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Consolidated Financial Report
for the Three Months Ended March 31, 2015 (Unaudited)(Japan GAAP)
AnGes MG, Inc. <http://www.anges-mg.com/>

Listings: Mothers of the Tokyo Stock Exchange, Code 4563

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(Figures are rounded down to the nearest million yen)

1. Business Results for the First Quarter 2015 (From Jan. 1, 2015 to Mar. 31, 2015)

(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 2015	81	(1.0)	(960)	—	(880)	—	(883)	—
1Q 2014	82	(34.3)	(476)	—	(436)	—	(438)	—

*Comprehensive Income 1Q 2015 : (907) million yen 1Q 2014 : (440) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
1Q 2015	(16.51)	—
1Q 2014	(14.04)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Mar. 31, 2015	7,287	6,826	92.2
Dec. 31, 2014	8,183	7,734	93.2

*Shareholder's equity Mar. 31, 2015 : 6,717 million yen Dec. 31, 2014 : 7,625 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2014	—	0.00	—	0.00	0.00
FY 2015	—	—	—	—	—
FY 2015 (Forecast)	—	0.00	—	0.00	0.00

3. Earnings Forecast for the Fiscal Year 2015 (From Jan. 1, 2015 to Dec. 31, 2015)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q, 2015	—	—	—	—	—	—	—	—	—
Full-year	450	—	(5,800)	—	(5,800)	—	(5,800)	—	(108.32)

*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 stock)	Mar. 31, 2015	53,544,361 shares	Dec. 31, 2014	53,544,361 shares
2) Number of treasury stock	Mar. 31, 2015	38 shares	Dec. 31, 2014	38 shares
3) Average number of shares issued and outstanding	FY2015, 1Q	53,544,323 shares	FY2014, 1Q	31,267,600 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 MG, Inc
Consolidated Balance Sheets
(In thousands of yen)
(Unaudited)

	December 31, 2014	March 31, 2015
Assets		
Current assets		
Cash and deposits	6,017,356	5,181,865
Accounts receivable - trade	659,012	129,112
Merchandise	91,452	55,172
Raw materials and supplies	265,744	309,983
Advance payments - trade	521,892	976,179
Prepaid expenses	20,137	21,980
Advances paid	75	76
Other	18,267	44,954
Total current assets	7,593,940	6,719,325
Non-current assets		
Property, plant and equipment		
Buildings	52,333	52,331
Accumulated depreciation	(43,801)	(44,131)
Buildings, net	8,532	8,199
Tools, furniture and fixtures	219,244	224,243
Accumulated depreciation	(200,194)	(202,373)
Tools, furniture and fixtures, net	19,050	21,870
Total property, plant and equipment	27,582	30,070
Intangible assets		
Patent right	52,148	51,119
Other	2,072	1,908
Total intangible assets	54,220	53,027
Investments and other assets		
Investment securities	438,139	417,290
Lease and guarantee deposits	42,058	42,336
Other	27,582	25,108
Total investments and other assets	507,780	484,735
Total non-current assets	589,583	567,834
Total assets	8,183,524	7,287,159

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

	December 31, 2014	March 31, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	207,085	202,287
Accounts payable - other	44,224	91,324
Accrued expenses	7,231	6,280
Income taxes payable	42,357	18,592
Advances received	115,988	107,729
Deposits received	6,401	7,124
Total current liabilities	<u>423,289</u>	<u>433,338</u>
Non-current liabilities		
Deferred tax liabilities	10,446	11,714
Asset retirement obligations	15,347	15,407
Total non-current liabilities	<u>25,793</u>	<u>27,121</u>
Total liabilities	<u>449,083</u>	<u>460,460</u>
Net assets		
Shareholders' equity		
Capital stock	14,847,066	14,847,066
Capital surplus	13,157,806	13,157,806
Retained earnings	(20,427,625)	(21,311,625)
Treasury shares	(11)	(11)
Total shareholders' equity	<u>7,577,234</u>	<u>6,693,234</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,005	(5,110)
Foreign currency translation adjustment	31,035	29,354
Total accumulated other comprehensive income	<u>48,041</u>	<u>24,244</u>
Subscription rights to shares	109,165	109,220
Total net assets	<u>7,734,440</u>	<u>6,826,699</u>
Total liabilities and net assets	<u>8,183,524</u>	<u>7,287,159</u>

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

	Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2014	2015
Business revenues		
Net sales of goods	55,268	74,244
Research and development revenues	27,449	7,665
Total business revenues	82,717	81,910
Business expenses		
Cost of sales	27,272	36,279
Research and development expenses	360,998	760,238
Selling, general and administrative expenses	170,752	246,082
Total business expenses	559,022	1,042,600
Operating loss	(476,304)	(960,690)
Non-operating income		
Interest income	276	558
Foreign exchange gains	-	18,472
Subsidy income	51,838	69,056
Miscellaneous income	268	507
Total non-operating income	52,383	88,595
Non-operating expenses		
Share issuance cost	6,586	8,637
Foreign exchange losses	6,101	-
Total non-operating expenses	12,687	8,637
Ordinary loss	(436,608)	(880,731)
Loss before income taxes and minority interests	(436,608)	(880,731)
Income taxes - current	2,387	3,268
Total income taxes	2,387	3,268
Loss before minority interests	(438,995)	(883,999)
Net loss	(438,995)	(883,999)

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

	Month ended Mar. 31, (From Jan. 1 to Mar.31)	
	2014	2015
Loss before minority interests	(438,995)	(883,999)
Other comprehensive income		
Valuation difference on available-for-sale securities	5,187	(22,116)
Foreign currency translation adjustment	(6,875)	(1,680)
Total other comprehensive income	(1,688)	(23,797)
Comprehensive income	(440,683)	(907,796)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(440,683)	(907,796)
Comprehensive income attributable to minority 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) Basic Agreement on Marketing Rights
			US, Europe	Phase III	Mitsubishi Tanabe Pharma Corporation (JP) Marketing Rights (US)
		Lymphedema	Japan	Phase I / II	Available
	NF-κB Decoy Oligo	Atopic Dermatitis	Japan	(Ointment drug) Phase III (New formulation) Pre-clinical	Shionogi & Co., LTD. (JP) Marketing Rights (World)
		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) Joint Research

* 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 (South Korea)
	Allovectin®	Cancer	Development & marketing rights for Asia	Under review	Vical, Inc. (US)