

# Financial Results for the 2nd Quarter of the Fiscal Year ending January 31, 2019

## SanBio Company Limited

Representative Director and President

Keita Mori

September 20, 2018

1. Financial Results
2. Development & Business Progress
3. Future Outlook

## **1. Financial Results**

2. Development & Business Progress

3. Future Outlook

## Solid business progress (despite timing-related variances)

(Unit : Million yen)

2Q for FY2019.1		Forecast(A) ※	Actual(B)	(B)-(A)	Factors of Difference
Revenue (Development support fees, etc.)		317	415	+98	Portion of development support fee was recorded earlier
	R&D cost	2,483	1,669	▲814	Research and development and manufacturing expense were recorded later
Operating expenses		2,622	2,030	▲592	
Operating income		▲2,305	▲1,615	+690	
Net income		▲2,052	▲1,041	+1,011	<ul style="list-style-type: none"> <li>•Portion of CIRM Funding was recorded earlier</li> <li>•Foreign exchange gain was recorded earlier</li> </ul>
Yen/US\$ exchange rate		110.00	108.77	-	

※Forecast is the figure reported before a revision dated August 24<sup>th</sup>, 2018

## Financial base stabilized through equity financing

(Unit : Million yen)

	As of January 31, 2018(A)	As of July 31, 2018(B)	(B)-(A)
Cash & cash equivalent	4,654	13,932	+9,278
Current assets	5,076	14,681	+9,605
Non-current assets	116	109	▲7
Total assets	5,193	14,791	+9,598
Current liabilities	2,106	1,282	▲824
Non-current liabilities	2,233	2,700	+467
Total liabilities	4,340	3,982	▲358
Net assets	853	10,808	+9,955
Total assets and liabilities	5,193	14,791	+9,598

## Raised ¥11 billion to support Company growth

Form of funding	Amount of funds raised	Use of funds
<b>Equity Finance</b> (third-party allotment of share acquisition rights with an exercise price adjustment clause)	<b>¥11 billion</b>	<b>Establishment of infrastructure to support manufacturing, distribution and sales for SB623 following its launch</b>
		<b>Development of additional programs and R&amp;D to expand target regions for SB623 sales</b>

