

July 14, 2009
AnGes MG, Inc.

AnGes Project Selected by R&D Project for Creation of Regional Innovation

-Development of Medical Products Based on Functional Peptides Derived from Plant
Regeneration Mechanism-

We are pleased to announce that the Creation of Regional Innovation R&D projects (Ministry of Economy, Trade and Industry) selected the joint project of AnGes MG, Morishita Jintan Co., Ltd. (“Morishita Jintan”) and the University of Osaka “**Development of Medical Products Based on Functional Peptides Derived from Plant Regeneration Mechanism**” as one of the 2009 projects. The selection was published on July 13.

The selected project will be carried out under the basic agreement with Morishita Jintan for joint research and development of the functional peptides with the aim to develop new products based on these peptides. The functional peptides with antimicrobial activity of which concept is based on plant regeneration mechanisms (natural healing peptides) will be used to develop affix-type medical devices that support rapid-healing and prevention of infection. Specifically, we aim to develop products such as first-aid bandage or bed sore pad which protect wound from infection and keep the affected area clean, and at the same time are safe and non-irritating to the body as well as gentle on the skin.

In the joint R&D project, we will collaborate with the University of Osaka, and will use functional peptides with antimicrobial activity selected by AnGes to evaluate their usability. Morishita Jintan will study the application of the functional peptides to new products. We aim to bring these new products to the market by the end of March, 2011, the term set by the Creation of Regional Innovation program.

The objective of the R&D projects for Creation for Regional Innovation is to promote development of practical technologies that will immediately translate into commercialization in the region by three-way collaboration of industry, academia and government so as to create a new industry for vitalization of regional economy. Our consortium is expected to create a new industry in the Kinki Region through the three-way collaboration.

The selection of our project by this program will have only a minor impact on our performance in the current fiscal year, and will cause no changes to the performance forecast.