

## Consolidated Financial Results Announcement for the Nine Months Ended September 30, 2012

Company name: SBS Holdings, Inc.  
 Stock exchange listing: JASDAQ  
 Stock code: 2384  
 URL: <http://www.sbs-group.co.jp/>  
 Representative: Masahiko Kamata, President  
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 Scheduled date of filing of Quarterly Report: November 9, 2012  
 Preparation of supplementary references regarding quarterly results: No  
 Holding the briefing of quarterly results: No  
 Date for commencement of dividend payments (planned): —

### 1. Consolidated Financial Results for the Nine Months Ended September 30, 2012 (from January 1, 2012 to September 30, 2012)

(Figures are rounded to the nearest one million yen.)

#### (1) Consolidated business results (Percentages show change in value from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
9 Months Ended September 30, 2012	95,213	7.0	2,020	93.9	1,997	200.4	968	214.5
9 Months Ended September 30, 2011	88,974	(0.5)	1,041	(68.0)	665	(81.1)	308	(83.0)

	Net income per share	Diluted net income per share
	Yen	Yen
9 Months Ended September 30, 2012	78.08	—
9 Months Ended September 30, 2011	25.08	—

#### (2) Consolidated financial condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2012	101,290	26,676	26.0
As of December 31, 2011 (FY2011)	100,747	25,065	24.5

(Reference) Shareholders' equity

As of September 30, 2012: ¥26,309 million; As of December 31, 2011 (FY2011): ¥24,682 million

### 2. Dividend Status

(Base date)	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
FY2011	—	0.00	—	3,000.00	3,000.00
FY2012	—	0.00	—	—	—
FY2012 (forecast)	—	—	—	30.00	30.00

(Note) Corrections regarding current dividend forecasts: None

The Company implemented a stock split of its common shares at a ratio of 100 shares per share in January 1, 2012. In view of the effect of the stock split, the year-end dividend to be distributed for the fiscal year ending December 2012 will be the same as for the fiscal year ending December 2011.

### 3. Consolidated Financial Forecast for the Year Ending December 31, 2012 (January 1, 2012 – December 31, 2012)

(Percentage figures for the full year denote the year-on-year increase or decrease. Percentage figures for the half year denote the increase or decrease from the previous corresponding term.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	127,000	4.8	2,900	(33.2)	2,400	(45.2)	1,800	(28.6)	145.65

(Note) Corrections regarding current consolidated forecast figures: None

#### \* Note

(1) Changes in major subsidiaries during the period (Change in specific subsidiaries as a result of a change in the scope of consolidation): None  
New: None  
Eliminated: None

(2) Application of specific accounting policies: No

(3) Changes in accounting principles, procedures or reporting methods

1) Changes associated with the revision of accounting principles, etc.: Yes

2) Changes associated with the revision of accounting principles other than 1): None

3) Changes in accounting estimate: None

4) Restatement of revisions: None

Note: For details, please refer to "3. Changes in Accounting Principles and Procedures and Changes and Restatements in Accounting Estimates" under "2. Summary Information (Notes)" on page 3.

(4) Number of shares issued (common stock)

1) Number of shares issued at end of term (including treasury stock)

9 Months Ended September 30, 2012: 13,068,400 shares

FY2011: 13,068,400 shares

2) Number of treasury stock at end of term

9 Months Ended September 30, 2012: 618,241 shares

FY2011: 710,100 shares

3) Average number of outstanding shares during the period (Accumulative figures for quarter)

9 Months Ended September 30, 2012: 12,407,951 shares

9 Months Ended September 30, 2011: 12,284,028 shares

#### \*Indication regarding the situation of quarterly review procedures

Quarterly review procedures according to the Financial Instruments and Exchange Act do not apply to this quarterly announcement, and at the time of this announcement, quarterly review procedures according to the Financial Instruments and Exchange Act are being carried out.

