

CORPORATE GOVERNANCE

Maintaining Management Transparency and Accountability

Seikagaku considers corporate governance to be an important issue, and works on collecting accurate information, speeding up and strengthening decision making, and quickly responding to change in the business environment.

In June 2004, with the aim of concentrating decision-making and supervision of policy execution in the hands of the Board of Directors, Seikagaku introduced a managing officer system.

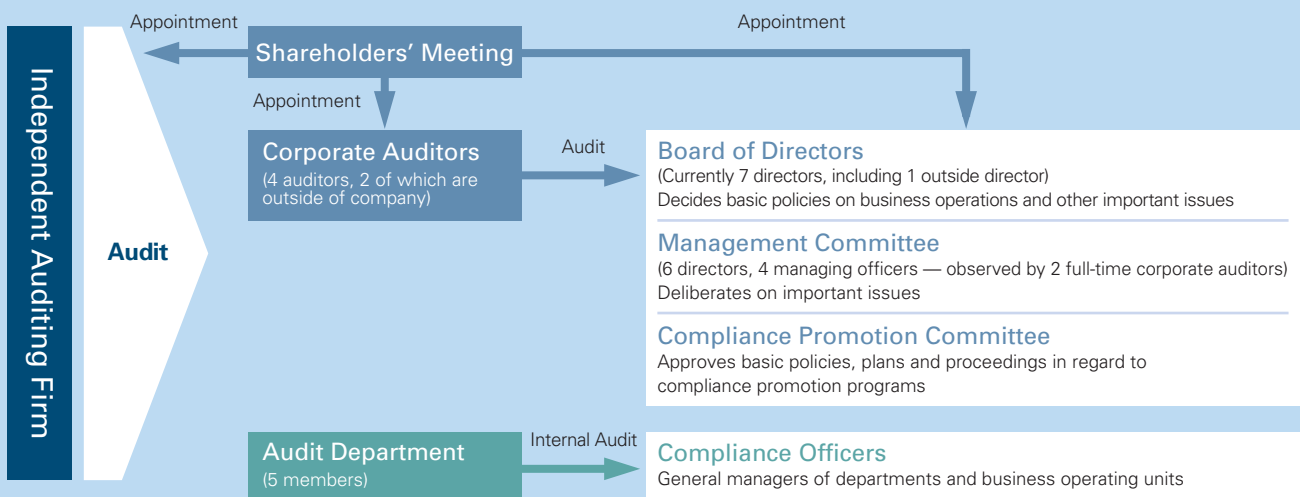
The Company has conscientiously incorporated third-party points of view in the deliberations of the Board of Directors

and company officers. Since 2004, an outside director, elected by shareholders, reinforces the supervisory capabilities of the Board of Directors.

At the Board of Directors meeting on May 12, 2006, we decided to set up a basic system for internal control to ensure appropriate corporate operations under the New Corporate Law, which went into effect in May 2006.

In the spirit of transparency, Seikagaku maintains an open dialogue between shareholders and the Board of Directors through regular public meetings and online sharing of timely corporate and financial information.

Corporate Governance Structure



SOCIAL CONTRIBUTION

Contributing to the Advancement of Glycoscience

As a pharmaceutical company, we believe that we have a social responsibility to contribute to the improvement of the health and well-being of humanity through our activities. We also place great importance on contribution to the advancement of glycoscience and medicine through the distribution of our latest research findings and the support of outside research. In particular, our research-support activities include the timely distribution of the latest academic information about glycoscience through the online "Glycoforum", which we established in 1997. Glycoforum has attracted the interest of researchers throughout the world, receiving 725,000 visitors in 2005. We hope Glycoforum will continue to serve as a useful access point for the established global network of glycoscience researchers.

Glycoforum: www.glycoforum.gr.jp

The Mizutani Foundation for Glycoscience

The Mizutani Foundation for Glycoscience was endowed by Masakane

Mizutani, founder and Honorary Chairman of Seikagaku Corporation. The foundation promotes original glycoscience research in Japan and overseas through an active grant program, supports international exchange and hosts glycoscience conferences and makes other efforts to advance glycoscience. Seikagaku strongly supports the foundation in all its efforts.

The Mizutani Foundation for Glycoscience: www.mizutanifdn.or.jp

Supporting Japan's Next Generation

In its corporate policies, Seikagaku reflects demographic changes and the contemporary home and community environments of its employees. The Company has established a maternity grant scheme and a fund to promote childhood development. The new programs will help ensure the healthy birth and growth of the next generation of children while contributing to a more wholesome and stimulating work environment for employees. Seikagaku intends to promote the welfare of its employees, not only through economic support but also through measures that allow them to achieve a balance between work and childcare.