

November 14, 2014
 SymBio Pharmaceuticals Limited
 Fuminori Yoshida
 Representative Director
 President and Chief Executive Officer

Notice of the Subscription for the 2nd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights and the 34th Stock Acquisition Rights by Third-Party Allotment

TOKYO, Japan, November 14, 2014—SymBio Pharmaceuticals Limited (JASDAQ: 4582) (hereinafter “SymBio”) today announced that a resolution was passed at its Board of Directors meeting held on November 14, 2014, to issue the 2nd unsecured bonds with convertible bond type stock acquisition rights (hereinafter, the “Bonds with Stock Acquisition Rights” of which the constituents are the “Convertible Bond Type Stock Acquisition Rights” and the “Bonds”) and the 34th stock acquisition rights (the “Warrants”) by third-party allotment (hereinafter, the “Third-Party Allotment”).

1. Summary of Subscription

(1) 2nd unsecured bonds with convertible bond type stock acquisition rights

(1) Due date of payment	December 1, 2014
(2) Total number of stock acquisition rights	25 units
(3) Issue price of bonds and stock acquisition rights	Issue price per Bond shall be ¥20 million (¥100 per ¥100 par value) The issue price of the Convertible Bond Type Stock Acquisition Rights shall be gratis.
(4) Number of residual securities from the issuance	1,666,666shares
(5) Amount of funding	¥500,000,000
(6) Conversion price	¥300
(7) Method for subscription or allotment (entity planned for the allotment)	The bonds shall be allotted to the following entity by third-party allotment. ¥500,000,000 to Oak Capital Corporation
(8) Interest rate	The Bonds shall bear no interest.
(9) Others	The preceding respective items for the subscription shall be on the condition that the notification becomes effective in accordance with the Financial Instruments and Exchange Act.

(2) 34th stock acquisition rights

(1) Date of allotment	December 1, 2014
(2) Total number of stock acquisition rights	30,304 units
(3) Issue price	Total of ¥10,363,968 (¥342 per stock acquisition right)
(4) Number of residual securities from the issuance	3,030,400 shares
(5) Amount of funding	¥1,010,395,968 (Breakdown) Portion from the issuance of stock acquisition rights: ¥10,363,968 Portion from the exercise of stock acquisition rights: ¥1,000,032,000
(6) Exercise price	¥330
(7) Method for subscription or allotment (entity planned for the allotment)	The bonds shall be allotted to the following entity by third-party allotment. 30,304 units to Oak Capital Corporation
(8) Others	The preceding respective items for the subscription shall be on the condition that the notification becomes effective in accordance with the Financial Instruments and Exchange Act.

2. Purposes and Reasons for the Subscription

(1) Major funding purposes

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

Meanwhile, regarding the drug development in these domains, as high degree of expertise and professionalism are required, and as 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 autoimmunity domains are the so-called blank medical treatment domains, which have been scarcely addressed in Asian countries including Japan.

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

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

TREAKISYM[®] has become an essential drug (standard drug) in the treatment of refractory/relapsed low-grade non-Hodgkin's lymphoma (NHL), the indication for which approval was obtained. To maximize its therapeutic product value, Symbio is accelerating its enhanced development for three additional indications: refractory/relapsed, aggressive NHL; frontline, low-grade NHL; and mantle cell lymphoma (MCL) and chronic lymphocytic leukemia.

In addition, considering that rigosertib (intravenous (iv) and oral forms), an anticancer drug introduced in July 2011, is a mainstay newly developed drug following TREAKISYM[®], Symbio is conducting two Phase I clinical trials domestically for the treatment of myelodysplastic syndrome (MDS) using the SyB L-1101 (iv)

and SyB C-1101 (oral) forms of rigosertib.

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

To develop itself as an excellent pharmaceutical company that ensures medium- and long-term growth with steady sustainability and growth potential, it is indispensable for SymBio to not only develop the existing pipelines but also introduce new drug candidates so that it can improve its corporate value by expanding the pipelines in a continuous and a multilayered manner.

SymBio continuously searches for and evaluates perspective new drug candidates, following TREAKISYM® and rigosertib, by taking advantage of its original search network and evaluation know-how. To this end, however, a significant amount of additional funds including lump-sum money paid temporarily for engagement would be necessary. The funding measures taken hereby have the purpose of appropriating the procured funds to this end.

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

Consequently, it is necessary for SymBio to acquire additional funding now so that it can flexibly introduce future new drug candidates with the aim of improving its corporate value over the medium and long term.

At present, SymBio is conducting negotiations toward the conclusion of several license agreements with several Occidental pharmaceutical companies with regard to several new drug candidates. The amount of funding needed at this time is based on the estimated expenses deemed necessary to introduce these drug candidates.

SymBio plans to appropriate part of the funds that were raised by the third-party allotment conducted in January 2013, to the expenses involved in the introduction of new drug candidates.

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

SymBio intends to promote its development efforts to add indications for two drugs (TREAKISYM® and rigosertib). At the same time, SymBio aims to expand the value of its pipelines and maximize business value by focusing on searching prospective drug candidates and introducing new drug candidates with high potential for commercialization.

SymBio's Current Pipelines:

Drug	Indication	Preclinical	Phase 1	Phase 2	Phase 3	Approval
SyB L-0501 TREAKISYM®	r/r Low-grade NHL & MCL	Launched December, 2010				
	Frontline Low-grade NHL & MCL	P2 completed				
	r/r Aggressive NHL	P2 completed				
	CLL	P2 underway				
SyB L-1101 Injectable	r/r MDS	P1 underway				
SyB C-1101 Oral	Frontline MDS	P1 underway				

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

As described in the aforementioned “(1) Major funding purposes,” a considerable amount of research and development funds will be necessary on an ongoing basis over the long term to conduct clinical trials for major pipelines in Japan and overseas. Meanwhile, our business is still in an up-front investment stage, and the situation where research and development expenses is higher than earnings, is expected to continue for some time. Accordingly, borrowings from financial institutions are expected to be extremely difficult to obtain, and SymBio therefore will be obliged to rely on equity-finance-based funds.

To that end, SymBio studied all possible funding means including the issuance of shares, bonds with stock acquisition rights and/or stock acquisition rights by third-party allotment, in which the entity planned for the allotment of equity finance shall be corporations that well understand SymBio’s business and business strategies and support its business restructuring.

Given such circumstances, an investment using business funds, in which bonds with convertible bond type stock acquisition rights and stock acquisition rights are combined, was proposed by Oak Capital, and SymBio subsequently proceeded with further discussion of the proposal.

As a result, SymBio has determined that it would be essential to procure stable funds at this time and introduce new drug candidates for development with the aim of promoting systematic development for major pipelines; swiftly achieving the management goal of commercializing (marketing) the developed drugs with approvals as pharmaceuticals; and maximizing the value of its pipelines and corporate value. As described below, compared to other funding methods, SymBio resolved to issue a combination of bonds with convertible bond type stock acquisition rights and stock acquisition rights based on the final determination that such are the best option at this time for satisfying SymBio’s needs to procure necessary funds and maximize its corporate value while avoiding the downward pressure of declining stock prices and

paying full attention to the interests of existing shareholders.

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

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

Precautions in response to SymBio's needs:

- 1) Attenuation of the impact on stock prices
 - The conversion price of the Bonds with Stock Acquisition Rights and the exercise price of the Warrants were determined on the basis of ¥300 (Discount ratio:0.66%) (hereinafter, the "reference stock price"), reference stock price was primarily based on ¥302 (the closing price of SymBio's common shares at the Tokyo Stock Exchange on the business day (November 13, 2014) immediately preceding the date of resolution at the Board of Directors meeting relative to the Third-Party Allotment after discussions with Oak Capital), the entity planned for the allotment. Subsequent revisions to the respective values shall not be conducted according to the decision mechanism.
 - For the Bonds with Stock Acquisition Rights, the conversion price shall be the product of the above reference stock price multiplied by 1.00. For the Warrants, the exercise price shall be the product of the above reference stock price multiplied by 1.10, including a premium.
 - The Third-Party Allotment does not intend to issue new shares corresponding to the projected total procurement amount but rather will involve conversions of the Bonds with Stock Acquisition Rights and exercising the Warrants taking into account the trends of SymBio's stock price and other factors. Consequently, compared to the issuance of new shares, the provision of SymBio's shares in the market will be temporary, thereby avoiding a situation where a drastic change in the supply-demand relationship of shares could have a significant impact on the stock price.
- 2) Restriction on dilution
 - As the conversion price and the exercise price are fixed at certain levels, a downward revision cannot occur. Further, there is no possibility of further dilution of stock prices due to the number of shares delivered being increased more than initially planned.
 - As the Convertible Bond Type Stock Acquisition Rights and the Warrants are likely to be exercised gradually over a relatively long period, the dilution impact is considered to be small compared to a one-time issuance of new shares.

- Furthermore, as described above, greater-than-expected dilution will not derive from the funding as stated above and the relatively smooth exercise of the Convertible Bond Type Stock Acquisition Rights and the Warrants can be expected during a period of rising stock prices. The funding is available without imposing excessive impact on the interests of existing shareholders because the entity planned for the allotment has expressed that it intends to exercise the stock acquisition rights attached to the Bonds with Stock Acquisition Rights and the Warrants while giving further consideration to SymBio's business performance, stock price trends, the effects on the market and other factors.
- 3) Flexibility of capital policy
- SymBio will be able to ensure its flexible capital policy as it can redeem, wholly or partly, the Bonds with Stock Acquisition Rights at its discretion under certain conditions and it can acquire the whole Warrants at its discretion under certain conditions.
- 4) Additional funding
- The issuance of the Bonds with Stock Acquisition Rights allows SymBio to conduct financing without owing interest. Meanwhile, the exercise of the Warrants allows SymBio to conduct additional financing.

