English translation

SymBio Pharmaceuticals Limited

Summary of Financial Statements for the First Quarter of Fiscal Year Ending December 31, 2019 [Japanese GAAP] (Non-consolidated)

May 14, 2019

Company Name	**SymBio Pharmaceuticals Limited**	Listing: Tokyo Stock Exchange	
Securities Code	4582	URL: https://www.symbiopharma.com/	
Representative	Representative Director, President and Chief Executive Officer	Fuminori Yoshida	
Contact Person	Director, Head of Corporate Planning & Admin. Division and Chief Financial Officer	Kenji Murata	TEL +81-3-5472-1125
Scheduled Date to File Quarterly Report	May 15, 2019	Date of Dividend Payment (plan)	—

Supplementary materials for the quarterly financial statements: Yes・No

Holding of quarterly earnings performance review: Yes・No

(Amounts of less than one million yen are rounded down.)

1. Business Results for the First Three Months of FY 2019 (January 1, 2019 to March 31, 2019)

(1) Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit (Loss)		Ordinary Profit (Loss)		Profit (Loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 FY 2019	1,611	81.4	(595)	—	(616)	—	(616)	—
Q1 FY 2018	888	2.1	(714)	—	(748)	—	(759)	—

	Earnings (Loss) per Share	Diluted Earnings per Share
	Yen	Yen
Q1 FY 2019	(7.48)	—
Q1 FY 2018	(13.28)	—

(Note) Diluted earnings per share is not stated above due to loss per share, despite the potential dilution of shares.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Q1 FY 2019 (as of March 31, 2019)	5,576	4,524	70.9
FY 2018 (as of December 31, 2018)	6,239	4,901	70.1

(Reference) Shareholders' equity: Q1 FY 2019 (as of March 31, 2019) 3,951 million yen
FY 2018 (as of December 31, 2018) 4,371 million yen

2. Dividends

	Annual Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Fiscal Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY 2018	—	0.00	—	0.00	0.00
FY 2019	—				
FY 2019 (Forecast)		0.00	—	0.00	0.00

(Note) Revision of dividend forecasts recently announced: Yes・No

3. Earnings Forecasts for FY 2019 (January 1, 2019 to December 31, 2019)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit (Loss)		Ordinary Profit (Loss)		Profit (Loss)		Earnings (Loss) per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	4,465	16.4	(3,587)	—	(3,612)	—	(3,616)	—	(43.88)

(Note) Revision of earnings forecasts recently announced: Yes・ No

Notes:

(1) Application of special accounting treatment in preparation of quarterly financial reports: Yes・ No

(2) Changes in accounting policies, changes in accounting estimates and restatements after error corrections

(a) Changes in accounting policies due to revision of accounting standards: Yes・ No

(b) Changes in accounting policies due to other reasons: Yes・ No

(c) Changes in accounting estimates: Yes・ No

(d) Restatements after error corrections: Yes・ No

(3) Number of shares outstanding (common stock)

(i) Number of issued shares at the end of the period (including treasury shares)

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares during the period (cumulative)

Q1 FY 2019	83,398,924 shares	FY 2018	82,398,924 shares
Q1 FY 2019	75 shares	FY 2018	75 shares
Q1 FY 2019	82,476,627 shares	Q1 FY 2018	57,221,360 shares

* Summary of the quarterly financial statements is not subject to quarterly reviews by certified public accountants or accounting corporations.

* Explanation regarding the appropriate use of earnings forecasts and other matters

All forecasts presented in this document, including earnings forecasts, are based on the information currently available to management and assumptions judged to be reasonable. Actual results may differ substantially from these forecasts due to various factors. Regarding the assumptions on which the Company's earnings forecasts are based and their usage, please refer to "1. Qualitative Information on Quarterly Financial Results, (3) Explanation of earnings forecasts and other forward-looking information," on Page 7 of the attachment.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of business results

Progress in the Company's business for the first three months of the fiscal year under review is as follows.

