



SBS Holdings, Inc.

Information Meeting

For the year ended December 31, 2010

February 23, 2011

SBS Holdings, Inc.

www.sbs-group.co.jp



SBS Holdings, Inc. 2384



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SBS Holdings, Inc.

FY2010 Consolidated Business Results and FY2011 Forecasts

**SBS Holdings, Inc.
Managing Director
Kenichi Iriyama**

Consolidated Performance (YOY Comparison)

For the year ended December 31, 2010



SBS Holdings, Inc.

(Millions of yen)

	FY2009		FY2010			
	Amount	% of Total	Amount	% of Total	YOY Change (%)	YOY Change (amount)
Net Sales	115,710	100%	119,824	100%	3.6%	4,113
Operating Income	2,888	2.5%	4,262	3.6%	47.6%	1,374
Ordinary Income	3,748	3.2%	4,291	3.6%	14.5%	542
Net Income	1,988	1.7%	2,140	1.8%	7.7%	152

Consolidated Performance (Actual vs. Planned)

For the year ended December 31, 2010



SBS Holdings, Inc.

(Millions of yen)

	FY2010		FY2010			
	Planned	% of Total	Actual	% of Total	YOY Change (%)	YOY Change (amount)
Net Sales	116,000	100%	119,824	100%	3.3%	3,824
Operating Income	3,800	3.3%	4,262	3.6%	12.2%	462
Ordinary Income	3,800	3.3%	4,291	3.6%	12.9%	491
Net Income	2,000	1.7%	2,140	1.8%	7.0%	140

Performance by Segment (YOY Comparison)



SBS Holdings, Inc.

FY2010

(For the year ended December 31, 2010)

(Millions of yen)

	Logistics	Marketing	Human Resources	Financial	Other	Consolidation/Corporate	Total
Net Sales	107,655	1,880	4,303	5,348	635	—	119,824
YOY Change (%)	2.7%	-47.4%	-14.7%	220.2%	2.5%	—	3.6%
Operating Income (Loss)	2,886	42	20	1,199	(14)	128	4,262
YOY Change (%)	8.9%	38.7%	-86.4%	196.8%	—	—	47.6%
Operating Margin	2.7%	2.2%	0.5%	22.4%	—	—	3.6%

Since the management fee charged to subsidiaries has been revised upward in FY2010, operating income decreased accordingly. The recalculated figures based on the same standard as FY2010 are indicated below inside the red frame.

Reference: FY2009

(For the year ended December 31, 2009)

(Millions of yen)

	Logistics	Marketing	Human Resources	Financial	Other	Consolidation/Corporate	Total
Net Sales	107,655	3,572	5,045	1,670	620	—	115,710
YOY Change (%)	-8.4%	-65.3%	-26.8%	-74.7%	-42.8%	—	-17.0%
Operating Income (Loss)	2,262	58	171	392	(41)	44	2,888
Recalculated by FY2010 standard				0.0%	—	—	-13.1%
Operating Margin	2.2%	1.6%	3.4%	23.5%	—	—	2.5%

※Net sales indicated on this page are figures after elimination.

Consolidated Balance Sheets



SBS Holdings, Inc.

(Millions of yen)

	As of Dec. 31, 2009	As of Dec. 31, 2010	YOY Change		As of Dec. 31, 2009	As of Dec. 31, 2010	YOY Change
Cash and Cash Equivalents	10,485	7,418	-3,066	Accounts Payables	6,825	7,002	177
Accounts Receivables	14,326	15,128	801	Short-Term Debts	25,680	17,670	-8,010
Lease Receivables and Investment	2,841	2,518	-323	Long-Term Debts Due within One Year	5,648	5,690	41
Inventories	10,222	7,810	-2,412	Lease Obligations (Current)	1,346	1,208	-137
Property for Sale	(3,443)	(4,059)	(616)	Others	6,715	6,857	143
Beneficial Interest from Real Estate Trust	(6,568)	(3,555)	(-3,013)	Current Liabilities	46,214	38,427	-7,786
Goods	(211)	(196)	(-15)	Corporate Bonds	1,360	1,686	326
Others	2,232	3,024	793	Long-Term Debts	23,768	19,403	-4,365
Current Assets	40,106	35,898	-4,207	Lease Obligations (Long-Term)	3,823	2,975	-848
Fixed Assets	59,762	53,081	-6,681	Negative Goodwill	493	—	-493
Lease Assets (Net)	(3,943)	(3,205)	(-738)	Others	11,305	11,300	-5
Intangibles	598	1,282	684	Non-Current Liabilities	40,749	35,364	-5,384
Others	6,733	6,145	-588	Total Liabilities	86,963	73,791	-13,171
Non-Current Assets	67,094	60,509	-6,584	Shareholders' Equity	20,238	22,616	2,378
Total Assets	107,201	96,408	-10,792	Total Liabilities and Net Assets	107,201	96,408	-10,792

