



Information Meeting

First Half Results for the Six Months Ended June 30, 2014

August 12, 2014

SBS Holdings, Inc.



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FY2014 First Half Results and Full Year Forecasts

SBS Holdings, Inc.
Executive Officer, Finance & Accounting
Yasuhiro Yamashita

Consolidated 1H Performance (YOY Comparison)

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(Millions of yen)

	1st Half of FY2013		1st Half of FY2014			
	Amount	% of Total	Amount	% of Total	YOY Change (amount)	YOY Change (%)
Net Sales	61,805	100%	65,777	100%	3,971	6.4%
Operating Income	703	1.1%	1,480	2.3%	776	110.3%
Ordinary Income	534	0.9%	1,373	2.1%	838	157.0%
Net Income	149	0.2%	1,761	2.7%	1,611	More than ten times

Consolidated 1H Performance (Actual vs. Planned) 3

(Millions of yen)

	1st Half of FY2014		1st Half of FY2014			
	Planned	% of Total	Actual	% of Total	YOY Change (amount)	YOY Change (%)
Net Sales	63,000	100%	65,777	100%	2,777	4.4%
Operating Income	1,100	1.7%	1,480	2.3%	380	34.5%
Ordinary Income	900	1.4%	1,373	2.1%	473	52.6%
Net Income	500	0.8%	1,761	2.7%	1,261	252.2%

Performance by Segment (YOY Comparison)

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■ FY2014 1H (For the six months ended June 30, 2014)

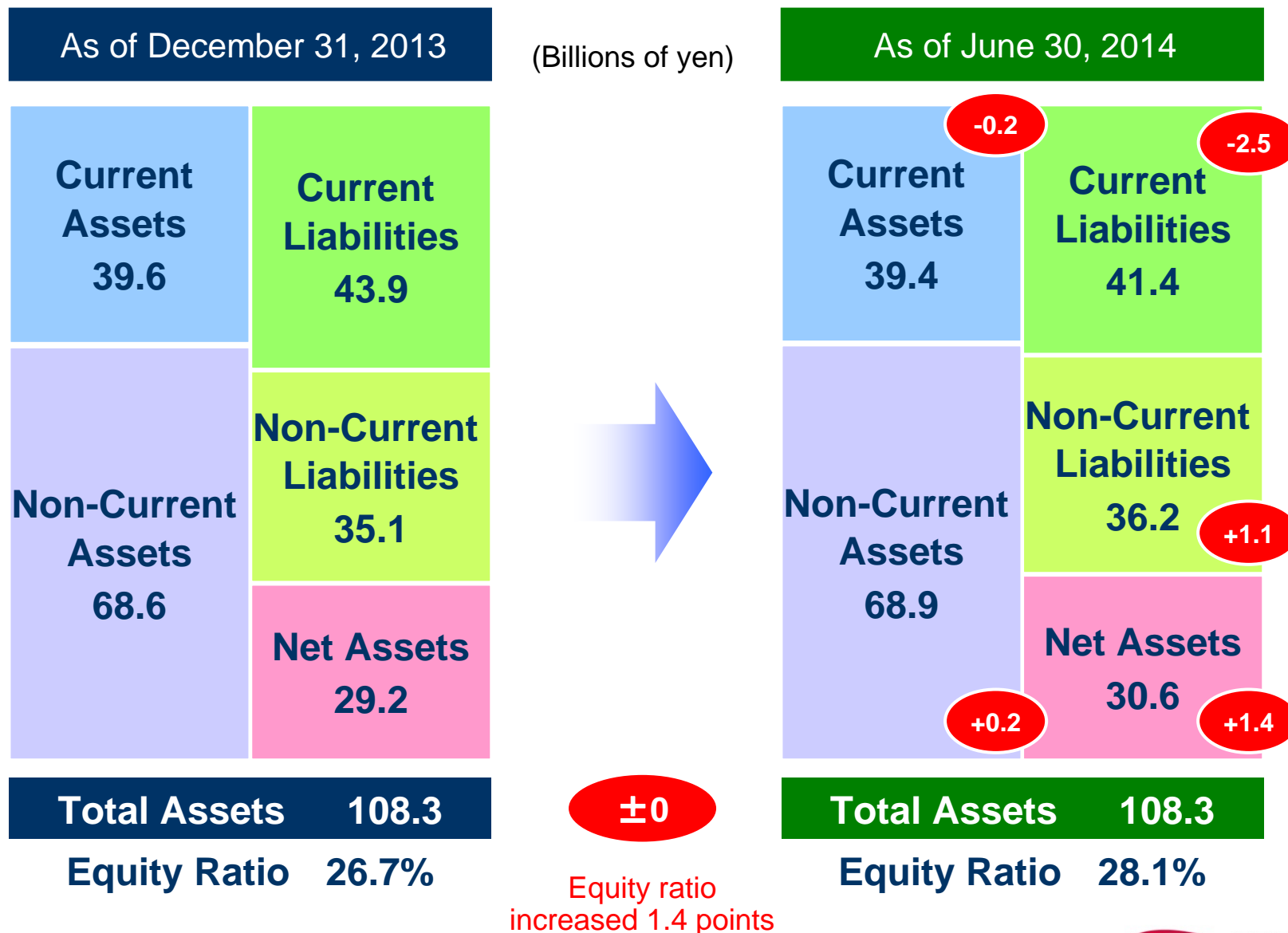
(Millions of yen)

	Logistics	Property Management	Other	Consolidation/Corporate	Total
Net Sales	61,237	1,195	3,344	—	65,777
YOY Change (%)	5.9%	-11.1%	25.7%	—	6.4%
Operating Income (Loss)	605	612	171	91	1,480
YOY Change (%)	—	-11.9%	440.1%	—	110.3%
Operating Margin	1.0%	51.2%	5.1%	—	2.3%