Other precautions and the effects as countermeasures:

- 1) 2nd unsecured bonds with convertible bond type stock acquisition rights
- As for the Bonds with Stock Acquisition Rights, if such conversion is conducted, the amount of future redemption will decrease and debt will be reduced, thereby enabling reinforcement of SymBio's shareholders' equity.
- In view of their characteristics, the Bonds with Stock Acquisition Rights will contribute to realizing planned funding as the principal for the Bonds will be paid at the beginning. However, if the Bondholders do not exercise the Convertible Bond Type Stock Acquisition Rights, SymBio intends to redeem the bonds with stock acquisition rights with earnings from sales of TREAKISYM[®] as the repayment source, under certain conditions.
- 2) 34th stock acquisition rights
- In view of the characteristics of stock acquisition rights, if the right holders of the Warrants do not exercise the stock acquisition rights they hold, the unpaid amount to be paid relative to the exercise of said stock acquisition rights may result in an actual procured amount less than the initially expected amount of funding. In particular, at the stage where the stock price has fallen below the exercise price, it shall become difficult for SymBio to expect the Warrants to be exercised.
 - If the right holders of the Warrants do not exercise the Warrants, SymBio intends to acquire the Warrants with earnings from sales of TREAKISYM[®] as the purchasing source, under certain conditions.

Lock-up:

In relation to the subscription for the Bonds with Stock Acquisition Rights and the Warrants, SymBio agreed with Oak Capital that SymBio shall not implement, or publicly announce, an issuance (excluding issuance due to a stock split), a delivery or a disposal of "Lock-Up Securities" (defined hereinafter) regardless of the form of issuance/disposal, for example, whether via a public offering or a private

placement, whether via an allotment to shareholders or a third-party allotment, or whether by new issuance or by disposal of treasury shares, without Oak Capital's prior approval in writing, on and after the date of conclusion of the conclusion of relevant contract regarding the allotment of the Bonds with Stock Acquisition Rights and the Warrants until (a) the day on which six months have elapsed since the due date of payment for the Bonds with Stock Acquisition Rights and the Warrants, or (b) the day on which unredeemed Bonds with Stock Acquisition Rights and unexercised Warrants no longer exist, whichever is earlier.

The Lock-Up Securities refer to the securities to which SymBio's common shares are attached and to which any right or obligation to acquire SymBio's common shares is attached (including but not limited to stock acquisition rights; bonds with stock acquisition rights; shares with conversion rights or with a compulsory conversion clause for conversion to SymBio's common shares; and shares with a put option or shares subject to call of which consideration for acquisition is SymBio's shares). Provided, however, that the Lock-Up Securities, which are to be issued to eligible executives and employees of SymBio and its subsidiaries, those which have already been issued, or to be issued or delivered in response to the exercise of the stock acquisition rights that shall be issued to eligible executives and employees of SymBio and its subsidiaries, as well as the Lock-Up Securities, which are to be issued or delivered in response to the conversion of the Bonds with Stock Acquisition Rights or the exercise of the Warrants, shall be excluded from such securities.

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

(1) Amount to be funded

1) Total amount to be paid	¥1,510,395,968
(Breakdown)	
(a) Issuance of 2nd unsecured bonds with convertible bond type stock acquisition rights	¥500,000,000
(b) Issuance of 34th stock acquisition rights	¥10,363,968
(c) Exercise of 34th stock acquisition rights	¥1,000,032,000
2) Approximate amount of various issuance-related expenses	¥13,500,000
3) Estimated net proceeds	¥1,496,895,968

Notes:

- As payments from the exercise of the Warrants depend, in principle, on the judgment of right holders of the stock acquisition rights, the total amount to be paid through the exercise of the Warrants is affected by the exercise condition of the Warrants. Consequently, the aforementioned estimated net proceeds may vary in the future and the amount appropriated to each business may be changed arbitrarily depending on actual net proceeds with regard to the appropriation of the procurement funds in “(2) Specific uses of the amount to be funded” below.
- The approximate amount of various issuance-related expenses does not include consumption taxes.
- The breakdown of the approximate amount of various issuance-related expenses is the total of attorney fees, charges for the calculation and appraisal of stock acquisition rights; and in other administrative fees (preparation of a securities registration statement, the registration and license tax, the registration fee for various changes, etc.).

(2) Specific uses of the amount to be funded

Specific use	Amount (Millions of yen)	Scheduled disbursement timing
Expenses involved in the introduction of new drug candidates	1,496	December 2014–December 2016

Notes:

- As of today, SymBio is conducting negotiations toward the conclusion of license agreements with Occidental pharmaceutical companies in Europe and the U.S. with regard to two to three new drug candidates. The amount of funding needed at this time is based on the estimated expenses deemed necessary to introduce these drug candidates. The expenses involved in the introduction could be higher than initially expected depending on the consequence of future negotiations.
- The procurement funds shall be managed securely by a financial institution until they are actually disbursed.
- As payments from the exercise of stock acquisition rights depend, in principle, on the judgment of right holders to the Warrants, the estimated net proceeds funded through the exercise of the Warrants is determined by the exercise condition of the Warrants. Consequently, as the aforementioned estimated net proceeds funded through the exercise of the Warrants could vary, the details of the appropriation of procurement funds might change depending on the actual net proceeds. In addition, in case the funding by the Warrants becomes difficult to achieve due to insufficient exercise of the Warrants, SymBio intends to review the introduction program for new drug candidates and examine

the possibility of implementing other funding means.

4. Concepts on rationality of the use of the funds

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

5. Rationality of issuance conditions, etc.

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

The conversion price of the Bonds with Stock Acquisition Rights and the exercise price of the Warrants were determined as follows on the basis of ¥300 (Discount ratio:0.66%) as the reference stock price, the reference stock price was primarily based on the closing price of SymBio’s common shares at the Tokyo Stock Exchange on the business day (November 13, 2014) immediately preceding the date of resolution at the Board of Directors meeting relative to the Third-Party Allotment after discussions with Oak Capital, the entity planned for the allotment.

Designation	Conversion price or exercise price, and the basis for its calculation
2nd unsecured bonds with convertible bond type stock acquisition rights	¥300 (reference stock price multiplied by 1.00)
34th stock acquisition rights	¥330 (reference stock price multiplied by 1.10)

In determining the conditions for issuing the 2nd unsecured bonds with convertible bond type stock acquisition rights, SymBio requested calculations from Tokyo Financial Advisers Co., Ltd. (1-11-28, Nagatacho, Chiyoda-ku, Tokyo; Gen Nose, Representative Director), a dedicated, independent third-party appraiser that has no business relationships with SymBio, based on its past records on the calculation of fair value regarding a capital increase by third-party allotment of other listed corporations.

(a) 2nd unsecured bonds with convertible bond type stock acquisition rights

This third-party appraiser adopted the Monte Carlo simulation method, which is a discrete-time model referenced in the application guidelines on accounting standards for stock options and the like. In its calculations, the fair value was appraised with reference to various factors such as SymBio’s stock price of ¥302 (closing price on November 13, 2014) as the basis; a conversion price of ¥300; volatility of 77.43% (calculated in terms of the annual ratio using monthly stock prices for the period from October, 2012 through October, 2014); an exercisable period of three years; a risk-free rate of 0.077% (or the interest rate for medium-term government bonds on the reference date for appraisal); a dividend rate of 0.00%; an advanced redemption clause; the dilution of shares resulting from the conversion of bonds with stock acquisition rights; the liquidity of SymBio’s shares; SymBio’s credibility risk; and funding costs. As a result, the fair value of ¥96.69 per par-value of ¥100 was obtained for the 2nd unsecured bonds with convertible bond type stock acquisition rights.

The following describes the conditions as assumptions for the calculations of the Monte Carlo simulation

method.

