



For the Six Months Ended June 30, 2013
(Security Code:2384)

SBS Business Report

(Interim)

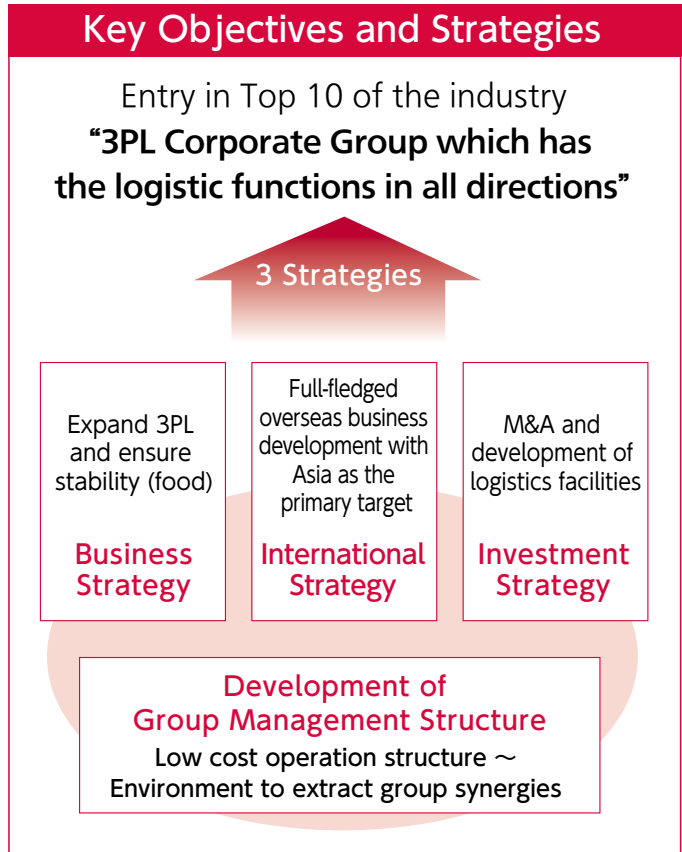
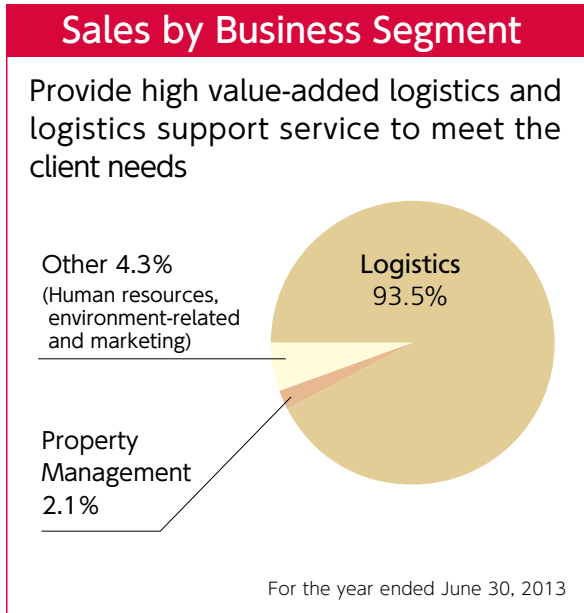
■ Special Feature

