

COMPANY RESEARCH AND ANALYSIS REPORT

SBS Holdings, Inc.

2384

Tokyo Stock Exchange Prime Market

21-Oct.-2025

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<https://www.fisco.co.jp>

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Summary

Promotes M&A strategies, aiming for net sales of ¥700.0bn or higher in FY12/30

SBS Holdings, Inc. <2384> (hereafter, also “the Company”) is a major 3PL (comprehensive logistics services) company which is continuing to grow thanks to its unique business model through active M&A and development and liquidation of logistics facilities. The Company has carried out large-scale M&A and converted companies into subsidiaries, including Ricoh Logistics System Co., Ltd. (now SBS RICOH LOGISTICS SYSTEM CO., LTD.) in 2018 and Toshiba Logistics Co., Ltd. (now SBS Toshiba Logistics Corporation) in 2020. Between FY12/17 and FY12/24, the scope of its sales grew by roughly 2.9 times.

1. Overview of 1H FY12/25 results

In the 1H FY12/25 (from January 2025 to June 2025) consolidated results, net sales rose 3.1% year on year (YoY) to ¥228,539mn, while operating income declined 41.7% to ¥6,389mn. However, both figures exceeded the Company's forecasts (net sales of ¥228,000mn and operating income of ¥5,800mn). Net sales turned up for the first time in two fiscal years, owing mainly to acquisitions of new customers, growth in transactions with existing shippers, and progress in optimizing logistics charges in the Logistics business. Although operating income turned up in the Logistics business, overall profit declined due to differences in the scale of executing liquidation of logistics facilities in the Property Management business. Profit turned up in the Logistics business, mainly owing to the improved profitability of SBS Toshiba Logistics.

2. FY12/25 forecasts

The Company's initial forecasts for FY12/25 are unchanged. It forecasts net sales of ¥485,000mn, up 8.2% YoY, and operating income of ¥20,500mn, up 15.8%. It targets record-high net sales for the first time in three fiscal years by advancing growth strategies in the three priority areas of 3PL, international logistics, and e-commerce (EC) logistics in the Logistics business. It also expects operating income to turn to growth, due to continued improvement of earnings at logistics facilities that were unprofitable in the previous fiscal year, progress in optimizing logistics charges, and elimination of vacant warehouse space by acquiring new customers. In addition, Blackbird Logistics B.V. (the Netherlands), which was not included in the initial plan, is consolidated in 2H, contributing approximately ¥5.0bn in additional net sales. For the Property Management business, the Company plans on liquidation of large-scale properties in 2H and forecasts sales and profit growth for the full fiscal year. Although the pace of profitability improvement at new logistics bases is somewhat slow, FISCO believes that the Company can achieve its forecasts.

Summary

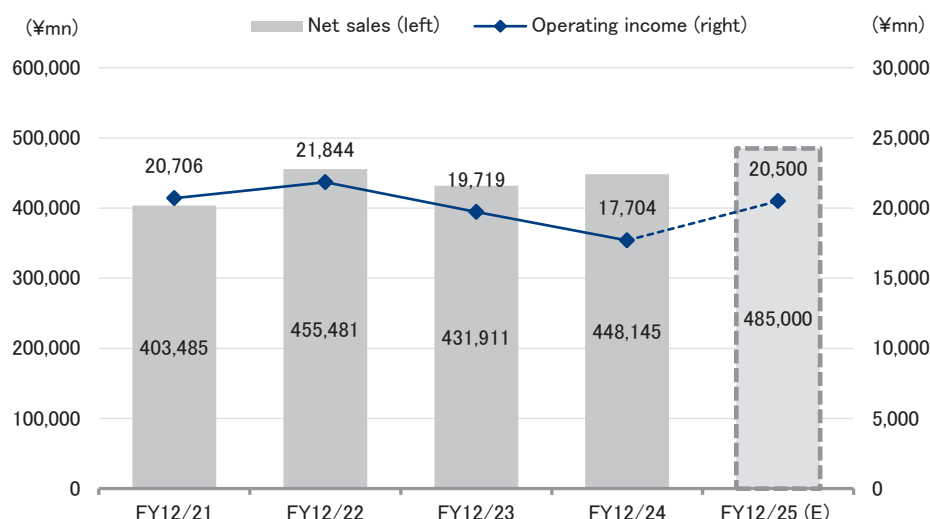
3. Growth strategy and shareholder return policy

The Company will continue its strong-growth approach by focusing on the three mainstay businesses (3PL, international logistics, and EC logistics) as its growth strategies for the Logistics business, while simultaneously advancing its M&A strategy. At the same time, it will work on earnings restructuring, which includes eliminating unprofitable sites and businesses, eliminating vacant warehouse space, optimizing personnel composition, and optimizing logistics charges, thereby also increasing profit margins. In addition, the Company will build a stable revenue source by continuing to develop and liquidate logistics facilities in the Property Management business. It proactively acquires candidate lands for development, planning to develop the lands which exceeds 565,288 m² from FY12/26 onward (the operating floor area at the end of December 2024 is 3,586,771 m²). The Company aims to expand the 3PL business by advancing development step by step. In FY12/26, Blackbird's performance will contribute throughout the year, and BRIDGESTONE LOGISTICS CO., LTD. is scheduled to become a consolidated subsidiary, and therefore, results are expected to further grow. The Company aims for net sales of ¥700.0bn or higher and a Logistics business operating income margin of 4.5% or higher (FY12/24 result: 2.2%) in FY12/30. Regarding shareholder returns, the Company unveiled a policy to aim for stable and continuous dividend payments with a consolidated payout ratio of 30% or higher from FY12/25. Following the policy, in FY12/25, it plans to increase the dividend per share for the eighth straight fiscal year, lifting it ¥15.0 YoY to ¥85.0 (dividend payout ratio of 30.1%).

Key Points

- Sales increased but profit decreased in 1H FY12/25, securing operating and ordinary income that exceeded the plan
- Initial forecasts for FY12/25 are unchanged, and profits are expected to turn to growth for the first time in three fiscal years
- Targets net sales of ¥700.0bn or higher in FY12/30
- Aims for stable and continuous dividend payments with a consolidated payout ratio of 30% or higher

Results trends



Source: Prepared by FISCO from the Company's financial results

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Company profile

Strong growth driven by unique business model entailing 3PL × liquidation of logistics facilities and M&A strategy

1. History

The Company was founded in 1987 by current Representative Director Masahiko Kamata as a unique company providing a “same-day delivery” transport system, which did not exist at the time, in the Tokyo metropolitan area. In 2003, it registered over-the-counter shares with the Japan Securities Dealers Association, and after strengthening its fiscal foundation, it expanded the contents of its business by leveraging M&A. Starting with the acquisition of Snow Brand Logistics Co., Ltd. (now SBS Flec Co., Ltd.) in 2004, it successively turned major logistics companies into Group companies, including Tokyu Logistic Co., Ltd. (now SBS Logicom Co., Ltd.) in 2005, and Zentsu Co., Ltd. (now SBS Zentsu Co., Ltd.) in 2006, Ricoh Logistics System Co., Ltd. (now SBS RICOH LOGISTICS SYSTEM CO., LTD.) in 2018, and Toshiba Logistics Co., Ltd. (now SBS Toshiba Logistics Corporation) in 2020. These acquisitions have become a driving force for expanding the scale of the business.

