



Sosei Announces that QVA149 Clinical Development starts in 2007 and Updates the Status of NVA237

Tokyo, Japan – 29 November 2006: Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565), the biopharmaceutical company, today announces that at a Pharmaceutical Pipeline Update presentation yesterday in London, Novartis, highlighting the importance of its respiratory franchise, stated that initial formulation work on QVA149 had been successfully concluded and that clinical development starts in 2007.

QVA149 is a fixed dose combination product for the treatment of COPD, an irreversible and chronic obstruction of the airways. The product combines NVA237, the once daily long acting muscarinic antagonist licensed to Novartis by Sosei in 2005, together with Novartis’ once daily long acting beta2 agonist, indacaterol.

Novartis also indicated at its presentation that it expected to file NDA submissions for both NVA237 and QVA149 in 2010.

Mr Shinichi Tamura, President & CEO of Sosei, said: "I am delighted that Novartis has confirmed the progression of QVA149 into clinical development and that both QVA149 and NVA237 are expected to file in 2010. Both products will add breadth to the options available for the treatment of COPD, the prevalence of which continues to rise."

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Notes for Editors:

About the NVA237 licence agreement with Novartis

Sosei and its co-development partner Vectura Group plc (“Vectura”) concluded a global development and commercialisation agreement with Novartis in April 2005 for their collaborative product NVA237. Novartis is responsible for developing and commercializing NVA237 both as a monotherapy and in combination with indacaterol, its once daily, long acting beta 2 agonist.

Under the terms of the agreement, Sosei and Vectura have already received \$15 million each and will receive up to \$172.5 million each for achieving pre-agreed clinical, regulatory and commercialisation targets for both the monotherapy and combination product. These potential milestones thus total up to \$375 million. In addition, royalties on product sales will be paid for the monotherapy and the combination product. If a third combination product is developed by Novartis, using NVA237, further milestones and royalties may be payable.

About Sosei

Sosei 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