

PSS Mid-term Business Plan



December 25, 2013

Precision System Science Co., Ltd.

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Main points of Mid-term Business Plan

■ Mid-term Business Plan

Next 3 Fiscal Years (Business segments & Income Statement)

■ Molecular diagnostic market's trend

Shift from R&D purpose to Clinical diagnostic

■ PSS' Business field & Strategy

- ✓ Promote new products from Laboratory (R&D) automation to Clinical diagnostic field to the full scale.
- ✓ Accelerate PSS business from new product revenue including reagent tied to instruments.

Mid-term Business Plan

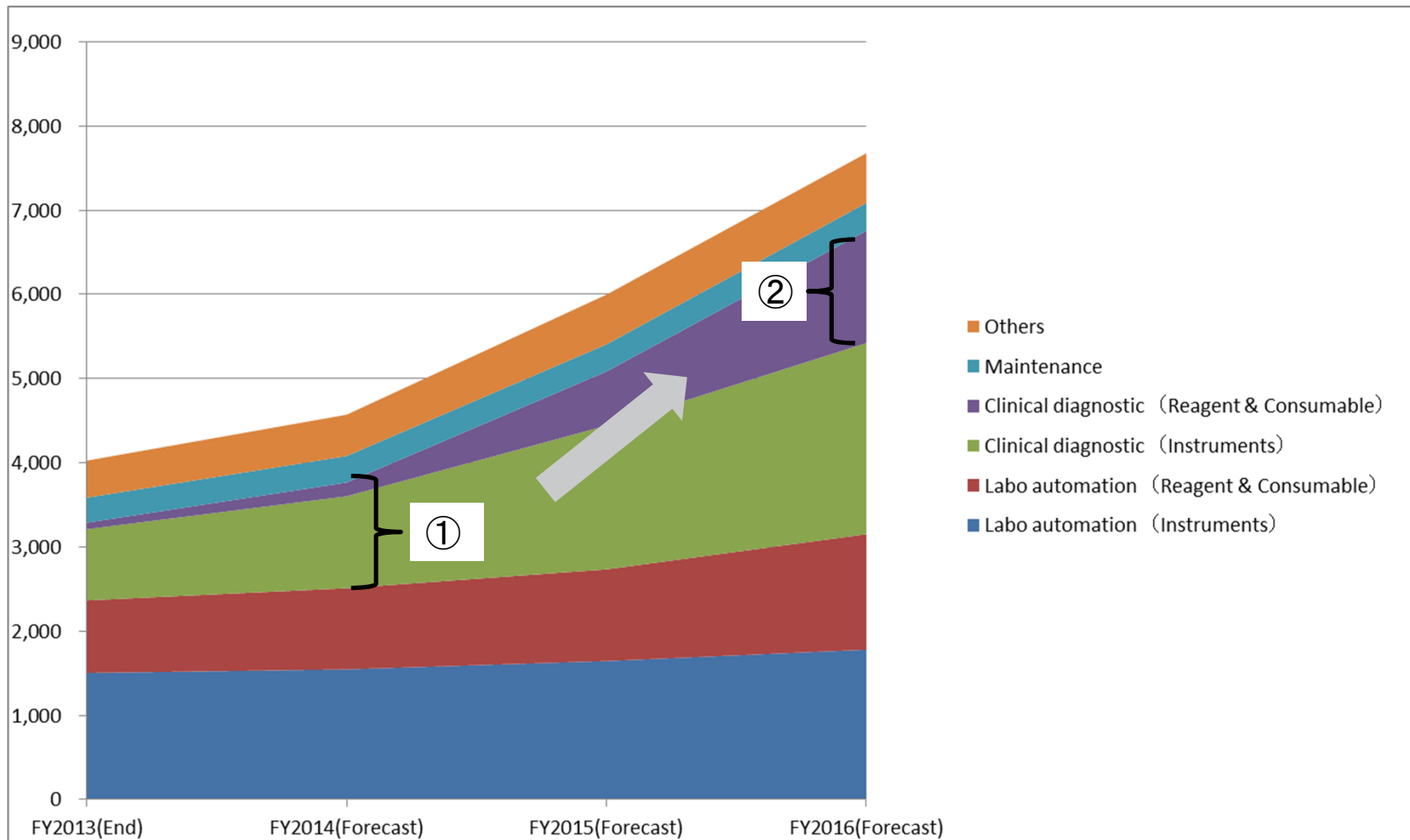
& Molecular diagnostic market's trend

Mid-term Business Plan (Business segments)

