English translation

SymBio Pharmaceuticals Limited

Summary of Financial Results
for the Second Quarter of Fiscal Year Ending December 31, 2017
[Japanese GAAP] (Non-consolidated)

August 3, 2017

Company Name	**SymBio Pharmaceuticals Limited**	Listing: Tokyo Stock Exchange	
Securities Code	4582	URL: http://www.symbiopharma.com/	
Representative	Representative Director, President and Chief Executive Officer	Fuminori Yoshida	
Contact Person	Director, Finance & Accounting	Kenji Murata	TEL +81-3-5472-1125
Scheduled Date to File Quarterly Report	August 4, 2017	Date of Dividend Payment (plan)	—

Supplementary materials for quarterly financial results: Yes [No]

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

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

1. Business Results for the Second Quarter of FY 2017 (cumulative) (January 1, 2017 to June 30, 2017)

(1) Operating Results (cumulative) (Percentages indicate year-on-year changes)

	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 2017	1,786	47.5	(1,235)	—	(1,268)	—	(1,266)	—
2Q FY 2016	1,210	24.0	(819)	—	(1,177)	—	(1,175)	—

	Quarterly Net Income (loss) per share	Diluted Quarterly Net Income per share
	Yen	Yen
2Q FY 2017	(26.09)	—
2Q FY 2016	(33.93)	—

(Note) Diluted quarterly net income per share is not stated above due to quarterly net loss per share, despite the potential dilution of shares.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
2Q FY 2017 (as of June 30, 2017)	6,048	4,795	71.2
FY 2016 (as of December 31, 2016)	6,878	5,484	73.5

(Reference) Shareholders' equity: 2Q FY 2017 (as of June 30, 2017) 4,305 million yen

FY 2016 (as of December 31, 2016) 5,053 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 2016	—	0.00	—	0.00	0.00
FY 2017	—	0.00			
FY 2017 (Forecast)			—	0.00	0.00

(Note) Revision of dividend forecasts recently announced: Yes ・ [No]

3. Earnings Forecasts for FY 2017 (January 1, 2017 to December 31, 2017)

(Percentages indicate year-on-year changes)

	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	2,903	22.6	(3,238)	—	(3,303)	—	(3,306)	—	(71.07)

(Note) Revision of earnings forecasts 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 policies due to revision of accounting standards: Yes ・ No

(b) Changes in accounting policies due to other reasons: 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 2017	48,983,324 shares	FY 2016	46,530,824 shares
(ii) Number of shares of treasury stock at the end of the period	2Q FY 2017	75 shares	FY 2016	75 shares
(iii) Average number of shares during the period (cumulative)	2Q FY 2017	48,538,769 shares	2Q FY 2016	34,643,145 shares

* The quarterly financial statements are not subject to quarterly reviews.

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

All forecasts presented in this document, including the outlook on earnings, are based on the information currently available to management and assumptions judged to be reasonable. Actual results may differ substantially from these forecasts due to various factors. Regarding the assumptions on which the Company's earnings forecasts are based and their 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) Qualitative information concerning business results

Progress in the Company's business for the second quarter of FY 2017 is as follows:

(i) Domestic

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

The Company markets TREAKISYM® in Japan through its business partner, Eisai Co., Ltd. ("Eisai"), for the new indications of the first-line treatment of low-grade non-Hodgkin's lymphoma and mantle cell lymphoma, for which the Company obtained marketing approval in December 2016 and chronic lymphocytic leukemia for which it obtained marketing approval in August 2016, in addition to the indication of recurrent/refractory low-grade non-Hodgkin's lymphoma and mantle cell lymphoma (for which marketing approval was obtained in October 2010). By expanding the indications for this agent, in-market sales increased significantly by 42.9% year-on-year (NHI price basis) and net sales to Eisai also grew considerably by 44.6% year-on-year.

In addition to the above three indications of this agent for which approval has already been obtained, the Company continues to pursue approval for the fourth indication for patients who need new therapies and for maximizing the product value. Regarding the indication of recurrent/refractory intermediate/high-grade non-Hodgkin's lymphoma (diffuse large B-cell lymphoma), for which the Phase II clinical trial has been completed, the Company, in response to strong medical needs, is making preparations through consultation with the Pharmaceuticals and Medical Devices Agency ("PMDA"), for the Phase III clinical trial for approval of an additional indication.

Furthermore, in order to solidify its management foundations, the Company will utilize TREAKISYM® as a firm base for its business activities, and to this end it is promoting the development of the oral formulation of TREAKISYM®, in addition to the intravenous formulation which is currently being developed and marketed, with a focus on the treatment of solid tumors and autoimmune diseases, considering the possibility of further expanding its business.

