

January 5, 2024

SBS Holdings, Inc.

New Year's Message by SBS Group Representative

The following is a New Year's Message by SBS Group Representative Masahiko Kamata for all the group employees.



I would like to offer my condolences to all who have suffered from the earthquake in Noto Peninsula that occurred on New Year's Day, and my heartfelt sympathies to the many people affected.

Although at first glance the current economic situation appears to be favorable, with stock prices rising and inbound demand recovering, the logistics industry is facing major challenges due to the decline in sea freight rates, the semiconductor recession, and the soaring prices and reluctance to buy goods due to the depreciation of the yen. This situation is expected to continue in 2024, and in order to endure and set the stage for new growth, we need strong sales development and everyone's participation in sales. Since last year, we have gradually begun to acquire large-scale projects, but this year, we want to expand our business with even more effort across the entire company and lead in to the next level of growth.

Investment in warehouses is essential for the growth of the logistics business. In February 2024, the 40,000 tsubo ($\approx 132,000 \text{ m}^2$) Noda Seto Logistics Center is expected to be completed in Chiba Prefecture, and construction will also begin on a warehouse in Tomisato in Chiba Prefecture, with a warehouse area of 1 million tsubo now in our sights. At Noda Seto, one floor (10,000 tsubo) will be designated as an exclusive area for EC, and our "EC Logistics Omakase-kun" service can finally begin in earnest. The purpose of this project is to meet the clients' logistics needs with high-quality service, even when the e-commerce rate increases significantly in Japan in the future, and to create a stable, low-cost delivery network in response to constant price increases by major delivery companies. We will need to be prepared to invest in robots and expand our delivery networks, but let's come together as a whole and work to make this major project a success.

The harsh environment we face will continue in 2024, with rising electricity and fuel costs, minimum wage increases, and labor shortages. And then there are the “2024 challenges in logistics (tougher overtime regulations for truck drivers)”. Overtime management will be strictly enforced, and the

establishment of a thorough management system will be required. In this environment, companies with scale and organizational strength will survive. We should view this situation as an opportunity to expand our business.



This year is the year of “taiga,” waiting patiently for the next bud to bloom. I hope we can achieve our budget and have a good year even under these difficult times. Thank you.

■ Reference

<Overview of the SBS Group>

Holding company: SBS Holdings, Inc. (SBS Group’s holding company)

Established: December 1987

Representative: President and Representative Director Masahiko Kamata

Exchange: The Prime Market of the Tokyo Stock Exchange (Securities Code: 2384)

Head Office: 8-17-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Sumitomo Realty & Development Shinjuku Grand Tower 25th floor

Capital: 3.9 billion yen

Sales: 455.4 billion yen (Consolidated basis, the Fiscal Year Ended December 2022)

Number of employees: 22,829 (including 11,970 full-time employees, consolidated basis)

Business content: Since its foundation in 1987, the SBS Group has contributed to the creation of profit for customers by providing one-stop logistics services through the enhancement of logistics services and services associated with logistics. The Group has companies that handle a variety of products ranging from food to ultra-heavy goods, companies that can respond to a variety of delivery types including routes, areas and same-day delivery, and companies that specialize in logistics facility development and environmental logistics.

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

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