

## SIGNIFICANT EVENTS DURING THE YEAR

### Spinning off fine chemical operations into a single company

A key management issue has been how to secure stable profitability across all business segments. Toward that goal, Seikagaku has decided to spin off its fine chemical business operations, comprising bulk products, research biologics and diagnostics. The new company, Seikagaku Biobusiness Corporation (a 100%-owned subsidiary) is scheduled to start operation on October 1, 2007. This move is intended to speed up decision-making, increase flexibility, and lead to more efficient business operations, thereby maximizing overall Group corporate value.



### Launching sale of hyaluronic acid medical device MucoUp®

The Company last year obtained from Japan's Ministry of Health, Labour and Welfare manufacturing approval of the hyaluronic acid medical device MucoUp® (a surgical aid for endoscopic mucosal resection). Subsequent to approval of national health insurance reimbursement for MucoUp®, the Company launched sales of the device in August 2007 through Johnson & Johnson K.K. Medical Company, the sales partner in Japan. Seikagaku has developed this device in the belief that it will contribute significantly to enhancing patients' quality of life as it rapidly becomes a standard aid for use in operations on mucous membranes in the gastrointestinal tract.



### Buy-back of treasury stock

To increase capital efficiency and facilitate a flexible capital management strategy, a resolution to buy back the Company's stock was approved at the meeting of the Board of Directors that took place on May 11, 2007, and the relevant acquisition was completed July 24.

#### Authorized

Type of Stock:  
Common stock

Period:  
May 15, 2007 to July 31, 2007

Maximum Amount:  
500,000 shares

Maximum Value:  
¥700 million

#### Acquired

Total Shares Purchased:  
500,000 shares

Total Cost of Acquisition:  
¥689 million