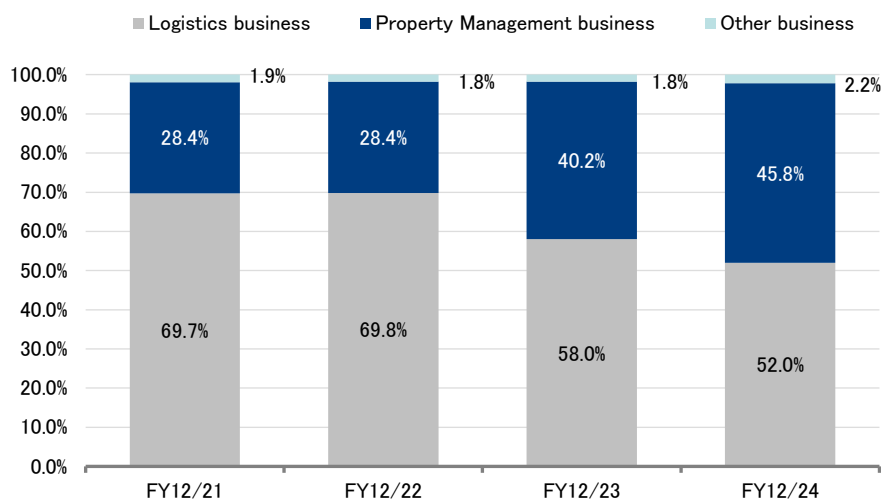
While expanding the Logistics business, in 2004, it initiated the development of logistics facilities to strengthen the 3PL business. It has established a unique business model entailing quickly recovering investment funds through a liquidation scheme and reinvesting the funds in the development of new logistics facilities. It rapidly increased the operating floor area of logistics facilities from around 1,752,063 m² at the end of December 2020 to 3,570,274 m² at the end of December 2024, or roughly by two times in four years, due in part to the active promotion of M&A along with self-development. The Company plans to continue pursuing these growth strategies to achieve further business expansion.

2. Business description

The Company has three business segments: Logistics business, Property Management business, and Other business. The Logistics business is the mainstay, accounting for over 90% of net sales and the majority of operating income. In the Property Management business, as the majority of operating income comes from gains on the sale of owned logistics facilities, there may be profit fluctuations depending on the timing and scale of the facility sale, but in the last few fiscal years, as the scale of investment and development increases, the scale of liquidation is also on the rise, so the Property Management business serves as a stable earnings base.

Company profile

Profit distribution by segment



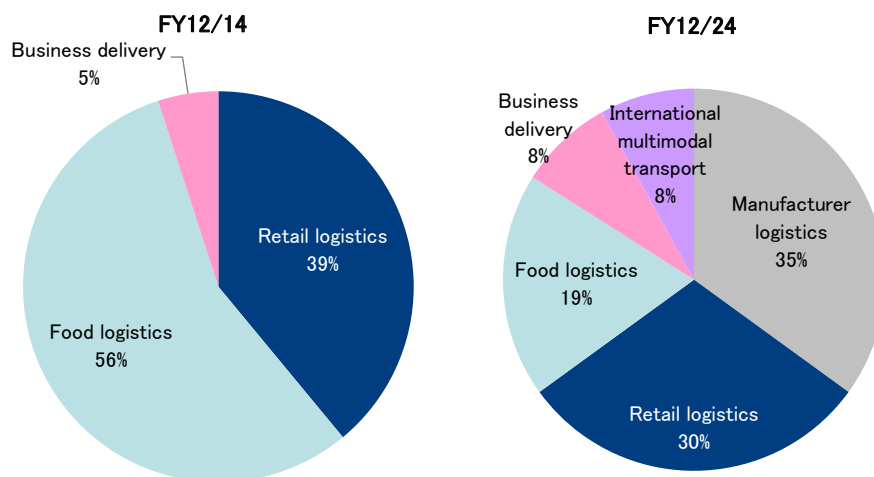
Source: Prepared by FISCO from the Company's financial results

(1) Logistics business

The Logistics business provides integrated logistics services primarily in the area of inter-Company logistics. These include 3PL, whereby the Company is contracted directly by the shipper to undertake logistics operations; food logistics in three temperature ranges (frozen, refrigerated, and room temperature) and general logistics, same-day delivery services of small parcels, and the international logistics business, which are provided by Group companies. Looking at the breakdown of sales by type in FY12/24, manufacturer logistics accounted for the largest share at 35%, followed by retail logistics at 30%, food logistics at 19%, business delivery at 8%, and international multimodal transport at 8%. In FY12/14, the share for retail logistics was 39%, food logistics was 56%, and business delivery was 5%, which shows how the Company has expanded its logistics portfolio by engaging in numerous M&A. In terms of the Group companies' operating areas, SBS Toshiba Logistics, SBS RICOH LOGISTICS SYSTEM, SBS Flec, and SBS Furukawa Logistics operate nationwide, SBS Sokuhai Support Co., Ltd. operates in the Tokyo metropolitan area, and other Group companies operate in major urban centers, mainly in Kanto, Kansai, and Chubu. The two main Group companies engaged in international logistics are SBS Toshiba Logistics and SBS RICOH LOGISTICS SYSTEM.

Company profile

Breakdown of net sales by logistics type



Source: Prepared by FISCO from the Company's results briefing materials

The Company intends to strengthen the three businesses of 3PL, EC logistics, and international logistics as its growth strategy. Looking at the sales shares of these three businesses, in FY12/24, 3PL accounted for 58.0%* (37.3% in FY12/14) of sales while EC logistics accounted for 14.2% and international logistics accounted for 13.0%.

* 3PL's sales share is by contract type, so in some cases it includes EC logistics and international logistics.

(2) Property Management business

The Property Management business consists of a development business and a leasing business. The development business develops logistics facilities and liquidates them for the generation of revenue to expand its 3PL business. In the leasing business, the Group receives rent revenue from office buildings and condominiums, and other properties that it owns.

The Company's property liquidation business model is characterized by low risk and high earnings. In developing new logistics facilities, it utilizes its special license as a logistics company and an expert asset management team to purchase lands. The Company designs lean buildings from a logistics perspective to reduce development costs, realizing competitively priced rent. Therefore, even if freight volume decreases due to factors such as economic downturns, demand is expected to shift from the relatively high priced warehouses of other companies nearby, so the Company will be able to continue operating without a significant loss in capacity utilization. The Company's 3PL locations operate with a capacity utilization of almost 100%, increasing their value as commercial property before selling them. Moreover, the Company continues to use the facilities under sale-and-leaseback arrangements, ensuring the purchaser can secure stable profitability, thereby establishing a win-win relationship.

(3) Other business

In Other business, the Temporary Staffing business, which is centered on dispatch of light duty workers in warehouses, accounts for approximately 50% of net sales. This is followed by the Marketing business (operation of pet food mail order website, e-commerce support services, etc.), which accounts for approximately 20%, with the remainder made up of Solar Power Generation business, Recycling & Environmental business (collection and intermediate processing of general and industrial waste), and the Insurance business, among others. In regard to Solar Power Generation business, the Company has installed solar panels on the roofs of its own logistics centers and offices. The electricity generated (total capacity of approximately 19 MW as of the end of FY12/24) is not only sold but also used in its own operations.

