



August 31, 2021

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### **Notice on Conclusion of Committed Credit Line Agreement with MUFG Bank, Ltd.**

SanBio Company Limited (hereafter, “the Company”) hereby announces that it has entered into a new committed credit line agreement with MUFG Bank, Ltd. The new agreement is to succeed the existing committed credit line agreement the Company concluded with MUFG Bank in November 2018, set to expire in November 2021.

The expiry of the existing committed credit line agreement and the summary of the new agreement between the company and MUFG Bank are outlined below. The funds secured from the new agreement will be allocated to the establishment of post-launch manufacture, distribution, and marketing infrastructure for SB623 indicated for chronic effects of traumatic brain injury (TBI program). The funds will only become available once the Company has filed for regulatory approval of the pipeline drug.

#### **Agreement with MUFG Bank set to expire on November 30, 2021**

Loan type	Total committed amount (of which, used credit)	Agreement date	Expiration date (repayment date)	Remarks
Committed credit line	2.0 billion yen (700 million yen)	Nov. 2018	Nov. 2021 (Nov. 2021)	NA

#### **New agreement entered with MUFG Bank on August 31, 2021**

Loan type	Total committed amount (of which, used credit)	Agreement date	Expiration date (repayment date)	Remarks
Committed credit line	2.0 billion yen (NA)	Aug. 2021	Nov. 2024 (Nov. 2024)	Terms and conditions: The committed credit line will come into effect on November 30, 2021, and will only become available once the Company has filed for approval of SB623 for chronic effects of traumatic brain injury as regenerative medicine in Japan.

The new committed credit line agreement is expected to have only a minor impact on the Company Group’s consolidated earnings performance for the fiscal year ending January 2022.

## References

### Summary of fund procurement

<Fiscal year ended January 2021>

Counterparty (lender)	Funding method	Amount of funds procured	Agreement (or approval) date	Use of funds
Mizuho Bank, Ltd.	Committed credit line with an option to extend the term of the loan	2.0 billion yen	Dec. 2020	- Establishment of post-launch manufacture, distribution, and marketing infrastructure for SB623
Mizuho Bank	Term loan with a commitment period	2.6 billion yen	Dec. 2020	- Establishment of post-launch manufacture, distribution, and marketing infrastructure for SB623
		Total 4.6 billion yen		

<Fiscal year ended January 2020>

Counterparty (lender)	Funding method	Amount of funds procured	Agreement (or approval) date	Use of funds
	Equity financing (accelerated book building [ABB])	7.1 billion yen		- Increase in the number of contract manufacturers to enhance mass production capabilities in anticipation of higher demand in Europe and the US - Manufacturing to build inventory of SB623 for chronic effects of traumatic brain injury in Japan

<Fiscal year ended January 2019>

Counterparty (lender)	Funding method	Amount of funds procured	Agreement (or approval) date	Use of funds
Mizuho Bank	Committed credit line	2.0 billion yen	Dec. 2018*1	- Establishment of post-launch manufacture, distribution, and marketing infrastructure for SB623
MUFG Bank	Committed credit line	2.0 billion yen	Nov. 2018	- Establishment of post-launch manufacture, distribution, and marketing infrastructure for SB623
Sumitomo Mitsui Banking Corp.	Committed credit line	1.0 billion yen	Nov. 2018	- Establishment of post-launch manufacture, distribution, and marketing infrastructure for SB623
	Equity financing (warrants with a provision to revise exercise price, via third-party allotment)	11.0 billion yen		- Establishment of post-launch manufacture, distribution, and marketing infrastructure for SB623 - Development of SB623 for chronic effects of ischemic stroke in Japan, and R&D to expand development regions for the drug with an eye toward future sales - R&D to expand indications for SB623 and to in-license new substances
		Total 16.0 billion yen		-

<Fiscal year ended January 2018>

Counterparty (lender)	Funding method	Amount of funds procured	Agreement (or approval) date	Use of funds
MUFG Bank*2	Loan	900 million yen	Mar. 2017	- Development of SB623 for chronic effects of ischemic stroke in the US, and for chronic effects of traumatic brain injury in Japan and the US
California Institute for Regenerative Medicine (CIRM)	Subsidy	19 million US dollars	Jun. 2017	- Development of SB623 for chronic effects of ischemic stroke in the US
Mizuho Bank	Committed credit line	1.6 billion yen	Aug. 2017*1	- Reserve for development of SB623 for chronic effects of traumatic brain injury in Japan and the US
MUFG Bank*2	Committed credit line	500 million yen	Oct. 2017*1	- Reserve for development of SB623 for chronic effects of traumatic brain injury in Japan and the US
		Total 5.09 billion yen		

<Fiscal year ended January 2017>

Counterparty (lender)	Funding method	Amount of funds procured	Agreement (or approval) date	Use of funds
Mizuho Bank	Committed credit line	1.0 billion yen	Mar. 2016*1	Reserve for development of SB623 for chronic effects of traumatic brain injury in Japan and the US

Note 1: As of August 31, 2021, these agreements had expired due to the end of their terms.

Note 2: Due to restructuring by function of Mitsubishi UFJ Financial Group, Inc., the counterparty (lender) was changed from Mitsubishi UFJ Trust and Banking Corp. to MUFG Bank, Ltd.