

For Immediate Release

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**Daiichi Sankyo Enters Agreement with Heptares Therapeutics
to Discover and Develop Novel, Small-Molecules for the Treatment of Pain**

Tokyo, Japan (March 13, 2017)– Daiichi Sankyo Company, Limited (hereafter “Daiichi Sankyo”) announces that it has entered with Heptares Therapeutics Limited (location: Hertfordshire, UK, hereafter “Heptares”), a wholly owned subsidiary of Sosei Group Corporation, into a drug discovery and licensing agreement focused on a single G protein-coupled receptor (GPCR) nominated by Daiichi Sankyo that plays a crucial role in relieving pain.

Under the terms of the agreement, Heptares will apply its proprietary StaR® (stabilised receptor) technology to engineer thermally stabilised forms of the GPCR as the basis for the drug discovery programme. Heptares will also employ advanced structural biology and rational drug design approaches, X-ray crystallography and fragment screening to delineate the GPCR's structure and to generate lead candidates. Daiichi Sankyo will also participate in lead generation and in vivo models.

Daiichi Sankyo will be eligible to receive exclusive global rights to develop, manufacture and commercialize novel, small molecules discovered by Heptares focused on the nominated GPCR. In return, Heptares will receive an upfront payment, research funding, and is eligible to receive additional research, development and commercialization milestone payments. In addition, Heptares will be eligible to receive royalties on net sales of products resulting from the alliance.

Daiichi Sankyo expects that it will offer a novel treatment option to all patients

suffering pain resulting from many different causes by creating innovative medicines using a proprietary structure-based drug design technology owned by Heptares.

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.