

February 27, 2020
 SymBio Pharmaceuticals Limited
 Fuminori Yoshida
 Representative Director,
 President and Chief Executive Officer

**Notice of the Issuance of the 50th and 51st Stock Acquisition Rights with Exercise Price Revision Clauses
 and Conclusion of Third-Party Allotment Agreement (Commit Issue Program)**

TOKYO, Japan, February 27, 2020—SymBio Pharmaceuticals Limited (JASDAQ: 4582) (“SymBio” or the “Company”) announces that at a Board of Directors meeting held today (the “Resolution Date”), it agreed with EVO FUND (the “Allottee”) to issue the 50th and 51st stock acquisition rights (below, referred to individually as the “50th Stock Acquisition Rights” and “51st Stock Acquisition Rights,” and both individually and collectively as the “Stock Acquisition Rights”) and to enter with the Allottee into a third-party allotment agreement on stock acquisition rights (Commit Issue Program*; the “Purchase Agreement”), on condition of becoming effective via notification in accordance with the Financial Instruments and Exchange Act.

This funding through the Stock Acquisition Rights (the “Funding”) was designed to obtain funds necessary to carry out business activities by around the middle of 2021, making steady progress toward profitability in FY 2021, as disclosed in the medium-term management plan (the “Mid-Range Plan”) announced on February 6, 2020.

Fuminori Yoshida, SymBio’s President and CEO, notes that “SymBio’s Mid-Range Plan calls for the Company to achieve profitability in 2021. To be certain of reaching that goal, we have formulated a strategic financial partnership with the Evolution Financial Group since 2018, which has shown a deep understanding of SymBio’s business development. As our ‘second initiation,’ in 2020 we plan to enter a business growth and expansionary phase. I am convinced that this partnership will provide the financial foundation for us to achieve these goals.”

1. Summary of Subscription

Overview of the Issuance of the Stock Acquisition Rights

(1) Date of allotment	March 16, 2020
(2) Total number of stock acquisition rights	10,000,000 units 50th Stock Acquisition Rights: 7,000,000 units 51st Stock Acquisition Rights: 3,000,000 units
(3) Issue price	¥10,540,000 50th Stock Acquisition Rights: ¥1.06 (per unit) 51st Stock Acquisition Rights: ¥1.04 (same as the above)
(4) Number of dilutive shares from the issuance	10,000,000 shares (one share per unit) No maximum exercise price While the minimum exercise price is ¥291, even at the minimum exercise price, the number of dilutive shares is 10,000,000.
(5) Amount of funding	¥5,450,540,000 (Note)
(6) Exercise price and conditions for revising the exercise price	Initial exercise price: ¥547 The initial revision of the exercise price on each tranche of the Stock Acquisition Rights shall take place on March 17, 2020, and further revisions shall take place after the passage of each subsequent five trading-day period.

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	<p>(“trading days” refers to days on which trading sessions take place on Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”). In the event the exercise price is revised based on this paragraph, on the next trading day following the fifth trading day counted from the date on which the exercise price was previously revised (including that date; the “Revision Date”), the exercise price shall be revised to an amount obtained by multiplying the simple average value of the volume weighted average price of Symbio’s common shares in regular trading announced by the Tokyo Stock Exchange on each trading day for the five consecutive trading days prior to the Revision Date (the “Price Calculation Period”) by 94%, truncating fractional amounts less than one yen (the “Standard Exercise Price”). However, the price shall be revised to the minimum exercise price if the Standard Exercise Price falls below the minimum exercise price as indicated in “(1) Overview of funding method 2) Revision of the exercise price” under “3. Overview of funding method and reason for selection.” In addition, in the event of a reason for adjustment based on the provisions of Paragraph 11 of the terms and conditions for the issuance of the Stock Acquisition Rights during one of the Price Calculation Periods, the volume weighted average price of Symbio’s common shares in regular trading announced by the Tokyo Stock Exchange for each of the trading days for that Price Calculation Period shall be adjusted, taking that reason into consideration.</p>
<p>(7) Method for subscription or allotment (Allottee)</p>	<p>All of the Stock Acquisition Rights shall be allotted to EVO FUND through third-party allotment.</p>
<p>(8) Others</p>	<p>Symbio and the Allottee shall enter into the Purchase Agreement, which enters into force upon notification via a securities registration statement based on the Financial Instruments and Exchange Act. The agreement states the exercise commitment conditions indicated in “3. Overview of funding method and reason for selection (1) Overview of funding method 1) Exercise commitment conditions” below, and requires approval by Symbio’s Board of Directors, in order for the Allottee to transfer the Stock Acquisition Rights.</p> <p>The Purchase Agreement further provides that the 51st Stock Acquisition Rights may be exercised following Symbio’s instructions (the “Instruction to Exercise”).</p>

(Note) The amount of funds to be raised is the total amount paid for the Stock Acquisition Rights and the value of property contributed in exercising the Stock Acquisition Rights, less an estimated amount for the various costs associated with issuing the Stock Acquisition Rights. The amount of funds raised may increase or decrease if the exercise price is revised or adjusted. Furthermore, the amount of funds raised could change if the Stock Acquisition Rights are not exercised within the exercise period or if the Stock Acquisition Rights acquired by Symbio are cancelled. In addition, the value of property contributed upon exercising the Stock Acquisition Rights is calculated based on the assumption that all of the Stock Acquisition Rights are exercised at the initial exercise price. The actual amount raised may vary depending on market conditions at the time the Stock Acquisition Rights are exercised.

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*Characteristics of the Stock Acquisition Rights

Commit Issue

The target numbers of Symbio’s common shares underlying each of the Stock Acquisition Rights (50th Stock Acquisition Rights: 7,000,000 shares, 51st Stock Acquisition Rights: 3,000,000 shares) are determined in advance, and such Stock Acquisition Rights are designed so that the Allottee commits to their exercise. For the 50th Stock Acquisition Rights, the exercise period begins on the trading day immediately following issuance. Once the exercise period begins, the Allottee shall in principle exercise all of the 50th Stock Acquisition Rights (7,000,000 shares) (**Full Commitment**) within 106 trading days. Furthermore, the Allottee commits to the exercise of the 50th Stock Acquisition Rights, a number corresponding to 2,800,000 shares or more, in principle within 56 trading days (**First-Half Commitment**) on or after the trading day following the date on which the 50th Stock Acquisition Rights are issued. The combination of this “First-Half Commitment” and the aforementioned “Full Commitment” are characteristic of the Commit Issue.

In principle, the Full Commitment Period refers individually and collectively to the 106 trading days starting from the trading day following the payment date for the 50th Stock Acquisition Rights in the case of the 50th Stock Acquisition Rights, and in the case of the 51st Stock Acquisition Rights, the 46 trading days starting from the date the Company specifies from the trading day after the Company gives an Instruction to Exercise (including that day in either case). The First-Half Commitment Period refers in principle to the 56 trading days starting from the trading day following the payment date for the 50th Stock Acquisition Rights. There is no First-Half Commitment for the 51st Stock Acquisition Rights.

Commit Issue Program

The combination of two Commit Issues is the feature of this funding (Commit Issue Program). In addition to the 50th Stock Acquisition Rights, the Allottee has made a Full Commitment to exercise the entire amount of the 51st Stock Acquisition Rights on instruction from Symbio up to the maximum amount issued in principle within 46 trading days starting from the date Symbio specifies from the trading day after the Company gives an Instruction to Exercise. The 51st Stock Acquisition Rights are designed so that it cannot be exercised until the Company issues an Instruction to Exercise. Dividing the exercisable period for the Stock Acquisition Rights into two enables the Company to begin raising funds at a time of its choosing in line with funding needs, giving it a high degree of certainty in terms of timing and amount in response to requirements during the expected disbursement period, allowing the Company to deal with variations in timing and funding needs. This is in line with “4. Amount to be raised, as well as the use and scheduled disbursement thereof (2) Specific uses of the amount to be raised,” discussed later. Conditions for issuing an Instruction to Exercise are that Symbio does not continue to possess undisclosed insider information at the time it issues an Instruction to Exercise and at the start of the exercise period, and that no portion of the 50th Stock Acquisition Rights is remaining. Also, when there are fewer than 60 trading days remaining in the exercise period for the 51st Stock Acquisition Rights, an Instruction to Exercise may be given, but Full Commitment does not apply.

	50th Stock Acquisition Rights	51st Stock Acquisition Rights
Number of stock acquisition rights issued	7,000,000 units	3,000,000 units
Total issue price	¥7,420,000	¥3,120,000
Total exercise price	¥3,829,000,000 (Note 1)	¥1,641,000,000 (Note 1)

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Expected exercise period	In principle, a period of approximately five months after issuance (except if Reasons for Extension of the Commitment Period occur)	In principle, roughly two months from date specified by Symbio after the Company issues an Instruction to Exercise (except if Reasons for Extension of the Commitment Period occur)
Number of revisions (in principle)	Total of 21 (planned) (revised every five trading days; 21 times)	Total of 9 (planned) (revised every five trading days; nine times)
Exercise price	94% of simple average VWAP over five consecutive trading days	94% of simple average VWAP over five consecutive trading days
Full Commitment	Commitment, in principle, to exercise all of the Stock Acquisition Rights issued within 106 trading days	Commitment, in principle, to exercise the complete number of Stock Acquisition Rights specified within 46 trading days
First-Half Commitment	Commitment, in principle, to exercise at least 40% of the Stock Acquisition Rights issued within 56 trading days	None
Expected start date of initial exercise	March 17, 2020	To be determined
Expected final date of Full Commitment	August 21, 2020	To be determined
Expected final date of First-Half Commitment	June 9, 2020	Not applicable
Acquisition provisions	Yes	Yes

(Notes) 1. Total exercise price above assumes that all of the Stock Acquisition Rights are exercised at the initial exercise price.

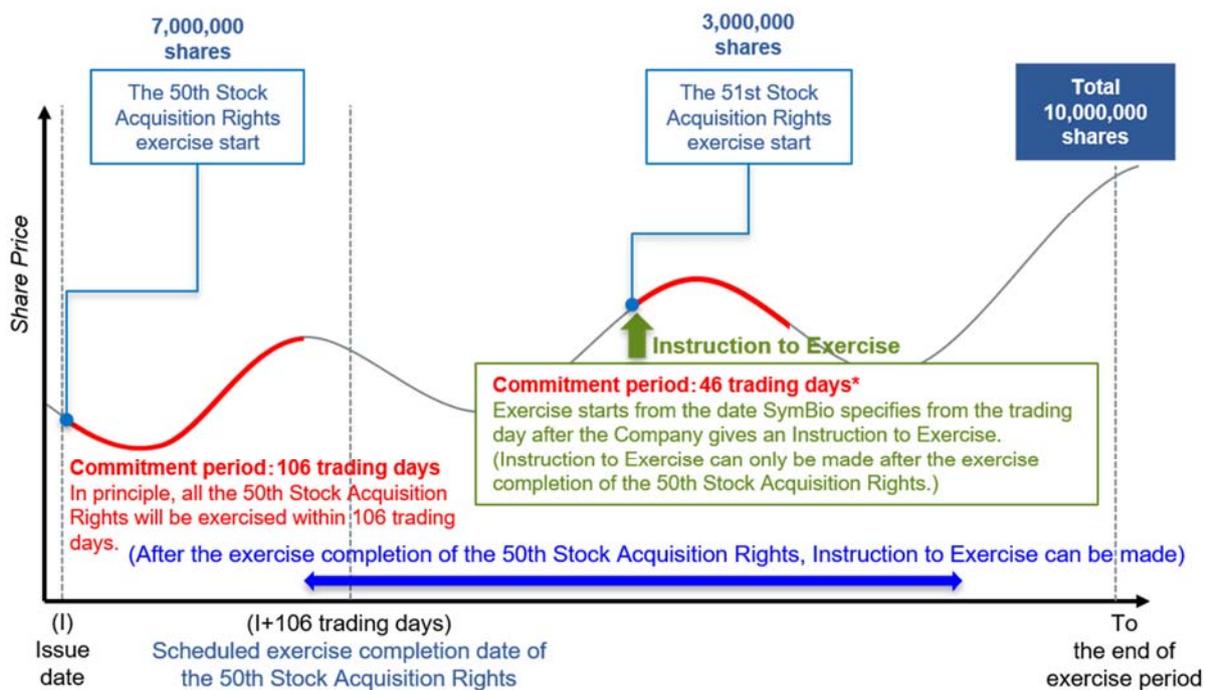
2. The 50th Stock Acquisition Rights and the 51st Stock Acquisition Rights have acquisition provisions, so Symbio may choose to acquire and cancel the Stock Acquisition Rights. However, Symbio plans to stipulate in the Purchase Agreement that it must obtain the agreement of the Allottee to acquire or cancel the Stock Acquisition Rights in any circumstances for the 50th Stock Acquisition Rights and during the Full Commitment period for the 51st Stock Acquisition Rights.

Exercise Timing of the Stock Acquisition Rights

The figure below shows a graphical illustration of exercise timing of each tranche of the Stock Acquisition Rights.

Note: Share price movements are for illustrative purposes only and in actuality the shares will not move as illustrated.

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2. Purposes of and Reasons for the Subscription

As noted in the Summary of Financial Statements for the Fiscal Year Ended December 31, 2019 [Japanese GAAP] (Non-consolidated) (the “Summary of Financial Statements Dated February 6, 2020”), cash and deposits totaled ¥3,910 million as of December 31, 2019, while the Company forecasts a loss of ¥4,803 million for FY 2020. Accordingly, this round of funding is essential for continuing operations.

1) Overview of SymBio’s business, business characteristics, and business model

Many research and development themes for drug discovery and new drug development in the rare disease field in the oncology, hematology, and rare disease 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 a high degree of specialization is required, and as a high degree of difficulty is involved, the leading pharmaceutical companies cannot easily enter the market in terms of business efficiency and/or profitability. As a consequence, the aforementioned oncology, hematology, and rare disease domains are underserved therapeutic areas, which have been scarcely addressed in Asian countries including Japan. Since its establishment in March 2005, as a specialty pharmaceutical company specializing in underserved therapeutic areas, SymBio has addressed new drug development by focusing on the oncology, hematology, and rare disease areas for which barriers to entry are high.

