



Consolidated Financial Report
for the Nine Months Ended September 30, 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 Sep. 30, 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	%
3Q 2013	391	8.1	△ 946	—	△ 946	—	△ 971	—
3Q 2012	362	104.5	△ 1,363	—	△ 1,263	—	△ 1,246	—

*Comprehensive Income 3Q 2013 : △ 1,181 million yen 3Q 2012 : △ 1,261 million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
3Q 2013	△ 3,278.26	—
3Q 2012	△ 4,989.02	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Sep. 30, 2013	4,530	3,974	84.1
Dec. 31, 2012	2,260	1,738	70.0

*Shareholder's equity Sep. 30, 2013 : 3,808 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	—	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
Full-year	450~550	—	△ 1,400~ △ 1,200	—	△ 1,400~ △ 1,200	—	△ 1,450~ △ 1,250	—	△ 4,824.82~ △ 4,159.32

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)	Sep. 30, 2013	312,676 shares	Dec. 31, 2012	262,260 shares
2) Number of treasury stock	Sep. 30, 2013	- shares	Dec. 31, 2012	- shares
3) Average number of shares issued and outstanding (including treasury stock)	FY2013, 3Q	296,436 shares	FY2012, 3Q	249,930 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	Phase I / II	Available
	NF-κB Decoy Oligo	Atopic Dermatitis	Japan	Phase II	Shionogi & Co., LTD. (JP) *Co-Development, Marketing Rights
			World	Phase I	
		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

<In-Licensed Program>

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

<Co-Development Program>

Segment	Product name / Project	Target indications	Rights of AnGes	Alliance partners
Medicine	Alloectin®	Cancer	Development & marketing rights for Asia, Rights to receive worldwide royalty (exc. Asia)	Vical, Inc. (US)

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

	December 31, 2012	September 30, 2013
Assets		
Current assets		
Cash and deposits	354,778	2,024,951
Accounts receivable-trade	104,097	107,255
Short-term investment securities	—	799,730
Merchandise	83,174	143,382
Finished goods	11,836	—
Raw materials and supplies	553,186	553,168
Work in process	2,745	—
Advance payments-trade	147,366	177,576
Prepaid expenses	23,942	16,485
Advances paid	35,919	41,808
Other	25,411	30,216
Total current assets	<u>1,342,459</u>	<u>3,894,576</u>
Noncurrent assets		
Property, plant and equipment		
Buildings	71,520	53,732
Accumulated depreciation	<u>△ 58,823</u>	<u>△ 43,225</u>
Buildings, net	<u>12,697</u>	<u>10,506</u>
Machinery and equipment	52,084	1,603
Accumulated depreciation	<u>△ 52,084</u>	<u>△ 1,602</u>
Machinery and equipment, net	<u>0</u>	<u>0</u>
Tools, furniture and fixtures	410,420	267,470
Accumulated depreciation	<u>△ 377,802</u>	<u>△ 250,440</u>
Tools, furniture and fixtures, net	<u>32,617</u>	<u>17,029</u>
Total property, plant and equipment	<u>45,315</u>	<u>27,536</u>
Intangible assets		
Patent right	100,326	73,265
Other	2,350	1,750
Total intangible assets	<u>102,676</u>	<u>75,015</u>
Investments and other assets		
Investment securities	680,759	459,861
Lease and guarantee deposits	53,179	41,639
Other	35,838	32,099
Total investments and other assets	<u>769,777</u>	<u>533,600</u>
Total noncurrent assets	<u>917,769</u>	<u>636,152</u>
Total assets	<u>2,260,229</u>	<u>4,530,728</u>

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

	December 31, 2012	September 30, 2013
Liabilities		
Current liabilities		
Accounts payable–trade	66,871	230,951
Accounts payable–other	51,072	33,336
Accrued expenses	17,792	9,925
Income taxes payable	24,117	19,879
Advances received	331,472	230,063
Deposits received	13,162	6,021
Asset retirement obligations	2,323	—
Total current liabilities	<u>506,811</u>	<u>530,178</u>
Noncurrent liabilities		
Deferred tax liabilities	—	11,451
Asset retirement obligations	14,855	15,050
Total noncurrent liabilities	<u>14,855</u>	<u>26,501</u>
Total liabilities	<u>521,666</u>	<u>556,680</u>
Net assets		
Shareholders' equity		
Capital stock	9,848,427	11,552,853
Capital surplus	8,159,167	9,863,593
Retained earnings	△ 16,648,733	△ 17,620,527
Total shareholders' equity	<u>1,358,862</u>	<u>3,795,920</u>
Accumulated other comprehensive income		
Valuation difference on available–for–sale securities	259,373	29,038
Foreign currency translation adjustment	△ 36,280	△ 16,042
Total accumulated other comprehensive income	<u>223,092</u>	<u>12,995</u>
Subscription rights to shares	156,606	165,132
Total net assets	<u>1,738,562</u>	<u>3,974,048</u>
Total liabilities and net assets	<u>2,260,229</u>	<u>4,530,728</u>

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

	Month ended Sep. 30, (From Jan. 1 to Sep.30)	
	2012	2013
Business revenues		
Net sales of goods	171,024	186,916
Net sales of finished goods	11,515	7,513
Research and development revenues	179,583	196,918
Total business revenues	<u>362,122</u>	<u>391,349</u>
Business expenses		
Cost of sales	79,108	89,556
Research and development expenses	961,501	720,748
Selling, general and administrative expenses	684,661	527,243
Total business expenses	<u>1,725,272</u>	<u>1,337,548</u>
Operating loss	<u>△ 1,363,149</u>	<u>△ 946,199</u>
Non-operating income		
Interest income	470	541
Gain on investments in partnership	3,076	—
Foreign exchange gains	575	—
Subsidy income	96,466	26,445
Fiduciary obligation fee	301	301
Miscellaneous income	740	2,038
Total non-operating income	<u>101,630</u>	<u>29,326</u>
Non-operating expenses		
Stock issuance cost	1,978	22,343
Loss on investments in partnership	—	1,807
Foreign exchange losses	—	4,420
Miscellaneous loss	39	662
Total non-operating expenses	<u>2,018</u>	<u>29,233</u>
Ordinary loss	<u>△ 1,263,536</u>	<u>△ 946,105</u>
Extraordinary income		
Gain on reversal of subscription rights to shares	31,897	11,542
Gain on sales of subsidiaries' stocks	—	9,045
Total extraordinary income	<u>31,897</u>	<u>20,588</u>
Extraordinary loss		
Office transfer expenses	8,144	—
Expenditures for downsizing and restructuring	—	39,547
Total extraordinary losses	<u>8,144</u>	<u>39,547</u>
Loss before income taxes and minority interests	<u>△ 1,239,783</u>	<u>△ 965,064</u>
Income taxes—current	7,121	6,729
Total income taxes	<u>7,121</u>	<u>6,729</u>
Loss before minority interests	<u>△ 1,246,905</u>	<u>△ 971,794</u>
Net loss	<u>△ 1,246,905</u>	<u>△ 971,794</u>

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

	Month ended Sep. 30, (From Jan. 1 to Sep.30)	
	2012	2013
Loss before minority interests	△ 1,246,905	△ 971,794
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 14,413	△ 230,334
Foreign currency translation adjustment	194	20,237
Total other comprehensive income	△ 14,218	△ 210,097
Comprehensive income	△ 1,261,123	△ 1,181,891
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	△ 1,261,123	△ 1,181,891
Comprehensive income attributable to minority interests	—	—