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**Consolidated Financial Report**  
**for the Year Ended December 31, 2012 (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 2012 (From Jan. 1, 2012 to Dec. 31, 2012)

(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	%
FY2012	444	82.6	△ 1,785	—	△ 1,716	—	△ 1,708	—
FY2011	243	△ 15.2	△ 2,100	—	△ 1,791	—	△ 1,815	—

\*Comprehensive Income FY2012 : △ 1,887 million yen FY2011 : △ 1,434 million yen

	Net loss per share	Diluted net loss per share			
	Yen	Yen	%	%	%
FY2012	△ 13,534.17	—	△ 73.30	△ 55.80	△ 401.70
FY2011	△ 14,921.25	—	△ 50.30	△ 40.30	△ 863.10

\*Equity in net income of affiliates FY2012 : — million yen FY2011 : — million yen

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	
Dec. 31, 2012	2,260	1,738	70.0	12,064.03
Dec. 31, 2011	3,889	3,271	79.2	25,167.62

\*Shareholder's equity Dec. 31, 2012 : 1,581 million yen Dec. 31, 2011 : 3,078 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
FY2012	△ 1,633	7	389	354
FY2011	△ 1,705	767	367	1,575

2. Dividend

	Dividend per share					Dividend (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q	2Q	3Q	4Q	Full-year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2011	—	0.00	—	0.00	—	—	—	—
FY 2012	—	0.00	—	0.00	—	—	—	—
FY 2013 (Forecast)	—	0.00	—	0.00	—	—	—	—

3. Earnings Forecast for the Fiscal Year 2013 (From Jan. 1, 2013 to Dec. 31, 2013)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q, 2013	—	—	—	—	—	—	—	—	—
Full-year	350~450	—	△ 1,200~ △ 900	—	△ 1,200~ △ 900	—	△ 1,300~ △ 1,000	—	△ 9,913.83~ △ 7,626.02

#### 4. Others

(1) Change of reporting entities (change of condition of significant consolidated subsidiaries) : None

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

1) Change caused by revision of accounting standard : None

2) Other changes : None

3) Change of accounting estimate : None

4) Restatement : None

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

1) Number of shares issued and outstanding (including treasury stock)	Dec. 31, 2012	131,130 shares	Dec. 31, 2011	122,333 shares
2) Number of treasury stock	Dec. 31, 2012	- shares	Dec. 31, 2011	- shares
3) Average number of shares issued and outstanding (including treasury stock)	FY2012	126,226 shares	FY2011	121,643 shares

(Reference) Summary of Nonconsolidated Financial Reports

1. Business Results for the Year 2012 (From Jan. 1, 2012 to Dec. 31, 2012)

(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	%
FY2012	442	83.6	△ 1,700	—	△ 1,704	—	△ 1,684	—
FY2011	240	△ 15.4	△ 2,065	—	△ 1,819	—	△ 1,838	—

	Net loss per share	Diluted net loss per share
	Yen	Yen
FY2012	△ 13,343.82	—
FY2011	△ 15,116.62	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2012	2,146	1,703	72.1	11,799.59
Dec. 31, 2011	3,793	3,228	80.0	24,819.86

\*Shareholder's equity Dec. 31, 2012 : 1,547 million yen Dec. 31, 2011 : 3,036 million yen

\*Since descriptions about future events, for instance, earnings forecast for FY 2013, 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.

