

March 26, 2009

AnGes MG, Inc.

AnGes Project Adopted to Receive NEDO Support

- Development of Novel Disinfectants with Antibacterial Peptides -

The New Energy and Industrial Technology Development Organization (NEDO) has been soliciting from the public research proposals for its 2009 second supplementary Innovation Promotion Project (project for supporting the development of technology of R&D oriented venture company) to ensure sustained economic growth. AnGes MG, Inc. (AnGes) is pleased to announce that the project proposed by the company to develop a novel disinfectant that uses antibacterial peptides has been adopted to receive NEDO support. NEDO officially announced selection of the project on March 25.

The widespread use of conventional antibacterial agents has been impeded by their tendency to produce resistant bacteria, and there is a strong demand for an easy, safe and efficient means of disinfecting medical facilities, such as operation rooms. A research project conducted by AnGes group discovered peptides with broad antibacterial activity (antibacterial peptides). Because of its origin as an antibacterial barrier on the epidermis and mucosa of plants and animals, most antibacterial peptides are harmless to humans and their mechanism of action suggest that they are unlikely to induce resistant bacteria. By taking advantage of these properties, we proposed a plan to develop a novel disinfectant that is safe and that will not promote formation of resistant bacteria.

Support from NEDO is granted in the form of a subsidy equivalent to two thirds of the R&D expenses for 2009 required for the development of this new disinfectant.

AnGes will use this support to conduct in-house research of antibacterial peptides as a new business, and in future will identify a partner to commercialize the product.

The effect of the support from NEDO on this year's earnings has been integrated into the consolidated earnings forecast, and there will be no revision to the forecast.