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

For the global Phase III clinical trial of the intravenous formulation of rigosertib sodium conducted by Onconova Therapeutics, Inc. (Head office: Pennsylvania, U.S.; "Onconova"), the U.S. Licensor, the Company is in charge of the clinical development in Japan and started the domestic trial in December 2015. This trial is conducted with clinical trial sites in more than ten countries worldwide, for higher-risk myelodysplastic syndromes (HR-MDS) which do not respond to the current standard treatment with hypomethylating agents ("primary HMA failure") or which relapse after treatment under the current standard of care. The Company completed the first patient enrollment in Japan in July 2016, and currently the accumulation of enrollments is proceeding favorably.

Regarding the oral formulation of rigosertib sodium, in the domestic Phase I clinical trial in combination with azacitidine (Note) for the target indication of HR-MDS, which began in December 2015, the provision of the investigational drug by Onconova had been delayed, and as a result, patient enrollment had not made any progress. However, provision of the investigational drug by Onconova has recently resumed, and the Company has commenced a new domestic Phase I clinical trial to confirm the safety of high-dose oral rigosertib, which was added to the Phase II clinical trial being conducted by Onconova in the U.S. for the first-line treatment and recurrent/refractory treatment of patients with HR-MDS. Once the safety is confirmed by such trial, the Company intends to promptly resume the clinical trial in combination with azacitidine, and to take part in the global Phase III clinical trial in combination with azacitidine in the first-line treatment of patients with HR-MDS, which is planned by Onconova.

(Note) About azacitidine (Vidaza®: currently marketed by Nippon Shinyaku Co., Ltd.): This drug was approved in 2011 upon successful confirmation of extended overall survival for the first time in the Phase III clinical trial for the indication of MDS, and is currently used as a first-line drug for MDS patients who have difficulties in hematopoietic stem cell transplantation.

[Patient-controlled iontophoretic transdermal system for the short-term management of acute post-operative pain: SyB P-1501]

In October 2015, the Company entered into an agreement with Incline Therapeutics, Inc., a wholly-owned subsidiary of U.S.-based The Medicines Company (Head Office: New Jersey, U.S.) for an exclusive license to develop and commercialize SyB P-1501 in Japan. The Company commenced a domestic Phase III clinical trial for SyB P-1501 in June 2016 and completed the first patient enrollment in November 2016, with enrollments accumulating. However, the Company, acting in the best interest of patients, decided on April 21, 2017 to temporarily suspend new patient enrollment in

the trial due to its recently arising concern as to the continuity of The Medicines Company's business regarding the product. (Details are stated in the released announcements, "Temporary Suspension of New Patient Enrollment in the Domestic Phase III Clinical Trial of the Patient-controlled Pain Management Drug "SyB P-1501" dated May 11, 2017 and "SEC Filing by The Medicines Company as the Licensor of the Patient-controlled Pain Management Drug "SyB P-1501" dated June 5, 2017.)

[New drug candidates]

The Company continues with search and evaluation activities to acquire license rights of new drug candidates in global terms, aiming to grow into a biopharmaceutical company with both profitability and growth potential, always from a medium-to-long-term perspective, and negotiations for multiple licensing agreements are currently underway.

Meanwhile, in May 2016, the Company established a wholly-owned subsidiary, SymBio Pharma USA, Inc. (Head office: Menlo Park, California, U.S., "SymBio Pharma USA"), as the Company's strategic base for its overseas business development. By actively acquiring the worldwide rights concerning new drug candidates through SymBio Pharma USA as the base of global business, the Company will continue its transformation into a global specialty biopharmaceutical company with the aim of developing and commercializing new drugs in the U.S., Japan, Europe and other major global markets.

(ii) Overseas

SyB L-0501 is also marketed in South Korea, Taiwan and Singapore, and product sales of SyB L-0501 in these countries progressed essentially as planned.

(iii) Business results (cumulative)

As a result of the above, net sales totaled 1,786,005 thousand yen for the second quarter of fiscal year ending December 31, 2017, primarily reflecting product sales of TREAKISYM®. Accordingly, overall net sales rose 47.5% year-on-year.

Selling, general and administrative expenses totaled 1,745,774 thousand yen (a year-on-year increase of 42.5%), including research and development ("R&D") expenses of 839,657 thousand yen (a year-on-year increase of 62.0%) primarily due to expenses associated with the clinical trial for the intravenous and oral formulations of rigosertib sodium as well as SyB P-1501, and other selling, general and administrative expenses of 906,117 thousand yen (a year-on-year increase of 28.3%).

