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(Stock Exchange Code 4563)

March 4, 2026

(Commencement of measures for electronic provision: March 3, 2026)

To Shareholders with Voting Rights:

Ei Yamada
President and Chief Executive Officer
AnGes, Inc.
7-7-15, Saito-asagi, Ibaraki, Osaka

NOTICE OF THE 27TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear shareholders:

You are hereby notified that the 27th Annual General Meeting of Shareholders of AnGes, Inc. (the “Company”) will be held for the purposes as described below.

Measures for electronic provision have been taken in the convening of this General Meeting of Shareholders and accordingly, the matters for provision in electronic format have been posted on the following website.

The Company’s website: <https://www.anges.co.jp/en/>

In addition to the above, the notice has also been posted on the following website.

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, search by entering our company name or stock exchange code, and select “Basic information” and “Documents for public inspection / PR information” in that order to view it.

Instead of attending the meeting in person, you can exercise your voting right by either of the following methods. Please review the Reference Documents for the General Meeting of Shareholders in the matters for provision in electronic format and exercise your voting rights by 10:00 p.m. on Thursday, March 26, 2026, Japan time.

[Exercising your voting rights via mail (in writing)]

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return it by mail so that it is received by the deadline specified above.

[Exercising your voting rights via the Internet]

Please enter your vote for or against each proposal in accordance with the instructions displayed on the screen either by scanning the QR Code shown on the enclosed Voting Right Exercise Form or accessing the website for the exercise of voting rights (<https://evote.tr.mufg.jp/>).

For shareholders who have exercised their voting rights via the Internet by the voting deadline, **1,000 shareholders will have the opportunity to win an electronic gift worth 500 yen**, regardless of whether they approve or disapprove of the proposals. Please find the application procedure here.

* You may not be able to transition to the application page with some QR code scanner apps that are equipped with unsupported browsers. Please try the QR code scanning function that comes pre-installed on your smartphone. * QR Code is a registered trademark of DENSO WAVE INCORPORATED.

- 1. Date and Time:** Friday, March 27, 2026 at 10:00 a.m., Japan time
- 2. Place:** HERBIS HALL, HERBIS OSAKA B2F
2-5-25 Umeda, Kita-ku, Osaka
- 3. Meeting Agenda:**
- Items to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 27th Fiscal Year (January 1, 2025 - December 31, 2025) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 27th Fiscal Year (January 1, 2025 - December 31, 2025)

Proposals to be resolved:

- Proposal 1:** Election of 5 Members of the Board
- Proposal 2:** Election of 2 Substitute Corporate Auditors
- Proposal 3:** Introduction of Countermeasures for Large-scale Purchases, etc. of the Company's Shares, etc. (Policy for Responding to Takeovers)
- Proposal 4:** Partial Amendments to the Articles of Incorporation
- Proposal 5:** Shareholder Proposal: Partial Amendments to the Articles of Incorporation (Individual Disclosure of Remuneration for Officers)
- Proposal 6:** Shareholder Proposal: Partial Amendments to the Articles of Incorporation (Separation of Chairman of the Board and Chief Executive Officer)
- Proposal 7:** Shareholder Proposal: Partial Amendments to the Articles of Incorporation (Obligation to Hold Management Meetings without Internal Directors)
- Proposal 8:** Shareholder Proposal: Partial Amendments to the Articles of Incorporation (Rules Concerning Inspection and Copying of Shareholder Registry)
- Proposal 9:** Shareholder Proposal: Partial Amendments to the Articles of Incorporation (Establishment of Special Investigative Committee Concerning Relationship Between Shintaro Akita a.k.a. Louis Shibuya and the Company's Founder Ryuichi Morishita)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- With regard to the exercise of voting rights, if no indication of your vote for or against a proposal is made, it shall be treated as an indication of a vote for the proposal in the case of a company proposal and a vote against the proposal in the case of a shareholder proposal.
- The following items are not included in the documents sent to shareholders who have requested that documents be provided in printed form, in accordance with laws, regulations, and Article 16 of the Company's Articles of Incorporation.
 - "Status of Share Acquisition Rights" in the Business Report
 - "Consolidated Statements of Changes in Net Assets," "Notes to the Consolidated Financial Statements," "Non-consolidated Statements of Changes in Net Assets," and "Notes to the Non-Consolidated Financial Statements" in the Financial StatementsAs such, these documents include only an excerpt of the documents in the scope of audits conducted by the Accounting Auditor and the Board of Corporate Auditors in preparing their audit reports.
- For shareholders who have not requested that documents be provided in printed form, we have sent documents that contain an excerpt of the Business Report, in addition to the matters set forth in laws and regulations, and the Reference Documents for the General Meeting of Shareholders.
- In the event of revision to the matters for provision in electronic format, such revisions will be posted on the respective websites where they are posted.
- The meeting will be live-streamed via the Internet and other means for shareholders to observe and participate remotely.
- For updates on matters concerning changes in the operation method of the General Meeting of Shareholders in the future, please refer to the Company's website below.
<https://www.anges.co.jp/en/>

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 5 Members of the Board

The terms of office of all 5 Members of the Board will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of 5 Members of the Board.

The candidates for Member of the Board are as follows:

No.		Name	Current positions at the Company	Attendance at the Board of Directors meetings
1	Reappointment	Ei Yamada	President and Chief Executive Officer	100% (20/20)
2	Reappointment	Naoya Sato	Member of the Board	100% (20/20)
3	New appointment External	Akira Kondoh	—	—
4	New appointment External Independent	Naomi Wada	—	—
5	New appointment External Independent	Satomi Akahane	—	—

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p><u>Reappointment</u></p> <p>Ei Yamada (June 27, 1950)</p>	<p>April 1981 Special Researcher, Japan Society for the Promotion of Science</p> <p>April 1982 Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)</p> <p>January 1995 Joined Sosei K.K.</p> <p>August 2000 Joined Takara Shuzo Co., Ltd. Director, Dragon Genomics Inc. (currently Takara Bio Inc.)</p> <p>May 2001 Joined AnGes MG, Inc. (currently AnGes, Inc.) General Manager of Business Development</p> <p>August 2001 Member of the Board, AnGes MG, Inc. (currently AnGes, Inc.)</p> <p>September 2002 President and Chief Executive Officer, AnGes MG, Inc. (currently AnGes, Inc.) (current)</p> <p>March 2014 President, AnGes USA, Inc. (current)</p> <p>January 2020 Member of the Board, EmendoBio Inc.</p> <p>September 2023 Member of the Board, Emendo Research and Development Ltd. (current)</p> <p>March 2024 CEO, EmendoBio Inc. (current)</p> <p>(Significant concurrent positions) President, AnGes USA, Inc. CEO, EmendoBio Inc. Member of the Board, Emendo Research and Development Ltd.</p>	104,000
<p>[Reasons for appointment as a candidate for Member of the Board]</p> <p>Since taking office as the President and Chief Executive Officer in September 2002, Mr. Ei Yamada has overseen decisions on management strategies, research and development, business development and management work as the chief executive of the Group. Moreover, he has experience, knowledge, and strong leadership skills required for steadily executing management objectives of the Group. Therefore, the Company has judged that Mr. Yamada will be well qualified as a Member of the Board of the Company and appointed him as a candidate for Member of the Board again.</p>			
2	<p><u>Reappointment</u></p> <p>Naoya Sato (April 25, 1960)</p>	<p>April 1985 Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)</p> <p>April 2010 Manager, International Business Department, Mitsubishi Tanabe Pharma Corporation (currently Tanabe Pharma Corporation)</p> <p>April 2013 General Manager, Department I, Pharmacology Research Laboratories II, Mitsubishi Tanabe Pharma Corporation</p> <p>June 2015 Seconded as Specially Appointed Professor, TMK Project, Medical Innovation Center, Graduate School of Medicine, Kyoto University</p> <p>May 2020 Joined AnGes, Inc. Director of Office of the President</p> <p>October 2021 Director of Corporate Development, AnGes, Inc.</p> <p>March 2022 Member of the Board and Director of Corporate Development, AnGes, Inc.</p> <p>September 2022 Member of the Board, EmendoBio Inc. (current)</p> <p>June 2023 External Board Member, MyBiotics Pharma Ltd. (current)</p> <p>September 2023 Member of the Board, Emendo Research and Development Ltd.</p> <p>March 2024 CEO, Emendo Research and Development Ltd. (current)</p> <p>August 2024 Member of the Board and Director of Corporate Development, Director of Finance, and Director of Administration, AnGes, Inc.</p> <p>November 2025 Member of the Board and Director of Administration, AnGes, Inc. (current)</p> <p>(Significant concurrent positions) Member of the Board, EmendoBio Inc. External Board Member, MyBiotics Pharma Ltd. CEO, Emendo Research and Development Ltd.</p>	—
<p>[Reasons for appointment as a candidate for Member of the Board]</p> <p>Since joining the Company, as a person responsible for corporate development, Mr. Naoya Sato has demonstrated leadership in driving the Company's research and development and discovering new pipelines by utilizing his experience and knowledge in research and development and industry-academia collaboration at pharmaceutical companies. Moreover, he has played a role in overall management planning and operations and in solving issues at overseas subsidiaries. Therefore, the Company has appointed him as a candidate for Member of the Board again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">External</div> <p>Akira Kondoh (February 2, 1945)</p>	<p>April 1967 Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>March 1989 President, Sumitomo Bank Capital Markets, Inc.</p> <p>October 1994 Director and General Manager of New York Branch, The Sumitomo Bank, Ltd.</p> <p>April 1999 Representative Director and Deputy President, Daiwa Securities SB Capital Markets Co. Ltd. (currently Daiwa Securities Co. Ltd.)</p> <p>June 2003 Senior Executive Vice President and Group CIO, Sony Corporation</p> <p>June 2009 Director, Representative Executive Officer, President and CEO, THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED (currently AIG General Insurance Company, Ltd.)</p> <p>April 2012 Outside Director, Japan Bank for International Cooperation</p> <p>June 2016 Governor, Japan Bank for International Cooperation</p> <p>June 2020 Chairman of the Board, Glocalist Co., Ltd.</p> <p>August 2021 Advisor, AnGes, Inc.</p> <p>October 2021 Executive Advisor, IA Partners Inc. (current)</p> <p>February 2023 Director, Japan Investment Inc. (current)</p> <p>April 2025 Chairman, Alphaterra Advisory, Inc (current)</p> <p>June 2025 Advisor, Accordia Golf co., Ltd. (current)</p> <p>(Significant concurrent positions) Executive Advisor, IA Partners Inc. Director, Japan Investment Inc. Chairman, Alphaterra Advisory, Inc Advisor, Accordia Golf co., Ltd</p>	—
<p>[Reasons for appointment as a candidate for External Director and expected roles] Based on his extensive experience of having played central roles for many years in the management of domestic and overseas financial institutions and global companies, Mr. Akira Kondoh is well-versed in international financial markets and possesses exceptional knowledge of corporate management, risk management, and governance. In addition, as a result of confirming the status of his activities at other companies, the Company has judged that there are no concerns regarding conflicts of interest in the execution of duties as a Member of the Board of the Company. Furthermore, given that he has provided advice on management for several years as Advisor to the Company, he has a sufficient understanding of the Company's business and challenges, and the Company expects that he will provide valuable advice in decision-making for strengthening the Company's management strategy and financial base and achieving sustainable growth. Therefore, the Company has appointed him as a candidate for External Director.</p>			
4	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">External</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Independent</div> <p>Naomi Wada (August 8, 1967)</p>	<p>April 1990 Joined Export-Import Bank of Japan (currently Japan Bank for International Cooperation)</p> <p>September 1996 Joined IHI INC. (currently IHI Americas Inc.) President's Secretary</p> <p>December 2001 Joined Saito LLP</p> <p>January 2021 Director, Saito LLP</p> <p>January 2026 Joined Professional Outsourcing Solutions, Inc. Senior Manager (current)</p> <p>(Significant concurrent position) Senior Manager, Professional Outsourcing Solutions, Inc.</p>	—
<p>[Reasons for appointment as a candidate for External Director and expected roles] As a U.S. Certified Public Accountant with over 20 years of professional experience in the Japan-U.S. cross-border accounting, tax, and advisory fields, Ms. Naomi Wada possesses advanced specialist knowledge and practical judgment in ensuring financial reporting reliability, internal control, and governance improvement. The Company expects that she will leverage this knowledge to provide appropriate advice and oversight for strengthening the Company's audit system and ensuring sound supervision of management. Therefore, the Company has appointed her as a candidate for External Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">External</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Independent</div> Satomi Akahane (April 17, 1962)	July 1986 Academic affairs staff, Faculty of Pharmaceutical Sciences, The University of Tokyo (Laboratory of Toxicology and Pharmacology) January 1987 Research assistant, Faculty of Pharmaceutical Sciences, The University of Tokyo August 1993 Studying abroad, Department of Pharmacology, Georgetown University School of Medicine, USA October 1995 Returned to the Faculty of Pharmaceutical Sciences, The University of Tokyo April 1997 Research assistant, Graduate School of Pharmaceutical Sciences, The University of Tokyo April 2005 Assistant Professor, Department of Pharmacology, Faculty of Medicine, Toho University April 2007 Associate Professor, Department of Pharmacology, Faculty of Medicine, Toho University November 2007 Visiting Professor, Center for Advanced Medical Engineering and Informatics, Osaka University April 2008 Part-time Lecturer, Graduate School of Pharmaceutical Sciences, The University of Tokyo April 2013 Professor, Division of Integrative Physiology, Department of Physiology, Faculty of Medicine, Toho University (current) January 2017 Member of the First Committee on Drugs, Pharmaceutical Affairs Council, Pharmaceutical Affairs and Food Sanitation Council April 2017 Part-time Lecturer, Faculty of Pharmaceutical Sciences, Toho University (current) April 2018 Director, Center for Advanced Medical Science, Graduate School of Medicine, Toho University (current) October 2020 Associate Member, Science Council of Japan (current) April 2022 President, The Japanese Pharmacological Society (Significant concurrent positions) Professor, Division of Integrative Physiology, Department of Physiology, Faculty of Medicine, Toho University Director, Center for Advanced Medical Science, Graduate School of Medicine, Toho University	—

