

March 31, 2008

FALCO biosystems Ltd.

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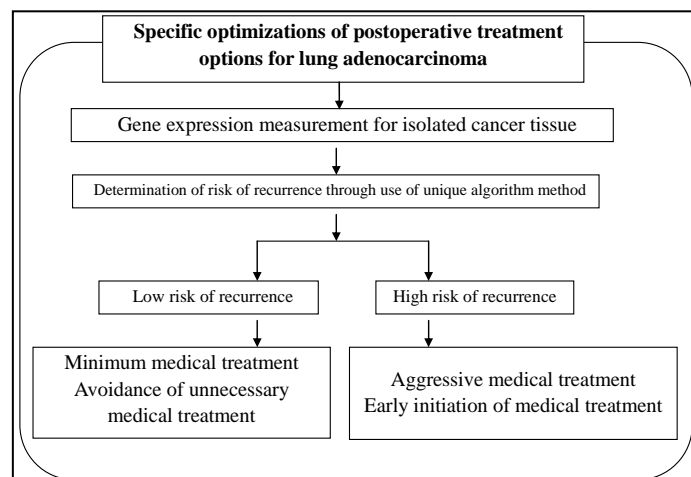
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Commencement of commissioned “Gene-expression test for predicting postoperative recurrence of lung adenocarcinoma” based on the consignment contract with Oncomics, Co., Ltd.

FALCO biosystems Ltd. has entered into a consignment contract with Oncomics, Co., Ltd. (hereafter, Oncomics) in relation to the “Gene-expression test for predicting postoperative recurrence of lung adenocarcinoma (trade name: OncoProg-LAD)” (for research) developed by Oncomics. The Company believes that this test will lead to the realization of full-scale development of this gene-expression testing, through operation and consignment activities with the use of the company’s networking capacity.

Gene-expression test, which targets cancer tissue removed by way of lung adenocarcinoma operations, comprehensively analyzes expressions of genes (mRNA) by way of the DNA microarray method, and predicts the risk of recurrence over a five-year period through the use of a uniquely developed algorithm. The Company believes that this gene-expression test will serve as a criterion for considering more appropriate postoperative treatment for individual patients.



1. Commencement date of consignment:

Operation and consignment activities based on this contract will begin on April 1, 2008.

2. Future outlook

The Company expects the provision to have only a minimal impact on business results during the period.

<Corporate profile of Oncomics >

Established in December 2005, Oncomics is Nagoya University's first venture company, and has been aiming towards the realization of made-to-order medicine for human cancers with the use of genomic and proteomic analytical approaches. Oncomics is striving to realize made-to-order cancer medicine by providing early cancer detection and diagnosis through a proteomic analytical approach on a step-by-step basis, including this gene-expression testing targeting lung adenocarcinoma.

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