(i) Domestic

[Preparation for the establishment of the Company's own salesforce]

In October 2018, the Company began preparations to establish its own salesforce for the sale of TREAKISYM® in Japan, for the purpose of maximizing benefit to patients and shareholders after the expiration of a business partnership agreement with Eisai Co., Ltd. ("Eisai") in December 2020. The Company's top management objectives in terms of business development are to attain profitability in the fiscal year ending December 31, 2021 and to achieve sustainable growth thereafter. By transitioning to its own salesforce in early 2021, the Company plans to make the achievement of these objectives a firm likelihood.

The Company sees 20 TREAKISYM® managers forming the core of its salesforce's framework and progressed necessary recruitment by March 31, 2019 as planned. It is now beginning to work on establishing a high-performance commercial organization which is highly productive based on deep expertise and abundant experience. In parallel, it has begun building infrastructure for logistics, distribution, and information systems.

[Anticancer agents: SyB L-0501 (lyophilized powder formulation), SyB L-1701 (ready-to-dilute ("RTD") formulation), SyB L-1702 (rapid infusion ("RI") formulation), and SyB C-0501 (oral formulation) (generic name: bendamustine hydrochloride; trade name: TREAKISYM®)]

The Company markets TREAKISYM® in Japan through its business partner, Eisai. The Company obtained manufacturing and marketing approval for first-line treatment of low-grade non-Hodgkin's lymphoma (Note 1) (low-grade NHL) and mantle cell lymphoma (MCL) in December 2016, for recurrent/refractory low-grade NHL and MCL in October 2010, and for chronic lymphocytic leukemia (CLL) in August 2016. Following this indication expansion, TREAKISYM® is steadily increasing its market share in the area of first-line treatment by replacing R-CHOP, the conventional standard treatment, at medical clinics and hospitals. Further, the combination treatment (BR therapy) of TREAKISYM® and rituximab was newly included in the Guidelines for Tumors of Hematopoietic and Lymphoid Tissues 2018 edited and published by the Japanese Society of Hematology in July 2018, becoming recommended as a choice for standard treatment to all indications which have already been approved. With this development, TREAKISYM® has been effectively establishing its foothold as the standard treatment for malignant lymphoma. Sales (NHI price basis) for the first three months of the fiscal year ending December 31, 2019 posted a robust 11.0% increase year on year.

In addition to the three already-approved indications, the Company is conducting a Phase III clinical trial for TREAKISYM® targeting recurrent/refractory diffuse large B-cell lymphoma (r/r DLBCL) and making steady progress toward obtaining approval. The trial is in response to serious need at clinics and hospitals as there is currently no reliable standard treatment. Patient groups and academic society have petitioned to the regulatory authorities for the approval of BR therapy. With a view to providing new therapeutic alternatives and maximizing product value, the Company began the Phase III clinical trial in August 2017 and, after enrolling its first patient in January 2018, steadily continued to accumulate cases, finally completing the enrollment in April 2019. After the follow-up period for enrolled patients is complete, the Company will promptly proceed with preparations for an approval of the Company's application for the additional indication.

In addition the Company entered into an exclusive license agreement with Eagle Pharmaceuticals, Inc. (head office: New Jersey, U.S.) ("Eagle") in September 2017, under which Eagle licensed to the Company rights under Eagle's intellectual property to develop, market, and sell Eagle's TREAKISYM® liquid formulation (RTD and RI liquid formulations) (Note 2) in Japan. The shift to liquid formulation will further enable the Company to extend the product life until 2031 through patent protection, while bringing significant benefit and value to patients and healthcare providers by easing their burdens. At present, after being consulted with the Pharmaceutical and Medical Devices Agency, the Company has already been in the process of diligent preparation for approval of its application concerning RTD liquid formulation products. A clinical trial for RI liquid formulation began in November 2018, with the primary goal of confirming its safety. The first patient enrollment for this clinical trial was completed in April 2019.

