SymBio シンバイオ製薬株式会社

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Notice Regarding the Conclusion of Agreement to Establish a Bond Issuance Program with Stock Acquisition Rights and the Issuance of the 4th Unsecured Convertible Bonds with Stock Acquisition Rights through Third-Party Allotment

TOKYO, Japan, December 25, 2024—SymBio Pharmaceuticals Limited (TSE: 4582) ("SymBio" or the "Company") announced that at a Board of Directors meeting held today, it resolved to enter into an agreement with Cantor Fitzgerald Europe (the "Allottee") to establish a bond issuance program with stock acquisition rights (the "Bond Issuance Program Agreement").

At the same Board of Directors meeting, the Company resolved to issue the 4th Unsecured Convertible Bonds with Stock Acquisition Rights (the "4th Convertible Bonds with Stock Acquisition Rights"). The issuance will be conducted through a third-party allotment under the bond issuance program established pursuant to the Bond Issuance Program Agreement (the "Program").

The Board of Directors of the Company also resolved at today's meeting to issue the 5th, 6th, and 7th Unsecured Convertible Bonds with Stock Acquisition Rights (hereafter referred to as the "5th Convertible Bonds with Stock Acquisition Rights," "6th Convertible Bonds with Stock Acquisition Rights," and "7th Convertible Bonds with Stock Acquisition Rights," respectively, and collectively or individually with the "4th Convertible Bonds with Stock Acquisition Rights" as the "Convertible Bonds with Stock Acquisition Rights;" the bond component of these securities is referred as the "Bonds" and the stock acquisition rights component as the "Stock Acquisition Rights") under the Program, subject to the fulfillment of the terms and conditions stipulated in the Bond Issuance Program Agreement. The issuance of these Convertible Bonds with Stock Acquisition Rights will be conducted through third-party allotments (hereafter referred as the "5th Third-Party Allotment," "6th Third-Party Allotment," and "7th Third-Party Allotment," respectively, and collectively or individually with the "4th Convertible Bonds with Stock Acquisition rights" [the "4th Third-Party Allotment"] as the "Third-Party Allotments").

I. Comprehensive Bond Issuance Program with Stock Acquisition Rights

1. Overview of the Program

Established under the Bond Issuance Program Agreement dated December 25, 2024, between the Company and the Allottee, the Program enables the Company to issue the Convertible Bonds with Stock Acquisition Rights for a maximum aggregate payment amount of 2,400,000,000 yen through third-party allotments to the Allottee.

The total payment amount for the Convertible Bonds with Stock Acquisition Rights issued under the Program shall not exceed 2,400,000,000 yen, and the Convertible Bonds with Stock Acquisition Rights will be issued across four tranches: the 4th, 5th, 6th, and 7th Third-Party Allotments. The terms of each issuance will be determined by a resolution of the Company's Board of Directors on the respective allotment resolution dates, as detailed in the table below. Following the effectiveness of the securities registration statement for each allotment, the Company and the Allottee intend to execute a comprehensive underwriting agreement for each respective tranche. The conversion price for each issuance will be set at an amount equivalent to 90% of the closing price (rounded up to the nearest tenth) of the Company's common stock on the Tokyo Stock Exchange (the "TSE") on the trading day immediately preceding the allotment resolution date for the relevant issuance. The underwriting of each tranche of Convertible Bonds with Stock Acquisition Rights issued under the Program by the Allottee is subject to conditions, including obtaining internal approval from the Allottee and/or its affiliates for each respective allotment.

However, the Bond Issuance Program Agreement stipulates that the payment amount for each of the 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights shall not exceed 600,000,000 yen and that the total number of shares of the Company's common stock issued upon full conversion of the Convertible Bonds with Stock Acquisition Rights across all four allotments must be capped at 11,300,000 shares. To comply with these requirements, the agreement mandates a reduction in the payment amount or the cancellation of the issuance of the Convertible Bonds with Stock Acquisition Rights, if necessary. These provisions are designed to limit the dilutive impact of the Program while allowing the Company to mitigate dilution during periods of rising stock prices and still raise up to 2,400,000,000 yen to meet its funding needs.

As stated above, under the Program, if the total number of shares of the Company's common stock delivered upon conversion of all issued Convertible Bonds with Stock Acquisition Rights at their respective conversion prices exceeds 11,300,000 shares, the issuance amounts for the subsequent 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights will be reduced, or their issuance may be cancelled entirely. Accordingly, if the Company's stock price declines and the Convertible Bonds with Stock Acquisition Rights are issued at a low conversion price, the total amount of funds raised under the Program may decrease.

At the Board of Directors meeting held today, the Company resolved to implement the Program and determined the terms and conditions for the Third-Party Allotments as outlined in the table below. For further details on the terms and conditions of the Third-Party Allotments, please refer to 3. Overview of the Issuance of 4th Convertible Bonds with Stock Acquisition Rights under the Program and Issuance Terms and Conditions in the attached document.

	Allotment resolution date	Due date of payment	Total payment amount
4th Third-Party Allotment	December 25, 2024	January 10, 2025	¥600,000,000
5th Third-Party Allotment	January 20, 2025 (planned)	February 5, 2025 (planned)	¥600,000,000 (upper limit)
6th Third-Party Allotment	February 21, 2025 (planned)	March 10, 2025 (planned)	¥600,000,000 (upper limit)
7th Third-Party Allotment	March 26, 2025 (planned)	April 11, 2025 (planned)	¥600,000,000 (upper limit)

2. Rationale for Selecting Fundraising Through the Program

The Program is structured to increase the Company's capital by issuing Convertible Bonds with Stock Acquisition Rights to the Allottee in four installments, with funds being raised upon their conversion.

In evaluating various fundraising methods to address its financial needs, the Company received proposals from multiple securities firms and investors. Among these, the Company determined that the proposal for the Program facilitated by Cantor Fitzerald Securities Japan Co., Ltd. (Address: 38th Floor, Akasaka Biz Tower, 5-3-1 Akasaka, Minato-ku, Tokyo, Japan; Representative in Japan: Mitsuhisa Murata; hereafter, "Cantor Fitzerald

Securities") best aligned with its requirements, as the Program involves the issuance of Convertible Bonds with Stock Acquisition Rights, enabling the Company to raise up to 2,400,000,000 yen in unsecured funds. Further, the Company believes that the conversion of the Convertible Bonds with Stock Acquisition Rights will strengthen its financial foundation. However, under the Program, if the total number of the Company's common shares delivered upon the conversion of all issued Convertible Bonds with Stock Acquisition Rights at their respective conversion prices exceeds 11,300,000 shares, the issuance amounts for the subsequent 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights will be reduced, or their issuance may be canceled entirely. Consequently, if the Company's stock price declines and the Convertible Bonds with Stock Acquisition Rights are issued at a lower conversion price, the total amount of funds raised under the Program may decrease.

(Advantages of the Program)

1) High probability of financing

   At the time the Program was established, the formula for the terms and conditions of issuance for the multiple tranches of Convertible Bonds with Stock Acquisition Rights was determined in advance, and although the underwriting of the Bonds is subject to internal approval from the Allottee and/or its affiliates, the Allottee has entered into the Bond Issuance Program Agreement based on these terms and conditions. Therefore, compared to issuing multiple individual tranches of bonds with stock acquisition rights, the Company believes the Program provides a significantly higher likelihood of securing the necessary funds.

2) Minimization of Immediate Dilution

   The issuance of the Convertible Bonds with Stock Acquisition Rights through this Third-Party Allotment is structured to avoid immediate dilution, unlike raising an equivalent amount of capital solely through the issuance of new shares. This funding method allows the Company to secure a substantial amount of capital in a short period of time while enabling gradual conversion of the bonds into shares, depending on fluctuations in the Company's stock price. As a result, it minimizes the risk of significant dilution occurring all at once and mitigates the potential impact on the market to a certain extent. Further, the number of potential shares from the Convertible Bonds with Stock Acquisition Rights to be issued under the Program, in principle, is designed to not exceed 11,300,000 shares, thereby limiting the scale of dilution itself. In addition, issuing the Convertible Bonds with Stock Acquisition Rights in four separate tranches, rather than in a single tranche of the same total amount, is expected to further mitigate the market impact of dilution. This approach also helps stabilize the conversion price and increase the likelihood of conversion. The decision to issue the Convertible Bonds with Stock Acquisition Rights in four tranches was made at the request of the Allottee. This allows the Allottee to spread its investment risk over time, which, compared to a single allotment, enables the Company to raise the maximum possible financing amount within the Allottee's risk tolerance.

3) Limited Market Impact

   The fixed conversion price of the Convertible Bonds with Stock Acquisition Rights means that no conversion occurs if the stock price falls below the conversion price. Compared to convertible bonds with price adjustment clauses, this minimizes the market impact.

4) Control Over Supply-Demand Imbalance

   The Bond Issuance Program Agreement is expected to include a provision for Conversion Suspension. Under this provision, the Company may, at its discretion, specify a period during which the conversion of the Convertible Bonds with Stock Acquisition Rights is not permitted, for up to one month, by notifying the Allottee at least one week in advance (the "Conversion Suspension"). (However, if the Allottee has agreed to sell the Convertible Bonds with Stock Acquisition Rights to a specific buyer and has notified the Company of such agreement prior to the effective date of the Conversion Suspension, the Convertible Bonds with Stock Acquisition Rights agreed to be sold to the specific buyer will not be subject to the Conversion Suspension).

Additionally, even if a Conversion Suspension is implemented, the Company may, at its discretion, permit the resumption of conversion of the Convertible Bonds with Stock Acquisition Rights at any time. This arrangement allows the Company to restrict conversions to some extent at timings that it deems undesirable, thereby incorporating a design that considers concerns about a potential supply and demand imbalance due to stock issuances from conversions. If the Company decides to suspend or resume the conversion of the Convertible Bonds with Stock Acquisition Rights, it will promptly disclose such decisions. Furthermore, the agreement will in principle prohibit the Allottee from selling shares acquired through conversion of the Convertible Bonds with Stock Acquisition Rights in the open market without prior written consent from the Company. Additionally, the Allottee is expected to declare its intention to sell such shares via off-market transactions to institutional investors reasonably recognized by the Allottee or its affiliates as overseas institutional investors, whose investment decision-making bodies are located outside Japan (“Overseas Institutional Investors”). However, the Bond Issuance Program Agreement does not explicitly prohibit such Overseas Institutional Investors from selling the Company’s shares acquired through the Allottee or its affiliates on the open market.

5) Flexibility in Capital Policy

Should the need for capital enhancement through bond conversion diminish, or should a more favorable financing method become available, the Company can repurchase any outstanding Convertible Bonds with Stock Acquisition Rights at face value, subject to obtaining the written consent of the Allottee.

6) Stable, Long-Term Fund Availability

The Bond Issuance Program Agreement will not include any forced redemption clauses based on the Allottee’s discretion. Even if the bonds are not converted, the Company can retain the benefits of the funding through to the bonds’ maturity.

7) Reduction of Effective Interest Burden

The Convertible Bonds with Stock Acquisition Rights adopt a step-up interest rate structure, with an annual interest rate of 3.5% for the first year, and 6.0% thereafter. These rates were determined based on the Allottee’s internal assessment of the Company’s credit risk. The Company considered the short-term risk premium of 3.5% for periods under one year and the long-term risk premium of 6.0% for periods exceeding one year to be acceptable evaluations. By adopting this interest rate design, the Company can reduce its interest burden in the first year compared to a constant annual rate. Although the interest burden will increase in subsequent years, it is expected that the reduction in the remaining principal of the Bonds, due to conversion, will lower the effective interest burden over time. Furthermore, even if the conversion of the Bonds does not progress as expected, the Company anticipates that its ability to bear interest payments will improve as its business advances, effectively mitigating the interest burden.

For the Allottee, this step-up interest rate design helps to partially offset potential opportunity losses that may arise if the Company’s stock price underperforms and the Convertible Bonds with Stock Acquisition Rights cannot be converted. This mutual benefit formed the basis for agreeing on this interest rate structure.

(Disadvantages of the Program)

1) Although the Program enables the Company to raise up to 2,400,000,000 yen through four allotments,

the Bond Issuance Program Agreement stipulates that if the total number of Company shares issued upon conversion of all Convertible Bonds with Stock Acquisition Rights at their respective conversion prices exceeds 11,300,000 shares, the issuance amounts for the 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights will be reduced, or their issuance may be cancelled entirely. Hence, if the Company's stock price declines, resulting in the issuance of the Convertible Bonds with Stock Acquisition Rights at low conversion prices, the total funds raised through the Program may be reduced.

2) At issuance, the Convertible Bonds with Stock Acquisition Rights are treated as liabilities in accounting and are not classified as equity, temporarily increasing the debt ratio.
3) If the bonds are not converted by maturity, the Company must redeem them, requiring funds for repayment.
4) Being a contract solely between the Company and the Allottee, the Third-Party Allotment does not offer the advantages of raising funds from a broad base of new investors.

Common alternatives for immediate fundraising include shareholder allotments, third-party allotments of shares, public offerings, and borrowings from financial institutions. However, shareholder allotments were deemed unsuitable as a method for ensuring sufficient funds, given the uncertainty regarding participation rates among existing shareholders, who are the allottees. Third-party stock allotments, while capable of raising a certain amount of funds, result in an immediate dilution of earnings per share, which has a significant and direct impact on stock prices. Public offerings, meanwhile, not only cause immediate dilution of earnings per share but also require more time and incur higher costs compared to third-party allotments. Furthermore, public offerings can negatively impact stock prices due to a supply-demand imbalance created by a large number of investors simultaneously acquiring newly issued shares. Thus, public offerings are not a reasonable option at this time. In contrast, the issuance of Convertible Bonds with Stock Acquisition Rights through this Third-Party Allotment allows the Company to secure a substantial amount of funds in a short period of time. As the Company's business grows and its stock price rises, the bonds are expected to be gradually converted into shares, enabling a phased strengthening of the Company's financial structure. Borrowing from financial institutions was deemed inappropriate for this fundraising initiative. As a pharmaceutical venture company currently in the stage of making upfront investments in research and development expenses, the total amount raised through borrowing would become debt. Considering the need to maintain financial soundness, borrowing was not judged to be a suitable option for this fundraising.

Although the issuance of shares through the conversion of the Convertible Bonds with Stock Acquisition Rights results in dilution, the funds raised through this Third-Party Allotment will be used to advance the development of the antiviral drug brincidofovir and bring it to market as quickly as possible. This is expected to significantly enhance the Company's corporate value and increase the value of shareholders' equity. Even when considering the impact of dilution, the Company believes that the benefits to existing shareholders outweigh the disadvantages.

As a result, the Company has determined that this Third-Party Allotment is the optimal funding method to support the growth of the Group's business and enhance shareholder value.

3. Overview of the Issuance of 4th Convertible Bonds with Stock Acquisition Rights under the Program

(1)	Name of Bonds	SymBio Pharmaceuticals Limited 4th Unsecured Convertible Bonds with Stock Acquisition Rights
(2)	Payment Date	January 10, 2025
(3)	Total Number of Stock Acquisition Rights	12 units
(4)	Issuance Price of Bonds and Stock Acquisition Rights	Bonds: Total value of 600,000,000 yen (issued at par; 100 yen per 100 yen face value) Stock Acquisition Rights: No monetary payment is required for the issuance of the Stock Acquisition Rights.
(5)	Potential Shares from the Issuance	3,284,072 shares The above figure represents the maximum number of shares that can be issued at the initial conversion price of 182.7 yen. As the Convertible Bonds with Stock Acquisition Rights do not contain a price adjustment clause, there are no upper or lower limits to the conversion price.
(6)	Total Funds to Be Raised	600,000,000 yen
(7)	Conversion Price and Adjustment Conditions	182.7 yen No price adjustment clause is attached to the Convertible Bonds with Stock Acquisition Rights.
(8)	Method of Offering	Third-party allotment
(9)	Designated Allottee	Cantor Fitzgerald Europe
(10)	Interest Rate	January 11, 2025, to January 10, 2026: Annual rate of 3.5% From January 11, 2026, onward: Annual rate of 6.0%
(11)	Interest Payment Dates	The first interest payment will be made on March 31, 2025. Subsequent interest payments will be made on June 30, September 30, December 31, and March 31 of each year. (If an interest payment date falls on a bank holiday, payment will be advanced to the immediately preceding business day.)
(12)	Maturity Date	January 10, 2027 (If the maturity date falls on a bank holiday, the maturity will be postponed to the next bank business day.)
(13)	Redemption Price	Redeemed at par (100 yen per 100 yen face value)

(14)	Other Terms	The Bond Issuance Program Agreement the Company plans to enter into with the Allottee today is expected to include the following provisions: (1) If the Allottee intends to transfer the Convertible Bonds with Stock Acquisition Rights, prior written approval from the Company will be required. (2) The Company may request the Allottee to suspend the conversion of some or all of the Convertible Bonds with Stock Acquisition Rights ("Conversion Suspension"). However, a Conversion Suspension shall not continue for more than one month. Furthermore, if the Allottee has agreed to sell the Convertible Bonds with Stock Acquisition Rights to a specific buyer and has notified the Company of such agreement prior to the effective date of the Conversion Suspension, the quantity of the Convertible Bonds with Stock Acquisition Rights agreed to be sold to such buyer shall not be subject to the Conversion Suspension. To implement a Conversion Suspension, the Company must notify the Allottee at least one week before the effective date of the Conversion Suspension. Additionally, the Company may lift the Conversion Suspension at any time by notifying the Allottee. (3) During the period until all of the Convertible Bonds with Stock Acquisition Rights have been converted or redeemed, the Company shall notify the Allottee of any certain financing transactions the Company plans to undertake. Furthermore, during the 15 business days following such notification, the Company may not notify any party other than the Allottee, who may act as an allottee, purchaser, or provider of funds, about the financing transaction.

II. Issuance of Unsecured Convertible Bonds with Stock Acquisition Rights through Third-Party Allotment

1. Purpose of the Offering

The purpose of this offering is described in 3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof, under (2) Use of Net Proceeds and (Purposes of and Reasons for the Offer).

Regarding the 1,583 million yen that was expected to be raised through the 58th Stock Acquisition Rights issued in June 2022, as these rights remain unexercised, part of the development funds for the antiviral drug brincidofovir (1,187 million yen), which was originally planned to be covered at the time of issuance, was instead funded from existing cash reserves, while the investment funds for new license acquisitions and M&A activities (396 million yen) remain unfunded. This offering is being conducted to raise funds, including the unmet portion of the development funds for the antiviral drug brincidofovir. In connection with the issuance of the 4th Convertible Bonds with Stock Acquisition Rights (conversion price: 182.7 yen), the exercise price for the 58th Stock Acquisition Rights will be adjusted to 182.7 yen effective from the payment due date of January 10, 2025. For details, please refer to the “Notice Regarding Adjustment of Exercise Price” disclosed by the Company today.

2. Comparison with Other Funding Methods and Rationale for Selecting the Third-Party Allotment

As outlined in I. Comprehensive Bond Issuance Program with Stock Acquisition Rights, 2. Rationale for

Selecting Fundraising Through the Program, the issuance of the Convertible Bonds with Stock Acquisition Rights enables the Company to raise up to 2,400,000,000 yen in unsecured funds. Further, because the conversion of the Convertible Bonds with Stock Acquisition Rights will strengthen the Company's financial foundation, the Company believes the Program is the most suitable funding method to meet its needs. However, under the Program, if the total number of the Company's common shares delivered upon conversion of all issued Convertible Bonds with Stock Acquisition Rights at their respective conversion prices exceeds 11,300,000 shares, the issuance amount for the subsequent 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights will be reduced, or their issuance may be cancelled entirely. Therefore, if the Company's stock price falls and the Convertible Bonds with Stock Acquisition Rights are issued at a low conversion price, the total amount of funds raised under the Program may decrease.

3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof

(1) Amount to Be Raised (Estimated Net Proceeds)

1) Total payment amount	¥2,400,000,000
2) Approximate amount of various issuance-related expenses	¥100,000,000
3) Estimated net proceeds	¥2,300,000,000

(Notes) 1. The amount above includes the payment amount for the 4th Convertible Bonds with Stock Acquisition Rights, as well as the anticipated maximum payment amounts for the 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights. The breakdown of the total payment amount by allotment is as follows. Note that if the issuance amount for the 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights are reduced or if their issuance is cancelled, the estimated net proceeds above will decrease accordingly.

. Total payment amount for the 4th Convertible Bonds with Stock Acquisition Rights	¥600,000,000
· Total payment amount for the 5th Convertible Bonds with Stock Acquisition Rights	Up to ¥600,000,000
· Total payment amount for the 6th Convertible Bonds with Stock Acquisition Rights	Up to ¥600,000,000
· Total payment amount for the 7th Convertible Bonds with Stock Acquisition Rights	Up to ¥600,000,000

2. The breakdown of the estimated issuance costs includes legal fees, filing data preparation fees, arrangement fees to the arranger (Cantor Fitzgerald Securities), registration fees for the Legal Affairs Bureau, and other miscellaneous costs (e.g., judicial scrivener fees and credit investigation costs).
3. The estimated issuance costs do not include consumption tax or other taxes.

(2) Use of Net Proceeds

The proceeds from the Third-Party Allotments are planned to be used as follows. Until the funds are allocated to the uses specified below, they will be held as bank deposits.

Specific uses	Amount (Million yen)	Expected timing of expenditure
1) Development funds for antiviral drug	1,300	January 2025 to October 2025

Specific uses	Amount (Million yen)	Expected timing of expenditure
brincidofovir (direct expenses)		
2) Development funds for antiviral drug brincidofovir (indirect expenses)	1,000	January 2025 to October 2025
Total	2,300	

(Note) The net proceeds from the Third-Party Allotments stated above represent the estimated total maximum payment amount of 2,400,000,000 yen for the Third-Party Allotment, less the estimated issuance costs of 100,000,000 yen associated with this Third-Party Allotment. However, under the Program, if the total number of the Company's common shares delivered upon conversion of all issued Convertible Bonds with Stock Acquisition Rights at their respective conversion prices exceeds 11,300,000 shares, the issuance amount for the subsequent 5th, 6th, and 7th Convertible Bonds with Stock Acquisition Rights will be reduced, or their issuance may be cancelled entirely. Therefore, if the Company's stock price falls and the Convertible Bonds with Stock Acquisition Rights are issued at a low conversion price, the total amount of funds raised under the Program may decrease.

(Purposes of and Reasons for the Offer)

The purpose of this offering is to allocate funds for the development of the antiviral drug brincidofovir. Various financing methods were considered to raise the funds specified in "(Purpose of the Funding)" below. However, as described in "I. Comprehensive Convertible Bond Issuance Program with Stock Acquisition Rights 2. Rationale for Selecting Fundraising through the Program ," the Company determined that this Third-Party Allotment is the most suitable method for meeting its funding needs.

(Purpose of the Funding)

<Company Business Objectives and Management Strategy>

SymBio is a pharmaceutical company established in March 2005 by Fuminori Yoshida, who previously served concurrently as Corporate VP of Amgen Inc. (U.S.) (Note 1) and President of Amgen K.K., a wholly owned subsidiary of Amgen Inc., (now part of Takeda Pharmaceutical Company Limited) for roughly 12 years since its establishment.

The Company aims to achieve its social and management responsibilities by responding to unmet medical needs (Note 2) based on the guiding principle of mutual harmony, creating an intricate symbiotic relationship between patients, physicians, scientists, regulators, and investors.

(Note 1) Applied Molecular Genetics Inc. ("Amgen"), the world's largest company in the biopharmaceutical field, was founded in Thousand Oaks, California, in 1980, and started operating in Japan as Amgen K.K. in May 1993.

(Note 2) "Unmet medical needs" refer to the needs for medical treatment that have not yet been fulfilled. The term refers to situations in which no effective drugs or treatments are currently available, despite strong demand by patients and/or physicians.

