


SBS Business Report



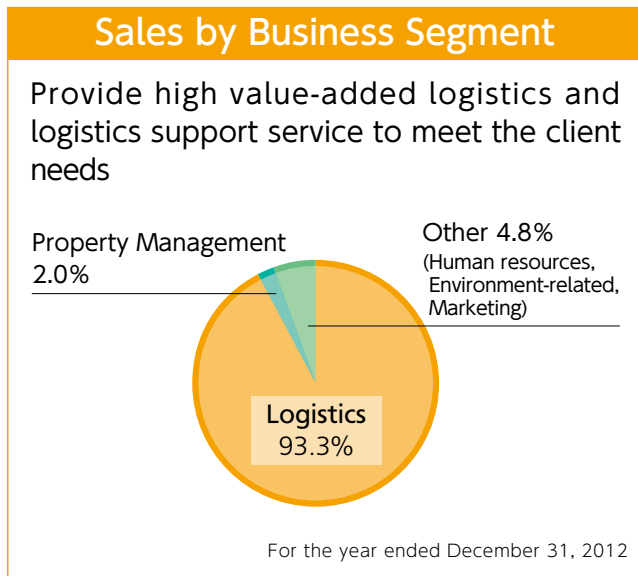
For the year Ended December 31, 2012 (Security Code: 2384)



SBS Holdings, Inc.

SBS Group

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



2013 Forecast

Net Sales	Operating Income	Dividend per Share
¥128.0 billion	¥3.1 billion	¥30



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



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.



The Group established a number of overseas bases centering on the Asian region.

We went further with the expansion of our business foundations, and at the same time achieved what has been our long-cherished dream: being listed in the Tokyo Stock Exchange.

Representative Director and President : **Masahiko Kamata**

The business domain of the SBS Group is logistics, an area that is closely related to every possible industry and is one aspect of social infrastructure that is truly indispensable to business activities.

In the Group, a number of companies with different origins and histories are organically assembled together controlled by one pure holding company, and are continuously growing together in one united body. Last year, against the backdrop of a slow-down of the world economy, the continuing appreciation of the yen, and other adverse factors, feeling of stagnation became even stronger than before. The environment has not been favorable in the logistics industry either with such factors as the intensification of competition among rival companies and the unstable fuel prices adversely affecting the industry.

To withstand the harsh environment, the Group actively marketed its services with proposal-based sales making an effort to expand its 3PL business.

Also, so as to enable us to actively develop our international logistics business in the future, we embarked on building our overseas network including establishment of a

company in Singapore that shall control business operations in the Asian region, and these strategic moves will facilitate our future growth.

In December, 2012, the Group celebrated its 25th anniversary of establishment, also achieving its long-time goal of being listed in the Second Section of the Tokyo Stock Exchange.

I would like to thank all of you for your support from the bottom of my heart.

In commemoration of our becoming a listed enterprise, it has been decided for the year-end dividend to add 10 yen of a commemorative dividend to the 30 yen of the regular dividend per share.

For the 2013 fiscal year, we are planning to unify all of the companies of the Group under one brand so as to gain the Group's recognition and synergize the efforts of the individual companies. We also plan to make efforts so as to become a company listed in the First Section of the Tokyo Stock Exchange.

The SBS Group shall continue to expand its business and reinforce its management base further, and we all hope that you will bestow your support to us in the future.