#### \* Explanation about the proper use of financial forecasts and other important notes

1. The Company implemented a stock split of its common shares at a ratio of 100 shares per share in January 1, 2012.
2. Since any forward-looking statements about financial outlook printed in this document are based on information currently available to the company and on certain assumptions deemed reasonable, actual results may differ significantly due to variety of factors. For assumptions used for financial forecasts and cautions on using these forecasts, refer to "Consolidated Performance Forecast" on page 4.

# I. Business Performance

## 1. Analysis of Operations

In the third quarter of the consolidated period (nine months ended September 30, 2012), although factors such as demand for reconstruction after the Great East Japan Earthquake and subsidies for eco-cars had the effect of bringing some demand forward, the Japanese economy were still uncertain due to worrisome problems abounded, including a global economic slowdown arising in part from European debt problems, the prolonged appreciation of the yen, and deterioration in Japan-China relations.

In the logistics business, the impact on cargo movements and transportation caused by the Great East Japan Earthquake was eliminated, yet stagnation in the movement of goods worsened as the economy geared down. Meanwhile, although unit costs for fuel procurement subsided slightly, securing of profits continuously challenging due to factors including customers continuously suppressing logistics cost and ongoing fierce competition.

Under such environment, our Group made efforts to promote business, investments and international strategies aiming for 3PL Corporate Group which has the logistic functions in all the directions.

In business strategy, our Group strove to strengthen our 3PL business and expand new business while reviewing and improving low profit businesses. In investment strategy, as the new base for our 3PL business, the Company completed construction in the end of September of Noda Yoshiharu Logistics Center in Noda City, Chiba (with floor space of 10,000-tsubo, app. 33,000 square meters). For our international strategy, we established a company to oversee regional operations in Singapore in May, embarked on a reform of our Group's bases in the ASEAN region by utilizing overseas bases held by our subsidiary in India, Atlas Logistics Pvt. Ltd., and established bases in Singapore, Thailand, Malaysia and Vietnam. In Thailand, the Company began work on a contract to create a seamless international logistics framework for Japanese-affiliated manufacturers.

As a result, net sales for the third quarter of the consolidated period (nine months ended September 30, 2012) increased to ¥95,213 million (up 7.0% from the previous corresponding period) due to the steady performance of cargo movement in the consumable goods related business such as food in the first half, an increase in the number of group companies following the M&A completed in the previous fiscal year, and the expansion of our 3PL business.

Operating income was ¥2,020 million (up 93.9% from the previous corresponding period) due to an increase in net sales, improvements of low profit businesses, cutback of unprofitable business, and turning unprofitable business into profitable ones. Ordinary income was ¥1,997 million (up 200.4%), including ¥408 million of equity in earnings of affiliates, Zero Co., Ltd., which became our Membership Company during the first quarter, was recorded in non-operating income for this period.

Net income for the third quarter of the consolidated period was ¥968 million (up 214.5% from the previous corresponding period). This is due to factors included a ¥369 million impairment loss for equipment and assets related to the transfer of Group company storage facilities planned for the next consolidated fiscal year, which was appropriated as an extraordinary loss, and the use of losses brought forward to increase income taxes deferred.

Financial results by segment are as follows.

### (Logistics Business)

For net sales of our logistics business, in addition to an inclusion of business results of Nippon Record Center Company and Atlas Logistics Pvt. Ltd., which joined our Group last consolidated fiscal year and expansion of our 3PL business. Furthermore, factors including active cargo movement in the food related industries that usually fall every year due to seasonal factors in the third quarter of the consolidated period led to a steady performance from the beginning of the year to spring. As a result, net sales were ¥88,757 million (up 7.2% from the previous corresponding period).

Operating income was ¥1,022 million (up 153.3%). This is due to factors including an increase in net sales and improvements of unprofitable businesses, and additionally, from elimination of the impact from the earthquake and of costs for launching new centers that we had in the same period a year ago.

