

**Notice of the Formulation of the SBS Group's Mid-Term Management Plan
"SBS Next Stage 2025"**

Tokyo, February 10, 2023—SBS Holdings Inc. announces that at the board of directors meeting held on February 10, 2023, the company formulated a management plan titled "SBS Next Stage 2025" for a 3-year period from FY 12/2023 to FY 12/2025.

The logistics industry is entering a revolutionary phase amid the shift to a decarbonized society, the growth of awareness of the sustainability of the supply chain, the shortage of manpower caused by structural problems, etc. Recognizing such a change in the business environment as a turning point for proceeding to the next growth stage, our company will implement measures for making a further leap forward.

Management philosophy and management vision

Based on our management philosophy, The SBS Group set the following three mid-term management visions.



*February 10, 2023***1. Priority measures**

Considering our corporate history and current business environment, the SBS Group set four priority measures, and aim to execute them without fail during the period of our management plan.

Enhance the overall strength of the Group (group platform strategy and unique strategies of each company)

- Further strengthen and deepen BtoB businesses, particularly in 3PL
- Accelerate EC logistics (build hybrid EC platforms)
- Establish a Group-wide cooperation system for international logistics business and capture growth in global markets

Develop and expand logistics business infrastructure

- Strengthen the Group's logistics infrastructure, including warehousing and distribution network, EC logistics functions and international logistics network
- Secure and develop human resources to take the lead in business activities
- Expand management resources through M&A

Improve/differentiate operational productivity through LT x IT

- Further rationalize logistics sites through the use of labor-saving technology and the creation of a robust operational structure to cope with labor shortages
- Create competitive advantage by further improving logistics through the use of logistics data
- Achieve low indirect costs by improving the operational efficiency of administrative departments

Strengthen the foundations of sustainability management and human capital initiatives

- Strengthen governance to support sustainability management and address key issues
- Increase shareholder value by strengthening the Group's human capital and organizational capabilities

2. Financial goals

The SBS Group aim to achieve net sales of 500 billion yen and operating income of 27.5 billion yen in FY 12/2025. Through organic growth, excluding the effects of M&A, the company will strive to achieve an average annual growth rate of 4.5% in 3 years, improve our revenue structure, and increase operating income margin from the current value of less than 5% to 5.5%. In parallel, it aim to raise capital-to-asset ratio from the 20% level to 30%, to improve the soundness of its financial standing.

[100 million yen]

	Results in FY 2022	Forecast for FY 2023	Forecast for FY 2025
Net sales	4,555	4,570	5,000
(y/y growth rate)	(12.9%)	(0.3%)	(CAGR 4.5%)
Operating income	218	228	275
(Operating income margin)	(4.8%)	(5.0%)	(5.5%)
Capital-to-asset ratio	23.7%	25.5%	30.0%

Note: The forecast does not include the effects of M&A.

February 10, 2023

3. Envisioned mid/long-term growth

The SBS Group aim to achieve consolidated net sales of 700 billion yen in FY 12/2030 and then 1 trillion yen in the future.

- **Strengthen the overall strength of the Group and develop and expand the logistics infrastructure**

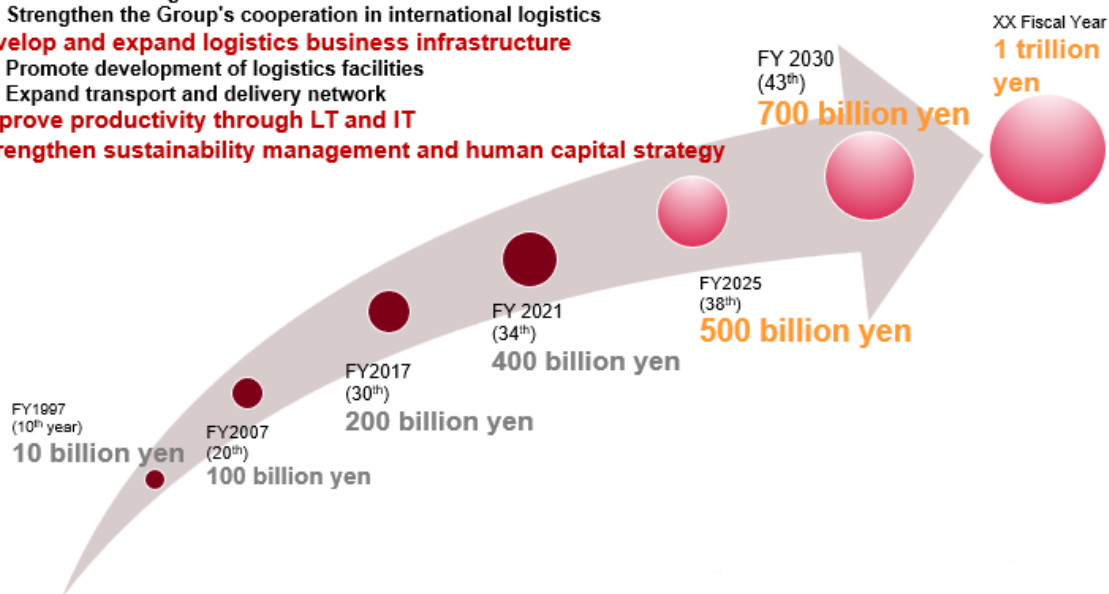
- ▶ Strengthen and deepen BtoB services with focus on 3PL business
- ▶ Accelerate EC logistics
- ▶ Strengthen the Group's cooperation in international logistics

- **Develop and expand logistics business infrastructure**

- ▶ Promote development of logistics facilities
- ▶ Expand transport and delivery network

- **Improve productivity through LT and IT**

- **Strengthen sustainability management and human capital strategy**



[*Click here to see the SBS Group's mid-term management plan "SBS Next Stage 2025."](#)