Much of the research and development into orphan drugs to treat rare diseases (Note 3) in the areas of oncology and hematology is conducted not by major pharmaceutical companies but rather by a large number of universities, research institutions, and biotech startup companies mainly in Europe and the U.S., which actively engage in drug discovery research and new drug development, and already provide numerous useful new drugs to medical sites overseas. However, development in these fields is complex and therefore requires a high degree of specialization, making it difficult for major pharmaceutical companies to embark on such development from a business efficiency and profitability standpoint. As a result, these fields remain untapped not only in Japan but in many countries around the world. SymBio regards underserved therapeutic areas with extremely significant medical needs as business opportunities, and it concentrates particularly on the areas of oncology and hematology, where high barriers to entry exist due to the high degree of specialization required. In this sense, it is the first specialty pharmaceutical company (Note 4) in Japan. The Company is not focused on pursuing large-scale blockbuster drugs (defined as those generating annual sales exceeding 100 billion yen). Instead, it is committed to developing new drugs targeting rare diseases with high medical needs, even in relatively small markets. By accumulating a robust portfolio of these pharmaceuticals and drug candidates, the Company aims to build a strong pipeline portfolio, achieve high added value and profitability, and develop a sustainable business model.

SymBio was founded with the corporate mission of developing and supplying new drugs to serve these types of underserved markets. It regards short-term development of drugs for patients who face treatment problems due to the lack of development of new drugs, and the rapid delivery of therapeutic drugs as its top priority, and it aims to concurrently fulfill its corporate mission and achieve sustainable growth as a company by contributing to medicine and the healthy development of the pharmaceutical industry.

(Note 3) The rare-disease field is one in which the number of patients requiring drugs is small. Drugs for this field are called “orphan drugs.” The Japanese Ministry of Health, Labour and Welfare (MHLW) has established an orphan drug designation system for drugs meeting criteria such as treating a serious disease that affects less than 50,000 people in Japan, and being highly necessary as a medical treatment. Once the designation is obtained, a drug enjoys various advantages including expediting the time from regulatory submission for review of the drug to approval, and the extension of the re-examination period for up to 10 years.

(Note 4) A specialty pharmaceutical company is a company that develops new drugs and has earned a certain degree of recognition, including internationally, for its research and development capabilities in a specialized field (according to the definition included in the “2007 Pharmaceutical Industry Vision” of the MHLW).

Two well-known characteristics of the drug discovery business are that the development of new drugs requires massive amounts of investment over a long period of time, and that probability for success in research and development is extremely low. It is said that, as a general rule, the probability of a compound that is deemed to have some type of biological or physiological activity (Note 5) in a research laboratory being approved as a new drug is only one in 20,000 to 25,000 (source: “Pharmaceutical Industry Textbook 2020–2021,” Japan Pharmaceutical Manufacturers Association). Further, it has become increasingly difficult to maintain the profitability of approved drugs over the long term, in large part because drug prices are now revised down annually following a major overhaul in the Japanese drug price system in 2018. SymBio has developed a business model that takes into account these challenges of the drug discovery business.

To reduce the various risks and costs associated with development, rapidly and reliably advance clinical trials for new drug candidates, and accordingly expedite the period from the start of development to approval of the new drug, the Company mainly targets compounds for which a proof of concept (POC) (Note 6) has already been established in human subjects, and for which preclinical and clinical trial data are available. It uses its proprietary search network and evaluation process to identify new compounds, which are first screened in-house by a team of specialized staff with extensive internal experience. Thereafter, its Scientific Advisory Board (SAB) (Note 7) determines the final in-licensing candidate after rigorous evaluation by external experts who possess a wealth of experience at the forefront of therapeutic research in related fields.

Through this rigorous selection process conducted by internal and external experts, SymBio continually secures rights to develop, manufacture, and market drugs—chiefly drugs in the areas of oncology and hematology for which a POC has been established in human subjects, developed by pharmaceutical companies, biotech startup companies, and other parties—around the world, particularly in Japan, Asian countries, Europe, and the U.S., and accordingly operates a sustainable business. In addition to the aforementioned selection process, a key factor in being able to in-license commercially viable and attractive drug candidates with a high probability of success has been gaining a favorable reputation among licensers, which provide the drug candidates under development, by virtue of development capabilities in highly complex therapeutic fields such as oncology and hematology. Such a reputation hinges on (1) the formulation of appropriate clinical trial protocols, (2) the selection of appropriate clinical trial subjects for the treatment under development, and (3) the presence of competent development staff with a high degree of specialization who can build and maintain fair relationships with medical professionals in the relevant areas. The combination of these three factors has powered the Company's development capabilities, facilitating steady yet rapid development. In the case of the anticancer agent SyB L-0501, the Company deployed a development team mainly composed of human resources who have experience working at development units of major pharmaceutical companies with a track record in the areas of oncology and hematology. The team managed to complete the process from in-licensing to approval filing in only four years, from 2005 to 2009. This achievement not only earned the Company high praise from licensers, partners, and companies that develop in-licensing drug candidates, but also contributed to a subsequent increase in the number of in-licensing candidates being considered by the Company and multiple in-licensed drugs being added to the Company's product pipeline.

On the development front, SymBio mainly handles tasks that are central to its fundamental development strategy such as design of clinical trials, cooperation with overseas studies, and coordination with medical professionals. It outsources routine development work to a contract research organization (CRO) (Note 8), relying on external resources, and manufacturing work to the original licensor or pharmaceutical companies in Japan or overseas deemed trustworthy by the Company.

In terms of sales, SymBio had sold its products in Japan through Eisai Co., Ltd. under a business partnership agreement concluded in August 2008. However, as this agreement was set to expire in December 2020, the Company began preparations to build its own salesforce for domestic sales of TREAKISYM® (Note 9) from October 2018. Specifically, the Company formed a nationwide salesforce composed of medical representatives (MRs) (Note 10) with extensive expertise in the areas of oncology and hematology, pushed ahead with the development of distribution and logistics functions, formulated marketing strategies and plans, and worked to strengthen its marketing systems used to conduct market surveys. Through such initiatives, it cultivated favorable relationships with key opinion leaders (KOL) (Note 11) in the relevant therapeutic fields, ascertained precise medical needs, conducted market research, prepared systems to capture various data and expertise, and ultimately transitioned to its own salesforce upon the expiration of the aforementioned agreement in December 2020 as scheduled.

(Note 5) Physiological activity is the property of chemical substances having an effect on specific physiological, regulatory functions of the body. Physiologically active chemical substances can be applied in treatments for diseases, in which case they become pharmaceuticals.

(Note 6) Proof of concept (POC) means confirming the efficacy and safety of a new drug candidate in clinical trials and verifying its practical potential.

(Note 7) The Scientific Advisory Board (SAB) of SymBio creates a product portfolio with a balanced risk–return trade-off selected from a vast number of drug candidates from around the world, and formulates the pipeline strategy by exchanging opinions and proposals and engaging in thorough discussion from different professional standpoints about factors such as the degree of medical demand and profitability. As such, it is an essential evaluation body of the Company. The SAB convenes two to three times per year, and is attended by highly experienced clinicians and fundamental scientists with an excellent track record from around the world, who serve as advisors on drug discovery research and new drug development to the Company.

(Note 8) A contract research organization (CRO) is an organization that undertakes certain operations under contract for pharmaceutical companies, thus supporting the latter in their efforts to conduct development activities without delay. The details of the commissioned activities may include monitoring to ensure that clinical trials are carried out in accordance with clinical trial protocols and clinical data management.

(Note 9) TREAKISYM® (development code: SyB L-0501, generic name: bendamustine hydrochloride or bendamustine hydrochloride hydrate)

(Note 10) Medical representatives (MRs) possess expert knowledge about the pharmaceutical products supplied by the Company, and mainly provide, collect, and disseminate information regarding the quality, efficacy, safety, and other aspects of such products when visiting medical institutions and holding meetings with medical professionals.

(Note 11) Key opinion leaders are physicians who wield influence over peers in their therapeutic field.

To achieve success in the aforementioned operations, SymBio mainly pursues the following five business strategies.

(a) Reducing development risk through post-POC strategy

As a rule, the drug candidates in-licensed by SymBio (Note 12) are mainly drug candidates for which a POC has already been established in human subjects. Consequently, the Company targets drug candidates that are in a relatively late stage of clinical development or are already on the market overseas. It is able to mitigate development risk by using in-licensed drug candidates that have already undergone development overseas and have been confirmed to be effective and safe as a new drug in human subjects. It uses existing clinical data available overseas to expedite development timelines, reduce development costs, and increase the likelihood of securing regulatory approvals in Japan and other countries around the world.

(Note 12) In-licensed drug candidates are compounds developed by other companies for which SymBio considers acquiring development and other rights as a development candidate.

(b) Building a high-quality pipeline with exceptional search and evaluation capabilities

SymBio's drug search engine is connected to a diverse network of pharmaceutical and bio venture companies, enabling it to select promising drug candidates from a vast number of chemical compounds based on careful review by internal experts. The final in-licensing candidates are carefully evaluated by Scientific Advisory Board (SAB) members with a wealth of experience at the forefront of research, and determined based on their advice and assessment. This advanced screening process up to the final selection of drug candidates, coupled with the post-POC strategy (which involves in-licensing drug candidates whose efficacy and safety have already been confirmed overseas), reduces development risk and expedites development timelines. It also helps the Company understand whether the drug candidates could meet healthcare needs (i.e., whether they are needed in medical settings), and improves the accuracy of earnings projections after a product launch.

(c) Controlling fixed costs through labless/fabless strategy (Note 13)

SymBio does not operate any proprietary research or manufacturing facilities, which are a major source of fixed costs. In the absence of such facilities, once drug candidates are searched and in-licensed, the Company focuses on value-added activities such as the formulation and implementation of development strategies, and outsources other necessary routine procedures. This enables the Company to reduce drug development costs while maintaining a flexible financial strategy.

(Note 13) A labless/fabless strategy allows SymBio to avoid the risks of procuring and holding research facilities, production facilities, and human resources, and channel or concentrate its limited management resources into value-added areas such as planning, development, design, and marketing.

(d) Achieving high business efficiency through “blue ocean” strategy (Note 14)

Many standard drugs used overseas cannot be prescribed in Japan, and it is not uncommon for a new drug to be launched in Japan nearly five years behind its initial approval overseas. Referred to as “drug lag,” this problem continues to intensify and has led to the term “cancer patient refugee” being coined. The drug lag is particularly conspicuous in SymBio’s strategic drug development areas of refractory cancer and hematological diseases. Japan constitutes a large market for anticancer agents that continues to expand with the aging population. However, because anticancer agents have a wide range of indications and are broken up by the type of tumor, many therapeutic areas only have a limited number of patients. Developing new agents in these therapeutic areas is difficult and requires an extremely high degree of specialization, making these areas often financially unattractive for larger pharmaceutical companies to pursue. This is said to be part of the cause of the delay in drugs coming to market. On the other hand, SymBio believes that obtaining approval and launching a new drug in one of these less competitive therapeutic areas creates an opportunity to achieve further growth and profitability by continuously expanding indications and bringing new products to the market.

(Note 14) A “blue ocean” strategy means a strategy of redefining the market, avoiding marketplaces with fierce competition in which rivals seeks to gain limited market share (referred to as “red oceans”), and instead creating an unexploited market with reduced competition (referred to as “blue oceans”) in an effort to maximize profits while providing high-value products and services to customers.

(e) Going global beyond Asia

To date, SymBio has mainly operated its businesses in Japan and other countries in Asia. However, amid a major transformation in the business environment of the Japanese healthcare industry, the Company cannot hope to evolve substantially if its operations remain confined to Asia. For this reason, the Company searches for and evaluate new drug candidates with an eye toward global development.

In September 2019, the Company entered into an exclusive global license agreement with Chimerix, Inc. (headquartered in North Carolina, USA) regarding the antiviral drug brincidofovir. Under this agreement, the Company acquired exclusive worldwide rights to develop, manufacture, and commercialize the drug for all indications except smallpox. Furthermore, in September 2022, Chimerix, Inc. announced the completion of the transfer of its rights to brincidofovir (BCV) to Emergent BioSolutions Inc. (headquartered in Maryland, USA).

Regarding the business development of brincidofovir, its broad activity against dsDNA viruses (Note 15) provides significant potential. The Company is advancing collaborative research with leading domestic and international research institutions specializing in these areas. Based on the scientific insights generated through this research, the Company is planning and conducting global clinical trials.

(Note 15) Double-stranded DNA (dsDNA) viruses include herpesviruses such as CMV (cytomegalovirus) and EBV (Epstein-Barr virus), as well as AdV (adenovirus), BKV (BK virus), HPV (papillomavirus), smallpox virus, and Mpox virus.

[Progress with SymBio Group's Development Pipeline]

The SymBio Group currently has the following pipeline products under development: SyB V-1901, SyB L-1701, SyB L-1702, SyB L-1101, and SyB C-1101. It will continue to in-license candidate drugs to further expand and build its pipeline portfolio with a balanced risk–return trade-off.

Pipeline	Indication(s)	Phase 1	Phase 2	Phase 3	NDA	MA
SyB V-1901 Antiviral Drug (IV) brincidofovir	AdV infection Immunocompromised patients including post HSCT (hematopoietic stem cell transplantation)			Phase 2 study completed		
	Cytomegalovirus infection Post HSCT			Phase 2 study on going		
	NK/T-cell lymphoma			Phase 1b study on going		
	BKV infection Post kidney transplantation					
	Preclinical studies ongoing for multiple sclerosis, HSV-1/Alzheimer's disease, and Cytomegalovirus/glioblastoma					
SyB L-1701 (RTD)	All except for r/r DLBCL			Approved September 2020		
	r/r DLBCL			Approved April 2021		
SyB L-1702 (RI)	All			Approved February 2022		
SyB L-1101 Anti-cancer agent (IV)	r/r High risk MDS monotherapy	Global phase 3 study completed				
SyB C-1101 Anti-cancer agent (Oral)	r/r High risk MDS			Japan study completed		
	1st line high risk MDS Conbination with AZA			Global phase 1/2 study completed		

(1) Antiviral Drug SyB V-1901 (Generic Name: Brincidofovir "BCV")

Post-transplant infectious disease area

With a view to global expansion, the Group is developing brincidofovir (SyB V-1901, hereinafter "IV BCV" and "Oral BCV", respectively), an antiviral drug in-licensed from Chimerix, Inc. brincidofovir shows broad activity against double-stranded DNA viruses (dsDNA viruses), and the Group is conducting joint research with leading research facilities in Japan and overseas. Global clinical trials will be considered and implemented based on the scientific findings of the research.

The Group is prioritizing the global development of IV BCV, focusing on the treatment of adenovirus infection in immunocompromised patients, such as those who have had hematopoietic stem cell transplantation or organ transplantation. In March 2021, the Group has submitted an Investigational New Drug (IND) Application to the U.S. Food and Drug Administration (FDA) to initiate a Phase II clinical trial for the treatment of adenovirus infection and infectious diseases, primarily in pediatric patients (including adults) in immunocompromised patients with adenovirus (AdV) infection.

In April 2021, the program was granted Fast Track designation by the FDA, and in May 2023, this study established human POC for IV BCV. Positive data demonstrating the efficacy of the study was presented orally at the 65th Annual Meeting of the American Society of Hematology in December 2023, and subsequent oral presentations were given at other major conferences, including the 2024 U.S. Tandem Meetings in February 2024, the 50th Annual Meeting of the European Society for Blood and Marrow Transplantation (EBMT) in April 2024, and at IDWeek 2024, held from October 16th to 19th. Additionally, a patent for the use of BCV for the treatment of adenovirus infection and infectious diseases based on these results was granted and registered in Japan in January 2024.

The Phase II clinical trial in the U.S. for patients with cytomegalovirus infection after hematopoietic stem cell transplantation started in May 2024, with the first patient enrolled in June 2024, and the trial is ongoing.

Regarding the study of IV BCV in patients with BK virus (BKV) infection after kidney transplantation, modifications to the protocol are under consideration.

Among dsDNA viruses, polyomaviruses are known to cause serious diseases through their infection. As existing antiviral drugs show little efficacy, a high medical need exists for the development of an effective treatment. In November 2022, the Group entered into Material Transfer Agreement with Penn State College of Medicine whereby the Group will provide BCV for use in a nonclinical study to verify the antiviral activity of BCV in a mouse model of polyomavirus infection. In July 2024, the first report of the study's findings was published in the journal mBio with new findings.

Hematology and Oncology

In addition to its strong antiviral effect, BCV also is expected to have an antitumor effect, and the Group is exploring BCV's potential in indications such as EBV-positive lymphoma, refractory brain tumors, and other cancers, through research collaborations with the National Cancer Centre Singapore (NCCS) and the University of California San Francisco (UCSF) Brain Tumor Center. In December 2022, the results of collaborative research with NCCS on the therapeutic efficacy of BCV in the treatment of NK/T-cell lymphoma, for which no effective treatment is currently available, were presented orally at the 64th American Society of Hematology (ASH) Annual Meeting in New Orleans. Additionally, in June 2023, the results of its research collaboration with NCCS on BCV were presented at the 17th International Conference on Malignant Lymphoma (ICML) in Lugano, Switzerland. In April 2024, the anti-tumor effect of brincidofovir on B-cell lymphoma was poster presented at the AACR Annual Meeting 2024, held in San Diego, California. In addition, a poster presentation on the anti-tumor effect of BCV on peripheral T-cell lymphoma (PTCL) was made at the European Hematology Association (EHA 2024 Hybrid Congress) held in Madrid, Spain, in June 2024.

In August 2024, the Group initiated a global Phase Ib clinical trial in patients with malignant lymphoma as a First in Human (FIH) study of IV BCV in oncology. This study aims to establish a human POC for BCV in oncology. In December 2024, a poster presentation was delivered at the 66th Annual Meeting of the American Society of Hematology, highlighting the antitumor effects of IV BCV and its potential application in combination therapy with immune checkpoint inhibitors.

Other Areas

The Group is also investigating the use of BCV to treat multiple sclerosis, an intractable disease that has recently been shown to be associated with Epstein-Barr virus (EBV). In August 2022, the Company entered into a collaboration agreement with the National Institute of Neurological Disorders and Stroke (NINDS), part of the U.S. National Institutes of Health (NIH), for the transfer of materials to evaluate the antiviral effect of BCV in EBV. In March 2023, the Company entered into a Cooperative Research and Development Agreement (CRADA) for BCV with NINDS for research to verify the efficacy of BCV as an anti-viral therapeutic for EBV in the treatment of multiple sclerosis, and to obtain necessary data with a view to future clinical trials. In October 2023, the results of the research were presented at the 9th Joint ECTRIMS-ACTRIMS Meeting in Milan, Italy. In April 2023, the Company entered into a CRADA with the National Institute of Allergy and Infectious Diseases (NIAID), part of NIH in the U.S., to investigate the efficacy of BCV in the treatment of EBV associated lymphoproliferative diseases.

Some dsDNA viruses, such as herpes simplex virus type 1 (HSV1) and varicella zoster virus (VZV), are directed against cranial nerve tissues. Recent research has advanced on the involvement of the reactivation of those viruses in various serious diseases of the nervous system, including Alzheimer's disease. In December 2022, the Group entered into a Sponsored Research Agreement with Tufts University to conduct research to evaluate the efficacy of BCV in a HSV infection model using a 3D (three-dimensional) brain model developed by Tufts University.

In September 2022, Chimerix, Inc. announced the completion of the transfer of rights to brincidofovir (BCV) to Emergent BioSolutions Inc. (headquartered in Maryland, USA). However, this transfer does not affect the Company’s exclusive global rights for the development, manufacturing, and commercialization of BCV for all indications worldwide, excluding orthopoxvirus-related diseases such as smallpox and Mpox.

In March 2024, the group established a subsidiary, SymBio Pharma Ireland Limited (Dublin, Ireland), after which orphan drug designations for the prevention of adenovirus and cytomegalovirus infections in immunocompromised patients were transferred to the subsidiary from Emergent BioSolutions Inc.

(2) Anticancer agents: SyB L-1701 (RTD formulation), and SyB L-1702 (RI administration) (Note 16) (generic name: bendamustine hydrochloride or bendamustine hydrochloride hydrate, trade name: TREAKISYM®)

The Group continues to actively conduct further research on TREAKISYM®, such as ongoing joint research with the University of Tokyo and Kyoto University, to explore new potential uses and development of the drug.

(Note 16) Ready-to-dilute (RTD) and rapid infusion (RI) are pre-dissolved liquid formulations that differ from the conventional freeze-dried (FD) formulation. The RTD formulation significantly reduces the preparation time and the RI injection substantially reduces infusion duration from the one hour required previously, thus substantially reducing the burden on the patient and providing significant added value to healthcare professionals compared to the FD formulation.

(3) [Anticancer agents: SyB L-1101 (intravenous formulation) and SyB C-1101 (oral formulation) (generic name: rigosertib sodium)]

Onconova Therapeutics, Inc. (head office: Pennsylvania, US), the licensor of rigosertib intravenous formulation, conducted a joint global Phase III clinical trial (INSPIRE), but in August 2020, it announced that the trial did not meet its primary endpoints. The Group is collaborating with the University of Tokyo to conduct research to identify new potential indications or applications for the drug either alone or in combination with other existing drugs (including TREAKISYM®).

In April 2024, Onconova Therapeutics and Trawsfynydd Therapeutics, Inc. merged to form Traws Pharma, Inc. (headquartered in Pennsylvania, U.S.).

<The Group's Second Founding Phase and Future Management Strategy>

The Company achieved profitability, a key management challenge, in fiscal years 2021 and 2022. However, since 2022, the Company has positioned itself in a "second founding phase," aiming to achieve its medium- to long-term management goal of becoming a true global specialty pharma. Key strategies to realize this objective include (1) advancing the development of brincidofovir (BCV) to bring the next product to market following TREAKISYM®, (2) fully operationalizing SymBio Pharma USA (SPU) to globalize the business, (3) expanding the product portfolio through the establishment of a Business Planning Department in collaboration with the Translational Research Division and the Development Headquarters, and (4) promoting the development of new treatments through collaborative research with academic institutions in Japan and abroad.

(1) In an effort to launch the next products to follow TREAKISYM® through further development of brincidofovir, SymBio has started clinical trials or is making preparations for such studies targeting four indications or therapeutic areas. One such initiative is a Phase II clinical trial targeting AdV infections, including those occurring after hematopoietic stem cell transplantation, in pediatric patients (including adults). The investigational drug was administered to the first patient enrolled (first patient in or FPI) in the U.S. in August 2021. This development program received Fast Track designation from the FDA in April 2021. In May 2023, this trial demonstrated the anti-adenovirus activity of IV BCV and established human Proof of Concept (POC).

Additionally, a Phase II clinical trial targeting cytomegalovirus (CMV) infections in hematopoietic stem cell transplant patients began in the U.S. in May 2024, with the first patient registered in June 2024. This trial is currently ongoing. Separately, it is considering development targeting Epstein-Barr (EB) virus-related diseases such as difficult-to-treat multiple sclerosis.

In addition to strong antiviral effects, brincidofovir is expected to have antitumor effects. Through joint research with the National Cancer Centre Singapore and the Brain Tumor Center of the Department of Neurological Surgery at the University of California, San Francisco (UCSF), the Company is investigating new indications for brincidofovir in oncology, including rare brain tumors and Epstein-Barr (EB) virus-positive lymphoma.

In August 2024, the Company initiated an international Phase Ib clinical trial as the First in Human (FIH) study for IV BCV in the oncology field, targeting patients with malignant lymphoma. This trial aims to establish human Proof of Concept (POC) for BCV in the oncology domain.

(2) To advance the globalization of its operations through fully operationalizing SymBio Pharma USA (SPU), Dr. Jay Feingold joined the Company in November 2024 as Executive Vice President, Corporate Officer, Global Chief Medical Officer (CMO), while concurrently serving as Senior Vice President (SVP) of SPU, the Company's U.S. subsidiary. Moving forward, the Company will enhance and expand its global development structure, positioning SPU as a driving force for international clinical trials and progressing BCV's global development plan.

