November 22, 2017

Company name: SanBio Co., Ltd.
Name of representative: Keita Mori, Representative Director and President
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Announcement on Granting Stock Options (Share Acquisition Rights)

SanBio Company Limited (the ***"Company"***) hereby announces that at the meeting of the Board of Directors held on November 22, 2017, the Company resolved to issue share acquisition rights (the ***"Share Acquisition Rights"***) as part of the Company's stock option program in accordance with Articles 238 and 240 of the Companies Act as follows:

I Reason for issuing Share Acquisition Rights as part of the Company's stock option program

In order to stimulate the motivation and morale of our group's employees to improve our business performance, secure excellent personnel, and contribute to enhancement of the medium to long term corporate value of our group, the Company issues Share Acquisition Rights to the employees.

II Details of Issuance of Share Acquisition Rights

1. Name of Share Acquisition Rights
   SanBio Company Limited the 10th Share Acquisition Rights

2. Persons to whom Share Acquisition Rights are allocated, the number of such persons, and the number of Share Acquisition Rights allocated
   An employee of the Company's subsidiary within the meaning of the U.S. Internal Revenue Code of 1986 (the ***"Code"***) Section 424(f)

   One employee of the Company's subsidiary (20,000 Share Acquisition Rights)

   The above-listed total number of Share Acquisition Rights allocated is an expected amount, and if the total number of Share Acquisition Rights allocated decreases, including the case in which some of the employees do not apply for subscription, the number of Share Acquisition Rights actually allocated shall be considered as the total number of Share Acquisition Rights.

3. Type and Number of Shares Subject to Share Acquisition Rights
   20,000 shares of common stock in the Company

   In the event of stock split, stock consolidation, stock dividend, recapitalization, combination,

reclassification, or other distribution of the Company's equity securities without the receipt of consideration by the Company, of or on the Company's common stock, then in accordance with Code Section 424 and, for any Share Acquisition Rights with respect to a California employee, Section 260.140.41 of the California Code of Regulations, the number of shares that are subject to the Share Acquisition Rights will be proportionately adjusted using the following formula; provided, however, that such adjustment shall only apply to the shares that are subject to the Share Acquisition Rights with respect to which the exercise thereof has not yet become effective at the time of such stock split, stock consolidation or other applicable transaction. Any fraction of a share resulting from such adjustment shall be rounded down to the nearest whole share.

Number of shares after adjustment
= (Number of shares before adjustment) x (ratio of stock split or stock consolidation, etc.)

In addition to the foregoing, in the event of allotment of shares without contribution or any other corporate action that would change in the number of issued shares of stock (excluding the number of treasury shares held by the Company) effected without receipt of consideration by the Company, the Company shall adjust the number of shares to be acquired upon exercise as appropriate within a reasonable range taking into consideration the terms of such allotment of shares without contribution or such other corporate action, in each case in accordance with Code Section 424 and, for any Share Acquisition Rights with respect to a California employee, Section 260.140.41 of the California Code of Regulations.

4. Total Number of Share Acquisition Rights
20,000.

The number of shares to be acquired upon exercise of one (1) Share Acquisition Right (the ***"Number of Shares per Right"***) equals one (1) share; provided, however, that, if the total number of shares that are subject to the Share Acquisition Rights has been adjusted pursuant to Section 3 above, the Number of Shares per Right shall be adjusted accordingly.
The above-listed total number of Share Acquisition Rights allocated is an expected amount, and if the total number of Share Acquisition Rights allocated decreases, including the case in which some of the employees do not apply for subscription, the number of Share Acquisition Rights actually allocated shall be considered as the total number of Share Acquisition Rights.

5. Amount Payable per Share Acquisition Right
No payment of money is needed.
This issuance of Share Acquisition Rights does not constitute an issuance with favorable conditions.

6. Exercise Period of Share Acquisition Rights
From December 8, 2017 (Japan Time) to November 21, 2027 (Japan Time) (the ***"Expiration Date"***).

7. Description and Value of the Asset to be Contributed upon Exercise of Share Acquisition Rights
The asset to be contributed to the Company upon exercise of Share Acquisition Rights will be cash.

The value of the asset to be contributed upon exercise of the Share Acquisition Rights shall be the amount calculated as (i) the exercise price per share acquired upon exercise of the Share Acquisition Rights (the ***"Exercise Price"***), multiplied by (ii) the Number of Shares per Right.
The Exercise Price shall be the greater of: (a) the average value of the closing price of Company's common stock on the Tokyo Stock Exchange on each day (excluding days when there is no trading) of the month immediately prior to the month in which the date of grant falls (with any fraction resulting from the calculation to be rounded up to the nearest whole yen), or (b) the closing price as of the date of grant (if there is no trading on that day, the first closing price available for the date immediately prior to the said date).

