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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, 2021 disclosed on April 30, 2020, as detailed below.

Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2021

(1) Details of the revisions

(i) Revisions to the consolidated earnings forecast for the six months ending September 30, 2020 (April 1, 2020 to September 30, 2020)

	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
Previous forecast (A)	587,000	34,500	35,500	21,000	66.12
Revised forecast (B)	607,000	43,000	44,000	25,000	78.71
Amount of change (B-A)	20,000	8,500	8,500	4,000	
Percentage change (%)	3.4	24.6	23.9	19.0	
Reference: Results for the first six months ended September 30, 2019	587,709	37,196	38,920	21,945	69.10

(ii) Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2021

(April 1, 2020 to March 31, 2021)

	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
Previous forecast (A)	1,200,000	78,500	82,500	48,500	152.70
Revised forecast (B)	1,220,000	87,000	91,000	52,500	165.30
Amount of change (B-A)	20,000	8,500	8,500	4,000	
Percentage change (%)	1.7	10.8	10.3	8.2	
Reference: Results for the fiscal year ended March 31, 2020	1,173,498	75,447	80,532	47,292	148.90

(2) Reasons for the revisions

During the first six months of the fiscal year, the number of BtoB packages decreased due to decline in economic activities due to COVID-19. However, the number of BtoC packages increased due to stay-at-home demands, exceeding the decrease in BtoB packages. In addition, delivery efficiency increased due to productivity improvement measures, such as an increase in line-haul loading ratio, and the positive impact of increase in rates of recipients being at home. As a result, business performance was steady during the first six months of the current fiscal year.

From the second quarter onward, although the environment remains tense as COVID-19 continues to spread, the Company will continue infection prevention measures for the employees and flexibly respond to customers' changing demands.

Considering the results for the first six months of the fiscal year and the current situation, the Company has revised its earnings forecast. Regarding the consolidated earnings forecast for the six months ending September 30, 2020, the Company has increased operating revenue by 20 billion yen to 607 billion yen and operating income by 8.5 billion yen to 43 billion yen compared to the previous forecast. Regarding the consolidated earnings forecast for the fiscal year ending March 31, 2021, the Company has increased operating revenue by 20 billion yen to 1.22 trillion yen and operating income by 8.5 billion yen to 87 billion yen compared to the previous forecast, without changing the forecast for the second half of the fiscal year as the outlook is uncertain.

In addition, the full-year average unit price forecast has been revised to 643 yen from the previous forecast of 645 yen due to the increase in relatively compact BtoC packages, and the forecast for the number of packages handled has been revised to 1,332 million from the previous forecast of 1,308 million.

* 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.