October 31, 2017

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Notice Concerning Signing of Commitment Line Agreement

SanBio Co., Ltd. (hereafter "the Company") announces that on October 31, 2017, it concluded a commitment line agreement with Mitsubishi UFJ Trust and Banking Corporation. Details are shown below.

1. Reasons for the borrowing

The Company signed the commitment line agreement with Mitsubishi UFJ Trust and Banking Corporation as cash in reserve for the actual implementation of a program for treatment of chronic disabilities resulting from traumatic brain injury with the regenerative cell medicine "SB623." This agreement enables the Company to borrow up to ¥500 million of cash as needed at any time during the period until the end of July 2020.

Currently, Phase 2 clinical trials of the program for chronic traumatic brain injury treatment are underway in both the US and Japan.

2. Details of the borrowing

(1) Contracting party	Mitsubishi UFJ Trust and Banking Corporation
(2) Loan limit	¥500 million
(3) Form of agreement	Commitment Line
(4) Applicable interest rate	Long-term prime rate (floating rate) (1.00% (as of October 31, 2017))
(5) Commitment fee	0.10% (annual rate)
(6) Date of agreement	October 31, 2017
(7) Commitment period	October 31, 2017 ~ July 31, 2020
(8) Repayment method	Repayment within the commitment period

3. Outlook

The effect of this commitment agreement on the Company's consolidated financial results for the fiscal year ending January 31, 2018 is not significant.

(Note) Definition of commitment line

A commitment line is an agreement where a financial institution promises (commits) to grant loans to a company upon request at any time, provided it is within the period and loan limit as pre-determined by both the financial institution and the company.