■ Expect Business Growing in the diagnostic field for next 3 Fiscal Years ①

■ After 3 years, reagent for diagnostic will be the main revenue ②

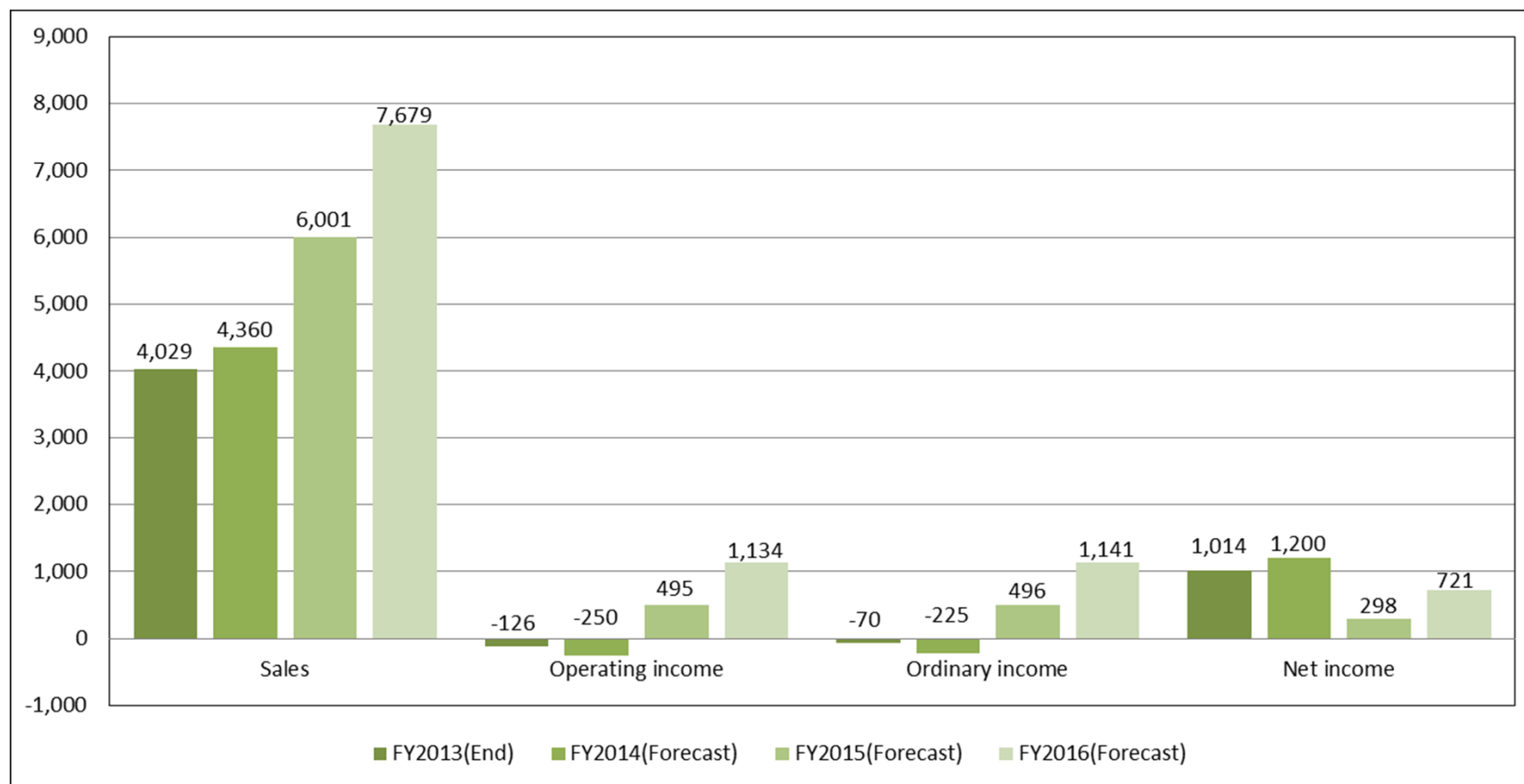
(Unit: Million Yen)



Mid-term Business Plan (Income Statement)

■ The net sales will be increased 90% for next 3 years

(Unit: Million Yen)