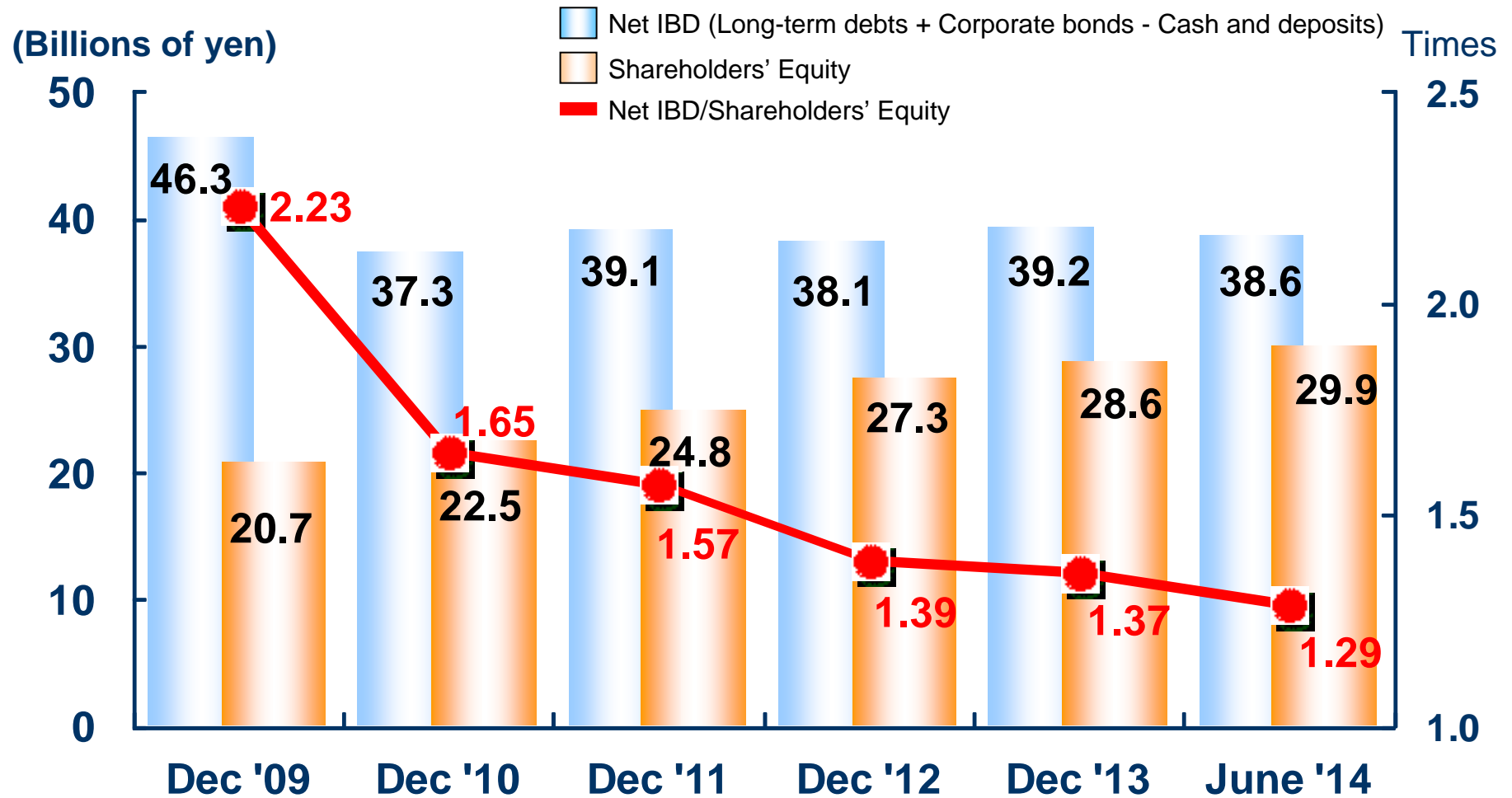
Reference: FY2013 1H (For the six months ended June 30, 2013)

	Logistics	Property Management	Other	Consolidation/Corporate	Total
Net Sales	57,801	1,344	2,659	—	61,805
YOY Change (%)	-1.3%	12.0%	-13.3%	—	-1.7%
Operating Income (Loss)	(77)	694	31	54	703
YOY Change (%)	—	16.9%	29.2%	—	-47.2%
Operating Margin	—	51.6%	1.2%	—	1.1%