[Reasons for appointment as a candidate for External Director and expected roles]
 Ms. Satomi Akahane is a leading authority in pharmacology and physiology, with an extensive track record of research in the cardiovascular field and in pharmaceutical safety. She has held leadership roles in academia, including serving as President of the Japanese Pharmacological Society, and as a member of the First Committee on Drugs of the Pharmaceutical Affairs Council of the Pharmaceutical Affairs and Food Sanitation Council, she has been involved in high-level deliberations related to the efficacy, safety, and quality of pharmaceuticals, including the approval of new drugs. Although she has no experience of being directly involved in corporate management at a business firm, she has been engaged for many years in the administration of educational and research organizations as a university medical school professor and as President of the Japanese Pharmacological Society, and has been deeply involved in the governance of academic organizations. Based on this diverse experience, the Company expects that she will contribute to strengthening the Company's technological foundation and promoting innovation by leveraging her scientific knowledge to provide advice on management decisions and R&D strategy. Therefore, the Company has appointed her as a candidate for External Director.

(Notes)

1. Mr. Akira Kondoh has provided management advice for several years as Advisor to the Company. There are no special interests between Ms. Naomi Wada and Satomi Akahane and the Company.
2. Mr. Akira Kondoh and Ms. Naomi Wada and Satomi Akahane are candidates for External Directors.
3. If the appointment of Ms. Naomi Wada and Satomi Akahane is approved, the Company will designate and register them as Independent Directors as stipulated by the Tokyo Stock Exchange.
4. If the appointment of Mr. Akira Kondoh and Ms. Naomi Wada and Satomi Akahane is approved, the Company will enter into liability limitation agreements with them as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 29 of the Company's Articles of Incorporation. The limit of the liability for compensation of damages under such agreement is the amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act. This limit will be applicable only when the performance of their duties giving rise to such responsibilities is recognized to have been carried out in good faith and with no gross negligence.
5. The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3,

Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, the said insurance contract shall cover damages including compensation for damages and legal expenses to be borne by the insureds. The candidates will be insured under the insurance contract if their election is approved. The premiums of the said insurance are paid by the Company, including riders. Therefore, the insureds do not bear the actual premiums.

Proposal 2: Election of 2 Substitute Corporate Auditors

The advance election of 2 Substitute Corporate Auditors is proposed in preparation of a shortfall in the number of Corporate Auditors prescribed by laws and regulations.

The Board of Corporate Auditors has previously given its approval to this proposal.

The appointment of the candidate elected may be revoked by a resolution of the Board of Directors upon approval by the Board of Corporate Auditors, provided that the revocation takes place before the elected candidate assumes office.

The candidates for Substitute Corporate Auditor are as follows.

Regarding the order of accession of Substitute Corporate Auditors to the post of Corporate Auditor, Mr. Takeshi Hosokawa shall be first and Mr. Akihiro Narimatsu shall be second.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Takeshi Hosokawa (December 10, 1962)	<p>April 1985 Joined Daiwa Securities Co. Ltd.</p> <p>July 1995 Senior Researcher, Japan Securities Research Institute</p> <p>April 2004 Head of Legal Dept., Daiwa Securities Group Inc.</p> <p>October 2005 Head of Corporate Alliances Dept., Daiwa Securities SMBC Co. Ltd.</p> <p>October 2008 Director and Chief Risk Officer (CRO), Daiwa Securities SMBC Principal Investments Co. Ltd.</p> <p>October 2010 Senior Managing Director, Daiwa PI Partners Co. Ltd.</p> <p>April 2018 Full-time Audit & Supervisory Board Member, Daiwa Property Co., Ltd. (currently Daiwa Facilities Co., Ltd.)</p> <p>June 2019 Representative Certified Administrative Procedure Legal Specialist, Office Hosokawa Gyoseishoshi Lawyer (current)</p> <p>June 2020 Corporate Auditor, ASTMAX Co., Ltd.</p> <p>August 2021 Outside Corporate Auditor, SKY FARM, Inc. (current)</p>	—
<p>[Reasons for appointment as a candidate for Substitute External Corporate Auditor]</p> <p>Mr. Takeshi Hosokawa has served in key positions at securities firms in such areas as capital markets, legal affairs, risk management, and M&A, and also has experience as a corporate auditor at listed companies. The Company expects that he will contribute to strengthening the Company's audit function by leveraging high-level legal and compliance expertise backed by professional qualifications, including a U.S. attorney license. Therefore, the Company has appointed him as a candidate for Substitute External Corporate Auditor.</p>			
2	Akihiro Narimatsu (August 12, 1947)	<p>April 1973 Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)</p> <p>October 2001 CEO, Mitsubishi Pharma America, Inc. (currently Tanabe Pharma America, Inc.)</p> <p>June 2004 Managing Executive Director, Deputy General Manager, Production Division, Mitsubishi Pharma Corporation</p> <p>July 2004 Managing Executive Director, General Manager, Production Division, Mitsubishi Pharma Corporation</p> <p>July 2006 Corporate Auditor, Mitsubishi Pharma Corporation</p> <p>October 2007 Corporate Auditor, Mitsubishi Tanabe Pharma Corporation</p> <p>March 2013 External Standing Corporate Auditor, AnGes MG, Inc. (currently AnGes, Inc.)</p> <p>March 2017 External Corporate Auditor, AnGes MG, Inc. (currently AnGes, Inc.)</p>	—
<p>[Reasons for appointment as a candidate for Substitute External Corporate Auditor]</p> <p>Mr. Akihiro Narimatsu has extensive experience and knowledge in the pharmaceutical industry and has adequately performed his duties as a full-time External Corporate Auditor of the Company over the years. Therefore, the Company has judged that he will execute his duties as an External Corporate Auditor appropriately and appointed him as a candidate for Substitute External Corporate Auditor.</p>			

(Notes)

1. There are no special interests between the candidates and the Company.
2. Messrs. Takeshi Hosokawa and Akihiro Narimatsu are candidates for Substitute External Corporate Auditors.
3. If Messrs. Takeshi Hosokawa and Akihiro Narimatsu assume office as External Corporate Auditors, the Company will designate and register them as Independent Corporate Auditors as stipulated by the Tokyo Stock Exchange.
4. If Messrs. Takeshi Hosokawa and Akihiro Narimatsu assume office as External Corporate Auditors, the Company

will enter into a liability limitation agreement, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 38 of the Company's Articles of Incorporation. The limit of the liability for compensation of damages under such agreement is the amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act. This limit will be applicable only when the performance of their duties giving rise to such responsibilities is recognized to have been carried out in good faith and with no gross negligence.

