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**Announcement on Conclusion of Basic Agreement for Commercial Distribution of
Regenerative Medicines with Suzuken Co., Ltd. and Start of Joint Development Related to
Patient Support System**

SanBio Company Limited (hereafter, “the Company”) hereby announces that it has concluded a basic transaction agreement with Suzuken Co., Ltd. (“Suzuken”; Hiromi Miyata, President and CEO) regarding the commercial distribution of regenerative medicine products (“the products”) under development by the SanBio Group (the Company and its subsidiary SanBio, Inc.) with the purpose of stable supply of the products. The Company and Suzuken are considering distribution systems (logistics and commercial distribution) of the products with the goal of commercialization. The two companies also agreed on joint development of the R-SAT System (“the System”) that will manage product traceability through to administration to patients and support for patients after administration.

The basic transaction agreement covers commercial distribution relating to the sale and purchase of the products. The Company and Suzuken have also started talks with a view to concluding a logistics outsourcing agreement covering transportation and delivery of the products from manufacturing facility to medical facilities, and manufacturing license to make shipment decisions.

The name of the System under development by the two companies takes the initials of Regenerative medicine, Safety, Accuracy, and Traceability. It will enable shipment decisions and delivery in response to product orders from medical facilities nationwide and strict and timely quality control management through to administration of the products to patients. It will also allow management of schedules and other aspects of support for patients after administration, providing a safer and more secure structure for medical institutions using regenerative medicines. The Company and Suzuken are currently applying for a joint patent and trademark registration for the System.

The SanBio Group is reviewing the impact of the agreements with Suzuken on its financial results for the fiscal year ending January 31, 2020 and shall disclose any matters that require disclosure without delay.