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**Consolidated Financial Report**  
**for the Three Months Ended March 31, 2013 (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 First quarter 2013 (From Jan. 1, 2013 to Mar. 31, 2013)

(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	%
FY2013	125	84.3	△ 328	—	△ 337	—	△ 366	—
FY2012	68	△ 3.1	△ 511	—	△ 451	—	△ 452	—

\*Comprehensive Income FY2013 : △ 28 million yen FY2012 : △ 582 million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
FY2013	△ 2,654.14	—
FY2012	△ 3,698.42	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Dec. 31, 2013	3,605	3,119	82.2
Dec. 31, 2012	2,260	1,738	70.0

\*Shareholder's equity Dec. 31, 2013 : 2,964 million yen Dec. 31, 2012 : 1,581 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2012	—	0.00	—	0.00	0.00
FY 2013	—	—	—	—	—
FY 2013 (Forecast)	—	0.00	—	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
Full-year	350~450	—	△ 1,200~ △ 900	—	△ 1,200~ △ 900	—	△ 1,300~ △ 1,000	—	△ 8,883.06~ △ 6,833.12

4. Others

- (1) Change of reporting entities (change of condition of significant consolidated subsidiaries) : None  
 (2) Accounting procedure peculiar to the quarterly consolidated financial statements : None  
 (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  
 3) Change of accounting estimate : Applicable  
 4) Restatement : None

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

1) Number of shares issued and outstanding (including treasury stock)	Mar. 31, 2013	149,033 shares	Dec. 31, 2012	131,130 shares
2) Number of treasury stock	Mar. 31, 2013	- shares	Dec. 31, 2012	- shares
3) Average number of shares issued and outstanding (including treasury stock)	FY2013, 1Q	138,136 shares	FY2012, 1Q	122,333 shares

*\*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	
		Disc Degeneration	Japan	Pre-clinical	Nippon Zoki Pharmaceutical Co., Ltd. (JP) *Co-Development, Marketing Rights
	Medical device	Drug-Eluting PTA balloon catheter	Prevention of Vascular Restenosis	Japan	Clinical trials
Functional Peptides (Cure Peptin®)		Wound		Application Research	Morishita Jintan Co., Ltd. (JP) *Joint Research

### <Co-Development Program>

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

### <In-Licensed Program>

Segment	Product name / Project	Target indications	Region	Development stage	Alliance partners
Medicine	CIN Therapeutic Vaccine	Cervical Precancerous Lesion	Japan/US /Europe /China	Pre-clinical *Japan: Clinical research at Tokyo University	Bio Leaders (South Korea)

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

	December 31, 2012	March 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	354,778	1,406,918
Accounts receivable-trade	104,097	119,922
Merchandise	83,174	60,059
Finished goods	11,836	11,032
Raw materials and supplies	553,186	546,414
Work in process	2,745	-
Advance payments-trade	147,366	142,503
Prepaid expenses	23,942	19,386
Advances paid	35,919	41,436
Other	25,411	30,604
<b>Total current assets</b>	<b>1,342,459</b>	<b>2,378,278</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	71,520	56,460
Accumulated depreciation	$\Delta$ 58,823	$\Delta$ 45,307
Buildings, net	12,697	11,152
Machinery and equipment	52,084	1,603
Accumulated depreciation	$\Delta$ 52,084	$\Delta$ 1,602
Machinery and equipment, net	0	0
Tools, furniture and fixtures	410,420	284,959
Accumulated depreciation	$\Delta$ 377,802	$\Delta$ 260,578
Tools, furniture and fixtures, net	32,617	24,381
<b>Total property, plant and equipment</b>	<b>45,315</b>	<b>35,534</b>
Intangible assets		
Patent right	100,326	81,353
Other	2,350	2,127
<b>Total intangible assets</b>	<b>102,676</b>	<b>83,480</b>
Investments and other assets		
Investment securities	680,759	1,023,166
Lease and guarantee deposits	53,179	53,283
Other	35,838	32,091
<b>Total investments and other assets</b>	<b>769,777</b>	<b>1,108,542</b>
<b>Total noncurrent assets</b>	<b>917,769</b>	<b>1,227,556</b>
<b>Total assets</b>	<b>2,260,229</b>	<b>3,605,835</b>

