

December 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: +81-75-257-8500

**Announcement Concerning the Passage of Approval at the Ordinary General Meeting of Shareholders for Agreements on an Absorption-Type Split and a Share Swap**

FALCO biosystems Ltd. hereby announces that the Ordinary General Meeting of Shareholders of the Company held today passed approval as described below for the agreements on the absorption-type split and the share swap announced publicly in the “Announcement Concerning Entry into a Share Swap Agreement between FALCO biosystems Ltd. and SIMENO DRUG Co., Ltd. and Entry into an Agreement with FALCO Communications Ltd. on an Absorption-Type Split” on November 5, 2009.

As a result, under the agreement on the absorption-type split, the Company shall implement the absorption-type split making the Company the splitting company and FALCO Communications Ltd. the successor company with an effective date of March 21, 2010.

In addition, under the agreement on the share swap, the Company will implement a share swap that makes the Company a 100% parent company and SIMENO DRUG Co., Ltd. a 100% subsidiary with an effective date of April 1, 2010.

For details on the above, please refer to the “Announcement Concerning Entry into a Share Swap Agreement between FALCO biosystems Ltd. and SIMENO DRUG Co., Ltd. and Entry into an Agreement with FALCO Communications Ltd. on an Absorption-Type Split.”