



September 13, 2019

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**Notice Concerning Difference Between Consolidated Financial Forecasts and Actual Results
for the First Half of the Fiscal Year Ending January 31, 2020**

SanBio Company Limited (hereafter, "the Company") hereby announces the difference between consolidated financial forecasts disclosed on March 15, 2019, and the actual results disclosed today, for the first half of the fiscal year ending January 31, 2020 (from February 1, 2019 to July 31, 2019).

1. Difference between consolidated forecasts and actual results for the first half of the fiscal year ending January 31, 2020 (from February 1, 2019 to July 31, 2019)

| | Operating Revenue | Operating Income | Ordinary Income | Net Income Attributable to Owners of Parent | Net Income Per Share |
|--|--------------------|-----------------------|-----------------------|---|----------------------|
| Previous Forecast (A) (as of March 15, 2019) | Million yen 284 | Million yen -3,445 | Million yen -3,196 | Million yen -3,197 | Yen -64.29 |
| Actual Results (B) | 427 | -2,385 | -2,039 | -2,048 | -40.62 |
| Difference (B-A) | 143 | 1,060 | 1,157 | 1,149 | |
| Percentage Change (%) | 50.3 | — | — | — | |
| (Reference) Actual results for the six months ended July 31, 2019) | 415 | -1,615 | -1,040 | -1,041 | -22.01 |

2. Reasons for the difference

Operating revenue was higher than planned, owing to the earlier-than-expected recording of development support fees in connection with the clinical trial for chronic motor deficit from ischemic stroke being conducted in the US in collaboration with Sumitomo Dainippon Pharma Co., Ltd. The operating loss, ordinary loss, and net loss attributable to owners of parent were as noted above, as R&D and manufacturing expenses expected to be recognized in the first half now will be booked in the second half, some of the grant from the California Institute for Regenerative Medicine (CIRM) was recognized earlier than originally planned, and the Company generated foreign exchange losses due to yen appreciation.

Consolidated forecasts for the full year ending January 31, 2020 are unchanged from those released on March 15, 2019.