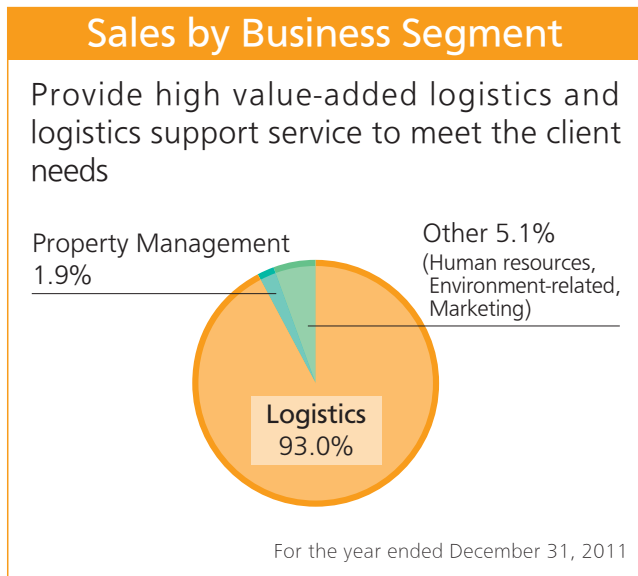


SBS Business Report (Interim)

For the Six Months Ended June 30, 2012 (Security Code: 2384)

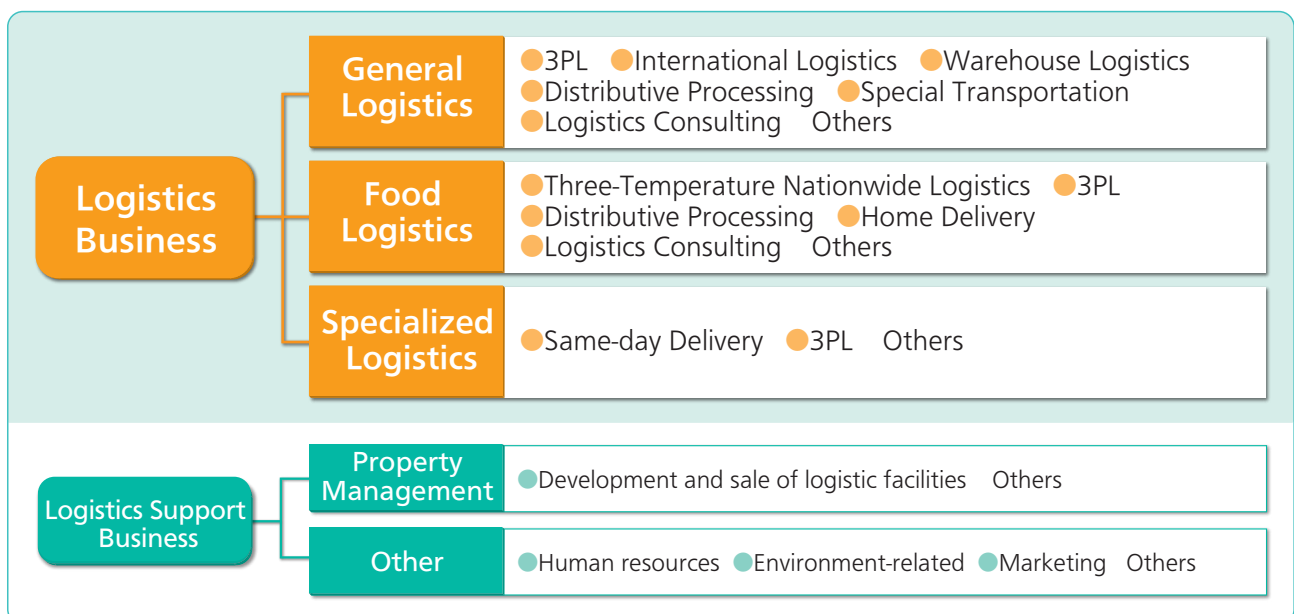
SBS Group meets the various logistics needs with the utmost quality.



2012 Forecast

Net Sales	Operating Income	Dividend per Share
¥127.0 billion	¥2.9 billion	¥30

※ Dividend per share shown is calculated on the basis of stock split/share trading unit system we recently switched to.
 ※ Please refer to the notes on the last page for details about stock split and adoption of the share trading unit system.



