



Sosei subsidiary Heptares and Daiichi Sankyo to Discover and Develop Novel, Small-Molecules for the Treatment of Pain

Tokyo, Japan –13 March 2017: Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565) reported that its subsidiaries, Heptares Therapeutics (“Heptares”) has announced that it have entered into a drug discovery and licensing agreement with Daiichi Sankyo Company, Limited (“Daiichi Sankyo”) focused on a single G protein-coupled receptor (GPCR) nominated by Daiichi Sankyo that plays a crucial role in relieving pain.

Under the terms of the agreement, Daiichi Sankyo will receive exclusive global rights to develop, manufacture and commercialize novel, small molecules discovered by Heptares focused on the nominated GPCR. In return, Heptares will receive an upfront payment of \$4 million, research funding of approximately \$8 million, and is eligible to receive additional research, development and commercialization milestone payments. In addition, Heptares will be eligible to receive royalties on net sales of products resulting from the alliance.

“This is a very exciting new collaboration as relieving pain presents a significant challenge,” added Malcolm Weir, Heptares CEO and Chief R&D Officer of Sosei. “We are confident that that unique structural insights of the receptor that our technologies can deliver combined with expertise on its role in pain from the Neurosciences team at Daiichi Sankyo will yield new, differentiated molecules that can be advanced into development.”

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Notes to Editors

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 immune-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.

About Daiichi Sankyo

Daiichi Sankyo Group is dedicated to the creation and supply of innovative pharmaceutical products to address diversified, unmet medical needs of patients in both mature and emerging markets. With over 100 years of scientific expertise and a presence in more than 20 countries, Daiichi Sankyo and its 16,000 employees around the world draw upon a rich legacy of innovation and a robust pipeline of promising new medicines to help people. In addition to a strong portfolio of medicines for hypertension and thrombotic disorders, under the Group's 2025 Vision to become a "Global Pharma Innovator with a Competitive Advantage in Oncology," Daiichi Sankyo research and development is primarily focused on bringing forth novel therapies in oncology, including immuno-oncology, with additional focus on new horizon areas, such as pain management, neurodegenerative diseases, heart and kidney diseases, and other rare diseases. For more information, please visit: www.daiichisankyo.com. Daiichi Sankyo, Inc., headquartered in Parsippany, New Jersey, is a member of the Daiichi Sankyo Group.

For more information on Daiichi Sankyo, Inc., please visit: www.dsi.com.

Contact for Sosei
Harumi BANSE, Investor Relations
+81-(0)3-5210-3399
hbanse@sosei.com

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.