SymBio obtained approval for manufacturing and marketing within a short period of only five years from introduction for TREAKISYM® (generic name: bendamustine hydrochloride), the first anticancer product developed by the Company, and started its sales domestically in December 2010. TREAKISYM® has become an essential drug (standard drug) in the treatment of recurrent/refractory low-grade non-Hodgkin’s lymphoma (NHL), the indication for which approval was obtained. To maximize its product value, SymBio is accelerating its development for additional indications. In August 2016, the Company received approval for chronic

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lymphocytic leukemia (CLL) as an additional indication, followed by approval in December 2016 for additional indications; first-line treatment of low-grade NHL and mantle cell lymphoma (MCL).

In addition to the already-approved indications, Symbio is conducting a Phase III clinical trial for TREAKISYM® targeting recurrent/refractory diffuse large B-cell lymphoma (r/r DLBCL). In November 2019, the Company announced the achievement of a favorable response rate that exceeded expected levels, which represents a primary endpoint. Currently, the Company is preparing to apply for approval for this indication, targeting Q2 FY 2020.

In September 2017, Symbio entered into an exclusive license agreement (in Japan) for TREAKISYM® liquid formulations (ready-to-dilute [RTD] and rapid infusion [RI] liquid formulations) with Eagle Pharmaceuticals, Inc. (head office: 50 Tice Blvd., Suite 315 Woodcliff Lake, NJ 07677, U.S.; CEO: Scott Tariff). Following consultations with the Pharmaceutical and Medical Devices Agency concerning RTD liquid formulation products, the Company completed an application for approval in September 2019 and forecasts a launch in Q1 FY 2021. A clinical trial for RI liquid formulations began in November 2018, with the primary goal of confirming their safety. The Company had been steadily acquiring patients since the enrollment of the first patient began in April 2019. As of January 31, 2020, 31 patients were enrolled. The Company aims to launch these RI liquid formulations as products in 1H FY 2022 following a prompt application for approval after this clinical trial has ended.

In October 2018, the Company began preparations to establish its own salesforce for the sale of TREAKISYM® after the expiration of a business partnership agreement with Eisai Co., Ltd. (head office: 4-6-10 Koishikawa, Bunkyo-ku, Tokyo, Japan; Representative Corporate Officer and CEO: Haruo Naito; “Eisai”) in December 2020. The Company’s top management objectives are to attain profitability in FY 2021 and to achieve sustainable growth thereafter. By transitioning to its own salesforce, the Company plans to solidify its future business development.

During FY 2019, Symbio continued to expand and train its team of TREAKISYM® sales representatives who will be the core of the Company’s own salesforce. Upon completion of their training, sales representatives began conducting regionally focused information-providing activities in July 2019, and the Company has made steady progress toward completing the construction of a nationwide sales organization by 1H FY 2020. During Q4 FY 2019, Symbio made large progress in terms of recruiting the additional regional sales managers and TREAKISYM® sales representatives necessary to complete a nationwide sales organization and the Company’s goal of improving its distribution and logistics capabilities. The Company achieved this progress in part by forming business alliances with wholesalers of pharmaceutical drugs and splitting its logistics center into two bases; one in eastern Japan and the other in western Japan. Furthermore, the Company are diligently conducting preparations for the establishment of information systems incorporating an enterprise resource planning (ERP) system, which will function as part of its internal infrastructure. Through these efforts, the Company made steady progress in terms of establishing a high-performance and highly productive sales organization that is based on deep expertise and abundant experience.

In regard to sales of TREAKISYM® in Japan, issues involving foreign matter contamination and appearance defects were discovered in lyophilized injection agents imported from Astellas Deutschland GmbH (head office: Ridlerstr. 57 80339 Munich, Bavaria, Germany; head: Johanna Maria Anna Bermond), a consolidated subsidiary of Astellas Pharma Inc. (head office: 2-5-1, Nihonbashi-Honcho, Chuo-ku, Tokyo, Japan; President and CEO: Kenji Yasukawa). The ratio of contamination and appearance defects significantly exceeded limits permitted by quality standards included in the supply agreement with Astellas Deutschland. As a result, shipments of TREAKISYM® 100 mg vials to its seller in Japan, Eisai Co., Ltd., faced further delays than originally anticipated.

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To prevent similar quality issues from recurring, Symbio has filed a serious protest with Astellas Deutschland and firmly requested the manufacture and quick shipment of replacement product batches. Astellas Deutschland has complied, and Symbio is currently receiving replacement batches. However, the Company's inventory levels for TREAKISYM® remain low due to uncertain delivery dates for a portion of replacement batches and continuing high rates of defect. Symbio continues to insist that Astellas Deutschland fulfill its obligations as a supplier. Symbio will continue demanding improvement from Astellas Deutschland and holding talks while aiming to fulfill its mission of stably providing high-quality pharmaceutical products. Astellas Deutschland has established the corrective and preventive action program (CAPA), but its effectiveness has not yet been confirmed.

In addition, considering that rigosertib (SyB L-1101 [intravenous formulation] and SyB C-1101 [oral formulation]), an anticancer agent introduced in July 2011, is a mainstay newly developed drug following TREAKISYM®, Symbio is promoting development for the treatment of myelodysplastic syndrome (MDS). U.S. licensor Onconova Therapeutics, Inc. (head office: 375 Pheasant Run Newtown, PA 18940, U.S.; President & CEO: Steve Fruchtman; "Onconova") is conducting a global Phase III clinical trial of the intravenous formulation of rigosertib. Symbio is responsible for clinical development in Japan and in December 2015 began the trial. Forty-eight patients were enrolled as of December 31, 2019. According to a December 2019 announcement from Onconova, global patient enrollment (final target of 360 patients) was more than 90% complete as of November 2019, and top-line results (primary endpoints) are expected to be released in 2H FY 2020. Based on the results of the trial, the Company is planning to apply for approval in Japan at the same time as in the U.S. and Europe.

As for the oral formulation of rigosertib, Onconova has completed Phase I/II clinical trials in the U.S. for the target indication of first-line higher-risk MDS (in combination with azacitidine), and results suggested that the oral formulation of rigosertib and azacitidine were safe and effective when combined. Symbio started a domestic Phase I clinical trial in June 2017 to confirm the tolerability and safety of the oral formulation of rigosertib for Japanese patients. The Company have proceeded with patient enrollment since the first patient was enrolled in October 2017 and completed the enrollment process in June 2019.

On September 30, 2019, Symbio concluded an exclusive global licensing agreement for intravenous and oral formulations of brincidofovir, an antiviral drug for the treatment of infectious diseases (SyB V-1901; "BCV IV" and "BCV Oral," respectively) with Chimerix, Inc. (head office: 2505 Meridian Parkway, Suite 100 Durham, NC 27713, U.S.; CEO: Michael Sherman; "Chimerix"). Under this agreement, the Company acquired the exclusive rights for the worldwide development, marketing, and manufacture of BCV for all human indications, excluding smallpox. With the global rights to BCV, the Company will transition into a global specialty pharmaceutical company with an integrated system for supplying high-quality pharmaceutical products.

Symbio will initially develop BCV IV for the treatment of viral hemorrhagic cystitis (vHC) following hematopoietic stem cell transplantation, which are underserved therapeutic areas with high unmet medical demand. To deliver brincidofovir to patients requiring treatment as promptly as possible, the Company will conduct clinical development in Japan ahead of the rest of the world, aiming to secure approval for the drug. At the same time, it will conduct global clinical trials of BCV IV that extend to Europe and the U.S. while targeting a global rollout of the drug.

As described above, Symbio's business development is centered on the oncology, hematology, and rare disease areas. Holding multiple drug approvals and new drug candidates in these therapeutic areas, the Company has built solid pipelines*.

*Pipeline refers to a group of newly developed drugs, from approval to sale.

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SymBio's Current Pipelines

Drug	Indication	Phase I	Phase II	NDA	MA
TREAKISYM® (Freeze-dried)	r/r low-grade NHL/MCL	Approved October 2010			
	CLL	Approved August 2016			
	First-line low-grade NHL/MCL	Approved December 2016			
	r/r DLBCL	Primary endpoint achieved → NDA preparation in progress			
Liquid TREAKISYM® (RTD)	All	NDA filed in September 2019			
Liquid TREAKISYM® (RI)	All	Recruiting patients for Phase I/II study			
Brincidofovir IV	vHC after allogeneic hematopoietic stem cell transplantation (Japan)	Preparing for Japan study			
Brincidofovir IV	Viral infection after allogeneic hematopoietic stem cell transplantation (Global)	Preparing for global study			
Brincidofovir oral	Formulation development (Global)	Beginning in 2020			

Drug	Indication	Phase I	Phase II	Phase III	NDA	Approval	
Rigosertib IV	r/r higher-risk MDS monotherapy	Recruiting patients for global phase III study					
Rigosertib oral	r/r higher-risk MDS	Japan study completed					
	First-line higher-risk MDS in combination with azacitidine	In preparation					
	First-line higher-risk MDS in combination with azacitidine	Global phase II/III study in preparation					

(Note) MDS refers to myelodysplastic syndrome.

- 2) Funding needed to achieve the objectives of its Mid-Range Plan by further expanding the pipelines, extending product lifecycles, and establishing the Company's own salesforce

Under the Mid-Range Plan, the Company's core management objective is achieving profitability in FY 2021 (earning net profits). To achieve growth over the medium to long term and transform itself into a pharmaceutical company with sustainability, growth potential, and profitability, the plan calls for SymBio to make steady progress on the following initiatives.

Development of in-licensed drugs

Maximize the pipeline value of TREAKISYM® by steadily pursuing the following developments:

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- Expanding indications: complete the Phase III clinical trial for the indication of recurrent/refractory diffuse large B-cell lymphoma, with the aim of filing a new drug application in Q2 FY 2020 and launching in Q3 FY 2021.
- Extending product lifecycles: launch the RTD formulation in Q1 FY 2021 and switch 95% of product from the current lyophilized powder formulation to a liquid formulation by the end of 2021. Work toward a 100% switch from the beginning of 2022, and make further progress toward maximizing product value with the launch of the RI formulation in the first half of 2022.
- With the newly in-licensed antiviral drug, brincidofovir, Symbio will first target treatment of viral hemorrhagic cystitis (vHC) following hematopoietic stem cell transplantation, commencing clinical development of an injection agent in Japan in the second half of 2020 before undertaking global development.
- Symbio will proceed with clinical trials to obtain approval for intravenous and oral formulations of rigosertib as a successor to TREAKISYM[®], aiming to obtain approval for the intravenous formulation in Q4 FY 2022, to expand the Company's growth potential and revenue opportunities.
- To secure long-term growth opportunities, Symbio will proactively search for and evaluate new drug candidates for development after brincidofovir, and further explore in-licensing opportunities.

Establishment of the Company's own salesforce

Symbio is moving ahead with the penetration of already-approved indications and the establishment of its own salesforce in the aim of maximizing the commercial value of TREAKISYM[®].

- Although TREAKISYM[®] is currently marketed in Japan through Eisai, the Company is preparing to transition to its own salesforce to make a greater contribution to society as a specialty pharmaceutical company.
- The Company's top management objectives are to attain profitability in FY 2021 and achieve sustainable growth in FY 2022. The Company plans to shift TREAKISYM[®] sales to its own salesforce in 2021, following the expiration of the Company's agreement with Eisai in December 2020.

Investment in new in-licensing, M&A, and other means of ensuring long-term growth opportunities

- To ensure long-term growth opportunities, search for and evaluate new drug candidates to follow on from existing drugs, and continue to consider in-licensing.
- When searching for, evaluating, and negotiating new drug candidates, the Company will investigate obtaining global licenses in addition to those covering the domestic market.

To make steady progress on the abovementioned initiatives, the Company requires a suitable amount of development funding, sales- and marketing-related funding to build an independent sales structure, and lump-sum contract payments and acquisition funds for new in-licensing. However, as noted in the Summary of Financial Statements Dated February 6, 2020, cash and deposits totaled ¥3,910 million as of December 31, 2019, while the Company forecasts a loss of ¥4,803 million for FY 2020, and product sales of TREAKISYM[®] is on its own unlikely to generate sufficient earnings to cover these funding needs through mid-FY 2021, until when the basic earnings structure Symbio currently has in place will continue. Even considering the expenses associated with establishing the Company's own salesforce and for the ongoing employment of medical representatives, or MRs, who will take charge of providing drug information, Symbio's gross profit should increase at the expiration of the current business partnership agreement, which allocates a certain percentage of

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gross profit from product sales to Eisai. To ensure the move to profitability in FY 2021 when earnings will increase rapidly, the Company requires additional funding during the roughly eighteen months through mid-FY 2021.

Given these circumstances, SymBio conducted a fundraising to cover its needs from April 2018 until the end of FY 2020 as announced on April 9, 2018 in the “Notice of the Issuance of the 45th through 47th Stock Acquisition Rights with Exercise Price Revision Clauses (Commit Issue Program) and Conclusion of an Unsecured Loan Facility Agreement” (the “Previous Fundraising”). This Previous Fundraising comprised the issuance of the 45th, 46th, and 47th Stock Acquisition Rights and loans under an unsecured loan facility agreement. However, the Company’s stock price did not reach the levels assumed when the Previous Fundraising was decided. While the 45th, 46th, and 47th Stock Acquisition Rights were fully exercised, the amounts raised using these stock acquisition rights were less than initially envisaged.

In order to make up for the shortfall from the Previous Fundraising and raise funds needed for the period from January 2021 onward, SymBio resolved to execute the current scheme (as defined following in “3. Overview of funding method and reason for selection (2) Reason for selection of the funding method”) to raise additional funds.

3. Overview of funding method and reason for selection

(1) Overview of funding method

The framework for this funding is such that SymBio is allocating the Stock Acquisition Rights to the Allottee, with SymBio’s capital increasing when the Allottee exercises the Stock Acquisition Rights.

SymBio and the Allottee, EVO FUND, will enter into a Purchase Agreement regarding the Stock Acquisition Rights that includes the details outlined below after the securities registration statement related to the subscription of the Stock Acquisition Rights becomes effective via notification.

