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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 in the fiscal year ended January 31, 2024 (February 1, 2023 – January 31, 2024).

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, 2024 (February 1, 2023 – January 31, 2024), the Company recorded a foreign exchange gain of 1,746 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 1,439 million yen due to the same exchange rate fluctuations as other comprehensive income.

2) Overview of extraordinary gains

In the fiscal year ended January 31, 2024 (February 1, 2023 – January 31, 2024), the Company recorded a gain on reversal of share acquisition rights of 252 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 fiscal year ended January 31, 2024 (February 1, 2023 – January 31, 2024), 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 91 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 Fiscal Year Ended January 31, 2024 [Japanese GAAP] released on the date of this notice.