

SOSEI ANNOUNCES START OF PHASE II TRIAL OF AD 337 IN FIBROMYALGIA SYNDROME

Tokyo, Japan – 17 October 2006: Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565), the biopharmaceutical company, today announces that AD 337, a novel enantiomer of an approved centrally acting non-opioid analgesic, has entered a Phase II proof of principle trial for the treatment of fibromyalgia syndrome (FMS).

The trial is a multi-centre, randomised, double-blind, placebo controlled, parallel group exploratory study to investigate the efficacy, safety and tolerability of AD 337 in the treatment of fibromyalgia in female subjects. The trial will involve the recruitment of some 100 patients in up to 20 centres in the UK and Australia.

Earlier single and multiple dose Phase I studies in a total of 49 subjects showed that AD 337 is well tolerated with an attractive pharmacokinetic profile.

AD 337 is a serotonin noradrenalin reuptake inhibitor (SNRI) and exhibits comparable pharmacology to drugs that are showing promising results in FMS and has demonstrated antidepressant and anxiolytic activity. In addition, AD 337 is expected to have a low-incidence of drug-drug interaction, a highly desirable characteristic in members of this therapeutic class. AD 337 is also being considered for use in other indications.

Fibromyalgia syndrome predominantly affects women between the ages of 35 and 60 with an estimated prevalence of 2% in the USA. The disease is characterised by widespread musculoskeletal pain that presents with a number of co-morbidities including fatigue, sleep disturbance and depression. The aetiology of the syndrome is not well understood but serotonin (5-HT) and noradrenalin (NA) dysfunction is believed to be a contributory factor. Currently there are no drugs specifically approved for FMS although some treatments are available to deal with various fibromyalgia symptoms.

The global market for such treatments is currently worth some \$300m and is expected to grow to over \$1 billion in the next 10 years as new therapeutic options specifically indicated for fibromyalgia become available.

Shinichi Tamura, President and CEO of Sosei, said: “We are delighted to announce the start of the Phase II programme. This represents an important step in validating the clinical profile of AD 337 which we believe to be a very promising product in an area of significant unmet medical need.”

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Notes to Editors:**About Sosei**

Sosei Group Corporation is a leading international biopharmaceutical company with significant expertise in product discovery and development. It has established a reduced risk business model primarily upon identifying new uses for established drugs and exploiting its unique position within Japanese, European and North American pharmaceutical markets by acquiring compounds from, and bringing compounds into, Japan.

For further information about Sosei, please visit www.osei.com