



September 20, 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)

Concerning Milestones for Receiving Grant from California Institute of Regenerative Medicine

SanBio Co., Ltd. (Headquarters: Chuo-ku, Tokyo, Representative Director and President: Keita Mori, hereafter “the Company”) announced on June 30, 2017 that the Company and its subsidiary, SanBio, Inc. have been awarded a \$20 million grant in total from the California Institute of Regenerative Medicine (CIRM) in support of its Phase 2b clinical trial of the regenerative cell medicine SB623 for the treatment of chronic stroke conducted in the U.S.

The grant will be received in installments as development milestones are achieved based on the contract agreed with CIRM.

(Unit: millions of dollars)

Milestones for receiving grant payments	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 *1	Achieved	Achieved	To be achieved	To be achieved	To be achieved	

*1 Each time the Company achieves the milestones, it will receive the grant as shown above through the procedure specified in the contract with CIRM. The Company has already achieved 65% of stroke patient enrollment and is now expected to receive \$4.5M for signing contract with CIRM and \$4.9M for achieving 65% of patient enrollment. The timing of receipt of the grant has not been determined, and the Company will issue news releases in a timely manner when it is determined.

Going forward, upon achievement of the milestones for the progress of patient enrollment (85% achievement, 100% completion) as shown above, as well as the receipt of grant payments based on milestone progress, the Company will issue news releases in a timely manner, although it has not been determined yet today.

The impact of receiving this grant on the Company's financial results for the fiscal year ending January 31, 2017, is being examined. If any matters to be disclosed arise, the Company will announce them promptly.