August 4, 2003
AnGes MG, Inc.

AnGes MG and Gene Design Inc. establish joint operations
- Granting manufacturing and marketing rights for a novel nucleic acid sequence -

Today AnGes MG, Inc. concluded a licensing agreement with Gene Design Inc., a company specializing in the synthesis of agents on the basis of nucleic acid. The agreement provides for AnGes MG to license the manufacture of nucleic acid according to its novel technique (patent pending) for subsequent use as a reagent in Gene Design's research.

AnGes MG has been developing NFB decoy oligo nucleotides. Decoy and antisense agents on the basis of nucleic acid have been developed in Japan and abroad to treat cancer and other chronic inflammations.

The novel nucleic acid to be manufactured and distributed by Gene Design Inc. comprises a type of new decoy nucleotides. Upon AnGes MG's granting of rights for manufacturing and marketing of the nucleic acid for research purposes to Gene Design, Inc., which specializes in nucleic acid synthesis, the nucleotides will become accessible to a wide variety of research institutions in Japan and abroad. Better opportunities for research on reactions to therapeutic agents will enable the nucleotides to be used as therapeutic agents in future.

AnGes MG has submitted a patent application for the novel nucleic acid sequence, the royalties from Gene Design Inc. will contribute to the Company's revenue.

The effect of the cooperative agreement on the Company's earnings cannot be determined at present.

Reference
Explanation of specialized terms

1. Nucleotide
A fraction of a genetic expression, since it is extracted from nucleic acid (DNA or RNA), it is referred to as nucleotide. Nucleotides can be artificially synthesized.

2. Decoy nucleotides

A genetic expression features a switch - genetic factor - bonded to a genome. A decoy is a "compressed" nucleic acid of the same array as the aforementioned genetic factors, which when introduced to the body, neutralizes those "switches" by preventing their bonding to a genome, thereby regulating the transcription process.

3. Antisense nucleotides

The information in DNA has to be transcribed to mRNA for protein synthesis to begin, and thus - for a genetic expression to "work".

The antisense nucleotides supplement mRNA; when introduced to the body, these nucleotides bond to mRNA, thereby regulating the transcription process.

4. NFB (nuclear factor-kappa B)

NFB is a genetic factor enabling regulation of cytocines 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, rheumatic arthritis, miocardium infarctions, arteriosclerosis. In addition, regular medicine, such as steroids, or aspirin, even antioxidants are used to inhibit NFB.

5. NFB decoy oligo-deoxy-nucleotide

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:　Gene Design Inc.
Headquarters: 3-6-301, Mihogaoka, Ibaragi, Osaka, Japan
Head of the company: Hirotoshi Yuyama
Established: December, 2000
Paid-in capital: ¥ 10,000,000 (As of June 2003)
Number of employees: 13
Revenue: ¥ 72,000,000 (As of October 2002)
Operations: Contracting of DNA synthesis, development of innovative nucleic acid synthesis technology, etc.