

November 17, 2009

**FALCO biosystems Ltd.**

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

Representative Director, 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: +81-75-257-8556

## **Announcement Concerning the Conclusion of a Commitment Line Agreement**

The Company hereby announces that it has today concluded a term-out type commitment line agreement (\*) with Bank of Kyoto Ltd. as the arranger.

1. Purpose of setting up the commitment line

The commitment line has been set up with the purpose of ensuring and stabilizing the mobility of fund procurement, and is positioned as a back-up line in strategic business development.

In addition, effective use of cash reserves while ensuring alternative liquidity will strengthen the financial characteristics of the Company.

2. Overview

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|---|--|
| (1) Limit on total borrowings:            | 2.5 billion yen  |
| (2) Date of contract:                     | November 17, 2009  |
| (3) Commitment period:                    | November 17, 2009 – November 16, 2010<br>(With an option to extend the agreement to a limit of 1 year) |
| (4) Term loan period:                     | 5 years from the commitment term   |
| (5) Arranger and agent:                   | Bank of Kyoto Ltd.   |
| (6) Co-arranger:                          | The Bank of Tokyo-Mitsubishi UFJ, Ltd.   |
| (7) Participating financial institutions: | Bank of Kyoto Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd.   |

(\*) Term-out type commitment line agreement

A commitment line where the value of loans taken up to the conclusion of the commitment line agreement period can be transferred into long-term loans