

AVI BIOPHARMA INC
Form 10-Q
August 09, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-14895

AVI BIOPHARMA, INC.

(Exact name of registrant as specified in its charter)

Oregon

(State or other jurisdiction of incorporation or organization)

93-0797222

(I.R.S. Employer Identification No.)

3450 Monte Villa Parkway, Suite 101, Bothell, Washington
(Address of principal executive offices)

98021
(Zip Code)

Issuer's telephone number, including area code: **(425) 354-5038**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

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Common Stock with \$0.0001 par value
(Class)

111,959,610
(Outstanding as of August 6, 2010)

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AVI BIOPHARMA, INC.

(A Development Stage Company)

BALANCE SHEETS

(unaudited)

(in thousands, except per share data)

	June 30, 2010	December 31, 2009
Assets		
Current Assets:		
Cash and cash equivalents	\$ 36,742	\$ 48,275
Accounts receivable	2,153	2,085
Other current assets	1,037	950
Total Current Assets	39,932	51,310
Property held for sale	2,372	2,372
Property and Equipment, net of accumulated depreciation and amortization of \$14,393 and \$14,026	2,184	2,466
Patent Costs, net of accumulated amortization of \$1,829 and \$1,762	4,068	3,759
Other assets	111	120
Total Assets	\$ 48,667	\$ 60,027
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	\$ 2,369	\$ 1,381
Accrued employee compensation	1,837	922
Long-term debt, current portion	79	77
Warrant valuation	29,540	27,609
Deferred revenue	3,366	3,428
Other liabilities	77	90
Total Current Liabilities	37,268	33,507
Commitments and Contingencies		
Long-term debt, non-current portion	1,883	1,924
Other long-term liabilities	1,075	966
Shareholders Equity:		

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Preferred stock, \$.0001 par value, 20,000,000 shares authorized; none issued and outstanding			
Common stock, \$.0001 par value, 200,000,000 shares authorized; 110,339,777 and 110,495,587 issued and outstanding		11	11
Additional paid-in capital		301,139	299,088
Deficit accumulated during the development stage		(292,709)	(275,469)
Total Shareholders' Equity		8,441	23,630
Total Liabilities and Shareholders' Equity	\$	48,667	\$ 60,027

See accompanying notes to financial statements.

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AVI BIOPHARMA, INC.

(A Development Stage Company)

STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except per share amounts)

	Three months ended June 30,		Six months ended June 30,		July 22, 1980
	2010	2009	2010	2009	(Inception) through June 30, 2010
Revenues from license fees, grants and research contracts	\$ 3,997	\$ 2,945	\$ 5,201	\$ 6,095	\$ 65,010
Operating expenses:					
Research and development	6,931	5,804	13,020	10,299	243,452
General and administrative	4,733	2,206	7,577	4,426	81,597
Acquired in-process research and development					29,461
Operating loss	(7,667)	(5,065)	(15,396)	(8,630)	(289,500)
Other non-operating (loss) income:					
Interest (expense) income and other, net	51	(31)	87	(15)	8,410
(Increase) decrease on warrant valuation	(9,040)	(14,572)	(1,931)	(11,950)	1,519
Realized gain on sale of short-term securities available-for-sale					3,863
Write-down of short-term securities available-for-sale					(17,001)
	(8,989)	(14,603)	(1,844)	(11,965)	(3,209)
Net loss and comprehensive loss	\$ (16,656)	\$ (19,668)	\$ (17,240)	\$ (20,595)	\$ (292,709)
Net loss per share - basic and diluted	\$ (0.15)	\$ (0.23)	\$ (0.16)	\$ (0.25)	
Weighted average number of common shares outstanding for computing basic and diluted loss per share (in thousands)	110,383	85,664	110,404	83,235	

See accompanying notes to financial statements.

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AVI BIOPHARMA, INC.

(A Development Stage Company)

STATEMENTS OF CASH FLOWS

(unaudited)

(in thousands)

