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Consolidated Financial Report
for the Three Months Ended March 31, 2016 (Unaudited)(Japan GAAP)
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

(Figures are rounded down to the nearest million yen)

1. Business Results for the Year 2016 (From Jan. 1, 2016 to Mar. 31, 2016)

(1) Results of Operations (Percentages indicate changes from the same period of the previous fiscal year)

	Revenues		Operating loss		Ordinary loss		Net loss	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q 2016	83	1.6	(1,183)	—	(1,230)	—	(1,230)	—
1Q 2015	81	(1.0)	(960)	—	(880)	—	(883)	—

*Comprehensive Income 1Q 2016 : (1,228) million yen 1Q 2015 : (907) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
1Q 2016	(21.75)	—
1Q 2015	(16.51)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Mar. 31, 2016	3,767	2,985	78.1
Dec. 31, 2015	4,751	4,221	87.8

*Shareholder's equity Mar. 31, 2016 : 2,941 million yen Dec. 31, 2015 : 4,169 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2015	—	0.00	—	0.00	0.00
FY 2016	—	—	—	—	—
FY 2016 (Forecast)	—	0.00	—	0.00	0.00

*Change of dividend forecast from the most recent release: None

3. Earnings Forecast for the Fiscal Year 2016 (From Jan. 1, 2016 to Dec. 31, 2016)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q, 2016	—	—	—	—	—	—	—	—	—
Full-year	400	—	(6,400)	—	(6,400)	—	(6,400)	—	(113.19)

*Change of earnings forecast from the most recent release: None

Notes:

(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) Changes caused by revision of accounting standard : Applicable

2) Changes in accounting policies other than 1) : None

3) Changes in accounting estimates : None

4) Restatement : None

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

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

Mar. 31, 2016	56,544,361 shares	Dec. 31, 2015	56,544,361 shares
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2) Number of treasury stock

Mar. 31, 2016	81 shares	Dec. 31, 2015	38 shares
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3) Average number of shares issued and outstanding

1Q 2016	56,544,302 shares	1Q 2015	53,544,323 shares
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**Performance forecasts or any other future events contained in this report are based on currently available information which are believed to be reasonable at the time of forecasts. Actual results may differ from the forecasts due to various factors.*

***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.*

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

	December 31, 2015	March 31, 2016
Assets		
Current assets		
Cash and deposits	2,074,872	861,944
Accounts receivable - trade	135,263	147,301
Merchandise	111,852	178,923
Raw materials and supplies	555,552	556,164
Advance payments - trade	1,208,868	1,379,859
Prepaid expenses	27,217	22,809
Consumption taxes receivable	126,656	45,874
Other	5,075	5,560
Allowance for doubtful accounts	(2,578)	(2,578)
Total current assets	4,242,782	3,195,859
Non-current assets		
Property, plant and equipment		
Buildings	71,283	71,256
Accumulated depreciation	(45,600)	(46,485)
Buildings, net	25,682	24,770
Tools, furniture and fixtures	245,236	279,402
Accumulated depreciation	(195,262)	(199,039)
Tools, furniture and fixtures, net	49,974	80,362
Total property, plant and equipment	75,657	105,133
Intangible assets		
Patent right	39,929	38,067
Other	11,279	13,452
Total intangible assets	51,208	51,520
Investments and other assets		
Investment securities	315,062	351,220
Lease and guarantee deposits	51,551	51,504
Other	15,732	11,967
Total investments and other assets	382,345	414,692
Total non-current assets	509,211	571,346
Total assets	4,751,994	3,767,206

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

	December 31, 2015	March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	246,560	437,058
Accounts payable - other	83,364	139,666
Accrued expenses	23,357	23,561
Income taxes payable	33,399	29,304
Advances received	82,902	81,440
Deposits received	12,296	7,990
Total current liabilities	481,880	719,022
Non-current liabilities		
Deferred tax liabilities	26,402	39,816
Asset retirement obligations	22,354	22,427
Total non-current liabilities	48,756	62,243
Total liabilities	530,637	781,265
Net assets		
Shareholders' equity		
Capital stock	15,214,941	15,214,941
Capital surplus	13,525,681	13,525,681
Retained earnings	(24,570,961)	(25,801,074)
Treasury shares	(11)	(23)
Total shareholders' equity	4,169,648	2,939,524
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(29,942)	(6,307)
Foreign currency translation adjustment	30,210	8,422
Total accumulated other comprehensive income	268	2,114
Subscription rights to shares	51,439	44,301
Total net assets	4,221,356	2,985,940
Total liabilities and net assets	4,751,994	3,767,206

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

	Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2015	2016
Business revenues		
Net sales of goods	74,244	81,835
Research and development revenues	7,665	1,353
Total business revenues	81,910	83,189
Business expenses		
Cost of sales	36,279	42,222
Research and development expenses	760,238	991,147
Selling, general and administrative expenses	246,082	233,722
Total business expenses	1,042,600	1,267,092
Operating loss	(960,690)	(1,183,903)
Non-operating income		
Interest income	558	228
Foreign exchange gains	18,472	-
Subsidy income	69,056	-
Miscellaneous income	507	1,311
Total non-operating income	88,595	1,539
Non-operating expenses		
Share issuance cost	8,637	18,423
Foreign exchange losses	-	29,440
Miscellaneous loss	-	740
Total non-operating expenses	8,637	48,604
Ordinary loss	(880,731)	(1,230,967)
Extraordinary income		
Gain on reversal of subscription rights to shares	-	7,138
Total extraordinary income	-	7,138
Loss before income taxes	(880,731)	(1,223,829)
Income taxes - current	3,268	5,393
Income taxes - deferred	-	889
Total income taxes	3,268	6,282
Loss	(883,999)	(1,230,112)
Loss attributable to owners of parent	(883,999)	(1,230,112)

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

	Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2015	2016
Loss	(883,999)	(1,230,112)
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,116)	23,634
Foreign currency translation adjustment	(1,680)	(21,788)
Total other comprehensive income	(23,797)	1,846
Comprehensive income	(907,796)	(1,228,266)
Comprehensive income attributable to:		
owners of parent	(907,796)	(1,228,266)
non-controlling interests	-	-

Projects --- Current pipeline status

<Self-developed products>

Segment	Project	Target indications	Region	Development stage	Alliance partners
Medicine	HGF Plasmid	Peripheral Arterial Disease (PAD)	Japan	Completed Phase III, additional study ongoing (physician-led study)*	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
			US, Europe	Phase III	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights <US></i>
		Lymphedema	Japan	Phase I / II	Available
	NF-κB Decoy Oligo DNA	Atopic Dermatitis	Japan	(Ointment drug) Phase III	Shionogi & Co., LTD. (JP) <i>Marketing Rights <World></i>
		Disc Degeneration	US	Preparing for Phase I / II	Available
Medical device	Drug-Eluting PTA balloon catheter	Prevention of Vascular Restenosis	Japan	Clinical trials	Medikit Co., Ltd. (JP) <i>Joint Research</i>

* Drug application under conditional approval system is planned for HGF Plasmid in Japan

<In-licenced program>

Segment	Project/ Product name	Target indications	Rights of AnGes	Development stage	Alliance partners
Medicine	CIN Therapeutic Vaccine	Cervical Precancerous Lesion	Development & Marketing rights for Japan, US, UK & China	Investigator-initiated study <Japan>	Bio Leaders Corporation (South Korea)
	Allovecin®	Cancer	Development & marketing rights for Asia	Under review	Vical, Inc. (US)