5. The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, the said insurance contract shall cover damages including compensation for damages and legal expenses to be borne by the insureds. Messrs. Takeshi Hosokawa and Akihiro Narimatsu will be insured under the insurance contract if they assume office as External Corporate Auditors. The premiums of the said insurance are paid by the Company, including riders. Therefore, the insureds do not bear the actual premiums.

(Attached documents)

Business Report

(January 1, 2025 to December 31, 2025)

I. Current Status of the Group

1. Business Progress and Results

General overview

The Group (the Company and three consolidated subsidiaries) started selling Zokinvy, a therapeutic agent for the treatment of progeria syndrome, in Japan in fiscal year 2024. We undertake expanded newborn screening test for rare hereditary diseases (hereinafter the “screening business”) at AnGes Clinical Research Laboratory (hereinafter “ACRL”) and it has been steadily increasing revenues.

For the fiscal year ended December 31, 2025, the Company recorded Zokinvy sales of 302 million yen (an increase of 58 million yen (24.0%) year-on-year), screening business revenues of 554 million yen (an increase of 242 million yen (77.9%) year-on-year), and R&D business revenue related to the EmendoBio Inc. (hereinafter “Emendo”) OMNI Platform technology of 16 million yen, for a total revenue of 874 million yen (an increase of 230 million yen (35.8%) year-on-year).

Business expenses totaled 6,019 million yen (business expenses of 9,753 million yen in the previous fiscal year) as goodwill amortization related to Emendo was eliminated. As a result, operating loss was 5,145 million yen (operating loss of 9,109 million yen in the previous fiscal year).

For non-operating income, the Company recorded a gain on cancellation of leases of 102 million yen due to the cancellation of Emendo’s property leases, and for non-operating expenses, the Company recorded foreign exchange losses of 220 million yen from revaluation of foreign currency denominated assets. As a result, ordinary loss amounted to 5,288 million yen (ordinary loss of 7,537 million yen in the previous fiscal year). A loss attributable to owners of parent amounted to 5,123 million yen (loss attributable to owners of parent of 28,128 million yen in the previous fiscal year).

Please refer to “Overview of R&D” below for details of the Group’s progress with products under development.

Going forward, in addition to our own projects, we will continue to aggressively expand our development pipeline by in-licensing from outside sources, joint development with strategic partners, and capital participation in other companies with the aim of becoming a global leader in the field of gene medicine.

Overview of R&D

The Group is primarily engaged in the development and commercialization of pharmaceuticals, with a focus on gene medicine, as well as research and development of genome editing technology, and the development of rare hereditary disease tests, such as expanded newborn screening at ACRL, genetic tests, and biomarker tests. Furthermore, the Company is also actively engaged in alliances with companies in and outside Japan to jointly develop promising drugs for commercialization.

Below is an overview of the Group’s developed products and the development status of our alliance partners.

The Company's Development Projects

Project	Area	Partner/ Alliance	Dosage form	Indication	Basic research	Preclinical study	Clinical trial			Application/ Review	Approval
							Phase I	Phase II	Phase III		
HGF Gene Therapy Product (Bepmerminogene Perplasmid)	Japan	-	Injection	Chronic arterial occlusive disease	[Progress bar]					Consideration will be given while watching progress in the USA	
	USA	-	Injection	Chronic limb-threatening ischemia (CLTI)	[Progress bar]			[Progress bar]		Began preparing for the BLA	
	Israel Turkey	Kamada Er-Kim	Injection	Chronic arterial occlusive disease	[Progress bar]						
NF-κB Decoy Oligonucleotide	USA/ Japan	-	Injection	Chronic discogenic lumbar back pain	[Progress bar]						
DNA Vaccine	Australia	-	Injection	Hypertension	[Progress bar]						
Tie2 Receptor Agonist	USA	Vasomunc	Injection	ARDS	[Progress bar]						

* With the expiration of conditional and time-limited approval period for HGF gene therapy products in Japan, we are now under review with Israel's Kamada and Turkey's Er-Kim regarding contracts with both companies.

■ HGF gene therapy product (active ingredient: beperminogene perplasmid) (in-house product)

With regard to the development of HGF gene therapy product, the U.S. Phase IIb clinical trials for mild to moderate chronic limb-threatening ischemia (CLTI) produced favorable results. Due to these results, HGF gene therapy product received the Breakthrough Therapy designation from the U.S. Food and Drug Administration (hereinafter "FDA") in September 2024. Subsequently, we engaged in discussions with the FDA, completed the U.S. clinical trials, and are now preparing a Biologics License Application (BLA). Recently, we held a Type B Clinical Meeting (*1) with the FDA and were able to reach agreement on the application policy regarding clinical matters. We plan to submit the BLA (Rolling Submission (*2)) and get the FDA review (Rolling Review (*2)) started before the end of 2026.

Furthermore, regarding the manufacturing and supply of the active pharmaceutical ingredient for the product in the event of approval, we concluded an agreement with Boehringer Ingelheim Biopharmaceuticals and established a product supply system.

Incidentally, a paper on the above clinical trial results by the lead investigator was published in *Circulation: Cardiovascular Interventions* from the American Heart Association (AHA).

As for development of HGF gene therapy product in Japan, we will consider it based on the progress of development in the U.S.

*1 Type B Clinical Meeting: A formal meeting held at key milestones in the development of pharmaceuticals and biologics as defined by the FDA, where data requirements for important points toward application, such as clinical, manufacturing, and quality control matters related to the pharmaceuticals or biologics under development, are jointly confirmed and discussed with the FDA. Through these discussions, it is possible to improve the quality of the application and achieve early resolution of issues during the review process.

*2 Rolling Submission and Rolling Review: Rolling Submission refers to submitting review documents for products designated by the FDA as Fast Track or Breakthrough Therapy on a document-by-document basis as they are completed, and Rolling Review refers to sequentially reviewing the submitted documents.

■ NF-κB decoy oligonucleotide (in-house product)

With regard to NF-κB decoy oligonucleotide, a nucleic acid medicine, we are currently conducting Phase II clinical trials in Japan, and aim to complete registration by the end of 2026. The results of the U.S. Phase Ib clinical trials were published in *The SPINE JOURNAL*, a U.S. medical journal. The results were groundbreaking, with analgesic effects continuing even one year after administration, and data suggesting intervertebral disc repair was also obtained.

We have concluded an agreement with Shionogi & Co., Ltd. for the Phase II clinical trials in Japan. Shionogi & Co., Ltd. is to bear a part of the costs pertaining to these clinical trials, and we plan to deliberate with them regarding the Phase III clinical trials based on the results of Phase II clinical trials.

■ Hypertension DNA vaccine (in-house product)

As for the DNA vaccine to treat hypertension, the Company confirmed that there were no serious adverse effects or safety issues for the Phase I/IIa clinical trials conducted in Australia. For future development, we will continue to consider measures to improve the plasmid DNA expression, which are different from those of DNA vaccines for COVID-19.

■ DNA vaccine against COVID-19 (in-house product)

We have reviewed the platform, such as by improving the efficiency of plasmid expression and transduction, utilizing the knowledge gained from the research and development we conducted between 2020 and 2022. In parallel to this, we have conducted research on improved DNA vaccines and intranasal formulations of vaccines with a view to new mutant strains that may arise in the future, in collaboration with Stanford University in the U.S. In our research to date, we have been able to develop new drug delivery systems that can be applied to DNA vaccines against viral lung diseases, including COVID-19. Having achieved our initial target, we have concluded this R&D project.

■ Tie2 Receptor Agonist (co-development product)

We have entered into a joint development agreement with Vasomune, a Canada-based biopharmaceutical company, to develop a Tie2 receptor agonist (AV-001). We are currently conducting Phase IIa clinical trials in the U.S., targeting patients with acute respiratory distress syndrome (ARDS), which includes viral pneumonia such as influenza and bacterial pneumonia, and have completed patient registration as planned. We are also working to complete additional registrations to address dropouts by the end of the first quarter of 2026.

In May 2024, the U.S. FDA granted AV-001 Fast Track designation, with the aim of providing patients more quickly with treatment for serious conditions and drugs that are expected to be effective for unmet medical needs.

Furthermore, in an investigator-led trial, we will newly assess whether cytotoxic cerebral edema, which can be caused by hemodialysis and result in cognitive impairment, can be reduced and brain white matter function can be maintained. The first patient was registered in January 2026.

To explore the potential application to the field of diseases involving vascular leakage, including new indications like this, we concluded a new AV-001 joint development agreement with Vasomune.

Emendo Development Projects

■ Development of products for gene therapy using genome editing technologies

In December 2020, the Company has made Emendo a subsidiary in order to take on the challenge of the treatment of genetic diseases using genome editing technology, which is said to be the ultimate gene therapy. Emendo has established a platform technology (OMNI Platform) to search and optimize novel CRISPR nucleases (*3) with the aim of safe medical application of genome editing. Emendo is developing numerous unique OMNI nucleases with new features such as avoiding off-target effects (*4) that are often considered a problem in genome editing, and it has applied for patents for these nucleases.

During the fiscal year under review, we established a system in the U.S. to back up the research results of our Israeli laboratories, and conducted R&D activities and derivation in the U.S. We are also working to further optimize and streamline the OMNI nucleases.

In March 2024, Emendo entered into a non-exclusive license agreement with Anocca, a Swedish biotech company, for OMNI nucleases, and in September 2025, Emendo entered into a new agreement with Anocca that expanded the scope of the license application.

Furthermore, we are collaborating with the Stanford University School of Medicine in researching new cancer genome editing therapies using Emendo's genome editing technology.

*3 Novel CRISPR nuclease: A novel RNA-guided DNA-cleaving enzyme used in genome editing that identifies and cleaves the targeted base sequence as defined by the guide RNA.

