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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, 2024 disclosed on April 28, 2023, as detailed below.

Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2024

(1) Details of the revisions

(i) Revisions to the consolidated earnings forecast for the six months ending September 30, 2023 (April 1, 2023 to September 30, 2023)

	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)	667,000	43,000	43,000	28,500	45.22
Revised forecast (B)	667,000	38,500	38,500	25,500	40.58
Amount of change (B-A)	0	(4,500)	(4,500)	(3,000)	
Percentage change (%)	0.0	(10.5)	(10.5)	(10.5)	
Reference: Results for the six months ended September 30, 2022	751,312	64,144	66,544	51,944	81.77

(ii) Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	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)	1,380,000	105,500	106,500	71,500	113.45
Revised forecast (B)	1,380,000	100,000	101,000	68,000	108.22
Amount of change (B-A)	0	(5,500)	(5,500)	(3,500)	
Percentage change (%)	0.0	(5.2)	(5.2)	(4.9)	
Reference: Results for the fiscal year ended March 31, 2023	1,434,609	135,275	137,941	126,511	199.56

(2) Reasons for the revisions

As a result of revising the consolidated forecasts for the fiscal year ending March 31, 2024 based on consolidated performance in the three months ended June 30, 2023 and current conditions, in the forecasts for the six months ending September 30, 2023, operating income was revised downward by 4.5 billion yen to 38.5 billion yen, ordinary income was revised downward by 4.5 billion yen to 38.5 billion yen and net income attributable to owners of the parent was revised downward by 3.0 billion yen to 25.5 billion yen. In the forecasts for the fiscal year ending March 31, 2024, operating income was revised downward by 5.5 billion yen to 100 billion yen, ordinary income was revised downward by 5.5 billion yen to 101 billion yen and net income attributable to owners of the parent was revised downward by 3.5 billion yen to 68 billion yen. The main reasons for the downward revision are that the full-year forecasts were revised based on first quarter results of the Logistics Business falling short of the previously announced forecast.

The international transportation business in the Logistics Business has been more affected by the falling ocean and air freight tariffs than expected amid limited recovery of ocean and air freight demand due to concerns about an economic recession against the monetary tightening worldwide and sluggish consumer sentiment in the United States. Based on such conditions, the forecasts for the six months ending September 30, 2023 and the fiscal year ending March 31, 2024 for operating income, ordinary income and net income attributable to owners of the parent concerning the Logistics Business including international transportation have been revised.

The forecasts for the Delivery Business, the Real Estate Business, Other Businesses, etc. have not been revised.

* 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.