Tracing the 25 years of history of the SBS Group

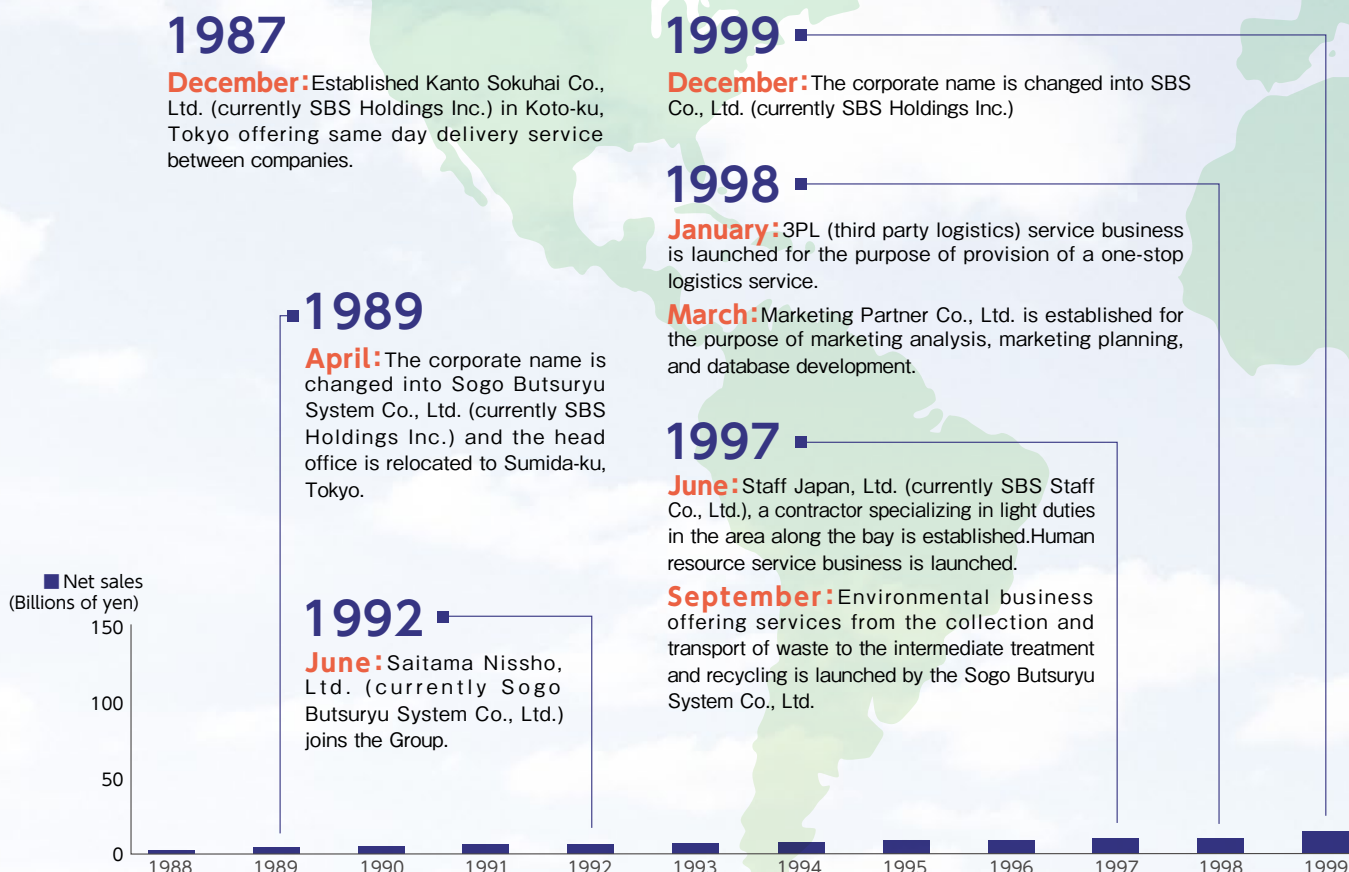
Reaching the sales volume of 10 billion yen in 10 years and 100 billion yen in 20 years after establishment. The SBS Group has grown reaching the targets set at the time of establishment. The next target is to reach 200 billion yen before our 30th anniversary.

The SBS Group was established in December, 1987 under the name of Kanto Sokuhai Co., Ltd., which was a logistics company offering a service, which was truly ground-breaking at the time - a totally new logistics service of the same-day delivery.

