

Summary of Financial Results
For the Second Quarter of Fiscal Year Ending December 31, 2014
[Japanese GAAP] (Non-consolidated)

August 6, 2014

Company Name	Symbio Pharmaceuticals Limited	Listing: Tokyo Securities Exchange
Securities Code	4582	URL: http://www.symbiopharma.com/
Representative	Representative Director, President and Chief Executive Officer	Fuminori Yoshida
Contact Person	Chief Financial Officer and Chief Business Officer	Takihiro Hirasawa TEL 03(5472)1125
Scheduled Date to File Quarterly Report	August 7, 2014	Date of dividend payment (plan) —

Supplementary materials for the quarterly financial results: Yes No

Holding of quarterly earnings performance review: Yes No (For securities analyst and institutional investors)

(millions of yen – rounded down, unless otherwise stated)

1. Business Results for the Second Quarter of FY 2014 (January 1, 2014 to June 30, 2014)

(1) Operating Results (cumulative)

(Percentage indicates year-on-year change)

	Net Sales		Operating Income (loss)		Ordinary Income (loss)		Quarterly Net Income (loss)	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
2Q FY 2014	975	20.3	(646)	—	(713)	—	(715)	—
2Q FY 2013	810	(23.1)	(807)	—	(812)	—	(814)	—

	Quarterly Net Income (loss) per share	Diluted Quarterly Net Income per share
	Yen	Yen
2Q FY 2014	(23.35)	—
2Q FY 2013	(36.65)	—

(Note) Diluted quarterly net income per share is not stated above due to quarterly net loss per share, although there are potential diluted shares.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	millions of yen	millions of yen	%
2Q FY 2014 (as of June 30, 2014)	7,040	6,754	94.0
FY 2013 (as of December 31, 2013)	7,686	7,432	95.4

(Reference) Equity: 2Q FY 2014 (as of June 30, 2014) 6,616 million yen
 FY 2013 (as of December 31, 2013) 7,336 million yen

2. Dividends

	Annual Dividend per share				
	1st quarter	2nd quarter	3rd quarter	Fiscal Year End	Full year
	Yen	Yen	Yen	Yen	Yen
FY 2013	—	0.00	—	0.00	0.00
FY 2014	—	0.00			
FY 2014 (Forecast)			—	0.00	0.00

(Note) Revisions to the dividends forecasts most recently announced: Yes • No

3. Earnings Forecasts for FY 2014 (January 1, 2014 to December 31, 2014)

(Percentage indicates year-on-year change)

	Net Sales		Operating Income (loss)		Ordinary Income (loss)		Net Income (loss)		Net Income (loss) per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Full Year	1,785	16.5	(1,654)	—	(1,650)	—	(1,654)	—	(52.63)

(Note) Revisions to the earnings forecasts most recently announced: Yes · No

Notes:

(1) Application of special accounting treatment in preparation of quarterly financial reports: Yes · No

(2) Changes in accounting policies, changes in accounting estimates and restatements after error corrections

(a) Changes in accounting polices due to revision of accounting standards: Yes · No

(b) Changes in accounting polices due to other reason: Yes · No

(c) Changes in accounting estimates: Yes · No

(d) Restatements after error corrections: Yes · No

(3) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at the end of the period (including treasury stock)

2Q FY 2014	30,634,257 shares	FY 2013	30,634,257 shares
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(ii) Number of shares of treasury stock at the end of the period

2Q FY 2014	75 shares	FY 2013	75 shares
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(iii) Average number of shares during the period (cumulative)

2Q FY 2014	30,634,182 shares	2Q FY 2013	22,212,523 shares
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* The status of the quarterly review

The review of quarterly financial statements as required by the Financial Instruments and Exchange Act is proceeding as of the date of this disclosure document.

* Explanation regarding the appropriate uses of earnings forecasts and other matters

All forecasts presented in this document including earnings forecasts are based on the information currently available to the management and the assumptions that we judge reasonable. Actual results may differ substantially from these forecasts due to various factors. Regarding the assumptions on which the earnings forecasts are based and its usage, please refer to "1. Qualitative Information Concerning Quarterly Financial Results, (3) Qualitative information concerning earnings forecasts" on Page 2 of the attachment.