### (Property Management Business)

For net sales of our property management business, since there were no new facility operations or sales, net sales increased slightly at ¥1,826 million (up 2.1% from the previous corresponding period), with operating income at ¥920 million (up 9.9%).

### (Other business)

For net sales of our other business category, net sales increased to ¥4,629 million (up 6.4% from the previous

corresponding period) due to improvement of the human resource business and the environment business, while operating income turned a profit of ¥19 million (the previous corresponding period marked an operating loss of ¥229 million).

## 2. Analysis of the financial position

Total assets at the end of the third quarter were ¥101,290 million which was increased by ¥543 million from the end of the previous year.

Total liabilities were ¥74,614 million which was decreased by ¥1,067 million from the end of the previous year. This was mainly due to long-term loans payable which increased by ¥514 million while ¥4,696 million short-term loans payable and ¥1,682 million long-term loans payable which is scheduled for return within a year respectively decreased.

Net assets were ¥26,676 million which was increased by ¥1,611 million from the end of the previous year. This was mainly due to a net income of ¥968 million in the third quarter of the consolidated period and due an increase in retained earnings of ¥986 million accompanying the affiliation of Zero Co., Ltd. under the equity method despite a ¥370 million dividend payment.

## 3. Consolidated Performance Forecast

In the business results as of the end of the third quarter, net sales and operating income were roughly in line with our initial forecasts. Ordinary income came in higher than forecast for the end of the quarter, due to an increase in affiliated companies accounted for by the equity method, resulting in the appropriation of equity in earnings of affiliates. On the other hand, net income came in lower than expected, due to the appropriation of impairment losses and income taxes deferred.

The business environment at the end of the fiscal year is expected to hold more uncertainty than ever. Economic conditions overseas are continuing to downshift, while the contribution to the Japanese economy from recovery demand is declining.

Under these circumstances, we will not revise our forecasts for the full fiscal year announced on February 10, 2012.

# II. Summary Information (Notes)

## 1. Outline of Major Changes in Subsidiaries during the Term

No applicable items.

## 2. Application of Accounting Principles and Procedures Specific in Preparation of Consolidated Quarterly Financial Statements

No applicable items.

## 3. Changes in Accounting Principles and Procedures and Changes and Restatements in Accounting Estimates

(Application of accounting standards regarding current net income per share)

Since the first quarter, the Accounting Standard for current net income per share (ASBJ Statement No.2, June 30, 2010), the Guidance on Accounting Standard for current net income per share (ASBJ Guidance No.4, June 30, 2010) and the Discussion Paper on Current Net Income per Share (Discussion Paper No.9, June 30, 2010) have been applied.

The share split completed in this first quarter of the consolidated period is assumed to be completed at the start of the previous consolidated fiscal period, and quarterly net income per share and quarterly net income per share fully diluted are estimated.

In the event that those accounting standards are not applied, quarterly net income per share for the previous corresponding nine month period is as follows. Quarterly net income per share fully diluted for the period is not listed because dilutive shares do not exist.

Quarterly net income per share ¥ 2,508.02

## 4. Additional Information

(Change to Presentation Methods)

Due to application of Cabinet Office Ordinance on Amending Regulations for Balance Sheet Terminology, Format and Creation Methods (Cabinet Office Ordinance No. 5, March 24, 2009) according to Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, December 26, 2008), the category "Income before minority interests (loss)" is displayed in this quarter.