From that time, the Company made relentless efforts aiming at expansion and enhancement of our services striving to become a logistics enterprise offering a total solution, an enterprise that can respond to each and every need of our customers.

Today, as we are celebrating the 25th anniversary of establishment, the Group has grown to be an all-round logistics enterprise with technical capabilities enabling us to handle everything from foodstuffs to special cargo, with transporting capabilities that can accommodate both domestic and international shipments, and with collective strength, which allows us to be a one-stop solution including development and management of logistics facilities.

We shall accelerate the Group's growth rate in the future, strive to reach the sales of 200 billion yen and become one of the top ten logistics enterprises in the country.



■ 2006年

May: Kawagoe Warehouse is developed (Four-storied building with the total floor area of 6,360m²)



▲ Kawagoe Warehouse

■ 2007年

March: West Japan Logistics Center is developed

(Four-storied building with the total floor area of 37,676m²)

August: Chikuma Logistic Center is developed

(One-storied building with the total floor area of 5,744m²)

November: Kawagoe Logistic Center is developed (Four-storied building with the total floor area of 47,284m²)



▲ Kawagoe Logistic Center

■ 2008年

March: Kimitsu Materials No. 3 Warehouse is developed (One-storied building with the total floor area of 15,524m²)



▲ Noda Logistic Center

■ 2009年

March: Noda Logistic Center is developed (Four-storied building with the total floor area of 35,567m²)

November: Tokorozawa Warehouse is developed

(Two-storied building with the total floor area of 8,693m²)



▲ Tokorozawa Warehouse

■ 2012年

October: Noda Yoshiharu Logistic Center is developed (Four-storied building with the total floor area of 25,375m²)

2006 ■

January: Zentsu Co., Ltd. joins the Group. This reinforces the foodstuffs logistics and the home delivery service function.

April: The corporate name is changed into SBS Holdings Inc. and the company becomes a pure holding company.

2005 ■

June: Tokyu Logistic Co., Ltd. (currently TL LOGICOM Co., Ltd.), Nihon Kamotsu Kyuso Co., Ltd., and other companies are added to the Group. This enables the Group to expand the types of cargo handled and reinforce its 3PL business.

2004 ■

May: Yukijirushi Butsuryu Co., Ltd. (currently Foods Lec Co., Ltd.) joins the Group. By this step the Group moves into the foodstuffs logistics business, at the same time establishing a nationwide network.

September: A-MAX Co., Ltd. is established for the purpose of development and securitization of real estate. Business of development of logistics facilities is launched.

2003 ■

May: International logistics services are launched to expand the business domain.

December: The company becomes an over-the-counter company registered by the Japan Securities Dealers Association (currently Osaka Securities Exchange, Co., Ltd., JASDAQ Market).

2012 ■

May: SBS Logistics RHQ Pte. Ltd. is established in Singapore to control business operations in the Asian region.

July: Sogo Butsuryu System Co., Ltd. establishes in Shanghai, China a resin processing plant (Shanghai Acrylic Resin Processing Corporation) manufacturing shop furnishings for display and sales promotion made from acrylics.

December: The Group is listed in the Second Section of the Tokyo Stock Exchange.

2011 ■

April: Nippon Record Center Co., Ltd. joins the Group. This enables the Group to launch its business offering logistics services involving such products as music and video mediums, reinforcing the logistics business handling high-mix low-volume products.

October: An international logistics company Atlas Logistics Pvt. Ltd. located in India joins the Group becoming its first overseas subsidiary. This expands the Group's overseas network and reinforces international logistics.