1. Financial Results

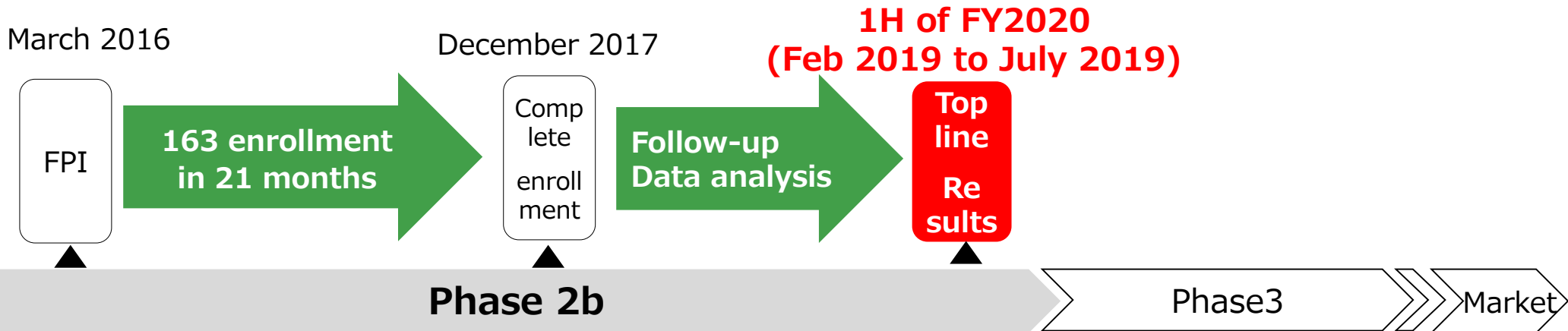
**2. Development & Business Progress**

3. Future Outlook

# Development Schedule: Stroke



**Results of the stroke trial will be announced by July, 2019 (1H of FY2020)**



**Intend to launch in Japan earlier than in any other market in the world**



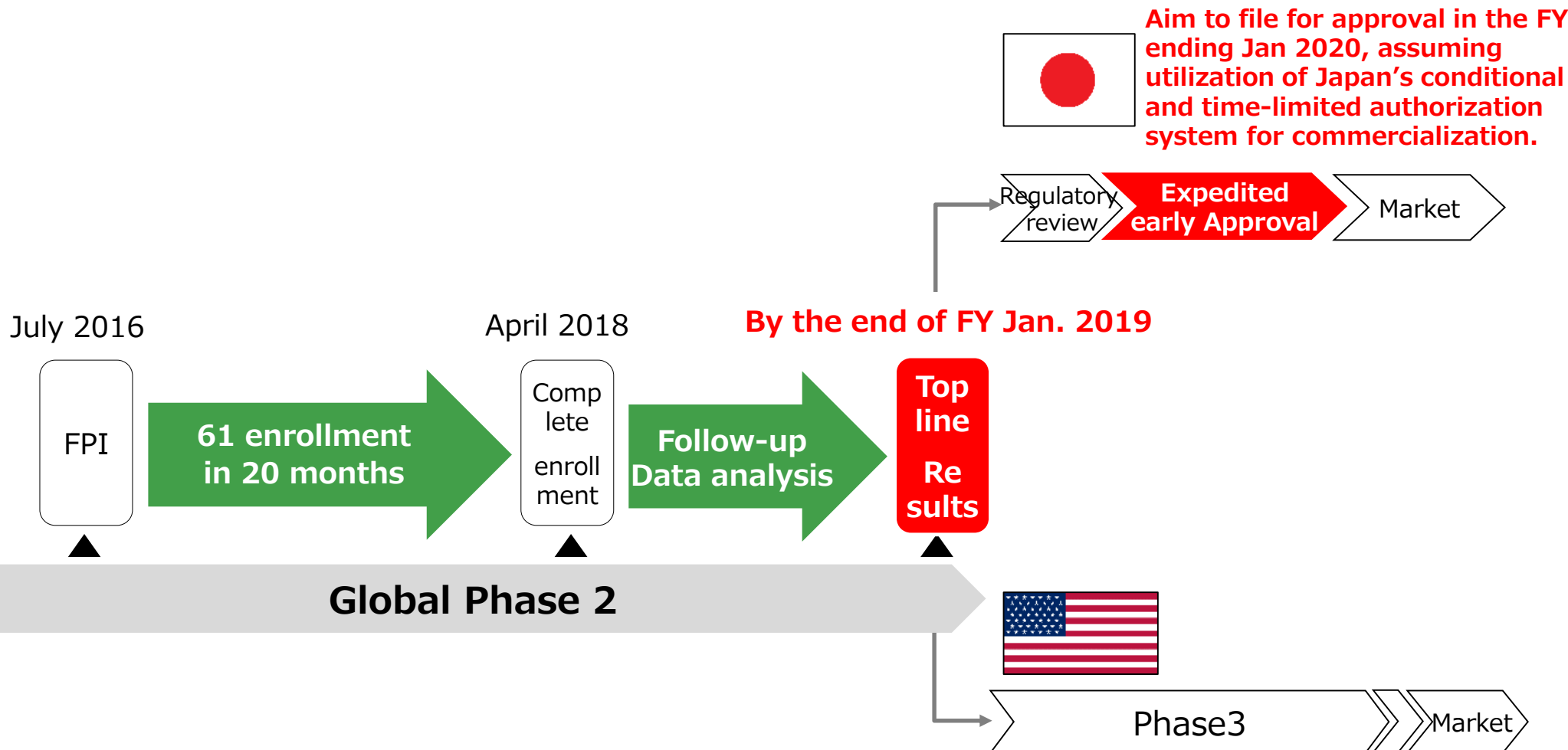
※ The above figure shows the anticipated order of market approval.



