

July 1, 2022

NEWS RELEASE

Company name: SG Holdings Co., Ltd
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Notice Regarding Execution of Sale of a Portion of Shares in Hitachi Transport System, Ltd.

SG Holdings Co., Ltd. (the “Company”) hereby announces that it sold shares of Hitachi Transport System, Ltd. (“Hitachi Transport System”) that the Company owns. As for the impact of this on the business performance, please refer to “Notice of Revisions to Earnings Forecast” disclosed on July 1, 2022.

1. Reasons for sale

SG Holdings Group partially hold shares of business partners (cross-shareholdings) that are deemed necessary and reasonable for the purpose of holding, such as maintaining and developing mid-to-long term business relationships and creating synergies and Hitachi Transport System’s shares meet these criteria. In accordance with the Corporate Governance Code, the Company regularly examines the purpose of cross-shareholdings, the status of synergies, and returns on the cost of capital in order to verify continued shareholdings and appropriate holding levels.

Although we reduced our ownership ratio twice in the past in September 2020 and April 2021 for Hitachi Transport System shares, we have continuously examined the validity of the level of the ownership ratio.

Based on the results of these deliberations, the market's growing interest in cross-shareholdings in recent years, and the standards of proxy advisory firms, we have sold Hitachi Transport System’s shares partially in order to further improve corporate governance and capital efficiency.

2. Details of Transaction

The company sold 2,000,000 shares of the Hitachi Transports System’s shares (2.4% of total shares issued, excluding treasury stocks) that the Company owns in off-floor trading.

3. Impact on the business performance

As for the impact on net income attributable to owners of the parent for the year ending March 31, 2023 is expected to be 8 billion yen. Please refer to “Notice of Revisions to Earnings Forecast” disclosed on July 1, 2022 for more detail.

4. Future Alliance

Both companies will continue the alliance and make greater efforts to promote collaboration such as cooperation in the area of sales activities, joint use of infrastructure by sharing locations/vehicles, with the aim of creating synergies in business activities and achieving business growth for both companies

5. Schedule

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| (1) | Date of Board of Directors' approval | June 28, 2022 |
| (2) | Date of sales execution of Hitachi Transport System shares | July 1, 2022 |