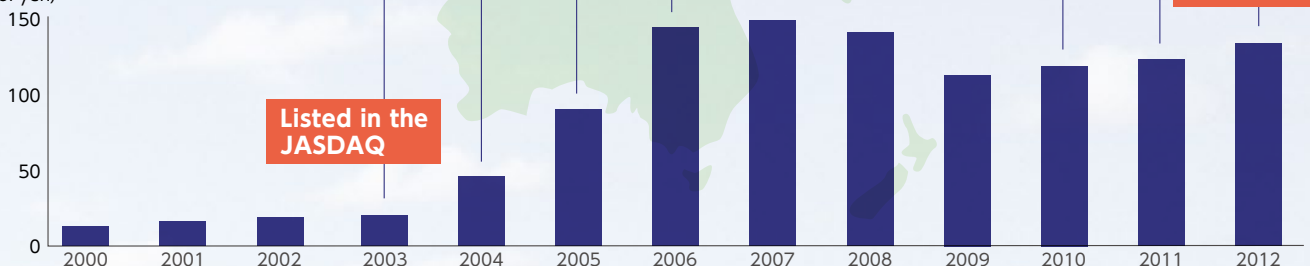
2010 ■

April: Victor Logistics Co., Ltd. (which merged with TL LOGICOM in 2011) joins the Group. This measure enables the Group to make inroads into the area of logistics for electrical equipment manufacturers and reinforce international logistics.

July: AC System Corporation joins the Group. This step enhances the Group's customs clearance business.

Listed in the Second Section of the Tokyo Stock Exchange

■ Net sales (Billions of yen)



Current Activities by the SBS Group



New base for customs clearance business is established in the Yokohama Harbor

(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.

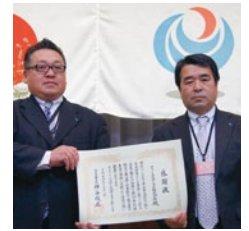


The Group is awarded letters of appreciation for the support we offered to the areas devastated by the earthquake and tsunami

(TL LOGICOM, SBS Logitem)

March, May

TL LOGICOM and SBS Logitem were awarded letters of appreciation from the Kanto District Transport Bureau for the rapid transportation of goods and other support the two companies had provided to the areas stricken by the Great East Japan Earthquake.



Seminar on the Revised Temporary Staff Services Law is held

(SBS Staff)

April

Temporary Staff Services Law was revised and has been enacted since October of last year. SBS Staff held a seminar for the customers who were worrying about the impact of this revision. During the seminar, we explained the points of importance in the content of revision and the measures that need to be implemented after the enactment.



A company in Singapore is established to control business operations of the Group in the Asian region

(SBS Group)

May

SBS Logistics RHQ Pte. Ltd. (hereinafter referred to as "SLRHQ") is established in Singapore to serve as the pivotal location for the Group's overseas business controlling business activities in the Asian region.

Work is launched on establishment of a network of business bases in all of the countries of the ASEAN preparing for a full-scale advancement into the ASEAN.



Resin treatment plant is established in Shanghai, China

(Sogo Butsuryu System)

July

Sogo Butsuryu System establishes Shanghai Acrylic Resin Processing Corporation, a plant for processing acrylic resins in Shanghai, China. The company launches manufacture and processing of shop furnishings for display and sales promotion.



Reorganization of subsidiaries aiming at reinforcement of the management base is implemented

(SBS Group)

July

The Group merges Izu Express Trucking Inc. into Nihon Kamotsu Kyuso Co., Ltd., and TL Service Co., Ltd. into TL Transport Co., Ltd. These steps were made to reinforce the management base and improve the quality of services offered.





Two companies of the Group are highly evaluated by the Tokyo Freight Transportation Appraisal System

(SBS Group)

August

Two companies participate in the appraisal system launched by Tokyo Prefecture to evaluate improvement of fuel consumption with a view to reduce CO₂ emissions. Nippon Record Center is awarded the highest three-star award and TL LOGICOM is awarded two stars.



The Group as a whole shall continually participate in these evaluations in the future.



Noda Yoshiharu Logistic Center is completed

(TL LOGICOM)

October

Construction of the Noda Yoshiharu Logistic Center is completed.

With the total floor area of about 10,000 tsubos and the latest environment-friendly facilities this large-scale center shall help the Group expand its 3PL business further.



