(Translation)

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (under Japanese GAAP)

April 30, 2020

Company name: SG Holdings Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 9143 URL: http://www.sg-hldgs.co.jp/
Representative: Hideo Araki, President and COO
Contact: Shunichi Nakajima, Director (Finance and Accounting)
Tel: +81-75-693-8850
Planned date of the annual general meeting of the shareholders: June 25, 2020
Planned start date for payment of dividends: June 5, 2020
Planned date of the submission of an annual securities report: June 26, 2020
Preparation of supplemental explanatory material for financial results: Yes
Holding of briefing for financial results: Yes
(for analysts and institutional investors)

(Note: Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results

(Percentage figures represent year-on-year changes)

| | Operating revenues | | Operating income | | Ordinary income | | Net income attributable to owners of the parent | |
|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended March 31, 2020 | 1,173,498 | 5.0 | 75,447 | 7.2 | 80,532 | 7.7 | 47,292 | 8.8 |
| Fiscal year ended March 31, 2019 | 1,118,094 | 7.0 | 70,359 | 12.2 | 74,766 | 15.3 | 43,465 | 20.7 |

(Note) Comprehensive income:
Fiscal year ended March 31, 2020 51,241 million yen (up 1.3%)
Fiscal year ended March 31, 2019 50,567 million yen (up 15.0%)

| | Basic net income per share | Diluted net income per share | Return on equity (ROE) | Ratio of ordinary income to total assets | Ratio of operating income to operating revenues |
|---|---|---|---|---|---|
| | Yen | Yen | % | % | % |
| Fiscal year ended March 31, 2020 | 148.90 | — | 12.8 | 10.5 | 6.4 |
| Fiscal year ended March 31, 2019 | 136.86 | — | 12.7 | 10.1 | 6.3 |

(Reference) Equity in earnings of associated companies:
Fiscal year ended March 31, 2020 4,165 million yen
Fiscal year ended March 31, 2019 3,638 million yen

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity ratio | Total equity per share |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2020 | 772,221 | 423,083 | 49.7 | 1,208.95 |
| As of March 31, 2019 | 762,807 | 389,427 | 46.6 | 1,119.99 |

(Reference) Equity (Total equity – non-controlling interests):

As of March 31, 2020 383,978 million yen

As of March 31, 2019 355,711 million yen

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of year |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended March 31, 2020 | 53,589 | (61,531) | (24,372) | 68,706 |
| Fiscal year ended March 31, 2019 | 86,758 | (66,267) | (27,523) | 101,705 |

2. Dividend Status

| | Dividend per share | | | | | Total dividends (Annual) | Dividend payout ratio (Consolidated) | Ratio of dividends to total equity (Consolidated) |
|---|---|---|---|---|---|---|---|---|
| | 1Q-end | 2Q-end | 3Q-end | 4Q-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2019 | — | 18.00 | — | 23.00 | 41.00 | 13,021 | 30.0 | 3.8 |
| Fiscal year ended March 31, 2020 | — | 22.00 | — | 22.00 | 44.00 | 13,974 | 29.5 | 3.8 |
| Fiscal year ending March 31, 2021 (Forecast) | — | 22.00 | — | 23.00 | 45.00 | | 29.5 | |

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Percentage figures represent year-on-year changes)

| | Operating revenues | | 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 |
| Half year | 587,000 | (0.1) | 34,500 | (7.2) | 35,500 | (8.8) | 21,000 | (4.3) | 66.12 |
| Full year | 1,200,000 | 2.3 | 78,500 | 4.0 | 82,500 | 2.4 | 48,500 | 2.6 | 152.70 |

(Note) The number of shares issued as of March 31, 2020 (excluding treasury stock) has been used as the average number of shares during the period, which serves as the basis for calculating basic net income per share.

* Notes

(1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None

| | |
|---|---|
| Newly added: | - companies |
| Excluded: | - companies |

(2) Changes in accounting policies, changes in accounting estimates, and restatements

| | |
|---|---|
| (i) Changes in accounting policies due to revisions to accounting standards: | None |
| (ii) Changes in accounting policies due to other reasons: | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatements: | None |

(3) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury stock)

| | |
|---|---|
| As of March 31, 2020 | 320,197,200 shares |
| As of March 31, 2019 | 320,197,200 shares |

(ii) Number of treasury stock at the end of the period

| | |
|---|---|
| As of March 31, 2020 | 2,584,939 shares |
| As of March 31, 2019 | 2,595,111 shares |

(iii) Average number of shares during the period

| | |
|---|---|
| Fiscal year ended March 31, 2020 | 317,608,902 shares |
| Fiscal year ended March 31, 2019 | 317,602,179 shares |

* This report is not subject to audits by certified public accountants or audit firms.

* Description concerning the appropriate use of earnings forecasts and other remarks

The descriptions concerning earnings forecasts included in this document are based on information currently available to the Company and the certain assumptions reasonably judged to be valid. Actual results may differ substantially from these forecasts due to a variety of factors. For the assumptions on which the earnings forecasts were based and the notes for use of the forecasts, please refer to "1. Overview of Operating Results, etc. (4) Future Outlook" in the Appendix.

- The Company plans to promptly publish supplemental explanatory material for consolidated financial results on its website following the financial results announcement.
- The Company plans to hold a telephone conference for analysts and institutional investors on May 8, 2020.