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SOSEI ANNOUNCES AGREEMENT WITH MUNDIPHARMA FOR AD 923

Tokyo, Japan/Bermuda – 27 June 2006: Sosei Co. Ltd ("Sosei"; TSE Mothers Index: 4565), the biopharmaceutical company, today announces that it has entered into an agreement with Mundipharma International Corporation Limited ("Mundipharma") for the development and commercialisation of AD 923, Sosei's novel sublingual fentanyl spray for cancer breakthrough pain, in Europe and other international markets, excluding North America and Japan.

AD 923 is an optimised, sublingual formulation of the strong opioid analgesic fentanyl. It has been specifically designed to provide rapid onset of analgesia in a device that is easy to use by either the patient or their care giver. An additional benefit is the lockout system that prevents inadvertent overdosage. Sosei has concluded a range of studies that confirm the potential of this novel product for which the next development milestone will be the start of Phase III.

Under the terms of the agreement Sosei will be responsible for developing and registering AD 923 and Mundipharma will be responsible for manufacture, marketing and sales within the licensed territories. Sosei has, however, retained the option to co-promote AD 923 in the UK and Germany. A joint committee will be established to oversee all activities covered under the agreement. Under the terms of the agreement, Sosei will receive up to £17.5 million including upfront and milestone payments and significant double digit royalties on product sales.

Sosei will evaluate its options for commercialisation of AD 923 in North America and Japan. This will include the possibility for own sales or co-promotion in these territories.

Shinichi Tamura, President and CEO of Sosei, said: "We are delighted to have signed a deal with Mundipharma for AD 923, our most advanced pain programme. Mundipharma is a leading company in strong analgesics and palliative care. They sought a rapidly acting, strong analgesic to complement their established portfolio and we are pleased they have chosen AD 923."

Åke Wikström, Regional Director, Europe, for Mundipharma added: "There is a major requirement for a simple and manageable method of delivering immediate-release fentanyl dosing for the rapid relief of breakthrough pain – AD 923 performs this task better than anything else currently available and will be the first choice for these patients."

Cancer breakthrough pain is characterised by temporary exacerbations of moderate to severe pain in cancer patients that "breakthrough" their around-the-clock opioid treatments. Each episode may be spontaneous or incidental to an activity. It is estimated that the condition is prevalent in approximately 60% of cancer pain patients across Europe, the US and Japan, representing a total population size of 2.3 million. Most current treatments for cancer breakthrough pain are considered sub-optimal. The market seeks products which have a rapid onset of action and are easy to use. The current worldwide market for cancer breakthrough pain drug treatment is estimated to be worth $1.5bn and represents a growing market opportunity.

Enquiries

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Notes to Editors:

About Sosei

Sosei Co. Ltd. is a leading international biopharmaceutical company with significant expertise in product discovery and development. It has established a reduced risk business model primarily upon identifying new uses for established drugs and exploiting its unique position within Japanese, European and North American pharmaceutical markets by acquiring compounds from, and bringing compounds into, Japan.

For further information about Sosei, please visit www.sosei.com

About Mundipharma

Mundipharma is one of the Purdue/Mundipharma/Napp independent associated companies, privately owned companies and joint ventures that cover the world's pharmaceutical markets. The companies have a particular expertise in bringing to patients the benefits of novel drug delivery systems such as those used to enhance medicines for the relief of severe pain and haemato-oncology. For further information about Mundipharma, please visit www.mundipharma.co.uk