Disclaimer: Forward-looking statements included in this report are based on information and assumptions consisting of uncertain factors that may influence our performance available to the Company on the date of this report’s publication. Due to various unforeseen circumstances, however, actual results may differ from such forecasts.



Restructuring
the Company's domestic
organization and reinforcing
overseas bases.

These are the strategic moves
we have made to ensure
the future growth.

Representative Director and President: **Masahiko Kamata**

The SBS group is an integrated outsourcing enterprise providing various services focusing on logistics and covering the whole supply chain of our customers. By providing an environment, in which our customers can concentrate their management resources on the core segments of their enterprises, we help them to enhance their competitive power as well as the operating efficiency.

With the revival demand after the Great East Japan Earthquakes and due to some other factors, business conditions are currently showing signs of recovery. Still, the situation remains highly uncertain due to the current financial unrest in Europe, the concerns regarding slowdown of the economies of the emerging nations, the continuing strong yen and deflation. In the logistics industry, companies continue to reduce logistics costs, and the competition with companies of the same industry is becoming tougher, keeping profitability more and more difficult.

But although business environment is far from favorable, the Group has actively taken its business to many new customers and was able to achieve an increase in sales. We have also established a number of new 3PL business bases in Japan and launched restructuring of the overseas bases. Furthermore, we have established a low cost operation structure, ensured stricter labor compliance, and made a number of other strategic moves laying foundations for the further growth.

In the second half of the fiscal year, we shall strive to achieve positive business results by steadily increasing the number of customers that are using our services, putting into effect the previously drawn growth strategy, expanding the scale of operations, and enhancing the corporate value of our enterprise.

Finally I would like to take this opportunity to ask all of our shareholders and investors for your continued support.

Reinforce the SBS Group's management system

Aiming at a further expansion of the business scale, the SBS group is currently implementing a number of measures to strengthen its management system both in Japan and overseas, reinforcing our business bases and reorganizing our subsidiaries.

Promoting integration of domestic subsidiaries

In order to reinforce the business structure of our subsidiaries, the Group merged Izu Express Trucking Inc. into NIHON KAMOSTU KYUSO CO., LTD., and TL Service Co., Ltd into TL Transport Co., Ltd.

By merging the companies with similar corporate structure, we aim to improve their business results by revising and reforming

their operations and management resources, reinforcing their administrative structure, at the same time mobilizing the experience and know-how they have accumulated during the long years. These steps shall enable the Group to enrich and further develop the logistics services offered, aiming at the further growth of the companies comprising the Group.

Working on building a network of business bases in the ASEAN area

On acquiring in October of last year an international logistics company Atlas Logistics (hereinafter referred to as "Atlas") located in India, the Group has launched preparations for overseas expansion.

Firstly, in May of the year, we have established in Singapore a wholly-owned subsidiary SBS Logistics RHQ (hereinafter referred to as "SLRHQ"), which shall control the total business activities of the Group in Asia. After having thus created an organization, which can control the Group's companies located in the countries of the area, from June, we launched development of business bases in the ASEAN area, which also meant reorganization of the companies affiliated to Atlas located in the area.

The Company made an additional investment into a local subsidiary of Atlas located in Singapore via the SLRHQ and changed the name of the subsidiary into SBS Atlas Logistics Holdings (hereinafter referred to as "SALHD").

SALHD is to take charge of the logistics business in Singapore, and also control the business activities in each of the ASEAN countries. Furthermore, the Group made a financial contribution via SALHD to Atlas Express Logistics, a company affiliated to Atlas and located in Thailand, changing the company name into SBS Atlas Logistics. We have also submitted applications to change the names of two more companies affiliated to Atlas and located respectively in Vietnam and Malaysia into the same name.

In the future, we shall advance with further measures to reinforce our logistics bases located in the countries of the ASEAN, thus creating an organization that in addition to the forwarding enterprise of the Atlas Group shall offer the total logistics solution, which is the strong point of the SBS Group.

