

Notice of Recording of Extraordinary Loss, Differences between Forecasts and Actual Results for the First Half of the Fiscal Year Ending December 2022, and Revision to Full-Year Business Forecasts

Tokyo, August 5, 2022—In the first half of the fiscal year ending December 2022, SBS Holdings, Inc. recorded an extraordinary loss resulting from a fire that occurred on June 30, 2022 at a logistics facility (Ami Logistics Center No. 2 of SBS Fleck Co., Ltd.) We also announced that there was a difference between the business forecasts for the first half of the fiscal year ending December 2022 (January 1, 2022 to June 30, 2022) announced on February 10, 2022 and the actual results announced today, and that we revised the forecasts for the full fiscal year ending December 2022.

1. Recording of an extraordinary loss

During the first quarter of the fiscal year ending December 2022, the Company recorded a fire loss of 4,614 million yen for the book value of the Ami Logistics Center No. 2, which was destroyed or damaged by the fire, and the amount of compensation determined for the destruction or loss of the shipper's goods.

2. Difference between forecasts and actual results for the six months of the fiscal year ending December 2022 (January 1, 2022 - June 30, 2022)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A)	205,000	6,800	6,200	4,800	120.85 yen
Current results (B)	216,852	8,343	8,248	1,895	47.73 yen
Change (B-A)	11,852	1,543	2,048	-2,904	—
Percentage change (%)	5.8%	22.7%	33.0%	-60.5%	—
(Ref.) Previous H1 results (H1 FY12/21)	202,244	13,969	13,936	7,809	196.61 yen

August 5, 2022

[Reason for difference]

Net sales, operating income, and ordinary income exceeded the forecasts announced on February 10, 2022 due to growth in 3PL, 4PL business at a faster pace than originally planned in the mainstay Logistics segment. On the other hand, net income attributable to owners of parent was significantly lower than the forecast due to the recording of an extraordinary loss associated with the fire of a logistics facility at a consolidated subsidiary as described above.

3. Full-year business forecasts for the fiscal year ending December 2022
(January 1, 2022 to December 31, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (Yen)
Previous forecasts (A)	430,000	21,500	20,600	11,700	294.58 yen
Current forecasts (B)	430,000	21,500	20,600	—	—
Change (B-A)	—	—	—	—	—
Percentage change (%)	—	—	—	—	—
(Reference) Previous results (FY12/21)	403,485	20,706	20,489	10,790	271.67 yen

[Reason for revisions]

Net sales, operating income, and ordinary income have been left unchanged on the assumption that the Logistics segment, which is our core business, will continue to perform strongly and the sale of real estate for sale will be carried out as planned. Net income attributable to owners of parent and net income per share have not yet been determined because it is difficult to reasonably calculate the timing and amount of additional extraordinary losses at this time due to the ongoing investigation into the fire, and the amount of insurance proceeds received for fixed assets destroyed or damaged by the fire has not yet been determined. We will disclose these figures as soon as it becomes possible to make calculations.

We apologize for any inconvenience or concern this may cause you, and we will continue to work together to carry out our business activities and growth strategies.