

Consolidated Financial Report for the Second Quarter 2025 (Unaudited)(Japan GAAP)

AnGes, Inc.

<https://www.anges.co.jp/en/>

Listings: Growth of the Tokyo Stock Exchange, Code 4563

Head Office: 7-7-15, Saito-Asagi, Ibaraki, Osaka, 567-0085, Japan

(Figures are rounded down to the nearest million yen)

1. Business Results for the Second Quarter 2024 (From Jan. 1, 2025 to Jun. 30, 2025)

(1) Results of Operations (Percentages indicate changes from the same period of the previous fiscal year)

	Revenues		Operating loss		Ordinary loss		Net loss	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q 2025	414	19.4	(2,400)	—	(3,898)	—	(3,966)	—
2Q 2024	347	578.5	(5,107)	—	(3,190)	—	(3,500)	—

*Comprehensive Income 2Q 2025 : (2,518) million yen 2Q 2024 : (2,533) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
2Q 2025	(12.07)	—
2Q 2024	(16.60)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Jun. 30, 2025	5,786	3,402	57.5
Dec. 31, 2024	4,668	2,156	44.0

*Shareholder's equity Jun. 30, 2025 : 3,324 million yen Dec. 31, 2024 : 2,052 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2024	—	0.00	—	0.00	0.00
FY 2025	—	0.00	—	—	—
FY 2025 (Forecast)	—	—	—	0.00	0.00

*Change of dividend forecast from the most recent release: None

3. Earnings Forecast for the Fiscal Year 2025 (From Jan. 1, 2025 to Dec. 31, 2025)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	1,350	109.7	(5,800)	—	(5,820)	—	(5,850)	—	(17.04)

*Change of earnings forecast from the most recent release: None

Notes:

- (1) Change of reporting entities (change of condition of significant consolidated subsidiaries) : None
 (2) Accounting procedure peculiar to the quarterly consolidated financial statements : None
 (3) Change of significant accounting and reporting policies for consolidated financial statements
 1) Changes caused by revision of accounting standard : None
 2) Changes in accounting policies other than 1) : None
 3) Changes in accounting estimates : None
 4) Restatement : None

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	Jun. 30, 2025	357,809,950 shares	Dec. 31, 2024	286,377,550 shares
2) Number of treasury shares	Jun. 30, 2025	230 shares	Dec. 31, 2024	230 shares
3) Average number of shares issued and outstanding	2Q 2025	328,461,671 shares	2Q 2024	210,924,458 shares

**Performance forecasts or any other future events contained in this report are based on currently available information which are believed to be reasonable at the time of forecasts. Actual results may differ from the forecasts due to various factors.*

***This financial report has been translated from Japanese original which has been prepared in accordance with generally accepted accounting principles in Japan, for reference purposes only. Also some changes are added to this report in order to present in a form more familiar to the readers outside Japan.*

AnGes, Inc
Consolidated Balance Sheets
(In thousands of yen)
(Unaudited)

	December 31, 2024	June 30, 2025
Assets		
Current assets		
Cash and deposits	1,707,756	2,908,302
Accounts receivable - trade	85,235	119,313
Merchandise	224,803	179,060
Raw materials and supplies	1,204,382	1,265,796
Advance payments to suppliers	65,547	51,397
Prepaid expenses	69,532	134,757
Consumption taxes refund receivable	175,447	60,386
Other	9,903	9,940
Total current assets	3,542,608	4,728,955
Non-current assets		
Property, plant and equipment		
Buildings	220,509	226,009
Accumulated depreciation	(141,951)	(145,716)
Buildings, net	78,558	80,293
Tools, furniture and fixtures	212,358	219,549
Accumulated depreciation	(116,029)	(137,236)
Tools, furniture and fixtures, net	96,328	82,312
Total property, plant and equipment	174,887	162,605
Intangible assets		
Software	9,661	8,644
Total intangible assets	9,661	8,644
Investments and other assets		
Investment securities	441,804	409,868
Leasehold and guarantee deposits	97,672	96,652
Long-term loans receivable	-	15,000
Deferred tax assets	401,016	363,769
Other	948	671
Total investments and other assets	941,441	885,961
Total non-current assets	1,125,990	1,057,211
Total assets	4,668,599	5,786,167

