

March 31, 2020

Company name: SanBio Co., Ltd.
 Representative: Keita Mori, Representative Director and President
 (TSE Mothers Code: 4592)
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Notice Regarding Business Alliance Between SanBio And Ocumension
In The Research, Development And Commercialization Of Innovative Stem Cell Therapies
For Ophthalmic Diseases

SanBio Co., Ltd. (hereinafter “*SanBio*”) hereby announces that SanBio has entered into a business alliance with Ocumension (Hong Kong) Limited (hereinafter “*Ocumension*”).

1. Overview of the business alliance

SanBio and Ocumension have entered into a business alliance for the research, development and commercialization of innovative stem cell therapies for ophthalmic diseases. Both companies will jointly develop SanBio’s proprietary modified mesenchymal stem cell medicines with an initial focus in retinitis pigmentosa and dry age-related macular degeneration (SB623 cells), and optic neuritis (MSC2 cells).

“Ocumension brings together a highly experienced leadership team and a commitment to world-class ophthalmic drug development,” said Keita Mori, CEO of SanBio. “The strategic collaboration would enable SanBio to bring cutting-edge stem cell therapies to Greater China, where great unmet medical needs exist in ophthalmology.”

Pursuant to the terms of the agreement, Ocumension will fund the initial investment of \$6 million for the preclinical and manufacturing development, and the remaining preclinical and manufacturing development will be equally shared by both parties. Ocumension obtains exclusive rights from SanBio to develop and commercialize SB623 and MSC2 in Greater China (including Mainland China, Hong Kong, Macau and Taiwan; hereafter “Territory”) for ophthalmic indications. Ocumension will be responsible for all cost associated with clinical development and commercialization activities conducted in the Territory under the agreement. SanBio retains all rights for ophthalmic indications for the rest of the world, and all rights for non-ophthalmic indications globally. SanBio will be eligible to receive up to \$71 million in milestone payments. In addition, Ocumension will pay SanBio tiered royalties from single digit to low teens as a percentage of annual net sales in the Territory.

“Ocumension is focused on bringing novel therapeutics to the ophthalmology market, especially in China, and so we welcome the opportunity to partner with SanBio, one of the leading R&D companies in the cell therapy, to develop SB623 and MSC2,” said Ye Liu, CEO of Ocumension. “We believe that based on the novel neurologic mechanism, these two products will offer significant potential benefits for the patients who cannot be satisfied by the existing treatment.”

2. Profile of the business alliance partner

(1) Company name	Ocumension (Hong Kong) Limited
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(2) Headquarters	Shanghai	
(3) Representative	Ye Liu, CEO	
(4) Main business	Research and development of ophthalmic drugs	
(5) Capital	Not disclosed at the request of Ocumension.	
(6) Date established	March 7 th , 2018	
(7) Major shareholder and shareholding ratio	Not disclosed at the request of Ocumension.	
(8) Relationships with partnering companies	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Affiliated party as prescribed in the Rules of Corporate Accounting	Not applicable
(9) Consolidated earnings and financial position for the last three fiscal years	Not disclosed at the request of Ocumension.	

3. Schedule

(1)	Date of resolution at company's Board of Directors meeting	March 31, 2020
(2)	Conclusion date of the Agreement	March 31, 2020

4. Outlook

The SanBio Group is reviewing the impact of the agreements with Ocumension on its financial results for the fiscal year ending January 31, 2021 and shall disclose any matters that require disclosure without delay.