FOR IMMEDIATE RELEASE

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AnGes MG, Inc.

# AnGes and Shionogi Agree to Start a Phase I Study for Atopic Dermatitis Treatment Drug

AnGes MG Inc. (“AnGes”) announced today that it has reached an agreement with Shionogi & Co., Ltd. (Head Office: Osaka, President and Representative Director, Isao Teshirogi, “Shionogi”) to start a Phase I study of a treatment drug for atopic dermatitis using NF-κB Decoy Oligonucleotide (“NF-κB decoy oligo”).

The decision to start the Phase I study was made upon the completion of the preclinical study for the new NF-κB decoy oligo drug for external use, in which it showed improved skin penetration compared to the previous drug formulation.

Since the license agreement for co-development and exclusive global marketing rights of NF-κB decoy oligo as a drug for atopic dermatitis treatment in December, 2010, AnGes and Shionogi have been carrying out discussions on the strategic development plan.

The number of patients with atopic dermatitis is estimated to be 2.8 million in Japan alone, and 10 million in the U.S. with an increasing tendency. From the safety aspect, currently available products do not satisfy healthcare needs because of irritation and local adverse reactions. For this reason, a drug with higher safety is desired as a new treatment option.

Efficacy of NF-κB decoy oligo has already been confirmed in the clinical trials of the previously developed NF-κB decoy oligo ointment drug conducted in the patients with moderate and severe atomic dermatitis. NF-κB decoy oligo is expected to become a dermal topical product with the new function that is less irritating to the skin.

The Phase I study will start around June this year, and the safety of the new NF-κB decoy oligo drug will be examined as a treatment for atopic dermatitis.

The license agreement between AnGes and Shionogi also includes the general skin disorders that can be treated by dermal topical products, including plaque psoriasis, a disease in which the U.S. and Europe have a large number of patients.

AnGes will receive milestone payment from Shionogi upon the start of the Phase I study. The effect on the business performance for the fiscal year of 2013 is already included in the forecast announced on February 7, 2013, thus no change has been made to the performance forecast.

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(Reference)

1. NF-κB (nuclear factor-kappa B)

NF-κB is a transcription factor which plays the main role in cellular activation of inflammatory and immune reaction. It has been pointed out that the activation of NF-κB causes and worsens abnormal inflammation and immune related diseases such as atopic dermatitis, psoriasis and rheumatic arthritis.

2. Decoy Oligodeoxynucleotide

A genetic expression can be controlled if transcription factors are directly bonded to chromosomal DNA. Decoy Oligodeoxynucleotide is a nucleic acid drug with a short double strand DNA that has the same sequence of the transcription factor binding site of target chromosomal DNA. When it is introduced to the body, it suppresses the genetic expression by preventing the transcription factor from binding to the chromosomal DNA.

3. NF-κB Decoy Oligonucleotide (NF-κB decoy oligo)

NF-κB decoy oligo is a decoy oligo with the same genetic sequences as NF-κB-binding site. It prevents the functions of NF-κB transcription factor by efficiently and specifically binding to NF-κB. With its function to inhibit the NF-κB activation, it is expected to be effective in inflammatory disorders caused by excessive inflammatory responses.



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