

## **REVISION ANNOUNCEMENT OF FINANCIAL FORECASTS FOR FY2006**

**Tokyo, Japan – 2 November 2006:** Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565), a biopharmaceutical company, announced today the revisions to its financial forecasts for the Fiscal Year ending March 2007, updating from the forecasts announced on 27 June 2006.

### 1. Revised Financial Forecasts for the Fiscal Year 2006 (1 April 2006 – 31 March 2007) [Consolidated] (JY: Million)

	Sales	Ordinary Profit/(Loss)	Net Income/(Loss)
Original Forecast (A)	450	(6,500)	(6,300)
<b>Revised Forecast (B)</b>	<b>700</b>	<b>(6,500)</b>	<b>(6,300)</b>
Increase (Decrease) (B-A)	250	0	0
Increase (Decrease) %	55.6	—	—

### [Non-consolidated] (JY: Million)

	Sales	Ordinary Profit/(Loss)	Net Income/(Loss)
Original Forecast (A)	50	(2,400)	(2,400)
<b>Revised Forecast (B)</b>	<b>58</b>	<b>(1,300)</b>	<b>(1,300)</b>
Increase (Decrease) (B-A)	8	1,100	1,100
Increase (Decrease) %	16.0	—	—

### 2. Reasons for Revision

The Consolidated Forecast has been revised to reflect an increase in sales due to higher NVA237 development earnings which our subsidiary Sosei R&D Ltd. has received from Novartis and an increase in sales of Norlevo® (SOH-075) by our subsidiary Sosei Co. Ltd. to Sandoz, Australia. Although the sales within the consolidated financial forecast has been upwardly revised, the effect it has on the ordinary loss and the net loss is minor.

On 1 October 2006 Sosei Co. Ltd. reorganized its structure by creating a holding company named Sosei Group Corporation. At the same time its pharmaceutical development business was transferred to newly established 100% subsidiary renamed Sosei Co. Ltd.. As a result of the restructuring the non-consolidated financial results is revised by adding the first-half year actual results of the original Sosei Co. Ltd. to the second-half year financial forecast of Sosei Group Corporation.

Accordingly, the ordinary loss and the net loss within the non-consolidated financial forecast have been reduced as the pharmaceutical development costs incurred in the first 6 months of the year are no longer included in the non-consolidated results of Sosei Group Corporation under the new organizational structure. END –

#### **For further information please contact:**

Sosei Group Corporation

Ichiban-cho FS Bldg., 8 Ichiban-cho, Chiyoda-ku, Tokyo 102-0082 Japan

Hiroki MAEKAWA, Administration Division Director

E-mail : [hmaekawa@sosei.com](mailto:hmaekawa@sosei.com) Tel: +81-3-5210-3399 Fax: +81-3-5210-3291

Sosei Inc.

630 Fifth Avenue, Suite 2005

New York

NY 10111

John DAFFURN, President, Sosei Inc.

E-mail : [daffurnj@sosei.com](mailto:daffurnj@sosei.com) Tel: +1 212 332 5003 Fax: +1 212 332 3401