

March 24, 2003

AnGes MG, Inc.

Notification of joint genetic function analysis R&D

This is to inform that AnGes MG and its subsidiary, Genomidia Inc., concluded a joint R&D agreement with Shimadzu Corporation and Professor Yasushi Kaneda, a leading researcher from the Osaka University Graduate School of Medicine. The present agreement is concerned with the joint development of accelerated genetic function analysis technology on the basis of HVJ envelope vectors (HVJ-E virus-free vectors), and further practical applications of the new genes.

The agreement stipulates for the Osaka University to develop the technology to quickly analyze genetic functions using HVJ-E virus-free vectors, AnGes MG Group - focus on new vector applications (select suitable genes). The Shimadzu Corporation then is to conduct basic sequencing, run the database analysis, survey the R&D status for the relevant genes around the world to verify their authenticity.

The cooperation agreement brings together the basic research on HVJ-E virus-free vectors being conducted at Osaka University, and the genetic analysis instrumentation by Shimadzu Corporation, allocating the duties according to respective competitive advantages to create a basis of the effective R&D at AnGes MG.

The intellectual property rights are to be shared by the four parties to the agreement, while for the actual implementation of the projects on the basis of the joint research the tasks are to be allocated as follows:

AnGes MG - pharmaceutical work

Genomidia - genetic function analysis

Shimadzu - genetic database analysis

The details of the research are to be communicated in our future press releases as the related impact on our operations is yet to be estimated.

Reference

What is genetic function analysis?

It is research on how a particular genetic expression works?. Being a highly effective method, the present analysis methodology features introduction to an actual cell to confirm the resultant effect of the genetic expression.

Since a basic human genome sequence was analyzed by some genome ventures in 2000, biotech/pharmaceutical companies around the globe are setting their sights on product development in the therapeutic, food, and environmental sectors in hot pursuit of applicable genes.

HVJ (Hemagglutinating Virus of Japan)

A pneumonia virus found in mice (which does not affect humans), otherwise known as the Sendai Virus, it was discovered in Japan in the 1950s. The virus features two sugar-proteins (F&HN) on its external membrane which it used to fuse cell membranes.

Vector

Must be introduced into a body, or inside a cell for a genetic expression to "work well". A genetic expression, even if attached to a cell "as is", will not work unless introduced inside the cell - this is why for genetic function analysis / genetic medication to work, a vector - promoter is necessary to break a cell's membrane and introduce the genetic expression inside.

HVJ Envelope Vector (HVJ-E virus-free vector)

The HVJ Envelope vector uses only its outer as it is completely free of the HVJ genome. Since the two proteins fuse the cell membrane, the envelope has high efficacy, and yet - features fast introduction of a genetic expression into a cell. In addition, since the vector is completely free of the original genome, it is highly safe, and many expressions can be introduced at once. This is why it can serve as a potent tool for genetic function analysis.

Finally, the vector production technology was developed by Professor Yasushi Kaneda of Osaka University, the rights for the technology have been transferred to AnGes MG.

The system of genetic expression introduction by the HVJ-E virus-free vector

HVJ -> RNA removal -> HVJ Envelope ->

Attachment of genetic expression(s) <- Genetic expression(s)

to cultured cells <- Introduction of genetic expression(s) -> to body organs

Corporate summary:

Genomidia Incorporated [GenomIdea Inc.]

Headquarters: 4-15-5 Tenma, Kita-ku, Osaka 530-0043, Japan

Representative director: Norio HASHIGUCHI

Established: July 2002

Paid-in Capital: ¥ 40 million (December 2002)

Number of Employees: 2 (December 2002)

Sales: ¥ xx million (December 2002)

Operations: Search for new genetic expressions to be applied in therapeutics and diagnostics

Shimadzu Corporation

Headquarters: 1, Nishinokyo-Kuwabara-cho, Nakagyo-ku,

Kyoto 604-8511, Japan

President and

Chief Executive Officer: Hidetoshi YAJIMA

Established

(in its current form): September 1917

Paid-in Capital: ¥ 16.8 billion (December 2002)

Number of employees: 3,600 (December 2002)

Sales: ¥ 192.084 billion (December 2002)

Operations: Production and distribution of analytical / medical / aviation / industrial equipment