As a result, operating loss of 1,235,880 thousand yen was recognized for the second quarter of fiscal year ending December 31, 2017 (operating loss of 819,937 thousand yen for the second quarter of the previous fiscal year). In addition, mainly because the Company recorded non-operating expenses totaling 33,894 thousand yen primarily comprising foreign exchange losses, ordinary loss totaled 1,268,118 thousand yen (ordinary loss of 1,177,202 thousand yen for the second quarter of the previous fiscal year) and net loss totaled 1,266,346 thousand yen (net loss of 1,175,338 thousand yen for the second quarter of the previous fiscal year).

Segment information has been omitted as the Company operates within a single segment of the pharmaceutical industry which includes the development and commercialization of drugs, manufacturing, marketing and other related activities.

(2) Qualitative information concerning financial position

Total assets as of June 30, 2017 stood at 6,048,080 thousand yen, a decrease of 830,304 thousand yen from the previous fiscal year end. This was primarily due to decreases of 834,275 thousand yen in cash and deposits, 182,505 thousand yen in accounts receivable-trade and 28,979 thousand yen in advances paid, offsetting increases of 159,842 thousand yen in merchandise and finished goods, 52,881 thousand yen in other current assets and 20,172 thousand yen in software in progress.

Liabilities stood at 1,252,578 thousand yen, a decrease of 140,935 thousand yen from the previous fiscal year end, primarily reflecting a decrease of 450,000 thousand yen in bonds payable, offsetting increases of 237,785 thousand yen in accounts payable-trade and 67,970 thousand yen in accounts payable-other.

Net assets decreased by 689,368 thousand yen from the previous fiscal year end to 4,795,501 thousand yen, due to a decrease of 1,266,346 thousand yen in retained earnings following the recognition of net loss, offsetting the exercise of stock acquisition rights, etc. (including exercise of stock acquisition rights for bonds with convertible bond type stock acquisition rights).

As a result, the equity ratio decreased by 2.3 percentage points from the previous fiscal year end to 71.2%.

(3) Qualitative information concerning earnings forecasts

No revision was made to the earnings forecasts for FY 2017 as of the date of this document.

2. Quarterly Financial Statements and Primary Notes

(1) Quarterly balance sheets

(Unit: thousands of yen)

	FY 2016 (as of December 31, 2016)	2Q FY 2017 (as of June 30, 2017)
Assets		
Current assets		
Cash and deposits	5,719,325	4,885,050
Accounts receivable-trade	487,471	304,965
Merchandise and finished goods	272,725	432,567
Prepaid expenses	79,104	80,553
Advances paid	66,465	37,486
Other	59,919	112,801
Total current assets	6,685,011	5,853,424
Non-current assets		
Property, plant and equipment		
Buildings, net	31,395	29,722
Tools, furniture and fixtures, net	43,129	37,857
Total property, plant and equipment	74,524	67,580
Intangible assets		
Software	41,985	34,812
Software in progress	—	20,172
Total intangible assets	41,985	54,984
Investments and other assets		
Shares of subsidiaries	0	0
Long-term prepaid expenses	11,649	9,283
Lease and guarantee deposits	65,214	62,807
Total investments and other assets	76,863	72,091
Total non-current assets	193,373	194,656
Total assets	6,878,384	6,048,080
Liabilities		
Current liabilities		
Accounts payable-trade	321,860	559,646
Accounts payable-other	552,510	620,480
Income taxes payable	36,586	39,357
Other	31,161	31,726
Total current liabilities	942,118	1,251,210
Non-current liabilities		
Bonds payable	450,000	—
Provision for retirement benefits	1,396	1,368
Total non-current liabilities	451,396	1,368
Total liabilities	1,393,514	1,252,578
Net assets		
Shareholders' equity		
Common stock	9,948,298	10,207,544
Capital surplus	9,918,298	10,177,544
Retained earnings (accumulated deficits)	(14,812,843)	(16,079,190)
Treasury stock	(17)	(17)
Total shareholders' equity	5,053,735	4,305,881
Stock acquisition rights	431,135	489,620
Total net assets	5,484,870	4,795,501
Total liabilities and net assets	6,878,384	6,048,080

(2) Quarterly statements of operations (cumulative)

(For the second quarter of the fiscal year ending December 31, 2017)

(Unit: thousands of yen)

