February 24, 2017
SymBio Pharmaceuticals Limited
Fuminori Yoshida
Representative Director,
President and Chief Executive Officer
(Securities Code: 4582)

Notice of Change to Use of Funds from the 3rd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights and the 39th Stock Acquisition Rights Issued by Third-Party Allotment

TOKYO, Japan, February 24, 2017—SymBio Pharmaceuticals Limited (JASDAQ: 4582) (hereinafter "SymBio") today announced that it was decided at its Board of Directors meeting held on February 24, 2017, to change as follows the "Amount to be funded, as well as use and scheduled disbursement timing thereof" (hereinafter the "Use of Funds"), which was disclosed in the "Notice of the Issuance of and the Subscription for the 3rd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights and the 39th Stock Acquisition Rights by Third-Party Allotment" dated April 6, 2016, and the "Completion of Payment for Subscription for the 3rd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights and the 39th Stock Acquisition Rights by Third-Party Allotment" dated April 22, 2016.

1. Initial Use of Funds

Specific use	Amount (Millions of yen)	Scheduled disbursement timing
• Expenses related to acquisition of companies who own new drug candidates and development of such new drug candidates after the acquisition • Expenses related to acquisition of rights for new drug candidates and development of such new drug candidates after the acquisition of the rights • Expenses related to development of SyB P-1501; and SyB C-1101 for higher-risk myelodysplastic syndromes (MDS) (in combination with azacitidine)	3,915	April 2016–December 2018

Notes:

1. New drug candidates are products or compounds that have not yet been approved for sale on the market, and SymBio acquires rights related to the development, manufacturing, and commercialization of these new drug candidates, conducts internal development centered on clinical trials, and aims to receive approval for manufacturing and marketing.
2. As of today, SymBio is conducting negotiations toward acquiring rights of new drug candidates with several counterparties. The scheduled funding amount is calculated based on current estimates for expenses related to acquiring the rights of these new drug candidates, acquisition of companies who own them, and development expenses centered on clinical trials after acquiring rights of the new drug candidates or companies who own them. The expenses involved in the acquisition of rights, introduction or acquisition of companies, could be higher or lower than initially expected depending on the consequence of future discussions. If the expenses are higher than initially expected and the amount procured from this funding is

insufficient, SymBio plans to utilize internal funds.

3. Expenses related to development of SyB P-1501; and SyB C-1101 for higher-risk MDS (in combination with azacitidine) (drugs under development by SymBio), are calculated based on current development plans. Concerning SyB P-1501, a Phase III clinical trial has been implemented in Japan, and a submission for manufacturing and marketing approval is forecast to be made in 2018. Concerning SyB C-1101, after completion of the Phase I clinical trial in combination with azacitidine in Japan in 2017, SymBio is scheduled to participate in global Phase III clinical trials.
4. The priority of Use of Funds is planned to be in the order of (1) Expenses related to acquisition of companies who own new drug candidates and development of such new drug candidates after the acquisition; (2) If the negotiations in (1) are not for the acquisition of companies but for the acquisition of rights for new drug candidates, expenses related to acquisition of those rights and development of such new drug candidates after the acquisition of the rights; (3) If negotiations in (1) or (2) fail, expenses related to development of SyB P-1501; and SyB C-1101 for higher-risk MDS (in combination with azacitidine). Furthermore, concerning development of SyB P-1501; and SyB C-1101 for higher-risk MDS (in combination with azacitidine), clinical trials are currently underway, and it is possible that Use of Funds may be applied ahead of the uses in (1) and (2).
5. The procurement funds shall be managed securely by a financial institution until they are disbursed.
6. As payments from the exercise of the Warrants depend, in principle, on the judgment of the right holders of the Warrants, the total amount paid-in through the exercise of the Warrants is determined by the exercise conditions of the Warrants. Consequently, in case the funding by the Warrants becomes difficult to achieve due to insufficient exercise of the Warrants, SymBio intends to examine the possibility of implementing other funding means.
7. Specific uses and amounts may be modified according to changes in future conditions. If the uses are finally determined and specific uses are modified, SymBio will appropriately disclose such information.

2. Reasons for Change to Use of Funds

SymBio aims to expand the value of its pipelines, transform itself into a global specialty biopharmaceutical company, and maximize business value by promoting its development of three pipeline pillar drugs (TREAKISYM®, rigosertib (SyB C-1101 (oral) and SyB L-1101 (intravenous)) and SyB P-1501), focusing on searching prospective new drug candidates, and introducing new drug candidates with high potential for commercialization, or acquiring companies who own them. As such, regarding the Use of Funds, SymBio places the highest priority on allocating funds for acquiring companies with new drug candidates and expenses related to the development of new drug candidates after the acquisition.

SymBio did not reach an agreement with the company with new drug candidates for the acquisition deal which was negotiated in 2016. As such, with regard to the Use of Funds procured, SymBio decided to prioritize the development of its pipeline that has already been introduced and is currently progressing, for which pressing funding needs are anticipated, and changed its plan for allocating the funds from the initially planned acquisition of a company with new drug candidates and the development of the new drug candidates after the acquisition, to expenses related to the development of SyB P-1501 and expenses related to the development of SyB C-1101 for the indication of higher-risk MDS instead.

Furthermore, to continue to transform into an excellent biopharmaceutical company that ensures medium- and long-term growth with sustainability, growth potential, and profitability, SymBio will continue to consider the introduction of new drug candidates.

3. Use of Funds after Change

As a result of the above, the Use of Funds after the change shall be as follows. Changed parts are underlined.

Specific use	Amount (Millions of yen)	Scheduled disbursement timing
• Expenses related to development of SyB P-1501; and expenses related to development of SyB C-1101 for higher-risk MDS	3,915	April 2016–December 2018

Notes:

1. (Deleted)
2. (Deleted)
3. Expenses related to development of SyB P-1501; and expenses related to development of SyB C-1101 for higher-risk MDS (in combination with azacitidine) (drugs under development by SymBio), are calculated based on current development plans. Concerning SyB P-1501, a Phase III clinical trial is currently underway in Japan, and a submission for manufacturing and marketing approval is expected to be made in 2018. Concerning SyB C-1101, after completion of the Phase I clinical trial in combination with azacitidine in Japan, SymBio is scheduled to participate in global Phase III clinical trials in 2019.
4. (Deleted)
5. The procurement funds shall be managed securely by a financial institution until they are actually disbursed.
6. As payments from the exercise of the Warrants depend, in principle, on the judgment of the right holders of the Warrants, the total amount paid-in through the exercise of the Warrants is determined by the exercise conditions of the Warrants. Consequently, in case the funding by the Warrants becomes difficult to achieve due to insufficient exercise of the Warrants, SymBio intends to examine the possibility of implementing other funding means.
7. Specific uses and amounts may be modified according to changes in future conditions. If the uses are finally determined and specific uses are modified, such information shall be appropriately disclosed.

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