September 12, 2017

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Notice Concerning Difference Between Forecasts and Actual Financial Results for the Six Months Ended July 31, 2017

SanBio Co., Ltd (hereafter "the Company") today announces the difference between its consolidated financial forecasts, which was disclosed on March 17, 2017, and the actual results, which was disclosed today, for the six months ended July 31, 2017 (the period from February 1, 2017 to July 31, 2017).

1. Difference between consolidated forecasts and actual results for the six months ended July 31, 2017 (From February 1, 2017 to July 31, 2017)

	Operating Revenue	Operating Income	Ordinary Income	Net Income Attributable to the Owners of Parent	Net Income Per Share
Previous Forecast (A) (as of March 17, 2017)	Million yen 328	Million yen -1,996	Million yen -2,002	Million yen -2,015	Yen -44.53
Actual Results (B)	249	-2,149	-2,282	-2,276	-50.25
Amount Change (B-A)	-79	-153	-280	-261	
Percentage Change (%)	-23.9	—	—	—	
(Reference) Actual results for the six months ended July 31, 2016	684	-610	-1,228	-1,145	-25.60

2. Reasons for the difference

The clinical trial for chronic stroke in the United States has been conducted in accordance with the Company's joint development agreement with Sumitomo Dainippon Pharma Co., Ltd. For the six months ended July 31, 2017, difference occurred between forecasts and actual results for operating revenue, mainly owing to the smaller amount of development support fee received from them. On the other hand, clinical trials of SB623, which has been conducted for the treatment of chronic motor deficit from ischemic stroke in the US, and for the treatment of chronic motor deficit from traumatic brain injury in the US and Japan, have progressed as scheduled and development expenses were recognized in line with the plans. As a result, operating loss increased due mainly to the difference between forecasts and actual results for operating revenue. Net income attributable to the owners of parent decreased compared to the forecast due to posting foreign exchange losses of 121 million yen for the six months ended July 31, 2017.

The Company makes no revision to Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2018 (February 1, 2017 to January 31, 2018), which was released on March 17, 2017.