Index of the attachment

1. Qualitative Information Concerning Quarterly Financial Results	1
(1) Qualitative information concerning business results	1
(2) Qualitative information concerning financial position	2
(3) Qualitative information concerning earnings forecasts	2
2. Quarterly Financial Statements	3
(1) Balance sheets	3
(2) Statements of operations (cumulative).....	5
(3) Quarterly cash flow statement.....	6
(4) Notes on quarterly financial statements	8
(Notes concerning going concern assumption)	8
(Notes concerning significant changes in shareholders' equity)	8
(Significant subsequent events)	8

1. Qualitative Information Concerning Quarterly Financial Results

(1) Qualitative information concerning business results

Progress in the Company's business for the second quarter of FY 2014 is as follows:

(i) Domestic

[Anticancer agent SyB L-0501 (the generic name: bendamustine hydrochloride, the trade name: TREAKISYM®)]

The Company has marketed anticancer agent SyB L-0501 in Japan through its business partner Eisai Co., Ltd. (hereinafter "Eisai"), for the indications of refractory/relapsed indolent non-Hodgkin's lymphoma and mantle cell lymphoma.

The Company has also carried out three clinical trials on TREAKISYM® for additional indications.

With respect to the Phase II clinical trial for the indications of previously untreated indolent non-Hodgkin's lymphoma and mantle cell lymphoma, the last enrollment was completed in October 2013, and the study data are currently being analyzed and evaluated in preparation for submission. The application for approval in the EU has already been submitted by Astellas Pharma Europe, and is currently being reviewed by the European regulatory agency.

The Phase II clinical trial for the indication of chronic lymphocytic leukemia was initiated in May 2013, and progress has been made with enrollment of patients. In this connection, TREAKISYM® was designated an orphan drug (pharmaceutical for treatment of rare diseases) for the indication of chronic lymphocytic leukemia during June 2012.

Discussion about future approaches to development for refractory/relapsed aggressive non-Hodgkin's lymphoma is currently being continued with the Pharmaceuticals and Medical Devices Agency.

[Anticancer agents SyB L-1101 (intravenous formulation) and SyB C-1101 (oral formulation), the generic name: rigosertib]

The Japanese Phase I clinical trial on anticancer agent SyB L-1101 (intravenous formulation) for the indication of refractory/relapsed myelodysplastic syndrome (MDS), which is a hematological malignancy, is in progress.

During February 2014, Onconova Therapeutics, Inc. ("Onconova"), the US company from which these agents were licensed in, released the results of the Phase III clinical trial (ONTIME trial, intravenous formulation), carried out in Europe and the US, in patients with refractory/relapsed (higher risk) MDS. In these results, although no statistically significant difference in the primary endpoint, overall survival time, was found in comparison with best supportive care (BSC), the results of subpopulation analysis suggest that there was such a statistically significant difference in the group of patients consisting of those who showed progressive disease or no response during previous treatment with hypomethylating agents. Onconova has been consulting with the US and European regulatory agencies about its future development policy for this agent. While continuing the on-going Phase I clinical trial in Japan, the Company will reassess the development plan for these agents based on such development policy determined by Onconova.

In addition, the Japanese Phase I clinical trial on SyB C-1101 (oral formulation) as a frontline treatment for MDS is being continued.

(ii) Overseas

In June 2014, SyB L-0501 was approved in South Korea for the indication of refractory/relapsed indolent non-Hodgkin's lymphoma in addition to the earlier approval for the indications of chronic lymphocytic leukemia and multiple myeloma. Eisai Korea Inc., a Korean subsidiary of Eisai Co., Ltd., promotes the product for these three indications. The Company sells the product in Taiwan through Innopharmax Inc. In Singapore, the Company sells the product through Eisai, as is the case in Japan or Korea. The Company's sales in each country have been growing steadily as planned.

(iii) Business results

As a result of the above, net sales totaled 975,345 thousand yen for the second quarter of the fiscal year ending December 31, 2014, primarily reflecting product sales of SyB L-0501 in Japan and overseas. The net domestic sales of TREAKISYM® showed a year-on-year increase of 21.1%. Besides, while the net overseas sales increased by 3.5 times compared to the second quarter of the previous year, the milestone revenue showed a year-on-year decrease of 85.0%. In total, the net sales increased by 20.3% compared to the second quarter of the previous year.

On the other hand, selling, general and administrative expenses totaled 893,389 thousand yen (a year-on-year decrease of 9.9%), including research and development ("R&D") expenses of 370,289 thousand yen (a year-on-year decrease of 33.5%) primarily due to expenses associated with the clinical trials for SyB L-0501, SyB L-1101 and SyB C-1101, as well as other selling, general and administrative expenses of 523,099 thousand yen (a year-on-year increase of 20.3%).

