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PRESS RELEASE

Sosei Heptares to introduce Restricted Share Units and Performance Share Units as new share-based incentive plans

Creating a globally consistent share-based incentive plan to encourage and reward corporate growth and better align with shareholders

Tokyo, Japan and London, UK, 12 March 2019 – Sosei Group Corporation (“the Company”; TSE: 4565), announces that a resolution to undertake a review of its compensation plans and introduce Restricted Share Units (“RSU Plan”) and Performance Share Units (“PSU Plan”) (collectively “the Plans”) for Directors, Executive Officers and Eligible Senior-Level Employees was adopted at the Board of Directors meeting held on 12 March 2019.

1. Objective of introducing the Plans

The introduction of the Plans is intended to increase the motivation and drive of the Directors, Executive Officers and Eligible Senior-Level Employees to energetically realize the Company’s vision and strategy. The Plans will also promote the sharing of benefits and risks of share price fluctuations with shareholders, and further encourage the Directors, Executive Officers and Eligible Senior-Level Employees to actively contribute to the increase of the share price and enhance the Company’s corporate value.

2. Overview of the Plan

The Plans consist of (i) a RSU Plan with conditions tied to duration of service, and (ii) a PSU Plan with conditions tied to achieving certain performance targets predetermined by the Board of Directors meeting.

- (i) The RSU Plan is a grant of the Company’s common shares to Directors, Executive Officers and Eligible Senior-Level Employees who satisfy certain conditions such as duration of service (the “Service Period”).
- (ii) The PSU Plan is a performance-linked share compensation plan, under which the Company will grant the Company’s common shares to Executive Officers and selected Eligible Senior-Level Employees subject to the achievement of a specified performance targets of the Company (the “Performance Targets”) over a defined period of time (the “Performance Period”), as predetermined by the Board of Directors meeting.

The RSU Plan involves the allotment of the Company’s shares to Directors, Executive Officers and Eligible Senior-Level Employees upon conclusion of a Service Period. The PSU Plan involves the allotment of the Company’s shares to Executive Officers and Eligible Senior-Level Employees upon the conclusion of the Performance Period subject to the successful achievement of the predetermined Performance Targets. Accordingly, at the point in time when the RSU Plan and/or the PSU Plan is introduced, whether or not the Company shares are allotted, and the number of Company shares to be allotted will not be determined.

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With regard to the specific details of the Plans including (a) the Service Period for the RSU Plan; (b) the Performance Period and the Performance Targets for the PSU Plan; and (c) means of handling matters if a Director, Executive Officer or Eligible Senior-Level Employee retires or undergoes a change in position during the Service Period or Performance Period, and other key terms, these will be determined at a Board of Directors meeting to be held on a later date. The base amounts of share-based compensation for each of the Directors and Executive Officers will be determined at a Compensation Committee meeting to be held on a later date.

– 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 and Zurich, Switzerland.

“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 <https://www.soseiheptares.com/>

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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 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.