	2Q FY 2016 (from January 1, 2016 to June 30, 2016)	2Q FY 2017 (from January 1, 2017 to June 30, 2017)
Net sales	1,210,725	1,786,005
Cost of goods sold	805,933	1,276,110
Gross profit	404,792	509,894
Selling, general and administrative expenses	1,224,729	1,745,774
Operating loss	(819,937)	(1,235,880)
Non-operating income		
Interest income	2,973	1,585
Interest on securities	81	―
Other	4	70
Total non-operating income	3,058	1,656
Non-operating expenses		
Interest expenses	3	―
Commission fees	4,487	4,504
Stock issuance costs	7,497	2,079
Foreign exchange losses	330,411	27,266
Other	17,925	45
Total non-operating expenses	360,324	33,894
Ordinary loss	(1,177,202)	(1,268,118)
Extraordinary gain		
Gain on reversal of stock acquisition rights	4,903	3,671
Total extraordinary gain	4,903	3,671
Extraordinary loss		
Loss on retirement of non-current assets	1,139	―
Total extraordinary loss	1,139	―
Loss before income taxes	(1,173,438)	(1,264,446)
Income taxes-current	1,900	1,900
Total income taxes	1,900	1,900
Net loss	(1,175,338)	(1,266,346)

(3) Quarterly statements of cash flow

(Unit: thousands of yen)

	2Q FY 2016 (from January 1, 2016 to June 30, 2016)	2Q FY 2017 (from January 1, 2017 to June 30, 2017)
Net cash provided by (used in) operating activities		
Loss before income taxes	(1,173,438)	(1,264,446)
Depreciation	12,704	14,365
Share-based compensation expenses	65,039	67,120
Increase (decrease) in provision for retirement benefits	(199)	(28)
Interest income	(3,054)	(1,585)
Interest expenses	3	―
Foreign exchange losses (gains)	359,903	29,126
Commission fees	4,487	4,504
Stock issuance costs	7,497	2,079
Gain on reversal of stock acquisition rights	(4,903)	(3,671)
Loss on retirement of non-current assets	1,139	―
Decrease (increase) in accounts receivable-trade	(43,601)	182,505
Decrease (increase) in inventories	133,029	(159,842)
Decrease (increase) in prepaid expenses	(28,817)	(5,953)
Decrease (increase) in advances paid	25,569	28,979
Decrease (increase) in consumption taxes receivable	―	(5,052)
Decrease (increase) in other current assets	469	(47,868)
Decrease (increase) in long-term prepaid expenses	323	2,365
Increase (decrease) in accounts payable-trade	(110,837)	237,785
Increase (decrease) in accounts payable-other	9,193	71,610
Increase (decrease) in other current liabilities	13,535	2,118
Other	17,925	309
Subtotal	(714,030)	(845,577)
Interest and dividends income received	2,868	1,625
Interest expenses paid	(3)	―
Income taxes paid	(1,900)	(1,900)
Net cash provided by (used in) operating activities	(713,064)	(845,852)
Net cash provided by (used in) investing activities		
Purchase of shares of subsidiaries	(0)	―
Purchase of property, plant and equipment	(18,939)	(10,662)
Purchase of intangible assets	(1,250)	(13,149)
Payments for lease and guarantee deposits	(218)	―
Proceeds from collection of lease and guarantee deposits	―	3,065
Net cash provided by (used in) investing activities	(20,407)	(20,747)

(Unit: thousands of yen)

	2Q FY 2016 (from January 1, 2016 to June 30, 2016)	2Q FY 2017 (from January 1, 2017 to June 30, 2017)
Net cash provided by (used in) financing activities		
Proceeds from issuance of stock resulting from exercise of stock acquisition rights	678,018	63,529
Proceeds from issuance of bonds with rights	3,000,000	―
Proceeds from issuance of stock acquisition rights	9,776	―
Payments for issuance of common stock	(5,659)	(2,079)
Repayments for lease obligations	(349)	―
Other payments	(17,925)	―
Net cash provided by (used in) financing activities	3,663,859	61,450
Effect of foreign exchange rate change on cash and cash equivalents	(359,903)	(29,126)
Net increase (decrease) in cash and cash equivalents	2,570,483	(834,275)
Cash and cash equivalents at the beginning of the period	4,261,438	5,719,325
Cash and cash equivalents at the end of the period	6,831,922	4,885,050

(4) Notes on quarterly financial statements

(Notes regarding going concern assumption)

None to be reported.

(Notes regarding significant changes in shareholders' equity)

During the second quarter of fiscal year ending December 31, 2017, a portion of the third unsecured bonds with convertible bond type stock acquisition rights was converted into new shares through the exercise of the rights. In addition, new shares were issued upon the exercise of part of the 33rd stock acquisition rights and part of the 39th stock acquisition rights. As a result, during the second quarter of fiscal year ending December 31, 2017, common stock and capital surplus increased by 259,246 thousand yen and 259,246 thousand yen respectively, amounting to 10,207,544 thousand yen and 10,177,544 thousand yen respectively as of June 30, 2017.

(Significant subsequent events)

None to be reported.