

January 27, 2023

NEWS RELEASE

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Notice of Revisions to Earnings Forecast

SG Holdings Co., Ltd. (the “Company”) hereby announces that, in the light of recent trends in earnings and other matters, the Company has revised the earnings forecast for the fiscal year ending March 31, 2023 disclosed on November 24, 2022, as detailed below.

Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2023

(1) Details of the revisions

	Operating revenue	Operating income	Ordinary income	Net income attributable to owners of the parent	Basic net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	1,600,000	142,000	143,000	130,000	204.64
Revised forecast (B)	1,450,000	134,000	137,000	126,000	199.15
Amount of change (B-A)	(150,000)	(8,000)	(6,000)	(4,000)	
Percentage change (%)	(9.4)	(5.6)	(4.2)	(3.1)	
Reference: Results for the fiscal year ended March 31, 2022	1,588,375	155,713	160,289	106,733	168.02

(2) Reasons for the revisions

Based on consolidated performance in the nine months ended December 31, 2022 and current conditions, operating revenue was revised downward by 150 billion yen from the previous forecast to 1.45 trillion yen, operating income was revised downward by 8 billion yen to 134 billion yen, ordinary income was revised downward by 6 billion yen to 137 billion yen and net income attributable to owners of the parent was revised downward by 4 billion yen to 126 billion yen.

The main reasons for the downward revision are that the full-year forecasts being revised based on third quarter results of the Logistics Business and the Delivery Business falling short of the previously announced forecast.

In international transportation in the Logistics Business, ocean and air cargo volume decreased significantly due to the impact of concerns about an economic recession against the backdrop of rising prices and monetary tightening during the third quarter, and the ongoing slump in cargo movement associated with inventory adjustments by cargo owners in the mainstay transportation to the United States. In addition, it has also been affected by the rapid drop in

ocean freight tariffs as supply chain disruption has been normalized. In the fourth quarter, we expect that cargo movement will be stagnant and ocean and air freight tariffs will remain flat or decline. The revision of full-year forecasts for operating revenue, operating income, ordinary income and net income attributable to owners of the parent reflects the status of the Logistics Business including international transportation.

In the Delivery Business, the number of packages handled in express package delivery services was steady in the first half of the third quarter due to such factors as the relaxation of restrictions on economic and social activity and the expansion of the e-commerce market, but cargo movement slowed in the second half of the quarter. Furthermore, the average unit price decreased due to the decline in handling of large packages despite continued efforts to obtain appropriate freight tariffs. The full-year forecast for operating revenues reflects such conditions in the Delivery Business. Note that earnings in the Delivery Business are expected to generally be in line with previously announced plans due to appropriate cost control linked to the volume handled and continued efforts to improve productivity.

- * The earnings forecasts contained in this document are calculated based on information available at the time of the publication of the document, and actual results may differ from these figures.