



For the Six Months Ended June 30, 2014
(Security Code:2384)

SBS Business Report

(Interim)

■ Special Feature

**Satisfactory progress
with the expansion of
the SBS Group's business
overseas**

■ Contents

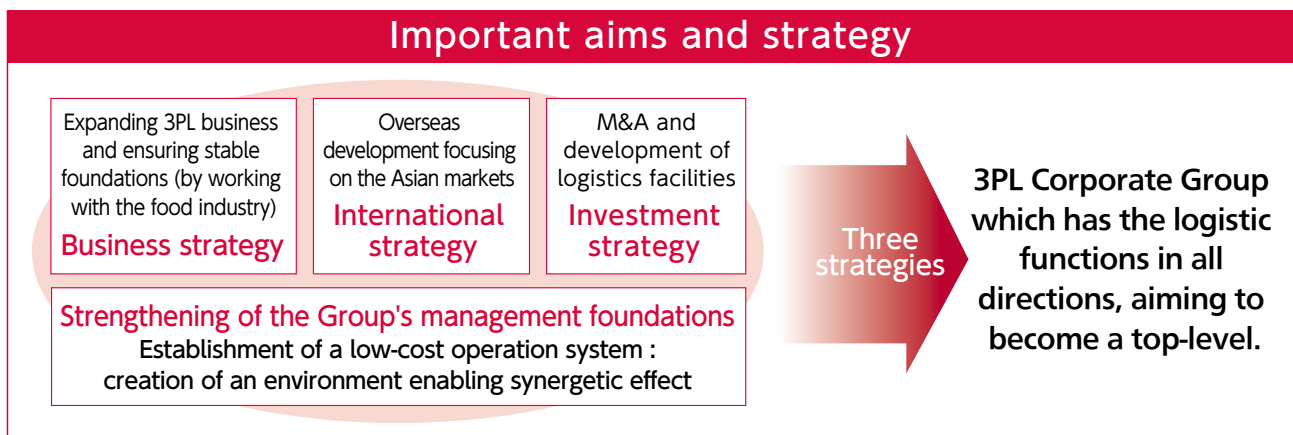
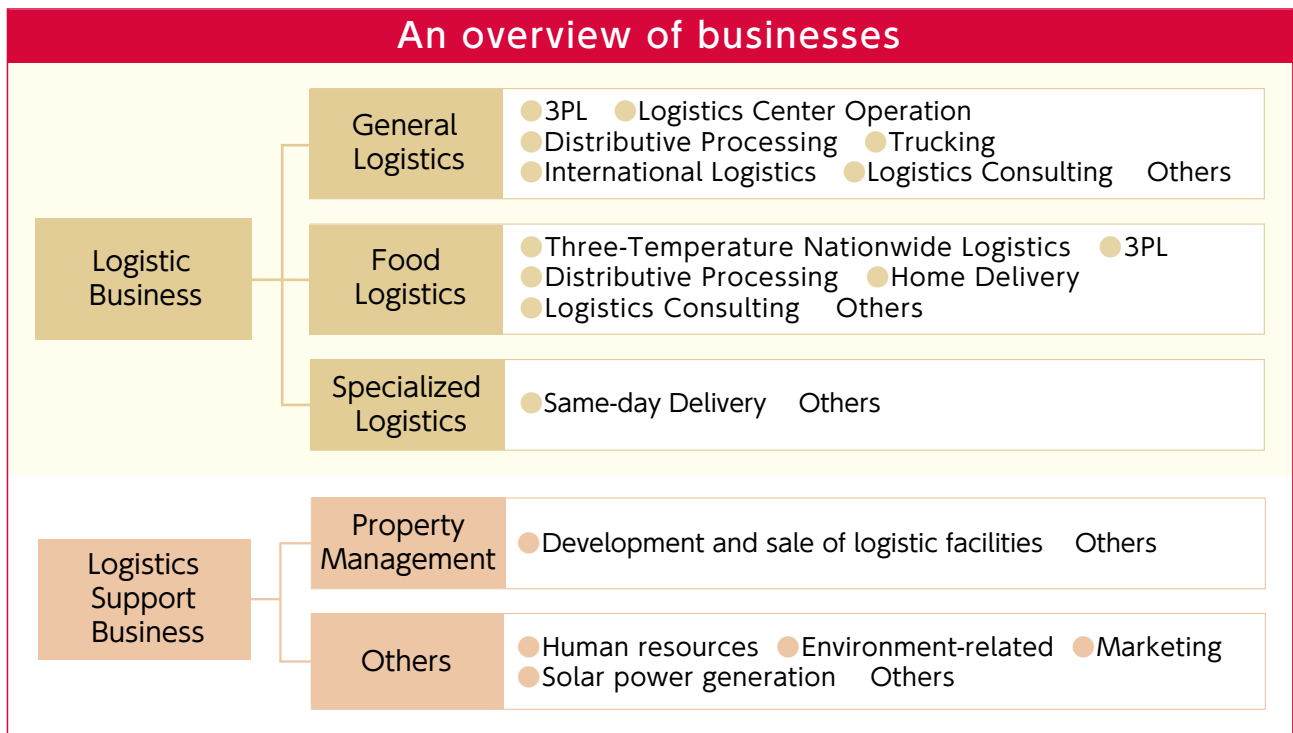
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SBS Group meets the various logistics needs with the utmost quality.

