September 26, 2017

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

SanBio Receives $4.5 Million Grant Payment from California Institute of Regenerative Medicine

SanBio Co., Ltd. (hereafter "the Company") announces that on September 23, 2017 (U.S. time) it received $4.5 million for concluding a contract with the California Institute of Regenerative Medicine (CIRM) as part of a $20 million grant in total (hereafter "the grant") from CIRM in support of the Phase 2b clinical trial of the regenerative cell medicine SB623 for the treatment of chronic stroke conducted in the U.S. by the Company and its subsidiary SanBio, Inc. (hereafter "the Group").

The grant is received in installments as development milestones shown below are achieved based on the contract agreed with CIRM. For more details, please refer to the news release "Concerning Milestones for Receiving Grant from California Institute of Regenerative Medicine" announced on September 20, 2017.

(Unit: millions of dollars)

Milestones for receiving grant payments / Status of grant payments received	Contract with CIRM	Degree of achievement of stroke patient enrollment (U.S.)			End of follow-up period and final report	Total
		65%	85%	100%		
Amount of grant	4.5	4.9	4.1	4.5	2.0 (total)	20
Achievement status of milestone	Achieved	Achieved	To be achieved	To be achieved	To be achieved	
Receipt of grant payments	Received	To be received	To be received	To be received	To be received	

Going forward, the Company will make announcements upon achievement of the milestones for the progress of patient enrollment (85% achievement, 100% completion) as shown above, as well as the receipt of the remaining grant payments based on milestone progress, although it has not been determined yet today.

The impact of receiving this grant on the Group's financial results for the fiscal year ending January 31, 2018, is being examined. If any matters to be disclosed arise, the Company will announce them promptly.