



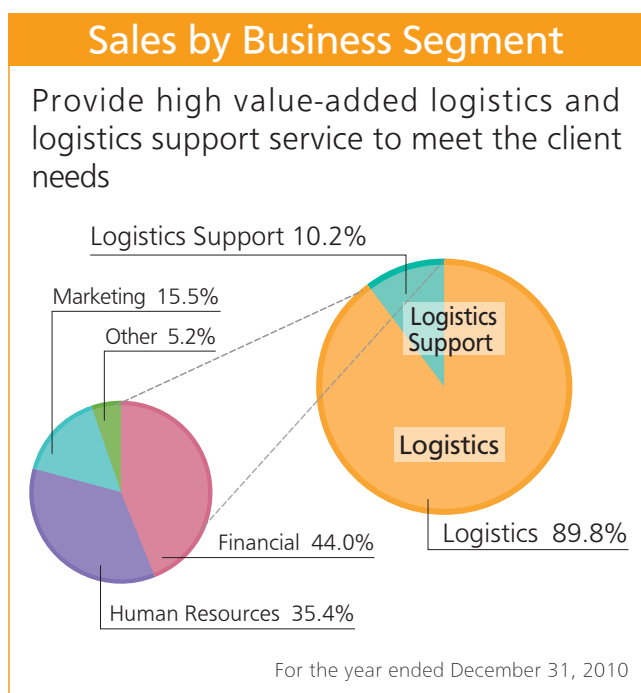
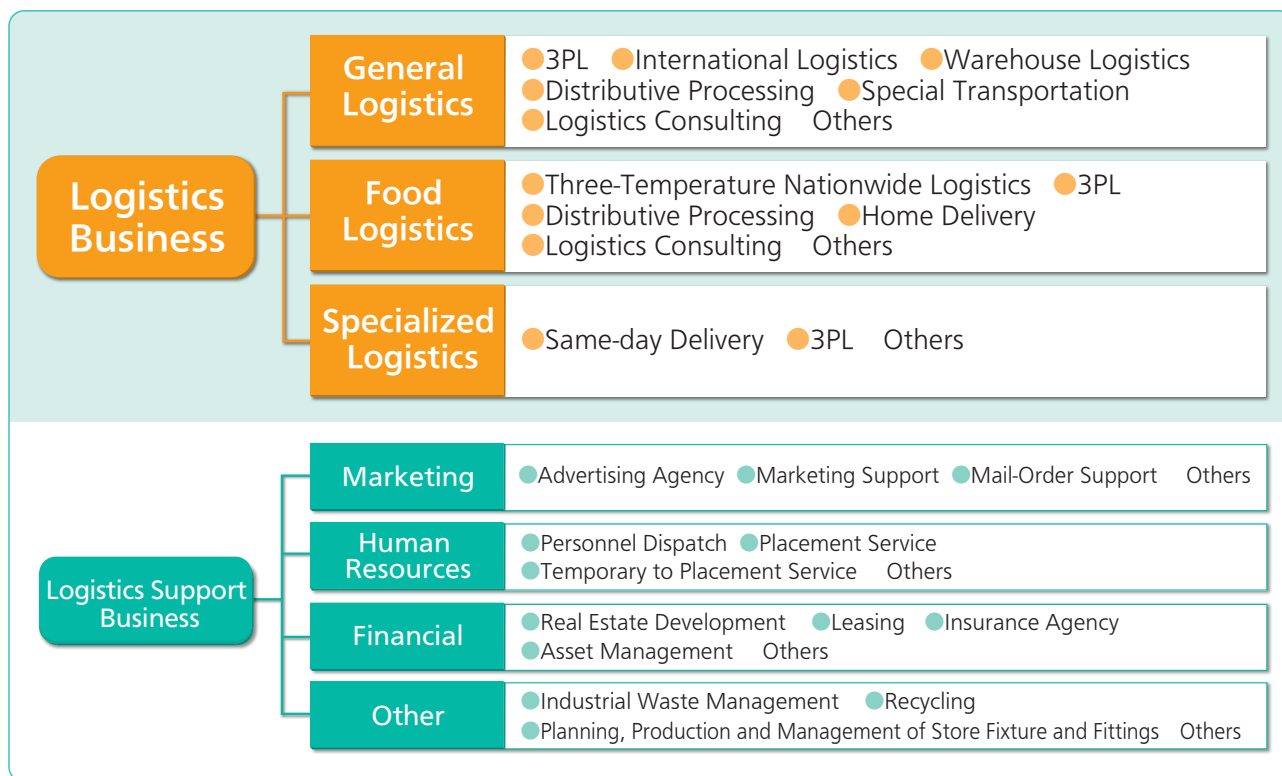
SBS Business Report