Further acceleration of
the Group's growth with
unification of the brand

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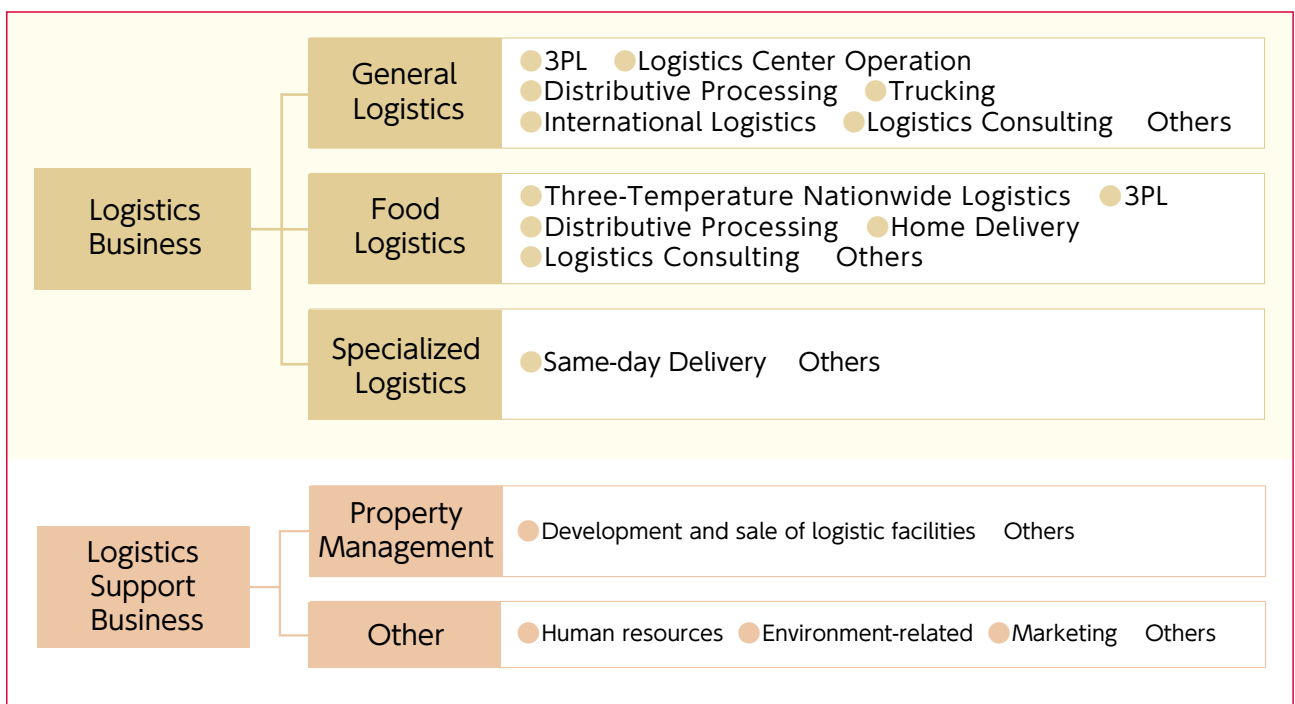
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SBS Group meets the various logistics needs with the utmost quality.



2013 Forecast

Net Sales	Operating Income
¥128.0 billion	¥3.1 billion



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.



Looking back on the first half of the year, the time the Group implemented diverse measures towards further growth

Representative Director and President : **Masahiko Kamata**

For the SBS Group, 2013 was regarded as a year of intensive investment that would lay foundations for further growth, and we implemented a wide range of measures in this area during the first half.

To boost synergy among the individual companies and improve the brand value, we made a number of steps to unify all of the companies of the Group under one brand. Also, to offer highly efficient logistics services handling high-mix low-volume products, we developed a large-scale logistics center for the Nippon Record Center, enabling to group all of the bases of the company in one location. New overseas affiliated companies were established in Hong Kong reinforcing the Group's organization of bases in Asia.

At the same time, the Group made a number of efforts to expand its 3PL business, for example launching large-scale 3PL services for SHIMACHU, a company operating a chain of large home centers, and establishing new logistics centers following the expansion of business scale at a number of major drug-store chains.

Also, the Group was successful in a number of business negotiations, where we had to compete against major companies in the same industry. Looking at these achievements I can confidently say that the efforts in the area of marketing the Group has been making for the last several years are beginning to bear fruit.

On the investment front, we have launched a number of intensive efforts, such as starting construction of a logistics center in Nagatsuta, Yokohama which shall be one of the largest facilities of the Group, and also starting our solar power generation business.

Striving to ensure steady growth of the business, SBS Group shall make further efforts to improve the efficiency and quality of our operations and to strengthen our competitiveness. We shall also work with might and main so that within this year we can bring you the news of the Group being listed in the First Section of the Tokyo Stock Exchange.

And I sincerely hope that you will continue to support SBS Group in the future.

Further acceleration of the Group's growth with unification of the brand

From June 1 of this year, SBS Group launched the process of brand unification. We created a new brand mark and a new slogan for the Group, changed the names of fourteen logistics companies of the Group so that each company name starts with "SBS". We also quickly promoted unification of design of vehicles, uniforms worn by the staff, and other assets used by the business.

So far, in order to put to good use the individual strengths of all of the companies comprising the Group, we employed a multi-brand strategy and did not unify the company name, brand mark, and other attributes of our business, but recently it was decided that to achieve further growth in the future, it is important to create a sense of unity within the Group and maximize our brand value.

That is why we decided to commemorate our 25th anniversary of establishment and listing in the Second Section of the Tokyo Stock Exchange by unification of the Group's brand.

