

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

May 8, 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	May 9, 2014	Date of dividend payment (plan) —

Supplementary materials for the quarterly financial results: Yes No

Holding of quarterly earnings performance review: Yes No

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

1. Business Results for the First Quarter of FY 2014 (January 1, 2014 to March 31, 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	%
1Q FY 2014	173	(64.5)	(415)	—	(453)	—	(454)	—
1Q FY 2013	489	(15.8)	(341)	—	(352)	—	(353)	—

	Quarterly Net Income (loss) per share	Diluted Quarterly Net Income per share
	Yen	Yen
1Q FY 2014	(14.85)	—
1Q FY 2013	(16.52)	—

(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	%
1Q FY 2014 (as of March 31, 2014)	7,419	6,991	92.7
FY 2013 (as of December 31, 2013)	7,686	7,432	95.4

(Reference) Equity: 1Q FY 2014 (as of March 31, 2014) 6,877 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	—				
FY 2014 (Forecast)		0.00	—	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)

1Q FY 2014	30,634,257 shares	FY 2013	30,634,257 shares
1Q FY 2014	75 shares	FY 2013	75 shares
1Q FY 2014	30,634,182 shares	1Q FY 2013	21,392,852 shares

(ii) Number of shares of treasury stock at the end of the period

(iii) Average number of shares during the period (cumulative)

* 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.

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1. Qualitative Information Concerning Quarterly Financial Results

(1) Qualitative information concerning business results

Progress in the Company's business for the first 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 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 EU regulatory agency.

The Phase II clinical trial for the indication of chronic lymphocytic leukemia was initiated in May 2013, and favorable 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 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 intends to consult with the US and EU regulatory agencies about its future development policy for this agent. Based on such development policy determined by Onconova, the Company will reassess the development plan for these agents in Japan. Meanwhile, the Company will continue the on-going Phase I clinical trial in Japan.

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

SyB L-0501 sales remained stable in South Korea, Taiwan and Singapore. In Singapore and South Korea, the Company sells the product through Eisai, as we do in Japan, and the sales figures have been growing steadily as planned.

(iii) Business results

As a result of the above, net sales totaled 173,681 thousand yen for the first quarter of the fiscal year ending December 31, 2014, primarily reflecting sales of SyB L-0501 in Japan and the other Asia Pacific territories. The net sales amount was decreased by 64.5% compared to the first quarter of the previous year by following review of the current market inventory level of TREAKISYM®.

On the other hand, selling, general and administrative expenses totaled 447,904 thousand yen (a year-on-year decrease of 9.0%), including research and development ("R&D") expenses of 178,963 thousand yen (a year-on-year decrease of 35.5%) 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 268,940 thousand yen (a year-on-year increase of 25.4%).

As a result, operating loss of 415,544 thousand yen was recognized for the first quarter of the fiscal year ending December 31, 2014 (operating loss of 341,025 thousand yen for the first quarter of the previous fiscal year). In addition, recording of amount totaling 44,596 thousand yen as non-operating expenses, primarily comprising foreign exchange losses, led to ordinary loss of 453,905 thousand yen (ordinary loss of 352,425 thousand yen for the first quarter of the previous fiscal year) and net loss of 454,855 thousand yen (net loss of 353,375 thousand yen for the first 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 positions

Total assets as of March 31, 2014 stood at 7,419,394 thousand yen, a decrease of 267,552 thousand yen from the previous fiscal year end. This was primarily due to a net loss for the three months period.

Total assets stood at 7,419,394 thousand yen, a decrease of 267,552 thousand yen from the previous fiscal year end, which consisted of increase in: marketable securities of 395,729 thousand yen, merchandise and finished goods of 241,100 thousand yen, property, plant and equipment of 15,446 thousand yen and intangible assets of 28,831 thousand yen and decrease in: cash and deposits of 875,941 thousand yen, advances paid of 28,703 thousand yen and other current assets of 35,227 thousand yen.

Total liabilities stood at 427,740 thousand yen, an increase of 173,789 thousand yen from the previous fiscal year end, primarily due to an increase in accounts payable of 243,548 thousand yen.

Net assets decreased by 441,342 thousand yen from the previous fiscal year end to 6,991,653 thousand yen primarily due to a net loss of 454,855 thousand yen for the first quarter.

As a result, the equity ratio decreased by 2.7 percentage points to 92.7% 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)	1Q FY 2014 (as of March 31, 2014)
Assets		
Current assets		
Cash and deposits	6,163,231	5,287,289
Marketable securities	1,100,270	1,495,999
Merchandise and finished goods	125,056	366,157
Prepaid expenses	64,306	54,495
Advances paid	87,862	59,158
Other	93,235	58,008
Total current assets	7,633,962	7,321,107
Noncurrent assets		
Property, plant and equipment		
Buildings, net	2,444	2,387
Tools, furniture and fixtures, net	6,187	10,290
Construction in progress	—	11,401
Total property, plant and equipment	8,632	24,079
Intangible assets		
Software	5,898	5,291
Software in progress	—	29,600
Lease assets	1,891	1,729
Total intangible assets	7,789	36,621
Investments and other assets		
Long-term prepaid expenses	9,427	7,796
Lease and guarantee deposits	27,135	29,790
Total investments and other assets	36,562	37,587
Total noncurrent assets	52,985	98,287
Total assets	7,686,947	7,419,394
Liabilities		
Current liabilities		
Accounts payable-trade	—	243,548
Accounts payable-other	207,134	153,927
Income taxes payable	22,554	9,396
Other	21,252	18,186
Total current liabilities	250,941	425,058
Noncurrent liabilities		
Provision for retirement benefits	1,675	1,520
Other	1,334	1,162
Total noncurrent liabilities	3,009	2,682
Total liabilities	253,950	427,740

