



## Financial Results for the Second Quarter of Fiscal Year Ending December 31, 2012 [Japan GAAP] (Non-consolidated)

August 8, 2012

|   |   |                                     |   |
|---|---|-------------------------------------|---|
| Company name:   | SymBio Pharmaceuticals Limited                                    | Listing:                            | Osaka Securities Exchange   |
| Securities code:                                      | 4582  | URL                                 | <a href="http://www.symbiopharma.com/">http://www.symbiopharma.com/</a> |
| Representative:                                       | Representative Director,<br>President and Chief Executive Officer | Fuminori Yoshida                    |   |
| Inquiries:  | Director, Managing Officer,<br>Chief Financial Officer            | Hiroki Maekawa                      | TEL +81-3-5472-1125   |
| Scheduled date of securities report submission:       | August 10, 2012   | Scheduled date of dividend payment: | —   |
| Supplementary materials for the financial statements: | No  |                                     |   |
| Presentation to explain for the financial statements: | Yes (for securities analysts and institutional investors)         |                                     |   |

(Million yen – rounded down, unless otherwise stated)

### 1. Business Results for the Second Quarter of Fiscal 2012 (January 1, 2012 to June 30, 2012)

(1) Business results (cumulative) (Percentage figures represent changes from the same quarter of the previous fiscal year)

|                         | Net sales   |     | Operating profit |   | Ordinary profit |   | Quarterly net profit |   |
|-------------------------|-------------|-----|------------------|---|-----------------|---|----------------------|---|
|                         | Million yen | %   | Million yen      | % | Million yen     | % | Million yen          | % |
| 2nd Quarter Fiscal 2012 | 1,054       | 7.3 | -874             | — | -895            | — | -897                 | — |
| 2nd Quarter Fiscal 2011 | 982         | —   | -701             | — | -700            | — | -707                 | — |

|                         | Quarterly net profit per share | Diluted quarterly net profit per share |
|-------------------------|--------------------------------|--|
|                         | Yen                            | Yen                                    |
| 2nd Quarter Fiscal 2012 | -46.92                         | —                                      |
| 2nd Quarter Fiscal 2011 | -53.56                         | —                                      |

(Notes) 1. Despite the issuance of stock acquisition rights, information in connection with diluted quarterly net profit per share is not disclosed due to quarterly net loss per share.

2. As the Company started to compile quarterly financial statements in the first quarter of Fiscal 2011, the changes from the same quarter of the previous fiscal year are not disclosed for the second quarter of Fiscal 2011.

### (2) Financial position

|                         | Total assets | Net assets  | Equity ratio |
|-------------------------|--------------|-------------|--------------|
|                         | Million yen  | Million yen | %            |
| 2nd Quarter Fiscal 2012 | 6,352        | 5,715       | 89.9         |
| Fiscal 2011             | 7,256        | 6,605       | 91.0         |

(Reference) Shareholders' equity 2nd Quarter Fiscal 2012 5,708 million yen Fiscal 2011 6,605 million yen

### 2. Dividends

|                        | Annual dividend per share |                 |                 |                 |           |
|------------------------|---------------------------|-----------------|-----------------|-----------------|-----------|
|                        | 1st quarter end           | 2nd quarter end | 3rd quarter end | Fiscal year end | Full year |
|                        | Yen                       | Yen             | Yen             | Yen             | Yen       |
| Fiscal 2011            | —                         | 0.00            | —               | 0.00            | 0.00      |
| Fiscal 2012            | —                         | 0.00            |                 |                 |           |
| Fiscal 2012 (forecast) |                           |                 | —               | 0.00            | 0.00      |

(Note) Revision of forecast of dividends during this quarter: No

3. Forecast of Financial Results for Fiscal 2012 (January 1, 2012 to December 31, 2012)

(Percentage figures represent changes from the previous fiscal year)

|           | Net sales   |      | Operating profit |   | Ordinary profit |   | Net profit  |   | Net profit per share |
|-----------|-------------|------|------------------|---|-----------------|---|-------------|---|----------------------|
|           | Million yen | %    | Million yen      | % | Million yen     | % | Million yen | % | Yen                  |
| Full year | 2,338       | 24.2 | -1,625           | — | -1,652          | — | -1,656      | — | -86.56               |