- i. Regarding the conversion by the entity planned for the allotment, it is presumed that the remaining Bonds with Stock Acquisition Rights shall be wholly converted if the market value is higher than the conversion price on the last day of the convertible period (November 29, 2017) as a result of the calculations using the Monte Carlo simulation method. During the convertible period, bondholders shall determine their acts of conversion through a comparison of the conversion value with the value at each time point. More specifically, bondholders shall judge whether their conversion is optimum at each time point and whether the issuer's position may be improved by early redeeming the Bonds with Stock Acquisition Rights. Therefore, the propriety of the conversion is judged on the assumption that the Bonds with Stock Acquisition Rights are early redeemed if such position is judged to improve. In short, bondholders shall determine their acts of conversion through a comparison of the conversion value with the value at each time point. It is therefore presumed that the bondholders shall determine when their acts would have the highest economic rationality from among three case options: 1) if bonds are neither converted nor early redeemed, 2) if the bonds are early redeemed by advanced redemption and 3) if the bonds are converted, while taking into account the market price and the conversion price.
- ii. The inclusion of advanced redemption would be disadvantageous to the entity planned for the allotment if the issuer arbitrarily conducts an advanced redemption of bonds with stock acquisition rights and retires them regardless of an increasing value of the bonds with stock acquisition rights in conjunction with the hike of stock prices, from investment and economic viewpoints. Therefore, SymBio's advanced redemption is a value-reducing factor for the Bonds with Stock Acquisition Rights. SymBio's assumption for implementing the advanced redemption shall be that, at any time on and after the date of allotment for the Bonds with Stock Acquisition Rights, the closing price of SymBio's common shares for their regular transactions at the Tokyo Stock Exchange has exceeded 150% of the exercise price of the Bonds with Stock Acquisition Rights over 20 consecutive transaction days. Meanwhile, the specific stock price for implementing the advanced redemption is set to be ¥450 (values after the decimal point to be rounded up), which is the product of the conversion price of ¥300 multiplied by 1.5. It is also presumed that the entity planned for the allotment shall wholly convert the Bonds with Stock Acquisition Rights if the advanced redemption is implemented.
- iii. Regarding the liquidity of shares, it is presumed that the shares acquired by the exercise for total volume could be sold at the rate of 13,870 shares per business day (or 10% of the 138,700 shares being the median value of the daily turnover for the three most recent years). As for the value of 10% of the daily turnover above, SymBio considers it to be appropriate for adopting this value as the treasury stock transactions at the average trading level of 10%–20%, which are assumed to be conducted in the market against the upper limit of 100% in view of the effects on the market environment with reference to the 100% rule, have a minor impact on the market price, and this value is commonly used among ordinary appraisers for stock acquisition rights. The aforementioned 100% rule, which is stipulated in the "Cabinet Office Ordinance on Financial Instruments Exchanges, etc.," refers to the restriction on limiting the trading volume to no higher than 100% of the turnover so that the fairness and soundness of markets cannot be impaired by manipulation or the like connected with the purchase of treasury shares.

Considering that the appraisal above is reasonable as the above calculation method is commonly used, SymBio determined the amount to be paid for one 2nd unsecured bond with convertible bond type stock acquisition rights to be ¥20,000,000 (¥100 per par-value of ¥100).

Meanwhile, SymBio determined the conversion price of the 2nd unsecured bonds with convertible bond type stock acquisition rights to be ¥300 (Discount ratio:0.66%), which is equal to the reference stock price, which was primarily based on ¥302 (the closing price of SymBio's common shares at the Tokyo Stock Exchange on the business day (November 13, 2014) immediately preceding the date of resolution at the Board of Directors meeting), relative to said issuance as a result of the discussions with the entity planned for the allotment while taking into account the performance trends, financial trends and stock price trends (average closing stock prices for one, three and six month(s) until the business day immediately preceding the aforementioned date of resolution, etc.).

Regarding the conversion price of ¥300, the rate of divergence for the average closing price of ¥290.95 for the most recent month until said preceding business day was 3.11%, the rate of divergence for the average closing price of ¥285.97 for the most recent three months until said preceding business day was 4.91% and the rate of divergence for the average closing price of ¥271.50 for the most recent six months until said preceding business day was 10.50%.

SymBio judged that issuing the 2nd unsecured bonds with convertible bond type stock acquisition rights does not fall under any specially advantageous condition because the substantial consideration for the 2nd unsecured bonds with convertible bond type stock acquisition rights is not considerably lower than the fair value of the 2nd unsecured bonds with convertible bond type stock acquisition rights. This judgment is based on a comparison of the anticipated economic benefit to be gained by SymBio by adding stock acquisition rights to the 2nd unsecured bonds with convertible bond type stock acquisition rights, that is, the substantial consideration for the 2nd unsecured bonds with convertible bond type stock acquisition rights (¥100 per par-value of ¥100), with the fair value calculated by Tokyo Financial Advisers.

(b) 34th stock acquisition rights

Regarding the amount to be paid for the 34th stock acquisition rights, SymBio determined the amount to be paid per Warrant to be ¥342 by taking into account the terms and conditions of issuance for the 34th stock acquisition rights and various conditions set forth in the overall underwriting agreement, which is planned to be concluded with the entity planned for the allotment, and with reference to the calculation result (¥341.9 per Warrant) being based on the Monte Carlo simulation method (a commonly used price calculation model) in the appraisal report submitted by Tokyo Financial Advisers, a third-party appraiser.

The fair value was appraised by adopting the Monte Carlo simulation method, a commonly used price calculation model, with reference to various factors such as SymBio's stock price of ¥302 (closing price on November 13, 2014) as the reference; the exercise price of ¥330; volatility of 77.43% (calculated in terms of the annual ratio using monthly stock prices for the period from October, 2012 through October, 2014); an exercisable period of three years; a risk-free rate of 0.077% (or the interest rate for medium-term government bonds on the reference date for appraisal); the call option; the dilution of shares resulting from the exercise of stock acquisition rights; the liquidity of SymBio's shares; and SymBio's credibility risk. As a result, a calculation result of ¥341.9 per Warrant was obtained.

The exercise price of the Warrants was determined to be ¥330 with reference to ¥302, the closing price of SymBio's common shares at the Tokyo Stock Exchange on the business day (November 13, 2014) immediately preceding the date of resolution at the Board of Directors meeting relative to the issuance of the Warrants. The rate of divergence for the average closing price of ¥290.95 for the most recent month until said preceding business day was 13.42%, the rate of divergence for the average closing price of ¥285.97 for

the most recent three months until said preceding business day was 15.40% and the rate of divergence for the average closing price of ¥271.50 for the most recent six months until said preceding business day was 21.55%.

The adoption of the closing price immediately preceding the date of resolution at the Board of Directors as a reference value was based on the following judgment: As SymBio released a brief announcement of the financial statements for the third quarter of the year ending December 2014 on November 7, 2014, it would be inappropriate to incorporate the stock prices before the announcement of the relevant business performance and forecasts in case the average closing prices for the three and six months until said preceding business day are adopted. It was determined to use the closing price immediately preceding the date of resolution at the Board of Directors as the reference value through negotiations with the entity planned for the allotment while taking into account SymBio's performance trends, stock price trends and the holding policy of the entity planned for the allotment.

The following describes the conditions as assumptions for the calculations of the Monte Carlo simulation method.

- i. Regarding the exercise of right by the entity for the allotment, it was presumed that the remaining 34th stock acquisition rights shall be wholly exercised if the market value is higher than the exercise price on the last day of the convertible period (November 30, 2017) as a result of the calculations using the Monte Carlo simulation method.
- ii. The inclusion of the call option would be disadvantageous to the entity planned for the allotment if the issuer arbitrarily acquires the 34th stock acquisition rights and retires them regardless of an increasing value of the stock acquisition rights in conjunction with the hike of stock prices, from investment and economic viewpoints. Therefore, SymBio's call option is a value-reducing factor for the 34th stock acquisition rights. SymBio's assumption for implementing the call option shall be that, at any time on and after the date of allotment for the 34th stock acquisition rights, the closing price of SymBio's common shares for their regular transactions at the Tokyo Stock Exchange has exceeded 150% of the exercise price of the 34th stock acquisition rights over 20 consecutive transaction days. Meanwhile, the specific stock price for implementing the call option is set to be ¥495 (values after the decimal point to be rounded up), which is the product of the exercise price of ¥330 multiplied by 1.5. It is presumed that the entity for the allotment shall wholly exercise the 34th stock acquisition rights if the call option is implemented.
- iii. Regarding the liquidity of shares, it is presumed that the shares acquired by the exercise for total volume could be sold at the rate of 13,870 shares per business day (or 10% of the 138,700 shares being the median value of the daily turnover for the three most recent years). As for the value of the 10% of the daily turnover above, SymBio is confident that adopting this value is reasonable because the treasury stock transactions at the average trading level of 10%–20%, which are assumed to be conducted in the market against the upper limit of 100% in view of the effects on market environment with reference to the 100% rule, have a minor impact on the market price, and this value is commonly used among ordinary appraisers for stock acquisition rights. The aforementioned 100% rule, which is stipulated in the "Cabinet Office Ordinance on Financial Instruments Exchanges, etc.," refers to the restriction on limiting the trading volume to no higher than 100% of the turnover so that the fairness and soundness of markets

cannot be impaired by manipulation or the like connected with the purchase of treasury shares.

- iv. Furthermore, by comparing the fair value of the 34th stock acquisition rights (¥341.9 per said right) and the amount to be paid for the 34th stock acquisition rights (¥342 per said right), SymBio judged that issuing the 34th stock acquisition rights does not fall under any specially advantageous condition because the amount to be paid for the 34th stock acquisition rights is not considerably lower than the fair value of the 34th stock acquisition right.

(c) Expression of Auditor's Opinion

Meanwhile, three auditors of SymBio (all of whom are outside auditors under the Companies Act) have expressed their views of having judged that the conditions for issuing the 2nd unsecured bonds with convertible bond type stock acquisition rights and the 34th stock acquisition rights are not especially advantageous to the entity planned for the allotment by taking advantage of the content of the 2nd unsecured bonds with convertible bond type stock acquisition rights and the 34th stock acquisition rights, as well as the calculation results submitted by Tokyo Financial Advisers, in addition to facts such as (a) that Tokyo Financial Advisers has no contractual consultancy relationship with SymBio, (b) that Tokyo Financial Advisers conducted the appraisal from a standpoint independent from the entity planned for the allotment, and (c) that the appraisal of the fair values of the 2nd unsecured bonds with convertible bond type stock acquisition rights and the 34th stock acquisition rights, which were given by Tokyo Financial Advisers, could be deemed reasonable in light of the data and materials explained or submitted thereby with regard to the calculation process and assumptions and the like.

