January 28, 2019

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Notice Concerning Revisions to Consolidated Financial Forecasts for the Fiscal Year Ending January 31, 2019

SanBio Co., Ltd. (the "Company") hereby announces that it will revise its consolidated financial forecasts for the fiscal year ending January 31, 2019 (February 1, 2018 to January 31, 2019) released on March 13, 2018, as follows.

1. Revisions to the consolidated financial forecasts for the fiscal year ending January 31, 2019 (February 1, 2018 to January 31, 2019)

	Operating Revenue	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income Per Share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A) (as of March 13, 2018)	1,025	-3,540	-2,529	-2,564	-56.00
Revised Forecast (B)	742	-3,881	-2,972	-2,978	-59.88
Amount Change (B-A)	-283	-341	-443	-414	
Percentage Change (%)	-27.6	―	―	―	
(Reference) Actual results for the fiscal year ended January 31, 2018	490	-4,378	-3,947	-3,940	-86.85

2. Reasons for the revisions

The Company has revised its operating revenue forecast, as outlined above, because it now expects some of the proceeds from development support fees for clinical trials in the United States for chronic motor deficit from ischemic stroke the Company is conducting in collaboration with Sunovion Pharmaceuticals Inc., an indirect, wholly-owned subsidiary of Sumitomo Dainippon Pharma Co., Ltd., which the Company had expected to record during the year under review, in the next fiscal year. Meanwhile, the Company is being affected at the income level by a number of factors: a Phase 2b clinical trial for chronic motor deficit from ischemic stroke it is conducting in the United States and a Phase 2 clinical trial for chronic motor deficit from traumatic brain injury (TBI) the Company is conducting in Japan and the United States are proceeding smoothly, causing expenses related to R&D and manufacturing to be higher than previously expected; some of the grant from the California Institute for Regenerative Medicine (CIRM) the Company had expected to record during the year under review is now expected in the next fiscal year; and the Company is generating foreign exchange gains due to yen depreciation. For these reasons, the Company has revised its forecast operating loss, ordinary loss, and net loss attributable to owners of parent to the levels indicated above. As the foreign exchange gain calculation uses the telegraphic transfer middle (TTM) rate as of January 25, 2019, the actual results may differ from the forecast amounts due to future movements in the foreign currency exchange.

Note: The above-stated forecasts are based on information available to the Company as of the date stated on this release. Actual results may differ from these forecasts due to a variety of future factors.