(Note) Revision of forecast of financial results during this quarter: No

\* Explanatory notes

(1) Special accounting treatments for quarterly financial statements: No

(2) Changes in accounting policies and estimates and retrospective corrections

(i) Changes in accounting policies due to revisions of accounting standards: No

(ii) Changes in accounting policies other than those noted in 1.: No

(iii) Changes in accounting estimates: No

(iv) Retrospective corrections: No

(3) Number of issued shares (common shares)

|   |                            |                  |                            |                  |
|---|----------------------------|------------------|----------------------------|------------------|
| (i) Number of issued shares at the end of period (including treasury shares)    | 2nd Quarter<br>Fiscal 2012 | 19,130,900shares | Fiscal 2011                | 19,130,900shares |
| (ii) Number of treasury shares at the end of period                             | 2nd Quarter<br>Fiscal 2012 | 75shares         | Fiscal 2011                | 75shares         |
| (iii) Average number of shares during the period (cumulative quarterly periods) | 2nd Quarter<br>Fiscal 2012 | 19,130,825shares | 2nd Quarter<br>Fiscal 2011 | 13,205,700shares |

\* Quarterly review procedures

Review procedure for quarterly financial statements is underway based on Financial Instruments and Exchange Act at the timing of this disclosure.

\* Information regarding proper use of financial forecast and other important matters

Any forward-looking statements in this material including forecast of financial results are estimates based on information available at the time and certain assumptions that the management believes reasonable. Actual results may differ substantially from such forecasts due to various factors. Please refer to “(3) Forecast of financial results” in “1. Management’s Discussion and Analysis on the Quarterly Financial Results” on page 2 in the attachment to this quarterly business report for the assumptions for forecast of financial results and notes for its proper use.

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## 1. Management's Discussion and Analysis on the Quarterly Financial Results

### (1) Business results analysis

The Company's business progressed during the first six months of Fiscal 2012 as follows:

#### 1. Domestic

In Japan, the Company sells an anticancer drug SyB L-0501 (the generic name: bendamustine hydrochloride, the trade name: TREAKISYM®) through the business partner Eisai Co., Ltd. (hereinafter "Eisai") for the indications of relapsed/refractory indolent non-Hodgkin's lymphoma (NHL) and mantle cell lymphoma (MCL) since December 2010.

Three different series of clinical trials are underway for TREAKISYM® at present for multiple extended indications. The registration of trial cases was completed last year for Phase II clinical trials (collaborative trials in Japan and South Korea) for the indication of relapsed/refractory aggressive non-Hodgkin's lymphoma and we performed analyses and evaluations of data from clinical trials and consulted with the Pharmaceuticals and Medical Devices Agency (hereinafter "the Agency") prior to the application for approval in the first six months of the current fiscal year.

However, we received the Agency's comment that the data we had obtained were regarded insufficient for the application for approval at that point in time. We decided to postpone the application for approval originally planned for the current fiscal year respecting the Agency's comment.

In Phase II clinical trials under discussion, we conducted trials in treated patients with relapsed/refractory aggressive non-Hodgkin's lymphoma at a total of 25 facilities in Japan and South Korea for the purpose of assessing the efficacy and safety of SyB L-0501 in combination with rituximab. 63 cases were registered in these trials, of which 59 cases were analyzed. The results showed high efficacy with the overall response rate (ORR) of 62.7% and the complete response (CR) rate of 37.3%. The median progression-free survival (PFS) was 200 days, suggesting the possibility of improving recuperation for patients with relapsed/refractory non-Hodgkin's lymphoma. Side-effects were clinically controllable and the therapy was applicable to elderly patients.

Detailed results of the trials were presented by Dr. Michinori Ogura from Nagoya Daini Red Cross Hospital at the annual meeting of the American Society of Clinical Oncology (ASCO) held in Chicago in June 2012.

We will decide on the future development plan discussing with the business partner Eisai.

We also continued the patient enrollment for Phase II clinical trials for untreated indolent non-Hodgkin's lymphoma and mantle cell lymphoma as well as Phase II clinical trials for relapsed/refractory multiple myeloma.

As for an anticancer drug SyB L-1101 (the intravenous form, the generic name: rigosertib), the application for domestic Phase I clinical trials in Japan was accepted in March 2012 for the indication of relapsed/refractory myelodysplastic syndrome (MDS), a hematologic cancer. The first series of patient enrollment was completed in June 2012 and we initiated domestic Phase I clinical trials.

We continued the patient enrollment for Phase II clinical trials of SyB D-0701, a transdermal antiemetic patch, for the indication of radiotherapy-induced nausea and vomiting.

