

January 24, 2005

AnGes MG, Inc.

**The Research-and-Development Type Venture Business Consortium That Includes
AnGes MG, To Receive Research Grant From New Energy and Industrial Technology
Development Organization**

-- Development of NFκB decoy oligo therapeutic agent for IBD --

New Energy and Industrial Technology Development Organization (NEDO) has selected the genetic medicine development project for an NFκB decoy oligo therapy for IBD (Inflammatory Bowel Disease) by the research-and-development type venture business consortium including AnGes MG as one of its supported research programs. NEDO had solicited applications for new research projects to be awarded grants as part of its "FY2004 project to support the technology development of the R&D type venture businesses," which was established to support product development for commercialization by the private and research-and-development type venture businesses, and the NFκB decoy oligo therapy was selected as one of the project's major themes.

IBD is a chronic disorder and the two most common forms are ulcerative colitis and Crohn's disease. It is estimated that there are about one hundred thousand patients in Japan and the number of patients is rapidly increasing as the lifestyle changes. The prevalence is higher in Europe and the United States and it is reported that there are more than one million patients in the United States.

However, no effective treatments other than operations have been developed yet for those afflicted with severe IBD. The development of new treatments for the diseases is anxiously awaited.

AnGes MG has been developing NFκB decoy as a gene-based therapy that treats immune inflammatory diseases including atopic dermatitis and rheumatic arthritis. AnGes MG has considered the possibility of applying NFκB decoy oligo to treat IBD because NFκB decoy oligo can specifically inhibit transcription factors liable to cause inflammation. The NFκB decoy oligo project was selected for support by NEDO because the possibility that it may be effective as a therapeutic agent for IBD has been demonstrated in animal tests conducted so far.

This development project will be carried out by the consortium of four companies, AnGes MG, Gene Design Inc. (Gene Design), GenomIdea Inc. (GenomIdea) and Bio-Sight Capital, Inc. (BSC) as a coordinator. This development will proceed with the following allocation of responsibilities:

BSC: Comprehensive project management and coordination

Gene Design: Drug design including the sequence and structure of NFκB decoy oligo (nucleotide)

GenomIdea: Development of the delivery system and implementation of preclinical trials

AnGes MG: Implementation of preclinical trials and preparation for clinical trials

In principle, the companies in the consortium will be able to receive funding equivalent to two-thirds of the development costs for two years to develop a therapeutic agent for IBD. The grant for 2005 will be about JPY 270 million, and financial support will be provided for preclinical trials to develop an NFκB decoy oligo therapeutic agent for IBD.

Company Profile

Gene Design Inc.

Head office: 7-7-15 Saito-Asagi Ibaraki-shi, Osaka

President: Kazuhiko Yuyama

Established: December 2000

Capital: 18 million yen (October 2004)

Number of employees: 17 (December 2004)

Sales: 103 million yen (term ending October 2004)

Scope of business: Contracting of DNA and RNA synthesis, development of innovative nucleic acid synthesis technology, etc.

Bio-Sight Capital, Inc.

Head office: 7-7-15 Saito-Asagi Ibaraki-shi, Osaka

President: Masayuki Tani

Established: December 2002

Capital: 32 million yen (December 2004)

Number of employees: 4 (December 2004)

Scope of business: Management and operations business of investment business union,

incubation business, rental business of research facilities

GenomIdea Inc.

Head office: 7-7-15 Saito-Asagi Ibaraki-shi, Osaka

President: Takuma Nakatsuka

Established: July 2002

Capital: 196 million yen (September 2004)

Number of employees: 24 (December 2004)

Sales: 101 million yen (term ending December 2003)

Scope of business: Research and development of vectors for gene therapy and DDS, search of new useful genes and molecules, etc.

Major shareholder

(equity ratio): AnGes MG, Inc. (61.6%)