*4 Off-target effects: Genome editing that causes unintended mutations in other regions of the DNA strand than the target sequence.

Contracted Testing Services and Status of Development at Alliance Partners

■ ACRL contract testing mainly for rare hereditary disease

ACRL is contracted to provide the expanded newborn screening tests to local governments (or their related organizations) in Gunma, Okinawa, and other prefectures. We developed a secondary screening method to select false positives among the test participants who tested positive in expanded newborn screening. In 2025, we also launched contracted services for secondary screening alongside expanded newborn screening in Nagano Prefecture.

In addition, we have established a genetic testing system for HGPS and PDPL, which are target diseases of Zokinvy, a therapeutic agent for the treatment of progeria syndrome. Furthermore, for some of the diseases targeted in expanded newborn screening, we have launched contracted services for genetic tests to check for biomarkers and confirm diseases in order to monitor therapeutic effects. Going forward, we will continue our efforts to build a biomarker testing system for diseases subject to screening tests for which a system has not yet been established, with an aim to provide a system that can carry out comprehensive tests from screening to diagnosis and treatment for rare hereditary diseases.

■ Development of therapeutic drugs, supplements, and other products using the microbiome

In July 2018, the Company entered into a capital alliance with MyBiotics Pharma Ltd. (hereinafter "MyBiotics"), an Israeli company that develops curative drugs and health maintenance supplements using intestinal flora. MyBiotics has established a process for the production of cultures (SuperDonor) that reproduce the microbial composition of the intestinal flora. We have completed Phase I clinical trials of MBX-SD-202 for the treatment of clostridium difficile infection in Israel.

However, due to the impact of the recent Israel-Palestine conflict, there are concerns regarding the ability of MyBiotics to continue with its research and development work.

2. Overview of Capital Investments

The total amount of capital investment made during the fiscal year under review was 14 million yen. This was mainly due to investment in testing facilities in line with our expansion of ACRL screening business.

3. Overview of Financing

At the Board of Directors meeting held on August 30, 2024, it was resolved to issue the 45th series of share acquisition rights (third-party allotment) to Cantor Fitzgerald Europe, and the Company raised 5,728 million yen during the fiscal year under review. In addition, at the Board of Directors meeting held on November 7, 2025, it was resolved to issue the 46th series of share acquisition rights (third-party allotment) to Cantor Fitzgerald Europe, and the Company raised 211

million yen (including proceeds from the issuance of share acquisition rights) as of December 31, 2025. As a result, the total amount of financing during the fiscal year under review was 5,939 million yen.

4. Issues to be Addressed

The pharmaceutical business is characterized by the need for a large amount of capital and a long period of time to commercialize a product. For this reason, the Group has continuously recorded operating loss and negative cash flow, and it has not generated enough revenue to compensate for all development investments. Accordingly, significant doubt has arisen as to the Company's ability to continue as a going concern.

Against this backdrop, the Group is working on the following important issues with the aim of resolving this situation and achieving continuous development.

(1) Progressing own existing projects

The Group recognizes that ensuring the progress of projects for pharmaceuticals and others currently under development is an important issue.

In March 2019, the Group obtained conditional and time-limited approval from the Ministry of Health, Labour and Welfare for the manufacturing and distribution of an HGF gene therapy product, and sales began in September 2019. Subsequently, in light of the favorable results from Phase IIb clinical trials in the U.S. obtained in June 2024, we discontinued sales from a strategic perspective in the same month, when the time limit expired. Meanwhile, the drug was awarded Breakthrough Therapy designation by the U.S. FDA in September 2024, and a paper on the clinical trial results was published in *Circulation: Cardiovascular Interventions*, an American Heart Association (AHA) journal in November 2025. Given this situation, we are prioritizing commercialization in the U.S. and focusing on development there with the aim of obtaining manufacturing and distribution approval as early as possible.

With regard to NF- κ B decoy oligonucleotide, a nucleic acid medicine for discogenic low back pain, we completed Phase IIb clinical trials in the U.S., and the results were published in *The SPINE JOURNAL* of the North American Spine Society (NASS). In October 2023, we began Phase II clinical trials in Japan and have conducted case registration as planned.

We will continue to work on these under-development drugs while clarifying their order of priority and maximizing the speed of development.

(2) Expansion of development pipeline and business base

As the above projects illustrate, in the Group's core business of pharmaceutical development, we are working to develop pharmaceuticals in new fields, such as gene medicines and nucleic acid medicines. However, the commercialization of these pharmaceuticals is extremely challenging, and we recognize the importance of constantly enhancing our development pipeline. Therefore, the Group is expanding its development pipeline through such initiatives as conducting joint development based on the results of academic research or products developed by other companies. An example of this is the Tie2 receptor agonist, for which we concluded a joint development agreement with Vasomune of Canada in 2018. It is currently undergoing Phase IIa clinical trials in the U.S., targeting patients with acute respiratory distress syndrome (ARDS), which includes viral pneumonia such as influenza and bacterial pneumonia. In December 2025, we concluded an agreement with Vasomune to expand the joint development agreement to cover all diseases.

Going forward, we aim to continue expanding our development pipeline mainly through collaboration with academia and joint development with alliance partners.

Furthermore, we are endeavoring to expand our business base such as through the domestic distribution of pharmaceuticals that are already sold overseas but are not yet sold in Japan by obtaining manufacturing and distribution approval in Japan, and also through contracted services for various tests that are necessary for the treatment of rare hereditary diseases. For instance, in May 2022, we entered into an exclusive distribution agreement in Japan with Eiger, a U.S. biopharmaceutical company, for Zokinvy, a therapeutic agent for the treatment of progeria syndrome, are now selling it domestically, having applied for approval from the Ministry of Health, Labour and Welfare for its manufacturing and distribution in Japan in May 2023 and receiving that approval in January 2024. In addition, ACRL, which has been contracted to perform expanded newborn screening tests for rare hereditary diseases, is working to expand its contracting operations by coordinating with local governments and private testing centers.

Going forward, we will continue to expand our business base by in-licensing drug candidates and tackling rare hereditary diseases, and will achieve future growth by expanding our development pipeline.

(3) Securing alliance partners for development projects

The Group implements a basic business policy of adopting an alliance model to reduce development risk by teaming up with pharmaceutical companies and to reduce financial risk by receiving upfront payments, milestone payments, and development cooperation payments, while advancing development and receiving royalties after the product is launched.

With regards to the status of our alliances, for the Phase II clinical trials for the use of NF- κ B decoy oligonucleotide for the indication of chronic discogenic low back pain in Japan, Shionogi &

Co., Ltd. will assist us, such as shouldering a portion of the clinical trial costs, and we will deliberate with them regarding the Phase III clinical trials to follow. As for the HGF gene therapy product, expectations of high efficacy led to receiving the Breakthrough Therapy designation from FDA, and we are considering collaborating with a partner who can expand globally, primarily in Europe and the U.S.

The Group will continue to work to strengthen its business base by considering further alliances with pharmaceutical and other companies, as well as developing companies that are willing to cooperate with us in development projects going forward.

(4) Capital raising

For the Group, it is important to raise funds flexibly in order to achieve items (1) and (2) above. Accordingly, we are working on these issues as follows. In September 2024, the Company issued the 45th series of share acquisition rights (third-party allotment) to Cantor Fitzgerald Europe, and raised 7,160 million yen (including proceeds from the issuance of share acquisition rights) as of August 31, 2025. Furthermore, in November 2025, the Company issued the 46th series of share acquisition rights (third-party allotment) to Cantor Fitzgerald Europe, and raised 211 million yen (including proceeds from the issuance of share acquisition rights) as of December 31, 2025.

The Company will continue to consider the possibility of raising capital as necessary to perform R&D activities and maintain corporate activities.

However, the exercise of the 46th series of share acquisition rights is uncertain due to being subject to impact from share price trends and other factors at this point in time, and the method, amount, and timing of further financing to continue the projects described above have not been determined. Accordingly, we have determined that there is significant uncertainty as to the Company's ability to continue as a going concern.

The consolidated financial statements are predicated on the Company continuing as a going concern. As such, the impact of the above significant uncertainty as to the Company's ability to continue as a going concern is not reflected in the consolidated financial statements.

5. Changes in the Status of Assets and Profit and Loss

(in thousands of yen, unless otherwise specified)

Category	The 24th fiscal year ended December 31, 2022	The 25th fiscal year ended December 31, 2023	The 26th fiscal year ended December 31, 2024	The 27th fiscal year ended December 31, 2025 (Fiscal year under review)
Business revenues	67,061	152,985	643,638	874,120
Ordinary loss	(14,610,015)	(5,651,225)	(7,537,856)	(5,288,775)
Loss attributable to owners of parent	(14,714,772)	(7,437,607)	(28,128,983)	(5,123,269)
Net loss per share [yen]	(94.29)	(39.29)	(119.53)	(14.44)
Total assets	38,820,711	28,892,536	4,668,599	5,405,983
Total net assets	30,425,406	26,103,166	2,156,591	3,076,080

(Notes)

1. Net loss per share is calculated based on the average number of shares outstanding during the period.
2. Business revenues, ordinary loss, net loss attributable to owners of parent, total assets, and total net assets are rounded down to the nearest thousand yen, and net loss per share is rounded to the nearest display unit.

6. Status of Important Parent Companies and Subsidiaries

(1) Status of important subsidiaries

Name of company	Share capital	Share of voting rights	Main business activities
AnGes USA, Inc.	USD thousand 400	100.0%	Development of gene medicine and other medicines in the U.S.
EmendoBio Inc.	USD thousand 63,634	92.6%	Development of genome editing technologies

(Note)

5.8% of EmendoBio Inc. shares are indirectly owned through AnGes USA, Inc.

(2) Results of business combinations

The Company has three consolidated subsidiaries.

Business revenues for the fiscal year under review were 874 million yen (an increase of 35.8% year-on-year), and loss attributable to owners of parent was 5,123 million yen (loss attributable to owners of parent of 28,128 million yen in the previous fiscal year).

