



**Sosei Announces Private Placement of New Shares by its
Subsidiary
(abridged English translation)**

Tokyo, Japan – 8 March 2012: Sosei Group Corporation (“Sosei”. TSE Mothers Index: 4565), announces that the board of its fully-owned subsidiary, Sosei Co., Ltd resolved to enter into an agreement with JAFCO Super V3, a general partnership investment fund owned by JAFCO Co., Ltd, for a non-brokered private placement of preferred shares of Sosei Co., Ltd, for gross proceeds of up to 836 million yen.

About the Private Placement

The additional funds raised through the private placement of shares in Sosei Co., Ltd will support development of SO-1105 (marketed in Europe under the brand name Loramyc® and in the US under the brand name Oravig®), while allowing Sosei to free up cash for investment in strategic business development.

Sosei Co., Ltd acquired development and commercialization rights in Japan to SO-1105 from BioAlliance Pharma in May 2011. SO-1105 is an antifungal agent, administered as a muco-adhesive buccal tablet for the treatment of oropharyngeal candidiasis in immunocompromised patients.

BioAlliance received its first Loramyc® marketing authorization in France in October 2006. Loramyc® has since been registered in 26 European countries, in South Korea, and in the United States.

The key terms of private placement:

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|----------------------------------|------------------------|
| 1. Type of shares | : Preferred Shares |
| 2. Number of shares to be issued | : 300 shares |
| 3. Issue price | : ¥1,000,000 per share |

- 4. Capital proceeds : ¥300,000,000
- 5. Capitalization amount : ¥150,000,000
- 6. Payment date : 14 March 2012

Details of Sosei Co., Ltd preferred shares:

- 1. Carry no voting rights
- 2. Limitation right of allotments to third parties
- 3. The right to convert preferred to common shares under certain terms
- 4. Entitlements to preferential dividends and liquidation preference
- 5. Right to limit share split or consolidation
- 6. Exclusivity right to the issued shares
- 7. Right to limit allotment of new shares without contribution

Other terms agreed with JAFCO Super V3:

- 1) The following additional allotment may be undertaken upon Sosei Co., Ltd's request:
 - a. Type of shares : Preferred Shares
 - b. Number of shares to be issued : 536 shares
 - c. Issue price : ¥1,000,000 per share
 - d. Capital proceeds : ¥536,000,000
 - e. Valid until : 31 March 2014
 - f. Number of allotments : One or more
- 2) The purpose of issuance is to secure financial means for the development costs of SO-1105.
- 3) In case of any of the following events, either Sosei or JAFCO Super V3 shall have the right to exercise their call options or put options, respectively.
 - 1. NDA filing of SO-1105 or the submission of Clinical Trial Notification related to the third phase of development of SO-1105.
 - 2. Execution of a sublicense agreement of SO-1105.
 - 3. If the above 1. or 2. are not realized within 12 months of obtaining clinical study report for the second phase of development of SO-1105, and without due reason.

Shareholding ratio of Sosei Co., Ltd's common shares

Wholly owned by Sosei Group.

In the case that the preferred shares are converted into common shares JAFCO Super V3 would hold 2/3 of outstanding common shares and Sosei Group the remaining 1/3. The preferred shares shall, however, be converted into common shares only in case Sosei Co., Ltd committed major violations of the terms of the agreement signed between Sosei Co., Ltd and JAFCO Super V3 or did not meet the financial obligation of buying back preferred shares when JAFCO Super V3 exercises their put option.

– Ends –

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Notes for Editors:

About Sosei

Sosei is an international biopharmaceutical company anchored in Japan with a global reach. It practises a reduced risk business model by acquiring compounds from, and bringing compounds into, Japan through exploitation of its unique position within global markets.

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

About JAFCO

Under the business philosophy of "Value Creation through Private Equity," JAFCO invests in unlisted companies on a global basis through JAFCO-operated funds. Fund investors include financial institutions, business corporations, and pension funds. JAFCO's strength lies in investment activities that make use of an extensive

network developed over 35 years, post-investment business development support, and a global investment structure.

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.