December 12, 2019
Company Name: AnGes Inc.
Presentative: Ei Yamada, President & CEO
(Code Number 4563, Mothers of the TSE)

Notice of Additional Equity Investment in Emendo Biotherapeutics, Owner of Advanced Technology in Genome Editing, and Decision on Change of Status to Affiliated Company

AnGes, Inc. hereby advises that, at a meeting of its Board of Directors held on this date, it made the decision to make an additional equity investment in the Israel-based American biotechnology firm, Emendo Biotherapeutics ("Emendo").
With this additional investment, Emendo will become an affiliated company accounted for by the equity-method.

1. Purpose of change of status to affiliated company

Our purpose is to build a closer relationship with Emendo, which owns technology for genome editing that is highly safe and that offers a high degree of freedom in target selection, and to consider the introduction at AnGes of such technology for several diseases toward which Emendo is currently targeting its development.

Emendo is an American biotechnology firm based in Israel that is developing new genome editing technology that can be used to repair and eliminate genetic mutations in cells that cause serious diseases and disorders.

Genome editing is a cutting-edge technology for the creation of next-generation biopharmaceuticals. Its application is being trialed in different ways in various countries around the world.

Genome editing makes changes to the target gene by cutting only specific base sequences (target sequences). However, due to the potential for causing changes to genes other than the target gene by mistakenly cutting similar sequences (off-target effect), there have been safety issues with this technology.

To reduce this off-target effect, it is necessary, as far as possible, to choose target sequences that do not have similar sequences. Besides this method, however, Emendo is developing high-precision enzymes that do not cut DNA other than the target sequences. In this way, it can be expected that, not only will they achieve highly safe genome editing, they will have more freedom in the selection of targets, without the limitations presented by similar sequences.

Making Emendo an affiliated company of AnGes will assist us in the development of

biopharmaceuticals through genome editing, making it possible to further expand our development pipeline as the fourth pillar of our operations after HGF gene therapy, nucleic-acid medicines, and DNA vaccines.

2. Overview of Investment Target

(1) Location of company headquarters	17 State Street, New York, NY 10004 USA
(2) CEO	David Baram
(3) Established	December 2015
(4) Capital and capital reserves	USD 7,651,000 (as of August 31, 2019)
(5) Description of business	Development of genome editing technology that can be used to repair and eliminate genetic mutations in cells that cause serious diseases and disorders.

3. Details of Investment

(1) Investment amount	USD50,000,000 (JPY5,450,000,000 at exchange rate of USD1.00 = JPY109)
(2) AnGes' shareholding ratio	Approx. 32% (after investment of full amount, after full dilution of shares)
(3) Payment dates (scheduled)	January and June 2020

4. Future outlook

The impact of this matter on results for the year ending December 2019 is expected to be slight.

[Explanation of terms]

Genome editing:

Genomes are whole units of genes comprising base sequences of DNA (deoxyribo nucleic acid). Genome editing is a technology that uses DNA cleavage enzymes (nucleases) to cut only a specific base sequence (target sequence) of the DNA to make an intended change to the gene. Known DNA cleavage enzymes include ZFNs (zinc finger nucleases) and TALEN, as well as RNA-induced DNA nucleases such as CRISPR/Cas9. Emendo's methods employ RNA-induced nucleases. RNA-induced DNA nucleases are made up of two separate molecules, guide RNA and nuclease protein. The target sequence is defined by a guide RNA that has a complementary sequence to the DNA sequence in the targeted section. The RNA-induced DNA nuclease protein specifically cuts the target section defined by the guide RNA.

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