



July 12, 2016

AnGes MG, Inc.

**AnGes to Start Development of Next-Generation Decoy Oligonucleotide
--Fundamental Technologies Established for
STAT 6/NF-kB Chimera Decoy as a Treatment for Inflammatory Diseases--**

AnGes MG, Inc. ("AnGes") announced that, having achieved technical milestones related to fundamental technology, it will initiate the product development of Chimera Decoy, the next-generation nucleic-acid drug. AnGes's Chimera Decoy is an oligonucleotide that is designed to suppress inflammation by binding and inhibiting both STAT6 and NF-kB, two of the key transcription factors for inflammatory activities. This STAT6/NF-kB Chimera Decoy is expected to act more effectively compared to AnGes's first-generation Decoy Oligo as an inhibitor for a single transcription factor, NF-kB. Research and development of STAT6/NF-kB Chimera Decoy has been conducted in collaboration with Osaka University since 2012.

In a study using model animals of asthma, STAT6/NF-kB Chimera Decoy, compared with NF-kB Decoy, indicated higher efficacy in improving airway resistance and breathing function, as well as decreases in inflammation-related cytokines. The results of this study were presented by the research team of Osaka University at the American Society of Gene & Cell Therapy Annual Meeting 2016.

STAT6/NF-kB Chimera Decoy offers other advantages including high biological stability and low production costs.

Having completed the development of the fundamental technology, AnGes will proceed with the preclinical studies and other actions required for the product development of STAT6/NF-kB Chimera Decoy, including optimization in drug formulation and safety studies. The expected target indications include asthma, rheumatoid arthritis, osteoarthritis, and Crohn disease (inflammatory bowel disease). It is the world's first attempt to develop a chimeric oligonucleotide product designed to inhibit multiple transcription factors.

STAT6/NF-kB Chimera Decoy may become the new treatment option for inflammatory

diseases. For some inflammatory diseases, several antibody products have been approved and became available in the recent years; however, unmet needs related to efficacy duration and drug price still remain. Furthermore, effective treatments are not yet available for many inflammatory diseases.

AnGes has in recent years pursued research with the aim of establishing a next-generation decoy oligonucleotide. AnGes has concluded that the advantages of STAT6/NF-kB Chimera Decoy are greater than NF-kB Decoy and it should be applied to its future decoy projects. AnGes is continuing its NF-kB Decoy projects, including for disc degeneration disease in which the efficacy has already been indicated in preclinical studies.

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Disclaimer: This is a translation of the news release posted in Japanese. In case of any discrepancies between the two language versions, the original document in Japanese shall take precedence.

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