



10 August 2007

**Summary of Consolidated Financial Results
for the First Quarter ended 30th June 2007
(abridged English version)**

Sosei Group Corporation (4565, Tokyo Stock Exchange, Mothers Market) today reported financial results for the first quarter ended 30th June 2007.

First quarter net sales totaled Yen 21 million, a decrease of Yen 349 million compared to the same period a year ago due to the receipt of an upfront payment from Mundipharma International Corporation regarding the agreement to commercialize AD 923 and the completion of the development work for Novartis for NVA237 in the corresponding period in 2006.

Selling, General and Administration (SGA) for the quarter was Yen 1,491 million, up by Yen 84 million, from Yen 1,576 million in the comparative quarter last year. Within SGA were Yen 673 million of R&D costs, compared to Yen 805 million in the corresponding period in 2006. Amortisation of goodwill was consistent at Yen 401 million in the quarter and other SGA expenses totaled Yen 416 million an increase of Yen 47 million in the same period last year.

The net loss was Yen 1,389 million for the period compared to Yen 1,270 million in the prior year period.

As of 30th June 2007, Sosei had Yen 8,026million in cash, cash equivalents and short term investments and no outstanding debt, compared to Yen 8,955 million in cash, cash equivalents and short term investments as of 31st March 2007. This decrease is due to the operating loss for the three month period.

Recent developments in the first quarter:

- Successful completion of AD 923 pharmacokinetic study in the USA.
- Initiation of phase I trials for SD118
- New appointments to the Board of Directors.

Financial outlook for the year ended March 31st 2006

The financial forecast for the year ended March 31st 2007 remains unchanged from that announced on May 14th 2007.

Sosei Group Corporation

Consolidated Financial Results (Unaudited) (Yen Millions)		
	Three months ended June 30 th	
	2007	2006
Net sales	21	370
Operating expenses		
Cost of sales	20	166
Selling, General and Administration		
Research & Development (R&D)	673	805
Amortisation of goodwill	401	401
Other SGA	<u>416</u>	<u>369</u>
Total Selling, General and Administration	1,491	1,576
Total operating expenses	1,512	1,742
Operating profit/(loss)	(1,490)	(1,371)
Non-operating income/(expenses)	11	3
Income/(loss) before taxes	(1,479)	(1,368)
Income tax (charge)/credit	<u>(90)</u>	<u>(97)</u>
Net income/(loss)	(1,389)	(1,270)
Average number of shares outstanding	117,446	98,482

Consolidated Balance Sheet Data		
	June 30 th 2007	March 31 st 2007
Cash, cash equivalents and short-term investments	8,026	8,955
Goodwill	13,038	13,435
Total assets	22,133	23,193
Total liabilities	1,223	1,097
Total stockholders equity	20,910	22,096

Note: This announcement is just a summary of Consolidated Financial Results for the First Quarter ended 30th June 2007 and has not been audited by Deloitte Touche Tohmatsu.

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