

FOR IMMEDIATE RELEASE



March 26, 2013

AnGes MG, Inc.

AnGes Grants Nippon Zoki the Exclusive Development and Marketing Rights of NF- κ B Decoy Oligo for Lower Back Pain Disease Including Disc Degeneration in Japan

AnGes MG Inc. ("AnGes") announced today that a licensing agreement has been signed with Nippon Zoki Pharmaceutical Co., Ltd. (Head Office: Osaka, President & CEO, Ryusaku Konishi, "Nippon Zoki") for exclusive development and marketing rights of NF- κ B decoy oligo as a treatment for lower back pain diseases including disc degeneration in Japan.

NF- κ B decoy oligo is a nucleic acid medicine that AnGes has been undertaking developments as a treatment for inflammatory diseases including atopic dermatitis, rheumatoid arthritis, and vascular restenosis. With its function to inhibit production of inflammatory cytokine, NF- κ B decoy oligo is expected to be an effective treatment for diseases caused by excessive inflammatory reaction or immune response.

Disc pain disease is a chronic lower back pain disease caused by disc degeneration and other related factors, and is common among middle-age and elderly population. In disc degeneration, pain associated molecules such as NGF and COX2 are induced along with inflammatory cytokine such as IL-1 and TNF- α and extracellular matrix proteases are produced. NF- κ B decoy oligo inhibits expression of those disease factors using intervertebral disc cell culture model. Its pharmacological efficacy was also demonstrated in the disc degeneration animal model. These results showed that NF- κ B decoy oligo can be a novel drug with an analgesic effect toward chronic lower back pain and a potential effective treatment for disc degeneration.

AnGes believes that the value of NF- κ B decoy oligo will be increased with the partnership with Nippon Zoki who has strength in marketing. With the aim of obtaining the marketing approval of the therapeutic drug, AnGes provides drug substance and its data to Nippon Zoki who will manufacture and conduct clinical trials.

The number of potential patients with intervertebral disk disorder is estimated to be more than two million in Japan. According to the Ministry of Health, Labour and Welfare (MHLW), 430,000 of those patients are receiving treatments at medical facilities, and the number is increasing.

Currently, only symptomatic treatments such as antiphlogistic analgetic is available to treat lower back pains caused by disc degeneration. Therefore, a treatment with NF- κ B decoy oligo that can inhibit the progress and stimulate the repair in disc degeneration is expected to be a breakthrough drug.

Under the exclusive development and marketing license agreement, AnGes will receive upfront and milestone payments, and sales-based royalties from Nippon Zoki.

This trend will have a minor effect on the business performance for the fiscal year of 2013, and no change has made to the performance forecast.

(Reference)

- About Nippon Zoki -

Name: Nippon Zoki Pharmaceutical Co., Ltd

Head office: 1-2, Hiranomachi Nichome, Chuo-ku, Osaka, Japan

Representative: President & CEO, Ryusaku Konishi

Founded: October 1939

Capital: one hundred-million yen

Activities: Pharmaceutical drugs, OTC drugs, and Industrial plants (precision machinery)

1. NF- κ B (nuclear factor-kappa B)

Genes play an important role in maintaining homeostasis; however most genes are not usually expressed. Transcription factors are proteins that regulate the expressions of genes when needed. NF- κ B is a genetic factor which expressed to enable cells to evoke inflammatory and immune reactions when inflammation and immunity are activated and when there is external stimulus such as oxidant stress due to active enzyme, etc. It has been pointed out that the activation of NF- κ B causes and worsens abnormal inflammation and immune related diseases such as atopic dermatitis, psoriasis and rheumatic arthritis.

2. Decoy Oligodeoxynucleotide

A genetic expression features a switch - genetic factor - bonded to a genome. A decoy is a "compressed" nucleic acid of the same array as the aforementioned genetic factors, which when introduced to the body, neutralizes those "switches" by preventing their bonding to a genome, thereby regulating the transcription process.

3. NF- κ B Decoy Oligodeoxynucleotide (NF- κ B decoy oligo)

NF- κ B decoy oligo is a decoy oligo with the same genetic sequences as NF- κ B-binding site. As it

targets transcription factor itself, compared to conventional drugs, it is expected to have superior efficacy due to its specificity and definite effects on molecular target.

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

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