1) Exercise commitment conditions

Commitment conditions

The Allottee commits in principle to the exercise of all of the Stock Acquisition Rights it holds (or the number of Stock Acquisition Rights specified by SymBio if this number is less than the total remaining, in the case of the 51st Stock Acquisition Rights) by the end of a set time period (Full Commit period). In the case of the 50th Stock Acquisition Rights, this means the 106 trading days from the trading day after the payment date for the 50th Stock Acquisition Rights, and in the case of the 51st Stock Acquisition Rights, this means the 46 trading days from the date the Company specifies from the trading day after the Company gives an Instruction to Exercise (including that day in either case). (Note: conditions for issuing an Instruction to Exercise are that SymBio does not continue to possess undisclosed insider information at the time it issues an Instruction to Exercise and at the start of the exercise period. Also, when there are fewer than 60 trading days remaining in the exercise period for the 51st Stock Acquisition Rights, an Instruction to Exercise may be given, but Full Commitment does not apply.) The figure of 106 trading days comprises 21 Price Calculation Periods with the addition of one trading day when the 50th Stock Acquisition Rights are exercisable; 46 days comprises nine Price Calculation Periods with the addition of one trading day when the 51st Stock Acquisition Rights are exercisable. These periods have been determined through discussion with the Allottee.

Also, in addition to the above commitment regarding the 50th Stock Acquisition Rights, the Allottee commits to the exercise of the Stock Acquisition Rights in a number equivalent to at least 2,800,000 shares by the day after a certain period has elapsed (the 56th trading day [including that day] from the trading day after the payment

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date [including that day], referred to as the First-Half Commitment Period. The figure of 56 trading days comprises 11 Price Calculation Periods with the addition of one trading day when the Stock Acquisition Rights are exercisable. These periods have been determined through discussion with the Allottee.

The existence of the relevant Full Commitment and First-Half Commitment Periods enables a degree of certainty for Symbio in raising funds through these arrangements and at the same time obtaining cash flow at an early juncture.

Assuming no Reasons for Extension of the Commitment Period (defined following) occur, the Full Commitment Period for the 50th Stock Acquisition Rights will conclude on August 21, 2020 (the 106th trading day from the day after the payment date for the 50th Stock Acquisition Rights), and the First-Half Commitment Period will conclude on June 9, 2020 (the 56th trading day from the day after the payment date for the 50th Stock Acquisition Rights). However, if a Reason for Extension of the Commitment Period occurs, the above periods shall be extended as shown below.

If on any of the trading days belonging to the Price Calculation Periods during the Full Commitment Period, (1) the closing price of Symbio's common shares on the stock exchange announced by the Tokyo Stock Exchange falls below 110% of the minimum exercise price for the applicable tranche of the Stock Acquisition Rights, (2) Symbio's common shares are designated by the Tokyo Stock Exchange as a stock under supervision or a stock to be delisted; (3) no regular trading of Symbio's common shares occurs on the Tokyo Stock Exchange during an entire day (no trades are executed on the Tokyo Stock Exchange); and/or (4) the nominal price of Symbio's common shares in regular trading ends below the minimum daily trading limit designated by the Tokyo Stock Exchange (maximum allowable single-day loss), (regardless of whether regular trading of Symbio's common shares on the Tokyo Stock Exchange is concluded through proportional allotment [stop distribution]) (below, any of the individual events above will be referred to as "Reason for Extension of the Commitment Period"), the Full Commitment Period shall be extended by one trading day each time a Reason for Extension of the Commitment Period occurs (the total number of extensions, however, being limited to 20 [20 trading days]). In the same manner, if a Reason for Extension of the Commitment Period occurs on one of the trading days during the First-Half Commitment Period, the First-Half Commitment Period shall be extended by one trading day each time a Reason for Extension of the Commitment Period occurs (the total number of extensions, however, being limited to 10 [10 trading days]).

For both the Full Commitment Period and the First-Half Commitment Period, the abovementioned extensions shall be limited to once for each Reason for Extension of the Commitment Period that occurs on a trading day. Even if a Reason for Extension of the Commitment Period occurs multiple times on the same trading day, only one extension corresponding to such Reason for Extension of the Commitment Period shall occur.

Extinguishment of commitment conditions

If the First-Half Commitment Period is extended more than 10 times due to Reasons for Extension of the Commitment Period during the First-Half Commitment Period, the Allottee's commitment relative to the First-Half Commitment shall be extinguished. Similarly, if the Full Commitment Period is extended more than 20 times due to Reasons for Extension of the Commitment Period during the Full Commitment Period, the Allottee's obligations under the Full Commitment shall be extinguished.

Even if these commitments are extinguished, the Allottee may exercise the Stock Acquisition Rights at its own discretion in a number of its choosing, as long as the measures to restrict exercise described in "3) Prohibition of over-limit exercise" are respected.

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2) Revision of the exercise price

The exercise price for the Stock Acquisition Rights shall be initially revised on the trading day following the allotment date of the Stock Acquisition Rights, with revisions occurring at each passing of five trading days. On each Revision Date, the exercise price shall be revised to the Standard Exercise Price. Following discussions with the Allottee, and comparisons with provisions used in other fundraising schemes, a discount rate of 6% shall be used in calculating the Standard Exercise Price to ensure earnings for the Allottee as an investor. However, if such amount is below the minimum exercise price for the relevant Stock Acquisition Rights, the relevant minimum exercise price shall be used as the post-revision exercise price.

The minimum exercise price shall be ¥291, 50% of the closing price of SymBio's common shares in regular trading on the Tokyo Stock Exchange on the trading day immediately preceding the Resolution Date, but shall be revised in accordance with the provisions of Paragraph 11 of the terms and conditions for the issuance of the Stock Acquisition Rights. Such minimum exercise price level was determined in discussions between the Allottee and SymBio, taking into account such factors as ensuring earnings for the Allottee as an investor and maximizing the amount of funding for SymBio.

3) Prohibition of over-limit exercise

The Purchase Agreement contains the following details.

- (a) In accordance with Article 434-1 and Article 436-1 through 436-5 of the Securities Listing Regulations established by the Tokyo Stock Exchange, in principle if the number of shares acquired by the Allottee through the exercise of the Stock Acquisition Rights within a single calendar month exceeds 10% of the number of listed shares as of the payment date of the Stock Acquisition Rights, SymBio shall not allow the Allottee to exercise the portion of the Stock Acquisition Rights exceeding such 10% (the "Over-Limit Exercise").
- (b) Outside the scope of application as prescribed, the Allottee agrees not to exercise the Stock Acquisition Rights corresponding to such Over-Limit Exercise and, regarding the exercise of the Stock Acquisition Rights, shall check in advance with SymBio to ensure that such exercise of the Stock Acquisition Rights does not correspond to Over-Limit Exercise.
- (c) In the event the Allottee transfers the Stock Acquisition Rights, the Allottee commits in advance to have the transferee bear responsibility regarding Over-Limit Exercise with SymBio. If the transferee further transfers the Stock Acquisition Rights to another third party, the Allottee commits to retain the same obligation to SymBio.

4) Duty to discuss in case of change in funding requirements due to arbitration award

On November 13, 2017, SymBio published a news release entitled "Initiation of an Arbitration against The Medicines Company," the licensor of patient-controlled pain management drug SyB P-1501. As this release indicates, SymBio has initiated an arbitration against The Medicines Company (head office: 8 Sylvan Way Parsippany, NJ 07054, U.S.; CEO: Mark Timney) on October 11, 2017 under the rules of the International Chamber of Commerce, seeking damages of US\$82 million (equivalent to approximately ¥ 9.0 billion), arising out of The Medicines Company's repudiation of the license agreement. This arbitration is ongoing. Hearing procedures commenced in New York in June 2019, and both parties had finished submitting their final documents as of the end of December 2019. Currently, a panel comprising three arbitrators is preparing an arbitration judgment. Assuming typical submission procedures, SymBio expects to receive an arbitration judgment between March and June 2020. The Company intends to establish a provision to the effect that it will be able to request the Allottee, after discussions with the Allottee, not to exercise more Stock Acquisition Rights than a number specified by the Company, in case of an award by the arbitration panel, and that the Allottee will

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discuss any such request with Symbio in good faith. In the event of an award by the arbitration panel, Symbio will disclose this information in a timely manner.

(2) Reason for selection of the funding method

As described in the aforementioned “2. Purposes of and Reasons for the Subscription,” when Symbio was investigating fundraising methods appropriate to its intended use of funds, it received a proposal from the Allottee for a fundraising scheme (the “Scheme”) using the Stock Acquisition Rights. The Scheme was designed to enable Symbio to raise funds to meet its short-term funding requirements at a relatively early stage with a high degree of certainty, while curtailing short-term impacts on the share price. Furthermore, issuing an Instruction to Exercise for the 51st Stock Acquisition Rights depending on the Company’s share price and fund demand status offered an element of fundraising flexibility. Further, an acquisition provision enables Symbio to acquire the 51st Stock Acquisition Rights (except during the Full Commitment Period) at its discretion. If the need to raise funds through the Stock Acquisition Rights no longer exist or Symbio decides that a different fundraising method is appropriate due to changes in its circumstances, while considering future changes to the Company’s or market’s situation, Symbio has the flexibility to choose to purchase and cancel the stock acquisition rights and cancel plans to raise funds using the 51st Stock Acquisition Rights. Symbio thinks that the ability to limit the dilutionary impact on existing shareholders in the future by using the acquisition provisions suits its needs, and that it is ideal from the perspective of the Company’s future growth. Further, in light of advantages and disadvantages described following in “(3) Characteristics of the Scheme” and other funding methods as outlined in “(4) Other funding methods,” Symbio has considered other funding methods and as a result of its deliberations, decided to employ the proposed funding methodology after making a comprehensive judgment to the effect that it will enable it to raise funds necessary for the uses outlined in “(2) Specific uses of the amount to be raised,” under “4. Amount to be raised, as well as the use and scheduled disbursement thereof,” with a high degree of certainty in a set time period.

(3) Characteristics of the Scheme

Fundraising under the Scheme using the Stock Acquisition Rights has the following advantages and disadvantages.

Advantages

1) Establishment of future funding plan

Stock acquisition rights are typically used only when funding will be necessary in the near future. However, the Scheme establishes a funding plan spanning roughly the next year, thereby providing a forecast of future funding for Symbio and its investors.

2) Acquisition provision

The acquisition provision attached to the 51st Stock Acquisition Rights enables the Company to acquire the 51st Stock Acquisition Rights (except during the Full Commitment Period) at its discretion. If there are no longer needs to raise funds through the Stock Acquisition Rights or choosing a different fundraising method is more appropriate due to changes in its circumstances, with due consideration of future changes to the Company’s or market’s situation, Symbio may elect to purchase and cancel the 51st Stock Acquisition Rights by paying monies equivalent to the value it received in payment for the Stock Acquisition Rights. The Company has the ability to limit the dilutionary impact on existing shareholders in the future as necessary by exercising the acquisition provision.

3) Reduction in funding costs

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The Scheme provides for lower financing costs than those that would be associated with the procedures for multiple resolutions and issues.

4) Certain funding in a short period of time

In principle, the 50th Stock Acquisition Rights (7,000,000 underlying common shares) shall be fully exercised (Full Commitment) by August 21, 2020, and the 51st Stock Acquisition Rights (3,000,000 underlying common shares) by the 46th trading day from the date the Company specifies from the trading day after the Company gives an Instruction to Exercise.

5) Funding according to timing

In addition to the Full Commitment, in the First-Half Commitment the Allottee Commits to exercise 40% of the 50th Stock Acquisition Rights by June 9, 2020 in principle (representing 2,800,000 common shares). This arrangement provides both sizable funding through the Full Commitment and timely cash flow at an early stage through the First-Half Commitment.

6) Limit on the maximum number of shares for delivery

The number of SymBio's common shares underlying the Stock Acquisition Rights is fixed at 10,000,000, so the maximum number of shares for delivery is limited, regardless of share price fluctuations. Consequently, the dilution rate will not exceed initial expectations.

7) Increase in funding amount when share price rises

As revisions in the exercise price under the Stock Acquisition Rights are linked with the share price, the amount of funding increases if the share price rises.

8) Impact of promoting exercise when the share price rises

With regard to the 10,000,000 shares slated for issue through the exercise of the Stock Acquisition Rights, if the share price rises significantly during the exercise period, as an investor the Allottee may elect to realize capital gains at an early stage through an early exercise and not waiting for the end of the exercise period. Earlier funding would be expected as a result.

Disadvantages

1) Unable to access entire amount of funding initially

One characteristic of stock acquisition rights is that funding is first provided when the holders of stock acquisition rights exercise those rights, and in an amount equal to the exercise price times the number of shares corresponding to the exercise. For this reason, the full amount of funding is not provided when the Stock Acquisition Rights are initially issued.

2) Possibility of the funding amount decreasing when the share price is sluggish

If the share price remains below the share price as of the Resolution Date for a long period of time during the exercise period for the Stock Acquisition Rights, the amount of funding may fall below the amount anticipated on the basis of the share price as of the Resolution Date. Furthermore, the possibility exists that exercise may not progress because the share price does not exceed 110% of the minimum exercise price.

3) Possibility of SymBio's share price falling due to market sale of SymBio's common shares by the Allottee

Given that short-term holding is the Allottee's (EVO FUND) policy for SymBio's common shares, the Allottee may sell these shares in the market after acquiring the shares by exercising the Stock Acquisition Rights. In view of the current liquidity of SymBio's common shares, the sale of SymBio's common shares by the Allottee could cause SymBio's share price to fall.

4) Access limited to an unspecified number of new investors

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As the agreement takes the form of a third-party allotment and is between only Symbio and the Allottee, the Scheme does not enjoy the advantages of soliciting funding from an unspecified number of new investors.

(4) Other funding methods

1) Capital increase through new share issuance

(a) Capital increase through public offering

A capital increase through public offering and issuance of new shares makes one-time funding possible. However, market capitalization and shares' liquidity are limiting factors in how much can be raised. In light of the Company's market capitalization and its shares' liquidity, Symbio thinks that it would be difficult to raise enough funds using this method. Further, preparations and investigations ahead of a share offering take a considerable amount of time and the ability to issue new shares is significantly affected by share price trends and overall market trends at the time of the offering. If the offering window is missed, there is little flexibility because delays of several months arise due to earnings announcements, as well as deadlines for filing quarterly and annual securities reports. From the standpoint of fundraising flexibility, the Company thinks that the current Scheme has significant advantages. Symbio judged that a public offering was not an appropriate fundraising method at this time in light of these points.

