



February 24, 2023

Company Name: AnGes Inc.

Presentative: Ei Yamada, President & CEO

Notice of Reduction of Capital Stock and Capital Reserve and Appropriation of Surplus

AnGes Inc. announces that its Board of Directors has resolved at a meeting held on February 24, 2023 to submit a proposal for reduction of capital stock and capital reserve and appropriation of surplus to the 24th Ordinary General Meeting of Shareholders to be held on March 30, 2023, as follows

1. Purpose of reduction of capital stock and capital reserve and appropriation of surplus

At the 22nd Annual General Meeting of Shareholders (held on March 30, 2021), AnGes proposed and received approval for the reduction of capital reserve and appropriation of surplus. As of December 31, 2022, the deficit in retained earnings brought forward was 16,202,244,725 yen, while capital stock and capital reserve amounted to 35,146,368,604 yen and 15,076,868,981 yen, respectively, due to fund raising. (The amount of capital stock and capital reserve immediately after the reduction of capital reserve and appropriation of surplus approved at the 22nd ordinary general meeting of shareholders above were 24,612,076 thousand yen and 4,542,577 thousand yen, respectively.)

As part of the financial strategy to accurately implement the future growth strategy, the Company proposes to reduce the amount of capital stock and capital reserve pursuant to Article 447, Paragraph 1 of the Companies Act and Article 448, Paragraph 1 of the Companies Act, and to appropriate surplus pursuant to Article 452 of the Companies Act, in order to ensure mobility and flexibility in capital policy by making up the abovementioned deficit, correcting the capital structure and improving financial soundness.

This proposal will not affect the number of shares held by shareholders, as it will reduce the amount of capital stock and capital reserve without changing the total number of shares issued and outstanding.

The reduction in the amount of capital stock and capital reserve will not change the Company's net assets or the total number of shares issued and outstanding, and therefore will not result in any change in net assets per share.

(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.



2. Details of reduction of capital stock and capital reserve

(1) Amount and method of capital reduction

Pursuant to Article 447, Paragraph 1 of the Companies Act, the Company proposes to reduce the amount of capital stock as of December 31, 2022, of 35,146,368,604 yen by 1,125,375,744 yen to 34,020,992,860 yen, and to transfer the entire amount of capital to be reduced to other capital surplus.

(2) Amount and method of capital reserve to be reduced

Pursuant to Article 448, Paragraph 1 of the Companies Act, the Company proposes to reduce the total amount of capital reserve as of December 31, 2022 of 15,076,868,981 yen to 0 yen, and to transfer the entire amount of capital reserve to be reduced to other capital surplus.

3. Details of appropriation of retained earnings

Pursuant to Article 452 of the Companies Act, subject to the reduction of capital stock and capital reserve as described in 2. above becoming effective, the entire amount of other capital surplus transferred as a result of the reduction of capital stock and capital reserve, 16,202,244,725 yen, is transferred to retained earnings to be carried forward to make up the deficit. As a result, the deficit in retained earnings brought forward will be eliminated.

4. Schedule

- (1) Date of Board resolution: February 24, 2023
- (2) Date of resolution of the ordinary general meeting of shareholders: March 30, 2023 (scheduled)
- (3) Date of public notice for objection by creditors: April 3, 2023 (scheduled)
- (4) Final date for creditors' objections: May 8, 2023 (scheduled)
- (5) Effective date: May 10, 2023 (scheduled)

5. Future outlook

This matter is a transfer processing between accounts in the net assets section and will not cause any change in the Company's net assets.

This matter is subject to the approval of the reduction of capital stock, capital reserve and legal reserve and the appropriation of surplus at the 24th Ordinary General Meeting of Shareholders to be held on March 30, 2023.