

PRESS RELEASE

Sosei Heptares commits to improve identified internal control weaknesses

Tokyo, Japan and London, UK, 28 March 2019 – Sosei Group Corporation (“the Company”; TSE: 4565) announces that a small number of control weaknesses have been identified in management’s Internal Control Report for the fiscal period ended 31 December 2018, which was submitted to Kanto Local Finance Bureau today pursuant to Article 24.4.4(1) of the Financial Instruments and Exchange Act.

All significant control weaknesses identified are described in English in management’s Internal Control Report (which forms part of the Company’s English Annual Report that will be published in the week commencing 1st April 2019). These control weaknesses are primarily process oriented and did not have a material impact on the actual balances in the Company’s financial statements. Importantly, the Company has today received an unqualified audit opinion on the financial statements.

Shinichi Tamura, Chairman and President, said: “The errors identified are mainly related to process issues at our wholly-owned UK subsidiary. This is a timely reminder of the importance to maintain rigorous financial processes and controls, particularly as our business continues its rapid pace of growth and international expansion. Sosei Heptares is committed to making swift and comprehensive improvements to remedy the situation.”

– Ends –

About Sosei Heptares

We are an international biopharmaceutical group 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, immuno-oncology, gastroenterology, inflammation and other rare/specialty indications. Its leading clinical programs include partnered candidates aimed at the symptomatic treatment of Alzheimer’s disease (with Allergan) and next generation immuno-oncology approaches to treat cancer (with AstraZeneca). Our additional partners and collaborators include Novartis, Pfizer, Daiichi-Sankyo, PeptiDream, Kymab and MorphoSys. The Company is headquartered in Tokyo, Japan with R&D facilities in Cambridge, UK.

“Sosei Heptares” is the corporate brand of Sosei Group Corporation, which is listed on the Tokyo Stock Exchange (ticker: 4565). For more information, please visit www.soseiheptares.com.

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This press release contains forward-looking statements, including statements about the discovery, development and commercialization of products. Various risks may cause Sosei Group Corporation'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.