7. Principal Business (as of December 31, 2025)

- 1) R&D of an HGF gene therapy product
- 2) R&D of NF-κB decoy oligonucleotide (nucleic acid medicine)
- 3) R&D of drugs for acute respiratory distress syndrome (ARDS)
- 4) Sale of Zokinvy as a treatment drug for hereditary progeria syndrome
- 5) New optional screening test for rare hereditary diseases
- 6) R&D of products for gene therapy using genome editing technologies
- 7) R&D of other pipelines

8. Principal Business Locations (as of December 31, 2025)

1) The Company's principal business locations

Head Office: Ibaraki-shi, Osaka

Tokyo Office: Minato-ku, Tokyo

2) Principal business locations of subsidiaries

AnGes USA, Inc.: New Jersey, USA

EmendoBio Inc.: New Jersey, USA

9. Status of Employees (as of December 31, 2025)

1) Status of employees of the Group

Number of employees	Change from the end of the previous fiscal year
56	+1

(Note)

The number of employees is the number of employees working full-time, and does not include employees on leave of absence and 19.7 temporary employees (average number of employees per year).

2) Status of employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average length of service
35	+2	53.7 years old	7 years and 5 months

(Note)

The number of employees is the number of employees working full-time, and does not include employees on leave of absence and 18.7 temporary employees (average number of employees per year).

II. Status of Shares (as of December 31, 2025)

1. Total Number of Shares Authorized to be Issued **700,000,000 shares**
2. Total Number of Shares Issued **389,026,550 shares**
(including 230 shares of treasury stock)
3. Number of Shareholders **105,013 persons**

4. Major Shareholders

Name of shareholders	Number of shares held (shares)	Shareholding ratio (%)
CENTRAL TANSHI CO., LTD.	10,000,000	2.57
MSIP CLIENT SECURITIES	9,631,571	2.47
JAPAN SECURITIES FINANCE CO., LTD.	7,389,300	1.89
INTERACTIVE BROKERS LLC	6,838,100	1.75
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	6,617,378	1.70
SBI SECURITIES Co., Ltd.	5,035,417	1.29
Fengxiang Zhao	1,990,700	0.51
Hiroshi Kawai	1,787,500	0.45
Kousei Mochizuki	1,463,400	0.37
Chikanori Mizuno	1,450,600	0.37

(Note)

The shareholding ratio is calculated excluding the number of treasury stock (230 shares) and rounded down to the nearest display unit.

IV. Status of Company Officers

1. Status of Members of the Board and Corporate Auditors (as of December 31, 2025)

Position	Name	Responsibilities or significant concurrent positions
President and Chief Executive Officer	Ei Yamada	President, AnGes USA, Inc. CEO, EmendoBio Inc. Member of the Board, Emendo Research and Development Ltd.
Member of the Board	Naoya Sato	Director of Administration Member of the Board, EmendoBio Inc. CEO, Emendo Research and Development Ltd. External Board Member, MyBiotics Pharma Ltd. Outside Director, Towa Pharmaceutical Co., Ltd. External Director, Solasia Pharma K.K.
Member of the Board	Norikazu Eiki	Outside Director, FunPep Co., Ltd. Outside Director, Kidswell Bio Corporation Outside Director, AwakApp Inc.
Member of the Board	Makoto Hara	Outside Director, FunPep Co., Ltd.
Member of the Board	Yasue Mitsukura	Professor, Keio University (Faculty of Science and Technology, School of Medicine) Specially Appointed Professor, Oncology Innovation Center, Fujita Health University Director and CTO, Dentsu ScienceJam Inc. Representative Director and President, FeMup Co., Ltd. Representative Director and President, IKI Inc. Representative Director and President, IKI Japan Inc. A.ROUND Co., Ltd. (belongs to this talent agency) President and Representative Director, MITS Technologies Director and CTO, 8illion Co., Ltd.
Standing Corporate Auditor	Ikuo Mori	Representative, Mori Associates
Corporate Auditor	Kiyotaka Hayashi	Statutory Auditor (part-time), SBI Leasing Services Co., Ltd.
Corporate Auditor	Hideyuki Yamanashi	

(Notes)

- Messrs. Norikazu Eiki and Makoto Hara and Ms. Yasue Mitsukura are External Directors as stipulated in Article 2, Item 15 of the Companies Act.
- Messrs. Ikuo Mori, Kiyotaka Hayashi and Hideyuki Yamanashi are External Corporate Auditors as stipulated in Article 2, Item 16 of the Companies Act.
- The Company has designated and registered Messrs. Norikazu Eiki and Makoto Hara and Ms. Yasue Mitsukura as Independent Directors as stipulated by the Tokyo Stock Exchange.
- The Company has designated and registered Messrs. Ikuo Mori, Kiyotaka Hayashi and Hideyuki Yamanashi as Independent Corporate Auditors as stipulated by the Tokyo Stock Exchange.
- Ms. Yasue Mitsukura was newly elected and assumed office as Member of the Board at the 26th Annual General Meeting of Shareholders held on March 28, 2025. Ms. Kimiko Murofushi retired as a Member of the Board due to expiration of her term of office at the conclusion of the 26th Annual General Meeting of Shareholders.
- Messrs. Ikuo Mori, Kiyotaka Hayashi and Hideyuki Yamanashi were newly elected and assumed office as Corporate Auditors at the 26th Annual General Meeting of Shareholders held on March 28, 2025. Messrs. Naoyuki Ono, Katsunori Horikoshi and Koichi Ando retired as Corporate Auditors due to expiration of their terms of office at the conclusion of the 26th Annual General Meeting of Shareholders.

2. Remuneration for Officers

(i) Policy for deciding on the individual remuneration for Members of the Board and Corporate Auditors

The Company's Board of Directors determines the policy for the individual remuneration for Members of the Board and Corporate Auditors. The Company offers the basic remuneration for Members of the Board in the form of monthly fixed payment. The individual amounts are determined according to their positions, responsibilities, and tenure of office, while considering the remuneration level of other companies, our business performance, and the level of our employee salaries. In consideration of various factors such as the balance between conventional standards and titles of each Member of the Board and Corporate Auditor, the amount of remuneration is determined through deliberation by the Board of Corporate Auditors for Corporate Auditors or by the Board of Directors for the other corporate officers.

a. Policy on basic remuneration

Remuneration for Members of the Board is fixed remuneration, at an annual maximum of 200 million yen, as resolved at the Inaugural General Meeting held on December 17, 1999 (there were three Members of the Board at that time). President and Chief Executive Officer appointed by the Board of Directors decides the remuneration in consideration of various factors such as the management activities, the degree of contribution to each role, the balance with salary, among others, at the meeting of the Board of Directors held after the Annual General Meeting of Shareholders every year.

The Board of Directors has confirmed that the individual remuneration for Members of the Board and the details of such remuneration for the fiscal year under review are consistent with our decision policy.

Remuneration for Corporate Auditors is fixed remuneration, the amounts of which are determined at the meetings of Corporate Auditors in consideration of whether they serve full-time or part-time and the details of the duties each Corporate Auditor is responsible for. The amount of remuneration for Corporate Auditors is fixed at an annual maximum of 60 million yen, as resolved at the Inaugural General Meeting held on December 17, 1999 (there was one Corporate Auditor at that time).

b. Policy on performance-based remuneration

The Company does not adopt performance-based remuneration.

c. Policy on non-monetary remuneration

The Company allocates share acquisition rights as stock remuneration-type stock options that take effect upon retirement to the Members of the Board, intending to boost their morale and motivation for contributing to the improvement of medium- to long-term business performance and corporate value.

The scope of remuneration relating to the stock remuneration-type stock options to be allocated to the Members of the Board upon retirement was set, aside from the maximum amount of the fixed remuneration, to be up to the annual amount of 100 million yen at the 19th Annual General Meeting of Shareholders held on March 29, 2018 (there were five Members of the Board at that time). The share acquisition rights to be allotted are conditioned to be exercised at the time of retirement with the exercise price of 1 yen.

The Board of Directors resolved to issue the share acquisition rights to five Members of the Board (including External Directors) and four Members of the Board (including External Directors) at the meetings held on April 23, 2018, and April 22, 2019, respectively.

(ii) Matters relating to decisions on the details of the individual remuneration for Members of the Board

The Chief Executive Officer is delegated to determine the details of the individual remuneration amounts based on the resolution of the Board of Directors, and the scope of that authority is the basic remuneration of each Member of the Board. This delegation is based on the judgement that the Chief Executive Officer is suitable for evaluating each Member of the Board while taking into consideration various factors including the overall business performance of the Company.

(iii) Activity of the Board of Directors related to the process of determining remuneration for Members of the Board during the fiscal year under review

As part of its activities relating to the determination of remuneration for Members of the Board during the fiscal year under review, the Board of Directors resolved at the meeting held after the conclusion of the General Meeting of Shareholders on March 28, 2025 to authorize Mr. Ei Yamada, President and Chief Executive Officer, to determine individual remuneration for Members of the Board based on the above policy. This authorization is based on the judgment that the President and Chief Executive Officer is suitable for evaluating each

Member of the Board while taking into consideration the overall business performance of the Company.

(iv) Total amount of remuneration, etc. for Members of the Board and Corporate Auditors

Category	Officers receiving payments	Total by type of remuneration, etc. (Thousands of yen)		Total payment amount (Thousands of yen)
		Basic remuneration	Stock options	
Members of the Board (External Directors)	6 (4)	109,365 (36,000)	— —	109,365 (36,000)
Corporate Auditors (External Corporate Auditors)	6 (6)	31,800 (31,800)	— —	31,800 (31,800)
Total (External Directors and Corporate Auditors)	12 (10)	141,165 (67,800)	— —	141,165 (67,800)

(Note) The Company has five Members of the Board (three External Directors) and three Corporate Auditors (three External Corporate Auditors) as of the end of the fiscal year under review.

3. Outline of the Contents of the Liability Limitation Agreement

The Company has entered into agreements with each External Director and External Corporate Auditor to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the Companies Act and Articles 29 and 38 of the Articles of Incorporation of the Company. The maximum amount of liability under the agreement is the liability amount stipulated by laws and regulations.

4. Outline of the Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, the said insurance contract shall cover damages including compensation for damages and legal expenses to be borne by the insureds. The candidates will be insured under the insurance contract if their election is approved. The Members of the Board and Corporate Auditors of the Company and officers of subsidiaries are the insureds of the said insurance. They do not bear the actual premiums for insurance including riders, which are paid by the Company.