FY2014 Forecast	
Net Sales	¥ 137.0 billion
Operating Income	¥ 4.8 billion
Ordinary Income	¥ 4.4 billion
Net Income	¥ 3.5 billion

(Forecast values were revised on July 30, 2014.)

1st Half of FY 2014		
	(Millions of yen)	
	Planned	Actual
Net Sales	63,000	65,777
Operating Income	1,100	1,480
Ordinary Income	900	1,373
Net Income	500	1,761



*The statements made in connection with the forecasts present in these materials are based on assumptions, which include information available at the present time and uncertain components, which may affect future business results. The actual business results may differ from the forecasts due to various causes that may affect them in the future.



Looking back at the first half of the year, the concerted sales efforts of the whole Group led to a successful performance.

President : **Masahiko Kamata**

In the first half of the year, despite an upward trend thanks to the impact of Abenomics in the economy, in the logistics industry, against a backdrop of sharply rising fuel costs and aggravated shortage of drivers, severe conditions remained.

In such a situation, the SBS Group made a concerted effort to actively expand the business toward the goals of the medium-term management plan "SBS Growth 2017" launched in this term.

In the logistics business, which is the mainstay business of the Group, we strived to strengthen the proposal sales in order to significantly expand the number of new orders, while dealing with the rush of demand before the consumption tax hike this March. As a result, followed by the 3PL order from major meat packing companies, the Group received consecutive orders from major department stores for their mail-order service business and door-to-door food delivery center operations in the Kanto and Kansai areas.

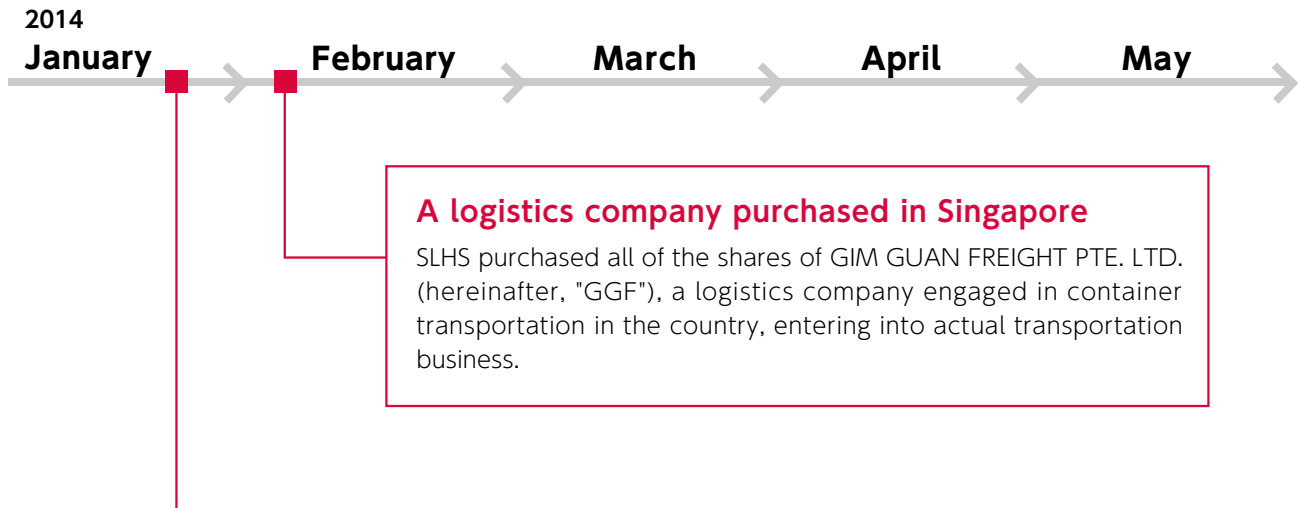
Regarding overseas development, the Group merged two of its affiliated companies in Singapore, purchased a local logistics company engaged in container transportation, and, in addi-