#### 2. Overseas

The business partner InnoPharmax Inc. (Taiwan) started to sell SyB L-0501 in Taiwan in February 2012. The sales were steady in Singapore and South Korea, where we sell the product through Eisai as in Japan.

#### 3. Business results

As a result of aforementioned developments, net sales totaled 1,054,302 thousand yen (an increase by 7.3% from the same period of the previous fiscal year) in the first six months of the current fiscal year due to the product sales of SyB L-0501 in Japan and Asian countries.

Selling, general and administrative expenses totaled 1,139,819 thousand yen (an increase by 9.9% from the same period of the previous fiscal year), which comprised research and development cost of 698,546 thousand yen (an increase by 5.8% from the same period of the previous fiscal year) for clinical trials of SyB L-0501 for multiple indications, clinical trials of SyB D-0701, and preparations for clinical trials of SyB L-1101 as well as selling, general and administrative expenses of 441,272 thousand yen (an increase by 17.1% from the same period of the previous fiscal year).

As a result, we posed operating loss of 874,322 thousand yen in the first six months of the current fiscal year (compared to operating loss of 701,333 thousand yen in the same period of the previous fiscal year). Non-operating expenses of 24,334

thousand yen were recorded mainly due to foreign exchange loss, resulting in ordinary loss of 895,748 thousand yen and net quarterly loss of 897,688 thousand yen (compared to losses of 700,109 and 707,340 thousand yen in the same period of the previous fiscal year, respectively).

Segment information is not disclosed as our business consists of a single line of business, namely drug research and development, manufacture and sales, and other related activities.

## (2) Financial position analysis

Total assets stood at 6,352,541 thousand yen at the end of the second quarter of the current fiscal year, a decrease of 903,553 thousand yen from the previous fiscal year end. Current assets stood at 6,259,328 thousand yen, a decrease of 919,063 thousand yen from the previous fiscal year end, reflecting a decrease of cash and deposits by 1,256,948 thousand yen due mainly to expenditures for research and development costs and selling, general and administrative expenses, while accounts receivable increased by 144,880 thousand yen due to sales of TREAKISYM® and marketable securities increased by 300,499 thousand yen. Fixed assets increased to 93,212 thousand yen by 15,510 thousand yen from the previous fiscal year end primarily because a portion of development costs was capitalized as long-term prepaid expense.

Liabilities remained almost unchanged from the previous fiscal year end at 636,814 thousand yen (compared to 650,529 thousand yen at the previous fiscal year end).

Net assets stood at 5,715,726 thousand yen, a decrease of 889,838 thousand yen from the previous fiscal year end due to quarterly net loss of 897,688 thousand yen. This results in a decrease of capital-to-asset ratio by 1.1 percentage points from the previous fiscal year end to 89.9%.

## (3) Forecast of financial results

There has been no change to forecast of financial results for the fiscal year ending December 31, 2012 at this point in time.

## 2. Other Summary Information (Explanatory Notes)

### (1) Additional information

(Application of Accounting Standard for Accounting Changes and Error Corrections and its Implementation Guidance)

“Accounting Standard for Accounting Changes and Error Correction” (ASBJ Statement No. 24, December 4, 2009) and “Implementation Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) are applied to any accounting changes and error corrections for prior reporting periods that are made after the beginning of the first quarter of Fiscal 2012.

#### 4. Quarterly Financial Statements

##### (1) Quarterly balance sheet

(Unit: Thousand yen)

