

October 13, 2021

SBS Holdings, Inc.

Adoption of Electric Trucks in Last Mile Delivery in Japan First

SBS Holdings, Inc. (President: Masahiko Kamata, Headquarters: Sumida-ku, Tokyo) announced today that the company has decided to fully adopt electric trucks (in the one-ton class) imported and distributed by Folofly Inc. (President: Hiroyasu Koma, Headquarters: Kyoto City, hereinafter, Folofly), a start-up company, in its last mile delivery since the vehicles were given a license plate for a fabless manufacturing electric vehicle for delivery (manufactured overseas) for the first time in Japan.



Positioning the reduction of CO2 emissions from vehicles as a priority issue, SBS Group aims to replace its current vehicles with next-generation vehicles such as electric vehicles. The full-scale introduction of these electric trucks will accelerate the promotion of these measures.



Japanese manufacturers have yet to make a one-ton electric truck. The electric truck to be introduced is a vehicle with its design altered by Folofly to meet Japanese safety standards. It is then built and supplied by a Chinese manufacturer on an OEM basis. A one-ton electric truck is the most optimal vehicle type for last mile delivery handled by the company. It is equipped with a battery with a cruising distance of 300km and is an electric vehicle with the largest capacity that can be driven with a class 1 driver's license. It costs approximately 3.8

million yen to introduce a vehicle, on a par with the cost of a gasoline-powered vehicle.

SBS Group is planning to replace approximately 2,000 vehicles that are operating as e-commerce vehicles in last mile delivery with electric vehicles in the coming five years or so, and to adopt approximately 10,000 electric vehicles over the medium term as vehicles of partner companies as well.

Masahiko Kamata, the representative of SBS Group, made the following comment. "Receiving electric vehicles supplied by Folofly is a big step for SBS Group in its decarbonization efforts and in its contribution to the global environment. The company is seeking to swiftly adopt next-generation vehicles while financing Folofly to support its future growth."



From left: Mr. Hiroyasu Koma (Folofly), Masahiko Kamata (SBS Group)

Mr. Hiroyasu Koma, the representative of Folofly made the following comment. "The joint effort with SBS Group is an important step towards implementation of a decarbonized society in Japan. There are diverse needs for electric vehicles in the logistic industry. In contrast, currently there are few electric vehicles to choose from in Japan. We aim to drastically reduce development costs through joint development with automobile manufacturers that develop electric vehicles in Japan and overseas and to expand the selection of eco-friendly vehicles equipped with the functions sought by the market."

SBS Group recognizes the risks caused by climate change as a critical management issue and the Group is united in striving to implement a decarbonized society while introducing electric vehicles and promoting eco-driving (energy-saving driving).

End

■ Reference

<Overview of SBS Group>

Holding company: SBS Holdings, Inc. (SBS Group Holding Company)

Established: December 1987

Representative: Masahiko Kamata, President and Representative Director

Listed: First Section of the Tokyo Stock Exchange (Securities code: 2384)

Head office: Orinas Tower, 4-1-3, Taihei 4-chome, Sumida-ku, Tokyo

Capital: 3.9 billion yen

Net sales: 257.1 billion yen (Consolidated)

Number of employees: 21,840 (including 9,742 full-time employees, consolidated)

Since its foundation in 1987, the SBS Group has contributed to the creation of benefits for customers by enhancing logistics and ancillary services and providing 1-stop logistics services. Within the SBS Group, we have a group of companies that handle a variety of products, from foodstuffs to extra-heavyweight items, a group of companies that can respond to a variety of delivery formats, including route, area, and same-day delivery, and a group of companies that specialize in logistics facility development and environmental logistics.

URL: <https://www.sbs-group.co.jp>

<Outline of Folofly, Inc.>

Established :

August 2021

Representative :

Representative director: Hiroyasu Koma

Location of head office:

International Science Innovation Building, Kyoto University, 36-1 Yoshidahonmachi, Sakyo-ku, Kyoto City

Paid-in capital :

10 million yen (including capital reserve)

Business description :

Folofly Inc. is a venture company that develops and distributes fabless manufacturing electric vehicles. As conformity with the standards on safety of road transportation was approved by the Kinki District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism on October 1, 2021, the company became the first Japanese manufacturer to receive a license plate for foreign-made (fabless manufacturing) one-ton electric vehicles for home delivery. Through joint development with Japanese as well as overseas automobile manufacturers and with parts suppliers, the company develops electric vehicles to meet market needs.

■ Inquiries about this News Release

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The information described in this material is current as of the announcement date. Please note that the information may change without notice after this date.