



December 21, 2020

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### **Notice Concerning Changes to Credit Facility Agreements**

SanBio Co., Ltd. (hereafter “the Company”) announces that it has terminated three existing credit facility agreements with Mizuho Bank, Ltd. and entered into two new credit facility agreements as detailed below.

#### Agreements terminated on December 21, 2020

Form of funding	Amount of funds procured (amount drawn down)	Date of agreement	Commitment expiration (maturity)	Remarks
Commitment line	¥2,000 million (¥0)	December 2018	November 2023 (November 2023)	
Commitment line	¥1,600 million (¥1,300 million)	August 2017	July 2021 (July 2021)	
Term loan (with fixed availability period)	¥1,000 million (¥1,000 million)	March 2016	March 2021 (March 2025)	(Main financial covenant) Consolidated statements of income must not result in losses at the recurring income level for two consecutive years starting from the fiscal year ending January 2020.

#### Agreements executed on December 21, 2020

Form of funding	Amount of funds procured (amount drawn down)	Date of agreement	Commitment expiration (maturity)	Remarks
Extendable commitment line	¥2,000 million (¥0)	December 2020	November 2023 (November 2023*)	
Term loan (with fixed availability period)	¥2,600 million (¥2,300 million)	December 2020	April 2022 (July 2026)	(Main financial covenant) Consolidated statements of income for the fiscal year ending January 2025 and the fiscal year ending January 2026 must not result in losses at the recurring income level for two consecutive years.

\* The agreement provides for two consecutive options of one year each to extend the original term of commitment

These changes in credit facility agreements have no significant effect on the Company’s consolidated earnings for the fiscal year ending January 2021.

(Reference)

Overview of funds procured in the first half of the fiscal year ending January 31, 2020

Contracting party	Form of funding	Amount of funds procured	Date of agreement (or date of approval)	Use of funds
	Equity finance (ABB: Accelerated Book Building)	¥7,100 million		<ul style="list-style-type: none"> <li>• Secure alternative contract manufacturers to increase mass production capacity for SB623, with view to covering anticipated increase in demand from US and European markets</li> <li>• Store manufactured SB623 as inventory for use within Japan in treating chronic motor deficit from traumatic brain injury (TBI)</li> </ul>

Overview of funds procured in the fiscal year ended January 31, 2019

Contracting party	Form of funding	Amount of funds procured	Date of agreement (or date of approval)	Use of funds
Mizuho Bank, Ltd.	Commitment line	¥2,000 million	December 2018	• Establishment of manufacturing, logistics, and sales systems for SB623 following its launch
MUFG Bank, Ltd.	Commitment line	¥2,000 million	November 2018	• Establishment of manufacturing, logistics, and sales systems for SB623 following its launch
Sumitomo Mitsui Banking Corporation	Commitment line	¥1,000 million	November 2018	• Establishment of manufacturing, logistics, and sales systems for SB623 following its launch
	Equity finance (share acquisition rights with an exercise price adjustment clause by third-party allotment)	¥11,000 million		<ul style="list-style-type: none"> <li>• Establishment of manufacturing, logistics, and sales systems for SB623 following its launch</li> <li>• Development of programs targeting chronic motor deficit from ischemic stroke in Japan and R&amp;D for expanding target regions to market SB623 in the future</li> <li>• R&amp;D for expanding indications for SB623 and in-licensing new drug candidates</li> </ul>
		Total: ¥16,000 million		

Overview of funds procured in the fiscal year ended January 31, 2018

Contracting party	Form of funding	Amount of funds procured	Date of agreement (or date of approval)	Use of funds
MUFG Bank, Ltd. Note 1	Borrowing	¥900 million	March 2017	<ul style="list-style-type: none"> <li>• Phase 2b clinical trial for the treatment of chronic motor deficit from ischemic stroke in the US</li> <li>• Phase 2 clinical trial for the treatment of chronic motor deficit from TBI in the US and Japan</li> </ul>
California Institute for Regenerative Medicine (CIRM)	Grant	\$19 million	June 2017	• Phase 2b clinical trial for the treatment of chronic motor deficit from ischemic stroke in the US
Mizuho Bank, Ltd.	Commitment line	¥1,600 million	August 2017	• Cash in reserve for Phase 2 clinical trial for the treatment of chronic motor

				deficit from TBI in the US and Japan
MUFG Bank, Ltd. Note 1	Commitment line	¥500 million	October 2017	•Cash in reserve for Phase 2 clinical trial for the treatment of chronic motor deficit from TBI in the US and Japan
		Total: ¥5,090 million		

Overview of funds procured in the fiscal year ended January 31, 2017

Contracting party	Form of funding	Amount of funds procured	Date of agreement (or date of approval)	Use of funds
Mizuho Bank, Ltd.	Commitment line	¥1,000 million	March 2016	•Cash in reserve for Phase 2 clinical trial for the treatment of chronic motor deficit from TBI in the US and Japan

Note 1: Due to functional realignment within the Mitsubishi UFJ Financial Group, the contracting party changed from Mitsubishi UFJ Trust and Banking Corporation to MUFG Bank, Ltd.

Note 2: As explained in this press release, the above-mentioned highlighted contracts have been terminated on December 21, 2020.