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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, 2022 disclosed on April 30, 2021, as detailed below.

Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2022

(1) Details of the revisions

(i) Revisions to the consolidated earnings forecast for the six months ending September 30, 2021 (April 1, 2021 to September 30, 2021)

	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)	660,000	46,000	46,500	32,000	50.38
Revised forecast (B)	680,000	53,000	53,500	37,000	58.25
Amount of change (B-A)	20,000	7,000	7,000	5,000	
Percentage change (%)	3.0	15.2	15.1	15.6	
Reference: Results for the first six months ended September 30, 2020	634,846	52,494	52,777	37,293	58.71

(ii) Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

	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)	1,325,000	107,000	108,500	74,000	116.49
Revised forecast (B)	1,345,000	114,000	115,500	79,000	124.37
Amount of change (B-A)	20,000	7,000	7,000	5,000	
Percentage change (%)	1.5	6.5	6.5	6.8	
Reference: Results for the fiscal year ended March 31, 2021	1,312,085	101,726	103,666	74,342	117.03

(Note)The Company conducted a split of the shares of its common stock on a 2-for-1 basis effective November 1, 2020. Basic net income per share was calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

(2) Reasons for the revisions

The results forecast announced at the beginning of the fiscal year was calculated based on the same number of packages handled and sales mix assumptions as the results of the previous fiscal year, due to the difficulty of foreseeing the impact of COVID-19 on trends in the number of packages to be handled by the Group. Furthermore, the surge in air and ocean freight charges caused by the global shortage of containers due to COVID-19 has continued since the end of the previous fiscal year. The Company also assumed that this situation will continue during the first half of the fiscal year while the timeline for the business environment to return to normal remains unclear.

Although the impact of COVID-19 on the overall economic activity such as the declaration of the state of emergency continued in the three months ended June 30, 2021, there was an increase in the number of BtoB packages handled due to aggressive sales activities and continued demand for BtoC express package delivery services associated with the growth of the e-commerce market. In the Logistics Business, in addition to the rise in air and ocean freight charges, freight forwarding volume increased due to factors such as acquiring new customers. As a result, business performance was steady during the first three months of the current fiscal year.

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

Considering the results for the first three 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, 2021, the Company has increased operating revenue by 20 billion yen to 680 billion yen and operating income by 7 billion yen to 53 billion yen compared to the previous forecast. The Company's consolidated earnings forecast for the fiscal year ending March 31, 2022 is for operating revenue to increase by 20 billion yen to 1.345 trillion yen and operating income to increase by 7.0 billion yen to 114 billion yen compared to the previous forecast.

* 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.