In the future, all of our employees as one shall strive to expand and strengthen the synergy between the Group companies, endeavoring to offer high quality logistics services both in and outside Japan on the base of even stronger collective strength, which has always been one of the strong points of the SBS Group.

Concept of the new logo

The logo is in the motif of the "S" from SBS and depicts the dynamic intersection of 2 curves. This design represents the encounter, communion and mutual interaction between SBS, people, corporations and society, as well as how SBS strives to exist as a company where all employees can take on new challenges and pursue their dreams.



Group's slogan

The Group slogan encapsulates the heartfelt desire of the SBS Group since its inception to treasure the act of pursuing a dream, and by pursuing that dream to build a better future.

For Your Dreams.

We want to be a Group that customers choose no matter how the times change. Since our inception we have always pursued our dreams.

We are a business Group with one dream, connecting one with the other with a common will. We firmly believe that dreams have the power to strengthen and focus the will.

Logistics that brings business and modern living together forms a vital social infrastructure. Our mission is to protect that infrastructure and advance it further.

By linking our dreams together, we can build a great future. The SBS Group is pursuing its dreams and contributing to a prosperous society.

To pursue a dream is to build the future! *For Your Dreams.*

With unification of the brand, trucks and uniforms are now changed to those employing the new common design of the Group

■ New common truck design



Trucks painted with the “SBS dream color”, an original color of the Group created on the base of California Orange to be bright and conspicuous, thus helping to eradicate accidents

■ New common design of the uniforms



Piste jumper (front)



Piste jumper (back)



New uniform combining red and black, colors that accentuate the feeling of freshness, brisk motion, and strength created by the logo making it really stand out, and grey trousers with orange stripes on the side



SBS Logicom
Noda Yoshiharu Logistic Center

Promote brand unity by starting company names with “SBS”

■ Newly Stated Company Names (As of June 1, 2013)

Previous Name	New Name
TL LOGICOM Co., Ltd.	SBS Logicom Co., Ltd.
Foods Lec Co., Ltd.	SBS Flec Co., Ltd.
Zentsu Co., Ltd.	SBS Zentsu Co., Ltd.
SBS Logitem Co., Ltd.	SBS Sokuhai Co., Ltd.
Sogo Butsuryu System Co., Ltd.	SBS Support Logi Co., Ltd.
NIHON KAMOTSU KYUSO Co., Ltd.	SBS Freight Service Co., Ltd.
TL Transport Co., Ltd.	SBS Transport Co., Ltd.
AC system Corporation	SBS Global Network Co., Ltd.
Hokkaido Lec Co., Ltd.	SBS Flec Hokkaido Co., Ltd.
Tohoku Wing Co., Ltd.	SBS Flec Tohoku Co., Ltd.
Wing Transport Co., Ltd.	SBS Flec Kanto Co., Ltd.
Chubu Lec Co., Ltd.	SBS Flec Chubu Co., Ltd.
Kansai Ryutsu System Co., Ltd.	SBS Flec Kansai Co., Ltd.
Kyusyu Lec Co., Ltd.	SBS Flec Kyushu Co., Ltd.



SBS Holdings home page



SBS Logicom home page



SBS Flec home page



SBS Zentsu home page

Activities of the SBS Group



Launch of system of same day transfer of daily wages for dispatched employees

February

(SBS Staff)

Due to bank procedures and other reasons, usually it takes several days for daily wages to reach the recipients, but the Group, first among the leading staffing service companies, launched a new original service enabling us to transfer the payment on the same day the work was done.



Reaching an even higher level of efficiency with establishment of a new center

May

(Nippon Record Center)

Atsugi Sanda DC, a large-sized new center the Group had been working on, has been completed this spring. This enabled us to group operations, which had been previously conducted in three centers with the total floor space of 20,000 tsubos in a new 15,000 tsubo-center, thus ensuring an even higher efficiency of logistics services handling high-mix low-volume products.



Using the know-how amassed through Group's cooperation with Internet supermarkets offering home delivery to launch a new service of home-delivered suppers

April

(SBS Flec)

The Group is entrusted with the service of home-delivered suppers offered by Palsystem Chiba. Thanks to the Group's know-how in the area of home delivery for Internet supermarkets and the high-quality interaction skills of our sales drivers, the service is receiving high commendation both from the Palsystem and the customers.



Adoption of IT roll call system in Numazu and Shimoda offices

June

(SBS Freight Service)

SBS Freight Service introduced the first IT roll call system for operation management in two offices of the company, namely, the Numazu and Shimoda offices. The system was adopted to reduce the burden of operation administrators and to strengthen and ensure thoroughness of the roll calls by system management.