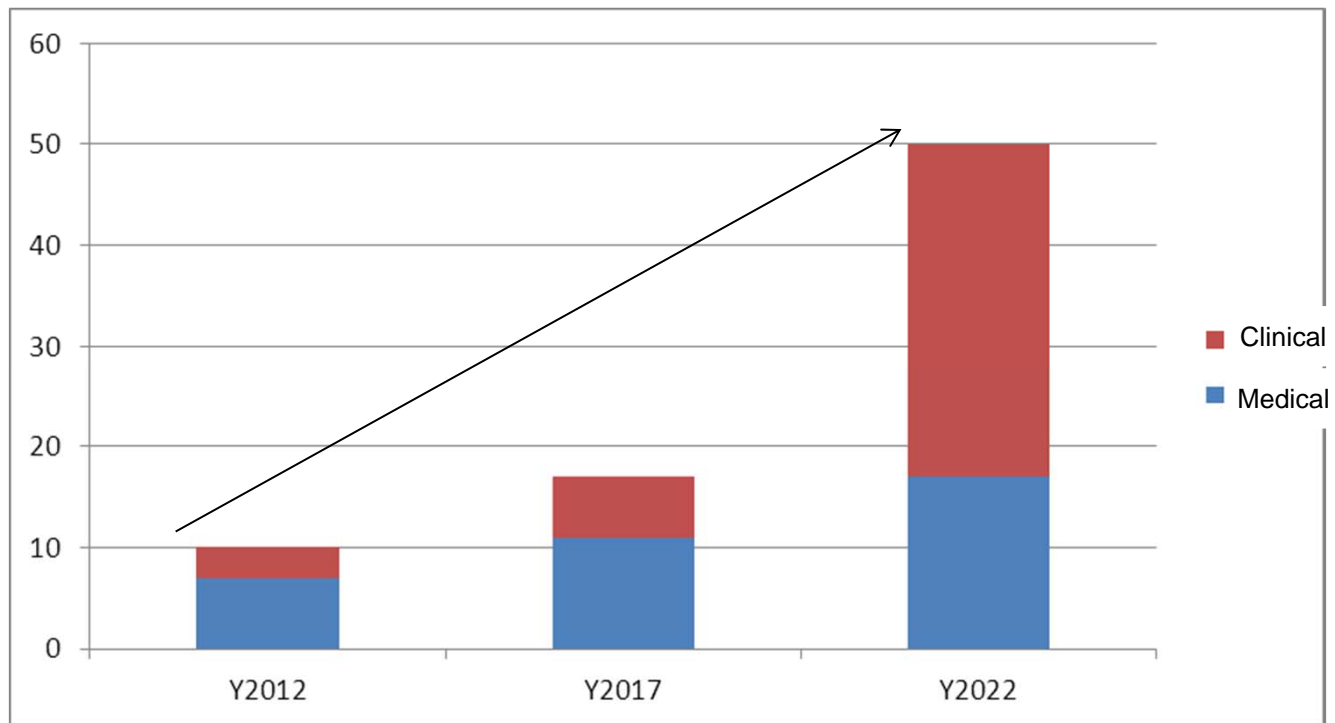


*Extraordinary gain by the sales of investment securities (FY2013、FY2014)

Molecular diagnostic market's trend

- Molecular diagnostic market's trend shift from R&D purpose to Clinical diagnostic
- While Laboratory (R&D) automation is a steady growing market.

(Unit: Billion USD)



