



---

The 28th Ordinary General Meeting of Shareholders

22 June 2018

# Disclaimer

The material that follows is a presentation of general background information about Sosei Group Corporation and its subsidiaries (collectively, the "Company") as of the date of this presentation. This material has been prepared solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities and should not be treated as giving investment advice to recipients. It is not targeted to the specific investment objectives, financial situation or particular needs of any recipient. It is not intended to provide the basis for any third party evaluation of any securities or any offering of them and should not be considered as a recommendation that any recipient should subscribe for or purchase any securities.

The information contained herein is in summary form and does not purport to be complete. Certain information has been obtained from public sources. No representation or warranty, either express or implied, by the Company is made as to the accuracy, fairness, or completeness of the information presented herein and no reliance should be placed on the accuracy, fairness, or completeness of such information. The Company takes no responsibility or liability to update the contents of this presentation in the light of new information and/or future events. In addition, the Company may alter, modify or otherwise change in any manner the contents of this presentation, in its own discretion without the obligation to notify any person of such revision or changes.

This presentation contains "forward-looking statements," as that term is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. The words "believe", "expect", "anticipate", "intend", "plan", "seeks", "estimates", "will" and "may" and similar expressions identify forward looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. The important factors that could cause our actual results, performance or achievements to differ materially from those in the forward looking statements include, among others, risks associated with product discovery and development, uncertainties related to the outcome of clinical trials, slower than expected rates of patient recruitment, unforeseen safety issues resulting from the administration of our products in patients, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products obsolete, and other factors. These factors include, without limitation, those discussed in our public reports filed with the Tokyo Stock Exchange and the Financial Services Agency of Japan. Although the Company believes that the expectations and assumptions reflected in the forward-looking statements are reasonably based on information currently available to the Company's management, certain forward looking statements are based upon assumptions of future events which may not prove to be accurate. The forward looking statements in this document speak only as at the date of this presentation and the company does not assume any obligations to update or revise any of these forward statements, even if new information becomes available in the future.

This presentation does not constitute an offer, or invitation, or solicitation of an offer, to subscribe for or purchase any securities. Neither this presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. Recipients of this presentation are not to construe the contents of this summary as legal, tax or investment advice and recipients should consult their own advisors in this regard.

This presentation and its contents are proprietary confidential information and may not be reproduced, published or otherwise disseminated in whole or in part without the Company's prior written consent. These materials are not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

This presentation contains non-GAAP financial measures. The non-GAAP financial measures contained in this presentation are not measures of financial performance calculated in accordance with IFRS and should not be considered as replacements or alternatives profit, or operating profit, as an indicator of operating performance or as replacements or alternatives to cash flow provided by operating activities or as a measure of liquidity (in each case, as determined in accordance with IFRS). Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, analysis of the Company's results reported in accordance with IFRS.

References to "FY" in this presentation are to the Company's fiscal years, namely the 12-month periods commencing in each case on April 1 of the year indicated and ending on March 31 of the following year, unless specifically otherwise indicated.

# Agenda

- |   |                    |                                   |
|---|--------------------|-----------------------------------|
| 1 | 開会宣言               | Opening declaration               |
| 2 | 議決権個数のご報告          | Report on number of voting rights |
| 3 | 監査委員会の監査報告         | Audit Committee Report            |
| 4 | 事業報告・2018年3月期の連結業績 | FY2017 results   Business Report  |
| 5 | 連結計算書類の監査結果報告      | Report on Audit results           |
| 6 | 議案                 | Resolution                        |
| 7 | 質疑応答               | Q&A                               |
| 8 | 採決                 | Vote                              |

---

1

開会宣言  
Opening Declaration

# 2

## 議決権個数のご報告

Report on the number of voting rights

# 3

## 監査委員会の監査報告 Audit Committee Audit Report

# 4

## 2018年3月期の事業報告 連結業績

Consolidated results for FY2017  
Business Report

# Consolidated results for FY2017

## Financial results for the year ended March 31, 2018

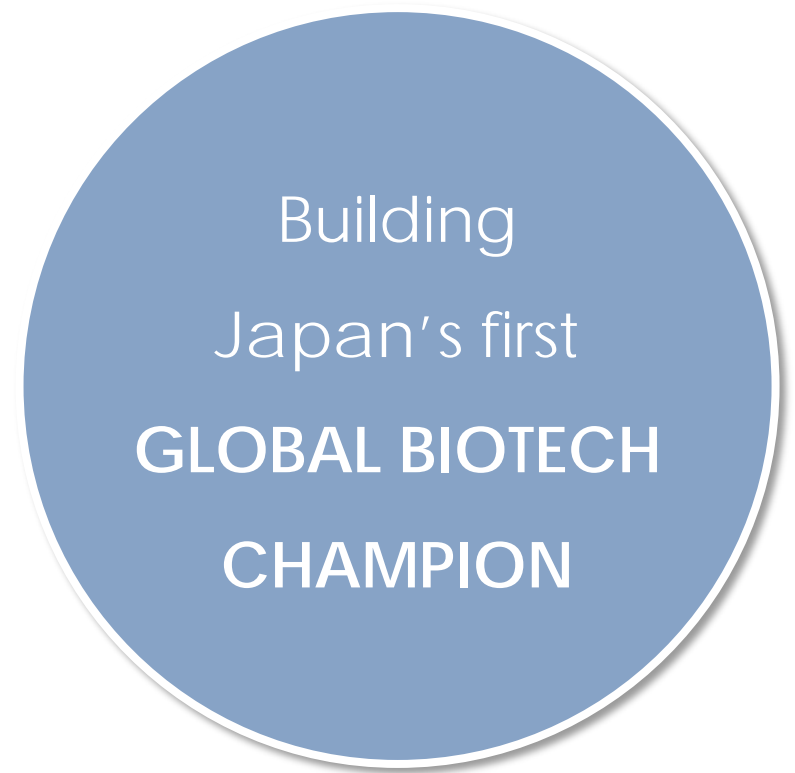
(JPY m)	FY2016	FY2017	Change in Value	Change in Rate
Revenue	18,901	6,955	(11,946)	(63.2%)
Operating income (loss)	12,389	(2,291)	(14,680)	–
Net income (loss)	9,152	(2,654)	(11,806)	–
EPS (Yen) – basic	551.18	(150.19)	–	–
Total assets	48,087	69,486	21,399	+44.5%
Total equity	28,359	48,886	20,527	+72.4%