tion to its forwarding business, entered in the transportation business within the same country. Moreover, we have completed the first logistics facility to be owned by the Group overseas, in Thailand, thus creating a structure which enables us to accelerate our business expansion in the ASEAN region.

In the other businesses, the first stage of the plan with the Solar Power Generation Business has been completed and the output scale reached 5.4 MW. In the second half, according to the objectives set forth in the second stage of the plan, we intend to continue to further develop this business, launching new power stations with the output scale of 2MW. The Group also offered for sale an office complex in its possession as a part of the measures to exchange its assets portfolio. The funds collected from this sale will be reinvested in mergers, acquisitions, and development of facilities.

Aiming at a steady growth in the future, the SBS Group shall improve its operating efficiency and the quality of services we offer even further, striving to take its competitiveness to yet higher levels. And I sincerely hope that you will continue to support the SBS Group in the future.

Satisfactory progress with the expansion of the SBS Group's business overseas



Improving the Group's bases in the ASEAN

In order to accelerate the expansion of its logistics business in the ASEAN, in January, 2014, the SBS Group merged two of its affiliated companies in Singapore, namely, the SBS Logistics RHQ Pte. Ltd. and the SBS Atlas Logistics Holdings Pte. Ltd., naming the resultant company "SBS Logistics Holdings Singapore Pte. Ltd." (hereinafter, "SLHS")

The Group also changed company names of three affiliated companies in Malaysia, Vietnam, and Thailand.

[List of affiliated companies overseas] (as of June 2014)



June

Affiliated company in Singapore merged another affiliated company

SLHS merged GGF and shall promote further expansion of the transportation operating department, making improvements in quality and efficiency of services offered.

First logistics facility to be owned by the Group overseas completed in Thailand

First stage of construction work launched near the Laem Chabang Port, which is the largest international harbor in the country, in December, 2013 on the first logistics facility to be owned by the Group overseas has been completed in the middle of June, and No. 1 Warehouse and an office building launched operations from the middle of July. The second stage of construction was completed late in August, with No. 2 Warehouse and a dormitory building due to open from the middle of September. In the future, the Group plans to build the No. 3 Warehouse aiming to complete the construction by autumn 2015. Final plans are for the logistics facility to reach the total floor area of 30,000sqm.

* The facility is developed by TAS Logistics Co., Ltd., a joint venture established by the Group with a partner company in Thailand, Trans Air Cargo Co., Ltd.

[Overview of the facility]

- Official name** TAS LOGISTICS WAREHOUSE
- Location** Sri Racha, Chonburi Province, Thailand
- Site area** 63,840sqm
- Overview of buildings** No. 1 Warehouse: Single story, 9,788sqm; No. 2 Warehouse: Single story 9,638sqm; No. 3 Warehouse: Single story 9,638sqm (planned)
- Access** 25km from the port of Laem Chabang, 100km from Suvarnabhumi International Airport, 125km from central Bangkok



Promoting Solar Power Generation Business

In 2013, the SBS Group ventured into the solar power generation business for the purpose of effective use of the Group's assets and expansion of supply of renewable energy. At the end of March, the last power generation facility to be established according to the first stage of the plan was launched with generating capacity reaching 5.4 MW.

Moreover, in the second stage of the plan, the Group intends to add a 1.8 MW power generation facility, and the generating capacity of the Group in total at the time of completion of the second stage of the plan is expected to reach 7.2 MW, which will mean that among logistics enterprises, ours will have the largest scale of power generation.