## Projects --- Current pipeline 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		Mitsubishi Tanabe Pharma Corporation (JP) *Marketing Rights
		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	Preparing for phase I / II	Available
	NF- $\kappa$ B Decoy Oligo	Atopic Dermatitis	Japan	Phase II	Shionogi & Co., LTD. (JP) *Co-Development, Marketing Rights
			World	Pre-clinical	
Medical device	Drug-Eluting PTA balloon catheter	Prevention of Vascular Restenosis	Japan	Clinical trials	Medikit Co., Ltd. (JP) 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 Genomldea>

Segment	Product name / Project	Target indications	Region	Development stage	Alliance partners
Medicine	GEN0101	All Diseases	World	Clinical trials	Ishihara Sangyo Kaisha, Ltd. (JP)

\* On December 27, 2012, AnGes MG, Inc. and Ishihara Sangyo Kaisya, Ltd. resolved to transfer shares of Genomldea Inc. to Ishihara Sangyo Kaisha, Ltd.(Transfer date; January 31, 2013).

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

	December 31, 2011	December 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	1,575,549	354,778
Accounts receivable-trade	76,410	104,097
Merchandise	90,211	83,174
Finished goods	—	11,836
Raw materials and supplies	519,588	553,186
Work in process	—	2,745
Advance payments-trade	281,128	147,366
Prepaid expenses	27,030	23,942
Advances paid	18,415	35,919
Other	47,079	25,411
Total current assets	<u>2,635,414</u>	<u>1,342,459</u>
Noncurrent assets		
Property, plant and equipment		
Buildings	71,605	71,520
Accumulated depreciation	<u>△56,695</u>	<u>△58,823</u>
Buildings, net	<u>14,909</u>	<u>12,697</u>
Machinery and equipment	52,624	52,084
Accumulated depreciation	<u>△52,134</u>	<u>△52,084</u>
Machinery and equipment, net	<u>490</u>	<u>0</u>
Tools, furniture and fixtures	452,888	410,420
Accumulated depreciation	<u>△406,540</u>	<u>△377,802</u>
Tools, furniture and fixtures, net	<u>46,347</u>	<u>32,617</u>
Total property, plant and equipment	<u>61,747</u>	<u>45,315</u>
Intangible assets		
Patent right	140,416	100,326
Other	1,600	2,350
Total intangible assets	<u>142,016</u>	<u>102,676</u>
Investments and other assets		
Investment securities	951,199	680,759
Lease and guarantee deposits	54,081	53,179
Other	<u>44,812</u>	<u>35,838</u>
Total investments and other assets	<u>1,050,093</u>	<u>769,777</u>
Total noncurrent assets	<u>1,253,857</u>	<u>917,769</u>
Total assets	<u>3,889,272</u>	<u>2,260,229</u>

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

	December 31, 2011	December 31, 2012
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	60,472	66,871
Accounts payable–other	62,817	51,072
Accrued expenses	21,572	17,792
Income taxes payable	24,083	24,117
Advances received	416,914	331,472
Deposits received	15,443	13,162
Asset retirement obligations	—	2,323
Total current liabilities	<u>601,304</u>	<u>506,811</u>
Noncurrent liabilities		
Asset retirement obligations	16,911	14,855
Total noncurrent liabilities	<u>16,911</u>	<u>14,855</u>
Total liabilities	<u>618,215</u>	<u>521,666</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,653,241	9,848,427
Capital surplus	7,963,981	8,159,167
Retained earnings	△14,940,366	△16,648,733
Total shareholders' equity	<u>2,676,856</u>	<u>1,358,862</u>
Accumulated other comprehensive income		
Valuation difference on available–for–sale securities	454,413	259,373
Foreign currency translation adjustment	△52,440	△36,280
Total accumulated other comprehensive income	<u>401,973</u>	<u>223,092</u>
Subscription rights to shares	192,226	156,606
Total net assets	<u>3,271,056</u>	<u>1,738,562</u>
Total liabilities and net assets	<u>3,889,272</u>	<u>2,260,229</u>