Further, the Company acquired approval for the partial change to the manufacturing and marketing authorization in July 2018. As a result, TREAKISYM® can now be used in combination with not only rituximab but also other new anti-CD20 antibodies for the treatment of CD20 positive follicular lymphoma (FL), a common histologic type of low-grade NHL. This also enables obinutuzumab (Note 3) (one of new anti-CD20 antibodies, launched in August 2018) to be used in combination therapy and the

Company to provide patients with a choice of new treatment. In March 2019, the Company received approval for partial changes to its manufacturing and marketing authorization concerning the use of TREAKISYM® as a pretreatment agent for tumor-specific T-Cell infusion therapy. (Note 4) This will allow TREAKISYM® to be used as a pretreatment for Kymriah® intravenous infusion (Note 5), which was approved as the first chimeric antigen receptor T-cell (CAR-T) therapy (Note 6) in Japan in March 2019, after it launches.

In addition to the intravenous formulation currently under development and on sale, the Company is exploring the potential of TREAKISYM® as the treatment for solid tumors and autoimmune diseases through the development of an oral formulation, with an aim to solidify its business through a platform of TREAKISYM® products. Amid such initiatives, the Company commenced a Phase I clinical trial for progressive solid tumors in January 2018, with the aims of examining the recommended dosage and administration schedule as well as tolerability and safety of the oral formulation of TREAKISYM®, and identifying potential target tumor types. After completing enrollment of the first patient in May 2018, the Company is currently working to accumulate cases. Meanwhile, with a view to evaluating the effect of oral administration of TREAKISYM® on the immune system, the Company concluded a joint research agreement with Keio University in May 2018 to conduct a preclinical trial to verify the therapeutic effect of this product in the treatment of systemic lupus erythematosus (SLE), an autoimmune disease that is giving rise to extremely high treatment demand. The preclinical trial is currently underway.

(Note 1) Non-Hodgkin's lymphoma (NHL) is a generic term of all types of malignant lymphoma other than Hodgkin's lymphoma. Malignant lymphoma refers to malignant growths that form when the lymphatic corpuscles inside of white blood cells become cancerous. The majority of malignant lymphoma identified in Japanese patients is non-Hodgkin's lymphoma.

(Note 2) RTD and RI are predissolved liquid formulations that differ from the currently available freeze-dried ("FD") powder formulation. RTD (ready-to-dilute) will significantly reduce the preparation time and labor cost for healthcare providers, and RI (rapid infusion) will reduce infusion duration to 10 minutes from the current 60 minutes, providing significant benefit and value to both patients and healthcare providers.

(Note 3) Obinutuzumab (Gazyva®, marketed by Chugai Pharmaceutical Co., Ltd.): Like rituximab recommended by treatment guidelines for non-Hodgkin's lymphoma in Japan and overseas, obinutuzumab is a glycoengineered type II anti-20 monoclonal antibody that directly binds to CD20 (a protein expressed on B-cells other than stem cells or plasma cells) on target B-cells, and attacks and destroys them along with the body's immune system.

(Note 4) Tumor-specific T-cell infusion therapy is a treatment method in which tumor-specific T-cells (T-cells that specifically recognize cancer cells) taken from cancer patients are artificially bestowed with cancer specificity extracorporeally, amplified and then administered to the patient.

(Note 5) Kymriah® intravenous infusion (generic name: tisagenlecleucel; marketed by Novartis Pharma K.K.): Kymriah® intravenous infusion is the first chimeric antigen receptor T-cell (CAR-T) therapy approved within Japan. The Company received manufacturing and marketing approval for Kymriah® for use in the treatment of CD19 positive recurrent/refractory B-cell acute lymphoblastic leukemia (B-ALL) and CD19 positive recurrent/refractory diffuse large B-cell lymphoma (DLBCL) in March 2019.

(Note 6) Chimeric antigen receptor T-cell (CAR-T) therapy is a type of tumor-specific T-cell infusion therapy that introduces genes that code chimeric antigen receptors (CARs) into T-cells, amplifies these cells and then infuses them. These chimeric antigen receptors are produced by combining the intracellular domains of T-cell receptors with the antigen-binding sites of antibodies capable of recognizing membrane antigens attached to tumor cells. In clinical trials using CARs to target CD19 that expresses on B-cells, CD19-targeting CARs were introduced into T-cells that were later administered to patients with B-cell tumors. These modified cells produced clear clinical effects.

