Sosei Subsidiary Heptares to Receive US$5 Million Milestone Payment from TEVA

Preclinical candidate CGRP antagonist selected for advancement as potential migraine treatment

Tokyo, Japan –18 May 2017: Sosei Group Corporation ("Sosei"; TSE Mothers Index: 4565) today reports that Heptares Therapeutics ("Heptares"), its wholly-owned subsidiary, has been notified by its partner Teva that a preclinical candidate calcitonin gene-related peptide (CGRP) antagonist has been nominated for advancement into further preclinical studies as an investigational treatment for migraine.

Nomination of this small-molecule candidate, discovered by Heptares using its structure-based design approach in partnership with Teva, has triggered a US$5 million payment from Teva to Heptares under the terms of their licensing and drug-discovery agreement signed in 2015. The nominated compound emerged from a rigorous Teva candidate selection process and has a highly differentiated profile from other investigational small-molecule CGRP antagonists, representing the first milestone in a partnership to generate novel candidates for the treatment of episodic and chronic migraine.

"Teva is looking to build a sustainable leadership position in the treatment of migraine and headache," said Ralph Laufer, Teva R&D's Head of Discovery & Product Development unit. "This candidate has very interesting properties. While we still have a long way to go, we do see some characteristics in this molecule that could set it apart within the class, and look forward to continuing its development."

"The discovery work conducted by Heptares and Teva has benefited from our combined expertise in the mechanism of CGRP in migraine. In particular, the unique structural insight we have gained concerning the interaction between CGRP and its receptor, a G protein-coupled receptor, has enabled the selection of a differentiated and highly selective small molecule candidate," commented Malcolm Weir, CEO of Heptares and Chief R&D Officer of Sosei.

Dr Weir added: "Blocking the activity of CGRP is viewed increasingly as an attractive approach to treating migraine, both acutely and preventatively, with several anti-CGRP antibodies in late-stage clinical trials. Small molecule CGRP antagonists present a significant opportunity to address migraine even more effectively."

This milestone will be included in Revenue in the current financial year.

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Notes to Editors

About CGRP Antagonists for Migraine
Calcitonin gene related peptide (CGRP) is released during migraine attacks and can trigger migraine in patients. CGRP is found in small to medium sized neurons in the trigeminal ganglion and mediates its activity through G protein-coupled receptors located throughout the body. Elevated levels of CGRP are found in people with migraine during an attack and blocking CGRP activity is a validated mechanism of action for relieving pain, and also for preventing migraine.

About Migraine
Approximately 36 million people in the United States and 8 million people in Japan suffer from migraine. Migraine is three times more common in women than in men and affects more than 10 percent of people worldwide. Migraine is defined as recurring attacks of moderate to severe headache pain, typically one-sided, throbbing and worse with activity. The International Headache Society defines chronic migraine as more than 15 headache days per month over a three-month period of which more than eight are migraine, in the absence of medication over use. Episodic migraine is the other migraine sub-type, which is defined as less than 15 headache days per month. During migraine, people can experience varying characteristics such as being very sensitive to light and sound, or experiencing nausea and vomiting. There is no absolute cure for migraine since its pathophysiology has yet to be fully understood.

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, Daiichi Sankyo, 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 more information about Sosei, please visit www.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.