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Consolidated Financial Results for the Six Months Ended July 31, 2026 [Japanese GAAP]

September 14, 2026

Company name: SanBio Company Limited
Stock exchange listing: Tokyo Stock Exchange
Code number: 4592
URL: https://www.sanbio.com/
Representative: Keita Mori, Representative Director and President
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Scheduled date of filing semi-annual securities report: September 14, 2026
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing material on financial results: No
Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended July 31, 2026 (February 1, 2026 to July 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
July 31, 2026	–	–	(1,909)	–	(1,730)	–	(1,791)	–
July 31, 2025	–	–	(1,888)	–	(2,481)	–	(1,997)	–

(Note) Comprehensive income: Six months ended July 31, 2026: ¥(1,933) million [–%]
Six months ended July 31, 2025: ¥(1,501) million [–%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
July 31, 2026	(22.95)	–
July 31, 2025	(27.80)	–

(Note) Diluted net income per share is not stated, as net loss per share was recorded although there are potential shares with dilutive effect.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
July 31, 2026	13,645	11,724	84.0	146.78
January 31, 2026	15,621	13,604	85.4	170.93

(Reference) Equity: As of July 31, 2026: ¥11,457 million
As of January 31, 2026: ¥13,338 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2026	–	0.00	–	0.00	0.00
Fiscal year ending January 31, 2027	–	0.00			
Fiscal year ending January 31, 2027 (Forecast)			–	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2027 (February 1, 2026 to January 31, 2027)

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	396	–	(5,229)	–	(5,074)	–	(5,133)	–	(65.77)

(Note) Revision to the financial results forecast announced most recently: No

Notes:

(1) Significant changes in the scope of consolidation during the period under review: No

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
July 31, 2026: 78,058,883 shares
January 31, 2026: 78,033,331 shares

2) Total number of treasury shares at the end of the period:
July 31, 2026: 540 shares
January 31, 2026: 540 shares

3) Average number of shares during the period:
Six months ended July 31, 2026: 78,049,076 shares
Six months ended July 31, 2025: 71,835,733 shares

* These semi-annual financial results are outside the scope of review by a certified public accountant or an audit corporation.

* Explanation of the proper use of the financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and the Company does not assure the achievement of any of these. Furthermore, actual results may vary significantly due to various factors. For the assumptions and notes for earnings forecasts, please refer to “1. Overview of Operating Results, etc., (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the attachment.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

In the Japanese regenerative medicine industry, the practical application of regenerative medicine products has been making progress under the Act on the Safety of Regenerative Medicine and the Revised Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices. In addition, in the U.S., expedited approvals based on the Regenerative Medicine Advanced Therapy (RMAT) program established under the 21st Century Cures Act are implemented. Thus, the development of regulatory systems and the practical application of regenerative medicine are advancing both in Japan and the U.S.

In this environment, the Group (hereinafter referring to two companies: the Company and SanBio, Inc. of Oakland, California, U.S.) has promoted research and development aiming at the commercialization of its unique cell therapeutic agent, SB623, mainly for central nervous system diseases with high unmet medical needs.

For the SB623 development program for treatment of chronic traumatic brain injury (hereinafter the "Program"), in November 2018, the primary endpoint was met in the Phase 2 global clinical trial including Japan, and in April 2019, the Program in Japan was designated as a product under the "SAKIGAKE Designation System." Developed under this framework, "AKUUGO® suspension for intracranial implantation; hereinafter 'AKUUGO®'" received conditional and time-limited manufacturing and marketing approval in July 2024. In December 2025, approval was granted for partial changes to its manufacturing and marketing approval for the purpose of lifting the shipment restrictions. Thereafter, in May 2026, AKUUGO® was listed in the Drug Price Standard under the National Health Insurance (NHI) system in Japan, its NHI price was determined at ¥72 million, and marketing has commenced. Since the commencement of marketing, we have been providing information to healthcare professionals through lectures and other events to promote the proper use of AKUUGO®, and are also working to establish a stable supply system.

