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AnGes MG, Inc.

AnGes MG Project Adopted by NEDO as Next Generation Strategic Business Program
– Development of Drug-Eluting PTA Balloon Catheter –

In fiscal 2009, an Independent Administrative Institution, New Energy and Industrial Technology Development Organization (NEDO), issued a public invitation for submissions concerning research topics for the second "Innovation Promoting Business Program" for the achievement of sustainable economic development. AnGes MG, Inc. made a submission entitled "Project for Development of a Drug-Eluting PTA Balloon Catheter" as a research topic under this program. NEDO recently announced that this project had been adopted as the next generation strategic technology development and practical application support program.

NEDO's program involves providing financial support to develop and commercialize superior technologies in order to improve the technological level, and to stimulate innovation in Japan. Its project was adopted as one received large-scale support, including for the clinical development.

A PTA balloon catheter currently used for peripheral endovascular treatment often causes restenosis of a blood vessel, for which re-inserted catheter treatment or bypass surgeries is required. To resolve these problems, AnGes MG will develop a medical device based on a new concept. It is expected that this device will prevent the restenosis of a blood vessel after the balloon is inflated, which often occurs in the peripheral blood vessel of patients with dialysis shunt or arteriosclerosis. The device is made of a PTA balloon catheter with its outer surface coated with anti-inflammatory agent NF-κB decoy which is currently under development as a medicine. The treatment with this device is expected to eliminate the need to perform repeated vascular expansion with a catheter or bypass surgery, leading to the patients' decreased burden and improved QOL.

On this project, AnGes MG has developed a method for manufacturing PTA balloon catheter coated with NF-κB decoy contained in biocompatible macromolecular PLGA nano-particle (200 nanometers in size), under the framework of the assigned project "technological development to promote cross-linking of basic research with

clinical research (promotion of technological development cross-linking)” performed up to March 2009, and the effectiveness of this catheter in animal models of restenosis was confirmed (press releases dated November 15, 2007 and November 4, 2008).

AnGes MG plans to implement this project, with the support of NEDO, during the period from October 2009 to March 2011 jointly with Hosokawa Micron Corporation and Medikit Co., Ltd.

The impact of this project to the company’s FY 2009 consolidated business performance result is minimal, for which there is no revision in the business forecast.