)	---	---	---	---
First Half of FY 2011 Results	1,529	(153)	(162)	(158)	1,738.79 yen

(2) Revised Forecast for the full FY 2012 (July 1, 2011 to June 30, 2012)

(unit: million yen)

	Net Sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	4,000	40	30	10	109.58yen
Revised Forecast (B)	3,620	10	(30)	(60)	(657.46yen)
Difference (B-A)	(380)	(30)	(60)	(70)	---
Difference (%)	(9.5%)	(75.0%)	---	---	---
FY 2011 Results	3,142	(432)	(424)	(366)	(4,017.95 yen)

2. Reasons for revision

Expecting recovery from slow business in the previous fiscal year, we earlier forecasted net sales of 4,000million yen for the current fiscal year. In general, our business has been

recovering and stronger than last year result is expected; however, it is not enough to meet the level we forecasted last August as unmanageable factors, including unfavorable foreign exchange trend, negatively affected.

(1) Revision of half year forecast

Although overall sales trend is in recovering process, there is still excessive inventory factor remained as for sales to Roche, while the sales to certain US OEM partner slowed and performed less than previous year level. Accordingly, we revised net sales forecast to 1,722million yen (12.1% decrease compared to original forecast) Gross profit was revised to 650million yen (8.5% decrease), while selling, general and administrative expenses are revised to 699million yen (1.3% increase) As a result, operating income forecast was revised to 49million yen loss from forecasted 20million yen profit. With recognition of 24million yen foreign exchange loss, ordinary income forecast was revised to 79million yen loss from 15million yen profit, while net income for the first half year was revised to 95million yen loss from 5million yen profit.

(2) Revision of full year forecast

In and after the third quarter, we expect further recovery of sales to Roche as well as acquisition of new instrument development order in US and we revised net sales forecast to 3,620million yen (9.5% decrease compared to original forecast) Gross profit was revised to 1,360million yen (4.9% decrease), while selling, general and administrative expenses are revised to 1,350million yen (2.9% decrease)by enforcing extensive cost-cutting policy. As a result, operating income forecast was revised to 10million yen from forecasted 40million. With 24million yen foreign exchange loss recognized in the first half period, ordinary income forecast was revised to 30million yen loss from 30million yen profit, while net income for the first half year was revised to 60million yen loss from 10million yen profit.

The above revision of forecast for the second half year is based on rates of 1€=100yen and 1\$=77yen, respectively.

Note: The forecast above is based on the information available at present, and actual results may significantly differ from the forecast due to the changes in operating circumstances as well as in foreign exchanges market.