May 26, 2020

Notice Concerning Partial Acquisition of Shares of TOSHIBA LOGISTICS CORPORATION

At the Board of Directors Meeting held on May 26, 2020, SBS Holdings, Inc. has resolved to acquire a portion of the common stock of TOSHIBA LOGISTICS CORPORATION (hereinafter referred to as “TOSHIBA LOGISTICS”), a subsidiary of TOSHIBA CORPORATION (hereinafter referred to as “TOSHIBA”), and to make TOSHIBA LOGISTICS a consolidated subsidiary of our company (Shareholding ratio: 66.6%, hereinafter referred to as “the Share Acquisition”). Details are as follows.

The transaction is scheduled to be completed on October 1, 2020, subject to the approval of the relevant authorities.

1. Reason for the Share Acquisition

Our group provides logistics services that span the entire supply chain of our customers and provides one-stop solutions to all logistics-related issues with the combined strength of our group companies.

TOSHIBA LOGISTICS provides comprehensive logistics solutions, which is not simply limited to providing Toshiba Group companies and other customers with individual services in warehouse management, cargo handling or transportation, the typical scope of a third-party logistics (3PL) company. Its capabilities go further, and position it as a fourth-party logistics (4PL) company, able to handle comprehensive logistics functions, and to provide its customers with optimized logistics systems, plus comprehensive consultation and support in developing and executing logistics strategy.

Through the Share Acquisition, our group will acquire expertise in 4PL business of TOSHIBA LOGISTICS and further expand its service lineup, strengthen its international network, and establish a system to further support the logistics supply chain. With the addition of TOSHIBA LOGISTICS to our group, we will be one of the top 3PL companies in Japan.

Even after the Share Acquisition, all full-time directors of Toshiba Logistics will be retained and will maintain its business continuity. On the other hand, we will dispatch part-time directors to work on unification of the group and expansion of synergy.

2. Overview of the subsidiary to be acquired

(1)	Name	TOSHIBA LOGISTICS CORPORATION
(2)	Location	1-14, Nisshin-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan
(3)	Representative	Hiroaki Sato, President and Representative Director
(4)	Business Content	Warehouse management, consigned freight forwarding, machine and instrument installation, scaffolding work, earthworks, customs clearance, air transport agency, logistics consulting
(5)	Capital	2,128 million yen
(6)	Date of establishment	October 1, 1974
(7)	Major shareholders and share holding ratio	TOSHIBA CORPORATION: 100.0%

(8) Relationship with the Company	Capital relationship	None applicable
	Personal relationship	None applicable
	Business relationship	None applicable

(9) Operating results and financial position for the last three years (non-consolidated)

Fiscal year end	FY3/17	FY3/18	FY3/19
Net assets	4,405 million yen	7,367 million yen	5,122 million yen
Total assets	30,739 million yen	37,040 million yen	33,920 million yen
Consolidated net assets per share	1,034.89 yen	1,731.02 yen	1,203.55 yen
Net sales	87,085 million yen	85,525 million yen	89,372 million yen
Operating Income (loss)	1,515 million yen	1,364 million yen	1,735 million yen
Ordinary income (loss)	2,421 million yen	3,850 million yen	2,964 million yen
Net income (loss)	-38 million yen	4,512 million yen	2,085 million yen
Consolidated net income (loss) per share	-8.99 yen	1,060.05 yen	489.99 yen
Dividend per share	174.74 yen	378.00 yen	1,027.00 yen

With the Share Acquisition, 15 subsidiaries of TOSHIBA LOGISTICS will also become our group companies.

3. Outline of the counterparty to the Share Acquisition (As of March 31, 2019)

(1) Name	TOSHIBA CORPORATION	
(2) Location	1-1, Shibaura 1-chome, Minato-ku, Tokyo	
(3) Representative	Nobuaki Kurumatani, Representative Executive Officer, President and CEO	
(4) Business Content	Business operations through branch companies in the following areas: energy system solutions, infrastructure system solutions, building solutions, retail and printing solutions, device and storage solutions, and digital solutions.	
(5) Capital	200,044 million yen	
(6) Date of establishment	June 25, 1904	
(7) Net assets	1,699,045 million yen (consolidated)	
(8) Total assets	4,297,344 million yen (consolidated)	
(9) Major shareholders and share holding ratio	GOLDMAN, SACHS& CO. REG	10.11%
	SMP PARTNERS (CAYMAN) LIMITED AS TRUSTEE OF ECM MASTER FUND	5.91%
	GOLDMAN SACHS INTERNATIONAL	4.07%
	CHINOOK HOLDINGS LTD	3.92%
	KING STREET CAPITAL MASTER FUND, LTD	2.53%
	The Dai-ichi Life Insurance Company, Limited	2.13%
	Nippon Life Insurance Company	2.04%
	STATE STREET BANK WEST CLIENT – TREATY 505234	1.88%

	Toshiba Holding Association		1.86%
	KSS TRADING I LTD		1.77%
(10) Relationship with the Company	Capital relationship	None applicable	
	Personal relationship	None applicable	
	Business relationship	Our subsidiaries have business relationships with TOSHIBA CORPORATION and its subsidiaries, such as logistics services and product trading.	
	Related party relationship	None applicable	

(Note) The position of the representative is as of April 1, 2020.

4. Number of shares to acquire, acquisition price, and status of shares held before and after the acquisition

(1)	Number of shares held prior to the transaction	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.0%)
(2)	Number of shares to acquire	2,834,496 shares (Number of voting rights: 2,834,496)
(3)	Acquisition price	19,980 million yen (Note1,2)
(4)	Number of shares held after the transaction	2,834,496 shares (Number of voting rights: 2,834,496) (Percentage of voting rights held: 66.6%)

(Note 1) Acquisition price is calculated based on the financial data of the target company as of the end of September 2019. The final acquisition price is determined based on the financial figures at the time of completion of the acquisition and may be adjusted ex post.
(Note 2) The acquisition cost will be appropriated to bank loans.

5. Schedule

(1)	Resolution by Board of Directors	May 26, 2020
(2)	Date of contract	May 26, 2020
(3)	Date of acquisition of shares	October 1, 2020 (planned)

6. Future Outlook

Through the Share Acquisition, TOSHIBA LOGISTICS will become a consolidated subsidiary of our company. We are currently examining the impact of this share acquisition on our consolidated results for the current fiscal year and for the next fiscal year and beyond, and will announce it as soon as it is finalized.

7. Others

The Share Acquisition is subject to the expiration of the statutory waiting period for the notification pursuant to Article 10(2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade by us, and the Fair Trade Commission has not taken any measures or procedures to prevent the acquisition of Shares, such as cease and desist orders.