(3) In terms of expanding the product portfolio through the establishment of the Business Planning Department, the Company is promoting global partnerships as BCV's global development advances toward commercialization. Additionally, it continues to evaluate multiple licensing opportunities, building on its previous efforts, and is actively conducting exploratory evaluations to acquire licensing rights for new development candidates. Through these initiatives, the Company aims to create medium- to long-term business value as a biopharmaceutical company with both profitability and growth potential.

(4) For the development of new treatment methods through collaborative research with domestic and international academic institutions, the Company continues to explore new development possibilities for TREAKISYM® through joint research with institutions such as Kyoto University and the University of Tokyo, in addition to the aforementioned collaborative research on BCV.

(5) To realize these strategies, the Company plans to fund selling, general, and administrative expenses, including sales and personnel costs, through revenues from TREAKISYM®. At the same time, it recognizes the need to select appropriate measures, such as establishing strategic partnerships or securing long-term financing, to cover the substantial costs required for long-term research and development investments. However, the current external environment—including repeated COVID-19 outbreaks, global inflation, interest rate hikes by major countries such as the U.S., and significant changes in the security environment triggered by Russia's invasion of Ukraine—has greatly increased uncertainty in financial markets. Considering the possibility that necessary funding might not proceed as planned, the Company has decided to conduct this fundraising to strengthen and stabilize its financial foundation. This will enhance the likelihood of achieving the management strategy goal of becoming a true global specialty pharma and contribute to increasing corporate value. As stated above, the funds raised will be allocated to the development of the antiviral drug brincidofovir.

The funds raised under the previous STraight-Equity Issue Program ("STEP") were allocated as planned to the development of brincidofovir between October 2023 and June 2024. This time, the funds will be allocated to development through October 2025.

(Specific Use of Net Proceeds)

Details on the uses of funds raised are provided below.

1) Development funds for antiviral drug brincidofovir (direct expenses)

The development costs for the antiviral drug brincidofovir include direct expenses associated with the injectable formulation of brincidofovir (IV BCV), which was newly introduced in September 2019. These costs primarily consist of expenses related to the Phase III clinical trial being conducted in the U.S. for adenovirus infections in patients who have undergone hematopoietic stem cell transplantation, expenses for the Phase II clinical trial for cytomegalovirus infections in hematopoietic stem cell transplant patients, and expenditures for the international Phase Ib clinical trial targeting NK/T-cell lymphoma patients, which was initiated in August 2024. The clinical trials are being conducted under contract with global contract research organizations (CROs) in the U.S. Of these expenditures, 1,300 million yen scheduled for disbursement from January 2025 to October 2025 will be funded using proceeds raised through the issuance of these

Convertible Bonds with Stock Acquisition Rights.

2) Expenses related to development of antiviral drug brincidofovir (indirect expenses)

As the development of the injectable formulation of brincidofovir (IV BCV) progresses for multiple indications, the associated indirect costs include personnel expenses and the strengthening of organizational functions. This includes assigning the Company's Executive Vice President and Global Chief Medical Officer to the U.S. subsidiary, SPU, to enhance its capabilities. Additional indirect costs are expected to be incurred for further strengthening the development organization. Of these, expenditures amounting to 1,000 million yen from January 2025 to October 2025 will be covered using the funds raised through the issuance of the Convertible Bonds with Stock Acquisition Rights.

In the event of changes in the uses and breakdown of funds, the pursuit of separate funding, or revisions to its business plans, the Company will promptly disclose such information in each case.

4. Concepts on Rationality of the Use of the Funds

As outlined in 3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof, (2) Use of Net Proceeds, the funds raised through this Third-Party Allotment will be used to advance the development of the antiviral drug brincidofovir and expedite its commercialization. The Company believes that this will make a significant contribution to enhancing its corporate value and the value of shareholders' equity, thereby serving the interests of existing shareholders as well.

5. Rationality of Issuance Conditions

(1) Basis for the Payment Amount and Rationale for the Issuance Terms

1) The 4th Convertible Bonds with Stock Acquisition Rights

The Company, in determining the terms and conditions for the issuance of the 4th Convertible Bonds with Stock Acquisition Rights, sought to ensure fairness by commissioning Akasaka International Accounting Co., Ltd. ("Akasaka International"; located at 1-1-8 Motoakasaka, Minato-ku, Tokyo; Representative: Kenzo Yamamoto), an independent third-party institution unaffiliated with either the Company or the Allottee. On December 24, 2024, the Company received a valuation report ("Valuation Report") for the 4th Convertible Bonds with Stock Acquisition Rights from Akasaka International. Akasaka International evaluated the 4th Convertible Bonds with Stock Acquisition Rights using the Monte Carlo Simulation method, selected after comparing and considering other valuation models such as the Black-Scholes model and binomial model. The selected method was deemed suitable for appropriately reflecting the various conditions specified in the issuance terms. The valuation incorporated factors such as the market environment as of the valuation reference date (December 24, 2024), the Company's stock price (203 yen), volatility (56.5%), projected dividends (0 yen/share), and risk-free interest rate (0.6%), while also assuming certain conditions regarding the Allottee's exercise of rights and the trading volume (liquidity) in the stock market.

Regarding the conversion price of the 4th Convertible Bonds with Stock Acquisition Rights, taking into account the Company's financial and managerial circumstances and following discussions with the Allottee, the price has been set at 182.7 yen, an amount equivalent to 90% of the closing price of common shares of the Company in ordinary trading on the Tokyo Stock Exchange on December 24, 2024, the trading day immediately preceding the board resolution date, which is 203 yen.

The Company has determined the issuance price of the 4th Convertible Bonds with Stock Acquisition Rights (issued at par; 100 yen per 100 yen face value) is above the valuation amount provided by Akasaka International

(95.9–97.4 yen per 100 yen face value). Furthermore, by comparing the economic benefit the Company can obtain from attaching Stock Acquisition Rights to the Convertible Bonds with the fair value of the Stock Acquisition Rights based on financial engineering, it was confirmed that the substantive consideration for the Stock Acquisition Rights is greater than their fair value. Additionally, no material irregularities were identified in the valuation process. As such, the issuance terms for the 4th Convertible Bonds with Stock Acquisition Rights are not considered particularly advantageous and are deemed to be at a fair and reasonable price.

The Company also obtained the following opinion from the Audit Committee, based on its statutory responsibilities under the Companies Act. After confirming the following points, the Audit Committee expressed the view that there are no significant facts indicating any violation of laws or regulations in the judgment of the Directors that the terms of issuance do not constitute an advantageous issuance:

(i) In determining the payment amount for the 4th Convertible Bonds with Stock Acquisition Rights, an independent third-party valuation institution used Monte Carlo Simulation, a method commonly applied to calculate fair value, based on assumptions regarding factors potentially affecting the fair value of the 4th Convertible Bonds with Stock Acquisition Rights, such as the conversion price, market trading volume, stock price, exercise period, volatility, and interest rates. The valuation by the third-party institution was deemed to represent a fair and reasonable price.

(ii) The payment amount for the 4th Convertible Bonds with Stock Acquisition Rights was determined based on the valuation by the independent third-party institution.

2) The Convertible Bonds with Stock Acquisition Rights Excluding the 4th Convertible Bonds with Stock Acquisition Rights

The conversion price for the Convertible Bonds with Stock Acquisition Rights (excluding the 4th Convertible Bonds with Stock Acquisition Rights; the same applies herein) will be set, following discussions with the Allottee, at an amount equivalent to 90% of the closing price of common shares of the Company in ordinary trading on the Tokyo Stock Exchange on the trading day immediately preceding each issuance resolution date (tentatively January 17, 2025 for the 5th Convertible Bonds with Stock Acquisition Rights, February 20, 2025 for the 6th Convertible Bonds with Stock Acquisition Rights, and March 25, 2025 for the 7th Convertible Bonds with Stock Acquisition Rights).

The payment amounts and other issuance terms and conditions for the Convertible Bonds with Stock Acquisition Rights shall be determined in accordance with the Bond Issuance Program Agreement, based on the results of a valuation conducted by Akasaka International, an independent third-party institution unaffiliated with the Company or the Allottee, taking into account the respective issuance terms and conditions of the Convertible Bonds with Stock Acquisition Rights and the terms and conditions stipulated in the Bond Issuance Program Agreement. Final decisions will be made through resolutions for each third-party allotment (scheduled for January 20, 2025 for the 5th Convertible Bonds with Stock Acquisition Rights, February 21, 2025 for the 6th Convertible Bonds with Stock Acquisition Rights, and March 26, 2025 for the 7th Convertible Bonds with Stock Acquisition Rights). Given the current market environment, the Company's funding needs, and available fundraising options, the Company believes the issuance of the Convertible Bonds with Stock Acquisition Rights under the Bond Issuance Program Agreement is a reasonable and appropriate course of action.

Further, on the scheduled third-party allotment resolution dates for the Convertible Bonds with Stock Acquisition Rights—January 20, 2025 for the 5th Convertible Bonds with Stock Acquisition Rights, February 21, 2025 for the 6th Convertible Bonds with Stock Acquisition Rights, and March 26, 2025 for the 7th Convertible Bonds with Stock Acquisition Rights—the Company expects to obtain an opinion from the Audit & Supervisory Committee (composed entirely of outside auditors) regarding the terms and conditions for the issuance of the

Convertible Bonds with Stock Acquisition Rights.

(2) Grounds for a Judgment That the Issued Quantity and the Scale of the Dilution of Shares Are Reasonable

If all of the Convertible Bonds with Stock Acquisition Rights are converted, the maximum number of shares to be issued will be 11,300,000 shares (representing 113,000 voting rights). This corresponds to a maximum dilution of 24.61% (24.86% in terms of voting rights) relative to the Company's total number of issued shares of 45,915,906 shares (454,609 voting rights) as of September 30, 2024.

However, the funds raised through the Third-Party Allotments are intended to be allocated to the uses described in 3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof, (2) Use of Net Proceeds. These funds will be used to advance the development of the antiviral drug brincidofovir and expedite its market launch. As a result, we believe this will contribute to an increase in the Company's corporate value and the value of its shares.

Additionally, given that the average daily trading volume of the Company's common stock over the past six months has been 2,569,304 shares per day, we believe there is sufficient market liquidity to facilitate the smooth sale of the shares issued upon conversion of all the Convertible Bonds with Stock Acquisition Rights.

Based on the above, we have determined that the issuance volume and the scale of stock dilution resulting from this Third-Party Allotment are reasonable.

6. Reasons for Having Chosen the Allottee, etc.

(1) Outline of the Allottee

1)	Name	Cantor Fitzgerald Europe
2)	Head Office Location	5, Churchill Place, Canary Wharf, London, United Kingdom E14 5HU
3)	Representative	Chief Executive Officer, Sean Robert Capstick
4)	Business Description	Securities business
5)	Capital	USD 101.2 million (JPY 15,934 million) as of December 31, 2023 (Note 1)
6)	Date of Establishment	May 24, 1990
7)	Number of Issued Shares	65,423,162 shares
8)	Fiscal Year-End	December 31
9)	Number of Employees	56 (as of February 6, 2024)
10)	Major Clients	Corporate entities (Note 2)
11)	Major Banks	- (Note 3)
12)	Major Shareholders and Ownership Ratio	Cantor Fitzgerald Services LLP 99.999998％
13)	Relationship with the Company	
	Capital Relationship	There are no capital relationships to be disclosed between the Company and the Allottee. Similarly, there are no noteworthy capital relationships between the personnel or affiliates of the Company and those of the Allottee.

	Personnel Relationship	There are no personnel relationships to be disclosed between the Company and the Allottee. Similarly, there are no noteworthy personnel relationships between the personnel or affiliates of the Company and those of the Allottee.
	Transactional Relationship	There are no transactional relationships to be disclosed between the Company and the Allottee. Similarly, there are no noteworthy transactional relationships between the personnel or affiliates of the Company and those of the Allottee.
	Status as a Related Party	The Allottee is not a related party of the Company. Similarly, the personnel and affiliates of the Allottee are not related parties of the Company.

14)	Financial Performance and Condition over the Past Three Fiscal Years (in thousand USD, unless otherwise stated)		
Fiscal Year	FY2021	FY2022	FY2023
Net Working Capital	100,589	112,464	102,396
Current Assets	965,952	956,436	944,491
Net Working Capital per Share (USD)	1.54	1.72	1.57
Net Sales	80,369	109,298	74,869
Operating Profit	2,851	20,242	8,319
Ordinary Profit	1,098	12,641	(3,333)
Profit	1,378	11,875	(3,308)
Earnings per Share (USD)	0.02	0.18	(0.05)
Dividend per Share (USD)	—	—	—

(Notes)
1. All monetary amounts have been converted into Japanese yen based on the middle exchange rate of 1 USD = 157.45 JPY, as quoted by MUFG Bank, Ltd. on December 24, 2024. Figures are rounded to the nearest tenth.
2. The Allottee has explained that its business counterparties are extensive and that this information is not publicly disclosed. As the Allottee has not consented to the disclosure of its major counterparties in the Company's disclosure materials, they are referred to only as "Corporate entities."
3. The Allottee has explained that information regarding its banking relationships is not publicly disclosed. As the Allottee has not consented to the disclosure of its major banks in the Company's disclosure materials, this information has been omitted.
4. The Allottee is a company established under the laws of the United Kingdom and operates as the European business division of the Cantor Fitzgerald Group. The Allottee is authorized and regulated by the United Kingdom's Financial Conduct Authority (FCA) and is permitted to conduct investment activities in the UK under the Financial Services and Markets Act 2000. This information has been confirmed via the FCA's registration database. In Japan, the Allottee's affiliate, Cantor Fitzgerald Securities, is registered as a Type I and Type II Financial Instruments Business Operator and is subject to supervision and regulation by the Financial Services Agency of Japan. Based on the above, it has been determined that the Allottee, its officers, and its major shareholders have no association whatsoever with any antisocial forces or other specified groups. Furthermore, a confirmation document has been submitted to the Tokyo Stock Exchange stating that the Allottee, its officers, and its major shareholders have absolutely no connection with antisocial forces.

(2) Reasons for Having Chosen the Allottee

In this fundraising process through the Third-Party Allotments, the Company prioritized selecting an allottee who could understand the Company's management policies, management strategies, funding needs, timing of the fundraising, and overall situation. Efforts were made to promptly identify and select a suitable allottee from among multiple investor candidates.

The background and reasons for selecting the allottee are as follows.

The Company had been discussing funding methods that align with the Company's business situation with Cantor Fitzgerald Securities. Subsequently, in late October 2024, Cantor Fitzgerald Securities proposed a specific plan for fundraising through the issuance of Convertible Bonds with Stock Acquisition Rights in these Third-Party Allotments, with Cantor Fitzgerald Europe as the Allottee, as arranged by Cantor Fitzgerald Securities.

Cantor Fitzgerald Europe and Cantor Fitzgerald Securities are part of the Cantor Fitzgerald Group, a financial services group that operates approximately 200 offices in 30 countries worldwide. The Cantor Fitzgerald Group focuses on the bio-healthcare sector as a key area, maintaining a professional team specializing in bio-healthcare and employing numerous highly skilled analysts in its equity research division who handle a wide range of bio-healthcare companies. It has also been confirmed that the Group holds an annual Global Healthcare Conference in New York, USA. This indicates its high level of expertise in the bio-healthcare sector and demonstrates its capability to provide investment banking services both in the U.S. and internationally, leveraging its extensive network of over 7,000 institutional investors.

Additionally, Cantor Fitzgerald & Co., the core entity of the Cantor Fitzgerald Group, has been designated by the U.S. government as a Primary Dealer, a special qualification that enables it to directly underwrite U.S. Treasury securities with the Federal Reserve Bank. This demonstrates the Group's deep understanding of credit risk and its significant risk tolerance.

Cantor Fitzgerald Europe has expressed its intention, under the Bond Issuance Program Agreement to be concluded with the Company, to sell the Company's common shares, which will be issued upon the conversion of the Convertible Bonds with Stock Acquisition Rights, to overseas institutional investors reasonably identified by the Allottee or its affiliates as such, through off-market transactions.

The Company believes that selecting Cantor Fitzgerald Europe as the allottee will contribute to improving the Company's presence in the global market. Furthermore, this selection is expected to provide advantages in expanding the diversity of the Company's investor base, which aligns with its objective of enhancing shareholder value in the future.

During the discussions and negotiations with the allottee, the schemes and conditions designed in the process were determined to meet the Company's broad range of needs. Based on this determination, the Company ultimately selected Cantor Fitzgerald Europe as the allottee.

The allotment of the Convertible Bonds with Stock Acquisition Rights will be arranged through Cantor Fitzgerald Securities, a member of the Japan Securities Dealers Association (JSDA), and the offering will be conducted in compliance with the JSDA's "Rules Concerning Handling of Allotment of New Shares to Third Party, Etc."

(3) Allottee's Holding Policy

Regarding the Convertible Bonds with Stock Acquisition Rights and the Company's common stock acquired through their conversion, Cantor Fitzgerald Europe has indicated that its retention policy is one of pure investment. Cantor Fitzgerald Europe does not intend to retain the Company's common stock acquired through the exercise of the Convertible Bonds and Stock Acquisition Rights for an extended period.

Under the terms of the Bond Issuance Program Agreement, which is to be concluded between the Company and Cantor Fitzgerald Europe, it is stipulated that Cantor Fitzgerald Europe must obtain prior written consent from the Company in the event it seeks to transfer the Convertible Bonds with Stock Acquisition Rights to a third party.

(4) Confirmation on the Property Required for the Payment by the Allottee

The Company has received audited financial statements for Cantor Fitzgerald Europe as of December 31, 2023, prepared by Ernst & Young LLP. Based on these financial statements, the Company has confirmed the status of Cantor Fitzgerald Europe's cash, deposits, and other liquid assets, and determined that the Allottee has secured sufficient financial resources to make the payment for the Convertible Bonds with Stock Acquisition Rights. Furthermore, as of today, the Company has received verbal confirmation through Cantor Fitzgerald Securities that the Allottee continues to hold sufficient financial resources to cover the payment for the Convertible Bonds with Stock Acquisition Rights.

(5) Actual Status of the Allottee

The Company has confirmed, through a report received from Security & Research Co., Ltd. (address: 2-16-6 Akasaka, Minato-ku, Tokyo; Representative Director: Hisatsugu Haneda), a third-party organization, that there is no evidence to suggest that the officers or major shareholders of the Allottee are affiliated with organized crime groups, their members, or any similar entities ("antisocial forces"). The report also confirmed that there is no evidence of antisocial forces being involved in the management of the Allottee, receiving funds or other support from the Allottee, or intentionally engaging with antisocial forces in any capacity.

The report provides detailed documentation on the investigation methods and results, and the Company has judged the report to be reliable. Additionally, under the Bond Issuance Program Agreement to be concluded with the Allottee, the Allottee has provided representations that it is not an antisocial force and has no relationship with any antisocial forces.

(6) Agreements Regarding Stock Lending

There are no applicable matters to disclose.

7. Major Shareholders and Shareholding Ratios

Before offer (as of June 30, 2024)	
Shareholder	Shareholding ratio (%)
Fuminori Yoshida	3.68
BOFAS INC SEGREGATION ACCOUNT (Standing Proxy: BofA Securities Japan Co., Ltd.)	2.18
Sukenori Ito	0.94
J.P. Morgan Securities Japan Co., Ltd.	0.54
Toshitaka Kashihara	0.48
Barclays Capital Securities Limited (Standing Proxy: Barclays Securities Japan Ltd.)	0.45
Matsui Securities Co., Ltd.	0.40
BNY GCM ACCOUNTS MNOM (Standing Proxy: MUFG Bank, Ltd.)	0.39
Tatsuya Takahara	0.37
SMBC Nikko Securities Inc.	0.35

(Notes) 1. Shareholding ratios prior to allotment are based on the shareholder register as of June 30, 2024.

2. Since there is no long-term holding agreement for the Convertible Bonds with Stock Acquisition Rights with the Allottee, the major shareholders and ownership ratios following the allotment are not disclosed.
3. The shareholding ratio is calculated as a percentage of the total number of issued shares (including treasury shares). Percentages are rounded to the nearest third decimal place.

8. Future Perspective

This Third-Party Allotment is expected to have no impact on the financial results for the fiscal year ending December 2024. If there are any changes to future performance, the Company will make appropriate disclosures as necessary.

9. Matters Relating to Procedures Based on the Code of Conduct of Corporations

This Third-Party Allotment does not require the acquisition of opinions from independent third parties or confirmation of shareholder intent as stipulated in Article 432 of the Tokyo Stock Exchange's Securities Listing Regulations because: 1. The dilution rate is less than 25%; and 2. There is no change in the controlling shareholder.

10. Business Performance and Equity Finances for the Most Recent Three Years

(1) Recent Performance Over the Past Three Years (Consolidated)

	FY2021	FY2022	FY2023
Net sales (Thousands of yen)	8,256,924	10,008,338	5,589,708
Operating profit (loss) (Thousands of yen)	1,016,001	1,963,625	(811,668)
Ordinary profit (loss) (Thousands of yen)	1,001,133	1,999,878	(736,130)
Profit (loss) (Thousands of yen)	2,032,203	1,179,238	(1,962,817)
Earnings (loss) per shares (Yen)	53.04	30.20	(49.19)
Dividends per share (Yen)	—	—	—
Net assets per share (Yen)	162.26	204.83	164.32

(Note) The consolidated financial statements have been prepared from the fiscal year ended December 31, 2022, onwards, following the full-scale operations at SymBio Pharma USA, Inc. For the fiscal year ended December 31, 2021, the figures represent those of the non-consolidated financial statements.

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(2) Number of Issued Shares and Dilutive Shares (as of December 24, 2024)

	Number of shares	Percentage relative to the number of issued shares
Number of shares issued	45,928,856	100%
Number of dilutive shares at the conversion price (exercise price) at present	3,559,350	7.75%
Number of dilutive shares at the lower-limit of the conversion price (exercise price)	—	—
Number of dilutive shares at the upper-limit of the conversion price (exercise price)	—	—

(Note) The number of dilutive shares above includes those related to the Company's stock option program and those related to the 58th Stock Acquisition Rights.

(3) Recent Share Prices

1) For the most recent three years

	FY 2021	FY 2022	FY2023
Opening price	¥384	¥1,150	¥645
Highest price	¥2,566	¥1,290	¥681
Lowest price	¥372	¥606	¥223
Closing price	¥1,145	¥643	¥247

(Note) Share prices are according to the TSE.

2) For the most recent six months

	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024
Opening price	¥166	¥275	¥274	¥249	¥237	¥240
Highest price	¥475	¥329	¥274	¥261	¥262	¥240
Lowest price	¥160	¥203	¥234	¥217	¥229	¥202
Closing price	¥276	¥267	¥244	¥239	¥240	¥203

(Notes) 1. Share prices are according to the TSE.
2. Share prices for December 2024 are as of December 24, 2024.

