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**Consolidated Financial Report**  
**for the Year Ended December 31, 2011 (Unaudited)**  
**AnGes MG, Inc. <http://www.anges-mg.com/>**

Listings: Mothers of the Tokyo Stock Exchange, Code 4563

Head Office: 4F, Saito Bio-Incubator, 7-7-15, Saito-Asagi, Ibaraki, Osaka, 567-0085, Japan

Adoption of the U.S.GAAP: None

(Figures are rounded down to the nearest million yen)

1. Business Results for the Year 2011 (From Jan. 1, 2011 to Dec. 31, 2011)

(1) Results of Operations (Percentages indicate changes from the previous term)

	Revenues		Operating loss		Ordinary loss		Net loss	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2011	243	(15.2)	(2,100)	—	(1,791)	—	(1,815)	—
FY2010	286	(51.0)	(2,010)	—	(1,911)	—	(1,967)	—

\*Comprehensive Income 2011 : (1,434) million yen 2010 : (2,283) million yen

	Net loss per share	Diluted net loss per share	Return on equity	Return on asset	Operating profit ratio
	Yen	Yen	%	%	%
FY2011	(14,921.25)	—	(50.3)	(40.3)	(863.1)
FY2010	(16,668.71)	—	(37.3)	(31.4)	(700.7)

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2011	3,889	3,271	79.2	25,167.62
Dec. 31, 2010	5,004	4,287	82.7	35,019.99

\*Shareholder's equity Dec. 31, 2011 : 3,078 million yen Dec. 31, 2010 : 4,140 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, at end
	Million yen	Million yen	Million yen	Million yen
FY2011	(1,705)	767	367	1,575
FY2010	(1,842)	952	11	2,152

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2010	—	0.00	—	0.00	0.00
FY 2011	—	0.00	—	0.00	0.00
FY 2012 (Forecast)	—	0.00	—	0.00	0.00

3. Earnings Forecast for the Fiscal Year 2012 (From Jan. 1, 2012 to Dec. 31, 2012)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q, 2012	—	—	—	—	—	—	—	—	—
Full-year	350	—	(2,000)	—	(1,900)	—	(1,900)	—	(15,531.38)
	~450	—	~(1,600)	—	~(1,500)	—	~(1,500)	—	~(12,261.61)

#### 4. Others

(1) Change of reporting entities (change of condition of significant consolidated subsidiaries) : Applicable

New consolidated subsidiary : AnGes Healthcare Science, Inc.

(2) Accounting procedure peculiar to the quarterly consolidated financial statements : Applicable

(3) Change of significant accounting and reporting policies for consolidated financial statements

1) Change caused by revision of accounting standard : Applicable

2) Other changes : None

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

1) Number of shares issued and outstanding (including treasury stock)

Dec. 31, 2011	122,333 shares	Dec. 31, 2010	118,231 shares
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2) Number of treasury stock

Dec. 31, 2011	- shares	Dec. 31, 2010	- shares
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3) Average number of shares issued and outstanding (including treasury stock)

2011	121,643 shares	2010	118,019 shares
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(Reference) Summary of Nonconsolidated Financial Reports

1. Business Results for the Year 2011 (From Jan. 1, 2011 to Dec. 31, 2011)

(1) Results of Operations (Percentages indicate changes from the previous term)

	Revenues		Operating loss		Ordinary loss		Net loss	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2011	240	(15.4)	(2,065)	—	(1,819)	—	(1,838)	—
FY2010	284	(34.2)	(1,884)	—	(1,825)	—	(1,863)	—

	Net loss per share	Diluted net loss per share
	Yen	Yen
FY2011	(15,116.62)	—
FY2010	(15,786.71)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2011	3,793	3,228	80.0	24,819.86
Dec. 31, 2010	4,938	4,263	83.3	34,811.65

\*Shareholder's equity Dec. 31, 2011 : 3,036 million yen Dec. 31, 2010 : 4,115 million yen

\*Since descriptions about future events, for instance, earnings forecast for FY 2012, are estimation, results may differ from this estimation due to changes of several economic conditions.