For the year ended December 31, 2010 (Security Code:2384)



SBS Holdings, Inc.

SBS Group meets the various logistics needs with the utmost quality.



2010 Performance Target

Promote new market cultivation and offer low cost and high quality logistics services

2011 Key Objectives

- Fortify Business Strategy
- Promote International Strategy
- Achieve Investment Strategy
- Enhance Management Infrastructure

2011 Forecast

Net Sales	Operating Income	Operating Margin	Dividend per Share
¥120.0 billion	¥3.5 billion	2.9%	¥3,000

Disclaimer: Forward-looking statements included in this report are based on information and assumptions consisting of uncertain factors that may influence our performance available to the Company on the date of this report's publication. Due to various unforeseen circumstances, however, actual results may differ from such forecasts.



Laying solid foundations has granted us the ability to advance into the future with greater speed and strength.

Representative Director: **Masahiko Kamata**

Q

Tell us about the results of the previous year (ended December 31, 2010).

A The first half of the year went smoothly for us, but the second half wasn't favorable as a result of the sharp increase in the value of the yen. This affected our operations quite a bit. However, the liquidation of our logistics facilities contributed greatly to our group's overall success. We were able to achieve increased income and meet our profit goals. I believe that some of the contributing factors to this success were our group's ability to strengthen its business activities and marketing as well as its ability to promote cost reductions through increasing efficiency in warehouse operations and other areas. Overall, operating income was up 47.6% over the previous year and net income stands at an increase of 7.7%. I am pleased to say that we were able to do all of this under some of the harshest of business conditions.

Q

What are some of the current trends characterizing the logistics industry?

A Against the background of the rise in the yen and long-term deflation, customers have been requiring broad-scale cost reductions. I expect this trend to continue for some time. In addition to this, competition among logistics companies has increased greatly in its intensity. As a result, the industry overall in 2010 saw a reduction in its total number of logistics business players. From here on out, I believe that reorganization and strengthening of alliances among companies will continue. It can also be thought that competition among logistics companies will continue to intensify.

Q What kind of effects has this intense competition had on SBS Group?

A This increase in competition cannot be seen as completely negative with regards to SBS Group. We believe that the intense competition and increase in reorganization gives us a great opportunity to expand our scale of business. From now on, it can be expected that the acquisitions market for logistics subsidiaries will become more dynamic and we are anticipating that this should bring about some very favorable conditions for us. From the point of view of a logistics company, being able to expand your business scale is vitally connected to winning the trust of your customers. So, we definitely don't want to miss out on this great opportunity facing our industry.

Q So, this should revitalize the M&A activities, right?

A For the past several years, large companies with net sales of over 100 billion yen have been busy strengthening compliance factors and replenishing management systems. This has resulted in fewer M&A deals. However, the time has finally arrived for a reemergence in the M&A market. Our group is taking a serious look at possible M&A deals. We are considering and trying to discern whether or not the management policies and concepts of some of our partner companies will fit well with

our group. If we can ascertain that the synergy effects of carrying out an M&A deal will be high, we would be quite comfortable in carrying out such a deal. So, in following the two M&A deals that we completed last year, we plan to continue pursuing various M&A deals again this year, regardless of whether they be carried out domestically or abroad.

Q Are you also considering expanding your business overseas?