(Unit: thousands of yen)

	FY 2013 (as of December 31, 2013)	1Q FY 2014 (as of March 31, 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)	(9,206,491)
Treasury stock	(17)	(17)
Total shareholders' equity	7,336,067	6,881,211
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	167	(4,001)
Total valuation and translation adjustments	167	(4,001)
Stock acquisition rights	96,761	114,443
Total net assets	7,432,996	6,991,653
Total liabilities and net assets	7,686,947	7,419,394

(2) Statements of operations (cumulative)

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

	(Unit: thousands of yen)	
	1Q FY 2013 (from January 1, 2013 to March 31, 2013)	1Q FY 2014 (from January 1, 2014 to March 31, 2014)
Net sales	489,016	173,681
Cost of sales	338,032	141,322
Gross profit	150,984	32,359
Selling, general and administrative expenses	492,009	447,904
Operating loss	(341,025)	(415,544)
Non-operating income		
Interest income	1,421	3,692
Interest on securities	359	2,345
Other	102	197
Total non-operating income	1,883	6,235
Non-operating expenses		
Interest expenses	8	51
Commission fee	2,663	2,367
Stock issuance cost	4,484	101
Foreign exchange losses	6,028	42,076
Other	100	—
Total non-operating expenses	13,284	44,596
Ordinary loss	(352,425)	(453,905)
Loss before income taxes	(352,425)	(453,905)
Income taxes-current	950	950
Total income taxes	950	950
Net loss	(353,375)	(454,855)

(3) 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)

(a) Issuance of the stock option (the stock acquisition right) to the Company's Directors

At the Board of Directors' meeting held on April 15, 2014, it was resolved to issue 2,520 units of stock acquisition rights as a stock option to five (5) Directors of the Company as follows, based upon the resolution of the Shareholders' meeting held on March 27, 2014. The stock option was allotted to the relevant Directors on the allotment date of April 30, 2014.

Number of the stock option	2,520 units
Class and number of shares underlying the stock option	Common stock 252,000 shares
Issue price of the stock option and Total issue price	Issue price 22,900 yen Total issue price 57,708,000 yen
Amount to be paid in for the stock option	Amount to be paid in for the stock option: 229 yen per share The person who receives the allotment of stock acquisition rights shall set off his/her claims for compensation against the Company in lieu of payment of monies for the stock acquisition rights allotted.
Exercise price of the stock option	Exercise price per share 1 yen
Period during which the stock option can be exercised	From April 16, 2017 to April 15, 2024
Terms and conditions for the exercise of the stock option	(1) The person allotted shall be the Director, Audit & Supervisory Board Member or employee of the Company or its affiliates at the time of exercise. However, it shall not be applied when: (a) the person is resigned from the Company or its affiliates due to the expiry of her/his term, (b) the person is retired from the Company or its affiliates due to the compulsory retirement and (c) the Board of Directors meeting resolves that he/she has resigned or retired amicably. (2) For other terms and conditions, "Stock Option Allotment Agreement" which will be concluded between the Company and Directors shall be complied with.
Paid-in capital amount increased due to the issuance of shares upon exercise of the stock option	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 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.
Matters concerning transfer of the stock option	It requires the approval of the Board of Directors' meeting.

(b) Issuance of the stock option (the stock acquisition right) to the Company's employees

At the Board of Directors' meeting held on April 15, 2014, it was resolved to issue 3,300 units of stock acquisition rights as a stock option to 68 employees of the Company as follows, based upon the provisions set forth in Article 236, 238 and 240 of the Companies Act. The stock option was allotted to the relevant employees on the allotment date of April 30, 2014.

Number of the stock option	3,300 units
Class and number of shares underlying the stock option	Common stock 330,000 shares
Issue price of the stock option and Total issue price	Issue price 22,900 yen Total issue price 75,570,000 yen
Amount to be paid in for the stock option	Amount to be paid in for the stock option: 229 yen per share The person who receives the allotment of stock acquisition rights shall set off his/her claims for compensation against the Company in lieu of payment of monies for the stock acquisition rights allotted.
Exercise price of the stock option	Exercise price per share 1 yen
Period during which the stock option can be exercised	From April 16, 2017 to April 15, 2024
Terms and conditions for the exercise of the stock option	(1) The person allotted shall be the Director, Audit & Supervisory Board Member or employee of the Company or its affiliates at the time of exercise. However, it shall not be applied when: (a) the person is resigned from the Company or its affiliates due to the expiry of her/his term, (b) the person is retired from the Company or its affiliates due to the compulsory retirement and (c) the Board of Directors meeting resolves that he/she has resigned or retired amicably. (2) For other terms and conditions, "Stock Option Allotment Agreement" which will be concluded between the Company and the employee shall be complied with.
Paid-in capital amount increased due to the issuance of shares upon exercise of the stock option	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 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.
Matters concerning transfer of the stock option	It requires the approval of the Board of Directors' meeting.