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

## R&D Projects and its current status

### <Self-developed product>

Segment	Product name / Project	Target indications	Region	Development stage	Alliance partners
Medicine	Collategene® (HGF Plasmid)	Peripheral Arterial Disease (PAD)	Japan	Preparing for phase III	Daiichi-Sankyo Co., Ltd. (JP) *Marketing Rights
			US / Europe		Available
		Ischemic Heart Disease (IHD)	Japan	Preparing for clinical trials	Daiichi-Sankyo Co., Ltd. (JP) *Marketing Rights
			US	Phase I	Available
		Parkinson's Disease		Pre-clinical	Available
		Lymphedema	Japan	Pre-clinical	Available
	NF- $\kappa$ B Decoy Oligo	Atopic Dermatitis	Japan	Phase II	Shionogi & Co., LTD.(JP) *Co-Development, Marketing Rights
			US / Europe	Pre-clinical	
Medical device	Drug-Eluting PTA balloon catheter	Prevention of Vascular Restenosis		Preparing for clinical trials	Medikit Co., Ltd. Hosokawa Micron Corp. (JP) *Joint Research
	Functional Peptides (Cure Peptin®)	Wound		Application Research	Morishita Jintan Co., Ltd. (JP) *Joint Research

### <Alliance product>

Segment	Product name / Project	Target indications	Region	Development stage	Alliance partners
Medicine	Allovectine®	Metastatic Melanoma	US / Europe	Phase III	Vical, Inc. (US)

### <Self-developed product at GenomIdia>

Segment	Product name / Project	Target indications	Region	Development stage	Alliance partners
Medicine	GEN0101	Prostate cancer	Japan	Pre-clinical	TSD Japan, Inc.

**AnGes MG, Inc**  
**Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

	December 31, 2010	December 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	2,152,335	1,575,549
Accounts receivable-trade	78,466	76,410
Short-term investment securities	900,235	—
Merchandise	60,283	90,211
Raw materials and supplies	575,333	519,588
Advance payments-trade	306,244	281,128
Prepaid expenses	25,129	27,030
Advances paid	1,656	18,415
Other	43,136	47,079
Total current assets	<u>4,142,821</u>	<u>2,635,414</u>
Noncurrent assets		
Property, plant and equipment		
Buildings	55,908	71,605
Accumulated depreciation	<u>(44,098)</u>	<u>(56,695)</u>
Buildings, net	<u>11,809</u>	<u>14,909</u>
Machinery and equipment	52,624	52,624
Accumulated depreciation	<u>(51,644)</u>	<u>(52,134)</u>
Machinery and equipment, net	<u>979</u>	<u>490</u>
Tools, furniture and fixtures	433,030	452,888
Accumulated depreciation	<u>(373,969)</u>	<u>(406,540)</u>
Tools, furniture and fixtures, net	<u>59,060</u>	<u>46,347</u>
Total property, plant and equipment	<u>71,850</u>	<u>61,747</u>
Intangible assets		
Patent right	150,786	140,416
Other	6,465	1,600
Total intangible assets	<u>157,252</u>	<u>142,016</u>
Investments and other assets		
Investment securities	521,739	951,199
Lease and guarantee deposits	54,131	54,081
Oter	<u>56,679</u>	<u>44,812</u>
Total investments and other assets	<u>632,551</u>	<u>1,050,093</u>
Total noncurrent assets	<u>861,653</u>	<u>1,253,857</u>
Total assets	<u><u>5,004,474</u></u>	<u><u>3,889,272</u></u>

**AnGes MG, Inc**  
**Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

	December 31, 2010	December 31, 2011
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	98,079	60,472
Accounts payable–other	75,341	62,817
Accrued expenses	20,933	21,572
Income taxes payable	25,581	24,083
Advances received	487,665	416,914
Deposits received	8,889	15,443
Total current liabilities	<u>716,490</u>	<u>601,304</u>
Noncurrent liabilities		
Asset retirement obligations	—	16,911
Total noncurrent liabilities	—	<u>16,911</u>
Total liabilities	<u>716,490</u>	<u>618,215</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,466,618	9,653,241
Capital surplus	7,777,361	7,963,981
Retained earnings	<u>(13,125,304)</u>	<u>(14,940,366)</u>
Total shareholders' equity	<u>4,118,675</u>	<u>2,676,856</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	68,357	454,413
Foreign currency translation adjustment	<u>(46,583)</u>	<u>(52,440)</u>
Total valuation and translation adjustments	<u>21,773</u>	<u>401,973</u>
Subscription rights to shares	<u>147,535</u>	<u>192,226</u>
Total net assets	<u>4,287,984</u>	<u>3,271,056</u>
Total liabilities and net assets	<u><u>5,004,474</u></u>	<u><u>3,889,272</u></u>

