

April 6, 2016
SymBio Pharmaceuticals Limited
Fuminori Yoshida
Representative Director,
President and Chief Executive Officer

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

TOKYO, Japan, April 6, 2016—SymBio Pharmaceuticals Limited (JASDAQ: 4582) (hereinafter “SymBio”) today announced that a resolution was passed at its Board of Directors meeting held on April 6, 2016, to issue the 3rd unsecured bonds with convertible bond type stock acquisition rights (hereinafter, the “Bonds with Stock Acquisition Rights” of which the constituents are the “Convertible Bond Type Stock Acquisition Rights” and the “Bonds”) and the 39th stock acquisition rights (the “Warrants”) to Whiz Healthcare Japan 2.0 Investment Limited Partnership, the managing partner of which is Whiz Partners Inc. (hereinafter “Whiz Partners”), by third-party allotment (hereinafter, the “Third-Party Allotment”), as well as the conclusion of an Investment Agreement (the “Investment Agreement”) with Whiz Partners, the managing partner for the entity planned for the allotment (the “allottee”).

1. Summary of Subscription

(1) 3rd unsecured bonds with convertible bond type stock acquisition rights

(1) Due date of payment	April 22, 2016
(2) Total number of stock acquisition rights	40 units
(3) Issue price of bonds and stock acquisition rights	Issue price per Bond shall be ¥75 million (¥100 per ¥100 par value) The issue price of the Convertible Bond Type Stock Acquisition Rights shall be gratis.
(4) Number of residual securities from the issuance	14,218,009 shares
(5) Amount of funding	¥3,000,000,000
(6) Conversion price	¥211
(7) Method for subscription or allotment (allottee)	The Bonds shall be allotted to the following entity by third-party allotment. Whiz Healthcare Japan 2.0 Investment Limited Partnership
(8) Interest rate	The Bonds shall bear no interest.
(9) Others	<u>Direction to exercise by SymBio</u> The allottee may exercise the Convertible Bond Type Stock

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	<p>Acquisition Rights at will, but</p> <p>(1) Symbio may, on or after the due date of payment, at any time during the period until two business days before the final business day of the exercise period of the Convertible Bond Type Stock Acquisition Rights, direct the allottee to exercise the Convertible Bond Type Stock Acquisition Rights by providing written notice, given that (i) Symbio concludes a binding business partnership agreement or equivalent document (excluding nondisclosure agreements or similar items) (hereinafter the “Business Partnership Agreements, etc.”) regarding its business (including research and development, licensing, sales, procurement, and production, and not limited to the above) with a third party that has been preapproved by Whiz Partners, and (ii) Symbio requires ¥1,000 million or more in funding to fulfill its duties under the Business Partnership Agreements, etc. on or before the exercise request date. The allottee shall make the exercise within two business days of the day of the relevant direction. However, the number of Convertible Bond Type Stock Acquisition Rights that Symbio may direct exercise of based on this item (1) shall have an upper limit of a cumulative 13 units (total principal amount of ¥975 million; 4,620,853 shares underlying the stock acquisition rights). (The number of Convertible Bond Type Stock Acquisition Rights that Symbio may direct exercise of based on item (2) below shall not be included in the upper limit of the number of Convertible Bond Type Stock Acquisition Rights that Symbio may direct exercise of based on this item (1).)</p> <p>Furthermore, Symbio may not direct the allottee to exercise within five business days of the day that an exercise request is made resulting from direction to exercise the Convertible Bond Type Stock Acquisition Rights based on item (2) below, within five business days of an exercise request from the allottee to exercise the Convertible Bond Type Stock Acquisition Rights or the 39th stock acquisition rights, or during a period in which the allottee or Whiz Partners is in possession of undisclosed insider information of Symbio.</p> <p>(2) On or after April 22, 2018, in the following cases, Symbio may direct the allottee to exercise the Convertible Bond Type Stock Acquisition Rights at any time during the period until two business days before the final business day of the exercise period of the Convertible Bond Type Stock Acquisition Right. The allottee shall make the exercise within two business days of the day (hereinafter the “Exercise Direction Date”) of the relevant direction.</p> <p>1) If the closing price of Symbio’s common shares on Tokyo Stock</p>
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	<p>Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) exceeds 150% of the conversion price for ten consecutive trading days including the Exercise Direction Date (if there is a day within the relevant period without a closing price, ten trading days excluding the relevant day; hereinafter the same applies), SymBio may, with an upper limit of a cumulative 10 units of the Convertible Bond Type Stock Acquisition Rights (total principal amount of ¥750 million; 3,554,502 shares underlying the stock acquisition rights), direct the allottee to exercise the Convertible Bond Type Stock Acquisition Rights (excluding the Convertible Bond Type Stock Acquisition Rights provided in item (1) above).</p> <p>2) If the closing price of SymBio’s common shares on the Tokyo Stock Exchange exceeds 200% of the conversion price for ten consecutive trading days including the Exercise Direction Date, SymBio may, with an upper limit of a cumulative 20 units of the Convertible Bond Type Stock Acquisition Rights (total principal amount of ¥1,500 million; 7,109,004 shares underlying the stock acquisition rights), including the exercise of the Convertible Bond Type Stock Acquisition Rights in the previous item, direct the allottee to exercise the Convertible Bond Type Stock Acquisition Rights (excluding the Convertible Bond Type Stock Acquisition Rights provided in item (1) above).</p> <p>However, in either case, the Convertible Bond Type Stock Acquisition Rights that may be directed to be exercised on the relevant Exercise Direction Date shall have an upper limit of 20% of the average daily trading volume for the aforementioned period.</p> <p>Furthermore, SymBio may not direct the allottee to exercise the Convertible Bond Type Stock Acquisition Rights within five business days of the day that an exercise request is made resulting from direction to exercise the Convertible Bond Type Stock Acquisition Rights based on item (1) above, within five business days of an exercise request from the allottee to exercise the Convertible Bond Type Stock Acquisition Rights or the Warrants, or during a period in which the allottee or Whiz Partners is in possession of undisclosed insider information of SymBio.</p> <p>Redemption requests from the allottee</p> <p>The allottee may, only in cases 1) to 5) below, on or after the due date of payment and during the period until April 22, 2018 (inclusive), through written notification to SymBio at least 15 business days before the intended redemption date, request advanced redemption of the Bonds, wholly or partly, held by the allottee in an amount</p>
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	<p>equivalent to the face value multiplied by a ratio of 110.0%. Furthermore, this item shall not apply on or after April 23, 2018.</p> <ol style="list-style-type: none"> 1) Organizational restructuring of SymBio 2) Transfer of all, or a significant portion, of SymBio's business 3) Request for dissolution or bankruptcy, initiation of corporate reorganization proceedings, initiation of civil rehabilitation proceedings, initiation of special liquidation, or initiation of other insolvency proceedings of SymBio 4) Delisting or determination to delist SymBio's common shares 5) If a significant infringement of the Investment Agreement is made by SymBio or if a notification to request correction of a minor infringement is made by Whiz Partners and the infringing state is not improved within two weeks <p>The preceding respective items for the subscription shall be on the condition that the notification becomes effective in accordance with the Financial Instruments and Exchange Act.</p>
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(2) 39th stock acquisition rights

(1) Date of allotment	April 22, 2016
(2) Total number of stock acquisition rights	104 units
(3) Issue price	Total of ¥9,776,000 (¥94,000 per stock acquisition right)
(4) Number of residual securities from the issuance	4,472,000 shares
(5) Amount of funding	<p>¥953,368,000 (Breakdown)</p> <p>Portion from the issuance of stock acquisition rights: ¥9,776,000 Portion from the exercise of stock acquisition rights: ¥943,592,000</p>
(6) Exercise price	¥211
(7) Method for subscription or allotment (allottee)	<p>The Bonds shall be allotted to the following entity by third-party allotment.</p> <p>Whiz Healthcare Japan 2.0 Investment Limited Partnership</p>
(8) Others	The preceding respective items for the subscription shall be on the condition that the notification becomes effective in accordance with the Financial Instruments and Exchange Act.

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2. Purposes and Reasons for the Subscription

(1) Major funding purposes

Many research and development themes for drug discovery and new drug development in the rare disease field in the oncology, hematology and pain management domains have been actively pursued by university research institutes and bio-venture companies rather than leading pharmaceuticals companies mainly in Europe and the United States. Consequently, many useful and effective new drugs have been provided to medical fields overseas.

Meanwhile, regarding the drug development in these domains, as a high degree of expertise and professionalism is required, and as a high degree of difficulty is involved, the leading pharmaceutical companies cannot easily enter the market in terms of business efficiency and/or profitability. As a consequence, the aforementioned oncology, hematology and pain management domains are the so-called blank medical treatment domains, which have been scarcely addressed in Asian countries including Japan.

In the 11 years since its establishment in March 2005, SymBio has addressed new drug development by focusing on new drug development in the oncology, hematology and pain management areas for which the market-entrance barrier is high as a specialty firm specializing in the blank medical treatment domains.

SymBio obtained approval for production and sales within a short period of only five years from introduction for TREAKISYM[®] (Development code: SyB L-0501; general name: bendamustine hydrochloride), the first anti-cancer product developed by SymBio, and started its sales domestically in December 2010.

TREAKISYM[®] has become an essential drug (standard drug) in the treatment of refractory/relapsed low-grade non-Hodgkin's lymphoma (NHL), the indication for which approval was obtained. To maximize its therapeutic product value, SymBio is accelerating its enhanced development for additional indications, and made a submission in December 2015 for production and sales approval for target indications of frontline, low-grade NHL, mantle cell lymphoma (MCL), and chronic lymphocytic leukemia (CLL). Concerning refractory/relapsed, aggressive NHL, Phase 2 clinical trials have been completed.

In addition, considering that rigosertib (intravenous (IV) and oral forms), an anti-cancer drug introduced in July 2011, is a mainstay newly developed drug following TREAKISYM[®], SymBio is promoting development for the treatment of myelodysplastic syndrome (MDS). Concerning SyB L-1101 (IV), SymBio is implementing domestic clinical trials for global Phase 3 clinical trials, implemented by Onconova, from which SymBio obtained licensing rights, and concerning SyB C-1101 (oral), SymBio is implementing domestic Phase 1 clinical trials for its use in combination with azacytidine.

In October 2015, as a new drug candidate in SymBio's new development domain of pain management, SymBio introduced SyB P-1501, an iontophoretic transdermal system. SyB P-1501 has already received approval for production and sale in Europe and the U.S., and Phase 1 clinical trials have also been completed in Japan. With the aim of receiving approval at an early stage, SymBio is moving forward with preparations for Phase 3 clinical trials.

Additionally, in 2016, SymBio concluded a joint research and development agreement with Teikyo Heisei University for the development of an innovative anti-cancer drug which uses the TTR1 nano-agonist molecule. The drug is a promising new candidate that can directly deliver the TTR1 nano-agonist molecule, an anti-cancer drug which targets antibodies that are expressed on the surface of cancer cells or cancer stem cells, by utilizing the properties of Bifidobacterium, which preferentially lives under hypoxic conditions, much like cancer cells and cancer stem cells. Upon progress of joint research and development, SymBio reserves the right to acquire an

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exclusive license from Teikyo Heisei University for the global development, manufacture, and commercialization of this drug.

As described above, Symbio's business development is centered on the oncology, hematology and pain management areas and has built strong pipelines (a group of newly developed drugs) with several pharmaceuticals and newly developed drugs in these disease areas.

To transform into an excellent pharmaceutical company that ensures medium- and long-term growth with steady sustainability, growth potential, and profitability, it is indispensable for Symbio to not only develop the existing pipelines but also introduce new drug candidates so that it can improve its corporate value by expanding the pipelines in a continuous and a multilayered manner, and expanding its regional presence on a global scale, not only in the Asian region.

Symbio continuously searches for and evaluates prospective new drug candidates, following TREAKISYM®, rigosertib, and SyB P-1501, by taking advantage of its original search network and evaluation know-how. To this end, however, a significant amount of additional funds for transactions including lump-sum money paid temporarily for engagement, acquisition funds, and later development funds would be necessary during the course of negotiations with counterparties, taking such forms as acquisition of licenses for candidates, or the acquisition of companies who own drug candidates. The funding measures taken hereby have the purpose of appropriating the procured funds to this end.

