

## Notice Concerning Forecast Revision for the FY2016

10 February 2017

Company name: Sosei Group Corporation Listing: Tokyo Stock Exchange  
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Based on recent performance trends, Sosei Group Corporation has revised the financial forecast for the fiscal year ended March 2017, which was published on 13 May 2016.

1. Revised figures for full-year consolidated financial forecast for the fiscal year ended 31 March 2017 (1 April 2016 – 31 March 2017)

	Revenue	Operating income	Net income before taxes	Net income attributable to owners of the parent company	Net basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	27,925	17,096	14,901	13,064	775.07
Revised forecast (B)	19,426	12,431	N.A	N.A	N.A
Decrease (B-A)	(8,499)	(4,665)	N.A	N.A	N.A
Decrease (%)	(30.4)	(27.34)	N.A	N.A	N.A
Previous year ended March 2015 (reference)	8,151	1,075	(3,297)	(1,432)	(93.60)

2. Reason for consolidated earnings forecast revision

We have made good progress with our pipeline partnering strategy this year, most notably the global R&D and commercialization partnership for novel subtype-selective muscarinic receptor agonists developed by Heptares with Allergan Pharmaceuticals International Limited, a wholly owned subsidiary of Allergan plc. While all our partnered programs continue to advance, clinical programme timelines remain subject to phasing variations, and some of the milestone revenues forecasted for this fiscal year are now expected to carry over into the coming fiscal year. In addition, the volatile currency market has resulted in an unfavourable exchange rate compared to our original forecast and has negatively impacted revenue.

As a result of the above, the full-year consolidated financial forecast for the fiscal year ended 31 March 2017 is expected to be lower than the financial forecast published on 13 May 2016.

For reference, the exchange rate being assumed for the full year forecast has been changed from USD JPY115 to JPY107, and GBP JPY165 to JPY142, and as results, the effects on the forecasted revenue by fluctuations in the exchange rate are calculated approximately 1,700 million yen.

Sosei is committed to investing in strengthening its world leading G Protein Coupled Receptor discovery platform and to expanding and advancing its pipeline of novel drug candidates.

Note: The revisions above are based on information available as of the date of this release, and actual results may differ from this forecast.

Note: Revised figures of Net Income before Taxes and Net Income attributable to owners of the parent company for the full fiscal year ending 31 March 2017, so these will be disclosed when available.