

November 15, 2007

AnGes MG, Inc.

Announcement of a Contract Concluded by Three Companies on R&D of “Drug-Eluting  
Balloon Catheter” for Prevention of Vascular Restenosis

**AnGes MG, Inc.** (hereinafter referred to as “AnGes”) announces that a joint research and development contract was concluded by **Medikit Co., Ltd.** (hereinafter referred to as “Medikit”), **Hosokawa Powder Technology Research Institute** (hereinafter referred to as “Hosokawa”), a research and development-oriented subsidiary of Hosokawa Micron Corporation, and AnGes. This contract pertains to the joint R&D of “drug-eluting PTA balloon catheter (with NF- $\kappa$ B decoy-oligo coating)” designed for use in prevention of vascular restenosis.

This project has been adopted by NEDO (New Energy and Industrial Technology Development Organization) under the research assignment program “technological development to promote cross-linking of basic research with clinical research (promotion of technological development cross-linking)” within the framework of the 2007 health assurance program and is entitled to receive certain subsidies.

**<R&D Project Outline>**

PTA balloon catheter means a medical device composed of a slim tube (catheter) which tip is fitted with a balloon used to dilate blood vessels. This catheter is used for percutaneous transluminal angioplasty for peripheral blood vessels.

This catheter is applied in the following way. A cylinder called a “sheath” is inserted into a blood vessel of the foot or hand. Through this sheath, the balloon catheter is inserted and advanced towards the stenosis lesion of the blood vessel, where the balloon is inflated to treat vascular stenosis or to recover the diameter of the blood vessel. This is used for the treatment of arteriosclerosis obliterans, treatment of stenosis of the \*shunt vessels created in the arm of hemodialysis patients, and so on.

\*shunt vessels: For patients receiving hemodialysis, anastomosis of vein and artery, primarily of the forearm, is performed in order to form a bypass that ensures blood route with enough high blood flow needed for short-time clarification of a large amount of blood. The blood vessels with this bypass are called as shunt vessels.

This therapeutic approach has been already established as a clinical use. However, the phenomenon of restenosis of the blood vessels following treatment with PTA balloon catheter,

occurring at an incidence of about 30%, has recently been highlighted as a serious clinical complication.

In order to prevent restenosis, this project tries to overcome this complication by developing PTA balloon catheter of a new innovative concept. To put it concretely, this project pertains to coat the outer surface of the balloon with PLGA nanoparticles containing NF- $\kappa$ B decoy-oligo (gene-based therapeutic nucleic acid medicine) that has the effect of suppressing acute inflammation reaction that occurs during vasodilation.

In the field of cardiology, similar devices such as DES (drug-eluting metallic stents) which surface is coated with anti-cancer drugs or immunosuppressors for the treatment of stenosis vessels have been marketed. Clinical efficacy of these kinds of \*stents has been endorsed, and its market has been rapidly expanding.

\*stents: Metallic mesh tubes used to dilate the narrowed or obstructed blood vessels of the heart (coronary arteries). These tubes are kept inserted to maintain sufficient blood flow of the treated blood vessels.

At present, however, there is no drug-eluting balloon catheter (with drugs directly coated on its surface) which is capable of preventing restenosis and requires no stent. Such device for not only in the field of peripheral blood vessels but for also in the field of cardiology has not yet been launched in any country in the world.

This project is aimed to marketing a “drug-eluting PTA balloon catheter” of a new concept which is expected to contribute greatly to **improving patients’ QOL (quality of life)** and is beneficial also from the viewpoint of medical economy.

#### **<Role assignment of the three parties in this joint R&D project>**

This project will be carried out as a joint R&D project involving AnGes engaged in the development of pharmaceutical preparations based on NF- $\kappa$ B decoy-oligo, Medikit having global experience with manufacture and distribution of medical devices such as catheters and Hosokawa having DDS (Drug Delivery System) technology utilizing nanoparticles. Each party assumes the roles as specified below.

- AnGes: Optimization of the conditions for NF- $\kappa$ B decoy-oligo coating
- Medikit/Togo Medikit: Establishing and affirming the technology for coating PTA balloon catheters with the drugs
- Hosokawa: Optimization of the conditions for making the PLGA nanoparticles, biocompatible macromolecule and 200 nanometer in size, to contain NF- $\kappa$ B decoy-oligo

Animal experiments for evaluation of the drug-eluting balloon catheter will be carried out at the Osaka University Graduate School of Medicine.

<Reference>

Company name: Medikit Co., Ltd. / \*Togo Medikit Co., Ltd.  
Head office: 1-13-2 Yushima, Bunkyo-ku, Tokyo  
President and Representative Director: Hiroaki Nakajima  
Established: June 1973  
Capital: 1,241 million yen (end of March 2007)  
Number of employees: 146 (end of March 2007)  
Sales: 11,574 million yen (end of March 2007)  
Scope of businesses: Development, manufacture, distribution and export of  
medical devices

\*Togo Medikit Co., Ltd. is a 100% subsidiary of Medikit Co., Ltd.

Company name: Hosokawa Powder Technology Research Institute  
Head office: 1-9 Shoudai Tajika, Hirakata City, Osaka  
Representatives: Chairman; Masuo Hosokawa  
President; Yasuo Kousaka  
Established: October 2002 (Founded: September 1958)  
Capital: 491 million yen  
Number of employees: 37 (October 2007)  
Scope of business: Unique particle designing and processing technologies  
specializing in nanoparticle technology  
\* Contract R&D, contract of material processing,  
distribution of nano compound particle related material  
or products, manufacture and distribution of high  
functional cosmetics and hair growing agents  
Share holder (stock holdings ratio): Hosokawa Micron Corporation (100%)  
Consolidated sales: 42,814 million yen  
(September 2006)