Results trends

Sales increased but profit decreased in 1H FY12/25, securing operating and ordinary income that exceeded the plan

1. Overview of 1H FY12/25 results

In 1H FY12/25, net sales increased 3.1% YoY to ¥228,539mn, operating income decreased 41.7% to ¥6,389mn, ordinary income declined 44.1% to ¥6,364mn, and net income attributable to owners of parent contracted 57.2% to ¥2,760mn. Net sales turned up for the first time in two fiscal years, owing mainly to acquisitions of new customers, growth in transactions with existing shippers, and progress in optimizing logistics charges in the Logistics business. Profit declined because the scale of the liquidation result in the Property Management business was smaller than that in 1H FY12/24. However, operating income exceeded the Company's initial forecast by ¥589mn. Looking at results by business segment, the Logistics business exceeded by approximately ¥0.3bn and the real estate business by about ¥0.12bn. Net income attributable to owners of parent fell below the Company's forecast by ¥440mn, mainly because an increase in the effective tax rate (42.4%, up 5.3 percentage points (pp) YoY) and an increase in net income attributable to non-controlling shareholder from ¥416mn in FY12/24 to ¥856mn.

1H FY12/25 consolidated results

	1H FY12/24			1H FY12/25			
	Results	vs. net sales	Initial forecast	Results	vs. net sales	YoY	vs. forecasts
Net sales	221,739	-	228,000	228,539	-	3.1%	0.2%
Cost of sales	195,008	87.9%	-	205,612	90.0%	5.4%	-
SG&A expenses	15,772	7.1%	-	16,537	7.2%	4.9%	-
Operating income	10,958	4.9%	5,800	6,389	2.8%	-41.7%	10.2%
Ordinary income	11,385	5.1%	5,700	6,364	2.8%	-44.1%	11.6%
Net income attributable to owners of parent	6,456	2.9%	3,200	2,760	1.2%	-57.2%	-13.8%

Source: Prepared by FISCO from the Company's financial results

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Results trends

Looking at results for Group companies, SBS Toshiba Logistics' net sales rose 9.0% YoY to ¥62,125mn, and operating income rose 70.7% to ¥2,432mn. Only SBS Toshiba Logistics achieved profit growth among the three main subsidiaries. Net sales increased due to the recovery in shipping volumes of home appliances, medical equipment, and other products. On the profit front, improved earnings at business locations opened in FY12/24 and progress in optimizing logistics charges contributed to increased profits. SBS Ricoh Logistics Group's net sales rose 4.3% YoY to ¥52,880mn due to progress in acquiring new customers. However, profit fell due to a rise in new logistics base opening costs. SBS Logicom Group's net sales rose 1.3% YoY to ¥36,977mn and maintained a sales-growth trend due to expansion of transactions with existing customers. Operating income declined due to an increase in vacant space and a decline in shipping volumes resulting from the cancellation of warehouses by some customers, as well as a rise in new logistics base opening costs. Looking at the total for other group companies, net sales declined 1.3% to ¥76,556mn, operating loss was ¥190mn (operating income was ¥4,694mn in 1H F12/24). Regarding net sales, although SBS NSK LOGISTICS Co., Ltd., which was made a group company in October 2024, contributed to an increase in profit of ¥8,233mn, sales from real estate liquidation decreased ¥9,769mn. SBS NSK LOGISTICS contributed to profit (an increase in profit of over ¥0.1bn after goodwill amortization), but a decrease in profit of ¥4,745mn due to real estate liquidation had a significant effect.

Performance by Group company

							(¥mn)
		FY12/23 1H	FY12/24 1H	FY12/25 1H	YoY		Factors behind change
					Change	Change (%)	
SBS Toshiba Logistics	Net sales	58,563	56,986	62,125	5,139	9.0%	Increase in shipping volumes of home appliances, medical equipment, etc.
	Operating income	2,513	1,425	2,432	1,007	70.7%	Improvement at logistics bases opened in the previous fiscal year and optimization of logistics charges
SBS RICOH LOGISTICS SYSTEM	Net sales	52,451	50,691	52,880	2,188	4.3%	New customer acquisition, etc.
	Operating income	1,993	1,873	1,534	-338	-18.1%	Rise in costs for opening new logistics bases
SBS Logicom	Net sales	34,655	36,492	36,977	485	1.3%	Expansion of existing customers, etc.
	Operating income	2,738	2,965	2,613	-352	-11.9%	Decline in shipping volumes, increase in vacant space of some customers, and rise in new logistics base opening costs
Other	Net sales	76,995	77,569	76,556	-1,013	-1.3%	Decrease in sales from real estate liquidation (-9,769), effect of new consolidation (+8,233)
	Operating income/loss	6,996	4,694	-190	-4,884	-	Decrease in profit from real estate liquidation income (-4,745)

Notes: 1. Figures are on an internal management basis.

Notes: 2. For SBS Logicom, real estate liquidation figures are excluded.

Source: Prepared by FISCO from the Company's results briefing materials

Results trends

Logistics business turns to profit growth for the first time in four fiscal years

2. Trends by business segment

Results by business segment

	FY12/23 1H	FY12/24 1H	FY12/25 1H	YoY	
				Change	Change (%)
Net sales	222,666	221,739	228,539	6,799	3.1%
Logistics business	205,551	204,897	221,142	16,245	7.9%
Property Management business	12,611	12,213	2,390	-9,823	-80.4%
Other business	4,503	4,628	5,006	378	8.2%
Operating income	14,242	10,958	6,389	-4,568	-41.7%
Logistics business	6,496	4,476	4,858	381	8.5%
Property Management business	7,374	6,158	1,480	-4,677	-76.0%
Other business	199	178	260	81	45.8%
Adjustments	170	144	-209	-353	-

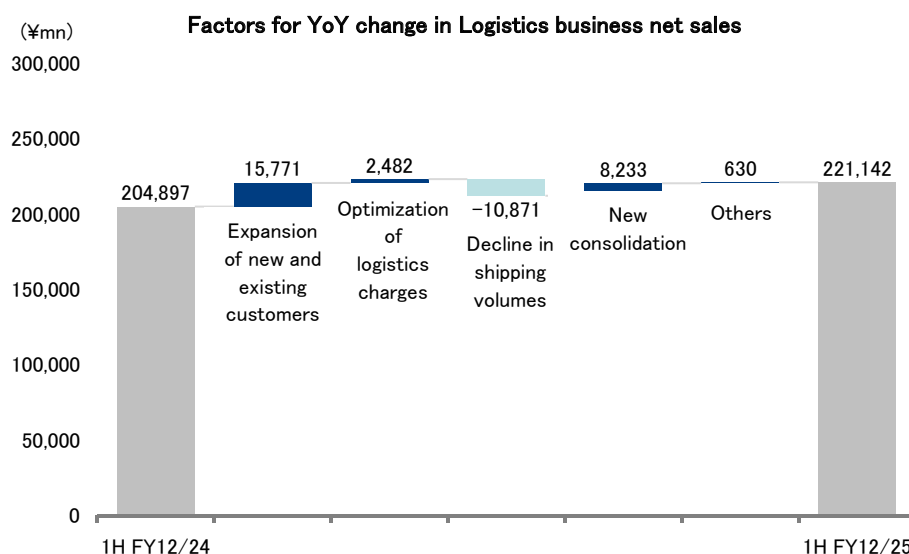
Source: Prepared by FISCO from the Company's financial results

