



May 25 2015
AnGes MG, Inc.

Cancellation of Share Issuance Program

AnGes MG, Inc. ("AnGes") announced that its Board of Directors resolved at a meeting held on May 25, 2015 to cancel the issuance of new shares through third-party allocation for all the outstanding allocations (second allocation, fourth allocation, fifth allocation and sixth allocation) under the share issuance program (hereinafter "the Program"), announced on March 20, 2015, and to withdraw the securities registration statements for the fifth allocation and sixth allocation.

1. Reasons for cancelling the issuance of new shares under the Program

The Program was initially planned to raise funds through third-party allocation to EVO FUND in a total of six allocations. Please refer to "Notice of Conclusion of Agreement on Establishment of Share Issuance Program and Issuance of New Shares through Third-Party Allocation (Summary)" announced on March 20, 2015 (hereinafter "the Initial Announcement") for the details of the Program.

Under the conditions of the Program, if AnGes notifies the scheduled third party to the effect that it will not make the allocation in question at least three (3) business days prior to the allocation resolution date relating to any allocation (not including the said date), AnGes will not pass the allocation resolution relating to the allocation in question.

While the first allocation and third allocation were executed according to the initially planned schedule, the second allocation and fourth allocation have been suspended in consideration of the stock price situation.

The market price of AnGes's stock remained at a low level after the suspension of the fourth allocation, and AnGes considers that it is unlikely that the stock price will recover in the short amount of time leading up to July 31, the period subject to the Program.

AnGes has concluded that it is appropriate to cancel all the outstanding allocations in consideration of the stock price situation, which will result in a shortage in the amount of funds raised and a larger dilution impact on existing shareholders. The outstanding allocations include the scheduled fifth allocation and sixth allocation and the already suspended second allocation and fourth allocation.

It was resolved by the Board of Directors at the meeting held today to cancel the issuance of new shares regarding all outstanding allocations and withdraw the securities registration

statements for the fifth allocation and sixth allocation submitted to the Kanto Local Finance Bureau on March 20, 2015.

2. The total amount of funds raised through the Program and future prospects

Under the Program, third-party allocation to EVO FUND in a total of six allocations was initially planned. However, only the first allocation and third allocation were executed. The actual amount of funds raised under the Program is as explained below.

		Initial plan	Actual amount
(1)	Total paid-in amount for new shares under the Program	2,750,000,000 yen	735,750,000 yen
(2)	Issue fees	33,000,000 yen	19,000,000 yen
(3)	Approximate net balance	2,627,750,000 yen	716,750,000 yen

The purpose of fundraising through the Program was to cover the expenses expected to be necessary for implementing and preparing for (i) a phase III clinical study in Japan of NF-kB Decoy Oligonucleotide for the treatment of atopic dermatitis and (ii) a phase I/II clinical study in the United States of NF-kB Decoy Oligonucleotide for the treatment of lower back pain resulting from disc degeneration. AnGes will execute (i) and (ii) as projected, and no change is made to the plans or the required amounts of funds specified in the Initial Announcement as of today. The funds raised through the Program will be allocated to the expenses incurred on a first-come, first-served basis. AnGes may obtain the shortfall in funds in order to complete (i) and (ii) through equity finances in consideration of the situation in the stock market, licensing activity in which AnGes may receive one-off payments from an alliance, and other measures.

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Disclaimer: This is a translation of the news release posted in Japanese. In case of any deviation between the two language versions, the original document in Japanese shall take precedence.

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