

March 31, 2011

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MEDRx Co. Ltd. and AnGes MG, Inc. Entered into a License Agreement

— Improvement of the skin permeability of NF-κB decoy oligodeoxynucleotide —

AnGes MG Inc. (hereafter called “AnGes”) is pleased to announce that AnGes executed a license agreement with MEDRx Co. Ltd. (hereafter called “MEDRx”) for a transdermal formulation technology, being developed by MEDRx.

AnGes and MEDRx have been jointly developing new formulations using a novel transdermal formulation technology owned by MEDRx in order to further improve the skin permeability of a topical formulation with NF-κB decoy oligodeoxynucleotide. AnGes obtained a license from MEDRx to use the above mentioned transdermal formulation technology in development of NF-κB decoy oligodeoxynucleotide for treatment of all indications that can be treated topically, including atopic dermatitis. With this license agreement, in order to build close cooperative relations between two companies, AnGes will also make investment in MEDRx.

Nucleic-acid medicine, such as siRNA and antisense including NF-κB decoy oligodeoxynucleotide, draws attentions as a promising next generation medicine. Yet, it has its weakness in difficulty in delivery of adequate amount to the target organs because of its high-molecular-weight. In order for its development as medicine, this difficulty must be overcome. With NF-κB decoy oligodeoxynucleotide, it is expected that the MEDRx's formulation technology improves the transdermal absorption rate by dozens of times, compared to conventional ointment formulations and the therapeutic effect has been demonstrated in the clinical studies. It is believed that its efficacy is not limited to facial lesions in atopic dermatitis which is thought to have relatively high skin permeability, but also it can be applied to inflammatory skin diseases such as wider skin rash and psoriasis, etc. Moreover, because it enables to reduce the drug concentration, it can be expected to enhance the profitability of NF-κB decoy oligodeoxynucleotide.

There will be only minimal effect of this agreement on the business performance during the current fiscal year. Thus, there will be no revision in the business forecast.

<Reference>

Company name:	MEDRx Co., Ltd.
Head office:	431-7 Nishiyama, Higashikagawa-shi, Kagawa, Japan
Representative:	Masayoshi Matsumura, President & CEO
Established:	January 2002
Capital:	1,997 million yen (as of the end of December 2010)
Number of employees:	23 (as of the end of December 2010)
Consolidated sales:	291 million yen (for the term ending in December 2010)
Scope of business:	Development of medicinal products based on drug formulation technologies

- Glossary -

1. NF- κ B (nuclear factor-kappa B)

Genes have important functions in maintaining the homeostasis of the living body, but not all genes are always used. Proteins called transcription factors control the use of genes when needed. NF- κ B is one of the transcription factors which play an important role in regulating various forms of gene expression related to inflammation, immunity, stress, etc. However, when NF- κ B is activated excessively by various factors, gene expression cannot be stopped, thereby causing excessive inflammation or immune responses. In fact, it is pointed out that NF- κ B is involved in diseases caused by abnormal inflammation or immune responses such as atopic dermatitis, psoriasis, rheumatic arthritis, etc.

2. Decoy nucleotides

Gene expression is caused by the genomic binding of transcription factors. Decoy is a short double stranded nucleic acid consisting of the same sequence as the binding site of certain transcription factors. The administration of decoy suppresses the excessive gene expression by inhibiting the binding of transcription factors to the genome.

3. NF- κ B decoy oligodeoxynucleotide

NF- κ B decoy oligodeoxynucleotide is a decoy against NF- κ B. It targets transcription factors per se, and therefore is considered to have superiority as a therapeutic drug, and is expected to reduce adverse drug reactions, as compared to existing drugs. AnGes is developing NF- κ B decoy oligodeoxynucleotide as a therapeutic drug for diseases caused by immune responses, such as atopic dermatitis, psoriasis, and rheumatic arthritis.

4. The novel preparation technology, owned by MEDRx

The skin absorption technology is based on ionic liquid, which are liquid salt at room temperature (also called ambient temperature molten salt). By using this technology, it is expected to significantly enhance the transdermal absorption rate of active substance, including high molecular.