

April 15, 2014
SymBio Pharmaceuticals Limited
Fuminori Yoshida
Representative Director
President and Chief Executive Officer

Notice Concerning the Issuance of Stock Acquisition Rights as Stock Option to Employees

SymBio Pharmaceuticals Limited (“the Company”) announces that at a Board of Directors’ meeting held today, it has decided to issue stock acquisition rights to the Company’s employees pursuant to Articles 236, 238 and 240 of the Companies Act in Japan.

1. Purpose for Issuing of Stock Acquisition Rights (“Stock Option”)

The Company will grant stock acquisition rights to the Company’s employees as the compensation aiming to enhance their motivations and morale towards improved performance.

2. Subscription Guidelines

- (1) Stock acquisition rights allotment recipients and the number of recipients
Sixty-eight (68) employees of the Company
- (2) Type and number of shares upon exercise of the Stock Option, or the method to calculate the number of shares

The number of shares to be issued upon exercise of one unit of stock acquisition right shall be 100 shares of the Company’s common stock.

In the event that the Company makes a stock split or stock consolidation, the number of shares subject to unexercised stock acquisition rights shall be adjusted using the formula set forth below, and any fractions less than one share resulting therefrom shall be rounded down.

Number of shares after adjustment

= Number of shares before adjustment x Ratio of split or consolidation

In addition to aforementioned cases, in the event it is necessary to adjust the number of shares to which the Stock Option have not been exercised, the Company may make reasonable adjustments.

- (3) Total number of the Stock Option for subscription
3,485

The above is the number of the Stock Option scheduled to be allotted to the Company's employees. In cases where the total number of the Stock Option actually allotted does not reach the number, e.g. when some employees did not apply for subscription, the number of the Stock Option actually allotted shall be the final total number of the Stock Option to be issued.

- (4) Amount to be paid for the Stock Option and allotment date

The amount to be paid shall be the fair value of the Stock Option on the allotment day of the Stock Option as calculated using the Black-Scholes Model. The person who receives the allotment of the Stock Option shall set off his/her claims for compensation against the Company in lieu of payment of monies for the Stock Option allotted.

- (5) Value of property to be contributed upon exercise of the Stock Option and its calculation method

The value of property to be contributed upon exercise of the Stock Option shall be determined by multiplying the exercise price per share to be issued, set as one (1) yen, and multiply by the number of shares allotted.

- (6) Period during which the Stock Option can be exercised

From April 16, 2017 to April 15, 2024

- (7) Terms and conditions for the exercise of the Stock Option

(a) Each Stock Option may not be partially exercised.

(b) Upon exercise of rights, the person who is allotted the Stock Option ("the Allottee") must hold the position of Director, Statutory Auditor, or Employee of the Company or an affiliate of the Company. However, this shall not apply in the cases where:

i) A Director or Statutory Auditor of the Company or an affiliate of the Company has retired upon expiration of term of office.

ii) An employee has retired at mandatory retirement age.

iii) The Board of Directors has resolved that a Director, Statutory Auditor, or employee retired from or left the Company or an affiliate of the Company amicably.

(c) If an organizational restructuring is approved by the resolution of the Company's Shareholders' meeting (including the case where resolution of a Shareholders' meeting is deemed to exist pursuant to the provision of Article 319 of the Companies Act) or the Board of Directors' meeting (limited to the case where no Shareholders' meeting is required for the relevant organizational restructuring) before the exercise period (hereinafter the "Exercise Period") of the Stock Option starts, the Allottee may exercise the Stock Option starting from the date of resolution by the Shareholders' meeting or the Board of Directors' meeting until one day before the effective date of the organizational restructuring, irrespective of the provision of (6) above. The organizational restructurings subject to this condition are: an absorption-type merger or an incorporation-type merger where the Company becomes a dissolving company, an absorption-type split or an incorporation-type company split where the Company becomes a split company or a share exchange or a share transfer where the Company becomes a wholly-owned subsidiary.

(d) In the case where the Allottee has died, heirs of such Allottee shall succeed to the right to exercise the Stock Option ("the Successors") held by such Allottee based on the Stock Option Allotment Agreement concluded between the Company and the Allottee. However, in the case where the Successors have died, heirs of such Successors shall not be entitled to exercise the Stock Option.

