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**Notice Concerning Recording of Non-operating Income, Non-operating Expenses, and Deferred
Income Taxes**

SanBio Co., Ltd. (the “Company”) announces that it has recorded non-operating income, non-operating expenses, and deferred income taxes in the fiscal year ended January 31, 2023 (February 1, 2022 – January 31, 2023).

1. Overview of non-operating income, non-operating expenses, and deferred income taxes

1) Overview of non-operating income

In the fiscal year ended January 31, 2023 (February 1, 2022 – January 31, 2023), the Company recorded a foreign exchange gain of 3,326 million yen resulting from fluctuations in exchange rates. This gain was mainly associated with foreign currency-denominated loans to a consolidated subsidiary and other related receivables. Meanwhile, the Company recorded a foreign currency translation adjustment of negative 3,272 million yen due to the same exchange rate fluctuations as other comprehensive income.

2) Overview of non-operating expenses

In the fiscal year ended January 31, 2023 (February 1, 2022 – January 31, 2023), the Company recorded 71 million yen in stock issuance expenses to cover the issuance of new shares upon exercise of stock acquisition rights, 30 million yen in financing expenses (fees related to committed credit line agreements with three banks), and 25 million yen in interest expenses on bank loans.

3) Overview of deferred income taxes

In the fiscal year ended January 31, 2023 (February 1, 2022 – January 31, 2023), the Company recognized deferred tax liabilities associated with foreign currency-denominated loans to a consolidated subsidiary and other related receivables and accordingly recorded deferred income taxes of 860 million yen.

2. Impact on earnings performance

Regarding the impact of the non-operating income, non-operating expenses, and deferred income taxes on the Company's earnings performance, please see the Consolidated Financial Results for the Fiscal Year Ended January 31, 2023 [Japanese GAAP] released on the date of this notice.