3) Share prices on the business day preceding the date on which the Board of Directors resolved the issuance

	December 24, 2024
Opening price	¥204
Highest price	¥206
Lowest price	¥202
Closing price	¥203

(4) Equity Finances for the Most Recent Three Years

Issuance of new shares by third-party allotment and the 58th Stock Acquisition Rights

(New shares)

Date of payment	June 1, 2022
Amount of funding	¥662,000,000 (net ¥622,000,000)

Issue price	¥662
Number of issued shares at the time of offer	38,553,931 shares
Number of shares issued through this offer	1,000,000 shares
Number of issued shares after the offer	39,553,931 shares
Allottee	CVI Investments, Inc.
Initial use of funds at the time of issuance	(1) Development funds for the antiviral drug brincidofovir (direct expenses) (¥432 million) (2) (As above, indirect expenses) (¥190 million)
Planned timing for disbursement at the time of issuance	(1) July 2022 to October 2022 (2) July 2022 to October 2022
Appropriation status at present	(1) Development funds for the antiviral drug brincidofovir (direct expenses) (¥432 million) (2) (As above, indirect expenses) (¥190 million)

(58th stock acquisition rights)

Date of allotment	June 1, 2022
Number of stock acquisition rights issued	20,000 units
Issue price*	Total of ¥13,760,000 (¥688 for each unit of the stock acquisition rights)
Planned amount of funding at the time of issuance (estimated net proceeds)	¥1,583,760,000
Allottee	CVI Investments, Inc.
Number of issued shares at the time of offer	38,486,156 shares
Number of dilutive shares due to the offer	2,000,000 shares
Exercise status at present	0 shares (Remaining stock acquisition rights: 20,000)
Procured funds at present (estimated net proceeds)	¥0
Initial intended use of funds at the time of issuance	(1) Development funds for the antiviral drug brincidofovir (direct expenses) (¥787 million) (2) (As above, indirect expenses) (¥386 million) (3) Investment in new in-licensing, M&A, and other means of securing long-term growth opportunities (¥395.76 million).
Planned timing for disbursement at the time of issuance	(1) From October 2022 to March 2023 (2) From October 2022 to March 2023 (3) From July 2022 to March 2023

Appropriation status at present	(N/A)

(Note) If the conversion price of the Convertible Bonds with Stock Acquisition Rights falls below the exercise price in effect as of the payment date (187 yen), the exercise price will be adjusted to match the conversion price of the Convertible Bonds with Stock Acquisition Rights. Accordingly, following the issuance of the 4th Convertible Bonds with Stock Acquisition Rights (conversion price: 182.7 yen), the exercise price for the 58th Stock Acquisition Rights will be adjusted to 182.7 yen effective from the payment due date of January 10, 2025. For details, please refer to the "Notice Regarding Adjustment of Exercise Price" disclosed by the Company today. The planned timing for disbursement will be revised when a request to exercise the stock acquisition rights is made, and accordingly, we will decide by how much to revise the planned timing for disbursement when such a request is made and make a disclosure.

・Issuance of New Shares through Third-Party Allotment Based on a STraight-Equity Issue Program ("STEP") Agreement

Date of payment	1st allotment: November 10, 2023 2nd allotment: December 20, 2023 3rd allotment: February 7, 2024 4th allotment: March 18, 2024 5th allotment: April 19, 2024
Amount of funding	1st allotment: ¥379,200,000 2nd allotment: ¥313,200,000 3rd allotment: ¥276,000,000 4th allotment: ¥256,500,000 5th allotment: ¥196,350,000
Issue price	1st allotment: ¥316 2nd allotment: ¥261 3rd allotment: ¥230 4th allotment: ¥190 5th allotment: ¥187
Number of issued shares at the time of offer	1st allotment: 39,874,106 shares 2nd allotment: 41,078,081 shares 3rd allotment: 42,280,806 shares 4th allotment: 43,486,256 shares 5th allotment: 44,845,981 shares
Number of shares issued through this offer	1st allotment: 1,200,000 shares 2nd allotment: 1,200,000 shares 3rd allotment: 1,200,000 shares 4th allotment: 1,350,000 shares 5th allotment: 1,050,000 shares
Number of issued shares after the offer	1st allotment: 41,074,106 shares 2nd allotment: 42,278,081 shares 3rd allotment: 43,480,806 shares 4th allotment: 44,836,256 shares 5h allotment: 45,895,981 shares

Allottee	EVO FUND
Initial use of funds at the time of issuance	Based on the STraight-Equity Issue Program ("STEP") Agreement, the total amount from the 1st to 5th allotments is allocated as follows: (1) Development costs for the antiviral drug brincidofovir (direct costs): 658 million yen (2) Development costs for the antiviral drug brincidofovir (indirect costs): 742 million yen (3) Investments for securing long-term growth opportunities, such as new licensing acquisitions and M&A: 783 million yen
Planned timing for disbursement at the time of issuance	(1) October 2023 to June 2024 (2) October 2023 to June 2024 (3) October 2023 to June 2024
Appropriation status at present	1st Allotment: (1) Development costs for the antiviral drug brincidofovir (direct costs): 354 million yen 2nd Allotment: (1) Development costs for the antiviral drug brincidofovir (direct costs): 279 million yen (2) Development costs for the antiviral drug brincidofovir (indirect costs): 34 million yen 3rd Allotment: (1) Development costs for the antiviral drug brincidofovir (indirect costs): 276 million yen 4th Allotment: (1) Development costs for the antiviral drug brincidofovir (indirect costs): 257 million yen 5th Allotment: (1) Development costs for the antiviral drug brincidofovir (indirect costs): 175 million yen (2) Investments for securing long-term growth opportunities, such as new licensing acquisitions and M&A: 21 million yen

11. Issuance Terms and Conditions

As detailed in the attached document.

Attachment

SymBio Pharmaceuticals Limited

Terms and Conditions of the Fourth Unsecured Convertible Bonds with Stock Acquisition Rights

1. Name of Bonds for Subscription

SymBio Pharmaceuticals Limited Fourth Unsecured Convertible Bonds with Stock Acquisition Rights (the "Bonds with Stock Acquisition Rights"; the bond portion alone is referred to as the "Bonds," and the stock acquisition rights portion alone is referred to as the "Stock Acquisition Rights").

2. Total Amount of Bonds for Subscription

600,000,000 yen

3. Amount of Each Bond

One type of 50,000,000 yen. The Bonds cannot be subdivided into amounts smaller than the specified denomination of each bond.

4. Amount to Be Paid

100 yen for 100 yen of the amount of each Bond.
However, no payment of money is required in exchange for the Stock Acquisition Rights.

5. Form of Bonds with Stock Acquisition Rights

The Bonds with Stock Acquisition Rights will be issued in non-registered form, and no certificates for the Bonds or Stock Acquisition Rights will be issued.
In addition, pursuant to the main clauses of Article 254, paragraphs (2) and (3) of the Companies Act, the Bonds and the Stock Acquisition Rights may not be transferred independently of each other.

6. Interest Rate

From January 11, 2025, to January 10, 2026: Annual rate of 3.5%
From January 11, 2026, onward: Annual rate of 6.0%

7. Existence or Non-existence of Security and Guarantee

The Bonds with Stock Acquisition Rights are neither secured nor guaranteed, and no specific assets are reserved for the Bonds with Stock Acquisition Rights.

8. Application Deadline

January 10, 2025

9. Payment Due Date for Bonds and Allotment Date for Stock Acquisition Rights

January 10, 2025

10. Method of Offering

The entire amount will be allocated to Cantor Fitzgerald Europe through a third-party allotment.

11. Redemption Value, Method, and Due Date of the Bonds

(1) The Bonds will be fully redeemed on January 10, 2027 (the “Maturity Date”), at 100 yen for 100 yen of the amount of each Bond.

However, in the case of advance redemption, the provisions of Items (3) through (7) of this Section shall apply.

(2) If the redemption date specified in this Section falls on a bank holiday, the redemption shall be postponed to the next bank business day.

(3) Advance Redemption Due to Act of Restructuring

If an Act of Restructuring (as defined below) is approved at the Company’s general shareholders’ meeting (or, in cases where such approval is not required, if resolved at the Company’s board of directors meeting), the Company shall notify the holders of the Bonds with Stock Acquisition Rights (the "Bondholders") at least 30 days prior to the redemption date (which shall be a date before the effective date of the Act of Restructuring) and redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.

An "Act of Restructuring" refers to the execution of any merger agreement in which the Company becomes an extinct company, the execution of any absorption-type company split agreement or preparation of any incorporation-type company split plan (limited to cases where the obligations of the Company under the Bonds with Stock Acquisition Rights are assumed by the surviving company of the absorption-type company split or the newly incorporated company in the incorporation-type company split), or the execution of any share exchange agreement in which the Company becomes a subsidiary of another company, the preparation of any share transfer plan, or the preparation of any plan for share delivery under which the parent company resulting from the share delivery acquires all issued shares of the Company. It also includes any other corporate restructuring procedure under Japanese law in which the obligations of the Company under the Bonds are assumed by another company.

A subsidiary refers to a company in which more than 50% of the voting rights (including, to avoid any uncertainty, the ownership interest of general partners) or more than 50% of the issued equity is directly or indirectly owned by another individual, partnership, corporation, limited liability company, organization, trust, non-incorporated entity, or business entity at any given time.

Once the notification specified in this Item is issued, the Company may not revoke or rescind the notice of advance redemption.

(4) Advance Redemption Due to Delisting Associated with a Tender Offer

If a tender offer pursuant to the Financial Instruments and Exchange Act is conducted for the Company’s common stock, the Company expresses an opinion in favor of the tender offer, and the Company or the tender offeror announces or accepts the possibility that the Company’s common stock may be delisted from the Tokyo Stock Exchange as a result of the tender offer (excluding cases where the Company or the tender offeror announces efforts to maintain the listing of the Company’s common stock after the tender offer), and if the tender offeror acquires the Company’s common stock through the tender offer, the Company shall notify the Bondholders as soon as practicable and designate a redemption date in the notice (provided that the redemption date shall be a date before the delisting of the Company’s common stock from the Tokyo Stock Exchange). On such redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the principal amount of each Bond.

If redemption obligations arise under both Item (3) and this Item, the procedures outlined in Item (3) shall apply. However, if the notification under this Item is issued before the conditions, including the consideration to be paid to shareholders due to the Act of Restructuring, are publicly disclosed, the procedures under this Item shall apply.

(5) Advance Redemption Due to Squeeze-out Event

If, following an amendment to the articles of incorporation to designate the Company's common stock as class shares subject to a class-wide call, a resolution is passed at the Company's general shareholders' meeting to acquire all common stock of the Company in exchange for consideration, if the Company's board of directors resolves to approve a demand for sale, etc., of shares by the Company's special controlling shareholder (as defined in Article 179, paragraph (1) of the Companies Act) to the Company's other shareholders, or if a resolution is passed at the Company's general shareholders' meeting approving a consolidation of common stock accompanied by delisting ("Squeeze-out Event"), the Company shall, as soon as practicable but within a reasonable timeframe, notify the Bondholders of the redemption date specified in such notice (which shall be a date prior to the acquisition date or effective date of the Squeeze-out Event). On the specified redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.

(6) Advance Redemption Due to Delisting or Designation as Securities Under Supervision

If a delisting event (as defined below) occurs with respect to the Company's common stock, or if the Tokyo Stock Exchange designates the Company's common stock as securities under supervision, the Bondholders may, at their option, notify the Company at least five business days prior to the planned redemption date. On the designated advance redemption date, the Bondholders may request redemption of all or part of their Bonds at 100 yen for 100 yen of the amount of each Bond.

A "delisting event" refers to any of the following: Any event specified in each item of Article 601, paragraph 1 of the Securities Listing Regulations of the Tokyo Stock Exchange occurs with respect to the Company or its corporate group; or the Company, following the payment due date for the Bonds with Stock Acquisition Rights, records a negative net worth as shown on its financial statements or consolidated financial statements as of the last day of a fiscal year, and such condition is not resolved within six months from the day following the last day of such fiscal year.

(7) Advance Redemption at the Company's Option

The Company may, with the prior written consent of the Bondholders, notify them at least one month in advance of the intended redemption date (which shall be a date prior to the redemption due date). On the specified redemption date, the Company may redeem all or part of the remaining Bonds with Stock Acquisition Rights at 100 yen for 100 yen of the amount of each Bond. However, if the Company redeems all or part of the remaining Bonds with Stock Acquisition Rights before the redemption due date without obtaining prior written consent from the Bondholders, the Company must redeem the bonds on the redemption date at 110 yen for 100 yen of the amount of each Bond.

12. Method and Due Date for Interest Payment on the Bonds

(1) Interest on the Bonds shall accrue from the day following the payment due date (inclusive) until the redemption date (inclusive). The first interest payment date shall be March 31, 2025, and interest accrued up to that date (inclusive) will be paid. Thereafter, interest will be paid on June 30, September 30, December 31, and March 31 of each year for the interest calculation period from the day following the immediately preceding interest payment date (inclusive) (for the first interest payment date, from the payment due date) to the relevant interest payment date (inclusive). However, for interest calculation periods of less than one

year, the interest shall be calculated on a pro-rata basis, assuming a year consists of 365 days. Any fractional amounts below one yen arising from the calculation will be rounded down.

(2) If an interest payment date falls on a bank holiday, payment will be advanced to the immediately preceding bank business day.

(3) If all or part of the Bonds are redeemed before the Maturity Date (the "Early Redemption Date"), interest on the redeemed bonds will accrue from the interest payment date immediately prior to the Early Redemption Date (inclusive; the payment due date for the first interest payment date) up to the Early Redemption Date (inclusive).

(4) If interest on the Bonds is not paid on the interest payment date, a late payment penalty at an annual rate of 14.6% will accrue on the unpaid interest for the period from the day following the interest payment date (inclusive) until the day the payment is made (inclusive).

(5) The Bonds will cease to accrue interest after the Maturity Date.

(6) If the Stock Acquisition Rights are exercised, the Bonds associated with the Stock Acquisition Rights will cease to accrue interest from the effective date of the exercise. In this case, interest accrued up to the effective date of the exercise will be paid on the interest payment date immediately following the effective date.

13. Repurchase and Cancellation

(1) The Company (or any of its affiliates or subsidiaries) may, at any time and at any price, repurchase the Bonds with Stock Acquisition Rights with the agreement of the Bondholders.

(2) If the Company (or any of its affiliates or subsidiaries) repurchases the Bonds with Stock Acquisition Rights, it may, at its discretion, cancel the Bonds at any time (in the case of repurchase by affiliates or subsidiaries, after acquiring such Bonds from them for the purpose of cancellation). Upon cancellation of the Bonds, the associated Stock Acquisition Rights will be extinguished simultaneously.

14. Details of the Stock Acquisition Rights

(1) Number of Stock Acquisition Rights Attached to the Bonds
Each Bond shall be issued with one Stock Acquisition Right, and a total of 12 Stock Acquisition Rights will be issued.

(2) Payment of Money in Exchange for Stock Acquisition Rights
No payment of money is required in exchange for the Stock Acquisition Rights.

(3) Class and Number of Shares Underlying the Stock Acquisition Rights, and Method of Calculation

1) Class
Common stock of the Company

2) Number
The number of shares of the Company's common stock that the Company will either newly issue or dispose of from its treasury stock (hereinafter collectively referred to as "delivery" of the Company's common stock) upon the exercise of the Stock Acquisition Rights shall be calculated by dividing the total amount of the Bonds related to the exercise request by the Conversion Price defined in point (4) 3) below, and the largest integer obtained from this calculation shall apply. However, any fractions of less than one share arising from the calculation shall be rounded down, and no cash adjustment shall be made.

(4) Details and Amount or Calculation Method of Property to Be Contributed upon Exercise of the Stock Acquisition Rights

1) Property to Be Contributed upon Exercise

The Bonds to which the Stock Acquisition Rights are attached.

2) Amount of Contributed Property

The amount of the Bonds related to the exercised Stock Acquisition Rights.

3) Conversion Price

The initial Conversion Price shall be 182.7 yen. However, it shall be adjusted in accordance with the provisions of point 4) below.

4) Adjustment of Conversion Price:

(i) If the number of the Company's common shares changes or is expected to change due to the reasons listed in subsection (ii) below after the issuance of the Bonds with Stock Acquisition Rights, the Conversion Price shall be adjusted according to the following formula (hereinafter referred to as the "Conversion Price Adjustment Formula")

$$\text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Already Issued Common Stock} + \dfrac{\text{Number of Shares Issued or Disposed Of} \times \text{Issuance or Disposition Price per Share}}{\text{Market Value}}}{\text{Number of Already Issued Common Stock} + \text{Number of Shares Issued or Disposed Of}}$$

(ii) Adjustments to the Conversion Price based on the Conversion Price Adjustment Formula and the timing for applying the adjusted Conversion Price are as follows:

(a) If the Company delivers its common stock at a payment amount lower than the market value defined in subsection (iii)(b) below (excluding cases where shares are issued to directors and employees of the Company or its affiliates under a restricted stock compensation plan; shares are issued in exchange for shares with put option rights, callable shares, or callable stock acquisition rights [including those attached to bonds with stock acquisition rights] issued by the Company; shares are issued in response to the exercise of stock acquisition rights [including those attached to bonds with stock acquisition rights] or other securities or rights entitling the holder to claim or exercise a right to acquire the Company's common stock; or shares are issued as part of a company split, share exchange, merger, or share delivery), the adjusted Conversion Price shall apply on or after the day following the payment date (or if a payment period is specified for the issuance, on or after the day following the last day of the payment period). If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date.

(b) If the Company issues common stock through a stock split or grants common stock without requiring contributions (the "Stock Split, etc."), the adjusted Conversion Price shall apply on or after the day following the record date or shareholder reference date established to determine the shareholders eligible to receive shares through the Stock Split, etc. (if no record date or reference date is established, on or after the day following the effective date).

(c) If the Company issues shares with put option rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) below (including cases of allotment without contribution) or issues stock acquisition rights (including those attached to bonds with stock acquisition rights) or other securities or rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) (excluding cases where such stock acquisition rights are granted to directors and employees of the Company or its affiliates as stock options based on a resolution of the Company's Board of Directors, or stock acquisition rights [including those attached to bonds with stock acquisition rights] are granted to Cantor Fitzgerald Europe or affiliates [the "affiliate" of Cantor Fitzgerald Europe refers to any entity that, as of the time of the allotment resolution, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Cantor Fitzgerald, L.P., excluding BCG Group, Inc. and its subsidiaries]), the adjusted Conversion Price shall be calculated by applying the Conversion Price Adjustment Formula, assuming that all the shares with put option rights, stock acquisition rights (including those attached to bonds with stock acquisition rights), or other securities or rights (the "Shares with Put Option Rights, etc.") have been exercised under their initial terms and conditions, resulting in the delivery of the Company's common stock. The adjusted Conversion Price shall apply on or after the payment date (in the case of stock acquisition rights and bonds with stock acquisition rights, the allotment date) or, for allotments without contribution, on or after the day following the effective date. If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date. However, if the Shares with Put Option Rights, etc., as defined here, are issued as a defense against corporate acquisition and the Company publicly announces this purpose and notifies the Bondholders, the adjusted Conversion Price shall be calculated using the Conversion Price Adjustment Formula, assuming that the Company's common stock has been delivered on the date when, under the terms and conditions for the Shares with Put Option Rights, etc., a request for acquisition, acquisition under callable provisions, or exercise became possible (the "Conversion/Exercise Start Date"). The adjusted Conversion Price shall apply on or after the day following the Conversion/Exercise Start Date.

(d) If the Company delivers common stock at a price below the market value specified in subsection (iii)(b) below in exchange for callable shares or callable stock acquisition rights (including those attached to bonds with stock acquisition rights) (the "Callable Shares, etc."), the adjusted Conversion Price shall apply on or after the day following the acquisition date.

Notwithstanding the foregoing, if the Conversion Price adjustment under subsection (ii)(c) above or (ii)(e) below has been made before the acquisition of the Callable Shares, etc., the following provisions shall apply:

1) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below exceeds the number of already issued shares defined in subsection (iii)(c) below immediately prior to the delivery, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and apply the formula accordingly.

2) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below does not exceed the number of already

issued shares defined in subsection (iii)(c) below immediately prior to the delivery, no adjustment provided herein will be applied.

(e) If the consideration per share of the Company's common stock under the terms and conditions for the issuance of the Shares with Put Option Rights, etc. (referred to as the "Acquisition Price, etc." herein) is revised downward (excluding adjustments made under anti-dilution provisions similar to provisions provided here) and the revised Acquisition Price, etc. is lower than the market value defined in subsection (iii)(b) below as of the date of the revision (the "Acquisition Price Adjustment Date"), the following provisions shall apply:

1) If no adjustment to the Conversion Price under subsection (c) above has been made for the Shares with Put Option Rights, etc. prior to the Acquisition Price Adjustment Date, the adjusted Conversion Price shall be calculated by treating the number of common shares deliverable upon the conversion, exchange, or exercise of all remaining Shares with Put Option Rights etc. as of the Acquisition Price Adjustment Date under the terms and conditions prevailing as of that date as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and applying the provisions of subsection (c) above. This adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date.

2) If an adjustment to the Conversion price under subsection (c) or 1) above has been made prior to the Acquisition Price Adjustment Date, and if the number of fully diluted common share defined in (iii)(f) below—calculated assuming all remaining Shares with Put Option Rights, etc. were converted, exchanged, or exercised as of the Acquisition Price Adjustment Date under the terms and conditions prevailing on that date—exceeds the number of already issued shares defined in (iii)(c) below assuming no adjustment has been made, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula. The adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date. If multiple revisions to the Acquisition Price, etc. are made within a single month, the adjusted Conversion Price shall be calculated using the Conversion Price Adjustment Formula based on the lowest revised Acquisition Price, etc. made during the month. The adjusted Conversion Price shall apply on or after the day following the last day of that month.

(f) If, in the cases described in subsections (a) through (c), a record date or shareholder reference date is set to determine shareholders eligible for the allotment of shares and the effectiveness of each adjustment is subject to approval by the Company's general shareholders' meeting, board of directors, or another corporate body after the record date or shareholder reference date, the adjusted Conversion Price shall apply on or after the day following the date of such approval, regardless of subsections (a) through (c). In this case, if stock acquisition rights were exercised during the period from the day following the record date or shareholder reference date until the approval date for the adjustment, the number of shares delivered shall be calculated using the following formula:

$$\text{Amount of Common Stock for} = \left(\text{Conversion Price Before Adjustment} - \text{Conversion Price After Adjustment}\right) \times \text{Amount of the Common Stock for Which the Delivery Was Made During the Relevant Period Based on the Conversion Price Before Adjustment}$$

Which Delivery Is Made — Conversion Price After Adjustment

Fractions of less than one share arising from this calculation shall be rounded down, and no cash adjustments shall be made for the discarded fraction.

(g) If securities or rights similar to those specified in subsections (a) through (e) are issued, the adjusted Conversion Price shall be calculated by applying the provisions of subsections (a) through (f) that correspond to the similar securities or rights.

(iii)(a) Calculations under the Conversion Price Adjustment Formula shall be carried out to two decimal places in yen, with any value beyond the second decimal place rounded down.

(b) The market value used in the Conversion Price Adjustment Formula shall be the average of the closing prices of the Company's common stock for regular transactions on the Tokyo Stock Exchange over 30 consecutive trading days, starting 45 trading days prior to the date the adjusted Conversion Price is applied (provided, however, that for subsection (ii)(f), the reference date shall be the record date or shareholder reference date). ("Trading days" refers to days on which transactions are conducted on the Tokyo Stock Exchange. [The same applies hereinafter]). Days without closing prices will be excluded, and the average value will be calculated to the nearest second decimal place, with values rounded down.

(c) The number of already issued shares used in the Conversion Price Adjustment Formula shall be calculated as follows: if a record date or shareholder reference date for shareholder allotments is set, it shall be based on the number of shares as of that date; if no record date or shareholder reference date is set, it shall be based on the number of issued common shares of the Company as of one month prior to the initial application of the adjusted Conversion Price, excluding the Company's treasury shares as of that date. Prior to the adjustment of the Conversion Price, the Company's common shares that were deemed as the "Number of Shares Issued or Disposed Of" under the subsection (ii) above or (iv) below but have not yet been delivered, shall be added to the calculation.

(d) In the event of a stock split of the Company's common stock, the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula shall exclude the number of common shares allocated from the Company's treasury shares on the record date or shareholder reference date.

(e) Consideration in subsection (ii) above refers to the payment amount for the issuance of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; in the case of stock acquisition rights [including those attached to bonds with stock acquisition rights] specified in subsection (ii)(c) above, the payment amount includes the value of assets contributed upon their exercise), minus the value of any cash or other assets (excluding the Company's common stock) delivered to the holders of the shares or stock acquisition rights upon their acquisition or exercise, divided by the number of common shares of the Company delivered upon such acquisition or exercise. For the purpose of Conversion Price adjustment, this consideration is treated as the per-share payment amount in the Conversion Price Adjustment Formula.

(f) In subsection (ii) above, the "number of fully diluted common shares" refers to the total number of issued common shares of the Company as of one month prior to the date on which the adjusted Conversion Price is applied, minus the number of the Company's treasury shares on that date. In case of subsection (ii)(d), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Callable Shares, etc. deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered in exchange for the acquisition of the Callable Shares, etc. shall be added. For subsection (ii)(e), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Shares with Put Option Rights, etc., deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered if all remaining Shares with Put Option Rights, etc. as of the Acquisition Price Adjustment Date are converted, exchanged, or exercised under the terms and conditions prevailing on that date shall be added.