Additional funding would be necessary to compensate for the significant amount of funds that cannot be covered solely with the earnings from product sales of TREAKISYM®. As a result, Symbio raised funds by the capital increase by public offering, which was implemented in December 2013, and the funds are currently applied to expenses for the development of the SyB L-1101 (IV) form of rigosertib (anti-cancer agent) for the treatment of refractory/relapsed high-risk MDS and of the SyB C-1101 (oral) form of rigosertib (anti-cancer agent) for the treatment of high-risk MDS.

Furthermore, funding raised from implementing a third-party allotment in December 2014 was applied to a portion of the lump-sum money paid temporarily for engagement for SyB P-1501.

Consequently, it will be necessary for Symbio to acquire additional funding in the future so that it can flexibly introduce future new drug candidates, acquire companies who own drug candidates, and promote subsequent clinical trials, as well as develop and promote further existing pipelines, with the aim of improving its corporate value over the medium- and long- term.

At present, Symbio is conducting negotiations toward the introduction of new drug candidates with several counterparties. The amount of funding needed at this time is based on the estimated expenses deemed necessary to introduce these drug candidates and acquire companies who own drug candidates, as well as for subsequent research and development. The acquisition of global rights is scheduled for these new drug candidates, including Europe and the U.S., and Symbio plans to promote development on a global scale in the future.

Given such circumstances, Symbio studied, among all possible funding options, the possibility of being funded by several supporters who deeply understand our business models, management policies, capital requirements and the like. As a result of such discussion, Symbio determined that Whiz Partners shall be the best candidate, to which Symbio implements the Third-Party Allotment in raising such additional funds.

Symbio intends to promote its development efforts to add indications for three pipeline pillar drugs

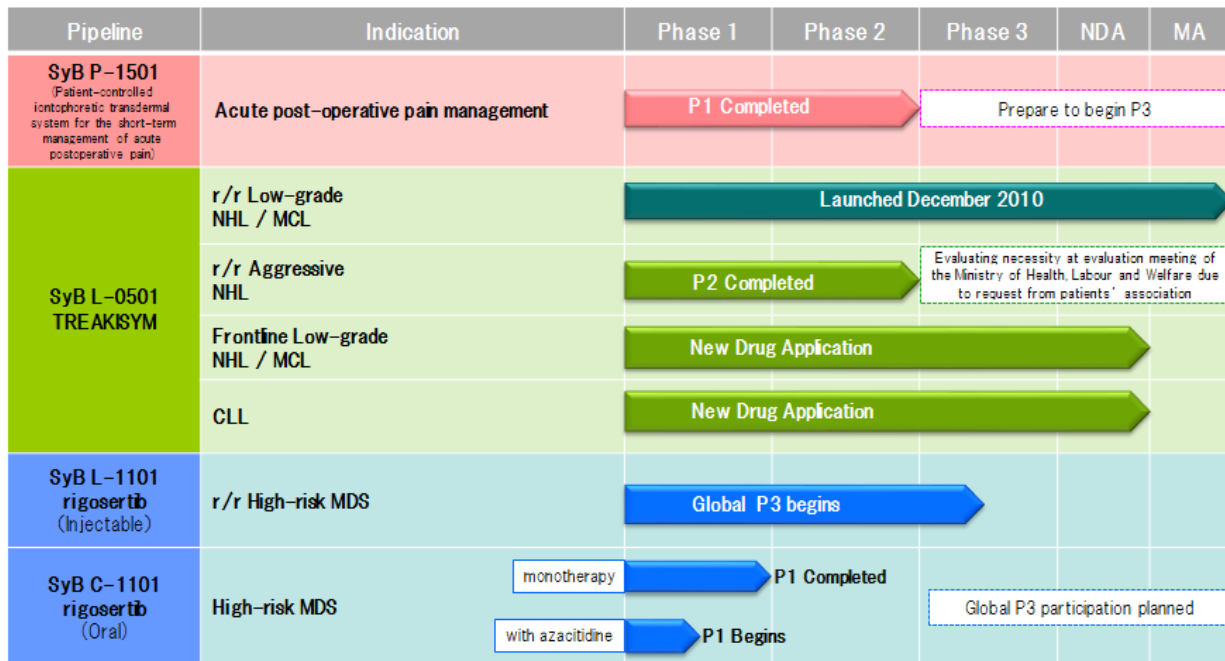
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(TREAKISYM®, rigosertib, and SyB P-1501). At the same time, SymBio aims to expand the value of its pipelines, transition to a global specialty pharmaceutical company, and maximize business value by focusing on searching prospective new drug candidates, introducing new drug candidates with high potential for commercialization, or acquiring companies who own them.

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Symbio’s Current Pipelines:



(2) Reason for having chosen the method of issuing bonds with convertible bond type stock acquisition rights and stock acquisition rights

As described in the aforementioned “(1) Major funding purposes,” a certain amount of funds will be necessary at the first stage of the deal to introduce new drug candidates with high potential for commercialization, or acquire companies who own them. Additionally, subsequent to introducing new drug candidates and acquiring companies who own them, a considerable amount of research and development funds will be necessary on an ongoing basis over the long term. Meanwhile, our business is still in an up-front investment stage, and the situation where research and development expenses are higher than earnings, is expected to continue for some time. Accordingly, borrowings from financial institutions are expected to be extremely difficult to obtain, and Symbio therefore will be obliged to rely on equity-finance-based funds.

To that end, Symbio studied all possible funding means including the issuance of shares, bonds with stock acquisition rights and/or stock acquisition rights by third-party allotment, in which the allottee of equity finance shall be a corporation that well understands Symbio’s business and business strategies and supports its business restructuring.

Given such circumstances, an investment using business funds, the combination of the Bonds with Stock Acquisition Rights and the Warrants, was proposed by Whiz Healthcare Japan 2.0 Investment Limited Partnership, and Symbio subsequently proceeded with further discussion of the proposal.

As a result, Symbio has determined that it would be essential to procure stable funds at this time and introduce new drug candidates with high potential for commercialization, or acquire companies who own them; swiftly achieving the management goal of commercializing (marketing) the developed drugs with approvals for production and sale; and maximizing the value of its pipelines and corporate value to transition to a global

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specialty pharmaceutical company. As described below, compared to other funding methods, SymBio resolved to issue a combination of the Bonds with Stock Acquisition Rights and the Warrants based on the final determination that such are the best option at this time for satisfying SymBio's needs to procure necessary funds and maximize its corporate value while avoiding the downward pressure of declining stock prices and paying full attention to the interests of existing shareholders.

Features of the adopted method compared to other fund procurement means:

- 1) In the case of issuing new shares through a capital increase by public offering or a third-party allotment, the impact on stock prices will likely be more significant compared to the issuance of convertible type bonds with stock acquisition rights or stock acquisition rights due to the dilution of per-share earnings that simultaneously occurs, despite the fact that the funding can be completed at once by issuing new shares. On the contrary, the funding method in which the Bonds with Stock Acquisition Rights and the Warrants are combined is expected to reduce the adverse impact on stock prices due to the relatively restricted concern about dilution despite the possibility of the actual procured funds being lower than the initially anticipated amount depending on stock price trends and the liquidity of SymBio's shares.
- 2) In case the funding means is limited only to the issuance of stock acquisition rights, a disadvantageous situation will likely occur; for example, necessary funds cannot be procured at the time of their issuance, initially anticipated funds cannot be raised or the actual procured funds are less than the initially anticipated amount depending on stock price trends.
- 3) In the case the funding means is limited only to the issuance of convertible type bonds with stock acquisition rights, it will be difficult to secure adequate flexibility for raising funds as required during the course of conducting development after introducing new drug candidates or the acquisition of companies who own them.
- 4) As for indirect financing, it is extremely difficult for SymBio, which has been in deficit for a long time mainly due to up-front investments, to receive borrowings from financial institutions.

Precautions in response to SymBio's needs:

- 1) Attenuation of the impact on stock prices
 - The conversion price of the Bonds with Stock Acquisition Rights and the exercise price of the Warrants were determined on the basis of ¥211, the closing price of SymBio's common shares at the Tokyo Stock Exchange on the business day (April 5, 2016) immediately preceding the date of resolution at the Board of Directors' meeting relative to the Third-Party Allotment. Subsequent revisions to the respective values shall not be conducted after the issuance according to the decision mechanism. The conversion price and the exercise price were comprehensively determined subsequent to discussions with the allottee.
 - The Third-Party Allotment does not intend to issue new shares corresponding to the projected total procurement amount but rather will involve conversions of the Bonds with Stock Acquisition Rights and exercising the Warrants taking into account the trends of SymBio's stock price and other factors. Consequently, compared to the issuance of new shares, the provision of SymBio's shares in the

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market will be temporary, thereby avoiding a situation where a drastic change in the supply-demand relationship of shares could have a significant impact on the stock price.

2) Restriction on dilution

- As the conversion price and the exercise price are fixed at certain levels, a downward revision cannot occur. Further, there is no possibility of further dilution of stock prices due to the number of shares delivered being increased more than initially planned.
- As the Convertible Bond Type Stock Acquisition Rights and the Warrants are likely to be exercised gradually over a relatively long period, the dilution impact is considered to be small compared to a one-time issuance of new shares.
- Furthermore, as described above, greater-than-expected dilution will not derive from the funding as stated above and the relatively smooth conversion of the Bonds with Stock Acquisition Rights and exercise of the Warrants can be expected during a period of rising stock prices, within a range that the funding is available without imposing excessive impact on the interests of existing shareholders.

3) Flexibility of capital policy

SymBio will be able to ensure its flexible capital policy as it can redeem, wholly or partly, the Bonds with Stock Acquisition Rights at its discretion under certain conditions and it can acquire the whole Warrants at its discretion under certain conditions.

4) Additional funding

The issuance of the Bonds with Stock Acquisition Rights allows SymBio to conduct financing without owing interest. Meanwhile, the exercise of the Warrants allows SymBio to conduct phased and additional financing as required by funding demands and progress in development after introduction of new drug candidates or acquiring a company who owns drug candidates.

Other precautions and the effects as countermeasures:

1) 3rd unsecured bonds with convertible bond type stock acquisition rights

- As for the Bonds with Stock Acquisition Rights, on or after April 22, 2018, if for ten consecutive trading days, the closing price of SymBio's common shares on the Tokyo Stock Exchange (i) exceeds 150% of the conversion price of the Convertible Bond Type Stock Acquisition Rights, SymBio may, in accordance with conditions defined within the Investment Agreement concluded with the allottee, direct the exercise of the Convertible Bond Type Stock Acquisition Rights any number of times with an upper limit that does not exceed a number equal to ¥750 million (10 units of the Convertible Bond Type Stock Acquisition Rights, 3,554,502 shares underlying the stock acquisition rights), or a quarter (1/4) of the total value of the issue price of the Bonds with Stock Acquisition Rights divided by the amount of each of the Bonds, or if it (ii) exceeds 200%, including the exercise of the Convertible Bond Type Stock Acquisition Rights in line with (i), with an upper limit that does not exceed a number equal to ¥1,500 million, or half (1/2) of the total value of the issue price of the Bonds with Stock Acquisition Rights, divided by the amount of each of the Bonds (20 units of the Convertible Bond

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Type Stock Acquisition Rights, 7,109,004 shares underlying the stock acquisition rights), and if such a conversion is conducted, the amount of future redemption will decrease and debt will be reduced, thereby enabling reinforcement of Symbio’s shareholders’ equity.