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

	Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2011	2012
<b>Business revenues</b>		
Net sales of goods	180,749	241,710
Net sales of finished goods	—	15,328
Research and development revenues	62,641	187,470
Total business revenues	<u>243,391</u>	<u>444,509</u>
<b>Business expenses</b>		
Cost of sales	81,186	129,250
Research and development expenses	1,443,584	1,200,073
Selling, general and administrative expenses	819,318	900,571
Total business expenses	<u>2,344,090</u>	<u>2,229,895</u>
Operating loss	<u>△ 2,100,698</u>	<u>△ 1,785,385</u>
<b>Non-operating income</b>		
Interest income	2,882	522
Gain on sales of securities	188	—
Foreign exchange gains	7,773	—
Subsidy income	309,997	96,466
Fiduciary obligation fee	603	603
Miscellaneous income	1,127	1,101
Total non-operating income	<u>322,572</u>	<u>98,693</u>
<b>Non-operating expenses</b>		
Interest expenses	42	243
Stock issuance cost	2,432	2,971
Subscription rights to shares issuance cost	5,687	—
Loss on investments in partnership	4,801	15,374
Foreign exchange losses	—	11,045
Miscellaneous loss	0	39
Total non-operating expenses	<u>12,965</u>	<u>29,673</u>
Ordinary loss	<u>△ 1,791,091</u>	<u>△ 1,716,366</u>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	68	—
Gain on reversal of subscription rights to shares	—	51,164
Total extraordinary income	<u>68</u>	<u>51,164</u>
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	4,457	—
Loss on valuation of investment securities	—	27,700
Loss on adjustment for changes of accounting standard for asset retirement obligations	11,839	—
Office transfer expenses	—	8,187
Total extraordinary losses	<u>16,297</u>	<u>35,887</u>
Loss before income taxes and minority interests	<u>△ 1,807,319</u>	<u>△ 1,701,089</u>
Income taxes—current	7,742	7,277
Total income taxes	<u>7,742</u>	<u>7,277</u>
Loss before minority interests	<u>△ 1,815,061</u>	<u>△ 1,708,366</u>
Net loss	<u>△ 1,815,061</u>	<u>△ 1,708,366</u>

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

	Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2011	2012
Income before minority interests	△1,815,061	△1,708,366
Other comprehensive income		
Valuation difference on available-for-sale securities	386,056	△195,040
Foreign currency translation adjustment	△5,856	16,159
Total other comprehensive income	380,199	△178,880
Comprehensive income	△1,434,862	△1,887,247
(Breakdown)		
Comprehensive income attributable to owners of the parent	△1,434,862	△1,887,247
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.30)	
	2011	2012
<b>Shareholders' equity</b>		
Capital stock		
Balance at the beginning of current period	9,466,618	9,653,241
Changes of items during the period		
Issuance of new shares	186,622	195,186
Total changes of items during the period	186,622	195,186
Balance at the end of current period	9,653,241	9,848,427
Capital surplus		
Balance at the beginning of current period	7,777,361	7,963,981
Changes of items during the period		
Issuance of new shares	186,620	195,186
Total changes of items during the period	186,620	195,186
Balance at the end of current period	7,963,981	8,159,167
Retained earnings		
Balance at the beginning of current period	△13,125,304	△14,940,366
Changes of items during the period		
Net loss	△1,815,061	△1,708,366
Total changes of items during the period	△1,815,061	△1,708,366
Balance at the end of current period	△14,940,366	△16,648,733
Total shareholders' equity		
Balance at the beginning of current period	4,118,675	2,676,856
Changes of items during the period		
Issuance of new shares	373,243	390,373
Net loss	△1,815,061	△1,708,366
Total changes of items during the period	△1,441,818	△1,317,993
Balance at the end of current period	2,676,856	1,358,862
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	68,357	454,413
Changes of items during the period		
Net changes of items other than shareholders' equity	386,056	△195,040
Total changes of items during the period	386,056	△195,040
Balance at the end of current period	454,413	259,373
Foreign currency translation adjustment		
Balance at the beginning of current period	△46,583	△52,440
Changes of items during the period		
Net changes of items other than shareholders' equity	△5,856	16,159
Total changes of items during the period	△5,856	16,159
Balance at the end of current period	△52,440	△36,280