Work on reduction of interest-bearing debt

As of December 31, 2009

Current assets Cash & cash equivalents ¥10.5B	Current liabilities Short-term debts ¥25.7B
Non-current assets Fixed assets ¥59.7B	Non-current liabilities Long-term debts ¥29.4B
	Corporate bonds ¥1.6B

Interest-bearing debt ¥56.7B
Equity Ratio 18.6%

As of December 31, 2010

Current assets Cash & cash equivalents ¥7.4B	Current liabilities Short-term debts ¥17.7B
Non-current assets Fixed assets ¥53.1B	Non-current liabilities Long-term debts ¥25.1B
	Corporate bonds ¥1.9B

Interest-bearing debts ¥44.7B
Equity Ratio 23.2%

Healthier
Financial
Base

¥12.0 reduction in IBD

※Annual repayment and redemption are also included in long-term debts and bonds of non-current liabilities .

Consolidated Statements of Cash Flows



SBS Holdings, Inc.

(Millions of yen)

	FY2009	FY2010	YOY Change
Cash Flows from Operating Activities	1,901	7,939	6,037
Income before Income Taxes, etc.	4,427	3,968	(458)
Depreciation	4,130	3,799	(330)
Amortization of Negative Goodwill	(1,619)	(556)	1,063
Changes in Inventories	(2,475)	2,247	4,722
Payment of Interest	(796)	(685)	110
Payment of Corporate Tax, etc.	(1,229)	(1,681)	(452)
Cash Flows from Investing Activities	11	3,059	3,047
Cash Flows from Financing Activities	(6,341)	(14,071)	(7,729)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(0)	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	(4,428)	(3,072)	1,355
Cash and Cash Equivalents at Beginning of Year	14,821	10,455	(4,366)
Cash and Cash Equivalents at End of Year	10,455	7,382	(3,072)



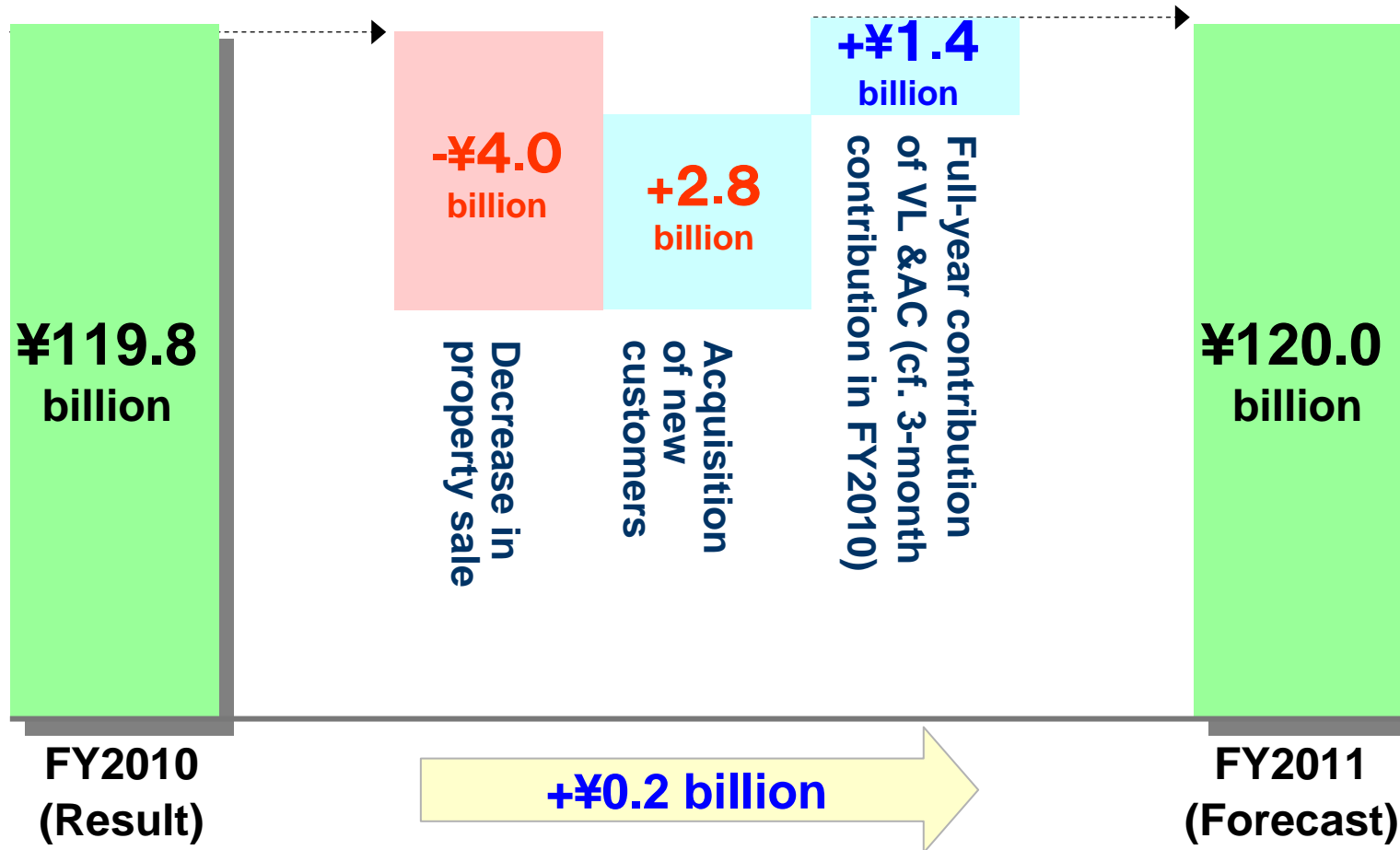
(Millions of yen)