As a result, operating loss of 646,260 thousand yen was recognized for the second quarter of the fiscal year ending December 31, 2014 (operating loss of 807,162 thousand yen for the second quarter of the previous fiscal year). In addition,

recording of non-operating expenses totaling 78,919 thousand yen, primarily comprising foreign exchange losses, led to ordinary loss of 713,197 thousand yen (ordinary loss of 812,231 thousand yen for the second quarter of the previous fiscal year) and net loss of 715,355 thousand yen (net loss of 814,131 thousand yen for the second quarter of the previous fiscal year).

Segment information is omitted since the Company operates a single segment of pharmaceutical business including research and development of pharmaceutical drugs as well as manufacturing, marketing and other related activities.

(2) Qualitative information concerning financial position

Total assets as of June 30, 2014 stood at 7,040,524 thousand yen, a decrease of 646,422 thousand yen from the previous fiscal year end, which consisted of increase in: accounts receivable of 227,359 thousand yen, marketable securities of 395,330 thousand yen, merchandise and finished goods of 153,276 thousand yen, property, plant and equipment of 16,789 thousand yen and intangible assets of 28,062 thousand yen and decrease in: cash and deposits of 1,365,206 thousand yen, prepaid expenses of 16,056 thousand yen, advances paid of 49,350 thousand yen and other current assets of 73,279 thousand yen.

Total liabilities stood at 285,685 thousand yen, an increase of 31,734 thousand yen from the previous fiscal year end, primarily due to an increase in accounts payable of 150,848 thousand yen and a decrease in accounts payable-other of 119,271 thousand yen.

Net assets decreased by 678,156 thousand yen from the previous fiscal year end to 6,754,839 thousand yen primarily due to a net loss of 715,355 thousand yen for the second quarter.

As a result, the equity ratio decreased by 1.4 percentage points to 94.0% from the previous fiscal year end.

(3) Qualitative information concerning earnings forecasts

No revision is made to the earnings forecasts for FY 2014 as of the date of this document.

2. Quarterly Financial Statements

(1) Balance sheets

(Unit: thousands of yen)

	FY 2013 (as of December 31, 2013)	2Q FY 2014 (as of June 30, 2014)
Assets		
Current assets		
Cash and deposits	6,163,231	4,798,024
Accounts receivable-trade	—	227,359
Marketable securities	1,100,270	1,495,600
Merchandise and finished goods	125,056	278,333
Prepaid expenses	64,306	48,250
Advances paid	87,862	38,511
Other	93,235	19,956
Total current assets	7,633,962	6,906,035
Noncurrent assets		
Property, plant and equipment		
Buildings, net	2,444	2,030
Tools, furniture and fixtures, net	6,187	23,391
Total property, plant and equipment	8,632	25,421
Intangible assets		
Software	5,898	4,685
Software in progress	—	29,600
Lease assets	1,891	1,567
Total intangible assets	7,789	35,852
Investments and other assets		
Long-term prepaid expenses	9,427	3,855
Lease and guarantee deposits	27,135	69,359
Total investments and other assets	36,562	73,215
Total noncurrent assets	52,985	134,489
Total assets	7,686,947	7,040,524
Liabilities		
Current liabilities		
Accounts payable-trade	—	150,848
Accounts payable-other	207,134	87,863
Income taxes payable	22,554	18,792
Other	21,252	25,628
Total current liabilities	250,941	283,132
Noncurrent liabilities		
Provision for retirement benefits	1,675	1,563
Other	1,334	989
Total noncurrent liabilities	3,009	2,552
Total liabilities	253,950	285,685

(Unit: thousands of yen)

	FY 2013 (as of December 31, 2013)	2Q FY 2014 (as of June 30, 2014)
Net assets		
Shareholders' equity		
Capital stock	8,058,860	8,058,860
Capital surplus	8,028,860	8,028,860
Retained earnings	(8,751,636)	(9,466,991)
Treasury stock	(17)	(17)
Total shareholders' equity	7,336,067	6,620,712
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	167	(4,400)
Total valuation and translation adjustments	167	(4,400)
Stock acquisition rights	96,761	138,527
Total net assets	7,432,996	6,754,839
Total liabilities and net assets	7,686,947	7,040,524

(2) Statements of operations (cumulative)

(For the second quarter of the fiscal year ending December 31, 2014)

