



Sosei subsidiary Heptares Initiates Proprietary Therapeutic Antibody Program against a GPCR Target

Successful Discovery Alliance Between Heptares and MorphoSys Combines Two Leading Technologies

Tokyo, Japan – 30 July 2015: Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565) is pleased to announce that its wholly-owned subsidiary Heptares Therapeutics (“Heptares”) has exercised an option to initiate a therapeutic antibody program arising from the alliance it entered with MorphoSys AG (FSE: MOR; Prime Standard Segment, TecDAX; OTC: MPSYY) in February 2013. The program will leverage MorphoSys’s Ylanthia[®] antibody library to generate novel antibody leads and addresses a GPCR target selected by Heptares, and for which Heptares has engineered a StaR[®] antigen.

The development and commercialization of this program by Heptares is covered by the existing collaboration agreement between the two companies. MorphoSys will receive a licensing fee and R&D funding from Heptares and is eligible to receive milestone payments and royalties on the sales of any therapeutic antibodies resulting from the program. Further financial details were not disclosed.

Malcolm Weir, CEO of Heptares, added: “The expertise at Heptares in GPCRs and MorphoSys’ antibody discovery capabilities form a powerful combination to unlock GPCR-targeted antibody discovery. We are delighted with the progress that has been made in the alliance, and to be adding this first antibody development program to our pipeline. This achievement highlights the power and versatility of our StaR[®] technology in both small molecule and biologics discovery for expanding our own pipeline and in partnerships.”

Marlies Sproll, Chief Scientific Officer of MorphoSys AG commented: “Antibodies developed with our Ylanthia[®] platform are increasingly gaining a foothold in the GPCR target space. MorphoSys has already successfully applied its comprehensive capabilities to generate functional antibodies against GPCRs in several projects. We are now looking forward to seeing the progress of this first therapeutic antibody program driven by Heptares as part of our very productive discovery collaboration with them.”

In February 2013, Heptares and MorphoSys, announced an agreement to discover novel antibody therapeutics targeting G protein-coupled receptors (GPCRs). Under the terms of the agreement, Heptares generates stabilized receptors (StaR[®]) for a set of GPCR disease targets proposed by MorphoSys. MorphoSys then utilizes its proprietary Ylanthia[®] library for the generation and further development of specific and functionally active anti-GPCR antibodies. The agreement also includes the option, now exercised by Heptares, to develop and commercialize a therapeutic antibody created by MorphoSys against a GPCR target selected by Heptares.



GPCRs are membrane proteins involved in a broad range of biological processes and diseases, including inflammatory disease, neuroscience indications, metabolic diseases and cancer. They comprise the single largest class of targets for pharmaceuticals currently on the market. Technical challenges, however, have meant that GPCRs have been largely intractable to therapeutic antibody development and to date only one GPCR-targeting antibody has been approved (for adult T-cell lymphoma), which reflects the central technical challenge of accessing reliable high-quality GPCR antigen.

The Heptares StaR[®] technology provides a breakthrough solution to this challenge, enabling the purification of properly folded and functional protein removed from the cell membrane. StaR proteins also preserve epitopes from the desired pharmacological state (active or inactive) of the GPCR, thereby enabling generation of panels of functional antibodies targeting the disease-relevant form of the receptor.

MorphoSys's Ylanthia[®] antibody library comprises more than 100 billion distinct, fully human antibodies, which makes it the industry's largest known antibody Fab library. Ylanthia's genetic composition translates into unprecedented structural diversity of the antibodies and offers optimized developability features. The library's diversity is expected to result in antibodies against previously inaccessible target molecules and to provide unique epitope coverage.

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Enquiries:

Sosei Group Corporation
Tokyo Office
Milica STOJKOVIC,
Corporate Communication
+81-(0)3-5210-3399
mstojkovic@sosei.com

London Office
Kathryn LYDON,
Corporate Communication
+44-(0)20-7691-0983
klydon@sosei.com

Notes to Editors:

About Sosei

Sosei is a biopharmaceutical company originating from Japan but with global presence. Sosei's primary business model is based on identifying novel and/or differentiated product assets or technology platforms and, through supporting these in preclinical and clinical development and establishing commercial partnerships, advancing new medicines to patients worldwide. For more information about Sosei, please visit www.sosei.com.

About Heptares Therapeutics

Heptares is a clinical-stage company creating transformative medicines targeting G protein-coupled receptors (GPCRs), a superfamily of 375 receptors linked to a wide range of human diseases. Its proprietary structure-based drug design technology



enables Heptares to engineer drugs for highly validated, yet historically undruggable or challenging GPCRs. Using this approach, Heptares has built an exciting pipeline of new medicines with the potential to transform the treatment of Alzheimer's disease, schizophrenia, ADHD, migraine, addiction, metabolic disease and other indications. Heptares pharmaceutical partners include AstraZeneca, MedImmune, Cubist, MorphoSys and Takeda. For more information about Heptares, please visit www.heptares.com and www.sosei.com.

*HEPTARES is a registered trademark in the EU, Switzerland, US and Japan;
StaR[®] is a registered trademark in the EU and Japan.*

About MorphoSys AG

MorphoSys developed HuCAL, the most successful antibody library technology in the pharmaceutical industry. By successfully applying this and other patented technologies, MorphoSys has become a leader in the field of therapeutic antibodies, one of the fastest-growing drug classes in human healthcare.

Together with its pharmaceutical partners, MorphoSys has built a therapeutic [pipeline](#) of more than 90 human antibody drug candidates for the treatment of cancer, rheumatoid arthritis, and Alzheimer's disease, to name just a few. With its ongoing commitment to new antibody technology and drug development, MorphoSys is focused on making the healthcare products of tomorrow. MorphoSys is listed on the Frankfurt Stock Exchange under the symbol MOR. For regular updates about MorphoSys, visit <http://www.morphosys.com>

HuCAL[®], HuCAL GOLD[®], HuCAL PLATINUM[®], CysDisplay[®], RapMAT[®], arYla[®] and Ylanthia[®] and 100 billion high potentials[®] are registered trademarks of MorphoSys AG. Slonomics[®] is a registered trademark of Sloning BioTechnology GmbH, a subsidiary of MorphoSys AG.

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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.