(b) Capital increase through shareholder allocation

In a capital increase through shareholder allocation, the participation rate of existing shareholders who are the prospective allottees is unclear due to issues such as funding capacity, and in practice, there have been few instances in recent years. It would be extremely difficult for Symbio to estimate how much it might be able to raise. Accordingly, Symbio judges this fundraising method to be inappropriate.

(c) Capital increase through third-party allotment of new shares

A capital increase through third-party allotment of new shares is an effective way to promptly raise funds, but this approach dilutes future earnings per share immediately, and could thus directly affect the share price. Accordingly, Symbio judged a capital increase through third-party allotment of new shares to be inappropriate as a way to raise funds at this time.

2) Convertible bonds (CBs)

Convertible bonds have an advantage over the current Scheme in that they enable certainty of raising the necessary amount when issued, but if they are not converted after issuance, this would increase the Company's total liabilities, and adversely impact its borrowing capacity. Also, at the current time, it is unclear whether Symbio would be able to obtain the significant funds necessary to repay the bonds in the future, so Symbio judged an issue of convertible bonds to be inappropriate as a way to raise funds at this time. Also, moving strike convertible bonds (MSCBs) tend to be converted relatively quickly, but because they are structured so that the number of shares exchanged upon conversion depends on the exercise price, it is unclear how many shares would be exchanged until the conversion process is complete, leading to a significant direct impact on the share price and significant disadvantages for shareholders. In light of these disadvantages, Symbio judged that constraining dilution and raising funds through another means in the event of a funding shortfall, would benefit shareholders more than being certain to raise the necessary funds. Symbio thus decided that MSCBs were also inappropriate as a way to raise funds at this time.

3) Capital increase through gratis allotment of stock acquisition rights (rights issue)

Methods of increasing capital through a gratis allotment of stock acquisition rights to all shareholders, a "rights issue," include a commitment-type rights issue, in which Symbio would enter into an underwriting contract with a financial instruments business operator, and a non-commitment-type rights issue, in which Symbio would

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not enter into an underwriting contract with a financial instruments business operator and would leave decisions on the exercise of stock acquisition rights up to the shareholders. Few examples of commitment-type rights issues exist in Japan. Because SymBio has reported recurring losses during the past two years, the Company cannot conduct a non-commitment-type rights issue because it falls short of the listing standards set forth in the Securities Listing Regulations provided by the Tokyo Stock Exchange.

4) Funding through loans or corporate bonds

All funds raised through loans or corporate bonds would be included in liabilities, reducing financial soundness and potentially making future bank borrowing difficult. Considering its balance with the use of funds to be raised, the Company judged that loans or corporate bonds were not an appropriate way to raise funds at this time.

4. Amount to be raised, as well as the use and scheduled disbursement thereof

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

1) Total amount paid	¥5,480,540,000
Total amount paid for the Stock Acquisition Rights	¥10,540,000
Total value of property contributed in exercising the Stock Acquisition Rights	¥5,470,000,000
2) Approximate amount of various issuance-related expenses	¥30,000,000
3) Estimated net proceeds	¥5,450,540,000

(Notes) 1. The total amount paid above is the sum of total amount paid for the Stock Acquisition Rights and total amount paid upon exercising the Stock Acquisition Rights.

2. The total amount paid assumes that all of the Stock Acquisition Rights are exercised at the initial exercise price. If the exercise price is revised or adjusted, the sum of the total amount paid for the Stock Acquisition Rights and the total value of property contributed when exercising the Stock Acquisition Rights may increase or decrease. Further, if the Stock Acquisition Rights are not exercised during the exercise period or the Company cancels Stock Acquisition Rights it has purchased, the sum of total amount paid for the Stock Acquisition Rights and the total value of property contributed when exercising the Stock Acquisition Rights may decrease.

3. A breakdown in issuance-related expenses includes the aggregate of legal fees relating to the issuance of the Stock Acquisition Rights and expenses for preparing valuations.

4. The estimate of issuance-related expenses does not include national consumption tax or local consumption tax.

(2) Specific uses of the amount to be raised

SymBio expects the total amount to be raised through the issuance of the Stock Acquisition Rights and the exercise of the Stock Acquisition Rights by the Allottee to be ¥5,788 million. Expected specific uses of the amount to be raised are described below.

Specific uses	(Funds to be raised through the 50th Stock Acquisition Rights (Millions of yen))	(Funds to be raised through the 51st Stock Acquisition Rights (Millions of yen))	Total amount of funds to be raised (Millions of yen)	Expected timing of expenditure

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1) Development of in-licensed drugs	2,375	55	2,430	March 2020 to June 2021
2) Establishment of the Company's own salesforce	1,431	54	1,485	March 2020 to June 2021
3) Investment in new in-licensing, M&A, and other means of ensuring long-term growth opportunities	0	1,535	1,535	October 2020 to June 2021
Total	3,806	1,644	5,450	

(Note) The exercise price of the Stock Acquisition Rights may be revised or adjusted, and the Allottee has committed to the exercise of all of the Stock Acquisition Rights during the exercise period under the Purchase Agreement (Full Commitment). However, if the relevant Full Commitment is extended accompanying a Reason for Extension of the Commitment Period more than 20 times, the commitment is canceled, so the actual amount of funds raised and the timing of expenditure may differ from what Symbio currently expects. Note that if the amount of funds raised is insufficient, Symbio plans to appropriate funds in the order noted above, as well as investigate additional fundraising to supplement any shortfall, including short-term borrowings from financial institutions, taking into consideration fundraising costs. In the event of an excess, Symbio plans to allocate it toward the development of in-licensed drugs (from July 2020). As mentioned above, it would be necessary to investigate additional fundraising methods if proceeds from the current Scheme are insufficient, but Symbio thinks that its shareholders' equity will increase under the current Scheme and that its borrowing capacity will increase as a result, so judges that this is acceptable.

Symbio plans to allocate funds as outlined in the table above, with details shown following.

1) Development of in-licensed drugs

Of ¥490 million for a Phase III clinical study on expanding the indications of TREAKISYM® to recurrent/refractory diffuse large B-cell lymphoma expected to be spent from 2020 onward, the above table includes the Company's plans to allocate ¥30 million, excluding proceeds from the previous funding scheme. Symbio expects to spend from 2020 onward amounts of ¥570 million, ¥779 million, and ¥565 million, respectively, for the development of TREAKISYM® liquid formulations (RTD and RI formulations), and rigosertib (intravenous and oral formulations). It plans to allocate ¥240 million, ¥779 million, and ¥155 million respectively for these activities, excluding proceeds from its previous funding scheme. The Company expects to spend from 2020 onward funds for clinical development in Japan of its newly in-licensed intravenous formulation of brincidofovir (BCV IV), which targets viral hemorrhagic cystitis (vHC) following hematopoietic stem cell transplantation, and other expenses of ¥1,121 million and ¥415 million respectively. It plans to allocate amounts of ¥1,121 million and ¥105 million, respectively for these activities, excluding proceeds from its previous funding scheme.

2) Establishment of the Company's own salesforce

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In anticipation of the expiration of the business partnership agreement with Eisai in December 2020 and the timing of marketing approval for rigosertib intravenous formulation, while verifying the allocation of gross profit and the cost burden resulting from potential new business alliances, the Company is already preparing for the establishment of its own salesforce in FY 2021 to maximize profit. In this regard, Symbio expects to incur expenditures in the sales and marketing category, and has included them in its calculations of funds expected to be spent from 2020 onward. The Company plans to allocate funds to these expenditures, excluding proceeds from its previous funding scheme. Specifically, as payments expected from 2020 the Company forecasts recruiting and personnel expenses for sales personnel centering on medical representatives, or MRs, who are in charge of providing drug information to medical institutions (¥1,607 million), expenses for sales and marketing activities to publicize drug efficacy and safety (¥448 million), and expenses to build a sales system to support the distribution of drugs through wholesalers (¥830 million). Of these amounts, Symbio has included ¥1,485 million in its latest use of funds calculation, excluding the ¥1,400 million in proceeds from its previous funding scheme. The Company used funds from its previous fundraising scheme to increase its salesperson headcount by 20 by the end of December 2019. Symbio aims to increase the number of salespeople by an additional 39 by the end of December 2020, and targets an ultimate headcount of 62.

3) Investment in new in-licensing, M&A, and other means of ensuring long-term growth opportunities

From a medium- to long-term perspective, Symbio conducts ongoing search and evaluation of new drug candidates for potential in-licensing, and is routinely considering multiple license candidates, aiming to grow into a profitable biopharmaceutical company with growth potential. Based on past experience, Symbio expects to require lump-sum amounts of ¥1,000–1,500 million per project to purchase the rights to such new drug candidates or acquire the companies that possess these new drug candidates. By June 2021, the Company anticipates the need for funding equivalent to one or two of such licensing projects so it can immediately begin negotiating with counterparties when such opportunities materialize. On September 30, 2019, using the proceeds from the previous fundraising, Symbio concluded an exclusive global licensing agreement for brincidofovir, an antiviral drug for the treatment of infectious diseases, with U.S. company Chimerix, Inc. As of the end of December 2019, the Company's Scientific Advisory Board (SAB) had finished evaluating numerous products, and Symbio is considering whether to acquire relevant licenses.

The abovementioned uses of funds outline a breakdown of uses of the funds through June 2021. For the 1) development of in-licensed drugs and the 2) establishment of the Company's own salesforce, as these costs will be ongoing, the funds raised will need to be apportioned gradually on a preferential basis. Meanwhile, for 3) investment in new in-licensing, M&A, and other means of ensuring long-term growth opportunities, the funds raised will be apportioned at the time license agreements are concluded. Also, any amount exceeding the expected amount to be raised shall be provided by internal funds. As the amount and timing of funding will be affected by the state of progress on the Funding, the content and uses of the abovementioned funding may change.

Furthermore, the possibility exists that the Funding may not be exercised, in full or in part, depending on such factors as share price and trading volume.

If the Funding does not deliver a sufficient level of funds for such reasons, the Company may need to pursue other funding measures or revise its business plans. In the event of changes in the uses of funds and their details, the introduction of separate funding, or changes in business plans, the Company will disclose such information promptly in each case.

Symbio expects to hold such funds in its deposit account until apportioned for the uses of funds mentioned.

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Symbio resolved to issue the Stock Acquisition Rights on February 27, 2020 with the aim of deploying funds for the aforementioned uses.

5. Concepts on rationality of the use of the funds

As described above in “2. Purposes of and Reasons for the Subscription,” Symbio plans to allocate proceeds from the Funding as outlined in “(2) Specific uses of the amount to be raised,” under “4. Amount to be raised, as well as the use and scheduled disbursement thereof.” This will facilitate the Company’s investments in focus areas and should help stabilize its finances. These uses of funds are therefore likely to improve corporate value, growing sales and profit and contributing to stable growth in the Company’s earnings, which Symbio thinks is thus in the interests of existing shareholders.

6. Rationality of issuance conditions

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

Symbio asked an independent calculation agent (Akasaka International Accounting Co., Ltd.; President: Tomotake Kurosaki; Location: 1-1-8 Motoakasaka, Minato-ku, Tokyo, Japan) to evaluate the Stock Acquisition Rights, taking into account the various conditions set forth in the terms and conditions for the issuance of the Stock Acquisition Rights. No material interests exist between the independent calculation agent, Symbio, and the Allottee.

When determining the price calculation model to use, the calculation agent compared and considered other models, including the Black-Scholes model and the binomial model, before employing the Monte Carlo simulation method, a commonly used price calculation model, as a price calculation model able to reflect calculation results relatively and appropriately to the terms and conditions for the issuance of the Stock Acquisition Rights and other conditions set forth in the Purchase Agreement scheduled to be concluded between Symbio and the Allottee. The calculation agent conducted the valuation based on certain assumptions regarding the Company’s share price, volatility, forecast dividend, risk-free interest rate, and how the Allottee exercises rights (that the Allottee would exercise a certain number of stock acquisition rights over the exercise period in order to complete the rights exercise based on the exercise commitment conditions and that the rights for the 51st Stock Acquisition Rights would be exercised after the rights exercise for the 50th Stock Acquisition Rights was complete, including costs associated with the Allottee’s exercise of stock acquisition rights, share disposal costs to be borne by the Allottee when disposing of the shares, and the cost of issuing stock acquisition rights).

Following discussions with the Allottee referring to the assessed value calculated by the calculation agent on the basis of the abovementioned preconditions, Symbio set the amount to be paid for each unit of the 50th Stock Acquisition Rights at ¥1.06, the same amount of the assessed value, and the amount to be paid for each unit of the 51st Stock Acquisition Rights at ¥1.04, the same amount of the assessed value. Based on the method for calculating revisions in the exercise price, Symbio set the initial exercise price for the Stock Acquisition Rights at 6% below the closing price of Symbio’s common shares in regular trading on the Tokyo Stock Exchange on February 26, 2020, the trading day immediately preceding the Resolution Date. The minimum exercise price was set at ¥291, 50% of the closing price of Symbio’s common shares in regular trading on the Tokyo Stock Exchange on February 26, 2020, the trading day immediately preceding the Resolution Date.

In determining the issue price and the exercise price for the Stock Acquisition Rights, after considering circumstances that could impact a fair valuation, the calculation agent calculated the fair price using the Monte Carlo simulation method, a commonly used price calculation model for stock acquisition rights. Considering that the calculation agent’s calculation results yielded a reasonable fair price and that the amount to be paid matched

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the assessed value in the calculation results, and that the decision was made through discussions with the Allottee, SymBio judged that each issue price for the Stock Acquisition Rights was not based on favorable conditions and that the price was proper and reasonable. Based on discussions with the Allottee, ultimately SymBio decided on a discount rate of 6% for the initial exercise price and exercise price revisions, considering the Allottee's position as an investor. The discount rate conforms with the Japan Securities Dealers Association's "Guidelines Concerning Treatment of Capital Increase by Allotment to a Third Party," which requires that the amount paid for the issuance of shares through a third party allotment be at or above 0.9 times the price of the shares on the day immediately preceding a Board of Directors resolution, and this condition has been incorporated into the issue price for the Stock Acquisition Rights. For these reasons, SymBio judged that the issue price for the Stock Acquisition Rights was not a particularly favorable amount. SymBio believes the level is not particularly unreasonable, given that the minimum exercise price was set at ¥291, 50% of the closing price of SymBio's common shares in regular trading on the Tokyo Stock Exchange on February 26, 2020, the trading day immediately preceding the Resolution Date.