|  | Fiscal 2011<br>(December 31, 2011) | 2nd Quarter Fiscal 2012<br>(June 30, 2012) |
|--|------------------------------------|--|
| <b>Assets</b>                                |                                    |  |
| Current assets                               |                                    |  |
| Cash and deposit                             | 4,558,714                          | 3,301,766                                  |
| Accounts receivable                          | 162,409                            | 307,290                                    |
| Marketable securities                        | 1,952,533                          | 2,253,033                                  |
| Merchandise and finished goods               | 207,467                            | 111,206                                    |
| Prepaid expenses                             | 79,038                             | 118,235                                    |
| Advances                                     | 124,589                            | 148,824                                    |
| Other  | 93,638                             | 18,972                                     |
| Total current assets                         | 7,178,392                          | 6,259,328                                  |
| Fixed assets                                 |                                    |  |
| Tangible fixed assets                        |                                    |  |
| Building (net)                               | 2,468                              | 2,731                                      |
| Fixtures and equipment (net)                 | 14,938                             | 12,323                                     |
| Total tangible fixed assets                  | 17,407                             | 15,055                                     |
| Intangible fixed assets                      |                                    |  |
| Software                                     | 9,541                              | 8,977                                      |
| Lease assets                                 | 3,189                              | 2,864                                      |
| Total intangible fixed assets                | 12,730                             | 11,841                                     |
| Investments and other assets                 |                                    |  |
| Long-term prepaid expenses                   | 24,300                             | 35,681                                     |
| Fixed leasehold deposit and security deposit | 23,264                             | 30,633                                     |
| Total investments and other assets           | 47,564                             | 66,314                                     |
| Total fixed assets                           | 77,702                             | 93,212                                     |
| Total assets                                 | 7,256,094                          | 6,352,541                                  |
| <b>Liabilities</b>                           |                                    |  |
| Current liabilities                          |                                    |  |
| Trade accounts payable                       | 308,953                            | 325,352                                    |
| Other accounts payable                       | 277,898                            | 220,010                                    |
| Income taxes payable                         | 19,073                             | 15,362                                     |
| Other  | 39,821                             | 71,808                                     |
| Total current liabilities                    | 645,746                            | 632,534                                    |
| Long-term liabilities                        |                                    |  |
| Allowance for retirement benefits            | 2,092                              | 1,925                                      |
| Other  | 2,691                              | 2,355                                      |
| Total long-term liabilities                  | 4,783                              | 4,280                                      |
| Total liabilities                            | 650,529                            | 636,814                                    |

(Unit: Thousand yen)

|  | Fiscal 2011<br>(December 31, 2011) | 2nd Quarter Fiscal 2012<br>(June 30, 2012) |
|--|------------------------------------|--|
| Net assets                                     |                                    |  |
| Shareholders' equity                           |                                    |  |
| Capital stock                                  | 6,024,610                          | 6,024,610                                  |
| Capital surplus                                | 5,994,610                          | 5,994,610                                  |
| Earned surplus                                 | (5,413,091)                        | (6,310,779)                                |
| Treasury shares                                | (17)                               | (17)                                       |
| Total shareholders' equity                     | 6,606,110                          | 5,708,422                                  |
| Appraisal and conversion variance, etc.        |                                    |  |
| Other marketable securities appraisal variance | (546)                              | (23)                                       |
| Total appraisal and conversion variance, etc.  | (546)                              | (23)                                       |
| Stock acquisition rights                       | —                                  | 7,327                                      |
| Total net assets                               | 6,605,564                          | 5,715,726                                  |
| Total liabilities and net assets               | 7,256,094                          | 6,352,541                                  |

(2) Quarterly income statement  
 (Six months ended June 30)

(Unit: Thousand yen)

|   | First six months of Fiscal 2011<br>(From January 1, 2011<br>to June 30, 2011) | First six months of Fiscal 2012<br>(From January 1, 2012<br>to June 30, 2012) |
|---|---|---|
| Net sales   | 982,651   | 1,054,302   |
| Cost of sales   | 646,800   | 788,804   |
| Gross profit  | 335,850   | 265,497   |
| Selling, general and administrative expenses                                      | 1,037,184   | 1,139,819   |
| Operating (loss)  | (701,333)   | (874,322)   |
| Non-operating income  |   |   |
| Interest income   | 387   | 778   |
| Interest on securities  | 1,253   | 1,475   |
| Refunded consumption tax  | —   | 654   |
| Income from subvention  | 51,891  | —   |
| Other   | 21  | —   |
| Total non-operating income  | 53,553  | 2,908   |
| Non-operating expenses  |   |   |
| Interest expense  | 586   | 118   |
| Fees  | 11,157  | 5,385   |
| New share issuing expense   | 7,000   | —   |
| Foreign exchange loss   | 28,591  | 18,510  |
| IPO preparation costs   | 4,993   | —   |
| Other   | —   | 320   |
| Total non-operating expenses  | 52,329  | 24,334  |
| Ordinary (loss)   | (700,109)   | (895,748)   |
| Extraordinary loss  |   |   |
| Loss on disposal of fixed assets  | —   | 39  |
| Impact of application of accounting standard for<br>assets retirement obligations | 5,331   | —   |
| Total extraordinary loss  | 5,331   | 39  |
| Quarterly (loss) before tax   | (705,440)   | (895,788)   |
| Corporate tax, local inhabitant tax, and local enterprise<br>tax                  | 1,900   | 1,900   |
| Total income tax  | 1,900   | 1,900   |
| Quarterly net (loss)  | (707,340)   | (897,688)   |