	FY2010		FY2011 (E)		
	Actual	% of Total	Estimate	% of Total	YOY Change
Net Sales	119,824	100%	120,000	100%	0.1%
Operating Income	4,262	3.6%	3,500	2.9%	-17.9%
Ordinary Income	4,291	3.6%	3,000	2.5%	-30.1%
Net Income	2,140	1.8%	1,700	1.4%	-20.6%

Analysis of Net Sales, FY2011



SBS Holdings, Inc.

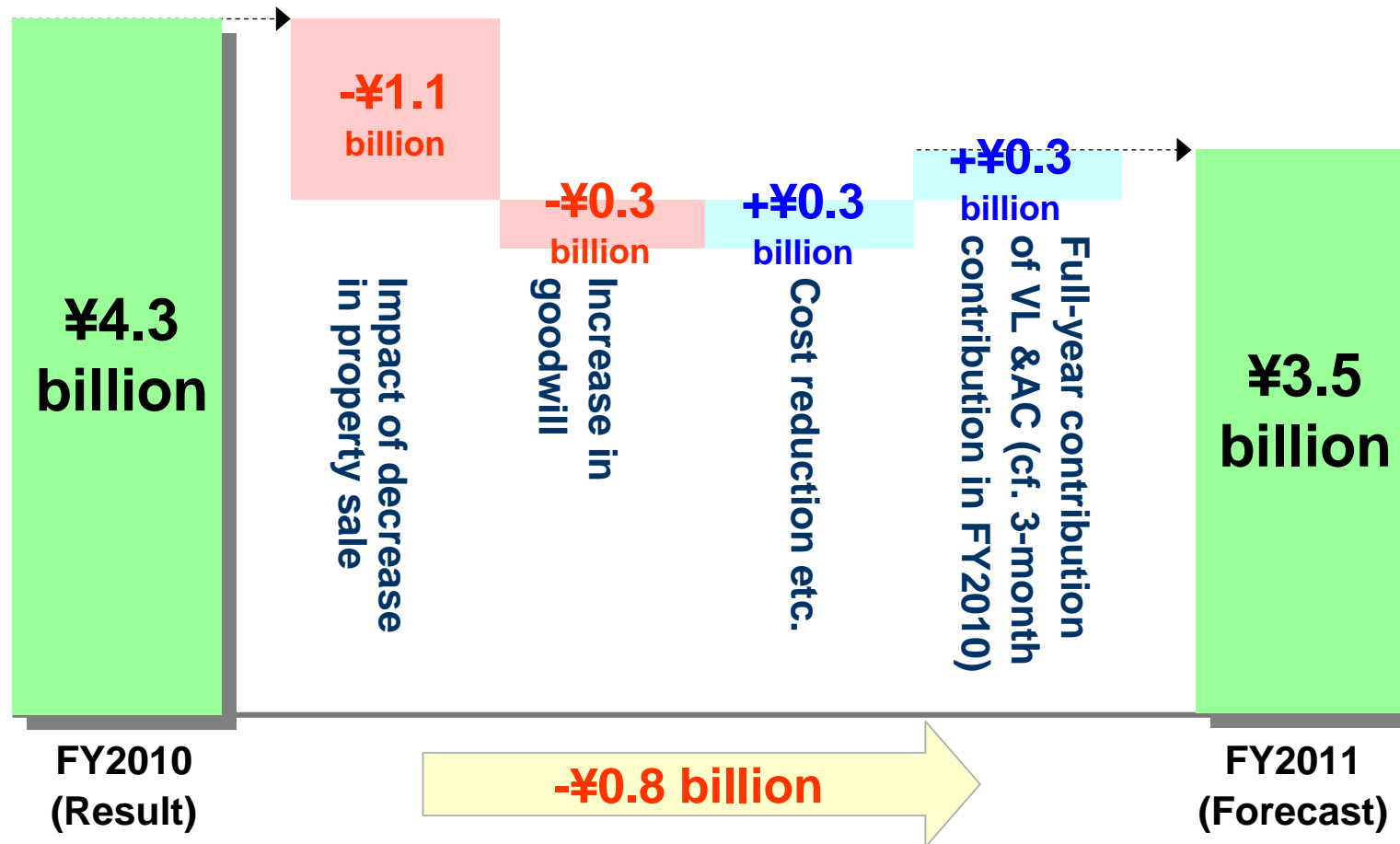


Note: VL (VL Loginet) and AC (AC System Corporation) joined our group in FY2010.

Analysis of Operating Income (Loss), FY2011



SBS Holdings, Inc.

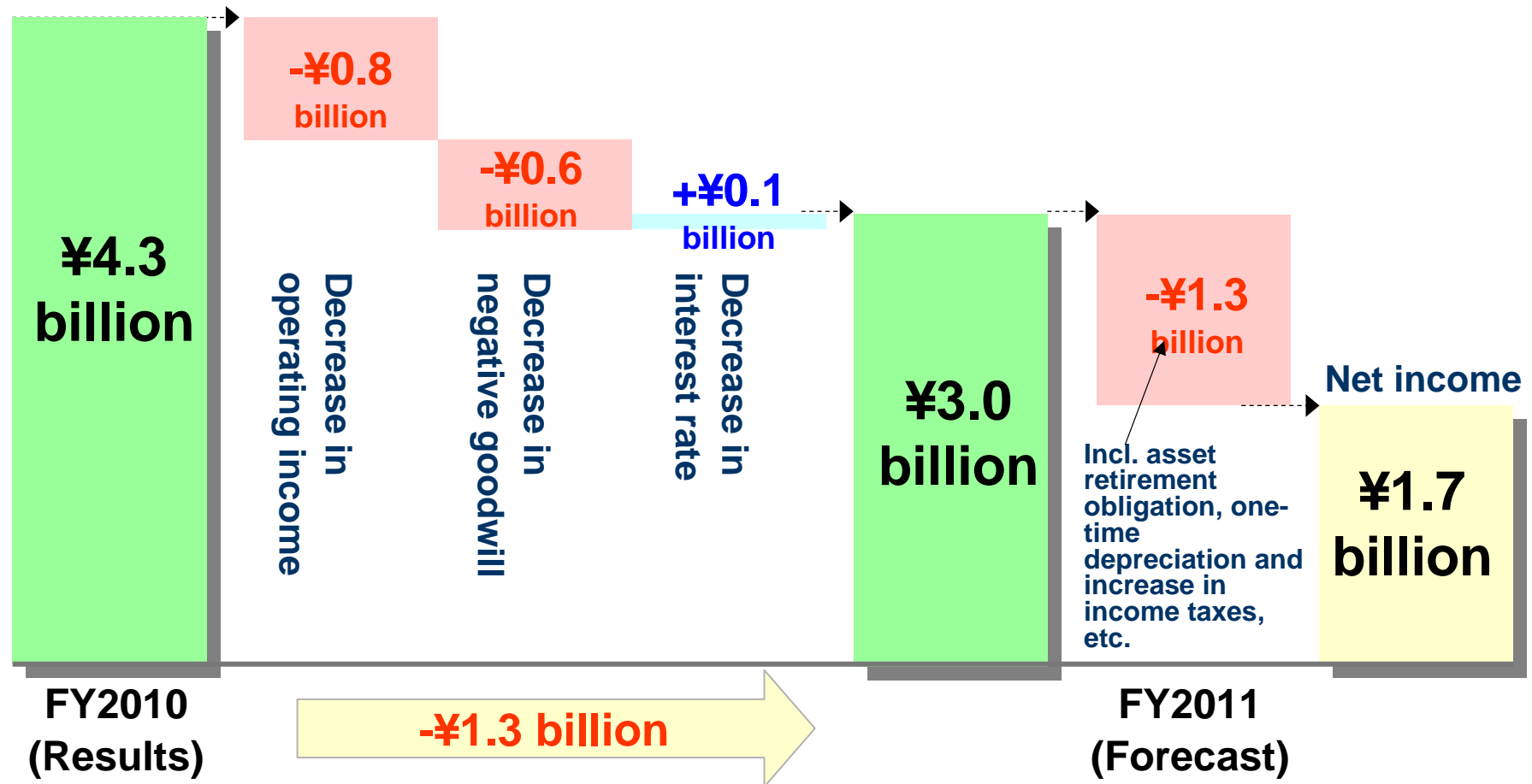


Note: VL (VL Loginet) and AC (AC System Corporation) joined our group in FY2010.

