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

SanBio Co., Ltd. (the "Company") announces that it has recorded non-operating income, non-operating expenses and deferred income taxes in the second quarter of the fiscal year ending January 31, 2027 (February 1, 2026 – July 31, 2026).

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

1) Overview of non-operating income (foreign exchange gain)

In the second quarter of the fiscal year ending January 31, 2027 (February 1, 2026 – July 31, 2026), the Company recorded a foreign exchange gain of 185 million yen resulting from fluctuations in exchange rates. This gain 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 negative 142 million yen in other comprehensive income due to the same exchange rate fluctuations.

2) Overview of non-operating income (interest income)

In the second quarter of the fiscal year ending January 31, 2027 (February 1, 2026 – July 31, 2026), the Company recorded interest income of 22 million yen due to deposit interest arising from the investment of time deposits and interest income on foreign currency-denominated loans to a consolidated subsidiary.

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

In the second quarter of the fiscal year ending January 31, 2027 (February 1, 2026 – July 31, 2026), the Company recorded 11 million yen in financing expenses, mainly due to fees related to committed credit line agreements.

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

In the second quarter of the fiscal year ending January 31, 2027 (February 1, 2026 – July 31, 2026), the Company recorded 16 million yen in bond interest related to the issuance of the convertible bonds with stock acquisition rights.

5) Overview of deferred income taxes

In the second quarter of the fiscal year ending January 31, 2027 (February 1, 2026 – July 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 58 million yen.

2. Impact on earnings performance

For the impact of the non-operating income, non-operating expenses and deferred income taxes on the Company's earnings performance, please refer to the Consolidated Financial Results for the second quarter of the fiscal year ending January 31, 2027 [Japanese GAAP], released today.