

February 20, 2006

FALCO biosystems Ltd.

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

Chairman and President: Hiroharu Akazawa

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

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**Notice of a decision on the acquisition price
regarding a change in subsidiary (company acquisition)**

Regarding our "Notice of Change in Subsidiaries (Company Acquisition)" announced on February 7, 2006, the acquisition price for the acquisition of Shidaiken Co., Ltd stock has been decided, and the Board of Directors resolved at a regular meeting held February 20th to conclude a stock acquisition contract as follows.

1. Number of shares to be acquired, share acquisition price, and change in ownership ratio

1) Share ownership before transfer: - shares (Ownership ratio: -%)
(Number of voting rights: - units)

2) Number of shares to be acquired: 200 shares (Share acquisition price: 50 million yen)
(Number of voting rights: 200 units)

3) Share ownership after transfer: 200 shares (Ownership ratio: 100%)
(Number of voting rights: 200 units)

2. Please see our "Notice of Change in Subsidiaries (Company Acquisition)" of February 7th for further details.