



12 August 2009

**Summary of Consolidated Financial Results
for the 1Q ended 30th June 2009
(abridged English version)**

Sosei Group Corporation (4565, Tokyo Stock Exchange, Mothers Market) today reported financial results for the 1Q ended 30th June 2009.

The net sales for the 1Q ended 30th June 2009 totaled ¥733M, an increase of ¥669M compared to ¥64M achieved in the same period a year ago. The income in this period is primarily based on the milestone from Novartis triggered by the commencement of Phase III trials for NVA237, and ongoing sales of NorLevo® to Sandoz through a sub-licence arrangement in Australia.

Selling, General and Administration (SGA) expenses were ¥689M (¥1,070M in the previous year), a significant decrease due to reduction of R&D and other overhead spendings. Within SGA, R&D expenses were ¥112M, a decrease of 66.8% from ¥337M in the comparative period last year. Other SG&A costs were ¥179M, a reduction of 46.4% from the same period last year. Amortization of goodwill was ¥397M same as the amount in the comparative period last year.

As a result, an operating profit of ¥6M was realized versus a loss of ¥1,064M in the previous year. Net income was ¥276M against a loss of ¥939M in the same period of the prior year.

The Group had ¥1,732M of cash as of 30th June 2009, compared to ¥1,768M as of 31st March 2009.

Progress of product development and other activities during the 1Q ended 30th June 2009 included:

- NVA237 (COPD)
 - in May 2009 Sosei granted manufacturing process related patent for NVA237
 - In June 2009 Novartis announced commencement of NVA237 Phase III clinical trials.

Sosei Group Corporation		
Consolidated Financial Results (Unaudited) (Yen Millions)		
	1Q ended June 30 th	
	2009	2008
Net sales	733	64
Operating expenses		
Cost of sales	37	58
Selling, General and Administration		
Research & Development (R&D)	112	337
Amortisation of goodwill	397	397
Other SGA	<u>179</u>	<u>335</u>
Total Selling, General and Administration	689	1,070
Total operating expenses	726	1,129
Operating profit/(loss)	6	(1,064)
Non-operating income/(expenses)	269	17
Income/(loss) before taxes	276	(1,046)
Income tax (charge)/credit	0	(106)
Net income/(loss)	276	(939)
Average number of shares outstanding	117,893	117,893

Consolidated Balance Sheet Data (Unaudited) (Yen Millions)		
	FY2009 1Q ended June 30 th	FY2008 ended March 31 st
Cash, cash equivalents and short-term investments	1,732	1,768
Goodwill	9,793	10,190
Total assets	12,553	12,367
Total liabilities	300	228
Total stockholders equity (excluding impact of foreign exchange gains & losses and Stock Acquisition Rights)	11,163	10,886

Forecast for the Fiscal Year Ending March 31, 2010

The financial forecast for the year ending March 31st 2010 remains unchanged from that announced on May 14th 2009.