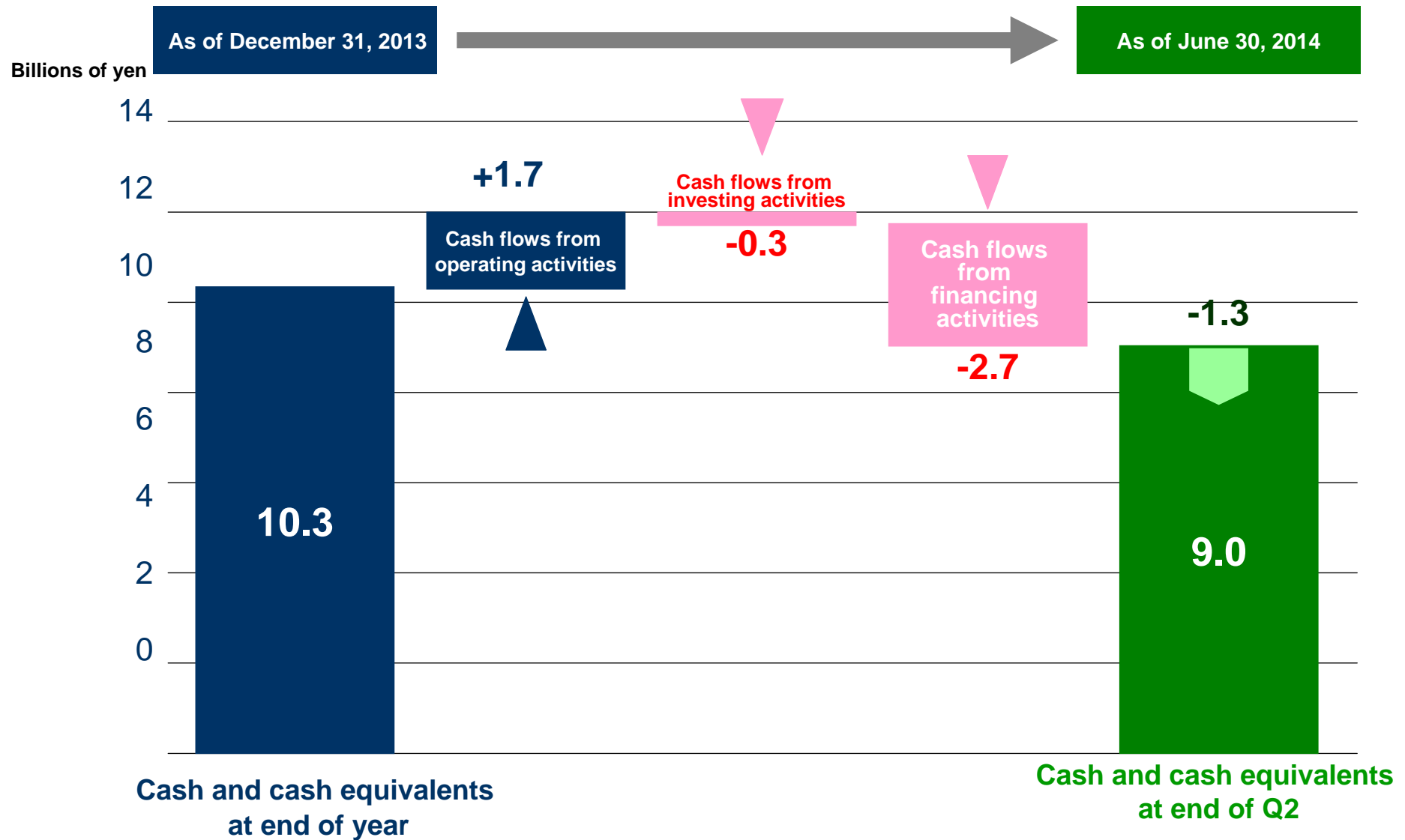
S Trends of Consolidated Balance Sheets



Management of interest-bearing debt and enhancement of shareholders' equity



Overview of Consolidated Statements of Cash Flows ⁷



(Millions of yen)

	FY2013		FY2014			
	Actual	% of Total	Forecast*	% of Total	YOY Change (amount)	YOY Change (%)
Net Sales	132,205	100%	137,000	100%	4,795	3.6%
Operating Income	4,141	3.1%	4,800	3.5%	659	15.9%
Ordinary Income	3,801	2.9%	4,400	3.2%	599	15.8%
Net Income	1,571	1.2%	3,500	2.6%	1,929	122.8%

* Forecast values are as revised July 30, 2014.

FY2014 Forecast by Segment

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■ FY2014 Forecast* (For the year ended December 31, 2014)

(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%

* Forecast values are as revised July 30, 2014.

Reference: FY2013 (For the year ended December 31, 2013)

	Logistics	Property Management	Other	Consolidation/ Corporate	Total
Net Sales	120,786	5,554	5,865	—	132,205
YOY Change	1.2%	121.8%	-3.9%	—	3.3%
Operating Income	1,219	2,550	202	169	4,141
YOY Change	-29.5%	111.3%	351.0%	—	42.7%
Operating Margin	1.0%	45.9%	3.4%	—	3.1%



FY2014 Group Management

SBS Holdings, Inc.
President

Masahiko Kamata

■ Logistics Business

- Special demand in runup to increase in consumption tax, limited pullback afterward
- 3PL operations: New operations, new orders received
- Overseas business: Acquisition of Transpole in India



Shipping at logistics center for Takashimaya Co., Ltd.

■ Property Management Business

- Warehouse completed in Thailand
(Building No. 1 in June, Building No. 2 in August)
- Order placed for construction in Sugita, Yokohama
- Transfer of remaining 49% of trust beneficiary rights to private placement fund No. 1 (August)



Construction under way at Nagatsuta Logistics Center in Yokohama

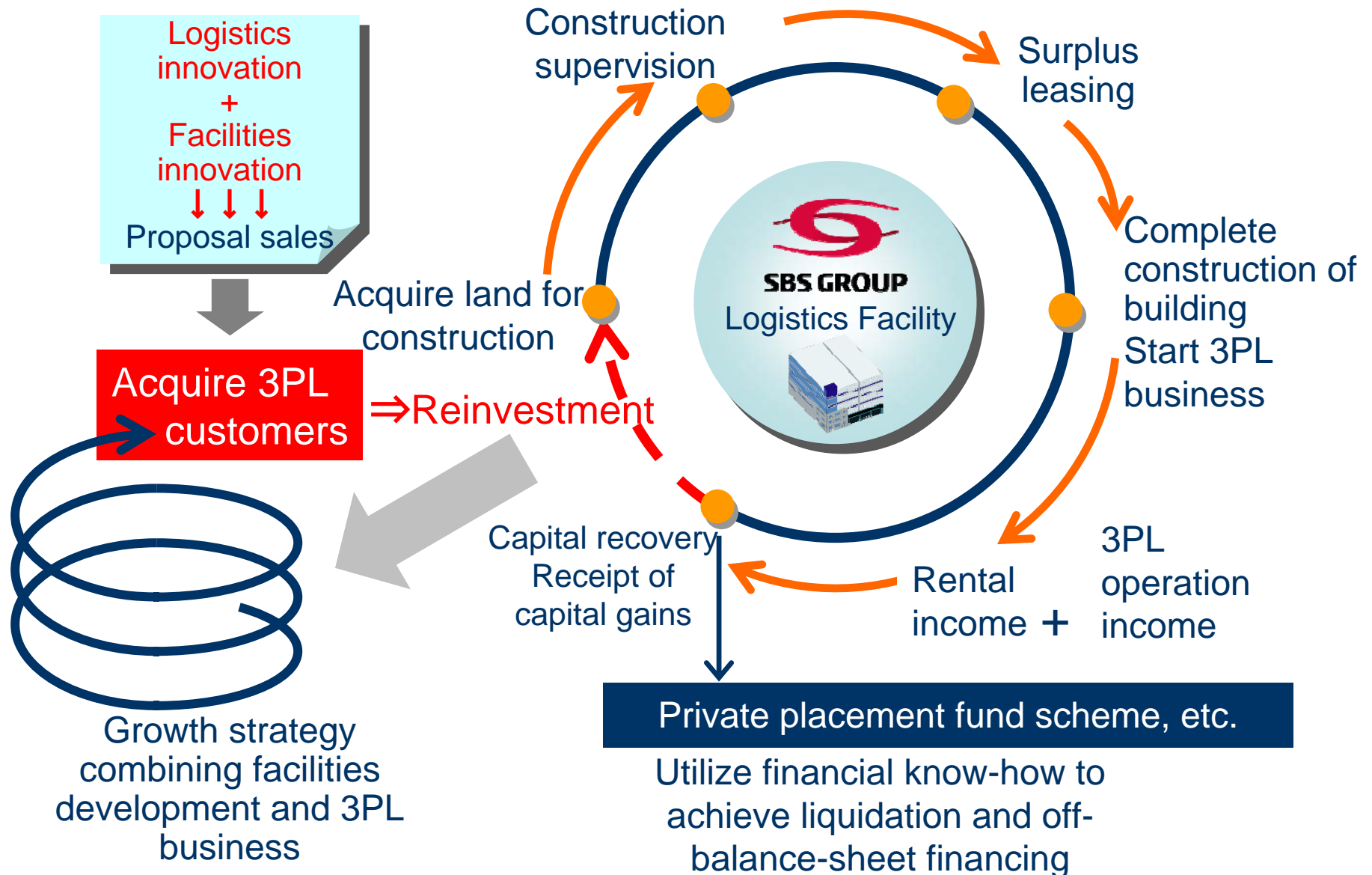
■ Other Business

- Results in Human Resources Business on firm trend
- 2nd phase of construction under way in solar power generation business