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

U.S. Licensor Onconova Therapeutics, Inc. (head office: Pennsylvania, U.S.) ("Onconova") is conducting a global Phase III clinical trial (with trial sites in more than 20 countries) of the intravenous formulation of rigosertib for higher-risk myelodysplastic syndromes (HR-MDS) which do not respond to the current standard treatment with hypomethylating agents, which relapse after treatment under the current standard of care, or which are intolerant to hypomethylating agents. The Company is responsible for clinical development in Japan and in December 2015 began the trial. Forty-three patients were enrolled as of the submission day. Out of the target of 360 total patients worldwide, 75% had been enrolled as of March 2019.

Based on the results of the trial, the Company is planning to apply for approval in Japan at the same time as in the U.S. and Europe.

As for the oral formulation of rigosertib, Onconova completed Phase I/II clinical trials in the U.S. for the target indication of first-line HR-MDS (in combination with azacitidine (Note 7)) and is conducting a Phase II clinical trial for the target indication of transfusion-dependent lower-risk MDS. The Company started a domestic Phase I clinical trial in June 2017 to confirm the tolerability and safety of the oral formulation of rigosertib for Japanese patients. The first patient was enrolled in October 2017 and the clinical trial is proceeding favorably. After completion of this trial, the Company plans to promptly conduct a Phase I clinical trial for combination therapy with azacitidine. Further, to apply for approval of the oral formulation of rigosertib in Japan no later than in the U.S. and Europe, it plans to take part in a global Phase III clinical trial for combination therapy with azacitidine for the first-line treatment of patients with higher-risk MDS, which Onconova currently plans to conduct. In order to accelerate this global clinical trial's examination process, Onconova applied for a Special Protocol Assessment (SPA) (Note 8) with the US Food and Drug Administration (FDA) in December 2018. The conclusions regarding this application are projected to be released for the first half of 2019. With respect to the development for the target indication of transfusion-dependent lower-risk MDS, the Company will continue to consider participating from Japan in view of the status of the development by Onconova.

(Note 7) Azacitidine (Vidaza®: marketed by Nippon Shinyaku Co., Ltd.): This hypomethylating agent (for injection) was approved in 2011 upon successful confirmation of extended overall survival for the first time in the Phase III clinical trial for the indication of MDS. It is currently used as a first-line drug for MDS patients who have difficulties in hematopoietic stem cell transplantation. MDS is a preleukemic state, and decrease in tumor suppressor gene due to excessive methylation of DNA is thought to be related to the disease. Hypomethylating agents such as azacitidine are thought to suppress progress to leukemia by restoring tumor suppressor gene with a deterrent effect against methylation of DNA.

(Note 8) Special Protocol Assessment (SPA): A system under which after completion of a phase II trial and prior to the launch of phase III trial, sponsors can reach an agreement with the FDA regarding the phase III trial protocol such as target illness, purpose, trial design, primary and secondary endpoints, and method of data analysis. The agreement indicates that the FDA concurs with the adequacy of the overall protocol design and the design can be used (without changing the terms) in the approval filing process when the phase III trial is completed. The SPA is intended to shorten FDA's review period of new drug application, as it boosts the possibility of drug approval provided the trial endpoints are achieved.

[Patient-controlled pain management drug: SyB P-1501]

In October 2015, the Company entered into an agreement with Incline Therapeutics, Inc., a wholly owned subsidiary of The Medicines Company (head office: New Jersey, U.S.) for an exclusive license to develop and commercialize SyB P-1501 in Japan. The Company, acting in the best interest of patients, determined to temporarily suspend new patient enrollment for SyB P-1501 from April 21, 2017 due to its arising concern as to the continuity of The Medicines Company's business regarding the product.