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

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2010	2011
<b>Business revenues</b>		
Net sales of goods	180,986	180,749
Research and development revenues	105,929	62,641
Total business revenues	<u>286,915</u>	<u>243,391</u>
<b>Business expenses</b>		
Cost of sales	82,813	81,186
Research and development expenses	1,439,828	1,443,584
Selling, general and administrative expenses	774,598	819,318
Total business expenses	<u>2,297,241</u>	<u>2,344,090</u>
Operating loss	<u>(2,010,325)</u>	<u>(2,100,698)</u>
<b>Non-operating income</b>		
Interest income	8,228	2,882
Gain on sales of securities	—	188
Foreign exchange gains	22,749	7,773
Subsidy income	142,306	309,997
Fiduciary obligation fee	3,317	603
Miscellaneous income	3,083	1,127
Total non-operating income	<u>179,685</u>	<u>322,572</u>
<b>Non-operating expenses</b>		
Interest paid	31	42
Stock issuance cost	70	2,432
Subscription rights to shares issuance cost	—	5,687
Loss on investments in partnership	80,757	4,801
Miscellaneous loss	—	0
Total non-operating expenses	<u>80,859</u>	<u>12,965</u>
Ordinary loss	<u>(1,911,498)</u>	<u>(1,791,091)</u>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	—	68
Total extraordinary income	<u>—</u>	<u>68</u>
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	17,678	4,457
Loss on valuation of investments securities	17,879	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	11,839
Total extraordinary losses	<u>35,558</u>	<u>16,297</u>
Loss before income taxes	<u>(1,947,057)</u>	<u>(1,807,319)</u>
Income taxes—current	20,160	7,742
Total income taxes	<u>20,160</u>	<u>7,742</u>
Loss before minority interests	<u>—</u>	<u>(1,815,061)</u>
Net loss	<u>(1,967,217)</u>	<u>(1,815,061)</u>

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

	the Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2010	2011
Loss before minority interests	—	(1,815,061)
Other comprehensive income		
Valuation difference on available-for-sale securities	—	386,056
Foreign currency translation adjustment	—	(5,856)
Total other comprehensive income	—	380,199
Comprehensive income	—	(1,434,862)
Comprehensive income attributable to owners of the parent	—	(1,434,862)
Comprehensive income attributable to minority interests	—	—

**AnGes MG, Inc**  
**Consolidated Statements of Changes in Net Assets**  
(In thousands)  
(Unaudited)

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2010	2011
<b>Shareholders' equity</b>		
Capital stock		
Balance at the end of previous period	9,460,618	9,466,618
Changes of items during the period		
Issuance of new shares	6,000	186,622
Total changes of items during the period	<u>6,000</u>	<u>186,622</u>
Balance at the end of current period	<u>9,466,618</u>	<u>9,653,241</u>
Capital surplus		
Balance at the end of previous period	7,771,361	7,777,361
Changes of items during the period		
Issuance of new shares	6,000	186,620
Total changes of items during the period	<u>6,000</u>	<u>186,620</u>
Balance at the end of current period	<u>7,777,361</u>	<u>7,963,981</u>
Retained earnings		
Balance at the end of previous period	11,158,086	(13,125,304)
Changes of items during the period		
Net loss	(1,967,217)	(1,815,061)
Total changes of items during the period	<u>(1,967,217)</u>	<u>(1,815,061)</u>
Balance at the end of current period	<u>(13,125,304)</u>	<u>(14,940,366)</u>
Total shareholders' equity		
Balance at the end of previous period	6,073,893	4,118,675
Changes of items during the period		
Issuance of new shares	12,000	373,243
Net loss	(1,967,217)	(1,815,061)
Total changes of items during the period	<u>(1,955,217)</u>	<u>(1,441,818)</u>
Balance at the end of current period	<u>4,118,675</u>	<u>2,676,856</u>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	370,141	68,357
Changes of items during the period		
Net changes of items other than shareholders' equity	(301,784)	386,056
Total changes of items during the period	<u>(301,784)</u>	<u>386,056</u>
Balance at the end of current period	<u>68,357</u>	<u>454,413</u>
Foreign currency translation adjustment		
Balance at the end of previous period	(31,780)	(46,583)
Changes of items during the period		
Net changes of items other than shareholders' equity	(14,803)	(5,856)
Total changes of items during the period	<u>(14,803)</u>	<u>(5,856)</u>
Balance at the end of current period	<u>(46,583)</u>	<u>(52,440)</u>



