March 20, 2015
AnGes MG, Inc.

Notice of Conclusion of Agreement on Establishment of Share Issuance Program and Issuance of New Shares through Third-Party Allocation (Summary)

AnGes MG, Inc. (“AnGes”) announced that its Board of Directors resolved at its meeting held on March 20, 2015 to conclude an agreement on the establishment of a share issuance program (hereinafter “Agreement on the Establishment of a Share Issuance Program”) with EVO Fund (hereinafter “Scheduled Third Party”). This resolution is summarized below.

AnGes further announced that its Board of Directors resolved at its meeting held on March 20, 2015 to issue new shares through third-party allocation to the Scheduled Third Party under the share issuance program (hereinafter “the Program”) established pursuant to the abovementioned agreement. Details are as follows.

【Share Issuance Program】

1. Content of the Program

Under the Program, upon the conclusion of the Agreement on the Establishment of a Share Issuance Program with the Scheduled Third Party, AnGes may issue shares of its common stock through third-party allocation to the Scheduled Third Party, up to a limit of 10,000,000 shares, over a period of approximately four months from March 20, 2015 to July 31, 2015.

Under the Program, the Scheduled Third-Party expresses its intention to subscribe for any allocations of shares of common stock of AnGes that are made under the Program. However, whether or not the second allocation and/or subsequent allocations will be implemented will be influenced by whether or not grounds for restricting allocation (defined in the paragraph directly after the table below) exist with respect to the allocation in question. In other words, if grounds for restricting allocation exist with respect to the allocation in question, AnGes will not adopt an allocation resolution relating to the allocation in question and will at that time withdraw the securities registration statement relating to the allocation in question.

The maximum total number of shares of common stock of AnGes that may be allocated under the Program is 10,000,000 shares, and shares will be issued through a total of six allocations from the first allocation through to the sixth allocation. The allocation resolution date, payment date and allocated quantity relating to each allocation was determined as stated in the following table pursuant to a resolution by the Board of Directors of AnGes at its meeting held on March 20, 2015 concerning introduction of the Program. For the second allocation and subsequent allocations, the issuance conditions for the allocation in question will be finalized by a resolution of the Board of Directors of AnGes held on the allocation resolution date relating to each allocation stated in the following table or a written resolution in place of this (hereinafter "allocation resolution") and, after registration based on the securities registration statement relating to the allocation in question has taken effect, a third-party allocation agreement relating to the allocation in question will be concluded between AnGes and the Scheduled Third Party.

	Allocation resolution date	Payment date	Allocated quantity
First allocation	March 20, 2015	April 6, 2015	1,250,000 shares
Second allocation	April 7, 2015	April 23, 2015	1,750,000 shares
Third allocation	April 24, 2015	May 11, 2015	1,750,000 shares
Fourth allocation	May 12, 2015	May 28, 2015	1,750,000 shares
Fifth allocation	May 29, 2015	June 15, 2017	1,750,000 shares
Sixth allocation	June 16, 2015	July 2, 2015	1,750,000 shares

However, for the second and subsequent allocations, on the allocation resolution date relating to the allocation in question, in certain cases, for example, in the event of an undisclosed situation that will have a material adverse effect on the financial position, operating results, etc. of AnGes or its corporate group occurring after the balance sheet date of the most recently audited financial statements, in the event of proceedings such as legal action involving AnGes or its subsidiaries that will have a material adverse effect on the issuance of shares of common stock of AnGes under the Program, or in the event of publication of a non-public fact or situation that is a material fact prescribed in Article 66, Paragraph 2 of the Financial Instruments and Exchange Act or similar and is also the fact or situation that might have a material effect on AnGes' stock price (hereinafter "grounds for restriction of allocation), AnGes will not adopt the allocation resolution relating to the allocation in question, and will at that time withdraw the securities registration statement relating to the allocation in question.

In addition, for the second and subsequent allocations, AnGes may opt not to make the allocation in question by giving notice to the Scheduled Third Party at least three (3) business days before the allocation resolution date relating to the allocation in question (not including said date). In this case, AnGes will at that time withdraw the securities registration statement relating to the allocation in question.

Furthermore, for the second and subsequent allocations, AnGes and the Scheduled Third Party may agree to change the allocation resolution date and/or the payment date. If such a change is made, AnGes willl withdraw the securities registration statement relating to the allocation in question and submit a new securities registration statement. However, the allocation resolution date after such change will not be later than July 31, 2015. No more than six allocations will be made under the Program and the allocated quantity in each allocation will also not be changed.

2. Reason for Adoption of the Program, etc.

(1) Purpose of Fundraising through the Program

The purpose of fundraising through the Program is to cover 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.