Jain PharmaBiotech, "Molecular Diagnostics", July 2013

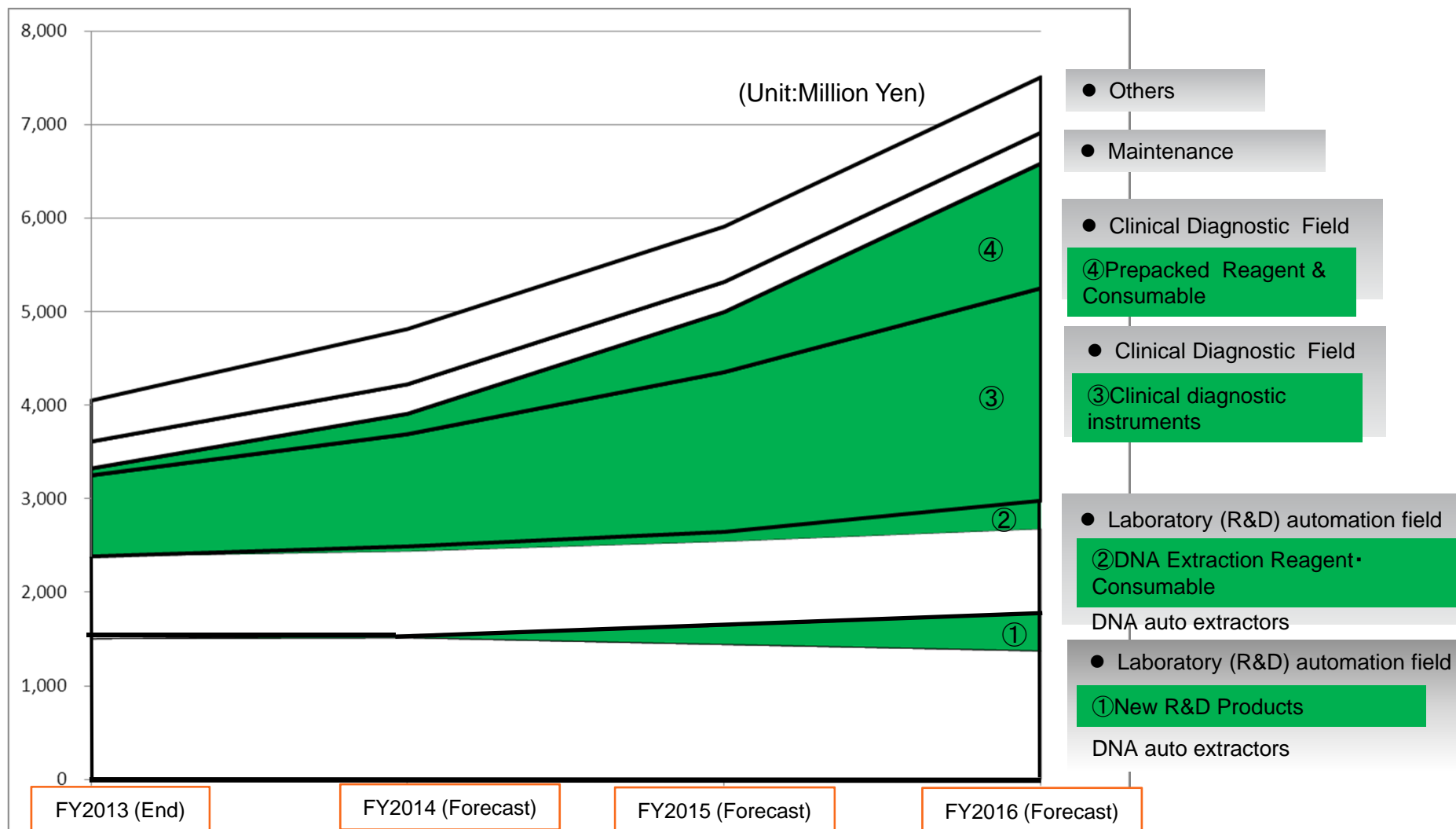
PSS Business field & strategy

Mid-term Business Plan (Product sales strategy)