**AnGes MG, Inc**  
**Consolidated Statements of Changes in Net Assets**  
(In thousands)  
(Unaudited)

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2010	2011
<b>Total valuation and translation adjustments</b>		
Balance at the end of previous period	338,361	21,773
Changes of items during the period		
Net changes of items other than shareholders' equity	(316,587)	380,199
Total changes of items during the period	(316,587)	380,199
Balance at the end of current period	21,773	401,973
<b>Subscription rights to shares</b>		
Balance at the end of previous period	100,673	147,535
Changes of items during the period		
Net changes of items other than shareholders' equity	46,862	44,691
Total changes of items during the period	46,862	44,691
Balance at the end of current period	147,535	192,226
<b>Total net assets</b>		
Balance at the end of previous period	6,512,927	4,287,984
Changes of items during the period		
Issuance of new shares	12,000	373,243
Net loss	(1,967,217)	(1,815,061)
Net changes of items other than shareholders' equity	(269,725)	424,890
Total changes of items during the period	(2,224,943)	(1,016,927)
Balance at the end of current period	4,287,984	3,271,056

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

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2010	2011
<b>Net cash (used in) operating activities</b>		
Loss before income taxes	(1,947,057)	(1,807,319)
Depreciation and amortization	102,155	109,114
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	11,839
Interest income	(8,228)	(2,882)
Interest paid	31	42
Foreign exchange losses	2,663	370
Loss on investments in partnership	82,939	5,198
(Gain) on sales of noncurrent assets	—	(68)
Loss on retirement of noncurrent assets	17,678	4,457
(Gain) on sales of securities	—	(188)
Loss on valuation of investment securities	17,879	—
Stock issuance cost	70	2,432
Subscription rights to shares issuance cost	—	5,687
Share-based compensation expenses	46,862	42,240
Decrease (Increase) in notes and accounts receivable-trade	(13,817)	2,055
Decrease (Increase) in inventories	(119,954)	25,816
(Decrease) increase in notes and accounts payable-trade	48,945	(37,607)
Decrease (Increase) in advance payments	(59,112)	24,848
(Decrease) increase in accounts payable-other	18,384	(209)
(Decrease) in advances received	(27,436)	(70,750)
(Increase) in other current assets	(11,513)	(23,778)
Increase in other current liabilities	8,014	8,470
Increase in other noncurrent liabilities	—	263
Subtotal	<u>(1,841,494)</u>	<u>(1,699,967)</u>
Interest income received	14,296	3,937
Interest expenses paid	(31)	(42)
Income taxes paid	(15,654)	(9,728)
Net cash (used in) operating activities	<u>(1,842,885)</u>	<u>(1,705,801)</u>

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

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2010	2011
<b>Net cash provided by investing activities</b>		
Proceeds from withdrawal of time deposits	500,000	—
Purchase of short-term investment securities	(1,440,399)	(99,900)
Proceeds from redemption of securities	2,036,970	900,000
Proceeds from sales of short-term investment securities	—	100,100
Purchase of property, plant and equipment	(23,837)	(42,167)
Proceeds from sales of property, plant and equipment	19	100
Purchase of intangible assets	(23,901)	(41,133)
Purchase of investment securities	(97,000)	(49,860)
Deividends from investment funds	—	723
Purchase of long-term prepaid expenses	—	(377)
Payments for lease and guarantee deposits	(401)	(6)
Proceeds from collection of lease and guarantee deposits	892	—
Other proceeds	—	175
Net cash provided by investing activities	<u>952,341</u>	<u>767,653</u>
<b>Net cash provided by financing activities</b>		
Proceeds from issuance of common stock	11,929	370,622
Proceeds from issuance of subscription rights to shares	—	(3,049)
Net cash provided by financing activities	<u>11,929</u>	<u>367,572</u>
Effect of exchange rate change on cash and cash equivalents	(18,149)	(6,210)
Net increase in cash and cash equivalents	<u>(896,763)</u>	<u>(576,785)</u>
Cash and cash equivalents at beginning of period	<u>3,049,098</u>	<u>2,152,335</u>
Cash and cash equivalents at end of period	<u><u>2,152,335</u></u>	<u><u>1,575,549</u></u>