(1) Logistics business

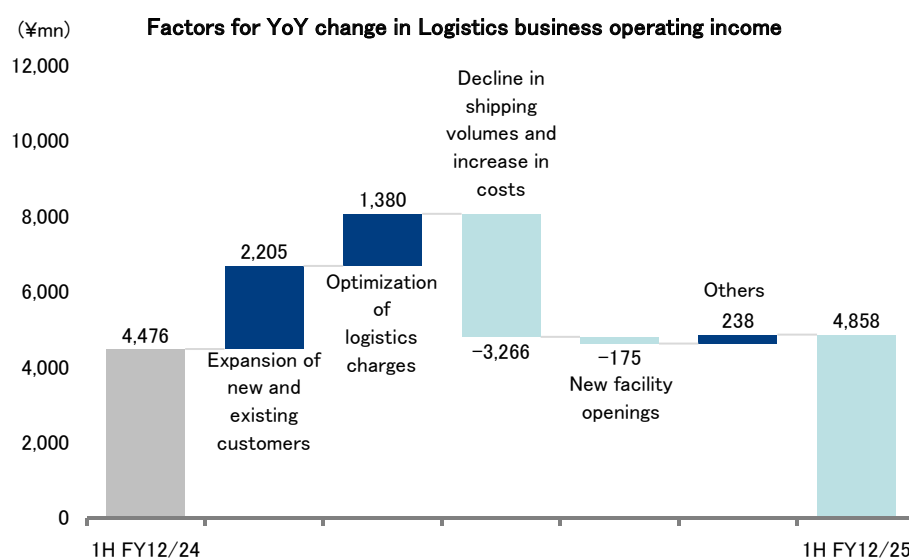
In the Logistics business, net sales increased 7.9% YoY to ¥221,142mn and operating income increased 8.5% to ¥4,858mn. Net sales increased for the first time in three fiscal years and operating income turned up for the first time in four fiscal years in 1H. Until the previous fiscal year, profitability worsened due to a decline in shipping volumes and a rise in new logistics base opening costs. However, net sales rose 7.2% YoY to ¥112,601mn and operating income rose 22.1% to ¥2,951mn in 2Q (April to June 2025) due to growth in transactions with new and existing customers and progress in optimizing logistics charges, advancing profitability improvement.

Looking at the factors behind the change in net sales, acquiring new customers and growth in transactions with existing customers increased sales by ¥15,771mn, optimizing logistics charges by ¥2,482mn, the effect of new consolidation by ¥8,233mn, and the others by ¥630mn, offsetting a decrease in sales of ¥10,871mn due to a decline in shipping volumes. In contrast, acquiring new customers and growth in transactions with existing customers increased operating income by ¥2,205mn, optimizing logistics charges by ¥1,380mn, and the others by ¥238mn, offsetting ¥3,266mn from a decline in shipping volumes and an increase in costs such as personnel expenses, and ¥175mn from an increase in costs due to opening of new logistics bases.

Results trends



Source: Prepared by FISCO from the Company's results briefing materials



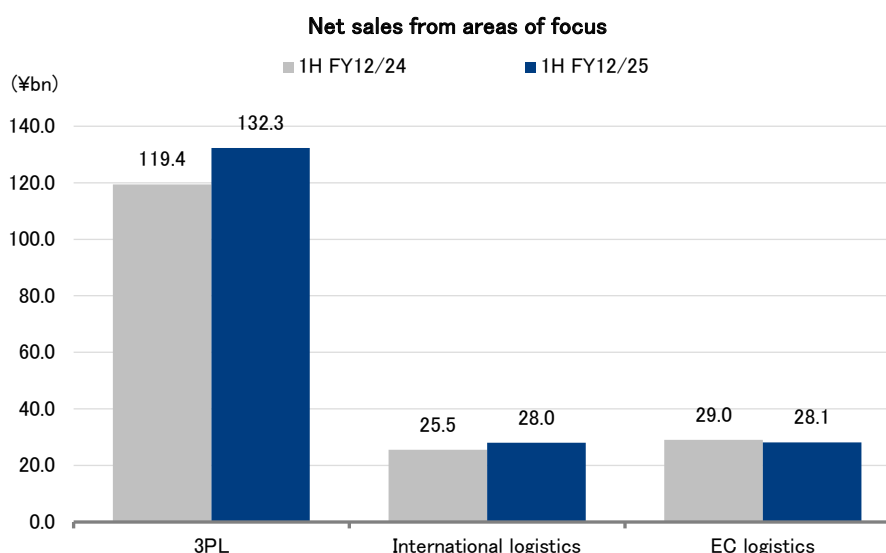
Source: Prepared by FISCO from the Company's results briefing materials

In addition, the deficit for the newly opened logistics bases in the previous fiscal year was ¥2,150mn for the full year (¥632mn in 1H), but the deficit for these logistics bases in 1H FY12/25 was ¥967mn. The deficit is decreased from ¥1,518mn in 2H FY12/24, but the pace of improvement is slower than expected. Possible factors include that the pace of improvement in the personnel expenses ratio is slowed due to the time necessary for improving the productivity of personnel hired at new logistics bases. The Company eagerly plans to shrink those losses by working to raise vehicle loading ratios, maximize warehouse floor area ratios, thoroughly optimize logistics charges, and reduce the use of temporary staffing.

Results trends

Regarding sales trends in the areas of focus, the 3PL business sales increased 10.8% YoY to ¥132.3bn, and progress rates versus full-year forecasts were 50.2% for net sales. SBS NSK Logistics contributed ¥8,233mn to the 3PL business sales, resulting in a 3.9% increase on the existing business basis. Home appliances and the project cargo service that handles super heavy goods were strong. The international logistics business sales increased 9.8% YoY to ¥28.0bn, and progress rates versus full-year forecasts were 50.0% for net sales. The overseas business framework (with the two main companies of SBS Toshiba Logistics and SBS RICOH LOGISTICS SYSTEM) restructured in FY12/24 began full-scale operations mainly in China and Southeast Asia. Shipment volumes of home appliances remained strong against the backdrop of high global temperatures. Only the EC logistics business sales declined 3.1% YoY to ¥28.1bn, and its progress rate versus full-year forecasts was 43.9%. Although the handling amount of office supplies was strong, handling amount for major EC retailers declined, and lost orders from some large clients weighed on the sales. In contrast, the EC logistics platform business targeting mid-sized/small and medium-sized EC retailers is steadily growing, with new customers being acquired at a pace of several per month. The EC strategic base, Noda Seto Building A, increased the dedicated space from 33,058 m² to 49,587 m² in March 2025 to meet demand expansion, and recently, the space is apparently almost fully occupied. The strategic base in Kansai, Osaka East Logistics Center, opened in November 2024 is only about one-third occupied. However, it has already begun handling the targeted EC retailers and promotes acquisition of new customers going forward. The Company announced in April 2025 a business partnership with ecbeing corp.*, a leading company in EC system construction support for mid-sized/large-sized EC retailers to further expand the EC logistics business. Going forward, it aims to further strengthen the EC fulfillment service and accelerate growth by leveraging ecbeing's expertise in EC site construction and digital marketing.

* Since launching the service in 1999, ecbeing has provided various services to support the growth of EC retailers, centering on the "ecbeing," an EC site construction platform, which has been introduced to over 1,600 sites.



Note: Figures for 1H F12/24 are from the Company's results briefing materials from a year ago
Source: Prepared by FISCO from the Company's results briefing materials

Results trends

(2) Property Management business

The Property Management business's net sales decreased 80.4% YoY to ¥2,390mn and operating income declined 76.0% to ¥1,480mn. The reason is that, in the real estate liquidation business, net sales declined ¥9,769mn YoY and operating income declined ¥4,745mn, which are significant drops. In 1H FY12/24, the Company booked approximately ¥6.0bn for operating income due to the liquidation of Shinsugita Logistics Center (Kanagawa Prefecture), but operating income in 1H FY12/25 remained at approximately ¥1.1bn due to the liquidation of the logistics center in Sendai. The Company plans on liquidation of large-scale properties in 2H and expects profit to grow through the full fiscal year. In the rental business, net sales declined ¥54mn and operating income rose ¥67mn.