The SBS Group shall continue installing solar power generation equipment in the logistics facilities established by the Group in the future, making strong efforts to use the facilities most effectively and expand the supply of clean energy.




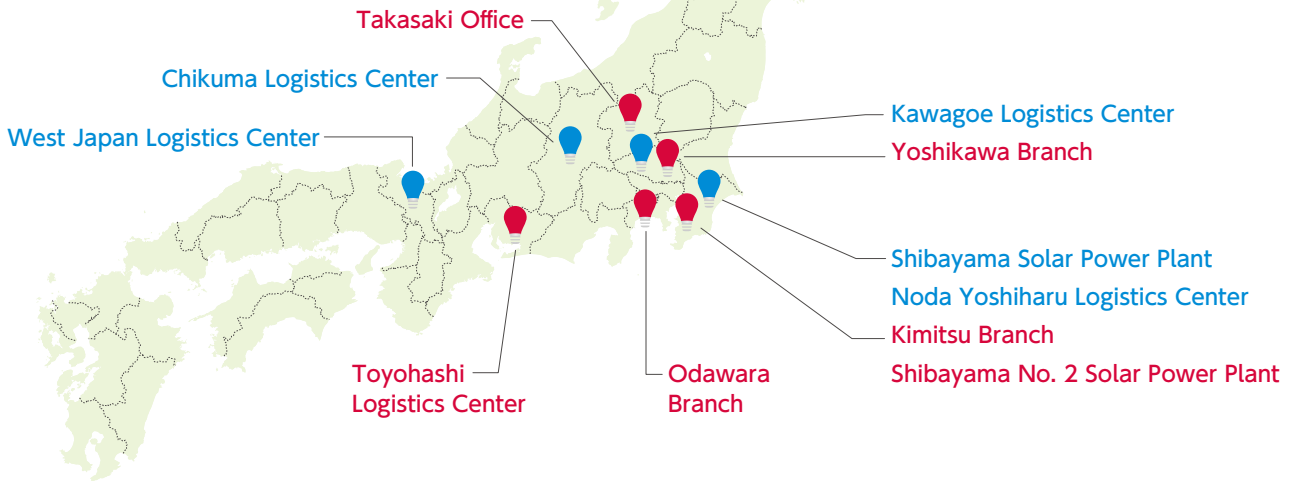
Shibayama Solar Power Plant



Noda Yoshiharu Logistics Center

 Already operating facilities (first stage of the plan)

 Facilities to be equipped with solar power generation equipment (second stage of the plan)



■ First stage of the plan

Already operating facilities	Shibayama Solar Power Plant	Noda Yoshiharu Logistics Center	Kawagoe Logistics Center	Chikuma Logistics Center	West Japan Logistics Center	Total of already operating facilities
Generating capacity (KW)	2,826	514	830	604	617	5,391

Generating capacity in the 2014 fiscal year (KW)	7,200
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■ Second stage of the plan (Scheduled for development in the second half of 2014)

Facilities to be equipped with solar power generation equipment	Kimitsu Branch	Yoshikawa Branch	Takasaki Office	Shibayama No. 2 Solar Power Plant	Toyohashi Logistics Center	Odawara Branch	Total of Facilities to be equipped with solar power generation equipment
Generating capacity (KW)	270	230	160	710	220	210	1,800



Percentage of offices with G mark qualification increases to 78%

(SBS Group)

January

In the assessment for business year 2013 conducted by the Japan Trucking Association (public interest incorporated association) in December 2013, 16 new offices of the Group were certified with the G mark signifying they all had been applying excellent safety standards in their operations. Thereby, the number of offices certified with G mark has reached 97, amounting to 78% of all offices of the Group.



Established "tama", a home delivery service Website offering safe cat food

(Marketing Partner)

May

Marketing Partner, a company that is developing an Internet-order-sales business, established an Internet-order-sales site "tama" specializing in premium cat food for people conscious about the health of their pet cats, and the site launched full-scale operation from May.

* The address of the site is <http://www.tamaone.jp/>.



