



6 November 2008

**Summary of Consolidated Financial Results  
for the First Half Year ended 30<sup>th</sup> September 2008  
(abridged English version )**

Sosei Group Corporation (4565, Tokyo Stock Exchange, Mothers Market) today reported financial results for the first half ended 30<sup>th</sup> September 2008.

The net sales for the first half was ¥131M, an increase of ¥61M compared to the same period a year ago due to the increase in ongoing sales of Norlevo to Sandoz Australia.

Selling, General and Administration (SGA) expenses were ¥2,024M (¥3,338M in the previous year). Within SGA, R&D expenses were ¥661M a decrease of 64% from ¥1,844M in the comparative half last year as a result of the company strategy (announced on 14<sup>th</sup> May) to cut R&D cost and secure the future of the business until it becomes a significant income generating business from NVA237/QVA149 in a few years time.

Also, as a result of efforts to reduce non R&D costs, other SGA costs fell by ¥121M to ¥568M. Amortisation of goodwill, relating to the acquisition amounted to ¥794M, which is nearly equivalent to the previous year on a pro-rated basis.

The operating loss decreased to ¥2,012M from ¥3,333M in the previous year and the net loss decreased to ¥1,856M from ¥3,168M in the comparative period last year.

The Group had ¥2,908M of cash as of 30 September 2008, compared to ¥4,907M of cash as of 31 March 2008.

Significant developments during the first half ended 30 September 2008 included:

- Completion of phase III trial of SOH-075 (emergency contraceptive) in Japan in July 2008.
- NVA237 Phase II results presented at the European Respiratory Society Annual Meeting (published on the ERS website on 26<sup>th</sup> September). The results showed promising efficacy and tolerability with potentially faster onset than tiotropium.

<b>Sosei Group Corporation</b>		
<b>Consolidated Financial Results (Unaudited)</b> (Yen Millions)		
	6 months ended September 30 <sup>th</sup>	
	2008	2007
Net sales	131	70
Operating expenses		
Cost of sales	120	65
Selling, General and Administration		
Research & Development (R&D)	661	1,844
Amortisation of goodwill	794	803
Other SGA	<u>568</u>	<u>689</u>
Total Selling, General and Administration	2,024	3,338
Total operating expenses	2,144	3,403
Operating profit/(loss)	(2,012)	(3,333)
Non-operating income/(expenses)	5	6
Income/(loss) before taxes	(2,007)	(3,326)
Income tax (charge)/credit	150	157
Net income/(loss)	(1,856)	(3,168)
Average number of shares outstanding	117,893	117,581

<b>Consolidated Balance Sheet Data (Unaudited)</b> (Yen Millions)		
	September 30 <sup>th</sup> 2008	March 31 <sup>st</sup> 2008
Cash, cash equivalents and short-term investments	2,908	4,907
Goodwill	10,984	11,778
Total assets	14,513	17,403
Total liabilities	570	1,621
Total stockholders equity (excluding impact of foreign exchange gains & losses and Stock Acquisition Rights)	12,969	14,825

### **Forecast for the Fiscal Year Ending March 31, 2009**

The financial forecast for the year ended March 31<sup>st</sup> 2009 remains unchanged from that announced on May 14<sup>th</sup> 2008.

	FY2007 Actual	FY2008 Forecast
Net Sales	709	<b>190</b>
Operating expenses	6,978	<b>3,370</b>
R&D costs	3,888	<b>900</b>
SG&A costs	1,361	<b>700</b>
Amortization of goodwill	1,606	<b>1,600</b>
Operating income/(loss)	(6,269)	<b>(3,180)</b>
Ordinary income/(loss)	(6,222)	<b>(3,180)</b>
Net income/(loss)	(6,503)	<b>(3,180)</b>