■ Current situation with reorganization of subsidiaries

Merger of Izu Express Trucking into NIHON KAMOSTU KYUSO (July, 1)

NEW

NIHON KAMOSTU KYUSO	
Number of employees	383
Number of bases	16
Number of vehicles	451

+

Izu Express Trucking	
Number of employees	80
Number of bases	6
Number of vehicles	62

⇒

NIHON KAMOSTU KYUSO	
Number of employees	464
Number of bases	20
Number of vehicles	500

Merger of TL Service into TL Transport (July, 1)

NEW

TL Transport	
Number of employees	255
Number of bases	14
Number of vehicles	160

+

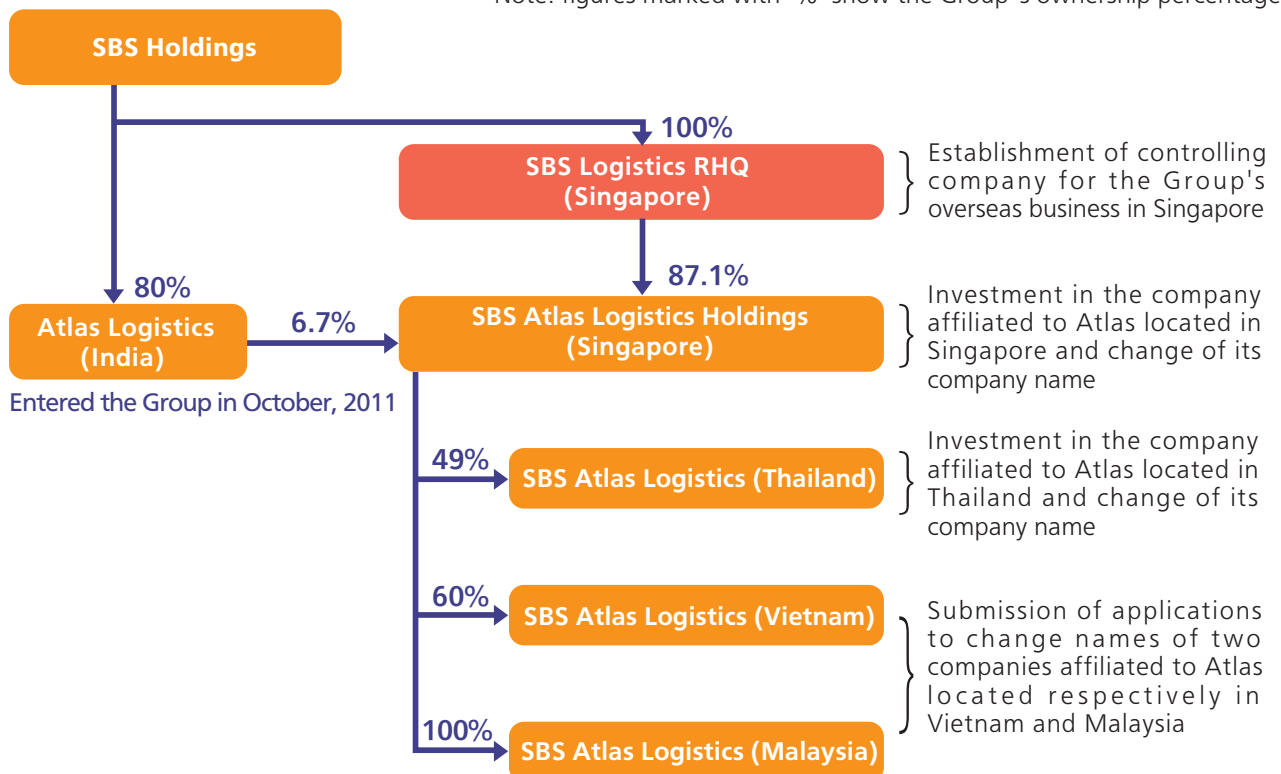
TL Service	
Number of employees	31
Number of bases	2
Number of vehicles	22

⇒

TL Transport	
Number of employees	281
Number of bases	14
Number of vehicles	155

■ Current status of bases in the ASEAN area

Note: figures marked with "%" show the Group's ownership percentage



Current initiatives of the SBS Group

Operations-related initiatives



Establishment of a business base in the Yokohama Port for the purpose of customs clearance work

(AC System Corporation, (hereinafter referred to as "AC system"))

January

AC System, a company engaged in customs clearance work, established its Yokohama office in the Yokohama Port International Cargo Center. A shipping branch of TL Logicom is also located in this facility, and the Group shall use this advantage to reinforce the international logistics function through cooperation between the two offices.



Launch of construction work of Noda Yoshiharu Logistics Center (tentative)

(TL Logicom)

January

TL Logicom has started construction work for Noda Yoshiharu Logistics Center. This facility that is due to be completed by the end of September is an environment-friendly center, all buildings of which are equipped with LED lighting, photovoltaic power generation equipment, offering many other environmentally-conscious solutions.