Location of phase 2 of construction of Shibayama solar Power Plant

Business Model Combining Logistics and Finance 12



■ Achievements for the first half

- Major meat processor (construction of dedicated center covering the Kanto area)
- Major department store group in Kansai (operation of a food delivery logistics center)
- Major department store in Kanto (operation of a food mail-order logistics center)

■ Orders received

- Manufacturer of eyeglass lenses (move toward joint center for eyeglass lenses)
- Drugstore chain (operation of logistics center for 140 stores in Kansai)
- Major supermarket chain (operation of 33,000sqm logistics center)

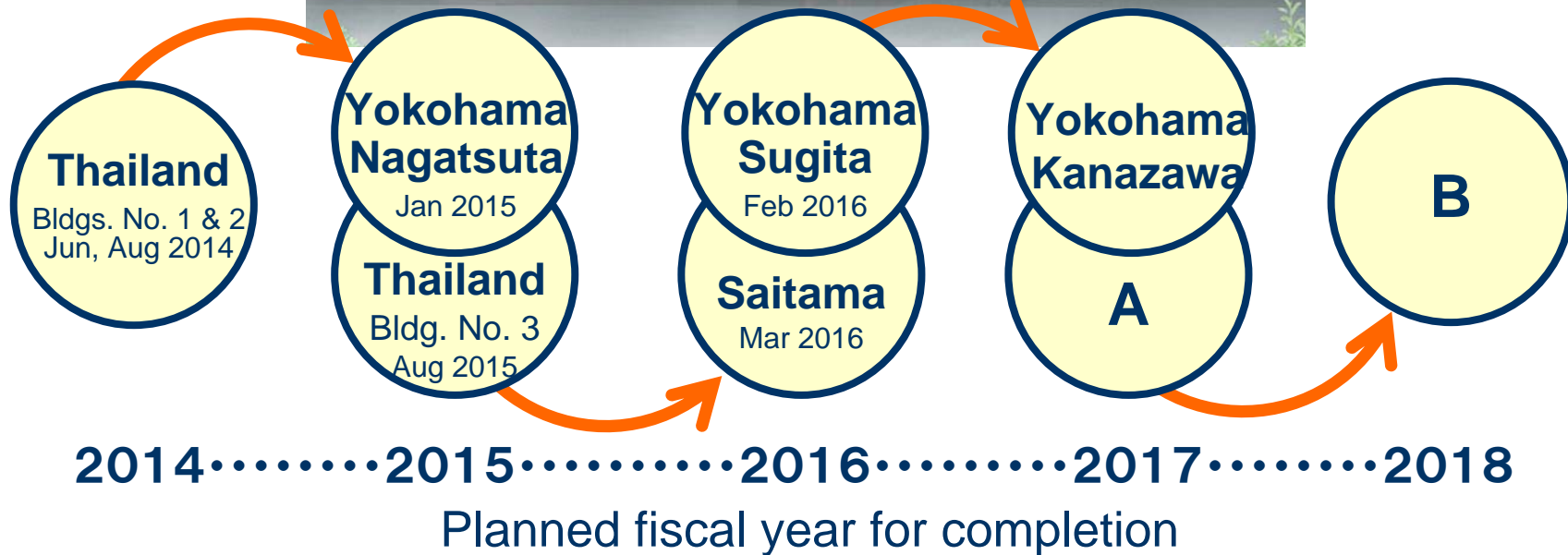
(Billions of yen)

3PL Business	FY2012	FY2013	FY2014 Plan
Net Sales	44.3	46.1	48.0
YOY Change	+4.7%	+4.1%	+4.1%

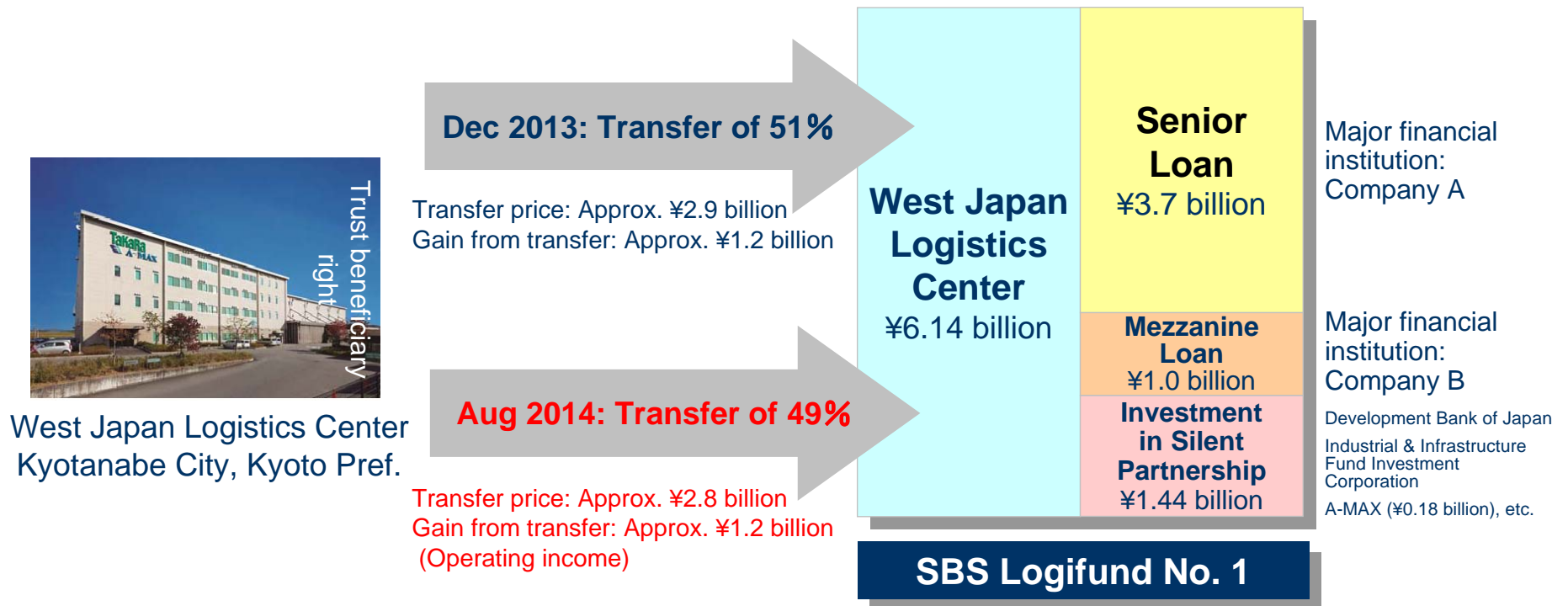
- Over a 5-year period, planning to invest a total of 50 billion yen in Japan and overseas



