

December 5, 2005

FALCO biosystems Ltd.

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Chairman and President: Hiroharu Akazawa

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

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Notice of Organizational and Personnel Changes

We announce that the Board of Directors resolved at a meeting held today to make the following organizational and personnel changes effective December 15, 2005. Note that changes in directors are subject to approval by shareholders at the General Shareholders Meeting scheduled for December 15, 2005, and again by the Board of Directors after the shareholders meeting.

The changes, including integration of the clinical testing business with the sales head office to promote rapid decision-making, are generally designed to improve customer service and enhance the corporate organizational structure to ensure our company remains competitive in the rapidly changing medical environment.

1. Organizational Changes

- Formation of a new Business Planning Headquarters to manage the Business Strategy Department (name changed from Strategic Planning Department), and the Accounting Department.
- Formation of a new Business Development Headquarters to manage the IT Systems Division (to be newly formed by splitting the System Development Department), the Overseas Business Division (to be newly formed), the Genetics Division, the Biosciences Division, and the Pharmacy Business Planning Department.
- Formation of a new Clinical Testing Business Headquarters, to be integrated with the Sales Division, to manage the Clinical Business Management Department (to be newly formed), the Regional Sales Promotion Department (to be newly formed), the Head Sales Office (to be newly formed through integration with the Wholesale Marketing Department), the Healthcare Division, the Testing Systems Division (to be newly formed by splitting the System Development Department), and the Main Laboratory and other key laboratories.
- Formation of a new General Affairs Headquarters to manage the Personnel Department (to be newly formed) and the General Affairs Department.
- Name change of Public Relations Department to Investor and Public Relations Department, and placed under the direct authority of the president.
- Integration of the Testing Oversight Office with the Quality Control Office, and placed under the direct authority of the president.

(See accompanying graph for an outline of the new organizational structure.)

2. Major Personnel Changes (Scheduled)

Name	New position	Current position
Mikio Tsuchida	Executive Director General Manager of Clinical Testing Business Headquarters, Clinical Business Management Dept., Regional Sales Promotion Dept., and Head Sales Office	Director General Manager of Sales Div.
Tadashi Yasuda	Executive Director General Manager of Business Planning Headquarters, Business Development Headquarters, and Business Strategy Dept.	Director General Manager of Strategic Planning Dept.
Tadao Tamaki	Director General Manager of General Affairs Headquarters, Personnel Dept. and General Affairs Dept.	Director General Manager of General Affairs Dept.
Kiyohide Takei	Executive Officer Deputy General Manager of Clinical Testing Business Headquarters, General Manager of Okayama Laboratory	Executive Officer General Manager of Okayama Laboratory
Hiroshi Eguchi	Executive Officer Deputy General Manager of Clinical Testing Business Headquarters, General Manager of Main Laboratory	Executive Officer General Manager of Main Laboratory
Akira Iwai	Executive Officer Deputy General Manager of Clinical Testing Business Headquarters	Executive Officer General Manager of System Development Dept.
Hiroshi Hasegawa	General Manager of Investor and Public Relations Dept.	General Manager of Public Relations Dept.
Shigeru Shoji	General Manager of Overseas Business Div.	Senior Manager of Genetics Div.
Kenji Yamazaki	General Manager of IT Systems Div.	Deputy General Manager of System Development Dept.
Hiroshi Tainaka	General Manager of Testing Systems Div. System Operations Section Manager	Deputy General Manager of System Development Dept. System Operations Section Manager

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(New Organizational Structure)