Based on their audit in line with their responsibilities under the Companies Act, all three members of SymBio's Audit & Supervisory Board (all of whom are outside members of the Audit & Supervisory Board under the Companies Act) confirmed the following points, and have expressed their opinion that there are no material matters that violate laws and regulations regarding the directors' judgment that the issuing conditions for the Stock Acquisition Rights are not unduly advantageous for the Allottee.

- (i) That knowledge and experience in the issuance and valuation of stock acquisition rights are necessary for issuing the Stock Acquisition Rights, and that Akasaka International Accounting Co., Ltd. has the requisite knowledge and experience;
- (ii) That there is no capital relationship between Akasaka International Accounting Co., Ltd. and SymBio and that because Akasaka International Accounting Co., Ltd. does not perform accounting audits for the Company, there are no ongoing contractual relationships with SymBio, and it has a certain degree of independence from SymBio's managers;
- (iii) That the Company's directors have relied upon Akasaka International Accounting Co., Ltd. to value the pricing of the Stock Acquisition Rights;
- (iv) That a valuation report was submitted following a presentation providing detailed explanations by Akasaka International Accounting Co., Ltd. to the Company's employees responsible for the issuance of the Stock Acquisition Rights and members of the Audit & Supervisory Board;
- (v) That at the Board of Directors meeting that resolved to issue the Stock Acquisition Rights, the directors referred to the valuation report from Akasaka International Accounting Co., Ltd. and detailed explanations by the Company's employees responsible for the issuance of the Stock Acquisition Rights in their deliberations; and
- (vi) That the Company's legal counsel provided explanations regarding the thinking underlying the issuance process and conditions of the Stock Acquisition Rights, as well as practices relating to the issuance to the Company's employees responsible for the issuance of the Stock Acquisition Rights, and that in light of the explanations the Company's employees responsible for the issuance of the Stock Acquisition Rights reported to the directors responsible for its issuance

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

The number of shares for delivery if all the Stock Acquisition Rights are exercised, or 10,000,000 shares (100,000 units of voting rights), corresponds to a dilution rate of 37.8%, using as a denominator the total number of SymBio's shares issued and outstanding as of December 31, 2019, of 26,437,681 shares, and 255,965 voting

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rights (dilution rate based on voting rights of 39.1%). Accordingly, Symbio's common shares would be diluted to some degree through the issuance of the Stock Acquisition Rights.

However, the Stock Acquisition Rights are structured so that Symbio can raise just the amount of funds necessary at a time of its choosing while limiting dilution. The 50th Stock Acquisition Rights entail execution staged at multiple time periods over roughly five months, and the 51st Stock Acquisition Rights are exercisable when the Company gives an Instruction to Exercise. Symbio plans to allocate proceeds from the fundraising as outlined in "(2) Specific uses of the amount to be raised," under "4. Amount to be raised, as well as the use and scheduled disbursement thereof." These uses of funds are therefore likely to improve corporate value, growing sales and profit and contributing to stable growth in the Company's earnings. From a medium- to long-term perspective, Symbio thinks that this will benefit its existing shareholders. Also, as the average daily trading volume of Symbio's common shares over the past six months is 676,737 shares, and there is ample liquidity to flexibly sell shares in the market during the exercisable periods for the Stock Acquisition Rights. If all the 50th Stock Acquisition Rights are exercised, the number of Symbio's common shares for delivery would be 7,000,000 shares. If the Allottee exercises these rights in the 106 trading days of the Full Commitment Period, the number of shares sold per trading day would amount to approximately 66,038 shares (approximately 9.8% of the most recent six-month average trading volume). If all the 51st Stock Acquisition Rights are exercised, the number of Symbio's common shares for delivery would be 3,000,000 shares. If the Allottee exercises these rights in the 46 trading days of the Full Commitment Period, the number of shares sold per trading day would amount to approximately 65,217 shares (approximately 9.6% of the most recent six-month average trading volume). Moreover, if all the Stock Acquisition Rights are exercised, the number of Symbio's common shares for delivery would be 10,000,000 shares, and if those stock acquisition rights are all exercised over the 36-month period for the 51st Stock Acquisition Rights, the number of shares per trading day would be 13,889 shares (approximately 2.1% of the most recent six-month average trading volume), so Symbio believes the impact on the share price should be limited. In addition, this would enable considerable certainty in raising the amount of funds needed for the Company's business operations over the next year or so. Regarding the 51st Stock Acquisition Rights, if there are no more funding requirements via the Stock Acquisition Rights or the Company decides that another fundraising method would be more appropriate due to changes in its circumstances, Symbio may choose to make use of the purchase provision and purchase and cancel the Stock Acquisition Rights to curtail the dilutionary impact on existing shareholders, keeping in mind changes to the Company's or market's future circumstances. Accordingly, the dilution of Symbio's common shares associated with this fundraising via the Stock Acquisition Rights is not of sufficient scale to exert undue influence on the market and Symbio therefore thinks it is rational from the viewpoint of improving shareholder value.

Furthermore, as the third-party allotment of the Stock Acquisition Rights (the "Third-Party Allotment") would result in a dilution rate of 25% or more, in accordance with Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange, Symbio has established a third-party committee (the "Third-Party Committee") of four external experts who have no interests with Symbio and are independent from management to a certain degree: lawyer Wataru Komoto of Hogan Lovells, lawyer Akito Takahashi of Takahashi & Katayama, Symbio outside director Shigetoshi Matsumoto, and Kiyoshi Watanabe, outside member of Symbio's Audit & Supervisory Board. Symbio resolved to issue the Stock Acquisition Rights after receiving the opinion of the Third-Party Committee regarding the reasonableness of degree of dilution, appropriateness of fundraising method, and appropriateness of the Allottee, after careful deliberation and confirmation that the current fundraising is necessary and appropriate in scope.

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7. Reasons for having chosen the Allottee

(1) Outline of the Allottee

1) Designation	EVO FUND	
2) Location	c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	
3) Grounds for foundation	Tax-exempt limited liability company based on the laws of the Cayman Islands	
4) Purpose of formation	Investment	
5) Date of formation	December 2006	
6) Total investment amount	Paid-in capital: US\$1.00 Net assets: Approximately US\$24.3 million	
7) Investors, investment ratio, and outline of investors	Paid-in capital: Michael L. Lerch, roughly 50% Evolution Japan Co., Ltd., roughly 50% (Total of above is 100%; Michael L. Lerch is 100% ultimate beneficiary of Evolution Japan Co., Ltd.) Net assets: Equity capital 100%	
8) Names and titles of representatives	Representative Director: Michael L. Lerch Representative Director: Richard Chisholm	
9) Overview of Japanese agent	Evolution Japan Securities Co., Ltd. 4-1 Kioi-cho, Chiyoda-ku, Tokyo, Japan Representative Director: Shaun Lawson	
10) Relationship between Symbio and said fund	Relationships between Symbio and said fund	EVO FUND was the allottee of 45th, 46th, and 47th Stock Acquisition Rights. Symbio is not an investor in said fund.
	Relationships between Symbio and representatives of said fund	Not applicable
	Relationships between Symbio and Japanese agent of said fund	Not applicable

(Note) Information on the Allottee is as of October 31, 2019.

*Symbio has checked past newspaper articles, the web, and other media and confirmed that no relationships with any organized crime gang exist with the Allottee, which was introduced via Evolution Japan Securities Co., Ltd. (4-1 Kioi-cho, Chiyoda-ku, Tokyo, Japan; Representative Director, Shaun Lawson), 100% investor via direct and indirect holdings and director Michael L. Lerch, or Allottee director Richard Chisholm, and confirmed that the Allottee is not an organized crime gang. The Allottee has also submitted to Symbio a written pledge stating it has absolutely no relationships with any organized crime gang.

Furthermore, to ensure the utmost care, Symbio retained JP Research & Consulting, Inc. (3-7-12 Toranomom, Minato-ku, Tokyo, Japan; President and CEO: Keisuke Furuno), a third-party research institute specialized in a variety of research, including company and credit research, to conduct research on the Allottee and 100% investor via direct and indirect holdings and director Michael L. Lerch, and Allottee director Richard Chisholm. As a result of this research, including collation with databases that

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JP Research & Consulting possesses, on February 4, 2020 Symbio has received reports indicating that the Allottee, its investors, and executives are not involved with any organized crime gang.

Symbio's comprehensive judgment based on the above is that neither the Allottee nor its investors or executives are involved with any organized crime gang. Accordingly, the Company has submitted to the Tokyo Stock Exchange a note of confirmation of non-involvement with any organized crime gang.

(2) Reason for having chosen the Allottee

As described above in "2. Purposes of and Reasons for the Subscription," Symbio looked into multiple fundraising methods that would give it flexibility and certainty to secure the proceeds and allocate them as outlined in "(2) Specific uses of the amount to be raised," under "4. Amount to be raised, as well as the use and scheduled disbursement thereof."

With Evolution Japan Securities Co., Ltd. as the arranger, Symbio allotted the 45th, 46th, and 47th Stock Acquisition Rights to EVO FUND in April 2018. Subsequently, all tranches have been fully exercised. In December 2019, Symbio received a proposal for the Scheme from Evolution Japan Securities Co., Ltd. In light of the smooth progress of the previous fundraising scheme, following discussion and deliberation of the proposal within Symbio, the Company decided that this scheme was appropriate for its financing needs as it enables the raising of funds needed to carry on the Company's business activities for the next year or so with a high degree of certainty due to the exercise commitment provision, while limiting the temporary impact on the Company's share price. Further, the ability to issue an Instruction to Exercise depending on the Company's share price and funding needs and ability to purchase and cancel the Stock Acquisition Rights enables fundraising flexibility. Symbio also held internal discussions and deliberations regarding EVO FUND, and judged it to be an appropriate allottee in consideration of its history of contributing to the Company's fundraising in the past. As a result, Symbio decided to adopt this Scheme with EVO FUND as the allottee.

The Allottee is a fund (a tax-exempt limited liability company based on the laws of the Cayman Islands) established in December 2006 for the purpose of investing in listed companies. As for its investment performance, the Allottee has participated in multiple projects involving capital increases through the third-party allotment of stock acquisition rights. Using the same method as for the Stock Acquisition Rights, the Allottee has exercised all of the stock acquisition rights it was allotted and contributed funding to the issuing companies in numerous cases. The Allottee has no investors other than Mr. Michael L. Lerch. With the exception of short-term loans from prime brokers, the Allottee is fully self-financing its working capital.

The Allottee's affiliated company, Evolution Japan Securities Co., Ltd., was in charge of arranging this funding, as part of its mediation business for the purchase by its affiliated company. Evolution Japan Securities Co., Ltd. is a wholly owned subsidiary of British Virgin Islands-based Tiger Inn Enterprises Limited (Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands; Representative directors: Michael L. Lerch and Richard Chisholm).

(Note) The Stock Acquisition Rights, intermediated through Evolution Japan Securities Co., Ltd., a member of the Japan Securities Dealers Association, shall be allotted to EVO FUND, and are subscribed in accordance with the Japan Securities Dealers Association's "Rules Concerning Handling of Allotment of New Shares to Third Party, etc." (self-regulatory rules).

(3) Allottee's holding policy and measures to restrict exercise

The objective of the Allottee is pure investment and in principle the Allottee's intention is not to hold for a long period Symbio's common shares acquired through the exercise of the Stock Acquisition Rights. In accordance

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with its operational responsibility to its investors, Symbio has confirmed verbally that after appropriately judging price trends on the shares it holds, the Allottee basically intends to sell Symbio's common shares received through exercising the Stock Acquisition Rights on market while considering the impact on the market, but would sell directly using off-market block trades if it finds an appropriate counterparty.

Furthermore, Symbio and the Allottee will enter into the Purchase Agreement regarding the Stock Acquisition Rights containing the following details.

- (a) In accordance with Article 434-1 and Article 436-1 through 436-5 of the Securities Listing Regulations established by the Tokyo Stock Exchange, in principle if the number of shares acquired by the Allottee through the exercise of the Stock Acquisition Rights within a single calendar month exceeds 10% of the number of listed shares as of the payment date of the Stock Acquisition Rights, Symbio shall not allow Over-Limit Exercise.
- (b) Outside the scope of application as prescribed, the Allottee agrees not to exercise the Stock Acquisition Rights corresponding to such Over-Limit Exercise and, regarding the exercise of the Stock Acquisition Rights, shall check in advance with Symbio to ensure that such exercise of the Stock Acquisition Rights does not correspond to the Over-Limit Exercise.
- (c) In the event the Allottee transfers the Stock Acquisition Rights, the Allottee commits in advance to have the transferee bear responsibility regarding Over-Limit Exercise with Symbio. If the transferee further transfers the Stock Acquisition Rights to another third party, the Allottee commits to retain the same obligation to Symbio.

Further, Symbio plans to stipulate that the transfer of the Stock Acquisition Rights would require approval of the Board of Directors under the Purchase Agreement. If a transfer were to occur, prior to approval by the Board of Directors, Symbio would confirm the identity of the transferee, that they are not an organized crime gang, that they have the necessary funds for any payments, and their holding policy. Further, if a transfer occurred the Company would disclose said matter.

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

As evidence of property held by the Allottee, Symbio has confirmed the Allottee's net asset balance statement, excluding liabilities from such assets as cash and marketable securities borrowed from multiple prime brokers as of January 31, 2020, and Symbio judges that the Allottee maintains sufficient cash to pay the total amount to be paid (issue price) for the Stock Acquisition Rights.

Regarding the exercise of the Stock Acquisition Rights, in principle the Allottee intends to exercise the stock acquisition rights and sell shares acquired through the exercise, repeatedly recovering cash through the sale. For this reason, Symbio judges that the Allottee does not require a substantial amount of cash at any one time, so the Company judges that the Allottee possesses sufficient cash even when exercising the Stock Acquisition Rights.