Implementation of loading work of railway cars

(TL Logicom)

February

TL Logicom conducted loading work at the Daikoku Wharf in Yokohama loading old railway cars that had previously been used on the Keio Lines and are to be used from now on on the Iyo Railway in Shikoku. The work had to be done in difficult conditions in strong wind, but was completed with all six cars safely loaded onto two ships.

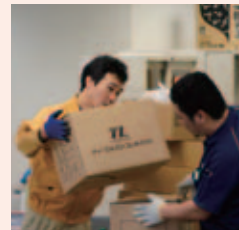


Completion of large-sized transfer work for city offices

(TL Logicom)

March

TL Logicom received an order for transfer / remodeling work accompanying the "Remodeling Project for Increase of Comfort in the Ward Offices" conducted by Kawasaki City Office. The company managed to complete a large amount of work that entailed 7 ward offices and 4 local offices in just nine days.



Seminar on the Revised Temporary Staffing Services Law held

(SBS Staff)

April

Revision of the Temporary Staffing Services Law has been made with its enactment scheduled for October. SBS Staff held a seminar for the customers worrying about the impact of this revision, explaining the points of importance in the content of revision and the measures that need to be implemented after the enactment.



Resin treatment plant established in Shanghai, China

(Sogo Butsuryu System)

July

Sogo Butsuryu System established "Shanghai Qingyaliu Plastic Processing Co.,Ltd", a plant for processing acrylic resins in Shanghai, China.

Manufacture/processing of furnishings and sales promotion of fixtures for stores has been launched here in August.



CSR-related initiatives



The Group was awarded letters of appreciation for the support we offered to the areas devastated by the earthquake and tsunami

(TL Logicom, SBS Logitem)

March, May

TL Logicom and SBS Logitem were awarded letters of appreciation from the Kanto District Transport Bureau for the support the two companies had provided to the areas stricken by the Great East Japan Earthquake last year.



Saving power with smart clocks

(SBS Logitem)

April

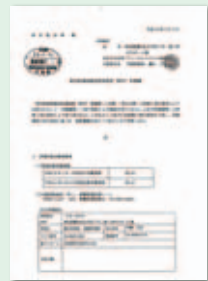
SBS Logitem introduced to its offices new "smart clocks", which show the current amount of the electricity used on the edge of the clock, warning the staff with colors and audible alarm when too much power is used. This initiative allows the company to implement power saving using the force of all of the members of the staff.



Five companies of the SBS Group apply for new Tokyo CO2 Emission Reduction Program

June

Five companies of the SBS Group, namely, TL Logicom, Zentsu, TL Transport, Wing Transport, and Nippon Record Center have applied for participation in the new "Tokyo Freight Transportation Appraisal System" that sums up and evaluates fuel consumption for every truck, with a view to reduce CO2 emissions.



TL Logicom has become the first enterprise to be accepted for participation



Reinforcement of compliance education

(SBS Group)

First half

The Group has conducted a number of training sessions centering on the compliance issues. "Transportation safety management seminar" (February, March), "Compliance training" (April, May), and "Sales training" (June, July) tailored to match the occupational area, position and rank of the participating staff were conducted with a view to increase the awareness among the employees of the respective issues.



Total CO2 emissions of the SBS Group for the 2011 fiscal year

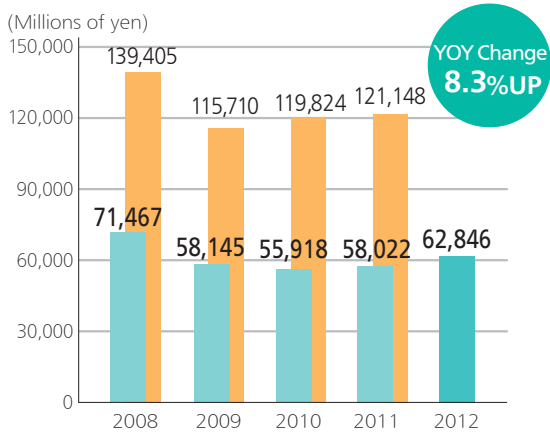
Below is the collected environmental data of the SBS Group for the 2011 fiscal year. The amount of emissions of CO2 with vehicles and facilities combined was 71,180t, down 6,477t or 8% of the CO2 emissions of the last fiscal year. One of the factors contributing to the reduction was the scale of the power saving measures conducted following the reduction of available electricity after the disaster. Another factor is the ecological drive initiative that has taken firm roots with the vehicles used by the Group, resulting in favorable environmental results.



