



12 February 2008

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

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

The net sales for the 3Q ended 31<sup>st</sup> 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 31<sup>st</sup> December 2007, compared to ¥6,695M as of 31<sup>st</sup> December 2006.

Significant development during the 3Q ended 31<sup>st</sup> 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.

<b>Sosei Group Corporation</b>		
<b>Consolidated Financial Results (Audited)</b> ( Yen Millions)		
	3Q ended December 31 <sup>st</sup>	
	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

<b>Consolidated Balance Sheet Data (Audited)</b> ( Yen Millions)		
	December 31 <sup>st</sup> 2007	December 31 <sup>st</sup> 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 31<sup>st</sup> 2007 remains unchanged from that announced on May 14<sup>th</sup> 2007.