



September 14, 2023

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

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

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

1) Overview of non-operating income

In the first half of the fiscal year ending January 31, 2024 (February 1, 2023–July 31, 2023), the Company recorded foreign exchange gains of 1,172 million yen due to foreign exchange rate fluctuations. The gains were mainly on foreign currency denominated loans to consolidated subsidiaries and related receivables. Meanwhile, the Company reported foreign currency translation adjustments of -976 million yen in translating the results of consolidated subsidiaries into yen due to the same foreign exchange rate fluctuations in other comprehensive income.

2) Overview of deferred income taxes

In the first half of the fiscal year ending January 31, 2024 (February 1, 2023–July 31, 2023), the Company recorded deferred income taxes of -71 million yen, due to the recognition of deferred tax liabilities on foreign currency denominated loans to consolidated subsidiaries and related receivables.

2. Impact on earnings performance

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