(5) Agreement regarding borrowing and lending of share certificates

Regarding the issuance of the Stock Acquisition Rights, Fuminori Yoshida, Symbio's representative director and major shareholder, intends to loan the Allottee Symbio's common shares he holds up to a maximum of 375,000 shares (expected effective date: February 27, 2020; potential loan period: on or after February 27, 2020, and up to March 31, 2023; loan interest rate: 3.0%).

The Allottee has entered into a share lending agreement with the lender stating that the borrowed shares shall not be sold or disposed of for purposes other than selling for hedging purposes, within the scope of the number of Symbio's common shares to be acquired through exercise of the Stock Acquisition Rights.

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8. Major shareholders and shareholding ratios

Shareholder	Shareholding ratio (%)
Fuminori Yoshida	3.26
Cephalon, Inc.	2.45
SMBC Nikko Securities Inc.	2.04
Daiwa Securities Co. Ltd.	1.11
Eisai Co., Ltd.	0.79
Matsui Securities Co., Ltd.	0.72
Goldman Sachs International	0.70
Japan Securities Finance Co., Ltd.	0.70
Kazuyuki Ota	0.60
Nomura Securities Co., Ltd.	0.59

- (Notes) 1. Major shareholders and shareholding ratios prior to allotment is based on the shareholder register as of December 31, 2019. EVO FUND's shareholding ratio is calculated as 1.54% assuming that EVO FUND held 408,000 shares on January 21, 2020, as indicated in the Change Report Pertaining to the Report of Possession of Large Volume submitted by EVO FUND on January 27, 2020. Such ratio is, however, not listed in the table above, since we cannot confirm the status of the actual share holdings.
2. The Allottee shall hold the Stock Acquisition Rights for the purpose of investment, and may sell Symbio's common shares acquired through the exercise of the Stock Acquisition Rights. Accordingly, after the Allottee's exercise of the Stock Acquisition Rights, no agreement regarding the long-term holding of Symbio's common shares has been entered into; therefore, no post-allotment "shareholding ratio" is stated.
3. The shareholding ratio is rounded to the second decimal place.

9. Future perspective

The impact of the issuance of the Stock Acquisition Rights has been factored into forecasts for the current fiscal year (the fiscal year ending December 31, 2020). Symbio will disclose promptly in the event of changes in future business performance.

10. Matters relating to procedures based on the code of conduct of corporations

As a dilution of Symbio's common shares with a dilution ratio of 25% or more is expected from the Third-Party Allotment, in accordance with Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange, Symbio must either 1) obtain an opinion from people who are independent from management to a certain degree with regard to the necessity and appropriateness of said allotment or 2) take the procedure of confirming the intent of shareholders by resolution at a General Meeting of Shareholders with regard to said allotment.

The funds to be procured by the Third-Party Allotment do not immediately cause a dilution of shares, unlike the issuance of shares. In addition, in view of Symbio's current financial conditions, a swift procurement of funds through the Third-Party Allotment is required. In the case the procedure of confirming the intent of shareholders by resolution relative to the Third-Party Allotment at a General Meeting of Shareholders is adopted, it will take approximately two months to hold an Extraordinary General Meeting of Shareholders to obtain such resolution, as

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well as considerable expenses to hold an Extraordinary General Meeting of Shareholders. In addition, resolution at the General Meeting of Shareholders scheduled for March 2020 would mean approximately one month from the Resolution Date to the commencement of the General Meeting of Shareholders. During that period of uncertainty with respect to the availability of funds, considerations on using funds from the Third-Party Allotment would be problematic. Meanwhile, the Company believes considerations on the use of funds from the Third-Party Allotment should be made as quickly as possible with a view to achieving profitability in FY 2021. Consequently, by comprehensively taking into account the aforementioned circumstances, SymBio has determined to obtain such opinion regarding the necessity and appropriateness of the Third-Party Allotment from a third-party committee that is independent from management to a certain degree.

To this end, as previously stated in “(2) Grounds for a judgment that the issued quantity and the scale of the dilution of shares are reasonable” under “6. Rationality of issuance conditions”, SymBio has established the Third-Party Committee. SymBio asked the committee for an objective opinion concerning the necessity and appropriateness of the Third-Party Allotment and received a written opinion with the following content, on February 26, 2020. An overview of the Third-Party Committee’s opinion is provided below.

(Summary of the Third-Party Committee’s opinion)

1. Conclusion

The committee considers no problems to exist with respect to the necessity and appropriateness of the Third-Party Allotment.

2. Reasons

(1) Necessity

SymBio explained that its Mid-Range Plan requires the Company to raise a total of around ¥5.8 billion in funds by 1H FY2021. Specifically, the Company requires approximately ¥3.8 billion to develop existing pipelines by 1H FY 2021. The Company also requires some ¥2.9 billion to establish its own salesforce by 1H FY 2021. Even by allocating approximately ¥2.8 billion that has already been raised to these purposes, the Company requires a total of approximately ¥3.9 billion in new funding. In addition, the Company needs some ¥1.9 billion for investment in new in-licensing. Found no circumstances contradicting the rationality of this explanation, the Third-Party Committee confirmed the need for this funding.

(2) Appropriateness

(a) Comparison with other funding methods

The Company explained that given its unprofitability, borrowing would be extremely difficult, and that a capital increase through public offering would likewise be problematic. Furthermore, although the Company has considered fixed-price stock acquisition rights, this option was not attractive as fund-raising could be interrupted, depending on the stock price. The Company had not opted for moving strike convertible bonds, as the number of shares to be issued would be uncertain and impact on the stock price would be significant. In these respects, the Third-Party Committee confirmed the reasonableness of the Company’s decision that raising funds through stock acquisition rights with exercise price revision clauses was best. Accordingly, the committee confirmed that the Stock Acquisition Rights were more appropriate than the other funding methods.

(b) Allottee

EVO FUND, the Allottee, was also the allottee for the previous subscription of stock acquisition

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rights, and the committee confirmed that the Allottee had been investigated sufficiently at that time.

SymBio again commissioned an investigative company to reevaluate involvement of the Allottee with any organized crime gang and assess its situation since the previous evaluation. No information was found indicting any particular problems with the Allottee in this regard.

(c) Issue conditions

The issue price of the Stock Acquisition Rights is the same as their assessed value, providing the basis that if the assessed value is appropriate the issue price is also appropriate. The Third-Party Committee thus considered whether the assessed value was appropriate. Its specific consideration process involved considering the evaluation report produced by the third-party accounting office the Company had asked to compute the assessed value of the Stock Acquisition Rights (Akasaka International Accounting Co., Ltd.). In addition, the person in charge of this project at that accounting office attended a question-and-answer session at a meeting of the Third-Party Committee. As no particularly unreasonable points were determined during the abovementioned consideration process, either with the evaluation report produced by the accounting office or with the explanation provided by its person in charge, the committee considered the issue price appropriate. With regard to issue conditions other than the issue price, the committee considered the draft Purchase Agreement under negotiation between the Company and the Allottee. Given that this negotiation is being led by an attorney representing the Company, the committee found no points to be particularly unreasonable. Based on the above considerations, the committee judged the overall issue conditions appropriate.

(d) Dilution

Issuing the Stock Acquisition Rights and future exercise of the Stock Acquisition Rights would be disadvantageous to existing shareholders, as their shareholding ratios would be diluted significantly. That said, without the cash generated through the Funding, the Company considers itself highly unlikely to be able to meet the objectives of the Mid-Term Plan, namely development of the existing pipeline and establishment of its own salesforce. Accordingly, SymBio believes the Funding will contribute to increases in the Company's corporate value (through a rising share price) that outweigh the shareholder disadvantage of liquidation. Based on the explanation provided by the Company, the committee confirmed that the funding approach was rational, despite dilution due to the Third-Party Allotment.

SymBio received the above-stated opinion from the Third-Party Committee confirming that no problems were considered to exist with respect to the necessity and appropriateness of the Third-Party Allotment. Furthermore, as the result of substantial discussion and consideration at a Board of Directors meeting convened today by reference to the above-stated opinion of the Third-Party Committee, SymBio judged that the amount of issuance of the Stock Acquisition Rights and the scale of dilution were reasonable, even taking the impact on existing shareholders into account.

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

(1) Operating results for the most recent three years

Settlement term	Year ended December 2017	Year ended December 2018	Year ended December 2019
Net sales (Thousands of yen)	3,444,206	3,835,530	2,837,753
Operating profit (Thousands of yen)	(3,947,061)	(2,656,072)	(4,301,615)

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Ordinary profit (Thousands of yen)	(3,976,784)	(2,748,730)	(4,376,655)
Profit (Thousands of yen)	(3,977,862)	(2,752,533)	(4,376,258)
Earnings (loss) per share (Yen)	(79.78)	(165.54)	(189.03)
Dividends per share (Yen)	—	—	—
Net assets per share (Yen)	50.00	212.23	143.07

(Note) On July 1, 2019, the Company conducted a 1-for-4 consolidation of common stock. Earnings per share and net assets per share have been calculated based on the assumption that this consolidation was conducted at the beginning of FY 2018.

(2) Number of issued shares and dilutive shares (As of December 31, 2019)

	Number of shares	Percentage relative to the number of issued shares
Number of issued shares	26,437,681	100%
Number of dilutive shares at the conversion price (exercise price) at present	2,791,950	10.56%
Number of dilutive shares at the lower-limit of the conversion price (exercise price)	—	—
Number of dilutive shares at the upper-limit of the conversion price (exercise price)	—	—

(Note) The number of dilutive shares above represents dilutive shares related to the Company's stock option arrangements (1,116,950 shares) as of December 31, 2019, plus dilutive shares related to the 47th Stock Acquisition Rights (1,675,000 shares) as of December 31, 2019. As indicated in the February 12, 2020 news release entitled "Completion, Monthly Exercise Status and Large Volume Exercise of the 47th Stock Acquisition Rights (with Exercise Price Revision Clauses) Issued by way of Third Party Allotment," as of that date all of the 47th Stock Acquisition Rights had been exercised, and no dilutive shares exist as of February 27, 2020.

(3) Recent stock prices

1) For the most recent three years

	Year ended December 2017	Year ended December 2018	Year ended December 2019
Opening price	¥984	¥876	¥740
Highest price	¥1,340	¥1,156	¥1,100
Lowest price	¥784	¥460	¥537
Closing price	¥876	¥760	¥607

(Notes) 1. Share prices are according to the Tokyo Stock Exchange JASDAQ (Growth).

2. On July 1, 2019, the Company conducted a 1-for-4 consolidation of common stock. These figures have been calculated based on the assumption that this consolidation was conducted at the beginning of FY 2017.

2) For the most recent six months

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	2019 September	October	November	December	2020 January	February
Opening price	¥560	¥682	¥670	¥641	¥600	¥570
Highest price	¥695	¥692	¥874	¥654	¥653	¥620
Lowest price	¥546	¥600	¥622	¥600	¥563	¥541
Closing price	¥642	¥671	¥641	¥607	¥580	¥581

(Notes) 1. Share prices are according to the Tokyo Stock Exchange JASDAQ (Growth).

2. Share prices for February 2020 are those as of February 26, 2020.

3) Share prices on the business day immediately preceding the Resolution Date at the Board of Directors meeting relative to said issuance

	February 26, 2020
Opening price	¥559
Highest price	¥601
Lowest price	¥558
Closing price	¥581

(Note) Share prices are according to the Tokyo Stock Exchange JASDAQ (Growth).

(4) Equity finances for the most recent three years

• Issuance of the 42nd Stock Acquisition Rights by third-party allotment

Date of allotment	August 25, 2017
Number of stock acquisition rights issued	88,000 units
Issue price	Total of ¥32,560,000 (¥370 per unit)
Planned amount of funding at the time of issuance	¥1,924,560,000 (Breakdown) Portion from the issuance of stock acquisition rights: ¥32,560,000 Portion from the exercise of stock acquisition rights: ¥1,892,000,000
Allottee	SBI Securities Co., Ltd.
Number of issued shares at the time of subscription	48,983,324 shares
Number of dilutive shares due to the subscription	8,800,000 shares
Exercise status at present	Number of exercised shares: 8,800,000 shares (Remaining stock acquisition rights: 0; exercise price: ¥215)
Procured funds at present	¥1,924,560,000
Initial use of funds at the time of issuance	(1) Expenses related to the development of TREAKISYM® (SyB L-0501) for recurrent/refractory medium- to high-grade NHL (diffuse large B-cell lymphoma) (2) Expenses related to the acquisition of rights to the TREAKISYM® oral formulation and for the development after the rights have been acquired

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Planned timing for disbursement at the time of issuance	From August 2017, as needed
Appropriation status at present	In line with initial plans for funds usage, ¥915,560,000 has been appropriated for the development of TREAKISYM® for recurrent/refractory NHL and ¥1,009,000,000 for the acquisition of rights to the TREAKISYM® oral formulation and development.

• Issuance of the 45th Stock Acquisition Rights by third-party allotment

Date of allotment	April 25, 2018
Number of stock acquisition rights issued	20,000,000 units
Issue price	Total of ¥10,800,000 (¥0.54 per unit)
Planned amount of funding at the time of issuance	¥4,150,800,000 (Breakdown) Portion from the issuance of stock acquisition rights: ¥10,800,000 Portion from the exercise of stock acquisition rights: ¥4,140,000,000
Allottee	EVO FUND
Number of issued shares at the time of subscription	54,049,224 shares
Number of dilutive shares due to the subscription	20,000,000 shares
Exercise status at present	Number of exercised shares: 20,000,000 shares (Remaining stock acquisition rights: 0; exercise price: ¥207)
Procured funds at present	¥2,599,500,000
Initial use of funds at the time of issuance	(1) Development of in-licensed drugs (2) Establishment of the Company's own salesforce (3) Investment in new in-licensing, M&A, and other means of ensuring long-term growth opportunities
Planned timing for disbursement at the time of issuance	From April 2018, as needed
Appropriation status at present	In line with initial plans for fund usage, ¥2,062,500,000 has been appropriated for in-licensed drug development and ¥537,000,000 for establishing the Company's own salesforce.