Analysis of Ordinary Income, FY2011



SBS Holdings, Inc.

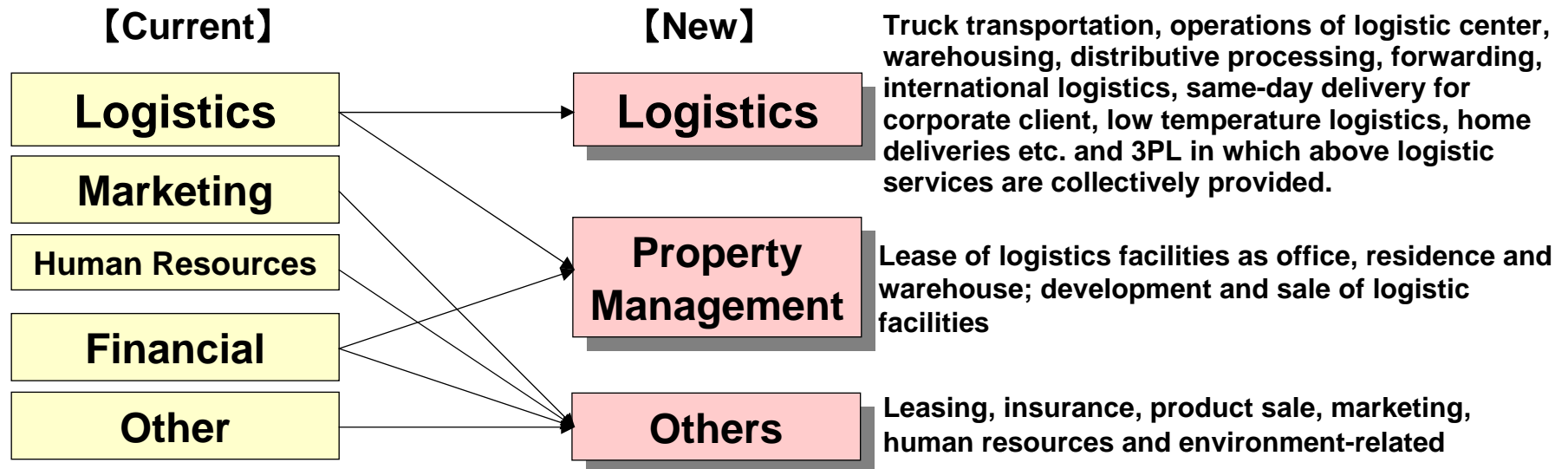


Changes in Classification of Segments



SBS Holdings, Inc.

- Revise from the viewpoint of management and business scale
- From 5 segments to 3 segments



- Business related to real estate is classified in single segment
- Small scale businesses like marketing and human resources in Others

FY2011 Forecast

(For the year ending December 31, 2011)

(Millions of yen)

	Logistics	Real Estate	Other	Consolidation/ Corporate	Total
Net Sales	109,200	2,300	8,500	—	120,000
YOY Chage	4.3%	-62.4%	-5.4%	—	0.1%
Operating Income	2,140	1,100	140	120	3,500
YOY Chage	20.4%	-51.5%	57.3%	—	-17.9%
Operating Margin	2.0%	47.8%	1.6%	—	2.9%

Reference: FY2010 Results by New Segment

(Millions of yen)

	Logistics	Real Estate	Other	Consolidation/ Corporate	Total
Net Sales	104,725	6,109	8,989	—	119,824
YOY Chage	—	—	—	—	3.6%
Operating Income	1,778	2,266	89	128	4,262
YOY Chage	—	0.0%	—	—	47.6%
Operating Margin	1.7%	37.1%	1.0%	—	3.6%

※Net sales indicated on this page are those of after elimination.

※FY2010 results by new segment are only proforma calculations subject to change in the future.



SBS Holdings, Inc.

FY2011 Group Management

SBS Holdings, Inc.

**Representative Director and President
Masahiko Kamata**

Five- Year Performances and Forecast



SBS Holdings, Inc.