Establishment of two affiliated companies in Hong Kong

April

(SBS Group)

The Group established two affiliated companies in Hong Kong, one a managing company for the operations of the Group on the Chinese market and one an operational company. These companies shall develop such international logistics businesses as forwarding, warehousing, and customs clearance mainly for Japanese companies in Hong Kong and Southern China.



Launch of large-scale 3PL work handling products of SHIMACHU Home Centers

June

(SBS Logicom)

The Group was entrusted with the 3PL work for SHIMACHU, shouldering the whole logistics function for the home center products. We established the first logistics center to be used exclusively by SHIMACHU and provide high quality logistics service including delivery to the stores of the company nationwide.



CONSOLIDATED FINANCIAL PERFORMANCE

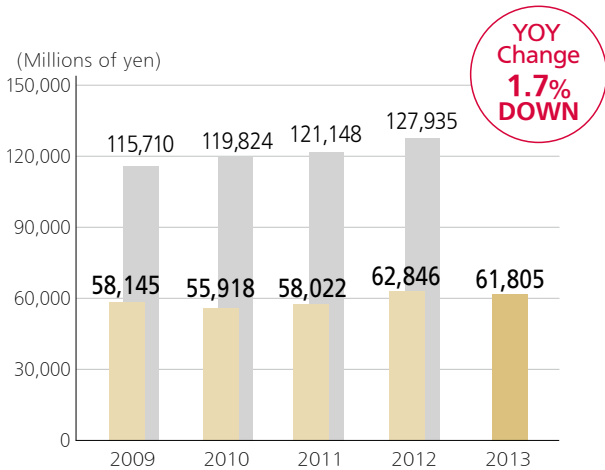
As the economic environment surrounding the Group is still severe with recovery of consumer trend still advancing at a low pace, although the Group implemented a number of measures to boost the sales of the 3PL business and expand into new areas, the net sales decreased as compared with the corresponding period of last year.

Moreover, as a result of snow damages in Northern Japan and a decline in the operating ratio of some of our logistics centers, the operating income and the ordinary income also decreased.

Net income for the period decreased due to extraordinary losses incurred from transfer and consolidation of logistics centers as well as the expenses required for brand unification.