Going forward, building on AKUUGO®'s track record in Japan, where it has obtained marketing approval, received approval for a partial change related to the shipment restriction, been listed on the NHI drug price list, and commenced commercial sales, we will promote its proper use and work to develop a stable supply system. We will also continue to promote initiatives toward global expansion, including in the U.S., as well as the expansion of indications to conditions such as cerebral infarction. In the U.S., for the development targeting traumatic brain injury, the Company has reached an agreement with the U.S. Food and Drug Administration (FDA) on the Phase 3 clinical trial design and is proceeding with preparations to initiate the clinical trial. In Japan, the Company plans to hold discussions with the Pharmaceuticals and Medical Devices Agency (PMDA) regarding the ischemic stroke program, and is promoting preparations to initiate the clinical trial. Through these initiatives, the Company aims to ensure its medium- to long-term growth opportunities.

Under these circumstances, during the six months ended July 31, 2026, the Company recorded ¥1,226 million in research and development expenses, mainly consisting of costs related to obtaining approval for partial changes to the manufacturing and marketing approval for AKUUGO®. As a result, operating loss was ¥1,909 million (operating loss of ¥1,888 million for the same period of the previous fiscal year). The Company recorded foreign exchange gains of ¥185 million as non-operating income due to fluctuations in foreign exchange rates. Consequently, ordinary loss was ¥1,730 million (ordinary loss of ¥2,481 million for the same period of the previous fiscal year), and net loss attributable to owners of parent was ¥1,791 million (net loss attributable to owners of parent of ¥1,997 million for the same period of the previous fiscal year).

The Group consists of a single business segment, cell therapeutic agent using modified allogeneic stem cells. Therefore, description of business performance by segment is omitted.

(2) Overview of Financial Position for the Period under Review

1) Assets, liabilities and net assets

(Current assets)

The balance of current assets at the end of the semi-annual period of the fiscal year under review was ¥13,380 million, a decrease of ¥2,108 million compared with the end of the previous fiscal year (¥15,489 million), mainly due to a decrease of ¥2,335 million in cash and deposits.

(Non-current assets)

The balance of non-current assets at the end of the semi-annual period of the fiscal year under review was ¥264 million, an increase of ¥132 million compared with the end of the previous fiscal year (¥131 million), mainly due to an increase of ¥116 million in property, plant and equipment.

(Current liabilities)

The balance of current liabilities at the end of the semi-annual period of the fiscal year under review was ¥339 million, a decrease of ¥194 million compared with the end of the previous fiscal year (¥534 million), mainly due to a decrease of ¥179 million in accrued expenses.

(Non-current liabilities)

The balance of non-current liabilities at the end of the semi-annual period of the fiscal year under review was ¥1,580 million, an increase of ¥98 million compared to the end of the previous fiscal year (¥1,482 million), due to an increase of ¥58 million in deferred tax liabilities.

(Net assets)

Total net assets at the end of the semi-annual period of the fiscal year under review were ¥11,724 million, a decrease of ¥1,879 million compared with the end of the previous fiscal year (¥13,604 million), mainly due to the recording of ¥1,791 million in net loss attributable to owners of parent and a decrease of ¥142 million in foreign currency translation adjustment.

2) Cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the semi-annual period of the fiscal year under review were ¥12,677 million, a decrease of ¥2,138 million compared to the end of the previous fiscal year (¥14,815 million). Cash flows in each area of activity and their respective contributing factors are as follows.

(Cash flows from operating activities)

Net cash used in operating activities for the six months ended July 31, 2026 was ¥2,136 million (an outflow of ¥2,052 million for the same period of the previous fiscal year). This was primarily due to loss before income taxes of ¥1,728 million, foreign exchange gains of ¥185 million, and a decrease of ¥179 million in accrued expenses.