(g) If the difference between the adjusted Conversion Price calculated using the Conversion Price Adjustment Formula and the pre-adjustment Conversion Price is less than 1 yen, no adjustment to the conversion price shall be made. However, if another event requiring adjustment occurs later, the pre-adjustment Conversion Price used in the formula will be replaced with the value obtained by subtracting this difference from the original pre-adjustment Conversion Price.

(iv) In addition to cases where adjustments to the Conversion Price are required as described in subsection (ii), the Company may adjust the Conversion Price under the following circumstances:

(a) Consolidation of shares, a merger in which the Company is the surviving entity, an absorption-type company split in which the Company is the successor, or a share exchange in which the Company becomes the wholly owning parent company

(b) Allotment of shares of another class without contribution to the Company's common shareholders

(c) Other events causing or potentially causing changes in the number of issued common shares of the Company

(d) Simultaneous occurrence of two or more events requiring a Conversion Price adjustment, where the impact of one event must be considered when calculating the market value for determining the adjusted Conversion Price based on the other event.

(v) When adjusting the Conversion Price under the provisions of this section, the Company shall notify the Bondholders in writing by the day prior to the effective date of the adjusted Conversion Price. This notification shall include the fact that the adjustment is being made, the reason for the adjustment, the pre-adjustment Conversion Price, the adjusted Conversion Price, the effective date of the adjustment, and any other necessary details. However, in cases where notification cannot be provided by the day prior to the effective date, the notification shall be issued promptly after the effective date.

(5) Period for Exercising Stock Acquisition Rights

The exercise period for the Stock Acquisition Rights shall be from January 11, 2025, to January 7, 2027 (the "Exercise Request Period"). However, the Stock Acquisition Rights may not be exercised during the following periods:

1) On the shareholder record date for the Company's common stock, as well as the two business days immediately preceding that date.
2) On days when the Japan Securities Depository Center determines that suspension of exercise is necessary.
3) From the bank business day immediately preceding the redemption date, if the Company redeems the Bonds early under Section 11, Items (3) through (7).

4) From the moment the Company loses the benefit of time on the Bonds under Section 16.

(6) Conditions for Exercising the Stock Acquisition Rights
Partial exercise of a single Stock Acquisition Right will not be permitted.

(7) Matters related to the increase in stated capital and capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition Rights

1) When shares are issued upon the exercise of Stock Acquisition Rights, the increase in stated capital shall be calculated as half the upper limit of the increase in stated capital, etc., as determined under Article 17 of the Regulations on Corporate Accounting. Any fractional amounts less than one yen resulting from the calculation shall be rounded up.

2) The increase in capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition rights shall be the amount obtained by subtracting the increase in stated capital from the upper limit of the increase in stated capital, etc. specified in 1) above.

(8) Handling of exercise requests for the Stock Acquisition Rights
The exercise requests for the Stock Acquisition Rights shall be handled at the exercise request acceptance location as specified in Section 21 (the "Exercise Request Acceptance Location").

(9) Method of Filing an Exercise Request for Stock Acquisition Rights

1) A Bondholder who intends to exercise the Stock Acquisition Rights must notify the Exercise Request Acceptance Location of all necessary details required to file an exercise request during the exercise request period.

2) Once the necessary procedures for an exercise request have been completed at the Exercise Request Acceptance Location, the request cannot be withdrawn.

(10) The exercise of the Stock Acquisition Rights becomes effective on the day the Exercise Request Acceptance Location receives notification of all required details necessary to process the exercise request.

15. Restriction on Providing Security

(1) As long as there is an outstanding balance of the Bonds with Stock Acquisition Rights, if the Company establishes a security interest for other convertible bonds with stock acquisition rights issued after the issuance of the Bonds with Stock Acquisition Rights, it must also establish a pari passu security interest for the Bonds with Stock Acquisition Rights in accordance with the Secured Bond Trust Act.

(2) If a security interest is established under item (1) above, the Company shall ensure that the security interest is sufficient to secure the Bonds with Stock Acquisition Rights. The Company must promptly complete the necessary procedures, including the registration of the security interest, and issue a public notice in accordance with Article 41, paragraph 4 of the Secured Bond Trust Act.

16. Special Provisions Regarding Loss of Benefit of Time

The Company shall immediately lose the benefit of time with respect to the Bonds if any of the following events occur:

1) Violation of the provisions of Section 11.
2) Violation of the provisions of Section 15.
3) The Company materially breaches a contract entered into with the Bondholders (including, but not limited to, a purchase agreement for the Bonds with Stock Acquisition Rights), and fails to remedy such breach within 30 days after receiving a notice from the Bondholders requesting correction.
4) The Company loses the benefit of time with respect to other bonds or is unable to repay such bonds upon maturity.

5) The Company loses the benefit of time with respect to borrowings other than bonds or is unable to repay such borrowings upon maturity, or is unable to fulfill its obligations under guarantees provided for bonds or borrowings of other entities, provided, however, that this provision shall not apply if the total amount of such obligations (converted to Japanese yen) does not exceed 100,000,000 yen.
6) The Company files a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or resolves at a board of directors' meeting to submit a proposal for dissolution (excluding mergers) to a shareholders' meeting.
7) The Company becomes subject to a decision to commence bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or receives an order to commence special liquidation.

17. Bond Administrator

A bond administrator will not be appointed for the Bonds.

18. Location for Handling Principal Payments (Principal Payment Location)

SymBio Pharmaceuticals Limited
4-1-28 Toranomon, Minato-ku, Tokyo

19. Method of Notification to Bondholders of the Bonds with Stock Acquisition Rights

Notifications to the Bondholders of the Bonds with Stock Acquisition Rights shall be made in accordance with the public announcement methods stipulated in the Company's Articles of Incorporation. However, unless otherwise stipulated by law, notifications may instead be made directly in writing to each Bondholder.

20. Matters Related to Bondholders' Meetings

(1) Bondholders' meetings for the Bonds shall be convened by the Company. At least two weeks prior to the meeting date, the Company shall issue a public notice or provide notification regarding the convening of the Bondholders' meeting and the matters prescribed in each item of Article 719 of the Companies Act.
(2) Unless otherwise agreed between the Bondholders of the Bonds with Stock Acquisition Rights and the Company, Bondholders' meetings for the Bonds shall be held in Tokyo.
(3) Bondholders of the Bonds with Stock Acquisition Rights who hold Bonds amounting to at least one-tenth of the total amount of Bonds of the same type (as defined in Article 681, Item 1 of the Companies Act), excluding redeemed amounts and amounts held by the Company, may submit a written request to the Company specifying the purpose and reasons for the Bondholders' meeting and request its convening.

21. Location for Submission of Exercise Requests

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department

22. Reason for Not Requiring Payment of Money in Exchange for the Stock Acquisition Rights

The Stock Acquisition Rights are attached to the Convertible Bonds with Stock Acquisition Rights and cannot be separated or transferred independently from the Bonds. Furthermore, the Bonds associated with the exercised Stock Acquisition Rights are contributed as property upon exercise. Considering the inseparable relationship between the Bonds and the Stock Acquisition Rights, as well as the economic value derived from the Stock Acquisition Rights, the interest rate of the Bonds, early redemption conditions, issuance price, and other issuance conditions, no payment of money is required in exchange for the Stock Acquisition Rights.

23. Miscellaneous Provisions

(1) After the payment date, the Company may amend these Terms and Conditions in accordance with the procedures under the Companies Act to the extent necessary to align the provisions related to the Bonds with Stock Acquisition Rights with the Companies Act.

(2) The provisions of these Terms and Conditions shall take effect subject to the effectiveness of a filing under the Financial Instruments and Exchange Act.

SymBio Pharmaceuticals Limited
Terms and Conditions of the Fifth Unsecured Convertible Bonds with Stock Acquisition Rights

1. Name of Bonds for Subscription

SymBio Pharmaceuticals Limited Fifth Unsecured Convertible Bonds with Stock Acquisition Rights (the "Bonds with Stock Acquisition Rights"; the bond portion alone is referred to as the "Bonds," and the stock acquisition rights portion alone is referred to as the "Stock Acquisition Rights").

2. Total Amount of Bonds for Subscription

600,000,000 yen. However, if the amount obtained by multiplying the maximum number of shares to be delivered (defined below) with the Conversion Price specified in Section 14, Item (4), Point 3) (the "Maximum Issuance Amount") falls below this specified amount, it shall be adjusted to the largest multiple of the amount specified in Section 3 that is less than, but closest to, the Maximum Issuance Amount.

The "maximum number of shares to be delivered" refers to [11,300,000] shares, minus the total number of shares that would be delivered if all the 4th Convertible Bonds with Stock Acquisition Rights of the Company were fully converted at their initial Conversion Price.

3. Amount of Each Bond

One type of 50,000,000 yen. The Bonds cannot be subdivided into amounts smaller than the specified denomination of each bond.

4. Amount to Be Paid

100 yen for 100 yen of the amount of each Bond.

(However, the payment amount for the Bonds with Stock Acquisition Rights shall be [within the range of, or greater than,] the value of the Bonds as calculated by an independent third-party valuation institution engaged by the Company, based on a pricing model reasonably selected by the third-party institution considering the terms and conditions for the issuance of the Bonds and the provisions stipulated in the agreement concluded between the Company and Cantor Fitzgerald Europe. The payment amount shall also ensure that the economic benefit the Company can derive from attaching the Stock Acquisition Rights to the Bonds—the effective consideration for the Stock Acquisition Rights—[is either approximately equal to or exceeds] the fair value of the Stock Acquisition Rights. If the specified payment amount differs from the amount determined under this section, the payment amount for the Bonds with Stock Acquisition Rights shall be adjusted accordingly.)

However, no payment of money is required in exchange for the Stock Acquisition Rights.

5. Form of Bonds with Stock Acquisition Rights

The Bonds with Stock Acquisition Rights will be issued in non-registered form, and no certificates for the Bonds or Stock Acquisition Rights will be issued.

In addition, pursuant to the main clauses of Article 254, paragraphs (2) and (3) of the Companies Act, the Bonds and the Stock Acquisition Rights may not be transferred independently of each other.

6. Interest Rate

From February 6, 2025, to February 5, 2026: Annual rate of 3.5%
From February 6, 2026, onward: Annual rate of 6.0%

7. Existence or Non-existence of Security and Guarantee

The Bonds with Stock Acquisition Rights are neither secured nor guaranteed, and no specific assets are reserved for the Bonds with Stock Acquisition Rights.

8. Application Deadline

February 5, 2025

9. Payment Due Date for Bonds and Allotment Date for Stock Acquisition Rights

February 5, 2025

10. Method of Offering

The entire amount will be allocated to Cantor Fitzgerald Europe through a third-party allotment.

11. Redemption Value, Method, and Due Date of the Bonds

(1) The Bonds will be fully redeemed on February 5, 2027 (the “Maturity Date”), at 100 yen for 100 yen of the amount of each Bond.
However, in the case of advance redemption, the provisions of Items (3) through (7) of this Section shall apply.

(2) If the redemption date specified in this Section falls on a bank holiday, the redemption shall be postponed to the next bank business day.

(3) Advance Redemption Due to Act of Restructuring
If an Act of Restructuring (as defined below) is approved at the Company’s general shareholders’ meeting (or, in cases where such approval is not required, if resolved at the Company’s board of directors meeting), the Company shall notify the holders of the Bonds with Stock Acquisition Rights (the "Bondholders") at least 30 days prior to the redemption date (which shall be a date before the effective date of the Act of Restructuring) and redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.
An "Act of Restructuring" refers to the execution of any merger agreement in which the Company becomes an extinct company, the execution of any absorption-type company split agreement or preparation of any incorporation-type company split plan (limited to cases where the obligations of the Company under the Bonds with Stock Acquisition Rights are assumed by the surviving company of the absorption-type company split or the newly incorporated company in the incorporation-type company split), or the execution of any share exchange agreement in which the Company becomes a subsidiary of another company, the preparation of any share transfer plan, or the preparation of any plan for share delivery under which the parent company resulting from the share delivery acquires all issued shares of the Company. It also includes any other corporate restructuring procedure under Japanese law in which the obligations of the Company under the Bonds are assumed by another company.
A subsidiary refers to a company in which more than 50% of the voting rights (including, to avoid any uncertainty, the ownership interest of general partners) or more than 50% of the issued equity is directly or indirectly owned by another individual, partnership, corporation, limited liability company, organization, trust, non-incorporated entity, or business entity at any given time.

Once the notification specified in this Item is issued, the Company may not revoke or rescind the notice of advance redemption.

(4) Advance Redemption Due to Delisting Associated with a Tender Offer

If a tender offer pursuant to the Financial Instruments and Exchange Act is conducted for the Company's common stock, the Company expresses an opinion in favor of the tender offer, and the Company or the tender offeror announces or accepts the possibility that the Company's common stock may be delisted from the Tokyo Stock Exchange as a result of the tender offer (excluding cases where the Company or the tender offeror announces efforts to maintain the listing of the Company's common stock after the tender offer), and if the tender offeror acquires the Company's common stock through the tender offer, the Company shall notify the Bondholders as soon as practicable and designate a redemption date in the notice (provided that the redemption date shall be a date before the delisting of the Company's common stock from the Tokyo Stock Exchange). On such redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the principal amount of each Bond.

If redemption obligations arise under both Item (3) and this Item, the procedures outlined in Item (3) shall apply. However, if the notification under this Item is issued before the conditions, including the consideration to be paid to shareholders due to the Act of Restructuring, are publicly disclosed, the procedures under this Item shall apply.

(5) Advance Redemption Due to Squeeze-out Event

If, following an amendment to the articles of incorporation to designate the Company's common stock as class shares subject to a class-wide call, a resolution is passed at the Company's general shareholders' meeting to acquire all common stock of the Company in exchange for consideration, if the Company's board of directors resolves to approve a demand for sale, etc., of shares by the Company's special controlling shareholder (as defined in Article 179, paragraph (1) of the Companies Act) to the Company's other shareholders, or if a resolution is passed at the Company's general shareholders' meeting approving a consolidation of common stock accompanied by delisting ("Squeeze-out Event"), the Company shall, as soon as practicable but within a reasonable timeframe, notify the Bondholders of the redemption date specified in such notice (which shall be a date prior to the acquisition date or effective date of the Squeeze-out Event). On the specified redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.

(6) Advance Redemption Due to Delisting or Designation as Securities Under Supervision

If a delisting event (as defined below) occurs with respect to the Company's common stock, or if the Tokyo Stock Exchange designates the Company's common stock as securities under supervision, the Bondholders may, at their option, notify the Company at least five business days prior to the planned redemption date. On the designated advance redemption date, the Bondholders may request redemption of all or part of their Bonds at 100 yen for 100 yen of the amount of each Bond.

A "delisting event" refers to any of the following: Any event specified in each item of Article 601, paragraph 1 of the Securities Listing Regulations of the Tokyo Stock Exchange occurs with respect to the Company or its corporate group; or the Company, following the payment due date for the Bonds with Stock Acquisition Rights, records a negative net worth as shown on its financial statements or consolidated financial statements as of the last day of a fiscal year, and such condition is not resolved within six months from the day following the last day of such fiscal year.

(7) Advance Redemption at the Company's Option

The Company may, with the prior written consent of the Bondholders, notify them at least one month in advance of the intended redemption date (which shall be a date prior to the redemption due date). On the

specified redemption date, the Company may redeem all or part of the remaining Bonds with Stock Acquisition Rights at 100 yen for 100 yen of the amount of each Bond. However, if the Company redeems all or part of the remaining Bonds with Stock Acquisition Rights before the redemption due date without obtaining prior written consent from the Bondholders, the Company must redeem the bonds on the redemption date at 110 yen for 100 yen of the amount of each Bond.

12. Method and Due Date for Interest Payment on the Bonds

(1) Interest on the Bonds shall accrue from the day following the payment due date (inclusive) until the redemption date (inclusive). The first interest payment date shall be March 31, 2025, and interest accrued up to that date (inclusive) will be paid. Thereafter, interest will be paid on June 30, September 30, December 31, and March 31 of each year for the interest calculation period from the day following the immediately preceding interest payment date (inclusive) (for the first interest payment date, from the payment due date) to the relevant interest payment date (inclusive). However, for interest calculation periods of less than one year, the interest shall be calculated on a pro-rata basis, assuming a year consists of 365 days. Any fractional amounts below one yen arising from the calculation will be rounded down.

(2) If an interest payment date falls on a bank holiday, payment will be advanced to the immediately preceding bank business day.

(3) If all or part of the Bonds are redeemed before the Maturity Date (the "Early Redemption Date"), interest on the redeemed bonds will accrue from the interest payment date immediately prior to the Early Redemption Date (inclusive; the payment due date for the first interest payment date) up to the Early Redemption Date (inclusive).

(4) If interest on the Bonds is not paid on the interest payment date, a late payment penalty at an annual rate of 14.6% will accrue on the unpaid interest for the period from the day following the interest payment date (inclusive) until the day the payment is made (inclusive).

(5) The Bonds will cease to accrue interest after the Maturity Date.

(6) If the Stock Acquisition Rights are exercised, the Bonds associated with the Stock Acquisition Rights will cease to accrue interest from the effective date of the exercise. In this case, interest accrued up to the effective date of the exercise will be paid on the interest payment date immediately following the effective date.

13. Repurchase and Cancellation

(1) The Company (or any of its affiliates or subsidiaries) may, at any time and at any price, repurchase the Bonds with Stock Acquisition Rights with the agreement of the Bondholders.

(2) If the Company (or any of its affiliates or subsidiaries) repurchases the Bonds with Stock Acquisition Rights, it may, at its discretion, cancel the Bonds at any time (in the case of repurchase by affiliates or subsidiaries,

after acquiring such Bonds from them for the purpose of cancellation). Upon cancellation of the Bonds, the associated Stock Acquisition Rights will be extinguished simultaneously.

14. Details of the Stock Acquisition Rights

(1) Number of Stock Acquisition Rights Attached to the Bonds

Each Bond shall be issued with one Stock Acquisition Right, and the total number of Stock Acquisition Rights issued shall be the smaller of either the integer obtained by dividing the Maximum Issuance Amount by the Bond amount of yen and truncating any decimal places, or 12.

(2) Payment of Money in Exchange for Stock Acquisition Rights

No payment of money is required in exchange for the Stock Acquisition Rights.

(3) Class and Number of Shares Underlying the Stock Acquisition Rights, and Method of Calculation

1) Class

Common stock of the Company

2) Number

The number of shares of the Company’s common stock that the Company will either newly issue or dispose of from its treasury stock (hereinafter collectively referred to as "delivery" of the Company’s common stock) upon the exercise of the Stock Acquisition Rights shall be calculated by dividing the total amount of the Bonds related to the exercise request by the Conversion Price defined in point (4) 3) below, and the largest integer obtained from this calculation shall apply. However, any fractions of less than one share arising from the calculation shall be rounded down, and no cash adjustment shall be made.

(4) Details and Amount or Calculation Method of Property to Be Contributed upon Exercise of the Stock Acquisition Rights

1) Property to Be Contributed upon Exercise

The Bonds to which the Stock Acquisition Rights are attached.

2) Amount of Contributed Property

The amount of the Bonds related to the exercised Stock Acquisition Rights.

3) Conversion Price

The initial Conversion Price shall be set at an amount equivalent to 90% of the closing price of the Company’s common stock for regular transactions on the Tokyo Stock Exchange on January 17, 2025, rounded up to the nearest 0.1 yen. However, it shall be adjusted in accordance with the provisions of Point 4) below.

4) Adjustment of Conversion Price:

(i) If the number of the Company’s common shares changes or is expected to change due to the reasons listed in subsection (ii) below after the issuance of the Bonds with Stock Acquisition Rights, the Conversion Price shall be adjusted according to the following formula (hereinafter referred to as the "Conversion Price Adjustment Formula")

$$\text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Already Issued Common Stock} + \dfrac{\text{Number of Shares Issued or Disposed Of} \times \text{Issuance or Disposition Price per Share}}{\text{Market Value}}}{\text{Number of Already Issued Common Stock} + \text{Number of Shares Issued or Disposed Of}}$$

(ii) Adjustments to the Conversion Price based on the Conversion Price Adjustment Formula and the timing for applying the adjusted Conversion Price are as follows:

(a) If the Company delivers its common stock at a payment amount lower than the market value defined in subsection (iii)(b) below (excluding cases where shares are issued to directors and employees of the Company or its affiliates under a restricted stock compensation plan; shares are issued in exchange for shares with put option rights, callable shares, or callable stock acquisition rights [including those attached to bonds with stock acquisition rights] issued by the Company; shares are issued in response to the exercise of stock acquisition rights [including those attached to bonds with stock acquisition rights] or other securities or rights entitling the holder to claim or exercise a right to acquire the Company's common stock; or shares are issued as part of a company split, share exchange, merger, or share delivery), the adjusted Conversion Price shall apply on or after the day following the payment date (or if a payment period is specified for the issuance, on or after the day following the last day of the payment period). If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date.

(b) If the Company issues common stock through a stock split or grants common stock without requiring contributions (the "Stock Split, etc."), the adjusted Conversion Price shall apply on or after the day following the record date or shareholder reference date established to determine the shareholders eligible to receive shares through the Stock Split, etc. (if no record date or reference date is established, on or after the day following the effective date).

(c) If the Company issues shares with put option rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) below (including cases of allotment without contribution) or issues stock acquisition rights (including those attached to bonds with stock acquisition rights) or other securities or rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) (excluding cases where such stock acquisition rights are granted to directors and employees of the Company or its affiliates as stock options based on a resolution of the Company's Board of Directors, or stock acquisition rights [including those attached to bonds with stock acquisition rights] are granted to Cantor Fitzgerald Europe or affiliates [the "affiliate" of Cantor Fitzgerald Europe refers to any entity that, as of the time of the allotment resolution, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Cantor Fitzgerald, L.P., excluding BCG Group, Inc. and its subsidiaries]), the adjusted Conversion Price shall be calculated by applying the Conversion Price Adjustment Formula, assuming that all the shares with put option rights, stock acquisition rights (including those attached to bonds with stock acquisition rights), or other securities or rights (the "Shares with Put Option Rights, etc.") have been exercised under their initial terms and conditions, resulting in the delivery of the Company's common stock. The adjusted Conversion Price shall apply on or after the payment date (in the case of stock acquisition rights and bonds with stock acquisition rights, the allotment date) or, for allotments without contribution, on or after the day following the effective date. If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date. However, if the Shares with Put Option Rights, etc., as defined here, are issued as a defense against corporate acquisition and the Company publicly announces this purpose and notifies the Bondholders, the adjusted Conversion Price shall be calculated using the Conversion

Price Adjustment Formula, assuming that the Company's common stock has been delivered on the date when, under the terms and conditions for the Shares with Put Option Rights, etc., a request for acquisition, acquisition under callable provisions, or exercise became possible (the "Conversion/Exercise Start Date"). The adjusted Conversion Price shall apply on or after the day following the Conversion/Exercise Start Date.

(d) If the Company delivers common stock at a price below the market value specified in subsection (iii)(b) below in exchange for callable shares or callable stock acquisition rights (including those attached to bonds with stock acquisition rights) (the "Callable Shares, etc."), the adjusted Conversion Price shall apply on or after the day following the acquisition date.

Notwithstanding the foregoing, if the Conversion Price adjustment under subsection (ii)(c) above or (ii)(e) below has been made before the acquisition of the Callable Shares, etc., the following provisions shall apply:

1) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below exceeds the number of already issued shares defined in subsection (iii)(c) below immediately prior to the delivery, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and apply the formula accordingly.

2) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below does not exceed the number of already issued shares defined in subsection (iii)(c) below immediately prior to the delivery, no adjustment provided herein will be applied.

