

November 5, 2008

**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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**Announcement of the Retirement of an Auditor**

FALCO biosystems Ltd. hereby announces that one of the company's auditors will resign as of December 12, 2008, as described below.

1. Resigning auditor  
Toshio Yamori, corporate auditor

2. Reason for resignation  
Personal reasons

3. Other  
Even though this auditor will be resigning, the company plans to appoint 3 auditors (including 2 outside corporate auditors) at the 21st Ordinary General Meeting of Shareholders planned to be held on December 12, 2008 to fulfill the requirement concerning the number of auditors stipulated in law and in the company's Articles of Association.

Please direct any inquiries concerning this matter to:  
Investor Relations & Corporate Communications Dept.:  
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