



Sosei to Acquire Activus Pharma

Tokyo, Japan – 21 June 2010: Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565), announced today that it has reached an agreement to acquire 100% of Activus Pharma Ltd. (“Activus”), a privately-held biopharmaceutical company based in Chiba, Japan.

Activus Pharma Ltd. was established in 2006 as a spin-off from DIC Corporation (TSE Section 1 Index: [4631](#)).

Strategic Rationale

Activus’ core technologies in drug formulation using proprietary nano-particle processing will form the basis of Sosei’s new platform technology.

Activus Pure Nano-particle Technology (APNT), unlike other nano-particle processing technologies, keeps compounds virtually free from contamination. At the same time, it can yield pharmaceutical ingredients with particle sizes ranging from 50 to 300nm levels. Thus, APNT enables the development of injections, ophthalmic solutions and inhalations with poorly soluble compounds where high purity is required.

The needs for nano-particle technology within the pharmaceutical industry are still largely unmet. Therefore, the technology can be expected to generate new development candidates for Sosei, and partnership with other pharmaceutical companies will allow Sosei to realize revenue from this technology in a relatively short period of time.

Structure of the transaction

The deal contemplates the acquisition of 100% of the issued share capital of Activus through a stock exchange, but there will be no issuance of the new stocks to the current shareholders of Activus. In exchange for the acquired shares Sosei will offer a cash consideration to:

- 1) Preference shareholders
Cash consideration of 500,250,000 yen will be provided. However, in case the net cash balance of the day preceding the day of share exchange is below the above sum, the net cash balance will be paid to preference shareholders, while common shareholders will be paid 1 yen per share.
- 2) Common shareholders
Common shareholders will be paid the difference between the net cash balance of the day preceding the day of share exchange and the cash considerations provided to preference shareholders.

Additionally, a part of the gross profit generated from the acquired Activus

assets will be split among common shareholders up to 5 years effective from the day of the enforcement of the deal or until the gross profit amounts to 1 billion yen, whichever comes sooner.

Activus company profile and recent financial results:

1) Company name	Activus Pharma Ltd.
2) Business Description	Research and development of pharmaceuticals and nano-particle technology.
3) Founded	24 October 2006
4) Address	Venture Plaza Funabashi 218, 1-17-25, Kita-honcho, Funabashi-shi Chiba 273-0864, Japan
5) President and CEO	Yasuo Aoki, Ph.D.
6) Paid in capital	JPY 880,875,000
7) Outstanding shares	1,956
8) Total assets	JPY 984,457,687
9) Fiscal term	March
10) Number of employees	7

(JPY thousands)

	31 March 2009	31 March 2010
Sales	103	1,939
Gross operating profit	103	1,939
Operating loss	623,723	291,945
Net loss	661,498	301,225
Total assets	984,457	548,555
Shareholders' equity	843,112	541,002

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Notes for Editors:

About Sosei

Sosei is an international biopharmaceutical company anchored in Japan with a global reach. It practises a reduced risk business model by acquiring compounds from, and bringing compounds into, Japan through exploitation of its unique position within global markets. For further information about Sosei, please visit www.sosei.com.

Forward-Looking Statements

This press release contains “forward-looking statements”, including statements about the discovery, development and commercialisation of products. Various risks may cause Sosei’s actual results to differ materially from those expressed or implied by the forward-looking statements, including adverse results in clinical development programmes; failure to obtain patent protection for inventions; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and commercialise products and services; difficulties or delays in obtaining regulatory approvals to market products and services resulting from development efforts; the requirement for substantial funding to conduct research and development and to expand commercialisation activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.