

Sosei sells off its subsidiary, SC Consulting

Tokyo – London, 31 March 2006 – Sosei Co. Ltd. [4565, Tokyo Stock Exchange, MOTHERS index] is pleased to announce that it will sell all its shares (100% of total issued stock) of the company's subsidiary, SC Consulting, to Dr. Ishiguro, the current Representative of SC Consulting.

1. Overview of SC Consulting:

1) Company name	SC Consulting Inc.
2) Incorporated	1 st April 2003
3) Location	4F Ichiban-cho FS Bldg., 8 Ichiban-cho, Chiyoda-ku, Tokyo 102-0082, Japan
4) Business description	Technology transfer in the pharmaceutical industry
5) Representative	Dr. Junzo Ishiguro
6) Capital	JPY 10 million
7) Total issued shares	1,000 shares
8) Financial year-end	March
9) Shareholder composition	100% owned subsidiary of Sosei Co. Ltd.
10) Recent Sales	JPY 38 million (at end of March 2005)

2. Reason for transaction:

SC Consulting (hereon referred to as SCC) was a 100% owned subsidiary, conducting technology transfer business, which had been originated by Sosei at its own establishment. However, in 1999 Sosei changed its focus to pharmaceutical development, and since then has continuously increased its expertise in this field. Consequently, Sosei has decided to sell its share holding of SCC to Dr Ishiguro, the current Representative of SCC, by its transfer value 11 million yen.

Although SCC will no longer be part of the capital of Sosei Group, Dr. Ishiguro intends to continue with the technology transfer business for SCC, and Sosei will continue to maintain a cooperative relationship. The influence of this share transfer on our financial results for this fiscal year is expected to be minimal.

3. Schedule for share transfer:

31/03/2006 Approval by Board, at Board Meeting

- end -

Enquiries

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SC Consulting Inc.

(effective as of 1 April) **Tel: +81 (0)3 3242 6358**

Junzo ISHIGURO, Representative

About Sosei

Sosei Co. Ltd. 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.

In August 2005, Sosei expanded its international presence through the acquisition of the UK-based private biopharmaceutical company Arakis Limited.

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