- In view of their characteristics, the Bonds with Stock Acquisition Rights will contribute to realizing planned funding as the principal for the Bonds will be paid at the beginning. However, if the Bondholders do not exercise the Convertible Bond Type Stock Acquisition Rights, Symbio intends to redeem the Bonds with Stock Acquisition Rights with earnings from sales of TREAKISYM® as the repayment source, under certain conditions.
- 2) 39th stock acquisition rights (the “Warrants”)
- In view of the characteristics of stock acquisition rights, if the right holders of the Warrants do not exercise the stock acquisition rights they hold, the unpaid amount to be paid relative to the exercise of said stock acquisition rights may result in an actual procured amount less than the initially expected amount of funding. In particular, at the stage where the stock price has fallen below the exercise price, it shall become difficult for Symbio to expect the Warrants to be exercised, but the Warrants, as described above, have been established from the viewpoint of protecting existing shareholders with the intent of enabling required fundraising in response to business progress, while restraining temporary dilution and reducing the effects on the stock price.
 - Concerning the Warrants, acquisition conditions are attached, and pursuant to stipulations of the Companies Act, upon making notification or public notice two weeks prior, Symbio may acquire all remaining Warrants for the same amount as the paid-in price for each Warrant.

Although Symbio issued stock acquisition rights by third-party allotment in December 2014, the stock price exceeded the exercise price for only a short period of time, ¥1,000 million in stock acquisition rights remain unexercised at this time, and the expected amount has not been procured. However, in Symbio’s view, it is extremely important to procure required funding with as much certainty as possible while taking precautions with regard to dilution in order to flexibly respond to future introduction of new drug candidates, acquire companies who own drug candidates, and promote subsequent clinical trials, as well as realize further advancement in development of existing pipelines and thereby increase the corporate value and stock price of Symbio. As a result, as shown in “Features of the adopted method compared to other fund procurement means,” although there is the possibility that the amount of funds actually procured will be less than initially expected due to trends in the stock price and liquidity of Symbio’s stock, the method of a combined Bonds with Stock Acquisition Rights and Warrants was chosen as a fund procurement method that relatively restricts dilution concerns and for which the anticipated effect on stock price can be minimized.

3. Amount to be funded, as well as use and scheduled disbursement timing thereof

(1) Amount to be funded

1) Total amount to be paid	¥3,953,368,000
(Breakdown)	

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(a) Issuance of 3rd unsecured bonds with convertible bond type stock acquisition rights	¥3,000,000,000
(b) Issuance of 39th stock acquisition rights	¥9,776,000
(c) Exercise of 39th stock acquisition rights	¥943,592,000
2) Approximate amount of various issuance-related expenses	¥37,800,000
3) Estimated net proceeds	¥3,915,568,000

Notes:

- As payments from the exercise of the Warrants depend, in principle, on the judgment of right holders of the Warrants, the total amount to be paid through the exercise of the Warrants is determined by the exercise conditions of the Warrants. Consequently, the aforementioned estimated net proceeds may vary in the future.
- The approximate amount of various issuance-related expenses does not include consumption taxes.
- The breakdown of the approximate amount of various issuance-related expenses is the total of ¥5,000,000 in attorney fees; ¥5,000,000 in charges for the calculation and appraisal of stock acquisition rights; ¥3,000,000 in third-party research institute compensation regarding relationships with anti-social forces; ¥13,800,000 in registration and license tax, and ¥11,000,000 in other administrative fees (preparation of a securities registration statement, the registration fee for various changes, etc.).

(2) Specific uses of the amount to be funded

Specific use	Amount (Millions of yen)	Scheduled disbursement timing
<ul style="list-style-type: none"> Expenses related to acquisition of companies who own new drug candidates and development of such new drug candidates subsequent to said acquisition Expenses related to acquisition of rights for new drug candidates and development of such new drug candidates subsequent to said acquisition of rights Expenses related to development of SyB P-1501 and SyB C-1101 for high-risk myelodysplastic syndrome (MDS) (in combination with azacytidine) 	3,915	April 2016–December 2018

Notes:

- 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, manufacture, and commercialization of these new drug candidates, conducts internal development centered on clinical trials, and aims to receive approval for production and sale.
- As of today, SymBio is conducting negotiations toward acquiring rights of new drug candidates with several counterparties. The scheduled procurement amount is calculated based on current estimates for expenses related to acquiring rights of these new drug candidates, acquisition of companies who own them, and development expenses centered on clinical trials subsequent to acquiring rights of new drug

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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 high-risk MDS (in combination with azacytidine), existing developed drugs of SymBio, are calculated based on current development plans. Concerning SyB P-1501, Phase 3 clinical trials have been implemented in Japan, and a submission for production and sale approval is forecast to be made in 2018. Concerning SyB C-1101, subsequent to completion of Phase 1 clinical trials in combination with azacytidine in Japan in 2017, SymBio is scheduled to participate in global Phase 3 clinical trials.
4. The order of priority of use of proceeds 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 subsequent to said 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 subsequent to said acquisition of rights; (3) If negotiations in (1) or (2) fail, expenses related to development of SyB P-1501 and SyB C-1101 for high-risk MDS (in combination with azacytidine). Furthermore, concerning development of SyB P-1501 and SyB C-1101 for high-risk MDS (in combination with azacytidine), clinical trials are currently underway, and it is possible that proceeds may be used ahead of the uses in (1) and (2).
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 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.

4. Concepts on rationality of the use of the funds

SymBio believes that its recognition on the use of the funds procured through the Third-Party Allotment is rational and will contribute to the improvement of its corporate value and an increase in the stock value as it will enable SymBio to expand future businesses, improve profitability and strengthen financial ground by appropriating the procurement funds to the uses mentioned in “3. Amount to be funded, as well as use and scheduled disbursement timing thereof (2) Specific uses of the amount to be funded.”

5. Rationality of issuance conditions, etc.

(1) Basis for calculation of the amount to be paid and details thereof

The conversion price of the Bonds with Stock Acquisition Rights and the exercise price of the Warrants were determined to be ¥211, the same as the closing price of regular transactions of SymBio’s common

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shares at the Tokyo Stock Exchange on the transaction day immediately preceding the date of resolution relative to the issuance after discussions with the allottee.

In determining the issue price, Symbio judged that referring to the closing price on the transaction day immediately preceding the date of resolution relative to the issuance, which is considered to have been established by taking into account the securities report dated March 31, 2016, for the fiscal year ended December 31, 2015, would more appropriately reflect Symbio's stock value than referring to average closing prices for certain periods in the past (the average closing prices for one, three and/or six months) because the stock prices of Symbio's common shares are influenced by various factors such as the economic situation, the environment surrounding the equity markets and Symbio's management/performance trends on each occasion with regard to the average closing prices for certain periods in the past. For reference, the conversion price of the Bonds with Stock Acquisition Rights and the exercise price of the Warrants were at a premium of 2.77% against ¥205 in the average closing price of Symbio's common shares for their regular transactions for the past six months, at a premium of 4.49% against ¥202 in the average closing price of Symbio's common shares for their regular transactions for the past three months and at a discount of 2.53% against ¥216 in the average closing price of Symbio's common shares for their regular transactions for the past one month, all of which were calculated with the transaction day immediately preceding the date of resolution relative to the issuance as a benchmark.

In determining the conditions for issuing the Bonds with Stock Acquisition Rights and the exercise price of the Warrants, Symbio requested the appraisal of value from PLUTUS CONSULTING Co., Ltd. (3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo; Masato Noguchi, President and Representative Director; hereinafter, "PLUTUS CONSULTING"), a dedicated, independent third-party appraiser, to ensure the fairness of Symbio's decision.

Regarding the Bonds with Stock Acquisition Rights, PLUTUS CONSULTING adopted the Monte Carlo simulation method, a commonly used calculation model for stock option value. In its calculations, the fair value was appraised with reference to various factors such as Symbio's stock prices (stock prices on the transaction day immediately preceding the date of resolution at the Board of Directors' meeting); a dividend rate of 0.00%; an exercisable period of approximately three years; a risk-free interest rate of -0.218%; stock price volatility of 74.10%; actions taken by the issuing company and the allottee; the details of the terms and the conditions for issuing the Bonds with Stock Acquisition Rights; and various conditions set forth in the Investment Agreement.

In addition, Symbio judged that issuing the Bonds with Stock Acquisition Rights does not fall under any specially advantageous condition because the substantial consideration for the Bonds with Stock Acquisition Rights is not lower than the fair value thereof. This judgment is based on a comparison of the substantial consideration for the Bonds with Stock Acquisition Rights (¥100 per par-value of ¥100), with the fair value calculated by PLUTUS CONSULTING (approximately ¥96.67 per par-value of ¥100).

Regarding the Warrants, PLUTUS CONSULTING also adopted the Monte Carlo simulation method, a commonly used calculation model for stock option value. In its calculations, the fair value was appraised with reference to various factors such as Symbio's stock prices (stock prices on the transaction day immediately preceding the date of resolution at the Board of Directors' meeting); a dividend rate of 0.00%; an exercisable period of approximately five years; a risk-free interest rate of -0.218%; stock price volatility

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of 74.10%; actions taken by the issuing company and the allottee (Symbio shall basically wait for the exercise of rights by the allottee, provided, however, that if Symbio's stock price exceeds 250% of the exercise price, Symbio shall proceed with acquisition. The allottee shall basically exercise their rights when the stock price exceeds the exercise price, and sell the exercised shares at an indication of approximately 5% of the average daily trading volume in consideration of effects on the market); the details of the terms and the conditions for issuing the Warrants; and various conditions set forth in the Investment Agreement.

As a result, Symbio judged that issuing the Warrants does not fall under any specially advantageous condition because the issue price of the Warrants is determined to be the same as the fair value thereof and the amount to be paid per Warrant to be ¥94,000, both of which are appropriate and reasonable.

Moreover, the aforementioned conversion price of the Bonds with Stock Acquisition Rights and the exercise price of the Warrants are compliant with the Japan Securities Dealers Association's "Guidance on Handling of Allotment of New Shares to a Third Party, etc."

Furthermore, Symbio requested that Baker & McKenzie (Gaikokuho Joint Enterprise) (Minato-ku, Tokyo; hereinafter, "Baker & McKenzie") investigate the rationality of the calculation methods and assumed conditions thereof with regard to the amount of the issue price of the Bonds with Stock Acquisition Rights and the amount to be paid for the Warrants. Baker & McKenzie subsequently studied necessary documents such as the Investment Agreement between Symbio and Whiz Partners Inc., an unlimited liability partner of the allottee, the securities registration statement, the value evaluation report of PLUTUS CONSULTING and the written opinion regarding the necessity and appropriateness of the allotment of the Securities from an independent third-party committee, and examined whether the conclusion of an agreement between Symbio and the allottee or the issuance of the Securities on the date of allotment are in conflict with any Japanese laws and regulations and the like. Accordingly, Baker & McKenzie has expressed its legal view that the issuance of the Bonds with Stock Acquisition Rights and the Warrants are not in conflict with any Japanese laws and regulations including issuance under specially advantageous conditions in light of the current interpretation reasonably applicable.

Meanwhile, three auditors of Symbio (all of whom are outside auditors under the Companies Act) have expressed their views of having judged that the conditions for issuing the Bonds with Stock Acquisition Rights and the Warrants are not specially advantageous to the allottee by taking into account the content of the terms and conditions for the issuance of the Bonds with Stock Acquisition Rights and the Warrants, as well as the calculation results submitted by PLUTUS CONSULTING, and upon confirming the following items.

- The Board of Auditors received an explanation by the director in charge of the Third-Party Allotment and investigated the purposes and necessity of the fund procurement with regard to the issuance of the Bonds with Stock Acquisition Rights and the Warrants. As a result, the decision-making by said director was made appropriately based on Symbio's business judgment principles.
- PLUTUS CONSULTING and Baker & McKenzie possess knowledge and experience in corporate value appraisal operations, issuance operations and related legal and financial issues, and are deemed to be independent from the management of Symbio.
- Value appraisal for matters such as the conditions for issuance was requested of PLUTUS CONSULTING, a company with an established reputation in the valuation of corporate value. Explanation was provided by the staff in charge of PLUTUS CONSULTING about the logic and basic numerical values used as

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premises for the appraisal, which was deemed to be appropriate and reasonable.

- Compared to the fair value stated in the evaluation report dated April 5, 2016 submitted by PLUTUS CONSULTING, neither the Bonds with Stock Acquisition Rights nor the Warrants fall under any specially advantageous condition.
- Drawing on the calculation results submitted by PLUTUS CONSULTING it is considered that no issues are imposed in view of the above two points.
- It was confirmed that there is no problem of illegality by the written opinion of Baker & McKenzie dated April 6, 2016.