Sugita (Yokohama) Logistics Center (Artist's conception)

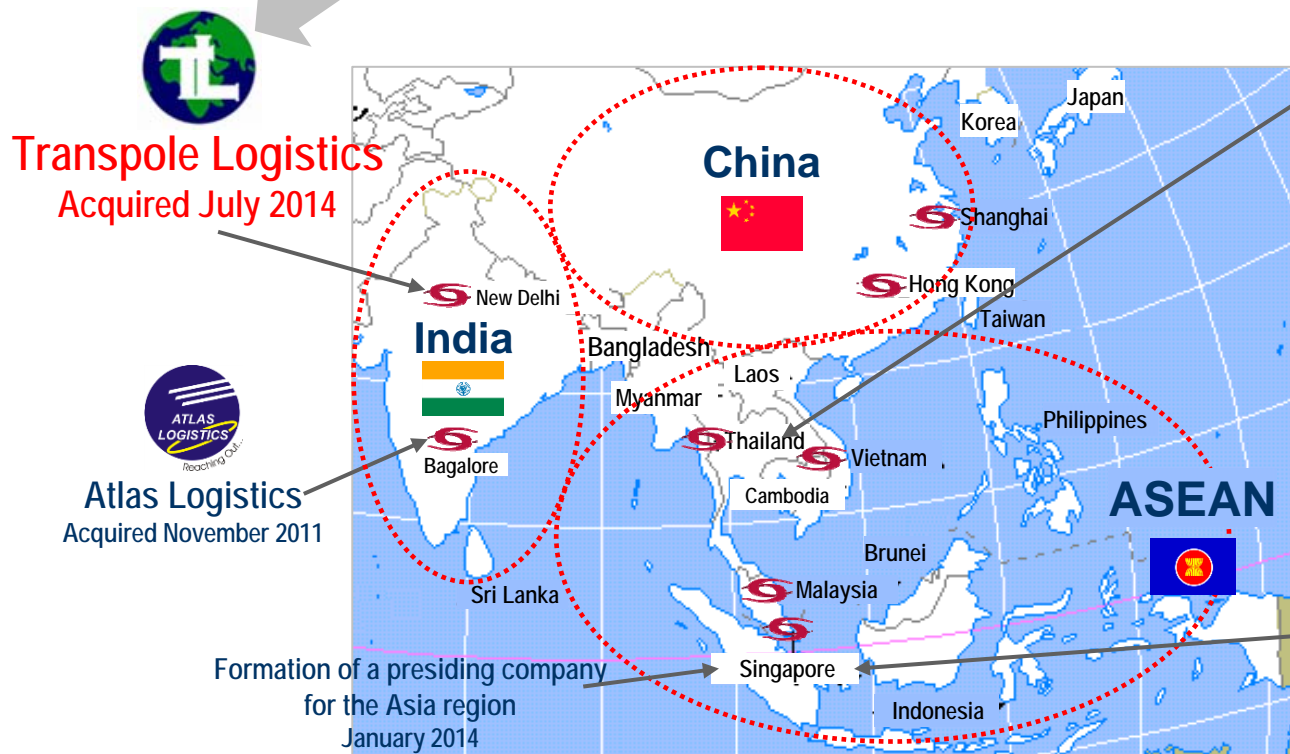


Transfer to SBS Logifund No. 1 complete



SBS Logifund No. 2 is expected to be formed next fiscal year.

- Completion of first Group-owned logistics center in Thailand
- Acquisition of partners active in Asia ex-Japan



Bldg. No. 2 is scheduled for completion August 2014.

Drayage shipping launched in Singapore.

January 2014: Acquisition of Gim Guan Freight Pte. Ltd.

Notes: The logo indicates a country or city in which an SBS Group local affiliate is located.



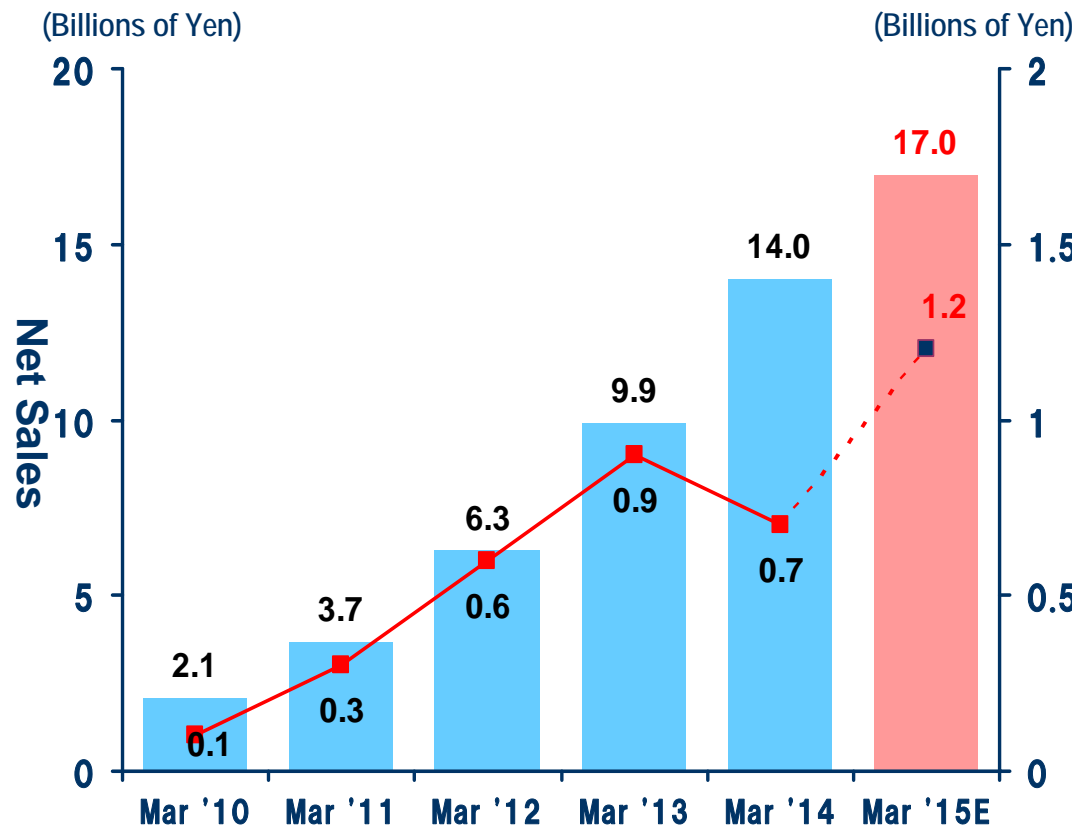
Transpole 10th anniversary celebration and joint meeting with SBS (New Delhi, Aug 4, 2014)

Transpole Logistics Pvt. Ltd.

