

SOSEI IN-LICENSE UROLOGY DRUG FROM OTSUKA

Tokyo, London 23 February, 2005 – Sosei Co. Ltd. (4565, Tokyo Stock Exchange MOTHERS Index) announced today that it has in-licensed an urology compound OPC-51803 (Sosei code SOU-003) from Otsuka Pharmaceutical Co., Ltd. who has already completed Phase I human studies. Sosei has been granted the rights to develop and commercialise the compound globally, except for Japan and other Asian countries where Otsuka retains the rights. Sosei also has co-promotion rights in Japan, whilst Otsuka retains a co-promotion option in the USA and Europe.

SOU-003 is an orally active small molecule with selective vasopressin V2 receptor agonist activity which increases water re-absorption in the kidneys. The safety of SOU-003 has already been confirmed in several Phase I studies with healthy volunteers and also in various types of incontinence patients by Otsuka. Sosei intends to begin a Phase II study, to select the optimal dose in nocturia and nocturnal enuresis patients, during the second half of 2005. The compound is expected to reduce the urine production rate at night which should avoid interruptions to sleep and improve the quality of life of sufferers. Nocturia is more prevalent in the elderly for whom the condition becomes increasingly more distressing and for which there is a growing medical need for treatment.

Only one treatment based on the same mechanism as SOU-003 is currently available and is mainly used to treat those who suffer from nocturnal enuresis. Known as desmopressin, an orally active peptide, it is administered either orally or via the nose. Its bioavailability as an oral tablet is very low as it is a peptide analogue. A small molecule oral treatment such as SOU-003, with higher bioavailability, is likely to provide a treatment with a more reliable effect.

SOU-003 also has the potential for other indications including diabetes insipidus. The agreement provides the right for Sosei to explore all uses which could provide further medical and commercial opportunities.

Sosei's CEO Shinichi Tamura stated "We are excited by this agreement with Otsuka Pharmaceuticals. SOU-003 adds a third urology product to our development pipeline giving us an expanded opportunity in this disease area with a growing need for new therapies. The profile of SOU-003 is very promising and we believe it will provide a valuable new treatment for patients."

Otsuka's CEO Mr. Tatsuo Higuchi commented: "The development of OPC-51803 by Sosei, a company dedicating a large part of its R&D resources to the urology area, should be promising. We expect that Sosei's advanced development capabilities will make it possible for OPC-51803 to contribute to the treatment of patients who are suffering from nocturia and nocturnal enuresis."

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Notes for Editors:

* Nocturia (frequent night time urination):

The International Continence Society (ICS) defines nocturia as 'the complaint that the individual has to wake at night one or more times to void'. Lack of sleep due to nightly urination is more than uncomfortable. Nocturia patients suffer from lack of sleep due to night time toilet visits. Nocturia can also be linked to depression. Sleep deprivation due to night time toilet visits can become a chronic problem with serious health consequences. Beyond the body's sleep threshold, a person will have difficulty undertaking normal daily activities. Orthopaedic injury and other types of serious accident are often reported during patients' frequent visits to the toilet. This constitutes a high risk to the elderly patients due to decreased bone density.

* Nocturnal Enuresis (Night time bed wetting):

The American Psychiatric Association has defined bed-wetters as children older than age five who are incontinent of urine at night. (www.aafp.org/afp/990301ap/1205.html) In the U.S., between 2 and 3 million children are afflicted with this disorder. Approximately 10-15% of five year olds and five percent of 10 year olds suffer from bedwetting. Most children outgrow bed-wetting without treatment. However, at 15 years of age 1 to 2 percent of teenagers will still wet the bed. The cause is unknown, however, causative factors may include maturational delay, genetic influence, difficulties in waking and decreased night time secretion of an antidiuretic hormone. Primary nocturnal enuresis sometimes presents significant psychosocial problems for children and their parents.

* Central Diabetes Insipidus:

This condition affects a small patient population - approx 1 in 25, 000 people in USA (www.emedicine.com/med/topic543.htm). On the other hand patients suffering from

central diabetes insipidus and also with damaged vasopressin production in brain (which can be caused by radiation therapy or accidents) will need this class of drug for their remaining life to support body fluid maintenance. An oral drug will improve patient compliance for such long term treatment.

About Sosei Co. Ltd.

Sosei Co. Ltd. founded in 1990 by Shinichi Tamura, the ex-CEO of Genentech Japan, is a leading Japanese biopharmaceutical company with significant expertise in drug development. It enriches its core product pipeline by in-licensing compounds from Western and Japanese companies, by its distinctive Drug Reprofile Platform[®] (DRP[®]) and through new molecular entity (NME) research programmes in collaboration with biopharmaceutical companies and universities both in Japan and the West. Sosei is also developing its own sales and marketing organization in Japan. The company is capitalising on its extensive global network established over the past 10 years in its successful technology transfer business. For further information about Sosei, please visit www.osei.com.

About Otsuka Pharmaceutical

Founded in 1964, Otsuka Pharmaceutical Co., Ltd. is a healthcare company with the mission statement: "Otsuka - people creating new products for better health worldwide." Otsuka researches, develops, manufactures and markets innovative products, focusing its core businesses on pharmaceutical products for the treatment of disease and consumer products for the maintenance of everyday health. Otsuka leads a corporate group comprised of 73 companies and about 23,000 people around the world. With 39 consolidated subsidiaries employing about 17,000 people, Otsuka earned US\$4.4 billion in consolidated annual revenues in fiscal 2003. For further information about Otsuka, please visit www.otsuka.co.jp.

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