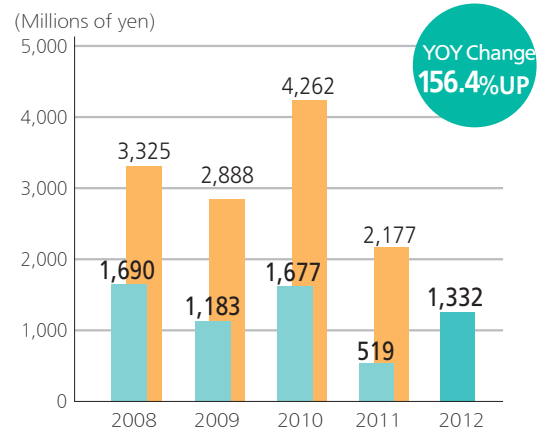
CO2 emissions (tons)	2011			2010		Remarks
	Amount of emissions	Improvement rate	Number of vehicles	Amount of emissions	Number of vehicles	
Vehicles	57,895	9.3%	3,118	63,844	3,210	
Facilities	Electric power	12,610	6.1%	13,438		
	Other	675	—	375		Gas, water, etc.
Total	71,180	8.3%	3,118	77,657	3,210	

Although economic environment continues to be quite severe, there are already signs of normalization in the amount of cargo handled. A number of measures was conducted by the Group to expand its operations, which together with the full-year contribution to the sales made by the companies transformed into owned subsidiaries last year resulted in an increase posted by the Group in net sales as compared to the corresponding period of last year. Moreover, the efforts made to reform and improve enterprises with low profitability bore fruit, resulting in increases in both operating income and ordinary income. Also, during this year there has been no extraordinary loss from disaster posted in the corresponding period of last year, and net income have turned into the black.

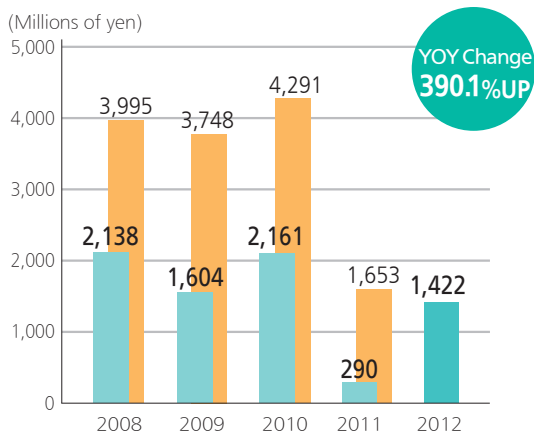
Net Sales 1st Half Full Year



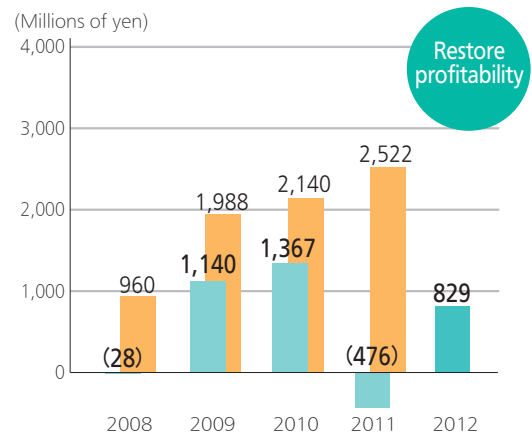
Operating Income 1st Half Full Year



Ordinary Income 1st Half Full Year



Net Income 1st Half Full Year



■ Sales by Segment

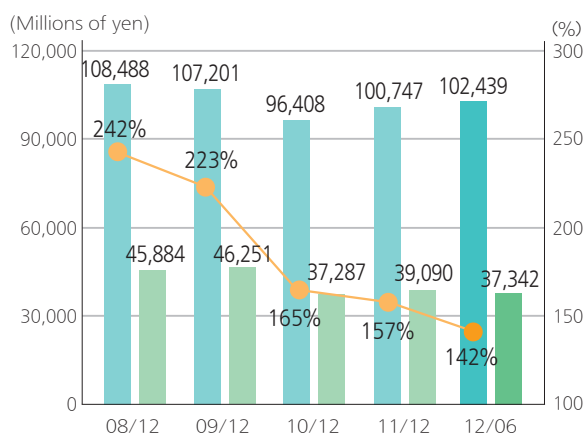
(Millions of yen)