Launch of home delivery service center work for Takashimaya

(SBS Zentsu)

March

SBS Zentsu, which is engaged in general foodstuffs logistics and delivery of individually purchased foodstuffs, received an order for control over incoming and outgoing shipments of food and sweets for a home delivery service business newly launched by Takashimaya, one of the largest department store chains in Japan. A center was established in Urayasu and operations launched there in February.



Kawaguchi Office established as a new foodstuffs logistics center

(SBS Zentsu)

May

In connection with a business expansion, SBS Zentsu established Kawaguchi Office as a new logistics center and transferred work to it from the Urawa Office.

The new office boasts double the total floor area, double the size of refrigerated space, and six times the space of the freezers as compared to the old one, adding up to a significant expansion of scale.

In the future, SBS Zentsu will utilize the office as a joint distribution base to expand the business further.



Safety measures conducted by the Group introduced in a textbook used in a training course for people engaged in traffic control

(SBS Flec)

April

Safety measures conducted by SBS Flec were used by National Agency for Automotive Safety & Victims' Aid (NASVA, independent administrative agency) in a textbook the agency issues to be used in public training courses for people engaged in traffic control as an example of measures to be taken to prevent accidents, etc. The example is currently used in the textbook for 2014, but the agency plans to use it for two more years.



Safe driving training session held for the first time in the Tohoku district

(SBS Group)

June

From April, 2013, the Group has been conducting original safe driving training sessions to reconfirm such basic driving skills of the drivers as handling of the vehicles and confirmation of safety conditions, as well as to analyze and evaluate their driving skills.

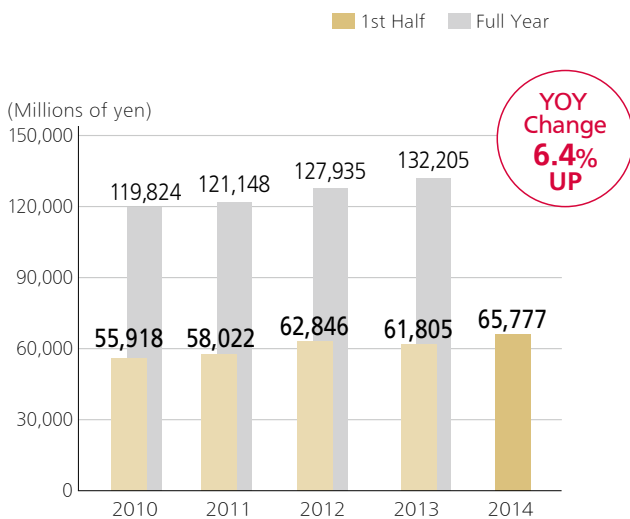
This year, in order to make this initiative available to the drivers working in the Tohoku district, training sessions were also held in Sendai.



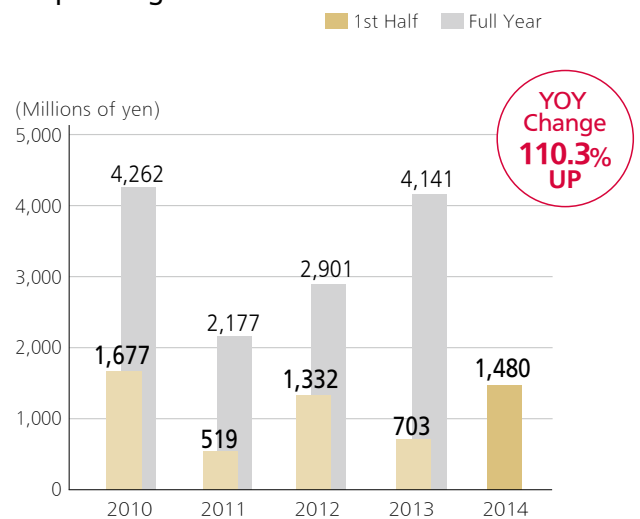
CONSOLIDATED FINANCIAL PERFORMANCE

In connection with a considerable increase in the amount of shipments due to a rush of demand before the increase of consumption tax, the Logistics Business and the Human Resources Business increased the operations resulting in an increase of net sales as compared with the corresponding period of last year. And although there was an increase in costs for fuel and chartered vehicles, due to an increase in profits from net sales, both operating and ordinary income increased. Moreover, as with a sale of an office complex and some other properties the Group posted a gain on sales of noncurrent assets in the extraordinary income, quarterly net income showed a considerable increase.