(3) Other business

Net sales in the Other business rose 8.2% YoY to ¥5,006mn and operating income increased 45.8% to ¥260mn. The Solar Power Generation business and the Environmental business remained flat, but sales and profits rose in the Temporary Staffing business and the Marketing business.

Outlook

Initial forecasts for FY12/25 are unchanged, and profits are expected to turn to growth for the first time in three fiscal years

1. FY12/25 forecasts

The Company's initial forecasts for FY12/25 consolidated results are unchanged. It forecasts growth in net sales of 8.2% YoY to ¥485,000mn, operating income of 15.8% to ¥20,500mn, ordinary income of 8.9% to ¥20,100mn, and net income attributable to owners of parent of 16.4% to ¥11,200mn. It targets record-high net sales for the first time in three fiscal years by advancing growth strategies in 3PL, international logistics, and EC logistics, which are areas of focus in the Logistics business. On the profit front, it looks to turn to profit growth for the first time in three fiscal years by working to restructure earnings in the Logistics business, including by eliminating vacant warehouse space and improving profitability at bases launched in the previous fiscal year. The Company expects ordinary income growth only in the single digits because it envisions non-operating income worsening slightly based on an increase in interest expenses, and so on. However, it forecasts double-digit growth in net income attributable to owners of parent, owing to the contraction of ¥1,037mn in impairment losses booked in extraordinary loss. In 1H, progress rates were 47.1% for net sales and 31.2% for operating income, appearing low, but the forecasts are considered to be achievable because the liquidation of large facilities is scheduled in the Property Management business in 2H.

Consolidated outlook for FY12/25

	FY12/24		FY12/25		(¥mn)
	Results	YoY	Full-year forecast	YoY	1H progress rate
Net sales	448,145	3.8%	485,000	8.2%	47.1%
Operating income	17,704	-10.2%	20,500	15.8%	31.2%
Ordinary income	18,463	-6.5%	20,100	8.9%	31.7%
Net income attributable to owners of parent	9,619	-4.3%	11,200	16.4%	24.6%
Net income per share (¥)	242.19		281.99		

Source: Prepared by FISCO from the Company's financial results

Outlook

Outlook by business segment

	FY12/23	FY12/24	FY12/25 (E)	YoY	(¥mn) 1H progress rate
Net sales					
Logistics business	408,684	420,333	455,600	8.4%	48.5%
Property Management business	13,899	17,936	18,400	2.6%	13.0%
Other business	9,328	9,875	11,000	11.4%	45.5%
Operating income					
Logistics business	11,501	9,220	11,800	28.0%	41.2%
Property Management business	7,962	8,113	8,700	7.2%	17.0%
Other business	359	390	500	28.2%	52.0%
Adjustments	-104	-20	-500	-	-
Operating income margin					
Logistics business	2.8%	2.2%	2.6%	0.4pp	
Property Management business	57.3%	45.2%	47.3%	2.1pp	
Other business	3.8%	3.9%	4.5%	0.6pp	

Source: Prepared by FISCO from the Company's financial results and results briefing materials

(1) Logistics business

For the Logistics business, the Company forecasts net sales growth of 8.4% YoY to ¥455,600mn and operating income growth of 28.0% to ¥11,800mn. It will strive to expand sales through reinforcement of the three priority fields. In particular, it aims to recover profitability by working to optimize logistics charges, improve the profitability of unprofitable logistics bases launched in the previous fiscal year, reduce vacant warehouse space, and so forth. As for M&A effects, earnings from SBS NSK LOGISTICS made into a subsidiary in October 2024 (annual net sales of about ¥16.5bn, operating income is modest) will contribute throughout the year, and earnings from Blackbird Logistics made into a subsidiary in April 2025 (not included in the initial plan) are to be added from 2H.

According to the Company's disclosure documents, Blackbird recorded net sales of 53mn euros and operating income of 9mn euros in FY12/24, indicating rapid growth with net sales increasing 1.7 times and operating income increasing 1.8 times over the two years from FY12/21. In the background, European discount retailers*, which are major customers, continue high growth. Additionally, the high operating income margin is also noteworthy. The operating income margin of the 3PL businesses in Japan averages several percent. As the factors, the Company points out that Blackbird has three large warehouses at the Port of Rotterdam, and thus there are minimal transportation costs when unloading imports from Asia at the port, and it has exceptionally high productivity due to a management system that allows merchandises to be stacked up to near the 8-meter-high warehouse ceilings and the use of robots for transportation work. The Company is considering introducing the expertise of Blackbird in warehouse management to Japan to improve the profitability of the 3PL business.

* A European retailer operating non-food specialized discount stores. It operates approximately 3,000 stores across 13 European countries. Net sales continues to grow at an annual rate of over 20%, rising from EUR 3.4bn in FY2017 to EUR 13.8bn in FY2024. Net sales in 1Q FY2025 were EUR 3.5bn, up 17% YoY.

Blackbird Logistics is likely joining the Group to resolve the challenge of financing needed to expand locations to meet customer demand. Discount retailers, which are core customers, are increasing shops in European countries (plan to expand into Switzerland and Romania in 2025). Therefore, expanding locations has been a pressing task for Blackbird supporting logistics. By joining the Group, which has sufficient funds, Blackbird aims to grow by expanding the locations going forward. It is expected that the Company will have 3PL bases in Europe, making them footholds to develop 3PL business not only in Europe, but also in the US and Asia in the future.

Outlook

Expected Blackbird's net sales in 2H are approximately ¥5.0bn. Expected operating income margin is around 20% but is fluid because the amount of goodwill (provisional amount: ¥5,889mn) and the amortization period have not yet been finalized. However, even if goodwill is amortized on a straight-line basis over a 10-year period, Blackbird is highly likely to contribute to profit growth after goodwill amortization. It highly depends on specific customers, and thus there is a risk that profit may fluctuate depending on the trends of those customers from FY2026 onward. However, if the same transaction conditions as before continue, it is expected to continually contribute to profit growth from FY12/26 onward.

For results at the three main subsidiaries (SBS Toshiba Logistics, SBS RICOH LOGISTICS SYSTEM, and SBS Logicom), the Company forecasts higher sales and profits. For SBS Toshiba Logistics, it forecasts net sales growth of 4.5% YoY due to the acquisition of new customers and expansion of transactions with existing customers, and profit growth of 26.9% through efforts to optimize logistics charges and improve the profitability of new logistics bases. Shipping volume of home appliances is expected to decline in 2H, but 1H progress rates of both net sales and operating income exceeded 50%. Accordingly, the forecasts are expected to be achievable. SBS RICOH LOGISTICS SYSTEM strengthens sales activities targeting full-capacity operations at Osaka East Logistics Center, an EC logistics base. It aims for net sales growth of 4.3% and operating income growth of 13.5% by working to eliminate vacant space at other new sites, optimizing logistics charges, and so forth to bring unprofitable sites into the black. Progress rates up to 1H were 48.5% for net sales, which was fine, but 39.5% for operating income due to delays in improving profitability at unprofitable logistics bases. It aims to achieve the forecasts by strengthening improvement measures in 2H. SBS Logicom envisions solid growth of 1.1% in net sales and 4.5% in operating income, supported by bolstered sales capabilities, enhanced logistics quality, and reinforced personnel recruitment. In 1H, over 19,835 m² in Kawagoe Logistics Center (total floor area of 39,669 m²) became inactive due to contract cancellations by some shippers. However, SBS Logicom has gradually acquired contracts and reduced the vacant area to 11,570 m², aiming to achieve full occupancy in 2H. Progress rates in 1H were 48.8% for net sales and 42.6% for operating income. Recovery of earning power in 2H is crucial.