	1st Half of FY2012		1st Half of FY2011	
	Net Sales	Operating Income	Net Sales	Operating Income
Logistics	58,734	683	54,079	81
Property Management	1,209	594	1,203	644
Other	3,191	24	3,164	(219)
Adjustment	△289	29	(424)	13
Total	62,846	1,332	58,022	519

- Logistics business posted an increase in net sales. This is due to a number of factors, such as an increase in the amount of cargo that had decreased as a consequence of the Great East Japan Earthquake, the fact that business results of the two companies that newly became members of the Group have been added to the total figures, and the increased activity in the food-related cargo movement. Also, by making improvements to the unprofitable areas of operations, the Group managed to increase its operating income.
- **Logistics Support Business:** as there have been no new operations or sales in the property management business, net sales remained at the same level. In Other business, on the other hand, the environment-related business turned profitable with operating income swinging into the black.

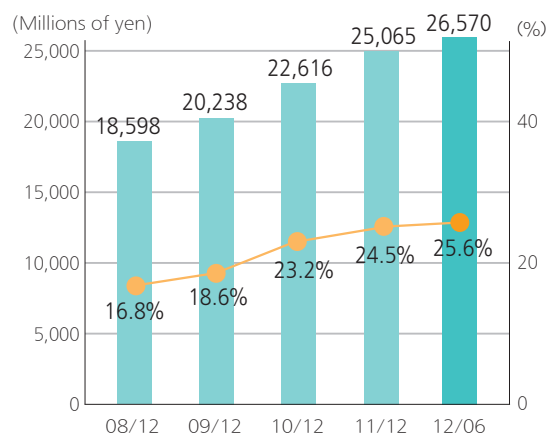
■ Total Assets / Net Debt / Net Debt to Equity Ratio

■ Total Assets ■ Net Debt ● Net Debt to Equity Ratio



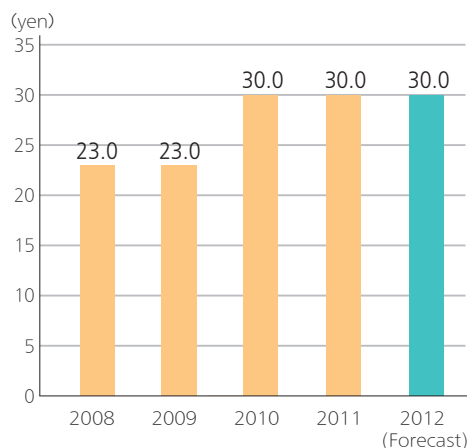
■ Net Assets / Equity Ratio

■ Net Assets ● Equity Ratio



Basic Policies regarding the Profit Distribution and Per-Share Dividend

■ Dividend per Share



※Dividend per share shown is calculated on the basis of stock split-share trading unit system we recently switched to.

Basic Policies regarding the Profit Distribution

SBS Group regards the return of profits to all shareholders to be one of its most important business policies. Based on our group's business achievement and financial situations, we will address for the stable shareholder return through our efforts to further strengthen our management base and to increase in return on equity.

For the year ending December, 2012, we intend to pay dividend of 30 yen per share. The Group adopted the share trading unit system as of January 1, 2012, splitting every share into 100 shares, but for every share trading unit (100 shares) the dividend is 3,000 yen, which is the same amount it was during the current term.

*Please refer to the notes on the last page for details about stock split and adoption of the share trading unit system.

■ Performance Forecast for the Year Ending December 31, 2012 (By Segment)

(Millions of yen)

	Logistics	Property Management	Other	Adjustment	Total
Net Sales	117,700	2,300	7,000	—	127,000
YOY Change	4.4%	-3.8%	15.6%	—	4.8%
Operating Income	1,776	1,060	70	(6)	2,900
YOY Change	40.4%	-3.7%	—	—	33.2%
Operating Margin	1.5%	46.1%	1.0%	—	2.3%

※ Figures of the earnings forecast contain the proceeds of internal sales between segments.