	2010	Six months ended June 30,	For the Period July 22, 1980 (Inception) through June 30, 2010	
			2009	June 30, 2010
Cash flows from operating activities:				
Net loss and comprehensive loss	\$ (17,240)		\$ (20,595)	\$ (292,709)
Adjustments to reconcile net loss to net cash flows used in operating activities:				
Depreciation and amortization	698		723	18,380
Loss on disposal of assets	237		221	1,542
Realized gain on sale of short-term securities available-for-sale				(3,863)
Write-down of short-term securities available-for-sale				17,001
Impairment charge on real estate owned				928
Stock-based compensation	2,031		1,081	24,728
Conversion of interest accrued to common stock				8
Acquired in-process research and development				29,461
Increase (decrease) on warrant valuation	1,931		11,950	(1,519)
(Increase) decrease in:				
Accounts receivable and other current assets	(143)		1,446	(3,043)
Net increase in accounts payable, accrued employee compensation, and other liabilities	1,938		(831)	7,212
Net cash used in operating activities	(10,548)		(6,005)	(201,874)
Cash flows from investing activities:				
Purchase of property and equipment	(340)		(142)	(18,209)
Patent costs	(622)		(555)	(7,865)
Purchase of marketable securities			114	(112,986)
Sale of marketable securities				117,724
Acquisition costs	(3)			(2,392)

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Net cash used in investing activities

(965)

(583)

(23,728)

- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) [ü] A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Bank

MUTB: (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);

- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);

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- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Bank

- MUSHD: (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment

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Company Act of 1940 (15 U.S.C. 80a-3);

(j) [ü] A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);

(k) [] Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Broker-dealer

MUMSS: (a) [] Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);

(b) [] Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);

(c) [] Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);

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- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Broker-dealer

- MUSI: (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section

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3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);

(k) Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Broker-dealer, Bank

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- MUAM: (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) [ü] A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Investment adviser

- MUI: (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment

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Company Act of 1940 (15 U.S.C. 80a-8);

- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Investment adviser

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- KC: (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Broker-dealer

- KAM: (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);

- (h) [] A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) [] A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

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- (j) [ü] A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J);
- (k) [] Group, in accordance with § 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution: Investment adviser

ITEM 4 Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

For MUFG

- (a) Amount beneficially owned: 8,673,310
- (b) Percent of class: 6.30%
- (c) Number of shares as to which the person has:
- (i) Sole power to vote or to direct the vote: 8,673,310
- (ii) Shared power to vote or to direct the vote: -0-
- (iii) Sole power to dispose or to direct the disposition of: 8,673,310
- (iv) Shared power to dispose or to direct the disposition of: -0-

For BTMU

- (a) Amount beneficially owned: 4,213,223
- (b) Percent of class: 3.06%
- (c) Number of shares as to which the person has:
- (i) Sole power to vote or to direct the vote: 4,213,223
- (ii) Shared power to vote or to direct the vote: -0-
- (iii) Sole power to dispose or to direct the disposition of: 4,213,223

disposition of:

(iv) Shared power to dispose or to direct the disposition of: -0-

For MUTB

(a) Amount beneficially owned: 3,762,300

(b) Percent of class: 2.73%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote: 3,762,300

(ii) Shared power to vote or to direct the vote: -0-

(iii) Sole power to dispose or to direct the disposition of: 3,762,300

(iv) Shared power to dispose or to direct the disposition of: -0-

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For MUSHD

(a)	Amount beneficially owned:	336,387
(b)	Percent of class:	0.24%
(c)	Number of shares as to which the person has:	
	(i) Sole power to vote or to direct the vote:	336,387
	(ii) Shared power to vote or to direct the vote:	-0-
	(iii) Sole power to dispose or to direct the disposition of:	336,387
	(iv) Shared power to dispose or to direct the disposition of:	-0-

For MUMSS

(a)	Amount beneficially owned:	95,387
(b)	Percent of class:	0.07%
(c)	Number of shares as to which the person has:	
	(i) Sole power to vote or to direct the vote:	95,387
	(ii) Shared power to vote or to direct the vote:	-0-
	(iii) Sole power to dispose or to direct the disposition of:	95,387
	(iv) Shared power to dispose or to direct the disposition of:	-0-

For MUSI

(a)	Amount beneficially owned:	241,000
(b)	Percent of class:	0.17%
(c)	Number of shares as to which the person has:	

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	(i) Sole power to vote or to direct the vote:	241,000
	(ii) Shared power to vote or to direct the vote:	-0-
	(iii) Sole power to dispose or to direct the disposition of:	241,000
	(iv) Shared power to dispose or to direct the disposition of:	-0-
For MUAM		
(a)	Amount beneficially owned:	308,500
(b)	Percent of class:	0.22%
(c)	Number of shares as to which the person has:	
	(i) Sole power to vote or to direct the vote:	308,500
	(ii) Shared power to vote or to direct the vote:	-0-
	(iii) Sole power to dispose or to direct the disposition of:	308,500
	(iv) Shared power to dispose or to direct the disposition of:	-0-

