



January 29, 2024

Company Name: AnGes Inc.

Presentative: Ei Yamada, President & CEO

Notice of Business Restructuring at Consolidated Subsidiary

AnGes Inc. announces that on January 29, 2024, its consolidated subsidiary EmendoBio Inc.*1 ("EmendoBio") decided to proceed with the restructuring of its business with respect to genome editing therapies.

1. Background and reasons for business restructuring

EmendoBio's Israeli subsidiary, Emendo Research and Development Ltd.*2 ("Emendo R&D"), has been developing a technological platform to search for and optimize highly accurate nucleases, which are essential for the safe medical application of genome editing, and preparing for clinical trials, which is engaged in the development of technological platforms for searching and optimizing highly accurate nucleases essential for safe medical applications of genome editing, and the preparation of clinical trials. Genome-editing therapies are expected to enable the treatment of diseases for which there have been no treatments to date, and there are high expectations for their research and development. EmendoBio is developing a number of proprietary OMNI nucleases that avoid the "off-target effect," which is a challenge for genome editing therapies and causes cleavage at locations other than those targeted, and has developed a number of proprietary nucleases that are less likely to cause "off-target effects. And as a pioneering application of this OMNI nuclease in clinical trials, we have been preparing for a clinical trial of ELANE-related severe congenital neutropenia in the United States.

Emendo R&D has been engaged in a labor-intensive search and optimization process for the development of its proprietary OMNI nuclease, but has recently been considering a shift to a knowledge-intensive R&D structure that utilizes artificial intelligence, especially machine learning, based on the large amount of data accumulated to date. Based on such a review of our R&D strategy and taking into consideration the geopolitical risks that have emerged as a result of the outbreak of conflict in the Gaza Strip in October 2023, we have recently decided to reorganize our R&D structure as follows.

2. Details of Business Restructuring

In order to evolve Emendo R&D's R&D structure from labor-intensive to knowledge-intensive, we have decided to consolidate R&D functions centering on the use of artificial intelligence in Emendo R&D, reorganize the scale of R&D to match the new structure, and gradually transfer other functions to the United States to further promote the establishment of a base in the United States. Emendo R & D's facility in Israel will continue to be used, but the company will begin to consider reducing its R&D staff to less than half of the current number.

Meanwhile, we will accelerate the research and development of genome-edited products and other pipelines for which clinical trials are being prepared in the U.S., and strengthen and accelerate

(Note) This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.



the U.S. system for the purpose of licensing out EmendoBio's genome-editing technology in the U.S.. We will announce the details of the reinforcement in the U.S. in a timely manner.

3.Future Outlook

The Company is in the process of formulating a specific number of personnel reductions, a new R&D structure, etc., and although there is a possibility of incurring expenses in FY2023 associated with this business reorganization, a detailed estimate is being prepared at this time. We will promptly inform you of any further matters that should be disclosed in the future as they are determined.

*1 : EmendoBio Inc. is our 85.3% owned subsidiary (capital 57,977 thousand USD: 0 employees as of December 31, 2022).

*2 : EmendoBio Research and Development Ltd. is 100% owned by EmendoBio Inc. (Capital 47 thousand USD: 99 employees: as of December 31, 2022)