

August 10, 2005

AnGes MG, Inc.

Avontec (Germany) and AnGes MG to form an Alliance
- Obtained a license of STAT-1 Decoy Oligo in Asia -

We would like to announce that we have executed a cross license agreement with a German biotech, Avontec, engaged in oligonucleotide based product development, and will license each other its decoy oligo product.

Through this alliance, Anges will obtain a license of STAT-1 decoy oligo in respiratory and dermal indications, and will be able to strengthen its pipeline.

This Cross license consists of Avontec to license its STAT-1 decoy oligo in respiratory and dermal indications in Asia, and Anges to license its NFkB Decoy oligo in psoriasis indication in Europe.

Avontec is a biotech company founded in 2001, which was originated from Goettingen University (Niedersachsen) to commercialize the research activities of Professor Markus Hecker and Professor Gerd Hasenfuss. STAT-1 decoy oligo is the leading oligonucleotide based product of Avontec which currently is being developed in Europe.

As for asthma, which is included in the rights to be licensed to Anges, the safety and potential efficacy of STAT-1 decoy oligo has already been confirmed in preliminary small phase IIa study conducted in Europe.

The patient number of asthma in Japan is 1.1 million and the market size of anti allergic products including asthma is as huge as 200 billion Yen, and is expected to be a promising target indication of STAT-1 decoy oligo.

At the same time of executing this cross license agreement, "Bio Sight Innovation 1st Investment Limited Partnership", which has been established through joint investment by Anges and Nikko Principal Investments (NPI) (details in a separate press release of today), has invested to Avontec (investment amount : Euro 5MM, participation 22%) .

Through this cross license, Anges and Avontec will share its know-how established in the field of oligonucleotide development and we believe a synergy effect can be achieved. NPI plans to support Avontec from financial and business development side, in order to increase the value of Avontec.

Company Profile

Avontec GmbH

Location : Fraunhoferstrasse 15, D-82152 Martinsried, Germany

Representative : President & CEO Dr. Thomas Schulze

Founded : 2001

Number of Employee : 5 (As of December 2004)

Activity : Development of gene related therapeutics

Investors : VCG Venture Capital Gesellschaft GmbH & Co. Fonds III KG 28%

Bio Sight Innovation 1st Investment Limited Partnership 22%