The Company later initiated arbitration against The Medicines Company on October 11, 2017 under the rules of the International Chamber of Commerce, seeking damages of 82 million U.S. dollars (approximately 9.0 billion yen) arising from The Medicines Company's repudiation of the license agreement. The Company claims that The Medicines Company was not able to provide the Company with adequate assurance of performance of its contractual obligations under the license agreement in light of its decision to discontinue commercialization activities regarding the product and withdraw from markets in the U.S. and Europe, and that such failure by The Medicines Company is a material breach of the license agreement. Furthermore, the Company terminated the license agreement on November 30, 2017, based on the fact that breach of the license agreement by The Medicines Company was not remedied within the stipulated time, and terminated the development of SyB P-1501 on February 9, 2018.

Arbitration proceedings against The Medicines Company are still ongoing.

[New drug candidates]

The Company continues to actively seek new drug candidates and in-licensing opportunities, aiming to expand both profitability and growth potential over the long-term aligned with management objectives and strategies, and discussions with multiple potential licensors are ongoing.

In May 2016, the Company established a wholly owned subsidiary, SymBio Pharma USA, Inc. (head office: Menlo Park, California, U.S., "SymBio Pharma USA"), as the Company's planned strategic base for overseas business development.

Acquiring licenses to new drug candidates through SymBio Pharma USA as the base of global business will be part of the Company's continued transformation into a global specialty pharmaceutical company with capability to develop and commercialize new drugs in the U.S., Japan, Europe, and other major global markets.

(ii) Markets outside Japan

SyB L-0501 is also marketed in South Korea, Taiwan, and Singapore and the product sales of SyB L-0501 in these countries progressed in line with the Company's forecasts.

(iii) Business results

As a result of the above, net sales totaled 1,611,458 thousand yen for the first three months of fiscal year ending December 31, 2019, primarily reflecting product sales of TREAKISYM®. Overall net sales rose 81.4% year on year.

Selling, general and administrative expenses totaled 1,204,838 thousand yen (a year-on-year increase of 25.0%), including research and development ("R&D") expenses of 471,593 thousand yen (a year-on-year increase of 13.3%) primarily due to expenses associated with the clinical trial for the intravenous and oral formulations of TREAKISYM® as well as the intravenous and oral formulations of rigosertib, and other selling, general and administrative expenses of 733,244 thousand yen (a year-on-year increase of 33.9%).

As a result, an operating loss of 595,948 thousand yen was recognized for the first three months of fiscal year ending December 31, 2019 (compared to an operating loss of 714,524 thousand yen for the first three months of the previous fiscal year). In addition, including non-operating expenses totaling 20,205 thousand yen primarily comprised of foreign exchange losses, ordinary loss totaled 616,009 thousand yen (compared to an ordinary loss of 748,913 thousand yen for the first three months of the previous fiscal year) and loss totaled 616,959 thousand yen (compared to a loss of 759,692 thousand yen for the first three months of the previous fiscal year).

Segment information has been omitted as the Company operates within a single segment, which includes the research and development, manufacturing, and marketing of pharmaceutical drugs and other related activities.

(2) Explanation of financial position

Total assets as of March 31, 2019 stood at 5,576,482 thousand yen, a decrease of 662,940 thousand yen from December 31, 2018. The decrease primarily reflected decreases of 1,199,312 thousand yen in cash and deposits, 376,736 thousand yen in merchandise and finished goods, and 124,855 thousand yen in consumption taxes receivable, despite increases of 1,025,518 thousand yen in accounts receivable–trade and 22,400 thousand yen in software in progress.

Liabilities stood at 1,051,536 thousand yen, a decrease of 286,086 thousand yen from December 31, 2018, primarily reflecting decreases of 370,877 thousand yen in accounts payable–trade and 39,455 thousand yen in income taxes payable, offsetting an increase of 109,112 thousand yen in accounts payable–other.