Revenue and earnings are growing steadily except the real estate sales



■ Logistics business ensures increase in revenue and earnings

- Logistics for manufacturers and export-related industries recovered while the rest of industry not
- Decline in commodity prices due to deflation and continuous price-reduction demand from customers
- Cost reduction efforts in late FY2009 contributed
- Cost of sales increased due to the gradual increase in fuel prices
- Acquisition of new customers

■ Mail order and e-commerce

- Health & beauty
- Stationary for office

■ Food Manufacturers

- Dairy Manufacturers (Kyushu)
- Dairy Manufacturers (Tohoku)

■ Electronic Manufacturers

- Victor Japan
- Kenwood

- Two companies are grouped by M&A

■ Victor Logistics (Presently, VL Loginet)

- Track record and know-how of electronic manufacturers logistics
- Track record and know-how of international logistics
- Expansion of 3PL and International Logistics

■ AC System Corporation

- Specialized in import-export clearances
- Expertise in importing apparels and bags
- Promote international logistics of SBS Group

■ Sale of logistics property for sale

Name	Location	Carrying value	Land	Floor	Completion	Price	Buyer
Iruma Distribution Center	Saitama Prefecture Kamifujisawa, Iruma-shi	¥2.9 billion	26 Thousand m ²	26 Thousand m ²	Year 2008	¥3.4 billion	Maple Tree Investments japan, affiliated with Singapore Gov't
Iwatsuki Distribution Center	Saitama Prefecture Iwatsuki-ku, Saitama-sh	28.5% equity	39 Thousand m ²	28 Thousand m ²	Year 2007	—	Maple Tree Investments japan, affiliated with Singapore Gov't

※Maple Tree Investments Japan is a subsidiary of a real estate company.

※Gain on sales from equity of Iwatsuki distribution center is 0.2 billion yen.

※Gain on sales from these two properties (0.7 billion yen) is recorded in the operating income. (FY2010)

Note: Liquidation of logistics property

Name	Location	Carrying Value	Land	Floor	Completion	Price	Liquidator
Noda Distribution Center	Chiba Prefecture Kinozaki, Noda	¥4.7 billion	24 Thousand m ²	36 Thousand m ²	Year 2009	¥5 billion	Maple Tree

※ Above center concluded a lease agreement even after the liquidation and continued being used as the key center of SBS Group

※Gain on liquidation is recorded in extraordinary income (FY 2010)

※8.5 billion yen collected from the sales and liquidation indicated above was used for the repayment of interest-bearing debts.

■ 4 Business Strategies

Entry in Top 10 of the industry

3PL Business Group having logistic function in all directions



M&A leverage, development & provision of logistic facilities

3PL & Stable Base (Food)

Business Strategy

Market pioneering by deployment in Asia

International Strategy

Balance of investment & finance

Investment Strategy

Infrastructure Strategy

Building low cost operation structure and group infrastructure which can exhibit synergies

■ Expansion of 3PL business

- Reorganize logistic functions in terms of business category, type and merchandise
- Establishing low cost operation structure
- Developing and managing logistic properties as 3PL base
- Establish as a pillar of profit

■ Strengthening Food Distribution Business

- Focus on food-related logistics exceeding 50% of consolidated sales
- Steady demand compared to other merchandise
- Expansion in demand for low temperature food distribution with the society maturing
- Generate stable cash flows

Accelerate growth through M&A

■ Aim to be the Business Group which can earn in Asia

● China

- Strengthening the foundation in Shanghai
- Acquiring demand of Japanese companies entering into China
- Entry to China's domestic transportation
- Finding strategic partners
- Alliances & M&A

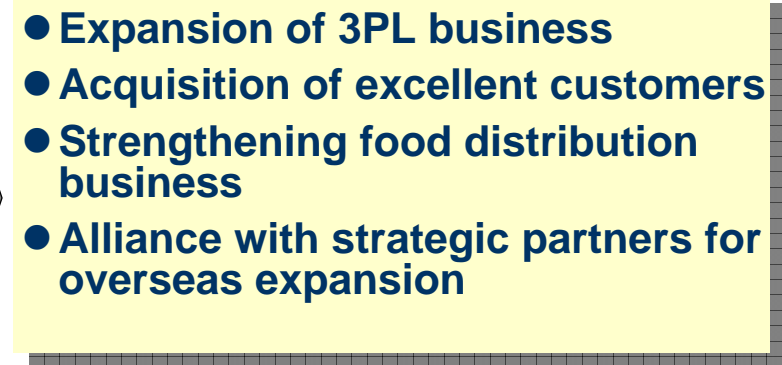
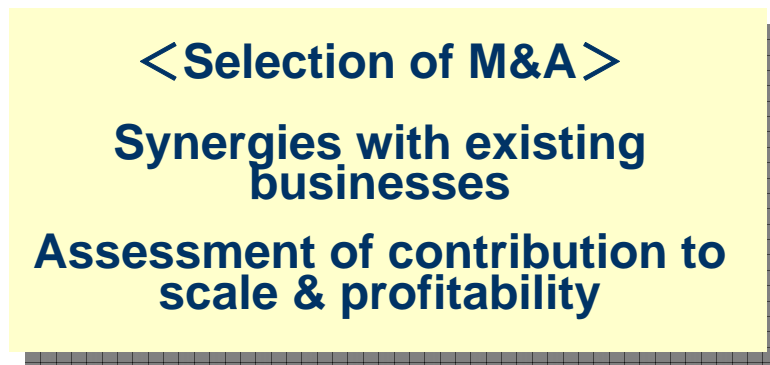
● ASEAN, India