■ Products sales in business segment



are PSS new products



①New R&D Products

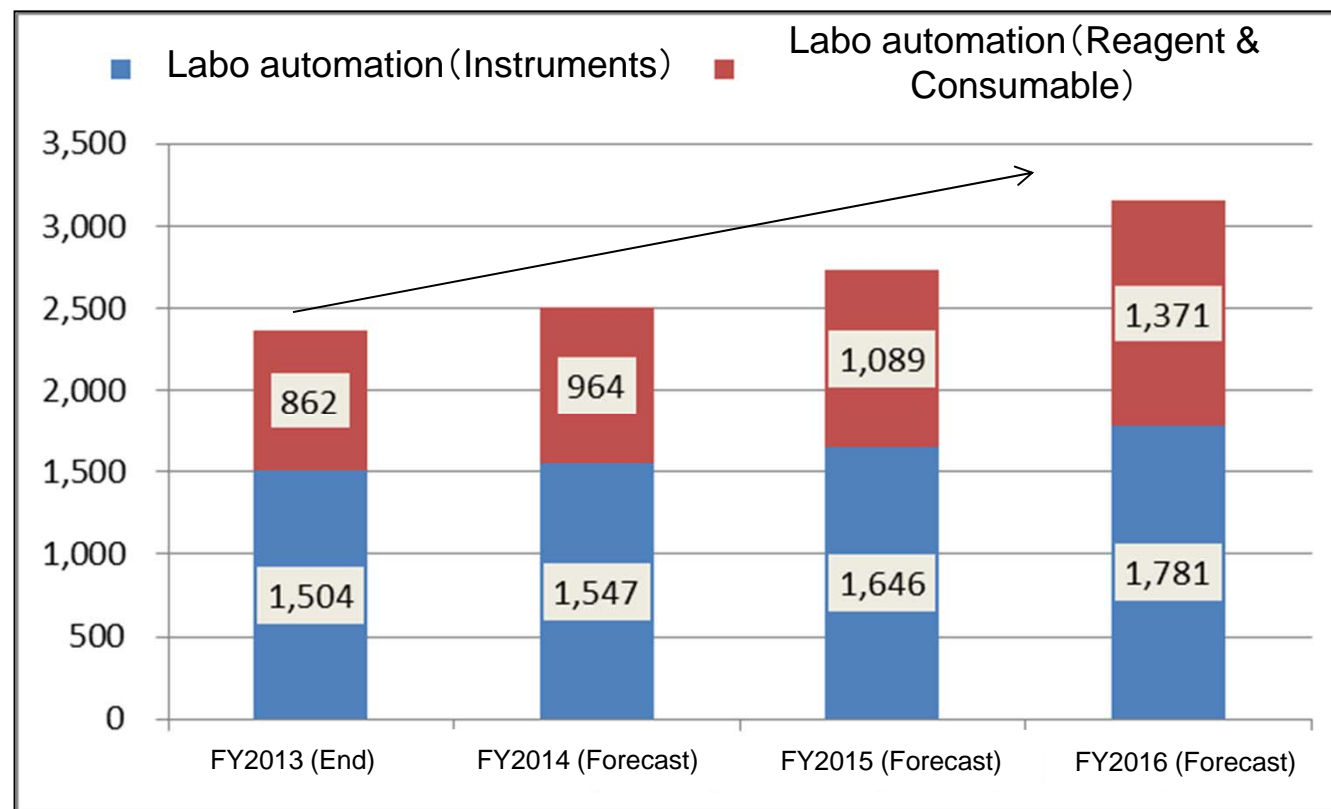
②DNA Extraction
Reagent・Consumable

Laboratory (R&D) automation Field



- Main products are DNA Auto Extractors for automating R&D Laboratory Center
- Next prospective field is Sample preparation for DNA sequencing and Epigenomics.

(Unit:Million Yen)



①New R&D Products

②DNA Extraction
Reagent・Consumable

(Sample preparation for sequencing)

genePrepPlanner VI



■Majority of market share is occupied by Roche, LT,illumina. With the exception of illumina, we have supplied OEM sample preparation for sequencing and can propose new products in this field.

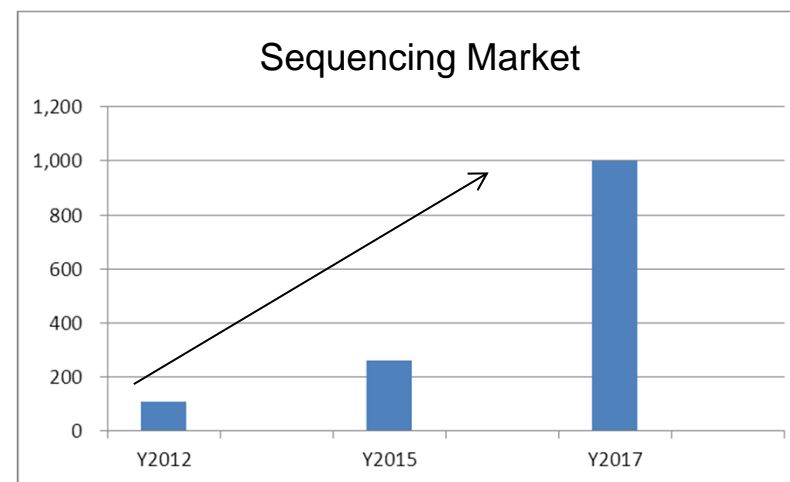
Product Image



Product Concept

- SIMPLE
- COMPACT
- EASY MAINTENANCE

(Unit:Million Yen)



