

May 24, 2005
AnGes MG, Inc.

**Execution of License Agreement with Vical (USA) related to Non-viral Gene Delivery
Technology**
--Obtained an exclusive right for HGF gene's delivery--

We herewith inform that we have executed a license agreement with Vical (USA) having patents for Non-viral Gene Delivery. Through this agreement, we obtained an exclusive right to use this delivery technology in HGF in Japan, North America and Europe.

The license we obtained is for a series of patents that cover Non-viral Gene Delivery. We are engaged in the development of HGF gene therapy for indications of PAD and IHD. In this development we do not use Virus vectors but instead we deliver the gene as plasmid DNA, which is a highly safe method, as we can prevent any side effects that could be caused through the virus vector. Therefore, we decided that we need a license from Vical who owns patents related to non-viral gene delivery, so that we have negotiated with them.

As for projects using small molecules, the patent of the molecule and the method of use are mostly owned by the pharmaceutical company, so that there was no needs to in-license IP rights from outside. However, in case of gene therapy, R&D is more advanced in academic research or biotech industry, and it is difficult to own all necessary IPs within a company. Through this background, we have been pursuing with licensing activities to fully perfect our patent rights. And, we obtained a license from Vical for Non-viral Gene Delivery. From now on, we will concentrate on the development of HGF Gene Therapy in Japan and in the US, in order to launch the product for PAD and IHD as soon as possible, in order to provide this therapy to the patients.

We will pay Vical an upfront payment, and according to the progress of development, we will further pay milestones and a certain rate of royalties after launch of product.

This agreement will not cause impact to this year's financials, as we have already included these payments in our financial forecast announced on Feb 10.

Company Profile

Vical Inc.

Head office: 10390 Pacific Center Court, San Diego, CA 92121, USA

President and CEO: Vijay B. Samant

Founded: 1987

Number of Employee: 169 (as of Dec. 2004)

Activity: Development of Gene Therapeutics using Non-Viral Gene Delivery Technology