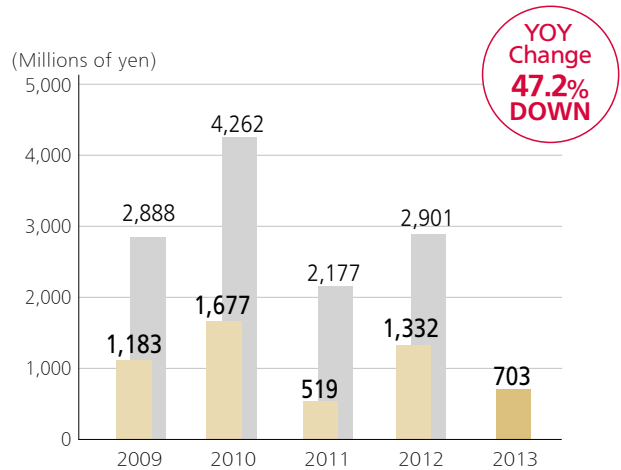
Net Sales

1st Half Full Year



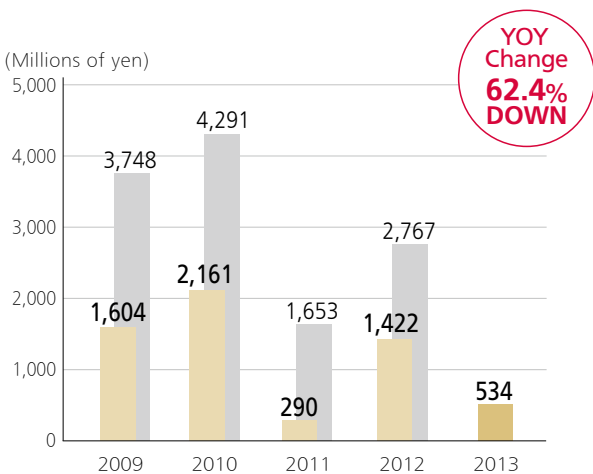
Operating Income

1st Half Full Year



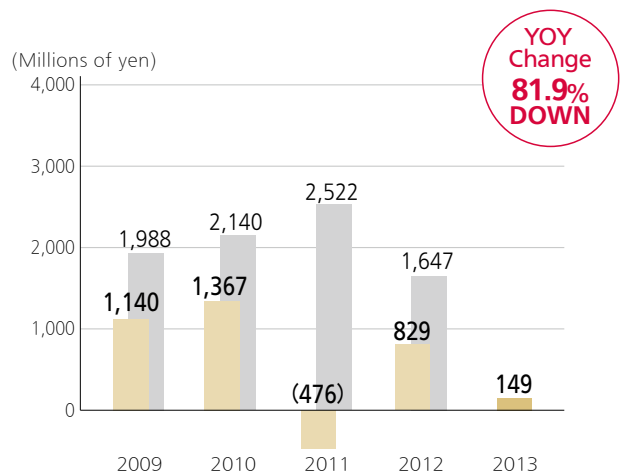
Ordinary Income

1st Half Full Year



Net Income

1st Half Full Year



■ Sales by Segment

(Millions of yen)

	1st Half of FY2013		1st Half of FY2012	
	Net Sales	Operating Income	Net Sales	Operating Income
Logistics	57,884	(77)	58,734	683
Property Management	1,350	694	1,209	594
Other	2,857	31	3,191	24
Adjustment	(287)	54	(289)	29
Total	61,805	703	62,846	1,332

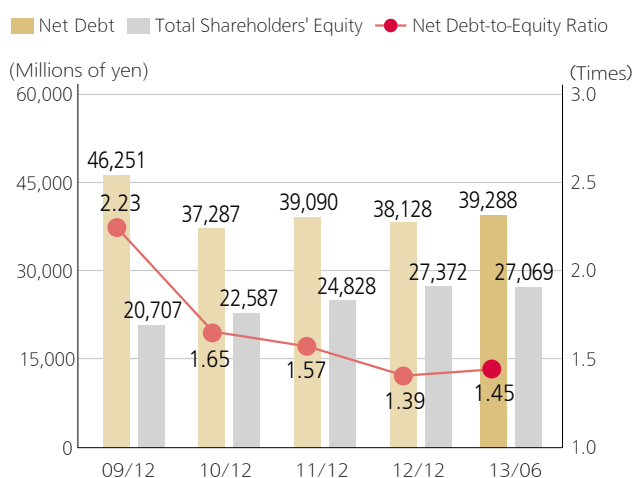
● Logistics business :

Net sales decreased due to a downturn of cargo movement resulting from dull consumption trend on the one hand and a downturn of the logistics business resulting from seasonal factors on the other. The Group also posted operating loss due to such reasons as the cost increase resulting from snow damages in Northern Japan and a fall of unit prices.

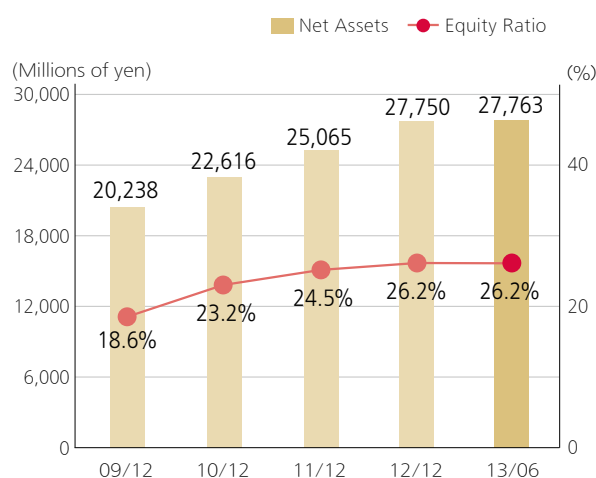
● Logistics support business :

In the property management business, net sales and revenue increased due to the contribution made by rent income from real estate facilities for lease, where the Group increased its equity. In the Other business, although net sales decreased due to the exclusion of the consolidated subsidiary engaged in shipping agency business, there was an increase in operating income due to improvements in profitability made with some businesses of the area.