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

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

- 1) The number of common shares to be newly issued by the exercise of the stock acquisition rights attached to the Bonds with Stock Acquisition Rights shall be a maximum of 1,666,666. The number of common shares to be newly issued by the exercise of the stock acquisition rights attached to the Bonds with Stock Acquisition Rights shall be a maximum of 1,666,666. As the conversion price is fixed, the number of shares to be delivered after their issuance will not vary.
- 2) The number of common shares to be newly issued by the exercise of the Warrants shall be a maximum of 3,030,400. The number of common shares to be newly issued by the exercise of the Warrants shall be a maximum of 3,030,400. As it is possible for SymBio to acquire the remaining Warrants, wholly or in part at its own judgment, the dilution of shares may be controlled.
- 3) As described above, the number of residual securities relative to the Bonds with Stock Acquisition Rights and the Warrants shall be 1,666,666 and 3,030,400, respectively, thereby totaling a maximum of 4,697,066 shares (46,970 units of voting rights). This total figure accounts for 15.29% (15.29% in the ratio of voting rights) of the total number of issued shares of 30,724,257 shares (307,220 units in the total number of voting rights) as of November 14, 2014.
- 4) SymBio has orally confirmed that the entity planned for the allotment (Oak Capital) is of the policy to sell the shares to be issued through the exercise of the Bonds with Stock Acquisition Rights and the Warrants on the market while paying full attention to the trends of SymBio's stock price, trading status in the market, the effects on the market and the like. In addition, the average daily turnover of SymBio's shares for the six most recent months was 234,309 shares (which accounts for approximately

4.99% of 4,697,066 shares, the maximum number of shares that shall be delivered in case all the Bonds with Stock Acquisition Rights are converted and all the Warrants are exercised), representing a certain level of liquidity for SymBio's shares. Meanwhile, supposing that the maximum number of shares (4,697,066 shares), which shall be delivered if all the Bonds with Stock Acquisition Rights are converted and the Warrants are exercised, are sold through the exercise over the three years of the exercisable period (calculated at 245 business days/year) on an average basis, the number of shares sold per day would be 6,391, accounting for 2.73% of the daily turnover above. SymBio therefore believes that the impact on stock prices is limited and absorbable in the market.

- 5) Consequently, for the reasons described above, SymBio considers that the subscription for the bonds with convertible bond type stock acquisition rights and the stock acquisition rights by third-party allotment for the purpose of ensuring the funds to introduce new drug candidates have an appropriate quantity and scale for improving SymBio's corporate value and its stock value.

6. Reason for having chosen the entity planned for the allotment, etc.

(1) Outline of the entity planned for the allotment (As of March 31, 2014)

1) Designation	Oak Capital Corporation	
2) Location of head office	8-10-24, Akasaka, Minato-ku, Tokyo	
3) Representative's name and position	Hiroyasu Takei, Representative Director	
4) Description of business	Investment business	
5) Capital stock	¥3,401 million	
6) Establishment	February 22, 1918	
7) Settlement term	March	
8) Number of issued shares	46,398,620	
9) Number of employees	18	
10) Main clients	Not applicable	
11) Main banks	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.	
12) Main shareholders and shareholding ratio thereof	LMI Corporation: 6.2%	
13) Relationship, etc. with SymBio	Capital relationship	SymBio and Oak Capital have no capital relationship. No capital relationships exist between persons involved and/or affiliated companies of SymBio and the respective counterparts of Oak Capital.
	Business relationship	SymBio and Oak Capital have no business relationship. No business relationships exist between persons involved and/or affiliated companies of SymBio and the respective counterparts of Oak Capital.
	Personal relationship	SymBio and Oak Capital have no personal relationship. No personal relationships exist between persons involved and/or affiliated companies of SymBio and the respective counterparts of Oak Capital.
	Relevance as related party	Oak Capital does not fall under the category of SymBio's related party. The persons involved and the affiliated companies of Oak Capital do not fall under the category of SymBio's related party.

14) Business performance and financial position for the most recent three years (Consolidated)			
(Millions of yen)			
Settlement term	Fiscal year ended March 2012	Fiscal year ended March 2013	Fiscal year ended March 2014
Net assets	1,891	1,269	4,192
Total assets	2,439	1,785	4,380
Net assets per share (Yen)	84.04	52.20	90.39
Net sales	926	1,538	4,167
Operating income (loss)	(645)	(329)	570
Ordinary income (loss)	(656)	(342)	564
Net income (loss)	(659)	(485)	554
Net income (loss) per share (Yen)	(29.77)	(21.13)	12.91
Dividend per share (Yen)	—	—	—

SymBio confirmed that the entity planned for the allotment (Oak Capital) stipulates the basic guideline toward the elimination of antisocial forces by completely banning any and all relations with them through cooperation with the police and legal advisers according to the corporate governance report submitted to Tokyo Stock Exchange, Inc. In addition, SymBio requested JP Research & Consulting Co., Ltd. (3-7-12, Toranomon, Minato-ku, Tokyo; Keisuke Furuno, President and Representative Director), a third-party investigative body, to investigate whether Oak Capital, its corporate officers and/or major shareholders (major investors) belong to any antisocial forces such as gang groups and whether they have any relations with antisocial forces. As a result, JP Research & Consulting reported that no such relations with antisocial forces are apparent. SymBio therefore judges that Oak Capital, its corporate officers and major shareholders (major investors) do not fall under the category of antisocial forces and do not have any relations with any antisocial forces based on the investigative results.

(2) Reason for having chosen the entity planned for the allotment

SymBio has studied all possible funding means including the issuance of shares, bonds with stock acquisition rights and/or stock acquisition rights by third-party allotment, in which the entity for the equity finance allotment is corporations that well understand SymBio's business models, management policies, financial requirements and the like.

Given such circumstances, SymBio explained its growth strategy, financial data and capital requirements to Oak Capital for them to understand SymBio's current financial conditions. In this context, an investment method, in which bonds with convertible bond type stock acquisition rights and stock acquisition rights are combined, was proposed by Oak Capital as an optimum funding method to satisfy SymBio's need for procuring necessary funds while fully paying attention to SymBio's stock prices and the interests of existing shareholders, and SymBio subsequently proceeded with further discussion of the proposal.

Oak Capital is an independent investment company with shares listed on the Second Section of the Tokyo Stock Exchange and has proactively invested in emerging listed companies that have growth potential from a neutral standpoint.

SymBio has confirmed that Oak Capital has abundant investment records over more than a decade in Japan and overseas and that it has engaged in not only the investment banking business, in which it undertakes funding via investments, but also the advisory business to help investees prepare their growth strategy and

provide sales support services as part of its comprehensive support activities to improve the corporate value of the investees.

SymBio also believes that Oak Capital is a company with high credibility and a stable management foundation as an independent investment company as it has no interest-bearing debt and maintains a high capital adequacy ratio.

Furthermore, as Oak Capital's corporate philosophy of "Befitting the image of the 'oak' in our corporate name and the qualities of 'steadfastness,' 'vigor' and 'growth' symbolized by the annual rings of this big tree maturing, Oak Capital will work to add value to the businesses of the middle-sized excellent companies in our investment portfolio and foster their growth. We are thus committed to contributing to the advancement and well-being of society." agrees with the corporate philosophy and management policy of SymBio's counterparts, SymBio has chosen Oak Capital as the entity planned for the allotment.

(3) Holding policy of the entity planned for the allotment

SymBio has orally confirmed that the holding policy of the entity planned for the allotment (Oak Capital) regarding the Bonds with Stock Acquisition Rights and the Warrants, as well as common shares to be acquired thereby by exercising stock acquisition rights attached to the Bonds with Stock Acquisition Rights and the Warrants is not the holding of SymBio's shares for a long period or participation in the management of SymBio. Oak Capital also has expressed orally that it intends to exercise the stock acquisition rights attached to the Bonds with Stock Acquisition Rights and the Warrants while giving extra consideration to SymBio's business performance, stock price trends, the effects on the market and other factors.

(4) Confirmation on the property required for the payment by the entity planned for the allotment

SymBio has confirmed that the entity planned for the allotment (Oak Capital) has enough funds for the planned payment, therefore there is no problem with its payment of the funds corresponding to the respective amounts to be paid relative to the issuances of the Bonds with Stock Acquisition Rights and the Warrants, based on the financial statements (quarterly financial statements, etc.) stated in the securities report for the year ended March 2014 and the quarterly report for the first quarter and the second quarter of the year ending March 2015.

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

Before the allotment		After the allotment	
Fuminori Yoshida	10.15%	Oak Capital	13.26%
Cephalon, Inc. (Standing proxy: Teva Pharmaceutical K.K.)	8.43%	Fuminori Yoshida	8.81%
JAFCO V2 Investment L.P.	6.00%	Cephalon, Inc. (Standing proxy: Teva Pharmaceutical K.K.)	7.31%
Eisai Co., Ltd.	2.71%	JAFCO V2 Investment L.P.	5.21%
Waseda No. 1 Investment L.P.	2.23%	Eisai Co., Ltd.	2.35%
Waseda Global No. 1 Investment L.P.	1.63%	Waseda No. 1 Investment L.P.	1.93%
Japan Securities Finance Co., Ltd.	1.04%	Waseda Global No. 1 Investment L.P.	1.41%
TNP On the Road No. 1 Investment Enterprise Partnership	0.83%	Japan Securities Finance Co., Ltd.	0.91%
DAIICHI SANKYO COMPANY, LIMITED	0.65%	TNP On the Road No. 1 Investment	0.72%

		Enterprise Partnership	
WERU Technological Venture Investment Business Limited Partnership	0.64%	DAIICHI SANKYO COMPANY, LIMITED	0.56%

Notes:

1. The shareholding ratio before the allotment is prepared based on the shareholders' register as of September 30, 2014.
2. The shareholding ratio after the allotment is calculated based on the number of shares before the allotment by adding the number of shares to increase if the Convertible Bond Type Stock Acquisition Rights and the Warrants are wholly exercised.
3. Although the holding policy of Oak Capital, the entity planned for the allotment, is not for long-term holding as stated in 6 (3) "Holding policy of the entity planned for the allotment," the shareholding ratio after the third-party allotment is calculated where all the Convertible Bond Type Stock Acquisition Rights and the Warrants are deemed to have been exercised.

