

February 15, 2010

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 Organizational Structure of FALCO SD HOLDINGS Co., Ltd. and Changes of Representative Director and Group Officers

FALCO biosystems Ltd. hereby announces that the Board of Directors passed a resolution at a meeting held today for concerning organizational structure of FALCO SD HOLDINGS Co., Ltd. which to be a joint stock company (the plan is to change the corporate name from FALCO biosystems Ltd. on March 21, 2010) and group officers as described below.

In addition, the decision to change to a joint stock company was approved and passed at the Ordinary General Meeting of Shareholders for the 22nd term of business, held on December 17, 2009.

1. Organizational Structure of FALCO SD HOLDINGS Co., Ltd.
 - (1) We will newly establish the post of Director and Vice-chairman to further strengthen and enhance the management foundation.
 - (2) We will establish the Strategy Work Office to formulate plans such as the Group's management strategy.
 - (3) We will establish the Clinical Business Office to control the clinical testing business.
 - (4) We will establish the Pharma Business Office to control the dispensing pharmacy business.
 - (5) We will establish the Drug Business Office to control the drug store business.
 2. Change of Representative Director
 - (1) Reason for change

On March 21, FALCO biosystems Ltd. will change its name to FALCO SD HOLDINGS Co., Ltd. and become a pure joint stock company. In addition, on April 1, it will conduct a business merger with SIMENO DRUG Co., Ltd. In accordance with these things, the Group will strengthen its management structure.
 - (2) Name and Post of Representative Director

Name: Yoshikazu Shimeno
New post: Representative Director, Vice-Chairman
 - (3) Brief Personal History of New Representative Director

Born on March 27, 1948

Career History

April 1973	Joined SIMENO DRUG Co., Ltd.
June 1973	Became Director of the same company
May 1993	Became Representative Director of the same company
June 2008	Became Representative Director and Chairman at the same company (current position)
- Number of shares held: 0
- (4) Planned Date of Assumption of Office
April 1, 2010

3. Group Officers

(1) FALCO SD HOLDINGS Co., Ltd. (currently FALCO biosystems Ltd.)

As of March 21, 2010

Post	Name
Representative Director, Chairman	Hiroharu Akazawa
Representative Director, Vice-Chairman	Yoshikazu Shimeno (Plan to assume the post on April 1, 2010)
Representative Director, President	Kenjiro Hirasaki
Senior Managing Director and Chief of Clinical Business Office	Mikio Tsuchida
Senior Managing Director and Chief of Strategy Work Office and Pharma Business Office	Tadashi Yasuda
Executive Managing Director and Contact Officer	Toshikazu Shikata
Executive Managing Director and Chief of Drug Business Office	Toshio Fukuki (Plan to assume the post on April 1, 2010)
Internal Auditor	Shinjiro Sasaki
Auditor	Hideo Kimura
Auditor	Akio Takeuchi
Operative Officer and Chief of Work Supervision Office	Shigeki Monden
Operative Officer and Vice Chief of Work Supervision Office	Kiyohide Takei
Operative Officer and Vice Chief of Clinical Business Office	Hiroshi Eguchi
Operative Officer and Vice Chief of Clinical Business Office	Akira Iwai
Operative Officer and Vice Chief of Pharma Business Office	Masahiko Mori
Vice Chief of Strategy Work Office	Nobumasa Matsubara
Vice Chief of Drug Business Office	Toshinori Ooe (Plan to assume the post on April 1, 2010)

*Both Hideo Kimura and Akio Takeuchi are outside auditors.

(2) FALCO biosystems Ltd. (currently FALCO Communications Ltd.)

As of March 21, 2010

Post	Name
Representative Director, Chairman	Hiroharu Akazawa
Representative Director, President	Kenjiro Hirasaki
Senior Managing Director	Mikio Tsuchida
Senior Managing Director	Tadashi Yasuda
Executive Managing Director	Toshikazu Shikata
Auditor	Shinjiro Sasaki
Auditor	Yutaka Seko
Operative Officer	Hiroshi Eguchi
Operative Officer	Akira Iwai

(3) SIMENO DRUG Co., Ltd. (As of April 1, 2010)

Post	Name
President and Representative Director	Yoshikazu Shimeno
Vice President and Representative Director	Nobuo Iwata
Senior Managing Director	Toshio Fukuki
Executive Managing Director	Yoshiyuki Shimeno
Director	Tadashi Yasuda
Director	Masahiko Mori
Auditor	Nobumasa Matsubara
Auditor	Yutaka Seko
Operative Officer	Toshinori Ooe
Operative Officer	Yasushi Takeuchi

(4) FALCO Pharmacies Ltd. (As of March 21, 2010)