A We are considering areas within Asia. There are a considerable amount of Japanese firms advancing in Asia and especially China, and in order to become a group that can meet the needs of domestic customers while surviving the intense competition within our industry, we feel that it is necessary to strengthen our logistics business overseas. In order to do this, we are creating bridgeheads by taking over foreign businesses and making strategic alliances. As we gaze into a future that looks set to continue its growth in globalization, our group is making the necessary plans to advance forward. There can be no doubt about there being increasing development and growth in China. However, in addition to the Chinese market, we are setting our sights on businesses in India and in the ASEAN countries as we see the markets in these countries also expanding greatly.

Q Lastly, could you say a few words for your shareholders?

A Our group has been working very hard now for about 3 years to strengthen our management infrastructure. With this just about completed, we feel well prepared for the future and we are going forward with both speed and strength. We are aiming at establishing a third-party logistics (3PL) business group that possesses logistics functions in all directions. In order to do this, we are promoting the training of talented people who can carry out 3PL proposals and sales as well as creating structures and systems that can provide full-scale low-cost operations. In addition, as we work on expanding our business scale, we are carefully making financially sound and well-balanced investments through effective M&A deals and facility development. We carry out all of our business activities with deep consideration given to the preservation of a stable financial standing. Furthermore, as a business group that has gained a high-level of social trust, we are strengthening our

corporate social responsibility (CSR) operations through the implementation of enhanced safety measures and activities for protecting the environment. We are striving hard to further increase our shareholders' value and we plan to return this to all of our shareholders through higher share prices and increased dividends. We are looking forward to our shareholders' continued support as we walk together toward a very bright future.



SBS Group Topics for 2010

April

Expanding into the Electronics Manufacturing Logistics Sphere through M&A

(TL LOGICOM)

With Victor Company of Japan, Limited's logistics subsidiary "Victor Logistics Inc." becoming a part of our group, we continue to aim at the expansion of our logistics functions in the electronics manufacturing industry.



July

M&A Activities Pick Up a Customs Clearance Specialty Company for the Group as Part of Its Strategic Move toward International Logistics Expansion

(TL LOGICOM)

AC System Corporation, a company that specializes in import and export customs clearance procedures, has become part of the group, furthering the group's international logistics expansion activities.



May

Completion of the Transportation of the New Model Skyliner Train Cars

(TL LOGICOM)

We completed the transportation of Keisei Electric Railway Co., Ltd.'s new model Skyliner train cars over a three month period from February to April. The transportation consisted of transporting 24 cars in 3 arrangements. Keisei Electric Railway is using the cars for its Narita Sky Access Line which is scheduled to start operations in July.



July

VL Loginet New Center starts to operate and initiates 3PL of Kenwood Corporation

(VL Loginet)

Victor Logistics Inc. has changed its brand name to VL Loginet Inc. and is operating its new center in Higashi-Ohginishima.

Also, it initiated 3PL of Kenwood Corporation in addition to that of Victor Company.



June

SBS Group Wins the Logistics Rationalization Award for the Third Year in a Row

TL LOGICOM was awarded the Logistics Rationalization Award in the 2010 All-Japan Convention for Logistics Improvement Case Studies. SBS Group is the first to win the same award three years in a row.



July

Logistics Operations Begin in the New Members' Office Building of the Upper House

(TL LOGICOM)

A delivery center has been opened at the New Members' Office Building of the Upper House. Logistics operations inside the center

have begun in order to unify management and combine the collection and delivery of goods that are collected and delivered.



September

Introduction of Employee Stock Ownership Trust (ESOP)

A stock-sharing plan (Japanese version of ESOP) for employees in the structure of a trust was introduced. We are aiming at raising employee morale with the expansion of our welfare programs and benefits.



September

Promotion of a Sound Financial Standing through the Liquidation of Logistics Facilities

(A-Max)

The logistics facilities in Saitama and Chiba were sold off to a Singapore government-based REIT company as part of our liquidation strategy. The funds collected from the sale are furthering our push towards a sounder financial standing.



November

Expansion in Group-wide Activities that Include Eco Cap Collections

By collecting the caps of PET bottles for recycling, we are expanding our group-wide efforts to contribute to helping the children of the world receive vaccines. In one year, we collected 170,000 caps.