(Purpose of Fundraising)

(i) AnGes' Situation

AnGes is a drug discovery-type biotech company mainly engaged in the development of next-generation biopharmaceuticals, with particular focus on HGF gene therapy and NF-kB Decoy Oligonucleotide. Drug development usually requires a long development period and a large amount of upfront investment. AnGes continues to post losses because its key pipeline drugs including HFG gene therapy have yet to be introduced to the market and are at the stage of upfront investment in development. Consequently, AnGes is not paying dividends at the present time. However, AnGes expects that when it succeeds in developing and bringing to market key projects including HFG gene therapy, and drugs and medical devices using NF-kB Decoy Oligonucleotide, its business results will improve on the back of sales revenues, and its profits will grow. AnGes recognizes the return of profit to shareholders as an important management task, and if profits are recorded through the sale of new drugs and AnGes has profits

available for distribution, AnGes will examine dividends taking into consideration its operating results and financial position.

(ii) NF-kB

NF-kB Decoy Oligonucleotide is a type of nucleic acid drug that controls the workings of genes through comparatively short artificial nucleic acid produced using a nucleic acid synthesizer. NF-kB is a “transcription factor” that acts as switch to a gene cluster involved in the immune/inflammatory response in the body. When a gene is expressed, a protein called a transcription factor turns on the switch by forming a bond to a specific sequence element of the genome, but the Decoy Oligonucleotide is an artificially synthesized version of short nucleic acid (DNA) which has the same sequence as the portion to which the transcription factor forms a bond on the genome. Since decoy literally means a “lure,” Decoy Oligonucelotide acts as lure for the genome and forms a bond to the specific transcription factor in the cell, preventing the transcription factor from forming a bond to the genome and, as a result, the gene expression is suppressed. This NF-κB Decoy Oligonucleotide therapy was established in 1995 by Ryuichi Morishita from the Graduate School of Osaka University (now professor at the Department of Clinical Gene Therapy, Graduate School of Medicine, Osaka University).

AnGes has designed NF-κB Decoy Oligonucleotide as a specific inhibitor for transcription factor NF-κB. AnGes has been conducting research and development of NF-κB Decoy Oligonucleotide as a treatment for diseases caused by excessive immune/inflammatory responses as a result of activation of NF-κB. NF-κB Decoy Oligonucleotide is being developed for the treatment of atopic dermatitis, vascular restenosis (after endovascular therapy by PTA balloon catheter), and lower back pain resulting from disc degeneration, but is also expected to be effective in other diseases including rheumatoid arthritis, osteoarthritis, inflammatory bowel disease and asthma.

(iii) Treatment for Atopic Dermatitis (ointment)

AnGes started a phase III clinical study in Japan for the treatment for atopic dermatitis (AD) (ointment) on March 13, 2015. The purpose of this study is to confirm the efficacy and safety of the treatment and obtain data to file an approval application in Japan. The study will be conducted in around 200 AD patients having a moderate to severe facial AD and will be conducted over a period of just over a year from the start of administration in the first subjects to the end of the observation period of the last patients. After completion of this phase III clinical study, if favorable results are obtained, AnGes plans to file an application for approval of indication for moderate to severe

facial AD in Japan. When the drug is introduced to the market, AnGes will receive a certain consideration for sales from its sales partner and this is expected to help improve AnGes' profit structure.

(iv)Treatment for Lower Back Pain Resulting from Disc Degeneration

AnGes plans to start a phase I/II clinical study in the United States in 2016 after obtaining approval for the commencement of a clinical study from the U.S. Food and Drug Administration (FDA). AnGes decided to conduct a phase I/II clinical study in the United States believing there were many advantages to developing the drug for the United States because there are many patients with lower back pain resulting from disc degeneration and the market is expected to be large. In addition, in the United States, many doctors are well-practiced with the treatment approach and drugs that suppress disc degeneration like this drug are consistent with the standard treatment policy. After completion of the phase I/II clinical study in question, AnGes plans to conduct licensing activities to find a partner. When AnGes concludes an agreement granting the right to develop and market the drug with its partner, AnGes will receive a lump sum, milestone payments associated with the progress of development, and royalties upon market introduction.

3. Summary of the Program

(1)	Subject shares	Shares of common stock of AnGes
(2)	Number of subject shares	Up to 10,000,000 shares
(3)	Subject period	From March 20, 2015 to July 31, 2015
(4)	Issue price	92% of the market price at the time of the allocation resolution relating to the allocation in question (rounded off to the nearest whole number)
(5)	Allocated quantity	First allocation: 1,250,000 shares From the second allocation through to the sixth allocation: 1,750,000 shares each allocation
(6)	Scheduled Third Party	EVO FUND

* Market price at the time of the allocation resolution relating to each allocation refers to the closing price (including quotation) in ordinary trading of the common stock of AnGes on the Tokyo Stock Exchange on the business day immediately preceding the allocation resolution date relating

to the resolution in question.