In the event of stock split, stock consolidation, stock dividend, recapitalization, combination, reclassification, or other distribution of the Company's equity securities without the receipt of consideration by the Company, of or on the Company's common stock, then in accordance with Code Section 424 and, for any Share Acquisition Rights with respect to a California employee, Section 260.140.41 of the California Code of Regulations, the Exercise Price will be adjusted using the following formula; provided, however, that such adjustment shall only apply to the Exercise Price of the Share Acquisition Rights that have not been exercised at the time of such stock split, stock consolidation or other applicable transaction. Any fraction resulting from such adjustment shall be rounded up to the nearest whole yen.

$$\text{Exercise Price after adjustment} = \frac{\text{Exercise Price before adjustment}}{\text{Ratio of stock split or stock consolidation, etc.}}$$

In addition to the foregoing, in the event of allotment of shares without contribution or any other corporate action that would change in the number of issued shares of stock (excluding the number of treasury shares held by the Company) effected without receipt of consideration by the Company, the Company shall adjust the Exercise Price as appropriate within a reasonable range taking into consideration the terms of such allotment of shares without contribution or such other corporate action, in each case in accordance with Code Section 424 and, for any Share Acquisition Rights with respect to a California employee, Section 260.140.41 of the California Code of Regulations.

8. Matters relating to Stated Capital and Capital Reserve to be Increased by Issuance of New Shares upon Exercise of Share Acquisition Rights
   (i) The amount of stated capital of the Company to be increased by the issuance of shares upon exercise of the Share Acquisition Rights will be one-half of the maximum amount of increase of stated capital calculated in accordance with Article 17 of the Corporate Calculation Rules. Any amount less than one yen resulting from the calculation will be rounded up to the nearest yen.

   (ii) The amount of capital reserves of the Company to be increased by the issuance of shares upon exercise of the Share Acquisition Rights will be the maximum amount of increase of stated capital described in (i) above less the amount of stated capital to be increased as set out in (i) above.

9. Conditions of Exercise of Share Acquisition Rights

(i) If a holder of the Share Acquisition Rights ceases to be an Employee, Director, Statutory Auditor or Consultant (the ***"Service Provider"***), the holder may only exercise his or her Share Acquisition Rights within three (3) months after the holder ceases to be a Service Provider to the extent that the Share Acquisition Rights are vested and exercisable on the date of termination (but in no event later than the Expiration Date).

(ii) If a holder of the Share Acquisition Rights ceases to be a Service Provider as a result of the holder's Disability as defined in Section 22(e)(3) of the Code, the holder may only exercise his or her Share Acquisition Rights within one (1) year after the holder ceases to be a Service Provider to the extent that the Share Acquisition Rights are vested and exercisable on the date of termination (but in no event later than the Expiration Date).

(iii) If a holder of the Share Acquisition Rights dies while the holder is a Service Provider, the Share Acquisition Rights may be exercised within one (1) year following the holder's death to the extent that the Share Acquisition Rights are vested and exercisable on the date of death (but in no event later than the Expiration Date) by the holder's heir(s).

In this Section 9, the following terms will have the following meanings:

"Employee" means any person employed by the Company or any Parent or Subsidiary of the Company. An Employee shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.

"Director" means a director of the Company or any Parent or Subsidiary of the Company.

"Statutory Auditor" means a statutory auditor of the Company or any Parent or Subsidiary of the Company.

"Consultant" means any natural person who is engaged by the Company or any Parent or Subsidiary of the Company to render consulting or advisory services to such entity and who satisfies the requirements of subsection (c)(1) of Rule 701 under the U.S. Securities Act of 1933 (the ***"Securities Act"***), as amended.

"Parent" means a "parent corporation," whether now or hereafter existing, as defined in Article 2(4) of the Companies Act of Japan, or, with respect to incentive stock options (***"ISOs"***) within the meaning of Section 422 of the Code, within the meaning of Section 424(e) of the Code.

"Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Article 2(3) of the Companies Act of Japan, or, with respect to ISOs, within the meaning of Section 424(f) of the Code.

10. Restrictions on Assignment of Share Acquisition Rights

Any acquisition of Share Acquisition Rights by assignment must be approved by the board of directors of the Company; provided, further, that unless determined otherwise by the board of

directors of the Company, Share Acquisition Rights with respect to a California employee may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the employee who was granted the Share Acquisition Rights, only by the employee who was granted the Share Acquisition Rights. If the board of directors of the Company makes any Share Acquisition Rights transferrable, such Share Acquisition Rights may be transferred only (i) by will, (ii) by the laws of descent and distribution, or (iii) as permitted by Rule 701 of the Securities Act. Further, until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the ***"Exchange Act"***), or after the board of directors of the Company determines that it is, will, or may no longer be relying upon the exemption from registration under the Exchange Act as set forth in Rule 12h-1(f) promulgated under the Exchange Act, the Share Acquisition Rights, or prior to exercise, the shares subject to the Share Acquisition Rights, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than to (i) persons who are "family members" (as defined in Rule 701(c)(3) of the Securities Act) through gifts or domestic relations orders, or (ii) to an executor or guardian of the participant upon the death or disability of the Participant. Notwithstanding the foregoing sentence, the board of directors of the Company, in its sole discretion, may determine to permit transfers to the Company or in connection with a change in control of the Company or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f).