(2) Grounds for a judgment that the issued quantity and the scale of the dilution of shares are reasonable

SymBio judges that the issued quantity and the scale of dilution of shares are reasonable for the following reasons.

- 1) The number of SymBio's common shares to be newly issued by the exercise of the Convertible Bond Type Stock Acquisition Rights shall be a maximum of 14,218,009. As the conversion price is fixed, the number of shares to be delivered after their issuance will not vary.
- 2) The number of SymBio's common shares to be newly issued by the exercise of the Warrants shall be a maximum of 4,472,000. As it is possible for SymBio to acquire all the remaining Warrants at its own judgment, the dilution of shares may be controlled.
- 3) As described above, the number of residual securities relative to the Bonds with Stock Acquisition Rights and the Warrants shall be 14,218,009 and 4,472,000, respectively, thereby totaling a maximum of 18,690,009 shares (186,900 units of voting rights). This total figure accounts for 57.70% (57.71% in the ratio of voting rights) of the total number of issued shares of 32,390,923 shares (323,883 units in the total number of voting rights) as of December 31, 2015.
- 4) SymBio has orally confirmed that the allottee (Whiz Healthcare Japan 2.0 Investment Limited Partnership, hereinafter "Whiz Healthcare Japan 2.0") is of the policy to sell the shares to be issued through the exercise of the Convertible Bond Type Stock Acquisition Rights and the Warrants on the market while paying full attention to SymBio's execution of business, the trends of SymBio's stock price, trading status in the market, the effects on the market and the like. In addition, the average daily trading volume of SymBio's shares for the six most recent months was 715,675 shares, representing a certain level of liquidity for SymBio's shares. Meanwhile, supposing that the maximum number of shares (18,690,009 shares), which shall be delivered if all the Bonds with Stock Acquisition Rights are converted and all the Warrants are exercised, are sold through the exercise over the three years of the exercisable period for the Convertible Bond Type Stock Acquisition Rights (calculated at 245 business days/year) on an average basis, the number of shares sold per day would be 25,429, accounting for 3.55% of the daily turnover above. SymBio therefore believes that the impact on stock prices is limited and absorbable in the market.
- 5) Consequently, for the reasons described above, SymBio considers that the issued quantity and the scale of the dilution of shares regarding the subscription for the Bonds with Stock Acquisition Rights and the Warrants by third-party allotment for the purpose of ensuring the funds related to the acquisition of companies who own new drug candidates and the development of such new drug candidates

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subsequent to said acquisition, acquisition of rights for new drug candidates and the development of such new drug candidates subsequent to acquisition of said rights, and the development of SyB P-1501 and SyB C-1101 for high-risk myelodysplastic syndrome (MDS) (in combination with azacytidine), are reasonable.

6. Reason for having chosen the allottee, etc.

(1) Outline of the allottee

(As of April 5, 2016)

1) Designation	Whiz Healthcare Japan 2.0 Investment Limited Partnership
2) Location	Atago Green Hills Mori Tower 36F, 2-5-1, Atago, Minato-ku, Tokyo
3) Grounds for foundation	Limited Partnership Act for Investment (Act No. 90 of 1998 including subsequent revisions)
4) Purpose of formation	In order to protect valuable lives of the people and realize ways of living with more focus on health, the Partnership was formed to invest in corporations that promote healthcare-related businesses based on their ingenious scientific discoveries, technological innovations or revolutionary business models.
5) Date of formation	October 1, 2014
6) Total investment amount	¥15,480,000,000

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7) Investors, investment ratio and outline of investors	<p>1. 38.8%: Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (“SME Support, JAPAN”)</p> <p>2. 12.9%: Japan Trustee Services Bank, Ltd. (Specific pension trust 46626-6030) (Japan Trustee Services is a trustee of corporate pension funds.)</p> <p>*There are no other investors whose investment ratio is over 10% of the invested amount. The investment ratio of Whiz Partners Inc., an unlimited liability partner of Whiz Healthcare Japan 2.0, is 1.6%.</p>	
8) Outline of managing partner	Designation	Whiz Partners Inc.
	Location	Atago Green Hills Mori Tower 36F, 2-5-1, Atago, Minato-ku, Tokyo
	Representative’s name and position	Toshio Ando, Representative Director and Chief Executive Officer
	Description of business	<p>1. Investment in and development of corporations mainly focusing in the fields of life science (biotechnology) and IT (information technology) in and outside Japan</p> <p>2. Formation of investment partnerships, as well as administration and management of investment partnership assets</p> <p>3. Consulting services on overall management</p> <p>4. Type II financial instruments business, investment advisory and agency business, and investment management business</p>
	Capital stock	¥100 million
9) Relationship, etc., between SymBio and said fund	Relationship between SymBio and said fund	There exists no investment, direct or indirect, by SymBio and persons involved and/or affiliated companies of SymBio in said fund. No noteworthy capital, personal or business relationship exists between SymBio and persons involved and/or affiliated companies of SymBio and the investors in said fund (including original investors).
	Relationship between SymBio and the managing partner	Whiz Healthcare PE Fund Series 1 Investment Limited Partnership, which was formed by Whiz Partners who is the managing partner of said fund, held 57 SymBio shares as of December 31, 2015. Otherwise, no noteworthy capital, personal or business relationship exists between SymBio and the managing partner of said fund. Furthermore, no noteworthy capital, personal or business relationship exists between SymBio and persons involved and/or

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	<p>affiliated companies of Symbio, and the managing partner of said fund, as well as the respective counterparts of the managing partner of said fund.</p>
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Symbio requested that Tokucho Co., Ltd. (Shin-Ochanomizu Urban Trinity Bldg., 6F, 3-2-1, Kanda-Surugadai, Chiyoda-ku, Tokyo; Kazue Arakawa, President and Representative Director), a third-party investigative body, investigate and confirm whether the allottee (Whiz Healthcare Japan 2.0) and its managing partner (Whiz Partners), as well as their respective corporate officers, belong to any antisocial forces such as gang groups and whether they have any relations with antisocial forces. As a result, Tokucho Co., Ltd. reported that no such relations with antisocial forces are apparent. Symbio also requested that Tokucho Co., Ltd. investigate and confirm whether major investors and other investors, consisting of unlisted companies and individuals in the allottee, belong to and/or have any relations with any antisocial forces. As a result, Tokucho Co., Ltd. reported that no such relations with antisocial forces are apparent. Symbio confirmed that SME Support, JAPAN stipulates the basic guideline for the elimination of antisocial forces by cutting off any and all relations with them according to the “Basic Policy Against Antisocial Forces of the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN,” which is posted on SME Support, JAPAN’s website. In addition, Symbio confirmed that companies listed on Tokyo Stock Exchange, Inc., stipulate the basic guideline for the elimination of antisocial forces by cutting off any and all relations with them in their respective corporate governance reports submitted to the Exchange, according to their respective websites. Meanwhile, Symbio has submitted a confirmation note that persons involved in the allottee have no relation with gang groups.

(2) Reason for having chosen the allottee

Symbio has studied all possible funding means including the issuance of shares, bonds with stock acquisition rights and/or stock acquisition rights by third-party allotment, in which the allottee of equity finance is a corporation that well understands Symbio’s business models, management policies, financial requirements and the like.

Given such circumstances, Symbio explained its growth strategy, financial data and capital requirements to several candidates including Whiz Healthcare Japan 2.0 so that they could understand Symbio’s current financial conditions. In this context, as the investment method in which the Bonds with Stock Acquisition Rights and the Warrants are combined which was proposed by Whiz Healthcare Japan 2.0 was an optimum funding method to satisfy Symbio’s need for procuring necessary funds while fully paying attention to Symbio’s stock price and the interests of existing shareholders, Symbio subsequently proceeded with further discussion of the proposal.

Before the Third-Party Allotment, in 2010 Symbio conducted a capital increase by third-party allotment through the issuance of new shares to CSKVC Technology Innovation Growth Fund Investment Limited Partnership, which was formed and is operated by Whiz Partners, the managing partner of the allottee, followed by a capital increase by third-party allotment through the issuance of the 1st unsecured bonds with convertible bond type stock acquisition rights and the 29th stock acquisition rights to Whiz Healthcare PE Fund Series 1 Investment Limited Partnership, for which Whiz Partners is the managing partner, on January

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15, 2013. Whiz Partners has been investing in bio-ventures in Japan since their pioneering years, and has a considerable track record of managing IPOs, M&As and business alliances for investees in Japan and overseas. Symbio has confirmed that Whiz Partners has established a global network based on its long experience. In addition, Whiz Partners has members that are well acquainted with corporate administration, as well as professional staff in the bio-healthcare domain. Considering the previous records of its investment in Symbio and other factors, it has a profound understanding of Symbio's management policies, which advocate the expansion of its pipelines to improve corporate value and the shift to a global specialty pharmaceutical company, its content of business, and capital requirements thereof. In particular, Whiz Healthcare Japan 2.0, the allottee of the Third-Party Allotment, was formed for the main purpose of improving the corporate value of investees, who are corporations that would contribute to ensuring sound lives and healthy livelihoods and those expected to create next-generation industrial infrastructures in diverse fields including life science. Whiz Healthcare Japan 2.0 proposed the investment as Symbio's business fits the characteristics of its investment target.

As Symbio considers financial support by Whiz Partners essential to ensure further expansion of its pipelines and the shift to a global specialty pharmaceutical company, Symbio has chosen Whiz Healthcare Japan 2.0 as the allottee.

(3) Holding policy of the allottee

Symbio has orally confirmed that the holding policy of the allottee (Whiz Healthcare Japan 2.0) regarding the Bonds with Stock Acquisition Rights and the Warrants, as well as common shares to be acquired thereby by exercising the Convertible Bond Type Stock Acquisition Rights and the Warrants, is not the holding of Symbio's shares for a long period or participation in the management of Symbio but rather selling them while taking into account market trends, investors' demand, the intention of the business partners of Symbio and other factors. Whiz Healthcare Japan 2.0 also has expressed orally that it intends to exercise the Convertible Bond Type Stock Acquisition Rights and the Warrants while giving extra consideration to Symbio's business performance, stock price trends, trading conditions in the market, the effects on the market and other factors.

Meanwhile, in association with the Third-Party Allotment, the allottee may borrow Symbio's common shares from any Symbio shareholder to sell Symbio's shares within the quantitative scope of Symbio's common shares to be acquired through the conversion of the Bonds with Stock Acquisition Rights and the exercise of the Warrants for the purpose of hedging the risk of stock price fluctuations. However, since such sales for risk hedging purposes will be made after the related resolution on allotment is publicly announced, Symbio has orally confirmed that the allottee will not conduct sales using the borrowed shares which may have an impact on the conversion price and exercise price for the allotment. Symbio has also orally confirmed that the allottee will not borrow Symbio's common shares for the purpose of short selling relative to the Third-Party Allotment other than sales for the purpose of such risk hedging. Symbio considers that the conversion of the Bonds with Stock Acquisition Rights and the exercise of the Warrants are expected to proceed smoothly due to such borrowing of shares, thereby improving the financial standing of Symbio and the corporate value thereof.

Meanwhile, Symbio considers that opportunities for Whiz Partners, the managing partner of the allottee, to sell Symbio's shares in the equity markets are limited because Whiz Partners, which will have an occasion

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to obtain Symbio's material facts in the course of supporting Symbio's acquisition of rights for new drug candidates and/or acquisition of any companies who own drug candidates, will be subject to insider trading regulations for a certain period until said material facts are publicly announced. In addition, transfer or pledge of the Bonds with Stock Acquisition Rights and the Warrants to any third party by the allottee is restricted to require Symbio's approval via a resolution of Symbio's Board of Directors. Furthermore, the Investment Agreement to be concluded with the allottee stipulates that Symbio's prior approval in writing must be obtained if such transfer or pledge of shares could lead to the holding of 5% or more of the total number of Symbio's issued shares by the counterparty of said transfer or pledge as a result of the allottee's transfer or pledge of Symbio's shares, which will be delivered through the exercise of the Convertible Bond Type Stock Acquisition Rights or the Warrants.