- Finding strategic partners
- Alliances & M&A

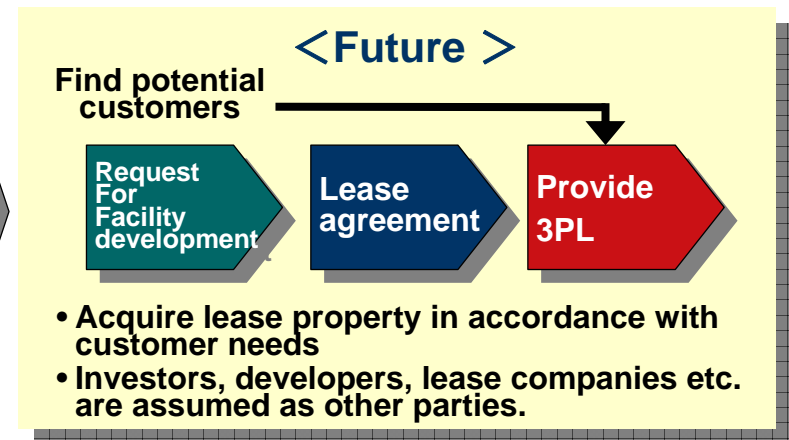
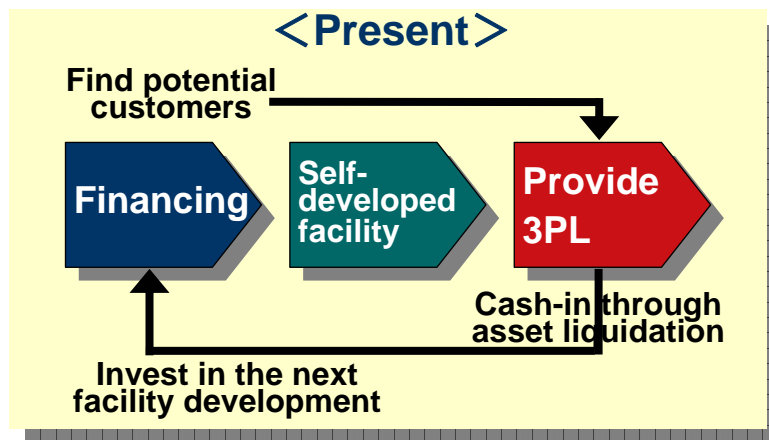