Net assets decreased by 376,853 thousand yen from December 31, 2018 to 4,524,946 thousand yen, due to a decrease of 616,959 thousand yen in retained earnings following the recognition of loss, offsetting increases of 98,220 thousand yen in share capital, 98,220 thousand yen in capital surplus, and 43,665 thousand yen in share acquisition rights.

As a result, the equity ratio consequently rose by 0.8 percentage points to 70.9% from December 31, 2018.

(3) Explanation of earnings forecasts and other forward-looking information

No revision was made to the earnings forecasts for FY 2019 as of the date of this document.

2. Quarterly Financial Statements and Primary Notes

(1) Quarterly balance sheet

(Unit: thousands of yen)

	FY 2018 (as of December 31, 2018)	Q1 FY 2019 (as of March 31, 2019)
Assets		
Current assets		
Cash and deposits	4,821,355	3,622,043
Accounts receivable–trade	411,720	1,437,239
Merchandise and finished goods	533,824	157,088
Prepaid expenses	83,372	88,806
Advances paid	31,147	23,992
Consumption taxes receivable	124,855	—
Other	32,214	30,537
Total current assets	6,038,490	5,359,707
Non-current assets		
Property, plant and equipment		
Buildings, net	36,771	35,956
Tools, furniture and fixtures, net	20,180	18,278
Total property, plant and equipment	56,951	54,234
Intangible assets		
Software	50,946	48,552
Software in progress	20,430	42,830
Total intangible assets	71,376	91,382
Investments and other assets		
Shares of subsidiaries	0	0
Long-term prepaid expenses	1,225	—
Leasehold and guarantee deposits	71,378	71,158
Total investments and other assets	72,604	71,158
Total non-current assets	200,932	216,775
Total assets	6,239,423	5,576,482
Liabilities		
Current liabilities		
Accounts payable–trade	726,100	355,223
Accounts payable–other	503,637	612,750
Income taxes payable	71,249	31,794
Other	35,354	50,391
Total current liabilities	1,336,342	1,050,159
Non-current liabilities		
Provision for retirement benefits	1,281	1,377
Total non-current liabilities	1,281	1,377
Total liabilities	1,337,623	1,051,536

(Unit: thousands of yen)

	FY 2018 (as of December 31, 2018)	Q1 FY 2019 (as of March 31, 2019)
Net assets		
Shareholders' equity		
Share capital	12,972,579	13,070,799
Capital surplus	12,942,579	13,040,799
Retained earnings	(21,543,238)	(22,160,198)
Treasury shares	(17)	(17)
Total shareholders' equity	4,371,902	3,951,383
Share acquisition rights	529,897	573,562
Total net assets	4,901,799	4,524,946
Total liabilities and net assets	6,239,423	5,576,482

(2) Quarterly statement of income
(For the first three months of the fiscal year ending December 31, 2019)

(Unit: thousands of yen)

	Q1 FY 2018 (from January 1, 2018 to March 31, 2018)	Q1 FY 2019 (from January 1, 2019 to March 31, 2019)
Net sales	888,229	1,611,458
Cost of sales	638,729	1,002,568
Gross profit	249,500	608,890
Selling, general and administrative expenses	964,024	1,204,838
Operating profit (loss)	(714,524)	(595,948)
Non-operating income		
Interest income	405	67
Interest on tax refund	116	76
Other	54	—
Total non-operating income	575	144
Non-operating expenses		
Commission expenses	2,736	2,640
Share issuance cost	5,012	757
Foreign exchange losses	27,215	16,807
Total non-operating expenses	34,964	20,205
Ordinary profit (loss)	(748,913)	(616,009)
Extraordinary losses		
Loss on retirement of non-current assets	9,829	—
Total extraordinary losses	9,829	—
Profit (loss) before income taxes	(758,742)	(616,009)
Income taxes–current	950	950
Total income taxes	950	950
Profit (loss)	(759,692)	(616,959)

(3) Notes to quarterly financial statements

(Notes to going concern assumptions)

None to be reported.

