Sosei Subsidiary Heptares and PeptiDream Enter Strategic Collaboration to Discover, Develop and Commercialise Novel Therapeutics in Inflammatory Disease

Tokyo, Japan –29 June 2017: Sosei Group Corporation ("Sosei"; TSE Mothers Index: 4565) today reports that Heptares Therapeutics ("Heptares"), its wholly-owned subsidiary, and PeptiDream Inc., a public Tokyo-based biopharmaceutical company ("PeptiDream"; TOKYO: 4587), have entered into a strategic collaboration to discover, develop and commercialise novel therapeutics targeting an undisclosed G protein-coupled receptor (GPCR) with an important role in inflammatory diseases.

The collaboration brings together two industry leading drug discovery platforms and considerable preclinical and clinical development capabilities. Heptares will apply its StaR® platform and resulting 3D structural insights to the GPCR target selected by both companies. PeptiDream will use its proprietary Peptide Discovery Platform System (PDPS) technology to identify macrocyclic/constrained peptides against the target GPCR and to optimize hit peptides and/or small molecules for further development. Promising leads will be progressed using the partners' complementary skills, resources and development capabilities in order to bring innovative products into the clinic. Under the agreement, the companies will jointly conduct and share the costs of the discovery and development programme, and will co-own any resulting products. No further financial details are disclosed.

Malcolm Weir, CEO at Heptares and Chief R&D Officer at Sosei, said: "In bringing together Heptares and PeptiDream technologies under this collaboration, we hope to create a powerful approach to drug discovery and development focused on the selected target. Collaborations to access world-leading technologies that complement and enhance our own capabilities form an important element of our strategy to discover, develop and commercialise a highly valuable pipeline of new biologic products."

Kiichi Kubota, CEO and President of PeptiDream Inc., said: "We are delighted to be teaming up with Heptares and their world-leading GPCR targeted technologies, with the goal of jointly discovering and developing first-in-class therapeutics against this important target. This strategic collaboration provides another opportunity for PeptiDream to partner with a world-class company like Heptares to mutually leverage our technologies and further accelerate our expanding strategic/internal pipeline."

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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, 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.

HEPTARES is a registered trademark in the EU, Switzerland, US and Japan;
StaR® is a registered trademark in the EU and Japan.

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.

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) non-standard 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 17 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, and Janssen, 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.

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.