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

	December 31, 2012	March 31, 2013
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	66,871	88,658
Accounts payable–other	51,072	67,666
Accrued expenses	17,792	17,212
Income taxes payable	24,117	11,099
Advances received	331,472	254,411
Deposits received	13,162	12,355
Asset retirement obligations	2,323	2,323
Total current liabilities	506,811	453,726
Noncurrent liabilities		
Deferred tax liabilities	-	17,473
Asset retirement obligations	14,855	14,923
Total noncurrent liabilities	14,855	32,397
Total liabilities	521,666	486,123
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,848,427	10,554,414
Capital surplus	8,159,167	8,865,154
Retained earnings	△16,648,733	△17,015,365
Total shareholders' equity	1,358,862	2,404,203
Accumulated other comprehensive income		
Valuation difference on available–for–sale securities	259,373	584,307
Foreign currency translation adjustment	△36,280	△23,556
Total accumulated other comprehensive income	223,092	560,750
Subscription rights to shares	156,606	154,758
Total net assets	1,738,562	3,119,711
Total liabilities and net assets	2,260,229	3,605,835

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

	<b>Month ended Mar. 31,</b> <b>(From Jan. 1 to Mar.31)</b>	
	<b>2012</b>	<b>2013</b>
<b>Business revenues</b>		
Net sales of goods	50,998	51,947
Net sales of finished goods	1,049	4,832
Research and development revenues	16,322	69,213
Total business revenues	<u>68,371</u>	<u>125,994</u>
<b>Business expenses</b>		
Cost of sales	23,064	23,796
Research and development expenses	319,245	228,654
Selling, general and administrative expenses	237,966	201,968
Total business expenses	<u>580,276</u>	<u>454,420</u>
Operating loss	<u>△511,905</u>	<u>△328,426</u>
<b>Non-operating income</b>		
Interest income	234	48
Subsidy income	63,132	-
Miscellaneous income	221	144
Total non-operating income	<u>63,588</u>	<u>193</u>
<b>Non-operating expenses</b>		
Stock issuance cost	-	6,073
Foreign exchange losses	2,735	3,157
Miscellaneous loss	4	7
Total non-operating expenses	<u>2,740</u>	<u>9,237</u>
Ordinary loss	<u>△451,057</u>	<u>△337,471</u>
<b>Extraordinary income</b>		
Gain on reversal of subscription rights to shares	9,125	2,676
Gain on sales of subsidiaries' stocks	-	9,045
Total extraordinary income	<u>9,125</u>	<u>11,722</u>
<b>Extraordinary loss</b>		
Office transfer expenses	8,140	-
Expenditures for downsizing and restructuring	-	38,697
Total extraordinary losses	<u>8,140</u>	<u>38,697</u>
Loss before income taxes and minority interests	<u>△450,072</u>	<u>△364,446</u>
Income taxes-current	<u>2,366</u>	<u>2,185</u>
Total income taxes	<u>2,366</u>	<u>2,185</u>
Loss before minority interests	<u>△452,438</u>	<u>△366,631</u>
Net loss	<u>△452,438</u>	<u>△366,631</u>

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

	Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2012	2013
Income before minority interests	△452,438	△366,631
Other comprehensive income		
Valuation difference on available-for-sale securities	△137,619	324,933
Foreign currency translation adjustment	8,009	12,723
Total other comprehensive income	△129,610	337,657
Comprehensive income	△582,048	△28,974
(Breakdown)		
Comprehensive income attributable to owners of the parent	△582,048	△28,974
Comprehensive income attributable to minority interests	-	-