(Notes to significant changes in shareholders' equity)

During the first three months of fiscal year ending December 31, 2019, new shares were issued upon the exercise of part of the 46th warrant. As a result, during the first three months of the fiscal year under review, share capital and legal capital surplus increased by 98,220 thousand yen and 98,220 thousand yen respectively, amounting to 13,070,799 thousand yen and 13,040,799 thousand yen respectively as of March 31, 2019.

(Significant subsequent events)

1. Issuance of the 48th warrant (stock options)

On April 22, 2019, the Company issued and granted share acquisition rights in the form of stock options to six directors as indicated below. This issuance of share acquisition rights was based on a resolution by the Board of Directors on March 28, 2019.

Number of share acquisition rights	3,150 units
Class and number of shares to be issued upon the exercise of share acquisition rights	315,000 shares of common stock
Issue price of share acquisition rights and total issue amount	Issue price: 19,400 yen Total issue amount: 61,110,000 yen
Amount to be paid in for share acquisition rights	Amount to be paid in per share: 194 yen Individuals who receive share acquisition rights shall offset the amount to be paid in for the relevant share acquisition rights against cash compensation equivalent to the amount.
Exercise price of share acquisition rights	Exercise price per share: 1 yen
Exercise period of share acquisition rights	From March 30, 2022 to March 29, 2029
Conditions for the exercise of share acquisition rights	(1) Individuals to whom these share acquisition rights are granted must hold a position as a director or employee with the Company or with an affiliate to exercise these rights. However, this will not apply to directors at the Company or its affiliates who have left their positions due to expiry of their terms of offices, employees at the Company or its affiliates who have retired as a result of reaching retirement age or directors or employees at the Company or its affiliates who have been deemed to have left their positions or retired amicably by the Board of Directors. (2) Other conditions will be as established in the Share Acquisition Rights Allocation Agreement concluded between the Company and the directors.
Increase in share capital in case of the issuance of shares through the exercise of share acquisition rights	Increases in share capital related to the issuance of shares through the exercise of share acquisition rights shall be equal to one half of the maximum amount by which share capital can be increased as calculated in accordance with Article 17 of the Ordinance on Company Accounting. Any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.
Matters regarding transfer of share acquisition rights	Transfers will require approval from the Board of Directors.

2. Issuance of the 49th warrant (stock options)

On April 22, 2019, the Company issued and granted share acquisition rights in the form of stock options to ninety-two employees as indicated below. This issuance of share acquisition rights was based on a resolution by the Board of Directors on March 28, 2019.

Number of share acquisition rights	7,165 units
Class and number of shares to be issued upon the exercise of share acquisition rights	716,500 shares of common stock
Issue price of share acquisition rights and total issue amount	Issue price: 19,400 yen Total issue amount: 139,001,000 yen
Amount to be paid in for share acquisition rights	Amount to be paid in per share: 194 yen Individuals who receive share acquisition rights shall offset the amount to be paid in for the relevant share acquisition rights against cash compensation equivalent to the amount.
Exercise price of share acquisition rights	Exercise price per share: 1 yen
Exercise period of share acquisition rights	From March 30, 2022 to March 29, 2029
Conditions for the exercise of share acquisition rights	(1) Individuals to whom these share acquisition rights are granted must hold a position as a director or employee with the Company or with an affiliate to exercise these rights. However, this will not apply to directors at the Company or its affiliates who have left their positions due to expiry of their terms of offices, employees at the Company or its affiliates who have retired as a result of reaching retirement age or directors or employees at the Company or its affiliates who have been deemed to have left their positions or retired amicably by the Board of Directors. (2) Other conditions will be as established in the Share Acquisition Rights Allocation Agreement concluded between the Company and the employees.
Increase in share capital in case of the issuance of shares through the exercise of share acquisition rights	Increases in share capital related to the issue of shares through the exercise of share acquisition rights shall be equal to one half of the maximum amount by which share capital can be increased as calculated in accordance with Article 17 of the Ordinance on Company Accounting. Any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.
Matters regarding transfer of share acquisition rights	Transfers will require approval from the Board of Directors.