

(Translation)

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Notice of Business Alliance with Trinity Security Systems Inc. and PALTEK Corporation

PALTEK Corporation announced today to form a business alliance with Trinity Security Systems Inc. (Head Office: Shinagawa-ku, Tokyo, CEO: Motonori Hayashi). This alliance intends to cover broad business opportunities in the field of security in terms of technological development, product development, design of system integration and sales promotions.

1. Purpose and Contents of Business alliance

The Internet is truly approaching the broadband era, as expressed in such marketing slogans like "ubiquitous society" and "e-Japan plan."

At the same time, however, the increasing proliferation of hacker attacks and computer viruses is becoming a serious threat to further expansion and advancement of the Internet society. While the security measures against such threats have been lagged behind compared to the accelerating deployment of broadband network.

PALTEK considers the above situation as a great business opportunity to make a significant leap and have decided to enter a business alliance with Trinity, which includes capital participation.

Trinity has a number of advanced technologies such as cryptograph technology and protection of confidential data. In particular, its network security technology was highly praised and earned customers' confidence. Meanwhile, PALTEK has accumulated broadband technology knowledge and experience by working with customers in network equipment fields and relationships with such customers built over the years were very strong. By integrating Trinity's network security technology into PALTEK's strength in such areas, we are confident that we have a good opportunity in obtaining a strong position as a leading company providing total solutions to security market.

(Translation)

2. Outline of Trinity Security Systems Inc.

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|-------|-------------------------|---|
| (1) | Company Name | Trinity Security Systems Inc. |
| (2) | Headquarters | Furuoka Bldg., 8-3-13 Nishi-Gotanda, Shinagawa-ku, Tokyo |
| (3) | Chief Executive Officer | Motonori Hayashi |
| (4) | Date of Foundation | November 1, 1999 |
| (5) | Capital | 304,000,000 Yen (as of January 2003) |
| (6) | Line of Business | Development and sales of software, System engineering |
| (7) | Description of Business | Development and sales of digital right management (DRM) <ul style="list-style-type: none">• Security of digital images on the WEB, Flash and text data• Copyright protection and prevention of unauthorized secondhand use of moving image• Prevention of leakage of confidential information• Copyright protection in the business of selling downloads of application software• Database security• System integration concerning database security |
| (8) | Number of Employees | 31 (as of January 2003) |

3. Capital Participation

Amount of Money	:	71,000,000 yen
Type of Participation	:	Underwrite the allocation of new stocks to a third party
Ratio of Shareholding	:	4.6%

4. Date of Business Alliance January 20, 2003

5. Business Outlook

The impact of this business alliance on the results of fiscal year 2003 is still unclear at the present stage, but we intend to foster it as a core business by 2005.

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Questions concerning this Press Release:

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