5. Matters concerning External Directors and Corporate Auditors

(1) Relationship with the Company or a specified related business of the Company

The External Directors and Corporate Auditors were and are not a spouse, a relative within the third degree of kinship, or any other equivalent of an executive or officer of the Company or a specific related business of the Company.

(2) Important concurrent positions and relationship with companies where concurrent positions are held

Category	Name	Important concurrent positions	Relationship with companies where concurrent positions are held
Member of the Board	Norikazu Eiki	Outside Director, Towa Pharmaceutical Co., Ltd. External Director, Solasia Pharma K.K. Outside Director, FunPep Co., Ltd. Outside Director, Kidswell Bio Corporation Outside Director, AwakApp Inc.	There is no significant relationship between the Company and the companies where concurrent positions are held.
Member of the Board	Makoto Hara	Outside Director, FunPep Co., Ltd.	There is no significant relationship between the Company and the company where a concurrent position is held.
Member of the Board	Yasue Mitsukura	Professor, Keio University (Faculty of Science and Technology, School of Medicine) Specially Appointed Professor, Oncology Innovation Center, Fujita Health University Director and CTO, Dentsu ScienceJam Inc. Representative Director and President, FeMup Co., Ltd. Representative Director and President, IKI Inc. Representative Director and President, IKI Japan Inc. A.ROUND Co., Ltd. (belongs to this talent agency) President and Representative Director, MITS Technologies Director and CTO, 8illion Co., Ltd.	There is no significant relationship between the Company and the companies where concurrent positions are held.

(3) Major activities during the fiscal year under review

Attendance at and comments made at meetings of the Board of Directors and Board of Corporate Auditors

- Norikazu Eiki, Member of the Board

He attended 20 out of 20 meetings of the Board of Directors held during the fiscal year under review. Based on his abundant experience and knowledge as managers of pharmaceutical companies including foreign-affiliated companies, he made useful proposals for the management of the Company, including suggestions based on overseas situations and cases. He also gave advice and suggestions to ensure the adequacy and appropriateness of the Board of Directors' decisions.

- Makoto Hara, Member of the Board

He attended 20 out of 20 meetings of the Board of Directors held during the fiscal year under review. Based on his abundant experience and knowledge gained through his involvement in comprehensive corporate planning and accounting as manager of companies in the pharmaceutical business, he made useful proposals for the management of the

Company. He also gave advice and suggestions to ensure the adequacy and appropriateness of the Board of Directors' decisions.

- Yasue Mitsukura, Member of the Board

She attended 15 out of 16 meetings of the Board of Directors held after she assumed the post of External Director. Based on her broad expertise in science, technology, and medicine, and achievements in interdisciplinary research and a practical perspective gained through her industrial experience, she perceives our research and development objectively. She also gave advice and suggestions to ensure the adequacy and appropriateness of the Board of Directors' decisions.

- Ikuo Mori, Standing Corporate Auditor

He attended 16 out of 16 meetings of the Board of Directors held after he assumed the post of External Corporate Auditor. He attended 13 out of 13 meetings of the Board of Corporate Auditors held after he assumed the post of External Corporate Auditor. He has abundant experience and knowledge gained at financial institutions, as well as abundant experience as a corporate manager. Based on his experience, at the meetings of the Board of Directors and Board of Corporate Auditors, he gave advice and suggestions to ensure the adequacy and appropriateness of the Board of Directors' decisions, and through auditing activities, he supervised overall management and provided useful advice for the management of the Company.

- Kiyotaka Hayashi, Corporate Auditor

He attended 16 out of 16 meetings of the Board of Directors held after he assumed the post of External Corporate Auditor. He attended 13 out of 13 meetings of the Board of Corporate Auditors held after he assumed the post of External Corporate Auditor. He has abundant experience and knowledge gained at financial institutions, as well as abundant experience and knowledge as a corporate manager. Based on his experience, at the meetings of the Board of Directors and Board of Corporate Auditors, he gave advice and suggestions to ensure the adequacy and appropriateness of the Board of Directors' decisions and supervised overall management.

- Hideyuki Yamanashi, Corporate Auditor

He attended 16 out of 16 meetings of the Board of Directors held after he assumed the post of External Corporate Auditor. He attended 13 out of 13 meetings of the Board of Corporate Auditors held after he assumed the post of External Corporate Auditor. He has abundant experience and knowledge of finance and accounting operations, as well as corporate planning and audit work. Based on his experience, at the meetings of the Board of Directors and Board of Corporate Auditors, he gave advice and suggestions to ensure the adequacy and appropriateness of the Board of Directors' decisions and supervised overall management.

(4) Total amount of remuneration, etc.

67,800 thousand yen

Officers receiving payments: 10

(Note) As of the end of the fiscal year under review, people eligible for remuneration were three External Directors and three External Corporate Auditors.

V. Status of Accounting Auditor

1. Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

2. Amount of Remuneration, etc.

	Payment amount
Amount of remuneration based on the services provided under Article 2, Paragraph 1 of the Certified Public Accountants Act	63,000 thousand yen
Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	63,000 thousand yen

(Notes)

1. Because the amount of remuneration for audits based on the Companies Act and the amount of remuneration for audits based on the Financial Instruments and Exchange Act are not clearly distinguished, and cannot be effectively distinguished in the audit contract between the Company and the Accounting Auditor, the total of these amounts is stated in the amount of remuneration for the Accounting Auditor for the fiscal year under review.
2. EmendoBio Inc., a significant subsidiary of the Company, undergoes audits by a member firm of Deloitte Touche Tohmatsu, which belongs to the same network as the Company's Accounting Auditor.

3. Reason the Board of Corporate Auditors Agreed to the Remuneration, etc. for the Accounting Auditor

The Board of Corporate Auditors of the Company has reviewed the contents of the audit plan of the Accounting Auditor, the status of the execution of duties of the accounting audit in the past, actual results of remuneration, and the basis of calculation of the remuneration estimate, etc., through the acquisition of necessary materials and hearing reports from the executive management division and the Accounting Auditor, and as a result, the Board of Corporate Auditors of the Company has given its consent to the remuneration, etc. of the Accounting Auditor as stipulated in Article 399, Paragraph 1 of the Companies Act.

4. Policy for Deciding on the Dismissal or Non-reappointment of the Accounting Auditor

The Board of Corporate Auditors of the Company shall decide on a proposal for the dismissal or non-reappointment of the Accounting Auditor if it is deemed difficult for the Accounting Auditor to properly perform its duties, etc., and the Board of Directors shall submit such proposal to the General Meeting of Shareholders based on such decision.

The Board of Corporate Auditors will dismiss the Accounting Auditor with the consent of all the Corporate Auditors if the Accounting Auditor is found to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, a Corporate Auditor selected by the Board of Corporate Auditors shall report the dismissal of the Accounting Auditor and the reasons for the dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

VI. Systems and Policies of the Company

1. Systems to Ensure the Appropriateness of Operations

- (1) System to ensure the compliance of Members of the Board and employees with laws and regulations and the Articles of Incorporation in the execution of their duties
 - 1) The Company shall establish the AnGes Group Corporate Philosophy and Code of Conduct, make them known and thoroughly understood by Members of the Board and employees of the Company and its subsidiaries so that the effectiveness of compliance can be enhanced, and provide the necessary education and training opportunities.
 - 2) The Company shall establish a Risk Management and Compliance Committee chaired by the President, which shall confirm the status of compliance of the Company and its subsidiaries, and report to the Board of Directors in accordance with the Risk Management and Compliance Regulations.
 - 3) The Company shall establish a whistleblowing system as an internal reporting system for the purpose of early detection and correction of compliance violations, and shall develop a reporting system that ensures the protection of informants in accordance with the Risk Management and Compliance Regulations.
 - 4) Based on the Regulations for Prevention of Insider Trading, the Company shall strive to prevent insider trading by stipulating the management of inside information obtained by Members of the Board and employees in connection with their duties, regulations on the trading of shares, etc. and other transactions by Members of the Board and employees, and basic matters to be observed by Members of the Board and employees when performing their duties. This content also applies for subsidiaries.
 - 5) In order to ensure the reliability of financial reporting, the Company shall develop and implement internal controls over financial reporting in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations.
 - 6) The Company does not have any relationship with antisocial forces that threaten the order and safety of civil society, and in the event of any unreasonable demands, the Company will respond to it in close cooperation with external specialized organizations including the police, with the administrative division serving as the department responsible for response.
 - 7) The Company shall establish a department in charge of internal auditing that is independent from the business execution organization, and in accordance with the Internal Audit Regulations, it shall formulate and execute audit plans based on risk assessment for all operations, including those of subsidiaries and the following systems, with the approval of the Board of Directors, and shall report the audit results to the Board of Directors for improvement.
- (2) System for retention and management of information concerning the execution of duties by Members of the Board
 - 1) The Company shall establish regulations for the preservation and management of information related to the execution of duties by Members of the Board as Regulations for Document Retention and Management and Regulations for Information Security Management. Based on these regulations, the Company shall appropriately and securely preserve and manage documents, media, etc. in which such information is described or recorded.
 - 2) With regard to personal information, the Company will comply with the Act on the Protection of Personal Information, the My Number Act, and other related laws and regulations, as well as other social norms, and will appropriately protect and manage information assets according to the Regulations for Personal Information Handling and the Regulations for Handling Specific Personal Information Including Personal Number.
- (3) Rules and other systems for managing the risk of loss
 - 1) In accordance with the Risk Management and Compliance Regulations, the Risk Management and Compliance Committee shall evaluate risks that may have a significant impact on business continuity, select risks to be addressed, establish a business continuity plan (BCP), prepare for contingencies in accordance with the assumed risks, and take prompt and appropriate action in the event of an emergency.
 - 2) The Company shall continuously provide education and training on risk management to Members of the Board and employees.
 - 3) The Board of Directors shall review the risk management system annually.
- (4) System to ensure that Members of the Board execute their duties efficiently
 - 1) Regular meetings of the Board of Directors are held once a month in principle to make

- decisions on important management items and to supervise the status of business execution.
- 2) Important research and development projects are discussed and examined in advance at research and development meetings chaired by the Director of Corporate Development.
 - 3) In the Organizational Rules, the scope of authority and responsibility for the execution of duties is defined in the division of duties chart to ensure the efficient business execution, and the decision-making method of the Company is defined in the table of duties and authority for decision-making according to importance.
 - 4) The Board of Directors shall formulate a medium-term management plan, set major management targets based on the plan, and periodically review the progress of the plan, as well as set divisional targets for each fiscal year and manage the results.
- (5) System to ensure the appropriateness of business in a corporate group comprising the Company and its subsidiaries
- 1) System to ensure the compliance of Members of the Board and employees of subsidiaries with laws and regulations and the Articles of Incorporation in the execution of their duties
 - (a) The Company and its subsidiaries shall establish a risk management and compliance management function to collect and manage information in cooperation with each other.
 - (b) The Company and its subsidiaries shall continue to implement compliance education and training for Members of the Board and employees.
 - (c) The execution of business by the Company and its subsidiaries shall be conducted in accordance with the internal rules of each company, and the internal rules shall be reviewed from time to time.
 - 2) System to ensure that Members of the Board of subsidiaries execute their duties efficiently

The Company shall establish a division to oversee the management of subsidiaries, clarify the methods for managing subsidiaries in accordance with the Regulations for the Management of Affiliated Companies and other relevant regulations, and manage subsidiaries in cooperation with related divisions. The Company shall periodically review the organization and business execution system of its subsidiaries and supervise the establishment of a system for efficient execution of their business.

