

May 27, 2008

SBI Holdings, Inc.

COSMO OIL Co., Ltd.

Biotechnology Joint Venture Agreement Signed between SBI Holdings and Cosmo Oil

SBI Holdings, Inc. (Head office: Roppongi, Minato-ku, Tokyo; Representative: Yoshitaka Kitao; "SBI Holdings") and Cosmo Oil Co., Ltd. (Head office: Shibaura, Minato-ku, Tokyo; Representative: Yaichi Kimura; "Cosmo Oil") have signed today a joint venture agreement for the purpose of jointly developing "5-aminolevulinic acid (5-ALA)," a type of amino acid, and expanding the market for 5-ALA related products.

Specifically, Cosmo Oil will acquire a 23.1% stake in SBI ALApromo Co., Ltd. ("SBI ALApromo"), a wholly-owned subsidiary of SBI Holdings founded on April 24 this year, followed by SBI Group funding application development. Eventually, SBI Group and Cosmo Oil are expected to hold an 85.0% stake (50.0% held by SBI Holdings) and a 15.0% stake in SBI ALApromo, respectively. SBI ALApromo, now a joint venture company between the two, will jointly develop and market medicines, cosmetics, and health foods containing "5-ALA" as an active ingredient.

SBI Holdings and SBI Group see biotechnology as a growth industry of the 21st century along with IT, environment and energy, and thus have been expanding their investment and operational presence in the biotechnology field. In a bid to develop new business opportunities with emphasis on the usefulness of "5-ALA" in a variety of fields, they have recently founded SBI ALApromo as a preparatory company that develops and markets medicines, cosmetics, and health foods containing the active ingredient.

On the other hand, Cosmo Oil, focusing on "5-ALA" as a source of important nutrients in organisms including plants, has successfully established a production process that makes possible a drastic reduction in the production cost of "5-ALA." The Pentakeep series of "5-ALA"-containing high-functional liquid fertilizers is now commercially available in Japan, South Korea and Europe, where the product is well received by many farmers.

With Cosmo Oil supplying "5-ALA" and SBI Group providing expertise in venture development including marketing, SBI ALApromo, a joint venture between the two, will jointly

advance "5-ALA" development for high quality products.

"5-ALA" is expected to be used for a wide variety of applications such as intraoperative diagnosis of brain tumors and cancer screening in the medical field, anemia prophylaxis in the health foods field, and protection against rough skin and atopic disease in the cosmetics field. SBI ALApromo is committed to becoming a company that will contribute to the healthy life of people not only in Japan but all over the world by commercializing "ALA" at the earliest possible time.

<Profile of Joint Venture Company> (Each company's capital contribution to be completed in late June.)

Corporate Name: SBI ALApromo Co., Ltd.
Location: 1-6-1, Roppongi, Minato-ku, Tokyo
Business: Development and distribution of medicines, cosmetics, and health foods containing "5-ALA," a type of amino acid, as an active ingredient.
Capital: ¥650 million (Capital Reserve: ¥650 million)
Investment Ratio: 85% by SBI Group (50.0% by SBI Holdings) and 15.0% by Cosmo Oil
*Residual securities included
Representative: Yoshitaka Kitao
Representative Director and CEO
(Currently Representative Director and CEO, SBI Holdings, Inc.)

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