

August 9, 2017  
 Symbio Pharmaceuticals Limited  
 Fuminori Yoshida  
 Representative Director  
 President and Chief Executive Officer  
 (Securities Code: 4582)

### Notice of the Subscription for the 42nd Stock Acquisition Rights by Third-Party Allotment

TOKYO, Japan, August 9, 2017—Symbio Pharmaceuticals Limited (JASDAQ: 4582) (hereinafter “Symbio”) today announced that a resolution was passed at its Board of Directors meeting held on August 9, 2017, to issue the 42nd stock acquisition rights (hereinafter, the “Warrants”) by third-party allotment and to conclude a third-party allotment agreement which includes the following details (hereinafter, the “Warrants Purchase Agreement”) after the notification becomes effective in accordance with the Financial Instruments and Exchange Act.

#### 1. Summary of Subscription

(1) Date of allotment	August 25, 2017
(2) Number of stock acquisition rights issued	88,000 units
(3) Issue price	¥370 per stock acquisition right (total of ¥32,560,000)
(4) Number of residual securities from the issuance	Number of residual securities: 8,800,000 shares There is no maximum exercise price. The minimum exercise price is ¥108, but even at the minimum exercise price, the number of residual securities is 8,800,000 shares.
(5) Amount of funding	¥1,909,560,000 (Estimated net proceeds)
(6) Exercise price and exercise price amendment provisions	Initial exercise price: ¥215 On February 26, 2018 (hereinafter, the “Exercise Price Amendment Date”), the exercise price shall be amended to an amount equivalent to 90% of the closing price of Symbio’s common shares on February 23, 2018, but in the event that the price is below the minimum exercise price, the minimum exercise price shall be the exercise price after amendment. The Warrants are not classified as an MSCB, etc. as defined in Rule 410, Paragraph 1 of the Securities Listing Regulations set forth by the Tokyo Stock Exchange.
(7) Method for subscription or allotment	The rights shall be allotted by third-party allotment.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

(8) Entity planned for the allotment	SBI SECURITIES Co., Ltd.
(9) Exercise period of the Warrants	From August 26, 2017 to August 27, 2018
(10) Others	<p>SymBio intends to conclude the Warrants Purchase Agreement with SBI SECURITIES Co., Ltd. (hereinafter, the “Entity Planned for the Allotment”) after the notification becomes effective in accordance with the Financial Instruments and Exchange Act. In the Warrants Purchase Agreement, the following contents are set forth. The details are as described in “3. Marketability of the Warrants and Reason for Having Chosen the Warrants (1) Marketability of the Warrants.”</p> <ul style="list-style-type: none"> <li>• Exercise Suspension Provisions of the Warrants</li> <li>• Requests relating to the acquisition of the Warrants by the Entity Planned for the Allotment</li> </ul> <p>Furthermore, the Warrants Purchase Agreement stipulates that the approval of SymBio’s Board of Directors is necessary in the event of transfer of the Warrants, and that if the Warrants are transferred, the rights and obligations of the above Entity Planned for the Allotment shall be succeeded by the transferee.</p>

(Note) The amount of funding shall be equal to the sum of the total issue price of the Warrants and the total value of property contributed upon exercise of the Warrants, minus the approximate amount of various issuance-related expenses. Furthermore, the total value of property contributed upon exercise of the Warrants shall be the amount assuming that all of the Warrants are exercised at the initial exercise price. In the event that the exercise price is amended or adjusted, the amount to be funded may increase or decrease. In addition, in the event that the Warrants are not exercised within the exercise period or SymBio cancels the Warrants that it has acquired, the amount to be funded shall decrease.

## 2. Purposes and Reasons for the Subscription

In order to procure funds as described below in “[Funding purposes],” SymBio studied all possible funding means. As described below in “3. Marketability of the Warrants and Reason for Having Chosen the Warrants (2) Reason for having chosen the Warrants [Comparison with other fund procurement means],” while there are various advantages and disadvantages in each means of fund procurement, including capital increase by public offering and MSCB, etc., the scheme described below in “3. Marketability of the Warrants and Reason for Having Chosen the Warrants (1) Marketability of the Warrants” (hereinafter, the “Scheme”), which was proposed by the Entity Planned for the Allotment, has the advantages described below in “3. Marketability of the Warrants and Reason for Having Chosen the Warrants (2) Reason for having chosen the Warrants [Features of the Scheme],” so even after considering the disadvantages described below in “3. Marketability of the Warrants and Reason for Having Chosen the Warrants (2) Reason for having chosen the Warrants [Disadvantages of the Scheme],” SymBio judged that the means of fund procurement that uses the Scheme is the most consistent with SymBio’s fund procurement needs. Therefore, SymBio intends to procure funds by issuing the Warrants.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, SymBio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

[Funding purposes]

1) Business outline, business characteristics, and business model of Symbio

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 U.S. Consequently, many useful and effective new drugs have been provided to medical fields overseas.

Meanwhile, regarding the drug development in these domains, as high degrees of expertise and professionalism are 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 Asia-Pacific countries including Japan.

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 company specializing in the blank medical treatment domains.

Symbio obtained approval for manufacturing and marketing within a short period of only five (5) years from the introduction of TREAKISYM<sup>®</sup> (generic name: bendamustine hydrochloride), the first anticancer product developed by Symbio, and started its sales domestically in December 2010. TREAKISYM<sup>®</sup> has become an essential drug (standard drug) in the treatment of refractory/relapsed low-grade non-Hodgkin's lymphoma (NHL) and mantle cell lymphoma (MCL), the first indications for which approval was obtained. To maximize its therapeutic product value, Symbio accelerated its enhanced development for additional indications and obtained approval for the indication of chronic lymphocytic leukemia (CLL) in August 2016, followed by the approvals for the indications for untreated low-grade NHL (first-line therapy) and mantle cell lymphoma (MCL) in December 2016. Currently, in order to further increase sales of TREAKISYM<sup>®</sup>, Symbio is further reinforcing its marketing collaboration with Eisai Co., Ltd., to achieve maximized market penetration as soon as possible and establish TREAKISYM'S<sup>®</sup> position, especially as a first-line treatment of untreated low-grade non-Hodgkin's lymphoma and mantle cell lymphoma. Concerning refractory/relapsed, aggressive NHL (diffuse large B-cell lymphoma (DLBCL)), Phase II clinical trials have been completed, and in view of the high level of medical need, Symbio is preparing for Phase III clinical trials aimed at adding additional indications, following consultations with the Pharmaceuticals and Medical Devices Agency (PMDA), the Japanese governmental organization with similar function to the Food and Drug Administration (FDA) in the U.S.

In addition, considering that rigosertib (intravenous (IV) form SyB L-1101 and oral form SyB C-1101), an anticancer drug introduced in July 2011, is a mainstay newly developed drug following TREAKISYM<sup>®</sup>, Symbio is promoting development for the treatment of myelodysplastic syndromes (MDS). Concerning rigosertib IV form, Symbio is making progress toward earlier target achievement of patient enrollment in the global Phase III study for higher-risk myelodysplastic syndromes (MDS) patients who do not respond to treatment with hypomethylating agents or who relapse after the treatment under the current standard of care. Symbio will continue to conduct the trial steadily, aiming to file a new drug application for manufacturing and marketing approval as soon as possible. Concerning rigosertib oral form, after Symbio completes Phase I clinical trials in Japan begun in order to confirm the safety of high doses, which was additionally added to Phase II clinical trials being conducted in the U.S. by U.S.-based business partner and licensor Onconova Therapeutics, Inc. (Pennsylvania) ("Onconova") for the first-line therapy of higher-risk MDS patients and

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

refractory/relapsed higher-risk MDS patients, SymBio plans to promptly restart trials for its combined use with azacitidine, and participate in a collaborative Phase III global study planned by Onconova for its use in combination with azacitidine for the first-line therapy of higher-risk MDS patients. Furthermore, details are provided in “Initiation in Japan of the Phase I Clinical Trial of Single-Agent Oral Rigosertib in Higher-Risk Myelodysplastic Syndromes” disclosed on June 30, 2017.