(e) If the consideration per share of the Company's common stock under the terms and conditions for the issuance of the Shares with Put Option Rights, etc. (referred to as the "Acquisition Price, etc." herein) is revised downward (excluding adjustments made under anti-dilution provisions similar to provisions provided here) and the revised Acquisition Price, etc. is lower than the market value defined in subsection (iii)(b) below as of the date of the revision (the "Acquisition Price Adjustment Date"), the following provisions shall apply:

1) If no adjustment to the Conversion Price under subsection (c) above has been made for the Shares with Put Option Rights, etc. prior to the Acquisition Price Adjustment Date, the adjusted Conversion Price shall be calculated by treating the number of common shares deliverable upon the conversion, exchange, or exercise of all remaining Shares with Put Option Rights etc. as of the Acquisition Price Adjustment Date under the terms and conditions prevailing as of that date as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and applying the provisions of subsection (c) above. This adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date.

2) If an adjustment to the Conversion price under subsection (c) or 1) above has been made prior to the Acquisition Price Adjustment Date, and if the number of fully diluted common share defined in (iii)(f) below—calculated assuming all remaining Shares with Put Option Rights, etc. were converted, exchanged, or exercised as of the Acquisition Price Adjustment Date under the terms and conditions prevailing on that date—exceeds the number of already issued shares defined in (iii)(c) below assuming no adjustment has been made, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares

Issued or Disposed Of" in the Conversion Price Adjustment Formula. The adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date. If multiple revisions to the Acquisition Price, etc. are made within a single month, the adjusted Conversion Price shall be calculated using the Conversion Price Adjustment Formula based on the lowest revised Acquisition Price, etc. made during the month. The adjusted Conversion Price shall apply on or after the day following the last day of that month.

(f) If, in the cases described in subsections (a) through (c), a record date or shareholder reference date is set to determine shareholders eligible for the allotment of shares and the effectiveness of each adjustment is subject to approval by the Company's general shareholders' meeting, board of directors, or another corporate body after the record date or shareholder reference date, the adjusted Conversion Price shall apply on or after the day following the date of such approval, regardless of subsections (a) through (c). In this case, if stock acquisition rights were exercised during the period from the day following the record date or shareholder reference date until the approval date for the adjustment, the number of shares delivered shall be calculated using the following formula:

$$\text{Amount of Common Stock for Which Delivery Is Made} = \frac{\left(\text{Conversion Price Before Adjustment} - \text{Conversion Price After Adjustment}\right) \times \text{Amount of the Common Stock for Which the Delivery Was Made During the Relevant Period Based on the Conversion Price Before Adjustment}}{\text{Conversion Price After Adjustment}}$$

Fractions of less than one share arising from this calculation shall be rounded down, and no cash adjustments shall be made for the discarded fraction.

(g) If securities or rights similar to those specified in subsections (a) through (e) are issued, the adjusted Conversion Price shall be calculated by applying the provisions of subsections (a) through (f) that correspond to the similar securities or rights.

(iii)(a) Calculations under the Conversion Price Adjustment Formula shall be carried out to two decimal places in yen, with any value beyond the second decimal place rounded down.

(b) The market value used in the Conversion Price Adjustment Formula shall be the average of the closing prices of the Company's common stock for regular transactions on the Tokyo Stock Exchange over 30 consecutive trading days, starting 45 trading days prior to the date the adjusted Conversion Price is applied (provided, however, that for subsection (ii)(f), the reference date shall be the record date or shareholder reference date). ("Trading days" refers to days on which transactions are conducted on the Tokyo Stock Exchange. [The same applies hereinafter]). Days without closing prices will be excluded, and the average value will be calculated to the nearest second decimal place, with values rounded down.

(c) The number of already issued shares used in the Conversion Price Adjustment Formula shall be calculated as follows: if a record date or shareholder reference date for shareholder allotments is set, it shall be based on the number of shares as of that date; if no record date or shareholder reference date is set, it shall be based on the number of issued common shares of the Company as of one month prior to the initial application of the adjusted Conversion Price, excluding the Company's treasury shares as of that date. Prior to the adjustment of the Conversion Price, the Company's common shares that were deemed as the "Number of Shares Issued or Disposed Of" under the subsection (ii) above or (iv) below but have not yet been delivered, shall be added to the calculation.

(d) In the event of a stock split of the Company's common stock, the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula shall exclude the number of common shares allocated from the Company's treasury shares on the record date or shareholder reference date.

(e) Consideration in subsection (ii) above refers to the payment amount for the issuance of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; in the case of stock acquisition rights [including those attached to bonds with stock acquisition rights] specified in subsection (ii)(c) above, the payment amount includes the value of assets contributed upon their exercise), minus the value of any cash or other assets (excluding the Company's common stock) delivered to the holders of the shares or stock acquisition rights upon their acquisition or exercise, divided by the number of common shares of the Company delivered upon such acquisition or exercise. For the purpose of Conversion Price adjustment, this consideration is treated as the per-share payment amount in the Conversion Price Adjustment Formula.

(f) In subsection (ii) above, the "number of fully diluted common shares" refers to the total number of issued common shares of the Company as of one month prior to the date on which the adjusted Conversion Price is applied, minus the number of the Company's treasury shares on that date. In case of subsection (ii)(d), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Callable Shares, etc. deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered in exchange for the acquisition of the Callable Shares, etc. shall be added. For subsection (ii)(e), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Shares with Put Option Rights, etc., deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered if all remaining Shares with Put Option Rights, etc. as of the Acquisition Price Adjustment Date are converted, exchanged, or exercised under the terms and conditions prevailing on that date shall be added.

(g) If the difference between the adjusted Conversion Price calculated using the Conversion Price Adjustment Formula and the pre-adjustment Conversion Price is less than 1 yen, no adjustment to the conversion price shall be made. However, if another event requiring adjustment occurs later, the pre-adjustment Conversion Price used in the formula will be replaced with the value obtained by subtracting this difference from the original pre-adjustment Conversion Price.

(iv) In addition to cases where adjustments to the Conversion Price are required as described in subsection (ii), the Company may adjust the Conversion Price under the following circumstances:

(a) Consolidation of shares, a merger in which the Company is the surviving entity, an absorption-type company split in which the Company is the successor, or a share exchange in which the Company becomes the wholly owning parent company

(b) Allotment of shares of another class without contribution to the Company's common shareholders

(c) Other events causing or potentially causing changes in the number of issued common shares of the Company

(d) Simultaneous occurrence of two or more events requiring a Conversion Price adjustment, where the impact of one event must be considered when calculating the market value for determining the adjusted Conversion Price based on the other event.

(v) When adjusting the Conversion Price under the provisions of this section, the Company shall notify the Bondholders in writing by the day prior to the effective date of the adjusted Conversion Price. This notification shall include the fact that the adjustment is being made, the reason for the adjustment, the pre-adjustment Conversion Price, the adjusted Conversion Price, the effective date of the adjustment, and any other necessary details. However, in cases where notification cannot be provided by the day prior to the effective date, the notification shall be issued promptly after the effective date.

(5) Period for Exercising Stock Acquisition Rights

The exercise period for the Stock Acquisition Rights shall be from February 6, 2025, to February 3, 2027 (the "Exercise Request Period"). However, the Stock Acquisition Rights may not be exercised during the following periods:

1) On the shareholder record date for the Company’s common stock, as well as the two business days immediately preceding that date.
2) On days when the Japan Securities Depository Center determines that suspension of exercise is necessary.
3) From the bank business day immediately preceding the redemption date, if the Company redeems the Bonds early under Section 11, Items (3) through (7).
4) From the moment the Company loses the benefit of time on the Bonds under Section 16.

(6) Conditions for Exercising the Stock Acquisition Rights

Partial exercise of a single Stock Acquisition Right will not be permitted.

(7) Matters related to the increase in stated capital and capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition Rights

1) When shares are issued upon the exercise of Stock Acquisition Rights, the increase in stated capital shall be calculated as half the upper limit of the increase in stated capital, etc., as determined under Article 17 of the Regulations on Corporate Accounting. Any fractional amounts less than one yen resulting from the calculation shall be rounded up.
2) The increase in capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition rights shall be the amount obtained by subtracting the increase in stated capital from the upper limit of the increase in stated capital, etc. specified in 1) above.

(8) Handling of exercise requests for the Stock Acquisition Rights

The exercise requests for the Stock Acquisition Rights shall be handled at the exercise request acceptance location as specified in Section 21 (the “Exercise Request Acceptance Location”).

(9) Method of Filing an Exercise Request for Stock Acquisition Rights

1) A Bondholder who intends to exercise the Stock Acquisition Rights must notify the Exercise Request Acceptance Location of all necessary details required to file an exercise request during the exercise period.
2) Once the necessary procedures for an exercise request have been completed at the Exercise Request Acceptance Location, the request cannot be withdrawn.

(10) The exercise of the Stock Acquisition Rights becomes effective on the day the Exercise Request Acceptance Location receives notification of all required details necessary to process the exercise request.

15. Restriction on Providing Security

(1) As long as there is an outstanding balance of the Bonds with Stock Acquisition Rights, if the Company establishes a security interest for other convertible bonds with stock acquisition rights issued after the issuance of the Bonds with Stock Acquisition Rights, it must also establish a pari passu security interest for the Bonds with Stock Acquisition Rights in accordance with the Secured Bond Trust Act.

(2) If a security interest is established under item (1) above, the Company shall ensure that the security interest is sufficient to secure the Bonds with Stock Acquisition Rights. The Company must promptly complete the necessary procedures, including the registration of the security interest, and issue a public notice in accordance with Article 41, paragraph 4 of the Secured Bond Trust Act.

16. Special Provisions Regarding Loss of Benefit of Time

The Company shall immediately lose the benefit of time with respect to the Bonds if any of the following events occur:

1) Violation of the provisions of Section 11.
2) Violation of the provisions of Section 15.
3) The Company materially breaches a contract entered into with the Bondholders (including, but not limited to, a purchase agreement for the Bonds with Stock Acquisition Rights), and fails to remedy such breach within 30 days after receiving a notice from the Bondholders requesting correction.
4) The Company loses the benefit of time with respect to other bonds or is unable to repay such bonds upon maturity.
5) The Company loses the benefit of time with respect to borrowings other than bonds or is unable to repay such borrowings upon maturity, or is unable to fulfill its obligations under guarantees provided for bonds or borrowings of other entities, provided, however, that this provision shall not apply if the total amount of such obligations (converted to Japanese yen) does not exceed 100,000,000 yen.
6) The Company files a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or resolves at a board of directors' meeting to submit a proposal for dissolution (excluding mergers) to a shareholders' meeting.
7) The Company becomes subject to a decision to commence bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or receives an order to commence special liquidation.

17. Bond Administrator

A bond administrator will not be appointed for the Bonds.

18. Location for Handling Principal Payments (Principal Payment Location)

SymBio Pharmaceuticals Limited
4-1-28 Toranomon, Minato-ku, Tokyo

19. Method of Notification to Bondholders of the Bonds with Stock Acquisition Rights

Notifications to the Bondholders of the Bonds with Stock Acquisition Rights shall be made in accordance with the public announcement methods stipulated in the Company's Articles of Incorporation. However, unless otherwise stipulated by law, notifications may instead be made directly in writing to each Bondholder.

20. Matters Related to Bondholders' Meetings

(1) Bondholders’ meetings for the Bonds shall be convened by the Company. At least two weeks prior to the meeting date, the Company shall issue a public notice or provide notification regarding the convening of the Bondholders’ meeting and the matters prescribed in each item of Article 719 of the Companies Act.

(2) Unless otherwise agreed between the Bondholders of the Bonds with Stock Acquisition Rights and the Company, Bondholders’ meetings for the Bonds shall be held in Tokyo.

(3) Bondholders of the Bonds with Stock Acquisition Rights who hold Bonds amounting to at least one-tenth of the total amount of Bonds of the same type (as defined in Article 681, Item 1 of the Companies Act), excluding redeemed amounts and amounts held by the Company, may submit a written request to the Company specifying the purpose and reasons for the Bondholders’ meeting and request its convening.

21. Location for Submission of Exercise Requests

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department

22. Reason for Not Requiring Payment of Money in Exchange for the Stock Acquisition Rights

The Stock Acquisition Rights are attached to the Convertible Bonds with Stock Acquisition Rights and cannot be separated or transferred independently from the Bonds. Furthermore, the Bonds associated with the exercised Stock Acquisition Rights are contributed as property upon exercise. Given the inseparable relationship between the Bonds and the Stock Acquisition Rights, as well as the economic value derived from the Stock Acquisition Rights, the interest rate of the Bonds, early redemption conditions, and other issuance conditions, the payment amount for the Bonds is set in accordance with the provisions of Section 4. Therefore, no payment of money is required in exchange for the Stock Acquisition Rights.

23. Miscellaneous Provisions

(1) After the payment date, the Company may amend these Terms and Conditions in accordance with the procedures under the Companies Act to the extent necessary to align the provisions related to the Bonds with Stock Acquisition Rights with the Companies Act.

(2) The provisions of these Terms and Conditions shall take effect subject to the effectiveness of a filing under the Financial Instruments and Exchange Act.

SymBio Pharmaceuticals Limited

Terms and Conditions of the Sixth Unsecured Convertible Bonds with Stock Acquisition Rights

1. Name of Bonds for Subscription

SymBio Pharmaceuticals Limited Sixth Unsecured Convertible Bonds with Stock Acquisition Rights (the "Bonds with Stock Acquisition Rights"; the bond portion alone is referred to as the "Bonds," and the stock acquisition rights portion alone is referred to as the "Stock Acquisition Rights").

2. Total Amount of Bonds for Subscription

600,000,000 yen. However, if the amount obtained by multiplying the maximum number of shares to be delivered (defined below) with the Conversion Price specified in Section 14, Item (4), Point 3) (the "Maximum Issuance Amount") falls below this specified amount, it shall be adjusted to the largest multiple of the amount specified in Section 3 that is less than, but closest to, the Maximum Issuance Amount.

The "maximum number of shares to be delivered" refers to [11,300,000] shares, minus the total number of shares that would be delivered if all the 4th and 5th Convertible Bonds with Stock Acquisition Rights of the Company were fully converted at their initial Conversion Price.

3. Amount of Each Bond

One type of 50,000,000 yen. The Bonds cannot be subdivided into amounts smaller than the specified denomination of each bond.

4. Amount to Be Paid

100 yen for 100 yen of the amount of each Bond.

(However, the payment amount for the Bonds with Stock Acquisition Rights shall be [within the range of, or greater than,] the value of the Bonds as calculated by an independent third-party valuation institution engaged by the Company, based on a pricing model reasonably selected by the third-party institution considering the terms and conditions for the issuance of the Bonds and the provisions stipulated in the agreement concluded between the Company and Cantor Fitzgerald Europe. The payment amount shall also ensure that the economic benefit the Company can derive from attaching the Stock Acquisition Rights to the Bonds—the effective consideration for the Stock Acquisition Rights—[is either approximately equal to or exceeds] the fair value of the Stock Acquisition Rights. If the specified payment amount differs from the amount determined under this section, the payment amount for the Bonds with Stock Acquisition Rights shall be adjusted accordingly.)

However, no payment of money is required in exchange for the Stock Acquisition Rights.

5. Form of Bonds with Stock Acquisition Rights

The Bonds with Stock Acquisition Rights will be issued in non-registered form, and no certificates for the Bonds or Stock Acquisition Rights will be issued.

In addition, pursuant to the main clauses of Article 254, paragraphs (2) and (3) of the Companies Act, the Bonds and the Stock Acquisition Rights may not be transferred independently of each other.

6. Interest Rate

From March 11, 2025, to March 10, 2026: Annual rate of 3.5%
From March 11, 2026, onward: Annual rate of 6.0%

7. Existence or Non-existence of Security and Guarantee

The Bonds with Stock Acquisition Rights are neither secured nor guaranteed, and no specific assets are reserved for the Bonds with Stock Acquisition Rights.

8. Application Deadline

March 10, 2025

9. Payment Due Date for Bonds and Allotment Date for Stock Acquisition Rights

March 10, 2025

10. Method of Offering

The entire amount will be allocated to Cantor Fitzgerald Europe through a third-party allotment.

11. Redemption Value, Method, and Due Date of the Bonds

(1) The Bonds will be fully redeemed on March 10, 2027 (the "Maturity Date"), at 100 yen for 100 yen of the amount of each Bond.
However, in the case of advance redemption, the provisions of Items (3) through (7) of this Section shall apply.

(2) If the redemption date specified in this Section falls on a bank holiday, the redemption shall be postponed to the next bank business day.

(3) Advance Redemption Due to Act of Restructuring
If an Act of Restructuring (as defined below) is approved at the Company's general shareholders' meeting (or, in cases where such approval is not required, if resolved at the Company's board of directors meeting), the Company shall notify the holders of the Bonds with Stock Acquisition Rights (the "Bondholders") at least 30 days prior to the redemption date (which shall be a date before the effective date of the Act of Restructuring) and redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.
An "Act of Restructuring" refers to the execution of any merger agreement in which the Company becomes an extinct company, the execution of any absorption-type company split agreement or preparation of any incorporation-type company split plan (limited to cases where the obligations of the Company under the Bonds with Stock Acquisition Rights are assumed by the surviving company of the absorption-type company split or the newly incorporated company in the incorporation-type company split), or the execution of any share exchange agreement in which the Company becomes a subsidiary of another company, the preparation of any share transfer plan, or the preparation of any plan for share delivery under which the parent company resulting from the share delivery acquires all issued shares of the Company. It also includes any other corporate restructuring procedure under Japanese law in which the obligations of the Company under the Bonds are assumed by another company.
A subsidiary refers to a company in which more than 50% of the voting rights (including, to avoid any uncertainty, the ownership interest of general partners) or more than 50% of the issued equity is directly or indirectly owned by another individual, partnership, corporation, limited liability company, organization, trust, non-incorporated entity, or business entity at any given time.

Once the notification specified in this Item is issued, the Company may not revoke or rescind the notice of advance redemption.

(4) Advance Redemption Due to Delisting Associated with a Tender Offer

If a tender offer pursuant to the Financial Instruments and Exchange Act is conducted for the Company's common stock, the Company expresses an opinion in favor of the tender offer, and the Company or the tender offeror announces or accepts the possibility that the Company's common stock may be delisted from the Tokyo Stock Exchange as a result of the tender offer (excluding cases where the Company or the tender offeror announces efforts to maintain the listing of the Company's common stock after the tender offer), and if the tender offeror acquires the Company's common stock through the tender offer, the Company shall notify the Bondholders as soon as practicable and designate a redemption date in the notice (provided that the redemption date shall be a date before the delisting of the Company's common stock from the Tokyo Stock Exchange). On such redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the principal amount of each Bond.

If redemption obligations arise under both Item (3) and this Item, the procedures outlined in Item (3) shall apply. However, if the notification under this Item is issued before the conditions, including the consideration to be paid to shareholders due to the Act of Restructuring, are publicly disclosed, the procedures under this Item shall apply.

(5) Advance Redemption Due to Squeeze-out Event

If, following an amendment to the articles of incorporation to designate the Company's common stock as class shares subject to a class-wide call, a resolution is passed at the Company's general shareholders' meeting to acquire all common stock of the Company in exchange for consideration, if the Company's board of directors resolves to approve a demand for sale, etc., of shares by the Company's special controlling shareholder (as defined in Article 179, paragraph (1) of the Companies Act) to the Company's other shareholders, or if a resolution is passed at the Company's general shareholders' meeting approving a consolidation of common stock accompanied by delisting ("Squeeze-out Event"), the Company shall, as soon as practicable but within a reasonable timeframe, notify the Bondholders of the redemption date specified in such notice (which shall be a date prior to the acquisition date or effective date of the Squeeze-out Event). On the specified redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.

(6) Advance Redemption Due to Delisting or Designation as Securities Under Supervision

If a delisting event (as defined below) occurs with respect to the Company's common stock, or if the Tokyo Stock Exchange designates the Company's common stock as securities under supervision, the Bondholders may, at their option, notify the Company at least five business days prior to the planned redemption date. On the designated advance redemption date, the Bondholders may request redemption of all or part of their Bonds at 100 yen for 100 yen of the amount of each Bond.

A "delisting event" refers to any of the following: Any event specified in each item of Article 601, paragraph 1 of the Securities Listing Regulations of the Tokyo Stock Exchange occurs with respect to the Company or its corporate group; or the Company, following the payment due date for the Bonds with Stock Acquisition Rights, records a negative net worth as shown on its financial statements or consolidated financial statements as of the last day of a fiscal year, and such condition is not resolved within six months from the day following the last day of such fiscal year.

(7) Advance Redemption at the Company's Option

The Company may, with the prior written consent of the Bondholders, notify them at least one month in advance of the intended redemption date (which shall be a date prior to the redemption due date). On the

specified redemption date, the Company may redeem all or part of the remaining Bonds with Stock Acquisition Rights at 100 yen for 100 yen of the amount of each Bond. However, if the Company redeems all or part of the remaining Bonds with Stock Acquisition Rights before the redemption due date without obtaining prior written consent from the Bondholders, the Company must redeem the bonds on the redemption date at 110 yen for 100 yen of the amount of each Bond.

12. Method and Due Date for Interest Payment on the Bonds

(1) Interest on the Bonds shall accrue from the day following the payment due date (inclusive) until the redemption date (inclusive). The first interest payment date shall be March 31, 2025, and interest accrued up to that date (inclusive) will be paid. Thereafter, interest will be paid on June 30, September 30, December 31, and March 31 of each year for the interest calculation period from the day following the immediately preceding interest payment date (inclusive) (for the first interest payment date, from the payment due date) to the relevant interest payment date (inclusive). However, for interest calculation periods of less than one year, the interest shall be calculated on a pro-rata basis, assuming a year consists of 365 days. Any fractional amounts below one yen arising from the calculation will be rounded down.

(2) If an interest payment date falls on a bank holiday, payment will be advanced to the immediately preceding bank business day.

(3) If all or part of the Bonds are redeemed before the Maturity Date (the “Early Redemption Date”), interest on the redeemed bonds will accrue from the interest payment date immediately prior to the Early Redemption Date (inclusive; the payment due date for the first interest payment date) up to the Early Redemption Date (inclusive).

(4) If interest on the Bonds is not paid on the interest payment date, a late payment penalty at an annual rate of 14.6% will accrue on the unpaid interest for the period from the day following the interest payment date (inclusive) until the day the payment is made (inclusive).

(5) The Bonds will cease to accrue interest after the Maturity Date.

(6) If the Stock Acquisition Rights are exercised, the Bonds associated with the Stock Acquisition Rights will cease to accrue interest from the effective date of the exercise. In this case, interest accrued up to the effective date of the exercise will be paid on the interest payment date immediately following the effective date.

13. Repurchase and Cancellation

(1) The Company (or any of its affiliates or subsidiaries) may, at any time and at any price, repurchase the Bonds with Stock Acquisition Rights with the agreement of the Bondholders.

(2) If the Company (or any of its affiliates or subsidiaries) repurchases the Bonds with Stock Acquisition Rights, it may, at its discretion, cancel the Bonds at any time (in the case of repurchase by affiliates or subsidiaries, after acquiring such Bonds from them for the purpose of cancellation). Upon cancellation of the Bonds, the associated Stock Acquisition Rights will be extinguished simultaneously.

14. Details of the Stock Acquisition Rights

(1) Number of Stock Acquisition Rights Attached to the Bonds

Each Bond shall be issued with one Stock Acquisition Right, and the total number of Stock Acquisition Rights issued shall be the smaller of either the integer obtained by dividing the Maximum Issuance Amount by the Bond amount of yen and truncating any decimal places, or 12.

(2) Payment of Money in Exchange for Stock Acquisition Rights

No payment of money is required in exchange for the Stock Acquisition Rights.

(3) Class and Number of Shares Underlying the Stock Acquisition Rights, and Method of Calculation

1) Class

Common stock of the Company

2) Number

The number of shares of the Company's common stock that the Company will either newly issue or dispose of from its treasury stock (hereinafter collectively referred to as "delivery" of the Company's common stock) upon the exercise of the Stock Acquisition Rights shall be calculated by dividing the total amount of the Bonds related to the exercise request by the Conversion Price defined in point (4) 3) below, and the largest integer obtained from this calculation shall apply. However, any fractions of less than one share arising from the calculation shall be rounded down, and no cash adjustment shall be made.