Balance sheet strengthened to scale and advance the business

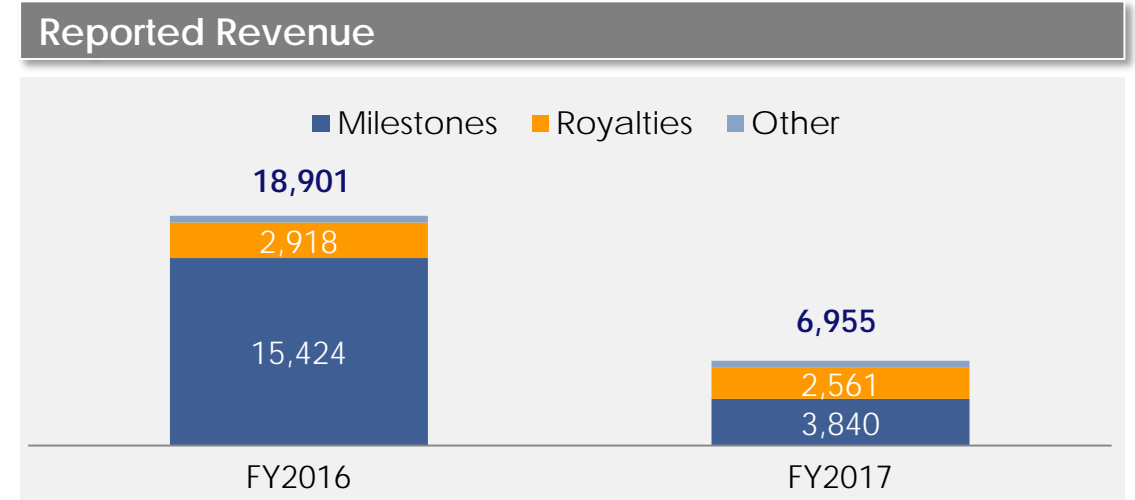
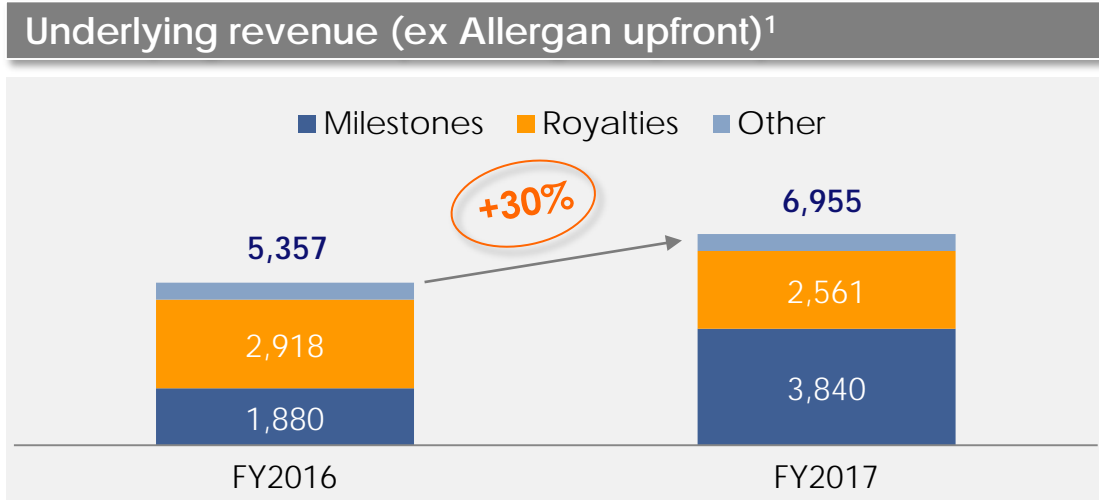


# Significant progress made in FY2017




- ✓ Solid FY2017 underlying operating results
- ✓ Continued progress with partners
- ✓ Powerful platform advancing multiple assets
- ✓ Successful \$200m capital raise being deployed