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

	Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2011	2012
<b>Total accumulated other comprehensive income</b>		
Balance at the beginning of current period	21,773	401,973
Changes of items during the period		
Net changes of items other than shareholders' equity	380,199	△178,880
Total changes of items during the period	380,199	△178,880
Balance at the end of current period	401,973	223,092
<b>Subscription rights to shares</b>		
Balance at the beginning of current period	147,535	192,226
Changes of items during the period		
Net changes of items other than shareholders' equity	44,691	△35,620
Total changes of items during the period	44,691	△35,620
Balance at the end of current period	192,226	156,606
<b>Total net assets</b>		
Balance at the beginning of current period	4,287,984	3,271,056
Changes of items during the period		
Issuance of new shares	373,243	390,373
Net loss	△1,815,061	△1,708,366
Net changes of items other than shareholders' equity	424,890	△214,500
Total changes of items during the period	△1,016,927	△1,532,494
Balance at the end of current period	3,271,056	1,738,562

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

	Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2011	2012
<b>Net cash provided by (used in) operating activities</b>		
Loss before income taxes and minority interests	Δ1,807,319	Δ1,701,089
Depreciation and amortization	109,114	93,434
Loss on adjustment for changes of accounting standard for asset retirement obligations	11,839	—
Interest income	Δ2,882	Δ522
Interest expenses	42	243
Foreign exchange losses (gains)	370	Δ998
Loss (gain) on investments in partnership	5,198	15,771
Loss (gain) on sales of noncurrent assets	Δ68	—
Loss on retirement of noncurrent assets	4,457	—
Loss (gain) on sales of securities	Δ188	—
Loss (gain) on valuation of investment securities	—	27,700
Stock issuance cost	2,432	2,971
Subscription rights to shares issuance cost—prior	5,687	—
Share-based compensation expenses	42,240	15,931
Gain on reversal of subscription rights to shares	—	Δ51,164
Decrease (increase) in notes and accounts receivable—trade	2,055	Δ27,686
Decrease (increase) in inventories	25,816	Δ41,144
Increase (decrease) in notes and accounts payable—trade	Δ37,607	6,399
Decrease (increase) in advance payments	24,848	134,911
Increase (decrease) in accounts payable—other	Δ209	Δ15,104
Increase (decrease) in advances received	Δ70,750	Δ85,442
Decrease (increase) in other current assets	Δ23,778	7,017
Increase (decrease) in other current liabilities	8,470	Δ6,096
Increase (decrease) in other noncurrent liabilities	263	267
Subtotal	Δ1,699,967	Δ1,624,600
Interest income received	3,937	651
Interest expenses paid	Δ42	Δ243
Income taxes paid	Δ9,728	Δ6,882
Net cash provided by (used in) operating activities	Δ1,705,801	Δ1,631,074

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

	Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2011	2012
<b>Net cash provided by (used in) investing activities</b>		
Purchase of short-term investment securities	△99,900	—
Proceeds from redemption of securities	900,000	—
Proceeds from sales of short-term investment securities	100,100	—
Purchase of property, plant and equipment	△42,167	△7,226
Proceeds from sales of property, plant and equipment	100	—
Purchase of intangible assets	△41,133	△14,787
Purchase of investment securities	△49,860	—
Dividends from investment funds	723	31,664
Purchase of long-term prepaid expenses	△377	△3,436
Payments for lease and guarantee deposits	△6	△320
Proceeds from collection of lease and guarantee deposits	—	1,280
Other proceeds	175	—
Net cash provided by (used in) investing activities	<u>767,653</u>	<u>7,174</u>
<b>Net cash provided by (used in) financing activities</b>		
Proceeds from issuance of common stock	370,622	387,348
Proceeds from issuance of subscription rights to shares	△3,049	△187
Net cash provided by (used in) financing activities	<u>367,572</u>	<u>387,160</u>
Effect of exchange rate change on cash and cash equivalents	△6,210	15,968
Net increase (decrease) in cash and cash equivalents	<u>△576,785</u>	<u>△1,220,770</u>
Cash and cash equivalents at beginning of period	<u>2,152,335</u>	<u>1,575,549</u>
Cash and cash equivalents at end of period	<u>1,575,549</u>	<u>354,778</u>