(4) Details and Amount or Calculation Method of Property to Be Contributed upon Exercise of the Stock Acquisition Rights

1) Property to Be Contributed upon Exercise

The Bonds to which the Stock Acquisition Rights are attached.

2) Amount of Contributed Property

The amount of the Bonds related to the exercised Stock Acquisition Rights.

3) Conversion Price

The initial Conversion Price shall be set at an amount equivalent to 90% of the closing price of the Company's common stock for regular transactions on the Tokyo Stock Exchange on February 20, 2025, rounded up to the nearest 0.1 yen. However, it shall be adjusted in accordance with the provisions of Point 4) below.

4) Adjustment of Conversion Price:

(i) If the number of the Company's common shares changes or is expected to change due to the reasons listed in subsection (ii) below after the issuance of the Bonds with Stock Acquisition Rights, the Conversion Price shall be adjusted according to the following formula (hereinafter referred to as the "Conversion Price Adjustment Formula")

$$\text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Already Issued Common Stock} + \dfrac{\text{Number of Shares Issued or Disposed Of} \times \text{Issuance or Disposition Price per Share}}{\text{Market Value}}}{\text{Number of Already Issued Common Stock} + \text{Number of Shares Issued or Disposed Of}}$$

(ii) Adjustments to the Conversion Price based on the Conversion Price Adjustment Formula and the timing for applying the adjusted Conversion Price are as follows:

(a) If the Company delivers its common stock at a payment amount lower than the market value defined in subsection (iii)(b) below (excluding cases where shares are issued to directors and employees of the Company or its affiliates under a restricted stock compensation plan; shares are issued in exchange for shares with put option rights, callable shares, or callable stock acquisition rights [including those attached to bonds with stock acquisition rights] issued by the Company;

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shares are issued in response to the exercise of stock acquisition rights [including those attached to bonds with stock acquisition rights] or other securities or rights entitling the holder to claim or exercise a right to acquire the Company's common stock; or shares are issued as part of a company split, share exchange, merger, or share delivery), the adjusted Conversion Price shall apply on or after the day following the payment date (or if a payment period is specified for the issuance, on or after the day following the last day of the payment period). If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date.

(b) If the Company issues common stock through a stock split or grants common stock without requiring contributions (the "Stock Split, etc."), the adjusted Conversion Price shall apply on or after the day following the record date or shareholder reference date established to determine the shareholders eligible to receive shares through the Stock Split, etc. (if no record date or reference date is established, on or after the day following the effective date).

(c) If the Company issues shares with put option rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) below (including cases of allotment without contribution) or issues stock acquisition rights (including those attached to bonds with stock acquisition rights) or other securities or rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) (excluding cases where such stock acquisition rights are granted to directors and employees of the Company or its affiliates as stock options based on a resolution of the Company's Board of Directors, or stock acquisition rights [including those attached to bonds with stock acquisition rights] are granted to Cantor Fitzgerald Europe or affiliates [the "affiliate" of Cantor Fitzgerald Europe refers to any entity that, as of the time of the allotment resolution, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Cantor Fitzgerald, L.P., excluding BCG Group, Inc. and its subsidiaries]), the adjusted Conversion Price shall be calculated by applying the Conversion Price Adjustment Formula, assuming that all the shares with put option rights, stock acquisition rights (including those attached to bonds with stock acquisition rights), or other securities or rights (the "Shares with Put Option Rights, etc.") have been exercised under their initial terms and conditions, resulting in the delivery of the Company's common stock. The adjusted Conversion Price shall apply on or after the payment date (in the case of stock acquisition rights and bonds with stock acquisition rights, the allotment date) or, for allotments without contribution, on or after the day following the effective date. If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date. However, if the Shares with Put Option Rights, etc., as defined here, are issued as a defense against corporate acquisition and the Company publicly announces this purpose and notifies the Bondholders, the adjusted Conversion Price shall be calculated using the Conversion Price Adjustment Formula, assuming that the Company's common stock has been delivered on the date when, under the terms and conditions for the Shares with Put Option Rights, etc., a request for acquisition, acquisition under callable provisions, or exercise became possible (the "Conversion/Exercise Start Date"). The adjusted Conversion Price shall apply on or after the day following the Conversion/Exercise Start Date.

(d) If the Company delivers common stock at a price below the market value specified in subsection (iii)(b) below in exchange for callable shares or callable stock acquisition rights (including those attached to bonds with stock acquisition rights) (the "Callable Shares, etc."), the adjusted

Conversion Price shall apply on or after the day following the acquisition date.

Notwithstanding the foregoing, if the Conversion Price adjustment under subsection (ii)(c) above or (ii)(e) below has been made before the acquisition of the Callable Shares, etc., the following provisions shall apply:

1) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below exceeds the number of already issued shares defined in subsection (iii)(c) below immediately prior to the delivery, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and apply the formula accordingly.
2) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below does not exceed the number of already issued shares defined in subsection (iii)(c) below immediately prior to the delivery, no adjustment provided herein will be applied.

(e) If the consideration per share of the Company's common stock under the terms and conditions for the issuance of the Shares with Put Option Rights, etc. (referred to as the "Acquisition Price, etc." herein) is revised downward (excluding adjustments made under anti-dilution provisions similar to provisions provided here) and the revised Acquisition Price, etc. is lower than the market value defined in subsection (iii)(b) below as of the date of the revision (the "Acquisition Price Adjustment Date"), the following provisions shall apply:

1) If no adjustment to the Conversion Price under subsection (c) above has been made for the Shares with Put Option Rights, etc. prior to the Acquisition Price Adjustment Date, the adjusted Conversion Price shall be calculated by treating the number of common shares deliverable upon the conversion, exchange, or exercise of all remaining Shares with Put Option Rights etc. as of the Acquisition Price Adjustment Date under the terms and conditions prevailing as of that date as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and applying the provisions of subsection (c) above. This adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date.
2) If an adjustment to the Conversion price under subsection (c) or 1) above has been made prior to the Acquisition Price Adjustment Date, and if the number of fully diluted common share defined in (iii)(f) below—calculated assuming all remaining Shares with Put Option Rights, etc. were converted, exchanged, or exercised as of the Acquisition Price Adjustment Date under the terms and conditions prevailing on that date—exceeds the number of already issued shares defined in (iii)(c) below assuming no adjustment has been made, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula. The adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date. If multiple revisions to the Acquisition Price, etc. are made within a single month, the adjusted Conversion Price shall be calculated using the Conversion Price Adjustment Formula based on the lowest revised Acquisition Price, etc. made during the month. The adjusted Conversion Price shall apply on or after the day following the last day of that month.

(f) If, in the cases described in subsections (a) through (c), a record date or shareholder reference date is set to determine shareholders eligible for the allotment of shares and the effectiveness of each adjustment is subject to approval by the Company's general shareholders' meeting, board of directors, or another corporate body after the record date or shareholder reference date, the adjusted Conversion Price shall apply on or after the day following the date of such approval, regardless of subsections (a) through (c). In this case, if stock acquisition rights were exercised during the period from the day following the record date or shareholder reference date until the approval date for the adjustment, the number of shares delivered shall be calculated using the following formula:

$$\text{Amount of Common Stock for Which Delivery Is Made} = \frac{\left(\text{Conversion Price Before Adjustment} - \text{Conversion Price After Adjustment}\right) \times \text{Amount of the Common Stock for Which the Delivery Was Made During the Relevant Period Based on the Conversion Price Before Adjustment}}{\text{Conversion Price After Adjustment}}$$

Fractions of less than one share arising from this calculation shall be rounded down, and no cash adjustments shall be made for the discarded fraction.

(g) If securities or rights similar to those specified in subsections (a) through (e) are issued, the adjusted Conversion Price shall be calculated by applying the provisions of subsections (a) through (f) that correspond to the similar securities or rights.

(iii)(a) Calculations under the Conversion Price Adjustment Formula shall be carried out to two decimal places in yen, with any value beyond the second decimal place rounded down.

(b) The market value used in the Conversion Price Adjustment Formula shall be the average of the closing prices of the Company's common stock for regular transactions on the Tokyo Stock Exchange over 30 consecutive trading days, starting 45 trading days prior to the date the adjusted Conversion Price is applied (provided, however, that for subsection (ii)(f), the reference date shall be the record date or shareholder reference date). ("Trading days" refers to days on which transactions are conducted on the Tokyo Stock Exchange. [The same applies hereinafter]). Days without closing prices will be excluded, and the average value will be calculated to the nearest second decimal place, with values rounded down.

(c) The number of already issued shares used in the Conversion Price Adjustment Formula shall be calculated as follows: if a record date or shareholder reference date for shareholder allotments is set, it shall be based on the number of shares as of that date; if no record date or shareholder reference date is set, it shall be based on the number of issued common shares of the Company as of one month prior to the initial application of the adjusted Conversion Price, excluding the Company's treasury shares as of that date. Prior to the adjustment of the Conversion Price, the Company's common shares that were deemed as the "Number of Shares Issued or Disposed Of" under the subsection (ii) above or (iv) below but have not yet been delivered, shall be added to the calculation.

(d) In the event of a stock split of the Company's common stock, the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula shall exclude the number of common shares allocated from the Company's treasury shares on the record date or shareholder reference date.

(e) Consideration in subsection (ii) above refers to the payment amount for the issuance of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; in the case of stock acquisition rights [including those attached to bonds with stock acquisition rights] specified in subsection (ii)(c) above, the payment amount includes the value of assets contributed upon their exercise), minus the value of any cash or other assets (excluding the Company's common stock) delivered to the holders of the shares or stock acquisition rights upon their acquisition or exercise, divided by the number of common shares of the Company delivered upon such acquisition or exercise. For the purpose of Conversion Price adjustment, this consideration is treated as the per-share payment amount in the Conversion Price Adjustment Formula.

(f) In subsection (ii) above, the "number of fully diluted common shares" refers to the total number of issued common shares of the Company as of one month prior to the date on which the adjusted Conversion Price is applied, minus the number of the Company's treasury shares on that date. In case of subsection (ii)(d), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Callable Shares, etc. deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered in exchange for the acquisition of the Callable Shares, etc. shall be added. For subsection (ii)(e), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Shares with Put Option Rights, etc., deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered if all remaining Shares with Put Option Rights, etc. as of the Acquisition Price Adjustment Date are converted, exchanged, or exercised under the terms and conditions prevailing on that date shall be added.

(g) If the difference between the adjusted Conversion Price calculated using the Conversion Price Adjustment Formula and the pre-adjustment Conversion Price is less than 1 yen, no adjustment to the conversion price shall be made. However, if another event requiring adjustment occurs later, the pre-adjustment Conversion Price used in the formula will be replaced with the value obtained by subtracting this difference from the original pre-adjustment Conversion Price.

(iv) In addition to cases where adjustments to the Conversion Price are required as described in subsection (ii), the Company may adjust the Conversion Price under the following circumstances:

(a) Consolidation of shares, a merger in which the Company is the surviving entity, an absorption-type company split in which the Company is the successor, or a share exchange in which the Company becomes the wholly owning parent company

(b) Allotment of shares of another class without contribution to the Company's common shareholders

(c) Other events causing or potentially causing changes in the number of issued common shares of the Company

(d) Simultaneous occurrence of two or more events requiring a Conversion Price adjustment, where the impact of one event must be considered when calculating the market value for determining the adjusted Conversion Price based on the other event.

(v) When adjusting the Conversion Price under the provisions of this section, the Company shall notify the Bondholders in writing by the day prior to the effective date of the adjusted Conversion Price. This notification shall include the fact that the adjustment is being made, the reason for the adjustment, the pre-adjustment Conversion Price, the adjusted Conversion Price, the effective date of the adjustment, and any other necessary details. However, in cases where notification cannot be provided by the day prior to the effective date, the notification shall be issued promptly after the effective date.

(5) Period for Exercising Stock Acquisition Rights

The exercise period for the Stock Acquisition Rights shall be from March 11, 2025, to March 8, 2027 (the "Exercise Request Period"). However, the Stock Acquisition Rights may not be exercised during the following periods:

1) On the shareholder record date for the Company's common stock, as well as the two business days immediately preceding that date.
2) On days when the Japan Securities Depository Center determines that suspension of exercise is necessary.
3) From the bank business day immediately preceding the redemption date, if the Company redeems the Bonds early under Section 11, Items (3) through (7).
4) From the moment the Company loses the benefit of time on the Bonds under Section 16.

(6) Conditions for Exercising the Stock Acquisition Rights

Partial exercise of a single Stock Acquisition Right will not be permitted.

(7) Matters related to the increase in stated capital and capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition Rights

1) When shares are issued upon the exercise of Stock Acquisition Rights, the increase in stated capital shall be calculated as half the upper limit of the increase in stated capital, etc., as determined under Article 17 of the Regulations on Corporate Accounting. Any fractional amounts less than one yen resulting from the calculation shall be rounded up.
2) The increase in capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition rights shall be the amount obtained by subtracting the increase in stated capital from the upper limit of the increase in stated capital, etc. specified in 1) above.

(8) Handling of exercise requests for the Stock Acquisition Rights

The exercise requests for the Stock Acquisition Rights shall be handled at the exercise request acceptance location as specified in Section 21 (the "Exercise Request Acceptance Location").

(9) Method of Filing an Exercise Request for Stock Acquisition Rights

1) A Bondholder who intends to exercise the Stock Acquisition Rights must notify the Exercise Request Acceptance Location of all necessary details required to file an exercise request during the exercise period.
2) Once the necessary procedures for an exercise request have been completed at the Exercise Request Acceptance Location, the request cannot be withdrawn.

(10) The exercise of the Stock Acquisition Rights becomes effective on the day the Exercise Request Acceptance Location receives notification of all required details necessary to process the exercise request.

15. Restriction on Providing Security

(1) As long as there is an outstanding balance of the Bonds with Stock Acquisition Rights, if the Company establishes a security interest for other convertible bonds with stock acquisition rights issued after the issuance of the Bonds with Stock Acquisition Rights, it must also establish a pari passu security interest for the Bonds with Stock Acquisition Rights in accordance with the Secured Bond Trust Act.

(2) If a security interest is established under item (1) above, the Company shall ensure that the security interest is sufficient to secure the Bonds with Stock Acquisition Rights. The Company must promptly complete the

necessary procedures, including the registration of the security interest, and issue a public notice in accordance with Article 41, paragraph 4 of the Secured Bond Trust Act.

16. Special Provisions Regarding Loss of Benefit of Time

The Company shall immediately lose the benefit of time with respect to the Bonds if any of the following events occur:

1) Violation of the provisions of Section 11.
2) Violation of the provisions of Section 15.
3) The Company materially breaches a contract entered into with the Bondholders (including, but not limited to, a purchase agreement for the Bonds with Stock Acquisition Rights), and fails to remedy such breach within 30 days after receiving a notice from the Bondholders requesting correction.
4) The Company loses the benefit of time with respect to other bonds or is unable to repay such bonds upon maturity.
5) The Company loses the benefit of time with respect to borrowings other than bonds or is unable to repay such borrowings upon maturity, or is unable to fulfill its obligations under guarantees provided for bonds or borrowings of other entities, provided, however, that this provision shall not apply if the total amount of such obligations (converted to Japanese yen) does not exceed 100,000,000 yen.
6) The Company files a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or resolves at a board of directors' meeting to submit a proposal for dissolution (excluding mergers) to a shareholders' meeting.
7) The Company becomes subject to a decision to commence bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or receives an order to commence special liquidation.

17. Bond Administrator

A bond administrator will not be appointed for the Bonds.

18. Location for Handling Principal Payments (Principal Payment Location)

SymBio Pharmaceuticals Limited
4-1-28 Toranomon, Minato-ku, Tokyo

19. Method of Notification to Bondholders of the Bonds with Stock Acquisition Rights

Notifications to the Bondholders of the Bonds with Stock Acquisition Rights shall be made in accordance with the public announcement methods stipulated in the Company's Articles of Incorporation. However, unless otherwise stipulated by law, notifications may instead be made directly in writing to each Bondholder.

20. Matters Related to Bondholders' Meetings

(1) Bondholders' meetings for the Bonds shall be convened by the Company. At least two weeks prior to the meeting date, the Company shall issue a public notice or provide notification regarding the convening of the Bondholders' meeting and the matters prescribed in each item of Article 719 of the Companies Act.

(2) Unless otherwise agreed between the Bondholders of the Bonds with Stock Acquisition Rights and the Company, Bondholders' meetings for the Bonds shall be held in Tokyo.

(3) Bondholders of the Bonds with Stock Acquisition Rights who hold Bonds amounting to at least one-tenth of the total amount of Bonds of the same type (as defined in Article 681, Item 1 of the Companies Act),

excluding redeemed amounts and amounts held by the Company, may submit a written request to the Company specifying the purpose and reasons for the Bondholders' meeting and request its convening.

21. Location for Submission of Exercise Requests

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department

22. Reason for Not Requiring Payment of Money in Exchange for the Stock Acquisition Rights

The Stock Acquisition Rights are attached to the Convertible Bonds with Stock Acquisition Rights and cannot be separated or transferred independently from the Bonds. Furthermore, the Bonds associated with the exercised Stock Acquisition Rights are contributed as property upon exercise. Given the inseparable relationship between the Bonds and the Stock Acquisition Rights, as well as the economic value derived from the Stock Acquisition Rights, the interest rate of the Bonds, early redemption conditions, and other issuance conditions, the payment amount for the Bonds is set in accordance with the provisions of Section 4. Therefore, no payment of money is required in exchange for the Stock Acquisition Rights.

23. Miscellaneous Provisions

(1) After the payment date, the Company may amend these Terms and Conditions in accordance with the procedures under the Companies Act to the extent necessary to align the provisions related to the Bonds with Stock Acquisition Rights with the Companies Act.

(2) The provisions of these Terms and Conditions shall take effect subject to the effectiveness of a filing under the Financial Instruments and Exchange Act.

SymBio
シンバイオ製薬株式会社

SymBio Pharmaceuticals Limited
Terms and Conditions of the Seventh Unsecured Convertible Bonds with Stock Acquisition Rights

1. Name of Bonds for Subscription

SymBio Pharmaceuticals Limited Seventh Unsecured Convertible Bonds with Stock Acquisition Rights (the "Bonds with Stock Acquisition Rights"; the bond portion alone is referred to as the "Bonds," and the stock acquisition rights portion alone is referred to as the "Stock Acquisition Rights").

2. Total Amount of Bonds for Subscription

600,000,000 yen. However, if the amount obtained by multiplying the maximum number of shares to be delivered (defined below) with the Conversion Price specified in Section 14, Item (4), Point 3) (the "Maximum Issuance Amount") falls below this specified amount, it shall be adjusted to the largest multiple of the amount specified in Section 3 that is less than, but closest to, the Maximum Issuance Amount.

The "maximum number of shares to be delivered" refers to [11,300,000] shares, minus the total number of shares that would be delivered if all the 4th, 5th and 6th Convertible Bonds with Stock Acquisition Rights of the Company were fully converted at their initial Conversion Price.

3. Amount of Each Bond

One type of 50,000,000 yen. The Bonds cannot be subdivided into amounts smaller than the specified denomination of each bond.

4. Amount to Be Paid

100 yen for 100 yen of the amount of each Bond.

(However, the payment amount for the Bonds with Stock Acquisition Rights shall be [within the range of, or greater than,] the value of the Bonds as calculated by an independent third-party valuation institution engaged by the Company, based on a pricing model reasonably selected by the third-party institution considering the terms and conditions for the issuance of the Bonds and the provisions stipulated in the agreement concluded between the Company and Cantor Fitzgerald Europe. The payment amount shall also ensure that the economic benefit the Company can derive from attaching the Stock Acquisition Rights to the Bonds—the effective consideration for the Stock Acquisition Rights—[is either approximately equal to or exceeds] the fair value of the Stock Acquisition Rights. If the specified payment amount differs from the amount determined under this section, the payment amount for the Bonds with Stock Acquisition Rights shall be adjusted accordingly.)

However, no payment of money is required in exchange for the Stock Acquisition Rights.

5. Form of Bonds with Stock Acquisition Rights

The Bonds with Stock Acquisition Rights will be issued in non-registered form, and no certificates for the Bonds or Stock Acquisition Rights will be issued.

In addition, pursuant to the main clauses of Article 254, paragraphs (2) and (3) of the Companies Act, the Bonds and the Stock Acquisition Rights may not be transferred independently of each other.

6. Interest Rate

From April 12 2025, to April 11, 2026: Annual rate of 3.5%
From April 12, 2026, onward: Annual rate of 6.0%

7. Existence or Non-existence of Security and Guarantee

The Bonds with Stock Acquisition Rights are neither secured nor guaranteed, and no specific assets are reserved for the Bonds with Stock Acquisition Rights.

8. Application Deadline

April 11, 2025

9. Payment Due Date for Bonds and Allotment Date for Stock Acquisition Rights

April 11, 2025

10. Method of Offering

The entire amount will be allocated to Cantor Fitzgerald Europe through a third-party allotment.

11. Redemption Value, Method, and Due Date of the Bonds

(1) The Bonds will be fully redeemed on April 11, 2027 (the “Maturity Date”), at 100 yen for 100 yen of the amount of each Bond.
However, in the case of advance redemption, the provisions of Items (3) through (7) of this Section shall apply.

(2) If the redemption date specified in this Section falls on a bank holiday, the redemption shall be postponed to the next bank business day.

(3) Advance Redemption Due to Act of Restructuring
If an Act of Restructuring (as defined below) is approved at the Company’s general shareholders’ meeting (or, in cases where such approval is not required, if resolved at the Company’s board of directors meeting), the Company shall notify the holders of the Bonds with Stock Acquisition Rights (the "Bondholders") at least 30 days prior to the redemption date (which shall be a date before the effective date of the Act of Restructuring) and redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.
An "Act of Restructuring" refers to the execution of any merger agreement in which the Company becomes an extinct company, the execution of any absorption-type company split agreement or preparation of any incorporation-type company split plan (limited to cases where the obligations of the Company under the Bonds with Stock Acquisition Rights are assumed by the surviving company of the absorption-type company split or the newly incorporated company in the incorporation-type company split), or the execution of any share exchange agreement in which the Company becomes a subsidiary of another company, the preparation of any share transfer plan, or the preparation of any plan for share delivery under which the parent company resulting from the share delivery acquires all issued shares of the Company. It also includes any other corporate restructuring procedure under Japanese law in which the obligations of the Company under the Bonds are assumed by another company.
A subsidiary refers to a company in which more than 50% of the voting rights (including, to avoid any uncertainty, the ownership interest of general partners) or more than 50% of the issued equity is directly or indirectly owned by another individual, partnership, corporation, limited liability company, organization, trust, non-incorporated entity, or business entity at any given time.

Once the notification specified in this Item is issued, the Company may not revoke or rescind the notice of advance redemption.

(4) Advance Redemption Due to Delisting Associated with a Tender Offer

If a tender offer pursuant to the Financial Instruments and Exchange Act is conducted for the Company's common stock, the Company expresses an opinion in favor of the tender offer, and the Company or the tender offeror announces or accepts the possibility that the Company's common stock may be delisted from the Tokyo Stock Exchange as a result of the tender offer (excluding cases where the Company or the tender offeror announces efforts to maintain the listing of the Company's common stock after the tender offer), and if the tender offeror acquires the Company's common stock through the tender offer, the Company shall notify the Bondholders as soon as practicable and designate a redemption date in the notice (provided that the redemption date shall be a date before the delisting of the Company's common stock from the Tokyo Stock Exchange). On such redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the principal amount of each Bond.

If redemption obligations arise under both Item (3) and this Item, the procedures outlined in Item (3) shall apply. However, if the notification under this Item is issued before the conditions, including the consideration to be paid to shareholders due to the Act of Restructuring, are publicly disclosed, the procedures under this Item shall apply.