Outlook by Group company

		(¥bn)			
		FY12/24	FY12/25 (E)	YoY	1H progress rate
SBS Toshiba Logistics	Net sales	117.6	123.0	4.5%	50.5%
	Operating income	3.5	4.5	26.9%	53.3%
SBS RICOH LOGISTICS SYSTEM	Net sales	104.3	108.9	4.3%	48.5%
	Operating income	3.3	3.8	13.5%	39.5%
SBS Logicom	Net sales	74.8	75.6	1.1%	48.8%
	Operating income	5.8	6.1	4.5%	42.6%

Note: For SBS Logicom, real estate liquidation figures are excluded.

Source: Prepared by FISCO from the Company's results briefing materials

(2) Property Management business

For the Property Management business, the Company forecasts net sales growth of 2.6% YoY to ¥18,400mn and operating income growth of 7.2% to ¥8,700mn. It expects slightly lower sales and profits in the rental business, but operating income is likely to exceed the forecast because the real estate liquidation business is expected to contribute to an increase in profit of ¥0.6bn. According to the announcement, the Company liquidates its largest-group asset, Noda Seto Building A, in three separate phases. It plans to sell 35% of the total by the end of September 2025 in the first phase, 40% in January 2026 in the second phase, and the remaining 25% in January 2027 in the third phase. It is expected that operating income of ¥7.4bn is booked in the first phase.

Outlook

(3) Other business

For the Other business segment, the Company forecasts net sales growth of 11.4% YoY to ¥11,000mn and operating income growth of 28.2% to ¥500mn. In addition to growth in income from electricity sales as the installment of solar power systems at new logistics bases has progressed, it expects higher sales and profits in the Marketing business. Also, the Temporary Staffing business is expected to yield a modest profit after continued losses for the past several years.

Aims to continue strong-growth approach by autonomous growth of three mainstay businesses and M&A

2. Growth strategy

The Company will continue its strong-growth approach by focusing on the three mainstay businesses (3PL, international logistics, and EC logistics) as its growth strategies for the Logistics business, while simultaneously advancing its M&A strategy. At the same time, it will work on earnings restructuring, which includes eliminating unprofitable sites and businesses, eliminating vacant warehouse space, optimizing personnel composition, and optimizing logistics charges, thereby also increasing profit margins.

(1) 3PL

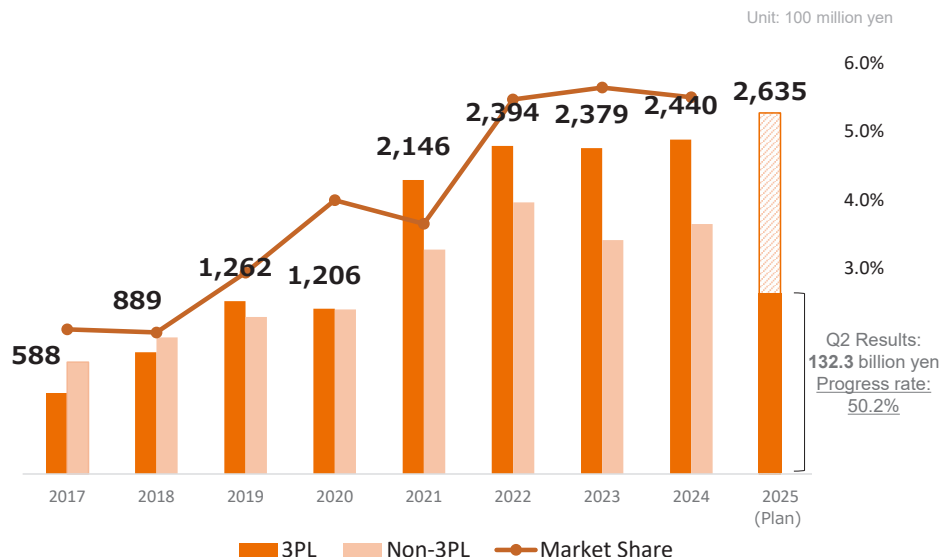
For the 3PL business, the Company forecasts record-high net sales, with growth of 8.0% YoY to ¥263.5bn in FY12/25. In addition to net sales of ¥16.5bn from SBS NSK Logistics being newly added, Blackbird's net sales of around ¥5.0bn, which were not incorporated into the initial forecast, are added to net sales in the 3PL business. Therefore, FISCO believes that net sales are highly likely to exceed the Company's forecast. In FY12/26, Blackbird will contribute throughout the year and net sales of approximately ¥52.0bn from Bridgestone Logistics newly joining the Group are added. Even if the existing businesses remain flat, the scope of sales will exceed ¥320.0bn. Its domestic market share remains low at around 5% in FY12/24. Going forward, the Company makes efforts to acquire new customers and expand transactions with existing customers, while continuing to develop logistics facilities. Additionally, it aims to further expand the scope of sales by promoting M&A strategy.

The Company will expand the operating floor area of logistics facilities from 3,586,771 m² at the end of December 2024 to 3,785,118 m² at the end of December 2025. For FY12/26 and subsequent years, the Company has already purchased candidate lands for development exceeding 565,288 m² for in-house development alone. At the lands already purchased, the Company has decided to open BC Kirishima (Kagoshima Prefecture) in March 2026 and Tomisato Logistics Center (tentative name) (Chiba Prefecture) in August 2026. If all of candidate lands for development are developed, the operating floor area of logistics facilities is expected to increase 21.3% from the end of FY12/24 to 4,353,712 m², and 3PL sales capacity to expand almost proportionally. The floor areas of warehouses to be operated by Bridgestone Logistics have not yet been calculated in detail and are not included in this figure.

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Outlook

3PL business's net sales and market share



Source: The Company's results briefing materials

Operating floor area of Group logistics facilities

Name	Location	Operating (consolidated) time	Operating floor areas (m ²)	Type	Development/operating company
Operating floor area by the end of Dec. 2024			3,588,340		
(M&A consolidated)		Jan. 2025	23,689	Rent	SBS NSK LOGISTICS
Nanko First Branch	Osaka	Mar. 2025	10,380	Rent	SBS Logicom
Kawasakiminami Branch	Kanagawa	Mar. 2025	33,057	Rent	SBS Logicom
(M&A consolidated)	Europe	Apr. 2025	102,998	Rent	Blackbird
North Kanto Branch (Natori Warehouse)	Chiba	Apr. 2025	11,728	Rent	SBS Toshiba Logistics
BC Kumamoto (tentative name)	Kumamoto	Apr. 2025	10,357	Rent	SBS RICOH LOGISTICS SYSTEM
Other (expansion under 9,917 m ² and portion cancelled)		-	7,342	Rent	SBS Group
Plans to open in Dec. 2025			199,553		
Tomisato Logistics Center (tentative name)	Chiba	Aug. 2026	100,472	In-house development	LMAX
BC Kirishima	Kagoshima	Mar. 2026	5,917	In-house development	LMAX
Noda Seto Building B	Chiba	Planned	112,396	Development site	SBS Asset Management
Tokorozawa (land A, B)	Saitama	Planned	36,363	Development site	SBS Logicom, SBS Sokuhai Support
Yokoshibahikari-cho Land	Chiba	Planned	198,347	Development site	SBS Logicom
Kasumigaura City Land	Ibaraki	Planned	66,115	Development site	SBS Logicom
Chikushino	Fukuoka	Planned	92,561	Development site	LMAX
Nasu	Tochigi	Planned	33,057	Development site	LMAX
(Small-scale land)		Planned	1,983	Development site	SBS Group
Development plans for Dec. 2026 onward*			566,092		
Total operating floor area (existing + planned)			4,353,986		

* The operating floor areas of the logistics facilities are calculated based on the land areas.