# Robust underlying revenue growth of 30%<sup>1</sup>



**Driven by significant progress achieved with partnered programs**

- 
A2a
➤
\$12m synergy milestone for tumor growth reduction
✓
- 
<sup>2</sup>
CGRP
➤
\$5m milestone on selection of HTL0022562 as lead candidate
✓
- 
M<sub>4</sub>
➤
\$10m milestone for first healthy subject dosed in Ph 1
✓

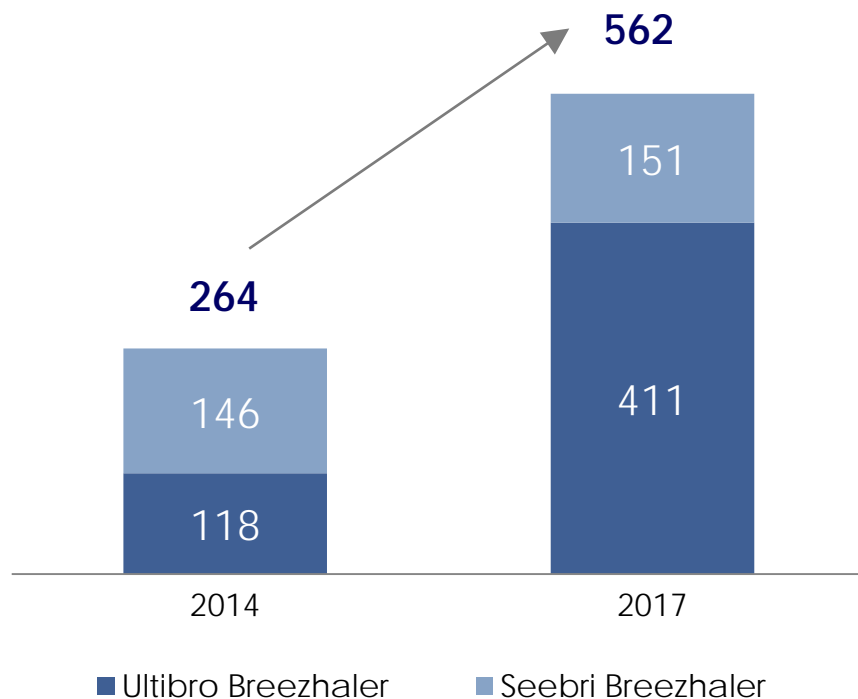
<sup>1</sup>Excludes USD 125m upfront payment from Allergan

<sup>2</sup>On 13 March 2018, Sosei regained worldwide rights to develop and commercialize HTL0022562 and other novel CGRP antagonists

# Solid underlying sales performance in COPD franchise



Net Respiratory Sales ex-US (US\$m)



Ultibro® the #1 LAMA/LABA across Europe



Utibron™ launched in the US



























Ultibro® approval in China















QVM149 confirmed filing in 2019

# Multiple shots on goal with world-leading partners

Product/Program	Modality <sup>1</sup>	Indication	Partner	Discovery	Preclinical	Phase 1	Phase 2	Phase 3	Marketed	
<b>Partnered GPCR Pipeline (Traditional out-licensing/collaboration projects)</b>										
M <sub>1</sub>	SME	Alzheimer's disease	 Allergan							
M <sub>4</sub>	SME	Alzheimer's disease	 Allergan							
M <sub>1</sub> /M <sub>4</sub>	SME	Alzheimer's disease	 Allergan							
A2a +/- anti-PD-L1	SME	Cancer I/O	 AstraZeneca							
A2a + anti-CD73	SME	Cancer I/O	 AstraZeneca							
Multiple targets	SME	Pain	 Daiichi-Sankyo							
Multiple targets	SME/MAB	Multiple indications	 Pfizer							
Multiple targets	MAB	Not disclosed	 Morphosys							
<b>Partnered GPCR Pipeline (Co-development/profit share)</b>										
Multiple targets	PEP	Inflammation	 PeptiDream							
Multiple targets	MAB	Cancer I/O	 kymab							
<b>Partnered Pipeline - Legacy Respiratory Products (Traditional out-licensing)</b>										
Seebri®/Ultibro®	SME	COPD	 NOVARTIS							
QVM149	SME	Asthma	 NOVARTIS							

<sup>1</sup> Note: SME = small molecule; PEP = Peptide; MAB = monoclonal antibody

# Rapidly emerging proprietary platform

Product/Program	Modality <sup>1</sup>	Indication	Originator	Discovery	Preclinical	Phase 1	Phase 2	Phase 3
Proprietary GPCR Pipeline (Go-to-market/commercialize)								
M <sub>1</sub>	SME	DLB (Japan)	 SOSEI					
mGlu <sub>5</sub>	SME	Neurology	 SOSEI					
CGRP	SME	Migraine	 SOSEI					
SSTR	SME	Endocrine disorders	 SOSEI					
GLP-1	SME	Metabolic diseases	 SOSEI					
GLP-2	SME	Intestinal failure	 SOSEI					