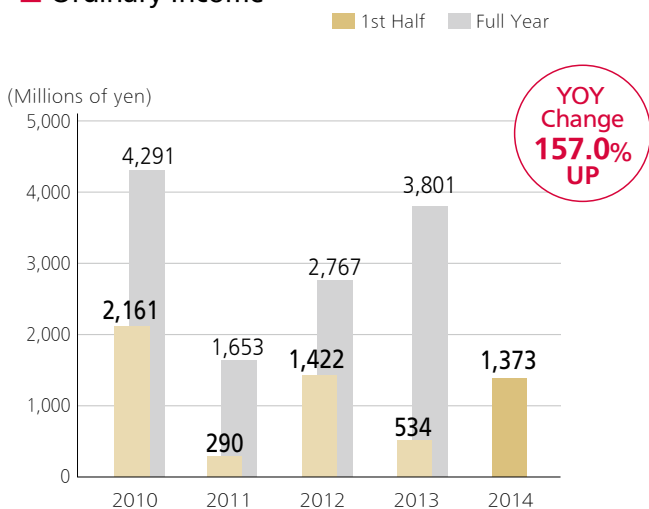
Net Sales



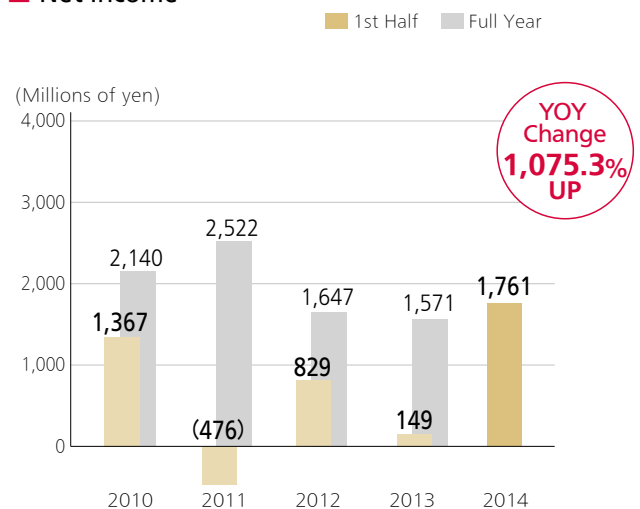
Operating Income



Ordinary Income



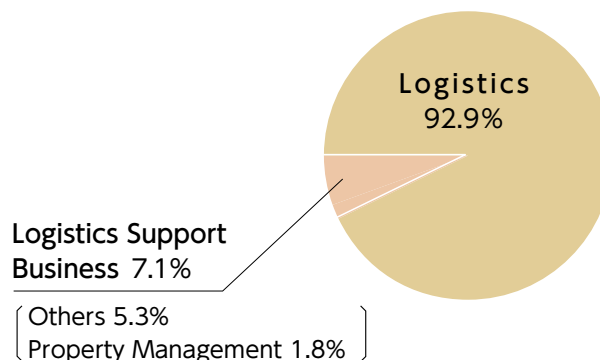
Net Income



■ Sales by Segment

(Millions of yen)

	1st Half of FY2014		1st Half of FY2013	
	Net Sales	Operating Income	Net Sales	Operating Income
Logistics	61,330	605	57,884	(77)
Property Management	1,199	612	1,350	694
Other	3,477	171	2,857	31
Adjustment	(229)	91	(287)	54
Total	65,777	1,480	61,805	703



● Logistics Business :

In addition to the launch of new food-related 3PL businesses and new center businesses, the results were also favorably influenced by a rush of demand before the increase of consumption tax centering on consumer goods, beverages, and everyday sundries, all resulting in an increase of net sales.

With an increase in net sales, the Group posted an increase in profits, moving in the area of operating income from operating loss posted in the corresponding period of last year into the black.