With respect to decision-making at subsidiaries, the Company will request clarification of the authority and responsibility of executives in accordance with the various relevant regulations of the subsidiaries, and provide guidance to ensure the systematic and efficient execution of business.

Members of the Board and employees of subsidiaries shall periodically report to the Company on the status of development and implementation of the internal control system of subsidiaries.
 - 3) Rules and other systems for managing the risk of loss at subsidiaries
 - (a) In addition to preparing for possible risks by having subsidiaries prepare regulations for risk management and compliance management, the Company will take prompt and appropriate action in accordance with such regulations in the event of an emergency.
 - (b) The Company shall continuously provide education and training on risk management to Members of the Board and employees of subsidiaries.
 - 4) System for reporting to the Company on matters related to the execution of duties by Members of the Board and employees of subsidiaries

The Company shall have its subsidiaries clearly define matters that require the Company's approval and matters to be reported, and have subsidiaries periodically report on the execution of duties and the status of their businesses.
- (6) Matters concerning the appointment of employees to assist in the duties of Corporate Auditors
- 1) In the event that the Corporate Auditors request employees to assist them in their duties, the Company shall, upon consultation with the Corporate Auditors, assign assistant employees within a reasonable range.
 - 2) The prior consent of the Corporate Auditors shall be obtained for the appointment, transfer, evaluation, and disposition of assistant employees, and such employees shall not be subject to the direction and orders of Members of the Board in the performance of their duties, thereby ensuring their independence from Members of the Board.
 - 3) Assistant employees shall be assigned exclusively to the Corporate Auditors and shall not concurrently perform any other duties, thereby ensuring the effectiveness of

instructions by Corporate Auditors to assistant employees.

(7) System for reporting to Corporate Auditors

- 1) System for Members of the Board and employees of the Company to report to Corporate Auditors

Members of the Board and employees shall report to the Corporate Auditors in a timely and appropriate manner on important management matters of the Company, violations of laws, regulations, the Articles of Incorporation, etc., facts that could cause significant damage to the Company, and concerns about the occurrence of such facts.

In addition, the Company shall establish a system whereby Corporate Auditors may request reports and the provision of materials from Members of the Board and employees, as necessary, on matters deemed necessary in the performance of their duties.

- 2) Systems for reporting to Corporate Auditors by Members of the Board and employees of subsidiaries or persons who receive reports from these persons

Members of the Board and employees of subsidiaries or persons who receive reports from them shall immediately report to the division that oversees the management of subsidiaries on important management matters of the subsidiaries, violations of laws, regulations, the Articles of Incorporation, etc., facts that could cause significant damage to the subsidiaries, and concerns about the occurrence of such facts. With regard to such matters as are determined through discussions between the Company's President and Corporate Auditors among those reports received, the division that oversees the management of subsidiaries shall report to the Company's Corporate Auditors.

- 3) System to ensure that the person who made the report will not be treated disadvantageously for the reason of making the report

Corporate Auditors are not obligated to report to third parties on information obtained from Members of the Board and employees. In addition, the Corporate Auditors may request Members of the Board to disclose the reasons for the personnel evaluation and disciplinary action of the Members of the Board and employees who made the report.

(8) Matters relating to procedures for prepayment or reimbursement of expenses incurred in the execution of duties by Corporate Auditors, and other matters relating to the policy on the treatment of expenses and liabilities incurred in the execution of such duties

In the event that a Corporate Auditor makes a request for advance payment of expenses incurred in the execution of his or her duties, reimbursement of expenses, etc., or repayment of debts incurred, the Company shall comply with the request, unless it can be proven that the expenses, etc. were not incurred in the execution of the Corporate Auditor's duties.

(9) Other systems to ensure that audits by Corporate Auditors are conducted effectively

- 1) The Company shall ensure that Corporate Auditors have opportunities to attend meetings of the Board of Directors and other important meetings so that they can gain an understanding on important internal issues, etc. and express their opinions as necessary.
- 2) Member of the Board and employees shall cooperate with the development of an audit environment to facilitate the smooth implementation of activities by Corporate Auditors, such as the inspection of important documents, on-site investigations, exchange of opinions with Members of the Board and others, and investigations of subsidiaries, which are necessary for the audits of Corporate Auditors.
- 3) Corporate Auditors may receive advice on audits from attorneys, certified public accountants and others when deemed necessary in conducting audits.

2. Overview of Status of Operation of Systems to Ensure the Appropriateness of Operations

The Company is making efforts to develop and properly operate systems based on the system to ensure the appropriateness of operations. An overview of the status of the implementation of the system during the fiscal year under review is as follows.

Status of compliance initiatives

The Risk Management and Compliance Committee, chaired by the President, was held four times to establish a risk management system, and the risk management program was implemented company-wide.

The Company has formulated Internal Reporting Regulations and established internal and external contact points for whistleblowing, and is prepared for early detection of problems and remedial measures.

In addition, internal audits are performed in accordance with the internal audit plan approved by the Board of Directors.

Efforts to ensure the appropriateness and efficiency of the execution of duties

The Board of Directors consists of five Members, including three External Directors, and is attended by three Corporate Auditors (all of whom are External Corporate Auditors). The Board of Directors meet 20 times to deliberate on each agenda item, supervise the status of business execution, etc., and actively exchanged opinions, thus ensuring the effectiveness of decision-making and supervision.

Status of initiatives for managing the risk of loss

The Company has formulated a business continuity plan for major earthquakes and infectious diseases to curb the spread of and minimize damages caused by natural disasters, infectious disease outbreaks, etc., and it has conducted drills and stockpiled supplies for major earthquakes based on the plan.

Status of initiatives to ensure the appropriateness of operations at the Group

The Company's Corporate Development develops and oversees the business management system of subsidiaries.

Status of initiatives to ensure the effectiveness of audits by Corporate Auditors

The Board of Corporate Auditors consists of three Corporate Auditors (all of whom are External Corporate Auditors). The Board of Corporate Auditors meet 18 times to receive reports, discuss, and make resolutions on important audit-related matters.

In addition, the Corporate Auditors attend the Risk Management and Compliance Committee to improve the effectiveness of audits.

3. Basic Policy on Control of Stock Company

Not applicable.

(Unless otherwise stated, amounts in this business report have been rounded down to the nearest unit, and quantities and ratios have been rounded to the nearest unit.)

Financial Statements

Consolidated Balance Sheets

(As of December 31, 2025)

(In thousands of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	4,386,537	Current liabilities	2,243,471
Cash and deposits	1,882,005	Accounts payable - trade	542,958
Accounts receivable - trade	121,625	Accounts payable - other	233,986
Merchandise	234,065	Accrued expenses	32,979
Raw materials and supplies	1,512,454	Provision for business restructuring	140,989
Advance payments - trade	358,528	Income taxes payable	583,633
Prepaid expenses	111,922	Advances received	641,450
Consumption taxes receivable	137,442	Deposits received	13,105
Other	28,493	Lease liabilities	54,368
		Non-current liabilities	86,432
Non-current assets	1,019,446	Deferred tax liabilities	21,774
Property, plant and equipment	138,594	Asset retirement obligations	64,657
Buildings	76,527	Total liabilities	2,329,903
Tools, furniture and fixtures	62,067	Net assets	
		Shareholders' equity	(2,933,263)
Intangible assets	7,627	Share capital	40,228,661
Software	7,627	Capital surplus	8,475,978
		Retained earnings	(51,637,863)
Investments and other assets	873,223	Treasury shares	(39)
Investment securities	417,898	Accumulated other comprehensive income	5,916,512
Long-term loans receivable	15,000	Valuation difference on available-for-sale securities	37,828
Leasehold and guarantee deposits	97,801	Foreign currency translation adjustment	5,878,684
Deferred tax assets	339,642	Share acquisition rights	92,830
Other	2,880	Total net assets	3,076,080
Total assets	5,405,983	Total liabilities and net assets	5,405,983

Consolidated Statements of Operations

(January 1, 2025 - December 31, 2025)

(In thousands of yen)

Account item	Amount	
Business revenues		
Net sales of goods	302,845	
Commission income	554,816	
Research and development revenues	16,458	874,120
Business expenses		
Cost of sales	553,737	
Research and development expenses	3,553,181	
Selling, general and administrative expenses	1,912,595	6,019,514
Operating loss		5,145,393
Non-operating income		
Interest income	14,857	
Commission income	5,217	
Gain on cancellation of leases	102,485	
Miscellaneous income	6,823	129,383
Non-operating expenses		
Share issuance costs	42,339	
Loss on investments in investment partnerships	9,650	
Foreign exchange losses	220,775	272,764
Ordinary loss		5,288,775
Extraordinary income		
Gain on sale of non-current assets	47,023	
Gain on reversal of share acquisition rights	5,168	52,191
Loss before income taxes		5,236,583
Income taxes - current	118,571	
Income taxes - deferred	57,214	
Income taxes - refund	(11,969)	
Refund of income taxes for prior periods	(277,130)	(113,314)
Loss		5,123,269
Loss attributable to owners of parent		5,123,269