December

SBS Group

Information regarding the 2010 Publication of the CSR Report

SBS Group is fully aware of the importance of being socially responsible and is leading the way as a logistics company that can



bear society's infrastructure. SBS Group is committed to creating a rich and wonderful society through the steady promotion of its CSR activities.

In order to help convey the social activities that our group is involved in, we started publishing the "Environment Report" in the year 2009. In 2010, the report's second year, we published it under the name "CSR Report."

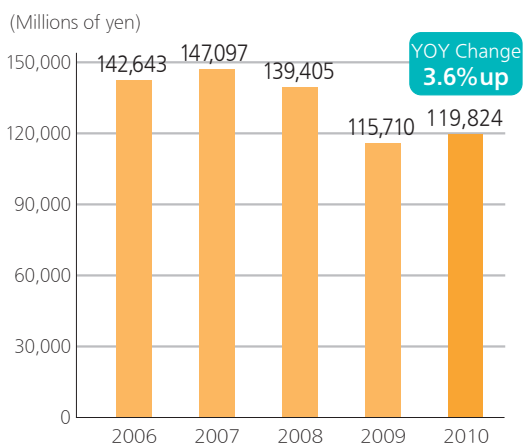
This year's issue introduces and explains some specific and easy to understand examples of how our group is trying to fulfill its social responsibilities. Some of the topics include "Corporate Governance", "Measures toward Safety", "Connections with the Environment", and "Connections with Society."

- The CSR Report can be downloaded off of the SBS Holdings website. Feel free to refer to it.

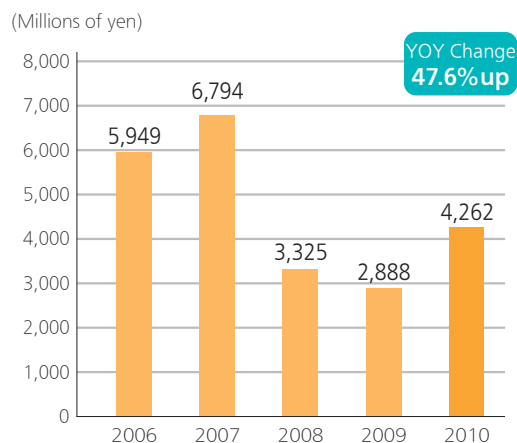
<http://www.sbs-group.co.jp/eco/img/eco2010.pdf>

We were successful in increasing profits even during the severest of business conditions as a result of cost cutting activities and our efforts to expand our business base by cultivating new customer markets. In addition, our company is involved in a number of very important growth strategies. Among these, the result of our M&A deals has brought about an increase in sales when compared with the same term of the previous year. Thorough cost reduction measures have also been a contributing factor to our success as we secured growth in operating income, ordinary income, and net income.