9. Future perspective

There is no impact of the issuance of the Bonds with Stock Acquisition Rights and the Warrants by the Third-Party Allotment on the business performance of the term under review (year ending December 2014). SymBio plans to disclose, at such time as it deems appropriate, possible changes and/or revisions to its future business performance primarily due to the introduction of new drug candidates.

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

As 1) the dilution ratio is less than 25% and 2) a controlling shareholder is not expected to change (even if all the stock acquisition rights or put options are exercised, controlling shareholders are not expected to change) for the Third-Party Allotment, it is not required for SymBio to obtain the opinion of an independent third party and confirm the intent of shareholders as prescribed in Article 432 of the Securities Listing Regulations "Matters to be observed in relation to third-party allotment," established by the Tokyo Stock Exchange.

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

(1) Operating results for the past three years

Settlement term	Year ended December 2011	Year ended December 2012	Year ended December 2013
Net sales (Thousands of yen)	1,882,521	1,955,178	1,532,054
Operating income (Thousands of yen)	(2,066,846)	(1,700,273)	(1,680,528)
Ordinary income (Thousands of yen)	(2,095,382)	(1,729,480)	(1,601,424)
Net income (Thousands of yen)	(2,104,513)	(1,733,320)	(1,605,224)
Net income per share (Yen)	(143.60)	(90.60)	(69.29)
Dividend per share (Yen)	—	—	—
Net assets per share (Yen)	345.28	254.71	239.48

(2) Number of issued shares and residual securities (As of November 14, 2014)

	Number of shares	Percentage relative to the number of issued shares
Number of issued shares	30,724,257	100%
Number of residual securities at the conversion price (exercise price) at the present	3,794,150	12.35%
Number of residual securities at the lower-limit of conversion price (exercise price)	—	—
Number of residual securities at the upper-limit of conversion price (exercise price)	—	—

(3) Recent stock prices

1) For the most recent three years

	Year ended December 2011	Year ended December 2012	Year ended December 2013
Opening price	¥450	¥510	¥305
Highest price	¥546	¥520	¥1,580
Lowest price	¥227	¥227	¥299
Closing price	¥478	¥300	¥380

2) For the most recent six months

	May	June	July	August	September	October
Opening price	¥233	¥260	¥285	¥245	¥275	¥302
Highest price	¥252	¥328	¥293	¥308	¥369	¥310
Lowest price	¥191	¥233	¥250	¥230	¥267	¥251
Closing price	¥252	¥285	¥250	¥278	¥302	¥288

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

	November 13, 2014
Opening price	¥299
Highest price	¥333
Lowest price	¥292
Closing price	¥302

(4) Equity finances for the most recent three years

- Issuance of the 1st unsecured bonds with convertible bond type stock acquisition rights by third-party allotment

Due date of payment	January 15, 2013
Amount of funding	¥1,000,000,000
Conversion price	¥302 per share
Number of issued shares at the time of subscription	19,130,900
Entity for the allotment	Whiz Healthcare PE Fund Series 1 Investment Limited Partnership
Number of residual securities due to the subscription	3,311,257
Conversion status at present	Number of converted shares: 3,311,257 (Number of residual convertible bonds:0)
Initial use of funds at the time of issuance	1) Expenses for clinical tests of SyB C-1101 (oral form of rigosertib) for the treatment of frontline MDS 2) Expenses for clinical tests of SyB L/C-1101 (intravenous and oral forms of rigosertib) that accompany the extension of indications other than Item 1) above 3) Expenses involved in the introduction of new drug candidates

Planned timing for disbursement at the time of issuance	From January 2013, as needed
Appropriation status at present	The funds have been appropriated according to the initial uses of funds.

• Issuance of the 29th stock acquisition rights by third-party allotment

Date of allotment	January 15, 2013
Number of stock acquisition rights issued	1,326,250
Issue price	Total of ¥5,100,000 (¥102,000 per stock acquisition right)
Planned amount of funding at the time of issuance	¥505,100,000 (Breakdown) Portion from the issuance of stock acquisition rights: ¥5,100,000 Portion from the exercise of stock acquisition rights: ¥500,000,000
Entity for the allotment	Whiz Healthcare PE Fund Series 1 Investment Limited Partnership
Number of issued shares at the time of subscription	19,130,900
Number of residual securities due to the subscription	1,326,250
Exercise status at present	Number of exercised shares: 530,500 (Number of residual stock acquisition rights: 795,750, Exercise price: ¥353.2)
Procurement funds at present	¥202 million
Initial use of funds at the time of issuance	1) Expenses for clinical tests of SyB C-1101(oral form of rigosertib) for the treatment of frontline MDS 2) Expenses for clinical tests of SyB L/C-1101(intravenous and oral forms of rigosertib) that accompany the extension of indications other than the Item 1) above 3) Expenses involved in the introduction of new drug candidates
Planned timing for disbursement at the time of issuance	From January 2013, as needed
Appropriation status at present	The funds have been appropriated according to the initial uses of funds. The funds unappropriated at this time are managed securely by financial institutions such as banks.

• Capital increase by public offering

Due date of payment	December 4, 2013
Amount of funding	¥2,688,080,000
Issue price	¥400
Number of issued shares at the time of subscription	23,052,157
Number of shares issued from the subscription	6,720,200
Number of issued shares after the subscription	29,772,357

Initial use of funds at the time of issuance	1) Expenses required for the development of SyB L-1101 for the treatment of refractory/relapsed MDS 2) Expenses required for the development of SyB C-1101 for the treatment of frontline MDS 3) Expenses required for the extension of indications of SyB L/C-1101 other than MDS, as well as payments to Milestone Co., Ltd.
Planned timing for disbursement at the time of issuance	From January 2014, as needed
Appropriation status at this time	The funds have been appropriated according to the initial uses of funds.

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

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

[Contact]

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**Terms and Conditions for the Issuance of SymBio Pharmaceuticals Limited's
2nd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights**

1. Designation of the bonds for subscription

SymBio Pharmaceuticals Limited's 2nd Unsecured Bonds with Convertible Bond Type Stock Acquisition Rights (hereinafter, the "Bonds with Stock Acquisition Rights," of which the bonds shall be the "Bonds," the stock acquisition rights shall be the "Warrants" and the terms and conditions for the issuance of SymBio Pharmaceuticals Limited's 2nd unsecured bonds with convertible bond type stock acquisition rights shall be the "Terms and Conditions")

2. Non-issuance of bond certificates for bonds with stock acquisition rights and prohibition of separate transfers

Bond certificates for bonds with stock acquisition rights shall not be issued for the Bonds with Stock Acquisition Rights. Neither the Bonds portion nor the Warrants portion of the Bonds with Stock Acquisition Rights can be separately transferred in accordance with Article 254, Paragraphs 2 and 3, of the Companies Act.

3. Total amount of bonds for subscription

¥500 million (total par-value of ¥500 million)

4. Par-value of each bond certificate for subscription

One kind of ¥20,000,000

5. Amount to be paid for each bond for subscription

¥20,000,000 (¥100 per par-value of ¥100)

6. Amount to be paid for each stock acquisition right

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

7. Interest rate for bonds

The Bonds do not bear interest.

8. Deadline for application

December 1, 2014

9. Due date of payment of the Bonds

December 1, 2014

10. Date of allotment for each Warrant

December 1, 2014

11. Method for subscription

The entire amount shall be allotted to Oak Capital via third-party allotment.

12. Secured mortgage and guarantee

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

13. Non-establishment of bond managers

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

14. Method and deadline for the redemption of bonds

(1) Redemption at maturity

The principal of the Bonds shall be redeemed on November 30, 2017 (hereinafter, the “Term of Redemption”), for the entire unredeemed Bonds at the rate of ¥100 per par-value of ¥100.

(2) Advanced redemption of the Bonds

(a) Advanced redemption according to the 150% call option clause

If, on and after the date of allotment for the Warrants, the closing price of SymBio’s common shares for their regular transactions at the Tokyo Stock Exchange has exceeded 150% of the conversion price (the conversion price set forth in Item (2)-b, Paragraph 16, of the Terms and Conditions; provided, however, that such conversion price shall be the conversion price after adjustment in case the conversion price is adjusted in accordance with any of Item (2)-(c) through (h)), which is applicable to each transaction day, over 20 consecutive transaction days, SymBio may, at its discretion, redeem all the remaining Bonds (partial redemption is not permitted) at the rate of 100% of the par-value amount by sending an advance notice, which should be given during a period not less than 30 days but within 60 days prior to the date of the advanced redemption, to the Bondholders within 30 days from the last day of said 20 consecutive transaction days. The day on which the Bonds are redeemed upon maturity of the Term of Redemption shall be the date of redemption (hereinafter, the same shall apply).