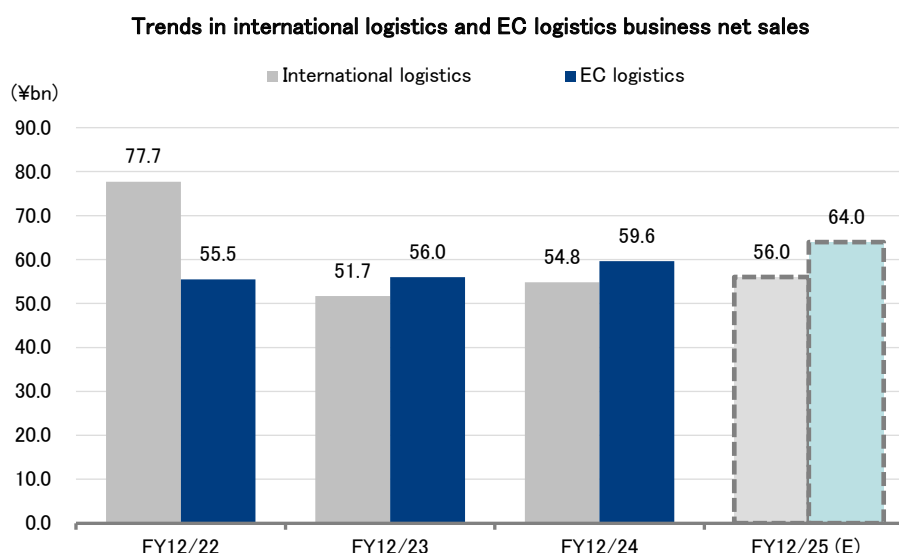
Source: Prepared by FISCO from the Company's results briefing materials

Outlook

(2) International logistics, EC logistics

For the international logistics business, the Company forecasts net sales growth of 2.2% YoY to ¥56.0bn in FY12/25. Although the uncertainty caused by the US tariff policies is gradually diminishing, downside risks due to geopolitical factors still remain, and therefore, the plan is conservative to the existing business. However, the Company forecasts addition of Blackbird's net sales of around ¥5.0bn and expects acceleration of the growth of the international logistics business, including the possibility of expansion of the 3PL business overseas from FY12/26 and subsequent years.

For the EC logistics business, the Company forecasts net sales growth of 7.4% YoY to ¥64.0bn in FY12/25. The last-mile business, which accounts for about half of net sales, was significantly impacted by lost orders from major customers, but orders were brisk for the EC logistics platform service EC Logistics Omakase-Kun. As a growth driver, EC Logistics Omakase-Kun is expected to drive future profit growth. The platform business currently operates dedicated warehouses at two logistics bases. It is in the initial investment phase, aiming to achieve monthly profitability in 2025. Noda Seto Logistics Center has been almost fully occupied, and the Company will introduce transport robots and other equipment to begin productivity improvement going forward.



Source: Prepared by FISCO from the Company's results briefing materials

Aims to reform the earnings structure and promptly raise the operating income margin to 4.5% or higher

3. Earnings structure reform

In the Logistics business, the Company aims to promptly reform the earnings structure and raise the operating income margin to 4.5% or higher (FY12/24 result: 2.2%).

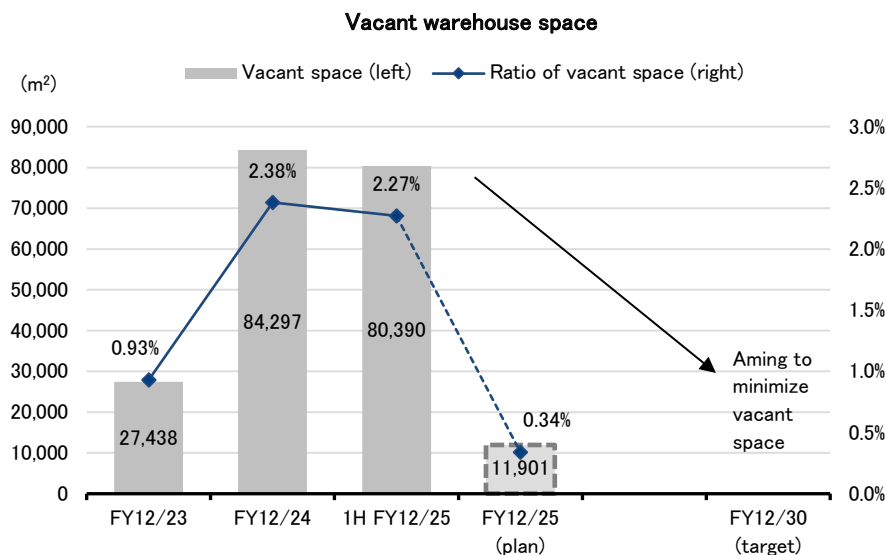
Outlook

(1) Eradication of unprofitable sites and businesses

In FY12/24, losses booked for newly opened logistics bases were ¥2,150mn. The Company plans to shrink those losses to ¥970mn in FY12/25 (including new logistics bases opened in FY12/25). Although losses booked for 1H were ¥1,143mn, improvement proceeds gradually on a quarterly basis. To be specific, losses amounted to ¥716mn in 1Q (including ¥574mn for locations opened in FY12/24 and ¥142mn for locations opened in FY12/25) and decreased to ¥427mn in 2Q (including ¥393mn for locations opened in FY12/24 and ¥34mn for locations opened in FY12/25). Going forward, the Company plans to shrink those losses by working to raise vehicle loading ratios, maximize warehouse floor area ratios, thoroughly optimize logistics charges, and reduce the use of temporary staffing.

(2) Elimination of vacant warehouse space

Vacant warehouse space increased to 84,297 m² at the end of FY12/24, roughly tripling from 27,438 m² at the end of FY12/23 and the ratio of vacant space (area ratio) increased from 0.93% to 2.38% because new logistics bases were successively opened and EC logistics lost some orders in FY12/24. Furthermore, a major customer canceled a contract in 2025, increasing vacant space by more than 19,835 m² at the Kawagoe Logistics Center. As a result, as of the end of June 2025, vacant space was 80,390 m², with only a slight decrease. However, since then, acquisition of new customers is progressing, and vacant space has been steadily decreasing. As of the end of FY12/25, however, it seems difficult to achieve vacant space of 11,901 m² and the ratio of vacant space of 0.34% in the initial plan. Nevertheless, in order to come close to the initial plan, the Company will not only focus on acquiring new customers, but also strengthen value propositions to existing customers. Logistics costs are on a sustained upward trend, and shippers are intensifying cost reduction efforts through measures such as warehouse consolidation. The Company appears to be affected by these factors.