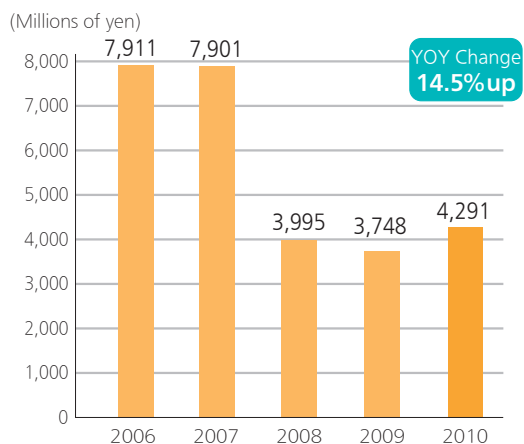
Net Sales



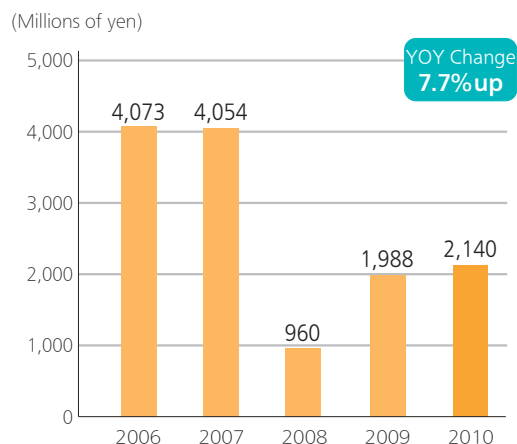
Operating Income



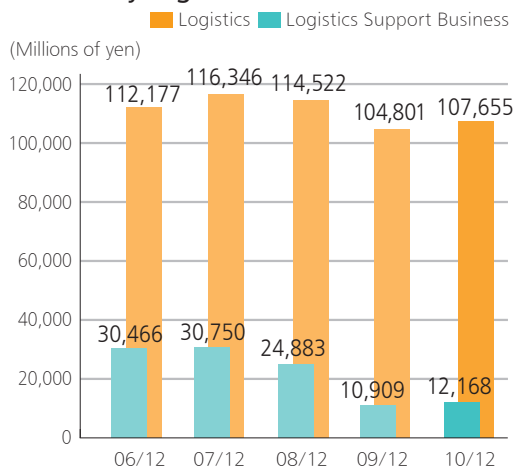
Ordinary Income



Net Income

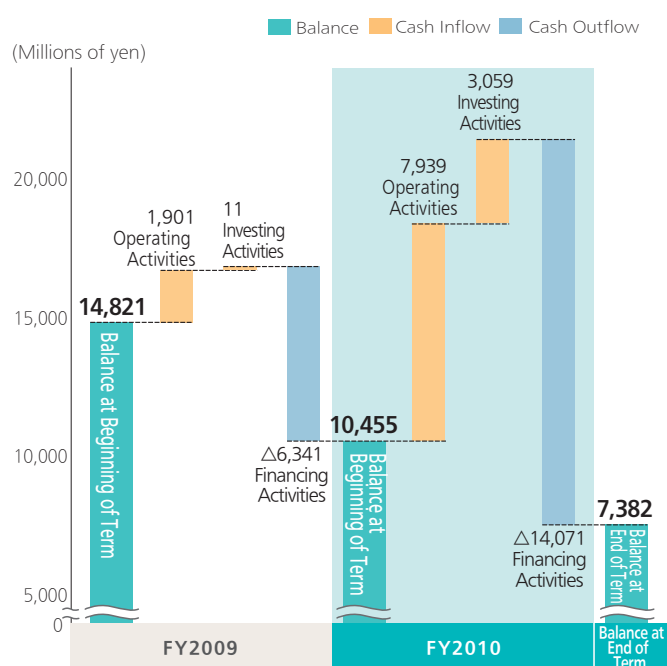


Sales by Segment



	2010		2009	
	Net Sales	Operating Income	Net Sales	Operating Income
[Logistics Business]				
Logistics	107,655	2,886	104,801	2,699
[Logistics Support Business]				
Marketing	1,880	42	3,572	31
Human Resources	4,303	20	5,045	147
Financial	5,348	1,199	1,670	403
Other	635	△ 14	620	△ 45
Total	12,168	1,376	10,909	189
Total (after elimination)	119,824	4,262	115,710	2,888

Cash Flows Status



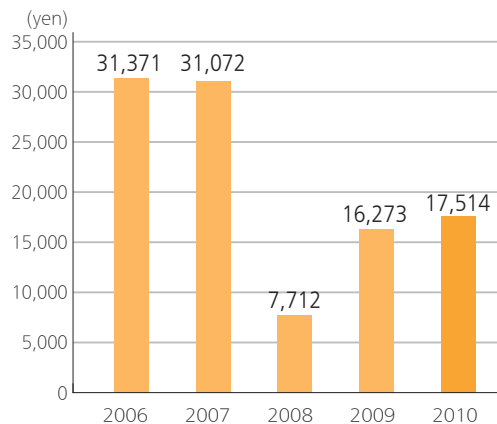
Sales by Segment

- **Logistics Business** : Business operations in this segment saw increased sales on the basis of recovery and expansion activities related to the movement of goods in the first half of the year. In addition, sales were also strengthened by the start of the 3PL operations of some of our new customers.
- **Logistics Support Business** : In the financial services segment, sales increases were made as the result of the sell-off of some liquidable assets that were held for investment and sales.