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

	December 31, 2011	December 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	1,440,465	194,486
Accounts receivable-trade	75,572	103,326
Merchandise	90,211	83,174
Finished goods	—	11,836
Raw materials	510,875	545,550
Work in process	—	210
Supplies	7,406	5,619
Advance payments-trade	279,374	146,029
Prepaid expenses	25,310	22,868
Short-term loans receivable from subsidiaries and affiliates	200,000	200,000
Consumption taxes receivable	—	23,254
Advances paid	17,897	35,533
Other	44,160	1,198
Allowance for doubtful accounts	△200,000	△200,000
<b>Total current assets</b>	<b>2,491,273</b>	<b>1,173,089</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	56,136	56,136
Accumulated depreciation	△42,724	△44,816
Buildings, net	13,411	11,320
Machinery and equipment	2,143	1,603
Accumulated depreciation	△2,124	△1,602
Machinery and equipment, net	18	0
Tools, furniture and fixtures	369,574	328,952
Accumulated depreciation	△329,562	△300,465
Tools, furniture and fixtures, net	40,011	28,486
<b>Total property, plant and equipment</b>	<b>53,440</b>	<b>39,806</b>
Intangible assets		
Patent right	126,827	90,584
Right of trademark	279	229
Software	1,214	2,029
Telephone subscription right	86	86
<b>Total intangible assets</b>	<b>128,408</b>	<b>92,929</b>
Investments and other assets		
Investment securities	951,199	680,759
Stocks of subsidiaries and affiliates	71,684	71,684
Long-term prepaid expenses	44,812	35,838
Lease and guarantee deposits	52,901	52,831
<b>Total investments and other assets</b>	<b>1,120,598</b>	<b>841,114</b>
<b>Total noncurrent assets</b>	<b>1,302,447</b>	<b>973,849</b>
<b>Total assets</b>	<b>3,793,720</b>	<b>2,146,939</b>

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

	December 31, 2011	December 31, 2012
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	50,294	66,871
Accounts payable–other	60,555	54,399
Accrued expenses	13,550	14,637
Income taxes payable	22,110	22,538
Advances received	387,292	255,609
Deposits received	14,492	11,817
Asset retirement obligations	—	2,323
Total current liabilities	548,295	428,196
Noncurrent liabilities		
Asset retirement obligations	16,911	14,855
Total noncurrent liabilities	16,911	14,855
<b>Total liabilities</b>	<b>565,206</b>	<b>443,052</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,653,241	9,848,427
Capital surplus		
Legal capital surplus	7,963,981	8,159,167
Total capital surpluses	7,963,981	8,159,167
Retained earnings		
Other retained earnings		
Retained earnings brought forward	△ 15,035,349	△ 16,719,688
Total retained earnings	△ 15,035,349	△ 16,719,688
Total shareholders' equity	2,581,873	1,287,907
Valuation and translation adjustments		
Valuation difference on available–for–sale securities	454,413	259,373
Total valuation and translation adjustments	454,413	259,373
Subscription rights to shares	192,226	156,606
Total net assets	3,228,514	1,703,887
Total liabilities and net assets	3,793,720	2,146,939