In October 2015, as a new drug candidate in SymBio’s new development domain of pain management, SymBio introduced SyB P-1501 (patient-controlled pain management drug), an iontophoretic transdermal system. This product has already received approval for manufacturing and marketing in Europe and the U.S. In Japan, Phase III clinical trials began in June 2016, the first patient enrollment was completed in November of the same year, and subsequently SymBio continued enrolling patients. Later, however, circumstances arose in which SymBio had concerns as to the continuity of the business of the licensor, The Medicines Company (Headquarters: New Jersey, U.S., “MDCO”) regarding this product, and therefore temporarily suspended new patient enrollment from April 21, 2017, in the best interest of patients. Furthermore, details are provided in “Temporary Suspension of New Patient Enrollment in the Domestic Phase III Clinical Trial of the Patient-controlled Pain Management Drug ‘SyB P-1501’” disclosed on May 11, 2017, and “SEC Filing by The Medicines Company as the Licensor of the Patient-controlled Pain Management Drug ‘SyB P-1501’” disclosed on June 5, 2017. SymBio is continuing to discuss with MDCO the effects of MDCO’s decision, to discontinue and withdraw IONSYS® from the United States market, in particular on the SyB P-1501 clinical trial and commercialization in Japan. (Note: “SyB P-1501” is marketed under the name of IONSYS® in the U.S.) SymBio will make a timely disclosure once it makes a decision pending the results of the on-going discussions with MDCO. The amount procured from the unsecured bonds with convertible bond type stock acquisition rights and stock acquisition rights issued on April 22, 2016 is ¥3,070 million (¥1,390 million has been allocated), and the amount not yet procured is ¥880 million, but at present there are no changes to the use of funds with the temporary suspension of this clinical trial.

As described above, SymBio’s business development is specialized in the oncology, hematology and pain management areas and SymBio has built a strong pipeline\* with several pharmaceuticals and newly developed drugs in these disease areas.

\* A pipeline is the set of drug candidates under development.

## 2) The funding for expansion of the pipeline and the development of the existing pipeline

To ensure medium- and long-term growth and advance as an excellent pharmaceutical company with 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 Asia-Pacific region.

SymBio has searched and will continuously search for and evaluate prospective new drug candidates, following TREAKISYM® and rigosertib, by taking advantage of its original in-house search network and evaluation know-how. To this end, a significant amount of additional funds including up-front payment for engagement, acquisition funds, and later development funds would be needed during the course of negotiations with counterparties, for transactions such as acquisition of licenses for drug candidates.

Earnings from product sales of TREAKISYM® are not sufficient to cover such funding needs. As a result, in December 2014, SymBio conducted a capital increase by third-party allotment, and allocated the funds raised to the up-front payment for the contract for SyB P-1501. Additionally, in April 2016, SymBio conducted

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, SymBio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

a solicitation for unsecured bonds with convertible bond type stock acquisition rights and stock acquisition rights by third-party allotment, and has allocated the funds raised to expenses related to the development of SyB P-1501 and expenses related to the development of SyB C-1101 for the indication of higher-risk MDS through December 2018.

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

Moreover, SymBio is currently making preparations to conduct new clinical trials for the additional indication of refractory/relapsed aggressive NHL (DLBCL) for the IV form of TREAKISYM<sup>®</sup>, which is being developed and sold, taking into consideration consultations with the PMDA. SymBio is also considering the possibility of further business expansion with initiatives to tackle solid cancer and autoimmune diseases by promoting the development of an oral form of TREAKISYM<sup>®</sup>, in addition to the IV form.

Given such circumstances, SymBio studied, among all viable funding options, the possibility of being funded by several supporters who have a deep understanding of our business models, management policies, capital requirements and the like. As a result of such discussions, SymBio determined SBI SECURITIES Co., Ltd. to be the best candidate, regarding which SymBio implements the Scheme in raising such additional funds.

SymBio intends to vigorously promote development of its pipelines (TREAKISYM<sup>®</sup> and rigosertib). At the same time, SymBio aims to expand the value of its pipelines and maximize business value by focusing on searching for prospective drug candidates and pursuing further indication expansion possibilities for TREAKISYM<sup>®</sup>, in addition to introducing new drug candidates with high potential for commercialization.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, SymBio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

<Current Status of Symbio’s Pipeline>

Drug	Indication	Phase 1	Phase 2	Phase 3	NDA	MA
<b>SyB L-0501 TREAKISYM®</b>	r/r Low-grade NHL/MCL	Approved October, 2010				
	CLL	Approved August, 2016				
	1st line Low-grade NHL/MCL	Approved December, 2016				
	r/r Aggressive NHL	P2 completed; P3 in preparation				
<b>SyB L-1101 RIGOSERTIB IV</b>	Post-HMA Higher Risk MDS	Global P3 (INSPIRE study)				
<b>SyB C-1101 RIGOSERTIB Oral</b>	Higher Risk MDS With azacitidine (in preparation)	P1 (mono-therapy)				
<b>SyB P-1501 IONSYS®</b>	Short-term management of acute post-operative pain	P3 (patient enrollment suspended)				

\*1 NDA: New Drug Application

\*2 MA: Marketing Approval

### 3. Marketability of the Warrants and Reason for Having Chosen the Warrants

#### (1) Marketability of the Warrants

##### 1) Structure of the Warrants

- The number of shares underlying each Warrant shall be fixed at 100 shares, and the total number of underlying shares for the Warrants is 8,800,000 shares (however, the number of shares may be adjusted in line with adjustments to the exercise price in accordance with the dilution of shares owing to a stock split, etc.).
- The Entity Planned for the Allotment may exercise the Warrants at its discretion, but as described below in Item 2), according to the terms of the Warrants Purchase Agreement, Symbio may specify a certain period for suspension, and therefore it is possible for Symbio to prevent exercise at its discretion.
- The exercise price of the Warrants shall initially be ¥215 (an amount equivalent to 90% of the closing price of Symbio’s common shares in the ordinary session at the Tokyo Stock Exchange on August 8, 2017, the business day immediately preceding the date of resolution at the Board of Directors meeting in relation to the issuance of the Warrants (hereinafter, the “Business Day Immediately Preceding the Date of Resolution”)), but it will be amended later on February 26, 2018. On this date, the exercise price shall be amended to an amount equivalent to 90% of the closing price of Symbio’s common shares in the

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

ordinary session at the Tokyo Stock Exchange on February 23, 2018 rounded up to the nearest whole yen (or if there is no closing price on that day, the closing price immediately preceding it). However, if the exercise price after amendment is below ¥108(hereinafter, the “Minimum Exercise Price”), the exercise price shall be the Minimum Exercise Price.

• The exercise period of the Warrants is from August 26, 2017 to August 27, 2018. However, requests to exercise shall not be permitted on the record date for Symbio’s common shares, the previous business day (referring to days that are non-business days or the like for The Japan Securities Depository Center, Inc. (hereinafter, “JASDEC”)), the business day before the previous business day, or other days that JASDEC deems necessary.

Symbio intends to conclude the Warrants Purchase Agreement including the following provisions with the Entity Planned for the Allotment after the notification becomes effective in accordance with the Financial Instruments and Exchange Act.