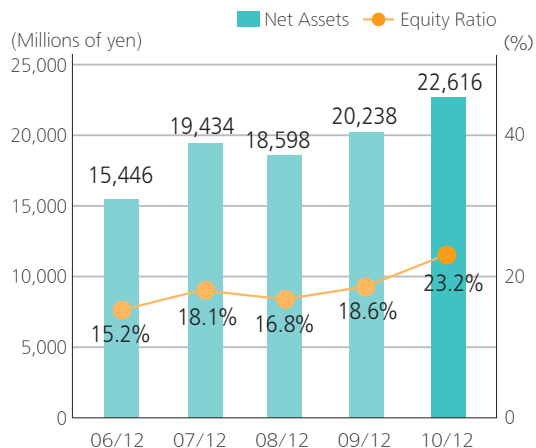
Consolidated Cash Flows

Operating cash flow reached 7,939 million yen as the result of favorable business activities. However, the effects of actively reducing interest-bearing debt in order to facilitate a sound financial standing resulted in cash and cash equivalents at the end of the consolidated accounting year to be 7,382 million yen.

Net Income per Share



Net Assets / Equity Ratio



Basic Policies regarding the Profit Distribution

Dividend per Share



Basic Policies regarding the Profit Distribution

SBS Group regards the return of profits to all shareholders to be one of its most important business policies. Based on our group's business achievements and financial situations, we were able to raise our per-share dividend 700 yen, from 2,300 yen announced at the beginning of the year to 3,000 yen at the end. This result was due to our efforts to further strengthen our management base and promote an increase in return on equity. We are expecting our dividend to remain steady at 3,000 yen per share for the year ending December 2011.

Corporate Profile (As of December 31, 2010)

Company name	SBS Holdings, Inc.
Representative director and president	Masahiko Kamata
Founded	December 16, 1987
Paid-in Capital	¥3,833.93 million
Net sales	¥119.8 billion (for the year ended December 31, 2010)
Head office	4-1-3 Taihei, Sumida-ku, Tokyo 130-0012, Japan Tel: +81-3-3829-2222(main) Fax: +81-3-3829-2822
Lines of Business	Logistics, marketing, personnel placement, etc.
Major consolidated subsidiaries	TL LOGICOM Co., Ltd. Foods Lec Co., Ltd. Zentsu Co., Ltd. SBS Logitem Co., Ltd. Forward Co., Ltd. PAM, Co., Ltd. SBS Staff Co., Ltd. A-MAX Co., Ltd. SBS Finance Co., Ltd. Sogo Butsuryu System Co., Ltd.

Board of Directors and Auditors (As of March 25, 2011)

Representative director and president	Masahiko Kamata
Managing director	Kenichi Iriyama
Directors	Fumiaki Miyasaka Shin-ichiro Watanabe

Full-time auditor	Tamio Wakabayashi
Auditors	Shigetaka Shomatsumoto Masato Takeda Jiro Iwasaki

The auditors Shigetaka Shomatsumoto, Masato Takeda and Jiro Iwasaki are the external auditors.

Stock Information (As of December 31, 2010)

Number of shares authorized	515,684 shares
Number of shares issued	130,684 shares
Share trading unit	None
Number of shareholders	3,911

Major Shareholders (As of December 31, 2010)

Shareholder Name	Number of shares held (shares)	Ratio of share held (%)
Masahiko Kamata	64,128	50.16
Japan Trustee Services Bank, Ltd. (Trust account)	7,482	5.85
Hiroshi Date	4,348	3.40
SBS Holdings Employee Share Ownership Association	3,619	2.83
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	3,348	2.61
Junichi Ouchi	3,094	2.42
The Master Trust Bank of Japan, Ltd.	3,026	2.36
Hiroyuki Yoshioka	1,889	1.47
3E Corporation	1,560	1.22
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	1,055	0.82

The ratio of share held are calculated based on the number of shares excluding treasury shares. Treasury shares does not include 5,388 shares held by our employee share ownership association.

Distribution of Shares by Shareholder Type (As of December 31, 2010)

