

March 28, 2023

**Promotion of SBS Group's Medium-Term Management Plan "SBS Next Stage 2025"
Regarding the Conclusion of a Contract for Positive Impact Finance
Creation of a Syndicated Loan Amounting to 35 Billion Yen**

Tokyo, March 28, 2023—SBS Holdings Inc. has decided to conclude a loan contract (total amount: 35 billion yen) for "Positive Impact Finance (an investment and loan program for business companies with no restrictions on the use of funds)" with arrangers being MUFG Bank, Ltd. and Mizuho Bank, Ltd.^{Note 1}

The Positive Impact Finance based on the syndication of lenders is the first among logistics companies.

"Positive Impact Finance" means a loan for continuously supporting corporate activities that have been recognized as "activities intended for generating a positive impact on the environment, society, and economy" after the comprehensive analysis and assessment of the positive and negative impacts of these activities based on an impact assessment framework developed by MUFG Bank, Ltd., Mitsubishi UFJ Research and Consulting Co., Ltd., and Mizuho Research & Technologies, Ltd. in accordance with the Principles for Positive Impact Finance^{Note 2} proposed by the United Nations Environment Programme - Finance Initiative (UNEP FI)^{Note 3}.









This year, the SBS Group started SBS Group's medium-term management plan "SBS Next Stage 2025" for a period from the term ending December 2023 to the term ending December 2025. The environment surrounding the logistics industry is changing considerably due to the decarbonization of society, the enhanced awareness of sustainability of supply chains, the shortage of manpower due to structural problems, etc. Considering these changes in the business environment as a turning point toward a growth stage (Next Stage), the Group will promote initiatives for making a further leap forward. Accordingly, as the 4 priority measures, the Group set the followings: "Enhance the overall strength of the Group (group platform strategy and unique strategies of each company)," "Develop and expand logistics business infrastructure," "Improve/differentiate operational productivity through logistics technology (LT) x IT," and "Strengthen the foundations of sustainability management and human capital initiatives," and will implement each measure without fail.

In promoting sustainability-oriented management, the Group aims to improve corporate value by formulating "SBS Group's Policy for Sustainability" and tackling environmental, social, and economic issues through our corporate activities, and will contribute to the realization of stable life of people and a sustainable society.

<Outline of syndicated term loans with committed credit lines>

Total structured loan amount: 35 billion yen	Tranche A (loan contract 1)	Tranche B (loan contract 2)
	18 billion yen	17 billion yen
Arrangers	MUFG Bank, Ltd.	Mizuho Bank, Ltd.
Co-arrangers	Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Banking Corporation
Lenders (in the order of the Japanese syllabary)	Aozora Bank, Ltd., SBI Shinsei Bank, Limited, the 77 Bank, Ltd., the Shoko Chukin Bank, Ltd., Shinkin Central Bank, the Chiba Bank, Ltd., Development Bank of Japan Inc., the Norinchukin Bank, the Hyakujushi Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., the Musashino Bank, Ltd., and Resona Bank, Limited	
Date of conclusion of the contract	March 28, 2023	
Purpose of use of funds	Business	
Borrowing period	5 years	

The Group has identified material issues for sustainability in the three fields: “safety,” “the environment,” and “human assets.” For the conclusion of this contract, the KPIs set for solving material issues of the Group were assessed qualitatively and quantitatively in terms of the following themes that would produce impacts on the attainment of SDGs.

Impact	KPIs	Goals and policies	SDGs
Climate [Positive]	Streamlining of distribution processes through logistics DX (LT and IT)	In 2028: Enlargement of facilities where efficiency has been improved with LT and IT	
Comprehensive, sound economy [Positive]	Ratio of female managers	In 2025: 8.0%	
	Discussions on enrichment of systems for supporting women in flourishing and actualization of such systems	In 2024: Adoption of systems for working from home, flexible work time, taking a half day off, and resting for a few hours	
Employment [Positive]	Ratio of male employees who have taken childcare leave	Y/y growth every year	
	Ratio of employees who have taken annual paid leave	Y/y growth every year	
Employment [Negative]	Accident rate per vehicle	In 2025: 0.50%	
Climate [Negative]	CO ₂ emissions per sales	3% y/y reduction every year	
	Vehicle fuel efficiency improvement rate	1% y/y reduction every year	
	Adoption of next-generation automobiles	In 2028: Adoption of electric trucks for the last mile for delivering goods purchased via EC	
Atmosphere [Negative]	Levels of NO _x and PM included in exhaust gas	1% y/y reduction every year	
Efficiency and safety of resources [Negative]	Water consumption per employee	1% y/y improvement every year	

The progress and outcomes of these initiatives will be disclosed via our integrated report, etc.^{Note 4} Before concluding this contract, the Group received third-party opinions^{Note 5} from Japan Credit Rating Agency, Ltd. regarding whether the assessment procedure for this matter complies with the Principles for Positive Impact Finance and whether used indicators for assessment are reasonable.

Notes

1. Press release by MUFG Bank, Ltd. regarding this matter
https://www.bk.mufg.jp/houjin/info/pdf/sbs_group_seiyaku.pdf

Press release by Mizuho Bank, Ltd. regarding this matter
https://www.mizuho.bank.co.jp/release/pdf/release/pdf/20230328release_jp.pdf

2. Formulated by UNEP FI in January 2017. Enterprises disclose their contribution to the attainment of SDGs, and banks evaluate their positive impacts and then fund them, so as to enhance the positive impacts while reducing the negative impacts. Financing banks check whether positive impacts remain by monitoring indicators as responsible financial institutions.

3. United Nations Environment Programme (UNEP) is a subsidiary agency of the UN established as an organization for executing “the Declaration of the United Nations Conference on the Human Environment” and “the Action Plan for the Human Environment” in 1972. UNEP FI is a broad, close partnership between UNEP and over 200 financial institutions in the world.

Since it was established in 1992, it is shifting to a financial system while considering economic growth and ESG (the environment, society, and corporate governance) in cooperation with financial institutions, policymakers, and regulatory authorities.

4. <https://www.sbs-group.co.jp/sbshlds/csr/report/>

5. Website of Japan Credit Rating Agency, Ltd.
<https://www.jcr.co.jp/>