	(Unit: thousands of yen)	
	2Q FY 2013 (from January 1, 2013 to June 30, 2013)	2Q FY 2014 (from January 1, 2014 to June 30, 2014)
Net sales	810,807	975,345
Cost of sales	626,452	728,216
Gross profit	184,354	247,128
Selling, general and administrative expenses	991,517	893,389
Operating loss	(807,162)	(646,260)
Non-operating income		
Interest income	2,786	7,299
Interest on securities	1,351	4,470
Interest on tax refunded	104	44
Foreign exchange gain	779	—
Other	172	169
Total non-operating income	5,195	11,983
Non-operating expenses		
Interest expenses	16	57
Commission fee	5,355	4,760
Stock issuance cost	4,791	101
Foreign exchange losses	—	74,000
Other	100	—
Total non-operating expenses	10,264	78,919
Ordinary loss	(812,231)	(713,197)
Extraordinary income		
Gain on reversal of stock acquisition rights	—	89
Total extraordinary income	—	89
Extraordinary loss		
Loss on retirement of non-current assets	—	347
Total extraordinary loss	—	347
Loss before income taxes	(812,231)	(713,455)
Income taxes-current	1,900	1,900
Total income taxes	1,900	1,900
Net loss	(814,131)	(715,355)

(3) Quarterly cash flow statement

(Unit: thousands of yen)

	First six months of Fiscal 2013 (from January 1, 2013 to June 30, 2013)	First six months of Fiscal 2014 (from January 1, 2014 to June 30, 2014)
Net cash provided by (used in) operating activities		
Quarterly (loss) before income tax	(812,231)	(713,455)
Depreciation	4,081	4,061
Amortization of guarantee deposits	732	501
Share-based compensation expenses	27,938	41,765
Increase (decrease) in provision for retirement benefit	(129)	(112)
Interest income	(4,138)	(11,769)
Interest expenses	16	57
Foreign exchange losses (gains)	(10,528)	63,803
Stock issuance cost	4,791	101
Commission fee	5,355	4,760
Loss on retirement of non-current assets	—	347
Decrease (increase) in accounts receivable	(19,964)	(227,359)
Decrease (increase) in inventories	(217,433)	(153,489)
Decrease (increase) in prepaid expenses	31,128	11,296
Decrease (increase) in advances paid	(11,340)	49,350
Decrease (increase) in consumption taxes receivable	15,401	19,095
Decrease (increase) in current assets-other	25,293	54,444
Decrease (increase) in long-term prepaid expenses	11,829	5,571
Increase (decrease) in accounts payable-trade	40,983	150,848
Increase (decrease) in accounts payable-other	(22,412)	(119,951)
Increase (decrease) in other current liabilities	(17,567)	711
Other	100	(1,455)
Subtotal	(948,091)	(820,873)
Interest and dividends income received	3,551	11,721
Interest expense paid	(16)	(57)
Income taxes paid	(1,900)	(1,900)
Net cash provided by (used in) operating activities	(946,456)	(811,100)
Net cash provided by (used in) investing activities		
Transfer to time-deposits	(488,860)	—
Transfer from time-deposits	300,000	338,419
Purchase of marketable securities	(1,499,205)	(1,000,000)
Proceeds from redemption of securities	300,000	600,000
Purchase of property, plant and equipment	—	(18,980)
Purchase of intangible assets	—	(29,600)
Payments for lease and guarantee deposits	—	(41,486)
Proceeds from collection of lease and guarantee deposits	370	216
Net cash provided by (used in) investing activities	(1,387,695)	(151,431)

(Unit: thousands of yen)

	First six months of Fiscal 2013 (from January 1, 2013 to June 30, 2013)	First six months of Fiscal 2014 (from January 1, 2014 to June 30, 2014)
Net cash provided by (used in) financing activities		
Proceeds from issuance of stock resulting from exercise of stock acquisition rights	241,598	—
Proceeds from issuance of bonds with stock acquisition rights	1,000,000	—
Proceed from issuance of stock acquisition rights	5,100	—
Payments for issuance of common stock	(4,791)	(101)
Repayments for lease obligations	(335)	(340)
Other payments	(100)	—
Net cash provided by (used in) financing activities	1,241,470	(441)
Effect of foreign exchange rate change on cash and cash equivalents	2,208	(33,129)
Net increase (decrease) in cash and cash equivalents	(1,090,472)	(96,112)
Cash and cash equivalents at the beginning of the period	4,240,022	5,294,137
Cash and cash equivalents at the end of the period	3,149,549	4,298,024

(4) Notes on quarterly financial statements

(Notes concerning going concern assumption)

None to report

(Notes concerning significant changes in shareholders' equity)

None to report

(Significant subsequent events)

None to report