(3) Quarterly cash flow statement

(Unit: Thousand yen)

|   | First six months of Fiscal 2011<br>(From January 1, 2011<br>to June 30, 2011) | First six months of Fiscal 2012<br>(From January 1, 2012<br>to June 30, 2012) |
|---|---|---|
| <b>Cash flow from operating activities</b>                                    |   |   |
| Quarterly (loss) before tax   | (705,440)   | (895,788)   |
| Depreciation  | 3,941   | 4,178   |
| Amortization of security deposit  | 1,194   | 626   |
| Loss on disposal of fixed assets  | —   | 39  |
| Impact of application of accounting standard for asset retirement obligations | 5,331   | —   |
| Increase (decrease) in allowance for retirement benefits                      | 200   | (167)   |
| Share-based compensation expense  | —   | 7,327   |
| Interest income   | (1,641)   | (2,253)   |
| Interest expense  | 586   | 118   |
| Foreign exchange loss (gain)  | 3,374   | 2,280   |
| New share issuing expense   | 7,000   | —   |
| Commission paid   | 11,157  | 5,385   |
| Decrease (increase) in accounts receivable                                    | (174,481)   | (144,880)   |
| Decrease (increase) in inventories  | (236,176)   | 96,261  |
| Decrease (increase) in prepaid expenses                                       | (11,502)  | (44,581)  |
| Decrease (increase) in advances   | 4,676   | (24,235)  |
| Decrease (increase) in other current assets                                   | (31,437)  | 74,666  |
| Decrease (increase) in long-term prepaid expenses                             | —   | (11,381)  |
| Increase (decrease) in trade accounts payable                                 | 245,165   | 16,398  |
| Increase (decrease) in other accounts payable                                 | 64,196  | (58,256)  |
| Increase (decrease) in other current liabilities                              | (9,824)   | 28,276  |
| Increase (decrease) in other long-term liabilities                            | —   | (335)   |
| Other   | 226   | 147   |
| <b>Subtotal</b>   | <b>(823,454)</b>  | <b>(946,173)</b>  |
| Interest and dividends received   | 1,585   | 2,196   |
| Interest paid   | (586)   | (96)  |
| Income taxes paid   | (1,900)   | (1,900)   |
| <b>Cash flow from operating activities</b>                                    | <b>(824,355)</b>  | <b>(945,974)</b>  |
| <b>Cash flow from investing activities</b>                                    |   |   |
| Payment for purchase of marketable securities                                 | (100,610)   | (300,000)   |
| Proceeds from redemption of marketable securities                             | 100,000   | 100,000   |
| Expenditures for purchase of tangible fixed assets                            | (1,167)   | —   |
| Expenditures for purchase of intangible fixed assets                          | (10,940)  | (630)   |
| Payment for fixed leasehold deposit and security deposit                      | (432)   | (7,995)   |
| Proceeds from redemption of fixed leasehold deposit and security deposit      | 50  | —   |
| <b>Cash flow from investing activities</b>                                    | <b>(13,099)</b>   | <b>(208,625)</b>  |
| <b>Cash flow from financing activities</b>                                    |   |   |
| Increase (decrease) in short-term borrowing                                   | 250,000   | —   |
| Proceeds from issuance of new stock   | 2,000,040   | —   |
| Payment for issuance of new stock   | (7,000)   | —   |
| <b>Cash flow from financing activities</b>                                    | <b>2,243,039</b>  | <b>—</b>  |

(Unit: Thousand yen)

|  | First six months of Fiscal 2011<br>(From January 1, 2011<br>to June 30, 2011) | First six months of Fiscal 2012<br>(From January 1, 2012<br>to June 30, 2012) |
|--|---|---|
| Effect of foreign exchange rate changes on cash and cash equivalents | (3,458)   | (1,758)   |
| Increase (decrease) in cash and cash equivalents                     | 1,402,126   | (1,156,358)   |
| Cash and cash equivalents at the beginning of the period             | 3,915,765   | 6,310,978   |
| Cash and cash equivalents at the end of the period                   | 5,317,891   | 5,154,619   |

(4) Explanatory note regarding the assumption of the Company as going concern

None to be reported.

(5) Explanatory note regarding significant fluctuation in the shareholders' equity

None to be reported.

(6) Important subsequent events

None to be reported.