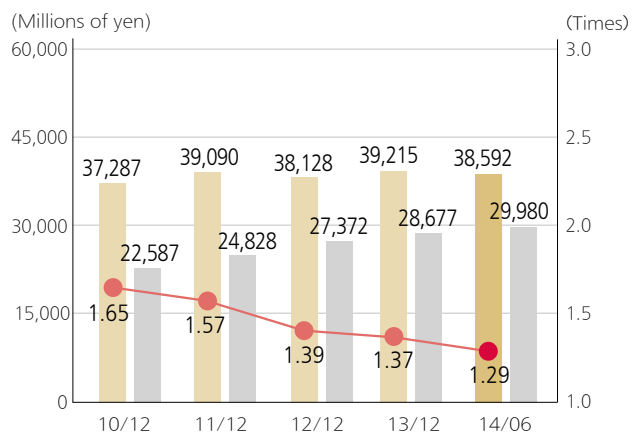
● Logistics Support Business :

In the property management business, as a part of real estate facilities for lease were transferred in the last fiscal year, there was a decrease both in sales and income.

In the other businesses, on the other hand, there was an increase in both sales and profits due to good results shown by the human resources business as well as the addition of the solar power generation business.

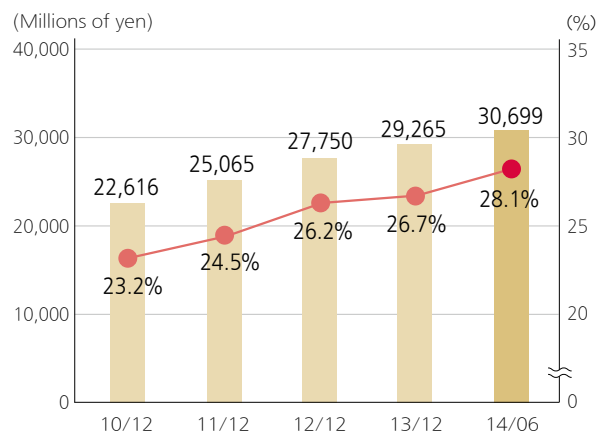
■ Net Debt, Total Shareholders' Equity(left), Net Debt-to-Equity Ratio (right)

■ Net Debt ■ Total Shareholders' Equity ● Net Debt-to-Equity Ratio



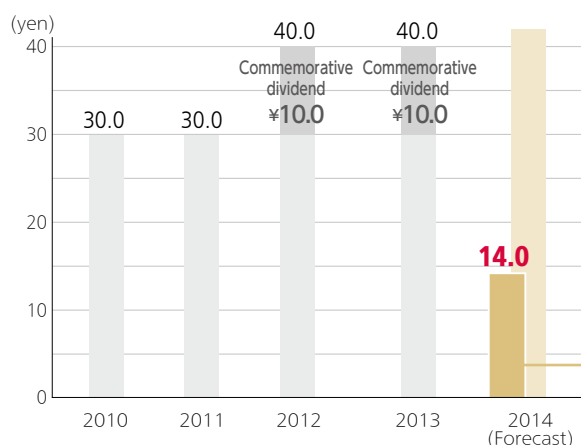
■ Net Assets, Equity Ratio

■ Net Assets ● Equity Ratio



*Net Debt=Long-term loans + Short-term loans + Bond-Cash and deposits
 *Net Debt-to-Equity Ratio=Long-term loans (net)/Total shareholders' equity

■ Dividends per Share



※The amount of dividend per share listed is given for after the stock split and switchover to the unit stock system.
 ※The commemorative dividend distributed in 2012 commemorates the Group's listing on the Second Section of the Tokyo Stock Exchange.
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■ Basic Policy regarding the Profit Distribution

SBS Group regards redistribution of profits to our shareholders as one of the primary tasks of management.

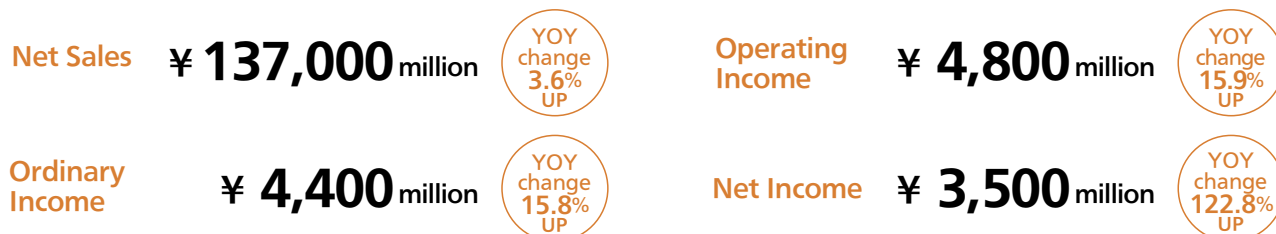
We endeavor to ensure stable redistribution of profits taking into account the business results achieved by continually improving solid management foundations and raising the returns on equity.

