



December 16, 2024

Company name: SanBio Co., Ltd.

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(TSE Growth Code: 4592)

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**Notice Concerning Recording of
Non-operating Income, Extraordinary Gains, and Deferred Income Taxes**

SanBio Co., Ltd. (the “Company”) announces that it has recorded non-operating income, extraordinary gains, and deferred income taxes during the third quarter of the fiscal year ending January 31, 2025 (February 1, 2024 – October 31, 2024).

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

1) Overview of non-operating income

In the third quarter of the fiscal year ending January 31, 2025 (February 1, 2024 – October 31, 2024), the Company recorded a foreign exchange gain of 499 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 523 million yen due to the same exchange rate fluctuations as other comprehensive income.

2) Overview of extraordinary gains

In the third quarter of the fiscal year ending January 31, 2025 (February 1, 2024 – October 31, 2024), the Company recognized extraordinary gains of 2 million yen resulting from the sale of fixed assets held by the Company.

3) Overview of deferred income taxes

In the third quarter of the fiscal year ending January 31, 2025 (February 1, 2024 – October 31, 2024), 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 153 million yen.

2. Impact on earnings performance

Regarding the impact of the non-operating income, extraordinary gains, and deferred income taxes on the Company's earnings performance, please see the Consolidated Financial Results for the Nine Months Ended October 31, 2024 [Japanese GAAP] released on the date of this notice.