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

	Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2011	2012
<b>Business revenues</b>		
Net sales of goods	180,749	241,710
Net sales of finished goods	—	15,328
Research and development revenues	59,974	185,036
Total business revenues	<u>240,724</u>	<u>442,075</u>
<b>Business expenses</b>		
Cost of sales	81,186	129,250
Research and development expenses	1,327,605	1,150,447
Selling, general and administrative expenses	897,089	862,585
Total business expenses	<u>2,305,881</u>	<u>2,142,284</u>
Operating loss	<u>Δ2,065,157</u>	<u>Δ1,700,208</u>
<b>Non-operating income</b>		
Interest income	1,538	380
Interest on securities	1,216	44
Gain on sales of securities	188	—
Foreign exchange gains	8,087	—
Subsidy income	245,645	24,108
Fiduciary obligation fee	603	603
Miscellaneous income	1,086	971
Total non-operating income	<u>258,365</u>	<u>26,107</u>
<b>Non-operating expenses</b>		
Stock issuance cost	2,432	2,971
Subscription rights to shares issuance cost	5,687	—
Loss on investments in partnership	4,801	15,374
Foreign exchange losses	—	12,101
Miscellaneous loss	0	35
Total non-operating expenses	<u>12,922</u>	<u>30,482</u>
Ordinary loss	<u>Δ1,819,714</u>	<u>Δ1,704,583</u>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	68	—
Gain on reversal of subscription rights to shares	—	51,164
Total extraordinary income	<u>68</u>	<u>51,164</u>
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	4,123	—
Loss on valuation of investment securities	—	27,700
Loss on adjustment for changes of accounting standard for asset retirement obligations	11,839	—
Total extraordinary losses	<u>15,962</u>	<u>27,700</u>
Loss before income taxes	<u>Δ1,835,608</u>	<u>Δ1,681,119</u>
Income taxes—current	3,220	3,220
Total income taxes	<u>3,220</u>	<u>3,220</u>
Net loss	<u>Δ1,838,828</u>	<u>Δ1,684,339</u>

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

	Year ended Dec. 31, (From Jan. 1 to Dec.30)	
	2011	2012
<b>Shareholders' equity</b>		
Capital stock		
Balance at the beginning of current period	9,466,618	9,653,241
Changes of items during the period		
Issuance of new shares	186,622	195,186
Total changes of items during the period	186,622	195,186
Balance at the end of current period	9,653,241	9,848,427
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	7,777,361	7,963,981
Changes of items during the period		
Issuance of new shares	186,620	195,186
Total changes of items during the period	186,620	195,186
Balance at the end of current period	7,963,981	8,159,167
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of current period	△ 13,196,520	△ 15,035,349
Changes of items during the period		
Net loss	△ 1,838,828	△ 1,684,339
Total changes of items during the period	△ 1,838,828	△ 1,684,339
Balance at the end of current period	△ 15,035,349	△ 16,719,688
Total shareholders' equity		
Balance at the beginning of current period	4,047,458	2,581,873
Changes of items during the period		
Issuance of new shares	373,243	390,373
Net loss	△ 1,838,828	△ 1,684,339
Total changes of items during the period	△ 1,465,585	△ 1,293,966
Balance at the end of current period	2,581,873	1,287,907
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	68,357	454,413
Changes of items during the period		
Net changes of items other than shareholders' equity	386,056	△ 195,040
Total changes of items during the period	386,056	△ 195,040
Balance at the end of current period	454,413	259,373
<b>Subscription rights to shares</b>		
Balance at the beginning of current period	147,535	192,226
Changes of items during the period		
Net changes of items other than shareholders' equity	44,691	△ 35,620
Total changes of items during the period	44,691	△ 35,620
Balance at the end of current period	192,226	156,606

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

	Year ended Dec. 31, (From Jan. 1 to Dec.31)	
	2011	2012
<b>Total net assets</b>		
Balance at the beginning of current period	4,263,351	3,228,514
Changes of items during the period		
Issuance of new shares	373,243	390,373
Net loss	△1,838,828	△1,684,339
Net changes of items other than shareholders' equity	430,747	△230,660
Total changes of items during the period	△1,034,837	△1,524,627
Balance at the end of current period	3,228,514	1,703,887