# Development Schedule: Traumatic Brain Injury



**Aim to begin product sales in TBI before other indications**



## Manufacturing of late stage clinical/commercial SB623 products



Manufacturing contract relationship

*Hitachi Chemical*




[Through the PCT Service Platform]

**SanBio and alliance partners are conducting joint research on the appropriate use, adoption, and stable distribution of SB623 following its launch**

Summary of equity and business alliances

■ Examining best ways to move SB623 into the Japan clinical / commercial market

Cutting-edge regenerative cell medicine startup

  
  
**SanBio**  
  
✓ R&D of regenerative cell medicine SB623

Research on appropriate use and adoption

Research on distribution

Flexible corporate alliance

  
**CareNet**

  
**Medical Incubator Japan**

  
**Vital KSK Holdings**

  
**Astem**

Features

- ✓ Over 140,000 physician members
- ✓ Provides educational content for physicians
- ✓ Provides sales support to pharmaceutical companies
- ✓ Invests in pharmaceutical startups
- ✓ Provides business support to pharmaceutical companies through consortium
- ✓ Major distributor of pharmaceutical drugs
- ✓ Major distributor of pharmaceutical drugs

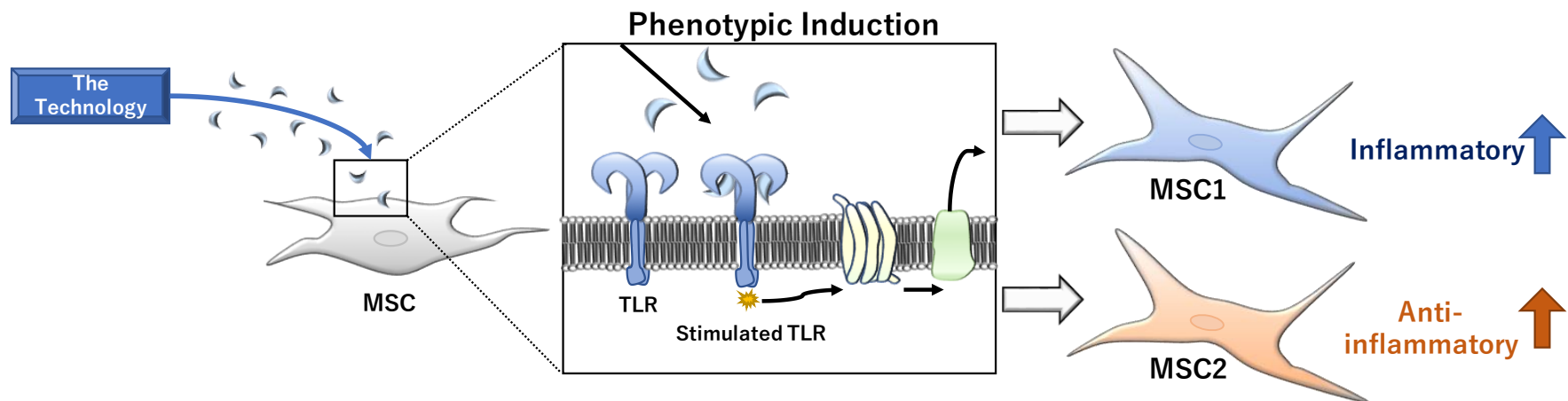
- SanBio acquired 9.74% common shares in CareNet for ¥1 billion.
- Four alliance companies acquired 1.59% common shares in SanBio.

## New product pipeline and expansion of target indications for SB623

Institution	Research contents		Target
<b>Keio University</b> (Prof. Okano)	Aims to obtain the data required for progressing to clinical trials by evaluating the therapeutic effects of SB623 in dementia model animals		<b>SB623</b>
<b>Kyoto University</b> (Prof. Hagiwara)	<b>Kyoto University</b>	<ul style="list-style-type: none"><li>● Oversee the study</li><li>● Perform pharmacological research on Algernon</li></ul>	<b>Algernon</b> , a new chemical compound that promotes neurogenesis, discovered by Hagiwara's team
	<b>SanBio</b>	<ul style="list-style-type: none"><li>● Evaluate drug efficacy in animal model of stroke</li></ul>	

### Expansion of SanBio product pipeline into inflammatory disorders and cancer

- A technology recently acquired by SanBio can enhance either anti-inflammatory or pro-inflammatory functions of mesenchymal stem cells by stimulating specific Toll-like receptors (TLRs) expressed on cell membranes, while maintaining a favorable safety and tolerability profile.
- Mesenchymal stem cells using this technology are more likely to migrate to injury sites and express higher homogeneity compared with untreated mesenchymal stem cells, indicating their therapeutic potential as highly safe and effective agents.