## 2) Exercise Suspension Provisions of the Warrants

Symbio may, at its discretion, specify a period when exercise of all of the Warrants is not permitted (hereinafter, “Suspension Specification”). Symbio may determine the period of the Suspension Specification at its discretion, and may cancel a given Suspension Specification at any time.

## 3) Requests relating to the acquisition of the Warrants by the Entity Planned for the Allotment

If any of the below events occur during the period from August 26, 2017 to July 26, 2018, the Entity Planned for the Allotment can request that Symbio acquire the Warrants by notifying Symbio within five (5) trading days after the occurrence of the event.

- a. The closing price on each trading day of any five (5) consecutive trading days during the above period is below an amount equivalent to 65% of the exercise price on that trading day
- b. The trading volume of Symbio’s common shares on each trading day of any five (5) consecutive trading days during the above period is below 125,000 shares
- c. Trading in Symbio’s common shares on the Tokyo Stock Exchange is suspended on each trading day of any five (5) consecutive trading days during the above period.

In addition, the Entity Planned for the Allotment can request that Symbio acquire the Warrants for the amount paid per Warrant by so notifying Symbio during the period from July 27, 2018 to August 3, 2018.

In the event that such request is made, Symbio shall acquire all the remaining Warrants within fifteen (15) trading days after the day of the request.

## 4) Acquisition of the Warrants by Symbio

If Symbio’s Board of Directors resolves to do so, Symbio may acquire all or part of the Warrants on and after the day following the due date of payment of the Warrants for the amount paid per Warrant on the acquisition day determined by Symbio’s Board of Directors, by issuing notice to the Entity Planned for the Allotment in accordance with the provisions of laws and regulations.

## 5) Transfer of the Warrants

In accordance with the Warrants Purchase Agreement, the transfer of the Warrants shall require approval

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.
---

of Symbio's Board of Directors. In addition, even if the Warrants are transferred, the rights of Symbio to specify or cancel a suspension are maintained by Symbio, and the right of the Entity Planned for the Allotment to request that Symbio acquire the Warrants shall be succeeded by the transferee.

(2) Reason for having chosen the Warrants

The above means of fund procurement promotes the procurement of funds at the initial exercise price, in addition to allowing Symbio to increase the amount of funds procured in the event of an increase in the share price or increase the possibility of procuring funds in the event of a decline in the share price, by amending the exercise price after six (6) months. In addition, in the event that Symbio does not desire the exercise of the Warrants in view of stock price trends or other factors, this method allows Symbio to specify a period in which the Warrants cannot be exercised. Therefore, it is understood that this means of fund procurement will make possible flexible fund procurement in accordance with Symbio's need for funds, while at the same time having a small, temporary effect on the stock price and the dilution of per-share earnings.

For this fund procurement, Symbio considered various means of fund procurement, and after taking into consideration the points such as those below in a comprehensive manner, concluded that fund procurement with the Scheme is the best option at the present time, meeting the need for smooth fund procurement as well as the need for respect for the interests of existing shareholders.

[Features of the Scheme]

1) Limitation of excessive dilution is possible

The maximum number of shares that will be issued is limited, as the number of Symbio's common shares underlying the Warrants is fixed at 8,800,000 shares (however, the number of shares may be adjusted in line with adjustments to the exercise price in accordance with the dilution of shares owing to a stock split, etc.). Therefore, even if the exercise price is amended, there is no risk of dilution occurring that exceeds initial expectations owing to future stock price movements.

2) Efforts to reduce the impact on stock prices

- The exercise price of the Warrants will not be amended every business day; it will remain fixed until the Exercise Price Amendment Date.
- Even after the Exercise Price Amendment Date, the exercise price is fixed at 90% of the closing price of Symbio's common shares in the ordinary session at the Tokyo Stock Exchange on the previous business day, and shall not fall below the Minimum Exercise Price of ¥108 (45% of the closing price of Symbio's common shares in the ordinary session at the Tokyo Stock Exchange on the Business Day Immediately Preceding the Date of Resolution).

3) Dilution can be reduced in the event of a future increase in stock prices

As there is no maximum exercise price set on the Warrants, in the event of an increase in stock prices, the exercise price after the Exercise Price Amendment Date will also increase accordingly. In addition, Acquisition Provisions are attached, so in the event that stock prices increase and Symbio is able to procure the funds needed with a small number of Warrants exercised, the dilution for existing shareholders will be controlled by setting an exercise suspension period and exercising the Acquisition Provisions.

4) Flexibility of capital policy is ensured

Flexibility of capital policy can be ensured as, in the event that a change in capital policy is necessary, all of the remaining Warrants can be acquired at any time for the amount paid per Warrant by the resolution of Symbio's Board of Directors.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

#### [Disadvantages of the Scheme]

The Warrants have mainly the disadvantages listed below in items 5) through 8), but Symbio believes that the effects of the advantages listed above in items 1) through 4) outweigh these disadvantages.

- 5) There is a possibility that Symbio may not be able to procure funds depending on the level of stock prices, as the Warrants are fundamentally close to stock acquisition rights with a fixed exercise price, and the Minimum Exercise Price at the time of amendment is set at ¥108 (45% of the closing price of Symbio's common shares in the ordinary session at the Tokyo Stock Exchange on the Business Day Immediately Preceding the Date of Resolution) (however, it may be adjusted in line with adjustments to the exercise price in accordance with the dilution of shares owing to a stock split, etc.).
- 6) There is a possibility that the amount procured may be lower than the planned amount owing to a downward amendment to the exercise price in the event of a decline in stock prices (however, the exercise price shall not fall below the Minimum Exercise Price).
- 7) There is a possibility that some time may be required to complete the fund procurement in the event of a decline in the liquidity of Symbio's shares.
- 8) The Entity Planned for the Allotment may request that Symbio acquire the Warrants, for example, in the event that following the issuance of the Warrants, the closing price of Symbio's common shares in the ordinary session at the Tokyo Stock Exchange on each trading day of any five (5) consecutive trading days during the period when acquisition is possible falls below 65% of the exercise price on that trading day.

#### [Comparison with other fund procurement means]

- 9) In the case of the issuance of new shares through a capital increase by public offering, funding can be completed at once, but it is expected to have a significant direct impact on the stock price as it would also cause a temporary dilution of per-share earnings at the same time.
- 10) Bonds with convertible bond type stock acquisition rights issued by third-party allotment (hereinafter, "CB") offer various product design possibilities, but as the allottee holds the conversion right in general, Symbio would not have control. In addition, for CBs with a conversion price that is amended in accordance with the stock price (a so-called "MSCB"), a significant direct impact on the stock price may be expected as the dilution is not fixed, owing to the structure whereby the number of shares issued through conversion is determined in line with the conversion price.
- 11) In the case of the issuance of new shares through third-party allotment, funding can be completed at once but it is expected to have a significant direct impact on the stock price as it would also cause a temporary dilution of per-share earnings at the same time. In addition, there is no suitable allottee of the new shares at the present time.
- 12) In the case of a so-called rights issue, there are commitment-type rights issues, whereby Symbio would conclude an underwriting agreement with a financial instruments business operator, and non-commitment-type rights issues, whereby Symbio would not enter into any such agreement, and the exercise of the stock acquisition rights would be entrusted to the determination of shareholders. There are few examples of commitment-type rights issues being carried out in Japan, and they are not fully matured as a means of fund procurement, while underwriting expenses and other costs are expected to increase, and thus they may not be an appropriate means of procuring funds. In addition, Symbio is unable to carry out a non-commitment-type rights issue, as it has reported an ordinary loss for the past two (2) years, and does not fulfil the listing standards determined in the Securities Listing Regulations set forth by the Tokyo Stock Exchange.
- 13) In the case of the fund procurement by borrowing, the amount procured would become a liability, which would likely have a negative impact on financial soundness.