Multiple candidates entering clinical development

<sup>1</sup> Note: SME = small molecule

---

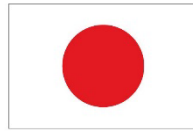
**We have come a long way**

---

# Building Japan's first global biotech champion

10 YEARS AGO

---



\$48m Market Capitalization

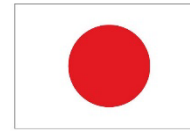
1 global pharma partner

No discovery platform

No proprietary pipeline

TODAY

---



\$1,184m Market Capitalization

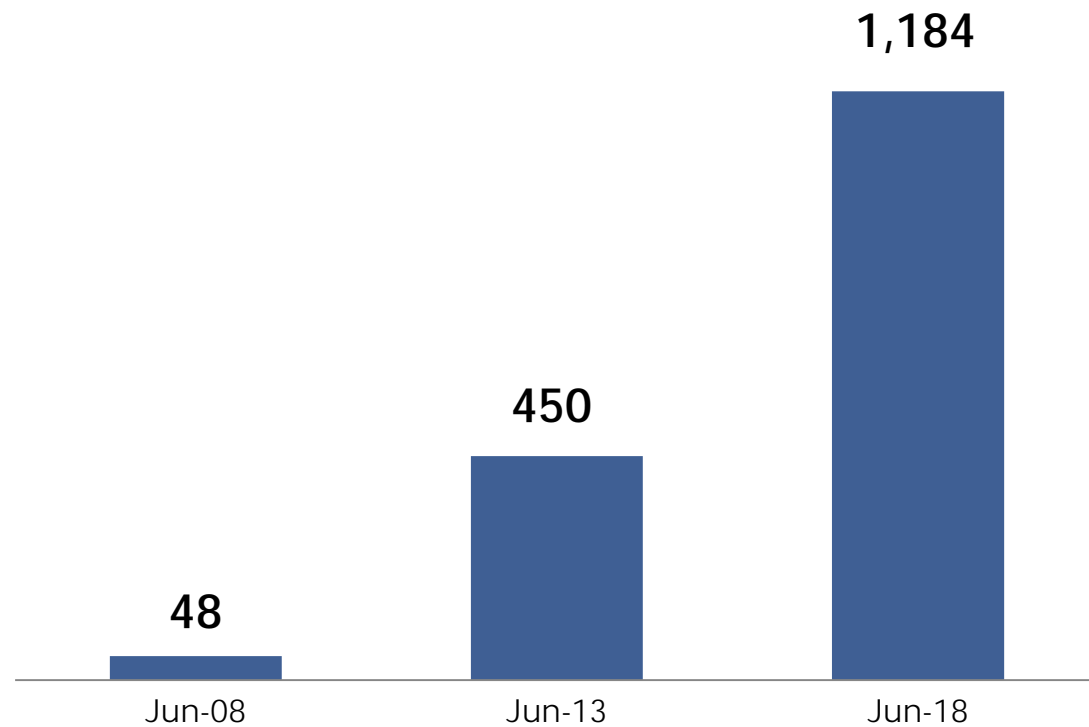
8 Disclosed Global Pharma Partners

StaR<sup>®</sup> & SBDD Platform

Strong Pipeline

# Focused on the long-term

## MARKET CAPITALIZATION GROWTH



10 YEARS AGO -----> TODAY

**1,414%**  
Absolute Return

**38%**  
CAGR



