QVA149 Phase II Data Presented at the European Respiratory Society Annual Meeting

- Promising Efficacy and Tolerability for Novel Combination COPD Therapy -

Tokyo, Japan – 16 September 2009: Sosei Group Corporation ("Sosei"; TSE Mothers Index: 4565) announce that Novartis have presented the results of their two Phase II studies evaluating the efficacy, safety and tolerability of QVA149 at the annual congress of the European Respiratory Society (ERS) in Vienna. QVA149 is a novel once-daily, dry powder fixed dose bronchodilator combination of the once-daily beta2–agonist QAB149 (indacaterol) and the LAMA, NVA237 (glycopyrronium bromide) for the treatment of chronic obstructive pulmonary disease (COPD).

NVA237 was licensed to Novartis by Sosei and Vectura in 2005 in a deal in which the two companies could receive up to US$375 million in milestones as well as royalties on product sales.

One of the randomised, cross-over double-blind, placebo-controlled studies compared inhaled administration of QVA149 300/50 (QAB149 300µg + NVA237 50µg) with two doses of QAB149 (300µg, 600µg) to evaluate bronchodilatory effect in terms of trough FEV_1 (forced expiratory volume in one second) after 7 days of therapy. One hundred and thirty-five patients with moderate to severe COPD completed the study with an observed clinically relevant mean improvement in trough FEV_1 between QVA149 and placebo on Day 7 of 226 mL. Similarly, the estimated mean treatment differences between QVA149 and QAB149 300µg and 600µg were 123 mL and 117 mL, respectively. Similar results were observed on Day 1 of the study and both QVA149 and QAB149 were well tolerated.

The other placebo-controlled trial evaluated the safety and tolerability of 3 doses of QVA149 (600/100, 300/100 and 150/100) and QAB149 (300µg) in 255 patients during 14 days of treatment. In this study, QVA149 had no significant effect on change in 24 hour mean heart rate from baseline to Day 14, there was no clinically relevant effect on QTc interval at 1, 7, or 14 Days and QVA149 was well tolerated with overall adverse event rates similar to placebo.

Mr Shinichi Tamura, President & CEO of Sosei, said: "These results support the perceived benefit of combining two potent bronchodilators in a convenient once-daily therapy with an attractive efficacy and safety profile. QVA149 has the potential to be the first such product to come to market and provide an important addition to the available options to treat COPD."

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Enquiries:

Sosei Group Corporation
Kojimachi Tsuruya Hachiman Bldg. 5F
2-4 Kojimachi, Chiyoda-ku
Tokyo 102-0083 Japan
Hidetoshi Torami
E-mail: htorami@sosei.com
+81-3-5210-3399
+81-3-5210-3291 Fax

1F London BioScience Innovation Centre
2 Royal College Street, London NW1 0NH
Non Osakabe, PA to CEO
E-mail: nosakabe@sosei.com

+44-20-7691-2081
+44-20-7209-2484
Fax

Hibiki Partners
Toshiyo Miyashita

+81-3-5212-4360

Notes for Editors:

About the NVA237 Licence Agreement with Novartis
NVA237 was licensed to Novartis in April 2005 by Sosei and its co-development partner Vectura. Novartis intends to launch NVA237 as a once-daily, long-acting muscarinic antagonist (LAMA) monotherapy for COPD and also in combination with their investigational once-daily, long-acting beta2-agonist (LABA) indacaterol (QAB149), which was filed for approval with the regulatory authorities as a monotherapy treatment for COPD at the end of 2008. The combination of NVA237 and indacaterol is known as QVA149. NDA submissions are expected to be filed by Novartis for both NVA237 and QVA149 in 2011.

NVA237 entered Phase III trials in July 2009 which triggered a $7.5million milestone payment to both Sosei and Vectura. Under the terms of the agreement, Vectura and Sosei will each receive up to $172.5 million for achieving pre-agreed clinical, regulatory and commercialisation targets for both the monotherapy and combination product. These milestones total up to $375 million. In addition, royalties on product sales will be paid for the monotherapy and the combination product. If additional combination products are developed by Novartis using NVA237, further milestones and royalties will be payable.

About COPD
COPD is a chronic obstruction of the airways which affects 210 million people worldwide and is projected to be the third leading cause of death by 2030. It is a progressive lung disease with symptoms including chronic bronchitis and/or emphysema, which slowly progresses and eventually leads to a largely irreversible loss of lung function. While there is no cure, bronchodilators such as LABAs and LAMAs make breathing easier by enlarging the patient's airways, and are recognised in international guidelines as an integral part of the treatment for COPD.

About Sosei
Sosei 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.

Forward-Looking Statements

This press release contains "forward-looking statements", including statements about the discovery, development and commercialisation of products. Various risks may cause Sosei's actual results to differ materially from those expressed or implied by the forward-looking statements, including adverse results in clinical development programmes; failure to obtain patent protection for inventions; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and commercialise products and services; difficulties or delays in obtaining regulatory approvals to market products and services resulting from development efforts;

the requirement for substantial funding to conduct research and development and to expand commercialisation activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.