(b) Advanced redemption due to organizational restructuring activity

If SymBio’s common shares are delisted from the financial instruments exchange on which SymBio’s shares are currently listed, or if SymBio’s general shareholders’ meeting (or the Board of Directors if a resolution by a general shareholders’ meeting is not required) has resolved to conduct (i) a merger/absorption-type company split/incorporation-type company split (limited only to the case where the successor company in an absorption-type split or the company incorporated through an incorporation-type company split assumes SymBio’s duties under the Bonds with Stock Acquisition Rights and issues new stock acquisition rights instead of the Warrants), according to which SymBio becomes an extinct company, or (ii) a share exchange or a share transfer, in which SymBio becomes a wholly owned subsidiary of another company (hereinafter, the “Organizational Restructuring Activity”), then SymBio must redeem all the remaining Bonds (partial redemption is not permitted) at the rate of 100% of the par-value amount before such a date of delisting or the effective date of the Organizational Restructuring Activity.

(3) Forced redemption by reason of default

In case any of the events set forth under Paragraph 19 below takes place, bondholders may inform Symbio of the forfeiture of benefit of time. Upon receiving such a notice, Symbio shall immediately redeem the principal of the Bonds in total to the bondholders.

(4) Voluntary purchase and retirement

Symbio may purchase and retire the Bonds with Stock Acquisition Rights at any time on and after the day following the due date of payment for the Bonds, which is set forth in Paragraph 9 of the Terms and Conditions, at the rate of ¥100 per par-value of ¥100 pursuant to an agreement between Symbio and the bondholders. If Symbio retires the Bonds purchased, the Warrants shall lapse as they become unexercisable according to Item (4), Paragraph 16, of the Terms and Conditions.

15. Number of the Warrants attached to the Bonds

One Warrant shall be attached to each Bond, and a total of 25 Warrants shall be issued.

16. Details of the Warrants

(1) Type and number of shares underlying the Warrants

- (a) The shares underlying the Warrants shall be Symbio's common shares.
- (b) The number of Symbio's common shares to be newly issued or to be disposed of instead of such issuance through the exercise of the Warrants (hereinafter, the act of issuance or disposal of Symbio's common shares shall be referred to as "delivery") shall be an integer quotient of the total amount to be paid for the Bonds relative to the Warrants subject to the exercise request, divided by the conversion price stated in Item (2) (b) of this paragraph (such conversion price shall be the conversion price after adjustment in case the conversion price is adjusted in accordance with any of Item (2)-(c) through (h)). Provided, however, that fractions less than one share resulting from the exercise shall be truncated and no adjustment with cash shall be made.

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

- (a) The property invested when each Warrant is exercised shall be all of the Bonds relative to said Warrants. (Whereas, the Bonds to which the Warrants are attached shall be limited only to those for which the par-value amount has been paid in full.) (In association therewith, the benefit of time regarding said Bonds shall be forfeited when the exercise of the Warrants has become effective.) The value of the invested property shall be equal to the total par-value of the Bonds relative to said Bonds.
- (b) The value (hereinafter, the "Conversion Price") used in calculating the number of Symbio's common shares to be delivered through the exercise of each Warrant shall be ¥300.
- (c) Adjustment of the Conversion Price
In case the number of issued common shares of Symbio changes or could change by reason of any event as stipulated in (d) 1) through 3) of this item after Symbio has issued the Bonds with Stock Acquisition Rights, Symbio shall adjust the Conversion Price in accordance with the following equation (hereinafter, the "Conversion Price Adjustment Formula").

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

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

- 1) If common shares are delivered at an amount to be paid lower than the market price (set forth in (f) 2) of this item): (Provided, however, that the cases of (i) the exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights), (ii) the acquisition of shares with a put option or shares subject to call, (iii) the delivery of SymBio's common shares by exercising the right that allows a request for delivery of SymBio's common shares and (iv) the delivery of SymBio's common shares by reason of a company split, a share exchange or a merger shall be excluded.);

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

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

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

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

The Conversion Price after adjustment shall be calculated by applying the Conversion Price Adjustment Formula on the assumption that all the issued or granted instruments, stock acquisition rights or bonds with stock acquisition rights are acquired at the initial acquisition price or exercised at the initial exercise price, thereby resulting in the delivery of SymBio's

common shares;

The Conversion Price after adjustment shall apply on and after the due date of payment (the date of issuance if the stock acquisition rights are issued without charge), or on and after the day following such reference date for issuing or granting said instruments if such a reference date is established.

- 4) If a reference date for granting a right to SymBio's common shareholders is established regarding the respective transactions described in (d) 1) through 3) of this item and effectuation of each transaction is subject to approval at a general shareholders' meeting, a Board of Directors meeting or by any other relevant SymBio organ on and after said reference date, the Conversion Price after adjustment shall apply on and after the day following the day when said approval is given, notwithstanding the provisions of (d) 1) through 3) of this item. In this case, according to the following calculation method, SymBio's common shares shall be delivered to right holders to the stock acquisition rights who exercised the Warrants during the period from the date following the reference date to the day when said transaction was approved. However, the provision in Item (8) of this paragraph shall apply mutatis mutandis to the delivery of shares.

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

In this case, fractions less than one share shall be truncated and no adjustment with cash shall be made.

- (e) If the difference between the Conversion Price after adjustment and the Conversion Price before adjustment, both of which have been calculated according to the Conversion Price Adjustment Formula, remains below one-hundredth (1/100) yen, the Conversion Price shall not be adjusted. Provided, however, that if SymBio adjusts the Conversion Price for any reason requiring such an adjustment thereafter, SymBio shall use the value that deducts the aforementioned difference from the Conversion Price before adjustment instead of the Conversion Price before adjustment in the Conversion Price Adjustment Formula.
- (f) Calculation method relative to the Conversion Price Adjustment Formula
- 1) Regarding the calculation using the Conversion Price Adjustment Formula, the numbers below one yen shall be calculated to a third decimal place but the resulting numbers shall be rounded down to two decimal places.
 - 2) The market price used in the Conversion Price Adjustment Formula shall be the simple average value of the closing prices of SymBio's common shares for regular transactions at the relevant financial instruments exchange over 30 transaction days (excluding the days without a closing price) that start from the 45th transaction day prior to the day when the Conversion Price after adjustment is first applied. In this case, regarding the calculation of the average value, the numbers below one yen shall be calculated to a third decimal place but the resulting numbers shall be rounded down to two decimal places.
 - 3) The number of common shares already issued, which is used in the Conversion Price

Adjustment Formula, shall be the difference after deducting the number of SymBio's common shares held thereby on the applicable date from the number of issued common shares of SymBio on said date if a date of allotment for shareholders is established or on the day one month prior to the day when the Conversion Price after adjustment is first applied if such a date of allotment is not established for shareholders.

- (g) Except for cases that require an adjustment of the Conversion Price set forth in (d) 1) through 3) of this item, SymBio may adjust the Conversion Price in the following cases, as required, through discussions with the Bondholders upon approval thereof (however, such approval shall not be unreasonably reserved, delayed or withheld).
- 1) When an adjustment of the Conversion Price becomes necessary due to consolidation of shares, a capital reduction, a merger; an incorporation-type company split as set forth in Article 762, Paragraph 1, of the Companies Act; an absorption-type company split as set forth in Article 757 of the Companies Act, a share exchange or a share transfer;
 - 2) When an adjustment of the Conversion Price becomes necessary because any other event that causes or might possibly cause a change to the number of issued common shares of SymBio has occurred; and/or
 - 3) If several events that require the adjustment of the Conversion Price have occurred at extremely short intervals, and it becomes necessary to consider effects attributable to the other causes with regard to the market price that should be used in calculating the Conversion Price after adjustment associated with or resulting from one cause.
- (h) In case of an adjustment of the Conversion Price pursuant to (d) of this item, SymBio shall inform, in advance, the Bondholders of the Bonds with Stock Acquisition Rights in writing of the intent and reason(s) of such adjustment, the Conversion Price before adjustment, the Conversion Price after adjustment, the commencement date to apply for the Conversion Price after adjustment and other necessary matters by the day immediately preceding the date of the commencement date for application. Provided, however, that if SymBio cannot inform the aforementioned information by the day immediately preceding the date of said commencement date for application, SymBio shall inform promptly on and after the commencement date for application.
- (3) Period during which the Warrants can be exercised

The Bondholders of the Bonds with Stock Acquisition Rights may exercise the Warrants at any time during the period from December 1, 2014, to November 29, 2017 (hereinafter, the "Exercise Request"). The exercisable period shall be 1) until the business day of banks preceding the date of redemption if SymBio conducts an advanced redemption for the Bonds in accordance with Paragraph 14, Item (2) (a) and (b), of the Terms and Conditions; 2) until the business day of banks preceding the date of retirement if SymBio purchases and retires the Bonds in accordance with Paragraph 14, Item (4), of the Terms and Conditions; and 3) until the time when the benefit of time is forfeited if SymBio has lost the benefit of time regarding the Bonds in accordance with Paragraph 19 of the Terms and Conditions. In all three cases above, the Warrants will not be able to be exercised on and after November 30, 2017. The period during which the Warrants can be exercised as per this item shall be the aforementioned exercisable period.

(4) Other conditions for exercising the Warrants

Partial exercise of each Warrant shall not be permitted. If SymBio purchases the Bonds with Stock Acquisition Rights and retires the Bonds, the Warrants attached to the Bonds may not be exercised.