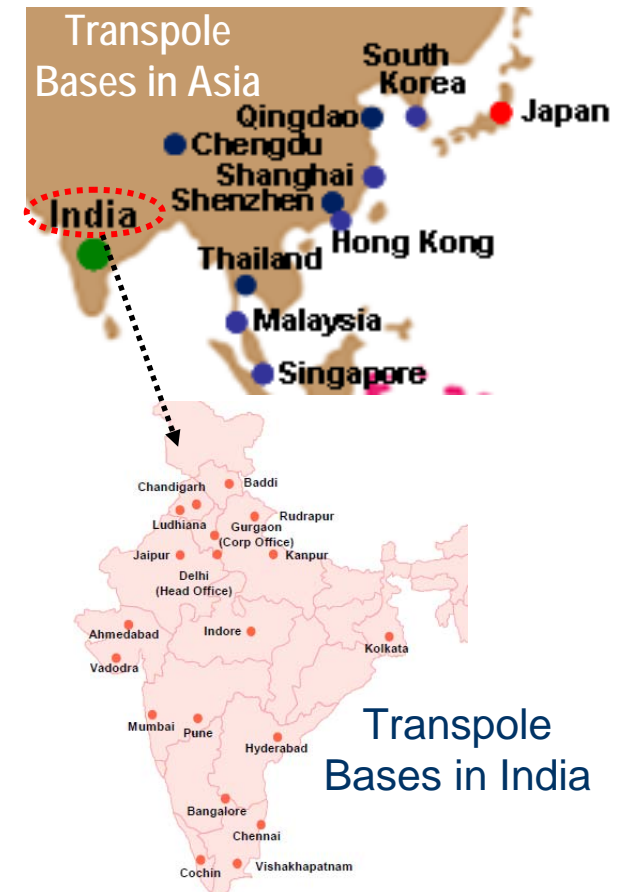
- Established: August 2004
- Headquarters: New Delhi
- CEO: Anant Kumar Choudhary
- Shareholders: SBS 66%, founders' group 28%, employee shareholders' association 6%
- Number of locations: 18 cities in India plus 11 countries worldwide including Hong Kong, Singapore and South Korea
- Business: Air forwarding 54%, marine forwarding 42%, other 4%
- Major customers: Samsung (electronics), Micromax (communications), Honda, Toyota (automobiles)
- Number of employees: 744 (as of March 31, 2014)

Transpole is an Indian Company Active Throughout Asia

- Rapid growth: Average growth rate from 2008 to 2013 is over 60%.
- Sales are generated 60% in India and 40% elsewhere in Asia (and growing rapidly)



Indian rupee = 1.72 yen



■ Top management

- Mr. Choudhary is a 36-year-old former executive with DHL. In the 10 years since its foundation, Mr. Choudhary has built Transpole into a 10 billion yen company.
- Transpole attracted investment from Fidelity Growth Partners in 2011 and Everstone Capital in 2013.



Anant Kumar Choudhary, CEO

■ Success in opening markets

- Since establishment: In India
- Since 2008: Expanded into ASEAN and East Asia
- Since 2013: Expanded into South America



■ Customer assets

- Global companies
 - Micromax, Samsung, LG, Wipro, HCL, etc.
- Japanese companies
 - Toyota, Honda, Panasonic, Daikin, Casio, Toshiba, etc.

■ A partner in opening overseas markets

- Transpole offers powerful sales capability as an advance guard in opening overseas markets.
- Effective deployment and reorganization of bases in ASEAN and East Asia
- Aiming for IPO in the Indian market



■ Using Japanese quality to attract a high-caliber clientele

- Provision of logistics facilities (from construction to operation)
- Provision of logistics (3PL)

■ Partnership with Atlas Logistics



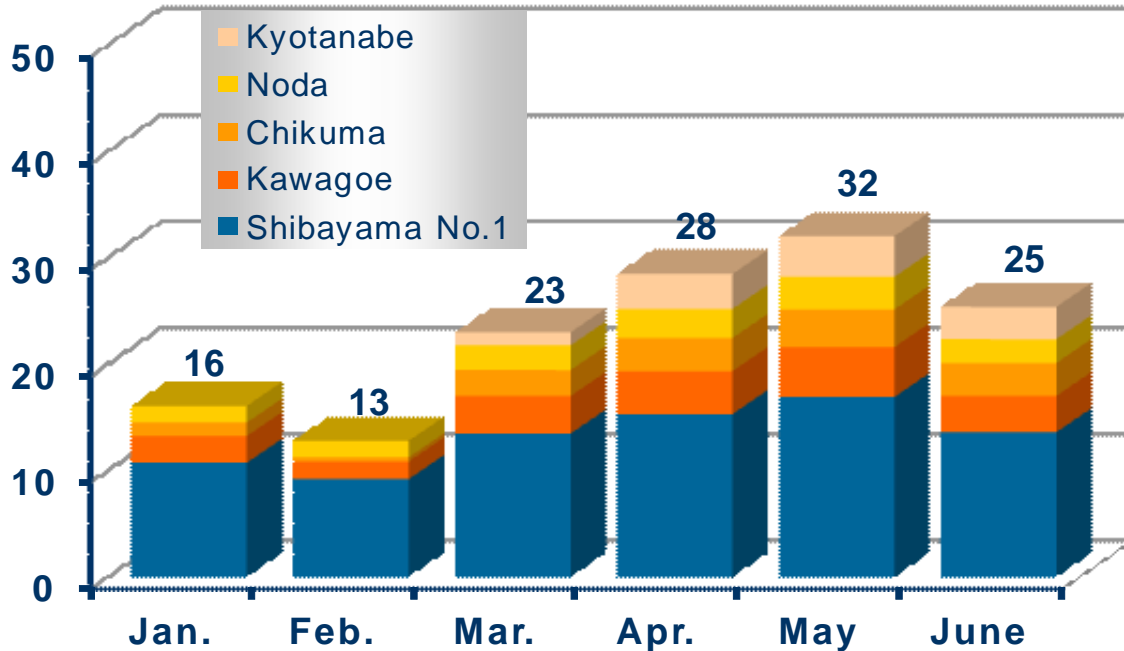
- Top level in sales among Indian forwarding companies
- Transpole's leadership will promote management reform and streamlining.