Note: Six main companies' domestic sites only
Source: Prepared by FISCO from the Company's results briefing materials

Outlook

(3) Optimization of personnel composition and logistics charges

The Company is working to optimize the composition of on-site personnel to raise its flexibility to respond to logistics fluctuations and enhance its employees' abilities. Specifically, it is promoting stable on-site management and cost optimization by reducing the extent of temporary staffing and business outsourcing susceptible to variations in job performance and increasing the proportion of part-time and temporary workers directly employed. Among Group companies, SBS Logicom's percentage of direct hires has long been high, with the ratio of temporary staffing only around 10%. The Company intends to share SBS Logicom's personnel-related operational expertise with SBS Toshiba Logistics and SBS RICOH LOGISTICS SYSTEM to increase the direct employment ratio because both companies have a high ratio of temporary staffing. However, it takes a certain amount of time for newly hired personnel to become proficient. Accordingly, it will likely take some time before the effects of these efforts become quantitatively apparent. In addition, to address the issue of driver shortages, the Company plans to strengthen the hiring of foreign personnel in the future. In addition to hiring technical interns from Southeast Asia, it will also work on recruiting foreign residents.

As for measures to optimize logistics charges, the Company will continue to strengthen price negotiations with customers in 2025 as personnel expenses, raw material prices, energy costs, and so forth are expected to rise. In negotiating, it will work to gain customers' acceptance of price increases by working with them to reduce total costs by proposing things such as higher value-added services and productivity improvements through appropriate operational improvements in light of frontline conditions, load volume trends, and so on. The Revised Act for Tracking Business enacted in June 2025 will introduce a fair freight rate system by June 2028, providing momentum toward the optimization of logistics charges. Under the fair freight rate system, contracts that fall below the minimum freight rates, based on the "fair cost*" announced by the government, are in principle prohibited, and administrative penalties are imposed for violations. Under the current circumstances, unrestricted contracts lead to price competition regardless of cost, but with the introduction of this system, a minimum fee will be secured, making it easier for transport operators to ensure appropriate profits.

* The Government presents the appropriate cost, taking into account fuel costs, personnel expenses, depreciation, and other factors.

Aims to expand corporate value by optimizing capital structure and raising profit margins

4. Corporate value expansion initiatives and capital allocation

(1) Initiatives to expand corporate value

The Company is working to expand corporate value by advancing measures to raise ROE (=raise profitability) and the P/E ratio (=gain confidence from investors and shareholders).

The Company plans to raise ROE by improving profitability in the Logistics business, and continuing with property development and liquidation in the Property Management business as a stable revenue base. As for ROE, the Company aims to ensure a stable level of 12–14% in the future compared to 11.5% in FY12/24.

To raise the P/E ratio, it will implement measures that lead to higher expected growth rates and lower capital costs. The Company's P/E ratio has trailed the land transportation industry average these past few years, but it aims to raise it to the industry average level of about 15 times in the future. Further, it looks to raise its P/B ratio to the 1.2–2.0 times level in the future by advancing these initiatives.

Outlook

(2) Capital allocation

As for its thinking on capital allocation moving ahead, the Company's policy is to allocate capital based on three key points: strategically investing in the growth base and aiming to expand shareholder returns; accelerating the cycle of making and recouping investments through real estate portfolio reshuffling via capital efficiency-conscious investment; and actively using interest-bearing debt to maintain appropriate financial leverage.

Looking at the three years in total through 2025, the Company plans on cash inflows of ¥50.0bn–60.0bn from operating activities, ¥50.0bn–60.0bn from real estate liquidation, and ¥30.0bn–40.0bn from procurement of interest-bearing debt, and cash outflows of ¥90.0bn–110.0bn for strategic investment (including M&A), ¥30.0bn–40.0bn for LT/IT investment and facility updates, and ¥10.0bn–11.0bn for dividends. It aims to accelerate growth and maximize corporate value through proactive strategic investment and shareholder returns. Whether these goals will be attained hinges on whether earnings structure reform and growth strategies in the Logistics business proceed smoothly, so future developments will be closely watched.

Aims for net sales of ¥700.0bn or higher in FY12/30

5. FY12/30 targets and forecasts

The Company has begun formulating a new medium-term management plan that will start in FY12/26. With the concept of growth with profits, it will design a five-year plan ending in FY12/30. The Company will continue its strong-growth approach with its growth strategies including autonomous growth of the three mainstay businesses, which are 3PL, international logistics, and EC logistics, and discontinuous growth by M&A. The Company aims for consolidated net sales of ¥700.0bn or higher in FY12/30. At the same time, it will promote restructuring focused on income margin to increase operating income margin of the Logistics business from 2.2% in FY12/24 to 4.5% or higher. Although the Company plans to disclose specific target results in February 2026, it is anticipated that target consolidated operating income for FY12/30 is around ¥39.0bn* if the levels of target results are achieved.

* Based on the assumption that results in the Property Management business and the Others business remain flat compared with FY12/25 forecasts

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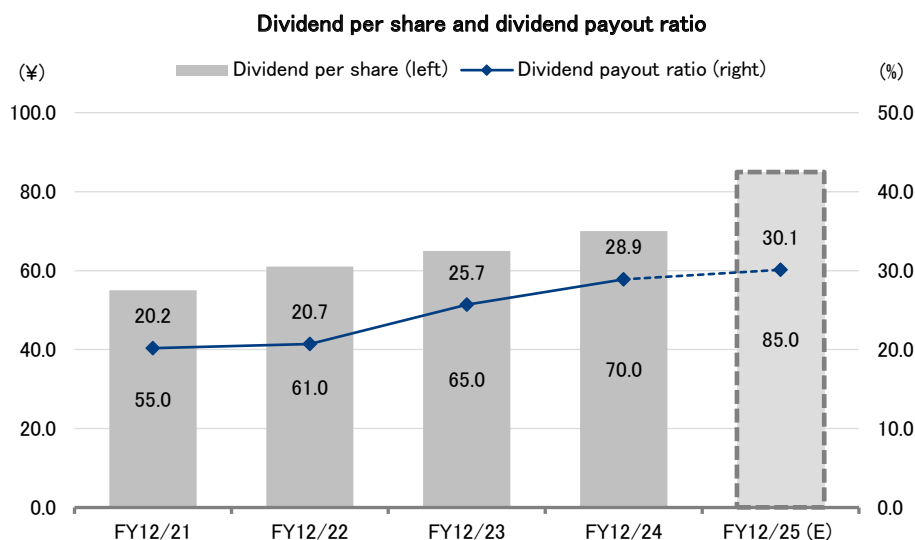
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Shareholder return policy

Aims for stable and continuous dividend payments with a consolidated payout ratio of 30% or higher

The Company has continued to increase dividends, with its basic policy for shareholder returns being to maintain continuous dividends and increase the level of dividends in line with operating results. Recently, the Company clearly revealed the plan to increase the dividend payout ratio to 30% or higher from FY12/25. Following the policy, in FY12/25, it plans to increase the dividend per share for the eighth straight fiscal year, lifting it ¥15.0 YoY to ¥85.0 (dividend payout ratio of 30.1%). If the dividend payout ratio exceeds 30%, the dividend is likely to increase further. The Company intends to continue to aim for steady and continuous dividend increases going forward.



Source: Prepared by FISCO from the Company's financial results

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