<p>Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.</p>
--

4. Amount to be Funded, as well as Use and Scheduled Disbursement Timing Thereof

(1) Amount to be funded (estimated net proceeds)

• Total amount of funding related to the Warrants	¥1,924,560 thousand
Total issue price of the Warrants	¥32,560 thousand
Value of property to be contributed upon exercise of the Warrants	¥1,892,000 thousand
• Various issuance-related expenses (attorneys' fees, price calculation expenses, registration expenses, trust bank expenses, etc.)	¥15,000 thousand
• Estimated net proceeds	¥1,909,560 thousand

(Note) The estimated net proceeds shown above are equal to the sum of the total issue price of the Warrants and the total value of property to be contributed upon exercise of the Warrants, minus the approximate amount of various issuance-related expenses in association with the Warrants. The total value of property to be contributed upon exercise of the Warrants is the amount assuming that all of the Warrants are exercised at the initial exercise price. Furthermore, in the event that the exercise price is amended or adjusted, the above amount may increase or decrease. And in the event that the Warrants are not exercised within the exercise period or Symbio cancels the Warrants that it has acquired, the above amount shall decrease.

(2) Specific uses of the amount to be funded

Specific use	Amount (Millions of yen)	Scheduled disbursement timing
Expenses related to the development of TREAKISYM <sup>®</sup> (SyB L-0501) for r/r aggressive NHL (DLBCL)	900	August 2017 – December 2018
Expenses related to acquisition of rights for and subsequent development of the oral form of TREAKISYM <sup>®</sup>	1,009	August 2017 – December 2018

Phase II clinical trials for TREAKISYM<sup>®</sup> (SyB L-0501) for the additional indication of refractory/relapsed aggressive NHL (DLBCL) have been completed with favorable results, and Symbio has considered applying for approval in order to further enhance the product value of TREAKISYM<sup>®</sup> through additional indications. Symbio is currently formulating the details of a Phase III clinical trial plan, and plans to submit a trial plan within this year and begin the trials. Of the total development period for these Phase III clinical trials, the amount of expenditure expected until the end of December 2018 is stated.

With regard to the acquisition of rights for the oral form of TREAKISYM<sup>®</sup>, Symbio shall expand the rights it holds on TREAKISYM<sup>®</sup> in order to promote indications in addition to blood cancer, such as for solid cancer and autoimmune diseases. In doing so, Symbio intends to maximize the product value of TREAKISYM<sup>®</sup> and ensure solid business foundations. Expenses related to the acquisition of rights and expenses related to the implementation of Phase I clinical trials currently under consideration are stated.

Symbio shall make appropriate disclosure in the event that it submits a trial plan for Phase III clinical trials for TREAKISYM<sup>®</sup> (SyB L-0501) for refractory/relapsed aggressive NHL (DLBCL) and trials begin, in the event negotiations with its business partner regarding the acquisition of rights for the oral form of TREAKISYM<sup>®</sup> are successful and an agreement is concluded, or in the event that it submits a trial plan for Phase I clinical trials and trials begin.

The expenses involved in the acquisition or introduction of rights could be higher or lower than initially expected,

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

depending on the results of future discussions with counterparties. In addition, the above uses of funds shows a breakdown of the uses of funds through December 2018, but as the amount of funds procured and the timing of procurement will be affected by the exercise status of the Warrants, there is a possibility that the above use(s) of funds or the breakdown may be changed.

In addition, depending on stock prices, trading volume, and other factors, Symbio may not be able to procure sufficient funds. Therefore, there is a possibility that all or some of the Warrants may not be exercised, depending on factors such as trends in the Symbio stock price.

In the event that Symbio is unable to procure sufficient funds with the Warrants in this way, there is a possibility that Symbio may conduct fund procurement by other means or alternatively review its business plans. Furthermore, Symbio will make a prompt disclosure in the event that there are any changes to the uses of funds or the breakdown, implementation of other fund procurement, or revisions to business plans.

(Note) The estimated net proceeds are an estimated amount at the present time, and the specific amount of expenses for the acquisition of rights and development of drug candidates, and timing of the expenditure are undetermined, but with regard to the management of funds until payment, Symbio plans to manage and hold these funds in stable financial assets such as bank deposits, etc.

## 5. Concepts on Rationality of the Use of the Funds

As described in the aforementioned “2. Purposes and Reasons for the Subscription,” Symbio believes that these uses of funds are rational as funds procured on this occasion shall contribute to an improvement in the future profitability of Symbio. Therefore, Symbio believes that the procurement of funds on this occasion shall contribute to the interests of existing shareholders through the improvement of corporate value over the medium- to long-term.

## 6. Rationality of Issuance Conditions, etc.

### (1) Grounds for a judgment that the conditions for issuance are reasonable

In determining the amount to be paid for the Warrants, Symbio requested a valuation of the Warrants from PLUTUS CONSULTING Co., Ltd. (location: 3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo; representative: Masato Noguchi), a third-party appraiser, taking into account the issuance terms of the Warrants and the terms set forth in the Warrants Purchase Agreement.

Taking into consideration the valuation amount calculated by the appraiser based on the assumptions below, Symbio negotiated with the Entity Planned for the Allotment, and determined that the amount to be paid for each Warrant should be ¥370, the same amount as the valuation amount. The appraiser conducted a valuation of the Warrants using the Monte Carlo Simulation Method, a commonly used calculation model. Taking into consideration such factors as Symbio stock price and the liquidity of Symbio’s common shares, the appraiser conducted an evaluation based on the following assumptions: 1) the Exercise Suspension Provisions would not be exercised in view of the fact that the objective of the Warrants issuances is fund procurement; 2) the Acquisition Provisions would not be exercised as there is no upper limit to the amendment of the exercise price; 3) in terms of such factors as the behavior of the Entity Planned for the Allotment with regard to the exercise of its rights and shareholding, it is assumed that the Entity Planned for the Allotment would exercise its rights at a level equivalent to 15% of the daily trading volume if the stock price is above each of the initial stock price before the Exercise Price Amendment Date and the stock price on the previous business day of the Exercise Price Amendment Date on and after the Exercise Price Amendment Date, or at a level equivalent to 7.5% of the daily trading volume if the stock price is below the above mentioned stock price; and 4) with regard to the right to request acquisition, in the event that the stock price is below 65% of the Minimum Exercise Price for five (5)

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

consecutive business days, the Entity Planned for the Allotment would request that Symbio acquire the remaining Warrants.

In Symbio's assessment, the calculation result of the appraiser is a rational and fair price, as the appraiser calculated the fair price using the Monte Carlo Simulation Method, which is a commonly used valuation method for stock acquisition rights, taking into account the events that may impact the fair value of the Warrants. In addition, when determining the amount to be paid for the Warrants, Symbio negotiated with the Entity Planned for the Allotment, taking into consideration the calculation result of the appraiser, and it was determined to be the same amount as the calculation result, and therefore in Symbio's assessment, the amount to be paid for the Warrants is an appropriate and reasonable amount, and does not fall under any specially advantageous condition.

In addition, the exercise price of the Warrants shall initially be an amount equivalent to the closing price of Symbio's common shares in the ordinary session at the Tokyo Stock Exchange on August 8, 2017, and following negotiation with the Entity Planned for the Allotment, and in view of such factors as the stock price trends of Symbio's common shares, the discount ratio that shall apply to amendments of the exercise price of the Warrants shall be 10%.

