October 10, 2002

AnGes MG, Inc.

Announcement regarding newspaper reports

Some newspapers yesterday reported that the Ministry of Health, Labor and Welfare decided to partially suspend genetic medication. This followed the decisions by France's national health agency and the FDA in the United States to suspend similar therapies. It has been confirmed that leukemia might have been the result of such therapies in some of the patients who received treatment with the alike genes.

As stated in our release of October 7, the genetic medication to be suspended involves the use of genetic vector (recombinant retrovirus vector) made from the leukemia virus found in mice. Since we usually inject safe annular genes (plasmides) directly, AnGES MD HGF genetic medication is excluded from the list of the Ministry of Health, Labor and Welfare.

Our company will continue to develop HGF genetic medications as planned. We have received a letter from the Recombinant DNA Advisory Committee (RAC) of the United States National Institute of Health (NIH) stating that it unanimously agrees with planned applications for phase 2 clinical trials in late September 2002. Therefore, we are planning to make an application to the FDA for phase 2 of our clinical trials. In Japan, preparation is proceeding toward the start of clinical trials in 2003.