June 5, 2006
AnGes MG, Inc.

AnGes MG, Inc. Announce their Policy for Future Development of HGF Gene Therapy

AnGes MG, Inc. ("AnGes") announced that AnGes and Daiichi Pharmaceutical Co. Ltd., ("Daiichi") that has an alliance with AnGes to commercialize HGF Gene Therapy ("AMG0001"), had reached the conclusion that AnGes would make it a top priority to go forward with the domestic development of clinical trials of Peripheral Arterial Disease ("PAD") and strengthen the cooperation with Daiichi to conduct the trials.

AnGes is conducting a Phase III clinical trial in patients with PAD in Japan. The trial has been underway since March 2004, and is currently behind its initial schedule. This is because of the strict criteria for the inclusion and exclusion of subjects with the intent to increase precision of the trial and AnGes regards it as a necessary measure for the successful development of AMG0001. These plans are concrete and will not be> changed. However, AnGes recognizes that completing this trial and obtaining approval in Japan as soon as possible is the highest business priority, so that AnGes will receive further active support from Daiichi and strongly encourage medical doctors specializing in PAD to enroll the most suitable subjects.

In addition, the AnGes group is working on the development of clinical trials of both PAD and Ischemic Heart Disease ("IHD") in the US.

With regard to PAD, though no statistically significant differences were shown in all patients with critical limb ischemia, the HGF-STAT trial suggests AMG0001 could provide perfusion improvement in sub group analysis. (Please see the press release dated today, June 5th 2006.) Moreover, safety data suggest AMG0001 treatment has an excellent tolerability and no safety issues.

Furthermore, AnGes' data on the clinical and preclinical study in both Japan and the US suggest that the efficacy of AMG0001 with an appropriate injection location may increase even further. Thus, with the aim of reinforcing the data on the Phase II clinical trial, the AnGes group is conducting an additional small clinical trial in the US, to determine appropriate injection method. With the results of this trial, the AnGes group will start the Phase III clinical trial in the first half of next year.

Meanwhile, as for IHD, no safety issues were confirmed in the Phase I clinical trial as announced in the press release dated May 8, 2006. The AnGes group has been using a

catheter for direct intramyocardial injection of AMG0001 into the ischemic lesions.
On the other hand, safety concerns with this kind of catheter have been shown in a clinical trial by another company. The AnGes group will prepare the Phase II clinical trial for IHD, with the necessary additional related research for patients' safety.