■ Investment with a balance of secure funds and financial soundness

■ Allocate resources to M&A

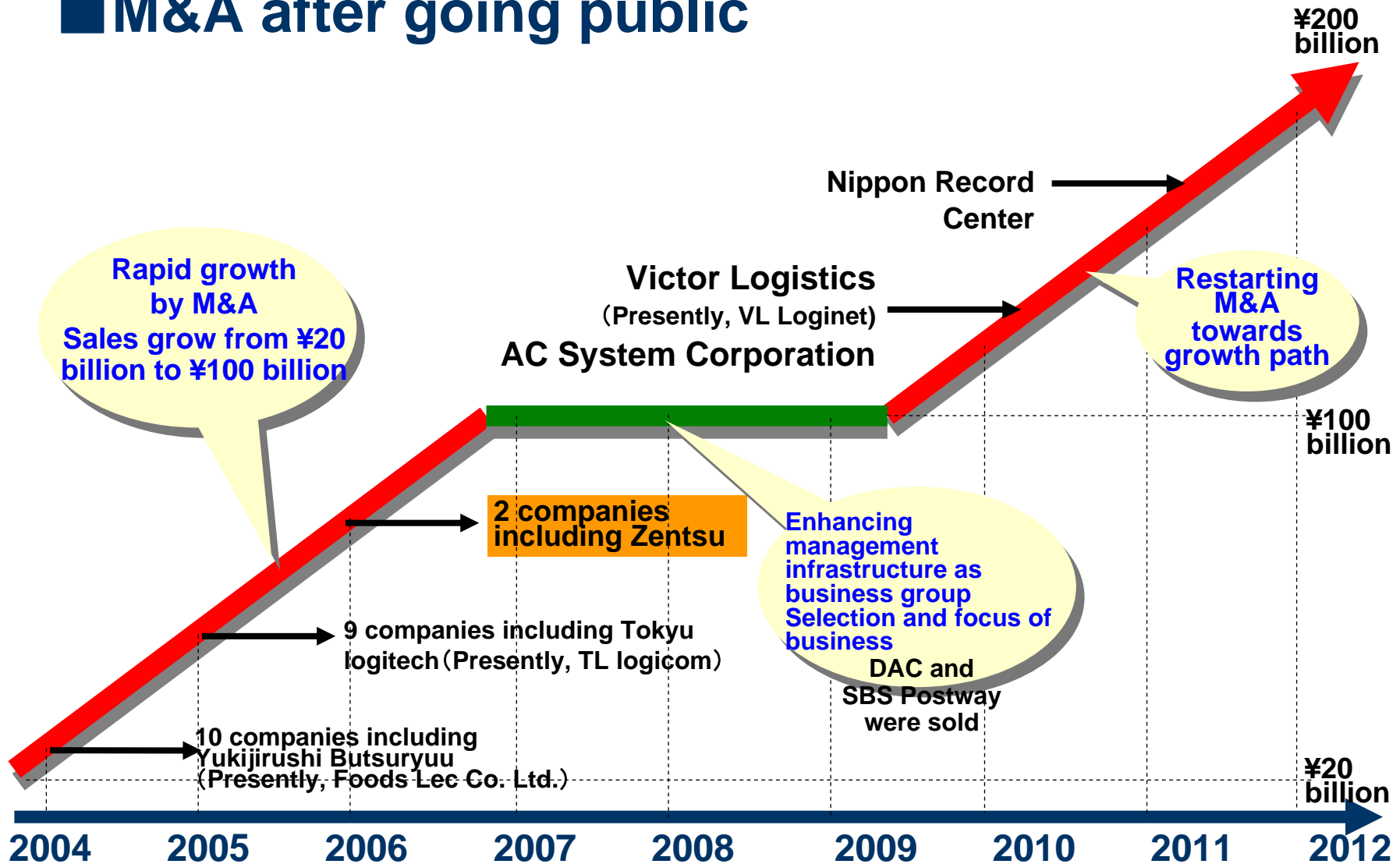


■ Property management on “non-asset” basis





M&A after going public





■ Projects in operation

1 tsubo= 3.3 m²

Project Name	Land (tsubo) Building (tsubo)	Completion date	Invested amount	Operational status		Yield	B/S Recorded items	Holding Company
①Kyotananbe (Kyoto)	7,920 11,369	April 2007	¥3.6 billion	On rent	Sake brewer	8.1%	Inventory assets Real Estate Trust Beneficiary Right	A-Max Co. Ltd. (SPC Shimbashi Capital)
Total	7,920 11,369		¥3.6 billion					

■ Projects to be developed

Project Name	Land (tsubo)	Acquisition Date	Invested amount	Location Environment	B/S Recorded items	Holding Company
①Nagatsuta (Yokohama)	18,809	June 2006	¥4.1 billion	Next to Yokohama Interchange	Inventory Assets Real estate for sale	A-Max Co. Ltd.
②Shibayama (Chiba)	33,954	June 2007	¥0.3 billion	Close to Narita airport	Non-current Assets	SBS Holdings
③Noda (Chiba)	5,100	Dec.2006	¥1.0 billion	Along national highway No.16	Non-current Assets	TL LOGICOM
④Sachiura (Yokohama)	4,776	Mar. 2006	¥2.2 billion	Next to TL Yokohama Kanazawa branch 10,000 tsubo incl. the branch	Non-current Assets	TL LOGICOM
Total	62,639		¥7.6 billion			

Collaborate with funds from the development stage and develop in non-asset form

Nippon Record Center 【Announced on Feb.10】



SBS Holdings, Inc.

■ Background

- One of logistic subsidiaries of JVC Kenwood
- Final agreement is under discussion, aiming to join in SBS group in April 2011

■ Characteristics & strengths

- Packaging software logistics of CD, DVD etc.
- Logistic expertise in large-item and small-scale products

■ Future Prospect

- Current operations to be transferred to SBS group as 3PL business
- Incorporate delivery operations, etc. in our group
- Optimize logistics property to meet demands

■ Expected contribution to the earnings

- 9-month (assuming entry into our group in April) revenue and earning contribution to our FY2011 performance: ¥ 2.7 billion of net sales and ¥0.1 billion of operating income are expected



Panorama of Head Office & Kamiochiai DC (Atsugi, Kanagawa Prefecture)