Corporate Profile (As of June 30, 2012)

Company name	SBS Holdings, Inc.
Representative director and president	Masahiko Kamata
Founded	December 16, 1987
Paid-in Capital	¥3,833.93 million
Net sales	¥121.1 billion (for the year ended December 31, 2011)
Head office	4-1-3 Taihei, Sumida-ku, Tokyo 130-0012, Japan Tel: +81-3-3829-2222(main) Fax: +81-3-3829-2822
Lines of Business	Logistics, property management, marketing, human resources, etc.
Major consolidated subsidiaries	TL LOGICOM Co., Ltd. Foods Lec Co., Ltd. Zentsu Co., Ltd. SBS Logitem Co., Ltd. SBS Staff Co., Ltd. Atlas Logistics Private Limited Sogo Butsuryu System Co., Ltd. SBS Finance Co., Ltd. A-MAX Co., Ltd. Marketing Partner Co., Ltd. Forward PAM Co., Ltd.

Board of Directors and Auditors (As of June 30, 2012)

Representative director and president	Masahiko Kamata
Managing director	Kenichi Iriyama
Directors	Fumiaki Miyasaka Shin-ichiro Watanabe
Full-time auditor	Tamio Wakabayashi
Auditors	Shigetaka Shomatsumoto Masato Takeda Jiro Iwasaki

The auditors Shigetaka Shomatsumoto, Masato Takeda and Jiro Iwasaki are the external auditors.

Stock Information (As of June 30, 2012)

Number of shares authorized	51,568,400 shares
Number of shares issued	13,068,400 shares (including 285,641 treasury shares)
Share trading unit	100 shares
Number of shareholders	3,591

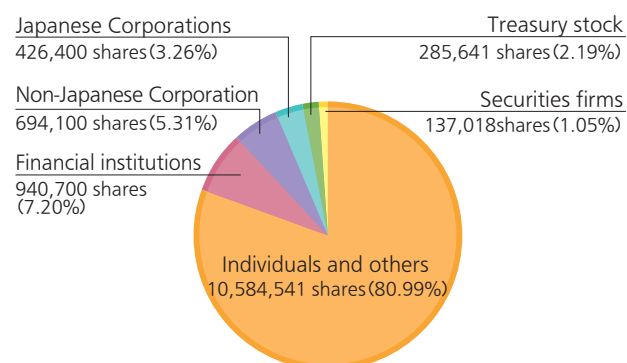
Major Shareholders (As of June 30, 2012)

Shareholder Name	Number of shares held (hundred shares)	Ratio of share held (%)
Masahiko Kamata	6,412,800	50.16
SBS Holdings Employee Share Ownership Association	497,600	3.89
Japan Trustee Services Bank, Ltd. (Trust account)	446,800	3.49
Hiroshi Date	434,800	3.40
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	334,800	2.61
Junichi Ouchi	309,400	2.42
MELLON BANK, N. A. TREATY CLIENT OMNIBUS	200,000	1.56
Hiroyuki Yoshioka	188,900	1.47
3E Corporation	156,000	1.22
The Master Trust Bank of Japan, Ltd. (Trust account)	124,200	0.97

The ratio of share held are calculated based on the number of shares excluding 285,641 of treasury shares. Japan Trustee Services Bank, Ltd. (Trust account) is a re-trusted employee share ownership association and the number of shares its trust account holds includes 359,900 of our shares.

Distribution of Shares by Shareholder Type

Number of share issued: 13,068,400 shares (As of June 30, 2012)



Note Regarding Adoption of the Stock Split/Unit Stock System

In accordance with the Action Plan for the Consolidation of Trading Units announced by Japanese Stock Exchanges Conference on November 27, 2007, our company divided its shares and adopted the unit stock system defining 100 shares as one unit. There will be no actual impact of the shareholders due to the adoption of the stock split/unit stock system.

● Brief outline of the system	● Impact on the shareholders: no actual changes made.
<p>Record date: December 31, 2011 Effective date: January 1, 2012</p> <p>Up to now : 1 share</p> <p>After adoption of the stock split/unit stock system : 100 shares (one unit)</p>	<p>[Investment unit] If the stock price is ¥100,000</p> <p>Up to now : ¥100,000 x 1 share = ¥100,000</p> <p>After adoption of the stock split/unit stock system : ¥1,000 x 100 shares (one unit) = ¥100,000</p>
	<p>[Amount of dividend received] If the dividend is ¥3,000 per share</p> <p>Up to now : ¥3,000 x 1 share = ¥3,000</p> <p>After adoption of the stock split/unit stock system : ¥30 x 100 shares (one unit) = ¥3,000</p>