AnGes, Inc
Consolidated Balance Sheets
(In thousands of yen)
(Unaudited)

	December 31, 2024	June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	307,944	233,008
Accounts payable - other	306,991	327,841
Accrued expenses	32,809	34,827
Provision for business restructuring	166,182	144,915
Income taxes payable	681,828	713,058
Advances received	639,500	639,500
Deposits received	14,172	11,368
Lease liabilities	163,853	162,258
Total current liabilities	2,313,283	2,266,778
Non-current liabilities		
Deferred tax liabilities	25,584	16,114
Asset retirement obligations	64,544	64,601
Lease liabilities	108,595	36,534
Total non-current liabilities	198,724	117,250
Total liabilities	2,512,007	2,384,028
Net assets		
Shareholders' equity		
Share capital	37,255,887	39,151,452
Capital surplus	5,502,588	7,398,338
Retained earnings	(46,514,594)	(50,480,661)
Treasury shares	(39)	(39)
Total shareholders' equity	(3,756,157)	(3,930,909)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,444	25,867
Foreign currency translation adjustment	5,760,964	7,229,755
Total accumulated other comprehensive income	5,808,409	7,255,623
Share acquisition rights	104,339	77,424
Total net assets	2,156,591	3,402,138
Total liabilities and net assets	4,668,599	5,786,167

AnGes, Inc
Consolidated Statements of Operations
(In thousands of yen)
(Unaudited)

	The Second Quarter (From Jan. 1 to Jun.30)	
	2024	2025
Business revenues		
Net sales of goods	151,940	142,587
Net sales of finished goods	11,623	-
Commission income	107,832	272,391
Research and development revenues	76,180	-
Total business revenues	347,576	414,978
Business expenses		
Cost of sales	199,826	254,939
Research and development expenses	2,245,721	1,555,940
Selling, general and administrative expenses	3,009,988	1,004,567
Total business expenses	5,455,536	2,815,447
Operating loss	(5,107,959)	(2,400,469)
Non-operating income		
Interest income	2,457	9,309
Foreign exchange gains	1,916,143	-
Subsidy income	27,916	-
Commission income	3,172	2,882
Miscellaneous income	-	832
Total non-operating income	1,949,690	13,024
Non-operating expenses		
Share issuance costs	30,358	19,060
Loss on investments in investment partnerships	1,765	801
Foreign exchange losses	-	1,491,248
Total non-operating expenses	32,124	1,511,110
Ordinary loss	(3,190,393)	(3,898,555)
Extraordinary income		
Gain on reversal of share acquisition rights	3,096	-
Total extraordinary income	3,096	-
Extraordinary losses		
Business structural reform expenses	230,711	-
Total extraordinary losses	230,711	-
Loss before income taxes	(3,418,009)	(3,898,555)
Income taxes - current	43,709	60,307
Income taxes - deferred	38,751	7,204
Total income taxes	82,461	67,511
Loss	(3,500,471)	(3,966,066)
Loss attributable to owners of parent	(3,500,471)	(3,966,066)

AnGes, Inc
Consolidated Statements of Comprehensive Income
(In thousands of yen)
(Unaudited)

	The Second Quarter (From Jan. 1 to Jun.30)	
	2024	2025
Loss	(3,500,471)	(3,966,066)
Other comprehensive income		
Valuation difference on available-for-sale securities	32,358	(21,577)
Foreign currency translation adjustment	934,806	1,468,790
Total other comprehensive income	967,165	1,447,213
Comprehensive income	(2,533,305)	(2,518,853)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,533,305)	(2,518,853)
Comprehensive income attributable to non-controlling interests	–	–

