

July 11, 2005

**FALCO biosystems Ltd.**

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

Chairman and President: Hiroharu Akazawa

(Stock code: 4671, Second Section, Tokyo Stock Exchange and Osaka Securities Exchange)

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**We announce that we have acquired the exclusive marketing rights of  
gene analysis reagents for the MLPA method in Japan**

We concluded a contract with the Dutch biotechnology firm MRC-Holland b.v. (hereafter "MRC") on July 11, 2005 giving us the exclusive marketing rights in Japan to SALSA® MLPA® kit, gene analysis reagents that are manufactured and sold by MRC.

The MLPA method is a new gene analysis method developed by MRC which began manufacturing and selling under the trade name of SALSA® MLPA® kit in January 2002. The SALSA® MLPA® kit, which does not require any special instruments, is extremely sensitive and specific at detecting large-scale gene mutations (deletion of exons, etc.), previously difficult using conventional gene analysis methods, such as PCR or direct full sequence analysis.

Because the SALSA® MLPA® kit can accurately detect genetic mutations, we expect it to contribute to a better understanding of the relationship between genetic mutation and disease susceptibility. We believe this product will prove to be an indispensable tool in genetic analysis in Japan from now on.

We have worked to promote the widespread use of human genetic testing in Japan ever since we concluded a contract with Myriad Genetics, Inc. (US) in January 2000 that gave us the exclusive usage rights in Japan to the company's disease-related genetic patents.

We believe that the launch of this new product in Japan will help expand our genetic testing business, and make a significant contribution to the advancement of human genetic research.

The influence of this product sales will be slight to the annual business result of us because its use will be limited to research purposes for the time being. (We forecast sales of 20 million yen in fiscal year ending September 2006, and 100 million yen in fiscal year ending September 2008.)

**Outline of MRC**

Company name: MRC – Holland b.v.

Location: Hudsonstraat 68, 1057 SN Amsterdam, The Netherlands

Representative: J.P.Schouten (Managing Director)

Establishment: 1985

Capital and Sales: Not disclosed (as it is a privately-held company)

**For reference**

SALSA: Selective Adaptor Ligation, Selective Amplification

MLPA: Multiplex Ligation-dependent Probe Amplification

PCR: Polymerase Chain Reaction

Exon: DNA base sequences that code for proteins through mRNA