



February 25, 2021

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**Notice Concerning Extraordinary Gains (Gain on Sales of Investment Securities) and Non-Operating Expenses (Foreign Exchange Losses)**

SanBio Co., Ltd. (hereafter “the Company”) announces that it has confirmed the amount of extraordinary gains (gain on sales of investment securities) and non-operating expenses (foreign exchange losses) as below for the fiscal year ended January 31, 2021 (February 1, 2020–January 31, 2021).

1. Overview of extraordinary gains (gain on sales of investment securities) and non-operating expenses (foreign exchange losses)

In the fiscal year ended January 31, 2021 (February 1, 2020–January 31, 2021), the Company recorded extraordinary gains of 3,318 million yen from the sale of investment securities and non-operating expenses of 634 million yen arising from foreign exchange losses (versus foreign exchange losses of 615 million yen during the first nine months of the fiscal year under review [February 1, 2020–October 31, 2020]).

The sale of investment securities pertains to the open-market and off-market transfer of common shares of CareNet, Inc. between December 21, 2020 and January 25, 2021 (see note below). The foreign exchange losses are mainly attributed to foreign currency loans receivable provided to a consolidated subsidiary.

2. Impact on earnings performance

Regarding the impact of this matter on the Company’s earnings performance in the fiscal year ended January 2021 (February 1, 2020–January 31, 2021), please see the press release published on the same day, titled “Revision of Consolidated Earnings Forecast for the Fiscal Year Ended January 2021.”

Note: Regarding the off-market transaction, please see the press release published on November 30, 2020, titled “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.”