**AnGes MG, Inc**  
**Nonconsolidated Balance Sheets**  
(In thousands)  
(Unaudited)

	December 31, 2010	December 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	2,051,275	1,440,465
Accounts receivable-trade	77,301	75,572
Short-term investment securities	900,235	—
Merchandise	60,283	90,211
Raw materials	567,577	510,875
Supplies	5,739	7,406
Advance payments-trade	315,169	279,374
Prepaid expenses	24,276	25,310
Short-term loans receivable to subsidiaries and affiliates	—	200,000
Advances paid	1,388	17,897
Other	40,581	44,160
Allowance for doubtful accounts	—	(200,000)
Total current assets	<u>4,043,830</u>	<u>2,491,273</u>
Noncurrent assets		
Property, plant and equipment		
Buildings	40,420	56,136
Accumulated depreciation	(30,451)	(42,724)
Buildings, net	<u>9,969</u>	<u>13,411</u>
Machinery and equipment	2,143	2,143
Accumulated depreciation	(2,106)	(2,124)
Machinery and equipment, net	<u>36</u>	<u>18</u>
Tools, furniture and fixtures	350,113	369,574
Accumulated depreciation	(297,390)	(329,562)
Tools, furniture and fixtures, net	<u>52,722</u>	<u>40,011</u>
Total property, plant and equipment	<u>62,728</u>	<u>53,440</u>
Intangible assets		
Patent right	132,359	126,827
Right of trademark	329	279
Software	5,978	1,214
Telephone subscription right	86	86
Total intangible assets	<u>138,753</u>	<u>128,408</u>
Investments and other assets		
Investment securities	521,739	951,199
Stocks of subsidiaries and affiliates	61,684	71,684
Long-term loans receivable from subsidiaries and affiliates	200,000	—
Long-term prepaid expenses	56,679	44,812
Lease and guarantee deposits	52,895	52,901
Total investments and other assets	<u>692,999</u>	<u>1,120,598</u>
Total noncurrent assets	<u>894,481</u>	<u>1,302,447</u>
Total assets	<u><u>4,938,311</u></u>	<u><u>3,793,720</u></u>

**AnGes MG, Inc**  
**Nonconsolidated Balance Sheets**  
(In thousands)  
(Unaudited)

	December 31, 2010	December 31, 2011
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	108,241	50,294
Accounts payable–other	75,868	60,555
Accrued expenses	5,901	13,550
Income taxes payable	21,339	22,110
Advances received	455,147	387,292
Deposits received	8,461	14,492
Total current liabilities	<u>674,959</u>	<u>548,295</u>
Noncurrent liabilities		
Asset retirement obligations	—	16,911
Total noncurrent liabilities	<u>—</u>	<u>16,911</u>
Total liabilities	<u>674,959</u>	<u>565,206</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,466,618	9,653,241
Capital surplus		
Legal capital surplus	7,777,361	7,963,981
Total capital surpluses	<u>7,777,361</u>	<u>7,963,981</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	<u>(13,196,520)</u>	<u>(15,035,349)</u>
Total earned surpluses	<u>(13,196,520)</u>	<u>(15,035,349)</u>
Total shareholders' equity	<u>4,047,458</u>	<u>2,581,873</u>
Valuation and translation adjustments		
Valuation difference on available–for–sale securities	68,357	454,413
Total valuation and translation adjustments	<u>68,357</u>	<u>454,413</u>
Subscription rights to shares	147,535	192,226
Total net assets	<u>4,263,351</u>	<u>3,228,514</u>
Total liabilities and net assets	<u>4,938,311</u>	<u>3,793,720</u>