• Issuance of the 46th Stock Acquisition Rights by third-party allotment

Date of allotment	April 25, 2018
Number of stock acquisition rights issued	15,000,000 units
Issue price	Total of ¥6,600,000 (¥0.44 per unit)
Planned amount of funding at the time of issuance	¥3,141,600,000 (Breakdown)

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	Portion from the issuance of stock acquisition rights: ¥6,600,000 Portion from the exercise of stock acquisition rights: ¥3,135,000,000
Allottee	EVO FUND
Number of issued shares at the time of subscription	54,049,224 shares
Number of dilutive shares due to the subscription	15,000,000 shares
Exercise status at present	Number of exercised shares: 15,000,000 shares (Remaining stock acquisition rights: 0; exercise price: ¥209)
Amount of funds raised at present	¥2,528,600,000
Initial use of funds at the time of issuance	(1) Development of in-licensed drugs (2) Establishment of the Company's own salesforce (3) Investment in new in-licensing, M&A, and other means of ensuring long-term growth opportunities
Planned timing for disbursement at the time of issuance	From April 2018, as needed
Appropriation status at present	In line with initial plans for fund usage, ¥637,500,000 has been appropriated for in-licensed drug development, ¥749,000,000 for establishing the Company's own salesforce, and ¥540,000,000 for investment in new in-licensing, M&A, and other uses. The Company plans to appropriate the unappropriated portion of ¥602,100,000 for in-licensed drug development by the end of December 2020.

• Issuance of the 47th Stock Acquisition Rights by third-party allotment

Date of allotment	April 25, 2018
Number of stock acquisition rights issued	15,000,000 units
Issue price	Total of ¥5,700,000 (¥0.38 per unit)
Planned amount of funding at the time of issuance	¥3,170,700,000 (Breakdown) Portion from the issuance of stock acquisition rights: ¥5,700,000 Portion from the exercise of stock acquisition rights: ¥3,165,000,000
Allottee	EVO FUND
Number of issued shares at the time of subscription	13,512,306 shares
Number of dilutive shares due to the subscription	3,750,000 shares
Exercise status at present	Number of exercised shares: 3,750,000 shares (Remaining stock acquisition rights: 0; exercise price: ¥844)

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Amount of funds raised at present	¥2,198,225,000
Initial use of funds at the time of issuance	(1) Development of in-licensed drugs (2) Establishment of the Company's own salesforce (3) Investment in new in-licensing, M&A, and other means of ensuring long-term growth opportunities
Planned timing for disbursement at the time of issuance	From April 2018, as needed
Appropriation status at present	In line with initial plans for fund usage, the Company plans to appropriate ¥797,900,000 for in-licensed drug development and ¥1,400,325,000 for establishing the Company's own salesforce by the end of December 2020.

(Note) On July 1, 2019, the Company conducted a 1-for-4 consolidation of common stock. The number of issued shares at the time of subscription, number of dilutive shares due to the subscription, and execution status at present have been calculated based on the assumption that this consolidation was conducted at the beginning of FY 2018.

12. Terms and Conditions

See attachment.

END

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**Terms and Conditions for the Issuance of
Symbio Pharmaceuticals Limited's 50th Stock Acquisition Rights**

1. Designation of the stock acquisition rights Symbio Pharmaceuticals Limited's 50th Stock Acquisition Rights (the "Stock Acquisition Rights")
2. Total amount to be paid for the Stock Acquisition Rights ¥7,420,000
3. Deadline for application March 16, 2020
4. Date of allotment and due date of payment March 16, 2020
5. Method for subscription All the Stock Acquisition Rights shall be allotted to EVO FUND via third-party allotment.
6. Class and number of shares underlying the stock acquisition rights and the calculation method for the number
 - (1) The class of shares underlying the Stock Acquisition Rights shall be common shares of Symbio.
 - (2) The number of shares underlying the Stock Acquisition Rights shall be 7,000,000 shares (one share per unit; the "Number of Shares Allotted").

In the event Symbio conducts a stock split or a reverse stock split, the number of underlying shares shall be adjusted according to the following formula. However, such adjustment shall be made on the number of shares underlying the Stock Acquisition Rights that have not been exercised at that point in time, and fractional amounts of less than one share resulting from the adjustment shall be truncated.

Number of shares after adjustment = Number of shares before adjustment x Split or reverse-split ratio

Separately, if the need to adjust the number of underlying shares arises, the number of underlying shares shall be adjusted appropriately and within reason by resolution of Symbio's Board of Directors.
7. Total number of the Stock Acquisition Rights 7,000,000 units
8. Amount to be paid for each unit of the Stock Acquisition Rights ¥1.06
9. Value of property contributed in exercising each unit of the Stock Acquisition Rights and the calculation method
 - (1) The value of property contributed in exercising each unit of the Stock Acquisition Rights shall be the exercise price (defined below) times the Number of Shares Allotted. However, resulting fractional amounts of less than one yen shall be truncated.
 - (2) The value of property contributed per share when Symbio's common shares are delivered (hereinafter, new issuance of Symbio's common shares or disposal of those held by Symbio shall be referred to as delivery) through exercise of the Stock Acquisition Rights (the "Exercise Price") shall initially be ¥547.
10. Revision of the Exercise Price
 - (1) The Exercise Price shall be initially revised on the trading day following the allotment date, and further revisions shall take place after the passage of each subsequent five trading-day period ("trading day" refers to a day on which trading sessions take place on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange")). In the event the Exercise Price is revised based on this paragraph, on the next trading

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day following the fifth trading day counted from the date on which the Exercise Price was previously revised (including that date; the “Revision Date”), the Exercise Price shall be revised to an amount obtained by multiplying the simple average value of the volume weighted average price of Symbio’s common shares in regular trading announced by the Tokyo Stock Exchange on each trading day for the five consecutive trading days prior to the Revision Date (the “Price Calculation Period”) by 94%, truncating fractional amounts less than one yen (the “Standard Exercise Price”). However, the price shall be revised to the minimum Exercise Price [defined below] if the Standard Exercise Price falls below the minimum Exercise Price. In addition, in the event of a reason for adjustment based on the provisions of Paragraph 11 during one of the Price Calculation Periods, the volume weighted average price of Symbio’s common shares in regular trading announced by the Tokyo Stock Exchange for each of the trading days for that Price Calculation Period shall be adjusted, taking that reason into consideration.

- (2) The minimum Exercise Price shall be ¥291. The minimum Exercise Price shall be adjusted in accordance with the provisions of Paragraph 11.

11. Adjustment of the Exercise Price

- (1) In the case Symbio’s common shares are delivered by reason of any event as stipulated in Item (2) of this paragraph after the allotment date of the Stock Acquisition Rights, and the number of issued common shares of Symbio changes or could change, Symbio shall adjust the Exercise Price in accordance with the following equation (the “Exercise Price Adjustment Formula”).

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

- (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’s common shares are newly delivered at an amount to be paid lower than the market price (set forth in Item (4), 2) of this paragraph), (except for the cases of (i) the delivery of Symbio’s common shares in exchange for the acquisition of shares with a put option or the acquisition of shares subject to call or (ii) the delivery of Symbio’s common shares at the request or exercise of stock acquisition rights, bonds with stock acquisition rights, or other instruments or rights that allow a request of the delivery of Symbio’s common shares), the Exercise Price after adjustment shall apply on and after the day following the due date of payment (such date shall be the last day of the payment period for subscription if such a period for subscription is established; hereinafter, the same shall apply) or on or after the day following the date of allotment to shareholders for subscription, if such date is established.
- 2) If Symbio’s common shares are issued through a stock split or a gratis allotment of shares, the Exercise Price after adjustment shall apply on and after the day following the reference date for the stock split; on and after the day following the reference date on which ordinary shareholders are granted the right to receive the allotment in a gratis allotment of Symbio’s common shares, if such a reference date exists; or on and after the day following the effective date for the allotment if a reference date does not exist on which ordinary shareholders are granted the right to receive the allotment in a gratis allotment of Symbio’s common shares, or in the event of a gratis allotment of Symbio’s common shares to shareholders (excluding ordinary shareholders).
- 3) In the event of an issue (including a gratis allotment) of Symbio’s common shares in exchange

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for the acquisition of issued shares with a put option, for which the delivery of Symbio’s common shares is at a price lower than the market price (set forth in Item (4), 2) of this paragraph) is determined; or in the event of an issue (including a gratis allotment) of stock acquisition rights, bonds with stock acquisition rights, or other instruments or rights that allow a request of the delivery of Symbio’s common shares at a price lower than the market price (set forth in Item (4), 2) of this paragraph), the Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula mutatis mutandis on the assumption that all issued shares with a put option, stock acquisition rights, bonds with stock acquisition rights, or other instruments or rights are requested or exercised at the initial acquisition price or the Exercise Price and that Symbio’s common shares are delivered, and the Exercise Price after adjustment shall be applied on or after the day following the due date of payment (the date of allotment for stock acquisition rights or bonds with stock acquisition rights, and the effective date for gratis allotments). However, if a reference date exists for this allotment of rights, the Exercise Price after adjustment shall be applied on or after the day following that date. Notwithstanding the above, if consideration for Symbio’s common shares delivered upon request or exercise is not determined at the time shares acquired with a put option, stock acquisition rights, bonds with stock acquisition rights, and other instruments or rights are issued, the Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula mutatis mutandis on the assumption that all issued shares acquired with a put option, stock acquisition rights, bonds with stock acquisition rights, and other instruments or rights are requested or exercised on the conditions set at the time such consideration is determined, and that Symbio’s common shares are delivered, and the Exercise Price after adjustment shall be applied on or after the day following the date on which such consideration is determined.

- 4) If Symbio’s common shares are delivered at a price lower than the market price (set forth in Item (4), 2) of this paragraph) in exchange for the acquisition of shares subject to call or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights) issued by Symbio, the Exercise Price after adjustment shall be applied on or after the day following the acquisition date.
- 5) For transactions corresponding to Item 1), 2), or 3) of this section, if a reference date for the allotment of rights is established, and approval by the General Meeting of Shareholders, the Board of Directors, or other Symbio institution on a date after such reference date on which the transaction becomes effective is set as a condition, the Exercise Price after adjustment shall be applied on or after the day following the date of such approval, notwithstanding the provisions of Items 1), 2), or 3) of this section. In such a case, the following formula shall be used to determine the number of shares of Symbio’s common stock to be delivered to the holder of stock acquisition rights corresponding to the Stock Acquisition Rights exercised from the day following such reference date to the date of approval of such transaction.

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

Fractional amounts of less than one share shall be truncated, and no cash adjustment shall be made.

- (3) If the difference between the Exercise Price after adjustment and the Exercise Price before adjustment,

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both of which have been calculated according to the Exercise Price Adjustment Formula, remains below one 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) Calculations using the Exercise Price Adjustment Formula shall be performed according to the following provisions.
 - 1) Fractional amounts of less than one yen shall be rounded off.
 - 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 in regular trading (excluding the days without a closing price as of the trading date) on the Tokyo Stock Exchange over 30 trading days that start from the 45th trading day prior to the day when the Exercise Price after adjustment is first applied (the reference date, in case of Item (2), 5) of this paragraph). In this case, when calculating the average value, numbers below one yen shall be calculated to a second decimal place with the resulting numbers rounded off to the first decimal place.
 - 3) The number of common shares already issued, which is used in the Exercise Price Adjustment Formula, shall be the difference after deducting from the number of issued common shares of Symbio the number of Symbio's common shares held thereby on the reference date if it is established, or if not established, the day one month prior to the day when the Exercise Price after adjustment is first applied. For cases corresponding to Item (2), 2) of this paragraph, the number of common shares delivered that is used in the Exercise Price Adjustment Formula shall not include the number of Symbio's common shares that are allotted to Symbio's common shares owned by Symbio as of the reference date.
- (5) Except for cases that require an adjustment of the Exercise Price set forth in Item (2) of this paragraph, Symbio may adjust the Exercise Price in the following cases, as required.
 - 1) When an adjustment of the Exercise Price becomes necessary due to consolidation of shares, a merger in which Symbio is the surviving company, an absorption-type company split in which Symbio is the successor company, or a share exchange making Symbio the wholly owning parent company;
 - 2) When an adjustment of the Exercise Price becomes necessary because of any other event that causes or might possibly cause a change to the number of issued common shares of Symbio has occurred; and/or
 - 3) If two or more 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 or causes.
- (6) Notwithstanding the provisions of Item (2) of this paragraph, if the date first applied for the Exercise Price after adjustment based on Item (2) of this paragraph matches the Revision Date of the Exercise Price based on Paragraph 10, Symbio shall make the necessary adjustments.
- (7) Symbio shall inform, in advance, the rights holder in writing of the intent and reason(s) of such revision or adjustment, the Exercise Price before revision or adjustment, the Exercise Price after revision or adjustment, the commencement date to apply the Exercise Price after revision or adjustment and other necessary matters by the day immediately preceding the date of the commencement date for

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application. Provided, however, that if Symbio cannot inform the rights holder of the aforementioned information by the day immediately preceding the date of application, including in the case of Item (2), 5) of this paragraph, Symbio shall inform promptly on and after the date for application.

12. Exercise period for the Stock Acquisition Rights

The period during which the Stock Acquisition Rights can be exercised shall be from March 17, 2020 (including that date) to March 17, 2023 (including that date).

13. Other conditions for exercising the Stock Acquisition Rights

Partial exercise of the Stock Acquisition Rights shall not be permitted.

14. Reasons for acquiring stock acquisition rights

If Symbio's Board of Directors resolves that the acquisition of the Stock Acquisition Rights is necessary, by notifying the rights holder 10 or more trading days before the date for acquiring the Stock Acquisition Rights determined by Symbio's Board of Directors (the "Acquisition Date"), Symbio may acquire the Stock Acquisition Rights remaining as of the Acquisition Date, either in part or in full, by paying the same price per unit of the Stock Acquisition Rights as received in payment. Fractional amounts of less than one yen remaining after multiplying this figure by the number of units of the Stock Acquisition Rights shall be rounded off. If a portion of the relevant Stock Acquisition Rights is acquired, a drawing of lots or other rational method shall be employed.

15. Issuance of instruments for stock acquisition rights

Symbio shall not issue certificates for stock acquisition rights relative to the Stock Acquisition Rights.