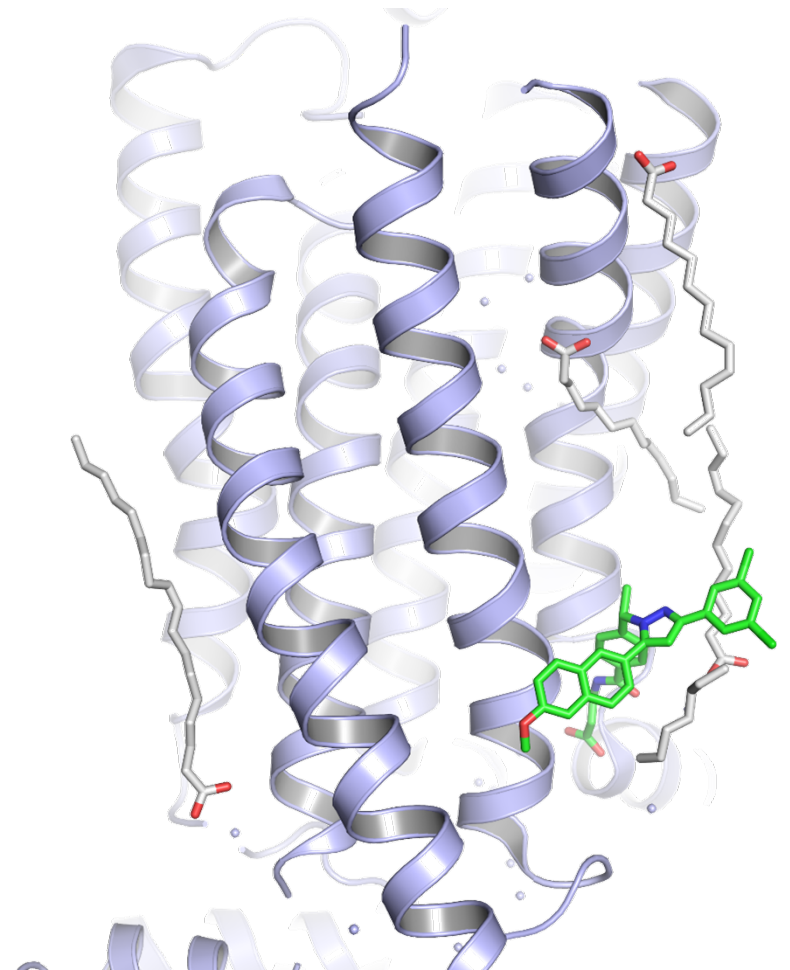
---

# Smarter drug development

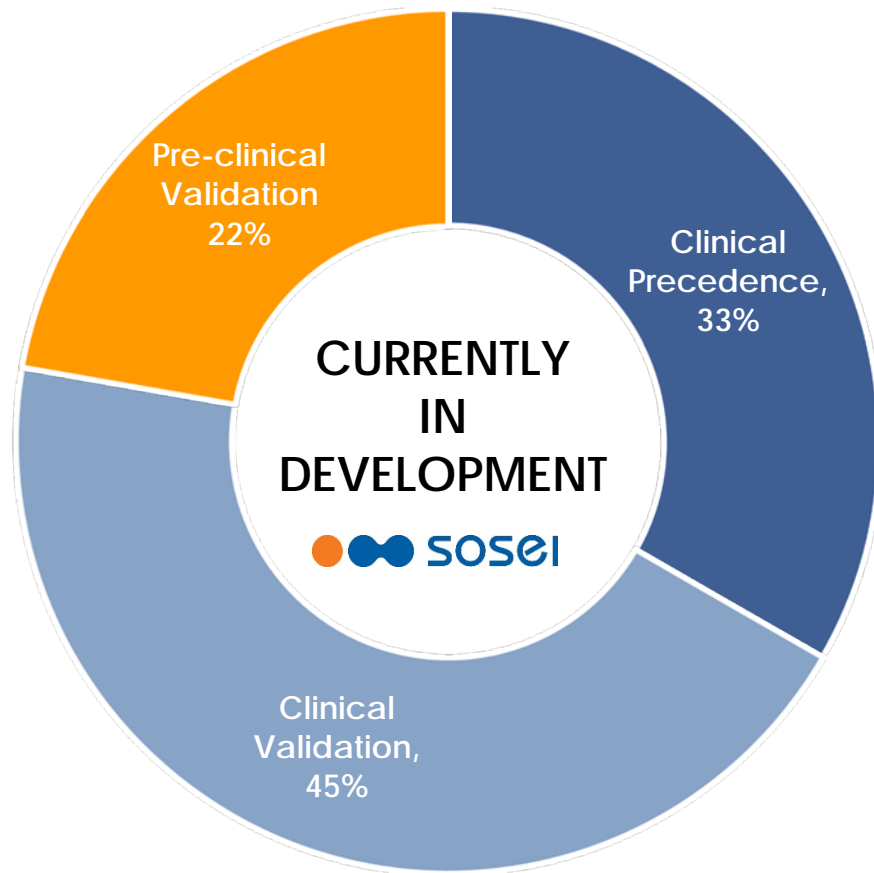
---

# Patent protected StaR® enables structural insights into GPCRs for better drug design

- ✓ Improved physiochemical properties
- ✓ Better safety and efficacy
- ✓ Reduced clinical attrition
- ✓ Small molecule, peptide or antibody discovery



# Focused on targets with high levels of validation



Notes:  
Clinical Precedence: indicates validation of biological target via approved drug/POC  
Clinical validation: indicates validation of biological mechanism or target via approved drug/POC  
Pre-clinical validation: indicates pre-clinical in vivo pharmacological POC