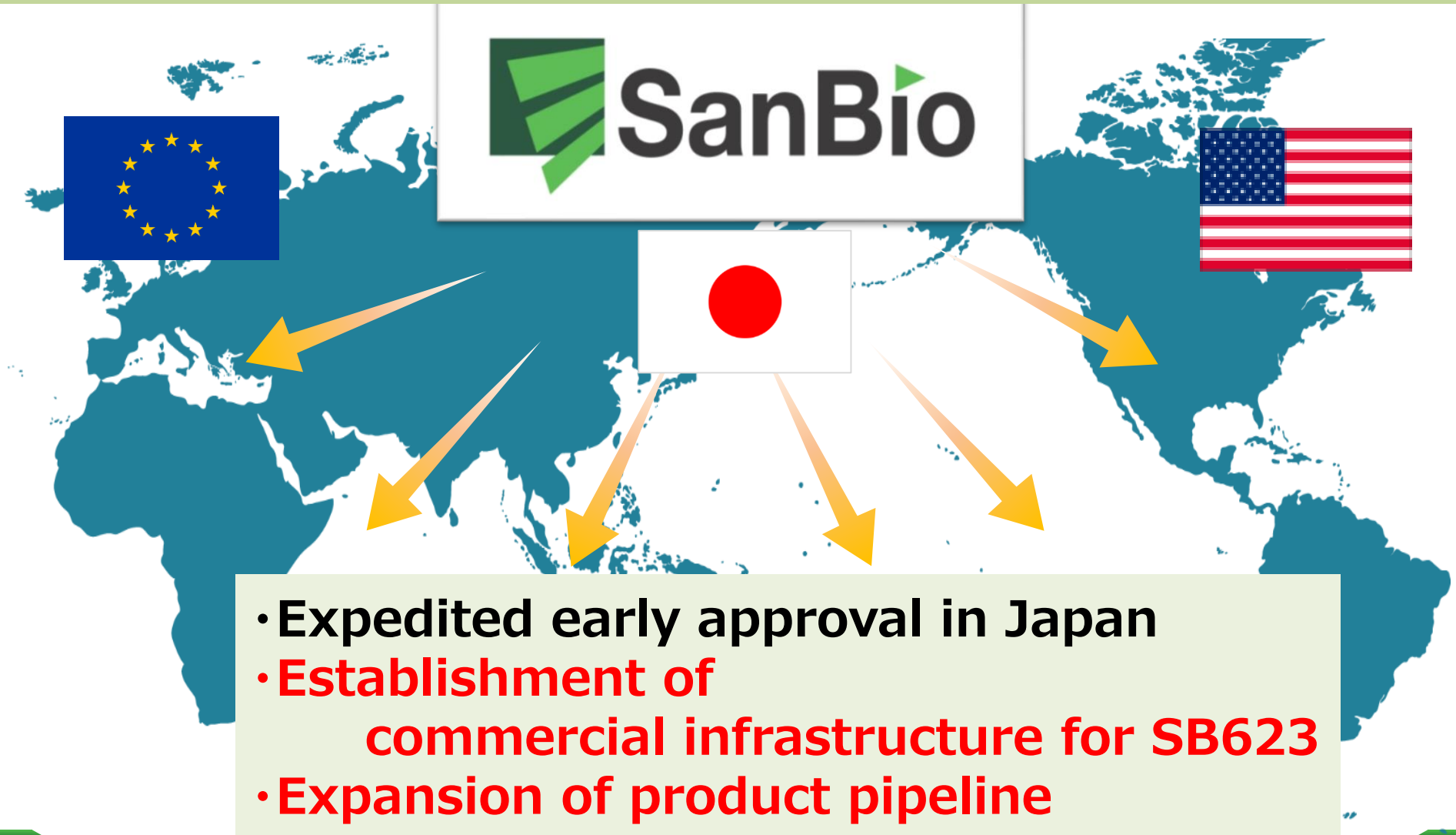


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**SanBio aims to be a global leader in regenerative medicine**



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