

Sosei collaboration with PeptiDream progressing well

Peptide antagonists with high affinity and selectivity against PAR2 target identified

Tokyo, Japan and London, UK, 24 May 2018 – Sosei Group Corporation (“Sosei” or the “Company”; TSE Mothers Index: 4565), the world leader in GPCR medicine design and development, provides an update on progress in its strategic collaboration with PeptiDream Inc., a public Kanagawa-based biopharmaceutical company (“PeptiDream”; TOKYO: 4587). The collaboration, which began in June 2017, to discover, develop and commercialise novel therapeutics targeting a specific G protein-coupled receptor (GPCR) with an important role in inflammatory diseases is progressing well.

The combination of Sosei’s StaR[®] platform, providing a purified and conformationally stable receptor, and PeptiDream’s proprietary Peptide Discovery Platform System (PDPS) has allowed for rapid identification of high affinity and selective peptide antagonists against Protease activated receptor 2 (PAR2). The peptides are undergoing further characterization and optimization, with the intention of advancing the most promising leads towards clinical development.

PAR2 is a well-validated GPCR target for multiple indications in pain, cancer and inflammatory diseases. In previous attempts, using conventional drug discovery approaches, this receptor has proved to be an intractable target primarily owing to its activation mechanism. PAR2 is an unusual GPCR that is activated by enzymatic cleavage such that the cleaved part of the receptor acts as a tethered agonist. Because of this unusual mechanism of activation, it has been extremely difficult to identify PAR2 antagonists for development as new medicines.

As per the terms of the agreement, Sosei and PeptiDream jointly conduct and share the costs of the discovery and development program and will co-own any resulting products.

Chief R&D Officer Dr Malcolm Weir commented: “We are extremely pleased that our collaboration with PeptiDream has allowed for identification of candidate peptides displaying promising qualities towards the target. The synergistic nature of the companies’ two drug discovery technologies has worked very well, with the highly stable and purified PAR2 StaR[®] provided by Sosei allowing PeptiDream’s PDPS to quickly identify novel, high affinity and pharmacologically active peptides in under two months. We look forward to continuing this productive collaboration and progressing the development of the novel peptides discovered.”

President and CEO Dr Patrick Reid commented: “We are excited with the rapid progress of the discovery program and it is a testament to the power of Sosei’s StaR[®] technology, that allowed our PDPS technology to rapidly identify promising candidates against this difficult target, that exhibited the desired cell activity. We look forward to continuing to support the development of these candidates toward the clinic.”

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About Sosei

Sosei is an international biopharmaceutical company focused on the design and development of new medicines originating from its proprietary GPCR-targeted StaR® technology and structure-based drug design platform capabilities. The Company is advancing a broad and deep pipeline of partnered and wholly owned product candidates in multiple therapeutic areas, including CNS, cancer, metabolic diseases and other rare/specialty indications. The Company's leading clinical programs include a proprietary Phase 2 candidate for dementia with Lewy bodies (DLB) in Japan, together with partnered candidates aimed at the symptomatic treatment of Alzheimer's disease (with Allergan) and immuno-oncology approaches to treat cancer (with AstraZeneca). Sosei's additional partners and collaborators include Novartis, Pfizer, Daiichi-Sankyo, PeptiDream, Kymab and MorphoSys. The Company is headquartered in Japan with R&D facilities in the UK.

Sosei is listed on the Mothers Index of the Tokyo Stock Exchange (ticker: 4565). For more information, please visit <http://www.sosei.com/en/>.

About PeptiDream Inc.

PeptiDream Inc. is a public (Tokyo Stock Exchange First Section 4587) biopharmaceutical company founded in 2006 employing our proprietary Peptide Discovery Platform System (PDPS), a state-of-the-art highly versatile peptide generation and selection platform which enables the production of highly diverse (trillions) nonstandard peptide libraries with high efficiency, for the discovery and development of best-in-class and first-in-class peptide-based therapeutics. PeptiDream aspires to be a world leader in the discovery and development of novel highly functional peptide therapeutics to address unmet medical needs and improve the quality. For more information about PeptiDream, please visit www.peptidream.com

In the past seven years, PeptiDream has established funded discovery collaborations with 18 of the leading pharmaceutical companies; Amgen, AstraZeneca, Bristol-Myers Squibb, Lilly, GlaxoSmithKline, Novartis, Mitsubishi Tanabe, Daiichi Sankyo, Merck, Sanofi, Teijin, Kyorin, Ipsen, Genentech, Shionogi, Asahi Kasei, Janssen, and Bayer, all of which are active and ongoing. In addition, PeptiDream has transferred its PDPS discovery platform for broad use to Bristol-Myers-Squibb, Novartis, Lilly, Genentech, and Shionogi.

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Forward-looking statements

This press release contains forward-looking statements, including statements about the discovery, development and commercialization 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 programs; 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 commercialize 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 commercialization 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.