

February 16, 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)

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**Notice of Decision Regarding Acquire Treasury Stock**

(Acquisition of treasury stock in accordance with the Articles of Incorporation pursuant to Article 165, paragraph 2 of the Companies Act)

FALCO biosystems Ltd. announces that its Board of Directors passed a resolution at a meeting held on February 16, 2009, aimed at acquiring 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.

Details are as follows.

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. Acquisition Criteria

- (1) Type of shares to be acquired: common stock
- (2) Total number of shares authorized to be acquired: up to 100,000 shares  
(0.8% of total number of shares issued and outstanding (excluding treasury stock))
- (3) Aggregate purchase price: up to 100 million yen
- (4) Period: from February 17, 2009 to March 31, 2009

(For reference)

Status of treasury stock held as of February 10, 2009:

Total number of shares issued and outstanding

(excluding treasury stock): 11,993,780 shares

Total number of shares of treasury stock: 362,397 shares