---

# World leaders choose to work with us

---

# Partnered with world leaders



Plus more partnerships to come in the future

# Fighting dementia for a better future

In partnership with  **Allergan**

**50  
million**

Global Dementia Patients

**5  
million**

Japan Dementia Patients

**Dementia is a social and political priority**



# Attacking cancer with next-generation therapies

In partnership with



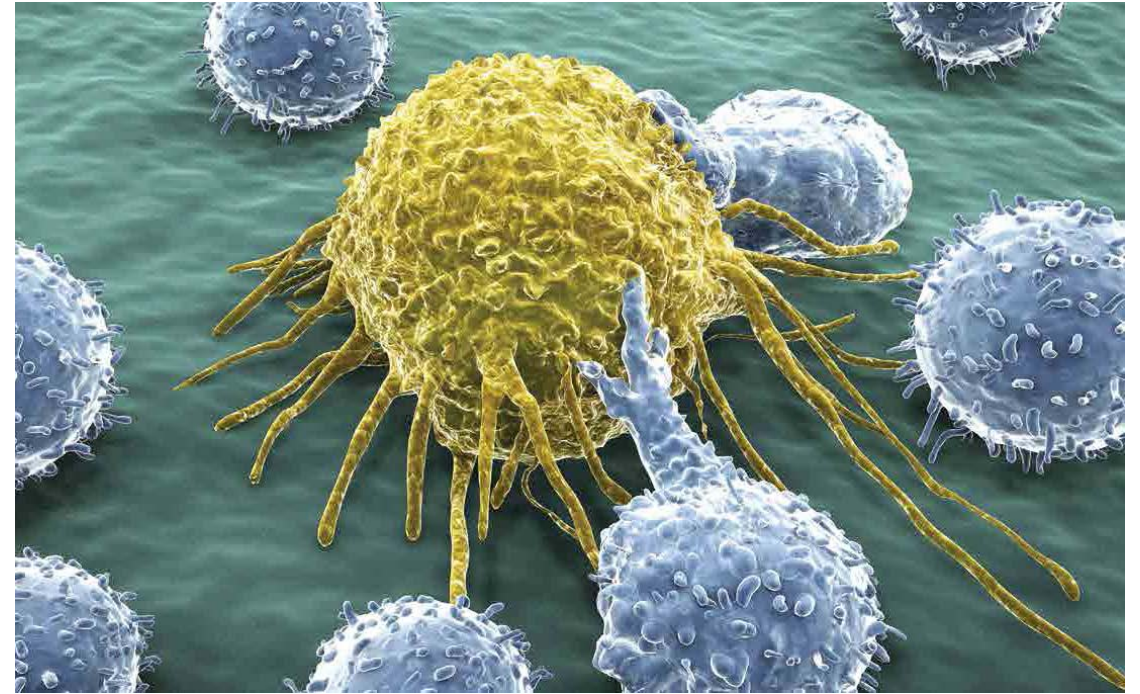
**8.8  
million**

Deaths per year globally

**1 in 2**

Japanese people will get  
cancer

Cancer is a **leading cause of death**  
in Japan



**Combo therapies are the future,**  
enabling checkpoint inhibitors to be  
**effective against more tumor types**

---

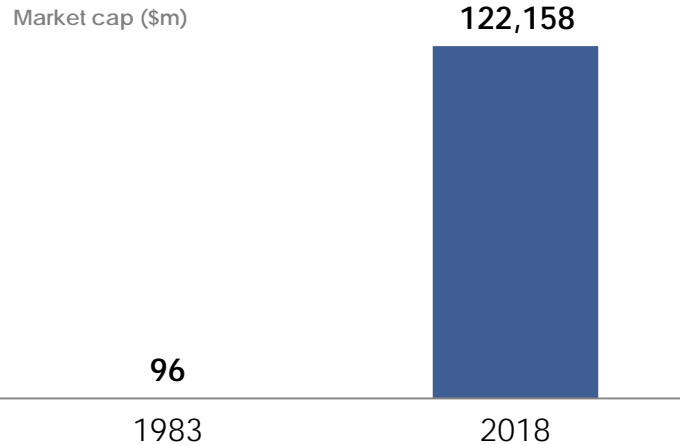
# Nothing Ventured, Nothing Gained

---



# Seeking to emulate the world's leading biotechs

## AMGEN

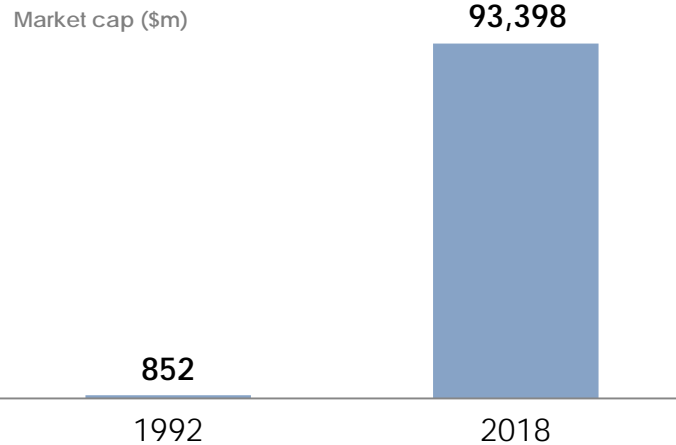


**EPOGEN**  
(EPOETIN ALFA)  
RECOMBINANT

Treatment of anaemia in dialysis patients



## GILEAD

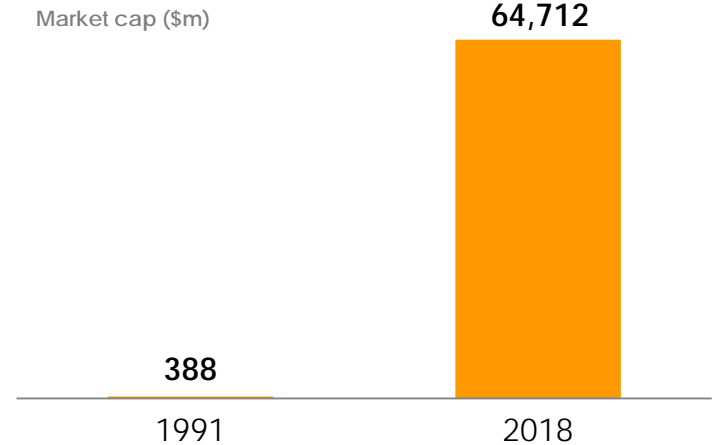


**viread**  
300mg tablets  
tenofovir disoproxil fumarate

Treatment of HIV infection



## Biogen



**AVONEX**  
(interferón beta-1a)

Treatment of relapsing-remitting Multiple Sclerosis

Investment in R&D is a proven strategy that creates value

# Investing now, to deliver innovative drugs in the future

## Dementia with Lewy bodies (DLB)



Up to 20% of dementia diagnosed as DLB

 **SOSEI** M<sub>1</sub>DLB

## Cushing's Disease



~25,000 patients in the U.S.