11. Acquisition of Share Acquisition Rights by the Company

(i) In the event (a) a merger agreement whereby the Company will become an absorbed company, (b) a share exchange agreement or a share transfer plan whereby the Company will become a wholly owned subsidiary company, or (c) an absorption-type corporate split agreement or an incorporation-type corporate split plan whereby the Company will become a splitting company (only limited to a corporate split whereby all or substantially all of the assets of the Company will be transferred) is approved by the general meeting of shareholders of the Company (or the board of directors of the Company if the approval at the general meeting of shareholders is not required), the Company may acquire the Share Acquisition Rights without consideration upon such date as determined by the board of directors of the Company.

(ii) In the event that a holder of the Share Acquisition Rights becomes unable to exercise his or her Share Acquisition Rights pursuant to Section 9 above, the Company may acquire the Share Acquisition Rights held by the holder without consideration.

(iii) In the event that a holder of the Share Acquisition Rights becomes unable to exercise his or her Share Acquisition Rights pursuant to the Warrant Agreement to be executed between the Company and the holder, the Company may acquire the Share Acquisition Rights held by the holder without consideration.

12. Grant of Share Acquisition Rights and its Conditions in Case of Merger, Absorption-type Corporate Split, Incorporation-type Corporate Split, Share Exchange or Share Transfer.

In the case of a merger (limited to the merger where the Company is an absorbed company),

absorption-type corporate split, incorporation-type corporate split, share exchange or share transfer (the ***"Reorganization"***), share acquisition rights of the constituent company provided for in, Article 236, Paragraph (1), Item (8), Sub items (a) to (e) of the Companies Act of Japan (the ***"Successor Company"***) will be granted to the holders of the Share Acquisition Rights which have not been exercised at the time when such Reorganization has become effective, in exchange for such Share Acquisition Rights in accordance with the following provisions; provided, however, that such share acquisition rights will be granted only if a merger agreement, an absorption-type corporate split agreement, an incorporation-type corporate split plan, a share exchange agreement or a share transfer plan provides that such share acquisition rights of the Successor Company will be granted.

(i) The total number of the Successor Company's share acquisition rights granted thereunder
The number reasonably determined, based on the number of the Share Acquisition Rights held by the holder, with taking into consideration the terms and conditions of the Reorganization.

(ii) Type of shares of the Successor Company to be acquired
Common stock of the Successor Company

(iii) Number of shares of the Successor Company that are subject to share acquisition rights granted thereunder
The number reasonably determined with taking into consideration the terms and conditions of the Reorganization; provided, however, that unless determined otherwise by the board of directors of the Company, any such adjustment to a Share Acquisition Right (x) intended to qualify as an ISO will be adjusted in a manner that complies with Section 424 of the Code, and (y) held by an individual subject to U.S. income taxation will be adjusted in a manner that complies with Section 409A of the Code.

(iv) Value of asset to be contributed upon exercise of share acquisition rights granted thereunder
The amount calculated as (i) the price per share reasonably determined, based on the Exercise Price as provided for in Section 7 above, with taking into consideration the terms and conditions of the Reorganization, multiplied by (ii) the number of shares of the Successor Company to be acquired upon exercise of one (1) share acquisition right granted thereunder; provided, however, that unless determined otherwise by the board of directors of the Company, any such adjustment to a Share Acquisition Right (x) intended to qualify as an ISO will be adjusted in a manner that complies with Section 424 of the Code and (y) held by an individual subject to U.S. income taxation will be adjusted in a manner that complies with Section 409A of the Code.

(v) Exercise period of share acquisition rights granted thereunder
From the effective date of the Reorganization to the Expiration Date.

(vi) Conditions of exercise of share acquisition rights granted thereunder
The same as provided for in Section 9 above.

(vii) Restrictions on acquisition of share acquisition rights granted thereunder by assignment
The same as provided for in Section 10 above.

13. Treatment of Fractional Shares resulting from the Exercise of Share Acquisition Rights

In the event the number of shares to be delivered to the holder of the Share Acquisition Rights who exercised the Share Acquisition Rights includes a fraction of a share, such fractional number shall be eliminated by rounding down to the nearest whole share.

14. Allotment Date of Share Acquisition Rights

December 8, 2017 (Japan Time)