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Company name: SanBio Co., Ltd.
Representative: Keita Mori, Representative Director
and President
(TSE Growth Code: 4592)
Contact: Yoshihiro Kakutani, Corporate Officer
of Management Administration
(TEL. +81-3-6264-3481)

Notice Concerning Recording of Non-operating Expenses and Deferred Income Taxes

SanBio Co., Ltd. (the “Company”) announces that it has recorded non-operating expenses and deferred income taxes in the fiscal year ending January 31, 2026 (February 1, 2025 – January 31, 2026).

1. Overview of non-operating expenses and deferred income taxes

1) Overview of non-operating expenses (bond interest)

In the fiscal year ending January 31, 2026 (February 1, 2025 – January 31, 2026), the Company recorded 29 million yen in bond interest related to the issuance of the convertible bonds with stock acquisition rights.

2) Overview of non-operating expenses (foreign exchange loss)

In the fiscal year ending January 31, 2026 (February 1, 2025 – January 31, 2026), the Company recorded a foreign exchange loss of 326 million yen resulting from fluctuations in exchange rates. This loss was mainly associated with foreign currency-denominated loans to a consolidated subsidiary and other related receivables. Meanwhile, the Company recorded a foreign currency translation adjustment of 321 million yen due to the same exchange rate fluctuations as other comprehensive income.

3) Overview of non-operating expenses (financing expenses)

In the fiscal year ending January 31, 2026 (February 1, 2025 – January 31, 2026), the Company recorded 45 million yen in financing expenses mainly committed credit line agreements fees.

4) Overview of non-operating expenses (stock issuance expenses)

In the fiscal year ending January 31, 2026 (February 1, 2025 – January 31, 2026), the Company recorded 94 million yen in stock issuance expenses mainly covering the issuance of new shares and bonds to a third party, and the issuance of new shares through overseas.

5) Overview of deferred income taxes

In the fiscal year ending January 31, 2026 (February 1, 2025 – January 31, 2026), the Company recognized deferred tax liabilities associated with foreign currency-denominated loans to a consolidated subsidiary and other related receivables and accordingly recorded deferred income taxes of negative 450 million yen.

2. Impact on earnings performance

Regarding the impact of the non-operating expenses and deferred income taxes on the Company's earnings performance, please see the Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 [Japanese GAAP] released on the date of this notice.