

February 3, 2009

FALCO biosystems Ltd.

346 Shimizu-cho, Nijo-agaru Kawaramachi-dori, Nakagyo-ku, Kyoto 604-0911 Japan

President: Kenjiro Hirasaki

(Stock code: 4671, First Section, Tokyo Stock Exchange and Osaka Securities Exchange)

Contact: Tadashi Yasuda, Executive Director, Division Director of Corporate Planning Division

Telephone: +81-75-257-8500

Notice of Decision to Acquire Treasury Stock and Make “Treasury Stock Acquisition on J-Net Market of the Osaka Securities Exchange”

FALCO biosystems Ltd. announces that its Board of Directors passed a resolution at a meeting held on February 3, 2009 for a specific method to acquire treasury stock in accordance with Article 156 of the Companies Act as applied by replacing the specific terms therein pursuant to Article 165, Paragraph 3 of the aforementioned Act.

1. Reason for Acquiring Treasury Stock

As part of our capitalization policy, the company is acquiring treasury stock in order to cope with future changes in the business climate.

2. Method of Acquisition

The Company shall commission a Treasury Stock Acquisition on the J-Net Market of the Osaka Securities Exchange at 8:45 AM on February 4, 2009 at today's closing price (February 3, 2009) of 709 yen (includes closing “special bid and asked price”, and “bid and asked price”) (the Company shall not change to any other trading system or time). The above purchase order shall be limited to the above trading time.

3. Details of Acquisition

(1) Type of shares to be acquired: Common stock

(2) Total number of shares to be acquired: 100,000 shares (0.8% of total number of shares issued and outstanding (not including treasury stock))

(Note 1) The Company shall not change the above number of shares. There is the possibility that some or all of the above acquisition may not be possible as a result of market trends.

(Note 2) The number of shares scheduled for purchase shall be acquired when a corresponding order to sell shares has been made.

(Note 3) Total cost of share acquisition 70.9 million yen

4. Publication of Results of Acquisition

The results of the acquisition shall be publicized after the completion of the transaction at 8:45 AM on February 4, 2009.

(For reference) Status of treasury stock held as of December 20, 2008

Total number of shares issues and outstanding (excluding treasury stock): 12,093,780 shares

Total number of shares of treasury stock: 262,397 shares