**AnGes MG, Inc**  
**Nonconsolidated Statements of Operations**  
(In thousands)  
(Unaudited)

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2010	2011
<b>Business revenues</b>		
Net sales of goods	180,986	180,749
Research and development revenues	103,425	59,974
Total business revenues	<u>284,412</u>	<u>240,724</u>
<b>Business expenses</b>		
Cost of sales	82,813	81,186
Research and development expenses	1,325,196	1,327,605
Selling, general and administrative expenses	760,610	897,089
Total business expenses	<u>2,168,620</u>	<u>2,305,881</u>
Operating loss	<u>(1,884,208)</u>	<u>(2,065,157)</u>
<b>Non-operating income</b>		
Interest income	6,939	1,538
Interest on securities	4,741	1,216
Gain on sales of securities	—	188
Foreign exchange gains	24,728	8,087
Subsidy income	89,342	245,645
Office work fee from subsidiaries and affiliates	7,080	—
Fiduciary obligation fee	3,317	603
Miscellaneous income	3,077	1,086
Total non-operating income	<u>139,226</u>	<u>258,365</u>
<b>Non-operating expenses</b>		
Stock issuance cost	70	2,432
Subscription rights to shares issuance cost	—	5,687
Loss on investments in partnership	80,757	4,801
Miscellaneous loss	—	0
Total non-operating expenses	<u>80,827</u>	<u>12,922</u>
Ordinary loss	<u>(1,825,810)</u>	<u>(1,819,714)</u>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	—	68
Total extraordinary income	<u>—</u>	<u>68</u>
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	16,134	4,123
Loss on valuation of investment securities	17,879	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	11,839
Total extraordinary losses	<u>34,014</u>	<u>15,962</u>
Loss before income taxes	<u>(1,859,824)</u>	<u>(1,835,608)</u>
Income taxes-current	3,301	3,220
Total income taxes-current	<u>3,301</u>	<u>3,220</u>
Net loss	<u>(1,863,126)</u>	<u>(1,838,828)</u>

**AnGes MG, Inc**  
**Nonconsolidated Statements of Changes in Net Assets**  
(In thousands)  
(Unaudited)

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2010	2011
<b>Shareholders' equity</b>		
Capital stock		
Balance at the end of previous period	9,460,618	9,466,618
Changes of items during the period		
Issuance of new shares	6,000	186,622
Total changes of items during the period	<u>6,000</u>	<u>186,622</u>
Balance at the end of current period	<u>9,466,618</u>	<u>9,653,241</u>
Capital surplus		
Balance at the end of previous period	7,771,361	7,777,361
Changes of items during the period		
Issuance of new shares	6,000	186,620
Total changes of items during the period	<u>6,000</u>	<u>186,620</u>
Balance at the end of current period	<u>7,777,361</u>	<u>7,963,981</u>
Retained earnings		
Balance at the end of previous period	(11,333,394)	(13,196,520)
Changes of items during the period		
Net loss	(1,863,126)	(1,838,828)
Total changes of items during the period	<u>(1,863,126)</u>	<u>(1,838,828)</u>
Balance at the end of current period	<u>(13,196,520)</u>	<u>(15,035,349)</u>
Total shareholders' equity		
Balance at the end of previous period	5,898,584	4,047,458
Changes of items during the period		
Issuance of new shares	12,000	373,243
Net loss	(1,863,126)	(1,838,828)
Total changes of items during the period	<u>(1,851,126)</u>	<u>(1,465,585)</u>
Balance at the end of current period	<u>4,047,458</u>	<u>2,581,873</u>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	370,141	68,357
Changes of items during the period		
Net changes of items other than shareholders' equity	(301,784)	386,056
Total changes of items during the period	<u>(301,784)</u>	<u>386,056</u>
Balance at the end of current period	<u>68,357</u>	<u>454,413</u>
<b>Subscription rights to shares</b>		
Balance at the end of previous period	100,673	147,535
Changes of items during the period		
Net changes of items other than shareholders' equity	46,862	44,691
Total changes of items during the period	<u>46,862</u>	<u>44,691</u>
Balance at the end of current period	<u>147,535</u>	<u>192,226</u>

**AnGes MG, Inc**  
**Nonconsolidated Statements of Changes in Net Assets**  
(In thousands)  
(Unaudited)

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2009	2010
<b>Total net assets</b>		
Balance at the end of previous period	6,369,399	4,263,351
Changes of items during the period		
Issuance of new shares	12,000	373,243
Net loss	(1,863,126)	(1,838,828)
Net changes of items other than shareholders' equity	(254,921)	430,747
Total changes of items during the period	<u>(2,106,048)</u>	<u>(1,034,837)</u>
Balance at the end of current period	<u><u>4,263,351</u></u>	<u><u>3,228,514</u></u>