

December 9, 2004

AnGes MG, Inc.

**AnGes MG Selected by Pharmaceuticals and Medical Devices Agency**  
**for Research Grant**  
**--Clinical trials are anticipated using NFκB decoy oligo therapeutic agent**  
**for atopic dermatitis--**

The Pharmaceuticals and Medical Devices Agency (the PMDA, a certified independent administrative institution in Japan) has selected the AnGes MG genetic medicine project developing a NFκB decoy oligodeoxynucleotide (NFκB decoy oligo) therapy for atopic dermatitis as one of its supported research programs. The PMDA had solicited applications for new research projects to be awarded grants within its “FY2004 project to support the commercialization of pharmaceuticals and medical devices”, which was established to promote the development of innovative products, and AnGes MG’s NFκB decoy oligo therapy was selected as one of the project’s major themes.

AnGes MG has been developing NFκB decoy as a gene-based therapy that treats immune inflammatory diseases including atopic dermatitis and rheumatic arthritis. The drug is a DNA compound that acts as a decoy, absorbing the signal that would otherwise trigger the “switch” (transcription factor) bonding to a genome, which would in turn cause the immunological overreaction that leads to such diseases. Although there are as many as 1.4 million patients with atopic dermatitis in Japan, no effective drugs have been developed yet for sufferers of severe facial atopic dermatitis. The development of new treatments for the diseases is anxiously awaited.

The AnGes MG project was selected for support by the PMDA because NFκB decoy oligo can specifically inhibit transcription factors, leading to the possibility for the development of an innovative and effective therapeutic agent with minimal side effects.

In principle, AnGes MG will be able to receive funding for three years to develop a therapeutic agent for atopic dermatitis. The grant for this year will be JPY 120 million, and financial support will also be provided for AnGes MG’s clinical trials.

The PMDA-supported clinical trials of the NFκB decoy oligo therapy for atopic dermatitis will start next year. This project will further strengthen AnGes MG’s position as a drug development venture company.