 **SOSEI** SSTR

## Motor Neuron Disease and Dystonia



~50,000 patients in the U.S. and EU

~800,000 patients in the U.S. and EU

 **SOSEI** mGlu5

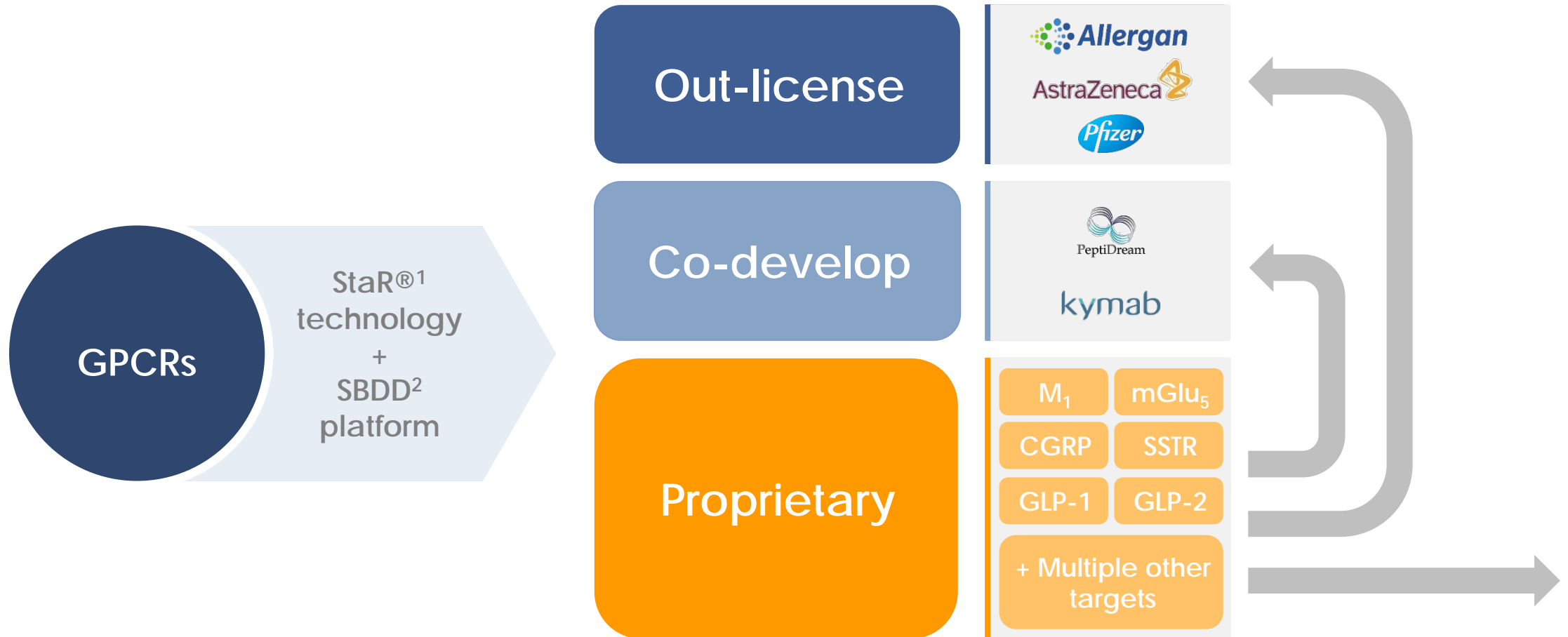
Unmet medical need inspires our innovation

---

# A balanced business model and therapeutic focus

---

# Balanced business model

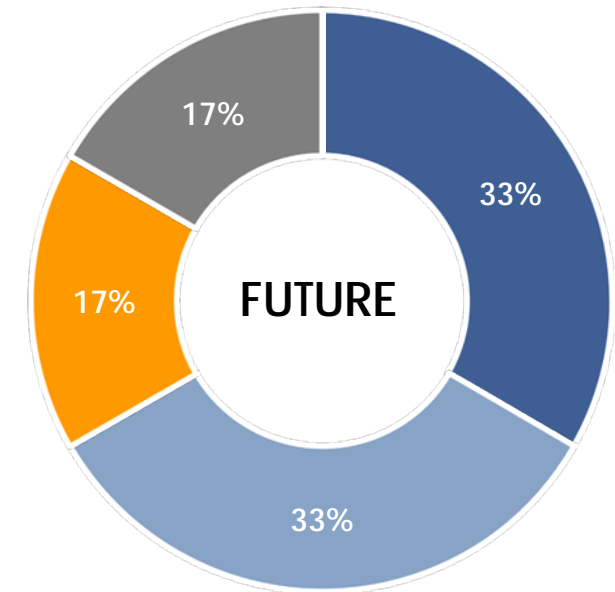
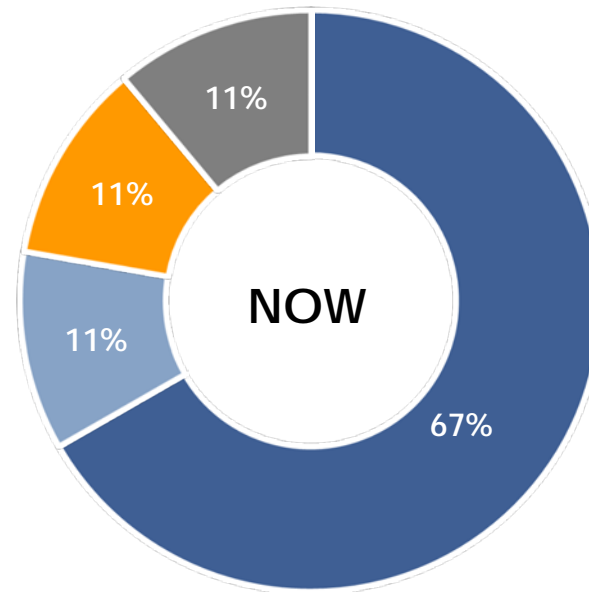