AnGes, Inc
Consolidated Statements of Cash Flows
(In thousands of yen)
(Unaudited)

	The Second Quarter (From Jan. 1 to Jun.30)	
	2024	2025
Cash flows from operating activities		
Loss before income taxes	(3,418,009)	(3,898,555)
Depreciation	23,414	26,304
Amortization of goodwill	1,668,731	-
Interest income	(2,457)	(9,309)
Foreign exchange losses (gains)	(1,896,578)	1,446,065
Loss (gain) on investments in investment partnerships	1,765	801
Share issuance costs	30,328	19,060
Share-based payment expenses	3,611	243
Gain on reversal of share acquisition rights	(3,096)	-
Business restructuring expenses	91,997	-
Decrease (increase) in trade receivables	(173,904)	(34,078)
Decrease (increase) in inventories	263,389	(15,671)
Increase (decrease) in trade payables	(163,052)	(66,764)
Decrease (increase) in advance payments to suppliers	(16,381)	14,150
Increase/decrease in consumption tax payable /consumption taxes refund receivable	(195,854)	115,096
Increase (decrease) in accounts payable - other	(194,497)	29,025
Increase (decrease) in accrued expenses	3,653	4,537
Increase (decrease) in provision for business restructuring	(310,270)	(7,420)
Increase (decrease) in advances received	650	-
Decrease (increase) in other current assets	23,677	(67,267)
Decrease (increase) in other non-current assets	-	646
Increase (decrease) in other current liabilities	35,701	47,993
Increase (decrease) in other non-current liabilities	(5,374)	(73,108)
Subtotal	(4,232,554)	(2,468,249)
Interest received	2,457	9,306
Income taxes paid	(21,701)	(18,190)
Net cash provided by (used in) operating activities	(4,251,798)	(2,477,133)

AnGes, Inc
Consolidated Statements of Cash Flows
(In thousands of yen)
(Unaudited)

	The Second Quarter (From Jan. 1 to Jun.30)	
	2024	2025
Cash flows from investing activities		
Payments into restricted cash	(51,232)	(12,304)
Purchase of property, plant and equipment	(16,575)	(12,943)
Purchase of investment securities	(7,000)	-
Long-term loan advances	-	(15,000)
Proceeds from refund of leasehold and guarantee deposits	3,265	-
Net cash provided by (used in) investing activities	(71,541)	(40,247)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	533,142	3,748,336
Proceeds from exercise of employee share options	12	0
Purchase of treasury shares	(2)	-
Proceeds from issuance of share acquisition rights	15,915	-
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	1,300,000	-
Payments for retirement by purchase of share acquisition rights	(5,807)	-
Net cash provided by (used in) financing activities	1,843,260	3,748,337
Effect of exchange rate change on cash and cash equivalents	79,340	(37,886)
Net increase (decrease) in cash and cash equivalents	(2,400,738)	1,193,069
Cash and cash equivalents at beginning of period	4,092,160	1,627,669
Cash and cash equivalents at end of period	1,691,421	2,820,739

Main pipeline products

Approval process

Project	Area	Partner	Dosage Form	Indication	Development stage
HGF gene therapy product	Japan	-	Injection	Chronic arterial occlusive disease with lower limb ulcer	in Preperation
	USA	-	Injection	Arteriosclerosis obliterans with lower limb ulcer	in Preparing for BLA <i>Preliminary report shows good result Granted Breakthrough Therapy</i>
	Israel	Kamada	Injection	Chronic arterial occlusive disease with lower limb ulcer	—
	Turkey	Er-Kim	Injection	Chronic arterial occlusive disease with lower limb ulcer	—
NF-κB Decoy Oligonucleotide	Japan	-	Injection	Chronic disconeic lumber back pain	Phase II
DNA Vaccine	Australia	-	Injection	Hypertension	Phase I / II a Completed
Tie2 agonists	USA	Vasomune (Canada)	Injection	Acute respiratory distress syndrome (ARDS)	Phase II a