



10 February 2009

**Summary of Consolidated Financial Results
for the 3Q ended 31st December 2008
(Abridged English version)**

Sosei Group Corporation (4565, Tokyo Stock Exchange, Mothers Market) today reported financial results for the 3Q ended 31st December 2008.

Net sales totaled ¥132M, a decrease of 80.1% from ¥664M the same period a year ago, as there were no milestones payments or sales revenue in this quarter.

Selling, General and Administration (SG&A) expenses for the 3Q were ¥3,118M (¥5,139M in the prior year). Of which, R&D costs were ¥731M, a 74.8% decrease (¥2,897M in the prior year). Amortization of goodwill arising from the Sosei R&D Ltd. acquisition was ¥1,191M while other SG&A expenses totaled ¥1,195M.

The net loss was ¥3,534M for the period compared to ¥4,292M in the prior year period.

As of 31st December 2008, Sosei had ¥2,380M in cash and no outstanding debt, compared to ¥4,907M in cash, cash equivalents and short term investments as of 31st March 2008. This decrease was a result of the operating loss for the 9 months from April to December in 2008.

Progress of Development and other activities for 3 months from October to December in 2008:

- NVA237 Phase II results presented at the European Respiratory Society Annual Meeting on 7th October (results showed promising efficacy and tolerability with potentially faster onset than tiotropium).
- Announcement of binding terms with ASKA Pharmaceuticals for commercialization of SOH-075 (NorLevo) on 22nd October
- Completion of SD118(neuropathic pain) Phase I studies on 8th October
- Buyback of commercialization rights to AD 923 from Mundipharma on 26th December

Sosei Group Corporation

Consolidated Financial Results (Unaudited,) (Yen Million except for share amounts)		
	Nine months ended December 31 th	
	2008	2007
Net sales	132	664
Operating expenses		
Cost of sales	120	65
Selling, General and Administration		
Research & Development (R&D)	731	2,897
Amortisation of goodwill	1,191	1,204
Other SGA	<u>1,196</u>	<u>1,035</u>
Total Selling, General and Administration	3,118	5,139
Total operating expenses	3,238	5,204
Operating profit/(loss)	(3,106)	(4,540)
Non-operating income/(expenses)	(582)	24
Income/(loss) before taxes	(3,689)	(4,515)
Income tax (charge)/credit	154	223
Net income/(loss)	(3,534)	(4,292)
Average number of shares outstanding	117,893	117,633

Consolidated Balance Sheet Data		
	December 31 st 2008	March 31 st 2008
Cash, cash equivalents and short-term investments	2,380	4,907
Goodwill	10,587	11,778
Total assets	13,353	17,403
Total liabilities	635	1,621
Total stockholders equity	11,290	14,825

Financial forecast for the year ending March 31st 2009

As a result of the ¥700M exchange rate loss, and the maintenance cost of Sosei R&D that have surpassed initial forecast, Ordinary Loss and Net Loss in the consolidated forecast have been revised.

Revised Financial Forecasts for the Fiscal Year 2008 (1 April 2008 – 31 March 2009

(JY: Million)

	Sales	Ordinary Profit/(Loss)	Net Income/(Loss)
Original Forecast (A)	190	(3,450)	(3,450)
Revised Forecast (B)	190	(4,600)	(4,300)
Increase (Decrease) (B-A)	—	(1,150)	(850)
Increase (Decrease) %	—	—	—