(5) Increase in capital stock and legal capital surplus in case of the issuance of new shares through the exercise of the Warrants

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

(6) Method for the Exercise Request of the Warrants

(a) When making Exercise Request of the Warrants, the Bonds with Stock Acquisition Rights relative to the intended Warrants in a written Exercise Request, which is specified by SymBio, must be presented, by including matters such as the terms and the number of the Warrants subject to such exercise and the date of exercise of the stock acquisition rights and affixing his/her signature and seal thereon. The written Exercise Request then must be submitted to the Exercise Request location, which is described in Item (10) of this paragraph, during the exercisable period in Item (3) of this paragraph.

(b) Anyone who has submitted the documents necessary for the Exercise Request to the Exercise Request location for making the Exercise Request cannot withdraw them.

(7) Effective date for the Exercise Request of the Warrants

The Exercise Request shall become effective on the day of arrival if all the documents necessary for the Exercise Request have reached the Exercise Request location before noon on that day, whereas on the business day following the day on which such documents have arrived at or after noon.

(8) Method to deliver shares

SymBio shall, after the Exercise Request of the Warrants has become effective, deliver its shares to the right holders to the Warrants regarding said Exercise Request by recording an increase in transferred stock in the shareholder column of the transfer account book with the book-entry transfer institution or account management institution specified by said right holders to the Warrants.

(9) Cause and conditions for acquisition of the Warrants

The cause and conditions for acquisition of the Warrants shall not be stipulated.

(10) Exercise Request location

Legal & General Affairs, SymBio Pharmaceuticals Limited

17. Reason for not requiring payment of money in exchange for the Warrants

The Warrants are attached to bonds with convertible bond type stock acquisition rights. The payment of money in exchange for the Warrants was determined not necessary by taking into account the facts that the Warrants cannot be transferred separately from the Bonds, the Bonds are contributed regarding said Warrants in exercising the Warrants, and the fact that the Bonds and the Warrants are closely involved with each other, as well as the value of the Warrants and economic value that SymBio might obtain subject to other conditions for insurance such as interest rate, advanced redemption and issue price for the Bonds.

18. Negative pledge clause

- (1) If SymBio takes out a security interest on other bonds with convertible bond type stock acquisition rights that will be issued domestically after the issuance of the Bonds with Stock Acquisition Rights, SymBio shall take out a security interest of the same rank in the order of priority relative to the Bonds with Stock Acquisition Rights in accordance with the Secured Bonds Trust Act as long as an outstanding balance of redemption remains regarding the Bonds. The aforementioned bonds with convertible bond type stock acquisition rights shall be the “Bond with Share Options,” as set forth in Article 2, Item 22 of the Companies Act, meaning any bonds with attached stock acquisition rights that have such bonds relative to said stock acquisition rights as their objective of investment in accordance with Article 236, Paragraph 1, Item 3 of the Companies Act.
- (2) If the security interest taken out in accordance with Item (1) of this paragraph is not sufficient to provide collateral for the Bonds with Stock Acquisition Rights, SymBio shall immediately take out further security interest as an additional pledge of collateral thereof. Furthermore, SymBio shall complete the procedures necessary for taking out security interest such as procedures for the establishment of security interest and publicly announce the additionally established security interest in accordance with Article 41, Paragraph 4 of the Secured Bonds Trust Act.

19. Special contract regarding the forfeiture of benefit of time

SymBio shall lose the benefit of time for the Bonds upon each of the following cases.

- (1) In case SymBio violates any provision in Paragraph 14;
- (2) In case SymBio violates any provision in Paragraph 18;
- (3) In case SymBio violates any provision in the Terms and Conditions other than Items (1) and (2) of this paragraph and fails to perform or correct the infringed situation within 30 days after receiving a notice requesting SymBio to take corrective measures from the Bondholders;
- (4) In case SymBio has lost the benefit of time or fails to compensate for any debt obligation other than the Bonds although the term has become due, or SymBio cannot perform a guarantee obligation with regard to any bonds other than SymBio’s or other debt obligations for which SymBio has guaranteed, although said obligation has become enforceable. Provided, however, that this provision shall not apply to the case where the total sum (after converting into Japanese yen) of said obligation does not exceed ¥500 million;
- (5) In case SymBio, or a director or an auditor thereof, has filed a petition for commencing the procedures of bankruptcy, civil rehabilitation, corporate reorganization or special liquidation of SymBio, or SymBio’s Board of Directors has passed a resolution to submit a bill for dissolution (excluding the case of merger) to a general shareholders’ meeting of SymBio; or

- (6) In case SymBio has received a decision on commencing the procedures of its bankruptcy, civil rehabilitation or corporate reorganization, or an order for commencing the procedures of its special liquidation.

20. Damages

In case SymBio fails to fulfill its obligation regarding the Bonds, SymBio shall pay damages at the rate of 15% per annum against the due amount (on a daily basis for 365 days a year).

21. Clerical administrator for redemption money (Place of payment for redemption money)

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

22. Method of public notice to the Bondholders

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

23. Matters regarding bondholders' meeting

- (1) A bondholders' meeting for the Bonds with Stock Acquisition Rights shall be convened by SymBio, and a notice to inform bondholders of the intent of holding such a meeting and the matters specified by the respective items of Article 719 of the Companies Act shall be sent to every bondholder through a public notice or in writing at least three weeks before the intended date of holding the meeting.
- (2) A bondholders' meeting for the Bonds with Stock Acquisition Rights shall be held in the Metropolis of Tokyo.
- (3) A Bondholder who holds not less than one-tenth (1/10) of the total amount of the issue price (excluding the already redeemed amount) may request that SymBio convene a bondholders' meeting by submitting a written document that includes such matters as the meeting's objective and the reason for convening.

24. Cost burden

The following expenses shall be borne by SymBio.

- (1) Expenses relating to the public notice set forth in Paragraph 22 of the Terms and Conditions
- (2) Expenses relating to the bondholders' meeting set forth in Paragraph 23 of the Terms and Conditions

25. Transfer of the Bonds with Stock Acquisition Rights

The transfer of the Bonds with Stock Acquisition Rights, wholly or in part, by any Bondholders shall require approval of SymBio's Board of Directors.

26. Others

- (1) Listing application: Not applicable
- (2) Other necessary matters regarding the issuance of the Bonds with Stock Acquisition Rights shall be entirely entrusted to the Representative Director and President of SymBio.
- (3) The preceding respective items shall be on the condition that the notification becomes effective in accordance with the Financial Instruments and Exchange Act.

- (4) In case any measure becomes necessary to be taken including the provisions of the Terms and Conditions, of which terms should be replaced, for example, due to revisions to the Companies Act and other laws, SymBio shall reasonably take necessary measures.

End

**Terms and Conditions for the Issuance of
SymBio Pharmaceuticals Limited's 34th Stock Acquisition Rights**

1. Designation of the stock acquisition rights

SymBio Pharmaceuticals Limited's 34th Stock Acquisition Rights (hereinafter, the "Warrants")

2. Total amount to be paid for the Warrants

¥10,363,968

3. Deadline for application

December 1, 2014

4. Date of allotment and due date of payment

December 1, 2014

5. Method for subscription and entity for the allotment

All the Warrants shall be allotted to Oak Capital by third-party allotment.

6. Type and number of shares underlying the Warrants or calculation method of such number

(1) The shares underlying the Warrants shall be SymBio's common shares and the total number thereof shall be 3,030,400. (The number of underlying shares per Warrant (hereinafter, the "Quota of Stock") shall be 100). Provided, however, that in case the Quota of Stock is adjusted in accordance with Items (2) and (3) of this paragraph, the total number of underlying shares for the Warrants shall be adjusted based on the Quota of Stock after adjustment.

(2) If SymBio adjusts the exercise price (defined in Paragraph 9, Item (2), below) in accordance with Paragraph 10, the Quota of Stock shall be adjusted in accordance with the following equation. Provided, however, that fractions less than one share resulting from the adjustment shall be truncated. The exercise price before adjustment and after adjustment in said equation shall be equal to the exercise price before adjustment and after adjustment, respectively, that are set forth in Paragraph 10.

$$\text{Quota of Stock after adjustment} = \frac{\text{Quota of Stock before adjustment} \times \text{Exercise price before adjustment}}{\text{Exercise price after adjustment}}$$

(3) The date of application of the Quota of Stock after adjustment shall be the same day as the day on which the Quota of Stock after adjustment, which is set forth in each item, is applied, with regard to the adjustment of the exercise price by reason of Items (2) and (5) of Paragraph 10, in association with the cause for said adjustment.

(4) In case of an adjustment of the Quota of Stock, SymBio shall inform the right holders to the Warrants in writing of the intent and reason(s) of such adjustment, the Quota of Stock before adjustment, the Quota of Stock after adjustment, the commencement date to apply for the Quota of Stock after adjustment and

other necessary matters by the day immediately preceding the date of said commencement date to apply for the Quota of Stock after adjustment. Provided, however, that if SymBio cannot inform the aforementioned information by the day immediately preceding the date of said commencement date to apply, SymBio shall inform promptly on and after the commencement date to apply.

7. Total number of the Warrants 30,304 units
8. Amount to be paid for each Warrant ¥342 per Warrant
9. Value of the property invested in exercising the Warrants or calculation method thereof
 - (1) The property invested when each Warrant is exercised shall be money and the value thereof shall be the product of the exercise price multiplied by the Quota of Stock.
 - (2) The value of the invested property per share in case of the delivery of SymBio's common shares by SymBio through the exercise of the Warrants (hereinafter, the "Exercise Price") shall be ¥330. However, the Exercise Price shall be adjusted in accordance with Paragraph 10.