- (e) Other conditions relating to exercise shall be determined based on the Stock Option Allotment Agreement entered between the Company and the Allottee.
- (8) Matters concerning the paid-in capital and capital reserve to be increased due to the issuance of shares upon exercise of the Stock Option
The amount of paid-in capital to be increased due to the issuance of shares upon exercise of the Stock Option shall be half of the maximum amount of paid-in capital increase and others which is calculated in accordance with Article 17, Section 1 of the Corporation Accounting Regulations, and any fraction less than one (1) yen arising therefrom shall be rounded up to the nearest one (1) yen. The amount of capital reserve to be increased due to the issuance of shares upon exercise of the Stock Option shall be an amount determined by subtracting the amount of paid-in capital to be increased from the maximum amount of increase in paid-in capital.
- (9) Matters concerning acquisition of the Stock Option
In case where the Shareholders' meeting approves proposals (i), (ii), (iii), (iv), or (v) below (or where the Board of Directors approves them if a resolution by the Shareholders' meeting is not required), the Company may acquire the Stock Option without consideration on the day specified by the Board of Directors of the Company.
- (i) Proposal for approval of a merger agreement under which the Company shall be absorbed by another company
 - (ii) Proposal for approval of a split agreement or a split plan under which the Company shall be split
 - (iii) Proposal for approval of a share exchange contract or a share exchange plan under which the Company shall become a wholly-owned subsidiary
 - (iv) Proposal for approval of a change in the Articles of Incorporation which stipulates that, as a feature of all shares the Company issues, the Company's approval shall be required for the acquisition of such shares by transfer.
 - (v) Proposal for approval of a change in the Articles of Incorporation which stipulates that, as a feature of shares subject to the Stock Option, the Company's approval shall be required for the acquisition of such shares by transfer or the Company shall acquire all such shares by the resolution of Shareholders' meeting.
- (10) Limitations on transfer of stock acquisition rights
The approval from the Company's Board of Directors shall be required to acquire proposed stock acquisition rights by transfer.
- (11) Issuance of the Stock Option in case of corporate reorganization
Upon reorganization of the Company, the Stock Option of the company defined in Article 236, Section 1, Item 8 (i) to (v) of the Companies Act (hereinafter "the company subject to reorganization") shall be issued to the Allottee of the remaining Stock Option (hereinafter "the remaining Stock Option") as of the day immediately before the effective date of the reorganization in accordance with the following terms. In this case, the remaining Stock Option shall be extinguished and the company subject to reorganization shall newly issue its Stock Option.
However, this shall be limited to the case where it is prescribed in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split agreement, share exchange agreement or share transfer agreement that the company subject to reorganization shall issue new Stock Option in accordance with the following terms.
- (a) Number of the Stock Option of the company subject to reorganization

The company subject to reorganization shall issue the same number of its Stock Option to each Allottee of the remaining Stock Option as the number of Stock Option he/she holds.

(b) Class of stocks underlying the Stock Option

It shall be common stocks of the company subject to reorganization.

(c) Number of shares underlying the Stock Option issued by the company subject to reorganization

It shall be determined based on (2) above, by taking the conditions of reorganization into account.

(d) Value of property to be contributed when such Stock Option are exercised

The value of property to be contributed upon exercise of the Stock Option shall be the amount calculated by multiplying the following exercise price after reorganization, by the number of shares underlying the Stock Option issued by the company subject to reorganization as determined by (c) above. The exercise price after reorganization shall be one (1) yen per share of the company subject to reorganization which is granted upon the exercise of each Stock Option.

(e) The period during which such Stock Option can be exercised

It shall be the period from the first day of the period during which the Stock Option can be exercised as prescribed in (6) above or the effective date of the reorganization, whichever the later, to the last day of the period during which the Stock Option can be exercised as prescribed in (6) above.

(f) Matters regarding the capital and capital reserves that will be increased in cases where shares will be issued by the company subject to reorganization as a result of the exercise of such Stock Option

It shall be determined in compliance with (8) above.

(g) Restriction on acquisition of the Stock Option by transfer

Acquisition of the Stock Option by transfer shall require the approval of the Board of Directors' meeting of the company subject to reorganization (the approval of Shareholders' meeting, where the company subject to reorganization is not a Company with Board of Directors).

(h) Terms and conditions for exercise of the Stock Option

They shall be determined in compliance with (7) above.

(i) Issuance of the Stock Option in case of reorganization

It shall be determined in compliance with (11).

(12) Allotment date of the Stock Option

April 30, 2014

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Investor Relations

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