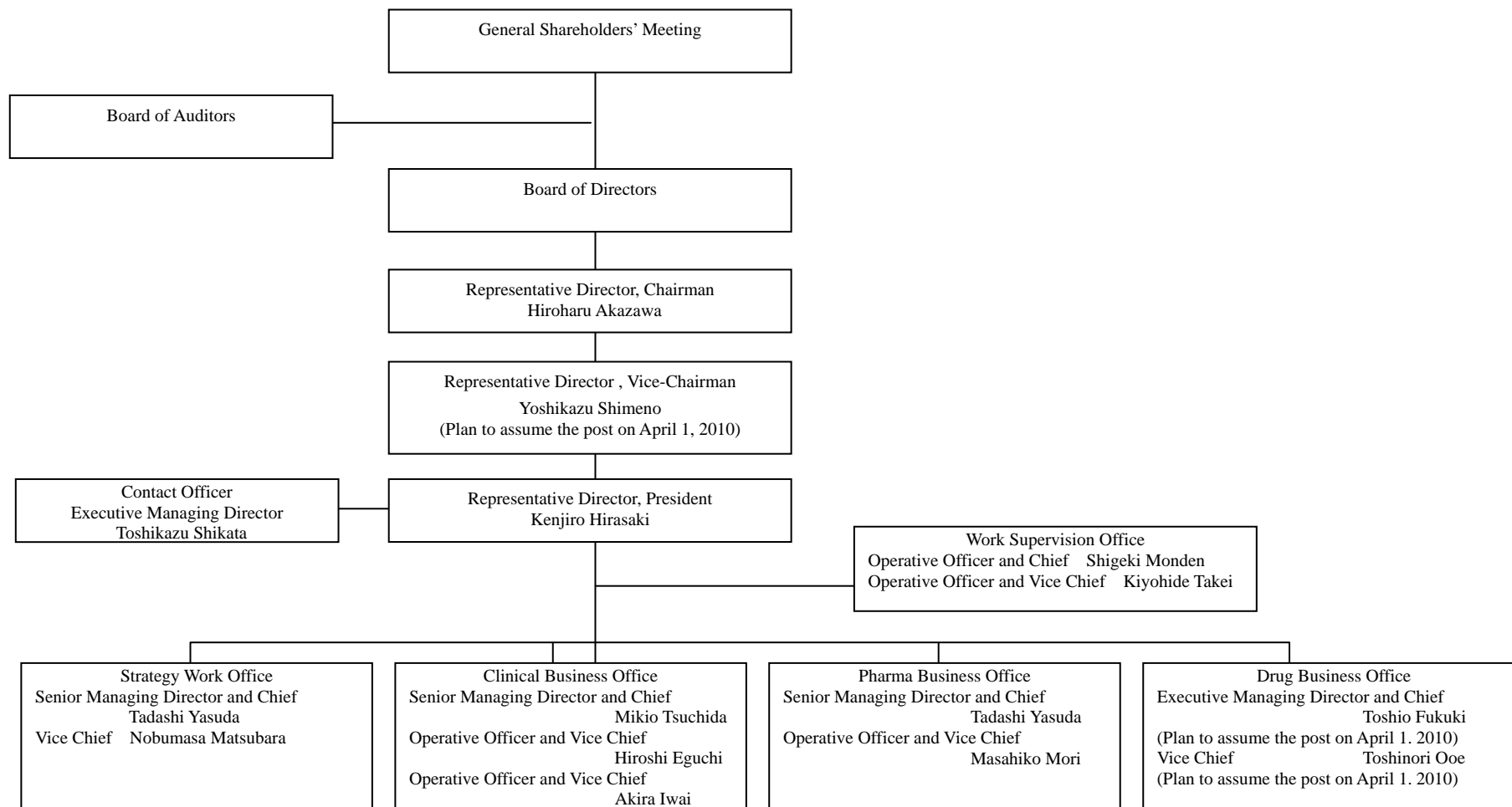
Post	Name
Representative Director, President	Masahiko Mori
Director	Tadashi Yasuda
Director	Nobuo Iwata
Auditor	Shinjiro Sasaki
Auditor	Yutaka Seko

(5) Tulip Drug Dispensary Co., Ltd. (As of April 1, 2010)

Post	Name
Representative Director , Chairman	Yoshikazu Shimeno
Representative Director , President	Masahiko Mori
Senior Managing Director	Ichiro Awashima
Senior Managing Director	Hiroshi Hayashi
Director	Tadashi Yasuda
Auditor	Nobumasa Matsubara
Auditor	Yutaka Seko
Operative Officer	Kyoko Murakami
Operative Officer	Osamu Abe
Operative Officer	Yasushi Tsukamoto
Operative Officer	Yoshihide Matsutani

[Reference Material]

Organizational Structure of FALCO SD HOLDINGS Co., Ltd. (from March 21, 2010)



*The plan is to have Yoshikazu Shimeno, Toshio Fukuki and Toshinori Ooe assume their posts on April 1, 2010.