Maintenance of bases in the ASEAN area

(SBS Group)

October

The Group invests in the companies in Singapore, Thailand, Malaysia, and Vietnam affiliated to Atlas (a subsidiary of the Group located in India).

The Group placed these companies under the management of the SLRHQ, which had been established in May, thus creating a network of business bases in the ASEAN region.



Nationwide joint delivery base for chilled products is established in Tokorozawa

(Foods Lec)

November

Foods Lec, a company of the Group engaged in foodstuffs logistics, establishes a low temperature warehouse of 1,500 tsubos in the Tokorozawa Branch, which becomes the first joint delivery center specializing in chilled foods in the company.

The warehouse is equipped with the latest management system and ensures security and safety of the food handled.



December 14

The Group is Listed in the Second Section of the Tokyo Stock Exchange.

On December 14, SBS Holdings has been listed in the Second Section of the Tokyo Stock Exchange.

Masaki Shizuka, Senior Executive Officer of the Tokyo Stock Exchange (left) and Masahiko Kamata, Representative Director and President of the Group (right)

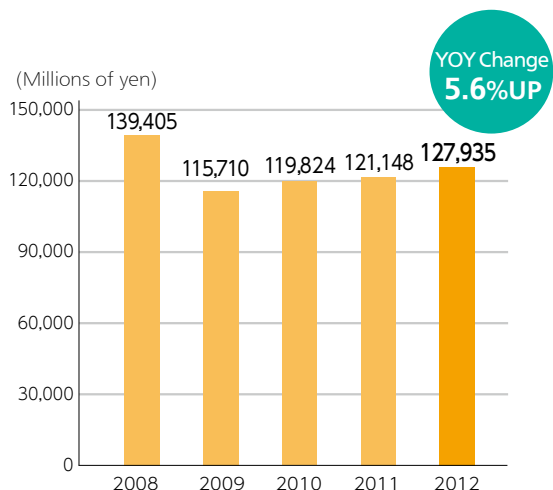


Although the economic environment continued to be harsh, sales increased as compared to the preceding year due to such measures as the expansion of our 3PL business and the mergers and acquisitions the Group implemented in the previous term.

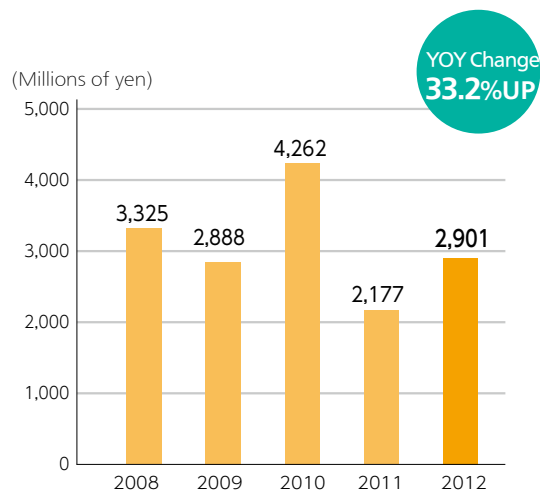
Both the operating income and the ordinary income showed a considerable increase due to the absence during the term of the impact of the previous term's Great East Japan Earthquake, as well as due to measures conducted to improve operating efficiency.

Net income for the year, on the other hand, decreased as compared to the preceding year due to such factors as the impairment loss on facilities related to the warehouse integration that will be implemented in the next year and for which the entry of extraordinary loss was front-loaded, as well as an increase in the income taxes-deferred.

