



12 February 2008

**Summary of Consolidated Financial Results
for the 3Q ended 31st December 2007
(abridged English version)**

Sosei Group Corporation (4565, Tokyo Stock Exchange, Mothers Market) today reported financial results for the 3Q ended 31st December 2007.

The net sales for the 3Q ended 31st December 2007 totalled ¥664M, a slight increase of ¥15M compared to ¥649M achieved in the same period a year ago. The income in the current period is primarily due to milestone income from Mundipharma relating to the development of AD 923.

Selling, General and Administration (SGA) expenses were ¥5,139M (¥4,800M in the previous year). Within SGA, R&D expenses were ¥2,897M, an increase from ¥2,331M in the comparative period last year as the Group continued to develop its product pipeline. Other SG&A costs were ¥1,035M, a reduction of 18% from the same period last year. Amortisation of goodwill, relating to the acquisition, remains the same as the previous year at ¥1,205M.

The operating loss was ¥4,540M (¥4,561M in the previous year) and the net loss was ¥4,292M (¥4,265M in the prior year period).

The Group had ¥6,085M of cash as of 31st December 2007, compared to ¥6,695M as of 31st December 2006.

Significant development during the 3Q ended 31st December 2007 included:

- Initiation of Phase II clinical study of QVA149 (for chronic obstructive pulmonary disease, COPD) by Novartis in November 2007.
- Obtaining approval for the Phase III clinical trial programme for AD 923 (for cancer breakthrough pain) in Europe, in November 2007.
- Initiation of a multiple dose ascending Phase I study and the initial single ascending dose Phase I study of SD 118 (for neuropathic pain) in November 2007.

Sosei Group Corporation		
Consolidated Financial Results (Unaudited) (Yen Millions)		
	3Q ended December 31 st	
	2007	2006
Net sales	664	649
Operating expenses		
Cost of sales	65	410
Selling, General and Administration		
Research & Development (R&D)	2,897	2,331
Amortisation of goodwill	1,204	1,205
Other SGA	<u>1,035</u>	<u>1,264</u>
Total Selling, General and Administration	5,139	4,800
Total operating expenses	5,204	5,210
Operating profit/(loss)	(4,540)	(4,561)
Non-operating income/(expenses)	24	64
Income/(loss) before taxes	(4,515)	(4,496)
Income tax (charge)/credit	223	230
Net income/(loss)	(4,292)	(4,265)
Average number of shares outstanding	117,633	98,580

Consolidated Balance Sheet Data (Unaudited) (Yen Millions)		
	December 31 st 2007	December 31 st 2006
Cash, cash equivalents and short-term investments	6,085	6,695
Goodwill	12,229	13,837
Total assets	18,984	21,475
Total liabilities	994	698
Total stockholders equity (excluding impact of foreign exchange gains & losses and Stock Acquisition Rights)	17,036	19,942

Forecast for the Fiscal Year Ending March 31, 2008

The financial forecast for the year ended March 31st 2007 remains unchanged from that announced on May 14th 2007.