



Released on October 30, 2017

**Consolidated Financial Report**  
**for the Month Ended September 30, 2017 (Unaudited)(Japan GAAP)**  
**AnGes, Inc. <http://www.anges.co.jp/>**

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 2017 (From Jan. 1, 2017 to Sep. 30, 2017)

(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	%
3Q 2017	255	(0.4)	(2,743)	—	(2,757)	—	(3,359)	—
3Q 2016	256	(19.9)	(3,760)	—	(3,812)	—	(3,823)	—

\*Comprehensive Income 3Q 2017 : (2,846) million yen 3Q 2016 : (4,131) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
3Q 2017	(44.64)	—
3Q 2016	(62.66)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Sep. 30, 2017	4,483	3,716	75.9
Dec. 31, 2016	4,539	3,869	85.0

\*Shareholder's equity Sep. 30, 2017 : 3,401 million yen Dec. 31, 2016 : 3,860 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2016	—	0.00	—	0.00	0.00
FY 2017	—	0.00	—		
FY 2017 (Forecast)				0.00	0.00

3. Earnings Forecast for the Fiscal Year 2017 (From Jan. 1, 2017 to Dec. 31, 2017)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	360	—	(3,400)	—	(3,400)	—	(3,400)	—	(45.18)

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 stock)	Sep. 30, 2017	78,665,861 shares	Dec. 31, 2016	70,631,061 shares
2) Number of treasury stock	Sep. 30, 2017	81 shares	Dec. 31, 2016	81 shares
3) Average number of shares issued and outstanding	3Q 2017	75,257,115 shares	3Q 2016	61,031,822 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, 2016	September 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	995,620	1,319,689
Accounts receivable - trade	298,318	138,082
Merchandise	170,069	182,819
Raw materials and supplies	1,001,197	1,475,606
Advance payments - trade	951,147	421,351
Prepaid expenses	27,057	25,743
Consumption taxes receivable	166,078	60,365
Other	9,973	22,107
<b>Total current assets</b>	<b>3,619,461</b>	<b>3,645,767</b>
Non-current assets		
Property, plant and equipment		
Buildings	71,269	50,698
Accumulated depreciation	(49,193)	(50,698)
Buildings, net	22,076	-
Tools, furniture and fixtures	265,291	224,522
Accumulated depreciation	(211,464)	(224,522)
Tools, furniture and fixtures, net	53,826	-
<b>Total property, plant and equipment</b>	<b>75,902</b>	<b>-</b>
Intangible assets		
Patent right	31,588	-
Other	23,566	-
<b>Total intangible assets</b>	<b>55,155</b>	<b>-</b>
Investments and other assets		
Investment securities	720,500	777,165
Lease and guarantee deposits	51,470	51,174
Other	16,710	8,900
<b>Total investments and other assets</b>	<b>788,682</b>	<b>837,240</b>
<b>Total non-current assets</b>	<b>919,739</b>	<b>837,240</b>
<b>Total assets</b>	<b>4,539,201</b>	<b>4,483,007</b>

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

	December 31, 2016	September 30, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	389,126	555,724
Accounts payable - other	62,111	63,041
Accrued expenses	87,702	71,311
Income taxes payable	80,703	8,488
Advances received	1,449	708
Deposits received	9,824	14,034
Total current liabilities	<u>630,917</u>	<u>713,308</u>
Non-current liabilities		
Deferred tax liabilities	16,255	29,926
Asset retirement obligations	22,646	22,834
Total non-current liabilities	<u>38,902</u>	<u>52,761</u>
Total liabilities	<u>669,819</u>	<u>766,070</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	17,651,190	5,379,381
Capital surplus	15,961,930	1,194,003
Retained earnings	(29,347,742)	(3,279,402)
Treasury shares	(23)	(23)
Total shareholders' equity	<u>4,265,354</u>	<u>3,293,958</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(416,779)	101,863
Foreign currency translation adjustment	11,484	5,571
Total accumulated other comprehensive income	<u>(405,295)</u>	<u>107,435</u>
Subscription rights to shares	9,322	315,543
Total net assets	<u>3,869,382</u>	<u>3,716,937</u>
Total liabilities and net assets	<u>4,539,201</u>	<u>4,483,007</u>

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

	<b>Month ended Sep. 30,</b> <b>(From Jan. 1 to Sep.30)</b>	
	<b>2016</b>	<b>2017</b>
<b>Business revenues</b>		
Net sales of goods	253,333	255,231
Research and development revenues	2,979	105
Total business revenues	256,312	255,337
<b>Business expenses</b>		
Cost of sales	129,376	124,268
Research and development expenses	3,192,088	2,182,477
Selling, general and administrative expenses	695,627	691,937
Total business expenses	4,017,093	2,998,683
Operating loss	(3,760,780)	(2,743,346)
<b>Non-operating income</b>		
Interest income	530	182
Foreign exchange gains	20,477	6,928
Gain on investments in partnership	-	171
Commission fee	5,444	4,534
Miscellaneous income	1,136	591
Total non-operating income	27,589	12,407
<b>Non-operating expenses</b>		
Share issuance cost	77,352	26,321
Miscellaneous loss	1,798	0
Total non-operating expenses	79,151	26,321
Ordinary loss	(3,812,342)	(2,757,259)
<b>Extraordinary income</b>		
Gain on sales of investment securities	-	4,018
Gain on reversal of subscription rights to shares	7,138	-
Total extraordinary income	7,138	4,018
<b>Extraordinary losses</b>		
Impairment Loss	-	112,478
Loss on valuation of investment securities	-	476,762
Total extraordinary losses	-	589,240
Loss before income taxes	(3,805,204)	(3,342,481)
Income taxes - current	17,834	16,636
Income taxes - deferred	934	284
Total income taxes	18,769	16,920
Loss	(3,823,973)	(3,359,402)
Loss attributable to owners of parent	(3,823,973)	(3,359,402)

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

	<b>Month ended Sep. 30,</b>	
	<b>(From Jan. 1 to Sep.30)</b>	
	<b>2016</b>	<b>2017</b>
Loss	(3,823,973)	(3,359,402)
Other comprehensive income		
Valuation difference on available-for-sale securities	(264,388)	518,642
Foreign currency translation adjustment	(43,254)	(5,912)
Total other comprehensive income	(307,642)	512,730
Comprehensive income	(4,131,615)	(2,846,672)
Comprehensive income attributable to:		
owners of parent	(4,131,615)	(2,846,672)
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	Planning for Clinical Trial	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
	Hypertension DNA Therapeutic Vaccine	Hypertension		Preparing for Phase I / II (Australia)	Available
	NF-κB Decoy Oligo DNA	Atopic Dermatitis	Japan	(Ointment drug) Completed Phase III**	Shionogi & Co., LTD. (JP) <i>Marketing Rights &lt;World &gt;</i>
Disc Degeneration			Preparing for Phase I b	Available	

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

\*\* The study did not show statistically significant difference between the NF-κB Decoy Oligonucleotide treated group and the placebo group in the primary endpoint.

**<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) Licensing-out to Morishita Jintan Co., Ltd