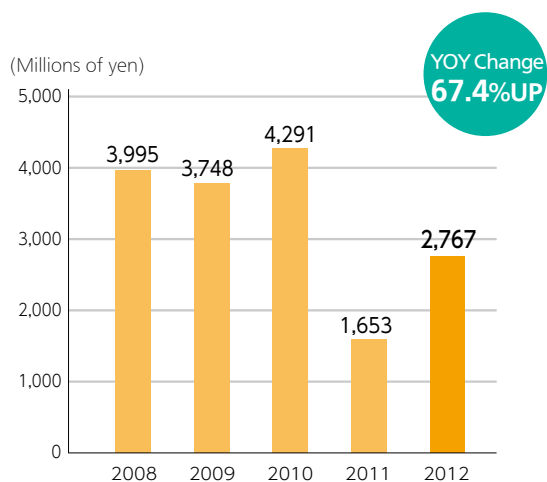
Net Sales



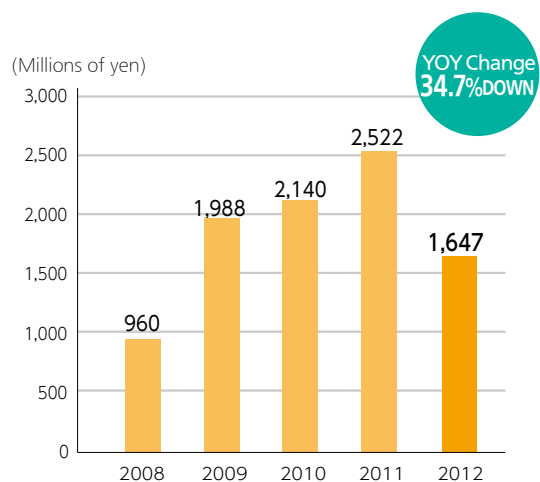
Operating Income



Ordinary Income



Net Income



■ Sales by Segment

(Millions of yen)

	FY2012				FY2011	
	Net Sales	YOY Change	Operating Income	YOY Change	Net Sales	Operating Income
Logistics	119,330	5.9%	1,728	36.6%	112,698	1,265
Property Management	2,504	4.6%	1,206	9.6%	2,392	1,101
Other	6,100	0.7%	44	–	6,057	△211
Total	127,935	5.6%	2,901	33.2%	121,148	2,177

※ Figures indicated above do not contain the proceeds of internal sales between segments.

- **Logistics business:** due to contribution to the sales of business results of two companies, which newly joined the Group through mergers and acquisitions, as well as to the brisk foodstuffs-related cargo movement and some other factors, sales increased. Operating income also increased due to the progress made with improvements of the unprofitable businesses and the fact that no earthquake-related losses were incurred during the term.
- **Logistics support business:** with the increase in the rent income from real estate for lease and other factors, both sales and profits in the property management business increased. In the other business, however, sales dropped, but as a result of measures to reduce overhead costs and some other initiatives implemented in the environmental business, the operating income moved into the black.

■ Performance Forecast for the Year Ending December 31, 2013 (By Segment)

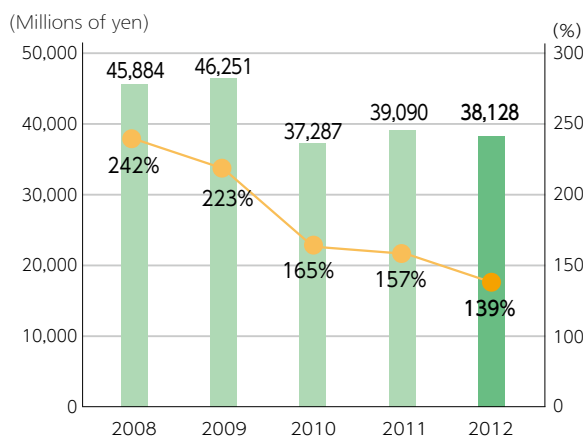
(Millions of yen)

	Net Sales	YOY Change	Operating Income	YOY Change	Operating Margin
Logistics	119,160	△0.1%	1,800	4.2%	1.5%
Property Management	2,660	6.2%	1,220	1.2%	45.9%
Other	6,180	1.3%	80	81.8%	1.3%
Total	128,000	0.1%	3,100	6.9%	2.4%

