



Initiation of Phase 1 Clinical Study with Novel Immuno-Oncology Candidate Triggers US\$10 Million Milestone Payment from AstraZeneca to Heptares

Tokyo, Japan July 6 2016: Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565) today announces Heptares Therapeutics (“Heptares”), the wholly-owned subsidiary of Sosei Group Corporation, reported that it has been notified today by its partner AstraZeneca that the first subject has been dosed with immuno-oncology candidate HTL1071 (AZD4635) in a Phase 1 clinical study, triggering a US\$10 million payment from AstraZeneca.

The first-in-human study is being conducted by AstraZeneca in approximately 50 patients with advanced solid malignancies and with non-small cell lung cancer. The primary objective is to determine the maximum tolerated dose (MTD) of HTL1071 alone and in combination with durvalumab (MEDI4736), an investigational human monoclonal antibody directed against PDL1. Pending the determination of the MTD, a Phase 2 trial is planned to investigate further the safety, tolerability, pharmacokinetics and anti-tumour activity of the selected doses.

HTL1071 is an orally available, small molecule adenosine A2A receptor antagonist, and the lead candidate in a portfolio of A2A antagonists discovered by Heptares using its proprietary structure-based drug design platform. This portfolio was licensed to AstraZeneca in August 2015 for development and commercialisation across a range of cancers, with an associated R&D collaboration designed to discover further A2A antagonists for development in cancer immunotherapy.

Tim Tasker, Heptares’ Chief Medical Officer, said: “The production of adenosine is a recently identified mechanism employed by tumour cells to suppress T cell activity and evade destruction. The initiation of this first clinical study in the A2A antagonist immuno-oncology programme with AstraZeneca is an important milestone for Heptares and we are excited to see how the results from preclinical studies translate into potential new medicines for cancer patients. This is the second programme in our partnered pipeline to progress into the clinic, the first being the M1 agonist programme, licensed to Allergan, in which two novel compounds are undergoing clinical studies as potential new medicines for cognitive impairment in Alzheimer’s disease and other neurological indications.”

Susan Galbraith, Vice President, Head of Oncology in AstraZeneca’s Innovative Medicines and Early Development Unit, said “Immuno-oncology is one of four key oncology platforms for AstraZeneca. In building our immuno-oncology portfolio, we believe that blocking adenosine A2A receptor could enhance the efficacy of immune checkpoint inhibition via PDL1, CTLA4 and enhance the activity of CD73 inhibition. This innovative approach could help drive an immune attack on cancers, creating novel treatments with the potential to transform the lives of patients.”

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Enquiries:

Sosei Group Corporation
Tokyo Office
Harumi BANSE,
Investor Relations
+81-(0)3-5210-3399
hbanse@sosei.com

London Office
Kathryn LYDON, Corporate
Communication
+44-(0)20-7691-0983
klydon@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. Heptares' proprietary StaR® technology and structure-based drug design (SBDD) capabilities enable us to engineer and develop drugs for highly validated, yet historically undruggable or challenging GPCRs. Using this approach, we are building an exciting pipeline of new medicines (small molecules and biologics) with the potential to transform the treatment of Alzheimer's disease, schizophrenia, cancer immuno-oncology, migraine, addiction, metabolic disease and other indications. We have partnerships for our novel candidates and technologies with leading pharmaceutical and biotechnology companies, including Allergan, AstraZeneca, Kymab, MedImmune, MorphoSys, Pfizer and Teva.

Heptares is a wholly owned subsidiary of Sosei Group Corporation. For more information, please visit www.heptares.com and www.sosei.com.

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 further information about Sosei, please visit www.sosei.com/en.

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.