(5) Advance Redemption Due to Squeeze-out Event

If, following an amendment to the articles of incorporation to designate the Company's common stock as class shares subject to a class-wide call, a resolution is passed at the Company's general shareholders' meeting to acquire all common stock of the Company in exchange for consideration, if the Company's board of directors resolves to approve a demand for sale, etc., of shares by the Company's special controlling shareholder (as defined in Article 179, paragraph (1) of the Companies Act) to the Company's other shareholders, or if a resolution is passed at the Company's general shareholders' meeting approving a consolidation of common stock accompanied by delisting ("Squeeze-out Event"), the Company shall, as soon as practicable but within a reasonable timeframe, notify the Bondholders of the redemption date specified in such notice (which shall be a date prior to the acquisition date or effective date of the Squeeze-out Event). On the specified redemption date, the Company shall redeem all (but not part of) the remaining Bonds at 100 yen for 100 yen of the amount of each Bond.

(6) Advance Redemption Due to Delisting or Designation as Securities Under Supervision

If a delisting event (as defined below) occurs with respect to the Company's common stock, or if the Tokyo Stock Exchange designates the Company's common stock as securities under supervision, the Bondholders may, at their option, notify the Company at least five business days prior to the planned redemption date. On the designated advance redemption date, the Bondholders may request redemption of all or part of their Bonds at 100 yen for 100 yen of the amount of each Bond.

A "delisting event" refers to any of the following: Any event specified in each item of Article 601, paragraph 1 of the Securities Listing Regulations of the Tokyo Stock Exchange occurs with respect to the Company or its corporate group; or the Company, following the payment due date for the Bonds with Stock Acquisition Rights, records a negative net worth as shown on its financial statements or consolidated financial statements as of the last day of a fiscal year, and such condition is not resolved within six months from the day following the last day of such fiscal year.

(7) Advance Redemption at the Company's Option

The Company may, with the prior written consent of the Bondholders, notify them at least one month in advance of the intended redemption date (which shall be a date prior to the redemption due date). On the

specified redemption date, the Company may redeem all or part of the remaining Bonds with Stock Acquisition Rights at 100 yen for 100 yen of the amount of each Bond. However, if the Company redeems all or part of the remaining Bonds with Stock Acquisition Rights before the redemption due date without obtaining prior written consent from the Bondholders, the Company must redeem the bonds on the redemption date at 110 yen for 100 yen of the amount of each Bond.

12. Method and Due Date for Interest Payment on the Bonds

(1) Interest on the Bonds shall accrue from the day following the payment due date (inclusive) until the redemption date (inclusive). The first interest payment date shall be March 31, 2025, and interest accrued up to that date (inclusive) will be paid. Thereafter, interest will be paid on June 30, September 30, December 31, and March 31 of each year for the interest calculation period from the day following the immediately preceding interest payment date (inclusive) (for the first interest payment date, from the payment due date) to the relevant interest payment date (inclusive). However, for interest calculation periods of less than one year, the interest shall be calculated on a pro-rata basis, assuming a year consists of 365 days. Any fractional amounts below one yen arising from the calculation will be rounded down.

(2) If an interest payment date falls on a bank holiday, payment will be advanced to the immediately preceding bank business day.

(3) If all or part of the Bonds are redeemed before the Maturity Date (the "Early Redemption Date"), interest on the redeemed bonds will accrue from the interest payment date immediately prior to the Early Redemption Date (inclusive; the payment due date for the first interest payment date) up to the Early Redemption Date (inclusive).

(4) If interest on the Bonds is not paid on the interest payment date, a late payment penalty at an annual rate of 14.6% will accrue on the unpaid interest for the period from the day following the interest payment date (inclusive) until the day the payment is made (inclusive).

(5) The Bonds will cease to accrue interest after the Maturity Date.

(6) If the Stock Acquisition Rights are exercised, the Bonds associated with the Stock Acquisition Rights will cease to accrue interest from the effective date of the exercise. In this case, interest accrued up to the effective date of the exercise will be paid on the interest payment date immediately following the effective date.

13. Repurchase and Cancellation

(1) The Company (or any of its affiliates or subsidiaries) may, at any time and at any price, repurchase the Bonds with Stock Acquisition Rights with the agreement of the Bondholders.

(2) If the Company (or any of its affiliates or subsidiaries) repurchases the Bonds with Stock Acquisition Rights, it may, at its discretion, cancel the Bonds at any time (in the case of repurchase by affiliates or subsidiaries, after acquiring such Bonds from them for the purpose of cancellation). Upon cancellation of the Bonds, the associated Stock Acquisition Rights will be extinguished simultaneously.

14. Details of the Stock Acquisition Rights

(1) Number of Stock Acquisition Rights Attached to the Bonds

Each Bond shall be issued with one Stock Acquisition Right, and the total number of Stock Acquisition Rights issued shall be the smaller of either the integer obtained by dividing the Maximum Issuance Amount by the Bond amount of yen and truncating any decimal places, or 12.

(2) Payment of Money in Exchange for Stock Acquisition Rights

No payment of money is required in exchange for the Stock Acquisition Rights.

(3) Class and Number of Shares Underlying the Stock Acquisition Rights, and Method of Calculation

1) Class

Common stock of the Company

2) Number

The number of shares of the Company's common stock that the Company will either newly issue or dispose of from its treasury stock (hereinafter collectively referred to as "delivery" of the Company's common stock) upon the exercise of the Stock Acquisition Rights shall be calculated by dividing the total amount of the Bonds related to the exercise request by the Conversion Price defined in point (4) 3) below, and the largest integer obtained from this calculation shall apply. However, any fractions of less than one share arising from the calculation shall be rounded down, and no cash adjustment shall be made.

(4) Details and Amount or Calculation Method of Property to Be Contributed upon Exercise of the Stock Acquisition Rights

1) Property to Be Contributed upon Exercise

The Bonds to which the Stock Acquisition Rights are attached.

2) Amount of Contributed Property

The amount of the Bonds related to the exercised Stock Acquisition Rights.

3) Conversion Price

The initial Conversion Price shall be set at an amount equivalent to 90% of the closing price of the Company's common stock for regular transactions on the Tokyo Stock Exchange on March 25, 2025, rounded up to the nearest 0.1 yen. However, it shall be adjusted in accordance with the provisions of Point 4) below.

4) Adjustment of Conversion Price:

(i) If the number of the Company's common shares changes or is expected to change due to the reasons listed in subsection (ii) below after the issuance of the Bonds with Stock Acquisition Rights, the Conversion Price shall be adjusted according to the following formula (hereinafter referred to as the "Conversion Price Adjustment Formula")

$$\text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Already Issued Common Stock} + \dfrac{\text{Number of Shares Issued or Disposed Of} \times \text{Issuance or Disposition Price per Share}}{\text{Market Value}}}{\text{Number of Already Issued Common Stock} + \text{Number of Shares Issued or Disposed Of}}$$

(ii) Adjustments to the Conversion Price based on the Conversion Price Adjustment Formula and the timing for applying the adjusted Conversion Price are as follows:

(a) If the Company delivers its common stock at a payment amount lower than the market value defined in subsection (iii)(b) below (excluding cases where shares are issued to directors and employees of the Company or its affiliates under a restricted stock compensation plan; shares are issued in exchange for shares with put option rights, callable shares, or callable stock acquisition rights [including those attached to bonds with stock acquisition rights] issued by the Company;

shares are issued in response to the exercise of stock acquisition rights [including those attached to bonds with stock acquisition rights] or other securities or rights entitling the holder to claim or exercise a right to acquire the Company's common stock; or shares are issued as part of a company split, share exchange, merger, or share delivery), the adjusted Conversion Price shall apply on or after the day following the payment date (or if a payment period is specified for the issuance, on or after the day following the last day of the payment period). If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date.

(b) If the Company issues common stock through a stock split or grants common stock without requiring contributions (the "Stock Split, etc."), the adjusted Conversion Price shall apply on or after the day following the record date or shareholder reference date established to determine the shareholders eligible to receive shares through the Stock Split, etc. (if no record date or reference date is established, on or after the day following the effective date).

(c) If the Company issues shares with put option rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) below (including cases of allotment without contribution) or issues stock acquisition rights (including those attached to bonds with stock acquisition rights) or other securities or rights entitling the holder to request the delivery of common stock at a price below the market value specified in subsection (iii)(b) (excluding cases where such stock acquisition rights are granted to directors and employees of the Company or its affiliates as stock options based on a resolution of the Company's Board of Directors, or stock acquisition rights [including those attached to bonds with stock acquisition rights] are granted to Cantor Fitzgerald Europe or affiliates [the "affiliate" of Cantor Fitzgerald Europe refers to any entity that, as of the time of the allotment resolution, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Cantor Fitzgerald, L.P., excluding BCG Group, Inc. and its subsidiaries]), the adjusted Conversion Price shall be calculated by applying the Conversion Price Adjustment Formula, assuming that all the shares with put option rights, stock acquisition rights (including those attached to bonds with stock acquisition rights), or other securities or rights (the "Shares with Put Option Rights, etc.") have been exercised under their initial terms and conditions, resulting in the delivery of the Company's common stock. The adjusted Conversion Price shall apply on or after the payment date (in the case of stock acquisition rights and bonds with stock acquisition rights, the allotment date) or, for allotments without contribution, on or after the day following the effective date. If a record date or shareholder reference date for shareholder rights is specified, the adjusted Conversion Price shall apply on or after the day following such date. However, if the Shares with Put Option Rights, etc., as defined here, are issued as a defense against corporate acquisition and the Company publicly announces this purpose and notifies the Bondholders, the adjusted Conversion Price shall be calculated using the Conversion Price Adjustment Formula, assuming that the Company's common stock has been delivered on the date when, under the terms and conditions for the Shares with Put Option Rights, etc., a request for acquisition, acquisition under callable provisions, or exercise became possible (the "Conversion/Exercise Start Date"). The adjusted Conversion Price shall apply on or after the day following the Conversion/Exercise Start Date.

(d) If the Company delivers common stock at a price below the market value specified in subsection (iii)(b) below in exchange for callable shares or callable stock acquisition rights (including those attached to bonds with stock acquisition rights) (the "Callable Shares, etc."), the adjusted

Conversion Price shall apply on or after the day following the acquisition date.

Notwithstanding the foregoing, if the Conversion Price adjustment under subsection (ii)(c) above or (ii)(e) below has been made before the acquisition of the Callable Shares, etc., the following provisions shall apply:

1) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below exceeds the number of already issued shares defined in subsection (iii)(c) below immediately prior to the delivery, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and apply the formula accordingly.

2) If, after the delivery of shares in exchange for Callable Shares, etc., the number of fully diluted common shares defined in subsection (iii)(f) below does not exceed the number of already issued shares defined in subsection (iii)(c) below immediately prior to the delivery, no adjustment provided herein will be applied.

(e) If the consideration per share of the Company's common stock under the terms and conditions for the issuance of the Shares with Put Option Rights, etc. (referred to as the "Acquisition Price, etc." herein) is revised downward (excluding adjustments made under anti-dilution provisions similar to provisions provided here) and the revised Acquisition Price, etc. is lower than the market value defined in subsection (iii)(b) below as of the date of the revision (the "Acquisition Price Adjustment Date"), the following provisions shall apply:

1) If no adjustment to the Conversion Price under subsection (c) above has been made for the Shares with Put Option Rights, etc. prior to the Acquisition Price Adjustment Date, the adjusted Conversion Price shall be calculated by treating the number of common shares deliverable upon the conversion, exchange, or exercise of all remaining Shares with Put Option Rights etc. as of the Acquisition Price Adjustment Date under the terms and conditions prevailing as of that date as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula and applying the provisions of subsection (c) above. This adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date.

2) If an adjustment to the Conversion price under subsection (c) or 1) above has been made prior to the Acquisition Price Adjustment Date, and if the number of fully diluted common share defined in (iii)(f) below—calculated assuming all remaining Shares with Put Option Rights, etc. were converted, exchanged, or exercised as of the Acquisition Price Adjustment Date under the terms and conditions prevailing on that date—exceeds the number of already issued shares defined in (iii)(c) below assuming no adjustment has been made, the adjusted Conversion Price shall be calculated by treating the excess shares as the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula. The adjusted Conversion Price shall apply on or after the day following the Acquisition Price Adjustment Date. If multiple revisions to the Acquisition Price, etc. are made within a single month, the adjusted Conversion Price shall be calculated using the Conversion Price Adjustment Formula based on the lowest revised Acquisition Price, etc. made during the month. The adjusted Conversion Price shall apply on or after the day following the last day of that month.

(f) If, in the cases described in subsections (a) through (c), a record date or shareholder reference date is set to determine shareholders eligible for the allotment of shares and the effectiveness of each adjustment is subject to approval by the Company's general shareholders' meeting, board of directors, or another corporate body after the record date or shareholder reference date, the adjusted Conversion Price shall apply on or after the day following the date of such approval, regardless of subsections (a) through (c). In this case, if stock acquisition rights were exercised during the period from the day following the record date or shareholder reference date until the approval date for the adjustment, the number of shares delivered shall be calculated using the following formula:

$$\text{Amount of Common Stock for Which Delivery Is Made} = \frac{\left(\text{Conversion Price Before Adjustment} - \text{Conversion Price After Adjustment}\right) \times \text{Amount of the Common Stock for Which the Delivery Was Made During the Relevant Period Based on the Conversion Price Before Adjustment}}{\text{Conversion Price After Adjustment}}$$

Fractions of less than one share arising from this calculation shall be rounded down, and no cash adjustments shall be made for the discarded fraction.

(g) If securities or rights similar to those specified in subsections (a) through (e) are issued, the adjusted Conversion Price shall be calculated by applying the provisions of subsections (a) through (f) that correspond to the similar securities or rights.

(iii)(a) Calculations under the Conversion Price Adjustment Formula shall be carried out to two decimal places in yen, with any value beyond the second decimal place rounded down.

(b) The market value used in the Conversion Price Adjustment Formula shall be the average of the closing prices of the Company's common stock for regular transactions on the Tokyo Stock Exchange over 30 consecutive trading days, starting 45 trading days prior to the date the adjusted Conversion Price is applied (provided, however, that for subsection (ii)(f), the reference date shall be the record date or shareholder reference date). ("Trading days" refers to days on which transactions are conducted on the Tokyo Stock Exchange. [The same applies hereinafter]). Days without closing prices will be excluded, and the average value will be calculated to the nearest second decimal place, with values rounded down.

(c) The number of already issued shares used in the Conversion Price Adjustment Formula shall be calculated as follows: if a record date or shareholder reference date for shareholder allotments is set, it shall be based on the number of shares as of that date; if no record date or shareholder reference date is set, it shall be based on the number of issued common shares of the Company as of one month prior to the initial application of the adjusted Conversion Price, excluding the Company's treasury shares as of that date. Prior to the adjustment of the Conversion Price, the Company's common shares that were deemed as the "Number of Shares Issued or Disposed Of" under the subsection (ii) above or (iv) below but have not yet been delivered, shall be added to the calculation.

(d) In the event of a stock split of the Company's common stock, the "Number of Shares Issued or Disposed Of" in the Conversion Price Adjustment Formula shall exclude the number of common shares allocated from the Company's treasury shares on the record date or shareholder reference date.

(e) Consideration in subsection (ii) above refers to the payment amount for the issuance of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; in the case of stock acquisition rights [including those attached to bonds with stock acquisition rights] specified in subsection (ii)(c) above, the payment amount includes the value of assets contributed upon their exercise), minus the value of any cash or other assets (excluding the Company's common stock) delivered to the holders of the shares or stock acquisition rights upon their acquisition or exercise, divided by the number of common shares of the Company delivered upon such acquisition or exercise. For the purpose of Conversion Price adjustment, this consideration is treated as the per-share payment amount in the Conversion Price Adjustment Formula.

(f) In subsection (ii) above, the "number of fully diluted common shares" refers to the total number of issued common shares of the Company as of one month prior to the date on which the adjusted Conversion Price is applied, minus the number of the Company's treasury shares on that date. In case of subsection (ii)(d), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Callable Shares, etc. deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered in exchange for the acquisition of the Callable Shares, etc. shall be added. For subsection (ii)(e), the number of common shares deemed as the "Number of Shares Issued or Disposed Of" under the provisions of subsection (ii) above or (iv) below prior to the Conversion Price adjustment that have not yet been delivered (excluding any common shares related to Shares with Put Option Rights, etc., deemed as the "Number of Shares Issued or Disposed Of" but not yet delivered) and the number of common shares to be delivered if all remaining Shares with Put Option Rights, etc. as of the Acquisition Price Adjustment Date are converted, exchanged, or exercised under the terms and conditions prevailing on that date shall be added.

(g) If the difference between the adjusted Conversion Price calculated using the Conversion Price Adjustment Formula and the pre-adjustment Conversion Price is less than 1 yen, no adjustment to the conversion price shall be made. However, if another event requiring adjustment occurs later, the pre-adjustment Conversion Price used in the formula will be replaced with the value obtained by subtracting this difference from the original pre-adjustment Conversion Price.

(iv) In addition to cases where adjustments to the Conversion Price are required as described in subsection (ii), the Company may adjust the Conversion Price under the following circumstances:

(a) Consolidation of shares, a merger in which the Company is the surviving entity, an absorption-type company split in which the Company is the successor, or a share exchange in which the Company becomes the wholly owning parent company

(b) Allotment of shares of another class without contribution to the Company's common shareholders

(c) Other events causing or potentially causing changes in the number of issued common shares of the Company

(d) Simultaneous occurrence of two or more events requiring a Conversion Price adjustment, where the impact of one event must be considered when calculating the market value for determining the adjusted Conversion Price based on the other event.

(v) When adjusting the Conversion Price under the provisions of this section, the Company shall notify the Bondholders in writing by the day prior to the effective date of the adjusted Conversion Price. This notification shall include the fact that the adjustment is being made, the reason for the adjustment, the pre-adjustment Conversion Price, the adjusted Conversion Price, the effective date of the adjustment, and any other necessary details. However, in cases where notification cannot be provided by the day prior to the effective date, the notification shall be issued promptly after the effective date.

(5) Period for Exercising Stock Acquisition Rights

The exercise period for the Stock Acquisition Rights shall be from April 14, 2025, to April 8, 2027 (the "Exercise Request Period"). However, the Stock Acquisition Rights may not be exercised during the following periods:

1) On the shareholder record date for the Company's common stock, as well as the two business days immediately preceding that date.
2) On days when the Japan Securities Depository Center determines that suspension of exercise is necessary.
3) From the bank business day immediately preceding the redemption date, if the Company redeems the Bonds early under Section 11, Items (3) through (7).
4) From the moment the Company loses the benefit of time on the Bonds under Section 16.

(6) Conditions for Exercising the Stock Acquisition Rights

Partial exercise of a single Stock Acquisition Right will not be permitted.

(7) Matters related to the increase in stated capital and capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition Rights

1) When shares are issued upon the exercise of Stock Acquisition Rights, the increase in stated capital shall be calculated as half the upper limit of the increase in stated capital, etc., as determined under Article 17 of the Regulations on Corporate Accounting. Any fractional amounts less than one yen resulting from the calculation shall be rounded up.
2) The increase in capital reserve resulting from the issuance of shares upon the exercise of the Stock Acquisition rights shall be the amount obtained by subtracting the increase in stated capital from the upper limit of the increase in stated capital, etc. specified in 1) above.

(8) Handling of exercise requests for the Stock Acquisition Rights

The exercise requests for the Stock Acquisition Rights shall be handled at the exercise request acceptance location as specified in Section 21 (the "Exercise Request Acceptance Location").

(9) Method of Filing an Exercise Request for Stock Acquisition Rights

1) A Bondholder who intends to exercise the Stock Acquisition Rights must notify the Exercise Request Acceptance Location of all necessary details required to file an exercise request during the exercise period.
2) Once the necessary procedures for an exercise request have been completed at the Exercise Request Acceptance Location, the request cannot be withdrawn.

(10) The exercise of the Stock Acquisition Rights becomes effective on the day the Exercise Request Acceptance Location receives notification of all required details necessary to process the exercise request.

15. Restriction on Providing Security

(1) As long as there is an outstanding balance of the Bonds with Stock Acquisition Rights, if the Company establishes a security interest for other convertible bonds with stock acquisition rights issued after the issuance of the Bonds with Stock Acquisition Rights, it must also establish a pari passu security interest for the Bonds with Stock Acquisition Rights in accordance with the Secured Bond Trust Act.

(2) If a security interest is established under item (1) above, the Company shall ensure that the security interest is sufficient to secure the Bonds with Stock Acquisition Rights. The Company must promptly complete the

necessary procedures, including the registration of the security interest, and issue a public notice in accordance with Article 41, paragraph 4 of the Secured Bond Trust Act.

16. Special Provisions Regarding Loss of Benefit of Time

The Company shall immediately lose the benefit of time with respect to the Bonds if any of the following events occur:

1) Violation of the provisions of Section 11.
2) Violation of the provisions of Section 15.
3) The Company materially breaches a contract entered into with the Bondholders (including, but not limited to, a purchase agreement for the Bonds with Stock Acquisition Rights), and fails to remedy such breach within 30 days after receiving a notice from the Bondholders requesting correction.
4) The Company loses the benefit of time with respect to other bonds or is unable to repay such bonds upon maturity.
5) The Company loses the benefit of time with respect to borrowings other than bonds or is unable to repay such borrowings upon maturity, or is unable to fulfill its obligations under guarantees provided for bonds or borrowings of other entities, provided, however, that this provision shall not apply if the total amount of such obligations (converted to Japanese yen) does not exceed 100,000,000 yen.
6) The Company files a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or resolves at a board of directors' meeting to submit a proposal for dissolution (excluding mergers) to a shareholders' meeting.
7) The Company becomes subject to a decision to commence bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings, or receives an order to commence special liquidation.

17. Bond Administrator

A bond administrator will not be appointed for the Bonds.

18. Location for Handling Principal Payments (Principal Payment Location)

SymBio Pharmaceuticals Limited
4-1-28 Toranomon, Minato-ku, Tokyo

19. Method of Notification to Bondholders of the Bonds with Stock Acquisition Rights

Notifications to the Bondholders of the Bonds with Stock Acquisition Rights shall be made in accordance with the public announcement methods stipulated in the Company's Articles of Incorporation. However, unless otherwise stipulated by law, notifications may instead be made directly in writing to each Bondholder.

20. Matters Related to Bondholders' Meetings

(1) Bondholders' meetings for the Bonds shall be convened by the Company. At least two weeks prior to the meeting date, the Company shall issue a public notice or provide notification regarding the convening of the Bondholders' meeting and the matters prescribed in each item of Article 719 of the Companies Act.

(2) Unless otherwise agreed between the Bondholders of the Bonds with Stock Acquisition Rights and the Company, Bondholders' meetings for the Bonds shall be held in Tokyo.

(3) Bondholders of the Bonds with Stock Acquisition Rights who hold Bonds amounting to at least one-tenth of the total amount of Bonds of the same type (as defined in Article 681, Item 1 of the Companies Act),

excluding redeemed amounts and amounts held by the Company, may submit a written request to the Company specifying the purpose and reasons for the Bondholders' meeting and request its convening.

21. Location for Submission of Exercise Requests

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department

22. Reason for Not Requiring Payment of Money in Exchange for the Stock Acquisition Rights

The Stock Acquisition Rights are attached to the Convertible Bonds with Stock Acquisition Rights and cannot be separated or transferred independently from the Bonds. Furthermore, the Bonds associated with the exercised Stock Acquisition Rights are contributed as property upon exercise. Given the inseparable relationship between the Bonds and the Stock Acquisition Rights, as well as the economic value derived from the Stock Acquisition Rights, the interest rate of the Bonds, early redemption conditions, and other issuance conditions, the payment amount for the Bonds is set in accordance with the provisions of Section 4. Therefore, no payment of money is required in exchange for the Stock Acquisition Rights.

23. Miscellaneous Provisions

(1) After the payment date, the Company may amend these Terms and Conditions in accordance with the procedures under the Companies Act to the extent necessary to align the provisions related to the Bonds with Stock Acquisition Rights with the Companies Act.

(2) The provisions of these Terms and Conditions shall take effect subject to the effectiveness of a filing under the Financial Instruments and Exchange Act.