* If grounds for restriction of allocation exist on the allocation resolution date relating to any allocation, AnGes may not adopt the allocation resolution relating to the allocation in question. Additionally, 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 said date), AnGes will not pass the allocation resolution relating to the allocation in question.

4. Summary of the Scheduled Third Party

(1)	Name	EVO FUND	
(2)	Address	c/o GlobeOp Financial Services (Cayman) Limited 45 Market Street, Suite 3205, 2nd Floor Gardenia Court Camana Bay, Grand Cayman KY1-9003 Cayman Islands	
(3)	Governing law	Exempted limited liability company incorporated in accordance with the laws of the Cayman Islands	
(4)	Purpose of establishment	Investment purposes	
(5)	Date of establishment	December 2006	
(6)	Total amount of contribution	Paid-in capital: USD 1 Net assets: Around USD 93.5 million	
(7)	Contributors, contribution ratios and outline of contributors	Paid-in capital：EVO Feeder Fund 100％ Net assets: 100% equity	
(8)	Name and title of representatives	Michael Lerch, Representative director Richard Chisholm, Representative director	
(9)	Summary of representative in Japan	N/A	
(10)	Relationships between AnGes and the Fund	Relationships between AnGes and the Fund	N/A
		Relationships between AnGes and the Fund's representative	N/A

	Relationships between AnGes and the Fund's representative in Japan	N/A

(Note) The information in the Summary of the Scheduled Third Party section is true and correct as of March 20, 2015.

5. Amounts of Funds Raised, Their Uses, and Planned Times of Expenditures

(1) Amount of Funds Raised (Approximate Net Balance)

Expected total amounts of funds raised through the Program (approximate net balance)

(1) Expected total paid-in amount for new shares under the Program	2,750,000,000 yen
(2) Estimated amount of issue fees	33,000,000 yen
(3) Approximate net balance	2,717,000,000 yen

(Note 1) Expected total paid-in amount for new shares under the Program in (1) above represents the expected amount when applying the issue price of the first allocation (275 yen) to the second through sixth allocations as well. The total amount of funds raised through the Program, the estimated amount of issue fees and the approximate net balance may increase or decrease depending on the final issue price of the second through sixth allocations.

(Note 2) The estimated amount of issue fees represents the estimate amount of issue fees required for the entire Program.

(Note 3) The estimated amount of issue fees does not include national consumption tax or regional consumption tax.

(Note 4) The estimated amount of issue fees required for the entire Program is 33,000,000 yen, and this includes candidate attribute survey (around 2,400,000 yen), attorney fees (around 12,000,000 yen), trust bank fees (around 2,700,000 yen), printing company fees (around 3,600,000 yen), registration and license taxes (around 10,000,000 yen), and new share listing fees (around 2,300,000 yen).

Amount of funds raised through the First Allocation (approximate net balance)

(1) Expected total paid-in amount for new shares issued under this program	343,750,000 yen
(2) Estimated amount of issue fees	5,500,000 yen
(3) Approximate net balance	338,250,000 yen

(Note 1) The issue price of the First Allocation is 275 yen per share (92% of the closing price of the day immediately preceding the allocation resolution

date).

(Note 2) The estimated amount of issue fees is the amount equal to one sixth of the estimated amount of issue fees required for the entire Program.

(2) Specific Uses of Funds Raised

As for the uses of the funds raised through the Program, AnGes has planned specific uses as follows. AnGes will manage the funds raised using bank deposits, short-term securities, etc. (probably commercial paper from the viewpoint of avoiding as far as possible the risk of loss of principal, credit risk and liquidity risk) until it applies them to specific uses.

(Unit: Million yen)

	FY2015 Mar.-Dec.	FY2016	FY2017	FY2018	FY2019	Total
1.Atopic dermatitis						
(i) CMC, non-clinical studies, pharmaceutical affairs expenses	1,003	243	36	26	40	1,348
(ii) Phase III clinical study expenses	670	118	67	―	―	855
Total atopic dermatitis development expenses	**1,673**	**361**	**103**	**26**	**40**	**2,203**
2.Disc degeneration						
(i) CMC, non-clinical studies, pharmaceutical affairs expenses	214	100	7	6	11	338
(ii) Phase I/II clinical study expenses	―	100	204	110	―	414
Total disc degeneration development expenses	**214**	**200**	**211**	**116**	**11**	**752**
3.Total NF-κB Decoy Oligonucleotide development expenses (1 + 2)	**1,887**	**561**	**314**	**142**	**51**	**2,955**