Furthermore, the three auditors of Symbio (all of whom are Outside Audit & Supervisory Board Members under the Companies Act) have confirmed the matters below, taking into consideration the details of the issuance terms of the Warrants and the above result of the calculation by PLUTUS CONSULTING Co., Ltd., and have expressed their opinion to the effect that the terms of issuance of the Warrants do not constitute a particularly advantageous issuance to the Entity Planned for the Allotment:

- With regard to the issuance of the Warrants, the auditors have received an explanation from the division manager in charge of the issuance of the Warrants, etc., been informed of the objective, necessity, etc., of the fundraising, and determined that the issuance is being appropriately conducted as a decision made by Symbio's Board of Directors in accordance with the principles of sound management judgment.
- PLUTUS CONSULTING Co., Ltd. possesses knowledge and experience regarding corporate valuation procedures, and is also recognized as being independent from the management of Symbio.
- Symbio has requested PLUTUS CONSULTING Co., Ltd. to perform the valuation with regard to the issuance conditions, etc. It has also received an explanation of the valuation logic and basic figures used as assumptions from a manager at PLUTUS CONSULTING Co., Ltd., and has recognized the appropriateness thereof.
- In comparison with the fair value presented in the evaluation report received on August 8, 2017 from PLUTUS CONSULTING Co., Ltd. it is recognized that the Warrants do not constitute an advantageous issuance.
- Based on the above, it is reasonably deemed that there is no issue by requesting PLUTUS CONSULTING Co., Ltd. to perform the calculation of value.

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

As a result of this fund procurement, a maximum dilution of 17.97% will occur with regard to the total number of voting rights of 489,795 units (number of issued shares: 48,983,324 shares) as of June 30, 2017. However, as described in the aforementioned "2. Purposes and Reasons for the Subscription," Symbio aims to improve future profitability and increase corporate value with this fund procurement, and thus even factoring in the resulting dilution, the fund procurement may be expected to contribute to an increase in the value of existing shareholders' shares, and Symbio considers that the issued quantity and the scale of the dilution of shares are

<p>Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.</p>
--

reasonable.

Furthermore, in Symbio's assessment, the issuance of the Warrants is not of a scale that will have an excessive impact on the market, and the scale of the dilution is reasonable, since: 1) there is a certain amount of liquidity, as the average daily trading volume of Symbio's common shares over the past six (6) months has been 2,085,224 shares, against a total of 8,800,000 of Symbio's common shares underlying the Warrants; 2) it is possible to control the exercise of the Warrants in accordance with Symbio's funding demands; and 3) the acquisition of the Warrants is also possible at Symbio's discretion.

## 7. Reason for Having Chosen the Entity Planned for the Allotment, etc.

### (1) Outline of the Entity Planned for the Allotment

1) Designation	SBI SECURITIES Co., Ltd.		
2) Location	1-6-1 Roppongi, Minato-ku, Tokyo		
3) Representative's name and position	Masato Takamura, President and Representative Director		
4) Description of business	Financial instruments business		
5) Common stock	¥48,323 million (as of March 31, 2017)		
6) Establishment	March 30, 1944		
7) Number of issued shares	3,469,559 (as of March 31, 2017)		
8) Settlement term	March 31		
9) Number of employees	742 (as of March 31, 2017)		
10) Main clients	Investors and issuers		
11) Main banks	Mizuho Bank, Ltd.		
12) Main shareholders and shareholding ratio thereof	SBI FINANCIAL SERVICES Co., Ltd.: 100% *The above is a wholly-owned subsidiary of SBI Holdings, Inc.		
13) Relationship, etc. with Symbio	Capital relationship	The Entity Planned for the Allotment owns 1,924,000 shares of Symbio as of March 31, 2017.	
	Personal relationship	Symbio and the Entity Planned for the Allotment have <u>no personal relationship.</u>	
	Business relationship	Symbio and the Entity Planned for the Allotment have <u>no business relationship.</u>	
	Relevance as related party	The Entity Planned for the Allotment does not fall under the category of Symbio's related party.	
14) Business performance and financial position for the most recent three (3) years (Millions of yen; unless otherwise specified)			
	Fiscal year ended March 2015	Fiscal year ended March 2016 (consolidated)	Fiscal year ended March 2017 (consolidated)
Operating revenue	77,577	89,786	90,464
Operating income	34,680	39,881	37,972
Ordinary income	34,736	39,889	37,973
Net income	20,127	28,087	27,798
Net assets	159,146	177,241	192,465
Total assets	2,151,779	1,974,648	2,559,387

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

Net income per share (Yen)	5,814.69	8,114.06	8,022.86
Dividend per share (Yen)	4,070.41	2,888.87	4,323.32
Net assets per share (Yen)	45,975.40	51,152.43	55,097.44

(Note 1) Symbio has checked that the Entity Planned for the Allotment is not an antisocial force and confirmed that it does not fall under the category of antisocial forces. Furthermore, as the Entity Planned for the Allotment is a trading participant on the Tokyo Stock Exchange, Symbio has not submitted confirmation to the Tokyo Stock Exchange relating to the fact that the Entity Planned for the Allotment does not fall under the category of antisocial forces.

(Note 2) During the fiscal year ended March 2016, the Entity Planned for the Allotment newly acquired the shares of Book Field Capital Co., Ltd., made it a consolidated subsidiary, and started to prepare consolidated financial statements from the fiscal year ended March 2016.

(2) Reason for having chosen the Entity Planned for the Allotment

Symbio considered various entities from which to procure funds, but in Symbio’s assessment, the means of fund procurement proposed by the Entity Planned for the Allotment is the most consistent with Symbio’s financing needs, i.e. procuring funds by the issuance of new shares in accordance with stock price trends and changes in funding needs, while controlling the temporary impact on the stock price and the dilution of per-share earnings.

Symbio received explanations and proposals for means of fund procurement from other financial institutions besides the Entity Planned for the Allotment in Japan and overseas, and considered various means of fund procurement, some of which included capital increase by public offering, MSCB, and borrowing. These were not consistent with Symbio’s needs for the following reasons: with capital increase by public offering, funding can be completed at once, but it is likely to have a significant direct impact on the stock price as it would also cause a temporary dilution of per-share earnings at the same time; with MSCBs, a significant direct impact on the stock price may be expected as the total number of shares to be issued through conversion until the completion of conversion is not fixed, owing to the structure whereby the number of shares issued through conversion is determined in line with the conversion price; and furthermore in the case of borrowing, the amount procured would become a liability, which would likely have a negative impact on financial soundness.

In addition, Symbio received proposals for means of fund procurement similar to the Scheme from other financial institutions besides the Entity Planned for the Allotment in Japan and overseas. Symbio received a proposal from and selected SBI SECURITIES Co., Ltd. as the Entity Planned for the Allotment upon comprehensive consideration of such factors as: that the Entity Planned for the Allotment planned to utilize its trading functions, etc. and considered the impact on the stock price as it sells Symbio’s shares that it acquires through the exercise of the Warrants; marketability as described in “1. Summary of Subscription” and “3. Marketability of the Warrants and Reason for Having Chosen the Warrants (2) Reason for having chosen the Warrants [Features of the Scheme]”; and the past record of the Entity Planned for the Allotment (issuance of stock acquisition rights by Gaiax Co. Ltd. in November 2015).

(Note) With regard to the allotment of the Warrants, they will be purchased by the Entity Planned for the Allotment, which is a member of The Japan Securities Dealers Association, and subscription shall be conducted in accordance with the “Rules Concerning Handling of Allotment of New Shares to a Third-Party, etc.” (self-regulation) set forth by The Japan Securities Dealers Association.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

(3) Holding policy of the Entity Planned for the Allotment

There are no agreements between Symbio and the Entity Planned for the Allotment regarding continuous holding or depositing of the Warrants. In addition, the Warrants Purchase Agreement stipulates that the approval of Symbio's Board of Directors is necessary when transferring the Warrants.

