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NEWS RELEASE

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Notices regarding application for tender offer and (expected) recording of extraordinary income

SG Holdings Co., Ltd. (the “Company”) hereby announces its decision to apply to the tender offering launched by HTSK Co., Ltd (the “Offering”) of all shares of Hitachi Transport System, Ltd. (“Hitachi Transport System”) that the Company owns. Due to this application, we expect to record extraordinary gain on the sale of investment securities in the non-consolidated and consolidated performance. Details are below.

1. Reasons for application

After examining the details of this Offering, we decided to apply in light of the fact that the terms and conditions can be judged to be appropriate, and that the Board of Directors of Hitachi Transport System has expressed its consent and recommends that the shareholders of Hitachi Transport System apply for the Offering.

2. Number of shares owned applying for this offering

All 5,110,600 shares of the Hitachi Transports System’s shares (approx. 6.1% of total shares issued, excluding treasury stocks) held by the Company.

3. Expected tender offering price

8,913 yen per common share

4. Schedule for the offering

Period: From October 28, 2022 until November 29, 2022

Commencement date of settlement.: December 6, 2022

5. Impact on performance

If the Offering is completed and all the shares of Hitachi Transport System held are transferred,

approximately 31.6 billion yen on the sale of investment securities as an extraordinary gain is expected to be recorded in the non-consolidated and consolidated performance for the third quarter of the fiscal year ending March 2023. For details, please refer to the “Notice of Revisions to Earnings Forecast” disclosed on November 24, 2022.

The capitals recovered from this transaction will be used for growth investments based on the basic policy of medium-term management plan, “SGH Story 2024, Creation of next generation competitive advantages to realize sustainable growth” and shareholder returns. Particularly, with regard to growth investment, we will invest in expanding our express package delivery network and developing global business, including the enhancement of international transportation functions, in order to achieve sustainable growth and increase corporate value. For shareholder returns, the Group will consider agile and flexible additional returns, although the extraordinary profits associated with this matter will be excluded from the normal approach of dividend resources.

6. Future alliances

On March 30, 2016, the Company and Sagawa Express Co., Ltd. (“Sagawa Express”) entered into a capital and business alliance agreement with Hitachi Transport System. Even after the completion of this Offering and transference of all our Hitachi Transport System shares, we will continue the business alliance under this agreement. Going forward, we will continue to promote collaboration with the aim of increasing the added value of the services provided by both companies by mutually utilizing the logistics functions of both Sagawa Express and Hitachi Transport System, etc.