Jain PharmaBiotech, "Molecular Diagnostics", July 2013

•Press Release

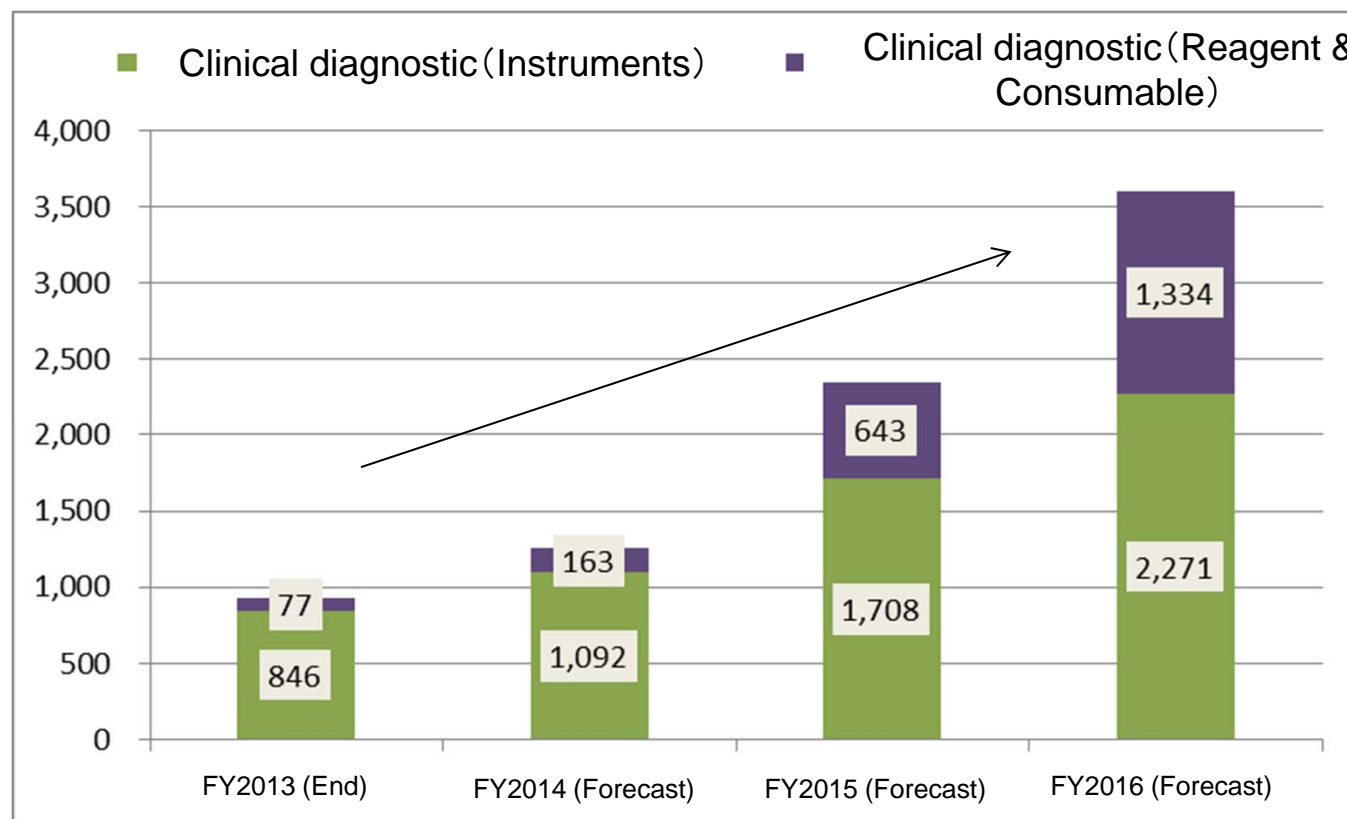
(Sep 24, 2013)PSS and Roche enter into a new Development Agreement concerning emPCR Automation Instrument to be developed by PSS

Clinical diagnostic Field

- Diagostic instruments, Reagent, Plastic consumable in the Molecular Diagnostic Field
- The main user is POCT* whose products are not only immunoassay diagnostic, but also sample preparation for sepsis, fully automated diagnostic products for expanding the revenue considering market trend

* 「Near the patient」、 「Bed side in clinic」

(Unit:Million Yen)



Sample preparation for Sepsis

■ Develop sample preparation to diagnose Sepsis for Abbott 's PLEX-ID™ system

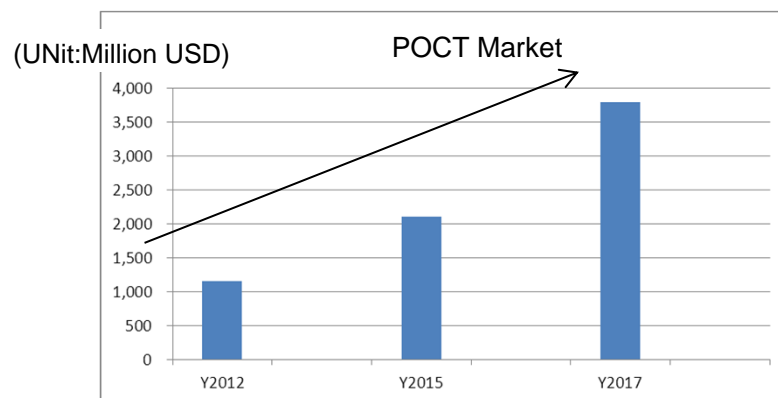
Effective early diagnostic (Sepsis) in the Clinic

- The symptom of Sepsis shows SIRS in the body by invading pathogen (bacteria etc..) into blood, when immune system is seriously damaged by infection disease etc..
- Early diagnose of minor germs is very effective for preventing Sepsis

Press Release

- PSS reaches Development Agreement with Abbott to develop and manufacture a front-end sample preparation instrument (Mar 26, 2012)
- PSS reaches Desalter Development Agreement with Abbott (Jun 24, 2013)

Business opportunity in the clinic (POCT Market)