(Cash flows from investing activities)

Net cash provided by investing activities for the six months ended July 31, 2026 was ¥78 million (an outflow of ¥301 million for the same period in the previous fiscal year). This was primarily due to an inflow of ¥200 million from proceeds from withdrawal of time deposits and an outflow of ¥108 million for purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities for the six months ended July 31, 2026 was ¥111 million (an inflow of ¥1,895 million for the same period in the previous fiscal year). This was primarily due to an outflow of ¥129 million for repayments of long-term loans payable.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

No revisions have been made to the consolidated financial results forecast for the full year of the fiscal year under review, as released on May 13, 2026.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2026	As of July 31, 2026
Assets		
Current assets		
Cash and deposits	15,083,233	12,748,210
Work in process	–	142,711
Advance payments	198,936	238,367
Other	207,376	251,518
Total current assets	15,489,546	13,380,807
Non-current assets		
Property, plant and equipment	69,115	185,501
Intangible assets	43,891	43,891
Investments and other assets	18,986	35,145
Total non-current assets	131,993	264,538
Total assets	15,621,539	13,645,346
Liabilities		
Current liabilities		
Current portion of long-term loans payable	129,000	–
Accounts payable - other	165,452	203,894
Accrued expenses	212,671	33,385
Income taxes payable	1,210	605
Provision for bonuses	12,523	83,665
Other	13,436	18,023
Total current liabilities	534,293	339,574
Non-current liabilities		
Convertible bond-type bonds with stock acquisition rights	1,109,700	1,125,900
Deferred tax liabilities	372,879	431,455
Asset retirement obligations	–	23,421
Total non-current liabilities	1,482,579	1,580,776
Total liabilities	2,016,873	1,920,351
Net assets		
Shareholders’ equity		
Capital stock	8,375,431	6,697,386
Capital surplus	12,086,873	10,408,828
Retained earnings	(995,899)	621,364
Treasury shares	(1,164)	(1,164)
Total shareholders’ equity	19,465,240	17,726,414
Accumulated other comprehensive income		
Foreign currency translation adjustment	(6,126,751)	(6,268,888)
Total accumulated other comprehensive income	(6,126,751)	(6,268,888)
Subscription rights to shares	266,177	267,469
Total net assets	13,604,666	11,724,995
Total liabilities and net assets	15,621,539	13,645,346

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Thousand yen)

	For the six months ended July 31, 2025	For the six months ended July 31, 2026
Operating revenue	–	–
Operating expenses		
Research and development expenses	1,346,768	1,226,234
Other selling, general and administrative expenses	541,354	683,706
Total operating expenses	1,888,122	1,909,940
Operating loss	(1,888,122)	(1,909,940)
Non-operating income		
Interest income	1,644	22,345
Foreign exchange gains	–	185,843
Other	78	36
Total non-operating income	1,723	208,224
Non-operating expenses		
Interest expenses	3,540	1,109
Interest expenses on bonds	13,500	16,200
Foreign exchange losses	518,514	–
Financing expenses	34,300	11,058
Share issuance costs	23,929	214
Other	1,800	–
Total non-operating expenses	595,585	28,582
Ordinary loss	(2,481,984)	(1,730,297)
Extraordinary income		
Gain on reversal of subscription rights to shares	–	1,478
Total extraordinary income	–	1,478
Loss before income taxes	(2,481,984)	(1,728,819)
Income taxes - current	734	4,131
Income taxes - deferred	(485,474)	58,575
Total income taxes	(484,739)	62,707
Net loss	(1,997,245)	(1,791,526)
Net loss attributable to owners of parent	(1,997,245)	(1,791,526)

Semi-annual Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the six months ended July 31, 2025	For the six months ended July 31, 2026
Net loss	(1,997,245)	(1,791,526)
Other comprehensive income		
Foreign currency translation adjustment	495,713	(142,137)
Total other comprehensive income	495,713	(142,137)
Comprehensive income	(1,501,531)	(1,933,663)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(1,501,531)	(1,933,663)
Comprehensive income attributable to non-controlling interests	–	–