Atlas chairman H.R. Venkatesh Rao delivers address at meeting with Transpole (August 4, 2014, New Delhi)

Energy sales in FY2014 1H

(Millions of yen)



Generating capacity: 5.3MW

Energy sales: Approx.¥140 million



Noda Yoshiharu
(solar panels on roof)



Shibayama No. 1
(using Group land)

Planned future investments

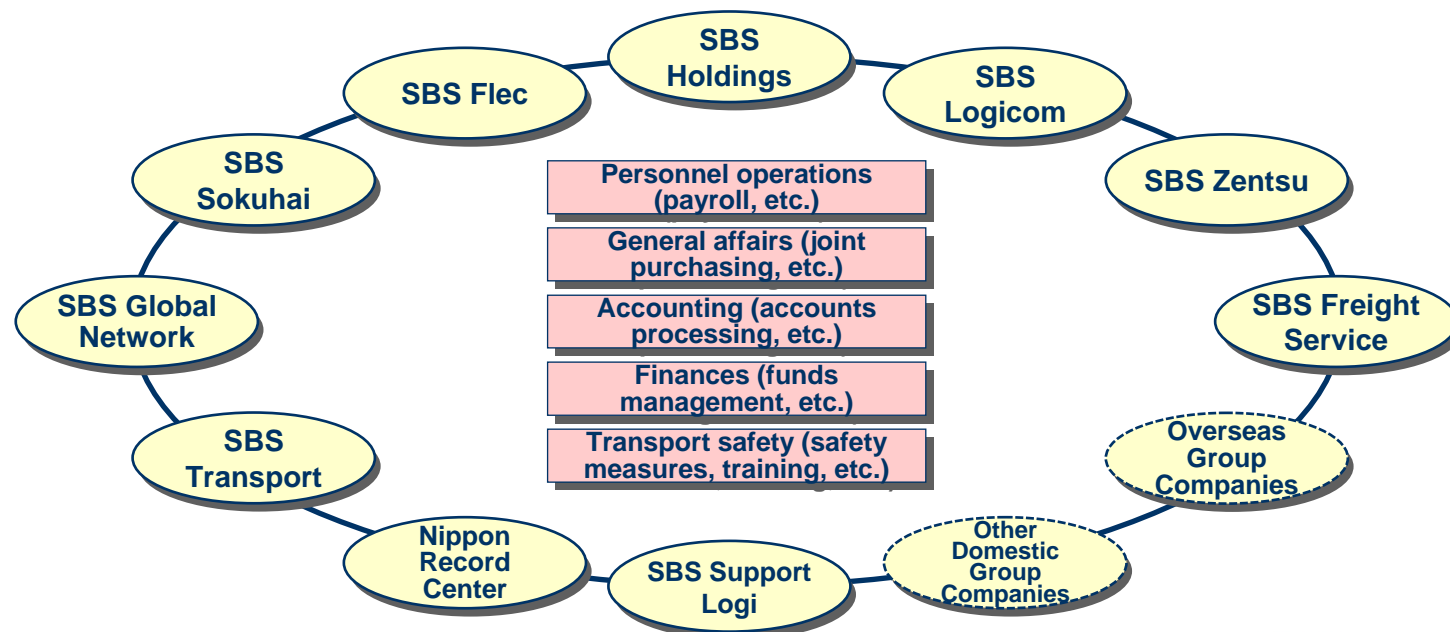
- 2H: 6 locations including Shibayama No. 2 (increase of 2.1MW)
- FY2015: Nagatsuta Center (increase of 1.0MW)



Shibayama No. 2
under construction

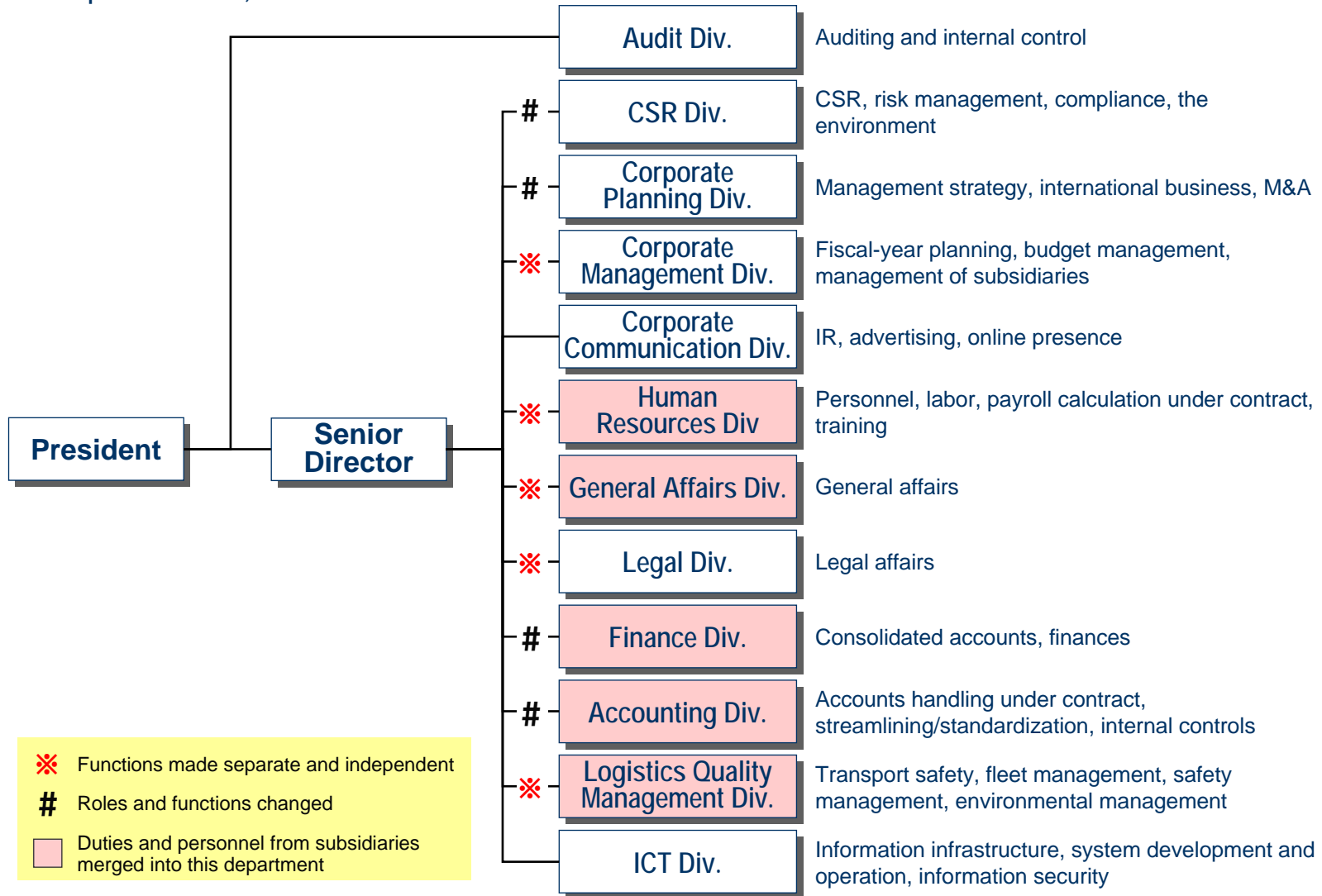
■ Merging of management and some personnel of two key Group companies