### III. Consolidated Financial Statement

#### 1. Consolidated Balance Sheets

(As of September 30, 2011 and March 31, 2010)

(Thousands of yen)

	3Q FY2012 (As of Sep. 30, 2012)	FY2011 Summary (As of Dec. 31, 2011)
<b>ASSETS</b>		
Current assets		
Cash and deposits	9,224,041	9,218,561
Notes and accounts receivable-trade	1,519,880	16,263,214
Short-term investment securities	300,687	300,717
Inventories	7,641,931	7,713,665
Other	6,228,483	6,296,246
Allowance for doubtful accounts	(78,639)	(65,899)
Total current assets	38,515,385	39,726,505
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	33,956,084	34,123,724
Accumulated depreciation and impairment loss	(21,492,790)	(20,651,495)
Buildings and structures, net	12,463,293	13,472,229
Machinery, equipment and vehicles	15,958,271	16,475,242
Accumulated depreciation and impairment loss	(13,612,327)	(13,998,062)
Machinery, equipment and vehicles, net	2,345,943	2,477,180
Land	31,756,496	32,807,119
Lease assets	4,769,641	4,925,198
Accumulated depreciation and impairment loss	(2,227,763)	(2,240,601)
Lease assets, net	2,541,878	2,684,597
Other	5,741,153	3,308,727
Accumulated depreciation and impairment loss	(2,459,506)	(2,449,350)
Other, net	3,281,647	859,376
Total property, plant and equipment	52,389,259	52,300,501
Intangible assets		
Goodwill	1,125,799	1,523,758
Other	734,874	812,284
Total intangible assets	1,860,674	2,336,043
Investments and other assets		
Investments and other assets	8,898,608	6,688,730
Allowance for doubtful accounts	(373,241)	(304,527)
Total investments and other assets	8,525,366	6,384,203
Total noncurrent assets	62,775,300	61,020,749
Total assets	101,290,686	100,747,254

(Thousands of yen)

	3Q FY2012 (As of Sep. 30, 2012)	FY2011 Summary (As of Dec. 31, 2011)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable-trade	7,444,370	7,601,232
Short-term loans payable	14,999,842	19,695,899
Current portion of long-term loans payable	7,808,271	9,490,869
Current portion of bonds	256,000	256,000
Income taxes payable	478,684	381,822
Provision for bonuses	1,390,245	638,219
Other	5,831,339	6,378,090
Total current liabilities	38,208,754	44,442,134
Noncurrent liabilities		
Bonds payable	1,174,000	1,430,000
Long-term loans payable	22,540,591	17,436,578
Provision for retirement benefits	3,490,280	3,577,229
Other	9,200,480	8,795,971
Total noncurrent liabilities	36,405,352	31,239,778
Total liabilities	74,614,107	75,681,912
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	3,833,934	3,833,934
Capital surplus	5,418,063	5,418,063
Retained earnings	17,804,230	16,235,458
Treasury stock	(573,733)	(658,985)
Total shareholders' equity	26,482,494	24,828,470
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,807	(69,114)
Deferred gains or losses on hedges	(47,657)	(76,929)
Total valuation and translation adjustments	(135,987)	-
Subscription rights to shares	(172,837)	(146,043)
Minority interests	29,651	14,949
Total net assets	337,269	367,965
Total liabilities, net assets	26,676,578	25,065,341
	101,290,686	100,747,254

**2. Consolidated Statements of Operations****(Nine Months Ended September 30, 2010 and 2011)**

(Thousands of yen)

	3Q FY2011 (Jan. 1, 2011 – Sep. 30, 2011)	3Q FY2012 (Jan. 1, 2012 – Sep. 30, 2012)
Net sales	88,974,531	95,213,724
Cost of sales	81,141,136	86,033,964
Gross profit	7,833,395	9,179,760
Selling, general and administrative expenses	6,791,444	7,159,285
Operating income	1,041,951	2,020,474
Non-operating income		
Interest income	9,038	9,849
Dividends income	70,601	43,018
Equity in earnings of affiliates	35	408,244
Other	77,181	100,822
Total non-operating income	156,856	561,935
Non-operating expenses		
Interest expenses	456,694	461,815
Other	76,916	122,631
Total non-operating expenses	533,610	584,447
Ordinary income	665,196	1,997,962
Extraordinary income		
Gain on sales of noncurrent assets	401,527	329,510
Other	128,238	51,174
Total extraordinary income	529,765	380,684
Extraordinary loss		
Loss on adjustment for changes of accounting standard for asset retirement obligations retirement obligations	379,557	-
Loss on disaster	193,168	-
Impairment loss	-	417,257
Other	168,024	116,947
Total extraordinary loss	740,750	534,204
Net quarterly income before taxes and other adjustments	454,211	1,844,442
Income taxes-current	547,792	610,198
Income taxes-deferred	(404,602)	286,726
Total income taxes	143,189	896,925
Income before minority interests	311,022	947,517
Minority interest income (loss)	2,937	(21,265)
Net income	308,084	968,782