Symbio has received notification that the Entity Planned for the Allotment does not intend a long-term holding of Symbio's shares that it acquires through the exercise of the Warrants, and plans to promptly sell Symbio's shares that it has acquired.

(4) Confirmation on the property required for the payment by the Entity Planned for the Allotment

Symbio has received verbal explanation from the Entity Planned for the Allotment to the effect that the funds necessary for payment for the Warrants have been secured. In addition, Symbio has confirmed that the Entity Planned for the Allotment has ample cash and cash equivalents and other liquid assets necessary to pay for the Warrants, based on the balance sheet as of March 31, 2017 as presented in the explanation concerning the status of operations and property in the year ended March 31, 2017 of the Entity Planned for the Allotment, which Symbio has obtained in writing, in addition to the consolidated balance sheet as of March 31, 2017 in the Annual Securities Report for the Fiscal Year Ended March 31, 2017, submitted to the Director of the Kanto Local Finance Bureau on June 29, 2017 by SBI Holdings, Inc., the sole parent company of the Entity Planned for the Allotment, and in Symbio's assessment there is no obstacle to the payment of these funds.

(5) Agreement regarding borrowing/lending of share certificates

Neither Symbio, its officers, parties related to its officers, nor its major shareholders have any plans to conclude a share certificate lending agreement with the Entity Planned for the Allotment pertaining to Symbio's shares to be acquired owing to the exercise of the Warrants.

8. Major Shareholders and Shareholding Ratio Thereof after the Subscription

Before the subscription (as of June 30, 2017)		
Name	Number of shares held	Shareholding ratio
Fuminori Yoshida	3,120,000	6.37%
Cephalon, Inc. (Standing proxy: Teva Pharmaceutical K.K.)	2,589,000	5.29%
SBI SECURITIES Co., Ltd.	1,947,200	3.98%
Japan Securities Finance Co., Ltd.	1,786,100	3.65%
Matsui Securities Co., Ltd.	834,400	1.70%
Eisai Co., Ltd.	833,400	1.70%
Rakuten Securities, Inc.	768,400	1.57%
Daiwa Securities Co. Ltd.	720,300	1.47%
Waseda No. 1 Investment L.P.	684,000	1.40%
Tokai Tokyo Securities Co., Ltd.	314,600	0.64%

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

Notes:

1. Long-term holding is not guaranteed in the subscription of the Warrants, and therefore, “Major Shareholders and Shareholding Ratio Thereof after the Subscription” reflecting the number of residual securities pertaining to the subscription of the Warrants is not presented.
2. “Shareholding ratio” is calculated with its third decimal place rounded off to the second decimal place.

9. Future Perspective

The impact of the funding on the business performance of Symbio for the fiscal year ending December 31, 2017 is immaterial.

10. Procedures Based on the Code of Conduct of Corporations

The scale of issuance of the Warrants is as described in “6. Rationality of Issuance Conditions, etc. (2) Grounds for a judgment that the issued quantity and scale of the dilution of shares are reasonable,” and will cause a dilution of 17.97% at maximum for the total number of voting rights as of June 30, 2017. As 1) the dilution ratio is less than 25% and 2) a controlling shareholder is not expected to change (even if all the Warrants are exercised, controlling shareholders are not expected to change), it is not required for Symbio to obtain an opinion regarding the necessity and reasonableness of the allotment of a party that maintains certain independence from the company management and confirm the intent of shareholders as prescribed in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

11. Business Performance and Equity Finances for the Most Recent Three (3) Years

(1) Operating results for the past three (3) years (Thousands of yen)

Settlement term	Year ended December 2014	Year ended December 2015	Year ended December 2016
Net sales	1,955,027	1,933,241	2,368,112
Operating loss	(1,303,279)	(2,551,662)	(2,127,049)
Ordinary loss	(1,110,316)	(2,630,386)	(2,316,806)
Net loss	(1,115,877)	(2,632,095)	(2,313,233)
Net loss per share (Yen)	(36.26)	(81.26)	(58.82)
Dividend per share (Yen)	—	—	—
Net assets per share (Yen)	208.80	127.56	108.61

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

(2) Number of issued shares and residual securities (As of June 30, 2017)

	Number of shares	Percentage in relation to the number of issued
Number of issued shares	48,983,324	100%
Number of residual securities at the conversion price (exercise price) at the present	9,217,600	18.82%
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)	—	—

(Note) Number of residual securities above is the number of residual securities pertaining to the bonds with the convertible bond type stock acquisition rights, stock acquisition rights and stock option scheme of Symbio.

(3) Number of issued shares and residual securities after the equity finance

	Number of shares	Percentage in relation to the number of issued
Number of issued shares	48,983,324	100.0%
Number of residual securities at the current conversion price (exercise price)	18,017,600	36.78%
Number of residual securities at the lower-limit of the conversion price (exercise price)	18,017,600	36.78%
Number of residual securities at the upper-limit of the conversion price (exercise price)	There is no maximum exercise price.	There is no maximum exercise price.

(Note) Number of residual securities above is the number of residual securities as of June 30, 2017, plus the number of residual securities pertaining to the Warrants.

(4) Recent stock prices

1) For the most recent three (3) years

	Year ended December 2014	Year ended December 2015	Year ended December 2016
Opening price	¥385	¥357	¥242
Highest price	¥430	¥408	¥564
Lowest price	¥191	¥171	¥168
Closing price	¥357	¥232	¥244

(Note) Each stock price is based on prices quoted on the Tokyo Stock Exchange JASDAQ Market (Growth).

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

2) For the most recent six (6) months

	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017
Opening price	¥239	¥217	¥221	¥215	¥272	¥246
Highest price	¥241	¥221	¥228	¥335	¥285	¥250
Lowest price	¥213	¥196	¥206	¥215	¥239	¥235
Closing price	¥219	¥217	¥215	¥263	¥248	¥238

(Notes)

1. Each stock price is based on prices quoted on the Tokyo Stock Exchange JASDAQ Market (Growth).
2. Stock price for August 2017 is the price as of August 8, 2017.

3) Stock prices on the Business Day Immediately Preceding the Date of Resolution at the Board of Directors meeting in relation to the issuance of the Warrants

	August 8, 2017
Opening price	¥235
Highest price	¥240
Lowest price	¥235
Closing price	¥238

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

(5) Equity finances for the most recent three (3) years

- Issuance of the 3rd unsecured bonds with convertible bond type stock acquisition rights by third-party allotment

Due date of payment	April 22, 2016
Amount of funding	¥3,000,000,000
Conversion price	¥211 per share
Number of issued shares at the time of subscription	32,390,923
Entity for the allotment	Whiz Healthcare Japan 2.0 Investment Limited Partnership
Number of residual securities due to the subscription	14,218,009
Conversion status at present	Number of converted shares: 14,218,009 (¥0 outstanding; conversion price ¥211)
Initial use of funds at the time of issuance	<ul style="list-style-type: none"> <li>• Expenses related to acquisition of companies who own new drug candidates and development of such new drug candidates after the acquisition</li> <li>• Expenses related to acquisition of rights for new drug candidates and development of such new drug candidates after the acquisition of the rights</li> <li>• Expenses related to development of SyB P-1501 (a patient-controlled pain management drug) and SyB C-1101 for higher-risk myelodysplastic syndromes (MDS) (in combination with azacitidine)</li> </ul>
Planned timing for disbursement at the time of issuance	From April 2016, as needed
Appropriation status at present	The order of prioritization in which the funds are to be used has been changed, and the funds shall be fully allocated as follows. At present, ¥1,320 million has been allocated. Expenses related to development of SyB P-1501 (a patient-controlled pain management drug) and SyB C-1101 for higher-risk myelodysplastic syndromes (MDS)