For the year ended December 31, 2013, commemorating our listing on the First Section of the Tokyo Stock Exchange. We added 10 yen to the common dividend of 30 yen per share and distributed the dividend of 40 yen.

We intended to pay a dividend of 40 yen per share for the year ending December 31, 2014 also, but as the Group conducted a 3-for-1 stock split, we intend to distribute a dividend of 14 yen per share, which will mean a further increase by 2 yen.

As a result of a 3-for-1 stock split: 14.0 yen per share
 Compared with the previous-term
 (term ended December, 2013) 14.0x3=42.0 yen
 (Please refer to the reverse cover for details on the stock split.)

PERFORMANCE FORECASTS (For the year ending December 31, 2014)



■ By Segment

(Millions of yen)

	Logistics	Property Management	Other	Consolidation/Corporate	Total
Net Sales	125,000	5,300	6,700	—	137,000
YOY Change	+3.5%	-4.6%	+14.2%	—	3.6%
Operating Income	2,050	2,400	350	0	4,800
YOY Change	+68.2%	-5.9%	+73.3%	—	15.9%
Operating Margin	1.6%	45.3%	5.2%	—	3.5%

※Figures of the earnings forecast exclude the proceeds of internal sales between segments.
 (Forecast values were revised on July 30, 2014.)

■ Corporate Profile (As of June 30, 2014)

Company name	SBS Holdings, Inc.
President	Masahiko Kamata
Founded	December 16, 1987
Paid-in Capital	¥3,902.98 million
Net sales	¥132.2 billion (for the year ended December 31, 2013)
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	SBS Logicom Co., Ltd. SBS Flec Co., Ltd. SBS Zentsu Co., Ltd. SBS Sokuhai Co., Ltd. SBS Staff Co., Ltd. Atlas Logistics Private Limited SBS Support Logi Co., Ltd. SBS Finance Co., Ltd. A-MAX Co., Ltd. Marketing Partner Co., Ltd.

■ Board of Directors and Auditors

(As of June 30, 2014)

President	Masahiko Kamata
Senior director	Kenichi Iriyama
Director	Taiji Sugino Makoto Watanabe
Director (outside)	Tetsuya Sekimoto
Audit & Supervisory Board Member (full-time)	Shin-ichiro Watanabe
Audit & Supervisory Board Member (outside)	Shigetaka Shomatsumoto Masahito Takeda Jiro Iwasaki

Tsutsuya Sekimoto is an outside director.
The auditors Shigetaka Shomatsumoto, Masato Takeda and Jiro Iwasaki are outside auditors.

■ Stock Information (As of June 30, 2014)

Number of shares authorized	154,705,200 shares
Number of shares issued (including 1,100 less-than-one-unit shares)	39,613,200 shares
Unit Stock System	Yes
Number of shareholders	3,404

■ Major Shareholders (As of June 30, 2014)

Shareholder Name	Number of shares held (hundred shares)	Ratio of share held (%)
Masahiko Kamata	17,888,400	45.15
SBS Holdings Employee Share Ownership Association	1,730,400	4.36
Japan Trustee Services Bank, Ltd. (Trust account)	1,576,300	3.97
SMBC Trust Bank Ltd.	1,200,000	3.02
The Master Trust Bank of Japan, Ltd. (Trust account)	1,035,400	2.61
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	1,004,400	2.53
Junichi Ouchi	928,200	2.34
TOBU Properties, Co., Ltd.	826,800	2.08
State Street Bank and Trust Company 505224	750,000	1.89
Hiroiyuki Yoshioka	566,700	1.43

※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 553,900 of our shares.

※Rate of stockholdings against number of shares authorized is shown with 3rd decimal place truncated.

■ Distribution of Shares by Shareholder Type

(As of June 30, 2014)

Number of share issued: 39,613,200 shares

