

Consolidated Financial Report
for the First Quarter Ended March 31, 2019 (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 Ended 2019 (From Jan. 1, 2019 to Mar. 31, 2019)

(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 2019	75	2.4	(918)	—	(938)	—	(1,183)	—
1Q 2018	73	(11.4)	(590)	—	(587)	—	(537)	—

*Comprehensive Income 1Q 2019 : (932) million yen 1Q 2018 : (666) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
1Q 2019	(11.92)	—
1Q 2018	(6.67)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Mar. 31, 2019	11,935	11,678	97.5
Dec. 31, 2018	8,050	7,734	95.4

*Shareholder's equity Mar. 31, 2019 : 11,637 million yen Dec. 31, 2018 : 7,680 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2018	—	0.00	—	0.00	0.00
FY 2019	—	—	—	—	—
FY 2019 (Forecast)	—	0.00	—	0.00	0.00

3. Earnings Forecast for the Fiscal Year 2019 (From Jan. 1, 2019 to Dec. 31, 2019)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	335	(45.1)	(2,800)	—	(2,800)	—	(2,800)	—	(27.40)

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, 2019	102,921,061 shares	Dec. 31, 2018	97,981,061 shares
2) Number of treasury shares	Mar. 31, 2019	84 shares	Dec. 31, 2018	83 shares
3) Average number of shares issued and outstanding	1Q 2019	99,330,422 shares	1Q 2018	80,591,945 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, 2018	March 31, 2019
Assets		
Current assets		
Cash and deposits	5,784,894	9,491,402
Accounts receivable - trade	257,484	143,340
Merchandise	83,746	47,771
Raw materials and supplies	923,644	779,352
Advance payments - trade	366,086	137,241
Prepaid expenses	28,277	23,626
Consumption taxes receivable	73,041	95,735
Other	24,994	25,104
Total current assets	<u>7,542,170</u>	<u>10,743,574</u>
Non-current assets		
Property, plant and equipment		
Buildings	48,855	52,703
Accumulated depreciation	(5,442)	(6,307)
Buildings, net	<u>43,412</u>	<u>46,395</u>
Tools, furniture and fixtures	141,478	120,486
Accumulated depreciation	(137,462)	(115,037)
Tools, furniture and fixtures, net	<u>4,016</u>	<u>5,448</u>
Total property, plant and equipment	<u>47,429</u>	<u>51,844</u>
Investments and other assets		
Investment securities	401,068	1,077,375
Lease and guarantee deposits	56,994	60,354
Other	3,009	2,137
Total investments and other assets	<u>461,072</u>	<u>1,139,867</u>
Total non-current assets	<u>508,502</u>	<u>1,191,712</u>
Total assets	<u>8,050,672</u>	<u>11,935,286</u>

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

	December 31, 2018	March 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	112,925	70,718
Accounts payable - other	97,803	103,281
Accrued expenses	16,487	19,415
Income taxes payable	53,253	25,545
Advances received	686	-
Deposits received	10,475	10,906
Total current liabilities	<u>291,631</u>	<u>229,866</u>
Non-current liabilities		
Deferred tax liabilities	1,695	2,824
Asset retirement obligations	22,885	23,892
Total non-current liabilities	<u>24,581</u>	<u>26,717</u>
Total liabilities	<u>316,213</u>	<u>256,584</u>
Net assets		
Shareholders' equity		
Capital stock	9,395,825	11,841,039
Capital surplus	5,210,447	7,655,660
Retained earnings	(6,681,328)	(7,865,214)
Treasury shares	(24)	(25)
Total shareholders' equity	<u>7,924,919</u>	<u>11,631,459</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(248,480)	2,459
Foreign currency translation adjustment	3,729	3,719
Total accumulated other comprehensive income	<u>(244,750)</u>	<u>6,179</u>
Share acquisition rights	54,289	41,064
Total net assets	<u>7,734,459</u>	<u>11,678,702</u>
Total liabilities and net assets	<u>8,050,672</u>	<u>11,935,286</u>

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

	The Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2018	2019
Business revenues		
Net sales of goods	73,770	73,058
Research and development revenues	-	2,500
Total business revenues	73,770	75,558
Business expenses		
Cost of sales	36,149	35,974
Research and development expenses	402,699	693,783
Selling, general and administrative expenses	225,171	264,180
Total business expenses	664,020	993,939
Operating loss	(590,250)	(918,380)
Non-operating income		
Interest income	230	550
Foreign exchange gains	2,764	-
Commission fee	3,313	-
Subsidy income	1,036	959
Gain on investments in partnership	184	3,320
Miscellaneous income	53	-
Total non-operating income	7,582	4,830
Non-operating expenses		
Share issuance cost	4,507	23,616
Foreign exchange losses	-	1,321
Miscellaneous loss	0	-
Total non-operating expenses	4,507	24,937
Ordinary loss	(587,175)	(938,487)
Extraordinary income		
Gain on sales of investment securities	31,193	-
Gain on reversal of share acquisition rights	21,427	-
Total extraordinary income	52,620	-
Extraordinary losses		
Loss on valuation of investment securities	-	243,123
Total extraordinary losses	-	243,123
Loss before income taxes	(534,554)	(1,181,610)
Income taxes - current	2,590	2,231
Income taxes - deferred	47	43
Total income taxes	2,637	2,275
Loss	(537,192)	(1,183,886)
Loss attributable to owners of parent	(537,192)	(1,183,886)

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

	The Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2018	2019
Loss	(537,192)	(1,183,886)
Other comprehensive income		
Valuation difference on available-for-sale securities	(119,344)	250,939
Foreign currency translation adjustment	(9,519)	(10)
Total other comprehensive income	(128,863)	250,929
Comprehensive income	(666,056)	(932,956)
Comprehensive income attributable to:		
owners of parent	(666,056)	(932,956)
non-controlling interests	-	-

Projects --- Current pipeline status

<Self-developed products>

Segment	Project	Target indications	Region	Development stage	Alliance partners
Medicine	HGF Plasmid (Bepermingene Perplasmid)	Critical Limb Ischemia (Arteriosclerosis Obliterans & Buerger's Disease)	Japan	Obtained Approval with Conditions and Time Limit	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	Low Back Pain due to Disc Degeneration		Phase I b (US)	Available
	Hypertension DNA Therapeutic Vaccine	Hypertension		Phase I / II (AU)	Available