(4) Confirmation on the property required for the payment by the allottee

Regarding the property required for the payment by the allottee, Whiz Partners, the managing partner of the allottee, reported that Whiz Healthcare Japan 2.0 has a deposit balance of ¥3,970 million as of today, which has been confirmed by Symbio via the bank passbook of Whiz Healthcare Japan 2.0, and that the payment relative to the issuance of the Bonds with Stock Acquisition Rights and the Warrants is planned to be made from said deposit balance.

Whiz Partners also reported that the allottee intends to invest its assets, which total ¥15,480 million, and that the paid in amount as of the date of submission of the securities report is ¥8,140 million. As the investment method for the remaining ¥7,340 million is specified to be via a capital call in the partnership agreement of Whiz Healthcare Japan 2.0, the funds required for the exercise of the Warrants after said fund procurement is announced shall be requested of the respective investors in Whiz Healthcare Japan 2.0 in accordance with the partnership agreement. Symbio has confirmed the names of said investors, the respective amounts committed by said investors, and various terms and conditions of the partnership agreement including the capital call, and has received reports from the allottee that part of the remaining ¥7,340 million shall be appropriated to the payment relating to the exercise of the Warrants.

Therefore, Symbio judges that there is no problem with the planned payment of the respective amounts to be paid relative to the issuances of the Bonds with Stock Acquisition Rights and the Warrants and the exercise of the Warrants.

(5) Agreement regarding borrowing/lending of share certificates

In association with the issuance of the Bonds with Stock Acquisition Rights and the Warrants, Fuminori Yoshida, Representative Director, President and Chief Executive Officer of Symbio and one of its major shareholders, intends to lend Symbio's common shares held thereby to the allottee. The allottee will not borrow Symbio's common shares for the purpose of short selling relative to the Third-Party Allotment other than sales for risk hedging purposes within the quantitative scope of Symbio's common shares to be acquired through the exercise of the Convertible Bond Type Stock Acquisition Rights and the Warrants.

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7. Major shareholders and shareholding ratio thereof after the third-party allotment

Before the allotment		After the allotment	
Fuminori Yoshida	9.63%	Whiz Healthcare Japan 2.0 Investment Limited Partnership	36.59%
Cephalon, Inc. (Standing proxy: Teva Pharmaceutical K.K.)	7.99%	Fuminori Yoshida	6.11%
Eisai Co., Ltd.	2.57%	Cephalon, Inc. (Standing proxy: Teva Pharmaceutical K.K.)	5.07%
Waseda No. 1 Investment L.P.	2.11%	Eisai Co., Ltd.	1.63%
Oak Capital Corporation	1.90%	Waseda No. 1 Investment L.P.	1.34%
SBI SECURITIES Co., Ltd.	1.19%	Oak Capital Corporation	1.20%
Matsui Securities Co., Ltd.	0.99%	SBI SECURITIES Co., Ltd.	0.76%
Japan Securities Finance Co., Ltd.	0.97%	Matsui Securities Co., Ltd.	0.62%
Rakuten Securities, Inc.	0.74%	Japan Securities Finance Co., Ltd.	0.62%
Hideyuki Hase	0.63%	Rakuten Securities, Inc.	0.47%

Notes:

- The shareholding ratio before the allotment is prepared based on the shareholders' register as of December 31, 2015.
 - The shareholding ratio after the allotment is calculated based on the number of shares before the allotment by adding the number of shares to increase if all the Convertible Bond Type Stock Acquisition Rights and the Warrants are exercised.
 - Although the holding policy of Whiz Healthcare Japan 2.0, the allottee, is not for long-term holding as stated in 6 (3) "Holding policy of the allottee," the shareholding ratio after the third-party allotment is calculated assuming all the Convertible Bond Type Stock Acquisition Rights and the Warrants are exercised.
 - The ratios above are calculated with their third decimal place rounded off to the second decimal place.
8. Future perspective:
- There is no impact of the issuance of the Bonds with Stock Acquisition Rights and the Warrants by the Third-Party Allotment on the business performance for the term under review (year ending December 2016). Symbio plans to disclose, at such time as it deems appropriate, possible changes and/or revisions to its future business performance due to the acquisition of companies who own new drug candidates or the acquisition of rights for new drug candidates.
9. Matters relating to procedures based on the code of conduct of corporations:
- As a significant dilution of Symbio's common shares with a dilution ratio of 25% or more is expected from the Third-Party Allotment, it is required that Symbio either 1) obtain an opinion from persons who are

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independent from management to a certain degree with regard to the necessity and appropriateness of said allotment or 2) take the procedure of confirming the intent of shareholders by resolution at a general shareholders' meeting with regard to said allotment in accordance with Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

The funds to be procured by the Third-Party Allotment do not immediately cause a dilution of shares, unlike the issuance of shares. In addition, in view of SymBio's current financial conditions, a swift procurement of funds through the Third-Party Allotment is required. In the case the procedure of confirming the intent of shareholders by resolution relative to the Third-Party Allotment at a general shareholders' meeting is adopted, it will take approximately two months to obtain such resolution at an extraordinary general shareholders' meeting and considerable expenses to hold an extraordinary general shareholders' meeting. By comprehensively taking into account the aforementioned circumstances, SymBio has determined to obtain such opinion regarding the necessity and appropriateness of the Third-Party Allotment from a third-party committee that is independent from management to a certain degree.

To this end, SymBio has established a third-party committee (hereinafter, the "Third-Party Committee") consisting of four persons (Wataru Kamoto, an attorney with Hogan Lovells Horitsu Jimusho, who is an outside expert with no interest in SymBio; Takako Ebata, who retired from office of SymBio director due to the expiration of her term of office at the 11th Ordinary General Shareholders' Meeting held on March 30, 2016; Takeshi Masuda, an outside auditor of SymBio; and Chikara Shimazaki, an outside auditor of SymBio and an independent officer who has no conflicts of interest with general shareholders as stipulated by the Tokyo Stock Exchange) who are independent from management to a certain degree. SymBio requested an objective opinion of the Third-Party Committee with regard to the necessity and appropriateness of the Third-Party Allotment and obtained the following written opinion as of March 28, 2016. A summary of the Third-Party Committee's opinion is as follows:

Conclusion of the opinion:

There is no problem with regard to the necessity and appropriateness of the Third-Party Allotment.

Reasons for the above conclusion:

- SymBio's business models essentially require securing new drug candidates in terms of its business strategy. Therefore, funds are necessary for the acquisition of companies who own new drug candidates or the acquisition of rights for new drug candidates and for subsequent research and development, as well as for the research and development of existing developed drugs. There is the necessity of fund procurement.
- Compared to other fund procurement means such as bank loans, the issuance of new shares (by public offering or a third-party allotment) and the issuance only of warrants, no unreasonable issues were found in this fund procurement through the combination of the Bonds with Stock Acquisition Rights and the Warrants.
- The allottee has sufficient investment records, and an investigation by a third-party organization has been conducted including the investors in the allottee.
- The fair value of the Securities was appraised by a time-proven, third-party organization with regard to the appropriateness of the issue price, and no unreasonable issues were found in the process and

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evaluation results thereof.

- Although a considerable dilution of shares would occur due to the Third-Party Allotment, positive effects are expected to surpass the negative ones resulting from the dilution by appropriating the procured funds for the acquisition of companies who own new drug candidates or the acquisition of rights for new drug candidates, which leads to the improvement of SymBio's corporate value.

As a result of its discussion and evaluation in reference to the above written opinion, SymBio resolved to conduct the Third-Party Allotment at the Board of Directors meeting held on April 6, 2016.

*As attorney Wataru Kamoto has had no transactions with SymBio, including any contractual consultancy relationship with SymBio, the independency of the Third-Party Committee is ensured.

10. Business performance and equity finances for the most recent three years

(1) Operating results for the past three years

Settlement term	Year ended December 2013	Year ended December 2014	Year ended December 2015
Net sales (Thousands of yen)	1,532,054	1,955,027	1,933,241
Operating income (Thousands of yen)	(1,680,528)	(1,303,279)	(2,551,662)
Ordinary income (Thousands of yen)	(1,601,424)	(1,110,316)	(2,630,386)
Net income (Thousands of yen)	(1,605,224)	(1,115,877)	(2,632,095)
Net income per share (Yen)	(69.29)	(36.26)	(81.26)
Dividends per share (Yen)	—	—	—
Net assets per share (Yen)	239.48	208.80	127.56

(2) Number of issued shares and residual securities (As of March 31, 2016)

	Number of shares	Percentage relative to the number of issued shares
Number of issued shares	32,390,923	100%
Number of residual securities at the conversion price (exercise price) at present	5,989,000	18.49%
Number of residual securities at the lower-limit of the conversion price (exercise price)	—	—
Number of residual securities at the upper-limit of the conversion price (exercise price)	—	—

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(3) Recent stock prices

1) For the most recent three years

	Year ended December 2013	Year ended December 2014	Year ended December 2015
Opening price	¥305	¥385	¥357
Highest price	¥1,580	¥430	¥408
Lowest price	¥299	¥191	¥171
Closing price	¥380	¥357	¥232

2) For the most recent six months

	November	December	January	February	March	April
Opening price	¥211	¥203	¥242	¥190	¥194	¥217
Highest price	¥222	¥302	¥249	¥246	¥241	¥221
Lowest price	¥190	¥177	¥168	¥170	¥194	¥206
Closing price	¥201	¥232	¥187	¥198	¥220	¥211

3) Stock prices on the business day immediately preceding the date of resolution at the Board of Directors meeting relative to said issuance

	April 5, 2016
Opening price	¥219
Highest price	¥221
Lowest price	¥208
Closing price	¥211

(4) Equity finances for the most recent three years

• Issuance of the 2nd unsecured bonds with convertible bond type stock acquisition rights by third-party allotment

Due date of payment	December 1, 2014
Amount of funding	¥500,000,000
Conversion price	¥300 per share
Number of issued shares at the time of subscription	30,724,257
Allottee	Oak Capital Corporation
Number of residual securities due to the subscription	1,666,666
Conversion status at present	Number of converted shares: 1,666,666 (All the bonds with stock acquisition rights have been converted.)
Initial use of funds at the time of issuance	Expenses involved in the introduction of new drug candidates

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Planned timing for disbursement at the time of issuance	From December 2014, as needed
Appropriation status at present	The funds have been fully appropriated according to the initial uses of funds.

• Issuance of the 34th stock acquisition rights by third-party allotment

Date of allotment	December 1, 2014
Number of stock acquisition rights issued	3,030,400
Issue price	Total of ¥10,363,968 (¥342 per stock acquisition right)
Planned amount of funding at the time of issuance	¥1,010,395,968 (Breakdown) Portion from the issuance of stock acquisition rights: ¥10,363,968 Portion from the exercise of stock acquisition rights: ¥1,000,032,000
Allottee	Oak Capital Corporation
Number of issued shares at the time of subscription	30,724,257
Number of residual securities due to the subscription	3,030,400
Exercise status at present	Number of exercised shares: - shares
Procured funds at present	¥10 million
Initial use of funds at the time of issuance	Expenses involved in the introduction of new drug candidates
Planned timing for disbursement at the time of issuance	From December 2014, as needed
Appropriation status at present	The funds procured at present have been fully appropriated according to the initial uses of funds.

• Capital increase by public offering

Due date of payment	December 4, 2013
Amount of funding	¥2,688,080,000
Issue price	¥400
Number of issued shares at the time of subscription	23,052,157
Number of shares issued from the subscription	6,720,200
Number of issued shares after the subscription	29,772,357
Initial use of funds at the time of issuance	1) Expenses required for the development of SyB L-1101 for the treatment of refractory/relapsed MDS

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	2) Expenses required for the development of SyB C-1101 for the treatment of frontline MDS 3) Expenses required for the extension of indications of SyB L/C-1101 other than MDS, as well as milestone payments
Planned timing for disbursement at the time of issuance	From January 2014, as needed
Appropriation status at this time	The funds have been appropriated according to the initial uses of funds.

