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

SanBio Co., Ltd. (the “Company”) announces that it has recorded non-operating income, extraordinary gains, and deferred income taxes during the first quarter of the fiscal year ending January 31, 2024 (February 1, 2023 – April 30, 2023).

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

1) Overview of non-operating income

In the first quarter of the fiscal year ending January 31, 2024 (February 1, 2023 – April 30, 2023), the Company recorded a foreign exchange gain of 534 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 442 million yen due to the same exchange rate fluctuations as other comprehensive income.

2) Overview of extraordinary gains

In the first quarter of the fiscal year ending January 31, 2024 (February 1, 2023 – April 30, 2023), the Company recorded a gain on reversal of share acquisition rights of 71 million yen due to the retirement of a portion of share acquisition rights issued by the Company after acquiring them without consideration.

3) Overview of deferred income taxes

In the first quarter of the fiscal year ending January 31, 2024 (February 1, 2023 – April 30, 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 negative 240 million yen.

2. Impact on earnings performance

Regarding the impact of the non-operating income, extraordinary gains, and deferred income taxes on the Company's earnings performance, please see the Consolidated Financial Results for the Three Months Ended April 30, 2023 [Japanese GAAP] released on the date of this notice.