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For MUI

(a)	Amount beneficially owned:	4,000
(b)	Percent of class:	0.00%
(c)	Number of shares as to which the person has:	
	(i) Sole power to vote or to direct the vote:	4,000
	(ii) Shared power to vote or to direct the vote:	-0-
	(iii) Sole power to dispose or to direct the disposition of:	4,000
	(iv) Shared power to dispose or to direct the disposition of:	-0-

For KC

(a)	Amount beneficially owned:	12,100
(b)	Percent of class:	0.01%
(c)	Number of shares as to which the person has:	
	(i) Sole power to vote or to direct the vote:	12,100
	(ii) Shared power to vote or to direct the vote:	-0-
	(iii) Sole power to dispose or to direct the disposition of:	12,100
	(iv) Shared power to dispose or to direct the disposition of:	-0-

For KAM

(a)	Amount beneficially owned:	36,800
(b)	Percent of class:	0.03%
(c)	Number of shares as to which the person has:	

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(i) Sole power to vote or to direct the vote:	36,800
(ii) Shared power to vote or to direct the vote:	-0-
(iii) Sole power to dispose or to direct the disposition of:	36,800
(iv) Shared power to dispose or to direct the disposition of:	-0-

ITEM 5

Ownership of Five Percent or Less of a Class

Not applicable.

ITEM 6

Ownership of More than Five Percent on Behalf of Another Person

Not applicable.

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ITEM Identification and Classification of the Subsidiary which Acquired the Security Being Reported on by the
7 Parent Holding Company or Control Person

As of December 31, 2010, MUFG beneficially owns 8,673,310 shares of the issuer indirectly through its subsidiaries as follows: BTMU holds 4,213,223 shares; MUTB holds 3,762,300 shares; MUSHD holds 336,387 shares (including 95,387 shares indirectly held through MUMSS, and 241,000 shares indirectly held through MUSI, both of which are MUSHD's subsidiaries); MUAM holds 308,500 shares; MUI holds 4,000 shares; KC holds 12,100 shares; and KAM holds 36,800 shares.

ITEM 8 Identification and Classification of Members of the Group

Not applicable.

ITEM 9 Notice of Dissolution of Group

Not applicable.

ITEM 10 Certifications

By signing below the filers certify that, to the best of their knowledge and belief, (i) the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, and (ii) the foreign regulatory schemes applicable to parent holding companies, banks, broker-dealers and investment advisers, respectively, are substantially comparable to the regulatory schemes applicable to the functionally equivalent U.S. institutions. The filers also undertake to furnish to the Commission staff, upon request, information that would otherwise be disclosed in a Schedule 13D.

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

MITSUBISHI UFJ FINANCIAL GROUP, INC.

By: /s/ Hironori Kamezawa

Name: Hironori Kamezawa

Title: General Manager, Credit & Investment Management
Division

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By: /s/ Hironori Kamezawa

Name: Hironori Kamezawa

Title: General Manager, Credit Policy & Planning Division

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

MITSUBISHI UFJ TRUST AND
BANKING CORPORATION

By: /s/ Hiroki Masuoka

Name: Hiroki Masuoka

Title: Deputy General Manager of Trust Assets
Planning Division

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

MITSUBISHI UFJ SECURITIES
HOLDINGS CO., LTD.

By: /s/ Shingo Sumimoto

Name: Shingo Sumimoto

Title: General Manager, Corporate Planning Division

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

mitsubishi ufj morgan stanley
SECURITIES CO., LTD.

By: /s/ Koji Nishimoto

Name: Koji Nishimoto

Title: Executive Officer, General Manager,
Corporate Planning Division

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

MITSUBISHI UFJ SECURITIES
INTERNATIONAL PLC

By: /s/ Yasutaka Suehiro

Name: Yasutaka Suehiro

Title: Chief Administration Officer

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

mitsubishi ufj asset
management co., ltd.

By: /s/ Katsutoshi Edamura

Name: Katsutoshi Edamura

Title: General Manager of Risk Management Division

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

MU INVESTMENTS CO., LTD.

By: /s/ Yuya Saijo

Name: Yuya Saijo

Title: Senior Managing Director

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

KABU.COM SECURITIES CO., LTD.

By: /s/ Takeshi Amemiya

Name: Takeshi Amemiya

Title: General Manager of Corporate Administration

CUSIP No.
560877300

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2011

KOKUSAI ASSET MANAGEMENT CO.,
LTD.

By: /s/ Takeshi Dohi

Name: Takeshi Dohi

Title: General Manager, Investment Management
Planning Dept.