

Consolidated Financial Report
for the Month Ended March 31, 2018 (Unaudited)(Japan GAAP)
AnGes, Inc. <https://www.anges.co.jp/>

Listings: Mothers of the Tokyo Stock Exchange, Code 4563
 Head Office: 7-7-15, Saito-Asagi, Ibaraki, Osaka, 567-0085, Japan

(Figures are rounded down to the nearest million yen)

1. Business Results for the First Quarter 2018 (From Jan. 1, 2018 to Mar. 31, 2018)

(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 2018	73	(11.4)	(590)	—	(587)	—	(537)	—
1Q 2017	83	0.1	(1,035)	—	(1,030)	—	(1,511)	—

*Comprehensive Income 1Q 2018 : (666) million yen 1Q 2017 : (1,073) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
1Q 2018	(6.67)	—
1Q 2017	(20.89)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Mar. 31, 2018	4,013	3,829	91.8
Dec. 31, 2017	3,963	3,621	85.1

*Shareholder's equity Mar31, 2018 : 3,686 million yen Dec. 31, 2017 : 3,371 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2017	—	0.00	—	0.00	0.00
FY 2018	—	—	—	—	—
FY 2018 (Forecast)	—	0.00	—	0.00	0.00

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

3. Earnings Forecast for the Fiscal Year 2018 (From Jan. 1, 2018 to Dec. 31, 2018)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	365	—	(2,500)	—	(2,500)	—	(2,500)	—	(30.75)

*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) Accounting procedure peculiar to the quarterly consolidated financial statements : None
 (3) Change of significant accounting and reporting policies for consolidated financial statements
 1) Changes caused by revision of accounting standard : None
 2) Changes in accounting policies other than 1) : None
 3) Changes in accounting estimates : None
 4) Restatement : None

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

1) Number of shares issued and outstanding (including treasury shares)	Mar. 31, 2018	81,546,561 shares	Dec. 31, 2017	79,724,261 shares
2) Number of treasury shares	Mar. 31, 2018	83 shares	Dec. 31, 2017	83 shares
3) Average number of shares issued and outstanding	1Q 2018	80,591,945 shares	1Q 2017	72,361,258 shares

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

	December 31, 2017	March 31, 2018
Assets		
Current assets		
Cash and deposits	1,147,753	1,455,579
Accounts receivable - trade	142,694	144,995
Merchandise	129,371	93,221
Raw materials and supplies	1,443,338	1,383,143
Advance payments - trade	422,298	440,762
Prepaid expenses	36,881	27,161
Consumption taxes receivable	92,210	11,771
Other	19,054	18,973
Total current assets	3,433,602	3,575,608
Non-current assets		
Property, plant and equipment		
Buildings	50,699	50,683
Accumulated depreciation	(50,699)	(50,683)
Buildings, net	-	-
Tools, furniture and fixtures	224,540	223,930
Accumulated depreciation	(224,540)	(223,930)
Tools, furniture and fixtures, net	-	-
Total property, plant and equipment	-	-
Investments and other assets		
Investment securities	471,063	329,729
Lease and guarantee deposits	51,176	101,231
Other	7,766	6,626
Total investments and other assets	530,006	437,587
Total non-current assets	530,006	437,587
Total assets	3,963,609	4,013,196

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

	December 31, 2017	March 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	200,997	32,334
Accounts payable - other	85,234	88,460
Accrued expenses	8,229	8,122
Income taxes payable	11,647	17,303
Advances received	686	686
Deposits received	10,765	12,534
Asset retirement obligations	-	18,779
Total current liabilities	<u>317,561</u>	<u>178,220</u>
Non-current liabilities		
Deferred tax liabilities	1,269	1,317
Asset retirement obligations	22,897	4,164
Total non-current liabilities	<u>24,166</u>	<u>5,481</u>
Total liabilities	<u>341,727</u>	<u>183,702</u>
Net assets		
Shareholders' equity		
Capital stock	5,658,349	6,148,538
Capital surplus	1,472,971	1,963,160
Retained earnings	(3,684,699)	(4,221,892)
Treasury shares	(24)	(24)
Total shareholders' equity	<u>3,446,597</u>	<u>3,889,782</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(80,833)	(200,177)
Foreign currency translation adjustment	5,986	(3,533)
Total accumulated other comprehensive income	<u>(74,846)</u>	<u>(203,710)</u>
Subscription rights to shares	250,130	143,422
Total net assets	<u>3,621,881</u>	<u>3,829,493</u>
Total liabilities and net assets	<u>3,963,609</u>	<u>4,013,196</u>

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

	Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2017	2018
Business revenues		
Net sales of goods	83,258	73,770
Research and development revenues	36	-
Total business revenues	<u>83,294</u>	<u>73,770</u>
Business expenses		
Cost of sales	40,472	36,149
Research and development expenses	875,320	402,699
Selling, general and administrative expenses	203,155	225,171
Total business expenses	<u>1,118,948</u>	<u>664,020</u>
Operating loss	<u>(1,035,654)</u>	<u>(590,250)</u>
Non-operating income		
Interest income	77	230
Foreign exchange gains	6,982	2,764
Subsidy income	-	3,313
Commission fee	1,570	1,036
Gain on investments in partnership	-	184
Miscellaneous income	54	53
Total non-operating income	<u>8,684</u>	<u>7,582</u>
Non-operating expenses		
Share issuance cost	3,576	4,507
Miscellaneous loss	0	0
Total non-operating expenses	<u>3,576</u>	<u>4,507</u>
Ordinary loss	<u>(1,030,547)</u>	<u>(587,175)</u>
Extraordinary income		
Gain on sales of investment securities	-	31,193
Gain on reversal of subscription rights to shares	-	21,427
Total extraordinary income	<u>-</u>	<u>52,620</u>
Extraordinary losses		
Loss on valuation of investment securities	476,762	-
Total extraordinary losses	<u>476,762</u>	<u>-</u>
Loss before income taxes	<u>(1,507,309)</u>	<u>(534,554)</u>
Income taxes - current	4,343	2,590
Income taxes - deferred	214	47
Total income taxes	<u>4,557</u>	<u>2,637</u>
Loss	<u>(1,511,867)</u>	<u>(537,192)</u>
Loss attributable to owners of parent	<u>(1,511,867)</u>	<u>(537,192)</u>

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

	Month ended Mar. 31,	
	(From Jan. 1 to Mar.31)	
	2017	2018
Loss	(1,511,867)	(537,192)
Other comprehensive income		
Valuation difference on available-for-sale securities	446,206	(119,344)
Foreign currency translation adjustment	(7,992)	(9,519)
Total other comprehensive income	438,213	(128,863)
Comprehensive income	(1,073,653)	(666,056)
Comprehensive income attributable to:		
owners of parent	(1,073,653)	(666,056)
non-controlling interests	-	-

Projects --- Current pipeline status

<Self-developed products>

Segment	Project	Code / Dosage Form	Target indications	Region	Development stage	Alliance partners
Medicine	HGF Plasmid (Bepermingene Perplasmid)	AMG0001 Injection	Critical Limb Ischemia (Arteriosclerosis Obliterans & Buerger's Disease)	Japan	Submitted the application for marketing approval	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
				US	Planning next steps	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
	NF-κB Decoy Oligonucleotide	AMG0101 Injection	Low Back Pain due to Disc Degeneration		Phase I b (US)	Available
	Hypertension DNA Therapeutic Vaccine	AMG0201 Injection	Hypertension		Phase I / II (AU)	Available