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〔Delayed〕 Notification of Differences between Consolidated Financial Results Forecast and Actual Financial Results for the Second Quarter (Six Months) and Revision of Consolidated Financial Results Forecast for the Full Fiscal Year ending January 31, 2016

SanBio Co., Ltd (hereafter "the Company") hereby announces the differences between consolidated financial results forecast and actual financial results for the second quarter (six months) of the fiscal year ending January 31, 2016. The Company also revised the consolidated financial results forecast for the full fiscal year ending January 31, 2016 as described below.

1. Differences between consolidated financial results forecast and actual results of second quarter (six months) for the fiscal year ending January 31, 2016
Six months ended July 31, 2015 (February 1, 2015 to July 31, 2015)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast (A) (as of April 8, 2015)	Million yen 377	Million yen △1,417	Million yen △1,421	Million yen △1,331	Yen △31.59
Actual results (B)	411	△555	△532	△440	△10.32
Amount Change (B-A)	33	861	889	891	
Percentage Change (%)	8.9	—	—	—	

2. Reasons for difference

With regard to consolidated financial results forecast for the second quarter (six months) of the fiscal year ending January 31, 2016, increase in operating revenue reflected higher-than-expected development support fee related to the joint development with Sumitomo Dainippon Pharma Co., Ltd. Operating loss, ordinary loss and net loss decreased mainly due to the fact that expenses associated with Phase IIb clinical trials (U.S.) for stroke and Phase II clinical trials (U.S.) for traumatic brain injury, for which SB623, a cell-based medicine for regenerative therapy, is in the preparatory stage, were pushed back from the second quarter (six months) ended July 31, 2015 to the third quarter (nine months) ending October 30, 2015.

The development programs for stroke and for traumatic brain injury are making progress as scheduled.

The Company started to disclose the second quarter financial results from the fiscal year ending January 31, 2016, and thus the figures for the six months ended July 31, 2014 are not stated herein.

3. Revisions to consolidated financial results forecasts for the full fiscal year
(From February 1, 2015 to January 31, 2016)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast (A) (as of April 8, 2015)	Million yen 2,074	Million yen △1,091	Million yen △1,109	Million yen △920	Yen △21.45
Revised Forecast (B)	1,835	△855	△838	△744	△17.47
Amount Change (B-A)	△239	235	270	175	
Percentage Change (%)	△11.6	―	―	―	
(Reference) Actual results for the fiscal year ended January 31, 2015	3,229	2,248	2,228	1,736	44.31

1. Reasons for revisions

Phase IIb clinical trials (U.S.) for chronic stroke and Phase II clinical trials (U.S.) for chronic traumatic brain injury, for which SB623 is in the preparatory stage, are planned to start by the end of the fiscal year ending January 31, 2016. In Japan, as announced in the press release entitled "Development program in Japan for regenerative therapy of Traumatic Brain Injury using SB623" dated July 8, 2015, a full-scale development program for treatment of traumatic brain injury has started with the aim of securing approval for production and sales.

With regard to the consolidated financial results forecast, operating revenue is expected to decrease primarily due to review of the timing of the recording of proceeds from development support fee. As for operating losses, although expenses relating to clinical trials in Japan for traumatic brain injury are expected to be additionally incurred, expenses associated with Phase IIb clinical trials (U.S.) for stroke and Phase II clinical trials (U.S.) for traumatic brain injury, for which SB623 is in the preparatory stage, had initially been forecasted to be incurred from the six months ended July 31, 2015, however, are instead expected to arise mainly in the third and the fourth quarters of the fiscal year ending January 31, 2016 as well as in the fiscal year ending January 31, 2017 or later, after the commencement of the clinical trials. As a result of the above, the consolidated financial results forecast for the full fiscal year has been revised.

The development programs for stroke and for traumatic brain injury are making progress as scheduled.

(Note) The above forward-looking statements are based on information available to SanBio at the time of publication. Actual results may vary significantly due to various factors.