



November 30, 2020

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**Notice regarding the transfer of shares in CareNet following the signing of partnership agreement
between Tokio Marine Holdings and CareNet, and the Company's intention to maintain its
partnership with CareNet**

On November 30, 2020, Tokio Marine Holdings, Inc. and CareNet, Inc. announced that they signed a capital and business partnership agreement. SanBio Co., Ltd. (hereafter “the Company”) holds 1,076,400 shares of CareNet common stock (equivalent to 9.74% of total outstanding shares of CareNet as of June 30, 2020), and following the conclusion of the partnership agreement between Tokio Marine Holdings and CareNet, the Company has decided to transfer all or some of its shareholdings in CareNet to Tokio Marine & Nichido Fire Insurance Co., Ltd. (hereafter “Tokio Marine & Nichido”), a group company of Tokio Marine Holdings.

The number of shares to be transferred shall be the smallest of the following: 1) the number obtained by dividing 2.0 billion yen by the final share transfer price to be determined on December 21, 2020; 2) 1,076,400 shares; or 3) the number equivalent to 10% of the total number of voting rights held by all shareholders of CareNet (excluding treasury stock).

The Company Group (SanBio Co., Ltd. and its subsidiary SanBio, Inc.) entered a capital and business partnership agreement with CareNet in September 2018 for marketing support to spread and promote the appropriate use of the Group's regenerative cell medicine SB623, and has held common shares of CareNet since then. The transfer of shares to Tokio Marine & Nichido will reduce the Company's shareholdings in CareNet. However, to maintain a relationship in the long term in which both companies support each other, the Company has decided to continue its capital and business partnership with CareNet, notwithstanding changes in shareholdings.

The impact of this share transfer on the Group's earnings for the fiscal year ending January 2021 has not been determined yet, but if any matter that requires disclosure arises after the completion of the share transfer, we will make prompt announcements.