**Consolidated Quarterly Statements of Comprehensive Income****(Nine Months Ended September 30, 2010 and 2011)**

(Thousands of yen)

	3Q FY2011 (Jan. 1, 2011 – Sep. 30, 2011)	3Q FY2012 (Jan. 1, 2012 – Sep. 30, 2012)
Income (loss)before minority interests	311,022	947,517
Other comprehensive income		
Valuation difference on available-for-sale securities	(96,406)	91,065
Deferred gains or losses on hedges	43,485	29,271
Foreign currency translation adjustment	-	(141,282)
Share of other comprehensive income of associates accounted for using equity method	-	831
Total other comprehensive income	(52,921)	(20,113)
Comprehensive income	258,100	927,404
(Breakdown)		
Comprehensive income attributable to owners of the parent	255,040	954,259
Comprehensive income attributable to minority interests	3,059	(26,855)

## IV. Segment information

3Q FY2011 (January 1, 2011 – September 30, 2011)

### 1. Information Concerning Net Sales and Profits and Losses for Reporting Segments

(Thousands of yen)

	Reporting Segment				Adjustment Amount *1	Consolidated Quarterly Income Statement Amount *2
	Logistics Business	Property Management Business	Other Business	Total		
Net sales						
Sales to external customers	82,833,963	1,789,851	4,350,717	88,974,531	-	88,974,531
Inter-segment sales or transfers	251,422	15,644	398,366	665,433	(655,433)	-
Total	83,085,385	1,805,495	4,749,083	89,639,964	(655,433)	88,974,531
Segment income (loss)	403,652	837,556	(229,594)	1,011,614	30,336	1,041,951

(Note)

1. The adjustment amount for segment income (loss) is ¥21,893 thousand in trading between segments and from ¥8,443 thousand not allocated to reporting segments by the parent company (company releasing the quarterly financial statement).
2. Segment income (loss) is adjusted with operating income, as recorded in consolidated quarterly income statements.

3Q FY2012 (January 1, 2012 – September 30, 2012)

### 1. Information Concerning Net Sales and Profits and Losses for Reporting Segments

(Thousands of yen)

	Reporting Segment				Adjustment Amount *1	Consolidated Quarterly Income Statement Amount *2
	Logistics Business	Property Management Business	Other Business	Total		
Net sales						
Sales to external customers	887,757,981	1,826,594	4,629,148	95,213,724	-	95,213,724
Inter-segment sales or transfers	222,715	9,984	193,148	425,847	(425,847)	-
Total	88,980,697	1,836,578	4,822,296	95,639,572	(425,847)	95,213,724
Segment income (loss)	1,022,445	920,753	19,016	1,962,215	58,259	2,020,474

(Note)

1. The adjustment amount for segment income (loss) is ¥9,765 thousand in trading between segments and from ¥48,494 thousand not allocated to reporting segments by the parent company (company releasing the quarterly financial statement).
2. Segment income (loss) is adjusted with operating income, as recorded in consolidated quarterly income statements.

### 2. Information Concerning Impairment Loss on Fixed Assets or Goodwill

Impairment losses in Logistics Business and Property Management Business have been reported. The amount of losses for the nine months ended September 30, 2012 are ¥390,799 thousand in Logistics Business and ¥26,457 thousand in Property Management Business.