Reserving the right to choose the best strategy for our proprietary assets

# Evolving with a specialist therapeutic focus

## CURRENTLY IN DEVELOPMENT

## CURRENTLY IN DISCOVERY



Notes:

Neurology: includes AD, SZ, DLB, Migraine/Pain, Dystonia, ALS, Narc/Sleep, Addiction, HD, Depression, PD, Ax

Immunology/GI: includes SBS, Immuno-oncology, Atopic Derm, Wound Healing

Oncology: includes Immuno-oncology; Oncology

Rare: includes Cushing's, CHI, PAH, CV, Endo

---

# Taking our Japanese heritage global

---

# A new unified global brand



Fusion of **two recognisable brands** in respective markets

**Stronger brand equity** backed by **scientific credibility**

**Japanese heritage** with a **global** unified workforce

Coming H2 2018

# Japan's first global biotech champion



Alzheimer's Disease | Dementia with Lewy Bodies | Cancer I/O | Motor Neuron Disease | Dystonia | Migraine  
Endocrine disorders | Metabolic diseases | Intestinal failure | Pain | Inflammation | COPD | Asthma



---

# Getting on with the job

---

# Enhancing expertise, improving corporate governance

CHRIS CARGILL

INTERIM CFO



J.P.Morgan

KUNIAKI KAGA

EXTERNAL INDEPENDENT DIRECTOR



DR. DAVID ROBLIN

EXTERNAL INDEPENDENT DIRECTOR



---

**Thank you**

---

# 5

## 連結計算書類の監査結果報告 Report on Audit results on the consolidated financial statement

---

# 6

## 決議事項

Matters to be resolved

# Proposal 1

## Partial amendments to the Articles of Incorporation

### ARTICLE 13

The record date of the Company's ordinary general meeting of shareholders shall be **December 31** every year

### ARTICLE 25

The Company may enter into liability limitation agreements with **Directors (excluding Executive Directors, etc.)** that limits his/her liabilities as provided in Article 423, paragraph 1 of the Companies Act to an amount not exceeding the minimum liability amount as defined in Article 425, Paragraph 1 of the Companies Act if the requirements of the law are satisfied

### ARTICLE 40

The fiscal year of the Company shall be from **January 1 to December 31 every year**

### ARTICLE 41

The record date of the year-end dividend of the Company shall be **December 31**  
The record date of the interim dividend of the Company shall be **June 30**

---

## SUPPLEMENTARY

### ARTICLE 1

Notwithstanding the provisions of Article 40, (Fiscal Year), the 29<sup>th</sup> fiscal year shall be the nine months from April 1, 2018 to December 31, 2018. This Supplementary Provision shall be removed after the end of the 29<sup>th</sup> fiscal year

# Proposal 2

## Election of Six (6) Directors

**SHINICHI  
TAMURA**

Chairman of the Board  
Representative Executive Officer and Executive Chairman  
Chairman of the Nomination Committee  
Member of the Compensation Committee

RE-APPOINTED

**PETER  
BAINS**

Executive Director  
Representative Executive Officer and President  
Chief Executive Officer

RE-APPOINTED

**TOMOHIRO  
TOHYAMA**

External Director  
Chairman of the Audit Committee  
Member of the Compensation Committee

RE-APPOINTED

EXTERNAL

# Proposal 2

## Election of Six (6) Directors

**JULIA  
GREGORY**

Independent External Director  
Member of the Audit Committee  
Member of the Nomination Committee

RE-APPOINTED

INDEPENDENT EXTERNAL

**KUNIAKI  
KAGA**

To be appointed as Independent External Director

NEWLY APPOINTED

INDEPENDENT EXTERNAL

**DAVID  
ROBLIN**

To be appointed as Independent External Director

NEWLY APPOINTED

INDEPENDENT EXTERNAL



# Proposal 3

## Appointment of Independent Auditor



**EY**

**Ernst & Young ShinNihon LLC**

Hibiya Kokusai Bldg.  
2-2-3 Uchisaiwai-cho  
Chiyoda-ku, Tokyo

Capital

**¥993 million**

Certified public  
accountants

**3,222**

Total  
employees<sup>1</sup>

**5,595**

Number of  
audited companies

**3,953**

---

7

質疑応答  
Q&A

---

8

採決  
Vote

# Locations

---

## SOSEI GROUP

PMO Hanzomon 11F  
2-1 Kojimachi, Chiyoda-ku  
Tokyo 102-0083 Japan

[www.osei.com](http://www.osei.com)

## HEPTARES THERAPEUTICS

BioPark, Broadwater Road  
Welwyn Garden City  
Hertfordshire AL7 3AX United Kingdom

Grabenstrasse 11a,  
CH-8952 Schlieren Zürich,  
Switzerland

[www.heptares.com](http://www.heptares.com)