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

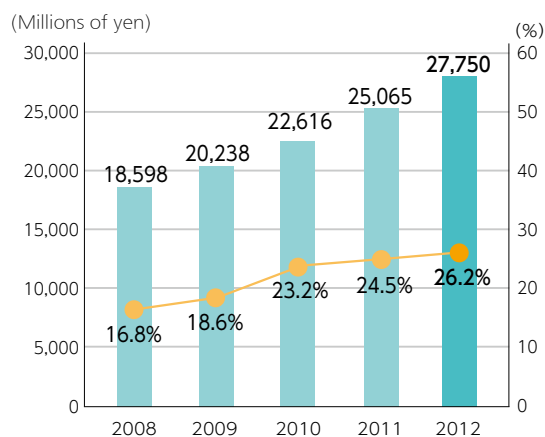
■ Net Debt /Net Debt to Equity Ratio

■ Net Debt ● Net Debt to Equity Ratio



■ Net Assets / Equity Ratio

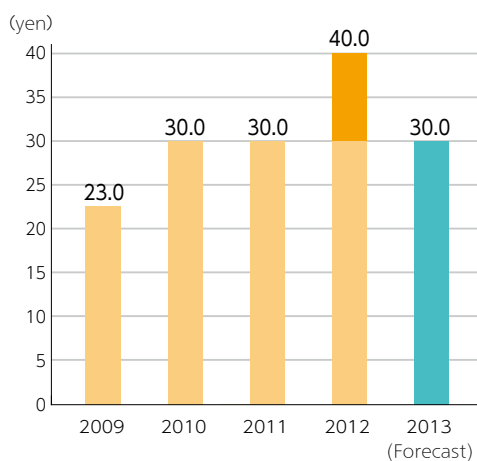
■ Net Assets ● Equity Ratio



Basic Policies regarding the Profit Distribution and Per-Share Dividend

■ Dividend per Share

Dividend of 10 yen commemorating the listing of the Group in the Second Section of the Tokyo Stock Exchange



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

Basic Policy regarding the Profit Distribution

SBS Group regards redistribution of profits to shareholders as one of the managerial policies of primary importance, makes efforts to strengthen its management base and improve the returns on equity, at the same time striving to ensure stable redistribution of profits that fully takes into account the business results achieved.

For the term ended December, 2012, the year end dividend has been set at 40 yen per share with 10 yen of commemorative dividend added to the regular dividend of 30 yen to commemorate the listing of the Group in the Second Section of the Tokyo Stock Exchange.

Please note that we plan the dividend for the term ending December, 2013 at 30 yen.

Corporate Profile (As of December 31, 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	¥127.9 billion (for the year ended December 31, 2012)
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. PAM Co., Ltd.

Board of Directors and Auditors (As of March 26, 2013)

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

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

Stock Information (As of December 31, 2012)

Number of shares authorized	51,568,400 shares
Number of shares issued	13,068,400 shares (including 41 treasury shares)
Share trading unit	100 shares
Number of shareholders	3,544

Major Shareholders (As of December 31, 2012)

Shareholder Name	Number of shares held (hundred shares)	Ratio of share held (%)
Masahiko Kamata	6,362,800	48.68
Japan Trustee Services Bank, Ltd. (Trust account)	559,100	4.27
SBS Holdings Employee Share Ownership Association	539,100	4.12
Hiroshi Date	384,800	2.94
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	334,800	2.56
Junichi Ouchi	309,400	2.36
TOBU Properties, Co., Ltd.	285,600	2.18
State Street Bank and Trust Client Omnibus Account OM02	200,000	1.53
Hiroyuki Yoshioka	188,900	1.44
3E Corporation	156,000	1.19

The ratio of share held are calculated based on the number of shares excluding 41 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 308,600 of our shares.

Distribution of Shares by Shareholder Type (As of December 31, 2012)

