



June 28, 2012
AnGes MG, Inc.

Ishihara Sangyo, AnGes MG and Subsidiary GenomIdea Enter into a Letter of Intent for the Transfer of the HVJ-E Business

AnGes MG, Inc. ("AnGes") and subsidiary GenomIdea Inc. ("GenomIdea") have entered into a letter of intent with Ishihara Sangyo Kaisha, Ltd. (Head Office: Osaka, President & CEO: Kazutaka Fujii, "Ishihara Sangyo") to transfer to Ishihara Sangyo the HVJ-E (Hemagglutinating Virus of Japan Envelope) business of GenomIdea.

AnGes and GenomIdea discovered a drug delivery function of HVJ-E and found that it was effective as a system to improve the absorption of the active ingredients including gene medicines, nucleic acid medicines and protein-based medicines as well as conventional low molecular weight compounds. AnGes and GenomIdea have been co-developing this delivery system with Ishihara Sangyo.

Ishihara Sangyo has established a fundamental technology by using HVJ-E to encapsulate genes, antibody proteins, siRNAs and other substances and transfect these substances into cells and animal tissues. In Japan, Ishihara Sangyo commercialized the "gene and protein transfection reagent GenomONE™ Series." In the United States, the company was first to succeed in commercialization of an HVJ Envelope VECTOR KIT. The company also commercialized the "cell fusion reagent GenomONE™ -CF." both in Japan and the United States. In addition, AnGes and GenomIdea have identified new useful genes from the human gene library by utilizing this technology.

Recently, it has been revealed that HVJ-E itself has an ability to kill cancer cells directly as well as to activate immune functions. It was also demonstrated that HVJ-E has anti-tumor effects in the animal models of malignant melanoma and prostate cancer. AnGes and GenomIdea reaffirmed that HVJ-E has a broad range of potential applications and expect a possibility of HVJ-E as a drug and fundamental technology.

Ishihara Sangyo will conduct its final due diligence. Ishihara Sangyo, AnGes and GenomIdea will hold discussions to determine the conditions of an official contract for the transfer of the HVJ-E business. Ishihara Sangyo has an option to purchase stocks of GenomIdea held by AnGes instead of the transfer of the business.

Following the business transfer, AnGes and GenomIdea will cooperate with Ishihara Sangyo to maximize the product value of HVJ-E..

Meanwhile, this trend will have no effect on the business performance for the fiscal year of 2012.

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(Reference)

Terminology

siRNA: Small interfering RNA is a double-stranded nucleic acid consisting of about 20 nucleotides. siRNA has an activity to control a gene function called RNA interference and is expected to become a next-generation of nucleic acid medicine.

<Ishihara Sangyo>

Head office: 1-3-15 Edobori, Nishi-ku, Osaka

Representative: Kazutaka Fujii President

Capital: ¥43.4 billion (March 31, 2012)

Sales: ¥102,378 million (Year end March 31, 2012, consolidated)

Activities: Manufacturer of chemicals

Employees: 1,923 (March 31, 2012, consolidated)

AnGesMG, Inc.

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