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SBI Holdings, Inc.
(TOKYO: 8473)

Regarding Announcement of Quark Pharmaceuticals: In a Phase 2 Study PF-04523655 (RTP801I-14) Showed Improved Vision Over Standard of Care in Patients with Diabetic Macular Edema at 12 Months

Quark Pharmaceuticals, an investee company of the SBI Group's funds with 35.82% shareholding, announced press release as below regarding progress of clinical test of PF-04523655 (RTP801I-14), its drug pipeline.

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In a Phase 2 Study PF-04523655 (RTP801I-14) Showed Improved Vision Over Standard of Care in Patients with Diabetic Macular Edema at 12 Months

Quark Pharmaceuticals to Initiate Phase 2b Study

Fremont, CA March 18, 2011, — Quark Pharmaceuticals, Inc., a pharmaceutical company engaged in the discovery and development of RNAi-based therapeutics, today announced that it has received results from a prospective randomized Phase 2 trial, the DEGAS study. This study evaluated the safety and efficacy of PF-04523655 (RTP801I-14) in patients with diabetic macular edema (DME). 184 patients were randomly assigned to four treatment groups; three dose levels of PF-04523655 (RTP801I-14) (0.4mg, 1mg, and 3mg) or laser. The study was designed with a primary endpoint of mean visual acuity improvements over baseline at 24 months.

Interim results at 12 months showed there were no drug related Serious Adverse Events (SAEs). Following 12 months of treatment with PF-04523655 (RTP801I-14), a dose dependent improvement in visual acuity was observed with the best results achieved at the 3mg dose level. At this dose, the mean improvement from baseline on a visual acuity test was 5.8 letters for all patients enrolled in this dose group while in patients treated with laser photocoagulation control (the current standard of care) visual acuity improved by only 2.4 letters on average (p=0.08). Furthermore, in a

separate secondary analysis of the 111 patients who completed the 12 month follow up visit, the mean improvement from baseline on a visual acuity test in the 3mg group was 9.1 letters while in patients treated with laser photocoagulation control visual acuity improved by only 3.2 letters on average ($p<0.01$).

The study was terminated at 12 months based upon this interim analysis suggesting that higher doses would be necessary to produce a therapeutic effect sufficiently superior to the current standard of care to benefit patients over the long term given emerging new therapeutic modalities. Based upon these results, and in view of a dose related effect on vision, Quark and Pfizer have mutually agreed that a Phase 2b study will be conducted by Quark at its own expense under a protocol mutually agreed upon by Quark and Pfizer.

Quark will test higher doses of PF-04523655 (RTP801I-14) and determine the optimal dose for pivotal Phase 3 studies. It is designed as a randomized, dose ranging comparator study that will evaluate the safety and efficacy of PF-04523655 (RTP801I-14) versus Lucentis®.

Quark and Pfizer also agreed to amend their existing agreement in order to enable Quark to conduct the Phase 2b study. Under the amended agreement, Pfizer has materially increased the development and product approval milestone payments associated with the first ophthalmic use of PF-04523655 (RTP801I-14), as well as the royalty rates for the product. Under the amended license agreement, if Pfizer chooses to continue development of PF-04523655 (RTP801I-14) following review of the Phase 2b data, Quark may receive total developmental and sales milestones payments for all indications, including those related to successful completion of the Phase 2b study, of up to approximately $700 million.

Stated Daniel Zurr, Ph.D. President and Chief Executive Officer of Quark: “We are very encouraged by the results, both by the biological activity and the significant dose response. We look forward to initiating this Phase 2b study with the aim to determine the optimal dose for pivotal trials.”

About the Phase 2b Study

The Phase 2b prospective, randomized, multi-center, dose-ranging, comparator study will evaluate the efficacy and safety of PF-04523655 (RTP801I-14) versus Lucentis® in

patients with diabetic macular edema. Approximately 225 patients will be given the drug PF-04523655 (RTP801I-14) at varying doses including higher doses than in the DEGAS study or will be given Lucentis.

About Quark Pharmaceuticals, Inc.

Quark Pharmaceuticals, Inc., is a clinical-stage pharmaceutical company engaged in discovering and developing novel RNAi interference or RNAi-based therapeutics. The Company has a fully integrated drug development platform that spans therapeutic target identification based on its proprietary gene discovery science and technology, to clinical drug development. The Company has initially been focusing on RNAi-based therapeutics for the treatment of diseases associated with oxidative stress and ischemic injury. Quark has three product candidates in clinical development in five different indications of which four are in Phase 2.

Quark is committed to leveraging a broad research pipeline of siRNA drug candidates and novel siRNA structures to develop additional RNAi drug candidates.

Quark is headquartered in Fremont, California and operates research and development facilities in Boulder, Colorado and Ness-Ziona, Israel. Additional information is available at www.quarkpharma.com.

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