

June 7, 2004
AnGes MG, Inc.

AnGes MG Forms a Business Alliance with NeoChemir.
Expands treatments of ischemic diseases through introduction of a new carbon dioxide generating wound dressing material

AnGes MG at this time would like to officially announce its signing of an exclusive licensing agreement for the Japanese market with NeoChemir Inc. (hereinafter "NeoChemir") to distribute their new carbon dioxide generating wound dressing, whose patent is filed by NeoChemir.

AnGes MG is currently using hepatocyte growth factor (HGF) in its clinical research to develop a new arterialization therapy intended for use in the future treatment of ischemic diseases such as arteriosclerosis obliterans (ASO). One target under development is a new type of treatment for the patients with ischemic skin ulcers. The introduction at this time of this new wound dressing for the treatment of ischemic ulcers and other diseases is expected to reinforce our product lineup, and help us continue to address the needs of the medical industry in the field of ischemic diseases.

Up to now it has been considered that the most appropriate therapy for an ischemic ulcer wound was to cover the affected area with gauze to let dry and form a scab. It has been learned in recent years, however, that the most desirable cure for such wounds is to maintain them in a moderately moist environment without letting the affected areas dry up. The wound heals more quickly due to a growth promoting substance secreted in the liquid exuded by the wound, giving rise to what is known as wet healing. This finding has led to redesigned wound dressings so that a strong moisturizing effect is added to its protective properties.

The wound coating material developed by NeoChemir which we plan to introduce at this time is characterized by its generation of carbon dioxide gas, which in addition to the aforementioned strong moisturizing action, increases oxygen concentration and blood flow in the tissue. This wound dressing is composed of two layers of different materials which when placed in contact with each other generate carbon dioxide, and then changes into a material with strong moisturizing properties.

At AnGes MG, we expect that this carbon dioxide generating wound dressing can also be used for to treat ulcers for which conventional dressings are found ineffective, because it is expected to demonstrate much stronger curative effects than possible up to the present. In addition to ischemic skin ulcers, we plan to work on this new wound dressing to broaden its application to a wider range of skin wounds, including bedsores. This plan is based on the increasing numbers of patients suffering from bedsores expected in the near future due to the rapid aging of society.

AnGes MG plans to immediately launch a research and development project on this new wound dressing material with the objective of developing a new medical product, to be marketed two years or more in the future.

Company Profile

NeoChemir Inc.

Headquarters: 2-20, Gokodori 4-Chome, Chuo-ku, Kobe 651-0087, JAPAN

President: Masaya Tanaka

Establishment: May, 2001

Capital: 92 million yen (as of May, 2004)

Personnel: 7 (as of May, 2004)

Business Field: Research and development, etc. of pharmaceutical products, medical devices, cosmetics, etc.

AnGes MG, Inc.

Headquarters: 1-4-2 Shinsenri Higashi-machi, Toyonaka City, Osaka

President: Ei Yamada

Establishment: December, 1999

Capital: 4,784 million yen (as of December, 2003)

Personnel: 51 (as of December, 2003)

Sales: 2,452 million yen (for the term ended in December, 2003)

Business Field: Research and development of genetic medication