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Consolidated Financial Report
for the Nine Months Ended September 30, 2015 (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 Second Quarter 2015 (From Jan. 1, 2015 to Sep. 30, 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	%
3Q 2015	320	13.6	(3,025)	—	(2,954)	—	(3,007)	—
3Q 2014	281	(28.0)	(2,048)	—	(2,121)	—	(2,090)	—

*Comprehensive Income 3Q 2015 : (2,968) million yen 3Q 2014 : (2,102) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
3Q 2015	(54.41)	—
3Q 2014	(63.45)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Sep. 30, 2015	6,169	5,452	87.4
Dec. 31, 2014	8,183	7,734	93.2

*Shareholder's equity Sep. 30, 2015 : 5,392 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	—	0.00	—	—	—
FY 2015 (Forecast)	—	—	—	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
Full-year	450	0.0	(4,300)	—	(4,250)	—	(4,300)	—	(77.34)

*Change of earnings forecast from the most recent release: Yes

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, 2015	56,544,361 shares	Dec. 31, 2014	53,544,361 shares
2) Number of treasury stock	Sep. 30, 2015	38 shares	Dec. 31, 2014	38 shares
3) Average number of shares issued and outstanding	FY2015, 3Q	55,276,008 shares	FY2014, 3Q	32,949,024 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	September 30, 2015
Assets		
Current assets		
Cash and deposits	6,017,356	3,378,908
Accounts receivable - trade	659,012	138,078
Merchandise	91,452	163,647
Raw materials and supplies	265,744	680,239
Advance payments - trade	521,892	1,076,055
Prepaid expenses	20,137	23,403
Advances paid	75	80
Other	18,267	100,706
Total current assets	7,593,940	5,561,121
Non-current assets		
Property, plant and equipment		
Buildings	52,333	58,880
Accumulated depreciation	(43,801)	(44,930)
Buildings, net	8,532	13,950
Tools, furniture and fixtures	219,244	236,482
Accumulated depreciation	(200,194)	(208,716)
Tools, furniture and fixtures, net	19,050	27,766
Total property, plant and equipment	27,582	41,716
Intangible assets		
Patent right	52,148	42,309
Other	2,072	11,982
Total intangible assets	54,220	54,292
Investments and other assets		
Investment securities	438,139	435,891
Lease and guarantee deposits	42,058	51,038
Other	27,582	25,650
Total investments and other assets	507,780	512,580
Total non-current assets	589,583	608,589
Total assets	8,183,524	6,169,710

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

	December 31, 2014	September 30, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	207,085	460,669
Accounts payable - other	44,224	55,865
Accrued expenses	7,231	10,533
Income taxes payable	42,357	11,782
Advances received	115,988	94,177
Deposits received	6,401	7,292
Total current liabilities	<u>423,289</u>	<u>640,320</u>
Non-current liabilities		
Deferred tax liabilities	10,446	58,509
Asset retirement obligations	15,347	18,204
Total non-current liabilities	<u>25,793</u>	<u>76,713</u>
Total liabilities	<u>449,083</u>	<u>717,034</u>
Net assets		
Shareholders' equity		
Capital stock	14,847,066	15,214,941
Capital surplus	13,157,806	13,525,681
Retained earnings	(20,427,625)	(23,435,393)
Treasury shares	(11)	(11)
Total shareholders' equity	<u>7,577,234</u>	<u>5,305,217</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,005	58,779
Foreign currency translation adjustment	31,035	28,982
Total accumulated other comprehensive income	<u>48,041</u>	<u>87,761</u>
Subscription rights to shares	109,165	59,696
Total net assets	<u>7,734,440</u>	<u>5,452,676</u>
Total liabilities and net assets	<u>8,183,524</u>	<u>6,169,710</u>

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

	9 Months ended Sep. 30, (From Jan. 1 to Sep.30)	
	2014	2015
Business revenues		
Net sales of goods	221,785	250,487
Research and development revenues	60,071	69,599
Total business revenues	281,857	320,086
Business expenses		
Cost of sales	108,571	127,907
Research and development expenses	1,709,127	2,584,016
Selling, general and administrative expenses	512,767	633,824
Total business expenses	2,330,466	3,345,748
Operating loss	(2,048,608)	(3,025,661)
Non-operating income		
Interest income	490	1,080
Foreign exchange gains	-	11,350
Subsidy income	61,451	72,811
Fiduciary obligation fee	301	-
Miscellaneous income	1,843	5,690
Total non-operating income	64,086	90,933
Non-operating expenses		
Share issuance cost	118,613	19,036
Loss on investments in partnership	4,479	1,053
Foreign exchange losses	13,538	-
Miscellaneous loss	0	-
Total non-operating expenses	136,631	20,089
Ordinary loss	(2,121,154)	(2,954,818)
Extraordinary income		
Gain on reversal of subscription rights to shares	37,714	49,523
Total extraordinary income	37,714	49,523
Extraordinary losses		
Loss on valuation of investment securities	-	92,569
Total extraordinary losses	-	92,569
Loss before income taxes and minority interests	(2,083,439)	(2,997,863)
Income taxes - current	7,192	9,903
Total income taxes	7,192	9,903
Loss before minority interests	(2,090,632)	(3,007,767)
Net loss	(2,090,632)	(3,007,767)

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

	9 Months ended Sep. 30, (From Jan. 1 to Sep.30)	
	2014	2015
Loss before minority interests	(2,090,632)	(3,007,767)
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,489)	41,773
Foreign currency translation adjustment	6,044	(2,053)
Total other comprehensive income	(11,444)	39,720
Comprehensive income	(2,102,077)	(2,968,046)
Comprehensive income attributable to:		
owners of parent	(2,102,077)	(2,968,046)
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) <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>
				(New formulation) Pre-clinical	
	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 (South Korea)
	Alloectin®	Cancer	Development & marketing rights for Asia	Under review	Vical, Inc. (US)