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

• Issuance of the 39th stock acquisition rights by third-party allotment

Date of allotment	April 22, 2016
Number of stock acquisition rights issued	104
Issue price	Total of ¥9,776,000 (¥94,000 per stock acquisition right)
Planned amount of funding at the time of issuance	¥953,368,000 (Breakdown) From the issuance of stock acquisition rights: ¥9,776,000 From the exercise of stock acquisition rights: ¥943,592,000
Entity for the allotment	Whiz Healthcare Japan 2.0 Investment Limited Partnership
Number of issued shares at the time of subscription	32,390,923
Number of residual securities due to the subscription	4,472,000
Exercise status at present	Number of exercised shares: 301,000 (97 stock acquisition rights remaining; exercise price ¥211)
Funds procured at present	¥73,287,000
Initial use of funds at the time of issuance	<ul style="list-style-type: none"> <li>• Expenses related to acquisition of companies who own new drug candidates and development of such new drug candidates after the acquisition</li> <li>• Expenses related to acquisition of rights for new drug candidates and development of such new drug candidates after the acquisition of the rights</li> <li>• Expenses related to development of SyB P-1501 (a patient-controlled pain management drug) and SyB C-1101 for higher-risk myelodysplastic syndromes (MDS) (in combination with azacitidine)</li> </ul>
Planned timing for disbursement at the time of issuance	From April 2016, as needed
Appropriation status at present	The order of prioritization in which the funds are to be used has been changed and the funds have been fully allocated as follows: Expenses related to development of SyB P-1501 (a patient-controlled pain management drug) and SyB C-1101 for higher-risk myelodysplastic syndromes (MDS)

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

• 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
Entity for the allotment	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 (Number of residual convertible bonds: 0)
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 have been fully allocated to up-front payment for the contract for SyB P-1501 (a patient-controlled pain management drug).

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

Date of allotment	December 1, 2014
Number of stock acquisition rights issued	30,304
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) From the issuance of stock acquisition rights: ¥10,363,968 From the exercise of stock acquisition rights: ¥1,000,032,000
Entity for the allotment	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: 2,054,600 (9,758 stock acquisition rights remaining; exercise price ¥330)
Funds procured at present	¥688,381,968
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 allocated to up-front payment for the contract for SyB P-1501 (a patient-controlled pain management drug).

End

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.



**[Contact]**

Director, Finance & Accounting

Kenji Murata

TEL +81(3) 5472-1125

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

**【Exhibit】**

**Terms and Conditions for the Issuance of  
Symbio Pharmaceuticals Limited’s 42nd Stock Acquisition Rights**

1. Designation of the stock acquisition rights  
Symbio Pharmaceuticals Limited’s 42nd Stock Acquisition Rights (hereinafter the “Warrants”)
2. Deadline for application  
August 25, 2017
3. Date of allotment  
August 25, 2017
4. Due date of payment  
August 25, 2017
5. Method for subscription  
All the Warrants shall be allotted to SBI SECURITIES Co., Ltd. by third-party allotment.
6. 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 8,800,000. (The number of shares for each Warrant (hereinafter, “Number of Allotted Shares”) shall be 100.) Provided, however, that in case the Number of Allotted 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 Allotted Shares after adjustment.
  - (2) If Symbio adjusts the exercise price (defined in Paragraph 9, Item (2)) in accordance with Paragraph 11, the Number of Allotted Shares shall be adjusted in accordance with the following equation. Provided, however, that fractions less than one (1) share resulting from the adjustment shall be truncated. The exercise prices before and after adjustment in the above equation shall be equal to the exercise prices before and after adjustment, respectively, as stated in Paragraph 11.

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

- (3) The commencement date to apply the Number of Allotted Shares after adjustment shall be the same day to begin applying the exercise price after adjustment stipulated in Paragraph 11, Item (2), (5) and (6) according to each reason for said adjustment.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

(4) If the Number of Allotted Shares is adjusted, Symbio shall inform the right holders to the Warrants (hereinafter the “right holder”) in writing of the intent regarding and reason(s) for such adjustment, the Number of Allotted Shares before adjustment, the Number of Allotted Shares after adjustment, the commencement date to apply the Number of Allotted Shares after adjustment and other necessary matters by the day immediately preceding the date of said commencement date for application. Provided, however, if as stipulated in Item (2) 5 of Paragraph 11, that if the aforementioned information cannot be provided by the day immediately preceding the date of said commencement date for application, Symbio shall inform promptly on or after the commencement date for application.

7. Total number of Warrants

88,000

8. Amount to be paid for each Warrant

¥370 (Total amount to be paid for the Warrants: ¥32,560,000)

9. Value of the property invested in exercising the Warrants

(1) The property invested when the Warrants are exercised shall be money, and the value thereof shall be the product of the exercise price multiplied by the Number of Allotted Shares.

(2) The value of the invested property per share when Symbio’s common shares are delivered through the exercise of the Warrants (hereinafter the “Exercise Price”) shall initially be ¥215.

10. Amendment of the Exercise Price

On February 26, 2018, the Exercise Price shall be amended to an amount equivalent to 90% of the closing price of Symbio’s common shares in the ordinary session at the Tokyo Stock Exchange on February 23, 2018 (or if there is no closing price on that day, the closing price immediately preceding it), rounded up to the nearest whole yen. However, if the Exercise Price after amendment on the Exercise Price Amendment Date is below ¥108 (hereinafter, the “Minimum Exercise Price,” which shall be adjusted based on the application of the provisions of Paragraph 11), the exercise price shall be the Minimum Exercise Price.

11. Adjustment of the Exercise Price

(1) In case the number of issued common shares of Symbio changes or could change by reason of any event as stipulated in Item (2) below after the issuance of the Warrants, Symbio shall adjust the Exercise Price in accordance with the following equation (hereinafter, the “Exercise Price Adjustment Formula”).

$$\begin{array}{ccccccc}
 \text{Exercise Price} & & & & & & \text{Number of} \\
 \text{after} & = & \text{Exercise Price} & \times & \text{Number of shares} & + & \text{Common Shares} \\
 \text{adjustment} & & \text{before} & & \text{already issued} & & \text{Newly Issued or} \\
 & & \text{adjustment} & & & & \text{Disposed of} \\
 & & & & & & \text{share} \\
 & & & & & & \text{Market price}
 \end{array}$$

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

---

$$\text{Number of shares already issued} + \text{Number of Common Shares Newly Issued or Disposed of}$$

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

- 1) If Symbio common shares are newly issued at a payment amount lower than the market price set forth in Item (4) 2) below or if Symbio disposes of the Symbio common shares it holds (including cases of gratis allotment) (excluding cases of Symbio common shares being delivered by way of exercising warrants (including those attached to bonds with stock), acquiring shares with a put option or shares subject to call, or exercising any other right able to request the delivery of Symbio common shares, and excluding cases whereby Symbio common shares are delivered as a result of company split, share exchange or merger.)

The Exercise Price after adjustment shall apply on and after the due date of payment (such date shall be the last day of the payment period if such payment period has been established or the effective date in the case of gratis allotment) or on and after the day following the reference date for granting shareholders the right to receive allotment if such a reference date is established.

- 2) If Symbio's common shares are newly issued through a stock split

The Exercise Price after adjustment shall apply on and after the day following the reference date for the stock split.

- 3) If warrants (including those attached to bonds with stock) or shares subject to call are issued or bestowed which enable Symbio common shares to be delivered at a market price lower than that set forth in Item (4) 2) below or request Symbio common shares to be delivered at an Exercise Price lower than that set forth in Item (4) 2) (excluding cases of allotting warrants to the directors, officers or employees of Symbio or its affiliate companies (affiliate companies stipulated in Paragraph 8, Article 8 of the regulation concerning the terminology, format and preparation method of financial statements.))

The Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula on the assumption that all of the rights to claim and warrants concerning all shares with a put option have been exercised under the initial conditions. The Exercise Price after adjustment shall apply on and after the due date of payment (the last day of the payment period if such a payment period has been established or the allotment day in the case of warrants) or on and after the effective date (in the case of gratis allotment). However, if a reference date for granting shareholders the right to receive allotment has been established, then the Exercise Price after adjustment shall apply on and after the day following this date.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

- 4) In the case of delivery of Symbio’s common shares at a value less than the price set forth in Item (4) 2) below in exchange for acquisition of shares subject to call which are issued by Symbio or stock acquisition rights subject to call (including those attached to bonds with stock)

The Exercise Price after adjustment shall be applied on and after the day following such acquisition.

- 5) Regarding the respective transactions described in Item 1) through 3) of this Paragraph, if a reference date is established and effectuation is subject to approval at a General Shareholders’ meeting, the Board of Directors meeting or by any other relevant Symbio organ on and after said reference date, notwithstanding Item 1) through 3) of this Paragraph, 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.

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

In this case, fractions less than one (1) share shall be truncated.

- (3) 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.
- (4) 1) Regarding the calculation using the Exercise Price Adjustment Formula, the numbers below one (1) yen shall be calculated to the 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) 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 (1) yen shall be calculated to the second decimal place with the resulting numbers rounded off to the first decimal place.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

- 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 total 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 (1) month prior to the day when the Exercise Price after adjustment is first applied. In addition, in the case of Item (2) 5) above, the Number of Common Shares Newly Issued or Disposed of, which is used in the Exercise Price Adjustment Formula, will not include the number of Symbio's common shares allotted to the common shares held by Symbio on the reference date.
  - (5) In addition to cases that require an adjustment of the Exercise Price set forth in Item (2) above, Symbio may adjust the Exercise Price in the following cases, as required, through discussions with the right holders upon approval thereof.
    - 1) When an adjustment of the Exercise Price becomes necessary due to consolidation of shares, a capital reduction, a company split, a share exchange or a merger;
    - 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) 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(s).
  - (6) Notwithstanding the provisions of Item (2) above, if the first day that the Exercise Price after adjustment pursuant to Item (2) is applied is consistent with the Exercise Price Amendment Date pursuant to Paragraph 10, Symbio will adjust the necessary Exercise Price and the Minimum Exercise Price.
  - (7) If the Exercise Price is adjusted, Symbio shall inform the right holders in writing of the intent regarding and reason(s) for 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 said commencement date to apply the Exercise Price after adjustment. Provided, however, if as stipulated in Item (2) 5) above, the aforementioned information cannot be provided by the day immediately preceding the date of said commencement date for application, Symbio shall inform promptly on or after the commencement date for application.
12. Exercise period for the Warrants

The period during which the Warrants can be exercised shall be from August 26, 2017 to August 27, 2018. However, rights cannot be exercised on the record date for Symbio's common shares, the business day prior to such day [meaning days which are not holidays of the Japan Securities Depository Center, Inc.

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

(hereinafter the “Agency”)], two (2) business days prior to such day, and days recognized as necessary by the Agency.

13. Other conditions for exercising the Warrants

Partial exercise of each Warrant shall not be permitted.

14. Acquisition of the Warrants

- (1) If the need to acquire the Warrants is determined by Symbio’s Board of Directors, Symbio may acquire all or part of the Warrants held by rights owners (excluding Symbio) on and after the day following the due date of payment of the Warrants for the amount of ¥370 per Warrant on the acquisition day determined by Symbio’s Board of Directors, by issuing notice pursuant to the provisions of Article 273 and Article 274 of the Companies Act. In the case of partial acquisition, this acquisition shall be made through rational means, such as a draw.
- (2) If a merger with Symbio becoming an extinct company, or a share exchange contract or share transfer in which Symbio becomes a wholly-owned subsidiary of another company (hereinafter “Act of Restructuring”) is approved by resolution of Symbio’s General Shareholders’ meeting, Symbio may acquire all of the Warrants held by the rights owners (excluding Symbio) up until the date that the Act of Restructuring becomes effective at a price of ¥370 per Warrant.
- (3) If shares issued by Symbio are designated by the Tokyo Stock Exchange as securities under supervision, securities on alert or delisted stock, or become delisted, Symbio may acquire all of the Warrants held by the rights owners (excluding Symbio) on the date two (2) weeks after the said designation was made or the delisting was determined (or the next business day in the case of a holiday) at a price of ¥370 per Warrant.

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

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

16. Method for the Exercise Request of stock acquisition rights

- (1) Any right holder of the Warrants who wishes to exercise the Warrants shall notify the Exercise Request Location set forth in Paragraph 19 of the particulars necessary for such an exercise request within the period that the Warrants can be exercised, as set forth in Paragraph 12.

<p>Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, Symbio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.</p>
--

- (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 Payment Handling Location set forth in Paragraph 20, in addition to the submission of the Written Exercise Request in the preceding item.
- (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 set forth in Paragraph 19 and the entire amount of the money, which is contributed in exercising the Warrants, has been remitted to the designated account set forth in the preceding item.
17. Non-Issuance of instruments for stock acquisition rights
- SymBio shall not issue instruments for stock acquisition rights in relation to the Warrants.
18. Basis for calculation of the amount to be paid for the Warrants and the value of the property invested in exercising the Warrants
- The amount of ¥370 to be paid per Warrant was determined by taking into account these terms and conditions, the terms and conditions set forth in a third-party allotment contract to be concluded with the allottee, and the results of an evaluation establishing certain assumptions in regards to SymBio's stock price, the liquidity of SymBio's shares, trends regarding the allottee's exercising of rights and the allottee's share ownership trends, etc. based on the Monte Carlo Simulation Method, a commonly used price calculation model. Furthermore, the value of the property invested in exercising the Warrants shall be as stated in Paragraph 9, with the Exercise Price initially being equivalent to the closing price of SymBio's common shares in the ordinary session at the Tokyo Stock Exchange on August 8, 2017.
19. Exercise Request Location
- Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation
20. Payment Handling Location
- Yotsuya Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
21. Application of the Act on Book-Entry of Corporate Bonds and Shares, etc.
- The Warrants are classified as Book-Entry Transfer Share Options under the Act on Book-Entry of Corporate Bonds and Shares, etc. and hence are all subject to the application of the said Act. Moreover, the Warrants and the shares delivered by exercising the Warrants will be handled in accordance with the rules relating to transfer of shares, etc. stipulated by the Transfer Agency, the enforced regulations and other regulations.
22. Name and address of Transfer Agency
- Japan Securities Depository Center, Inc.  
1-1 Nihonbashi Kayaba-cho, 2-chome, Chuo-ku, Tokyo 103-0025, Japan

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, SymBio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.

23. Other

- (1) The abovementioned items shall be on the condition that the notification in accordance with the Financial Instruments and Exchange Act becomes effective.
- (2) Other necessary matters regarding the issuance of the Warrants shall be entirely entrusted to the Representative Director, President and Chief Executive Officer of SymBio.

End

Note: This document does not constitute an investment solicitation for any securities for sale. This document has been prepared to publicly announce matters related to the issuance of the 42nd stock acquisition rights, and not for the purpose of soliciting investment. This document does not constitute an offer of investment in nor solicitation for purchase of the 42nd stock acquisition rights within the United States. Regarding the 42nd stock acquisition rights, SymBio has not registered, and is not scheduled to register, any of them under the United States Securities Act of 1933. The securities may not be offered or sold in the United States without a registration or an exemption from registration under the United States Securities Act of 1933. No offer of securities in the United States will be made in connection with this transaction.