

Notice Regarding Posting of Non-operating Income (Subsidy Income)

AnGes, Inc. (the “Company”) announced the posting of non-operating income in the second quarter of the fiscal year ending December 31, 2022 (April 1, 2022 – June 30, 2022). Details are as follows.

1. Posting of non-operating income

The Company will post subsidy income amounting to 118 million yen in the second quarter of the fiscal year ending December 31, 2022.

This is based on a research and development outsourcing agreement concerning “development of a vaccine for the novel coronavirus (COVID-19),” a drug design support business adopted by the Japan Agency for Medical Research and Development (“AMED”). Based on the agreement, the Company has already received payment from AMED. A subsidy for fiscal year 2020 amounting to 1,400 million yen was posted under subsidy income in the fourth quarter of the fiscal year ended December 31, 2021. That for fiscal year 2021 was posted under advances received because the outcome of screening for ensuring proper implementation of the agreement had yet to be determined as of the end of the fiscal year ended December 31, 2021.

The cost of outsourced research and development posted under advances received was transferred under non-operating income because the Company received notice of definitive screening results for fiscal year 2021.

2. Future outlook

The Company has determined not to disclose its results forecast for fiscal 2022 because it is currently difficult to calculate income, considering the possibility of out-licensing products under development and carrying forward to the next fiscal year the posting and recognition in earnings of part of the subsidy for the development of a vaccine for COVID-19, which will be recorded as non-operating income, in addition to the fact that amounts of expenditure, the majority of which consists of research and development costs, may differ significantly with progress in clinical trials.

The Company will promptly make disclosure as soon as reasonable calculation becomes available, in step with the progress of the business.

AnGes, Inc.
Public Relations & Investor Relations Group
<https://www.anges.co.jp/en/>