

December 24, 2020

**Notice Regarding Acquisition of Shares of
TOYO WAREHOUSE & TRANSPORTATION CO., LTD.**

TOKYO, December 24, 2020—At the board of directors meeting held today, SBS Holdings, Inc. has resolved to acquire the common shares of TOYO WAREHOUSE & TRANSPORTATION CO., LTD. (hereinafter "TOYO WAREHOUSE & TRANSPORTATION"), a consolidated subsidiary of SMC Corporation, and make TOYO WAREHOUSE & TRANSPORTATION a consolidated subsidiary of the Company. Details are as follows.

1. Reason for the share acquisition

With the concentration of the domestic population in Tokyo area and the advancement of electronic commerce, demand for warehouses near the Tokyo metropolitan area is expected to expand, and the need for sophisticated logistics warehouses, such as mechanization and automation, is expected to further increase. Accordingly, the Group is actively investing in cutting-edge warehouses in the Tokyo coastal region.

TOYO WAREHOUSE & TRANSPORTATION owns large warehouses in Higashi Ogijima (Kawasaki City, Kanagawa Prefecture) and Wakasu (Koto-ku, Tokyo) in the Tokyo coastal area. By merging these warehouses with existing our warehouses operating in the region, our company believes that we will be able to develop warehouses from a long-term perspective, maximizing the potential of the Group's logistics infrastructure in the region, and approaching a new customer base.

Through this acquisition of shares, we will establish a system to increase corporate value by sharing the various infrastructure and know-how possessed by the Group with TOYO WAREHOUSE & TRANSPORTATION, and pursuing collaboration and synergies in logistics operations. After the acquisition of the shares, we plan to dispatch an officer from our group, but we intend to respect the continuity of management of Toyo Transportation Warehouse and work to unify the group.

2. Outline of the subsidiary to be transferred

(1) Name	TOYO WAREHOUSE & TRANSPORTATION
(2) Address	Nishi-Shinbashi Annex Building, 1-22-10 Nishi-Shinbashi, Minato-ku, Tokyo
(3) Job Title/Name of Representative	Kojiro Okada, Representative Director
(4) Business	Warehousing, customs broker, freight forwarding, etc.
(5) Capital	191 million yen
(6) Established	April 18, 1960
(7) Major shareholders and holding ratio	SMC Corporation: 100.0%

December 24, 2020

(8) Relationship between a listed company and the company	Capital relationship	None applicable	
	Personnel relationship	None applicable	
	Business relationship	None applicable	
(9) Operating results and financial position of the company for the past 3 years			
Fiscal year end	FY3/18	FY3/19	FY3/20
Net assets	5,655 million yen	5,803 million yen	5,950 million yen
Total assets	7,439 million yen	7,481 million yen	7,617 million yen
Net assets per share	14,765.85 yen	15,150.97 yen	15,356.18 yen
Net sales	2,153 million yen	2,326 million yen	2,436 million yen
Operating income (loss)	189 million yen	220 million yen	220 million yen
Ordinary income (loss)	199 million yen	222 million yen	223 million yen
Net profit (loss)	137 million yen	153 million yen	156 million yen
Net income (loss) per share	358.72 yen	400.21 yen	408.40 yen
Dividend per share	0 yen	0 yen	0 yen

3. Outline of the counterparty to the share acquisition (As of March 31, 2020)

(1) Name	SMC Corporation	
(2) Address	Akihabara UDX, 4-14-1, Sotokanda, Chiyoda-ku, Tokyo	
(3) Job Title/Name of Representative	Representative director president Maruyama Masanori	
(4) Business	Manufacture and sale of automatic control equipment	
(5) Capital	61.005 billion yen	
(6) Established	April 27, 1959	
(7) Net assets	1.253266 trillion yen	
(8) Total assets	1.390539 trillion yen	
(9) Major shareholders and holdings ratio	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.89%
	Japan Trustee Service Bank, Ltd. (Trust Account)	5.98%
	TAKADA International	5.70%
	Ton Finance B.V.	5.17%
	JP Morgan Chase Bank 385632	4.50%
	The Bank of New York Mellon 140042	3.06%
	Resona Bank, Limited	2.79%
	The Dai-ichi Life Insurance Company, Limited	2.27%
	The Bank of New York Mellon 140044	1.92%
	Japan Trustee Services Bank, Ltd. (Trust account 5)	1.92%

December 24, 2020

(10) Relationship between a listed company and the company	Capital relationship	None applicable
	Personnel relationship	None applicable
	Business relationship	None applicable
	Status of related parties	None applicable

(Note) 1. The position of representative is as of April 1, 2020.

2. Japan Trustee Services Bank, Ltd., a major shareholder, changed its corporate name to The Japan Custody Bank, Ltd. on July 27, 2020 due to the merger.

4. Number of Shares to be Acquired, Acquisition Price, and Status of Shares Held Before and After the Acquisition

(1) Number of shares held before the transaction	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.0%)
(2) Number of shares to be acquired	383,008 shares of common shares (Number of voting rights: 383,008)
(3) Acquisition price	7,200 million yen
(4) Number of shares held after the transaction	383,008 shares of common stock (Number of voting rights: 383,008) (Percentage of voting rights: 100.0%)

5. Schedule

(1) Board resolution	December 24, 2020
(2) Date of contract	December 24, 2020
(3) Date of acquisition	January 29, 2021 (planned)

6. Future outlook

The effect of this share acquisition on our consolidated business results for the fiscal year ending December 2020 will be minimal. Profit and loss are expected to be consolidated from the second quarter of the fiscal year ending December 2021.