• Capital increase by third-party allotment (sale through over-allotment)

Due date of payment	December 25, 2013
Amount of funding	¥344,760,000
Issue price	¥400
Number of issued shares at the time of subscription	29,772,357
Number of shares issued from the subscription	861,900
Number of issued shares after the subscription	30,634,257
Allottee	SMBC Nikko Securities Inc.
Initial use of funds at the time of issuance	1) Expenses required for the development of SyB L-1101 for the treatment of refractory/relapsed MDS 2) Expenses required for the development of SyB C-1101 for the treatment of frontline MDS 3) Expenses required for the extension of indications of SyB L/C-1101 other than MDS, as well as milestone payments
Planned timing for disbursement at the time of issuance	From January 2014, as needed
Appropriation status at present	The funds have been appropriated according to the initial uses of funds.

[Contact]

Investor Relations

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End

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**Terms and Conditions for the Issuance of SymBio Pharmaceuticals Limited's
3rd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights**

These terms and conditions shall apply to the 3rd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights of SymBio Pharmaceuticals Limited (hereinafter "**SymBio**") to be issued on April 22, 2016 by resolution of the Board of Directors held on April 6, 2016.

1. Designation of the bonds for subscription

SymBio Pharmaceuticals Limited's 3rd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights (hereinafter, the "**Bonds with Stock Acquisition Rights**," of which the bonds shall be the "**Bonds**," the stock acquisition rights shall be the "**Warrants**.")

2. Total amount of bonds for subscription

¥3,000 million (total par-value of ¥3,000 million)

3. Par-value of each bond certificate for subscription

One type of ¥75,000,000

4. Amount to be paid for each bond for subscription

¥75,000,000 (¥100 per par-value of ¥100)

5. Amount to be paid for each stock acquisition right

No payment of money is required in exchange for the Warrants.

6. Certificates of the Bonds with Stock Acquisition Rights

Bond certificates or instruments for stock acquisition rights shall not be issued relative to the Bonds with Stock Acquisition Rights.

Neither the Bonds portion nor the Warrants portion of the Bonds with Stock Acquisition Rights can be separately transferred in accordance with Article 254, Paragraphs 2 and 3, of the Companies Act.

7. Interest rate for bonds

The Bonds do not bear interest.

8. Deadline for application

April 22, 2016

9. Location for handling applications

Legal Affairs & Global Alliance Management, SymBio Pharmaceuticals Limited
3-2-2, Toranomon, Minato-ku, Tokyo

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10. Due date of payment of the Bonds

April 22, 2016

11. Date of allotment for the Warrants

April 22, 2016

12. Method for subscription

All the Bonds with Stock Acquisition Rights shall be allotted to Whiz Healthcare Japan 2.0 Investment Limited Partnership (the “**allottee**”) via third-party allotment.

13. Secured mortgage and guarantee

No secured mortgage or guarantee is provided for the Bonds with Stock Acquisition Rights. There are no assets especially reserved for the Bonds with Stock Acquisition Rights.

14. Non-establishment of bond managers

As the Bonds with Stock Acquisition Rights meet the requirements as stipulated in the provisos of Article 702 of the Companies Act and Article 169 of the Ordinance for Enforcement of the Companies Act, bond managers shall not be established.

15. Special contract regarding financial matters

(1) Negative pledge clause

If SymBio has a security interest placed on other bonds with convertible bond type stock acquisition rights (the “Bond with Share Options,” as set forth in Article 2, Item 22 of the Companies Act, meaning any bonds with attached stock acquisition rights that have such bonds relative to said stock acquisition rights as their objective of investment in accordance with Article 236, Paragraph 1, Item 3 of the Companies Act) that will be issued domestically after the issuance of the Bonds with Stock Acquisition Rights in accordance with the Secured Bonds Trust Act, SymBio shall have a security interest of the same rank placed in the order of priority relative to the Bonds with Stock Acquisition Rights in accordance with the above Act as long as an outstanding balance for redemption remains regarding the Bonds. If SymBio has a security interest placed on the Bonds with Stock Acquisition Rights, SymBio shall complete the necessary procedures such as procedures for registration of the establishment of a security interest and publicly announce the establishment of said security interest in accordance with Article 41, Paragraph 4 of the Secured Bonds Trust Act.

(2) Other provisions

No other special contracts regarding financial matters such as a pledge transfer clause cover the Bonds with Stock Acquisition Rights.

16. Method for the redemption of bonds

- (1) The Bonds shall be redeemed on April 22, 2019 (hereinafter, the “**Term of Redemption**”), for the entire amount at the rate of ¥100 per par-value of ¥100.

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- (2) During the period from April 23, 2016 to April 19, 2019, SymBio may, at its discretion, make an advanced redemption of all or part of the remaining Bonds with Stock Acquisition Rights with the bondholders of the Bonds with Stock Acquisition Rights (the “**Bondholders**”) at the amounts resulting from multiplying their par-value amounts by the ratios described below on the date of the advanced redemption by sending an advance notice, which should be given during a period not less than one month prior to the date of the redemption, which shall be before the Term of Redemption.
 - 1) From April 23, 2016 to April 22, 2017: 100.5%
 - 2) From April 23, 2017 to April 22, 2018: 101.0%
 - 3) From April 23, 2018 to April 19, 2019: 101.5%
- (3) After the issuance of the Bonds with Stock Acquisition Rights, during the period up to April 22, 2018, the Bondholders shall have a right to request that SymBio, at the Bondholders’ discretion, make an advanced redemption of all or part of the Bonds with Stock Acquisition Rights held at the amounts resulting from multiplying their par-value amounts by 110.0% on the date of the advanced redemption by sending an advance notice, which should be given no later than 15 business days prior to the date of the redemption.
- (4) In the case the date for redemption of the Bonds with Stock Acquisition Rights based on this Paragraph falls on a bank holiday, the redemption date shall be the bank business day immediately preceding the bank holiday.

17. Special contract regarding the forfeiture of the benefit of time

SymBio shall lose the benefit of time for the Bonds upon each of the following cases. In the case SymBio has lost the benefit of time for the Bonds, it shall immediately notify the Bondholders to this effect.

- (1) In the case SymBio violates any provision in Paragraph 15 Item (1) or Paragraph 16 of these terms and conditions with regard to any of the Bonds, and is unable to remedy them within 30 days;
- (2) In the case SymBio has lost the benefit of time for bonds other than the Bonds or is unable to compensate for them although their term has become due;
- (3) In the case SymBio has lost the benefit of time for any debt obligation other than the Bonds, or SymBio cannot perform a guarantee obligation with regard to any bonds other than SymBio’s or other debt obligations for which SymBio has guaranteed, although said obligation has become enforceable. Provided, however, that this provision shall not apply to the case where the total sum (after conversion into Japanese yen) of said obligation does not exceed ¥100 million;
- (4) In the case SymBio has filed a petition for commencing the procedures of bankruptcy, civil rehabilitation, corporate reorganization or special liquidation of SymBio, or SymBio’s Board of Directors has passed a resolution for dissolution (excluding the case of an incorporation-type merger or an absorption-type merger, via which the obligations related to the Bonds with Stock Acquisition Rights are succeeded by the resulting new company or surviving company, thereby not harming the interests of the Bondholders);
- (5) In the case SymBio is subject to a determination commencing the procedures of its bankruptcy, civil rehabilitation or corporate reorganization, or an order for commencing the procedures of its special liquidation; or
- (6) In the case a compulsory execution, provisional seizure or provisional settlement has been issued on the

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assets indispensable for Symbio’s business operation, a petition for auction (including public sales) has been filed for such assets or such assets have been seized to pay a delinquent debt, or other facts have occurred that result in significant damage to the credibility of Symbio.

18. Number of the stock acquisition rights attached to the Bonds

One Warrant shall be attached to each Bond, and a total of 40 Warrants shall be issued.

19. Details of the Warrants

(1) Class and number of shares underlying the Warrants and the calculation method for the number

The class of shares underlying the Warrants shall be common shares of Symbio. The number of Symbio’s common shares to be newly issued or those held by Symbio to be disposed of instead of such issuance at the exercise request of the Warrants (hereinafter, such issuance or disposal of Symbio’s common shares shall be referred to as “**delivery**”) shall be the largest integer quotient of the total amount to be paid for the Bonds relative to the Warrants subject to the exercise request, divided by the conversion price stated in Item (3) of this Paragraph (such conversion price shall be the conversion price after adjustment in the case the conversion price is adjusted in accordance with Items (4) to (8) of this Paragraph). Provided, however, that fractions less than one share resulting from the exercise shall be truncated and no adjustment with cash shall be made.

(2) Description and value of the property contributed in exercising the Warrants

The property contributed when a Warrant is exercised shall be the Bonds relative to said Warrants. The value of the Bonds shall be equal to the amount paid in relative to said Bonds.

(3) Conversion Price

The per-share value (hereinafter, the “**Conversion Price**”) used in calculating the number of Symbio’s common shares to be delivered through the exercise of each Warrant shall be ¥211.

(4) Adjustment of the Conversion Price

In the case the number of issued common shares of Symbio changes or could change by reason of any event as stipulated in Item (5) of this Paragraph after Symbio has issued the Bonds with Stock Acquisition Rights, Symbio shall adjust the Conversion Price in accordance with the following equation (hereinafter, the “**Conversion Price Adjustment Formula**”).

$$\begin{array}{rcl}
 \text{Conversion Price after adjustment} & = & \text{Conversion Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of delivered shares} \times \text{Amount to be paid per share}}{\text{Market price}}}{\text{Number of shares already issued} + \text{Number of delivered shares}}
 \end{array}$$

(5) The cases in which the Conversion Price is adjusted according to the Conversion Price Adjustment Formula and the timing for applying the Conversion Price after adjustment shall be as set forth below.

1) If common shares are delivered at an amount to be paid lower than the market price (set forth in Item

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(7), 2) of this Paragraph): (except for the cases of (i) the delivery of Symbio's common shares in exchange for acquisition of the shares subject to call and shares with a put option, which are issued by Symbio, or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights), or (ii) the delivery of Symbio's common shares by the conversion, exchange or exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights), other instruments or rights that allow a request for delivery of Symbio's common shares); the Conversion Price after adjustment shall apply on and after the day following the due date of payment (such date shall be the last day of the payment period for subscription if such a period for subscription is established: hereinafter, the same shall apply) or on and after the day following the reference date for delivery if such a reference date for delivery is established.

- 2) If Symbio's common shares are newly issued through a stock split of Symbio's common shares or a gratis allotment of Symbio's common shares;

the Conversion Price after adjustment shall apply on and after the day following the reference date for the stock split or on and after the day following the effective date of the gratis allotment of Symbio's common shares. Provided, however, if a reference date for granting the right to receive the gratis allotment of Symbio's common shareholdings is established, the Conversion Price after adjustment shall apply on and after the day following said reference date.

- 3) If any instruments, which are acquired by Symbio or with which the acquisition of Symbio's common shares by Symbio may be requested, in exchange for the delivery of Symbio's common shares at a price lower than the market price (set forth in Item (7), 2) of this Paragraph), or stock acquisition rights or bonds with stock acquisition rights with which the delivery of Symbio's common shares may be requested, are issued (including gratis allotment);

the Conversion Price after adjustment shall be calculated by applying the Conversion Price Adjustment Formula on the assumption that all the issued shares, stock acquisition rights (including those attached to bonds with stock acquisition rights) and other instruments or rights, with which the acquisition of Symbio's common shares by Symbio may be requested, (hereinafter collectively the "**Shares, etc. with a Put Option**") are converted, exchanged or exercised under the initial conditions, thereby resulting in the delivery of Symbio's common shares. The Conversion Price after adjustment shall apply on and after the day following the due date of payment of Shares, etc., with a Put Option (the date of allotment if the stock acquisition rights are issued free of charge) or on and after the day following the reference date for granting the right to receive the gratis allotment to shareholders if such a reference date is established (the effective date if such a reference date is not established).

Notwithstanding the above, if the substantial consideration for Symbio's common shares delivered by conversion, exchange or execution of the Shares, etc., with a Put Option has not been determined at the time of issuance of such Shares, etc., with a Put Option, the Conversion Price after adjustment shall be calculated applying the Conversion Price Adjustment Formula mutatis mutandis on the assumption that all the Shares, etc., with a Put Option are converted, exchanged or exercised under the conditions at that time when such substantial consideration is determined, thereby resulting in the delivery of Symbio's common shares, and be applied on and after the day following the day when such substantial consideration is determined.

