



14 May 2009

**Summary of Consolidated Financial Results
for the Financial Year ended 31st March 2009
(abridged English version)**

Sosei Group Corporation (4565, Tokyo Stock Exchange, Mothers Market) today reported financial results for the financial year ended 31st March 2009.

The net sales for the fiscal year ended March 2009 decreased ¥557M compared to the same period a year ago, as the majority of the revenue in this period was from the ongoing sales of Norlevo to Sandoz Australia and no milestone revenues were received.

Selling, General and Administration (SGA) expenses decreased to ¥3,698M from ¥6,856M in the same period previous year, as a result of company's downsizing and efforts to reduce costs in general. Within SGA, R&D expenses were decreased by ¥3,103M over the previous year totalling ¥785M. Other SGA costs were ¥1,325M (¥1,361M in the previous year). Amortisation of goodwill, relating to the acquisition of Sosei R&D amounted to ¥1,588M, which is almost equivalent to the previous year (¥1,606M).

Also, as a result of cost reduction the operating loss and net loss were significantly decreased to ¥3,667M (¥6,269M in the previous year) and ¥3,939M (¥6,503M in the previous year) respectively.

The Group had ¥1,768cash as of 31st March 2009 compared to ¥4,907M as of 31st March 2008 Decrease in cash is a result of expenses incurred.

Announcements made during the financial year ended 31st March 2009 include:

- Announcement of strategy review, company downsizing and cost reduction in May 2008
- Novartis announces positive results of Phase II clinical trial of NVA237 in October 2008
- Successful completion of Phase III trial (in Japan) of SOH-075 for emergency contraception in October 2008
- Sosei agrees terms with Aska regarding commercialization of SOH-075 in Japan in October 2008
- Out-licensing of AD 452 (RS(+)) Mefloquine) to Treague Ltd for the Treatment and Prophylaxis of Malaria in November 2008
- Sosei confirms safety of SD118 in two Phase I trials in December 2008

- Buyback of commercialization rights to AD 923 from Mundipharma in December 2008
- Sosei sells chronotherapeutic patent in March 2009
- Grant of European patent for SD118 in March 2009

Sosei Group Corporation		
Consolidated Financial Results (Audited) (Yen Millions)		
	12 month ended March 31 st	
	2009	2008
Net sales	152	709
Cost of Sales	122	122
Gross Profit	31	587
Selling, General and Administration		
Research & Development (R&D)	785	3,888
Amortisation of goodwill	1,588	1,606
Other SGA	<u>1,325</u>	<u>1,361</u>
Total Selling, General and Administration	3,698	6,856
Operating profit/(loss)	(3,667)	(6,269)
Non-operating income/(expenses)	(370)	(509)
Income/(loss) before taxes	(4,038)	(6,779)
Income tax (charge)/credit	99	275
Net income/(loss)	(3,938)	(6,503)
Average number of shares outstanding	117,893	117,893

Consolidated Balance Sheet Data (Audited,) (Yen Millions)		
	March 31 st 2009	March 31 st 2008
Cash, cash equivalents and short-term investments	1,768	4,907
Goodwill	10,190	11,778
Total assets	12,367	17,403
Total liabilities	228	1,621
Total stockholders equity (excluding impact of foreign exchange gains & losses and Stock Acquisition Rights)	10,886	14,825

Forecast for the Fiscal Year Ending March 31, 2010

As a result of restructuring and portfolio review in the beginning of the FY2008, R&D and SG&A costs will be reduced dramatically compared to the results in the year ended March 31, 2009.

Within the existing pipeline, NVA237 and QVA149 are being developed under the responsibility of Novartis, and therefore the Group will not incur any development costs for those two products.

Net sales forecast includes milestone revenues that the initiation of Phase III clinical studies for both NVA237 and QVA149 will trigger, as well as the sales of Norlevo to Sandoz Australia and milestone payments from Akxa regarding development and NDA submission for SOH-075.

Yen Millions

Sosei Group Consolidated

	FY2008 Actual	FY2009 Forecast
Net Sales	150	1,700
Operating expenses	3,698	2,770
R&D costs	785	380
SG&A costs	1,325	790
Amortization of goodwill	1,588	1,600
Operating income/(loss)	(3,667)	(1,200)
Ordinary income/(loss)	(4,165)	(1,200)
Net income/(loss)	(3,938)	(1,200)