■ Net Debt, Total Shareholders' Equity (left), Net Debt-to-Equity Ratio (right)



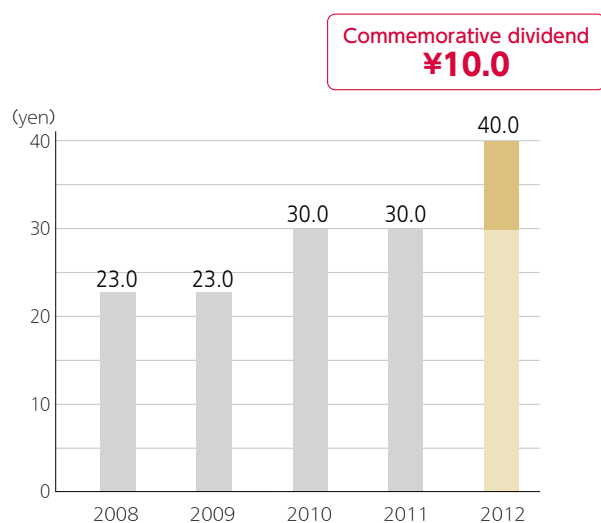
■ Net Assets, Equity Ratio



*Net Debt=Long-term loans+Short-term loans+Bond-Cash and deposits
 *Net Debt-to-Equity Ratio=Long-term loans (net)/Total shareholders' equity

Basic Policies regarding the Profit Distribution and Per-Share Dividend

■ Dividend per Share



※Dividend per share shown is calculated on the basis of stock split-share trading unit system we recently switched to.

Basic Policy regarding the Profit Distribution

SBS Group regards redistribution of profits to our shareholders as one of the primary tasks of management.

We endeavor to ensure stable redistribution of profits taking into account the business results achieved by continually improving solid management foundations and raising the returns on equity.

For the year ended December 31, 2012, we paid the year-end dividend of 40 yen per share including 10 yen of commemorative dividend for the Company's listing in the Second Section of the Tokyo Stock Exchange.

■ Performance Forecast for the Year Ending December 31, 2013 (By Segment)

(Millions of yen)

	Logistics	Property Management	Other	Consolidation/Corporate	Total
Net Sales	119,160	2,660	6,180	—	128,000
YOY Change	-0.1%	6.2%	1.3%	—	0.1%
Operating Income	1,800	1,220	80	0	3,100
YOY Change	4.2%	1.2%	81.8%	—	6.9%
Operating Margin	1.5%	45.9%	1.3%	—	2.4%

※ Figures of the earnings forecast contain the proceeds of internal sales between segments.

■ Corporate Profile (As of June 30, 2013)

Company name	SBS Holdings, Inc.
Representative director and president	Masahiko Kamata
Founded	December 16, 1987
Paid-in Capital	¥3,833.93 million
Net sales	¥127.9 billion (for the year ended December 31, 2012)
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, property management, marketing, human resources, etc.
Major consolidated subsidiaries	SBS Logicom Co., Ltd. SBS Flec Co., Ltd. SBS Zentsu Co., Ltd. SBS Sokuhai Co., Ltd. SBS Staff Co., Ltd. Atlas Logistics Private Limited SBS Support Logi Co., Ltd. SBS Finance Co., Ltd. A-MAX Co., Ltd. Marketing Partner Co., Ltd. PAM Co., Ltd.

■ Board of Directors and Auditors

(As of June 30, 2013)

Representative director and president	Masahiko Kamata
Managing director	Kenichi Iriyama
Director	Makoto Watanabe
Full-time auditor	Shin-ichiro Watanabe
Auditors	Shigetaka Shomatsumoto Masato Takeda Jiro Iwasaki
The auditors Shigetaka Shomatsumoto, Masato Takeda and Jiro Iwasaki are the external auditors.	

■ Stock Information (As of June 30, 2013)

Number of shares authorized	51,568,400 shares
Number of shares issued	13,068,400 shares (including 500 treasury shares)
Unit Stock System	Yes
Number of shareholders	3,388

■ Major Shareholders (As of June 30, 2013)

Shareholder Name	Number of shares held (hundred shares)	Ratio of share held (%)
Masahiko Kamata	6,362,800	48.68
SBS Holdings Employee Share Ownership Association	560,800	4.29
Hiroshi Date	390,000	2.98
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	334,800	2.56
Japan Trustee Services Bank, Ltd. (Trust account)	318,200	2.43
Junichi Ouchi	309,400	2.36
TOBU Properties, Co., Ltd.	285,600	2.18
The Master Trust Bank of Japan, Ltd. (Trust account)	230,700	1.76
State Street Bank and Trust Company	200,000	1.53
Hiroyuki Yoshioka	188,900	1.44

Note: Japan Trustee Services Bank, Ltd. (Trust account) is a re-trusted employee share ownership association and the number of shares its trust account holds includes 258,300 of our shares.

■ Distribution of Shares by Shareholder Type

(As of June 30, 2013)

Number of share issued: 13,068,400 shares