- 4) Regarding the respective transactions described in 1) through 3) of this Item, if a reference date for granting a right to receive the allotment to Symbio's common shareholders is established and the

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effectuation of the allotment is subject to approval at a general shareholders' meeting, a Board of Directors meeting or by any other relevant SymBio body on and after said reference date, the Conversion Price after adjustment shall apply on and after the day following the day when said approval is given.

In this case, according to the following calculation method, SymBio's common shares shall be delivered to right holders of the stock acquisition rights who exercised the Warrants during the period from the date following the reference date to the day when said transaction was approved. In this case, fractions less than one share shall be truncated and no adjustment with cash shall be made. However, the provision in Item (17) of this Paragraph shall apply mutatis mutandis to the delivery of shares.

$$\text{Number of shares} = \frac{(\text{Conversion Price before adjustment} - \text{Conversion Price after adjustment}) \times \text{Number of shares delivered at the Conversion Price before adjustment within the applicable period}}{\text{Conversion Price after adjustment}}$$

- (6) If the difference between the Conversion Price after adjustment and the Conversion Price before adjustment, both of which have been calculated according to the Conversion Price Adjustment Formula, remains below one (1) yen, the Conversion Price shall not be adjusted. Provided, however, that if SymBio adjusts the Conversion Price for any reason requiring such an adjustment thereafter, SymBio shall use a value that deducts the aforementioned difference from the Conversion Price before adjustment instead of the Conversion Price before adjustment in the Conversion Price Adjustment Formula.
- (7) 1) Regarding the calculation using the Conversion Price Adjustment Formula, the numbers below one yen shall be calculated to a second decimal place with the resulting numbers rounded off to the first decimal place.
- 2) The market price used in the Conversion Price Adjustment Formula shall be the average value of the closing prices of SymBio's common shares for regular transactions at Tokyo Stock Exchange over 30 transaction days (excluding the days without a closing price and including indicative prices displayed) that start from the 45th transaction day prior to the day when the Conversion Price after adjustment is first applied. In this case, regarding the calculation of the average value, the numbers below one yen shall be calculated to a second decimal place with the resulting numbers rounded off to the first decimal place.
- 3) The number of common shares already issued, which is used in the Conversion Price Adjustment Formula, shall be the difference after deducting from the number of issued common shares of SymBio the number of SymBio's common shares held thereby on the reference date of allotment for shareholders if it is established, or if not established, the day one month prior to the day when the Conversion Price after adjustment is first applied.
- (8) Except for cases that require an adjustment of the Conversion Price set forth in Item (5) of this Paragraph, SymBio may adjust the Conversion Price in the following cases, as required, through discussions with the Bondholders upon approval thereof.
- 1) When an adjustment of the Conversion Price becomes necessary due to consolidation of shares, a capital reduction, a merger; an incorporation-type company split as set forth in Article 762,

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- Paragraph 1 of the Companies Act; an absorption-type company split as set forth in Article 757 of the Companies Act, a share exchange or a share transfer;
- 2) When an adjustment of the Conversion Price becomes necessary because any other event that causes or might possibly cause a change to the number of issued common shares of SymBio has occurred;
 - 3) When an adjustment of the Conversion Price becomes necessary for the gratis allotment of shares of other classes to SymBio's common shareholders; and/or
 - 4) If several events that require the adjustment of the Conversion Price have occurred at extremely short intervals, in considering the market price that should be used in calculating the Conversion Price after adjustment associated with or resulting from one cause, it is necessary to take into account the effects attributable to the other cause.
- (9) In the case of an adjustment of the Conversion Price pursuant to Items (4) through (8) of this Paragraph, SymBio shall inform, in advance, the Bondholders in writing of the intent and reason(s) of such adjustment, the Conversion Price before adjustment, the Conversion Price after adjustment, the commencement date to apply the Conversion Price after adjustment and other necessary matters by the day immediately preceding the date of the commencement date for application. Provided, however, that if SymBio cannot inform the aforementioned information by the day immediately preceding the date of said commencement date for application, SymBio shall inform promptly on and after the commencement date for application.
- (10) Period during which the Warrants can be exercised
The Warrants can be exercised at any time during the period from April 23, 2016, through April 19, 2019. The exercisable period shall be 1) up to the bank business day preceding the date of redemption if SymBio, at its discretion, conducts an advanced redemption for the Bonds with Stock Acquisition Rights; 2) up to the time when the benefit of time is forfeited if SymBio has lost the benefit of time regarding the Bonds with Stock Acquisition Rights; or 3) up to the bank business day preceding the date of redemption if an advanced redemption is conducted for the Bonds with Stock Acquisition Rights at the discretion of the Bondholders. In all three cases above, the Warrants are not to be exercised on and after April 20, 2019.
- (11) Other conditions for exercising the Warrants
Partial exercise of each Warrant shall not be permitted.
- (12) Cause and conditions for acquisition of the Warrants
The cause and conditions for acquisition of the Warrants shall not be stipulated.
- (13) Issue price of shares and the amount to be contributed to capital stock in the event of share issuance through the exercise of the stock acquisition rights
- 1) Per-share issue price when shares are issued by exercising the stock acquisition rights
The issue price for a common share of SymBio issued through the exercise of the Warrants is the amount resulting from dividing the total amount to be paid for the Bonds relative to the exercise of the Warrants by the number of shares described in Item (1) of this Paragraph.
 - 2) Increase in capital stock and legal capital surplus in the case of the issuance of new shares

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through the exercise of the stock acquisition rights

In the event of share issuance by exercising the Warrants, the amount to be contributed to capital stock shall be half the upper limit of an increase in capital stock and legal capital surplus calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules, with any fractions less than one yen resulting from such calculation rounded up. The increase in legal capital surplus in the event of share issuance by exercising the Warrants shall be the amount deducting the amount to be contributed to capital stock from the upper limit of an increase in capital stock and legal capital surplus.

(14) Reason for not requiring payment of money in exchange for the Warrants and reason for the calculation of the conversion price

The Warrants are attached to bonds with convertible bond type stock acquisition rights. The payment of money in exchange for the Warrants was determined not necessary by taking into account the facts that the Warrants cannot be transferred separately from the Bonds; the Bonds are contributed regarding said Warrants in exercising the Warrants; the fact that the Bonds and the Warrants are closely involved with each other; as well as various conditions stipulated in these terms and conditions and the contract to be concluded with the allottee; the results of appraisal related to the stock acquisition rights in the evaluation report by an independent third party organization using the Monte Carlo simulation method, a commonly used price calculation model for stock options and the like; and the economic value that SymBio might obtain subject to other conditions for issuance such as interest rate, advanced redemption and issue price for the Bonds. The initial conversion price was determined to be ¥211.

(15) Method for the Exercise Request of stock acquisition rights

When making Exercise Request of the Warrants, the Bondholder shall use a written Exercise Request form specified by SymBio, stating the Bond with Stock Acquisition Rights relating to the Warrants intended for Exercise Request, the date when the request was made and affixing his/her signature and seal thereon. The written Exercise Request then must be submitted to the Exercise Request location, which is described in Item (18) of this Paragraph, during the exercisable period in Item (10) of this Paragraph.

(16) Effective date for the Exercise Request of stock acquisition rights

The Exercise Request shall become effective on the day all the documents necessary for the Exercise Request have reached the Exercise Request location, which is described in Item (18) of this Paragraph.

(17) Method to deliver shares

SymBio shall, after the Exercise Request of the Warrants has become effective, promptly notify the information that needs to be newly recorded with regard to SymBio's common shares delivered by exercising the Warrants to the book-entry transfer institution that handles SymBio's common shares, pursuant to Article 130, Paragraph 1 of the Act on Book-Entry of Company Bonds, Shares, etc. and other related laws and regulations.

(18) Exercise Request location for the Warrants

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Legal Affairs & Global Alliance Management, SymBio Pharmaceuticals Limited
3-2-2, Toranomom, Minato-ku, Tokyo, Japan

20. Clerical administrator for payment of redemption money (Location for payment of redemption money)
Yotsuya Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

21. Method of public notice to the Bondholders

Public notices to the Bondholders shall be made with the method specified in the Articles of Incorporation of SymBio. Provided, however, that unless otherwise stipulated by laws and regulations, any notices may be directly sent in writing to each Bondholder in place of a public notice.

22. Matters regarding a bondholders' meeting

- (1) A bondholders' meeting for the Bonds shall be convened by SymBio, and public notice shall be made to inform bondholders of the intent of holding such a meeting and the matters specified by the respective Items of Article 719 of the Companies Act at least three weeks before the intended date of holding the meeting.
- (2) A bondholders' meeting for the Bonds shall be held in the Tokyo metropolitan area.
- (3) A Bondholder who holds not less than one-tenth (1/10) of the total amount of the Bonds (excluding the already redeemed amount) may request that SymBio convene a bondholders' meeting by submitting to SymBio a written document that includes such matters as the meeting's objective and the reason for convening the same.

23. Bearing of costs

The following expenses shall be borne by SymBio.

- (1) Expenses relating to the public notice set forth in Paragraph 21.
- (2) Expenses relating to the bondholders' meeting set forth in Paragraph 22.

24. Restriction on transfer

The transfer of the Bonds with Stock Acquisition Rights shall require approval of SymBio's Board of Directors.

25. Others

- (1) Other necessary matters regarding the issuance of the Bonds with Stock Acquisition Rights shall be entirely entrusted to the Representative Director and President of SymBio.
- (2) The issuance of the Bonds with Stock Acquisition Rights shall be on the condition that the notification in accordance with the Financial Instruments and Exchange Act becomes effective.
- (3) In the case any measure becomes necessary to be taken including the provisions of these terms and conditions, of which terms should be replaced, for example, due to revisions to the Companies Act and other laws, SymBio shall take such necessary measures.

End

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**Terms and Conditions for the Issuance of
SymBio Pharmaceuticals Limited’s 39th Stock Acquisition Rights**

These terms and conditions shall apply to the 39th Stock Acquisition Rights of SymBio Pharmaceuticals Limited (hereinafter, “SymBio”) to be issued on April 22, 2016 by resolution of the Board of Directors held on April 6, 2016.

1. Designation of the stock acquisition rights

SymBio Pharmaceuticals Limited’s 39th Stock Acquisition Rights (hereinafter, the “**Warrants**”)

2. Class and number of shares underlying the Warrants

- (1) The class of shares underlying the Warrants shall be common shares of SymBio. The total number thereof shall be 4,472,000. (The number of SymBio’s common shares to be newly issued or those held by SymBio to be disposed of instead of such issuance at the exercise request of each Warrant (hereinafter, such issuance or disposal of SymBio’s common shares shall be referred to as “**delivery**” and the number of such shares to be delivered shall be called the “**Number of Delivered Shares**”) shall be 43,000.)

Provided, however, that in the case the Number of Delivered Shares is adjusted in accordance with Items (2) to (4) of this Paragraph, the total number of underlying shares for the Warrants shall be adjusted based on the Number of Delivered Shares after adjustment.

- (2) If SymBio adjusts the exercise price (defined in Paragraph 10, Item (2) below) in accordance with Paragraphs 11 and 12, the Number of Delivered Shares shall be adjusted in accordance with the following equation. Provided, however, that fractions less than one share resulting from the adjustment shall be truncated.

$$\begin{array}{l} \text{Number of} \\ \text{Delivered Shares} \\ \text{after adjustment} \end{array} = \frac{\text{Number of Delivered Shares before adjustment} \times \text{Exercise price before adjustment}}{\text{Exercise price after adjustment}}$$

The exercise prices before and after adjustment in the above equation shall be equal to the exercise prices before and after adjustment, respectively, stated in Paragraphs 11 and 12 below.