Jain PharmaBiotech, "Molecular Diagnostics", July 2013

PSS new technology Bellowla® will be equipped



③Clinical diagnostic instruments

④Prepacked Reagent & Consumable

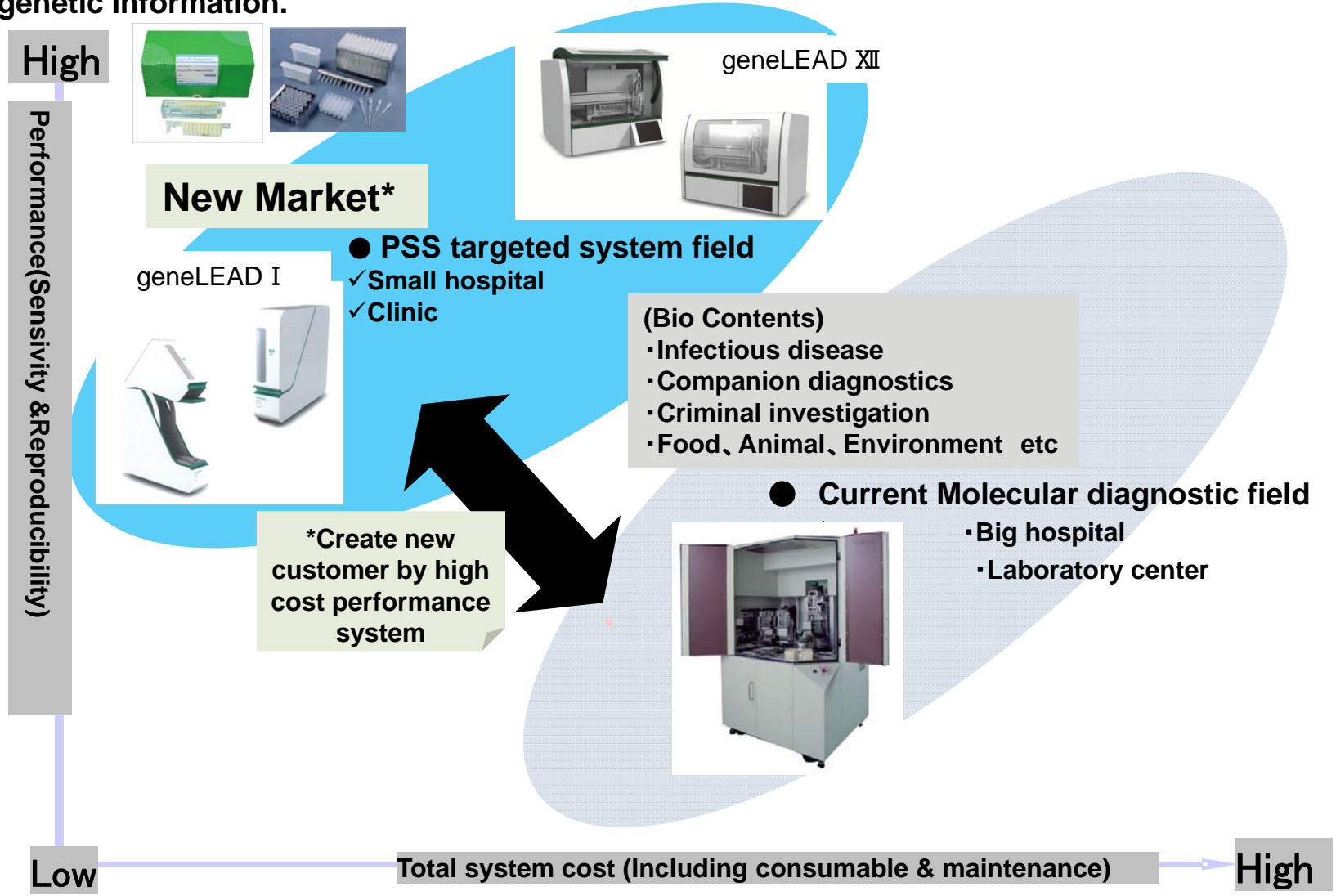
(Fully automated DNA diagnostic)



geneLEAD① Strong point

■ System Concept 「Simple, Compact, Easy Maintenance」

⇒ Automated diagnostic products for “Anytime, Anywhere, Anyone” aiming at further utilization of genetic Information.



③Clinical diagnostic instruments

④Prepacked Reagent & Consumable

(Fully automated DNA diagnostic) geneLEAD[®] Achievement



- Reach the agreement for Joint Development, Distribution and Supply
- DNA extraction reagent will be provided by PSS products

ELITech Group

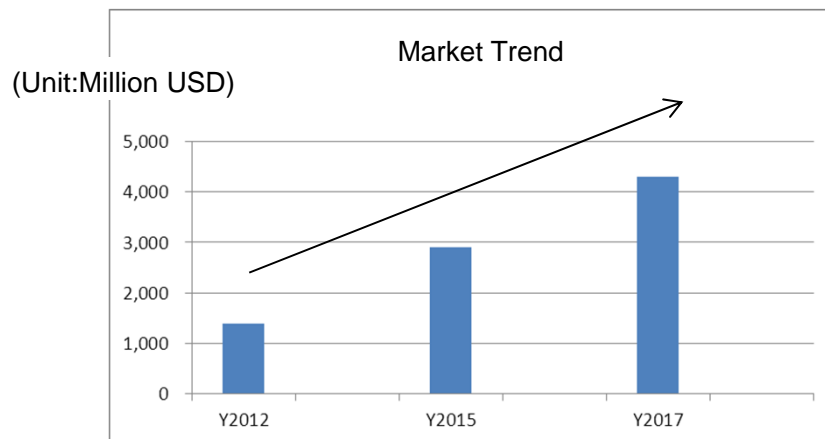
PSS and ELITech Group enter into a Joint Development, Distribution and Supply Agreement on PSS's "geneLEAD", a fully automated, sample-to-result, Real-Time PCR analyzer (Apr 12, 2013)