10. Adjustment of the Exercise Price

- (1) In case the number of issued common shares of SymBio changes or could change by reason of any event as stipulated in Item (2) of this paragraph after the date of allotment of the Warrants, SymBio shall adjust the Exercise Price in accordance with the following equation (hereinafter, the "Exercise Price Adjustment Formula").

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

- (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 issued or those held by SymBio are disposed of (including gratis allotment) at an amount to be paid lower than the market price (including gratis allotment), set forth in Item (4) 2) of this paragraph: (Provided, however, that the cases of (i) the exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights), (ii) the acquisition of shares with a put option or shares subject to call, (iii) the delivery of SymBio's common shares by exercising the right that allows the request of delivery of SymBio's common shares and (iv) the delivery of SymBio's common shares by reason of a company split, a share exchange or a merger shall be excluded.)

The Exercise Price after adjustment shall apply on and after the due date of payment (the last day of the payment period if such period is determined for subscription and the effective date in case of a gratis allotment) or on and after the day following the reference date for granting the right to receive the allotment to shareholders if such a reference date is established with regard to said issuance or disposal.

- 2) If SymBio's common shares are newly issued through a stock split
The Exercise Price after adjustment shall apply on and after the day following the reference date for the split of SymBio's common shares.
- 3) If any shares with a put option, for which a special clause stipulates that SymBio's common shares

shall be delivered at an amount to be paid lower than the market price set forth in Item (4) 2) of this paragraph, or stock acquisition rights (including those attached to bonds with stock acquisition rights) that allow the request of delivery of Symbio's common shares at an amount to be paid lower than the market price set forth in Item (4) 2) of this paragraph, are issued or granted. The Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula on the assumption that the put option relative to all the shares with a put option or all the stock acquisition rights were exercised under the initial conditions, and shall apply on and after the due date of payment (the date of allotment in case of the stock acquisition rights) or on and after the effective date in case of a gratis allotment.

Provided, however, that the Exercise Price after adjustment shall apply on and after the day following the reference date for granting the right to receive the allotment to shareholders if such a reference date is established.

- 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 with a call option (including those attached to bonds with stock acquisition rights), which have been issued by Symbio

The Exercise Price after adjustment shall apply on and after the day following the date of acquisition.

- 5) If a reference date is established regarding the cases of 1) through 3) of this item and the exercise's becoming effective is subject to approval at a general shareholders' meeting, a Board of Directors meeting or any other relevant Symbio organ on and after said reference date, the Exercise Price after adjustment shall apply on and after the day following the day when said approval is given, notwithstanding the provisions of 1) through 3) of this item. In this case, according to the following calculation method, Symbio's common shares shall be delivered to right holders to the stock acquisition rights who have made the Exercise Request for the Warrants during the period from the date following the reference date to the day when said approved was given.

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

In this case, fractions less than one share, if any, shall be truncated.

- (3) In case the difference between the Exercise Price after adjustment and the Exercise Price before adjustment, both of which have been calculated according to the Exercise Price Adjustment Formula, remains below one (1) yen, the Exercise Price shall not be adjusted. Provided, however, that if Symbio adjusts the Exercise Price for any reason requiring such an adjustment thereafter, Symbio shall use the value that deducts the aforementioned difference from the Exercise Price before adjustment instead of the Exercise Price before adjustment in the Exercise Price Adjustment Formula.
- (4) 1) Regarding the calculation using the Exercise Price Adjustment Formula, the numbers below one yen shall be calculated to a third decimal place but the resulting numbers shall be rounded down to two decimal places.
- 2) The market price used in the Exercise Price Adjustment Formula shall be the simple average value of the closing prices of Symbio's common shares for regular transactions at the relevant financial

instruments exchange over 30 transaction days (excluding the days without a closing price) that start from the 45th transaction day prior to the day when the Exercise Price after adjustment is first applied. In this case, regarding the calculation of the average value, the numbers below one yen shall be calculated to a third decimal place but the resulting numbers shall be rounded down to two decimal places.

- 3) The number of common shares already issued, which is used in the Exercise Price Adjustment Formula, shall be the difference after deducting the number of SymBio's common shares held thereby on the applicable date from the number of issued common shares of SymBio on said date if the reference date for granting the right to receive the gratis allotment to shareholders is established or on the day one month prior to the day when the Exercise Price after adjustment is first applied if such reference date is not established for shareholders. Meanwhile, in the case of Item (2) 5) of this paragraph, the number of shares delivered, which 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 held by SymBio on 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 capital reduction, a company split, a share transfer, a share exchange or a merger;
 - 2) When an adjustment of the Exercise Price becomes necessary because any other event that causes or might possibly cause a change to the number of issued common shares of SymBio has occurred; and/or
 - 3) If several events that require the adjustment of the Exercise Price have occurred at extremely short intervals, and it becomes necessary to consider effects attributable to the other causes with regard to the market price that should be used in calculating the Exercise Price after adjustment associated with or resulting from one cause.
- (6) In case of an adjustment of the Exercise Price, SymBio shall inform the right holders to the Warrants in writing of the intent and reason(s) of such adjustment, the Exercise Price before adjustment, the Exercise Price after adjustment, the commencement date to apply the Exercise Price after adjustment and other necessary matters by the day immediately preceding the date of said commencement date to apply. Provided, however, that in the case set forth in Item (2) 5) of this paragraph and if SymBio cannot inform the aforementioned information by the day immediately preceding the date of said commencement date to apply, SymBio shall inform promptly on and after the commencement date to apply.

11. Exercisable period for the Warrants

The period during which the Warrants can be exercised shall be from December 1, 2014, to November 30, 2017. Provided, however, that if SymBio acquires the Warrants, wholly or in part, pursuant to Paragraph 13, such exercisable period shall be until the day preceding the date of acquisition with regard to the Warrants that SymBio acquires.

12. Other conditions for exercising the Warrants

Partial exercise of each Warrant shall not be permitted.

13. Reasons for acquiring the Warrants

- (1) If, on and after the date of allotment for the Warrants, the closing price of SymBio's common shares for their regular transactions at the Tokyo Stock Exchange has exceeded 150% of the Exercise Price (the Exercise Price set forth in Paragraph 9, Item (2), of the terms and conditions; Provided, however, that such Exercise Price shall be the Exercise Price after adjustment in case it is adjusted pursuant to Paragraph 10), which is applicable to each transaction day, over 20 consecutive transaction days, SymBio may acquire the Warrants, wholly or in part, remaining on said Date of Acquisition (defined below) at the rate of ¥342 per Warrant by sending a prior notice or giving a public notice thereon, which should be conducted during the period not less than 30 days but within 60 days prior to the date otherwise specified by SymBio's Board of Directors (hereinafter, the "Date of Acquisition" in this item), to the right holders to the Warrants within 30 days from the last day of said 20 consecutive transaction days. In case of partial acquisition of the Warrants, the acquisition shall be conducted using a method that is deemed reasonable such as a drawing, to be determined by the Board of Directors.
- (2) If SymBio's common shares are delisted from the financial instruments exchange on which SymBio's shares are currently listed, or if SymBio's general shareholders' meeting (or the Board of Directors if a resolution by a general shareholders' meeting is not required) has resolved to conduct (i) a merger/absorption-type company split/incorporation-type company split (limited only to the case where the successor company in absorption-type split or the company incorporated through an incorporation-type company split assumes SymBio's duties under the 2nd unsecured bonds with convertible bond type stock acquisition rights and delivers new stock acquisition rights instead of the stock acquisition rights attached to said bonds with stock acquisition rights), according to which SymBio becomes an extinct company, or (ii) a share exchange or a share transfer, in which SymBio becomes a wholly owned subsidiary of another company (hereinafter, the "Organizational Restructuring Activity"), then SymBio shall acquire, on said Date of Acquisition, the entire Warrants remaining as of said Date of Acquisition, at the rate of ¥342 per Warrant on said Date of Acquisition before such date of delisting or the effective date of the Organizational Restructuring Activity, by sending a notice or giving a public notice two weeks prior to the Date of Acquisition.

14. Restriction on transfer of stock acquisition rights

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

15. Issuance of instruments for stock acquisition rights

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

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

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

17. Method for the Exercise Request of stock acquisition rights

- (1) Any right holder to the Warrants who wishes to make the Exercise Request of the Warrants must submit a written Exercise Request, which is specified by SymBio, by including the necessary matters and affixing his/her signature and seal thereon, to the Exercise Request location, which is described in Paragraph 18, during the exercisable period set forth in Paragraph 11.
- (2) The right holders to the Warrants who intend to exercise the Warrants shall transfer the entire amount of the money, which is deemed to be the objective of investment in exercising the Warrants, in cash to the account specified by SymBio at the place for handling the payment set forth in Paragraph 19, in addition to the submission of the written Exercise Request in the preceding item.
- (3) The exercise of the Warrants shall become effective on the day when the documents necessary for the Exercise Request have reached the Exercise Request location, which is set forth in Paragraph 18, and the entire amount of the money, which is deemed to be the objective of investment in exercising the Warrants, has been remitted to the account at the place for handling the payment set forth in Paragraph 19.

18. Exercise Request location

Legal & General Affairs, SymBio Pharmaceuticals Limited

19. Place for handling payment

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

20. Others

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

End