16. Increase in capital stock and legal capital surplus in the case of the issuance of new shares through the exercise of stock acquisition rights

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

17. Method for the exercise request of stock acquisition rights

(1) When making an exercise request of the Stock Acquisition Rights, the rights holder must provide notification of necessary matters at the exercise request location stated in Paragraph 19 during the exercise period for the Stock Acquisition Rights provided in Paragraph 12.

(2) When making an exercise request of the Stock Acquisition Rights, the rights holder must provide notification of necessary matters for the exercise request stated in the previous item. In addition, the rights holder shall transfer the entire amount of the money, which is deemed to be the objective of contribution in exercising the Stock Acquisition Rights, to the account designated by Symbio at the payment handling location set forth in Paragraph 20.

(3) The exercise request for the Stock Acquisition Rights shall become effective on the date when the notification of all necessary matters for the exercise request have been provided to the exercise request location stated in Paragraph 19, and the entire amount of money provided in the preceding item, which is deemed to be the objective of contribution in exercising the Stock Acquisition Rights, has been remitted. (If the revision of the Exercise Price provided in Paragraph 10 is conducted on the same day as notification of necessary matters for the exercise request are submitted, the monetary amount shall

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**Terms and Conditions for the Issuance of
Symbio Pharmaceuticals Limited's 51st Stock Acquisition Rights**

1. Designation of the stock acquisition rights Symbio Pharmaceuticals Limited's 51st Stock Acquisition Rights (the "Stock Acquisition Rights")
2. Total amount to be paid for the Stock Acquisition Rights ¥3,120,000
3. Deadline for application March 16, 2020
4. Date of allotment and due date of payment March 16, 2020
5. Method for subscription All the Stock Acquisition Rights shall be allotted to EVO FUND via third-party allotment.
6. Class and number of shares underlying the stock acquisition rights and the calculation method for the number
 - (1) The class of shares underlying the Stock Acquisition Rights shall be common shares of Symbio.
 - (2) The number of shares underlying the Stock Acquisition Rights shall be 3,000,000 shares (one share per unit; the "Number of Shares Allotted").

In the event Symbio conducts a stock split or a reverse stock split, the number of underlying shares shall be adjusted according to the following formula. However, such adjustment shall be made on the number of shares underlying the Stock Acquisition Rights that have not been exercised at that point in time, and fractional amounts of less than one share resulting from the adjustment shall be truncated.

Number of shares after adjustment = Number of shares before adjustment x Split or reverse-split ratio

Separately, if the need to adjust the number of underlying shares arises, the number of underlying shares shall be adjusted appropriately and within reason by resolution of Symbio's Board of Directors.
7. Total number of the Stock Acquisition Rights 3,000,000 units
8. Amount to be paid for each unit of the Stock Acquisition Rights ¥1.04
9. Value of property contributed in exercising each unit of the Stock Acquisition Rights and the calculation method
 - (1) The value of property contributed in exercising each unit of the Stock Acquisition Rights shall be the exercise price (defined below) times the Number of Shares Allotted. However, resulting fractional amounts of less than one yen shall be truncated.
 - (2) The value of property contributed per share when Symbio's common shares are delivered (hereinafter, new issuance of Symbio's common shares or disposal of those held by Symbio shall be referred to as delivery) through exercise of the Stock Acquisition Rights (the "Exercise Price") shall initially be ¥547.
10. Revision of the Exercise Price
 - (1) The Exercise Price shall be initially revised on the trading day following the allotment date, and further revisions shall take place after the passage of each subsequent five trading-day period ("trading day" refers to a day on which trading sessions take place on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange")). In the event the Exercise Price is revised based on this paragraph, on the next trading day following the fifth trading day counted from the date on which the Exercise Price was previously revised (including that date; the "Revision Date"), the Exercise Price shall be revised to an amount

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obtained by multiplying the simple average value of the volume weighted average price of Symbio’s common shares in regular trading announced by the Tokyo Stock Exchange on each trading day for the five consecutive trading days prior to the Revision Date (the “Price Calculation Period”) by 94%, truncating fractional amounts less than one yen (the “Standard Exercise Price”). However, the price shall be revised to the minimum Exercise Price [defined below] if the Standard Exercise Price falls below the minimum Exercise Price. In addition, in the event of a reason for adjustment based on the provisions of Paragraph 11 during one of the Price Calculation Periods, the volume weighted average price of Symbio’s common shares in regular trading announced by the Tokyo Stock Exchange for each of the trading days for that Price Calculation Period shall be adjusted, taking that reason into consideration.

- (2) The minimum Exercise Price shall be ¥291. The minimum Exercise Price shall be adjusted in accordance with the provisions of Paragraph 11.

11. Adjustment of the Exercise Price

- (1) In the case Symbio’s common shares are delivered by reason of any event as stipulated in Item (2) of this paragraph after the allotment date of the Stock Acquisition Rights, and the number of issued common shares of Symbio changes or could change, Symbio shall adjust the Exercise Price in accordance with the following equation (the “Exercise Price Adjustment Formula”).

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

- (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’s common shares are newly delivered at an amount to be paid lower than the market price (set forth in Item (4), 2) of this paragraph), (except for the cases of (i) the delivery of Symbio’s common shares in exchange for the acquisition of shares with a put option or the acquisition of shares subject to call or (ii) the delivery of Symbio’s common shares at the request or exercise of stock acquisition rights, bonds with stock acquisition rights, or other instruments or rights that allow a request of the delivery of Symbio’s common shares), the Exercise Price after adjustment shall apply on and after the day following the due date of payment (such date shall be the last day of the payment period for subscription if such a period for subscription is established; hereinafter, the same shall apply) or on or after the day following the date of allotment to shareholders for subscription, if such date is established.
 - 2) If Symbio’s common shares are issued through a stock split or a gratis allotment of shares, the Exercise Price after adjustment shall apply on and after the day following the reference date for the stock split; on and after the day following the reference date on which ordinary shareholders are granted the right to receive the allotment in a gratis allotment of Symbio’s common shares, if such a reference date exists; or on and after the day following the effective date for the allotment if a reference date does not exist on which ordinary shareholders are granted the right to receive the allotment in a gratis allotment of Symbio’s common shares, or in the event of a gratis allotment of Symbio’s common shares to shareholders (excluding ordinary shareholders).
 - 3) In the event of an issue (including a gratis allotment) of Symbio’s common shares in exchange for the acquisition of issued shares with a put option, for which the delivery of Symbio’s common shares is at a price lower than the market price (set forth in Item (4), 2) of this paragraph) is

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determined; or in the event of an issue (including a gratis allotment) of stock acquisition rights, bonds with stock acquisition rights, or other instruments or rights that allow a request of the delivery of Symbio's common shares at a price lower than the market price (set forth in Item (4), 2) of this paragraph), the Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula mutatis mutandis on the assumption that all issued shares with a put option, stock acquisition rights, bonds with stock acquisition rights, or other instruments or rights are requested or exercised at the initial acquisition price or the Exercise Price and that Symbio's common shares are delivered, and the Exercise Price after adjustment shall be applied on or after the day following the due date of payment (the date of allotment for stock acquisition rights or bonds with stock acquisition rights, and the effective date for gratis allotments). However, if a reference date exists for this allotment of rights, the Exercise Price after adjustment shall be applied on or after the day following that date. Notwithstanding the above, if consideration for Symbio's common shares delivered upon request or exercise is not determined at the time shares acquired with a put option, stock acquisition rights, bonds with stock acquisition rights, and other instruments or rights are issued, the Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula mutatis mutandis on the assumption that all issued shares acquired with a put option, stock acquisition rights, bonds with stock acquisition rights, and other instruments or rights are requested or exercised on the conditions set at the time such consideration is determined, and that Symbio's common shares are delivered, and the Exercise Price after adjustment shall be applied on or after the day following the date on which such consideration is determined.

- 4) If Symbio's common shares are delivered at a price lower than the market price (set forth in Item (4), 2) of this paragraph) in exchange for the acquisition of shares subject to call or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights) issued by Symbio, the Exercise Price after adjustment shall be applied on or after the day following the acquisition date.
- 5) For transactions corresponding to Item 1), 2), or 3) of this section, if a reference date for the allotment of rights is established, and approval by the General Meeting of Shareholders, the Board of Directors, or other Symbio institution on a date after such reference date on which the transaction becomes effective is set as a condition, the Exercise Price after adjustment shall be applied on or after the day following the date of such approval, notwithstanding the provisions of Items 1), 2), or 3) of this section. In such a case, the following formula shall be used to determine the number of shares of Symbio's common stock to be delivered to the holder of stock acquisition rights corresponding to the Stock Acquisition Rights exercised from the day following such reference date to the date of approval of such transaction.

(Exercise Price before adjustment – Exercise Price after adjustment)

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

Fractional amounts of less than one share shall be truncated, and no cash adjustment shall be made.

- (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 yen, the Exercise Price shall not be adjusted. Provided, however, that if Symbio adjusts the

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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) Calculations using the Exercise Price Adjustment Formula shall be performed according to the following provisions.
 - 1) Fractional amounts of less than one yen shall be rounded off.
 - 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 in regular trading (excluding the days without a closing price as of the trading date) on the Tokyo Stock Exchange over 30 trading days that start from the 45th trading day prior to the day when the Exercise Price after adjustment is first applied (the reference date, in case of Item (2), 5) of this paragraph). In this case, when calculating the average value, numbers below one yen shall be calculated to a second decimal place with the resulting numbers rounded off to the first decimal place.
 - 3) The number of common shares already issued, which is used in the Exercise Price Adjustment Formula, shall be the difference after deducting from the number of issued common shares of Symbio the number of Symbio's common shares held thereby on the reference date if it is established, or if not established, the day one month prior to the day when the Exercise Price after adjustment is first applied. For cases corresponding to Item (2), 2) of this paragraph, the number of common shares delivered that is used in the Exercise Price Adjustment Formula shall not include the number of Symbio's common shares that are allotted to Symbio's common shares owned by Symbio as of the reference date.
- (5) Except for cases that require an adjustment of the Exercise Price set forth in Item (2) of this paragraph, Symbio may adjust the Exercise Price in the following cases, as required.
 - 1) When an adjustment of the Exercise Price becomes necessary due to consolidation of shares, a merger in which Symbio is the surviving company, an absorption-type company split in which Symbio is the successor company, or a share exchange making Symbio the wholly owning parent company;
 - 2) When an adjustment of the Exercise Price becomes necessary because of any other event that causes or might possibly cause a change to the number of issued common shares of Symbio has occurred; and/or
 - 3) If two or more 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 or causes.
- (6) Notwithstanding the provisions of Item (2) of this paragraph, if the date first applied for the Exercise Price after adjustment based on Item (2) of this paragraph matches the Revision Date of the Exercise Price based on Paragraph 10, Symbio shall make the necessary adjustments.
- (7) Symbio shall inform, in advance, the rights holder in writing of the intent and reason(s) of such revision or adjustment, the Exercise Price before revision or adjustment, the Exercise Price after revision or adjustment, the commencement date to apply the Exercise Price after revision or adjustment and other necessary matters by the day immediately preceding the date of the commencement date for application. Provided, however, that if Symbio cannot inform the rights holder of the aforementioned information by the day immediately preceding the date of application, including in the case of Item (2),

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5) of this paragraph, Symbio shall inform promptly on and after the date for application.

12. Exercise period for the Stock Acquisition Rights
The period during which the Stock Acquisition Rights can be exercised shall be from March 17, 2020 (including that date) to March 17, 2023 (including that date).
13. Other conditions for exercising the Stock Acquisition Rights
Partial exercise of the Stock Acquisition Rights shall not be permitted.
14. Reasons for acquiring stock acquisition rights
If Symbio's Board of Directors resolves that the acquisition of the Stock Acquisition Rights is necessary, by notifying the rights holder 10 or more trading days before the date for acquiring the Stock Acquisition Rights determined by Symbio's Board of Directors (the "Acquisition Date"), Symbio may acquire the Stock Acquisition Rights remaining as of the Acquisition Date, either in part or in full, by paying the same price per unit of the Stock Acquisition Rights as received in payment. Fractional amounts of less than one yen remaining after multiplying this figure by the number of units of the Stock Acquisition Rights shall be rounded off. If a portion of the relevant Stock Acquisition Rights is acquired, a drawing of lots or other rational method shall be employed.
15. Issuance of instruments for stock acquisition rights
Symbio shall not issue certificates for stock acquisition rights relative to the Stock Acquisition Rights.
16. Increase in capital stock and legal capital surplus in the case of the issuance of new shares through the exercise of stock acquisition rights
In the event of share issuance by exercising the Stock Acquisition Rights, the amount to be contributed to capital stock shall be half the upper limit of an increase in capital stock and legal capital surplus calculated in accordance with Article 17, Paragraph (1) of the Rules of Corporate Accounting (with any fractional amounts less than one yen resulting from such calculation rounded up). The increase in legal capital surplus in the event of share issuance by exercising the Stock Acquisition Rights shall be the amount deducting the amount to be contributed to capital stock from the upper limit of an increase in capital stock and legal capital surplus.
17. Method for the exercise request of stock acquisition rights
 - (1) When making an exercise request of the Stock Acquisition Rights, the rights holder must provide notification of necessary matters at the exercise request location stated in Paragraph 19 during the exercise period for the Stock Acquisition Rights provided in Paragraph 12.
 - (2) When making an exercise request of the Stock Acquisition Rights, the rights holder must provide notification of necessary matters for the exercise request stated in the previous item. In addition, the rights holder shall transfer the entire amount of the money, which is deemed to be the objective of contribution in exercising the Stock Acquisition Rights, to the account designated by Symbio at the payment handling location set forth in Paragraph 20.
 - (3) The exercise request for the Stock Acquisition Rights shall become effective on the date when the notification of all necessary matters for the exercise request have been provided to the exercise request location stated in Paragraph 19, and the entire amount of money provided in the preceding item, which is deemed to be the objective of contribution in exercising the Stock Acquisition Rights, has been remitted. (If the revision of the Exercise Price provided in Paragraph 10 is conducted on the same day as notification of necessary matters for the exercise request are submitted, the monetary amount shall be calculated based on the Exercise Price following such revision.)
18. Method for delivery of share certificates

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