LG Life Sciences

PSS and LG Life Sciences enter into a Supply and Distribution Agreement for PSS's "geneLEAD", a fully automated, sample-to-result system for NAT(Aug 08, 2013)

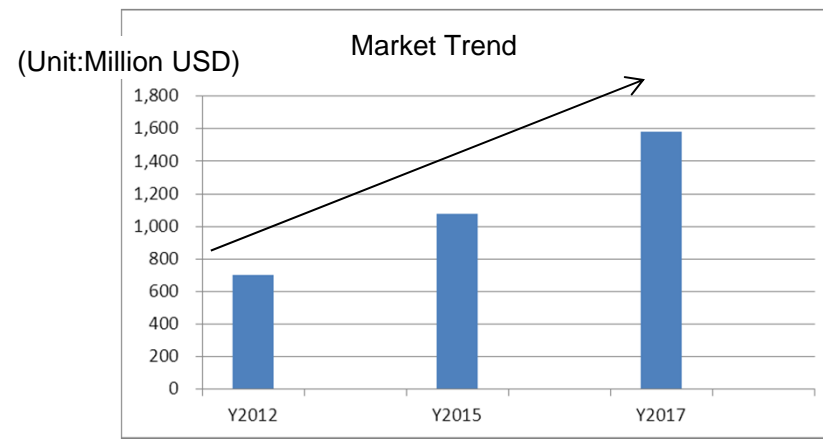
Targeted Market for "geneLEAD"

① Companion diagnostics for cancer(EGFR , K-ras-, Her2)



Jain PharmaBiotech, "Molecular Diagnostics", July 2013

② Infection disease in clinic(MRSA, SA, C. difficile, VRE)



Jain PharmaBiotech, "Molecular Diagnostics", July 2013

PSS Reagent Strategy step

1, Develop new reagent for sample preparation & diagnostic

(DNA & RNA) The same protocol for PSS automated system

2, Sample preparation reagent for geneLEAD

Establish world-wide reagent business model through distribution channel of ELITech

3, Invest in a reagent manufacturing facility for making a full-scale entry into reagent market

Establish Odate Reagent Center for developing & manufacturing PSS reagent

PSS fully automated products

- Promote fully automated diagnostic systems in various fields of examination (combined with a kit of PSS original reagent and designated consumables)

geneLEAD[®]

Fully automated NAT system
-sample extraction with amplification and detection



- Virus detection of infectious disease (HIV/HBV/HCV, HPV, etc.)
- Personalized medicine (K-ras, EGFR, BCL-ABL, IL28B, CYP etc.)

LuBEA[®]

Multiplex ELISA / DNA typing



- Thyroid hormone (TSH, T3, T4, FT3, FT4 etc.)
- Tumor Marker
- Allergy Test (Specific IgE)
- Cytokine

SpeLIA

Clinical chemistry



- Veterinary Clinic (Canine CRP, TBA, NH3 etc.)
- Clinical Chemistry (γ-GTP, GOT, HDL, LDL etc.)

②DNA Extraction
Reagent・Consumable

④Prepacked Reagent &
Consumable

PSS original reagent target



Contents	Instruments	Target	Diagnostic Method
Stevens-Johnson syndrome	LuBEA®	SNPs	Preventive care for serious side effects of taking the medicines It is possible to prospect by diagnosing SNPs
Deng fever	geneLEAD®	Virus	Diagnose Deng Virus
B type hepatitis	LuBEA® geneLEAD®	Protein Virus	Decide medical treatment plan for diagnosing B type hepatitis Monitor acute hepatitis by HBV occult infection by diagnosing virus
Anti cancer drug	LuBEA® geneLEAD®	Mutation SNPs	It is possible to prospect the effectiveness of Anti cancer drug by diagnosing Mutation It is possible to prospect the side effect of Anti cancer drug by diagnosing SNPs

Thank you so much for reading!



This mid-term Business plan contains forward-looking statements based on information currently available. Consequently the Company's actual results may differ materially from the projected values due to various future factors.

December 25, 2013
Precision System Science Co., Ltd.

URL : www.pss.co.jp
(IR& President Office)
Tel: 047-303-4800
Mail: ir@pss.co.jp