- Personnel management, general affairs, accounting, transport safety and other duties, as well as some personnel, of SBS Logicom and SBS Flec are to be merged in SBS Holdings.
- This move will promote improved efficiency, standardization and shared operation of administrative functions.



New Organization for SBS Holdings

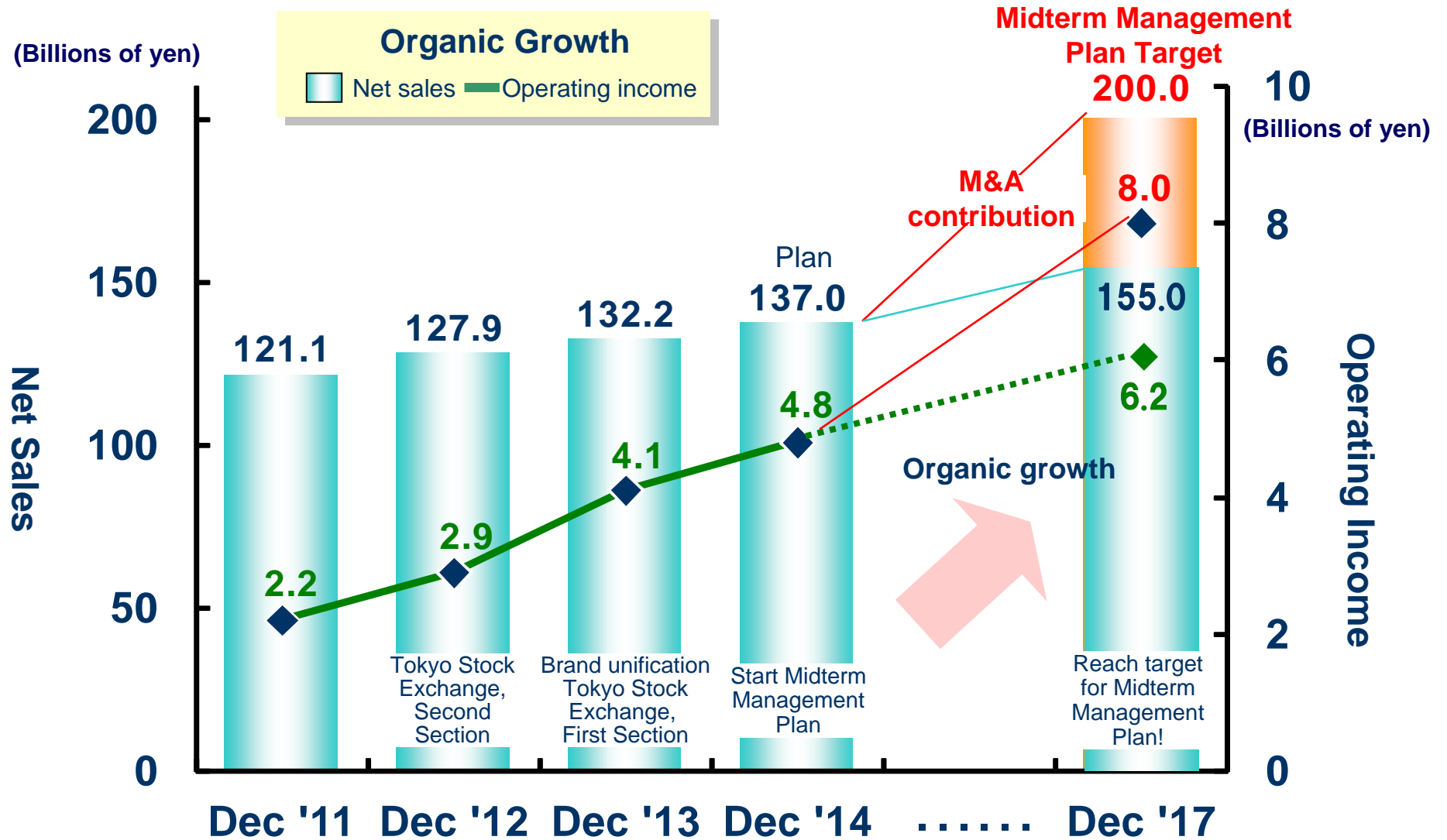
As of September 16, 2014



Nine divisions expanded into 12



Aiming for Net Sales of 200 billion yen





Reference: Midterm Management Plan

- Name: SBS Growth 2017
- Period: 4-year period from 2014 to 2017
- Vision

As we move toward our 30th anniversary, form a “3PL Corporate Group which has logistic functions in all directions” and become a leading group in the industry.

- Numerical targets

Net Sales	200 billion yen
Operating Income	8 billion yen
Operating Margin	4% and more
Equity Ratio	30% and more

- Growth driven by 3PL, Asia, facilities development and M&A

Reference: Midterm Performance Targets

- Reach targets through self-sustained growth and M&A

		Self-sustained Growth				M&A		(Billions of yen)	
		2014 ⇒⇒⇒ 2017						Midterm Management Plan Targets	
								Dec. 2017	
Net Sales		137.0	155.0			45.0		200.0	
	Logistics	125.0	137.0			45.0		182.0	
	Property Management	5.3	9.0			0.0		9.0	
	Other	6.7	9.0			0.0		9.0	
Operating Income		4.8	6.2			1.8		8.0	
Operating Margin		3.5%	4.0%			4.0%		4.0%	

Breakdown of M&A	190 overseas + 260 in Japan (of which 150 3PL) = 450
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