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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, 2025 disclosed on November 8, 2024, as detailed below.

Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2025

(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)	1,470,000	90,000	91,000	60,000	95.93
Revised forecast (B)	1,478,000	87,000	88,000	56,000	89.53
Amount of change (B-A)	8,000	(3,000)	(3,000)	(4,000)	
Percentage of change (%)	0.5	(3.3)	(3.3)	(6.7)	
Reference: Results for the fiscal year ended March 31, 2024	1,316,940	89,204	90,850	58,279	92.98

(2) Reasons for the revisions

The full-year forecasts were revised due to the expectation that the results of the Delivery Business for the second six months of the fiscal year (October 1, 2024 to March 31, 2025) would fall short of assumptions, and that the results of the Logistics Business would exceed assumptions.

In the Delivery Business, the average unit price is progressing as expected due to factors such as a revision of reported fares in April 2024 and efforts to receive appropriate freight tariffs in each transaction. Meanwhile, with the positive trend in real wages not yet firmly established, it also seems that consumer sentiment is stalling. Additionally, with the expansion of in-house delivery networks by some major e-commerce companies, the competitive

environment remains harsh. As a result, the total number of packages for the full year is expected to land at 1.31 billion, falling short of the forecast of 1.32 billion. Furthermore, in terms of expenses, we are controlling costs in line with the number of packages, but we also believe that securing resources is necessary for the sustainable and stable provision of services. Based on this rationale, we have factored in additional costs to ensure that we can maintain a certain level of wages for employees. In light of factors such as this business environment, we have revised our earnings forecast for the Delivery Business downward.

In the Logistics Business, ocean and air freight rates were steady due to factors such as disruptions in ocean transportation caused by the avoidance of passage through the Red Sea and fluctuations in market prices caused by the associated shift to air transportation, in addition to progression of pricing negotiations with customers. Furthermore, the upward revision was made in light of the fact that the volume of ocean cargo is progressing better than expected due to factors such as the impact of geopolitical risks and the acquisition of new customers. No changes have been made to the Real Estate Business and Other Businesses from the earnings forecast announced on November 8, 2024.

Based on the above, the full-year forecasts for operating revenue, operating income, ordinary income and net income attributable to owners of the parent have been revised. There will be no revision to the dividend forecast due to the revision to the earnings forecast.

(Reference) Full-year earnings forecast by segment for the fiscal year ending March 31, 2025

	Previous forecast	Revised forecast	Amount of change	Percentage of change (%)
	Millions of yen	Millions of yen	Millions of yen	%
Total operating revenue	1,470,000	1,478,000	8,000	0.5
Delivery Business	1,024,000	1,020,000	(4,000)	(0.4)
Logistics Business	370,000	382,000	12,000	3.2
Real Estate Business	24,000	24,000	-	-
Other Businesses	52,000	52,000	-	-
Total operating income	90,000	87,000	(3,000)	(3.3)
Delivery Business	74,000	69,000	(5,000)	(6.8)
Logistics Business	5,000	7,000	2,000	40.0
Real Estate Business	10,000	10,000	-	-
Other Businesses	2,000	2,000	-	-
Adjustments	(1,000)	(1,000)	-	-

* 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.