Non-Consolidated Balance Sheets

(As of December 31, 2025)

(In thousands of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	3,700,617	Current liabilities	1,439,016
Cash and deposits	1,188,594	Accounts payable - trade	484,443
Accounts receivable - trade	121,625	Accounts payable - other	153,402
Merchandise	234,065	Accrued expenses	4,682
Raw materials and supplies	1,512,454	Income taxes payable	141,932
Advance payments - trade	358,528	Advances received	641,450
Prepaid expenses	77,643	Deposits received	13,105
Consumption taxes receivable	137,442		
Other	70,264	Non-current liabilities	322,399
		Deferred tax liabilities	16,695
Non-current assets	724,534	Asset retirement obligations	64,657
Property, plant and equipment	138,594	Provision for loss on business of subsidiaries and associates	241,046
Buildings	76,527	Total liabilities	1,761,415
Tools, furniture and fixtures	62,067		
		Net assets	
		Shareholders' equity	2,539,134
Intangible assets	7,627	Share capital	40,228,661
Software	7,627	Capital surplus	6,207,668
		Legal capital surplus	6,207,668
Investments and other assets	578,312	Retained earnings	(43,897,155)
Investment securities	417,898	Other retained earnings	(43,897,155)
Investments in other securities of subsidiaries and associates	0	Retained earnings brought forward	(43,897,155)
Shares of subsidiaries and associates	51,990		
Long-term loans receivable	15,000	Treasury shares	(39)
Long-term loans receivable from subsidiaries	15,935,772		
Long-term prepaid expenses	2,650	Valuation and translation adjustments	37,828
Leasehold and guarantee deposits	90,543	Valuation difference on available-for-sale securities	37,828
Other	230		
Allowance for doubtful accounts for subsidiaries and associates	(15,935,772)	Share acquisition rights	86,773
		Total net assets	2,663,736
Total assets	4,425,152	Total liabilities and net assets	4,425,152

Non-Consolidated Statements of Operations

(January 1, 2025 - December 31, 2025)

(In thousands of yen)

Account item	Amount	
Business revenues		
Net sales of goods	302,845	
Commission income	554,816	857,662
Business expenses		
Cost of sales	553,737	
Research and development expenses	2,966,558	
Selling, general and administrative expenses	1,786,558	5,306,853
Operating loss		4,449,191
Non-operating income		
Interest income	3,521	
Commission income	5,217	
Miscellaneous income	787	9,526
Non-operating expenses		
Share issuance costs	42,339	
Loss on investments in investment partnerships	9,650	
Foreign exchange losses	17,378	69,367
Ordinary loss		4,509,032
Extraordinary income		
Gain on reversal of share acquisition rights	5,168	5,168
Extraordinary losses		
Loss on valuation of shares of subsidiaries	909,953	
Provision for loss on business of subsidiaries and associates	241,046	1,150,999
Loss before income taxes		5,654,863
Income taxes - current		4,430
Loss		5,659,293

Independent Auditor's Report

(English Translation)

February 16, 2026

To the Board of Directors
AnGes, Inc.

Deloitte Touche Tohmatsu LLC
Tokyo Office
Designated Limited Liability Partner,
Engagement Partner,
CPA: Tomoya Noda
Designated Limited Liability Partner,
Engagement Partner,
CPA: Minoru Takashima

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets, the consolidated statements of operations, the consolidated statements of changes in net assets and the notes to the consolidated financial statements of AnGes, Inc. (the "Company") for the fiscal year from January 1, 2025 through December 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Significant Uncertainty regarding the Going Concern Assumption

As stated in the notes on the going concern assumption, the Company has continuously recorded operating loss and negative cash flow. Accordingly, significant doubt has arisen as to the Company's ability to continue as a going concern. Currently, it is acknowledged that a significant uncertainty exists with regard to the going concern assumption. The measures to be taken against these events or conditions and the reasons for the acknowledgment of significant uncertainty are stated in the said notes. The consolidated financial statements have been prepared in accordance with the going concern assumption and the impact of this significant uncertainty has not been reflected in the consolidated financial statements.

This matter does not affect our opinion on the consolidated financial statements in any way.

Other Information

The other information comprises the information included in the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Director's duties related to designing and operating the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express our opinion on the other information.

Our responsibility for the audit of the consolidated financial statements is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the going concern assumption, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the going concern assumption, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- In order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which are the basis of expressing an opinion on the consolidated financial statements, the auditor plans and implements audits of the consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, any measures that are in place to eliminate obstacles, and any safeguards that are in place to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

(English Translation)

February 16, 2026

To the Board of Directors
AnGes, Inc.

Deloitte Touche Tohmatsu LLC
Tokyo Office
Designated Limited Liability Partner,
Engagement Partner,
CPA: Tomoya Noda
Designated Limited Liability Partner,
Engagement Partner,
CPA: Minoru Takashima

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheets, the statements of operations, the statements of changes in net assets and the related notes, and the accompanying supplementary schedules of AnGes, Inc. (the "Company") for the 27th fiscal year from January 1, 2025 through December 31, 2025.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Significant Uncertainty regarding the Going Concern Assumption

As stated in the notes on the going concern assumption, the Company has continuously recorded operating loss and negative cash flow. Accordingly, significant doubt has arisen as to the Company's ability to continue as a going concern. Currently, it is acknowledged that a significant uncertainty exists with regard to the going concern assumption. The measures to be taken against these events or conditions and the reasons for the acknowledgment of significant uncertainty are stated in the said notes. The financial statements and the accompanying supplementary schedules have been prepared in accordance with the going concern assumption and the impact of this significant uncertainty has not been reflected in the financial statements and the accompanying supplementary schedules.

This matter does not affect our opinion on the financial statements and the accompanying supplementary schedules in any way.

Other Information

The other information comprises the information included in the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Director's duties related to designing and operating the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover

the other information and we do not express our opinion on the other information.

Our responsibility for the audit of the financial statements and the accompanying supplementary schedules is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the going concern assumption, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the going concern assumption, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity

may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, any measures that are in place to eliminate obstacles, and any safeguards that are in place to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report

(English Translation)

The Board of Corporate Auditors, upon deliberation, prepared this audit report regarding the execution of duties by the Directors for the 27th fiscal year from January 1, 2025 through December 31, 2025, based on the audit reports prepared by each Corporate Auditor, and reports as follows.

1. Method and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

- (1) The Board of Corporate Auditors established auditing policies, auditing plans, etc., received reports from each Corporate Auditor on the status of implementation and results of audit, and also received reports from Directors, etc. and the Accounting Auditor on the status of execution of their duties and requested them for explanations as necessary.
- (2) While striving to gather information and create an audit environment through facilitating communication with the Directors, internal audit division, and other employees, etc., each Corporate Auditor executed the audits in the following manner in conformity with the auditing standard for Corporate Auditors specified by the Board of Corporate Auditors and in accordance with the auditing policies, prescribed division of duties, etc.
 - (i) Each Corporate Auditor attended the meetings of the Board of Directors and other important meetings, received reports from the Directors and employees, etc. on the status of execution of their duties, asked them for explanations as necessary, reviewed important approval documents, etc., and conducted investigations on the status of operations and financial position at the head office and principal offices. In addition, with regard to the subsidiaries, each Corporate Auditor facilitated communication and exchange of information with Directors, employees, etc. serving concurrently as Directors of the subsidiaries.
 - (ii) With regard to the system for ensuring that the execution of duties by the Directors described in the business report complies with the laws and regulations and the Articles of Incorporation, as well as the contents of resolutions made by the Board of Directors regarding the establishment of other systems specified in Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act as necessary for ensuring appropriate operations of a corporate group comprising a stock company and its subsidiaries, and the system (internal control system) established based on such resolutions, Corporate Auditors received reports on the status of development and operation of such systems from Directors and employees, etc. and, when necessary, requested explanations and expressed their opinion.
 - (iii) Corporate Auditors monitored and verified whether the Accounting Auditor maintained its independence and appropriately performed audits, as well as received reports from the Accounting Auditor on the status of execution of its duties and asked for explanations as necessary. In addition, Corporate Auditors received a notice from the Accounting Auditor that the “system for ensuring that the performance of the duties is being carried out correctly” (matters stipulated in the items of Article 131 of the Regulation on Corporate Accounting) is being prepared in accordance with the “Quality Control Standard for Audit” and requested explanations as necessary.

Based on the methods above, we have reviewed the business report and the accompanying supplementary schedules, the financial statements (the balance sheets, the statements of operations, the statements of changes in net assets and the related notes) and the accompanying supplementary schedules, and the consolidated financial statements (the consolidated balance sheets, the consolidated statements of operations, the consolidated statements of changes in net assets and the notes to the consolidated financial statements) for this fiscal year.

2. Results of Audit

- (1) Results of audit of the business report, etc.
 - (i) We acknowledge that the business reports and the accompanying supplementary schedules fairly present the status of the Company in conformity with the laws and regulations and the Articles of Incorporation.
 - (ii) We acknowledge that no misconduct or material fact in violation of any law or regulation or the Articles of Incorporation was found with respect to the execution of duties by the Directors.
 - (iii) We acknowledge that the Board of Directors’ resolutions pertaining to the internal control system are appropriate. In addition, we did not find any matter to be pointed out concerning the content described in the business report and execution of duties by the Directors concerning the internal control system, including the internal control system related to financial reporting.

- (2) Results of audit of financial statements and the accompanying supplementary schedules
We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.
- (3) Results of audit of consolidated financial statements
We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

February 16, 2026

Board of Corporate Auditors, AnGes, Inc.

Standing Corporate Auditor	Ikuo Mori	(seal)
Corporate Auditor	Kiyotaka Hayashi	(seal)
Corporate Auditor	Hideyuki Yamanashi	(seal)

(Note) Standing Corporate Auditor Ikuo Mori, Corporate Auditor Kiyotaka Hayashi, and Corporate Auditor Hideyuki Yamanashi are External Corporate Auditors as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.