- (3) The commencement date to apply the Number of Delivered Shares after adjustment shall be the same day to begin applying the exercise price after adjustment stipulated in Paragraphs 12 and 15 below according to each reason of said adjustment.
- (4) If the Number of Delivered Shares is adjusted, SymBio shall inform the right holders to the Warrants in writing of the intent and reason(s) of such adjustment, the Number of Delivered Shares before adjustment, the Number of Delivered Shares after adjustment, the commencement date to apply the Number of Delivered Shares after adjustment and other necessary matters by the day immediately preceding the date of said commencement date for application. Provided, however, that if the aforementioned information cannot be provided by the day immediately preceding the date of said

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acquisition of the shares subject to call and shares with a put option, which are issued by SymBio, or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights), or (ii) the delivery of SymBio's common shares by the conversion, exchange or exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights), other instruments or rights that allow a request for delivery of SymBio's common shares);

the Exercise Price after adjustment shall apply on and after the day following the due date of payment (such date shall be the last day of the payment period for subscription if such a period for subscription is established: hereinafter, the same shall apply) or on and after the day following the reference date for delivery if such a reference date for delivery is established.

- (2) If SymBio's common shares are newly issued through a stock split of SymBio's common shares or a gratis allotment of SymBio's common shares;

the Exercise Price after adjustment shall apply on and after the day following the reference date for the stock split or on and after the day following the effective date of the gratis allotment of SymBio's common shares. Provided, however, if a reference date for granting the right to receive the gratis allotment of SymBio's common shareholders is established, the Exercise Price after adjustment shall apply on and after the day following said reference date.

- (3) If any instruments, which are acquired by SymBio or with which the acquisition of SymBio's common shares by SymBio may be requested, in exchange for the delivery of SymBio's common shares at a price lower than the market price (set forth in Item (2) of Paragraph 14), or stock acquisition rights or bonds with stock acquisition rights with which the delivery of SymBio's common shares may be requested, are issued (including gratis allotment);

the Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula on the assumption that all the issued shares, stock acquisition rights (including those attached to bonds with stock acquisition rights) and other instruments or rights, with which the acquisition of SymBio's common shares by SymBio may be requested, (hereinafter collectively the "**Shares, etc. with a Put Option**") are converted, exchanged or exercised under the initial conditions, thereby resulting in the delivery of SymBio's common shares. The Exercise Price after adjustment shall apply on and after the day following the due date of payment of Shares, etc., with a Put Option (the date of allotment if the stock acquisition rights are issued free of charge) or on and after the day following the reference date for granting the right to receive the gratis allotment to shareholders if such a reference date is established (the effective date if such a reference date is not established).

Notwithstanding the above, if the substantial consideration for SymBio's common shares delivered by conversion, exchange or execution of the Shares, etc., with a Put Option has not been determined at the time of issuance of such Shares, etc., with a Put Option, the Exercise Price after adjustment shall be calculated applying the Exercise Price Adjustment Formula mutatis mutandis on the assumption that all the Shares, etc., with a Put Option are converted, exchanged or exercised under the conditions at that time when such substantial consideration is determined, thereby resulting in the delivery of SymBio's common shares, and be applied on and after the day following the day when such a substantial

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consideration is determined.

- (4) Regarding the respective transactions described in Item (1) through (3) of this Paragraph, if a reference date for granting a right to receive the allotment to SymBio's common shareholders is established and effectuation of the allotment is subject to approval at a general shareholders' meeting, a Board of Directors meeting or by any other relevant SymBio body on and after said reference date, the Exercise Price after adjustment shall apply on and after the day following the day when said approval is given.

In this case, according to the following calculation method, SymBio's common shares shall be delivered to right holders of the stock acquisition rights who exercised the Warrants during the period from the date following the reference date to the day when said transaction was approved. In this case, fractions less than one share shall be truncated and no adjustment with cash shall be made. However, the provision in Item (4) of Paragraph 24 shall apply mutatis mutandis to the delivery of shares.

$$\text{Number of shares} = \frac{(\text{Exercise Price before adjustment} - \text{Exercise Price after adjustment}) \times \text{Number of shares delivered at the Exercise Price before adjustment within the applicable period}}{\text{Exercise Price after adjustment}}$$

13. If the difference between the Exercise Price after adjustment and the Exercise Price before adjustment, both of which have been calculated according to the Exercise Price Adjustment Formula, remains below one (1) yen, the Exercise Price shall not be adjusted. Provided, however, that if SymBio adjusts the Exercise Price for any reason requiring such an adjustment thereafter, SymBio shall use the value that deducts the aforementioned difference from the Exercise Price before adjustment instead of the Exercise Price before adjustment in the Exercise Price Adjustment Formula.
14. (1) Regarding the calculation using the Exercise Price Adjustment Formula, the numbers below one yen shall be calculated to a second decimal place with the resulting numbers rounded off to the first decimal place.
- (2) The market price used in the Exercise Price Adjustment Formula shall be the average value of the closing prices of SymBio's common shares for regular transactions at the Tokyo Stock Exchange over 30 transaction days (excluding the days without a closing price and including indicative prices displayed) that start from the 45th transaction day prior to the day when the Exercise Price after adjustment is first applied. In this case, regarding the calculation of the average value, the numbers below one yen shall be calculated to a second decimal place with the resulting numbers rounded off to the first decimal place.
- (3) The number of common shares already issued, which is used in the Exercise Price Adjustment Formula, shall be the difference after deducting from the number of issued common shares of SymBio the number of SymBio's common shares held thereby on the reference date of allotment for shareholders if it is established, or if not established, the day one month prior to the day when the Exercise Price after adjustment is first applied.
15. Except for cases that require an adjustment of the Exercise Price set forth in Paragraph 12, SymBio may

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adjust the Exercise Price in the following cases, as required, through discussions with the right holders (which refer to the persons who hold the Warrants, hereinafter the same applies) upon approval thereof.

- (1) When an adjustment of the Exercise Price becomes necessary due to consolidation of shares, a capital reduction, a merger; an incorporation-type company split as set forth in Article 762, Paragraph 1 of the Companies Act; an absorption-type company split as set forth in Article 757 of the Companies Act, a share exchange or a share transfer;
 - (2) When an adjustment of the Exercise Price becomes necessary because any other event that causes or might possibly cause a change to the number of issued common shares of SymBio has occurred;
 - (3) When an adjustment of the Exercise Price becomes necessary for the gratis allotment of shares of other classes to SymBio's common shareholders; and/or
 - (4) If several events that require the adjustment of the Exercise Price have occurred at extremely short intervals, in considering the market price that should be used in calculating the Exercise Price after adjustment associated with or resulting from one cause, it is necessary to take into account the effects attributable to the other cause.
16. In the case of an adjustment of the Exercise Price pursuant to Paragraphs 11 through 15 of this paragraph, SymBio shall inform, in advance, the right holders in writing of the intent and reason(s) of such adjustment, the Exercise Price before adjustment, the Exercise Price after adjustment, the commencement date to apply the Exercise Price after adjustment and other necessary matters by the day immediately preceding the date of the commencement date for application. Provided, however, that if SymBio cannot inform the aforementioned information by the day immediately preceding the date of said commencement date for application, SymBio shall inform promptly on and after the commencement date for application.
17. Exercisable period for the Warrants
- The period during which the Warrants can be exercised shall be from April 23, 2016 to April 22, 2021.
- Provided, however, that if SymBio acquires the Warrants pursuant to Paragraph 19, such exercisable period shall be until one week before the date of acquisition designated by a notice or public notice of said acquisition.
18. Other conditions for exercising the Warrants
- Partial exercise of each Warrant shall not be permitted.
19. Reasons and conditions for acquiring the Warrants
- (1) If the day of acquiring the Warrants is determined by SymBio's Board of Directors, SymBio may acquire all of the Warrants remaining on the date of acquisition designated by giving a notice or a public notice two weeks in advance pursuant to the provisions of Article 273, Paragraphs 2 and 3 of the

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Companies Act, for the same amount as the amount to be paid for each Warrant.

- (2) If a merger contract with SymBio being an extinct company, an absorption-type company split contract or incorporation-type company split plan with SymBio being a splitting company or a share exchange contract or share transfer plan in which SymBio becomes a wholly owned subsidiary of another company is approved by resolution of SymBio's general shareholders' meeting (or the Board of Directors if such meeting's resolution is not required), SymBio may acquire, by giving a notice or a public notice pursuant to the provisions of Article 273, Paragraphs 2 and 3 of the Companies Act, all of the Warrants remaining on the date otherwise specified by SymBio's Board of Directors, for the same amount as the amount to be paid for each Warrant.

20. Restriction on transfer of stock acquisition rights

The transfer of the Warrants shall require approval of SymBio's Board of Directors.

21. Issuance of instruments for stock acquisition rights

SymBio shall not issue instruments for stock acquisition rights relative to the Warrants.

22. Increase in capital stock and legal capital surplus in the case of the issuance of new shares through the exercise of the Warrants

- (1) In the event of share issuance by exercising the Warrants, the amount to be contributed to capital stock shall be half the upper limit of an increase in capital stock and legal capital surplus calculated in accordance with Article 17 of the Corporate Accounting Rules, with any fractions less than one yen resulting from such calculation rounded up.
- (2) In the event of share issuance by exercising the Warrants, the amount of increase in legal capital surplus shall be the amount after subtracting the amount to be contributed to capital stock stated in Item (1) of this Paragraph from said upper limit of an increase in capital stock and legal capital surplus mentioned in Item (1) of this Paragraph.

23. Basis for calculation of the amount to be paid for the Warrants and the value of the property contributed in exercising the Warrants

The amount to be paid for the Warrants (¥94,000 per Warrant) was determined by taking into account these terms and conditions, the terms and conditions set forth in the contract to be concluded with the allottee, and the results of appraisal in the evaluation report by an independent third-party organization using the Monte Carlo simulation method, a commonly used price calculation model. The value of the property invested in exercising the Warrants shall be as stated in Paragraph 10, with the Exercise Price being equal to 100.0% of the closing price of SymBio's common shares at the Tokyo Stock Exchange on April 5, 2016.

24. Method for the Exercise Request of stock acquisition rights

- (1) A request for the exercise of the Warrants shall be handled at the location set forth in Paragraph 25 (hereinafter the "**Exercise Request Location**").

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- (2) 1) Any right holder of the Warrants who wishes to exercise the Warrants must submit a written Exercise Request, which is specified by SymBio (hereinafter a “**Written Exercise Request**”), to the Exercise Request Location, after filling in necessary items, such as the content and number of the Warrants to be exercised, and affixing his/her signature and seal thereon, during the exercisable period set forth in Paragraph 17.
- 2) Any right holder of the Warrants who wishes to exercise the Warrants shall transfer the entire amount of the money, which is deemed to be the objective of contribution in exercising the Warrants, to the designated account at the place for handling the payment set forth in Paragraph 26 (hereinafter the “**Payment Handling Location**”), in addition to the submission of the Written Exercise Request.
- 3) No one who has submitted the documents necessary for the exercise of the Warrants to the Exercise Request Location may withdraw them without the written approval of SymBio.
- (3) The exercise of the Warrants shall become effective on the day when all the documents necessary for the Exercise Request have reached the Exercise Request Location and the entire amount of the money, which is contributed in exercising the Warrants, has been remitted to the designated account at the Payment Handling Location.
- (4) SymBio shall, after the exercise request of the Warrants has become effective, promptly notify the information that needs to be newly recorded with regard to SymBio’s common shares delivered by exercising the Warrants to the book-entry transfer institution that handles SymBio’s common shares, pursuant to Article 130, Paragraph 1 of the Act on Book-Entry of Company Bonds, Shares, etc. and other related laws and regulations.

25. Exercise Request Location

Legal Affairs & Global Alliance Management, SymBio Pharmaceuticals Limited
3-2-2, Toranomon, Minato-ku, Tokyo

26. Payment Handling Location

Yotsuya Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

27. Others

- (1) Other necessary matters regarding the issuance of the Warrants shall be entirely entrusted to the Representative Director and President of SymBio.
- (2) The issuance of the Warrants shall be on the condition that the notification in accordance with the Financial Instruments and Exchange Act becomes effective.
- (3) In the case any measure becomes necessary to be taken including the provisions of these terms and conditions, of which terms should be replaced, for example, due to revisions to the Companies Act and other laws, SymBio shall take such necessary measures.

End

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