October 14, 2003
AnGes MG, Inc.

AnGes MG and Hokkaido System Science Co., Ltd. establish corporate alliance
-Granting of manufacture and marketing rights for NFB decoy oligo reagent-

Today AnGes MG, Inc. concluded a licensing agreement with Hokkaido System Science Co., Ltd., which specializes in nucleic acid synthesis. According to this agreement, AnGes MG licenses the manufacture and marketing of NFB decoy oligo patented in the USA; patent pending in Japan, for subsequent use as a reagent.

NFB decoy oligo is an artificially-synthesized double-stranded nucleic acid which is 20 base pairs long and has the same sequences that naturally occur in genes. It regulates the expressions of cytokines and adhesion factors responsible for cancers and immune inflammatory diseases by inhibiting the transcription factor NFB. AnGes MG has been developing NFB decoy oligo as a therapeutic agent for atopic dermatitis and articular rheumatism as well as a prophylactic agent for restenosis.

Various basic research aiming at clarifying the disease mechanisms of cancers and immune inflammatory diseases, researches focusing on NFB have been carried out at reserch institutions in Japan as well as abroad. AnGes MG therefore has opted to enter into a corporate alliance with Hokkaido System Science to develop and supply reagents for public research institutions such as universities, believing that the Company can make a valuable contribution to basic research relating to these diseases and the development of therapeutic agents, through the use of NFB decoy oligo which can inhibit NFB.

The alliance with Hokkaido System Science for the manufacture and marketing of NFB decoy oligo as a research reagent will enable AnGes MG to supply the research reagent of NFB decoy oligo to research institutions throughout Japan as well as abroad.

The royalties from Hokkaido System Science will contribute to the Company's revenue.
The effect of the cooperative agreement on the Company's earnings cannot be determined at present.

Reference

1. NFB (nuclear factor-kappa B)

NFB is a genetic factor enabling regulation of cytokines and adhesion factors - related to immunological reactions. Bonding NFB to a genome causes excessive transcription of immunization-related genetic expressions. This is why NFB has been indicated as one of the causes of atopic dermatitis and rheumatic arthritis.

2. NFB decoy oligo (NF kappa B decoy oligodeoxynucleotide)

A genetic expression features a switch - transcriptional factor - bonded to a genome. A decoy is an artificial gene (also referred to as nucleotide) in which a "compressed" nucleic acid of the same genetic sequences as the aforementioned transcriptional factor is artificially synthesized, which when introduced to the body, neutralizes those "switches" by preventing their bonding to a genome, thereby regulating the transcription process.

It is a decoy nucleotide against NFB. AnGes MG is developing therapeutic agents on the basis of its properties to treat patients suffering from atopic dermatitis, rheumatic arthritis, and restenosis - conditions caused by excessive immunological response.

Company Profile

Corporate name:　Hokkaido System Science Co.,LTD
Head office: 1-1-34, 14-jyo Hassamu, Nishi-ku, Sapporo, Hokkaido, 063-0834 Japan
President and CEO:　Yukio Mizutani
Established:　September, 1988
Capital:　126 million yen (September 2003)
Number of employees:　95 (September 2003)
Sales: 1,086 million yen (for 2002)
Scope of business:　Contracting of DNA synthesis, DNA sequencing, etc.

Corporate name:　AnGes MG, Inc.
Head office: 1-4-2 Shin-senri Higashi-Machi, Toyonaka-shi, Osaka, 560-0082 Japan
President and CEO:　Ei Yamada
Established:　December, 1999
Capital:　4,760 million yen (October 10, 2003)
Number of employees:　62 (June 2003)
Sales: 1,794 million yen (for 2002)
Scope of business:　Research and development of genetic medication