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended July 31, 2025	For the six months ended July 31, 2026
Cash flows from operating activities		
Loss before income taxes	(2,481,984)	(1,728,819)
Depreciation	3,832	27,308
Share based compensation expenses	17,621	21,186
Increase (decrease) in provision for bonuses	50,138	71,141
Interest and dividend income	(1,644)	(22,345)
Foreign exchange losses (gains)	521,439	(185,842)
Interest expenses	3,540	1,109
Interest expenses on bonds	13,500	16,200
Financing expenses	34,300	11,058
Share issuance costs	23,929	214
Gain on reversal of subscription rights to shares	–	(1,478)
Decrease (increase) in inventories	–	(142,711)
Decrease (increase) in advance payments	(2,050)	(31,204)
Increase (decrease) in accounts payable - other	(6,583)	19,715
Increase (decrease) in accrued expenses	(264,935)	(179,855)
Decrease (increase) in other current assets	35,616	(36,062)
Other	(1,494)	5,867
Subtotal	(2,054,773)	(2,154,518)
Interest and dividends received	1,390	22,907
Interest expenses paid	(3,544)	(1,117)
Income taxes paid	(474)	(4,736)
Income taxes refund	4,737	491
Net cash provided by (used in) operating activities	(2,052,664)	(2,136,973)
Cash flows from investing activities		
Payments into time deposits	(400,000)	–
Proceeds from withdrawal of time deposits	100,000	200,000
Purchase of property, plant and equipment	(2,530)	(108,859)
Proceeds from sale of property, plant and equipment	1,020	355
Payments of leasehold deposits	(20)	(13,218)
Net cash provided by (used in) investing activities	(301,529)	78,276
Cash flows from financing activities		
Repayments of long-term loans payable	(134,000)	(129,000)
Payments of financing expenses	(41,030)	(16,607)
Proceeds from issuance of convertible bond-type bonds with stock acquisition rights	1,080,000	–
Proceeds from issuance of shares	975,819	–
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	15,193	34,285
Other	(32)	(214)
Net cash provided by (used in) financing activities	1,895,950	(111,536)
Effect of exchange rate change on cash and cash equivalents	(22,572)	32,071
Net increase (decrease) in cash and cash equivalents	(480,816)	(2,138,162)
Cash and cash equivalents at beginning of period	2,853,132	14,815,273
Cash and cash equivalents at end of period	2,372,315	12,677,111

(1) Notes to the Semi-annual Consolidated Financial Statements

(Notes on segment information, etc.)

<Segment information>

I For the six months ended July 31, 2025 (from February 1, 2025 to July 31, 2025)

Segment information is omitted as the Group consists of a single business segment, cell therapeutic agent using modified allogeneic stem cells.

II For the six months ended July 31, 2026 (from February 1, 2026 to July 31, 2026)

Segment information is omitted as the Group consists of a single business segment, cell therapeutic agent using modified allogeneic stem cells.

(Notes in the event of significant changes in shareholders' equity)

I For the six months ended July 31, 2025 (from February 1, 2025 to July 31, 2025)

During the six months ended July 31, 2025, the Company received a payment for the third-party allotment from CVI Investments, Inc. with March 3, 2025 as the date of payment, and capital stock and capital reserves each increased by ¥500,000 thousand. In addition, capital stock and capital reserves each increased by ¥12,375 thousand due to the exercise of share acquisition rights as stock options.

Capital stock and capital surplus each decreased by ¥1,772,807 thousand and retained earnings increased by ¥3,545,614 thousand as a result of covering the deficit in retained earnings brought forward as of June 6, 2025 based on the resolution of the 12th Annual General Meeting of Shareholders held on April 23, 2025.

As a result, at the end of the semi-annual period of the fiscal year ended January 31, 2026, capital stock, capital surplus, and retained earnings were ¥1,235,760 thousand, ¥4,947,202 thousand, and ¥849,467 thousand, respectively.

II For the six months ended July 31, 2026 (from February 1, 2026 to July 31, 2026)

During the six months ended July 31, 2026, capital stock and capital reserves each increased by ¥26,350 thousand due to the exercise of share acquisition rights as stock options.

Capital stock and capital surplus each decreased by ¥1,704,395 thousand and retained earnings increased by ¥3,408,791 thousand as a result of covering the deficit in retained earnings brought forward as of June 5, 2026 based on the resolution of the 13th Annual General Meeting of Shareholders held on April 22, 2026.

As a result, at the end of the semi-annual period of the fiscal year ending January 31, 2027, capital stock, capital surplus, and retained earnings were ¥6,697,386 thousand, ¥10,408,828 thousand, and ¥621,364 thousand, respectively.

(Notes on going concern assumption)

None